

May 13, 2015

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Kamigyo-ku, Kyoto 602-8585, Japan

CONSOLIDATED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2015 [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 25, 2015 Date of payment for cash dividends: June 26, 2015
Date planned for the filing of the financial report: June 26, 2015

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

PERFORMANCE (APR.1, 2014-MAR. 31, 2015)

(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, 2015	¥237,645	0.7%	¥ 17,167	92.8%	¥ 16,096	91.7%
Fiscal year ended Mar. 31, 2014	235,946	18.1	8,902	—	8,394	—

Note: Comprehensive income
Fiscal year ended Mar. 31, 2015: ¥ 24,017 million (68.4%)
Fiscal year ended Mar. 31, 2014: ¥ 14,261 million (-%)

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Return on Equity	Return on Assets (Ordinary Income Basis)	Return on Sales (Operating Income Basis)
Fiscal year ended Mar. 31, 2015	¥ 12,122	123.7%	¥ 51.07	¥ —	12.3%	6.7%	7.2%
Fiscal year ended Mar. 31, 2014	5,418	—	22.83	—	6.7	3.6	3.8

Note: Equity in earnings (losses) of affiliates accounted for by the equity method
Fiscal year ended Mar. 31, 2015: ¥ 0 million
Fiscal year ended Mar. 31, 2014: ¥ 0 million

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Mar. 31, 2015	¥249,516	¥111,513	44.4%	¥467.13
Mar. 31, 2014	232,376	87,097	37.2	364.23

Note: Equity
As of Mar. 31, 2015: ¥ 110,864 million
As of Mar. 31, 2014: ¥ 86,448 million

(3) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
Fiscal year ended Mar. 31, 2015	¥ (1,492)	¥ (6,317)	¥ (3,822)	¥21,990
Fiscal year ended Mar. 31, 2014	24,702	(4,201)	(29,301)	31,562

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, 2014	—	—	—	¥3.00	¥3.00	¥ 712	13.1%	0.9%
Fiscal year ended Mar. 31, 2015	—	—	—	7.00	7.00	1,661	13.7	1.7
Fiscal year ending Mar. 31, 2016 (Forecast)	—	—	—	10.00	10.00		17.0	

FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2016

(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, 2015	¥ 130,000	15.6 %	¥ 9,300	38.0 %
Fiscal year ending Mar. 31, 2016	248,000	4.4	19,000	10.7

	Ordinary Income	Percentage Change	Net Income Attributable to Owners of the Parent	Percentage Change	Net Income per Share (Yen)
Six months period ending Sept. 30, 2015	¥ 8,800	34.2 %	¥ 6,800	46.2 %	¥ 28.65
Fiscal year ending Mar. 31, 2016	18,500	14.9	14,000	15.5	58.99

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.: Yes

2. Changes of accounting policies other than 1: No

3. Changes in accounting estimates: No

4. Retrospective restatement: No

<Changes of accounting policies>

(Adoption of new accounting standards for retirement benefits)

Effective from the beginning of the first quarter of the fiscal year ended March 31, 2015, SCREEN Holdings and its consolidated domestic subsidiaries have applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012 (hereinafter, the "Statement No. 26")) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015 (hereinafter, "Guidance No. 25")) with respect to certain provisions described in article 35 of the Statement No. 26 and the article 67 of the Guidance No. 25. As a result, the methods for calculating retirement benefit obligations and service costs have been revised in the following respects. The method for attributing projected benefits to periods has been changed from the straight-line basis to the benefit formula basis, and the method for determining the discount rate has been changed from a method based on an approximation of the average of the estimated remaining service years to a method of using a single weighted-average discount rate that reflects the periods until the expected payment of retirement benefits and the amount of projected benefits every such period.

According to the transitional treatment provided in the article 37 of the Statement No. 26, the effect of changing the method for calculating retirement benefit obligations and service costs was recognized by adjusting retained earnings at the beginning of the fiscal year ended March 31, 2015.

As a result of the application, net defined benefit asset, retained earnings and deferred tax liabilities included in "Other" in noncurrent liabilities increased by ¥1,881 million, ¥1,213 million and ¥667 million, respectively, at the beginning of the fiscal year ended March 31, 2015. The effect of this change on operating income, ordinary income and income before income taxes for the fiscal year ended March 31, 2015 is immaterial.

(3) Number of shares outstanding

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

As of Mar. 31, 2015: 253,974,333 shares As of Mar. 31, 2014: 253,974,333 shares

2. Number of treasury stock as of end of period

As of Mar. 31, 2015: 16,642,614 shares As of Mar. 31, 2014: 16,625,067 shares

3. Average number of shares outstanding

Fiscal year ended Mar. 31, 2015: 237,342,345 shares Fiscal year ended Mar. 31, 2014: 237,355,081 shares

(Reference) Overview of nonconsolidated business performance (APR.1, 2014-MAR. 31, 2015)

(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, 2015	¥99,456	-48.0%	¥ 929	-71.8%	¥ 3,068	-63.5%
Fiscal year ended Mar. 31, 2014	191,281	15.3	3,290	—	8,412	—

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Fiscal year ended Mar. 31, 2015	¥ 3,018	-59.3%	¥ 12.72	¥ —
Fiscal year ended Mar. 31, 2014	7,406	—	31.21	—

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Fiscal year ended Mar. 31, 2015	¥180,334	¥75,929	42.1 %	¥319.93
Fiscal year ended Mar. 31, 2014	210,946	66,947	31.7	282.06

Note: Equity
 As of Mar. 31, 2015: ¥ 75,929 million
 As of Mar. 31, 2014: ¥ 66,947 million

Note) The Company changed to a holding company on October 1, 2014. As a result, nonconsolidated results for the fiscal year ended March 31, 2015 have changed compared with those for the fiscal year ended March 31, 2014.

