

**FAQ on Presentation for Medium-term Management Plan
Follow-up IR Meeting & SPE Group IR Meeting****About HD**

- Q1 I think this is a highly aggressive medium-term management plan, but do you have any intention to reduce the scale of businesses or withdraw completely? And in this case, what would the criteria be?
- A1 We are always paying close attention to business profitability, but during the period of this medium-term management plan (hereafter, medium-term plan), we will review the details of the current businesses and seek to explore growth opportunities with a focus on re-correcting the course of the profitability and securing profits.
- Q2 You said that you recognize that there are still many inefficient assets and fixed costs. Have you already identified the inefficient areas? Going forward, what kind of response (initiatives) will you implement?
- A2 We have selected and specified these areas. We understand that there is no tolerance with recessions such as the COVID-19 outbreak, and during the period of the medium-term plan, we will proceed with measures one-by-one.
- Q3 Regarding KPIs for on-site analysis, have you already adopted KPIs on site? If you haven't done so yet, what is your idea of the timeframe and how will you roll them out going forward?
- A3
- We created an in-house cross-functional team (in HD and members are from operating company team) and we will start KPIs for on-site analysis in this fiscal year and review them as necessary. We think it is important to take time to discuss this issue. (We want to set up the KPIs so that operators support the system and feel convinced)
 - As shown in the presentation, we are using KPIs, such as composition ratio of new products and post sales (hereafter, PS) ratio, as KPIs to make it easy to understand at each site.
 - Another important point is the optimization of the unit that will monitor the KPIs (optimal revenue unit from a management perspective such as organization, group, product group, etc.). Going forward, we will introduce IT tools for numerical management related to KPIs and this will take some time.
- Q4 what is the volume do you expect the capital investment to be over the four years?
- A4 (Compared to the current situation) we expect that there is no need for large capital investment in particular (the investment amount is not disclosed).

About SPE

- Q5 Is your sublimation drying technology Nanolift (shown in today's materials) differentiated from the competitors? The other day, in an interview article with CEO Mr. Hiroe, he said that "it represents 80% of the cutting-edge (of cleaning equipment) share." Is it your reorganization that these technologies have contributed?
- A5 They are unique technologies (important for differentiation from competitors) that we introduced at SEMICON West 2020 in July. We have jointly evaluated technologies with customers who are making cutting-edge devices and some of them are adopted.
- Q6 From which node (line width) and in which processes are Nanolift and sublimation drying used?
- A6 We assume that the target is 5N or thinner (single wafer cleaning). There are technical advantages.
- Q7 Is Nanolift a technology that can be widely used in processes? How is it differentiated from dry cleaning?
- A7 The main technology is FEOL. There are critical areas that cannot be cleaned by dry cleaning alone, and Nanolift can clean the surface without damaging the pattern. The adaptation process is reasonable.
- Q8 If sales reach ¥300 billion in FY2024, what is the expected utilization rate of the new Hikone factory S³-3 (after capacity expansion)?
- A8 In our current calculations, we estimate that 85-90% can be achieved.
Note) Currently, capital investment in S³-3 is not yet 100% complete and the above assumption is after capital investment is completed (Remaining work includes fully equipping the factory with production jigs. The required investment is not very large).
- Q9 You said that you will increase the market share of BEOL and MOL, but the profitability in these areas and the competitive environment seem to be challenging. Can you still be profitable?
- A9 We expect technological changes to occur in this area and we aim to market our technology based on these changes. We will focus on the technology required for next-generation devices and increase our market share without sacrificing profitability.

Q10 Regarding PS, in terms of current and future profitability goals, which PS items do you have high growth expectations for?

- A10
- I think that our profitability is on par with other companies in our peer. Cost reduction is an ongoing theme, and we want to further increase our profitability while developing VE (value engineering).
 - Currently, in addition to the consumable parts, we believe that the refurbishing business that aims to contribute to improving customer productivity and equipment performance will increase through CIP.
 - In addition, we are focusing on selling used equipment, and we also plan to work on refurbishing cleaning equipment (refurbishment business) that we could not support in the past and 300 mm compatible equipment.

About FT

Q11 The sales ratio of new businesses in the final year of the medium-term plan is supposed to be 30-40%. Which is larger, OLED-related or batteries?

A11 Inkjet OLEDs (for large-sized TVs).

Notes:

HD = SCREEN Holdings Co., Ltd.

SPE = Semiconductor production equipment business

GA = Graphic arts equipment business

FT = Display production equipment and coater business

PE = PCB-related equipment business