

# Business Results & Forecast

## The First Quarter Ended June 30, 2016

August 8, 2016

**Eiji Kakiuchi**

SCREEN Holdings Co., Ltd  
President,  
Member of the Board and CEO

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


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

## Agenda

### 1. FY2017 1Q Business Results



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



### 3. Financial Situation



### 4. FY2017 Business Forecast



### 5. Recent Hot Topics



## 1. FY2017 1Q Business Results

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

## 3. Financial Situation

## 4. FY2017 Business Forecast

## 5. Recent Hot Topics

## FY2017 1Q Business Results <Consolidated>

(Billions of JPY)	FY2016					FY2017		
	1Q	2Q	3Q	4Q	FULL	1Q	Y/Y	
Net sales	56.1	73.7	53.0	76.8	259.6	62.2	6.1	10.9%
SE	34.7	47.2	32.0	51.7	165.8	41.2	6.5	19.0%
GP	14.7	16.5	13.8	16.1	61.2	11.4	(3.3)	(22.5%)
GA(Graphic Arts Equip.)	12.6	14.0	12.4	13.0	52.3	9.6	(3.0)	(24.2%)
PE(PCB Equip.)	2.0	2.5	1.3	3.0	8.9	1.8	(0.2)	(12.0%)
FT	6.3	9.6	6.9	8.7	31.5	9.3	3.0	47.9%
Other	0.3	0.2	0.2	0.2	1.0	0.1	(0.1)	(48.8%)
Operating income	3.2	7.5	4.1	8.5	23.5	5.1	1.8	55.2%
[to net sales ratio]	5.9%	10.2%	7.9%	11.2%	9.1%	8.2%		2.3pt
SE	2.1	5.8	3.0	7.7	18.7	4.3	2.2	105.3%
GP	0.9	0.7	0.4	0.9	3.1	(0.1)	(1.1)	-
FT	0.1	1.4	0.6	0.5	2.7	1.2	1.0	627.5%
Other	0	(0.4)	0	(0.6)	(1.0)	(0.3)	(0.3)	-
Ordinary income	3.4	7.1	4.1	8.4	23.1	5.0	1.6	47.2%
Profit attributable to Owners of parent	2.2	6.2	3.4	6.8	18.8	3.7	1.4	64.0%

SE : Semiconductor solution business  
FT : Finetech solution business

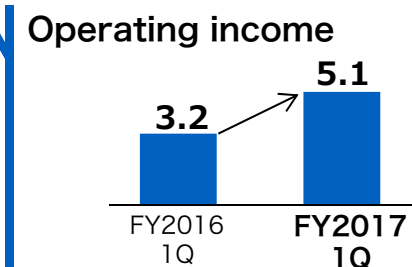
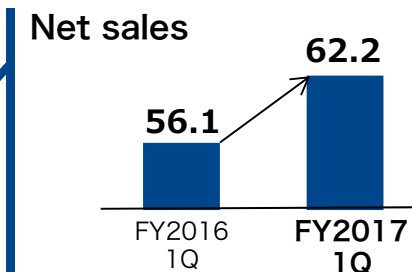
GP : Graphic and precision solution business

# FY2017 1Q Business Results<Consolidated>

## >>Year-on-year comparison

(Billions of JPY)	FY2016	FY2017	Difference	
	1Q	1Q		
Net sales	56.1	62.2	6.1	10.9%
Operating income [to net sales ratio]	3.2 5.9%	5.1 8.2%	1.8 2.3pt	55.2%
Ordinary income	3.4	5.0	1.6	47.2%
Profit attributable to Owners of parent	2.2	3.7	1.4	64.0%

