





SCREEN

Annual Report 2023

Year ended March 31, 2023

SCREEN Group
Annual Report
(Integrated Report)

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- The following abbreviations are sometimes used for business segments or company names when they are mentioned in this report:
 HD = SCREEN Holdings Co., Ltd.
 SPE = Semiconductor production equipment business or SCREEN Semiconductor Solutions Co., Ltd.
 GA = Graphic arts equipment business or SCREEN Graphic Solutions Co., Ltd.
 FT = Display production equipment and coater business or SCREEN Finetech Solutions Co., Ltd.
 PE = PCB-related equipment business or SCREEN PE Solutions Co., Ltd.
 The names or abbreviations of the business segments are those used as of March 31, 2023.
- Holding, business operating, and functional support company refer to the following seven companies.
 Holding company: SCREEN Holdings Co., Ltd.
 Business operating companies: SCREEN Semiconductor Solutions Co., Ltd. / SCREEN Graphic Solutions Co., Ltd. / SCREEN Finetech Solutions Co., Ltd. / SCREEN PE Solutions Co., Ltd. / SCREEN Advanced System Solutions Co., Ltd.
 Functional support company: SCREEN IP Solutions Co., Ltd.
- All years shown are for the accounting year ending March 31 of the year shown. For example, "fiscal year ended March 31, 2023" or "FY2023" means the period from April 1, 2022 to March 31, 2023.

About This Report

Editorial Policy

Since 2010, our Annual Reports have integrated financial and non-financial information for the purpose of more comprehensively reporting our corporate activities from a medium- to long-term perspective. We place the utmost importance on this report as a tool for creating dialogue with our shareholders, investors and all other stakeholders.

This year, our theme, "We have the power to change the world," remains unchanged from the previous year, and a special emphasis is being placed on creating coherence and narrative relevance with the specialized value creation process and material issues. In the run up to the 80th anniversary of the Company's incorporating, starting with the Group's redefined corporate philosophy (purpose) for further sustainable growth, the report explains the outline of our Management Grand Design. It then details the Group's activities with a focus on where the Group should be in the next 10 years from the perspective of the material issues of "providing new value to society and people," "promoting the reduction of environmental impact," "encouraging personal growth of each employee," and "enhancing business foundations continuously."

In compiling this report, we referred to the "International Integrated Reporting Framework" created by the IFRS Foundation and the "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation" (Guidance for Collaborative Value Creation) from the Japanese Ministry of Economy, Trade and Industry (METI).

In addition, the GRI Standards for international sustainability reporting are referred to in relation to the disclosure of non-financial information. Finally, the Financial Section of the Annual Report 2023, Fact Book for detailed financial information and Sustainability Data Book for detailed non-financial information plus, as an index of disclosure items, the GRI Content Index are also available on our website.



Management Involvement in Creating This Report

The following is a summary of management involvement in creating this report.

- CEO Toshio Hiroe and CFO Yoichi Kondo held frequent meetings to discuss the planning, composition, content and design of this report and they also assumed responsibility for checking and finalizing all included information. In addition, we interviewed Chairman Eiji Kakiuchi, mainly regarding corporate governance, consulted him on relevant information and also confirmed all details related to directors and auditors with the relevant individuals.
- Regarding outside directors, interviews were conducted with Makoto Yoda, Hidemi Takasu and Hiroko Okudaira. In addition, a message from Seiji Narahara is included.
- For the sections covering each business, interviews were conducted with the president of the relevant business operating company.
- We have reported the publication of this report to the Board of Directors.

Publication

September 2023 (previous version published in September 2022, issued once a year)

Reporting Period

Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)

Note: Some of the information in this report is relevant for the fiscal year ended March 2022 and the fiscal year ending March 2024.

Scope of Coverage

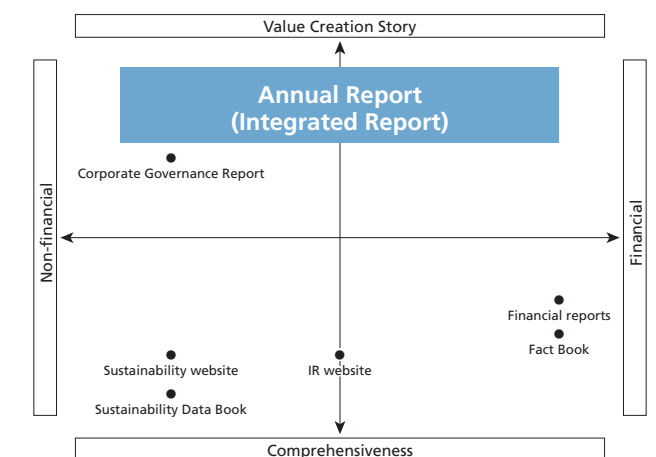
This report covers SCREEN Holdings Co., Ltd. (holding company) and its consolidated companies (as of March 31, 2023).

Note: Data that does not relate to these companies is presented in the form of footnotes.

Disclaimer

- The plans, strategies and statements related to the outlook for future results in this document are in accordance with assumptions and beliefs determined by management based on currently available information. However, it should be noted that there is a possibility that actual results could differ significantly due to such factors as social and economic conditions.
- All amounts shown in billions and millions of yen are truncated. (Amounts shown in millions of yen for years prior to the fiscal year ended March 31, 2022 are rounded to the nearest million.)

Position of This Report



We have the power to change the world

We, SCREEN Group is working to solve a number of issues facing society. Using our combined strengths, based on our core technologies, we create solutions that offer the world new value.

Core Technologies

Surface processing	Modifying surfaces using coating, cleaning and etching material application devices
Direct imaging	Directly forming patterns and images on substrates using lithographic and inkjet devices
Image processing	Retouching, verifying and converting image data

Corporate Philosophy

Purpose

Innovation for a Sustainable World

Sharing the Future	Building a better future for society with commitment and integrity
Personal Development	Realizing everyone's full potential through trust and teamwork
The Pursuit of Technological Excellence	Exploring technologies while integrating with innovative collaboration

Founder's Motto


Shi Ko Ten Kai Broadening everyone's thoughts and horizons for innovation

Management System

Management Grand Design	Future ten-year vision for enhancing SCREEN Value
Medium-term Management Plan	Three-year business plan based on the Management Grand Design
Annual Management Plan	Fiscal-year business plan for achieving the Medium-term Management Plan

CSR Charter / Code of Conduct

Principles of action and standards that all Group employees should comply with

 [CSR Charter / Code of Conduct](#)



Vision and Strategies

History of the SCREEN Group

Based on the founder's motto of "Shi Ko Ten Kai" (broadening everyone's thoughts and horizons for innovation), we began manufacturing glass screens for photoengraving, and subsequently grew by applying our core technologies to other sectors. This year we will celebrate 80 years since our incorporation, 155 years since our founding.

Drawing on the comprehensive strengths based on core technologies the Group has amassed over this long history, we will continue creating shared values, providing solutions to issues facing the world.

Trajectory of value creation

1930s-

Origin of our core technologies

We succeeded in producing glass screens*1 in Japan, helping advance the country's lagging printing prepress technologies. Subsequently, we developed a process camera, then securing our position as a general manufacturer of graphic arts equipment.

*1 Parts that are indispensable to the reproduction of darkness and lightness of colors in printed materials.

1950s-

Spun off from the original business

We applied glass screen manufacturing technologies (etching technologies) to produce metal meshes*2 in Japan. These technologies were introduced to the production of aperture grills and shadow masks for use in CRT TVs, supporting the development of color TVs.

*2 Parts used in TV cameras

1960s-

Pursued technological innovation and improvement

We developed Japan's first color scanner in line with the digitalization of prepress operations and the rapid adoption of color and offset printers. In the 1970s, we released the best-selling Scanagraph SG-701, helping to increase the quality of color prepress operations and reduce their associated workload.

1970s-

Birth of the semiconductor production equipment business

With the rise in demand for semiconductors, we expanded our etching technology, one of our core surface processing technologies,*3 and developed the EMW-322 wafer etching machine. We automated our semiconductor manufacturing etching process, entering a new market.

*3 For details, please see Strength of the SCREEN Group (p. 32).

Semiconductor cleaning equipment developed leveraging display manufacturing equipment know-how

We developed the carrier-type surface processing equipment for the rapidly growing LCD market. This product garnered the attention of U.S. semiconductor manufacturers, leading us to develop our automatic wet station for wafers.

1990s-

Secured a position leading innovation in the semiconductor industry during the transition to 300 mm wafers

300 mm wafers became the international standard, and mass production of semiconductor production equipment was needed. SCREEN spearheaded this development and commercialized the FC-3000 cleaning equipment for 300 mm wafers. In 2001, we won bulk orders for mass production lines from major U.S. manufacturers and established the global standard for cleaning.

2000s-

Aimed to achieve the top global ranking

To meet market needs for more advanced cleaning equipment, in 2003, we launched the SU-3000 single wafer cleaning equipment, which enables thorough cleaning. Since then, the SU series has become one of SCREEN's mainstay products, boasting the top share worldwide.

2010s-

Growth of existing businesses and expansion into new fields

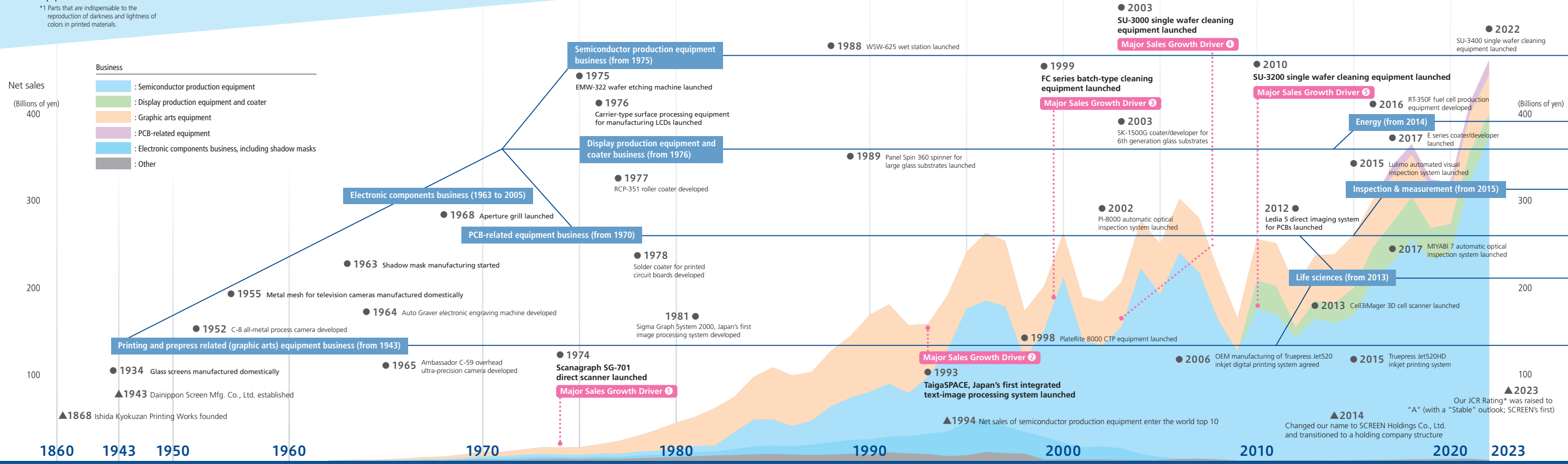
In the era of the rapid adoption of smartphones, the PCB-related equipment business developed out of printing prepress technology to meet the demand for the higher concentration and miniaturization of PCBs, through the launch of Ledia 5. We also leveraged our core technologies to enter new fields such as life sciences, energy and inspection & measurement.

2023

Innovation for a Sustainable World

Under the redefined corporate philosophy, we aim to realize a prosperous and sustainable society by supporting the technological revolution of the industry and creating solutions that help solve social issues.

p. 13



Economy

- First oil crisis
- Period of historic high interest rates
- Bursting of Japan's economic bubble
- Japanese economic slump and semiconductor downturn
- IT downturn
- Global financial crisis

Society and Technology

- End of World War II
- Start of black and white television broadcasting
- Start of color television broadcasting
- Beginning of electrification of household products
- Tokyo Olympics
- Expo '70 world's fair
- Great Hanshin-Awaji Earthquake
- Great East Japan Earthquake
- Adoption of Paris Agreement at COP 21
- Global semiconductor shortage
- Expansion of DTP
- Widespread adoption of PCs and Internet
- Expansion of smartphone and tablet market
- Rapid growth of large and flat screen television market

Trends in net sales are based on our results since FY1963 and are presented according to our business classifications at that time (SCREEN was listed in May 1962; results are consolidated from FY1991). Additionally, notations in the above graph are presented using fiscal years for sales trends and calendar years for events. For example, net sales for FY2023 (year ended March 2023) are shown chronologically in the period for calendar 2022.

* Long-term issuer rating by the Japan Credit Rating Agency, Ltd. (JCR)

Message from the CEO



Toshio Hiroe

Representative Director
 President
 Member of the Board
 Chief Executive Officer (CEO)

Be a Solution Creator: Becoming what the world needs, together with our partners

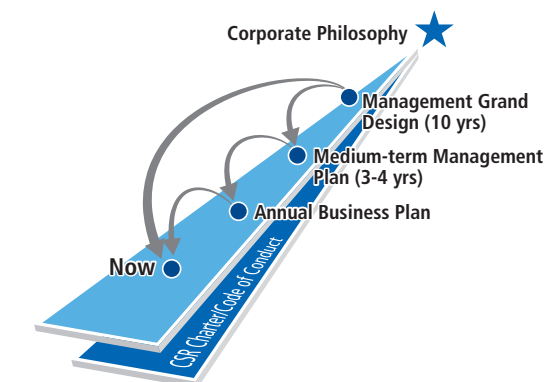
Q1. What do you consider the central points of this year's Annual Report?

In October 2023, SCREEN Holdings, Co., Ltd. (hereinafter referred to as "SCREEN HD" or "HD"), will celebrate the 80th anniversary of its incorporation as Dainippon Screen Mfg. Co., Ltd. (changed to SCREEN Holdings in 2014), and the 155th anniversary of its foundation as Ishida Kyokuzan Printing Works. Facing an important milestone, the SCREEN Group redefined its corporate philosophy in April 2023. As part of this, we defined our corporate purpose as "Innovation for a Sustainable World," which encapsulates both the corporate philosophy and Founder's Motto we have embraced until now. We also revised our 10-year vision, Management Grand Design, and formulated the policies and strategies we will employ to raise our corporate value.

SCREEN was established as a printing-related business in 1943, and we grew into what we are today by using the profits generated from this business to enter the electronic equipment industry, where we developed production equipment for the semiconductor, display and PCB industries. I see this history as the very embodiment of our Founder's Motto of "Shi Ko Ten Kai," the concept of "broadening everyone's thoughts and horizons for innovation." I believe that our long-term value creation cycle is driven by our ability to build on our past achievements and enhance our existing businesses while at the same time creating new business domains and planning for the growth that will lead us to the future.

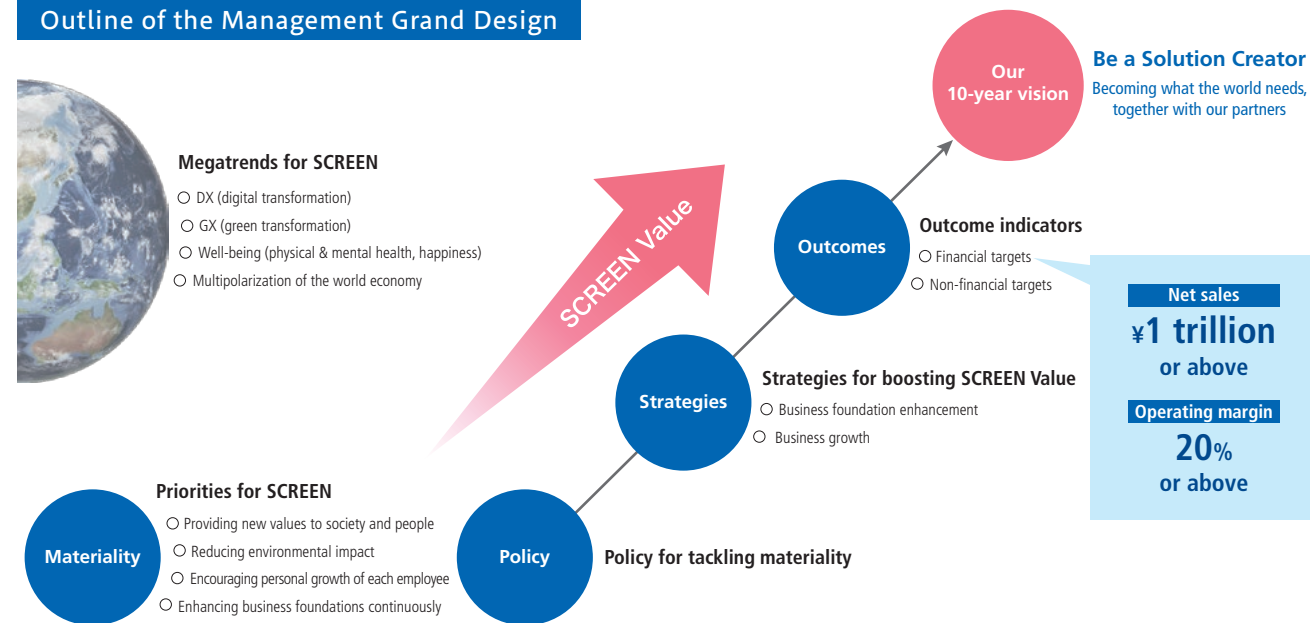
We first formulated our Management Grand Design in 2014 to help us determine our 10-year vision and the growth strategy to realize this goal, and since then, we have worked backwards from this 10-year vision to develop our medium-term management plans. In the past, we did not publicly disclose our Management Grand Design, which we instead retained as an internal target, and only made our medium-term management plan public. This time, in response to requests from our investors, we re-identified the megatrends that SCREEN is focused on and the priority issues (materiality) we must address, and defined our Management Grand Design as the strategies for enhancing our business foundations and achieving business growth based on our 10-year vision and target outcomes.

Our Milestones Based on the Management Grand Design



Vision and Strategies

Outline of the Management Grand Design



In this Annual Report, we present a picture of our past, our present and our strategies for the future. After giving an overview of our history and past achievements, we introduce our present business portfolio and the ESG (environmental, social and governance) issues we currently face so that readers may have a better understanding of our growth strategies for the future. We have included a more detailed discussion of our portfolio management (innovation management and business portfolio management), clarified the materiality behind our 10-year vision

to “Be a Solution Creator,” and focused on disclosing other relevant information. We want this Annual Report to clearly tell the story of where SCREEN is now, and where our future growth potential lies.

Note: For more information, refer to “History of the SCREEN Group” on page 5, “Corporate Philosophy and Creating Shared Value (CSV) through Our Business” on page 13, “SCREEN Value” on page 23, and “Portfolio Management” on page 31.

Management Focused on Corporate and Social Responsibility

Q2. Can you tell us about SCREEN’s newly defined corporate purpose?

I have always believed that corporations have a role to play as members of society. At SCREEN, we aspire to be a corporation which supports client innovation by providing industries which support social infrastructure with manufacturing equipment and products that generate solutions. The semiconductor and electronics industry is a world where we see especially rapid changes in technology, and by providing solutions which support this technological innovation, the SCREEN Group hopes to contribute to the resolution of many social issues, helping to make the lives of people everywhere richer and more sustainable.

We live in an unpredictable VUCA age, where new

challenges are continually emerging. We are seeing rapid changes in our industrial structure, and environmental concerns are prompting an accelerating shift in energy policies. In addition, while developed countries are experiencing a decrease in their working age population while simultaneously grappling with aging populations and declining birthrates, the continuing growth of the global population is leading to increasingly dire shortages in water, food and energy. SCREEN must drive innovations and create solutions which contribute to the resolution of many issues confronting our society. In order for us to realize these goals while achieving further growth, we decided that it was necessary for

SCREEN to revisit the essential question of why our corporation exists, and articulate a corporate purpose which can be embraced and supported by those both inside and outside our corporation, which led us to reformulate our corporate philosophy in a way that centers around our corporate purpose.

At SCREEN, our strong dedication to providing solutions to social issues has been underpinned by our three corporate philosophy tenets of “Sharing the Future,” “Personal Development” and the “Pursuit of Technological Excellence,” in conjunction with our Founder’s Motto of “Shi Ko Ten Kai,” which embodies the ideal of broadening everyone’s thoughts and horizons for innovation. However, we found that there were differing opinions among SCREEN Group employees when it came to our corporate purpose, which made it difficult to align our efforts on certain issues. By integrating the spirit of our corporate philosophy into our purpose, which we have newly defined as “Innovation for a Sustainable World,” we have created a foundation upon which SCREEN Group employees can align their efforts. Innovation is driven by connecting people and technologies, which are

our important intangible assets and have served a source of our strengths over generations. By driving innovation through this connection, we are committed to developing solutions that address various issues facing society, and thereby pave a path for a better, sustainable future. For this, we also need to connect our past and present strengths with the future needs.

We believe that reinvesting the cash generated through our businesses while continuing to provide solutions which make a positive impact to society will be what enables us to achieve a continued improvement of our corporate value. Our redefined Management Grand Design 10-year vision, “Be a solution creator: Becoming what the world needs, together with our partners,” offers a concrete image of how we hope to achieve our corporate purpose.

Note: For more information, refer to “Corporate Philosophy and Creating Shared Value (CSV) through Our Business” on page 13 and “Megatrends/Materiality” on page 25.

Q3. What are your thoughts on management in the post-COVID-19 era?

Existing Businesses / New Businesses

For the foreseeable future, we expect our semiconductor production equipment (SPE) business to be our profit pillar. Our new S³-4 factory, which began operation at our Hikone Plant in January of this year, and our S³-5 factory, which is scheduled for completion in January 2024, will support the further expansion of this business, and we have also entered into joint development agreements in America and Europe with IBM and imec. On the other hand, from a longer-term perspective, we anticipate that new business areas in the fields of energy and life science will become an increasingly important part of our business. We believe that growing our existing businesses while also turning our attention to future business areas will be the key to sustainable business growth.

While SPE has grown into our mainstay business, when I joined this company 40 years ago, it was still just a small business operation. Just as we transformed this into a major business generating more than JPY 400 billion in annual sales, we must also invest in and cultivate new areas which may drive our growth in the future. Since entering the semiconductor industry in 1975, we have still not succeeded in creating another business operation which has become a new pillar of our earnings. This lack of new business creation stems from our failure to adequately identify strategic areas and our inability to consistently obtain capital for reinvestment from our existing businesses. This realization awoke us to the necessity of instilling a new management mindset – one

which places value on efficiency in addition to profitability – in our current medium-term management plan (Value Up 2023), and to help us achieve this, we have introduced ROIC management and worked to improve cash flow.

Additionally, in order to promote the growth of our business operating companies, we are working to improve inefficient product operations by scrutinizing and refreshing the product portfolios of each of our businesses, and we have already begun to see results. We also established the HD Corporate Marketing Department to improve our ability to identify strategic areas, and this has gradually helped to get our innovation management on track. To prepare the ground for our next medium-term plan, we will reset our *Gemba KPIs* (working-level KPIs) to correspond to more specific ROIC goals, while refining the measures we take to continuously enhance our profitability and efficiency. By establishing an innovation management cycle which reinvests the cash generated through these efforts into optimal targets, we will work to achieve further growth.

Until now, SCREEN has applied its core technologies in the fields of surface processing, direct imaging and image processing to bring about innovations which we have transformed into the solutions our clients require, and this has contributed to industry development and spurred our own growth. Under our current medium-term plan, we are continuing to invest in and cultivate new businesses in the fields of energy and life science. In the

Vision and Strategies

field of energy, we are working towards decarbonization and a switch to hydrogen by embarking on the joint development of water electrolysis technologies for green hydrogen production, in addition to commencing the mass production of MEAs (membrane electrode assemblies), a component of fuel cells which produce electricity from green hydrogen. In the field of life science, we are advancing into the medical field by launching a joint research project with Kyoto University which targets the development of personalized cancer therapies and aims to finalize

The SCREEN Approach to Creating Shared Value

To thrive in the VUCA age, we must maintain our own unique advantages while at the same time pursuing collaborations with stakeholders that allow us to create value together. For example, in the field of technological development, it is necessary for us to partner with clients, companies and research institutions around the world – and for this, it is important that the SCREEN Group is an entity that other parties desire to partner with. Today, as the value of time continues to rise, collaborations which do not have the potential to produce mutual value are nothing more than a waste of time.

Rather than centralizing our decision-making process in one place, I believe that these times call for a more decentralized type of management that allows our organization as a whole to act decisively while making quick decisions. It is our Group employees embodying our core values who will be key to making

a treatment efficacy prediction system, and we have also acquired shares in the medical device startup Adriakaim. We believe strongly in the long-term cultivation of businesses capable of providing solutions to social issues.

Note: For more information, refer to "Progress of the Final-year Targets of the "Value Up 2023" Plan" on page 27, "Portfolio Management" on page 31, and "Innovation Management" on page 47.

this possible, and it is vital that they proactively take on new challenges and learn from them. Those of us at the management level must recognize the importance of human asset, and work to instill a shared corporate philosophy that allows individual employees to respond to the changing times from a managerial point of view and take appropriate action. Ultimately, it is important that each of our employees have a strong sense of commitment to finding solutions to social issues, and by consistently taking action with an eye on the future, the SCREEN Group will earn the trust and appreciation of our clients and all our other stakeholders as a "solution creator" capable of creating new values. I believe that investing in this kind of forward-looking human resource development will be the most critical issue in establishing a sustainable management foundation.

Q4. What elements give SCREEN a competitive advantage?

I believe that the source of value creation at SCREEN lies in our portfolio management (innovation management and business portfolio management).

In our business portfolio management, we have introduced an evaluation matrix based on net sales growth rate and ROIC as a way of assessing our current portfolio position and visualizing our future path towards corporate value enhancement. Additionally, through the introduction of ROIC management, we have perpetuated a virtuous cycle of reinvesting cash generated from our existing businesses towards the further growth of these existing businesses and the creation of new businesses. This makes it possible to make our strong businesses even stronger while also visualizing the process of reinvesting in new businesses and getting them off the ground. By strengthening our business portfolio through collaborations with outside parties and M&A activity, we will work to further enhance our corporate value.

SCREEN's strength lies in its competitive products, technologies and services. These strengths result from our development and design capabilities which center around

solution creation, and the relationships of trust we have built with our clients, suppliers and partner companies. The fact that over 80% of SCREEN Group sales, not limited to SPE, comes from overseas can be attributed to our history of consistently and tenaciously providing solutions to meet the development needs of clients in cutting-edge fields. I believe that this history has engendered a sense of assurance in our clients that if there is a need to be filled, SCREEN will find a way to fill it. For us, our suppliers are also indispensable. The importance of sustainability has grown significantly in recent years, and now it is not enough for individual companies to make an effort, but rather the response of the supply chain as a whole which is required. To further deepen our collaborations with suppliers, we launched our new "SCREEN Supply Chain Sustainability Site" (members-only website) in June of this year. We believe that our competitive strength comes from our capacity to build on the foundation of trust we have cultivated with our clients and supply chain partners over many years as we continue to create solutions together.

To maintain our ability to create solutions, it is necessary to make advancements in existing technologies while actively seeking out medium- and long-term opportunities to find new "seeds." This is why we plan our technology development strategies from a long-term perspective which is based on the strong relationships we have with our clients and involves collaborations with overseas research institutions and universities. As we aim to move on to the next stage of growth, in terms of human resources, technological leadership, manufacturing, brand strength, and

DX, we are aware that there are still many improvements to be made. We will strengthen these elements as we strive towards our 10-year vision, and will work to contribute to the development of a sustainable society as a solution creator capable of anticipating the needs of the clients we serve.

Note: For more information, refer to "Value Creation by the SCREEN Group" on page 19, "Portfolio Management" on page 31.

Investing in a Robust Financial Structure and Future Growth

Q5. SCREEN has achieved record-high performance for the second year in a row, and even better results are expected for this fiscal year (ending March 2024). What growth do you envision beyond improved profitability and financial structure?

We are very pleased to have achieved record-high net sales and profit figures for the second fiscal year in a row, and to have received a positive response from the market. In March of this year, the Japan Credit Rating Agency raised our long-term issuer rating to "A" (with a "Stable" outlook) for the first time in our history. This has become a source of new confidence for all of us in the SCREEN Group, and I feel that we have arrived at the beginning of a new stage. From this point on, it will be

important for us to improve the competitiveness of our solutions and develop more sophisticated operations in order to further improve our profitability and financial structure.

In our current medium-term management plan, which began during the COVID-19 pandemic, we set a four-year economic value target. However, we achieved most of our original goals during the previous fiscal year (ended March 2023), so we revised our targets upward in July 2022 and are working to achieve them during the current fiscal year. In the coming fiscal year, we will initiate our next medium-term plan, which will lay the foundation for the growth that will lead us to our target of achieving 1 trillion yen or above in net sales and an operating income ratio of 20% or above by the fiscal year ending March 2033, as set out in our Management Grand Design. To support this growth strategy, we have also established a new policy of allocating 70% of our investment capital to growth investments.

Furthermore, to enhance investment and return opportunities for our shareholders, we had a proposal approved by shareholders for an October 1 stock split and the introduction of an interim dividend at our Shareholders' Meeting. While equitably distributing the fruits of our growth to our shareholders, we will invest in further growth as we work towards our 10-year vision. We will not allow our recent strong performance to make us complacent but will remain steadfast in our resolve, and we will continue to implement the measures that will earn us the trust and support of our stakeholders over the long term.



Vision and Strategies

Corporate Philosophy and Creating Shared Value (CSV) through Our Business

In commemoration of the 80th anniversary since its founding, the SCREEN Group redefined its corporate philosophy for further sustainable growth and will continue aiming to realize its purpose.

Corporate Philosophy

Purpose

Innovation for a Sustainable World

Sharing the Future	Building a better future for society with commitment and integrity
Personal Development	Realizing everyone's full potential through trust and teamwork
The Pursuit of Technological Excellence	Exploring technologies while integrating with innovative collaboration

Founder's Motto

Shi Ko Ten Kai Broadening everyone's thoughts and horizons for innovation

Thoughts behind our corporate purpose: "Innovation for a sustainable world"

We create new values by connecting **people** and **technologies**. This is what we mean by "Innovation." By driving innovation through this connection, we aim to pave a path for a better future, i.e. "Sustainable World."

"**People**" here means not only our employees but also our clients and partners/suppliers – in fact, a whole range of stakeholders involved in our business activities. They also include our predecessors who have founded the SCREEN Group's history, as well as prospective employees who will support us in the coming decades – sharing our growth story in the past, the present and the future.

"**Technology**" here means the collection of the SCREEN Group's technologies evolved over decades through a series of innovation – by adapting our core technologies as well as by collaborating with other companies. The term also includes technological and management knowhow inherited from the past, as well as business models and methodologies for delivering solutions.

Three phrases: "Sharing the Future," "Personal Development," and "The Pursuit of Technological Excellence"

Previously, our corporate philosophy consisted of three phrases: "Sharing the Future," "Personal Development," and "The Pursuit of Technological Excellence," which defined who we are as a corporate group. The corporate purpose has been introduced to sum up these phrases.

Founder's Motto

Our founder's Motto, "Shi-Ko-Ten-Kai" (broadening everyone's thoughts and horizons for innovation), will continue to be a central part of our corporate philosophy, as a slogan that have supported our growth over 155 years since the birth of the SCREEN Group.

CSV through Our Business

Aiming to realize the purpose stated in its corporate philosophy, we set our 10-year vision in our Management Grand Design and will continue creating shared value (CSV) through our business to realize that vision.

SPE

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Improving the flow of information by adding ingenuity to nanotechnology

GA

p. 41

Enriching lives and continuing to make the world more colorful through print

Innovation for a Sustainable World

FT

p. 43

Creating a better future with advanced devices, by improving coating techniques, layer by layer

PE

p. 45

Exploring the possibilities of optical technologies to support future devices

We received a comment from Mr. Nawa, who provided coaching on formulating measures for CSV for business operating companies.

Note: The Company = SCREEN

Interview

Takashi Nawa

Professor, International Academic Research Institute,
Kyoto University of Advanced Science
Visiting Professor, Hitotsubashi University Business School



"Innovation for a Sustainable World," the Company's purpose, fulfills the three empathetic requirements I envision for said purpose: to be exciting, unique, and capable. It has characteristics unique to SCREEN, and I think it is good.

The purpose is a lode star that shows the direction SCREEN wants to head, a rather beautiful concept. To achieve the purpose, the Company needs to incorporate empathy into its CSV business model, which links social value that targets the purpose with the Company's own economic value. An encapsulation of the Company's purpose, the recently formulated CSV model defines each of the four business operating companies' technological area while looking to the future and empowering the people who constitute the Company to take ownership of its purpose.

Going forward, it will be important to further promote this sense of ownership. Although the purpose has been incorporated into the CSV model of each company, it will need to be imbued into each of the Group's organizations and individuals. I hope that everyone thinks deeply about how to resolve facets of the business that were not designed to fulfill the purpose. I would also like to see time set aside through work streamlining and digital transformation so that everyone can more closely examine the purpose. If that

is done, it will clarify the gap between the direction that should be followed and the current state of affairs, revealing the path to transformation.

Moreover, KPIs are linked to each person's productivity and creativity and are indicators of whether ownership of the purpose has been taken. Based on this, progress can then be monitored and best practices acknowledged on an organizational and individual level, and I think the mechanisms by which information is shared within organizations are also effective.

Fulfilling the purpose empowers people to aim to enhance net sales and reduce costs (marketing costs from branding and such operating costs as personnel costs to enhance productivity) over the short-term. It is also leads to future profit by helping reduce such risks as those related to compliance and enhancing the value of intangible assets (brands, knowledge, relationships, and human resources) over the long term.

Please do not stop at the starting line but continue to communicate the purpose and CSV principles internally and externally. I am looking forward to them being fully instilled internally going forward and the results of this action.

Message from the CFO

Sustained Cash Generation is the Key to Growth

Yoichi Kondo

Representative Director
Senior Managing Director
Member of the Board
Chief Financial Officer (CFO)



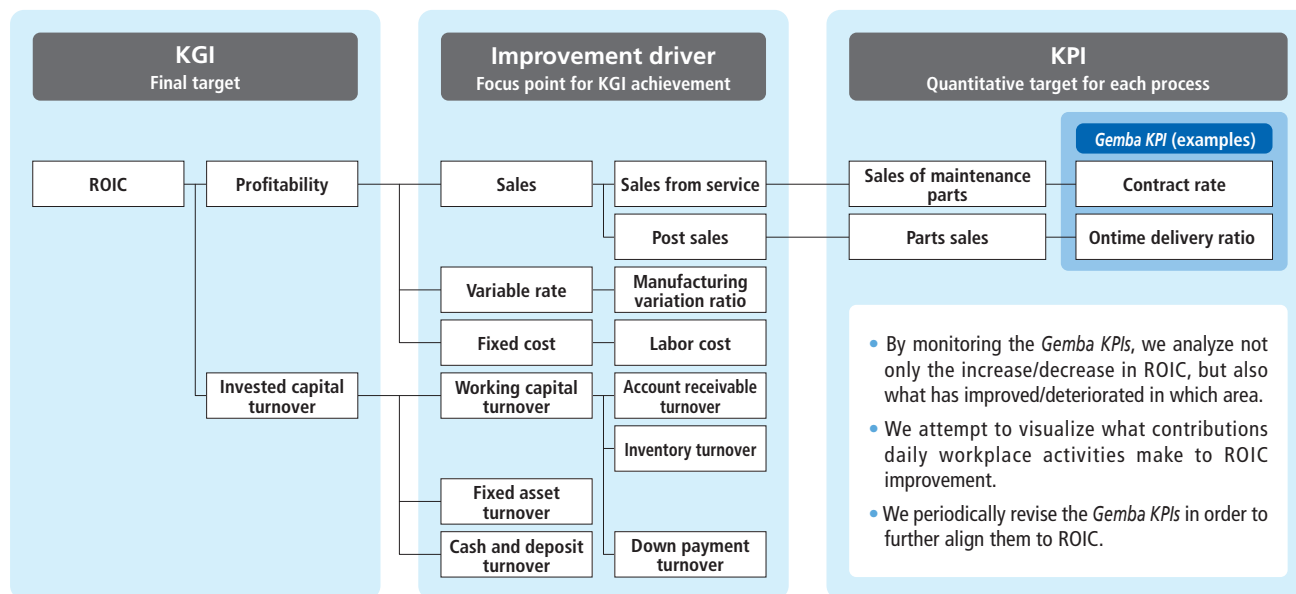
Enhancing Our Ability to Generate Cash Flow

Under the current medium-term management plan, Value Up 2023, return on invested capital (ROIC) has been designated as a key management indicator, and we have worked to instill a mindset which places value on efficiency in addition to profitability. Specifically, we have used the ROIC tree to identify areas for improvement, and we now systematically link these results to specific efforts which serve as *Gemba KPIs* in each business operation while also implementing the PDCA cycle. This has brought about improvements at each of our sites, particularly in inventory management at our factories. We have also seen an improved cash conversion cycle (CCC), and have achieved the cumulative operating cash flow target laid out in Value Up 2023 one year ahead of schedule.

As a result of these efforts, last year the Japan Credit Rating Agency raised our long-term issuer rating to A- (with a “positive” outlook) for the first time in 30 years, and this March, our rating was upgraded yet another notch to A (with a “stable” outlook). This was made possible by the dedicated efforts of all those working at our sites, and for this I am very grateful.

To continue to actively invest and remain competitive even in the face of market fluctuations, the ability to secure cash is essential. We are now in the process of developing our next medium-term plan, which seeks to further enhance our ability to generate cash.

ROIC Tree



Capital Allocation

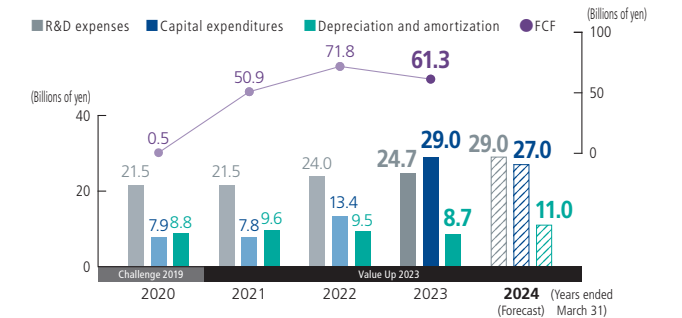
Under the current medium-term plan, we have continued to invest in growth while maintaining a total consolidated shareholder return ratio of 30% or above. For our semiconductor production equipment business, which is expected to grow over the long term, we are in the process of expanding our facilities by building the S³-5 factory which follows our new S³-4 factory at the Hikone Plant, while also expanding capacity at Group sites in Toyama and Fukushima.

We have also continued to expand into new business areas, making investments in the AI startup Laboro.AI, acquiring AFI Corporation, which develops devices for the inspection and evaluation of cells and microorganisms, as a subsidiary, and acquiring shares in Adriakaim, a startup company which develops medical devices used to treat heart failure.

In the revised Management Grand Design, which embodies the vision of our CEO, we plan to raise the percentage of total company sales accounted for by new businesses to a more appropriate level by expanding investment, including M&A, in areas such as life sciences, energy and advanced packages. As

CFO, it is my job to assess the value of every investment, and I take this responsibility very seriously. I always keep the worst-case scenario in mind, and I engage in thorough discussions with the relevant departments before judging the necessity of investments and accuracy of valuations, allowing me to contribute to the enhancement of our corporate value.

R&D, CAPEX, Depreciation and Amortization, FCF



Establishing a Resilient Financial Foundation

To realize our 10-year vision set out in the Management Grand Design, we are working to enhance our business foundations with financial strategies that seek to establish a resilient, risk-tolerant financial foundation. I believe that building up risk-tolerant equity capital and securing liquidity are our highest priorities.

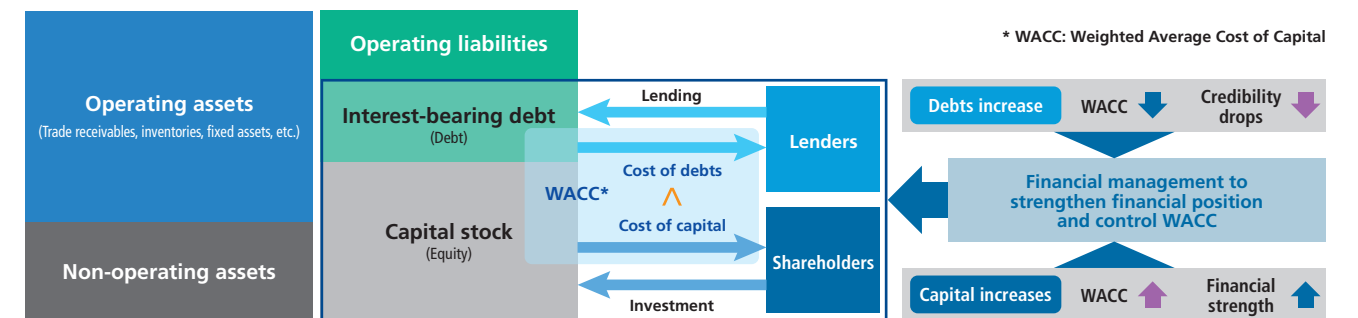
In the highly volatile semiconductor industry, we must have plenty of liquidity on hand, and by maintaining a balanced net cash position and a strong balance sheet that allows us to self-finance, we aim to establish a resilient financial foundation that can flexibly respond to changes in market conditions. To improve our ability to tolerate economic downturns, we will work to decrease accounts payable by shortening payment tenor.

To ensure adequate resilience to volatility in the semiconductor

industry and an optimal level of cost of capital, or optimal capital structure, in ten years' time we aim to maintain an equity ratio that is higher than our current level of 50%.

In addition, I believe that building trust in both our financial and non-financial performance is key to creating a resilient financial foundation. It is imperative that we continue to be an enterprise that maintains the trust and cooperation of all its stakeholders in matters both financial and non-financial, and for this, it will be vital for us to allocate our resources in accordance with a cash allocation policy that takes a big-picture view of the value chain, while concurrently deepening the trust placed in us and continuing to generate cash.

Our optimal capital structure



In Conclusion

SCREEN will celebrate the 80th anniversary of its incorporation this year, and it has been 155 years since the founding of the printing-related company where our history began. This is a milestone for us, and I believe we have entered our next major stage of growth. In order to aim even higher, we must increase the supporters and admirers of our enterprise as a whole, and lay the foundation for long-term support. With this, and our shareholders and investors, in mind, we have implemented a

stock split to optimize investment units and have introduced an interim dividend in order to enhance opportunities for shareholder returns.

