

August 8, 2016

SCREEN Holdings Co., Ltd.  
Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome, Horikawa-dori,  
Kamigyo-ku, Kyoto 602-8585, Japan

## CONSOLIDATED FINANCIAL REPORT FOR THE FIRST QUARTER ENDED JUNE 30, 2016 [Japanese GAAP]

SCREEN Holdings Co., Ltd. is listed on the First Section of the Tokyo Stock Exchange with the securities code number 7735.  
(URL <http://www.screen.co.jp/>)

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Figures have been rounded down to eliminate amounts less than one million yen, except per share figures.

### PERFORMANCE FOR THE FIRST QUARTER ENDED JUNE 30, 2016 (APR. 1, 2016-JUN. 30, 2016)

(Millions of yen, except per share figures)

(Percentage are the rate of increase or decrease from the previous corresponding period.)

#### (1) Business Results

|   | Net Sales      | Percentage<br>Change | Operating<br>Income | Percentage<br>Change | Ordinary<br>Income | Percentage<br>Change |
|---|----------------|----------------------|---------------------|----------------------|--------------------|----------------------|
| <b>Three months ended<br/>Jun. 30, 2016</b> | <b>¥62,250</b> | <b>10.9%</b>         | <b>¥ 5,121</b>      | <b>55.2%</b>         | <b>¥ 5,053</b>     | <b>47.2%</b>         |
| Three months ended<br>Jun. 30, 2015         | 56,116         | 6.9                  | 3,299               | 47.3                 | 3,433              | 45.8                 |

Note: Comprehensive income

Three months ended Jun. 30, 2016: ¥ (523) million (- %)  
Three months ended Jun. 30, 2015: ¥ 6,024 million (226.3 %)

|   | Profit<br>Attributable to<br>Owners of<br>Parent | Percentage<br>Change | Basic Earnings<br>per Share<br>(Yen) | Diluted<br>Earnings per<br>Share (Yen) |
|---|--|----------------------|--------------------------------------|--|
| <b>Three months ended<br/>Jun. 30, 2016</b> | <b>¥ 3,716</b>                                   | <b>64.0%</b>         | <b>¥ 15.74</b>                       | <b>¥ —</b>                             |
| Three months ended<br>Jun. 30, 2015         | 2,266  | 47.6                 | 9.55                                 | —                                      |

#### (2) Financial Position

|                      | Total Assets    | Net Assets      | Equity Ratio<br>(%) | Net Assets per Share of<br>Capital Stock (Yen) |
|----------------------|-----------------|-----------------|---------------------|--|
| <b>Jun. 30, 2016</b> | <b>¥273,378</b> | <b>¥116,926</b> | <b>42.5%</b>        | <b>¥492.48</b>                                 |
| Mar. 31, 2016        | 270,093         | 120,288         | 44.3                | 506.68   |

Note: Equity

As of Jun. 30, 2016: ¥ 116,294 million  
As of Mar. 31, 2016: ¥ 119,649 million

**CASH DIVIDENDS**

|   | Cash Dividends per Share |                    |                   |          |        |
|---|--------------------------|--------------------|-------------------|----------|--------|
| Record date                                 | First Quarter-end        | Second Quarter-end | Third Quarter-end | Year-end | Annual |
| Fiscal year ended Mar. 31, 2016             | ¥ —                      | ¥ —                | ¥ —               | ¥12.00   | ¥12.00 |
| Fiscal year ending Mar. 31, 2017            | —                        |                    |                   |          |        |
| Fiscal year ending Mar. 31, 2017 (Forecast) |                          | —                  | —                 | 70.00    | 70.00  |

Note: Revision of the latest forecast of cash dividends: No

The Company is to implement a one-for-five consolidation of shares on its common stock, effective October 1, 2016. The amount shown for the year-end dividend per share for the fiscal year ending March 31, 2017 (Forecast), is calculated factoring in the impact of the consolidation of shares. For details, please refer to "Explanation for appropriate use of forecasts and other notes."

**FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2017**

(Millions of yen, except per share figures)  
(Percentage are the rate of increase or decrease from the previous corresponding period.)

|   | Net Sales | Percentage Change | Operating Income | Percentage Change |
|---|-----------|-------------------|------------------|-------------------|
| Six months period ending Sept. 30, 2016 | ¥ 133,000 | 2.4 %             | ¥ 11,700         | 8.2 %             |
| Fiscal year ending Mar. 31, 2017        | 265,000   | 2.1               | 27,000           | 14.6              |

|   | Ordinary Income | Percentage Change | Profit Attributable to Owners of Parent | Percentage Change | Basic Earnings per Share (Yen) |
|---|-----------------|-------------------|---|-------------------|--------------------------------|
| Six months period ending Sept. 30, 2016 | ¥ 11,400        | 7.4 %             | ¥ 8,500                                 | 0.4 %             | ¥ 36.00                        |
| Fiscal year ending Mar. 31, 2017        | 26,500          | 14.3              | 20,500                                  | 9.0               | 434.06                         |

Note: Revision of the latest business forecast: Yes

The amount shown for basic earnings per share in the forecast of business results for the fiscal year ending March 31, 2017, is calculated factoring in the impact of this consolidation of shares. For details, please refer to "Explanation for appropriate use of forecasts and other notes."