*Indication of audit procedure implementation status

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

*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**1. Business Results**Overview

During the fiscal year ended March 31, 2015, global economic conditions maintained a moderate upswing. The U.S. economy continued to rebound, reflecting improving employment conditions and steady domestic demand fueled mainly by consumer spending. Although overall economic recovery lagged in Europe, signs of recovery emerged in the second half of the fiscal year due to such factors as the economic support provided by large-scale monetary easing. The outlook for emerging economies grew more uncertain as the pace of growth showed signs of further slowdown, and resource-exporting nations faced rising concerns of falling exports, despite expectations of expanding domestic demand due to the impact of the falling price of crude oil. Japan's economy saw moderate improvement, with signs of recovery in exports and consumer spending due to the depreciation of the yen and high stock prices brought about by additional monetary easing, despite the impact of the consumption tax hike at the beginning of the current fiscal year.

With regard to the business conditions surrounding the SCREEN Group, in the semiconductor industry, capital investment among semiconductor manufacturers, especially memory manufacturers, was firm amid continued investment in miniaturization reflecting growth in demand for smartphones. With regard to graphic arts equipment, markets in Japan and Europe showed signs of demand recovery. In the FPD business field, while investment in small and medium-sized LCD panels declined, investment in large-sized television LCD panels continued in China.

Under these circumstances, the SCREEN Group posted consolidated net sales totaling ¥237,645 million for the fiscal year ended March 31, 2015, up ¥1,699 million from the previous fiscal year. On the earnings front, operating income totaled ¥17,167 million, up ¥8,264 million year on year, reflecting reductions in variable costs, changes in the SE product mix, and reduced loss on valuation of inventories, despite an increase in fixed costs, including personnel costs and R&D expenses, due to the removal of emergency measures taken in the first half of the previous fiscal year and the depreciation of the yen. Ordinary income amounted to ¥16,096 million, up ¥7,701 million year on year. Net income for the fiscal year ended March 31, 2015 totaled ¥12,122 million, up ¥6,703 million compared with the previous fiscal year.

Financial Results by Business Segments

On October 1, 2014, the Company transitioned to a holding company structure. In line with this change, from the third quarter of the current fiscal year, the reportable segments have been renamed, as shown below.

Semiconductor Equipment (SE) → Semiconductor Solutions (SE)
 Media and Precision Technology (MP) → Graphic and Precision Solutions (GP)
 FPD Equipment (FE) → Finetech Solutions (FT)

Performance by reportable segment is explained below.

The Semiconductor Solutions (SE) Segment

In the SE segment, sales to logic chip manufacturers increased year on year amid firm investment from semiconductor manufacturers, but those to foundries decreased due mainly to capital investment periods. As a result, net sales in this segment amounted to ¥157,478 million, down 3.5% year on year. On the earnings front, operating income in this segment came to ¥15,737 million, up ¥6,977 million, or 79.7%, from the previous fiscal year, reflecting a reduction in variable costs, changes in the product mix, and reduced loss on valuation of inventories, despite the increase in fixed costs, including personnel costs and R&D expenses, due to the removal of emergency measures taken in the first half of the previous fiscal year and the depreciation of the yen.

The Graphic and Precision Solutions (GP) Segment

In the GP segment, with regard to graphic arts equipment, sales increased year on year, reflecting recovering demand, mainly in Japan and Europe, for computer to plate (CTP) equipment and print on demand (POD) equipment, as well as the weakening yen. Printed circuit board (PCB)-related equipment sales were up year on year due to a rise in sales of mainstay direct imaging systems. As a result, net sales in this segment came to ¥55,706 million, up 6.8% year on year. On the earnings front, this segment posted operating income of ¥2,840 million, an increase of 2.6% from the previous fiscal year, due to the increase in net sales, despite the rise in fixed costs due to the removal of emergency measures taken in the first half of the previous fiscal year and the depreciation of the yen.

The Finetech Solutions (FT) Segment

In the FT segment, sales of production equipment for high-definition small- and medium-sized LCD panels decreased, but those of production equipment for large-sized television LCD panels increased. As a result, net sales in this segment amounted to ¥23,774 million up 19.8% year on year. On the earnings front, reflecting the increase in net sales, this segment returned to the black, posting an operating income of ¥339 million, compared with an operating loss of ¥422 million in the previous fiscal year.

