

# DAINIPPON SCREEN MFG. CO., LTD.

## Business Results & Forecast The first quarter ended June 30, 2010

Senior Managing Director & CFO Osamu Ryonai

### Agenda

- 1Q Business Result & Analysis
- Business Environment & Order Situation
- Business Forecast

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, except per share figures.

Business Result  
1<sup>st</sup> Quarter ended June 30, 2010

## FY2011 1Q Business Result

(Unit: Billions of JPY)		Mar.2010				Mar.2011	
		Result				Result	vs. 4Q
		1Q	2Q	3Q	4Q	1Q	%
Net Sales		25.9	41.4	45.7	50.9	51.4	0.9%
	SE	15.1	22.6	31.7	31.3	32.7	4.5%
	FE	2.2	7.2	3.8	6.6	8.2	23.8%
MP	Other Electronics (PE)	0.6	1.2	0.7	1.6	10.3	1.3 8.9 (19.5%)
	GA (MT)	7.7	10.1	9.3	11.1		
Others		0.2	0.1	0.1	0.1	0.1	(9.4%)
Operating Income		(6.1)	(9.5)	(0.9)	2.6	4.6	74.2%
	SE					4.9	-
	FE	(5.0)	(8.8)	(0.4)	2.8	0.6	-
MP	Other Electronics (PE)					(0.9)	-
	GA (MT)	(0.9)	(0.7)	(0.5)	(0.2)		
Others		(0.1)	0.0	0.0	0.0	0.0	-
Ordinary Income		(7.4)	(10.1)	(1.3)	1.7	4.6	160.9%
Net Income		(2.5)	(10.3)	(0.5)	4.2	3.8	(9.1%)

# FY2011 1Q Business Result

## Net Sales

**1Q: ¥ 51.4bn / Previous Quarter : ¥ 50.9bn Differential ¥ 0.4bn**

( Unit : Billions of JPY )

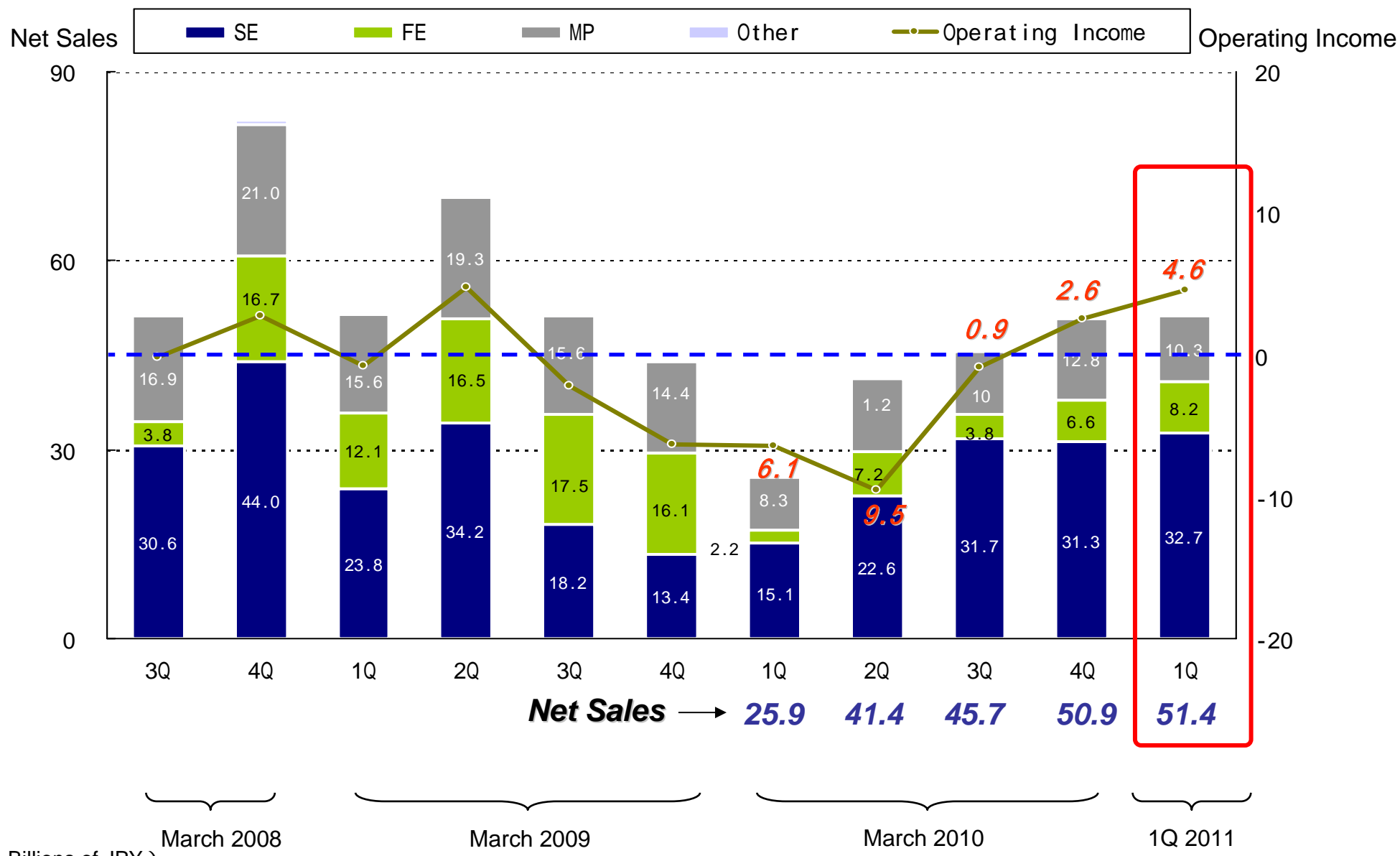
Segment	1Q	Previous Segment	4Q	Difference	Point
		Electronic Equipment and Components	39.6		
SE	32.7	SPE	31.3	1.4	Overall good situation, especially for foundries. SOKUDO is also increased sales.
FE	8.2	FPD	6.6	1.5	Sales for small size panel increased.
MP	10.3				
PE	1.3	Other Ele	1.6	(0.2)	Inspection system is recovered. Inquiries of measurement system is also positive.
MT	8.9	GA	11.1	(2.2)	CTP recovered. POD did not reach to expected level.

