November 2, 2026

SCREEN Holdings Co., Ltd.

Q&A on 2Q Earnings for FY2027/03

Q&A during the earnings presentation		
Q1	SPE	With the WFE market expected to grow by around 30% in 2027, driven by strong growth in memory, what will be the key drivers for SCREEN to achieve growth in line with or above the WFE market? Is there any impact from the regional mix?
A1		・Growth drivers include our growing exposure to high-performance memory such as HBM, increasing device integration in leading-edge logic, and growing opportunities to accommodate advanced technologies, including advanced packaging. ・Rather than the regional mix, SCREEN believes that the mix of devices and applications in demand will likely have a greater impact.
Q2	All	The current medium-term management plan will conclude at the end of this fiscal year, and the next medium-term management plan is expected to be announced. Now that 1H is over, has there been any change in the direction going forward? Also, could you provide any indication of your plans for additional investments and shareholder returns?
A2		The overall framework for the next medium-term management plan has now taken shape, and we are currently mapping out specific initiatives. We had previously positioned the next plan as a phase to reap the benefits of our investments. However, given that semiconductor demand is expected to exceed our initial expectations, the next plan may continue to be an investment phase. While maintaining the necessary investments for growth and R&D as a base, we will also consider our shareholder return policy.
Q3	SPE	With orders currently at record-high levels and the WFE market outlook being revised upward, why have you kept SCREEN's full-year sales forecast unchanged for this fiscal year? Could you also explain your view on production capacity and the potential impact on the next fiscal year?
A3		SCREEN is currently streamlining the production process at the existing factories in the Hikone site. We have received inquiries that could enable us to outperform WFE market growth in sales in 2H of this fiscal year. However, the contribution to sales is expected to gradually increase toward the end of this fiscal year and gain momentum in the next fiscal year.
Q4	All	With regard to the restructuring of the business portfolio toward the next medium-term management plan, how does SCREEN envision the restructuring of the electronics-related businesses and the medium- to long-term growth scenario for the GA business?
A4		SCREEN has begun taking specific steps toward restructuring its business portfolio to allow more efficient resource allocation and cash allocation. As the electronics-related businesses and the GA business, which is related to printing, differ in terms of their business characteristics and growth potential, SCREEN plans to outline its basic policies for each business at the IR Day scheduled for the end of next March. Further details are expected to be announced at the full-year results presentation in May.

Q5	SPE	What were the factors behind the lower-than-expected sales to foundry customers in 2Q? Also, what is the outlook for sales to foundry customers for the full year?
A5		The shortfall against the 2Q sales plan was due to a shift in the timing of revenue recognition resulting from the timing of equipment installation completion. Demand for leading-edge logic and foundry applications remains strong. Although there may be some quarterly fluctuations, there is no change in our view that leading-edge logic, foundry, and memory will continue to drive the market.
Q6	SPE	The full-year plan also appears somewhat weak. Is it reasonable to expect, conversely, that earnings will grow significantly from the next fiscal year onward?
A6		Yes, that is a fair understanding.
Q7	SPE	What is the current status of product lead times and the procurement of materials and components?
A7		The average equipment lead time is approximately 4 to 5 months, although it varies by product. Procurement of materials and components for this fiscal year is largely on track. However, some components, such as devices used in control boards, are becoming difficult to procure. Our procurement team is working to secure the components needed for increased production from the next fiscal year onward to avoid supply shortages similar to those experienced during the COVID-19 pandemic.
Q8	SPE	Taking into account the current procurement situation for materials and components, by approximately what percentage could SCREEN increase production next fiscal year?
A8		Although we cannot disclose a specific figure, we are taking the necessary steps to increase production in line with, or slightly outperform, the market growth expected for the next fiscal year.
Q9	SPE	Is it correct to understand that sales from the projects carried over from the previous fiscal year and recognized in 2Q were approximately ¥20 billion? Also, what was the operating margin on these projects?
A9		Yes, that understanding is correct. The operating margin was broadly in line with the current average.
Q10	SPE	What is the expected weight of sales between 3Q and 4Q in 2H? And what is the outlook for achieving the operating margin target?
A10		Sales are expected to be slightly higher in 4Q than in 3Q, approximately 40% in 3Q and 60% in 4Q. The assumed operating margin is not considered difficult to achieve and should be achievable if SCREEN can secure the planned sales level of ¥360 billion for SPE in 2H.
Q11	SPE	It has been pointed out that the policy of recognizing sales upon customer acceptance can have an unfavorable impact on financial results. Could you explain any discussions regarding a change in the revenue recognition criteria and how SCREEN plans to address this going forward?
A11		To be precise, SCREEN recognizes revenue upon completion of equipment installation, when the equipment is installed and becomes operational at the customer’s factory. SCREEN has not decided to change the rule at this time, but continues to discuss with its independent auditor what would be appropriate in light of changes in the business environment.

Q12	SPE	Excluding sales from projects carried over from the previous fiscal year, SCREEN's sales growth for this fiscal year appears to be below WFE market growth. What are the factors behind this?
A12		Not all products manufactured during the fiscal year are recognized as sales within the same fiscal year, as some projects carry over into the following fiscal year. As a result, sales growth may appear to be below WFE market growth. However, we are seeing demand and orders with the potential to outperform WFE market growth, and we aim to demonstrate this through actual sales results from the next fiscal year onward.
Related Q&A		
Q13	GA	What is the outlook for this fiscal year and the current business environment?
A13		・In the U.S. commercial printing market, the shift from offset to digital printing is accelerating, and equipment sales remain solid. We are aiming to achieve higher sales. ・Particularly in the U.S., equipment utilization rates are increasing. We will expand our recurring business and ink sales to enhance profitability.
Q14	FT	What is the outlook for this fiscal year and the current business environment?
A14		・Due to the shift of sales of certain equipment into the next fiscal year and the impact of the integration with the Advanced Packaging business executed in April 2026, we revised our forecasts downward from the July forecasts. Sales were revised downward by ¥1.0 billion and operating income by ¥1.5 billion. → Demand for advanced packaging equipment remains strong, and we expect sales to increase from the next fiscal year onward. ・While securing stable earnings through sales of OLED-related equipment, we seek to expand our business domain and enhance profitability through synergies with the Advanced Packaging business.
Q15	PE	What is the outlook for this fiscal year and the current business environment?
A15		・The market is recovering, driven by robust capital investment in AI servers, with strong orders continuing particularly for exposure systems. Although the business remained in the red in 1H, we expect a sharp recovery in 2H and a major improvement in full-year results. ・We are strengthening our production capabilities to support higher sales in 2H, while aiming to expand our market share from the next fiscal year onward.

Note: Our business segments are abbreviated as follows.

HD = SCREEN Holdings Co., Ltd.

SPE = Semiconductor production equipment business

GA = Graphic arts equipment business

FT = Display production equipment and coater business

PE = PCB-related equipment business