

DAINIPPON SCREEN MFG.CO.,LTD.

Business Results

The Second Quarter Ended September 30, 2008

November 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 Second Quarter Ended September 30, 2008
President & COO Masahiro Hashimoto

Agenda

- **Business Results and Analysis**
- **Quarterly Net Sales& Operating Income/Orders Received& Order Backlog**
- **Business Environment**
 - Semiconductor Production Equipment
 - FPD Production Equipment
 - Graphic Arts Equipment & Other Electronic Equipment
- **Revision of Business Forecast**
- **Future Initiatives**

Business Results for 2Q 2009/3 (Consolidated)

(Billions of YEN)

(Billions of JP YEN)	1Q	2Q		1H	
	Result	Forecast	Result	Forecast	Result
Net sales	52.0	70.9	70.7	123.0	122.8
Operating income (loss)	(0.8)	4.6	4.8	3.8	4.0
Ratio to net sales	-1.6%	6.5%	6.8%	3.1%	3.3%
Ordinary income (loss)	(1.1)	2.3	3.3	1.2	2.1
Income (loss) before income taxes	(3.5)		3.2		(0.3)
Net income (loss)	(3.0)	1.4	1.7	(1.6)	(1.2)

Analysis of Business Results

Sales 1H Result ¥122.8bn Forecast ¥123.0bn (Achievement rate 99.9%)

	Result (Achievement rate)	Points
SPE	¥58.0bn (100.1%)	As planned
FPD	¥28.7bn (99.2%)	Essentially in line with the plan
Other equip	¥ 3.9bn (87.2%)	Decrease due to capex curtailment and intensifying competition
GA	¥31.0bn (101.9%)	Steady both in CTP and inkjet related products

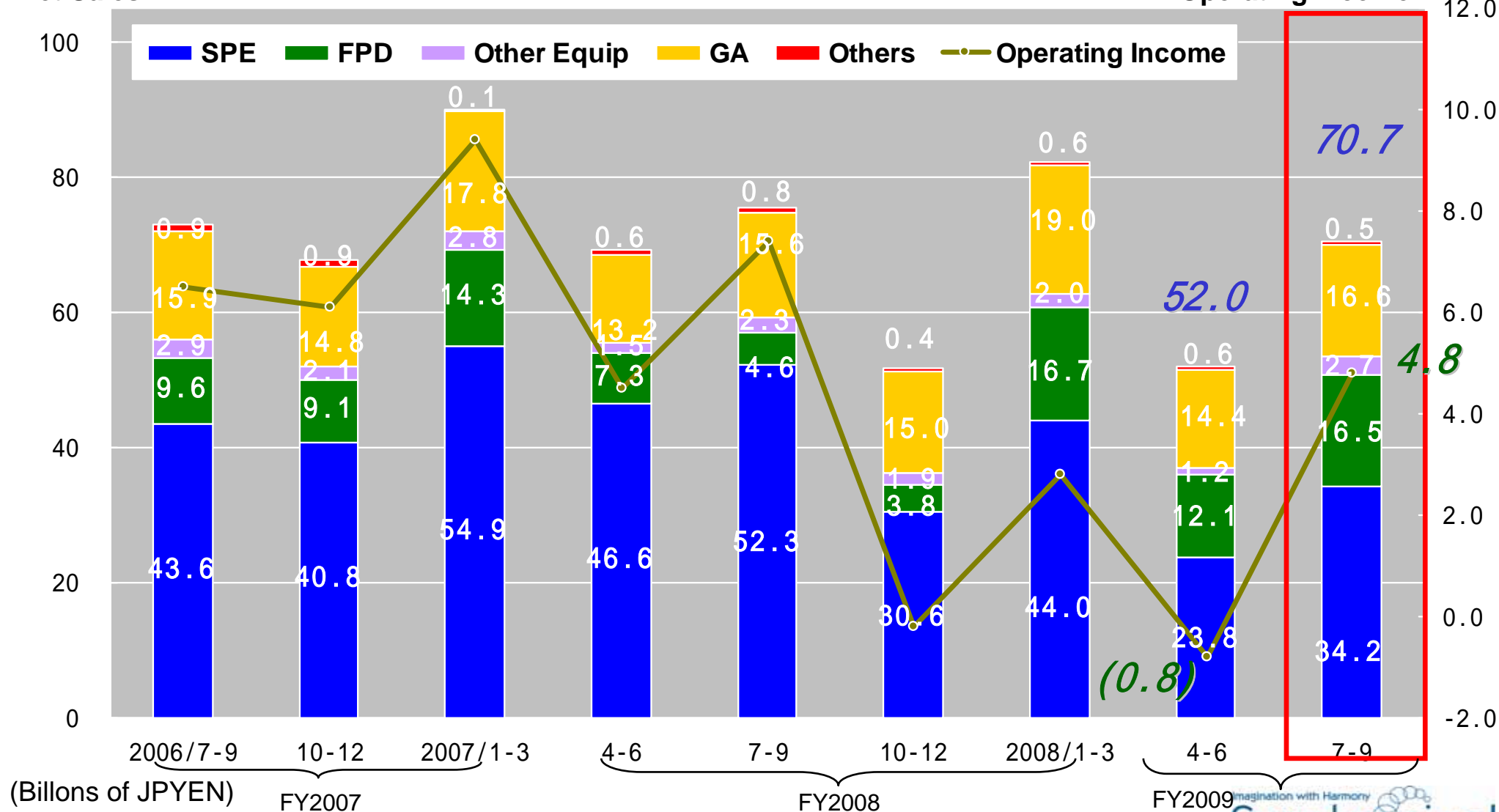
Operating income 1H Result ¥4.0bn Forecast ¥3.8bn