## Operating Income

**1Q: ¥ 4.6bn / Previous Quarter ¥ 2.6bn Differential ¥ 1.9bn**

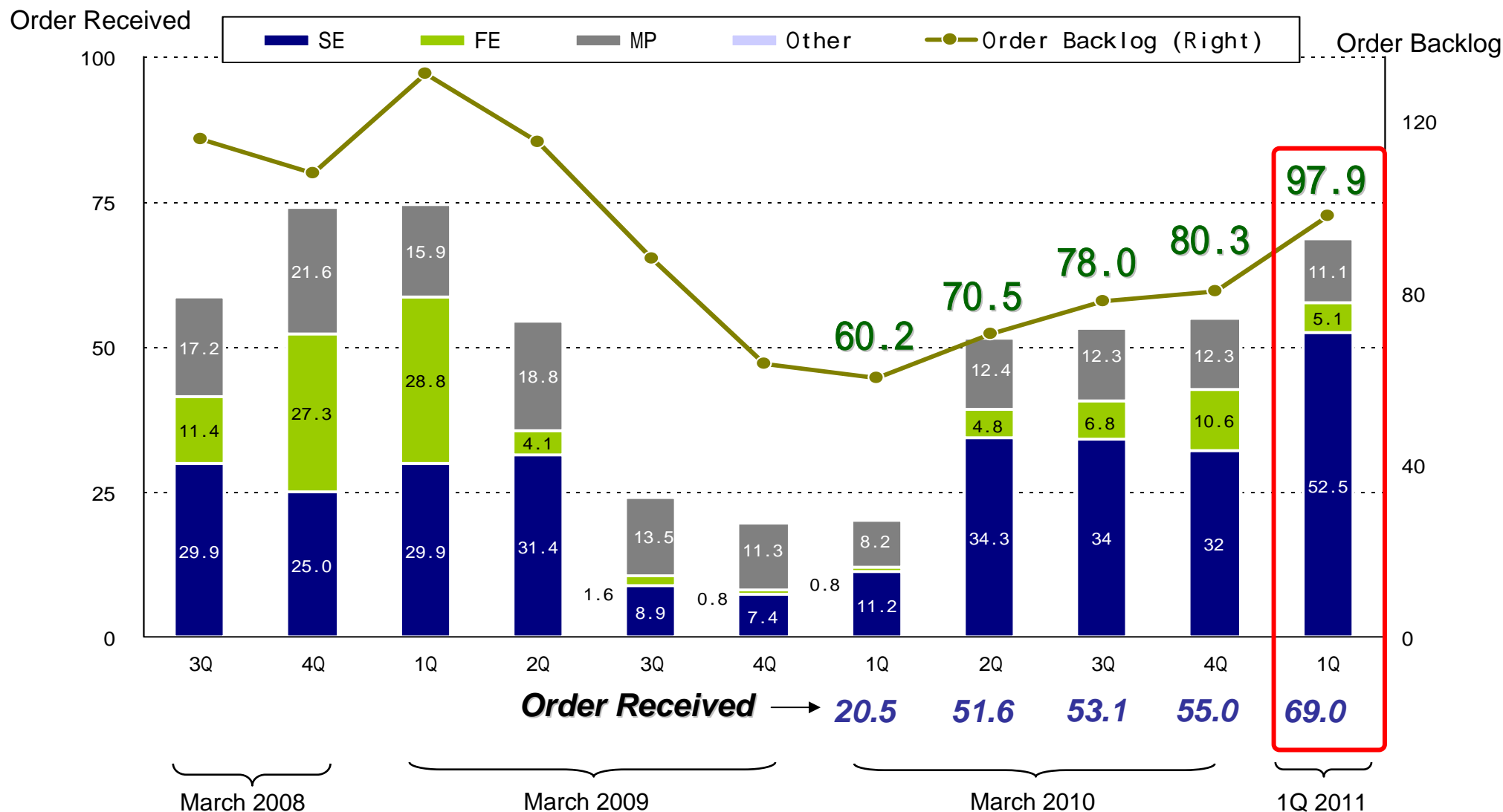
Segment	1Q	Previous Segment	4Q	Difference	Point
		Electronic Equipment and Components	2.8		
SE	4.9	SPE	-	-	OP was increased due to cost down activities.
FE	0.6	FPD	-	-	OP was increased due to sales growth.
MP	(0.9)				
PE	-	Other Ele	-	-	OP margin for PE was improved by cost down.
MT	-	GA	(0.2)	-	POD performance was not expected level.

