

February 8, 2016

## CONSOLIDATED FINANCIAL REPORT

### FOR THE THIRD QUARTER ENDED DECEMBER 31, 2015 [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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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, 2015 (APR. 1, 2015-DEC. 31, 2015)

(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, 2015</b> | <b>¥182,841</b> | <b>12.6%</b>      | <b>¥ 14,978</b>  | <b>47.8%</b>      | <b>¥ 14,755</b> | <b>57.3%</b>      |
| Nine months ended Dec. 31, 2014        | 162,324         | -0.6              | 10,137           | 122.2             | 9,381           | 129.6             |

Note: Comprehensive income

Nine months ended Dec. 31, 2015: ¥10,995 million (-30.6%)  
Nine months ended Dec. 31, 2014: ¥15,835 million (38.2%)

|  | Profit Attributable to Owners of Parent | Percentage Change | Basic Earnings per Share (Yen) | Diluted Earnings per Share (Yen) |
|--|---|-------------------|--------------------------------|----------------------------------|
| <b>Nine months ended Dec. 31, 2015</b> | <b>¥ 11,966</b>                         | <b>53.3%</b>      | <b>¥ 50.43</b>                 | <b>¥ —</b>                       |
| Nine months ended Dec. 31, 2014        | 7,807                                   | 245.8             | 32.90                          | —                                |

#### (2) Financial Position

|                      | Total Assets    | Net Assets      | Equity Ratio (%) | Net Assets per Share of Capital Stock (Yen) |
|----------------------|-----------------|-----------------|------------------|---|
| <b>Dec. 31, 2015</b> | <b>¥276,490</b> | <b>¥120,333</b> | <b>43.3%</b>     | <b>¥505.31</b>                              |
| Mar. 31, 2015        | 249,516         | 111,513         | 44.4             | 467.13                                      |

Note: Equity

As of Dec. 31, 2015: ¥119,628 million  
As of Mar. 31, 2015: ¥110,864 million

**CASH DIVIDENDS**

| Record date                                    | Cash Dividends per Share |                    |                   |          |        |
|--|--------------------------|--------------------|-------------------|----------|--------|
|  | First Quarter-end        | Second Quarter-end | Third Quarter-end | Year-end | Annual |
| Fiscal year ended<br>Mar. 31, 2015             | ¥ —                      | ¥ —                | ¥ —               | ¥7.00    | ¥7.00  |
| Fiscal year ending<br>Mar. 31, 2016            | —                        | —                  | —                 |          |        |
| Fiscal year ending<br>Mar. 31, 2016 (Forecast) |                          |                    |                   | 10.00    | 10.00  |

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

**FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2016**

(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<br>Mar. 31, 2016 | ¥ 251,500 | 5.8 %             | ¥ 20,500         | 19.4 %            |

  

|                                     | Ordinary Income | Percentage Change | Profit Attributable<br>to Owners of<br>Parent | Percentage Change | Basic Earnings per<br>Share (Yen) |
|-------------------------------------|-----------------|-------------------|---|-------------------|-----------------------------------|
| Fiscal year ending<br>Mar. 31, 2016 | ¥ 20,000        | 24.3 %            | ¥ 15,500                                      | 27.9 %            | ¥ 65.36                           |

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.5 [Summary Information (Notes)] for more information.
- (3) Changes of accounting policies, changes in accounting estimates and retrospective restatement
- Changes of accounting policies accompanied by revision of accounting standard etc.: Yes
  - Changes of accounting policies other than 1: No
  - Changes in accounting estimates: No
  - Retrospective restatement: No
- Please refer to P.5 [Summary Information (Notes)] for more information.
- (4) Number of shares outstanding
- Number of shares outstanding as of end of period (including treasury stock)  
As of Dec. 31, 2015: 253,974,333 shares As of Mar. 31, 2015: 253,974,333 shares
  - Number of treasury stock as of end of period  
As of Dec. 31, 2015: 17,229,132 shares As of Mar. 31, 2015: 16,642,614 shares
  - Average number of shares outstanding  
Nine months ended Dec. 31, 2015: 237,295,817 shares Nine months ended Dec. 31, 2014: 237,344,950 shares

\*Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Law. It is under the review procedure process at the time of disclosure of this report.

\*Explanation for appropriate use of forecasts and other notes

(1) SCREEN Holdings has revised our business forecast for the fiscal year ending March 31, 2016 that was previously announced on November 9, 2015, 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 assumption 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, 2016 (April 1, 2015 to December 31, 2015), global economic conditions continued to gradually recover, mainly reflecting strong consumer spending in the United States. Economic deceleration in Europe, meanwhile, seemed to bottom out, due in part to the effects of monetary easing. The outlook for the global economy, however, became more uncertain, with China's economy showing greater than expected signs of slowing and emerging economies growing concerns of prolonged economic stagnation due to low natural resource prices and other factors. The Japanese economy saw continued recovery, backed by improving corporate earnings and gradual recovery in consumer spending.

With regard to the business conditions surrounding the SCREEN Group, in the semiconductor industry, capital investment among memory manufacturers was firm, backed by demand for smartphones and data centers. In addition, reflecting growing demand for IoT-related electronic devices, the market for equipment for sub-200mm wafers showed signs of growth in demand. With regard to graphic arts equipment, demand in the Japanese market continued to recover. In the FPD business field, investment in large-sized television LCD panels increased in China, as did investment in LCD panels in Taiwan and South Korea.

