

January 29, 2020

## CONSOLIDATED FINANCIAL REPORT FOR THE THIRD QUARTER ENDED DECEMBER 31, 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>)

Representative: Toshio Hiroe, President, Member of the Board and CEO  
For further information contact: Akihiko Miyagawa, Corporate Officer and General Manager of Finance & Accounting Department  
Tel: +81-75-414-7155

Date planned for the filing of the quarterly report: February 13, 2020

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 THIRD QUARTER ENDED DECEMBER 31, 2019 (APR. 1, 2019-DEC. 31, 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
<b>Nine months ended Dec. 31, 2019</b>	<b>¥ 226,051</b>	<b>-10.4%</b>	<b>¥ 7,397</b>	<b>-60.8%</b>	<b>¥ 7,193</b>	<b>-61.5%</b>
Nine months ended Dec. 31, 2018	252,418	12.6	18,888	-20.6	18,672	-18.9

Note: Comprehensive income  
 Nine months ended Dec. 31, 2019: ¥ 6,344 million (89.8 %)  
 Nine months ended Dec. 31, 2018: ¥ 3,342 million (-85.5 %)

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
<b>Nine months ended Dec. 31, 2019</b>	<b>¥ 4,728</b>	<b>-53.4%</b>	<b>¥ 101.34</b>	<b>¥ 95.85</b>
Nine months ended Dec. 31, 2018	10,148	-32.6	217.53	208.93

#### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)
<b>Dec. 31, 2019</b>	<b>¥384,055</b>	<b>¥181,447</b>	<b>47.2%</b>
Mar. 31, 2019	380,915	179,133	47.0

Note: Equity  
 As of Dec. 31, 2019: ¥ 181,238 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)				46.00	46.00

Note: Revision of the latest forecast of cash dividends: Yes

**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	¥ 327,000	-10.2 %	¥ 13,000	-56.1 %

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Fiscal year ending Mar. 31, 2020	¥ 11,500	-60.7 %	¥ 8,500	-52.9 %	¥ 182.15

Note: Revision of the latest business forecast: Yes

**NOTES**

- (1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): No  
New Company: Not applicable Exclusion: Not applicable
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: Yes  
Please refer to P.10 [Notes for quarterly consolidated financial statements – (Application of accounting methods specific to the preparation of quarterly consolidated financial statements)] for more information.
- (3) 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.
- (4) Number of shares outstanding
- Number of shares outstanding as of end of period (including treasury stock)  
As of Dec. 31, 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 Dec. 31, 2019: 4,125,417 shares As of Mar. 31, 2019: 4,136,788 shares
  - Average number of shares outstanding  
Nine months ended Dec. 31, 2019: 46,664,891 shares Nine months ended Dec. 31, 2018: 46,652,714 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 October 30, 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 nine months of the fiscal year ending March 31, 2020 (April 1, 2019 to December 31, 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. European economies recovered gradually, mainly showing cautious movements in capital investment due to an external demand slowdown. 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 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 panel.

Under these circumstances, the SCREEN Group posted consolidated net sales of ¥226,051 million for the first nine months of the fiscal year ending March 31, 2020, a decrease of ¥26,367 million (10.4%) from the corresponding period of the previous fiscal year. On the earnings front, although fixed costs were reduced, as the result of a decrease in sales and a rise in the variable cost ratio, operating income totaled ¥7,397 million, down ¥11,491 million (60.8%) year on year. Ordinary income amounted to ¥7,193 million, down ¥11,479 million (61.5%) year on year. In addition, profit attributable to owners of parent totaled ¥4,728 million, a decrease of ¥5,419 million (53.4%), 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 ¥158,487 million, down 7.4% year on year. Operating income in this segment came to ¥10,764 million, down 34.9% from the corresponding period of the previous fiscal year, mainly reflecting the decrease in net sales.

