SCREEN

Annual Report 2025

Year ended March 31, 2025

Financial Section

SCREEN Group (Integrated Report)

Management's discussion and analysis

SCREEN Holdings Co., Ltd. and consolidated subsidiaries
Fiscal years ended March 31

This section provides an analysis of the consolidated financial statements for SCREEN Holdings Co., Ltd. and its consolidated subsidiaries. These consolidated financial statements have been prepared in accordance with accounting standards generally accepted as fair and reasonable in Japan.

The U.S. dollar figures that appear in the financial statements have been translated from Japanese yen amounts for convenience only at the rate of JPY150 to USD1.00.

Financial position

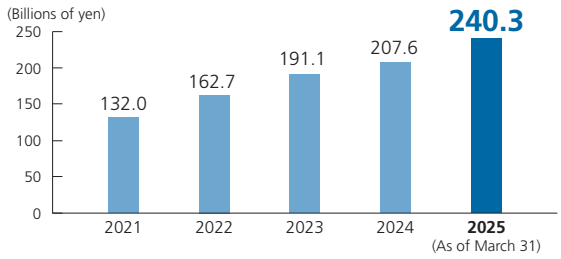
Total assets as of March 31, 2025 stood at ¥671,287 million, down ¥5,521 million, or 0.8%, from the previous fiscal year-end. This was largely due to decreases in cash and deposits and notes and accounts receivable, despite an increase in securities (certificates of deposit).

Total liabilities amounted to ¥250,593 million, down ¥54,303 million, or 17.8%, from the previous fiscal year-end. This was mainly attributable to decreases in contract liabilities and notes and accounts payable.

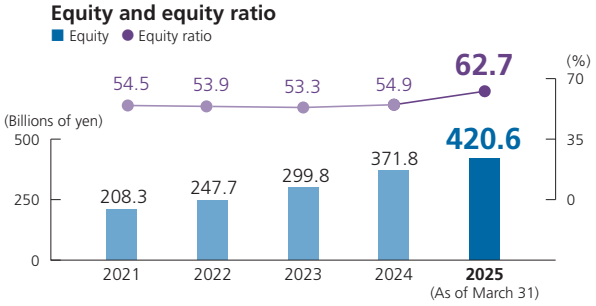
Total net assets amounted to ¥420,694 million, up ¥48,782 million, or 13.1%, from the previous fiscal year-end. This was mainly due to the recording of profit attributable to owners of parent, despite the payment of cash dividends and share buybacks.

As a result, the equity ratio as of March 31, 2025 was 62.7%.

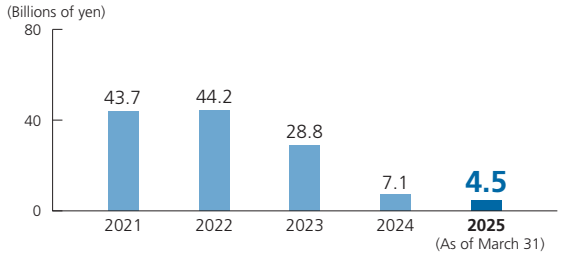
Working capital



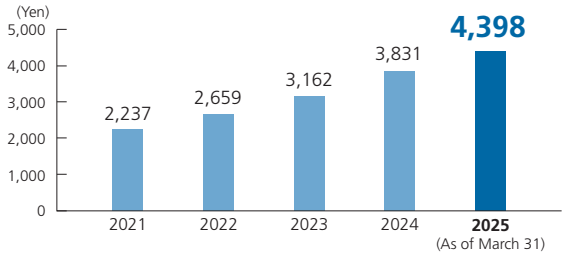
Equity and equity ratio



Interest-bearing debt



Net assets per share



	Millions of yen					Thousands of U.S. dollars
As of March 31	**2025**	2024	2023	2022	2021	**2025**
Total assets	**¥ 671,287**	¥ 676,808	¥ 562,816	¥ 459,305	¥ 382,632	**$ 4,475,249**
Reportable segment: SPE	**438,318**	446,837	349,632	264,455	207,244	**2,922,124**
GA	**53,015**	50,879	47,208	49,100	42,169	**353,433**
FT	**35,959**	25,851	22,174	27,955	30,472	**239,731**
PE	**16,855**	17,954	15,925	11,736	10,234	**112,369**
Other	**9,166**	7,739	8,074	7,833	7,988	**61,112**
Adjustments	**117,971**	127,545	119,799	98,226	84,525	**786,477**
Working capital	**240,323**	207,653	191,129	162,747	132,019	**1,602,153**
Interest-bearing debt	**4,562**	7,184	28,852	44,236	43,782	**30,419**
Equity	**420,640**	371,866	299,888	247,716	208,380	**2,804,272**
Equity ratio (%)	**62.7%**	54.9%	53.3%	53.9%	54.5%	
Net assets per share (yen)	**4,398.46**	3,831.10	3,162.72	2,659.16	2,237.59	**29.32**

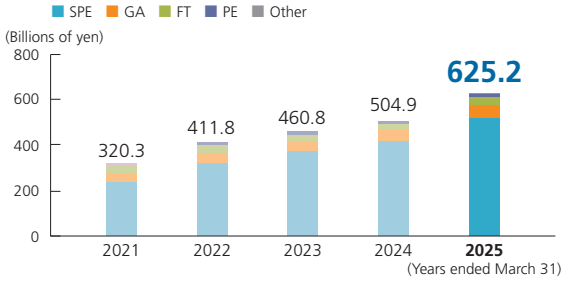
Notes: 1. The Company has introduced a performance-linked share compensation system for directors and executive officers. The SCREEN Holdings shares remaining in trust are recorded as treasury stock under shareholders' equity and are deducted from the number of shares outstanding as of the fiscal year-end for the purpose of calculating net assets per share.
2. The Company implemented a stock split of common stock in the ratio of 1 share into 2 shares on October 1, 2023. Net assets per share shown above are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2021.

Operating results

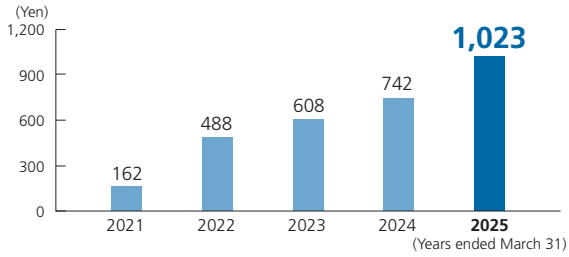
Net sales for the consolidated fiscal year ended March 31, 2025 were ¥625,269 million, an increase of ¥120,352 million, or 23.8%, from the previous fiscal year. Operating income increased ¥41,519 million, or 44.1%, from the previous fiscal year to ¥135,683 million. This was mainly due to the increase in net sales. Ordinary income amounted to ¥138,265 million, an increase of ¥43,986 million, or 46.7%, year on year. Profit attributable to owners of parent increased ¥28,887 million, or 40.9%, from the previous fiscal year to ¥99,467 million.

Net income per share increased by ¥281.44 to ¥1,023.54 (diluted net income per share was ¥1,022.31), return on equity increased by 4.1 percentage points from the previous fiscal year to 25.1%, and return on total assets improved 3.4 percentage points to 14.8%.

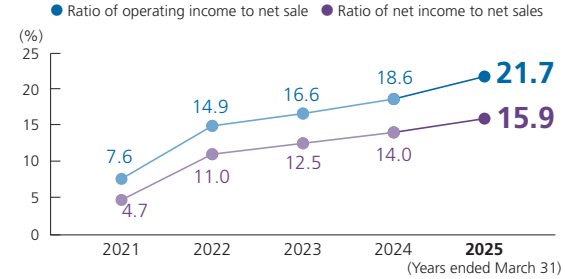
Consolidated net sales by reportable segment



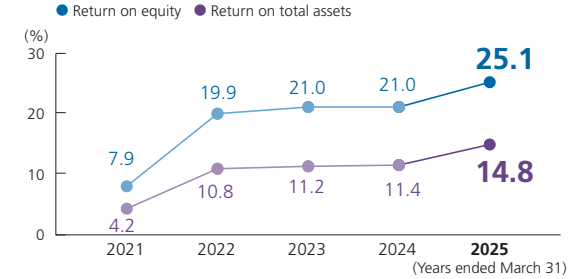
Net income per share



Ratio of operating income to net sales and ratio of net income to net sales



Return on equity and return on total assets



	Millions of yen					Thousands of U.S. dollars
Years ended March 31	**2025**	2024	2023	2022	2021	**2025**
Net sales	**¥ 625,269**	¥ 504,916	¥ 460,834	¥ 411,865	¥ 320,322	**$ 4,168,465**
Gross profit	**235,298**	182,517	155,048	134,368	88,012	**1,568,655**
Operating income	**135,683**	94,164	76,452	61,273	24,493	**904,557**
Operating income to net sales (%)	**21.7%**	18.6%	16.6%	14.9%	7.6%	
Income before income taxes	**139,006**	94,158	78,515	56,772	20,673	**926,710**
Profit attributable to owners of parent	**99,467**	70,579	57,491	45,482	15,165	**663,116**
Per share information (yen)						
Net income	**1,023.54**	742.10	608.17	488.28	162.61	**6.82**
Net income—diluted	**1,022.31**	725.54	592.63	463.09	154.09	**6.82**
Return on equity (%)	**25.1%**	21.0%	21.0%	19.9%	7.9%	
Return on total assets (%)	**14.8%**	11.4%	11.2%	10.8%	4.2%	

Notes: 1. Return on equity and return on total assets were calculated on the basis of average equity and average total assets, respectively, for the current and previous fiscal years.
2. The Company has introduced a performance-linked share compensation system for directors and executive officers. The SCREEN Holdings shares remaining in trust are recorded as treasury stock under shareholders' equity and are deducted from the weighted average number of shares outstanding during the year for the purpose of calculating net income per share.
3. The Company implemented a stock split of common stock in the ratio of 1 share into 2 shares on October 1, 2023. Net income per share and net income-diluted per share shown above are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2021.

Segment information

In the Semiconductor Production Equipment (SPE) segment, sales to foundries and to logic and memory manufacturers increased year on year. By region, sales to Taiwan and China rose, but those to the United States declined. As a result, net sales in this segment amounted to ¥519,511 million, up 24.4% year on year. Operating income in this segment amounted to ¥136,975 million, up 41.1% year on year, mainly reflecting the increase in sales.

In the Graphic Arts Equipment (GA) segment, net sales grew 11.0% year on year to ¥53,010 million due to steady sales of POD equipment and increased recurring business sales, mainly of ink. Despite the increase in sales, operating income was ¥4,292 million, down 0.1% year on year, mainly reflecting an increase in fixed costs.

In the Display Production Equipment and Coater (FT) segment, net sales increased 54.1% year on year to ¥35,829 million due to a rise in sales of equipment. Operating income came to ¥3,053 million, compared with operating loss of ¥425 million in the previous fiscal year, mainly reflecting the increase in net sales.

In the PCB-related Equipment (PE) segment, net sales decreased 3.4% to ¥14,174 million due to a decline in sales of direct imaging systems. Operating income was ¥1,069 million, a 42.5% year-on-year decrease, primarily due to the decrease in sales and an increase in fixed costs.

Net sales and operating income (loss) in reportable segments

			Millions of yen					Thousands of U.S. dollars
Years ended March 31			**2025**	2024	2023	2022	2021	**2025**
Net sales	Reportable segment:	SPE	**¥ 519,511**	¥ 417,677	¥ 370,934	¥ 319,399	¥ 235,554	**$ 3,463,409**
		GA	**53,010**	47,739	45,609	43,318	37,403	**353,404**
		FT	**35,829**	23,247	26,189	33,286	34,721	**238,862**
		PE	**14,174**	14,672	16,835	13,312	10,430	**94,496**
	Other		**26,103**	2,768	2,064	2,804	2,379	**174,020**
	Intersegment sales		**(23,359)**	(1,189)	(799)	(254)	(165)	**(155,727)**
	Consolidated		**¥ 625,269**	¥ 504,916	¥ 460,834	¥ 411,865	¥ 320,322	**$ 4,168,465**
Operating income (loss)	Reportable segment:	SPE	**136,975**	97,048	76,950	62,830	26,000	**913,173**
		GA	**4,292**	4,295	3,397	1,637	536	**28,616**
		FT	**3,053**	(425)	(1,840)	587	435	**20,359**
		PE	**1,069**	1,861	3,358	2,075	773	**7,131**
	Other		**(1,822)**	(888)	(443)	(737)	(697)	**(12,148)**
	Total		**143,569**	101,892	81,422	66,392	27,047	**957,131**
	Adjustments		**(7,886)**	(7,727)	(4,970)	(5,119)	(2,554)	**(52,574)**
	Consolidated		**¥ 135,683**	¥ 94,164	¥ 76,452	¥ 61,273	¥ 24,493	**$ 904,557**

Notes: 1. The SCREEN Group has created four business segments for reporting: Semiconductor Production Equipment (SPE), Graphic Arts Equipment (GA), Display Production Equipment and Coater (FT), and PCB-related Equipment (PE).
The products and services of each segment are as follows:
SPE: Development, manufacture, sale, and maintenance services of semiconductor production equipment
GA: Development, manufacture, sale, and maintenance services of graphic arts equipment
FT: Development, manufacture, sale, and maintenance services of display production equipment and coaters
PE: Development, manufacture, sale, and maintenance services of PCB-related equipment
2. The "Other" category covers operations not included in the reportable segments, including the development, manufacture, and marketing of equipment in new business fields such as advanced semiconductor packaging, life science, and hydrogen-related areas; development and marketing of software; design and production of documents; and other businesses.
3. For more detailed information on each reportable segment, see Note 9, "Segment information."

Cash flows

The following is a discussion of the Group's cash flows for the consolidated fiscal year ended March 31, 2025.

Net cash provided by operating activities amounted to ¥71,234 million, compared with ¥96,255 million provided by operating activities in the previous fiscal year. This was because the sum of income before income taxes, depreciation and amortization, decreases in accounts receivable and contract assets, and other inflows exceeded the sum of a decrease in contract liabilities, income taxes paid, a decrease in notes and accounts payable, and other outflows.

Net cash used in investing activities amounted to ¥21,772 million, compared with ¥43,456 million used in investing activities in the previous fiscal year. This was largely attributable to payments associated with the construction of a new facility at the Hikone Site, the purchase of property, plant and equipment, such as R&D facilities, and other outflows.

Net cash used in financing activities amounted to ¥46,466 million, compared with ¥35,142 million used in financing activities in the previous fiscal year. This was due mainly to cash dividends paid and share buybacks.

As a result, cash and cash equivalents as of March 31, 2025, including the effect of exchange rate changes on cash and cash equivalents, totaled ¥198,478 million, up ¥3,055 million from March 31, 2024.

	Millions of yen					Thousands of U.S. dollars
Years ended March 31	**2025**	2024	2023	2022	2021	**2025**
Cash flows from operating activities	**¥ 71,234**	¥ 96,255	¥ 73,906	¥ 81,752	¥ 57,205	**$ 474,899**
Cash flows from investing activities	**(21,772)**	(43,456)	(12,514)	(9,952)	(6,243)	**(145,151)**
Cash flows from financing activities	**(46,466)**	(35,142)	(20,961)	(4,951)	(27,071)	**(309,775)**
Effect of exchange rate changes on cash and cash equivalents	**(29)**	4,105	2,217	3,418	1,333	**(199)**
Net increase (decrease) in cash and cash equivalents	**2,965**	21,762	42,649	70,267	25,224	**19,773**

Analysis of operating results

Net sales

Net sales for the fiscal year ended March 31, 2025 increased ¥120,352 million, or 23.8%, from the previous fiscal year to ¥625,269 million mainly due to an expansion of the SPE segment.

Operating income

Operating income increased ¥41,519 million, or 44.1%, from the previous fiscal year to ¥135,683 million. This was mainly due to the rise in net sales, despite an increase in fixed costs, including R&D expenses and personnel expenses aimed at growth.

