



**SCREEN Holdings Co., Ltd.**

Financial Results Online Presentation for the First Quarter Ended June 30, 2026

July 28, 2026

## Event Summary

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|                      |                                                                                 |                                                                      |
|----------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------|
| [Company Name]       | SCREEN Holdings Co., Ltd.                                                       |                                                                      |
| [Company ID]         | 7735-QCODE                                                                      |                                                                      |
| [Event Language]     | JPN                                                                             |                                                                      |
| [Event Type]         | Earnings Announcement                                                           |                                                                      |
| [Event Name]         | Financial Results Online Presentation for the First Quarter Ended June 30, 2026 |                                                                      |
| [Fiscal Period]      | FY2027/03 Q1                                                                    |                                                                      |
| [Date]               | July 28, 2026                                                                   |                                                                      |
| [Number of Pages]    | 34                                                                              |                                                                      |
| [Time]               | 17:15 – 18:19<br>(Total: 64 minutes, Presentation: 34 minutes, Q&A: 30 minutes) |                                                                      |
| [Venue]              | Webcast                                                                         |                                                                      |
| [Venue Size]         |                                                                                 |                                                                      |
| [Participants]       |                                                                                 |                                                                      |
| [Number of Speakers] | 4                                                                               |                                                                      |
|                      | Masato Goto                                                                     | President and Chief Executive Officer                                |
|                      | Manabu Ishimura                                                                 | Managing Executive Officer, Chief Financial Officer                  |
|                      | Chiho Otobe                                                                     | Senior Executive Officer, Head of Communication Strategy, Head of IR |
|                      | Shinkichi Nakamura                                                              | Deputy Head of Investor Relations, Communication Strategy Division   |
| [Analyst Names]*     | Yu Yoshida                                                                      | CLSA Securities Japan                                                |
|                      | Shuhei Nakamura                                                                 | Goldman Sachs Japan                                                  |
|                      | Takashi Shimamoto                                                               | Okasan Securities                                                    |
|                      | Atsushi Yoshioka                                                                | Nomura Securities                                                    |
|                      | Masahiro Shibano                                                                | Citigroup Global Markets                                             |
|                      | Suzune Tamura                                                                   | Morgan Stanley Securities                                            |

Tetsuya Wadaki

SBI SECURITIES

\*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

# Presentation

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**Shinkichi Nakamura:** Hello everyone. Since it is now time, we will begin the financial results briefing for Q1 of the fiscal year ending March 2027 for SCREEN Holdings, Inc. Thank you for taking time out of your busy schedule to join us today. I'm Nakamura, Deputy Head of Investor Relations in the Communication Strategy Division, and I'll be serving as the moderator today. Thank you.

Before we begin the presentation, I have a few announcements to make. There was an earthquake in Kumamoto a short while ago, and we are currently gathering information. Please be aware that, depending on the circumstances, we may need to wrap things up a little early. In that case, we will provide you with further details at a later time. Thank you for your understanding.

Next, in addition to the Japanese session, we are also offering an English session for this information session. We provide simultaneous interpretation so that international investors can also participate. When asking questions, please refrain from mentioning the specific names of customers or competitors, as well as any company-specific circumstances.

This briefing is intended for institutional investors and analysts. As previously announced, we kindly ask that members of the media refrain from asking questions.

Please note that the recording of the briefing session and the Q&A session are scheduled to be posted on our website on Wednesday, July 29. We hope you find this useful.

Now, let me introduce today's presenter. Masato Goto, President and Chief Executive Officer.

**Goto:** I am Goto. Thank you.

**Shinkichi Nakamura:** Manabu Ishimura, Executive Officer and Chief Financial Officer (CFO).

**Ishimura:** I am Ishimura. Thank you.

**Shinkichi Nakamura:** Chiho Otobe, Senior Executive Officer, Head of the Global Communications Strategy Division, and Head of the Investor Relations Office.

**Otobe:** I am Otobe. Thank you.

**Shinkichi Nakamura:** Now, our CFO, Ishimura, will provide an overview of our consolidated financial results and our earnings forecast. CFO Ishimura, please go ahead.

## FY2027/03 1Q summary of consolidated earnings



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**Ishimura:** Now, I would like to provide an overview of our consolidated financial results for Q1 and explain our earnings forecast.

Here is an overview of the consolidated earnings forecast for Q1 ending in March of FY2027. Revenue totaled JPY121.7 billion, a decrease of 10.3% compared to the same period last year, representing a decline of JPY14 billion. Operating income was JPY14.3 billion, down 41.1% from the same period last year. That amounts to a loss of JPY10 billion. The operating profit margin stands at 11.8%, representing a decrease of 6.2 percentage points compared to the same period last year.

Overall, revenue and profit were down compared to the previous period. As for SPE, revenue and profits were down compared to the previous quarter, but this was in line with our original expectations, so nothing out of the ordinary has happened. The slide project described here is for a Chinese memory manufacturer. We currently expect this manufacturer's sales to be recorded in Q2, and this is virtually confirmed.

As for GA, both revenue and profit increased compared to the previous quarter, and revenue from recurring business has grown. As for FT, both revenue and profits have increased compared to the previous quarter, and sales of equipment for OLED and LCD are on the rise.

While this is the situation for Q1, we have revised our full-year earnings forecast upward in light of strong order intake and record-high orders. Based on this, the annual dividend forecast has been raised to JPY183, an increase of JPY8 from the previous forecast of JPY175 announced in May.

## FY2027/03 1Q consolidated earnings

QoQ (Billions of JPY)

|                                                                | FY2026/03 |       |       |       |       | FY2027/03 |                  |        |
|----------------------------------------------------------------|-----------|-------|-------|-------|-------|-----------|------------------|--------|
|                                                                | 1Q        | 2Q    | 3Q    | 4Q    | Full  | 1Q        | Difference (QoQ) |        |
| <b>Net sales</b>                                               | 135.7     | 138.5 | 151.0 | 180.3 | 605.7 | 121.7     | -14.0            | -10.3% |
| <b>OP income</b>                                               | 24.3      | 22.0  | 30.9  | 45.0  | 122.5 | 14.3      | -10.0            | -41.1% |
| OP margin                                                      | 18.0%     | 15.9% | 20.5% | 25.0% | 20.2% | 11.8%     |                  | -6.2pt |
| <b>Ordinary income</b>                                         | 24.5      | 22.2  | 32.0  | 45.4  | 124.3 | 15.4      | -9.1             | -37.2% |
| <b>Net income</b><br>(Profit attributable to owners of parent) | 16.6      | 15.1  | 23.0  | 37.0  | 92.0  | 10.4      | -6.1             | -37.1% |

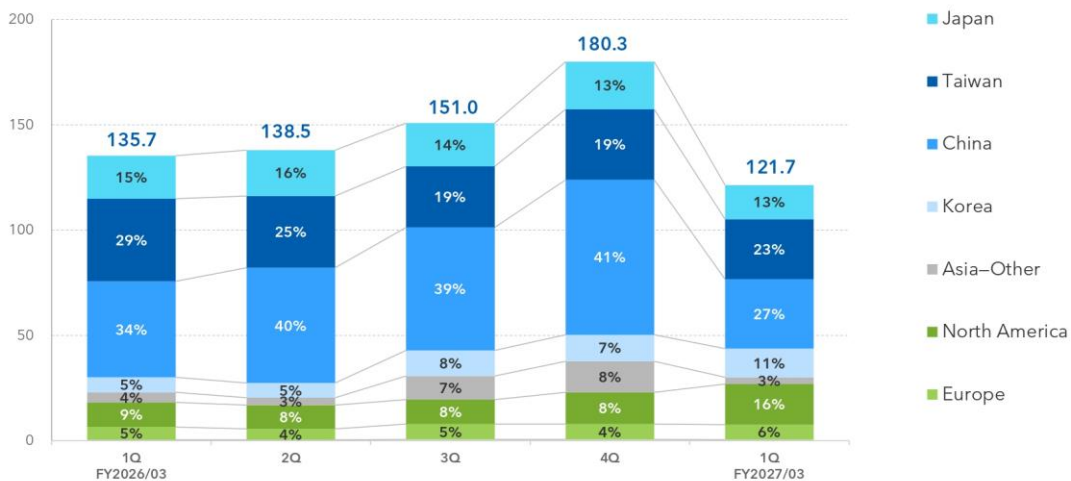
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Next, regarding Q1 results in a bit more detail. As mentioned earlier, revenue was JPY121.7 billion, a decrease of JPY14 billion, and operating income was JPY14.3 billion, a decrease of JPY10 billion. Ordinary income was JPY15.4 billion, a decrease of JPY9.1 billion, while net income was JPY10.4 billion, a decrease of JPY6.1 billion compared to the same period last year.

## Composition of group sales by destination

QoQ (Billions of JPY)



Note: Ratios are rounded to the nearest 1% and may not add up to 100%.

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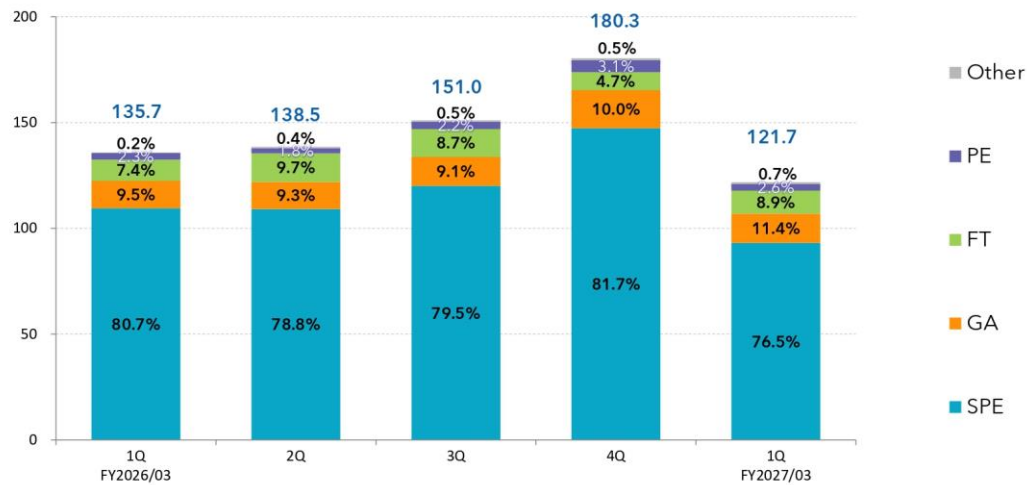
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Next, regarding the breakdown of sales by region, China's share has decreased from 41% in the previous Q4 to 27%. In contrast, Europe and the United States saw an increase of 8 percentage points, ranging from 8% to 16%. In Taiwan, too, the figure rose from 19% to 23%, a 4 percentage point increase. Cases are also on the rise in South Korea.

