


Business Results & Forecast

The Fiscal Year Ended March 31, 2017

A horizontal bar composed of four colored segments: blue, orange, green, and purple.

May 9, 2017

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

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

Eiji Kakiuchi

SCREEN Holdings Co., Ltd

President,

Member of the Board and CEO

» Key Points of FY2017 Business Results

- ☐ **Operating income of JPY 33.7 bn. & Operating income ratio of 11.2%, setting a new record**
 - Forth straight year of higher revenue and profits
- ☐ **Achieved numerical targets of the Medium-term Management Plan**
 - Operating income to net sales ratio of 11.2%
 - Equity ratio of 47.5% (real 50%)
- ☐ **Maintained net cash throughout the year**
- ☐ **SE>>**
 - Net sales, Operating income & Total orders for the full year, representing new records
 - Highest growth rate among the top 10 SPE suppliers in CY2016
 - For single wafer cleaning equipment, increased global market share by 13 points in CY2016

Agenda

1. FY2017 Business Results



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



3. Financial Situation



4. FY2018 Business Forecast



5. Three-year Medium-term Management Plan



1. FY2017 Business Results



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



3. Financial Situation



4. FY2018 Business Forecast



5. Three-year Medium-term Management Plan



FY2017 Business Results <Consolidated>

(Billions of JPY)	FY2016					FY2017					YoY Difference	
	1Q	2Q	3Q	4Q	Full	1Q	2Q	3Q	4Q	Full	Full	
Net sales	56.1	73.7	53.0	76.8	259.6	62.2	73.8	73.8	90.2	300.2	40.5	15.6%
SE	34.7	47.2	32.0	51.7	165.8	41.2	50.3	50.6	63.7	206.0	40.2	24.3%
GP	14.7	16.5	13.8	16.1	61.2	11.4	14.6	12.0	16.6	54.7	(6.5)	-10.7%
GA(Graphic Arts Equip.)	12.6	14.0	12.4	13.0	52.3	9.6	12.4	10.4	13.2	45.8	(6.4)	-12.4%
PE(PCB Equip.)	2.0	2.5	1.3	3.0	8.9	1.8	2.1	1.6	3.3	8.9	(0)	-0.6%
FT	6.3	9.6	6.9	8.7	31.5	9.3	8.6	10.8	9.3	38.1	6.5	20.6%
Other	0.3	0.2	0.2	0.2	1.0	0.1	0.2	0.3	0.5	1.2	0.2	27.8%
Operating income	3.2	7.5	4.1	8.5	23.5	5.1	7.0	9.1	12.4	33.7	10.1	43.2%
(to net sales ratio)	5.9%	10.2%	7.9%	11.2%	9.1%	8.2%	9.6%	12.4%	13.7%	11.2%	-	2.2pt
SE	2.1	5.8	3.0	7.7	18.7	4.3	6.0	8.0	10.8	29.3	10.6	56.6%
GP	0.9	0.7	0.4	0.9	3.1	(0.1)	1.0	0.2	1.0	2.2	(0.9)	-29.8%
FT	0.1	1.4	0.6	0.5	2.7	1.2	0.5	1.1	1.4	4.3	1.6	59.8%
Other	0	(0.4)	0	(0.6)	(1.0)	(0.3)	(0.5)	(0.3)	(0.9)	(2.1)	(1.1)	-
Ordinary income	3.4	7.1	4.1	8.4	23.1	5.0	6.6	9.0	11.2	32.0	8.8	38.1%
Profit attributable to Owners of parent	2.2	6.2	3.4	6.8	18.8	3.7	5.7	6.8	7.8	24.1	5.3	28.5%

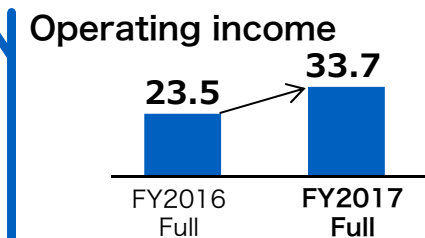
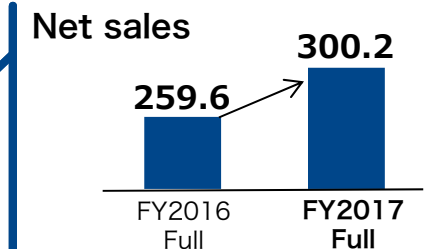
■ SE : Semiconductor solution business
 ■ GP : Graphic and precision solution business
■ FT : Finetech solution business

FY2017 Business Results <Consolidated>

>>Year-on-year comparison

(Billions of JPY)	FY2016	FY2017	Difference	
	Full	Full		
Net sales	259.6	300.2	40.5	15.6%
Operating income (to net sales ratio)	23.5 9.1%	33.7 11.2%	10.1 2.2pt	43.2%
Ordinary income	23.1	32.0	8.8	38.1%
Profit attributable to Owners of parent	18.8	24.1	5.3	28.5%

>>Year-on-year comparison

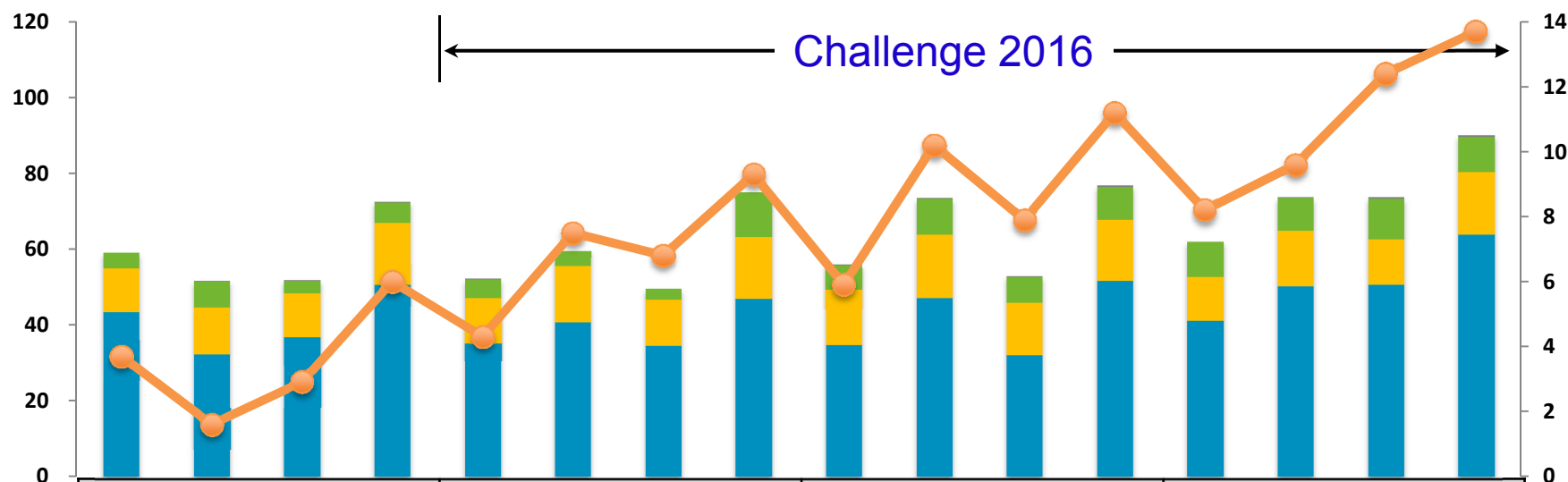


>>Comparison with the previous Quarter

(Billions of JPY)	FY2017	FY2017	Difference	
	3Q	4Q		
Net sales	73.8	90.2	16.3	22.1%
Operating income (to net sales ratio)	9.1 12.4%	12.4 13.7%	3.2 1.4pt	35.6%
Ordinary income	9.0	11.2	2.1	23.5%
Profit attributable to Owners of parent	6.8	7.8	0.9	13.9%