Income before income taxes

With regard to other income and expenses, net other income increased ¥3,329 million year on year. This was mainly due to an increase in gain on sales of shares of subsidiaries and associates, despite an increase in impairment loss.

As a result, income before income taxes rose ¥44,848 million, or 47.6%, from the previous fiscal year to ¥139,006 million.

Profit attributable to owners of parent

Total income taxes rose ¥15,960 million from the previous fiscal year to ¥39,534 million mainly due to increased income before income taxes.

As a result, profit attributable to owners of parent grew ¥28,887 million, or 40.9%, to ¥99,467 million.

R&D expenses

At the SCREEN Group, we maintain a close relationship between SCREEN Holdings Co., Ltd. and the group companies, and through the fusion and advancement of our core technologies of surface processing, direct imaging, and image processing, we actively pursue R&D initiatives from basic research through product development.

During the fiscal year ended March 31, 2025, we invested in the expansion and strengthening of our existing businesses, mainly in the SPE segment, and actively promoted R&D in new businesses, including the advanced semiconductor packaging, life science, and hydrogen-related fields, resulting in a total investment of ¥31,705 million in R&D.

The Group's main R&D achievements in the fiscal year are described below. In the SPE segment, we developed the SS-3200 for 200 mm spin scrubber. Compatible with 200 mm wafers, this product was designed for next-generation power devices, which have seen increasing demand in recent years. Furthermore, targeting continued miniaturization and high integration in the leading-edge device field, we are advancing technological development across a wide range of areas, including cleaning, drying, coating, and annealing. In addition, as part of efforts to reduce environmental burden, we enhanced our water management by expanding the use of the Water Management Application (WMA), which was implemented at the Hikone Process Technology Center in the fiscal year ended March 31, 2024, to the entire Hikone Site. We also concluded a new joint development agreement with imec to accelerate the development of equipment with superior environmental performance. In addition, we continued research on cutting-edge processes in various fields through collaborative efforts with other overseas research institutions.

In the GA segment, we are developing a wide variety of new products, leveraging the inkjet technology cultivated in the Truepress series. As a result of these efforts, our inkjet printing system for flexible packaging has been highly regarded within the industry, including winning the Industrial Efficiency Award in the ALL4PACK INNOVATIONS Awards presented at ALL4PACK EMBALLAGE PARIS in France.

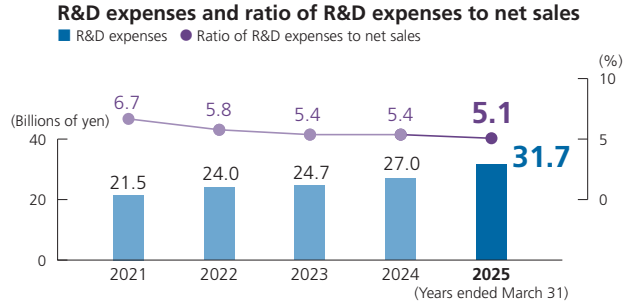
In the FT segment, we developed new coater/developer systems for the substrate formation process in OLED display production, namely, the SK-B1500G for 6th generation[1] substrates and the SK-B2200G for 8th generation[2] substrates, both supporting the black PDL formation process. We launched these products as new additions to the E series lineup of OLED display manufacturing equipment.

In the PE segment, we developed the Ledia Qs direct imaging system to meet substrate production needs related to ongoing growth in demand for applications such as 5G communications, IoT infrastructure, and generative AI, as well as increasingly miniaturized and refined package and module substrates.

In other businesses, we continue to pursue basic research and R&D in new business fields. In the life science field, we continued joint R&D with Kyoto University. This project seeks to create an innovative personalized cancer therapy system based on in vitro technologies that utilize patient cells to accurately predict the efficacy of different treatments. We have also developed an optical coherence tomography (OCT) technology for regenerative medicine product inspection in collaboration with Cyfuse Biomedical K.K., a company that develops and markets regenerative medicine products. This new technology enables the evaluation of the quality of cultured cells without destroying them. In fundamental research, we established the SCREEN MIRAI Laboratory on the University of Osaka Suita Campus. The purpose of this initiative is to strengthen long-term R&D in both the semiconductor field and emerging technology domains, and to co-create innovation that will drive business growth. In addition, we made the strategic decision to establish a new overseas R&D site to further strengthen product competitiveness in the SPE segment.

1. 6th generation: 1,500 mm × 1,850 mm
2. 8th generation: 2,200 mm × 2,500 mm, 2,250 mm × 2,600 mm, and 2,290 mm × 2,620 mm

R&D expenses and ratio of R&D expenses to net sales



Years ended March 31	Millions of yen					Thousands of U.S. dollars
	2025	2024	2023	2022	2021	**2025**
R&D expenses	**¥ 31,705**	¥ 27,025	¥ 24,760	¥ 24,036	¥ 21,506	**$ 211,372**
Reportable segment: SPE	**19,337**	16,444	14,400	13,749	12,356	**128,916**
GA	**2,316**	2,047	2,024	3,017	2,689	**15,443**
FT	**244**	554	724	1,001	1,185	**1,630**
PE	**655**	597	728	481	493	**4,372**
Other	**9,151**	7,382	6,882	5,788	4,783	**61,008**
R&D expenses to net sales (%)	**5.1%**	5.4%	5.4%	5.8%	6.7%	

CAPEX and depreciation and amortization

For the year ended March 31, 2025, group CAPEX, including expenditures for intangible assets, totaled ¥29,729 million.

In the SPE segment, CAPEX amounted to ¥11,478 million, the majority of which was used to reinforce R&D facilities.

In the GA segment, CAPEX totaled ¥1,113 million and centered on bolstering R&D facilities.

In the FT segment, CAPEX was ¥1,088 million and centered on expanding R&D facilities.

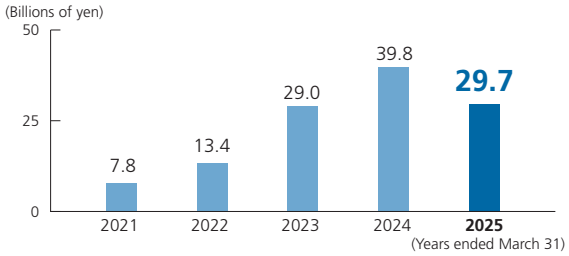
In the PE segment, CAPEX amounted to ¥409 million, the majority of which was used to reinforce R&D facilities.

In other businesses, CAPEX totaled ¥1,159 million, mainly for reinforcing R&D facilities.

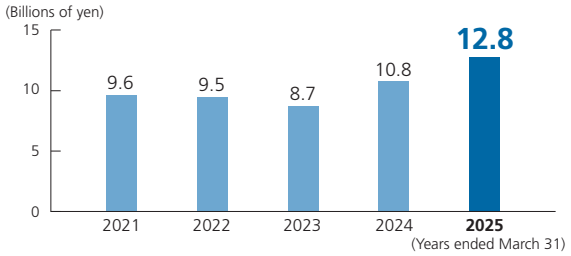
Corporate CAPEX amounted to ¥14,480 million and centered on new factory construction at the Hikone Site.

Depreciation and amortization amounted to ¥12,831 million, a year-on-year increase of ¥1,994 million, or 18.4%.

CAPEX



Depreciation and amortization



Years ended March 31	Millions of yen					Thousands of U.S. dollars
	2025	2024	2023	2022	2021	**2025**
CAPEX	**¥ 29,729**	¥ 39,812	¥ 29,015	¥ 13,410	¥ 7,843	**$ 198,193**
Reportable segment: SPE	**11,478**	8,971	5,343	3,864	3,058	**76,520**
GA	**1,113**	1,052	1,332	1,031	537	**7,422**
FT	**1,088**	241	564	755	987	**7,258**
PE	**409**	406	402	150	193	**2,728**
Other	**1,159**	433	112	221	364	**7,727**
Adjustments	**14,480**	28,706	21,261	7,389	2,704	**96,535**
Depreciation and amortization	**12,831**	10,837	8,799	9,501	9,628	**85,545**
Reportable segment: SPE	**6,069**	5,450	4,786	5,745	5,933	**40,462**
GA	**665**	599	481	618	606	**4,435**
FT	**327**	320	200	324	502	**2,180**
PE	**229**	188	140	96	93	**1,527**
Other	**206**	193	196	264	261	**1,376**
Adjustments	**5,334**	4,084	2,995	2,454	2,233	**35,563**

Significant accounting estimates and assumptions

The consolidated financial statements of the SCREEN Group have been prepared in accordance with accounting standards generally accepted as fair and reasonable in Japan. The significant accounting policies employed in the preparation of these consolidated financial statements can be found in the Notes to the consolidated financial statements: Note 1, "Summary of significant accounting and reporting policies."

In addition, for consolidated financial statement items that require accounting estimates, a reasonable estimate and a decision are made for each, based on past performance and relevant current considerations. However, the predicted and actual results may differ since estimates are inherently uncertain.

The significant accounting estimates and assumptions employed in the preparation of these consolidated financial statements that have a risk of materially impacting the consolidated financial statements for the consolidated fiscal year ending March 31, 2026 can be found in the Notes to the consolidated financial statements: Note 1, "Summary of significant accounting and reporting policies—Significant accounting estimates."

Other significant accounting estimates and the assumptions employed therein are as follows.

a. Impairment of non-current assets

As a rule, when the SCREEN Group applies impairment accounting, each company is treated as one group. However, within SCREEN Holdings Co., Ltd., assets are grouped by business. Furthermore, assets for rent and idle assets are grouped by individual property. The recoverable amount of each asset group is assessed based on future cash flows, discount rates, net selling prices, and certain assumptions. However, it is possible that future property value fluctuations and business performance may result in impairment losses in the following fiscal year and beyond.

b. Retirement benefit obligations

Retirement benefit costs and obligations of the SCREEN Group are calculated mathematically based on assumptions such as the discount rate and the expected rate of return on pension assets. In the event that these assumptions or the long-term expected rate of return on pension assets differ from actual results or are changed, this may significantly affect retirement benefit costs and obligations in the following fiscal year and beyond.

Business and other risks

In accordance with the SCREEN Group Code of Risk Management and other relevant internal rules, the SCREEN Group engages in initiatives aimed at identifying and mitigating business risk, and SCREEN Holdings Co., Ltd., as the holding company, has established a risk management structure and conducts risk management for the entire Group.

Risk management structure

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 holding company internal audit department.

Business and other risks

Management has determined that the major risks listed below could have a material impact on the Group's financial position, business performance, and cash flows. However, the following list does not comprehend all the risks related to the Group. Forward-looking statements in this report reflect the current judgment of the Group at the time the financial report was issued.

a. Risks related to external factors

Geopolitical risks

Although trade friction between the United States and China is not significantly impacting the SCREEN Group's performance at the present time, should a further deterioration in the relations between the two countries lead to tightening trade regulations that restrict the shipment of products to China, the resulting decline in the Group's sales could have a material impact on profits and other aspects of the Group's business performance.

Moreover, additional tariffs have been imposed on certain products exported to the United States. While the impact on the Company's business performance is currently limited, future developments may adversely impact profitability.

In addition, if the global economy stalls and causes a decline in demand due to the prolongation of heightened geopolitical risk arising from the Russia–Ukraine conflict or the situation in the Middle East, despite the Group having insignificant trade with these regions, group sales could be indirectly affected and have a negative impact on business performance.

Risks related to exchange rate and interest rate fluctuations

As the SCREEN Group has a high overseas sales ratio, we make a proactive effort to avoid exchange rate risks on export sales by conducting transactions denominated in yen. However,

some transactions are denominated in foreign currencies. While the Group works to minimize the impact of exchange rate fluctuations by using forward exchange contracts and other measures, rapid fluctuations in exchange rates could have a material impact on profits and other aspects of the Group's business performance.

All the Group's interest-bearing debt as of the end of the fiscal year was fixed-rate debt and not subject to interest rate fluctuation risk. Nevertheless, interest rate fluctuations affecting the procurement of new funds could have a material impact on profits and other aspects of the Group's business performance.

b. Risks related to industry trends

Risks related to semiconductor and display market trends

While the semiconductor and display markets have grown significantly through rapid technological innovation, they are susceptible to deterioration in the market supply-demand balance due to cyclical upturns and downturns. Given such market conditions, the SCREEN Group is promoting ROIC management and an improvement in its break-even sales ratio so that it can consistently generate profits during market downturns. However, an unexpectedly large market downturn and accompanying decline in sales could have a material impact on profits and other aspects of the Group's business performance.

Risks involving technologies and products

In order to strengthen its earning structure, the SCREEN Group is working to enhance and invigorate its development capabilities and expand its market share through the timely introduction of new products featuring the latest technologies, for example, by focusing on areas of development that align with its business strategies, sharing technologies among group companies, and making efficient use of outside technological resources. However, longer development periods could lead to delays in new product releases and trigger a decline in sales, materially impacting profits and other aspects of the Group's business performance.

Risks related to the concentration of business transactions among specific customers

The SCREEN Group delivers production equipment to leading semiconductor manufacturers in Japan and overseas. However, as responding to industry pressure to increase production capacity and advance miniaturization requires significant capital investments, the industry is consolidating around certain leading manufacturers. Accordingly, the Group's sales tend to concentrate on specific customers. As a result, shifts in capital investment by these specific customers and our receipt of orders from them could have a material impact on profits and other aspects of the Group's business performance by triggering a decline in sales.

Going forward, the Group will continue to supply optimal solutions to the evolving semiconductor industry by developing and manufacturing competitive equipment that contributes to the establishment of production processes for next-generation devices.

Risks related to supply chains

Based on lessons learned from past large-scale disasters and supply chain interruptions, the SCREEN Group endeavors to put in place complementary production systems that incorporate and manage domestic and overseas production sites, and parts suppliers to prevent significant damage to its business.

In the event that a supply crunch were to prevent us from obtaining key parts and materials from suppliers in a timely manner or that we were to encounter impediments in securing partners for the outsourcing of parts and materials manufacturing, interruptions to the Group's production activities, soaring material costs, and other adverse developments could have a material impact on sales, profits, and other aspects of the Group's business performance.

c. Risks related to fair business practices

The SCREEN Group has established the CSR Charter and Code of Conduct for all group executives and employees to follow and provides principles of conduct based on the corporate philosophy. Based on the said charter and code as well as the Compliance Policy, which defines the Group's code of conduct related to compliance, 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. To this end, the Chief Officer of Legal & Intellectual Property and a compliance officer lead efforts to raise awareness of compliance and make it fully understood across the entire SCREEN Group. Our Legal & Intellectual Property Department and Compliance Department take the lead in promoting compliance with international rules and each country's laws and regulations, as well as offering education to that end. Nonetheless, legal and regulatory violations, lawsuits, intellectual property disputes arising from rights violations, and other issues related to the Group's business activities due to a lack or decline of compliance awareness could have a material impact on profits and other aspects of the Group's business performance.

d. Risks related to internal control of financial reporting

The SCREEN Group strives to maintain and properly operate an internal control system and conducts regular assessments of its effectiveness. However, internal control systems have inherent limitations. Therefore, if the system fails to function effectively or is circumvented, violations of laws and regulations, as well as fraudulent or inappropriate conduct, could occur, potentially having a material impact on profits and other aspects of the Group's business performance.

e. Risks related to the continuity of business

Risks related to large-scale natural disasters and pandemics

The SCREEN Group's domestic manufacturing sites are concentrated in Kyoto and Shiga prefectures, and a large-scale earthquake or other natural disaster affecting this area could seriously damage the Group's production and other equipment. In addition, the emergence of an infectious disease pandemic could have a negative impact on our business activities, including sales, production, procurement, and logistics.

The Group takes measures to minimize losses in the event of disasters or pandemics, including seismic reinforcement of offices and production sites, as well as initiatives to reduce infection risks. To ensure the continuation or early resumption of business operations, the Group has been implementing initiatives to mitigate risks by promoting a business continuity management system (BCMS) based on ISO 22301. However, the suspension of operations at a production site as a result of

a natural disaster or pandemic could have a material impact on the Group's ability to continue operating.

