

May 11, 2022

CONSOLIDATED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2022 [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>)

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Date of the annual shareholders' meeting: June 24, 2022

Date of payment for cash dividends: June 27, 2022

Date planned for the filing of the financial report: June 27, 2022

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

PERFORMANCE (APR. 1, 2021-MAR. 31, 2022)

(Millions of yen, except per share figures)

(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, 2022	¥ 411,865	28.6%	¥ 61,273	150.2%	¥ 59,438	161.6%
Fiscal year ended Mar. 31, 2021	320,322	-0.9	24,492	95.0	22,720	95.3

Note: Comprehensive income

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

Fiscal year ended Mar. 31, 2021: ¥ 36,437 million (- %)

	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, 2022	¥ 45,481	199.9%	¥ 976.55	¥ 926.17	19.9%	14.1%	14.9%
Fiscal year ended Mar. 31, 2021	15,164	202.7	325.21	308.17	7.9	6.2	7.6

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

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

Fiscal year ended Mar. 31, 2021: ¥ (438) million

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
Mar. 31, 2022	¥ 459,305	¥ 247,788	53.9%	¥ 5,318.32
Mar. 31, 2021	382,632	208,548	54.5	4,475.17

Reference: Equity

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

As of Mar. 31, 2021: ¥ 208,381 million

(3) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
Fiscal year ended Mar. 31, 2022	¥ 81,752	¥ (9,952)	¥ (4,951)	¥ 131,011
Fiscal year ended Mar. 31, 2021	57,205	(6,242)	(27,071)	60,744

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, 2021	¥ —	¥ —	¥ —	¥ 90.00	¥ 90.00	¥ 4,208	27.7 %	2.2 %
Fiscal year ended Mar. 31, 2022	—	—	—	293.00	293.00	13,699	30.0	6.0
Fiscal year ending Mar. 31, 2023 (Forecast)	—	—	—	322.00	322.00		30.0	

FORECAST OF BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2023

(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, 2022	¥ 219,500	17.2%	¥ 32,000	32.9%
Fiscal year ending Mar. 31, 2023	460,000	11.7	74,500	21.6

	Ordinary Income	Percentage Change	Profit Attributable to Owners of Parent	Percentage Change	Basic Earnings per Share (Yen)
Six months period ending Sept. 30, 2022	¥ 31,000	30.3%	¥ 22,000	25.0%	¥ 472.33
Fiscal year ending Mar. 31, 2023	73,000	22.8	50,000	9.9	1,073.47

[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, 2022: 50,794,866 shares As of Mar. 31, 2021: 50,794,866 shares

2. Number of treasury stock as of end of period

As of Mar. 31, 2022: 4,217,043 shares As of Mar. 31, 2021: 4,231,050 shares

3. Average number of shares outstanding

Fiscal year ended Mar. 31, 2022: 46,573,843 shares Fiscal year ended Mar. 31, 2021: 46,630,575 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 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.

BUSINESS RESULTS, etc.

1. Business Results

Consolidated Business Results

During the fiscal year ended March 31, 2022, the global economy has generally been on a recovery path due mainly to each country's own economic measures and the spread of vaccines, although the situation remained severe due to the new coronavirus infection. On the other hand, uncertainty about the future has intensified due to rising geopolitical risks surrounding Russia and Ukraine, soaring prices of resources such as crude oil, as well as shortages and price increases in semiconductors and other components, and supply constraints due to tight logistics and other factors.

With regard to the business conditions surrounding the SCREEN Group, in the electronics industry, demand for semiconductor devices increased, driven by the growing use of 5G and AI, progress in IoT technologies and DX, as well as growing demand for data centers and the widespread adoption of remote work. Furthermore, capital investment by semiconductor manufacturers and PCB-related companies has been firm, due to investment in the areas of semiconductor miniaturization with an awareness of investment in technology with less environmental load (GX), combined with investment in packaging technology, and investment in legacy nodes due to address the shift to EV in automobiles and the shortage of semiconductors. In graphic arts equipment, awareness of GX and DX has increased, and a willingness to make capital investments in POD equipment has recovered, mainly in the regions where economic recovery has been observed such as North America and Europe.

