

November 24, 2000

DAINIPPON SCREEN MFG. CO., LTD.

Interim Flash Report (Non-consolidated Basis)

Results for the six months from April 1, 2000 to September 30, 2000

Company name: DAINIPPON SCREEN MFG CO., LTD.

Code number: 7735

Stock listings: Tokyo (First Section), Osaka (First Section), Nagoya (First Section), and Kyoto Stock Exchanges

Address of headquarters: Tenjinkita-cho 1-1, Teranouchi-agaru 4-chome, Horikawa-dori, Kamigyō-ku, Kyoto 602-8585, Japan

For further information, please contact: Makoto Onuki, Managing Director

Telephone: 81-75-414-7151

Date of the meeting of the Board of Directors to settle the interim non-consolidated accounts: November 24, 2000

1. Results for the interim period from April 1, 2000 to September 30, 2000

(1) Operating results

(Figures less than one million yen have been omitted.)

	Net sales (% change from the previous interim period)	Operating income (% change from the previous interim period)	Ordinary income (% change from the previous interim period)
	Millions of yen	Millions of yen	Millions of yen
Interim period from April 1, 2000 Sept. 30, 2000	97,236 (35.2)	5,531 (—)	4,113 (—)
Interim period from April 1, 1999 Sept. 30, 1999	71,941 (2.7)	-3,521 (—)	-6,191 (—)
Previous fiscal year ended March 31, 2000	165,180	-626	-5,224

	Net income (% change from the previous interim period)	Net income per share
	Millions of yen	Yen
Interim period from April 1, 2000 to Sept. 30, 2000	4,491 (—)	25.04
Interim period from April 1, 1999 to Sept. 30, 1999	-6,227 (—)	-35.61
Previous fiscal year ended March 31, 2000	-5,075	-28.89

Notes: (1) Average number of shares outstanding:

Interim period ended Sept. 30, 2000: 179,398,500 shares

Interim period ended Sept. 30, 1999: 174,864,518 shares

Fiscal year ended March 31, 1999: 175,675,739 shares

(2) There were no changes in accounting methods.

(3) Percentage figures for net sales, operating income, ordinary income, and net income are percentage changes from the previous interim period.

(2) Dividends

	Dividends per share for the fiscal year	
	Interim dividends	Year-end dividends
	Yen	Yen
Interim period from April 1, 2000 to Sept. 30, 2000	—	—
Interim period from April 1, 1999 to Sept. 30, 1999	—	—
Previous fiscal year ended March 31, 2000	—	0.00

(3) Financial data

	Total assets	Total shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Interim period from April 1, 2000 to Sept 30, 2000	264,818	74,520	28.1	398.54
Interim period from April 1, 1999 to Sept 30, 1999	229,961	58,215	25.3	330.36
Previous fiscal year ended March 31, 2000	240,497	59,698	24.8	337.83

Note: Number of shares outstanding:

Interim period ended Sept. 30, 2000: 186,986,928 shares

Interim period ended Sept. 30, 1999: 176,219,623 shares

Fiscal year ended March 31, 1999: 176,713,171 shares

2. Forecast for fiscal 2001 (April 1, 2000 to March 31, 2001)

	Net sales	Ordinary income	Net income	Dividends per share for the fiscal year	
				Year-end dividends	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
Fiscal year	222,000	10,000	10,000	5.00	5.00

Note: Net income per share for the fiscal year is forecasted to be 53.48 yen.

2) Financial Condition

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than one million yen have been omitted.)

	Millions of yen		
	Interim period ended Sept. 30, 2000	Interim period ended Sept. 30, 1999	Fiscal year ended March 31, 2000
ASSETS			
Current assets:			
Cash and time deposits	20,671	23,885	19,927
Trade notes	11,438	6,068	8,721
Accounts receivable	79,511	53,668	70,482
Marketable securities	280	1,014	707
Treasury stock	4	1	2
Inventories	48,789	45,410	40,035
Other current assets	5,770	5,275	4,082
Allowance for doubtful accounts	-1,156	-1,106	-1,055
Total current assets	165,310	134,217	142,904
Fixed assets:			
Property, plant and equipment:			
Buildings	17,353	18,974	18,114
Structures	1,021	1,156	1,075
Machinery and equipment	8,276	8,007	8,858
Transportation equipment	17	22	20
Tools	1,188	1,415	1,299
Land	9,049	9,077	9,077
Construction in progress	291	569	279
Intangible fixed assets	1,185	1,883	1,507
Investments and other assets:			
Investment in securities	26,628	22,348	20,959
Equity in affiliates	25,567	20,735	25,490
Investments in affiliates	1,150	1,150	1,150
Deferred tax assets	2,409	4,817	4,144
Other intangible assets	5,990	6,449	6,506
Allowance for doubtful accounts	-621	-862	-892
Total fixed assets	99,508	95,744	97,592
Total assets	264,818	229,961	240,497

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than one million yen have been omitted.)

