

February 7, 2011

CONSOLIDATED FINANCIAL REPORT FOR THE THIRD QUARTER ENDED DECEMBER 31, 2010 [Japanese GAAP]

Dainippon Screen Mfg. Co., Ltd. is listed on the First Sections of the Tokyo Stock Exchange and Osaka Securities Exchange with the securities code number 7735.

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

PERFORMANCE FOR THE THIRD QUARTER ENDED DECEMBER 31, 2010 (Apr.1, 2010-Dec.31, 2010)

(1) Business Result

(Millions of yen, except per share figures)

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Nine months ended Dec. 31, 2010	¥ 176,619	56.0 %	¥ 18,635	— %	¥ 18,466	— %
Nine months ended Dec. 31, 2009	113,186	-35.2	(16,715)	—	(19,026)	—

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Nine months ended Dec. 31, 2010	¥ 17,360	— %	¥ 73.13	¥ —
Nine months ended Dec. 31, 2009	(12,246)	—	(51.58)	—

Note:

Percentages shown for net sales, operating income, ordinary income and net income are the rate of increase or decrease from the previous corresponding period.

(2) Financial Position

(Millions of yen, except per share figures)

	Total Assets	Net Assets	Equity Ratio(%)	Net Assets per Share of Common Stock (Yen)
Dec. 31, 2010	¥ 259,695	¥ 79,107	30.3 %	¥ 331.31
Mar. 31, 2010	216,622	65,040	29.8	272.15

Note: Equity as end of period

Nine months ended Dec. 31, 2010: ¥78,646 million

Fiscal year ended Mar. 31, 2010: ¥64,606 million

CASH DIVIDENDS

Record date	Cash Dividends per Share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-end	Annual
Fiscal year ended Mar. 31, 2010	—	—	—	¥0.00	¥0.00
Fiscal year ending Mar. 31, 2011	—	—	—	—	—
Fiscal year ending Mar. 31, 2011 (Forecast)	—	—	—	5.00	5.00

Note: Revision of cash dividends in the third quarter under review: Yes

FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2011

(Millions of yen, except per share figures)

(Percentage are the rate of increase or decrease from the previous fiscal year.)

	Net Sales	Percentage Change	Operating Income	Percentage Change	
Fiscal year ending Mar. 31, 2011	¥ 255,000	55.4 %	¥ 25,000	— %	

	Ordinary Income	Percentage Change	Net Income	Percentage Change	Net Income per Share (Yen)
Fiscal year ending Mar. 31, 2011	¥ 24,500	— %	¥ 22,500	— %	¥ 94.78

Note: Revision of business forecast in the third quarter under review: Yes

OTHER

- 1 Changes in scope of consolidation and application of the equity method: No
- 2 Use of simplified accounting methods and accounting methods specific to the preparation of quarterly consolidated financial statements. : Yes
- 3 Changes of accounting rules, procedures and presentations etc. for consolidated financial statements
 - (1) Changes accompanied by revision of accounting standard etc.: Yes
 - (2) Changes other than 1. : No
- 4 Number of shares outstanding
 - (1) Number of shares outstanding as of end of period (including treasury stock)

Nine months ended Dec. 31, 2010:	253,974,333 shares	Fiscal year ended Mar. 31, 2010:	253,974,333 shares
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 - (2) Number of treasury stock as of end of period

Nine months ended Dec. 31, 2010:	16,591,441 shares	Fiscal year ended Mar. 31, 2010:	16,578,859 shares
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 - (3) Average number of shares outstanding

Nine months ended Dec. 31, 2010:	237,392,352 shares	Nine months ended Dec. 31, 2009:	237,406,890 shares
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*Notes concerning the use of business forecasts

- (1) Dainippon Screen has revised our business forecast for the fiscal year ending March 31, 2011 that was previously announced on November 8, 2010, as noted in this financial report.
- (2) The statements related to the outlook for future business results in this document are made in accordance with currently available information and rational assumptions. However, it should be noted that actual results could differ significantly due to several factors. For further information, please refer to P.4, 3. Qualitative information regarding consolidated business results forecasts.

