

Business Results & Forecast

The first quarter ended June 30, 2015

Aug. 10, 2015

SCREEN Holdings Co., Ltd.

Eiji Kakiuchi, President, COO

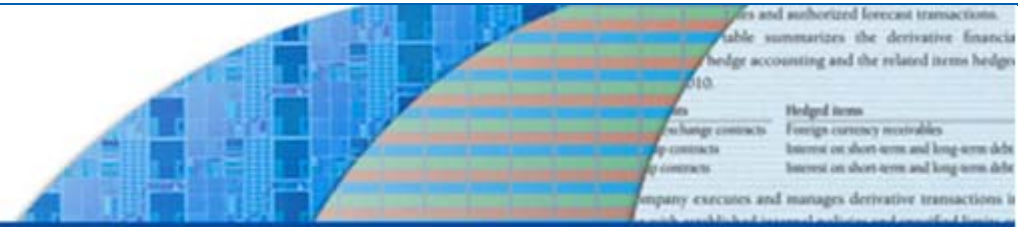
Cautionary statement with respect to these materials;

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

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



Agenda



1. FY2016 Q1 Business Results

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

3. Financial Situation

4. FY2016 Business Forecast

1. FY2016 Q1 Business Results

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4. FY2016 Business Forecast

FY2016 Q1 Business Results <Consolidated>

(Unit : Billions of JPY)

	FY2015					FY2016		
	Result					Result		
	Q1	Q2	Q3	Q4	Full	Q1	Y/Y	Q/Q
Net sales	52.4	60.0	49.8	75.3	237.6	56.1	+3.6	(19.2)
SE	35.1	40.6	34.6	47.0	157.4	34.7	(0.4)	(12.2)
GP	12.1	15.0	12.1	16.2	55.7	14.7	+2.5	(1.4)
Graphic Arts Equip. (GA)	10.2	12.7	10.4	13.3	46.7	12.6	+2.4	(0.6)
PCB Equip. (PE)	1.9	2.3	1.7	2.8	8.9	2.0	+0.1	(0.7)
FT	4.9	4.0	2.8	11.9	23.7	6.3	+1.3	(5.6)
Other	0.1	0.1	0.1	0.1	0.6	0.3	+0.1	+0.1
Operating income	2.2	4.4	3.3	7.0	17.1	3.2	+1.0	(3.7)
[to net sales ratio]	4.3%	7.5%	6.8%	9.3%	7.2%	5.9%	-	-
SE	2.9	3.3	4.0	5.4	15.7	2.1	(0.7)	(3.3)
GP	0.4	1.4	0.1	0.7	2.8	0.9	+0.5	+0.2
FT	(0.4)	0.2	(0.8)	1.4	0.3	0.1	+0.5	(1.2)
Other & Adjustments	(0.6)	(0.5)	0.0	(0.5)	(1.7)	0.0	+0.7	+0.6
Ordinary income	2.3	4.2	2.8	6.7	16.0	3.4	+1.0	(3.2)
Profit attributable to owners of parent	1.5	3.1	3.1	4.3	12.1	2.2	+0.7	(2.0)

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

FY2016 Q1 Business Results <Consolidated>

>>Year-on-year comparison

(Unit: Billions of JPY)

	FY2015 Q1		FY2016 Q1		Difference	
	Value	%	Value	%	Value	%
Net Sales	52.4	100.0%	56.1	100.0%	+3.6	+6.9%
Operating Income	2.2	4.3%	3.2	5.9%	+1.0	+47.3%
Ordinary Income	2.3	4.5%	3.4	6.1%	+1.0	+45.8%
Profit attributable to owners of parent	1.5	2.9%	2.2	4.0%	+0.7	+47.6%