Under these circumstances, for the fiscal year ended March 31, 2022, the SCREEN Group posted consolidated net sales of ¥411,865 million, an increase of ¥91,543 million (28.6%) from the previous fiscal year. On the earnings front, as the result of an increase in net sales and an improvement in profitability, operating income totaled ¥61,273 million, up ¥36,780 million (150.2%) year on year. In addition, ordinary income amounted to ¥59,438 million, up ¥36,718 million (161.6%) year on year, and profit attributable to owners of parent was ¥45,481 million, up ¥30,317 million (199.9%) compared with the previous fiscal year.

Results by Business Segment

Performance by reportable segment is explained below.

The Semiconductor Production Equipment (SPE) Business

In the SPE business, foundry, memory and logic sales increased significantly year on year. By region, sales increased in all regions, mainly in Taiwan. As a result, net sales in this segment amounted to ¥319,398 million, up 35.6% year on year. On the earnings front, operating income in this segment came to ¥62,830 million, up 141.7% year on year, mainly reflecting the increase in sales and an improvement in profitability.

The Graphic Arts Equipment (GA) Business

In the GA business, net sales in this segment amounted to ¥43,317 million, up 15.8% year on year, due to increased sales of equipment and recurring business, mainly ink, affected by a recovery in customers' operations and capital expenditure appetite. On the earnings front, operating income was ¥1,636 million, up 205.5% year on year due mainly to an increase in sales.

The Display Production Equipment and Coater (FT) Business

In the FT business, although sales of production equipment for small- and medium-sized OLEDs increased, sales of production equipment for large-sized LCDs decreased. As a result, net sales in this segment amounted to ¥33,286 million, down 4.1% year on year. On the earnings front, operating income came to ¥587 million, up 35.0% year on year due mainly to an improvement in profitability.

The PCB-Related Equipment (PE) Business

In the PE business, sales of direct imaging system rose by such as increasing data center demand. As a result, net sales in this segment amounted to ¥13,311 million, up 27.6% year on year. On the earnings front, operating income in this segment came to ¥2,074 million, up 168.3% year on year due mainly to an increase in sales.

2. Financial Position

Assets, Liabilities and Net Assets

Total assets as of March 31, 2022 stood at ¥459,305 million, an increase of ¥76,672 million, or 20.0%, compared with the end of the previous fiscal year. This was largely due to an increase in cash and time deposits and inventories.

Total liabilities amounted to ¥211,516 million, up ¥37,433 million, or 21.5%, 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.

Total net assets amounted to ¥247,788 million, up ¥39,239 million, or 18.8%, compared with the end of the previous fiscal year. This was mainly attributable to the recording of profit attributable to owners of parent, despite payment of cash dividends.

As a result, the equity ratio as of March 31, 2022 stood at 53.9%.

Financial Indicators

	Fiscal year ended Mar.31, 2018	Fiscal year ended Mar.31, 2019	Fiscal year ended Mar.31, 2020	Fiscal year ended Mar.31, 2021	Fiscal year ended Mar.31, 2022
Equity ratio (%)	46.7	47.0	50.0	54.5	53.9
Return on equity (ROE) (%)	18.2	10.3	2.8	7.9	19.9

3. Cash Flows

The status of cash flows during the fiscal year ended March 31, 2022 is as follows.

Net cash provided by operating activities amounted to ¥81,752 million, compared with ¥57,205 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, depreciation and amortization and other inflows exceeded income taxes paid, an increase in inventories and other outflows.

Net cash used in investing activities amounted to ¥9,952 million, compared with ¥6,242 million used in investing activities in the previous fiscal year. This was largely attributable to payments associated with the start of construction of a new factory and the purchase of property, plant and equipment, such as equipment for R&D.

Net cash used in financing activities totaled ¥4,951 million, compared with ¥27,071 million used in financing activities in the previous fiscal year. This was due mainly to the payment of cash dividends.

As a result, cash and cash equivalents as of March 31, 2022 totaled ¥131,011 million, up ¥70,266 million from March 31, 2021.

