

Business Results & Forecast

The Fiscal Year Ended March 31, 2015

May 13, 2015

SCREEN Holdings Co., Ltd.

President (COO)
Eiji Kakiuchi

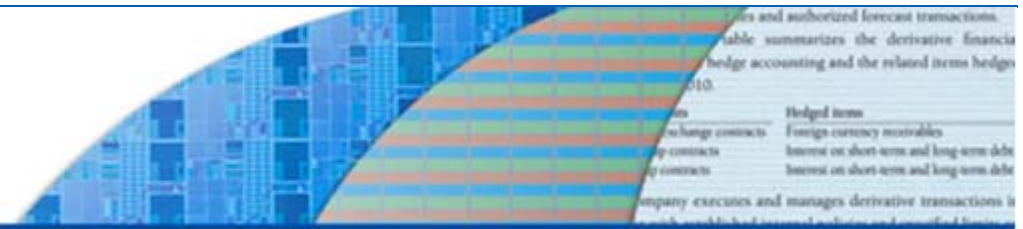
Cautionary statement with respect to these materials;

The earnings forecasts contained in these materials and communicated verbally, are made in accordance with currently available information and rational assumptions. SCREEN Holdings does not promise that the forecasts or estimates will be accurate. Therefore, it should be noted that actual results could differ significantly due to a variety of factors.

Figures have been rounded down to eliminate amounts less than ¥100 million, except per share figures.



Agenda



1. FY2015 Business Results

2. Business Situation in 3 segments <SE, GP, FT>

3. Financial Situation

4. Progress of Three-year Medium-term Management Plan
「Challenge2016」 (1st year's summary)

5. FY2016 Business Forecast

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FY2015 Business Results (Consolidated)

(Unit : Billions of JPY)

	FY2014	FY2015						Y/Y	Forecast (Feb.9)
	Result	Result					Full		
	Full	1Q	2Q	3Q	4Q	Full	Full		
Net sales	235.9	52.4	60.0	49.8	75.3	237.6	1.6	238.0	
SE	163.1	35.1	40.6	34.6	47.0	157.4	(5.6)	158.5	
GP	52.1	12.1	15.0	12.1	16.2	55.7	3.5	55.5	
Graphic Arts Equip. (MT)	43.9	10.2	12.7	10.4	13.3	46.7	2.8	47.4	
PCB Equip. (PE)	8.2	1.9	2.3	1.7	2.8	8.9	0.7	8.1	
FT	19.8	4.9	4.0	2.8	11.9	23.7	3.9	23.0	
Other	0.8	0.1	0.1	0.1	0.1	0.6	(0.1)	1.0	
Operating income	8.9	2.2	4.4	3.3	7.0	17.1	8.2	15.0	
[to net sales ratio]	3.8%	4.3%	7.5%	6.8%	9.3%	7.2%	3.4%	6.3%	
SE	8.7	2.9	3.3	4.0	5.4	15.7	6.9	-	
GP	2.7	0.4	1.4	0.1	0.7	2.8	0.0	-	
FT	(0.4)	(0.4)	0.2	(0.8)	1.4	0.3	0.7	-	
Other & Adjustments	(2.2)	(0.6)	(0.5)	0.0	(0.5)	(1.7)	0.4	-	
Ordinary income	8.3	2.3	4.2	2.8	6.7	16.0	7.7	14.2	
Net income	5.4	1.5	3.1	3.1	4.3	12.1	6.7	11.2	

* SE: Semiconductor solution business, GP: Graphic and precision solution business, FT: Finetech solution business

FY2015 Business Results (Consolidated)

>>Year-on-year comparison

(Unit: Billions of JPY)

	FY2014 Full		FY2015 Full		Difference (15/3 Full – 14/3 Full)	
Net Sales	235.9	100.0%	237.6	100.0%	+1.6	+0.7%
Operating Income	8.9	3.8%	17.1	7.2%	+8.2	+92.8%
Ordinary Income	8.3	3.6%	16.0	6.8%	+7.7	+91.7%
Net Income	5.4	2.3%	12.1	5.1%	+6.7	+123.7%

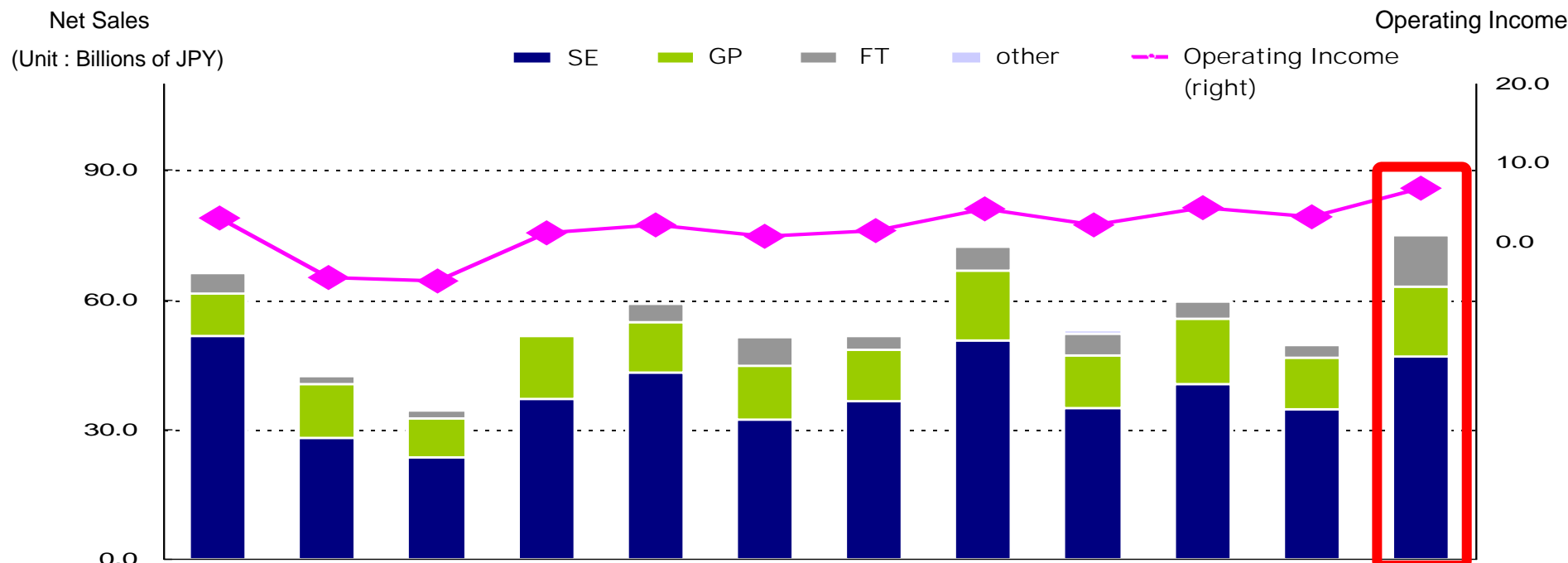
>>Comparison with the previous Quarter

(Unit: Billions of JPY)