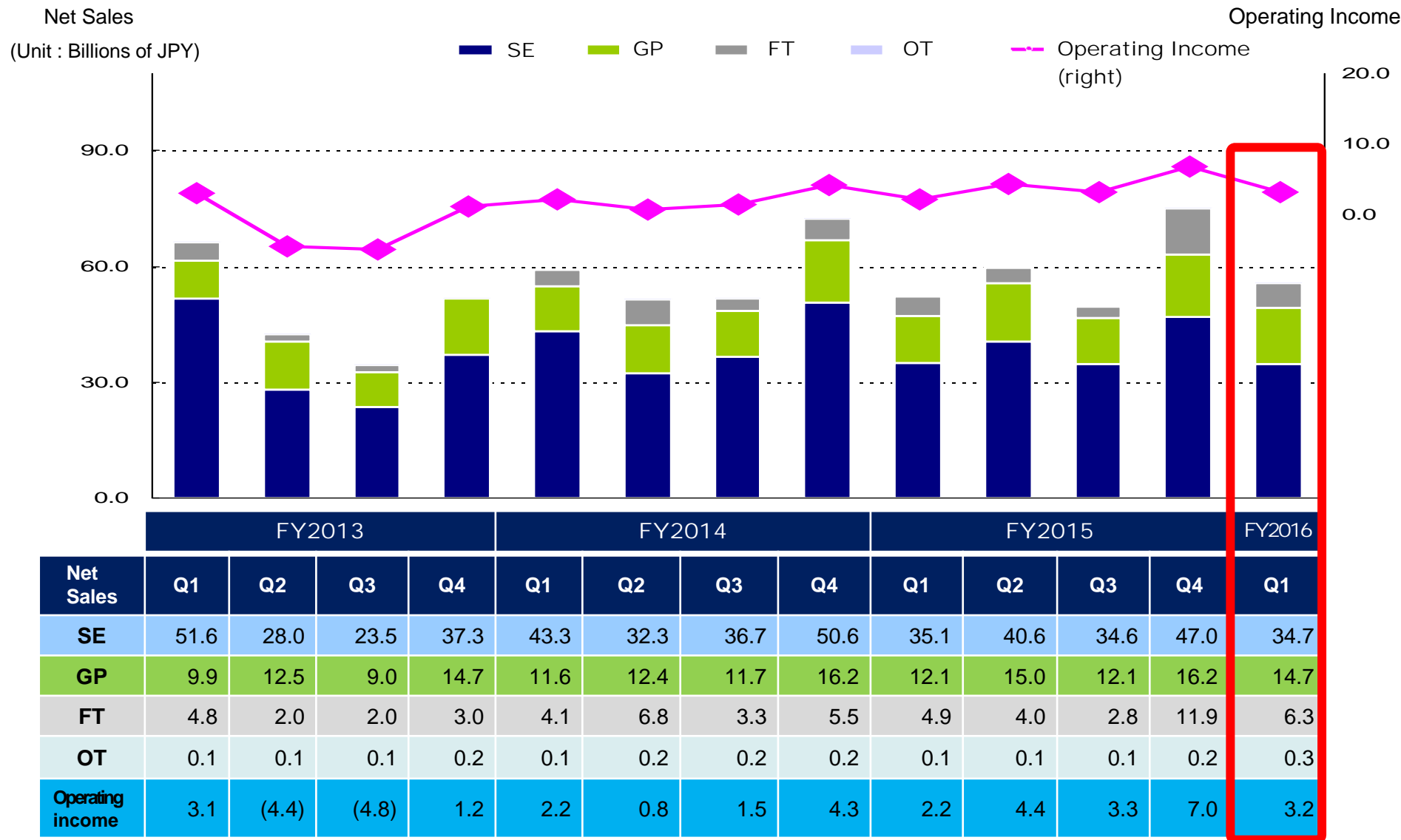
>>Comparison with the previous Quarter

(Unit: Billions of JPY)

	FY2015 Q4		FY2016 Q1		Difference	
	Value	%	Value	%	Value	%
Net Sales	75.3	100.0%	56.1	100.0%	(19.2)	-25.5%
Operating Income	7.0	9.3%	3.2	5.9%	(3.7)	-53.1%
Ordinary Income	6.7	8.9%	3.4	6.1%	(3.2)	-48.9%
Profit attributable to owners of parent	4.3	5.7%	2.2	4.0%	(2.0)	-47.5%

