

May 9, 2017

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 FISCAL YEAR ENDED MARCH 31, 2017 [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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Date of the annual shareholders' meeting: June 27, 2017 Date of payment for cash dividends: June 28, 2017
Date planned for the filing of the financial report: June 28, 2017

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

PERFORMANCE (APR.1, 2016-MAR. 31, 2017)

(Millions of yen, except per share figures)
(Percentage are the rate of increase or decrease from the previous fiscal year)

(1) Business Results

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Fiscal year ended Mar. 31, 2017	¥300,233	15.6%	¥33,731	43.2%	¥32,019	38.1%
Fiscal year ended Mar. 31, 2016	259,675	9.3	23,557	37.2	23,178	44.0

Note: Comprehensive income
Fiscal year ended Mar. 31, 2017: ¥ 28,011million (142.2 %)
Fiscal year ended Mar. 31, 2016: ¥ 11,567 million (-51.8 %)

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)	Return on Equity	Return on Assets (Ordinary Income Basis)	Return on Sales (Operating Income Basis)
Fiscal year ended Mar. 31, 2017	¥24,168	28.5%	¥511.96	¥ —	18.4%	11.2%	11.2%
Fiscal year ended Mar. 31, 2016	18,815	55.2	396.75	—	16.3	8.9	9.1

Note: Equity in earnings (losses) of affiliates accounted for by the equity method
Fiscal year ended Mar. 31, 2017: ¥ - million
Fiscal year ended Mar. 31, 2016: ¥ 0 million

Note: The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. Basic earnings per share shown above are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2016.

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Mar. 31, 2017	¥300,659	¥142,915	47.5%	¥3,040.79
Mar. 31, 2016	270,093	120,288	44.3	2,533.41

Note: Equity
As of Mar. 31, 2017: ¥ 142,804 million
As of Mar. 31, 2016: ¥ 119,649 million

Note: The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. Net assets per share of capital stock shown above are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2016.

(3) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
Fiscal year ended Mar. 31, 2017	¥49,024	¥ (5,860)	¥ (27,479)	¥44,922
Fiscal year ended Mar. 31, 2016	14,720	(2,557)	(2,845)	30,156

CASH DIVIDENDS

Record date	Cash Dividends per Share					Total Dividends (Annual) (millions of yen)	Payout Ratio (Consolidated)	Ratio of Net Assets to Dividends (Consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual			
Fiscal year ended Mar. 31, 2016	—	—	—	¥12.00	¥12.00	¥2,833	15.1 %	2.5 %
Fiscal year ended Mar. 31, 2017	—	—	—	87.00	87.00	4,085	17.0	3.1
Fiscal year ending Mar. 31, 2018 (Forecast)	—	—	—	87.00	87.00		18.3	

Note: The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. The cash dividends per share for the fiscal year ended March 31, 2016, recalculated to reflect the share consolidation is ¥60.00.

FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2018

(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, 2017	¥ 145,000	6.5 %	¥ 14,000	15.0 %
Fiscal year ending Mar. 31, 2018	305,000	1.6	34,000	0.8

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Six months period ending Sept. 30, 2017	¥ 13,900	18.8 %	¥ 8,500	-10.1 %	¥ 180.99
Fiscal year ending Mar. 31, 2018	33,700	5.2	22,300	-7.7	474.84

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) 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

(3) Number of shares outstanding

1. Number of shares outstanding as of end of period (including treasury stock)

As of Mar. 31, 2017: 50,794,866 shares As of Mar. 31, 2016: 50,794,866 shares

2. Number of treasury stock as of end of period

As of Mar. 31, 2017: 3,831,798 shares As of Mar. 31, 2016: 3,566,169 shares

3. Average number of shares outstanding

Fiscal year ended Mar. 31, 2017: 47,207,591 shares Fiscal year ended Mar. 31, 2016: 47,424,223 shares

Note: The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. The amounts shown for number of shares outstanding as of end of period, number of treasury stock as of end of period, and average number of shares outstanding are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2016.

(Reference) Overview of nonconsolidated business performance (APR.1, 2016-MAR. 31, 2017)

(Millions of yen, except per share figures)

(1) Business Results

(Percentage are the rate of increase or decrease from the previous fiscal year)

	Operating Revenue	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Fiscal year ended Mar. 31, 2017	¥21,483	-0.5 %	¥6,339	-4.3 %	¥5,741	-8.3 %
Fiscal year ended Mar. 31, 2016	21,587	-78.3	6,626	612.8	6,260	104.0

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Fiscal year ended Mar. 31, 2017	¥ 6,418	-9.5	¥ 135.96	¥ -
Fiscal year ended Mar. 31, 2016	7,091	135.0	149.53	-

Note: The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. Net income per share shown above are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2016.