[Qualitative Information, Financial Statements]

1. Qualitative information regarding the status of consolidated business results

During the third quarter of the fiscal year ending March 31, 2011, the nine-month period from April 1, 2010 to December 31, 2010, the overall global economy experienced a gradual upward trend, driven by a rise in the economies of such newly emerging countries as China that came on the back of expanding domestic demand. At the same time, the persistently high unemployment rate in the United States and Europe and instability in the European financial system were risks for economic conditions that were cause for concern. In the Japanese economy, business conditions continued to pick up, as seen in such factors as improvements in corporate earnings and capital investment.

With regard to business conditions surrounding the Dainippon Screen Group's principal fields of business, the semiconductor industry saw a decline in DRAM prices due to weakening demand for personal computers (PCs). However, semiconductor manufacturers pursued vigorous capital investment on the back of increasing demand for such mobile devices as smartphones and tablets. Moreover, in the FPD business field, LCD panel manufacturers began to ramp up capital investment in response to increased demand for small- and medium-sized panels.

Against this backdrop, the Dainippon Screen Group posted consolidated net sales totaling ¥176,619 million for the nine months of the fiscal year ending March 31, 2011, an increase of ¥63,432 million, or 56.0%, from the corresponding period of the previous fiscal year. The improvement was attributable to favorable performance in the semiconductor equipment business. On the earnings front, in addition to increased sales, the effect of cost-reduction measures, improved factory utilization and a decrease in loss on valuation of inventories substantially contributed to the Group's results. As a result, operating income was ¥18,635 million, a rebound from an operating loss of ¥16,715 million in the corresponding period of the previous fiscal year, while ordinary income totaled ¥18,466 million, again a significant turnaround from an ordinary loss of ¥19,026 million.

Under extraordinary income, the Dainippon Screen Group recorded a gain on sales of subsidiaries and affiliates' stocks with sales of stocks of an affiliated company accounted for by the equity-method, and under extraordinary loss, a loss on adjustment for changes of accounting standard for asset retirement obligations.

As a result of the above, net income for the nine-month period under review was ¥17,360 million, a turnaround from net loss of ¥12,246 million in the corresponding period of the previous fiscal year.

Business results by business segment are provided as follows.

The Semiconductor Equipment (SE) segment

In the Semiconductor Equipment segment, sales of semiconductor production equipment grew substantially compared with the corresponding period of the previous fiscal year on the back of semiconductor manufacturers' vigorous capital investment in response to increasing demand for smartphones and tablets. By product, sales of wafer cleaning equipment rose substantially, while coater developers also saw sales increase. As a result net sales in this segment amounted to ¥118,796 million, 70.8% increase year on year, and operating income totaled ¥19,990 million.

The FPD Equipment (FE) segment

In the FPD Equipment segment, sales of FPD production equipment were up compared with a year earlier, when sluggish capital investment conditions prevailed. As a result, net sales in this segment totaled ¥23,627 million, a year-on-year increase of 78.1%. Operating income was ¥68 million.

The Media and Precision Technology (MP) segment

In the Media and Precision Technology segment, there was an increase in graphic arts equipment overseas sales, especially to newly emerging countries. Sales of printed circuit board (PCB)-related equipment grew year on year, reflecting a resumption of capital investment by PCB-related manufacturers. As a result, this segment posted net sales of ¥33,718 million, or a year-on-year increase of 12.8%, while reporting an operating loss of ¥1,599 million.

2. Qualitative information regarding changes in consolidated financial position

Total assets as of December 31, 2010 stood at ¥259,695 million, an increase of ¥43,073 million, or 19.9% from the previous fiscal year end. This was primarily attributable to increases in inventories, trade notes and accounts receivable, and cash and time deposits under current assets.

Total liabilities increased ¥29,006 million, or 19.1%, from March 31, 2010 to ¥180,588 million. This was mainly attributable to an increase in notes and accounts payable under current liabilities. Interest-bearing debt decreased ¥5,593 million, or 7.2%, compared with the previous fiscal year-end, to ¥71,624 million. Net interest-bearing debt, the balance of interest-bearing debt less cash and time deposits, declined ¥27,929 million, or 60.8%, compared with March 31, 2010, to ¥18,033 million.

Equity, the balance of net assets less minority interests, stood at ¥78,646 million, an increase of ¥14,039 million, or 21.7%, compared with March 31, 2010. This was the result of an increase in retained earnings owing to the posting of net income for the period under review that offset declines in valuation difference on available-for-sale securities and foreign currency translation adjustments. Taking these factors into account, the equity ratio at December 31, 2010 rose 0.5 of a percentage points from 29.8% as of March 31, 2010, to 30.3%.