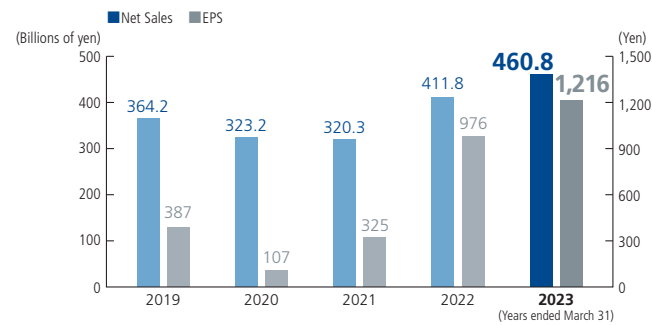
Even though the market is in a period of adjustment, we expect our sales and profits to increase in the current fiscal year (ending March 2024). By consistently producing results, we will demonstrate that SCREEN has moved on to a new stage, and that we are an enterprise with a great deal to offer over the long term.

Vision and Strategies

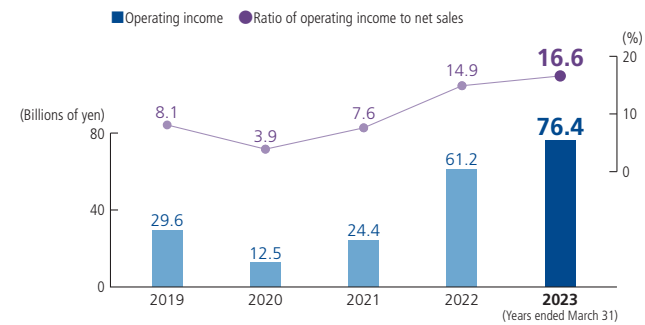
Performance Highlights

Financial

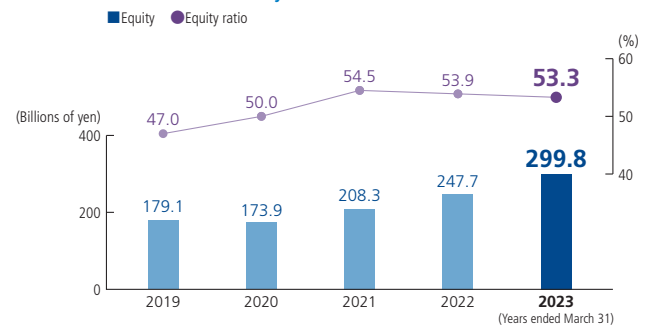
Net Sales / EPS
Both net sales and EPS marked a record high for the second consecutive year



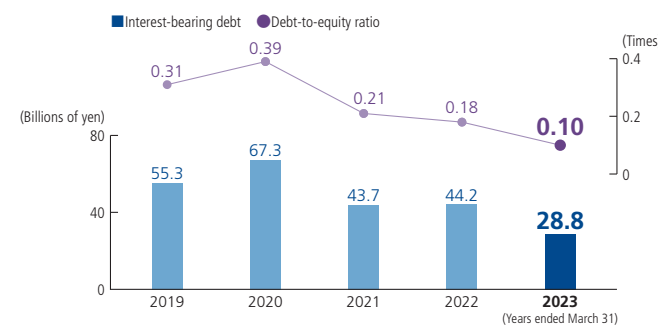
Operating Income / Ratio of Operating Income to Net Sales
Both operating income and the ratio of operating income to net sales marked a record high for the second consecutive year



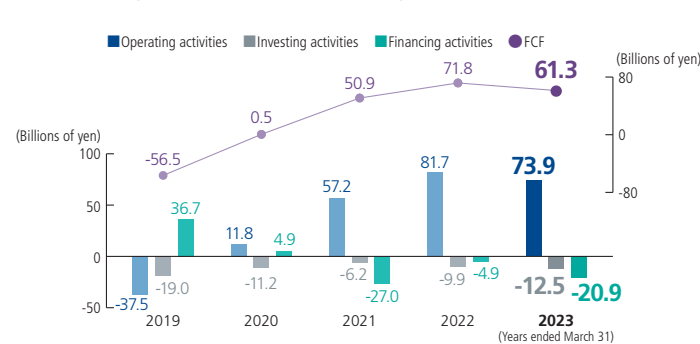
Equity / Equity Ratio
The equity ratio remained in the 50% range for the fourth consecutive year



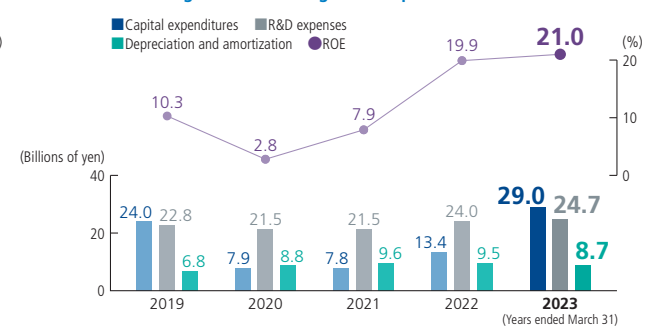
Interest-bearing Debt / Debt-to-equity Ratio
Interest-bearing debt continued to decline, and the D/E ratio remained low



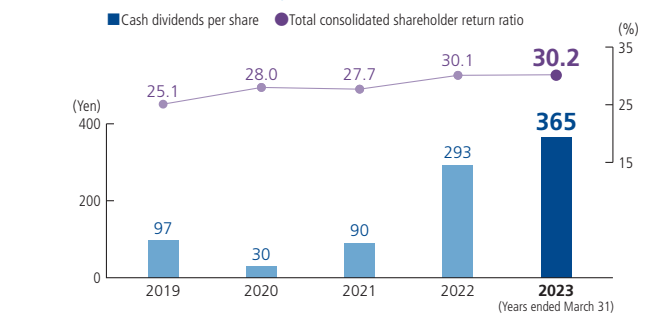
Cash Flows
Operating cash flow continued to be strong



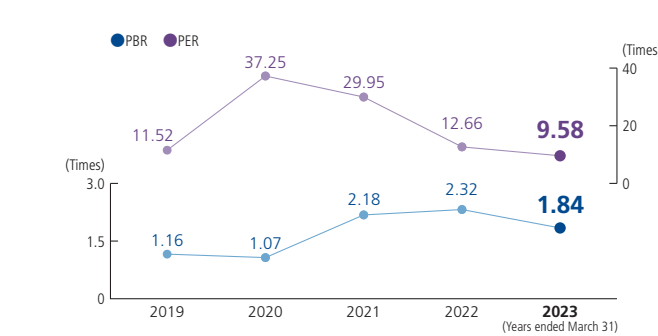
ROE / CAPEX / R&D / Depreciation and Amortization
ROE reached a record high, while capital expenditures and R&D expenses remained at high levels to strengthen competitiveness



Cash Dividends per Share / Total Consolidated Shareholder Return Ratio
Cash dividends per share marked a record high for the second consecutive year

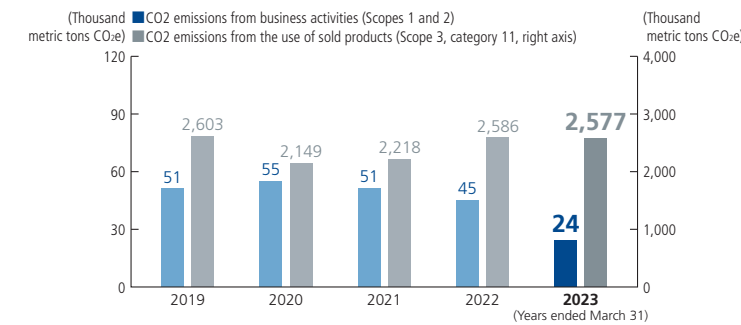


PBR / PER
PER fell below 15 times, while PBR hovered around 2 times

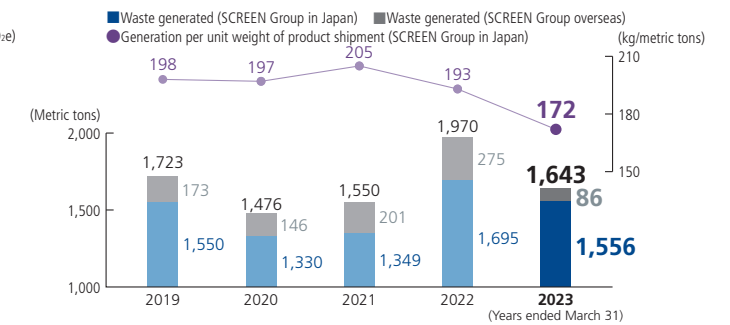


Non-financial

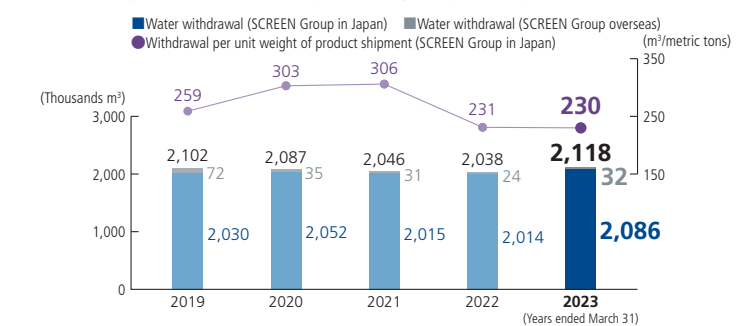
CO2 Emissions
CO2 emissions from business activities reduced significantly, mainly as a result of the introduction of renewable energy



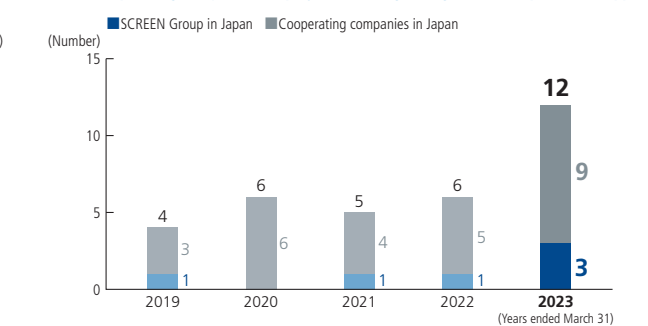
Waste Generated
The amount of waste generated reduced, mainly due to the promotion of the recycling of waste plastic as valuable material



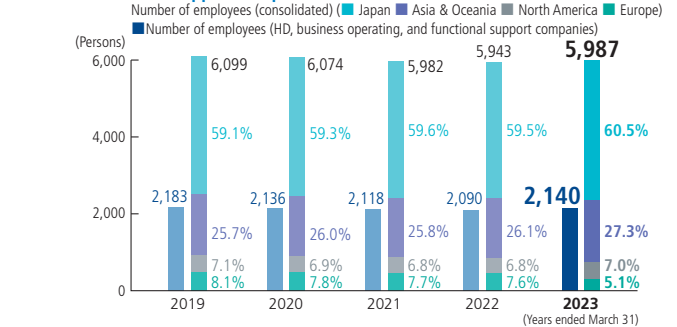
Water Withdrawal
Total water withdrawal slightly increased, mainly due to the establishment of a new factory, while water withdrawal per unit weight of product shipment remained low



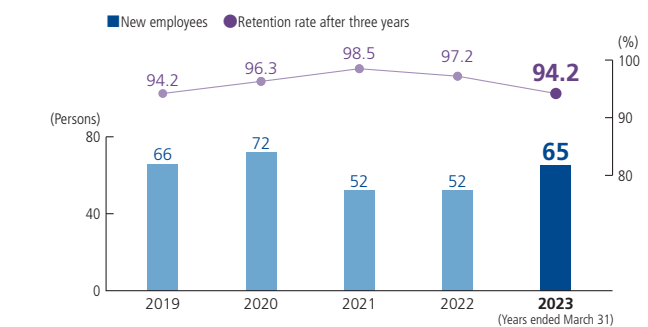
Number Of Occupational Accidents Resulting in Four or More Lost Work Days
The number of occupational accidents rose, mainly among inexperienced workers and cooperating companies' employees amid a growing number of products shipped



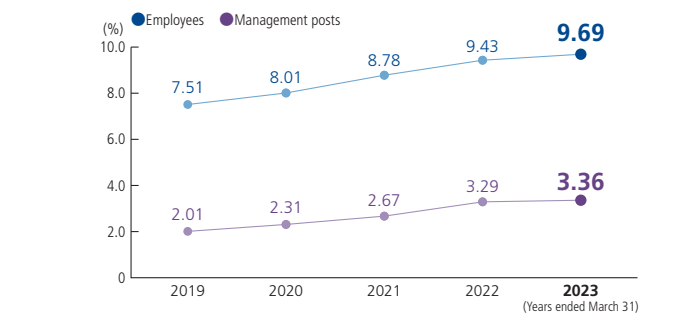
Number of Employees
The number of employees increased at HD, business operating, and functional support companies



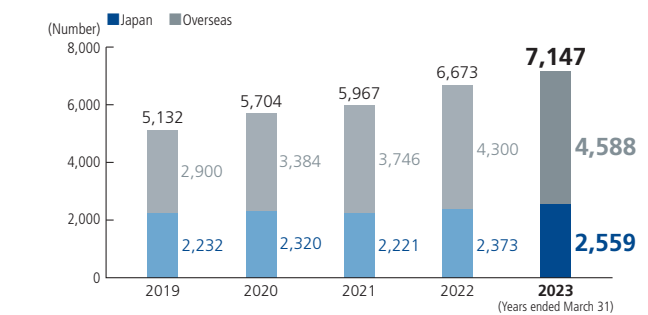
Number of New Employees and Their Retention Rate After Three Years
The retention rate after three years remained in the 90% range



Ratio of Females in Employee and Management Posts
The ratio of females has steadily been rising both among employees and managers



Number of Patents Held
The number of patents held has been growing over the years both in Japan and overseas



Note: Data for fiscal years prior to the fiscal year ended March 31, 2019 include data for SCREEN Business Support Solutions Co., Ltd. (absorbed by SCREEN Business Expert Co., Ltd. in October 2019)

Vision and Strategies

Value Creation by the SCREEN Group

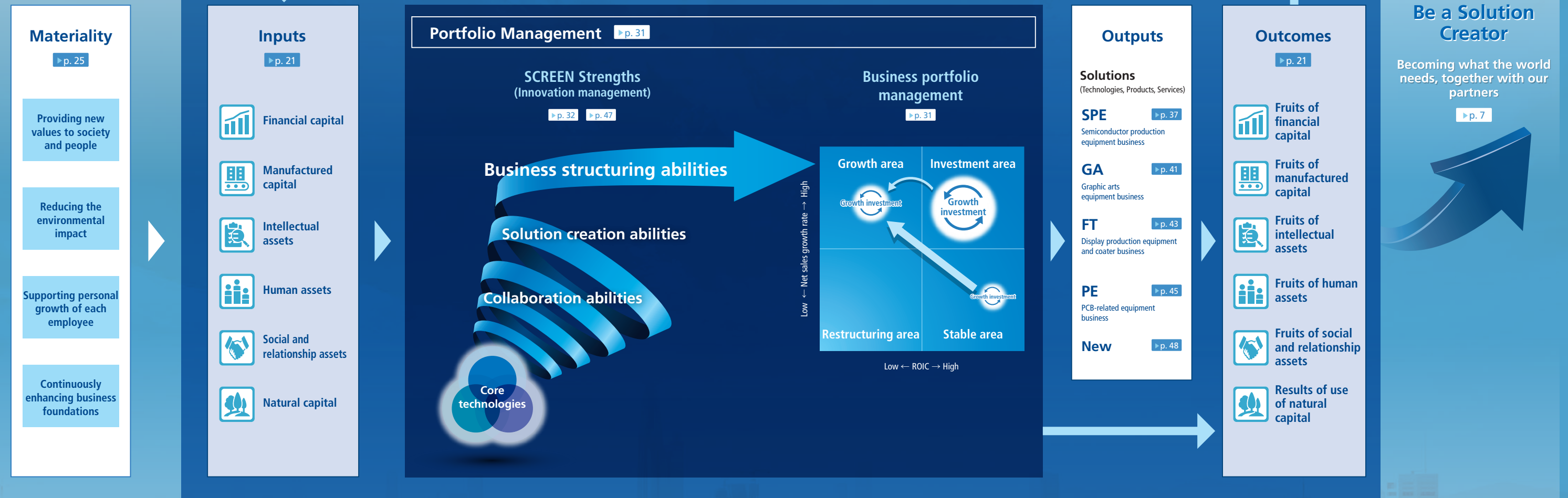
The SCREEN Group is working to achieve our future 10-year vision: "Be a solution creator – Becoming what the world needs, together with our partners," based on our corporate purpose of "Innovation for a Sustainable World," and in line with this, we have identified various key issues related to materiality that must be resolved. We are targeting these areas using portfolio management strategies and are committed to growing our existing businesses while also creating new businesses.

The Group plans to continuously deliver solutions, including technologies, products and services, by leveraging both our accumulated tangible assets (facilities and funding) and intangible assets (knowledge, core technologies and know-how, human resources). These efforts are intended to create a cycle of repeated improvement to our SCREEN Value, enabling us to realize our 10-year vision.

Megatrends [▶ p. 25](#)

- DX (Digital transformation)
- GX (Green transformation)
- Well-being (physical & mental health, happiness)
- Multipolarization of the world economy

SCREEN Value Enhancement Cycle



Corporate Philosophy Purpose [▶ p. 13](#)

Vision and Strategies

Invested Capital / Assets – Continuous Input to Drive Creation of SCREEN Value –

The SCREEN Group considers continuous inputs (the six capitals / assets) to be essential to realizing our future 10-year vision. This page defines major inputs and explains why they are important and what roles they are expected to play, and it also describes outcomes produced through our business activities during the period of the medium-term management plan so far (FY2021 – FY2023). These outcomes will turn into future inputs, and the repetition of this cycle will increase our corporate value.

Major Inputs (FY2021 – FY2023)*1			Major Outcomes (Results for FY2023)
	Major Inputs	Reason for Importance	Role in Value Creation
Financial Capital 	Equity ¥299.8 billion (Equity ratio: 53.3%)	Return on invested capital (ROIC) has been used as an indicator to measure the performance of our businesses since the fiscal year ended March 31, 2021. We aim to properly manage the capital efficiency of businesses by setting <i>Gemba KPIs</i> , which break down ROIC indicators, and visualize output figures, and to steadily generate operating cash flows as an essential source of investment for the next stage of growth.	<ul style="list-style-type: none"> We seek to increase the operating income ratio and by extension the net income ratio by improving capital efficiency so that we will be able to provide shareholders with satisfactory returns. We intend to enhance our capacity to generate operating cash flow by increasing our operating income ratio and secure funds to invest in growing or new fields.
	Interest-bearing debt ¥28.8 billion		
	Net cash ¥146.7 billion		
Manufactured Capital 	Capital expenditures*1 ¥50.2 billion	Manufacturing equipment and facilities that are high in productivity and low in environmental impact, to meet our future needs, are essential for us to fulfill our responsibilities related to supplying products to our clients. We are continuing forward-looking capital investment while managing depreciation and amortization at appropriate levels.	<ul style="list-style-type: none"> We help clients expand their business by supplying products suited to their needs at the right time and in the right quantity.
	Number of production sites 12 Japan: 7 Outside Japan: 5		
Intellectual Assets 	R&D expenses*1 ¥70.3 billion	For SCREEN, a technology development-oriented corporation, R&D activities are crucial to enhance our competitiveness and create innovations. At the same time, we place importance on the number of patents we hold in Japan and abroad so that we can enhance our transnational intellectual property strategies.	<ul style="list-style-type: none"> Promote development projects which related to find new technologies, new products, and new businesses. We engage in joint development with clients and external partners to accumulate know-how and knowledge and to accelerate development. We focus on patent acquisition in Japan and abroad, especially in China and other countries with particular market needs.
	Number of patents held*2 7,147 <small>*2 HD, business operating, and functional support companies</small>		
Human Assets 	Number of employees (consolidated) 5,987 Japan: 3,624 Outside Japan: 2,363	Diverse personnel who can compete in the global business environment are essential to SCREEN as a large part of our sales comes from overseas. As well as recruiting such talent from both Japan and abroad, we operate SBS, a training system designed to help employees acquire necessary skills and expertise and better contribute to enhancing our corporate value. We are committed to developing human resources, including the next generation of business leaders, from medium- to long-term perspectives.	<ul style="list-style-type: none"> We are building an environment where employees with diverse talent can fully demonstrate their abilities to increase our corporate value. SBS and a reward program to encourage acquisition of qualifications continuously support employees' independent efforts to grow.
	Expenses for education and training*1 *3 ¥0.4 billion		
	Total SBS*4 training hours per year*1 *5 Approx. 50,200 hours		
	SBS*4 programs*5 36 programs		
	<small>*3 Total expenditures spent by HD, business operating, and functional support companies on internal training and external seminars and lectures (excluding expenditures on promotion-related reviews, etc.) *4 SCREEN Business School (SBS): Educational and training programs tailored to different career levels and goals (see p. 62) *5 SBS training administered by HR (education and training) departments of HD</small>		
Social and Relationship Assets 	Major suppliers (top transaction value) .. 200 suppliers	Besides relationships with clients, we are strengthening relationships with suppliers to build a resilient supply chain. We are also focusing on the number of collaborations with external partners. Our plan is to accelerate development and strengthen competitiveness through participation in partnerships and consortiums, as well as collaborations with academic or government organizations. Our commitment to building a good relationship of trust with stakeholders in Japan and abroad has been contributing to higher corporate value.	<ul style="list-style-type: none"> SPE and FT have segments where their products hold the No.1 global market share. We regularly conduct a survey of major suppliers such as top 200 companies by transaction value. This helps us strengthen CSR across the supply chain and build a business continuity management system (BCMS). Outcomes of collaborations have been disclosed where appropriate and possible, and are effective for building a network of future collaborations.
	Collaborations with external partners*1 *6 30 cases		
	Analyst coverage 18 companies <small>*6 Main publicly announced relationships</small>		
Natural Capital 	Energy consumption 156,273 MWh	We manage the amounts of materials, water and other resources used in our business activities and work to reduce and recycle waste, valuable materials and water discharges. While considering both our dependence and impact on natural capital, we analyze associated risks and opportunities in search of ways to improve our disclosure.	<ul style="list-style-type: none"> We strive to reduce GHG emissions throughout the lifecycle of our products to contribute to the decarbonization of society. Our products are certified as "Green Products" when they meet the SCREEN Group's environmental performance criteria. We are working to reduce our environmental impact by certifying and selling more "Green Products."
	Water withdrawal 2,118 thousand m³		

Through business activities

Our 10-year Vision

Be a Solution Creator

Becoming what the world needs, together with our partners

Outcome Targets (FY2033)

▶ p. 26

Net sales

¥1 trillion or above

Operating margin

20% or above

Operating income ratio 16.6%
Operating cash flow ¥73.9 billion
ROE 21.0%
ROIC 18.5%
Credit rating "A" (with a "Stable" outlook)
Revenue from equipment sales ¥351.7 billion
New products released 4
External publications*7 (articles published, presentations at academic conferences, etc.) 127
Patent/utility model rights obtained*8 818
<small>*7 R&D departments and new business departments of HD, and business operating companies *8 HD, business operating, and functional support companies</small>
Net sales per employee ¥77.26 million
Operating income per employee ¥12.82 million
Rate of female employees in management positions*9 3.36%
Rate of female employees*9 9.69%
Public qualifications acquired*9 137
Total attendance at SBS*5 Approx. 2,400
<small>*9 HD, business operating, and functional support companies</small>
No.1 product market share 4 segments
ISO 22301 (BCMS) certification 4 companies
Collaboration outcomes 7 cases
Total income taxes paid ¥21.0 billion
Total number of shareholders 22,075
CO2 emissions from business activities 23.9 thousand metric tons CO₂e
CO2 emissions from the use of sold products 2,577 thousand metric tons CO₂e
Amount of water discharges 2,072 thousand m³
Waste and valuable materials generated 3,178 metric tons
Number of certified Green Products 175

*1 Combined data from the fiscal year ended March 31, 2021 to the fiscal year ended March 31, 2023 (three fiscal years of medium-term management plan) are shown for capital expenditures, R&D expenses, expenses for education and training, total training hours per year, and collaborations with external partners. The data for the rest of the items are for the fiscal year ended March 31, 2023.

Note: Indicators available for disclosure within the scope of consolidation are provided unless otherwise stated.

Vision and Strategies

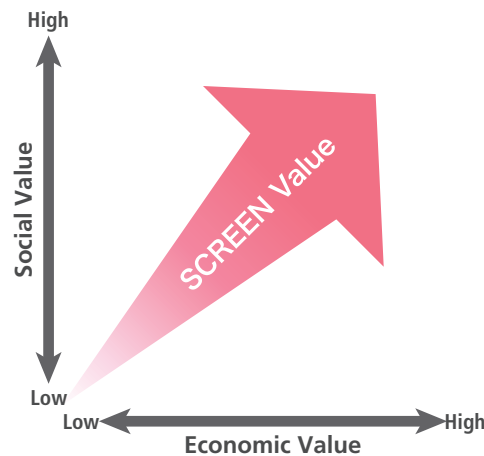
SCREEN Value

The SCREEN Group has established a 10-year vision of “Be a solution creator – Becoming what the world needs, together with our partners.”* To make this a reality, we are constantly striving to improve our SCREEN Value.

* For more information, refer to “Message from the CEO” on page 7.

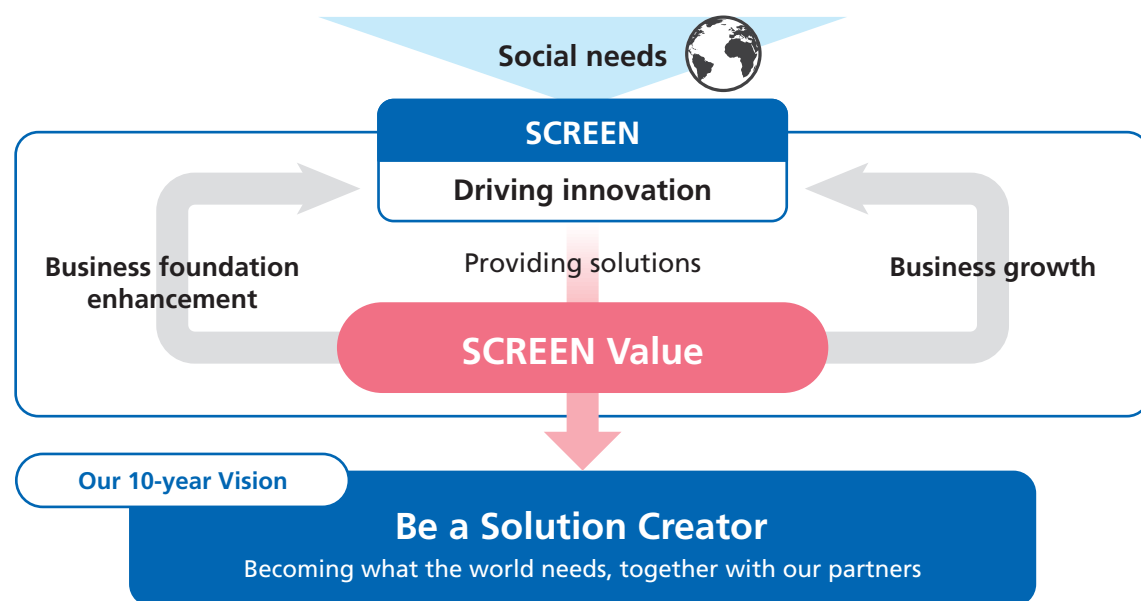
Definition

Our corporate value, SCREEN value, combines social value generated through our business activities to accommodate social needs and economic value gained through recognition from our clients (society). SCREEN Value can be further increased by creating shared value (CSV), the simultaneous enhancement of social and economic value.



Value Creation Cycle

Our value creation cycle starts with the identification of social needs and is perpetuated by providing solutions to address those needs through innovation. Our corporate value is further enhanced through a continued cycle of enhancing our business foundations and promoting business growth, thereby enabling us to step closer to our 10-year Vision.



Solution Creators

Solution creator is an individual (person or entity) with a strong sense of curiosity and flexible thinking who targets issues affecting the society. They provide clients worldwide with new values through business activities – creating shared values (CSV) – in the form of technologies, products, and services that contribute to sustainable growth.

SCREEN Value Award

The SCREEN Value Award (SVA) is a commendation program established in FY2022 to spread awareness of outstanding achievements that have helped to enhance SCREEN's corporate value throughout the Group and improve employee motivation. The nominees are individuals and organizations selected from among those honored in our existing commendation programs as well as recipients of president's commendations in each of the Group's main companies. The winners are decided by an award and disciplinary review committee based on activities and achievements in the previous fiscal year.

Eligible activities and achievements

Contributions to social value and economic value that help raise corporate value, and successes achieved through activities contributing to SCREEN's role as a solution creator



Eligible nominees

Recipients of the following awards (targets: companies, departments, groups, project teams, individuals) President's Award (for HD, business operating companies and functional support companies), Business Achievement Award, Sustainable Value Award, Frontier Gate (presented for excellence at technology presentations), Intellectual Property Award, SCREEN IP Award

Recipients of SVA 2023

Interview Team for Special News Program on Japanese National Television (9 departments in Japan and the US)

Reason for award

The team's appearance on a highly influential television program helped to publicize SCREEN's technological prowess and the strategic importance of our products. The exposure provided a significant boost to our corporate branding, particularly in the areas of public relations, investor relations, and recruitment.



SCREEN Electronics Shanghai Co., Ltd.

Reason for award

The company achieved the largest number of on-site installation in its history despite the difficulty of making business trips resulting from China's domestic response measures for COVID-19. It also worked to improve the capabilities of local engineers. As well as helping to grow equipment sales, the company's efforts enabled it to exceed both its post-sales and profit targets.



Project Team for Waste Plastic Recycling

Reason for award

The team greatly reduced the annual volume of waste even as our business continued to expand. It did this by creating and implementing waste sorting rules needed for more eco-friendly business operations, which led to cost reductions and improved recycling rates. The team subsequently rolled out its system to the entire Group, helping to significantly raise our corporate value.



Note: These three winners were selected from a total of 20 entries.

Vision and Strategies

Megatrends/Materiality

Having examined megatrends forecast for the next decade to determine potential opportunities and risks, we have identified four material issues as highly important to society and the SCREEN Group. Under a governance system based on sound corporate governance, we aim to realize our 10-year vision by providing solutions to these material issues through business activities.

Megatrends: Turning Changes in the Business Environment into New Growth Opportunities

The Group has identified four megatrends, considering the six expected movement in the next 10 years of "Demographic/economic trends," "Social value," "Post-SDGs," "Energy transformation," "Intensified economic security concerns and resource wars," and "technologies."

Megatrends for SCREEN		Opportunities, risks, and the Company's response
DX (Digital transformation)	The electronics industry will play an even greater role in responding to changes in the industrial structure from 5G to 6G, IoT to IoE, and AI, as well as driving automation and productivity. Technological innovation will be essential to keep up with these changes.	Transformation of various industrial structures through digitalization will provide business opportunities. The impact will be particularly large in the area of electronics, which supports DX, and SCREEN views this as a driver of growth. → The introduction of digitalization into management and manufacturing will transform the way we work.
GX (Green transformation)	The focus on climate change, as well as biodiversity, human rights, water resources, and a circular economy, will increase demand for solutions that reduce environmental impact and are in line with global environmental standards.	The need to reduce environmental burden and realize a sustainable society is becoming increasingly important as a corporate social responsibility, creating business opportunities in the energy business and environmentally friendly products. → SCREEN will continue to promote environmentally friendly manufacturing.
Well-being (Physical & mental health, happiness)	Commitment to balance human well-being and economic prosperity will become increasingly important as the source of a company's purpose, and there will be even greater demand to enhance quality of life (QOL) for all stakeholders, including employees.	People's mental and physical well-being will increase in importance. Business opportunities exist in social issues that enhance people's quality of life. → SCREEN will continuously promote the health and wellness of its employees.
Multipolarization of the world economy	The impact of trade restrictions and economic sanctions on key technologies, such as high-end semiconductors, is increasing due to intensifying geopolitical risks. In addition to impacting the supply chain, this is also increasing the pressure for compliance with international order and competition rules.	With forecasts for more trade barriers in the world economy, it is necessary for SCREEN to view this as both a risk and an opportunity given that SCREEN will further expand its business globally.

Process for Identifying Materiality

Following the revision of the Management Grand Design, the Company reassessed megatrends based on macro trends and identified social issues that may have an impact on its business. From among these, we shortlisted material issues, evaluating and analyzing them while taking into account international initiatives, such as the UN Global Compact and the Responsible Business Alliance (RBA),* as well as requests and opinions obtained through our communication with shareholders, investors, and other stakeholders.

We then screened and prioritized these issues and evaluated them in terms of "importance to society" and "importance to the Group" before finally determining their materiality. We then reidentified the material issues that SCREEN's management should address to realize our 10-year vision. The material issues identified in 2023 have been again deliberated and approved by the Board of Directors.

The material issues we have now reidentified have been incorporated into the specific strategies, targets, and measures included in the next medium-term management plan, which starts from the fiscal year ending March 31, 2025. Our material issues will be reviewed as needed, such as when the business environment changes.

* Responsible Business Alliance (RBA): An alliance encompassing the electronic device, IT, toy, and automotive industries that establishes rules and regulations related to labor, health and safety, environment, ethics and management systems



Materiality and Outcome Targets

To realize our 10-year vision, we identified the four material issues that SCREEN's management needs to address. In addition, we set an outcome targets (financial and non-financial targets for FY2033) to measure the value the Company is likely to demonstrate to society as we come closer to our 10-year vision. Regarding non-financial targets, we will quantify our non-financial targets under the next medium-term plan so that we can confirm the progress in each area.

Materiality	Outcome Targets (FY2033)	
	Financial	Non-financial
New Value Providing new values to society and people Establishing businesses focused on social needs, thereby adding value to our technologies, products, and services to contribute to the development of a sustainable society.	Net sales ¥1 trillion or above Operating margin 20% or above	<ul style="list-style-type: none"> Proportion of net sales from new products or products equipped with new technology New business operating companies originated from social needs Intellectual property ETR (Patent citation rate) Number of patents held
Environment Reducing environmental impact Reducing greenhouse gas emissions, waste disposal, and use of exhaustible resources through business activities, thereby addressing socio-environmental needs such as climate change and biodiversity.		<ul style="list-style-type: none"> Proportion of net sales from Super Green Products*1 GHG emissions (Scope 1+2) Waste disposal Energy usage
Human Resources Supporting personal growth of each employee Motivating each employee to take on new challenges and supporting their personal growth, by ingraining our corporate philosophy developing solution creators.		<ul style="list-style-type: none"> Engagement rate Improved presenteeism*2 Number of occupational accidents resulting in 4 or more lost work days
Business Foundations Enhancing business foundations Implementing growth strategies and continuously enhancing its business foundations to enhance our corporate value, in line with the overarching vision.		<ul style="list-style-type: none"> Human resources portfolio fulfillment rate Equity ratio Increase in transparency of management Robust cybersecurity

*1 For more information about Super Green Products, refer to "Environment" on page 53.

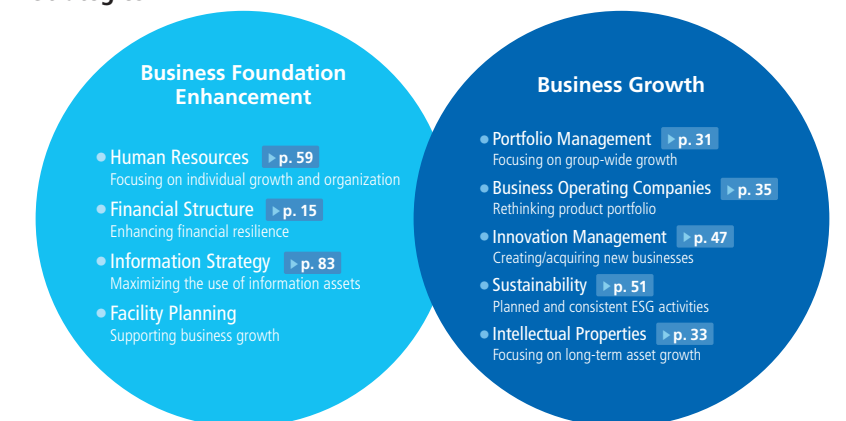
*2 Presenteeism: Self-assessed ratio of work performance over past four weeks, based on assumption that 100% represents performance when unaffected by illness or injury

Policy and Strategies for Tackling Materiality

Policy

The SCREEN Group will join efforts in enhancing its business foundation and achieving business growth. By providing solutions that address social needs through business, we create outcomes that enhance SCREEN Value.

Strategies



Vision and Strategies

Progress of the Final-year Targets of the "Value Up 2023" Plan

Under the Value Up 2023 medium-term management plan (running from FY2021 to FY2024), we have been focusing on improving our earnings structure and financial foundation through the tighter management of capital efficiency and on enhancing our corporate value, which incorporates our social value and economic value, to make our profits and shareholder returns more sustainable.

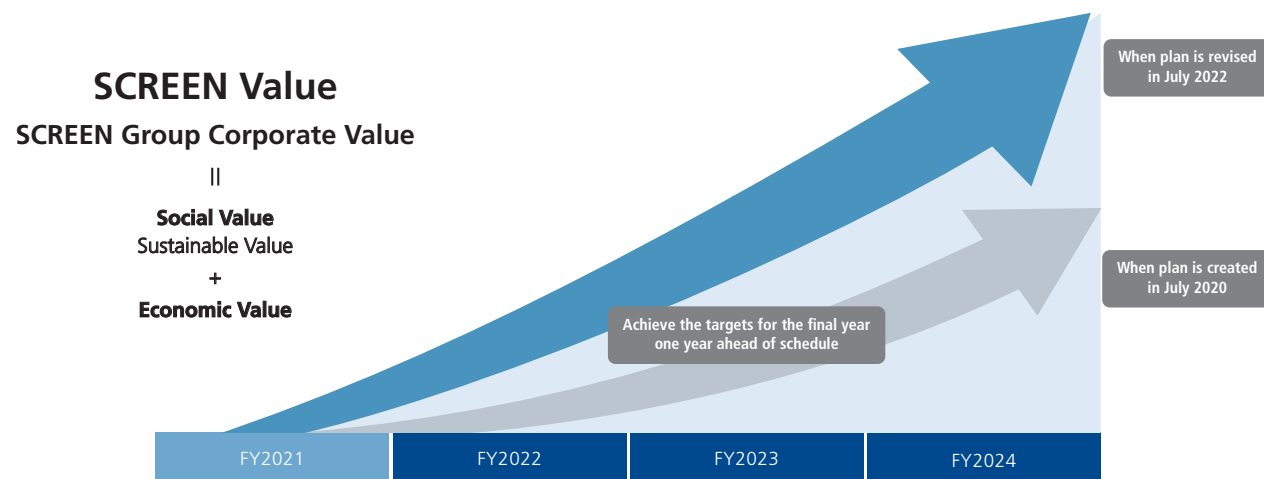
In FY2023, the third year of the plan, we have reached all the economic value targets that we had originally set for the final year, one year ahead of schedule, and received an upgraded long-term issuer rating of "A" (with a "Stable" outlook) from Japan Credit Rating Agency, Ltd. With an emphasis on ESG, we have addressed issues such as climate change, through CO2 reduction, and social problems in Sustainable Value 2023, another medium-term management plan targeting the realization of a sustainable society and the improvement of our social value.

Our goal for FY2024, the final year of the plan, is to fully realize Value Up 2023 by working on the final-year targets for social value and economic value (for which the target was revised in July 2022).

Note: The following basic concept and the definition of a solution creator are as of the time of establishment of this medium-term management plan.

Core Concept

Establishing a presence in the industry as a solution creator*



* See page 24 for our definition.

Main Strategies

- 1 ▶ **Enhance corporate value by creating innovation and a sustainable growth cycle**
 - Focus on strategic investment in development and strengthen our business portfolio by promoting open innovation and M&A
 - Endeavor to create new businesses (in energy, life sciences, advanced packages, and AI)
- 2 ▶ **Generate cash flows equivalent to profits that are earned in pursuit of profitability and efficiency**
 - Enhance capital efficiency in each business by introducing ROIC indicators
 - Strengthen investment in growth fields by stably generating operating cash flows
- 3 ▶ **Pursue ESG initiatives for a sustainable corporation**
 - Formulate a medium-term management plan, Sustainable Value 2023, based on a Sustainable Value (social value) policy for socially sustainable development and execute the plan

Progress on Achieving Economic Value Targets and Revisions

	Targets for the final year (fiscal year ending March 31, 2024) Initial plan	Results for fiscal year ended March 31, 2023	Targets for the final year (fiscal year ending March 31, 2024) After revision
1. Net Sales	Achieve net sales of ¥400 billion or above	¥460.8 billion	Achieve net sales of ¥500 billion or above
2. Operating Income to Net Sales Ratio	Achieve 15% or above	16.6%	Achieve 17% or above
3. ROE	Achieve 15% or above	21.0%	Achieve 20% or above
4. Operating Cash Flow	Cumulative total of ¥120 billion or above in 4 years	Cumulative total of ¥212.8 billion in 3 years	Cumulative total of ¥240 billion or above in 4 years
5. Shareholder Returns	Achieve a consolidated total return ratio of 30% or above	Achieve a consolidated total return ratio of 30.2%	Achieve a consolidated total return ratio of 30% or above

Note: The above figures are predicated on organic growth.

FY2023 Activities and Progress

In the semiconductor industry, demand declined due to a negative impact from special procurement during the pandemic, leading to some downward trends in capital investments. However, our technological development accelerated because of the enhanced marketing and production of new products to increase our market competitiveness and through aggressive collaborations with external parties. Efforts also continued to create new businesses in the areas of advanced packages, life sciences, energy, and AI.

We worked on continuous analysis and improvement of profitability and efficiency associated with the *Gemba*

KPIs,* which had been set at each of our business operating companies as a way to promote the adoption of ROIC management. As a result, our three-year cumulative operating cash flow surpassed cumulative operating income, and our net cash position improved significantly. Furthermore, by applying business portfolio management based on the twin axes of net sales growth and ROIC, we are moving forward with strategic investments designed to generate cash flows that would finance our investment for growth.

* Indices used to monitor local performances based on a breakdown of ROIC values for each unit.