	Result	Points
Electric Equipment & Components	¥2.2bn	SPE : Basically in line with the plan FPD : Just over the forecast Other equip : Loss by sales decline
GA	¥1.7bn	Increase by healthy sales and foreign exchange gains

Quarterly Net Sales and Operating Income (Consolidated)

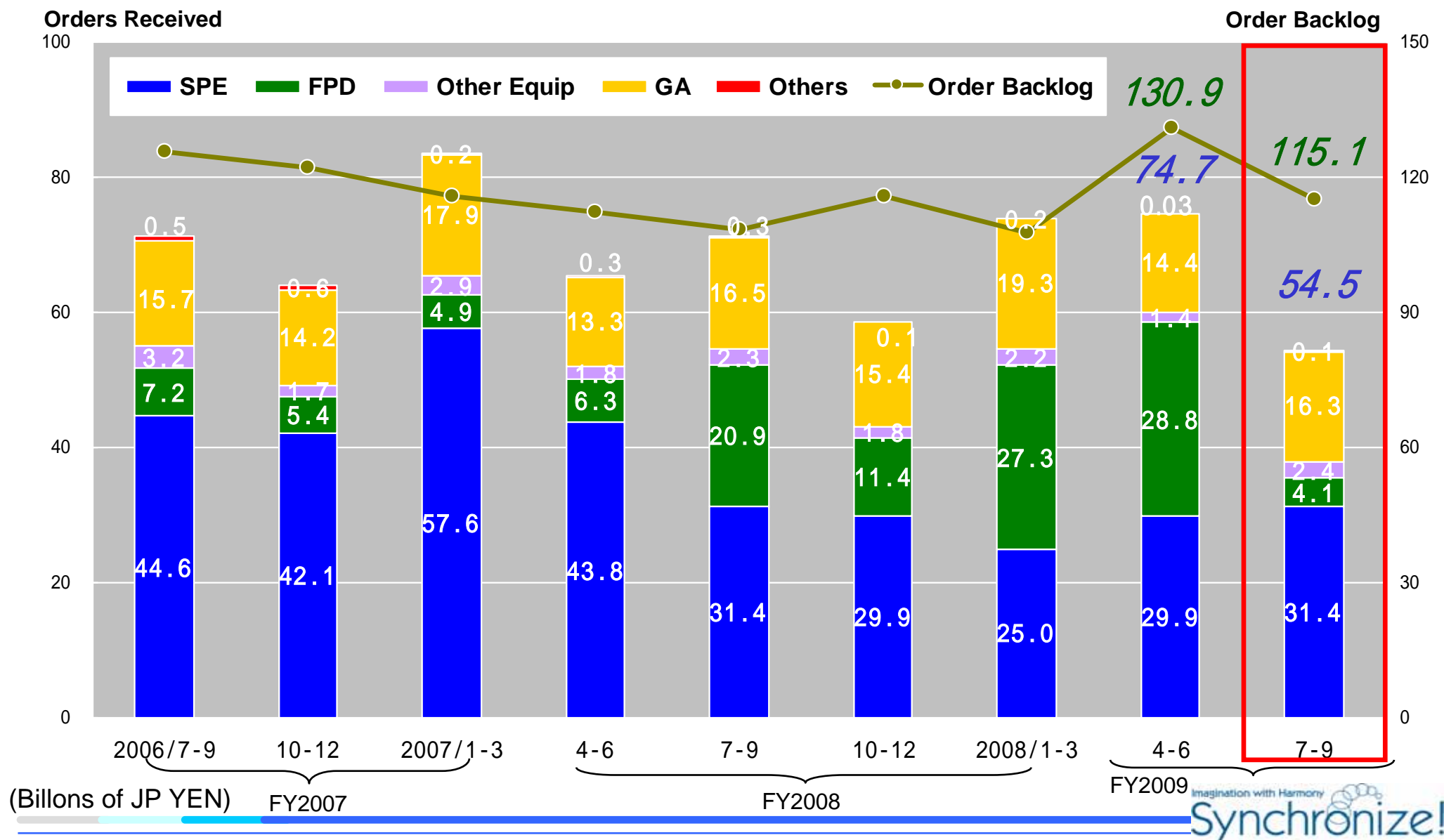
Net Sales

Operating Income



Blue figures show quarterly total sales

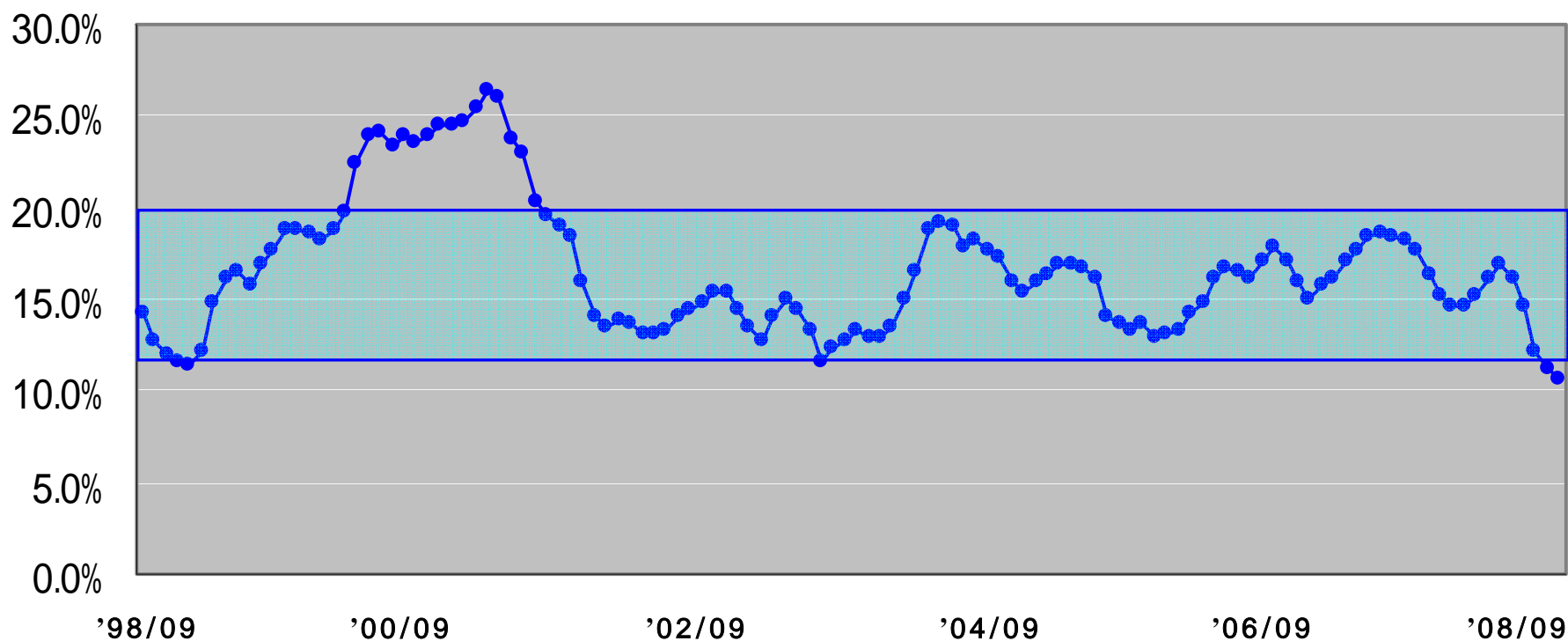
Quarterly Orders Received and Order Backlog (Consolidated)