Quarterly Net Sales and Operating Income <Consolidated>

Net sales (Billions of JPY) SE GP FT Other Operating Income Ratio(right) Operating Income ratio (%)



	FY2014				FY2015				FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	59.3	51.8	52.1	72.6	52.4	60.0	49.8	75.3	56.1	73.7	53.0	76.8	62.2	73.8	73.8	90.2
SE	43.3	32.3	36.7	50.6	35.1	40.6	34.6	47.0	34.7	47.2	32.0	51.7	41.2	50.3	50.6	63.7
GP	11.6	12.4	11.7	16.2	12.1	15.0	12.1	16.2	14.7	16.5	13.8	16.1	11.4	14.6	12.0	16.6
FT	4.1	6.8	3.3	5.5	4.9	4.0	2.8	11.9	6.3	9.6	6.9	8.7	9.3	8.6	10.8	9.3
Other	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.3	0.2	0.2	0.2	0.1	0.2	0.3	0.5
Operating income	2.2	0.8	1.5	4.3	2.2	4.4	3.3	7.0	3.2	7.5	4.1	8.5	5.1	7.0	9.1	12.4
Operating income ratio(%)	3.7	1.6	2.9	6.0	4.3	7.5	6.8	9.3	5.9	10.2	7.9	11.2	8.2	9.6	12.4	13.7

Quarterly Orders Received and Orders Backlog <Consolidated>

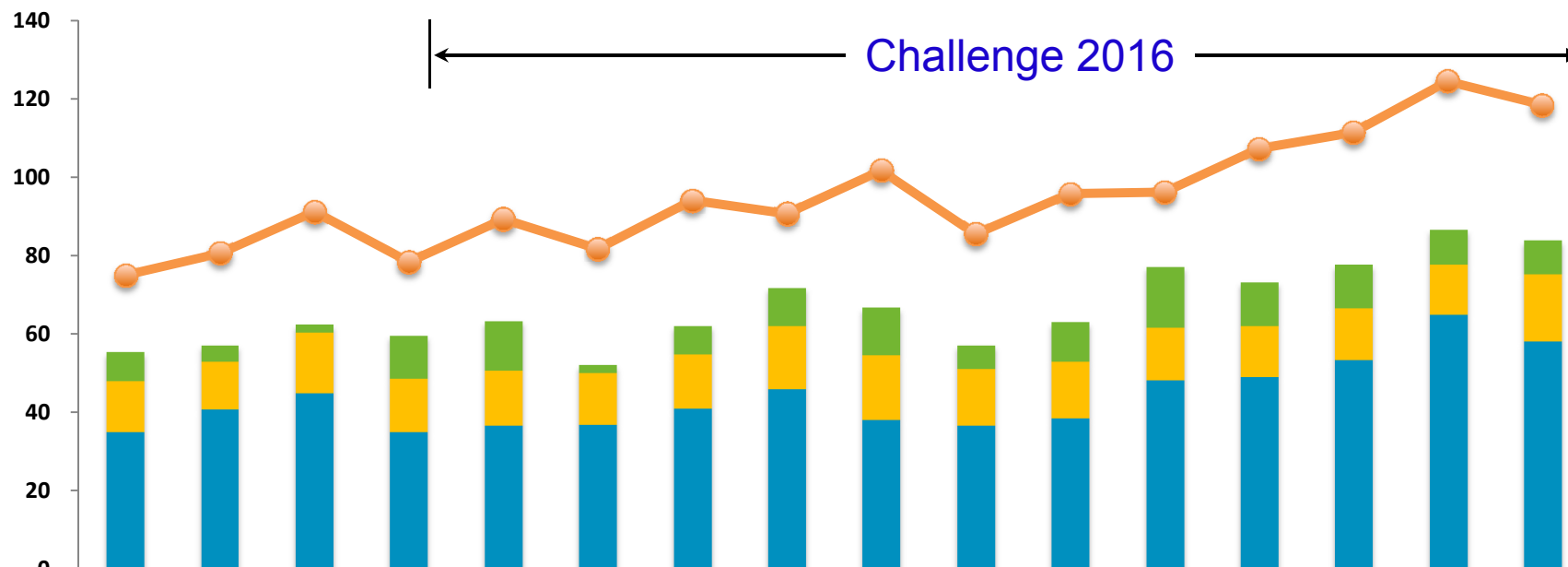
(Billions of JPY)

SE

GP

FT

Orders Backlog



	FY2014				FY2015				FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Orders Received	55.3	57.2	62.5	59.6	63.2	52.1	62.0	71.8	66.7	57.3	63.0	77.0	73.1	77.6	86.6	83.7
SE	35.1	40.7	45.0	35.1	36.6	36.9	41.1	45.9	38.1	36.7	38.6	48.1	49.1	53.3	64.8	58.1
GP	12.9	12.2	15.3	13.4	14.1	13.2	13.7	16.0	16.4	14.4	14.4	13.5	12.9	13.1	12.7	17.1
FT	7.3	4.2	2.1	11.0	12.5	2.0	7.2	9.8	12.1	6.0	9.9	15.4	11.1	11.1	9.0	8.5
Orders Backlog	75.0	80.6	91.2	78.4	89.3	81.7	94.1	90.7	101.7	85.5	95.8	96.2	107.3	111.4	124.5	118.5

1. FY2017 Business Results



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



3. Financial Situation



4. FY2018 Business Forecast



5. Three-year Medium-term Management Plan



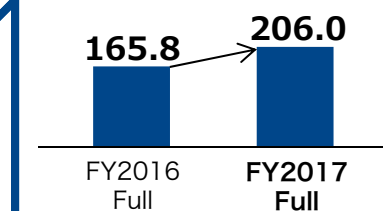
Business Environment <SE>

>>Year-on-year comparison

(Billions of JPY)	FY2016	FY2017	Difference	
	Full	Full		
Net sales	165.8	206.0	40.2	24.3%
Operating income (to net sales ratio)	18.7 11.3%	29.3 14.2%	10.6 2.9Pt	56.6%