Risks related to the procurement of funds

Certain loan contracts of the SCREEN Group provide for financial covenants regarding its consolidated net assets at the end of each fiscal year and its consolidated ordinary income (loss) for each fiscal year. If these covenants were to be breached and the financial institutions required repayment, the Group could be forced to forfeit the benefit of term in relation to such loans.

In such an occurrence, the Group could then also be forced to forfeit the benefit of term in relation to its bonds and other loans. If the Group forfeits such benefit and incurs an obligation to make a lump-sum repayment, it could have a material impact on the Group's ability to continue operating. Please note that, at present, the Group has no outstanding loans based on contracts with such financial covenants.

Risks related to information security

In the course of its business operations, the SCREEN Group handles various personal, customer, and technological information. The Group has established rules for IT management to strengthen the security of internal information systems. In addition, the Group has enacted the SCREEN Group CSR Charter and Code of Conduct, which sets forth principles for all Group executives and employees to comply with in their business operations, and works to improve the Rules for the Management of Confidential Business Information on an ongoing basis. Through such efforts, we strive to reinforce information management.

However, should the SCREEN Group or the supply chain be subjected to cyberattacks, which have recently become more frequent, targeted, and sophisticated, we may experience data leaks from unforeseen damage as well as large-scale damage and related effects to relevant systems. In such a case, damage to the Group's social credibility and prolonged business suspensions could have a negative impact on the continuity of the Group's business operations.

f. Risks related to product quality and safety

The SCREEN Group has created a quality management system based on the ISO 9001 international standard governing quality management systems and continuously works to enhance the quality and safety of its products and services. Nevertheless, if a product defect leads to a large-scale recall or product liability resulting from losses sustained by a customer, the Group could incur significant additional expenses and suffer a loss of trust. Such cases could have a material impact on sales, profits, and other aspects of the Group's business performance.

g. Risks related to personnel

Driving innovation by hiring diverse talent is essential for enhancing a company's long-term growth and value. We encourage each employee to become a self-directed solution creator, and we promote initiatives centered on recruiting, training, and retaining such talent. We strive to build a pool of talent in line with each company's business strategy; ensure diversity by recruiting highly specialized experts regardless of gender and nationality; and train the next generation business leaders.

However, competition for outstanding talent is intensifying. If we cannot consistently hire and retain the people we need or fail to promptly develop a sufficient number of people with the qualities of a solution creator to lead in the future, this could negatively impact the Group's businesses and performance.

h. Risks related to efforts to reduce environmental impacts and address climate change

Reflecting rising demand for products with low environmental impact and increasingly rigorous international chemical and environmental regulations, the SCREEN Group is working to increase the number of products that comply with environmental standards and regulations.

Furthermore, the Group is committed to addressing environmental issues such as decarbonization, the sustainable use of water and other resources, and harmony with nature by developing and providing products and services that are environmentally friendly throughout the entire product lifecycle, as well as by promoting green procurement. Nonetheless, the failure of products to comply with environmental regulations for reasons such as slow progress in implementing related initiatives could have a material impact on profits and other aspects of the Group's business performance by triggering a decline in sales.

Details of audit fees, etc.

(a) Compensation for the certified public accountants, etc., for audits

	Millions of yen				Thousands of U.S. dollars	
	2025		2024		**2025**	
	For audit certification work	For non-audit certification work	For audit certification work	For non-audit certification work	For audit certification work	For non-audit certification work
Reporting company	**¥ 110**	**¥ –**	¥ 79	¥ –	**$ 734**	**$ –**
Consolidated subsidiaries	**21**	**–**	20	–	**140**	**–**
Total	**¥ 131**	**¥ –**	¥ 99	¥ –	**$ 874**	**$ –**

(b) Compensation for the certified public accountants, etc., for audits and other firms in the same network (KPMG), excluding (a)

	Millions of yen				Thousands of U.S. dollars	
	2025		2024		**2025**	
	For audit certification work	For non-audit certification work	For audit certification work	For non-audit certification work	For audit certification work	For non-audit certification work
Reporting company	**¥ –**	**¥ 11**	¥ –	¥ 3	**$ –**	**$ 76**
Consolidated subsidiaries	**184**	**45**	192	35	**1,226**	**302**
Total	**¥ 184**	**¥ 56**	¥ 192	¥ 39	**$ 1,226**	**$ 378**

Non-audit work provided to the Company and its consolidated subsidiaries was as follows.

For the year ended March 31, 2025
Non-audit work provided for compensation to the Company and its consolidated subsidiaries by the certified public accountants, etc., for audits and other certified public accountants, etc., in the same network consisted of advisory services regarding tax, etc.

For the year ended March 31, 2024
Non-audit work provided for compensation to the Company and its consolidated subsidiaries by the certified public accountants, etc., for audits and other certified public accountants, etc., in the same network consisted of advisory services regarding tax, etc.

(c) Details of other significant compensation for audit certification work
In the years ended March 31, 2025 and 2024, the compensation for audit certification work paid by certain consolidated subsidiaries of the Company to the certified public accountants, etc., for audits and other certified public accountants, etc., for audits not in the same network was insignificant.

(d) Policy for determining audit compensation
No particular policy is in place, but audit compensation is determined based on the consideration of factors such as the number of days required for the audit as well as the scale of the Company and characteristics of its businesses.

(e) Reasons for the Board of Corporate Auditors' consent regarding compensation, etc., for the accounting auditor
The Board of Corporate Auditors consented to the amount of compensation, etc., for the accounting auditor after judging that the accounting auditor's audit plan, the execution of its accounting audit duties, and the basis for its estimate of said compensation were appropriate.

Consolidated balance sheets

SCREEN Holdings Co., Ltd. and consolidated subsidiaries
As of March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars
Assets	**2025**	2024	**2025**
Current assets			
Cash and deposits (Note 11)	**¥ 140,397**	¥ 167,279	**$ 935,980**
Notes and accounts receivable—trade, and contract assets (Notes 11 and 15)	**96,188**	108,218	**641,255**
Allowance for doubtful receivables (Note 11)	**(608)**	(564)	**(4,057)**
Securities (Note 11)	**60,000**	30,000	**400,000**
Inventories (Note 7)	**168,661**	163,579	**1,124,411**
Other current assets	**15,407**	25,148	**102,717**
Total current assets	**480,046**	493,661	**3,200,307**
Property, plant and equipment, at cost			
Land	**19,394**	19,071	**129,298**
Buildings and structures (Note 16)	**96,601**	87,995	**644,011**
Machinery, equipment and other (Note 16)	**92,975**	84,285	**619,838**
Leased assets (Notes 3, 8 and 16)	**161**	3,627	**1,076**
Construction in progress	**4,623**	6,651	**30,826**
Total property, plant and equipment	**213,757**	201,631	**1,425,051**
Accumulated depreciation	**(100,823)**	(99,579)	**(672,154)**
Net property, plant and equipment	**112,934**	102,051	**752,896**
Investments and other assets			
Investment securities (Notes 11 and 13)	**45,365**	52,733	**302,439**
Net defined benefit asset (Note 14)	**8,544**	9,808	**56,961**
Deferred tax assets (Note 4)	**12,655**	8,595	**84,370**
Other assets (Notes 3, 8 and 16)	**11,741**	9,958	**78,274**
Total investments and other assets	**78,306**	81,095	**522,045**
Total assets	**¥ 671,287**	¥ 676,808	**$ 4,475,249**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Liabilities and net assets	Millions of yen 2025	2024	Thousands of U.S. dollars 2025
Current liabilities			
Notes and accounts payable—			
Trade (Note 11)	**¥ 53,005**	¥ 75,730	**$ 353,371**
Construction and other	**16,415**	11,330	**109,437**
Current portion of long-term debt (Notes 5 and 11)	**1,013**	672	**6,755**
Lease obligations (Notes 3, 5 and 11)	**970**	1,350	**6,469**
Accrued expenses	**11,449**	11,194	**76,329**
Income taxes payable	**26,831**	19,998	**178,879**
Contract liabilities (Note 15)	**100,401**	136,603	**669,342**
Provision for product warranties	**12,892**	12,345	**85,952**
Provision for bonuses	**8,361**	6,857	**55,745**
Provision for loss on orders received	**1,574**	2,697	**10,493**
Other current liabilities	**6,806**	7,228	**45,376**
Total current liabilities	**239,723**	286,007	**1,598,153**
Non-current liabilities			
Long-term debt (Notes 5 and 11)	**757**	3,099	**5,046**
Net defined benefit liability (Note 14)	**1,334**	1,225	**8,894**
Lease obligations (Notes 3, 5 and 11)	**1,822**	2,062	**12,147**
Deferred tax liabilities (Note 4)	**4,205**	4,683	**28,034**
Other long-term liabilities	**2,751**	7,817	**18,345**
Total non-current liabilities	**10,870**	18,889	**72,468**
Total liabilities	**¥ 250,593**	¥ 304,897	**$ 1,670,621**
Contingent liabilities (Note 10)			
Net assets (Note 6)			
Shareholders' equity			
Capital stock			
Authorized—360,000,000 shares in 2025 and 2024			
Issued—101,589,732 shares in 2025 and 2024	**54,044**	54,044	**360,299**
Capital surplus	**19,691**	18,768	**131,274**
Retained earnings	**348,996**	274,869	**2,326,644**
Treasury stock, at cost	**(28,264)**	(10,051)	**(188,427)**
5,956,039 shares in 2025 and 4,524,478 shares in 2024			
Total shareholders' equity	**394,468**	337,631	**2,629,790**
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	**19,338**	24,813	**128,925**
Foreign currency translation adjustment	**6,998**	8,556	**46,657**
Remeasurements of defined benefit plans	**(165)**	864	**(1,101)**
Total accumulated other comprehensive income	**26,172**	34,235	**174,482**
Non-controlling interests			
Non-controlling interests	**53**	44	**355**
Total net assets	**420,694**	371,911	**2,804,627**
Total liabilities and net assets	**¥ 671,287**	¥ 676,808	**$ 4,475,249**

The number of shares of treasury stock of the Company included 229 thousand shares as of March 31, 2025 and 289 thousand shares as of March 31, 2024 held by a trust related to a performance-linked share compensation system for directors and executive officers.

The Company implemented a stock split of common stock in the ratio of 1 share into 2 shares on October 1, 2023. Net income per share, diluted net income per share, and cash dividends per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Consolidated statements of income

SCREEN Holdings Co., Ltd. and consolidated subsidiaries
For the years ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Net sales (Notes 9 and 15)	**¥ 625,269**	¥ 504,916	**$ 4,168,465**
Cost of sales	**389,971**	322,399	**2,599,810**
Gross profit	**235,298**	182,517	**1,568,655**
Selling, general and administrative expenses	**99,614**	88,353	**664,098**
Operating income (Note 9)	**135,683**	94,164	**904,557**
Other (income) expenses			
Interest and dividend income	**(1,679)**	(1,313)	**(11,198)**
Interest expenses	**135**	197	**904**
Foreign exchange losses, net	**537**	1,223	**3,583**
Share of loss (profit) of entities accounted for using equity method	**(328)**	1,048	**(2,191)**
Subsidy income	**(1,273)**	(633)	**(8,491)**
Loss on retirement of non-current assets	**443**	328	**2,957**
Gain on sales of investment securities (Note 13)	**(953)**	(20)	**(6,353)**
Loss on valuation of investment securities	**2**	10	**14**
Impairment loss (Note 16)	**1,365**	131	**9,102**
Gain on sales of shares of subsidiaries and associates	**(1,155)**	–	**(7,700)**
Other, net	**(416)**	(965)	**(2,778)**
Net other (income) expenses	**(3,322)**	6	**(22,151)**
Income before income taxes	**139,006**	94,158	**926,710**
Income taxes (Note 4)			
Current	**41,758**	29,893	**278,388**
Deferred	**(2,223)**	(6,319)	**(14,825)**
Total income taxes	**39,534**	23,574	**263,562**
Profit	**99,472**	70,583	**663,147**
Profit attributable to non-controlling interests	**4**	3	**31**
Profit attributable to owners of parent	**¥ 99,467**	¥ 70,579	**$ 663,116**

Per share information:

	Yen		U.S. dollars
	2025	2024	**2025**
Net income	**¥ 1,023.54**	¥ 742.10	**$ 6.82**
Net income—diluted	**1,022.31**	725.54	**6.82**
Cash dividends, applicable to earnings for the year	**308.00**	223.50	**2.05**

The Company introduced a performance-linked share compensation system for directors and executive officers. The SCREEN Holdings shares remaining in trust are recorded as treasury stock under shareholders' equity and are deducted from the weighted average number of shares outstanding during the year for the purpose of calculating net income per share (246 and 298 thousand shares for the years ended March 31, 2025 and 2024, respectively).

The accompanying notes to the consolidated financial statements are an integral part of these statements.

The Company implemented a stock split of common stock in the ratio of 1 share into 2 shares on October 1, 2023. Net income per share, diluted net income per share, and cash dividends per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Consolidated statements of comprehensive income

SCREEN Holdings Co., Ltd. and consolidated subsidiaries
For the years ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Profit	**¥ 99,472**	¥ 70,583	**$ 663,147**
Other comprehensive income (Note 2)			
Valuation difference on available-for-sale securities	**(5,474)**	6,197	**(36,499)**
Foreign currency translation adjustment	**(1,552)**	5,501	**(10,352)**
Remeasurements of defined benefit plans	**(1,029)**	1,684	**(6,866)**
Share of other comprehensive income of entities accounted for using equity method	**(1)**	20	**(9)**
Total other comprehensive income	**(8,059)**	13,404	**(53,727)**
Comprehensive income	**¥ 91,412**	¥ 83,988	**$ 609,419**
Comprehensive income attributable to			
Owners of parent	**91,404**	83,982	**609,362**
Non-controlling interests	**8**	5	**57**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of changes in net assets

SCREEN Holdings Co., Ltd. and consolidated subsidiaries
For the years ended March 31, 2025 and 2024

	Millions of yen									
		Shareholders' equity				Accumulated other comprehensive income				
	Shares of issued capital stock (thousands)	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Non-controlling interests	Total net assets
Balance at the beginning of fiscal 2024	101,589	¥ 54,044	¥ 10,308	¥ 229,596	¥ (14,894)	¥ 18,616	¥ 3,036	¥ (820)	¥ 38	¥ 299,926
Profit attributable to owners of parent	–	–	–	70,579	–	–	–	–	–	70,579
Cash dividends paid, ¥266.00 (including interim dividends of ¥83.50) per share	–	–	–	(25,306)	–	–	–	–	–	(25,306)
Valuation difference on available-for-sale securities	–	–	–	–	–	6,197	–	–	–	6,197
Foreign currency translation adjustment	–	–	–	–	–	–	5,520	–	–	5,520
Remeasurements of defined benefit plans	–	–	–	–	–	–	–	1,684	–	1,684
Acquisition of treasury stock	–	–	–	–	(19)	–	–	–	–	(19)
Disposal of treasury stock	–	–	–	–	92	–	–	–	–	92
Conversion of convertible bond-type bonds with share acquisition rights	–	–	8,459	–	4,770	–	–	–	–	13,230
Net changes in items other than shareholders' equity	–	–	–	–	–	–	–	–	5	5
Balance at the end of fiscal 2024	101,589	¥ 54,044	¥ 18,768	¥274,869	¥ (10,051)	¥ 24,813	¥ 8,556	¥ 864	¥ 44	¥ 371,911
Balance at the beginning of fiscal 2025	**101,589**	**¥ 54,044**	**¥ 18,768**	**¥274,869**	**¥ (10,051)**	**¥ 24,813**	**¥ 8,556**	**¥ 864**	**¥ 44**	**¥ 371,911**
Profit attributable to owners of parent	–	–	–	**99,467**	–	–	–	–	–	**99,467**
Cash dividends paid, ¥260.00 (including interim dividends of ¥120.00) per share	–	–	–	**(25,340)**	–	–	–	–	–	**(25,340)**
Valuation difference on available-for-sale securities	–	–	–	–	–	**(5,474)**	–	–	–	**(5,474)**
Foreign currency translation adjustment	–	–	–	–	–	–	**(1,558)**	–	–	**(1,558)**
Remeasurements of defined benefit plans	–	–	–	–	–	–	–	**(1,029)**	–	**(1,029)**
Acquisition of treasury stock	–	–	–	–	**(18,937)**	–	–	–	–	**(18,937)**
Disposal of treasury stock	–	–	–	–	**197**	–	–	–	–	**197**
Conversion of convertible bond-type bonds with share acquisition rights	–	–	**922**	–	**527**	–	–	–	–	**1,450**
Net changes in items other than shareholders' equity	–	–	–	–	–	–	–	–	**8**	**8**
Balance at the end of fiscal 2025	**101,589**	**¥ 54,044**	**¥ 19,691**	**¥ 348,996**	**¥ (28,264)**	**¥ 19,338**	**¥ 6,998**	**¥ (165)**	**¥ 53**	**¥ 420,694**