	FY2015 3Q		FY2015 4Q		Difference (15/3 4Q – 15/3 3Q)	
Net Sales	49.8	100.0%	75.3	100.0%	+25.4	+51.1%
Operating Income	3.3	6.8%	7.0	9.3%	+3.6	+106.9%
Ordinary Income	2.8	5.7%	6.7	8.9%	+3.8	+137.6%
Net Income	3.1	6.3%	4.3	5.7%	+1.1	+36.7%

Quarterly Net Sales and Operating Income

(Consolidated)



Net Sales	FY2013				FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
SE	51.6	28.0	23.5	37.3	43.3	32.3	36.7	50.6	35.1	40.6	34.6	47.0
GP	9.9	12.5	9.0	14.7	11.6	12.4	11.7	16.2	12.1	15.0	12.1	16.2
FT	4.8	2.0	2.0	3.0	4.1	6.8	3.3	5.5	4.9	4.0	2.8	11.9
Operating income	3.1	(4.4)	(4.8)	1.2	2.2	0.8	1.5	4.3	2.2	4.4	3.3	7.0

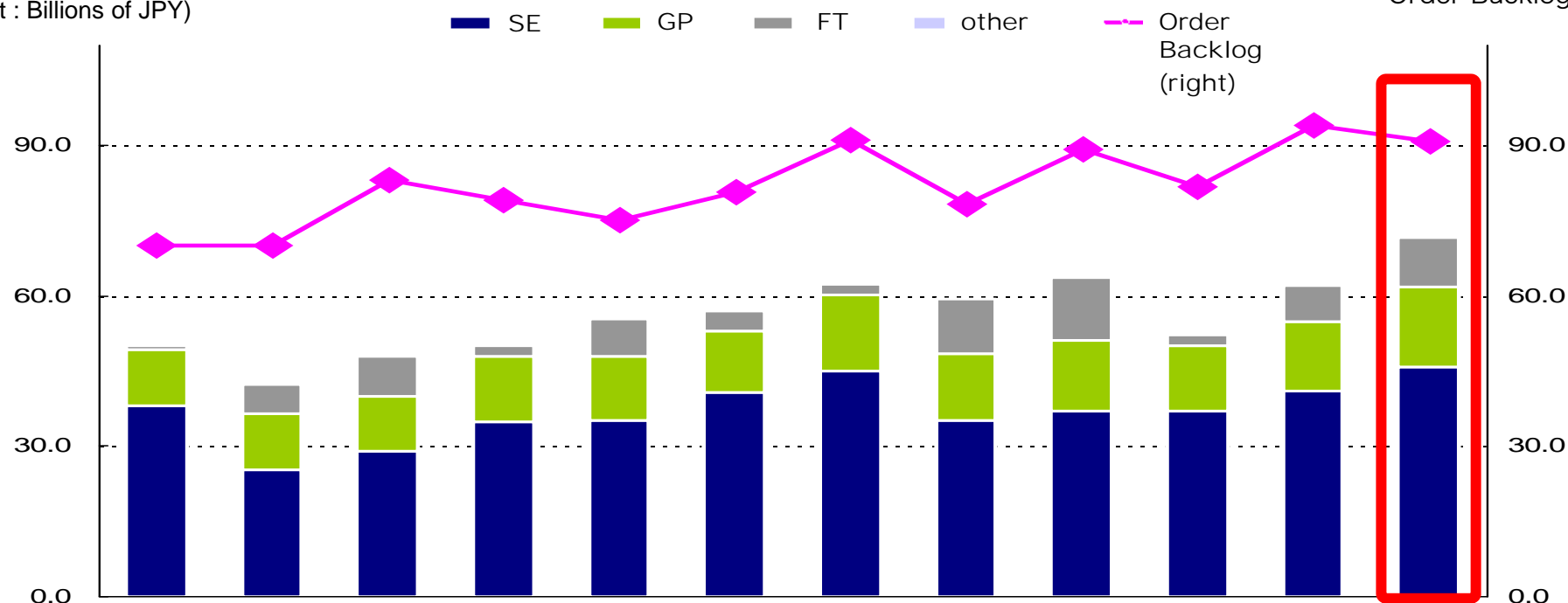
* Amounts for FY2013 in SE and FT have been reclassified with amounts calculated applying retroactively completion of installation basis

Quarterly Orders Received and Order Backlog

(Consolidated)

Orders Received
(Unit : Billions of JPY)

Order Backlog



	FY2013				FY2014				FY2015			
Orders Received	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
SE	38.2	25.4	29.0	35.0	35.1	40.7	45.0	35.1	36.6	36.9	41.1	45.9
GP	11.2	10.5	10.8	13.4	12.9	12.2	15.3	13.4	14.1	13.2	13.7	16.0
FT	1.1	6.0	8.4	2.3	7.3	4.2	2.1	11.0	12.5	2.0	7.2	9.8
Order Backlog	70.1	69.5	83.1	78.7	75.0	80.6	91.2	78.4	89.3	81.7	94.1	90.7

* Amounts of order backlog for FY2013 in SE and FT have been reclassified with amounts calculated applying retroactively completion of installation basis

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Business Environment <SE>

>>Year-on-year comparison

(Unit: Billions of JPY)	FY2014 Full		FY2015 Full		Difference (15/3 Full – 14/3 Full)	
	Net Sales	163.1	100.0%	157.4	100.0%	(5.6)
Operating Income	8.7	5.4%	15.7	10.0%	+6.9	+79.7%

>>Comparison with the previous Quarter

(Unit: Billions of JPY)	FY2015 3Q		FY2015 4Q		Difference (15/3 4Q – 15/3 3Q)	
	Net Sales	34.6	100.0%	47.0	100.0%	+12.3
Operating Income	4.0	11.8%	5.4	11.5%	+1.3	+32.7%