4. Outlook

The future economic environment is likely to be affected by rising geopolitical risks, soaring resource prices and supply-side constraints due to supply bottlenecks of components. Meanwhile, the business environment surrounding the Company in the semiconductor industry, aggressive capital investments by semiconductor manufacturers are expected to continue in response to rising demand due to the enhancement of infrastructure for such as 5G and AI, as well as EV shifts, IoT technologies, evolution of remote work, and the rapid increase in data traffic volume due to the development of DX.

Based on the current status of orders and the market conditions, the consolidated business results forecast for the fiscal year ending March 31, 2023 is expected to increase both sales and profits from the fiscal year ended March 31, 2022.

Forecast of the consolidated business result for the fiscal year ending March 31, 2023

(Millions of yen)

	The first half ending Sep. 30, 2022	Fiscal year ending Mar. 31, 2023
Net sales	¥ 219,500	¥ 460,000
SPE	182,000	372,000
GA	19,500	39,000
FT	11,000	32,500
PE	6,000	14,000
Other and Adjustments	1,000	2,500
Operating income	32,000	74,500
Ordinary income	31,000	73,000
Profit attributable to owners of parent	22,000	50,000

*The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥120 and EUR1.00 = ¥132.

Business forecasts are also made in accordance with currently available information and rational assumptions.

However, it should be noted that actual results could differ significantly due to a variety of factors.

5. Basic Policy Regarding Allocation of Profits, and Dividends for the Fiscal Year under Review and Fiscal Year Ending March 31, 2023

(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 ¥293 per share for the fiscal year ended March 31, 2022. For details, please see "Notice: Dividends of Surplus", released today.

(2) Basic Policy Regarding Allocation of Profits for the Fiscal Year Ending March 31, 2023

The SCREEN Group works to secure the retained earnings necessary for growth investment and the sound maintenance of a financial base 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 30% or above.

*Based on the targets set in the medium-term management plan, Value Up 2023, the total consolidated shareholder return ratio has been revised to 30% or above from the fiscal year ended 31 March 2022.

(3) Dividends for the Fiscal Year Ending March 31, 2023

Based on performance forecasts and the basic policy regarding allocation of profits described in (2), above, SCREEN Holdings currently anticipates a fiscal year-end cash dividend of ¥322 per share for the fiscal year ending March 31, 2023.

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, 2021	Mar. 31, 2022
ASSETS		
Current assets:		
Cash and time deposits	¥ 62,727	¥ 133,088
Notes and accounts receivable - trade	79,812	—
Notes and accounts receivable - trade, and contract assets	—	85,425
Electronically recorded monetary claims - operating	6,724	5,734
Merchandise and finished goods	49,444	45,790
Work in process	34,074	46,741
Raw materials and supplies	12,159	11,206
Other	8,915	11,229
Allowance for doubtful accounts	(970)	(848)
Total current assets	252,887	338,367
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	61,819	64,533
Accumulated depreciation	(41,812)	(42,585)
Buildings and structures (Net)	20,007	21,948
Machinery, equipment and vehicles	52,521	49,763
Accumulated depreciation	(34,452)	(34,973)
Machinery, equipment and vehicles (Net)	18,068	14,790
Land	9,796	10,053
Lease assets	4,873	3,966
Accumulated depreciation	(4,035)	(3,357)
Lease assets (Net)	837	609
Construction in progress	3,135	3,601
Other	18,267	19,597
Accumulated depreciation	(13,059)	(14,075)
Other (Net)	5,208	5,521
Total property, plant and equipment	57,054	56,524
Intangible assets:		
Lease assets	67	43
Other	5,345	4,760
Total intangible assets	5,412	4,804
Investments and other assets:		
Investment securities	53,990	44,370
Long-term loans receivable	3	2
Net defined benefit asset	7,494	7,810
Deferred tax assets	3,433	4,904
Other	2,474	2,617
Allowance for doubtful accounts	(118)	(96)
Total investments and other assets	67,277	59,609
Total non-current assets	129,744	120,938
Total assets	382,632	459,305