	Thousands of U.S. dollars								
	Shareholders' equity				Accumulated other comprehensive income				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Non-controlling interests	Total net assets
Balance at the beginning of fiscal 2025	**$ 360,229**	**$ 125,124**	**$ 1,832,464**	**$ (67,012)**	**$ 165,425**	**$ 57,046**	**$ 5,764**	**$ 297**	**$ 2,479,409**
Profit attributable to owners of parent	–	–	**663,116**	–	–	–	–	–	**663,116**
Cash dividends paid, $1.73 (including interim dividends of $0.80) per share	–	–	**(168,936)**	–	–	–	–	–	**(168,936)**
Valuation difference on available-for-sale securities	–	–	–	–	**(36,499)**	–	–	–	**(36,499)**
Foreign currency translation adjustment	–	–	–	–	–	**(10,388)**	–	–	**(10,388)**
Remeasurements of defined benefit plans	–	–	–	–	–	–	**(6,866)**	–	**(6,866)**
Acquisition of treasury stock	–	–	–	**(126,250)**	–	–	–	–	**(126,250)**
Disposal of treasury stock	–	–	–	**1,318**	–	–	–	–	**1,318**
Conversion of convertible bond-type bonds with share acquisition rights	–	**6,149**	–	**3,516**	–	–	–	–	**9,666**
Net changes in items other than shareholders' equity	–	–	–	–	–	–	–	**57**	**57**
Balance at the end of fiscal 2025	**$ 360,229**	**$ 131,274**	**$ 2,326,644**	**$ (188,427)**	**$ 128,925**	**$ 46,657**	**$ (1,011)**	**$ 355**	**$ 2,804,627**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of cash flows

SCREEN Holdings Co., Ltd. and consolidated subsidiaries
For the years ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Cash flows from operating activities			
Income before income taxes	**¥ 139,006**	¥ 94,158	**$ 926,710**
Depreciation and amortization	**12,831**	10,837	**85,545**
Impairment loss	**1,365**	131	**9,102**
Loss (gain) on valuation of investment securities	**2**	10	**14**
Loss (gain) on sales of investment securities	**(953)**	(20)	**(6,353)**
Loss on retirement of non-current assets	**443**	328	**2,957**
Loss (gain) on sales of shares of subsidiaries and associates	**(1,155)**	–	**(7,700)**
Share of loss (profit) of entities accounted for using equity method	**(328)**	1,048	**(2,191)**
Increase (decrease) in net defined benefit asset and liability	**(83)**	(743)	**(554)**
Increase (decrease) in provision for bonuses	**1,504**	750	**10,029**
Increase (decrease) in provision for product warranties	**686**	1,882	**4,579**
Increase (decrease) in provision for loss on orders received	**(1,123)**	1,533	**(7,491)**
Interest and dividend income	**(1,679)**	(1,313)	**(11,198)**
Interest expenses	**135**	197	**904**
Decrease (increase) in notes and accounts receivable including electronically recorded monetary claims, and contract assets	**12,037**	(544)	**80,247**
Decrease (increase) in inventories	**(8,793)**	(37,083)	**(58,626)**
Decrease (increase) in other current assets	**128**	(557)	**857**
Increase (decrease) in notes and accounts payable including electronically recorded obligations	**(23,866)**	(17,706)	**(159,108)**
Increase (decrease) in contract liabilities	**(35,578)**	61,483	**(237,188)**
Increase (decrease) in other current liabilities	**(753)**	4,852	**(5,024)**
Other	**512**	(1,174)	**3,416**
Subtotal	**94,338**	118,070	**628,925**
Interest and dividend income received	**1,678**	1,309	**11,190**
Interest expenses paid	**(112)**	(200)	**(751)**
Income taxes paid	**(24,669)**	(22,923)	**(164,465)**
Net cash provided by (used in) operating activities	**71,234**	96,255	**474,899**
Cash flows from investing activities			
Decrease (increase) in time deposits	**(208)**	230	**(1,391)**
Purchase of property, plant and equipment	**(21,786)**	(38,105)	**(145,246)**
Proceeds from sales of property, plant and equipment	**49**	1,395	**332**
Purchase of intangible assets	**(3,781)**	(2,232)	**(25,212)**
Purchase of investment securities	**(131)**	(4,044)	**(875)**
Proceeds from sales of investment securities	**1,380**	72	**9,204**
Proceeds from sales of shares of subsidiaries and associates resulting in change in scope of consolidation	**3,385**	–	**22,571**
Other	**(680)**	(771)	**(4,533)**
Net cash provided by (used in) investing activities	**(21,772)**	(43,456)	**(145,151)**
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	**–**	(16)	**–**
Proceeds from long-term loans payable	**–**	2,000	**–**
Repayments of long-term loans payable	**(703)**	(10,404)	**(4,690)**
Repayments of lease obligations	**(1,508)**	(1,431)	**(10,059)**
Net decrease (increase) in treasury stock	**(18,937)**	(19)	**(126,250)**
Cash dividends paid	**(25,316)**	(25,270)	**(168,775)**
Net cash provided by (used in) financing activities	**(46,466)**	(35,142)	**(309,775)**
Effect of exchange rate changes on cash and cash equivalents	**(29)**	4,105	**(199)**
Net increase (decrease) in cash and cash equivalents	**2,965**	21,762	**19,773**
Cash and cash equivalents at beginning of period	**195,423**	173,660	**1,302,821**
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	**89**	–	**594**
Cash and cash equivalents at end of period	**¥ 198,478**	¥ 195,423	**$ 1,323,188**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Notes to the consolidated financial statements

SCREEN Holdings Co., Ltd. and consolidated subsidiaries
For the years ended March 31, 2025 and 2024

Note 1: Summary of significant accounting and reporting policies

a. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of SCREEN Holdings Co., Ltd. (the "Company") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law and its related accounting regulations and in conformity with accounting principles generally accepted in Japan (Japanese GAAP), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards (IFRS).

The accounts of consolidated overseas subsidiaries have been prepared in accordance with either International Financial Reporting Standards or U.S. Generally Accepted Accounting Principles (GAAP), with adjustments for the five specific items listed in PITF No. 18 issued by the Accounting Standards Board of Japan (ASBJ), as applicable. The accompanying consolidated financial statements have been restructured and translated into English, with some expanded descriptions, from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate local finance bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Some supplementary information included in the Japanese language statutory consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

Certain Japanese yen amounts in the accompanying consolidated financial statements have been translated into U.S. dollar amounts solely for the convenience of readers outside Japan, using the prevailing exchange rate as of March 31, 2025, which was JPY150 to USD1.00. This translation should not be construed as a representation that the amounts shown could be converted into U.S. dollars at this or any other rate of exchange.

Certain amounts in the prior years' consolidated financial statements have been reclassified to conform to the current year's presentation.

b. Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant companies over which the Company has power of control through majority voting rights or the existence of certain other conditions evidencing control by the Company. Investments in affiliated subsidiaries and significant unconsolidated subsidiaries are accounted for by the equity method.

c. Translation of foreign currencies

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the foreign exchange rates prevailing as of the consolidated financial statement date and a net exchange loss or gain is included in net income. In addition, the assets and liabilities of overseas consolidated subsidiaries are translated into Japanese yen at the exchange rates as of the respective financial statement dates, while revenue and expenses are translated into Japanese yen at the average exchange rates during the year. The resulting translation adjustments are reported as "foreign currency translation adjustment" in net assets, except for the portion belonging to non-controlling shareholders, which is included in "non-controlling interests" in net assets.

d. Inventories

The Company and its consolidated domestic subsidiaries state the value of inventories mainly by either the first-in, first-out method or the specific identification method. With regard to the amounts stated in the balance sheets, the book value devaluation method is used to write down the value of inventories in the event of a decline in profitability.

Consolidated overseas subsidiaries state inventories mainly at the lower of cost or net realizable value either by the first-in, first-out method or the specific identification method.

e. Securities

The Company and its consolidated subsidiaries classify securities as "available-for-sale securities." Available-for-sale securities, excluding shares and others with no market values, are stated at fair value. Unrealized holding gains and losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on the sales of such securities are computed using moving average cost. Other securities, including shares and others with no market values, are stated at moving average cost.

f. Depreciation

Depreciation of property, plant and equipment of the Company, its consolidated domestic subsidiaries, and its consolidated overseas subsidiaries is computed mainly by the straight-line method. The estimated useful lives for buildings and structures and for machinery and equipment are 2 to 60 years and 2 to 17 years, respectively. Maintenance and repairs, including minor renewals and betterments, are charged to expenses as incurred. Leased assets related to finance lease transactions in which ownership of the assets transfers to the lessee are depreciated in the same manner as owned property, plant and equipment. Leased assets related to finance lease transactions in which ownership does not transfer are depreciated on a straight-line basis, with the lease periods as the useful life and no residual value.

Right of use assets

The financial statements of certain overseas consolidated subsidiaries are prepared in accordance with IFRS, and IFRS 16 "Leases" (hereinafter, "IFRS 16") has been adopted. Under IFRS 16, lessees generally recognize all leases as assets and liabilities on the balance sheets, and capitalized right-of-use assets are depreciated on a straight-line basis using the useful life of the assets or the lease periods, whichever is shorter, as the useful life with no residual value. Also, lease transactions based on IFRS 16 are classified as "1. Finance leases, etc." in Note 8, "Leases."

g. Impairment of non-current assets

The Company and its consolidated subsidiaries evaluate the book value of non-current assets for impairment. If the book value of a non-current asset is impaired, the amount by which the book value exceeds the recoverable amount is recognized as impairment loss.

h. Software

Software, included in "Other assets," is amortized using the straight-line method over its estimated useful life (3 to 5 years for internal use software and 3 years for software for sale).

i. R&D

Expenses related to R&D are charged to expenses as incurred. These expenses amounted to ¥31,705 million ($211,372 thousand) in 2025 and ¥27,025 million in 2024.

j. Cash and cash equivalents

Cash and cash equivalents include cash on hand, securities, and deposits placed with banks on demand or with maturities of three months or less.

k. Goodwill

Goodwill, which represents the excess of the purchase price over the fair value of net assets acquired, is amortized on a straight-line basis over a period of five years. However, when the amounts are not material, it is expensed in the year of the acquisition.

l. Bond issue costs

Bond issue costs are charged to expenses as incurred.

m. Income taxes

The Company and its consolidated subsidiaries record deferred tax assets and liabilities on loss carryforwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes by using the asset-liability approach.

n. Allowance for doubtful receivables

An allowance for doubtful receivables is provided to cover possible losses on collection. The Company and its consolidated domestic subsidiaries provide the allowance for doubtful receivables by adding individually estimated uncollectible amounts of specific items to an amount based on the actual rate of past uncollected receivables. The consolidated overseas subsidiaries provide the allowance for doubtful receivables based mainly on the estimated uncollectible amounts of specific receivables.

o. Provision for bonuses

The Company and certain consolidated subsidiaries provide provision for employees' bonuses based on the estimated amounts of payments to be accrued in the fiscal year.

p. Employees' severance and retirement benefits

The Company and its consolidated subsidiaries provide funded defined benefit plans and defined contribution plans for employees' severance and retirement benefits. The Company and certain consolidated domestic subsidiaries have a cash balance plan in defined benefit pension plans combined with defined contribution pension plans.

Certain consolidated overseas subsidiaries have defined contribution plans.

In calculating retirement benefit obligations, the benefit formula method is used to attribute expected benefits to periods up to the end of the fiscal year. Prior service costs are recognized in full as expenses when incurred. Actuarial gains and losses are recognized in expenses using the straight-line method within the average of the estimated remaining service years of employees (mainly 12 years) commencing with the following period.

q. Provision for product warranties

Certain consolidated subsidiaries provide for estimated product warranty costs for the warranty period after product sales based on actual payments in the past.

r. Provision for loss on orders received

The estimated amount of loss expected to accrue in or after the next fiscal year is provided to cover possible future losses related to orders received if future losses are expected and can be reasonably estimated.

s. Revenues and expenses

The Company and its consolidated subsidiaries recognize revenue from contracts with customers based on the following five-step approach.

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

In relation to the recognition of revenue from contracts with customers, the nature of principal performance obligations of the Company and its consolidated subsidiaries and typical timing of the satisfaction of those performance obligations (i.e., typical timing of revenue recognition) are as follows:

Transaction price is the amount of consideration expected from customers in exchange for the transfer of rights to promised goods or services. Significant variable considerations are not included in transaction price. In addition, a transaction price is determined for each performance obligation, and each transaction price stipulated in a contract is allocated as is to the corresponding performance obligation.

1. Revenue related to sales of products

Regarding sales of products, the performance obligation is considered satisfied mainly upon the customer obtaining control of the product upon the completion of the installation, and payment for the product itself and services related to installation and adjustment is recognized as revenue.

Furthermore, mainly with regard to sales contracts for products, after transfer, there is a product warranty obligation to repair or exchange products at no cost for defects discovered within the time period stipulated in the contract. The warranty obligation is a guarantee provided to the customer that the product will function as intended according to the specifications established in the contract with the customer. This obligation is recognized as provision for product warranties.

2. Revenue related mainly to sales of maintenance parts and consumables

Regarding maintenance parts and consumables, upon the transfer of goods to customers based on the terms of contracts or upon the transfer of risk burden of the products to the customer based on trade conditions established by the Incoterms, the customer obtains control of the goods, and the performance obligation is therefore considered to be satisfied and revenue is recognized. Regarding domestic sales, because the period from shipment to transfer is consistent, revenue is recognized when the goods are shipped.

3. Revenue related to the provision of services
Regarding performance obligations that are satisfied at a point in time, such as repair and retrofit services, revenue is recognized upon the completion of services provided. For performance obligations that are met over a period of time, such as paid maintenance, revenue is recognized mainly on a straight-line basis over the period in which services are provided.

t. Derivatives and hedge accounting

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company defers recognition of gain or loss resulting from a change in the fair value of the derivative financial instrument until the related loss or gain on the hedged item is recognized. When a forward foreign exchange contract meets certain conditions, the hedged item is stated at the forward exchange contract rate. If interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

The Company uses forward foreign exchange contracts and interest rate swap contracts only for the purpose of mitigating future risk of fluctuation in foreign currency exchange rates and interest rates. The Company uses forward foreign exchange contracts within the amounts of receivables and payables denominated in foreign currencies and authorized forecast transactions.

The following table summarizes the derivative financial instruments used in hedge accounting and the related hedged items.

Hedging instruments:	Hedged items:
• Forward foreign exchange contracts	• Receivables and payables denominated in foreign currencies
• Interest rate swap contracts	• Interest on short-term and long-term debt

The Company executes and manages derivative transactions in accordance with established internal policies and specified limits on the amount of derivative transactions allowed. Derivative transactions are reported to and approved by the Board of Directors. The Company evaluates hedge effectiveness semiannually by comparing the cumulative changes in the market values of hedging derivative instruments and the items hedged.

