

DAINIPPON SCREEN MFG. CO., LTD.

Business Results & Forecast Fiscal Year Ended March 31, 2011

President & COO Masahiro Hashimoto
May 11, 2011

- Agenda**
- FY2011 Business Results
 - Business Situation
 - Business Forecast
 - [NextStage70] Three-year Medium-term Management Plan

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. And the consequential aftermath of the Great East Japan Earthquake is uncertain. 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 JPY 100 million, except per share figures.

Business Results
Fiscal Year Ended March 31, 2011

FY2011 Business Results (Consolidated)

(Unit : Billions of JPY)				Mar. 2011								Difference vs. forecast			
				1st Half		2nd Half				Full Year					
				Results		Forecast Feb. 7		Results		Forecast Feb. 7				Results	
Net Sales				110.4		144.6		144.5		255.0		254.9		(0.0)	
SE				69.2		105.0		104.9		174.3		174.2		(0.0)	
FE				17.4		15.8		15.2		33.3		32.7		(0.5)	
MP	Other Electronics (PE)			23.3	3.7	23.4	3.0	23.9	3.0	46.7	6.7	47.3	6.8	0.6	0.1
	GA (MT)				19.6		20.4		20.8		40.0		40.4		0.4
Others (Sales to outside)				0.3		0.4		0.3		0.7		0.6		(0.0)	
Operating Income				11.0		14.0		15.7		25.0		26.8		1.8	
SE				11.0		-		17.0		-		28.1		-	
FE				0.6		-		(0.6)		-		0.0		-	
MP	Other Electronics (PE)			(0.7)		-		(0.5)		-		(1.3)		-	
	GA (MT)														
Others and Eliminations				0.0		-		(0.1)		-		(0.0)		-	
Ordinary Income				10.9		13.5		15.5		24.5		26.5		2.0	
Net Income				9.5		12.9		16.1		22.5		25.6		3.1	

FY2011 year-end cash dividend JPY 5 per share (Forecast)

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

FY2011 Business Results (Consolidated)

Net Sales

FY2011: JPY 254.9bn / FY2010 : JPY 164.1bn Differential JPY 90.8bn

(Unit : Billions of JPY)

Segment		FY2011		FY2010	Difference	Point
SE		174.2		100.9	73.3	Sales of both batch type and single wafer type cleaning equipment, and coater/ developer increased substantially.
FE		32.7		19.8	12.8	Sales of equipment for G8 & G5 increased.
MP	PE	47.3	6.8	4.2	2.5	PE: Sales of inspection equipment & imaging system increased.
	MT		40.4	38.4	2.0	MT:Units and Sales amount of CTP increased. Sales of POD decreased slightly through the year while rebounded in the second half of the year.