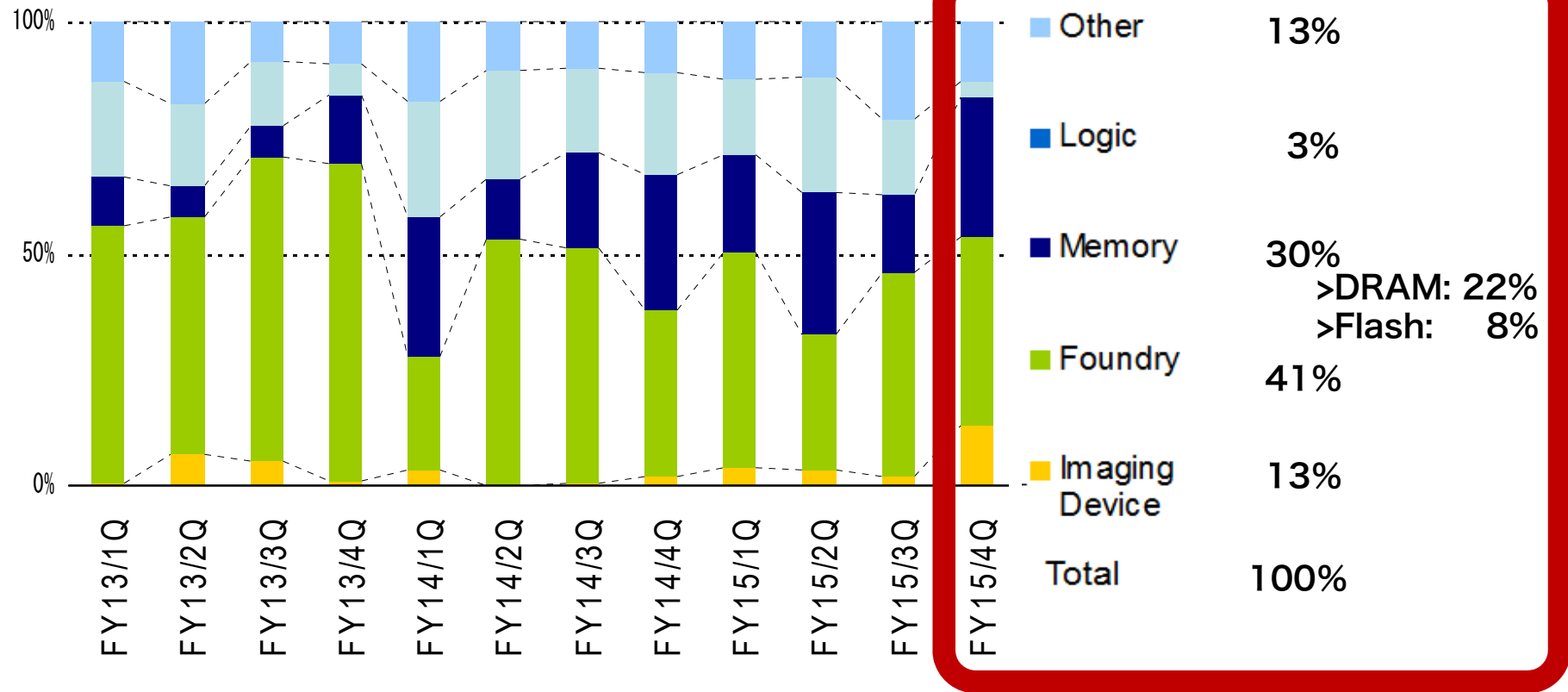
>>Topics

- Y on Y : Increased profit by enhancing the improvement of variable cost ratio, despite decreased sales.
- vs. Previous Q : Increased profit due to sales increase.
Achieved 10% of operating income ratio for the full year.
- Orders received : Exceeded the Feb. forecast, amounted to JPY 45.9 bn.
- Business environment : Investment was stably led by foundries.
Memory makers steadily expanded investment as well.
- FYE2016 outlook : Forecast WFE to grow by around +5% in CY2015.
Continuously promote to enhance profitability.

<SE> Quarterly Order Received Ratio by Device Application (Nonconsolidated)

*4Q Order received (consolidated): JPY 45.9 bn.

>>Quarterly Order Received Ratio by Device Application (Nonconsolidated)



>>FY2015 4Q orders by region (Nonconsolidated)



Business Environment <GP>

>>Year-on-year comparison

(Unit: Billions of JPY)

	FY2014 Full		FY2015 Full		Difference (15/3 Full – 14/3 Full)	
Net Sales	52.1	100.0%	55.7	100.0%	+3.5	+6.8%
Operating Income	2.7	5.3%	2.8	5.1%	+0.0	+2.6%

>>Comparison with the previous Quarter

(Unit: Billions of JPY)

	FY2015 3Q		FY2015 4Q		Difference (15/3 4Q – 15/3 3Q)	
Net Sales	12.1	100.0%	16.2	100.0%	+4.1	+33.9%
Operating Income	0.1	1.3%	0.7	4.7%	+0.6	+397.5%

>>Topics

- Y on Y : Increase in sales and a slight increase in profit due to demand recovery in CTP and POD, centering on Japan and Europe.
- vs. Previous Q : Increased sales & improved profitability
- Business environment : In Japan, a demand for replacement of CTP was firm. Regarding overseas sales, POD was firm especially in the U.S. and showed POD sales growth in Europe as well.
- FY2016 outlook : Expect to improve profitability even with increased R&D expenses as having sales-increase effect as well.

Business Environment <FT>

>>Year-on-year comparison

(Unit: Billions of JPY)

	FY2014 Full		FY2015 Full		Difference (15/3 Full – 14/3 Full)	
Net Sales	19.8	100.0%	23.7	100.0%	+3.9	+19.8%
Operating Income	(0.4)	-2.1%	0.3	1.4%	+0.7	—

>>Comparison with the previous Quarter

(Unit: Billions of JPY)

	FY2015 3Q		FY2015 4Q		Difference (15/3 4Q – 15/3 3Q)	
Net Sales	2.8	100.0%	11.9	100.0%	+9.1	+325.5%
Operating Income	(0.8)	-31.9%	1.4	12.0%	+2.3	—