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Fiscal year ended Mar. 31, 2017	¥195,936	¥82,177	41.9 %	¥1,749.84
Fiscal year ended Mar. 31, 2016	191,594	76,152	39.7	1,612.43

Note: Equity

As of Mar. 31, 2017: ¥ 82,177 million

As of Mar. 31, 2016: ¥ 76,152 million

Note: The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. Net assets per share of capital stock shown above are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2016.

*This financial report is exempt from audit procedure based upon the Financial Instruments and Exchange Law.

*Explanation for appropriate use of forecasts and other notes

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.

BUSINESS RESULTS, etc.

1. Business Results

Consolidated Business Results

During the fiscal year ended March 31, 2017, the global economy saw a gradual overall improvement despite signs of weakness in certain areas, such as concern caused by Britain's decision to leave the European Union and the downturn in the Chinese economy. The U.S. economy continued to recover, backed by improving employment and personal consumption as well as recovery in capital investment. European economies also saw ongoing gradual improvement, albeit somewhat less than robust, reflecting such factors as signs of reaching the ceiling of growth in employment. Meanwhile, the pace at which economic growth in China had been slowing moderated, due in part to the effects of government policies aimed at stable growth. Japan's economy saw gradual recovery, with improvement in corporate earnings and employment as well as signs of rising capital investment and personal consumption.

With regard to the business conditions surrounding the SCREEN Group, in the semiconductor industry, capital investment in miniaturization by foundries picked up steam, reflecting strong demand for high-end smartphones and data centers for IoT-related big data processing. Capital investment among memory manufacturers, including that related to data servers and storage, also remained strong. In the FPD business field, investment in large-sized LCD panels was brisk in China, as was capital investment in small- and medium-sized LCD panels in Japan, China and Taiwan.

Under these circumstances, for the fiscal year ended March 31, 2017, the SCREEN Group posted consolidated net sales of ¥300,233 million, an increase of ¥40,558 million, or 15.6%, from the previous fiscal year. On the earnings front, operating income totaled ¥33,731 million, up ¥10,174 million, or 43.2%, year on year, despite a rise in R&D expenses, and an increase in personnel costs due to the reinforcement of overseas sites (accordingly, the operating income to net sales ratio for the year was 11.2%). Furthermore, the Group recorded a loss on disposal of fixed assets under non-operating expenses, a gain on sales of investment securities under extraordinary income, and an impairment loss on fixed assets under extraordinary loss. As a result, ordinary income amounted to ¥32,019 million, up ¥8,841 million, or 38.1%, year on year. Profit attributable to owners of parent totaled ¥24,168 million, up ¥5,353 million, or 28.5%, compared with the previous fiscal year.

Results by Business Segment

Performance by reportable segment is explained below.

The Semiconductor Solutions (SE) Segment

In the SE segment, sales to foundries increased significantly year on year, while those to memory manufacturers were firm. By product, reflecting customers' investment in miniaturization, sales of single-wafer cleaning equipment rose considerably, and those of batch-type cleaning equipment were solid. By region, sales in Japan and the United States fell, but sales in Asia, particularly Taiwan and China, rose significantly. As a result, net sales in this segment amounted to ¥206,097 million, up 24.3% year on year. Operating income in this segment came to ¥29,315 million, up 56.6% from the previous fiscal year, reflecting the increase in net sales, despite a rise in R&D expenses and an increase in personnel costs due to the reinforcement of overseas sites.

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 to a decrease in overseas sales, and sales in Japan were lackluster, causing sales of graphic arts equipment to fall year on year. Sales of printed circuit board (PCB)-related equipment were flat year on year. As a result, net sales in this segment came to ¥54,748 million, down 10.7% year on year. Despite efforts to reduce variable costs, due to the significant impact of the decline in sales, this segment posted operating income of ¥2,224 million, down 29.8% compared with the previous fiscal year.

The Finetech Solutions (FT) Segment

In the FT segment, sales of production equipment for large-sized LCD panels in China fell year on year, but sales of production equipment for small- and medium-sized panels in China, Taiwan and Japan increased. As a result, net sales in this segment amounted to ¥38,104 million, up 20.6% year on year. This segment posted operating income of ¥4,391 million, up 59.8% year on year.

2. Financial Position

Assets, Liabilities and Net Assets

Total assets as of March 31, 2017 stood at ¥300,659 million, an increase of ¥30,566 million, or 11.3%, compared with March 31, 2016. This was largely due to increases in cash and time deposits and inventories, despite a decrease in notes and accounts receivable - trade.

