

May 8, 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 FISCAL YEAR ENDED MARCH 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: <http://www.screen.co.jp/>)

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Date of the annual shareholders' meeting: June 26, 2018 Date of payment for cash dividends: June 27, 2018
Date planned for the filing of the financial report: June 27, 2018

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

PERFORMANCE (APR.1, 2017-MAR. 31, 2018)

(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, 2018	¥ 339,368	13.0%	¥ 42,725	26.7%	¥ 41,329	29.1%
Fiscal year ended Mar. 31, 2017	300,233	15.6	33,731	43.2	32,019	38.1

Note: Comprehensive income
Fiscal year ended Mar. 31, 2018: ¥ 34,933 million (24.7 %)
Fiscal year ended Mar. 31, 2017: ¥ 28,011 million (142.2 %)

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)	Return on Equity	Return on Assets (Ordinary Income Basis)	Return on Sales (Operating Income Basis)
Fiscal year ended Mar. 31, 2018	¥ 28,507	18.0%	¥ 608.62	¥ —	18.2%	12.4%	12.6%
Fiscal year ended Mar. 31, 2017	24,168	28.5	511.96	—	18.4	11.2	11.2

Note: Equity in earnings (losses) of affiliates accounted for by the equity method
Fiscal year ended Mar. 31, 2018: ¥ - million
Fiscal year ended Mar. 31, 2017: ¥ - million

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)
Mar. 31, 2018	¥ 366,193	¥ 170,880	46.7%	¥ 3,661.96
Mar. 31, 2017	300,659	142,915	47.5	3,040.79

Note: Equity
As of Mar. 31, 2018: ¥ 170,839 million
As of Mar. 31, 2017: ¥ 142,804 million

(3) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
Fiscal year ended Mar. 31, 2018	¥ 28,878	¥ (11,230)	¥ (11,512)	¥ 50,817
Fiscal year ended Mar. 31, 2017	49,024	(5,860)	(27,479)	44,922

CASH DIVIDENDS

Record date	Cash Dividends per Share					Total Dividends (Annual) (millions of yen)	Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual			
Fiscal year ended Mar. 31, 2017	—	—	—	¥ 87.00	¥ 87.00	¥ 4,085	17.0 %	3.1 %
Fiscal year ended Mar. 31, 2018	—	—	—	110.00	110.00	5,143	18.1	3.3
Fiscal year ending Mar. 31, 2019 (Forecast)	—	—	—	155.00	155.00		19.6	

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
Six months period ending Sept. 30, 2018	¥ 176,000	14.4 %	¥ 21,000	24.1 %
Fiscal year ending Mar. 31, 2019	384,000	13.2	53,000	24.0

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Six months period ending Sept. 30, 2018	¥ 20,000	21.3 %	¥ 13,500	26.6 %	¥ 288.22
Fiscal year ending Mar. 31, 2019	51,000	23.4	37,000	29.8	789.94

NOTES

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): No

New Company: Not applicable Exclusion: Not applicable

(2) Changes of accounting policies, changes in accounting estimates and retrospective restatement

1. Changes of accounting policies accompanied by revision of accounting standard etc.: No
2. Changes of accounting policies other than 1: No
3. Changes in accounting estimates: No
4. Retrospective restatement: No

(3) Number of shares outstanding

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

As of Mar. 31, 2018: 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 Mar. 31, 2018: 4,142,444 shares As of Mar. 31, 2017: 3,831,798 shares

3. Average number of shares outstanding

Fiscal year ended Mar. 31, 2018: 46,839,215 shares Fiscal year ended Mar. 31, 2017: 47,207,591 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 fiscal year ended March 31, 2018. 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 financial report is exempt from the auditing procedures by certified public accountants or audit firm.

*Explanation for appropriate use of forecasts and other notes

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

BUSINESS RESULTS, etc.