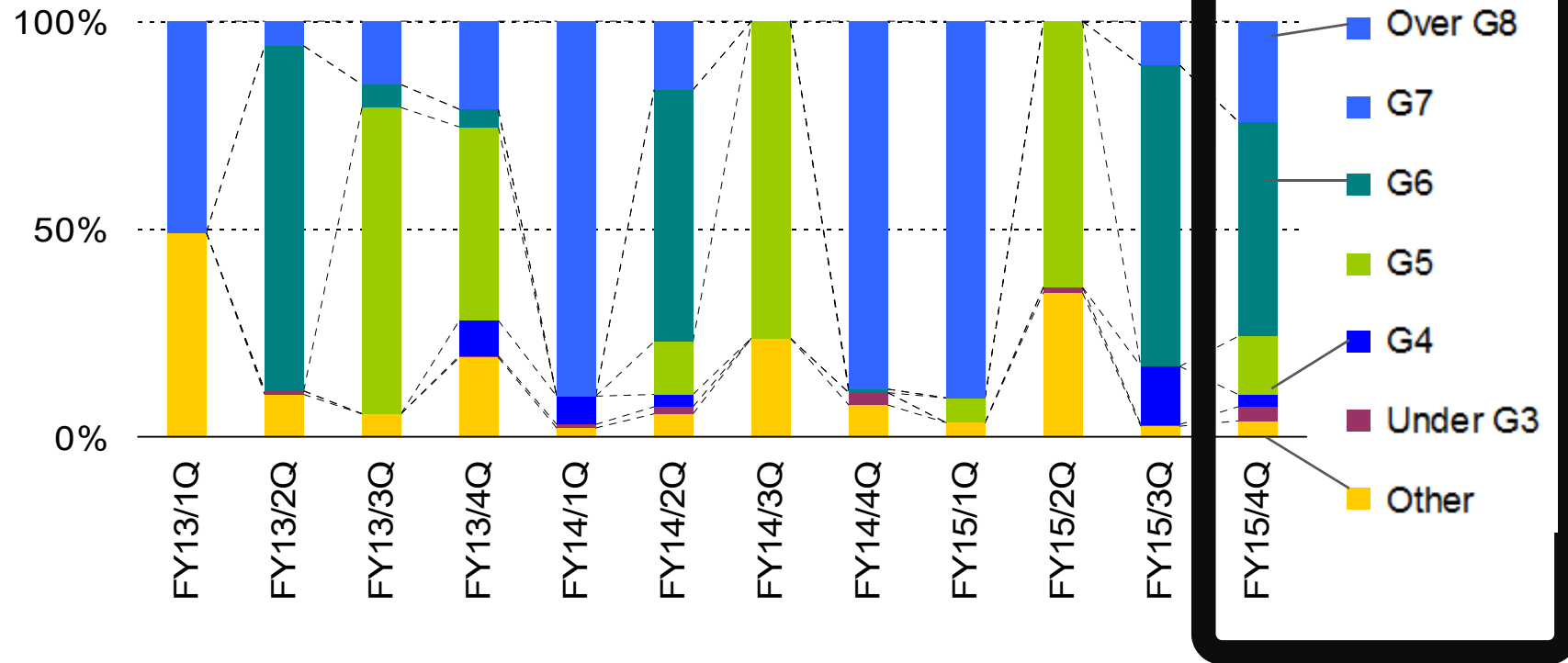
>>Topics

- Y on Y : Increases both in sales and profit, achieving a return to the black for the first time in four years. Sales were firm both for production equipment for large-sized TV LCD panels toward China and production equipment for small- and medium-sized LCD panels for smartphones.
- vs. Previous Q : Operating income was significantly improved due to cost reduction and after-sales service (modification).
- Orders received : Received JPY 9.8 bn. in line with Feb. forecast. Expect an ongoing favorable orders both for large-sized and small- & medium-sized.
- Business environment : Investment toward production equipment for small- and medium-sized was firm, in addition to those for large-sized TV LCD panels toward China. In addition to China, investment in Japan and Taiwan was firm as well.
- FY2016 outlook : Secured JPY 27.9 bn. order backlog as of end of March. Will be steady for the meantime.

Quarterly Orders Received by Generation(Nonconsolidated)

>>Quarterly Orders Received by Generation (Nonconsolidated)

* 4Q Order received (Consolidated) : JPY 9.8



>>FY2015 4Q orders by region (Nonconsolidated)



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Trend in B/S (Consolidated)

