

May 10, 2023

CONSOLIDATED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2023 [Japanese GAAP]

SCREEN Holdings Co., Ltd. is listed on the Prime Market 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 Department head of Finance & Accounting
Tel: +81-75-414-7155

Date of the annual shareholders' meeting: June 23, 2023

Date of payment for cash dividends: June 26, 2023

Date planned for the filing of the financial report: June 26, 2023

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

PERFORMANCE (APR. 1, 2022-MAR. 31, 2023)

(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, 2023	¥ 460,834	11.9%	¥ 76,452	24.8%	¥ 77,393	30.2%
Fiscal year ended Mar. 31, 2022	411,865	28.6	61,273	150.2	59,438	161.6

Note: Comprehensive income

Fiscal year ended Mar. 31, 2023: ¥ 56,408 million (29.7%)

Fiscal year ended Mar. 31, 2022: ¥ 43,499 million (19.4%)

	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)	Return on Equity	Return on Assets (Ordinary Income Basis)	Return on Sales (Operating Income Basis)
Fiscal year ended Mar. 31, 2023	¥ 57,491	26.4%	¥ 1,216.33	¥ 1,185.25	21.0%	15.1%	16.6%
Fiscal year ended Mar. 31, 2022	45,481	199.9	976.55	926.17	19.9	14.1	14.9

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

Fiscal year ended Mar. 31, 2023: ¥ (252) million

Fiscal year ended Mar. 31, 2022: ¥ (23) million

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
Mar. 31, 2023	¥ 562,816	¥ 299,926	53.3%	¥ 6,325.44
Mar. 31, 2022	459,305	247,788	53.9	5,318.32

Reference: Equity

As of Mar. 31, 2023: ¥ 299,888 million

As of Mar. 31, 2022: ¥ 247,715 million

(3) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
Fiscal year ended Mar. 31, 2023	¥ 73,906	¥ (12,514)	¥ (20,961)	¥ 173,660
Fiscal year ended Mar. 31, 2022	81,752	(9,952)	(4,951)	131,011

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, 2022	¥ —	¥ —	¥ —	¥ 293.00	¥ 293.00	¥ 13,699	30.0 %	6.0 %
Fiscal year ended Mar. 31, 2023	—	—	—	365.00	365.00	17,362	30.0	6.3
Fiscal year ending Mar. 31, 2024 (Forecast)	—	140.00	—	114.00	—		30.1	

The Company plans to implement a stock split of common stock in the ratio of 1 share into 2 shares, with an effective date of October 1, 2023. The amount forecast for the Second Quarter-end of the fiscal year ending March 31, 2024 is on a pre-split basis and the amount forecast for the Year-end of the fiscal year ending March 31, 2024 is on a post-split basis. The annual dividend forecast is not shown since it cannot be simply summed up due to the stock split. The annual dividend on a pre-split basis is projected to be ¥368.00 per share. For details, please refer to "Explanation for appropriate use of forecasts and other notes."

FORECAST OF BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2024

(Millions of yen, except per share figures)

(Percentage are the rate of increase or decrease from the previous corresponding period)

	Net Sales	Percentage Change	Operating Income	Percentage Change
Six months period ending Sept. 30, 2023	¥ 229,000	4.9%	¥ 35,500	-7.0%
Fiscal year ending Mar. 31, 2024	495,000	7.4	85,000	11.2

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Six months period ending Sept. 30, 2023	¥ 34,000	-12.1%	¥ 22,000	-25.9%	¥ 464.04
Fiscal year ending Mar. 31, 2024	82,000	6.0	58,000	0.9	611.69

The amount shown for basic earnings per share in the business results forecast for the fiscal year ending March 31, 2024, is calculated factoring in the impact of the stock split. For details, please refer to "Explanation for appropriate use of forecasts and other notes."

[Notes]

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): No

New Company: Not applicable Exclusion: Not applicable

(2) Changes 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.15 [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, 2023: 50,794,866 shares As of Mar. 31, 2022: 50,794,866 shares

2. Number of treasury stock as of end of period

As of Mar. 31, 2023: 3,385,014 shares As of Mar. 31, 2022: 4,217,043 shares

3. Average number of shares outstanding

Fiscal year ended Mar. 31, 2023: 47,266,104 shares Fiscal year ended Mar. 31, 2022: 46,573,843 shares

Please refer to P.18 [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 forward-looking statements such as operational forecasts contained in this document are based on the information currently available to SCREEN Holdings and certain assumptions that are regarded as legitimate. SCREEN Holdings does not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors.

