



DAINIPPON SCREEN MFG.CO.,LTD.

Business Results

The First Quarter Ended June 30, 2008

August 11, 2008

Cautionary statement with respect to these materials;

The earnings forecasts contained in these materials and communicated verbally, are based on the most recent information available to Dainippon Screen. However, rapid changes can occur in Dainippon Screen's business environment, due to factors such as global economic changes, technological developments in the electronics industry and changes in the semiconductor and LCD panel markets. As a result, Dainippon Screen's earnings performance and achievements may materially differ from those expressed in these materials.

Figures have been rounded down to eliminate amounts less than ¥100 million yen, except per share figures.

Business Results

The First Quarter Ended June 30, 2008

CFO & Chief IR Officer **Osamu Ryonai**

Agenda

- **Business Results and Analysis of 1Q FY09/3**
- **Quarterly Net Sales & Operating Income/Orders Received & Order Backlog**
- **Business Environment**
 - **Semiconductor Production Equipment**
 - **FPD Production Equipment**
 - **Graphic Arts Equipment & Other Electronic Equipment**
- **Others**
- **Summary**

Business Results for 1Q FY09/3 (Consolidated)

(Billions of YEN)	FY09/3				FY08/3			
	Result	Forecast (May 12)			Result			
	1Q	2Q	2H	Total	1Q	2Q	3Q	4Q
Net sales	52.0	70.9	150.0	273.0	69.4	75.8	51.9	82.5
Operating Income (loss)	(0.8)	4.6	8.9	12.7	4.5	7.4	(0.2)	2.8
Ratio to net sales	-1.6%	6.5%	5.9%	4.7%	6.6%	9.8%	-0.5%	3.5%
Ordinary income (loss)	(1.1)	2.3	8.3	9.5	4.3	4.8	(1.1)	(0.5)
Income (loss) before income taxes	(3.5)				4.7	5.8	(1.2)	(0.5)
Net income (loss)	(3.0)	1.4	4.8	3.2	2.1	3.3	(1.1)	0.2

Analysis of Business Results for 1Q FY09/3

Net sales **Result ¥52.0bn** **Forecast 1H ¥123.0bn (Achievement rate 42.3%)**

	Result (Achievement rate)	Points
SPE	¥23.8bn (41.1%)	Decrease due to CAPEX cutbacks by memory makers
FPD	¥12.1bn (41.9%)	Equally – balanced sales by generation (from G5 to G8)
Other equip	¥ 1.2bn (27.2%)	Decrease led by weak CAPEX
GA	¥14.4bn (47.3%)	Steady in both CTP and ink-jet related products