Blue figures show quarterly total orders received

Lower level of Capex ratio than ever

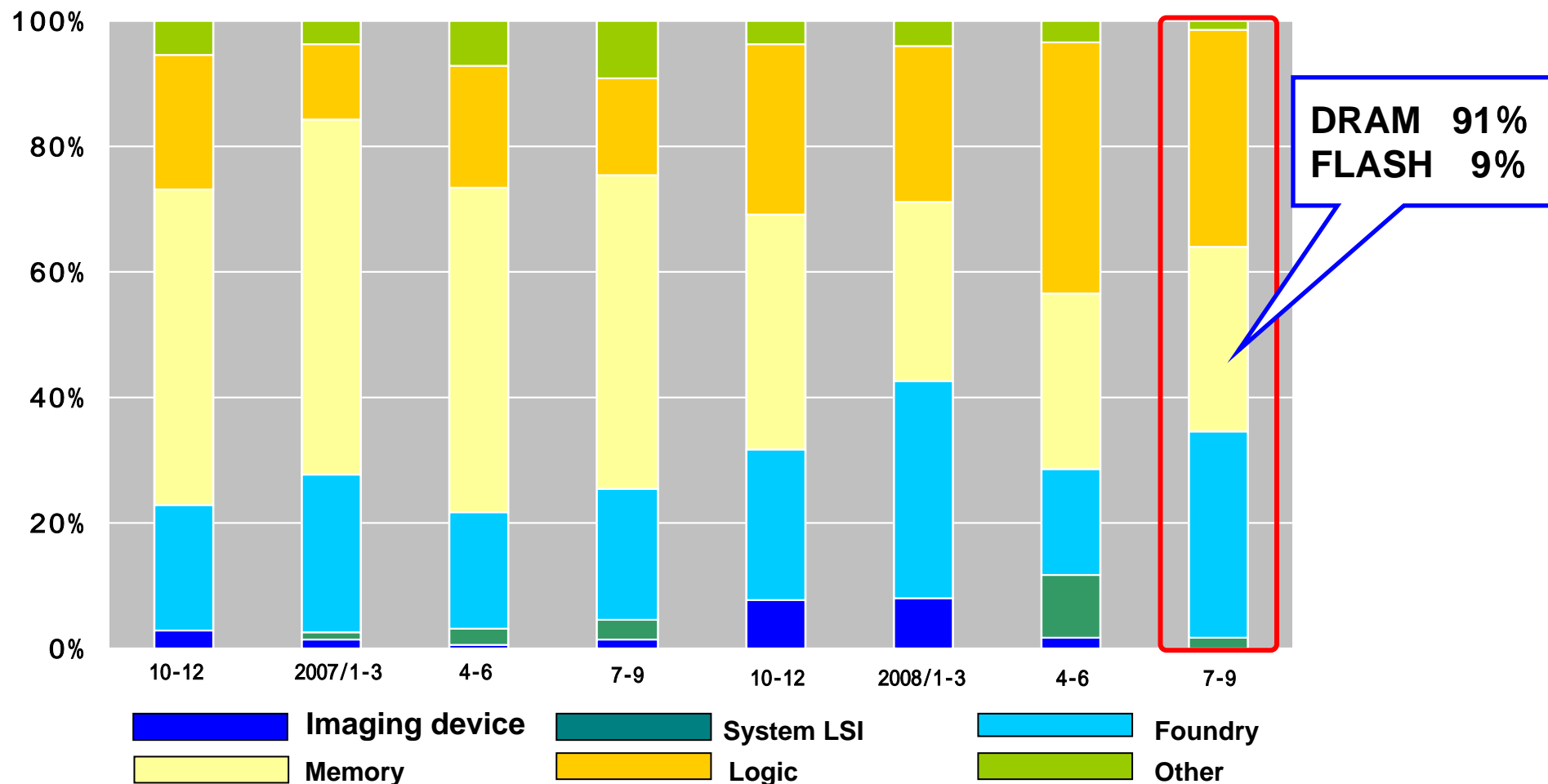
Semiconductor Capex ratio = SPE sales ÷ Device sales