(Outlook of consolidated business results and dividends following the stock split)

The company, at the Board of Directors' Meeting on May 10, 2023, has resolved to implement a stock split in the ratio of 1 share into 2 shares, with an effective date of October 1, 2023. In addition, by resolution of the Board of Directors, the Company also has resolved to propose at the 82nd Ordinary General Meeting of Shareholders to be held on June 23, 2023 to introduce an interim dividend and make corresponding partial amendment to the Articles of Incorporation, and plans to pay interim dividend contingent on approval at the ordinary general meeting of shareholders. The outlook for consolidated business results and dividends for the fiscal year ending March 31, 2024, calculated without factoring in stock split, is as follows.

1. Consolidated business results forecast for the fiscal year ending March 31, 2024

Basic earnings per share for the full year: ¥ 1,223.37

2. Dividends forecast for the fiscal year ending March 31, 2024

Cash dividends per share at second quarter-end: ¥ 140.00

Cash dividends per share at fiscal year-end: ¥ 228.00

Total: ¥ 368.00

BUSINESS RESULTS, etc.

1. Business Results

Consolidated Business Results

During the fiscal year ended March 31, 2023, although there were signs of a gradual recovery of the global economy, the pace of economic recovery has slowed down recently, due to supply constraints such as shortages of components, as well as soaring raw material prices and global monetary tightening in line with rising inflationary pressures and other factors.

With regard to the business conditions surrounding the SCREEN Group, capital investments in the electronics industry showed signs of contraction in some parts due to a decline in demand for smartphones, PCs, and other products as a backlash to the extraordinary demand caused by COVID-19. Meanwhile, we saw steady growth of capital investments in the fields of miniaturization, power semiconductors, and packaging technology in line with the progress in IoT technologies and digital transformation driven by the growing use of 5G and AI, as well as green transformation. On the other hand, concerns over the conflict between the U.S. and China and the impact on national security issues have increased further. In addition, display manufacturers have been revising the capital investment plan mainly due to falling panel prices.

Under these circumstances, for the fiscal year ended March 31, 2023, the SCREEN Group posted consolidated net sales of ¥460,834 million, an increase of ¥48,968 million (11.9%) from the previous fiscal year. On the earnings front, as the result of an increase in net sales and other factors, operating income totaled ¥76,452 million, up ¥15,179 million (24.8%) year on year. Ordinary income amounted to ¥77,393 million, up ¥17,954 million (30.2%) year on year. In addition, as a result of gains in extraordinary income for the sales of shares of subsidiaries and associates and other factors, profit attributable to owners of parent was ¥57,491 million, up ¥12,009 million (26.4%) compared with the previous fiscal year.

Results by Business Segment

Performance by reportable segment is as follows.

The Semiconductor Production Equipment (SPE) Business

In the SPE business, foundry and logic sales increased year on year, despite a decline in sales to memory. By region, sales to China fell, while sales to Taiwan and Europe grew. As a result, net sales in this segment amounted to ¥370,934 million, up 16.1% year on year. On the earnings front, operating income in this segment came to ¥76,950 million, up 22.5% year on year, mainly reflecting the increase in sales.

The Graphic Arts Equipment (GA) Business

In the GA business, net sales in this segment amounted to ¥45,609 million, up 5.3% year on year, due to increased sales of equipment and recurring business, mainly ink. On the earnings front, operating income was ¥3,397 million, up 107.6% year on year due mainly to an increase in sales.

The Display Production Equipment and Coater (FT) Business

In the FT business, sales of production equipment declined due to the sluggish capital investment by display manufacturers. As a result, net sales in this segment amounted to ¥26,189 million, down 21.3% year on year. On the earnings front, operating loss came to ¥1,840 million, compared with operating income of ¥587 million in the previous fiscal year, mainly reflecting the decrease in net sales.

The PCB-Related Equipment (PE) Business

In the PE business, sales of direct imaging system rose due to such factors as increasing data center demand. As a result, net sales in this segment amounted to ¥16,835 million, up 26.5% year on year. On the earnings front, operating income in this segment came to ¥3,358 million, up 61.9% year on year, due mainly to an increase in sales.

2. Financial Position

Assets, Liabilities and Net Assets

Total assets as of March 31, 2023 stood at ¥562,816 million, an increase of ¥103,510 million, or 22.5%, compared with March 31, 2022. This was largely due to an increase in cash and deposits as well as inventories.

Total liabilities amounted to ¥262,889 million, up ¥51,372 million, or 24.3%, compared with the end of the previous fiscal year. This was mainly attributable to an increase in contract liabilities and notes and accounts payable, including electronically recorded obligations, despite a decrease in convertible bond-type bonds with share acquisition rights.

Total net assets amounted to ¥299,926 million, up ¥52,138 million, or 21.0%, compared with the end of the previous fiscal year. This was mainly attributable to the recording of profit attributable to owners of parent and the conversion of convertible bond-type bonds with share acquisition rights – the latter causing both an increase in capital surplus and a decrease in treasury stock, despite the payment of cash dividends.