# Quarterly Net Sales and Operating Income (Consolidated)



( Unit : Billions of JPY )

# Quarterly Orders Received and Order Backlog (Consolidated)

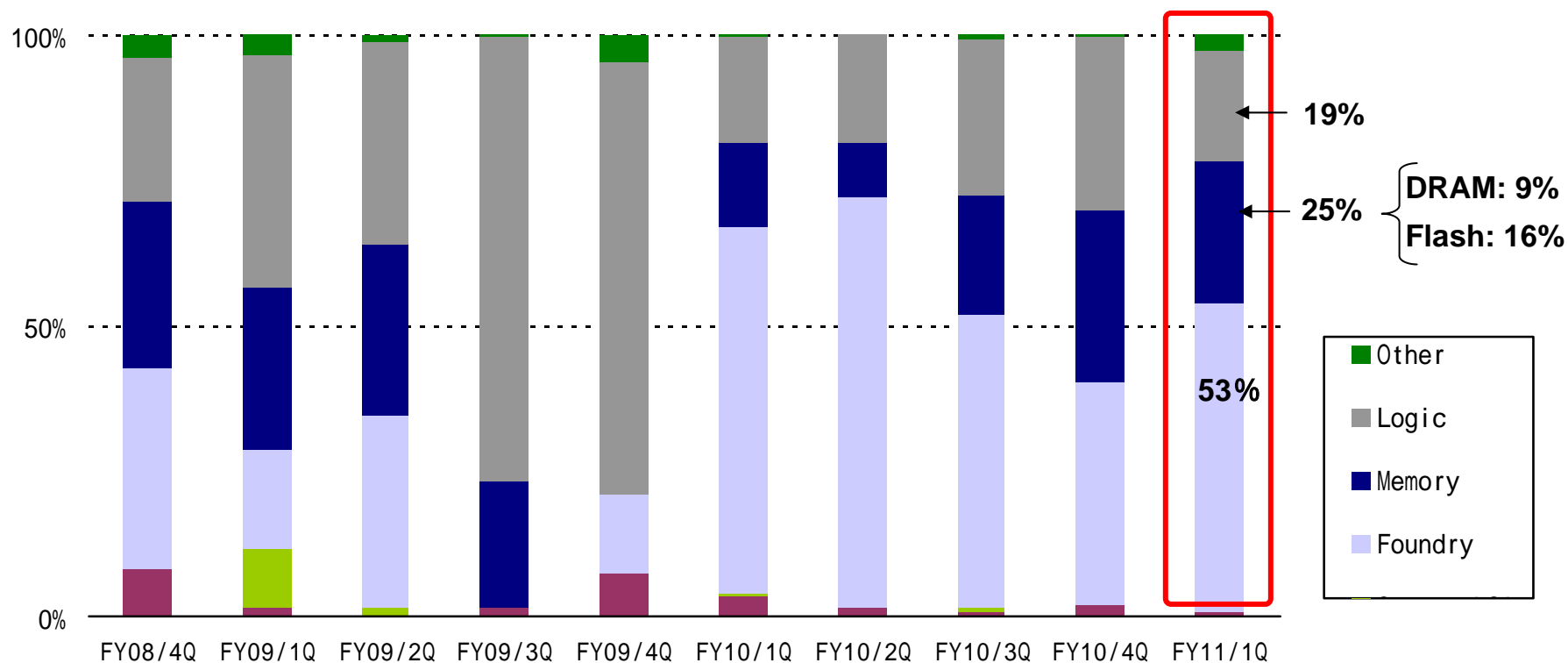


( Unit : Billions of JPY )