#### ***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 ¥34,327 million, down 3.0% year on year. On the earnings front, despite a decrease in sales, operating income in this segment came to ¥1,038 million up 58.2% 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 small- and medium-sized decreased year on year. As a result, net sales in this segment amounted to ¥25,291 million, down 28.7% year on year. On the earnings front, operating loss in this segment came to ¥2,799 million (compared with operating income of ¥2,343 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 ¥6,560 million, down 28.8% year on year. On the earnings front, operating loss in this segment came to ¥187 million (compared with operating income of ¥971 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 December 31, 2019 stood at ¥384,055 million, an increase of ¥3,139 million, or 0.8%, compared with March 31, 2019. This was largely due to an increase in inventories and cash and time deposits, despite a decrease in notes and accounts receivable including electronically recorded monetary claims.

Total liabilities amounted to ¥202,607 million, up ¥826 million, or 0.4%, compared with the end of the previous fiscal year. This was mainly attributable to an increase in short-term loans payable, despite a decrease in notes and accounts payable including electronically recorded obligations.

Total net assets amounted to ¥181,447 million, up ¥2,313 million, or 1.3%, from March 31, 2019. This was mainly attributable to the recording of profit attributable to owners of parent and an increase in valuation difference on available-for-sale securities due to a rise in the market value of stock held, despite payment of cash dividends and a decrease in foreign currency translation adjustment due to strengthening yen.

As a result, the equity ratio as of December 31, 2019 stood at 47.2%.

### Status of Cash Flows

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

Net cash used in operating activities amounted to ¥1,289 million, compared with ¥28,122 million used in operating activities in the first nine months of the previous fiscal year. This was because the sum of an increase in inventories, a decrease in notes and accounts payable including electronically recorded obligations, and other outflows exceeded a decrease in notes and accounts receivable including electronically recorded monetary claims, income before income taxes, depreciation and amortization, and other inflows.

Net cash used in investing activities amounted to ¥8,226 million, compared with ¥17,706 million used in investing activities in the first nine months 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 ¥14,622 million, compared with ¥30,215 million provided by financing activities in the first nine months 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 December 31, 2019, totaled ¥35,545 million, up ¥4,623 million from March 31, 2019.

## 3. Qualitative information regarding consolidated business results forecasts

SCREEN Holdings has revised its consolidated business forecast for the fiscal year ending March 31, 2020, from the previous forecast announced on October 30, 2019, as shown below. The revision is attributable to the prospect that both sales and profit may fall below previous forecasts. In addition, based on the revision of business forecast for the fiscal year ending March 31, 2020, it has been decided to revise the cash dividend forecast for the fiscal year ending March 31, 2020.

For details, please refer to today's "Notice: Revision of the Business Forecast and Cash Dividend Forecast for the Fiscal Year Ending March 31, 2020".

### 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		¥ 327,000
	SPE	231,500
	GA	45,500
	FT	37,500
	PE	10,500
	Other and Adjustments	2,000
Operating Income		13,000
Ordinary Income		11,500
Profit Attributable to Owners of Parent		8,500

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	Dec. 31, 2019
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and time deposits	¥ 32,193	¥ 36,523
Notes and accounts receivable - trade	96,292	74,626
Electronically recorded monetary claims - operating	4,542	12,290
Merchandise and finished goods	61,861	66,070
Work in process	37,556	43,127
Raw materials and supplies	17,384	17,198
Other	14,102	13,495
Allowance for doubtful accounts	(669)	(664)
Total current assets	<u>263,264</u>	<u>262,668</u>
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	59,622	60,246
Machinery, equipment and vehicles	47,779	50,074
Other	36,496	37,817
Accumulated depreciation	(82,500)	(86,883)
Total property, plant and equipment	<u>61,398</u>	<u>61,255</u>
<b>Intangible assets:</b>		
Other	6,886	6,539
Total intangible assets	<u>6,886</u>	<u>6,539</u>
<b>Investments and other assets:</b>		
Investment securities	37,083	40,559
Net defined benefit asset	5,363	5,910
Deferred tax assets	3,754	4,231
Other	3,360	3,016
Allowance for doubtful accounts	(195)	(126)
Total investments and other assets	<u>49,366</u>	<u>53,591</u>
Total non-current assets	<u>117,650</u>	<u>121,387</u>
<b>Total assets</b>	<u>380,915</u>	<u>384,055</u>