1. Business Results

Consolidated Business Results

During the fiscal year ended March 31, 2018, 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. The European economy gradually improved as personal consumption increased and capital investment steadily grew. 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 increased, reflecting the increase in the processing capacity of data centers and a rise in demand for SSD storage. Capital investment in miniaturization by foundries for high-end smartphone continued. Amid strong demand for data centers for IoT (internet of things) -related big data processing, capital investment among logic chip manufacturers was active. 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 and China.

Under these circumstances, for the fiscal year ended March 31, 2018, the SCREEN Group posted consolidated net sales of ¥339,368 million, an increase of ¥39,134 million, or 13.0%, from the previous fiscal year. On the earnings front, operating income totaled ¥42,725 million, up ¥8,993 million, or 26.7% year on year, due to a rise in net sales and despite an increase in personnel costs and other fixed expenses (accordingly, the operating income to net sales ratio for the year was 12.6%). Ordinary income amounted to ¥41,329 million. Furthermore, the group recorded a gain on sales of investment securities under extraordinary income. As a result, income before income taxes amounted to ¥41,952 million and profit attributable to owners of parent totaled ¥28,507 million, up ¥4,338 million, or 18.0%, compared with the previous fiscal year.

Results by Business Segment

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, from the fiscal year ended March 31, 2018, the Graphic arts equipment and PCB-related equipment businesses were 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 memory and logic chip 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, China and North America grew. As a result, net sales in this segment amounted to ¥227,184 million, up 10.2% year on year. Operating income in this segment totaled ¥36,301 million, up ¥6,986 million, or 23.8% year on year, due mainly to higher sales and an improvement in the variable cost ratio despite an increase in personnel costs and other fixed expenses.

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. Sales of ink and other consumables increased. As a result, net sales in this segment amounted to ¥53,414 million, up 16.5% year on year. Operating income in this segment came to ¥3,060 million, up 108.0% compared with 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 and China. As a result, net sales in this segment amounted to ¥45,252 million, up 18.8% year on year. Operating income in this segment came to ¥4,589 million, up 4.5% from the previous fiscal year, reflecting the increase in net sales, despite a deterioration in the variable cost ratio and increase in fixed costs.

The PCB-Related Equipment (PE) Business

In the PE business, sales of mainstay direct imaging equipment in South Korea and Taiwan increased due to an increase in demand for high-end smartphones. As a result, net sales in this segment amounted to 12,193 million, up 36.7% year on year. Operating income in this segment came to ¥1,013 million, up 34.8% from the previous fiscal year, reflecting the increase in net sales despite an increase in temporary expenses due to the company split.

2. Financial Position

Assets, Liabilities and Net Assets

Total assets as of March 31, 2018 stood at ¥366,193 million, an increase of ¥65,533 million, or 21.8%, compared with March 31, 2017. This was largely due to an increase in notes and accounts receivable including electronically recorded monetary claims and inventories.

Total liabilities amounted to ¥195,312 million, up ¥37,568 million, or 23.8%, compared with the end of the previous fiscal year. This was mainly attributable to an increase in notes and accounts payable including electronically recorded obligations.

Total net assets amounted to ¥170,880 million, up ¥27,964 million, or 19.6%, from March 31, 2017. This was mainly attributable to the recording of profit attributable to owners of parent as well as an increase in valuation difference on available-for-sale securities due to a rise in the market value of held stocks, despite payment of cash dividends and acquisition of treasury stock.

Financial Indicators

	Fiscal year ended Mar.31, 2014	Fiscal year ended Mar.31, 2015	Fiscal year ended Mar.31, 2016	Fiscal year ended Mar.31, 2017	Fiscal year ended Mar.31, 2018
Equity ratio (%)	37.2	44.4	44.3	47.5	46.7
Return on equity (ROE) (%)	6.7	12.3	16.3	18.4	18.2

3. Cash Flows

The status of cash flows during the fiscal year ended March 31, 2018 is as follows.