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2021	Mar. 31, 2022
LIABILITIES		
Current liabilities:		
Notes and accounts payable - trade	¥ 28,243	¥ 33,498
Electronically recorded obligations - operating	45,171	48,955
Current portion of convertible bond-type bonds with share acquisition rights	—	15,003
Current portion of long-term loans payable	109	400
Lease obligations	1,258	991
Income taxes payable	3,320	7,088
Notes payable-facilities	101	1,413
Electronically recorded obligations - facilities	571	708
Advances received	16,756	—
Contract liabilities	—	32,927
Provision for bonuses	2,424	5,458
Provision for directors' bonuses	178	272
Provision for product warranties	7,053	8,774
Provision for loss on order received	136	752
Other	15,541	19,376
Total current liabilities	120,867	175,620
Non-current liabilities:		
Convertible bond-type bonds with share acquisition rights	30,066	15,033
Long-term loans payable	10,000	10,400
Lease obligations	2,347	2,408
Deferred tax liabilities	8,599	5,714
Net defined benefit liability	1,183	1,149
Provision for directors' retirement benefits	197	174
Provision for stock payment	25	49
Provision for management board incentive plan trust	23	41
Asset retirement obligations	66	89
Other	705	835
Total non-current liabilities	53,215	35,896
Total liabilities	174,083	211,516
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	4,488	4,488
Retained earnings	144,669	185,804
Treasury stock	(18,590)	(18,503)
Total shareholders' equity	184,612	225,834
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,435	21,250
Foreign currency translation adjustment	(4,328)	4
Remeasurements of defined benefit plans	661	626
Total accumulated other comprehensive income	23,768	21,881
Non-controlling interests	167	72
Total net assets	208,548	247,788
Total liabilities and net assets	382,632	459,305

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2020- Mar.31, 2021	Apr.1, 2021- Mar.31, 2022
Net sales	¥ 320,322	¥ 411,865
Cost of sales	232,309	277,497
Gross profit	88,012	134,367
Selling, general and administrative expenses	63,519	73,094
Operating income	24,492	61,273
Non-operating income		
Interest income	83	120
Dividends income	519	548
Subsidy income	432	485
Other	816	672
Total non-operating income	1,852	1,826
Non-operating expenses		
Interest expenses	498	307
Foreign exchange losses, net	825	652
Share of loss of entities accounted for using equity method	438	23
Loss on retirement of non-current assets	745	2,074
Other	1,115	602
Total non-operating expenses	3,624	3,660
Ordinary income	22,720	59,438
Extraordinary income		
Gain on sales of investment securities	25	57
Total extraordinary income	25	57
Extraordinary loss		
Impairment loss	2,043	1,601
Loss on withdrawal of corporate pension funds	—	578
Loss on valuation of investment securities	18	545
Other	9	—
Total extraordinary loss	2,072	2,725
Income before income taxes	20,673	56,771
Income taxes	5,682	12,854
Income taxes-deferred	(140)	(1,465)
Total income taxes	5,541	11,389
Profit	15,131	45,382
Loss attributable to non-controlling interests	(33)	(99)
Profit attributable to owners of parent	15,164	45,481

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2020- Mar.31, 2021	Apr.1, 2021- Mar.31, 2022
Profit	¥ 15,131	¥ 45,382
Other comprehensive income		
Valuation difference on available-for-sale securities	16,593	(6,185)
Foreign currency translation adjustment	2,801	4,329
Remeasurements of defined benefit plans	1,906	(34)
Share of other comprehensive income of entities accounted for using equity method	4	7
Total other comprehensive income	21,306	(1,883)
Comprehensive income	36,437	43,499
Comprehensive income attributable to:		
Owners of parent	36,471	43,594
Non-controlling interests	(33)	(94)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Apr.1, 2020- Mar.31, 2021

(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	¥ 130,908	¥ (17,961)	¥ 171,479
Cumulative effects of changes in accounting policies					—
Currently stated balance, as of beginning of current period	54,044	4,488	130,908	(17,961)	171,479
Increase (decrease) during the period					
Dividends from surplus			(1,402)		(1,402)
Profit attributable to owners of parent			15,164		15,164
Acquisition of treasury stock				(683)	(683)
Disposal of treasury stock				54	54
Other					—
Total changes during the period	—	—	13,761	(628)	13,132
Balance as of end of current period	54,044	4,488	144,669	(18,590)	184,612