**NOTES**

- (1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): No  
New Company: Not applicable      Exclusion: Not applicable
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: Yes  
Please refer to P.6 [Summary Information (Notes)] for more information.
- (3) Changes of accounting policies, changes in accounting estimates and retrospective restatement
  1. Changes of accounting policies accompanied by revision of accounting standard etc.: No
  2. Changes of accounting policies other than 1: No
  3. Changes in accounting estimates: No
  4. Retrospective restatement: No
- (4) Number of shares outstanding
  1. Number of shares outstanding as of end of period (including treasury stock)  
As of Jun. 30, 2016: 253,974,333 shares      As of Mar. 31, 2016: 253,974,333 shares
  2. Number of treasury stock as of end of period  
As of Jun. 30, 2016: 17,831,932 shares      As of Mar. 31, 2016: 17,830,849 shares
  3. Average number of shares outstanding  
Three months ended Jun. 30, 2016: 236,143,131 shares      Three months ended Jun. 30, 2015: 237,330,093 shares

\*Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Law. It is under the review procedure process at the time of disclosure of this report.

\*Explanation for appropriate use of forecasts and other notes

(1) SCREEN Holdings has revised our business forecast for the fiscal year ending March 31, 2017 that was previously announced on May 10, 2016, as noted in this financial report.

(2) The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to SCREEN Holdings and certain assumptions that are regarded as legitimate. SCREEN Holdings does not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors. Please refer to P.5 “3. Qualitative information regarding consolidated business results forecasts” for the assumptions used and other notes.

(Outlook of consolidated business results forecast and dividends following the consolidation of shares)

With approval by the 75<sup>th</sup> ordinary general meeting of shareholders held on June 28, 2016, the Company is to implement a one-for-five consolidation of shares on its common stock effective October 1, 2016. The outlook for consolidated business results forecast and dividends for the fiscal year ending March 31, 2017, calculated without factoring in the consolidation of shares, are as follows.

1. Consolidated business results forecast for the fiscal year ending March 31, 2017

Basic earnings per share

Full year: ¥ 86.81

2. Dividends forecast for the fiscal year ending March 31, 2017

Cash dividends per share

End of fiscal year: ¥ 14.00

## [Qualitative Information, Financial Statements]

### 1. Qualitative information regarding the status of consolidated business results

During the first quarter of the fiscal year ending March 31, 2017 (the three-month period from April 1, 2016 to June 30, 2016), global economic conditions continued to gradually improve, centered mainly on the U.S. economy, which was supported by firm domestic demand. Economies in Europe saw ongoing gradual recovery, due in part to the effects of ongoing monetary easing, despite concerns about the economic impact of Britain leaving the European Union. On the other hand, China's economy gradually slowed, reflecting government policy aimed at stable growth, and the economies of Brazil, Russia, and other emerging countries saw prolonged deterioration. The Japanese economy, meanwhile, recovered, backed by improvement in hiring and individual earnings.

With regard to the business conditions surrounding the SCREEN Group, in the semiconductor industry, capital investment in miniaturization by foundries was firm, reflecting demand for high-end smartphones and data centers for internet of things (IoT)-related big data processing. Capital investment among memory manufacturers was also firm, backed by increasing demand for high-capacity data servers. In the FPD business field, investment in large-sized LCD panels decreased in China, but investment in small- and medium-sized LCD panels increased in Japan.

Under these circumstances, the SCREEN Group posted consolidated net sales of ¥62,250 million for the first quarter of the fiscal year ending March 31, 2017, an increase of ¥6,134 million from the corresponding period of the previous fiscal year. On the earnings front, operating income totaled ¥5,121 million, up ¥1,821 million year on year, reflecting the increase in net sales. Ordinary income amounted to ¥5,053 million, up ¥1,620 million year on year. Quarterly profit attributable to owners of parent totaled ¥3,716 million, up ¥1,450 million compared with the corresponding period of the previous fiscal year.

Performance by reportable segment is explained below.

#### ***The Semiconductor Solutions (SE) Segment***

In the SE segment, sales to image sensor manufacturers went down year on year, but those to foundries and memory manufacturers increased. By product, sales of batch-type cleaning equipment were strong, and those of single wafer cleaning equipment also grew. By region, sales in Japan fell, but sales to Asia, including China and Taiwan, rose significantly. As a result, net sales in this segment amounted to ¥41,299 million, up 19.0% year on year. Operating income in this segment came to ¥4,331 million, up 105.3% from the corresponding period of the previous fiscal year, reflecting the increase in net sales.

#### ***The Graphic and Precision Solutions (GP) Segment***

In the GP segment, despite efforts to further penetrate the print on demand (POD) equipment market, the appreciation of the yen contributed a decrease in overseas sales, and sales in Japan also declined, causing sales of graphic arts equipment to fall year on year. Overseas sales of printed circuit board (PCB)-related equipment decreased year on year, reflecting the strengthening of the yen. As a result, net sales in this segment came to ¥11,452 million, down 22.5% year on year. This segment posted operating loss of ¥131 million, reflecting a drop in profit due to sales decrease, compared with operating income of ¥987 million in the same period of the previous fiscal year.

#### ***The Finetech Solutions (FT) Segment***

In the FT segment, sales of production equipment for large-sized panels fell in China, but sales of production equipment for small- and medium-sized LCD panels in Taiwan and Japan increased year on year. As a result, net sales in this segment amounted to ¥9,332 million, up 47.9%, year on year. Reflecting the increase in net sales and the improvement of the variable cost ratio, this segment posted operating income of ¥1,263 million, compared with operating income of ¥173 million in the corresponding period of the previous fiscal year.