Under these circumstances, the SCREEN Group posted consolidated net sales of ¥182,841 million for the first nine months of the fiscal year ending March 31, 2016, an increase of ¥20,516 million from the corresponding period of the previous fiscal year. On the earnings front, operating income totaled ¥14,978 million, up ¥4,840 million year on year, reflecting the increase in net sales and improvement in the variable cost ratio, despite the increase in fixed costs, including rises in R&D expenses and personnel costs. Ordinary income amounted to ¥14,755 million, up ¥5,374 million year on year. In addition, the Company recorded gain on sales of investment securities as extraordinary income, reflecting the sale of held stocks. As a result, income before income taxes totaled ¥15,378 million, and quarterly profit attributable to owners of parent totaled ¥11,966 million, up ¥4,158 million compared with the corresponding period of the previous fiscal year.

Performance by reportable segment is explained below.

***The Semiconductor Solutions (SE) Segment***

In the SE segment, sales to logic chip manufacturers and foundries decreased, but those to memory and image sensor manufacturers went up year on year. By product, overall sales of cleaning equipment were up year on year, reflecting strong sales of batch-type cleaning equipment. Sales of coater/developers for sub-200mm wafers also increased. By region, sales to North America fell, but sales in Taiwan and Japan rose. As a result, net sales in this segment amounted to ¥114,048 million, up 3.2% year on year. Operating income in this segment came to ¥10,955 million, up 6.1% from the corresponding period of the previous fiscal year, reflecting an improvement in the variable cost ratio and an increase in net sales, despite an increase in fixed costs, including R&D expenses and personnel costs.

***The Graphic and Precision Solutions (GP) Segment***

In the GP segment, due to efforts to further penetrate the print on demand (POD) equipment market as well as the depreciation of the yen, sales of graphic arts equipment increased year on year. Sales of printed circuit board (PCB)-related equipment, however, were down year on year, reflecting a fall in domestic sales of mainstay direct imaging systems. As a result, net sales in this segment came to ¥45,175 million, up 14.5% year on year. This segment posted operating income of ¥2,252 million, an increase of 8.9% from the corresponding period of the previous fiscal year, reflecting the increase in net sales, despite a rise in the variable cost ratio due to changes in the product mix and an increase in fixed costs, including R&D expenses and personnel costs.

***The Finetech Solutions (FT) Segment***

In the FT segment, sales of production equipment for large-sized television LCD panels in China and Taiwan increased significantly year on year. As a result, net sales in this segment amounted to ¥22,847 million, up ¥10,989 million, or 92.7%, year on year. On the earnings front, reflecting the increase in net sales, this segment posted operating income of ¥2,217 million, compared with an operating loss of ¥1,093 million in the corresponding period of the previous fiscal year.

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

Total assets as of December 31, 2015 stood at ¥276,490 million, an increase of ¥26,973 million, or 10.8%, compared with March 31, 2015. This was largely due to increases in cash and time deposits and inventories, despite a decrease in investment securities.

Total liabilities amounted to ¥156,157 million, up ¥18,153 million, or 13.2%, compared with the end of the previous fiscal year. This was mainly attributable to increases in notes and accounts payable-trade and short-term loans payable. Interest-bearing debt increased by ¥7,679 million, or 19.4%, from March 31, 2015 to ¥47,356 million. Net interest-bearing debt, or interest-bearing debt minus cash and time deposits, decreased by ¥8,711 million compared with the previous fiscal year-end to ¥5,325 million.

Total net assets amounted to ¥120,333 million, up ¥8,820 million, or 7.9%, from March 31, 2015. This was mainly attributable to the increase in retained earnings as a result of the recording of quarterly profit attributable to owners of parent, despite the acquisition of treasury stock and a decrease in foreign currency translation adjustment due to the depreciation of Asian currencies.

As a result, the equity ratio as of December 31, 2015 stood at 43.3%.

### Status of Cash Flows

The status of cash flows for the first nine months of the fiscal year ending March 31, 2016 is as follows.

Net cash provided by operating activities amounted to ¥13,577 million, compared with ¥1,600 million used in operating activities in the first nine months of the previous fiscal year. This was because income before income taxes, the increase in notes and accounts payable-trade and other inflows surpassed such cash outflows as the increase in inventories and the payment of income taxes.

Net cash used in investing activities amounted to ¥2,843 million, compared with ¥4,218 million used in investing activities in the first nine months of the previous fiscal year. This was attributable to the purchase of property, plant and equipment, such as equipment for R&D, which was partially offset by the sale of investment securities.

Net cash provided by financing activities amounted to ¥5,484 million, compared with ¥1,575 million used in financing activities in the first nine months of the previous fiscal year. This was largely attributable to an increase in loans payable, despite the payment of cash dividends and acquisition of treasury stock.

As a result, cash and cash equivalents as of December 31, 2015 totaled ¥38,042 million, up ¥16,051 million from March 31, 2015.

## 3. Qualitative information regarding consolidated business results forecasts

The Company has revised its consolidated business forecast for the fiscal year ending March 31, 2016, from the forecast announced on November 9, 2015, as laid out below. This is attributable to firm orders received in the SE segment and the greater than previously expected impact of cost reductions forecast in the FT segment.

