

May 10, 2016

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

CONSOLIDATED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2016 [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 28, 2016 Date of payment for cash dividends: June 29, 2016
Date planned for the filing of the financial report: June 29, 2016

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

PERFORMANCE (APR.1, 2015-MAR. 31, 2016)

(Millions of yen, except per share figures)

(1) Business Results

(Percentage are the rate of increase or decrease from the previous fiscal year)

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Fiscal year ended Mar. 31, 2016	¥259,675	9.3%	¥ 23,557	37.2%	¥ 23,178	44.0%
Fiscal year ended Mar. 31, 2015	237,645	0.7	17,167	92.8	16,096	91.7

Note: Comprehensive income

Fiscal year ended Mar. 31, 2016: ¥ 11,567 million (-51.8%)
Fiscal year ended Mar. 31, 2015: ¥ 24,017 million (68.4%)

	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, 2016	¥ 18,815	55.2%	¥ 79.35	¥ —	16.3%	8.9%	9.1%
Fiscal year ended Mar. 31, 2015	12,122	123.7	51.07	—	12.3	6.7	7.2

Note: Equity in earnings (losses) of affiliates accounted for by the equity method

Fiscal year ended Mar. 31, 2016: ¥ 0 million
Fiscal year ended Mar. 31, 2015: ¥ 0 million

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Mar. 31, 2016	¥270,093	¥120,288	44.3%	¥506.68
Mar. 31, 2015	249,516	111,513	44.4	467.13

Note: Equity

As of Mar. 31, 2016: ¥ 119,649 million
As of Mar. 31, 2015: ¥ 110,864 million

(3) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
Fiscal year ended Mar. 31, 2016	¥ 14,720	¥ (2,557)	¥ (2,845)	¥30,156
Fiscal year ended Mar. 31, 2015	(1,492)	(6,317)	(3,822)	21,990

CASH DIVIDENDS

Record date	Cash Dividends per Share					Total Dividends (Annual) (millions of yen)	Payout Ratio (Consolidated)	Ratio of Net Assets to Dividends (Consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual			
Fiscal year ended Mar. 31, 2015	—	—	—	¥7.00	¥7.00	¥ 1,661	13.7%	1.7%
Fiscal year ended Mar. 31, 2016	—	—	—	12.00	12.00	2,833	15.1	2.5
Fiscal year ending Mar. 31, 2017 (Forecast)	—	—	—	70.00	70.00		16.1	

The Company is to implement a one-for-five consolidation of shares on its common stock. The amount shown for the year-end dividend per share for the fiscal year ending March 31, 2017 (Forecast), is calculated factoring in the impact of the consolidation of shares. For details, please refer to "Explanation for appropriate use of forecasts and other notes."

FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2017

(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, 2016	¥ 129,500	-0.3 %	¥ 11,300	4.5 %
Fiscal year ending Mar. 31, 2017	265,000	2.1	27,000	14.6

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Six months period ending Sept. 30, 2016	¥ 11,100	4.5 %	¥ 8,200	-3.2 %	¥ 34.72
Fiscal year ending Mar. 31, 2017	26,500	14.3	20,500	9.0	434.06

The amount shown for basic earnings per share in the forecast of business results for the fiscal year ending March 31, 2017, is calculated factoring in the impact of this consolidation of shares. For details, please refer to "Explanation for appropriate use of forecasts and other notes."

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.: Yes
2. Changes of accounting policies other than 1: No
3. Changes in accounting estimates: No
4. Retrospective restatement: No

<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 fiscal year ended 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 fiscal year ended 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 fiscal year ended March 31, 2015 presented herein.

The aforementioned accounting standards are adopted as of the beginning of the fiscal year ended 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.

Changes in description method have been implemented for cash flow statement of the fiscal year ended March 31, 2016, as cash flows related to acquisition or sale of subsidiaries without changes in consolidation scope were provided in the section of cash flows from financing activities while cash flows related to the cost incurred from acquisition or sale of subsidiaries entailing changes in consolidation scope were provided in the section of cash flows from operating activities.

The effect of this change on consolidated financial statements is immaterial.

(3) Number of shares outstanding

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

As of Mar. 31, 2016: 253,974,333 shares As of Mar. 31, 2015: 253,974,333 shares

2. Number of treasury stock as of end of period

As of Mar. 31, 2016: 17,830,849 shares As of Mar. 31, 2015: 16,642,614 shares

3. Average number of shares outstanding

Fiscal year ended Mar. 31, 2016: 237,121,118 shares Fiscal year ended Mar. 31, 2015: 237,342,345 shares

(Reference) Overview of nonconsolidated business performance (APR.1, 2015-MAR. 31, 2016)

(Millions of yen, except per share figures)

(1) Business Results

(Percentage are the rate of increase or decrease from the previous fiscal year)

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Fiscal year ended Mar. 31, 2016	¥21,587	-78.3%	¥ 6,626	612.8%	¥ 6,260	104.0%
Fiscal year ended Mar. 31, 2015	99,456	-48.0	929	-71.8	3,068	-63.5

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Fiscal year ended Mar. 31, 2016	¥ 7,091	135.0%	¥ 29.91	¥ —
Fiscal year ended Mar. 31, 2015	3,018	-59.3	12.72	—

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Fiscal year ended Mar. 31, 2016	¥191,594	¥76,152	39.7 %	¥322.49
Fiscal year ended Mar. 31, 2015	180,334	75,929	42.1	319.93

Note: Equity

As of Mar. 31, 2016:	¥ 76,152 million
As of Mar. 31, 2015	¥ 75,929 million

*Indication of audit procedure implementation status

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

*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.