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	Mar. 31, 2019	Dec. 31, 2019
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable - trade	¥ 28,151	¥ 23,227
Electronically recorded obligations - operating	66,379	59,318
Short-term loans payable	18,000	39,044
Current portion of long-term loans payable	1,504	614
Lease obligations	449	1,203
Income taxes payable	4,364	1,645
Notes payable - facilities	6	3
Electronically recorded obligations - facilities	13	14
Advances received	14,211	13,846
Provision for bonuses	2,618	917
Provision for directors' bonuses	154	98
Provision for product warranties	6,875	6,624
Provision for loss on order received	74	177
Other	18,047	13,374
Total current liabilities	<u>160,852</u>	<u>160,109</u>
<b>Non-current liabilities:</b>		
Convertible bond-type bonds with share acquisition rights	30,125	30,103
Long-term loans payable	3,723	3,416
Lease obligations	1,518	2,154
Net defined benefit liability	943	971
Provision for directors' retirement benefits	175	208
Provision for stock payment	33	41
Provision for management board incentive plan trust	39	41
Asset retirement obligations	66	66
Other	4,303	5,495
Total non-current liabilities	<u>40,929</u>	<u>42,498</u>
Total liabilities	<u>201,781</u>	<u>202,607</u>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	54,044	54,044
Capital surplus	4,488	4,488
Retained earnings	130,274	130,680
Treasury stock	(18,044)	(17,961)
Total shareholders' equity	<u>170,763</u>	<u>171,252</u>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	14,319	16,650
Foreign currency translation adjustment	(5,345)	(6,317)
Remeasurements of defined benefit plans	(622)	(346)
Total accumulated other comprehensive income	<u>8,352</u>	<u>9,986</u>
<b>Non-controlling interests</b>	<u>17</u>	<u>209</u>
<b>Total net assets</b>	<u>179,133</u>	<u>181,447</u>
<b>Total liabilities and net assets</b>	<u>380,915</u>	<u>384,055</u>

**CONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

	Apr.1, 2018 – Dec. 31, 2018	Apr.1, 2019 – Dec. 31, 2019
<b>Net sales</b>	¥ 252,418	¥ 226,051
<b>Cost of sales</b>	181,402	171,155
<b>Gross profit</b>	71,015	54,896
<b>Selling, general and administrative expenses</b>	52,127	47,498
<b>Operating income</b>	18,888	7,397
<b>Non-operating income</b>		
Interest income	73	65
Dividends income	494	552
Foreign exchange gains, net	54	—
Gain on sales of non-current assets	688	5
Other	426	487
Total non-operating income	1,738	1,111
<b>Non-operating expenses</b>		
Interest expenses	401	425
Foreign exchange losses, net	—	269
Share of loss of entities accounted for using equity method	87	104
Loss on retirement of non-current assets	693	144
Other	772	372
Total non-operating expenses	1,954	1,315
<b>Ordinary income</b>	18,672	7,193
<b>Extraordinary income</b>		
Gain on sales of investment securities	444	331
Total extraordinary income	444	331
<b>Extraordinary loss</b>		
Loss on valuation of investment securities	18	70
Business structure improvement expenses	893	—
Total extraordinary loss	912	70
<b>Income before income taxes</b>	18,205	7,454
<b>Income taxes</b>	8,059	2,743
<b>Profit</b>	10,145	4,711
<b>Loss attributable to non-controlling interests</b>	(2)	(17)
<b>Profit attributable to owners of parent</b>	10,148	4,728

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Millions of yen)

	Apr.1, 2018 – Dec. 31, 2018	Apr.1, 2019 – Dec. 31, 2019
<b>Profit</b>	¥ 10,145	¥ 4,711
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(6,738)	2,330
Foreign currency translation adjustment	(374)	(935)
Remeasurements of defined benefit plans	333	275
Share of other comprehensive income of entities accounted for using equity method	(23)	(37)
Total other comprehensive income	<u>(6,803)</u>	<u>1,632</u>
<b>Comprehensive income</b>	<u>3,342</u>	<u>6,344</u>
Comprehensive income attributable to:		
Owners of parent	3,349	6,362
Non-controlling interests	(7)	(18)