### Business forecast

Fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

|   | Revised forecast | Previously announced forecast |
|---|------------------|-------------------------------|
| Net Sales                               | ¥ 251,500        | ¥ 249,000                     |
| SE                                      | 160,000          | 158,000                       |
| GP                                      | 59,000           | 59,000                        |
| FT                                      | 31,500           | 31,000                        |
| Others                                  | 1,000            | 1,000                         |
| Operating Income                        | 20,500           | 19,500                        |
| Ordinary Income                         | 20,000           | 19,000                        |
| Profit Attributable to Owners of Parent | 15,500           | 14,500                        |

Note: The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥115 and EUR1.00 = ¥130. Business forecasts are also 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.

**[ Summary Information (Notes) ]**

## 1. Changes in significant consolidated subsidiaries:

None

## 2. 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, 2015, 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.

## 3. Changes of accounting policies, changes in accounting estimates and retrospective restatement:

## Changes of accounting policies

**(Adoption of revised accounting standard for business combinations, etc.)**

*“Revised Accounting Standard for Business Combinations”* (ASBJ Statement No. 21, released on September 13, 2013, hereinafter the “Accounting Standard for Business Combinations”), *“Revised Accounting Standard for Consolidated Financial Statements”* (ASBJ Statement No. 22, released on September 13, 2013, hereinafter the “Consolidated Accounting Standard”), *“Revised Accounting Standard for Business Divestitures”* (ASBJ Statement No. 7, released on September 13, 2013, hereinafter the “Accounting Standard for Business Divestitures”) and others have been adopted effective from the beginning of the first quarter of the fiscal year ending March 31, 2016. As a result, any change resulting from the Company’s ownership interests in its subsidiary when the Company retains control over the subsidiary is accounted for as capital surplus, and acquisition related costs are expensed in the year in which the costs are incurred. For any business combinations on or after the beginning of the first quarter of the fiscal year ending March 31, 2016, subsequent measurement of the provisional amount recognized based on the purchase price allocation due to the completion of accounting for the business combination are reflected in the quarterly consolidated financial statements for the period to which the date of that business combination occurs. In addition, the presentation method of net income was amended as well as “minority interests” to “non-controlling interests.” To reflect these changes in presentation, adjustments have been made to the consolidated financial statements for the nine months ended December 31, 2014 and the fiscal year ended March 31, 2015 presented herein.

The aforementioned accounting standards are adopted as of the beginning of the first quarter of the fiscal year ending March 31, 2016 and thereafter, according to the transitional treatment provided for in Paragraph 58-2 (4) of the Accounting Standard for Business

Combinations, Paragraph 44-5 (4) of the Consolidated Accounting Standard and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures.

There is no impact of these changes on profit and loss.

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

|                                       | Mar. 31,<br>2015 | Dec. 31,<br>2015 |
|---------------------------------------|------------------|------------------|
| <b>ASSETS</b>                         |                  |                  |
| <b>Current assets:</b>                |                  |                  |
| Cash and time deposits                | ¥ 25,640         | ¥ 42,031         |
| Notes and accounts receivable-trade   | 55,054           | 55,073           |
| Merchandise and finished goods        | 37,297           | 41,232           |
| Work in process                       | 26,132           | 31,064           |
| Raw materials and supplies            | 6,880            | 7,097            |
| Deferred tax assets                   | 4,793            | 5,488            |
| Other                                 | 5,363            | 7,009            |
| Allowance for doubtful accounts       | (795)            | (712)            |
| Total current assets                  | <u>160,366</u>   | <u>188,283</u>   |
| <b>Noncurrent assets:</b>             |                  |                  |
| <b>Property, plant and equipment:</b> |                  |                  |
| Buildings and structures              | 52,804           | 53,640           |
| Machinery, equipment and vehicles     | 37,764           | 37,489           |
| Other                                 | 30,159           | 30,198           |
| Accumulated depreciation              | (78,121)         | (78,145)         |
| Total property, plant and equipment   | <u>42,606</u>    | <u>43,183</u>    |
| <b>Intangible assets:</b>             |                  |                  |
| Other                                 | 2,489            | 2,333            |
| Total intangible assets               | <u>2,489</u>     | <u>2,333</u>     |
| <b>Investments and other assets:</b>  |                  |                  |
| Investment securities                 | 36,384           | 34,752           |
| Net defined benefit asset             | 4,747            | 5,175            |
| Other                                 | 3,680            | 3,394            |
| Allowance for doubtful accounts       | (758)            | (630)            |
| Total investments and other assets    | <u>44,054</u>    | <u>42,691</u>    |
| Total noncurrent assets               | <u>89,150</u>    | <u>88,207</u>    |
| <b>Total assets</b>                   | <u>249,516</u>   | <u>276,490</u>   |

