

Annual Report 2024

Year ended March 31, 2024



Corporate Philosophy

Purpose

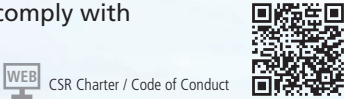
Innovation for a Sustainable World

- 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

CSR Charter / Code of Conduct
Principles of action and standards that all Group employees should comply with



About this report

Editorial policy

Since 2010, the SCREEN Group has been issuing annual reports containing both financial and non-financial information for use as a tool to deepen dialogue with all stakeholders, including shareholders and investors.

This year's report lays out the Group's medium- to long-term value creation story aimed at enhancing corporate value in line with the 10-year vision, focusing on the Management Grand Design and our new medium-term management plan, Value Up Further 2026.

In compiling this report, we referred to the "International Integrated Reporting Framework" created by the IFRS Foundation and the "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation" ("Guidance for Collaborative Value Creation") from the Japanese Ministry of Economy, Trade and Industry (METI). In addition, non-financial information is disclosed with reference to the GRI Standards for international sustainability reporting.

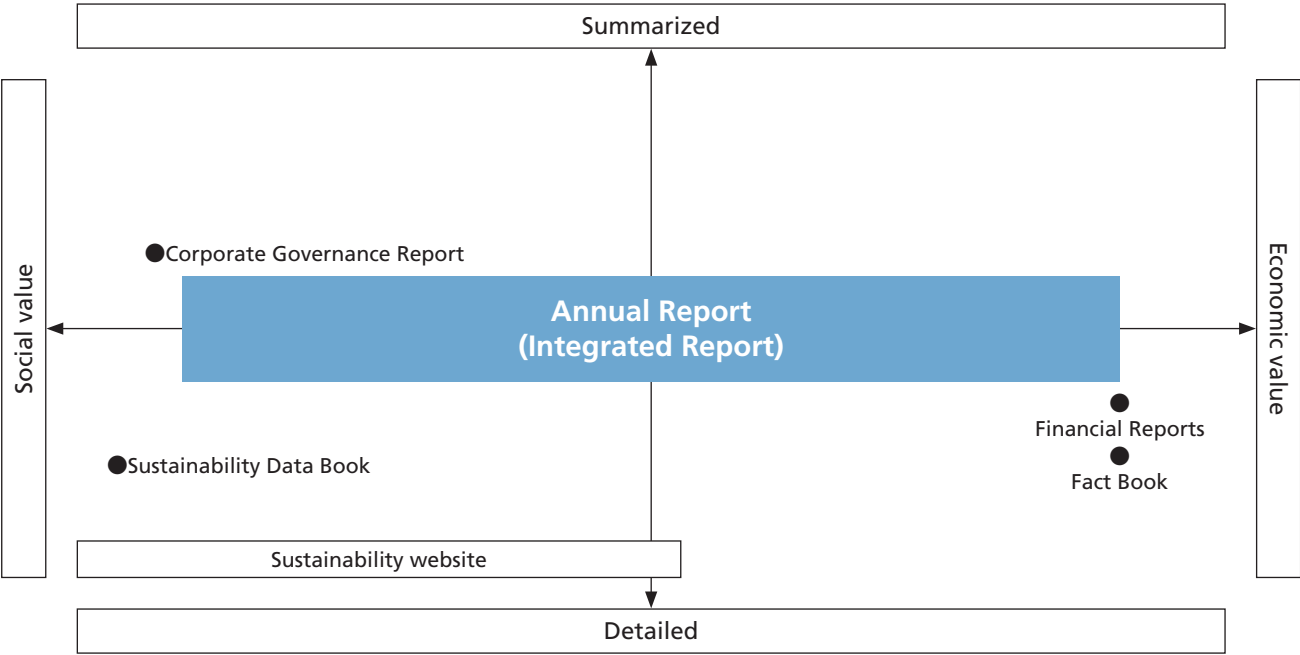
Finally, detailed financial information is provided in the Financial Section of the Annual Report 2024 and the Fact Book; detailed non-financial information is provided in the Sustainability Data Book; and an index of disclosure items is provided in the GRI Content Index. These materials are available on our website.



Management involvement in creating this report

The publication of this report has been reported to the Board of Directors.

Position of this report



Publication

September 2024 (previous version published in September 2023, issued once a year)

Reporting period

Fiscal year ended March 2024
(April 1, 2023 to March 31, 2024)

Note: Some of the information in this report relates to the fiscal year ended March 2023 and the fiscal year ending March 2025.

Scope of coverage

This report covers SCREEN Holdings Co., Ltd. (holding company) and its consolidated companies (as of March 31, 2024).

Note: Notes are provided when the scope of data presented differs from the above.

Disclaimer

- The plans, strategies, and statements related to the outlook for future results in this document are in accordance with assumptions and beliefs determined by management based on currently available information. However, it should be noted that there is a possibility that actual results could differ significantly due to such factors as social and economic conditions.
- All amounts shown in billions and millions of yen are truncated. (Amounts shown in millions of yen for the fiscal year ended March 31, 2022 and the preceding fiscal years are rounded to the nearest million.)

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This report was compiled in accordance with the following logical structure, with reference to the "Guidance for Collaborative Value Creation" from METI.

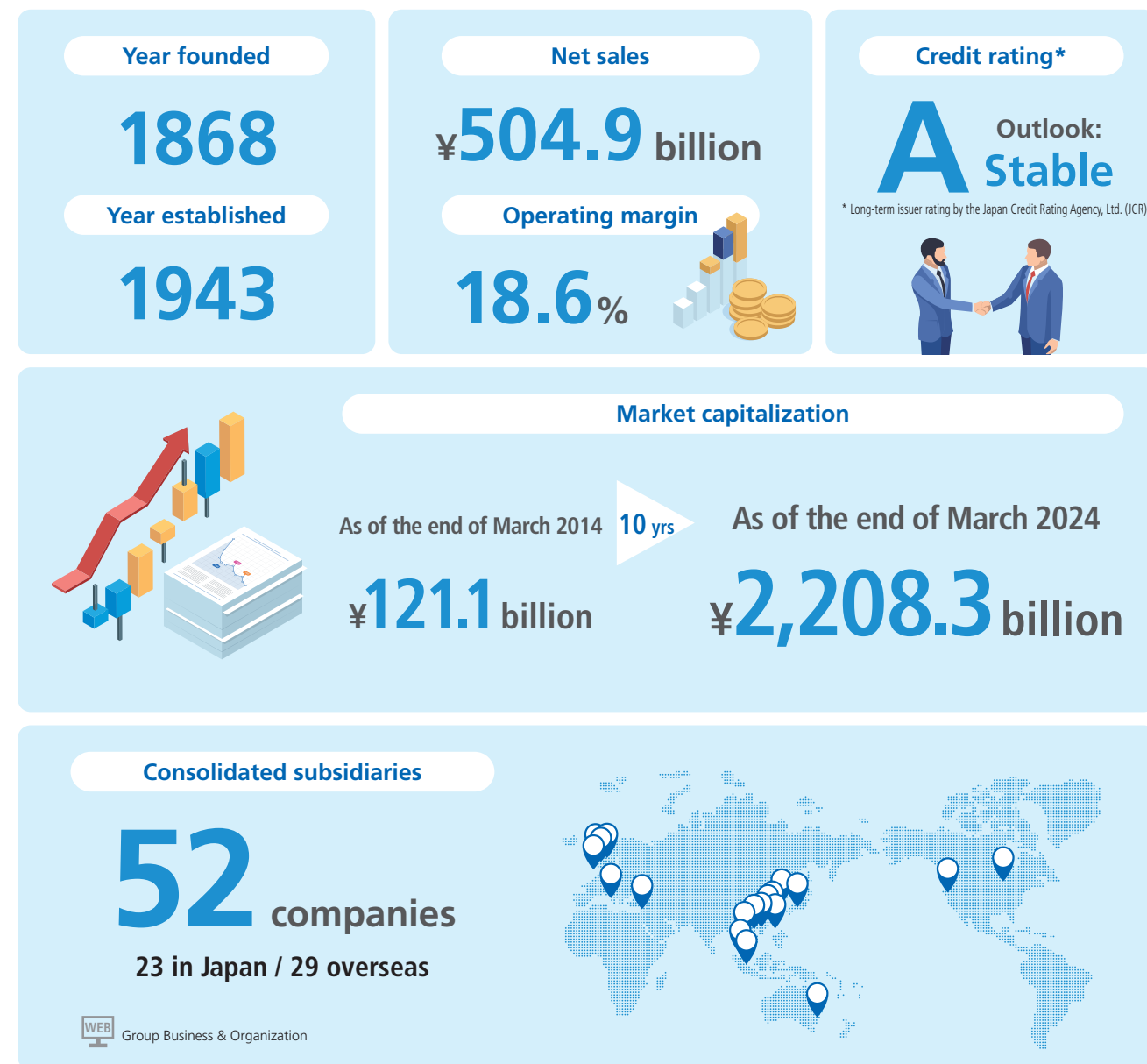
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• The following abbreviations are sometimes used for business segments or company names in this report:
HD = SCREEN Holdings Co., Ltd.
SPE = Semiconductor production equipment business or SCREEN Semiconductor Solutions Co., Ltd.
GA = Graphic arts equipment business or SCREEN Graphic Solutions Co., Ltd.
FT = Display production equipment and coater business or SCREEN Finetech Solutions Co., Ltd.
PE = PCB-related equipment business or SCREEN PE Solutions Co., Ltd.
AS = Advanced ICT solution business or SCREEN Advanced System Solutions Co., Ltd.
The names or abbreviations of the business segments are those used as of March 31, 2024.

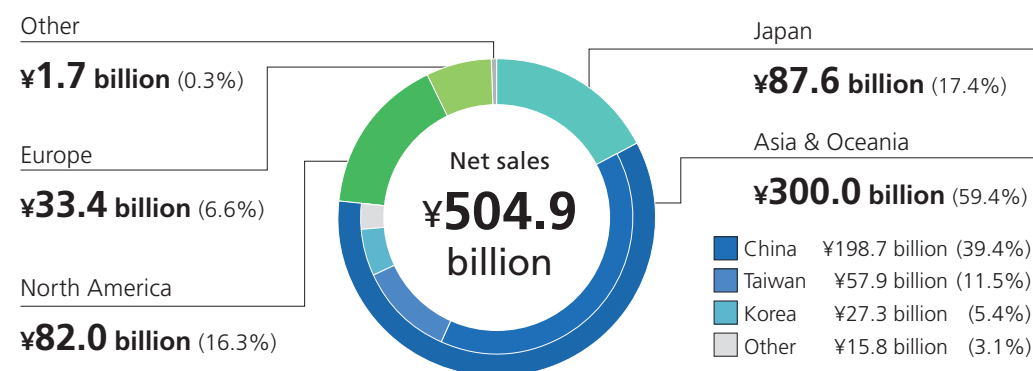
• The terms "holding company," "business operating company," and "functional support company" refer to the following seven companies.
Holding company: SCREEN Holdings Co., Ltd.
Business operating companies: SCREEN Semiconductor Solutions Co., Ltd., SCREEN Graphic Solutions Co., Ltd., SCREEN Finetech Solutions Co., Ltd., SCREEN PE Solutions Co., Ltd., and SCREEN Advanced System Solutions Co., Ltd.
Functional support company: SCREEN IP Solutions Co., Ltd.

• Fiscal years shown herein are the accounting years ended March 31 of the year shown. For example, "fiscal year ended March 31, 2024," "FY2024/03," or "FY24/03" means the period from April 1, 2023 to March 31, 2024.

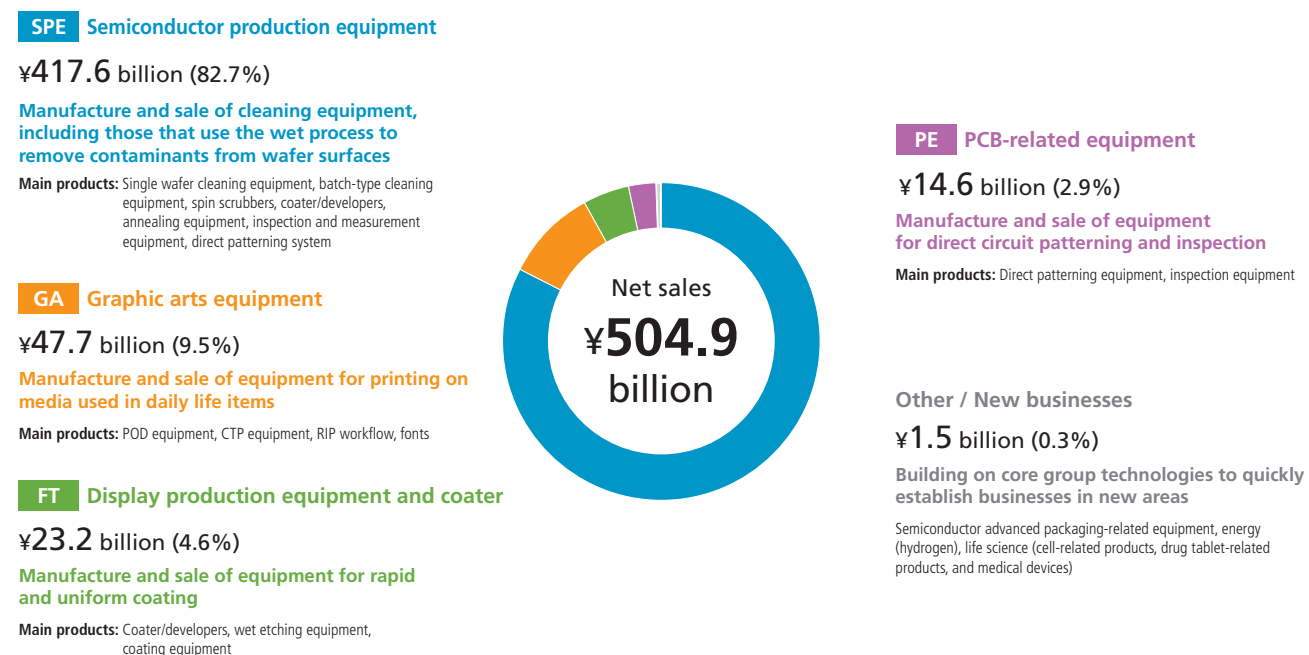
At a glance (as of March 31, 2024)



Consolidated net sales by destination (fiscal year ended March 31, 2024)

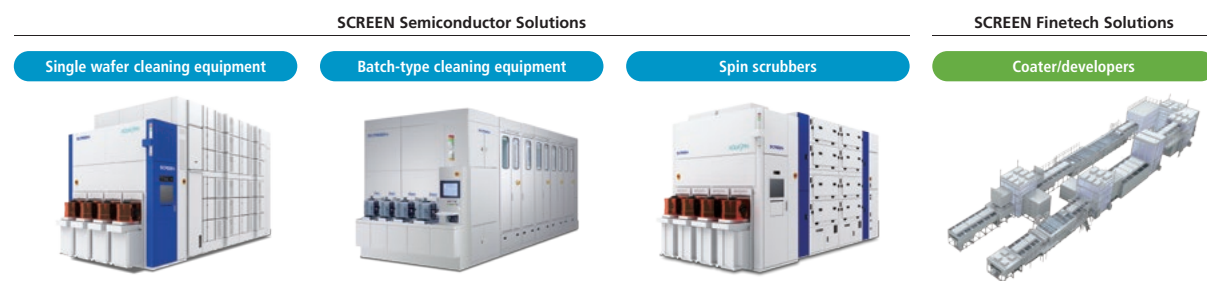


Consolidated net sales by segment (fiscal year ended March 31, 2024)



Market share 2023*

No. 1 global market share categories



Leading global share categories

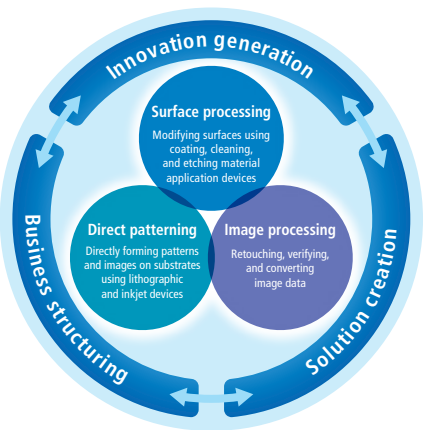


* Market shares are based on equipment category totals, including data from SCREEN.
 Note: Calendar year.

Evolution of SCREEN's technologies

From our start in manufacturing glass screens for photoengraving, over the decades, we have applied and built on our core technologies to create numerous world-first and Japan-first technologies, products, and services based on our Founder's Motto, "Shi Ko Ten Kai" (broadening everyone's thoughts and horizons for innovation).

Drawing on the technologies built up over SCREEN's long history and the Group's comprehensive strength, we will continue working to create new shared value and provide solutions to issues facing clients and the world.



- Innovation generation**
The capability to create elemental technologies that can become the seeds for business ideas by building open collaborations with leading-edge clients, consortiums, business organizations, universities, and enterprises.
- Solution creation**
The capability to create solutions that can solve client issues based on marketing
- Business structuring**
The capability to undertake the technology, product, and service development needed to turn a solution into an actual business

Trajectory of value creation

1930s–
Origin of our core technologies
We succeeded in producing glass screens¹ in Japan, helping advance the country's lagging printing prepress technologies. Subsequently, we developed a process camera and secured a position as a general manufacturer of graphic arts equipment.
1. Indispensable parts for reproducing color intensity gradation in printed materials

1950s–
Spun off from the original business
We applied glass screen manufacturing technologies (etching technologies) to produce metal meshes² in Japan. These technologies were applied to the production of aperture grills and shadow masks for use in CRT TVs, supporting the development of color TVs.
2. Parts used in TV cameras

1960s–
Pursued technological innovation and improvement
We developed Japan's first color scanner in line with the digitalization of prepress operations and the rapid adoption of color and offset printers. In the 1970s, we released the best-selling Scanagraph SG-701, helping to increase the quality of color prepress operations and reduce the associated workload.

1970s–
Birth of the semiconductor production equipment business
With the rise in demand for semiconductors, we applied our etching technology, one of our core surface processing technologies, to develop the EMW-322 wafer etching machine. We automated our semiconductor manufacturing etching process, entering a new market.

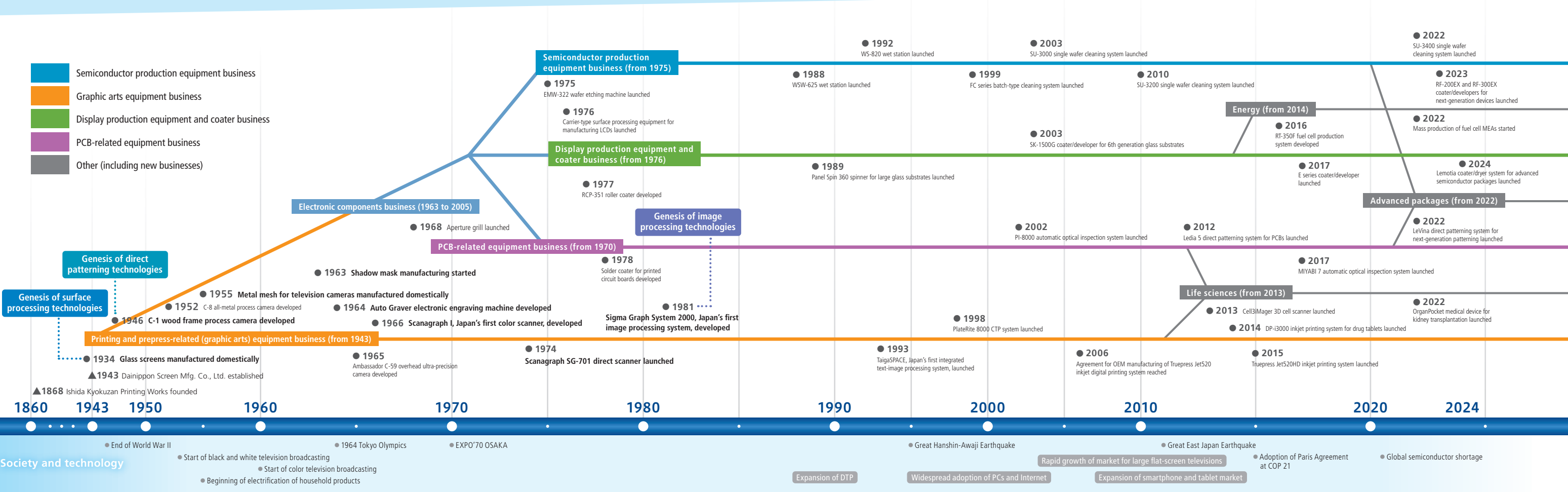
Semiconductor cleaning equipment developed leveraging display manufacturing equipment know-how
We developed the carrier-type surface processing equipment for the rapidly growing LCD market. This product garnered the attention of U.S. semiconductor manufacturers, leading us to develop our automatic wet station for wafers.

1990s–
Secured a position leading innovation in the semiconductor industry during the transition to 300 mm wafers
As 300 mm wafers became the international standard, mass production of semiconductor production equipment was needed. SCREEN spearheaded this development and commercialized the FC-3000 cleaning system for 300 mm wafers. In 2001, we won bulk orders for mass production lines from major U.S. manufacturers and established the global standard for cleaning.

2000s–
Aimed to achieve the top global ranking
To meet market needs for more advanced cleaning system, in 2003, we launched the SU-3000 single wafer cleaning system, which enables thorough cleaning. Since then, the SU series has become one of SCREEN's mainstay products, boasting the top market share worldwide.

2010s–
Growth of existing businesses and expansion into new fields
Amid the rapid adoption of smartphones, the PCB-related equipment business grew out of printing prepress technology to meet the demand for denser and smaller PCBs, culminating with the launch of the Ledia 5 direct patterning system. We also leveraged our core technologies to enter new fields, such as life sciences, energy, and inspection & measurement.

2023–
Innovation for a Sustainable World
Under the redefined corporate philosophy, we aim to realize a prosperous and sustainable world by supporting technological innovation in the industry and creating solutions that help solve issues facing our clients and the world.



Our values: Who we are

Innovation for a Sustainable World

The SCREEN Group creates shared value that makes a difference, today and tomorrow. As a solution creator, we seek to find answers to a wide range of issues facing global society and enrich lives through our technologies and products. Here are some of the ways we do this.

SPE Semiconductor production equipment business

 SCREEN SPE group website

GA Graphic arts equipment business

 SCREEN GA group website

FT Display production equipment and coater business

 SCREEN FT group website


PE PCB-related equipment business


 SCREEN PE group website

AS Advanced ICT solution business

 SCREEN AS group website

New businesses

ADPKG Advanced semiconductor packaging-related equipment 

ENERGY Energy (hydrogen-related) 

LS Life sciences
(cell-related systems, drug tablet-related systems, and medical devices) 

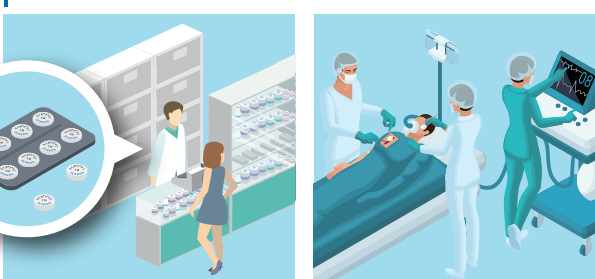
Homes, offices



SPE GA FT PE

We provide convenience and comfort through equipment for producing the semiconductors, printed circuit boards, and displays used in devices like laptops, smartphones, and tablets, as well as printing equipment and fonts for books and magazines.

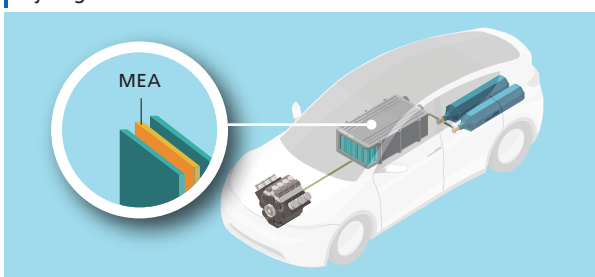
Medical institutions, research facilities



LS

Our inkjet tablet printing systems add value to drug tablets, helping the pharmaceutical industry improve tablet identifiability and prevent medical errors due to tablet mix-ups. We also contribute to safety and health through our medical devices for the organ transplantation field.

Hydrogen



ENERGY

We have successfully mass-produced membrane electrode assemblies (MEAs), a key component of fuel cells that significantly determines their durability and performance. We are advancing efforts to offer solutions that utilize sustainable hydrogen energy technology, such as R&D of cell stacks, a component indispensable for hydrogen production via water electrolysis.

Grocery stores



GA

We add color to everyday life through safe, eco-friendly printed materials, such as printed food wrapping and paper packages, as well as labels for bottles, jars, and canned products.

Communication base stations, data centers



SPE PE ADPKG

The evolution of mobile communications and spread of generative AI is driving growing demand for high-performance, energy-efficient semiconductors. We help improve the flow of information by providing semiconductor production equipment with superior environmental performance and equipment for advanced packaging.

AS

We offer sophisticated, advanced solutions based on our accumulated experience and know-how in software development for IoT, AI, and AR. Through our efforts to improve client operations with enhanced efficiency, automation, and quality, we also endeavor to address issues facing society.

Message from the CEO

A new medium-term management plan to realize our 10-year vision

Toshio Hiroe

Representative Director
President
Chief Executive Officer (CEO)

Looking back on Value Up 2023

Our previous medium-term management plan, Value Up 2023 (FY2021/03–FY2024/03), was the first such plan I led as president. The plan was launched in April 2020, at the height of the COVID-19 pandemic, but in the end, we exceeded its initial targets. For this, I am deeply grateful not only to our clients and employees, but also to all the partners whose dedicated efforts helped us achieve these goals. Recently, we have seen a decline in demand for electronics, particularly consumer goods such as computers and smartphones, which had previously been driven by demand related to remote working; however, with the advent of generative AI, semiconductor demand is once again entering a major growth cycle.

Under Value Up 2023, we sought to enhance corporate value by creating innovation and a sustainable growth cycle. We implemented innovation management tied to our management strategy and revised our technology development strategies to align with this goal, which enabled us to allocate resources in a manner consistent with our management strategy. However, when it came to creating new products and technologies capable of increasing market share and improving profitability in our existing businesses, we fell short of our goals. The same was true for efforts to scale up our new businesses. These remain as ongoing issues to address in our new medium-term management plan.

Generating cash flows commensurate with profits earned in pursuit of profitability and efficiency was another of our targets. Using ROIC as a management indicator led to improved efficiency and profitability, which in turn has allowed us to realize robust net cash

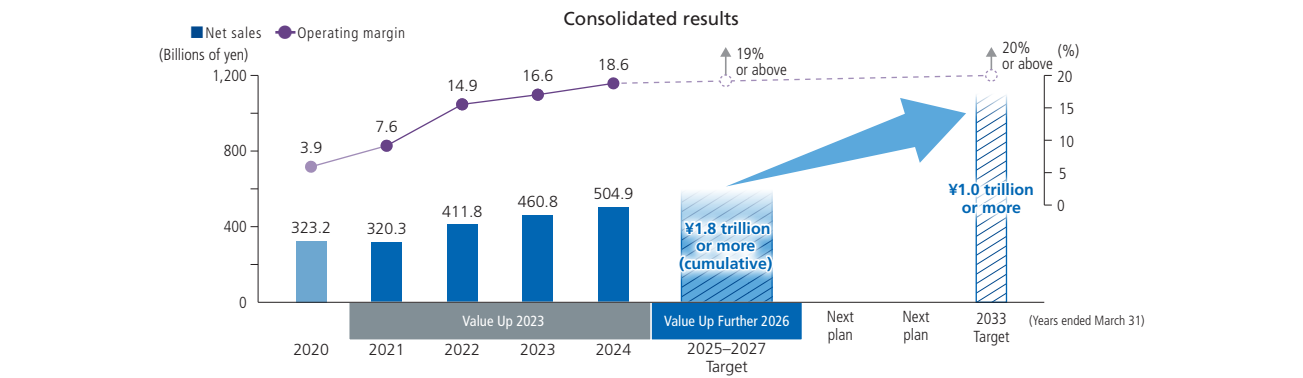
inflows. By breaking ROIC down into *Gemba* KPIs to promote understanding and change mindsets among employees, and by integrating ROIC into performance metrics, we not only experienced business growth, but also saw progress in our ROIC-minded operational reforms and the structural reforms of unprofitable businesses.

From a management perspective, as well, we can now discuss business policy within a framework based on the twin axes of ROIC and net sales growth, and business portfolio management has taken root at the top management level. Compensation for directors is also, of course, now linked to ROIC. Thanks to these reforms, we are now able to reinvest the cash generated by our businesses into further growth.

During the period of the plan, we also promoted productivity improvements in our mainstay SPE business by investing in the new S³-4 and S³-5 factories to maximize the use of S³-3, the cleaning equipment automated assembly factory at our Hikone Site. This not only allowed us to expand production, but also improved our production efficiency. I believe that we have the widespread adoption of *Gemba* KPIs to thank for this.

In addition, the management plan embraced ESG initiatives for becoming a sustainable corporation. In this area, we made progress with climate change initiatives and environmental management. We met our SBTi-approved* targets for reducing greenhouse gas emissions (Scope 1+2, 3) and made disclosures in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in our four main businesses.

Our values: Who we are



In the final year of the plan, we updated our emissions targets for the fiscal year ending March 31, 2030 to be consistent with a global temperature increase of 1.5°C, in line with plans to accelerate our efforts. In the area of governance, we worked to strengthen risk management, and discussions are now being held at the management level to identify significant risks and implement risk reduction initiatives.

Value Up 2023 embodied our vision of enhancing SCREEN’s corporate value as a combination of social

and economic value. The aforementioned efforts helped us achieve this goal while making structural changes to build a sound financial foundation. As a result, I believe we have successfully addressed the longstanding challenge of building a framework that will allow us to continue the research and technological development necessary for growth regardless of fluctuations in the business environment.

* SBTi: Science Based Targets initiative. An international initiative to prevent global warming by setting greenhouse gas reduction targets based on scientific evidence.
Note: For details, see “Medium-term management plan” (p. 23).

Value Up Further 2026—a new plan to take on new challenges

This fiscal year (ending March 31, 2025), we launched Value Up Further 2026 (FY2025/03–FY2027/03), our new medium-term management plan for achieving the 10-year vision of the Management Grand Design, “to be a solution creator: becoming what the world needs, together with our partners.” The Management Grand Design defines this vision for the Company in terms of the quantitative outcome targets of achieving net sales of ¥1 trillion or more and an operating margin of 20% or above. We recognize that we will need a more robust management foundation to make this vision a reality. As such, we have positioned this new plan as a period in which we will lay the foundation for the growth we will strive for in our next medium-term management plan (beginning FY2028/03) and beyond.

Value Up Further 2026 sets out strategies to enhance our business foundation from multiple perspectives. We have set up a dedicated division for each strategy to effectively implement them by reinforcing the strategic planning functions of SCREEN Holdings and managing progress as the strategies are implemented at the business

operating companies.

We will accelerate the cycle of steadily growing our four existing businesses while reinvesting the cash they generate into growth areas. In our existing business operations, we will concentrate on reinvesting in the SPE business, which operates in a field that is expected to become increasingly technically demanding and experience market growth. In new business areas, we will narrow our focus from four business areas to three: advanced packaging, which is vital for the advancement of semiconductor technologies; hydrogen-related businesses, which enable the transition to hydrogen energy; and life science, which plays a crucial role in improving quality of life. During the period of this plan, we aim to create new businesses that generate ¥10 billion in net sales.

Over the next three years, it will be important to not only invest in the R&D and facilities that will support future business growth, but also in the human resources who will serve as the backbone of that growth. Our Management Grand Design, announced in September

2023, established a policy of allocating 70% of our investment capital to growth investment, and Value Up Further 2026 increases this figure to 80%. In line with this, our shareholder return policy is to maintain a consolidated dividend payout ratio of 30% or above, and we may conduct share buybacks depending on the progress of our growth investment. We hope our stakeholders will view the next three years as a period of laying the groundwork for future growth, and we ask for your understanding and support.

Moving on to the details of our investment plans, our new medium-term management plan identifies two main areas of focus.

First, we will prioritize investments that enhance the competitive advantage of our products. In particular, to increase market share in our mainstay SPE business, it is essential that we expand development and production systems for our cleaning equipment in tandem with technology trends in state-of-the-art semiconductors, and we will strategically make the necessary investments to make this happen. Clients outside Japan account for over 80% of our SPE sales, and cutting-edge development is primarily taking place overseas.

While our current development operations are based in Japan, we will need to utilize overseas resources, and it will be necessary to construct a framework to support this. Two years ago, we experienced a difficult time when our production capacity could not keep up with market growth, and we were forced to keep clients waiting for deliveries. To prevent this from happening again, we will work to accurately identify market growth trends and make appropriate capital investments.

Second, we will invest in the cultivation of new businesses. Looking back across SCREEN’s history, the constant thread running through it is the spirit of our Founder’s Motto, “Shi Ko Ten Kai,” which calls upon us to broaden our thoughts and horizons in the pursuit of innovation. SCREEN’s first foray into the electronics industry was in 1975, preceded by the manufacture of shadow masks for color TV CRTs. At the time, SPE was just a small start-up business. It is worth remembering that even this powerhouse business that now accounts for 80% of our Group sales was once a new venture.

SCREEN has helped to transform the industry by providing solutions that help solve issues faced by society and our clients, and by turning these solutions into businesses. To maintain business growth over the

long term in a way that is consistent with our aspirations, we must continue our tradition of challenging ourselves to create innovative solutions and cultivate them into businesses. I strongly believe that this is essential to our mission of providing what the world needs.

As we work to achieve our 10-year vision, we have formulated a range of strategies to address our material issues. The new medium-term management plan identifies three key strategic areas: business growth strategies, business foundation enhancement strategies, and shared strategies for both of these areas.

The business growth strategies include portfolio strategy, which expands the ROIC management we implemented in the previous medium-term management plan to product portfolio management in our existing businesses. They also include business growth strategies for the business operating companies, which focuses on enhancing added value and market share in existing businesses; innovation management, which promotes the creation of new products and technologies in both new and existing business areas; and an IP strategy, which is linked to our corporate and business strategies.

The business foundation enhancement strategies consist of an HR strategy for developing organizations and individuals into solution creators; a financial strategy; a digital strategy for raising productivity and improving security through digital transformation; and a facility strategy. We will closely link each of these strategies with our corporate strategy.

The shared strategies include a sustainability strategy, which continues and advances the initiatives undertaken in Value Up 2023, along with a brand strategy that takes a broader view of the SCREEN brand that we have cultivated with our stakeholders, seeking to rebuild a unified image encompassing the entire SCREEN Group.

By instilling and advancing these strategies throughout the Group, we hope to advance to our next stage as a company and press on toward the vision that we hold for ourselves.

Note: For details, see “Medium-term management plan” (p. 23) and the pages pertaining to the individual strategies.

The source of SCREEN's value creation and competitive advantage

I believe that the source of value creation at SCREEN lies in our portfolio management—innovation management and business portfolio management. Throughout its history, SCREEN has combined and applied its core technologies in the fields of surface processing, direct patterning, and image processing to bring about innovations that we have transformed into the solutions our clients require. This has contributed to industry development and spurred our growth.

I see these achievements as the embodiment of our corporate purpose, “Innovation for a Sustainable World.” Our ability to create solutions and our ability to transform these solutions into businesses are the source of our value creation. It is by combining these abilities that we maintain our competitive advantage. As we advance into the future, we will strive to continue to cultivate businesses with the potential to resolve social issues using

the solutions we create.

To make this possible, we still need to address certain issues in innovation management, which we introduced in Value Up 2023. Our innovation management process begins by unearthing seeds of new solutions in strategic areas in an elemental development phase. Next, the cultivation phase lays the groundwork for building a business, before advancing to the final phase, commercialization.

By clearly mapping out the trajectory through these phases, we believe we can improve the probability of success. Implementing innovation management not only in our new business areas but also in our existing business fields is one of the strategies of our new medium-term management plan, and we will use this phase-based approach to do so effectively.

Note: For details, see “Innovation management” (p. 52) and “New businesses” (p. 65).

Ingraining our corporate philosophy and CSV, and developing solution creators

To realize our 10-year vision, I believe that it will be important for our employees to take initiatives and make positive changes to enhance corporate value, taking a step back to consider more of the value chain as they do so. Although it goes without saying, broadening the scope of such efforts this way has the potential to amplify our value creation and make it easier for us to add value with our solutions. SCREEN marked its 80th anniversary in 2023. We took advantage of this milestone to revise our corporate philosophy and define our corporate purpose. We felt this was necessary to create the conditions for our employees to take ownership and freely discuss and debate issues they uncover.

Over the past year, I conducted a series of town hall meetings alongside the management teams from our group companies. We spoke with employees at our business sites in an effort to instill our corporate purpose and a solution creator mindset, seeking to help employees understand how they can take ownership of these goals and connect them to their daily work. Step by step, we have seen our corporate purpose and the desire to become solution creators steadily take hold, fostering a sense of unity across the SCREEN Group.

I personally have also found my conversations with employees very enlightening and have taken action to address some of the issues they brought to light. For example, some employees spoke of the siloing of group companies and hierarchical barriers within organizations. To address these, we have started organizing events that offer employees of different group companies and ranks the opportunity to connect and communicate. Many employees also requested a more thorough explanation of the medium-term management plan, which helped me realize that my quarterly message videos alone are not sufficient to effectively convey my thinking. I have therefore focused on increasing face-to-face opportunities for dialogue.