Net cash provided by operating activities amounted to ¥28,878 million, compared with ¥49,024 million provided by operating activities in the previous fiscal year. This was because the sum of income before income taxes, an increase in notes and accounts payable including electronically recorded obligations and other inflows were greater than such cash outflows as an increase in notes and accounts receivable including electronically recorded monetary claims and inventories.

Net cash used in investing activities amounted to ¥11,230 million, compared with ¥5,860 million used in investing activities in 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 ¥11,512 million, compared with ¥27,479 million used in financing activities in the previous fiscal year. This was due in part to the repayment of loans, payment of cash dividends, and acquisition of treasury stock.

As a result, cash and cash equivalents as of March 31, 2018 totaled ¥50,817 million, up ¥5,894 million from March 31, 2017.

4. Outlook

With regard to the future business conditions surrounding the SCREEN Group's businesses, semiconductor manufacturers are expected to maintain a high level of capital investment, reflecting expectations of demand for semiconductors in new areas of technology, including AI and next-generation mobile communication systems (5G), in addition to expanding demand for memory for data centers and storage.

The SCREEN Group's consolidated performance forecasts for the fiscal year ending March 31, 2019, formulated with reference to current levels of orders received and other factors, are as follows.

Forecast of the consolidated business result for the fiscal year ending March 31, 2019

(Millions of yen)

	The first half ending Sep. 30, 2018	Fiscal year ending Mar. 31, 2019
Net sales	176,000	384,000
SE	115,500	260,000
GA	27,000	56,000
FT	25,000	50,000
PE	7,000	14,000
Other and Adjustments	1,500	4,000
Operating income	21,000	53,000
Ordinary income	20,000	51,000
Profit attributable to owners of parent	13,500	37,000

*The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥105 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.

5. Basic Policy Regarding Allocation of Profits, and Dividends for the Fiscal Year under Review and Fiscal Year Ending March 31, 2019

- a. Dividends for the Fiscal Year Under Review
In light of the Group's performance during the fiscal year, SCREEN Holdings expects to distribute a fiscal year-end cash dividend of ¥110 per share for the fiscal year ended March 31, 2018. For details, please see "Notice: Dividends of Surplus", released today.
- b. Basic Policy Regarding Allocation of Profits for the Fiscal Year Ending March 31, 2019
The SCREEN Group works to secure the retained earnings necessary for growth investment and the sound maintenance of a financial base able to respond to future changes in the business environment. Considering this aim and other factors, the SCREEN Group's basic policy is to provide a total consolidated shareholder return ratio of 25% or above.
- c. Dividends for the Fiscal Year Ending March 31, 2019
Based on performance forecasts and the basic policy regarding allocation of profits described in b., above, SCREEN Holdings currently anticipates a fiscal year-end cash dividend of ¥155 per share for the fiscal year ending March 31, 2019.

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, 2017	Mar. 31, 2018
ASSETS		
Current assets:		
Cash and time deposits	¥48,832	¥53,114
Notes and accounts receivable - trade	57,026	71,887
Electronically recorded monetary claims - operating	2,125	13,519
Merchandise and finished goods	50,770	51,303
Work in process	32,943	44,262
Raw materials and supplies	8,007	10,755
Deferred tax assets	5,972	6,729
Other	10,050	10,500
Allowance for doubtful accounts	(569)	(587)
Total current assets	<u>215,159</u>	<u>261,485</u>
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	52,603	53,307
Accumulated depreciation	(38,484)	(39,137)
Buildings and structures (Net)	<u>14,118</u>	<u>14,170</u>
Machinery, equipment and vehicles	39,355	44,395
Accumulated depreciation	(27,869)	(30,161)
Machinery, equipment and vehicles (Net)	<u>11,486</u>	<u>14,234</u>
Land	9,554	9,662
Lease assets	6,426	5,024
Accumulated depreciation	(3,970)	(3,153)
Lease assets (Net)	<u>2,455</u>	<u>1,871</u>
Construction in progress	1,886	6,125
Other	12,375	13,384
Accumulated depreciation	(10,118)	(10,474)
Other (Net)	<u>2,256</u>	<u>2,910</u>
Total property, plant and equipment	<u>41,757</u>	<u>48,973</u>
Intangible assets:		
Lease assets	35	24
Other	2,868	4,928
Total intangible assets	<u>2,904</u>	<u>4,953</u>
Investments and other assets:		
Investment securities	33,204	41,479
Long-term loans receivable	6	6
Net defined benefit asset	4,703	5,576
Deferred tax assets	536	438
Other	2,920	3,553
Allowance for doubtful accounts	(532)	(273)
Total investments and other assets	<u>40,838</u>	<u>50,781</u>
Total non-current assets	<u>85,500</u>	<u>104,707</u>
Total assets	<u>300,659</u>	<u>366,193</u>