>>Year-on-year comparison

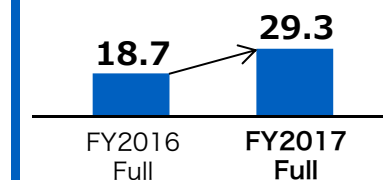
Net sales



>>Comparison with the previous Quarter

(Billions of JPY)	FY2017	FY2017	Difference	
	3Q	4Q		
Net sales	50.6	63.7	13.1	25.9%
Operating income (to net sales ratio)	8.0 16.0%	10.8 17.0%	2.7 1.0pt	33.8%

Operating income



- Increased investment by foundries towards the miniaturization greatly contributed to the full-year performance. Sales of equipment for 3D-NAND were twice higher than the previous fiscal year, leading sales drivers.
- For FY2018, investment by foundries/logic chip makers toward the miniaturization is anticipated. Further investment in the multilayer 3D-NAND as well as the miniaturization of DRAM is expected to drive the market. It is possible that new clients in China will be looking to invest by the fiscal year-end, expecting favorable market conditions to last.

Business Environment <SE>

» Hot Topics

- ☐ Achieved new records for Net sales, Operating income & Total orders in FY2017
Close to the record level of operating income ratio
- ☐ Highest growth rate among the top 10 SPE suppliers in CY2016
- ☐ For mainstay product of single wafer cleaning equipment, increased global market share by 13 points in CY2016

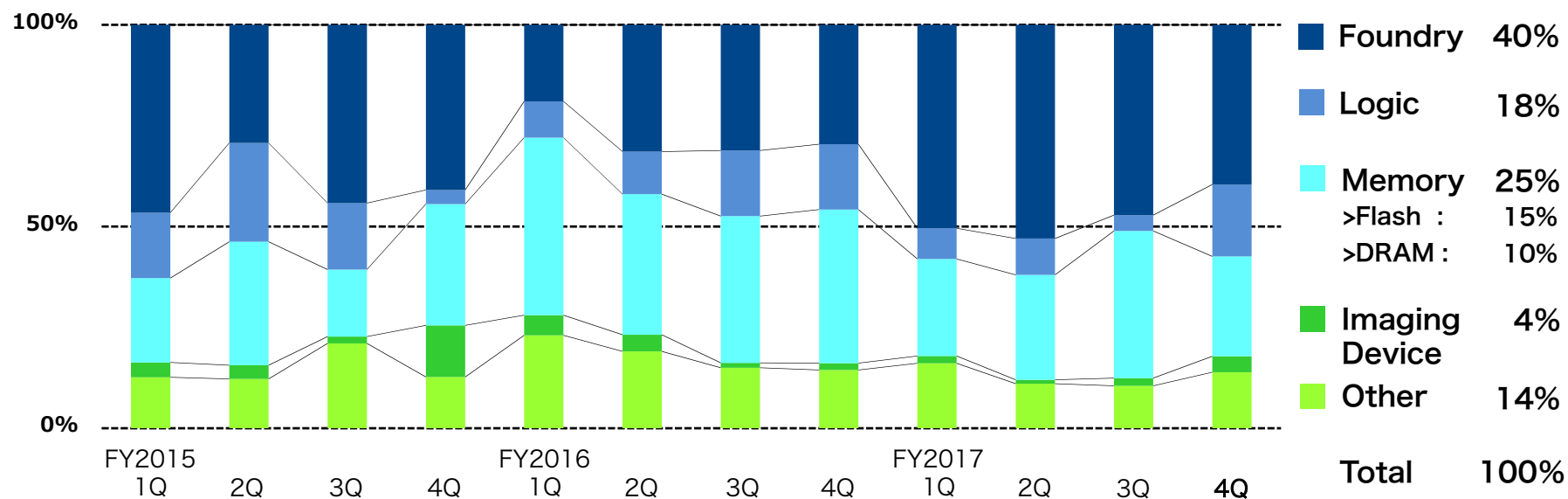


Single wafer cleaning equipment SU-3200

- ☐ Toward the business expansion, achieved to launch new product into focused area in FY2017
 - Mainly in the memory field (Single wafer cleaning equipment, SU-3300)
 - In the Advanced Packaging field (Direct imaging system, DW-3000 for PLP)
 - For logic, memory and power device (UV Laser annealer, LT-3100)

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

*4Q Orders received (Consolidated) : JPY 58.1 bn.



>>FY2017 4Q orders by region <Nonconsolidated>



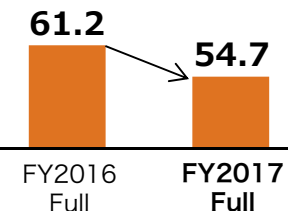
Business Environment <GP>

>>Year-on-year comparison

	FY2016	FY2017	Difference	
	Full	Full		
(Billions of JPY)				
Net sales	61.2	54.7	(6.5)	-10.7%
Operating income (to net sales ratio)	3.1 5.2%	2.2 4.1%	(0.9) (1.1pt)	-29.8%

>>Year-on-year comparison

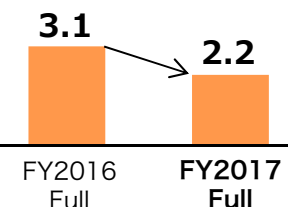
Net sales



>>Comparison with the previous Quarter

	FY2017	FY2017	Difference	
	3Q	4Q		
(Billions of JPY)				
Net sales	12.0	16.6	4.5	37.5%
Operating income (to net sales ratio)	0.2 2.0%	1.0 6.5%	0.8 4.5pt	344.8%

Operating income



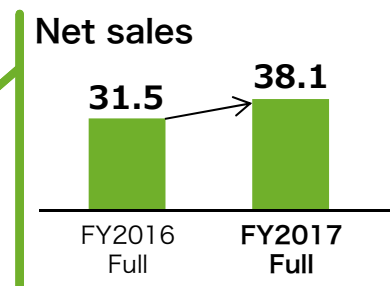
- The graphic arts equipment business (GA) struggled in the first half of the year, but North American sales of print-on-demand (POD) equipment expanded toward the end of year. In FY2018, GA is further promoting stronger marketing efforts for POD, especially in North America and Europe, and is striving to improve both sales and profits.
- Following comprehensive business negotiations in Asia, businesses related to print circuit boards (PE) improved in the latter half of the year compared with the first half. Going forward, PE aims to expand sales mainly by releasing new equipment.