## Year-on-year comparison

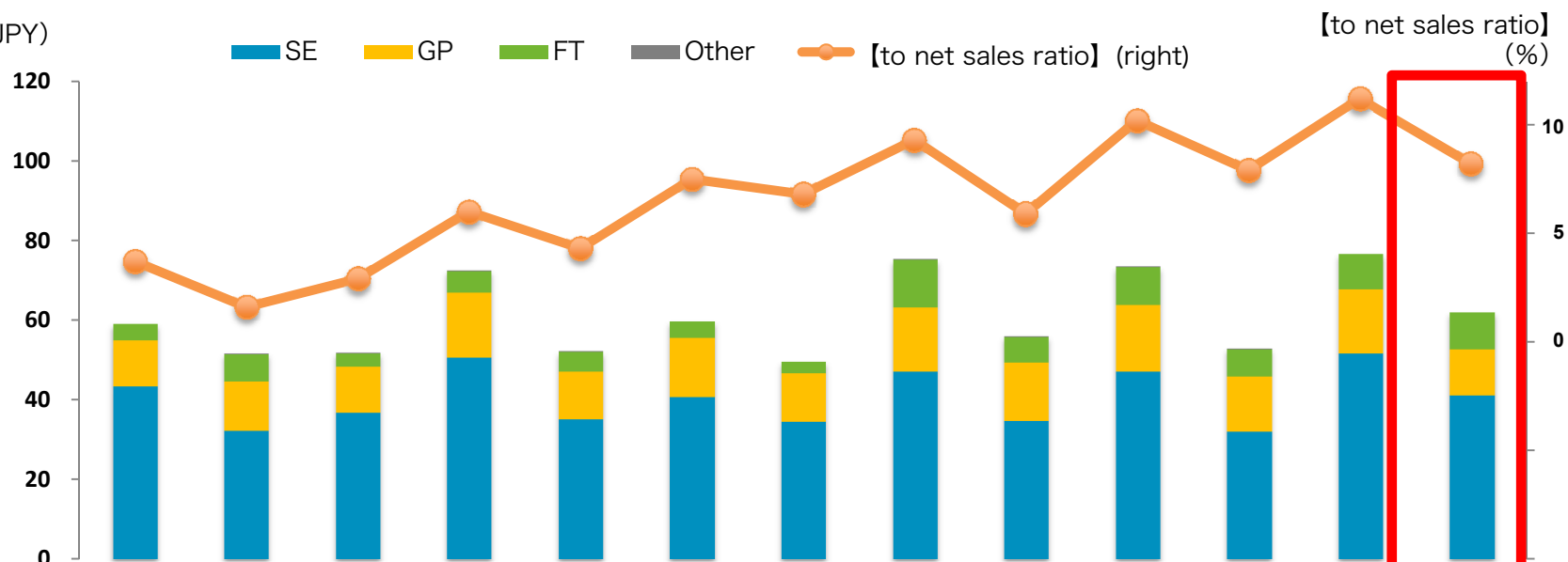


## >>Comparison with the previous Quarter

(Billions of JPY)	FY2016	FY2017	Difference	
	4Q	1Q		
Net sales	76.8	62.2	(14.5)	(19.0%)
Operating income [to net sales ratio]	8.5 11.2%	5.1 8.2%	(3.4) (2.9pt)	(40.3%)
Ordinary income	8.4	5.0	(3.3)	(40.0%)
Profit attributable to Owners of parent	6.8	3.7	(3.1)	(45.7%)

# Quarterly Net Sales and Operating Income <Consolidated>

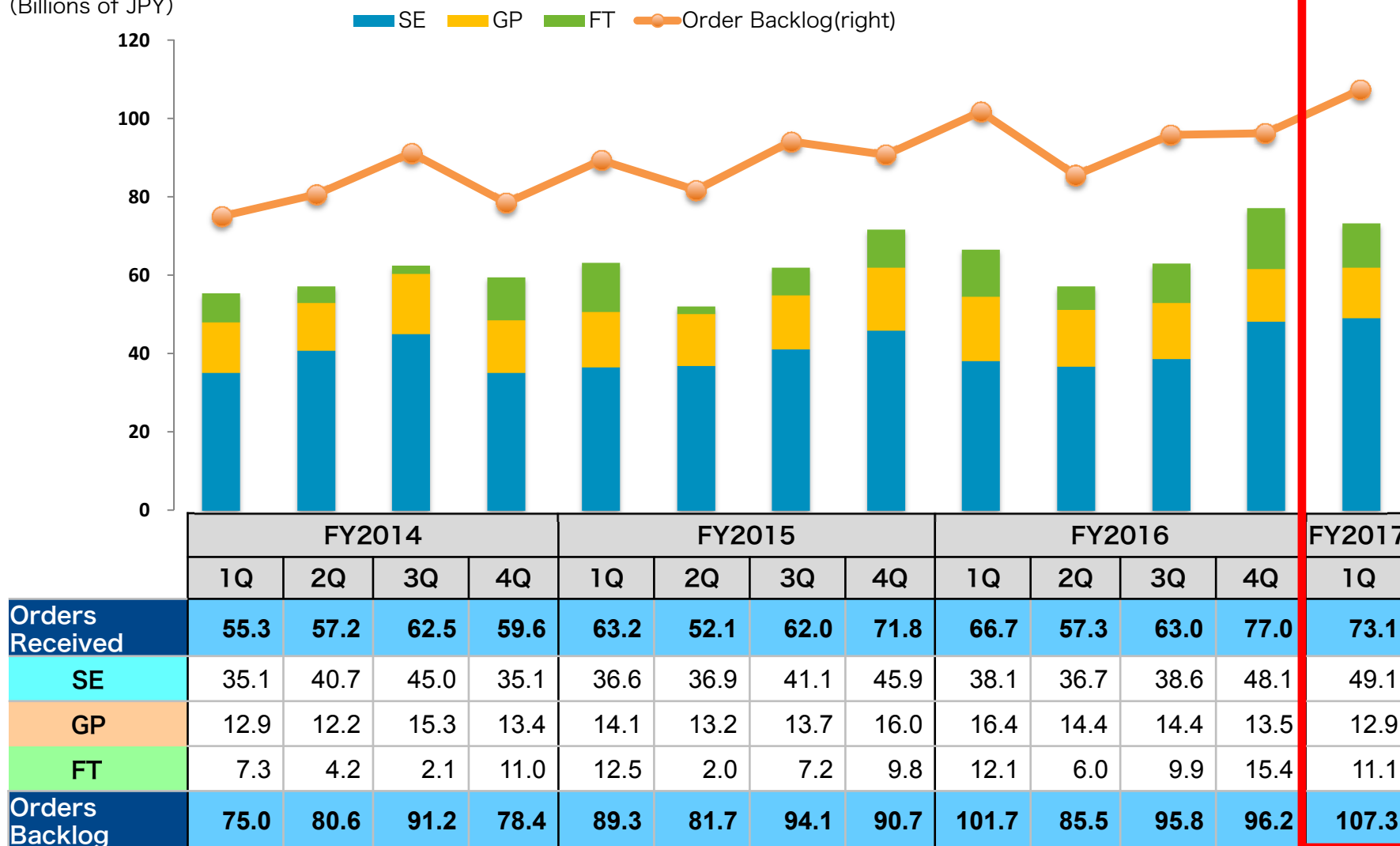
Net sales  
(Billions of JPY)