## Composition of group sales by segment

QoQ

(Billions of JPY)



Notes: 1. Ratios are rounded to the nearest 0.1% and may not add up to 100%.

2. Advanced packaging business was transferred from the new business segment to FT on April 1, 2026. Sales of FT are calculated on the hypothesis that the transfer had occurred at the start of FY2026/03.

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Next, regarding sales by segment, due to slightly lower SPE sales this time, SPE-related sales account for 76.5%, which is just under 80%. As for other situations, there are essentially no changes.

## FY2027/03 1Q consolidated earnings by segment

|     |           | FY2026/03 |       |       |       | FY2027/03 |       |        | Difference                                                                                                                                                                                                               |
|-----|-----------|-----------|-------|-------|-------|-----------|-------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |           | 1Q        | 2Q    | 3Q    | 4Q    | 1Q        |       |        |                                                                                                                                                                                                                          |
| SPE | Net sales | 109.5     | 109.0 | 120.0 | 147.3 | 93.1      | -16.3 | -15.0% | <ul style="list-style-type: none"> <li>Sales and profits both fell. Sales for foundry and logic decreased. The share of sales to China and Taiwan declined. (sales from a delayed project to be posted in 2Q)</li> </ul> |
|     | OP income | 25.6      | 22.9  | 29.6  | 44.3  | 14.3      | -11.3 | -44.0% |                                                                                                                                                                                                                          |
|     | OP margin | 23.5%     | 21.0% | 24.7% | 30.1% | 15.4%     |       | -8.1pt |                                                                                                                                                                                                                          |
| GA  | Net sales | 12.9      | 12.8  | 13.7  | 17.9  | 13.8      | 0.9   | 7.1%   | <ul style="list-style-type: none"> <li>Sales and profits both grew driven by recurring business</li> </ul>                                                                                                               |
|     | OP income | 0.5       | 0.6   | 0.7   | 1.6   | 1.4       | 0.8   | 150.7% |                                                                                                                                                                                                                          |
|     | OP margin | 4.4%      | 5.1%  | 5.2%  | 9.3%  | 10.3%     |       | 5.9pt  |                                                                                                                                                                                                                          |
| FT  | Net sales | 10.0      | 13.4  | 13.1  | 8.5   | 10.8      | 0.8   | 8.0%   | <ul style="list-style-type: none"> <li>Sales and profits both grew. Equipment sales grew driven by OLED and LCD.</li> </ul>                                                                                              |
|     | OP income | 0.8       | 2.5   | 3.1   | 0.2   | 1.2       | 0.4   | 54.4%  |                                                                                                                                                                                                                          |
|     | OP margin | 8.2%      | 18.6% | 23.8% | 3.0%  | 11.8%     |       | 3.6pt  |                                                                                                                                                                                                                          |
| PE  | Net sales | 3.0       | 2.4   | 3.3   | 5.6   | 3.1       | 0     | 2.0%   | <ul style="list-style-type: none"> <li>Sales grew while profits fell. Strong post sales but higher fixed costs.</li> </ul>                                                                                               |
|     | OP income | -0        | -0.1  | -0.3  | 0.9   | -0.2      | -0.2  | -%     |                                                                                                                                                                                                                          |
|     | OP margin | -1.0%     | -8.0% | -8.9% | 16.2% | -9.5%     |       | -8.5pt |                                                                                                                                                                                                                          |

Note: Advanced packaging business was transferred from the new business segment to FT on April 1, 2026. Sales of FT are calculated on the hypothesis that the transfer had occurred at the start of FY2026/03.

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Here are the consolidated Q1 results for each business segment.

For the SPE segment, Q1 revenue was JPY93.1 billion, operating income was JPY14.3 billion, and the operating margin was 15.4%. This represents a YoY decline in both revenue and profit, with net sales decreasing by JPY16.3 billion and operating income decreasing by JPY11.3 billion. Revenue from the logic and foundry

segments is declining, and the proportion of revenue from China and Taiwan is decreasing. As I mentioned earlier, we plan to recognize revenue from the slide project in Q2.

For GA, Q1 sales were JPY13.8 billion, operating income was JPY1.4 billion, and the operating margin was 10.3%. Revenue increased by JPY900 million, and operating income was up JPY800 million compared to the same period last year. As for GA, revenue and profits are both on the rise, and our recurring business is growing.

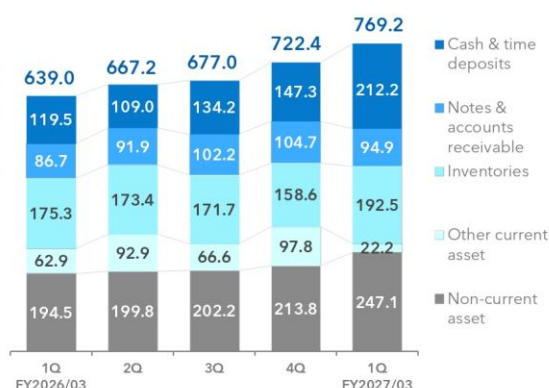
For FT, net sales were JPY10.8 billion, operating income was JPY1.2 billion, and the operating margin was 11.8%. Compared to the same period last year, revenue and profit increased by JPY800 million and JPY400 million, respectively.

As for PE, Q1 revenue was JPY3.1 billion, and operating income was a loss of JPY200 million. Although sales have increased slightly, profits have declined due to rising fixed costs and other expenses.

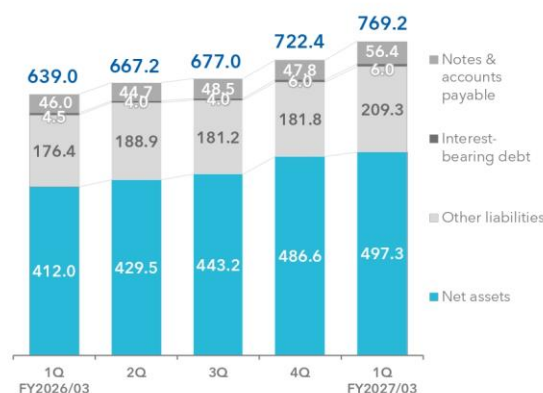
## Financial standing: Balance sheet

Net assets reached ¥497.3 billion; equity ratio at 64.6%.

### Assets (Billions of JPY)



### Liabilities & net assets (Billions of JPY)

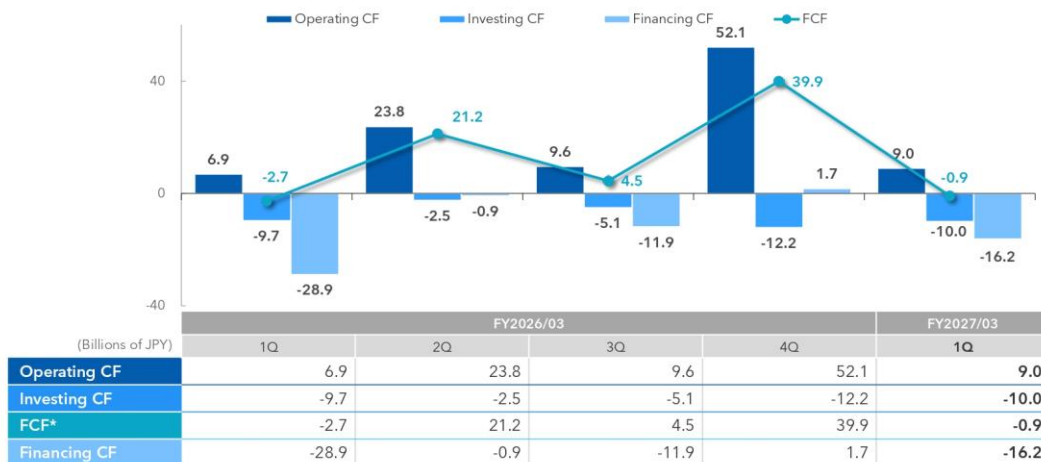


Next, here is the status of the consolidated balance sheet. Total assets amount to JPY769.2 billion. Of that total, net assets amount to JPY497.3 billion, and the equity ratio is 64.6%. We are currently maintaining our equity ratio within an appropriate range.

## Financial standing: Cash flows

1Q operating cash flow landed at ¥9.0 billion, mainly due to income taxes paid.

QoQ (Billions of JPY)



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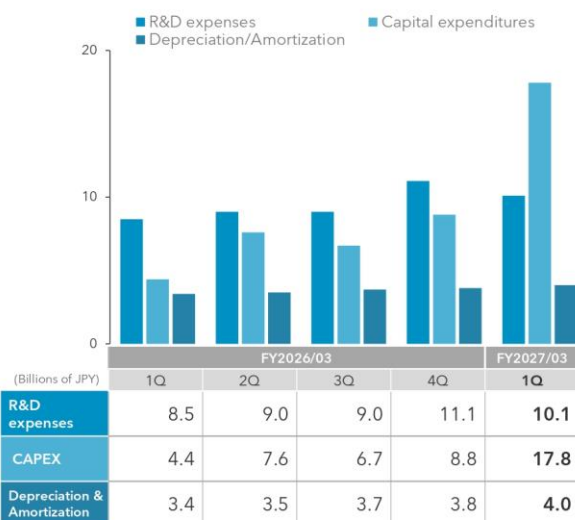
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Regarding consolidated cash flows, operating cash flow for Q1 was JPY9 billion. Due to payments such as corporate income tax, the figure for this quarter is JPY9 billion. Investing cash flow was negative JPY10 billion, and free cash flow, including that amount, was negative JPY900 million. Cash flow from financing activities was negative JPY16.2 billion. This figure reflects dividend payments and other similar disbursements.

