

May 12, 2020

CONSOLIDATED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2020 [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 of the annual shareholders' meeting: June 24, 2020

Date of payment for cash dividends: June 25, 2020

Date planned for the filing of the financial report: June 25, 2020

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

PERFORMANCE (APR. 1, 2019-MAR. 31, 2020)

(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, 2020	¥ 323,249	-11.3%	¥ 12,561	-57.6%	¥ 11,636	-60.3%
Fiscal year ended Mar. 31, 2019	364,234	7.3	29,645	-30.6	29,279	-29.2

Note: Comprehensive income

Fiscal year ended Mar. 31, 2020: ¥ (906) million (- %)

Fiscal year ended Mar. 31, 2019: ¥ 13,425 million (-61.6%)

	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, 2020	¥ 5,010	-72.3%	¥ 107.37	¥ 101.47	2.8%	3.2%	3.9%
Fiscal year ended Mar. 31, 2019	18,059	-36.7	387.10	370.66	10.3	7.8	8.1

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

Fiscal year ended Mar. 31, 2020: ¥ (491) million

Fiscal year ended Mar. 31, 2019: ¥ (111) million

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Mar. 31, 2020	¥ 347,964	¥ 174,142	50.0%	¥ 3,727.10
Mar. 31, 2019	380,915	179,133	47.0	3,838.90

Reference: Equity

As of Mar. 31, 2020: ¥ 173,941 million

As of Mar. 31, 2019: ¥ 179,115 million

(3) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
Fiscal year ended Mar. 31, 2020	¥ 11,811	¥ (11,293)	¥ 4,927	¥ 35,519
Fiscal year ended Mar. 31, 2019	(37,534)	(19,020)	36,760	30,922

CASH DIVIDENDS

(Yen)

Record date	Cash Dividends per Share					Total Dividends (Annual) (millions of yen)	Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual			
Fiscal year ended Mar. 31, 2019	¥ –	¥ –	¥ –	¥ 97.00	¥ 97.00	¥ 4,535	25.1 %	2.6 %
Fiscal year ended Mar. 31, 2020	–	–	–	30.00	30.00	1,402	27.9	0.8
Fiscal year ending Mar. 31, 2021 (Forecast)	–	–	–	–	–		–	

Note: SCREEN Holdings will promptly disclose the dividends for the fiscal year ending March 31, 2021 when it becomes possible to disclose business forecast.

FORECAST OF BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2021

The consolidated business forecast for the fiscal year ending March 31, 2021 has not been determined at this time, as it is difficult to reasonably calculate the impact of the COVID-19. The Company will promptly disclose business forecast when it becomes possible to do so.

[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 in accounting policies, changes in accounting estimates and retrospective restatement

1. Changes in accounting policies accompanied by revision of accounting standard etc.: Yes

2. Changes in accounting policies other than 1: No

3. Changes in accounting estimates: No

4. Retrospective restatement: No

Please refer to P.13 [Notes to consolidated financial statements – (Changes in accounting policies)] for more information.

(3) Number of shares outstanding

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

As of Mar. 31, 2020: 50,794,866 shares As of Mar. 31, 2019: 50,794,866 shares

2. Number of treasury stock as of end of period

As of Mar. 31, 2020: 4,125,447 shares As of Mar. 31, 2019: 4,136,788 shares

3. Average number of shares outstanding

Fiscal year ended Mar. 31, 2020: 46,666,024 shares Fiscal year ended Mar. 31, 2019: 46,653,218 shares

Please refer to P.16 [Notes to consolidated financial statements – (PER SHARE INFORMATION)] for more information.

*This financial report is exempt from the auditing procedures by certified public accountants or audit firm.

*Explanation for appropriate use of forecasts and other notes

The consolidated business forecast for the fiscal year ending March 31, 2021 has not been determined at this time, as it is difficult to reasonably estimate the impact of the COVID-19. For further details, please refer to P. 4. [1. BUSINESS RESULTS, etc. - (4. Outlook)] for more information.

BUSINESS RESULTS, etc.

1. Business Results

Consolidated Business Results

During the fiscal year ended March 31, 2020, 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. Moreover, towards the end of the fiscal year, the economy slowed rapidly as economic activity shrank substantially due to the impact of the COVID-19. The Japanese economy faced a difficult situation as the impact of the COVID-19 further depressed the economy towards the fiscal year end, while the 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 response to expanding demand for 5G compatible devices and other products. In the FPD business field, investment in small- to medium-sized displays for smartphones and investment in large-sized LCD panel showed restrained signs.

