

January 30, 2019

Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome, Horikawa-dori,  
Kamigyo-ku, Kyoto 602-8585, Japan

## CONSOLIDATED FINANCIAL REPORT

### FOR THE THIRD QUARTER ENDED DECEMBER 31, 2018 [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>)

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Date planned for the filing of the quarterly report: February 13, 2019  
Date of payment for cash dividends: —

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

#### PERFORMANCE FOR THE THIRD QUARTER ENDED DECEMBER 31, 2018 (APR. 1, 2018-DEC. 31, 2018)

(Millions of yen, except per share figures)

(Percentage are the rate of increase or decrease from the previous corresponding period.)

#### (1) Business Results

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
<b>Nine months ended Dec. 31, 2018</b>	<b>¥252,418</b>	<b>12.6%</b>	<b>¥ 18,888</b>	<b>-20.6%</b>	<b>¥ 18,672</b>	<b>-18.9%</b>
Nine months ended Dec. 31, 2017	224,162	6.7	23,791	11.6	23,028	10.8

Note: Comprehensive income

Nine months ended Dec. 31, 2018: ¥ 3,342 million (-85.5%)  
Nine months ended Dec. 31, 2017: ¥ 23,048 million (16.3%)

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
<b>Nine months ended Dec. 31, 2018</b>	<b>¥ 10,148</b>	<b>-32.6%</b>	<b>¥ 217.53</b>	<b>¥ 208.93</b>
Nine months ended Dec. 31, 2017	15,047	-7.9	320.83	—

#### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)
<b>Dec. 31, 2018</b>	<b>¥378,154</b>	<b>¥169,014</b>	<b>44.7%</b>
Mar. 31, 2018	365,874	170,880	46.7

Note: Equity

As of Dec. 31, 2018: ¥ 168,992 million  
As of Mar. 31, 2018: ¥ 170,839 million

**CASH DIVIDENDS**

(Yen)

Record date	Cash Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Fiscal year ended Mar. 31, 2018	¥ —	¥ —	¥ —	¥110.00	¥110.00
Fiscal year ending Mar. 31, 2019	—	—	—		
Fiscal year ending Mar. 31, 2019 (Forecast)				91.00	91.00

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

**FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2019**

(Millions of yen, except per share figures)

(Percentage are the rate of increase or decrease from the previous corresponding period.)

	Net Sales	Percentage Change	Operating Income	Percentage Change
Fiscal year ending Mar. 31, 2019	¥ 362,000	6.7 %	¥ 29,000	-32.1 %

  

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Fiscal year ending Mar. 31, 2019	¥ 28,000	-32.3 %	¥ 17,000	-40.4 %	¥ 364.39

Note: Revision of the latest business forecast: Yes

**NOTES**

- (1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): No  
New Company: Not applicable      Exclusion: Not applicable
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: Yes  
Please refer to P.10 [Notes for quarterly consolidated financial statements] for more information.
- (3) Changes of accounting policies, changes in accounting estimates and retrospective restatement
  1. Changes of accounting policies accompanied by revision of accounting standard etc.: No
  2. Changes of accounting policies other than 1: No
  3. Changes in accounting estimates: No
  4. Retrospective restatement: No
- (4) Number of shares outstanding
  1. Number of shares outstanding as of end of period (including treasury stock)  
As of Dec. 31, 2018: 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 Dec. 31, 2018: 4,141,685 shares      As of Mar. 31, 2018: 4,142,444 shares
  3. Average number of shares outstanding  
Nine months ended Dec. 31, 2018: 46,652,714 shares      Nine months ended Dec. 31, 2017: 46,900,282 shares

\* This quarterly earnings report is exempt from the quarterly review procedure by certified public accountants or audit firm.

\* Explanation for appropriate use of forecasts and other notes

- (1) SCREEN Holdings has revised our business forecast for the fiscal year ending March 31, 2019 that was previously announced on October 30, 2018, as noted in this financial report.
- (2) The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to SCREEN Holdings and certain assumptions that are regarded as legitimate. SCREEN Holdings does not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors. Please refer to P.4 "3. Qualitative information regarding consolidated business results forecasts" for the assumptions used and other notes.