(Outlook of consolidated business results forecast and dividends following the consolidation of shares)

The Company, at the board of directors' meeting held on May 10, 2016, resolved to place the consolidation of shares on the agenda of the Company's 75th ordinary general meeting of shareholders to be held on June 28, 2016 and is planning to implement a one-for-five consolidation of shares on its common stock effective October 1, 2016, contingent on approval at the ordinary general meeting of shareholders. The outlook for consolidated business results forecast and dividends for the fiscal year ending March 31, 2017, calculated without factoring in the consolidation of shares, are as follows.

1. Consolidated business results forecast for the fiscal year ending March 31, 2017

Basic earnings per share

Full year: ¥ 86.81

2. Dividends forecast for the fiscal year ending March 31, 2017

Cash dividends per share

End of fiscal year: ¥ 14.00

BUSINESS RESULTS**1. Business Results****Overview**

During the fiscal year ended March 31, 2016, global economic conditions continued to gradually improve, mainly reflecting strong consumer spending in the United States. Economies in Europe saw ongoing recovery, due in part to the effects of ongoing monetary easing. On the other hand, the global economic outlook became more uncertain, with China's economy slowing further amid a worsening real estate market and chaotic financial market as well as concerns of prolonged economic stagnation in emerging economies due to low natural resource prices and other factors. The Japanese economy, meanwhile, saw improvement, backed by improving corporate earnings and gradual recovery in consumer spending, despite concerns in the latter half of the year regarding the effects of adopting negative interest rates, a strengthening yen and weaker stock prices.

With regard to the business conditions surrounding the SCREEN Group, in the semiconductor industry, capital investment among memory manufacturers was firm, backed by increasing demand for high-capacity data servers. In addition, reflecting expanding demand for IoT-related electronic devices for automobiles and other, the market for equipment for sub-200 mm 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 LCD panels for televisions increased in China, as did investment in small- and medium-sized LCD panels in Taiwan and Japan.

Under these circumstances, the SCREEN Group posted consolidated net sales of ¥259,675 million for the fiscal year ended March 31, 2016, an increase of ¥22,029 million from the previous fiscal year. On the earnings front, operating income totaled ¥23,557 million, up ¥6,389 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 ¥23,178 million, up ¥7,082 million year on year. Under extraordinary income, the Company recorded gain on sales of investment securities, reflecting the sale of held stocks. As a result, income before income taxes totaled ¥23,942 million, and profit attributable to owners of parent totaled ¥18,815 million, up ¥6,693 million compared with the previous fiscal year.

Financial Results by Business Segments

Performance by reportable segment is explained below.

The Semiconductor Solutions (SE) Segment

In the SE segment, sales to logic chip manufacturers and foundries decreased year on year, but those to memory and image sensor manufacturers went up. 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 the United States and Europe fell, but sales in Taiwan and Japan rose. As a result, net sales in this segment amounted to ¥165,801 million, up 5.3% year on year. Operating income in this segment came to ¥18,715 million, up 18.9% from the previous fiscal year, reflecting an improvement in the variable cost ratio and the 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 increased sales in Japan with 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 were roughly flat year on year, as sales of mainstay direct imaging systems grew in China although those fell in Japan. As a result, net sales in this segment came to ¥61,279 million, up 10.0% year on year. This segment posted operating income of ¥3,169 million, an increase of 11.6% from 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 small- and medium-sized LCD panels in Taiwan and Japan increased significantly year on year. As a result, net sales in this segment amounted to ¥31,589 million, up ¥7,815 million, or 32.9%, year on year. Reflecting the increase in net sales, this segment posted operating income of ¥2,748 million, a significant increase from operating income of ¥339 million in the previous fiscal year.

Outlook

Overall economic conditions in the coming year are expected to continue to gradually improve. While wariness due to economic deceleration in China and resource-exporting countries is growing, particularly with regard to its effects on the global economy and financial markets, ongoing monetary easing in developed countries is expected to help ensure stability.

In the SE segment, capital investment by semiconductor manufacturers is expected to be steady, reflecting growing demand for AI-related devices, sensors, data servers and other products related to the Internet of Things (IoT) and big data. In the GP segment, the SCREEN Group will work to further strengthen its sales framework through such measures as promoting strategic tie-ups with partner companies in order to expand its POD equipment market share. In the FT segment, in addition to ongoing capital investment in production equipment for televisions in China, investment in small- and medium-sized LCD panels in Taiwan and Japan is expected to increase. In Other, the Group will strive to expand sales in new business fields.