Business Environment <FT>

>>Year-on-year comparison

(Billions of JPY)	FY2016	FY2017	Difference	
	Full	Full		
Net sales	31.5	38.1	6.5	20.6%
Operating income (to net sales ratio)	2.7 8.7%	4.3 11.5%	1.6 2.8pt	59.8%

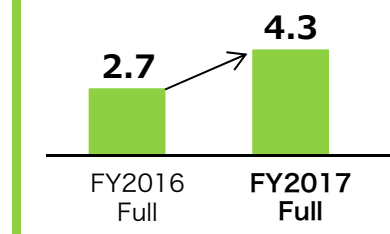
>>Year-on-year comparison



>>Comparison with the previous Quarter

(Billions of JPY)	FY2017	FY2017	Difference	
	3Q	4Q		
Net sales	10.8	9.3	(1.4)	-13.7%
Operating income (to net sales ratio)	1.1 11.0%	1.4 15.3%	0.2 4.3pt	20.0%

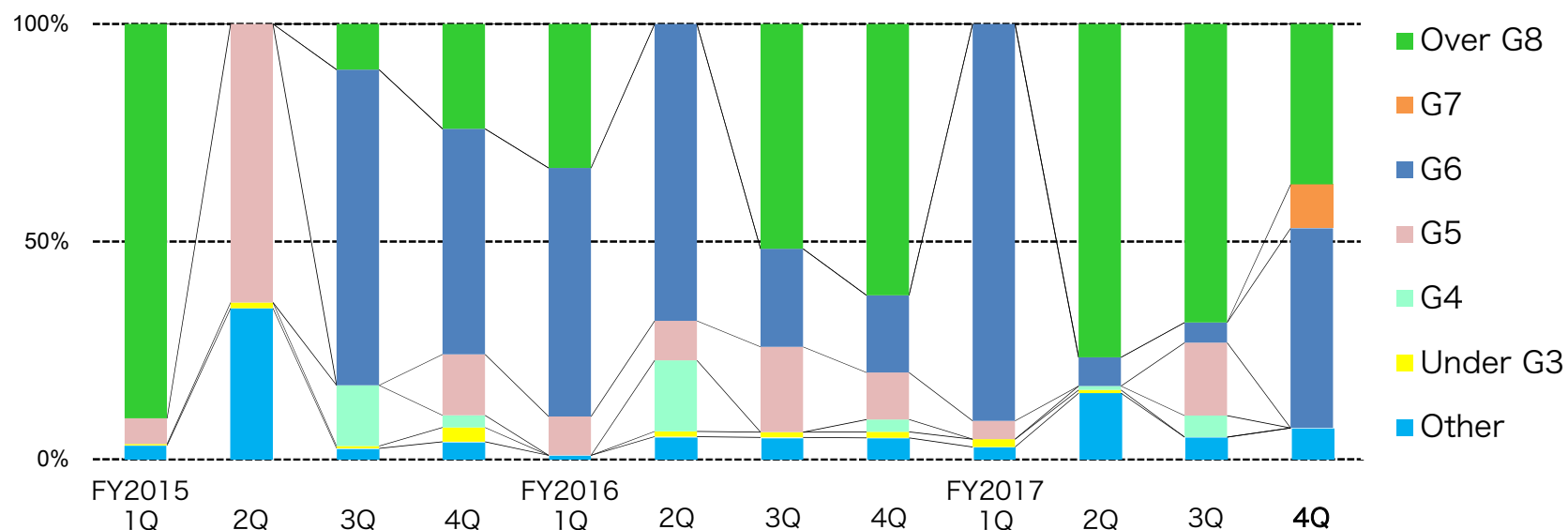
Operating income



- Full year sales results for small- and medium-sized panel production equipment rose 1.6 times. This performance and that of equipment for making large-sized panels both contributed to earnings increase.
- Exceeded sales of JPY 2.0 bn. in a new business field
- In FY2018, sales expansion not only for LCD but also for OLED manufacturing equipment is expected. In addition, new business fields are anticipated to expand.

<FT> Quarterly Orders Received by Generation <Nonconsolidated>

*4Q Orders received (Consolidated) : JPY 8.5 bn.



>>FY2017 4Q orders by region <Nonconsolidated>



1. FY2017 Business Results



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



3. Financial Situation



4. FY2018 Business Forecast



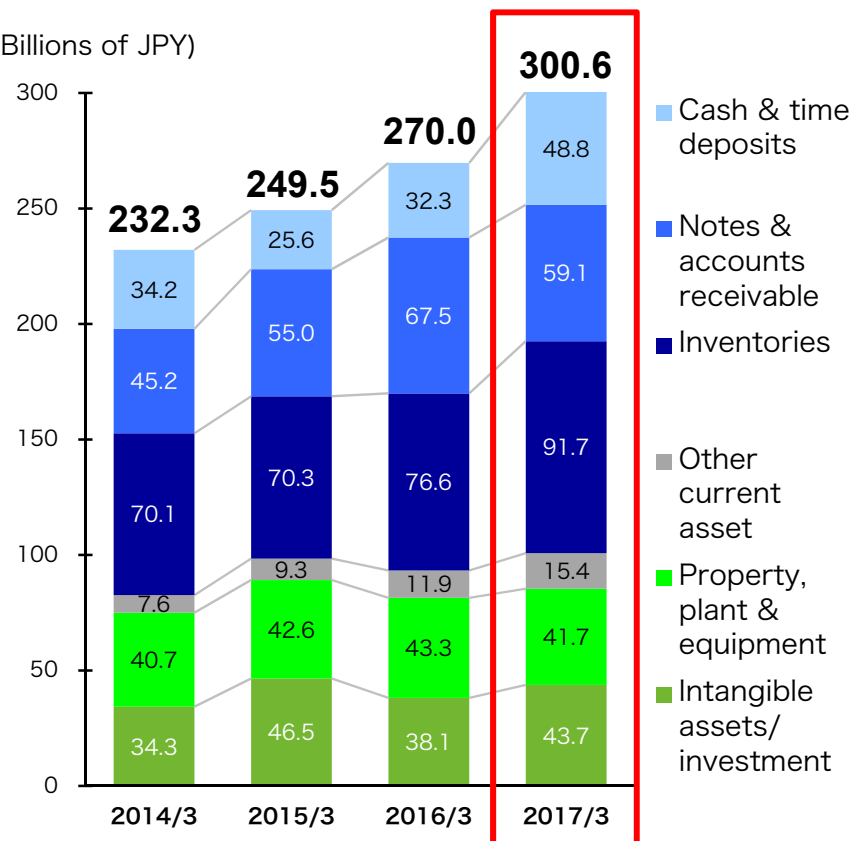
5. Three-year Medium-term Management Plan