	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	¥ 10,841	¥ (7,134)	¥ (1,244)	¥ 2,462	¥ 200	¥ 174,142
Cumulative effects of changes in accounting policies				—		—
Currently stated balance, as of beginning of current period	10,841	(7,134)	(1,244)	2,462	200	174,142
Increase (decrease) during the period						
Dividends from surplus				—		(1,402)
Profit attributable to owners of parent				—		15,164
Acquisition of treasury stock				—		(683)
Disposal of treasury stock				—		54
Other	16,593	2,806	1,906	21,306	(33)	21,273
Total changes during the period	16,593	2,806	1,906	21,306	(33)	34,406
Balance as of end of current period	27,435	(4,328)	661	23,768	167	208,548

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
Other					—
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
Other	(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 CASH FLOWS

(Millions of yen)

	Apr.1, 2020- Mar.31, 2021	Apr.1, 2021- Mar.31, 2022
Cash flow from operating activities:		
Income before income taxes	¥ 20,673	¥ 56,771
Depreciation and amortization	9,628	9,500
Impairment loss	2,043	1,601
Loss (gain) on valuation of investment securities	18	545
Loss (gain) on sales of investment securities	(15)	(57)
Loss on retirement of non-current assets	745	2,074
Share of loss (profit) of entities accounted for using equity method	438	23
Increase (decrease) in net defined benefit asset and liability	(291)	(463)
Increase (decrease) in provision for bonuses	1,223	3,033
Increase (decrease) in provision for directors' bonuses	55	94
Increase (decrease) in provision for stock payment	(18)	23
Increase (decrease) in provision for management board incentive plan trust	(18)	17
Increase (decrease) in provision for product warranties	237	1,684
Increase (decrease) in provision for loss on order received	(175)	615
Interest and dividend income	(602)	(668)
Interest expenses	498	307
Decrease (increase) in notes and accounts receivable including electronically recorded monetary claims	(2,920)	(4,176)
Decrease (increase) in inventories	12,066	(5,519)
Decrease (increase) in other current assets	(372)	(2,382)
Increase (decrease) in notes and accounts payable including electronically recorded obligations	7,318	9,010
Increase (decrease) in other current liabilities	7,234	17,946
Other, net	54	373
Subtotal	57,821	90,357
Interest and dividend income received	577	637
Interest expenses paid	(508)	(304)
Income taxes paid	(685)	(8,936)
Net cash provided by (used in) operating activities	57,205	81,752
Cash flow from investing activities:		
Decrease (increase) in time deposits	408	(20)
Purchase of property, plant and equipment	(5,390)	(8,813)
Proceeds from sales of property, plant and equipment	95	101
Purchase of intangible assets	(1,326)	(1,338)
Purchase of investment securities	(212)	(155)
Proceeds from sales of investment securities	50	313
Other, net	133	(39)
Net cash provided by (used in) investing activities	(6,242)	(9,952)
Cash flow from financing activities:		
Net increase (decrease) in short-term loans payable	(30,000)	—
Proceeds from long-term loans payable	10,000	1,000
Repayments of long-term loans payable	(3,614)	(309)
Repayments of lease obligations	(1,350)	(1,423)
Net decrease (increase) in treasury stock	(689)	(10)
Cash dividends paid	(1,416)	(4,208)
Net cash provided by (used in) financing activities	(27,071)	(4,951)
Effect of exchange rate changes on cash and cash equivalents	1,333	3,417
Net increase (decrease) in cash and cash equivalents	25,224	70,266
Cash and cash equivalents at beginning of period	35,519	60,744
Cash and cash equivalents at end of period	60,744	131,011

[Notes to consolidated financial statements]

(Note for going concern assumption)

Not Applicable

(Changes in accounting policies)

Adoption of “Accounting Standard for Revenue Recognition,” etc.

The Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020 (hereinafter “Accounting Standard for Revenue Recognition”)), etc. from the beginning of fiscal 2022, and recognizes revenue for goods or services based on the amount estimated to be received in exchange for such goods or services at the point when control of the promised goods or services is transferred to the customer. As a result of this adoption, as for sales of graphic arts equipment and PCB-related equipment, revenue has been recognized upon completion of installation from the beginning of fiscal 2022, while the Company previously recognized revenue upon shipment.

