

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



FY2023 Economic Conditions: Global Economy

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Gradual Market Recovery

- Supply side restrictions
- Rising raw material prices
- Global monetary tightening

**Economic recovery
appears to be slowing**

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FY2023 Business Environment

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Electronics Industry

Demand is decreasing in response to the especially high levels during COVID-19

▶ Reduced capital investment in some areas

Faster operation speeds driven by progress in 5G, AI-enhanced IoT and DX

Investment in miniaturization to reduce power consumption driven by GX

Investment in power semiconductor and packaging technology fields

▶ Stable growth

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FY2023 Business Environment

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- Division of the global economy due to conflict between the US and China
- Rising concerns about the impact on security issues

Display Manufacturers

Declining panel prices



Rethinking of capital investment plans

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FY2023 Business Results

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(Figures rounded down to nearest 100 million yen)

Net sales

¥460.8 bn YoY 11.9%



Operating income

¥76.4 bn YoY 24.8%



Ordinary income

¥77.3 bn YoY 30.2%



Profit attributable to owners of parent

¥57.4 bn YoY 26.4%



Best-ever results

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Issues to Be Addressed

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Fiscal Year 2021 – 2024

“Value Up 2023”

Medium-term Management Plan

Establish a presence in the industry as a Solution Creator

Solution Creator

A “solution creator” refers to a corporate entity that enhances its corporate value by providing customers around the world with technologies, products and services that help solve social issues and address needs, and thereby contributing to the development of society

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Solution Creator

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$$\text{SCREEN Value} = \text{Social Value (Sustainable Value)} + \text{Economic Value}$$

Promote profit generation and shareholder returns

- 1 Enhancing corporate value by creating a cycle of innovation and sustainable growth
- 2 Generating cash flows commensurate with profits earned in pursuit of profitability and efficiency
- 3 ESG initiatives to be a sustainable corporation

1 Enhancing corporate value by creating a cycle of innovation and sustainable growth

Strengthen efforts to make our semiconductor production equipment business more competitive

Accelerated technology development

Launched the **SU-3400**, a single wafer cleaning equipment that delivers industry-leading productivity and exceptional processing performance



1 Enhancing corporate value by creating a cycle of innovation and sustainable growth

Strengthen efforts to make our semiconductor production equipment business more competitive

Accelerated technology development

imec, Belgium

IBM, USA

Signed joint development agreements for next-generation cleaning processes

1 Enhancing corporate value by creating a cycle of innovation and sustainable growth

Strengthen the manufacturing system for our semiconductor production equipment

Started operations at **S³-4**

- Launched construction of S³-5
- Invested to expand capacity at three domestic Group companies



S³-4 is now in full-scale operation

1 Enhancing corporate value by creating a cycle of innovation and sustainable growth

Develop a business to meet the needs created by the shift to inkjet printing driven by DX and GX

Increased focus on new product development



Boost earnings and cash generation by recurring business

1 Enhancing corporate value by creating a cycle of innovation and sustainable growth

Focused on new product development to answer calls for improved productivity and miniaturization in response to semiconductor evolution

Further strengthen our market competitiveness



1 Enhancing corporate value by creating a cycle of innovation and sustainable growth

Continue to pursue the creation of new businesses

Promoted development in the advanced semiconductor package field

Released new LeVina direct imaging system for next-generation patterning

Participated in RaaS* (cont. from last period)

* Research Association for Advanced Systems by Systems Design Lab, the University of Tokyo



Value Up 2023 Results of Key Initiatives

SCREEN

1 Enhancing corporate value by creating a cycle of innovation and sustainable growth

Continue to pursue the creation of new businesses

Expanded our life sciences business

Made AFI Corporation a subsidiary

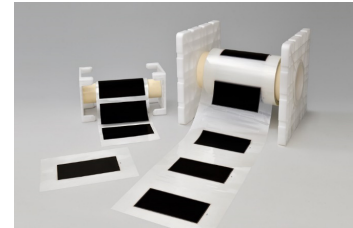
Expanded our hydrogen energy business

Decided to establish a Hydrogen Related Business Department

(Launched on April 1, 2023)

Upgraded our entire manufacturing process using AI technology

Made an additional investment in Laboro.AI Inc.



MEAs, a key component of hydrogen energy business

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Value Up 2023 Results of Key Initiatives

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2 Generating cash flows commensurate with profits earned in pursuit of profitability and efficiency

Use ROIC to understand the profitability and efficiency of each business in an effort to better visualize management indicators

Expand improvement activities at work sites using a process of continuous analysis

Build a system enabling ROIC to be utilized in portfolio management

Examine medium-term business strategies based on the two axes of

Net sales growth rate and **ROIC**

Deepen ROIC management to achieve sustainable growth

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2 Generating cash flows commensurate with profits earned in pursuit of profitability and efficiency

Cumulative operating cash flow for the three year period

¥212.8 bn thanks to improvements in both profitability and efficiency

Net cash also increased significantly to a level exceeding cumulative operating income

3 ESG initiatives to be a sustainable corporation

Sustainable Value 2023



Promote the realization of a sustainable society and improvement of our social value

Sustainable Value 2023

- E** (Environment) Climate change initiatives and environmental management
- S** (Social) Realizing rewarding workplaces and creating social value
- G** (Governance) Building risk-resilient governance systems and organizations

3 ESG initiatives to be a sustainable corporation



Climate change initiatives and environmental management

- Declaration of our intention to become carbon neutral by 2050
- Ongoing promotion of information disclosure and risk scenario analysis compliant with the TCFD

3 ESG initiatives to be a sustainable corporation



Realizing rewarding workplaces and creating social value

Initiatives to enhance human capital

- ▶ Conduct employee engagement surveys
- ▶ Offer a next-generation business leaders development program
- ▶ Implement career training for female employees

Certified as a 2023 Health and Productivity Management Organization (White 500)



3 ESG initiatives to be a sustainable corporation



Building risk-resilient governance systems and organizations

- Strengthen Group risk management
- Establish a resilient BCP system that can withstand increasingly severe natural disasters and pandemics
- Improve security against cyberattacks

Final targets for economic value in the medium-term management plan

(Targets established at the beginning of the plan)

All targets were achieved one year ahead of schedule

Targets were revised upward for the current period, the final year of the plan

(July 2022)

Value Up 2023 Economic Value Targets and Results

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	Tar­gets (at the launch of the plan)	Results (FY2023/03)	Tar­gets for the FY2024 (after upward revision)
Net sales	¥400.0 bn or above in the final year	¥460.8 bn	¥500.0 bn or above in the final year
Operating income ratio	15% or above in the final year	16.6%	17% or above in the final year
ROE	15% or above in the final year	21.0%	20% or above in the final year
Operating CF	Cumulative total of ¥120.0 bn or above in 4 years	¥73.9 bn (Cumulative total of ¥212.8 bn in 3 years)	Cumulative total of ¥240 bn or above in 4 years
Shareholder returns	Consolidated total shareholder return ratio of 30% or above from FY2022	Dividend of ¥365 (30.2%)	Consolidated total shareholder return ratio of 30% or above from FY2022

Note: The above figures are predicated on organic growth

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Celebrating 80 Years since SCREEN's Founding

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April 2023 Corporate Philosophy was revised

Corporate Philosophy

Purpose

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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

The Group is working as one
to realize our Philosophy

Targeting a new stage
in our growth

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