Under these circumstances, for the fiscal year ended March 31, 2020, the SCREEN Group posted consolidated net sales of ¥323,249 million, a decrease of ¥40,985 million (11.3%) from the previous fiscal year. On the earnings front, although fixed costs were reduced, as the result of a decrease in sales, operating income totaled ¥12,561 million, down ¥17,083 million (57.6%) year on year. Ordinary income amounted to ¥11,636 million, down ¥17,642 million (60.3%) year on year. Additionally, profit attributable to owners of parent totaled ¥5,010 million, down ¥13,048 million (72.3%) year on year, due to extraordinary losses, including a loss on valuation of investment securities and an impairment loss on property, plant and equipment.

Results by Business Segment

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 ¥230,501 million, down 8.7% year on year. Operating income in this segment came to ¥16,135 million, down 37.6% 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 ¥45,553 million, down 5.5% year on year. On the earnings front, despite a decrease in sales, operating income in this segment came to ¥1,449 million up 27.2% 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, although sales of production equipment for large-sized panels increased, sales of production equipment for small- and medium-sized decreased year on year. As a result, net sales in this segment amounted to ¥35,179 million, down 28.6% year on year. On the earnings front, operating loss in this segment came to ¥2,569 million (compared with operating income of ¥3,774 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 ¥10,054 million, down 18.6% year on year. On the earnings front, operating loss in this segment came to ¥258 million (compared with operating income of ¥770 million in the corresponding period of the previous fiscal year), mainly reflecting the decrease in net sales.

2. Financial Position

Assets, Liabilities and Net Assets

Total assets as of March 31, 2020 stood at ¥347,964 million, down ¥32,950 million, or 8.7%, compared with the end of the previous fiscal year. This was largely due to a decrease in notes and accounts receivable including electronically recorded monetary claims and inventories, despite an increase in cash and time deposits.

Total liabilities amounted to ¥173,822 million, down ¥27,959 million, or 13.9%, 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 ¥174,142 million, down ¥4,991 million, or 2.8%, compared with the end of the previous fiscal year. This was mainly attributable to payment of cash dividends, a decrease in valuation difference on available-for-sale securities due to a fall in the market value of stock held 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 March 31, 2020 stood at 50.0%.

Financial Indicators

	Fiscal year ended Mar.31, 2016	Fiscal year ended Mar.31, 2017	Fiscal year ended Mar.31, 2018	Fiscal year ended Mar.31, 2019	Fiscal year ended Mar.31, 2020
Equity ratio (%)	44.3	47.5	46.7	47.0	50.0
Return on equity (ROE) (%)	16.3	18.4	18.2	10.3	2.8

3. Cash Flows

The status of cash flows during the fiscal year ended March 31, 2020 is as follows.

Net cash provided by operating activities amounted to ¥11,811 million, compared with ¥ 37,534 million used in operating activities in the previous fiscal year. This was because the sum of a decrease in notes and accounts receivable including electronically recorded monetary claims, a decrease in inventories, depreciation and amortization, income before income taxes and other inflows exceeded a decrease in notes and accounts payable including electronically recorded obligations and other outflows.

Net cash used in investing activities amounted to ¥11,293 million, compared with ¥ 19,020 million used in investing activities in 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 ¥4,927 million, compared with ¥36,760 million provided by financing activities in the previous fiscal year. This was due mainly to an increase in short-term loans payable, despite cash dividends paid.

As a result, cash and cash equivalents as of March 31, 2020 totaled ¥35,519 million, up ¥4,597 million from March 31, 2019.

4. Outlook

The consolidated business forecast for the fiscal year ending March 31, 2021 has not been determined at this time, as it is difficult to reasonably calculate the impact of the COVID-19. The Company will promptly disclose business forecast when it becomes possible.

In addition, although a new three-year medium-term management plan that begins in the fiscal year ending March 31, 2021 has been in the process currently, which was scheduled to be released at the same time as today's financial announcement, the Company has decided to postpone the announcement due to the necessity of reflecting the impact of the COVID-19.