Activities	Achievements
Strengthen the market competitiveness (SPE)	<ul style="list-style-type: none"> • Two open innovations (with imec in Belgium and IBM in the U.S.) • Launched the SU-3400, a single wafer cleaning system that provides world-leading throughput and exceptional processing performance
Enhance production capacity (SPE)	<ul style="list-style-type: none"> • Began operations at S³-4 (S-Cube 4), a new factory located within our Hikone Plant • Launched construction of S³-5 (S-Cube 5) and invested to expand capacity at three domestic Group companies
Create new businesses	<ul style="list-style-type: none"> • Released the new LeVina direct imaging system for next-generation patterning • Participated in RaaS* (cont. from last fiscal year) • Made AFI Corporation a subsidiary (life sciences business) • Decided to establish a Hydrogen Related Business Department (Launched on April 1, 2023) (hydrogen energy business) • Made an additional investment in Laboro.AI Inc. to upgrade our entire manufacturing process using AI technology
Improve profitability and capital efficiency	<ul style="list-style-type: none"> • Generated ¥212.8 billion in cumulative operating cash flow over the last three years and significantly improved our net cash position • Worked on continuous analysis and improvement of profitability and efficiency in each business through DX-based visualization of management indicators • Built a system to enable ROIC to be utilized in portfolio management and examined medium-term business strategies based on the two axes of net sales growth rate and ROIC

* Research Association for Advanced Systems by Systems Design Lab, the University of Tokyo
 Note: For details and future plans in each segment, refer to "Semiconductor Production Equipment Business (SPE)" on page 38, "Graphic Arts Equipment Business (GA)" on page 42, "Display Production Equipment and Coater Business (FT)" on page 44, and "PCB-related Equipment Business (PE)" on page 46.

Vision and Strategies

ESG Initiatives for Becoming a Sustainable Corporation

The SCREEN Group is constantly working to improve our Sustainable Value (social value) so that we can better contribute to the sustainable development of society. Based on this guiding principle, we have formulated Sustainable Value 2023, a medium-term management plan and been addressing climate changes and the social issues identified by the UN's Sustainable Development Goals (SDGs).

As a solution creator, we aim to fulfill our corporate social responsibilities by meeting the expectations and earning the trust of diverse stakeholders, and also realize sustainable society through our businesses. To do so, we are striving to proactively deploy various initiatives that emphasize the environment, social and governance (ESG).

Sustainable Value 2023 Key Goals and Progress

Material issues	Targets for the fiscal year ending March 31, 2024	The fiscal year ended March 31, 2023	
		Results	Self-evaluation, issues, measures, etc.
Reduce CO2 emissions from business activities ▶ p. 53	<ul style="list-style-type: none"> 45.5 (thousand metric tons CO₂e) 10% reduction compared with FY2019 Continual activity toward our SBT (Scope1 + Scope2): 30% reduction by the end of FY2030 	23.9 (thousand metric tons CO ₂ e) 52.7% reduction compared with FY2019	Substantial reductions were achieved mainly as a result of the introduction of renewable energy at Hikone Plant and other facilities. Other measures are under consideration, such as introducing renewable energy at other sites, promoting energy-saving of equipment, and installing energy generation/storage solutions.
Reduce CO2 emissions from the use of sold products ▶ p. 53	<ul style="list-style-type: none"> 2,395 (thousand metric tons CO₂e) 8% reduction compared with FY2019 Continual activity toward our SBT (Scope 3): 20% reduction by the end of FY2030 	2,577 (thousand metric tons CO ₂ e) 0.9% reduction compared with FY2019	Emissions remained unchanged despite the increase in product sales, but to achieve the target, we should accelerate the development of products conducive to improving energy efficiency.
Reduce the volume of waste generated, promote recycling ▶ p. 55	<ul style="list-style-type: none"> 188 (kg/metric tons) 5% reduction compared with FY2019 Waste generated in business activities (in intensity per unit weight of product shipments) 	172 (kg/metric tons) 13.0% reduction compared with FY2019	Our promotions (e.g., recycling waste plastic) led to reduced waste generated volumes and higher recycling rates.
Promote effective water use ▶ p. 54	<ul style="list-style-type: none"> 246 (m³/metric tons) 5% reduction compared with FY2019 Business operating site water withdrawal for service water, industrial water, etc. (in intensity per unit weight of product shipments) 	230 (m ³ /metric tons) 11.1% reduction compared with FY2019	Although total water withdrawal slightly increased due mainly to the impact of the establishment of a new factory, our efficient production systems enabled us to achieve reductions in water withdrawal per unit weight of product shipments above the target.
Human Resources ▶ p. 59	<ul style="list-style-type: none"> Promotion of measures to develop solution creators Enhance systems and measures that provide a tangible sense of growth Create an environment that supports the hiring and development of diverse human resources and enables them to succeed Apply sustainable new work styles 	<ul style="list-style-type: none"> Conducted Group-wide engagement and individual surveys Expanded training for cultivating next-generation business leaders Conducted programs for women's empowerment Enhanced the work-at-home system to promote work-life balance 	We are continuing our work to create a sustainable environment in which any skilled employee can feel engaged and make an ongoing contribution regardless of their diverse attributes. Measures to develop solution creators are underway, based on analyses of Group-wide surveys.
Enhance industry-academia-government collaboration and community collaboration ▶ p. 85	<ul style="list-style-type: none"> Advance various collaborative projects through cooperation with government agencies, educational institutions, etc. 	Worked with the Lake Biwa Museum and Seian University of Art and Design to develop biodiversity-themed educational game materials for children Implemented a capstone project with Kyoto University of Advanced Science	By working more closely with government agencies and educational institutions, we are promoting collaborations that will benefit all parties (industry, academia, and government) over the medium to long term.
Identify key risks and reduce risks ▶ p. 81	<ul style="list-style-type: none"> Identify risks to corporate value and minimize their impact 	Lowered the rating of five out of the seven key Group risks through the activities of the Group Risk Management Committee, consisting mainly of HD Management Committee members	We have strengthened support through our second line of defense in dealing with the key Group risks identified at the beginning of the fiscal year, especially those in the four business operating companies.
Expand CSR initiatives in the supply chain ▶ p. 86	<ul style="list-style-type: none"> Pursue ongoing strengthening of our supply chain management system, including widespread adoption of our Code of Conduct, procurement practices and BCP 	Built a sustainability website for major suppliers such as top by transaction value (launched in June 2023)	We strive to assess the situation through various surveys and promote supply chain sustainability in cooperation with local governments and other companies.
Enhance resilience to increasingly severe natural disasters ▶ p. 83	<ul style="list-style-type: none"> Improve the resilience of the Group's business continuity planning in the face of increasingly diverse disaster risks 	Revised and expanded rules and manuals, and accelerated the establishment of an effective BCP system that covers domestic and overseas sites Conducted a large-scale comprehensive drill for the Group Emergency Headquarters	We are considering improvements to our IT systems, including those in the supply chain, to increase the speed and reliability of our IMP and BCP structures.

Initiatives for the Fiscal Year Ended March 31, 2023

E (Environment) Climate change initiatives and environmental management

Climate change and environmental initiatives [▶ p. 53](#) [▶ p. 58](#)

- Continued to promote CO2 reduction measures compliant with the SBTi and declared our intention to become carbon neutral by 2050
- Implemented ongoing risk scenario analysis and information disclosure compliant with the TCFD
- Participated in the Semiconductor Climate Consortium
- Selected as a partner in Kyoto Prefecture's Supply Chain Decarbonization Support Project
- Enhanced our recycling system by turning waste plastics including PFAS into valuable material

Biodiversity-related activities [▶ p. 56](#)

- Resumed the SCREEN Forest activities for forest and rural conservation, which had been suspended due to the COVID-19 pandemic
- Worked with the Lake Biwa Museum and Seian University of Art and Design to develop biodiversity-themed educational game materials for children



School visits to teach with biodiversity-themed games

S (Social) Realizing rewarding workplaces and creating social value

Human Resources Development [▶ p. 59](#)

- Conducted an employee engagement survey to promote employees' personal growth and enhance their satisfaction with the organization
- Opened Management Skills Transmission School, a next-generation business leader development program featuring lecturers with experience in corporate management
- Held career development training for female employees to further promote women's empowerment
- Launched the "Digitra-dan" work support website to enhance employees' IT literacy and operational efficiency

Initiatives to implement health and productivity management and promote employee health [▶ p. 65](#)

- Certified as a 2023 Health and Productivity Management Outstanding Organization (White 500)
- Organized a health promotion seminar to enhance employees' health literacy

Promotion of activities based on industry-academia-government collaboration [▶ p. 85](#)

- Offered internships in collaboration with Doshisha Business School and Kyoto University of Advanced Science
- Cooperated on the Kyoto Entrepreneur Challenge under our comprehensive partnership agreement with Kyoto Prefecture



Kyoto Entrepreneur Challenge

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

Stricter management of Group risks [▶ p. 81](#)

- Enhanced the effectiveness of risk management at all Group companies through the Group Risk Management Committee
- Identified material risks for the fiscal year based on the Group risk list and implemented risk mitigation measures

Ongoing initiatives to continuously improve the effectiveness of SCREEN's Board of Directors [▶ p. 73](#) [▶ p. 80](#)

- Conducted an evaluation and analysis of the Board's effectiveness based on advice from a third-party organization and published the results on our website
- Released a skills matrix showing the expertise and experience of HD's directors and corporate auditors

Long-term issuer rating by Japan Credit Rating Agency, Ltd. raised to A with a "Stable" outlook

- Raised from the previous rating of A- with a positive outlook on March 17, 2023

Establishment of a resilient BCP system that can withstand increasingly severe natural disasters and pandemics [▶ p. 83](#)

- Conducted a large-scale comprehensive drill for the Group Emergency Headquarters, assuming a Nankai Trough earthquake
- Conducted a flood risk survey of the Group's sites based on local flood hazard maps

Stronger information security measures to combat cyber attacks [▶ p. 83](#)

- Conducted a drill for our computer security incident response team (CSIRT), which is an internal group created to combat cyber attacks
- Established a new information security group to achieve compliance with NIST SP800-171 U.S. security standards

Further enhancement of compliance systems [▶ p. 83](#)

- Strengthened global whistleblowing systems for internal reporting and consultation
- Expanded compliance education for executives and employees in Japan and overseas



Confirming inter-site communication during a BCP drill

Providing New Values to Society and People

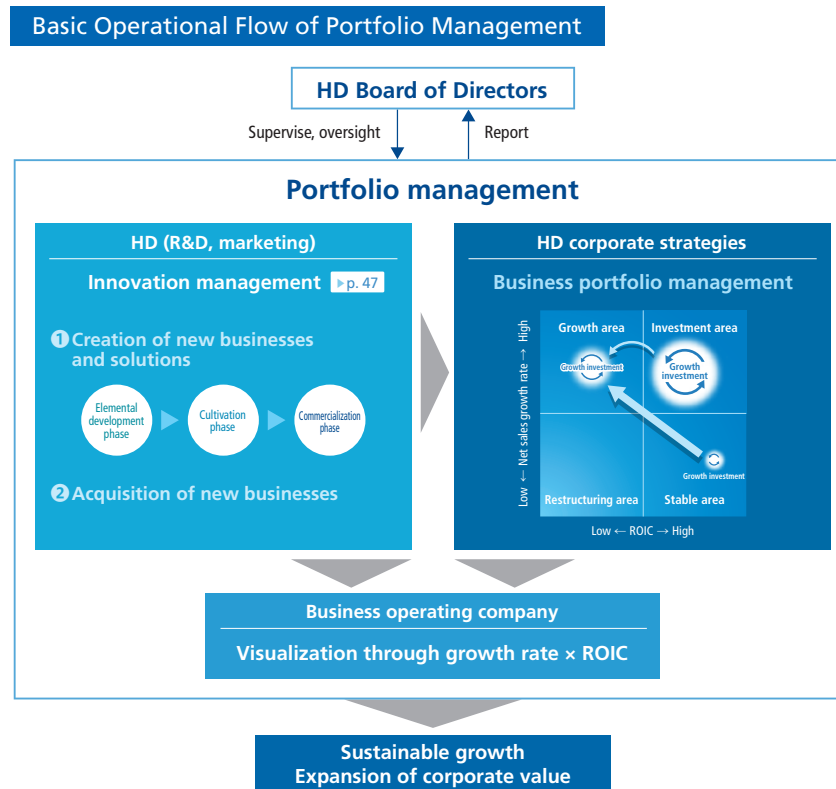
Portfolio Management

Through our portfolio management, which is the core of value creation and under the guidance of SCREEN HD, we strive to visualize the current value of the portfolio in terms of growth potential and ROIC, while showing the direction of existing businesses and the targeted positions for new businesses with the aim of achieving sustainable growth in the future. We supervise our portfolio by conducting "business portfolio management" to monitor the corporate value of each business in the SCREEN Group and "innovation management" to sustainably and effectively create new businesses (including new product lines under existing business segments). We aim to maximize the SCREEN Group's sustainable growth and corporate value.

Basic Operation of Portfolio Management

In business portfolio management under the oversight of HD, we pursue strategic investment which aims at achieving an optimal balance between existing and new businesses by using operating cash flow generated by business. Specifically, we generate investment capital through the growth of business operating companies and by refreshing the product portfolio. The 70% of investment capital will be allocated to support further growth of existing businesses and creation of new business operating companies. In this way, we aim to achieve sustainable growth. To realize our ideal business portfolio, the Board of Directors analyzes issues and regularly checks the progress of required measures.

In innovation management, we integrate in-house management that uses owned elemental technologies as foundation and management that centers on M&A for acquisition of business that generates synergies. In this way, we sustainably and effectively create new business (including new product lines under existing business segment).



Business Portfolio Management

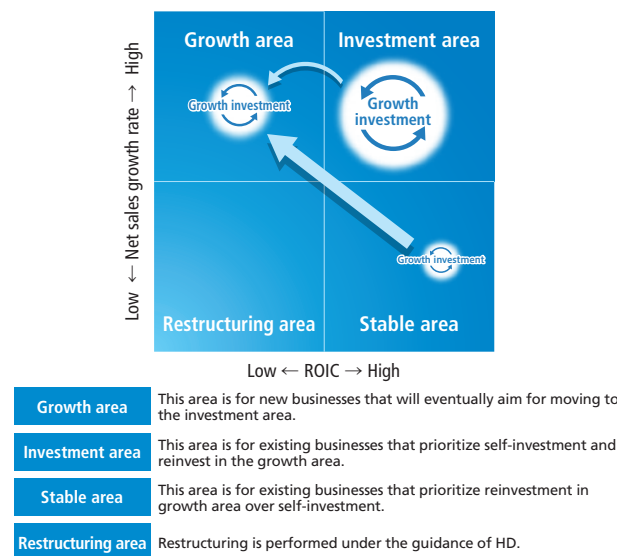
In business portfolio management, we visualize the business segments under SCREEN Group by using growth potential (net sales growth rate) and return on invested capital (ROIC) as indicators. This visualization allows us to regularly check the difference between the current state and optimal state of each business segments, so as to realize our ideal business portfolio.

Ideal Business Portfolio

Each business segment under SCREEN Group has their product lines positioned at the growth, investment and stable areas. (See definitions on the right.)

Visualization of Portfolio of Each Business Segment

We centralize the corporate value of the business operating companies owned by the SCREEN Group by categorizing each of them as one of the four areas: growth, investment, stable, or restructuring.



Strengths of the SCREEN Group

Based on the relationship of trust built with our clients, we will leverage our technological capabilities (including human and intellectual assets) and collaboration with external sources to provide solutions addressing social needs and continue offering industry-leading products and services.



1 Collaboration abilities

The strength to create elemental technologies that can become the seeds for business ideas by building open collaborations with leading-edge clients, consortiums, economic organizations, universities and enterprises.

We will continue to create elemental technologies that can become the seeds for business ideas through collaborations with leading-edge clients, domestic and overseas research institutions, and parties from different industries, as well as through industry-academia-government partnerships.

2 Solution creation abilities

The strength to create solutions that can solve client issues based on marketing

We will identify changes in markets and create solutions that can provide to our clients based on elemental technologies (seeds) that can contribute to future innovations.

3 Business structuring abilities

The strength to undertake the technology, product and service development, etc. needed to turn a solution into an actual business

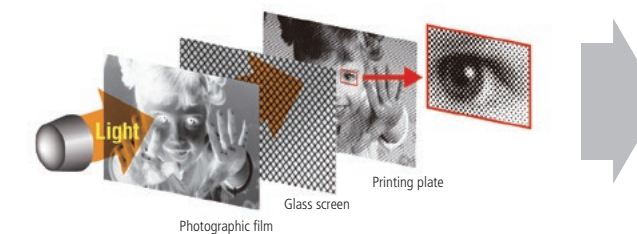
We will continuously enhance our corporate value by providing innovative solutions to our clients, that make it grow as a business.

Foundation of Three Core Technologies

In 1934, Ishida Kyokuzan Printing Works, the forerunner of the SCREEN Group, succeeded in domestically producing the glass screens used for photographic reproduction. The manufacturing of these screens required precision etching capabilities, from which emerged our surface processing technology, the foundation of our subsequent growth and now one of our three core technologies. With glass screens being essential for photographic reproduction at that time, we could easily sell as many as we made. However, rather than being satisfied with this situation, we focused on creating a new business that targeted the changing needs of society in that period. Our goal became to systematize the process of photographic reproduction and create all of the devices required for it, leading us to develop and manufacture graphic arts equipment.

Initially, we developed a process camera, followed by an electronic engraving machine and color scanner. Based on the optical technologies established during the creation of these systems, we then developed a direct scanner that featured the first domestic use of a laser in an industrial device. It was this laser-based optical system that gave rise to our current direct imaging technology. In

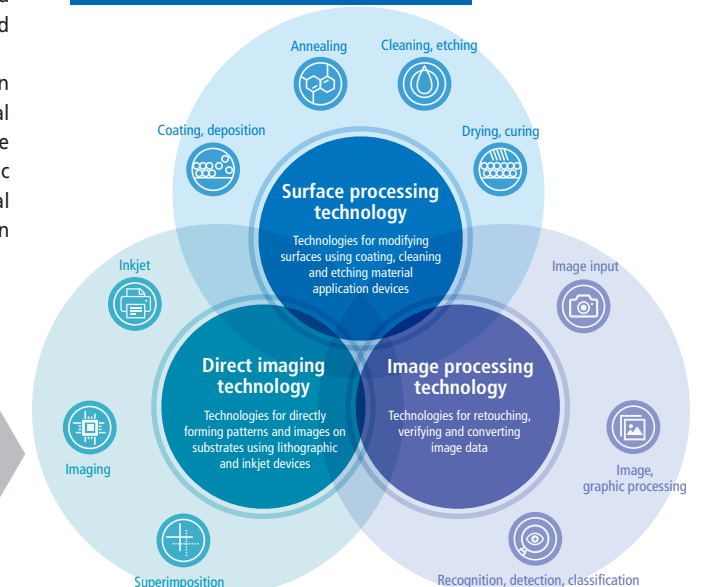
Printing prepress process



addition, as we developed this range of graphic arts equipment, we also cultivated our image processing technology, another core technology that has enabled us to stay ahead of the ongoing trend toward digitalization.

Starting with our original glass screens, we have pursued the spirit of Shi Ko Ten Kai, an approach to innovation that is not bound by the current moment. This concept has helped us to progressively expand our businesses and technical expertise and create our current three core technologies.

Current three core technologies



Providing New Values to Society and People

Intellectual Property Strategy

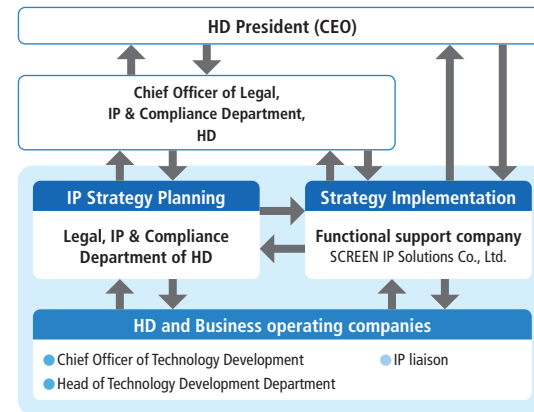
Basic Policy

We are working to enhance our intellectual property (IP) capabilities over the medium to long term while also building an IP portfolio that is linked to our management, business and technology strategies. Success with this will ultimately improve our SCREEN Value.

IP Strategy Promotion System

As a framework for our IP initiatives, we have established the Legal, IP & Compliance Department within SCREEN HD to formulate our strategy and SCREEN IP Solutions, a specialized functional support company, to execute this strategy. HD and each of the Group's business operating companies also assigns one of its engineers as an IP liaison for its Technology Development Department and these personnel attend IP liaison meetings four times a year to discuss and make decisions about IP activities from a cross-business perspective.

Additionally, in each business operating company, its chief officer and department head for technology development and also IP liaison take part in IP consultations twice a year. They discuss IP strategies linked to their company's business and technology strategies and then decide the activities' policy and details.



IP Strategy for Medium to Long Term

Target IP portfolio

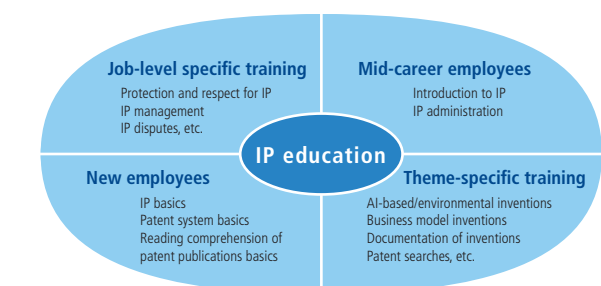
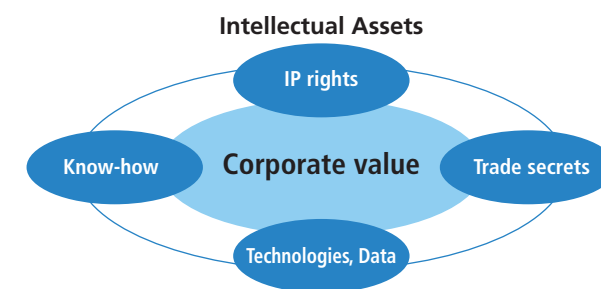
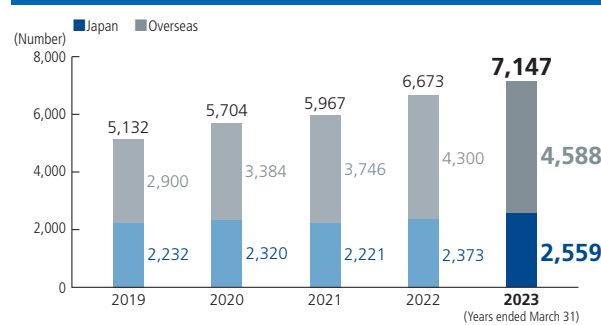
Our IP portfolio management is designed to both increase the quantity and improve the quality of patents by promoting IP activities connected to our business and technology strategies. In terms of increasing the quantity, we wish to hold IP rights that are aligned with future business growth. More specifically, we plan to set KPIs for key technology areas that correspond to growth and investment opportunities and promote IP creation and rights acquisition.

Similarly, in relation to raising quality, we plan to set KPIs as objective indicators to show the ability of our and other companies' patents to inhibit competition, thereby enabling us to improve this factor. Going forward, we will continue to increase the quantity as well as the quality of our IP, helping to strengthen our business competitiveness, and to build an IP portfolio that supports sustainable growth and maximization of our corporate value.

IP mix strategy utilizing intellectual assets

To demonstrate a competitive edge in growth areas, we seek to create, utilize and protect IP rights related to patents, designs, trademarks and copyrights as well as, just as importantly, intellectual assets including trade secrets, technologies, data and know-how. We intend to steadily plan and implement an IP mix strategy tailored to the special features of the global market, where we expect to see continuing growth. As always, our focus is on maximizing the sustainable growth of the SCREEN Group, along with our corporate value.

Number of Patents Held (Holding, business operating, and functional support companies)



In-house IP Education

We have established an IP education system designed to instill the abilities required by staff at all levels, including new employees, mid-career employees and recently promoted employees in each career track. As well as providing theme-specific training, the system covers everything from IP basics to dispute handlings, with a particular focus on how to protect and respect IP.

In addition to core expertise such as how to document inventions and conduct patent searches, our theme-specific training covers practical IP education that adapted the times, including the creation of inventions incorporating AI plus those related to the environment and business models. We are fully committed to the development of personnel with the technical skills needed to support sustainable growth of the SCREEN Group.

In-house Award Programs

We believe that increasing the motivation of our employees to pursue IP-related activities is an important factor in achieving sustainable growth, leading us to establish multiple IP award programs. SCREEN's CEO, each Chief Officer of Technology Development and the Chief Officer of the Legal, IP & Compliance Department participate as judges. We are promoting IP activities through raising motivation of employees for IP initiative such as holding awards ceremonies and broadcasting them internally.

Award	Outline
Intellectual Property Award (yearly)	Presented to inventors who have helped to promote the protection of IP (through successful patent application activities)
SCREEN IP Award (yearly)	Presented to individuals or teams who have engaged in activities intended to create, protect and/or utilize IP
Sustainable Value Award Special category, Environmental invention award (yearly)	Presented to employees who have created inventions designed to reduce environmental impact through business activities

Topics

Received an Award from Commissioner of the Japan Patent Office of the FY2023 Intellectual Property Achievement Awards for the first time

The SCREEN Group won the Award from Commissioner of the JPO for the first time this year. The prize is one of the Intellectual Property Achievement Awards sponsored by the JPO, under Japan's Ministry of Economy, Trade and Industry, and recognizes SCREEN effective utilization of the IP system and contribution to its smooth operation and development.



Selected for Clarivate Top 100 Global Innovators 2023 for the second consecutive year

SCREEN was also selected as a Clarivate top 100 global innovator for the second consecutive year in 2023. Clarivate is one of the world's leading information service companies.

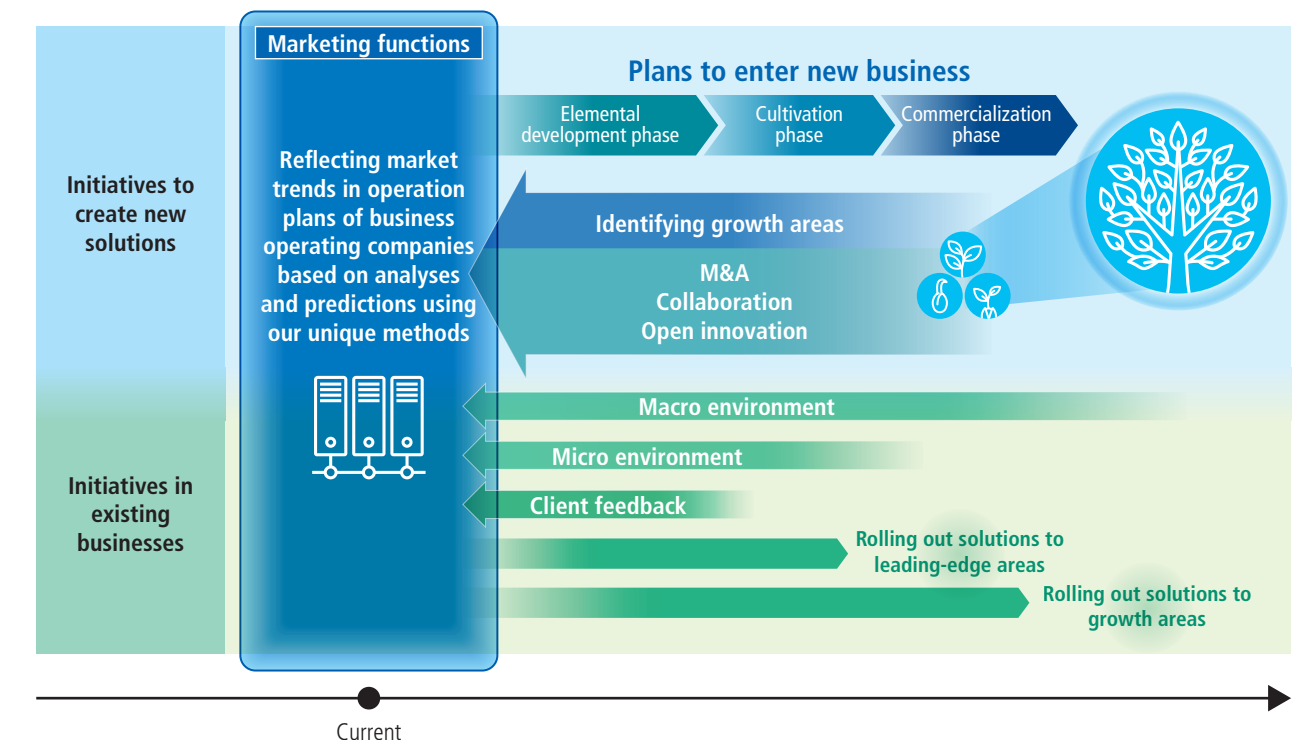


Strengthening Marketing

We will continue to strengthen marketing to sustainably and effectively create new businesses and realize our ideal business portfolio.

Specifically, we will build a system that enables us to take on pioneering initiatives in growth areas. To do so, we aim for the early detection of medium- to long-term market technology trends in the business environment of our business operating companies, using unique analysis and prediction methods supported by our original databases. In addition, our efforts to explore and seize opportunities for collaborations involving new people and technologies in Japan and abroad will play a central role in creating forward-looking new solutions that are sustainable and effective.

Strengthening Marketing Functions in Portfolio Management

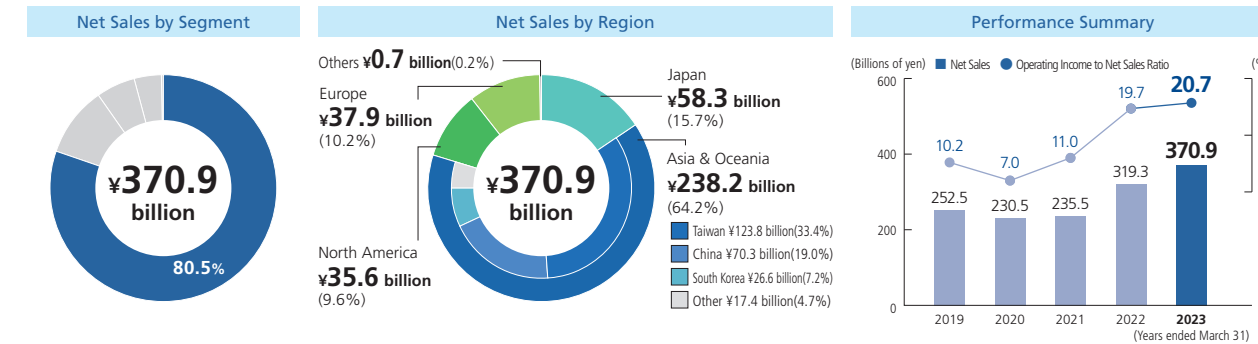


Providing New Values to Society and People

Business Overview: Summary (Fiscal year ended March 31, 2023)

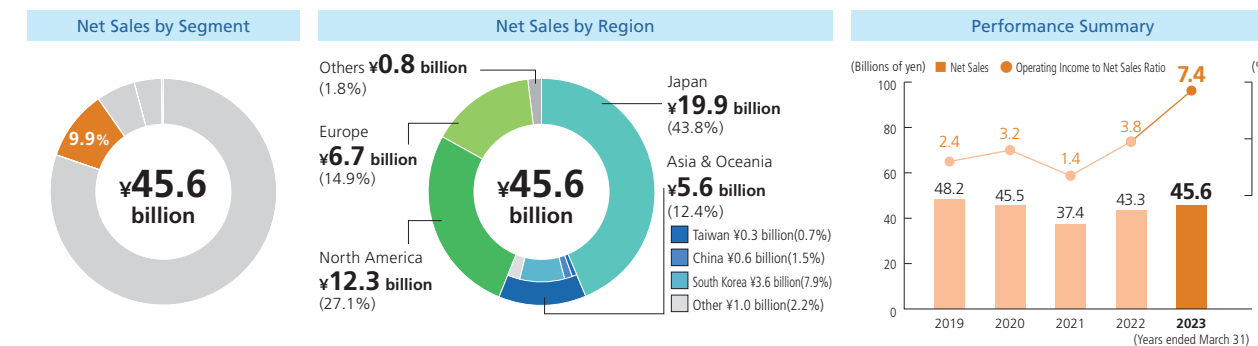
SPE Semiconductor Production Equipment Business SCREEN Semiconductor Solutions Co., Ltd.

▶ p. 37 - 40



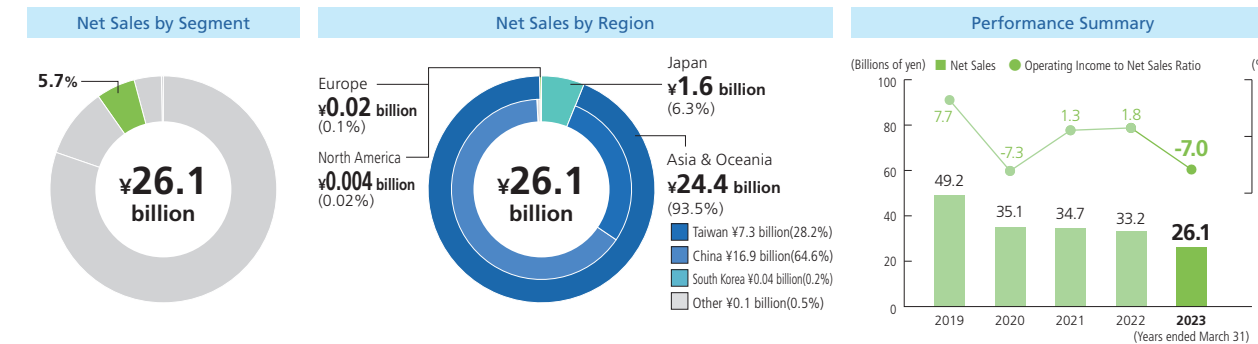
GA Graphic Arts Equipment Business SCREEN Graphic Solutions Co., Ltd.

▶ p. 41 - 42



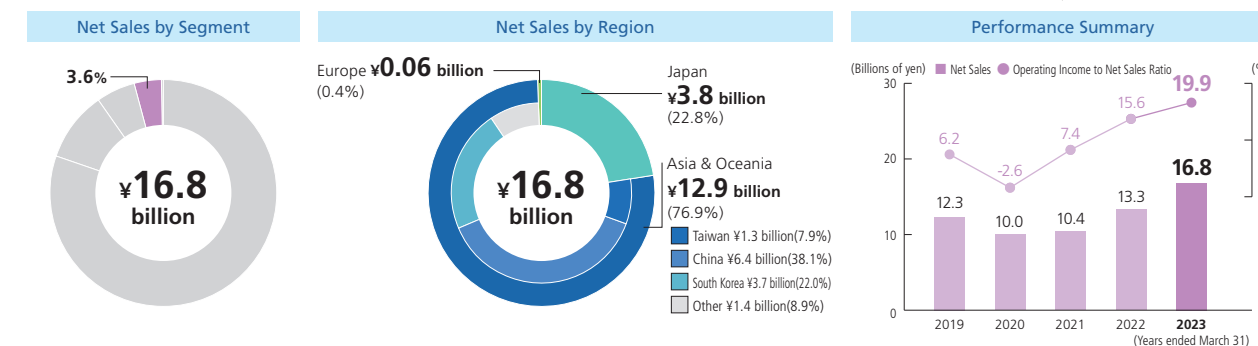
FT Display Production Equipment and Coater Business SCREEN Finetech Solutions Co., Ltd.

▶ p. 43 - 44



PE PCB-related Equipment Business SCREEN PE Solutions Co., Ltd.

▶ p. 45 - 46



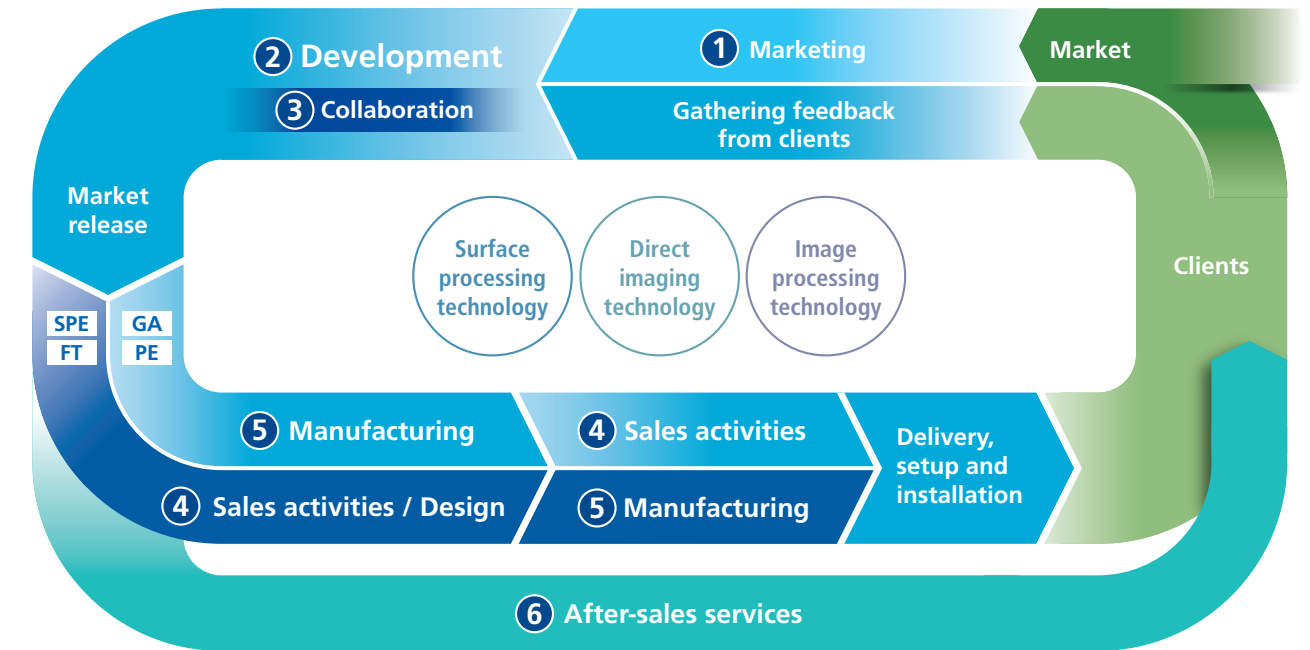
New Businesses (Innovation Management)

▶ p. 47 - 50

Value Chain

Creating Value by Providing Solutions to Meet Market Needs and Client Requests Based on Our Core Technologies

We create a cycle to produce new solutions, satisfy clients with our solutions, generate profits, and reinvest in further development.



1 Marketing

- Gather and analyze market information in multifaceted ways
- Evaluate client needs, industry and technology trends, and propose development directions and themes
- Based on our own analysis and forecast of long-term market trends, propose and implement plans for development resources allocation and business expansion into growth fields

2 Development expertise from initial design to final product

- Develop equipment that embodies our deep knowledge and design know-how acquired in each business area
- Strictly review the status of development in terms of the fulfillment of client needs, profitability, competitive advantage, and reduced environmental impact in each phase until development finishes
- Achieve a high level of quality, cost, and delivery (QCD) based on our manufacturing insight
- Pursue elemental development based on core technologies with the support of the R&D departments of HD from a long-term perspective

3 Collaborations: Development acceleration

- HD: Collaboration with the New Energy and Industrial Technology Development Organization on Fuel cell MEAs and with Tokyo Gas on water electrolysis cell stacks
- SPE: Joint projects with external research institutions (imec, IBM Albany Nanotech, Leti), Applied Materials META Center, New Energy and Industrial Technology Development Organization, Nagasaki University, Hiroshima University, Shiga University, and suppliers

4 Sales activities

- Speedily propose solutions that cater to specific needs, based on highly client-oriented sales activities
- Facilitate efficient manufacturing through early determination of equipment specifications (SPE, FT, PE)

5 Manufacturing

- Stabilize procurement by planning production in line with client forecasts and sharing demand information with suppliers
- Ensure high quality in accordance with the ISO 9001 standard for quality management systems
- Promote cost reduction activities through standardization of specifications (SPE, FT)
- Promote efficient manufacturing by standardizing parts/units (GA, PE)
- Achieve high quality by shifting to preventive / predictive activities based on our total quality management (TQM) system (SPE)
- Further increase efficiency of the Hikone Plant, with its new factory, S³-4, put into operation in January 2023 to maximize the use of the S³-3 automated factory
- Accelerate cost reduction through value analysis (VA) and value engineering (VE) in cooperation with suppliers (GA)

6 After-sales services

- Promote localized operations to build a resilient support structure that can withstand a pandemic
- Enhance profit-driving, after-sales businesses (maintenance parts, modification, used equipment sales, consumables, etc.)

Semiconductor Production Equipment Business (SPE) SCREEN Semiconductor Solutions Co., Ltd.

Message from a Business Operating Company President

Providing solutions to make semiconductor production more clean and efficient

Masato Goto

SPE President



In today's digitalized society, semiconductors solve wide-ranging social issues by enabling the flow of information to be managed. In fact, it would not be an overstatement to say that SCREEN, which makes semiconductor production equipment, improves the flow of information in society. In essence, we aim to solve wide-ranging social issues through equipment and services that leverage our strength of adding ingenuity to nanotechnology. Going forward, we will strive to create shared value by continuing to contribute to society, expand business, and refine the technologies of our specialized fields while remaining an entity trusted by clients. That is why we set our creating shared value (CSV) proposition as "Improving the flow of information by adding ingenuity to nanotechnology." To this end, we need to grow at a rate above market growth while maintaining and taking advantage of our presence in the industry. Specifically,

we intend to establish a dominating market share in wafer cleaning field, expand fields outside cleaning equipment, and further enhance productivity in our factory.

During the period of the current medium-term plan, net sales increased at a pace significantly exceeding the plan's initial target. We have also seen the operating income ratio steadily improve although we implement growth investments. From the latter half of 2022, we have been experiencing an adjustment stage, especially for semiconductor memory, but we expect sales and profit to increase year on year as well as a record-high operating income to net sales ratio for the full fiscal year.

We will continue contributing to the development of the semiconductor market and work harder than ever to provide added value to clients around the world.

Semiconductor Manufacturing Processes and Solutions Provided by SCREEN

SCREEN provides diverse solutions for use in a broad range of processes that are a crucial part of circuit formation on silicon wafers for semiconductor devices, including cleaning, coating/developing, and annealing.

In particular, in the area of cleaning,*1 our products are widely used at the front-end-of-line (FEOL),*2 which is where many important processes determine the performance of devices. We are also focusing on expanding our market share of the middle-of-line (MOL) and back-end-of-line (BEOL), where the number of processes is growing as miniaturization progresses.

We meet a wide range of client needs in all fields, including such mature nodes as IoT and automotive products, not just markets for leading-edge, increasingly miniaturized and multilayered devices. We are contributing to enhanced productivity, quality, and performance in semiconductor manufacturing.

*1 Removing tiny contaminants and residues/particles from the surface and back-side of wafers. For example, removing a particle of 10nm in size from the surface of a 300-mm wafer is proportionate to removing a speck of cypress pollen from a baseball field.