Trend in B/S <Consolidated>

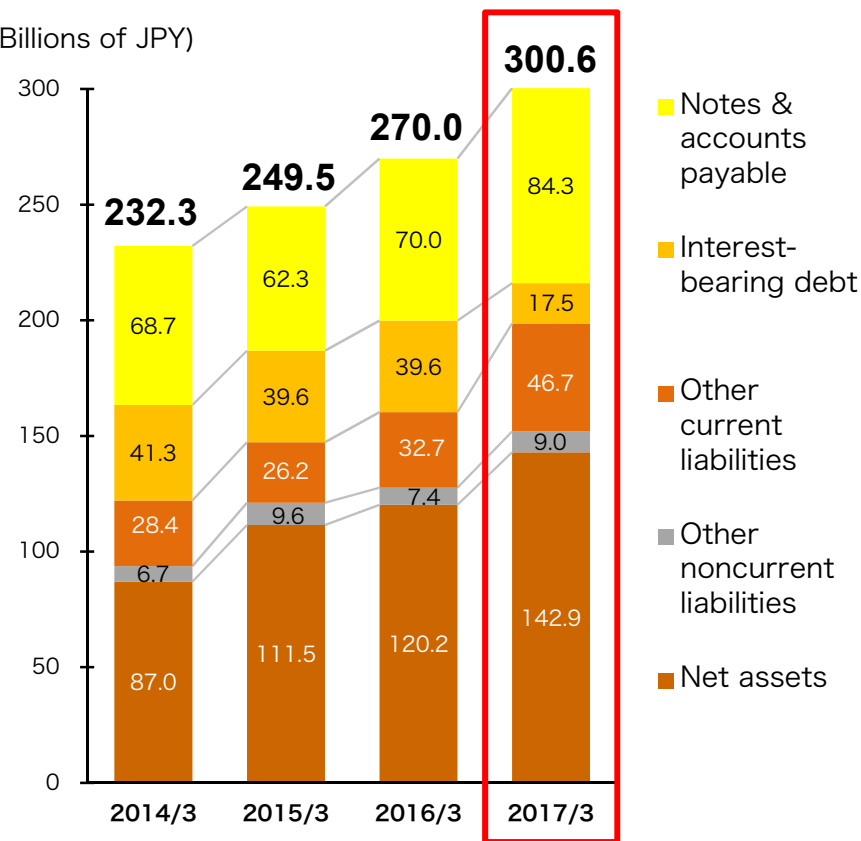
>>Assets

(Billions of JPY)



>>Liabilities & Net Assets

(Billions of JPY)

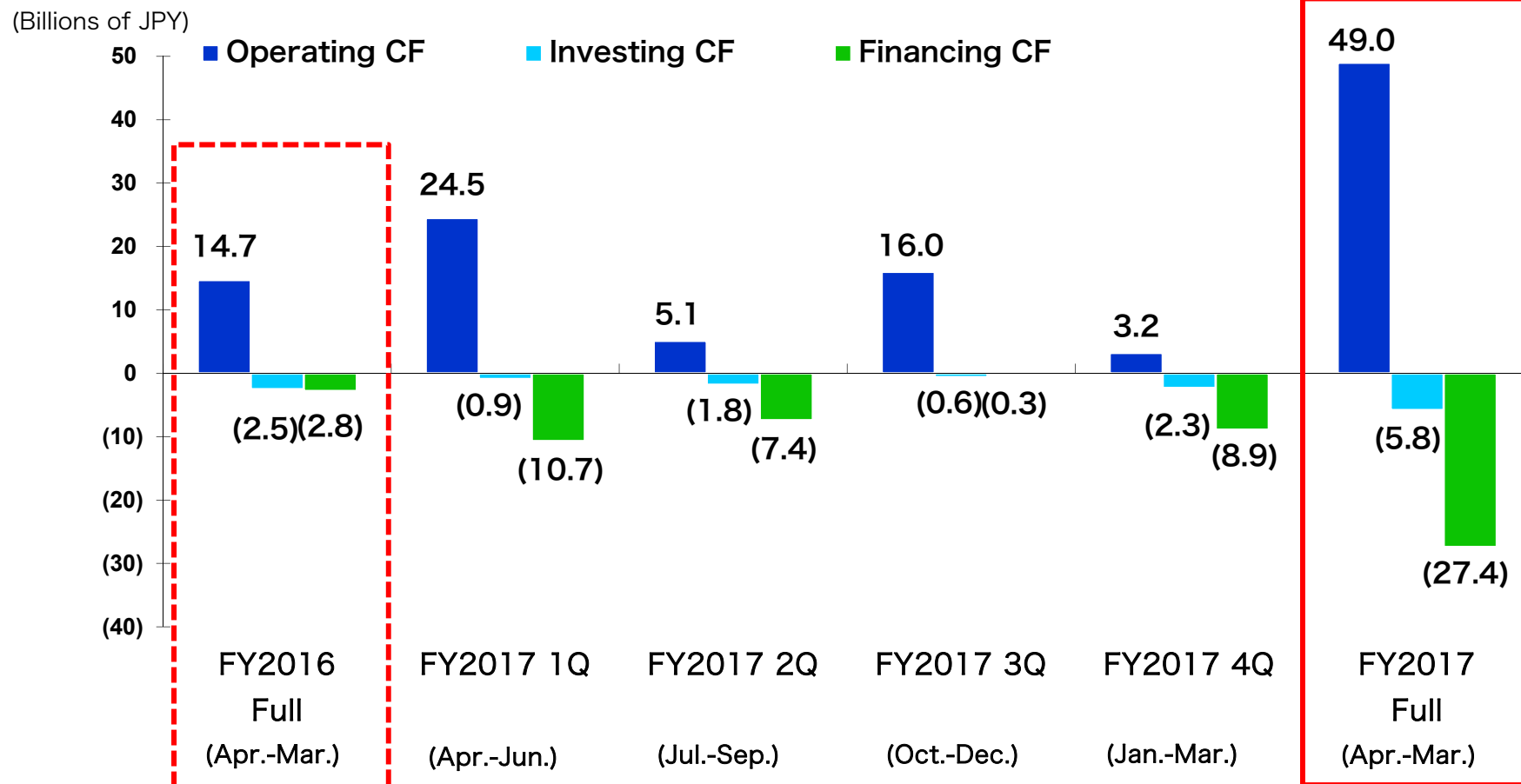


Equity Ratio : 44.3% (2016/3)



47.5% (2017/3)