5. Basic Policy Regarding Allocation of Profits, and Dividends for the Fiscal Year under Review and Fiscal Year Ending March 31, 2021

(1) Dividends for the Fiscal Year Under Review

In light of the Group's performance during the fiscal year, SCREEN Holdings expects to distribute a fiscal year-end cash dividend of ¥30 per share for the fiscal year ended March 31, 2020. For details, please see "Notice: Differences between Full-Year Business Forecast and Actual Results and Dividends of Surplus", released today.

(2) Basic Policy Regarding Allocation of Profits for the Fiscal Year Ending March 31, 2021

The SCREEN Group works to secure the retained earnings necessary for growth investment and the sound maintenance of a financial base able to respond to future changes in the business environment. Considering this aim and other factors, the SCREEN Group's basic policy is to provide a total consolidated shareholder return ratio of 25% or above.

(3) Dividends for the Fiscal Year Ending March 31, 2021

SCREEN Holdings will promptly disclose the dividend for the fiscal year ending March 31, 2021 when it becomes possible to disclose business forecast.

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, 2019	Mar. 31, 2020
ASSETS		
Current assets:		
Cash and time deposits	¥ 32,193	¥ 37,770
Notes and accounts receivable - trade	96,292	72,703
Electronically recorded monetary claims - operating	4,542	10,054
Merchandise and finished goods	61,861	54,243
Work in process	37,556	36,468
Raw materials and supplies	17,384	15,548
Other	14,102	12,455
Allowance for doubtful accounts	(669)	(701)
Total current assets	263,264	238,543
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	59,622	59,999
Accumulated depreciation	(39,243)	(40,435)
Buildings and structures (Net)	20,378	19,564
Machinery, equipment and vehicles	47,779	50,233
Accumulated depreciation	(29,336)	(31,842)
Machinery, equipment and vehicles (Net)	18,442	18,391
Land	9,475	9,460
Lease assets	4,908	4,885
Accumulated depreciation	(3,383)	(3,703)
Lease assets (Net)	1,524	1,181
Construction in progress	8,048	7,094
Other	14,064	17,306
Accumulated depreciation	(10,536)	(12,104)
Other (Net)	3,528	5,202
Total property, plant and equipment	61,398	60,893
Intangible assets:		
Lease assets	98	90
Other	6,788	6,077
Total intangible assets	6,886	6,167
Investments and other assets:		
Investment securities	37,083	30,586
Long-term loans receivable	6	4
Net defined benefit asset	5,363	4,366
Deferred tax assets	3,754	4,980
Other	3,353	2,551
Allowance for doubtful accounts	(195)	(129)
Total investments and other assets	49,366	42,359
Total non-current assets	117,650	109,421
Total assets	380,915	347,964

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2019	Mar. 31, 2020
LIABILITIES		
Current liabilities:		
Notes and accounts payable - trade	¥ 28,151	¥ 25,061
Electronically recorded obligations - operating	66,379	41,333
Short-term loans payable	18,000	30,000
Current portion of long-term loans payable	1,504	3,614
Lease obligations	449	1,210
Income taxes payable	4,364	2,227
Notes payable-facilities	6	4
Electronically recorded obligations - facilities	13	8
Advances received	14,211	10,117
Provision for bonuses	2,618	1,201
Provision for directors' bonuses	154	123
Provision for product warranties	6,875	6,787
Provision for loss on order received	74	311
Other	18,047	14,878
Total current liabilities	160,852	136,878
Non-current liabilities:		
Convertible bond-type bonds with share acquisition rights	30,125	30,095
Long-term loans payable	3,723	109
Lease obligations	1,518	2,272
Deferred tax liabilities	3,641	2,376
Net defined benefit liability	943	1,015
Provision for directors' retirement benefits	175	181
Provision for stock payment	33	43
Provision for management board incentive plan trust	39	42
Asset retirement obligations	66	65
Other	662	740
Total non-current liabilities	40,929	36,943
Total liabilities	201,781	173,822
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	4,488	4,488
Retained earnings	130,274	130,908
Treasury stock	(18,044)	(17,961)
Total shareholders' equity	170,763	171,479
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,319	10,841
Foreign currency translation adjustment	(5,345)	(7,134)
Remeasurements of defined benefit plans	(622)	(1,244)
Total accumulated other comprehensive income	8,352	2,462
Non-controlling interests	17	200
Total net assets	179,133	174,142
Total liabilities and net assets	380,915	347,964