*2 Transistor fabrication process

Front-end process

- Cleaning and etching equipment** (SP)
 - SU-3400, SB-3300, FC-3100, DT-3000
- Coater/developer** (SP)
 - LA-3100
- Annealing equipment** (SP)
 - RE-3500

Back-end process

- Measurement equipment** (IP)
 - ZI-3600
- Inspection equipment** (IP)
 - LeVina
- Exposure equipment** (DI)
 - LeVina

SP Surface processing technology Cleaning and etching, coating, development, drying and curing, annealing

IP Image processing technology Image processing, recognition, detection, and classification

DI Direct imaging technology Imaging and superimposition

Green Products: Products with high environmental performance that are certified under our own assessment standards

[WEB](#) Green Products

[WEB](#) Semiconductors for Beginners (in Japanese only)

SWOT analysis (cleaning equipment)

<p>S</p> <ul style="list-style-type: none"> Various advantages accruing from securing top market share in the cleaning segment for many years Accumulated know-how of design, manufacturing, processes and expertise Building of long-term business relationships with the world's leading semiconductor manufacturers Strong presence in FEOL cleaning processes by joining consortiums 	<p>W</p> <ul style="list-style-type: none"> Low profitability compared to competitors Unbalanced client composition due to application mix Insufficient production capacity Unbalanced product mix tilted toward cleaning
<p>O</p> <ul style="list-style-type: none"> Growth in the semiconductor market resulting from progress in 5G, AI, IoT and DX/GX National policies to support and strengthen semiconductor manufacturing in each region Improvements in information quality, volume, and speed due to participation in consortiums and joint development 	<p>T</p> <ul style="list-style-type: none"> Cyclical business environment Supply chain disruption due to rising geopolitical risk Loss of market share due to competitors' technological capabilities and pricing strategies Lower productivity and profitability due to shortages and soaring prices of parts and materials

"Value Up 2023" Medium-term Management Plan

Progress of Segment Strategies and Future Plan

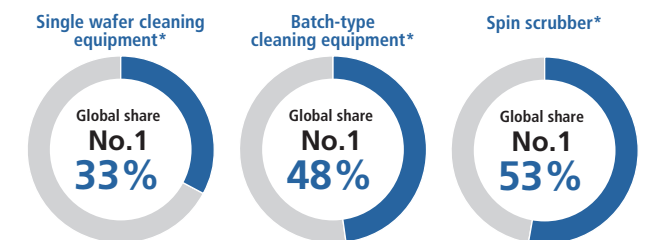
Segment Strategies	Relevance to SWOT	Progress and Future Plan
Increase market share in the cleaning equipment segment. Expanding our share in the MOL and BEOL area	S W O T	<ul style="list-style-type: none"> Efforts to increase market share by expanding the process of record (PoR)* from leading-edge to mature nodes Expansion of market share for MOL and BEOL: Continued PoR acquisition activities in the MOL and BEOL areas and this is gradually producing results Continue to strengthen the competitiveness of our cleaning equipment by introducing new models such as the SB-3300 and SU-3400, and developing leading-edge technologies Increase the number of expatriate employees outside Japan. Ensuring business acquisition through sales promotion activities closer to clients.
Continue to transform toward improved profitability	W	<ul style="list-style-type: none"> Increase profitability by improving operating rates at S³-3 based on earlier finalization of specifications and standardization of designs. Take other steps to increase profitability by further improving productivity and promoting VE activities Targeted greater profitability and efficiency by integrating ROIC management; changed mindset Group-wide by successfully introducing <i>Gemba KPIs</i>. From FY2024, we began calculating ROIC by product and client. Structural reform of unprofitable areas (selection and concentration of management resources): Completed the reallocation of resources from unprofitable areas to our main cleaning equipment segment. Continue this process and implement structural reforms
Strengthen after-sales services	W T	<ul style="list-style-type: none"> Cooperate with SCM to increase sales. Continue sales promotions for equipment modifications based on client needs to further expand sales
Improve our cash conversion cycle (CCC) by enhancing supply chain management (SCM)	W	<ul style="list-style-type: none"> Continue to improve our CCC by tightening inventory control, shortening lead times and improving payment terms
Begin operation of our new S ³ -4 and S ² -5 factories to establish a production capacity to meet the robust demand for semiconductor production equipment	W O	<ul style="list-style-type: none"> Effectively utilize S³-3 to enable us to respond to a medium- to long-term increase in demand with a good margin of safety (S³-4, which began operations in January 2023, contributed. S²-5 is expected to begin operations in January 2024.)

*Process that forms the basis of mass production

Market Share

Cleaning accounts for about 30% of all semiconductor manufacturing processes (of which there are several thousand), and cleaning is carried out before and after each process.

In this business, we have captured the top market share in three fields of cleaning equipment. In addition, in the leading-edge device sector, against the backdrop of increasing cleaning needs due to miniaturization, our sales are steadily rising, especially for major foundry and logic device clients. We expect the percentage of cleaning equipment sales to total sales to increase in the wafer fab equipment (WFE) market. This is due to the emergence of new needs as the shift to chipllets progresses, such as for cleaning the bonding surfaces of wafers, and as the need for meticulous cleaning increases for MOL and BEOL amid the shift to miniaturization on par with FEOL. The Company expects to further increase its market share as its efforts to capture to date have shown results due in part to the widespread adoption of new products.



* Chart created by SCREEN based on Gartner Research, Source: Gartner®, Market Share: Semiconductor Wafer Fab Equipment, Worldwide, 2022, Bob Johnson, Gaurav Gupta, 17 April 2023 (Vendor Revenue from Shipments basis, listed as SCREEN Semiconductor Solutions in this research)
 Single Wafer Cleaning Equipment = Single Wafer Processors; Batch-type Cleaning Equipment = Wet Stations; Spin Scrubber = Scrubbers
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Feature: Creating Trends toward Our 10-Year Vision: From the Front Lines of Development



Ayumi Higuchi

Manager
Clean Technology Development Section 2
Clean Technology Development Department
Clean Technology Development Operations, SPE

Masaki Inaba

General Manager
Clean Technology Development Department
Clean Technology Development Operations, SPE

Interview

Streamlining technological development through internal and external collaboration

What is your background and what are your current responsibilities?

Inaba: I joined SCREEN in 2013 with experience as a dry etching*1 process engineer at a semiconductor device manufacturer. At SCREEN, after working in the elemental technology development department, I began working in my current position as a manager developing leading-edge cleaning processing technologies.

Higuchi: I majored in chemistry at university and joined SCREEN in 2002. I first gained experience in development and client engagement, especially for batch cleaning. I then transferred to the development of single wafer cleaning. I now focus on reducing and removing waste or particles stuck to wafers during process treatment and am responsible for joint development with consortiums under the current organization from April 2023.

How are you involved in joint development with Interuniversity Microelectronics Centre (imec) and IBM?

Inaba: There are two sections within the clean technology development operations. Section 1 mainly handles elemental development to establish technology for modular development. Section 2 handles external collaboration, including with imec*2 and IBM, and serves the role of inspecting technologies created by Section 1.

Our collaborative research with IBM targets process integration for devices produced after the 2nm generation, and imec targets even later generations. By collaborating with IBM and imec, we are able to verify technologies developed in-house using actual devices, which helps us establish technologies that can enhance quality, reduce costs, and reduce environmental impacts.

What is your awareness of Gemba KPIs and ROIC in joint development?

Inaba: Quantitatively calculating the return on investment in collaboration with imec and IBM is straightforward yet still difficult. When we come up against a thorny issue that the Company alone cannot solve during the development of leading-edge technology, being introduced to a leading-edge device manufacturer to serve as a consultation partner is one kind of return. In addition, when developing technology in line with SCREEN's development roadmap, I consider acquiring process of record (PoR, a process that is the basis for mass production) through the process flow of joint development is a kind of KPI. Recently, because successful results have already emerged from our collaboration with imec, I think that these effects will become quantitatively more visible going forward.

Higuchi: Due to the introduction of ROIC and Gemba KPIs, I became more strongly aware of the schedule. In particular, there needs to be a considerable sense of urgency when working to solve problems related to client processes. There are challenges in solving clients' issues while working on development, but we always respond with constant consideration paid to the order of priority.

What are the issues with the current organization?

Higuchi: I am aware that securing and training top-level talent are important. In our current organization, we are proactively hiring foreign nationals, and employees hailing from Taiwan, China, and Vietnam are active in the Company. I intend to continue working hard to strengthen development capabilities while training top-level talent globally through various educational programs.

Inaba: I think there should be a balance between solving problems at client front lines and seeing through the execution of in-house development

projects. Both are important and cannot be neglected. For this, we consider what kind of solutions we can deliver clients when engaged in development. We also think about organizational efficiency, such as clarifying the role of basic research (elemental development) undertaken by HD when deciding the direction of development.

How will you promote ownership of creating shared value (CSV) for SPE?

Higuchi: I think it is necessary to wield advanced technology as a tool to encourage department employees to sympathize with CSV, namely improving the flow of information by adding ingenuity to nanotechnology. I will strive to foster an environment in which everyone can work passionately so that they can feel connected to society and people while



Interview

Focusing on cash conversion cycles (CCC) from the development stage to improve not only equipment performance but the development process itself

Takahiro Yamaguchi

Manager
Development Strategy Section
Development Strategy Department
Clean Technology Development Operations, SPE

I joined SCREEN in 2007 and was stationed in Albany, New York to develop new equipment. After returning to Japan, I became the project leader for developing the latest model SU-3400 single wafer cleaning equipment. Currently, as the manager for the cleaning development strategy section, I help formulate medium- to long-term development roadmaps for cleaning equipment.

The SU-3400, which was released at the end of last year, was developed not just by the development department but in cooperation with manufacturing, sales, and various other departments. The concept behind the product is: creating a kind of virtual equipment before manufacturing. We resolved issues when manufacturing equipment by sharing 3D design data with each department before creating prototypes. Moreover, by unifying 50% of the parts and reducing the number of parts 25%, we made procurement and manufacturing simpler. In addition, we utilized the latest simulations and created the product within three short years.

creating technologies.

Inaba: By adding ingenuity to nanotechnology, I want to work as a unified team with the strong conviction needed to drive an information society and that engages in external collaboration and peripheral technologies that change with the times as well as technologies cultivated by our forerunners through the Company's 80-year history. I think all department employees should have autonomy and align their vectors. I also think turning developed technologies into equipment is important as a technological flow. I think it is important to do work with an awareness to ensure equipment development goes smoothly thanks to forward-looking technology development.

What are your goals going forward?

Higuchi: I want to support collaborative activities as an organizational leader to enable the next generation of employees who will underpin SCREEN's future to more freely and actively participate at work.

Inaba: I aim for development that connects needs and seeds by deftly utilizing collaboration with external institutions. SCREEN has a corporate culture that enables us to take on new challenges. Leveraging this environment, I want to do what nobody else is doing without fear of failure.

*1 Dry etching: Technology that processes the thin films of unnecessary parts of semiconductors during the manufacturing process. A mask pattern is transferred onto a thin film, and part or all of the thin film not covered by the mask is removed.

*2 imec: With its main campus located in Leuven, Belgium, this research institute leads the world in nanoelectronics and digital technology research. The organization leverages its scientific knowledge with the innovative power of its global partnerships in ICT, healthcare and energy.



Since the introduction of ROIC in 2021, we have made major strides in visualizing the development process. In the development of SU-3400, one KPI we used was the shortening of the cash conversion cycle (CCC) from the initial development stage to the time of mass production. As a result of our ongoing organization-wide efforts, we were able to release equipment with many boast-worthy functions into the world. These functions include world-class throughput, space-saving designs, high cleaning performance adapted to leading-edge processes, stable operation control using IoT, and environmental impact reduction.

To date, we have developed equipment with high economic value targeting high performance and productivity. Going forward, I would like to promote green transformation and continue creating solutions (products and services) that also balance social value.

Graphic Arts Equipment Business (GA) SCREEN Graphic Solutions Co., Ltd.

Message from a Business Operating Company President

Keeping pace with digitalization by evolving color printing technology

Yuki Yoshi Tanaka

GA President



In the graphic arts equipment business (GA), under the medium-term management plan “Value Up 2023,” we have been working to expand sales of inkjet digital printing (IJ printing) equipment for commercial and packaging use and to strengthen recurring business* (ink and maintenance services) sales. In the current fiscal year, the final year of the plan, we are working to achieve net sales of ¥45.6 billion and an operating income to net sales ratio of 7.6%. There has been a steady increase in the ratio of recurring business, which is contributing to profit stability. The operating income to net sales ratio has steadily risen from 1.4% in the first year of the plan, to 3.8% in the second year, 7.4% in the third year (last fiscal year), and 7.6% in the current fiscal year plan.

The printing industry is going through a digital transformation. In a spirit of collaboration and co-creation with clients, GA works on developing total solutions to put ourselves in the clients’ shoes and fully supports the stable operations of equipment after they have been sold. These activities contribute to growth in recurring business

and spill over to create ongoing connections through clients’ new investments in our equipment. We aim to accelerate this positive spiral of mutual growth and achieve the plan’s goals for the current fiscal year.

On the 80th anniversary of SCREEN’s incorporation, those of us in GA, which is the Group’s original business, have defined its creating shared value (CSV) proposition as “Enriching lives and continuing to make the world more colorful through print.” The GA Group’s goal is to add color to the lives of people around the world and as a result enrich people’s lives. Through the promotion of digital technology, we seek to reduce environmental impact, accommodate high-mix low-volume production, and personalize printed materials, in line with the goal of supporting a diverse society that is in harmony with nature.

* Ongoing sales of ink and services following sales of equipment. After-sales services accounted for approx. 47% of total sales in the fiscal year ended March 31, 2023.

Printing Processes and Solutions Provided by SCREEN

We have developed leading-edge IJ printing equipment (POD* equipment) and then CTP equipment, which boasts a high market share, as well as related software. In addition to highly reliable machines that can swiftly and stably output high-definition printed materials, we provide such diverse solutions as interactive support services that utilize IoT to underpin

* Stands for “print on demand.” Printing of the number of copies needed when they are needed using a digital printing press.

these steady operations. In addition, the Company’s Hiragino font is used in many different situations, including printed materials such as books, catalogues and leaflets, as well as signage including highway signs and image displays on digital devices such as smartphones.

<p>Page editing and data processing (workflow)</p> <p>Workflow system </p> <p>EQUIOS</p> <p>Efficient interoperation, for example, through the use of software to manage or automate multiple tasks and processes</p>	<p>Printing (POD)</p> <p>POD equipment </p> <p>Truepress JET 520HD AD</p> <p>Direct printing of data created on computers, using inks customized for each system and application *Inks are developed in-house to suit the equipment and applications.</p>	<p>Plate making (CTP) Offset printing</p> <p>CTP equipment </p> <p>PlateRite HD 8900N-Z</p> <p>Output of printing data from computers directly to printing plates</p>
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Surface processing technology
Drying and curing

Direct imaging technology
Inkjet, imaging and superimposition

Image processing technology
Image input, recognition, detection and classification, image, graphic technologies and fonts

Green Products: Products with high environmental performance that are certified under our own assessment standards
 Green Products

SWOT analysis

<p>S</p> <ul style="list-style-type: none"> Relationships of trust with clients and suppliers cultivated from the time of our founding, as well as global sales and support capabilities Highly productive and high-quality POD system enabled by our integrated workflow and inkjet printing technology Business strategies that have shifted focus to recurring businesses that generate stable profit 	<p>W</p> <ul style="list-style-type: none"> Low profitability of the equipment business Lack of brand recognition in the packaging industry due to our relatively recent entry
<p>O</p> <ul style="list-style-type: none"> Shift toward digital printing in the commercial printing field as well as the label and packaging printing field Support for eco-friendly equipment by the U.S., European, and Japanese governments 	<p>T</p> <ul style="list-style-type: none"> Shrinking scale of the paper printing market due to digitalization Supply chain disruption due in part to geopolitical risk Competitors’ technological progress and low pricing strategies

“Value Up 2023” Medium-term Management Plan

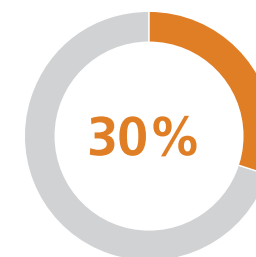
Progress of Segment Strategies and Future Plan

Segment Strategies	Relevance of SWOT	Progress and Future Plan
Expand IJ printing products for the commercial and package printing markets	S W O T	<ul style="list-style-type: none"> Sales of POD equipment remained steady. We achieved over 200 installations of the Truepress LABEL 350UV Series UV inkjet label printing system as of May 2022. Aim to gain market share in commercial transaction printing, as well as direct mailing and commercial printing, and other, while accelerating the digitalization of publishing and commercial printing.
Strengthen recurring business	S W T	<ul style="list-style-type: none"> Sales in recurring business, especially ink, increased in line with a rise in the cumulative sales of POD equipment and has remained stable at a high level. We meet diverse printing industry needs by releasing such proprietary products as SC+ ink*1 and water-based ink for soft packaging.*2 Strengthening the font business by offering Hiragino font license to partners, who provide subscription-based font service.

*1 SC+ ink: These inks enable direct application to the coated papers used in offset printing without pre- or primer processing. In addition to preserving the surface texture of papers, these special features significantly reduce both lead times and costs.
*2 Water-based ink for flexible packaging: The ink balances high safety and rich color expression in line with food safety regulations

Market Share

POD equipment
(Full color roll-fed inkjet printing system)



* Calculated based on the number of products manufactured and shipped. 2022, according to a SCREEN survey (calendar year).



Truepress JET 520HD AD

- Received a 2018 technology award from the Japanese Society of Printing Science and Technology
- Received US 2017 InterTech™ Technology Award
- Listed on 2020 Global Niche Top Companies Selection 100, recognized by the Japanese Ministry of Economy, Trade and Industry

Providing New Values to Society and People

Display Production Equipment and Coater Business (FT SCREEN Finetech Solutions Co., Ltd.)

SCREEN FT group website

Message from a Business Operating Company President

Expanding the application of our coating technology for more value creation

Atsushi Sonoda

FT President



Display devices underpin recent innovations in information technology. Working closely with clients, we have been expanding the application of our coating technology, which is our core strength, in order to become the de facto standard for display production equipment and support the development of advanced devices (OLED panels, flexible displays, etc.) for a better future. Furthermore, we are continually developing products adapted to each application and have been adeptly expanding coating technology applications beyond displays to include such focus fields as energy-related equipment and advanced packages.

During the period of the current medium-term management plan, the display market, which temporarily recovered due to staying-at-home demand during the pandemic, has seen delays in clients' investment plans due in part to the expectation of another decrease

in panel prices. The situation remains uncertain in the current fiscal year. Under this harsh market environment, achieving the targets of the current plan will prove challenging. On the other hand, given the expanding adoption of OLEDs in IT panels and automobiles, we expect a resurgence in large-scale investment in 2024 and anticipate opportunities to recover business performance.

With an eye to the new display market going forward, we released three OLED production equipment models for 8th-generation substrates in 2022. As a global leading company in display production equipment, we will build stronger relationships with clients and continue providing not only high quality equipment but also outstanding services and solutions.

* From FY2024, energy-related development was transferred to HD as an incubation.

Display Manufacturing Process and Solutions Provided by SCREEN

Displays are used in wide variety of digital equipment, such as TVs and smartphones. We provide various equipment and services for the manufacturing processes of displays. In particular, we boast the top share of the global market for coater/developers used in large TFT arrays for LCDs and OLEDs. Moving forward, we will continue swiftly meeting new market needs in part by providing equipment that contributes to next-generation displays.

Flexible OLED display manufacturing process

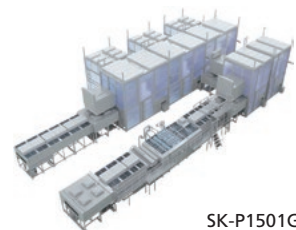
SP

Flexible substrate formation

Backplane formation

Touch sensor formation

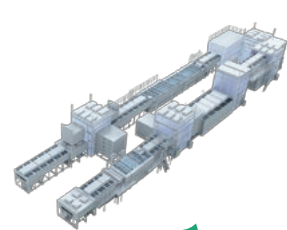
Color filter film formation



SK-P1501G

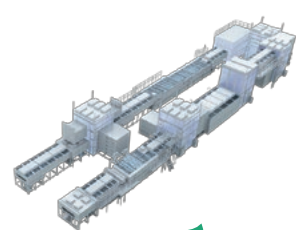
* Scheduled to apply for Green Products certification.

Coating and heat treatment of flexible substrate materials on carrier glass



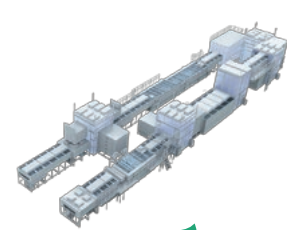
SK-E1500G

Coating and development of backplane materials



SK-E1500H

Coating and development of touch sensor materials



SK-F1500H

Coating and development of color filter (anti-reflection coating) materials

SP Surface processing technology

Cleaning, etching, coating, deposition, development, stripping and drying

Green Products: Products with high environmental performance that are certified under our own assessment standards

Green Products

SWOT analysis (display equipment field)

- S**
 - Strong relationships of trust with clients and suppliers cultivated over many years
 - Ability to provide swift support to clients thanks to our localized production and service systems
 - Competitive business advantages enabled by top market share of coater/developers and our full product lineup
- O**
 - Shift from LCDs to OLEDs and flexible displays as well as diversifying applications in line with technological innovation
 - Support from local governments for new display industries

- W**
 - Single product portfolio (coater/developers)
 - Unbalanced market share by region

- T**
 - Deteriorating business environment due to falling panel prices
 - Diversifying development needs due to the rise of various next-generation technologies
 - A decrease in the number of clients and regional bias
 - Technological catch-up by competitors

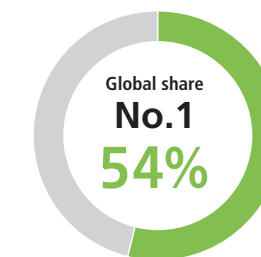
"Value Up 2023" Medium-term Management Plan

Progress of Segment Strategies and Future Plan

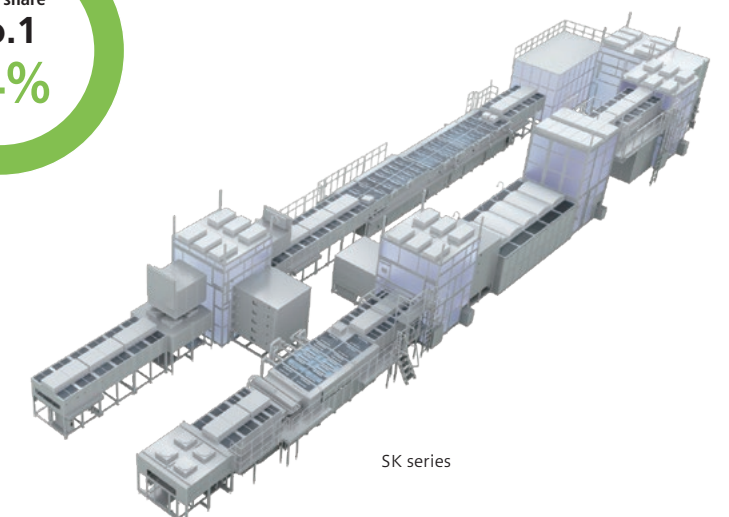
Segment Strategies	Relevance of SWOT	Progress and Future Plan
Commercialize inkjet equipment business for large-size organic EL (OLED) TVs and diversification of products for OLED displays	SWOT	<ul style="list-style-type: none"> Launched new product in FY2023 for 8th-generation OLEDs and conducted sales activities for future investment Completed the development of inkjet equipment
Commercialize energy-related businesses	W	<ul style="list-style-type: none"> From April 2023, we moved hydrogen-related development, manufacturing, and sales to HD for incubation. FT will continue to pursue business-related equipment development and to maintain support for HD's hydrogen-related businesses.

Market Share

Coater/developers for displays



Note: Calculated based on the number of products ordered. 2022, according to a SCREEN survey (calendar year).



SK series

Providing New Values to Society and People

PCB-related Equipment Business (PE SCREEN PE Solutions Co., Ltd.)

SCREEN PE group website

Message from a Business Operating Company President

Exploring the possibilities of optical technologies to support future devices

Masato Suemori

PE President



Printed circuit boards (PCBs) have been seen as mere receptacles for semiconductors. However, as semiconductor manufacturing processes grow more sophisticated, the importance and market growth potential of PCBs have become apparent. We therefore will continue striving to constantly provide unique solutions that will support a better future to meet increasingly sophisticated client needs.

Optical technologies for controlling light play key roles in the Company's exposure and inspection system. Light can make differences of various objects more apparent by shining on them. In line with this characteristic, we will seek out and identify differences to continue creating innovative ideas. We also aim to diligently pursue new types of light controlling methods that were not available in the past.

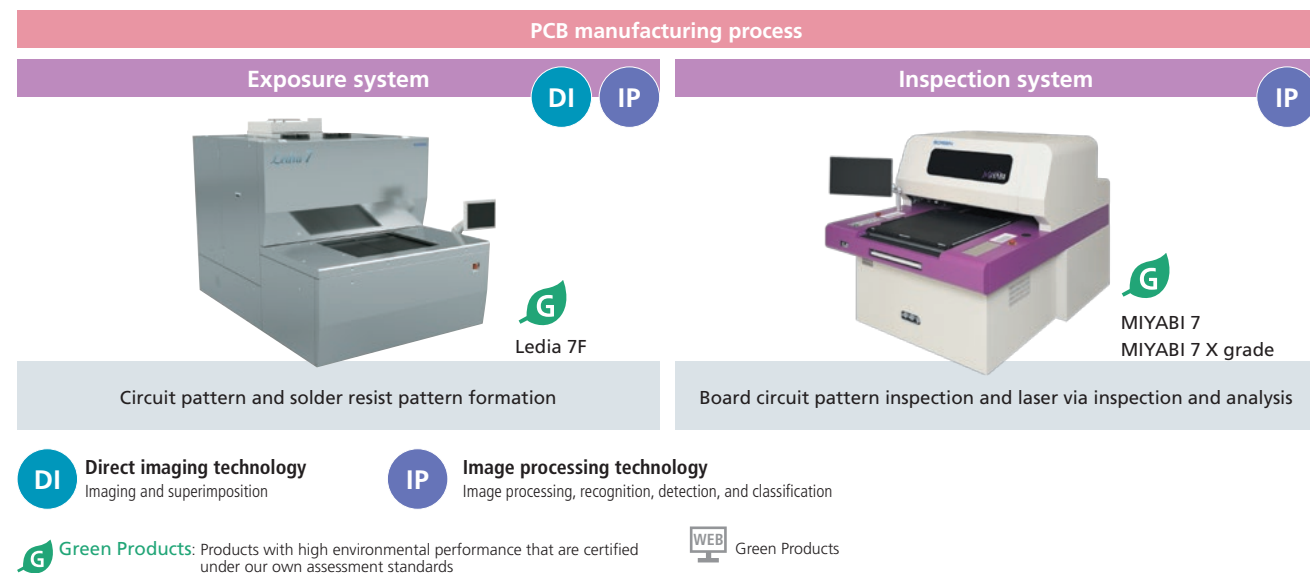
At the onset of the medium-term management plan ending March 2024, consumer and business activities were significantly limited due to the pandemic, and we suffered from shortage of the

parts. However, demands for PCs, mobiles and other electronic products were robust due to the work-from-home trends as well as demands for servers increased by data traffic. In addition, the market for semiconductor package boards was also strong, and new applications for mini LEDs and other products emerged. As a result, our sales and profits grew rapidly, and we were able to achieve, ahead of schedule, the targets set when the medium-term plan was established.

In the current fiscal year, we expect performance to be significantly impacted by stalled demand for devices as well as weaker and delayed capital investment plans due to production adjustments for semiconductor memory. Although the final year of the medium-term management plan will be a tough one, we will fully focus on developing new high value-added products and implementing marketing strategies while staying alert for signs of another growth in the market for semiconductors, PCBs, and package boards.

PCB Manufacturing Process and Solutions Provided by SCREEN

With the rapid, widespread adoption of 5G, AI, IoT, digital transformation (DX), and green transformation (GX), PCBs are being installed in a wide range of products, including automobiles and, of course, mobile devices. We leverage our core direct imaging technology and image processing technology to provide exposure system for the direct patterning of PCBs; inspection system for use in circuit defect detection and PCB final visual inspection; and related services. Going forward, as PCBs become more integrated and miniaturized, we will continue contributing to the development of clients' businesses by providing solutions and production equipment for leading-edge mass production plants.



SWOT analysis (PCB equipment field)

- S**
 - Relationships of trust with clients and suppliers
 - No. 1 market share for solder resists due to the high reliability of our equipment
 - Providing solutions, including high-quality equipment and services, through Group-wide comprehensive strengths in development, production, and sales
 - Sales strategies that focus on both equipment sales and after-sales service from the client perspective based on the service scheme cultivated over the long term
- W**
 - A business model that is easily affected by the semiconductor cycle
 - Relatively low market share due to low sales for circuit patterning application
 - Limited product variation except in the area of direct exposure imaging system and inspection system
- O**
 - Growing demand for PCBs amid the rapid, widespread adoption of 5G, AI, IoT, DX, and GX
 - Increasing needs for direct imaging system that enables both high-precision imaging and outstanding productivity
 - Replacement demand related to exposure using photomasks on package boards
- T**
 - More companies entering the exposure equipment market, making it increasingly difficult to establish a competitive advantage
 - Emergence of competitors in Asia

"Value Up 2023" Medium-term Management Plan

Progress of Segment Strategies and Future Plan

Segment Strategies	Relevance of SWOT	Progress and Future Plan
Improve the market share of existing product lines	SWOT	<ul style="list-style-type: none"> Launch of direct imaging system (Ledia 7F-L) that offer both high precision and high productivity. Expansion of the mainstay product Ledia series with the aim of further sales growth. Aim to expand market share and develop equipment for PCB circuit application
Develop and launch a range of new products	WO	<ul style="list-style-type: none"> Launch of direct imaging system Ledia 7F-L, which is well suited for large-size and fine pattern forming Continue to develop new products that will support growth during the next medium-term plan Striving to enhance product variation and promote product expansion into other electronic part fields

Topics

Launch of Ledia 7F-L, large-format direct imaging system

With the advancement of 5G, IoT, and DX, demand for PCBs in electronic devices is rapidly expanding. High-precision pattern formations are being sought more than ever before for the large boards used in server and telecommunications applications. Against the backdrop of this kind of demand, we launched Ledia 7F-L, the latest model in the Ledia series, which serves as an industry standard for direct imaging system and has a robust track record with a cumulative total of over 800 products being installed around the world. The product is suitable for a board size of up to 661 x 813 mm due to the realization of high equipment rigidity that can ensure consistent positioning accuracy on large substrate thanks to the Company's unique precise imaging capabilities and proprietary wavelength mixing technology. In addition, this highly versatile system is suitable for pattern formations for miniaturization. By augmenting our current Ledia series lineup, we will accelerate business in the PCB market, which is continuing to expand mainly because of growth in telecommunications and IoT infrastructure, and we will continue striving to further extend our business area going forward, such as by entering the electronic components field.



Providing New Values to Society and People

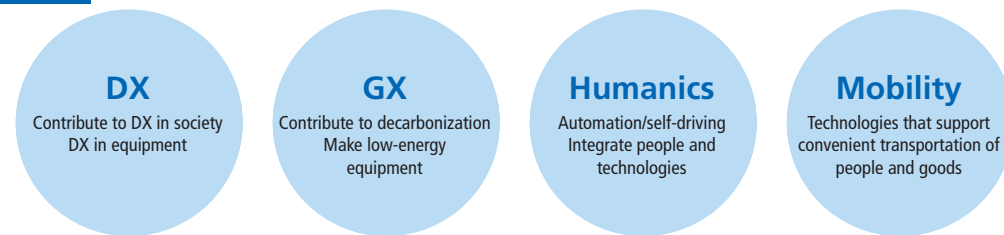
Innovation Management

As part of our portfolio management, we are actively engaged in innovation management activities for sustainable and efficient creation of new businesses. Led by the holding company, we aim at creating new businesses to follow existing business operating company and solutions that lead to the strengthening of existing operating companies.

Exploration for Ideas

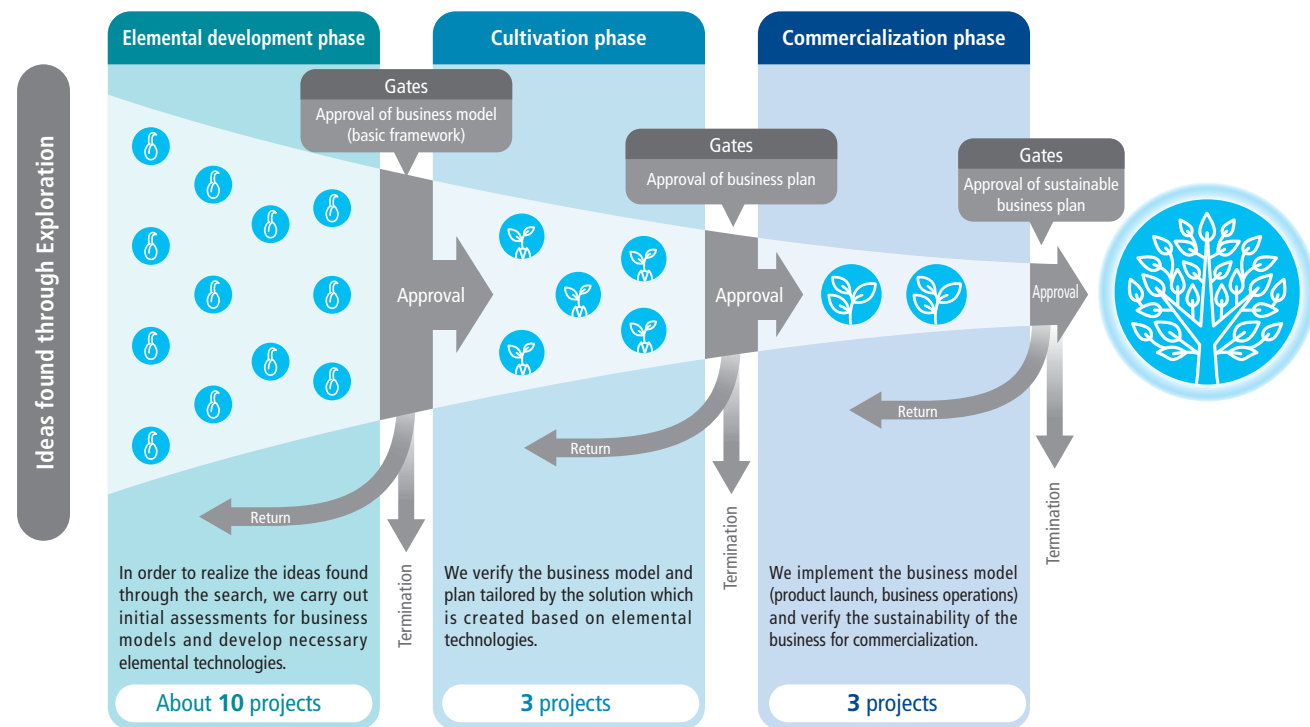
In innovation management, we search for ideas mainly on four focused area based on our identified megatrends, with attention to the macro-environment (i.e., social issues/needs, technological innovation, and changes in industrial structure), the micro-environment (i.e., market trends and technology trends in industries), customer feedback, and needs from our business operating companies and application of our proprietary technologies. Based on the search, we will strive to create new businesses and solutions and acquire new businesses.

Four Focus Areas



Creating New Businesses and Solutions

In creating new businesses and solutions, we strive to expand corporate value by utilizing owned technologies, based on ideas found through the search. Under this initiative, we are developing solutions for establishing new businesses that contribute to the achievement of growth scenarios laid out in our Management Grand Design. We have also adopted a phase-based transition system for this process and established transition criteria (gates) for each phase.



Acquisition of New Businesses

To strengthen our portfolio and create new businesses, we will actively seek opportunities to collaborate with other companies while considering their potential for capitalization (investment, M&A, etc.).

Advanced packages

With continuing progress in the areas of 5G/post-5G, IoT infrastructure and the digital and green transformations (DX, GX), ever higher performance is needed from package substrate technologies. This has created a growing demand for direct imaging systems that can deliver both high-precision patterning and outstanding productivity.

Advanced semiconductor packages and our focus

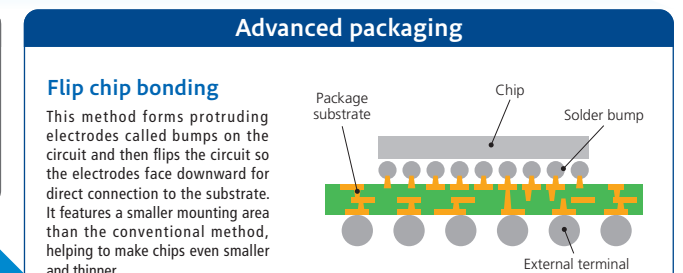
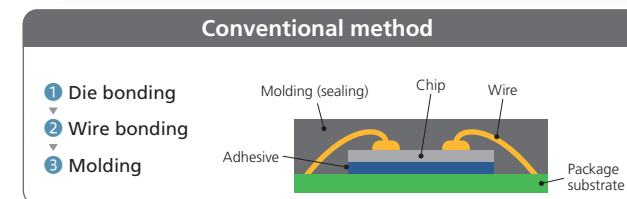
Semiconductor packages protect semiconductor devices and integrated circuits (ICs) and electrically connect them to external components such as printed circuit boards, enabling power supply and the input/output of electrical signals. They are created during the back-end phase of the manufacturing process.

Progress in the development of faster, lower energy consumption devices has so far relied on miniaturization in front-end processes. However, in recent years, there has been growing discussion of the limits of this miniaturization. This situation has spurred significant progress in the development of advanced package technologies. To achieve higher

performance with advanced packages, finer pattern formation is absolutely essential, which has led to calls by manufacturers of IC package substrates for a new system that can deliver both high precision imaging and outstanding productivity.

Focusing on these market trends, we have developed and launched LeVina, a new direct imaging system for next-generation patterning. This system combines high precision imaging capabilities with industry-leading productivity and is compatible with advanced packages. LeVina combines high precision imaging capabilities with industry-leading productivity and is compatible with advanced packaging technology.

Back-end phase of the semiconductor manufacturing process



Our focus: Development of direct imaging systems for next-generation patterning that are compatible with advanced package substrates

In 2022, we launched LeVina, a direct imaging system for patterning that supports advanced package substrates such as FCCSP, FCBGA and FOPLP

Expanded LeVina lineup: Model with an exposure wavelength of 375 nm launched in July 2023

SCREEN Holdings has developed a new model with a resolution of 2 μm for our lineup of LeVina direct imaging systems for next-generation patterning. The LeVina range is specifically designed to handle IC package substrates and FOPLP, which continue to see growing demand, particularly for 5G, post-5G and IoT infrastructure applications. The new model was released in July 2023.

The system inherits the proven high speed stage and advanced scan alignment function of the conventional model, launched in January 2022, enabling it to provide the same excellent productivity. It also features a revamped optical unit with an exposure wavelength set to 375 nm that achieves an industry-leading resolution of 2 μm.

In addition to the IC package substrates usually targeted by LeVina systems, it is anticipated these technologies will allow the new model to produce the advanced semiconductor packages required for FOPLP and chiplets*1 called 2.1D and 2.3D.*2 Adopting an exposure wavelength of 375 nm will also enable it to perform exposure for liquid resists, as well as dry film resists.

With the new model joining the conventional 405 nm wavelength model in the expanded LeVina lineup, manufacturers can now choose a system based on specific materials and applications. Companies that have already



installed a 405 nm model also have the option of replacing the optical unit, allowing them to convert it to a 375 nm wavelength. This enables the construction of a flexible production line that can be adapted for different applications.

*1 Conventionally, manufacturers have followed a system on chip (SoC) approach, in which CPU, GPU, memory and other functions are packed onto a single chip. However, by producing individual chiplets with separate functions and then connecting them inside a package, manufacturers have been able to reduce production costs while enhancing performance.

*2 Semiconductor packages with a structure that integrates an organic interposer into the surface of an organic substrate.

Providing New Values to Society and People

Energy

People have long adapted energy sources to social needs, taking advantage of technological evolution. The scope of energy use and production has also changed dramatically, with the use of fuel cells and photovoltaic power generation spreading at an accelerated pace in recent years. In the not-so-distant future, hydrogen is expected to become a common energy source, and SCREEN is developing and producing technologies and devices that would fit such a world.

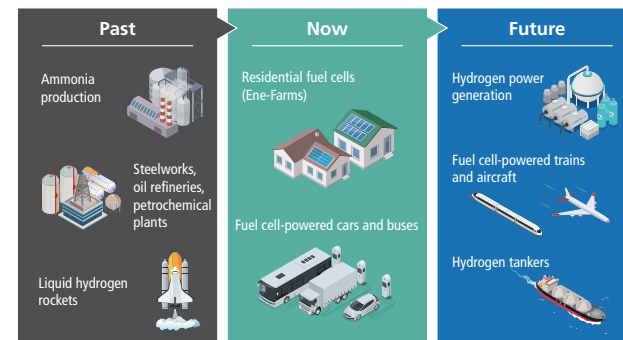
■ Targeting a hydrogen society

A hydrogen society is one in which hydrogen is used as an energy source or fuel. Hydrogen is the most abundant and smallest atom in the universe and can be found all around us in the form of compounds such as water, methane and hydrocarbons.

It can be produced using eco-friendly energy generation methods such as hydropower and wind power and be used without CO2 emissions. This makes it an ideal energy source for resource-scarce countries as well as for regions facing energy procurement issues or pursuing carbon neutrality. Prospects for the wider use of hydrogen are growing for these reasons.

Hydrogen also offers high power generation efficiency, helping to reduce energy costs. Such advantages have focused global attention on it as a next-generation energy source and raised expectations for its successful utilization.

Changing uses of hydrogen



■ Hydrogen production flow and SCREEN's focus

The use of hydrogen energy primarily consists of four steps. Among them, We focus on "production" and "use" of hydrogen and develop key production technology or components for those phases.

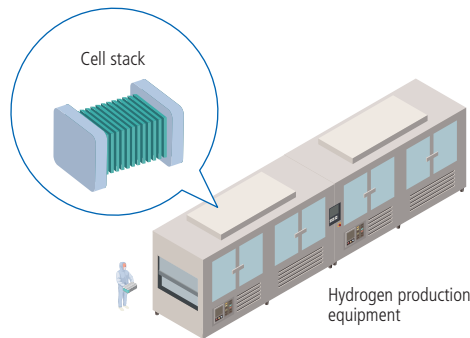
Step 1 Production
Hydrogen is currently produced mainly through a process of water electrolysis or oil refining. Other methods include production from waste plastic or biomass, as well as production through water electrolysis using renewable energy, a method characterized by very low CO2 emissions.

Technology used: Water electrolysis system

Our focus: Development of water electrolysis cell stacks

SCREEN focuses on the R&D of cell stacks, a component indispensable for hydrogen production using the water electrolysis method. A cell stack consists of multiple layers of thin components (cells) that produce hydrogen and oxygen through water electrolysis. It is the most expensive component of the water electrolysis system.

SCREEN news release regarding the development of a water electrolysis cell stack



Step 2 Storage
In its gaseous state, hydrogen is enormous in volume and thus inefficient for storage. To reduce the volume, produced hydrogen is, for example, 1. compressed under high pressure, 2. chilled and liquefied at 253°C below zero, or 3. occluded in a metal that easily bonds with hydrogen, before being efficiently stored in plants and hydrogen stations.

