

October 30, 2019

CONSOLIDATED FINANCIAL REPORT FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2019 [Japanese GAAP]

SCREEN Holdings Co., Ltd. is listed on the First Section of the Tokyo Stock Exchange with the securities code number 7735.
(URL <https://www.screen.co.jp/en>)

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Date planned for the filing of the quarterly report: November 13, 2019

Date of payment for cash dividends: —

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

PERFORMANCE FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2019 (APR. 1, 2019-SEPT. 30, 2019)

(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
Six months ended Sept. 30, 2019	¥ 148,190	-12.9%	¥ 3,439	-77.4%	¥ 3,414	-77.7%
Six months ended Sept. 30, 2018	170,081	10.6	15,188	-10.2	15,306	-7.1

Note: Comprehensive income

Six months ended Sept. 30, 2019: ¥ (348) million (- %)
Six months ended Sept. 30, 2018: ¥ 9,856 million (-37.4 %)

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Six months ended Sept. 30, 2019	¥ 2,382	-75.1%	¥ 51.06	¥ 48.25
Six months ended Sept. 30, 2018	9,585	-10.1	205.46	198.77

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)
Sept. 30, 2019	¥371,415	¥174,752	47.0%
Mar. 31, 2019	380,915	179,133	47.0

Note: Equity

As of Sept. 30, 2019: ¥ 174,539 million
As of Mar. 31, 2019: ¥ 179,115 million

CASH DIVIDENDS

(Yen)

Record date	Cash Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Fiscal year ended Mar. 31, 2019	¥ —	¥ —	¥ —	¥97.00	¥97.00
Fiscal year ending Mar. 31, 2020	—	—			
Fiscal year ending Mar. 31, 2020 (Forecast)			—	97.00	97.00

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

FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2020

(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 Mar. 31, 2020	¥ 329,000	-9.7 %	¥ 25,000	-15.7 %

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Fiscal year ending Mar. 31, 2020	¥ 22,500	-23.2 %	¥ 17,000	-5.9 %	¥ 364.29

Note: Revision of the latest business forecast: Yes

NOTES

- Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): No
New Company: Not applicable Exclusion: Not applicable
- Application of accounting methods specific to the preparation of quarterly consolidated financial statements: Yes
Please refer to P.10 [Notes for quarterly consolidated financial statements – (Application of accounting methods specific to the preparation of quarterly consolidated financial statements)] for more information.
- Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - Changes in accounting policies accompanied by revision of accounting standard etc.: Yes
 - Changes in accounting policies other than 1: No
 - Changes in accounting estimates: No
 - Retrospective restatement: No
 Please refer to P.10 [Notes for quarterly consolidated financial statements – (Changes in accounting policies)] for more information.
- Number of shares outstanding
 - Number of shares outstanding as of end of period (including treasury stock)
As of Sept. 30, 2019: 50,794,866 shares As of Mar. 31, 2019: 50,794,866 shares
 - Number of treasury stock as of end of period
As of Sept. 30, 2019: 4,125,730 shares As of Mar. 31, 2019: 4,136,788 shares
 - Average number of shares outstanding
Six months ended Sept. 30, 2019: 46,662,659 shares Six months ended Sept. 30, 2018: 46,652,624 shares

* This quarterly earnings report is exempt from the quarterly review procedure by certified public accountants or audit firm.

* Explanation for appropriate use of forecasts and other notes

- SCREEN Holdings has revised its business forecast for the fiscal year ending March 31, 2020 that was previously announced on July 29, 2019, as noted in this financial report.
- 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 assumptions used and other notes.

[Qualitative Information, Financial Statements]**1. Qualitative information regarding the status of consolidated business results**

During the first half of the fiscal year ending March 31, 2020 (the six-month period from April 1, 2019 to September 30, 2019), the global economic slowdown became stronger mainly as companies displayed a more careful approach to capital investment in reaction to the increasingly unclear outlook arising from the continuing trade tensions between the United States and China as well as the anticipated exit of the U.K. from the European Union. The U.S. economy's expansion took on a more gradual pace due mainly to weaker capital investment and production despite firm consumer spending. Part of the European economies recovered gradually, backed mainly by weak capital investment and production. In China, the economy gradually decelerated due primarily to an expected drop in imports and exports and slowing growth in consumption. The Japanese economic recovery was at a standstill due in part to bearish exports and production.