Quarterly Net Sales and Operating Income

<Consolidated>



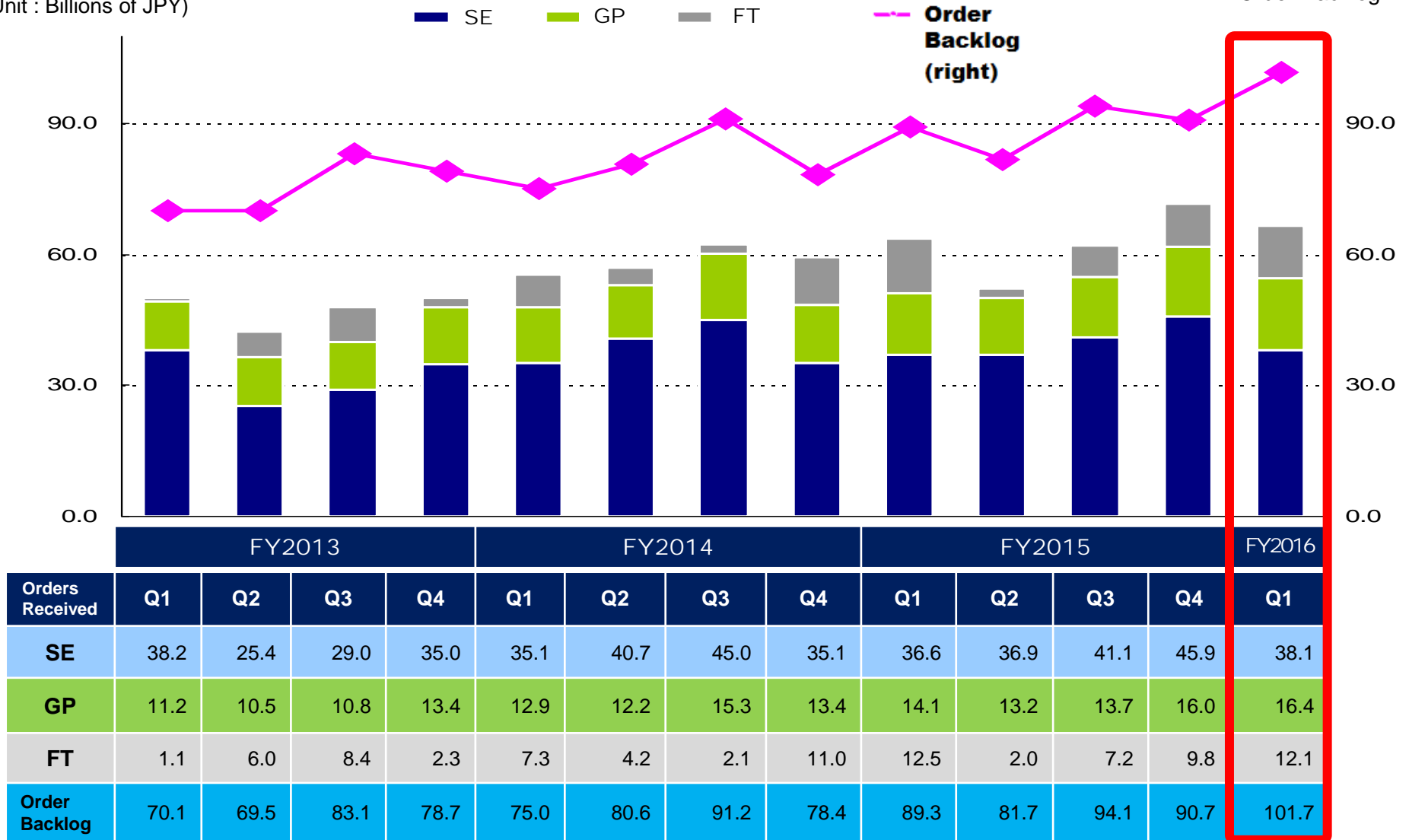
* Amounts for FY2013 in SE and FT have been reclassified with amounts calculated applying retroactively completion of installation basis

Quarterly Orders Received and Order Backlog

<Consolidated>

Orders Received
(Unit : Billions of JPY)

Order Backlog



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

1. FY2016 Q1 Business Results

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

3. Financial Situation

4. FY2016 Business Forecast

Business Environment <SE>

>>Year-on-year comparison

(Unit: Billions of JPY)	FY2015 Q1		FY2016 Q1		Difference	
	Net Sales	35.1	100.0%	34.7	100.0%	(0.4)
Operating Income	2.9	8.3%	2.1	6.1%	(0.7)	-27.4%

>>Comparison with the previous Quarter

(Unit: Billions of JPY)	FY2015 Q4		FY2016 Q1		Difference	
	Net Sales	47.0	100.0%	34.7	100.0%	(12.2)
Operating Income	5.4	11.5%	2.1	6.1%	(3.3)	-61.0%