As a result, the equity ratio as of March 31, 2023 stood at 53.3%.

Financial Indicators

	Fiscal year ended Mar.31, 2019	Fiscal year ended Mar.31, 2020	Fiscal year ended Mar.31, 2021	Fiscal year ended Mar.31, 2022	Fiscal year ended Mar.31, 2023
Equity ratio (%)	47.0	50.0	54.5	53.9	53.3
Return on equity (ROE) (%)	10.3	2.8	7.9	19.9	21.0

3. Cash Flows

The status of cash flows during the fiscal year ended March 31, 2023 is as follows.

Net cash provided by operating activities amounted to ¥73,906 million, compared with ¥81,752 million provided by operating activities in the previous fiscal year. This was because the sum of income before income taxes, an increase in other current liabilities, an increase in notes and accounts payable including electronically recorded obligations, and other inflows exceeded the sum of income taxes paid, an increase in inventories, an increase in notes and accounts receivable including electronically recorded monetary claims and inventories, and other outflows.

Net cash used in investing activities amounted to ¥12,514 million, compared with ¥9,952 million used in investing activities in the previous fiscal year. This was largely attributable to payments associated with construction of a new factory and other outflows, which exceeded income from the sales of shares of subsidiaries and associates and other inflows.

Net cash used in financing activities totaled ¥20,961 million, compared with ¥4,951 million used in financing activities in the previous fiscal year. This was due mainly to cash dividends paid and redemption of convertible bond-type bonds with share acquisition rights.

As a result, cash and cash equivalents as of March 31, 2023 totaled ¥173,660 million, up ¥42,649 million from March 31, 2022, including effect of exchange rate changes on cash and cash equivalents.

4. Outlook

The global economy is expected to continue to recover gradually, although there are concerns over the risk of economic downturn due to global monetary tightening, rising prices, supply constraints, and other factors. Meanwhile, with regard to the business environment surrounding the Company in the electronics industry, although there are signs of a contraction in capital investment by semiconductor memory manufacturers, investment in the fields of miniaturization, power semiconductors, and packaging technology is expected to remain robust, backed by the progress of digital transformation and green transformation.

Based on the current status of orders and the market conditions, the consolidated business results forecast for the fiscal year ending March 31, 2024 is projecting increase in both sales and profits from the fiscal year ended March 31, 2023.

Forecast of the consolidated business result for the fiscal year ending March 31, 2024

(Millions of yen)

	The first half ending Sep. 30, 2023	Fiscal year ending Mar. 31, 2024
Net sales	¥ 229,000	¥ 495,000
SPE	195,000	410,000
GA	22,500	46,000
FT	3,500	22,000
PE	7,000	14,500
Other and Adjustments	1,000	2,500
Operating income	35,500	85,000
Ordinary income	34,000	82,000
Profit attributable to owners of parent	22,000	58,000

Note: The aforementioned forecasts are based on the estimated foreign currency exchange rate of USD1.00 = JPY125 and EUR1.00 = JPY135. Although business forecasts are made in accordance with currently available information and rational assumptions, it should be noted that actual results could differ significantly due to a variety of factors.

5. Basic Policy Regarding Allocation of Profits, and Dividends for the Fiscal Year under Review and Fiscal Year Ending March 31, 2024

(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 ¥365 per share for the fiscal year ended March 31, 2023. For details, please see "Notice: Dividends of Surplus," released today.

(2) Basic Policy Regarding Allocation of Profits for the Fiscal Year Ending March 31, 2024

The SCREEN Group aims to secure the retained earnings necessary for growth investment and for maintaining a sound financial base to respond to future changes in the business environment. Considering this aim and other factors, the SCREEN Group's basic policy targets a total consolidated shareholder return ratio of 30% or above.

The Company has so far paid only a year-end dividend once a year, but in order to enhance opportunities for shareholder returns, it plans to propose an amendment to its Articles of Incorporation to allow itself to pay an interim dividend, per the resolution of the Board of Directors, at the 82nd Ordinary General Meeting of Shareholders to be held on June 23, 2023, and to pay an interim dividend contingent on approval at the said shareholder meeting.

(3) Dividends for the Fiscal Year Ending March 31, 2024

Based on the earnings forecast and the basic allocation policy explained in (2) above, SCREEN Holdings currently anticipates an interim cash dividend of ¥140 per share on a pre-split basis and a fiscal year-end cash dividend of ¥114 per share on a post-split basis for the fiscal year ending March 31, 2024. The annual dividend will be ¥368 per share on a pre-split basis.

BASIC PREMISE ON ACCOUNTING STANDARDS

In consideration of comparability over time and with other companies, the SCREEN Group produces its consolidated financial statements in accordance with the Japanese accounting standards. With regard to the harmonization with IFRS, its policy is to take appropriate steps in the light of developments within and outside Japan.