## R&D expenses, CAPEX, and depreciation/amortization

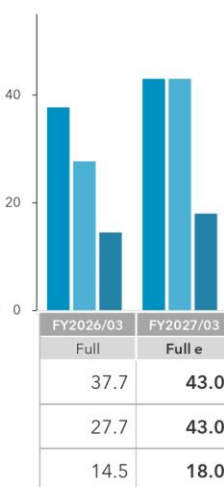
QoQ (Billions of JPY)



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YoY (Billions of JPY)



### R&D expenses

- Mainly attributable to SPE—landed within the expected range.

### CAPEX

- 1Q result: Investments mainly in ATCA, a new R&D hub in Albany (NY).
- Full-year forecast: Expenditures for R&D, manufacturing, IT, and production capacity expansion, etc.

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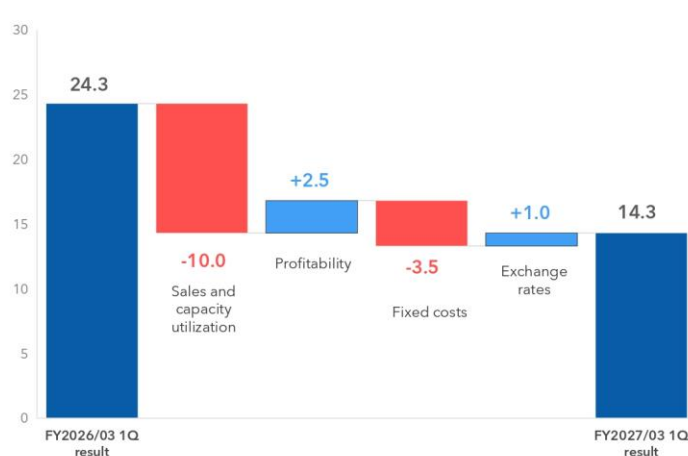
Next, here is an overview of our research and development expenses, capital expenditures, and depreciation expenses.

Research and development expenses totaled JPY10.1 billion, and Q1 results were in line with expectations, particularly in the SPE segment. Capital expenditures for Q1 totaled JPY17.8 billion. Based on past trends, this figure is quite high. However, this is due to the fact that ATCA in the US uses lease accounting, which capitalizes the entire amount of building lease expenses for the contract period as a capital investment, and this is reflected in the figures. As for everything else, the investment level is on par with usual. Depreciation expense amounted to JPY4 billion.

We have not changed our full-year forecast from the previous one. We are currently investing in research and development, production, and IT-related areas, and we anticipate that investments to increase production will also be made in line with recent order trends.

## Analysis of operating income growth

FY2026/03 1Q vs FY2027/03 1Q (Billions of JPY)



### Sales and capacity utilization

Declined mainly due to SPE

### Profitability

Improved mainly due to FT

### Fixed costs

Increased due to growth investment mainly attributable to SPE (including R&D expenses, personnel expenses, depreciation & amortization, etc.)

### Exchange rates

Mainly impacted GA

Note: Impacts on OP income are approximate figures rounded to be shown in ¥0.5 bn increments.

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Next, we'll look at the analysis of changes in operating income. When comparing Q1 of the previous fiscal year to Q1 of this fiscal year, operating income decreased by JPY10 billion, from JPY24.3 billion to JPY14.3 billion. The main factors behind this were, as expected, a decline in SPE sales and the negative impact of operating rates, which amounted to JPY10 billion.

In terms of profitability, FT posted a profit of JPY2.5 billion, while fixed costs resulted in a loss of JPY3.5 billion due to growth investments centered on SPE. Since foreign exchange effects resulted in a positive impact of JPY1 billion on GA, the positive effects of profitability and foreign exchange, JPY2.5 billion and JPY1 billion, respectively, were offset by a decrease in fixed costs of JPY3.5 billion, resulting in a net decrease in sales of JPY10 billion.

## FY2027/03 business forecasts (as of July 28, 2026)

\* Net sales and profit forecasts by segment are approximate figures rounded to be shown in ¥0.5 bn increments.

|                                                         |           | FY2026/03 |              | FY2027/03     |              |               |              |               |
|---------------------------------------------------------|-----------|-----------|--------------|---------------|--------------|---------------|--------------|---------------|
|                                                         |           | Full      | 1H           |               | 2H           |               | Full         |               |
|                                                         |           |           | May forecast | July forecast | May forecast | July forecast | May forecast | July forecast |
| (Billions of JPY)                                       |           |           |              |               |              |               |              |               |
| Net sales                                               |           | 605.7     | 317.0        | 317.0         | 408.0        | 426.0         | 725.0        | 743.0         |
| OP income                                               |           | 122.5     | 56.0         | 56.0          | 94.0         | 100.5         | 150.0        | 156.5         |
| OP margin                                               |           | 20.2%     | 17.7%        | 17.7%         | 23.0%        | 23.6%         | 20.7%        | 21.1%         |
| Ordinary income                                         |           | 124.3     | 56.0         | 56.0          | 94.0         | 100.5         | 150.0        | 156.5         |
| Net income<br>(Profit attributable to owners of parent) |           | 92.0      | 37.5         | 37.5          | 72.5         | 77.5          | 110.0        | 115.0         |
| SPE                                                     | Net sales | 485.9     | 260.0        | 260.0         | 340.0        | 360.0         | 600.0        | 620.0         |
|                                                         | OP income | 122.7     | 60.5         | 60.5          | 92.5         | 98.5          | 153.0        | 159.0         |
|                                                         | OP margin | 25.2%     | 23.3%        | 23.3%         | 27.2%        | 27.4%         | 25.5%        | 25.6%         |
| GA                                                      | Net sales | 57.4      | 28.0         | 28.5          | 31.0         | 31.5          | 59.0         | 60.0          |
|                                                         | OP income | 3.6       | 2.0          | 2.5           | 2.5          | 3.0           | 4.5          | 5.5           |
|                                                         | OP margin | 6.3%      | 7.1%         | 8.8%          | 8.1%         | 9.5%          | 7.6%         | 9.2%          |
| FT                                                      | Net sales | 45.1      | 20.0         | 20.0          | 27.0         | 23.0          | 47.0         | 43.0          |
|                                                         | OP income | 6.7       | 0.5          | 1.5           | 2.0          | 1.0           | 2.5          | 2.5           |
|                                                         | OP margin | 14.9%     | 2.5%         | 7.5%          | 7.4%         | 4.3%          | 5.3%         | 5.8%          |
| PE                                                      | Net sales | 14.5      | 7.0          | 7.0           | 8.5          | 9.5           | 15.5         | 16.5          |
|                                                         | OP income | 0.3       | 0.5          | 0             | 1.0          | 1.5           | 1.5          | 1.5           |
|                                                         | OP margin | 2.6%      | 7.1%         | 0.0%          | 11.8%        | 15.8%         | 9.7%         | 9.1%          |
| Other                                                   | Net sales | 2.6       | 2.0          | 1.5           | 1.5          | 2.0           | 3.5          | 3.5           |
|                                                         | OP income | -10.8     | -7.5         | -8.5          | -4.0         | -3.5          | -11.5        | -12.0         |

Notes: 1. Assuming the exchange rates of USD 1.00 = JPY 150.00 and EUR 1.00 = JPY 175.00 for FY2027/03, and exchange rate sensitivity of ¥0.14 bn for USD and ¥0.02 bn for EUR on OP income.

2. Advanced packaging business was transferred from the new business segment to FT on April 1, 2026. Sales of FT are calculated on the hypothesis that the transfer had occurred at the start of FY2026/03.

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Next, here are the earnings forecasts for the fiscal year ending March 2027. For H1, we have not revised our forecast for the Group as a whole from our previous forecast in May. Revenue of JPY317 billion, operating income of JPY56 billion, and an operating margin of 17.7%. Ordinary income was JPY56 billion, and net income was JPY37.5 billion. We have made some minor adjustments to the detailed segments using GA, FT, PE and Other but there are no major changes.

Regarding the full-year forecast on the far right, we have revised our sales forecast upward by JPY18 billion to JPY743 billion from the previous forecast of JPY725 billion. We also expect operating income to reach JPY156.5 billion, representing an increase of JPY6.5 billion from the previous operating income of JPY150 billion. Similarly, we forecast ordinary income to be JPY156.5 billion, representing an increase of JPY6.5 billion. Net income for the current period was JPY115 billion, representing an increase of JPY5 billion from the previous figure of JPY110 billion.

As for each segment, we expect SPE to post revenue of JPY620 billion, an increase of JPY20 billion from the previous forecast of JPY600 billion. Accordingly, we forecast operating income of JPY159 billion, an increase of JPY6 billion from the previous forecast of JPY153 billion, with an operating margin of 25.6%.

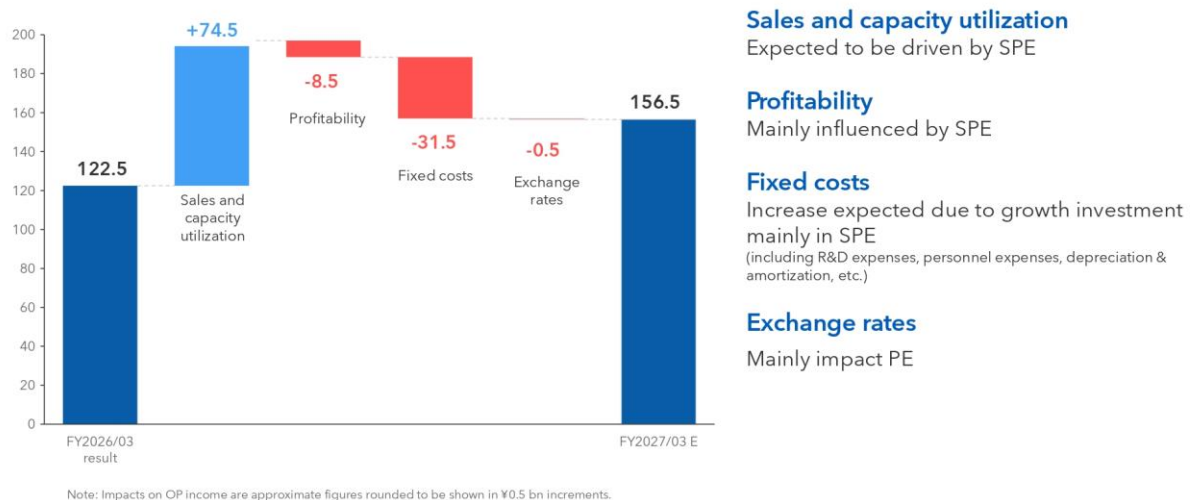
With regard to GA, we expect both net sales and operating income to exceed our previous forecast by JPY1 billion.

