

January 31, 2018

SCREEN Holdings Co., Ltd.
Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome, Horikawa-dori,
Kamigyo-ku, Kyoto 602-8585, Japan

CONSOLIDATED FINANCIAL REPORT FOR THE THIRD QUARTER ENDED DECEMBER 31, 2017 [Japanese GAAP]

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

Representative: Eiji Kakiuchi, President, Member of the Board and CEO
For further information contact: Hirofumi Ohta, Corporate Officer and General Manager of Finance & Accounting Department
Tel: +81-75-414-7155

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, 2017 (APR. 1, 2017-DEC. 31, 2017)

(Millions of yen, except per share figures)

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

(1) Business Results

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Nine months ended Dec. 31, 2017	¥ 224,162	6.7%	¥ 23,791	11.6%	¥ 23,028	10.8%
Nine months ended Dec. 31, 2016	210,015	14.9	21,327	42.4	20,788	40.9

Note: Comprehensive income

Nine months ended Dec. 31, 2017: ¥ 23,048 million (16.3 %)

Nine months ended Dec. 31, 2016: ¥ 19,819 million (80.2 %)

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Nine months ended Dec. 31, 2017	¥ 15,047	-7.9%	¥ 320.83	¥ —
Nine months ended Dec. 31, 2016	16,337	36.5	345.93	—

Note: The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. Basic earnings per share shown above are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2017.

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Dec. 31, 2017	¥ 334,320	¥ 158,999	47.5%	¥ 3,406.78
Mar. 31, 2017	300,659	142,915	47.5	3,040.79

Note: Equity

As of Dec. 31, 2017: ¥ 158,935 million

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

CASH DIVIDENDS

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

Note: Revision of the latest forecast of cash dividends: No

FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2018

(Millions of yen, except per share figures)

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

	Net Sales	Percentage Change	Operating Income	Percentage Change
Fiscal year ending Mar. 31, 2018	¥ 337,000	12.2%	¥ 41,500	23.0%

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Fiscal year ending Mar. 31, 2018	¥ 40,300	25.9%	¥ 27,000	11.7%	¥ 576.44

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, 2017: 50,794,866 shares As of Mar. 31, 2017: 50,794,866 shares

2. Number of treasury stock as of end of period

As of Dec. 31, 2017: 4,142,080 shares As of Mar. 31, 2017: 3,831,798 shares

3. Average number of shares outstanding

Nine months ended Dec. 31, 2017: 46,900,282 shares Nine months ended Dec. 31, 2016: 47,227,468 shares

Notes: 1. The Company implemented a one-for-five consolidation of its common stock on October 1, 2016. The amounts shown for average number of shares outstanding are calculated based on the assumption that the consolidation of shares had been implemented at the beginning of the fiscal year ended March 31, 2017.

2. The Company introduced a performance-linked share compensation system for directors and corporate officers from the second quarter ended September 30, 2017. The SCREEN Holdings shares remaining in trust are recorded as treasury stock under shareholder's equity and are deducted from the number of shares outstanding when calculating the average number of shares outstanding.

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

* Explanation for appropriate use of forecasts and other notes

(1) SCREEN Holdings has revised our business forecast for the fiscal year ending March 31, 2018 that was previously announced on October 31, 2017, as noted in this financial report.

(2) The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to SCREEN Holdings and certain assumptions that are regarded as legitimate. SCREEN Holdings does not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors.

Please refer to P.4 "3. Qualitative information regarding consolidated business results forecasts" for the assumptions used and other notes.

[Qualitative Information, Financial Statements]

1. Qualitative information regarding the status of consolidated business results

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

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

Under these circumstances, the SCREEN Group posted consolidated net sales of ¥224,162 million for the first nine months of the fiscal year ending March 31, 2018, an increase of ¥14,147 million from the corresponding period of the previous fiscal year. On the earnings front, operating income totaled ¥23,791 million, up ¥2,464 million year on year, reflecting the increase in net sales. Ordinary income amounted to ¥23,028 million, up ¥2,240 million year on year. Profit attributable to owners of parent totaled ¥15,047 million, down ¥1,290 million compared with the corresponding period of the previous fiscal year, reflecting such factors as an increase in income taxes.

Performance by reportable segment is explained below.