Status of Cash Flows

Net cash provided by operating activities amounted to ¥27,827 million, compared with ¥17,567 million provided by operating activities in the corresponding period of the previous fiscal year. Cash inflows—including income before income taxes, depreciation and amortization and an increase in accounts payable—served to offset such cash outflows as increases in trade notes and accounts receivable and inventories.

Net cash provided by investing activities totaled ¥2,128 million, compared with ¥6,705 million provided by investing activities in the corresponding period of the previous fiscal year. This was attributable to the acquisition of property, plant and equipment as well as proceeds from sales of stocks of subsidiaries and affiliates.

Net cash used in financing activities totaled ¥6,152 million, a turnaround from the ¥6,977 million provided by financing activities of a year earlier. Contributing factors included the repayment of long-term debt and finance lease obligations.

As a result of the above, cash and cash equivalents as of December 31, 2010 totaled ¥51,760 million, up ¥21,855 million from March 31, 2010.

3. Qualitative information regarding consolidated business results forecasts

With regard to the consolidated full-year forecast for the fiscal year ending March 31, 2011, it is expected that—mainly in the Semiconductor Equipment segment—operating income will be better than that previously forecast due to cost reductions and increasing utilization of factory capacity. As a result, Dainippon Screen has revised upward its consolidated business forecast for the current fiscal year from that announced on November 8, 2010. These revisions are set out below.

Revision of forecast for the consolidated business result for the fiscal year ending March 31, 2011

(Billions of yen)

	Fiscal year ending Mar. 31, 2011
Net sales	255.0
SE	174.3
FE	33.3
MP	46.7
Other	0.7
Operating income	25.0
Ordinary income	24.5
Net income	22.5

*Intersegment transactions have been eliminated.

With regard to the fiscal year-end cash dividend for the fiscal year ending March 31, 2011, Dainippon Screen had previously left this undecided. However, in keeping with its basic policy on profit distribution and as a result of a comprehensive review based on such factors as its business performance, it has been decided to pay a dividend of ¥5 per share. For more details, please refer to today's announcement "Notice: Dividends Forecast Revision."

*The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥80 and EUR1.00 = ¥110 for the fourth quarter of the fiscal year under review. Business forecasts are also made in accordance with currently available information and rational assumptions. However, it should be noted that actual results could differ significantly due to a variety of factors.

[Other]

1. Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation):
None
2. Application of simplified accounting methods and accounting methods specific to the preparation of quarterly consolidated financial statements.
 - a. Simplified accounting methods:
 - 1) Calculation method for estimating future credit losses on normal receivables
Recognizing that no significant changes have arisen with regard to the estimated bad debt loss ratios as of December 31, 2010 and March 31, 2010, the actual bad debt loss ratio as of March 31, 2010 has been used as the basis for calculation of estimated future credit losses of normal receivables.
 - 2) Valuation of inventories
Inventories at the end of December 31, 2010 are calculated using a reasonable method based on actual inventories at the end of September 30, 2010 instead of based on an actual physical inventory.
 - 3) Calculation of fixed asset depreciation
For the assets depreciated using the declining balance method, depreciation expenses applicable to the fiscal year are allocated to this period on a pro-rata basis.
 - b. Accounting methods specific to the preparation of quarterly consolidated financial statements:
Calculation of income taxes
Income tax amount is calculated principally by multiplying reasonably estimated annual effective tax rate through the third quarter ended December 31, 2010, with the effects of deferred taxes reflected, by the amount of year-to-date income before income taxes. When calculation using reasonably estimated annual effective tax rate causes irrational results, income tax amount is calculated based on the legal tax rate. The provision for income taxes is presented inclusive of the provision for income taxes—deferred.
3. Changes in principles, procedures, and presentation etc. of accounting method related to the preparation of quarterly consolidated financial statements:

Application of Accounting Standard for Asset Retirement Obligations

From the first quarter under review, Dainippon Screen has adopted the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18, issued on March 31, 2008) and the Implementation Guidance on the Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, issued on March 31, 2008).

As a result of this change, operating income and ordinary income decreased by ¥6 million, respectively, and income before income taxes decreased by ¥304 million.

