



DAINIPPON SCREEN MFG.CO.,LTD.

Business Results

Fiscal Year Ended March 31, 2009

May 12, 2009

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 Fiscal Year Ended March 31, 2009

President & COO Masahiro Hashimoto

Agenda

- Business Results and Analysis
- Progress of the Business Restructuring Plan
- Business Forecast and Future Initiatives
- Summary

Business Results Fiscal Year Ended Mar.2009 (Consolidated)

(Billions of JPYEN)		1H	2H		Total	
		Results	Forecast Feb. 27	Results	Forecast Feb. 27	Results
Net Sales		122.8	97.1	96.2	220.0	219.0
	SPE	58.0	31.5	31.7	89.6	89.7
	FPD	28.7	33.5	33.6	62.3	62.3
	Other Equip.	3.9	4.7	4.0	8.7	8.0
	GA	31.0	26.4	26.0	57.5	57.0
	Other	1.0	0.8	0.7	1.9	1.7
Operating Income		4.0	(9.4)	(8.5)	(5.4)	(4.5)
Ordinary Income		2.1	(15.5)	(13.8)	(13.4)	(11.7)
Net Income		(1.2)	(36.7)	(36.9)	(38.0)	(38.1)
Cash Dividends per Share (Yen)					0	0

Analysis of Business Results

Net Sales

Result ¥219.0bn Y on Y 21.7% down

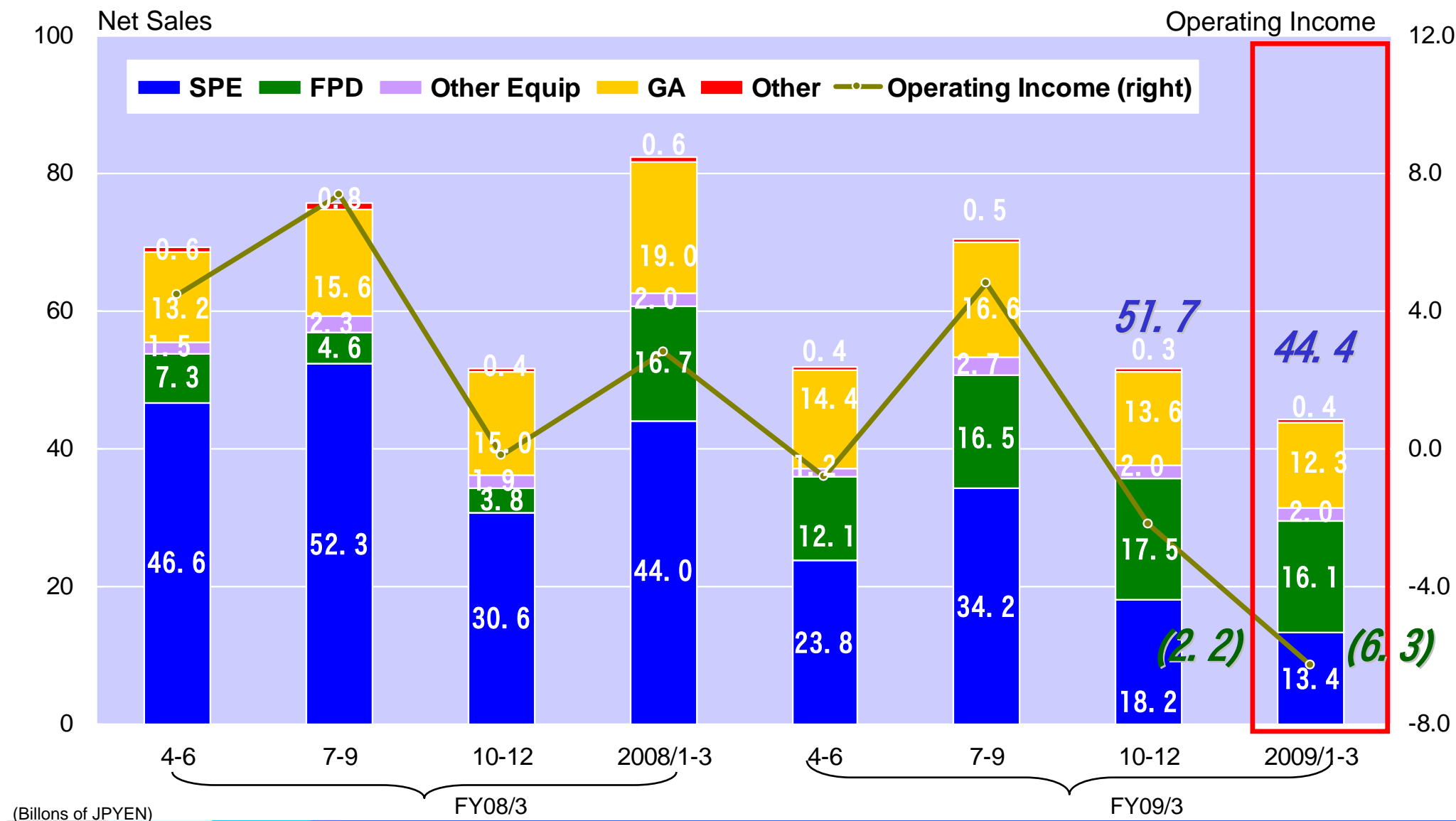
	Results		Point
		Y o Y	
SPE	¥89.7bn	(48.3%)	Decreased due to deterioration of the global economic conditions for 2H
FPD	¥62.3bn	91.1%	Achieved as planned and increased significantly from the previous fiscal year
Other equip	¥8.0bn	0.5%	Sever situation has been continued thorough the fiscal year
GA	¥57.0bn	(9.3%)	Sales of CTP related equipment showed significant fall in 2H.