It is my hope that our group employees will remain ever cognizant of our corporate purpose and how it relates to their work, and that they will always consider how they can achieve create shared value through business, as a habitual part of their daily work. We cannot change what has already happened today, but we can change tomorrow. By conveying this to our employees, I hope to raise awareness of the importance of our medium-term efforts, bring about changes in our work



Taken at the new head office cafeteria

environments, and move forward as a company.

During the period of Value Up 2023, we introduced an engagement survey as a metric for efforts to improve employee engagement. We believe that this survey can also serve as a tool to analyze changes in employee mindsets, and that it will suggest measures that management should take. The positive response rate to this survey has been adopted as a non-financial outcome indicator in our Management Grand Design and a non-financial target indicator in Value Up Further 2026. Raising this figure will hinge on the success of the top-level management and our HR strategy. I hope to see the effects of our efforts reflected in the positive response rate.

As we move forward, I believe that the future will require the traditional centralized decision-making process to be replaced by a more decentralized form of management that allows the organization as a whole to make quick decisions and act decisively. Our corporate purpose—along with the Group employees who embody our core values—will be key to making this possible. To unlock their potential, we hope that each of our employees will act in a way that is motivated by a desire to be a solution creator. To make it easier to understand what that looks like in practice, we have defined a set of five attitudes expected of solution creators: “think deep, and see through to the essence,” “take ownership,” “drive innovation as a team,” “try and try again with passion and

honesty,” and “earn respect from clients.”

These five attitudes were formulated following numerous interviews with employees, including the presidents of the group companies, while also taking into account the anecdotes and discussions that emerged during a series of roundtable workshops.* To help employees understand and internalize these attitudes, we have compiled them into a Solution Creator Handbook that has been distributed in both digital and paper formats. We also plan to add the attitudes as a behavioral assessment metric for employees (from the second half of the fiscal year ending March 31, 2025) in the hope that it will encourage workplace communication between staff members and their managers that bridges hierarchical divides.

With every member of the SCREEN Group acting as a solution creator who generates the solutions that pave the way to a better future, we will strive to continue to earn the trust and support of our stakeholders over the long term.

* Seven workshops were held in the fiscal year ended March 31, 2024. They were divided into groups by business and attended by representatives from various divisions. Participants considered what it means to act as a solution creator and discussed ways of cultivating more solution creators who will work to realize the SCREEN Group's corporate philosophy and create shared value (CSV) at the business operating companies.

Note: For details, see “HR strategy” (p. 33).

Long-term strategy and key performance metrics

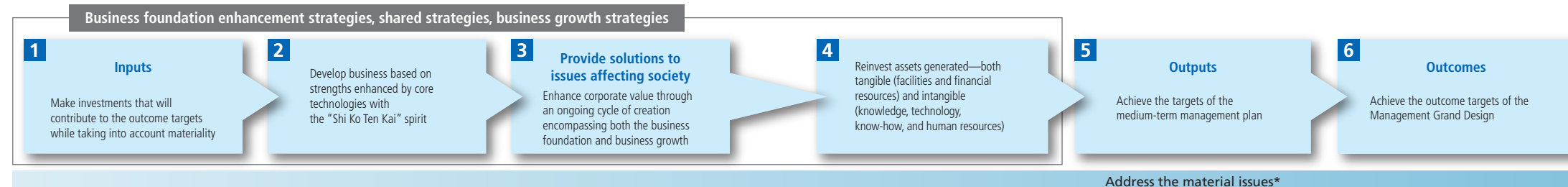
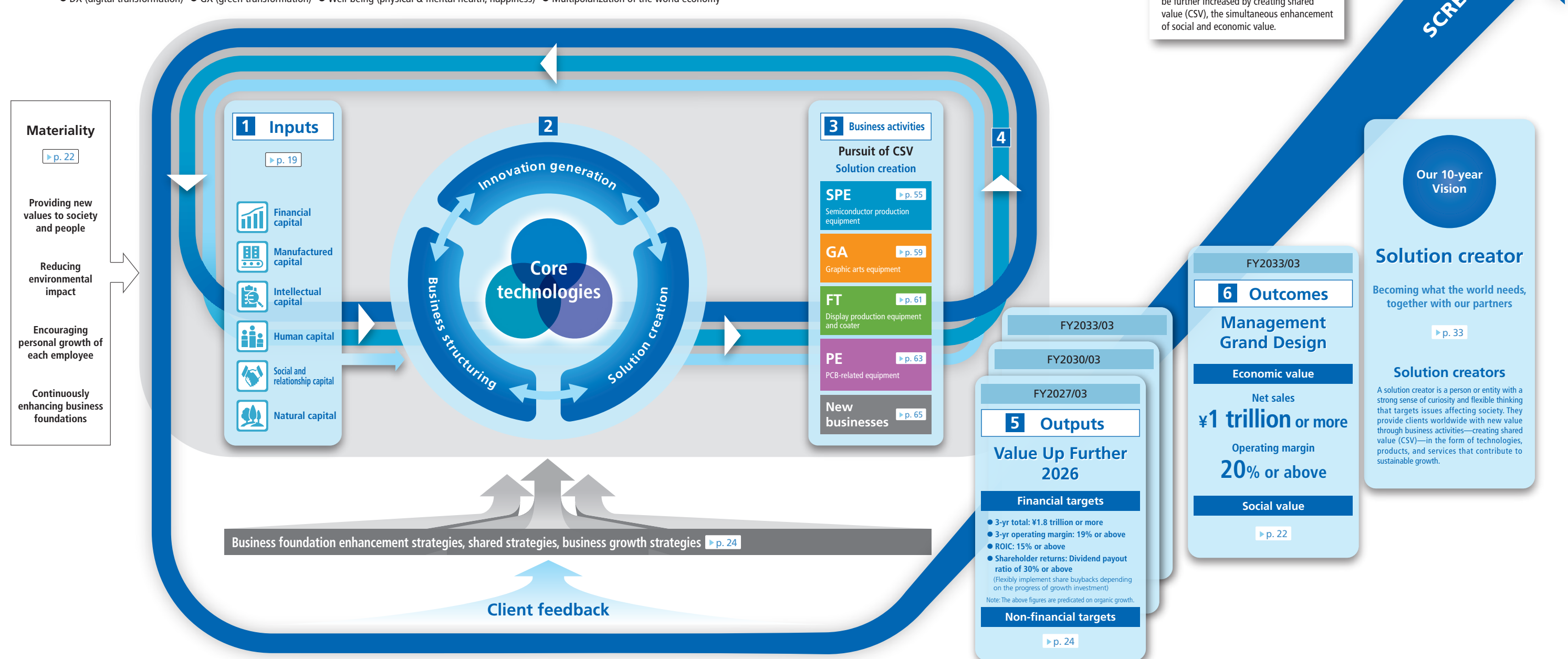
Value creation by the SCREEN Group

Through the cycle of corporate value enhancement illustrated below, which is aimed at providing new value to our clients around the world through our business activities, the SCREEN Group is working toward its 10-year vision.

Purpose **Innovation for a Sustainable World** Founder's motto **Shi Ko Ten Kai**

Megatrends [▶ p. 21](#)






● DX (digital transformation) ● GX (green transformation) ● Well-being (physical & mental health, happiness) ● Multipolarization of the world economy



Long-term strategy and key performance metrics

Invested capital

To realize its 10-year vision, the SCREEN Group believes that it is essential to maintain a cycle of corporate value enhancement through continuous inputs (the six capitals) and the reinvestment of the tangible and intangible assets that our businesses generate. The table below lays out the definitions of these inputs, the reasons for their importance, their role in SCREEN's value creation, and the main results produced by our business activities.

	Main inputs (FY2024/03) Value creation by the SCREEN Group 1	Reason for importance	Role in value creation	Business activities Value creation by the SCREEN Group 3	Main results (FY2024/03) Value creation by the SCREEN Group 4
Financial capital  ▶ p. 29	Equity ¥371.9 billion (Equity ratio: 54.9%) Interest-bearing debt..... ¥7.1 billion Net cash..... ¥190.0 billion	Return on invested capital (ROIC) has been used as an indicator to measure the performance of our businesses since the fiscal year ended March 31, 2021. By breaking down ROIC into <i>Gemba</i> KPIs to clarify numerical outputs, we aim to properly manage the capital efficiency of our businesses and to steadily generate operating cash flows as an essential source of investment for the next stage of growth.	<ul style="list-style-type: none">By improving capital efficiency, we seek to increase the operating margin and net income ratio so that we will be able to provide shareholders with satisfactory returns.Increasing our operating margin enhances our capacity to generate operating cash flows and thus secure funds to invest in growing and new fields.		Operating margin 18.6% Operating cash flows ¥96.2 billion ROE 21.0% ROIC 19.9% Credit rating..... “A” (with a “Stable” outlook)
Manufactured capital  ▶ p. 41	Capital expenditures¹..... ¥90.0 billion Production sites 13 Japan: 8 Outside Japan: 5	Manufacturing equipment and facilities that are high in productivity and low in environmental impact, to meet our future needs, are essential for us to fulfill our responsibilities related to supplying products to clients. We conduct ongoing future-oriented capital investment while managing depreciation and amortization at appropriate levels.	<ul style="list-style-type: none">We help clients expand their business by supplying products suited to their needs at the right time and in the right quantity.		Revenue from equipment sales ¥391.8 billion Increase in total SPE's production capacity with the start of operations at S³-5, etc.⁵.....Approx. 20% 5. Compared with production capacity after the start of operations at S³-4 (as of January 2023). Includes the effects of investments at SCREEN SPE Works and SCREEN SPE Quartz.
Intellectual capital  ▶ p. 67	R&D expenses¹ ¥97.3 billion Patents held² 7,882 2. HD, business operating companies, and functional support companies	Given the centrality of technological development to SCREEN's businesses, R&D is crucial to enhance competitiveness and generate innovation. At the same time, we place importance on the number of patents we hold in Japan and abroad to enhance our transnational intellectual property strategy.	<ul style="list-style-type: none">We promote development projects that lead to new technologies, new products, and new businesses. We engage in joint development with clients and external partners to accumulate know-how and knowledge and thereby accelerate development.We focus on patent acquisition in Japan and abroad, especially in China and other countries with particular market needs.		New products released 9 External publications⁶ (articles published, presentations at academic conferences, etc.)..... 154 Patent/utility model rights obtained⁷ 941 6. R&D departments and new business departments of HD as well as business operating companies 7. HD, business operating companies, and functional support companies
Human capital  ▶ p. 33	Employees (consolidated) 6,264 Japan: 3,832 Overseas: 2,432 Expenses for education and training³ ... ¥0.4 billion Town hall meetings..... 37 Town hall meeting participants 2,638 3. Total expenditures by SCREEN Holdings, business operating companies, functional support companies, and consolidated group companies in Japan on internal training and external seminars and lectures (excluding expenditures on promotion-related reviews, etc.)	To continue to provide solutions that create strong relationships of trust with clients by meeting constantly evolving social and market needs, SCREEN must develop solution creators. To ensure that employees acquire the necessary skills and expertise, we are revising training and education and promoting human resource development. To continue enhancing corporate value amid rapidly changing business and social conditions, we need our diverse employees to come together and proactively work in the same direction. Toward that goal, we will work to promote the uptake of our corporate philosophy through such initiatives as town hall meetings and execute our human resources strategy. In this way, we will foster a sense of unity and create environments in which diverse employees can succeed.	<ul style="list-style-type: none">In formulating and implementing human resources strategy more closely linked with corporate and business strategy, we are working to develop solution creators.Through human resources strategy, we support sustainable corporate growth by creating a vibrant corporate culture and encouraging individual growth.We are building an environment where diverse employees can fully demonstrate their abilities to increase our corporate value.		Net sales per employee..... ¥80.60 million Operating income per employee ¥15.03 million Management positions held by women⁸ 4.46% Female employees⁸ 11.1% Understanding of and resonance with the corporate philosophy⁸ 90% Employee engagement survey Positive response rate⁸..... 65% 8. HD, business operating companies, and functional support companies
Social and relationship capital  ▶ p. 6 ▶ p. 54 ▶ p. 58 ▶ p. 82 ▶ p. 84 ▶ p. 86	Major suppliers (by transaction value) 240 Collaborations with external partners¹,⁴ 39 Coverage analysts..... 14 4. Main publicly announced relationships	In addition to relationships with clients, we are strengthening relationships with suppliers to build a resilient supply chain. We are also focusing on the number of collaborations with external partners. We seek to accelerate development and strengthen competitiveness through participation in partnerships and consortiums, as well as collaborations with academic and government organizations. Our commitment to building a good relationship of trust with stakeholders in Japan and abroad contributes to corporate value enhancement.	<ul style="list-style-type: none">SPE, GA, and FT hold number one global market shares in certain product segments.We regularly survey major suppliers, including the top 240 companies by transaction value, regarding their compliance with the Supplier Code of Conduct. This helps us strengthen CSR across the supply chain and build a business continuity management system (BCMS).Outcomes of collaborations are disclosed where appropriate and possible, helping form future collaborations.		No. 1 product market share 5 product segments ISO 22301 (BCMS) certification 4 companies Successful collaboration results 4 Total income taxes paid ¥23.5 billion Total shareholders..... 44,711
Natural capital  ▶ p. 43	Energy consumption..... 163,386 MWh Water withdrawal 2,316 thousand m³	To reduce environmental impact, efficiently managing and reducing the usage of energy, materials, and water resources in business activities is essential. While considering both our dependence and impact on natural capital, we analyze associated risks and opportunities to reflect these insights in our businesses and improve our disclosure.	<ul style="list-style-type: none">We strive to reduce greenhouse gas (GHG) emissions throughout the lifecycle of our products to contribute to decarbonization.Products that meet the SCREEN Group's environmental performance criteria are certified as Green Products or Super Green Products. We are working to reduce our environmental impact by certifying and selling more products with these designations.	GHG emissions (Scope 1+2) 27.5 thousand metric tons CO₂e GHG emissions (Scope 3 category 11) 2,247 thousand metric tons CO₂e Water discharge 2,253 thousand m³ Waste and valuable materials generated... 3,152 metric tons Certified Green Products 182 Certified Super Green Products 3	

1. Figures for capital expenditures, R&D expenses, and collaborations with external partners are cumulative totals for FY2021/03–FY2024/03 (the four years of the previous medium-term management plan).

Note: Unless otherwise stated, the figures provided are based on indicators available for disclosure within the scope of consolidation.

Management Grand Design 10-year vision for enhancing corporate value

Under the Management Grand Design, we aim to address issues facing society through our business, leading to the creation of new value (CSV)—comprising both social and economic value—and thereby further enhance our corporate value. The cash generated through this process is reinvested in business growth and business foundation enhancement to drive further innovation and provide solutions to clients. In the fiscal year ending March 2025, we have made partial revisions to the Management Grand Design, including the creation of new shared strategies for both business foundation enhancement and business growth.

Outline of the Management Grand Design



Process for identifying material issues

In the process of revising the Management Grand Design, we assessed current megatrends and the underlying major socioeconomic currents and identified global issues that may impact our operations. From these, we shortlisted possible material issues. We then evaluated the candidates and determined their order of priority, taking into account international initiatives, such as the UN Global Compact and RBA,* as well as communication with our stakeholders. In addition, we evaluated them in terms of both their importance to society and to the Group to determine their overall materiality. Through this process, we identified the key material issues that SCREEN’s management must address to realize the 10-year vision. These issues have been used as a basis to develop the specific strategies, targets, and measures of the new medium-term management plan, and we will continue to revise them as necessary in response to changes in the business environment.

* RBA: Responsible Business Alliance. An alliance encompassing the electronic device, IT, toy, and automotive industries that establishes rules and regulations related to labor, safety and health, environment, ethics, and management systems
Note: For details, see “Medium-term management plan” (p. 23).



Major socioeconomic trends	Megatrends for SCREEN	Opportunities, risks, and our response
Demographic/economic trends → Growth of new economic powers, aging populations Social trends → SDGs, DX, Generation Z's values Post SDGs → Changes in megatrends due to new social and economic demands Energy transformation → Toward carbon neutrality (policies, transition, competition, investments) Intensified economic security concerns and resource wars → Increased geopolitical risks, deglobalization Technologies → Next-generation communication technologies (BSG/6G) and computing, etc.	1 DX (digital transformation) 2 GX (green transformation) 3 Well-being (physical & mental health, happiness) 4 Multipolarization of the world economy	Opportunities The transformation of industrial structures through digitalization will provide business opportunities. The impact will be particularly large in the area of electronics, which supports DX, and SCREEN views this as a driver of growth. → The digitalization of management and manufacturing will transform the way we work. Opportunities The need to reduce environmental impact to realize a sustainable society will be an increasingly important area of corporate social responsibility. This will create business opportunities in energy and eco-friendly products. → SCREEN will continue to promote environmentally friendly manufacturing. Opportunities Mental and physical well-being will increase in importance. Solutions to social issues that enhance quality of life will offer business opportunities. → SCREEN will continuously promote the health and wellness of its employees. Opportunities Further trade barriers are forecast for the world economy. SCREEN views this as both a risk and opportunity in light of its global businesses. → SCREEN will pay close attention to these trends and develop business in line with the regulations. Risks

Our values: Who we are	Long-term strategy and key performance metrics	Implementation strategies	Governance	Corporate data
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Material issues and outcome targets

To realize our 10-year vision, we have identified four material issues that SCREEN’s management needs to address. In addition, we have set outcome targets (financial and non-financial targets for the fiscal year ending March 2023) to measure the value the Company aims to demonstrate to society as we come closer to the 10-year vision.

Strategies for realizing our 10-year vision				
Material issues	New value Providing new value to society and people Establishing businesses focused on social needs, thereby adding value to our technologies, products, and services to contribute to the development of a sustainable society.	Environment Reducing the environmental impact Reducing greenhouse gas emissions, waste disposal, and use of exhaustible resources through business activities, thereby addressing socio-environmental issues such as climate change and biodiversity.	Human resources Encouraging personal growth of each employee Motivating each employee to take on new challenges and supporting their personal growth, through the efforts to ingrain our corporate philosophy and develop solution creators.	Business foundations Continuously enhancing business foundations Enhancing our business foundations to support the efforts to increase our long-term corporate value through the implementation of growth strategies in line with our purpose.
Outcome targets	Net sales ¥1 trillion or more Operating margin 20% or above			
Policy and strategies	The entire SCREEN Group will work as one to implement its business foundation enhancement and business growth strategies, as well as shared strategies that cover both. By providing solutions that address social needs through business, we will create outcomes that enhance our corporate value. 			
Main initiatives	Business growth strategy p. 55, p. 59, p. 61, p. 63 Portfolio strategy p. 51 Innovation management p. 52 IP strategy p. 67	Sustainability strategy: Addressing climate change p. 45 Efforts to reduce waste and increase the recycling rate p. 48	HR strategy: Employee engagement survey p. 38 Employee wellness p. 39 Safety and health p. 40	HR strategy: Talent portfolio management p. 34 Financial strategy: Message from the CFO p. 29 Corporate governance p. 73 Digital strategy p. 41

1. For details about Super Green Products, see “Environment” (p. 47).
2. Presenteeism: Self-assessed ratio of work performance over the past four weeks, based on the assumption that 100% represents performance when unaffected by illness or injury

Supporting the achievement of the Sustainable Development Goals

As part of efforts to achieve the 10-year vision included in the Management Grand Design, the SCREEN Group has expanded the SDGs to address through its businesses from 8 to 15. Working as a united group, we will strive to advance value creation toward our future ideals for both society and the SCREEN Group.

Long-term strategy and key performance metrics

Medium-term management plan

Under the previous medium-term management plan, Value Up 2023, the establishment of ROIC management improved profitability and efficiency, leading to the achievement of all of the upwardly revised financial targets for the final year set in July 2022. Under the new medium-term management plan, Value Up Further 2026, we will invest aggressively to build a robust business foundation aimed at achieving the Management Grand Design's FY2033/03 targets of net sales of ¥1 trillion or more and an operating margin of 20% or above.

Value Up 2023

FY2021/03–FY2024/03 (four years)

Concept

Establishing a presence as the solution creator in each market we serve

Economic value targets and results

All targets were met. Profitability and efficiency improved.

	Final-year targets (initial plan)	Final-year targets (after July 2022 revisions)	Final-year results (FY2024/03)
Net sales	¥400 billion or more	¥500 billion or more	¥504.9 billion
Operating margin	15% or above	17% or above	18.6%
ROE	15% or above	20% or above	21.0%
Operating cash flows	Cumulative total of ¥120 billion or more in 4 years	Cumulative total of ¥240 billion or more in 4 years	Cumulative total of ¥309.1 billion in 4 years
Shareholder returns	Consolidated total shareholder return ratio 30% or above	Consolidated total shareholder return ratio 30% or above	Consolidated total shareholder return ratio 30.6%

Social value targets and results

▶ See [p. 25](#) for the plan's social value targets.

Achievements

Main strategies	Results
Enhance corporate value by creating innovation and a sustainable growth cycle	<ul style="list-style-type: none">Implemented technological development strategy aligned with business strategyApplied innovation management to revise technological development strategyWorked to increase market share in existing businesses and continued investing to scale up new businesses
Generate cash flows equivalent to profits by improving both profitability and efficiency	<ul style="list-style-type: none">Established ROIC management and introduced business portfolio managementImproved productivity and profitability through investment in S³-3 and S³-4Restructured underperforming businessesShifted focus to cash flow management

Remaining issues

Sustainably improving profitability over the medium to long term while investing aggressively for growth

Note: For details about the previous and new medium-term management plans by segment, see "Semiconductor Production Equipment Business (SPE)" on page 55, "Graphic Arts Equipment Business (GA)" on page 59, "Display Production Equipment and Coater Business (FT)" on page 61, and "PCB-related Equipment Business (PE)" on page 63.

Value Up Further 2026

FY2025/03–FY2027/03 (three years)

Concept

Further enhance our presence through the growth of each individual and by enhancing competitiveness as a solution creator

Financial targets

FY2025/03–FY2027/03 Three-year cumulative targets	
Cumulative net sales	¥1.8 trillion or more
3-yr operating margin	19% or above
ROIC	15% or above
Shareholder returns	Consolidated dividend payout ratio: 30% or above (Flexible share buy-backs will be implemented depending on the progress of growth investment)

Notes: 1. The above figures are predicated on organic growth.
2. For details about cash allocation, see "Message from the CFO" (p. 29).

Non-financial targets

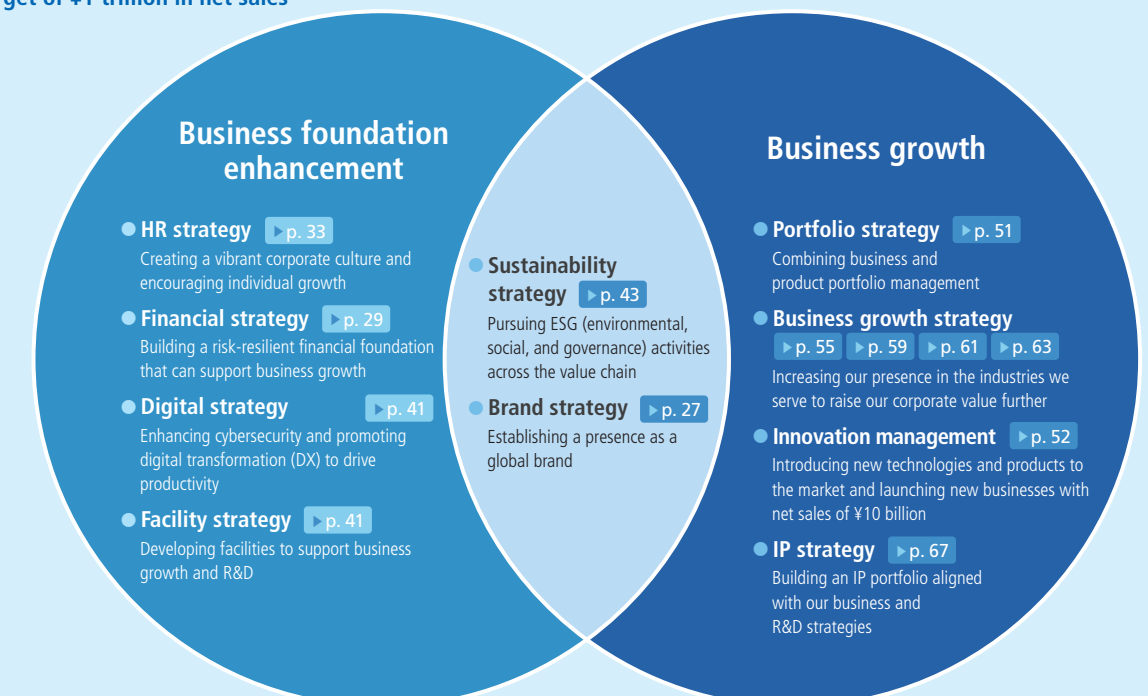
Main final-year (FY2027/03) targets
Human resource strategy • Engagement survey positive response rate: 70% or above ¹
Sustainability strategy • Greenhouse gas emissions reduction ² <ul style="list-style-type: none">Scope 1 + 2—From business activities (total emission volume): 70%+ reductionScope 3—From the use of sold products (per unit of gross profit): 48%+ reduction

1. Consolidated basis, for the final fiscal year
2. Compared with FY2019/03

▶ See [p. 26](#) for the plan's non-financial targets.

Basic concept and main initiatives

The three years covered by Value Up Further 2026 will be an investment phase, building momentum for new growth while maintaining the financial foundation established in the past four years as we work toward the 10-year vision target of ¥1 trillion in net sales



Key points to address

- Increasing market share by enhancing added value
- Launching new technologies and products and strengthening sales capabilities
- Creating new businesses that generate ¥10.0 billion in net sales
- Enhancing operational efficiency
- Enhancing business foundations to support long-term growth

Management
Grand Design
FY2033/03
Net sales:
¥1 trillion or more
Operating margin:
20% or above

Next plan

Next plan

Sustainability medium-term plan

ESG initiatives for a sustainable corporation

Review of Sustainable Value 2023

The SCREEN Group formulated Sustainable Value 2023 as a plan for enhancing its social value. Specifically, the plan sought to live up to the expectations and trust of our diverse stakeholders and fulfill our corporate social responsibility while proactively implementing initiatives to address environmental, social, and governance (ESG) issues through our business activities. Under the plan, we implemented a wide range of initiatives. The plan’s targets for each sustainability-related key issue and the results of related initiatives are shown below.

Sustainable Value 2023 key targets and results (FY2021/03–FY2024/03)			
Key issues	Targets for the fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024	
		Results	Self-evaluation, issues, measures, etc.
Reduce GHG emissions from business activities (Scope 1, 2)	10% reduction compared with FY2019/03 (absolute volume) 45.5 thousand metric tons CO ₂ e Continual activity toward our SBT (Scope 1, Scope 2): ¹ 30% reduction by the end of FY2030/03	45.5% reduction compared with FY2019/03 27.5 thousand metric tons CO ₂ e	Substantial reductions were achieved mainly as a result of the introduction of renewable energy at the Head Office, Hikone Site, Taga Site, and other facilities. Working toward carbon neutrality, in January 2024 we received renewed approval from SBTi of our targets as consistent with limiting the global temperature rise to 1.5°C. ²
Reduce GHG emissions from the use of sold products (Scope 3 category 11)	8% reduction compared with FY2019/03 2,395 thousand metric tons CO ₂ e Continual activity toward our SBT (Scope 3 category 11): ¹ 20% reduction by the end of FY2030/03	13.7% reduction compared with FY2019/03 2,247 thousand metric tons CO ₂ e	An increase in the sales ratio of products that have high environmental performance.
Reduce the volume of waste generated, promote recycling	Waste generated in business activities: 5% reduction compared with FY2019/03 (per unit weight of product shipment) 188 kg/metric ton	10.1% increase compared with FY2019/03 218 kg/metric ton	Results reflected changes in the product mix, despite efforts to turn waste materials into valuable materials and reduce waste.
Promote effective water use	Withdrawal of service water, industrial water, etc., used at business operating sites: 5% reduction compared with FY2019/03 (per unit weight of product shipment) 246 m ³ /metric ton	15.4% increase compared with FY2019/03 299 m ³ /metric ton	Total water withdrawal volume increased slightly, reflecting the expansion of production facilities, despite efforts to improve production efficiency at R&D and manufacturing sites. Results were also impacted by changes in the product shipment mix.
Human resources	Promotion of measures to develop solution creators Enhance systems and measures that provide a tangible sense of growth Improve an environment to support the hiring and development of diverse human resources and enables them to succeed Apply sustainable new work styles	Promoted corporate philosophy uptake (town hall meetings) Defined attitudes required of solution creators Continue the engagement survey Expanded education for engineers Expanded specialist career paths Began consideration of extending the mandatory retirement age	Through town hall meetings with approximately 2,700 employees, understanding of and resonance with the corporate philosophy and goal of becoming a solution creator surpassed 90%. We defined the attitudes required of a solution creator to guide day-to-day action. We also advanced efforts to enable diverse talent, including highly skilled specialists and highly experienced senior employees, to fully utilize their abilities.
Enhance industry-academia-government collaboration and community collaboration	Advance various collaborative projects through cooperation with government agencies, educational institutions, etc.	Formed comprehensive partnership agreement with Shiga Prefecture and took part in the Kyoto Acceleration Program based on the comprehensive partnership agreement with Kyoto Prefecture Worked with Doshisha Business School, Kyoto University of Advanced Science, and other partners to offer internships and implement joint research and communication meetings	We reinforced collaboration with government agencies and educational institutions. We will continue to promote industry-academia-government collaboration that benefits all parties over the medium to long term.
Identify key risks and reduce risks	Reinforce the effectiveness of risk management operations	Focusing on key group risks, the Group Risk Management Committee reported on and confirmed the status of risks, their changes, and policy for handling high-risk matters	Adopted company-wide common risk assessment criteria and implemented improvements, such as reinforcing support from the second line of defense.
Enhance resilience to increasingly severe natural disasters	Improve the resilience of the Group's business continuity planning in the face of increasingly diverse disaster risks	Completed the establishment of BCM rules and BCPs at all global group companies Conducted ongoing drills, including a comprehensive major disaster emergency headquarters drill	Completed the establishment of BCM rules and BCPs at all global group companies; used drills to practice disaster response and make revisions to improve their practicality.
Promote social responsibility in the supply chain	Pursue ongoing strengthening of our supply chain management system, including widespread adoption of our Supplier Code of Conduct, procurement practices, and BCP	Set up a website for suppliers, provided sustainability-related information, and held regular webinars Implemented CSR surveys of our top 240 suppliers and obtained their written statements of agreement with the Supplier Code of Conduct Completed rebuilding of the supply chain safety confirmation system	Built new supply chain frameworks. Strengthened supply chain sustainability by reinforcing communication and coordination.

1. SBT: Greenhouse gas (GHG) emissions reduction target approved in April 2020 by the Science Based Targets initiative (SBTi) as being consistent with levels required to keep the global temperature rise to well below 2°C.

2. SCREEN Receives Renewed Approval from Science Based Targets Initiative

Sustainable Value 2023 initiative highlights

- E Met our SBTi-approved targets (Scope 1, 2, 3), contributing to decarbonization Conducted and disclosed 1.5°C scenario analysis in accordance with the TCFD recommendations and published the 2050 Carbon Neutral Declaration
- S Efforts to rebuild and strategically advance our platform for health and productivity management led to certification as a Health and Productivity Management Outstanding Organization (called “WHITE 500” by METI) for two consecutive years and inclusion in the Health & Productivity Stock Selection
- G Commissioned evaluation and analysis by a third-party organization and published a skills matrix for directors and corporate auditors, as part of initiatives to improve the effectiveness of the Board of Directors

Sustainable Value 2026

We formulated the new sustainability medium-term plan, Sustainable Value 2026, by backcasting from the non-financial indicator outcomes of the Management Grand Design while factoring in issues that emerged during the period of the previous plan as well as external demands and expectations related to ESG initiatives. To achieve the new plan’s targets, we will implement initiatives throughout the global supply chain aimed at further enhancing our corporate value.



Sustainable Value 2026 targets and initiatives (FY2025/03–FY2027/03)

Key issues	Targets for the final year (FY2027/03)	Initiatives
Reduce GHG emissions from business activities (Scope 1, 2)	70% reduction compared with FY2019/03 (absolute volume) 15,170 metric tons CO ₂ e	Advance the use of renewable energy at facilities Consider solar power generation and power storage equipment, etc.
Reduce energy usage in business activities	8% reduction compared with FY2019/03 (per unit of net sales) 367 kWh/million yen	Continue advancing the adoption of energy-saving facilities
Reduce GHG emissions from the use of sold products (Scope 3 category 11)	48% reduction compared with FY2019/03 (per unit of gross profit) 13.5 metric tons CO ₂ e/million yen	Develop businesses with high added environmental value
Provide products with excellent energy-saving performance	Sales from Super Green Products: 3%	Promote the adaptation of mainstay products into Super Green Products
Realize societies in harmony with nature	Reinforce biodiversity-related initiatives	Implement employee education and external communications Cooperate with local communities
Reduce the volume of waste generated	8% reduction compared with FY2019/03 (per unit of net sales) 4.36 kg/million yen	Expand efforts to turn waste materials into valuable materials company-wide Continue to reduce waste generated
Promote effective water use	Water withdrawal: 8% reduction compared with FY2019/03 (per unit of net sales) 5.31 m ³ /million yen	Reinforce water resource management in product development and manufacturing
Comply with product regulations	Virgin PFAS usage: 15% reduction compared with FY2024/03	Make effective use of recycled materials Reinforce coordination in the supply chain
Reinforce environmental invention	Create environmental inventions that contribute to environmental impact reduction	Promote the creation and IP formalization of environmental inventions through business activities
Increase the number of female employees and the rate of female employees in management positions	Women among new graduate hires: 20% or more Management positions held by women: 5% or more	Offer discussion sessions for female students in STEM fields and expand internship opportunities Improve work environments to be accommodating of women in management positions and support their promotion
Promote the employment of people with disabilities	Employees with disabilities: 2.7% or more	Expand Parte (in-house organization for the employment of people with disabilities)
Promote employee wellness	Presenteeism: 81%	Strive toward stress-free workplaces Coordinate with work style reform and other personnel measures
Prevent occupational accidents	Occupational accidents: 33% reduction compared with FY2024/03 32 or fewer	Promote data-driven measures and safety education for employees to change mindsets
Prevent IT incidents	Catastrophic (level 2-equivalent for the Group) information incidents and accidents: 0	Develop and apply rules and guidelines according to the danger level of group risks Expand training to enhance the capabilities of the Computer Incident Response Team (CIRT) Increase personnel with relevant certifications
Maintain and strengthen IT security	NIST SP 800-171 Level 2 (Advanced)-compliant	Improve information security policies Expand dedicated security organization Implement both rules- and technology-based measures Implement group and supplier evaluations
Reinforce BCP globally	Promote BCP at subsidiaries of business operating companies	Visit group companies, implement on-site surveys, and hold workshops
Reinforce BCP in the supply chain	Promote dialogue with suppliers based on risk analysis	Implement measures in cooperation with business operating companies
Promote social responsibility in the supply chain	Expand conflict mineral survey coverage: 120 companies	Build momentum through supply chain communication
Enhance disclosure	Respond to demands for and enhance ESG-related disclosure	Identify critical issues and respond to requests

Investing in growth to reach the Management Grand Design targets

Masato Goto

Senior Managing Executive Officer
Head of Corporate Strategy
SCREEN Holdings



Three years focused on investment

Under the previous medium-term management plan, we met all of the group targets, which were upwardly revised in July 2022. However, sustainably improving profitability over the medium to long term while strengthening investment in growth remains a challenge to be addressed.

The new medium-term management plan, Value Up Further 2026, will serve as a first step toward the Group’s 10-year vision (ending March 2033) laid out in the Management Grand Design. In light of the issues from the previous medium-term management plan, considerable investment will be needed to support continued growth under the next plan (starting FY2028/03) and beyond. Over the three years of the current plan, we will use cash on human resources, development, R&D, capital expenditures, and strategic outlays, including M&A, to further enhance the competitiveness of our products and businesses. We expect to reap the benefits of this investment during the period of the next plan. We need to take forward-looking steps now, while the business environment is favorable, to reinforce competitiveness and ensure that our business foundations are rock solid.

Organizational changes aimed at achieving the plan’s targets

Under Value Up Further 2026, we have divided our strategies into the specific categories of business foundation enhancement, business growth, and shared strategies for both. We will push forward with efforts under these strategies toward the plan’s targets. Thus, in April 2024, SCREEN Holdings implemented organizational changes, establishing Corporate, Financial, HR, Sustainability, and R&D strategy divisions above the existing departments for each of these areas. I myself moved to HD from SPE, where I was president until March of this year, to serve as head of corporate strategy. As the strategy division encompassing corporate planning, corporate marketing, corporate communications, industry relations, and IT planning, the Corporate Strategy Division will play a driving role in Value Up Further 2026.

Right now, SCREEN is in a major growth phase. Even today, in the 156th year since our founding and 81st year since the establishment of SCREEN in its modern form, there is still plenty of room for us to grow. Looking at SPE, for example, many of our clients are planning to build new factories to mitigate geopolitical risk. At the same time, the growing use of self-driving technologies to address mobility issues related to truck driver shortages and senior drivers is expected to fuel demand for related devices. Over the past few years, personal use of AI has also accelerated, and demand for AI-related devices is forecast to be another market driver. By effectively meeting this demand, I believe we will achieve growth under Value Up Further 2026. Instilling the sense of speed I have developed on the operating side into corporate management at SCREEN Holdings, I will do my part to build a business foundation for the next 50 and 100 years.