DNS' estimate based on SEMI statistic

Semiconductor Production Equipment Quarterly Order Received Ratio by Device Application (Nonconsolidated)

Totally low level of orders other than firm logic manufacturers



1. Investment forecast by device

DRAM	Capex curtailment owing to a drop in memory prices Maintain investment only for miniaturization
NAND	Continued low level of Capex
Logic	Remain firm
Foundry	Cautious stance in line with low factory operating ratio

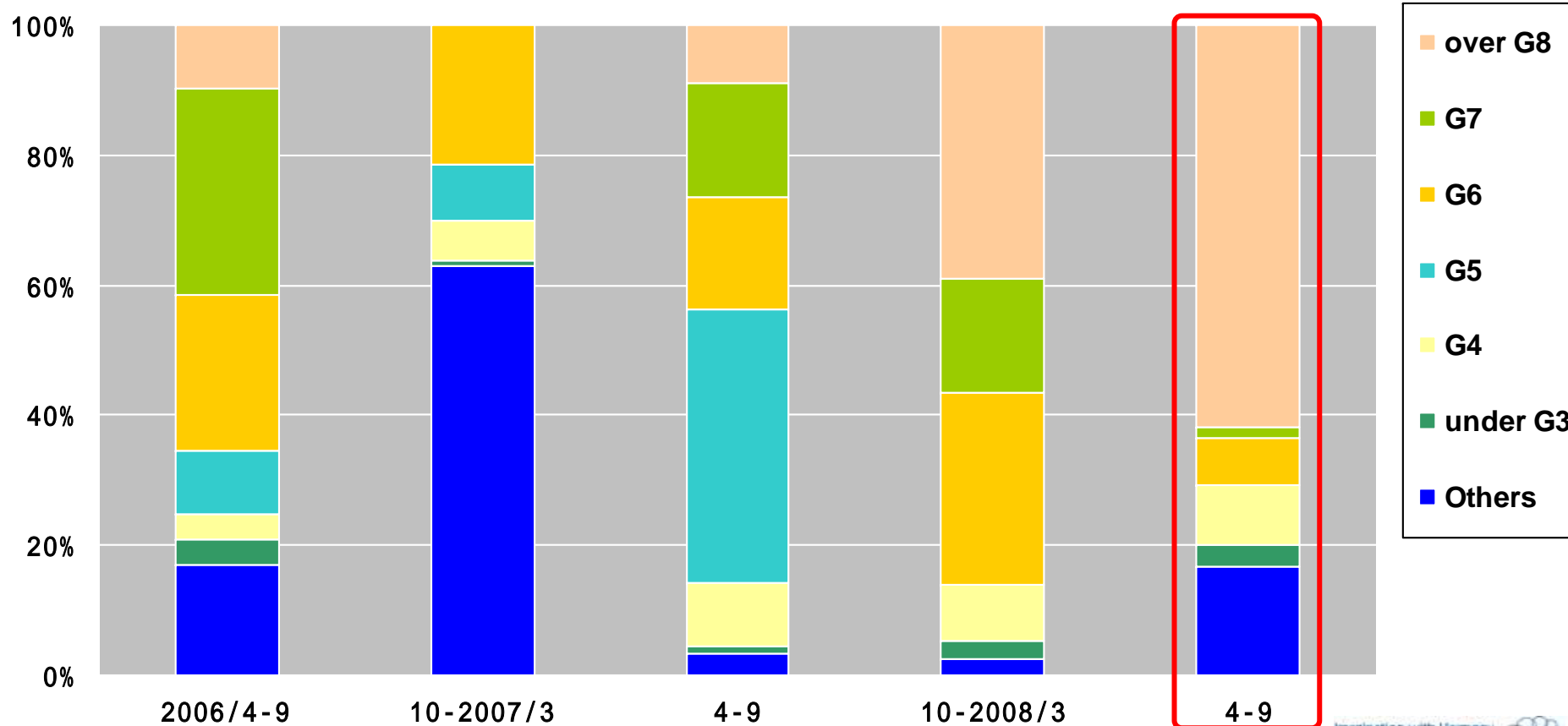
2 . Topic