Operating Income

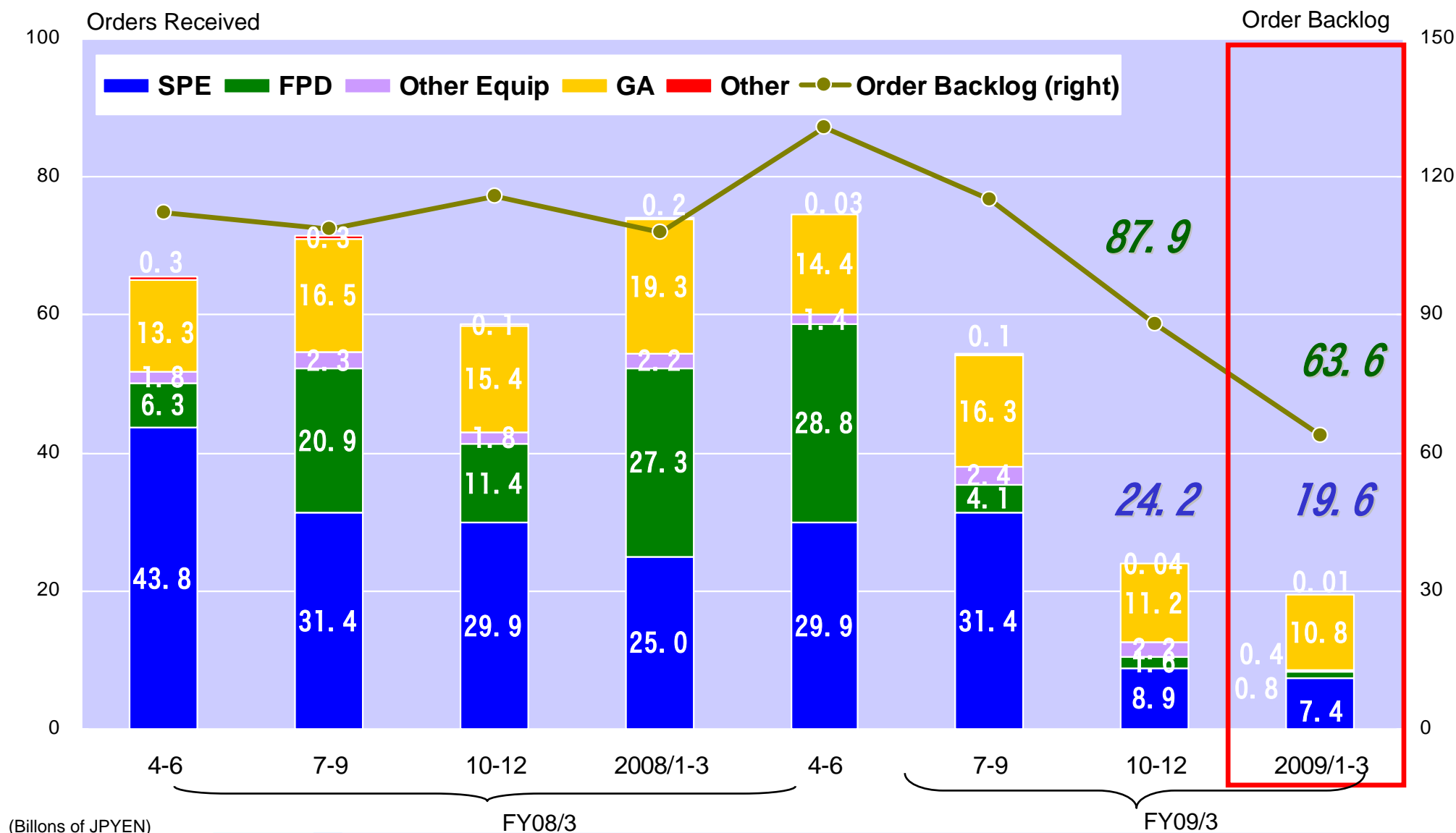
Result ¥(4.5)bn

	Results	Point
Electronic Equipment & Components	¥(5.9)bn	SPE : Big loss by significant sales decline FPD : Revenue remained steady and was profitable as planned PE : Loss by sales decline
GA	¥1.6bn	Below the target by sales decline and weak euro
Other	¥(0.1)bn	

Quarterly Net Sales and Operating Income (Consolidated)