## [Qualitative Information, Financial Statements]

### 1. Qualitative information regarding the status of consolidated business results

During the first nine months of the fiscal year ending March 31, 2019 (April 1, 2018 to December 31, 2018), global economic conditions continued to gradually improve despite an increasingly unclear outlook due to the fallout from trade tensions between the United States and China as well as a downturn risk in emerging economies. 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, economic recovery continued, albeit gradually, due mainly to an expansion in capital investment. Despite the pace of growth continuing to slow down, China's economy remained steady due in part to the effects of the government's economic policy. 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 due to growing data center processing volumes despite a decrease in mass production investment by foundries. In addition, active capital investment by logic chip makers continued amid strong demand for servers. 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, the SCREEN Group posted consolidated net sales of ¥252,418 million for the first nine months of the fiscal year ending March 31, 2019, an increase of ¥28,255 million from the corresponding period of 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 ¥18,888 million, down ¥4,903 million year on year. Ordinary income amounted to ¥18,672 million, down ¥4,355 million year on year. In addition, profit attributable to owners of parent totaled ¥10,148 million, a decrease of ¥4,898 million, compared with the corresponding period of the previous fiscal year, due in part to the recording of business structure improvement expenses in the Graphic Arts Equipment (GA) business as extraordinary loss.

Performance by reportable segment is explained below.

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

In the SE business, sales to memory manufacturers expanded year on year, and those to logic chip manufacturers were firm, despite a decrease in sales to foundries. By product, sales of single wafer cleaning equipment, batch-type cleaning equipment and coater/developer grew. By region, sales to Taiwan fell, and those to China and Japan expanded. As a result, net sales in this segment amounted to ¥171,131 million, up 17.8% year on year. Operating income in this segment came to ¥16,523 million, down 18.3% from the corresponding period of 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.

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

In the GA business, overseas sales of POD (print on demand) equipment and those of ink and other after-sales service increased and sales in Japan fell. As a result, net sales in this segment amounted to ¥35,402 million, down 3.3% year on year. Operating income in this segment came to ¥656 million, down 60.0% from the corresponding period of the previous fiscal year, reflecting mainly the decrease in net sales and a rise in personnel and other fixed costs.

#### ***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 ¥35,469 million, up 10.8% year on year. Operating income in this segment came to ¥2,343 million, up 0.8% from the corresponding period of the previous fiscal year, reflecting mainly an increase in fixed costs and a loss on valuation of inventories.

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

In the PE business, although sales in Taiwan rose year on year, those in South Korea and China decreased. As a result, net sales in this segment amounted to ¥9,208 million, down 0.4% year on year. Operating income in this segment came to ¥971 million, down 4.4% from the corresponding period of the previous fiscal year.

## 2. Qualitative information regarding changes in consolidated financial position

Total assets as of December 31, 2018 stood at ¥378,154 million, an increase of ¥12,280 million, or 3.4%, compared with March 31, 2018. This was largely due to an increase in inventories and property, plant and equipment, despite a decrease in cash and time deposits, notes and accounts receivable including electronically recorded monetary claims, and investment securities accompanying a drop in the market values of held stocks.

Total liabilities amounted to ¥209,140 million, up ¥14,146 million, or 7.3%, 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 ¥169,014 million, down ¥1,865 million, or 1.1%, from March 31, 2018. This was mainly attributable to 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, despite the recording of profit attributable to owners of parent.

As a result, the equity ratio as of December 31, 2018 stood at 44.7%.

### *Status of Cash Flows*

The status of cash flows for the first nine months of the fiscal year ending March 31, 2019 is as follows.

Net cash used in operating activities amounted to ¥28,122 million, compared with ¥13,763 million provided by operating activities in the first nine months of the previous fiscal year. This was because an increase in inventories, a decrease in notes and accounts payable including electronically recorded obligations, income taxes paid, and other outflows exceeded income before income taxes, the decrease in notes and accounts receivable including electronically recorded monetary claims, and other inflows.

Net cash used in investing activities amounted to ¥17,706 million, compared with ¥4,949 million used in investing activities in the first nine months of 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 ¥30,215 million, compared with ¥9,548 million used in financing activities in the first nine months of 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 December 31, 2018, totaled ¥35,185 million, down ¥15,631 million from March 31, 2018.