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

In line with these changes, the other reportable segments have also been renamed as follows.
 Semiconductor solutions (SE) business → Semiconductor equipment (SE) business
 Finetech solutions (FT) business → Display production equipment and coater (FT) business

The Semiconductor Equipment (SE) Business

In the SE business, sales to foundries decreased year on year, while sales to logic chip and memory manufacturers grew. By product, sales of single wafer cleaning equipment fell. Sales of batch-type cleaning equipment and coater/developers increased. By region, sales in Taiwan decreased, while those in such markets as South Korea and North America grew. As a result, net sales in this segment amounted to ¥145,327 million, up 2.1% year on year. Operating income in this segment came to ¥20,224 million, an increase of ¥1,745 million, or 9.4%, from the corresponding period of the previous fiscal year, reflecting the increase in net sales and an improvement in the variable cost ratio.

The Graphic Arts Equipment (GA) Business

In the GA business, CTP (computer-to-plate) equipment sales fell, but POD (print on demand) equipment sales grew. As a result, net sales in this segment amounted to ¥36,609 million, up 12.4% year on year. Operating income in this segment came to ¥1,641 million, up 142.2% from the corresponding period of the previous fiscal year, reflecting the increase in net sales.

The Display Production Equipment and Coater (FT) Business

In the FT business, sales in Japan were down year on year, but sales of production equipment for large-sized panels in China increased, as did sales of production equipment for OLED displays in South Korea. As a result, net sales in this segment amounted to ¥31,980 million, up 11.2% year on year. Operating income in this segment came to ¥2,344 million, down 20.8% from the corresponding period of the previous fiscal year, reflecting a deterioration in the variable cost ratio and increase in fixed costs, despite the increase in net sales.

The PCB-Related Equipment (PE) Business

In the PE business, sales of mainstay direct imaging equipment in South Korea and China increased due to an increase in demand for high-end smartphones. As a result, net sales in this segment amounted to 9,247 million, up 65.9% year on year. Operating income in this segment came to ¥1,016 million, up 119.8% from the corresponding period of the previous fiscal year, reflecting such factors as the increase in net sales.

2. Qualitative information regarding changes in consolidated financial position

Total assets as of December 31, 2017 stood at ¥334,320 million, an increase of ¥ 33,660 million, or 11.2%, compared with March 31, 2017. This was largely due to an increase in inventories and investment securities despite decreases in cash and time deposits.

Total liabilities amounted to ¥ 175,321 million, up ¥17,577 million, or 11.1 %, compared with the end of the previous fiscal year. This was mainly attributable to an increase in notes and accounts payable-trade.

Total net assets amounted to ¥158,999 million, up ¥16,083 million, or 11.3%, from March 31, 2017. This was mainly attributable to the recording of profit attributable to owners of parent and an increase in valuation difference on available-for-sale securities due to an increase in the market values of held stocks, despite spending for the purchase of treasury stock.

As a result, the equity ratio as of December 31, 2017 stood at 47.5%.

Status of Cash Flows

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

Net cash provided by operating activities amounted to ¥13,763 million, compared with ¥45,787 million provided by operating activities in the first nine months of the previous fiscal year. This was because the sum of income before income taxes, an increase in notes and accounts payable-trade and other inflows exceeded the increase in inventories, the payment of income taxes paid, and other outflows.

Net cash used in investing activities amounted to ¥4,949 million, compared with ¥3,508 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 equipment for R&D.

Net cash used in financing activities amounted to ¥9,548 million, compared with ¥18,529 million used in financing activities in the first nine months of the previous fiscal year. This was due in part to the payment of cash dividends and the acquisition of treasury stock.

As a result, cash and cash equivalents as of December 31, 2017, totaled ¥44,726 million, down ¥196 million from March 31, 2017.

3. Qualitative information regarding consolidated business results forecasts

Taking the recent operating conditions into account, SCREEN Holdings has revised its consolidated business forecast for the fiscal year ending March 31, 2018, from the previous forecast announced on October 31, 2017, as shown below.

