

DAINIPPON SCREEN MFG. CO., LTD.

Business Results & Forecast The 3rd quarter ended December 31, 2010

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February 7th, 2011

Agenda

- 3Q Business Result & Analysis
- Business Environment & Order Situation
- Revised 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 Results
3rd Quarter ended December 31, 2010

FY2011 3Q Business Results

(Unit : Billions of JPY)			Mar. 2010		Mar.2011							
			Results		Results						vs. 3Q previous fiscal year	
			3Q	4Q	1Q		2Q		3Q		Difference	
Net Sales			45.7	50.9	51.4		58.9		66.2		20.4	
MP	SE		31.7	31.3	32.7		36.5		49.5		17.7	
	FE		3.8	6.6	8.2		9.2		6.1		2.3	
	MP	Other Electronics (PE)	0.7	1.6	10.3	1.3	13.0	2.3	10.3	1.1	0.2	0.3
		GA (MT)	9.3	11.1		8.9		10.6		9.2		0.1
	Others		0.1	0.1	0.1		0.1		0.1		0.0	
Operating Income			0.9	2.6	4.6		6.3		7.5		8.5	
MP	SE		0.4	2.8	4.9		6.1		8.8		-	
	FE				0.6		0.0		0.5		-	
	MP	Other Electronics (PE)			0.9	0.1	0.8	-				
		GA (MT)	0.5	0.2				-				
	Others		0.0	0.0	0.0		0.1		0.1		-	
Ordinary Income			1.3	1.7	4.6		6.3		7.4		8.8	
Net Income			0.5	4.2	3.8		5.7		7.7		7.1	

FY2011 3Q Business Results

Net Sales

3Q: ¥ 66.2bn / Previous Quarter : ¥ 58.9bn Differential ¥ 7.2bn

(Unit : Billions of JPY)

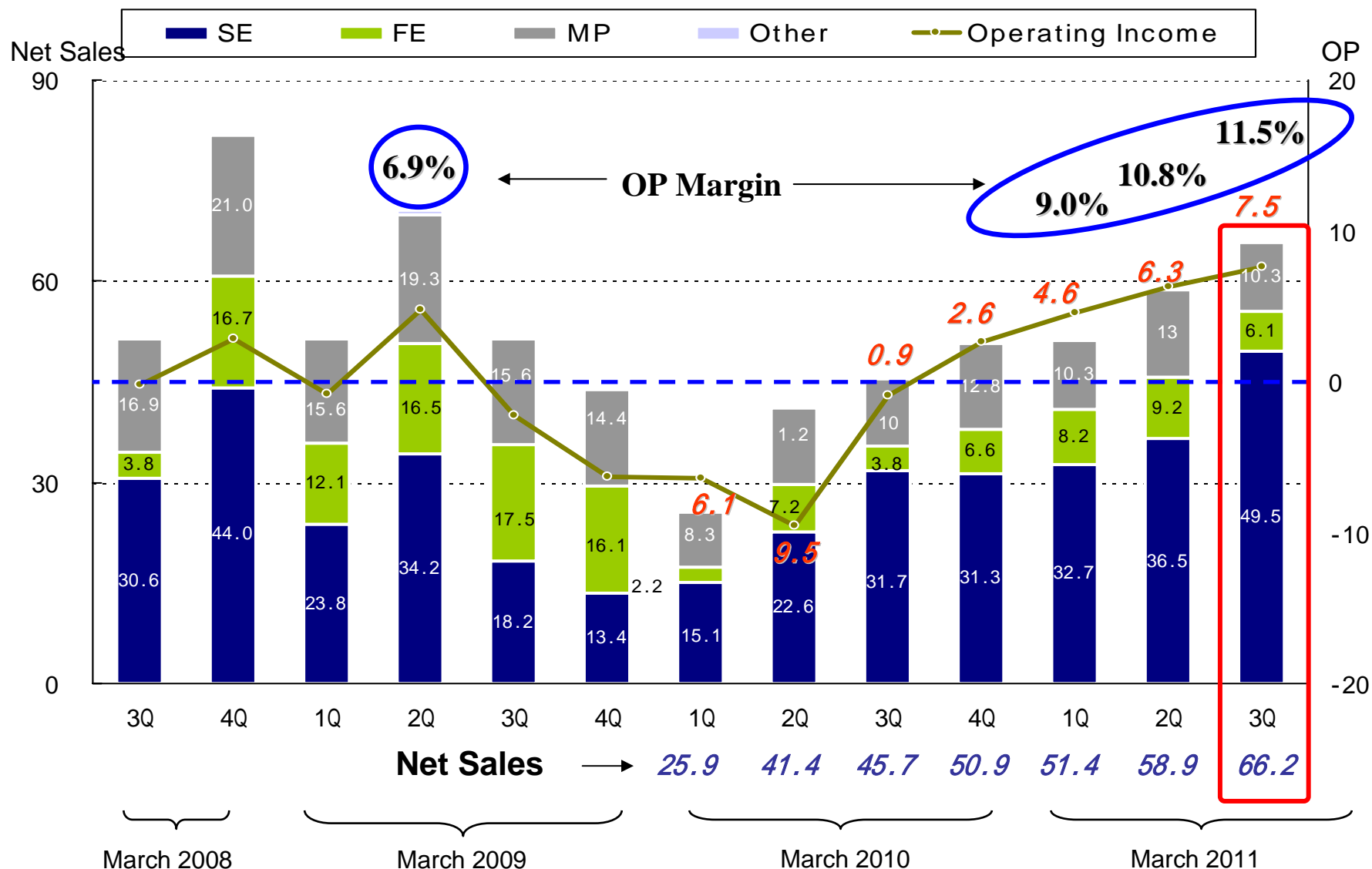
Segment	2Q	3Q	Difference	Point
SE	36.5	49.5	12.9	<ul style="list-style-type: none"> • Shipment of batch type cleaning equipment increased more than expected • SOKUDO products were also bullish tone
FE	9.2	6.1	3.0	<ul style="list-style-type: none"> • Sales decreased but sales ratio of the products for mid to small size panel increased
MP	13.0	10.3	2.6	<ul style="list-style-type: none"> • PE : 3Q sales were weak compared with 2Q sales. • MT : CTP unit sales were bullish tone. POD sales were still slow. (although expect to increase in 4Q)
PE	2.3	1.1	1.2	
MT	10.6	9.2	1.3	