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Dec. 31, 2010	Mar. 31, 2010
ASSETS		
Current assets:		
Cash and time deposits	¥ 53,590	¥ 31,253
Notes and accounts receivable-trade	66,489	52,029
Merchandise and finished goods	28,752	22,484
Work in process	29,433	21,413
Raw materials and supplies	5,035	5,566
Deferred tax assets	3,941	4,026
Other	4,185	4,637
Allowance for doubtful accounts	(1,048)	(1,428)
Total current assets	190,379	139,984
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	54,020	54,634
Machinery, equipment and vehicles	29,752	31,583
Other	28,454	28,594
Accumulated depreciation	(69,424)	(69,398)
Total property, plant and equipment	42,802	45,413
Intangible assets:		
Other	1,345	1,356
Total intangible assets	1,345	1,356
Investments and other assets:		
Investment securities	19,298	23,747
Other	6,010	6,254
Allowance for doubtful accounts	(139)	(133)
Total investments and other assets	25,168	29,868
Total noncurrent assets	69,315	76,637
Total assets	259,695	216,622

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Dec. 31, 2010	Mar. 31, 2010
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	¥ 85,429	¥ 52,389
Current portion of bonds	10,000	10,000
Current portion of long-term loans payable	12,178	9,772
Lease obligations	2,140	2,861
Income taxes payable	1,481	1,036
Notes payable-facilities	74	32
Provision for directors' bonuses	25	22
Provision for product warranties	4,711	3,816
Provision for loss on order received	354	516
Other	15,108	13,426
Total current liabilities	131,505	93,874
Noncurrent liabilities:		
Bonds payable	9,500	9,500
Long-term loans payable	32,593	38,694
Lease obligations	5,211	6,388
Provision for retirement benefits	349	487
Provision for directors' retirement benefits	137	117
Provision for loss on guarantees	0	37
Asset retirement obligations	80	—
Other	1,208	2,482
Total noncurrent liabilities	49,082	57,707
Total liabilities	180,588	151,581
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	30,154	30,154
Retained earnings	18,091	731
Treasury stock	(12,231)	(12,224)
Total shareholders' equity	90,060	72,706
Valuation and translation adjustments:		
Valuation difference on available for sale securities	1,861	3,399
Deferred gains or losses on hedges	(59)	(67)
Foreign currency translation adjustments	(13,216)	(11,431)
Total valuation gain/loss, translation gain/loss, etc.	(11,414)	(8,100)
Minority interests	461	434
Total net assets	79,107	65,040
Total liabilities and net assets	259,695	216,622

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2009 – Dec. 31, 2009	Apr.1, 2010 – Dec. 31, 2010
Net sales	¥ 113,186	¥ 176,619
Cost of sales	99,907	125,676
Gross profit	13,279	50,942
Selling, general and administrative expenses	29,994	32,307
Operating income (loss)	(16,715)	18,635
Non-operating income		
Interest income	74	54
Dividends income	287	265
Equity in earnings of affiliates	—	436
Fiduciary obligation fee	102	—
Subsidy income	353	—
Other	601	1,095
Total non-operating income	1,419	1,850
Non-operating expenses		
Interest expenses	1,752	1,375
Loss on sales of accounts receivable	56	—
Foreign exchange losses	211	158
Equity in losses of affiliates	638	—
Other	1,071	486
Total non-operating expenses	3,730	2,020
Ordinary income (loss)	(19,026)	18,466
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	—	525
Reversal of allowance for doubtful accounts	—	194
Gain on step acquisitions	2,612	—
Gain on negative goodwill	2,471	—
Gain on sales of investment securities	2,229	—
Other	343	2
Total extraordinary income	7,656	722
Extraordinary loss		
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	297
Loss on valuation of investment securities	97	181
Business structure improvement expenses	479	—
Total extraordinary loss	576	479
Income (Loss) before income taxes	(11,947)	18,708
Income taxes	816	1,314
Income (Loss) before minority interests	(12,763)	17,394
Minority interests in income (loss)	(516)	33
Net income (loss)	(12,246)	17,360

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

Apr.1, 2009- Dec. 31, 2009 Apr.1, 2010 – Dec. 31, 2010**Cash flow from operating activities:**