As for FT, the original figure was JPY47 billion, but after conducting a detailed review of sales in areas such as the advanced packaging we now expect revenue to be JPY43 billion, a decrease of JPY4 billion.

For PE, revenue is expected to increase by JPY1 billion.

## Analysis of operating income growth—forecast

FY2026/03 vs FY2027/03 E (Billions of JPY)



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Next, regarding the analysis of the change in operating income between the previous fiscal year and this year's forecast, we anticipate operating income of JPY156.5 billion this year, compared to JPY122.5 billion in the previous fiscal year.

In terms of the breakdown, we anticipate a positive impact of JPY74.5 billion from changes in sales and operating rates. Regarding this, we are projecting an increase of JPY3 billion compared to our previous forecast. As for profitability, since the product mix will change slightly on the SPE side, we are projecting a loss of JPY8.5 billion. Fixed costs are projected to be negative JPY31.5 billion. We anticipate a negative impact of JPY500 million due to foreign exchange fluctuations. Therefore, the increase in profit resulting from higher sales is the main factor behind the difference in operating income this time.

## Annual dividend outlook

| (JPY, per share)  | FY2026/03 | FY2027/03 E  |                   |
|-------------------|-----------|--------------|-------------------|
|                   |           | May forecast | July announcement |
| Interim dividend  | 61.5      | 60           | 60                |
| Year-end dividend | 85        | 115          | 123               |
| Annual dividend   | 146.5     | 175          | 183               |

Notes: 1. The stock split became effective on April 1, 2026.  
 2. Dividends are calculated on the hypothesis that the stock split was implemented at the start of FY2026/03.  
 3. Value Up Further 2026 targets a consolidated dividend payout ratio of 30% or above.

As for dividends, since we have not revised our forecast for the interim period, the dividend will remain at JPY60, the same as the JPY60 announced last May. However, regarding the year-end dividend, it has increased by JPY8, from JPY115 last time to JPY123 this time, resulting in a total increase from JPY175 to JPY183. This represents our highest-ever dividend.

That's all for my explanation.

**Shinkichi Nakamura:** Thank you, CFO Ishimura. Next, President Goto will provide an overview of the business environment. President Goto, please go ahead.

**Goto:** I'd like to begin by explaining the business environment and our earnings forecast.

## FY2027/03 full-year outlook: Summary

### Overview

- ✓ Full-year forecasts raised; still receiving record-high orders
- ✓ Continuing R&D and CAPEX to capture market expansion and drive future growth

### SPE

Capturing strong investments in leading-edge foundry, logic, and memory to outperform WFE market growth in sales

### Steady implementation of growth investment

- ✓ Establishing a process evaluation scheme at the new R&D site, ATCA in Albany (NY)
- ✓ Building a framework to accommodate SPE's production capacity expansion
- ✓ Supporting the efforts to expand our market share through both product competitiveness and production capacity

First, regarding the company-wide situation, as Mr. Ishimura explained earlier, we have revised our full-year earnings forecast upward. This is because the market is improving due to strong demand for high-performance devices, particularly those for AI investments, and we are receiving a record number of inquiries and orders. As these trends are gradually materializing starting in H2, we have revised our H2 plans accordingly.

Furthermore, in light of these circumstances, we intend to make the most of this opportunity to achieve further growth by strengthening our ATCA development center in the US, which we established last year, as well as our operations in Hikone, and by taking other appropriate measures.

As for SPE, given the robust demand in the foundry, logic, and memory sectors, the situation continues to improve. As I mentioned earlier, we intend to firmly capitalize on this opportunity and ensure that we outperform the WFE growth targets.

Regarding the projects we have invested in under this mid-term management plan, we intend to ensure their successful implementation and gradually reap the benefits. In that regard, we plan to properly commission and fully utilize the ATCA process evaluation facility I mentioned earlier. Furthermore, in preparation for further market growth, we are planning to further expand our SPE-related production capacity during this period, so we intend to properly establish these capabilities to be ready for future opportunities.

Furthermore, by enhancing the competitiveness of the products we have been developing and increasing our production capacity, we intend to fully and reliably capitalize on the opportunities in this market and deliver tangible results.

## SPE: Business overview

### Market trends and outlook

- **WFE** Expecting growth of 20% or above (\$140B or above) in CY2026, and a similar growth rate for CY2027.  
The balance between the two years may change. (Geopolitical impacts to be closely monitored)
- **Investment trends by application**
  - **Foundry** AI-driven leading-edge investments to be the primary driver of WFE growth
  - **Logic** Recovery driven by large-scale project launches, also supported by ASIC demand
  - **Memory** HBM and DRAM for server driving growth. NAND also recovering led by data center demand
  - **Image devices** Gradual recovery led by automotive and industrial applications
  - **Power devices, other** Signs of recovery seen particularly in data center and industrial applications
  - **Advanced packaging** WLP applications to lead initially, followed by growth in PLP applications
- **China market:** Investments are becoming active not only among existing foundry and memory clients, but also among emerging and foreign-affiliated clients.

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Here is an overview of the market situation. As I mentioned earlier, for the WFE as a whole, we expect growth of more than 20% in 2026. Similarly, we anticipate growth of a similar magnitude for the next fiscal year, 2027. While there may be some fluctuations in the balance between these two years depending on market conditions, , we believe the market will perform very strongly over this two-year period, so we intend to carefully monitor these developments.

On the other hand, as you all know, while geopolitical tensions, particularly those related to the situation in the Middle East, seemed to be subsiding for a time, the situation has recently become increasingly unclear. Therefore, we intend to continue monitoring developments closely so that we can maintain the flexibility needed to respond appropriately should anything occur.

Here are the investment trends by application. As stated here, when it comes to foundries, cutting-edge devices, particularly those centered on AI, are indeed a major driver of growth. However, with regard to logic, the sector is showing a solid recovery driven by the launch of large-scale projects, and with demand for ASICs also providing additional support, we expect to see very robust investment in the logic sector going forward.

As you all know, there is a severe shortage of cutting-edge DRAM devices, including HBM. In that sense, the memory market is recovering, driven primarily by capital investment in DRAM. Given that there is a shortage not only of cutting-edge HBM but also of existing DDR, we anticipate that memory-related investment will remain very robust over the next two years as we proceed with capital expenditures for both HBM and general-purpose DDR.

The same is true for NAND. As demand from data centers has rebounded significantly, both domestic and international NAND memory manufacturers are planning to expand their production capacity. Consequently, demand for both DRAM and NAND memory remains very strong.

The image sensor market had been sluggish to begin with, but now that conditions have improved significantly, major Japanese manufacturers have begun taking major steps toward increasing production. Therefore, we expect the image sensor market to grow going forward.

As for power devices and other products, while the market has been relatively sluggish compared to other device categories, we are finally seeing signs of a recovery in investment. In that sense, although the recovery will be more gradual compared to other cutting-edge devices, we intend to respond appropriately to this trend and gain market share in this segment as well.

As for the advanced packaging, we will also be moving forward with this by prioritizing investments for WLP. Furthermore, since each company is planning its own investments in PLP, we intend to ensure that we adequately address the area of advanced packaging, which we have identified as a priority.

As for the Chinese market, just like other device manufacturers, in addition to existing foundries and memory, but also because of the active investment by emerging manufacturers and foreign companies expanding production within China, in addition to existing device manufacturers, the SPE business segment anticipates that the market will grow significantly on a global scale from 2026 through 2027.

## SPE: Composition of equipment sales by application

SPE

QoQ

(Billions of JPY)



1Q: QoQ

Sales to DRAM increased

1Q: YoY

Sales to DRAM increased

Notes: 1. The graph shows the composition of new equipment sales only. Post-sales business is presented on the following slide.  
2. Ratios are rounded to the nearest 1% and may not add up to 100%.

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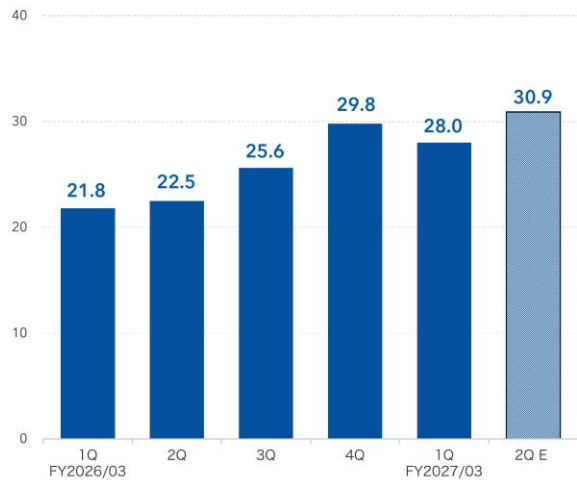
This shows the sales trends for new SPE demand by application. As you can see, these are our results for Q1. Foundry operations account for nearly half of the total, and DRAM is a strong performer in the current market. Whether viewed on a QoQ or YoY basis, the sales trends by application clearly show a significant increase in DRAM.

## SPE: Post-sales-forecast

SPE

QoQ

(Billions of JPY)



Post-sales growth driven by higher fab utilization rates, creating the demand for replacement of consumable parts and units.

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Turning to after-sales services, as factory utilization rates have increased, this segment has remained robust, driven primarily by the replacement of consumable parts and units. We believe this area will continue to grow in the future, so in addition to new equipment, we intend to ensure we have sufficient supplies of parts and other items for after-sales services.

## SPE: Composition of sales by destination

SPE

QoQ

(Billions of JPY)



Note: Ratios are rounded to the nearest 1% and may not add up to 100%.