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

|   | Mar. 31,<br>2015 | Dec. 31,<br>2015 |
|---|------------------|------------------|
| <b>LIABILITIES</b>                                    |                  |                  |
| <b>Current liabilities:</b>                           |                  |                  |
| Notes and accounts payable-trade                      | ¥ 62,382         | ¥ 69,682         |
| Short-term loans payable                              | —                | 10,000           |
| Current portion of long-term loans payable            | 3,679            | 3,679            |
| Current portion of bonds payable                      | —                | 13,600           |
| Lease obligations                                     | 397              | 402              |
| Income taxes payable                                  | 2,374            | 3,068            |
| Notes payable-facilities                              | 3                | 11               |
| Provision for bonuses                                 | —                | 713              |
| Provision for directors' bonuses                      | 126              | 52               |
| Provision for product warranties                      | 4,557            | 4,232            |
| Provision for loss on order received                  | 18               | 4                |
| Other   | 19,210           | 21,335           |
| Total current liabilities                             | <u>92,750</u>    | <u>126,782</u>   |
| <b>Noncurrent liabilities:</b>                        |                  |                  |
| Bonds payable   | 13,600           | —                |
| Long-term loans payable                               | 19,066           | 17,026           |
| Lease obligations                                     | 2,934            | 2,648            |
| Net defined benefit liability                         | 716              | 749              |
| Provision for directors' retirement benefits          | 114              | 120              |
| Asset retirement obligations                          | 48               | 48               |
| Other   | 8,773            | 8,780            |
| Total noncurrent liabilities                          | <u>45,253</u>    | <u>29,374</u>    |
| Total liabilities                                     | <u>138,003</u>   | <u>156,157</u>   |
| <b>NET ASSETS</b>                                     |                  |                  |
| <b>Shareholders' equity:</b>                          |                  |                  |
| Capital stock   | 54,044           | 54,044           |
| Capital surplus                                       | 4,583            | 4,583            |
| Retained earnings                                     | 54,447           | 64,752           |
| Treasury stock  | (12,262)         | (12,771)         |
| Total shareholders' equity                            | <u>100,813</u>   | <u>110,609</u>   |
| <b>Accumulated other comprehensive income:</b>        |                  |                  |
| Valuation difference on available-for-sale securities | 12,586           | 12,254           |
| Foreign currency translation adjustment               | (1,395)          | (2,255)          |
| Remeasurements of defined benefit plans               | (1,140)          | (979)            |
| Total accumulated other comprehensive income          | <u>10,051</u>    | <u>9,019</u>     |
| <b>Non-controlling interests</b>                      | <u>648</u>       | <u>704</u>       |
| <b>Total net assets</b>                               | <u>111,513</u>   | <u>120,333</u>   |
| <b>Total liabilities and net assets</b>               | <u>249,516</u>   | <u>276,490</u>   |

**CONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

|   | Apr.1, 2014 – Dec. 31, 2014 | Apr.1, 2015 – Dec. 31, 2015 |
|---|-----------------------------|-----------------------------|
| <b>Net sales</b>  | ¥ 162,324                   | ¥ 182,841                   |
| <b>Cost of sales</b>                                    | 112,333                     | 125,733                     |
| <b>Gross profit</b>                                     | 49,991                      | 57,107                      |
| <b>Selling, general and administrative expenses</b>     | 39,854                      | 42,129                      |
| <b>Operating income</b>                                 | 10,137                      | 14,978                      |
| <b>Non-operating income</b>                             |                             |                             |
| Interest income   | 76                          | 59                          |
| Dividends income  | 449                         | 524                         |
| Other   | 590                         | 593                         |
| Total non-operating income                              | 1,116                       | 1,177                       |
| <b>Non-operating expenses</b>                           |                             |                             |
| Interest expenses                                       | 735                         | 804                         |
| Foreign exchange losses                                 | 696                         | 6                           |
| Loss on retirement of noncurrent assets                 | 43                          | 295                         |
| Other   | 397                         | 294                         |
| Total non-operating expenses                            | 1,872                       | 1,400                       |
| <b>Ordinary income</b>                                  | 9,381                       | 14,755                      |
| <b>Extraordinary income</b>                             |                             |                             |
| Gain on sales of investment securities                  | 0                           | 636                         |
| Gain on bargain purchase                                | 181                         | —                           |
| Total extraordinary income                              | 181                         | 636                         |
| <b>Extraordinary loss</b>                               |                             |                             |
| Loss on sales of investment securities                  | —                           | 13                          |
| Other   | —                           | 0                           |
| Total extraordinary loss                                | —                           | 13                          |
| <b>Income before income taxes</b>                       | 9,563                       | 15,378                      |
| <b>Income taxes</b>                                     | 1,700                       | 3,333                       |
| <b>Profit</b>   | 7,862                       | 12,044                      |
| <b>Profit attributable to non-controlling interests</b> | 55                          | 78                          |
| <b>Profit attributable to owners of parent</b>          | 7,807                       | 11,966                      |



**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Millions of yen)

|   | Apr.1, 2014 – Dec. 31, 2014 | Apr.1, 2015 – Dec. 31, 2015 |
|---|-----------------------------|-----------------------------|
| <b>Profit</b>   | ¥ 7,862                     | ¥ 12,044                    |
| <b>Other comprehensive income</b>                     |                             |                             |
| Valuation difference on available-for-sale securities | 3,426                       | (331)                       |
| Foreign currency translation adjustment               | 3,894                       | (877)                       |
| Remeasurements of defined benefit plans               | 650                         | 161                         |
| Total other comprehensive income                      | <u>7,972</u>                | <u>(1,048)</u>              |
| <b>Comprehensive income</b>                           | <u>15,835</u>               | <u>10,995</u>               |
| (Comprehensive income attributable to)                |                             |                             |
| Owners of parent                                      | 15,776                      | 10,934                      |
| Non-controlling interests                             | 58                          | 61                          |