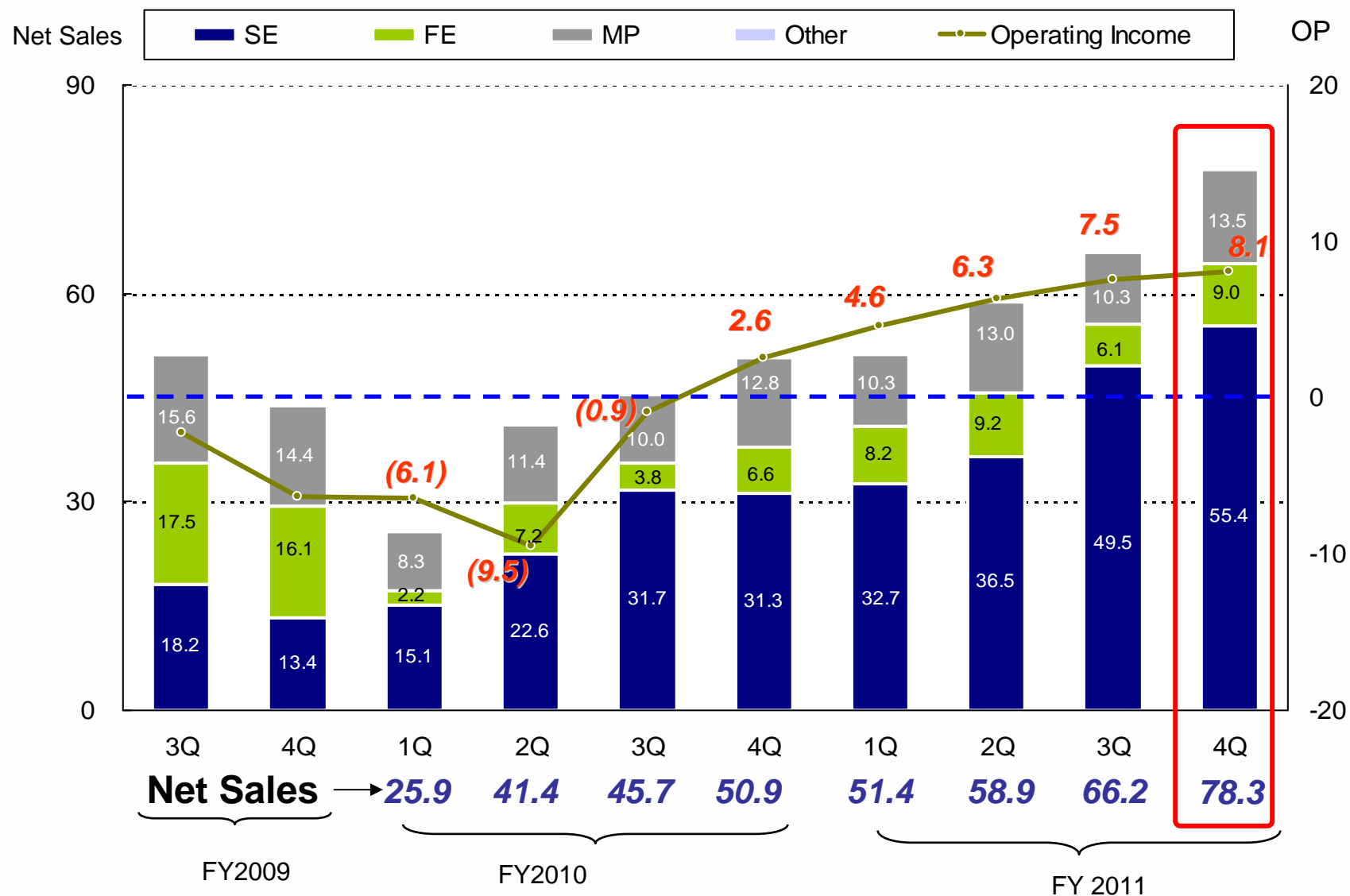
Operating Income

FY2011: JPY 26.8bn / FY2010: JPY (14.0bn) Differential JPY 40.8bn

(Unit : Billions of JPY)