In terms of earnings, the Group will work to bolster profitability by reducing variable costs and controlling fixed costs, aiming to achieve an operating income to net sales ratio of 10% or above, a major target of the three-year medium-term management plan, Challenge2016.

Forecast of the consolidated business result for the fiscal year ending March 31, 2017

(Millions of yen)

	The first half ending Sep. 30, 2016	Fiscal year ending Mar. 31, 2017
Net sales	129,500	265,000
SE	81,500	165,500
GP	29,200	60,000
FT	18,000	36,000
Other	800	3,500
Operating income	11,300	27,000
Ordinary income	11,100	26,500
Profit attributable to owners of parent	8,200	20,500

*The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥107 and EUR1.00 = ¥120. 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.

2. Financial Position

Status of assets, liabilities, and net assets

Total assets as of March 31, 2016 stood at ¥270,093 million, an increase of ¥20,577 million, or 8.2%, compared with March 31, 2015. This was largely due to increases in notes and accounts receivable-trade and cash and time deposits, despite a decrease in investment securities.

Total liabilities amounted to ¥149,805 million, up ¥11,801 million, or 8.6%, compared with the end of the previous fiscal year. This was mainly attributable to increases in notes and accounts payable-trade and advances received. Interest-bearing debt decreased by ¥40 million, or 0.1%, from March 31, 2015 to ¥39,636 million. Net interest-bearing debt, or interest-bearing debt minus cash and time deposits, decreased by ¥6,772 million compared with the previous fiscal year-end to ¥7,264 million.

Total net assets amounted to ¥120,288 million, up ¥8,775 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 profit attributable to owners of parent, despite decreases in valuation difference on available-for-sale securities and foreign currency translation adjustment due to decreases in the market values of held stocks and the appreciation of the yen.

As a result, the equity ratio as of March 31, 2016 stood at 44.3%.

Status of Cash Flows

The status of cash flows during the fiscal year ended March 31, 2016 is as follows.

Net cash provided by operating activities amounted to ¥14,720 million, compared with ¥1,492 million used in operating activities in the previous fiscal year. This was because the increase in income before income taxes, increases in notes and accounts payable—trade, advances received and other inflows surpassed such cash outflows as increases in notes and accounts receivable—trade and inventories.

Net cash used in investing activities amounted to ¥2,557 million, compared with ¥6,317 million used in investing activities in 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 used in financing activities amounted to ¥2,845 million, compared with ¥3,822 million used in financing activities in the previous fiscal year. This was largely attributable to the payment of cash dividends and acquisition of treasury stock.

As a result, cash and cash equivalents as of March 31, 2016 totaled ¥30,156 million, up ¥8,166 million from March 31, 2015.

Cash Flow Benchmarks

	Fiscal year ended Mar. 31, 2012	Fiscal year ended Mar. 31, 2013	Fiscal year ended Mar. 31, 2014	Fiscal year ended Mar. 31, 2015	Fiscal year ended Mar. 31, 2016
Equity ratio (%)	36.7	32.8	37.2	44.4	44.3
Equity ratio (market capitalization basis) (%)	72.1	44.3	48.7	86.6	77.8
Debt repayment period (years)	4.2	—	1.7	—	2.7
Interest coverage ratio (times)	7.5	—	22.8	—	13.4

Notes:

Equity ratio = Equity / total assets

Equity ratio (market capitalization basis) = Market capitalization / total assets

Debt repayment period = Interest-bearing debt / operating cash flow

Interest coverage ratio = Operating cash flow / interest payments

1. Figures are calculated using consolidated financial results.

2. Market capitalization is calculated by multiplying the closing price at the end of the fiscal year by the number of shares outstanding at fiscal year-end (excluding treasury stock)

3. Operating cash flow uses cash flow from operating activities as stated on the consolidated statements of cash flows.

4. Interest-bearing debt comprises all liabilities recorded on the balance sheet for which interest is paid. Interest payments use interest expenses paid as stated on the consolidated statements of cash flows.

3. Basic Policy Regarding Appropriation of Profits, Cash Dividends for the Fiscal Year under Review and Cash Dividend Forecast for the Fiscal Year Ending March 31, 2017

The SCREEN Group works to secure the retained earnings necessary for the sound maintenance of a financial base able to respond to future changes in the business environment. Considering this aim together with such factors as progress made toward the targets set under its three-year medium-term management plan Challenge2016 of an operating income to net sales of 10% or above and an equity ratio of 50% or above as well as yearly in profit, the SCREEN Group aims for a total consolidated shareholder return ratio of 25%.

SCREEN Holdings (SCREEN HD) expects to distribute a fiscal year-end cash dividend of ¥12 per share for the fiscal year ended March 31, 2016.

SCREEN HD currently anticipates a fiscal year-end cash dividend forecast of ¥70 per share for the fiscal year ending March 31, 2017.

Note that SCREEN HD is planning to implement a one-for-five consolidation of shares on its common stock effective October 1 2016, contingent on approval at the Company's 75th ordinary general meeting of shareholders to be held on June 28, 2016. The forecast per-share year-end dividend calculated using the number of shares before the consolidation of shares is ¥14.