Operating Income

3Q: ¥ 7.5bn / Previous Quarter ¥ 6.3bn Differential ¥ 1.1bn

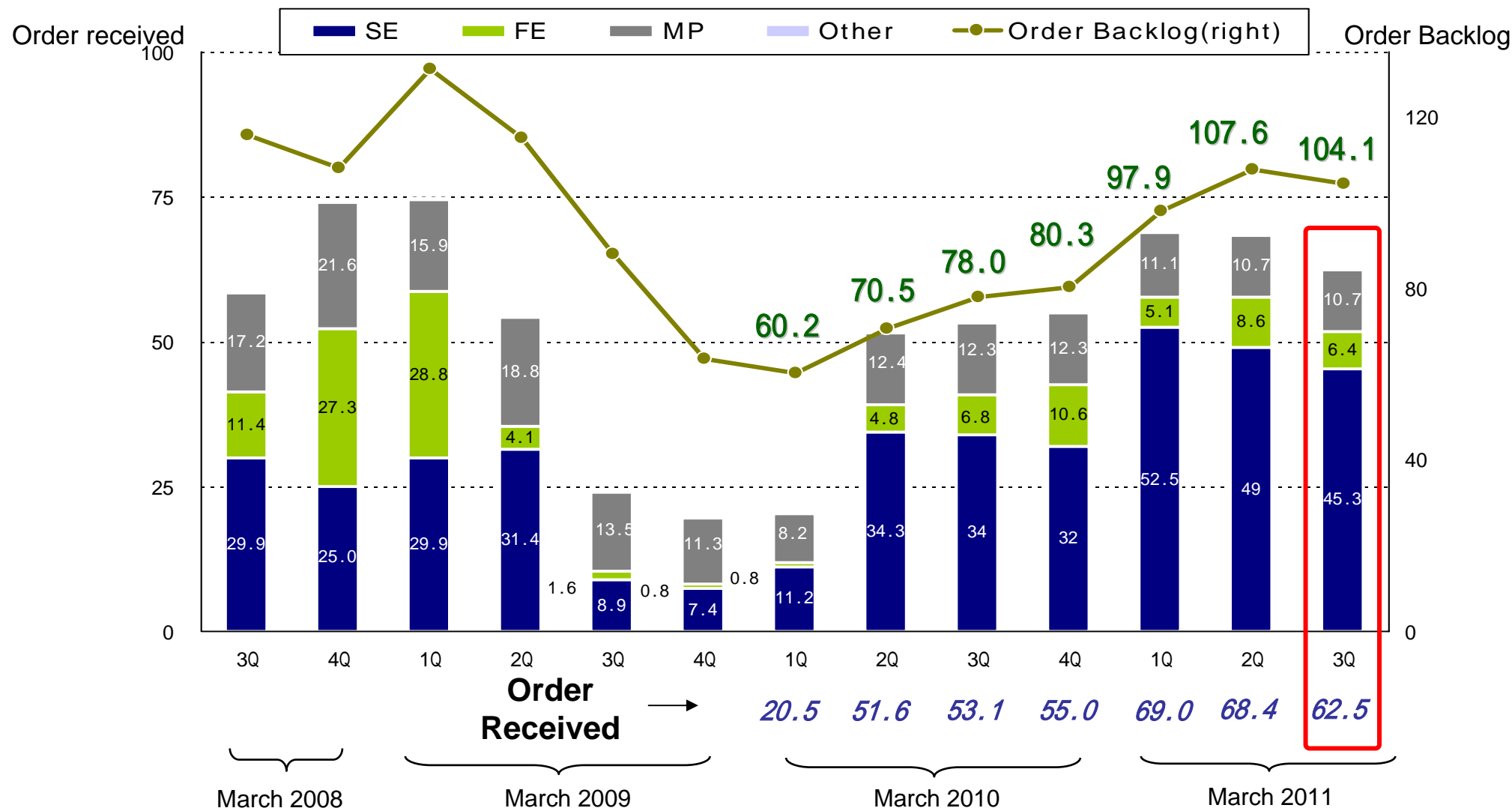
Segment	2Q	3Q	Difference	Point
SE	6.1	8.8	2.7	<ul style="list-style-type: none"> • Fixed cost up was recovered by controlling selling prices fall and improving plant capacity utilization.
FE	0.0	0.5	0.6	<ul style="list-style-type: none"> • Variable cost ratio is even better than planned but sales volume was weak.
MP	0.1	0.8	0.9	<ul style="list-style-type: none"> • PE : Variable cost ratio was slightly worse, but it was covered by fixed costs down • MT : OP was decreased due to sales fall by seasonal factor.
PE	-	-	-	
MT	-	-	-	