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2018- Mar.31, 2019	Apr.1, 2019- Mar.31, 2020
Net sales	¥ 364,234	¥ 323,249
Cost of sales	263,667	246,680
Gross profit	100,566	76,568
Selling, general and administrative expenses	70,921	64,007
Operating income	29,645	12,561
Non-operating income		
Interest income	99	89
Dividends income	513	570
Insurance income	458	138
Gain on sales of non-current assets	717	29
Other	400	559
Total non-operating income	2,189	1,386
Non-operating expenses		
Interest expenses	543	558
Foreign exchange losses, net	60	297
Share of loss of entities accounted for using equity method	111	491
Loss on retirement of non-current assets	928	379
Other	912	585
Total non-operating expenses	2,555	2,311
Ordinary income	29,279	11,636
Extraordinary income		
Gain on sales of investment securities	444	332
Total extraordinary income	444	332
Extraordinary loss		
Loss on valuation of investment securities	62	1,813
Impairment loss	843	1,576
Business structure improvement expenses	1,087	—
Total extraordinary loss	1,993	3,390
Income before income taxes	27,730	8,579
Income taxes	11,298	4,486
Income taxes-deferred	(1,620)	(890)
Total income taxes	9,677	3,595
Profit	18,052	4,983
Loss attributable to non-controlling interests	(6)	(26)
Profit attributable to owners of parent	18,059	5,010

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2018- Mar.31, 2019	Apr.1, 2019- Mar.31, 2020
Profit	¥ 18,052	¥ 4,983
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,108)	(3,478)
Foreign currency translation adjustment	(588)	(1,768)
Remeasurements of defined benefit plans	116	(622)
Share of other comprehensive income of entities accounted for using equity method	(47)	(20)
Total other comprehensive income	(4,627)	(5,890)
Comprehensive income	13,425	(906)
Comprehensive income attributable to:		
Owners of parent	13,436	(879)
Non-controlling interests	(11)	(27)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Apr.1, 2018- Mar.31, 2019

(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	¥ 4,546	¥ 117,358	¥ (18,085)	¥ 157,864
Cumulative effects of changes in accounting policies					—
Currently stated balance, as of beginning of current period	54,044	4,546	117,358	(18,085)	157,864
Increase (decrease) during the period					
Dividends from surplus			(5,143)		(5,143)
Profit attributable to owners of parent			18,059		18,059
Acquisition of treasury stock				(5)	(5)
Disposal of treasury stock		0		46	46
Purchase of shares of consolidated subsidiaries		(58)			(58)
Other					—
Total changes during the period	—	(58)	12,915	41	12,898
Balance as of end of current period	54,044	4,488	130,274	(18,044)	170,763

	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	¥ 18,427	¥ (4,714)	¥ (738)	¥ 12,974	¥ 40	¥ 170,880	
Cumulative effects of changes in accounting policies				—		—	
Currently stated balance, as of beginning of current period	18,427	(4,714)	(738)	12,974	40	170,880	
Increase (decrease) during the period							
Dividends from surplus				—		(5,143)	
Profit attributable to owners of parent				—		18,059	
Acquisition of treasury stock				—		(5)	
Disposal of treasury stock				—		46	
Purchase of shares of consolidated subsidiaries				—		(58)	
Other	(4,108)	(630)	116	(4,622)	(23)	(4,645)	
Total changes during the period	(4,108)	(630)	116	(4,622)	(23)	8,253	
Balance as of end of current period	14,319	(5,345)	(622)	8,352	17	179,133	

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Apr.1, 2019- Mar.31, 2020

(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	¥ 4,488	¥ 130,274	¥ (18,044)	¥ 170,763
Cumulative effects of changes in accounting policies			158		158
Currently stated balance, as of beginning of current period	54,044	4,488	130,433	(18,044)	170,922
Increase (decrease) during the period					
Dividends from surplus			(4,535)		(4,535)
Profit attributable to owners of parent			5,010		5,010
Acquisition of treasury stock				(3)	(3)
Disposal of treasury stock		0		85	85
Purchase of shares of consolidated subsidiaries					—
Other					—
Total changes during the period	—	0	475	82	557
Balance as of end of current period	54,044	4,488	130,908	(17,961)	171,479

