

Excerpts of Slides from the Business Report and
Distributed at The Ordinary General Meeting of Shareholders



FY2020 Economic Conditions: Global Economy

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- U.S.-China Trade Friction
- BREXIT
- Cautious attitudes toward capital investment

**A stronger sense of
economic slowdown**



Economies have shrunk drastically due to the impact of the COVID-19.



Sudden economic slowdowns



- Progress toward recovery was stalled in part by weak export and production
- The economy fell further toward the end of the fiscal year due to the impact of the COVID-19



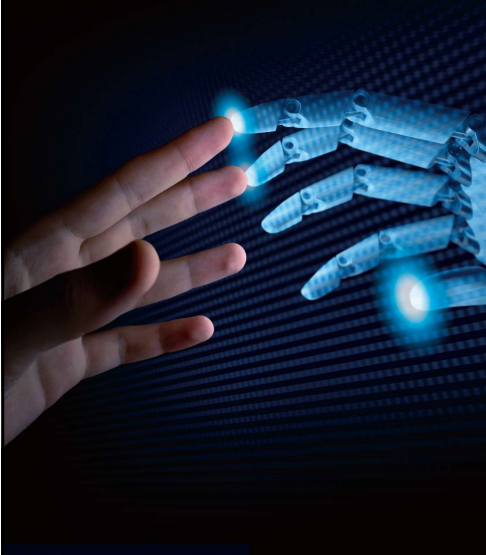
A harsh environment



Segment Summary: Semiconductor Production Equipment Business (SPE)

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Semiconductor



Net sales **¥230.5 bn** YoY -8.7% **Down**

OP income **¥16.1 bn** YoY -37.6% **Down**

Highlights

- >>Sales increased for foundries, logic and image devices.
- >>Sales decreased for memories.
- >>Sales increased for Taiwan and North America.
- >>Sales decreased for China and South Korea.

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Segment Summary: Graphic Arts Equipment Business (GA)

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Graphic Arts



Net sales **¥45.5 bn** YoY -5.5% **Down**

OP income **¥1.4 bn** YoY 27.2% **Up**

Highlights

- >>Sales of ink and other after-sales services remained firm.
- >>Sales of CTP (computer-to-plate) and POD (print-on-demand) equipment decreased.

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Segment Summary: Display Production Equipment and Coater Business (FT)

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Display



Net sales **¥35.1 bn** YoY -28.6% **Down**

OP loss **¥2.5 bn** **Down**

Highlights

- >>Sales of production equipment for large-sized panels increased.
- >>Sales of production equipment for small- and medium-sized panels decreased.

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Segment Summary: PCB-Related Equipment Business (PE)

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Printed Circuit Board



Net sales **¥10.0 bn** YoY -18.6% **Down**

OP loss **¥0.2 bn** **Down**

Highlights

- >> Sales of direct imaging equipment decreased.

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Overview of the Previous Three-Year Medium-Term Management Plan and the Future Initiatives

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Results of Challenge 2019

Targets		Results		
		FY2018	FY2019	FY2020
1. Expand Sales Consolidated annual net sales: Approx. ¥300 bn	Net sales	¥339.3 bn	¥364.2 bn	¥323.2 bn
2. Maintain and Improve Profitability Operating income ratio in the final year of the plan 13% or above	Operating income ratio	12.6%	8.1%	3.9%
3. Maintain and Improve Capital Efficiency ROE: Approx. 15%	ROE	18.2%	10.3%	2.8%

- Established robust business foundations supported by annual net sales of ¥300.0 bn thanks to the success of growth investment
 - In the first half of the three-year plan, the ratio of operating income to net sales and market capitalization hit record highs, while our targets for net cash flows and other performance indices have been met

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Overview of the Previous Three-Year Medium-Term Management Plan and the Future Initiatives

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Major Initiatives Going Forward

■ Economic Value

- Introduce ROIC indicators to enhance profitability and efficiency
- Continuously enhance corporate value

*ROIC: Return On Invested Capital

■ Social Value

- Strengthen environmental protection initiatives by participating in international environmental initiatives like the Science Based Targets (SBTs)
- Continue promoting ESG management in line with the sustainability development goals (SDGs)

■ Post COVID-19 (After Containment of the COVID-19)

- Build a business portfolio adapted to the major changes in the market environment and social structures
- Consider new working styles, such as teleworking, online meetings, and paperless offices

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Importance of the Digital Transformation (DX)

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Teleworking and
online meetings



Smart factories



DX



IoT and AI expected to progress further

5G, PCs, servers, etc.; the telecommunications environment is constantly evolving.

Demand is growing for remote operations and automation.

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SCREEN and the Post COVID-19 Society

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SPE

Responding to servers, 5G, AI, IoT, sensors, and power control devices

GA

Responding to the shift from large-volume printing to high-mix, small-lot printing

FT

Responding to diversifying displays and new energy infrastructure

PE

Responding to the shift toward high-speed telecommunications like 5G

New
Businesses

Responding to automation needs in the life sciences and for inspection and measurement equipment

SCREEN's technologies, products, and services are becoming ever more indispensable to people's lives.

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