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2017	Mar. 31, 2018
LIABILITIES		
Current liabilities:		
Notes and accounts payable - trade	¥26,300	¥30,911
Electronically recorded obligations - operating	58,001	84,199
Current portion of long-term loans payable	4,079	5,679
Lease obligations	404	390
Income taxes payable	6,509	9,650
Notes payable-facilities	0	3
Electronically recorded obligations - facilities	6	26
Advances received	17,188	17,142
Provision for bonuses	3,405	4,204
Provision for directors' bonuses	82	219
Provision for product warranties	5,761	6,373
Provision for loss on order received	88	58
Other	13,747	16,669
Total current liabilities	<u>135,575</u>	<u>175,529</u>
Non-current liabilities:		
Long-term loans payable	10,906	5,227
Lease obligations	2,195	1,858
Deferred tax liabilities	7,349	10,787
Net defined benefit liability	764	856
Provision for directors' retirement benefits	130	141
Provision for stock payment	—	28
Provision for management board incentive plan trust	—	45
Asset retirement obligations	48	56
Other	773	782
Total non-current liabilities	<u>22,168</u>	<u>19,783</u>
Total liabilities	<u>157,743</u>	<u>195,312</u>
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	4,600	4,546
Retained earnings	92,936	117,358
Treasury stock	(15,299)	(18,085)
Total shareholders' equity	<u>136,282</u>	<u>157,864</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,847	18,427
Foreign currency translation adjustment	(4,911)	(4,714)
Remeasurements of defined benefit plans	(1,413)	(738)
Total accumulated other comprehensive income	<u>6,522</u>	<u>12,974</u>
Non-controlling interests	<u>111</u>	<u>40</u>
Total net assets	<u>142,915</u>	<u>170,880</u>
Total liabilities and net assets	<u>300,659</u>	<u>366,193</u>

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2016- Mar.31, 2017	Apr.1, 2017- Mar.31, 2018
Net sales	¥300,233	¥339,368
Cost of sales	206,686	229,837
Gross profit	93,547	109,531
Selling, general and administrative expenses	59,815	66,806
Operating income	33,731	42,725
Non-operating income		
Interest income	58	71
Dividends income	504	527
Insurance income	109	189
Compensation income	130	22
Other	493	295
Total non-operating income	1,296	1,106
Non-operating expenses		
Interest expenses	818	603
Foreign exchange losses, net	314	761
Loss on retirement of non-current assets	1,231	611
Other	643	526
Total non-operating expenses	3,008	2,502
Ordinary income	32,019	41,329
Extraordinary income		
Gain on sales of investment securities	1,064	872
Total extraordinary income	1,064	872
Extraordinary loss		
Loss on valuation of investment securities	173	166
Impairment loss	1,855	76
Other	0	5
Total extraordinary loss	2,029	249
Income before income taxes	31,055	41,952
Income taxes	8,192	13,389
Income taxes-deferred	(1,323)	82
Total income taxes	6,868	13,471
Profit	24,186	28,480
Profit (loss) attributable to non-controlling interests	17	(26)
Profit attributable to owners of parent	24,168	28,507