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2022	Mar. 31, 2023
ASSETS		
Current assets:		
Cash and deposits	¥ 133,088	¥ 175,576
Notes and accounts receivable - trade, and contract assets	85,425	100,048
Electronically recorded monetary claims - operating	5,734	7,168
Merchandise and finished goods	45,790	45,865
Work in process	46,741	59,721
Raw materials and supplies	11,206	18,289
Other	11,229	22,467
Allowance for doubtful accounts	(848)	(870)
Total current assets	338,367	428,267
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	64,533	72,649
Accumulated depreciation	(42,585)	(43,577)
Buildings and structures (Net)	21,948	29,072
Machinery, equipment and vehicles	49,763	52,022
Accumulated depreciation	(34,973)	(33,741)
Machinery, equipment and vehicles (Net)	14,790	18,281
Land	10,053	10,911
Lease assets	3,966	3,562
Accumulated depreciation	(3,357)	(3,512)
Lease assets (Net)	609	50
Construction in progress	3,601	7,152
Other	19,597	21,921
Accumulated depreciation	(14,075)	(14,721)
Other (Net)	5,521	7,200
Total property, plant and equipment	56,524	72,667
Intangible assets:		
Lease assets	43	36
Other	4,760	4,842
Total intangible assets	4,804	4,879
Investments and other assets:		
Investment securities	44,370	40,697
Long-term loans receivable	2	2
Net defined benefit asset	7,810	6,395
Deferred tax assets	4,904	5,948
Other	2,617	4,053
Allowance for doubtful accounts	(96)	(96)
Total investments and other assets	59,609	57,001
Total non-current assets	120,938	134,548
Total assets	459,305	562,816

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2022	Mar. 31, 2023
LIABILITIES		
Current liabilities:		
Notes and accounts payable - trade	¥ 33,498	¥ 41,300
Electronically recorded obligations - operating	48,955	51,669
Short-term loans payable	—	17
Current portion of convertible bond-type bonds with share acquisition rights	15,003	—
Current portion of long-term loans payable	400	10,400
Lease obligations	991	1,115
Income taxes payable	7,088	10,617
Notes payable-facilities	1,413	215
Electronically recorded obligations - facilities	708	6,162
Contract liabilities	32,927	74,674
Provision for bonuses	5,458	6,107
Provision for directors' bonuses	272	296
Provision for product warranties	8,774	10,418
Provision for loss on order received	752	1,164
Other	19,376	22,979
Total current liabilities	175,620	237,137
Non-current liabilities:		
Convertible bond-type bonds with share acquisition rights	15,033	15,023
Long-term loans payable	10,400	4
Lease obligations	2,408	2,292
Deferred tax liabilities	5,714	5,089
Net defined benefit liability	1,149	957
Provision for directors' retirement benefits	174	146
Provision for stock payment	49	55
Provision for management board incentive plan trust	41	47
Asset retirement obligations	89	100
Other	835	2,034
Total non-current liabilities	35,896	25,751
Total liabilities	211,516	262,889
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	4,488	10,308
Retained earnings	185,804	229,596
Treasury stock	(18,503)	(14,894)
Total shareholders' equity	225,834	279,055
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,250	18,616
Foreign currency translation adjustment	4	3,036
Remeasurements of defined benefit plans	626	(820)
Total accumulated other comprehensive income	21,881	20,832
Non-controlling interests	72	38
Total net assets	247,788	299,926
Total liabilities and net assets	459,305	562,816

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2021- Mar.31, 2022	Apr.1, 2022- Mar.31, 2023
Net sales	¥ 411,865	¥ 460,834
Cost of sales	277,497	305,785
Gross profit	134,367	155,048
Selling, general and administrative expenses	73,094	78,596
Operating income	61,273	76,452
Non-operating income		
Interest income	120	230
Dividends income	548	749
Subsidy income	485	623
Gain on sales of non-current assets	29	459
Other	642	505
Total non-operating income	1,826	2,568
Non-operating expenses		
Interest expenses	307	219
Foreign exchange losses, net	652	340
Share of loss of entities accounted for using equity method	23	252
Loss on retirement of non-current assets	2,074	355
Donations	71	205
Other	530	253
Total non-operating expenses	3,660	1,627
Ordinary income	59,438	77,393
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	—	3,134
Gain on sales of businesses	—	38
Gain on sales of investment securities	57	9
Total extraordinary income	57	3,182
Extraordinary loss		
Impairment loss	1,601	1,993
Loss on valuation of investment securities	545	48
Loss on withdrawal of corporate pension funds	578	—
Other	—	18
Total extraordinary loss	2,725	2,060
Income before income taxes	56,771	78,515
Income taxes	12,854	20,804
Income taxes-deferred	(1,465)	254
Total income taxes	11,389	21,059
Profit	45,382	57,456
Loss attributable to non-controlling interests	(99)	(34)
Profit attributable to owners of parent	45,481	57,491