Quarterly Net Sales and Operating Income (Consolidated)



(Unit : Billions of JPY)

Quarterly Orders Received and Order Backlog (Consolidated)

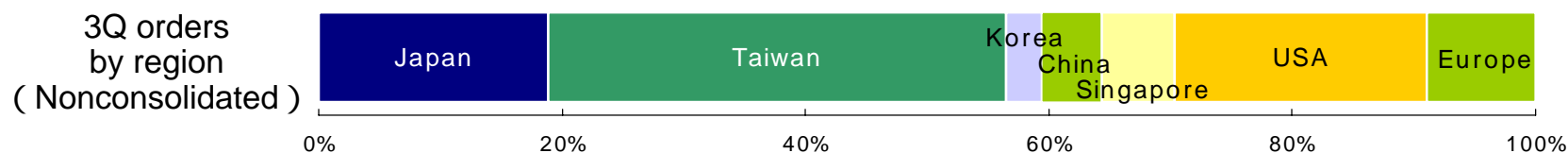
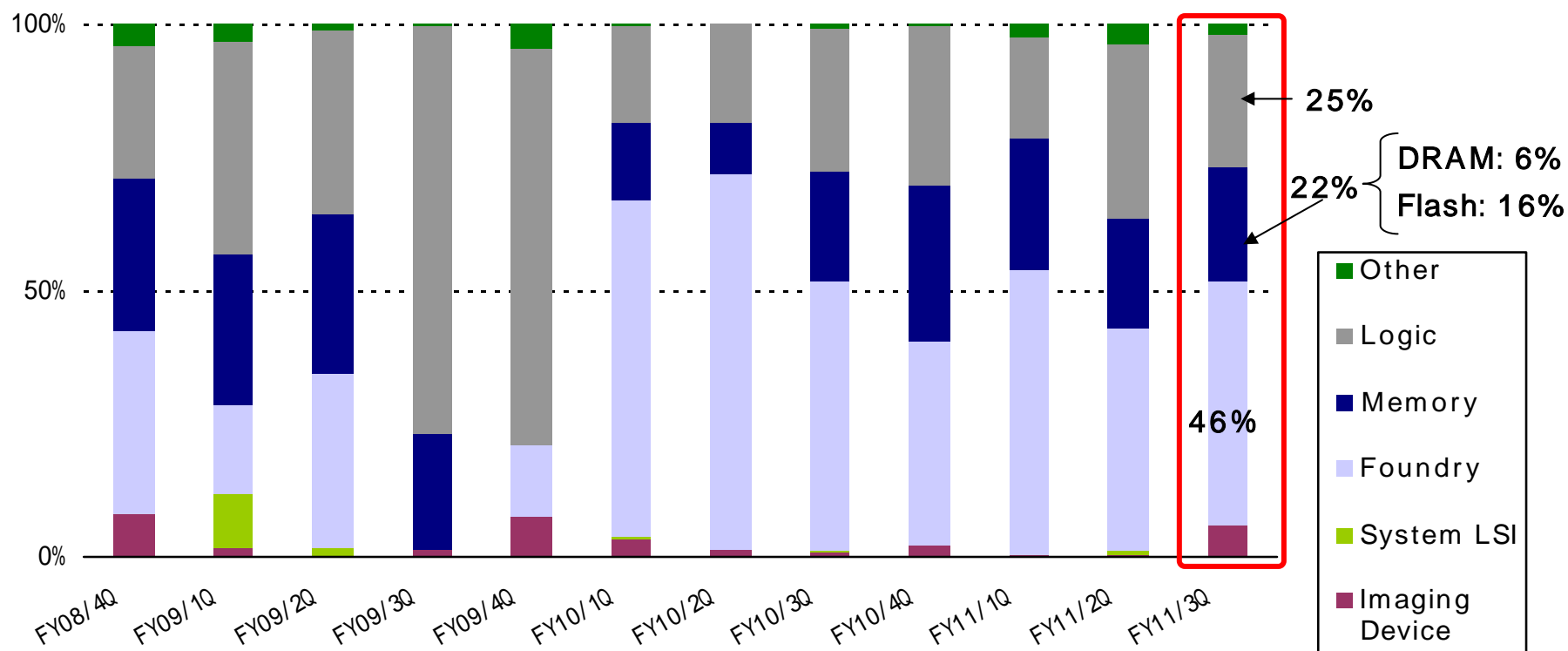


