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SCREEN Restructures Manufacturing System for Semiconductor Production Equipment

Revamp Targets Improved Production Efficiency and Capacity

Kyoto, Japan – January 31, 2018 – SCREEN Holdings Co., Ltd. has finalized a decision to construct a new factory at the site of its existing Hikone Plant. The facility is scheduled for completion in December this year, and is expected to significantly expand SCREEN's ability to manufacture semiconductor production equipment.

Conceptual drawing of completed facility

Please download the photo from
www.screen.co.jp/eng/press/download/NR180131-1.zip



In addition to specific devices such as personal computers and smartphones, semiconductors and electronic components are finding increasing applications in a wide range of areas, including the automotive, finance, medical and public infrastructure industries. This has led to speculation the semiconductor industry may have finally escaped the boom and bust cycles it has been subject to every four years and entered a period of sustained growth. Leading device makers have responded with high levels of capital investment and this trend is expected to continue for the foreseeable future.

Based on its analysis of the market environment, SCREEN has also decided to revamp and expand its production systems. The plan is one element in a manufacturing innovation project* it has been progressively implementing in order to improve its overall profitability. The new factory will be the first SCREEN has constructed for its semiconductor equipment business since completing its Fab.FC-2 facility in 2006. The total cost is expected to require the core of a substantial investment of some nine billion yen.

The factory will incorporate an earthquake-resistant, base-isolated structure and will be designed to enhance SCREEN's business continuity management (BCM) and business continuity planning (BCP) systems. It will also be equipped with a functional logistics system and large-scale automated storage and retrieval system. These technologies are expected to significantly increase manufacturing efficiency while reducing operator workloads and production lead times.

The facility will expand SCREEN's present manufacturing capacity by around 150%. With market growth expected to continue, the additional volume will enable the company to provide device makers with a reliable supply of production equipment over the long term. This will also help to strengthen the

profitability and competitiveness of SCREEN's semiconductor equipment business while allowing it to expand its market share as a supplier of production equipment.

*This project is overseen by SCREEN Semiconductor Solutions Co., Ltd., the SCREEN Group company responsible for its semiconductor equipment business. The project's goals are to increase the profitability of this business by improving the efficiency of SCREEN's distribution and assembly operations and enabling it to construct an industry-leading production system.