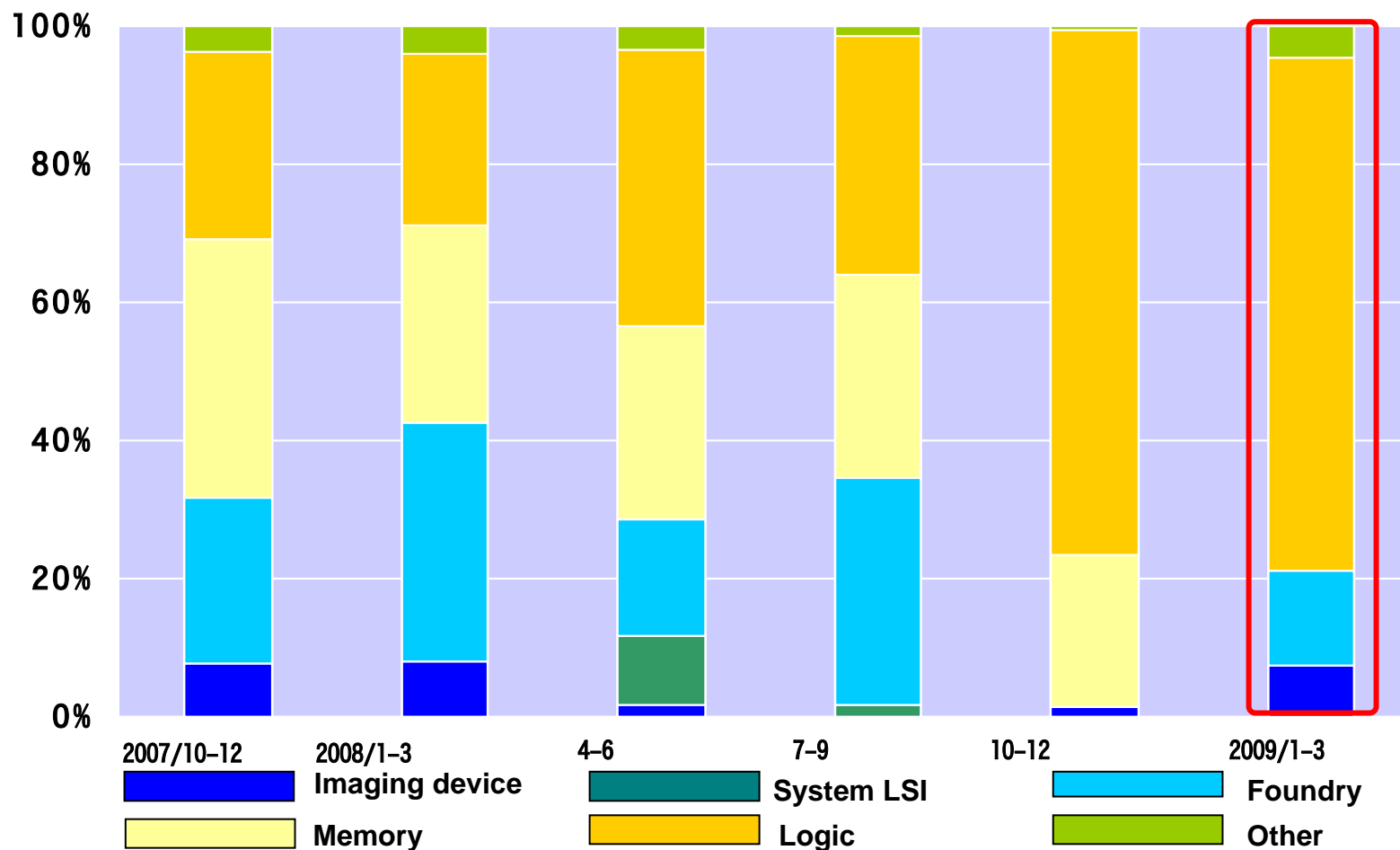


Quarterly Orders Received and Order Backlog (Consolidated)



Blue figures show quarterly total orders received