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2021- Mar.31, 2022	Apr.1, 2022- Mar.31, 2023
Profit	¥ 45,382	¥ 57,456
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,185)	(2,634)
Foreign currency translation adjustment	4,329	3,022
Remeasurements of defined benefit plans	(34)	(1,446)
Share of other comprehensive income of entities accounted for using equity method	7	10
Total other comprehensive income	(1,883)	(1,048)
Comprehensive income	43,499	56,408
Comprehensive income attributable to:		
Owners of parent	43,594	56,442
Non-controlling interests	(94)	(34)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Apr.1, 2021- Mar.31, 2022

(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	¥ 144,669	¥ (18,590)	¥ 184,612
Cumulative effects of changes in accounting policies			(139)		(139)
Currently stated balance, as of beginning of current period	54,044	4,488	144,530	(18,590)	184,473
Increase (decrease) during the period					
Dividends from surplus			(4,208)		(4,208)
Profit attributable to owners of parent			45,481		45,481
Acquisition of treasury stock				(10)	(10)
Disposal of treasury stock				98	98
Conversion of convertible bond-type bonds with share acquisition rights					—
Net changes in items other than shareholders' equity					
Total changes during the period	—	—	41,273	87	41,361
Balance as of end of current period	54,044	4,488	185,804	(18,503)	225,834

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance as of beginning of current period	¥ 27,435	¥ (4,328)	¥ 661	¥ 23,768	¥ 167	¥ 208,548
Cumulative effects of changes in accounting policies				—		(139)
Currently stated balance, as of beginning of current period	27,435	(4,328)	661	23,768	167	208,409
Increase (decrease) during the period						
Dividends from surplus				—		(4,208)
Profit attributable to owners of parent				—		45,481
Acquisition of treasury stock				—		(10)
Disposal of treasury stock				—		98
Conversion of convertible bond-type bonds with share acquisition rights				—		—
Net changes in items other than shareholders' equity	(6,185)	4,332	(34)	(1,887)	(94)	(1,982)
Total changes during the period	(6,185)	4,332	(34)	(1,887)	(94)	39,378
Balance as of end of current period	21,250	4	626	21,881	72	247,788

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Apr.1, 2022- Mar.31, 2023

(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	¥ 185,804	¥ (18,503)	¥ 225,834
Cumulative effects of changes in accounting policies			—		—
Currently stated balance, as of beginning of current period	54,044	4,488	185,804	(18,503)	225,834
Increase (decrease) during the period					
Dividends from surplus			(13,699)		(13,699)
Profit attributable to owners of parent			57,491		57,491
Acquisition of treasury stock				(6)	(6)
Disposal of treasury stock				3,615	3,615
Conversion of convertible bond-type bonds with share acquisition rights		5,820			5,820
Net changes in items other than shareholders' equity					
Total changes during the period	—	5,820	43,792	3,608	53,221
Balance as of end of current period	54,044	10,308	229,596	(14,894)	279,055

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance as of beginning of current period	¥ 21,250	¥ 4	¥ 626	¥ 21,881	¥ 72	¥ 247,788
Cumulative effects of changes in accounting policies				—		—
Currently stated balance, as of beginning of current period	21,250	4	626	21,881	72	247,788
Increase (decrease) during the period						
Dividends from surplus				—		(13,699)
Profit attributable to owners of parent				—		57,491
Acquisition of treasury stock				—		(6)
Disposal of treasury stock				—		3,615
Conversion of convertible bond-type bonds with share acquisition rights				—		5,820
Net changes in items other than shareholders' equity	(2,634)	3,032	(1,446)	(1,048)	(34)	(1,082)
Total changes during the period	(2,634)	3,032	(1,446)	(1,048)	(34)	52,138
Balance as of end of current period	18,616	3,036	(820)	20,832	38	299,926