BUSINESS POLICY

1. Basic Business Policy

The SCREEN Group strives to increase corporate value and aims to gain prominence in new business fields while maintaining its edge in existing business domains under a corporate philosophy comprising “Sharing the Future” (earning the trust and meeting the expectations of society, while keeping an eye on the future), “Human Resource Development” (developing human resource through better work), and “The Pursuit of Technology” (pursuing original technology and mixing it with existing technology), and in line with the Management Grand Design, which sets out a vision of the SCREEN Group and a long-term management plan to realize such vision. In addition, the Group adheres to a CSR Charter that contains a Code of Conduct for all officers and employees, seeking to fulfill its corporate social responsibility and contribute to the sustainable development of society.

2. Medium- to Long-Term Business Strategies and Issues

The SCREEN Group is implementing its three-year medium-term management plan, Challenge2016 (fiscal 2015–fiscal 2017).

In the fiscal year ending March 31, 2017, the final year of the plan, the SCREEN Group will continue working to further reduce variable costs and control fixed costs while aiming to complete earnings structure reforms and achieve operating income to net sales of 10% or above, a key target of the plan. To strengthen its financial standing, the Group will raise its asset efficiency and continue to boost the equity ratio. Furthermore, the Group will work to accelerate the establishment of businesses in new fields for future growth. To this end, the SCREEN Group will work to further bolster sales of the new products introduced in each new business area to firmly establish their market positions while aggressively pursuing coordinated activities with other companies under its open innovation strategy.

Through the initiatives of the three-year medium-term management plan, the SCREEN Group aims to steadily raise ROE and maximize free cash flow while returning profits to shareholders, targeting a total consolidated shareholder return ratio of 25% in line with its shareholder returns policy, and striving to increase corporate value.

The SCREEN Group will formulate the next three-year medium-term management plan in light of progress made under the current plan. Details will be announced as they are decided.

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, 2015	Mar. 31, 2016
ASSETS		
Current assets:		
Cash and time deposits	¥25,640	¥ 32,371
Notes and accounts receivable-trade	53,461	65,017
Electronically recorded monetary claims - operating	1,592	2,570
Merchandise and finished goods	37,297	40,955
Work in process	26,132	28,657
Raw materials and supplies	6,880	7,020
Deferred tax assets	4,793	5,156
Other	5,363	7,562
Allowance for doubtful accounts	(795)	(789)
Total current assets	160,366	188,521
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	52,804	53,578
Accumulated depreciation	(37,798)	(38,575)
Buildings and structures (Net)	15,005	15,003
Machinery, equipment and vehicles	37,764	38,624
Accumulated depreciation	(27,160)	(26,399)
Machinery, equipment and vehicles (Net)	10,603	12,225
Land	9,939	9,766
Lease assets	6,705	6,613
Accumulated depreciation	(3,379)	(3,729)
Lease assets (Net)	3,325	2,884
Construction in progress	1,469	1,073
Other	12,045	12,270
Accumulated depreciation	(9,782)	(9,844)
Other (Net)	2,262	2,425
Total property, plant and equipment	42,606	43,378
Intangible assets:		
Lease assets	37	34
Other	2,451	2,360
Total intangible assets	2,489	2,394
Investments and other assets:		
Investment securities	36,384	28,539
Long-term loans receivable	14	13
Net defined benefit asset	4,747	4,279
Deferred tax assets	292	495
Other	3,373	3,107
Allowance for doubtful accounts	(758)	(636)
Total investments and other assets	44,054	35,799
Total noncurrent assets	89,150	81,572
Total assets	249,516	270,093

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2015	Mar. 31, 2016
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	¥ 62,382	¥ 59,523
Electronically recorded obligations - operating	—	10,536
Current portion of long-term loans payable	3,679	4,079
Current portion of bonds payable	—	13,600
Lease obligations	397	411
Income taxes payable	2,374	4,430
Notes payable-facilities	3	6
Electronically recorded obligations - facilities	—	1
Provision for bonuses	—	1,044
Provision for directors' bonuses	126	72
Provision for product warranties	4,557	4,564
Provision for loss on order received	18	2
Other	19,210	22,584
Total current liabilities	<u>92,750</u>	<u>120,857</u>
Noncurrent liabilities:		
Bonds payable	13,600	—
Long-term loans payable	19,066	18,986
Lease obligations	2,934	2,559
Deferred tax liabilities	8,357	5,988
Net defined benefit liability	716	737
Provision for directors' retirement benefits	114	103
Asset retirement obligations	48	48
Other	416	524
Total noncurrent liabilities	<u>45,253</u>	<u>28,948</u>
Total liabilities	<u>138,003</u>	<u>149,805</u>
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	4,583	4,583
Retained earnings	54,447	71,602
Treasury stock	(12,262)	(13,272)
Total shareholders' equity	<u>100,813</u>	<u>116,957</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,586	8,364
Foreign currency translation adjustment	(1,395)	(3,911)
Remeasurements of defined benefit plans	(1,140)	(1,761)
Total accumulated other comprehensive income	<u>10,051</u>	<u>2,692</u>
Non-controlling interests	<u>648</u>	<u>638</u>
Total net assets	<u>111,513</u>	<u>120,288</u>
Total liabilities and net assets	<u>249,516</u>	<u>270,093</u>