Outlook

Overall economic conditions in the coming year are expected to continue to gradually improve. While the effects of economic slowdown in emerging economies remain a cause for concern, falling crude oil prices and ongoing monetary easing in developed countries is expected to provide economic support. Sales in the SE segment are expected to increase on the back of steady capital investment by semiconductor manufacturers due primarily to the spread of highly functional low-cost smartphones in emerging markets and an increase in electronic devices relating to the Internet of Things (IoT). In the GP segment, sales are expected to increase due to the ongoing market penetration of the POD equipment launched this fiscal year. Sales in the FT segment are expected to rise due to increased investment in small- and medium-sized LCD panels and ongoing capital investment in production equipment for televisions in China. In terms of earnings, the Group will work to increase profitability while further reducing variable costs and holding down fixed costs.

Forecast of the consolidated business result for the fiscal year ending March 31, 2016

(Millions of yen)

	The first half ending Sep. 30, 2015	Fiscal year ending Mar. 31, 2016
Net sales	130,000	248,000
SE	83,500	160,000
GP	29,500	59,000
FT	16,500	27,000
Other	500	2,000
Operating income	9,300	19,000
Ordinary income	8,800	18,500
Net income attributable to owners of the parent	6,800	14,000

*The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥115 and EUR1.00 = ¥130. 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.

2. Financial Position

Total assets as of March 31, 2015 stood at ¥249,516 million, an increase of ¥17,140 million, or 7.4%, compared with March 31, 2014. This was mainly due to an increase in notes and accounts receivable-trade and investment securities reflecting a rise in the market values of held stocks, despite a decrease in cash and time deposits.

Total liabilities amounted to ¥138,003 million, down ¥7,274 million, or 5.0%, compared with the end of the previous fiscal year. This was primarily due to a decrease in notes and accounts payable-trade and interest-bearing debt. Interest-bearing debt decreased by ¥1,697 million, or 4.1%, from March 31, 2014, to ¥39,677 million due mainly to the redemption of bonds payable, despite an increase in loans payable. Net interest-bearing debt, or interest-bearing debt minus cash and time deposits, increased by ¥6,875 million, or 96.0%, compared with the previous fiscal year-end to ¥14,036 million.

Total net assets amounted to ¥111,513 million, up ¥24,415 million, or 28.0%, from March 31, 2014. This was mainly attributable to an increase in retained earnings due to the posting of net income, an increase in valuation difference on available-for-sale securities due to a rise in the market values of stocks held and an increase in foreign currency translation adjustment due to the devaluation of the yen.

As a result, the equity ratio as of March 31, 2015, improved 7.2 percentage points compared with the end of the previous fiscal year to 44.4%.

Status of Cash Flows

The status of cash flows during the fiscal year ended March 31, 2015 is as follows.

Net cash used in operating activities amounted to ¥1,492 million, compared with ¥24,702 million provided by operating activities in the previous fiscal year. This was because total cash outflows, including an increase in notes and accounts receivable-trade and a decrease in notes and accounts payable-trade, outpaced total cash inflows, such as posting of income before income taxes and depreciation and amortization.

Net cash used in investing activities amounted to ¥6,317 million, compared with ¥4,201 million used in investing activities in the previous fiscal year. This was mainly due to the purchase of property, plant and equipment, such as equipment for R&D.

Net cash used in financing activities amounted to ¥3,822 million, compared with ¥29,301 million used in financing activities in the previous fiscal year. This was mainly attributable to the redemption of bonds payable and the payment of cash dividends, despite an increase in loans payable.

As a result, cash and cash equivalents as of March 31, 2015 totaled ¥21,990 million, down ¥9,571 million from March 31, 2014.

Cash Flow Benchmarks

	Fiscal year ended Mar. 31, 2011	Fiscal year ended Mar. 31, 2012	Fiscal year ended Mar. 31, 2013	Fiscal year ended Mar. 31, 2014	Fiscal year ended Mar. 31, 2015
Equity ratio (%)	34.4	36.7	32.8	37.2	44.4
Equity ratio (market capitalization basis) (%)	81.8	72.1	44.3	48.7	86.6
Debt repayment period (years)	1.6	4.2	—	1.7	—
Interest coverage ratio (times)	18.9	7.5	—	22.8	—

Notes:

Equity ratio = Equity / total assets

Equity ratio (market capitalization basis) = Market capitalization / total assets

Debt repayment period = Interest-bearing debt / operating cash flow

Interest coverage ratio = Operating cash flow / interest payments

1. Figures are calculated using consolidated financial results.

2. Market capitalization is calculated by multiplying the closing price at the end of the fiscal year by the number of shares outstanding at fiscal year-end (excluding treasury stock)

3. Operating cash flow uses cash flow from operating activities as stated on the consolidated statements of cash flows.

4. Interest-bearing debt comprises all liabilities recorded on the balance sheet for which interest is paid. Interest payments use interest expenses paid as stated on the consolidated statements of cash flows.

3. Basic Policy Regarding Appropriation of Profits, Cash Dividends for the Fiscal Year under Review and Cash Dividend Forecast for the Fiscal Year Ending March 31, 2016

Taking into consideration the needs of a broad stakeholder base that includes shareholders, customers, business partners and employees, the SCREEN Group has positioned the return of an adequate level of profits as a key management priority.

SCREEN Holdings expects to distribute a fiscal year-end cash dividend of ¥7 per share for the fiscal year ended March 31, 2015.

The SCREEN Group's Basic Policy has changed from the fiscal year ending March 31, 2016, as follows.