## 2. Qualitative information regarding changes in consolidated financial position

Total assets as of June 30, 2016 stood at ¥273,378 million, an increase of ¥3,284 million, or 1.2%, compared with March 31, 2016. This was largely due to increases in cash and time deposits and inventories, despite decreases in notes and accounts receivable - trade and investment securities.

Total liabilities amounted to ¥156,451 million, up ¥6,646 million, or 4.4%, compared with the end of the previous fiscal year. This was mainly attributable to increases in notes and accounts payable - trade and advances received, despite a decrease in interest-bearing debt. Interest-bearing debt decreased by ¥7,885 million, or 19.9%, from March 31, 2016 to ¥31,750 million, due in part to the redemption of bonds. Net interest-bearing debt, or interest-bearing debt minus cash and time deposits, decreased by ¥18,490 million compared with the previous fiscal year-end, to be in a net cash position of ¥11,226 million due to the substantial income cash flows from operating activities.

Total net assets amounted to ¥116,926 million, down ¥3,361 million, or 2.8%, from March 31, 2016. This was mainly attributable to the payment of cash dividends and decreases in valuation difference on available-for-sale securities and foreign currency translation adjustment due to decreases in the market values of held stocks and the appreciation of the yen, despite the recording of quarterly profit attributable to owners of parent.

As a result, the equity ratio as of June 30, 2016 stood at 42.5%.

### *Status of Cash Flows*

The status of cash flows for the first quarter of the fiscal year ending March 31, 2017 is as follows.

Net cash provided by operating activities amounted to ¥24,586 million, a substantial improvement from ¥7,588 million used in operating activities in the first quarter of the previous fiscal year. This was because the decrease in trade receivables, increase in trade payables, increase in advances received, and other inflows were greater than such cash outflows as an increase in inventories.

Net cash used in investing activities amounted to ¥991 million, compared with ¥1,558 million used in investing activities in the first quarter of the previous fiscal year. This was attributable to the purchase of property, plant and equipment, such as equipment for R&D.

Net cash used in financing activities amounted to ¥10,745 million, compared with ¥15,225 million provided by financing activities in the first quarter of the previous fiscal year. This was due in part to the redemption of bonds and cash dividends paid.

As a result, cash and cash equivalents as of June 30, 2016, totaled ¥41,205 million, up ¥11,048 million from March 31, 2016.

## 3. Qualitative information regarding consolidated business results forecasts

SCREEN Holdings has revised its consolidated business forecast for the first half of the fiscal year ending March 31, 2017, from the previous forecast announced on May 10, 2016, as shown below. The revision is largely attributable to such factors as the prospects that sales and profit in the GP segment will be lower than previously assumed due in part to an adjustment to the currency conversion rate assumptions in light of the recent appreciation of the yen and that, on the other hand, sales and profit in the SE segment will be higher than previously assumed, given the current state of orders received. The forecasts for the full fiscal year have not been changed.

### **Business forecast**

(1) The first half of the fiscal year ending March 31, 2017 (April 1, 2016 to September 30, 2016)

(Millions of yen)

|                                   | Net Sales | Operating Income | Ordinary Income | Profit Attributable to Owners of Parent |
|-----------------------------------|-----------|------------------|-----------------|---|
| Previously Announced Forecast (A) | ¥ 129,500 | ¥ 11,300         | ¥ 11,100        | ¥ 8,200                                 |
| Revised Forecast (B)              | 133,000   | 11,700           | 11,400          | 8,500                                   |
| Amount of Change (B-A)            | 3,500     | 400              | 300             | 300                                     |

(2) The full fiscal year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

The consolidated business results forecast for the fiscal year ending March 31, 2017 remains unchanged from the previously announced forecast.

Note: The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥105 and EUR1.00 = ¥115.

Business forecasts are also made in accordance with currently available information and rational assumptions. However, it should be noted that actual results could differ significantly due to a variety of factors.

**[ Summary Information (Notes) ]**

## 1. Changes in significant consolidated subsidiaries:

None

## 2. Application of accounting methods specific to the preparation of quarterly consolidated financial statements:

## Calculation of income taxes

Income tax amount is calculated principally by multiplying reasonably estimated annual effective tax rate through the first quarter ended June 30, 2016, with the effects of deferred taxes reflected, by the amount of year-to-date income before income taxes. When calculation using reasonably estimated annual effective tax rate causes irrational results, income tax amount is calculated based on the legal tax rate.

## 3. Changes of accounting policies, changes in accounting estimates and retrospective restatement:

None

## 4. Additional Information

**(Application of Revised Implementation Guidance on Recoverability of Deferred Tax Assets)**

Effective the first quarter of the fiscal year ending March 31, 2017, the “Revised Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, issued March 28, 2016) was adopted.