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2014- Mar.31, 2015	Apr.1, 2015- Mar.31, 2016
Net sales	¥ 237,645	¥ 259,675
Cost of sales	165,191	178,677
Gross profit	72,454	80,998
Selling, general and administrative expenses	55,286	57,440
Operating income	17,167	23,557
Non-operating income		
Interest income	156	128
Dividends income	463	532
House rent income	207	169
Compensation income	69	178
Subsidy income	110	307
Other	516	457
Total non-operating income	1,524	1,775
Non-operating expenses		
Interest expenses	1,019	1,095
Foreign exchange losses	850	253
Loss on retirement of non-current assets	145	302
Other	579	503
Total non-operating expenses	2,595	2,154
Ordinary income	16,096	23,178
Extraordinary income		
Gain on sales of investment securities	90	1,006
Gain on bargain purchase	181	—
Total extraordinary income	271	1,006
Extraordinary loss		
Impairment loss	181	226
Loss on sales of investment securities	—	13
Loss on valuation of investment securities	—	1
Office transfer expenses	364	—
Loss on valuation of investments in capital	40	—
Total extraordinary loss	586	241
Income before income taxes	15,781	23,942
Income taxes	3,418	5,922
Income taxes-deferred	163	(922)
Total income taxes	3,582	4,999
Profit	12,199	18,943
Profit attributable to non-controlling interests	77	128
Profit attributable to owners of parent	12,122	18,815

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2014- Mar.31, 2015	Apr.1, 2015- Mar.31, 2016
Profit	¥ 12,199	¥ 18,943
Other comprehensive income		
Valuation difference on available-for-sale securities	5,498	(4,222)
Foreign currency translation adjustment	3,452	(2,532)
Remeasurements of defined benefit plans	2,867	(620)
Total other comprehensive income	11,818	(7,376)
Comprehensive income	24,017	11,567
(Comprehensive income attributable to)		
Owners of parent	23,925	11,456
Non-controlling interests	91	110

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fiscal year ended March 31, 2015

(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	¥ 41,824	¥ (12,251)	¥ 88,201
Cumulative effects of changes in accounting policies			1,213		1,213
Currently stated balance, as of beginning of current period	54,044	4,583	43,037	(12,251)	89,414
Increase (decrease) during the period					
Dividends from surplus			(712)		(712)
Profit attributable to owners of parent			12,122		12,122
Acquisition of treasury stock				(11)	(11)
Other					
Total changes during the period	—	—	11,410	(11)	11,398
Balance, as of end of current period	54,044	4,583	54,447	(12,262)	100,813

Accumulated other comprehensive income

	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	¥ 7,089	¥ (4,833)	¥ (4,007)	¥ (1,752)	¥ 649	¥ 87,097
Cumulative effects of changes in accounting policies				—		1,213
Currently stated balance, as of beginning of current period	7,089	(4,833)	(4,007)	(1,752)	649	88,311
Increase (decrease) during the period						
Dividends from surplus				—		(712)
Profit attributable to owners of parent				—		12,122
Acquisition of treasury stock				—		(11)
Other	5,497	3,438	2,867	11,803	(0)	11,802
Total changes during the period	5,497	3,438	2,867	11,803	(0)	23,201
Balance, as of end of current period	12,586	(1,395)	(1,140)	10,051	648	111,513

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fiscal year ended March 31, 2016

(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	¥ 54,447	¥ (12,262)	¥ 100,813
Cumulative effects of changes in accounting policies					—
Currently stated balance, as of beginning of current period	54,044	4,583	54,447	(12,262)	100,813
Increase (decrease) during the period					
Dividends from surplus			(1,661)		(1,661)
Profit attributable to owners of parent			18,815		18,815
Acquisition of treasury stock				(1,010)	(1,010)
Other					—
Total changes during the period	—	—	17,154	(1,010)	16,144
Balance, as of end of current period	54,044	4,583	71,602	(13,272)	116,957

Accumulated other comprehensive income

	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
	Balance, as of beginning of current period	¥ 12,586	¥ (1,395)	¥ (1,140)	¥ 10,051	¥ 648
Cumulative effects of changes in accounting policies				—		—
Currently stated balance, as of beginning of current period	12,586	(1,395)	(1,140)	10,051	648	111,513
Increase (decrease) during the period						
Dividends from surplus				—		(1,661)
Profit attributable to owners of parent				—		18,815
Acquisition of treasury stock				—		(1,010)
Other	(4,222)	(2,516)	(620)	(7,359)	(9)	(7,368)
Total changes during the period	(4,222)	(2,516)	(620)	(7,359)	(9)	8,775
Balance, as of end of current period	8,364	(3,911)	(1,761)	2,692	638	120,288