With regard to the business conditions surrounding the SCREEN Group, in the semiconductor industry, overall capital investment significantly decreased year on year. It is due to a continued restriction of capital investment by memory manufacturers amid stagnant demand for data centers and smartphones, despite firm leading-edge investment by foundries and logic chip makers. In the FPD business field, signs of restriction emerged for investment in small- to medium-sized displays for smartphones and investment in large-sized LCD panels, which had been firm.

Under these circumstances, the SCREEN Group posted consolidated net sales of ¥148,190 million for the first half of the fiscal year ending March 31, 2020, a decrease of ¥21,891 million (12.9%) from the corresponding period of the previous fiscal year. On the earnings front, as the result of a decrease in sales and a rise in the variable cost ratio, operating income totaled ¥3,439 million, down ¥11,749 million (77.4%) year on year. Ordinary income amounted to ¥3,414 million, down 11,891 million (77.7%) year on year. Profit attributable to owners of parent totaled ¥2,382 million, down ¥7,202 million (75.1%) compared with the corresponding period of the previous fiscal year.

Performance by reportable segment is explained below.

The Semiconductor Production Equipment (SPE) Business

In the SPE business, sales to memory manufacturers declined year on year, despite an increase in sales to foundries, logic chip makers, and imaging devices. By region, sales to Taiwan and North America rose, and those to China and South Korea declined. As a result, net sales in this segment amounted to ¥106,901 million, down 5.3% year on year. Operating income in this segment came to ¥6,522 million, down 43.8% from the corresponding period of the previous fiscal year, mainly reflecting the decrease in sales and a rise in the variable cost ratio.

The Graphic Arts Equipment (GA) Business

In the GA business, although sales of ink and other after-sales service were firm, sales of computer to plate (CTP) equipment and print on demand (POD) equipment decreased. As a result, net sales in this segment amounted to ¥22,775 million, down 4.6% year on year. On the earnings front, despite a decrease in sales, operating income in this segment came to ¥941 million, up 110.9% from the corresponding period of the previous fiscal year largely due to fixed cost reductions.

The Display Production Equipment and Coater (FT) Business

In the FT business, sales of production equipment for large-sized panels and small- and medium-sized both decreased year on year. As a result, net sales in this segment amounted to ¥12,846 million, down 49.5% year on year. On the earnings front, operating loss in this segment came to ¥3,015 million (compared with operating income of ¥2,849 million in the corresponding period of the previous fiscal year), mainly reflecting the decrease in sales and a rise in the variable cost ratio.

The PCB-Related Equipment (PE) Business

In the PE business, due in part to a decrease in sales of direct imaging equipment, net sales in this segment amounted to ¥4,781 million, down 33.3% year on year. On the earnings front, operating loss in this segment came to ¥34 million (compared with operating income of ¥1,065 million in the corresponding period of the previous fiscal year), mainly reflecting the decrease in net sales.

2. Qualitative information regarding changes in consolidated financial position

Total assets as of September 30, 2019 stood at ¥371,415 million, a decrease of ¥9,500 million, or 2.5%, compared with March 31, 2019. This was largely due to a decrease in notes and accounts receivable including electronically recorded monetary claims and cash and time deposits, despite an increase in inventories.

Total liabilities amounted to ¥196,662 million, down ¥5,119 million, or 2.5%, compared with the end of the previous fiscal year. This was mainly attributable to a decrease in notes and accounts payable including electronically recorded obligations, despite an increase in short-term loans payable.

Total net assets amounted to ¥174,752 million, down ¥4,381 million, or 2.4%, from March 31, 2019. This was mainly attributable to payment of cash dividends and a decrease in foreign currency translation adjustment due to strengthening yen, despite the recording of profit attributable to owners of parent.

As a result, the equity ratio as of September 30, 2019 stood at 47.0%.

Status of Cash Flows

The status of cash flows for the first half of the fiscal year ending March 31, 2020 is as follows.

Net cash used in operating activities amounted to ¥16,645 million, compared with ¥7,999 million used in operating activities in the first half of the previous fiscal year. This was because the sum of a decrease in notes and accounts payable including electronically recorded obligations, an increase in inventories, and other outflows exceeded a decrease in accounts receivable including electronically recorded monetary claims, depreciation and amortization, income before income taxes, and other inflows.