Income (loss) before income taxes	¥ (11,947)	¥ 18,708
Depreciation and amortization	5,237	4,341
Equity in (earnings) losses of affiliates	638	(436)
Gain on negative goodwill	(2,471)	—
Loss (gain) on step acquisitions	(2,612)	—
Loss (gain) on valuation of investment securities	97	181
Loss (gain) on sales of investment securities	(2,229)	—
Loss (gain) on sales of subsidiaries and affiliates' stocks	—	(525)
Increase (decrease) in provision for retirement benefits	(95)	(137)
Increase (decrease) in provision for directors' bonuses	(18)	3
Increase (decrease) in provision for product warranties	(364)	933
Increase (decrease) in provision for loss on order received	416	(161)
Business structure improvement expenses	479	—
Interest and dividends income	(361)	(319)
Interest expenses	1,752	1,375
Decrease (increase) in notes and accounts receivable-trade	17,857	(14,849)
Decrease (increase) in inventories	21,423	(14,844)
Decrease (increase) in other current assets	(523)	(356)
Increase (decrease) in notes and accounts payable-trade	2,272	33,339
Increase (decrease) in accrued expenses	(115)	172
Increase (decrease) in other current liabilities	(2,050)	2,698
Other, net	(909)	(156)
Subtotal	26,475	29,965
Interest and dividends income received	369	322
Interest expenses paid	(1,373)	(1,119)
Contribution in connection with the shift to a defined-contribution pension plan	(1,086)	(872)
Payment for business structure improvement expenses	(5,929)	—
Income taxes paid	(888)	(468)
Net cash provided by operating activities	17,567	27,827

Cash flow from investing activities:

Decrease (increase) in time deposits	(270)	(566)
Purchase of property, plant and equipment	(787)	(1,436)
Proceeds from sales of property, plant and equipment	1,868	570
Purchase of investment securities	(9)	(9)
Proceeds from sales of investment securities	3,418	—
Proceeds from sales of stocks of subsidiaries and affiliates	—	3,739
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	2,615	—
Payments from sales of investments in subsidiaries resulting in change in scope of consolidation	(5)	—
Other, net	(123)	(168)
Net cash provided by investing activities	6,705	2,128

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr.1, 2009- Dec. 31, 2009	Apr.1, 2010 – Dec. 31, 2010
Cash flow from financing activities:		
Net increase (decrease) in short-term loans payable	¥ (27,850)	—
Proceeds from long-term loans payable	55,000	—
Repayment of long-term loans payable	(5,024)	(3,694)
Proceeds from sales and lease backs	1,626	—
Repayments of finance lease obligations	(1,768)	(2,447)
Redemption of bonds with subscription rights to shares	(14,999)	—
Net decrease (increase) in treasury stock	(3)	(6)
Cash dividends paid to minority shareholders	(3)	(4)
Net cash provided by (used in) financing activities	6,977	(6,152)
Effect of exchange rate change on cash and cash equivalents	(102)	(1,947)
Net increase (decrease) in cash and cash equivalents	31,148	21,855
Cash and cash equivalents at beginning of period	25,111	29,904
Cash and cash equivalents at end of period	56,260	51,760

SEGMENT INFORMATION**[Performance by Business Segment]**

Third quarter ended December 31, 2009

(Millions of yen)

	Electronic Equipment and Components	Graphic Arts Equipment	Other	Total	Eliminations	Consolidated
Sales						
(1) Sales to outside customers	¥ 85,469	¥ 27,261	¥ 456	¥ 113,186	¥ —	¥ 113,186
(2) Intersegment sales and transfers	—	—	4,224	4,224	(4,224)	—
Total	85,469	27,261	4,681	117,411	(4,224)	113,186
Operating income (loss)	(14,285)	(2,248)	(182)	(16,715)	—	(16,715)

Notes

1. Segment classifications are by product lineup.

2. Principal products of each segment category are as follows:

Electronic Equipment and Components: Semiconductor production equipment, FPD production equipment, PCB production equipment, and maintenance and repair services

Graphic Arts Equipment: CTP (Computer to plate), digital printing equipment, other printing and prepress related equipment, fonts, and maintenance and repair services

Other: Printing, logistics services and other businesses

3. Intersegment sales and transfers are primarily comprised of service sales by our logistics service subsidiary to Dainippon Screen Co., Ltd. and its Group companies.