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

Apr.1, 2014- Dec. 31, 2014

Apr.1, 2015 – Dec. 31, 2015

**Cash flow from operating activities:**

|  |         |          |
|--|---------|----------|
| Income before income taxes   | ¥ 9,563 | ¥ 15,378 |
| Depreciation and amortization  | 3,539   | 3,744    |
| Loss (gain) on sales of investment securities                                    | (0)     | (623)    |
| Gain on bargain purchase   | (181)   | —        |
| Loss on retirement of noncurrent assets  | 43      | 295      |
| Increase (decrease) in net defined benefit liability                             | (823)   | (237)    |
| Increase (decrease) in provision for bonuses                                     | —       | 713      |
| Increase (decrease) in provision for directors' bonuses                          | 17      | (74)     |
| Increase (decrease) in provision for product warranties                          | (633)   | (313)    |
| Increase (decrease) in provision for loss on order received                      | (349)   | (13)     |
| Interest and dividends income  | (526)   | (584)    |
| Interest expenses  | 735     | 804      |
| Decrease (increase) in notes and accounts receivable-trade                       | (2,004) | (408)    |
| Decrease (increase) in inventories   | (9,189) | (10,120) |
| Decrease (increase) in other current assets                                      | (765)   | (576)    |
| Increase (decrease) in notes and accounts payable-trade                          | 999     | 7,506    |
| Increase (decrease) in accrued expenses  | 330     | (476)    |
| Increase (decrease) in other current liabilities                                 | 873     | 2,982    |
| Other, net   | (939)   | (9)      |
| Subtotal   | 689     | 17,988   |
| Interest and dividends income received   | 560     | 620      |
| Interest expenses paid   | (730)   | (801)    |
| Contribution in connection with the shift to a defined-contribution pension plan | (0)     | —        |
| Income taxes paid  | (2,120) | (4,228)  |
| Net cash provided by (used in) operating activities                              | (1,600) | 13,577   |

**Cash flow from investing activities:**

|  |         |         |
|--|---------|---------|
| Decrease (increase) in time deposits         | (356)   | (667)   |
| Purchase of property, plant and equipment    | (3,254) | (3,546) |
| Proceeds from sales of investment securities | 9       | 1,750   |
| Purchase of treasury shares of subsidiaries  | (101)   | —       |
| Other, net                                   | (515)   | (379)   |
| Net cash used in investing activities        | (4,218) | (2,843) |

**Cash flow from financing activities:**

|   |          |         |
|---|----------|---------|
| Net increase (decrease) in short-term loans payable | (101)    | 10,000  |
| Proceeds from long-term loans payable               | 15,400   | —       |
| Repayments of long-term loans payable               | (1,328)  | (2,039) |
| Repayments of finance lease obligations             | (820)    | (300)   |
| Redemption of bonds                                 | (14,000) | —       |
| Net decrease (increase) in treasury stock           | (7)      | (508)   |
| Cash dividends paid                                 | (712)    | (1,661) |
| Dividends paid to non-controlling interests         | (5)      | (4)     |
| Net cash provided by (used in) financing activities | (1,575)  | 5,484   |

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

|   |         |        |
|---|---------|--------|
| Effect of exchange rate change on cash and cash equivalents | 2,890   | (166)  |
| Net increase (decrease) in cash and cash equivalents        | (4,503) | 16,051 |
| Cash and cash equivalents at beginning of period            | 31,562  | 21,990 |
| Cash and cash equivalents at end of period                  | 27,058  | 38,042 |

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

Nine months ended Dec. 31, 2014

Net sales and income (loss) in reportable segment

(Millions of yen)

|                                     | Reportable segment *1 |          |          |           | Other<br>*2 | Total     | Adjustments<br>*3 | Consolidated<br>*4 |
|-------------------------------------|-----------------------|----------|----------|-----------|-------------|-----------|-------------------|--------------------|
|                                     | SE                    | GP       | FT       | Total     |             |           |                   |                    |
| Sales                               |                       |          |          |           |             |           |                   |                    |
| (1)Sales to outside customers       | ¥ 110,474             | ¥ 39,451 | ¥ 11,858 | ¥ 161,783 | ¥ 541       | ¥ 162,324 | ¥ —               | ¥ 162,324          |
| (2)Intersegment sales and transfers | —                     | 5        | —        | 5         | 6,483       | 6,488     | (6,488)           | —                  |
| Total                               | 110,474               | 39,456   | 11,858   | 161,788   | 7,024       | 168,813   | (6,488)           | 162,324            |
| Segment income (loss)               | 10,326                | 2,069    | (1,093)  | 11,301    | (495)       | 10,806    | (669)             | 10,137             |

## Notes

\*1 The SE segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. In the GP segment, graphic arts equipment and PCB related equipment are developed, manufactured, sold and maintained. The FT segment develops, manufactures and markets FPD production equipment and others, and it also conducts maintenance services.

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

\*3 Segment operating income (loss) adjustment of ¥ (669) million is the corporate profit (loss) not attributable to each reportable segment. Corporate profit (loss) consists mainly of general and administrative expenses not attributable to segments.