At March 31

	Millions of yen		
	Interim period ended Sept. 30, 2000	Interim period ended Sept. 30, 1999	Fiscal year ended March 31, 2000
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Notes payable	50,182	28,622	36,281
Accounts payable, trade	14,903	10,316	12,762
Short-term debt	27,424	25,021	25,551
Current portion of long-term debt	17,248	15,048	16,673
Current portion of convertible bonds	—	7,220	6,889
Commercial paper	3,000	—	2,000
Accounts payable	3,540	3,386	3,063
Accrued expenses	4,130	2,774	2,513
Accrued income taxes	43	43	72
Other current liabilities	2,083	1,383	782
Total current liabilities	122,556	93,817	106,589
Long-term liabilities:			
Bonds	35,000	35,000	35,000
Convertible bonds	12,441	12,441	12,441
Long-term debt	18,495	29,596	26,212
Retirement allowances for employees	1,030	—	—
Retirement allowances for directors	270	245	261
Allowance for loss on guaranty of liabilities	496	635	284
Other long-term liabilities	8	11	10
Total long-term liabilities	67,741	77,928	74,208
Total liabilities	190,298	171,746	180,798
Shareholders' equity:			
Capital stock	36,544	32,934	33,099
Additional paid-in capital	30,043	43,258	43,423
Revenue reserve	—	340	340
Retained earnings:	4,491	-18,316	-17,164
Unappropriated retained earnings	4,491	-18,316	-17,164
Unrealized gains on securities	3,341	—	—
Total shareholders' equity	74,520	58,215	59,698
Total liabilities and shareholders' equity	264,818	229,961	240,497

NON-CONSOLIDATED STATEMENTS OF INCOME

(Figures less than one million yen have been omitted.)

Years ended March 31

	Millions of yen		
	Interim period from April 1, 2000 to Sept. 30, 2000	Interim period from April 1, 1999 to Sept. 30, 1999	Fiscal year from April 1, 1999 to March 31, 2000
Net sales	97,236	71,941	165,180
Cost of sales	71,790	57,542	130,313
Gross profit	25,445	14,399	34,866
Selling, general and administration expenses	19,914	17,921	35,493
Operating income	5,531	-3,521	-626
Nonoperating income	691	802	1,757
Nonoperating expenses	2,109	3,472	6,355
Ordinary income	4,113	-6,191	-5,224
Extraordinary income	1,006	313	1,866
Extraordinary loss	1,248	308	975
Income before provision for income taxes	3,871	-6,187	-4,332
Provision for income taxes—current	26	25	54
Provision for income taxes—deferred	-647	15	688
Net income	4,491	-6,227	-5,075
Retained earnings carried forward from the previous period	—	-12,088	-12,088
Unappropriated retained earnings	4,491	-18,316	-17,164

Notes:

	Millions of yen		
	Interim period from April 1, 2000 to Sept. 30, 2000	Interim period from April 1, 1999 to Sept. 30, 1999	Fiscal year from April 1, 1999 to March 31, 2000
(1) Nonoperating income, main items:			
Interest and dividends received	256	296	885
Income from housing rental	134	110	223
Income from compensation fees	10	158	176
(2) Nonoperating expenses, main items:			
Interest and loss on discount of notes	—	808	1,544
Interest expense	618	—	—
Bond interest	515	523	1,044
Loss on discount of notes	109	—	—
Foreign exchange loss	—	1,910	2,310
Loss on disposal of inventories	339	0	789
Provision for loss on guarantees	215	—	—
(3) Extraordinary income, main items:			
Gain on sales of investment securities	706	209	1,523
Reversal of reserve for loss on guarantees	—	—	239
Gain from sales of fixed assets	299	103	103
(4) Extraordinary loss, main items:			
Evaluation loss on investment securities	312	299	767
Evaluation loss on investments	1	—	163
Amortization of unrecognized transition obligation	897	—	—
(5) Depreciation and amortization:			
Tangible fixed assets	2,127	2,150	4,401
Intangible fixed assets	360	408	798