Application of the group tax sharing system

The Company and some of its domestic consolidated subsidiaries apply the group tax sharing system.

Significant accounting estimates

In preparing the consolidated financial statements for items that require accounting estimates, an estimate is made for each based on consideration of past performance and relevant current matters.

Of the accounting estimates included in the consolidated financial statements for the consolidated fiscal year ended March 31, 2025, the following items are considered to have a significant impact on the consolidated financial statements for the fiscal year ending March 31, 2026.

1. Valuation of finished goods and work in process in the Semiconductor Production Equipment Business

(1) Amounts included in the consolidated financial statements for the consolidated fiscal years ended March 31, 2025 and 2024 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Inventories	**¥ 168,661**	¥ 163,579	**$ 1,124,411**

The amounts for the consolidated fiscal year ended March 31, 2025 include ¥55,357 million in finished goods and ¥34,823 million in work in process for SCREEN Semiconductor Solutions Co., Ltd., which operates the Semiconductor Production Equipment Business.

(2) Information on the nature of significant accounting estimates for identified items

In principle, loss on valuation of inventories is reported for finished goods and work in process whenever the net selling price is less than the carrying amount.

However, for finished goods and work in process whose future salability is uncertain due to their being outside of the normal operating cycle, the Company applies a valuation method that reduces the carrying amount to the estimated disposal value for which the probability of conversion to parts or materials and other factors are taken into account in order to reflect their reduced profitability.

The process of identifying the Semiconductor Production Equipment Business' finished goods and work in process whose future salability is uncertain and of estimating disposal value, which takes into account the probability of conversion to parts or materials and other factors, is based on considerations that include sales results for past fiscal years and the consolidated fiscal year ended March 31, 2025, along with forecasts regarding demand for semiconductor production equipment and investment plans announced by customers.

In the event that the assumptions used in the above estimates need to be changed due to changes in demand in the semiconductor industry, in which the Group's businesses operate, this may have a significant effect on the amounts recognized in the consolidated financial statements for the consolidated fiscal year ending March 31, 2026.

2. Recoverability of deferred tax assets

(1) Amounts included in the consolidated financial statements for the consolidated fiscal years ended March 31, 2025 and 2024 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Deferred tax assets	**¥ 12,655**	¥ 8,595	**$ 84,370**
Deferred tax liabilities	**4,205**	4,683	**28,034**

The balances of deferred tax assets and valuation allowances related to operating loss carryforwards included in the above amounts are described in Note 4, "Income taxes."

Furthermore, deferred tax assets for the consolidated fiscal year ended March 31, 2025 (before adjusting for deferred tax liabilities) recorded by the Company and the consolidated domestic subsidiaries that have adopted the group tax sharing system were ¥17,783 million.

(2) Information on the nature of significant accounting estimates for identified items

The Company and certain consolidated subsidiaries that have adopted the group tax sharing system estimate deferred tax

assets that correspond to schedulable deductible temporary differences to be recoverable because the overall group taxable income subject to said system is stable and, as of March 31, 2025, no significant changes in the business environment are expected in the near future. This estimate is based on the key assumption of no significant changes in the business environment in the near future and may be affected by changes in uncertain future economic conditions or other factors. In the event of significant changes in the business environment, this may have a significant effect on the amounts recognized in the consolidated financial statements for the consolidated fiscal year ending March 31, 2026.

3. Provision for product warranties

(1) Amounts included in the consolidated financial statements for the consolidated fiscal years ended March 31, 2025 and 2024 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Provision for product warranties	**¥ 12,892**	¥ 12,345	**$ 85,952**

(2) Information on the nature of significant accounting estimates for identified items

Certain consolidated subsidiaries record estimated after-sales service expenses during the warranty period after the sale of equipment as provision for product warranties.

Estimated after-sales service expenses are based on actual payments in the past and other data. However, in the event that product defects lead to large-scale recalls or product liability claims that expose customers to financial losses, this may significantly affect the amounts recognized in the consolidated financial statements for the consolidated fiscal year ending March 31, 2026.

Accounting standards issued but not yet applied

The following accounting standards and guidance are those issued but not yet applied.

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024, ASBJ)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024, ASBJ)

(1) Overview

The ASBJ has been working to make Japanese accounting standards consistent with their international counterparts. As part of this effort, the ASBJ embarked on the development of a new lease accounting standard that would require lessees to recognize assets and liabilities for all leases, in line with international accounting standards. Its fundamental policy was to build the new standard on the single accounting model of IFRS 16 but incorporate only the main, rather than all, provisions of IFRS 16, with the aim of creating a standard that would be simple and easy to use and basically require no modifications even when the provisions of IFRS 16 are applied to non-consolidated financial statements. As a result of these efforts, the ASBJ has recently issued an Accounting Standard for Leases and related guidance.

Similarly to IFRS 16, these adopt a single lessee accounting model in which, when allocating lease expenses, lessees are required to recognize depreciation on right of use assets and interest expenses on lease liabilities for all leases, whether operating or finance.

(2) Effective date

The standards and guidance will be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Effects of application of the standards and guidance

The effects of application of Accounting Standard for Leases, etc., on the consolidated financial statements are currently under evaluation.

Additional information

Arrangement to deliver company shares through a trust to directors and others

The Company has introduced a performance-linked share compensation system (hereinafter referred to as "the System") for directors (excluding outside directors) of the Company and its subsidiaries as well as executive officers of the Company and its subsidiaries (hereinafter collectively referred to as "Directors and others") aimed at developing awareness of contributing to improving medium- to long-term business performance and enhancing corporate value. By making the linkage between the financial performance of the Company and its subsidiaries and stock value and the remuneration paid to Directors and others more explicit, the System is intended to enable Directors and others to not only enjoy the benefits of increases in the stock price but also to bear the risk of declines in the stock price and thus share the benefits and risks resulting from changes in stock price with shareholders.

(1) Overview

The System is a performance-linked share compensation system under which a trust, established by the Company, acquires shares of company stock and delivers those through the trust based on points granted according to the rank and level of attainment of numerical targets related to management indicators according to stock issuance provisions determined by the Board of Directors of the Company and its subsidiaries. In principle, Directors and others receive the shares of company stock upon their retirement.

(2) Company shares remaining in the trust

Shares of company stock remaining in the trust are recorded as treasury stock under net assets based on book value (excluding incidental expenses) of the trust. The book value of the treasury stock in question for the year ended March 31, 2025 was ¥749 million, and the number of shares was 229 thousand shares. The book value of the treasury stock in question for the year ended March 31, 2024 was ¥946 million, and the number of shares was 289 thousand shares.

Note 2: Consolidated statements of comprehensive income

Amounts reclassified as net income (loss) in the current fiscal year that were recognized in other comprehensive income in the current or previous fiscal years and the tax effects for each component of other comprehensive income for the years ended March 31, 2025 and 2024 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Valuation difference on available-for-sale securities			
Increase (decrease) during the year	**¥ (6,456)**	¥ 8,928	**$ (43,042)**
Reclassification adjustments	**(952)**	(20)	**(6,347)**
Subtotal, before taxes and tax effects	**(7,408)**	8,907	**(49,390)**
Tax benefit (expense) and tax effects	**1,933**	(2,709)	**12,890**
Subtotal, net of taxes and tax effects	**(5,474)**	6,197	**(36,499)**
Foreign currency translation adjustment			
Increase (decrease) during the year	**(811)**	5,501	**(5,407)**
Reclassification adjustments	**(741)**	–	**(4,945)**
Subtotal	**(1,552)**	5,501	**(10,352)**
Remeasurements of defined benefit plans			
Increase (decrease) during the year	**(1,310)**	2,365	**(8,736)**
Reclassification adjustments	**(194)**	101	**(1,295)**
Subtotal, before taxes and tax effects	**(1,504)**	2,467	**(10,032)**
Tax benefit (expense) and tax effects	**474**	(782)	**3,166**
Subtotal, net of taxes and tax effects	**(1,029)**	1,684	**(6,866)**
Share of other comprehensive income of entities accounted for using equity method			
Increase (decrease) during the year	**(1)**	20	**(9)**
Total other comprehensive income	**¥ (8,059)**	¥ 13,404	**$ (53,727)**

Note 3: Consolidated statements of cash flows

1. Reconciliation of cash and cash equivalents at end of period and the amounts on the consolidated balance sheets

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Cash and deposits	**¥ 140,397**	¥ 167,279	**$ 935,980**
Securities (certificates of deposit)	**60,000**	30,000	**400,000**
Time deposits of over three months	**(1,918)**	(1,855)	**(12,792)**
Cash and cash equivalents	**¥ 198,478**	¥ 195,423	**$ 1,323,188**

2. Significant non-cash financing activities for the years ended March 31, 2025 and 2024

(1) Newly booked assets and liabilities related to finance leases

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Leased assets	**¥ 1,699**	¥ 977	**$ 11,328**
Lease obligations	**1,667**	976	**11,115**

(2) Items related to the redemption of convertible bond-type bonds with share acquisition rights

For the current fiscal year (as of March 31, 2025)
The Company disposed of treasury stock in line with the exercise of convertible bond-type bonds with share acquisition rights.
As a result, capital surplus increased ¥922 million ($6,149 thousand) and treasury stock decreased ¥527 million ($3,516 thousand).

For the previous fiscal year (as of March 31, 2024)
The Company disposed of treasury stock in line with the exercise of convertible bond-type bonds with share acquisition rights.
As a result, capital surplus increased ¥8,459 million ($56,026 thousand) and treasury stock decreased ¥4,770 million ($31,589 thousand).

Note 4: Income taxes

The Company is subject to several taxes based on income with a statutory tax rate of approximately 30.5% in 2025 and 2024. Significant components of deferred tax assets and liabilities as of March 31, 2025 and 2024 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Deferred tax assets			
Loss on valuation of inventories	**¥ 4,970**	¥ 4,895	**$ 33,135**
Provision for product warranties	**4,032**	3,775	**26,885**
Accrued bonuses for employees/provision for bonuses	**3,125**	2,581	**20,834**
Unrealized income on inventories	**3,421**	3,097	**22,808**
Depreciation	**4,020**	3,641	**26,804**
R&D expenses	**1,061**	927	**7,079**
Impairment loss	**1,876**	1,604	**12,507**
Net defined benefit liability	**294**	281	**1,962**
Net operating loss carryforwards (Note)	**5,162**	4,064	**34,413**
Other	**6,880**	7,528	**45,870**
Deferred tax assets—subtotal	**34,845**	32,395	**232,301**
Valuation allowance for net operating loss carryforwards (Note)	**(4,804)**	(3,894)	**(32,033)**
Valuation allowance for deductible temporary differences	**(6,230)**	(7,039)	**(41,534)**
Valuation allowance—total	**(11,035)**	(10,934)	**(73,567)**
Total deferred tax assets	**¥ 23,810**	¥ 21,461	**$ 158,734**
Deferred tax liabilities			
Undistributed earnings of consolidated overseas subsidiaries	**(2,956)**	(2,956)	**(19,710)**
Valuation difference on available-for-sale securities	**(8,514)**	(10,447)	**(56,760)**
Net defined benefit asset	**(2,911)**	(3,231)	**(19,408)**
Other	**(977)**	(914)	**(6,518)**
Total deferred tax liabilities	**¥ (15,359)**	¥ (17,549)	**$ (102,398)**
Net deferred tax assets (liabilities)	**¥ 8,450**	¥ 3,912	**$ 56,336**

Note: Operating loss carryforwards and deferred tax assets by expiration periods.

For the year ended March 31, 2025 — Millions of yen

	2026	2027	2028	2029	2030	2031 and after	Total
Operating loss carryforwards[1]	159	282	–	248	723	3,748	5,162
Valuation allowance	(142)	(265)	–	(248)	(499)	(3,649)	(4,804)
Net deferred tax assets	16	16	–	–	224	99	357

Thousands of U.S. dollars

	2026	2027	2028	2029	2030	2031 and after	Total
Operating loss carryforwards[1]	1,062	1,880	–	1,655	4,822	24,991	34,413
Valuation allowance	(950)	(1,768)	–	(1,655)	(3,326)	(24,330)	(32,033)
Net deferred tax assets	111	111	–	–	1,496	660	2,380

1. Net operating loss carryforwards shown in the above table is after multiplying the statutory tax rate.

For the year ended March 31, 2024 — Millions of yen

	2025	2026	2027	2028	2029	2030 and after	Total
Operating loss carryforwards[2]	64	102	207	–	183	3,506	4,064
Valuation allowance	(47)	(82)	(185)	–	(180)	(3,399)	(3,894)
Net deferred tax assets	17	20	21	–	3	106	169

Thousands of U.S. dollars

	2025	2026	2027	2028	2029	2030 and after	Total
Operating loss carryforwards[2]	428	679	1,373	–	1,215	23,218	26,915
Valuation allowance	(311)	(544)	(1,230)	–	(1,194)	(22,512)	(25,794)
Net deferred tax assets	116	134	142	–	20	706	1,121

2. Net operating loss carryforwards shown in the above table is after multiplying the statutory tax rate.

A reconciliation of the statutory tax rate and the effective tax rate as a percentage of income before income taxes for the years ended March 31, 2025 and 2024 is set forth in the table below.

	2025	2024
Statutory tax rate	**30.5%**	30.5%
Nondeductible expenses	**0.2**	0.2
Valuation allowance	**(0.8)**	(2.6)
Tax credits	**(2.8)**	(4.1)
Tax rate difference from parent company	**(0.6)**	(0.7)
Undistributed earnings of consolidated overseas subsidiaries	**0.1**	0.5
Tax unrecognized for unrealized profit on inventories	**0.1**	(0.2)
Consolidated overseas subsidiaries' withholding tax on dividends	**0.6**	1.0
Per capita levy	**0.2**	0.3
Other, net	**1.1**	0.0
Effective tax rate	**28.5%**	25.0%

Accounting for corporation tax and local corporation tax and tax effect accounting
The Company and some of its domestic consolidated subsidiaries have adopted the group tax sharing system. In addition, corporation tax, local corporation tax, and their tax effects are accounted for and disclosed in accordance with the ASBJ's Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (PITF No. 42, August 12, 2021).

Revision to amounts of deferred tax assets and liabilities due to change in income tax rate
On March 31, 2025, amendments to Japanese tax regulations were enacted in the Diet. Based on the amendments, a special defense-related corporate tax will be imposed for fiscal years beginning on or after April 1, 2026.

As a result, the statutory tax rate used to calculate deferred tax assets and liabilities related to temporary differences expected to be resolved in the fiscal year beginning April 1, 2026 and after has been revised from 30.5% to 31.4%.

Due to this change, for the fiscal year ended March 31, 2025, net deferred tax assets (after deducting deferred tax liabilities) increased ¥86 million ($573 thousand); net deferred tax liabilities (after deducting deferred tax assets) increased ¥214 million ($1,432 thousand); deferred income taxes decreased ¥115 million ($767 thousand); and valuation difference on available-for-sale securities decreased ¥243 million ($1,625 thousand).

Note 5: Short-term debt, long-term debt, and lease obligations

Short-term debt generally consists of borrowings from banks. There was no short-term debt as of March 31, 2025 or 2024.

Long-term debt and lease obligations as of March 31, 2025 and 2024 consisted of the following.

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
0.67% loan from a governmental institution, due February 28, 2027			
Secured	**¥ –**	¥ –	**$ –**
Unsecured	**660**	1,000	**4,400**
0.62% loans from an insurance company, due in installments through January 31, 2027			
Secured	**–**	–	**–**
Unsecured	**668**	1,000	**4,453**
Euro yen zero coupon convertible bonds, due June 11, 2025			
Secured	**–**	–	**–**
Unsecured	**320**	1,770	**2,133**
Loans from shinkin banks, due in installments through October 25, 2031			
Secured	**–**	–	**–**
Unsecured	**122**	–	**815**
Lease obligations maturing serially through 2032			
Secured	**–**	–	**–**
Unsecured	**2,792**	3,412	**18,617**
Subtotal	**4,562**	7,182	**30,419**
Less amounts due within one year	**(1,983)**	(2,022)	**(13,224)**
Total	**¥ 2,579**	¥ 5,160	**$ 17,194**

The Company has contracts for commitment lines by which banks are bound to extend loans up to a prearranged amount upon request.