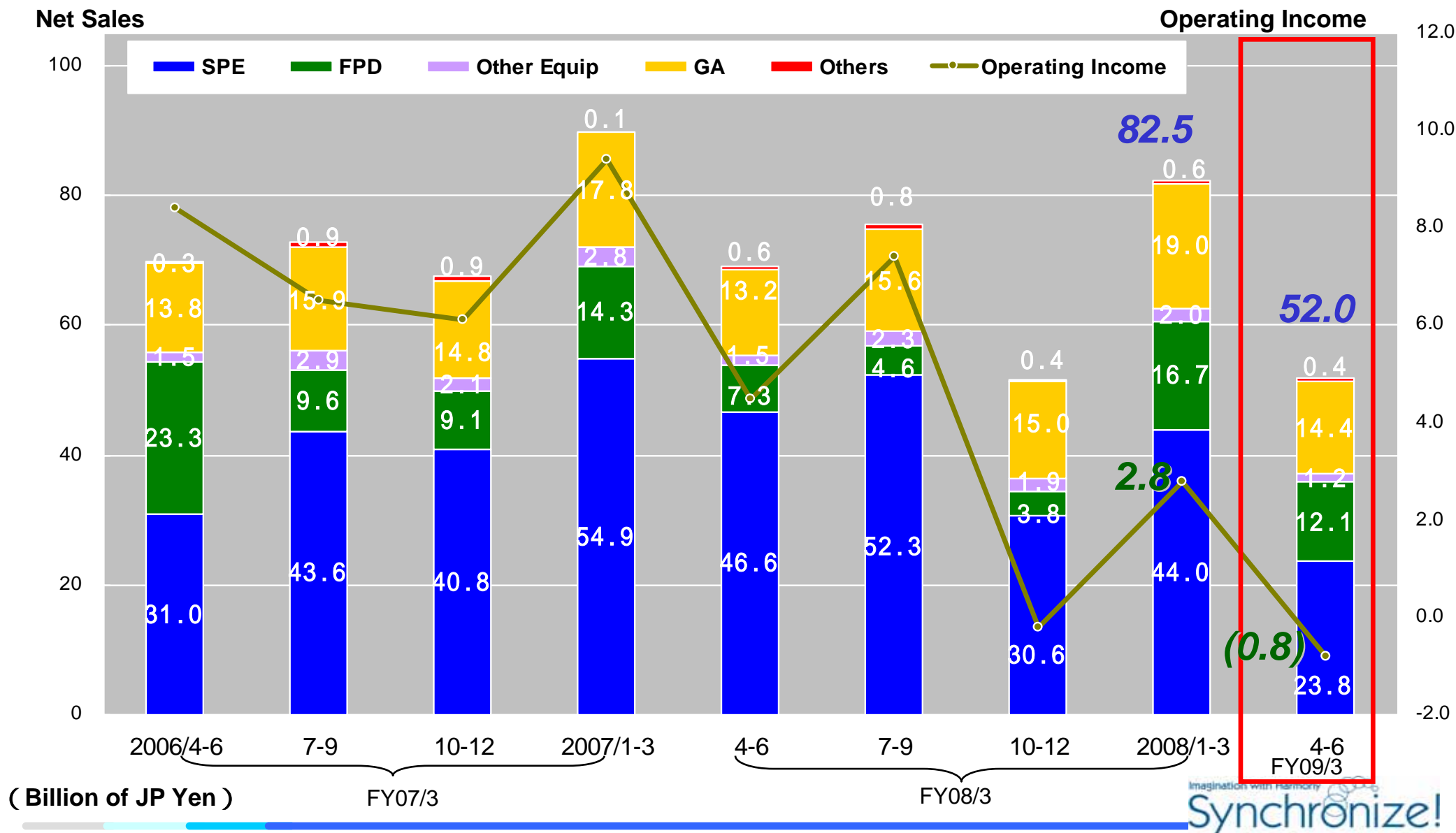
Operating income **Result ¥(0.8)bn** **Forecast 1H ¥3.8bn**

	Result	Points
Electric Equipment & Components	¥ (1.3) bn	SPE : Loss in line with substantial sales decline FPD : Turnaround, but low margin ratio Other equip : Loss by lower sales