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

# Quarterly Orders Received and Orders Backlog<Consolidated>

(Billions of JPY)



1. FY2017 1Q Business Results



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



3. Financial Situation



4. FY2017 Business Forecast



5. Recent Hot Topics





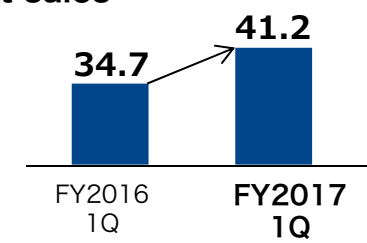
# Business Environment<SE>

## >>Year-on-year comparison

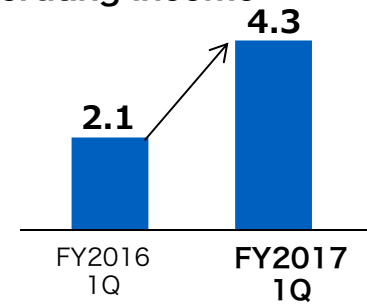
	FY2016	FY2017	Difference	
(Billions of JPY)	1Q	1Q		
Net sales	34.7	41.2	6.5	19.0%
Operating income 【to net sales ratio】	2.1 6.1%	4.3 10.5%	2.2 4.4pt	105.3%

## Year-on-year comparison

### Net sales



### Operating income



## >>Comparison with the previous Quarter

	FY2016	FY2017	Difference	
(Billions of JPY)	4Q	1Q		
Net sales	51.7	41.2	(10.4)	(20.2%)
Operating income 【to net sales ratio】	7.7 15.0%	4.3 10.5%	(3.4) (4.5pt)	(44.2%)