As of March 31, 2025, the total financing available under these contracts amounted to ¥60,000 million ($400,000 thousand), and no amount of these commitment lines had been used.

Euro yen zero coupon convertible bonds due in 2025 with a gross amount of ¥15,000 million ($100,000 thousand) were converted into shares of common stock of the Company at ¥5,889.0 ($39) per share, exercisable from June 25, 2018 to May 28, 2025.

The following table represents the balance of long-term debt maturity.

Years ended March 31	Millions of yen	Thousands of U.S. dollars
2027	**¥ 1,345**	**$ 8,969**
2028	**430**	**2,867**
2029	**328**	**2,192**
2030 and thereafter	**473**	**3,164**
Total	**¥ 2,579**	**$ 17,194**

Note 6: Net assets and per share data

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as capital stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus. Under the Japanese Companies Act (the "Act"), in cases in which a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of capital stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets. Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Act, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and other retained earnings, respectively, which are potentially available for dividends. Both these appropriations generally require a resolution of the shareholders meeting. The maximum amount that the Company can distribute as dividends is calculated based on the standalone financial statements of the Company in accordance with Japanese laws and regulations.

Net income per share is based on the weighted average number of shares of capital stock outstanding. Diluted net income per share is computed using the weighted average number of shares after assuming the conversion of all dilutive convertible notes and the exercise of all outstanding stock acquisition rights.

The Company implemented a stock split of common stock in the ratio of 1 share into 2 shares on October 1, 2023. Net income per share, diluted net income per share, and cash dividends per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Net income per share was ¥1,023.54 ($6.82) and ¥742.10 ($4.91), and diluted net income per share was ¥1,022.31 ($6.81) and ¥725.54 ($4.80), for the fiscal years ended March 31, 2025 and 2024, respectively.

An interim dividend of ¥120.00 ($0.80) per share was paid in accordance with a resolution passed by the Board of Directors on October 31, 2024. Furthermore, a year-end dividend of ¥188.00 ($1.25) per share was approved at the general meeting of shareholders held on June 20, 2025. As a result, the annual dividend for the fiscal year ended March 31, 2025 amounted to ¥308.00 ($2.05) per share, for total annual dividends of ¥29,732 million ($198,219 thousand). The year-end dividend payment is recognized in the fiscal year when it was approved by shareholders and is therefore not reflected in the financial statements for the fiscal year ended March 31, 2025.

Note: The total amount of dividends includes ¥70 million ($470 thousand) of dividends for 229 thousand shares of the Company held by a trust related to a performance-linked share compensation system for directors and executive officers.

Note 7: Inventories

Inventories as of March 31, 2025 and 2024 consisted of the following.

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Merchandise and finished goods	**¥ 90,975**	¥ 82,791	**$ 606,501**
Work in process	**56,424**	58,013	**376,163**
Raw materials and supplies	**21,261**	22,774	**141,746**
Total	**¥ 168,661**	¥ 163,579	**$ 1,124,411**

Note 8: Leases

1. Finance leases, etc.

The following information is related to the finance leases of consolidated domestic subsidiaries that do not transfer ownership and the right-of-use assets of consolidated overseas subsidiaries in the fiscal years ended March 31, 2025 and 2024.

(As lessee)

1) Description of leased assets
   1. Property, plant and equipment: Mainly buildings
   2. Intangible assets: Software
2) Depreciation method for leased assets
   As described in Note 1 (f), "Summary of significant accounting and reporting policies—Depreciation."

2. Operating leases

(As lessee)

Future minimum lease payments as lessee:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Due within one year	**¥ 496**	¥ 247	**$ 3,310**
Due after one year	**1,109**	296	**7,397**
Total	**¥ 1,606**	¥ 543	**$ 10,707**

Note: Lease transactions that apply IFRS 16 and ASU 2016-02 and recognize assets and liabilities in the consolidated balance sheets are not included.

Note 9: Segment information

1. General information about reportable segments

(1) Reportable segments

The SCREEN Group's reportable segments are the business units for which the Company obtains financial information separately in order for the Board of Directors to conduct periodic investigations to determine the distribution of management resources and evaluate their business results.

The Group utilizes a holding company structure under which it has established business operating companies organized by categories of products and services. Each business operating company establishes a comprehensive strategy and implements business activities related to the products and services it handles for both domestic and overseas markets.

Accordingly, the SCREEN Group comprises four reportable segments based on said business operating companies and organized by products and services. The four segments are as follows: Semiconductor Production Equipment Business (SPE), Graphic Arts Equipment Business (GA), Display Production Equipment and Coater Business (FT), and PCB-related Equipment Business (PE).

(2) Products and services of reportable segments

The SPE segment develops, manufactures, and markets semiconductor production equipment, and also conducts maintenance services. The GA segment develops, manufactures, and markets graphic arts equipment, and also conducts maintenance services. The FT segment develops, manufactures, and markets display production equipment and coater equipment, and also conducts maintenance services. The PE segment develops, manufactures, and markets PCB related equipment, and also conducts maintenance services.

2. Measurement of net sales, income (loss), assets, and other amounts by reportable segment

The accounting methods applied to the reportable segments are identical with those stated in Note 1, "Summary of significant accounting and reporting policies." Income for each reportable segment is based on operating income. Intersegment sales and transfers are based on market prices.

3. Net sales, income (loss), assets, and other amounts by reportable segment

As of the end of / For the year ended March 31, 2025	Millions of yen						
	Reportable segment						
	SPE	GA	FT	PE	Other	Adjustments	Consolidated
Sales							
Sales to outside customers	**¥ 519,510**	**¥ 52,852**	**¥ 32,813**	**¥ 14,091**	**¥ 6,001**	**¥ –**	**¥ 625,269**
Intersegment sales and transfers	**1**	**158**	**3,015**	**82**	**20,101**	**(23,359)**	**–**
Total	**519,511**	**53,010**	**35,829**	**14,174**	**26,103**	**(23,359)**	**625,269**
Segment income (loss)	**136,975**	**4,292**	**3,053**	**1,069**	**(1,822)**	**(7,886)**	**135,683**
Segment assets	**438,318**	**53,015**	**35,959**	**16,855**	**9,166**	**117,971**	**671,287**
Other							
Depreciation and amortization	**6,069**	**665**	**327**	**229**	**206**	**5,334**	**12,831**
Impairment loss	**–**	**–**	**–**	**557**	**1,068**	**(260)**	**1,365**
CAPEX	**11,478**	**1,113**	**1,088**	**409**	**1,159**	**14,480**	**29,729**

As of the end of / For the year ended March 31, 2024	Millions of yen						
	Reportable segment						
	SPE	GA	FT	PE	Other	Adjustments	Consolidated
Sales							
Sales to outside customers	¥ 417,677	¥ 47,535	¥ 22,420	¥ 14,514	¥ 2,768	¥ –	¥ 504,916
Intersegment sales and transfers	–	204	827	157	18,036	(19,225)	–
Total	417,677	47,739	23,247	14,672	20,804	(19,225)	504,916
Segment income (loss)	97,048	4,295	(425)	1,861	(888)	(7,727)	94,164
Segment assets	446,837	50,879	25,851	17,954	7,739	127,545	676,808
Other							
Depreciation and amortization	5,450	599	320	188	193	4,084	10,837
Impairment loss	–	–	120	–	11	–	131
CAPEX	8,971	1,052	241	406	433	28,706	39,812

As of the end of / For the year ended March 31, 2025	Thousands of U.S. dollars						
	Reportable segment						
	SPE	GA	FT	PE	Other	Adjustments	Consolidated
Sales							
Sales to outside customers	**$ 3,463,400**	**$ 352,350**	**$ 218,756**	**$ 93,944**	**$ 40,012**	**$ –**	**$ 4,168,465**
Intersegment sales and transfers	**9**	**1,053**	**20,105**	**551**	**134,007**	**(155,727)**	**–**
Total	**3,463,409**	**353,404**	**238,862**	**94,496**	**174,020**	**(155,727)**	**4,168,465**
Segment income (loss)	**913,173**	**28,616**	**20,359**	**7,131**	**(12,148)**	**(52,574)**	**904,557**
Segment assets	**2,922,124**	**353,433**	**239,731**	**112,369**	**61,112**	**786,477**	**4,475,249**
Other							
Depreciation and amortization	**40,462**	**4,434**	**2,180**	**1,527**	**1,376**	**35,563**	**85,545**
Impairment loss	**–**	**–**	**–**	**3,716**	**7,120**	**(1,734)**	**9,102**
CAPEX	**76,520**	**7,422**	**7,258**	**2,728**	**7,727**	**96,535**	**198,193**

Notes: 1. The "Other" category for the fiscal year ended March 31, 2025 incorporates operations not included in the reportable segments, including development, manufacturing, and marketing of equipment in new business fields such as advanced semiconductor packaging, life science, and hydrogen-related areas; development and marketing of software; design and production of documents; and other businesses. The "Other" category for the fiscal year ended March 31, 2024 includes development, manufacturing, and sales of equipment in the life science business; planning and production of documents; development and sales of software; and other businesses.
2. The segment operating income (loss) adjustments of negative ¥7,886 million ($52,574 thousand) and negative ¥7,727 million for the years ended March 31, 2025 and 2024, respectively, are the Company's loss not attributable to a reportable segment. The segment assets adjustments of ¥117,971 million ($786,477 thousand) and ¥127,545 million for the years ended March 31, 2025 and 2024, respectively, are the corporate assets not apportioned to the reportable segments.
3. Segment income (loss) is reconciled with operating income in the consolidated statements of income.

Related information

1. Information about geographic areas

(1) Net sales

	Millions of yen				Thousands of U.S. dollars
	2025		2024		**2025**
Japan	**¥ 90,119**	**(14.4%)**	¥ 87,672	(17.4%)	**$ 600,795**
Taiwan	**113,405**	**(18.1%)**	57,948	(11.5%)	**756,036**
Korea	**31,788**	**(5.1%)**	27,379	(5.4%)	**211,924**
China	**265,263**	**(42.4%)**	198,796	(39.4%)	**1,768,426**
United States	**64,208**	**(10.3%)**	81,919	(16.2%)	**428,053**
Europe	**33,389**	**(5.4%)**	33,460	(6.6%)	**222,598**
Other	**27,094**	**(4.3%)**	17,739	(3.5%)	**180,631**
Total	**¥ 625,269**	**(100.0%)**	¥ 504,916	(100.0%)	**$ 4,168,465**

Notes: 1. Net sales are categorized by country or geographic area based on customer location.
2. The numbers shown in parentheses are component ratios.

(2) Property, plant and equipment

	Millions of yen				Thousands of U.S. dollars
	2025		2024		**2025**
Japan	**¥ 104,572**	**(92.6%)**	¥ 91,058	(89.2%)	**$ 697,150**
Asia	**3,784**	**(3.4%)**	3,868	(3.8%)	**25,229**
North America	**2,842**	**(2.5%)**	3,025	(3.0%)	**18,948**
Europe	**1,714**	**(1.5%)**	4,064	(4.0%)	**11,428**
Other	**21**	**(0.0%)**	34	(0.0%)	**140**
Total	**¥ 112,934**	**(100.0%)**	¥ 102,051	(100.0%)	**$ 752,896**

Note: The numbers shown in parentheses are component ratios.

2. Information about major customers

Year ended March 31, 2025	Millions of yen	Thousands of U.S. dollars
Net sales		
Taiwan Semiconductor Manufacturing Company, Ltd. (related segment: SPE)	**¥ 89,703**	**$ 598,024**

Year ended March 31, 2024	Millions of yen
Net sales	
SiEn (QingDao) Integrated Circuits Co., Ltd. (related segment: SPE)	¥ 52,064

Note 10: Contingent liabilities

As of March 31, 2025 and 2024, the Company and its consolidated subsidiaries were contingently liable for the following.

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
As guarantors of			
Customers' business loans	**¥ 0**	¥ 4	**$ 2**
Employees' housing loans	**–**	0	**–**
Total	**¥ 0**	¥ 4	**$ 2**

Note 11: Financial instruments

1. Qualitative information on financial instruments

(1) Qualitative information on financial instruments

The SCREEN Group procures funds necessary to conduct business through loans from financial institutions and the issuance of bonds in accordance with annual funding plans. Investments of capital are limited to instruments that meet safety and liquidity requirements. Derivative transactions are used only to hedge financial risk, such as the risk of fluctuations in exchange rates and interest rates, and not used for speculative purposes.

(2) Details of financial instruments used, risks, and processes for risk management

Financial instruments	Risks	Processes for risk management
Notes and accounts receivable—trade	Credit risk of clients	The amounts outstanding are managed by client and due date. Also, the financial condition of the clients is monitored.
Accounts receivable denominated in foreign currency	Risk of fluctuation in foreign currency exchange rates	The risk is hedged by using forward foreign exchange contracts on certain portions of the receivables.
Securities	Credit risks of the bond issuers	Securities are certificates of deposit and are exposed to the credit risks of their issuers, but as they are limited to securities with maturities of three months or less that have high credit ratings, their credit risk is insignificant, and they are readily convertible into cash.
Investments in securities	Risk of fluctuation in market prices	The fair values of the instruments and financial conditions of issuers are regularly monitored. Holding status is continuously reviewed in consideration of the market conditions and transaction relationship with the issuing companies.
Notes and accounts payable—trade, loans, bonds, lease obligations, etc.	Liquidity risk	Funding plans are prepared and renewed, and a certain level of liquidity on hand is maintained.
Portion of loans	Risk of fluctuation in interest rates	The risk is hedged by interest rate swaps.

Derivative transactions used by the SCREEN Group consist of forward foreign exchange contracts and interest rate swap contracts and are used only for the purpose of mitigating risks of fluctuation in foreign currency exchange rates and interest rates. For information about hedging instruments, hedged items, hedging policies, evaluation of hedge effectiveness, and management of derivative transactions, see Note 1 (t), "Summary of significant accounting and reporting policies—Derivatives and hedge accounting." The SCREEN Group believes that its credit risk is insignificant as the counterparties to its derivative transactions are limited to creditable financial institutions.

(3) Supplemental information on fair values

The contract amounts of the derivative transactions described in Note 12, "Derivative transactions," do not reflect the market risks of the derivative transactions themselves.

2. Fair values of financial instruments

The book value and fair value of financial instruments and any differences between the book value and fair value as of March 31, 2025 and 2024 are set forth in the table below. Notes have been omitted for cash and for deposits whose fair value is close to the book value because they will be paid within a short period of time.

	Millions of yen						Thousands of U.S. dollars		
	2025			2024			**2025**		
Years ended March 31	Book value	Fair value	Difference	Book value	Fair value	Difference	Book value	Fair value	Difference
(1) Investments in securities									
Available-for-sale securities[1]	**41,283**	**41,283**	**–**	49,079	49,079	–	**275,220**	**275,220**	**–**
Total assets	**¥ 41,283**	**¥ 41,283**	**¥ –**	¥ 49,079	¥ 49,079	¥ –	**$ 275,220**	**$ 275,220**	**$ –**
(1) Bonds (including those due within one year)	**320**	**527**	**207**	1,771	5,966	4,194	**2,133**	**3,516**	**1,382**
(2) Long-term loans (including those due within one year)	**1,450**	**1,430**	**(20)**	2,000	1,994	(5)	**9,668**	**9,534**	**(134)**
(3) Lease obligations (including those due within one year)	**2,792**	**2,663**	**(128)**	3,412	3,253	(159)	**18,617**	**17,758**	**(859)**
Total liabilities	**¥ 4,562**	**¥ 4,621**	**¥ 58**	¥ 7,184	¥ 11,214	¥ 4,030	**$ 30,419**	**$ 30,808**	**$ 388**
Derivative transactions[2]	**24**	**24**	**–**	(295)	(295)	–	**164**	**164**	**–**

1. Net assets and liabilities incurred by derivative transactions are shown as net total figures, and items whose total amounts are liabilities are indicated with parentheses.
2. The following financial instruments do not have market values and their fair values are deemed to be exceedingly difficult to estimate. Therefore, they are not included in "(1) Investments in securities." The values recorded in the consolidated balance sheets for these financial instruments are as follows.