The SCREEN Group works to secure the retained earnings necessary for the sound maintenance of a financial base able to respond to future changes in the business environment. Considering this aim together with such factors as progress made toward the targets set under its three-year medium-term management plan Challenge2016 of an operating income to net sales ratio of 10% or above and an equity ratio of 50% or above as well as yearly in profit, the SCREEN Group aims for a consolidated shareholder return ratio of 25%.

SCREEN currently anticipates a fiscal year-end cash dividend forecast of ¥10 per share for the fiscal year ending March 31, 2016.

BUSINESS POLICY

1. Basic Business Policy

The SCREEN Group's founder's credo comprises "Shi Kou Ten Kai" and "5S", reflecting the Group's roots as an R&D-oriented enterprise. Shi Kou Ten Kai is the management principle driving the SCREEN Group's corporate development and can be written two ways in Japanese (思考展開 or 志高転改), each with a different meaning reflecting a distinct side of the Group's philosophy. Under the founder's credo, the SCREEN Group has expanded business from the graphic arts to electronics fields and, going forward, will continue to pass on the founder's credo to create new technologies, products, and businesses.

"Shi Kou Ten Kai" written as 思考展開 refers to the strong will to bravely strive for the creation of new businesses and products, constantly thinking, "How can we connect new ideas to SCREEN's technologies and products?" and "Is there anything that can be done better?"

"Shi Kou Ten Kai" written as 志高転改 refers to the spirit of reform that continues to promote innovation and improvement in an age of rapid change, pursues the best results with high aspirations, and strives to further improve corporate value.

"5S" refers to Service, Safety, Speed, Saving, and Study. It is the slogan for all members of the SCREEN Group to keep in mind in the performance of their duties.

The Group aims to gain prominence in new business fields while maintaining its edge in existing business domains under a corporate philosophy comprising "Sharing the Future" (earning the trust and meeting the expectations of society, while keeping an eye on the future), "Human Resource Development" (developing human resource through better work), and "The Pursuit of Technology" (pursuing original technology and mixing it with existing technology), and in line with the Management Grand Design, which sets out a vision of business which the SCREEN Group will develop and a long-term management plan to realize such vision. In addition, the Group adheres to a CSR Charter that contains a Code of Conduct for all officers and employees, seeking to fulfill its corporate social responsibility and contribute to the sustainable development of society.

2. Medium- to Long-Term Business Strategies and Issues

The SCREEN Group is implementing its three-year medium-term management plan, Challenge2016 (fiscal 2015–fiscal 2017), as detailed below.

In fiscal 2015, the first year of the plan, initiatives to reform the earnings structure, including those aimed at reducing variable costs and holding down fixed costs, were effective. As a result, the operating income to net sales ratio and the equity ratio both improved compared with the previous fiscal year. As for commercialization initiatives targeting new business areas, the SCREEN Group promoted R&D and business development, put several new products on the market and, under the open innovation strategy, concluded sales contracts with other companies and invested in promising companies.

From the second year of the plan, the SCREEN Group will continue to promote earnings structure reforms and in line with the purpose of moving to a holding company structure, the Group aims to grow by further enhancing areas of strength through the optimization of each business and effectively allocate management resources to growth areas through the optimization of the Company as a whole. By reforming the earnings structure and raising the asset efficiency ratio, the SCREEN Group is aiming to raise its equity ratio and reinforce its financial position.

In addition to the successful implementation of the three-year medium-term management plan, SCREEN is working to stably raise its ROE, maximize free cash flows, promote the return of profit to shareholders with a target of a 25% consolidated shareholder return ratio as per our policy on shareholder returns, and improve corporate value.

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, 2014	Mar. 31, 2015
ASSETS		
Current assets:		
Cash and time deposits	¥34,213	¥ 25,640
Notes and accounts receivable-trade	45,256	55,054
Merchandise and finished goods	40,660	37,297
Work in process	23,443	26,132
Raw materials and supplies	6,055	6,880
Deferred tax assets	3,958	4,793
Other	4,597	5,363
Allowance for doubtful accounts	(859)	(795)
Total current assets	157,326	160,366
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	52,257	52,804
Accumulated depreciation	(36,779)	(37,798)
Buildings and structures (Net)	15,477	15,005
Machinery, equipment and vehicles	34,820	37,764
Accumulated depreciation	(25,759)	(27,160)
Machinery, equipment and vehicles (Net)	9,061	10,603
Land	9,906	9,939
Lease assets	6,193	6,705
Accumulated depreciation	(3,262)	(3,379)
Lease assets (Net)	2,930	3,325
Construction in progress	1,425	1,469
Other	11,217	12,045
Accumulated depreciation	(9,308)	(9,782)
Other (Net)	1,908	2,262
Total property, plant and equipment	40,710	42,606
Intangible assets:		
Lease assets	129	37
Other	2,276	2,451
Total intangible assets	2,406	2,489
Investments and other assets:		
Investment securities	28,619	36,384
Long-term loans receivable	34	14
Net defined benefit asset	200	4,747
Deferred tax assets	309	292
Other	3,586	3,373
Allowance for doubtful accounts	(817)	(758)
Total investments and other assets	31,932	44,054
Total noncurrent assets	75,049	89,150
Total assets	232,376	249,516