Total liabilities amounted to ¥157,743 million, up ¥7,938 million, or 5.3%, 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 ¥22,049 million, or 55.6%, from March 31, 2016 to ¥17,586 million, due in part to the redemption of bonds. Net interest-bearing debt, or interest-bearing debt minus cash and time deposits, decreased by ¥38,510 million compared with the previous fiscal year-end to a net cash position of negative ¥31,245 million, due in part to the substantial incoming cash flows from operating activities.

Total net assets amounted to ¥142,915 million, up ¥22,627 million, or 18.8%, from March 31, 2016. This was mainly attributable to an increase in retained earnings due to the recording of profit attributable to owners of parent as well as an increase in valuation difference on available-for-sale securities.

As a result, the equity ratio as of March 31, 2017 stood at 47.5%.

Financial Indicators

	Fiscal year ended Mar. 31, 2013	Fiscal year ended Mar. 31, 2014	Fiscal year ended Mar. 31, 2015	Fiscal year ended Mar. 31, 2016	Fiscal year ended Mar. 31, 2017
Equity ratio (%)	32.8	37.2	44.4	44.3	47.5
Return on equity (%)	-14.2	6.7	12.3	16.3	18.4
Net interest-bearing debt (millions of yen)	30,021	7,161	14,036	7,264	-31,245

3. Cash Flows

The status of cash flows during the fiscal year ended March 31, 2017 is as follows.

Net cash provided by operating activities amounted to ¥49,024 million, a substantial improvement from the ¥14,720 million provided by operating activities in the previous fiscal year. This was because the decrease in notes and accounts receivable - trade, increase in notes and accounts payable - trade, 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 ¥5,860 million, compared with ¥2,557 million used in investing activities in 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 ¥27,479 million, compared with ¥2,845 million used in financing activities in the previous fiscal year. This was due in part to the redemption of bonds, repayment of long-term loans, payment of cash dividends, and acquisition of treasury stock.

As a result, cash and cash equivalents as of March 31, 2017 totaled ¥44,922 million, up ¥14,766 million from March 31, 2016.

4. Outlook

While the potential impact of geopolitical risks remains a cause for concern, the overall global economy is expected to see gradual growth going forward supported by the ongoing economic policies of countries around the world.

With regard to the business conditions surrounding the SCREEN Group's businesses, semiconductor manufacturers are expected to maintain their stance of aggressive capital investment, reflecting expanding demand for servers and storage as well as anticipated growth in semiconductor consumption due to the continued development of AI, autonomous vehicles, and higher-performance low-cost smartphones.

The SCREEN Group's consolidated performance forecasts for the fiscal year ending March 31, 2018, formulated with reference to current levels of orders received and other factors, are as follows.

Forecast of the consolidated business result for the fiscal year ending March 31, 2018

(Millions of yen)

	The first half ending Sep. 30, 2017	Fiscal year ending Mar. 31, 2018
Net sales	145,000	305,000
SE	94,000	202,000
GA	24,100	49,300
FT	20,800	39,500
PE	4,600	9,700
Other	1,500	4,500
Operating income	14,000	34,000
Ordinary income	13,900	33,700
Profit attributable to owners of parent	8,500	22,300

*On April 1, 2017, the PCB-related equipment business of SCREEN Graphic and Precision Solutions Co., Ltd. (now SCREEN Graphic Solutions Co., Ltd.) was spun off to form SCREEN PE Solutions Co., Ltd. The above consolidated results forecasts are presented according to the new reportable segments following this organizational change.

From the fiscal year ending March 31, 2018, the SCREEN Group has launched Challenge 2019, a new three-year medium-term management plan. Under Challenge 2019, the Group will maintain the earnings structure and financial base established under the previous medium-term management plan while aiming for the growth and qualitative improvement of the Group itself. At the same time, the Group will work to ensure the generation of sustainable profit and shareholder returns. For details, please see "SCREEN Announces the Launch of Challenge 2019, Its New Three-Year Medium-Term Management Plan" released today.

*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.

5. Basic Policy Regarding Allocation of Profits, and Dividends for the Fiscal Year under Review and Fiscal Year Ending March 31, 2018

- a. Dividends for the Fiscal Year Under Review
In light of the Group's performance during the fiscal year, SCREEN Holdings expects to distribute a fiscal year-end cash dividend of ¥87 per share for the fiscal year ended March 31, 2017. For details, please see "Notice: Dividend Forecast Revision," released today.
- b. Basic Policy Regarding Allocation of Profits for the Fiscal Year Ending March 31, 2018
The SCREEN Group works to secure the retained earnings necessary for growth investment and the sound maintenance of its finances in order to be able to respond to changes in the business environment. Considering this aim and other factors, the SCREEN Group aims for a total consolidated shareholder return ratio of 25% or above.
- c. Dividends for the Fiscal Year Ending March 31, 2018
Based on performance forecasts and the basic policy regarding allocation of profits described in b., above, SCREEN Holdings currently anticipates a fiscal year-end cash dividend of ¥87 per share for the fiscal year ending March 31, 2018.

