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Establishment of Preparatory Company for Company Split involving of the SCREEN Group Companies

Kyoto, Japan – October 28, 2016 – SCREEN Holdings Co., Ltd. today established a preparatory wholly-owned subsidiary (“Successor Company”) in connection with a company split scheduled to be effective as of April 1, 2017, the purpose of which is to assume the PCB-related equipment business (“PE Business”) of SCREEN Graphic and Precision Solutions Co., Ltd. (“Split Company”), which is also wholly owned by SCREEN. In addition, SCREEN hereby announces that an Absorption-Type Company Split Agreement has been entered into by and between the Successor Company and the Split Company as of today.

1. Purpose of Company Split

SCREEN has adopted a holding company structure since October 1, 2014, and has spun off three businesses relating to semiconductor equipment, graphic arts and PCB-related equipment, and FPD equipment, as well as two businesses relating to manufacturing support/manufacturing contracts and shared administration services into separate respective companies. Furthermore, as of October 1, 2016, SCREEN executed a company split to spin off a software-related business and an intellectual property-related business into separate companies. The purpose of the above is to increase the effectiveness of our organizational structure and clarify responsibility and authority for our continuous growth as well as mid-and-long term improvement of our corporate value.

Meanwhile, in the current PE Business environment, the trend toward requiring quick delivery of equipment and flexibility to match specifications for obtaining orders is increasing every year, moreover, there has been a shift from personal computers to smartphones. Such environment contrasts with the graphic arts equipment business of the Split Company, in which most products are standardized. Responding to such trends as well as aiming to increase the effectiveness of our organizational structure and clarifying responsibility and authority as described above, SCREEN has decided to spin off the PE Business as an independent company in order to create a business structure which is more consistent with the electronic device industry.

2. Summary of Company Split

(1) Schedule

Establishment of Subsidiary (Registration of Establishment)	October 28, 2016 (Friday)
Resolution of Board of Directors' Meeting (Approval of Company Split Agreement)	October 28, 2016 (Friday)
Execution of Absorption-type Company Split Agreement	October 28, 2016 (Friday)
Scheduled Date of Split (Effective Date)	April 1, 2017 (Saturday)

(2) Method

By treating a preparatory company as the successor company in an absorption-type company split, the method to be employed is an absorption-type company split in which any rights and obligations of the Split Company with respect to the PE Business will be assumed by the Successor Company.

(3) Consideration Related to Absorption-Type Company Split

The Split Company and the Successor Company are both wholly owned subsidiaries of SCREEN, and this split is an entirely sister company-type split; therefore, no payment of consideration by the Successor Company to the Split Company shall be made in connection with this split.

(4) Rights and Obligations Assumed by the Successor Company

The Successor Company will assume the assets, debts, and incidental rights and obligations associated with the PE Business of the Split Company in accordance with this split, with the exception of certain obligations, such as contractual duties which by their nature or terms present difficulties with respect to their assignment in connection with a company split.

(5) Potential Obligations of Split Company and Successor Company

It has been expected that this split will not present any problems with respect to potential obligations which will be binding upon the Split Company and the Successor Company. In addition, the obligations to be assumed by the Successor Company shall be jointly and severally assumed by the Split Company.

3. Overview of Split Company (as of September 30, 2016)

(1) Name	Graphic and Precision Solutions Co., Ltd.
(2) Location of Head Office	Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome, Horikawa-dori, Kamigyo-ku, Kyoto 602-8585, Japan
(3) Name of Representative	Tsuneo Baba, President
(4) Nature of Business	Graphic arts equipment and PCB-related equipment business
(5) Capital	100 million Yen
(6) Date of Establishment	May 7, 2014
(7) Number of Issued Shares	800 shares
(8) Fiscal Year End	March 31
(9) Shareholder and Shareholding Ratio	SCREEN Holdings Co., Ltd. 100%

4. Overview of Successor Company

(1) Name	SCREEN PE Company Split Preparatory Co., Ltd.
(2) Location of Head Office	Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome, Horikawa-dori, Kamigyo-ku, Kyoto 602-8585, Japan
(3) Name of Representative	Eiji Kakiuchi, President
(4) Nature of Business	Preparatory work necessary for succession of business through the company split
(5) Capital	10 million Yen
(6) Date of Establishment	October 28, 2016
(7) Number of Issued Shares	200 shares
(8) Fiscal Year End	March 31
(9) Shareholder and Shareholding Ratio	SCREEN Holdings Co., Ltd. 100%

5. Future Prospects

Judging from the nature of this split, which is a restructuring within the SCREEN Group and will cause no change to consolidated net assets, this split will not have any impact on business results.