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2014	Mar. 31, 2015
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	¥ 68,705	¥ 62,382
Short-term loans payable	104	—
Current portion of long-term loans payable	2,253	3,679
Current portion of bonds payable	14,000	—
Lease obligations	819	397
Income taxes payable	1,484	2,374
Notes payable-facilities	20	3
Provision for directors' bonuses	55	126
Provision for product warranties	5,020	4,557
Provision for loss on order received	575	18
Other	21,327	19,210
Total current liabilities	<u>114,367</u>	<u>92,750</u>
Noncurrent liabilities:		
Bonds payable	13,600	13,600
Long-term loans payable	8,342	19,066
Lease obligations	2,254	2,934
Deferred tax liabilities	4,843	8,357
Net defined benefit liability	1,291	716
Provision for directors' retirement benefits	94	114
Asset retirement obligations	48	48
Other	435	416
Total noncurrent liabilities	<u>30,911</u>	<u>45,253</u>
Total liabilities	<u>145,278</u>	<u>138,003</u>
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	4,583	4,583
Retained earnings	41,824	54,447
Treasury stock	(12,251)	(12,262)
Total shareholders' equity	<u>88,201</u>	<u>100,813</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,089	12,586
Foreign currency translation adjustment	(4,833)	(1,395)
Remeasurements of defined benefit plans	(4,007)	(1,140)
Total accumulated other comprehensive income	<u>(1,752)</u>	<u>10,051</u>
Minority interests	<u>649</u>	<u>648</u>
Total net assets	<u>87,097</u>	<u>111,513</u>
Total liabilities and net assets	<u>232,376</u>	<u>249,516</u>

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2013- Mar.31, 2014	Apr.1, 2014- Mar.31, 2015
Net sales	¥ 235,946	¥ 237,645
Cost of sales	177,175	165,191
Gross profit	58,771	72,454
Selling, general and administrative expenses	49,868	55,286
Operating income	8,902	17,167
Non-operating income		
Interest income	155	156
Dividends income	371	463
House rent income	344	207
Other	746	696
Total non-operating income	1,617	1,524
Non-operating expenses		
Interest expenses	1,114	1,019
Foreign exchange losses	117	850
Sales discounts	221	188
Other	672	537
Total non-operating expenses	2,126	2,595
Ordinary income	8,394	16,096
Extraordinary income		
Gain on sales of investment securities	11	90
Gain on bargain purchase	—	181
Total extraordinary income	11	271
Extraordinary loss		
Loss on valuation of investment securities	5	—
Office transfer expenses	—	364
Impairment loss	—	181
Loss on valuation of investments in capital	—	40
Other	0	—
Total extraordinary loss	5	586
Income before income taxes	8,400	15,781
Income taxes	2,342	3,418
Income taxes-deferred	635	163
Total income taxes	2,977	3,582
Income before minority interests	5,423	12,199
Minority interests in income	4	77
Net income	5,418	12,122

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2013- Mar.31, 2014	Apr.1, 2014- Mar.31, 2015
Income before minority interests	¥ 5,423	¥ 12,199
Other comprehensive income		
Valuation difference on available-for-sale securities	4,372	5,498
Foreign currency translation adjustment	4,465	3,452
Remeasurements of defined benefit plans	—	2,867
Total other comprehensive income	<u>8,838</u>	<u>11,818</u>
Comprehensive income	<u>14,261</u>	<u>24,017</u>
(Comprehensive income attributable to)		
Owners of the parent	14,213	23,925
Minority interests	48	91

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fiscal year ended March 31, 2014

(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	¥ 36,405	¥ (12,245)	¥ 82,788
Cumulative effects of changes in accounting policies					—
Currently stated balance, as of beginning of current period	54,044	4,583	36,405	(12,245)	82,788
Increase (decrease) during the period					
Dividends from surplus					—
Net income			5,418		5,418
Acquisition of treasury stock				(6)	(6)
Disposal of treasury stock		(0)		0	0
Other					
Total changes during the period	—	(0)	5,418	(5)	5,412
Balance, as of end of current period	54,044	4,583	41,824	(12,251)	88,201

	Accumulated other comprehensive income				Minority 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	¥ 2,716	¥ (9,255)	¥ —	¥ (6,539)	¥ 605	¥ 76,854
Cumulative effects of changes in accounting policies						—
Currently stated balance, as of beginning of current period	2,716	(9,255)	—	(6,539)	605	76,854
Increase (decrease) during the period						
Dividends from surplus						—
Net income						5,418
Acquisition of treasury stock						(6)
Disposal of treasury stock						0
Other	4,372	4,422	(4,007)	4,786	43	4,829
Total changes during the period	4,372	4,422	(4,007)	4,786	43	10,242
Balance, as of end of current period	7,089	(4,833)	(4,007)	(1,752)	649	87,097

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fiscal year ended March 31, 2015

(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	¥ 41,824	¥ (12,251)	¥ 88,201
Cumulative effects of changes in accounting policies			1,213		1,213
Currently stated balance, as of beginning of current period	54,044	4,583	43,037	(12,251)	89,414
Increase (decrease) during the period					
Dividends from surplus			(712)		(712)
Net income			12,122		12,122
Acquisition of treasury stock				(11)	(11)
Disposal of treasury stock					—
Other					
Total changes during the period	—	—	11,410	(11)	11,398
Balance, as of end of current period	54,044	4,583	54,447	(12,262)	100,813