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

Nine months ended Dec. 31, 2015

Net sales and income (loss) in reportable segment

(Millions of yen)

|                                     | Reportable segment *1 |          |          |           | Other<br>*2 | Total     | Adjustments<br>*3 | Consolidated<br>*4 |
|-------------------------------------|-----------------------|----------|----------|-----------|-------------|-----------|-------------------|--------------------|
|                                     | SE                    | GP       | FT       | Total     |             |           |                   |                    |
| Sales                               |                       |          |          |           |             |           |                   |                    |
| (1)Sales to outside customers       | ¥ 114,048             | ¥ 45,151 | ¥ 22,846 | ¥ 182,046 | ¥ 794       | ¥ 182,841 | ¥ —               | ¥ 182,841          |
| (2)Intersegment sales and transfers | 0                     | 24       | 0        | 25        | 8,247       | 8,273     | (8,273)           | —                  |
| Total                               | 114,048               | 45,175   | 22,847   | 182,072   | 9,042       | 191,114   | (8,273)           | 182,841            |
| Segment income (loss)               | 10,955                | 2,252    | 2,217    | 15,425    | (680)       | 14,744    | 233               | 14,978             |

## Notes

\*1 The SE segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. In the GP segment, graphic arts equipment and PCB related equipment are developed, manufactured, sold and maintained. The FT segment develops, manufactures and markets FPD production equipment and others, and it also conducts maintenance services.

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

\*3 Segment operating income (loss) adjustment of ¥ 233 million is the Company’s profit (loss) not attributable to each reportable segment.

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

## Consolidated Financial Highlights for the Third Quarter Ended Dec. 31, 2015

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

|  | FY2015                          | FY2016                          | Difference |            | FY2015                          | FY2016                           |
|--|---------------------------------|---------------------------------|------------|------------|---------------------------------|----------------------------------|
|  | 9 months ended<br>Dec. 31, 2014 | 9 months ended<br>Dec. 31, 2015 |            |            | 12 months ended<br>Mar.31, 2015 | 12 months ending<br>Mar.31, 2016 |
|  | Result                          | Result                          | Amount     | Percentage | Result                          | Forecast                         |
| Net sales  | ¥ 162,324                       | ¥ 182,841                       | ¥ 20,516   | 12.6%      | ¥ 237,645                       | ¥ 251,500                        |
| Operating income   | 10,137                          | 14,978                          | 4,840      | 47.8%      | 17,167                          | 20,500                           |
| [to net sales ratio]   | 6.2 %                           | 8.2 %                           | 2.0 pt     | —          | 7.2 %                           | 8.2 %                            |
| Ordinary income  | 9,381                           | 14,755                          | 5,374      | 57.3%      | 16,096                          | 20,000                           |
| [to net sales ratio]   | 5.8 %                           | 8.1 %                           | 2.3 pt     | —          | 6.8 %                           | 8.0 %                            |
| Profit attributable to owners of parent                                | 7,807                           | 11,966                          | 4,158      | 53.3%      | 12,122                          | 15,500                           |
| [to net sales ratio]   | 4.8 %                           | 6.5 %                           | 1.7 pt     | —          | 5.1 %                           | 6.2 %                            |
| Total assets   | 252,616                         | 276,490                         | * 26,973   | 10.8%      | 249,516                         | —                                |
| Net assets   | 103,334                         | 120,333                         | * 8,820    | 7.9%       | 111,513                         | —                                |
| Equity   | 102,719                         | 119,628                         | * 8,764    | 7.9%       | 110,864                         | —                                |
| Equity ratio   | 40.7 %                          | 43.3 %                          | * -1.1 pt  | —          | 44.4 %                          | —                                |
| Net assets per share (yen)   | ¥ 432.80                        | ¥ 505.31                        | * ¥ 38.18  | 8.2%       | ¥ 467.13                        | —                                |
| Interest-bearing debt  | 41,714                          | 47,356                          | * 7,679    | 19.4%      | 39,677                          | —                                |
| Net interest-bearing debt  | 11,491                          | 5,325                           | * (8,711)  | -62.1%     | 14,036                          | —                                |
| Cash flows from operating activities                                   | (1,600)                         | 13,577                          | —          | —          | (1,492)                         | —                                |
| Cash flows from investing activities                                   | (4,218)                         | (2,843)                         | —          | —          | (6,317)                         | —                                |
| Cash flows from financing activities                                   | (1,575)                         | 5,484                           | —          | —          | (3,822)                         | —                                |
| Depreciation and amortization  | 3,539                           | 3,744                           | 204        | 5.8%       | 4,880                           | 5,200                            |
| Capital expenditures   | 3,874                           | 4,493                           | 618        | 16.0%      | 6,658                           | 8,800                            |
| R&D expenses   | 10,024                          | 11,237                          | 1,212      | 12.1%      | 13,971                          | 15,400                           |
| Number of employees  | 5,094                           | 5,144                           | * 62       | 1.2%       | 5,082                           | —                                |
| Number of consolidated subsidiaries                                    | 47                              | 46                              | * -1       | —          | 47                              | —                                |
| [Domestic]   | [24]                            | [23]                            | * [-1]     | —          | [24]                            | —                                |
| [Overseas]   | [23]                            | [23]                            | * [—]      | —          | [23]                            | —                                |
| Number of unconsolidated subsidiaries                                  | —                               | —                               | * -1       | —          | 1                               | —                                |
| [Number of unconsolidated subsidiaries accounted for by equity method] | [—]                             | [—]                             | * [-1]     | —          | [1]                             | —                                |
| Number of affiliates   | 1                               | —                               | * —        | —          | —                               | —                                |
| [Number of affiliates accounted for by equity method]                  | [1]                             | [—]                             | * [—]      | —          | [—]                             | —                                |