Assets

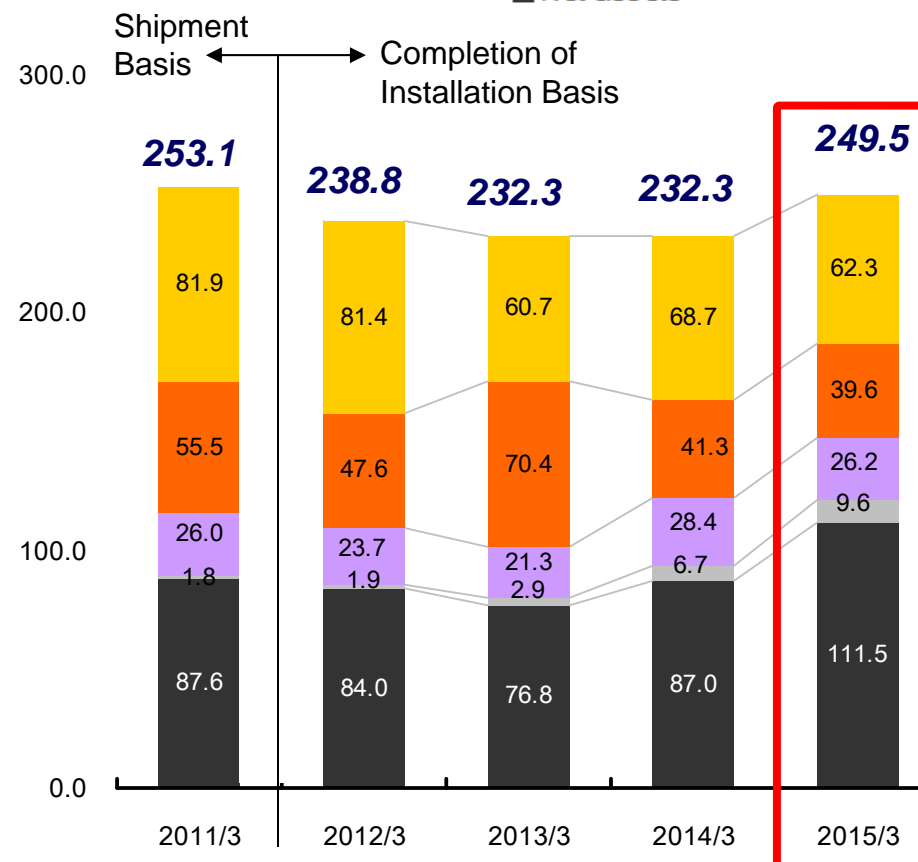
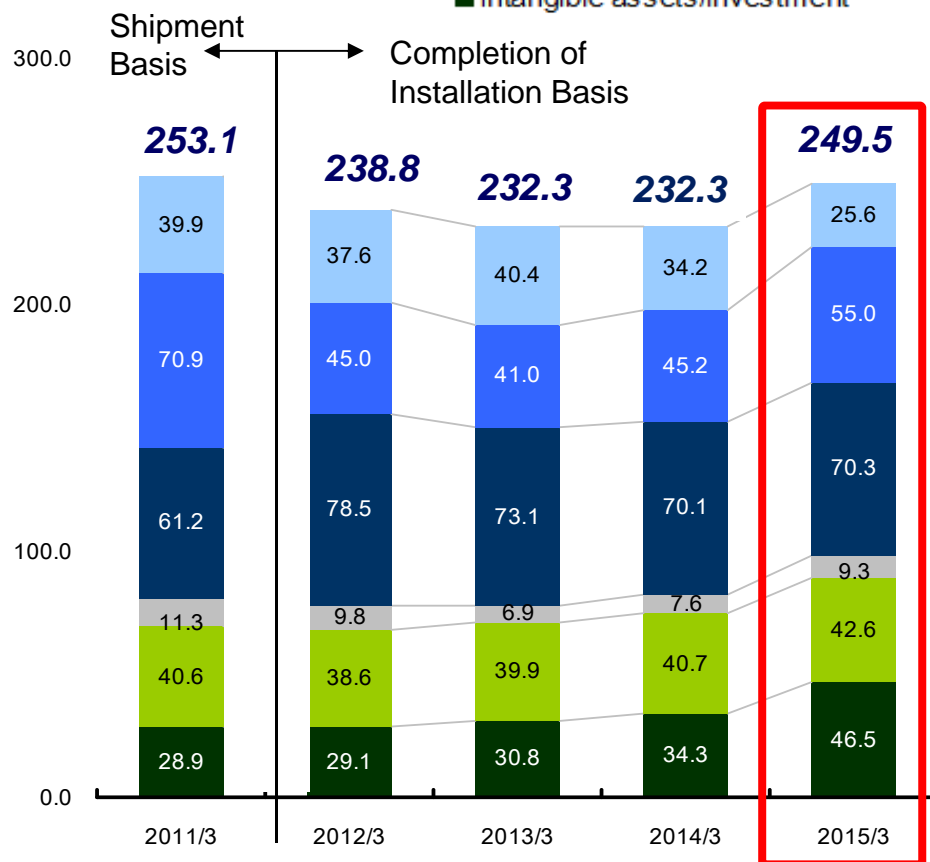
(Unit: Billions of JPY)

- Cash & time deposits
- Notes & accounts receivable
- Inventories
- Other current asset
- Property, plant & equipment
- Intangible assets/investment

Liabilities & Net Assets

(Unit: Billions of JPY)

- Notes & accounts payable
- Interest-bearing debt
- Other current liabilities
- Other noncurrent liabilities
- Net assets



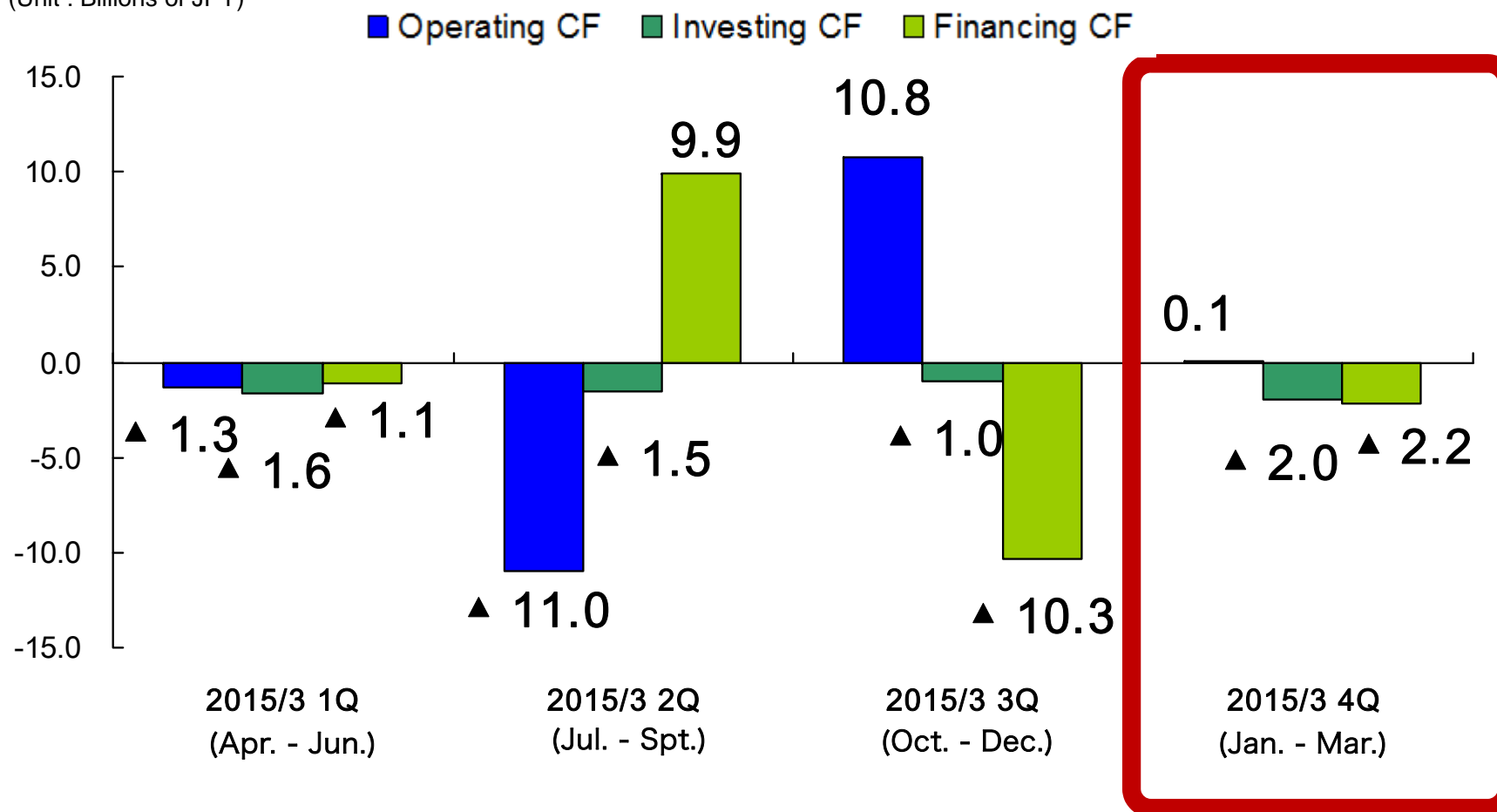
Equity Ratio 37.2% (2014/3) → 44.4% (2015/3)

*Amounts for 2012/3 and 2013/3 have been reclassified with amounts calculated applying retroactively completion of installation basis.

