

October 31, 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 SECOND QUARTER ENDED SEPTEMBER 30, 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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Figures have been rounded down to eliminate amounts less than one million yen, except per share figures.

PERFORMANCE FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2017 (APR. 1, 2017-SEPT. 30, 2017)

(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 Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Six months ended Sept. 30, 2017	¥153,834	13.0%	¥ 16,918	38.9%	¥ 16,482	40.9%
Six months ended Sept. 30, 2016	136,142	4.9	12,178	12.7	11,696	10.1

Note: Comprehensive income

Six months ended Sept. 30, 2017: ¥ 15,754 million (138.9 %)

Six months ended Sept. 30, 2016: ¥ 6,593 million (0.2 %)

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Six months ended Sept. 30, 2017	¥ 10,666	12.8%	¥ 227.20	¥ —
Six months ended Sept. 30, 2016	9,459	11.7	200.29	—

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, 2017.

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Sept. 30, 2017	¥320,445	¥153,647	47.9%	¥3,279.15
Mar. 31, 2017	300,659	142,915	47.5	3,040.79

Note: Equity

As of Sept. 30, 2017: ¥ 153,647 million

As of Mar. 31, 2017: ¥ 142,804 million

CASH DIVIDENDS

Record date	Cash Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Fiscal year ended Mar. 31, 2017	¥ —	¥ —	¥ —	¥87.00	¥87.00
Fiscal year ending Mar. 31, 2018	—	—			
Fiscal year ending Mar. 31, 2018 (Forecast)			—	100.00	100.00

Note: Revision of the latest forecast of cash dividends: Yes

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
Fiscal year ending Mar. 31, 2018	¥ 337,000	12.2%	¥ 41,000	21.5%

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Fiscal year ending Mar. 31, 2018	¥ 40,600	26.8%	¥ 27,000	11.7%	¥ 575.68

Note: Revision of the latest business forecast: Yes

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.10 [Notes for quarterly consolidated financial statements] 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 Sept. 30, 2017: 50,794,866 shares As of Mar. 31, 2017: 50,794,866 shares
 2. Number of treasury stock as of end of period
 As of Sept. 30, 2017: 3,938,924 shares As of Mar. 31, 2017: 3,831,798 shares
 3. Average number of shares outstanding
 Six months ended Sept. 30, 2017: 46,945,341 shares Six months ended Sept. 30, 2016: 47,228,240 shares
- Notes: 1. The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. The amounts shown for 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, 2017.
2. The Company introduced a performance-linked share compensation system for directors and corporate officers from the second quarter ended September 30, 2017. The SCREEN Holdings shares remaining in trust are recorded as treasury stock under shareholder's equity and are deducted from the number of shares outstanding when calculating the average number of shares outstanding.

* This quarterly earnings report is exempt from quarterly review procedure.

* Explanation for appropriate use of forecasts and other notes

- (1) SCREEN Holdings has revised our business forecast for the fiscal year ending March 31, 2018 that was previously announced on August 8, 2017, 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.4 "3. Qualitative information regarding consolidated business results forecasts" for the assumptions used and other notes.

[Qualitative Information, Financial Statements]

1. Qualitative information regarding the status of consolidated business results

During the first half of the fiscal year ending March 31, 2018, the six-month period from April 1, 2017 to September 30, 2017, global economic conditions continued to gradually improve despite growing uncertainty regarding the exit of the U.K. from the European Union and concerns about financial policy in the United States. The U.S. economy was firm, as employment and consumer spending continued to improve and capital investment gradually rose. In Europe, continued improvement in consumer spending drove ongoing, gradual economic recovery, although weakness persisted in certain areas. China's economy showed signs of improvement, due in part to the effects of government policy aimed at stable growth. The Japanese economy, meanwhile, saw gentle improvement, backed by improving corporate earnings and employment as well as recovery in capital investment and consumer spending.