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Category	Book value	Book value	Book value
Non-listed equity securities	**¥ 4,082**	¥ 3,653	**$ 27,219**

Non-listed equity securities are not included in "(1) Investments in securities" as it is deemed to be exceedingly difficult to estimate the fair values. The amount in the above table includes investments in nonconsolidated subsidiaries in the amount of ¥3,583 million ($23,891 thousand).

Notes: 1. Expected redemption amounts of receivables and securities with maturities after the consolidated financial statement date

	Millions of yen								Thousands of U.S. dollars			
	2025				2024				**2025**			
	Due within one year	Due between one year and five years	Due between five years and ten years	Due after ten years	Due within one year	Due between one year and five years	Due between five years and ten years	Due after ten years	Due within one year	Due between one year and five years	Due between five years and ten years	Due after ten years
Deposits	**¥ 140,385**	**¥ –**	**¥ –**	**¥ –**	¥ 167,267	¥ –	¥ –	¥ –	**$ 935,904**	**$ –**	**$ –**	**$ –**
Notes and accounts receivable—trade	**95,488**	**699**	**–**	**–**	107,758	460	–	–	**636,589**	**4,665**	**–**	**–**
Securities	**60,000**	**–**	**–**	**–**	30,000	–	–	–	**400,000**	**–**	**–**	**–**
Total	**¥ 295,874**	**¥ 699**	**¥ –**	**¥ –**	¥ 305,026	¥ 460	¥ –	¥ –	**$ 1,972,494**	**$ 4,665**	**$ –**	**$ –**

2. For expected repayment amounts of long-term debt after the consolidated financial statement date, see Note 5, "Short-term debt, long-term debt and lease obligations."
3. Fair values of financial instruments by level
   The fair values of financial instruments are categorized into the following three levels depending on the observability and importance of the inputs used to calculate the fair value.
   Level 1: Fair value calculated using the market value related to assets and liabilities formed in an active market of the observable inputs
   Level 2: Fair value calculated using observable inputs other than Level 1 inputs
   Level 3: Fair value calculated using unobservable inputs
   If multiple inputs that have a significant impact on fair value calculation are used, the fair value of the financial instrument will be assigned the same level as the lowest level input used in calculating the fair value.

Financial instruments recorded at fair value in the consolidated balance sheets:

Category	Fair value (millions of yen)								Fair value (thousands of U.S. dollars)			
	2025				2024				**2025**			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments in securities												
Other securities												
Shares	**¥ 41,283**	**¥ –**	**¥ –**	**¥ 41,283**	¥ 49,079	¥ –	¥ –	¥ 49,079	**$ 275,220**	**$ –**	**$ –**	**$ 275,220**
Derivatives												
Currency-related	**–**	**24**	**–**	**24**	–	–	–	–	**–**	**164**	**–**	**164**
Total assets	**¥ 41,283**	**¥ 24**	**¥ –**	**¥ 41,307**	¥ 49,079	¥ –	¥ –	¥ 49,079	**$ 275,220**	**$ 164**	**$ –**	**$ 275,384**
Derivatives												
Currency-related	**–**	**–**	**–**	**–**	–	295	–	295	**–**	**–**	**–**	**–**
Total liabilities	**¥ –**	**¥ –**	**¥ –**	**¥ –**	¥ –	¥ 295	¥ –	¥ 295	**$ –**	**$ –**	**$ –**	**$ –**

Financial instruments, excluding financial instruments recorded at fair value in the consolidated balance sheets:

Category	Fair value (millions of yen)								Fair value (thousands of U.S. dollars)			
	2025				2024				2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Bonds (including those due within one year)	**¥ –**	**¥ 527**	**¥ –**	**¥ 527**	¥ –	¥ 5,966	¥ –	¥ 5,966	**$ –**	**$ 3,516**	**$ –**	**$ 3,516**
Long-term bonds (including those due within one year)	**–**	**1,430**	**–**	**1,430**	–	1,994	–	1,994	**–**	**9,534**	**–**	**9,534**
Lease obligations (including those due within one year)	**–**	**2,663**	**–**	**2,663**	–	3,253	–	3,253	**–**	**17,758**	**–**	**17,758**
Total liabilities	**¥ –**	**¥ 4,621**	**¥ –**	**¥ 4,621**	¥ –	¥ 11,214	¥ –	¥ 11,214	**$ –**	**$ 30,808**	**$ –**	**$ 30,808**

Note: Explanation of valuation technique used in calculating fair value and inputs related to calculating fair value

Investment securities
Listed shares are valuated using market values. Because listed shares are traded in active markets, their fair values are categorized as Level 1.

Derivative transactions
The fair values of forward currency contracts are calculated based on the present discounted value method using observable inputs, such as exchange rates, and are categorized as Level 2.

Bonds
The fair values of bonds issued by the Company are calculated using the fair values presented by securities companies based on the "Matters to Be Considered in Providing Fair Value Data by Securities Companies (Guidelines)" defined by the Japan Securities Dealers Association. Because the bonds are not traded in an active market, they are categorized as Level 2.

Long-term loans
The fair values of long-term loans are calculated using the current value of the total principal divided by interest adjusted for the remaining time period and the credit risks of the borrowings or lease obligations. The fair values are categorized as Level 2.

Note 12: Derivative transactions

Outstanding derivative transactions as of March 31, 2025 and 2024 were as follows.

1. Derivative transactions for which hedge accounting has not been applied

Currency-related

	Millions of yen								Thousands of U.S. dollars			
	2025				2024				2025			
	Contracted amount	Portion exceeding one year	Fair value	Recognized gain (loss)	Contracted amount	Portion exceeding one year	Fair value	Recognized gain (loss)	Contracted amount	Portion exceeding one year	Fair value	Recognized gain (loss)
Non-exchange traded forward foreign exchange contracts												
(Sell—U.S. dollar)	**¥ 4,306**	**¥ –**	**¥ 45**	**¥ 45**	¥ 4,436	¥ –	¥ (168)	¥ (168)	**$ 28,710**	**$ –**	**$ 302**	**$ 302**
(Sell—Euro)	**1,462**	**–**	**(20)**	**(20)**	3,306	–	(127)	(127)	**9,753**	**–**	**(138)**	**(138)**
Total	**¥ 5,769**	**¥ –**	**¥ 24**	**¥ 24**	¥ 7,742	¥ –	¥ (295)	¥ (295)	**$ 38,463**	**$ –**	**$ 164**	**$ 164**

2. Derivative transactions for which hedge accounting has been applied

(1) Currency-related

		Millions of yen						Thousands of U.S. dollars		
		2025			2024			2025		
	Hedged items	Contracted amount	Portion exceeding one year	Fair value	Contracted amount	Portion exceeding one year	Fair value	Contracted amount	Portion exceeding one year	Fair value
Forward foreign exchange contracts subject to the alternative method										
(Sell—U.S. dollar)	Accounts receivable	**¥ 370**	**¥ –**	**Note**	¥ 651	¥ –	Note	**$ 2,471**	**$ –**	**Note**
(Sell—Euro)	Accounts receivable	**–**	**–**	**–**	–	–	–	**–**	**–**	**–**
Total		**¥ 370**	**¥ –**	**Note**	¥ 651	¥ –	Note	**$ 2,471**	**$ –**	**Note**

Note: Forward foreign exchange contracts subject to the alternative method are accounted for together with the related accounts receivable as hedged items. Accordingly, their fair values are included in the fair values of accounts receivable.

(2) Interest rate-related

For the current fiscal year (as of March 31, 2025)
Not applicable.

For the previous fiscal year (as of March 31, 2024)
Not applicable.

Note 13: Securities

1. The following table summarizes acquisition costs and book values and any differences between the acquisition cost and book value of securities with available fair values as of March 31, 2025 and 2024.

Available-for-sale securities

	Millions of yen						Thousands of U.S. dollars		
	2025			2024			**2025**		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Securities with book values exceeding acquisition costs									
Equity securities	**¥ 13,262**	**¥ 41,127**	**¥ 27,865**	¥ 13,291	¥ 48,572	¥ 35,281	**$ 88,413**	**$ 274,183**	**$ 185,770**
Other	**–**	**–**	**–**	–	–	–	**–**	**–**	**–**
Total	**¥ 13,262**	**¥ 41,127**	**¥ 27,865**	¥ 13,291	¥ 48,572	¥ 35,281	**$ 88,413**	**$ 274,183**	**$ 185,770**
Securities with book values not exceeding acquisition costs									
Equity securities	**¥ 168**	**¥ 155**	**¥ (12)**	¥ 526	¥ 507	¥ (19)	**$ 1,120**	**$ 1,036**	**$ (84)**
Other	**–**	**–**	**–**	–	–	–	**–**	**–**	**–**
Total	**¥ 168**	**¥ 155**	**¥ (12)**	¥ 526	¥ 507	¥ (19)	**$ 1,120**	**$ 1,036**	**$ (84)**

2. Total sales of available-for-sale securities for the year ended March 31, 2025 amounted to ¥1,380 million ($9,204 thousand), and the related total gain amounted to ¥953 million ($6,354 thousand).
Total sales of available-for-sale securities for the year ended March 31, 2024 amounted to ¥72 million, and the related total gain amounted to ¥20 million.

Note 14: Employees' severance and pension benefits

Breakdown related to retirement benefit plans for the years ended March 31, 2025 and 2024 was as follows.

1. Defined benefit plans

(1) Changes in retirement benefit obligations

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Balance at the beginning of the year	**¥ 31,619**	¥ 32,029	**$ 210,799**
Service cost	**1,331**	1,256	**8,876**
Interest cost	**331**	337	**2,207**
Actuarial loss (gain)	**(56)**	175	**(377)**
Benefits paid	**(2,466)**	(2,294)	**(16,440)**
Prior service cost	**895**	–	**5,968**
Other	**(14)**	115	**(90)**
Balance at the end of the year	**¥ 31,641**	¥ 31,619	**$ 210,943**

Note: Effective April 1, 2025, the Company revised its retirement benefit plan in conjunction with the extension of the mandatory retirement age from 60 to 65. As a result of this change, a prior service cost of ¥895 million ($5,968 thousand) was recognized due to an increase in retirement benefit obligations.

(2) Changes in plan assets

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Balance at the beginning of the year	**¥ 40,201**	¥ 37,467	**$ 268,013**
Expected return on plan assets	**1,004**	936	**6,698**
Actuarial loss (gain)	**(1,491)**	2,411	**(9,946)**
Contributions paid by the employer	**1,136**	1,079	**7,577**
Benefits paid	**(2,466)**	(2,294)	**(16,440)**
Other	**466**	600	**3,109**
Balance at the end of the year	**¥ 38,851**	¥ 40,201	**$ 259,011**

(3) Reconciliation from retirement benefit obligations and plan assets to liability (asset) for retirement benefits

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Funded retirement benefit obligations	**¥ 31,641**	¥ 31,619	**$ 210,943**
Plan assets	**38,851**	40,201	**259,011**
Total net liability (asset) for retirement benefits	**¥ (7,210)**	¥ (8,582)	**$ (48,067)**
Net defined benefit liability	**1,334**	1,225	**8,894**
Net defined benefit asset	**8,544**	9,808	**56,961**
Total net liability (asset) for retirement benefits	**¥ (7,210)**	¥ (8,582)	**$ (48,067)**

(4) Retirement benefit costs

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Service cost	**¥ 1,331**	¥ 1,256	**$ 8,876**
Interest cost	**331**	337	**2,207**
Expected return on plan assets	**(1,004)**	(936)	**(6,698)**
Net actuarial loss amortization	**(69)**	230	**(463)**
Prior service cost amortization	**895**	–	**5,968**
Total retirement benefit costs	**¥ 1,483**	¥ 888	**$ 9,891**

Note: In addition to the above retirement benefit costs, the Company paid additional retirement allowances and other related payments amounting to ¥98 million ($659 thousand) and ¥88 million in the fiscal years ended March 31, 2025 and 2024, respectively.

(5) Remeasurements of defined benefit plans in other comprehensive income

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Actuarial gains and losses	**¥ (1,504)**	¥ 2,467	**$ (10,032)**

(6) Remeasurements of defined benefit plans in accumulated comprehensive income

	Millions of yen		Thousands of U.S. dollars
	2025	2024	**2025**
Actuarial gains and losses yet to be recognized	**¥ (242)**	¥ 1,262	**$ (1,617)**

(7) Plan assets

1. Plan assets:

	2025	2024
Bonds	**31%**	30%
Equity securities	**30**	32
Cash and deposits	**2**	2
Life insurance company general accounts	**16**	16
Alternative	**21**	20
Total	**100%**	100%

Note: Alternative is investment mainly for multi-asset investment fund.

2. Long-term expected rate of return:
Current and target asset allocations as well as historical and expected returns on various categories of plan assets have been considered in determining the long-term expected rate of return.

(8) Actuarial assumptions

The principal actuarial assumptions at March 31, 2025 and 2024 were as follows.

	2025	2024
Discount rate	**1.1% – 1.3%**	1.1% – 1.3%
Long-term expected rate of return	**3.0%**	3.0%

The Group does not take into account a rate of expected pay raise in calculating retirement benefit costs.

2. Defined contribution plans

Contributions paid by the Company and its consolidated subsidiaries to defined contribution plans for the fiscal years ended March 31, 2025 and 2024 amounted to ¥1,642 million ($10,948 thousand) and ¥1,424 million, respectively.