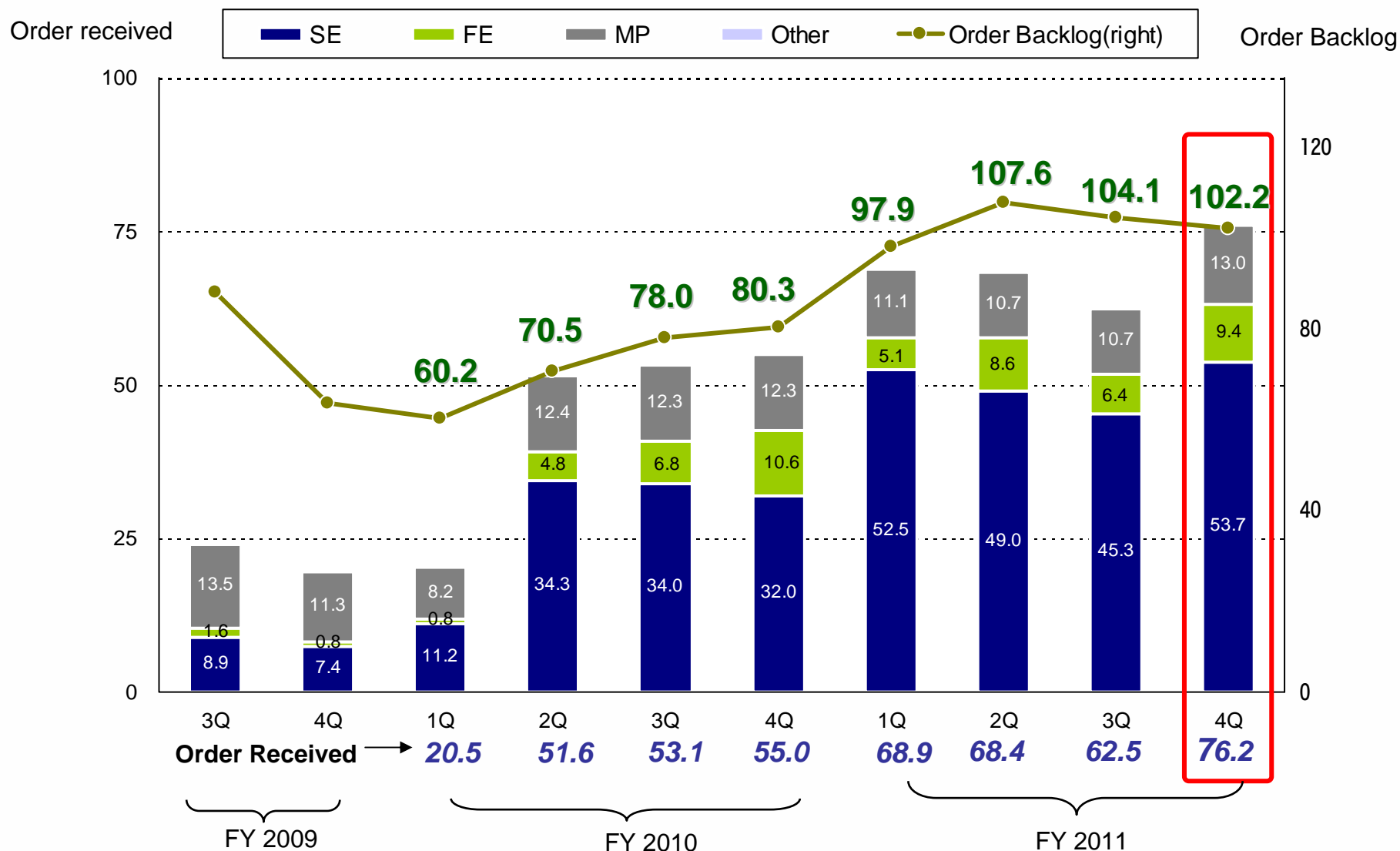
Segment		FY2011	FY2010	Difference	Point
SE		28.1	(11.4)	-	Operating income increased by increased sales in spite of sales price decline.
FE		0.0		-	Returned to profitability by increased sales.
MP	PE	(1.3)	(2.4)	-	PE:Returned to profitability by increased sales and improvement of variable cost ratio.
	MT			-	MT:Increased sales and fixed cost containment lowered the deficit.

Quarterly Net Sales and Operating Income (Consolidated)



(Unit : Billions of JPY)