With regard to the business conditions surrounding the SCREEN Group, in the semiconductor industry, capital investment among memory manufacturers remained steady, backed by memory demand due to growing data center processing volumes and a shift to SSD storage. In addition, capital investment by logic chip manufacturers ramped up and capital investment in miniaturization by foundries continued, reflecting strong demand for high-end smartphones and data centers for IoT (internet of things)-related big data processing. In the FPD business field, investment in large-sized LCD panels for televisions was strong in China, due to the shift to larger, higher resolution television displays, and investment in OLED displays for smartphones was brisk, especially in South Korea.

Under these circumstances, the SCREEN Group posted consolidated net sales of ¥153,834 million for the first half of the fiscal year ending March 31, 2018, an increase of ¥17,692 million from the corresponding period of the previous fiscal year. On the earnings front, operating income totaled ¥16,918 million, up ¥4,739 million year on year, reflecting the increase in net sales. Ordinary income amounted to ¥16,482 million, up ¥4,786 million year on year. Profit attributable to owners of parent totaled ¥10,666 million, up ¥1,207 million compared with the corresponding period of the previous fiscal year.

Performance by reportable segment is explained below.

On April 1, 2017, the printed circuit board (PCB)-related equipment business of the previous SCREEN Graphic and Precision Solutions Co., Ltd. was spun off to form SCREEN PE Solutions Co., Ltd., a fully owned Group subsidiary. Consequently, as of the first quarter of the fiscal year ending March 31, 2018, the Graphic arts equipment and PCB-related equipment businesses are classified as reportable segments, under the segment names Graphic arts equipment (GA) business and PCB-related equipment (PE) business.

In line with these changes, the other reportable segments have also been renamed as follows.

Semiconductor solutions (SE) business → Semiconductor equipment (SE) business

Finetech solutions (FT) business → Display production equipment and coater (FT) business

The Semiconductor Equipment (SE) Business

In the SE business, sales to logic chip manufacturers expanded year on year, and those to foundries and memory manufacturers were firm. By product sales of single wafer cleaning equipment grew. By region, sales increased mainly in North America and South Korea. As a result, net sales in this segment amounted to ¥99,818 million, up 8.9% year on year. Operating income in this segment came to ¥14,546 million, up 40.1% from the corresponding period of the previous fiscal year, reflecting the increase in net sales.

The Graphic Arts Equipment (GA) Business

In the GA business, CTP (computer-to-plate) equipment sales fell, but POD (print on demand) equipment sales grew. As a result, net sales in this segment amounted to ¥24,804 million, up 12.2% year on year. Operating income in this segment came to ¥1,277 million, up 133.2% from the corresponding period of the previous fiscal year, reflecting the increase in net sales.

The Display Production Equipment and Coater (FT) Business

In the FT business, sales in Japan were down year on year, but sales of production equipment for large-sized panels in China increased, as did sales of production equipment for OLED displays in South Korea. As a result, net sales in this segment amounted to ¥22,870 million, up 27.4% year on year. Operating income in this segment came to ¥1,883 million, up 6.5% from the corresponding period of the previous fiscal year, reflecting a deterioration in the variable cost ratio and increase in fixed costs, despite the increase in net sales.

The PCB-Related Equipment (PE) Business

In the PE business, sales in China and South Korea increased year on year. As a result, net sales in this segment amounted to ¥5,777 million, up 46.0% year on year. Operating income in this segment came to ¥393 million, up 12.9% from the corresponding period of the previous fiscal year, reflecting an increase in temporary expenses due to the company split, despite the increase in net sales.

2. Qualitative information regarding changes in consolidated financial position

Total assets as of September 30, 2017 stood at ¥320,445 million, an increase of ¥ 19,785 million, or 6.6%, compared with March 31, 2017. This was largely due to an increase in cash and time deposits, inventories and investment securities, despite a decrease in notes and accounts receivable-trade.

Total liabilities amounted to ¥ 166,797 million, up ¥9,053 million, or 5.7 %, compared with the end of the previous fiscal year. This was mainly attributable to an increase in notes and accounts payable-trade.

Total net assets amounted to ¥153,647 million, up ¥10,731 million, or 7.5%, from March 31, 2017. This was mainly attributable to the recording of profit attributable to owners of parent and an increase in valuation difference on available-for-sale securities due to an increase in the market values of held stocks, despite the payment of cash dividends.

As a result, the equity ratio as of September 30, 2017 stood at 47.9%.

