

May 8, 2019

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, 2019 [Japanese GAAP]

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

Representative: Eiji Kakiuchi, President, Member of the Board and CEO  
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Date of the annual shareholders' meeting: June 25, 2019      Date of payment for cash dividends: June 26, 2019  
Date planned for the filing of the financial report: June 26, 2019

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

### PERFORMANCE (APR.1, 2018-MAR. 31, 2019)

(Millions of yen, except per share figures)

#### (1) Business Results

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

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
<b>Fiscal year ended Mar. 31, 2019</b>	<b>¥ 364,234</b>	<b>7.3%</b>	<b>¥ 29,645</b>	<b>-30.6%</b>	<b>¥ 29,279</b>	<b>-29.2%</b>
Fiscal year ended Mar. 31, 2018	339,368	13.0	42,725	26.7	41,329	29.1

Note: Comprehensive income

Fiscal year ended Mar. 31, 2019: ¥ 13,425 million (-61.6%)  
Fiscal year ended Mar. 31, 2018: ¥ 34,933 million (24.7%)

	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)
<b>Fiscal year ended Mar. 31, 2019</b>	<b>¥ 18,059</b>	<b>-36.7%</b>	<b>¥ 387.10</b>	<b>¥ 370.66</b>	<b>10.3%</b>	<b>7.8%</b>	<b>8.1%</b>
Fiscal year ended Mar. 31, 2018	28,507	18.0	608.62	—	18.2	12.4	12.6

Note: Equity in earnings (losses) of affiliates accounted for by the equity method

Fiscal year ended Mar. 31, 2019: ¥ (111) million  
Fiscal year ended Mar. 31, 2018: ¥ - million

#### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
<b>Mar. 31, 2019</b>	<b>¥ 380,915</b>	<b>¥ 179,133</b>	<b>47.0%</b>	<b>¥ 3,838.90</b>
Mar. 31, 2018	365,874	170,880	46.7	3,661.96

Note: Equity

As of Mar. 31, 2019: ¥ 179,115 million  
As of Mar. 31, 2018: ¥ 170,839 million

#### (3) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
<b>Fiscal year ended Mar. 31, 2019</b>	<b>¥ (37,534)</b>	<b>¥ (19,020)</b>	<b>¥ 36,760</b>	<b>¥ 30,922</b>
Fiscal year ended Mar. 31, 2018	28,878	(11,230)	(11,512)	50,817

**CASH DIVIDENDS**

(Yen)

Record date	Cash Dividends per Share					Total Dividends (Annual) (millions of yen)	Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual			
Fiscal year ended Mar. 31, 2018	¥ —	¥ —	¥ —	¥ 110.00	¥ 110.00	¥ 5,143	18.1 %	3.3 %
<b>Fiscal year ended Mar. 31, 2019</b>	—	—	—	<b>97.00</b>	<b>97.00</b>	<b>4,535</b>	<b>25.1</b>	<b>2.6</b>
Fiscal year ending Mar. 31, 2020 (Forecast)	—	—	—	97.00	97.00		25.1	

**FORECAST OF BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2020**

(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, 2019	¥ 147,000	-13.6 %	¥ 4,000	-73.7 %
Fiscal year ending Mar. 31, 2020	327,000	-10.2	26,500	-10.6

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Six months period ending Sept. 30, 2019	¥ 3,000	-80.4 %	¥ 2,500	-73.9 %	¥ 53.58
Fiscal year ending Mar. 31, 2020	24,000	-18.0	18,000	-0.3	385.79

## 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, 2019: 50,794,866 shares      As of Mar. 31, 2018: 50,794,866 shares

2. Number of treasury stock as of end of period

As of Mar. 31, 2019: 4,136,788 shares      As of Mar. 31, 2018: 4,142,444 shares

3. Average number of shares outstanding

Fiscal year ended Mar. 31, 2019: 46,653,218 shares      Fiscal year ended Mar. 31, 2018: 46,839,215 shares

\*This financial report is exempt from the auditing procedures by certified public accountants or audit firm.

\*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, 2019, global economic conditions continued to gradually improve despite an increasingly unclear outlook due to the continuing trade tensions between the United States and China as well as the anticipated exit of the U.K. from the European Union. The U.S. economy continued to improve, as consumer spending and capital investment increased due in part to the effects of income tax cuts. In Europe, although consumer spending held firm, the economic recovery became more gradual due in part to bearish exports and production. The Chinese economy, on the other hand, showed signs of slowing down owing to a decline in growth in consumer spending and production as well as the impact of trade tensions with the United States. The Japanese economy, meanwhile, saw gentle improvement, backed by recovery in consumer spending and capital investment.