	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	¥ 14,319	¥ (5,345)	¥ (622)	¥ 8,352	¥ 17	¥ 179,133	
Cumulative effects of changes in accounting policies				—		158	
Currently stated balance, as of beginning of current period	14,319	(5,345)	(622)	8,352	17	179,292	
Increase (decrease) during the period							
Dividends from surplus				—		(4,535)	
Profit attributable to owners of parent				—		5,010	
Acquisition of treasury stock				—		(3)	
Disposal of treasury stock				—		85	
Purchase of shares of consolidated subsidiaries				—		—	
Other	(3,478)	(1,789)	(622)	(5,890)	182	(5,707)	
Total changes during the period	(3,478)	(1,789)	(622)	(5,890)	182	(5,149)	
Balance as of end of current period	10,841	(7,134)	(1,244)	2,462	200	174,142	

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr.1, 2018- Mar.31, 2019	Apr.1, 2019- Mar.31, 2020
Cash flow from operating activities:		
Income before income taxes	¥ 27,730	¥ 8,579
Depreciation and amortization	6,883	8,860
Impairment loss	843	1,576
Loss (gain) on valuation of investment securities	62	1,813
Loss (gain) on sales of investment securities	(444)	(332)
Gain on sales of non-current assets	(717)	(29)
Loss on retirement of non-current assets	928	379
Share of loss (profit) of entities accounted for using equity method	111	491
Increase (decrease) in net defined benefit asset and liability	78	152
Increase (decrease) in provision for bonuses	(1,585)	(1,416)
Increase (decrease) in provision for directors' bonuses	(64)	(31)
Increase (decrease) in provision for stock payment	5	9
Increase (decrease) in provision for management board incentive plan trust	(6)	3
Increase (decrease) in provision for product warranties	509	(75)
Increase (decrease) in provision for loss on order received	15	237
Interest and dividend income	(613)	(659)
Interest expenses	543	558
Decrease (increase) in notes and accounts receivable including electronically recorded monetary claims	(15,354)	17,580
Decrease (increase) in inventories	(13,236)	9,383
Decrease (increase) in other current assets	(569)	1,234
Increase (decrease) in notes and accounts payable including electronically recorded obligations	(21,068)	(25,238)
Increase (decrease) in other current liabilities	(2,870)	(6,021)
Other, net	593	1,011
Subtotal	(18,226)	18,066
Interest and dividend income received	583	630
Interest expenses paid	(546)	(554)
Contribution in connection with the shift to a defined-contribution pension plan	(1)	(1)
Income taxes paid	(19,344)	(6,328)
Net cash provided by (used in) operating activities	(37,534)	11,811
Cash flow from investing activities:		
Decrease (increase) in time deposits	1,005	(1,090)
Purchase of property, plant and equipment	(15,679)	(9,114)
Proceeds from sales of property, plant and equipment	1,357	92
Purchase of intangible assets	(4,184)	(1,277)
Purchase of investment securities	(2,040)	(475)
Proceeds from sales of investment securities	864	591
Other, net	(343)	(19)
Net cash provided by (used in) investing activities	(19,020)	(11,293)
Cash flow from financing activities:		
Net increase (decrease) in short-term loans payable	18,000	12,000
Repayments of long-term loans payable	(5,679)	(1,504)
Repayments of lease obligations	(403)	(1,243)
Proceeds from issuance of convertible bond-type bonds with share acquisition rights	30,059	-
Payments related to 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)	(4,531)
Net cash provided by (used in) financing activities	36,760	4,927
Effect of exchange rate changes on cash and cash equivalents	(101)	(848)
Net increase (decrease) in cash and cash equivalents	(19,895)	4,597
Cash and cash equivalents at beginning of period	50,817	30,922
Cash and cash equivalents at end of period	30,922	35,519

[Notes to consolidated financial statements]

(Note for going concern assumption)

Not Applicable

(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 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 financial statements is immaterial.

SEGMENT INFORMATION

1. Segment Overview

(1) Reportable Segments

The SCREEN Group's reportable segments are the business units for which the Company obtains 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.

The Group utilizes a holding company structure under which it has established business operating companies organized by categories of products and services. Each business operating company establishes a comprehensive strategy and implements business activities related to the products and services it handles for both domestic and overseas markets.

Accordingly, the SCREEN Group comprises four reportable segments based on said business operating companies and organized by products and services. The four segments are as follows: Semiconductor Production Equipment Business (SPE), Graphic Arts Equipment Business (GA), Display Production Equipment and Coater Business (FT), and PCB-Related Equipment Business (PE).