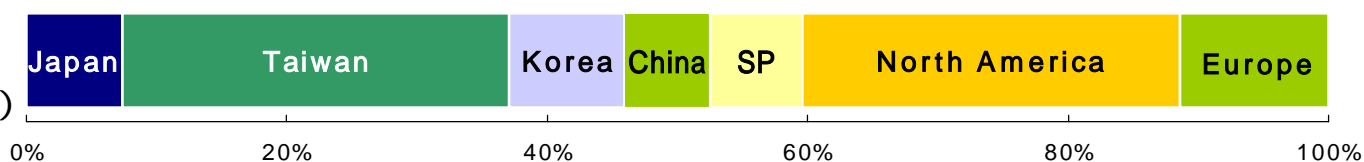
# Semiconductor Production Equipment

## Quarterly Order Received Ratio by Device Application (Nonconsolidated)

- 1Q order received: JPY 52.5bn (consolidated)
- Ratio of foundry has been increased

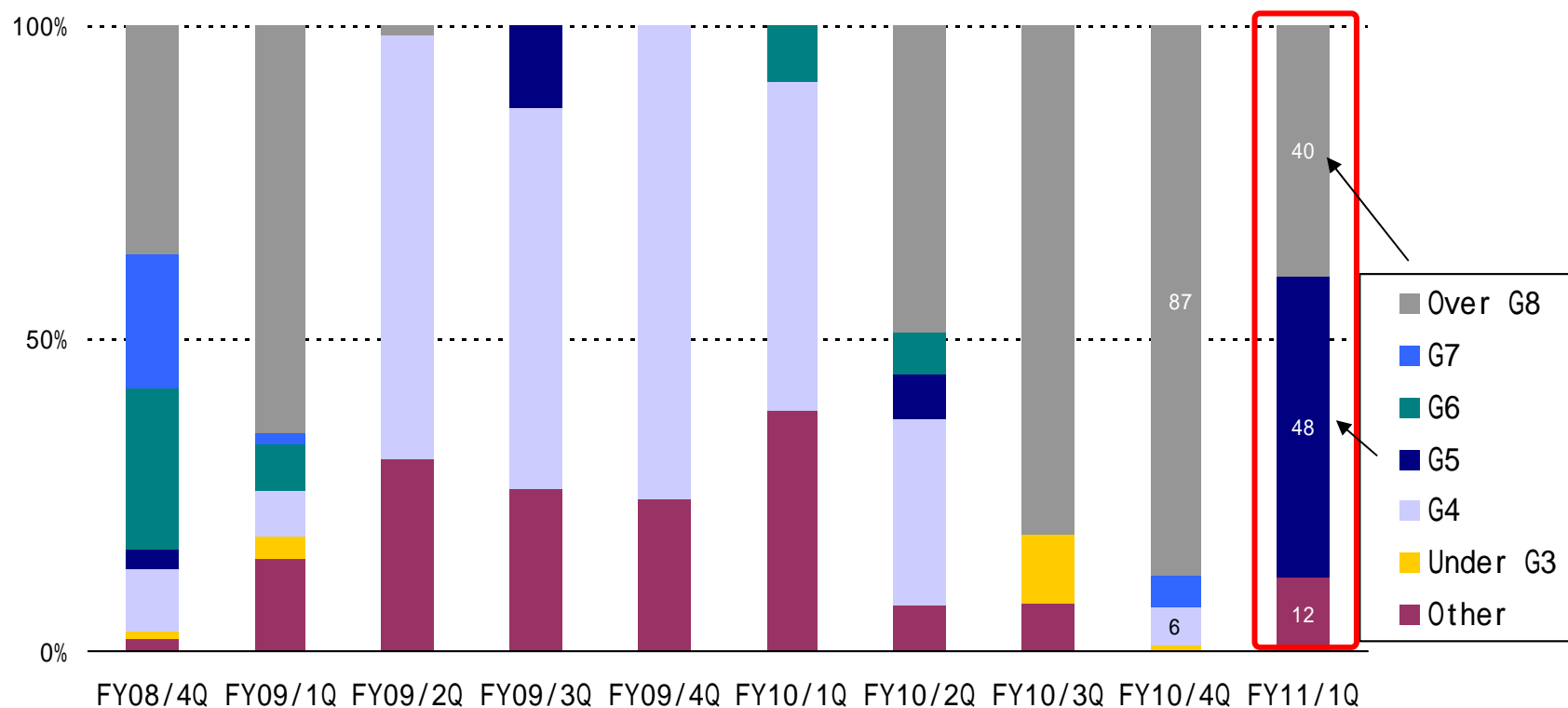


1Q total orders  
by region  
(Nonconsolidated)