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### 1Q: QoQ

Sales to North America rose; sales to Taiwan remained stable

### 1Q: YoY

Sales to North America rose

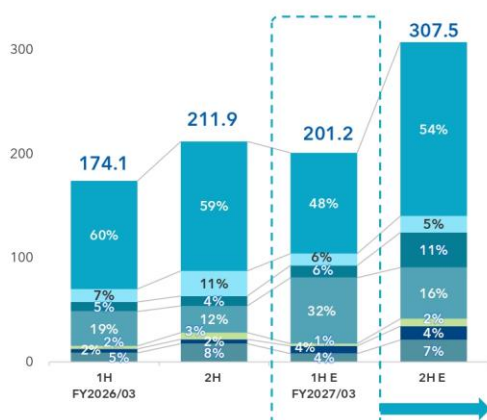
This shows the trend in SPE sales by destination. As you can see here, Taiwan and China account for roughly half of the total. Japan, South Korea, Europe, and North America follow, and looking at the overall picture, North American sales increased QoQ for Q1. Taiwan continues to show strong performance. Looking at the figures YoY, North America showed strong growth in Q1.

## SPE: Composition of sales by application–forecast

- › 1Q vs 2Q E: DRAM expected to increase significantly; foundry also expected to increase
- › 1H E vs 2H E: Foundry expected to increase significantly; NAND also expected to increase
- › FY2026/03 vs FY2027/03 E: DRAM, foundry, and NAND expected to increase

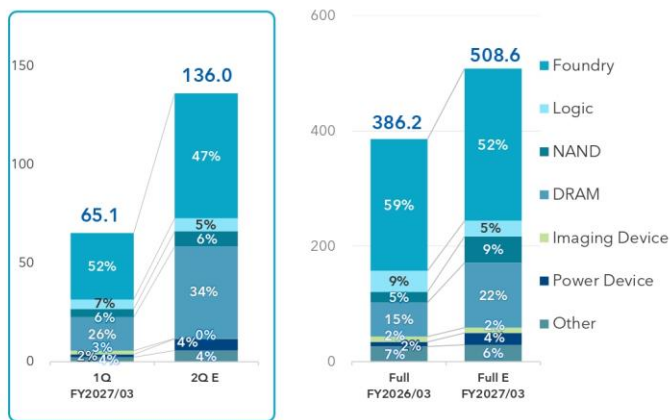
### Half-year forecast

(Billions of JPY)



### YoY

(Billions of JPY)



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Notes: 1. The graph shows the composition of new equipment sales only. Post-sales business is presented on the following slide.  
2. Ratios are rounded to the nearest 1% and may not add up to 100%.

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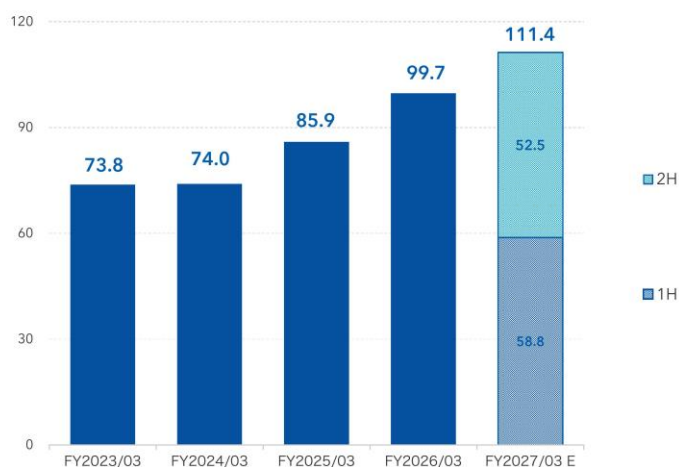
This shows the trends by application for new equipment. As you can see, the foundry accounts for the largest portion of the total. Following on from that, I don't think this situation with DRAM will change for the time being, so I expect the ratio itself to continue at this level as things move forward.

We believe that this situation will continue not only in Q1 but also into H2.

## SPE: Post-sales–forecast

### YoY

(Billions of JPY)



Steady growth expected in post-sales supporting stable fab operations.

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Here are the trends and forecasts for SPE's post-sales performance. As I mentioned earlier, we intend to safeguard these post-sales revenues by ensuring proper profitability and providing thorough follow-up support for the equipment we have delivered.

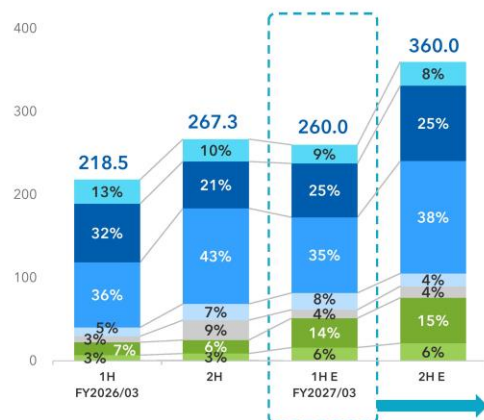
We expect post-sales revenue to exceed JPY100 billion for the first time this fiscal year, and since we believe further strengthening this area will provide significant support for securing our profitability, we consider it one of our key focus areas moving forward, alongside our new business initiatives.

## SPE: Composition of sales by destination—forecast

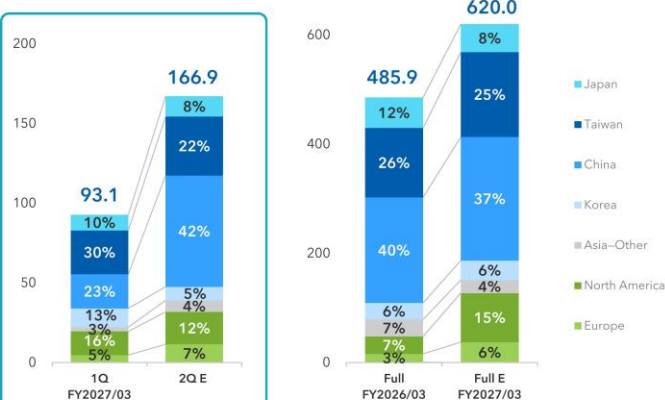
SPE

- › **1Q vs 2Q E:** Sales to China expected to increase significantly
- › **1H E vs 2H E:** Sales to China, Taiwan, and North America expected to increase in 2H
- › **FY2026/03 vs FY2027/03 E:** Sales to North America, China, and Taiwan expected to increase this fiscal year

### Half-year forecast (Billions of JPY)



### YoY (Billions of JPY)



Note: Ratios are rounded to the nearest 1% and may not add up to 100%.

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Next are the forecasts for SPE's revenue by destination. As I mentioned earlier, I do not believe there have been any significant changes in the situation.

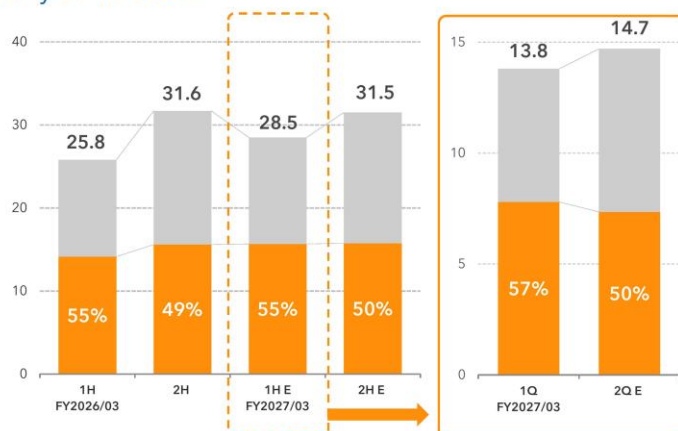
Taiwan and China are, after all, major markets, and we believe we will see growth in these two regions. Moving on to North America and Europe, as you saw in Q2 forecast, while top-line growth was very strong compared to Q1, we do not believe there has been a significant change in the revenue mix.

Although China and Taiwan have swapped places in the rankings, this fluctuates from quarter to quarter, so you can safely assume that there has been no change in the situation where these two regions are driving the market.

## GA: Sales trends and forecast

- › Steady sales in Europe and North America; aiming for sales growth while monitoring the Middle East situation
- › Aiming to improve profitability with a focus on recurring business, which has become a stable profit source

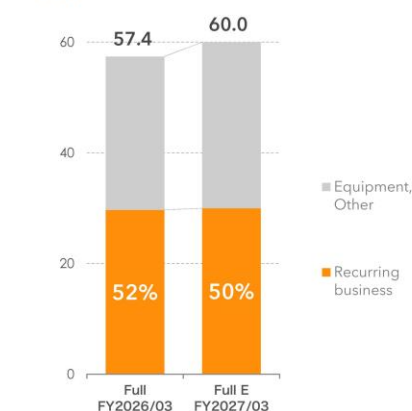
### Half-year forecast (Billions of JPY)



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### YoY (Billions of JPY)



Note: The ratios of post sales are rounded to be shown in 5% increments.

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Here are the sales trends for GA. As we have stated on previous occasions, we intend to secure our earnings by not only selling the main units but also by effectively capturing recurring revenue.

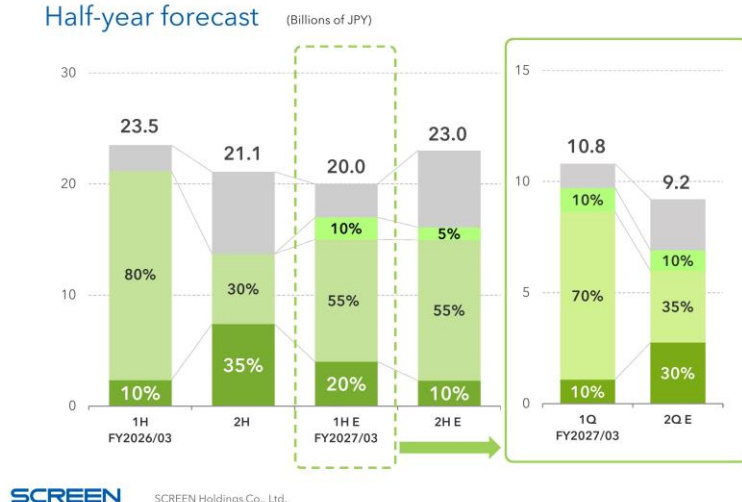
In the GA division, the new digital printing press for continuous forms that we recently released has been generating very strong interest in the US and Europe, so we intend to expand this area by responding effectively to that demand.

While demand for conventional offset printing presses, known as CTP, remains high in Japan, we intend to actively promote these new digital devices in the Japanese market as well.