The adoption of the Accounting Standard for Revenue Recognition, etc. is subject to the transitional treatment provided for in the proviso to Article 84 of the Accounting Standard for Revenue Recognition. The cumulative effect amount, applying with the new accounting policy retrospectively prior to the beginning of fiscal 2022, was adjusted to retained earnings at the beginning of fiscal 2022, and the Company applied the new policy to the balance at the beginning of the fiscal 2022. The effect of this change on financial statements is immaterial.

Due to the adoption of the Accounting Standard for Revenue Recognition, etc., “Notes and accounts receivable – trade” which was presented under “Current assets” in the consolidated balance sheets for the previous fiscal year, is instead included in “Notes and accounts receivable – trade, and contract assets,” and “Advances received” which was presented under “Current liabilities” in the consolidated balance sheets for the previous fiscal year, is instead included in “Contract liabilities” from the beginning of the fiscal 2022. In accordance with the transition provisions in Article 89-2 of the Accounting Standard for Revenue Recognition, the Company has not reclassified financial statements for the previous fiscal year by using the new presentation method.

Adoption of “Accounting Standard for Fair Value Measurement,” etc.

The Company has adopted the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019 (hereinafter “Accounting Standard for Fair Value Measurement”)), etc. from the beginning of fiscal 2022. The Company has prospectively adopted new accounting policies based on the Accounting Standard for Fair Value Measurement, etc. in accordance with the transition provisions in Article 19 of Accounting Standard for Fair Value Measurement and Article 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019). There is no impact of these changes on financial statements.

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, 2020- Mar.31, 2021

(Millions of yen)

	Reportable segment					Other *1	Total	Adjustments *2	Consolidated *3
	SPE	GA	FT	PE	Total				
Sales									
(1) Sales to outside customers	¥ 235,497	¥ 37,297	¥ 34,720	¥ 10,426	¥ 317,942	¥ 2,379	¥ 320,322	—	¥ 320,322
(2) Intersegment sales and transfers	56	105	—	3	165	13,076	13,241	(13,241)	—
Total	235,554	37,403	34,720	10,429	318,108	15,455	333,563	(13,241)	320,322
Segment income (loss)	25,999	535	435	773	27,743	(696)	27,047	(2,554)	24,492
Segment assets	207,243	42,168	30,471	10,234	290,118	7,988	298,107	84,525	382,632
Other									
Depreciation and amortization	5,933	605	502	92	7,133	261	7,395	2,232	9,628
Impairment loss	—	220	1,704	118	2,043	—	2,043	—	2,043
Increase in the amount of tangible fixed assets and intangible fixed assets	3,057	537	986	192	4,774	363	5,137	2,705	7,842

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 ¥ (2,554) million is the Company’s profit (loss) not attributable to a reportable segment.

Segment assets adjustment of ¥ 84,525 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, 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.

PER SHARE INFORMATION

(Yen)

	Apr.1, 2020- Mar.31, 2021	Apr.1, 2021- Mar.31, 2022
Net assets per share	4,475.17	5,318.32
Basic earnings per share	325.21	976.55
Diluted earnings per share	308.17	926.17

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 (176 thousand shares as of March 31, 2022 and 191 thousand shares as of March 31, 2021) 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 (181 thousand shares for the year ended March 31, 2022 and 125 thousand shares for the year ended March 31, 2021).

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

	Mar. 31, 2021	Mar. 31, 2022
Total net assets (Millions of yen)	208,548	247,788
Amount deducted from Total net assets (Millions of yen)	167	72
[Non-controlling interests (Millions of yen)]	[167]	[72]
Net assets attributable to common stock at the fiscal year-end (Millions of yen)	208,381	247,715
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (Thousands of shares)	46,563	46,577

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

	Apr.1, 2020- Mar.31, 2021	Apr.1, 2021- Mar.31, 2022
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	15,164	45,481
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common stock (Millions of yen)	15,164	45,481
Average number of shares outstanding of common stock during the fiscal year (Thousands of shares)	46,630	46,573
Diluted earnings per share		
Adjustments of profit attributable to owners of parent (Millions of yen)	(20)	(20)
[Interest income (After deduction of tax credit) (Millions of yen)]	[(20)]	[(20)]
Increase in shares of common stock (Thousands of shares)	2,511	2,511
[Convertible bond-type bonds with share acquisition rights (Thousands of shares)]	[2,511]	[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, 2022