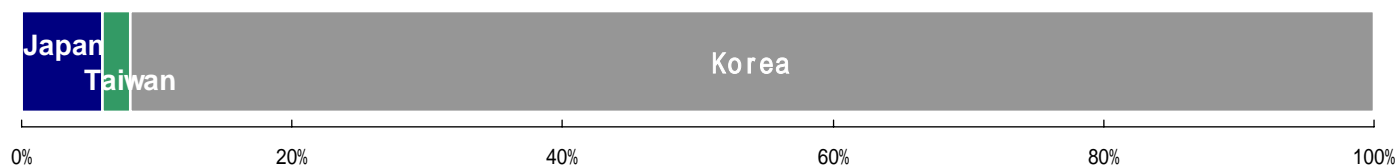


# FPD Production Equipment Quarterly Orders Received by Generation (Nonconsolidated)

- Order ratio for small size panel has been increased
- Most orders are Coater/developers



1Q total orders  
by region  
( Nonconsolidated )

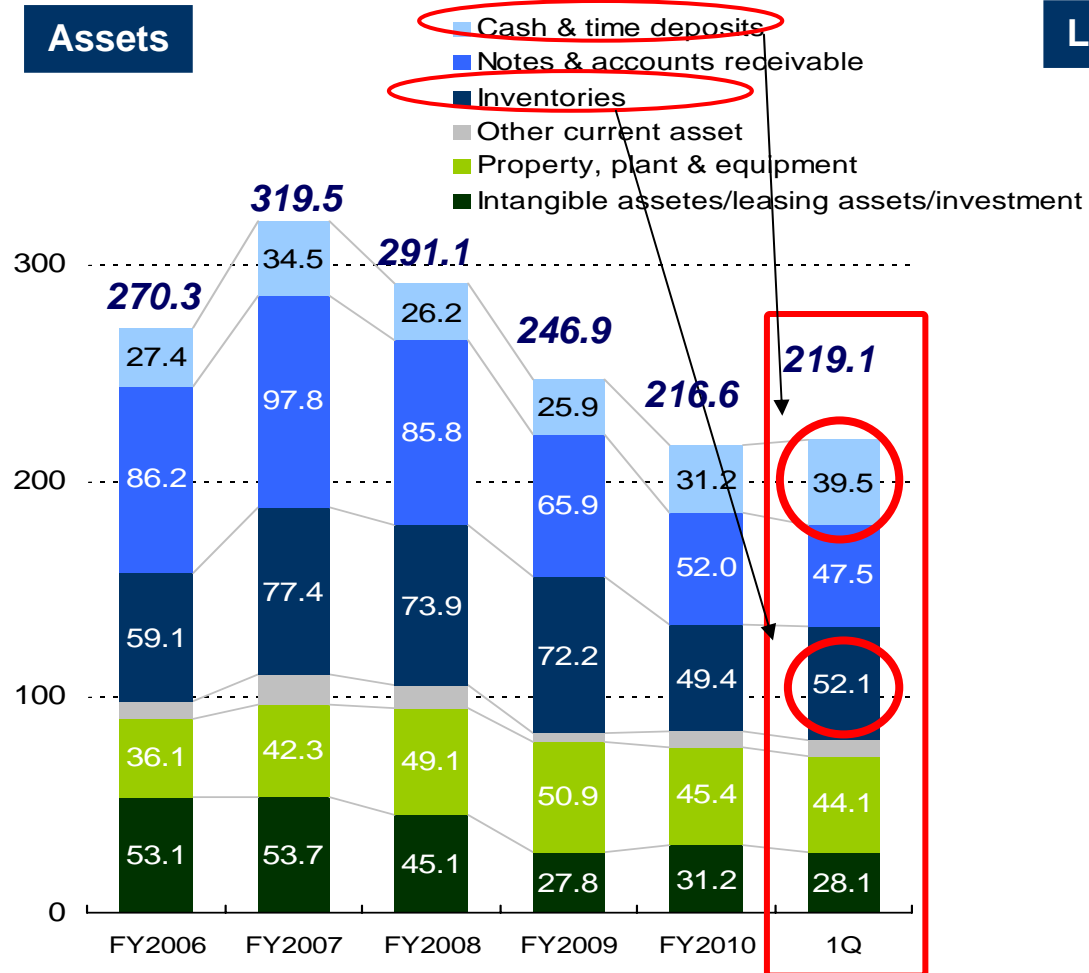




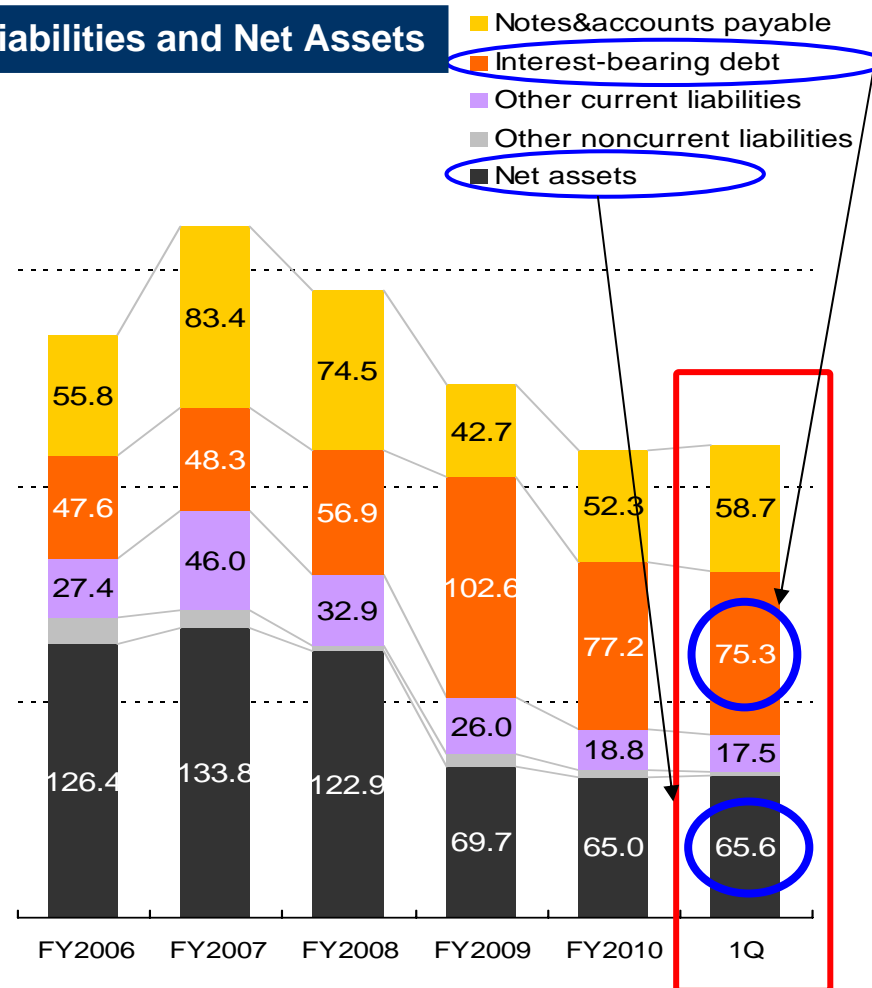
# Trend in B/S

(Unit: Billions of JPY)

## Assets



## Liabilities and Net Assets



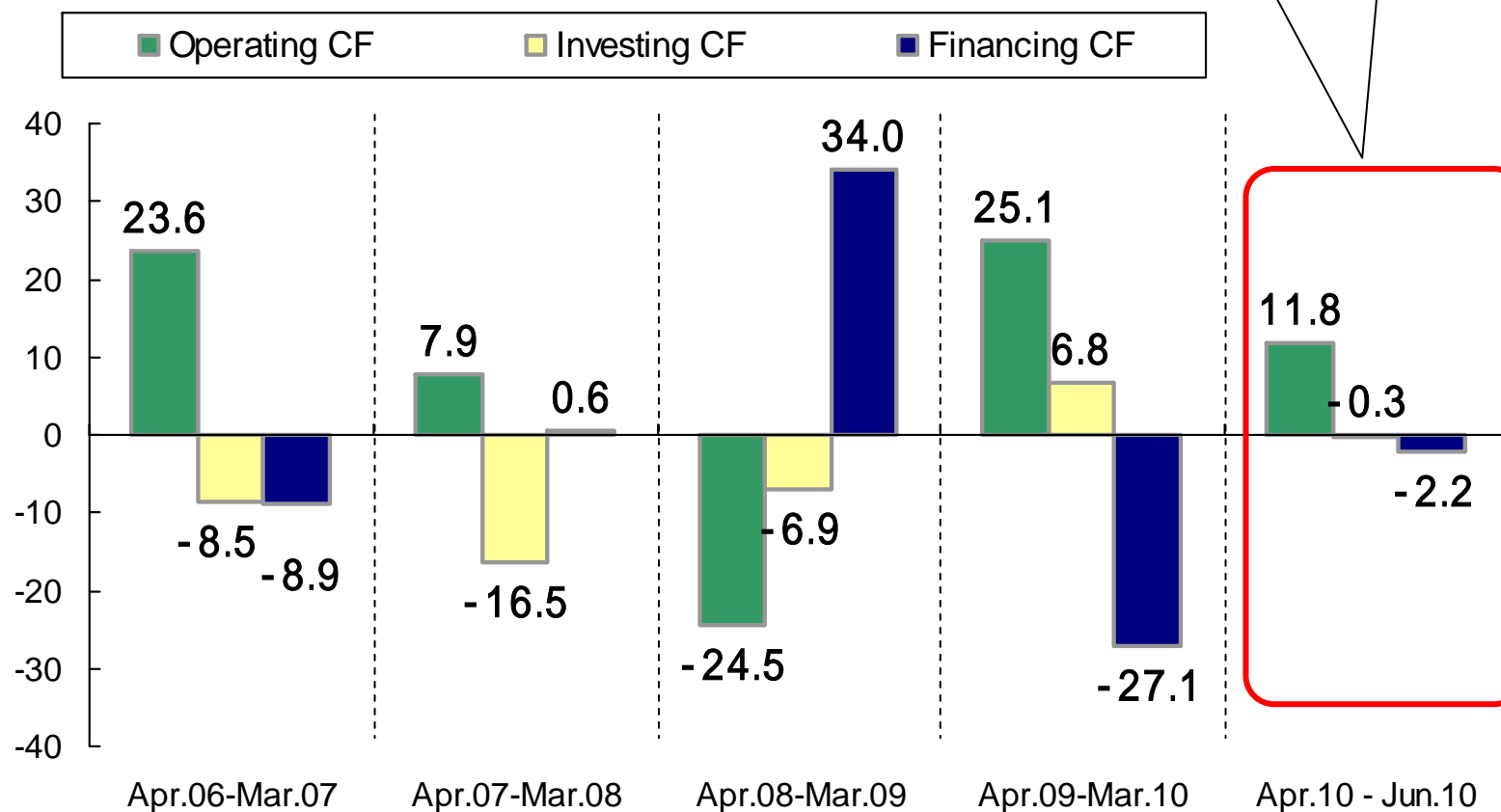
Equity Ratio 29.8% (March 2010) → **29.8%** (June 2010)