Business forecast

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

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
Previously Announced Forecast (A)	¥ 337,000	¥ 41,000	¥ 40,600	¥ 27,000
Revised Forecast (B)	337,000	41,500	40,300	27,000
Amount of change (B - A)	—	500	(300)	—

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

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2017	Dec. 31, 2017
ASSETS		
Current assets:		
Cash and time deposits	¥ 48,832	¥ 47,015
Notes and accounts receivable-trade	57,026	54,296
Electronically recorded monetary claims-operating	2,125	4,861
Merchandise and finished goods	50,770	59,021
Work in process	32,943	44,201
Raw materials and supplies	8,007	9,915
Deferred tax assets	5,972	5,947
Other	10,050	11,545
Allowance for doubtful accounts	(569)	(568)
Total current assets	<u>215,159</u>	<u>236,236</u>
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	52,603	52,943
Machinery, equipment and vehicles	39,355	42,263
Other	30,242	30,848
Accumulated depreciation	(80,443)	(82,395)
Total property, plant and equipment	<u>41,757</u>	<u>43,660</u>
Intangible assets:		
Other	2,904	4,408
Total intangible assets	<u>2,904</u>	<u>4,408</u>
Investments and other assets:		
Investment securities	33,204	41,696
Net defined benefit asset	4,703	5,232
Other	3,462	3,511
Allowance for doubtful accounts	(532)	(426)
Total investments and other assets	<u>40,838</u>	<u>50,014</u>
Total non-current assets	<u>85,500</u>	<u>98,083</u>
Total assets	<u>300,659</u>	<u>334,320</u>

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2017	Dec. 31, 2017
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	¥ 26,300	¥ 25,936
Electronically recorded obligations-operating	58,001	73,832
Current portion of long-term loans payable	4,079	6,179
Lease obligations	404	393
Income taxes payable	6,509	5,346
Notes payable - facilities	0	8
Electronically recorded obligations-facilities	6	4
Advances received	17,188	20,229
Provision for bonuses	3,405	2,141
Provision for directors' bonuses	82	106
Provision for product warranties	5,761	5,872
Provision for loss on order received	88	—
Other	13,747	14,562
Total current liabilities	<u>135,575</u>	<u>154,613</u>
Non-current liabilities:		
Long-term loans payable	10,906	6,566
Lease obligations	2,195	1,957
Net defined benefit liability	764	863
Provision for directors' retirement benefits	130	149
Provision for stocks payment	—	18
Provision for management board incentive plan trust	—	25
Asset retirement obligations	48	48
Other	8,122	11,077
Total non-current liabilities	<u>22,168</u>	<u>20,707</u>
Total liabilities	<u>157,743</u>	<u>175,321</u>
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	4,600	4,546
Retained earnings	92,936	103,898
Treasury stock	(15,299)	(18,081)
Total shareholders' equity	<u>136,282</u>	<u>144,408</u>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	12,847	18,879
Foreign currency translation adjustment	(4,911)	(3,292)
Remeasurements of defined benefit plans	(1,413)	(1,059)
Total accumulated other comprehensive income	<u>6,522</u>	<u>14,527</u>
Non-controlling interests	<u>111</u>	<u>63</u>
Total net assets	<u>142,915</u>	<u>158,999</u>
Total liabilities and net assets	<u>300,659</u>	<u>334,320</u>

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2016 - Dec. 31, 2016	Apr.1, 2017 - Dec. 31, 2017
Net sales	¥ 210,015	¥ 224,162
Cost of sales	145,245	152,760
Gross profit	64,769	71,402
Selling, general and administrative expenses	43,442	47,610
Operating income	21,327	23,791
Non-operating income		
Interest income	30	41
Dividends income	495	511
Other	436	393
Total non-operating income	962	946
Non-operating expenses		
Interest expenses	617	445
Foreign exchange losses	137	608
Loss on retirement of non-current assets	337	251
Other	409	405
Total non-operating expenses	1,501	1,710
Ordinary income	20,788	23,028
Extraordinary income		
Gain on sales of investment securities	386	845
Total extraordinary income	386	845
Extraordinary loss		
Loss on valuation of investment securities	1	59
Other	0	5
Total extraordinary loss	1	65
Income before income taxes	21,173	23,808
Income taxes	4,824	8,761
Profit	16,348	15,047
Profit attributable to non-controlling interests	11	—
Profit attributable to owners of parent	16,337	15,047

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2016 - Dec. 31, 2016	Apr.1, 2017 - Dec. 31, 2017
Profit	¥ 16,348	¥ 15,047
Other comprehensive income		
Valuation difference on available-for-sale securities	4,300	6,031
Foreign currency translation adjustment	(1,109)	1,616
Remeasurements of defined benefit plans	278	353
Total other comprehensive income	3,470	8,001
Comprehensive income	19,819	23,048
(Comprehensive income attributable to)		
Owners of parent	19,819	23,052
Non-controlling interests	(0)	(3)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