In addition, the reportable segment originally named the semiconductor production equipment business (SE) has been renamed to the semiconductor production equipment (SPE) business. The change is only to the segment name and does not impact any segment information.

Segment information for the previous fiscal year has been prepared according to the reclassified segment name and is presented under "Net Sales, Income (loss), Assets and Other amounts by Reportable Segment" for the fiscal year ended March 31, 2019.

(2) Products and Services of Reportable Segments

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

The method of accounting for each reportable segment is in accordance with the accounting policies adopted for the preparation of the consolidated financial statements.

Income for each reportable segment is based on operating income.

Intersegment revenues and transfers are based on market prices.

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

Apr.1, 2018- Mar.31, 2019

(Millions of yen)

	Reportable segment					Other *1	Total	Adjustments *2	Consolidated *3
	SPE	GA	FT	PE	Total				
Sales									
(1) Sales to outside customers	¥ 252,511	¥ 48,075	¥ 49,254	¥ 12,344	¥ 362,186	¥ 2,047	¥ 364,234	—	¥ 364,234
(2) Intersegment sales and transfers	1	142	—	—	143	16,237	16,381	(16,381)	—
Total	252,513	48,217	49,254	12,344	362,330	18,285	380,615	(16,381)	364,234
Segment income (loss)	25,842	1,139	3,774	770	31,526	(1,411)	30,115	(469)	29,645
Segment assets	222,393	46,585	33,045	11,959	313,983	9,843	323,826	57,088	380,915
Other									
Depreciation and amortization	3,853	580	213	52	4,699	363	5,063	1,820	6,883
Impairment loss	—	—	796	—	796	47	843	—	843
Increase in the amount of tangible fixed assets and intangible fixed assets	14,330	969	739	97	16,136	315	16,451	7,637	24,088

Notes:

*1 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.

*2 Segment operating income (loss) adjustment of ¥ (469) million is the Company’s profit (loss) not attributable to a reportable segment.

Segment assets adjustment of ¥57,088 million consists of the corporate assets not apportioned to each reportable segment and the elimination of intersegment transactions.

*3 Segment income (loss) is reconciled to operating income in the consolidated statements of income.

Apr.1, 2019- Mar.31, 2020

(Millions of yen)

	Reportable segment					Other *1	Total	Adjustments *2	Consolidated *3
	SPE	GA	FT	PE	Total				
Sales									
(1) Sales to outside customers	¥ 230,495	¥ 45,512	¥ 35,179	¥ 10,054	¥ 321,241	¥ 2,007	¥ 323,249	—	¥ 323,249
(2) Intersegment sales and transfers	5	41	—	—	46	12,952	12,998	(12,998)	—
Total	230,501	45,553	35,179	10,054	321,287	14,959	336,247	(12,998)	323,249
Segment income (loss)	16,135	1,449	(2,569)	(258)	14,757	(1,493)	13,264	(702)	12,561
Segment assets	197,315	43,574	35,906	9,482	286,279	7,602	293,881	54,082	347,964
Other									
Depreciation and amortization	4,996	924	353	137	6,411	321	6,733	2,126	8,860
Impairment loss	—	1,184	204	162	1,551	24	1,576	—	1,576
Increase in the amount of tangible fixed assets and intangible fixed assets	3,740	742	1,123	144	5,750	324	6,075	1,909	7,984

Notes:

*1 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.

*2 Segment operating income (loss) adjustment of ¥ (702) million is the Company’s profit (loss) not attributable to a reportable segment.

Segment assets adjustment of ¥54,082 million consists of the corporate assets not apportioned to each reportable segment and the elimination of intersegment transactions.

*3 Segment income (loss) is reconciled to operating income in the consolidated statements of income.

PER SHARE INFORMATION

(Yen)

	Apr.1, 2018- Mar.31, 2019	Apr.1, 2019- Mar.31, 2020
Net assets per share	3,838.90	3,727.10
Basic earnings per share	387.10	107.37
Diluted earnings per share	370.66	101.47

Notes:

1. The Company has introduced a performance-linked share compensation system for directors and corporate officers. The SCREEN Holdings shares remaining in trust are recorded as treasury stock under shareholders' equity and are deducted from the number of shares outstanding as of the fiscal year end for the purpose of calculating net assets per share (87 thousand shares as of March 31, 2020 and 99 thousand shares as of March 31, 2019) and are deducted from the weighted average number of shares outstanding during the year for the purpose of calculating basic earnings per share and diluted earnings per share (91 thousand shares for the year ended March 31, 2020 and 104 thousand shares for the year ended March 31, 2019).