Status of Cash Flows

The status of cash flows for the first half of the fiscal year ending March 31, 2018 is as follows.

Net cash provided by operating activities amounted to ¥18,437 million, compared with ¥29,775 million provided by operating activities in the first half of the previous fiscal year. This was because the increase in income before income taxes, increase in notes and accounts payable—trade, decrease in notes and accounts receivable—trade, and other inflows exceeded the increase in income taxes paid, increase in inventories, and other outflows.

Net cash used in investing activities amounted to ¥2,991 million, compared with ¥2,852 million used in investing activities in the first half of the previous fiscal year. This was largely attributable to the purchase of property, plant and equipment, such as equipment for R&D.

Net cash used in financing activities amounted to ¥7,254 million, compared with ¥18,210 million used in financing activities in the first half of the previous fiscal year. This was due in part to cash dividends.

As a result, cash and cash equivalents as of September 30, 2017, totaled ¥53,355 million, up ¥8,432 million from March 31, 2017.

3. Qualitative information regarding consolidated business results forecasts

SCREEN Holdings has revised its consolidated business forecast for the fiscal year ending March 31, 2018, from the previous forecast announced on August 8, 2017, as shown below. The revision is largely attributable to the prospect that sales and profit in the SE segment will be higher than previously assumed, given the current state of orders received.

Business forecast

Fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen)

		Fiscal Year Ending Mar. 31, 2018
Net Sales		¥ 337,000
	SE	229,000
	GA	51,000
	FT	43,500
	PE	11,400
	Other and Adjustments	2,100
Operating Income		41,000
Ordinary Income		40,600
Profit Attributable to Owners of Parent		27,000

With the revision of consolidated business forecast, SCREEN Holdings has decided to revise the cash dividend forecast for the fiscal year ending March 31, 2018.

For details, please refer to today's "Notice: Dividend Forecast Revision."

Note: The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥105 and EUR1.00 = ¥125.

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.

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2017	Sept. 30, 2017
ASSETS		
Current assets:		
Cash and time deposits	¥ 48,832	¥ 55,732
Notes and accounts receivable - trade	57,026	52,436
Electronically recorded monetary claims - operating	2,125	3,914
Merchandise and finished goods	50,770	50,857
Work in process	32,943	37,759
Raw materials and supplies	8,007	9,087
Deferred tax assets	5,972	6,223
Other	10,050	9,916
Allowance for doubtful accounts	(569)	(539)
Total current assets	215,159	225,387
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	52,603	53,064
Machinery, equipment and vehicles	39,355	42,234
Other	30,242	30,710
Accumulated depreciation	(80,443)	(82,379)
Total property, plant and equipment	41,757	43,630
Intangible assets:		
Other	2,904	4,386
Total intangible assets	2,904	4,386
Investments and other assets:		
Investment securities	33,204	38,910
Net defined benefit asset	4,703	5,019
Other	3,462	3,640
Allowance for doubtful accounts	(532)	(531)
Total investments and other assets	40,838	47,039
Total non-current assets	85,500	95,057
Total assets	300,659	320,445

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2017	Sept. 30, 2017
LIABILITIES		
Current liabilities:		
Notes and accounts payable - trade	¥ 26,300	¥ 23,042
Electronically recorded obligations - operating	58,001	69,627
Current portion of long-term loans payable	4,079	6,379
Lease obligations	404	391
Income taxes payable	6,509	6,802
Notes payable - facilities	0	22
Electronically recorded obligations - facilities	6	4
Advances received	17,188	17,787
Provision for bonuses	3,405	1,441
Provision for directors' bonuses	82	71
Provision for product warranties	5,761	5,993
Provision for loss on order received	88	499
Other	13,747	15,271
Total current liabilities	135,575	147,335
Non-current liabilities:		
Long-term loans payable	10,906	6,566
Lease obligations	2,195	2,034
Net defined benefit liability	764	842
Provision for directors' retirement benefits	130	137
Provision for stocks payment	—	12
Provision for management board incentive plan trust	—	16
Asset retirement obligations	48	48
Other	8,122	9,801
Total non-current liabilities	22,168	19,461
Total liabilities	157,743	166,797
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	4,600	4,546
Retained earnings	92,936	99,517
Treasury stock	(15,299)	(16,075)
Total shareholders' equity	136,282	142,033
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	12,847	16,688
Foreign currency translation adjustment	(4,911)	(3,908)
Remeasurements of defined benefit plans	(1,413)	(1,165)
Total accumulated other comprehensive income	6,522	11,614
Non-controlling interests	111	—
Total net assets	142,915	153,647
Total liabilities and net assets	300,659	320,445