Net cash used in investing activities amounted to ¥6,980 million, compared with ¥11,922 million used in investing activities in the first half of the previous fiscal year. This was largely attributable to the purchase of property, plant and equipment, such as equipment for R&D.

Net cash provided by financing activities amounted to ¥21,879 million, compared with ¥20,318 million provided by financing activities in the first half of the previous fiscal year. This was mainly due to an increase in short-term loans payable, despite cash dividends paid.

As a result, cash and cash equivalents as of September 30, 2019, totaled ¥28,332 million, down ¥2,589 million from March 31, 2019.

3. Qualitative information regarding consolidated business results forecasts

Given the current status of orders, SCREEN Holdings has revised its consolidated business forecast for the fiscal year ending March 31, 2020, from the previous forecast announced on July 29, 2019, as shown below.

Business forecast

Fiscal year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

		Fiscal year ending Mar. 31, 2020
Net Sales		¥ 329,000
	SPE	229,000
	GA	46,000
	FT	41,000
	PE	11,000
	Other and Adjustments	2,000
Operating Income		25,000
Ordinary Income		22,500
Profit Attributable to Owners of Parent		17,000

Note: The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥105 and EUR1.00 = ¥115.

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.

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2019	Sept. 30, 2019
ASSETS		
Current assets:		
Cash and time deposits	¥ 32,193	¥ 29,242
Notes and accounts receivable - trade	96,292	80,486
Electronically recorded monetary claims - operating	4,542	10,485
Merchandise and finished goods	61,861	63,667
Work in process	37,556	42,684
Raw materials and supplies	17,384	17,327
Other	14,102	10,288
Allowance for doubtful accounts	(669)	(649)
Total current assets	<u>263,264</u>	<u>253,533</u>
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	59,622	60,078
Machinery, equipment and vehicles	47,779	48,852
Other	36,496	38,204
Accumulated depreciation	(82,500)	(85,271)
Total property, plant and equipment	<u>61,398</u>	<u>61,863</u>
Intangible assets:		
Other	6,886	6,735
Total intangible assets	<u>6,886</u>	<u>6,735</u>
Investments and other assets:		
Investment securities	37,083	36,128
Net defined benefit asset	5,363	5,692
Deferred tax assets	3,754	4,495
Other	3,360	3,157
Allowance for doubtful accounts	(195)	(191)
Total investments and other assets	<u>49,366</u>	<u>49,281</u>
Total non-current assets	<u>117,650</u>	<u>117,881</u>
Total assets	<u>380,915</u>	<u>371,415</u>

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2019	Sept. 30, 2019
LIABILITIES		
Current liabilities:		
Notes and accounts payable - trade	¥ 28,151	¥ 23,381
Electronically recorded obligations - operating	66,379	46,053
Short-term loans payable	18,000	46,000
Current portion of long-term loans payable	1,504	614
Lease obligations	449	1,165
Income taxes payable	4,364	2,507
Notes payable - facilities	6	2
Electronically recorded obligations - facilities	13	11
Advances received	14,211	14,501
Provision for bonuses	2,618	343
Provision for directors' bonuses	154	64
Provision for product warranties	6,875	6,598
Provision for loss on order received	74	467
Other	18,047	14,056
Total current liabilities	<u>160,852</u>	<u>155,767</u>
Non-current liabilities:		
Convertible bond-type bonds with share acquisition rights	30,125	30,110
Long-term loans payable	3,723	3,416
Lease obligations	1,518	2,213
Net defined benefit liability	943	920
Provision for directors' retirement benefits	175	201
Provision for stock payment	33	33
Provision for management board incentive plan trust	39	33
Asset retirement obligations	66	65
Other	4,303	3,899
Total non-current liabilities	<u>40,929</u>	<u>40,894</u>
Total liabilities	<u>201,781</u>	<u>196,662</u>
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	4,488	4,488
Retained earnings	130,274	128,334
Treasury stock	(18,044)	(17,963)
Total shareholders' equity	<u>170,763</u>	<u>168,903</u>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	14,319	13,515
Foreign currency translation adjustment	(5,345)	(7,442)
Remeasurements of defined benefit plans	(622)	(437)
Total accumulated other comprehensive income	<u>8,352</u>	<u>5,636</u>
Non-controlling interests	<u>17</u>	<u>212</u>
Total net assets	<u>179,133</u>	<u>174,752</u>
Total liabilities and net assets	<u>380,915</u>	<u>371,415</u>