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

	FY2021	FY2022	Difference		FY2023	
	12 months ended Mar. 31, 2021	12 months ended Mar. 31, 2022			6 months ending Sept. 30, 2022	12 months ending Mar. 31, 2023
	Result	Result	Amount	Percentage	Forecast	Forecast
Net sales	¥ 320,322	¥ 411,865	¥ 91,543	28.6%	¥ 219,500	¥ 460,000
Operating income	24,492	61,273	36,780	150.2%	32,000	74,500
[to net sales ratio]	7.6 %	14.9 %	7.3 pt	—	14.6 %	16.2 %
Ordinary income	22,720	59,438	36,718	161.6%	31,000	73,000
[to net sales ratio]	7.1 %	14.4 %	7.3 pt	—	14.1 %	15.9 %
Profit attributable to owners of parent	15,164	45,481	30,317	199.9%	22,000	50,000
[to net sales ratio]	4.7 %	11.0 %	6.3 pt	—	10.0 %	10.9 %
Total assets	382,632	459,305	76,672	20.0%	—	—
Net assets	208,548	247,788	39,239	18.8%	—	—
Equity	208,381	247,715	39,334	18.9%	—	—
Equity ratio	54.5 %	53.9 %	(0.6) pt	—	—	—
Net assets per share (yen)	4,475.17	5,318.32	843.15	18.8%	—	—
Interest-bearing debt	43,781	44,236	454	1.0%	—	—
Net Interest-bearing debt	(18,945)	(88,851)	(69,906)	-369.0%	—	—
Return on equity (ROE)	7.9 %	19.9 %	12.0 pt	—	—	—
Cash flow from operating activities	57,205	81,752	—	—	—	—
Cash flow from investing activities	(6,242)	(9,952)	—	—	—	—
Cash flow from financing activities	(27,071)	(4,951)	—	—	—	—
Depreciation and amortization	9,628	9,500	(127)	-1.3%	4,900	10,200
Capital expenditures	7,842	13,409	5,567	71.0%	12,000	26,000
R&D expenses	21,506	24,035	2,529	11.8%	14,500	29,000
Number of employees	5,982	5,943	(39)	-0.7%	—	—
Number of consolidated subsidiaries	57	57	—	—	—	—
[Domestic]	[27]	[26]	[(1)]	—	—	—
[Overseas]	[30]	[31]	[1]	—	—	—
Number of non-consolidated subsidiaries	3	3	—	—	—	—
[Number of non-consolidated subsidiaries accounted for by equity method]	[—]	[—]	[—]	—	—	—
Number of affiliates	2	2	—	—	—	—
[Number of affiliates accounted for by equity method]	[2]	[2]	[—]	—	—	—

Note: The number of consolidated subsidiaries changed as follows.

(Increase)

SCREEN GA Shanghai Co., Ltd. (wholly owned subsidiary)

(Decrease)

SCREEN SPE SSERC Co., Ltd. (wholly owned subsidiary)

*In the fiscal year ended March 31, 2022, SCREEN SPE Tech Co., Ltd. absorbed SCREEN SPE SSERC Co., Ltd. in a merger as the surviving company.

Sales Breakdown (Consolidated)

(Millions of yen)