(Unit: Billions of JPY)

Semiconductor Production Equipment

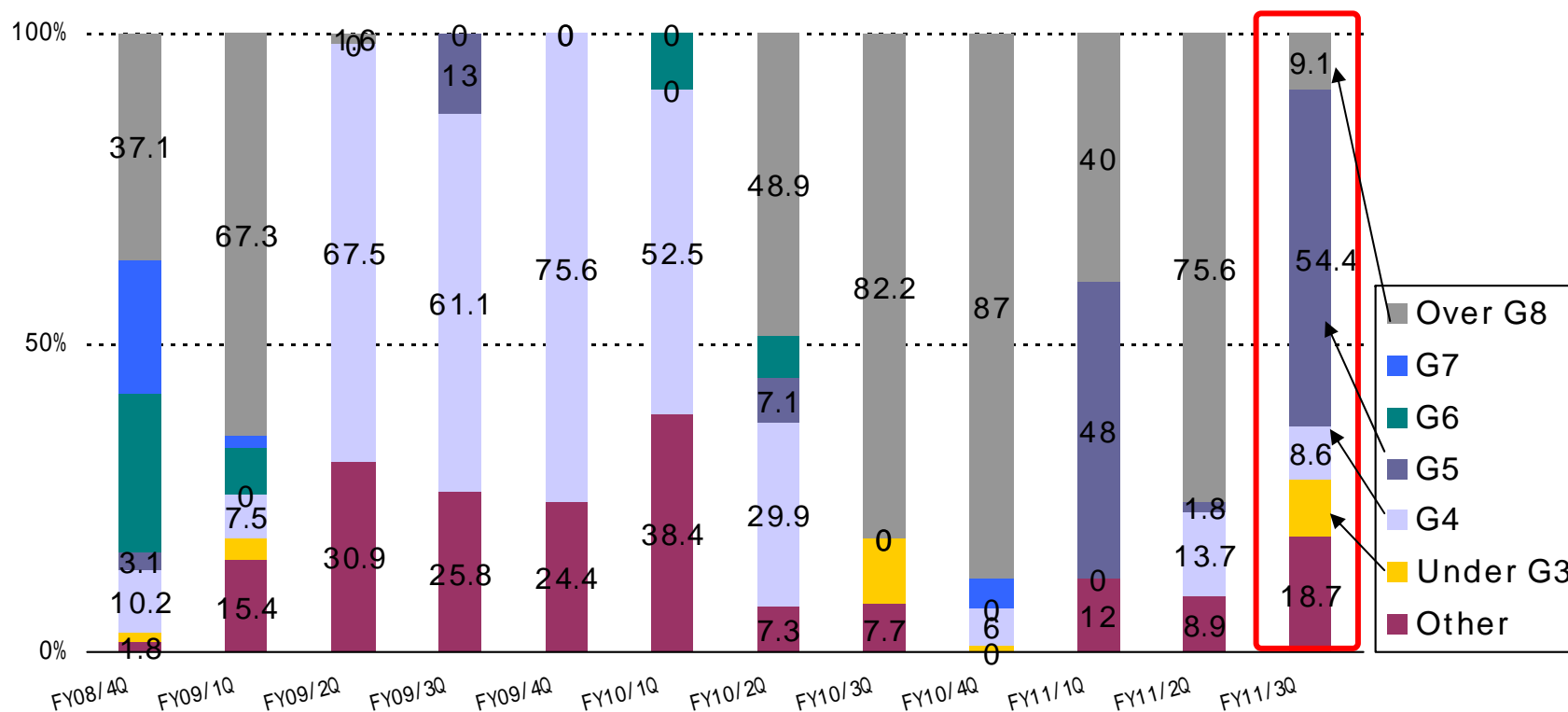
Quarterly Order Received Ratio by Device Application (Nonconsolidated)

- 3Q order received: JPY 45.3bn (consolidated)
- 4Q to increase again to beyond JPY50.0bn



FPD Production Equipment Quarterly Orders Received by Generation (Nonconsolidated)

- 3Q order received: JPY 6.4bn (consolidated)
- Ratio of order received for LTPS, OLED: more than 50%



3Q orders
by region
(Nonconsolidated)



Trend in B/S (Consolidated)