\* show changes in amount from Mar. 31, 2015

## Sales Breakdown (Consolidated)

(Millions of yen)

|                                 |                        | FY2015                           |                                 |                                 |                                 | FY2016                          |                                  |                                  |                                 |                                 |                                  |        |
|---------------------------------|------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------|---------------------------------|----------------------------------|--------|
|                                 |                        | 6 months ended<br>Sept. 30, 2014 | 3 months ended<br>Dec. 31, 2014 | 9 months ended<br>Dec. 31, 2014 | 12 months ended<br>Mar.31, 2015 | 3 months ended<br>Jun. 30, 2015 | 3 months ended<br>Sept. 30, 2015 | 6 months ended<br>Sept. 30, 2015 | 3 months ended<br>Dec. 31, 2015 | 9 months ended<br>Dec. 31, 2015 | 12 months ending<br>Mar.31, 2016 |        |
|                                 |                        | Result                           | Result                          | Result                          | Result                          | Result                          | Result                           | Result                           | Result                          | Result                          | Forecast                         |        |
| Semiconductor Solutions         | Domestic               | 10,576                           | 5,498                           | 16,074                          | 26,494                          | 11,269                          | 9,523                            | 20,793                           | 9,367                           | 30,161                          | —                                |        |
|                                 | Overseas               | 65,214                           | 29,185                          | 94,399                          | 130,984                         | 23,437                          | 37,759                           | 61,196                           | 22,690                          | 83,887                          | —                                |        |
|                                 | Total                  | 75,790                           | 34,683                          | 110,474                         | 157,478                         | 34,707                          | 47,282                           | 81,990                           | 32,058                          | 114,048                         | 160,000                          |        |
| Graphic and Precision Solutions | Domestic               | 10,575                           | 5,540                           | 16,116                          | 23,157                          | 6,707                           | 7,740                            | 14,447                           | 6,460                           | 20,907                          | —                                |        |
|                                 | Overseas               | 16,688                           | 6,652                           | 23,340                          | 32,548                          | 8,067                           | 8,847                            | 16,914                           | 7,353                           | 24,268                          | —                                |        |
|                                 | Total                  | 27,264                           | 12,192                          | 39,456                          | 55,706                          | 14,774                          | 16,587                           | 31,362                           | 13,813                          | 45,175                          | 59,000                           |        |
|                                 | Graphic Arts Equipment | Domestic                         | 9,075                           | 4,715                           | 13,790                          | 20,097                          | 6,154                            | 7,039                            | 13,193                          | 5,924                           | 19,117                           | —      |
|                                 |                        | Overseas                         | 13,886                          | 5,705                           | 19,591                          | 26,650                          | 6,533                            | 7,042                            | 13,576                          | 6,550                           | 20,127                           | —      |
|                                 |                        | Total                            | 22,962                          | 10,420                          | 33,382                          | 46,747                          | 12,687                           | 14,081                           | 26,769                          | 12,475                          | 39,245                           | 51,000 |
|                                 | PCB-related Equipment  | Domestic                         | 1,500                           | 824                             | 2,325                           | 3,060                           | 553                              | 700                              | 1,254                           | 535                             | 1,789                            | —      |
|                                 |                        | Overseas                         | 2,801                           | 946                             | 3,748                           | 5,898                           | 1,533                            | 1,804                            | 3,337                           | 802                             | 4,140                            | —      |
|                                 |                        | Total                            | 4,302                           | 1,771                           | 6,073                           | 8,958                           | 2,086                            | 2,505                            | 4,592                           | 1,338                           | 5,930                            | 8,000  |
| Finetech Solutions              | Domestic               | 1,914                            | 804                             | 2,718                           | 3,258                           | 732                             | 920                              | 1,653                            | 1,211                           | 2,864                           | —                                |        |
|                                 | Overseas               | 7,143                            | 1,996                           | 9,139                           | 20,515                          | 5,576                           | 8,708                            | 14,284                           | 5,698                           | 19,983                          | —                                |        |
|                                 | Total                  | 9,057                            | 2,800                           | 11,858                          | 23,774                          | 6,308                           | 9,628                            | 15,937                           | 6,909                           | 22,847                          | 31,500                           |        |
| Other                           | Domestic               | 296                              | 145                             | 442                             | 655                             | 281                             | 189                              | 470                              | 182                             | 652                             | —                                |        |
|                                 | Overseas               | 81                               | 17                              | 98                              | 114                             | 47                              | 48                               | 95                               | 45                              | 141                             | —                                |        |
|                                 | Total                  | 378                              | 162                             | 541                             | 769                             | 328                             | 237                              | 566                              | 227                             | 794                             | 1,000                            |        |
| Intersegment sales              | Domestic               | —                                | (5)                             | (5)                             | (82)                            | (3)                             | (17)                             | (20)                             | (5)                             | (25)                            | —                                |        |
|                                 | Overseas               | —                                | —                               | —                               | —                               | —                               | —                                | —                                | —                               | —                               | —                                |        |
|                                 | Total                  | —                                | (5)                             | (5)                             | (82)                            | (3)                             | (17)                             | (20)                             | (5)                             | (25)                            | —                                |        |
| Grand Total                     | Domestic               | 23,362                           | 11,983                          | 35,346                          | 53,483                          | 18,988                          | 18,355                           | 37,344                           | 17,216                          | 54,560                          | —                                |        |
|                                 | Overseas               | 89,127                           | 37,850                          | 126,978                         | 184,162                         | 37,128                          | 55,363                           | 92,491                           | 35,788                          | 128,280                         | —                                |        |
|                                 | Total                  | 112,490                          | 49,834                          | 162,324                         | 237,645                         | 56,116                          | 73,719                           | 129,836                          | 53,005                          | 182,841                         | 251,500                          |        |
|                                 | Overseas Ratio         | 79.2%                            | 76.0%                           | 78.2%                           | 77.5%                           | 66.2%                           | 75.1%                            | 71.2%                            | 67.5%                           | 70.2%                           | —                                |        |