Cash Flows <Consolidated>



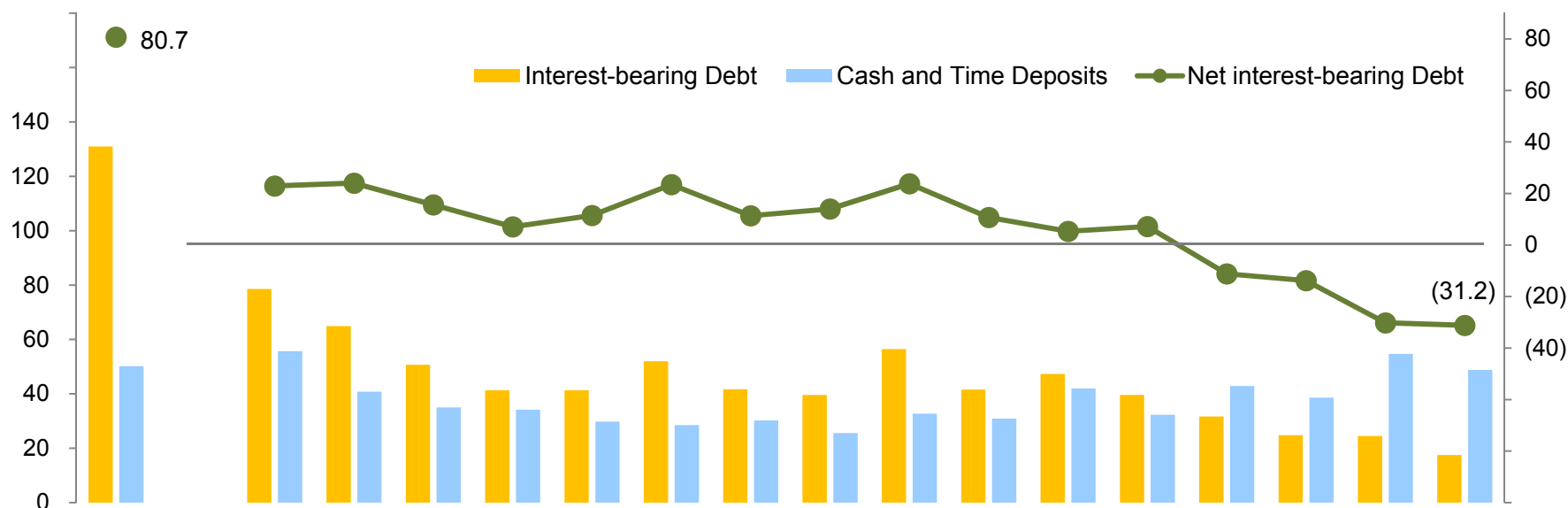
FY2017 Total Free Cash Flow

JPY 43.1 bn.

Interest-bearing Debt <Consolidated>

Interest-bearing debt
Cash and time deposit
(Billions of JPY)

Net interest-bearing debt
(Billions of JPY)



	FY2010	FY2014				FY2015				FY2016				FY2017			
	Jun.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.
Interest-bearing debt	131.0	78.6	64.9	50.7	41.3	41.3	52.0	41.7	39.6	56.5	41.6	47.3	39.6	31.7	24.8	24.5	17.5
Cash and time deposit	50.2	55.7	40.8	35.0	34.2	29.8	28.5	30.2	25.6	32.7	30.9	42.0	32.3	42.9	38.6	54.7	48.8
Net interest-bearing debt	80.7	22.9	24.0	15.6	7.1	11.5	23.5	11.4	14.0	23.8	10.7	5.3	7.2	(11.2)	(13.8)	(30.2)	(31.2)

1. FY2017 Business Results



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



3. Financial Situation



4. FY2018 Business Forecast



5. Three-year Medium-term Management Plan



Business Forecast for FY2018 <Consolidated>

(Billions of JPY)	FY2017			FY2018 <Forecast>		
	1H	2H	Total	1H	2H	Total
Net sales	136.1	164.0	300.2	145.0	160.0	305.0
SE	91.6	114.4	206.0	94.0	108.0	202.0
GP	26.0	28.6	54.7			
GA	22.0	23.7	45.8	24.1	25.2	49.3
PE*	3.9	4.9	8.9	4.6	5.1	9.7
FT	17.9	20.1	38.1	20.8	18.7	39.5
Other	0.4	0.8	1.2	1.5	3.0	4.5
Operating income (to net sales ratio)	12.1 8.9%	21.5 13.1%	33.7 11.2%	14.0 9.7%	20.0 12.5%	34.0 11.1%
Ordinary income	11.6	20.3	32.0	13.9	19.8	33.7
Profit attributable to Owners of parent	9.4	14.7	24.1	8.5	13.8	22.3

*independent segment since April, 2017

▣ Assumed Exchange Rate>> USD1=105 yen EUR1=115 yen

▣ Forecast of annual cash dividends for FY2018>> JPY 87.00 per share (year-end cash dividend)

1. FY2017 Business Results



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



3. Financial Situation



4. FY2018 Business Forecast



5. Three-year Medium-term Management Plan



Three-year Medium-term Management Plan

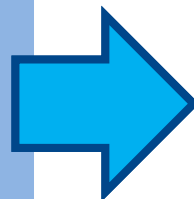
“Challenge 2016” <2014 April - 2017 March>

>> Review of results

Three targets>>

1. To complete earnings structure reforms

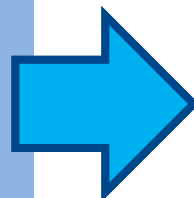
- Operating income to net sales ratio of 10% or above



○ 11.2%

2. To strengthen financial standing

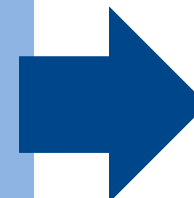
- An equity ratio of 50% or above



○ real 50%

3. To launch businesses in new fields

- Generate profits in the four new business fields



Carryover to the Next Medium-term Management Plan

"Challenge 2016" Review of results

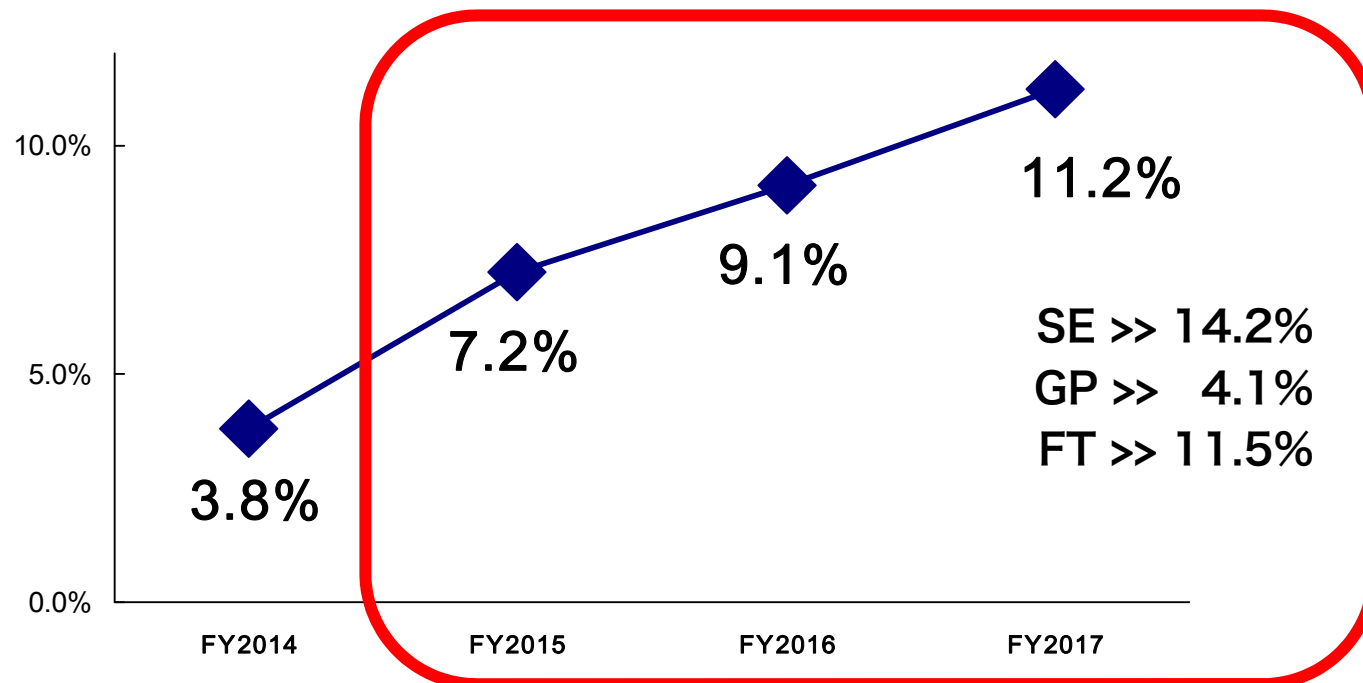
1. To complete earnings structure reforms