With regard to the business conditions surrounding the SCREEN Group, in the semiconductor industry, capital investment among memory manufacturers expanded, backed by an increase in memory demand, especially among data centers. In addition, logic chip makers actively invested capital amid strong demand for servers. Among foundries, capital investment in miniaturization continued. In the FPD business field, in addition to firm investment in small- to medium-sized displays for smart phones, there was also a high level of investment in large-sized LCD panels for televisions due to the shift to larger, higher resolution television displays.

Under these circumstances, for the fiscal year ended March 31, 2019, the SCREEN Group posted consolidated net sales of ¥364,234 million, an increase of ¥24,865 million from the previous fiscal year. However, on the earnings front, as a result of a rise in the variable cost ratio and an increase in personnel and other fixed costs to keep pace with the strengthening of overseas bases and rising production mainly in the Semiconductor Production Equipment (SE) business, operating income totaled ¥29,645 million, down ¥13,079 million year on year. Ordinary income amounted to ¥29,279 million, down ¥12,049 million year on year. In addition, profit attributable to owners of parent totaled ¥18,059 million, a decrease of ¥10,448 million, compared with the previous fiscal year, due in part to the recording of business structure improvement expenses in the Graphic Arts Equipment (GA) business and the recording of impairment loss as extraordinary loss.

#### **Results by Business Segment**

Performance by reportable segment is explained below.

##### ***The Semiconductor Production Equipment (SE) Business***

In the SE business, sales to memory and logic chip manufacturers expanded year on year, and those to foundries were firm. By product, sales of batch-type cleaning equipment fell, and those of single wafer cleaning equipment and coater/developer increased. By region, sales to Taiwan fell, and those to China, Japan, and North America expanded. As a result, net sales in this segment amounted to ¥252,513 million, up 11.1% year on year. Operating income in this segment came to ¥25,842 million, down 28.8% from the previous fiscal year, reflecting mainly a rise in the variable cost ratio and the increase in personnel and other fixed costs arising from an expansion in net sales, despite the rise in sales.

##### ***The Graphic Arts Equipment (GA) Business***

In the GA business, although overseas sales of print on demand (POD) equipment and those of ink and other after-sales service increased, sales in computer to plate (CTP) equipment fell. As a result, net sales in this segment amounted to ¥48,217 million, down 9.7% year on year. Operating income in this segment came to ¥1,139 million, down 62.8% from the previous fiscal year.

##### ***The Display Production Equipment and Coater (FT) Business***

In the FT business, although sales of production equipment for large-sized decreased year on year, those of production equipment for small- and medium-sized panels increased. As a result, net sales in this segment amounted to ¥49,254 million, up 8.8% year on year. Operating income in this segment came to ¥3,774 million, down 17.9% from the previous fiscal year, reflecting mainly an increase in fixed costs and a loss on valuation of inventories, despite the rise in sales.

##### ***The PCB-Related Equipment (PE) Business***

In the PE business, although sales in South Korea and China fell year on year, those in Taiwan increased. As a result, net sales in this segment amounted to ¥12,344 million, up 1.2% year on year. Operating income in this segment came to ¥770 million, down 24.0% from the previous fiscal year, due mainly to an increase in fixed costs, despite the rise in sales.

## 2. Financial Position

### Assets, Liabilities and Net Assets

Total assets as of March 31, 2019 stood at ¥380,915 million, an increase of ¥15,041 million, or 4.1%, compared with March 31, 2018. This was largely due to an increase in notes and accounts receivable including electronically recorded monetary claims, inventories and property, plant and equipment, despite a decrease in cash and time deposits and investment securities accompanying a drop in the market values of held stocks.

Total liabilities amounted to ¥201,781 million, up ¥6,788 million, or 3.5%, compared with the end of the previous fiscal year. This was mainly attributable to an issuance of convertible bond-type bonds with share acquisition rights and an increase in loans payable, despite a decrease in notes and accounts payable including electronically recorded obligations.

Total net assets amounted to ¥179,133 million, up ¥8,253 million, or 4.8%, from March 31, 2018. This was mainly attributable to the recording of profit attributable to owners of parent, despite a decrease in valuation difference on available-for-sale securities due to a fall in the market values of held stocks and payment of cash dividends.