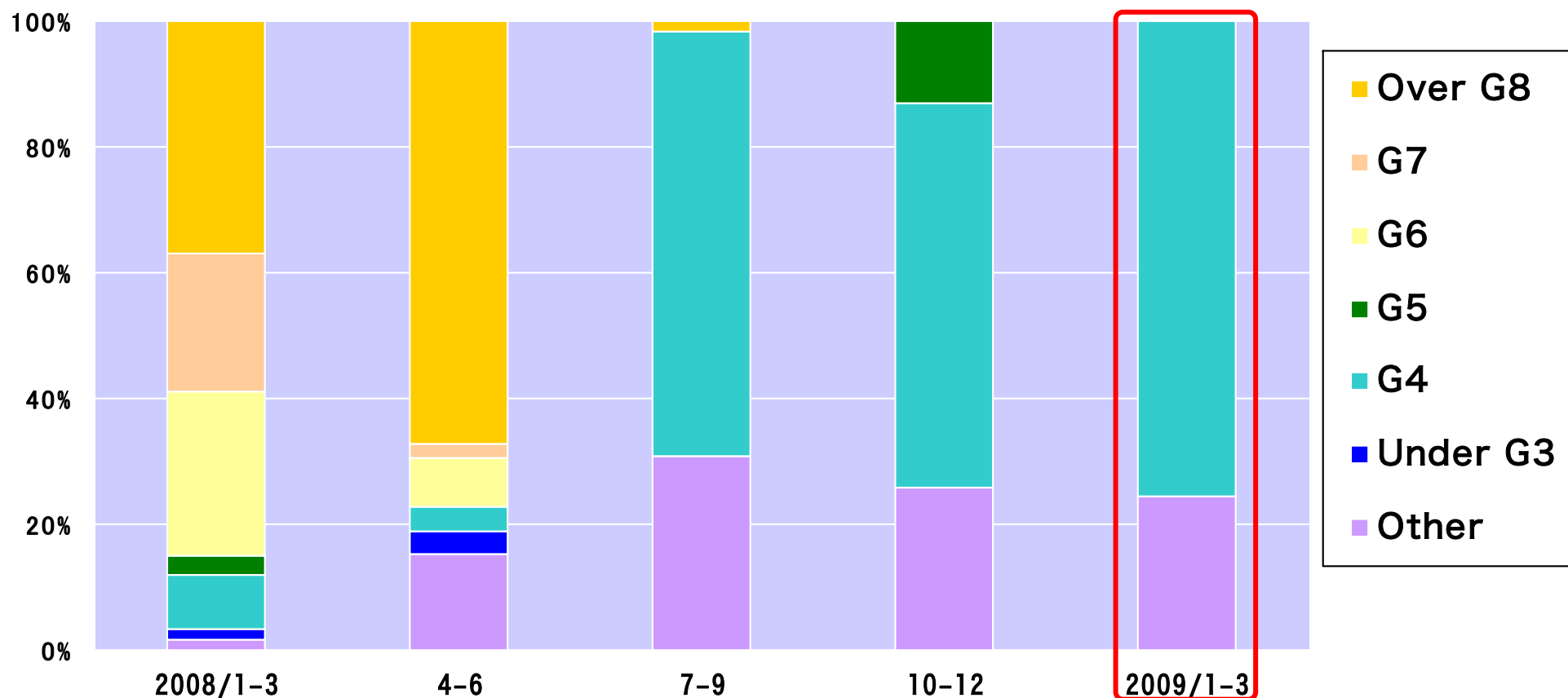
- Order received in 4Q was JPY7.4bn
- 4Q is expected to be the bottom of order received
- Investment for leading edge technology partially resumed