Achieved 11.2% Companywide
Driven by the SE and FT segments

-Operating income to net sales ratio of 10% or above

- Strengthened management of forecasts (lower net sales break-even point) taking into account continuity with the aim of improving the variable cost ratio Companywide



"Challenge 2016" Review of results

2. To strengthen financial standing → Achieved a real equity ratio of 50%

-An equity ratio of 50% or above

Equity ratio

47.5%

Equity : JPY 142.8 bn.

Total assets: JPY 300.6 bn.
(Cash and time deposits: JPY 48.8 bn.)

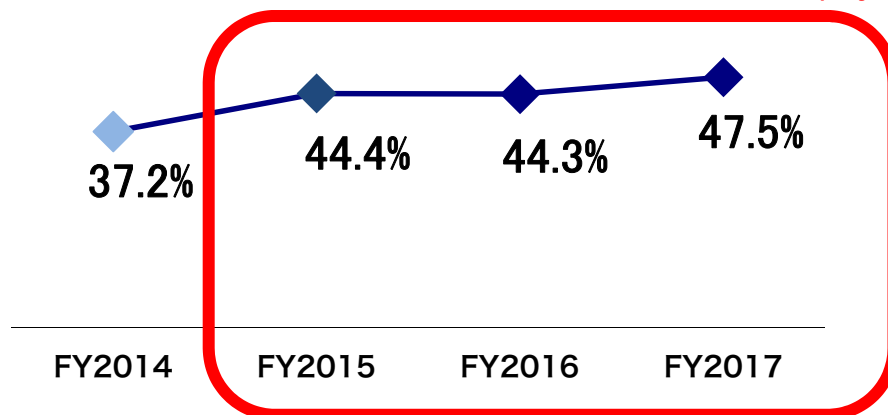
Real equity ratio

50.0%

Equity : JPY 142.8 bn.

Total assets: JPY 285.6 bn.
(Cash and time deposits: JPY 33.8 bn.)

JPY (15.0) bn.
(Repayment of long-term loans payable ahead of schedule)



"Challenge 2016" Review of results

3. To launch businesses in new fields → This goal to be carried over to next Medium-term Plan
- Generate profits in the four new business fields

- >> In the energy field (FT), achieved over JPY 2.0 bn. in annual sales.
- >> More time needed than originally estimated to evaluate equipment for the Inspection & Measurement, Life Science, and Printed Electronics businesses, delaying commercialization.



High-Speed Cell ScannerCell3iMager



Pharmaceutical tablet printer DP-i3000
(Not marketed outside Japan)

”Challenge 2016” Review of targets related

» Status of publicly announced goals, such as enhancing corporate value

- Achieve a total consolidated shareholder return ratio of 25%
→17% via dividends (forecast basis), 8% via purchases of treasury stock
- Included in the JPX-Nikkei Index 400 with enhancement of ROE (August 2016)
- Achieved to maintain net cash position with the aim of maximizing FCF (since FY2017_Q1)
- Credit Rating by JCR (Japan Credit Rating Agency) upgraded from “BBB (positive)” to “BBB+ (stable)” (December 2016)

"Challenge 2016"

>> Changes in main numerical value

(Billions of JPY)	Challenge 2016				
	FY2013	FY2014	FY2015	FY2016	FY2017
Net sales	199.7	235.9	237.6	259.6	300.2
Operating Income	(4.8)	8.9	17.1	23.5	33.7
to net ratio(%)	-2.4	3.8	7.2	9.1	11.2
Total assets	232.3	232.3	249.5	270.0	300.6
Equity	76.2	86.4	110.8	119.6	142.8
Equity ratio(%)	32.8	37.2	44.4	44.3	47.5
ROE(%)	-14.2	6.7	12.3	16.3	18.4
Capital expenditures	6.4	4.5	6.6	6.3	8.2
R&D expenses	12.6	12.2	13.9	15.1	17.7
EPS (JPY)	(238.75)	114.15	255.35	396.75	511.96

NEW

Three-Year Medium-Term Management Plan “Challenge 2019”



Basic concept: Growth and qualitative improvement of the Group itself

The business environment surrounding the SCREEN Group is subject to constant, rapid change. While this environment demands speed and innovation, it also constantly presents business opportunities, and the overall market continues to grow.

Given this, under Challenge 2019, the Group will maintain the earnings structure and financial base established under the previous medium-term management plan while aiming for the growth and qualitative improvement of the Group itself. At the same time, the Group will work to ensure the generation of sustainable profit and shareholder returns.

TARGETS

- 1 Achieve fiscal year net sales of approximately JPY 300 billion**
Expand sales
- 2 Achieve an operating income to net sales ratio of 13% or above in the final fiscal year of the plan**
Maintain and improve profitability
- 3 Achieve ROE of approximately 15%**
Maintain and improve capital efficiency

The above forward-looking numerical amounts are goals for organic growth. They are based on currently available information and rational assumptions and are not intended to indicate a commitment to their future achievement. It should be noted that actual results could differ significantly due to a variety of factors.