	Accumulated other comprehensive income					Minority 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	¥ 7,089	¥ (4,833)	¥ (4,007)	¥ (1,752)	¥ 649	¥ 87,097	
Cumulative effects of changes in accounting policies						1,213	
Currently stated balance, as of beginning of current period	7,089	(4,833)	(4,007)	(1,752)	649	88,311	
Increase (decrease) during the period							
Dividends from surplus						(712)	
Net income						12,122	
Acquisition of treasury stock						(11)	
Disposal of treasury stock						—	
Other	5,497	3,438	2,867	11,803	(0)	11,802	
Total changes during the period	5,497	3,438	2,867	11,803	(0)	23,201	
Balance, as of end of current period	12,586	(1,395)	(1,140)	10,051	648	111,513	

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

Apr.1, 2013- Mar.31, 2014

Apr.1, 2014- Mar.31, 2015

Cash flow from operating activities:

Income before income taxes	¥	8,400	¥	15,781
Depreciation and amortization		4,100		4,880
Impairment loss		—		181
Loss (gain) on valuation of investment securities		5		—
Loss (gain) on sales of investment securities		(11)		(90)
Loss on valuation of investments in capital		—		40
Gain on bargain purchase		—		(181)
Office transfer expenses		—		364
Increase (decrease) in net defined benefit liability		(254)		(328)
Increase (decrease) in provision for directors' bonuses		15		70
Increase (decrease) in provision for product warranties		37		(514)
Increase (decrease) in provision for loss on order received		442		(556)
Interest and dividends income		(526)		(620)
Interest expenses		1,114		1,019
Decrease (increase) in notes and accounts receivable-trade		(3,391)		(9,167)
Decrease (increase) in inventories		5,105		1,247
Decrease (increase) in other current assets		(349)		(1,218)
Increase (decrease) in notes and accounts payable-trade		7,323		(5,993)
Increase (decrease) in accrued expenses		342		219
Increase (decrease) in other current liabilities		4,857		(3,344)
Other, net		13		(566)
	Subtotal	<u>27,225</u>		<u>1,223</u>
Interest and dividends income received		526		613
Interest expenses paid		(1,081)		(1,023)
Contribution in connection with the shift to a defined- contribution pension plan		(16)		(0)
Income taxes paid		(1,951)		(2,305)
Net cash provided by (used in) operating activities		<u>24,702</u>		<u>(1,492)</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr.1, 2013- Mar.31, 2014	Apr.1, 2014- Mar.31, 2015
Cash flow from investing activities:		
Decrease (increase) in time deposits	¥ 188	¥ (659)
Purchase of property, plant and equipment	(3,458)	(4,655)
Proceeds from sales of property, plant and equipment	8	21
Purchase of investment securities	(149)	(199)
Proceeds from sales of investment securities	35	104
Purchase of treasury shares of subsidiaries	—	(101)
Other, net	(825)	(828)
Net cash used in investing activities	<u>(4,201)</u>	<u>(6,317)</u>
Cash flow from financing activities:		
Net increase (decrease) in short-term loans payable	(33,700)	(101)
Proceeds from long-term loans payable	—	15,400
Repayments of long-term loans payable	(3,395)	(3,250)
Repayments of finance lease obligations	(741)	(1,141)
Proceeds from issuance of bonds	8,546	—
Redemption of bonds	—	(14,000)
Net decrease (increase) in treasury stock	(5)	(11)
Cash dividends paid	—	(712)
Cash dividends paid to minority shareholders	(5)	(5)
Net cash provided by (used in) financing activities	<u>(29,301)</u>	<u>(3,822)</u>
Effect of exchange rate change on cash and cash equivalents	2,335	2,061
Net increase (decrease) in cash and cash equivalents	<u>(6,464)</u>	<u>(9,571)</u>
Cash and cash equivalents at beginning of period	38,026	31,562
Cash and cash equivalents at end of period	<u>31,562</u>	<u>21,990</u>

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.

Although the SCREEN Group had adapted an internal company system by product or service it handles, an internal company was split up in connection with change to holding company structure.

Each subsidiary that assumed its business continuously develops business activities and establishes its own comprehensive strategy, for both Japan and overseas markets, in accordance with the products it handles.

Consequently, the SCREEN Group has created three business segments for reporting—"Semiconductor Solutions (SE)," "Graphic and Precision Solutions (GP)" and "Finetech Solutions (FT)"—categorized by products based on above subsidiaries.

(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, 2014

(Millions of yen)

	Reportable segment				Other *1	Total	Adjustments *2	Consolidated *3
	SE	GP	FT	Total				
Sales								
(1)Sales to outside customers	¥ 163,132	¥ 52,156	¥ 19,849	¥ 235,138	¥ 807	¥ 235,946	¥ —	¥ 235,946
(2)Intersegment sales and transfers	—	—	—	—	7,624	7,624	(7,624)	—
Total	163,132	52,156	19,849	235,138	8,432	243,571	(7,624)	235,946
Segment income (loss)	8,759	2,767	(422)	11,105	(652)	10,453	(1,550)	8,902
Segment assets	119,015	48,962	13,664	181,642	3,566	185,208	47,167	232,376
Other								
Depreciation and amortization	2,542	484	79	3,106	110	3,216	884	4,100
Increase in the amount of tangible fixed assets and intangible fixed assets	2,224	868	86	3,178	204	3,383	1,189	4,573

Notes

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

*2 Segment operating income (loss) adjustment of ¥ (1,550) million is the corporate expense not apportioned in each reportable segment. Corporate expense mainly comprises the headquarters' general and administrative expenses not usually attributed to segments.