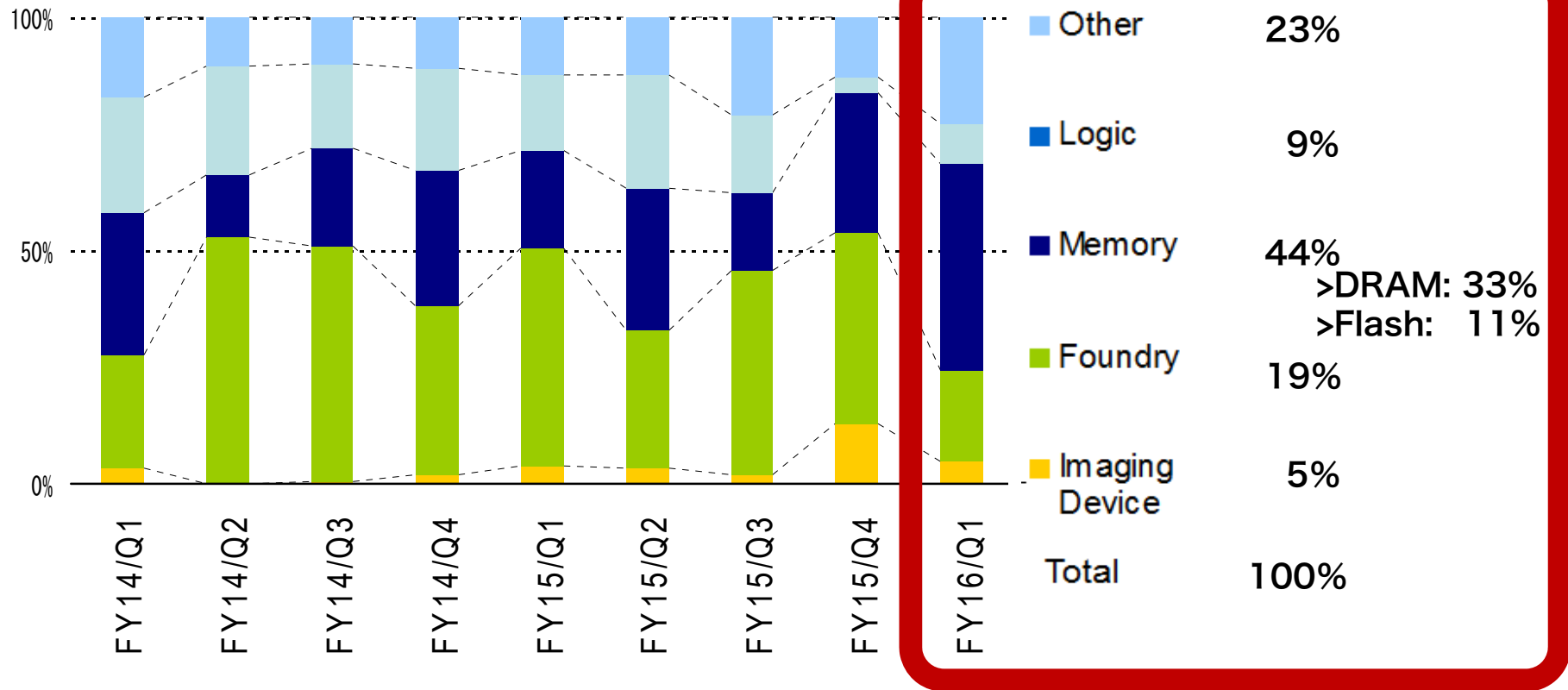
>>Topics

- Y on Y : Sales became nearly flat. Operating income decreased due to the influence of weakened yen and increased fixed costs including R&D expenses and personnel costs.
- vs. Previous Q : Sales decreased. Operating income was lowered due to the decline in marginal profit with sales decrease in addition to the influence of weakened yen and increased fixed costs including personnel costs.
- Orders received : Orders fall below the May forecast, resulted in JPY 38.1 bn., but unit orders were received as expected.
- Business environment : Investment among memory and image sensor manufacturers remained strong, but those among logic chip manufacturers and foundries slightly decreased.
- FYE2016 outlook : Nearly the same as May forecast even with a slight change in investment timing.

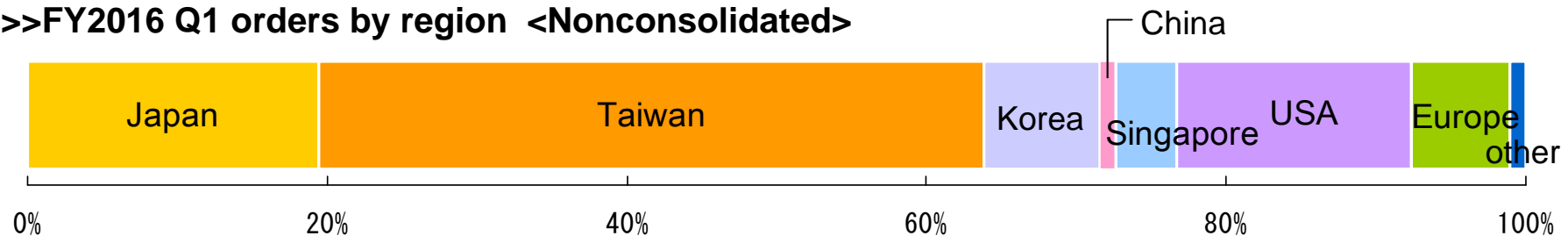
<SE> Quarterly Order Received Ratio by Device Application
<Nonconsolidated>

*Q1 Order received (consolidated): JPY 38.1 bn.

>>Quarterly Order Received Ratio by Device Application <Nonconsolidated>



>>FY2016 Q1 orders by region <Nonconsolidated>



Business Environment <GP>

>>Year-on-year comparison

(Unit: Billions of JPY)	FY2015		FY2016		Difference	
	Q1		Q1			
Net Sales	12.1	100.0%	14.7	100.0%	+2.5	+21.2%
Operating Income	0.4	3.7%	0.9	6.7%	+0.5	+121.4%

>>Comparison with the previous Quarter

(Unit: Billions of JPY)	FY2015		FY2016		Difference	
	Q4		Q1			
Net Sales	16.2	100.0%	14.7	100.0%	(1.4)	-9.1%
Operating Income	0.7	4.7%	0.9	6.7%	+0.2	+28.1%

>>Topics

- Y on Y : Both sales and profit increased due to a tendency toward weakened yen in addition to acceleration of the market penetration of POD.
- vs. Previous Q : Profit increased owing to rising factory operating rates in spite of seasonal decline in sales.
- Business environment : Domestic: A demand for replacement of CTP was strong.
Overseas: POD sales were firm especially in North America.
- FYE2016 outlook : Sales are expected to increase year on year, while R&D expenses will be increased.