Cash Flows (Consolidated)

>>FY2015 Total Free Cash Flow: JPY (7.8) bn.

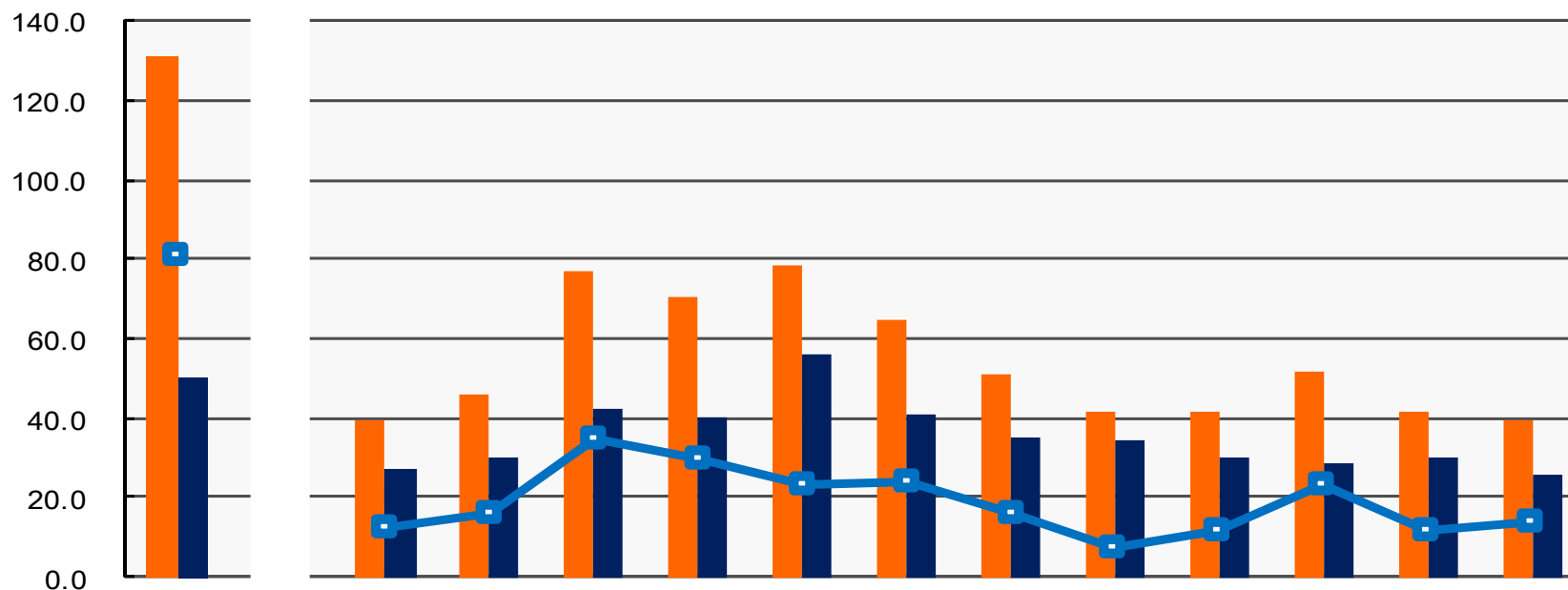
(Unit : Billions of JPY)



Interest-bearing Debt (Consolidated)

(Unit: Billions of JPY)

Interest-bearing Debt Cash and Time Deposits Net interest-bearing debt



	FY 2010	FY2013				FY2014				FY2015			
	Jun.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.
Interest-bearing debt	131.0	39.3	45.9	76.9	70.4	78.6	64.9	50.7	41.3	41.3	52.0	41.7	39.6
Cash and time deposit	50.2	27.0	29.7	42.4	40.4	55.7	40.8	35.0	34.2	29.8	28.5	30.2	25.6
Net interest-bearing debt	80.7	12.3	16.1	34.4	30.0	22.9	24.0	15.6	7.1	11.5	23.5	11.4	14.0

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**4. Progress of Three-year Medium-term Management Plan
「Challenge2016」(1st year's summary)**

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Three-year Medium-term Management Plan and its Direction