Apr.1, 2016 - Dec. 31, 2016

Apr.1, 2017 - Dec. 31, 2017

Cash flow from operating activities:

Income before income taxes	¥ 21,173	¥ 23,808
Depreciation and amortization	3,972	4,183
Loss (gain) on valuation of investment securities	1	59
Loss (gain) on sales of investment securities	(386)	(845)
Loss on retirement of non-current assets	337	251
Increase (decrease) in net defined benefit liability	(74)	(167)
Increase (decrease) in provision for bonuses	810	(1,263)
Increase (decrease) in provision for directors' bonuses	(9)	24
Increase (decrease) in provision for stocks payment	—	18
Increase (decrease) in provision for management board incentive plan trust	—	25
Increase (decrease) in provision for product warranties	681	89
Increase (decrease) in provision for loss on order received	165	(88)
Interest and dividends income	(525)	(553)
Interest expenses	617	445
Decrease (increase) in notes and accounts receivable-trade	10,286	397
Decrease (increase) in inventories	(18,851)	(20,517)
Decrease (increase) in other current assets	(315)	(32)
Increase (decrease) in notes and accounts payable-trade	24,626	13,653
Increase (decrease) in other current liabilities	10,414	4,818
Other, net	166	(5)
Subtotal	53,089	24,300
Interest and dividends income received	542	559
Interest expenses paid	(642)	(434)
Contribution in connection with the shift to a defined-contribution pension plan	(0)	(0)
Income taxes paid	(7,202)	(10,662)
Net cash provided by operating activities	45,787	13,763

Cash flow from investing activities:

Decrease (increase) in time deposits	302	1,692
Purchase of property, plant and equipment	(3,861)	(5,865)
Purchase of investment securities	(187)	(300)
Proceeds from sales of investment securities	1,070	1,485
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(34)
Payments for transfer of business	—	(1,271)
Other, net	(832)	(656)
Net cash used in investing activities	(3,508)	(4,949)

Cash flow from financing activities:

Proceeds from long-term loans payable	1,000	—
Repayments of long-term loans payable	(2,239)	(2,239)
Repayments of finance lease obligations	(309)	(296)
Redemption of bonds	(13,600)	—
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(513)	—
Net decrease (increase) in treasury stock	(23)	(2,781)
Purchase of treasury shares of subsidiaries	(6)	(164)
Cash dividends paid	(2,833)	(4,066)
Dividends paid to non-controlling interests	(3)	—
Net cash used in financing activities	(18,529)	(9,548)

Effect of exchange rate change on cash and cash equivalents

Effect of exchange rate change on cash and cash equivalents	(954)	539
Net increase (decrease) in cash and cash equivalents	22,795	(196)
Cash and cash equivalents at beginning of period	30,156	44,922
Cash and cash equivalents at end of period	52,951	44,726

[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, 2017, with the effects of deferred taxes reflected, by the amount of year-to-date income before income taxes.

When calculation using reasonably estimated annual effective tax rate causes irrational results, income tax amount is calculated based on the legal tax rate.

SEGMENT INFORMATION**[Segment Information]**

Nine months ended Dec. 31, 2016

Net sales and income (loss) in reportable segment

(Millions of yen)

	Reportable segment *1					Other *2	Total	Adjustments *3	Consolidated *4
	SE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥ 142,230	¥ 32,512	¥ 28,755	¥ 5,574	¥ 209,073	¥ 941	¥ 210,015	¥ —	¥ 210,015
(2)Intersegment sales and transfers	107	47	9	—	164	9,327	9,492	(9,492)	—
Total	142,338	32,560	28,765	5,574	209,238	10,268	219,507	(9,492)	210,015
Segment income (loss)	18,478	677	2,960	462	22,579	(857)	21,721	(394)	21,327

Notes:

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

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

*3 Segment operating income (loss) adjustment of ¥ (394) million is the Company's profit (loss) not attributable to reportable segment.