Moving forward through brand strategy

Chiho Otohe

Executive Officer
Head of Corporate Communications
Corporate Strategy Division
SCREEN Holdings

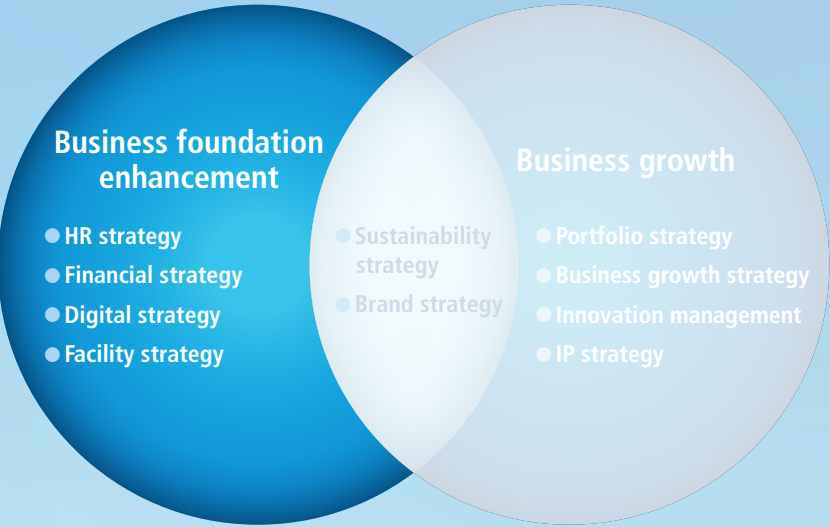


In the latter half of the fiscal year ended March 31, 2024, SCREEN marked the 80th anniversary of its establishment and reached a record-high share price. Over the 10 years I have been involved in communication with the stock

market through my work in IR, SCREEN’s share price once increased more than tenfold. Any way you look at this rise, it has been a transformational period, and in terms of my own development as a businessperson, I am grateful to have experienced it from the perspective of IR. As the executive officer in charge of corporate communications, I will leverage this experience, keeping in mind the challenges that SCREEN still needs to overcome, to effectively communicate our growth potential to stakeholders. We have a long history of growing multiple businesses, in cycles. Working now in brand strategy, I will continue efforts to communicate this unique quality of the Group to stakeholders and develop an innovative and trusted corporate culture as we push forward to improve the corporate value.

Business foundation enhancement strategies 01

This section provides a closer look at a subset of our strategies for increasing corporate value—business foundation enhancement strategies.



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- ▶ p. 29 Financial strategy
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Financial strategy: Message from the CFO

Building a strong financial foundation and accelerating growth investment

Yoichi Kondo

Representative Director
Senior Managing Director
Chief Financial Officer (CFO)



Progress with ROIC management under Value Up 2023

Under our previous medium-term management plan, Value Up 2023, the implementation of ROIC management changed our workplace mindset to one of simultaneously pursuing profitability and efficiency, which significantly contributed to the achievement of the plan's targets. Setting *Gemba* KPIs based on metrics where there was room for improvement—for example, our inventory and accounts receivable turnover periods—led to improved efficiency and contributed to cash generation. In our mainstay SPE business, we transitioned to more efficient manufacturing by commencing operations at the new S³-4 and S³-5 factories, tracking progress as *Gemba* KPIs, and achieved enhanced profitability.

On the financial side, even as we accelerated investment in growth, we maintained net cash by securing free cash flow

while also building up net assets by accumulating profits, improving our financial position. Reflecting this progress, in 2023, the Japan Credit Rating agency raised our long-term issuer rating from A-/Positive to A/Stable.

Major improvements under Value Up 2023

	FY2020/03	FY2024/03
Inventory turnover	125.9 days	103.9 days
Notes and accounts receivable turnover	105 days	79 days
Equity ratio	50.0%	54.9%
Long-term issuer rating	BBB+/Stable	A/Stable

Building a risk-resilient financial foundation

The financial strategy in our new medium-term management plan, Value Up Further 2026, focuses on building a risk-resilient financial foundation that can support business growth. As of March 31, 2024, our equity ratio was 54.9%, which is fairly standard for the manufacturing industry. However, as the proportion of our business dedicated to the highly volatile SPE field grows, we will need to become even more resilient to risk.

To realize our Management Grand Design target of net sales of ¥1 trillion or more by the fiscal year ending March 31, 2033, it will be important for the SCREEN Group to continue its investments in growth, including research and development, even in the face of downturns in the semiconductor cycle. Building a risk-resilient financial

foundation will be essential for this.

Value Up Further 2026 is focused on improving our equity ratio while maintaining ROIC. A common way of approaching ROIC is to focus on improving profitability (profit/sales) and efficiency (sales/invested capital). We have further broken down the efficiency metric into asset turnover (sales/total assets) and leverage (total assets/invested capital). We will seek to improve profitability through growth strategies and cost-cutting measures in each of our businesses. In the area of asset turnover, in addition to improving control of inventory and other working capital, we will work to further strengthen our ability to tolerate economic downturns by reducing total assets through such measures as the shortening of payment terms implemented

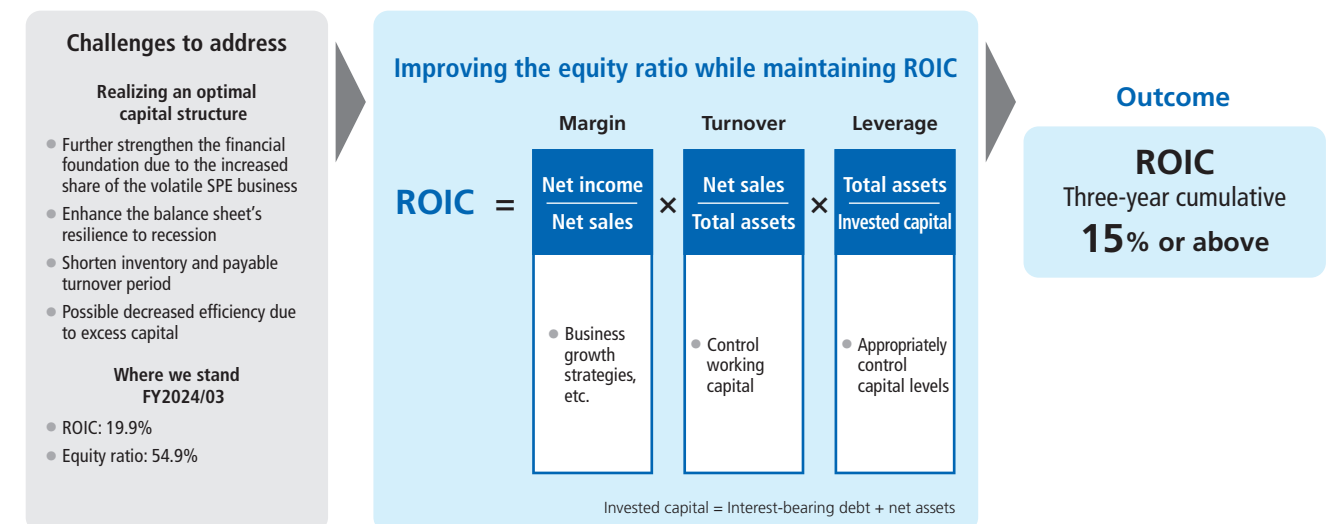
under Value Up 2023. As for leverage, we will remain conscious of the need to optimize capital costs, i.e. realize an optimal capital structure.

We will employ these efforts to achieve three-year

cumulative ROIC of 15% or above, one of the financial targets set out in Value Up Further 2026, aiming to consistently generate added value that exceeds the cost of capital.

Financial strategy under Value Up Further 2026

Build a risk-resilient financial foundation that can support business growth



Cash allocation

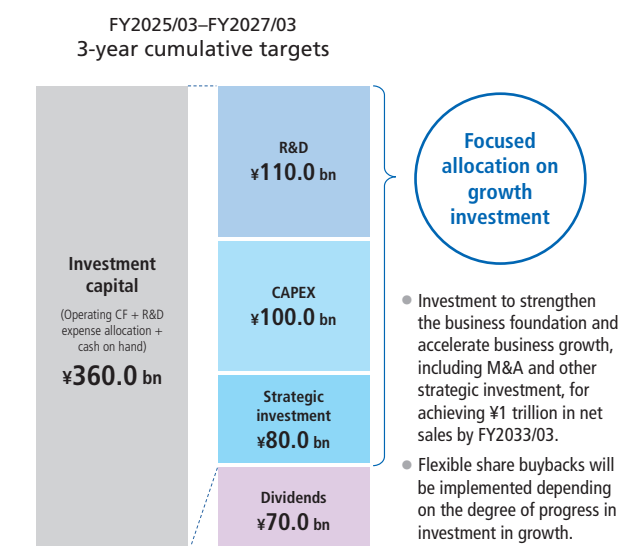
Our Management Grand Design lays out a policy of allocating 70% of our investment capital to the growth area with the aim of growing our existing businesses and creating new businesses. We expect approximately ¥360 billion in investment capital to be available over the period of Value Up Further 2026. Of this, we will allocate approximately ¥110 billion to research and development, ¥100 billion to capital expenditures, and ¥80 billion to strategic investments, including mergers and acquisitions.

Another financial target in the new medium-term management plan is a three-year cumulative operating margin of 19% or above. Behind this is our decision to make upfront investments that will allow us to take advantage of growth opportunities in the semiconductor industry accompanying advancements in AI, digital transformation, and green transformation. With regard to shareholder returns, we have shifted our target from a total shareholder return ratio of 30% or above to a dividend payout ratio of 30% or above and have adopted a policy of flexibly conducting share buybacks depending on the progress of our growth investment. We will strive to make timely and sound decisions that will enable us to generate ROIC exceeding the cost of capital and establish a stable financial foundation.

The role of the CFO is to create risk “cushions” that

will protect against worst-case scenarios and to keep risk appetite under control. A risk-resilient financial foundation will allow SCREEN to boldly take on challenges and serve as the bedrock for our future growth.

Cash allocation under Value Up Further 2026



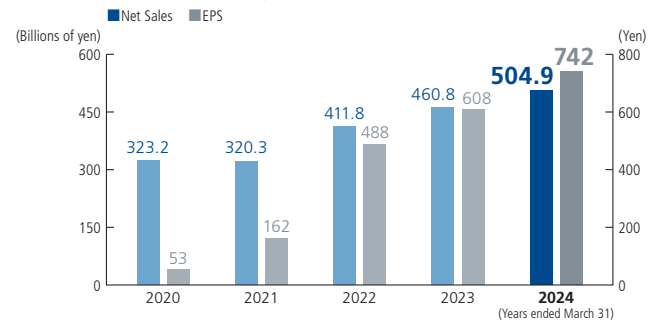
Implementation strategies

Performance highlights

Financial

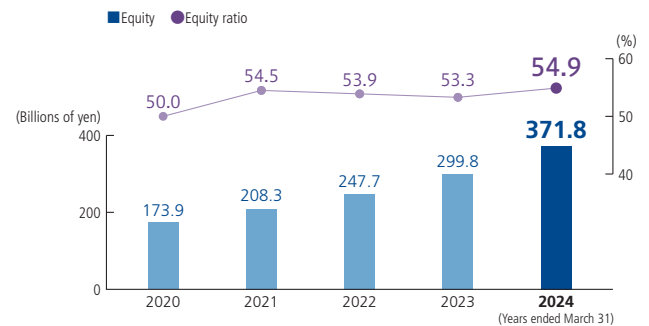
Net sales / EPS

Both net sales and EPS marked a record high for the third consecutive year



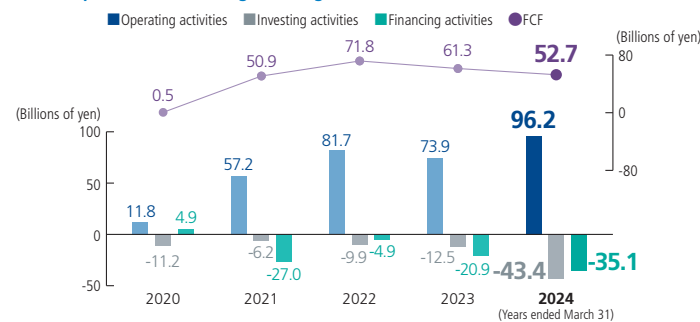
Equity / Equity ratio

The equity ratio remained above 50% for the fifth consecutive year



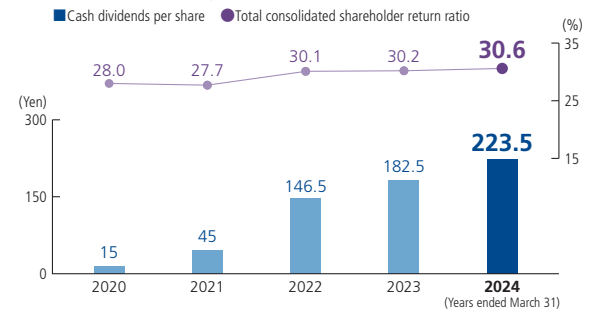
Cash flows

We maintained a robust financial foundation by controlling working capital while allocating cash to growth investments



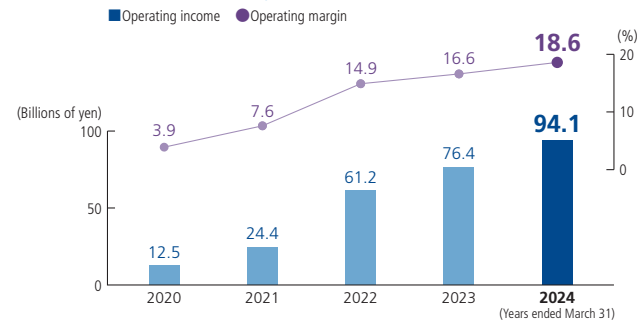
Cash dividends per share / Total consolidated shareholder return ratio

Cash dividends per share marked a record high for the third consecutive year



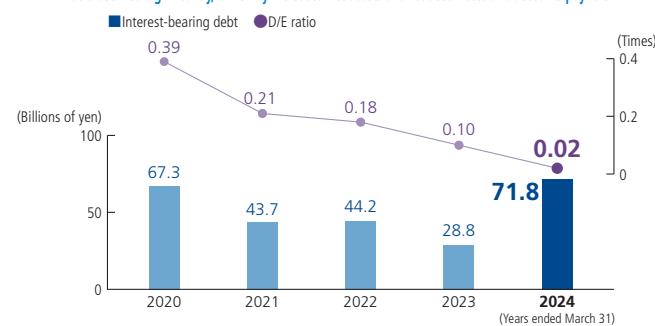
Operating income / Operating margin

Both operating income and operating margin marked a record high for the third consecutive year



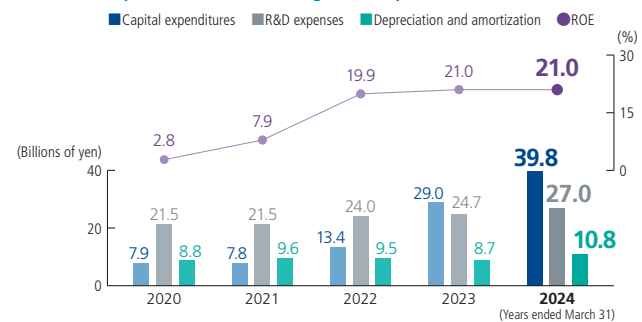
Interest-bearing debt / D/E ratio

Interest-bearing debt increased mainly due to investments for future growth, and the debt-to-equity (D/E) ratio declined significantly, driven by increased net assets and reduced notes and accounts payable



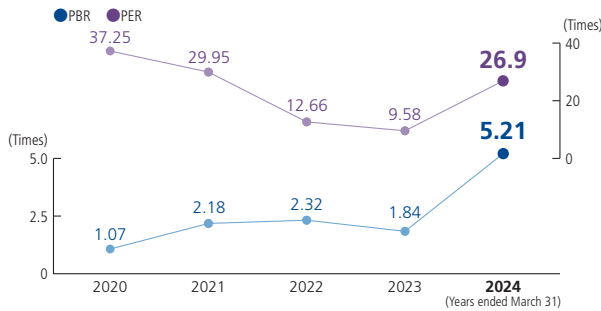
ROE / CAPEX / R&D expenses / Depreciation and amortization

ROE remained above 20% despite high levels of capital expenditures and R&D expenses incurred to strengthen competitiveness



PBR / PER

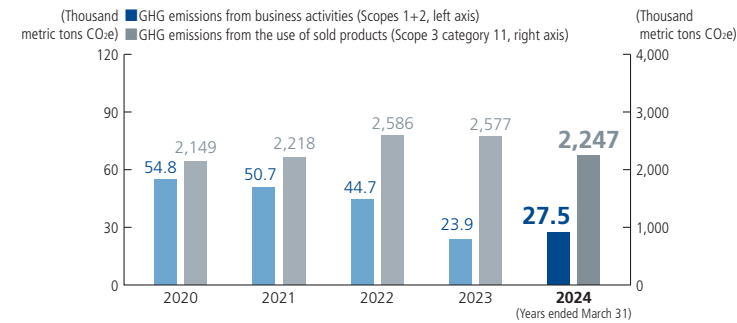
PBR and PER rose significantly to over 5 times and 25 times, respectively



Non-financial

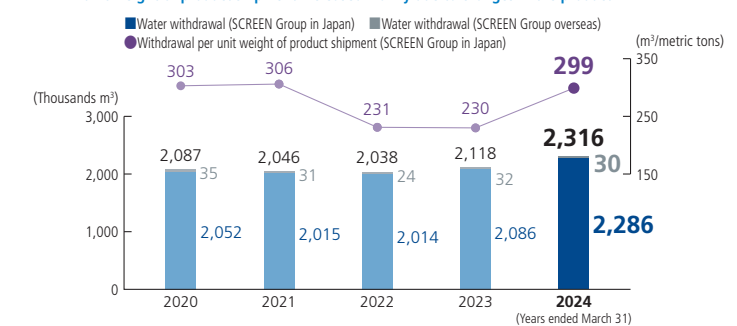
GHG emissions

Scope 1+2 emissions sharply declined, mainly due to the introduction of renewable energy, and Scope 3 emissions decreased due to a higher proportion of Green Products in the sales mix



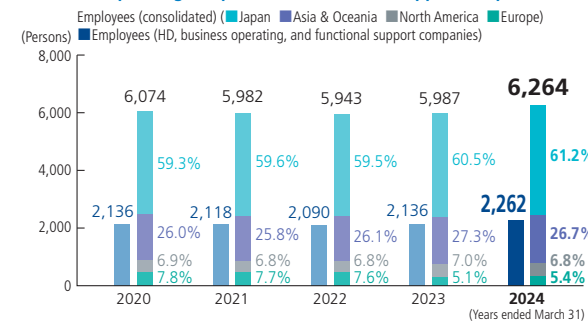
Water withdrawal

The total amount increased slightly despite front-line improvements, and withdrawal per unit weight of product shipment increased mainly due to changes in the product mix



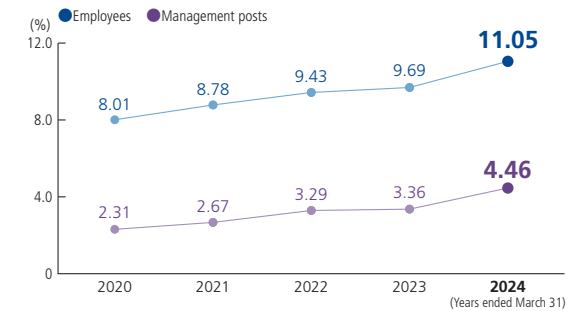
Employees

The number of employees increased at SCREEN Holdings, business operating companies, and functional support companies



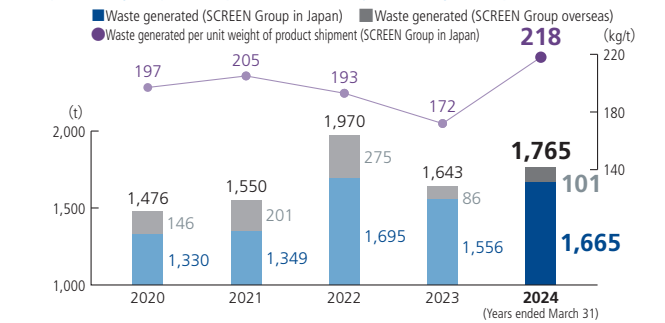
Ratio of women in employee and management posts

The ratio of women has steadily been rising both among employees and managers



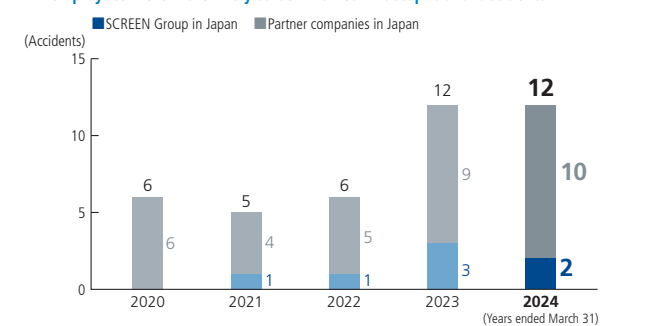
Waste generated

Although the total amount declined as a result of recycling efforts and waste reduction, generation per unit weight of product shipment increased, mainly due to changes in the product mix



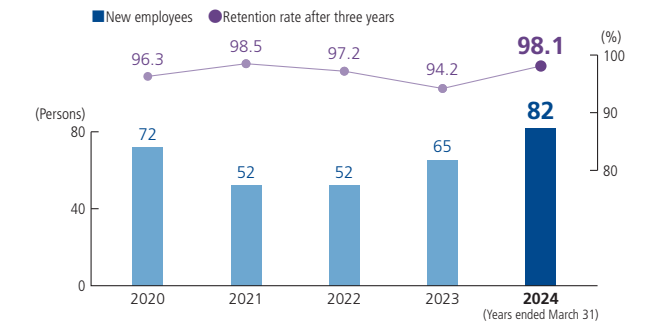
Occupational accidents resulting in four or more lost work days

The number remained unchanged; inexperienced workers and partner companies' employees were more likely to be involved in occupational accidents



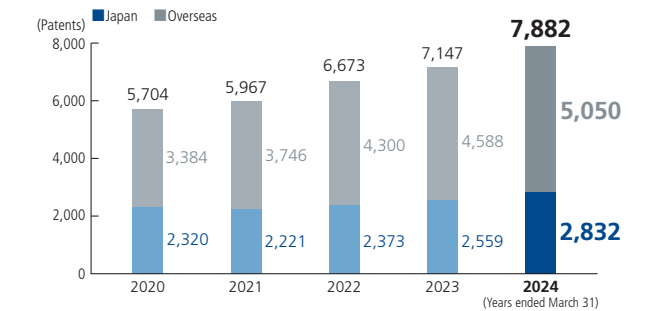
Number of new employees and their retention rate after three years

The retention rate after three years improved significantly



Patents held

The number of patents held has been growing steadily both in Japan and overseas



Implementation strategies

HR strategy

In the Management Grand Design, SCREEN has designated “encouraging personal growth of each employee” as one of its material issues. To address this issue, we have established human resource (HR) strategy. To support management from a medium- to long-term perspective amid a drastically changing, highly uncertain operating environment, under the Value Up 2023 medium-term management plan, we worked to share the core values of the SCREEN Group through efforts to increase awareness of the corporate philosophy. Under the new medium-term management plan, Value Up Further 2026, we are formulating and implementing HR strategy more closely linked with corporate and business strategy, positioning the development of solution creators as a key measure of HR development.

The importance of solution creators in our HR strategy

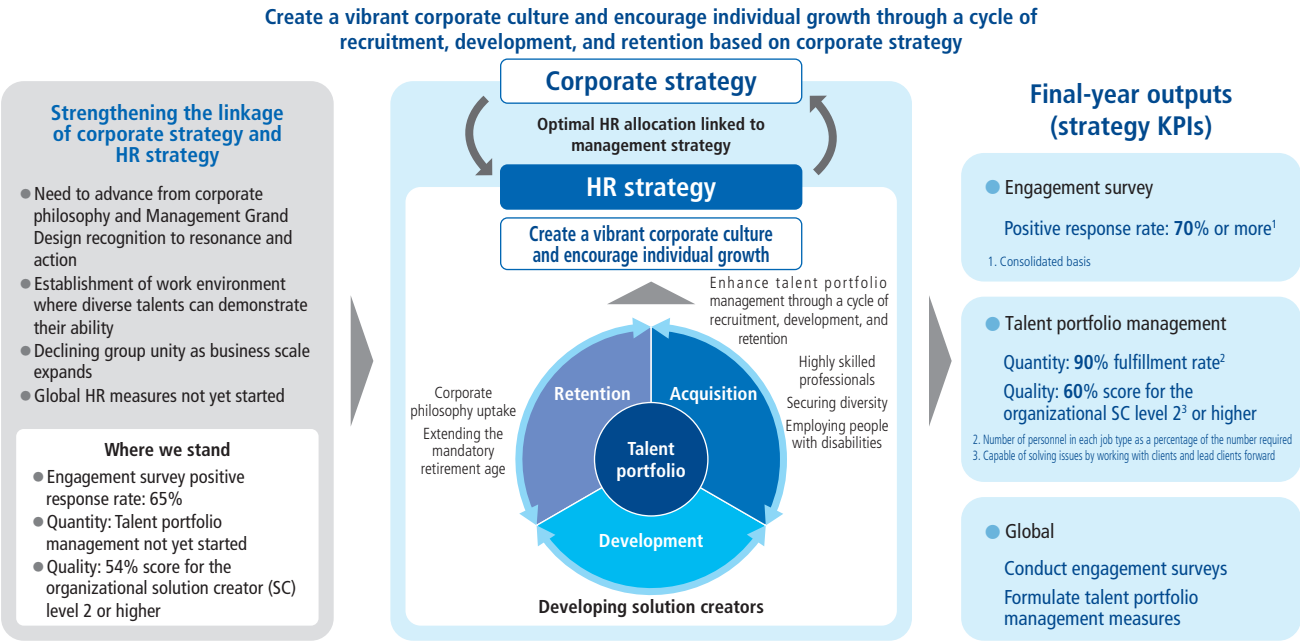
To maintain and assert our market presence, including that in the semiconductor market, which is expected to see long-term growth, we must urgently reinforce our global competitiveness by securing and developing highly skilled professionals. The SCREEN Group today operates a range of businesses that embody its Founder’s Motto of “Shi Ko Ten Kai,” the concept of “broadening everyone’s thoughts and horizons for innovation,” and constantly endeavors to create new businesses. The common goal for the future running through all such Group activities is to continue to provide solutions that create strong relationships of trust with clients by meeting constantly evolving social and client needs. To this end, we believe that the indispensable mandate of HR strategy is to develop all employees into solution creators capable of contributing to society through business by autonomously considering what to do, proactively anticipating customer needs, and taking action.

HR strategy and policy for producing solution creators

The term “solution creator” as used in the Management Grand Design applies to both the Group’s enterprises and individuals. To produce solution creators, we have laid out an HR strategy of both creating a vibrant corporate culture and encouraging personal growth. In the fiscal year ended March 31, 2024, the final year of the Value Up 2023 medium-term management plan, we identified issues at the organizational and individual levels through dialogue with employees and the employee engagement survey (for details, see page 38). Under the new medium-term management plan, Value Up Further 2026, we will advance tightly coordinated and effective HR strategy to address these issues.

Through a cycle of recruitment, development, and retention linked with corporate strategy, we will increase the talent portfolio fulfillment rate. We will check the effectiveness of our HR measures using the employee engagement survey. Through HR strategy, we will thus support sustainable corporate growth by creating a vibrant corporate culture and encouraging individual growth.

Value Up Further 2026: Steps for promoting our HR strategy



Value Up Further 2026: HR key performance metrics and actions

Create a vibrant corporate culture and encourage individual growth						
Outputs						
Engagement survey positive response rate: 70% or more			Talent portfolio: 90% fulfillment rate			
Cycle of three key actions	1. Acquisition		2. Development		3. Retention	
	Highly skilled professionals Securing diversity		Developing solution creators		Developing a proactive corporate culture	
	Finding talent	Diversity	Ingrain SC attitudes	Developing next-generation business leaders	Developing specialized professionals	Generate innovation through unity
Measures	<ul style="list-style-type: none">Reinforce internship and factory tour programsHire more PhDsHire by job type	<ul style="list-style-type: none">Issue pamphlets and hold hiring events for womenHold seminars and hiring events for international studentsExpand Parte (in-house organization for the employment of people with disabilities)	<ul style="list-style-type: none">Ingrain SC attitudes through workshops and manager trainingIntegrate the SC attitudes into HR systemsImplement training linked with the individual survey	<ul style="list-style-type: none">Implement the business leader/junior business leader training coursesImplement the SCREEN Business Leadership Academy courseSend employees to MBA and MOT programs in Japan and abroad	<ul style="list-style-type: none">Revise specialist job types to clarify career pathsSystematically develop engineers under the Engineer Development CommitteeRotate engineers	<ul style="list-style-type: none">Hold town hall meetings at group companies in and outside JapanHold events to promote cross-organizational interaction
Monitoring indicators	<ul style="list-style-type: none">Women among new graduate hires: 20% or moreManagement positions held by women: 5% or moreEmployees with disabilities: 2.7% or more		<ul style="list-style-type: none">Total and per-person investment in education and trainingPromotion rate of next-generation business leader training course participants (excluding junior business leader training)Highly skilled professional employees: 3.5%		<ul style="list-style-type: none">Recognition, understanding, and resonance rate: 90% (current level) or higherMale employee childcare leave usage rate: 90.6% (current level) or higherPaid leave usage rate: 84.9% (current level) or higher	

Talent portfolio management

Amid forecasts of a decrease in Japan’s working-age population and personnel shortages in the semiconductor industry in particular, the creation of innovation by diverse human resources will be essential to SCREEN’s medium- to long-term growth and value enhancement. In the fiscal year ended March 31, 2024, we mapped out our talent portfolio to better understand the gaps, both qualitative and quantitative, between the human resources we will need to implement our corporate strategy and where we stand now. Linking efforts in this area with corporate and business strategy, we will enhance our talent portfolio through a cycle of acquisition, development, and retention.

factory tours to help potential applicants understand our businesses, how they address social issues, and what each job type entails. Notably, in the fiscal year ended March 31, 2024, to acquire highly skilled professionals, we focused efforts on hiring students as they complete PhD programs, reinforcing contact with such individuals using targeted media and recruitment seminars. We also practice job-specific hiring and offer meetings with current employees, facility tours, and discussion meetings to enable candidates to choose areas of work where they will be able to apply their research experience or specific fields of study, be it in undergraduate, masters, or PhD programs. Going forward, we will more strategically work to acquire human resources that enhance the talent portfolio and that have the makings of solution creators.

Diversity

Ensuring diversity

The SCREEN Group’s CSR Charter specifies the policy of “developing and making active use of diverse human resources.” Amid advancing globalization and growing uncertainty, we must build organizations that can flexibly respond to changing environments. Bringing together people with different backgrounds provides new ideas and perspectives. Based on the belief that diversity is a source of innovation, we are creating environments that accommodate diversity and proactively hiring human resources who offer diverse perspectives, such as women, foreign nationals, and mid-career professionals.

Acquisition

Finding talent

Acquiring human resources is extremely important, as they form the foundation for all group company growth strategies. Amid mounting competition to hire engineers and other talent, we aim to enhance our talent portfolio and acquire solution creators. In doing so, we are working to address three issues: 1. better matching individuals to roles in hiring; 2. expanding specialist hiring, and 3. finding talent that aligns with our corporate philosophy.

Efforts to date have included expanding internship programs for engineering students and providing more

Implementation strategies

■ Expanding career paths for women, foreign nationals, and mid-career hires

The SCREEN Group is working to empower women professionally. By the fiscal year ending March 31, 2031, we aim to raise the portion of management positions held by women to 6% or more and the percentage of women among all employees to 15% or more. To this end, we are proactively hiring women, with the target of 20% or more women among new graduate hires. In the fiscal year ended March 31, 2024, we took steps to address the issue of the small percentage of women in science-related positions as part of activities for hiring new graduates. Specifically, we offered discussion sessions and one-on-one meetings with women working at SCREEN in engineering roles, including those who are raising children or in management positions, targeting female students in technical fields. In addition, we publish “SCREEN CAREER & LIFE BOOK for women,” a pamphlet geared toward women about SCREEN, as part of efforts to provide women with a concrete idea of how they might build a career at the Group. Individual group companies in Japan set annual targets, and we implement measures tailored to conditions at each company. Through such efforts, the Group works to strengthen hiring.

In addition, group companies in Japan currently employ a total of 52 foreign nationals. At our overseas subsidiaries, over half of full-time executive posts are held by locally hired foreign nationals. In the fiscal year ended March 31, 2024, we held recruitment seminars and hiring events for international students studying in Japan. We are also actively hiring mid-career professionals, with such hires accounting for 63.7% of the permanent employees hired in the fiscal year ended March 31, 2024. We aim for at least 50% of all employees to consist of women, foreign nationals, and mid-career professionals by the fiscal year ending March 31, 2031.

■ Promoting the employment of people with disabilities

Since the fiscal year ended March 31, 2009, our special subsidiary SCREEN Business Expert Co., Ltd. has promoted the employment of people with disabilities. In addition to the longstanding hiring of such employees at the Hikone Site through Hikone Parte, we have established Kyoto Parte, an in-house organization for the employment of people with disabilities in our Head Office. As of June 2024, the number of SCREEN Group employees with disabilities is 85, or 2.71% of employees at the seven major companies in Japan (for details, see the Sustainability Data Book). In the fiscal year ended March 31, 2024, as part of efforts to foster a culture accommodating of diverse human resources, we accommodated people with diverse types of disabilities and held seminars for people with disabilities with experts from Kyoto

University and external companies. Going forward, we will work to expand sites offering work for people with disabilities and reinforce hiring to further advance efforts to provide employment for diverse human resources.

■ Development

Aspiring to make every employee a solution creator, we aim to build frameworks that support and track the growth of human resources at all levels and instill a group management perspective to develop the next generation of business leaders.

Five attitudes required of a solution creator

Through our efforts to ingrain the corporate philosophy, employees throughout the Group have come to understand and resonate with the idea of every employee aiming to be a solution creator (for details about efforts to ingrain the corporate philosophy, see page 37). The next step is therefore to advance from understanding and resonance to concrete action that yields results. One finding of the employee engagement survey has been that some employees do not understand how the corporate philosophy relates to their day-to-day work. In light of this, to help employees take action based on the corporate philosophy, we created a list of five attitudes required of a solution creator. In developing the list, we interviewed the presidents of the seven core SCREEN Group companies and held interviews and workshops with selected employees, thus involving employees in the process to ensure that the list would reflect the values of the actual Group.

Five attitudes required of a solution creator

Think deep, see through to the essence

Take ownership

Drive innovation as a team

Try and try again with passion and honesty

Earn respect from clients

Integrating the five attitudes into HR systems

To support the growth of individuals, we are reviewing and expanding training programs based on the list of attitudes required of a solution creator. In addition to creating new training programs in areas necessary for solution creators, such as critical thinking and quantitative business analysis, we are expanding training to build skills as part of efforts to empower all employees to autonomously develop their own

Organizational solution creator levels



abilities. Going forward, we will integrate the list into our HR systems and expand initiatives to enable all employees to better embody the five attitudes.

Becoming solution creators will require not only the growth of individuals, but also the development of a vibrant corporate culture. Based on this understanding, we have established the organizational solution creator levels. We are working to build a foundation for each employee to take action, for example, by having management communicate their expectations and experiences related to moving up in these levels. Going forward, we plan to implement workshops to help employees understand how these levels translate into concrete action for their specific organizations. We plan to measure growth related to the organizational solution creator levels through the employee engagement survey.

Cultivating next-generation business leaders

As a solution creator, each individual employee must apply a managerial perspective to respond to change and take appropriate action. At the same time, developing strong leaders who embody the corporate philosophy and proactively drive the organization toward its future vision is an important task in building a sustainable business foundation. In order to cultivate the next generation of capable business leaders, the SCREEN Group has run the business leader training course for managers annually for 18 years and the junior business leader training Course for non-managers for seven years. Participants selected from group companies take part in content-rich training programs throughout the year. These programs include talks by directors and executive officers, lectures on specialized topics by external instructors, and cross-industry interactive training with employees from other companies. In addition to providing practical business knowledge, participants develop a more managerial outlook and the ability to think and act independently as future business leaders. Employees who complete the program go on to be leaders that drive the Group forward.

In addition, we also offer the SCREEN Business

Leadership Academy, launched in 2022, for employees in management positions who aspire to high-level corporate management. In this program, current and former SCREEN executives share their real-life experiences as business leaders, including how they made certain successful or unsuccessful management decisions. This is intended to pass down practical management skills and know-how as well as what is involved in decision making. The program's originator, Chairman Kakiuchi, and now other executives, as well, serve as instructors. In the fiscal year ended March 31, 2024, 113 employees from across the Group took part in the program. We plan to hold multiple sessions in the fiscal year ending March 31, 2025.

Going forward, we will use the talent portfolio to identify next-generation business leaders across the Group and more strategically advance their development.

Developing specialized professionals

In April 2024, we expanded career paths for specialist human resources that contribute within specific areas. We drafted specialist job descriptions that spell out the skills we will need to execute the strategies in each business and made them available to all employees. In the current fiscal year, we have newly appointed 27 employees to such roles, three times the number in the fiscal year ended March 31, 2022. Through these efforts, we are creating the conditions to support value creation by filling out the talent portfolio in terms of quantity and securing diversity.