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

|   | Mar. 31,<br>2016 | Jun. 30,<br>2016 |
|---|------------------|------------------|
| <b>ASSETS</b>                                       |                  |                  |
| <b>Current assets:</b>                              |                  |                  |
| Cash and time deposits                              | ¥ 32,371         | ¥ 42,976         |
| Notes and accounts receivable - trade               | 65,017           | 49,102           |
| Electronically recorded monetary claims - operating | 2,570            | 1,393            |
| Merchandise and finished goods                      | 40,955           | 45,965           |
| Work in process                                     | 28,657           | 33,504           |
| Raw materials and supplies                          | 7,020            | 7,399            |
| Deferred tax assets                                 | 5,156            | 4,885            |
| Other   | 7,562            | 9,376            |
| Allowance for doubtful accounts                     | (789)            | (569)            |
| Total current assets                                | 188,521          | 194,033          |
| <b>Non-current assets:</b>                          |                  |                  |
| <b>Property, plant and equipment:</b>               |                  |                  |
| Buildings and structures                            | 53,578           | 52,616           |
| Machinery, equipment and vehicles                   | 38,624           | 39,242           |
| Other   | 29,723           | 29,546           |
| Accumulated depreciation                            | (78,548)         | (78,584)         |
| Total property, plant and equipment                 | 43,378           | 42,820           |
| <b>Intangible assets:</b>                           |                  |                  |
| Other   | 2,394            | 2,325            |
| Total intangible assets                             | 2,394            | 2,325            |
| <b>Investments and other assets:</b>                |                  |                  |
| Investment securities                               | 28,539           | 26,930           |
| Net defined benefit asset                           | 4,279            | 4,407            |
| Other   | 3,616            | 3,495            |
| Allowance for doubtful accounts                     | (636)            | (635)            |
| Total investments and other assets                  | 35,799           | 34,198           |
| Total non-current assets                            | 81,572           | 79,344           |
| <b>Total assets</b>                                 | <b>270,093</b>   | <b>273,378</b>   |

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

|   | Mar. 31,<br>2016 | Jun. 30,<br>2016 |
|---|------------------|------------------|
| <b>LIABILITIES</b>                                    |                  |                  |
| <b>Current liabilities:</b>                           |                  |                  |
| Notes and accounts payable - trade                    | ¥ 59,523         | ¥ 35,627         |
| Electronically recorded obligations - operating       | 10,536           | 44,899           |
| Current portion of long-term loans payable            | 4,079            | 4,079            |
| Current portion of bonds payable                      | 13,600           | 5,000            |
| Lease obligations                                     | 411              | 420              |
| Income taxes payable                                  | 4,430            | 2,594            |
| Notes payable - facilities                            | 6                | 7                |
| Electronically recorded obligations - facilities      | 1                | 1                |
| Provision for bonuses                                 | 1,044            | 549              |
| Provision for directors' bonuses                      | 72               | 21               |
| Provision for product warranties                      | 4,564            | 4,493            |
| Provision for loss on order received                  | 2                | 91               |
| Other   | 22,584           | 29,907           |
| Total current liabilities                             | 120,857          | 127,695          |
| <b>Non-current liabilities:</b>                       |                  |                  |
| Long-term loans payable                               | 18,986           | 19,786           |
| Lease obligations                                     | 2,559            | 2,463            |
| Net defined benefit liability                         | 737              | 661              |
| Provision for directors' retirement benefits          | 103              | 108              |
| Asset retirement obligations                          | 48               | 48               |
| Other   | 6,513            | 5,687            |
| Total non-current liabilities                         | 28,948           | 28,756           |
| Total liabilities                                     | 149,805          | 156,451          |
| <b>NET ASSETS</b>                                     |                  |                  |
| <b>Shareholders' equity:</b>                          |                  |                  |
| Capital stock   | 54,044           | 54,044           |
| Capital surplus                                       | 4,583            | 4,583            |
| Retained earnings                                     | 71,602           | 72,484           |
| Treasury stock  | (13,272)         | (13,273)         |
| Total shareholders' equity                            | 116,957          | 117,839          |
| <b>Accumulated other comprehensive income:</b>        |                  |                  |
| Valuation difference on available-for-sale securities | 8,364            | 7,186            |
| Foreign currency translation adjustment               | (3,911)          | (7,062)          |
| Remeasurements of defined benefit plans               | (1,761)          | (1,668)          |
| Total accumulated other comprehensive income          | 2,692            | (1,544)          |
| Non-controlling interests                             | 638              | 632              |
| Total net assets                                      | 120,288          | 116,926          |
| Total liabilities and net assets                      | 270,093          | 273,378          |



**CONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

|   | Apr.1, 2015 – Jun. 30, 2015 | Apr.1, 2016 – Jun. 30, 2016 |
|---|-----------------------------|-----------------------------|
| <b>Net sales</b>  | ¥ 56,116                    | ¥ 62,250                    |
| <b>Cost of sales</b>                                    | 38,854                      | 42,901                      |
| <b>Gross profit</b>                                     | 17,262                      | 19,349                      |
| <b>Selling, general and administrative expenses</b>     | 13,962                      | 14,228                      |
| <b>Operating income</b>                                 | 3,299                       | 5,121                       |
| <b>Non-operating income</b>                             |                             |                             |
| Interest income   | 20                          | 9                           |
| Dividends income  | 297                         | 270                         |
| Other   | 317                         | 174                         |
| Total non-operating income                              | 635                         | 455                         |
| <b>Non-operating expenses</b>                           |                             |                             |
| Interest expenses                                       | 258                         | 230                         |
| Foreign exchange losses                                 | 35                          | 46                          |
| Loss on retirement of non-current assets                | 100                         | 109                         |
| Other   | 106                         | 136                         |
| Total non-operating expenses                            | 501                         | 523                         |
| <b>Ordinary income</b>                                  | 3,433                       | 5,053                       |
| <b>Income before income taxes</b>                       | 3,433                       | 5,053                       |
| <b>Income taxes</b>                                     | 1,149                       | 1,335                       |
| <b>Profit</b>   | 2,283                       | 3,717                       |
| <b>Profit attributable to non-controlling interests</b> | 17                          | 1                           |
| <b>Profit attributable to owners of parent</b>          | 2,266                       | 3,716                       |