**Release new bevel etching unit for “SU-3100”
(Chemical processor)**

→ Reinforce product performance for miniaturization

FPD Production Equipment Half-yearly Orders Received by Glass Substrate Size (Nonconsolidated)

- ¥33bn orders for the 1H as planned
- Over G8 occupied more than 60%
- Expected to decrease in the 2H



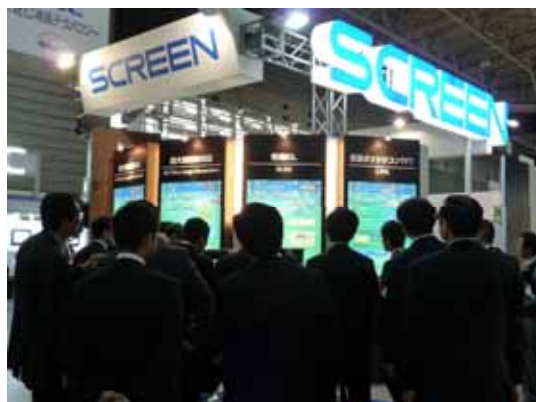
FPD Production Equipment

Topic

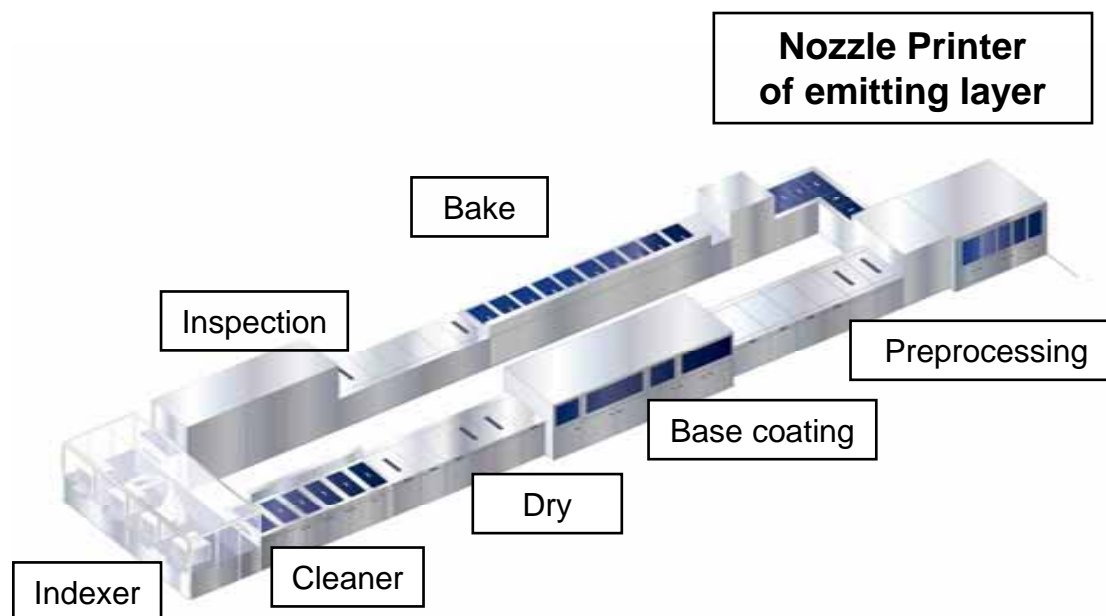
- Show the printed panel sample of OLED by Nozzle-Printer at FPD International 2008