## FT: Sales trends and forecast

- › Promoting OLED equipment sales and securing stable profits
- › Integrated the advanced packaging business to generate synergies across engineering, manufacturing, and sales

### Half-year forecast



### YoY



Notes: 1. The ratios of product/service are rounded to be shown in 5% increments.  
2. FY2026/03 sales figures do not include the advanced packaging business.

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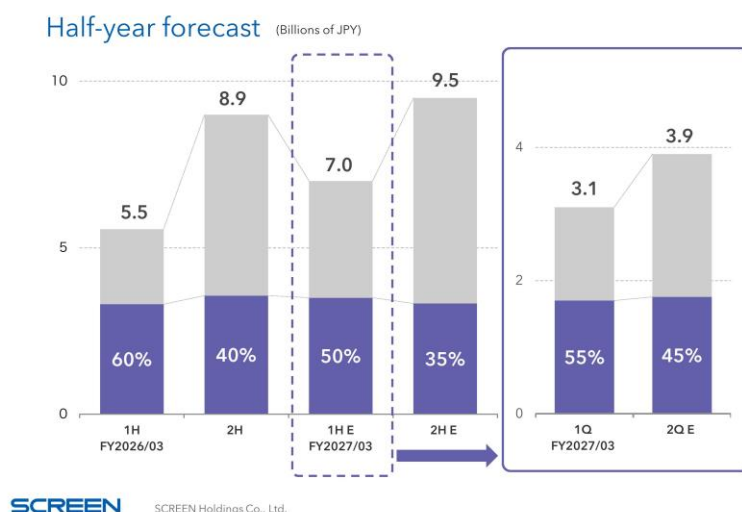
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Here are the sales trends for FT. Since we are focusing our sales promotion efforts on OLED products, we intend to ensure stable profitability. Since we have integrated the advanced packaging business into this FT segment starting this fiscal year, we intend to ensure solid profitability and sales by combining it with our existing display business.

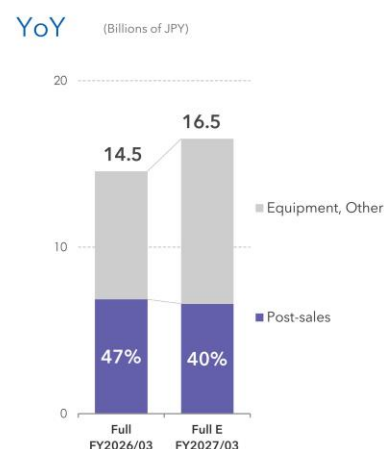
## PE: Sales trends and forecast

- › Capturing strong demand for AI servers
- › Aiming to improve profitability, taking an opportunity of increased inquiries and orders

### Half-year forecast



### YoY



Note: The ratios of post sales are rounded to be shown in 5% increments.

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PE sales. PE sector had been struggling for quite some time, but the market has finally begun to recover. As investments related to memory and inquiries regarding packaging have been gradually increasing, we are finally anticipating a full-scale market recovery in the PE segment starting in H2. We intend to capitalize on these market opportunities to ensure sales and profitability in the PE segment as well.

## Recent SCREEN Group News (selected news from May 14, 2026–July 28, 2026)



Details [here](#) (official website)

### SPE

- SCREEN Joins Applied Materials' EPIC Center as Innovation Partner (announced May 27, 2026)
- SCREEN Joins IBM's Sub-1 nm Chip Ecosystem (announced July 9, 2026)

### GA

- Chiyoda and SCREEN collaborate on promoting digital printing of flexible packaging (announced July 7, 2026)



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Here is some recent news related to the group. Since these have already been released, I'm sure you've all seen them, but we've issued two press releases related to SPE and one related to GA.

## Topics



Details [here](#) (official website)

SPE

### SCREEN Joins Applied Materials' EPIC Center as Innovation Partner (announced May 27, 2026)

Applied Materials, Inc. (hereinafter "Applied") has announced a press release.

#### Applied Press Release

- Combining SCREEN's wafer cleaning and surface processing technologies with Applied's materials engineering expertise
- Accelerating the optimization and commercialization of advanced process solutions for leading-edge semiconductor manufacturing

#### **Expected benefits for SCREEN**

- Accelerated technology development for advanced chips
- Expanded joint development opportunities
- Enable evaluation of co-optimized, end-to-end process solutions that help chipmakers achieve higher yields and reliability

› Through the collaboration with a world-leading equipment manufacturer, we aim to accelerate technology development and market expansion for next-generation semiconductor manufacturing.



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One such example is that we have been selected to participate as an innovation partner in the EPIC Center, a new facility that Applied Materials is establishing in California. As a partner with Applied Materials, with whom we have long collaborated on various research and development projects, we intend to support this new innovation center to further strengthen our relationship.



### Chiyoda and SCREEN collaborate on promoting digital printing of flexible packaging

(announced July 7, 2026)

Chiyoda Gravure Corporation has established a commercial production system using SCREEN GA's **Truepress PAC 830F** water-based inkjet digital press and has begun full-scale production of flexible packaging, as the market faces growing productivity and sustainability challenges.

#### Key Benefits

- ✓ High-mix, low-volume production
- ✓ Inventory optimization and SKUs\* reduction
- ✓ Improved productivity
- ✓ Reduced environmental impact

\* Stock keeping units. The smallest units used for managing products.



Truepress PAC 830F

- › Establishing an optimal production model that effectively combines digital and traditional gravure printing.
- › Aiming to achieve a flexible packaging ratio of around 10% by 2030, while addressing increasingly diverse client needs and contributing to the sustainable development of the flexible packaging industry.

Next up is GA-related information. We and Chiyoda Gravure will jointly launch a digital printing press for flexible packaging and begin full-scale production, thereby introducing our new digital printing press for flexible packaging into Chiyoda Gravure's existing market.

In that sense, we intend to make a smooth transition from traditional paper printing to film-based packaging printing. We are therefore taking this opportunity to announce that, in addition to our existing digital printing presses, we will be fully launching these flexible packaging printing presses into the market and aim to achieve positive results.

Next, I'll turn the floor over to Otohe from our company, and she'll provide further details.

SAVE THE DATE

**Small group meetings to be hosted by SCREEN for the first quarter ended June 30, 2026**  
(for institutional investors)

- Dates and Time:
  - Japanese: **September 2 (Wed)**      **09:30-10:20 (JST)**
  - English: **September 8 (Tue)**      **09:00-09:50 (JST)**
- The meeting will be held online using Teams. Details will be provided via email in the coming days.
- Speakers:
  - Chiho Otobe, Senior Executive Officer, Head of Investor Relations and Communication Strategy
  - Shinkichi Nakamura, Deputy Head of Investor Relations
  - Yuichi Miura, General Manager of Investor Relations

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**Otobe:** I am Otobe. As we've mentioned to everyone each time, we plan to hold a small-group meeting organized by us as a follow-up to today's earnings announcement.

Once in Japanese, it's the morning of September 2. Then, once in English, on September 8, also in the morning. Although this time slot may be a bit inconvenient for our European investors, we plan to follow up through other meetings, such as conferences, so we would appreciate your participation.

Please refer to page 17. A moment ago, Goto shared with us the WFE's assessment. I mentioned that the figure for 2026 would be 20% or above. I'd like to explain this breakdown. I imagine you'll have questions later, so I'd like to go ahead and address them now.

We've made a few updates to our May forecast. First, cutting-edge logic and foundry, we previously stated that it accounted for just under 25%. However, we now estimate it to be 25% or above.

Next, regarding memory, specifically DRAM, we had previously stated that growth would be just under 25%, but following this reassessment, we have revised our forecast to 25% or above.

We now move on to NAND. In our previous report, we estimated the figure to be just under 15%, but we have revised that estimate slightly upward to approximately 20%. In the power and other segment, there hasn't been much change. It remains at just under 10%.

Also, this time, I've made a few changes to the slides related to SPE. Previously, we grouped post-sales services under "Applications" along with the applications themselves, but we decided it would be clearer to present "Applications" as a separate category and "New Equipment" as a distinct category, so we have adopted this classification.

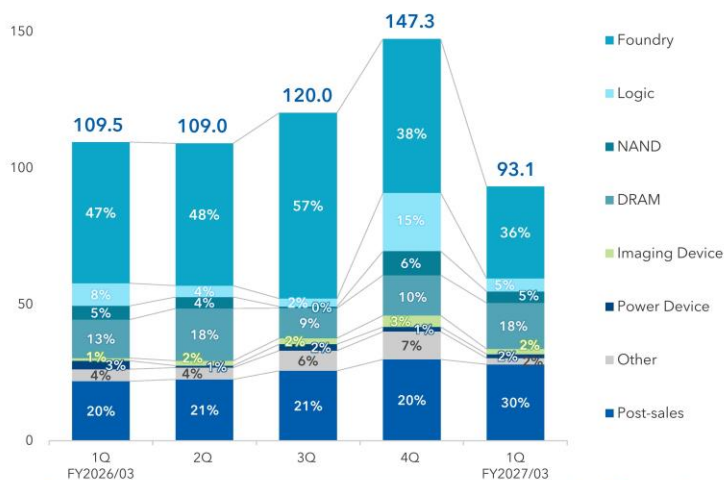
Following this page, we'll move on to after-sales, where we're presenting the figures that Goto just explained.

## Appendix SPE: Composition of equipment sales by application and post-sales

SPE

QoQ

(Billions of JPY)



1Q: QoQ

Sales to DRAM increased

1Q: YoY

Sales to DRAM increased

Post-sales

Post-sales growth driven by higher fab utilization rates, creating the demand for replacement of consumable parts and units.