Step 3 Transportation
Produced hydrogen is transported to industrial plants and hydrogen stations using large trailer trucks specially designed to suit the desired storage method. Direct transportation via a pipeline may be used if the destination is closer to the production site.

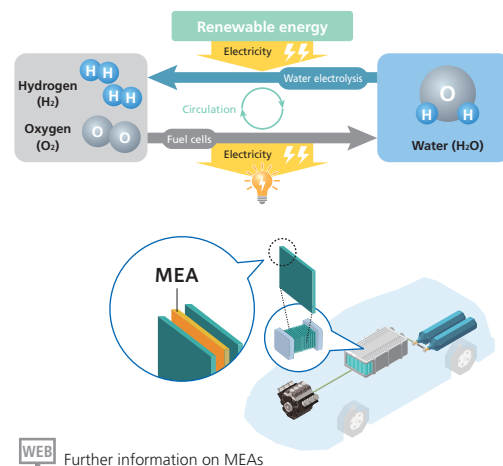
Step 4 Use
There are two ways to use hydrogen as an energy source: feeding it into a fuel cell to produce electricity and burning it to generate heat and light. Fuel cells are attracting particular attention as they are considered a circular energy system, in that they use a reaction between oxygen and hydrogen and emit water.

Technology used: Fuel cell system

Our focus: Mass production of MEAs for fuel cells

SCREEN has begun mass production of membrane electrode assemblies (MEAs), a key component of fuel cells that largely determines the durability and performance of the devices. By bringing together the SCREEN Group's know-how, including direct coating and drying technologies, we are able to produce high-quality MEAs.

SCREEN news release regarding MEAs for fuel cells (in Japanese)



Further information on MEAs

Life sciences

Biotechnology is making remarkable progress worldwide, accompanied by similar advances in the research device and academic fields. Its development is expected to enrich people's lives by promoting the growth of drug discovery research and regenerative medicine using iPS and ES cells, among other areas. At the same time, the pharmaceutical industry is working to improve the identification of information displayed on tablets to prevent dispensing errors and accidental ingestion.

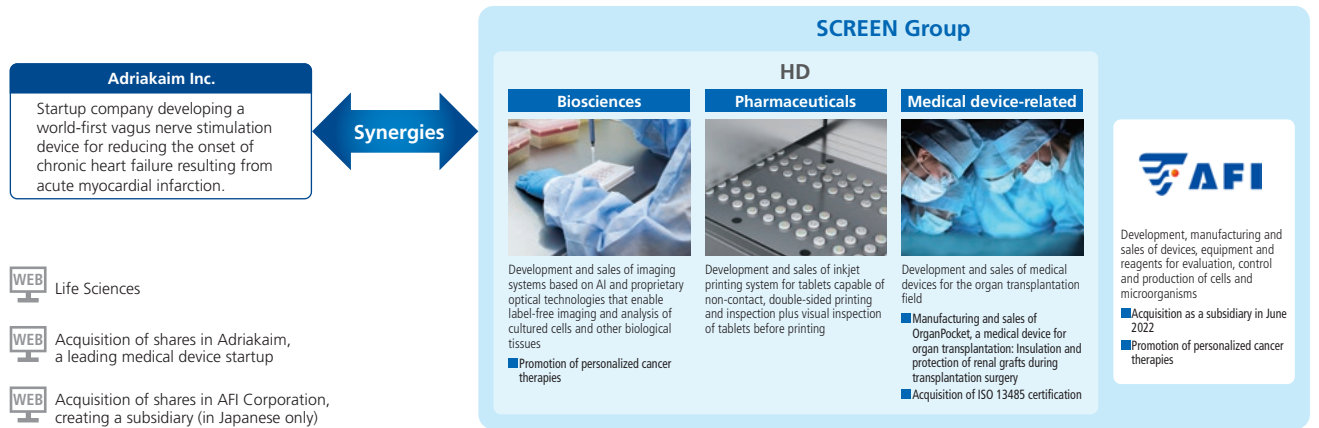
■ Acquisition of shares in Adriakaim, a leading medical device startup

In June 2023, SCREEN HD acquired shares in Adriakaim Inc. (headquarters: Tokyo, Japan; representative director: Masatoshi Kobayashi) mainly through the underwriting of a new third-party allotment. This investment takes our equity ratio in Adriakaim beyond 20%, making it an equity method affiliate.

Adriakaim is a startup company engaged in the development of the world's first vagus nerve stimulation device for reducing the onset of chronic heart failure resulting from acute myocardial infarction (AMI). While chronic heart failure has become a significant problem worldwide, it is not possible to prevent its onset with currently available medication. Adriakaim aims to achieve a higher therapeutic

effect by using electrical stimulation to activate the vagus nerve. It has already completed non-clinical studies and will soon begin a clinical trial.

We have been focusing on the medical field as a new business area and are currently engaged in the production and sale of OrganPocket, a medical device for organ transplantation, and the advancement of personalized cancer therapies. With this latest investment, we expect to enable a deeper integration of the technologies and knowledge possessed by our two companies. In terms of our future medical business, this should allow us to streamline and strengthen our internal pharmaceutical-related systems and achieve a wide range of synergies.



AI

In recent years, innovative advances in information technologies have seen the software industry become increasingly focused on big data analysis, the IoT and AI. Meanwhile, various industries including manufacturing have been pursuing new initiatives that integrate production systems with the Internet, requiring the establishment of IT solutions backed by highly specialized software technologies.

Against the backdrop of this increased demand, particularly the semiconductor production equipment field has urgently sought to further streamline, optimize and upgrade its entire manufacturing process. Due to this trend, the application of AI technologies to all areas from design and development to production has emerged as one of the key factors for securing international competitiveness.

■ Additional investment in Laboro.AI Inc.: Upgrading of our entire manufacturing process using AI technologies

In September 2022, SCREEN HD made an additional investment in Laboro.AI Inc. (headquarters: Tokyo, Japan; CEO: Tetsuo Shiihashi; COO and CTO: Hiromasa Fujihara). This extended the investment previously made by Group company SCREEN Advanced System Solutions (AS) in 2021.

Laboro.AI is a startup company whose main business is the development and provision of custom AI, tailored-made solutions that utilize machine learning. In 2021, Laboro.AI concluded a capital and business alliance agreement with AS and the two have been collaborating on the development of AI-related technologies for a wide range of products and solutions, including semiconductor production equipment.

The new investment made by SCREEN HD will further strengthen the collaborative relationship Laboro.AI has with AS in the development of AI technologies for semiconductor

production equipment. Going forward, it will also help to accelerate various projects related to the development and application of AI technologies across the whole SCREEN Group.

Additional investment in Laboro.AI, a startup engaged in AI development (in Japanese only)

Formation of a capital and business alliance between AS and Laboro.AI for AI development (in Japanese only)

Providing New Values to Society and People

Sustainable Management

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 line with our Management Grand Design, we aim to improve both economic value and Sustainable Value (social value) and establish a presence that contributes to the sustainable development of society.

By backcasting from the 10-year vision defined in the Management Grand Design, we formulated our medium-term management plan to enhance social value, and identified ESG issues. We are rolling out initiatives intended to ensure our own sustainability by meeting the expectations and earning the trust of various stakeholders and addressing issues related to the SDGs, which are shared international goals for contributing to the sustainable development of society.

Basic Policy

The SCREEN Group has established a CSR Charter / Code of Conduct that sets forth the code of conduct that all group employees should follow and includes principles of conduct based on our corporate philosophy. We are putting it into practice in areas including compliance, human rights, product liability, and the supply chain, thereby fulfilling our social responsibility as a corporation and responding to the expectations of society.

In addition, the Group is working to achieve the sustainable development of society and respects various principles, charters, and rules, such as signing the UN Global Compact, which is a United Nations initiative that comprises 10 principles in the four areas of human rights, labor, environment, and anti-corruption.

 [CSR Charter](#)

 [UN Global Compact](#)

Human Rights

Based on the CSR Charter, we prohibit and do not tolerate any form of harassment, child labor, forced labor, and taking part in the infringement of human rights while ensuring that the rights, cultures, and customs of workers are respected. We also respect the human rights of all relevant parties, including customers, people who work at suppliers, neighboring residents, and shareholders, and strive to be fair and sincere in our conduct.

Sustainable Management Promotion System

To effectively advance its ESG initiatives, the SCREEN Group is promoting the Sustainable Value 2023 medium-term plan through the Group Risk Management Committee, the CSR Committee, and the Group EHS Committee as well as subcommittees that specialize in specific issues and problems. The persons responsible from the subject SCREEN Group companies take part in Group committees to share information and promote collaboration in Group-wide initiatives.

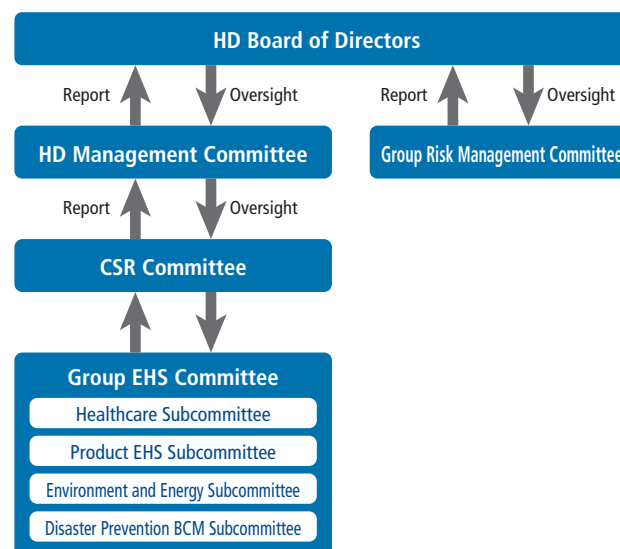
Note: Details related to each Group committee are provided on page 76 of this report under "Corporate Governance."

SCREEN Group CSR Charter

1. Provision of Products and Services Beneficial to Society
2. Respect for Human Rights and Friendly Work Environment
3. Establishment of Friendly Environment for People and Our Planet
4. Sound and Effective Corporate Governance
5. Compliance with Laws and Regulations, and Standards of Ethics
6. Appropriate Management and Utilization of Information and Intellectual Property
7. Appropriate Disclosure of Company Information
8. Corporate Social Responsibility as Good Corporate Citizen
9. Exclusion of Anti-Social Forces

Main Principles, Charters, and Rules the SCREEN Group Respects

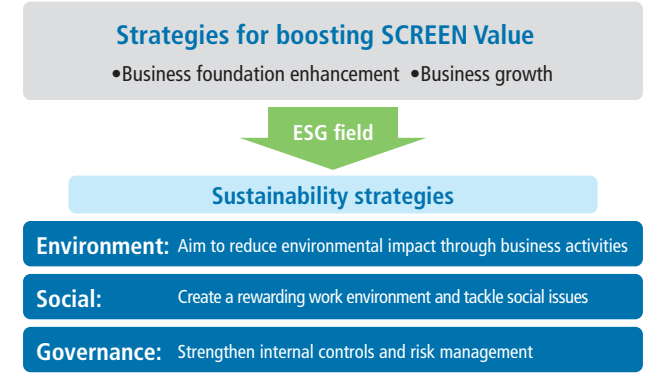
- UN Global Compact
- Sustainable Development Goals (SDGs)
- Universal Declaration of Human Rights
- UN Convention Against Corruption
- UN Guiding Principles on Business and Human Rights
- Responsible Business Alliance (RBA)
- ILO International Labour Standards
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- ISO 26000



Revised Management Grand Design and Sustainability Strategies

In April 2023, we revised the Management Grand Design, outlining strategies for business foundation enhancement as well as for business growth in order to solve material issues related to management and boost SCREEN Value. We will also contribute to these strategies through our ongoing pursuit of sustainability strategies in the ESG field. In addition, in line with the revised Management Grand Design, we are formulating a medium-term management plan to succeed Sustainable Value 2023, which has entered its final fiscal year, to ensure our continued contribution to the sustainable development of society, onward.

Note: For more information, refer to "Megatrends/Materiality" on page 25.



Sustainable Value Award

The SCREEN Group holds an annual Sustainable Value Award for all Group companies in Japan and overseas. In the second award ceremony, which was held in FY2023, we honored nine excellent activities, including two gold awards, from among 18 entries.

Significance and Purpose of the Award

1. Striving to promote, raise awareness of, and engrain Sustainable Value
2. Broadly recognizing activities to achieve Sustainable Value that have achieved some results and striving to further revitalize and level up activities
3. Raising awareness among each employee as well as raising the recognition of Sustainable Value and enhancing employee motivation to participate

Gold Award

- Reduction of industrial waste by turning waste plastic into valuable material and constructing a Group recycling system
- Development of water-based catalyst ink for use in hydrogen production



Social Contribution Activities

The SCREEN Group proactively promotes alliances with industry, academia, and government as a part of its sustainability activities. We collaborate with municipalities, universities, and educational institutions to conduct various activities that contribute to society.

Examples of Social Contribution Activities

- Support for next-generation training and education
 - Formed alliances and agreements with universities: Kyoto University of Advanced Science, Kyoto Institute of Technology, Doshisha Business School, and Kyoto Women's University
 - Supporting the Kyoto Manufacturing Hall of Fame and Workshop program
 - Dispatched personnel to Hikone Technical High-School
- Support for and promotion of science and culture
 - Held a workshop at the Lake Biwa Museum
- Environmental Conservation
 - Participated in the Kyoto Model Forest Initiative
- Support for and promotion of sports
 - Supported local sports activities: Co-sponsored the Kyoto Football Association and the Sanga Tsunagari-tai (for Kyoto Sanga F.C.)



An event held by the Kyoto Football Association

 [Social Contribution Activities](#)

Reducing Environmental Impact

Environment

Following the basic policy of "Establishment of a Friendly Environment for People and Our Planet," stated in our CSR Charter / Code of Conduct, we are promoting various activities aimed at achieving the objectives set forth in Sustainable Value 2023 to reduce our global environmental impact through our business activities and contribute to the creation and sustainable development of a decarbonized and sound material-cycle society in harmony with nature.

We comprehensively manage environmental risks and opportunities, such as climate change, stricter environmental regulations around the world, and growing needs for products with low environmental impacts. Our specific efforts toward this include certification and management under ISO 14001 for the environment and ISO 50001 for energy. Specifically, the Group EHS Committee and its subcommittees share environmental issues and problems and make continuous improvements to resolve them, while the CSR Committee reviews progress. The Group Risk Management Committee manages risks, including environmental risks, to move ahead with the initiatives across the Group.

Notes: 1. For information on the structure used to implement the initiatives, refer to "Sustainable Management" on page 51.
2. Detailed data on our activities for the environment can be found in the Sustainability Data Book 2023 (pages 8 to15).

Sustainability Data Book 2023

Addressing Climate Change

The SCREEN Group obtained approval from the Science Based Targets initiative (SBTi)* and have since been implementing initiatives to reduce GHG emissions. We are also proactively promoting disclosure in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

To contribute to the decarbonization and sustainable

development of society, we strive to reduce GHG emissions through business and aim to realize carbon neutrality by 2050.

Note: For more information on climate-related disclosure, refer to "Initiatives Based on TCFD Recommendations" on page 57.

* An international initiative to prevent global warming by setting CO2 reduction targets that are based on scientifically sound principles.

Reducing CO2 Emissions from Business Activities (Scope 1, Scope 2)

We are striving to reduce CO2 emissions from business activities by introducing renewable energy and promoting energy-saving measures.

Regarding renewable energy, we expanded the introduction area to the head office, Hikone Plant, and Taga Plant in FY2022 and to Kuze Plant of SCREEN SPE Tech Co., Ltd. in FY2023, contributing to a major reduction in CO2 emissions.

In addition, regarding the promotion of energy-saving measures, through the environment and energy subcommittee and other bodies active under the Group EHS Committee, we share and spread know-how and data on initiatives related

to energy savings of each Group company and systematically replace equipment with and install new highly energy-saving equipment. In FY 2023, we reduced annual CO2 emissions by around 400 metric tons in part by upgrading heating and air-conditioning equipment and switching to LED lighting.

Going forward, we will continue pursuing carbon neutrality initiatives ranging from the further introduction and expansion of renewable energy to the promotion of energy conservation and installation of systems for generating and storing power.

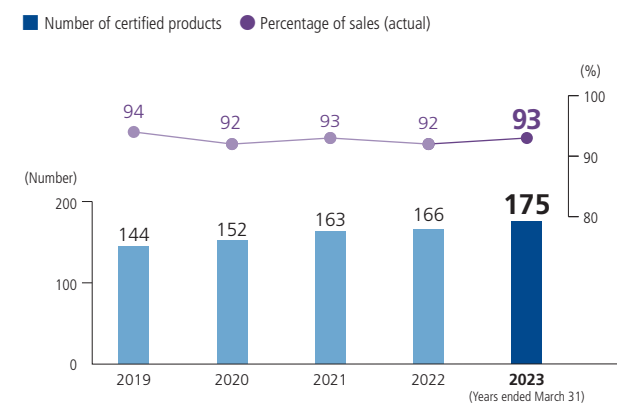
Reducing CO2 Emissions from the Use of Sold Products (Scope 3 category 11)

We are focused on expanding sales of products that are certified as "Green Products" according to SCREEN's independent evaluation standards, thus offering such an excellent level of environmental performance as to contribute to CO2 emission reductions at our clients' plant operations.

We evaluate each product in terms of energy saving, resource conservation, degree of disassembly, recycling, environmental protection and safety, and information availability on a scale of five, while seeking to minimize energy consumption associated with the product. Regarding energy consumption, we have set our standard for reduction at 25% or more for existing products based on product environmental assessments.

In addition, to further accelerate the reduction of CO2 emissions from the use of sold products, we introduced a Super Green Product certification system for products with even better energy saving performance. With the energy consumption of products sold in FY2019 as a baseline, the standard for this certification is a reduction of 40% or more per unit of processing area, and we are focusing on developing products that meet this standard.

Number of certified Green Products and Green Products as a percentage of sales



Green Products

Selected as an Asia Pacific Climate Leader for the Second Consecutive Year

In the Asia-Pacific Climate Change Leaders survey jointly conducted by the UK's Financial Times and the German survey company Statista, we were selected as one of 275 companies with excellent track records on initiatives for climate change. This survey of companies with head offices in the Asia-Pacific region evaluates changes in emissions (intensity) compared to net sales and other factors. The top

companies are selected for the leader list.

SCREEN will remain committed to its corporate social responsibility to meet the expectations and trust of its diverse stakeholders and will contribute to the sustainable development of society by earnestly working to resolve environmental and social issues through its business activities.

Water Saving and Wastewater Management

We are systematically promoting water resource management in business activities with the aim of reducing our impact on aquatic environments and the ecosystems they support. In particular, regarding the Lake Biwa-Yodo River System encompassing six major business sites, including the head office, we recognize that the river system is home to extremely precious aquatic ecosystems with significance in terms of

the natural and social sciences. We are rolling out activities to maintain and conserve the environment and working in collaboration with local municipalities as well as educational and research institutions to ensure sustainability.

Effectively Use Water Resources and Perform Quality Management of Wastewater

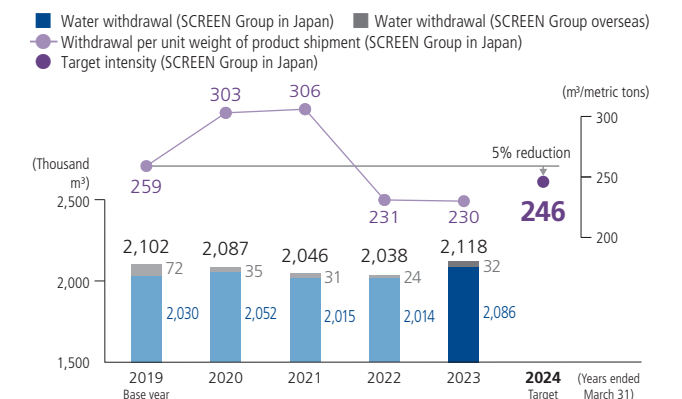
Metrics and Targets

Regarding business activities, we had set a target for FY2024, of a 5% reduction in the intensity of annual water withdrawal per unit weight of product shipment at Group business sites compared with the base year of FY2019, and pursued initiatives to this end.

In FY2023, although total water withdrawal increased somewhat due in part to the establishment of a new factory, water withdrawal per unit weight of product shipment decreased by 11.1%, a level even better than our target, reflecting the high efficiency of our production systems on the front lines of development and manufacturing.

Going forward, we will continue initiatives related to sold products and initiatives aimed at effectively utilizing water resources and reducing environmental impact, including wastewater management.

Water withdrawal



Reducing Water Usage on the User Side

As water-related problems ranging from droughts to water pollution emerge in various places, conserving precious water resources is becoming ever more important. For the SCREEN Group's products, effectively utilizing water resources is becoming an important aspect of its semiconductor production equipment, especially cleaning equipment and coater/developers, which offer the ability to control the amount of water and chemicals consumed during operation.

In its product design and development, the SCREEN Group is proactively working to reduce waste liquid and the amount of water and chemicals needed for operation. To further accelerate development aimed at reducing water resource-related environmental impact, in addition to its stand-alone efforts, the Group is collaborating with other companies and organizations in the industry through joint development.

Wastewater Management

To prevent negative effects on water environments, we promote appropriate and thorough wastewater management and monitoring.

Undiluted waste liquid generated at production bases is collected in tanks and undergoes treatment as industrial waste. Liquid waste from water cleaning is purified to our own voluntary standard, which is stricter than legally mandated, using wastewater treatment equipment. Regarding discharged effluent, we conduct environmental impact assessments using whole effluent toxicity (WET) tests* that ascertain impacts on organisms. Wastewater treatment facilities use a 24-hour monitoring system, and the presence of fireflies in the downstream areas of rivers into which the purified water is discharged demonstrates the effectiveness of our approach.

In addition, we set up emergency tanks to take on polluted water during emergencies and built systems to ensure pollutants are not discharged offsite.

* We use bioassays to comprehensively identify and evaluate the impacts of chemicals in rivers, public waterways, and business site wastewater.

Reducing Environmental Impact

Efforts to Reduce Waste and Increase the Recycling Rate

The Company considers it important to effectively utilize limited resources and reduce environmental impact by promoting a variety of initiatives, including those to control resource consumption and to reuse and recycle resources. We will continue contributing to the realization of a sound material-cycle society by reducing waste during the production and disposal of products, enhancing the recycling rate, effectively utilizing resources and circulating them in a sustainable way.

 Reduce Waste and Increase the Recycling Rate

Metrics and Targets

We set targets to achieve a recycling rate of 98% and to reduce waste (per unit of shipment weight) at business sites in Japan by 5% compared with FY2019 by FY2024.

During FY2023, we reduced per unit shipment weight by 13.0% compared with the base year by promoting initiatives to turn plastic waste into valuable material, surpassing our target. In addition, the recycling rate was 98.4%, achieving our target.

Going forward, we aim to further reduce our environmental impact as we continue working hard to reduce waste and enhance our recycling rate.

Efforts to Reduce Waste

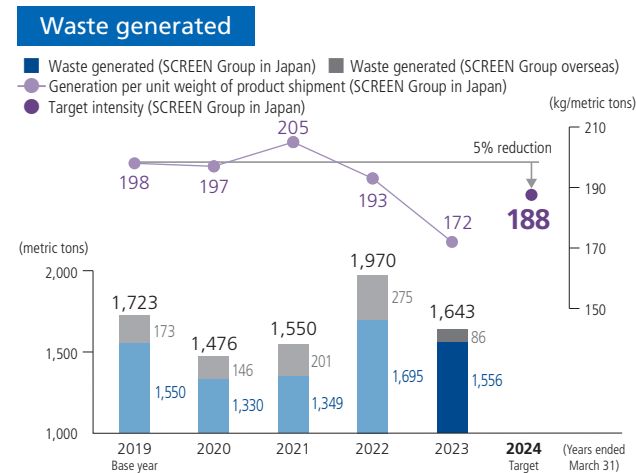
The SCREEN Group conducts thermal recycling to recover the waste heat generated during the incineration of waste plastic as industrial waste and use it as energy. In addition, to reduce CO2 emissions from incineration and promote recycling it as plastic, we are strengthening sorting and expanding the sale of waste as valuable materials. The scope of these activities, which began at SPE Hikone Plant, has steadily expanded to include other businesses and bases within the Group, contributing to plastic waste reduction across the entire SCREEN Group. The amount of waste plastic recycled as valuable material increased significantly from around 34.7 metric tons in FY2022 to around 209.5 metric tons in FY2023. We are combining our

Strict Control of Chemical Substances

In line with “Environmental, Safety, and Health Activities” which summarizes our stance on EHS, the SCREEN Group regularly assesses its activities to ensure full compliance with EHS-related regulations. The evaluations are carried out twice a year utilizing regulatory registration tables and compliance

Complying with Legislation of Chemicals and High Pressure Gases

Following revisions to the Industrial Safety and Health Law, it became mandatory to perform risk assessments of hazardous chemicals. Accordingly, SCREEN introduced “Hazard Manager” to improve the management level of chemicals and high-pressure gases. We perform thorough risk assessments of chemicals for new uses and have been working to implement inventory management.



traditional resource conservation efforts, such as minimizing the use of packaging sheets and bubble wrap by reviewing the way products are packed for transportation, with enhanced initiatives to reduce and recycle plastic and other waste.

We strictly manage the way that our industrial waste is processed or disposed of to ensure that the waste is always treated properly. We periodically visit all the waste disposal contractors, from those collecting and transporting waste from our facilities to those performing final disposal, and confirm that they handle waste appropriately. If any deficiencies are found, we swiftly instruct the contractor to take corrective action and require proper waste disposal management.

assessment and outcome reports. This process also covers the legal requirements for chemical substances.

 Preventing Pollution

Complying with Product Legislation

SCREEN is committed to sustainable management based on a policy of delivering products that take safety and the global environment into consideration. This approach is included in our EHS management framework. To satisfy environmental legislation requirements in different countries, we quickly share regular updates through the Product EHS subcommittee, which operates under the Group EHS Committee, and closely support the efforts of individual operating companies to maintain full compliance with environmental regulations for products. In response to the EU’s REACH chemical regulations and other laws, we conduct surveys of substances of very high concern (SVHC) throughout the entire supply chain using chemSHERPA, an IT format for substance surveys. In addition, in response to product laws and regulations, we revised our Green Procurement Standards in FY2023 to ban the inclusion of newly prohibited substances in procured items.

Managing Environmental Risks

Advanced scrubbers (exhaust cleaning devices) are installed at all laboratory and research facilities handling the chemical substances used by our semiconductor production equipment business. After contaminants have been removed from the exhaust gas, it is discharged into the outdoor air. Facility staff are also working to reduce risk factors by regularly analyzing exhaust particles and inspecting equipment.

We thoroughly and appropriately manage waste liquid and effluent. In addition, Hikone Plant, Yasu Plant, Rakusai Site, and other facilities handling chemicals conduct regular training on how to clean up leakages of various substances depending on their different characteristics to ensure employees can respond quickly even if an accident unexpectedly occurs.

Conserving Biodiversity

The SCREEN Group is aware that various aspects of people’s daily lives, including food, healthcare, and the water supply, are supported by ecosystem services enabled by biodiversity. With this in mind, we are working hard to educate employees and disseminate information externally. To create a sustainable society that develops in harmony with nature, we established

Managing Soil and Groundwater Contamination Risks

Hikone Plant uses above-ground piping to handle any waste liquid requiring purification as a measure to prevent contamination of soil and groundwater. As the waste liquid is transported via above-ground piping to the treatment equipment, employees can visually monitor conditions and respond quickly in the event of an emergency. The piping system is also inspected regularly to minimize any risk of a leakage. Embankments have been created around the locations of storage tanks for chemicals that require waste treatment processing. These areas have also been made chemical resistant. Even if a leak does occur, the structure means no harmful substances leave the site. Yasu Plant is equipped with groundwater observation wells to improve its chemical handling. Employees perform regular water quality surveys to confirm there is no contamination.

The SCREEN Forest (Part of the Kyoto Model Forest Initiative)

The SCREEN Group has joined the Kyoto Model Forest Initiative,* a project dedicated to protecting and cultivating regional forests, and is providing funds to support forest maintenance work. Since 2018, we have been paying the cost of maintaining an approximately 53 hectare block of forest in the Miyagawa district of Miyazaki Town, Kameoka City. Group employees have also taken part in planned volunteer activities to help maintain the area.

Recognizing that the Group benefits greatly from the surrounding forests, we are in full support of Kyoto Prefecture’s forest conservation efforts. We cooperate in such activities and do our part in mitigating global warming. For FY2023, the forest conservation activities at the SCREEN Forest could be converted into 9.63 metric tons CO₂e absorbed by forests per year.

*An initiative in which people in Kyoto who enjoy the blessings of forests work together to protect and nurture forests there. Kyoto Prefecture has been pushing forward with these activities and established the Ordinance for Protection of Rich Greenery in 2005. The Kyoto Model Forest Association was founded in November 2006 to lead the initiative (and turned into a public interest incorporated association in November 2009).



FY2023 Biodiversity Conservation Activities

Activities to Raise Awareness of Biodiversity in Collaboration with the Lake Biwa Museum

In collaboration with the Lake Biwa Museum, we are working to raise awareness of biodiversity. As part of our philanthropic activities to realize a society in harmony with nature, we sponsor a micro-aquarium in the museum featuring the microorganisms that support the lake’s ecosystem.

In FY2023, we held a workshop with 24 elementary school students to observe microorganisms living in Lake Biwa. Using educational materials created jointly by SCREEN and the Lake Biwa Museum, children took samples of water from Lake Biwa under the guidance of a specialist and observed microorganisms using a microscope.



Workshop to observe microorganisms

Reducing Environmental Impact

Efforts Related to the TCFD Recommendations

In December 2021, SCREEN declared its support for the recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD*). In addition to initiatives to reduce CO2 emissions, we actively promote information disclosure in accordance with TCFD recommendations and will continue further promoting initiatives to address climate change with an eye to realizing carbon neutrality by 2050.

* The TCFD is a task force established by the Financial Stability Board (FSB) to understand and disclose the financial implications of the risks and opportunities posed by climate change



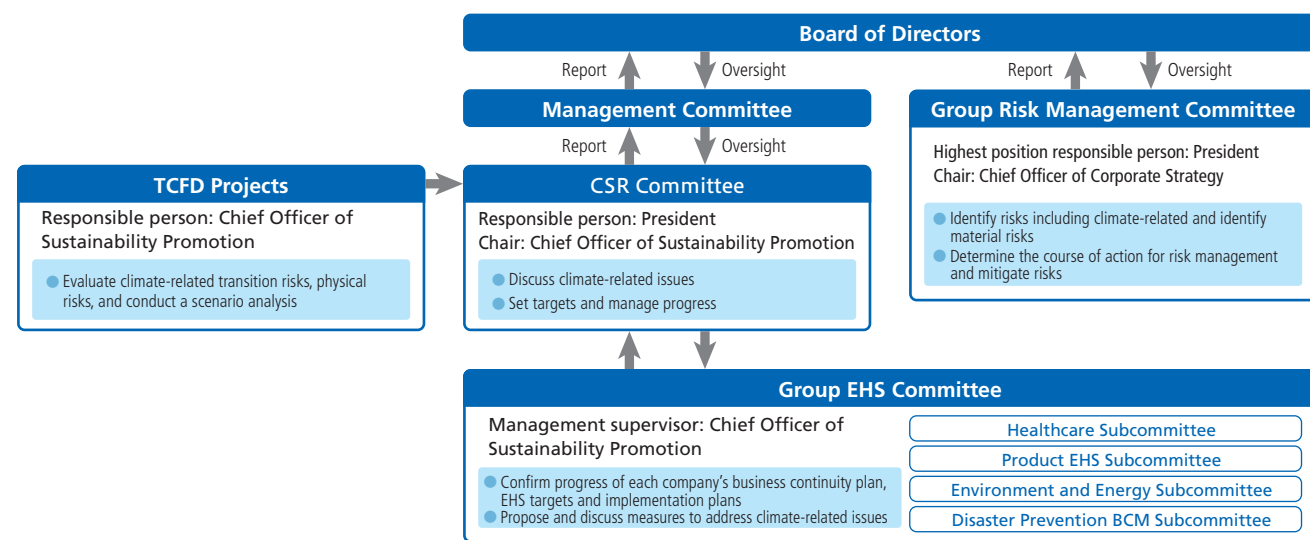
Climate-related information disclosure based on TCFD recommendations

Governance

Climate-related risks and opportunities are discussed by the Group Risk Management Committee and the CSR Committee, both headed by the SCREEN HD President, to determine the course of action for risk management and manage the progress of the initiatives. Each committee meets at least semiannually and reports its decisions to the Board of Directors.

In addition, SCREEN launched a TCFD project joined by

external experts in which it is conducting scenario analyses and reassessments of risks and opportunities for our major businesses. We expanded the project to encompass our semiconductor production equipment business in FY2022 as well as the display production equipment and coater business and the graphic arts equipment business in FY2023.



Strategies

We used scenarios to assess the financial impacts in 2030 of major climate-related risks and opportunities for the semiconductor production equipment business, display production equipment and coater business, and graphic arts equipment business. After examining multiple existing scenarios, including those published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), we selected a 3°C scenario that assumes the current situation continues with no progress made on climate change action and a 1.5°C scenario that assumes substantial progress on climate change action.

In the semiconductor production equipment business, which is our core business, clients are increasingly concerned about power consumption and CO2 emissions associated with product operation due to growing awareness of climate change, and it is expected that the demand for semiconductor production equipment with less environmental impact will continue to increase. In addition, the demand for related products and services is expected to increase due to investment needs for a digital and green society, especially if global

warming countermeasures are taken.

In line with this forecast, the Group is working to reduce CO2 emissions when products are in operation in addition to reducing CO2 emissions at business sites. We are focusing on research and development to meet needs for semiconductor production equipment that can manufacture advanced semiconductors that help save energy as well as semiconductor production equipment that consumes less energy, water, and chemicals. In addition to its stand-alone initiatives, the Group is collaborating with other companies and organizations in the industry to further accelerate environmentally friendly development.

Moreover, regarding physical risks, we identified flooding and other risks at our own production bases and major suppliers. We conducted scenario analyses at each base and business and took measures to diversify our supply chain and protect against flooding at production bases to ensure business continuity. As a result, we assess that the impacts as of 2030 will be minor.

Major Risks and Opportunities in the Group

Types of risks and opportunities	Details of risks and opportunities	Financial impact	3°C scenario	1.5°C scenario	
Transition risks	Policy and legal	Regulations on existing products and services	Increased manufacturing costs	Low	Medium
	Technology	Investment in new technologies	Increased development costs	Medium	Medium
	Market	Clients' product needs	Decreased sales	Medium	High
		Requests to reduce supply-chain emissions	Increased manufacturing costs	Medium	Medium
		Changes in the energy market	Decreased sales	Low	Medium
	Reputation	Changes in reputation from clients	Decreased sales	Low	Medium
Securing outstanding human resources		Increased management costs	Low	Medium	
Opportunities	Products and services	Development of new products and services contributing to energy conservation	Increased sales	Medium	High
		Responding to client requests for ESG compliance	Increased sales	Low	Medium
		Increasing severity and frequency of extreme weather events	Increased sales	Medium	Medium
	Market	Growing demand for semiconductors due to higher performance and energy saving	Increased sales	High	High
		Manufacturing and selling products and providing services (increased demand for power semiconductors)	Increased sales	Medium	Medium
		Manufacturing and selling products and providing services (increased demand for MEA and others)	Increased sales	Low	High

Note: Financial impacts estimated for 2030 are expressed as Low (less than 2%), Medium (2% to less than 10%), or High (10% to 30%).

Risk Management

In TCFD project activities, we comprehensively identified climate-related risks and opportunities throughout our value chain. We assessed each risk and opportunity in a matrix showing the relationship between the severity and probability of impacts. We identified significant climate-related risks and opportunities for business and, based on evaluations of each business, also identified significant climate-related risks and

opportunities for the Group.

The Group Risk Management Committee, which is a company-wide risk management structure, manages climate-related risks and opportunities deemed significant. Under the supervision of the Board of Directors, these are reflected in the Group's strategy as one type of corporate risk.

Metrics and Targets

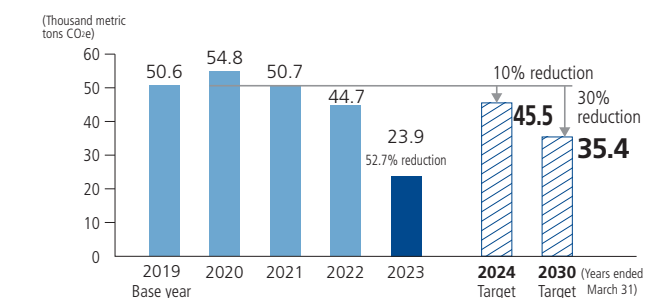
We set targets for 2030 for reducing CO2 emissions from business activities and reducing CO2 emissions from the use of sold products that have significant emissions and are of great interest to our clients. These targets were certified as Science Based Targets (SBTs).

In FY2023, we reduced CO2 emissions from business activities a significant 52.7% compared to the base year, mainly through the introduction of renewable energy. Thus, we achieved our 2030 SBT ahead of schedule. We will still study a wide range of measures, including further introducing renewable energy, switching to energy-saving equipment, and generating and storing power in consideration of our BCPs. We will continue working hard to proactively reduce CO2 emissions with the aim of achieving carbon neutrality by 2050.

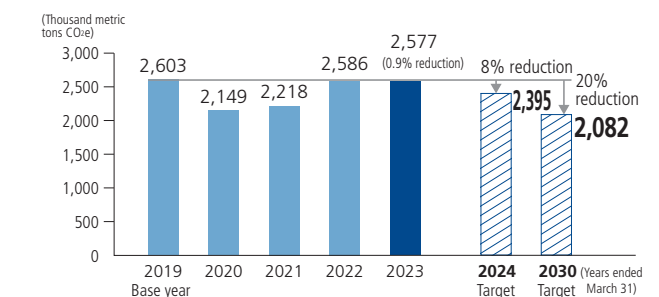
CO2 emissions from the use of sold products fell 0.9% compared with the base year. Even though emissions were restrained significantly compared to the increase in products sold, we are behind on our progress toward the target. To achieve this target, in addition to its stand-alone efforts, the Group will collaborate with other companies in the industry and industry associations to further focus on the development of products with high energy-saving performance.

Note: Regarding the reduction of CO2 emissions, please refer to page 53 "Addressing Climate Change."

CO2 emissions from business activities (Scope 1, Scope 2)



CO2 emissions from the use of sold products (Scope 3 category 11)



Supporting Personal Growth of Each Employee

Human Resources

The SCREEN Group aims to support the sustainable development of society while working to solve social issues through the development of products and technologies. To achieve this goal, we worked hard to enhance SCREEN Value (corporate value), which comprises Sustainable Value (social value) and Economic Value, under the Value Up 2023 medium-term management plan.

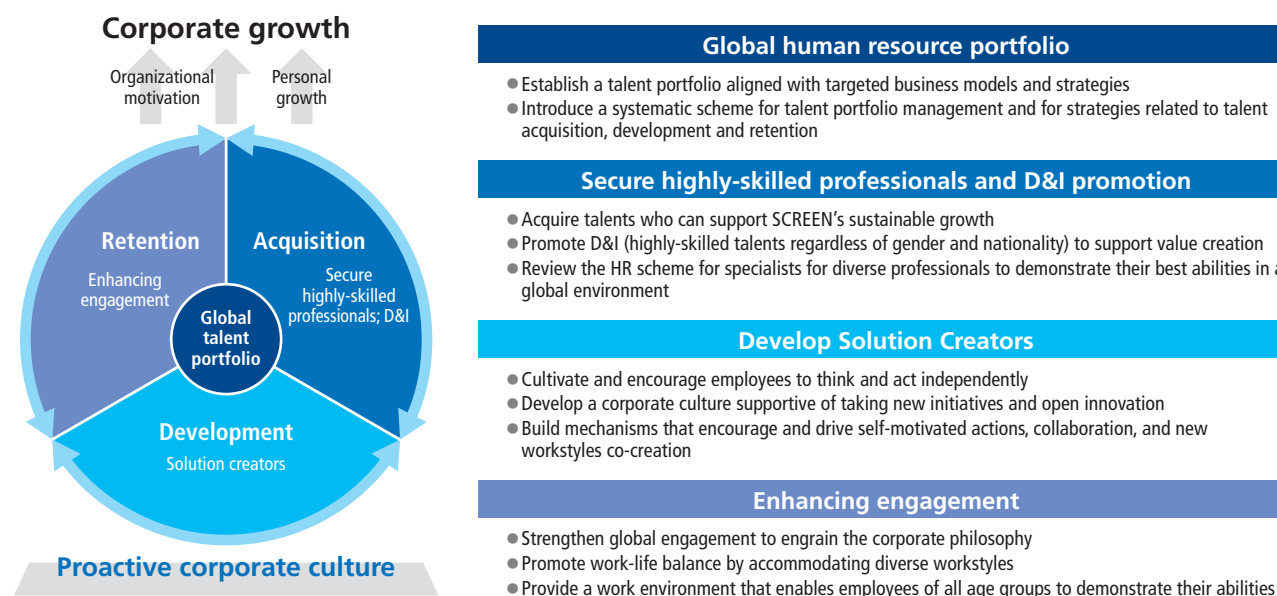
FY2024 is the final year of Value Up 2023, during which we should lay the groundwork for the next medium-term management plan, in addition to reaching the goals set in the strategy. To wrap up Value Up 2023, we will formulate and implement a human resource strategy tied to our management strategy, positioning the development of "solution creators" as a key measure and continuing the effort to build up our human resource portfolio.

Human Resource Strategy and Policy to Produce Solution Creators

In April 2023, we redefined our corporate philosophy to more clearly articulate the Group's purpose, which serves as the foundation for our decision making. In this highly uncertain era of drastic changes in the business environment, the new corporate philosophy will help employees think independently and continue to add to SCREEN Value. In line with this, the Group's Management Grand Design sets "Be a Solution Creator" as the theme for our 10-year vision. A solution creator is a person who can independently act and take on challenges. Our goal is that we, both as an enterprise and as employees, act as solution creators and become what the world needs.

To realize this management strategy, we are developing the human resource strategy that will lead us to attain an ideal human resource portfolio through a cycle of personnel acquisition, development, and retention. By pushing forward with efforts in these three areas, we will strengthen our human resources, driven by organizational motivation and personal growth, and support sustainable corporate growth.

Enhancing our talent pool through organizational motivation and by supporting personal growth



Group-wide Surveys

To implement the human resource strategy, and even the management strategy, it is essential to assess the current situation and achieve strategic alignment throughout the SCREEN Group. In October 2022, we conducted an engagement survey and a personal survey across the Group for the first time. The purpose was to facilitate growth and motivation as solution creators by identifying organizational and personal issues to be addressed and incorporating them into Group-wide measures and personal skills development. One of the upcoming key measures derived from the survey results is enhancing job-level-specific training and educational materials available for voluntary learning.