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

Apr.1, 2018 – Sept. 30, 2018 Apr.1, 2019 – Sept. 30, 2019

Net sales	¥ 170,081	¥ 148,190
Cost of sales	120,509	113,094
Gross profit	49,571	35,095
Selling, general and administrative expenses	34,383	31,655
Operating income	15,188	3,439
Non-operating income		
Interest income	42	38
Dividends income	280	322
Foreign exchange gains, net	119	—
Gain on sales of non-current assets	384	3
Other	338	365
Total non-operating income	1,165	730
Non-operating expenses		
Interest expenses	262	275
Foreign exchange losses, net	—	87
Share of loss of entities accounted for using equity method	56	68
Loss on retirement of non-current assets	350	61
Other	378	262
Total non-operating expenses	1,048	755
Ordinary income	15,306	3,414
Extraordinary income		
Gain on sales of investment securities	444	279
Total extraordinary income	444	279
Extraordinary loss		
Loss on valuation of investment securities	18	41
Total extraordinary loss	18	41
Income before income taxes	15,732	3,652
Income taxes	6,148	1,284
Profit	9,584	2,368
Loss attributable to non-controlling interests	(0)	(14)
Profit attributable to owners of parent	9,585	2,382

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2018 – Sept. 30, 2018	Apr.1, 2019 – Sept. 30, 2019
Profit	¥ 9,584	¥ 2,368
Other comprehensive income		
Valuation difference on available-for-sale securities	(931)	(804)
Foreign currency translation adjustment	1,011	(2,077)
Remeasurements of defined benefit plans	235	184
Share of other comprehensive income of entities accounted for using equity method	(44)	(19)
Total other comprehensive income	<u>271</u>	<u>(2,716)</u>
Comprehensive income	<u>9,856</u>	<u>(348)</u>
Comprehensive income attributable to:		
Owners of parent	9,861	(333)
Non-controlling interests	(5)	(15)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

Apr.1, 2018 – Sept. 30, 2018

Apr.1, 2019– Sept. 30, 2019

Cash flow from operating activities:

Income before income taxes	¥ 15,732	¥ 3,652
Depreciation and amortization	3,226	4,315
Loss (gain) on valuation of investment securities	18	41
Loss (gain) on sales of investment securities	(444)	(279)
Loss (gain) on sales of non-current assets	(384)	(3)
Loss on retirement of non-current assets	350	61
Share of loss (profit) of entities accounted for using equity method	56	68
Increase (decrease) in net defined benefit asset and liability	(78)	(6)
Increase (decrease) in provision for bonuses	(2,873)	(2,274)
Increase (decrease) in provision for directors' bonuses	(137)	(90)
Increase (decrease) in provision for stock payment	(0)	(0)
Increase (decrease) in provision for management board incentive plan trust	(14)	(5)
Increase (decrease) in provision for product warranties	209	(257)
Increase (decrease) in provision for loss on order received	(53)	393
Interest and dividends income	(322)	(361)
Interest expenses	262	275
Decrease (increase) in notes and accounts receivable including electronically recorded monetary claims	6,230	9,389
Decrease (increase) in inventories	(22,088)	(8,241)
Decrease (increase) in other current assets	(349)	1,362
Increase (decrease) in notes and accounts payable including electronically recorded obligations	2,954	(22,298)
Increase (decrease) in other current liabilities	2,271	(1,819)
Other, net	(207)	852
Subtotal	4,356	(15,226)
Interest and dividends income received	316	349
Interest expenses paid	(271)	(283)
Contribution in connection with the shift to a defined-contribution pension plan	(1)	(1)
Income taxes paid	(12,400)	(1,483)
Net cash provided by (used in) operating activities	(7,999)	(16,645)

Cash flow from investing activities:

Decrease (increase) in time deposits	1,422	258
Purchase of property, plant and equipment	(9,970)	(6,404)
Proceeds from sales of property, plant and equipment	589	72
Purchase of intangible assets	(2,638)	(578)
Purchase of investment securities	(2,020)	(435)
Proceeds from sales of investment securities	864	504
Other, net	(171)	(397)
Net cash provided by (used in) investing activities	(11,922)	(6,980)

Cash flow from financing activities:

Net increase (decrease) in short-term loans payable	—	28,000
Repayments of long-term loans payable	(4,339)	(1,196)
Repayments of lease obligations	(196)	(603)
Proceeds from issuance of convertible bond-type bonds with share acquisition rights	30,059	—
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(98)	—
Proceeds from share issuance to non-controlling shareholders	23	210
Net decrease (increase) in treasury stock	0	(1)
Cash dividends paid	(5,130)	(4,528)
Net cash provided by (used in) financing activities	20,318	21,879

Effect of exchange rate change on cash and cash equivalents

Effect of exchange rate change on cash and cash equivalents	681	(843)
Net increase (decrease) in cash and cash equivalents	1,077	(2,589)
Cash and cash equivalents at beginning of period	50,817	30,922
Cash and cash equivalents at end of period	51,894	28,332

[Notes for quarterly consolidated financial statements]

(Note for going concern assumption)

Not Applicable

(Note for significant changes in the amount of shareholders' equity)

Not Applicable

(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 second quarter ended September 30, 2019, 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.

(Changes in accounting policies)

Adoption of ASU 2014-09 'Revenue from Contracts with Customers'

Certain overseas consolidated subsidiaries which apply U.S. GAAP adopted ASU 2014-09 'Revenue from Contracts with Customers' (May 28, 2014, hereinafter 'ASU 2014-09') from the beginning of the first quarter of fiscal 2020.

With the application of ASU 2014-09, revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchanges for those goods or services. In adopting ASU 2014-09, in accordance with the transition provisions, the cumulative effect of applying this standard was recognized on the date of the start of adoption.

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

Adoption of IFRS16 'Leases'

Certain overseas consolidated subsidiaries which apply the International Financial Reporting Standards (IFRS) adopted IFRS16 'Leases' (January 13, 2016, hereinafter 'IFRS16') from the beginning of the first quarter of fiscal 2020.

With the application of IFRS16, the lessee generally recognizes all leases as assets and liabilities. In adopting IFRS16, in accordance with the transition provisions, the cumulative effect of applying this standard was recognized on the date of the start of adoption.

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

SEGMENT INFORMATION

[Segment Information]

I Six months ended Sept. 30, 2018

Net sales and income (loss) in reportable segment

(Millions of yen)

	Reportable segment *1					Other *2	Total	Adjustments *3	Consolidated *4
	SPE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥ 112,881	¥ 23,842	¥ 25,419	¥ 7,169	¥ 169,313	¥ 768	¥ 170,081	¥ —	¥ 170,081
(2)Intersegment sales and transfers	0	35	—	—	36	8,101	8,138	(8,138)	—
Total	112,882	23,878	25,419	7,169	169,349	8,870	178,219	(8,138)	170,081
Segment income (loss)	11,608	446	2,849	1,065	15,970	(725)	15,244	(56)	15,188

Notes:

- *1.The SPE segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. In the GA segment, graphic arts equipment is developed, manufactured, sold and maintained. The FT segment develops, manufactures and markets display production equipment and coater equipment, and it also conducts maintenance services. In the PE segment, PCB related equipment is developed, manufactured, sold and maintained.
- *2.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.
- *3.Segment income (loss) adjustment of ¥ (56) million is the Company’s profit (loss) not attributable to reportable segment.
- *4.Segment income (loss) is reconciled to the operating income in the consolidated statements of income.

II Six months ended Sept. 30, 2019

1. Net sales and income (loss) in reportable segment

(Millions of yen)

	Reportable segment *1					Other *2	Total	Adjustments *3	Consolidated *4
	SPE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥ 106,896	¥ 22,758	¥ 12,846	¥ 4,781	¥ 147,282	¥ 907	¥ 148,190	¥ —	¥ 148,190
(2)Intersegment sales and transfers	5	17	—	—	22	6,149	6,442	(6,442)	—
Total	106,901	22,775	12,846	4,781	147,305	7,327	154,632	(6,442)	148,190
Segment income (loss)	6,522	941	(3,015)	(34)	4,414	(828)	3,586	(146)	3,439

Notes:

- *1. The SPE segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. In the GA segment, graphic arts equipment is developed, manufactured, sold and maintained. The FT segment develops, manufactures and markets display production equipment and coater equipment, and it also conducts maintenance services. In the PE segment, PCB related equipment is developed, manufactured, sold and maintained.
- *2. The “Other” category incorporates operations not included in reportable segments, including development, manufacturing and sales of equipment in life science business and inspection system for in-vehicle components, software development, planning and production of printed matter and other businesses.
- *3. Segment income (loss) adjustment of ¥ (146) million is the Company’s profit (loss) not attributable to reportable segment.
- *4. Segment income (loss) is reconciled to operating income in the consolidated statements of income.