Post-sales  
(Billions of JPY)

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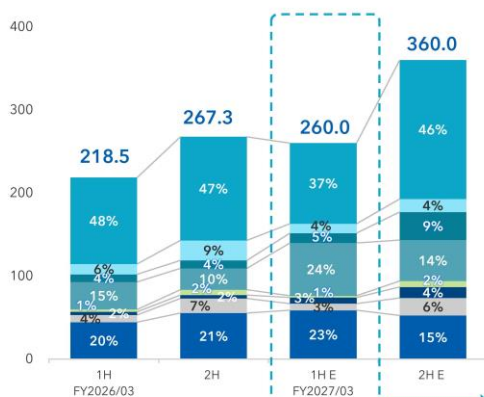
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## Appendix SPE: Composition of sales by application—forecast

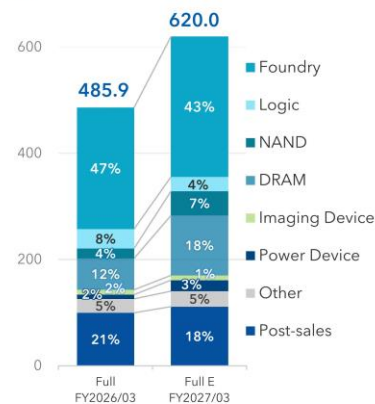
SPE

- › 1Q vs 2Q E: DRAM expected to increase significantly; foundry also expected to increase
- › 1H E vs 2H E: Foundry expected to increase significantly; NAND also expected to increase
- › FY2026/03 vs FY2027/03 E: DRAM, foundry, and NAND expected to increase

Half-year forecast (Billions of JPY)



YoY (Billions of JPY)



Note: Ratios are rounded to the nearest 1% and may not add up to 100%.

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To compare with previous versions, we've included pages 32 and 33 at the back in the Appendix, so please feel free to use them.

That is all from me.

**Shinkichi Nakamura:** Thank you, President Goto, Senior Executive Officer Otobe.

## Question & Answer

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**Shinkichi Nakamura [M]:** We will now move on to the Q&A session. Due to time constraints, we ask that each person limit their questions to two. We would appreciate your cooperation so that we can hold a Q&A session with as many people as possible.

First, Mr. Yoshida from CLSA Securities. Please ask your question.

**Yoshida [Q]:** Thank you. I am Yoshida of CLSA Securities.

First, regarding SPE sales. While we expect them to grow significantly heading into H2, what is the current lead time for equipment, and to what extent can you reliably forecast demand? I'd like to ask how much of your order backlog is covered, and also if you have a breakdown of your outlook for H2, broken down into Q3 and Q4.

**Goto [A]:** I, Goto, would like to respond to this question.

First, regarding the lead time for the equipment: while it varies depending on the specifications and model, the current average is 4.2 months. Although this may fluctuate slightly depending on the situation, I think it's safe to assume a lead time of four to five months.

As for the likelihood of securing orders and the likelihood of achieving sales, our order and production plans for this fiscal year's sales are essentially finalized. In that sense, we have revised our forecast upward based on those plans, so the current situation is that our sales for this fiscal year are largely predictable.

**Yoshida [Q]:** Do you have any comments regarding the breakdown of Q3 and Q4, such as whether Q4 is expected to be higher?

**Goto [A]:** While sales in Q3 and Q4 remained largely flat, as you know, our customers are urgently requiring us to increase memory production. In that regard, various memory device manufacturers are requesting that we bring forward the delivery of equipment. So, in that sense, I hope you understand that the current situation is such that demand is slightly exceeding our capacity.

**Yoshida [Q]:** Thank you. Second question.

The WFE market is expected to see growth next year on par with this year. We just received an update on application-specific trends for this year, but if we were to see trends next year that differ slightly from this year's levels, what areas might those be? By application, if you have any comments to share at this time regarding next year's growth, please let us know.

**Goto [A]:** I believe the outlook for next year will remain largely unchanged from this year in terms of major trends. As you all know, various memory device manufacturers, primarily DRAM manufacturers, have been announcing various investment plans from H2 through next year, and considering their preparations for production, our deliveries will take place from early next year through H2.

In that sense, we expect that the overall trend, with demand centered on memory, along with related cutting-edge logic and foundry services, will continue to drive the market next year, much as it did this year.

**Yoshida [Q]:** I wonder if some customers' attitudes are starting to shift a bit. Couldn't that present new opportunities for growth?

**Goto [A]:** As you know, our customers have been making various announcements. We have received inquiries from Logic's clients outlining specific plans for various new strategies they intend to implement, but these have not yet been finalized. Furthermore, given the current circumstances at each individual device manufacturer, we are unable to make any announcements to you at this time.

We plan to provide another update once we have a clearer picture of our specific business operations and revenue.

**Yoshida [Q]:** Thank you. That is all.

**Shinkichi Nakamura [M]:** Thank you, Mr. Yoshida. Next, Mr. Shibano from Citigroup Securities. Please ask your question.

**Shibano [Q]:** I am Shibano, Citigroup Global Markets. I have two questions.

First, I'd like to ask about the concept of capacity. According to your company's explanation earlier, I believe you said that you currently expect both the 2026 and 2027 to continue to show growth of about 20% YoY.

Based on a simple calculation, I assume you're projecting around USD170 billion to USD180 billion for 2027. However, if demand were to expand further, for example, reaching USD200 billion in 2027, or USD250 billion, or even USD300 billion in 2028, and you needed to somehow meet those targets, how should you assess whether SCREEN, or SCREEN's supply chain, would be capable of handling such levels? This is my first question.

**Goto [A]:** First, regarding capacity, we believe that we currently have sufficient capacity to meet demand for this fiscal year and the next. Furthermore, in preparation for a potential shift in market conditions that might require us to increase capacity, we are currently carrying out thorough renovations on our facilities in Nagaokakyo, Kyoto, to expand production capacity. We began this work during the current fiscal year and plan to complete it by early next year, which will allow us to generate additional output.

We're also expanding operations at our Hikone facility, and we're making various improvements to our existing equipment to boost efficiency, so that should be taken into account as well. Of course, if we're suddenly asked for something like USD300 billion, given the supply chain issues, it's a difficult question to answer, whether we can actually meet that demand. Realistically speaking, considering not only our company but also the equipment manufacturers that supply other device manufacturers, as well as the status of other materials, we believe we are properly prepared to ensure that, even if such a situation were to arise, we would not fall behind other suppliers, and we are confident that we can do so.

**Shibano [Q]:** For example, when you see figures like 2027 or 2028 in WFE terms, do you currently have any kind of benchmark in mind regarding how high those numbers could go?

**Goto [A]:** As Otobe mentioned earlier, and I believe we've also stated this, since we've publicly declared that we will outperform the WFE growth rate currently being announced, we believe we can exceed that target.

It's a bit difficult to say exactly how much we'll be able to handle, but as I mentioned earlier, considering not only our own capabilities but also the supply from other suppliers and other factors, I believe we'll be able to cover the demand adequately. We are currently in the process of formulating our goals for the next medium-term plan, so in that regard, we intend to share those details with you as soon as we are able to do so properly. However, as I mentioned earlier, we believe we can fully cover the market growth projected for this fiscal year and the next, plus a little extra.

**Shibano [Q]:** Thank you. One more question. I believe semiconductor sales for the April-to-June quarter were a bit weaker this time, but the expectation is that they will improve significantly and grow again from July

through September. I understand that some of these include projects with timing discrepancies, and I also expect shipments to pick up in the April-to-June quarter. However, regarding the likelihood of those projects with timing discrepancies that the CFO mentioned earlier, is it accurate to assume that 80% to 90% of them will definitely be booked in the July-to-September quarter?

Next, regarding July through September, since the projected revenue for that period is quite significant, I'd like to ask how much has been shipped so far. That is all.

**Goto[A]:** Regarding the deferred-recognition items, the revenue requirements have been largely finalized, and all that remains now is the final confirmation by the audit firm, so we expect them to be recognized as sales with more than 90% probability.

As for the shipment status of sales for July to September, approximately half have already been shipped. Therefore, half of the orders expected to be sold through the end of September have already been shipped. As for the remaining half, which represents sales from now through the end of September, we would appreciate your understanding that we will be shipping these orders gradually through the first week of September.

**Shibano [Q]:** This is a minor point, but does "about half have already been shipped" refer to the current status? Rather than as of the end of June, would you say it's about half as of now?

**Goto[A]:** That's right. Please understand that, as of today, slightly more than half of the shipments have already been completed.

**Shibano [M]:** I understand. Thank you.

**Shinkichi Nakamura [M]:** Thank you, Mr. Shibano. Next, Mr. Tamura from Morgan Stanley Securities, please ask your questions. Thank you.

**Tamura [Q]:** Hello. Morgan Stanley Securities, Tamura. Thank you.

I'd like to ask about the full-year guidance. Just to confirm again, regarding Q3 and Q4, as mentioned earlier in response to a previous question, you mentioned that Q4 demand were slightly higher than capacity. Specifically, regarding the SPE segment for the full year, if there is further upside in demand, can we assume that the target will be achieved? I'd like to confirm this once more.

I believe this was also discussed to some extent during the last earnings report, but since revenue is expected to increase significantly this fiscal year, I think it would be reasonable to expect slightly higher profits in that regard. Could you please explain once again the rationale behind the current profit plan? Thank you.

**Goto[A]:** It depends on whether or not there will be further upward revisions to sales in Q3 and Q4. As I mentioned in response to the opening question earlier, our production plans for this fiscal year's sales are already largely in place, so in that sense, I don't think we'll see any drastic growth. However, I hope you'll understand that the possibility of a slight increase cannot be entirely ruled out.

In that sense, the possibility isn't zero, but as I mentioned earlier, I hope you'll understand that the prospects for a further significant increase of 30% or 40% from here are quite slim.

As for profits, as I mentioned earlier, since we are in a situation where we must secure additional capacity, we must set aside a portion of our profits for investments aimed at preparing for the next capacity expansion. In that sense, we are planning to combine the growth in our profitability with investments for the future, including development and facility upgrades. I hope you see it that way.

**Tamura [Q]:** I understand. Regarding the increase in fixed costs in the plan, isn't it the case that fixed costs have risen even further than what was explained at the previous earnings briefing, and that this is reflected in the current revision?

**Isimura [A]:** That's not the case. Fixed costs remain unchanged from last time.

**Tamura [Q]:** One more question. I think pricing and the price increases by equipment manufacturers have been a hot topic lately, but I believe that, for most companies, the market is currently quite close to being a seller's market.

Even if it isn't an explicit price increase, are you planning or implementing measures such as making it easier to negotiate prices, or perhaps raising prices as a clear statement of intent on your company's part?

**Goto[A]:** We do not intend to negotiate just because it's a seller's market. However, we would like you to recognize the improvements we've made in performance, and we intend to reflect the corresponding value in the price of the equipment.

In addition, as you are all aware, due to various geopolitical factors and other influences in recent times, raw material costs have been rising. While we are making every effort as a company to address these increases, we are currently in negotiations with our customers to pass on these cost increases to the equipment prices.