2. The basis for the calculation of net assets per share is as follows.

	Mar. 31, 2019	Mar. 31, 2020
Total net assets (Millions of yen)	179,133	174,142
Amount deducted from Total net assets (Millions of yen)	17	200
[Non-controlling interests (Millions of yen)]	[17]	[200]
Net assets attributable to common stock at the fiscal year-end (Millions of yen)	179,115	173,941
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (Thousands of shares)	46,658	46,669

3. The basis for the calculation of basic earnings per share and diluted earnings per share is as follows.

	Apr.1, 2018- Mar.31, 2019	Apr.1, 2019- Mar.31, 2020
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	18,059	5,010
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common stock (Millions of yen)	18,059	5,010
Average number of shares outstanding of common stock during the fiscal year (Thousands of shares)	46,653	46,666
Diluted earnings per share		
Adjustments of profit attributable to owners of parent (Millions of yen)	(17)	(20)
[Interest income (After deduction of tax credit) (Millions of yen)]	[(17)]	[(20)]
Increase in shares of common stock (Thousands of shares)	2,022	2,511
[Convertible bond-type bonds with share acquisition rights (Thousands of shares)]	[2,022]	[2,511]
Summary of potential shares not included in calculation of Diluted earnings per share because there are no dilutive effects	—	—

(Significant subsequent events)

Not applicable

Consolidated Financial Highlights for the Fiscal Year Ended Mar. 31, 2020

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

	FY2019	FY2020	Difference	
	12months ended Mar. 31 2019	12months ended Mar. 31 2020	Amount	Percentage
	Result	Result		
Net sales	¥ 364,234	¥ 323,249	¥ (40,985)	-11.3%
Operating income	29,645	12,561	(17,083)	-57.6%
[to net sales ratio]	8.1 %	3.9 %	-4.2 pt	-
Ordinary income	29,279	11,636	(17,642)	-60.3%
[to net sales ratio]	8.0 %	3.6 %	-4.4 pt	-
Profit attributable to owners of parent	18,059	5,010	(13,048)	-72.3%
[to net sales ratio]	5.0 %	1.6 %	-3.4 pt	-
Total assets	380,915	347,964	(32,950)	-8.7%
Net assets	179,133	174,142	(4,991)	-2.8%
Equity	179,115	173,941	(5,174)	-2.9%
Equity ratio	47.0 %	50.0 %	3.0 pt	-
Net assets per share of capital stock (yen)	3,838.90	3,727.10	(111.80)	-2.9%
Interest-bearing debt	55,321	67,302	11,981	21.7%
Net Interest-bearing debt	23,127	29,531	6,404	27.7%
Return on equity (ROE)	10.3 %	2.8 %	-7.5 pt	-
Cash flow from operating activities	(37,534)	11,811	-	-
Cash flow from investing activities	(19,020)	(11,293)	-	-
Cash flow from financing activities	36,760	4,927	-	-
Depreciation and amortization	6,883	8,860	1,977	28.7%
Capital expenditures	24,088	7,984	(16,103)	-66.9%
R&D expenses	22,825	21,525	(1,299)	-5.7%
Number of employees	6,099	6,074	(25)	-0.4%
Number of consolidated subsidiaries	57	57	-	-
[Domestic]	[27]	[27]	[-]	-
[Overseas]	[30]	[30]	[-]	-
Number of non-consolidated subsidiaries	3	3	-	-
[Number of non-consolidated subsidiaries accounted for by equity method]	[-]	[-]	[-]	-
Number of affiliates	1	2	1	-
[Number of affiliates accounted for by equity method]	[1]	[2]	[1]	-