### Financial Indicators

	Fiscal year ended Mar.31, 2015	Fiscal year ended Mar.31, 2016	Fiscal year ended Mar.31, 2017	Fiscal year ended Mar.31, 2018	Fiscal year ended Mar.31, 2019
Equity ratio (%)	44.4	44.3	47.5	46.7	47.0
Return on equity (ROE) (%)	12.3	16.3	18.4	18.2	10.3

## 3. Cash Flows

The status of cash flows during the fiscal year ended March 31, 2019 is as follows.

Net cash used in operating activities amounted to ¥37,534 million, compared with ¥28,878 million provided by operating activities in the previous fiscal year. This was because the sum of a decrease in notes and accounts payable including electronically recorded obligations, income taxes paid, an increase in notes and accounts receivable including electronically recorded monetary claims, inventories, and other outflows exceeded income before income taxes and other inflows.

Net cash used in investing activities amounted to ¥19,020 million, compared with ¥11,230 million used in investing activities in the previous fiscal year. This was largely attributable to the purchase of property, plant and equipment, such as new plant construction and equipment for R&D.

Net cash provided by financing activities amounted to ¥36,760 million, compared with ¥11,512 million used in financing activities in the previous fiscal year. This was mainly due to an issuance of convertible bond-type bonds with share acquisition rights and an increase in loans payable, despite cash dividends paid.

As a result, cash and cash equivalents as of March 31, 2019 totaled ¥30,922 million, down ¥19,895 million from March 31, 2018.

## 4. Outlook

With regard to the outlook for business conditions surrounding the SCREEN Group's businesses, in the semiconductor industry, although investment is anticipated to increase in AI, 5G and other new fields of technology, we expect sales to fall year on year in the fiscal year ending March 31, 2020, due in part to a still uncertain period of recovery for memory investment in the adjustment phase. In particular, we predict oppressive conditions will continue into the cumulative consolidated second quarter. In addition, we foresee profits falling below those of the fiscal year ended March 31, 2019, due primarily to a decrease in sales, despite an acceleration in efforts to improve costs.

### Forecast of the consolidated business result for the fiscal year ending March 31, 2020

(Millions of yen)

	The first half ending Sep. 30, 2019	Fiscal year ending Mar. 31, 2020
Net sales	¥ 147,000	¥ 327,000
SE	100,000	220,000
GA	24,000	49,000
FT	16,500	43,000
PE	5,500	12,000
Other and Adjustments	1,000	3,000
Operating income	4,000	26,500
Ordinary income	3,000	24,000
Profit attributable to owners of parent	2,500	18,000

\*The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥110 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.

## 5. Basic Policy Regarding Allocation of Profits, and Dividends for the Fiscal Year under Review and Fiscal Year Ending March 31, 2020

- 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 ¥97 per share for the fiscal year ended March 31, 2019. For details, please see "Notice: Dividends of Surplus", released today.
- b. Basic Policy Regarding Allocation of Profits for the Fiscal Year Ending March 31, 2020  
The SCREEN Group works to secure the retained earnings necessary for growth investment and the sound maintenance of a financial base able to respond to future changes in the business environment. Considering this aim and other factors, the SCREEN Group's basic policy is to provide a total consolidated shareholder return ratio of 25% or above.
- c. Dividends for the Fiscal Year Ending March 31, 2020  
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 ¥97 per share for the fiscal year ending March 31, 2020.

## 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, 2018	Mar. 31, 2019
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and time deposits	¥ 53,114	¥ 32,193
Notes and accounts receivable - trade	71,887	96,292
Electronically recorded monetary claims - operating	13,519	4,542
Merchandise and finished goods	51,303	61,861
Work in process	44,262	37,556
Raw materials and supplies	10,755	17,384
Other	10,500	14,102
Allowance for doubtful accounts	(587)	(669)
Total current assets	<u>254,755</u>	<u>263,264</u>
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	53,307	59,622
Accumulated depreciation	(39,137)	(39,243)
Buildings and structures (Net)	<u>14,170</u>	<u>20,378</u>
Machinery, equipment and vehicles	44,395	47,779
Accumulated depreciation	(30,161)	(29,336)
Machinery, equipment and vehicles (Net)	<u>14,234</u>	<u>18,442</u>
Land	9,662	9,475
Lease assets	5,024	4,908
Accumulated depreciation	(3,153)	(3,383)
Lease assets (Net)	<u>1,871</u>	<u>1,524</u>
Construction in progress	6,125	8,048
Other	13,384	14,064
Accumulated depreciation	(10,474)	(10,536)
Other (Net)	<u>2,910</u>	<u>3,528</u>
Total property, plant and equipment	<u>48,973</u>	<u>61,398</u>
<b>Intangible assets:</b>		
Lease assets	24	98
Other	4,928	6,788
Total intangible assets	<u>4,953</u>	<u>6,886</u>
<b>Investments and other assets:</b>		
Investment securities	41,479	37,083
Long-term loans receivable	6	6
Net defined benefit asset	5,576	5,363
Deferred tax assets	6,849	3,754
Other	3,553	3,353
Allowance for doubtful accounts	(273)	(195)
Total investments and other assets	<u>57,192</u>	<u>49,366</u>
Total non-current assets	<u>111,118</u>	<u>117,650</u>
<b>Total assets</b>	<u>365,874</u>	<u>380,915</u>