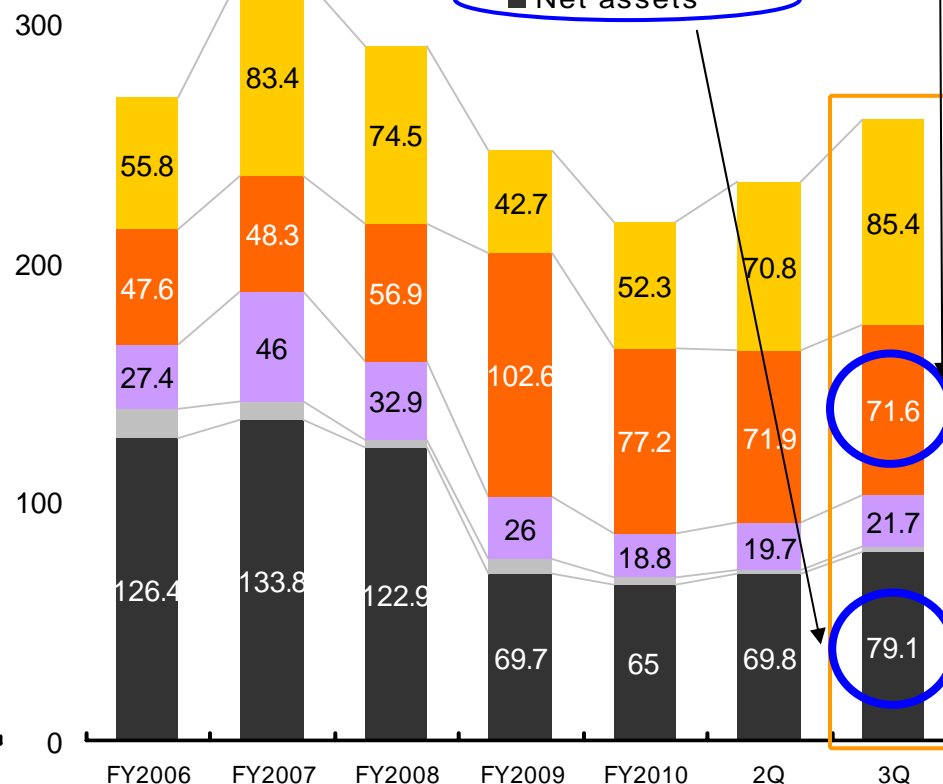
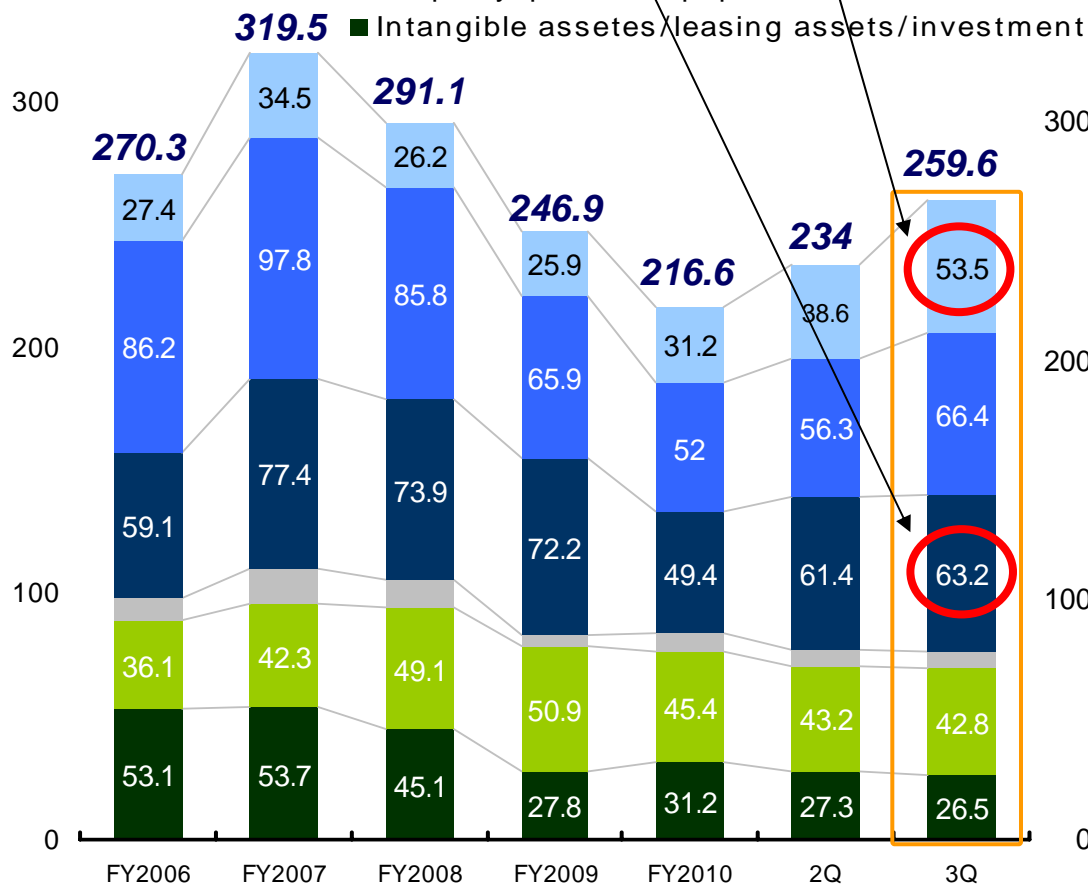
(Unit: Billions of JPY)