## Consolidated Cash Flows

Free Cash Flow : JPY11.5bn

Operating CF : JPY 11.8bn  
Investing CF : JPY -0.3bn  
Financing CF : JPY -2.2bn

(Unit: Billions of JPY)

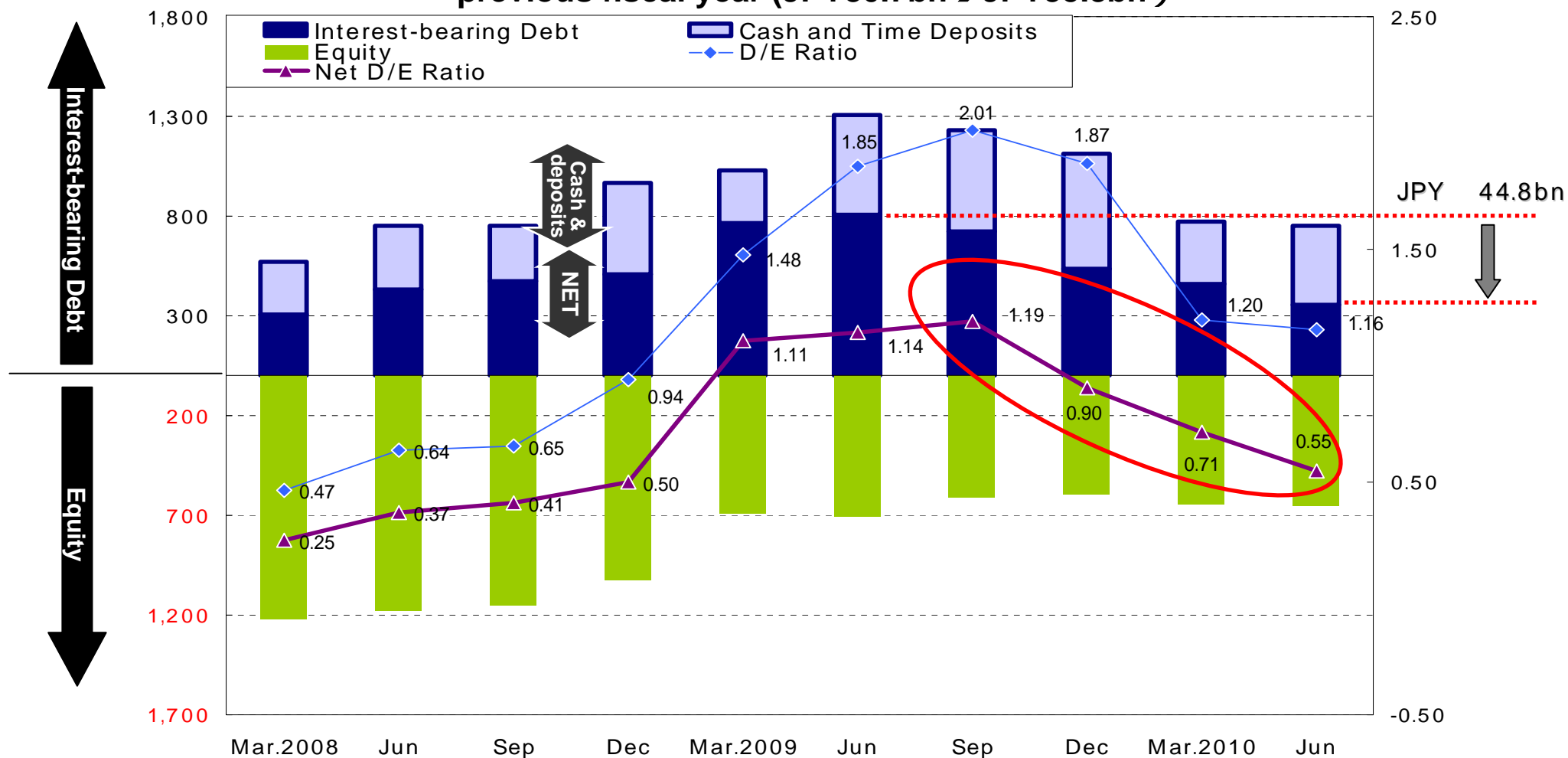


# Interest-bearing Debt and D/E Ratio

Interest-bearing Debt  
(Unit: Billions of JPY)

D/E Ratio

**JPY44.8bn net interest-bearing debt has been reduced from 1Q previous fiscal year (JPY80.7bn→JPY35.8bn)**



\*Lease obligations are not included in interesting-bearing debt as end of Mar. 2008

## Business Restructuring Plan is continued

However

SE business is extremely busy now. Managements do watch the balance between pursuing sales revenue and executing restructuring plan.

Alleviating emergency plan partially and increasing R&D budget will be considered based on business performance.

Cost up item for FY2011

- Increasing fixed cost & expense due to rapid recovery of sales revenue
- Alleviating emergency plan

Items to be continued

- Improving variable cost ratio
- Subordinating bolster business

Business performance of SCREEN subsidiaries have been getting improved significantly. This tendency will be continued rest of this fiscal year.

- Limited expense budget

# Business Area

## SE & FE

### 1Q

#### <SE>

- Device makers (mainly foundries) have kept vigorous attitude for capital investment.
- Sales and ordered received have increased from the previous quarter.

#### <FE>

- Business negotiation in China have been kept.

### Outlook for 2Q and after

#### <SE>

- Favorable market environment is expected to continue due to good market demand of end products such as smartphone etc.
- Device makers will be kept vigorous attitude for capital investment for awhile.

#### <FE>

- Business opportunities in China should be continued.
- Large amount of orders are expected to receive in China.
- Try to receive order of inkjet spacer printers and nozzle printers for OLED
- Capital investments for LTPS, OLED are vigorous because of strong demand of smartphone such as i-Phone.

## MP

### 1Q

#### <MT>

- There was impact on our sales by economic crisis in Europe.
- Exchange rate of Euro is not favorable for our profit.