FPD Production Equipment



Quarterly Order Received Ratio by Glass Substrate Size (Nonconsolidated)

- Remained at low level / Order received in 4Q was JPY0.89bn
- Activities for capacity investment has been seen in China, but it is not a solid plan.



Review & Analysis of the Consolidated 3-year Business Plan “Vision2008”




(Consolidated)	Target		Result
1. Net Sales	>JPY880bn		JPY800.1bn
Operating Margin Ratio	>10%		5.1%
3. Operating Income	JPY90bn		JPY40.6bn

-  Net sales was slightly below target but operating income was far below target
-  It was not possible to correspond to sudden changes of the market although we did necessary investment for our growth in future


Progress of the Business Restructuring Plan

Progress of the Business Restructuring Plan

Basic Policy

-  Reconstructing to be profitable even at JPY150bn consolidated net sales (Lower break-even point)
-  Minimize the loss for the fiscal year ending Mar. 2010
-  Set the business restructuring plan prior to planning a new 3-year business plan

Target

-  Achieving approximately JPY40bn cost reduction
-  Being profitable in the fiscal year ending Mar. 2011

Progress of the Business Restructuring Plan



Detailed plan has been plotted for JPY30bn.

Progress of the Business Restructuring Plan

Action Items

● Business Related

- ✓ Lower break-even point for each business company
- ✓ Withdraw from Direct Imaging Equipment business for color filter
- ✓ Closing or consolidating of domestic Japanese business sites and domestic subsidiary companies
- ✓ Consolidating or downsizing the factories
 - ➔ Shut down Taga and Yasu production facilities to be merged to Hikone manufacturing site at end of March (done)

Progress of the Business Restructuring Plan

Action Items

- Headcount Reduction (1,600 in total)
 - Temporary resources (700)
 - On Track
 - Permanent employees (900)
 - For Dainippon Screen MFG. Co. LTD (300)
 - Registration : June 15 to June 30, 2009
 - Termination : July 31, 2009
 - For subsidiary companies (600)
 - Headcount reduction plan is being executed at domestic companies
 - About 150 headcounts have been already reduced at overseas companies and additional reduction is planned
- Pay cut
 - Board members → Implemented from February
 - Management level employees → Implemented from March
 - Jobs at general level → Implemented from April