Graphic Arts Equipment	¥ 0.4 bn	Remain steady
Other	¥ 0.04bn	

SPE: Semiconductor Production Equipment, FPD: FPD Production Equipment, GA: Graphic Arts Equipment.

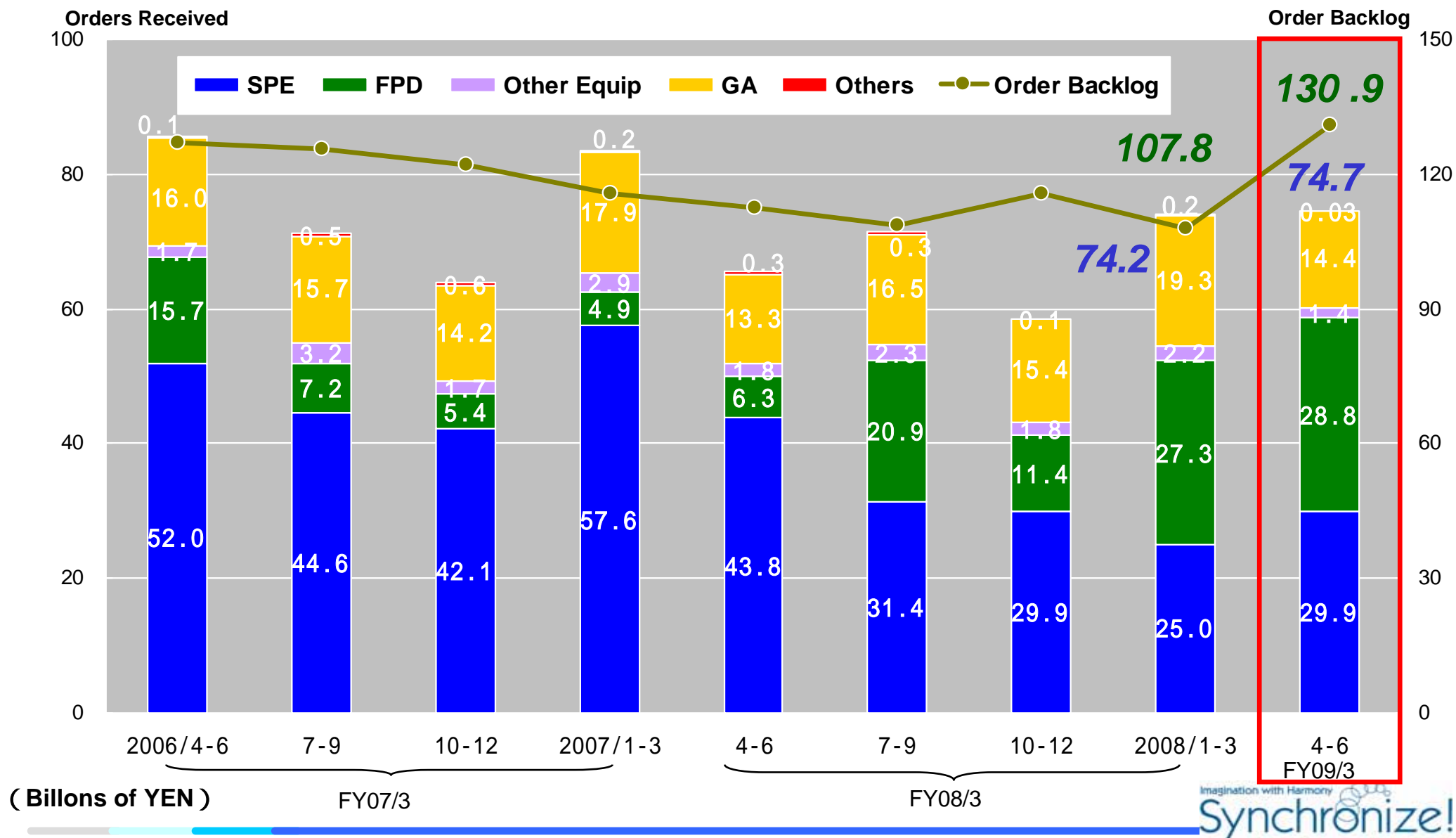
Other equip: PCB production equipment and others