**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

Apr.1, 2018 – Dec. 31, 2018

Apr.1, 2019 – Dec. 31, 2019

**Cash flow from operating activities:**

Income before income taxes	¥ 18,205	¥ 7,454
Depreciation and amortization	5,003	6,514
Loss (gain) on valuation of investment securities	18	70
Loss (gain) on sales of investment securities	(444)	(331)
Gain on sales of non-current assets	(688)	(5)
Loss on retirement of non-current assets	693	144
Share of loss (profit) of entities accounted for using equity method	87	104
Increase (decrease) in net defined benefit asset and liability	(29)	(120)
Increase (decrease) in provision for bonuses	(2,566)	(1,700)
Increase (decrease) in provision for directors' bonuses	(96)	(56)
Increase (decrease) in provision for stock payment	6	7
Increase (decrease) in provision for management board incentive plan trust	(6)	2
Increase (decrease) in provision for product warranties	171	(249)
Increase (decrease) in provision for loss on order received	(15)	103
Increase (decrease) in provision for business structure improvement	834	—
Interest and dividends income	(568)	(618)
Interest expenses	401	425
Decrease (increase) in notes and accounts receivable including electronically recorded monetary claims	11,801	13,724
Decrease (increase) in inventories	(33,794)	(10,090)
Decrease (increase) in other current assets	(470)	748
Increase (decrease) in notes and accounts payable including electronically recorded obligations	(10,658)	(9,122)
Increase (decrease) in other current liabilities	2,584	(3,414)
Other, net	213	754
Subtotal	(9,317)	4,343
Interest and dividends income received	556	603
Interest expenses paid	(404)	(419)
Contribution in connection with the shift to a defined-contribution pension plan	(1)	(1)
Income taxes paid	(18,956)	(5,815)
Net cash provided by (used in) operating activities	(28,122)	(1,289)

**Cash flow from investing activities:**

Decrease (increase) in time deposits	1,489	237
Purchase of property, plant and equipment	(15,659)	(7,796)
Proceeds from sales of property, plant and equipment	1,268	85
Purchase of intangible assets	(3,492)	(756)
Purchase of investment securities	(2,035)	(469)
Proceeds from sales of investment securities	864	589
Other, net	(142)	(116)
Net cash provided by (used in) investing activities	(17,706)	(8,226)

**Cash flow from financing activities:**

Net increase (decrease) in short-term loans payable	10,000	21,044
Repayments of long-term loans payable	(4,339)	(1,196)
Repayments of lease obligations	(299)	(901)
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	5	(2)
Cash dividends paid	(5,135)	(4,530)
Net cash provided by (used in) financing activities	30,215	14,622

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

Effect of exchange rate change on cash and cash equivalents	(18)	(483)
Net increase (decrease) in cash and cash equivalents	(15,631)	4,623
Cash and cash equivalents at beginning of period	50,817	30,922
Cash and cash equivalents at end of period	35,185	35,545

**[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 third quarter ended December 31, 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 Nine months ended Dec. 31, 2018

Net sales and income (loss) in reportable segment

	Reportable segment *1					Other *2	Total	Adjustments *3	Consolidated *4
	SPE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥ 171,129	¥ 35,302	¥ 35,469	¥ 9,208	¥ 251,110	¥ 1,308	¥ 252,418	¥ —	¥ 252,418
(2)Intersegment sales and transfers	1	100	—	—	101	11,958	12,060	(12,060)	—
Total	171,131	35,402	35,469	9,208	251,211	13,266	264,478	(12,060)	252,418
Segment income (loss)	16,523	656	2,343	971	20,494	(989)	19,504	(616)	18,888

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 ¥ (616) 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 Nine months ended Dec. 31, 2019