Progress of the Business Restructuring Plan

Action Items




- SOKUDO Co Ltd. related:
 - New Business Plan is being plotted for market comeback
 - New platform “SOKUDO DUO” was released
 - ➔ Targeting >20% market share by end of next fiscal year ,March 2011
 - ➔ Several SOKUDO DUO systems have been installed at multiple customers sites and completed fundamental data gathering
 - New president to strengthen relationship with current customers



Fiscal Year Ended Mar. 2009

-  Cash flow was aggravated due to the loss and delaying of payment by extending of payment term or delaying of deliveries
 - ➔ Fund procurement was done by indirect finance
(Short-term debt and long-term debt have been increased by JPY35.4bn from the March 2008)

Fiscal Year Ending Mar. 2010

-  Securement for the redemption of Convertible Bonds in Sept. and working capital for the fiscal year ending Mar. 2010
 - ➔ JPY30bn fund procurement by syndicate loan in April and JPY10bn will be done in Sept. by syndicate loan
 - ➔ Other fund procurement is being prepared
-  Considering the adjustment of the direct-indirect ratio
 - Indirect 44% (Mar. 2008) ➔ 64% (Mar. 2009)
-  Considering for increasing equity ratio

Business Forecast for the Fiscal Year Ending Mar. 2010 and Action Items to Be Taken

■ Semiconductor Production Equipment

The market is expected to hit the bottom but still uncertain by restructuring of device manufacturers and sales of final products

■ FPD Production Equipment

Capacity utilization has been improved at customer sites but it should not motivate our customers to resume capital investment

■ Graphic Arts Equipment





It is very difficult to predict the market due to unstable movement of macro economic



Dainippon Screen decided to refrain from announcing performance forecasts for the fiscal year ending March 31, 2010. It will be published once the business outlook is fixed.

Business Strategy of Each Business Segment

Semiconductor Production Equipment

-  Focus on single wafer cleaning equipment
 - Market share increased by approximately 20% in 2008 (40.6%⇒60.3%)
 - Releasing new functions for leading edge technologies to get higher market share
-  Expanding sales of Flash Lamp Annealing systems
-  Strengthen post sales business area
 - Established a dedicated department
-  Adapting products to the application for 3D device process



***To get a firmer position in the market
when the market picks up***

Business Strategy of Each Business Segment

FPD Production Equipment



- Utilizing nozzle printing method to release new equipment for organic EL display
- Expanding application of inkjet technology
- Expanding application of Direct Imaging Technology
- Upgrading our products compatible with bigger generation of substrates for focusing CoO & conserving energy



***Expanding business area by releasing new products
Differentiate our products to be more competitive
to get a higher market share***

Business Strategy of Each Business Segment


Graphic Arts Equipment

-  POD : Targeting JPY25bn sales by the fiscal year ending Mar. 2012
 - Amplification of product line
(Newer version of TPJ520, Inkjet printing machine)
 - UV inkjet printing system for industrial use (TPJ650UV)
-  CTP : Focus on cost reduction
 - Expand product line manufactured at MTMC (Fab in China)
(mainstay PTR4300, 8600 series)



For advanced countries: POD
For BRICs : CTP

Other Electronic Equipment

-  Increasing market shares overseas especially in Asia
 - Sales promotion of Film Thickness Measuring tool
for Solar cell market (RE8000)
 - Expanding businesses by new direct imaging products
(will be presented at JPCA)

Discussing the Anti-takeover Defense Plan at Shareholders' Meeting

Background

- The anti-takeover defense plan implemented in 2007 will be expired in June this year
- Started reviewing the Original Plan, including whether to resubmit it, considering the trend of judicial precedents
- Considering to reflect the intention of the Independent Committee

What will be changed?

The condition for taking countermeasures will be changed to “the model of confirming shareholders’ intention”



Tenure of board members

Term of board members will be changed to one year from two years
(modifying the amendment of articles of corporation)





Will be brought up for discussion at shareholders' meeting

Short term plan

-  Focus on executing the business restructuring plan
-  Strengthen strategic management function for reconstructing business portfolio

Mid term strategy

-  Increase added value of our products by utilizing the existing technologies and new technologies
-  Gain new business markets by expanding Inkjet technologies to new applications