Business Environment <FT>

>>Year-on-year comparison

(Unit: Billions of JPY)	FY2015		FY2016		Difference	
	Q1		Q1			
Net Sales	4.9	100.0%	6.3	100.0%	+1.3	+26.6%
Operating Income	(0.4)	-8.3%	0.1	2.8%	+0.5	—

>>Comparison with the previous Quarter

(Unit: Billions of JPY)	FY2015		FY2016		Difference	
	Q4		Q1			
Net Sales	11.9	100.0%	6.3	100.0%	(5.6)	-47.1%
Operating Income	1.4	12.0%	0.1	2.8%	(1.2)	-87.9%

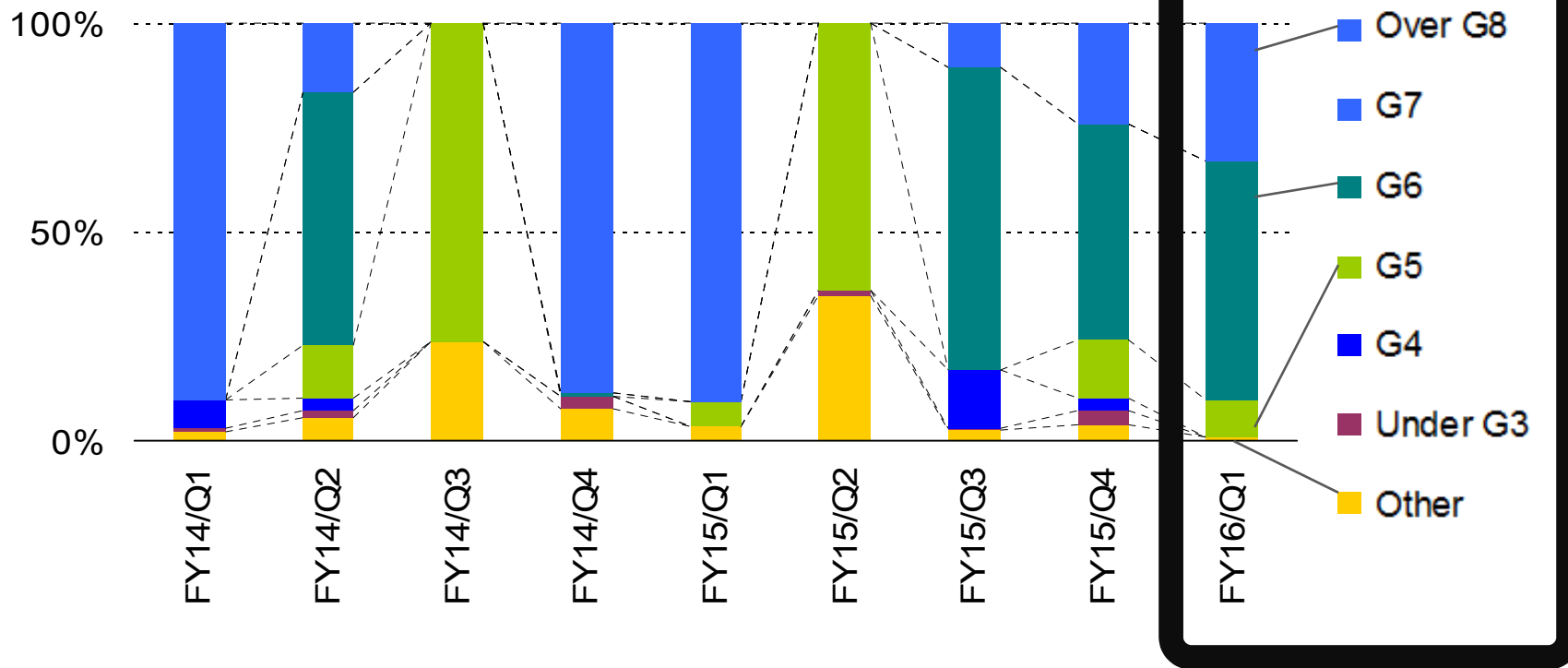
>>Topics

- Y on Y : Domestic sales decreased, but sales of production equipment for large-sized panels in China increased.
- vs. Previous Q : In spite of sales decrease, rising factory operating rates led to a continuing surplus.
- Orders received : Received high-level orders amounted to JPY 12.1 bn. even though a target shown in May forecast were not slightly achieved. Orders for both large-sized and small- and medium-sized will be robust after Q2 as well.
- Business environment : Investment toward production equipment for small- and medium-sized in addition to that toward production equipment for large-sized TV LCD panels in China was continued in Japan, China and Taiwan.
- FYE2016 outlook : In CY2015, following a robust demand for panels (large, small and medium) both sales and profit are expected to increase year on year. Order backlog will be increased by slightly more than 20% compared to the end of the previous corresponding period.

<FT> Quarterly Orders Received by Generation <Nonconsolidated>

* Q1 Order received (Consolidated) : JPY 12.1 bn.