Quarterly Net Sales and Operating Income (Consolidated)



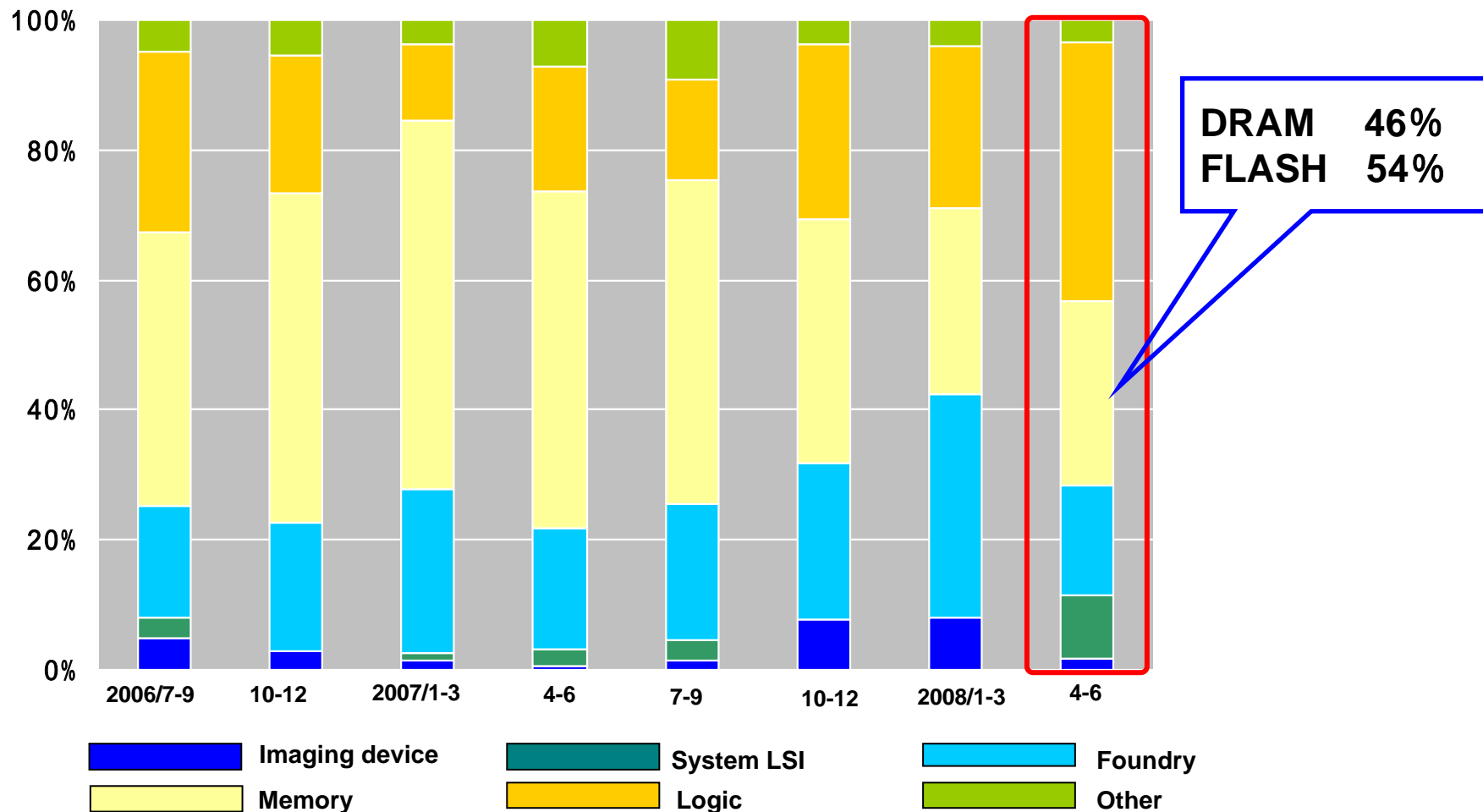
Blue figures show quarterly total sales

Quarterly Orders Received and Order Backlog (Consolidated)



Blue figures show quarterly total orders received.

Memory : Still low level Logic : Ratio increased



1. Investment forecasts by device application

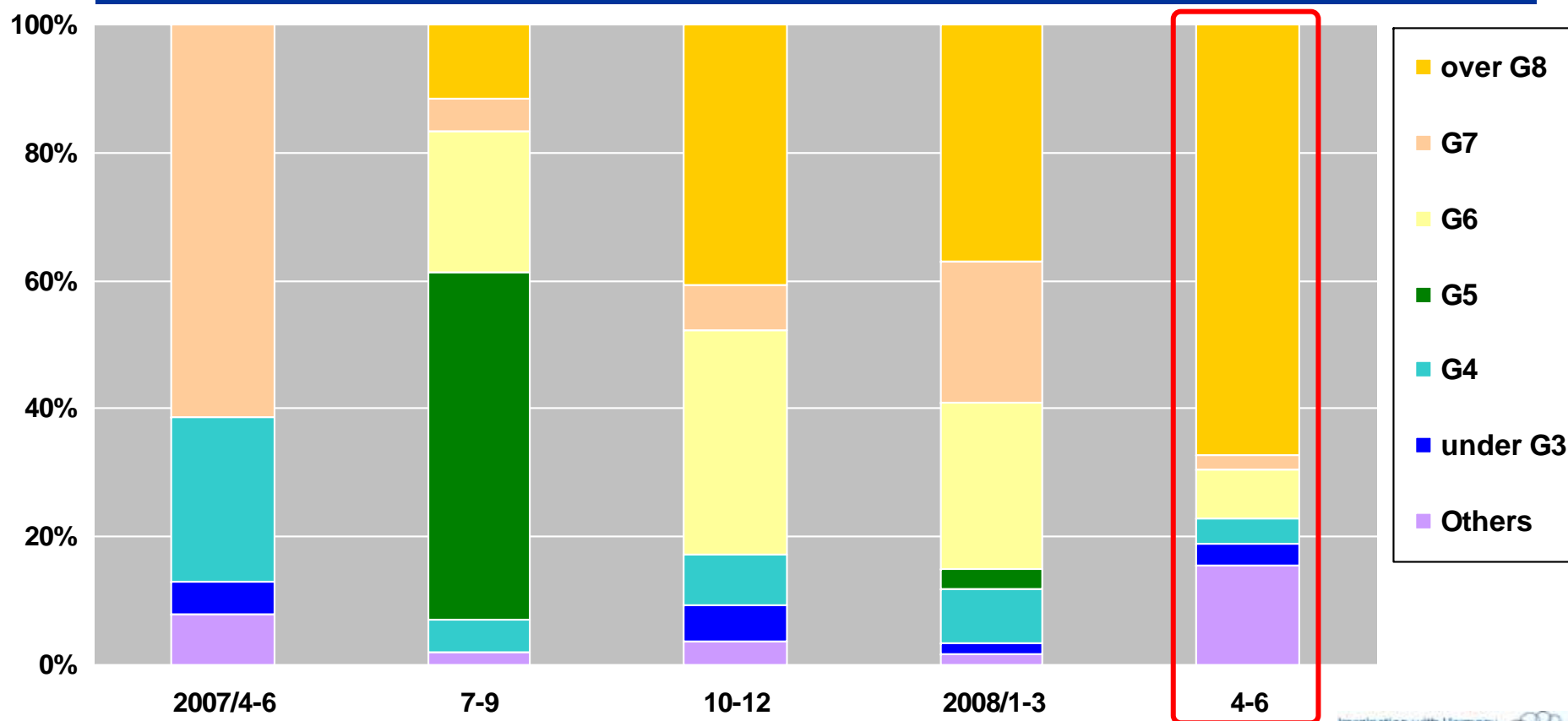
DRAM	Show some signs of restarting investment, Full-scale recovery expected in the 2H
NAND	Adjustment phase due to device price decline
Logic	Remain steady, more investment expected
Foundry	The resumption of investment expected in the 2H