We will also provide more opportunities for employees to talk with management (more than 30 opportunities provided in FY2024) to drive their commitment to work and unite the organization under a shared vision. Group-wide surveys will be conducted regularly to observe changes over time.

Strengthening Talent Acquisition

Amid forecasts of a decrease in the working-age population and staff shortages in the semiconductor industry in particular, it is essential to create innovation through diverse human resources for the Company's medium- to long-term growth and value enhancement. In the acquisition of talent who support the foundation of the SCREEN Group, our focus is on securing future solution creators who would proactively and boldly tackle the resolution of social issues in Japan and overseas. We are expanding the staff according to the needs of each business strategy and further expanding career paths for diverse personnel, including women, foreign nationals, and mid-career hires.

Acquisition of the Talents That Underpin Growth

As competition to hire engineers and other talent heats up, SCREEN is tackling two issues in the acquisition of personnel who can act as solution creators: 1) discovering personnel who align with our corporate philosophy and culture and 2) enhancing compatibility in hiring.

In FY2023, we focused on expanding internship programs for engineers and provided more plant tours at our sites to enhance the understanding of our businesses, which aim to solve social issues, and help applicants learn more about the jobs we can offer. To increase the recognition of SCREEN, we took a multifaceted approach that includes visits to universities and research laboratories by recruiters and personal scouting, thus enhancing opportunities to contact potential applicants. We also implemented job-specific hiring, in addition to holding

briefings and discussion sessions focused on each business operating company, so that applicants can choose areas of work where they will be able to fully demonstrate their capabilities by leveraging their majors or research specializations from their student days.

We are promoting the understanding of the workplace and job types we offer and motivating potential applicants to join the SCREEN Group by deepening mutual understanding in various ways and giving first-hand information on the jobs, workers, and working environment in the SCREEN Group. Going forward, we will acquire outstanding talent more strategically by building new screening processes and providing more career paths for highly skilled professionals.

Ensuring Diversity

Under the Group's CSR Charter, which serves as its Code of Conduct, we outline the philosophy of supporting the performance of our diverse workforce. We are creating environments that nurture diversity and proactively hiring human resources who offer diverse perspectives, such as

women, foreign nationals, and mid-career professionals. This reflects our belief that driving innovation by empowering diverse talent is essential for an enterprise to achieve sustainable growth and enhance its medium- to long-term value.

Expanding career paths for women, foreign nationals, and mid-career hires

Regarding the empowerment of women at the SCREEN Group, by FY2031 we aim to double the percentage of women in management positions from the level at the end of FY2019 and increase the percentage of women among all employees to at least 15%. Our recruitment of women has been increasing in recent years, but to achieve our FY2031 targets, we will focus on maintaining and increasing the percentage of women among new hires at 20% and are actively hiring and cultivating women who will be responsible for the Group's core operations.

In addition, we publish the SCREEN CAREER & LIFE BOOK for women, a pamphlet that introduces the Company as one geared toward women, and promote specific career building ideas for women in the Group.

The Group companies in Japan currently have around 54 foreign national employees. At overseas subsidiaries, over half of full-time executive posts are filled by locally hired foreign nationals. In FY2023, we held recruitment seminars and selection meetings for foreign students. We are also eager to hire mid-career professionals, with such hires accounting for 61.8% of the full-time employees hired in FY2023. We strive to have at least 50% of employees consist of such diverse personnel as women, foreign nationals, and mid-career professionals by FY2031.

As for specific initiatives, as part of activities for hiring new graduates to address the issue of the small percentage of women in science-related jobs, we hold discussion sessions wherein senior female employees who actually work as engineers are able to interact with science-focused female

Promoting the employment of people with disabilities

Our special subsidiary, SCREEN Business Expert Co., Ltd., promotes the ongoing employment of people with disabilities (employment rate as of June 2023: 2.64%). To add to the existing hiring practices at Hikone Plant (Hikone Parte), we have established Kyoto Parte, an employment organization for people with disabilities, in our Head Office. There are 70 employees with disabilities working in the SCREEN Group as

of June 2023. There are also other efforts that demonstrate our commitment to diversity and inclusion. For example, we organized a seminar on the employment of people with disabilities, with the attendance of an expert invited from Kyoto University, to explore the role that the SCREEN Group should play as an enterprise.

Supporting Personal Growth of Each Employee

Strengthening Personnel Development

We believe that if an enterprise is to enhance its corporate value, both the enterprise and its individual members must continuously pursue growth and ambitions. This will create an organic cycle driven by the enterprise's vitality and profit generation and individuals' growth and accomplishments. Under this basic philosophy, we are building a system that supports the growth of human resources at all levels and that enables individual employees to feel their growth. At the same time, we strive to develop the next generation of business leaders who would understand the concepts of our medium-term management plan and bear the Group's management perspective.

Engineering Personnel Development

The Engineer Development Committee conducts the SCREEN Group's education programs in the development and technology field. The committee works to enhance the technical knowledge of new hires and provides them with visualizations of career development plans for up to three years from joining the Group. In FY2023, we have started the Next-Generation Engineer Development Course, a new project manager development training program open to all engineers in their fourth year at SCREEN. With its purpose of training leaders capable of creating solutions that address social issues,

Cultivating Next-generation Business Leaders

In order to cultivate the next generation of capable business leaders, we have run 17 rounds of the Business Leader Training Course for managers and six rounds of the Junior Business Leader Training Course for non-management positions. Participants selected from group companies take part in content-rich training programs throughout the year. These programs include talks by directors/corporate officers, specialized lectures by external instructors, and cross industrial interactive training carried out with employees from other companies. In addition to providing practical business knowledge, participants develop a more managerial outlook and the ability to think and act independently as future business leaders.

A new initiative launched in FY2023 is the SCREEN Business Leadership Academy, an in-house training program which

this program is designed to enhance project management capabilities and general manufacturing assessment skills.

In addition, aiming to ensure career development for engineers, we maintain an ongoing inter-business rotation system for mid-career engineers. Nine people participated in the first rotation in April 2021, eight people in the second rotation in April 2022, and another eight people in the third rotation in April 2023. They have taken advantage of the opportunity to gain experience to enhance their capabilities as engineers in different organizations.

targets next-generation leaders. As we grew in size and scope, our business operations have become more complex, involving a larger number of employees in managerial positions. Developing a pool of executive candidates has become a key issue, in order for us to seamlessly assign C-suite leaders prepared to address new challenges.

At SCREEN Business Leadership Academy, an educational program proposed by Chairman Kakiuchi, former SCREEN executives are invited to share their real-life experiences as business leaders, including how a certain management decisions were made in the past, with an intention to pass practical management skills and knowhow on to new generations. With Chairman Kakiuchi himself serving as the teacher, 36 employees from across the Group attended the program in FY2023. Multiple sessions will be held in FY2024, too.

Interview

Interview with a Participant in SCREEN Business Leadership Academy

Katsumi Nakao

Manager
Production Engineering Section, Production Engineering Division,
Biwako Factory, SPE



I joined SCREEN Business Leadership Academy in November 2022 to attend lectures by Chairman Kakiuchi. He talked about crises and opportunities he has gone through since joining SCREEN up to the present and what he had experienced in his journey to successfully leading the Group to grow. I was particularly impressed when he said, "Management can never run from their responsibility. Eventually they have to make a decision on their own," describing the state of mind when making a critical decision. Since then I have been trying to have a strong sense of ownership.

I belong to the Production Engineering Division, which contributes to improved profitability by increasing productivity and helps customers develop their business by fulfilling the responsibility to produce. We have been improving the physical structure of

products to make them operate reliably, easier to maintain, and less expensive. We have also built a manufacturing system that is suitable for the current scale of sales, while supporting the efficient production of the SU series single wafer cleaning equipment at S³-3 by incorporating digital twin technology into our processes, procedures, and plant. We will apply this manufacturing system to other models to achieve further improvements in productivity.

My mottoes are "Always take responsibility for your own actions" and "Learn for life, never feel old." I am resolved not to become conceited and to stay ambitious. I aim to become a person who, with a clear vision, remains a valuable member of the organization. Going forward, I am eager to take on new challenges day to day, in view of the impact I would have on the future management of the company.

SCREEN BUSINESS SCHOOL

SCREEN BUSINESS SCHOOL, which supports employees' autonomous growth through education and training, conducts SKIP (SCREEN's Key learning for Innovative Process) training for learning the business skills needed to be a solution creator, such as critical thinking and coaching. We established a new career design training program for newly appointed leaders and supervisors. We aim to foster a mindset for autonomous personnel who proactively enhance the skills needed for their own careers and build a career development support system in which supervisors encourage subordinates to be self-sufficient.

In addition, with the aim of realizing diversity and inclusion, we conducted the Women Empowerment Promotion Program in FY2023, which comprises career design training

for female employees, as well as unconscious bias training for managers, and joint sessions for female employees and managers.

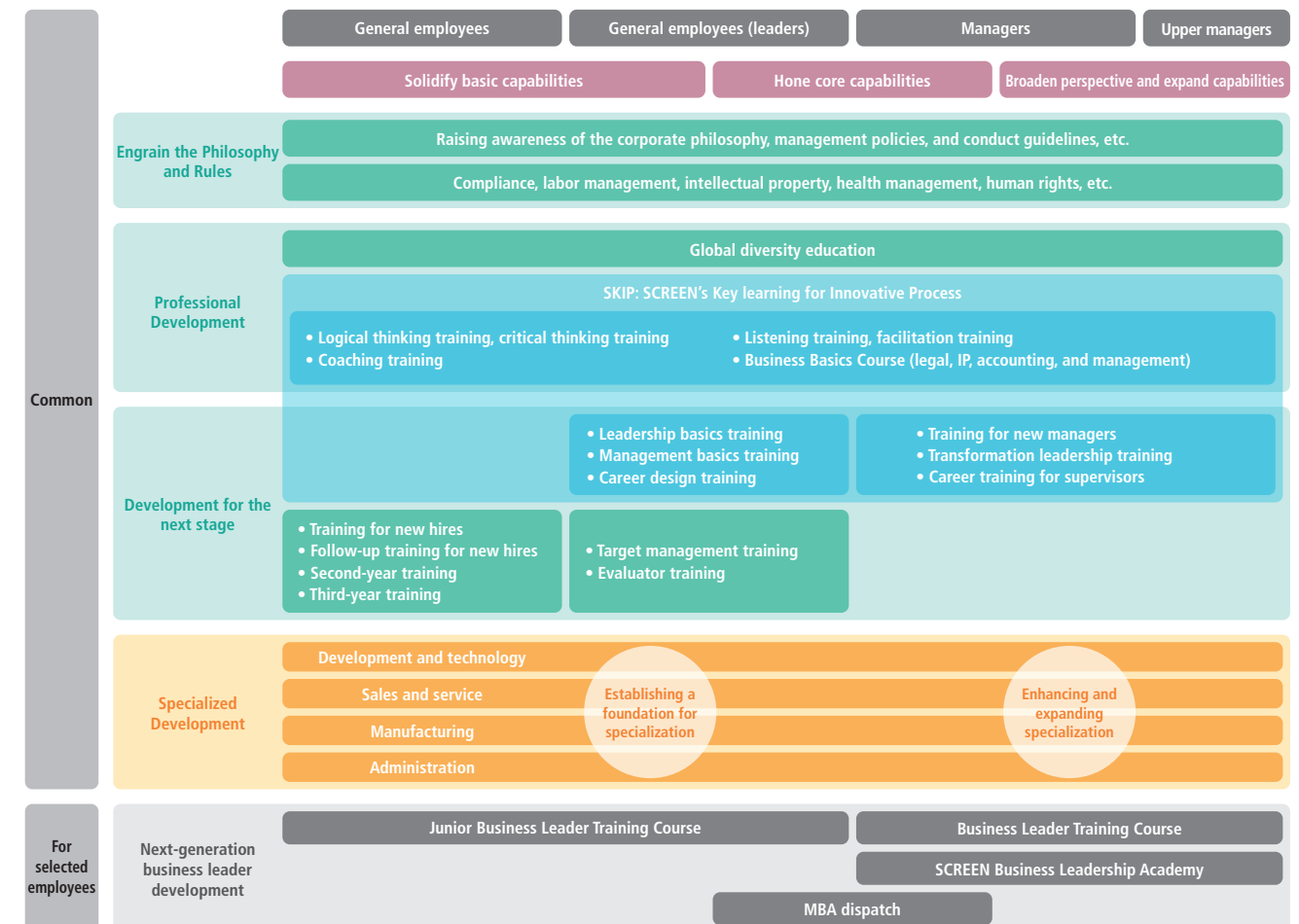
A wide range of other programs are available, including those featuring external lecturers. For example, we give employees access to external workshops for cross-industry exchanges, considering that personnel development needs vary by company or division in the Group. In this way, we are systematically working to newly establish and reform programs while addressing changes in social conditions and demands from society. As a result, a total of around 2,400 people participated in these programs in FY2023.

Investment for Education and Training

Items	FY2021 results	FY2022 results	FY2023 results
Total	¥70 million	¥130 million	¥200 million
Investment per person	¥28,000	¥53,000	¥82,000

Note: Overall expenses for course and other fees and internal education and training costs at holding, business operating, and functional support companies (excluding labor costs, promotion-related screening costs, etc.)

Education System



Education System

Supporting Personal Growth of Each Employee

Strengthening Employee Retention

To continue enhancing corporate value amid a rapidly changing business environment and social conditions, all employees of various generations with diverse values need to come together and actively work in the same direction. Toward that goal, we will increase engagement by aligning the business with the aspirations and direction of employees by engraining our corporate philosophy. At the same time, we will create an environment in which employees can succeed regardless of their age by offering them opportunities to demonstrate their abilities through the implementation of our human resource strategy. Helping each employee experience real growth through their work will lead to better engagement and thus increased personnel retention.

Revising Human Resource Systems to Encourage Employees to Take on Challenges

We continue to work to create an environment in which all skilled human resources can feel engaged and make an ongoing contribution regardless of their age, gender, or other diverse attributes.

Reflecting a concept that emphasizes roles and performance while shrinking the importance of seniority factors, we eliminated the system of skill-based qualifications for both management and non-management positions and integrated to a role classification system based on employee roles (positions). In April 2021 we switched the personnel system for reemployed retirees to one that emphasizes employee roles while introducing an evaluation system and reflecting it in remuneration.

Moreover, in April 2022, as part of our efforts to upgrade

environments that accommodate the work styles and diverse needs of older personnel, we formulated new systems related to reemployed employees' side jobs and concurrent employment. In April 2023, we started transformations to better accommodate diverse personnel, such as reviewing promotion requirements in such a way as to facilitate the selection of young talented employees and building systems to nurture highly skilled professionals.

Other than that, in FY2022, we upgraded the new self-education support systems as part of our overall employee welfare system. We continuously support the self-directed growth and skill development efforts of individual employees through initiatives such as partially subsidizing book costs and course fees for foreign-language classes.

Creating Rewarding and Sustainable Workplace

Since FY2018, we have been pursuing work style reform. We are now deepening our focus on work style reform as part of our Sustainable Value 2023 efforts, seeking to implement "sustainable, new work styles" that will ensure business continuity in the face of a variety of challenging socio-economic conditions while also providing employees with a rewarding

Work style reform initiatives

The SCREEN Group shortened regular work hours by 15 minutes from April 1, 2022 to change the way employees work toward higher efficiency within a shorter time. The total hours actually worked by employees has decreased more than 100 hours during the six years since FY2018, when this initiative started. In light of the situation, in FY2023 we replaced the Group-wide standard program with workplace-level approaches to focus on the issues faced by each organization.

There are ongoing Group-wide initiatives to expand flexible work styles not tied to any one place, such as improving the work-at-home system and reducing bookshelves in offices

work environment. In FY2023, we implemented measures under the themes of "Transforming and Improving Operations: Workplace-oriented Approach to Work Style Reform" and "Promotion of Work-Life Balance," while continuing efforts to increase productivity, including those to change the traditional mindset.

with the aim of going paperless. We expanded and/or moved facilities to meet employee needs for online meeting rooms and individual work spaces at the Head Office and business sites as well as at the satellite office.

In addition, with the aim of raising employees' IT literacy, we distributed video educational materials and email newsletters related to IT tools and conducted development training for digitalization promotion personnel. We are working to make operations more efficient by enhancing productivity.

Employee Shareholding Association: Helping enhance management participation mindsets

SCREEN established an employee shareholding association to encourage employees to purchase SCREEN shares, and all employees of the Group companies in Japan are eligible to join it. While providing incentives to increase membership, we are working to enhance a sense of ownership in SCREEN among employees and support their long-term asset formation.

June 2022	Raised the rate of the shareholding incentive provided for contributions by employees from 10% to 15%
October 2023	Paid ¥100,000 per employee (¥150,000 per manager) as a special shareholding incentive

Labor-management relationship

SCREEN is a signatory to the UN Global Compact and recognizes workers' rights to association and collective bargaining. As of March 31, 2023, 90.1% of employees at the seven major companies belong to the labor union. The labor union has built a labor-management relationship that focuses on constructive dialogue, for example, holding labor-management meetings as needed to cover issues other than what is covered by the regular labor-management talks held once monthly.

Promoting Work-Life Balance

In order to accommodate the diverse individuality of our employees, we are committed to cultivating an empowering work environment for all genders that is adaptable to various life stage changes experienced by employees, such as pregnancy

Enhancing leave systems

As an example of our various leave systems, we offer paid refresh leave, which can be taken for five consecutive days every ten years after an employee's fifth year at the Company, with the purpose of encouraging self-development and refreshing their bodies and minds. We also offer paid family support leave that can be taken for up to five days every year to care for family members or other life events or for medical treatment for the employee. With these and other types of leave, we have set up a wide range of leave systems to meet everyone's needs. As a result, the rate of taking paid leave in

Enhancing work-at-home systems

In FY2021, the SCREEN Group introduced a work-at-home system aimed at promoting sustainable work styles amid the COVID-19 pandemic. In FY2023, another work-at-home system was established particularly to facilitate work-life balance. It allows employees to flexibly set the hours to be worked from home according to their situation, with no upper limits imposed. By using this system, employees under extra time constraints for reasons such as pregnancy (either their own or

(either their own or their spouse's), birth, childcare, caring for ill or elderly family members, or undergoing treatment for illness.

FY2023 was 85%. We aim to further promote work-life balance in FY2024 and will work to encourage the use of various leave systems.

One of the highlights in creating work environments that enable male employees to more easily balance work with childcare is the establishment of a spouse childcare leave system (three days of paid leave), which is generally compulsory. More than 80% of eligible employees took this leave or conventional childcare leave, or both, in FY2023.

their spouse's), birth, childcare, caring for ill or elderly family members, or undergoing medical treatment can work more easily.

Neither of these systems limit the place of work to the employee's own home. By allowing employees to work even from the homes of their relatives, we are supporting sustainable work styles that do not rely only on leave systems.

Main Work-Life Balance Systems (as of April 2023)

PitStop 5 paid leave	Employees who take less than 60% of their paid leave during a given year must take at least five consecutive days off in the following year.
Paid refresh leave	Paid leave for five consecutive days that can be taken every ten years after the fifth year at the Company.
Paid family support leave	Paid leave of up to five days every year to provide care to family members or for medical treatment for the employee.
Volunteer leave	Special leave of up to three days every year for volunteer activities that contribute to society.
Childrearing support leave	Special leave of up to two days every year that can be taken to, for example, participate in children's school activities and medical exams up to the third year of middle school.
Spouse childcare leave	Leave for employees to help a spouse care for an infant after giving birth (paid leave; as a rule, mandatory).
Spouse accompaniment leave	Leave for employees who want to accompany their spouse to an overseas posting (unpaid leave, limited time period).
Minimum break between work days	System allowing employees to have a minimum number of hours between finishing work one day and starting work the next day (minimum of nine hours).

Subsidy for childcare leave, etc.	Subsidy to partially compensate for wages lost due to taking leave or working shorter hours to care for children.
Subsidy for early return to work	Subsidy to pay for daycare and other expenses for employees making an early return to work after taking childcare leave.
Skills training for employees on childcare leave	Online learning program so employees can study while they are on childcare leave.

Subsidy for nursing care leave, etc.	Subsidy to partially compensate for wages lost due to taking leave or working shorter hours to care for elderly or sick family members.
Subsidy for nursing care equipment	Subsidy to partially pay for the purchase or rental of nursing care equipment.
Nursing care consultation	Dedicated staff provides consultation on company systems, government support, and private nursing care services.
Nursing care seminars	Seminars provide the basics on nursing care so that employees do not have to quit their jobs to care for elderly or sick family members.

Note: Detailed data on human resource management can be found in the Sustainability Data Book 2023 (p. 1-3).

 Sustainability Data Book 2023

Work-at-home system	System that promotes work style flexibility and greater work efficiency and productivity by allowing all employees to do some of their work at home.
Work-life balance assistance work-at-home system	System allowing employees to do some of their work at home if they are pregnant, caring for children or elderly or sick family members, or undergoing medical treatment.
Reduced work hours	System allowing employees to shorten work hours if they are caring for elderly or sick family members or children (up to 6th grade in elementary school) or undergoing medical treatment.
Limited geographical region system	System limiting the work region for employees who cannot be transferred far away due to elderly/sick care or child care duties.

Supporting Personal Growth of Each Employee

Safety and Health, Wellness

In line with the basic policy of Respect for Human Rights and Friendly Work Environment set forth in the SCREEN Group CSR Charter / Group Code of Conduct, we endeavor to provide employees with safe and healthy workplace environments, and we comply with all relevant occupational accident prevention-related laws, regulations and rules. In light of environmental changes, such as the increasingly complex employee health management due to diversifying employment formats and rising operational safety risks due to products that are increasingly large in size, we aim to achieve specific targets in Sustainable Value 2023 with an eye to realizing safe and healthy workplaces where people can work safely. Specifically, the Group EHS Committee and its subcommittees share safety and health, and wellness issues and problems and make continuous improvements to resolve them, while the CSR Committee reviews progress.

Notes: 1. For information on the structure used to implement the initiatives, refer to "Sustainable Management" on page 51.
2. More detailed data on safety and health, and wellness can be found in the Sustainability Data Book 2023 (p. 4-5).

Sustainability Data Book 2023

Safety and Health Initiatives

We work to ensure employee safety and health in our business activities by implementing an occupational safety and health management system that conforms to ISO 45001. For development, manufacturing, equipment installation and various other cases, we implement risk assessments and advance safety verifications to prevent work-related injuries and accidents. In addition, we ensure the operational safety of employees through independent training and qualification certification systems, including those related to the handling of heavy objects.

In the event of a workplace accident or incident involving an employee of a Group company or cooperating company operating under contract, we use the Incident Report System, which is a unique accident and incident reporting system developed by SCREEN, to comprehensively manage every aspect of the response from receiving initial reports to analyzing the causes of the incident and completing subsequent corrective measures. From FY2023, we expanded the operation of this system to overseas Group companies as we strive to globally manage occupational

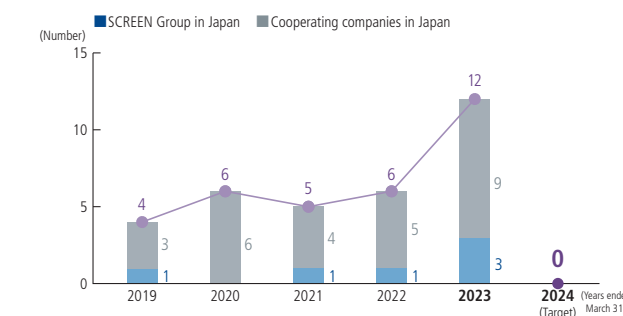
accidents and incidents.

Corrective measures and reports of accidents and incidents are mainly handled by the EHS administrator established in each company based on the responsibilities and authority defined in noncompliance and corrective measure rules. They are then reported to the EHS management supervisor. Corrective measures, including activities to prevent recurrences, are announced and rolled out across the Group as necessary, reaching beyond the departments they originate from.

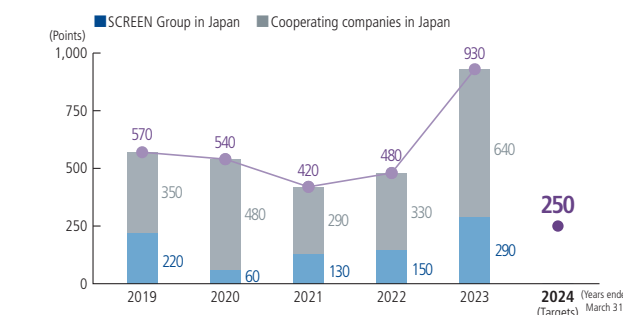
In addition, the initiatives of the Group EHS Committee and its subcommittees are shared and discussed at the Safety and Health-related Labor-Management Union Meeting, which is held every year with representatives of the labor union. Labor and management work together to promote initiatives aimed at establishing safe and healthy work environments.

Safety and Health Initiatives

Number of occupational accidents resulting in four or more lost work days



Occupational accident points



Note: Occupational accident points is an indicator original to the Group that reflects the severity (number of lost working days and disability grade) of occupational accidents that occur. A point rating for disability severity and number of lost work days, ranging from 10 points for "an accident with no disability or lost work day" to 600 points for "an accident with disability grade between 1 to 7 and lost work days of 1 month or more." A death is 1,000 points.

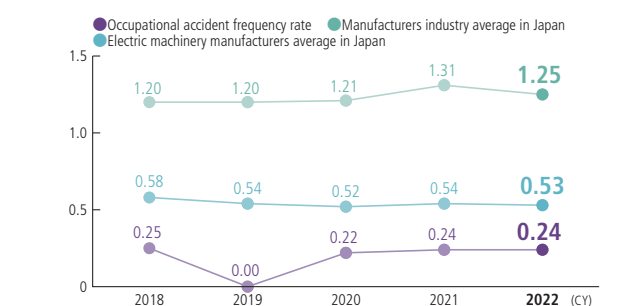
Metrics and Targets

For Group companies and cooperating companies in Japan, we set targets for zero occupational accidents resulting in four or more lost work days and for reducing the number of "occupational accident points" accumulated in the Group's proprietary occupational accident rating system, which assigns points relative to the number of lost work days and accident severity.

In FY2023, the number of occupational accidents causing lower back pain and repetitive motion injuries has risen amid a huge increase in the volume of shipments, and we were unable to meet our target. In particular, there were many accidents involving employees of cooperating companies and workers with little experience. By removing hazards and conducting educational activities, we will continue strengthening initiatives aimed at reducing accidents.

Moreover, there still have not been any deaths or serious accidents, and we have managed to keep the occupational accident frequency below the industry average.

Occupational accident frequency rate



Note: Occupational accident frequency rate is number of injuries or deaths from occupational accidents per one million hours of work
Boundary: HD, SPE, GA, FT, PE, AS, and IP

Initiatives Aimed at Reducing Occupational Accidents

Safety patrols by EHS management supervisor

From FY2023, patrols are being conducted by the EHS administrators of business operating companies and the Chief Officer of Sustainability Promotion, who serves as the EHS management supervisor. The patrols are being steadily rolled out to companies and worksites where we are concerned that occupational accidents could occur, with the purpose of sharing problems and removing hazards in advance.

Monthly monitoring by EHS-related officers

Such relevant officers as the Chief Officer of Sustainability Promotion, who serves as the EHS management supervisor, and the Director in Charge of General Affairs and Human Resources Strategy, who serves as the EHS assistant management supervisor, hold monthly meetings to report and discuss risk mitigation measures as well as subsequent responses to occupational accidents and incidents that occurred in line with the commitment of senior management.

Wellness Initiatives

The SCREEN Group positions health and productivity management as a major corporate strategy and plans and promotes health and productivity management measures through the Healthcare Subcommittee, a specialized organization for health and productivity management established under the Group EHS Committee.

We work to promote the health of individual employees and the workplace as a whole with the aim of turning each employee into a solution creator who is healthy in body and mind, thinks and acts independently, and provides new technologies, products, and services that help solve social issues. By working to improve employee living habits, enhancing mental toughness, encouraging appropriate treatments, and strengthening support from supervisors and colleagues, we will

Metrics and Targets

Absenteeism (sickness absence rate) has been our primary indicator measured over many years. Based on the average value throughout the period of the previous medium-term management plan, we set a target of 0.68% in FY2024 and are promoting initiatives to this end.

Leveraging the heightened health consciousness of each employee during the pandemic, we worked to enhance health literacy through e-learning and other means. As a result, we have seen signs of improvements in employee living habits, but the sickness absence rate was 0.762% in FY2023, missing the target level. We will again revise methods to motivate employees and instill healthy mindsets in-house while continuing to promote various initiatives, including improving presenteeism.*

* Presenteeism: Self-assessed ratio of work performance over past four weeks, based on assumption that 100% represents performance when unaffected by illness or injury

Initiatives Aimed at Promoting Health and Productivity Management

To improve absenteeism (sickness absence rate), we are taking measures to promote health, both mentally and physically.

Regarding mental health, there is a rising trend in the percentage of highly stressed individuals in addition to a rise in the sickness absence rate related to mental health. To this end, we are strengthening selfcare, including stress checks, as well as manager line care through the provision of training for managers and those in other positions. In addition, we provide care in part through healthcare staff and external employee assistance programs and encourage care for highly stressed individuals and high-risk workplaces.

The sickness absence rate related to physical health issues

Strengthening occupational safety and health education

Every year, we roll out awareness-raising initiatives in the form of safety and health education for new and mid-career hires and provide e-learning that offers a basic general education in EHS. In addition to various types of education based on roles and hierarchy, we are striving to ensure safety by introducing unique educational and qualification certification systems such as the handling of heavy objects for employees involved in specific work. To promote and expand effective safety measures on the front lines, we focus on nurturing risk assessors and EHS experts.

Preventing serious occupational accidents and incidents through close calls

From the perspective of preventing serious occupational accidents and incidents, we encourage our employees to proactively report cases of close calls. We take countermeasures in consideration of these reports.

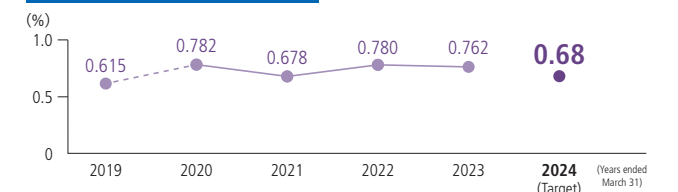
continue enhancing work engagement and increasing the number of people rated as good in terms of health and productivity management and in terms of physical conditions.



In FY2023, we certified as a 2023 Health and Productivity Management Organization (White 500) by the Certified Health and Productivity Management Organization Recognition Program jointly implemented by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council).

Wellness Initiatives

Sickness Absence Rate



Note: Sickness absence rate = (Total number of sickness absence days / Total number of employees' prescribed work days) x 100
Boundary: HD and business operating and functional support companies by FY2019; SCREEN Group in Japan from FY2020

Message from the Chairman of the Board

Refining Our Corporate Governance for the Next Stage in Our Growth

Eiji Kakiuchi

Chairman
Member of the Board



Almost 10 years have passed since we changed our name from Dainippon Screen Mfg. Co., Ltd. to SCREEN Holdings Co., Ltd. and transitioned to a holding company structure. Just prior to the change in FY2014, our sales were ¥235.9 billion and net income was ¥5.4 billion. The general consensus from investors about moving to a holding company structure at that scale was too ambitious and we would be out of our depth.

Since then, the semiconductor industry has seen major growth and our decision has enabled us to completely transform the scale of our business, profitability, cash generating capacity and overall financial soundness while also increasing the sophistication of our operations. As well as our own efforts, this growth has been made possible by the support of all our stakeholders and many clients and business partners.

During this time, we have also redefined our corporate philosophy, which had been a longstanding goal for us. This has likewise helped to accelerate the strengthening of our organizational culture.

As this transformation has taken place, we have been working to improve supervisory functions and effectiveness in relation to the performance of the Board of Directors. As a result, I believe coordination between the Board and the operational side has become stronger while maintaining an appropriate sense of dynamic tension and distance.

Evaluating the Board's effectiveness

Since FY2019 (ended March 2019), we have asked a third-party organization to conduct an annual assessment of the effectiveness of our Board of Directors. After analyzing its findings, we identify any points for improvement and other issues. This third-party organization also performs an analysis in which it objectively compares us with the boards of other companies.

The results of the latest evaluation for FY2023 (ended March 2023) show a distinct overall improvement compared to the previous period. Particularly good progress was seen in our discussions of potential Group risks and methods for dealing with them in relation to management strategy and planning, as well as in our advance sharing of information on opposing points to be discussed at Board meetings.

However, this evaluation did identify a need to enhance communication between the Board, particularly our outside directors, and the internal audit department. Fortunately, cooperation between the board of corporate auditors, including outside corporate auditors, and internal audit department is progressing well. We intend to expand opportunities for discussion and communication between them and our outside directors.

The evaluation also pointed out issues related to the communication of the Group's new corporate philosophy so far. Taking the opportunity of its revision in April this year, the Board will continue to drive improvement

on this regard.

We are continuing to make various practical improvements, such as the provision of reports on discussions held at the internal meetings preceding Board of Directors' meetings, a step that has been positively evaluated by outside directors.

Enhancing the roles of outside directors

While the Board continues to receive positive feedback from all outside directors, we do our best to provide detailed explanations by operational executives before discussing related agenda items at Board meetings. Our Group operates a wide range of businesses, but with our main one handling production equipment that incorporates highly advanced technologies, it can sometimes be difficult to understand the industry and technical aspects.

To remedy this, in addition to providing prior explanations of agenda items, we regularly have top executives from our business units present status reports at Board meetings. Similarly, to help us follow management activities, we also invite leaders from our various Group-wide cross-functional projects to give regular updates. These different mechanisms have helped the Board to discuss operational activities from a holistic perspective.

As the COVID-19 pandemic subsides, we have been asking all outside directors to increase their visits to development and production sites, thereby expanding their opportunities to interact directly with employees and view actual systems. Being on site helps them to gain a better overall understanding of each business.

Obviously, the opinions and advice of outside directors are extremely important to inside directors. As well as sharing ideas from an independent perspective based on their own experience, we believe they often present points similar to those raised by our shareholders. From this point of view, outside directors can also offer support in relation to operational risk taking, depending on the item the Board is discussing.

Fine-tuning Board operations for future growth

Our Group has grown continuously guided by our Management Grand Design, the long-term management plan we initially established in 2014. We have recently decided to release an outline of the Management Grand Design outside the Group and to also make an external Group-wide commitment to medium- to long-term growth.

As the Management Grand Design has progressed, the Board of Directors has been closely involved in its formulation and decision-making processes. Going forward, we intend to oversee and support flexible implementation of the plan in response to changes in the business environment while also ensuring the entire Group maintains an unwavering commitment to high-minded goals and a tenacious will.

Special Feature: Interview with Outside Directors

What is Needed to Enhance Long-term Corporate Value



Makoto Yoda

Outside Director
Member of the Board

Former Chairman, GS Yuasa Corporation
Former Chairman, Kyoto Industrial Association, Inc.



Hidemi Takasu

Outside Director
Member of the Board

Former Managing Director in charge of Research & Development Headquarters, Business Creation and Quality, ROHM Co., Ltd.
Outside Director, Samco Inc.
Visiting Professor, Kyoto Institute of Technology



Hiroko Okudaira

Outside Director
Member of the Board

Associate Professor, Doshisha Business School,
Doshisha University

Outside directors are being expected to play increasingly greater roles in enhancing corporate governance. This section features an interview with Mr. Yoda, Mr. Takasu, and Ms. Okudaira on a range of topics, including the concept of Solution Creator, an important issue for SCREEN. They also discussed the points SCREEN should focus on as a company entering a new stage and what it should do to enhance the effectiveness of the Board of Directors. The outside directors shared their views as representatives of shareholders, with an eye on enhancing long-term corporate value.

Q1 Regarding the effectiveness of the Board of Directors, what are your thoughts on the results of the latest evaluation? (See page 74)

Yoda: The issues identified in the previous fiscal year have been addressed and the situation has gradually improved, leading to greater effectiveness of the Board. Specifically, briefings before Board meetings have increased in frequency and our understanding of business challenges and proposals has further deepened. The sharing of information before meetings thus enhances our grasp on agenda items. Although the functions required of outside directors are generally focused on governance and compliance, if we continue to have opportunities to hear the details of the proposals before meetings so as to familiarize ourselves with their business backgrounds as much as possible, that would be effective at deepening discussions.

Chairman Kakiuchi and President Hiroe occasionally share us stories from the front lines. In addition to this, I think opportunities to hear directly from the managers of business operating companies, tour factories, and join other interactive events would be highly effective. They were impossible during the pandemic, but we expect them to become more frequent going forward.

Takasu: The fact that the number of pre-meeting briefings increased was definitely an improvement. Hearing about proposals in detail in advance enables the Board of Directors to

immediately begin discussions, which is very productive. Thanks to this improvement, the content of discussions has become much deeper.

Moving forward, I would really like the Internal Audit Department to visit the front lines of overseas subsidiaries, with which direct communication had become difficult during the pandemic. I personally would like to hear from the front lines because I had not been able to tour factories or join in similar events due to the pandemic.

Okudaira: I feel there is a room for improvement regarding coordination with the audit department. I think it would make the Board of Directors even more effective if, depending on the theme, there were opportunities to exchange opinions outside of regular meetings.

Q2. SCREEN posted record high sales and profits in the previous fiscal year and plans to set new records again this fiscal year. The Company's long-term issuer rating rose to A (flat) and has reached a new stage. What points will you focus on going forward?

Yoda: The rise in the rating was a wonderful development. At the same time, we need to be aware that the Company will, as a result, come under greater scrutiny from the wider world.

Enhancing Business Foundations



Going forward, the Company will need to be more prudent in its operations and business management. I know from experience that when business results are good, the bad aspects tend to be overlooked. As the proverb says, you should not let your guard down even if you win, I think the Company needs to be more vigilant and pay attention to governance and compliance.

It is crucial to ensure the SPE business does not miss out on the positive upturn in the business environment. In terms of business portfolio, I expect further growth in existing businesses, but would also like to see several businesses that can expect stable growth. It would be ideal if one business struggles, another business could offset that.

Takasu: Semiconductors are currently garnering attention globally. Although semiconductors are seen as an important industry incorporated into all daily essentials, they are also strategic materials. SCREEN thus needs to pay greater attention on this aspect and be prepared for emergencies. I think it is important to assess the impacts and risks of geopolitical events and to be vigilant in order to avoid them. In addition, in terms of the supply chain, it seems essential to more closely engage with material manufacturers and others.

Semiconductors are evolving every day. We will need to pay attention to technological trends moving forward, not only because of miniaturization, but also because applications are expanding into all sectors.

With the discovery of new technologies and materials, changes will need to be made to production equipment. SCREEN will need to always be looking ahead. In addition, in creating and incorporating new values, the Company's management capabilities will be tested with regard to its ability to make solid investment decisions, reinforce marketing to underpin those decisions, build business models, and more effectively incorporate ideas from clients.

Okudaira: I think this is a turning point for SCREEN, which is getting more deeply involved in the medical field or life science. From the perspective of creating social value, the medical field is extremely significant and directly impacts Japan's social security policies and national interest. When launching businesses in new fields, it is necessary to develop strategies with care. Because it is possible to diminish social value if their direction is not quite right, more prudence will be needed.

In terms of talent acquisition and retention, to secure more advanced specialists, the Company will undergo a transition period for revising the homogenous remuneration system it has had to date. I understand that this is where they face difficulties

in aligning with the current situation, but I feel this is an issue that should be discussed to secure higher quality personnel.

Q3. What are your thoughts on the development of solution creators?
At SCREEN, the development of solution creators is an ongoing material issue. Although the importance of human assets is being focused on worldwide, I would like to hear your frank opinion on issues going forward and other matters related to securing and cultivating talents.

Okudaira: While it is necessary to enhance skills with the aim of fostering solution creators, the roles of such talents in each department are different as are the requirements. To clarify the kind of skills the Company is looking for, one option is to map out the skills needed for each field. It is important to have a platform and provide opportunities for employees to take the initiative themselves.

Regarding female promotion, the Company lists targets in its corporate governance report, focuses on proactive recruitment and development, and expects increasingly active female participation going forward. I hope the female members of the Company proactively seize opportunities and expand their horizons.

Takasu: I think just teaching technical details is not enough to cultivate engineers. What is important is to be able to identify problems in a real-life situation. For this, they need to cultivate awareness and intuition within themselves, and this is where education or training should focus on. Technical experts, of course, need knowledge; they also need to be receptive. They should try to learn from real-life troubles on the front lines, which will encourage them to expand knowledge and nurture wisdom. If they can identify problems, they will naturally acquire the skills to solve them. When one person cannot solve a problem, s/he will seek help from others, and thereby expand the network. Furthermore, by being receptive to advice, they will develop problem-solving capabilities at a higher pace. I believe the experience of facing problems on the front lines is a basic tenant of education.

In addition, interactions with clients are also great learning opportunities. The basics of quality management begin not from the perspective of manufacturers but from the needs of clients. I believe that directly listening to clients will inspire innovation and collaboration, enabling engineers to provide solutions.



Yoda: While the Company's management explains the concept of solution creator to employees, I feel it is really important for each of them to relate it with their own agenda and see if their stance and mission are in alignment with it. By interpreting the company's overarching goal in the context of their daily business activities and to-do's, it will become a truly meaningful goal. I think periodical updates are needed on the company's long-term vision so that the members of the organization do not lose the sight of the meaning of their work and their next steps within that context, in order to keep it fresh and relevant.

Q4. What are your goals as an outside director?

Yoda: A high-achiever spirit is indispensable to enhancing the mainstay SPE business. I want to fulfill the role of motivating employees and take every opportunity to show all stakeholders the vision of the ever-ambitious top management.

Takasu: Each of us has a unique set of skills and participates in Board of Directors meetings due to our ability to view matters from various different angles. This is the role we have been assigned. To enhance SCREEN's corporate value, I intend to do everything I can to leverage the knowledge and experience I have gained to date, so as to meet the expectations of all investors and shareholders. The business model for not just creating values but




also incorporating them into the company as part of its assets is becoming increasingly important.

Okudaira: Because of their special position, outside directors must observe matters with a strict sense of ethics and duty. Since assuming my position, I have proactively spoken at Board of Directors meetings with a full awareness of my unique position as an outside officer and especially as a female university researcher. That is my role, and I want to continue observing matters from a bird's eye view going forward.

Message from the New Outside Director

The "Comprehensive Martial Art" of Management: Employing Offensive and Defensive Strategies to Enhance Corporate Value

Seiji Narahara
 Outside Director
 Chair of the Board & Director, Toyobo Co., Ltd.



Until recently, as long as corporate management managed to avoid doing anything problematic while delivering a certain level of profit and continuing to pay dividends in an environment that was basically an extension of the past, it was generally seen as having done a satisfactory job.