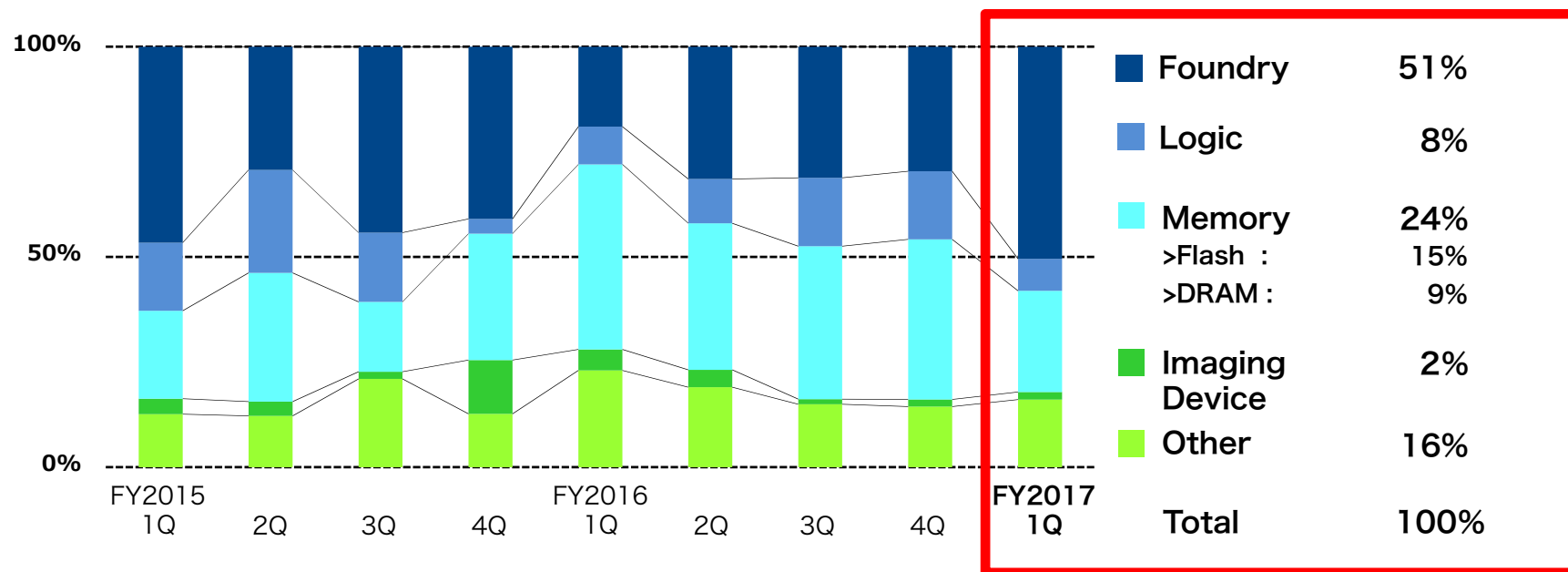
## TOPICS

- For the 1Q, both sales and profit increased year on year, reflecting vigorous investment by foundries for miniaturization and flash memory (mainly 3D-NAND).
- For the full year, sales situation will remain strong overall on the back of robust investment in logic/foundries miniaturization and 3D-NAND capex expansion.

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

\*1Q Orders received (Consolidated) : JPY 49.1 bn.

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



## >>FY2017 1Q orders by region <Nonconsolidated>

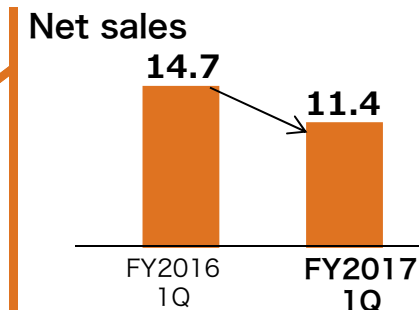


# Business Environment<GP>

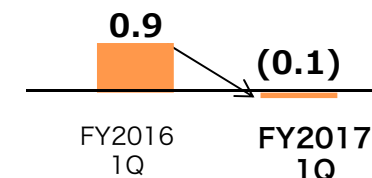
## >>Year-on-year comparison

(Billions of JPY)	FY2016	FY2017	Difference	
	1Q	1Q		
Net sales	14.7	11.4	(3.3)	(22.5%)
Operating income [to net sales ratio]	0.9 6.7%	(0.1) (1.2%)	(1.1) (7.8pt)	—

## Year-on-year comparison



## Operating income



## >>Comparison with the previous Quarter

(Billions of JPY)	FY2016	FY2017	Difference	
	4Q	1Q		
Net sales	16.1	11.4	(4.6)	(28.9%)
Operating income [to net sales ratio]	0.9 5.7%	(0.1) (1.2%)	(1.0) (6.8pt)	—

## TOPICS

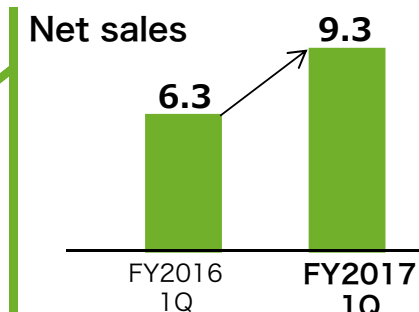
- For the 1Q, both sales and profit decreased year on year, reflecting appreciation trend of the yen and customers buying hesitation before “drupa”, the world’s largest comprehensive printing equipment exhibition (held every 4 years in Germany).
- Business situation is expected to go upward by POD sales expansion mainly in U.S., albeit with currency fluctuation risk.