Assets

- Cash & time deposits
- Notes & accounts receivable
- Inventories
- Other current asset
- Property, plant & equipment
- Intangible assets/leasing assets/investment

Liabilities and Net Assets

- Notes&accounts payable
- Interest-bearing debt
- Other current liabilities
- Other noncurrent liabilities
- Net assets



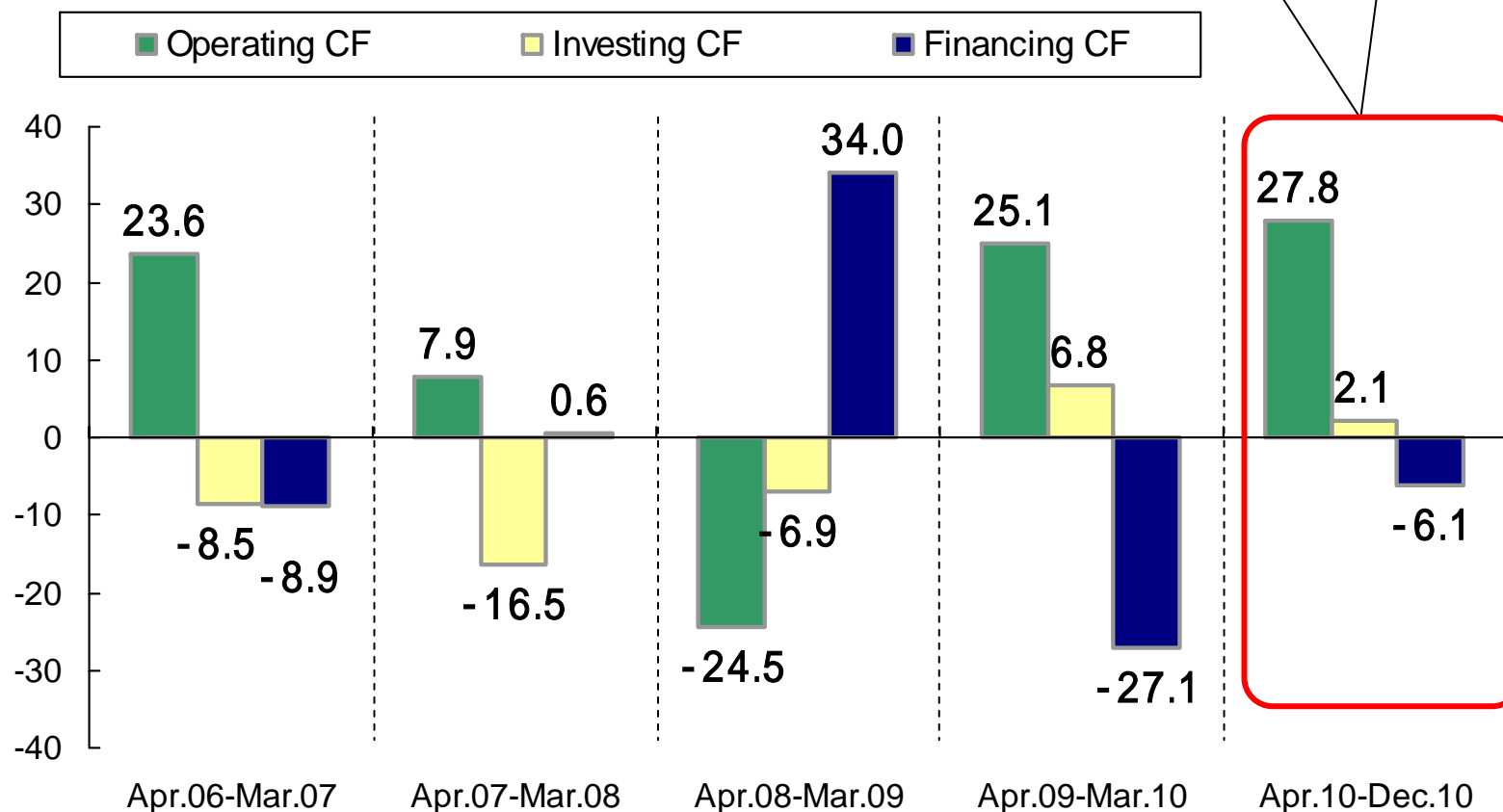
Equity Ratio 29.8% (March 2010) → **30.3%** (December 2010)

Consolidated Cash Flows

Free Cash Flow : JPY29.9bn

Operating CF : JPY 27.8bn
Investing CF : JPY 2.1bn
Financing CF : JPY -6.1bn

(Unit: Billions of JPY)