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

Apr.1, 2014- Mar.31, 2015

Apr.1, 2015- Mar.31, 2016

Cash flow from operating activities:

Income before income taxes	¥	15,781	¥	23,942
Depreciation and amortization		4,880		5,029
Impairment loss		181		226
Loss (gain) on valuation of investment securities		—		1
Loss (gain) on sales of investment securities		(90)		(992)
Loss on valuation of investments in capital		40		—
Gain on bargain purchase		(181)		—
Office transfer expenses		364		—
Loss on retirement of non-current assets		145		302
Increase (decrease) in net defined benefit liability		(328)		(113)
Increase (decrease) in provision for bonuses		—		1,044
Increase (decrease) in provision for directors' bonuses		70		(53)
Increase (decrease) in provision for product warranties		(514)		44
Increase (decrease) in provision for loss on order received		(556)		(15)
Interest and dividends income		(620)		(661)
Interest expenses		1,019		1,095
Decrease (increase) in notes and accounts receivable-trade		(9,167)		(12,918)
Decrease (increase) in inventories		1,247		(8,536)
Decrease (increase) in other current assets		(1,218)		(1,506)
Increase (decrease) in notes and accounts payable-trade		(5,993)		8,551
Increase (decrease) in other current liabilities		(3,124)		4,045
Other, net		(712)		287
	Subtotal	1,223		19,773
Interest and dividends income received		613		675
Interest expenses paid		(1,023)		(1,097)
Contribution in connection with the shift to a defined-contribution pension plan		(0)		(0)
Income taxes paid		(2,305)		(4,630)
Net cash provided by (used in) operating activities		(1,492)		14,720

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr.1, 2014- Mar.31, 2015	Apr.1, 2015- Mar.31, 2016
Cash flow from investing activities:		
Decrease (increase) in time deposits	¥ (659)	¥ 1,176
Purchase of property, plant and equipment	(4,655)	(5,458)
Proceeds from sales of property, plant and equipment	21	98
Purchase of investment securities	(199)	(20)
Proceeds from sales of investment securities	104	2,510
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(23)
Purchase of treasury shares of subsidiaries	(101)	—
Other, net	(828)	(841)
Net cash used in investing activities	<u>(6,317)</u>	<u>(2,557)</u>
Cash flow from financing activities:		
Net increase (decrease) in short-term loans payable	(101)	—
Proceeds from long-term loans payable	15,400	4,000
Repayments of long-term loans payable	(3,250)	(3,679)
Repayments of finance lease obligations	(1,141)	(398)
Redemption of bonds	(14,000)	—
Net decrease (increase) in treasury stock	(11)	(1,010)
Cash dividends paid	(712)	(1,661)
Dividends paid to non-controlling interests	(5)	(96)
Net cash used in financing activities	<u>(3,822)</u>	<u>(2,845)</u>
Effect of exchange rate change on cash and cash equivalents	<u>2,061</u>	<u>(1,151)</u>
Net increase (decrease) in cash and cash equivalents	<u>(9,571)</u>	<u>8,166</u>
Cash and cash equivalents at beginning of period	<u>31,562</u>	<u>21,990</u>
Cash and cash equivalents at end of period	<u>21,990</u>	<u>30,156</u>

SEGMENT INFORMATION

[Segment Information]

1. Segment Overview

(1) Calculation Method for Reportable Segments

The SCREEN Group's reportable segments are the business units for which the Company is able to obtain respective 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.

Although the SCREEN Group had adapted an internal company system by product or service it handles, an internal company was split up in connection with change to holding company structure.

Each subsidiary that assumed its business continuously develops business activities and establishes its own comprehensive strategy, for both Japan and overseas markets, in accordance with the products it handles.

Consequently, the SCREEN Group has created three business segments for reporting—“Semiconductor Solutions (SE),” “Graphic and Precision Solutions (GP)” and “Finetech Solutions (FT)” —categorized by products based on above subsidiaries.

(2) Products and Services of Reportable Segments

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. Measurement of Net Sales, Income (loss), Assets and Other in Reportable Segment

Income for each reportable segment is the amounts based on operating income.

Intersegment revenues and transfers are based on market prices.

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

Fiscal year ended March 31, 2015

(Millions of yen)

	Reportable segment				Other *1	Total	Adjustments *2	Consolidated *3
	SE	GP	FT	Total				
Sales								
(1)Sales to outside customers	¥ 157,478	¥ 55,676	¥ 23,721	¥ 236,876	¥ 769	¥ 237,645	¥ —	¥ 237,645
(2)Intersegment sales and transfers	0	29	52	82	9,612	9,695	(9,695)	—
Total	157,478	55,706	23,774	236,959	10,382	247,341	(9,695)	237,645
Segment income (loss)	15,737	2,840	339	18,917	(805)	18,111	(943)	17,167
Segment assets	114,732	53,289	20,623	188,645	4,979	193,624	55,892	249,516
Other								
Depreciation and amortization	2,620	624	58	3,303	119	3,423	1,457	4,880
Increase in the amount of tangible fixed assets and intangible fixed assets	4,221	865	172	5,259	137	5,397	1,261	6,658

Notes

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

*2 Segment operating income (loss) adjustment of ¥(943) million is the corporate profit(loss) not attributable to each reportable segment. Corporate profit(loss) consists mainly general and administrative expenses not attributable to segments.