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2016- Mar.31, 2017	Apr.1, 2017- Mar.31, 2018
Profit	¥24,186	¥28,480
Other comprehensive income		
Valuation difference on available-for-sale securities	4,483	5,579
Foreign currency translation adjustment	(1,006)	197
Remeasurements of defined benefit plans	347	675
Total other comprehensive income	3,824	6,452
Comprehensive income	28,011	34,933
Comprehensive income attributable to:		
Owners of parent	27,999	34,959
Non-controlling interests	11	(26)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fiscal year ended March 31, 2017

(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	¥71,602	¥ (13,272)	¥116,957
Increase (decrease) during the period					
Dividends from surplus			(2,833)		(2,833)
Profit attributable to owners of parent			24,168		24,168
Acquisition of treasury stock				(2,027)	(2,027)
Disposal of treasury stock		0		0	0
Purchase of consolidated subsidiaries' treasury stock		(2)			(2)
Purchase of shares of consolidated subsidiaries		19			19
Other					—
Total changes during the period	—	16	21,334	(2,027)	19,324
Balance as of end of current period	54,044	4,600	92,936	(15,299)	136,282

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of beginning of current period	¥8,364	¥ (3,911)	¥ (1,761)	¥2,692	¥638	¥120,288
Increase (decrease) during the period						
Dividends from surplus				—		(2,833)
Profit attributable to owners of parent				—		24,168
Acquisition of treasury stock				—		(2,027)
Disposal of treasury stock				—		0
Purchase of consolidated subsidiaries' treasury stock				—		(2)
Purchase of shares of consolidated subsidiaries				—		19
Other	4,483	(1,000)	347	3,830	(527)	3,302
Total changes during the period	4,483	(1,000)	347	3,830	(527)	22,627
Balance as of end of current period	12,847	(4,911)	(1,413)	6,522	111	142,915

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fiscal year ended March 31, 2018

(Millions of yen)

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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

Apr.1, 2016- Mar.31, 2017

Apr.1, 2017- Mar.31, 2018

Cash flow from operating activities:

Income before income taxes	¥31,055	¥41,952
Depreciation and amortization	5,397	5,708
Impairment loss	1,855	76
Loss (gain) on valuation of investment securities	173	166
Loss (gain) on sales of investment securities	(1,064)	(872)
Loss on retirement of non-current assets	1,231	611
Increase (decrease) in net defined benefit liability	(12)	(159)
Increase (decrease) in provision for bonuses	2,360	798
Increase (decrease) in provision for directors' bonuses	9	137
Increase (decrease) in provision for stock payment	—	28
Increase (decrease) in provision for management board incentive plan trust	—	45
Increase (decrease) in provision for product warranties	1,189	610
Increase (decrease) in provision for loss on order received	86	(30)
Interest and dividend income	(563)	(598)
Interest expenses	818	603
Decrease (increase) in notes and accounts receivable including electronically recorded monetary claims	8,175	(25,928)
Decrease (increase) in inventories	(16,397)	(17,390)
Decrease (increase) in other current assets	(1,534)	441
Increase (decrease) in notes and accounts payable including electronically recorded obligations	14,682	30,011
Increase (decrease) in other current liabilities	8,920	3,485
Other, net	345	109
Subtotal	56,730	39,806
Interest and dividend income received	564	593
Interest expenses paid	(876)	(595)
Contribution in connection with the shift to a defined-contribution pension plan	(0)	(1)
Income taxes paid	(7,394)	(10,924)
Net cash provided by operating activities	49,024	28,878

Cash flow from investing activities:

Decrease (increase) in time deposits	(1,707)	1,625
Purchase of property, plant and equipment	(5,496)	(9,907)
Proceeds from sales of property, plant and equipment	313	398
Purchase of investment securities	(192)	(825)
Proceeds from sales of investment securities	2,732	1,549
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(34)
Payments for transfer of business	—	(1,341)
Other, net	(1,508)	(2,694)
Net cash used in investing activities	(5,860)	(11,230)

Cash flow from financing activities:

Proceeds from long-term loans payable	1,000	—
Repayments of long-term loans payable	(9,079)	(4,079)
Repayments of finance lease obligations	(415)	(413)
Redemption of bonds	(13,600)	—
Net decrease (increase) in treasury stock	(2,027)	(2,785)
Cash dividends paid	(2,833)	(4,068)
Dividends paid to non-controlling interests	(3)	—
Payments related to changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(513)	—
Purchase of treasury stock of consolidated subsidiaries	(6)	(164)
Net cash used in financing activities	(27,479)	(11,512)

Effect of exchange rate changes on cash and cash equivalents	(918)	(241)
Net increase (decrease) in cash and cash equivalents	14,766	5,894
Cash and cash equivalents at beginning of period	30,156	44,922
Cash and cash equivalents at end of period	44,922	50,817

SEGMENT INFORMATION

Segment Information

1. Segment Overview

(1) Reportable Segments

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

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

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

(2) Products and Services of Reportable Segments

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

(Changes in reportable segments)

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, from the fiscal year ended March 31, 2018, the Graphic arts equipment and PCB-related equipment businesses were 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 previous fiscal year has been prepared according to the reclassified segments and is presented under "Net Sales, Income (loss), Assets and Other amounts by Reportable Segment" for the fiscal year ended March 31, 2017.

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

Income for each reportable segment is based on operating income.

Intersegment revenues and transfers are based on market prices.

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

Fiscal year ended March 31, 2017

(Millions of yen)

	Reportable segment					Other *1	Total	Adjustments *2	Consolidated *3
	SE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥205,988	¥45,778	¥38,094	¥8,918	¥298,781	¥1,452	¥300,233	¥ —	¥300,233
(2)Intersegment sales and transfers	108	51	9	—	169	13,353	13,522	(13,522)	—
Total	206,097	45,830	38,104	8,918	298,950	14,806	313,756	(13,522)	300,233
Segment income (loss)	29,315	1,471	4,391	752	35,931	(1,453)	34,477	(745)	33,731
Segment assets	163,898	42,075	31,825	8,924	246,724	9,054	255,779	44,880	300,659
Other									
Depreciation and amortization	2,601	624	102	64	3,392	343	3,736	1,661	5,397
Impairment loss	—	1,450	—	303	1,753	—	1,753	102	1,855
Increase in the amount of tangible fixed assets and intangible fixed assets	5,069	1,054	296	55	6,477	687	7,164	1,091	8,256

Notes

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

*2 Segment operating income (loss) adjustment of ¥(745) million is the Company's profit(loss) not attributable to a reportable segment.

Segment assets adjustment of ¥44,880 million is the corporate assets not apportioned to each reportable segment.

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

Fiscal year ended March 31, 2018

(Millions of yen)

	Reportable segment					Other *1	Total	Adjustments *2	Consolidated *3
	SE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥227,182	¥53,221	¥45,210	¥12,131	¥337,745	¥1,623	¥339,368	¥ —	¥339,368
(2)Intersegment sales and transfers	2	192	42	61	299	15,312	15,611	(15,611)	—
Total	227,184	53,414	45,252	12,193	338,044	16,935	354,980	(15,611)	339,368
Segment income (loss)	36,301	3,060	4,589	1,013	44,966	(1,543)	43,422	(697)	42,725
Segment assets	205,302	48,477	36,252	9,727	299,760	10,311	310,072	56,121	366,193
Other									
Depreciation and amortization	3,052	492	144	13	3,702	414	4,117	1,590	5,708
Impairment loss	—	—	—	—	—	76	76	—	76
Increase in the amount of tangible fixed assets and intangible fixed assets	9,052	878	787	147	10,865	504	11,369	3,059	14,428

Notes

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

*2 Segment operating income (loss) adjustment of ¥(697) million is the Company's profit (loss) not attributable to a reportable segment.

Segment assets adjustment of ¥56,121 million is the corporate assets not apportioned to each reportable segment.