BASIC PREMISE ON ACCOUNTING STANDARDS

In consideration of possibilities that these consolidated financial statements may be subject to trend analysis and/or comparison with other companies' financial statements, the SCREEN Group's policy is to produce its consolidated financial statements according to Japanese accounting standards.

The SCREEN Group's policy regarding harmonization with IFRS is to apply appropriate measures based on consideration of domestic and overseas economic situation(s).

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2016	Mar. 31, 2017
ASSETS		
Current assets:		
Cash and time deposits	¥32,371	¥48,832
Notes and accounts receivable-trade	65,017	57,026
Electronically recorded monetary claims - operating	2,570	2,125
Merchandise and finished goods	40,955	50,770
Work in process	28,657	32,943
Raw materials and supplies	7,020	8,007
Deferred tax assets	5,156	5,972
Other	7,562	10,050
Allowance for doubtful accounts	(789)	(569)
Total current assets	188,521	215,159
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	53,578	52,603
Accumulated depreciation	(38,575)	(38,484)
Buildings and structures (Net)	15,003	14,118
Machinery, equipment and vehicles	38,624	39,355
Accumulated depreciation	(26,399)	(27,869)
Machinery, equipment and vehicles (Net)	12,225	11,486
Land	9,766	9,554
Lease assets	6,613	6,426
Accumulated depreciation	(3,729)	(3,970)
Lease assets (Net)	2,884	2,455
Construction in progress	1,073	1,886
Other	12,270	12,375
Accumulated depreciation	(9,844)	(10,118)
Other (Net)	2,425	2,256
Total property, plant and equipment	43,378	41,757
Intangible assets:		
Lease assets	34	35
Other	2,360	2,868
Total intangible assets	2,394	2,904
Investments and other assets:		
Investment securities	28,539	33,204
Long-term loans receivable	13	6
Net defined benefit asset	4,279	4,703
Deferred tax assets	495	536
Other	3,107	2,920
Allowance for doubtful accounts	(636)	(532)
Total investments and other assets	35,799	40,838
Total noncurrent assets	81,572	85,500
Total assets	270,093	300,659

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2016	Mar. 31, 2017
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	¥59,523	¥26,300
Electronically recorded obligations - operating	10,536	58,001
Current portion of long-term loans payable	4,079	4,079
Current portion of bonds payable	13,600	—
Lease obligations	411	404
Income taxes payable	4,430	6,509
Notes payable-facilities	6	0
Electronically recorded obligations - facilities	1	6
Advances received	8,023	17,188
Provision for bonuses	1,044	3,405
Provision for directors' bonuses	72	82
Provision for product warranties	4,564	5,761
Provision for loss on order received	2	88
Other	14,561	13,747
Total current liabilities	120,857	135,575
Noncurrent liabilities:		
Long-term loans payable	18,986	10,906
Lease obligations	2,559	2,195
Deferred tax liabilities	5,988	7,349
Net defined benefit liability	737	764
Provision for directors' retirement benefits	103	130
Asset retirement obligations	48	48
Other	524	773
Total noncurrent liabilities	28,948	22,168
Total liabilities	149,805	157,743
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	4,583	4,600
Retained earnings	71,602	92,936
Treasury stock	(13,272)	(15,299)
Total shareholders' equity	116,957	136,282
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,364	12,847
Foreign currency translation adjustment	(3,911)	(4,911)
Remeasurements of defined benefit plans	(1,761)	(1,413)
Total accumulated other comprehensive income	2,692	6,522
Non-controlling interests	638	111
Total net assets	120,288	142,915
Total liabilities and net assets	270,093	300,659