4.2inch OLED by Nozzle-Printer



Spotlighted SCREEN's booth



Mass-production line of large OLED panels

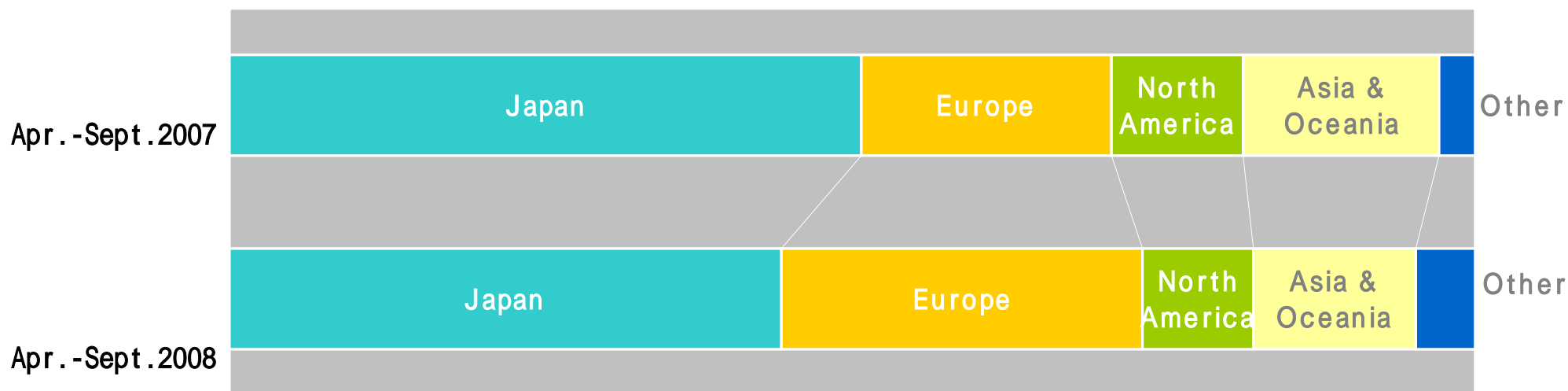
Graphic Arts Equipment Sales Ratio by Region (Consolidated)