- Low cost CTP sales are getting recovered in China and Brazil. High-end CTP and POD are slow.

#### <PE>

- Inspection systems have been active mainly in overseas.
- Business inquiries of measurement systems and exposure systems are getting increased.

## Outlook for 2Q and after

#### <MT>

- Emerging countries like Asia have become main CTP market.
- Capital investment for printing business at developed countries are getting recovered gradually.
- Some of our new product models will help us recovering sales revenue of POD.
- Due to unfavorable exchange rate, we focus on aggressive cost down for both CTP and POD.

#### <PE>

- Measurement systems are recovering due to good situation of semiconductor market.
- Positive market situation is expected for rest of this fiscal year.

## Revised Business Forecast for the year ending March 31, 2011



# Revised Business Forecast for FY2011

Rate 1\$=85yen 1€=110yen

( Unite : Billions of JPY )

(Unite : Billions of JPY)			Mar.2011									Mar.2010						
			1H				2H				Full				Result			
			10-May		10-Aug		10-May		10-Aug		10-May		10-Aug					
Net Sales			105.0		114.0		109.0		146.0		214.0		260.0		164.1			
SE			64.6		73.3		67.4		104.2		132.0		177.5		100.9			
FE			17.0		17.9		18.0		17.6		35.0		35.5		19.8			
MP		PE	3.3		22.5	3.9		3.2		23.9	3.6		6.5		46.4	7.5		42.7
		MT	19.8			18.6		20.1			20.3		39.9			38.9		
Others			0.3		0.3		0.3		0.3		0.6		0.6		0.5			
Operating Income			5.0		8.5		6.0		11.0		11.0		19.5		(14.0)			
Ordinary Income			4.5		8.0		5.5		10.5		10.0		18.5		(17.2)			
Net Income			4.0		6.7		5.0		9.8		9.0		16.5		(8.0)			

SE: Semiconductor Equipment、FE: FPD Equipment、MP: Medial and Precision Technology

# Summary

## Business Area

### < SE >

- Final application are driving market demand.
- Favorable market environment will be kept for 2011.

### < FE >

- Focus on getting order in China.
- Try to establish new business areas. (Inkjet spacer & Nozzle printing)

### < MP >

- Focus on sales promotion for POD
- Executing strong cost down activities.

## Areas we focus on

- Improve variable costs and restructuring for non profitable area
- Differentiating our products and improving profitability
- Strengthening financial base
- Setting to draw a mid and long term strategy