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2015- Mar.31, 2016	Apr.1, 2016- Mar.31, 2017
Net sales	¥259,675	¥300,233
Cost of sales	178,677	206,686
Gross profit	80,998	93,547
Selling, general and administrative expenses	57,440	59,815
Operating income	23,557	33,731
Non-operating income		
Interest income	128	58
Dividends income	532	504
Compensation income	178	130
Subsidy income	307	45
Other	627	557
Total non-operating income	1,775	1,296
Non-operating expenses		
Interest expenses	1,095	818
Foreign exchange losses	253	314
Loss on retirement of non-current assets	302	1,231
Other	503	643
Total non-operating expenses	2,154	3,008
Ordinary income	23,178	32,019
Extraordinary income		
Gain on sales of investment securities	1,006	1,064
Total extraordinary income	1,006	1,064
Extraordinary loss		
Impairment loss	226	1,855
Loss on sales of investment securities	13	0
Loss on valuation of investment securities	1	173
Total extraordinary loss	241	2,029
Income before income taxes	23,942	31,055
Income taxes	5,922	8,192
Income taxes-deferred	(922)	(1,323)
Total income taxes	4,999	6,868
Profit	18,943	24,186
Profit attributable to non-controlling interests	128	17
Profit attributable to owners of parent	18,815	24,168

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2015- Mar.31, 2016	Apr.1, 2016- Mar.31, 2017
Profit	¥18,943	¥24,186
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,222)	4,483
Foreign currency translation adjustment	(2,532)	(1,006)
Remeasurements of defined benefit plans	(620)	347
Total other comprehensive income	<u>(7,376)</u>	<u>3,824</u>
Comprehensive income	<u>11,567</u>	<u>28,011</u>
(Comprehensive income attributable to)		
Owners of parent	11,456	27,999
Non-controlling interests	110	11

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fiscal year ended March 31, 2016

	(Millions of yen)				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, as of beginning of current period	¥54,044	¥4,583	¥54,447	¥ (12,262)	¥100,813
Increase (decrease) during the period					
Dividends from surplus			(1,661)		(1,661)
Profit attributable to owners of parent			18,815		18,815
Acquisition of treasury stock				(1,010)	(1,010)
Disposal of treasury shares					—
Purchase of shares of consolidated subsidiaries treasury stock					—
Purchase of shares of consolidated subsidiaries					—
Other					—
Total changes during the period	—	—	17,154	(1,010)	16,144
Balance, as of end of current period	54,044	4,583	71,602	(13,272)	116,957

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance, as of beginning of current period	¥12,586	¥ (1,395)	¥ (1,140)	¥10,051	¥648	¥111,513
Increase (decrease) during the period						
Dividends from surplus				—		(1,661)
Profit attributable to owners of parent				—		18,815
Acquisition of treasury stock				—		(1,010)
Disposal of treasury shares				—		—
Purchase of shares of consolidated subsidiaries treasury stock				—		—
Purchase of shares of consolidated subsidiaries				—		—
Other	(4,222)	(2,516)	(620)	(7,359)	(9)	(7,368)
Total changes during the period	(4,222)	(2,516)	(620)	(7,359)	(9)	8,775
Balance, as of end of current period	8,364	(3,911)	(1,761)	2,692	638	120,288

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fiscal year ended March 31, 2017

	(Millions of yen)				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, as of beginning of current period	¥54,044	¥4,583	¥71,602	¥ (13,272)	¥116,957
Increase (decrease) during the period					
Dividends from surplus			(2,833)		(2,833)
Profit attributable to owners of parent			24,168		24,168
Acquisition of treasury stock				(2,027)	(2,027)
Disposal of treasury shares		0		0	0
Purchase of shares of consolidated subsidiaries treasury stock		(2)			(2)
Purchase of shares of consolidated subsidiaries		19			19
Other					—
Total changes during the period	—	16	21,334	(2,027)	19,324
Balance, as of end of current period	54,044	4,600	92,936	(15,299)	136,282

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance, as of beginning of current period	¥8,364	¥ (3,911)	¥ (1,761)	¥2,692	¥638	¥120,288
Increase (decrease) during the period						
Dividends from surplus				—		(2,833)
Profit attributable to owners of parent				—		24,168
Acquisition of treasury stock				—		(2,027)
Disposal of treasury shares				—		0
Purchase of shares of consolidated subsidiaries treasury stock				—		(2)
Purchase of shares of consolidated subsidiaries				—		19
Other	4,483	(1,000)	347	3,830	(527)	3,302
Total changes during the period	4,483	(1,000)	347	3,830	(527)	22,627
Balance, as of end of current period	12,847	(4,911)	(1,413)	6,522	111	142,915