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	Mar. 31, 2018	Mar. 31, 2019
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable - trade	¥ 30,911	¥ 28,151
Electronically recorded obligations - operating	84,199	66,379
Short-term loans payable	—	18,000
Current portion of long-term loans payable	5,679	1,504
Lease obligations	390	449
Income taxes payable	9,650	4,364
Notes payable-facilities	3	6
Electronically recorded obligations - facilities	26	13
Advances received	17,142	14,211
Provision for bonuses	4,204	2,618
Provision for directors' bonuses	219	154
Provision for product warranties	6,373	6,875
Provision for loss on order received	58	74
Other	16,649	18,047
Total current liabilities	<u>175,508</u>	<u>160,852</u>
<b>Non-current liabilities:</b>		
Convertible bond-type bonds with share acquisition rights	—	30,125
Long-term loans payable	5,227	3,723
Lease obligations	1,858	1,518
Deferred tax liabilities	10,488	3,641
Net defined benefit liability	856	943
Provision for directors' retirement benefits	141	175
Provision for stock payment	28	33
Provision for management board incentive plan trust	45	39
Asset retirement obligations	56	66
Other	782	662
Total non-current liabilities	<u>19,484</u>	<u>40,929</u>
Total liabilities	<u>194,993</u>	<u>201,781</u>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	54,044	54,044
Capital surplus	4,546	4,488
Retained earnings	117,358	130,274
Treasury stock	(18,085)	(18,044)
Total shareholders' equity	<u>157,864</u>	<u>170,763</u>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	18,427	14,319
Foreign currency translation adjustment	(4,714)	(5,345)
Remeasurements of defined benefit plans	(738)	(622)
Total accumulated other comprehensive income	<u>12,974</u>	<u>8,352</u>
<b>Non-controlling interests</b>	<u>40</u>	<u>17</u>
<b>Total net assets</b>	<u>170,880</u>	<u>179,133</u>
<b>Total liabilities and net assets</b>	<u>365,874</u>	<u>380,915</u>

**CONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

	Apr.1, 2017- Mar.31, 2018	Apr.1, 2018- Mar.31, 2019
<b>Net sales</b>	¥ 339,368	¥ 364,234
<b>Cost of sales</b>	229,837	263,667
<b>Gross profit</b>	109,531	100,566
<b>Selling, general and administrative expenses</b>	66,806	70,921
<b>Operating income</b>	42,725	29,645
<b>Non-operating income</b>		
Interest income	71	99
Dividends income	527	513
Insurance income	189	458
Compensation income	22	22
Gain on sales of non-current assets	16	717
Other	279	377
Total non-operating income	1,106	2,189
<b>Non-operating expenses</b>		
Interest expenses	603	543
Foreign exchange losses, net	761	60
Share of loss of entities accounted for using equity method	—	111
Loss on retirement of non-current assets	611	928
Other	526	912
Total non-operating expenses	2,502	2,555
<b>Ordinary income</b>	41,329	29,279
<b>Extraordinary income</b>		
Gain on sales of investment securities	872	444
Total extraordinary income	872	444
<b>Extraordinary loss</b>		
Business structure improvement expenses	—	1,087
Impairment loss	76	843
Loss on valuation of investment securities	166	62
Other	5	—
Total extraordinary loss	249	1,993
Income before income taxes	41,952	27,730
Income taxes	13,389	11,298
Income taxes-deferred	82	(1,620)
Total income taxes	13,471	9,677
Profit	28,480	18,052
Loss attributable to non-controlling interests	(26)	(6)
<b>Profit attributable to owners of parent</b>	28,507	18,059

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Millions of yen)

	Apr.1, 2017- Mar.31, 2018	Apr.1, 2018- Mar.31, 2019
<b>Profit</b>	¥ 28,480	¥ 18,052
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	5,579	(4,108)
Foreign currency translation adjustment	197	(588)
Remeasurements of defined benefit plans	675	116
Share of other comprehensive income of entities accounted for using equity method	—	(47)
Total other comprehensive income	6,452	(4,627)
<b>Comprehensive income</b>	34,933	13,425
Comprehensive income attributable to:		
Owners of parent	34,959	13,436
Non-controlling interests	(26)	(11)