# Business Environment<FT>

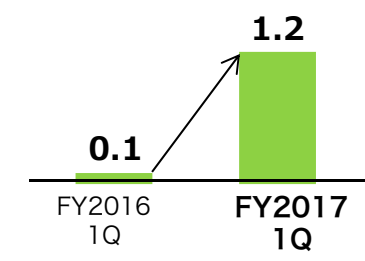
## >>Year-on-year comparison

(Billions of JPY)	FY2016	FY2017	Difference	
	1Q	1Q		
Net sales	6.3	9.3	3.0	47.9%
Operating income [to net sales ratio]	0.1 2.8%	1.2 13.5%	1.0 10.8pt	627.5%

## Year-on-year comparison



## Operating income



## >>Comparison with the previous Quarter

(Billions of JPY)	FY2016	FY2017	Difference	
	4Q	1Q		
Net sales	8.7	9.3	0.5	6.8%
Operating income [to net sales ratio]	0.5 6.1%	1.2 13.5%	0.7 7.5pt	137.8%

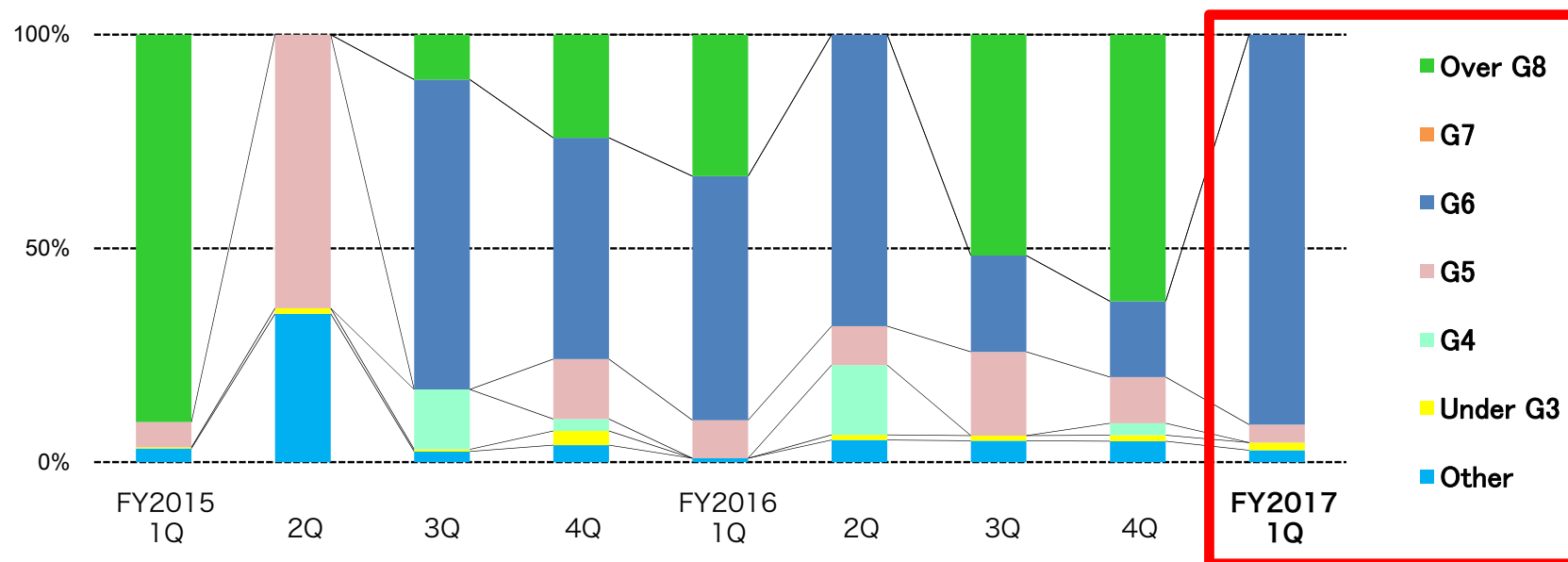
## TOPICS

- For the 1Q, sales of production equipment for large-sized panels fell in China, but small- and medium-sized panels in Taiwan and Japan increased year on year.
- Order situation have remained strong at the high level around 10 bn yen for 3 consecutive quarters. For the 2Q or later, the situation will stay good by steady inquiry for not only LCD but also OLED.

## <FT>Quarterly Orders Received by Generation <Nonconsolidated>

### >>Quarterly Orders Received by Generation <Nonconsolidated>

\*1Q Orders received (Consolidated) : JPY 11.1 bn.