Consolidated Financial Highlights for the Second Quarter Ended September 30, 2019

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

	FY2019	FY2020	Difference		FY2019	FY2020
	6 months ended Sept. 30, 2018	6 months ended Sept. 30, 2019			12 months ended Mar.31, 2019	12 months ending Mar.31, 2020
	Result	Result	Amount	Percentage	Result	Forecast
Net sales	¥ 170,081	¥ 148,190	¥ (21,891)	-12.9%	¥ 364,234	¥ 329,000
Operating income	15,188	3,439	(11,749)	-77.4%	29,645	25,000
[to net sales ratio]	8.9 %	2.3 %	-6.6 pt	—	8.1 %	7.6 %
Ordinary income	15,306	3,414	(11,891)	-77.7%	29,279	22,500
[to net sales ratio]	9.0 %	2.3 %	-6.7 pt	—	8.0 %	6.8 %
Profit attributable to owners of parent	9,585	2,382	(7,202)	-75.1%	18,059	17,000
[to net sales ratio]	5.6 %	1.6 %	-4.0 pt	—	5.0 %	5.2 %
Total assets	393,760	371,415	* (9,500)	-2.5%	380,915	—
Net assets	175,524	174,752	* (4,381)	-2.4%	179,133	—
Equity	175,499	174,539	* (4,575)	-2.6%	179,115	—
Equity ratio	44.6 %	47.0 %	* -0.0 pt	—	47.0 %	—
Net assets per share of capital stock (Yen)	3,761.85	3,739.94	* (98.96)	-2.6%	3,838.90	—
Interest-bearing debt	38,811	83,519	* 28,198	51.0%	55,321	—
Net Interest-bearing debt	(13,973)	54,276	* 31,149	134.7%	23,127	—
Cash flows from operating activities	(7,999)	(16,645)	—	—	(37,534)	—
Cash flows from investing activities	(11,922)	(6,980)	—	—	(19,020)	—
Cash flows from financing activities	20,318	21,879	—	—	36,760	—
Depreciation and amortization	3,226	4,315	1,088	33.7%	6,883	9,500
Capital expenditures	11,409	3,142	(8,266)	-72.5%	24,088	11,000
R&D expenses	10,829	11,037	208	1.9%	22,825	22,000
Number of employees	6,112	6,139	* 40	0.7%	6,099	—
Number of consolidated subsidiaries	58	58	* 1	—	57	—
[Domestic]	[28]	[28]	* [1]	—	[27]	—
[Overseas]	[30]	[30]	* [—]	—	[30]	—
Number of non-consolidated subsidiaries	2	3	* —	—	3	—
[Number of non-consolidated subsidiaries accounted for by equity method]	[—]	[—]	* [—]	—	[—]	—
Number of affiliates	1	2	* 1	—	1	—
[Number of affiliates accounted for by equity method]	[1]	[2]	* [1]	—	[1]	—

* show changes from Mar. 31, 2019

Note: The number of consolidated subsidiaries changed as follows.

SCREEN DecoraPrint Co., Ltd.: Established as a 65%-owned consolidated subsidiary.

Sales Breakdown (Consolidated)

(Millions of yen)