Net sales and income (loss) in reportable segment

	Reportable segment *1					Other *2	Total	Adjustments *3	Consolidated *4
	SPE	GA	FT	PE	Total				
Sales									
(1)Sales to outside customers	¥ 158,482	¥ 34,300	¥ 25,291	¥ 6,560	¥ 224,634	¥ 1,416	¥ 226,051	¥ —	¥ 226,051
(2)Intersegment sales and transfers	5	26	—	—	32	9,587	9,619	(9,619)	—
Total	158,487	34,327	25,291	6,560	224,666	11,003	235,670	(9,619)	226,051
Segment income (loss)	10,764	1,038	(2,799)	(187)	8,815	(1,090)	7,725	(327)	7,397

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 ¥ (327) 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 Third Quarter Ended December 31, 2019

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

	FY2019	FY2020	Difference		FY2019	FY2020
	9 months ended Dec. 31, 2018	9 months ended Dec. 31, 2019			12 months ended Mar.31, 2019	12 months ending Mar.31, 2020
	Result	Result	Amount	Percentage	Result	Forecast
Net sales	¥ 252,418	¥ 226,051	¥ (26,367)	-10.4%	¥ 364,234	¥ 327,000
Operating income	18,888	7,397	(11,491)	-60.8%	29,645	13,000
[to net sales ratio]	7.5 %	3.3 %	-4.2 pt	—	8.1 %	4.0 %
Ordinary income	18,672	7,193	(11,479)	-61.5%	29,279	11,500
[to net sales ratio]	7.4 %	3.2 %	-4.2 pt	—	8.0 %	3.5 %
Profit attributable to owners of parent	10,148	4,728	(5,419)	-53.4%	18,059	8,500
[to net sales ratio]	4.0 %	2.1 %	-1.9 pt	—	5.0 %	2.6 %
Total assets	378,154	384,055	* 3,139	0.8%	380,915	—
Net assets	169,014	181,447	* 2,313	1.3%	179,133	—
Equity	168,992	181,238	* 2,122	1.2%	179,115	—
Equity ratio	44.7 %	47.2 %	* 0.2 pt	—	47.0 %	—
Net assets per share of capital stock (Yen)	3,622.32	3,883.44	* 44.54	1.2%	3,838.90	—
Interest-bearing debt	48,747	76,535	* 21,214	38.3%	55,321	—
Net Interest-bearing debt	12,762	40,012	* 16,884	73.0%	23,127	—
Cash flows from operating activities	(28,122)	(1,289)	—	—	(37,534)	—
Cash flows from investing activities	(17,706)	(8,226)	—	—	(19,020)	—
Cash flows from financing activities	30,215	14,622	—	—	36,760	—
Depreciation and amortization	5,003	6,514	1,510	30.2%	6,883	9,100
Capital expenditures	18,850	4,473	(14,376)	-76.3%	24,088	10,000
R&D expenses	16,665	16,213	(451)	-2.7%	22,825	21,000
Number of employees	6,150	6,119	* 20	0.3%	6,099	—
Number of consolidated subsidiaries	58	57	* —	—	57	—
[Domestic]	[28]	[27]	* [—]	—	[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.

(Increase)

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

(Decrease)

SCREEN Business Support Solutions Co., Ltd. (wholly owned subsidiary)

\*In the fiscal year ending March 31, 2020, SCREEN Business Expert Co., Ltd. absorbed SCREEN Business Support Solutions Co., Ltd. in a merger as the surviving company.

## Sales Breakdown (Consolidated)

(Millions of yen)