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

Fiscal year ended March 31, 2018

(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	¥ 4,600	¥ 92,936	¥ (15,299)	¥ 136,282
Increase (decrease) during the period					
Dividends from surplus			(4,085)		(4,085)
Profit attributable to owners of parent			28,507		28,507
Acquisition of treasury stock				(2,785)	(2,785)
Disposal of treasury stock					—
Purchase of consolidated subsidiaries' treasury stock		(53)			(53)
Purchase of shares of consolidated subsidiaries					—
Other					—
Total changes during the period	—	(53)	24,421	(2,785)	21,582
Balance as of end of current period	54,044	4,546	117,358	(18,085)	157,864

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of beginning of current period	¥ 12,847	¥ (4,911)	¥ (1,413)	¥ 6,522	¥ 111	¥ 142,915	
Increase (decrease) during the period							
Dividends from surplus				—		(4,085)	
Profit attributable to owners of parent				—		28,507	
Acquisition of treasury stock				—		(2,785)	
Disposal of treasury stock				—		—	
Purchase of consolidated subsidiaries' treasury stock				—		(53)	
Purchase of shares of consolidated subsidiaries				—		—	
Other	5,580	196	675	6,452	(70)	6,381	
Total changes during the period	5,580	196	675	6,452	(70)	27,964	
Balance as of end of current period	18,427	(4,714)	(738)	12,974	40	170,880	

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

Fiscal year ended March 31, 2019

(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	¥ 4,546	¥ 117,358	¥ (18,085)	¥ 157,864
Increase (decrease) during the period					
Dividends from surplus			(5,143)		(5,143)
Profit attributable to owners of parent			18,059		18,059
Acquisition of treasury stock				(5)	(5)
Disposal of treasury stock		0		46	46
Purchase of consolidated subsidiaries' treasury stock					—
Purchase of shares of consolidated subsidiaries		(58)			(58)
Other					—
Total changes during the period	—	(58)	12,915	41	12,898
Balance as of end of current period	54,044	4,488	130,274	(18,044)	170,763

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of beginning of current period	¥ 18,427	¥ (4,714)	¥ (738)	¥ 12,974	¥ 40	¥ 170,880	
Increase (decrease) during the period							
Dividends from surplus				—		(5,143)	
Profit attributable to owners of parent				—		18,059	
Acquisition of treasury stock				—		(5)	
Disposal of treasury stock				—		46	
Purchase of consolidated subsidiaries' treasury stock				—		—	
Purchase of shares of consolidated subsidiaries				—		(58)	
Other	(4,108)	(630)	116	(4,622)	(23)	(4,645)	
Total changes during the period	(4,108)	(630)	116	(4,622)	(23)	8,253	
Balance as of end of current period	14,319	(5,345)	(622)	8,352	17	179,133	

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

Apr.1, 2017- Mar.31, 2018

Apr.1, 2018- Mar.31, 2019

**Cash flow from operating activities:**

Income before income taxes	¥ 41,952	¥ 27,730
Depreciation and amortization	5,708	6,883
Impairment loss	76	843
Loss (gain) on valuation of investment securities	166	62
Loss (gain) on sales of investment securities	(872)	(444)
Gain on sales of non-current assets	(16)	(717)
Loss on retirement of non-current assets	611	928
Share of loss (profit) of entities accounted for using equity method	—	111
Increase (decrease) in net defined benefit liability	(159)	78
Increase (decrease) in provision for bonuses	798	(1,585)
Increase (decrease) in provision for directors' bonuses	137	(64)
Increase (decrease) in provision for stock payment	28	5
Increase (decrease) in provision for management board incentive plan trust	45	(6)
Increase (decrease) in provision for product warranties	610	509
Increase (decrease) in provision for loss on order received	(30)	15
Interest and dividend income	(598)	(613)
Interest expenses	603	543
Decrease (increase) in notes and accounts receivable including electronically recorded monetary claims	(25,928)	(15,354)
Decrease (increase) in inventories	(17,390)	(13,236)
Decrease (increase) in other current assets	441	(569)
Increase (decrease) in notes and accounts payable including electronically recorded obligations	30,011	(21,068)
Increase (decrease) in other current liabilities	3,485	(2,870)
Other, net	126	593
Subtotal	39,806	(18,226)
Interest and dividend income received	593	583
Interest expenses paid	(595)	(546)
Contribution in connection with the shift to a defined-contribution pension plan	(1)	(1)
Income taxes paid	(10,924)	(19,344)
Net cash provided by (used in) operating activities	28,878	(37,534)