## 3. Qualitative information regarding consolidated business results forecasts

SCREEN Holdings has revised its consolidated business forecast for the fiscal year ending March 31, 2019, from the previous forecast announced on October 30, 2018, as shown below. The revision is largely attributable to the prospect that both sales and profit may fall below previous forecasts due mainly to the SE business in particular seeing a decrease in sales due to changes in equipment delivery schedules and a rise in the variable cost ratio due to the setbacks with regard to cost improvements caused by prioritizing materials purchasing accompanying a steep increase in production. In addition, based on the revision of business forecast for the fiscal year ending March 31, 2019, it has been decided to revise the cash dividend forecast for the fiscal year ending March 31, 2019.

For details, please refer to today's "Notice: Revision of the Business Forecast and Cash Dividend Forecast for the Fiscal Year Ending March 31, 2019".

### **Business forecast**

Fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Millions of yen)

		Fiscal year ending Mar. 31, 2019
Net Sales		¥ 362,000
	SE	250,000
	GA	48,000
	FT	49,500
	PE	12,500
	Other and Adjustments	2,000
Operating Income		29,000
Ordinary Income		28,000
Profit Attributable to Owners of Parent		17,000

Note: 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.

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	Mar. 31, 2018	Dec. 31, 2018
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and time deposits	¥ 53,114	¥ 35,985
Notes and accounts receivable - trade	71,887	62,178
Electronically recorded monetary claims - operating	13,519	11,507
Merchandise and finished goods	51,303	71,115
Work in process	44,262	50,938
Raw materials and supplies	10,755	16,101
Other	10,500	15,268
Allowance for doubtful accounts	(587)	(657)
Total current assets	<u>254,755</u>	<u>262,436</u>
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	53,307	58,834
Machinery, equipment and vehicles	44,395	44,603
Other	34,196	37,671
Accumulated depreciation	(82,926)	(82,254)
Total property, plant and equipment	<u>48,973</u>	<u>58,855</u>
<b>Intangible assets:</b>		
Other	4,953	7,287
Total intangible assets	<u>4,953</u>	<u>7,287</u>
<b>Investments and other assets:</b>		
Investment securities	41,479	33,497
Net defined benefit asset	5,576	5,938
Deferred tax assets	6,849	6,913
Other	3,559	3,418
Allowance for doubtful accounts	(273)	(191)
Total investments and other assets	<u>57,192</u>	<u>49,575</u>
Total non-current assets	<u>111,118</u>	<u>115,717</u>
<b>Total assets</b>	<u>365,874</u>	<u>378,154</u>

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	Mar. 31, 2018	Dec. 31, 2018
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable - trade	¥ 30,911	¥ 32,910
Electronically recorded obligations - operating	84,199	72,786
Short-term loans payable	—	10,000
Current portion of long-term loans payable	5,679	2,536
Lease obligations	390	431
Income taxes payable	9,650	3,169
Notes payable - facilities	3	4
Electronically recorded obligations - facilities	26	8
Advances received	17,142	19,432
Provision for bonuses	4,204	1,637
Provision for directors' bonuses	219	123
Provision for product warranties	6,373	6,539
Provision for loss on order received	58	42
Provision for business structure improvement	—	834
Other	16,649	13,795
Total current liabilities	<u>175,508</u>	<u>164,254</u>
<b>Non-current liabilities:</b>		
Convertible bond-type bonds with share acquisition rights	—	30,132
Long-term loans payable	5,227	4,030
Lease obligations	1,858	1,615
Net defined benefit liability	856	854
Provision for directors' retirement benefits	141	177
Provision for stock payment	28	35
Provision for management board incentive plan trust	45	38
Asset retirement obligations	56	56
Other	11,270	7,943
Total non-current liabilities	<u>19,484</u>	<u>44,885</u>
Total liabilities	<u>194,993</u>	<u>209,140</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	122,363
Treasury stock	(18,085)	(18,080)
Total shareholders' equity	<u>157,864</u>	<u>162,816</u>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	18,427	11,689
Foreign currency translation adjustment	(4,714)	(5,108)
Remeasurements of defined benefit plans	(738)	(405)
Total accumulated other comprehensive income	<u>12,974</u>	<u>6,176</u>
<b>Non-controlling interests</b>	<u>40</u>	<u>22</u>
<b>Total net assets</b>	<u>170,880</u>	<u>169,014</u>
<b>Total liabilities and net assets</b>	<u>365,874</u>	<u>378,154</u>

**CONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

**Apr.1, 2017 – Dec. 31, 2017**      **Apr.1, 2018 – Dec. 31, 2018**

<b>Net sales</b>	¥ 224,162	<b>¥ 252,418</b>
<b>Cost of sales</b>	152,760	<b>181,402</b>
<b>Gross profit</b>	71,402	<b>71,015</b>
<b>Selling, general and administrative expenses</b>	47,610	<b>52,127</b>
<b>Operating income</b>	23,791	<b>18,888</b>
<b>Non-operating income</b>		
Interest income	41	<b>73</b>
Dividends income	511	<b>494</b>
Foreign exchange gains, net	—	<b>54</b>
Gain on sales of non-current assets	7	<b>688</b>
Other	385	<b>426</b>
Total non-operating income	946	<b>1,738</b>
<b>Non-operating expenses</b>		
Interest expenses	445	<b>401</b>
Foreign exchange losses, net	608	—
Share of loss of entities accounted for using equity method	—	<b>87</b>
Loss on retirement of non-current assets	251	<b>693</b>
Other	405	<b>772</b>
Total non-operating expenses	1,710	<b>1,954</b>
<b>Ordinary income</b>	23,028	<b>18,672</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	845	<b>444</b>
Total extraordinary income	845	<b>444</b>
<b>Extraordinary loss</b>		
Business structure improvement expenses	—	<b>893</b>
Loss on valuation of investment securities	59	<b>18</b>
Other	5	—
Total extraordinary loss	65	<b>912</b>
<b>Income before income taxes</b>	23,808	<b>18,205</b>
<b>Income taxes</b>	8,761	<b>8,059</b>
<b>Profit</b>	15,047	<b>10,145</b>
<b>Loss attributable to non-controlling interests</b>	—	<b>(2)</b>
<b>Profit attributable to owners of parent</b>	15,047	<b>10,148</b>

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Millions of yen)

	Apr.1, 2017 – Dec. 31, 2017	Apr.1, 2018 – Dec. 31, 2018
<b>Profit</b>	¥ 15,047	¥ 10,145
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,031	(6,738)
Foreign currency translation adjustment	1,616	(374)
Remeasurements of defined benefit plans	353	333
Share of other comprehensive income of entities accounted for using equity method	—	(23)
Total other comprehensive income	<u>8,001</u>	<u>(6,803)</u>
<b>Comprehensive income</b>	<u>23,048</u>	<u>3,342</u>
Comprehensive income attributable to:		
Owners of parent	23,052	3,349
Non-controlling interests	(3)	(7)



**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

Apr.1, 2017 – Dec. 31, 2017

Apr.1, 2018 – Dec. 31, 2018

**Cash flow from operating activities:**

Income before income taxes	¥ 23,808	¥ 18,205
Depreciation and amortization	4,183	5,003
Loss (gain) on valuation of investment securities	59	18
Loss (gain) on sales of investment securities	(845)	(444)
Gain on sales of non-current assets	(7)	(688)
Loss on retirement of non-current assets	251	693
Share of loss (profit) of entities accounted for using equity method	—	87
Increase (decrease) in net defined benefit liability	(167)	(29)
Increase (decrease) in provision for bonuses	(1,263)	(2,566)
Increase (decrease) in provision for directors' bonuses	24	(96)
Increase (decrease) in provision for stock payment	18	6
Increase (decrease) in provision for management board incentive plan trust	25	(6)
Increase (decrease) in provision for product warranties	89	171
Increase (decrease) in provision for loss on order received	(88)	(15)
Increase (decrease) in provision for business structure improvement	—	834
Interest and dividends income	(553)	(568)
Interest expenses	445	401
Decrease (increase) in notes and accounts receivable including electronically recorded monetary claims	397	11,801
Decrease (increase) in inventories	(20,517)	(33,794)
Decrease (increase) in other current assets	(32)	(470)
Increase (decrease) in notes and accounts payable including electronically recorded obligations	13,653	(10,658)
Increase (decrease) in other current liabilities	4,818	2,584
Other, net	2	213
Subtotal	24,300	(9,317)
Interest and dividends income received	559	556
Interest expenses paid	(434)	(404)
Contribution in connection with the shift to a defined-contribution pension plan	(0)	(1)
Income taxes paid	(10,662)	(18,956)
Net cash provided by (used in) operating activities	13,763	(28,122)