■ Directions to move forward

→ To achieve consistently higher earnings

→ To launch businesses in new fields

→ To strengthen financial standing

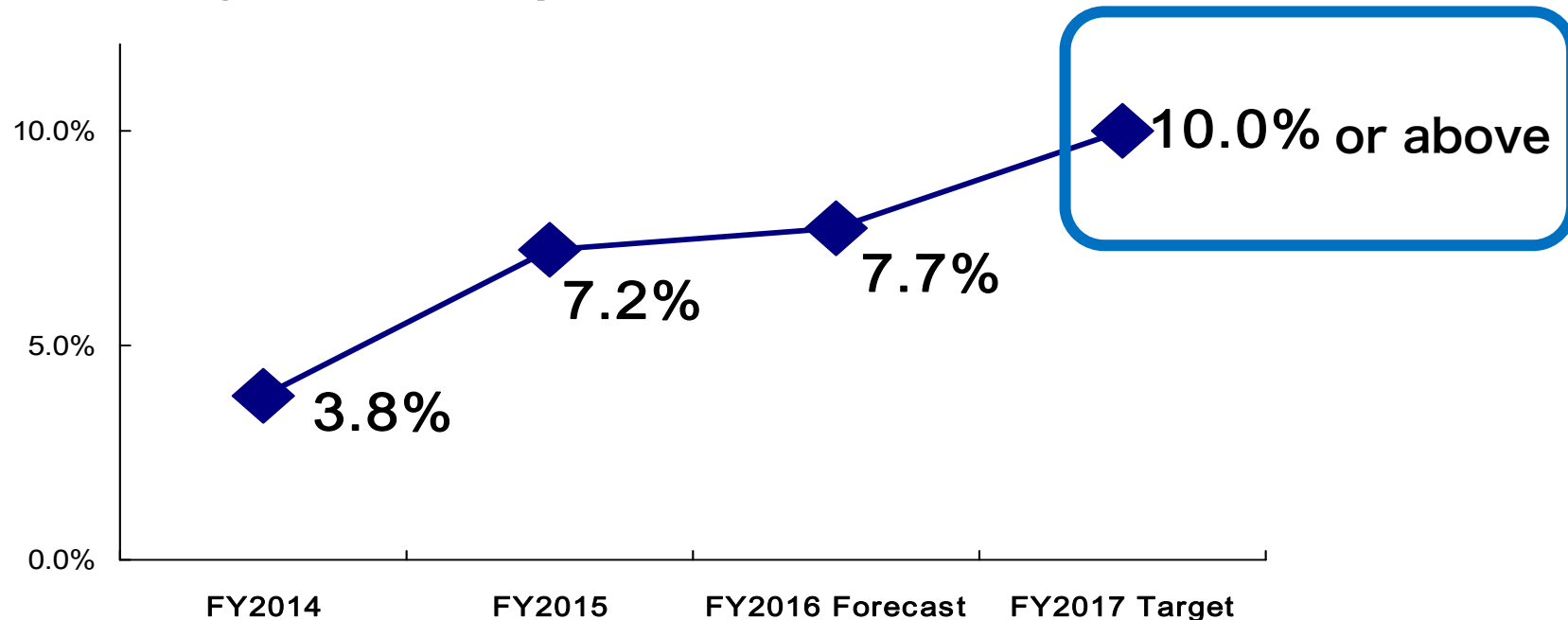
Further enhance areas of strength

Three targets :

- ① Earnings structure reforms :
Achieve operating income to net sales of 10% or above in the final year of the plan
- ② Create new businesses:
Generate profits in each of the four new business fields
- ③ Strengthen financial standing :
Achieve an equity ratio of 50% or above in the final year of the plan

「Challenge2016」 <First year's summary>

Target 1 : Earnings structure reforms : Achieve operating income to net sales of 10% or above in the final year of the plan



- Improvement in variable cost ratio of mainstay product in each business (Accomplish it at all cost!!)
- Increase sales ratio both of high-value added products and after-sales services
- Thoroughly lower break-even sales

「Challenge2016」 <First year's summary>**Target 2 : Create new businesses (Aim to generate profits in each of the four new business fields)**

>>In April 2015, a new organization was launched within HD (R&D + sales + marketing), centralized at R&D center, WHITE CANVAS RAKUSAI.

Life science

Most preceding and released product is going well.

>>Made an investment in iPS Portal, Inc. (March 2015)
Accelerate product development in the field of regenerative medicine.

>>Sales of Cell³iMager, Establish sales network in the U.S., Europe and Japan.
3D cell culture spheroid counter

>>DP-i3000 (Inkjet printer for tablets)
Started to accept orders from April



「Challenge2016」 <First year's summary>

Target 2: Create new businesses (Aim to generate profits in each of the four new business fields)

Inspection and measuring



IM-3100 (Automatic inspection system for forged part),
Received positive response in in-car parts market,
To phase to launch



Printed electronics



Process technology development and product development are in progress toward diversification of business model.