>>Quarterly Orders Received by Generation <Nonconsolidated>



>>FY2016 Q1 orders by region <Nonconsolidated>



1. FY2016 Q1 Business Results

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

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4. FY2016 Business Forecast

Trend in B/S <Consolidated>

Assets

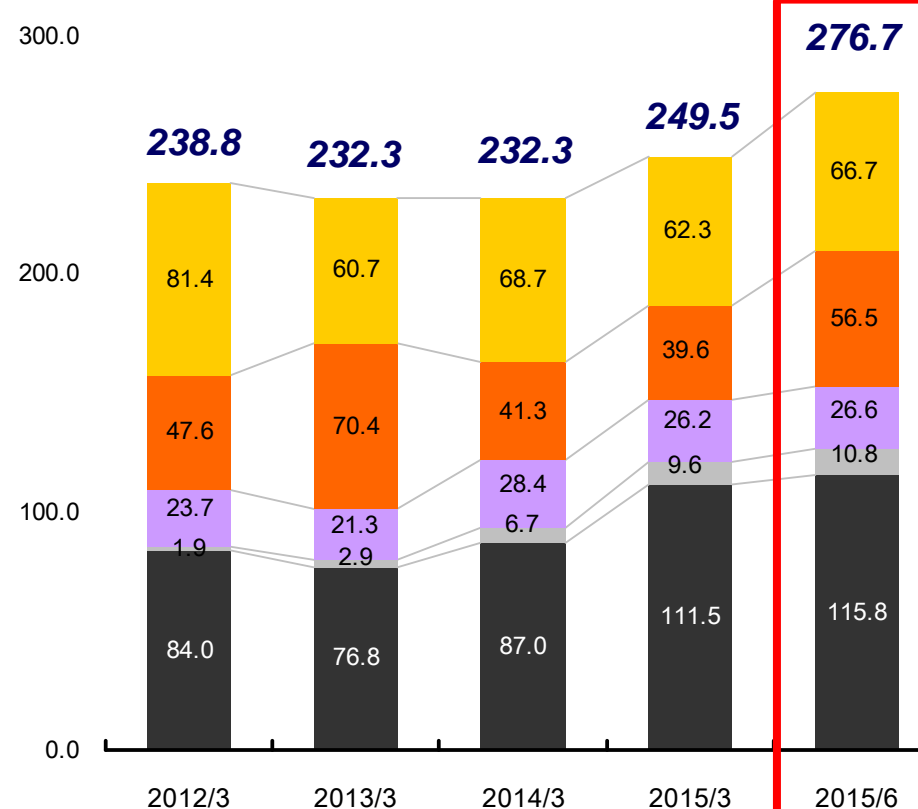
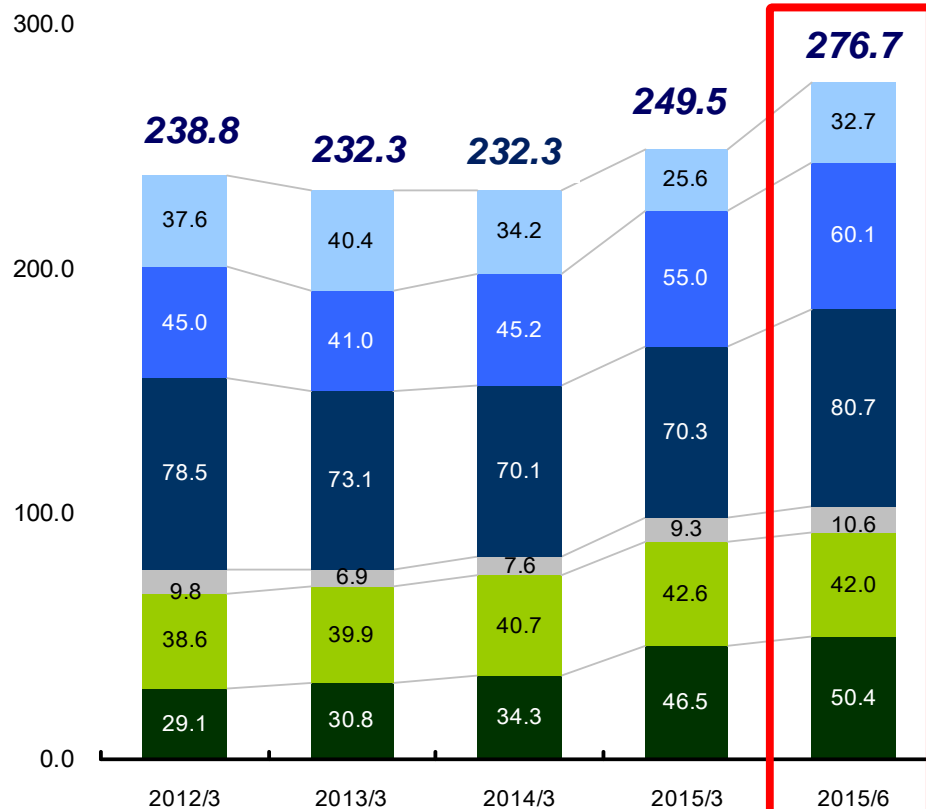
(Unit: Billions of JPY)