Note 15: Revenue recognition

1. Breakdown of revenue from contracts with customers by country or region based on customer location, and by type of products and services:
For the year ended March 31, 2025

	Millions of yen						
	Reportable segment					Other[1]	Total
	SPE	GA	FT	PE	Total		
Country or region							
Japan	¥ 61,324	¥ 20,770	¥ 877	¥ 3,619	¥ 86,591	¥ 3,527	¥ 90,119
Taiwan	107,723	137	3,826	1,708	113,395	10	113,405
Korea	24,148	4,295	15	3,321	31,781	7	31,788
China	230,681	900	28,010	3,536	263,129	2,134	265,263
United States	49,238	14,869	4	–	64,112	95	64,208
Europe	23,928	9,030	78	140	33,178	211	33,389
Other	22,464	2,850	–	1,765	27,079	15	27,094
Overseas	¥ 458,185	¥ 32,082	¥ 31,935	¥ 10,472	¥ 532,676	¥ 2,474	¥ 535,150
Sales to outside customers[3]	¥ 519,510	¥ 52,852	¥ 32,813	¥ 14,091	¥ 619,267	¥ 6,001	¥ 625,269
Products and services							
New equipment[2]	433,555	25,484	28,786	7,889	495,715	3,487	499,203
After-sales service and other[2]	85,954	27,368	4,027	6,202	123,552	2,514	126,066
Sales to outside customers[3]	¥ 519,510	¥ 52,852	¥ 32,813	¥ 14,091	¥ 619,267	¥ 6,001	¥ 625,269

For the year ended March 31, 2024

	Millions of yen						
	Reportable segment					Other[1]	Total
	SPE	GA	FT	PE	Total		
Country or region							
Japan	¥ 58,953	¥ 20,093	¥ 2,227	¥ 4,168	¥ 85,443	¥ 2,229	¥ 87,672
Taiwan	49,600	174	6,485	1,688	57,948	0	57,948
Korea	20,300	3,901	22	3,154	27,379	–	27,379
China	180,875	619	12,988	4,232	198,716	79	198,796
United States	68,837	12,714	10	–	81,562	357	81,919
Europe	24,748	7,962	660	11	33,383	77	33,460
Other	14,361	2,069	25	1,258	17,715	24	17,739
Overseas	¥ 358,723	¥ 27,441	¥ 20,192	¥ 10,346	¥ 416,705	¥ 539	¥ 417,244
Sales to outside customers[3]	¥ 417,677	¥ 47,535	¥ 22,420	¥ 14,514	¥ 502,148	¥ 2,768	¥ 504,916
Products and services							
New equipment[2]	343,667	23,512	15,668	8,501	391,349	518	391,868
After-sales service and other[2]	74,010	24,022	6,751	6,013	110,799	2,249	113,048
Sales to outside customers[3]	¥ 417,677	¥ 47,535	¥ 22,420	¥ 14,514	¥ 502,148	¥ 2,768	¥ 504,916

For the year ended March 31, 2025

	Thousands of U.S. dollars						
	Reportable segment					Other[1]	Total
	SPE	GA	FT	PE	Total		
Country or region							
Japan	$ 408,832	$ 138,467	$ 5,850	$ 24,128	$ 577,278	$ 23,516	$ 600,795
Taiwan	718,154	915	25,510	11,387	755,968	68	756,036
Korea	160,991	28,635	106	22,141	211,875	48	211,924
China	1,537,878	6,003	186,734	23,579	1,754,196	14,229	1,768,426
United States	328,257	99,127	30	–	427,415	637	428,053
Europe	159,523	60,200	525	938	221,187	1,410	222,598
Other	149,762	19,000	–	11,768	180,531	100	180,631
Overseas	$ 3,054,567	$ 213,883	$ 212,906	$ 69,816	$ 3,551,173	$ 16,496	$ 3,567,670
Sales to outside customers[3]	$ 3,463,400	$ 352,350	$ 218,756	$ 93,944	$ 4,128,452	$ 40,012	$ 4,168,465
Products and services							
New equipment[2]	2,890,367	169,894	191,909	52,597	3,304,769	23,250	3,328,020
After-sales service and other[2]	573,033	182,455	26,847	41,346	823,683	16,762	840,445
Sales to outside customers[3]	$ 3,463,400	$ 352,350	$ 218,756	$ 93,944	$ 4,128,452	$ 40,012	$ 4,168,465

1. The "Other" category covers operations not included in the reportable segments, including the development, manufacture, and marketing of equipment in new business fields such as advanced semiconductor packaging, life science, and hydrogen-related areas; development and marketing of software; design and production of documents; and other businesses.
2. "New equipment" includes the sale of new equipment as well as provided services related to equipment installation. "After-sales service and other" includes the sale of maintenance parts, consumables, etc.; the provision of repair and modification services; and the sale of used equipment, etc.
3. "Sales to outside customers" is mainly revenue arising from contracts with customers; because the amount of revenue from sources other than this is insignificant, it is included in revenue arising from contracts with customers.

2. Basic information to understand revenue from contracts with customers:
For details, please refer to Note 1 (s), "Summary of significant accounting and reporting policies—Revenues and expenses."

3. Relationship between meeting of performance obligations based on contracts with customers and cash flows arising from said contracts as well as information on the amount and timing of revenue expected to be recognized in or after the following fiscal year from contracts with customers existing as of the fiscal year-end.

(1) Balance of contract assets and contract liabilities

Years ended March 31	Millions of yen				Thousands of U.S. dollars	
	2025		2024		**2025**	
	Balance at the beginning of the year	Balance at the end of the year	Balance at the beginning of the year	Balance at the end of the year	Balance at the beginning of the year	Balance at the end of the year
Receivables from contracts with customers	**¥ 85,918**	**¥ 73,315**	¥ 86,156	¥ 85,918	**$ 572,790**	**$ 488,770**
Contract assets	**22,300**	**22,872**	21,061	22,300	**148,668**	**152,484**
Contract liabilities	**136,603**	**100,401**	74,674	136,603	**910,687**	**669,342**

Receivables not arising from contracts with customers are included in receivables from contracts with customers due to their immateriality.

Contract assets mainly consist of rights to consideration in the sale of products that require the making of payment with respect to revenue recognized upon completion of installation.

There were no cases in which the period between meeting of the performance obligation and receipt of the consideration was significantly long, and no significant financial components were included.

Contract liabilities, applying mainly in the case of sales of products, refer to advance payments received from customers based on payment conditions (such as the date for commencement and shipment) regarding contracts with customers that recognize revenue upon the completion of the installation. Following the recognition of revenue, the advance payment is reversed.

The revenue recognized during the fiscal years ended March 31, 2025 and 2024 that was included in the contract liabilities balances as of April 1, 2024 and 2023 was ¥105,586 million ($703,912 thousand) and ¥71,558 million, respectively.

(2) Transaction price allocated to the remaining performance obligation
The information on remaining performance obligation is omitted as a practical expedient because there are no significant transactions in which the originally expected contract period exceeded one year. In addition, there was no material consideration from contracts with customers that was not included in the transaction price.

Note 16: Impairment of non-current assets

For the year ended March 31, 2025, the SCREEN Group recorded impairment loss of ¥1,365 million.
Significant non-current assets included in this loss are listed in the table below.

For the year ended March 31, 2025
(1) Assets for which impairment loss was recognized

Location	Major use	Asset category	Impairment loss
			Millions of yen
SCREEN Holdings Co., Ltd. Hikone-shi, Shiga	Operating assets (Hydrogen-related business)	Machinery, equipment and other	¥ 806
SCREEN PE Solutions Co., Ltd. Yasu-shi, Shiga and other	Operating assets	Machinery, equipment and other	¥ 557

(2) Background to recognition of impairment loss
Each of the estimated future cash flows generated from the use of the groups of assets held by SCREEN Holdings Co., Ltd. in its hydrogen-related business and SCREEN PE Solutions Co., Ltd. fell below their respective book values. Accordingly, the book values of the assets were reduced to the recoverable amount, and the reductions were recorded as an impairment loss under "Other (income) expenses."

(3) Breakdown of impairment loss

	Millions of yen
Property, plant and equipment	
Buildings and structures	¥ 182
Machinery, equipment and other	809
Other	246
Intangible assets	
Other assets	120
Investments and other assets	
Other assets	3
Total	¥ 1,363

(4) Grouping
To assess non-current asset impairment, the Group generally classifies its assets into groups at the level of each company. However, within SCREEN Holdings Co., Ltd., assets are grouped by business. The Company and its consolidated subsidiaries group their assets for rent and idle assets by the individual asset.

(5) Measuring recoverable amounts
The recoverable amount of an operating assets is measured by the net selling price and is calculated by estimates, such as the estimated selling price. In addition, the recoverable amount of a rental asset is measured using the value in use. The assets that are difficult to sell or convert to other uses have a recoverable amount of zero and are evaluated by the memorandum value.

For the year ended March 31, 2024, there was no significant impairment loss.

Note 17: Significant subsequent events

Acquisition of the Company's shares

At the Board of Directors meeting held on February 14, 2025, the Company resolved matters related to the acquisition of its shares based on the stipulations of Article 156 of the Companies Act of Japan as applied pursuant to Article 165-3 of said law. The acquisition was completed on April 7, 2025.

1. Details of the resolution of the Board of Directors meeting on February 14, 2025
(1) Type of shares to be acquired: Common stock
(2) Number of shares to be acquired: Up to 4 million
(3) Total acquisition cost: Up to ¥30 billion
(4) Period of acquisition: February 17, 2025 to April 25, 2025

2. Cumulative total shares acquired in accordance with the aforementioned resolution
(1) Total number of shares acquired: 2,979,300
(2) Total acquisition cost: ¥29,999,819,435
(3) Period of acquisition: February 17, 2025 to April 7, 2025 (contract basis)

3. Shares acquired on or after April 1, 2025, as outlined in 2., above
(1) Total number of shares acquired: 1,242,500
(2) Total acquisition cost: ¥11,073,215,958

Disposal of treasury stock through third-party allotment

At the Board of Directors meeting held on July 25, 2025, the Company made a decision pertaining to disposal of treasury stock through third-party allotment. For details, please refer to "Notice: Contribution of Additional Funds to the Performance-Linked Share Compensation System and Disposal of Treasury Stock through Third-Party Allotment" disclosed on the same day.

Cancellation of treasury shares

At the same Board of Directors meeting, the Company also resolved to cancel treasury shares pursuant to Article 178 of the Companies Act. For details, please refer to "Notice: Cancellation of Treasury Shares" disclosed on the same day.

Independent auditor's report

To the Board of Directors of SCREEN Holdings Co., Ltd.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SCREEN Holdings Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2025, the consolidated statements of income and comprehensive income, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Response to accounting treatments resulting from the improper conduct at SCREEN Semiconductor Solutions Co., Ltd.

The key audit matter	How the matter was addressed in our audit
During the current fiscal year, an internal investigation of SCREEN Holdings Co., Ltd. (hereinafter, the "Company") revealed indications suggesting that the timing of satisfying performance obligation related to revenue recognition may have been deliberately manipulated for certain equipment sale	In order to obtain an accurate and complete understanding of the impact of accounting treatments resulting from the improper conduct at SPE on the consolidated financial statements, we primarily performed the following procedures by involving fraud investigation specialists within our firm and network firms:

transactions of SCREEN Semiconductor Solutions Co., Ltd. (hereinafter, “SPE”), a consolidated subsidiary of the Company for the year ended March 31, 2024. Accordingly, the Company established a special investigation committee, comprising of external experts including attorneys and certified public accountants, on November 14, 2024 and commenced an investigation from an objective and neutral standpoint. The Company subsequently received the investigation report from the special investigation committee on January 14, 2025.

SPE determines in principle that the performance obligations related to equipment sale transactions are satisfied upon installation and accordingly recognizes revenue from equipment sale transactions at that time. However, SPE, as an exception, recognizes revenue upon delivery of the equipment when it received a side letter from the customer indicating that installation was unnecessary.

As a result of the investigation by the special investigation committee, instances of improper conduct were identified in which, for certain transactions, agreements were made with the customers to subsequently perform installation work free of charge (hereinafter, “improper conduct”), while revenue was recognized upon delivery of the equipment based on the side letters received from the customers indicating that installation was unnecessary. However, the Company did not restate the consolidated financial statements for the prior fiscal years, as it deemed that the impact of accounting treatments resulting from the improper conduct was immaterial.

When improper conduct such as the one described above occurs, it is necessary to assess the details, causes and extent of the improper conduct, as well as whether there are any similar transactions (hereinafter, “similar transactions”), in order to obtain an accurate and complete understanding of the impact of accounting treatments resulting from the improper conduct on the consolidated financial statements. This assessment required a high degree of expertise, such as specialized knowledge and experience in fraud investigation.

- We assessed the appropriateness of the investigation into the improper conduct by the special investigation committee by evaluating certain aspects, as listed below, of the investigation, through inspection of the investigation report and other relevant documents and inquiry of the special investigation committee:
  - objectivity and independence of the special investigation committee;
  - appropriateness of the investigation scope, procedures performed, investigation results, and the rationale supporting those results; and
  - appropriateness of the digital forensic investigation.

- We examined whether there were any similar transactions by performing the following procedures:
  - assessed the appropriateness of the special investigation committee’s scope, procedures performed, results, and the rationale supporting the results of the investigation into whether similar transactions existed:
  - inspected relevant documents, including the installation completion report, and inquired about the transaction details, for a selection of SPE’s equipment sale transactions that may constitute an exception in terms of the timing for satisfying performance obligations, among others, based on factors such as the period from shipment to sales recognition; and
  - inspected relevant documents and inquired about the transaction details of equipment sale transactions at other significant consolidated subsidiaries.

- We assessed whether the impact on the consolidated financial statements was accurately and completely captured by performing the following procedures:
  - inspected relevant documents and performed recalculations of the impact of the improper conduct aggregated by the Company and the special investigation committee.

We, therefore, determined that our assessment of the Company's response to accounting treatments resulting from the improper conduct at SPE was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	

Reasonableness of the valuation of finished goods and work in process in SCREEN Semiconductor Solutions Co., Ltd.

The key audit matter	How the matter was addressed in our audit
As described in Note 1, "Summary of significant accounting and reporting policies, Significant accounting estimates, 1. Valuation of finished goods and work in process in the Semiconductor Production Equipment Business" to the consolidated financial statements, included in inventories of ¥168,661 million reported on the consolidated balance sheet of SCREEN Holdings Co., Ltd. (hereinafter referred to as the "Company") and its consolidated subsidiaries as of March 31, 2025, were finished goods of ¥55,357 million and work in process of ¥34,823 million related to SCREEN Semiconductor Solutions Co., Ltd. (hereinafter referred to as the "SPE") within the Semiconductor Production Equipment Business segment, which amounted to ¥90,180 million and represented 13% of total assets in the consolidated financial statements. In principle, loss on valuation of inventories is reported for the finished goods and work in process in the Semiconductor Production Equipment Business (hereinafter referred to as the "Inventories") whenever the net selling price is less than the carrying amount. However, for the Inventories that are uncertain about the future salability due to outside of the normal operating cycle, the Company applies to them a valuation method that reduces the carrying amount to the estimated disposal value, in order to reflect their reduced profitability. The semiconductor market to which SPE belongs is subject to wild ups and downs. Sometimes the market grows substantially driven by rapid technological innovation, and other times it faces the stagnation caused by the deterioration in the supply-demand balance. For this reason,	The primary procedures we performed to assess the reasonableness of the valuation of the Inventories included the following: (1) Internal control testing We tested the design and operating effectiveness of certain of internal controls relevant to the valuation of the Inventories. In this assessment, we focused our testing on the general and application controls of the relevant IT systems that ensure the accuracy and completeness of the amount of the Inventories classified in each aging category in the inventory lists based on a period from the start of the manufacturing, as management relied on the inventory lists to identify the Inventories with the uncertainty about the future salability. (2) Assessment of the appropriateness of the determination of the identification of the Inventories with the uncertainty about the future salability In order to assess the appropriateness of key assumptions adopted by management in identifying the Inventories with the uncertainty about the future salability that were subject to reducing the carrying amount, we performed the following procedures: (i) assessed the appropriateness of the judgment on the salability of the Inventories using demand forecasts of semiconductor production equipment published by external organizations and investment plans disclosed by customers as a reference; and (ii) assessed the consistency of management's judgment with our understanding of each of the Inventories and the sales history of the previous and current fiscal years by inquiring

significant management's judgment was involved in the identification of the Inventories with uncertainty about the future salability and the estimate of the amount of reduction in the carrying amount. We, therefore, determined that our assessment of the reasonableness of the valuation of the Inventories was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	of management and administration manager of SPE about the basis of management's judgment on the salability of each of the Inventories and inspecting the relevant records or documents. (3) Assessment of the reasonableness of the estimated amount of reduction in the carrying amount In order to assess the reasonableness of the estimated amount of reduction in the carrying amount for the Inventories that were subject to reducing their carrying amount, we performed the following procedures: (i) compared the write-down rates used to calculate the amount of reduction in the carrying amount with the average actual rate of loss from disposal of the Inventories in the previous and current fiscal years; and (ii) assessed the accuracy of the calculation for the amount of the reduction in the carrying amount through recalculation.

Other Information

The other information comprises the information included in the Annual Report Financial Section, but does not include the consolidated financial statements and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial

statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in "Details of audit fees, etc." included in "Management's discussion and analysis" of the Annual Report Financial Section.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hisaki Nakajima
Designated Engagement Partner
Certified Public Accountant

Yohei Onishi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Kyoto Office, Japan
September 12, 2025

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Innovation for a Sustainable World

SCREEN Holdings Co., Ltd.

Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome, Horikawa-dori,
Kamigyo-ku, Kyoto 602-8585, Japan
Contact: Corporate Communications Department
www.screen.co.jp/en/contact/ir

IR-FS2025_2025.09 R1_Cre