**Cash flow from investing activities:**

Decrease (increase) in time deposits	1,692	1,489
Purchase of property, plant and equipment	(5,865)	(15,659)
Proceeds from sales of property, plant and equipment	364	1,268
Purchase of investment securities	(300)	(2,035)
Proceeds from sales of investment securities	1,485	864
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(34)	—
Payments for transfer of business	(1,271)	—
Other, net	(1,021)	(3,634)
Net cash used in investing activities	(4,949)	(17,706)

**Cash flow from financing activities:**

Net increase (decrease) in short-term loans payable	—	10,000
Repayments of long-term loans payable	(2,239)	(4,339)
Repayments of finance lease obligations	(296)	(299)
Proceeds from issuance of convertible bond-type bonds with share acquisition rights	—	30,059
Payments from 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	(2,781)	5
Purchase of treasury shares of consolidated subsidiaries	(164)	—
Cash dividends paid	(4,066)	(5,135)
Net cash provided by (used in) financing activities	(9,548)	30,215

**Effect of exchange rate change on cash and cash equivalents**

Effect of exchange rate change on cash and cash equivalents	539	(18)
<b>Net increase (decrease) in cash and cash equivalents</b>	(196)	(15,631)
<b>Cash and cash equivalents at beginning of period</b>	44,922	50,817
<b>Cash and cash equivalents at end of period</b>	44,726	35,185

**[Notes for quarterly consolidated financial statements]**

Application of accounting methods specific to the preparation of quarterly consolidated financial statements:

Calculation of income taxes

Income tax amount is calculated principally by multiplying reasonably estimated annual effective tax rate through the third quarter ended December 31, 2018, with the effects of deferred taxes reflected, by the amount of year-to-date income before income taxes. When calculation using reasonably estimated annual effective tax rate causes irrational results, income tax amount is calculated based on the legal tax rate.

**SEGMENT INFORMATION****[Segment Information]**

I Nine months ended Dec. 31, 2017

Net sales and income (loss) in reportable segment

(Millions of yen)

	Reportable segment *1					Other *2	Total	Adjustments *3	Consolidated *4
	SE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥ 145,326	¥ 36,531	¥ 31,978	¥ 9,232	¥ 223,068	¥ 1,094	¥ 224,162	¥ —	¥ 224,162
(2)Intersegment sales and transfers	1	78	27	15	123	10,697	10,820	(10,820)	—
Total	145,327	36,609	32,006	9,247	223,191	11,791	234,983	(10,820)	224,162
Segment income (loss)	20,224	1,641	2,326	1,016	25,208	(1,140)	24,068	(276)	23,791

Notes:

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

\*2 The "Other" category incorporates operations not included in reportable segments, including development, manufacturing and sales of equipment in life science business and other, software development, planning and production of printed matter and other businesses.

\*3 Segment income (loss) adjustment of ¥ (276) million is the Company's profit (loss) not attributable to reportable segment.

\*4 Segment income (loss) is reconciled to the operating income in the consolidated statements of income.

## II Nine months ended Dec. 31, 2018

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

(Millions of yen)

	Reportable segment *1					Other *2	Total	Adjustments *3	Consolidated *4
	SE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥ 171,129	¥ 35,302	¥ 35,469	¥ 9,208	¥ 251,110	¥ 1,308	¥ 252,418	¥ —	¥ 252,418
(2)Intersegment sales and transfers	1	100	—	—	101	11,958	12,060	(12,060)	—
Total	171,131	35,402	35,469	9,208	251,211	13,266	264,478	(12,060)	252,418
Segment income (loss)	16,523	656	2,343	971	20,494	(989)	19,504	(616)	18,888

## Notes:

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

\*2 The “Other” category incorporates operations not included in reportable segments, including development, manufacturing and sales of equipment in life science business and other, software development, planning and production of printed matter and other businesses.

\*3 Segment income (loss) adjustment of ¥ (616) million is the Company’s profit (loss) not attributable to reportable segment.