[Performance by Location]

Third quarter ended December. 31, 2009

(Millions of yen)

	Japan	North America	Asia & Oceania	Europe	Total	Eliminations	Consolidated
Sales							
(1) Sales to outside customers	¥ 91,128	¥ 7,321	¥ 7,520	¥ 7,215	¥ 113,186	¥ —	¥ 113,186
(2) Intersegment sales and transfers	9,791	1,085	2,726	1,219	14,822	(14,822)	—
Total	100,920	8,406	10,246	8,435	128,009	(14,822)	113,186
Operating income (loss)	(18,302)	41	679	(278)	(17,859)	1,144	(16,715)

Notes

1. Countries and regions are classified according to geographical proximity.

2. The countries and regions included in each segment are as follows:

(1) North America: U.S.A.

(2) Asia & Oceania: Singapore, China, Taiwan, South Korea, Australia

(3) Europe: U.K., Germany, the Netherlands, France, Italy, Ireland, Israel

[Overseas Sales]

Third quarter ended December. 31, 2009

(Millions of yen)

	North America	Asia & Oceania	Europe	Other	Total
Overseas sales	¥ 12,449	¥ 59,572	¥ 8,169	¥ 1,509	¥ 81,700
Consolidated net sales					113,186
Overseas sales as a percentage of consolidated net sales	11.0 %	52.6 %	7.2 %	1.4 %	72.2 %

Notes

1. Overseas sales are sales to customers outside Japan by the Company and its consolidated subsidiaries.

2. Countries and regions are classified according to geographical proximity.

3. The countries and regions included in each segment are as follows:

(1) North America: U.S.A., Canada

(2) Asia & Oceania: Singapore, Malaysia, China, Taiwan, South Korea, Australia, India

(3) Europe: U.K., Germany, the Netherlands, France, Belgium, Italy, Ireland, Northern Europe, Russia, Eastern Europe

(4) Other: Africa, the Middle East, Latin America

SEGMENT INFORMATION

[Segment Information]

1. Segment Overview

(1) Calculation Method for Reportable Segments

Dainippon Screen's reportable segments are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic investigations to determine distribution of management resources and evaluate their business results.

Dainippon Screen adopts an internal company system where each internal company develops business activities and establishes its own comprehensive strategy, for both Japan and overseas markets, in accordance with the products it handles. Consequently, the Dainippon Screen Group has created three business segments for reporting—"Semiconductor Equipment," "FPD Equipment" and "Media and Precision Technology"—categorized by products based on respective internal companies.

(2) Products and Services of Reportable Segments

The Semiconductor Equipment (SE) segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. The FPD Equipment (FE) segment develops, manufactures, and markets FPD production equipment, and it also conducts maintenance services. In Media and Precision Technology (MP), graphic arts equipment and PCB related equipment are developed, manufactured, sold and maintained.

2. Net sales and profit/loss in reportable segment

Third quarter ended December 31, 2010

(Millions of yen)

	Reportable segment				Others	Total Segment	Eliminations	Consolidated
	SE	FE	MP	Total				
Sales								
(1) Sales to outside customers	¥ 118,796	¥ 23,627	¥ 33,718	¥ 176,142	¥ 476	¥ 176,619	—	¥ 176,619
(2) Intersegment sales and transfers	—	—	—	—	5,534	5,534	(5,534)	—
Total	118,796	23,627	33,718	176,142	6,010	182,153	(5,534)	176,619
Segment income (loss)	19,990	68	(1,599)	18,459	346	18,806	(170)	18,635

Notes

- The "Other" category incorporates operations not included in reportable segments, including software development, planning and production of printed matter, logistics operations and other businesses.
- Segment operating income (loss) adjustment of ¥170 million is the corporate expense not apportioned in each reportable segment. Corporate expense mainly comprises the headquarters' general and administrative expenses not usually attributed to segments.
- Segment income (loss) is adjusted with operating income under consolidated statements of income.

3. Impairment losses on fixed assets and goodwill, etc. in reportable segments

Significant impairment losses related to fixed assets: None

Significant changes in goodwill amount: None

Significant income related to negative goodwill: None

*Additional Information

Segment income is adjusted against quarterly net income before taxes in the quarterly consolidated income statement.

