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SCREEN Establishes New Company and Takes Over Business Operations for Assembly Processing Equipment Used in Display Manufacturing

Kyoto, Japan – May 25, 2017 – SCREEN Holdings Co., Ltd. decided, at its board of directors' meeting on May 25, to take over all business operations currently handled by FUK Co., Ltd. (head office: Gose City, Nara, Japan; president: Mitsuo Uemura) and establish a subsidiary to manage these operations. The subsidiary is wholly owned by SCREEN Finetech Solutions Co., Ltd. (SCREEN FT).

SCREEN FT is one of the SCREEN Group's core business operating companies and is responsible for the production and sale of FPD manufacturing equipment. The subsidiary and FUK also signed the necessary business transfer agreements on May 25, based on the conditions described below.

Background of business takeover

As a member of the SCREEN Group, SCREEN FT holds the top market share for the coater/developer equipment used in display production. SCREEN FT has for some time been working toward the introduction of equipment solutions to the market for flexible displays including OLED panels, in order to capitalize on the great potential shown by these devices for use in wearable and in-vehicle displays, as well as next generation smartphones.

In early 2016, SCREEN FT signed a comprehensive partnership agreement with FUK, a highly regarded manufacturer of assembly processing equipment such as the abrasive cleaning and cover glass bonding systems used in display production. While this partnership led to significant progress in the companies' efforts to provide a wide range of equipment solutions to the flexible display market, both have continued to look for ways to more effectively combine their core competencies and create even greater synergy.

After extensive discussions between the partners, SCREEN Holdings has established a wholly owned subsidiary under SCREEN FT that will take over all of FUK's business activities, including those related to the integration of production equipment for flexible devices. The subsidiary is scheduled to begin operation on July 3 and will focus on the provision of new solutions designed to meet the diverse needs of the rapidly expanding flexible display market, both now and in the future. The new company is expected to help drive the development and expansion of SCREEN FT group business.

Outline of new subsidiary

- Name: SCREEN Laminattech Co., Ltd.
- Location: 1186-12 Muro, Gose City, Nara 639-2277, Japan

- Representative: Takuma Yamada
- Main activities: Development, design, production and sale of manufacturing equipment for flexible devices, touch panels, LCD panels and functional films
- Capital: 50 million yen
- Incorporation: May 25, 2017
- Shareholder ratio: 100% owned by SCREEN Finetech Solutions Co., Ltd.

Value and settlement of takeover

SCREEN FT and FUK have, by mutual consent, decided not to disclose financial details of the takeover.

Outline of FUK Co., Ltd.

- Name: FUK Co., Ltd.
- Location: 1186-12 Muro, Gose City, Nara 639-2277, Japan
- Representative: Mitsuo Uemura
- Main activities: Development, design, production and sale of manufacturing equipment for flexible devices, touch panels, LCD panels and functional films
- Capital: 18 million yen
- Incorporation: May 2003

Schedule for takeover

- Finalization of agreement: May 25, 2017
- Scheduled date of takeover: July 1, 2017

Anticipated effects of takeover

- This takeover is expected to have minimal impact on SCREEN Holdings' consolidated business results for FY2018.
- Any developments requiring disclosure in relation to ongoing activities arising from this takeover will be announced at the earliest possible opportunity.