The Engineer Development Committee conducts the SCREEN Group's educational programs in R&D and technology fields. The committee has been working to more clearly map out plans for technical knowledge enhancement and professional development across employees' first three years with the Group. In the fiscal year ended March 31, 2023, we launched the next-generation engineer development course, a project manager development training program. Furthermore, for engineers in their fourth year with the Group, we provide training focused on cultivating the necessary mindset to understand client needs. And, in

Engineer rotation program participants (as of April of each year)

	2021 (1st year)	2022 (2nd year)	2023 (3rd year)	2024 (4th year)
Participants	9	8	8	9

Investment in education and training

	FY2022/03	FY2023/03	FY2024/03
Investment in education and training	¥160 million	¥250 million	¥400 million ²
Investment in education and training per person ¹	¥75,000	¥115,000	¥149,000
Investment in education and training per person ²	—	—	¥105,000

1. Total expenses for course and other fees and internal education and training costs at SCREEN Holdings, business operating companies, and functional support companies
2. Total expenses for the consolidated Group in Japan, including those in 1., above

the fiscal year ended March 31, 2024, we held training on making value proposals that meet client needs for fifth-year engineers. Going forward, the final phase of the training plan will be for participants to learn ideas and concepts while improving practical skills needed to implement plans through actual scenario planning. Through such training, we will develop leaders who understand the entire manufacturing process and generate talent capable of creating solutions to social issues.

In addition, to further the career development of engineers, we have in place an ongoing inter-business rotation system for mid-level engineers. The program allows participants to extend their engineering skills through experience at different organizations while helping them build networks of communication that extend beyond their own organizations.

 Management-by-objectives and 360-degree evaluation

Retention

The Group’s employees span several generations and have diverse values. To continue enhancing corporate value amid rapidly changing business and social conditions, we will need all of these employees to come together and proactively work in the same direction. Toward that goal, we will work to ingrain our corporate philosophy and implement our HR strategy. In this way, we will create environments in which employees can succeed regardless of their age by fostering a sense of unity while offering them opportunities to put the corporate philosophy into practice.

Promoting solution creation by fostering unity

In April 2023, we redefined our corporate philosophy and revised the Management Grand Design, which lays out our 10-year vision and basic policy for enhancing corporate value. To foster awareness of these, we livestreamed a discussion by top management about the corporate philosophy to seven major operating sites. In addition, since then, we have held a total of 37 town hall


meetings with 2,638 participants. These opportunities for dialogue between employees and management are intended to help motivate employees and unite the Group behind a shared vision.

As a result of these efforts, understanding of and resonance with the corporate philosophy among employees reached 90%. Going forward, we will continue to hold town hall meetings with group companies in Japan and overseas to build a sense of unity across the SCREEN Group. In addition, we plan to hold inter-organizational events to reinforce communication across job types.

Enabling diverse talent to succeed

To accommodate the diverse individuality of employees, the SCREEN Group is committed to cultivating a work environment that empowers all employees to succeed regardless of gender, and that is adaptable to employees’ various life stages, such as pregnancy (either their own or their spouse’s), childbirth, childcare, caring for ill or elderly family members, or undergoing treatment for illness. In addition to a work-at-home system, we offer a variety of leave systems, including “refresh” leave, consisting of five consecutive paid days off, and childrearing support leave, which employees can take to participate in their children’s school events. The employee engagement survey indicates that these systems are very popular with employees. Besides efforts to make work more employee-friendly, we have begun considerations aimed at extending the mandatory retirement age in order to provide more opportunities for diverse talent.

To further enhance the professional fulfillment of all employees, we will continue to provide career design training for junior employees and expand support for autonomous career development through open recruitment for internal positions and allowing employees to set their own career goals.

 Employee stock ownership program: Cultivating a management mindset

 Labor-management relations

Highlight

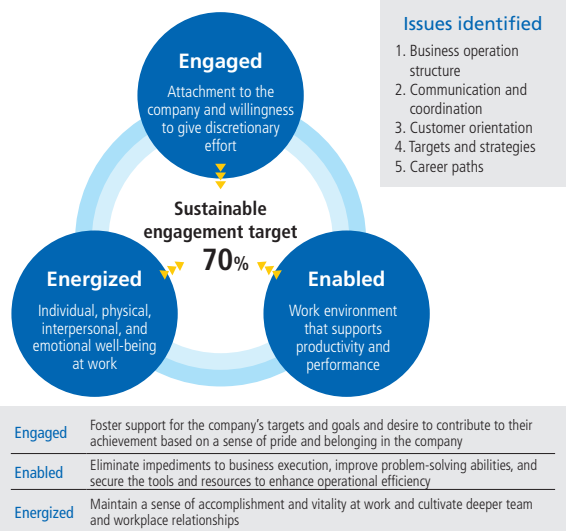
Measuring the vibrancy of corporate culture and individual growth

To implement our HR strategy—that is, to realize our 10-year vision of addressing social issues as a solution creator—closely interconnecting our efforts to both create a vibrant corporate culture and encourage individual growth will be essential. Furthermore, we believe that it will be important for employees with diverse values to align their efforts in a common direction and find fulfillment in their work. To identify issues at the individual and organizational levels and enhance employees’ professional fulfillment, since the fiscal year ended March 31, 2022, SCREEN has implemented an employee engagement survey. In order to address the issues thus identified, the survey results are then also used to check the effectiveness of measures taken in the employee recruitment, development, and retention processes.

Employee engagement survey

The employee engagement survey assesses sustainable employee engagement* from three major perspectives. These are further divided into 15 categories of questions to provide a 360-degree examination of the issues that the Group must face to achieve sustainable growth.

* Sustainable engagement: An indicator of whether a productive work environment, good physical and mental health, and other necessary conditions are in place to maintain high levels of motivation to contribute to achieving goals and a strong sense of belonging to the organization



Note: Prepared by SCREEN based on materials provided by WTW (Willis Towers Watson)

FY2024/03 results and initiatives

In the survey for the fiscal year ended March 31, 2024, SCREEN scored high in categories that measure a company’s integrity and employee-friendliness, such as compliance and well-being. However, scores were relatively low in the categories of work implementation systems, communication and coordination, customer

orientation, targets and strategies, and career paths. We will conduct analyses of these categories and implement HR strategy-based measures while strengthening cooperation to advance initiatives at the level of individual companies and organizations.

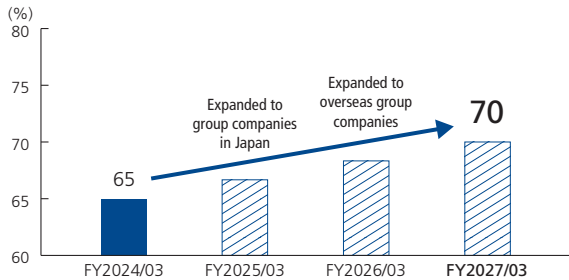
In the fiscal year ended March 31, 2024, the issues identified by the engagement survey were discussed by the top management of SCREEN Holdings, including President Hiroe, as well as the presidents of the business operating companies in order to establish a shared awareness of these challenges as management issues. To enable all employees, regardless of age, to make the most of their diverse and varied individuality and abilities, we believe it is important that both corporate leadership and front-line managers engage in management with a constant awareness of the corporate philosophy and CSV. To this end, we hold workshops for managers to help them identify issues in their respective organizations.

We also provide support for managers to help them maximize the growth of their team members and their organizational performance. This includes training aimed at enabling them to link the corporate philosophy and CSV with their own organization’s targets and practice management that allows for nimble decision-making and decisive action at the organizational level.

Initiatives going forward

We have designated the engagement survey positive response rate as a KPI for our HR strategy under Value Up Further 2026, targeting 70% or higher. To address management issues, in addition to the measures of each company and organization, we will implement measures based on HR strategy that are linked with the survey results, then confirm their effectiveness using subsequent survey results, thus implementing a PDCA cycle to improve our engagement survey scores. So far, the survey has covered the Group’s seven key companies. Going forward, we plan to implement it globally in order to better identify issues faced by the entire SCREEN Group and reinforce our global competitiveness.

Engagement survey positive response rate



Note: Since the fiscal year ended March 31, 2024, the SCREEN Group has measured engagement using an employee engagement survey provided by WTW.

Employee wellness

In line with the basic policy of “respect for human rights and friendly work environment” set forth in the CSR Charter and the Code of Conduct, we promote employee well-being based on the belief that every employee’s physical and mental health, along with workplaces that support employee wellness, are the foundation underpinning all business activities. By working to improve employee living habits, enhance their mental toughness, encourage them to undergo appropriate treatments, and strengthen support from supervisors and colleagues through health and productivity management, we seek to increase the rate of employees practicing good health management and the rate of employees who are in good physical health. We believe that doing so will increase employee work engagement¹ and performance.

1. An indicator of employees vigor, passion, and focus at work

WEB Wellness Initiatives

WEB “Occupational safety and health,” Sustainability Data Book 2024

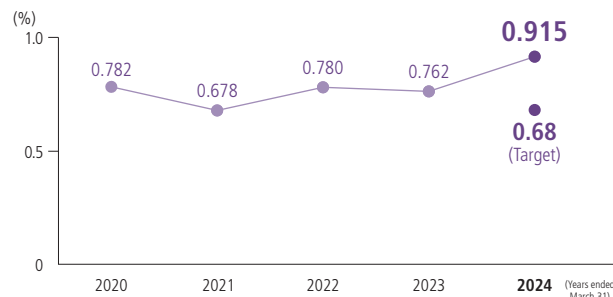
Metrics and targets

We have set metrics and targets for our wellness-related measures. As we implement said measures, we monitor the metrics to make improvements.

In the fiscal year ended March 31, 2024, we saw improvements in employee living habits and health literacy. However, absenteeism² (the sickness absence rate), one of our primary wellness metrics, increased. As such, we are reinforcing both physical and mental health initiatives to prevent sickness absence.

Going forward, we will advance wellness promotion measures to improve our primary wellness metrics (absenteeism, presenteeism,³ and work engagement).

Sickness absence rate



Note: Sickness absence rate = (Total sickness absence days / employees' total prescribed work days) × 100

2. Total sickness absence days as a percentage of employees' total prescribed work days (the higher the percentage, the worse)

3. Presenteeism: When employees are present at work despite being unwell, resulting in diminished performance. SCREEN measures presenteeism as employees' ratio of work performance over the past four weeks, based on the assumption that 100% represents performance when unaffected by illness or injury (the higher the percentage, the better).

Health and productivity management initiatives

Promotional framework

The Healthcare Subcommittee is a specialized body for health and productivity management under the Group EHS Committee. The subcommittee takes the lead in promoting coordination among the health and productivity management officers of group companies, working with the labor union and health insurance society to plan and implement health and productivity management measures and ensure that they reach all employees.

Wellness promotion initiatives

Based on our nine wellness promotion tenets, we work to promote physical and mental wellness at both the employee and workplace levels.

In terms of mental wellness, we promote support for employees at a business/production line level and conduct e-learning and seminars for specific job levels as part of efforts to enhance mental health measures.

As for physical wellness, to support employees' autonomous health improvement efforts, we offer the “My Health Challenge” program, in which employees select a healthy behavior challenge to take on based on their own health needs. We also hold walking events, among other healthy behavior promotion measures.



External recognition of health-related initiatives

In the fiscal year ended March 31, 2024, SCREEN was included in the Health & Productivity Stock Selection. The Ministry of Economy, Trade and Industry and Tokyo Stock Exchange jointly select listed companies that are implementing especially outstanding health and productivity management measures for this designation. In addition, for a second consecutive year, SCREEN was selected as a Health and Productivity Management Outstanding Organization (called “WHITE 500” by METI) in recognition of its excellent efforts in this area.



Safety and health

In line with the basic policy of “respect for human rights and friendly work environment” set forth in the CSR Charter and the Code of Conduct, we endeavor to provide employees with safe and healthy workplace environments, and we comply with all relevant occupational accident prevention-related laws, regulations, and rules. As our products grow more advanced, multi-factor operational safety risks are increasing. In light of such changes, we plan and implement safety and health measures to ensure safe workplaces and take concrete steps to prevent occupational accidents.

WEB Safety and Health Initiatives

WEB “Occupational safety and health,” Sustainability Data Book 2024

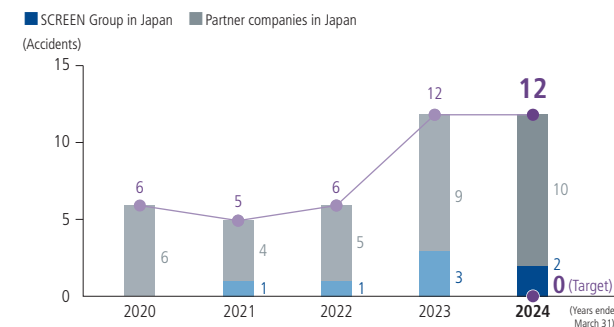
Metrics and targets

To prevent occupational accidents, we implement risk assessments and advance safety verifications for a wide range of work processes, such as product development, manufacturing, and equipment installation.

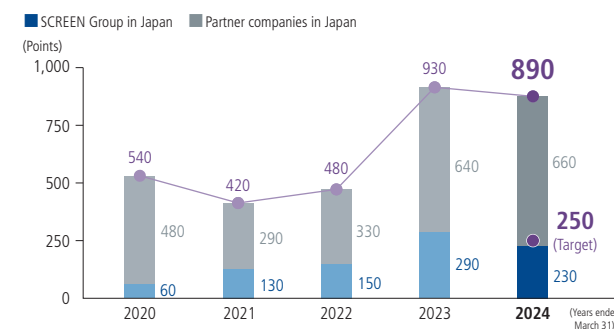
In the fiscal year ended March 31, 2024, the number of occupational accidents resulting in four or more lost work days at group and partner companies in Japan was unchanged from the previous fiscal year. The number of occupational accident points,¹ the Group's metric for the incidence of occupational accidents based on number of lost work days and accident severity, decreased year on year.

In particular, there was a heightened tendency toward accidents among partner company employees and workers with little career experience. As such, by eliminating hazards and conducting occupational safety educational activities, we will strengthen initiatives aimed at preventing accidents. Note that there were no deaths or serious accidents during the fiscal year. Going forward, we will continue and reinforce initiatives to prevent occupational accidents, aiming to achieve our targets.

Number of occupational accidents resulting in four or more lost work days



Occupational accident points



1. Occupational accident points: An internal metric for occupational accidents that reflects accident severity. Points are assigned according to the disability severity and number of lost work days resulting from the accident, ranging from 10 points for an accident resulting in no disability or lost work days to 600 points for an accident resulting in a disability grade between 1 to 7 and lost work days of 1 month or more. A death is 1,000 points.

Occupational accident prevention initiatives

Reinforcing initiatives under the Occupational Safety Subcommittee

The Occupational Safety Subcommittee was established under the Group EHS Committee in April 2024. The subcommittee leads group-wide efforts to identify the root causes of occupational accidents and determines safety-related plans and measures, reinforcing coordination across SCREEN Holdings, the business operating companies, and the functional support companies.

Safety patrols

The EHS management supervisor (an executive officer) and the EHS administrators of business operating companies conduct safety patrols. The patrols are being steadily rolled out to companies and worksites deemed to present particular occupational accident risk to share understanding of problems and remove hazards before they cause accidents.

Monthly monitoring

We hold monthly meetings to report on and discuss risk mitigation measures as well as responses to occupational accidents that have occurred. These meetings are led by senior management, including the EHS management supervisor (an executive officer) and the EHS deputy management supervisor (a director).

Strengthening occupational safety and health education

In addition to safety and health education for new hires, we provide education for employees when they begin work at a new facility² and implement annual e-learning. Through such efforts, we strive to instill the necessary knowledge, skills, and mindsets to avoid work-related accidents. We strive to ensure safety by providing various types of education based on roles and rank, as well as by introducing unique educational and certification systems, such as those for workers that handle heavy objects. To promote and expand effective safety measures on the front lines, we are focusing on developing risk assessors and EHS experts.

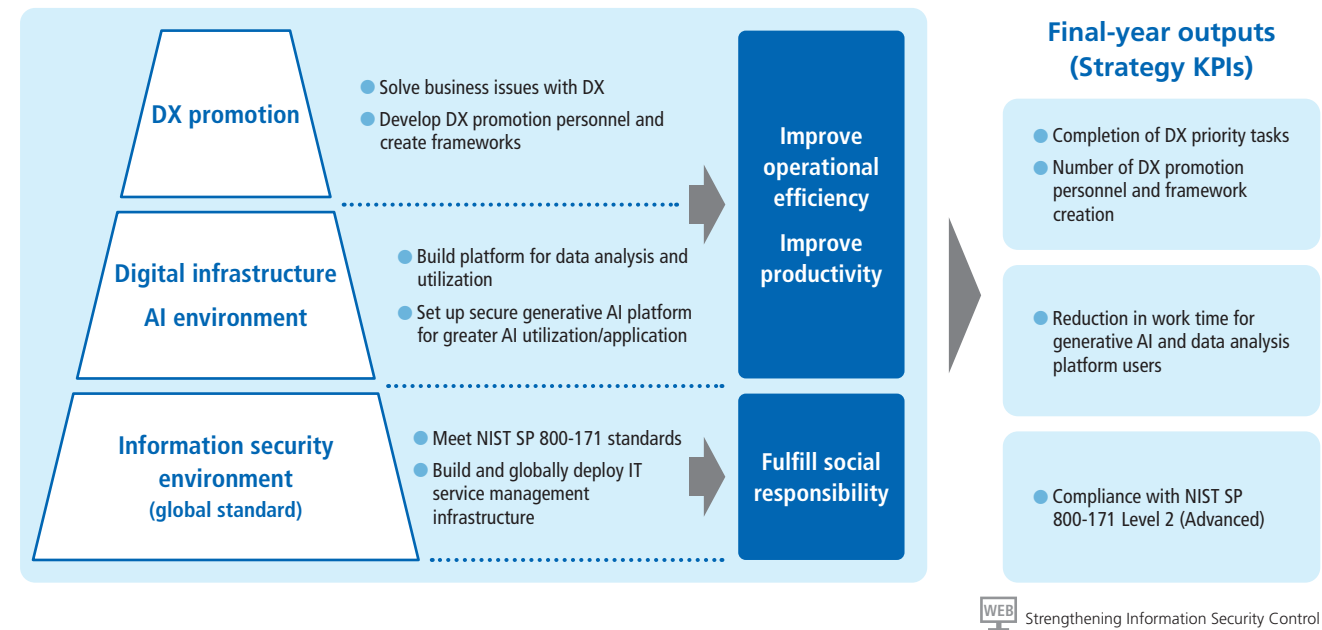
2. Provided for group employees and partner company employees

Digital strategy

Basic policy

To maximize the value of our information resources, we are working to establish an information security environment at the global standard, promote DX using information infrastructure and AI, improve productivity, and fulfill our social responsibility.

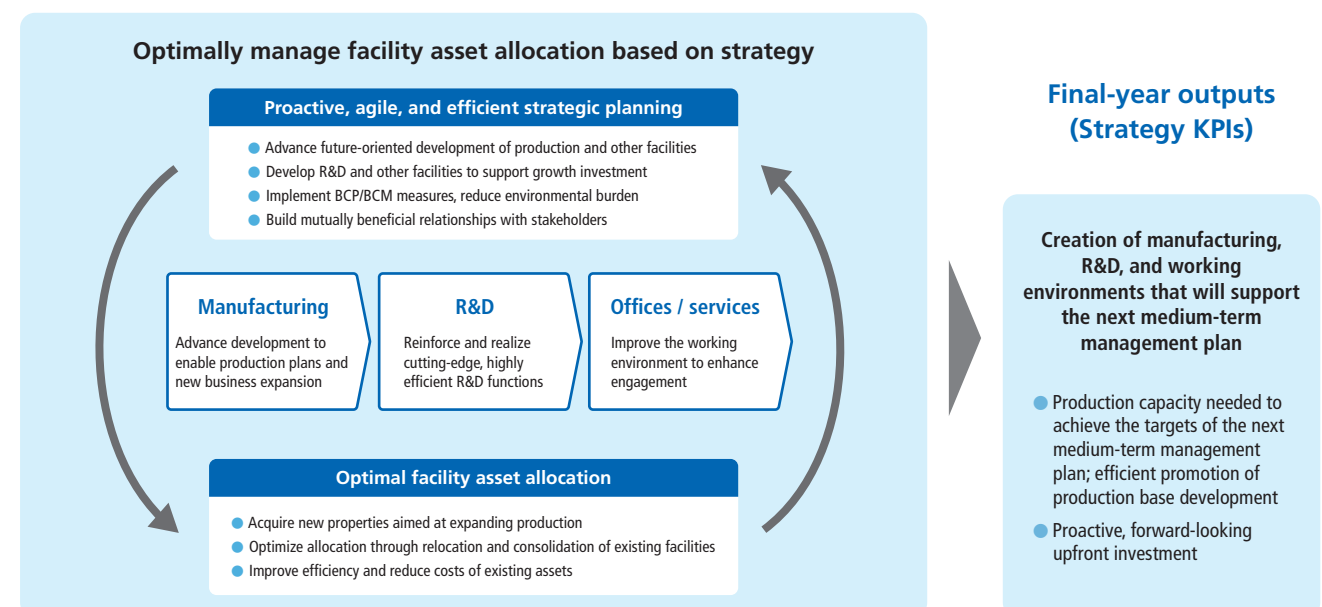
Value Up Further 2026: Steps for promoting our digital strategy



Facility strategy

Basic policy

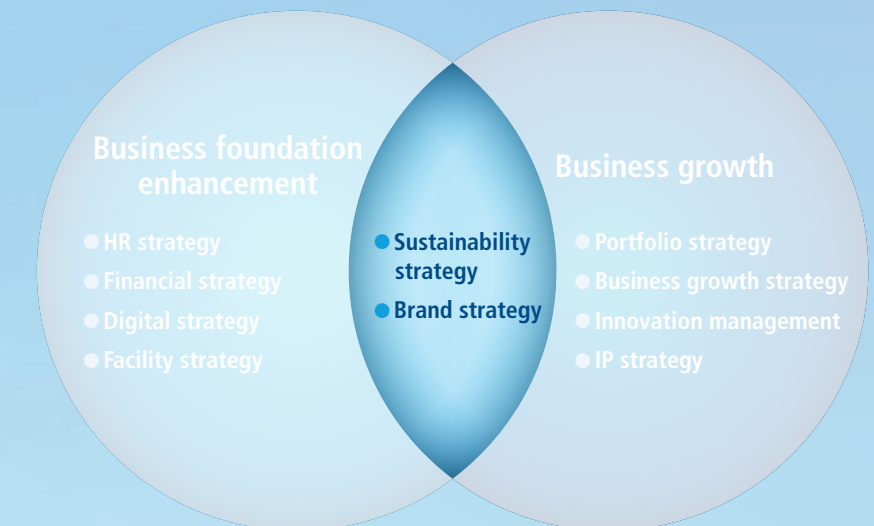
To support business growth during our next medium-term management plan (starting FY2028/03), we are implementing facility planning optimized from the perspectives of proactiveness, agility, and efficiency.



Shared strategies for both business foundation and growth

02

This section provides a closer look at a subset of our strategies for increasing corporate value—shared strategies for both business foundation and growth.



Contents

[p. 43](#) Sustainability strategy

Note: Brand strategy is omitted since it contains a significant amount of sensitive information. In this report, information on brand strategy is included in the messages from the CEO and other executives, which these messages can be found under "Message from the CEO" (p. 14) and "Medium-term management plan" (p. 27).

Implementation strategies

Sustainability strategy

The SCREEN Group promotes sustainable management, an approach to achieving sustainable growth by enhancing corporate value through the creation of shared value (CSV). CSV is the generation of both social value and economic value by accommodating social needs through business activities.

We regard sustainability strategy as part of our shared strategies applicable both to business growth and business foundation enhancement. To globally address long-term environmental, social, and governance (ESG) issues throughout our value chain, we have established Sustainable Value 2026, which sets forth the non-financial targets of Value Up Further 2026, our new medium-term management plan. By striving to achieve these targets, we will live up to the expectations and confidence of our diverse stakeholders and contribute to the sustainable development of society.

Note: For details, see "Sustainability medium-term plan" (p. 26).

Basic policy

The SCREEN Group has established the CSR Charter and the Code of Conduct, setting forth principles of conduct for all group employees to follow based on the corporate philosophy. We put them into practice in areas including compliance, human rights, product liability, and the supply chain, thereby fulfilling our corporate social responsibility and responding to the expectations of society.

In addition, the Group is a signatory to the UN Global Compact, a United Nations initiative based on 10 principles in the areas of human rights, labor, environment, and anti-corruption. Respecting such principles, charters, and rules, the Group works toward the sustainable development of society.

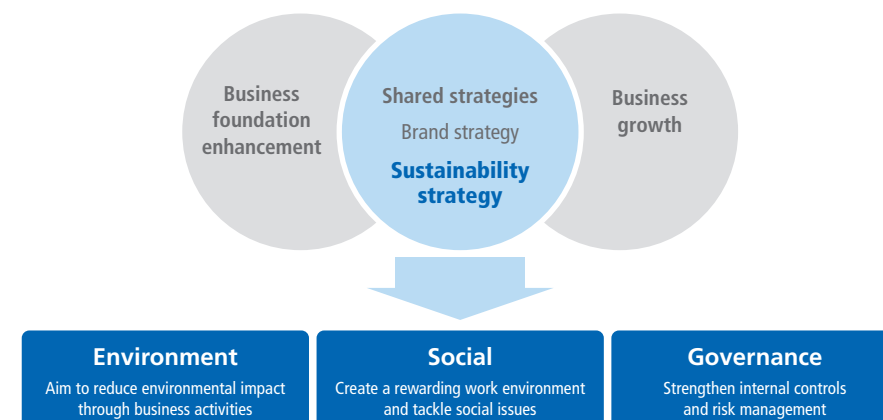
SCREEN Group CSR Charter

1. Provision of Products and Services Beneficial to Society
2. Respect for Human Rights and Friendly Work Environment
3. Establishment of Friendly Environment for People and Our Planet
4. Sound and Effective Corporate Governance
5. Compliance with Laws and Regulations, and Standards of Ethics
6. Appropriate Management and Utilization of Information and Intellectual Property
7. Appropriate Disclosure of Company Information
8. Corporate Social Responsibility as Good Corporate Citizen
9. Exclusion of Anti-Social Forces

Main principles, charters, and rules the SCREEN Group respects

- UN Global Compact
- Sustainable Development Goals (SDGs)
- Universal Declaration of Human Rights
- UN Convention Against Corruption
- UN Guiding Principles on Business and Human Rights
- Responsible Business Alliance (RBA)
- ILO International Labour Standards
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- ISO 26000

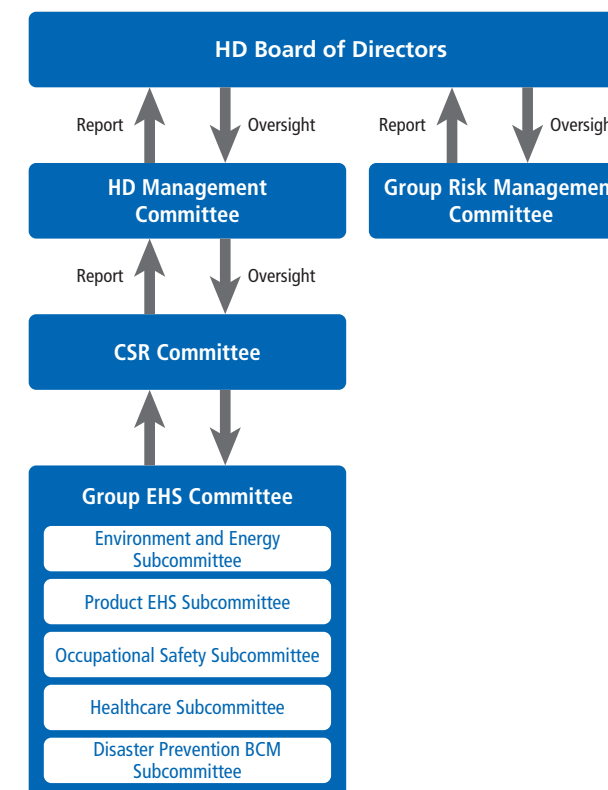
Strategies for boosting corporate value



Sustainable management promotion system

To effectively address ESG issues, the SCREEN Group is implementing the new medium-term plan, Sustainable Value 2026, through the Group Risk Management Committee, the CSR Committee, and the Group EHS Committee as well as subcommittees dedicated to specific issues and problems. The persons responsible from the SCREEN Group companies involved in these efforts take part in the group committees to share information, promote collaboration, and advance initiatives on a group-wide basis.

Note: Details about the group committees are provided under "Corporate Governance" (p. 78).



Human rights

Based on the CSR Charter, we prohibit and do not tolerate any form of harassment, child labor, forced labor, or complicity in the infringement of human rights while ensuring that the rights, cultures, and customs of workers are respected. We also respect the human rights of all stakeholders including clients, people who work at suppliers, our neighboring residents, and shareholders, and strive to be fair and sincere in our conduct.

Sustainable Value Award

The SCREEN Group holds the annual Sustainable Value Award for all group companies in Japan and overseas. In the third annual award ceremony, held in the fiscal year ended March 31, 2024, we honored five excellent initiatives, two of which received gold awards.

Significance and purpose of the award

1. Striving to promote, raise awareness of, and ingrain Sustainable Value
2. Broadly recognizing efforts to enhance Sustainable Value that have achieved results and promoting more active and effective activities
3. Raising awareness among each employee as well as raising the recognition of Sustainable Value and enhancing employee motivation to participate

Gold award

- Technology to concentrate and reuse organic waste liquid from semiconductor cleaning equipment
- Charity events for single mothers

Social contribution activities

The SCREEN Group proactively promotes alliances with industry, academia, and government as a part of its sustainability activities. We collaborate with municipalities, universities, and other educational institutions to conduct various activities that contribute to society. Information about specific initiatives is available at the following URL.



Visiting schools to teach classes



The SCREEN Forest (part of the Kyoto Model Forest Initiative)

WEB Social Contribution Activities

Environment

In line with the basic policy of “establishment of a friendly environment for people and our planet” set forth in the CSR Charter and the Code of Conduct, we strive to contribute to decarbonization and the realization of sustainable development based on a sound material cycle and harmony with nature. To this end, we have set targets for reducing environmental impact through our business activities in Sustainable Value 2026 and are implementing a variety of initiatives to meet them.

We comprehensively manage environmental risks and opportunities, such as climate change, stricter environmental regulations around the world, and growing needs for products with low environmental impact. Specific efforts toward this include certification and management under ISO 14001 for the environment and ISO 50001 for energy. Specifically, the Group EHS Committee and its subcommittees share environmental issues and problems and make continuous improvements to resolve them, while the CSR Committee reviews progress. The Group Risk Management Committee manages risks, including environmental risks, and advances initiatives on a group-wide basis.



Environment



“Environment,” Sustainability Data Book 2024

Addressing climate change

Carbon Neutral Declaration

Aiming to achieve carbon neutrality by 2050, we are working to reduce greenhouse gas (GHG) emissions from our business activities based on three approaches: expanding the use of electricity derived from renewable energy, effective energy management, and decarbonizing fuel-based energy. SCREEN aims to reduce environmental impact across all business activities, from development and manufacturing to sales, as well as that from sold products. We have been reducing GHG emissions at a pace significantly exceeding that needed to reach our target approved by the Science Based Targets initiative (SBTi)* as

consistent with the level required to keep the global temperature rise to 1.5°C. Nevertheless, by setting and pursuing even higher targets, the SCREEN Group will contribute to the realization and sustainable development of a carbon neutral economy.

* An international initiative to prevent global warming by setting GHG reduction targets that are based on scientifically sound principles

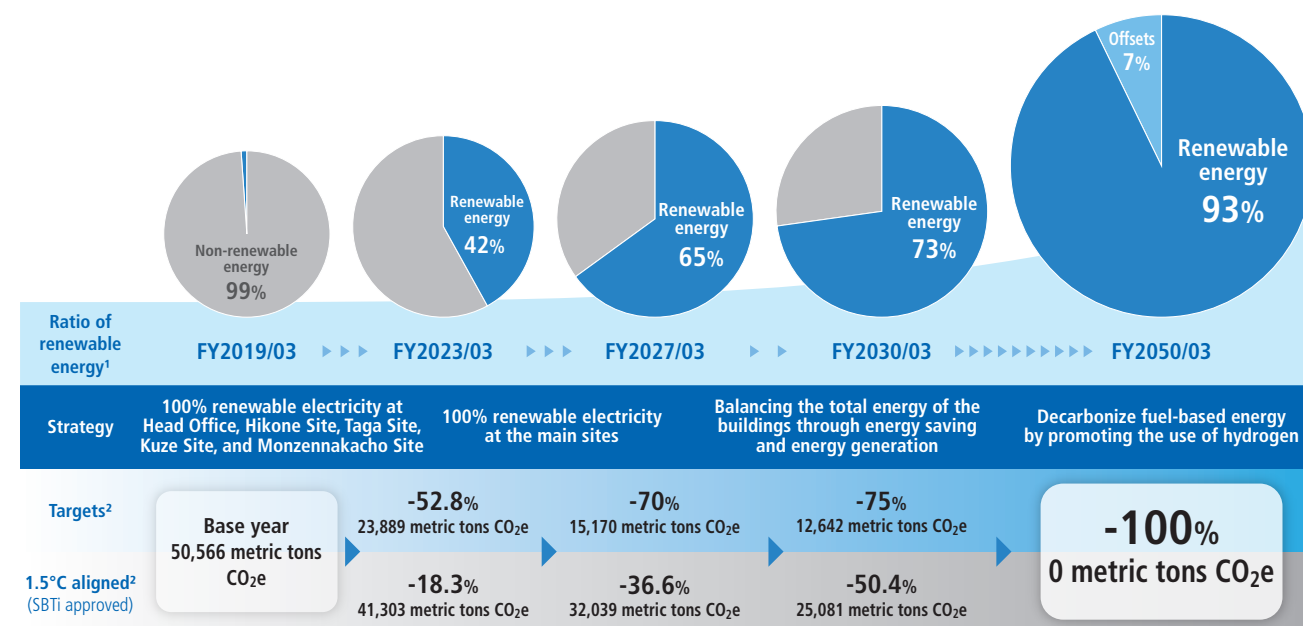


Climate Change Initiatives



SCREEN Receives Renewed Approval from Science Based Targets Initiative

Decarbonization targets (Scope 1 + 2)



1. Ratio of renewable energy use to total energy use (kWh equivalent). Ratio of renewable energy includes electricity derived from renewable energy sources as well as conversion to hydrogen and other green fuels.

2. Percentage reduction compared with the base year

Efforts related to the TCFD recommendations

The SCREEN Group declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2021. Accordingly, we are proactively advancing climate-related disclosures.



Climate-related information disclosure based on TCFD recommendations

Governance

Climate-related risks and opportunities are discussed by the Group Risk Management Committee and the CSR Committee to determine the course of action for risk management and manage the progress of initiatives. Each committee meets at least semiannually and reports its decisions to the Board of Directors.

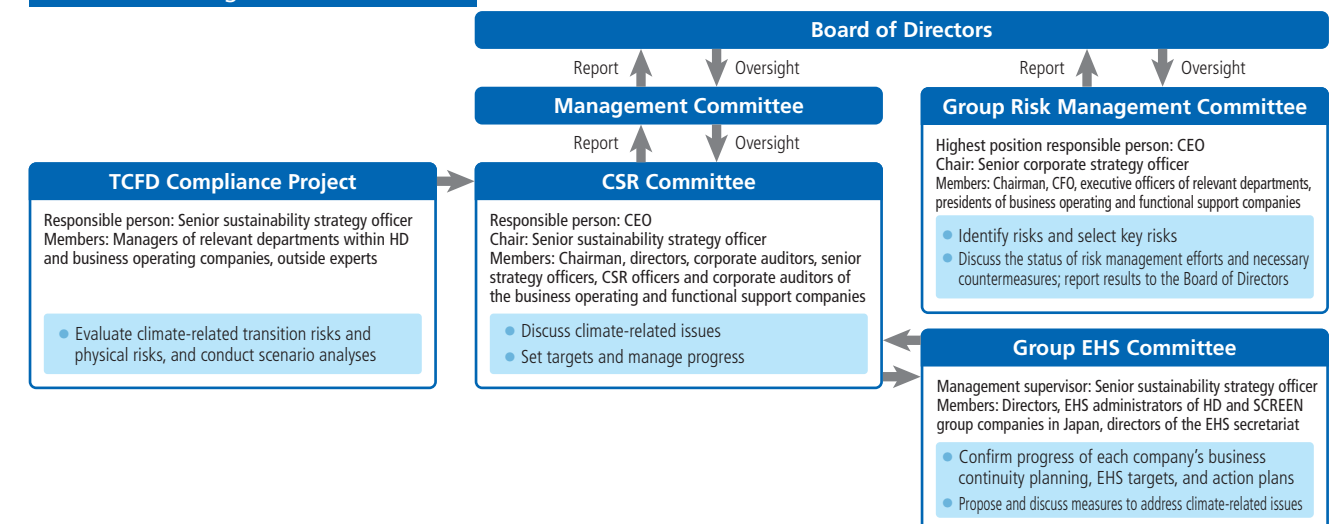
Strategy

The SCREEN Group has used scenario analyses to assess the financial impact of key climate-related risks and opportunities it has identified for its four main businesses in 2030.

In the semiconductor production equipment business, which is our core business, demand for semiconductor production equipment with lower environmental impact is expected to continue to increase, reflecting growing awareness of climate change.

Regarding physical risks, we identified flooding and other risks at our own production sites and the facilities of major suppliers. We conducted scenario analyses for each base and business and took measures to diversify our supply chain and protect against flooding at production bases to ensure business continuity. As a result, we assess that the impacts as of 2030 will be minor.