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr.1, 2021- Mar.31, 2022	Apr.1, 2022- Mar.31, 2023
Cash flow from operating activities:		
Income before income taxes	¥ 56,771	¥ 78,515
Depreciation and amortization	9,500	8,799
Impairment loss	1,601	1,993
Loss (gain) on valuation of investment securities	545	48
Loss (gain) on sales of investment securities	(57)	(9)
Gain on sales of non-current assets	(29)	(459)
Loss on retirement of non-current assets	2,074	355
Loss (gain) on sales of shares of subsidiaries and associates	—	(3,134)
Loss (gain) on sales of businesses	—	(38)
Share of loss (profit) of entities accounted for using equity method	23	252
Increase (decrease) in net defined benefit asset and liability	(463)	(910)
Increase (decrease) in provision for bonuses	3,033	648
Increase (decrease) in provision for directors' bonuses	94	23
Increase (decrease) in provision for stock payment	23	6
Increase (decrease) in provision for management board incentive plan trust	17	5
Increase (decrease) in provision for product warranties	1,684	1,644
Increase (decrease) in provision for loss on order received	615	411
Interest and dividend income	(668)	(980)
Interest expenses	307	219
Decrease (increase) in notes and accounts receivable including electronically recorded monetary claims	(4,176)	(17,053)
Decrease (increase) in inventories	(5,519)	(21,169)
Decrease (increase) in other current assets	(2,382)	(1,664)
Increase (decrease) in notes and accounts payable including electronically recorded obligations	9,010	10,153
Increase (decrease) in other current liabilities	17,946	41,663
Other, net	402	(703)
Subtotal	90,357	98,618
Interest and dividend income received	637	949
Interest expenses paid	(304)	(221)
Income taxes (paid) refund	(8,936)	(25,440)
Net cash provided by (used in) operating activities	81,752	73,906
Cash flow from investing activities:		
Decrease (increase) in time deposits	(20)	195
Purchase of property, plant and equipment	(8,813)	(18,821)
Proceeds from sales of property, plant and equipment	101	2,119
Purchase of intangible assets	(1,338)	(1,974)
Purchase of investment securities	(155)	(316)
Proceeds from sales of investment securities	313	41
Proceeds from sales of shares of subsidiaries and associates resulting in change in scope of consolidation	—	5,398
Proceeds from sales of businesses	—	520
Other, net	(39)	324
Net cash provided by (used in) investing activities	(9,952)	(12,514)
Cash flow from financing activities:		
Net increase (decrease) in short-term loans payable	—	17
Proceeds from long-term loans payable	1,000	3
Repayments of long-term loans payable	(309)	(400)
Repayments of lease obligations	(1,423)	(1,210)
Redemption of convertible bond-type bonds with share acquisition rights	—	(5,681)
Net decrease (increase) in treasury stock	(10)	(5)
Cash dividends paid	(4,208)	(13,685)
Net cash provided by (used in) financing activities	(4,951)	(20,961)
Effect of exchange rate changes on cash and cash equivalents	3,417	2,217
Net increase (decrease) in cash and cash equivalents	70,266	42,649
Cash and cash equivalents at beginning of period	60,744	131,011
Cash and cash equivalents at end of period	131,011	173,660

[Notes to consolidated financial statements]

(Note for going concern assumption)

Not Applicable

(Changes in accounting policies)

Adoption of ASU 2016-02 “Leases”

Certain overseas consolidated subsidiaries which apply U.S. GAAP adopted ASU 2016-02 “Leases” (February 25, 2016, hereinafter “ASU 2016-02”) from the beginning of the fiscal 2023. With the application of ASU 2016-02, the lessee generally recognizes all leases as assets and liabilities. In adopting ASU 2016-02, 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).

(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, 2021- Mar.31, 2022**

(Millions of yen)

	Reportable segment					Other *1	Total	Adjustments *2	Consolidated *3
	SPE	GA	FT	PE	Total				
Sales									
(1) Sales to outside customers	¥ 319,398	¥ 43,278	¥ 33,071	¥ 13,311	¥ 409,060	¥ 2,804	¥ 411,865	¥ -	¥ 411,865
(2) Intersegment sales and transfers	0	39	214	-	253	14,431	14,685	(14,685)	-
Total	319,398	43,317	33,286	13,311	409,314	17,236	426,550	(14,685)	411,865
Segment income (loss)	62,830	1,636	587	2,074	67,128	(737)	66,391	(5,118)	61,273
Segment assets	264,454	49,100	27,955	11,736	353,246	7,832	361,078	98,226	459,305
Other									
Depreciation and amortization	5,745	617	323	95	6,782	264	7,046	2,454	9,500
Impairment loss	328	-	1,079	-	1,408	193	1,601	-	1,601
Increase in the amount of tangible fixed assets and intangible fixed assets	3,864	1,031	754	149	5,800	220	6,020	7,389	13,409

Notes:

*1 The "Other" category incorporates operations not included in reportable segments, including development, manufacturing and sales of equipment in the 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 ¥ (5,118) million is the Company's profit (loss) not attributable to a reportable segment.