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Millions of yen)

|   | Apr.1, 2015 – Jun. 30, 2015 | Apr.1, 2016 – Jun. 30, 2016 |
|---|-----------------------------|-----------------------------|
| <b>Profit</b>   | ¥ 2,283                     | ¥ 3,717                     |
| <b>Other comprehensive income</b>                     |                             |                             |
| Valuation difference on available-for-sale securities | 2,659                       | (1,177)                     |
| Foreign currency translation adjustment               | 1,027                       | (3,156)                     |
| Remeasurements of defined benefit plans               | 53                          | 92                          |
| Total other comprehensive income                      | 3,740                       | (4,241)                     |
| <b>Comprehensive income</b>                           | 6,024                       | (523)                       |
| (Comprehensive income attributable to)                |                             |                             |
| Owners of parent                                      | 6,008                       | (520)                       |
| Non-controlling interests                             | 15                          | (3)                         |

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

**Apr.1, 2015- Jun. 30, 2015****Apr.1, 2016 – Jun. 30, 2016****Cash flow from operating activities:**

|  |         |          |
|--|---------|----------|
| Income before income taxes   | ¥ 3,433 | ¥ 5,053  |
| Depreciation and amortization  | 1,211   | 1,282    |
| Loss on retirement of non-current assets   | 100     | 109      |
| Increase (decrease) in net defined benefit liability                             | (181)   | (37)     |
| Increase (decrease) in provision for bonuses                                     | 171     | (495)    |
| Increase (decrease) in provision for directors' bonuses                          | (107)   | (51)     |
| Increase (decrease) in provision for product warranties                          | (179)   | (35)     |
| Increase (decrease) in provision for loss on order received                      | (2)     | 89       |
| Interest and dividends income  | (317)   | (280)    |
| Interest expenses  | 258     | 230      |
| Decrease (increase) in trade receivables   | (5,014) | 16,477   |
| Decrease (increase) in inventories   | (9,734) | (12,250) |
| Decrease (increase) in other current assets                                      | 133     | 78       |
| Increase (decrease) in trade payables  | 4,486   | 10,772   |
| Increase (decrease) in other current liabilities                                 | 1,055   | 8,400    |
| Other, net   | (201)   | 456      |
| Subtotal   | (4,889) | 29,799   |
| Interest and dividends income received   | 343     | 294      |
| Interest expenses paid   | (255)   | (234)    |
| Contribution in connection with the shift to a defined-contribution pension plan | —       | (0)      |
| Income taxes paid  | (2,786) | (5,272)  |
| Net cash provided by (used in) operating activities                              | (7,588) | 24,586   |

**Cash flow from investing activities:**

|   |         |         |
|---|---------|---------|
| Decrease (increase) in time deposits      | (398)   | 315     |
| Purchase of property, plant and equipment | (1,058) | (1,431) |
| Other, net                                | (101)   | 124     |
| Net cash used in investing activities     | (1,558) | (991)   |

**Cash flow from financing activities:**

|   |         |          |
|---|---------|----------|
| Net increase (decrease) in short-term loans payable | 17,200  | —        |
| Proceeds from long-term loans payable               | —       | 1,000    |
| Repayments of long-term loans payable               | (200)   | (200)    |
| Repayments of finance lease obligations             | (105)   | (100)    |
| Redemption of bonds                                 | —       | (8,600)  |
| Net decrease (increase) in treasury stock           | (2)     | (1)      |
| Purchase of treasury shares of subsidiaries         | —       | (6)      |
| Cash dividends paid                                 | (1,661) | (2,833)  |
| Dividends paid to non-controlling interests         | (4)     | (3)      |
| Net cash provided by (used in) financing activities | 15,225  | (10,745) |

|   |        |         |
|---|--------|---------|
| Effect of exchange rate change on cash and cash equivalents | 620    | (1,800) |
| Net increase in cash and cash equivalents                   | 6,699  | 11,048  |
| Cash and cash equivalents at beginning of period            | 21,990 | 30,156  |
| Cash and cash equivalents at end of period                  | 28,690 | 41,205  |

**SEGMENT INFORMATION****[Segment Information]**

First quarter ended Jun. 30, 2015

Net sales and income (loss) in reportable segment

(Millions of yen)

|                                     | Reportable segment *1 |          |         |          | Other<br>*2 | Total    | Adjustments<br>*3 | Consolidated<br>*4 |
|-------------------------------------|-----------------------|----------|---------|----------|-------------|----------|-------------------|--------------------|
|                                     | SE                    | GP       | FT      | Total    |             |          |                   |                    |
| Sales                               |                       |          |         |          |             |          |                   |                    |
| (1)Sales to outside customers       | ¥ 34,707              | ¥ 14,771 | ¥ 6,308 | ¥ 55,787 | ¥ 328       | ¥ 56,116 | ¥ —               | ¥ 56,116           |
| (2)Intersegment sales and transfers | —                     | 3        | —       | 3        | 2,640       | 2,643    | (2,643)           | —                  |
| Total                               | 34,707                | 14,774   | 6,308   | 55,790   | 2,969       | 58,760   | (2,643)           | 56,116             |
| Segment income (loss)               | 2,109                 | 987      | 173     | 3,270    | (100)       | 3,170    | 129               | 3,299              |

## Notes

\*1 The SE segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. In the GP segment, graphic arts equipment and PCB related equipment are developed, manufactured, sold and maintained. The FT segment develops, manufactures and markets FPD production equipment and others, and it also conducts maintenance services.