Climate-related governance structure



Note: Refers to the holding company unless otherwise stated

Major risks and opportunities

Types of risks and opportunities		Details of risks and opportunities	Financial impact	3°C	1.5°C
Transition risks	Policy and legal	Regulations on existing products and services	Increased manufacturing costs	Low	Medium
	Technology	Investment in new technologies	Increased development costs	Medium	Medium
	Market	Changes in market product needs	Decreased sales	Medium	High
		Request for reduce emissions to the supply chain	Increased manufacturing costs	Medium	Medium
	Reputation	Changes in the energy market	Decreased sales	Low	Medium
		Changes in reputation from clients	Decreased sales	Low	Medium
Opportunities	Products and services	Securing outstanding human resources	Increased management costs	Low	Medium
		Development of new products that contribute to energy conservation, etc.	Increased sales	Medium	High
		Responding to client requests for ESG compliance	Increased sales	Low	Medium
	Market	Increasing severity and frequency of extreme weather events	Increased sales	Medium	Medium
		Increased demand for semiconductors due to higher performance and energy saving	Increased sales	High	High
		Manufacturing and selling products and providing services (Increased demand for power devices)	Increased sales	Medium	Medium
		Manufacturing and selling products and providing services (Increased demand for MEA and others)	Increased sales	Low	High

Note: Financial impacts (estimated for 2030):

Low: less than 2%, Medium: 2% or more but less than 10%, High: 10-30%

Implementation strategies

Risk management

In the TCFD Compliance Project, we comprehensively identified climate-related risks and opportunities throughout our value chain. We assessed each risk and opportunity in a matrix showing severity and probability of occurrence to identify significant climate-related risks and opportunities for each business. Based on these business-level assessments, we then identified significant climate-related risks and opportunities for the Group.

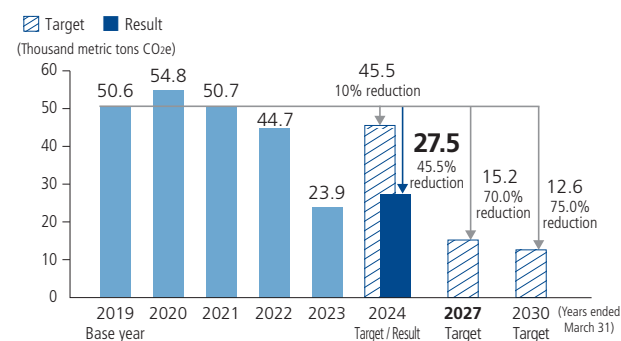
The Group Risk Management Committee, which is a company-wide risk management body, manages climate-related risks and opportunities deemed significant. Under the supervision of the Board of Directors, these risks are reflected in the Group's strategy as one type of corporate risk.

Metrics and targets

GHG emissions from business activities (Scope 1, Scope 2)

GHG emissions from business activities in the fiscal year ended March 31, 2024 were reduced by 45.5% from the fiscal year ended March 31, 2019. This reduction significantly exceeded our target. Compared to the fiscal year ended March 31, 2023, emissions increased slightly due to worsening of the emission factor for general electricity, but this increase was restrained thanks to the expansion of business sites using renewable energy and efficiency improvements achieved through upgrades to energy-saving equipment.

GHG emissions from business activities (Scope 1, Scope 2)



Reducing GHG emissions from business activities (Scope 1, Scope 2)

In order to promote the decarbonization of Scope 2 as a high priority, we plan to switch 100% of our main sites in Japan to renewable electricity by the fiscal year ending March 31, 2027. We expanded the scope of energy switch to the head office, Hikone Site, and Taga Site in the fiscal year ended March 31, 2022 and to Kuze Site of SCREEN SPE Tech Co., Ltd. in the fiscal year ended March 31, 2023, contributing to a major reduction in GHG emissions.

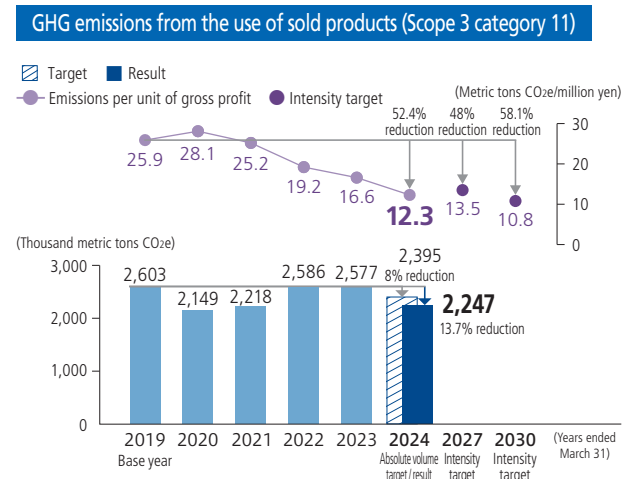
Through the environment and energy subcommittee and other bodies active under the Group EHS Committee, we share and spread know-how and data on initiatives related to energy savings of each group company and

systematically replace equipment with and install new highly energy-saving equipment. In the fiscal year ended March 31, 2024, we reduced annual GHG emissions by around 500 metric tons in part by upgrading heating and air conditioning equipment and switching to LED lighting. In addition, the installation of photovoltaic power system at our plants generated 734 MWh of electricity in the fiscal year ended March 31, 2024.

GHG emissions from the use of sold products (Scope 3 category 11)

GHG emissions from the use of sold products in the year ended March 31, 2024 were reduced by 13.7% from the year ended March 31, 2019, achieving our reduction target. This was due in part to an increase in the ratio of sales from Green Products that have high environmental performance, despite an increase in net sales.

Since January 2024, our target has been renewed from an absolute volume basis to an intensity basis, calculated as emissions volume per unit of gross profit, which aims to simultaneously achieve business growth and GHG emissions reduction.



Reducing GHG emissions from the use of sold products (Scope 3 category 11)

We focus on expanding sales of products with high environmental performance that are certified as "Green Products" according to our independent evaluation standards, so as to contribute to GHG emission reductions on our clients' side.

In addition, to further accelerate the reduction of GHG emissions from the use of sold products, we introduced a Super Green Product certification system for products with even better energy saving performance. The proportion of sales from Super Green Products is designated as one of the outcome KPIs of the Management Grand Design, a 10-year vision which extends through the fiscal year ending March 31, 2033. During the period of the new medium-term plan, in addition to the Group's independent efforts, we will collaborate with industry organizations to adapt mainstay products in each business.

Water saving and wastewater management

We are promoting water resource management in our business activities with the aim of reducing our impact on aquatic environments and the ecosystems they support. In particular, the Lake Biwa-Yodo River System, which encompasses six major business sites, including the Head Office, is home to extremely precious aquatic ecosystems with significance in terms of the natural and social sciences. Recognizing this, we implement activities to maintain and conserve the environment, working in collaboration with local municipalities as well as educational and research institutions to ensure sustainability.



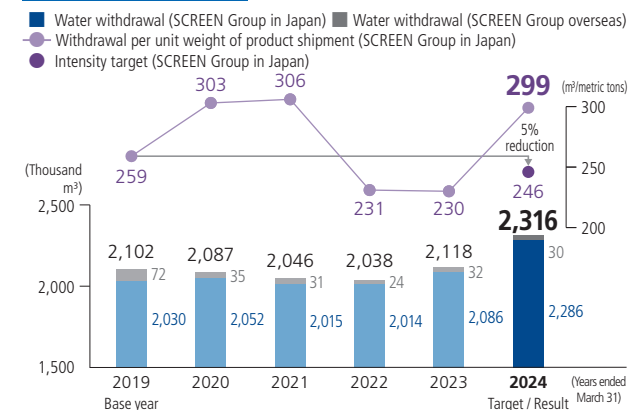
Metrics and targets

We set and pursued the target for the fiscal year ended March 31, 2024 of a 5% reduction in the intensity of annual water withdrawal (service water, industrial water, etc.) per unit weight of product shipment at Group business sites compared with the fiscal year ended March 31, 2019.

In the fiscal year ended March 31, 2024, total water withdrawal volume increased slightly, reflecting the expansion of production facilities, despite efforts to improve production efficiency at development and manufacturing sites. Due in part to changes in the product mix, water withdrawal intensity was also up 15.4% from the fiscal year ended March 31, 2019. As such, we did not meet our reduction target.

In April 2024, we changed our target for reducing water withdrawal to an intensity basis, calculated as water withdrawal per unit of net sales (8% reduction compared with the fiscal year ended March 31, 2019), aimed at more efficient water usage amid business expansion.

Water withdrawal



Reducing water usage on the user side

As droughts, water pollution, and other issues emerge in various regions, conserving water resources is becoming ever more important. For the SCREEN Group's products, especially cleaning equipment, reducing the amount of water and chemicals used during product operation is increasingly significant in terms of effectively utilizing water resources.

As such, the SCREEN Group is working to better understand water management while advancing efforts in its product design and development to reduce waste liquid and the amount of water and chemicals needed for product operation. In addition, to further accelerate development aimed at reducing environmental impact, the Group is collaborating with industry organizations through joint development and other initiatives.



Efforts to reduce waste and increase the recycling rate

SCREEN considers it important to effectively utilize resources and reduce environmental impact by controlling resource consumption and reusing and recycling resources. We will continue contributing to the realization of a sound material cycle by reducing waste during the production and disposal of products, raising the recycling rate, effectively utilizing resources, and circulating them in a sustainable way.



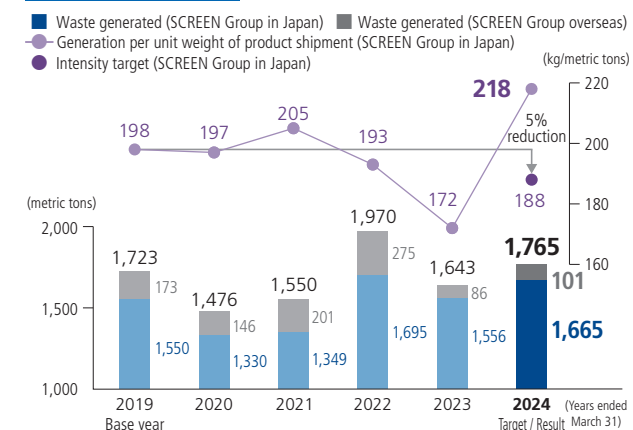
Metrics and targets

We set and pursued targets to achieve a recycling rate of 98% and to reduce the intensity of waste per unit weight of product shipment at business sites in Japan 5% compared with the fiscal year ended March 31, 2019 by the fiscal year ended March 31, 2024.

In the year ended March 31, 2024, waste intensity was up 10.1% from the base year, reflecting changes in the product mix, despite efforts to reduce waste and to turn waste materials into valuable materials. However, the recycling rate was 99.1%, achieving our target.

In April 2024, we changed our target for reducing waste generated to an intensity basis, calculated as waste generated per unit of net sales (8% reduction compared with the fiscal year ended March 31, 2019). Based on this target, we aim for the relative reduction in waste amid an environment of business expansion.

Waste generated



Efforts to reduce waste

Waste was previously disposed of via thermal recycling. However, more recently, we have been more strictly sorting waste and increasing sales of waste plastic as a valuable material, aiming to reduce GHG emissions from incineration and promote plastic recycling. The scope of these activities is steadily expanding, contributing to plastic waste reduction across the entire SCREEN Group.

In addition, we are minimizing the use of packaging sheets and bubble wrap for transport, combined with enhanced initiatives to reduce and recycle plastic and other waste.

Strict control of chemical substances

In line with “Environmental, Safety, and Health Activities,” which summarizes our stance on EHS, the SCREEN Group regularly assesses its activities to ensure full compliance with EHS-related regulations. The Group in Japan carries out the evaluations twice a year utilizing regulatory registration tables and compliance assessment and outcome reports. This process also covers legal requirements for chemical substances.

 Environmental, Safety, and Health Activities

Complying with chemical and high-pressure gas regulations

Following revisions to the Industrial Safety and Health Law, risk assessments of hazardous chemicals are now mandatory. Accordingly, SCREEN has introduced a management system for chemicals and high-pressure gases. We perform thorough risk assessments of new chemicals for use in our businesses and have been working to implement inventory management.

 Preventing Pollution

Complying with product regulations

To satisfy product-related environmental regulatory requirements in different countries, the Product EHS Subcommittee quickly shares regular updates on legislation, and the business operating companies maintain full compliance with environmental regulations for products. In addition, as the first step in ensuring compliance with anticipated future PFAS regulations, we have set a target for reducing the usage of virgin PFAS in Sustainable Value 2026. We are working toward reduction by making use of recycled products and improving manufacturing methods.

We also implement surveys of substances of very high concern (SVHCs) in the supply chain and preferentially purchase from suppliers that practice appropriate chemical management.

Managing environmental risks

Advanced scrubbers (exhaust cleaning devices) are installed at all laboratory and research facilities that handle chemical substances. Exhaust gas is released into the atmosphere only after any contaminants have been removed. We also work to avoid risks by regularly analyzing exhaust particles and inspecting equipment.

We also thoroughly and appropriately manage and monitor waste liquid and effluent. Facilities that handle chemicals conduct regular training on how to clean up leakages of various substances depending on their characteristics to ensure rapid response in the event of an accident.

Managing soil and groundwater contamination risks

The Hikone Site uses above-ground piping to handle all waste liquid requiring purification to prevent the contamination of soil and groundwater. As the waste liquid is transported via above-ground piping to the treatment facilities, employees can visually monitor conditions and respond quickly in the event of an emergency. The piping system is inspected regularly to minimize the risk of leakage. Embankments have been created around the locations of storage tanks for chemicals that require waste treatment processing. These embankments have also been made chemical resistant. Even if a leak does occur, the structure ensures that no harmful substances leave the site. The Yasu Site, which handles chemicals, is equipped with groundwater observation wells. Employees perform regular water quality surveys to confirm there is no contamination.

Conserving biodiversity

Various aspects of daily life, including food, healthcare, and the water supply, are supported by ecosystem services enabled by biodiversity. Based on this awareness, the SCREEN Group strives to educate employees and disseminate information externally. To realize a sustainable world based on societal development in harmony with nature, we work to conserve biodiversity and conduct local activities with a focus on mitigating global warming and promoting a sound material cycle.

 Biodiversity Action Guidelines

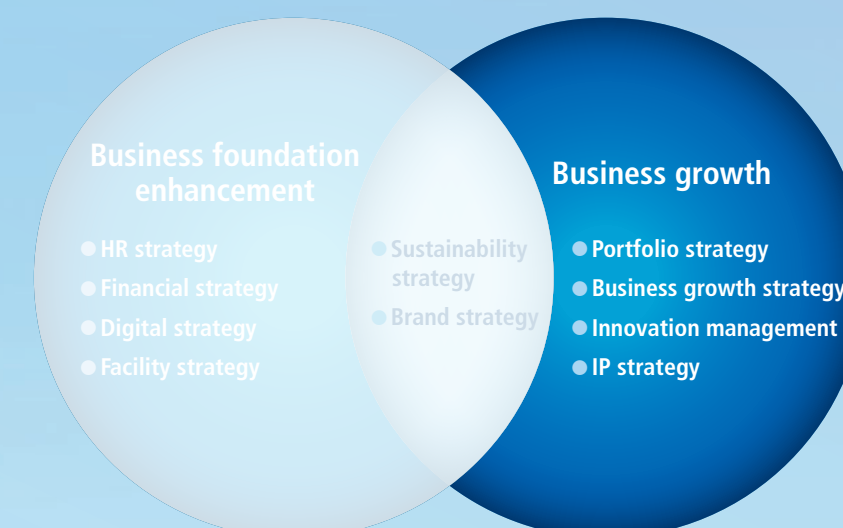
Raising awareness of biodiversity in collaboration with the Lake Biwa Museum

We are working to raise awareness of biodiversity. As part of our philanthropic activities to realize a society in harmony with nature, we sponsor a micro-aquarium in the museum featuring the microorganisms that support the lake's ecosystem.

Business growth strategies

03

This section provides a closer look at a subset of our strategies for increasing corporate value—business growth strategies.



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Implementation strategies

Portfolio strategy

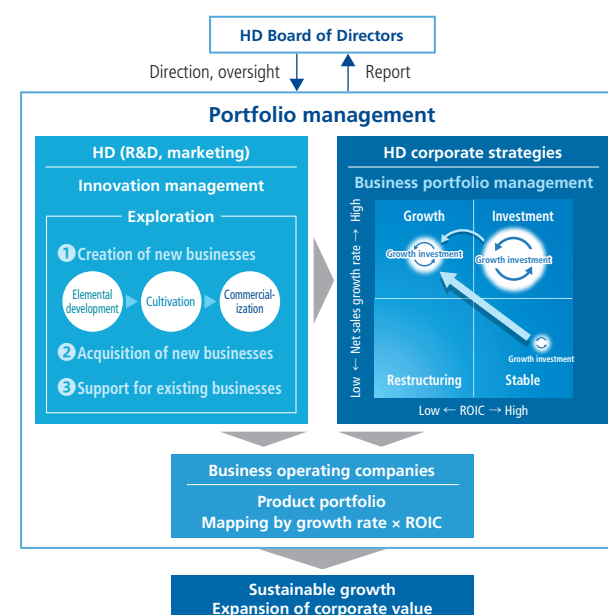
The SCREEN Group practices portfolio management with the aims of achieving sustainable growth and maximizing corporate value. Portfolio management is at the core of our value creation. Under the initiative of SCREEN Holdings, we plot out the current value of the portfolio along the axes of growth potential and return on invested capital (ROIC), indicating the direction we aim for in existing businesses and the target positions of new businesses as we work toward sustainable future growth. Our portfolio management consists of two parts: business portfolio management to monitor the corporate value of each business in the SCREEN Group and innovation management to sustainably and effectively create new businesses, including new product lines under existing business segments.

Basic operation of portfolio management

In business portfolio management, under the oversight of SCREEN Holdings, operating cash inflows are used to fund strategic investment balanced between existing and new businesses. Specifically, we generate funds for investment through the growth of existing businesses and the ongoing updating of the product portfolio. In the Management Grand Design, of this, 70% is then reinvested to support the further growth of existing businesses and the creation of new business operating companies as part of innovation management. In this way, we aim to achieve sustainable growth. To realize the Group's ideal business portfolio, the Board of Directors analyzes issues and regularly checks the progress of required measures.

Our innovation management, meanwhile, integrates internal management that builds on proprietary elemental technologies with outward-looking management that generates synergies by bringing in external businesses through M&A. In this way, we sustainably and effectively create new businesses, including new product lines in existing business areas.

Basic operational flow of portfolio management



Business portfolio management

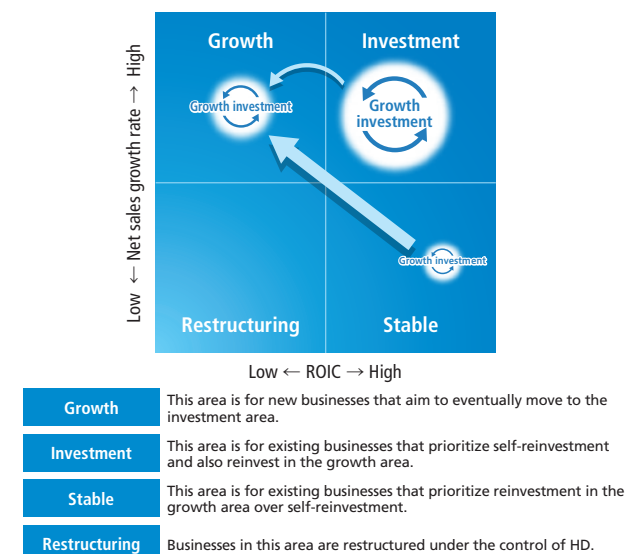
In our business portfolio management, we map out the position of SCREEN Group's business segments using two indicators: growth potential (net sales growth rate) and ROIC. Using this visual aid, we regularly check the difference between the current and ideal position of each business as we work toward our ideal business portfolio.

Portfolio mapping by business segment

We apply common criteria to determine the scale and position of the corporate value of the SCREEN Group business operating companies, categorizing them into one of four areas: growth, investment, stable, or restructuring.

Ideal business portfolio

The SCREEN Group's ideal portfolio comprises a combination of business segments positioned in the growth, investment, and stable areas (see definitions below).



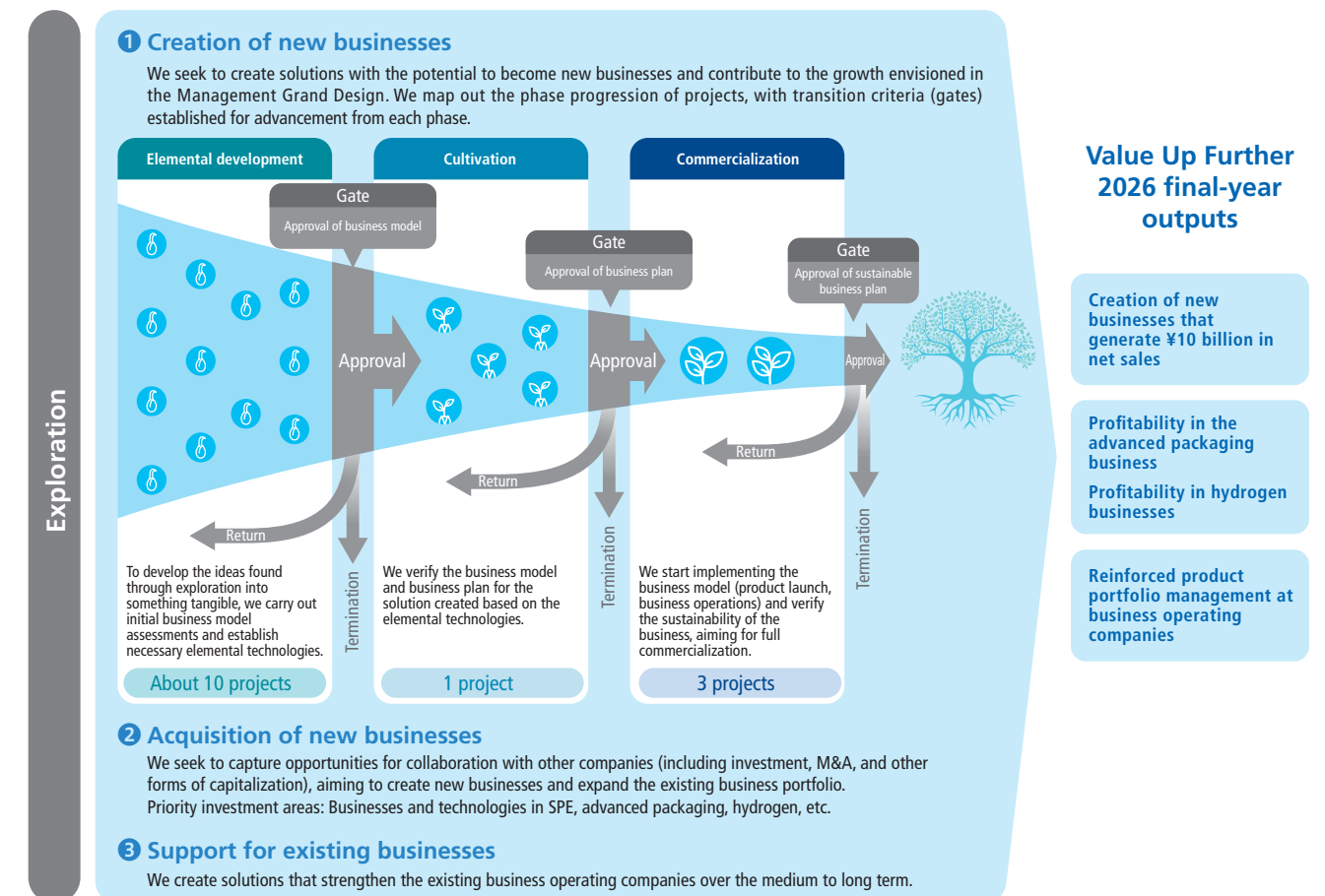
Innovation management

We pursue innovation management to efficiently create solutions on an ongoing basis. SCREEN Holdings leads efforts aimed at creating new businesses that could eventually reach the level of our existing business operating companies as well as solutions that strengthen the existing business operating companies.

Operational policy

We explore ideas mainly in four focus areas (digital transformation, green transformation, mobility, and humanics) based on megatrends we have identified. In doing so, we apply the perspectives of the macro-trends (social issues/needs, technological innovation, and changes in industrial structures), the macro-trends (market trends and industry technology trends),

client feedback, the needs of our business operating companies, and the application of our proprietary technologies. The ideas explored through this process are then utilized to the creation of new businesses, acquisition of new businesses, and support for existing businesses.



Main results of initiatives in the fiscal year ended March 31, 2024

1. Creation of new businesses

- Transitioned the advanced packaging business from the cultivation phase to the commercialization phase, establishing a department at HD in April 2024
- Merged the MD project, which was in the cultivation phase, into the Biosciences & Pharmaceuticals Department, which is in the commercialization phase, with the aim of further expansion in life science
- Abolished the Inspection & Measurement Department, which was in the commercialization phase

2. Acquisition of new businesses

- Acquired Phoenix Seiko, a company that specializes in plastic processing
- Acquired shares in Adriakaim, a medical device startup

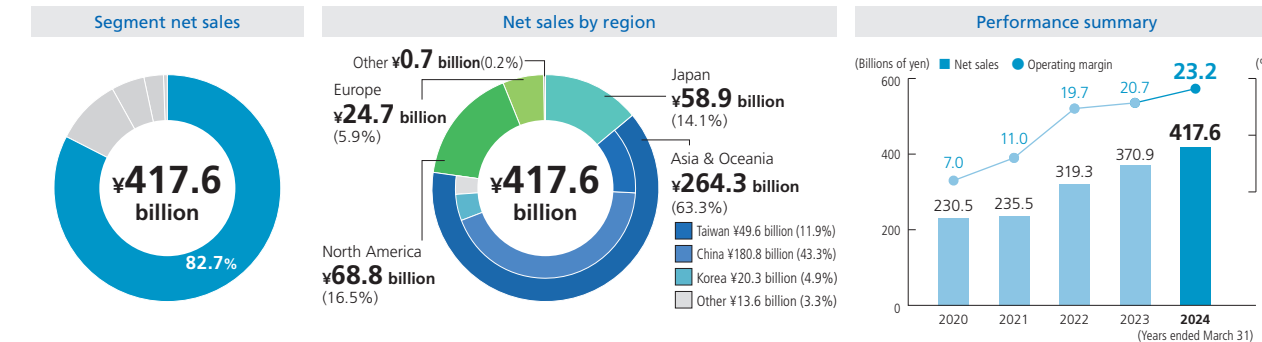
Initiatives for the fiscal year ending March 31, 2025				
Focus areas		DX	GX	Mobility
Commercialization phase	Projects (new businesses)	DX of social and equipment design	Decarbonization Energy-saving equipment	Convenient transportation technologies
	Advanced packaging	A more prosperous world Power-efficient devices		
	Hydrogen	Widespread hydrogen power		
	Life science	Improved QOL		
Cultivation	AI	A more prosperous world Declining working-age population		

Implementation strategies

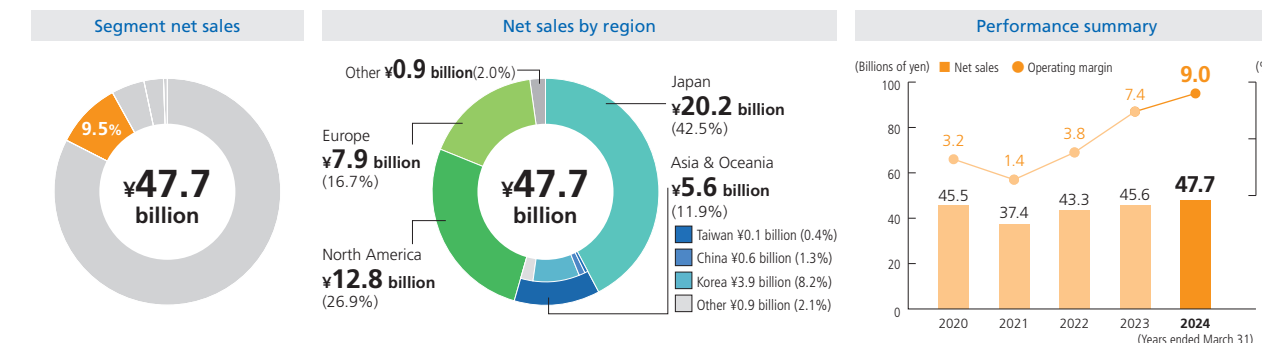
Business overview: Summary (fiscal year ended March 31, 2024)

SPE Semiconductor production equipment business
SCREEN Semiconductor Solutions Co., Ltd.

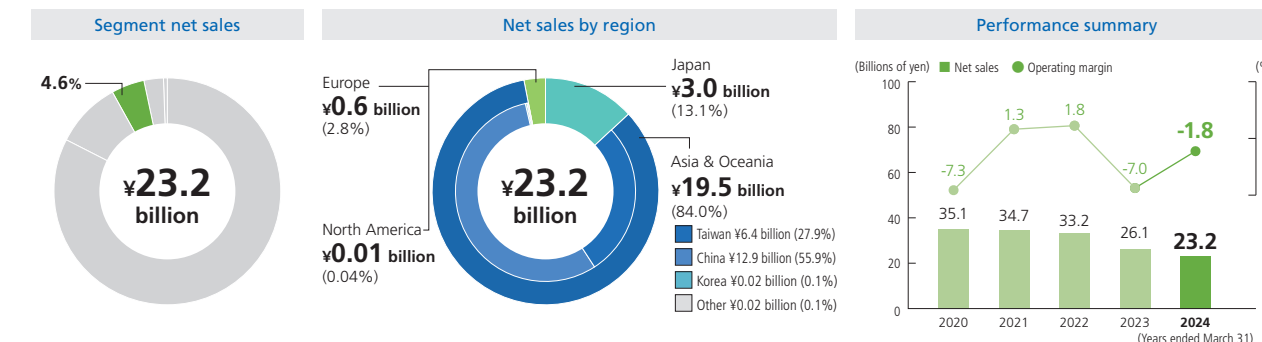
► p. 55 - 58

**GA** Graphic arts equipment business
SCREEN Graphic Solutions Co., Ltd.

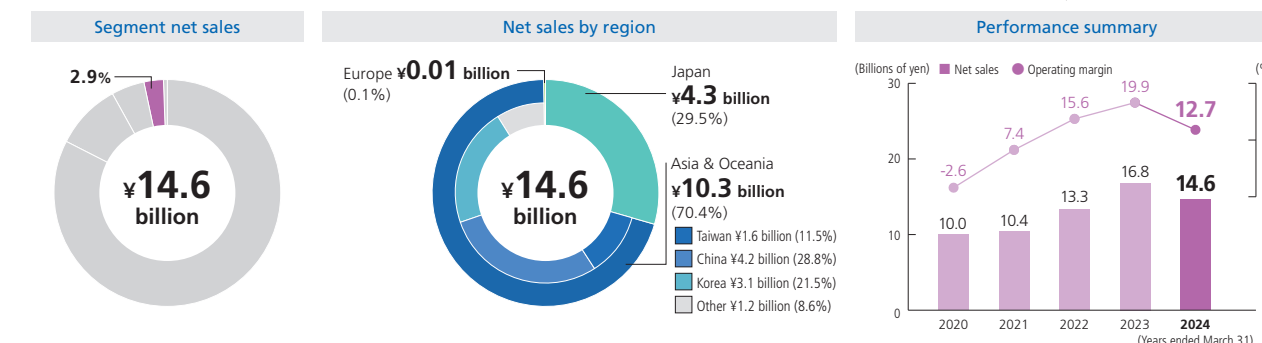
► p. 59 - 60

**FT** Display production equipment and coater business
SCREEN Finetech Solutions Co., Ltd.

► p. 61 - 62

**PE** PCB-related equipment business
SCREEN PE Solutions Co., Ltd.

► p. 63 - 64



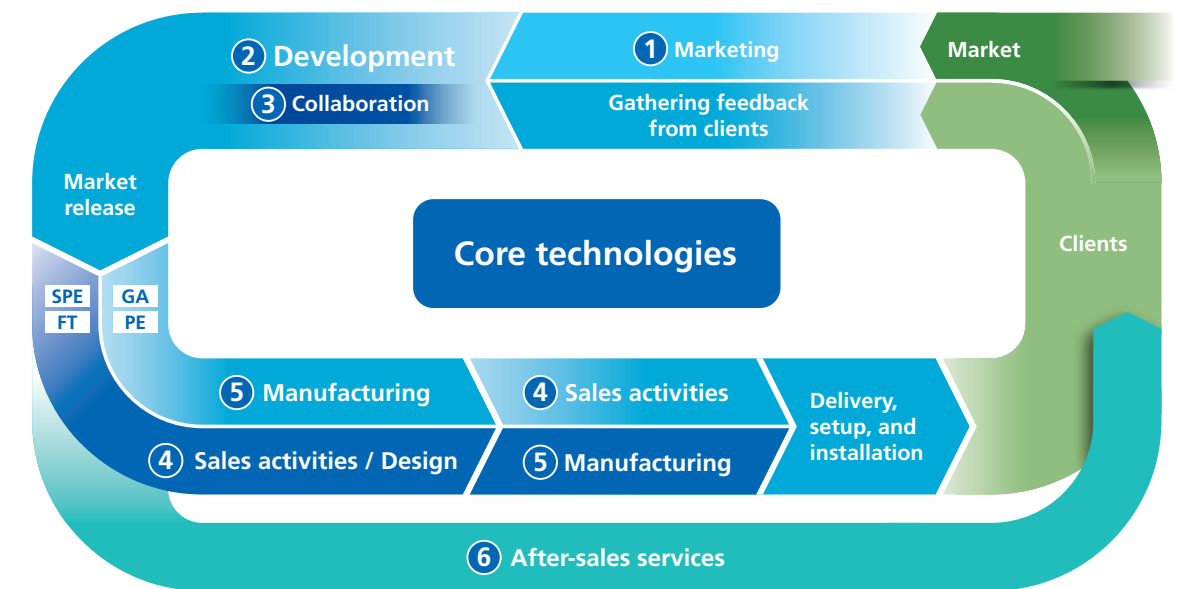
New businesses (Innovation management)

► p. 65 - 66

Value chain

Creating value by providing solutions to meet market needs
and client requests based on our core technologies

We realize a cycle of generating new solutions by providing satisfying solution to clients, generating profit, and reinvesting it.

**1 Marketing**

- Gather and analyze market information in multifaceted ways
- Evaluate client needs, examine industry and technology trends, and propose development directions and themes
- Based on our own analysis and forecast of long-term market trends, propose and implement plans for R&D resource allocation and business expansion in growth fields

2 Development: End-to-end product creation, solution creation abilities

- Develop products that embody our deep knowledge and design know-how acquired in each business area
- Examine each R&D project in terms of the fulfillment of client needs, profitability, competitive advantage, and reduced environmental impact at each phase until completion
- Achieve excellence in quality, cost, and delivery based on our manufacturing insight
- Pursue elemental development based on core technologies from a long-term perspective with the support of the SCREEN Holdings R&D departments

3 Collaboration: Development acceleration

- HD: Collaboration with the New Energy and Industrial Technology Development Organization (NEDO) on fuel cell MEAs and with Tokyo Gas on water electrolysis cell stacks
- SPE: Joint projects with external research institutions (imec, IBM, Leti), Applied Materials META Center, NEDO, Mie University, Hiroshima University, Shiga University, and suppliers, etc.
- GA: Collaboration and joint projects with analog press and postpress system manufacturers (Nilpeter and Horizon) and clients (Chiyoda Gravure, etc.)

4 Sales activities

- Speedily propose solutions that cater to specific needs based on highly client-oriented sales activities
- Facilitate efficient manufacturing through early determination of equipment specifications (SPE, FT, PE)

5 Manufacturing

- Stabilize procurement by planning production in line with client forecasts and sharing demand information with suppliers
- Ensure high quality through quality management systems based on the ISO 9001 standard
- Promote cost reduction activities through standardization of specifications (SPE, FT)
- Promote efficient manufacturing by standardizing parts and units (GA, PE)
- Achieve high quality by shifting to preventive/predictive activities based on our total quality management system (SPE)
- Enhance production capacity through the efficient operation of the Hikone Site, with the S³-5 factory, featuring advanced automation, put into operation in January 2024, following S³-3 and S³-4
- Accelerate cost reduction through value analysis and value engineering in cooperation with suppliers (GA)

6 After-sales services

- Promote localized operations to build a resilient support structure that can withstand disruptions including pandemics
- Enhance profit-driving after-sales businesses (maintenance parts, modification, used equipment sales, consumables, etc.)
- Provide preliminary alerts and remote support leveraging IoT (GA)

SPE

Semiconductor production equipment business (SCREEN Semiconductor Solutions Co., Ltd.)



CSV: Improving the flow of information by adding ingenuity to nanotechnology

SPE provides diverse solutions for use in a broad range of processes that are a crucial part of circuit formation on silicon wafers for semiconductor devices, including cleaning, coating/developing, and annealing. In particular, in the area of cleaning,¹ our products are widely used in front-end-of-line (FEOL) processes,² where numerous important processes determine the performance of devices.

We are also focusing on expanding our market share in middle-of-line (MOL) and back-end-of-line (BEOL) processes, where the number of processes is growing as miniaturization progresses. We go beyond just markets for leading-edge, increasingly miniaturized and multilayered devices to meet a wide range of customer needs across all fields, including mature nodes, such as those for IoT and automotive products. By doing so, we contribute to enhanced performance, quality, and productivity in semiconductor manufacturing.

Going forward, we will work to establish a dominant market share in cleaning equipment, expand in fields outside cleaning, and further enhance productivity in order to maintain and assert our presence in the industry.