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2016 - Sept. 30, 2016	Apr.1, 2017 - Sept. 30, 2017
Net sales	¥ 136,142	¥ 153,834
Cost of sales	94,993	105,321
Gross profit	41,148	48,513
Selling, general and administrative expenses	28,970	31,595
Operating income	12,178	16,918
Non-operating income		
Interest income	20	26
Dividends income	283	291
Other	338	256
Total non-operating income	642	575
Non-operating expenses		
Interest expenses	443	302
Foreign exchange losses	186	353
Loss on retirement of non-current assets	149	44
Other	345	309
Total non-operating expenses	1,124	1,010
Ordinary income	11,696	16,482
Extraordinary income		
Gain on sales of investment securities	33	199
Total extraordinary income	33	199
Extraordinary loss		
Loss on valuation of investment securities	—	59
Total extraordinary loss	—	59
Income before income taxes	11,729	16,623
Income taxes	2,262	5,957
Profit	9,466	10,666
Profit attributable to non-controlling interests	7	—
Profit attributable to owners of parent	9,459	10,666

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2016 - Sept. 30, 2016	Apr.1, 2017 - Sept. 30, 2017
Profit	¥ 9,466	¥ 10,666
Other comprehensive income		
Valuation difference on available-for-sale securities	1,158	3,840
Foreign currency translation adjustment	(4,217)	1,000
Remeasurements of defined benefit plans	185	247
Total other comprehensive income	(2,873)	5,088
Comprehensive income	6,593	15,754
(Comprehensive income attributable to)		
Owners of parent	6,599	15,757
Non-controlling interests	(6)	(3)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

Apr.1, 2016 - Sept. 30, 2016**Apr.1, 2017 - Sept. 30, 2017****Cash flow from operating activities:**

Income before income taxes	¥ 11,729	¥ 16,623
Depreciation and amortization	2,590	2,749
Loss (gain) on valuation of investment securities	—	59
Loss (gain) on sales of investment securities	(33)	(199)
Loss on retirement of non-current assets	149	44
Increase (decrease) in net defined benefit liability	(15)	(58)
Increase (decrease) in provision for bonuses	58	(1,963)
Increase (decrease) in provision for directors' bonuses	(30)	(11)
Increase (decrease) in provision for stocks payment	—	12
Increase (decrease) in provision for management board incentive plan trust	—	16
Increase (decrease) in provision for product warranties	399	218
Increase (decrease) in provision for loss on order received	447	410
Interest and dividends income	(304)	(318)
Interest expenses	443	302
Decrease (increase) in notes and accounts receivable-trade	8,925	2,982
Decrease (increase) in inventories	(12,586)	(5,334)
Decrease (increase) in other current assets	541	1,178
Increase (decrease) in notes and accounts payable - trade	12,788	6,057
Increase (decrease) in other current liabilities	9,518	2,444
Other, net	536	(73)
Subtotal	35,158	25,141
Interest and dividends income received	323	328
Interest expenses paid	(499)	(300)
Contribution in connection with the shift to a defined-contribution pension plan	(0)	(0)
Income taxes paid	(5,206)	(6,732)
Net cash provided by operating activities	29,775	18,437

Cash flow from investing activities:

Decrease (increase) in time deposits	(26)	1,561
Purchase of property, plant and equipment	(2,352)	(2,582)
Purchase of investment securities	(132)	(267)
Proceeds from sales of investment securities	58	254
Payments for transfer of business	—	(1,250)
Other, net	(399)	(707)
Net cash used in investing activities	(2,852)	(2,991)

Cash flow from financing activities:

Proceeds from long-term loans payable	1,000	—
Repayments of long-term loans payable	(2,039)	(2,039)
Repayments of finance lease obligations	(203)	(210)
Redemption of bonds	(13,600)	—
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(513)	—
Net decrease (increase) in treasury stock	(10)	(775)
Purchase of treasury shares of subsidiaries	(6)	(164)
Cash dividends paid	(2,833)	(4,063)
Dividends paid to non-controlling interests	(3)	—
Net cash used in financing activities	(18,210)	(7,254)

Effect of exchange rate change on cash and cash equivalents

Effect of exchange rate change on cash and cash equivalents	(2,228)	240
Net increase (decrease) in cash and cash equivalents	6,483	8,432
Cash and cash equivalents at beginning of period	30,156	44,922
Cash and cash equivalents at end of period	36,639	53,355

[Notes for quarterly consolidated financial statements]

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 second quarter ended September 30, 2017, 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.

SEGMENT INFORMATION**[Segment Information]**

Six months ended Sept. 30, 2016

Net sales and income (loss) in reportable segment

(Millions of yen)

	Reportable segment *1					Other *2	Total	Adjustments *3	Consolidated *4
	SE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥ 91,577	¥ 22,061	¥ 17,946	¥ 3,956	¥ 135,542	¥ 600	¥ 136,142	¥ —	¥ 136,142
(2)Intersegment sales and transfers	105	37	—	—	142	6,350	6,492	(6,492)	—
Total	91,682	22,098	17,946	3,956	135,684	6,950	142,635	(6,492)	136,142
Segment income (loss)	10,381	547	1,767	348	13,045	(646)	12,399	(221)	12,178

Notes:

*1 The SE segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. In the GA segment, graphic arts equipment is developed, manufactured, sold and maintained. The FT segment develops, manufactures and markets display production equipment and coater equipment, and it also conducts maintenance services. In the PE segment, PCB related equipment is developed, manufactured, sold and maintained.

*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 ¥ (221) 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.

Six months ended Sept. 30, 2017

1. Net sales and income (loss) in reportable segment

(Millions of yen)

	Reportable segment *1					Other *2	Total	Adjustments *3	Consolidated *4
	SE	GA	FT	PE	Total				
Sales									
(1) Sales to outside customers	¥ 99,817	¥ 24,742	¥ 22,867	¥ 5,762	¥ 153,190	¥ 644	¥ 153,834	—	¥ 153,834
(2) Intersegment sales and transfers	0	61	3	15	81	7,058	7,140	(7,140)	—
Total	99,818	24,804	22,870	5,777	153,271	7,703	160,974	(7,140)	153,834
Segment income (loss)	14,546	1,277	1,883	393	18,100	(969)	17,131	(213)	16,918

Notes:

*1 SE segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. In the GA segment, graphic arts equipment is developed, manufactured, sold and maintained. The FT segment develops, manufactures and markets display production equipment and coater equipment, and it also conducts maintenance services. In the PE segment, PCB related equipment is developed, manufactured, sold and maintained.

*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 ¥ (213) 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.

2. The changes in reportable segments

On April 1, 2017, the printed circuit board (PCB)-related equipment business of the previous SCREEN Graphic and Precision Solutions Co., Ltd. was spun off to form SCREEN PE Solutions Co., Ltd., a fully owned Group subsidiary. Consequently, as of the first quarter of the fiscal year ending March 31, 2018, the Graphic arts equipment and PCB-related equipment businesses are classified as reportable segments, under the segment names Graphic arts equipment (GA) business and PCB-related equipment (PE) business.

In line with these changes, the other reportable segments have also been renamed as follows.

Semiconductor solutions (SE) business → Semiconductor equipment (SE) business

Finetech solutions (FT) business → Display production equipment and coater (FT) business

Segment information for the first half of the previous fiscal year has been prepared according to the reclassified segments and is presented under “Net sales and income (loss) in reportable segment” beneath “Six months ended Sept. 30, 2016.”