Segment assets adjustment of ¥ 98,226 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, 2022- Mar.31, 2023

(Millions of yen)

	Reportable segment					Other *1	Total	Adjustments *2	Consolidated *3
	SPE	GA	FT	PE	Total				
Sales									
(1) Sales to outside customers	¥ 370,934	¥ 45,332	¥ 25,766	¥ 16,735	¥ 458,769	¥ 2,064	¥ 460,834	¥ -	¥ 460,834
(2) Intersegment sales and transfers	-	277	422	99	799	16,474	17,273	(17,273)	-
Total	370,934	45,609	26,189	16,835	459,569	18,538	478,108	(17,273)	460,834
Segment income (loss)	76,950	3,397	(1,840)	3,358	81,865	(443)	81,422	(4,970)	76,452
Segment assets	349,632	47,208	22,174	15,925	434,941	8,074	443,016	119,799	562,816
Other									
Depreciation and amortization	4,786	481	200	140	5,607	196	5,804	2,995	8,799
Impairment loss	-	-	420	-	420	8	429	1,564	1,993
Increase in the amount of tangible fixed assets and intangible fixed assets	5,343	1,332	564	402	7,642	112	7,754	21,261	29,015

Notes:

*1 The "Other" category incorporates operations not included in reportable segments, including development, manufacturing and sales of equipment in the life science business, software development, planning and production of printed matter and other businesses.

*2 Segment operating income (loss) adjustment of ¥ (4,970) million is the Company's profit (loss) not attributable to a reportable segment.

Segment assets adjustment of ¥ 119,799 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, 2021- Mar. 31, 2022	Apr. 1, 2022- Mar. 31, 2023
Net assets per share	5,318.32	6,325.44
Basic earnings per share	976.55	1,216.33
Diluted earnings per share	926.17	1,185.25

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 (159 thousand shares as of March 31, 2023 and 176 thousand shares as of March 31, 2022) 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 (164 thousand shares for the year ended March 31, 2023 and 181 thousand shares for the year ended March 31, 2022).

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

	Mar. 31, 2022	Mar. 31, 2023
Total net assets (Millions of yen)	247,788	299,926
Amount deducted from Total net assets (Millions of yen)	72	38
[Non-controlling interests (Millions of yen)]	[72]	[38]
Net assets attributable to common stock at the fiscal year-end (Millions of yen)	247,715	299,888
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (Thousands of shares)	46,577	47,409

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

	Apr. 1, 2021- Mar. 31, 2022	Apr. 1, 2022- Mar. 31, 2023
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	45,481	57,491
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common stock (Millions of yen)	45,481	57,491
Average number of shares outstanding of common stock during the fiscal year (Thousands of shares)	46,573	47,266
Diluted earnings per share		
Adjustments of profit attributable to owners of parent (Millions of yen)	(20)	(9)
[Interest income (After deduction of tax credit) (Millions of yen)]	[(20)]	[(9)]
Increase in shares of common stock (Thousands of shares)	2,511	1,231
[Convertible bond-type bonds with share acquisition rights (Thousands of shares)]	[2,511]	[1,231]
Summary of potential shares not included in calculation of Diluted earnings per share because there are no dilutive effects	—	—

(Significant subsequent events)

The Company, at a meeting of the Board of Directors held on May 10, 2023, has resolved to split the share of common stock in the ratio of 1 share into 2 shares, with an effective date of October 1, 2023. The Company has also resolved to propose at the 82nd Ordinary General Meeting of Shareholders to be held on June 23, 2023 to amend the Articles of Incorporation to introduce an interim dividend, and plans to pay an interim dividend contingent on approval at the meeting. For details, please refer to "Notice: Stock Split and Corresponding Partial Amendment to the Articles of Incorporation" and "Notice: Introduction of an Interim Dividend and Corresponding Partial Amendment to the Articles of Incorporation," separately disclosed today.