As stated in SPE's approach to creating shared value (CSV), by providing products and services leveraging our strengths in ingenuity and nanotechnology, we will continue striving to solve a wide range of social issues and improve the flow of information for people everywhere.

1. Removing extremely small particles and residues from the front and back wafer surfaces. For example, removing a 10 nm particle from the surface of a 300 mm wafer, which is proportionate to removing a speck of cypress pollen from a baseball field.
2. Transistor fabrication processes

Message from the business operating company president

Akihiko Okamoto

President, SPE



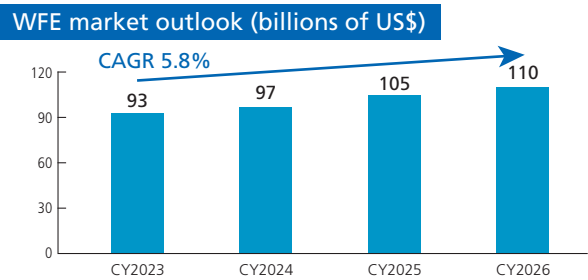
By building robust manufacturing frameworks to flexibly and swiftly meet rapidly expanding demand for semiconductor production equipment and providing creative solutions to issues faced by customers, SPE strives to contribute to the development of society. To this end, going forward, we will reinforce our R&D capabilities and further enhance communication with customers.

At the same time, we will continue sustainability-related initiatives, such as providing products with superior environmental performance. We appreciate your continued support as we move forward.

Market, business environment, and demand outlook

The semiconductor market is expected to continue growing over the long term, reflecting rising AI-related demand and needs centered on applications arising from increasing communication network speeds. By 2030, the market size is expected to grow to nearly US\$1 trillion.

Looking at the market for wafer fab equipment (WFE) over the medium term, demand in China has remained stronger than expected in CY2023 and CY2024, and investment is expected to pick up again starting in CY2025 due to GPU and memory demand for generative AI. As a result, the market is forecast to see a compound annual growth rate (CAGR) of 5.8% from CY2023 to CY2026.



Note: Survey by SCREEN Group marketing departments

SWOT analysis (cleaning equipment)

S

Strengths

- Various advantages accruing from holding the top market share in the cleaning segment for many years
- Accumulated design, manufacturing, and process expertise
- Long-term business relationships with the world's leading semiconductor manufacturers
- Strong presence in FEOL cleaning processes through participation in consortiums

W

Weaknesses

- Unbalanced customer base in terms of application mix
- Product mix skewed toward cleaning

O

Opportunities

- Growth in the semiconductor market resulting from progress in 5G, AI, IoT, and DX/GX
- National policies to support and strengthen semiconductor manufacturing in each region
- Improvements in information quality, volume, and speed through participation in consortiums and joint development
- New cleaning needs arising from advanced packaging and chiplets, etc.

T

Threats

- Cyclical business environment
- Supply chain disruption due to rising geopolitical risk
- Loss of market share due to competitors' improvement in technological capabilities and pricing strategies
- Replacement of wet cleaning and etching processes with dry processes

Value Up Further 2026

Review of Value Up 2023

Fiscal year ended March 31, 2024 was the final year of Value Up 2023, the previous medium-term management plan. SPE recorded annual net sales of ¥417.6 billion, with an operating margin of 23.2%, significantly exceeding the plan's final-year targets. During the period of the plan, we expanded production capacity by increasing the utilization rate of S³-3* and completing construction and beginning operations at S³-4.

We also worked to improve productivity, and improvements made to profitability contributed significantly to the achievement of the plan's final-year targets.

* S³: Safety, smart, speed. The symbolic concept of our production reforms.

Efforts under Value Up Further 2026

With the start of operations at S³-5 in January 2024, we are further expanding production capacity. Under the new medium-term management plan, launched in April 2024, we will continue working to shorten lead time and implement automated systems to further enhance productivity.

In addition, through leading-edge technology development, we will strive to increase the competitiveness of our cleaning systems and continue to expand our market share.

Value Up Further 2026 financial targets

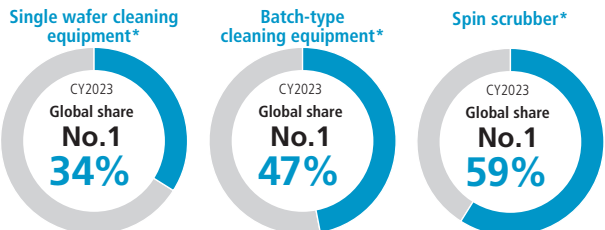
SPE	Three-year cumulative targets
Cumulative net sales	¥1.5 trillion or more
Average operating margin	23%–25%

Market share

Cleaning accounts for about 30% of all semiconductor manufacturing processes (of which there are several thousand), and cleaning is carried out before and after each process. In this business, we have captured the top market share in three fields of cleaning equipment. In addition, in the leading-edge device sector, against the backdrop of growing cleaning needs due to miniaturization, our sales are steadily rising, especially for major foundry and logic device customers.

We expect sales of cleaning equipment to account for a growing portion of the wafer fab equipment (WFE) market. This is due to the emergence of new needs, such as for cleaning wafer bonding surfaces, alongside the shift to advanced packaging and chiplets, as well as the growing need for meticulous cleaning for MOL and BEOL on par with FEOL in step with miniaturization.

As ongoing market share acquisition efforts begin to yield results, reflecting the uptake of new products, SPE expects its market share to rise further.



* Chart created by SCREEN based on Gartner Research. Source: Gartner®, "Market Share: Semiconductor Wafer Fab Equipment, Worldwide, 2023." Bob Johnson et al., 1 May 2024 (vendor revenue from shipments basis, listed as SCREEN Semiconductor Solutions in this research). Single wafer cleaning equipment = Single Wafer Processors; Batch-type cleaning equipment = Wet Stations; Spin scrubber = Scrubbers. Disclaimer: Gartner does not endorse specific vendors, products, or services mentioned in its research publications, nor does it advise technology users to select only those vendors that have received the highest ratings or other recognition. Gartner research publications express the company's views and are not representations of fact. Gartner assumes no responsibility, either express or implied, regarding this research, including its merchantability or fitness for a particular purpose. GARTNER is the registered trademark and service mark of Gartner Inc. or its affiliates in the United States and other countries and is used in this document with permission from Gartner Inc. All rights reserved. The Gartner content described herein (the "Gartner Content") represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and is not a representation of fact. Gartner Content speaks as of its original publication date (and not as of the date of this annual report), and the opinions expressed in the Gartner Content are subject to change without notice.

Segment strategies and future plan

Segment strategies	Category	Future plan
Improve the market share of cleaning equipment	S W O T	<ul style="list-style-type: none">• Increase market share by expanding our process of record (PoR)* status from leading-edge to mature nodes• Expand MOL and BEOL market share: Continue PoR status acquisition activities in the MOL and BEOL areas• Develop an optimal R&D environment: Continue to strengthen the competitiveness of our cleaning systems by introducing new models and developing leading-edge technologies• Assign more employees in Japan to overseas locations; ensure business acquisition through sales promotion activities closer to customers
Expand production capacity	W	<ul style="list-style-type: none">• Shorten lead time by improving productivity and pursuing automation, finalize specifications earlier, and standardize designs• Expand production capacity through the full-scale operation of S³-5
Enhance the business foundation	W O	<ul style="list-style-type: none">• Streamline operation through DX and build up the business foundation• Recruit and nurture top talents• Promote value engineering to increase profitability• Target greater profitability and efficiency by further establishing ROIC management; utilize <i>Gemba</i> KPIs (working-level KPIs) to change mindsets internally; begin calculating ROIC by product and customer• Continue structural reforms of unprofitable areas

* A process that forms the basis of mass production

Special feature Taking productivity to new heights—production floor perspectives

Exploring new approaches to streamline production

Masaaki Kishida

Manufacturing Logistics Section,
Logistics Strategy Division,
Manufacturing Operations, SPE

Ryo Nishimura

SU Production, Production Division,
Manufacturing Operations, SPE

What are your roles at SPE?

Kishida: After working on getting S³-3* up and running, when logistics became an independent department to increase productivity and efficiency, I worked on building an integrated production system at S³-3. Now, I work in managing the overall flow of manufacturing across all the S³ factories.

Nishimura: I started out building new equipment prototypes within manufacturing. I then became the leader for the first-floor assembly line at S³-3 and, starting this year, I am now the whole (Not only first-floor, but also second and third-floor) insourcing / in-house assembly line leader at S³-3 to achieve further productivity.

* S³-3 is the name of a factory. The five factories S³-1 to S³-5 are numbered in the order that they were built.

What specific initiatives have you implemented to increase productivity?

Kishida: Since it commenced operations in January 2024, S³-5 has been the main logistics center for the S³ factories, handling component sorting and some unit production. The sorted parts and units are then sent to S³-3 for assembly into equipment, and finally on to S³-4 for tuning and inspection. By connecting the factories using cleanroom tunnels, we made transport between them easier and significantly reduced work hours. Also, where before we delivered all the necessary parts for assembly to the production floor at once, we now deliver them in smaller batches for each stage of assembly. This has significantly reduced the time that the assembly staff spend looking for parts.

Nishimura: At S³-3, the production divisions and the production engineering divisions work together to create equipment mass production lines. We aim to build production frameworks in which anyone could assemble the product. For example, we include assembly drawing data and other necessary information when issuing instructions so that staff don't need to be seasoned experts to assemble parts correctly. We are constantly honing our process design through the PDCA cycle. By increasing assembly speed and shaving off unnecessary time at each step, we have reduced assembly lead times. The time spent on assembly, specifically, has been shortened by more than 50%.

Please tell us about your use of Gemba KPIs.

Kishida: The overall policy for manufacturing divisions includes KPIs for quality, cost, delivery, and safety. Based on these, the individual divisions set their specific action items and concrete numerical targets.

Nishimura: Of those KPIs, S³-3 is particularly focused on quality and cost. By making real-time quality data readily accessible with graphs, we can see exactly where our KPIs stand and apply this insight to improve quality. I think a real benefit of using Gemba KPIs (working-level KPIs) has been that having specific targets helps us understand how we're doing and where we need to do better.

Kishida: In my department, lead time reduction is a KPI. Through integrated management from the intake of components to sending them out for assembly, we have managed to increase production capacity. Going forward, we want to expand the scope of our efforts to include revising component intake points and expanding warehouses as we work to help increase production by shortening lead times. Individual employee targets are also linked to the Gemba KPIs, which has had the positive effect of connecting target achievement at the individual level to KPI target achievement at the organizational level.

What are you working on next?

Nishimura: I believe we need to work toward manufacturing frameworks that will be resilient in the face of market fluctuations. Going forward, I want to develop new production methods with a focus on production standardization, including exploring potential uses of AI. At the same time, our ability to handle custom orders is one of SPE's strengths, so I hope that we can use the extra capacity created through standardization to increase production lines for custom orders.

Kishida: Production standardization requires maintaining inventories at a certain level. Inventory management, so that parts are in neither undersupply nor oversupply, will be crucial. Developing new production methods will also require even greater coordination across divisions. Going forward, I hope to help increase automation in production prep and other processes, shorten lead times, reduce costs, and save labor in order to further boost revenues.

Interview imec X SCREEN

Interview with Luc Van den hove, CEO of imec, the world's leading independent nanoelectronics R&D hub

Luc Van den hove

President, CEO

The semiconductor industry is in the midst of remarkable growth, driven by technological development. At the same time, however, the industry faces numerous manufacturing challenges. SCREEN has collaborated with imec¹ from 2002 to advance innovation. From 2022, we have also joined imec's SSTs program for reducing environmental impact across the entire industry. We asked imec CEO Luc Van den hove about his expectations for SCREEN.

1. imec: With its main campus located in Leuven, Belgium, this international research institute leads the world in the nanoelectronics and digital technology area. The organization leverages its scientific knowledge with the innovative power of its global partnerships in semiconductor technology, nanotechnology, biotechnology, energy, etc.

WEB Renewal of Joint Development Agreement with imec

WEB SCREEN Increases Efforts to Reduce the Environmental Impact of the Semiconductor Industry

What are your thoughts about the outlook for the semiconductor industry?

We strongly believe that semiconductors will contribute phenomenally to future innovation. AI, now a driving force of growth for the chip industry, has enormous computation capacity requirements, which have to be met with higher performance and lower energy consumption. All kinds of future innovations will build on chip technology, so the demand for chips is going to grow immensely. Many people have predicted the end of Moore's Law, but our industry is trying to continue it by combining miniaturization and HI² while improving chip architecture. This industry has been so creative in always finding solutions for problems, and the roadmap toward next-generation technologies aligns the entire industry. We are convinced that there will be no slowdown in overall progress in the next 20 years.

What threats does the semiconductor industry face?

One of the largest challenges for this industry is the risk of global decoupling and increasing geopolitical tensions. To continue to drive innovation, the best approach is to strengthen our respective strengths and collaborate globally. In that sense, Europe has the world's best exposure company and organizations like imec. The United States has many strengths in certain equipment types and design. Japan also has very unique strengths in terms of materials and equipment. We plan to expand our presence as a truly global research organization. We already have very strong working relationships with many Japanese industry organizations as well as with Japanese companies and universities to support Japan's national strategies in terms of R&D.

As a collaborative partner, what expectations do you have for SCREEN?

We greatly appreciate the partnership we have had with SCREEN over more than 20 years. We have a lot of respect for SCREEN's performance as the world leader in cleaning technology. Indeed, SCREEN's cleaning technology is extremely critical for future technologies. I believe that such cleaning technologies as advanced wet etch processes and selective wet etching are going to be crucial to enable the roadmap of the industry. These are the kinds of technologies where Japan has tremendously strong leadership, because they require very precise manufacturing as well as deep knowledge of the chemistry. SCREEN is perfectly positioned and has clearly obtained the leading position in this domain, and we are very excited about our collaboration. The most important expectation we have for SCREEN is to continue to focus on innovation and invest in long-term R&D to maintain its leadership position in advanced cleaning and lithography technologies.

One other important aspect is the focus on sustainability. At imec, we have our SSTs program, in which we are working on sustainability in semiconductor manufacturing, and SCREEN also has a very important role there.

In wet cleaning processes, we have to collaborate not only on minimizing energy consumption, but also minimizing waste, as well as chemical and water consumption. SCREEN technologies will be important in this regard, as well. Sustainability has become such a high priority topic for all chip manufacturers because they are facing a lot of pressure from their customers, and we put a lot of emphasis on this topic. I strongly hope that we can further grow our partnership to secure a successful future for the entire semiconductor ecosystem.

2. HI: Heterogeneous integration. An approach of integrating different types of chips in a single package.

Expectations in the area of advanced packaging

Eric Beyne, PhD

VP R&D, 3D System Integration Program Director, Senior Fellow

The area of 3D integration is at an inflection point. We are naturally evolving to systems where not everything in the chip is made monolithically like in the past, going from a monolithic to a HI. So in the area of packaging, technologies to scale precisely, like in FEOL and BEOL, are required, while wet cleaning must be very uniform. At these points of high sensitivity, SCREEN's cleaning technology is very important for us. Also, for backside power delivery networks, we have shown that SCREEN technology is highly effective because it allows us to thin down the silicon to only a few hundred nanometers. We are very satisfied with the results we have obtained, and our partnership has been greatly encouraging. I hope we will continue to work on these topics to meet industry needs.

Note: For details about our efforts related to advanced packaging, see "Innovation management (New businesses)" on page 65.



CSV: Enriching lives and continuing to make the world more colorful through print

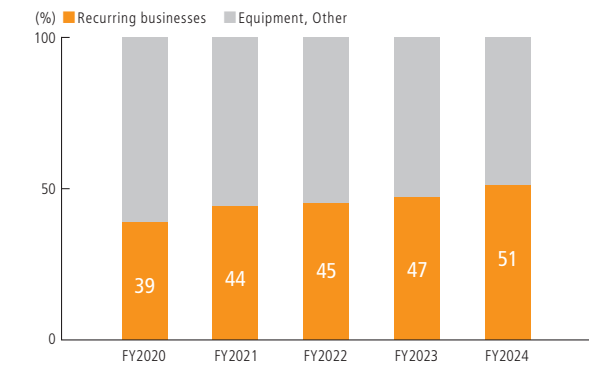
Having grown over the decades from the business in which SCREEN was founded, the graphic arts business today provides cutting-edge inkjet digital printing systems (POD¹), computer to plate systems (CTP), and other systems that can swiftly and stably output high-definition printed materials. In addition, our Hiragino font is used in a wide range of applications familiar to consumers, including printed materials, such as books, catalogs, and packaging, as well as highway and other signs, and in mobile interfaces.

The printing industry today faces a variety of challenges, including the long-term shift away from paper media. GA seeks to address these challenges with total solutions that are closely aligned with customer businesses, from reducing environmental impact with digital technologies to promoting automation in order to alleviate personnel shortages, and even offering personalized printing to increase the value of printed materials themselves. In this way, we seek to contribute to society by protecting and further developing print culture. In addition, we are developing POD systems for flexible packaging and commercial printing to proactively expand our portfolio to new markets and applications.

In recent years, we have also been building an interactive support system using IoT technologies to reinforce recurring businesses² (ink and maintenance sales) by providing remote support to minimize downtime of sold units at customer sites.

1. POD: Print on demand. Printing of the number of copies needed when they are needed using a digital printing press.
2. Ongoing sales of ink and services following sales of equipment. After-sales services accounted for approximately 51% of total sales in the fiscal year ended March 31, 2024.

Recurring business sales (as a percentage of segment sales)

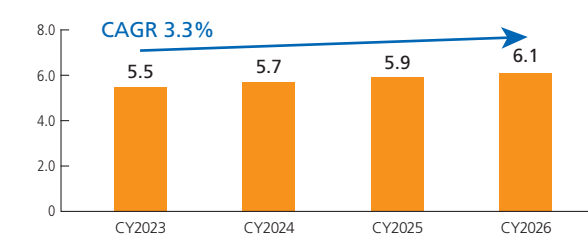


Market, business environment, and demand outlook

The printing industry is being reshaped by digital transformation (DX), with high-volume paper printing decreasing and digital printing increasing over the long term. Label and package printing, meanwhile, are expected to present growing POD needs going forward. In the medium term, digital printing has been increasing, underpinned by stable demand, and is forecast to see an annual compound growth rate (CAGR) of 3.3% from CY2023 to CY2026.

Alongside equipment sales, performance in recurring businesses, primarily ink sales, has been solid, accounting for around 50% of net sales and providing additional growth on top of that of equipment sales.

Digital printing equipment market outlook (billions of US\$)



Survey by SCREEN Group marketing departments

SWOT analysis

S

Strengths

- Relationships of trust with customers and suppliers cultivated since our founding, as well as global sales and support capabilities
- POD systems that realize both high productivity and high quality, enabled by our integrated workflow and inkjet printing technology
- Business strategies shifted to focus on recurring businesses that generate stable profit

W

Weaknesses

- Low profitability in the equipment business
- Lack of brand recognition in the packaging industry due to our relatively recent entry

O

Opportunities

- Shift toward digital printing in the commercial printing field as well as the label and packaging printing field
- Support for eco-friendly equipment by the U.S., European, and Japanese governments

T

Threats

- Shrinking scale of the paper printing market due to digitalization
- Supply chain disruption due to geopolitical risk or other factors
- Competitors' technological progress and low pricing strategies

Value Up Further 2026

Review of Value Up 2023

The fiscal year ended March 31, 2024 was the final year of Value Up 2023, the previous medium-term management plan. GA recorded annual net sales of ¥47.7 billion, with an operating margin of 9.0%, meeting the plan's final-year targets. The achievement of these targets was due in part to our ongoing efforts to expand sales of inkjet digital printing systems in the commercial and packaging markets and to strengthen recurring businesses. Furthermore, although performance was weak in the first year of the plan, the reorganization of overseas subsidiaries and other structural reforms successfully improved profitability.

Efforts under Value Up Further 2026

Under the new medium-term management plan, GA will continue to pursue business expansion through equipment sales, the development of customer-centered total solutions, and recurring businesses to secure stable profit. In addition, we will focus efforts on developing new products and cultivating our customer base, aiming to grow the package printing business to the level of the commercial printing business.

Value Up Further 2026 financial targets

GA	Three-year cumulative targets
Cumulative net sales	¥150 billion or more
Average operating margin	6%–9%

Market share

POD equipment
(Full color roll-fed inkjet printing)



Calculated based on the number of units manufactured and shipped.
SCREEN survey data for CY2023.

Highlight

Development of Truepress JET 560HDX, delivering innovation in print production

GA has completed the development of the Truepress JET 560HDX. This new high-speed roll-fed digital inkjet press for the commercial and publishing printing markets is expected to drive further innovation in printing. The combination of a newly developed inkjet head structure and Truepress ink SC2 high-optical density inks—which allow printing directly onto offset coated paper without pretreatment—achieves even higher-resolution printing quality. Featuring a new high-efficiency intelligent drying system and compatible with paper widths up to 560 mm, the Truepress JET 560HDX realizes significantly enhanced productivity.



Segment strategies and future plan

Segment strategies	Category	Future plan
Expand the sales channels of POD systems	S W O T	<ul style="list-style-type: none">Enhance our approach to large-order customersDevelop new products to meet changing needsGain market share in the paper-based commercial printing market, such as transaction printing, direct mailing and other general commercial printing, while accelerating the digitalization of publishing and high quality commercial printing
Expand the recurring business	S W T	<ul style="list-style-type: none">Expand recurring businesses by growing cumulative POD unit sales and providing support for stable system operationMeet diverse printing industry needs by releasing such proprietary products as SC+ ink¹ and water-based ink for flexible packaging²Strengthen the font business by licensing Hiragino font to partners who provide subscription-based font services
Establish the package printing business	S W O	<ul style="list-style-type: none">Expand sales of Truepress LABEL 350UV series UV inkjet label printing systemsDevelop and sell water-based inkjet printing systems for flexible packaging (the new Truepress PAC 830F and Truepress PAC 520P)Implement marketing to develop the customer base

1. SC+ ink: Inks that can be directly applied to the coated papers used in offset printing without pretreatment or primer, preserving the paper's surface texture
2. Water-based ink for flexible packaging: Ink that offers rich colors with high safety in line with food safety regulations

CSV: Creating a better future with advanced devices, by improving coating techniques, layer by layer

Display devices are used in a wide variety of digital devices, such as TVs and smartphones. FT provides various products and services for the manufacture of display devices. We develop and manufacture resist coating systems capable of uniformly and rapidly layering ultra-thin films; pre- and post-processing systems for cleaning, baking, and development; and mass production lines integrating such systems. In particular, we boast the top share of the global market for coater/developers used in large TFT arrays for LCDs and OLED displays.

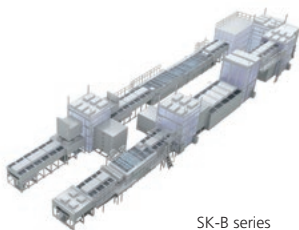
FT also leverages the coating technologies essential to these manufacturing processes to develop new types of equipment. These products use coating processes to produce the electrodes that are crucial to the manufacture of MEAs (membrane electrode assemblies), achieving highly uniform, high-speed production. Furthermore, FT plays an important part in SCREEN's growth strategy through the development and OEM of advanced packaging and energy (hydrogen)-related products, which are new growth fields for the SCREEN Group.

Going forward, we will work to swiftly meet new market needs using coating technologies and provide solutions that contributes to the creation of next-generation displays. By doing so, we aim to contribute to society and help realize a brighter future.

Highlight

Launch of new coater/developers for forming black PDL of OLED display backplanes

In the manufacturing of OLED display backplanes, anti-reflective film is gradually being replaced with COE¹ to extend service life and reduce power use. To enhance anti-reflective performance, the industry is increasingly shifting from using the conventional transparent PDL² to black PDL (BPDL) as the bank material³. In response, FT has launched two new coater/developer systems for use in the OLED display backplane BPDL formation process: the SK-B1500G and SK-B2200G, for 6th and 8th generation substrates, respectively.



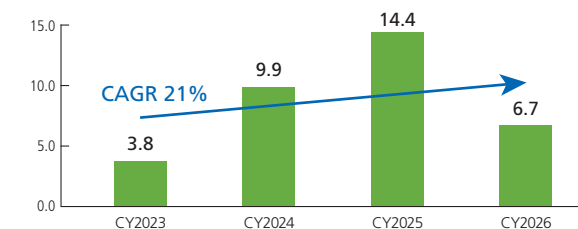
1. COE: Color on encapsulation. The process of forming a color filter layer on the OLED encapsulation layer to provide anti-reflective properties.
2. PDL: Pixel defining layer. The material used to encapsulate the red, green, and blue elements in a display so they do not interfere with each other.
3. A material used to separate pixels in a display

Market, business environment, and demand outlook

Conditions in the display market have been challenging for some time, reflecting business slowdown caused by falling panel prices and delays to client investment plans. However, going forward, demand for displays is expected to gradually improve. Given the expanding adoption of OLED displays for IT devices and automotive displays, we expect large-scale investment to resume from 2024, leading to recovery in business performance.

In the medium term, the market for display production equipment is expected to grow until CY2025, but to dip in CY2026, for an annual compound growth rate (CAGR) of 21% from CY2023 to CY2026.

Display production equipment market outlook (billions of US\$)



Survey by SCREEN Group marketing departments

SWOT analysis (display production equipment)

S Strengths

- Strong relationships of trust with clients and suppliers cultivated over many years
- Extensive location network and ability to provide swift support thanks to the proximity of our factories to client sites
- Competitive business advantages enabled by top market share of coater/developers and our full product lineup

W Weaknesses

- Single-product portfolio (coater/developers)
- Unbalanced market share by region

O Opportunities

- Shift from LCDs to OLED and flexible displays as well as diversifying applications in step with technological innovation
- Support from local governments for new display industries

T Threats

- Business slowdown due to falling panel prices
- Diversifying development needs due to the rise of various next-generation technologies
- Decrease in the number of clients and unbalanced geographical mix due to corporate consolidation and elimination as the industry matures
- Technological progress by competitors

Value Up Further 2026

Review of Value Up 2023

The fiscal year ended March 31, 2024 was the final year of Value Up 2023, the previous medium-term management plan. FT recorded annual net sales of ¥23.2 billion, with an operating margin of -1.8%. Due in part to worsening market conditions, we did not meet the plan's final-year targets, but we did embark on new, ambitious initiatives, such as those in the energy-related business. As part of restructuring efforts, energy-related development has been transferred to SCREEN Holdings for incubation, and we have worked to enhance revenue by such means as improving the manufacturing variable cost ratio through value engineering-based product design. As a result of such efforts, we plan to return to profitability in the fiscal year ending March 31, 2025.

Efforts under Value Up Further 2026

FT will work to meet orders expected to be received as the display market recovers while continuing efforts to reform the revenue structure, including improving the variable cost ratio. We will also advance product development in the hydrogen-related and advanced packaging fields and build an OEM framework with an eye to commercialization. In addition, we will work to develop applications in new fields for RtR* product coating technologies.

* RtR: Roll-to-roll. A low-cost manufacturing process for functional films that consists of the continuous processing of film using coating and other methods as the film is wound between rolls.

Value Up Further 2026 financial targets

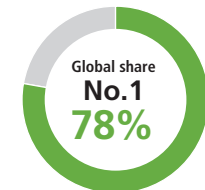
FT	Three-year cumulative targets
Cumulative net sales	¥100 billion or more
Average operating margin	3%–5%

Segment strategies and future plan

Segment strategies	Category	Future plan
Improve the profitability of the display business	S W O T	<ul style="list-style-type: none">• Further expand market share• Prepare to set up production lines when the market recovers• Implement reforms to increase profitability• Roll out new products and solutions
Enhance our proprietary coating technique and expand the scope of its application	W O	<ul style="list-style-type: none">• Reinforce RtR product commercialization efforts• Develop new applications in other fields
Expand the scope of internal OEM business	W	<ul style="list-style-type: none">• Develop new products (hydrogen-related, advanced packaging)• Build an OEM framework

Market share

Coater/developers for displays



Calculated based on the number of products ordered.
SCREEN survey data for CY2023.

Highlight

Development of Lemotia coater/dryer system for advanced semiconductor packaging

FT has developed Lemotia, a coater/dryer system specifically for the advanced semiconductor packaging of FOPLP,¹ glass core,² and related substrates, which are seeing increasing demand mainly in 5G/post-5G, IoT infrastructure, and data center applications. The development of this system incorporated technologies and expertise refined in the SK series of coater/developers. FT will continue to meet wide-ranging needs and contribute to industry development in the steadily growing semiconductor packaging industry.

1. FOPLP: Fan-out panel level packaging. A semiconductor packaging technology for applying the production method for fan-out wafer level packages (FOWLP) to larger panels, rather than wafers.
2. A type of semiconductor packaging substrate that uses glass instead of a conventional resin substrate



Lemotia

CSV: Exploring the possibilities of optical technologies to support future devices

With the rapid, widespread adoption of 5G, AI, IoT, digital transformation (DX), and green transformation (GX), printed circuit boards (PCBs) are being installed in a wide range of products, from mobile devices to automobiles. PE leverages its core direct patterning and image processing technologies to provide exposure systems for the direct patterning of PCBs; inspection systems for use in circuit defect detection and final product visual inspection; and related services. As semiconductor manufacturing processes grow more sophisticated, the importance and market growth potential of PCBs have become increasingly apparent. Going forward, as PCBs become more integrated and miniaturized, we will continue contributing to the development of clients' businesses by providing solutions and production equipment for leading-edge mass production plants.

Optical technologies for controlling light play key roles in PE's exposure and inspection systems. When shed on objects, light can make their differences more apparent. Similarly, we at PE seek out and identify differences to continue generating innovative ideas. In our technological development, we pursue new, unprecedented methods of controlling light.

Highlight

Launch of Ledia 8F direct patterning system for high-precision substrates

PE has developed and released the Ledia 8F, a high-precision model in its LI series, which boasts a total of over 1,000 systems installed worldwide as the de facto standard for broad wavelength direct patterning systems. The Ledia 8F shares the series's precise patterning capabilities and stability, along with our proprietary wavelength mixing technology, delivering highly accurate positioning. It is also equipped with new constant calibration technology. While exposing one substrate, the system is already performing positioning and correction for the next substrate in the background, helping maximize system performance. This extremely versatile model has been carefully designed to meet market needs, including support for FC-BGA and other substrates requiring high-precision patterning.

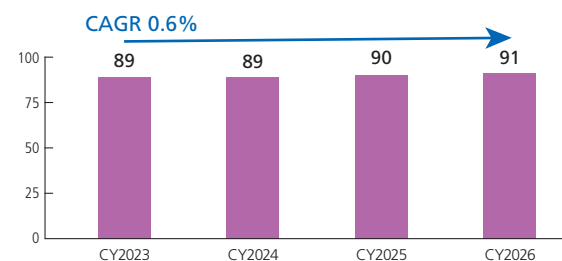


Ledia 8F

Market, business environment, and demand outlook

In the fiscal year ended March 31, 2024, performance was significantly impacted by stalled demand for devices as well as capital investment plan scale reductions and delays due to semiconductor memory production adjustments, reflecting the impact of the semiconductor market on the PCB market. In the fiscal year ending March 31, 2025, memory demand is expected to recover, and the PCB market is forecast to begin improving in the latter half of the fiscal year. Conditions are expected to remain stable in the medium term, for an annual compound growth rate (CAGR) of 0.6% from CY2023 to CY2026. Over the long term, increasing data traffic is expected to drive demand for servers and data centers. In the packaging field, meanwhile, we are steadily advancing development, aiming to launch new products in time for mass production at client facilities by 2025. Performance in after-sales service is also expected to remain firm.

Circuit board direct patterning market outlook (billions of JPY)



Survey by SCREEN Group marketing departments

SWOT analysis (PCB equipment)

S Strengths

- Relationships of trust with clients and suppliers
- Top-class market share for solder resists due to the high reliability of our products
- Sales strategy based on both equipment sales and after-sales service from client perspectives

W Weaknesses

- A business model that is easily affected by the semiconductor cycle
- Relatively low market share due to a small volume of sales for circuit patterning applications

O Opportunities

- Increasing needs for direct patterning systems that enable both high-precision patterning and outstanding productivity
- Growth in the package board market

T Threats

- Emergence of competitors in Asia

Value Up Further 2026

Review of Value Up 2023

The fiscal year ended March 31, 2024 was the final year of Value Up 2023, the previous medium-term management plan. PE recorded annual net sales of ¥14.6 billion, with an operating margin of 12.7%, meeting the plan's final-year targets. This reflected a particular increase in demand for PCs, mobile devices, and other electronics due to increased time spent at home during the COVID-19 pandemic; strong server demand due to rising data traffic; and a robust market for semiconductor package boards. The expansion of the lineup of Ledia series direct patterning systems and increased equipment sales volume led to growth in net sales. Thanks in part to the restructuring of overseas subsidiaries, profitability also increased.

Efforts under Value Up Further 2026

Under the new medium-term management plan, we aim to secure revenue in existing businesses while increasing our industry presence in direct patterning systems. Specific targets include increasing our market share in direct patterning for solder resists and launching direct patterning solutions for circuit pattern resists. In addition, we plan to explore the possibilities of expanding the use of direct patterning technologies to new applications with an eye toward cultivating new markets and developing new products.

Value Up Further 2026 financial targets

PE	Three-year cumulative targets
Cumulative net sales	¥50 billion or more
Average operating margin	12%–15%

Highlight

Launch of Ledia Qs direct patterning system for package boards

In June 2024, PE launched the newly developed Ledia Qs, a high-definition direct patterning system that supports package boards. The new system combines technology developed for the Ledia 8F, which was announced last year, with SCREEN's proprietary exposure head, which offers the highest resolution of any broad-wavelength exposure system in the industry, delivering both high patterning quality and stable image positioning accuracy.

Demand for semiconductor devices, particularly at data centers, has grown globally in recent years. The printed circuit board industry is no exception, and continued investment is expected in the high-end circuit board segment, with a particular focus on package boards with semiconductor devices. Going forward, we will continue to contribute to the development of the electronic device industry by meeting a variety of industry needs.



Ledia Qs

Segment strategies and future plan

Segment strategies	Category	Future plan
Enhance the presence of our direct patterning equipment in the industry	S W O	<ul style="list-style-type: none">Increase our market share in direct patterning for solder resistsLaunch direct patterning solutions for circuit pattern resists
Expand the use of direct patterning for different applications	W O	<ul style="list-style-type: none">Enhance product variation and promote product expansion into other electronic component fieldsDevelop new productsImplement marketing activities to expand the client base

New
New businesses (Innovation management
p. 52
)

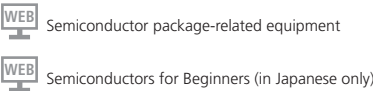
Advanced packaging
Commercialization phase

Semiconductors continue to evolve for a wide range of applications, such as AI. Packaging technologies, used to protect and integrate semiconductors into electronic devices, are likewise undergoing major changes in their applications to improve system performance, reduce manufacturing costs, improve scalability, and realize higher integration density. To meet these needs, SCREEN is working to deliver the new technologies and equipment required to produce 2.xD and 3.5D packages, including chiplets.¹

Main initiatives under Value Up Further 2026

- Increase the market presence of existing products (direct patterning, coaters)
- Launch new products (Cu/Cu low-temperature hybrid bonding, etc.)
- Become profitable in the final year

1. Conventionally, manufacturers have followed a system-on-chip (SoC) approach, in which the CPU, GPU, memory, and other functions are packed onto a single chip. However, producing individual chiplets with separate functions and then connecting them inside a package enables production cost reduction while enhancing performance.



SCREEN's main initiatives

LeVina direct patterning system

The LeVina combines patterning heads equipped with the proprietary GLV™ optical engine for high precision pattern formation compatible with advanced packages, such as FCCSP, FCBGA, and FOPLP, with laser control technologies based on optical systems employing proprietary technologies, realizing industry-leading resolution of 2 μm in a direct patterning and exposure system for mass production.



Lemotia PLP coater/dryer system

The Lemotia is a coater/dryer system for advanced semiconductor packages designed for FOPLP, glass core, and related substrates. It incorporates technologies and expertise refined in the SK series of coater/developers, which boasts the top market share worldwide in the display segment.



Life science
Commercialization phase

Recent years have seen remarkable progress in biology, pharmaceuticals, and medicine alongside advances in research devices and academic areas. The application of this progress to precision medicine, drug discovery research, and regenerative medicine has great potential to help people live fuller lives. SCREEN works to provide a variety of solutions that contribute to improving quality of life, such as promoting the real-world implementation of precision medicine using cell inspection systems, helping prevent medical errors with inkjet drug tablet printing systems, and bringing medical devices that offer highly effective therapeutic effects to practical use.

Main initiatives under Value Up Further 2026

- Expand the sales channels of existing products
 → Step up sales in the cell inspection business
 → Step up sales of tablet inkjet printing equipment
- Establish a business model for personalized cancer treatment
- Promote collaboration with Adriakaim



SCREEN's main initiatives

Biosciences

We are advancing the development and sale of imaging systems based on AI and proprietary optical technologies that enable label-free imaging and analysis of cultured cells and other biological tissues.

Promotion of personalized cancer therapies

We are engaged in joint research aimed at realizing revolutionary personalized cancer therapies that use in vitro techniques to accurately predict the efficacy of specific drugs using cancer cells taken from patients. This research utilizes the Group's cell inspection and sorting technologies.

Collaboration with Adriakaim

SCREEN has acquired a stake in Adriakaim, a startup developing a world-first vagus nerve stimulation device for suppressing the onset of chronic heart failure resulting from acute myocardial infarction. We are working together to obtain medical device manufacturing and marketing approval for the said device.