\*4 Segment income (loss) is reconciled to operating income in the consolidated statements of income.

## 2. The changes in reportable segments

EMD Corporation, which was originally included in the “Other” category, has been brought under the organization of SCREEN Finetech Solutions Co., Ltd. to unify operations. From the first quarter of the consolidated fiscal year ending March 31, 2019, EMD Corporation is included in the Display production equipment and coater (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 third quarter of the previous fiscal year has been prepared according to the reclassified segments and is presented under “Net sales and income (loss) in reportable segment” for the Nine months ended Dec. 31, 2017.

## Consolidated Financial Highlights for the Third Quarter Ended December 31, 2018

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

	FY2018	FY2019	Difference		FY2018	FY2019
	9 months ended Dec. 31, 2017	9 months ended Dec. 31, 2018			12 months ended Mar.31, 2018	12 months ending Mar.31, 2019
	Result	Result	Amount	Percentage	Result	Forecast
Net sales	¥ 224,162	¥ 252,418	¥ 28,255	12.6%	¥ 339,368	¥ 362,000
Operating income	23,791	18,888	(4,903)	-20.6%	42,725	29,000
[to net sales ratio]	10.6 %	7.5 %	-3.1 pt	—	12.6 %	8.0 %
Ordinary income	23,028	18,672	(4,355)	-18.9%	41,329	28,000
[to net sales ratio]	10.3 %	7.4 %	-2.9 pt	—	12.2 %	7.7 %
Profit attributable to owners of parent	15,047	10,148	(4,898)	-32.6%	28,507	17,000
[to net sales ratio]	6.7 %	4.0 %	-2.7 pt	—	8.4 %	4.7 %
Total assets	333,813	378,154	* 12,280	3.4%	365,874	—
Net assets	158,999	169,014	* (1,865)	-1.1%	170,880	—
Equity	158,935	168,992	* (1,846)	-1.1%	170,839	—
Equity ratio	47.6 %	44.7 %	* -2.0 pt	—	46.7 %	—
Net assets per share of capital stock (Yen)	3,406.78	3,622.32	* (39.64)	-1.1%	3,661.96	—
Interest-bearing debt	15,097	48,747	* 35,591	270.5%	13,156	—
Cash flows from operating activities	13,763	(28,122)	—	—	28,878	—
Cash flows from investing activities	(4,949)	(17,706)	—	—	(11,230)	—
Cash flows from financing activities	(9,548)	30,215	—	—	(11,512)	—
Depreciation and amortization	4,183	5,003	819	19.6%	5,708	6,900
Capital expenditures	6,743	18,850	12,106	179.5%	14,428	27,000
R&D expenses	15,279	16,665	1,385	9.1%	20,837	23,000
Number of employees	5,777	6,150	* 315	5.4%	5,835	—
Number of consolidated subsidiaries	57	58	* 1	—	57	—
[Domestic]	[28]	[28]	* [-]	—	[28]	—
[Overseas]	[29]	[30]	* [1]	—	[29]	—
Number of non-consolidated subsidiaries	2	2	* —	—	2	—
[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]	—

\* show changes from Mar. 31, 2018

Note: The number of consolidated subsidiaries changed as follows.

SCREEN FT Changshu Co., Ltd.: Established as a 90%-owned consolidated subsidiary.

## Sales Breakdown (Consolidated)

(Millions of yen)