### >>FY2017 1Q orders by region <Nonconsolidated>



## 1. FY2017 1Q Business Results



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



## 3. Financial Situation



## 4. FY2017 Business Forecast



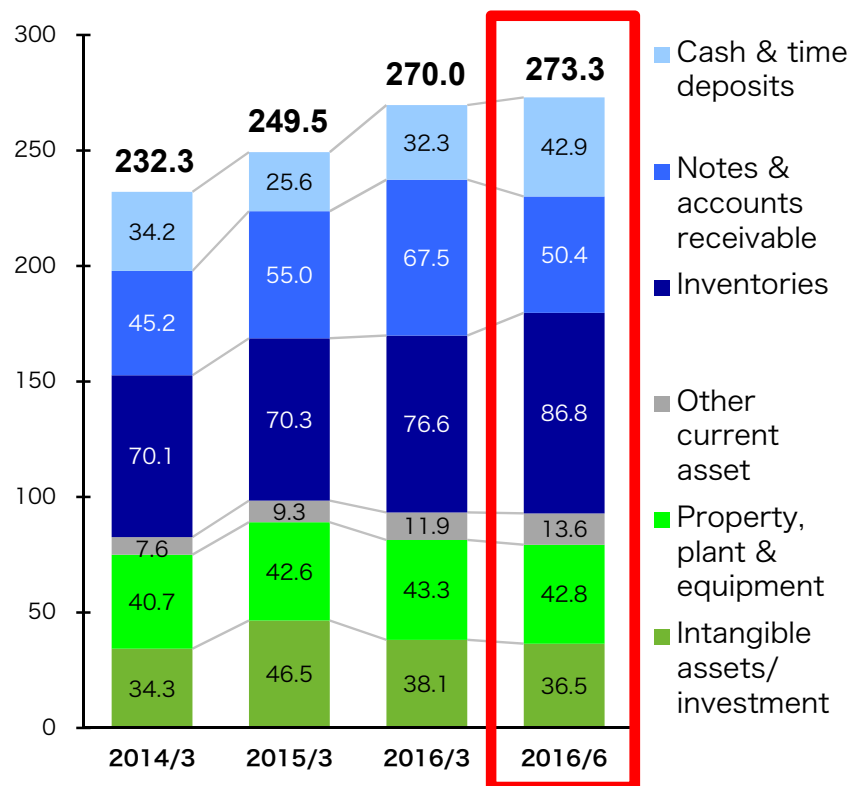
## 5. Recent Hot Topics



## Trend in B/S <Consolidated>

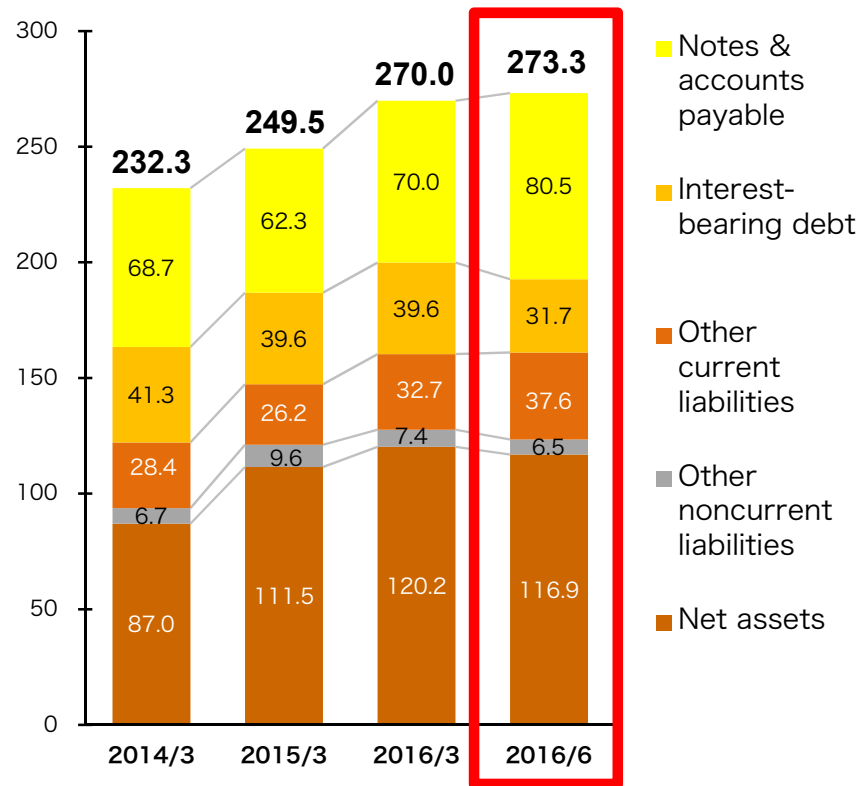
### >>Assets

(Billions of JPY)



### >>Liabilities & Net Assets

(Billions of JPY)