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 ended 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 Sept. 30, 2018	12 months ended Mar.31, 2019	3 months ended Jun. 30, 2019	3 months ended Sept. 30, 2019	6 months ended Sept. 30, 2019	3 months ended Dec. 31, 2019	3 months ended Mar. 31, 2020	12 months ended Mar.31, 2020
		Result	Result	Result	Result	Result	Result	Result	Result
Semiconductor Production Equipment Business (SPE)	Domestic	18,556	43,866	7,416	13,091	20,507	8,552	14,410	43,470
	Overseas	94,326	208,646	33,792	52,601	86,393	43,034	57,602	187,030
	Total	112,882	252,513	41,208	65,692	106,901	51,586	72,013	230,501
Graphic Arts Equipment Business (GA)	Domestic	9,322	19,893	4,146	6,548	10,695	5,066	4,852	20,614
	Overseas	14,555	28,324	5,675	6,404	12,080	6,485	6,373	24,938
	Total	23,878	48,217	9,821	12,953	22,775	11,551	11,226	45,553
Display Production Equipment and Coater Business (FT)	Domestic	1,183	3,697	271	281	552	1,647	674	2,875
	Overseas	24,235	45,557	4,544	7,748	12,293	10,797	9,212	32,303
	Total	25,419	49,254	4,815	8,030	12,846	12,445	9,887	35,179
PCB-Related Equipment Business (PE)	Domestic	1,555	2,913	659	765	1,425	548	1,074	3,047
	Overseas	5,613	9,431	1,462	1,893	3,356	1,230	2,419	7,006
	Total	7,169	12,344	2,122	2,659	4,781	1,778	3,494	10,054
Other	Domestic	622	1,827	211	546	758	486	541	1,785
	Overseas	145	219	59	90	149	22	50	222
	Total	768	2,047	271	636	907	508	591	2,007
Intersegment sales	Domestic	(36)	(143)	(9)	(13)	(22)	(9)	(14)	(46)
	Overseas	—	—	—	—	—	—	—	—
	Total	(36)	(143)	(9)	(13)	(22)	(9)	(14)	(46)
Grand Total	Domestic	31,204	72,054	12,696	21,219	33,916	16,291	21,539	71,747
	Overseas	138,876	292,179	45,534	68,739	114,273	61,570	75,658	251,502
	Total	170,081	364,234	58,230	89,959	148,190	77,861	97,198	323,249
	Overseas Ratio	81.7%	80.2%	78.2%	76.4%	77.1%	79.1%	77.8%	77.8%

Orders received & Order backlog (Consolidated)

(Millions of yen)

		FY2019		FY2020							
		3 months ended Mar. 31, 2019		3 months ended Jun. 30, 2019		3 months ended Sept. 30, 2019		3 months ended Dec. 31, 2019		3 months ended Mar. 31, 2020	
		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	8,373	12,712	11,178	16,475	11,359	14,743	14,040	20,232	11,519	17,341
	Overseas	43,004	71,587	48,844	86,639	51,236	85,274	31,263	73,503	50,887	66,788
	Total	51,377	84,300	60,023	103,114	62,595	100,017	45,304	93,735	62,407	84,129
Graphic Arts Equipment Business (GA)	Domestic	5,112	2,171	5,169	3,195	5,156	1,802	4,763	1,500	5,129	1,776
	Overseas	6,742	2,173	6,584	3,082	6,220	2,898	6,613	3,026	6,960	3,614
	Total	11,854	4,344	11,754	6,277	11,377	4,701	11,377	4,527	12,089	5,390
Display Production Equipment and Coater Business (FT)	Domestic	514	1,918	1,290	2,937	616	3,273	△81	1,543	1,044	1,913
	Overseas	3,183	40,875	12,886	49,217	8,204	49,673	11,658	50,534	5,948	47,270
	Total	3,697	42,794	14,176	52,155	8,821	52,946	11,577	52,078	6,993	49,183
PCB-Related Equipment Business (PE)	Domestic	421	169	923	434	372	41	541	34	1,062	23
	Overseas	2,139	574	1,661	773	1,851	731	2,183	1,684	2,076	1,340
	Total	2,561	744	2,585	1,207	2,224	772	2,724	1,718	3,139	1,364
Grand Total	Domestic	14,421	16,973	18,563	23,042	17,505	19,861	19,264	23,311	18,756	21,055
	Overseas	55,070	115,210	69,976	139,712	67,513	138,576	51,719	128,748	65,872	119,013
	Total	69,491	132,183	88,540	162,754	85,019	158,438	70,983	152,060	84,629	140,068
	Overseas Ratio	79.2%	87.2%	79.0%	85.8%	79.4%	87.5%	72.9%	84.7%	77.8%	85.0%