PrintroInics

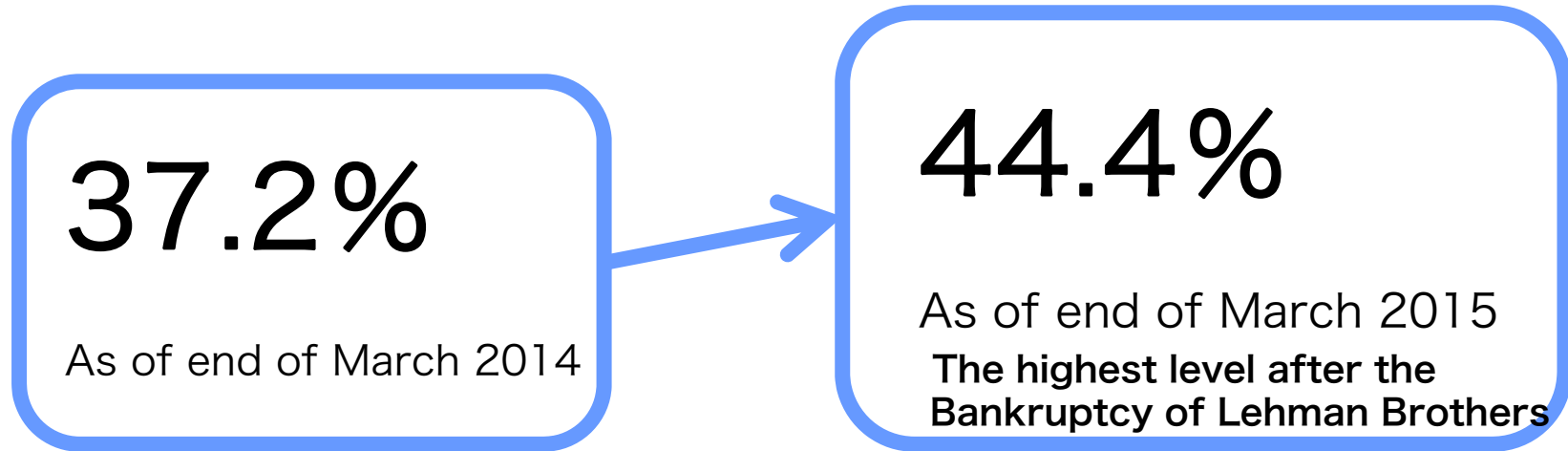
Energy



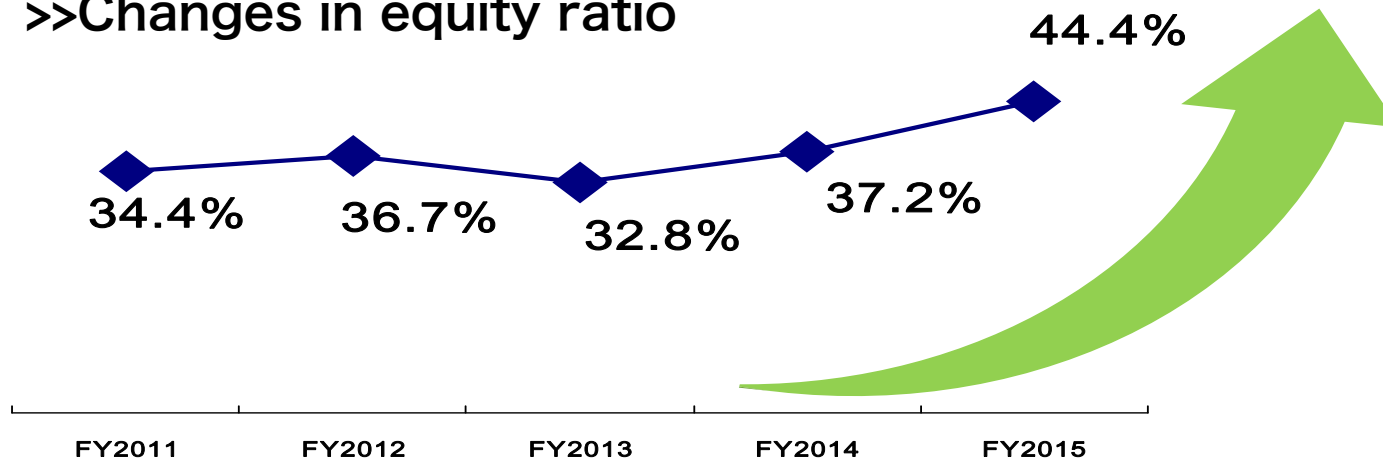
Expanding to such areas as in-car secondary battery (Lithium-ion battery) and other coating.

「Challenge2016」 <First year's summary>

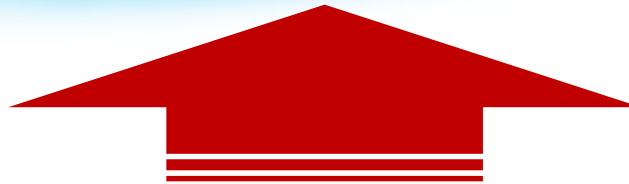
Target 3: Strengthen financial standing : Achieve an equity ratio of 50% or above in the final year of the plan



>>Changes in equity ratio



Enhancement of Corporate Value



Policy on shareholder returns

Target of a 25% consolidated shareholder return ratio

- paying close attention to progress situation of medium-term plan and earnings performance

Raise ROE

Toward JPX-Nikkei 400

- Profit ratio improvement
- Well-balanced shareholders' equity control

Maximize FCF

Aim to raise the rating

- Secure investment resource to grow more
- Strengthen financial durability

Three-year Medium-term Management Plan

Challenge2016

- Complete earnings structure reforms, Launch businesses in new fields, Strengthen financial standing

Progress toward the Enhancement of Corporate Value

Management to enhance ROE

Aim to continue double-digit ROE

6.66%

As of end of March 2014

12.29%

As of end of March 2015

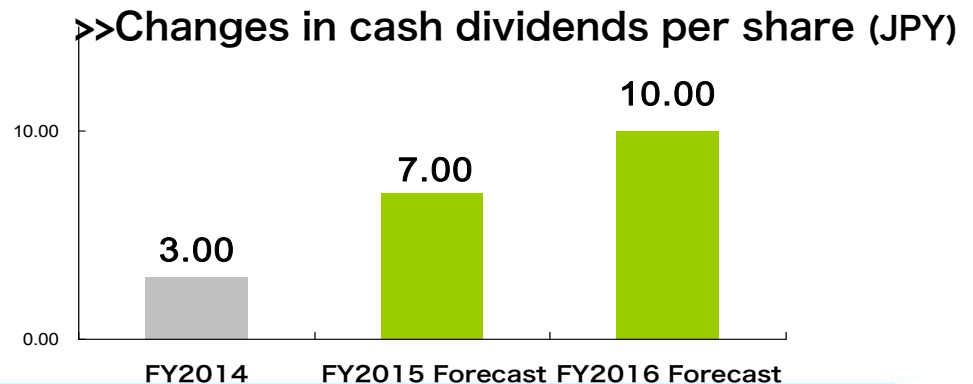
Maximize FCF

→ Shorten a cash conversion cycle

Enhancement of Corporate Value

Clarify a policy on shareholder returns

With a target of a 25% consolidated shareholder return ratio, while paying close attention to progress situation of the Plan "Equity ratio of 50% or above" "Operating income to net sales of 10% or above" and earnings performance



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Business Forecast for FY2016 (Consolidated)

(Unit : Billions of JPY)

	FY2015			FY2016		
	1st H Result	2nd H Result	Full Result	1st H Forecast	2nd H Forecast	Full Forecast
Net Sales	112.4	125.1	237.6	130.0	118.0	248.0
S E	75.7	81.6	157.4	83.5	76.5	160.0
GP	27.2	28.4	55.7	29.5	29.5	59.0
FT	9.0	14.7	23.7	16.5	10.5	27.0
OT	0.3	0.3	0.6	0.5	1.5	2.0
Operating income	6.7	10.4	17.1	9.3	9.7	19.0
[to net sales ratio]	6.0%	8.3%	7.2%	7.2%	8.2%	7.7%
Ordinary income	6.5	9.5	16.0	8.8	9.7	18.5
Net income	4.6	7.4	12.1	6.8	7.2	14.0

*Assumed Exchange Rate>> USD1=115 yen, EUR1=130 yen

*Forecast of annual cash dividends for FY2016>> JPY 10.00 per share (year-end cash dividend)

* SE: Semiconductor solution business, GP: Graphic and precision solution business, FT: Finetech solution business

Business Forecast for FY2016

Challenge2016>> Focused themes in the second year

●To promote earnings structure reforms : Lower break-even sales, improve operating income to net sales

SE>> Improvement in variable cost ratio, Enhancement of after-sales service,
Sales expansion of Frontier-Market

GP>> Sales expansion of new released POD product in the U.S. and Europe,
Enhancement of recycling-oriented business model

FT>> Shift of business portfolio, Full-scale launch of new businesses,
Expanding after-sales services

●Strengthen financial standing : Maximize free cash flows through the optimization of working capital including reduced inventory, Further improvement of equity ratio with enhancement of efficient use of assets including liquidation of cross-shareholdings

●Shareholder returns ratio : As per the policy, aims to achieve a target of 25%

●New business field : Aggressive investment in R&D and a new venture company

SCREEN

Fit your needs, Fit your future