From the first quarter of the current consolidated fiscal year, the business segment information is provided in conformity with the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information"

(Corporate Accounting Standards, ASBJ Statement No.17, dated March 27, 2009), and Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Corporate Accounting Standards, ASBJ Guidance No.20, dated March 21, 2008).

Notes to remarkable changes in Shareholders' Equity: None

Appendix

Consolidated Financial Highlights for the Third Quarter Ended Dec. 31, 2010

(Figures less than one million yen have been omitted and other figures have been rounded.)

	FY2010 9 months ended Dec. 31, 2009	FY2011 9 months ended Dec. 31, 2010	Difference		FY2010 12 months ended Mar.31,2010	FY2011 12 months ending Mar. 31, 2011
	Result	Result	Amount	Percentage	Result	Forecast
Net sales	¥ 113,186	¥ 176,619	¥ 63,432	56.0%	¥ 164,128	¥ 255,000
Operating income	(16,715)	18,635	35,351	—	(14,046)	25,000
[to net sales ratio]	-14.8 %	10.6 %	25.4 pt	—	-8.6 %	9.8 %
Ordinary income	(19,026)	18,466	37,492	—	(17,258)	24,500
[to net sales ratio]	-16.8 %	10.5 %	27.3 pt	—	-10.5 %	9.6 %
Net income	(12,246)	17,360	29,607	—	(8,002)	22,500
[to net sales ratio]	-10.8 %	9.8 %	20.6 pt	—	-4.9 %	8.8 %
Total assets	237,700	259,695	* 43,073	19.9%	216,622	—
Net assets	59,964	79,107	* 14,066	21.6%	65,040	—
Equity	59,523	78,646	* 14,039	21.7%	64,606	—
Equity ratio	25.0 %	30.3 %	* 0.5 pt	—	29.8 %	—
Net assets per share	¥ 250.73	¥ 331.31	* ¥ 59.16	21.7%	¥ 272.15	—
Interest-bearing debt	111,179	71,624	* (5,593)	-7.2%	77,217	—
Cash flows from operating activities	17,567	27,827	—	—	25,113	—
Cash flows from investing activities	6,705	2,128	—	—	6,885	—
Cash flows from financing activities	6,977	(6,152)	—	—	(27,123)	—
Depreciation and amortization	5,237	4,341	(896)	-17.1%	7,011	5,900
Capital expenditures	956	2,413	1,457	152.4%	1,910	3,900
R&D expenses	8,477	8,791	313	3.7%	11,615	12,100
Number of employees	4,693	4,730	* 51	1.1%	4,679	—
Number of consolidated subsidiaries	45	45	* —	—	45	—
[Domestic]	[19]	[19]	* —	—	[19]	—
[Overseas]	[26]	[26]	* —	—	[26]	—
Number of Affiliates	2	1	* -1	—	2	—
[Number of affiliates accounted for by equity method]	[2]	[1]	* [-1]	—	[2]	—

* shows changes in amount from Mar. 31, 2010

Sales Breakdown (Consolidated)

(Millions of yen)