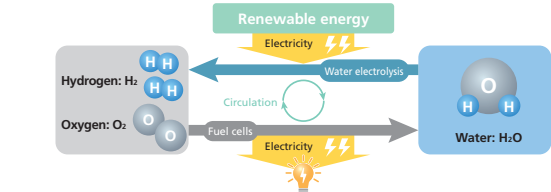
Status of certification at SCREEN

In April 2023, SCREEN obtained certification under ISO 13485, an international quality management system standard for the medical device industry.

Hydrogen-related business
Commercialization phase

People have long adapted energy sources to social needs, taking advantage of technological evolution. The scope of energy use and production is changing dramatically, with the use of fuel cells and photovoltaic power generation spreading at an accelerating pace. In the not-so-distant future, hydrogen is expected to become a common energy source. SCREEN is developing and producing technologies and devices suitable for that future, focusing on crucial sections of two of the four major steps in hydrogen energy utilization: hydrogen production and use.

Cycle of hydrogen production and use

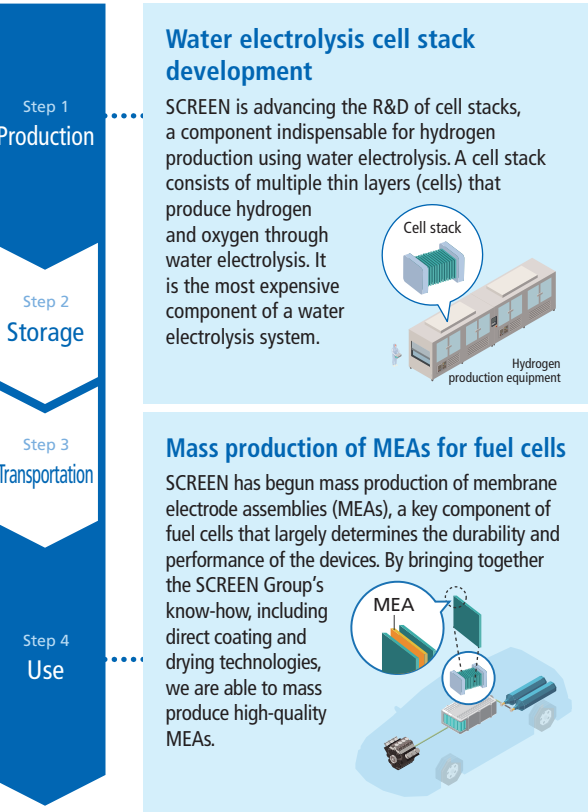


Main initiatives under Value Up Further 2026

- Establish an internal OEM framework for hydrogen MEAs
- Become profitable in the final year



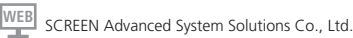
SCREEN's main initiatives



AI
Cultivation phase
AS new business

As innovative advances in information technologies bring more attention to big data analysis, IoT, and AI, various industries, including manufacturing, have been pursuing new initiatives that integrate production systems with the Internet. This is driving needs for IT solutions backed by more highly specialized software technologies. Against the backdrop of this increased demand, the semiconductor production equipment field, in particular, faces an urgent need to further streamline, optimize, and upgrade the entire manufacturing process. As such, the application of AI technologies to all areas from design and development to production has emerged as one of the key factors for securing international competitiveness. By combining our accumulated technologies with AI, we will provide advanced solutions across a wide range of fields, including our existing businesses—most notably semiconductor production equipment—and new business.

2. This is far above the average human recognition rate and is considered to indicate that there are no undetected critical defects.



Highlight

Acquired shares in quantum annealing startup Sigma-i

SCREEN has acquired shares in Sigma-i, a startup that has a proprietary core technology in quantum annealing. Sigma-i is promoting joint development with various research institutions and companies to share with society Tohoku University's research findings in quantum annealing applications. SCREEN will work with SPARX to support the efforts of Sigma-i for the rapid commercialization of quantum annealing technology. (December 2023)

Launch of new brand, SCRAIS: Promoting cutting-edge AI-driven inspection and measurement solutions

Under the new brand, SCREEN will sell cutting-edge AI-driven inspection and measurement solutions for semiconductor wafers and printed circuit boards. Combining our core image processing technology with AI, we aim to eliminate over 80% of false calls and reduce the oversight rate to below 0.1%² on the client side by optimizing algorithms and applying deep learning to auto defect classification while reducing work hours spent on data labeling in AI modeling and on inspection settings. (January 2024)

Investment in AI and artificial intelligence development startup Laboro.AI

SCREEN has invested in Laboro.AI, a startup primarily engaged in developing and providing custom AI solutions using machine learning. We are working with Laboro.AI on projects to develop and use AI across the Group. (July 2021; September 2022)

Implementation strategies

IP strategy

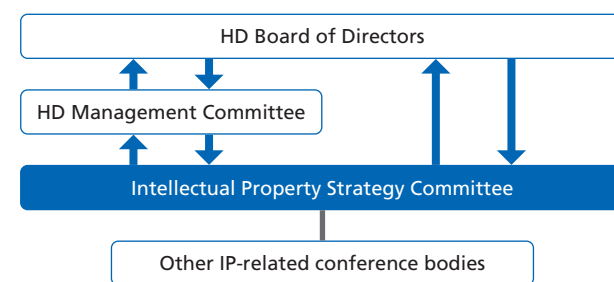
Basic policy

We are working to strengthen long-term effectiveness of intellectual property (IP), while also establishing an intellectual property portfolio integrated with management, business, and technology strategies. Success with this will ultimately enhance our corporate value.

IP governance system

In the fiscal year ended March 31, 2024, we established the Intellectual Property Strategy Committee as a forum for discussing the IP investment strategy of the overall SCREEN Group. The committee is chaired by the CEO and includes SCREEN Holdings executive officers in charge of R&D, corporate strategy, marketing, human resources, and IP, as well as the officer responsible for IP strategy at each business operating company and the president of SCREEN IP Solutions. In addition to sharing information related to IP strategy activities, members discuss group-wide measures to support the Group's competitive advantage and take other steps to maintain and strengthen IP and other intangible assets.

Details of the committee's discussions are also reported to the Board of Directors and Management Committee. The Board provides oversight regarding the matters reported, thus forming an effective IP governance system.



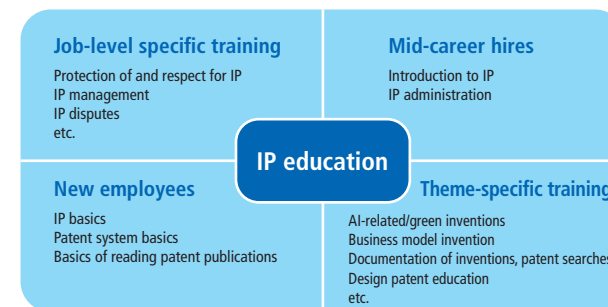
IP strategy in Value Up Further 2026

In our Value Up Further 2026 medium-term management plan, IP strategy is one of our business growth strategies, and we are applying it to promote the creation, utilization, and protection of intellectual assets. This strategy is organized along three axes: IP portfolio management, global IP strategy, and AI-related and green invention enhancement.

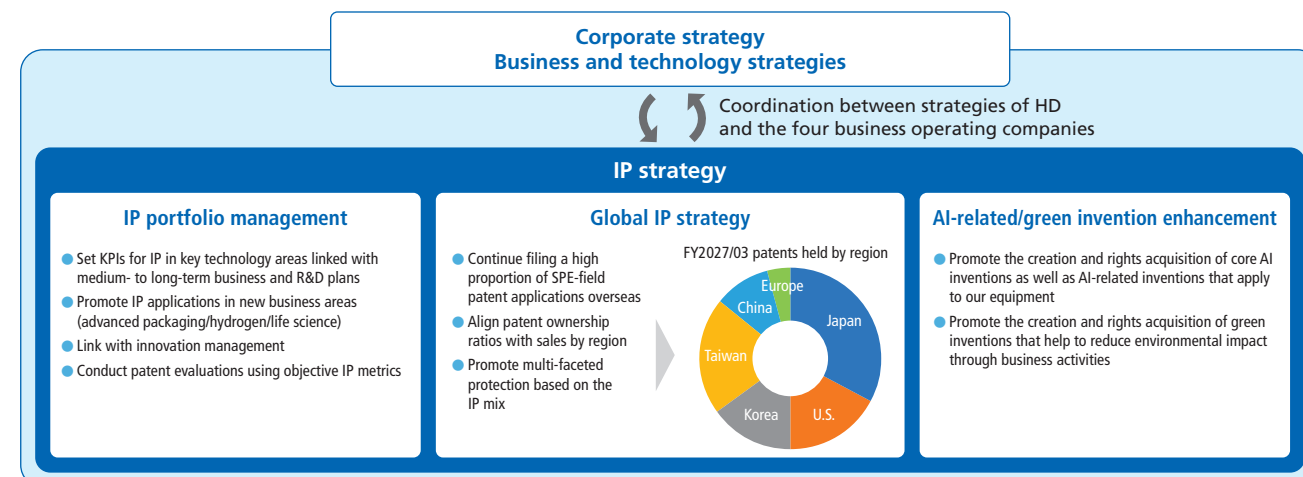
In terms of IP portfolio management, we are working to promote the creation and rights acquisition of intellectual assets in key technology areas and new business fields. With our global IP strategy, we are pursuing initiatives designed to help us gain competitive advantage in markets around the world. Similarly, by enhancing AI-related and green inventions, the whole Group is working together to enhance corporate value over the medium to long term.

In-house IP education

We have established an IP education system designed to instill the abilities required of employees at all levels. The system covers everything from IP basics to dispute handling, with a particular focus on protecting and respecting IP. Also, we conduct surveys of all participants so that we can continually refine the training contents to meet the needs of each Group company.



IP strategy promotion under Value Up Further 2026



Note: For details about our patents held, see "Performance highlights" on page 32.

Group IP awards

We have established multiple IP award programs based on the belief that increasing the motivation of our employees to pursue IP-related activities is an important factor in achieving sustainable growth. The Intellectual Property Awards, in particular, are intended to encourage young inventors who have been successful in their patent applications to continue to invent. The awards are designed to raise awareness of IP among employees early in their careers so we can enhance our corporate value through IP over the medium to long term.

Award	Outline
Intellectual Property Award (yearly)	Presented to inventors who have helped to promote the protection of IP through successful patent application activities
SCREEN IP Award (yearly)	Presented to individuals or teams who have engaged in activities intended to create, protect, or utilize IP
Sustainable Value Award Special category: Green invention award (yearly)	Presented to employees who have created inventions that reduce environmental impact through business activities



Sayaka Kitamura

Section 1, R&D Department 1,
R&D Strategy Division,
SCREEN Holdings

Winner of the FY2024/03 Rising Star Award

Having joined the Company in 2020, I have been working in R&D divisions to develop algorithms and other foundational technologies for control systems. My supervisor told me that, as a member of an R&D division, filing patents is expected, and that our work is ultimately only meaningful if we do so. As a result of working with this advice in mind, I was fortunate enough to receive the Rising Star Award* in the Intellectual Property Awards. The support of my colleagues was also a major factor in my receiving this prize. Along with my supervisor, being able to freely consult with our IP manager made it easy to discuss whether my ideas could actually be patented before submitting an application via the invention submission system. Thanks to this open environment, my patent application proceeded smoothly.

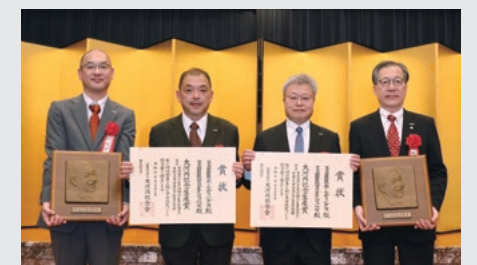
IP is an important part of the Group's growth strategy, and I believe that this award for young engineers motivates and encourages us to consider the patentability of our ideas and to submit applications. Having received this award, I do not intend to rest on my laurels, and will continue to actively apply for patents.

* Rising Star Award: Part of our Intellectual Property Awards, this award is presented to young engineers who have joined the Group within the previous three years.

Highlight

Received the Okochi Memorial Production Prize

SCREEN received the Okochi Memorial Production Prize in the Okochi Memorial Foundation's 70th annual awards. The prize is given to corporations that have achieved outstanding commercial results based on superior inventions or designs obtained through research in areas including advanced production technologies and methods. The award recognized SCREEN's development of wafer cleaning equipment that supports further miniaturization and improved productivity in semiconductor device manufacturing. The judges were particularly impressed by its excellent cleaning and drying performance, productivity, and eco-friendliness, as well as its strong competitiveness in the marketplace.



Selected as a Clarivate Top 100 Global Innovator for the third consecutive year

SCREEN was selected as a Top 100 Global Innovator for 2024 by Clarivate, one of the world's leading information service companies. This marks the third consecutive year SCREEN has been included.



Received a distinguished service prize for science and technology from Kyoto Prefecture

Masato Tanaka, R&D senior fellow at SCREEN Holdings, was presented with a distinguished service prize for science and technology by Kyoto Prefecture. The honor is given to individuals who have made outstanding contributions to the development of science and technology and the promotion of industry. Mr. Tanaka has driven the development and improvement of core technologies for SCREEN's flagship semiconductor cleaning equipment. This prize recognized his tremendous contribution to the promotion of the industry in such areas as the development and mass production of high-precision semiconductor devices.



Message from the chairman of the Board

Supporting sustainable growth through the Board of Directors

Eiji Kakiuchi

Chairman



This year, SCREEN will celebrate 156 years since its founding and 81 years since its incorporation. In the fiscal year ended March 31, 2024, our market capitalization briefly surpassed ¥2 trillion, finishing the fiscal year at ¥1.9 trillion, a very strong showing for our shareholders and other stakeholders.

This year's annual report includes detailed explanations from our CEO and CFO of Value Up Further 2026, our new medium-term management plan launched this fiscal year (ending March 31, 2025). The report also contains information about our path toward the outcome indicators under the Management Grand Design (announced in the 2023 annual report) of net sales of ¥1 trillion or more and an operating margin of 20% or above for the fiscal year ending March 31, 2033. These strategies were thoroughly discussed by the Board of Directors, and we concluded that they were worth taking on.

While business operations on the executive side will take the leading role in realizing SCREEN's sustainable future growth, the Board of Directors also has an important supporting role to play in supervising executive strategy and operations.

As the chairman of the Board of Directors, I see enhancing the effectiveness of the Board as a never-ending task that requires constant, diligent effort. To that end, it goes without saying that the Board of Directors must operate such that the diverse views of the outside directors are fully respected and the internal directors, who are better informed about conditions on the executive side, fulfill their duty of accountability. In addition to deepening their understanding of what is going on in business execution, directors must also work to enhance their knowledge of the economic environment and global issues surrounding the company, as well as a wide range of new technological trends and management approaches.

I hope to ensure that the Board of Directors lives up to these standards by advancing improvements based on the third-party evaluations of the Board's effectiveness that we

have been implementing annually since the fiscal year ended March 31, 2019.

Areas where the Board has improved

The Board of Directors has deepened its discussions of risk management. We achieved this by reorganizing the Group Risk Management Committee to function in closer coordination with the Board. We have also benefited from more detailed feedback from our investor and shareholder relations departments, which handle communication with the stock market. At the same time, our outside directors have made even greater efforts to visit R&D and production sites, increasing opportunities for communication with employees.

The Board's operations going forward

The most recent evaluation, including the opinions provided by the outside directors, indicated that the current number and composition of the Board's members, their balance in terms of the skills matrix, and the number of agenda items and time allotted for their discussion were generally considered to be appropriate. At the same time, national economic security is an increasingly significant issue in the semiconductor industry, where our core businesses operate, and we are encountering situations in which we must accommodate external mandates. This is another area in which the Board of Directors' oversight of business execution will be increasingly important.

While on-site efforts are of course important in risk management, so is oversight from a holistic perspective, a key role of the Board of Directors.

To successfully implement the numerous strategies we have announced to our internal and external stakeholders and achieve sustainable growth, we will maintain a sound working relationship with executives as we strive to make the Board of Directors even more effective.

Interview with the outside directors

Working toward the new medium-term management plan and 10-year vision



Hidemi Takasu

Outside Director

Hiroko Okudaira

Outside Director

Seiji Narahara

Outside Director



Hidemi Takasu

Outside Director
Outside Director, Samco Inc.

Q1 What are your thoughts on the results of the latest evaluation of the effectiveness of the Board of Directors?

Last year, I advised that more attention should be paid to the front lines of overseas subsidiaries. This is one of the key improvements seen in the latest results. Actions that were not allowed under the pandemic-related constraints are now being taken, and I can see a change in awareness behind this. Significant progress has also been made on coordination among the corporate officers. There are more opportunities to exchange views during discussions among directors and corporate auditors, especially on topics like the international situation.

SCREEN's sustainability strategies, which are set forth in the new medium-term management plan, will grow in importance for the Board going forward. By adopting ESG assessments, we are becoming more aware of the issues to be resolved, and our way of working is drastically changing as well, driven by the introduction of AI and other developments. These changes will also lead to new business opportunities.

Q2 As an expert in technology and the semiconductor industry, how do you assess the progress of SCREEN's business and technology strategies in areas such as investment for corporate growth and new business creation? What are the challenges going forward?

To achieve ¥1 trillion in net sales, SCREEN will need to more seriously consider ways to deal with new competitors and pursue M&A, as well as the full deployment of AI. Other priorities going forward include having more people with diverse values within the Group, establishing a clear corporate image, and implementing public-facing brand strategy.

SCREEN's business portfolio consists of wide-ranging segments. Combined effectively, I am confident they will produce powerful synergies. In R&D, we should constantly review both new projects we are working on and past projects we have tried, taking the long view to adapt to market expansion and evolution in materials.

In particular, I would encourage our engineers to learn about the outside world by communicating not only with their colleagues but also people from other organizations and fields. Sharing information with the outside world on what they are doing and the reactions they then receive will also help foster wide-ranging collaborations.

Over the past six months, I have been very happy to receive an increasing number of direct consultations from engineers at the forefront of SCREEN's operations. I hope that such active discussions will continue, leading to ongoing R&D synergies between outside directors and employees.



Hiroko Okudaira
Outside Director
Associate Professor, Doshisha
Business School, Doshisha University

Q1 What are your thoughts on the results of the latest evaluation of the effectiveness of the Board of Directors?

Communication among officers has become easier, and we are receiving detailed reports more often at Board of Directors meetings. In addition, outside directors have more opportunities to interact with employees and to visit sites. This has helped us learn more about SCREEN and resulted in improvements on many fronts.

However, for an enterprise that aims to achieve ¥1 trillion in net sales, SCREEN is not doing enough to increase the diversity of core human resources. I strongly believe that taking steps in this area, based on decisions that are rational for SCREEN as a listed enterprise, will be essential to the Group's future.



Seiji Narahara
Outside Director
Chair of the Board & Director,
Toyobo Co., Ltd.

Q1 What are your thoughts on the results of the latest evaluation of the effectiveness of the Board of Directors?

What impressed me most over the past year is that SCREEN's senior executives are strong leaders and yet very approachable. They smoothly communicate both vertically and horizontally, pushing ahead with transformations in

Q2 Given your background in academia, have you discussed any particular issues at board meetings regarding human resources or women's empowerment as part of the strategies for business foundation enhancement?

The new medium-term plan sets forth SCREEN's 10-year vision, which is part of the Management Grand Design. However, even more important will be to get all employees on the same page by defining the process for reaching the targets and presenting a more concrete future picture and business models.

In human resource strategy, just bringing in outstanding external talent is not enough. We must create an environment that provides fulfilling work for every employee. Enhancing career opportunities for female employees in different positions and building fair systems that allow them to advance in their careers are also essential.

As an outside director from academia, I can present new ideas very freely, from a fully independent position. This allows me to provide frank advice uniquely informed by my experience working at a university when discussing joint research leveraging SCREEN's technology and its marketability.

I hope to continue to contribute by providing my distinct perspective. I will also share with the Board the insights, new information, and inspiration that I gain through my activities.

various positive directions.

Regarding the Board of Directors, I think its members closely communicate with one another on a regular basis, and going forward, I hope to deepen discussions on various topics. One such topic is human resources. Due to Japan's declining population, SCREEN can no longer hire as many people as it once did. The challenge is therefore maximizing the performance of the limited human resources we have. Likewise, for the employment and empowerment of women, it is essential that medium- to long-term policies and a target workforce gender composition be determined at the company level and shared internally.

Q2 In light of your experience as president and chairman, could you share your thoughts on your first year as a SCREEN director? Also, do you see any challenges for the new medium-term management plan from a medium- to long-term comprehensive viewpoint?

SPE's business is very large, and I am sure it must have

taken extraordinary effort to maintain the competitive advantage of its core technologies for so many years. The major challenges going forward will be to outline a future business portfolio and steadily implement actions to reach it. This includes maintaining and strengthening the SPE business, for which the market is expected to grow further, making selective investments in technologies and sectors where SCREEN has overwhelming advantage, and finding ways to grow other business segments.

As an outside director at SCREEN, I feel that my responsibility is to offer opinions based on objective observation from an outsider's viewpoint. Indeed, this is what I expect of the outside directors of the company where I currently serve as chairman. I hope to provide perspectives that are different from those inside SCREEN, dispassionately examining matters with an eye toward the next five to ten years. For example, workplace safety, which is often overlooked in times of success, issues that have become invisible internally over the years, and business expansion

Message from the new outside director

Making a difference by identifying the new challenges we face

Fumikazu Sato
Outside Director
Professor, Institute of Mathematics for Industry, Kyushu University
Specially Appointed Professor, Center for Co-Creation Strategy, Tohoku University

or downsizing are all issues I might bring up for discussion by the Board.

As a manufacturing industry professional myself, I can fully appreciate how hard it is to align the efforts of all employees at a company as diverse in business segments and job types as SCREEN. I think this places me in a unique position to offer useful advice. I am eager to support CEO in his decision making for growth and transformation while looking at risks from a different perspective to contribute to the further enhancement of SCREEN's corporate value.



The most outstanding thing about the SCREEN Group is that it is striving to detect issues at their early stages and developing solution creators who can contribute to their resolution. One of my key responsibilities is to support these efforts by offering advice on the direction this new era is taking and general social trends from the fair and impartial standpoint of an outsider.

SCREEN has two crucial strengths. One is the capability to create hardware systems to build precision equipment end-to-end. The other is the capability to develop elaborate control software needed to operate precision equipment. These have been passed down since the early days of the Group's history and can be regarded as a part of its corporate culture. Amid the growing attention on solution-oriented businesses today, I hope that SCREEN will take advantage of its strengths and potential to play a determining role in shaping the future and grow to contribute to the well-being of society over the long term.

When a company is profitable, that is the ideal time to take on new challenges. Based on my experience in central government, local governments, and overseas, as well as knowledge gained in the private sector and academia, I will do my utmost to enhance far-reaching management foresight.

Top priority should be given to ensuring that every employee feels satisfied and lives a fulfilling life while maintaining a sense of curiosity. I believe that the efforts of such individuals add up to remake society. I will do my part to help all stakeholders—including shareholders, clients, and employees—take on challenges together to enhance corporate value.

Governance


Corporate governance

Basic concept

By striving to improve corporate governance in pursuit of enhanced transparency, soundness, and efficiency in business management, the SCREEN Group aims to ensure that shareholders and all other stakeholders benefit in line with its corporate philosophy, which lays out the corporate purpose.

The Group recognizes that effective corporate governance is essential to the achievement of this goal. It has therefore strengthened its capabilities to govern through the establishment of the Management Grand Design; the SCREEN CSR Charter and the Code of Conduct, which outline standards that all Group members should follow and provide principles of conduct based on our corporate philosophy; the SCREEN Group Code of Management, which regulates the internal control policies and systems of group companies; and other regulations with which all employees should comply.

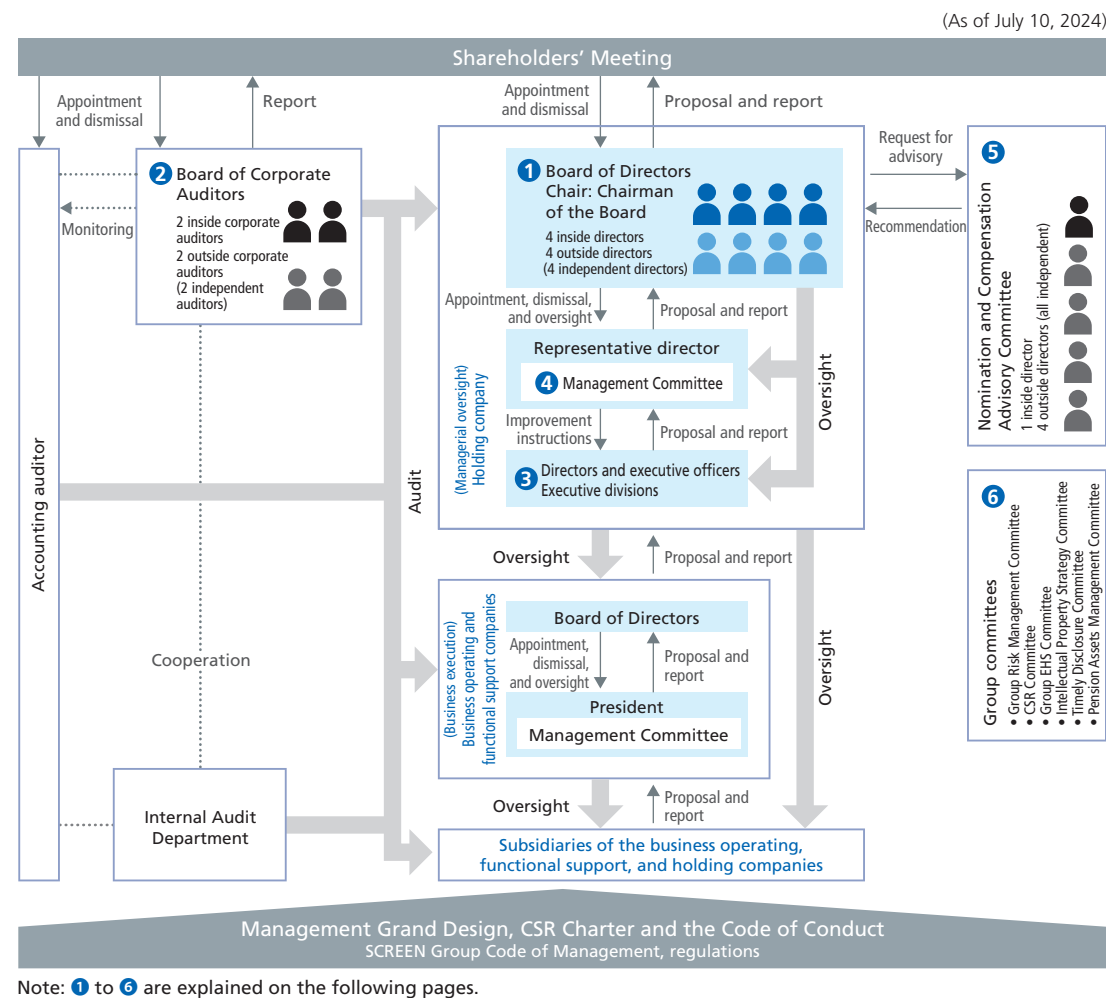
 Corporate Governance Report (updated on July 10, 2024)

 Basic concept

Corporate governance structure

SCREEN is a company with a Board of Corporate Auditors. By securing diversity and balance in the composition of the Board of Directors, we enable the Board to achieve maximum efficiency and effectiveness and to reach management decisions that enhance the Group's long-term corporate value while ensuring management oversight of the entire Group.

Corporate governance structure



associated with its shareholdings in a way that respects the management policies of its investees while making voting judgments from the perspective of enhancing its own corporate value over the long term. It should be noted that if an investee is found to be involved in major misconduct or there is a danger of negatively affecting shareholder value, the Company will take a particularly cautious approach when making its voting judgment, engaging in dialogue with the investee prior to voting as necessary.

Board of Directors: Agenda items

Agenda items (topics of deliberation) at Board of Directors meetings were as follows.

Category	Items (FY2023/03)	Items (FY2024/03)
Business strategy	16	24
Financial results (including dividends), financial strategy	20	16
Sustainability, corporate governance, internal control, compliance, risk management	7	4
Human resources strategy	5	9
General affairs	9	7
Total	57	60

Note: Excludes items handled by written resolution

Evaluation of the effectiveness of the Board of Directors and future initiatives

The Board of Directors of SCREEN Holdings regularly conducts a self-analysis and evaluation of its effectiveness and publishes a summary of the results. Its goal is to ensure the effective functioning of corporate governance by determining how the Board contributes, identifying issues, and making improvements. The analysis and evaluation are conducted with the advice of a third-party organization, and the results are compared with the third-party evaluations of other companies.

Based on the analysis and evaluation results, the Board develops and implements measures to improve the Board’s functionality with the aim of promoting sustainable growth and corporate value enhancement over the medium and long term.

Evaluation results for FY2024/03

The results show that the Board of Directors is generally fulfilling its roles and functions appropriately.

Major areas of improvement (compared with FY2023/03)

- Discussions of group-wide potential risks and risk mitigation options
- Coordination among directors, corporate auditors, and the Internal Audit Department

Major areas for future improvement

- Deciding and regularly reviewing group-wide future business portfolio policy
- Appropriate discussions of approaches to securing diversity in core human resources along with related targets and policies for human resource development and improving internal conditions
- Providing opportunities for training necessary for directors and corporate auditors

The Board of Directors will secure a wider range of opportunities to discuss the three issues identified by the effectiveness evaluation, including Board of Directors meetings and off-site meetings. Furthermore, based on the evaluation results, the Board and relevant internal divisions will advance improvements with the goal of further enhancing the Board’s effectiveness.

Evaluation results for FY2023/03

The results show that the Board of Directors is generally fulfilling its roles and functions appropriately.

Major areas of improvement (compared with FY2022/03)

- Discussions of group-wide potential risks and risk mitigation options
- Prior sharing of relevant information and discussion points among all directors

Major areas for future improvement

- Coordination among directors, corporate auditors, the internal audit department, and others

Issues identified in the FY2023/03 evaluation and subsequent actions

Coordination among directors, corporate auditors, the internal audit department, and others

- Ongoing reporting of regular internal audit results at Board of Directors meetings (twice a year)
- Ongoing reporting of regular internal audit results at Board of Corporate Auditors meetings (twice a year)
- Ongoing opinion exchange meetings of directors and corporate auditors and of outside directors and outside corporate auditors

2 Board of Corporate Auditors

The Board of Corporate Auditors comprises four members, of whom two are outside corporate auditors who meet the Company’s criteria for independence. The Board of Corporate Auditors holds one regular meeting per month and additional meetings as necessary. In line with the audit policies and plans formulated by the Board of Corporate Auditors, the corporate auditors are responsible for auditing the legality of the official acts of the directors and ensuring their propriety through ongoing auditing and oversight.

In addition, to enhance the effectiveness of corporate auditors’ audits, the Board of Corporate Auditors strives to improve coordination between the Internal Audit Department, group company accounting auditors, and the accounting auditors; regularly receives reports of the status and results of audits conducted by each; and holds discussions with them. The Company has set up the Corporate Auditors Department staffed with dedicated employees to support the corporate auditors’ duties.

Note: The attendance record of the Board of Corporate Auditors is presented under “Directors and corporate auditors” (p. 80).

5 Nomination and Compensation Advisory Committee

SCREEN has voluntarily chosen to establish the Nomination and Compensation Advisory Committee, which consists of outside directors (who hold a majority) and the chairman of the Board of Directors, to ensure a highly transparent and objective process for appointing and dismissing candidates for director, corporate auditor, executive officer, and other positions and for determining compensation and other related matters, thereby strengthening the Board of Directors’ supervisory functions. Matters related to the appointment and dismissal of, as well as compensation for, SCREEN Holdings, business operating company, and functional support company directors and executive officers are discussed by the committee in response to requests for consultation. The committee then reports its findings to the Board of Directors.

In the fiscal year ended March 31, 2024, the Nomination and Compensation Advisory Committee met four times.

3 Executive officer system

The Group has introduced an executive officer system to accelerate business execution and clarify responsibility. Executive officers are charged with effectively executing business in accordance with the basic policies and strategies determined by the Board of Directors.

4 Management Committee

The Management Committee is chaired by the CEO and comprises the full-time directors, presidents of business operating companies and functional support companies, and executive officers whom the chairman of the Committee appoints. The committee meets at least once a month to deliberate matters related to executive management and facilitate the decision making of the Board of Directors and representative directors.

Management compensation

Compensation for directors is determined on the basis of individual roles and responsibilities as an incentive to live up to stakeholders’ expectations and enhance medium- to long-term corporate value. Please note that SCREEN Holdings abolished its retirement benefits for senior management and directors in 2005.

Compensation for directors and executive officers now consists of three elements, described below: (a) fixed cash basic remuneration, (b) a short-term performance-linked cash bonus, and (c) share compensation linked with short- to long-term performance and corporate value (shareholder value).

Outside directors receive only basic remuneration and a performance-linked cash bonus. Corporate auditors receive only basic remuneration, which is determined by

the Board of Corporate Auditors based upon the total amount approved for corporate auditor compensation at the Shareholders’ Meeting.

Responsibility for determining compensation for individual directors and related matters has been granted to the representative director by the Board of Directors, with the understanding that such matters will be decided based upon the recommendations of the Nomination and Compensation Advisory Committee and conform to the total amount authorized for director compensation by the Shareholders’ Meeting. Compensation for individual executive officers is determined by the representative director based upon the recommendations of the Nomination and Compensation Advisory Committee.

The policy on determining the portion of total compensation paid to each director is as follows.

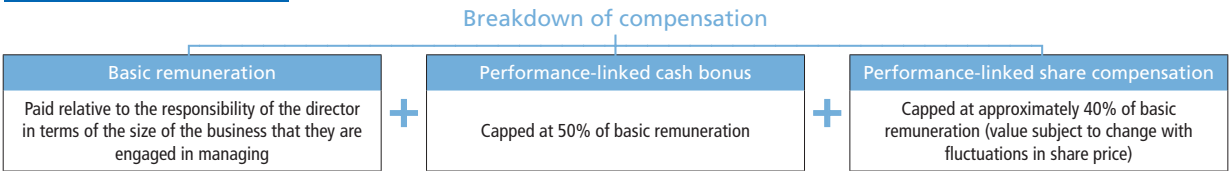
- Basic remuneration is paid relative to the director’s responsibility in terms of the size of the business they are engaged in managing.
- Performance-linked cash bonus is capped at 50% of basic remuneration.
- Performance-linked share compensation is capped at approximately 40% of basic remuneration. This is approximate because its value may change with fluctuations in share price.

With an eye toward reinforcing the Group’s business foundations, performance is measured using such indicators as the operating margin and ROE, which are also used as indicators in the medium-term management plan, as well as environment and safety indicators to reflect social value enhancement. The amount of performance-linked cash bonus is determined based on scoring of achievement for each indicator (refer to the “Performance measurement” table, below.)

For details about management compensation, refer to the 83rd Term Securities Report (p. 63, in Japanese only).

WEB 83rd Term Securities Report

Director compensation



Performance measurement

Standards for achievement of principal indicators used to calculate performance-linked cash bonuses and associated results during the fiscal year ended March 31, 2024

Performance indicator	Achievement standards	Results (FY2024/03)
Operating margin	14.0% to 19.25% or greater	18.6%
ROE	16% to 22% or greater	21.0%
Environment and safety indicators	Reduction of CO ₂ emissions from business activities: 10% reduction in FY2024/03 (compared with FY2019/03)	45.5% reduction

Note: The Company put in place standards of achievement to serve as indicators for determining the extent to which individual business targets were achieved during the fiscal year ended March 31, 2024.

Breakdown of compensation

Total amounts of compensation (by type, board member category) and number of eligible board members (FY2024/03)

Category	Total compensation (millions of yen)	Total amount by compensation type (millions of yen)			Number of eligible board members
		Basic remuneration	Performance-linked cash bonus	Performance-linked share compensation	
Directors (excluding outside directors)	431	196	148	87	4
Corporate auditors (excluding outside corporate auditors)	50	50	—	—	2
Outside directors	73	53	20	—	7

Note: The above includes one director who retired as of the conclusion of the 82nd Ordinary General Meeting of Shareholders on June 23, 2023.

6 Group committees

The SCREEN Group strives to enhance corporate governance for the Group as a whole under the Group committees framework. Each committee conducts monitoring and discussions according to its purpose and reports to the designated organizations, such as the Board of Directors, as appropriate. In the fiscal year

ended March 31, 2024, the Intellectual Property Strategy Committee was newly established. This committee discusses group-wide measures to support the Group’s competitive advantage and works to maintain and strengthen IP and other intangible assets.