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

Consolidated Financial Highlights for the Fiscal Year Ended Mar. 31, 2018

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

	FY2017	FY2018	Difference		FY2019	
	12months ended Mar. 31, 2017	12months ended Mar. 31, 2018			6months ending Sept. 30, 2018	12months ending Mar.31, 2019
	Result	Result	Amount	Percentage	Forecast	Forecast
Net sales	¥300,233	¥339,368	¥39,134	13.0%	¥176,000	¥384,000
Operating income	33,731	42,725	8,993	26.7%	21,000	53,000
[to net sales ratio]	11.2 %	12.6 %	1.4 pt	—	11.9 %	13.8 %
Ordinary income	32,019	41,329	9,309	29.1%	20,000	51,000
[to net sales ratio]	10.7 %	12.2 %	1.5 pt	—	11.4 %	13.3 %
Profit attributable to owners of parent	24,168	28,507	4,338	18.0%	13,500	37,000
[to net sales ratio]	8.0 %	8.4 %	0.4 pt	—	7.7 %	9.6 %
Total assets	300,659	366,193	65,533	21.8%	—	—
Net assets	142,915	170,880	27,964	19.6%	—	—
Equity	142,804	170,839	28,034	19.6%	—	—
Equity ratio	47.5 %	46.7 %	-0.8 pt	—	—	—
Net assets per share of capital stock (yen)	3,040.79	3,661.96	621.17	20.4%	—	—
Interest-bearing debt	17,586	13,156	-4,430	-25.2%	—	—
Return on equity (ROE)	18.4 %	18.2 %	-0.2 pt	—	—	—
Cash flow from operating activities	49,024	28,878	—	—	—	—
Cash flow from investing activities	(5,860)	(11,230)	—	—	—	—
Cash flow from financing activities	(27,479)	(11,512)	—	—	—	—
Depreciation and amortization	5,397	5,708	310	5.8%	3,500	8,500
Capital expenditures	8,256	14,428	6,172	74.8%	14,000	31,000
R&D expenses	17,794	20,837	3,043	17.1%	12,000	25,000
Number of employees	5,422	5,835	413	7.6%	—	—
Number of consolidated subsidiaries	53	57	4	—	—	—
[Domestic]	[27]	[28]	[1]	—	—	—
[Overseas]	[26]	[29]	[3]	—	—	—
Number of non-consolidated subsidiaries	1	2	1	—	—	—
[Number of non-consolidated subsidiaries accounted for by equity method]	[—]	[—]	[—]	—	—	—
Number of affiliates	—	1	1	—	—	—
[Number of affiliates accounted for by equity method]	[—]	[1]	[1]	—	—	—

Note: The number of consolidated subsidiaries changed as follows.

SCREEN Laminotech Co., Ltd.: Established as a wholly owned subsidiary

SCREEN SPE Korea Co., Ltd.: Established as a wholly owned subsidiary

SCREEN Holdings Singapore PTE. Ltd.: Established as a wholly owned subsidiary

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

TRIVIS Co., Ltd.: Acquired a 51% equity stake

Sales Breakdown (Consolidated)

(Millions of yen)