However, corporate management now finds itself in an environment characterized by large and rapid changes, discontinuity and complexity. This environment requires companies to pursue multi-stakeholder-oriented management which recognizes all of its important stakeholders – including shareholders, clients, employees, suppliers and society, as well as the environment and human rights across the supply chain – and which works to create positive benefits for all its stakeholders, such as by contributing to the resolution of

issues which affect them. This is why the management of today is likened to a "comprehensive martial art," and a management team which takes on this challenging "martial art" must possess a wide range of expertise and skills, along with a multifaceted approach to governance.

Like SCREEN, my company is a member of the manufacturing industry, but we mainly engage in the manufacture of petrochemical and bio-based materials. Because of my experience in manufacturing, I understand the issues that SCREEN grapples with, but I also have a different set of knowledge and skills. I feel newly resolved to put both these common points and differences to work in pursuing offensive and defensive strategies beneficial to SCREEN's growth and governance, thereby contributing to the enhancement of its corporate value.

Enhancing Business Foundations

Corporate Governance

Basic Concepts

By striving to improve corporate governance in pursuit of enhanced transparency, soundness, and efficiency in business management, the SCREEN Group aims to ensure that shareholders and all other stakeholders benefit in line with its Corporate Philosophy that clarifies the corporate purpose.

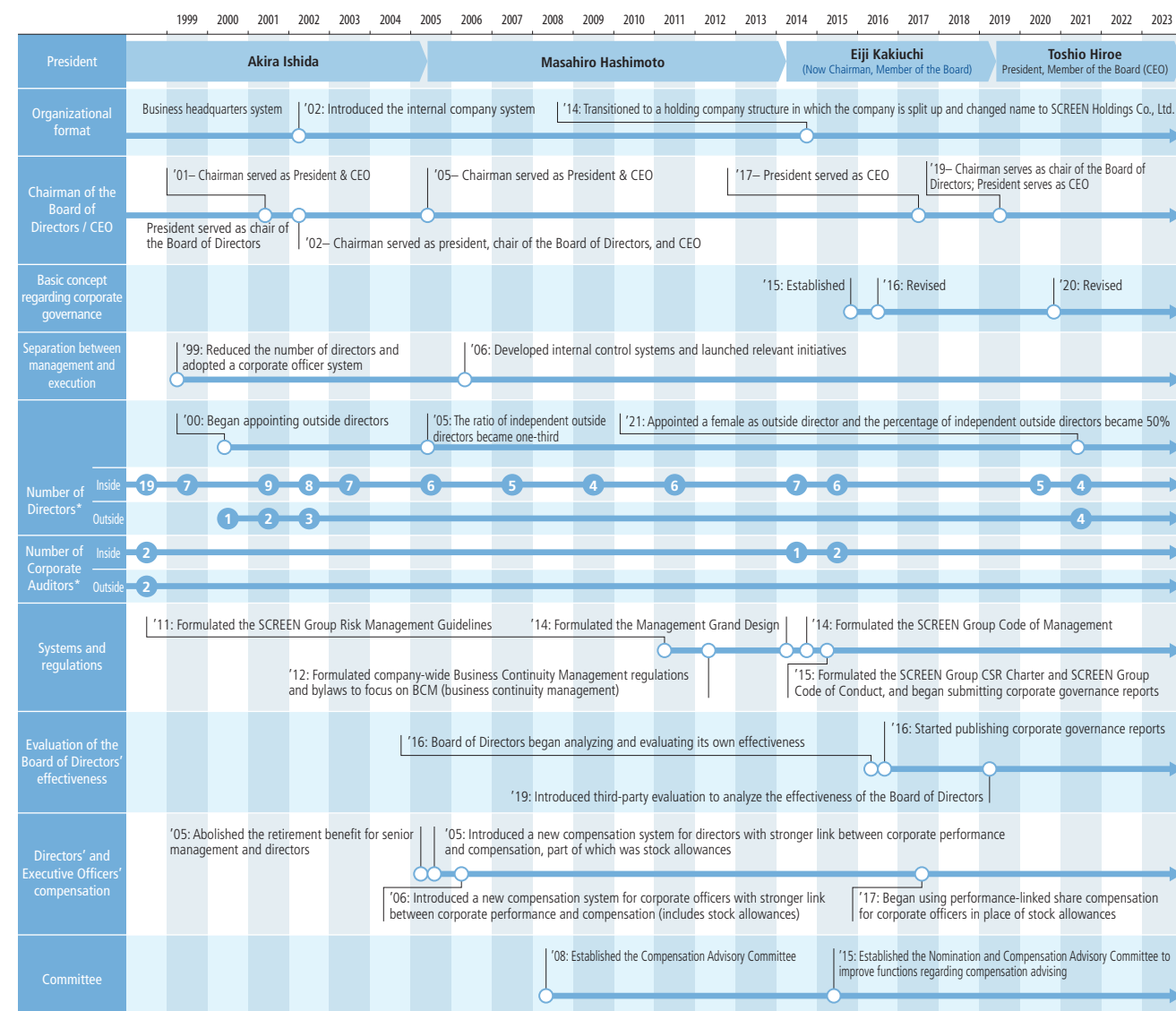
The Group recognizes that effective corporate governance is essential to the achievement of this goal, and thus it has strengthened its capabilities to govern through the establishment of its Management Grand Design, SCREEN CSR Charter and Code of Conduct, which outlines standards that all Group members should follow and provides principles of conduct based on our Corporate Philosophy, and SCREEN Group Code of Management, which regulates the internal control policies and systems of Group companies, as well as other regulations with which all employees should comply.

Corporate Governance Report (updated on July 12, 2023)

Continued Improvement of Group Governance

SCREEN has continued to strengthen and improve corporate governance. After we adopted a holding company structure in 2014, we have continued to reinforce our group governance.

SCREEN Governance History



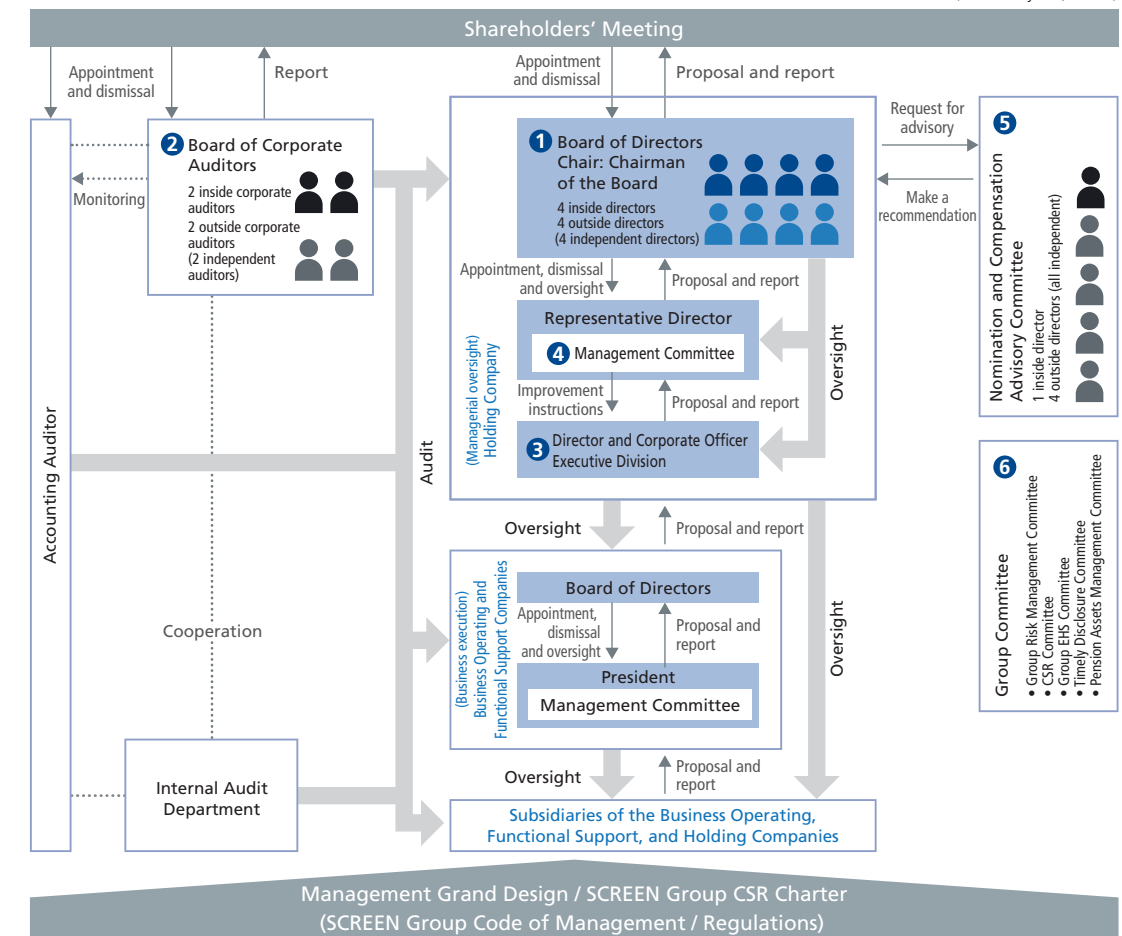
* The number of directors and corporate auditors is as of March 31.

Corporate Governance Structure

SCREEN is a company with a Board of Corporate Auditors. By ensuring diversity in the Board of Directors, we enable the Board of Directors to achieve maximum efficiency and effectiveness and to reach management decisions that enhance the Group's medium- to long-term corporate value. In this manner, SCREEN Holdings maintains a functional balance that ensures that management oversight of the entire Group is securely in place.

Corporate Governance Structure

(As of July 12, 2023)



* ❶ to ❹: Explained later.

❶ Board of Directors

Composition

SCREEN has a Board of Directors that currently comprises eight directors (including four outside directors). The Board of Directors determines basic policies and strategies for the Group management and important matters in business execution and exercises supervision over business execution, holding regular monthly meetings and additional meetings as necessary.

The Company's Rules of the Board of Directors include provisions aimed at maintaining an optimal number of directors in light of changes in the operating environment and the nature of duties to be assumed by individual directors. To this end, these provisions mandate that the "number of directors must not exceed 13 and at least one third of its membership must be accounted for by outside directors." These provisions are intended to secure "diversity in terms

of directors' experience and their areas of specialty" and help maintain "a balanced perspective that allows the Board of Directors to operate with maximum efficiency and effectiveness while keeping management oversight over the entire Group securely in place." It selects more than one-third of outside directors in the Board of Directors with an eye to the functional enhancement of management oversight and the maintenance of management objectivity.

The term of office of director is set at one year as the Company aims to clarify responsibilities of directors in addition to securing a management structure capable of quickly adapting to changes in the operating environment.

* The attendance record of the Board of Directors is presented under Directors and Auditors (p. 77-79).

Enhancing Business Foundations


Duties of Directors, Appointment of Candidates for Directors and Corporate Auditors, Dismissal of Directors

The principal duty of the directors is “to recognize their fiduciary responsibility to shareholders and assume the responsibility of sustainably enhancing the SCREEN Group’s corporate value.” Regarding the nomination of candidates for director and corporate auditor positions, candidates are selected in accordance with SCREEN Holding’s “Criteria for Appointing Candidates for Directors and Corporate Auditors” and approved by the Board of Directors after seeking the advice of the Nomination and Compensation Advisory Committee, which includes outside directors (who hold a majority) and the chairman of the Board of Directors.

Outside directors and outside corporate auditors are selected based on experience and expertise, with the aim of drawing on a variety of perspectives to ensure objective, bias-free management. Our company works to ensure the independence of the outside directors and outside corporate auditors, applying the Tokyo Stock Exchange’s standards

of independence as well as the Group’s own criteria for independence of outside directors and outside corporate auditors. All six outside directors and outside corporate auditors (four outside directors and two outside corporate auditors) are registered with the Tokyo Stock Exchange as independent directors and corporate auditors.

Regarding the dismissal of directors, the Board of Directors may propose to dismiss an individual to whom one of the Criteria for Dismissing Directors apply after seeking the advice of the Nomination and Compensation Advisory Committee. Dismissal of said individual is then finalized at the shareholders’ meeting based on a resolution passed by the Board of Directors.

 Criteria for Appointing Candidates for Directors and Corporate Auditors, and for Dismissing Directors

 Criteria for Independence of Outside Directors and Outside Corporate Auditors

Training Policies for Directors and Corporate Auditors

The Company provides newly appointed directors and corporate auditors (excluding outside directors and outside corporate auditors) with opportunities to undergo external training programs at its own expense, thereby ensuring that these individuals are well aware of the roles and responsibilities they are expected to fulfill from the moment their terms of office begin as well as the relevant laws and regulations they need to know.

Outside directors and outside corporate auditors are given opportunities to acquire knowledge about the SCREEN

Group’s businesses, financial conditions, and organizational structure, and other essential Group-related matters as soon as they assume office while being granted access to duty-related intelligence necessary to the fulfillment of their roles and responsibilities. Major business companies are reporting its business status in board of directors every quarter. That keeps directors and corporate auditors informed of the latest technological, business, and industrial trends.

We will continue to implement this training on an ongoing basis moving forward.

Cross-shareholdings

In order for the Company to enjoy sustainable corporate development, it is essential to maintain partnerships with a broad range of external corporations. Because of this, the Company may retain cross-shareholdings as long as said shareholdings are deemed strategically necessary in light of its pursuit of medium- to long-term improvements in corporate value. To assess the necessity of such shareholdings, the Board of Directors engages in annual reviews aimed at comprehensively verifying the status of transactions with investees, the impact of shareholdings on the Company’s financial position, the quantitative benefits of such shareholdings vis-à-vis capital cost, and whether the purposes of shareholdings have been met. If verification results reveal that certain shareholdings are no longer necessary, the Company negotiates with the investees to ensure that the shareholdings in question can be

smoothly divested. As of the end of the most recent fiscal year, the Company had divested shares of 36 investees, totaling ¥7.7 billion, over the eight years since the enactment of Japan’s Corporate Governance Code.

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

Board of Directors: Agenda Items

Agenda items (topics of deliberation) at Board of Directors meetings are as follows.

Agenda item	Number of agenda items (FY2022)	Number of agenda items (FY2023)
Business strategy	18	16
Financial results (including dividends), financial strategy	15	20
ESG (sustainability, corporate governance, internal control, compliance, risk management)	10	7
Human resources strategy	13	5
General affairs	5	9
Total	61	57

Note: Excludes written resolution items.

Evaluation of the Effectiveness of the Board of Directors and Future Initiatives

The Board of Directors of SCREEN Holdings regularly conducts a self-analysis and evaluation of its effectiveness and publishes a summary of the results. Its goal is to determine how the Board contributes to the effective implementation of corporate governance and to identify and improve issues. The analysis and evaluation were conducted with the advice of a third-party organization, and the results are compared with

third-party evaluations of other companies.

The Board intends to develop and implement remedies based on the analysis and evaluation results described below and to enhance the Board’s functionality toward helping the Company achieve sustainable growth and increasing its corporate value over the medium and long term.

FY2023 Evaluation Results

The results show that the Board of Directors is generally fulfilling its roles and functions appropriately.

Evaluations improved compared with FY2022 in the following areas

- Discussions of Group-wide potential risks and risk mitigation options
- Prior sharing of relevant information and discussion points among all directors

Based on these evaluations and cause analyses, the Company’s Board and relevant internal sections will continue working to enhance the effectiveness of the Board of Directors. To this end, they will conduct sufficient studies of countermeasures to specific issues then further enhance current measures and strengthen collaboration with relevant departments.

Major areas for future improvement

- Coordination among directors, corporate auditors, the Internal Audit Department, and others

FY2022 Evaluation Results

The results show that the Board of Directors is generally fulfilling its roles and functions appropriately.

Evaluations improved compared with FY2021 in the following areas

- Ensuring diversity within the Board of Directors
- Ensuring provision of sufficient deliberation time
- Holding free, active, and constructive discussions and opinion exchanges
- Sufficient oversight and monitoring of the construction and operation of Group-wide internal control systems
- Conducting sufficient pre-meeting briefings furnished to outside directors

Major areas for future improvement

- Discussions mainly related to management strategies and portfolio strategies at Board of Directors meetings
- Collaboration between directors and corporate auditors with relevant departments, including the Internal Audit Department


Issues recognized in the evaluation of the fiscal year ended March 31, 2022, and subsequent actions

Discussions mainly related to management strategies and portfolio strategies at Board of Directors meetings

- Enhancement of pre-meeting briefings on Board meeting agenda items for outside director and auditor
- Construction of and continuous measures to maintain systems for sharing questions and answers from pre-meeting briefings and in-house meetings with the Board of Directors before resolutions are made

Collaboration between directors and corporate auditors with relevant departments, including the Internal Audit Department

- Continuous reporting of regular internal audit results at Board of Directors meetings
- Opinion exchange meetings of directors and corporate auditors as well as opinion exchange meetings held by outside directors and outside auditors, which had decreased in number and duration due to the pandemic in FY2023

 Summary of Results of Evaluation of the Board of Directors’ Effectiveness (June 15, 2023)

2 Board of Corporate Auditors

The Board of Corporate Auditors comprises four members, of whom two are outside corporate auditors who meet our own criteria for independence. The Board of Corporate Auditors holds one regular meeting per month and additional meetings as necessary. In line with the audit policies and plans it has formulated, the Board of Corporate Auditors is responsible for monitoring and overseeing the legality of the official acts of the directors. This is done through daily audits to ensure propriety.

In addition, to enhance the effectiveness of corporate

auditors’ audits, the Board of Corporate Auditors strives to improve coordination between the accounting auditors and corporate auditors of the Internal Audit Department and Group companies, regularly receives reports of the status and results of audits conducted by the aforementioned auditors, and holds opinion exchanges. The company has set up the Corporate Auditors Department staffed with dedicated employees to support the auditors’ duties.

Note: The attendance record of the Board of Corporate Auditors is presented under Directors and Auditors (p. 79).

3 Corporate Officer System

The Group has introduced the corporate officer system in order to accelerate business execution and clarify responsibility. Corporate officers effectively execute their duties in accordance with the basic policies and strategies determined by the Board of Directors.

4 Management Committee

Chaired by the CEO, the Management Committee, comprising the full-time directors, presidents of business operating companies and functional support companies, and officers whom the chairman of the Committee appoints, meets more than once a month to deliberate matters related to management and to facilitate the decision making of the Board of Directors and representative directors.

Enhancing Business Foundations

5 Nomination and Compensation Advisory Committee

SCREEN has voluntarily chosen to establish the Nomination and Compensation Advisory Committee, which consists of outside directors (who hold a majority) and the chairperson of the Board of Directors, to ensure a highly transparent and objective process for appointing and dismissing candidates for director, corporate auditor, corporate officer, and other positions and for determining compensation and other related matters, thereby strengthening the Board of Directors'

supervisory functions. Matters related to the appointment and dismissal of, as well as compensation for, HD and business operating, and functional support company directors and executives are discussed by the Committee in response to requests for consultation. The Committee then reports its findings to the Board of Directors. In FY2023, the Nomination and Compensation Advisory Committee held four meetings.

Management Compensation

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. Please note that SCREEN Holdings abolished its retirement benefit for senior management and directors in 2005.

Compensation for directors and corporate officers now consists of three elements: (a) basic remuneration for 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 (shareholder's value), as described below.

Outside directors receive only basic remuneration and a performance-linked cash bonus. Also, corporate auditors receive only basic remuneration, which is determined by

The policy on determining the ratio of total remuneration to each director is as follows

- Basic remuneration is paid relative to responsibility of director in terms of business size that they are engaged in.
- Performance-linked cash bonus is capped at 50% of fixed compensation.
- Performance-linked share compensation is designed to grant approximately 40% of basic remuneration at most. Its monetary value could change with fluctuations in share value.

the Board of Corporate Auditors based upon the total amount approved for corporate auditor compensation at the Shareholders' Meeting.

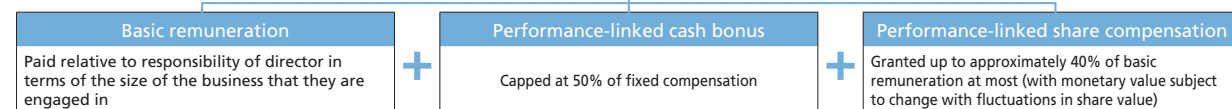
Responsibility for determining compensation for individual directors and related matters has been granted to the Representative Director by the Board of Directors, with the understanding that such matters will be decided based upon the recommendations of the Nomination and Compensation Advisory Committee and conform to the total amount authorized for director compensation by the Shareholders' Meeting. Compensation for individual corporate officers is determined by the representative director based upon the recommendations of the Nomination and Compensation Advisory Committee.

Performance measurement aims at reinforcement of management infrastructure, including operating income ratio, and ROE as medium-term management planning performance indicators. In addition, measurements in terms of environment and safety are used to enable the social value enhancement. The amount of performance-linked bonus is determined on scoring achievement of each indicator. (Please refer to the table of "Performance Measurement" below.)

82nd Term Securities Report (p. 61, in Japanese only)

Director Compensation

Breakdown of compensation



Performance Measurement

Standards for achievement of principal indicators related to performance-linked cash bonuses and associated results during the fiscal year ended March 31, 2023

Performance measurement	Achievement standards	Achievement
Operating income ratio	12.5% to 17.5% or greater	16.6%
ROE	10% to 20% or greater	21.0%
Measurements in terms of environment and safety	Reduction of CO2 emissions from business activities Final fiscal year of the medium-term plan: 10% reduction (compared with FY2019)	52.7% reduction

Note: The company has put in place standards of achievement to serve as indicators for determining the extent to which individual business targets have been achieved during the fiscal year ended March 31, 2023.

Breakdown of Compensation

Total Amounts of Compensation (by Type, Board Member Category), Number of Eligible Board Members (FY2023)

Category	Total amount of compensation (million yen)	Total amount for each type of compensation (million yen)			Number of eligible board members
		Basic remuneration	Performance-linked cash bonus	Performance-linked share compensation	
Directors (outside directors excluded)	380	178	138	63	5
Corporate auditors (outside corporate auditors excluded)	47	47	—	—	2
Outside directors	81	49	32	—	6

Note: The above includes one director who retired at the time that the 81st Ordinary General Meeting of Shareholders concluded on June 27, 2022.

6 Group Committee

The Group strives to enhance corporate governance for the Group as a whole under the Group committees framework. Each committee conducts monitoring and discussions according to their purpose, and reports to designated organizations such as the Board of Directors as appropriate. Climate change-related

matters reported to the Management Committee and the Board of Directors in the fiscal year ending March 31, 2023 included the TCFD Compliance Project, a review of the SBT for the 1.5°C scenario, and the 2050 carbon neutrality declaration.

(As of July 1, 2023)

	Composition*	Purpose	Agenda and number of meetings (fiscal year ended March 31, 2023)
Group Risk Management Committee	<ul style="list-style-type: none"> • Highest position responsible person: CEO • Chair: Chief Officer of Corporate Strategy • Members: Chairman, CFO, corporate officers of relevant departments, and presidents of business operating and functional companies 	To assess changes in the environment inside and outside the SCREEN Group and conduct risk management across the Group, we comprehensively identify risks throughout the entire SCREEN Group and set key Group risks, evaluate the risks, and formulate policies to address them according to their seriousness.	<ul style="list-style-type: none"> • Identification of key Group risks • Monitoring the management of key Group risks and investigation of essential response measures [2 meetings]
CSR Committee	<ul style="list-style-type: none"> • Responsible person: CEO • Chair: Chief Officer of Sustainability Promotion • Members: Chairman, directors (2), corporate officers (6), corporate auditors (2), CSR officers and auditors of the business operating and functional support companies 	From the viewpoint of improving social value, promoting the practice of ethical behavior of employees based on the SCREEN Group CSR Charter and Code of Conduct, respond to the SDGs, contribute to local communities, and evaluate and manage climate-related risks and opportunities.	<ul style="list-style-type: none"> • Reporting and discussing on progress and issues pertaining to the CSR medium-term management plan "Sustainable Value 2023" • Reporting on SDGs and social contribution activities • Update on CSR activities of individual companies, etc. [2 meetings (1 meeting / half period)]
Group EHS Committee	<ul style="list-style-type: none"> • Management supervisor: Chief Officer of Sustainability Promotion • Members: Director (1), HD and SCREEN Group EHS administrator and director of the EHS secretariat 	Sharing, as well as pursuing ongoing improvement in, internal issues and problems related to the environment, health, and safety (EHS) and business continuity plans (BCP) at the Group.	<ul style="list-style-type: none"> • Approving and revising Group companies' EHS and BCP targets and action plans, reviewing progress and issues, and identifying and issuing improvement instructions in cases of noncompliance • Deliberating on proposals from subcommittees and working group • Management reviews and other tasks [3 meetings (April, November, February)]
Timely Disclosure Committee	<ul style="list-style-type: none"> • Chair: Head of Finance & Accounting Department • Members: Corporate officers and general managers of relevant departments (Observer: CFO) 	Implementing timely and appropriate disclosure according to the Financial Instruments and Exchange Act and other associated laws and regulations of the financial instruments exchange.	<ul style="list-style-type: none"> • Collection of important factual information • Data verification and analysis • In-depth study of disclosure • Disclosure methods and related matters [9 meetings]
Pension Assets Management Committee	<ul style="list-style-type: none"> • Chair: Director in Charge of General Affairs & Human Resources Strategy • Members: CFO and managers of relevant departments 	Developing management policy and operational guidelines, reviewing the policy asset mix and deliberating topics, including the selection, evaluation, and dissolution of relationships with asset managing trustees	<ul style="list-style-type: none"> • Deliberating on investment policies • Reporting on the status of investments • Reporting on the rate of application of defined-benefit (DB) corporate pensions [3 meetings]

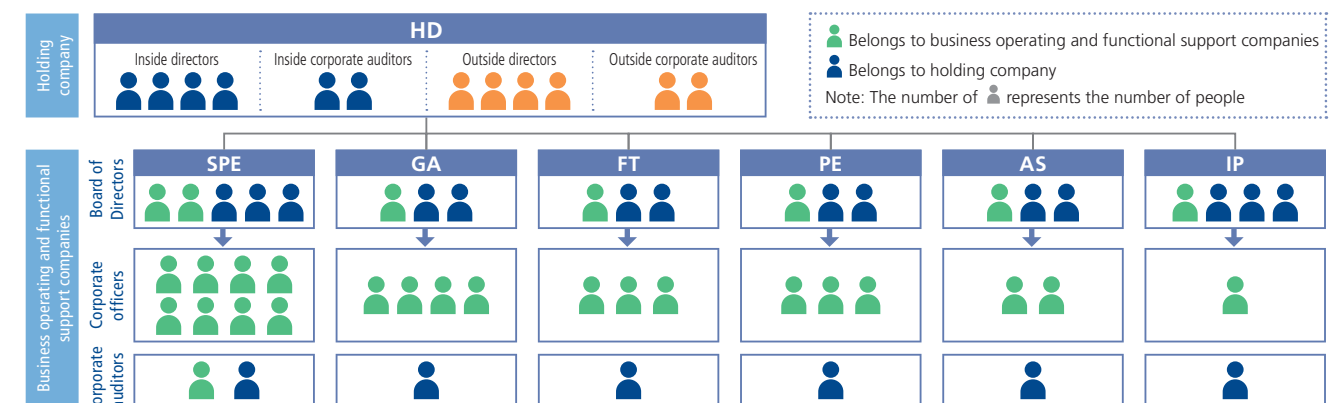
Note: Assumed to be HD unless stated otherwise.

Group Governance Structure within Holding Company Structure

SCREEN has adopted a holding company structure made up of separate business operating companies to enable agile and bold business execution. SCREEN Holdings (HD) determines the basic policies and strategies for Group management as well as the optimal allocation of management resources. In addition, it has management oversight over the business execution of each Group company, ensuring the functional segregation of business execution and oversight.

The business operating companies have also adopted a corporate officer system that aims to clarify the responsibilities and roles of officers as well as to secure a management structure capable of quickly adapting to changes in the operating environment. In addition, each of these companies maintains a management committee to deliberate matters related to management and facilitate the decision making of the Board of Directors and representative directors.

Group Governance Organizational Chart (as of July 1, 2023)



Enhancing Business Foundations

Directors and Auditors (As of July 1, 2023)

Directors

**Eiji Kakiuchi**Chairman
Member of the BoardNomination and Compensation
Advisory Committee Member

Apr. 1981 Joined the Company
Apr. 2005 Corporate Officer
Apr. 2006 Senior Corporate Officer
Apr. 2007 Corporate Executive Officer
Apr. 2011 Chief Officer of IR, Security Export Control, GPS and Group G10
Jun. 2011 Director
Apr. 2014 Representative Director, President, Member of the Board
Apr. 2016 Chief Executive Officer (CEO)
Jun. 2019 Representative Director, Chairman, Member of the Board
Jun. 2021 Outside Director, KYOCERA Corporation (Current)
Jun. 2023 Chairman, Member of the Board (Current)

Reasons for selection: He has a wealth of management experience and wide insights in domestic and overseas business divisions. After joining the Company, he was engaged in marketing in the printing business, served as the president of subsidiaries in the U.S. and Europe, and the president of business company. Also, he led business expansion of the semiconductor business as the company president. He promoted communication with domestic and overseas investors as the Chief Officer of IR from 2011 and assumed the office of Representative Director and President of the Company in 2014. Currently, as Chairman, Member of the Board, he is responsible for the Group-wide corporate governance and is striving to strengthen the management foundation. He is also promoting industry-academia-public sector collaboration as well as regional collaboration centering on Kyoto Prefecture and Shiga Prefecture. The Company has judged that he can fulfill his responsibilities and duties as Director to further improve corporate value of the Company.

Number of shares held: 24,976

Attendance at Meetings of the Board of Directors (FY2023): 100% (14/14 times)

Attendance at Meetings of the Nomination and Compensation Advisory Committee (FY2023): 100% (4/4 times)

**Yoichi Kondo**Representative Director
Senior Managing Director
Member of the Board
Chief Financial Officer (CFO)
Chief Officer of PR & IR

Apr. 1982 Joined The Bank of Tokyo, Limited (Currently MUFG Bank, Ltd.)
Jun. 2010 Corporate Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Currently MUFG Bank, Ltd.)
Jun. 2013 Joined the Company
Senior Corporate Officer
Apr. 2014 General Manager, General Administration Division
Jun. 2014 Managing Director, Member of the Board
Chief Financial Officer (CFO) (Current)
Apr. 2021 Senior Managing Director, Member of the Board (Current)
Chief Officer of PR & IR (Current)
Jun. 2023 Representative Director, Member of the Board (Current)

Reasons for selection: He has a wealth of knowledge and sophisticated expertise regarding finance and accounting gained through his domestic and overseas experience in this field. He also has experience of engaging in constructive dialogue with institutional investors as an officer responsible for PR & IR. Currently, as Representative Director, Senior Managing Director, Member of the Board, and Chief Financial Officer (CFO), he is promoting the establishment of a robust financial position as the basis for investment for growth through improvement of cash flows and capital efficiency as well as the introduction and penetration of ROIC management. He is also leading the enhancement of corporate transparency through appropriate information disclosure. The Company has judged that he can fulfill his responsibilities and duties as Director of the Company.

Number of shares held: 4,954

Attendance at Meetings of the Board of Directors (FY2023): 100% (14/14 times)

**Toshio Hiroe**Representative Director
President
Member of the Board
Chief Executive Officer (CEO)

Apr. 1983 Joined the Company
Apr. 2006 Vice President, Semiconductor Equipment Company
Apr. 2007 Corporate Officer
Oct. 2009 Deputy General Manager, R&D Center
Apr. 2011 Senior Corporate Officer
Apr. 2014 President, FPD Equipment Company
Aug. 2014 President, SCREEN Finetech Solutions Co., Ltd.
Apr. 2019 Chairman, SCREEN Finetech Solutions Co., Ltd.
Jun. 2019 Representative Director, President, Member of the Board (Current)
Chief Executive Officer (CEO) (Current)

Reasons for selection: He has a wealth of experience and achievements concerning technology through his engagement in technology development in the semiconductor business for many years. He has a wealth of management experience, including engagement in management of a development company in the U.S. as the Deputy General Manager of the R&D Center and as Representative Director and President of a company in the display business. Currently, as Representative Director, President, Member of the Board, and Chief Executive Officer (CEO), he has revised the corporate philosophy and is promoting the completion of the "Value Up 2023" medium-term management plan. The Company has judged that he can fulfill his responsibilities and duties as Director to further improve corporate value of the Company.

Number of shares held: 13,367

Attendance at Meetings of the Board of Directors (FY2023): 100% (14/14 times)

**Yoshihisa Ishikawa**Director
Member of the Board
Chief Officer of Corporate Strategy
Chief Officer of General Affairs & Human Resources Strategy

Apr. 1986 Joined the Company
Apr. 2011 General Manager, IR Department
Apr. 2014 General Manager, PR & IR Department
Apr. 2015 General Manager, Corporate Planning Department
Apr. 2016 Corporate Officer
Apr. 2019 Senior Corporate Officer
Chief Officer of Corporate Strategy (Current)
Apr. 2021 Managing Director, Member of the Board
Jun. 2022 Director (Current)
Chief Officer of General Affairs & Human Resources Strategy (Current)

Reasons for selection: He was engaged in business at international sales, marketing, and financial departments, and served as department head of the PR & IR Department. He has a variety of experience and wide insights. Currently, as Director, Chief Officer of Corporate Strategy, and Chief Officer of General Affairs & Human Resources Strategy, he is leading the formulation of a management plan. He has led the revision of the corporate philosophy, and is promoting the strengthening of risk management and human resources policy. The Company has judged that he can fulfill his responsibilities and duties as Director of the Company.

Number of shares held: 4,431

Attendance at Meetings of the Board of Directors (FY2023): 100% (10/10 times)*

**Makoto Yoda**Director (Outside)
Member of the BoardNomination and Compensation
Advisory Committee Member

Mar. 1972 Joined Japan Storage Battery Co., Ltd. (Currently GS Yuasa International Ltd.)
Jun. 2004 President, GS Yuasa Power Supply Co., Ltd. (Currently GS Yuasa International Ltd.)
Jun. 2006 President, GS Yuasa Corporation
Oct. 2007 Chief Executive Officer (CEO), GS Yuasa Corporation
May 2013 Chairman, BATTERY ASSOCIATION OF JAPAN
Jun. 2015 Chairman, GS Yuasa Corporation
Chairman, GS Yuasa International Ltd.
May 2016 Chairman, Kyoto Industrial Association, Inc.
Jun. 2017 Advisor, GS Yuasa Corporation
Jun. 2018 Director, Member of the Board of the Company (Current)

Reasons for selection: He has a wealth of knowledge as a manager for many years. This includes overseas sales at companies that develop, manufacture, and market batteries and management experience at overseas subsidiaries including China. Moreover, he also gained a wide range of experience as the head of external organizations, such as the chairman of the BATTERY ASSOCIATION OF JAPAN and the chairman of the Kyoto Industrial Association. Currently, as Outside Director and Member of the Board of the Company, he has been providing useful proposals 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 management perspectives.

Number of shares held: 1,400

Attendance at Meetings of the Board of Directors (FY2023): 100% (14/14 times)

Attendance at Meetings of the Nomination and Compensation Advisory Committee (FY2023): 100% (4/4 times)

**Hiroko Okudaira**Director (Outside)
Member of the Board
Associate Professor, Doshisha Business School,
Doshisha UniversityNomination and Compensation
Advisory Committee Member

Mar. 2009 Completed Doctoral Program, Graduate School of Economics, Osaka University
Apr. 2009 Associate Professor, Graduate School of Humanities and Social Sciences, Okayama University
Jan. 2015 Senior Research Associate at University College London as a JSPS Fellow
Apr. 2018 Associate Professor, Doshisha Business School, Doshisha University (Current)
Jun. 2021 Director, Member of the Board of the Company (Current)

Reasons for selection: As Associate Professor (labor economics, applied microeconomics, etc.) of Doshisha Business School, Doshisha University, she has a wealth of knowledge and has outstanding research achievements on wide-ranging themes concerning the social structure, such as empowerment of women and work-style reforms including work from home. Although she has no experience of involvement in corporate management, she has a wealth of knowledge, including practical empirical research of companies conducted in academia. Currently, as Outside Director and Member of the Board of the Company, she has been providing useful proposals to the Board of Directors from various perspectives, including on new workstyles, compliance, and diversity. It is expected that she will continue to contribute to strengthening of the management supervision function and give advice from a wide range of technological development perspectives.

Number of shares held: 400

Attendance at Meetings of the Board of Directors (FY2023): 100% (14/14 times)

Attendance at Meetings of the Nomination and Compensation Advisory Committee (FY2023): 100% (4/4 times)

**Hidemi Takasu**Director (Outside)
Member of the BoardNomination and Compensation
Advisory Committee Member

Mar. 1971 Joined Toyo Electronics Industry Corporation (Currently ROHM Co., Ltd.)
Jun. 1997 Director and Deputy General Manager, ULSI Research & Development Headquarters, ROHM Co., Ltd.
Jun. 2009 Managing Director and General Manager, LSI General Headquarters, in charge of Research & Development Headquarters, ROHM Co., Ltd.
Oct. 2009 Managing Director and General Manager, Research & Development Headquarters, ROHM Co., Ltd.
May. 2013 Managing Director in charge of Quality and General Manager, Research & Development Headquarters, ROHM Co., Ltd.
Jul. 2013 Managing Director in charge of Business Creation and Quality, ROHM Co., Ltd.
Aug. 2017 Advisor, Samco Inc.
Oct. 2018 Substitute Corporate Auditor, Samco Inc.
Jun. 2019 Director, Member of the Board of the Company (Current)
Oct. 2020 Outside Director, Samco Inc. (Current)

Reasons for selection: He has profuse management experience, including overseas business, and expertise as an officer in charge of technology development of semiconductor devices at a semiconductor-related company. He concurrently serves as a director of another company. He has profound relationships with universities in Japan and overseas. Currently, as Outside Director and Member of the Board of the Company, he has been providing useful proposals 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.

Number of shares held: 1,500

Attendance at Meetings of the Board of Directors (FY2023): 100% (14/14 times)

Attendance at Meetings of the Nomination and Compensation Advisory Committee (FY2023): 100% (4/4 times)

**Seiji Narahara**New Director (Outside)
Member of the Board
Chair of the Board & Director, Toyobo Co., Ltd.Nomination and Compensation
Advisory Committee Member

Jan. 1988 Joined Toyobo Co., Ltd.
Apr. 2010 Executive Officer, Toyobo Co., Ltd.
Jun. 2011 Director and Executive Officer, Toyobo Co., Ltd.
Apr. 2014 Representative Director, President and Chief Operating Officer, Toyobo Co., Ltd.
Jun. 2016 Chairman, Japan Spinners' Association
Jul. 2017 Chairman, Japan Chemical Fibers Association
Apr. 2021 Chair of the Board & Director, Toyobo Co., Ltd. (Current)
Jun. 2023 Director, Member of the Board of the Company (Current)

Reasons for selection: He has a wealth of knowledge as a manager, having served as Representative Director and President of a materials company for many years after working as an officer of its overseas group companies and in managerial roles for business administration and financial management. He served as Representative Director and President of a materials company for many years after working as an officer of its overseas group companies and in managerial roles for business administration and financial management. He thus has a wealth of knowledge as a manager. He also has experience of serving as a head of external organizations, such as Chairman of the Japan Chemical Fibers Association. Based on his wealth of knowledge and expertise, he is expected to contribute to strengthening of the management supervision function by providing opinions from various perspectives and to give advice from a wide range of management perspectives.

Number of shares held: 200

Attendance at Meetings of the Board of Directors (FY2023): —

* Yoshihisa Ishikawa's attendance rate is calculated using the 10 times the Board has met since he became a Director on June 24, 2022.
Note: The number of shares held is as of June 19, 2023.

Enhancing Business Foundations

Corporate Auditors



Hirofumi Ota
Senior Corporate Auditor

Apr. 1981 Joined the Company
Apr. 2005 General Manager, Finance & Accounting Department, Accounting Company
Apr. 2012 General Manager, Finance & Accounting Group, Business Service Center
Apr. 2014 General Manager, Finance & Accounting Group, General Administration Division
Oct. 2014 General Manager, Finance & Accounting Department
Apr. 2016 Corporate Officer
Jun. 2019 Senior Corporate Auditor (Full-time; Current)

Reasons for selection: He has experienced the accounting operations of the Company for many years, and has professional knowledge regarding finance and accounting. Based on this wealth of experience and expertise, the Company has judged that he can appropriately fulfill his duties and responsibilities as Corporate Auditor.

Number of shares held: 2,000
Attendance at Meetings of the Board of Corporate Auditors (FY2023): 100% (18/18 times)
Attendance at Meetings of the Board of Directors (FY2023): 100% (14/14 times)



Tetsuo Kikkawa
Corporate Auditor (Outside)
President and Attorney-at-Law,
Kyoto Mirai Law Firm

Apr. 1982 Registered with Osaka Bar Association
Joined Miyake Joint Partnership Law Office (Currently Miyake & Partners)
Apr. 1986 Registered with Kyoto Bar Association
Established Masukawa & Kikkawa Joint Partnership Law Firm
Apr. 1995 Vice-chairman, Kyoto Bar Association
Oct. 2002 Established Kyoto Mirai Law Firm
President and Attorney-at-Law, Kyoto Mirai Law Firm (Current)
Mar. 2010 Outside Corporate Auditor, Kosei Kensetsu Co., Ltd. (Current)
Apr. 2012 Chairman, Kyoto Bar Association
Jun. 2020 Corporate Auditor of the Company (Current)

Reasons for selection: He 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. Although he does not have any experience in being involved in corporate management other than serving as an outside officer, the Company has judged that he can properly carry out his duties as Outside Corporate Auditor for the reasons stated above.

Number of shares held: 0
Attendance at Meetings of the Board of Corporate Auditors (FY2023): 100% (18/18 times)
Attendance at Meetings of the Board of Directors (FY2023): 100% (14/14 times)



Akio Umeda
Corporate Auditor

Apr. 1985 Joined The Daiwa Bank, Ltd. (Currently Resona Bank, Ltd.)
Oct. 2003 General Manager, IR Office, Planning Division, Resona Holdings, Inc.
Oct. 2005 General Manager, Corporate Communications Division, Resona Holdings, Inc.
Oct. 2009 General Manager, Osaka Public Affairs Division, Resona Bank, Ltd.
Apr. 2014 Manager, Human Resources Division, Resona Bank, Ltd.
Apr. 2015 Joined the Company
Assistant to Chief Officer of General Affairs & Human Resources
Jun. 2015 Corporate Auditor (Full-time; Current)

Reasons for selection: He has a wealth of experience and knowledge accumulated over planning and IR operations in domestic and overseas at another company. Based on this experience and expertise, the Company has judged that he can appropriately fulfill his duties and responsibilities as Corporate Auditor.