		FY2019				FY2020					
		6 months ended	3 months ended	9 months ended	12 months ended	3 months ended	3 months ended	6 months ended	3 months ended	9 months ended	12 months ending
		Sept. 30, 2018	Dec. 31, 2018	Dec. 31, 2018	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Dec. 31, 2019	Mar. 31, 2020
		Result	Result	Result	Result	Result	Result	Result	Result	Result	Forecast
Semiconductor Production Equipment Business (SPE)	Domestic	18,556	11,769	30,324	43,866	7,416	13,091	20,507	8,552	29,059	—
	Overseas	94,326	46,480	140,806	208,646	33,792	52,601	86,393	43,034	129,427	—
	Total	112,882	58,249	171,131	252,513	41,208	65,692	106,901	51,586	158,487	231,500
Graphic Arts Equipment Business (GA)	Domestic	9,322	5,161	14,484	19,893	4,146	6,548	10,695	5,066	15,761	—
	Overseas	14,555	6,362	20,918	28,324	5,675	6,404	12,080	6,485	18,565	—
	Total	23,878	11,524	35,402	48,217	9,821	12,953	22,775	11,551	34,327	45,500
Display Production Equipment and Coater Business (FT)	Domestic	1,183	933	2,117	3,697	271	281	552	1,647	2,200	—
	Overseas	24,235	9,115	33,351	45,557	4,544	7,748	12,293	10,797	23,090	—
	Total	25,419	10,049	35,469	49,254	4,815	8,030	12,846	12,445	25,291	37,500
PCB-Related Equipment Business (PE)	Domestic	1,555	689	2,244	2,913	659	765	1,425	548	1,973	—
	Overseas	5,613	1,350	6,963	9,431	1,462	1,893	3,356	1,230	4,586	—
	Total	7,169	2,039	9,208	12,344	2,122	2,659	4,781	1,778	6,560	10,500
Other	Domestic	622	494	1,117	1,827	211	546	758	486	1,244	—
	Overseas	145	45	190	219	59	90	149	22	172	—
	Total	768	539	1,308	2,047	271	636	907	508	1,416	2,000
Intersegment sales	Domestic	(36)	(65)	(101)	(143)	(9)	(13)	(22)	(9)	(32)	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	(36)	(65)	(101)	(143)	(9)	(13)	(22)	(9)	(32)	—
Grand Total	Domestic	31,204	18,982	50,187	72,054	12,696	21,219	33,916	16,291	50,207	—
	Overseas	138,876	63,354	202,231	292,179	45,534	68,739	114,273	61,570	175,843	—
	Total	170,081	82,336	252,418	364,234	58,230	89,959	148,190	77,861	226,051	327,000
	Overseas Ratio	81.7%	76.9%	80.1%	80.2%	78.2%	76.4%	77.1%	79.1%	77.8%	—

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

(Millions of yen)

		FY2019				FY2020					
		3 months ended Dec. 31, 2018		3 months ended Mar. 31, 2019		3 months ended Jun. 30, 2019		3 months ended Sept. 30, 2019		3 months ended Dec. 31, 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	8,341	17,881	8,373	12,712	11,178	16,475	11,359	14,743	14,040	20,232
	Overseas	58,020	96,421	43,004	71,587	48,844	86,639	51,236	85,274	31,263	73,503
	Total	66,361	114,303	51,377	84,300	60,023	103,114	62,595	100,017	45,304	93,735
Graphic Arts Equipment Business (GA)	Domestic	5,348	2,468	5,112	2,171	5,169	3,195	5,156	1,802	4,763	1,500
	Overseas	5,840	2,837	6,742	2,173	6,584	3,082	6,220	2,898	6,613	3,026
	Total	11,189	5,305	11,854	4,344	11,754	6,277	11,377	4,701	11,377	4,527
Display Production Equipment and Coater Business (FT)	Domestic	360	2,984	514	1,918	1,290	2,937	616	3,273	△81	1,543
	Overseas	4,278	49,897	3,183	40,875	12,886	49,217	8,204	49,673	11,658	50,534
	Total	4,638	52,881	3,697	42,794	14,176	52,155	8,821	52,946	11,577	52,078
PCB-Related Equipment Business (PE)	Domestic	463	416	421	169	923	434	372	41	541	34
	Overseas	1,050	902	2,139	574	1,661	773	1,851	731	2,183	1,684
	Total	1,513	1,319	2,561	744	2,585	1,207	2,224	772	2,724	1,718
Grand Total	Domestic	14,513	23,750	14,421	16,973	18,563	23,042	17,505	19,861	19,264	23,311
	Overseas	69,189	150,059	55,070	115,210	69,976	139,712	67,513	138,576	51,719	128,748
	Total	83,703	173,810	69,491	132,183	88,540	162,754	85,019	158,438	70,983	152,060
	Overseas Ratio	82.7%	86.3%	79.2%	87.2%	79.0%	85.8%	79.4%	87.5%	72.9%	84.7%