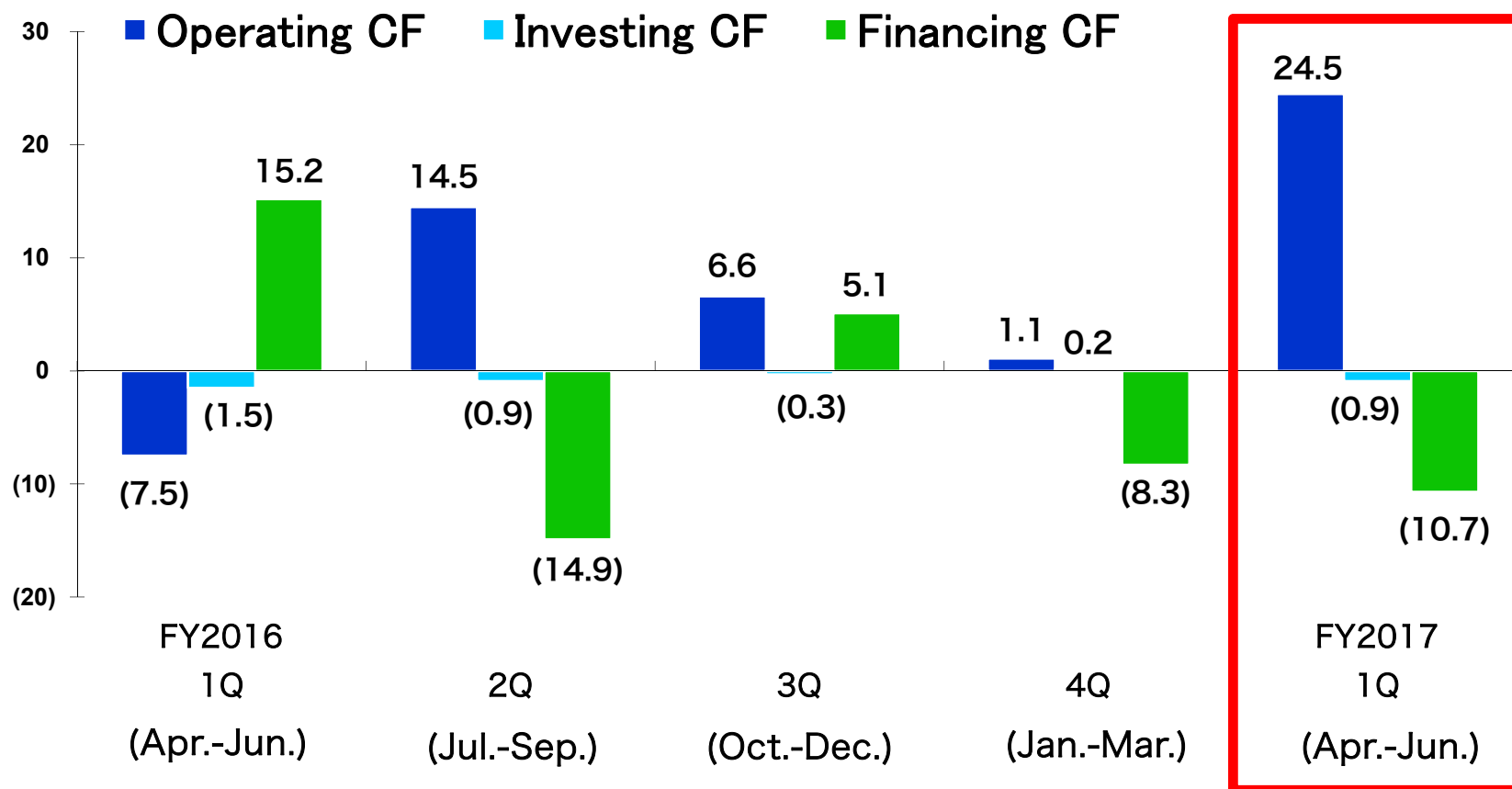


Equity Ratio : 44.3% (2016/3) →

**42.5% (2016/6)**

## Cash Flows <Consolidated>

(Billions of JPY)