Segment assets adjustment of ¥47,167 million is the corporate assets not apportioned in each reportable segment. Corporate assets mainly comprise the administrative assets not usually attributed to segments.

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

Fiscal year ended March 31, 2015

(Millions of yen)

	Reportable segment				Other *1	Total	Adjustments *2	Consolidated *3
	SE	GP	FT	Total				
Sales								
(1)Sales to outside customers	¥ 157,478	¥ 55,676	¥ 23,721	¥ 236,876	¥ 769	¥ 237,645	¥ —	¥ 237,645
(2)Intersegment sales and transfers	0	29	52	82	9,612	9,695	(9,695)	—
Total	157,478	55,706	23,774	236,959	10,382	247,341	(9,695)	237,645
Segment income (loss)	15,737	2,840	339	18,917	(805)	18,111	(943)	17,167
Segment assets	114,732	53,289	20,623	188,645	4,979	193,624	55,892	249,516
Other								
Depreciation and amortization	2,620	624	58	3,303	119	3,423	1,457	4,880
Increase in the amount of tangible fixed assets and intangible fixed assets	4,221	865	172	5,259	137	5,397	1,261	6,658

Notes

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

*2 Segment operating income (loss) adjustment of ¥ (943) million is the corporate profit and loss not apportioned in each reportable segment. Corporate profit and loss mainly comprises the headquarters' general and administrative expenses not usually attributed to segments and the allocation difference of corporate expense.

Segment assets adjustment of ¥55,892 million is the corporate assets not apportioned in each reportable segment. Corporate assets mainly comprise the assets not usually attributed to segments.

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

Consolidated Financial Highlights for the Fiscal Year Ended Mar. 31, 2015

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

	FY2014	FY2015	Difference		FY2016	
	12months ended Mar.31, 2014	12months ended Mar. 31, 2015			6months ending Sept. 30, 2015	12months ending Mar.31, 2016
	Result	Result	Amount	Percentage	Forecast	Forecast
Net sales	¥ 235,946	¥ 237,645	¥ 1,699	0.7%	130,000	248,000
Operating income	8,902	17,167	8,264	92.8%	9,300	19,000
[to net sales ratio]	3.8 %	7.2 %	3.4 pt	—	7.2 %	7.7 %
Ordinary income	8,394	16,096	7,701	91.7%	8,800	18,500
[to net sales ratio]	3.6 %	6.8 %	3.2 pt	—	6.8 %	7.5 %
Net income	5,418	12,122	6,703	123.7%	6,800	14,000
[to net sales ratio]	2.3 %	5.1 %	2.8 pt	—	5.2 %	5.6 %
Total assets	232,376	249,516	17,140	7.4%	—	—
Net assets	87,097	111,513	24,415	28.0%	—	—
Equity	86,448	110,864	24,416	28.2%	—	—
Equity ratio	37.2 %	44.4 %	7.2 pt	—	—	—
Net assets per share	¥ 364.23	¥ 467.13	¥ 102.90	28.3%	—	—
Interest-bearing debt	41,374	39,677	(1,697)	-4.1%	—	—
Net interest-bearing debt	7,161	14,036	6,875	96.0%	—	—
Return on equity	6.7 %	12.3 %	5.6 pt	—	—	—
Cash flow from operating activities	24,702	(1,492)	—	—	—	—
Cash flow from investing activities	(4,201)	(6,317)	—	—	—	—
Cash flow from financing activities	(29,301)	(3,822)	—	—	—	—
Depreciation and amortization	4,100	4,880	779	19.0%	2,750	5,700
Capital expenditures	4,573	6,658	2,084	45.6%	4,500	8,000
R&D expenses	12,274	13,971	1,697	13.8%	8,200	16,200
Number of employees	4,968	5,082	114	2.3%	—	—
Number of consolidated subsidiaries	44	47	3	—	—	—
[Domestic]	[21]	[24]	[3]	—	—	—
[Overseas]	[23]	[23]	[—]	—	—	—
Number of non-consolidated subsidiaries	—	1	1	—	—	—
[Number of non-consolidated subsidiaries accounted for by equity method]	[—]	[1]	[1]	—	—	—
Number of affiliates	1	—	-1	—	—	—
[Number of affiliates accounted for by equity method]	[1]	[—]	[-1]	—	—	—

*As for the FY2016 forecast, “Net income” means “Net income attributable to owners of the parent.”