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

Liabilities & Net Assets

(Unit: Billions of JPY)

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



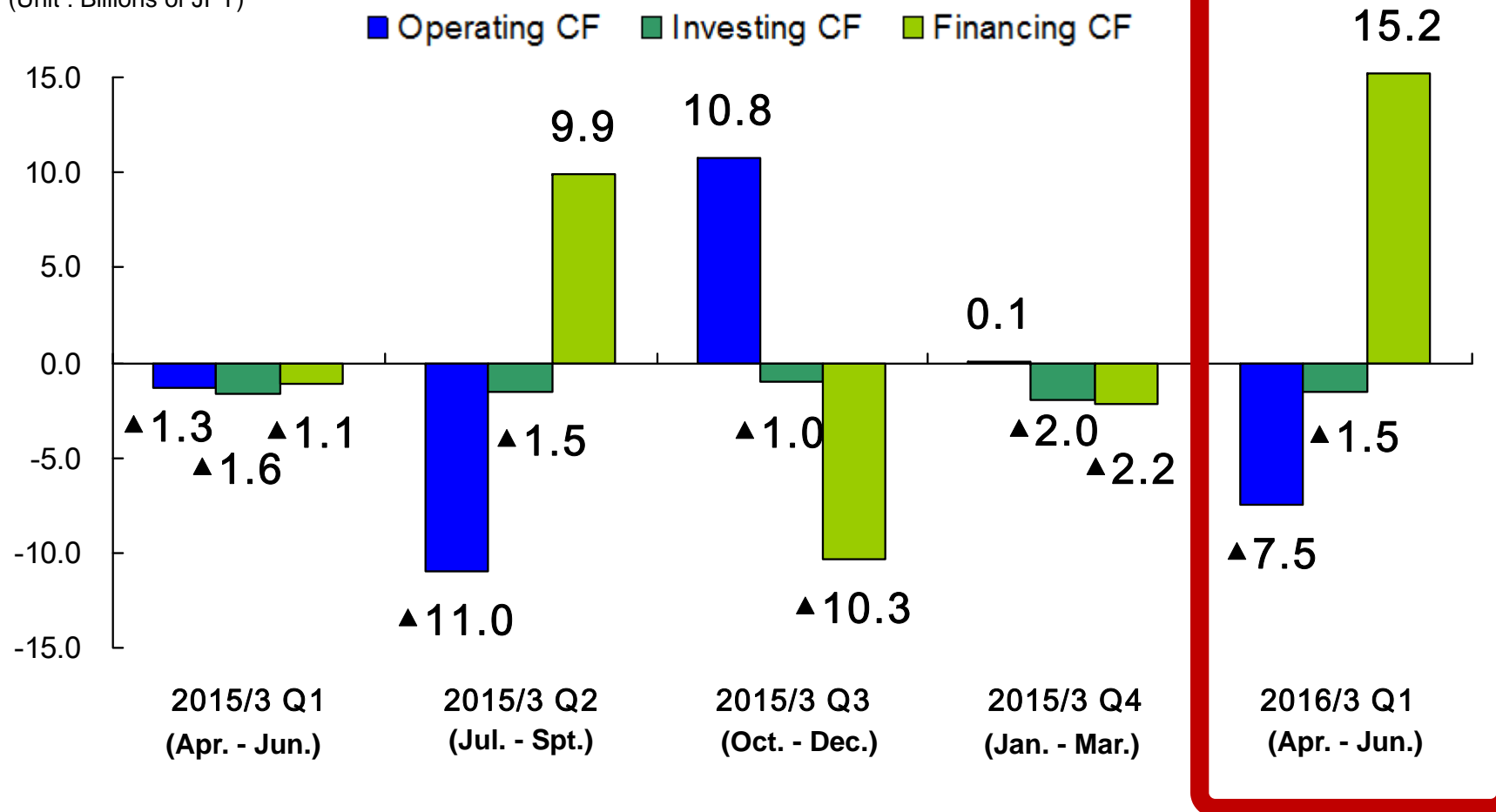
Equity Ratio 44.4% (2015/3) → 41.6% (2015/6)

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

Cash Flows <Consolidated>

>>FY2016 Q1 Total Free Cash Flow: JPY (9.1) bn.

