

Doc. No.: NR220128-IE

SCREEN Takes Next Step in Strengthening Its Manufacturing System for Semiconductor Production Equipment

New Factory Scheduled to Begin Operation in January 2023

Kyoto, Japan – January 28, 2022 – SCREEN Holdings Co., Ltd. will make another key investment in its Hikone Plant site centering on the construction of a new factory. Named S³-4 (S-Cube 4), the facility will be based on the company's Hikone Grand Design Plan, a medium- to long-term project intended to develop its production capacity. The new factory is currently expected to start operation in January 2023.

SCREEN initially formulated its Hikone Grand Design Plan in 2018 and has since been implementing the medium- to long-term development project to improve both its production capacity and efficiency. As part of this initiative, the company has now decided to accelerate the facility investment measures laid out in the plan. Total construction costs are likely to reach around 10 billion yen.

As well as constructing the new factory, SCREEN will expand facilities to accommodate the increases in personnel and waste liquid treatment required by its higher production capacity. The company also plans to undertake other work such as refurbishing existing plant and building new welfare-related facilities. S³-4 will be the first factory SCREEN has constructed as part of its semiconductor production equipment business since completing S³-3 (S-Cube 3) in January 2019.

S³-4, the core of the planned expansion, is to be connected to S³-3, the main factory for the production of SCREEN's SU series of single wafer cleaning equipment. S³-4 will be used to improve pre-shipment cleaning processes for equipment and units manufactured at S³-3, enabling the company to achieve a far more efficient workflow from the start of production through final shipment compared to its previous system.

Demand for semiconductor devices has increased on a global scale in recent years, mainly due to the widespread adoption of 5G-compatible smartphones and the growing requirements of data centers accompanying the digital transformation (DX) currently occurring worldwide. This shift has also been driven by the increasing demand for in-vehicle systems needed for electric and self-driving cars as well as the mainly industrial devices required to support the rapid expansion of IoT infrastructure. Given these trends, a high level of capital investment is expected to continue among major device manufacturers.

Amid these strong market conditions, SCREEN is focused on maintaining a stable supply of equipment to device manufacturers based on its Hikone Grand Design Plan. It remains dedicated to achieving SBT* through promoting energy-saving investments, such as the adoption of renewable energy and the renewal of air conditioning facilities.

Overview of New Factory

| | |
|--------------------|---|
| Name: | S ³ -4 (S-Cube 4) (S ³ stands for Safety, Smart, Speed) |
| Location: | 480-1 Takamiya-cho, Hikone, Shiga, Japan |
| Building area: | Approx. 5,285 m ² |
| Total floor area: | Approx. 9,625 m ² |
| Construction type: | Two story, steel frame building |
| Total cost: | Approx. 10 billion yen (total amount for the current facility investment) |
| Operation start: | Scheduled for January 2023 |
| Main business: | Production of single wafer cleaning equipment, and so on. |

* SBT: Science Based Targets represent an international initiative to prevent global warming by setting CO2 reduction targets that are based on scientifically sound principles.