Segment assets adjustment of ¥55,892 million is the corporate assets not apportioned to each reportable segment. Corporate assets consist mainly of assets not usually attributed to segments.

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

Fiscal year ended March 31, 2016

(Millions of yen)

	Reportable segment				Other *1	Total	Adjustments *2	Consolidated *3
	SE	GP	FT	Total				
Sales								
(1)Sales to outside customers	¥ 165,801	¥ 61,231	¥ 31,557	¥ 258,590	¥ 1,084	¥ 259,675	¥ —	¥ 259,675
(2)Intersegment sales and transfers	0	48	31	80	11,554	11,634	(11,634)	—
Total	165,801	61,279	31,589	258,670	12,638	271,309	(11,634)	259,675
Segment income (loss)	18,715	3,169	2,748	24,633	(1,137)	23,495	62	23,557
Segment assets	132,523	50,333	28,372	211,230	6,637	217,867	52,226	270,093
Other								
Depreciation and amortization	2,490	645	88	3,224	183	3,408	1,621	5,029
Increase in the amount of tangible fixed assets and intangible fixed assets	3,570	823	180	4,574	245	4,820	1,531	6,351

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 ¥62 million is the Company's profit(loss) not attributable to reportable segment.

Segment assets adjustment of ¥52,226 million is the corporate assets not apportioned to each reportable segment. Corporate assets consist mainly of assets not usually attributed to segments.

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

Consolidated Financial Highlights for the Fiscal Year Ended Mar. 31, 2016

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

	FY2015	FY2016	Difference		FY2017	
	12months ended Mar.31, 2015	12months ended Mar. 31, 2016			6months ending Sept. 30, 2016	12months ending Mar.31, 2017
	Result	Result	Amount	Percentage	Forecast	Forecast
Net sales	¥ 237,645	¥ 259,675	¥ 22,029	9.3%	129,500	265,000
Operating income	17,167	23,557	6,389	37.2%	11,300	27,000
[to net sales ratio]	7.2 %	9.1 %	1.9 pt	—	8.7 %	10.2 %
Ordinary income	16,096	23,178	7,082	44.0%	11,100	26,500
[to net sales ratio]	6.8 %	8.9 %	2.1 pt	—	8.6 %	10.0 %
Profit attributable to owners of parent	12,122	18,815	6,693	55.2%	8,200	20,500
[to net sales ratio]	5.1 %	7.2 %	2.1 pt	—	6.3 %	7.7 %
Total assets	249,516	270,093	20,577	8.2%	—	—
Net assets	111,513	120,288	8,775	7.9%	—	—
Equity	110,864	119,649	8,785	7.9%	—	—
Equity ratio	44.4 %	44.3 %	-0.1 pt	—	—	—
Net assets per share	¥ 467.13	¥ 506.68	¥ 39.55	8.5%	—	—
Interest-bearing debt	39,677	39,636	(40)	-0.1%	—	—
Net interest-bearing debt	14,036	7,264	(6,772)	-48.2%	—	—
Return on equity	12.3 %	16.3 %	4.0 pt	—	—	—
Cash flow from operating activities	(1,492)	14,720	—	—	—	—
Cash flow from investing activities	(6,317)	(2,557)	—	—	—	—
Cash flow from financing activities	(3,822)	(2,845)	—	—	—	—
Depreciation and amortization	4,880	5,029	149	3.1%	2,900	6,000
Capital expenditures	6,658	6,351	(306)	-4.6%	5,500	9,000
R&D expenses	13,971	15,166	1,194	8.6%	8,600	16,800
Number of employees	5,082	5,182	100	2.0%	—	—
Number of consolidated subsidiaries	47	50	3	—	—	—
[Domestic]	[24]	[26]	[2]	—	—	—
[Overseas]	[23]	[24]	[1]	—	—	—
Number of non-consolidated subsidiaries	1	—	-1	—	—	—
[Number of non-consolidated subsidiaries accounted for by equity method]	[1]	[—]	[-1]	—	—	—

Sales Breakdown (Consolidated)

(Millions of yen)