**Cash flow from investing activities:**

Decrease (increase) in time deposits	1,625	1,005
Purchase of property, plant and equipment	(9,907)	(15,679)
Proceeds from sales of property, plant and equipment	398	1,357
Purchase of intangible assets	(1,925)	(4,184)
Purchase of investment securities	(825)	(2,040)
Proceeds from sales of investment securities	1,549	864
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(34)	—
Payments for transfer of business	(1,341)	—
Other, net	(768)	(343)
Net cash used in investing activities	(11,230)	(19,020)

**Cash flow from financing activities:**

Net increase (decrease) in short-term loans payable	—	18,000
Repayments of long-term loans payable	(4,079)	(5,679)
Repayments of finance lease obligations	(413)	(403)
Proceeds from issuance of convertible bond-type bonds with share acquisition rights	—	30,059
Payments related to changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(0)	(98)
Proceeds from share issuance to non-controlling shareholders	—	23
Net decrease (increase) in treasury stock	(2,785)	(5)
Cash dividends paid	(4,068)	(5,135)
Purchase of treasury stock of consolidated subsidiaries	(164)	—
Net cash provided by (used in) financing activities	(11,512)	36,760

Effect of exchange rate changes on cash and cash equivalents	(241)	(101)
Net increase (decrease) in cash and cash equivalents	5,894	(19,895)
Cash and cash equivalents at beginning of period	44,922	50,817
Cash and cash equivalents at end of period	50,817	30,922

## SEGMENT INFORMATION

### Segment Information

#### 1. Segment Overview

##### (1) Reportable Segments

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

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

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

##### (2) Products and Services of Reportable Segments

The 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.

##### (Changes in reportable segments)

EMD Corporation, which was included in the "Other" category, has been brought under the organization of SCREEN Finetech Solutions Co., Ltd. to unify operations. From the fiscal year ended March 31, 2019, EMD Corporation is included in the FT business.

In addition, the reportable segment originally named the semiconductor equipment business has been renamed to the semiconductor production equipment business. The change is only to the segment name and does not impact any segment information.

Segment information for the previous fiscal year has been prepared according to the reclassified segments and is presented under "Net Sales, Income (loss), Assets and Other amounts by Reportable Segment" for the fiscal year ended March 31, 2018.

#### 2. Measurement of Net Sales, Income (loss), Assets and Other amounts by Reportable Segment

Income for each reportable segment is based on operating income.

Intersegment revenues and transfers are based on market prices.

**SEGMENT INFORMATION****3. Net Sales, Income (loss), Assets and Other amounts by Reportable Segment**

Fiscal year ended March 31, 2018

(Millions of yen)

	Reportable segment					Other *1	Total	Adjustments *2	Consolidated *3
	SE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥ 227,182	¥ 53,221	¥ 45,213	¥ 12,131	¥ 337,748	¥ 1,619	¥ 339,368	—	¥ 339,368
(2)Intersegment sales and transfers	2	192	72	61	329	15,137	15,466	(15,466)	—
Total	227,184	53,414	45,285	12,193	338,078	16,757	354,835	(15,466)	339,368
Segment income (loss)	36,301	3,060	4,598	1,013	44,975	(1,553)	43,422	(696)	42,725
Segment assets	205,196	48,381	36,237	9,727	299,542	10,544	310,087	55,786	365,874
Other									
Depreciation and amortization	3,052	492	148	13	3,706	411	4,117	1,590	5,708
Impairment loss	—	—	—	—	—	76	76	—	76
Increase in the amount of tangible fixed assets and intangible fixed assets	9,052	878	787	147	10,865	504	11,369	3,059	14,428

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 ¥ (696) million is the Company's profit (loss) not attributable to a reportable segment.

Segment assets adjustment of ¥55,786 million consists of the corporate assets not apportioned to each reportable segment and the elimination of intersegment transactions.

\*3 Segment income (loss) is reconciled to operating income in the consolidated statements of income.

Fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segment					Other *1	Total	Adjustments *2	Consolidated *3
	SE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥ 252,511	¥ 48,075	¥ 49,254	¥ 12,344	¥ 362,186	¥ 2,047	¥ 364,234	—	¥ 364,234
(2)Intersegment sales and transfers	1	142	—	—	143	16,237	16,381	(16,381)	—
Total	252,513	48,217	49,254	12,344	362,330	18,285	380,615	(16,381)	364,234
Segment income (loss)	25,842	1,139	3,774	770	31,526	(1,411)	30,115	(469)	29,645
Segment assets	222,393	46,585	33,045	11,959	313,983	9,843	323,826	57,088	380,915
Other									
Depreciation and amortization	3,853	580	213	52	4,699	363	5,063	1,820	6,883
Impairment loss	—	—	796	—	796	47	843	—	843
Increase in the amount of tangible fixed assets and intangible fixed assets	14,330	969	739	97	16,136	315	16,451	7,637	24,088

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 ¥ (469) million is the Company's profit (loss) not attributable to a reportable segment.

Segment assets adjustment of ¥57,088 million consists of the corporate assets not apportioned to each reportable segment and the elimination of intersegment transactions.

\*3 Segment income (loss) is reconciled to operating income in the consolidated statements of income.

## Consolidated Financial Highlights for the Fiscal Year Ended Mar. 31, 2019

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

	FY2018	FY2019	Difference		FY2020	
	12months ended Mar. 31, 2018	12months ended Mar. 31, 2019			6months ending Sept. 30, 2019	12months ending Mar.31, 2020
	Result	Result	Amount	Percentage	Forecast	Forecast
Net sales	¥ 339,368	¥ 364,234	¥ 24,865	7.3%	¥ 147,000	¥ 327,000
Operating income	42,725	29,645	(13,079)	-30.6%	4,000	26,500
[to net sales ratio]	12.6 %	8.1 %	-4.5 pt	—	2.7 %	8.1 %
Ordinary income	41,329	29,279	(12,049)	-29.2%	3,000	24,000
[to net sales ratio]	12.2 %	8.0 %	-4.2 pt	—	2.0 %	7.3 %
Profit attributable to owners of parent	28,507	18,059	(10,448)	-36.7%	2,500	18,000
[to net sales ratio]	8.4 %	5.0 %	-3.4 pt	—	1.7 %	5.5 %
Total assets	365,874	380,915	15,041	4.1%	—	—
Net assets	170,880	179,133	8,253	4.8%	—	—
Equity	170,839	179,115	8,276	4.8%	—	—
Equity ratio	46.7 %	47.0 %	0.3 pt	—	—	—
Net assets per share of capital stock (yen)	3,661.96	3,838.90	176.94	4.8%	—	—
Interest-bearing debt	13,156	55,321	42,164	320.5%	—	—
Return on equity (ROE)	18.2 %	10.3 %	-7.9 pt	—	—	—
Cash flow from operating activities	28,878	(37,534)	—	—	—	—
Cash flow from investing activities	(11,230)	(19,020)	—	—	—	—
Cash flow from financing activities	(11,512)	36,760	—	—	—	—
Depreciation and amortization	5,708	6,883	1,175	20.6%	4,800	10,000
Capital expenditures	14,428	24,088	9,659	66.9%	6,000	11,000
R&D expenses	20,837	22,825	1,987	9.5%	11,000	23,000
Number of employees	5,835	6,099	264	4.5%	—	—
Number of consolidated subsidiaries	57	57	—	—	—	—
[Domestic]	[28]	[27]	[-1]	—	—	—
[Overseas]	[29]	[30]	[1]	—	—	—
Number of non-consolidated subsidiaries	2	3	1	—	—	—
[Number of non-consolidated subsidiaries accounted for by equity method]	[ — ]	[ — ]	[ — ]	—	—	—
Number of affiliates	1	1	—	—	—	—
[Number of affiliates accounted for by equity method]	[1]	[1]	[ — ]	—	—	—

Note: The number of consolidated subsidiaries changed as follows.

(Increase)

SCREEN FT Changshu Co., Ltd. (90%-owned subsidiary)

(Decrease)

SCREEN Manufacturing Support Solutions Co., Ltd. (wholly owned subsidiary)

\*In the fiscal year ended March 31, 2019, SCREEN MFG Service Co., Ltd. (formerly named SCREEN KUMAMOTO Co., Ltd.) absorbed SCREEN Manufacturing Support Solutions Co., Ltd. in a merger as the surviving company.