Consolidated Financial Highlights for the Second Quarter Ended September 30, 2017

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

	FY2017	FY2018	Difference		FY2017	FY2018
	6 months ended Sept. 30, 2016	6 months ended Sept. 30, 2017			12 months ended Mar.31, 2017	12 months ending Mar.31, 2018
	Result	Result	Amount	Percentage	Result	Forecast
Net sales	¥ 136,142	¥ 153,834	¥ 17,692	13.0 %	¥ 300,233	¥ 337,000
Operating income	12,178	16,918	4,739	38.9 %	33,731	41,000
[to net sales ratio]	8.9 %	11.0 %	2.1 pt	—	11.2 %	12.2 %
Ordinary income	11,696	16,482	4,786	40.9 %	32,019	40,600
[to net sales ratio]	8.6 %	10.7 %	2.1 pt	—	10.7 %	12.0 %
Profit attributable to owners of parent	9,459	10,666	1,207	12.8 %	24,168	27,000
[to net sales ratio]	6.9 %	6.9 %	-0.0 pt	—	8.0 %	8.0 %
Total assets	278,614	320,445	* 19,785	6.6 %	300,659	—
Net assets	123,515	153,647	* 10,731	7.5 %	142,915	—
Equity	123,422	153,647	* 10,843	7.6 %	142,804	—
Equity ratio	44.3 %	47.9 %	* 0.5 pt	—	47.5 %	—
Net assets per share of capital stock (yen)	2,613.38	3,279.15	* 238.36	7.8 %	3,040.79	—
Interest-bearing debt	24,809	15,372	* -2,213	-12.6 %	17,586	—
Net interest-bearing debt	(13,839)	(40,359)	* -9,113	—	(31,245)	—
Cash flows from operating activities	29,775	18,437	—	—	49,024	—
Cash flows from investing activities	(2,852)	(2,991)	—	—	(5,860)	—
Cash flows from financing activities	(18,210)	(7,254)	—	—	(27,479)	—
Depreciation and amortization	2,590	2,749	159	6.1 %	5,397	6,200
Capital expenditures	2,975	4,873	1,897	63.8 %	8,256	12,700
R&D expenses	7,914	9,922	2,008	25.4 %	17,794	21,500
Number of employees	5,320	5,719	* 297	5.5 %	5,422	—
Number of consolidated subsidiaries	52	56	* 3	—	53	—
[Domestic]	[26]	[28]	* [1]	—	[27]	—
[Overseas]	[26]	[28]	* [2]	—	[26]	—
Number of non-consolidated subsidiaries	1	2	* 1	—	1	—
[Number of non-consolidated subsidiaries accounted for by equity method]	[—]	[—]	* [—]	—	[—]	—

* show changes in amount from Mar. 31, 2017

Notes: 1 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, 2017.

2 The number of consolidated subsidiaries changed as follows.

SCREEN Laminatech Co., Ltd.: Established as a wholly owned subsidiary in the first quarter of the fiscal year ending March 31, 2018

SCREEN SPE Korea Co., Ltd.: Established as a wholly owned subsidiary in the first quarter of the fiscal year ending March 31, 2018

SCREEN Holdings Singapore PTE. Ltd.: Established as a wholly owned subsidiary in the first quarter of the fiscal year ending March 31, 2018*

* The previous SCREEN HD Singapore PTE. Ltd. was renamed SCREEN SPE Singapore PTE. Ltd.

Sales Breakdown (Consolidated)

(Millions of yen)