2. Marketing situation by main product

FC-3100 (Batch-type Cleaning Equipment)	Lower level in the 1H, recovery in the 2H
SU-3100 (Chemical Processor)	Steady sales, Release of new process application
SS-3100 (Brush Scrubber)	Favorable expansion of installed base

FPD Production Equipment Quarterly Orders Received by Glass substrate Size (Noncolidated)

- Keep strong orders of ¥28.8 billion in the 1Q
- Over G8 equipment occupied more than 60%
- A decrease in the 2Q expected, but total orders will work out in the 1H as planned

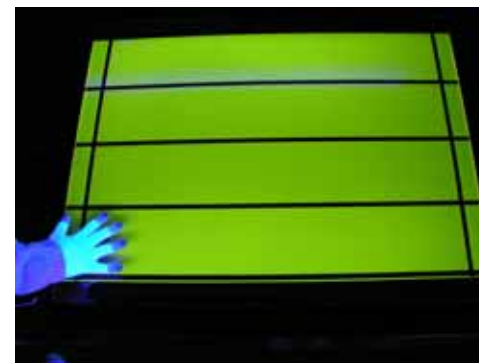


Expansion of Business Domains

- Equipment for organic EL displays : Target annual sales of ¥10bn by 2011
 - Accelerate Joint development with **DuPont**



alpha-type Machine



- Present status after the announcement
 - Contacts with several panel makers and chemical makers
 - Some requests to see and evaluate the equipment by makers

Graphic Arts Equipment

- **Firm sales in CTP related products**
 - Successful in acquisition of the new sales channel
- **Ink-jet equipment sales steady**
 - Mainstay Truepress Jet520 : favorable growth
 - Inca's large-format printers: steady
- **Supply business tends to increase**
 - Smooth sales expansion in accordance with increasing equipment delivery record

Other Electronic Equipment

- **Commercialization of equipment for solar-cell**
 - Release new product "Spectroscopic Ellipsometric Film Thickness Measurement System"

Topics in drupa 2008

1. Every vendor exhibited ink-jet related products under the catch phrase “Ink-jet drupa”
2. Shows the high potentiality of developing ink-jet relates market in the future
3. Truepress Jet520 recognized as superior solution
4. More orders received for CTP than had expected



SCREEN booth



May 29-June 11
Düsseldorf Germany

Entry into Solar-cell Related Business

1st Step

- Release “Spectroscopic Ellipsometric Film Thickness Measurement System”
- Show the product in PV Japan (July 30-August 1)



2nd Step

- Commercialization of “Automatic Mura Inspection System”
“Automatic Optical Pattern Inspection System” etc.
- Commercialization of Coater
by utilizing Nozzle printing and Ink-jet technologies

3rd Step

- Development of electronic plating technology for dye sensitized solar-cell



--- Enhance product line-up of solar-cell ---

Land acquisition for a new factory

Purpose

- Diversify the risk of concentration of our factories in Kyoto and Shiga
- For future business expansion

Outline

- Location: "Kumamoto Rinku technopark" in Kumamoto pref.
- Area : Approximately 240 thousand square meters

Signing Ceremony

- Date : 19 August, 2008 at 14:30-
*Press conference held after the ceremony
- Place : The Kumamoto prefectural government's office

Summary

Business Forecasts for the FY09/3

- Remain unchanged from the previously announced forecast on 12 May

Initiatives for Expanding Business Domains

- Accelerate development of organic EL equipment to realize mass-production
- Increase ink-jet related products lineup
- Entry into solar-cell related business
- Land acquisition for risk diversification and future business expansion

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