■ Firm sales in Europe

➤ Contributed by new channel of CTP sales

■ Severe conditions in the domestic market

➤ Impacted by high material prices

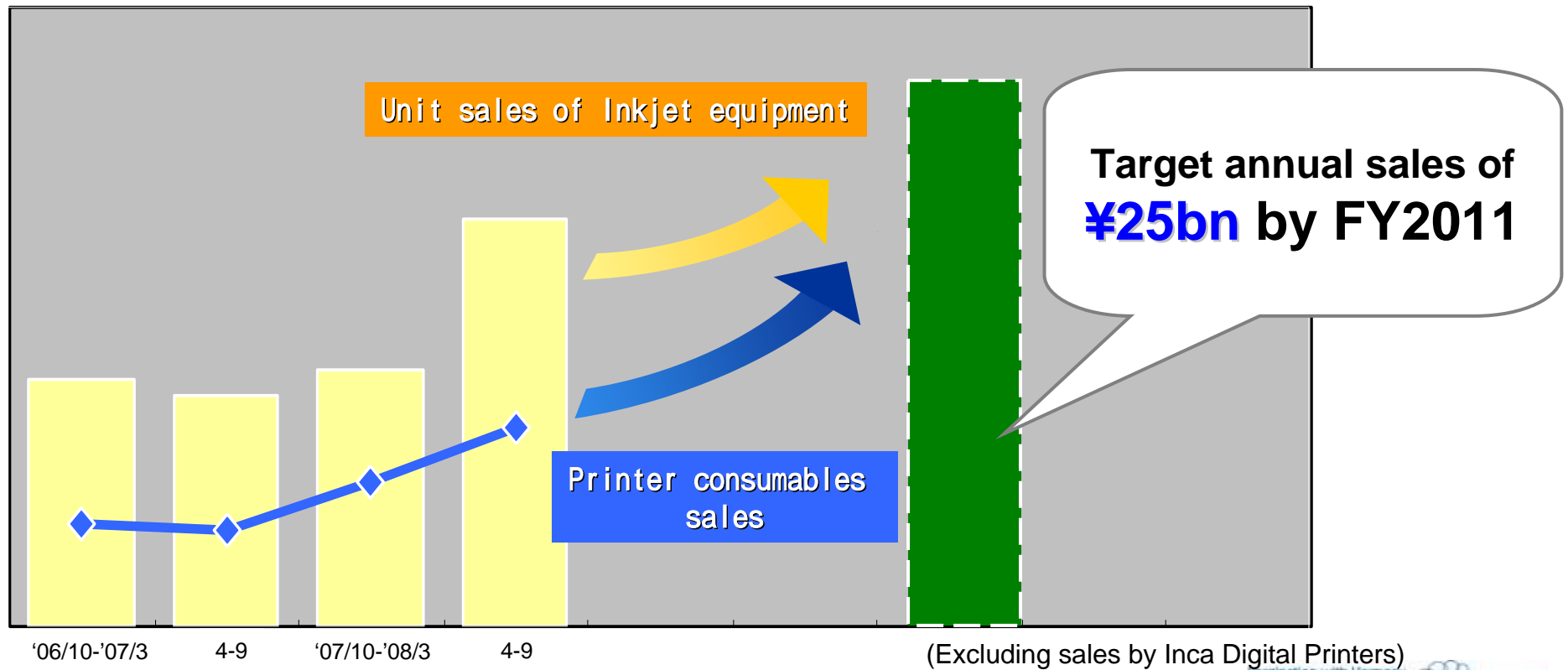


(Sales of OEM products are recorded according to the locations of our OEM partners)

(Excluding sales by Inca Digital Printers)

Graphic Arts Equipment Inkjet Related Business (Nonconsolidated)

- **Steadily rise unit sales of Inkjet equipment**
 - Planned to release new products after the next fiscal year
- **Expand the printer consumables business along with unit sales increase**



Topics

■ Steadily rise unit sales of Inkjet equipment

- > Favorable growth in mainstay Truepress Jet520
- > Steady sales of Inca's large-format printers for signs & displays



Truepress Jet520

■ Truepress Jet2500UV

- > Expected sales expansion in 2H
- > Truepress Jet2500UV won the “Product of The Year ” award at SGIA show held on October 15, 2008 in Atlanta



Truepress Jet2500UV



Revision of Business Forecasts

		1H	2H		Total year		
		Results	Previous forecast (May 12)	Revised forecast (Nov.10)	Previous forecast (May 12)	Revised forecast (Nov.10)	Change
(Billions of JP YEN)							
Net sales		122.8	150.0	112.1	273.0	235.0	(38.0)
	SPE	58.0	77.0	39.9	135.0	98.0	(37.0)
	FPD	28.7	34.0	34.2	63.0	63.0	—
	Other Equip	3.9	5.5	6.0	10.0	10.0	—
	GA	31.0	32.5	30.9	63.0	62.0	(1.0)
	Others	1.0	1.0	0.9	2.0	2.0	—
Operating Income		4.0	8.9	1.1	12.7	5.2	(7.5)
Ordinary Income (loss)		2.1	8.3	(1.9)	9.5	0.2	(9.3)
Net Income (loss)		(1.2)	4.8	(2.7)	3.2	(4.0)	(7.2)
Cash Dividends per Share (Yen)					5	3	

- **“Emergency measures”
for rapid change of business environment**
 - Cost reduction (by ¥ 4bn from the previous plan)

- **Financing in diverse methods at early stage**
 - Keeping cash on hand
 - Raise ¥15bn in funds by indirect financing under the unstable finance market

- **Reviewing the 3-year business plan**
 - Scheduled to announce a new plan in the next spring

Future Initiatives

Management Challenge

- Creation of new business and expansion of existing business domains for rebuilding business portfolio

Business Challenges

<SPE>

- Lower break-even point
- Improve profits of SU-3100

<FPD>

- Increase sales of production equipment for OLED panels

< GA >

- Expand inkjet related product lineup

Summary

- Ended 1H as planned, however, revised 2H forecast downward, affected by drastic changes in the SPE business environment
- Make every attempt to reduce costs with severe business environment
- Implement sales expansion of production equipments for OLED Panels and Inkjet related products