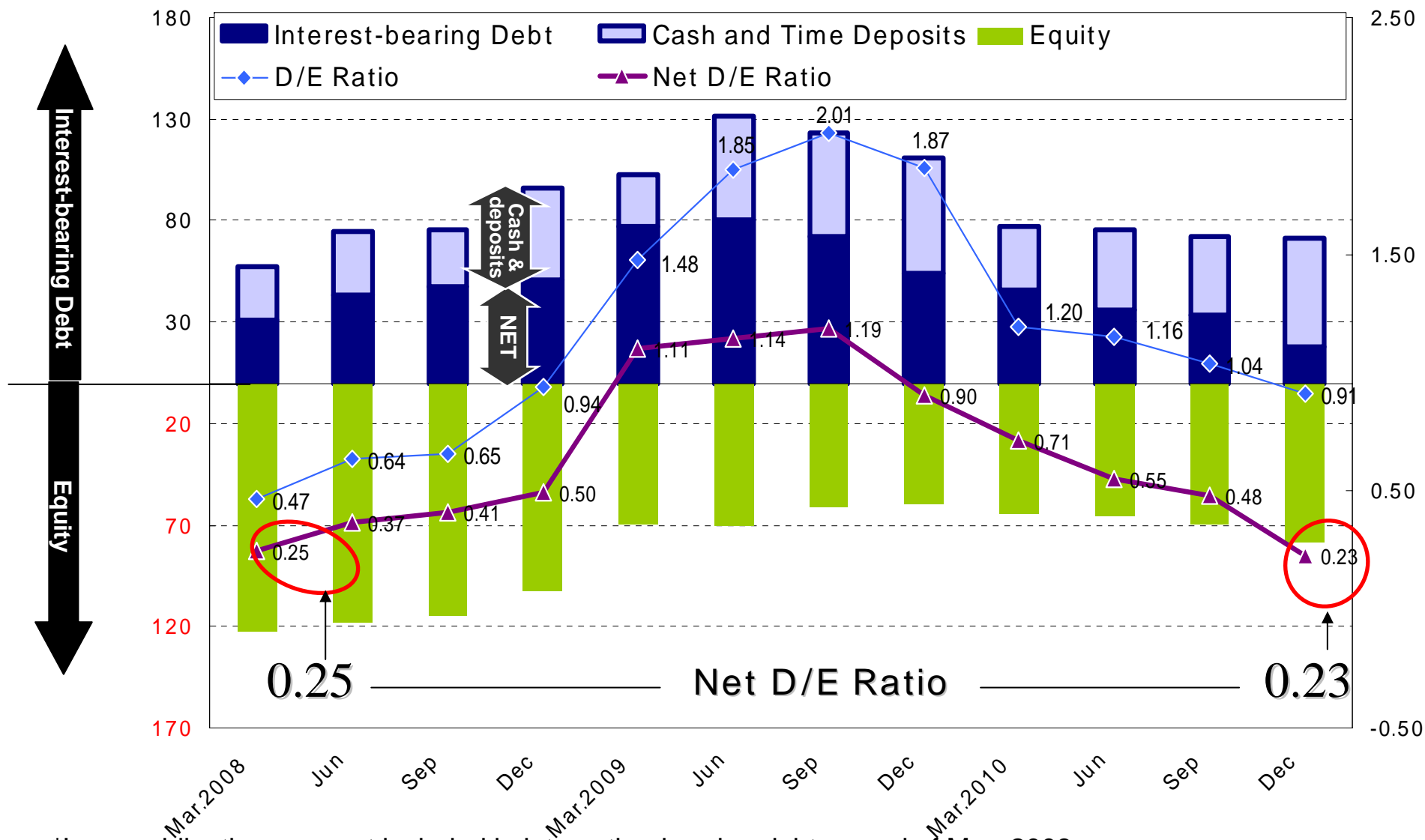


Interest-bearing Debt and D/E Ratio (Consolidated)

Interest-bearing Debt
(Unit: Billions of JPY)

Net D/E ratio is almost same level as the one before Lehman shock

D/E Ratio



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

Business Area

SE & FE Segment

3Q

<SE>

- SCREEN released a new product SU3200 single wafer cleaning equipment in November last year. Further aims to increase market share. → Inquiry was good. Order received were in good shape.
- SOKUDO DUO (coater/developer) established technology for achieving 350w/h throughput.
→ DUO productivity contribution. With conventional equipment, sales and orders both good.
- New products for green device CW-1500 and ZI-2000 made a good start to sales promotion

<FE>

- Korean makers have gotten an approval for investment in China.
- Panel manufacturers are positive attitude for the investment for LTPS, OLED.
→ Ratio of order received and sales of LTPS, OLED investment have been increased.

Outlook for 4Q and after

<SE>

- Foundry, NAND and MPU makers have positive forecast for their investment.
- SCREEN is to focus on getting order from the big capital investment forecasted in 4Q.
Order level will be expected to increase in 4Q.

<FE>

- Capital investments for LTPS, OLED are vigorous because of strong demand of smart-phones and tablet PCs.
- Try to receive order of nozzle printers for OLED in 4Q.
- Try to receive order for the investment plan in China.