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr.1, 2015- Mar.31, 2016	Apr.1, 2016- Mar.31, 2017
Cash flow from operating activities:		
Income before income taxes	¥23,942	¥31,055
Depreciation and amortization	5,029	5,397
Impairment loss	226	1,855
Loss (gain) on valuation of investment securities	1	173
Loss (gain) on sales of investment securities	(992)	(1,064)
Loss on retirement of non-current assets	302	1,231
Increase (decrease) in net defined benefit liability	(113)	(12)
Increase (decrease) in provision for bonuses	1,044	2,360
Increase (decrease) in provision for directors' bonuses	(53)	9
Increase (decrease) in provision for product warranties	44	1,189
Increase (decrease) in provision for loss on order received	(15)	86
Interest and dividends income	(661)	(563)
Interest expenses	1,095	818
Decrease (increase) in notes and accounts receivable-trade	(12,918)	8,175
Decrease (increase) in inventories	(8,536)	(16,397)
Decrease (increase) in other current assets	(1,506)	(1,534)
Increase (decrease) in notes and accounts payable-trade	8,551	14,682
Increase (decrease) in other current liabilities	4,045	8,920
Other, net	287	345
Subtotal	19,773	56,730
Interest and dividends income received	675	564
Interest expenses paid	(1,097)	(876)
Contribution in connection with the shift to a defined-contribution pension plan	(0)	(0)
Income taxes paid	(4,630)	(7,394)
Net cash provided by operating activities	14,720	49,024

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr.1, 2015- Mar.31, 2016	Apr.1, 2016- Mar.31, 2017
Cash flow from investing activities:		
Decrease (increase) in time deposits	¥1,176	¥(1,707)
Purchase of property, plant and equipment	(5,458)	(5,496)
Proceeds from sales of property, plant and equipment	98	313
Purchase of investment securities	(20)	(192)
Proceeds from sales of investment securities	2,510	2,732
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(23)	-
Other, net	(841)	(1,508)
Net cash used in investing activities	(2,557)	(5,860)
Cash flow from financing activities:		
Proceeds from long-term loans payable	4,000	1,000
Repayments of long-term loans payable	(3,679)	(9,079)
Repayments of finance lease obligations	(398)	(415)
Redemption of bonds	-	(13,600)
Net decrease (increase) in treasury stock	(1,010)	(2,027)
Cash dividends paid	(1,661)	(2,833)
Dividends paid to non-controlling interests	(96)	(3)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(513)
Purchase of treasury shares of subsidiaries	-	(6)
Net cash used in financing activities	(2,845)	(27,479)
Effect of exchange rate change on cash and cash equivalents	(1,151)	(918)
Net increase (decrease) in cash and cash equivalents	8,166	14,766
Cash and cash equivalents at beginning of period	21,990	30,156
Cash and cash equivalents at end of period	30,156	44,922

SEGMENT INFORMATION

[Segment Information]

1. Segment Overview

(1) Calculation Method for Reportable Segments

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

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

Accordingly, the SCREEN Group comprises three reportable segments based on said business operating companies and organized by products and services. The three segments are as follows: Semiconductor Solutions (SE), Graphic and Precision Solutions (GP), and Finetech Solutions (FT).

(2) Products and Services of Reportable Segments

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. Measurement of Net Sales, Income (loss), Assets and Other in Reportable Segment

Income for each reportable segment is the amounts based on operating income.

Intersegment revenues and transfers are based on market prices.

SEGMENT INFORMATION

3. Net Sales, Income (loss), Assets and Other in Reportable Segment

Fiscal year ended March 31, 2016

(Millions of yen)

	Reportable segment				Other *1	Total	Adjustments *2	Consolidated *3
	SE	GP	FT	Total				
Sales								
(1) Sales to outside customers	¥165,801	¥61,231	¥31,557	¥258,590	¥1,084	¥259,675	¥ -	¥259,675
(2) Intersegment sales and transfers	0	48	31	80	11,554	11,634	(11,634)	-
Total	165,801	61,279	31,589	258,670	12,638	271,309	(11,634)	259,675
Segment income (loss)	18,715	3,169	2,748	24,633	(1,137)	23,495	62	23,557
Segment assets	132,523	50,333	28,372	211,230	6,637	217,867	52,226	270,093
Other								
Depreciation and amortization	2,490	645	88	3,224	183	3,408	1,621	5,029
Impairment loss	113	-	-	113	-	113	113	226
Increase in the amount of tangible fixed assets and intangible fixed assets	3,570	823	180	4,574	245	4,820	1,531	6,351

Notes

*1 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.

*2 Segment operating income (loss) adjustment of ¥62 million is the Company's profit(loss) not attributable to reportable segment.

Segment assets adjustment of ¥52,226 million is the corporate assets not apportioned to each reportable segment.