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

Nine months ended Dec. 31, 2017

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

(Millions of yen)

	Reportable segment *1					Other *2	Total	Adjustments *3	Consolidated *4
	SE	GA	FT	PE	Total				
Sales									
(1) Sales to outside customers	¥ 145,326	¥ 36,531	¥ 31,975	¥ 9,232	¥ 223,064	¥ 1,098	¥ 224,162	¥ —	¥ 224,162
(2) Intersegment sales and transfers	1	78	5	15	100	10,782	10,883	(10,883)	—
Total	145,327	36,609	31,980	9,247	223,165	11,881	235,046	(10,883)	224,162
Segment income (loss)	20,224	1,641	2,344	1,016	25,226	(1,158)	24,068	(276)	23,791

Notes:

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

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

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

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

2. The changes in reportable segments

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

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

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

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

Segment information for the 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" beneath "Nine months ended Dec. 31, 2016."

Consolidated Financial Highlights for the Third Quarter Ended December 31, 2017

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

	FY2017	FY2018	Difference		FY2017	FY2018
	9 months ended Dec. 31, 2016	9 months ended Dec. 31, 2017			12 months ended Mar.31, 2017	12 months ending Mar.31, 2018
	Result	Result	Amount	Percentage	Result	Forecast
Net sales	¥ 210,015	¥ 224,162	¥ 14,147	6.7 %	¥ 300,233	¥ 337,000
Operating income	21,327	23,791	2,464	11.6 %	33,731	41,500
[to net sales ratio]	10.2 %	10.6 %	0.5 pt	—	11.2 %	12.3 %
Ordinary income	20,788	23,028	2,240	10.8 %	32,019	40,300
[to net sales ratio]	9.9 %	10.3 %	0.4 pt	—	10.7 %	12.0 %
Profit attributable to owners of parent	16,337	15,047	-1,290	-7.9 %	24,168	27,000
[to net sales ratio]	7.8 %	6.7 %	-1.1 pt	—	8.0 %	8.0 %
Total assets	307,115	334,320	* 33,660	11.2 %	300,659	—
Net assets	136,727	158,999	* 16,083	11.3 %	142,915	—
Equity	136,628	158,935	* 16,130	11.3 %	142,804	—
Equity ratio	44.5 %	47.5 %	* 0.0 pt	—	47.5 %	—
Net assets per share of capital stock (yen)	2,893.13	3,406.78	* 365.99	12.0 %	3,040.79	—
Interest-bearing debt	24,513	15,097	* -2,489	-14.2 %	17,586	—
Net interest-bearing debt	(30,234)	(31,918)	* -672	—	(31,245)	—
Cash flows from operating activities	45,787	13,763	—	—	49,024	—
Cash flows from investing activities	(3,508)	(4,949)	—	—	(5,860)	—
Cash flows from financing activities	(18,529)	(9,548)	—	—	(27,479)	—
Depreciation and amortization	3,972	4,183	211	5.3 %	5,397	6,000
Capital expenditures	4,682	6,743	2,061	44.0 %	8,256	14,000
R&D expenses	12,708	15,279	2,571	20.2 %	17,794	21,500
Number of employees	5,377	5,777	* 355	6.5 %	5,422	—
Number of consolidated subsidiaries	53	57	* 4	—	53	—
[Domestic]	[27]	[28]	* [1]	—	[27]	—
[Overseas]	[26]	[29]	* [3]	—	[26]	—
Number of non-consolidated subsidiaries	1	2	* 1	—	1	—
[Number of non-consolidated subsidiaries accounted for by equity method]	[—]	[—]	* [—]	—	[—]	—

* show changes in amount from Mar. 31, 2017

Note: The number of consolidated subsidiaries changed as follows.

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

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

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

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

TRIVIS Co., Ltd.: Acquired a 51% equity stake in the third quarter of the fiscal year ending March 31, 2018

Sales Breakdown (Consolidated)

(Millions of yen)