		FY2019						FY2020			
		3 months ended Jun. 30, 2018	3 months ended Sept. 30, 2018	6 months ended Sept. 30, 2018	3 months ended Dec. 31, 2018	3 months ended Mar. 31, 2019	12 months ended Mar.31, 2019	3 months ended Jun. 30, 2019	3 months ended Sept. 30, 2019	6 months ended Sept. 30, 2019	12 months ending Mar.31, 2020
		Result	Result	Result	Result	Result	Result	Result	Result	Result	Forecast
Semiconductor Production Equipment Business (SPE)	Domestic	7,114	11,441	18,556	11,769	13,542	43,866	7,416	13,091	20,507	—
	Overseas	40,050	54,275	94,326	46,480	67,839	208,646	33,792	52,601	86,393	—
	Total	47,164	65,717	112,882	58,249	81,381	252,513	41,208	65,692	106,901	229,000
Graphic Arts Equipment Business (GA)	Domestic	4,722	4,600	9,322	5,161	5,409	19,893	4,146	6,548	10,695	—
	Overseas	6,733	7,822	14,555	6,362	7,406	28,324	5,675	6,404	12,080	—
	Total	11,455	12,422	23,878	11,524	12,815	48,217	9,821	12,953	22,775	46,000
Display Production Equipment and Coater Business (FT)	Domestic	304	879	1,183	933	1,579	3,697	271	281	553	—
	Overseas	10,081	14,154	24,235	9,115	12,205	45,557	4,544	7,748	12,293	—
	Total	10,385	15,034	25,419	10,049	13,785	49,254	4,815	8,030	12,846	41,000
PCB-Related Equipment Business (PE)	Domestic	659	895	1,555	689	668	2,913	659	765	1,425	—
	Overseas	2,588	3,025	5,613	1,350	2,468	9,431	1,462	1,893	3,356	—
	Total	3,248	3,921	7,169	2,039	3,136	12,344	2,122	2,659	4,781	11,000
Other	Domestic	237	385	622	494	710	1,827	211	546	758	—
	Overseas	68	77	145	45	28	219	59	90	149	—
	Total	305	463	768	539	739	2,047	271	636	907	2,000
Intersegment sales	Domestic	(18)	(18)	(36)	(65)	(42)	(143)	(9)	(13)	(22)	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	(18)	(18)	(36)	(65)	(42)	(143)	(9)	(13)	(22)	—
Grand Total	Domestic	13,019	18,184	31,204	18,982	21,867	72,054	12,696	21,219	33,916	—
	Overseas	59,521	79,355	138,876	63,354	89,948	292,179	45,534	68,739	114,273	—
	Total	72,541	97,540	170,081	82,336	111,815	364,234	58,230	89,959	148,190	329,000
	Overseas Ratio	82.1%	81.4%	81.7%	76.9%	80.4%	80.2%	78.2%	76.4%	77.1%	—

Orders received & Order backlog (Consolidated)

(Millions of yen)

		FY2019						FY2020			
		3 months ended Sept. 30, 2018		3 months ended Dec. 31, 2018		3 months ended Mar. 31, 2019		3 months ended Jun. 30, 2019		3 months ended Sept. 30, 2019	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Production Equipment Business (SPE)	Domestic	11,018	21,309	8,341	17,881	8,373	12,712	11,178	16,475	11,359	14,743
	Overseas	47,020	84,881	58,020	96,421	43,004	71,587	48,844	86,639	51,236	85,274
	Total	58,039	106,191	66,361	114,303	51,377	84,300	60,023	103,114	62,595	100,017
Graphic Arts Equipment Business (GA)	Domestic	4,856	2,281	5,348	2,468	5,112	2,171	5,169	3,195	5,156	1,802
	Overseas	8,609	3,358	5,840	2,837	6,742	2,173	6,584	3,082	6,220	2,898
	Total	13,465	5,640	11,189	5,305	11,854	4,344	11,754	6,277	11,377	4,701
Display Production Equipment and Coater Business (FT)	Domestic	1,760	3,557	360	2,984	514	1,918	1,290	2,937	616	3,273
	Overseas	17,523	54,735	4,278	49,897	3,183	40,875	12,886	49,217	8,204	49,673
	Total	19,283	58,292	4,638	52,881	3,697	42,794	14,176	52,155	8,821	52,946
PCB-Related Equipment Business (PE)	Domestic	1,254	642	463	416	421	169	923	434	372	41
	Overseas	1,366	1,203	1,050	902	2,139	574	1,661	773	1,851	731
	Total	2,621	1,845	1,513	1,319	2,561	744	2,585	1,207	2,224	772
Grand Total	Domestic	18,890	27,790	14,513	23,750	14,421	16,973	18,563	23,042	17,505	19,861
	Overseas	74,519	144,178	69,189	150,059	55,070	115,210	69,976	139,712	67,513	138,576
	Total	93,409	171,969	83,703	173,810	69,491	132,183	88,540	162,754	85,019	158,438
	Overseas Ratio	79.8%	83.8%	82.7%	86.3%	79.2%	87.2%	79.0%	85.8%	79.4%	87.5%