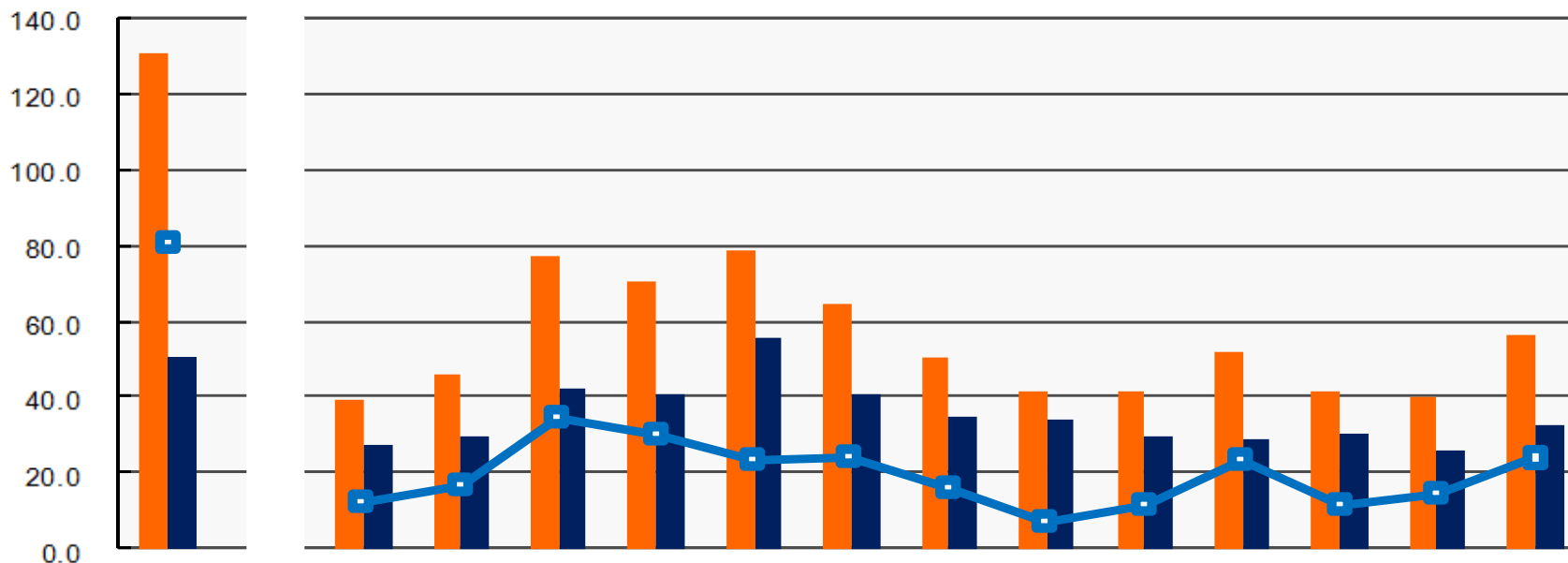
(Unit : Billions of JPY)



Interest-bearing Debt <Consolidated>

(Unit: Billions of JPY)

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



	FY 2010	FY2013				FY2014				FY2015				FY 2016
	Jun.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.
Interest-bearing debt	131.0	39.3	45.9	76.9	70.4	78.6	64.9	50.7	41.3	41.3	52.0	41.7	39.6	56.5
Cash and time deposit	50.2	27.0	29.7	42.4	40.4	55.7	40.8	35.0	34.2	29.8	28.5	30.2	25.6	32.7
Net interest-bearing debt	80.7	12.3	16.1	34.4	30.0	22.9	24.0	15.6	7.1	11.5	23.5	11.4	14.0	23.8

1. FY2016 Q1 Business Results

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Business Forecast for FY2016 <Consolidated>

(Unit : Billions of JPY)

	1st H Forecast		2nd H Forecast		Full Forecast	
	May 13	Aug. 10	May 13	Aug. 10	May 13	Aug. 10
Net Sales	130.0	126.0	118.0	123.0	248.0	249.0
SE	83.5	80.0	76.5	79.0	160.0	159.0
GP	29.5	29.5	29.5	29.5	59.0	59.0
FT	16.5	16.0	10.5	13.5	27.0	29.5
OT	0.5	0.5	1.5	1.0	2.0	1.5
Operating income	9.3	9.3	9.7	10.2	19.0	19.5
[to net sales ratio]	7.2%	7.4%	8.2%	8.3%	7.7%	7.8%
Ordinary income	8.8	8.8	9.7	10.2	18.5	19.0
Profit attributable to owners of parent	6.8	6.8	7.2	7.7	14.0	14.5

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

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

Summary

- >> Q1 RESULTS:** Operating income, ordinary income and profit attributable to owners of parent (former 'net income') increased by half year on year.

- >> 1st HALF OUTLOOK:** Profit is anticipated as forecast before despite lowering sales forecast.

- >> 2nd HALF OUTLOOK:** The SE business faces concerns over slowing market condition, but this had already been weaved into May forecast (still going on as expected although some deals are shifted from 1st half to 2nd half).
Both sales and profit are expected to increase from May forecast, reflecting booming investment for large-sized and small- and medium-sized panels in the FT business in addition to the steady performance of POD and CTP in the GP business.

- >> FULL-YEAR OUTLOOK:** Based on the three-year medium-term management plan, approaches to lower the break-even points centering on improving a variable cost ratio have been proceeding at a good pace.
 - In new business fields, product targeted for the automobile industry was newly released and accelerated toward commercialization.
 - Regarding approaches to strengthen financial standing, a free cash flow (FCF), net interest-bearing debt and the equity ratio were temporarily worsened, but condition is anticipated to improve after Q2 through 2nd half of the year.

SCREEN

Fit your needs, Fit your future