		FY2017						FY2018			
		3 months ended	3 months ended	6 months ended	3 months ended	3 months ended	12 months ended	3 months ended	3 months ended	6 months ended	12 months ending
		Jun. 30, 2016	Sept. 30, 2016	Sept. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	Mar.31, 2017	Jun. 30, 2017	Sept. 30, 2017	Sept. 30, 2017	Mar.31, 2018
		Result	Result	Result	Result	Result	Result	Result	Result	Result	Forecast
Semiconductor Equipment Business	Domestic	4,633	6,453	11,087	5,921	7,555	24,563	5,394	9,081	14,476	—
	Overseas	36,666	43,929	80,595	44,734	56,203	181,533	41,187	44,153	85,341	—
	Total	41,299	50,382	91,682	50,656	63,759	206,097	46,582	53,235	99,818	229,000
Graphic Arts Equipment Business	Domestic	4,755	5,926	10,681	4,753	5,521	20,957	4,678	6,554	11,233	—
	Overseas	4,860	6,557	11,417	5,707	7,747	24,872	6,156	7,415	13,571	—
	Total	9,615	12,483	22,098	10,461	13,269	45,830	10,835	13,969	24,804	51,000
Display Production Equipment and Coater Business	Domestic	4,491	3,020	7,512	1,906	1,023	10,442	507	1,324	1,831	—
	Overseas	4,840	5,593	10,434	8,912	8,315	27,662	12,417	8,622	21,039	—
	Total	9,332	8,614	17,946	10,818	9,339	38,104	12,924	9,946	22,870	43,500
PCB-Related Equipment Business	Domestic	580	802	1,383	480	466	2,331	468	840	1,309	—
	Overseas	1,255	1,316	2,572	1,137	2,876	6,587	1,918	2,549	4,468	—
	Total	1,836	2,119	3,956	1,617	3,343	8,919	2,387	3,390	5,777	11,400
Other	Domestic	238	244	483	312	464	1,259	195	340	536	—
	Overseas	67	49	117	28	46	192	51	56	107	—
	Total	306	293	600	340	511	1,452	247	396	644	2,200
Intersegment sales	Domestic	(139)	(2)	(142)	(22)	(4)	(169)	(19)	(61)	(81)	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	(139)	(2)	(142)	(22)	(4)	(169)	(19)	(61)	(81)	(100)
Grand Total	Domestic	14,560	16,445	31,005	13,351	15,028	59,385	11,225	18,081	29,306	—
	Overseas	47,690	57,446	105,137	60,520	75,190	240,848	61,732	62,796	124,528	—
	Total	62,250	73,891	136,142	73,872	90,218	300,233	72,957	80,877	153,834	337,000
	Overseas Ratio	76.6%	77.7%	77.2%	81.9%	83.3%	80.2%	84.6%	77.6%	80.9%	—

Orders received & Order backlog (Consolidated)

(Millions of yen)

		FY2017						FY2018			
		3 months ended Sept. 30, 2016		3 months ended Dec. 31, 2016		3 months ended Mar. 31, 2017		3 months ended Jun. 30, 2017		3 months ended Sept. 30, 2017	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Equipment Business	Domestic	6,157	7,083	7,046	8,207	8,021	8,673	7,850	11,128	8,526	10,572
	Overseas	47,233	54,827	57,770	67,862	50,081	61,739	45,103	65,654	44,699	66,200
	Total	53,390	61,909	64,816	76,069	58,102	70,412	52,953	76,783	53,225	76,773
Graphic Arts Equipment Business	Domestic	4,949	1,867	5,198	2,311	5,146	1,936	6,413	3,670	5,718	2,834
	Overseas	6,391	2,698	5,689	2,680	7,984	2,915	6,699	3,458	7,257	3,300
	Total	11,340	4,565	10,887	4,991	13,130	4,851	13,113	7,129	12,975	6,135
Display Production Equipment and Coater Business	Domestic	2,222	3,648	413	2,155	551	1,682	1,014	2,189	802	1,668
	Overseas	8,889	40,641	8,666	40,395	7,953	40,033	10,011	37,626	12,540	41,544
	Total	11,111	44,289	9,079	42,550	8,504	41,715	11,025	39,815	13,343	43,212
PCB-Related Equipment Business	Domestic	856	357	403	280	321	134	1,062	728	756	644
	Overseas	959	310	1,465	638	3,685	1,447	2,448	1,976	2,282	1,709
	Total	1,815	668	1,868	918	4,007	1,581	3,511	2,705	3,038	2,353
Grand Total	Domestic	14,185	12,955	13,060	12,953	14,039	12,425	16,341	17,716	15,804	15,719
	Overseas	63,471	98,476	73,590	111,574	69,703	106,134	64,263	108,716	66,778	112,755
	Total	77,656	111,431	86,651	124,528	83,742	118,558	80,604	126,433	82,583	128,475
	Overseas Ratio	81.7%	88.4%	84.9%	89.6%	83.2%	89.5%	79.7%	86.0%	80.9%	87.8%