\*2 The “Other” category incorporates operations not included in reportable segments, including software development, planning and production of printed matter, logistics operations and other businesses.

\*3 Segment operating income (loss) adjustment of ¥ 129 million is the Company’s profit (loss) not attributable to reportable segment.

\*4 Segment income (loss) is adjusted with operating income under consolidated statements of income.

First quarter ended Jun. 30, 2016

Net sales and income (loss) in reportable segment

(Millions of yen)

|                                     | Reportable segment *1 |          |         |          | Other<br>*2 | Total    | Adjustments<br>*3 | Consolidated<br>*4 |
|-------------------------------------|-----------------------|----------|---------|----------|-------------|----------|-------------------|--------------------|
|                                     | SE                    | GP       | FT      | Total    |             |          |                   |                    |
| Sales                               |                       |          |         |          |             |          |                   |                    |
| (1)Sales to outside customers       | ¥ 41,194              | ¥ 11,417 | ¥ 9,332 | ¥ 61,944 | ¥ 306       | ¥ 62,250 | ¥ —               | ¥ 62,250           |
| (2)Intersegment sales and transfers | 104                   | 34       | —       | 139      | 2,270       | 2,409    | (2,409)           | —                  |
| Total                               | 41,299                | 11,452   | 9,332   | 62,084   | 2,576       | 64,660   | (2,409)           | 62,250             |
| Segment income (loss)               | 4,331                 | (131)    | 1,263   | 5,462    | (329)       | 5,133    | (12)              | 5,121              |

## Notes

\*1 The SE segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. In the GP segment, graphic arts equipment and PCB related equipment are developed, manufactured, sold and maintained. The FT segment develops, manufactures and markets FPD production equipment and others, and it also conducts maintenance services.

\*2 The “Other” category incorporates operations not included in reportable segments, including development, manufacturing and sales of equipment in life science business and other, software development, planning and production of printed matter and other businesses.

\*3 Segment operating income (loss) adjustment of ¥ (12) million is the Company’s profit (loss) not attributable to reportable segment.

\*4 Segment income (loss) is adjusted with operating income under consolidated statements of income.

## Consolidated Financial Highlights for the First Quarter Ended June 30, 2016

(Figures less than one million yen have been omitted and other figures have been rounded.)

|  | FY2016                          | FY2017                          | Difference |            | FY2016                          | FY2017                            |                                  |
|--|---------------------------------|---------------------------------|------------|------------|---------------------------------|-----------------------------------|----------------------------------|
|  | 3 months ended<br>Jun. 30, 2015 | 3 months ended<br>Jun. 30, 2016 |            |            | 12 months ended<br>Mar.31, 2016 | 6 months ending<br>Sept. 30, 2016 | 12 months ending<br>Mar.31, 2017 |
|  | Result                          | Result                          | Amount     | Percentage | Result                          | Forecast                          | Forecast                         |
| Net sales  | ¥ 56,116                        | ¥ 62,250                        | ¥ 6,134    | 10.9%      | ¥ 259,675                       | ¥ 133,000                         | ¥ 265,000                        |
| Operating income   | 3,299                           | 5,121                           | 1,821      | 55.2%      | 23,557                          | 11,700                            | 27,000                           |
| [to net sales ratio]   | 5.9 %                           | 8.2 %                           | 2.3 pt     | —          | 9.1 %                           | 8.8 %                             | 10.2 %                           |
| Ordinary income  | 3,433                           | 5,053                           | 1,620      | 47.2%      | 23,178                          | 11,400                            | 26,500                           |
| [to net sales ratio]   | 6.1 %                           | 8.1 %                           | 2.0 pt     | —          | 8.9 %                           | 8.6 %                             | 10.0 %                           |
| Profit attributable to owners of parent                                | 2,266                           | 3,716                           | 1,450      | 64.0%      | 18,815                          | 8,500                             | 20,500                           |
| [to net sales ratio]   | 4.0 %                           | 6.0 %                           | 2.0 pt     | —          | 7.2 %                           | 6.4 %                             | 7.7 %                            |
| Total assets   | 276,707                         | 273,378                         | * 3,284    | 1.2%       | 270,093                         | —                                 | —                                |
| Net assets   | 115,868                         | 116,926                         | * (3,361)  | -2.8%      | 120,288                         | —                                 | —                                |
| Equity   | 115,209                         | 116,294                         | * (3,355)  | -2.8%      | 119,649                         | —                                 | —                                |
| Equity ratio   | 41.6 %                          | 42.5 %                          | * -1.8 pt  | —          | 44.3 %                          | —                                 | —                                |
| Net assets per share (yen)   | 485.44                          | 492.48                          | * (14.20)  | -2.8%      | 506.68                          | —                                 | —                                |
| Interest-bearing debt  | 56,586                          | 31,750                          | * (7,885)  | -19.9%     | 39,636                          | —                                 | —                                |
| Net interest-bearing debt  | 23,864                          | (11,226)                        | * (18,490) | —          | 7,264                           | —                                 | —                                |
| Cash flows from operating activities                                   | (7,588)                         | 24,586                          | —          | —          | 14,720                          | —                                 | —                                |
| Cash flows from investing activities                                   | (1,558)                         | (991)                           | —          | —          | (2,557)                         | —                                 | —                                |
| Cash flows from financing activities                                   | 15,225                          | (10,745)                        | —          | —          | (2,845)                         | —                                 | —                                |
| Depreciation and amortization  | 1,211                           | 1,282                           | 71         | 5.9%       | 5,029                           | 2,600                             | 5,700                            |
| Capital expenditures   | 459                             | 1,401                           | 942        | 205.2%     | 6,351                           | 4,100                             | 9,000                            |
| R&D expenses   | 3,343                           | 3,566                           | 223        | 6.7%       | 15,166                          | 8,600                             | 17,000                           |
| Number of employees  | 5,147                           | 5,266                           | * 84       | 1.6%       | 5,182                           | —                                 | —                                |
| Number of consolidated subsidiaries                                    | 46                              | 51                              | * 1        | —          | 50                              | —                                 | —                                |
| [Domestic]   | [23]                            | [26]                            | * [—]      | —          | [26]                            | —                                 | —                                |
| [Overseas]   | [23]                            | [25]                            | * [1]      | —          | [24]                            | —                                 | —                                |
| Number of unconsolidated subsidiaries                                  | 1                               | —                               | * —        | —          | —                               | —                                 | —                                |
| [Number of unconsolidated subsidiaries accounted for by equity method] | [1]                             | [—]                             | * [—]      | —          | [—]                             | —                                 | —                                |