(As of July 1, 2024)

	Composition*	Purpose	Agenda and number of meetings (fiscal year ended March 31, 2024)
Group Risk Management Committee	<ul style="list-style-type: none">• Highest position responsible person: CEO• Chair: Senior corporate strategy officer• Members: Chairman, CFO, executive officers of relevant departments, and presidents of business operating and functional companies	Assess changes in the environment inside and outside the SCREEN Group and conduct risk management across the Group by comprehensively identifying risks throughout the entire Group, designating key Group risks, evaluating risks, and formulating policies to address them according to their seriousness	<ul style="list-style-type: none">• Designating key group risks• Monitoring the management of key group risks and investigation of necessary response measures 2 meetings
CSR Committee	<ul style="list-style-type: none">• Responsible person: CEO• Chair: Senior sustainability strategy officer• Members: Chairman, directors, corporate auditors, senior strategy officers, and CSR officers and corporate auditors of the business operating and functional support companies	From the viewpoint of improving social value, promote the practice of ethical behavior among employees based on the SCREEN Group CSR Charter and the Code of Conduct, respond to the SDGs, contribute to local communities, and evaluate and manage climate-related risks and opportunities	<ul style="list-style-type: none">• Reporting on and discussing progress under and issues involving the Sustainable Value 2023 based on social value improvement policy• Proposals, discussion, and reports related to sustainability issues• Update on CSR activities of individual companies, etc. 2 meetings (1 meeting per half fiscal year)
Group EHS Committee	<ul style="list-style-type: none">• Management supervisor: Senior sustainability strategy officer• Members: Directors, EHS administrators of HD and SCREEN Group companies in Japan, and director of the EHS secretariat	Share and pursue ongoing improvement in social and internal issues and problems related to the environment, health, and safety (EHS) and business continuity planning (BCP) at the Group	<ul style="list-style-type: none">• Approving and revising group companies’ EHS and BCP targets and action plans, reviewing progress and issues, identifying instances of noncompliance, and issuing improvement instructions• Deliberating on proposals from subcommittees and working groups• Management reviews and other tasks 3 meetings (May, November, February)
Intellectual Property Strategy Committee	<ul style="list-style-type: none">• Chair: CEO• Members: Senior strategy officers, three executive officers, IP officers of business operating companies, and the president of SCREEN IP Solutions	Share information useful for group-wide IP strategy, discuss group-wide IP measures to increase corporate value and support the Group’s competitive advantage, and work to create, maintain, and strengthen IP and other intangible assets	<ul style="list-style-type: none">• Discussion of the medium-term plan for group IP strategy• Sharing business portfolio and market information• Sharing information related to improving IP visibility• Reporting on engineer hiring, training, and development• Setting KPIs for key technology areas and IP, etc. 2 meetings (November, February)
Timely Disclosure Committee	<ul style="list-style-type: none">• Chair: Senior financial strategy officer• Members: Executive officers and heads of related departments	Implement timely and appropriate disclosure according to the Financial Instruments and Exchange Act, other relevant laws and regulations, and the regulations of the financial instruments exchange	<ul style="list-style-type: none">• Collection of important factual information• Data verification and analysis• Study of disclosure requirements• Study of disclosure methods and related matters 9 meetings
Pension Assets Management Committee	<ul style="list-style-type: none">• Chair: Director in charge of general affairs and human resources• Members: Senior human resources strategy officer, senior financial strategy officer, and heads of related departments	Develop asset management policy and guidelines, review the policy asset mix, and deliberate such topics as the selection, evaluation, and dissolution of relationships with asset managing trustees	<ul style="list-style-type: none">• Deliberating investment policies• Reporting on the status of investments• Reporting on the rate of application of defined-benefit corporate pensions 2 meetings

* Members belong to HD unless stated otherwise.

Group governance structure within the holding company structure













SCREEN has adopted a holding company structure made up of separate business operating companies to enable agile and bold business execution. SCREEN Holdings determines the basic policies and strategies for group management as well as the optimal allocation of management resources. In addition, it provides management oversight of the business execution of each group company, ensuring the functional segregation of business execution and oversight.

The business operating companies have also adopted an executive officer system to ensure swift business execution by clarifying the responsibilities and authority of officers. In addition, each of these companies maintains a management committee to deliberate matters related to management and facilitate the decision making of the Board of Directors and representative director of SCREEN Holdings.

WEB Corporate Governance Structure

Directors and corporate auditors / Skills matrix

(as of July 1, 2024)

		Directors					Outside directors			Corporate auditors		Outside corporate auditors					
																	
		Eiji Kakiuchi	Toshio Hiroe	Yoichi Kondo	Yoshihisa Ishikawa	Hidemi Takasu				Hiroko Okudaira	Seiji Narahara	Fumikazu Sato	Hirofumi Ota	Masao Tomonaga	Tetsuo Kikkawa	Seiji Yokoyama	
Position in the Company and significant concurrent positions outside the SCREEN Group		Chairman Outside Director, KYOCERA Corporation	Representative Director President Chief Executive Officer (CEO)	Representative Director Senior Managing Director Chief Financial Officer (CFO)	Director	Director (outside) Outside Director, Samco Inc.				Director (outside) Associate Professor, Doshisha Business School, Doshisha University	Director (outside) Chair of the Board & Director, Toyobo Co., Ltd.	New Director (outside) Professor, Institute of Mathematics for Industry, Kyushu University Specially Appointed Professor, Center for Co-Creation Strategy, Tohoku University	Senior Corporate Auditor (Full-time)	New Corporate Auditor (Full-time)	Corporate Auditor (outside) President and Attorney-at-Law, Kyoto Mirai Law Firm Outside Corporate Auditor, Kosei Kensetsu Co., Ltd.	Corporate Auditor (outside) President and Certified Public Accountant, Yokoyama-Seiji Certified Accountant Office Outside Director, Audit and Supervisory Committee Member, O-WELL CORPORATION	
		<div>Nomination and Compensation Advisory Committee Member</div>				<div>Nomination and Compensation Advisory Committee Member</div>		<div>Nomination and Compensation Advisory Committee Member</div>	<div>Nomination and Compensation Advisory Committee Member</div>	<div>Nomination and Compensation Advisory Committee Member</div>							
Skills and experience	Management	<div></div>	<div></div>	<div></div>				<div></div>		<div></div>				<div></div>	<div></div>		
	Global	<div></div>	<div></div>	<div></div>		<div></div>		<div></div> ²	<div></div>	<div></div>				<div></div>		<div></div>	
	Sales and marketing	<div></div>	<div></div>											<div></div>			
	R&D, technology, production, and innovation		<div></div>			<div></div>				<div></div>							
	Finance			<div></div>	<div></div>				<div></div>		<div></div>		<div></div>				<div></div>
	Sustainability			<div></div>	<div></div>				<div></div> ²		<div></div>		<div></div>		<div></div>	<div></div>	<div></div>
Number of shares held ¹		49,952	26,734	9,908	8,862	3,100	1,100			400	200	4,000	1,626	0	0		
Attendance (FY2024/03)		Board of Directors: 100% (14/14 times) Nomination and Compensation Advisory Committee: 100% (4/4 times)	Board of Directors: 100% (14/14 times)	Board of Directors: 100% (14/14 times)	Board of Directors: 100% (14/14 times)	Board of Directors: 100% (14/14 times) Nomination and Compensation Advisory Committee: 100% (4/4 times)	Board of Directors: 100% (14/14 times) Nomination and Compensation Advisory Committee: 100% (4/4 times)			Board of Directors: 100% (10/10 times) ³ Nomination and Compensation Advisory Committee: 100% (4/4 times)	Board of Directors: –	Board of Corporate Auditors: 100% (17/17 times) Board of Directors: 100% (14/14 times)	Board of Corporate Auditors: – Board of Directors: –	Board of Corporate Auditors: 100% (17/17 times) Board of Directors: 100% (14/14 times)	Board of Corporate Auditors: 100% (17/17 times) Board of Directors: 100% (14/14 times)		

Note: The above table does not list all of the expertise and experience of the directors and corporate auditors.

1. The number of shares held is as of June 17, 2024.

2. Experience in academia is included.

3. Seiji Narahara's attendance rate is calculated using the 10 times the Board has met since he became a director on June 23, 2023.

Based on our redefined corporate purpose, the Group has hammered out its 10-year vision in the Management Grand Design and is implementing the medium-term management plan as a milestone to achieve the 10-year goals included in the said vision. In order to achieve these goals as well as the targets set out in the medium-term management plan and continuously enhance our corporate value, the Company's directors play the following important roles.

(1) Decisions on important management matters

(2) Decisions on management strategy and management plans

(3) Execution and mutual supervision of directors

The Group has selected the skills required for these roles, as in the table on the right.

Skills and experience	Definition (The nominee must have about 3 years of experience in an executive role in any of the following categories)	Reason for selection
Management	Experience in management as a representative in a company/corporation, etc. (including SCREEN group companies)	To achieve continued enhancement of corporate value through strategy development, decision-making, and organizational leadership from a comprehensive, medium- to long-term perspective
Global	Overseas management experience	To achieve sustainable growth through the pursuit of optimal solutions from a global perspective, based on an understanding of international affairs and diverse values and cultures
Sales and marketing	Experience in sales and/or marketing	To accurately grasp market trends and needs, and to continuously enhance relationships of trust with clients through sales and marketing, including branding
R&D, technology, production, and innovation	Experience in R&D, technology, production, new business creation, and business transformation	To create and add value to technologies, services and products through R&D and manufacturing based on in-depth understanding of technological trends and market needs
Finance	Experience in finance, accounting, and/or M&A	To achieve continued enhancement of corporate value through the formulation and implementation of capital policies and execution of M&A, using a high level of expertise in finance and accounting
Sustainability	Experience in environmental management, risk management, legal affairs, human resources, and/or IT	To strengthen the management foundation that supports sustainable growth through appropriate risk management and human resources strategies, in addition to reducing environmental impact and ensuring legal compliance

Risk management

In accordance with the SCREEN Group Code of Risk Management and other relevant in-house rules, the SCREEN Group is engaged in initiatives aimed at identifying and mitigating business risk, and the holding company has in place a system for assessing the status of risk management for the entire Group.

Risk management structure

In order to mitigate risks with the potential to negatively impact the SCREEN Group’s corporate value, we have established a group-wide risk management structure headed by the SCREEN Holdings president, with the president of each group company responsible for managing risk at their own company.

The Group Risk Management Committee is at the center of this structure, conducting risk management operations, establishing risk management policies, identifying risks inherent in the entire Group, and monitoring their status with the aim of preventing and minimizing damage to corporate value. The committee also identifies group key risks in response to changes in the business environment each fiscal year to determine the direction of risk management and prevent these risks from materializing.

Group key risks are selected for the current fiscal year from among the items on the Group Risk List through discussion by the Group Risk Management Committee and finalized by resolution of the SCREEN Holdings Board of Directors. Furthermore, taking an approach built around three lines of defense,* we have designated risk managers for individual risks and their specific roles as part of a governance structure

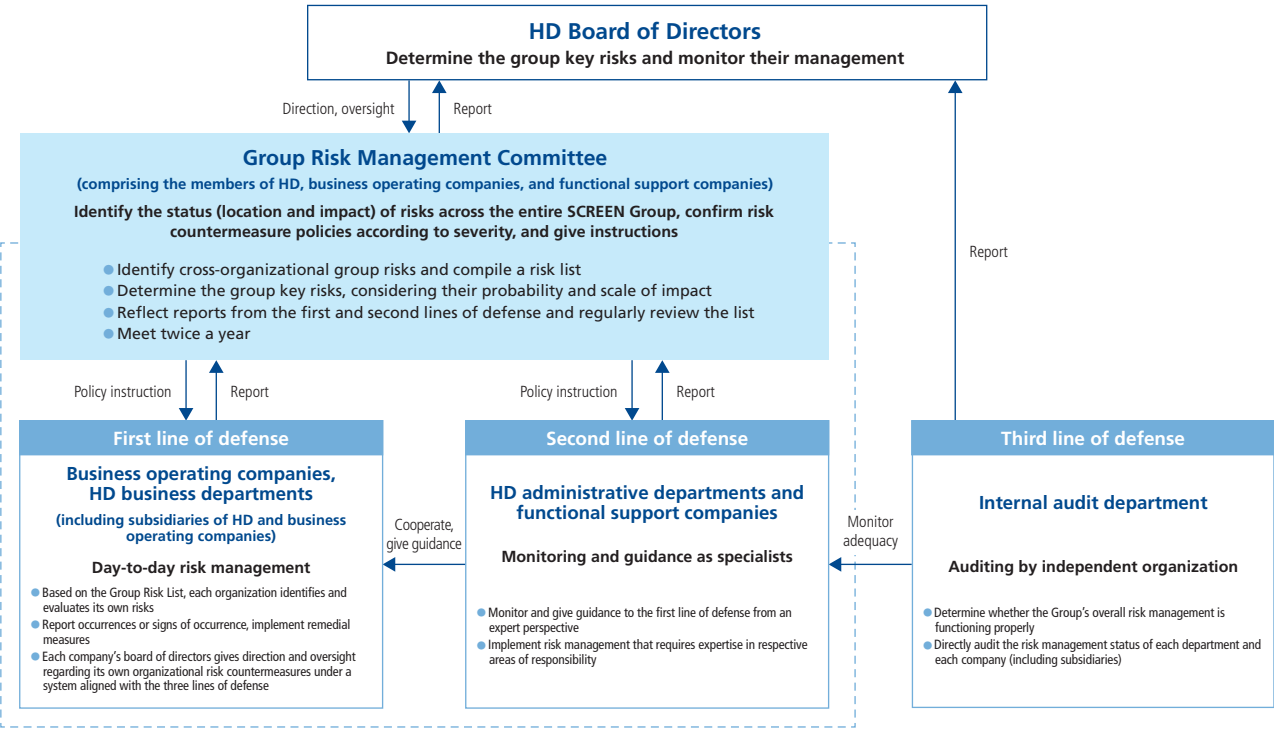
for sharing risk-related information across all levels of operations, all the way up to senior management.

* The first line of defense is borne by the group business operating companies, etc., the second line of defense by the SCREEN Holdings’ administrative departments and functional support companies, and the third line of defense by the internal audit department.

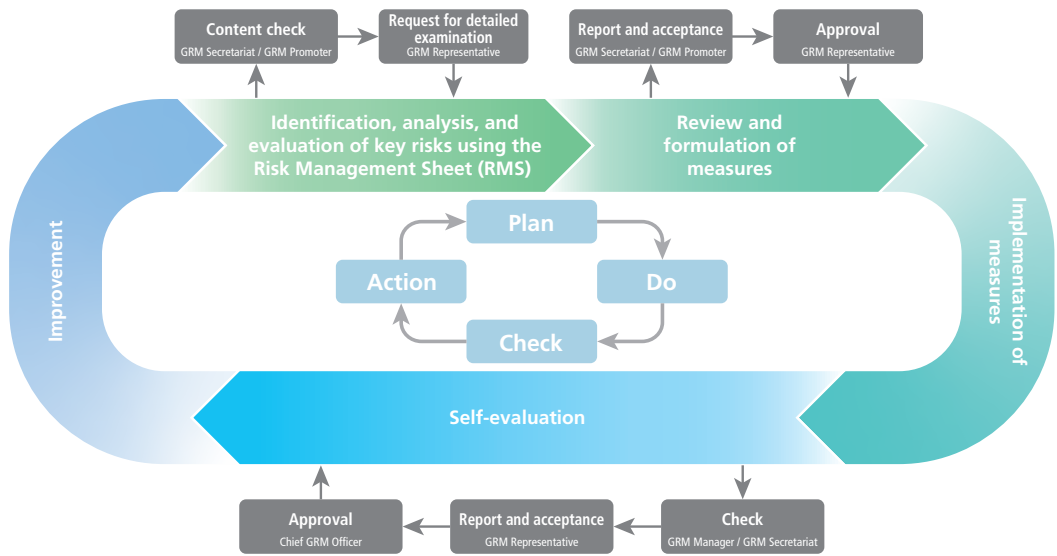
Further enhancement of risk management effectiveness

In the fiscal year ended March 31, 2024, as in the previous fiscal year, the four business operating companies on the first line of defense and relevant members of the second line of defense held talks, with the second line reviewing risk items, mainly group key risks, and supporting risk reduction activities. In order to apply consistent risk assessment standards throughout the Group, in the fiscal year ended March 31, 2024, we established risk assessment criteria. Using these criteria, we are further enhancing risk management through such efforts as discussing the appropriateness of the first line of defense’s risk assessment results, the adequacy of specific measures, and details of related support.

Risk management structure and roles



Group risk management (GRM) operational flow



Group key risks (FY2025/03)

No.	Risk category	Overview of the group key risks
1	Management planning, profitability	• Sudden changes in customers’ capital investment trends
2	Safe working environments	• Occurrence of occupational accidents and injuries
3	Technology and products	• Decline in market share (delayed development of new technologies/products, weakened sales capabilities)
4	Information systems, supply chain management (SCM), compliance	• Problem related to information security
5	Development of the next generation	• Delays in human resource reinforcement (enhancing engagement, developing successors)
6	Climate change, energy saving	• Delays in action to reduce environmental impacts (CO ₂ emissions from business activities/products, etc.)

Risk management

Business continuity plans

The SCREEN Group is well-prepared for disasters, including natural disasters such as earthquakes and flooding caused by typhoons and heavy rains, as well as infectious disease pandemics, with top priority placed on ensuring the safety of its employees and their families. To ensure that we can fulfill our responsibility to supply products and services to clients even in the event of a catastrophic disaster that could affect business continuity, we have acquired certification under ISO 22301, an international standard for business continuity management systems (BCMS), and have in place a system for implementing effective business continuity plans (BCPs) to quickly resume business operations.

Emergency system

Our safety confirmation system can be used by supervisors in an emergency to promptly check the status of their team members. We also have a disaster information sharing system that helps emergency headquarters members, including senior management, share the extent of damage quickly and accurately.

We conduct regular emergency safety confirmation, disaster response, and evacuation drills. The emergency headquarters members also take part in comprehensive simulations at regular intervals. These efforts improve and strengthen our emergency system. As of March 31, 2024, all group companies in Japan and abroad have established their

own BCM rules and BCPs and are advancing coordinated business continuity measures accordingly.

Stable procurement

We are also working to strengthen our BCPs with respect to suppliers. Specifically, we have introduced a system to check the impact on suppliers in the event of a disaster, strive to replace critical parts available only from limited suppliers with generic alternatives, and diversify our procurement sources and logistics partners, among other measures. Our BCP efforts also extend throughout the value chain, such as enhancing the field service structure to enable us to quickly respond to the needs of clients affected by disasters.

Compliance

Compliance system

The SCREEN Group has established the CSR Charter and the Code of Conduct for all group officers and employees to follow and provides principles of conduct based on the corporate philosophy. Based on the said charted and code, the SCREEN Group complies with all applicable laws and regulations, as well as ethical standards of all relevant countries, and conducts business activities in a fair and transparent manner.

Led by our Legal & Intellectual Property Department and Compliance Department, we promote abidance with international rules and each country's laws and regulations. We offer compliance education for group officers and employees across the Group to develop awareness and understanding of compliance. The CSR Committee, which meets twice a year, confirms and shares information on the state of compliance at each company.

Whistleblowing system

We have established the internal reporting hotline, a whistleblowing system that helps to prevent improprieties and misconduct through the early detection of harassment and suspected violations of domestic and overseas laws and regulations, international rules, corporate ethics, and internal regulations. We also work to comprehensively prevent corruption, such as bribery, excessive entertainment, and collusion. Our global whistleblowing system has a unified online hotline that accepts inquiries from all group company officers and employees, and suppliers in Japan and overseas.

In line with the amended Whistleblower Protection Act, there are also rules in place regarding the protection of whistleblower anonymity and privacy, as well as for ensuring that no one will be given disadvantageous treatment for whistleblowing. Periodic internal audits are conducted to see how well we are complying with laws, regulations, and corporate ethics.

In the fiscal year ended March 31, 2024, the whistleblowing system received 39 inquiries and responded to all of them.

Tax transparency

The CSR Charter clearly stipulates that the SCREEN Group will implement highly transparent business management through sound and effective corporate governance and that the Group will comply with all applicable laws and regulations, as well as the ethical standards of all relevant countries, and will conduct business activities in a fair and transparent manner. In accordance with these directives,

each group company is responsible for full compliance with all local tax laws, filing requirements, and tax obligations, with the SCREEN Holdings CFO being ultimately responsible for tax matters.

We have established a transfer pricing policy in light of various rules, such as transfer pricing taxation in relevant countries and the OECD Transfer Pricing Guidelines. We follow this policy when setting and verifying transfer prices between group companies. We do not use tax planning or tax havens to evade taxation.

Security export control

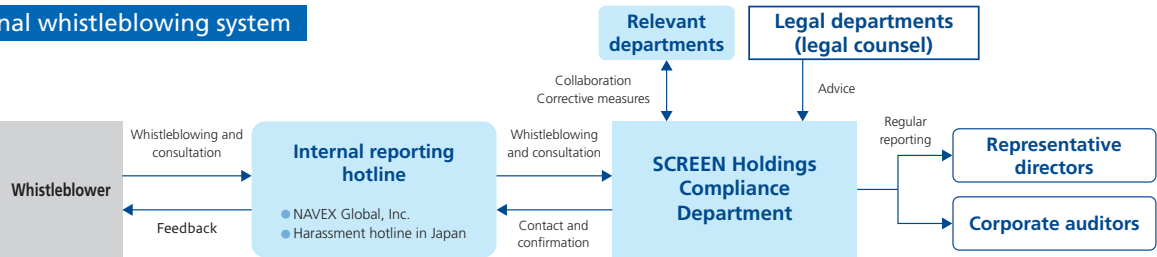
The SCREEN Group places a high priority on implementing security export control. The aim is to help preserve international peace and security by preventing weapons or goods and technologies that could be converted for military use from falling into the hands of governments or terrorists who could threaten world security. Our Security Export Control Department gathers the latest information on the Foreign Exchange and Foreign Trade Act, the U.S. Export Administration Regulations (EAR), and other related export laws and regulations, and disseminates this information throughout the Group. The department also ensures conformity with export control processes that are internally established to determine whether goods and technologies to be exported are subject to regulations and to confirm end-users' identity and their intended use of the goods and technologies.

The Group's business operating companies are authorized exporters under Japan's Authorized Economic Operator (AEO) program. To maintain compliance with this program, we share information on relevant laws and regulations throughout the Group and conduct periodic legal audits.

Compliance with anti-trust laws and anti-corruption

The CSR Charter stipulates the practice of fair business activities, and the SCREEN Group has formulated the guidelines on preventing bid-rigging and cartels and conducts education for all employees on improper activities. The goal of these efforts is to prevent collusion, monopolies, and other anti-competitive actions that violate anti-monopoly and anti-trust laws, as well as prevent bribery aimed at securing unfair advantages to or from business partners and other such improper acts. In the fiscal year ended March 31, 2024, there were no instances in the SCREEN Group of anti-competitive or anti-trust practices or illegal monopolistic activities.

Internal whistleblowing system



Relationship with suppliers

The “promotion of social responsibility in the supply chain,” as set forth in the CSR Charter and the Code of Conduct, is the basic principle guiding SCREEN’s supply chain management. Emphasizing open and fair trade, we strive to fulfill our social and environmental responsibility and enhance corporate ethics throughout the supply chain. Partnership, CSR, and green procurement are key concepts in our procurement activities. We engage in fair trading practices by making the supplier selection process more transparent and regularly training purchasing personnel to ensure compliance with the subcontracting law and other legal and regulatory requirements.



Supplier Code of Conduct

The SCREEN Group has published the Supplier Code of Conduct, formulated with reference to the Group’s CSR Charter and the Code of Conduct, the Responsible Business Alliance (RBA) Code of Conduct, and other relevant standards. Recognizing that we and our suppliers are all part of the same supply chain, we ask for their understanding and cooperation in the areas of legal compliance, respect for human rights, environmental conservation, and product and service safety.



Cooperation with suppliers

Each of the Group’s business operating companies holds business policy briefings for suppliers to share business operation policies, and share material issues that need to be addressed across the supply chain. The top 240 suppliers in transaction value with the Group are also asked to agree to our Supplier Code of Conduct and join the following surveys and initiatives.

CSR surveys

Based on the results of CSR surveys, the SCREEN Group identifies any high-risk suppliers who fall short of certain standards and asks them to take corrective measures. No high-risk suppliers were identified in the survey conducted for the fiscal year ended March 31, 2024. Going forward, we will continue working to update the survey content and expand the survey scope while working to secure the understanding and cooperation of suppliers.

Conflict mineral surveys

As part of efforts to ensure the responsible sourcing of minerals, the SCREEN Group has identified smelters in its supply chain using the CMRT¹ format. No critical risks associated with the responsible sourcing of minerals were identified for the fiscal year ended March 31, 2024. If any serious concern is discovered, we work with the relevant suppliers to promptly make improvements. We will endeavor to ensure the responsible sourcing of minerals throughout the supply chain, including by expanding the scope of the surveys.

FY2024/03 CMRT survey results

Response rate	100%
Total number of smelters	341
Number of smelters certified as “conformant” ² (including those in the certification process)	223
Conformant smelter rate	65.4%

1. CMRT: The Conflict Minerals Reporting Template. A reporting template developed by the Responsible Minerals Initiative (RMI).
2. Conformant: Smelters that are certified through third-party audits as unaffected by conflict and free of human rights abuses and other issues are considered “conformant.”

Green procurement standards

The SCREEN Group has compiled the Green Procurement Standards to ask suppliers to implement the following procurement activities aimed at reducing environmental impact.

- 1 Submission of agreements related to green procurement
- 2 Development of environmental management systems at suppliers
- 3 Provision of data, such as the names and amounts of chemicals used in delivered products
- 4 Submission of “Declaration of Non-Use of Prohibited Substances”



Sharing of sustainability information

At our supplier portal, we provide suppliers with information on sustainability in the form of email newsletters, webinars, and videos. These media feature topics such as climate change-related actions in the supply chain, challenges related to businesses and human rights, and corporate initiatives to control chemical substances.

Declaration of Partnership Building

SCREEN Holdings has announced a Declaration of Partnership Building, a commitment to building new partnerships with supply chain companies and value-creating businesses by pursuing cooperation and mutual prosperity.



Dialogue with shareholders and investors

We strive to give our shareholders and investors a greater understanding of the SCREEN Group by communicating about our management, business, and financial position in a clear, accurate, and timely manner. Feedback from shareholders and investors is shared with management, including the Board of Directors, as appropriate to help maximize corporate value.

Opportunities for dialogue through IR activities

We hold IR meetings and conferences following earnings announcements, with our CEO, CFO, executive officers, IR manager, and other members of management joining as speakers. We also hold dialogues with the voting representatives of institutional investors focused on ESG-related themes.

In the interest of fair disclosure, beginning with the earnings presentation for the fiscal year ended March 31, 2024, we now provide simultaneous interpretation at such events, coupled with transcript distribution service, in Japanese and English. We have also been posting video records of earnings presentations on our website as part of ongoing efforts to broaden our range of disclosure materials and enhance timeliness. Moreover, we send questionnaires to institutional investors and analysts once a year to identify where we can improve the quality of our IR activities.

In 2024, we once again provided an online live

stream of the proceedings of the 83rd Ordinary General Meeting of Shareholders (June 21, 2024) as well as the management briefing held the same day.

Going forward, we will continue working to build good relations with our investors through IR activities, focusing on maintaining an appropriate share price and balanced shareholder portfolio.

Dialogue-based IR activities (FY2024/03)	<ul style="list-style-type: none">Earnings presentations by CEO, CFO, etc.: 4Meetings with domestic and overseas institutional investors and analysts: Approximately 360IR roadshow: 1 (Europe)Overseas institutional investor conferences: 15Shareholder engagement aimed at voting representatives: 8Corporate briefings for non-institutional investors: 2Factory tours for institutional investors and analysts: 8IR day: 1
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External assessments

Credit rating information

Rating organization: Japan Credit Rating Agency, Ltd. (JCR)

Credit rating: A (Outlook: Stable)

Evaluations / Indices

SCREEN Holdings Co., Ltd. is a constituent of the MSCI Japan ESG Select Leaders Index*, FTSE4Good Index Series, FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, SOMPO Sustainability Index, S&P/JPX Carbon Efficient Index, Morningstar Japan ex-Reit Gender Diversity Tilt Index, iSTOXX MUTB Japan Platinum Career 150 Index, JPX-Nikkei Index 400, and JPX Prime 150 Index. In addition, SCREEN Holdings has been recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program of METI since 2018 and included in said program's "top-500 large enterprises" list since 2022. In 2024, SCREEN Holdings was included in the Health & Productivity Stock Selection for the first time.

* The inclusion of SCREEN Holdings Co., Ltd. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index or index names herein, do not constitute a sponsorship, endorsement or promotion of SCREEN Holdings Co., Ltd. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



Basic information

Corporate profile (as of July 1, 2024)

Company name: SCREEN Holdings Co., Ltd.
Established: October 11, 1943
Representatives: Toshio Hiroe, President and CEO
Yoichi Kondo, Senior Managing Director and CFO

Capital: ¥54.0 billion
Employees: 6,264 (as of March 31, 2024)
Main sites: Head Office, Rakusai (WHITE CANVAS RAKUSAI), Kumiya, Yasu, Hikone, Taga, Monzennakacho (WHITE CANVAS MON-NAKA)

Stock information (as of March 31, 2024)

Stock information

Authorized number of shares: 360,000,000*
Number of shares issued: 101,589,732*
Number of shareholders: 44,711
Number of shares held by non-Japanese companies and individuals: 31,960,720 (31.46%)
Stock listing: Tokyo Stock Exchange Prime Market
Code number: 7735

* SCREEN implemented a stock split of common stock in the ratio of 1 share into 2 shares on October 1, 2023.

Major Shareholders

	Number of shares (thousands)	Percentage of total shares issued (excluding treasury stock, %)
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,731	17.19
Custody Bank of Japan, Ltd. (Trust Account)	8,834	9.07
Nippon Life Insurance Company	3,661	3.76
The Bank of Kyoto, Ltd.	2,692	2.77
SCREEN's Business Partners Shareholders' Association Synchronize	1,855	1.91
Resona Bank, Limited	1,825	1.87
The Shiga Bank, Ltd.	1,696	1.74
JPMorgan Securities Japan Co., Ltd.	1,642	1.69
MUFG Bank, Ltd.	1,569	1.61
STATE STREET BANK AND TRUST COMPANY 505001	1,523	1.56

Note: SCREEN Holdings holds 4,234,678 shares of treasury stock (4.16% of total shares issued) but is excluded from the list of major shareholders.

Bank references

MUFG Bank, Ltd. / Resona Bank, Limited / The Bank of Kyoto, Ltd. / The Shiga Bank, Ltd. / Development Bank of Japan Inc.

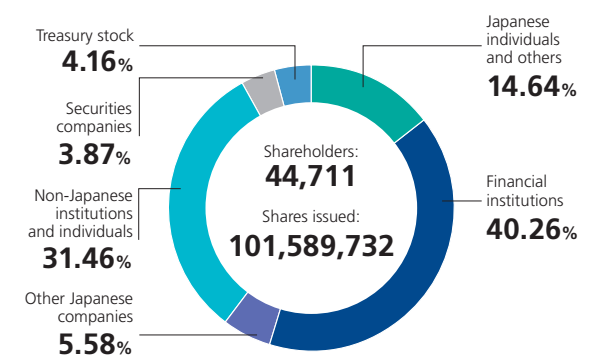
Underwriter

Nomura Securities Co., Ltd.

Sub-underwriters

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Daiwa Securities Co. Ltd.

Breakdown by type of shareholder



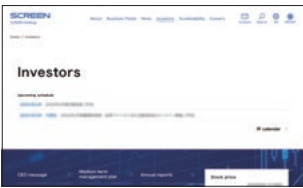
Website

SCREEN Holdings official website



www.screen.co.jp/en

Investors



www.screen.co.jp/en/ir

Sustainability



www.screen.co.jp/en/sustainability

- Annual Report
- Fact Book
- Sustainability Data Book
- Financials
- IR Library
- IR News
- IR Calendar

- SCREEN Group Sustainability Message from the top management, CSR Charter, key sustainability initiatives, sustainability news, sustainability dialogue
- Annual Report
- Sustainability Data Book
- GRI Index
- ISO certifications

Eleven-year key financial and non-financial data

SCREEN Holdings Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

	2024	2023	2022	2021	2020		2019	2018	2017	2016	2015	2014	2024
For the Year:												Millions of yen	Thousands of U.S. dollars
Net sales	¥ 504,916	¥ 460,834	¥ 411,865	¥ 320,322	¥ 323,249		¥ 364,234	¥ 339,369	¥ 300,234	¥ 259,675	¥ 237,646	¥ 235,946	\$ 3,343,820
Cost of sales	322,399	305,785	277,497	232,310	246,680		263,667	229,838	206,687	178,677	165,192	177,175	2,135,095
Cost of sales to net sales (%)	63.9%	66.4%	67.4%	72.5%	76.3%		72.4%	67.7%	68.8%	68.8%	69.5%	75.1%	
Operating income	94,164	76,452	61,273	24,493	12,562		29,645	42,725	33,732	23,557	17,168	8,903	623,605
Operating income to net sales (%)	18.6%	16.6%	14.9%	7.6%	3.9%		8.1%	12.6%	11.2%	9.1%	7.2%	3.8%	
Profit attributable to owners of parent	70,579	57,491	45,482	15,165	5,011		18,059	28,507	24,169	18,816	12,122	5,419	467,416
Comprehensive income	83,988	56,408	43,499	36,438	(907)		13,425	34,934	28,011	11,567	24,018	14,262	556,217
Cash flows from operating activities	96,255	73,906	81,753	57,205	11,812		(37,534)	28,878	49,024	14,721	(1,492)	24,703	637,456
Cash flows from investing activities	(43,456)	(12,514)	(9,952)	(6,243)	(11,294)		(19,020)	(11,230)	(5,860)	(2,558)	(6,318)	(4,201)	(287,788)
Cash flows from financing activities	(35,142)	(20,961)	(4,951)	(27,071)	4,928		36,761	(11,512)	(27,479)	(2,846)	(3,823)	(29,302)	(232,732)
Depreciation and amortization	10,837	8,799	9,501	9,628	8,860		6,883	5,708	5,398	5,030	4,880	4,101	71,769
Capital expenditures	39,812	29,015	13,410	7,843	7,985		24,089	14,429	8,256	6,352	6,659	4,574	263,661
R&D expenses	27,025	24,760	24,036	21,506	21,525		22,825	20,837	17,794	15,166	13,972	12,274	178,979

Per Share of Capital Stock:												Yen	U.S. dollars
Net income	¥ 742.10	¥ 608.17	¥ 488.28	¥ 162.61	¥ 53.69		¥ 193.55	¥ 304.31	¥ 255.98	¥ 198.38	¥ 127.68	¥ 57.08	\$ 4.91
Net income—diluted	725.54	592.63	463.09	154.09	50.74		185.33	—	—	—	—	—	4.80
Cash dividends	223.50	182.50	146.50	45.00	15.00		48.50	55.00	43.50	30.00	17.50	7.50	1.48
Net assets	3,831.10	3,162.72	2,659.16	2,237.59	1,863.55		1,919.45	1,830.98	1,520.40	1,266.71	1,167.83	910.58	25.37

At Year End:												Millions of yen	Thousands of U.S. dollars
Total assets	¥ 676,808	¥ 562,816	¥ 459,305	¥ 382,632	¥ 347,965		¥ 380,916	¥ 365,874	¥ 300,660	¥ 270,094	¥ 249,517	¥ 232,376	\$ 4,482,175
Return on total assets (%)	11.4%	11.2%	10.8%	4.2%	1.4%		4.8%	8.6%	8.5%	7.2%	5.0%	2.3%	
Current assets	493,661	428,267	338,367	252,887	238,543		263,265	254,756	215,159	188,522	160,367	157,327	3,269,278
Net property, plant and equipment	102,051	72,667	56,524	57,055	60,894		61,398	48,973	41,758	43,378	42,606	40,711	675,839
Current liabilities	286,007	237,137	175,620	120,868	136,879		160,852	175,509	135,576	120,857	92,750	114,367	1,894,092
Long-term debt	3,099	15,027	25,434	40,067	30,205		33,848	5,227	10,907	18,986	32,666	21,943	20,526
Equity	371,866	299,888	247,716	208,380	173,942		179,116	170,839	142,805	119,650	110,865	86,448	2,462,694
Equity ratio (%)	54.9%	53.3%	53.9%	54.5%	50.0%		47.0%	46.7%	47.5%	44.3%	44.4%	37.2%	
Return on equity (%)	21.0%	21.0%	19.9%	7.9%	2.8%		10.3%	18.2%	18.4%	16.3%	12.3%	6.7%	
Capital stock	54,044	54,044	54,045	54,045	54,045		54,045	54,045	54,045	54,045	54,045	54,045	357,913
Retained earnings	274,869	229,596	185,804	144,670	130,908		130,274	117,359	92,937	71,602	54,448	41,824	1,820,328

Shares issued (thousands shares)	101,589	101,589	101,590	101,590	101,590		101,590	101,590	101,590	101,590	101,590	101,590	
Employees (persons)	6,264	5,987	5,943	5,982	6,074		6,099	5,835	5,422	5,182	5,082	4,968	

Key Environmental Indicators													
GHG emissions from business activities (thousand metric tons CO ₂ e)	27.5	23.9	44.7	50.7	54.8		50.6	54.8	53.4	52.5	52.6	53.8	
Water withdrawal (thousands m ³)	2,316	2,118	2,038	2,046	2,087		2,102	2,063	2,034	2,021	1,840	2,034	
Waste and valuable materials generated (metric tons)	3,152	3,178	3,462	2,586	2,304		2,765	2,696	2,064	1,848	2,048	1,893	

Notes: 1. Dollar figures are translated, for convenience only, at the rate of ¥151 to US\$1.00.
2. Net income per share of capital stock is calculated based on the weighted average number of shares outstanding during each term, excluding the Company's treasury stock. Diluted net income per share is not shown for the years that net losses were recorded or no dilutive stock existed. Net assets per share is calculated based on the fiscal year-end total number of shares outstanding, excluding the Company's treasury stock.
3. Return on total assets and return on equity are calculated on the basis of average total assets and average equity, respectively, at the current and previous fiscal year-ends.
4. The Company implemented a one-for-five consolidation of its common stock on October 1, 2016 and also implemented a two-for-one split of its common stock on October 1, 2023. Net income per share, cash dividends per share, net assets per share and shares issued are calculated based on the assumption that the consolidation and split of shares had been implemented at the beginning of the fiscal year ended March 31, 2014.

Innovation for a Sustainable World

SCREEN Holdings Co., Ltd.

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