		FY2010				FY2011					
		6 months ended	3 months ended	9 months ended	12 months ended	3 months ended	3 months ended	6 months ended	3 months ended	9 months ended	12 months ended
		Sept. 30, 2009	Dec. 31, 2009	Dec. 31, 2009	Mar.31, 2010	Jun. 30, 2010	Sept. 30, 2010	Sept. 30, 2010	Dec. 31, 2010	Dec. 31, 2010	Mar.31, 2011
		Result	Result	Result	Result	Result	Result	Result	Result	Result	Forecast
Semiconductor Equipment	Domestic	5,012	2,441	7,454	11,029	4,857	5,563	10,420	5,351	15,772	—
	Overseas	32,794	29,317	62,112	89,902	27,922	30,945	58,867	44,156	103,024	—
	Total	37,807	31,759	69,566	100,931	32,779	36,509	69,288	49,508	118,796	174,300
FPD Equipment	Domestic	7,251	543	7,795	8,453	316	4,031	4,347	864	5,212	—
	Overseas	2,190	3,277	5,467	11,444	7,893	5,215	13,109	5,305	18,414	—
	Total	9,442	3,820	13,263	19,898	8,210	9,246	17,456	6,170	23,627	33,300
Media and Precision Technology	Domestic	10,895	4,990	15,886	22,743	4,548	6,555	11,104	3,761	14,865	—
	Overseas	8,906	5,107	14,014	19,960	5,759	6,476	12,236	6,617	18,853	—
	Total	19,802	10,098	29,900	42,703	10,307	13,032	23,340	10,378	33,718	46,700
Graphic Arts Equipment	Domestic	9,738	4,624	14,362	20,206	4,007	5,044	9,051	3,495	12,547	—
	Overseas	8,171	4,727	12,898	18,241	4,950	5,603	10,553	5,754	16,308	—
	Total	17,909	9,351	27,261	38,447	8,958	10,647	19,605	9,250	28,855	40,000
PCB Equipment	Domestic	1,157	366	1,523	2,536	540	1,511	2,052	265	2,317	—
	Overseas	735	380	1,115	1,718	809	873	1,682	862	2,545	—
	Total	1,892	746	2,639	4,255	1,349	2,385	3,734	1,128	4,862	6,700
Other	Domestic	241	108	350	487	122	193	315	151	466	—
	Overseas	105	0	106	107	3	1	4	5	10	—
	Total	347	109	456	595	125	194	319	157	476	700
Grand Total	Domestic	23,401	8,084	31,486	42,713	9,844	16,343	26,187	10,128	36,316	—
	Overseas	43,997	37,703	81,700	121,415	41,578	42,639	84,217	56,084	140,302	—
	Total	67,398	45,787	113,186	164,128	51,422	58,982	110,405	66,213	176,619	255,000
	Overseas Ratio	65.3%	82.3%	72.2%	74.0%	80.9%	72.3%	76.3%	84.7%	79.4%	—

Orders received & Order backlog (Consolidated)

(Millions of yen)

		FY2010				FY2011					
		3 months ended Dec.31, 2009		3 months ended Mar. 31, 2010		3 months ended Jun. 30, 2010		3 months ended Sept. 30, 2010		3 months ended Dec. 31, 2010	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Equipment	Domestic	1,988	6,076	6,994	8,766	4,638	8,547	4,958	7,941	10,815	13,404
	Overseas	32,022	39,320	25,049	35,353	47,927	55,358	44,051	68,463	34,571	58,878
	Total	34,011	45,396	32,043	44,119	52,565	63,905	49,008	76,404	45,386	72,282
FPD Equipment	Domestic	138	4,304	285	3,931	383	3,997	1,658	1,624	1,738	2,497
	Overseas	6,711	22,177	10,364	26,564	4,787	23,457	7,022	25,263	4,698	24,655
	Total	6,849	26,481	10,649	30,495	5,169	27,454	8,680	26,887	6,435	27,152
Media and Precision Technology	Domestic	5,490	2,370	6,767	2,279	4,788	2,519	5,588	1,551	4,346	2,136
	Overseas	6,818	3,784	5,609	3,445	6,401	4,086	5,178	2,788	6,427	2,597
	Total	12,307	6,154	12,375	5,724	11,189	6,605	10,766	4,339	10,773	4,734
Graphic Arts Equipment	Domestic	4,741	1,880	5,240	1,275	4,168	1,436	4,674	1,066	4,158	1,729
	Overseas	6,015	3,252	4,777	2,685	5,570	3,304	4,635	2,336	5,725	2,307
	Total	10,756	5,132	10,016	3,960	9,738	4,740	9,309	3,402	9,884	4,036
PCB Equipment	Domestic	749	490	1,527	1,004	620	1,083	914	486	188	408
	Overseas	803	532	832	760	831	782	543	451	702	290
	Total	1,552	1,022	2,359	1,764	1,451	1,865	1,457	937	889	698
Other	Domestic	—	—	—	—	—	—	—	—	—	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	—	—	—	—	—	—	—	—	—	—
Grand Total	Domestic	7,617	12,750	14,045	14,976	9,809	15,063	12,204	11,117	16,898	18,037
	Overseas	45,552	65,281	41,022	65,362	59,114	82,901	56,251	96,514	45,696	86,130
	Total	53,169	78,031	55,068	80,338	68,923	97,964	68,455	107,630	62,594	104,168
	Overseas Ratio	85.7%	83.7%	74.5%	81.4%	85.8%	84.6%	82.2%	89.7%	73.0%	82.7%