		FY2018				FY2019					
		6 months ended Sept. 30, 2017	3 months ended Dec. 31, 2017	9 months ended Dec. 31, 2017	12 months ended Mar. 31, 2018	3 months ended Jun. 30, 2018	3 months ended Sept. 30, 2018	6 months ended Sept. 30, 2018	3 months ended Dec. 31, 2018	9 months ended Dec. 31, 2018	12 months ending Mar. 31, 2019
		Result	Result	Result	Result	Result	Result	Result	Result	Result	Forecast
Semiconductor Production Equipment Business (SE)	Domestic	14,476	8,426	22,903	32,075	7,114	11,441	18,556	11,769	30,324	—
	Overseas	85,341	37,082	122,424	195,109	40,050	54,275	94,326	46,480	140,806	—
	Total	99,818	45,509	145,327	227,184	47,164	65,717	112,882	58,249	171,131	250,000
Graphic Arts Equipment Business (GA)	Domestic	11,233	5,350	16,584	22,781	4,722	4,600	9,322	5,161	14,484	—
	Overseas	13,571	6,454	20,025	30,632	6,733	7,822	14,555	6,362	20,918	—
	Total	24,804	11,804	36,609	53,414	11,455	12,422	23,878	11,524	35,402	48,000
Display Production Equipment and Coater Business (FT)	Domestic	1,846	739	2,585	3,419	304	879	1,183	933	2,117	—
	Overseas	21,039	8,381	29,421	41,865	10,081	14,154	24,235	9,115	33,351	—
	Total	22,885	9,120	32,006	45,285	10,385	15,034	25,419	10,049	35,469	49,500
PCB-Related Equipment Business (PE)	Domestic	1,309	1,031	2,341	2,931	659	895	1,555	689	2,244	—
	Overseas	4,468	2,437	6,906	9,262	2,588	3,025	5,613	1,350	6,963	—
	Total	5,777	3,469	9,247	12,193	3,248	3,921	7,169	2,039	9,208	12,500
Other	Domestic	536	381	917	1,369	237	385	622	494	1,117	—
	Overseas	107	69	176	250	68	77	145	45	190	—
	Total	644	450	1,094	1,619	305	463	768	539	1,308	2,200
Intersegment sales	Domestic	(96)	(26)	(123)	(329)	(18)	(18)	(36)	(65)	(101)	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	(96)	(26)	(123)	(329)	(18)	(18)	(36)	(65)	(101)	(200)
Grand Total	Domestic	29,306	15,902	45,208	62,247	13,019	18,184	31,204	18,982	50,187	—
	Overseas	124,528	54,425	178,954	277,120	59,521	79,355	138,876	63,354	202,231	—
	Total	153,834	70,327	224,162	339,368	72,541	97,540	170,081	82,336	252,418	362,000
	Overseas Ratio	80.9%	77.4%	79.8%	81.7%	82.1%	81.4%	81.7%	76.9%	80.1%	—

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

(Millions of yen)

		FY2018				FY2019					
		3 months ended Dec. 31, 2017		3 months ended Mar. 31, 2018		3 months ended Jun. 30, 2018		3 months ended Sept. 30, 2018		3 months ended Dec. 31, 2018	
		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	10,201	12,346	12,682	15,857	12,988	21,732	11,018	21,309	8,341	17,881
	Overseas	78,186	107,304	59,896	94,516	37,670	92,136	47,020	84,881	58,020	96,421
	Total	88,387	119,651	72,579	110,374	50,659	113,868	58,039	106,191	66,361	114,303
Graphic Arts Equipment Business (GA)	Domestic	5,634	3,118	4,931	1,852	4,894	2,025	4,856	2,281	5,348	2,468
	Overseas	6,623	3,470	10,374	3,237	6,067	2,571	8,609	3,358	5,840	2,837
	Total	12,257	6,588	15,306	5,090	10,962	4,597	13,465	5,640	11,189	5,305
Display Production Equipment and Coater Business (FT)	Domestic	2,179	3,119	397	2,689	291	2,676	1,760	3,557	360	2,984
	Overseas	12,161	45,324	24,220	57,100	4,347	51,366	17,523	54,735	4,278	49,897
	Total	14,341	48,444	24,617	59,790	4,638	54,043	19,283	58,292	4,638	52,881
PCB-Related Equipment Business (PE)	Domestic	787	399	764	574	368	283	1,254	642	463	416
	Overseas	2,987	2,258	2,911	2,813	2,636	2,861	1,366	1,203	1,050	902
	Total	3,774	2,658	3,675	3,388	3,005	3,145	2,621	1,845	1,513	1,319
Grand Total	Domestic	18,802	18,985	18,776	20,974	18,543	26,718	18,890	27,790	14,513	23,750
	Overseas	99,959	158,358	97,403	157,668	50,721	148,936	74,519	144,178	69,189	150,059
	Total	118,761	177,343	116,179	178,643	69,265	175,654	93,409	171,969	83,703	173,810
	Overseas Ratio	84.2%	89.3%	83.8%	88.3%	73.2%	84.8%	79.8%	83.8%	82.7%	86.3%