As I mentioned earlier, we are not raising equipment prices simply because it is a seller's market. Rather, the current situation involves negotiations to ensure customers pay a price commensurate with the performance of our equipment, and, as I mentioned earlier, we are asking customers to share the burden of the rising raw material costs.

**Tamura [Q]:** I understand. By the way, compared to last year's situation or previous circumstances, are there any effects, such as customers finding it easier to understand and accept the cost pass-through, or being more willing to acknowledge the increase in added value?

**Goto[A]:** Well, as for the status of our value-added services, we regularly communicate our performance to our customers, and we are taking appropriate action in response to the areas where they have shown understanding.

Furthermore, regarding the surge in raw material costs, this is a situation affecting not only our company but the entire market, so our customers are also experiencing price increases for the various materials they source themselves. In that sense, we understand that we need to share this situation with various parties, and since there are quite a few areas where they are willing to cooperate, we intend to continue negotiating with our customers to ensure that the increased costs are properly shared.

**Tamura [Q]:** I understand. Thank you.

**Shinkichi Nakamura [M]:** Thank you, Mr. Tamura. Next, Ms. Shimamoto from Okasan Securities, please.

**Shimamoto [Q]:** This is Shimamoto from Okasan Securities. Thank you. I have two questions as well.

First, regarding the figures Ms. Otohe mentioned about WFE, I heard she said that the foundry's share had shifted from just under 25% to 20% or above. Is this an increase or a decrease? How should I interpret this change?

**Otohe [A]:** In terms of numbers, we have increased them. Last time, I mentioned a range of 15% to 20%, and I explained the scenarios based on both a 15% and a 20% assumption.

The figure of just under 25% I mentioned earlier is based on the assumption that the rate is 20%, so based on that, it's higher than that, though there is some debate about exactly how much higher, but we have raised it. That is our assessment based on the status of customers' investment.

**Shimamoto [Q]:** Thank you very much for your explanation. Second, could you please provide an update on the WFE in the Chinese market? I noticed that the wording regarding the outlook for this fiscal year seems to have changed slightly. Could you please update it?

**Goto [A]:** As for the situation in China, as you know, China is also releasing new AI-related solutions, or rather, new AI technologies. So, if we want to properly implement those, we'll need the infrastructure to run the AI. Ultimately, this means they need high-performance devices and data centers designed for AI. We need to proceed with negotiations in that area, and since that is an area in which we excel, the situation itself hasn't changed much from before, and overall, the WFE in China is expanding under similar conditions.

Of course, Chinese domestic manufacturers are gradually gaining market share in the general-purpose segment, but as I mentioned earlier, China faces the same situation as we do in that it needs to prioritize expanding its capacity for cutting-edge devices rather than general-purpose ones. Given these circumstances, we believe the WFE itself is moving in a direction that is favorable to us, and we hope you will understand it that way.

**Shimamoto [Q]:** I think there was a comment last time saying that it looked flat, but does that mean it's still flat?

**Goto[A]:** I hope you understand that the Chinese market is also on the rise.

**Shimamoto [M]:** I see. Thank you., that is all.

**Shinkichi Nakamura [M]:** Thank you, Mr. Shimamoto. Next, Mr. Nakamura, Goldman Sachs Securities. Thank you.

**Shuhei Nakamura [Q]:** Hello. Let me ask some questions. Thank you.

Regarding Q1 revenue and profit results, while it was mentioned earlier that they were in line with expectations, given the significant decline in revenue and profit margins in the semiconductor segment, I wonder if this can really be explained solely by the drop in revenue. Could you please explain this part again?

**Ishimura[A]:** Since sales have fallen this much, profits have naturally declined by this amount as well, so I hope you'll understand that this is almost entirely due to the decline in sales.

There are no other specific factors involved besides this one, so I hope you'll understand that there are virtually no other contributing factors.

**Shuhei Nakamura [Q]:** Is it correct to understand that the Company is on track to meet its annual fixed-cost targets, starting from Q1?

**Company Representative [A]:** While there are some areas where progress has been a bit slow, I think we're generally on track with our schedule.

**Shuhei Nakamura [Q]:** I understand. Thank you.

My second question concerns the outlook for profit margins in the semiconductor business for H2. Based on what you've been explaining, I think H2 will likely be a period of full production and full sales. Given these circumstances, should we understand that the profit margin based on your current product mix is roughly

equivalent to the 27% operating margin currently planned as your target? Could you please let me know if there are any temporary factors, such as changes in the product mix or how fixed costs are allocated? That is all.

**Goto[A]:** This operating profit margin is not the result of any specific, one-time factor. Rather, we have calculated that with this volume of work and based on the product mix we are anticipating, we can reliably achieve this level of profitability. There are no specific factors behind these figures.

**Shuhei Nakamura [M]:** I see. Thank you.

**Shinkichi Nakamura [M]:** Thank you, Mr. Nakamura. Next, Mr. Yoshioka from Nomura Securities. Please go ahead.

**Yoshioka [Q]:** Hello. I am Yoshioka, from Nomura Securities. Thank you. Well, then, let me just briefly touch on two points, including some clarifications.

The first point is a question regarding our approach to post-sales revenue. I believe you've included a small excerpt on post-sales revenue on page 19 and page 22 of this report. Looking at page 22, it appears that post-sales revenue in H2 has decreased slightly compared to H1. On a quarterly basis, I estimate that sales for H2 will be around JPY26 billion, and I believe that figure represents a level that hasn't changed significantly from H2 of the previous fiscal year.

So, I'd like to ask, regarding post-sales revenue for H2, has the forecast been set a bit conservatively? My question is, regarding post-sales revenue for H2, was the forecast set a bit conservatively? Was it updated quite aggressively because operations are ramping up sooner than expected and there's a shortage of cleanrooms? Since post-sales revenue was increasing, does the fact that growth appears to be slowing in H2 reflect the Company's actual performance? I would appreciate it if you could explain your approach to post-sales revenue for H2.

**Goto[A]:** Regarding post-sales revenue itself, please understand that due to factors such as the equipment warranty period, it generally begins to account for a portion of our revenue about two years after shipment, and that's when we start to see actual results.

Therefore, regarding this fiscal year's after-sales revenue, given that the equipment sold two years ago is gradually contributing to after-sales results, the proportion of consumables sales may fluctuate somewhat depending on whether market conditions this fiscal year are stronger or weaker than expected. In terms of overall trends in after-sales, there is a tendency for the proportion of after-sales revenue to decline relatively when, as was the case this year, sales of the main product surge in H2. In that sense, the steady post-sales growth plan we are implementing is proceeding largely as planned. There are no specific factors causing it to be lower than expected.

On the other hand, as you know, when it comes to projects aimed at improving performance through equipment upgrades and the like, the utilization rate of that equipment is very high, and in some cases, customers find it difficult to shut down the equipment to perform upgrades, making it hard to seize opportunities for further performance improvements. While I do have some concerns regarding that point, I intend to offset it with consumables and other items, so I hope you'll understand that these figures reflect that situation.

**Yoshioka [Q]:** I understand. Thank you. Second, this is just to verify some figures, but I'm currently looking at page 12, specifically the section on operating income. There's a field labeled "Other." In terms of Q1, this represents a loss of JPY2.4 billion, so I believe the plan is for Q2 a loss of just over JPY6 billion when these figures are subtracted.

On the other hand, given that these figures are expected to decline again in H2, the negative operating income in the “Other” and “Adjustments” categories for Q2 appears even more significant. Is this large negative figure due to a buffer built into Q2’s operating income, or are there specific factors at play? I would appreciate it if you could explain this as well.

**Ishimura[A]:** Since this is an adjustment, there is a slight buffer built in, but the question is whether some of the adjustment amounts for the consolidation will come into play. Therefore, I do not expect any major fluctuations.

**Yoshioka [M]:** I see. I understand that it doesn’t feel like it’s getting thicker due to the buffer. Thank you. I understand.

**Shinkichi Nakamura [M]:** Thank you, Mr. Yoshioka. Since we’re almost out of time, we’ll make this the last person. SBI Securities, Mr. Wadaki. Thank you.

**Wadaki [Q]:** Thank you. SBI Securities, Wadaki. Just two points, briefly.

First, regarding China, I’ve been hearing that things are getting pretty intense there, with reports of a massive boom right now. Given that your company’s business in China is reportedly in a state of fierce competition for equipment, I think this could contribute to your product mix. Could you please share your outlook on this situation?

**Goto[A]:** Regarding the Chinese market, as you mentioned, and as I said earlier, there is a need to develop AI-related infrastructure in China as well. Since demand for cutting-edge devices is on the rise, to be honest, we are currently receiving a large number of inquiries from China.

As I mentioned earlier, we specialize in cutting-edge devices, so we are receiving an increasing number of inquiries in that area. As I noted at the beginning, market conditions, not only in China but also in other regions, are such that we are receiving a record number of inquiries and orders, and that is indeed the current situation.

Since we expect this situation to continue for the time being, I’m often asked what the sales ratio for China will be, and my answer is that I originally stated it would settle down somewhat and drop to around 30%. While this may vary depending on each company’s production plans, inquiries, and other factors, we hope you understand that the situation will not change significantly from what it has been so far.

**Wadaki [Q]:** Thank you. I’ll keep the second point brief as well. I also want to check the PLP section. I think it would be remarkable if it hits the mark, but could you briefly give me an outlook on what the figures might be for this fiscal year and, if things go well next fiscal year, approximately how much they might reach?

**Company Representative [A]:** It’s difficult to provide specific figures regarding PLP at this point, but as you know, while we won’t be moving into full-scale mass production next fiscal year, the evaluation phases for each project will begin. Therefore, I believe the market outlook for various segments will be roughly double that of this fiscal year. I expect we’ll be able to provide specific figures once this fiscal year ends, so please anticipate that next fiscal year’s figures will be roughly double those.

**Wadaki [M]:** I found it helpful. Thank you.

**Shinkichi Nakamura [M]:** Thank you, Mr. Wadaki. Although there are still some people with their hands raised, I’m very sorry, but due to time constraints, I’m afraid we’ll have to wrap things up here.

This concludes the SCREEN Holdings financial results online presentation for Q1 ended June 30, 2026. Thank you for taking time out of your busy schedule to join us today.

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