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

Fiscal year ended March 31, 2017

(Millions of yen)

	Reportable segment				Other *1	Total	Adjustments *2	Consolidated *3
	SE	GP	FT	Total				
Sales								
(1) Sales to outside customers	¥205,988	¥54,697	¥38,094	¥298,781	¥1,452	¥300,233	¥ -	¥300,233
(2) Intersegment sales and transfers	108	51	9	169	13,353	13,522	(13,522)	-
Total	206,097	54,748	38,104	298,950	14,806	313,756	(13,522)	300,233
Segment income (loss)	29,315	2,224	4,391	35,931	(1,453)	34,477	(745)	33,731
Segment assets	163,898	51,000	31,825	246,724	9,054	255,779	44,880	300,659
Other								
Depreciation and amortization	2,601	688	102	3,392	343	3,736	1,661	5,397
Impairment loss	-	1,753	-	1,753	-	1,753	102	1,855
Increase in the amount of tangible fixed assets and intangible fixed assets	5,069	1,110	296	6,477	687	7,164	1,091	8,256

Notes

*1 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.

*2 Segment operating income (loss) adjustment of ¥ (745) million is the Company's profit(loss) not attributable to reportable segment.

Segment assets adjustment of ¥44,880 million is the corporate assets not apportioned to each reportable segment.

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

Consolidated Financial Highlights for the Fiscal Year Ended Mar. 31, 2017

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

	FY2016	FY2017	Difference		FY2018	
	12months ended	12months ended			6months ending	12months ending
	Mar. 31, 2016	Mar. 31, 2017			Sept. 30, 2017	Mar.31, 2018
	Result	Result	Amount	Percentage	Forecast	Forecast
Net sales	¥259,675	¥300,233	¥40,558	15.6%	145,000	305,000
Operating income	23,557	33,731	10,174	43.2%	14,000	34,000
[to net sales ratio]	9.1 %	11.2 %	2.2 pt	-	9.7 %	11.1 %
Ordinary income	23,178	32,019	8,841	38.1%	13,900	33,700
[to net sales ratio]	8.9 %	10.7 %	1.7 pt	-	9.6 %	11.0 %
Profit attributable to owners of parent	18,815	24,168	5,353	28.5%	8,500	22,300
[to net sales ratio]	7.2 %	8.0 %	0.8 pt	-	5.9 %	7.3 %
Total assets	270,093	300,659	30,566	11.3%	-	-
Net assets	120,288	142,915	22,627	18.8%	-	-
Equity	119,649	142,804	23,155	19.4%	-	-
Equity ratio	44.3 %	47.5 %	3.2 pt	-	-	-
Net assets per share of capital stock	¥2,533.41	¥3,040.79	¥507.38	20.0%	-	-
Interest-bearing debt	39,636	17,586	(22,049)	-55.6%	-	-
Net interest-bearing debt	7,264	(31,245)	(38,510)	-	-	-
Return on equity	16.3 %	18.4 %	2.1 pt	-	-	-
Cash flow from operating activities	14,720	49,024	-	-	-	-
Cash flow from investing activities	(2,557)	(5,860)	-	-	-	-
Cash flow from financing activities	(2,845)	(27,479)	-	-	-	-
Depreciation and amortization	5,029	5,397	368	7.3%	3,100	6,500
Capital expenditures	6,351	8,256	1,904	30.0%	5,300	10,500
R&D expenses	15,166	17,794	2,627	17.3%	9,800	20,000
Number of employees	5,182	5,422	240	4.6%	-	-
Number of consolidated subsidiaries	50	53	3	-	-	-
[Domestic]	[26]	[27]	[1]	-	-	-
[Overseas]	[24]	[26]	[2]	-	-	-
Number of non-consolidated subsidiaries	-	1	1	-	-	-
[Number of non-consolidated subsidiaries accounted for by equity method]	[-]	[-]	[-]	-	-	-

Note: The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. Net assets per share of capital stock shown above are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2016.

Sales Breakdown (Consolidated)

(Millions of yen)