## Sales Breakdown (Consolidated)

(Millions of yen)

		FY2018		FY2019						FY2020	
		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, 2017	Mar.31, 2018	Jun. 30, 2018	Sept. 30, 2018	Sept. 30, 2018	Dec. 31, 2018	Mar. 31, 2019	Mar.31, 2019	Sep. 30, 2019	Mar.31, 2020
		Result	Result	Result	Result	Result	Result	Result	Result	Forecast	Forecast
Semiconductor Production Equipment Business (SE)	Domestic	14,476	32,075	7,114	11,441	18,556	11,769	13,542	43,866	—	—
	Overseas	85,341	195,109	40,050	54,275	94,326	46,480	67,839	208,646	—	—
	Total	99,818	227,184	47,164	65,717	112,882	58,249	81,381	252,513	100,000	220,000
Graphic Arts Equipment Business (GA)	Domestic	11,233	22,781	4,722	4,600	9,322	5,161	5,409	19,893	—	—
	Overseas	13,571	30,632	6,733	7,822	14,555	6,362	7,406	28,324	—	—
	Total	24,804	53,414	11,455	12,422	23,878	11,524	12,815	48,217	24,000	49,000
Display Production Equipment and Coater Business (FT)	Domestic	1,846	3,419	304	879	1,183	933	1,579	3,697	—	—
	Overseas	21,039	41,865	10,081	14,154	24,235	9,115	12,205	45,557	—	—
	Total	22,885	45,285	10,385	15,034	25,419	10,049	13,785	49,254	16,500	43,000
PCB-Related Equipment Business (PE)	Domestic	1,309	2,931	659	895	1,555	689	668	2,913	—	—
	Overseas	4,468	9,262	2,588	3,025	5,613	1,350	2,468	9,431	—	—
	Total	5,777	12,193	3,248	3,921	7,169	2,039	3,136	12,344	5,500	12,000
Other	Domestic	536	1,369	237	385	622	494	710	1,827	—	—
	Overseas	107	250	68	77	145	45	28	219	—	—
	Total	644	1,619	305	463	768	539	739	2,047	1,000	3,000
Intersegment sales	Domestic	(96)	(329)	(18)	(18)	(36)	(65)	(42)	(143)	—	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	(96)	(329)	(18)	(18)	(36)	(65)	(42)	(143)	—	—
Grand Total	Domestic	29,306	62,247	13,019	18,184	31,204	18,982	21,867	72,054	—	—
	Overseas	124,528	277,120	59,521	79,355	138,876	63,354	89,948	292,179	—	—
	Total	153,834	339,368	72,541	97,540	170,081	82,336	111,815	364,234	147,000	327,000
	Overseas Ratio	80.9%	81.7%	82.1%	81.4%	81.7%	76.9%	80.4%	80.2%	—	—

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

(Millions of yen)

		FY2018		FY2019							
		3 months ended Mar. 31, 2018		3 months ended Jun. 30, 2018		3 months ended Sept. 30, 2018		3 months ended Dec. 31, 2018		3 months ended Mar. 31, 2019	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Production Equipment Business (SE)	Domestic	12,682	15,857	12,988	21,732	11,018	21,309	8,341	17,881	8,373	12,712
	Overseas	59,896	94,516	37,670	92,136	47,020	84,881	58,020	96,421	43,004	71,587
	Total	72,579	110,374	50,659	113,868	58,039	106,191	66,361	114,303	51,377	84,300
Graphic Arts Equipment Business (GA)	Domestic	4,931	1,852	4,894	2,025	4,856	2,281	5,348	2,468	5,112	2,171
	Overseas	10,374	3,237	6,067	2,571	8,609	3,358	5,840	2,837	6,742	2,173
	Total	15,306	5,090	10,962	4,597	13,465	5,640	11,189	5,305	11,854	4,344
Display Production Equipment and Coater Business (FT)	Domestic	397	2,689	291	2,676	1,760	3,557	360	2,984	514	1,918
	Overseas	24,220	57,100	4,347	51,366	17,523	54,735	4,278	49,897	3,183	40,875
	Total	24,617	59,790	4,638	54,043	19,283	58,292	4,638	52,881	3,697	42,794
PCB-Related Equipment Business (PE)	Domestic	764	574	368	283	1,254	642	463	416	421	169
	Overseas	2,911	2,813	2,636	2,861	1,366	1,203	1,050	902	2,139	574
	Total	3,675	3,388	3,005	3,145	2,621	1,845	1,513	1,319	2,561	744
Grand Total	Domestic	18,776	20,974	18,543	26,718	18,890	27,790	14,513	23,750	14,421	16,973
	Overseas	97,403	157,668	50,721	148,936	74,519	144,178	69,189	150,059	55,070	115,210
	Total	116,179	178,643	69,265	175,654	93,409	171,969	83,703	173,810	69,491	132,183
	Overseas Ratio	83.8%	88.3%	73.2%	84.8%	79.8%	83.8%	82.7%	86.3%	79.2%	87.2%