“Challenge 2019”

MAIN INITIATIVES

- 1 Improve the net sales break-even point ratio in existing businesses**
Control the net sales break-even point in response to sales fluctuations
- 2 Establish earnings platforms in peripheral areas based on the production equipment business**
Further strengthen after-sales businesses, including modifications (and including consumables businesses in the Graphic Arts field)
- 3 Aggressively invest in growth while maintaining financial discipline**
Explore opportunities for and implement effective M&A. Under a strategy of open innovation, explore opportunities for and implement such measures as collaboration and business alliances with research institutions and other companies as well as investment in and support for venture capital.
- 4 Advance CSR management with an emphasis on ESG**
E: Creating environmental value and contributing to the reduction of carbon emissions and recycling of resources at the societal level
S: Ensuring opportunities for decent work and creating social value
G: Implementing a system of both passive and active governance while disclosing ESG information
- 5 Enhance shareholder returns**
Aim for a total consolidated shareholder return ratio of 25% or above

“Challenge 2019”

» Business Environment & Initiatives

SE : Aim for a growth rate surpassing the market average

- **External environment : Expects firm growth (around 5 to 10% annually over three years) to CY2019**
 - Investment by foundries/logic chip makers toward the miniaturization for leading-edge nodes (10nm, 7nm, and smaller)
 - Increase in demand for 3D-NAND and DRAM bits growth
(Chinese market will get up to full speed in 2018)
- **SCREEN: Aims to increase its market share in every device field, including cleaning equipment that has the largest global market share**
 - Focus on the sales increase in the post-processing market as well as the memory field and the expansion in market share for annealing system
 - In new fields, develop the Advanced Packaging field, which is expected to grow



Single wafer cleaning equipment
SU-3300



Laser Annealer
LT-3100
For Ultra-thin-film modification & development



Direct Imaging System
DW-3000 for PLP

“Challenge 2019” <Business Environment & Initiatives>

GA : Carry out earnings structure reforms with the aim of expanding market share

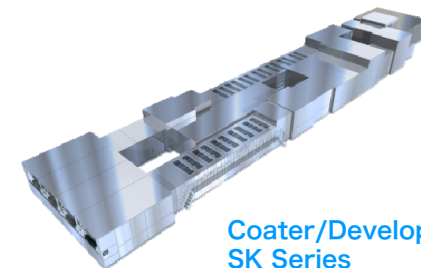
- ☐ External environment: The POD will expand in the commercial printing field, while CTP will gradually decline.
- ☐ SCREEN: Maintain CTP sales and increase its share of consumable products including POD ink (for label/package or roll-fed inkjet printers).
 - Increase sales in the ink business, which is stable and expected to grow (invest in functional ink)
 - Reform earnings structure while focusing on keeping inventory low



Digital Printing
Truepress Jet520NX

FT : Build a new business portfolio

- ☐ External environment: In the display market, the market for array coaters will shrink due to an oversupply of panels. In new business fields, investment will increase in lithium-ion batteries due to a rise in the number of electric vehicle.
- ☐ SCREEN: In the display business, the new applications (OLEDs, flexible displays, automotive uses) will push up sales and broaden the scope of the business.
 - Redirect more resources to expand new business areas, and reconfigure the business portfolio.



Coater/Developer
SK Series

“Challenge 2019” <Business Environment & Initiatives>

PE : Boost the market presence

- ☐ External environment: Smartphone replacement demand, with migration to models with higher functionality, will persist. The PCB market will grow 2 to 5% to CY2020 thanks to increased demand for IoT services and their use in the automobile, telecommunications, data storage, robotics, and health care industries.
- ☐ SCREEN: Formed an independent company in April 2017. Launch new products to expand sales and boost its market presence.

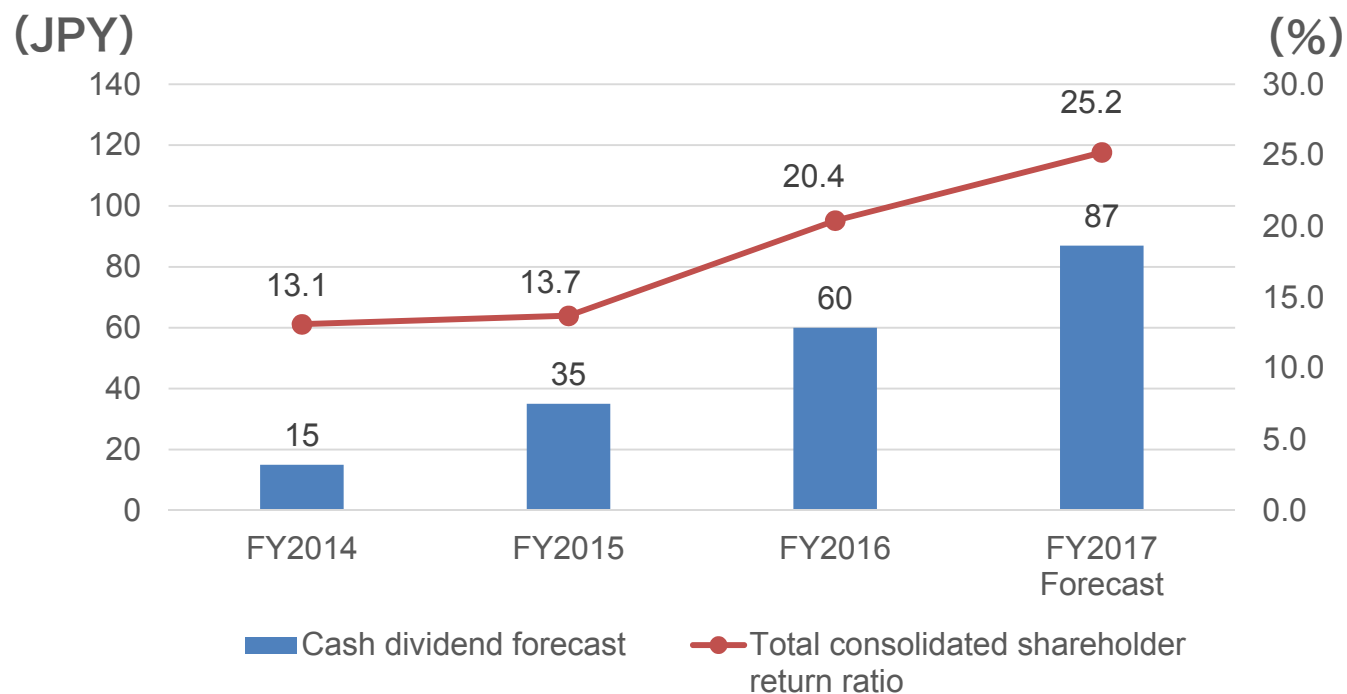
New businesses: New challenges

- ☐ External environment: In the Life Science field, investment in research and development in such areas as drug discovery, regenerative medicine, and iPS cell treatments will be increased. In the automobile, inspection and measuring industry, needs of automation of visual inspection for forged parts and other will grow.
- ☐ SCREEN: Strengthen its sales capabilities and expand its product lineup, targeting growth markets.
 - Move into the sales growth phase based on positive feedback from client companies regarding equipment.

“Challenge 2019”

» Enhance shareholder returns

Aim for a total consolidated shareholder return ratio of 25% or above



*Dividend amounts shown above are calculated reflecting the share consolidation (a one-for-five consolidation) implemented on October 1, 2016.

SCREEN

Fit your needs, Fit your future



SCREEN