		FY2016		FY2017						FY2018	
		6 months ended	12 months ended	3 months ended	3 months ended	6 months ended	3 months ended	3 months ended	12 months ended	6 months ending	12 months ending
		Sept. 30, 2016	Mar. 31, 2016	Jun. 30, 2016	Sept. 30, 2016	Sept. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	Mar. 31, 2017	Sep. 30, 2017	Mar. 31, 2018
		Result	Result	Result	Result	Result	Result	Result	Result	Forecast	Forecast
Semiconductor Solutions	Domestic	20,793	40,407	4,633	6,453	11,087	5,921	7,555	24,563	-	-
	Overseas	61,196	125,394	36,666	43,929	80,595	44,734	56,203	181,533	-	-
	Total	81,990	165,801	41,299	50,382	91,682	50,656	63,759	206,097	94,000	202,000
Graphic and Precision Solutions	Domestic	14,447	27,599	5,336	6,729	12,065	5,234	5,988	23,288	-	-
	Overseas	16,914	33,680	6,115	7,874	13,990	6,845	10,624	31,459	-	-
	Total	31,362	61,279	11,452	14,603	26,055	12,079	16,613	54,748	-	-
	Graphic Arts Equipment	Domestic	13,193	25,141	4,755	5,926	10,681	4,753	20,957	-	-
		Overseas	13,576	27,163	4,860	6,557	11,417	5,707	24,872	-	-
		Total	26,769	52,305	9,615	12,483	22,098	10,461	45,830	24,100	49,300
	PCB Equipment	Domestic	1,254	2,457	580	802	1,383	480	2,331	-	-
		Overseas	3,337	6,516	1,255	1,316	2,572	1,137	6,587	-	-
		Total	4,592	8,974	1,836	2,119	3,956	1,617	8,919	4,600	9,700
Finetech Solutions	Domestic	1,653	4,406	4,491	3,020	7,512	1,906	1,023	10,442	-	-
	Overseas	14,284	27,182	4,840	5,593	10,434	8,912	8,315	27,662	-	-
	Total	15,937	31,589	9,332	8,614	17,946	10,818	9,339	38,104	20,800	39,500
Other	Domestic	470	896	238	244	483	312	464	1,259	-	-
	Overseas	95	188	67	49	117	28	46	192	-	-
	Total	566	1,084	306	293	600	340	511	1,452	1,500	4,500
Intersegment sales	Domestic	(20)	(80)	(139)	(2)	(142)	(22)	(4)	(169)	-	-
	Overseas	-	-	-	-	-	-	-	-	-	-
	Total	(20)	(80)	(139)	(2)	(142)	(22)	(4)	(169)	-	-
Total	Domestic	37,344	73,229	14,560	16,445	31,005	13,351	15,028	59,385	-	-
	Overseas	92,491	186,445	47,690	57,446	105,137	60,520	75,190	240,848	-	-
	Total	129,836	259,675	62,250	73,891	136,142	73,872	90,218	300,233	145,000	305,000
	Overseas Ratio	71.2%	71.8%	76.6%	77.7%	77.2%	81.9%	83.3%	80.2%	-	-

Orders received & Order backlog (Consolidated)

(Millions of yen)

		FY2016		FY2017							
		3 months ended Mar. 31, 2016		3 months ended Jun. 30, 2016		3 months ended Sept. 30, 2016		3 months ended Dec. 31, 2016		3 months ended Mar. 31, 2017	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Solutions	Domestic	5,278	5,819	6,194	7,380	6,157	7,083	7,046	8,207	8,021	8,673
	Overseas	42,824	45,282	42,907	51,523	47,233	54,827	57,770	67,862	50,081	61,739
	Total	48,102	51,101	49,102	58,903	53,390	61,909	64,816	76,069	58,102	70,412
Graphic and Precision Solutions	Domestic	5,899	2,859	5,625	3,148	5,805	2,224	5,601	2,591	5,468	2,070
	Overseas	7,625	2,324	7,325	3,533	7,349	3,008	7,155	3,318	11,669	4,362
	Total	13,524	5,183	12,950	6,681	13,155	5,232	12,756	5,909	17,136	6,432
	Graphic Arts Equipment	Domestic	5,409	2,576	5,023	2,844	4,949	1,867	5,198	2,311	1,936
		Overseas	5,260	2,064	5,661	2,865	6,391	2,698	5,689	2,680	2,915
		Total	10,669	4,640	10,684	5,709	11,340	4,565	10,887	4,991	4,851
	PCB Equipment	Domestic	490	283	602	304	856	357	403	280	134
		Overseas	2,365	260	1,664	668	959	310	1,465	638	1,447
		Total	2,855	543	2,266	972	1,815	668	1,868	918	1,581
Finetech Solutions	Domestic	1,042	8,471	466	4,446	2,222	3,648	413	2,155	551	1,682
	Overseas	14,403	31,533	10,654	37,346	8,889	40,641	8,666	40,395	7,953	40,033
	Total	15,445	40,004	11,120	41,792	11,111	44,289	9,079	42,550	8,504	41,715
Grand Total	Domestic	12,219	17,148	12,286	14,973	14,185	12,955	13,060	12,953	14,039	12,425
	Overseas	64,853	79,139	60,886	92,402	63,471	98,476	73,590	111,574	69,703	106,134
	Total	77,072	96,287	73,172	107,375	77,656	111,431	86,651	124,528	83,742	118,558
	Overseas Ratio	84.1%	82.2%	83.2%	86.1%	81.7%	88.4%	84.9%	89.6%	83.2%	89.5%