		FY2017		FY2018						FY2019	
		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, 2016	Mar.31, 2017	Jun. 30, 2017	Sept. 30, 2017	Sept. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	Mar.31, 2018	Sep. 30, 2018	Mar.31, 2019
		Result	Result	Result	Result	Result	Result	Result	Result	Forecast	Forecast
Semiconductor Equipment Business (SE)	Domestic	11,087	24,563	5,394	9,081	14,476	8,426	9,171	32,075	—	—
	Overseas	80,595	181,533	41,187	44,153	85,341	37,082	72,685	195,109	—	—
	Total	91,682	206,097	46,582	53,235	99,818	45,509	81,856	227,184	115,500	260,000
Graphic Arts Equipment Business (GA)	Domestic	10,681	20,957	4,678	6,554	11,233	5,350	6,197	22,781	—	—
	Overseas	11,417	24,872	6,156	7,415	13,571	6,454	10,606	30,632	—	—
	Total	22,098	45,830	10,835	13,969	24,804	11,804	16,804	53,414	27,000	56,000
Display Production Equipment and Coater Business (FT)	Domestic	7,512	10,442	507	1,324	1,831	728	827	3,386	—	—
	Overseas	10,434	27,662	12,417	8,622	21,039	8,381	12,444	41,865	—	—
	Total	17,946	38,104	12,924	9,946	22,870	9,109	13,271	45,252	25,000	50,000
PCB-Related Equipment Business (PE)	Domestic	1,383	2,331	468	840	1,309	1,031	590	2,931	—	—
	Overseas	2,572	6,587	1,918	2,549	4,468	2,437	2,356	9,262	—	—
	Total	3,956	8,919	2,387	3,390	5,777	3,469	2,946	12,193	7,000	14,000
Other	Domestic	483	1,259	195	340	536	384	451	1,372	—	—
	Overseas	117	192	51	56	107	69	73	250	—	—
	Total	600	1,452	247	396	644	453	525	1,623	1,500	4,000
Intersegment sales	Domestic	(142)	(169)	(19)	(61)	(81)	(19)	(198)	(299)	—	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	(142)	(169)	(19)	(61)	(81)	(19)	(198)	(299)	—	—
Grand Total	Domestic	31,005	59,385	11,225	18,081	29,306	15,902	17,039	62,247	—	—
	Overseas	105,137	240,848	61,732	62,796	124,528	54,425	98,166	277,120	—	—
	Total	136,142	300,233	72,957	80,877	153,834	70,327	115,205	339,368	176,000	384,000
	Overseas Ratio	77.2%	80.2%	84.6%	77.6%	80.9%	77.4%	85.2%	81.7%	—	—

Orders received & Order backlog (Consolidated)

(Millions of yen)

		FY2017		FY2018							
		3 months ended Mar. 31, 2017		3 months ended Jun. 30, 2017		3 months ended Sept. 30, 2017		3 months ended Dec. 31, 2017		3 months ended Mar. 31, 2018	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Equipment Business (SE)	Domestic	8,021	8,673	7,850	11,128	8,526	10,572	10,201	12,346	12,682	15,857
	Overseas	50,081	61,739	45,103	65,654	44,699	66,200	78,186	107,304	59,896	94,516
	Total	58,102	70,412	52,953	76,783	53,225	76,773	88,387	119,651	72,579	110,374
Graphic Arts Equipment Business (GA)	Domestic	5,146	1,936	6,413	3,670	5,718	2,834	5,634	3,118	4,931	1,852
	Overseas	7,984	2,915	6,699	3,458	7,257	3,300	6,623	3,470	10,374	3,237
	Total	13,130	4,851	13,113	7,129	12,975	6,135	12,257	6,588	15,306	5,090
Display Production Equipment and Coater Business (FT)	Domestic	551	1,682	1,014	2,189	802	1,668	2,179	3,119	397	2,689
	Overseas	7,953	40,033	10,011	37,626	12,540	41,544	12,161	45,324	24,220	57,100
	Total	8,504	41,715	11,025	39,815	13,343	43,212	14,341	48,444	24,617	59,790
PCB-Related Equipment Business (PE)	Domestic	321	134	1,062	728	756	644	787	399	764	574
	Overseas	3,685	1,447	2,448	1,976	2,282	1,709	2,987	2,258	2,911	2,813
	Total	4,007	1,581	3,511	2,705	3,038	2,353	3,774	2,658	3,675	3,388
Grand Total	Domestic	14,039	12,425	16,341	17,716	15,804	15,719	18,802	18,985	18,776	20,974
	Overseas	69,703	106,134	64,263	108,716	66,778	112,755	99,959	158,358	97,403	157,668
	Total	83,742	118,558	80,604	126,433	82,583	128,475	118,761	177,343	116,179	178,643
	Overseas Ratio	83.2%	89.5%	79.7%	86.0%	80.9%	87.8%	84.2%	89.3%	83.8%	88.3%