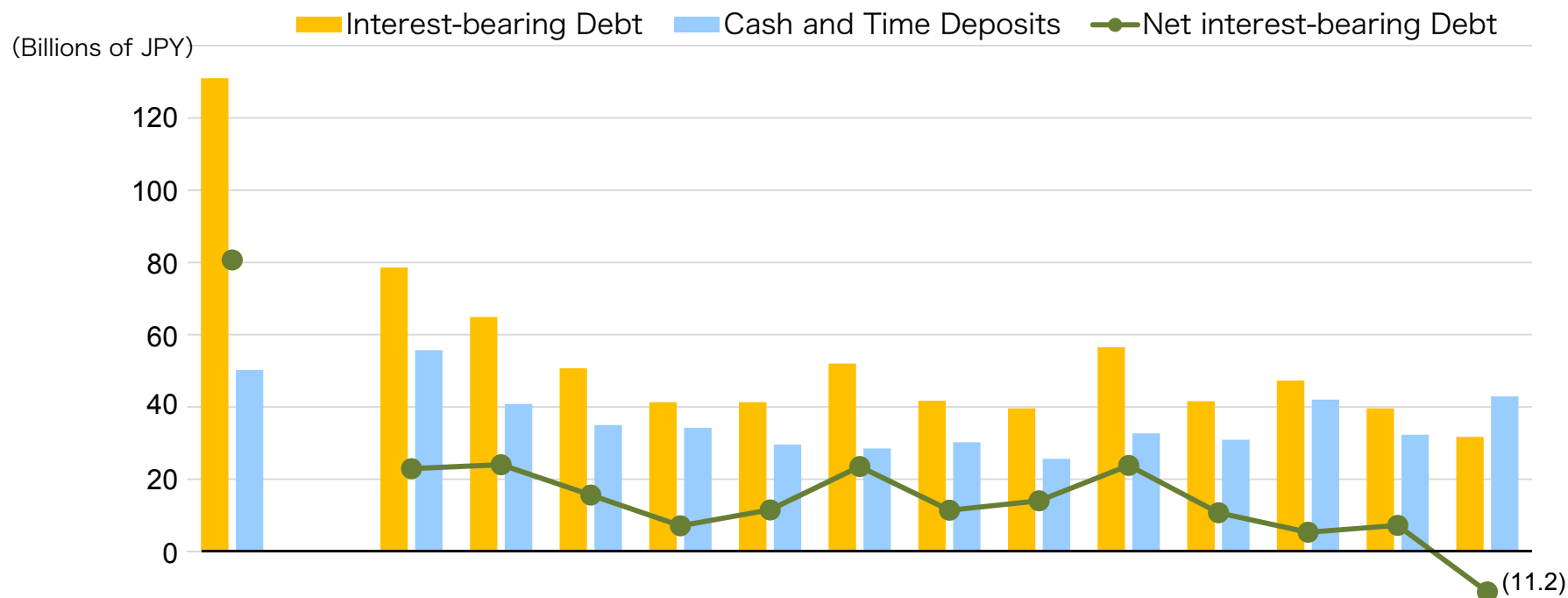


**FY2017 1Q Total Free Cash Flow**

**JPY 23.5 bn.**



# Interest-bearing Debt <Consolidated>



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

## 1. FY2017 1Q Business Results



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



## 3. Financial Situation



## 4. FY2017 Business Forecast



## 5. Recent Hot Topics



## Business Forecast for FY2017 <Consolidated>

(Billions of JPY)	1st H		2nd H		FULL		Difference
	May	August	May	August	May	August	
Net sales	129.5	133.0	135.5	132.0	265.0	265.0	-
SE	81.5	86.9	84.0	82.1	165.5	169.0	3.5
GP	29.2	27.6	30.8	29.9	60.0	57.5	(2.5)
FT	18.0	17.8	18.0	18.2	36.0	36.0	-
Other	0.8	0.7	2.7	1.8	3.5	2.5	(1.0)
Operating income [to net sales ratio]	11.3 8.7%	11.7 8.8%	15.7 11.6%	15.3 11.6%	27.0 10.2%	27.0 10.2%	-
Ordinary income	11.1	11.4	15.4	15.1	26.5	26.5	-
Profit attributable to Owners of parent	8.2	8.5	12.3	12.0	20.5	20.5	-

\*Assumed Exchange Rate>> USD1=105 yen(107 yen),EUR1=115 yen (120 yen).

The number by using ( ) is the rate as of May.

\*Forecast of annual cash dividends for FY2017>> JPY 70.00 per share

(After revision on October 1, 2016)

## 1. FY2017 1Q Business Results



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



## 3. Financial Situation



## 4. FY2017 Business Forecast



## 5. Recent Hot Topics



## Recent Hot Topics

### 2016 May - August

HD>>

- Conducted analysis and evaluation regarding the effectiveness of the Board of Directors held in the fiscal year ended March 31, 2016, in a bit to raise the company value by enhancing the Board's effectiveness.
- Included in the JPX-Nikkei Index 400 on August 5.

GP >>

- Released new POD equipment, new type of inks, and network service solution systems at "drupa", the world's largest comprehensive printing equipment exhibition (held every 4 years in Germany).
- Announced comprehensive partnership with BHS Corrugated Maschinen (German company) for developing high-volume inline digital printing solutions and established a new company specializing in a new field.
- Established PCB-related Maintenance Service Company in Northern Bangkok, Thailand.

FT>>

- Launched special coating system for next generation displays such as OLED and high-quality flexible substrates.

**SCREEN**

**Fit your needs, Fit your future**