	FY2021				FY2022				FY2023		
	6 months ended Sept. 30, 2020	12 months ended Mar. 31, 2021	3 months ended Jun. 30, 2021	3 months ended Sept. 30, 2021	6 months ended Sept. 30, 2021	3 months ended Dec. 31, 2021	3 months ended Mar. 31, 2022	12 months ended Mar. 31, 2022	6 months ending Sept. 30, 2022	12 months ending Mar. 31, 2023	
	Result	Result	Result	Result	Result	Result	Result	Result	Forecast	Forecast	
Semiconductor Production Equipment Business (SPE)	Domestic	24,045	46,513	11,161	13,006	24,168	13,708	13,965	51,842	—	—
	Overseas	83,400	189,041	48,592	68,683	117,275	70,976	79,304	267,556	—	—
	Total	107,446	235,554	59,753	81,690	141,444	84,684	93,269	319,398	182,000	372,000
Graphic Arts Equipment Business (GA)	Domestic	8,800	18,263	4,360	4,298	8,658	4,006	4,290	16,955	—	—
	Overseas	8,135	19,139	5,284	6,986	12,271	5,990	8,099	26,362	—	—
	Total	16,936	37,403	9,645	11,284	20,930	9,997	12,390	43,317	19,500	39,000
Display Production Equipment and Coater Business (FT)	Domestic	1,747	2,856	380	1,043	1,424	461	874	2,761	—	—
	Overseas	10,890	31,864	9,909	6,250	16,160	5,072	9,292	30,525	—	—
	Total	12,637	34,720	10,290	7,294	17,585	5,534	10,167	33,286	11,000	32,500
PCB-Related Equipment Business (PE)	Domestic	1,159	2,376	746	847	1,593	807	1,248	3,649	—	—
	Overseas	3,600	8,053	1,600	2,639	4,240	2,587	2,834	9,662	—	—
	Total	4,759	10,429	2,346	3,487	5,834	3,395	4,082	13,311	6,000	14,000
Other	Domestic	833	2,134	788	506	1,294	319	902	2,517	—	—
	Overseas	122	244	51	90	141	79	66	287	—	—
	Total	956	2,379	839	596	1,436	399	969	2,804	1,000	2,500
Intersegment sales	Domestic	(21)	(165)	(19)	(4)	(23)	(109)	(120)	(253)	—	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	(21)	(165)	(19)	(4)	(23)	(109)	(120)	(253)	—	—
Grand Total	Domestic	36,565	71,978	17,418	19,698	37,116	19,194	21,160	77,471	—	—
	Overseas	106,149	248,343	65,438	84,651	150,090	84,706	99,597	334,393	—	—
	Total	142,715	320,322	82,856	104,350	187,206	103,900	120,757	411,865	219,500	460,000
	Overseas Ratio	74.4%	77.5%	79.0%	81.1%	80.2%	81.5%	82.5%	81.2%	—	—

Orders received & Order backlog (Consolidated)

(Millions of yen)

	FY2021				FY2022						
	3 months ended Mar. 31, 2021		3 months ended Jun. 30, 2021		3 months ended Sept. 30, 2021		3 months ended Dec. 31, 2021		3 months ended Mar. 31, 2022		
	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	10,846	16,551	15,850	21,240	15,190	23,424	16,127	25,843	20,684	32,562
	Overseas	73,082	98,484	77,530	127,422	84,291	143,030	85,451	157,506	84,646	162,848
	Total	83,928	115,036	93,380	148,663	99,482	166,455	101,578	183,349	105,331	195,411
Graphic Arts Equipment Business (GA)	Domestic	4,955	2,206	4,383	2,229	4,360	2,291	4,129	2,414	5,548	3,673
	Overseas	7,817	5,597	6,147	6,459	6,906	6,380	6,212	6,602	8,620	7,122
	Total	12,773	7,804	10,530	8,689	11,267	8,672	10,342	9,017	14,169	10,795
Display Production Equipment and Coater Business (FT)	Domestic	299	997	603	1,219	817	993	584	1,116	453	694
	Overseas	3,687	24,447	3,694	18,232	13,841	25,822	9,792	30,543	4,008	25,259
	Total	3,986	25,444	4,297	19,451	14,659	26,816	10,377	31,659	4,461	25,953
PCB-Related Equipment Business (PE)	Domestic	588	277	1,067	598	1,766	1,517	431	1,141	1,354	1,248
	Overseas	3,719	2,724	2,045	3,168	2,573	3,102	3,811	4,326	4,354	5,847
	Total	4,307	3,002	3,112	3,767	4,339	4,620	4,243	5,468	5,709	7,095
Grand Total	Domestic	16,690	20,033	21,903	25,288	22,135	28,227	21,272	30,515	28,041	38,178
	Overseas	88,306	131,253	89,417	155,283	107,613	178,336	105,269	198,978	101,629	201,077
	Total	104,996	151,287	111,321	180,572	129,749	206,563	126,541	229,494	129,670	239,255
	Overseas Ratio	84.1%	86.8%	80.3%	86.0%	82.9%	86.3%	83.2%	86.7%	78.4%	84.0%