		FY2015		FY2016						FY2017		
		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, 2014	Mar. 31, 2015	Jun. 30, 2015	Sept. 30, 2015	Sept. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	Mar. 31, 2016	Sep. 30, 2016	Mar. 31, 2017	
		Result	Result	Result	Result	Result	Result	Result	Result	Forecast	Forecast	
Semiconductor Solutions	Domestic	10,576	26,494	11,269	9,523	20,793	9,367	10,245	40,407	—	—	
	Overseas	65,214	130,984	23,437	37,759	61,196	22,690	41,506	125,394	—	—	
	Total	75,790	157,478	34,707	47,282	81,990	32,058	51,752	165,801	81,500	165,500	
Graphic and Precision Solutions	Domestic	10,575	23,157	6,707	7,740	14,447	6,460	6,691	27,599	—	—	
	Overseas	16,688	32,548	8,067	8,847	16,914	7,353	9,412	33,680	—	—	
	Total	27,264	55,706	14,774	16,587	31,362	13,813	16,103	61,279	29,200	60,000	
	Graphic Arts Equipment	Domestic	9,075	20,097	6,154	7,039	13,193	5,924	6,024	25,141	—	—
		Overseas	13,886	26,650	6,533	7,042	13,576	6,550	7,036	27,163	—	—
		Total	22,962	46,747	12,687	14,081	26,769	12,475	13,060	52,305	24,700	51,000
	PCB Equipment	Domestic	1,500	3,060	553	700	1,254	535	667	2,457	—	—
		Overseas	2,801	5,898	1,533	1,804	3,337	802	2,375	6,516	—	—
		Total	4,302	8,958	2,086	2,505	4,592	1,338	3,043	8,974	4,500	9,000
Finetech Solutions	Domestic	1,914	3,258	732	920	1,653	1,211	1,542	4,406	—	—	
	Overseas	7,143	20,515	5,576	8,708	14,284	5,698	7,199	27,182	—	—	
	Total	9,057	23,774	6,308	9,628	15,937	6,909	8,742	31,589	18,000	36,000	
Other	Domestic	296	655	281	189	470	182	243	896	—	—	
	Overseas	81	114	47	48	95	45	46	188	—	—	
	Total	378	769	328	237	566	227	290	1,084	800	3,500	
Intersegment sales	Domestic	—	(82)	(3)	(17)	(20)	(5)	(54)	(80)	—	—	
	Overseas	—	—	—	—	—	—	—	—	—	—	
	Total	—	(82)	(3)	(17)	(20)	(5)	(54)	(80)	—	—	
Total	Domestic	23,362	53,483	18,988	18,355	37,344	17,216	18,668	73,229	—	—	
	Overseas	89,127	184,162	37,128	55,363	92,491	35,788	58,165	186,445	—	—	
	Total	112,490	237,645	56,116	73,719	129,836	53,005	76,834	259,675	129,500	265,000	
	Overseas Ratio	79.2%	77.5%	66.2%	75.1%	71.2%	67.5%	75.7%	71.8%	—	—	

Orders received & Order backlog (Consolidated)

(Millions of yen)

		FY2015		FY2016								
		3 months ended Mar. 31, 2015		3 months ended Jun. 30, 2015		3 months ended Sept. 30, 2015		3 months ended Dec. 31, 2015		3 months ended Mar. 31, 2016		
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	
Semiconductor Solutions	Domestic	15,734	14,824	7,645	11,199	12,276	13,951	6,203	10,787	5,278	5,819	
	Overseas	30,167	40,479	30,462	47,504	24,476	34,220	32,435	43,965	42,824	45,282	
	Total	45,901	55,303	38,108	58,703	36,752	48,172	38,638	54,751	48,102	51,101	
Graphic and Precision Solutions	Domestic	7,219	3,747	8,624	5,664	6,069	3,993	6,118	3,651	5,899	2,859	
	Overseas	8,857	3,739	7,862	3,534	8,430	3,116	8,348	4,111	7,625	2,324	
	Total	16,077	7,486	16,486	9,198	14,499	7,109	14,467	7,762	13,524	5,183	
	Graphic Arts Equipment	Domestic	6,354	3,456	7,758	5,060	5,494	3,515	5,600	3,191	5,409	2,576
		Overseas	6,645	3,244	6,345	3,056	6,904	2,917	7,474	3,841	5,260	2,064
		Total	12,998	6,701	14,102	8,116	12,399	6,432	13,075	7,032	10,669	4,640
	PCB Equipment	Domestic	866	291	867	604	575	478	518	461	490	283
		Overseas	2,212	495	1,517	479	1,525	199	874	270	2,365	260
		Total	3,078	786	2,384	1,082	2,100	677	1,392	731	2,855	543
Finetech Solutions	Domestic	1,744	2,739	7,082	9,089	1,337	9,505	677	8,971	1,042	8,471	
	Overseas	8,081	25,244	5,052	24,720	4,750	20,761	9,267	24,329	14,403	31,533	
	Total	9,824	27,983	12,134	33,809	6,087	30,267	9,944	33,300	15,445	40,004	
Other	Domestic	—	—	—	—	—	—	—	—	—	—	
	Overseas	—	—	—	—	—	—	—	—	—	—	
	Total	—	—	—	—	—	—	—	—	—	—	
Total	Domestic	24,697	21,310	23,352	25,952	19,682	27,450	12,999	23,409	12,219	17,148	
	Overseas	47,105	69,463	43,376	75,758	37,655	58,098	50,050	72,405	64,853	79,139	
	Total	71,802	90,773	66,728	101,710	57,337	85,548	63,049	95,814	77,072	96,287	
	Overseas Ratio	65.6%	76.5%	65.0%	74.5%	65.7%	67.9%	79.4%	75.6%	84.1%	82.2%	