		FY2017				FY2018					
		6 months ended Sept. 30, 2016	3 months ended Dec. 31, 2016	9 months ended Dec. 31, 2016	12 months ended Mar. 31, 2017	3 months ended Jun. 30, 2017	3 months ended Sept. 30, 2017	6 months ended Sept. 30, 2017	3 months ended Dec. 31, 2017	9 months ended Dec. 31, 2017	12 months ending Mar. 31, 2018
		Result	Result	Result	Result	Result	Result	Result	Result	Result	Forecast
Semiconductor Equipment Business	Domestic	11,087	5,921	17,008	24,563	5,394	9,081	14,476	8,426	22,903	—
	Overseas	80,595	44,734	125,330	181,533	41,187	44,153	85,341	37,082	122,424	—
	Total	91,682	50,656	142,338	206,097	46,582	53,235	99,818	45,509	145,327	227,500
Graphic Arts Equipment Business	Domestic	10,681	4,753	15,435	20,957	4,678	6,554	11,233	5,350	16,584	—
	Overseas	11,417	5,707	17,125	24,872	6,156	7,415	13,571	6,454	20,025	—
	Total	22,098	10,461	32,560	45,830	10,835	13,969	24,804	11,804	36,609	51,000
Display Production Equipment and Coater Business	Domestic	7,512	1,906	9,418	10,442	507	1,324	1,831	728	2,559	—
	Overseas	10,434	8,912	19,346	27,662	12,417	8,622	21,039	8,381	29,421	—
	Total	17,946	10,818	28,765	38,104	12,924	9,946	22,870	9,109	31,980	44,200
PCB-Related Equipment Business	Domestic	1,383	480	1,864	2,331	468	840	1,309	1,031	2,341	—
	Overseas	2,572	1,137	3,710	6,587	1,918	2,549	4,468	2,437	6,906	—
	Total	3,956	1,617	5,574	8,919	2,387	3,390	5,777	3,469	9,247	12,500
Other	Domestic	483	312	795	1,259	195	340	536	384	921	—
	Overseas	117	28	145	192	51	56	107	69	176	—
	Total	600	340	941	1,452	247	396	644	453	1,098	2,000
Intersegment sales	Domestic	(142)	(22)	(164)	(169)	(19)	(61)	(81)	(19)	(100)	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	(142)	(22)	(164)	(169)	(19)	(61)	(81)	(19)	(100)	(200)
Grand Total	Domestic	31,005	13,351	44,356	59,385	11,225	18,081	29,306	15,902	45,208	—
	Overseas	105,137	60,520	165,658	240,848	61,732	62,796	124,528	54,425	178,954	—
	Total	136,142	73,872	210,015	300,233	72,957	80,877	153,834	70,327	224,162	337,000
	Overseas Ratio	77.2%	81.9%	78.9%	80.2%	84.6%	77.6%	80.9%	77.4%	79.8%	—

Orders received & Order backlog (Consolidated)

(Millions of yen)

		FY2017				FY2018					
		3 months ended Dec. 31, 2016		3 months ended Mar. 31, 2017		3 months ended Jun. 30, 2017		3 months ended Sept. 30, 2017		3 months ended Dec. 31, 2017	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Equipment Business	Domestic	7,046	8,207	8,021	8,673	7,850	11,128	8,526	10,572	10,201	12,346
	Overseas	57,770	67,862	50,081	61,739	45,103	65,654	44,699	66,200	78,186	107,304
	Total	64,816	76,069	58,102	70,412	52,953	76,783	53,225	76,773	88,387	119,651
Graphic Arts Equipment Business	Domestic	5,198	2,311	5,146	1,936	6,413	3,670	5,718	2,834	5,634	3,118
	Overseas	5,689	2,680	7,984	2,915	6,699	3,458	7,257	3,300	6,623	3,470
	Total	10,887	4,991	13,130	4,851	13,113	7,129	12,975	6,135	12,257	6,588
Display Production Equipment and Coater Business	Domestic	413	2,155	551	1,682	1,014	2,189	802	1,668	2,179	3,119
	Overseas	8,666	40,395	7,953	40,033	10,011	37,626	12,540	41,544	12,161	45,324
	Total	9,079	42,550	8,504	41,715	11,025	39,815	13,343	43,212	14,341	48,444
PCB-Related Equipment Business	Domestic	403	280	321	134	1,062	728	756	644	787	399
	Overseas	1,465	638	3,685	1,447	2,448	1,976	2,282	1,709	2,987	2,258
	Total	1,868	918	4,007	1,581	3,511	2,705	3,038	2,353	3,774	2,658
Grand Total	Domestic	13,060	12,953	14,039	12,425	16,341	17,716	15,804	15,719	18,802	18,985
	Overseas	73,590	111,574	69,703	106,134	64,263	108,716	66,778	112,755	99,959	158,358
	Total	86,651	124,528	83,742	118,558	80,604	126,433	82,583	128,475	118,761	177,343
	Overseas Ratio	84.9%	89.6%	83.2%	89.5%	79.7%	86.0%	80.9%	87.8%	84.2%	89.3%