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

(Millions of yen)

|                                 |                        | FY2015                       |               |                              |               | FY2016                       |               |                               |               |                              |               |       |
|---------------------------------|------------------------|------------------------------|---------------|------------------------------|---------------|------------------------------|---------------|-------------------------------|---------------|------------------------------|---------------|-------|
|                                 |                        | 3 months ended Dec. 31, 2014 |               | 3 months ended Mar. 31, 2015 |               | 3 months ended Jun. 30, 2015 |               | 3 months ended Sept. 30, 2015 |               | 3 months ended Dec. 31, 2015 |               |       |
|                                 |                        | Orders received              | Order backlog | Orders received              | Order backlog | Orders received              | Order backlog | Orders received               | Order backlog | Orders received              | Order backlog |       |
| Semiconductor Solutions         | Domestic               | 8,458                        | 9,510         | 15,734                       | 14,824        | 7,645                        | 11,199        | 12,276                        | 13,951        | 6,203                        | 10,787        |       |
|                                 | Overseas               | 32,648                       | 46,897        | 30,167                       | 40,479        | 30,462                       | 47,504        | 24,476                        | 34,220        | 32,435                       | 43,965        |       |
|                                 | Total                  | 41,107                       | 56,406        | 45,901                       | 55,303        | 38,108                       | 58,703        | 36,752                        | 48,172        | 38,638                       | 54,751        |       |
| Graphic and Precision Solutions | Domestic               | 6,964                        | 3,575         | 7,219                        | 3,747         | 8,624                        | 5,664         | 6,069                         | 3,993         | 6,118                        | 3,651         |       |
|                                 | Overseas               | 6,750                        | 4,090         | 8,857                        | 3,739         | 7,862                        | 3,534         | 8,430                         | 3,116         | 8,348                        | 4,111         |       |
|                                 | Total                  | 13,714                       | 7,665         | 16,077                       | 7,486         | 16,486                       | 9,198         | 14,499                        | 7,109         | 14,467                       | 7,762         |       |
|                                 | Graphic Arts Equipment | Domestic                     | 6,342         | 3,415                        | 6,354         | 3,456                        | 7,758         | 5,060                         | 5,494         | 3,515                        | 5,600         | 3,191 |
|                                 |                        | Overseas                     | 5,738         | 3,658                        | 6,645         | 3,244                        | 6,345         | 3,056                         | 6,904         | 2,917                        | 7,474         | 3,841 |
|                                 |                        | Total                        | 12,080        | 7,073                        | 12,998        | 6,701                        | 14,102        | 8,116                         | 12,399        | 6,432                        | 13,075        | 7,032 |
|                                 | PCB-related Equipment  | Domestic                     | 622           | 160                          | 866           | 291                          | 867           | 604                           | 575           | 478                          | 518           | 461   |
|                                 |                        | Overseas                     | 1,012         | 432                          | 2,212         | 495                          | 1,517         | 479                           | 1,525         | 199                          | 874           | 270   |
|                                 |                        | Total                        | 1,635         | 592                          | 3,078         | 786                          | 2,384         | 1,082                         | 2,100         | 677                          | 1,392         | 731   |
| Finetech Solutions              | Domestic               | 1,249                        | 1,535         | 1,744                        | 2,739         | 7,082                        | 9,089         | 1,337                         | 9,505         | 677                          | 8,971         |       |
|                                 | Overseas               | 5,975                        | 28,540        | 8,081                        | 25,244        | 5,052                        | 24,720        | 4,750                         | 20,761        | 9,267                        | 24,329        |       |
|                                 | Total                  | 7,224                        | 30,075        | 9,824                        | 27,983        | 12,134                       | 33,809        | 6,087                         | 30,267        | 9,944                        | 33,300        |       |
| Other                           | Domestic               | —                            | —             | —                            | —             | —                            | —             | —                             | —             | —                            | —             |       |
|                                 | Overseas               | —                            | —             | —                            | —             | —                            | —             | —                             | —             | —                            | —             |       |
|                                 | Total                  | —                            | —             | —                            | —             | —                            | —             | —                             | —             | —                            | —             |       |
| Grand Total                     | Domestic               | 16,671                       | 14,620        | 24,697                       | 21,310        | 23,352                       | 25,952        | 19,682                        | 27,450        | 12,999                       | 23,409        |       |
|                                 | Overseas               | 45,374                       | 79,527        | 47,105                       | 69,463        | 43,376                       | 75,758        | 37,655                        | 58,098        | 50,050                       | 72,405        |       |
|                                 | Total                  | 62,045                       | 94,146        | 71,802                       | 90,773        | 66,728                       | 101,710       | 57,337                        | 85,548        | 63,049                       | 95,814        |       |
|                                 | Overseas Ratio         | 73.1%                        | 84.5%         | 65.6%                        | 76.5%         | 65.0%                        | 74.5%         | 65.7%                         | 67.9%         | 79.4%                        | 75.6%         |       |