Number of shares held: 1,879
Attendance at Meetings of the Board of Corporate Auditors (FY2023): 100% (18/18 times)
Attendance at Meetings of the Board of Directors (FY2023): 100% (14/14 times)



Seiji Yokoyama
Corporate Auditor (Outside)
Certified Public Accountant,
Yokoyama-Seiji Certified Accountant Office

Apr. 1983 Joined Toray Industries, Inc.
Oct. 1985 Joined Tohmatsu, Awoki & Co. (Currently Deloitte Touche Tohmatsu LLC)
Mar. 1989 Registered as Certified Public Accountant
Jul. 2001 Partner, Deloitte Touche Tohmatsu LLC
Jun. 2020 Established Yokoyama-Seiji Certified Accountant Office
Corporate Auditor of the Company (Current)

Reasons for selection: As a certified public accountant, he 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 domestic and overseas companies at an audit firm. Although he does not have any experience in being directly involved in corporate management, the Company has judged that he can properly carry out his duties as Outside Corporate Auditor for the reasons stated above.

Number of shares held: 0
Attendance at Meetings of the Board of Corporate Auditors (FY2023): 100% (18/18 times)
Attendance at Meetings of the Board of Directors (FY2023): 100% (14/14 times)

Notes: 1. The Company has reported all Outside Directors and Outside Corporate Auditors to Tokyo Stock Exchange Group, Inc. as independent directors or auditors.
2. The number of shares held is as of June 19, 2023.

Expertise and Experience of Directors and Corporate Auditors (Skills Matrix)

		Skills and Experience					
		Management	Global	Sales/Marketing	Finance	R&D/Technology/Production	Sustainability
Criteria		Experience in running a business or corporation (including SCREEN Group companies) other than the current SCREEN Holdings	Experience in working outside Japan	Experience in sales and/or marketing	Experience in finance, accounting, and/or M&A	Experience in R&D, technology, and/or production	Experience in environmental management, risk management, legal affairs, human resources, and/or IT
Directors	Eiji Kakiuchi	●	●	●			
	Toshio Hiroe	●	●	●		●	
	Yoichi Kondo	●	●		●		●
	Yoshihisa Ishikawa				●		●
	Makoto Yoda	●	●	●			●
	Hidemi Takasu	●	●			●	
	Hiroko Okudaira		●				●*
Seiji Narahara	●	●		●			
Corporate auditors	Hirofumi Ota				●		
	Akio Umeda		●	●	●		
	Tetsuo Kikkawa	●					●
	Seiji Yokoyama		●		●		●

Note: The above table does not list all of the expertise and experience of the directors and corporate auditors.
* Includes research in academia

Enhancing Business Foundations

Risk Management and Compliance

Risk Management

In accordance with the SCREEN Group Code of Risk Management and other relevant in-house rules, the SCREEN Group is engaged in initiatives aimed at identifying and mitigating business risk, and SCREEN Holdings (HD), as the holding company, has in place a system for assessing the status of risk management for the entire Group.

Risk Management Structure

In order to mitigate risk with the potential to negatively impact the SCREEN Group's corporate value, we have established a companywide, cross-cutting risk management structure which includes the HD Representative Director, President while making the presidents of each SCREEN Group company responsible for managing risk at their own companies. The Group Risk Management Committee, which meets twice a year as a general rule, discusses the status of risk management efforts and necessary countermeasures and reports them to the HD Board of Directors.

In addition, the Group Risk Management Committee discusses the risks on the Group Risk List that have (or will highly likely have) particularly large effects, and selects them as the Group key risks for the current fiscal year. We then have them approved by HD Board of Directors to make a final determination.

Under the Group Risk Management Committee, to prevent and minimize damage to corporate value, the SCREEN Group identifies the risks inherent in the entire Group and their status, determines the direction of risk management by identifying the Group key risks in response to changes in the business environment each fiscal year, and prevents risks from materializing. As a specific example, we adopt a "three lines of defense" approach: the first line of defense is the Group business operating companies; the second is the holding company administrative department and functional support companies; and the third is the internal audit department. In line with this, we designate individual risk managers and management roles and establish a governance structure for sharing risk-related information between the front line and senior management.

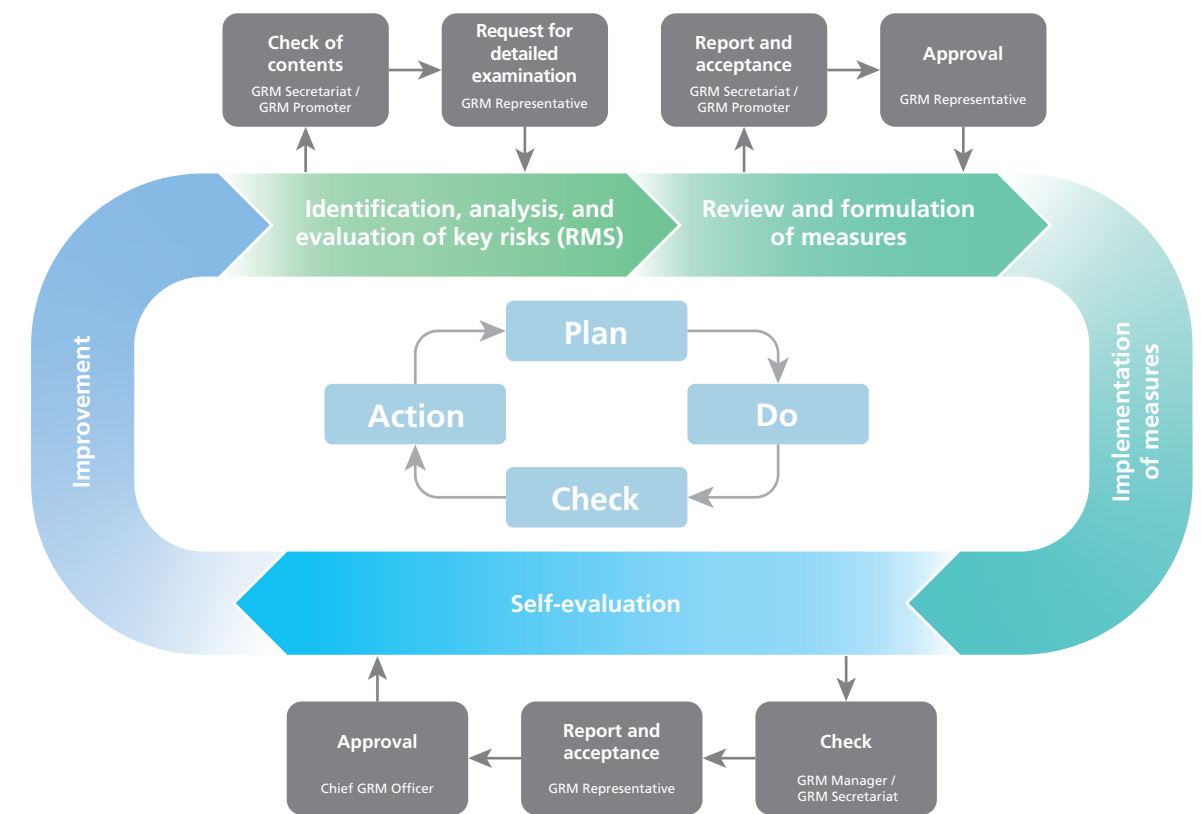
Further Enhancement of Risk Management Effectiveness

We have reviewed our Group Risk List to enhance the effectiveness of our activities to reduce the FY2024 Group key risks as determined by the process described above.

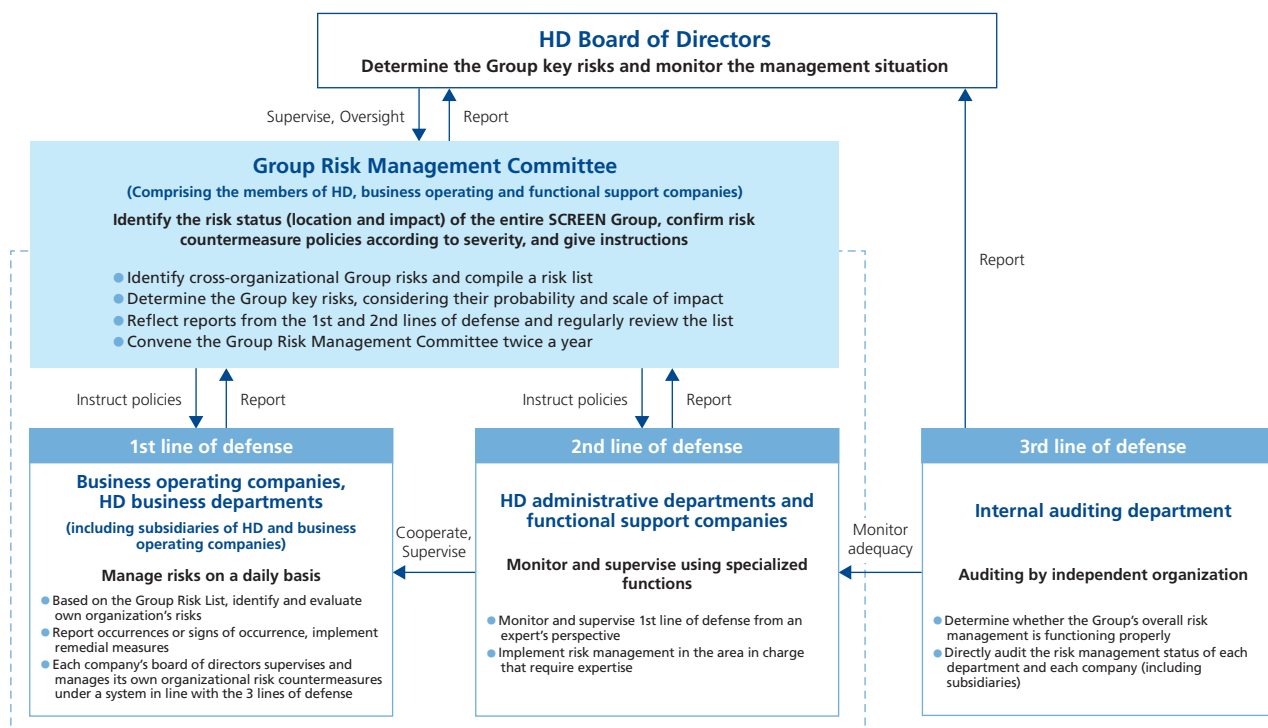
In addition to that, starting from FY2024, we have established a new risk assessment criteria to ensure that the same criteria are used throughout the SCREEN Group to assess risks. Group key risks As in the previous fiscal year,

we are implementing a scheme in which the first line of defense identifies risks subject to risk reduction activities at the beginning of the fiscal year and confirms the progress of said activities during the fiscal year. Backing this up, the second line of defense reviews each risk and related activity and offers further reduction measures.

Operational Flow for the Risk Management System



Risk Management Structure and Roles



Group Key Risks (FY2024)

No.	Risk category	Overview of the Group Key Risks
1	Management plan	• Sudden changes in customers' capital investment trends
2	Compliance with laws and regulations for trade	• Conformity with regulations and export/import-related legislation associated with U.S.-China friction
3	Supply chain management (SCM)	• Disruptions in SCM
4	Technologies and products	• Decrease in market share
5	Information systems	• Problem related to information security
6	HR policies	• Securing capable human resources
7	Development of the next generation	• Delays in the development of the next generation
8	Safe working environments	• Occurrence of occupational accidents and injuries
9	Climate change	• Failure to reduce CO2 emissions as planned

Enhancing Business Foundations

Business Continuity Plans (BCPs)

When it comes to recently intensifying catastrophic earthquakes, typhoons, flooding and other natural disasters, infectious disease pandemics, and other risks with the potential of interrupting business operations, the SCREEN Group's first priority is ensuring the safety of its employees and their families, followed by ensuring the prompt resumption of business operations in order to meet our product and service supply obligations to our clients. Towards this end, we acquired ISO 22301, which is an international standard for business continuity management systems (BCMSs), and work to develop and implement

Preparation of Emergency System

We have put in place a safety confirmation system that uses mobile phones and smartphones and a disaster information sharing system that helps Emergency Headquarters members assess the situation quickly and accurately. After a large-scale disaster, these systems will allow us to confirm the safety of employees and respond rapidly in line with the damage situation. Based on the safety information received from employees via the system, we can determine the magnitude of human

Strengthening Manufacturing Base

For our operations sites in Japan we undertake a variety of measures, including seismic resistance evaluations, building reinforcement, dismantling of aging facilities, immobilization of equipment and facilities, and introduction of seismic-resistant machinery and equipment. Based on lessons learned from large-scale disasters and supply chain interruptions, we endeavor to put in place production systems that

Stable Procurement

With regard to critical parts that have limited suppliers, we are taking a double-track approach by promoting substitution with generic alternatives or access to more than one supplier. At the same time,

effective BCPs.

In response to COVID-19, the SCREEN Group has continued anti-pandemic measures worldwide led by the Group Emergency Headquarters, which is overseen by the SCREEN HD President. We implemented various business continuity actions to reduce infection risks at offices and production sites while conducting additional workplace vaccination events for Group employees and their families, as well as suppliers. Group-wide responses have ended as COVID-19 was reclassified as a Class 5 infectious disease in Japan.

casualties and direct disaster damage and then work to guarantee the safety of employees, which is most essential to business continuation. In addition, we regularly implement safety confirmation drills and emergency response and evacuation drills. In FY2023, the Emergency Headquarters conducted a comprehensive drill assuming a massive Nankai Trough earthquake and identified issues to be addressed. This has led to improvements to strengthen our emergency system.

complement production sites as well as parts suppliers, in order to prevent significant damage to our business. At the Hikone Plant in Shiga Prefecture, which produces semiconductor manufacturing equipment, we have taken seismic-isolation measures in the factory and are in the process of constructing production systems that can also handle high winds and flooding.

in order to maintain stable parts procurement, we share long-term forecasts and other information and work to prevent the inclusion of parts that have limited suppliers during the design stage.

Strengthening Information Security Control

Cyberattacks and other incidents have reinforced the fact that information security risks represent a serious business challenge. SCREEN Holdings' Chief Officer of Corporate Strategy presides over the Group's information security control, continuously working to strengthen it by formulating and implementing Group-wide rules and an IT roadmap, which sets forth medium- to long-term policies.

Types of cyberattacks and information security risks are changing on a daily basis. In response to these changes, we have globally deployed endpoint detection and response (EDR), a solution for detecting suspicious behavior on computers and servers, and round-the-clock monitoring of our networks. Recognizing that protecting information security is our social responsibility, we take measures to ensure smooth continuation of business, including exercises simulating responses to

potential incidents by our computer security incident response team (CSIRT).

In addition, we regularly review information security rules and guidelines and work to improve IT literacy among all executives, employees, temporary personnel, and everyone else in the SCREEN Group through a variety of means, including annual information security training that is updated with the latest information.

In this fiscal year, a team dedicated to information security was formed to strengthen our information security control. This is a part of our efforts to upgrade security to a level conforming to NIST SP 800-171, a set of security standards in the U.S. that encompasses risk management in the supply chain, including contractors.

abundance with international rules and each country's laws and regulations, and we offer a range of compliance education in efforts to raise awareness and make it fully understood across the Group companies in Japan and abroad. The CSR Committee, which meets twice a year, confirms and shares information on the state of compliance at each company.

Compliance

Compliance System

The SCREEN Group has established a CSR Charter / Code of Conduct that all Group employees should follow and provides principles of conduct based on our corporate philosophy. Based on the CSR Charter / Code of Conduct, the SCREEN Group will comply with all applicable laws and regulations, as well as standards of ethics in all relevant countries, and will conduct business activities in a fair and sensible manner. Led by our Legal, IP & Compliance Department, we promote

Compliance Education

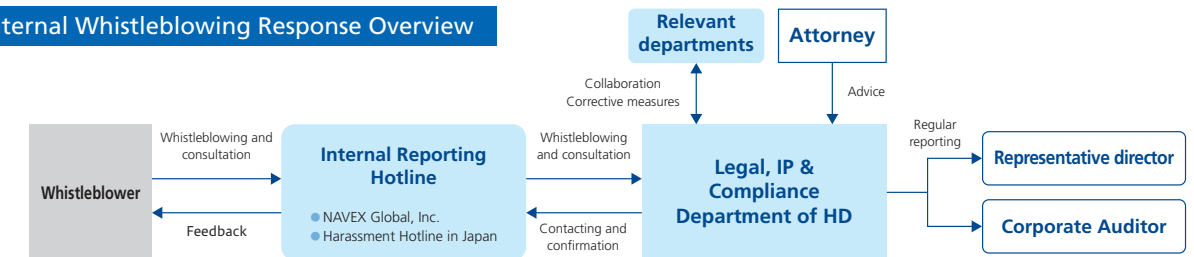
Through both in-person class and e-learning, new hires, mid-career hires, and employees at SCREEN companies worldwide receive education including compliance basics, job-level-specific classes, specialist classes, and classes on CSR Charter / Code of Conduct. In FY2023, 45 compliance classes were conducted in total. These included periodic classes on harassment prevention and compliance with laws related to unfair competition, anti-corruption, anti-monopoly (including the Subcontract Act), personal information protection, worker dispatching, and insider trading, as well as education on technology contracts and development contracts for engineers involved in R&D and new businesses at our business operating companies. In addition, we provided learning materials on personal information protection, non-disclosure agreement, and trade secrets management to subsidiaries in Europe, North America, and Asia. We also supplied Group companies in Japan with educational materials for 16 courses that were available through e-learning, allowing each company to build its own educational system.

Whistleblowing System

We have established the Internal Reporting Hotline, a whistleblowing system that helps to prevent improprieties and misconduct through the early detection of harassment and suspected violations of domestic and overseas laws and regulations, international rules, corporate ethics, and internal regulations. We also comprehensively work to prevent corruption, such as bribery, excessive entertainment, and collusion. Our global whistleblowing system has a hotline in a unified Group web space to accept inquiries from all Group company officers, employees, and suppliers in Japan and overseas. In line with the amended Whistleblower Protection Act, there are also rules in place regarding anonymity and privacy protection, as well as for ensuring that no one will be given disadvantageous treatment for having used the whistleblowing system. Periodic in-house audits are conducted to see how well we are complying with laws, regulations and corporate ethics.

In FY2023, there were 22 inquires made through the whistleblowing system, and we responded to all of them.

Internal Whistleblowing Response Overview



Tax Transparency

Our CSR Charter / Code of Conduct clearly stipulates that the SCREEN Group will implement highly transparent management of our businesses through sound and effective corporate governance and that the Group will comply with all applicable laws and regulations, as well as the ethical standards of all relevant countries, and will conduct our business activities in a fair and sensible manner. In accordance with these directives, each Group company is responsible for full compliance with all local tax laws, filing requirements and tax obligations, and the CFO is responsible for tax matters. We have established a transfer pricing policy in light of various rules, such as transfer pricing taxation in relevant countries and the OECD Transfer Pricing Guidelines, and we follow it when setting and verifying transfer prices between Group companies. We will not resort to tax planning or use tax havens to evade taxation.

Security Export Control

The SCREEN Group places a high priority on implementing security export control. The aim is to help preserve international peace and security by preventing weapons or goods and technologies that could be converted for military use from falling into the hands of governments or terrorists who could threaten world security. Our Security Export Control Department gathers the latest information on the Foreign Exchange and Foreign Trade Act and other related export rules and disseminates this information throughout the Group. The department also ensures conformity with export control processes that are internally established to determine whether goods and technologies to be exported are subject to regulations and to confirm end-users' identity and their intended use of the goods and technologies.

The Group's business operating companies are approved as "authorized exporters" under the Authorized Economic Operator (AEO) program. To maintain compliance with this program, we disseminate information on relevant laws and regulations throughout the Group and conduct periodic legal audits.

Compliance with Competition Laws and Anti-corruption

Under its CSR Charter, the SCREEN Group formulated the Guidelines on Preventing Bid-rigging and Cartels, and conducts education for all employees on improper activities. The goal is to prevent collusion, monopolies, unfair advantages to one's own suppliers, and other actions that violate anti-monopoly and anti-trust laws, as well as prevent bribes and other such improper acts. In FY2023, there were no instances in the SCREEN Group of anti-competitive or anti-trust practices or illegal monopolistic activities.

Compliance on Products and Services

The SCREEN Group conducts a compliance evaluation once every six months for each business regarding its response to laws and regulations relevant to its products and services. The Group confirms its compliance related to labeling, including for products and CE markings, and reports on said compliance are issued to the Group EHS Committee. In addition, managing organizations and related organizations within the Group involved in legal affairs, intellectual property, CSR, and public relations collaborate to verify product and service information prior to its external release. In this way, we work to ensure fair and accurate information disclosure. In FY2023, there were no significant legal violations.



Enhancing Business Foundations

Working Together with Our Stakeholders

Communicating with Employees

With the aim of enhancing employee engagement, we conduct a survey targeting the readers of the Group's in-house magazine once a year. Issues identified from the survey are discussed, and measures are rolled out to improve performance. For example, regarding "enhancing employee understanding of the medium-term management plan," a video message from the CEO is streamed at the end of each fiscal year. The message updates employees in and outside Japan about the company's status and direction. This is accompanied by a questionnaire that seeks to gauge employee comprehension. Employees are also encouraged to submit questions for the CEO that he will answer in a subsequent video.

Enhancing Client Satisfaction

In order to improve the quality of our products and services and, by extension, improve client satisfaction, the SCREEN Group utilizes a quality management system that conforms to ISO 9001 standards. As of June 2023, thirteen Group companies in Japan and three overseas Group companies are ISO 9001 certified. Moreover, through reduced running costs, providing maintenance services, and in various other ways, we work to ensure satisfaction from product delivery all the way to product disposal.

In the semiconductor industry, taking action to reduce the environmental impact of manufacturing processes, including at client sites, has become an industry-wide issue. Given this and similar trends, SCREEN SPE participates in the Semiconductor Climate Consortium (SCC), which was established by the industry association SEMI, and in the Sustainable Semiconductor

Dialogue with Shareholders and Investors

We strive to give our shareholders and investors a greater understanding of the SCREEN Group by communicating our management, business, and financial position in a timely, accurate, and clear-cut manner. We also provide opinions and other feedback from shareholders and investors to management as appropriate, for example, reporting such feedback to the Board of Directors at least once per quarter, to maximize corporate value.

In IR meetings and conferences following earnings announcements, our CEO, CFO, IR manager and other management members participate in interviews and dialogues with the voting representatives of institutional investors (SR meetings) centered on ESG-related themes. When it comes to fair disclosure, we strive to expand the range of materials we provide, to provide them in a timely manner, and, when possible, to prepare them in two languages (Japanese and English) when published on our website. Moreover, we send questionnaires to institutional investors and analysts once a year to identify where we can improve to raise the quality of our IR activities.

Cooperation with Local Communities

The SCREEN Group works together with industry, academia, and government as well as local communities to conduct activities that contribute to the sustainable development of those communities. In FY2023, in collaboration with the Lake Biwa Museum and Seian University of Art and Design, we supported elementary school education by developing educational game materials for children with the theme of biodiversity and by conducting classes at schools.

In addition, the CEO himself has been answering questions from employees on the Group's internal five-minute radio program (using email-based voice messages), which is broadcast once a week as part of efforts to foster two-way communication between the CEO and employees. Moreover, from June 2023, we began town hall meetings at each of our bases in Japan with the aim of enhancing understanding of the Group's corporate philosophy and purpose, with plans to roll them out to overseas locations. These efforts have helped enhance employee understanding of the Group's corporate philosophy, purpose, and Management Grand Design.

Technologies and Systems (SSTS) research program, which is focused on the reduction of the environmental impact of the semiconductor industry as a whole and being promoted by the Interuniversity Microelectronics Centre (imec). We also engage in joint development with device manufacturers and promote a host of other initiatives.

SCREEN SPE provides equipment with superior environmental performance and helps reduce the use of water and chemical solutions, as well as CO2 emissions, in the supply chain, thereby continuing to contribute to the further development of the semiconductor industry.

 Improve Customer Satisfaction / Quality Management System

Moreover, at the 82nd Ordinary General Meeting of Shareholders (June 23, 2023), as in the previous year, we provided a live stream over the Internet of the proceedings along with a management briefing held on the same day. In addition, given the recent low COVID-19 infection rates, we restarted in-person events. In March 2023, we held a hybrid in-person and online factory tour for institutional investors and analysts to introduce the new S³-4 factory, which had just begun operations. Through our IR activities, we seek to build good relations with all our long-term investors, focusing on maintaining an appropriate share price and creating a balanced shareholder portfolio.

<p>Number of Dialogue-Based IR Activities (FY2023)</p>	<ul style="list-style-type: none"> • Earnings presentations (CEO, CFO, and Department Head of Finance & Accounting (Corporate Officer)): 4 • Meetings with (domestic and overseas) institutional investors and analysts: Approximately 350 • IR roadshow activities: 1 (Europe) • Overseas institutional investor conferences: 16 • Shareholder engagement aimed at voting representatives: 12 • Corporate briefings for individual investors: 3 • Factory tours for institutional investors and analysts: 1 • IR day: 1
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 Social Contribution Activities

In addition, we cooperated with local communities in conducting clean-up activities in the vicinity of domestic worksites. Overseas, our worksites around the world conducted activities to contribute to local communities, for example, SCREEN SPE Korea Co., Ltd. extended support to sick children.

Responsibility to the Supply Chain

As a manufacturer, we consider stable production indispensable to the provision of solutions and the continued satisfaction of society's expectations; therefore, cooperation with suppliers is incredibly important to us. Furthermore, in recent years, amid growing calls for sustainability, companies are now required to respond not only individually but as a unified supply chain. We will continue learning with suppliers as we strive to fulfill our responsibilities as a company.

Procurement Policy


With open and fair trade serving as a basic policy, we are undertaking procurement activities that are conscious of partnership and CSR procurement. We realize swift and fair deals by making the process of deciding on suppliers more transparent, educating those in charge of purchasing to ensure compliance with subcontracting laws, and conducting thorough compliance.

Open and fair trade: Pursue fair and equitable procurement activities

Partnership: Promote mutual growth based on mutual trust

CSR procurement: Efforts of CSR (Corporate Social Responsibility)

Green procurement: Reduce environmental impacts

 Supply Chain Management

Supplier Code of Conduct

The SCREEN Group has adopted the CSR Charter and Code of Conduct as basic rules on conduct. As a part of the supply chain for electronic devices and other industries, we created the SCREEN Supplier Code of Conduct in reference to the Responsible Business Alliance (RBA) Code of Conduct and other standards. Recognizing that we and our suppliers are part of the same supply chain, we ask for their understanding of and cooperation in the areas of legal compliance, respect for human rights, environmental conservation, and the safety of products and services.

 SCREEN Supplier Code of Conduct

Cooperation with Suppliers

Each business operating company holds business policy briefing sessions for suppliers in which they share business operation policies as a matter of course in addition to communicating the importance of working together across the supply chain and issues that need to be addressed. In addition, we obtain cooperation from our major suppliers, such as those numbering

Green Procurement Standards

The SCREEN Group Green Procurement Standards ask suppliers to comply with the following as procurement activities aimed at reducing environmental impacts.

- 1 Submission of agreements related to green procurement
- 2 Development of environmental management systems at suppliers
- 3 Provision of data, such as the names and amounts of chemicals used in delivered products
- 4 Submission of "Declaration of Non-Use of Prohibited Substances"

 Green Procurement Standards

among the top 200 in transaction value with the Group, to consent to the SCREEN Supplier Code of Conduct, participate in regular CSR surveys based on the code, and conflict mineral surveys. Going forward, we will continue working to revise the content of the surveys and expand the scope of the surveys.

Setup of a Sustainability-related Website for Suppliers

We set up the SCREEN Supply Chain Sustainability Site for suppliers in June 2023. The website provides webinars, materials, and videos related to sustainability, covering such topics as climate change action and respect for human rights. The aim is to learn with the SCREEN Group's major suppliers and advance initiatives together. Going forward, we will continue contributing to the realization of a sustainable society in cooperation with stakeholders.



Conclusion of Agreement with Shiga Prefecture and Shiga Bank

In June 2023, we concluded an agreement on decarbonization to help enhance sustainability with Shiga Prefecture and The Shiga Bank, Ltd. This agreement aims to more actively promote decarbonization in the supply chain through cooperation with the SCREEN Group, which has multiple worksites and many suppliers located in Shiga Prefecture, Shiga Prefecture, a local municipality, and Shiga Bank, a local financial institution. Through this agreement, we will continue contributing to the sustainable development of society and proactively work to solve social issues, such as environmental problems, moving forward.

Corporate Data

Eleven-year Trends in Key Financial and Nonfinancial Indicators

SCREEN Holdings Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2023
	Millions of yen											Thousands of U.S. dollars
For the Year:												
Net sales	¥ 460,834	¥ 411,865	¥ 320,322	¥ 323,249	¥ 364,234	¥ 339,369	¥ 300,234	¥ 259,675	¥ 237,646	¥ 235,946	¥ 199,795	\$ 3,439,060
Cost of sales	305,785	277,497	232,310	246,680	263,667	229,838	206,687	178,677	165,192	177,175	157,790	2,281,984
Cost of sales to net sales (%)	66.4%	67.4%	72.5%	76.3%	72.4%	67.7%	68.8%	68.8%	69.5%	75.1%	79.0%	
Operating income (loss)	¥ 76,452	¥ 61,273	¥ 24,493	¥ 12,562	¥ 29,645	¥ 42,725	¥ 33,732	¥ 23,557	¥ 17,168	¥ 8,903	¥ (4,833)	\$ 570,538
Operating income to net sales (%)	16.6%	14.9%	7.6%	3.9%	8.1%	12.6%	11.2%	9.1%	7.2%	3.8%	-2.4%	
Profit (loss) attributable to owners of parent	¥ 57,491	¥ 45,482	¥ 15,165	¥ 5,011	¥ 18,059	¥ 28,507	¥ 24,169	¥ 18,816	¥ 12,122	¥ 5,419	¥ (11,333)	\$ 429,038
Comprehensive income	56,408	43,499	36,438	(907)	13,425	34,934	28,011	11,567	24,018	14,262	(6,031)	420,957
Depreciation and amortization	8,799	9,501	9,628	8,860	6,883	5,708	5,398	5,030	4,880	4,101	4,731	65,671
Cash flows from operating activities	73,906	81,753	57,205	11,812	(37,534)	28,878	49,024	14,721	(1,492)	24,703	(15,320)	551,544
Cash flows from investing activities	(12,514)	(9,952)	(6,243)	(11,294)	(19,020)	(11,230)	(5,860)	(2,558)	(6,318)	(4,201)	(5,768)	(93,393)
Cash flows from financing activities	(20,961)	(4,951)	(27,071)	4,928	36,761	(11,512)	(27,479)	(2,846)	(3,823)	(29,302)	21,534	(156,426)
Capital expenditures	29,015	13,410	7,843	7,985	24,089	14,429	8,256	6,352	6,659	4,574	6,450	216,531
R&D expenses	24,760	24,036	21,506	21,525	22,825	20,837	17,794	15,166	13,972	12,274	12,685	184,777
Per Share of Capital Stock:											Yen	U.S. dollars
Net income (loss)	¥ 1,216.33	¥ 976.55	¥ 325.21	¥ 107.37	¥ 387.10	¥ 608.62	¥ 511.96	¥ 396.75	¥ 51.07	¥ 22.83	¥ (47.75)	\$ 9.07
Net income — diluted	1,185.25	926.17	308.17	101.47	370.66	—	—	—	—	—	—	8.84
Cash dividends	365.00	293.00	90.00	30.00	97.00	110.00	87.00	60.00	7.00	3.00	—	2.72
Net assets	6,325.44	5,318.32	4,475.17	3,727.10	3,838.90	3,661.96	3,040.79	2,533.41	467.13	364.23	321.24	47.20
At Year End:											Millions of yen	Thousands of U.S. dollars
Total assets	¥ 562,816	¥ 459,305	¥ 382,632	¥ 347,965	¥ 380,916	¥ 365,874	¥ 300,660	¥ 270,094	¥ 249,517	¥ 232,376	¥ 232,390	\$ 4,200,120
Return on total assets (%)	11.2%	10.8%	4.2%	1.4%	4.8%	8.6%	8.5%	7.2%	5.0%	2.3%	-4.8%	
Current assets	¥ 428,267	¥ 338,367	¥ 252,887	¥ 238,543	¥ 263,265	¥ 254,756	¥ 215,159	¥ 188,522	¥ 160,367	¥ 157,327	¥ 161,614	\$ 3,196,023
Net property, plant and equipment	72,667	56,524	57,055	60,894	61,398	48,973	41,758	43,378	42,606	40,711	39,902	542,298
Current liabilities	237,137	175,620	120,868	136,879	160,852	175,509	135,576	120,857	92,750	114,367	120,014	1,769,686
Long-term debt	15,027	25,434	40,067	30,205	33,848	5,227	10,907	18,986	32,666	21,943	29,642	112,143
Equity	299,888	247,716	208,380	173,942	179,116	170,839	142,805	119,650	110,865	86,448	76,248	2,237,970
Equity ratio (%)	53.3%	53.9%	54.5%	50.0%	47.0%	46.7%	47.5%	44.3%	44.4%	37.2%	32.8%	
Return on equity (%)	21.0%	19.9%	7.9%	2.8%	10.3%	18.2%	18.4%	16.3%	12.3%	6.7%	-14.2%	
Capital stock	¥ 54,044	¥ 54,045	¥ 54,045	¥ 54,045	¥ 54,045	¥ 54,045	¥ 54,045	¥ 54,045	¥ 54,045	¥ 54,045	¥ 54,045	\$ 403,320
Retained earnings	229,596	185,804	144,670	130,908	130,274	117,359	92,937	71,602	54,448	41,824	36,405	1,713,405
Number of shares issued (in thousands)	50,794	50,795	50,795	50,795	50,795	50,795	50,795	50,795	253,974	253,974	253,974	
Number of employees	5,987	5,943	5,982	6,074	6,099	5,835	5,422	5,182	5,082	4,968	4,955	
Key Environmental Indicators												
CO2 emissions from business activities (metric tons CO ₂ e)	23,889	44,661	50,670	54,794	50,566	54,776	53,357	52,523	52,625	53,810	48,600	
Water withdrawal (thousands m ³)	2,118	2,038	2,046	2,087	2,102	2,063	2,034	2,021	1,840	2,034	2,151	
Waste and valuable materials generated (metric tons)	3,178	3,462	2,586	2,304	2,765	2,696	2,064	1,848	2,048	1,893	1,744	

Notes: 1. Dollar figures are translated, for convenience only, at the rate of ¥134 to US\$1.00.

2. Net income (loss) per share of capital stock is calculated based on the weighted average number of shares outstanding during each term, excluding the Company's treasury stock. Fully diluted net income per share of capital stock is not shown for the years that net losses were recorded or no dilutive stock existed. Net assets per share of capital stock is calculated based on the fiscal year-end total number of shares outstanding, excluding the Company's treasury stock.

3. Return on total assets and return on equity are calculated on the basis of average total assets and average equity, respectively, at the current and previous fiscal year-ends.

4. Effective from the fiscal year ended March 31, 2014, as for main unit sales in the SPE and the FT, the revenue recognition method was changed to the completion of installation basis. Accordingly, amounts for the fiscal year ended March 31, 2013 have been reclassified with amounts calculated by applying this change of accounting policies retroactively.

5. The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. Net income per share of capital stock, cash dividends per share, net assets per share of capital stock and number of shares issued are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2016.

6. The Company has introduced a performance-linked share compensation system for directors and corporate officers. The SCREEN Holdings shares remaining in trust are recorded as treasury stock under shareholders' equity and are deducted from the number of shares outstanding as of the fiscal year end for the purpose of calculating net assets per share of capital stock (159 and 177 thousand shares for the years ended March 31, 2023 and 2022, respectively) and are deducted from the weighted average number of shares outstanding during the year for the purpose of calculating net income per share of capital stock (164 and 181 thousand shares for the year ended March 31, 2023 and 2022, respectively).

7. "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and other standards were adopted from the fiscal year ended March 31, 2022. From that year forward, financial and other figures presented in the table reflect the adoption of these standards.

8. The figures in millions of yen, thousands of U.S. dollars and thousands of shares are truncated at the nearest unit from the fiscal year ended March 31, 2023. For the fiscal year ended March 31, 2022 and earlier, such figures are rounded to the nearest unit.

Corporate Data

Basic Information

Corporate Profile (As of July 01, 2023)

Company Name: SCREEN Holdings Co., Ltd.	Capital: ¥54.0 billion
Established: October 11, 1943	Number of employees: 5,987 (As of March 31, 2023)
Representative: Toshio Hiroe, President and CEO Yoichi Kondo, Senior Managing Director and CFO	Main Sites: Head Office, Rakusai (WHITE CANVAS RAKUSAI), Kumiyama, Yasu, Hikone, Taga, Monzennakacho (WHITE CANVAS MON-NAKA)

Consolidated Companies (As of March 31, 2023)

55 companies (Japan: 26 companies / Overseas: 29 companies)

Domestic

SCREEN Semiconductor Solutions Co., Ltd. /
SCREEN SPE Tech Co., Ltd. /
SCREEN SPE Service Co., Ltd. / SCREEN SPE Quartz Co., Ltd. /
SCREEN SPE Works Co., Ltd. /
SCREEN Graphic Solutions Co., Ltd. /
SCREEN GP Japan Co., Ltd. / SCREEN GP Service Japan East Co., Ltd. /
SCREEN GP Service Japan West Co., Ltd. /
SCREEN Finetech Solutions Co., Ltd. /
FEBACS Co., Ltd. / SCREEN Laminatch Co., Ltd.* /
SCREEN PE Solutions Co., Ltd. /
SCREEN PE Engineering Co., Ltd. /
SCREEN Advanced System Solutions Co., Ltd. /
SCREEN IP Solutions Co., Ltd. /
SCREEN Business Expert Co., Ltd.


Overseas

• **North America**
SCREEN SPE USA, LLC / SCREEN GP Americas, LLC /
Silicon Light Machines Corp.

• **Europe**
SCREEN SPE Germany GmbH /
Laser Systems & Solutions of Europe SASU /
SCREEN GP Europe B.V.

• **Asia & Oceania**
SCREEN SPE Korea Co., Ltd. / SCREEN Electronics Shanghai Co., Ltd. /
SCREEN SPE Taiwan Co., Ltd. / SCREEN SPE Singapore PTE. Ltd. /
SCREEN GP Hangzhou Co., Ltd. / SCREEN GA Shanghai Co., Ltd. /
SCREEN GP Australia PTY., Ltd. /
SCREEN Finetech Solutions Shanghai Co., Ltd. /
SCREEN FT Changshu Co., Ltd. / SCREEN FT Taiwan Co., Ltd. /
SCREEN PE China Co., Ltd. / SCREEN PE Shanghai Co., Ltd. /
SCREEN GP Taiwan Co., Ltd. / SCREEN Holdings Singapore PTE. Ltd. /
SCREEN HD Korea Co., Ltd. / Trivis Co., Ltd.

16 other companies



* SCREEN Laminatch Co., Ltd. was dissolved on March 31, 2023 and is undergoing liquidation proceedings as of June 26, 2023.

Stock Information (As of March 31, 2023)

Stock Information

Authorized Number of Shares:	180,000,000*
Number of Shares Issued:	50,794,866*
Number of Shareholders:	22,075
Number of Shares Held by Non-Japanese Companies and Individuals:	11,904,776 (23.43%)
Stock Listings:	Prime Market of Tokyo Stock Exchange
Code Number:	7735

* The Company will conduct a two-for-one split of its common stock on October 1, 2023.

Major Shareholders

Shareholder	Number of shares (thousands)	Percentage of total shares issued (excluding treasury stock, %)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,990	18.89
Custody Bank of Japan, Ltd. (Trust Account)	5,453	11.46
Nippon Life Insurance Company	1,830	3.84
The Bank of Kyoto, Ltd.	1,346	2.82
SCREEN's Business Partners Shareholders' Association Synchronize	993	2.08
Resona Bank, Limited	912	1.91
The Shiga Bank, Ltd.	848	1.78
STATE STREET BANK AND TRUST COMPANY 505001	802	1.68
MUFG Bank, Ltd.	784	1.64
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	704	1.48

Note: SCREEN Holdings holds 3,225,914 shares of treasury stock (percentage of total number of shares outstanding: 6.35%) but is excluded from the list of major shareholders.

Bank References

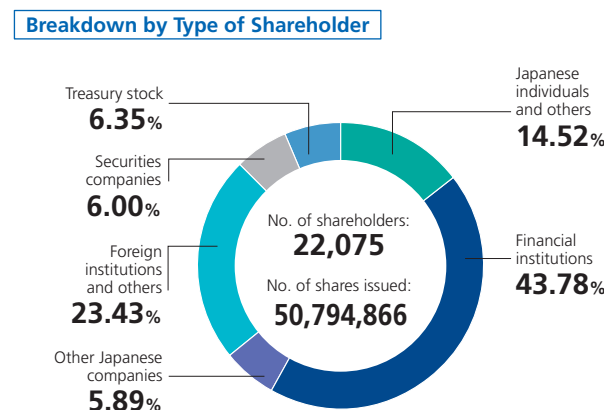
MUFG Bank, Ltd. / Resona Bank, Limited / The Bank of Kyoto, Ltd. /
The Shiga Bank, Ltd. / Development Bank of Japan Inc.

Underwriter

Nomura Securities Co., Ltd.

Sub-Underwriters

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. /
Daiwa Securities Co. Ltd.



External Assessments

Credit Rating Information

Rating organization: Japan Credit Rating Agency, Ltd. (JCR)
Credit rating: A (changed from A- on March 17, 2023) Stable

Evaluations / Index Involvement

SCREEN Holdings Co., Ltd. is a constituent of the FTSE4Good Index Series, FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, SOMPO Sustainability Index, S&P/JPX Carbon Efficient Index, iSTOXX MUTB Japan Platinum Career 150 Index, JPX-Nikkei Index 400, and JPX Prime 150 Index. In addition, it has been named to the Certified Health & Productivity Management Outstanding Organizations Recognition Program of Japan's METI since 2018 and was recertified as one of the White 500 companies in 2023.



FTSE4Good

Since 2004



FTSE Blossom Japan

Since 2017



FTSE Blossom Japan Sector Relative Index

Since 2022



2023 SOMPO Sustainability Index

Since 2018



S&P/JPX Carbon Efficient Index

Since 2018



STOXX Member 2023/2024 Platinum Career Index

Since 2023



JPX-NIKKEI 400

Since 2016




2023 Health and productivity 健康経営優良法人 ホワイト500

2023 (recertified)

Website


SCREEN Holdings official website



www.screen.co.jp/en

Investor Relations


- Annual Report
- Fact Book
- Sustainability Data Book
- GRI Content Index
- IR Library
- Financial Reports, Presentations, etc.
- IR News
- IR Calendar



www.screen.co.jp/en/ir

Sustainability

- Annual Report
- Sustainability Data Book
- GRI Content Index
- ISO Certification Status
- SCREEN Group Sustainability
- Environment / Society / Governance



www.screen.co.jp/en/sustainability



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