Consolidated Financial Highlights for the Fiscal Year Ended Mar. 31, 2023

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

	FY2022	FY2023	Difference		FY2024	
	12 months ended Mar. 31, 2022	12 months ended Mar. 31, 2023			6 months ending Sept. 30, 2023	12 months ending Mar. 31, 2024
	Result	Result	Amount	Percentage	Forecast	Forecast
Net sales	¥ 411,865	¥ 460,834	¥ 48,968	11.9%	¥ 229,000	¥ 495,000
Operating income	61,273	76,452	15,179	24.8%	35,500	85,000
[to net sales ratio]	14.9 %	16.6 %	1.7 pt	—	15.5 %	17.2 %
Ordinary income	59,438	77,393	17,954	30.2%	34,000	82,000
[to net sales ratio]	14.4 %	16.8 %	2.4 pt	—	14.8 %	16.6 %
Profit attributable to owners of parent	45,481	57,491	12,009	26.4%	22,000	58,000
[to net sales ratio]	11.0 %	12.5 %	1.5 pt	—	9.6 %	11.7 %
Total assets	459,305	562,816	103,510	22.5%	—	—
Net assets	247,788	299,926	52,138	21.0%	—	—
Equity	247,715	299,888	52,172	21.1%	—	—
Equity ratio	53.9 %	53.3 %	(0.6) pt	—	—	—
Net assets per share (yen)	5,318.32	6,325.44	1,007.12	18.9%	—	—
Interest-bearing debt	44,236	28,852	(15,384)	-34.8%	—	—
Net Interest-bearing debt	(88,851)	(146,723)	(57,872)	-65.1%	—	—
Return on equity (ROE)	19.9 %	21.0 %	1.1 pt	—	—	—
Cash flow from operating activities	81,752	73,906	—	—	—	—
Cash flow from investing activities	(9,952)	(12,514)	—	—	—	—
Cash flow from financing activities	(4,951)	(20,961)	—	—	—	—
Depreciation and amortization	9,500	8,799	(701)	-7.4%	5,000	11,000
Capital expenditures	13,409	29,015	15,605	116.4%	13,000	27,000
R&D expenses	24,035	24,760	724	3.0%	14,500	29,000
Number of employees	5,943	5,987	44	0.7%	—	—
Number of consolidated subsidiaries	57	55	(2)	—	—	—
[Domestic]	[26]	[26]	[—]	—	—	—
[Overseas]	[31]	[29]	[(2)]	—	—	—
Number of non-consolidated subsidiaries	3	4	1	—	—	—
[Number of non-consolidated subsidiaries accounted for by equity method]	[—]	[1]	[1]	—	—	—
Number of affiliates	2	1	(1)	—	—	—
[Number of affiliates accounted for by equity method]	[2]	[1]	[(1)]	—	—	—

Note: The number of consolidated subsidiaries changed as follows.

(Decrease)

Inca Digital Printers LTD. (wholly owned subsidiary)*

SCREEN GP IJC Ltd. (wholly owned subsidiary)*

*Shares were transferred in the fiscal year ended March 31, 2023.

Sales Breakdown (Consolidated)

(Millions of yen)

	FY2022				FY2023				FY2024		
	6 months ended Sept. 30, 2021	12 months ended Mar. 31, 2022	3 months ended Jun. 30, 2022	3 months ended Sept. 30, 2022	6 months ended Sept. 30, 2022	3 months ended Dec. 31, 2022	3 months ended Mar. 31, 2023	12 months ended Mar. 31, 2023	6 months ending Sept. 30, 2023	12 months ending Mar. 31, 2024	
	Result	Result	Result	Result	Result	Result	Result	Result	Forecast	Forecast	
Semiconductor Production Equipment Business (SPE)	Domestic	24,168	51,842	10,188	18,126	28,314	13,484	16,548	58,347	—	—
	Overseas	117,275	267,556	74,445	73,788	148,233	80,665	83,688	312,587	—	—
	Total	141,444	319,398	84,633	91,914	176,548	94,149	100,237	370,934	195,000	410,000
Graphic Arts Equipment Business (GA)	Domestic	8,658	16,955	4,434	5,054	9,488	5,447	5,043	19,979	—	—
	Overseas	12,271	26,362	6,123	6,617	12,741	6,584	6,304	25,630	—	—
	Total	20,930	43,317	10,558	11,671	22,230	12,031	11,347	45,609	22,500	46,000
Display Production Equipment and Coater Business (FT)	Domestic	1,424	2,761	347	400	748	318	592	1,658	—	—
	Overseas	16,160	30,525	2,712	8,080	10,792	5,299	8,438	24,530	—	—
	Total	17,585	33,286	3,060	8,480	11,540	5,617	9,030	26,189	3,500	22,000
PCB-Related Equipment Business (PE)	Domestic	1,593	3,649	664	1,092	1,757	850	1,223	3,831	—	—
	Overseas	4,240	9,662	2,681	3,174	5,856	3,924	3,223	13,004	—	—
	Total	5,834	13,311	3,346	4,266	7,613	4,774	4,447	16,835	7,000	14,500
Other	Domestic	1,294	2,517	300	361	662	410	685	1,758	—	—
	Overseas	141	287	86	93	180	62	63	306	—	—
	Total	1,436	2,804	386	455	842	472	749	2,064	1,000	2,500
Intersegment sales	Domestic	(23)	(253)	(157)	(211)	(369)	(207)	(221)	(799)	—	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	(23)	(253)	(157)	(211)	(369)	(207)	(221)	(799)	—	—
Grand Total	Domestic	37,116	77,471	15,777	24,823	40,600	20,302	23,871	84,775	—	—
	Overseas	150,090	334,393	86,049	91,754	177,803	96,536	101,718	376,058	—	—
	Total	187,206	411,865	101,826	116,577	218,404	116,839	125,590	460,834	229,000	495,000
	Overseas Ratio	80.2%	81.2%	84.5%	78.7%	81.4%	82.6%	81.0%	81.6%	—	—