\* show changes in amount from Mar. 31, 2016

## Sales Breakdown (Consolidated)

(Millions of yen)

|                                 |                        | FY2016         |                |                |                |                |                 | FY2017         |                 |                  |
|---------------------------------|------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|-----------------|------------------|
|                                 |                        | 3 months ended | 3 months ended | 6 months ended | 3 months ended | 3 months ended | 12 months ended | 3 months ended | 6 months ending | 12 months ending |
|                                 |                        | Jun. 30, 2015  | Sept. 30, 2015 | Sept. 30, 2015 | Dec. 31, 2015  | Mar. 31, 2016  | Mar.31, 2016    | Jun. 30, 2016  | Sept. 30, 2016  | Mar.31, 2017     |
|                                 |                        | Result         | Result         | Result         | Result         | Result         | Result          | Result         | Forecast        | Forecast         |
| Semiconductor Solutions         | Domestic               | 11,269         | 9,523          | 20,793         | 9,367          | 10,245         | 40,407          | 4,633          | —               | —                |
|                                 | Overseas               | 23,437         | 37,759         | 61,196         | 22,690         | 41,506         | 125,394         | 36,666         | —               | —                |
|                                 | Total                  | 34,707         | 47,282         | 81,990         | 32,058         | 51,752         | 165,801         | 41,299         | 86,900          | 169,000          |
| Graphic and Precision Solutions | Domestic               | 6,707          | 7,740          | 14,447         | 6,460          | 6,691          | 27,599          | 5,336          | —               | —                |
|                                 | Overseas               | 8,067          | 8,847          | 16,914         | 7,353          | 9,412          | 33,680          | 6,115          | —               | —                |
|                                 | Total                  | 14,774         | 16,587         | 31,362         | 13,813         | 16,103         | 61,279          | 11,452         | 27,600          | 57,500           |
|                                 | Graphic Arts Equipment | Domestic       | 6,154          | 7,039          | 13,193         | 5,924          | 6,024           | 4,755          | —               | —                |
|                                 |                        | Overseas       | 6,533          | 7,042          | 13,576         | 6,550          | 7,036           | 4,860          | —               | —                |
|                                 |                        | Total          | 12,687         | 14,081         | 26,769         | 12,475         | 13,060          | 9,615          | 23,100          | 48,200           |
|                                 | PCB-related Equipment  | Domestic       | 553            | 700            | 1,254          | 535            | 667             | 2,457          | —               | —                |
|                                 |                        | Overseas       | 1,533          | 1,804          | 3,337          | 802            | 2,375           | 6,516          | —               | —                |
|                                 |                        | Total          | 2,086          | 2,505          | 4,592          | 1,338          | 3,043           | 8,974          | 4,500           | 9,300            |
| Finetech Solutions              | Domestic               | 732            | 920            | 1,653          | 1,211          | 1,542          | 4,406           | 4,491          | —               | —                |
|                                 | Overseas               | 5,576          | 8,708          | 14,284         | 5,698          | 7,199          | 27,182          | 4,840          | —               | —                |
|                                 | Total                  | 6,308          | 9,628          | 15,937         | 6,909          | 8,742          | 31,589          | 9,332          | 17,800          | 36,000           |
| Other                           | Domestic               | 281            | 189            | 470            | 182            | 243            | 896             | 238            | —               | —                |
|                                 | Overseas               | 47             | 48             | 95             | 45             | 46             | 188             | 67             | —               | —                |
|                                 | Total                  | 328            | 237            | 566            | 227            | 290            | 1,084           | 306            | 800             | 2,600            |
| Intersegment sales              | Domestic               | (3)            | (17)           | (20)           | (5)            | (54)           | (80)            | (139)          | (100)           | (100)            |
|                                 | Overseas               | —              | —              | —              | —              | —              | —               | —              | —               | —                |
|                                 | Total                  | (3)            | (17)           | (20)           | (5)            | (54)           | (80)            | (139)          | (100)           | (100)            |
| Grand Total                     | Domestic               | 18,988         | 18,355         | 37,344         | 17,216         | 18,668         | 73,229          | 14,560         | —               | —                |
|                                 | Overseas               | 37,128         | 55,363         | 92,491         | 35,788         | 58,165         | 186,445         | 47,690         | —               | —                |
|                                 | Total                  | 56,116         | 73,719         | 129,836        | 53,005         | 76,834         | 259,675         | 62,250         | 133,000         | 265,000          |
|                                 | Overseas Ratio         | 66.2%          | 75.1%          | 71.2%          | 67.5%          | 75.7%          | 71.8%           | 76.6%          | —               | —                |