MP Segment

3Q

- 【MT】
 - CTP sales in 3Q was flat with 2Q. But it remains a level before Lehman shock.
 - ➔ increased sales revenue in Asian. (Sales in Japan were half of 2Q)
 - For POD, although OEM sales were steady, total unit sales was still low level.
 - ➔ Market was expanding from developed to emerging countries.
- 【PE】
 - Sales revenue and OP fell from 2Q, which has already been factored into planning.
 - Sales opportunities for exposure system have been increased.

Outlook for 4Q

【MT】

- CTP unit sales are steady. Additional cost reduction is required due to a risk of exchange rate and price pressure.
 - ➔ Orders of new released high-end model CTP are in good shape.
 - ➔ A low cost version of CTP have been released.
- POD is in recovery trend. (expect to increase in Japan, USA, South America)
 - ➔ A monochrome model and high through-put model have been released.

【PE】

- Although 3Q sales revenue have decreased temporarily, it increases again in 4Q.
 - ➔ Expecting for turning black in 4Q again.

Progress of Business Restructuring Plan for MT

Target

- March 2011 : Minimize ordinary loss
 - ➔ better than expected in 3Q
 - ➔ expect to turn to black in 4Q
- March 2012 : Turn to the black in ordinary profit basis

Basic policy

To the solid structure, to grow and expand!!

- ➔ Planning restructuring plan based on unfavorable exchange rate
(1\$:JPY80、 1€ : JPY105)
- Optimization of organization size
 - ➔ About 80 people have been transferred to other sections in January.
- Optimization for R&D and manufacturing system by utilizing total SCREEN group ability.
 - ➔ Manufacturing of low cost version CTPs have been started in MTMC (subsidiary in China)
Personnel exchange have started to get synergy among the group companies.
- Promoting transfer of manufacturing of CTP to MTMC (subsidiary in China)
 - ➔ Floor space for manufacturing will be expanding in MTMC, which will be completed in August this year.
- Reconstructing sales structure for focusing POD sales promotion
 - ➔ We are proposing solution by setting up demonstration machine in Japan, USA, and EU.

Revised Business Forecast for the year ending March 31, 2011

Revised Business Forecast for FY2011

Rate 1\$=80yen 1€=110yen

(Unit : Billions of JPY)

			Mar. 2011								Mar. 2010			
			1H		2H				Full				Results	
			Results		Forecast Nov. 8		Forecast Feb. 7		Forecast Nov. 8		Forecast Feb. 7			
Net Sales			110.4		144.5		144.6		255.0		255.0		164.1	
SE			69.2		104.5		105.0		173.8		174.3		100.9	
FE			17.4		17.5		15.8		35.0		33.3		19.8	
MP	PE	23.3	3.7	22.2	3.0	23.4	3.0	45.5	6.7	46.7	6.7	42.7		
	MT		19.6		19.2		20.4		38.8		40.0			
Others			0.3		0.3		0.4		0.7		0.7		0.5	
Operating Income			11.0		11.0		14.0		22.0		25.0		14.0	
Ordinary Income			10.9		10.5		13.5		21.5		24.5		17.2	
Net Income			9.5		10.4		12.9		20.0		22.5		8.0	

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

Business Restructuring Plan & Dividend

Business Restructuring Plan is continued in 2nd half of this fiscal year

- Variable cost ratio
 - ➔ Decreased compared with 2Q. Cost reduction will be continued.
- Subordinating bolster business
 - ➔ Almost all SCREEN subsidiaries financial performance were in good shape in 3Q. SOKUDO turned in black in 3Q as well.

Emergency plan

- Emergency plan will be finished by end of March this year.

Yearend dividends plan

- Previous: not disclosed ➔ This time: ¥5 per share (annual)

Summary

Business Area

< SE segment >

- Smartphone and tablet PC demand lead the semiconductor market.
- Order level will be high level in 4Q again

< FE segment >

- Investment plan in China resumed again
- Investment for LTPS、 OLED is firm.

< MP segment >

- Unit sales of CTP are firm. Making sales revenue and profit by releasing new products.
- POD inquiry increased. Getting good market position by releasing new products.

Areas we focus on

- Improving variable costs ratio (maintain selling price and cost reduction)
- Increased presence in existing business areas
- Secure position in the new business area
- Strengthening financial base
(Further compression of interest-bearing debt, expansion of equity)
- From a reconstruction plan to the growth strategy.
Change of mind came together with all employees

Outline of Mid Term Business Plan

Vision

Fit your needs, Fit your future

Target

Ensuring profitability of the downside

Recovering decreased equity (improving equity ratio)

Basic policy

Establishment of stable profit structure

- Strengthening marketing, R&D and manufacturing
- Responding to lower price
- Enhancement of high profitable products and developing products which create customer value

Building a new foundation for the growth

- Growth with balancing existing business (ensuring black) and new business
- Development of infrastructure to globalization