Sales Breakdown (Consolidated)

(Millions of yen)

		FY2014		FY2015						FY2016	
		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, 2013	Mar. 31, 2014	Jun. 30, 2014	Sept. 30, 2014	Sept. 30, 2014	Dec. 31, 2014	Mar. 31, 2015	Mar. 31, 2015	Sep. 30, 2015	Mar. 31, 2016
		Result	Result	Result	Result	Result	Result	Result	Result	Forecast	Forecast
Semiconductor Solutions	Domestic	13,332	25,312	3,376	7,199	10,576	5,498	10,419	26,494	—	—
	Overseas	62,349	137,819	31,741	33,472	65,214	29,185	36,584	130,984	—	—
	Total	75,682	163,132	35,118	40,671	75,790	34,683	47,004	157,478	83,500	160,000
Graphic and Precision Solutions	Domestic	9,532	20,395	4,404	6,171	10,575	5,540	7,041	23,157	—	—
	Overseas	14,575	31,761	7,786	8,901	16,688	6,652	9,208	32,548	—	—
	Total	24,107	52,156	12,191	15,073	27,264	12,192	16,249	55,706	29,500	59,000
Graphic Arts Equipment	Domestic	8,543	18,100	4,023	5,052	9,075	4,715	6,306	20,097	—	—
	Overseas	12,034	25,834	6,202	7,684	13,886	5,705	7,058	26,650	—	—
	Total	20,578	43,935	10,225	12,736	22,962	10,420	13,365	46,747	25,000	50,000
PCB Equipment	Domestic	988	2,294	381	1,118	1,500	824	735	3,060	—	—
	Overseas	2,540	5,926	1,584	1,217	2,801	946	2,149	5,898	—	—
	Total	3,529	8,221	1,965	2,336	4,302	1,771	2,884	8,958	4,500	9,000
Finetech Solutions	Domestic	4,090	6,925	1,150	764	1,914	804	539	3,258	—	—
	Overseas	6,868	12,923	3,834	3,308	7,143	1,996	11,376	20,515	—	—
	Total	10,959	19,849	4,984	4,072	9,057	2,800	11,915	23,774	16,500	27,000
Other	Domestic	301	666	136	159	296	145	212	655	—	—
	Overseas	90	141	43	38	81	17	15	114	—	—
	Total	392	807	180	197	378	162	228	769	500	2,000
Intersegment sales	Domestic	—	—	—	—	—	(5)	(77)	(82)	—	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	—	—	—	—	—	(5)	(77)	(82)	—	—
Grand Total	Domestic	27,257	53,300	9,068	14,294	23,362	11,983	18,136	53,483	—	—
	Overseas	83,884	182,646	43,406	45,720	89,127	37,850	57,184	184,162	—	—
	Total	111,141	235,946	52,475	60,014	112,490	49,834	75,321	237,645	130,000	248,000
	Overseas Ratio	75.5%	77.4%	82.7%	76.2%	79.2%	76.0%	75.9%	77.5%	—	—

Orders received & Order backlog (Consolidated)

(Millions of yen)

		FY2014		FY2015							
		3 months ended Mar. 31, 2014		3 months ended Jun. 30, 2014		3 months ended Sept. 30, 2014		3 months ended Dec. 31, 2014		3 months ended Mar. 31, 2015	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Solutions	Domestic	5,854	6,238	4,122	6,983	6,766	6,550	8,458	9,510	15,734	14,824
	Overseas	29,289	45,977	32,499	46,735	30,171	43,434	32,648	46,897	30,167	40,479
	Total	35,143	52,215	36,621	53,718	36,937	49,984	41,107	56,406	45,901	55,303
Graphic and Precision Solutions	Domestic	5,923	1,725	5,847	3,168	5,149	2,146	6,964	3,575	7,219	3,747
	Overseas	7,560	4,314	8,272	4,799	8,094	3,992	6,750	4,090	8,857	3,739
	Total	13,483	6,039	14,119	7,968	13,243	6,138	13,714	7,665	16,077	7,486
Graphic Arts Equipment	Domestic	5,455	1,626	4,734	2,337	4,499	1,783	6,342	3,415	6,354	3,456
	Overseas	5,634	3,663	6,844	4,304	7,006	3,626	5,738	3,658	6,645	3,244
	Total	11,089	5,288	11,577	6,640	11,505	5,409	12,080	7,073	12,998	6,701
PCB Equipment	Domestic	468	99	1,113	831	650	363	622	160	866	291
	Overseas	1,926	652	1,428	496	1,088	366	1,012	432	2,212	495
	Total	2,394	751	2,542	1,327	1,739	729	1,635	592	3,078	786
Finetech Solutions	Domestic	1,106	1,931	647	1,427	428	1,091	1,249	1,535	1,744	2,739
	Overseas	9,925	18,236	11,880	26,281	1,588	24,561	5,975	28,540	8,081	25,244
	Total	11,031	20,167	12,526	27,708	2,016	25,652	7,224	30,075	9,824	27,983
Other	Domestic	—	—	—	—	—	—	—	—	—	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	—	—	—	—	—	—	—	—	—	—
Grand Total	Domestic	12,883	9,894	10,616	11,578	12,343	9,787	16,671	14,620	24,697	21,310
	Overseas	46,774	68,527	52,651	77,815	39,854	71,986	45,374	79,527	47,105	69,463
	Total	59,657	78,422	63,267	89,394	52,197	81,773	62,045	94,146	71,802	90,773
	Overseas Ratio	78.4%	87.4%	83.2%	87.0%	76.4%	88.0%	73.1%	84.5%	65.6%	76.5%