## Orders received &amp; Order backlog (Consolidated)

(Millions of yen)

|                                 |                        | FY2016                       |               |                               |               |                              |               | FY2017                       |               |                              |               |
|---------------------------------|------------------------|------------------------------|---------------|-------------------------------|---------------|------------------------------|---------------|------------------------------|---------------|------------------------------|---------------|
|                                 |                        | 3 months ended Jun. 30, 2015 |               | 3 months ended Sept. 30, 2015 |               | 3 months ended Dec. 31, 2015 |               | 3 months ended Mar. 31, 2016 |               | 3 months ended Jun. 30, 2016 |               |
|                                 |                        | Orders received              | Order backlog | Orders received               | Order backlog | Orders received              | Order backlog | Orders received              | Order backlog | Orders received              | Order backlog |
|                                 |                        | Orders received              | Order backlog | Orders received               | Order backlog | Orders received              | Order backlog | Orders received              | Order backlog | Orders received              | Order backlog |
| Semiconductor Solutions         | Domestic               | 7,645                        | 11,199        | 12,276                        | 13,951        | 6,203                        | 10,787        | 5,278                        | 5,819         | 6,194                        | 7,380         |
|                                 | Overseas               | 30,462                       | 47,504        | 24,476                        | 34,220        | 32,435                       | 43,965        | 42,824                       | 45,282        | 42,907                       | 51,523        |
|                                 | Total                  | 38,108                       | 58,703        | 36,752                        | 48,172        | 38,638                       | 54,751        | 48,102                       | 51,101        | 49,102                       | 58,903        |
| Graphic and Precision Solutions | Domestic               | 8,624                        | 5,664         | 6,069                         | 3,993         | 6,118                        | 3,651         | 5,899                        | 2,859         | 5,625                        | 3,148         |
|                                 | Overseas               | 7,862                        | 3,534         | 8,430                         | 3,116         | 8,348                        | 4,111         | 7,625                        | 2,324         | 7,325                        | 3,533         |
|                                 | Total                  | 16,486                       | 9,198         | 14,499                        | 7,109         | 14,467                       | 7,762         | 13,524                       | 5,183         | 12,950                       | 6,681         |
|                                 | Graphic Arts Equipment | Domestic                     | 7,758         | 5,060                         | 5,494         | 3,515                        | 5,600         | 3,191                        | 5,409         | 2,576                        | 5,023         |
|                                 |                        | Overseas                     | 6,345         | 3,056                         | 6,904         | 2,917                        | 7,474         | 3,841                        | 5,260         | 2,064                        | 5,661         |
|                                 |                        | Total                        | 14,102        | 8,116                         | 12,399        | 6,432                        | 13,075        | 7,032                        | 10,669        | 4,640                        | 10,684        |
|                                 | PCB-related Equipment  | Domestic                     | 867           | 604                           | 575           | 478                          | 518           | 461                          | 490           | 283                          | 602           |
|                                 |                        | Overseas                     | 1,517         | 479                           | 1,525         | 199                          | 874           | 270                          | 2,365         | 260                          | 1,664         |
|                                 |                        | Total                        | 2,384         | 1,082                         | 2,100         | 677                          | 1,392         | 731                          | 2,855         | 543                          | 2,266         |
| Finetech Solutions              | Domestic               | 7,082                        | 9,089         | 1,337                         | 9,505         | 677                          | 8,971         | 1,042                        | 8,471         | 466                          | 4,446         |
|                                 | Overseas               | 5,052                        | 24,720        | 4,750                         | 20,761        | 9,267                        | 24,329        | 14,403                       | 31,533        | 10,654                       | 37,346        |
|                                 | Total                  | 12,134                       | 33,809        | 6,087                         | 30,267        | 9,944                        | 33,300        | 15,445                       | 40,004        | 11,120                       | 41,792        |
| Other                           | Domestic               | —                            | —             | —                             | —             | —                            | —             | —                            | —             | —                            | —             |
|                                 | Overseas               | —                            | —             | —                             | —             | —                            | —             | —                            | —             | —                            | —             |
|                                 | Total                  | —                            | —             | —                             | —             | —                            | —             | —                            | —             | —                            | —             |
| Grand Total                     | Domestic               | 23,352                       | 25,952        | 19,682                        | 27,450        | 12,999                       | 23,409        | 12,219                       | 17,148        | 12,286                       | 14,973        |
|                                 | Overseas               | 43,376                       | 75,758        | 37,655                        | 58,098        | 50,050                       | 72,405        | 64,853                       | 79,139        | 60,886                       | 92,402        |
|                                 | Total                  | 66,728                       | 101,710       | 57,337                        | 85,548        | 63,049                       | 95,814        | 77,072                       | 96,287        | 73,172                       | 107,375       |
|                                 | Overseas Ratio         | 65.0%                        | 74.5%         | 65.7%                         | 67.9%         | 79.4%                        | 75.6%         | 84.1%                        | 82.2%         | 83.2%                        | 86.1%         |