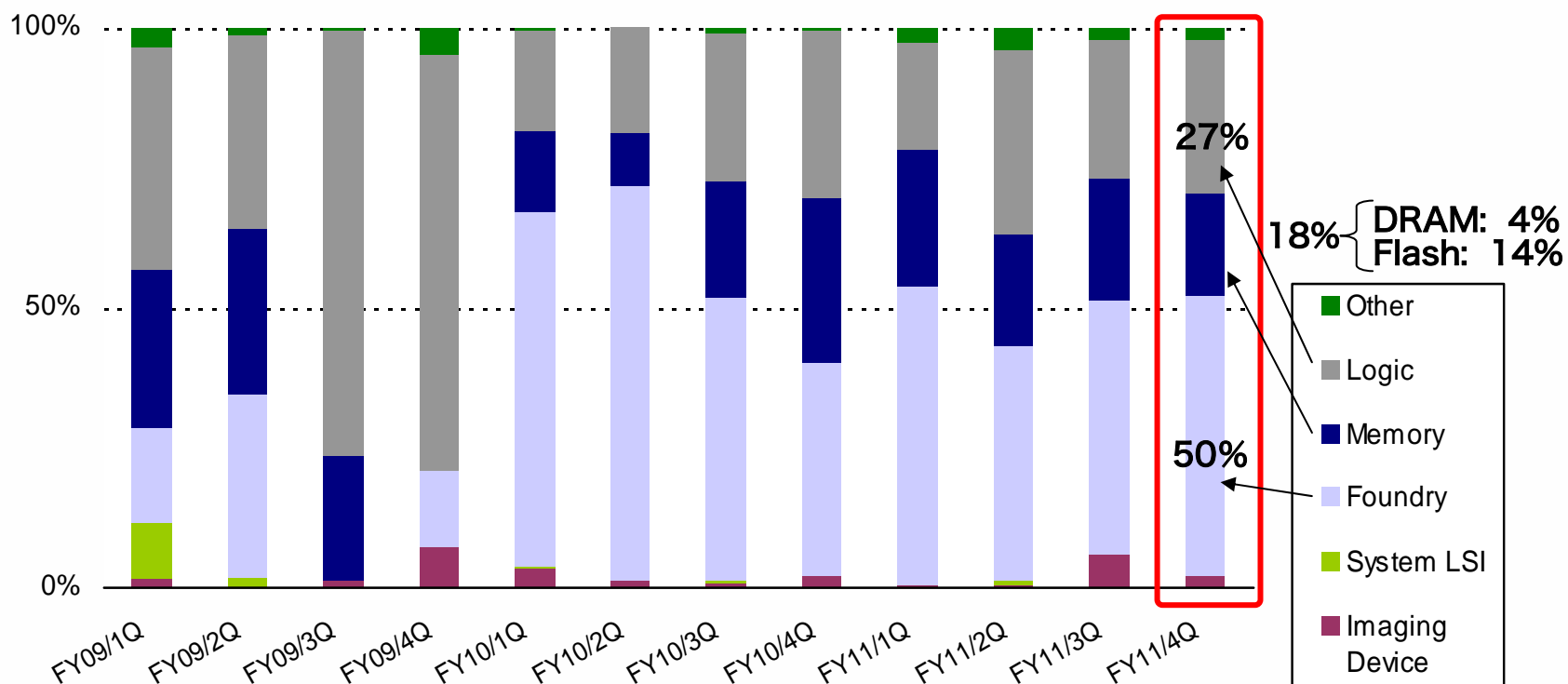
Quarterly Orders Received and Order Backlog (Consolidated)



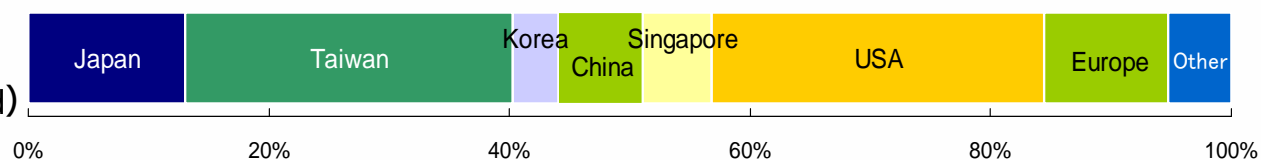
(Unit: Billions of JPY)

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

➤4Q order received: JPY 53.7 bn (consolidated)

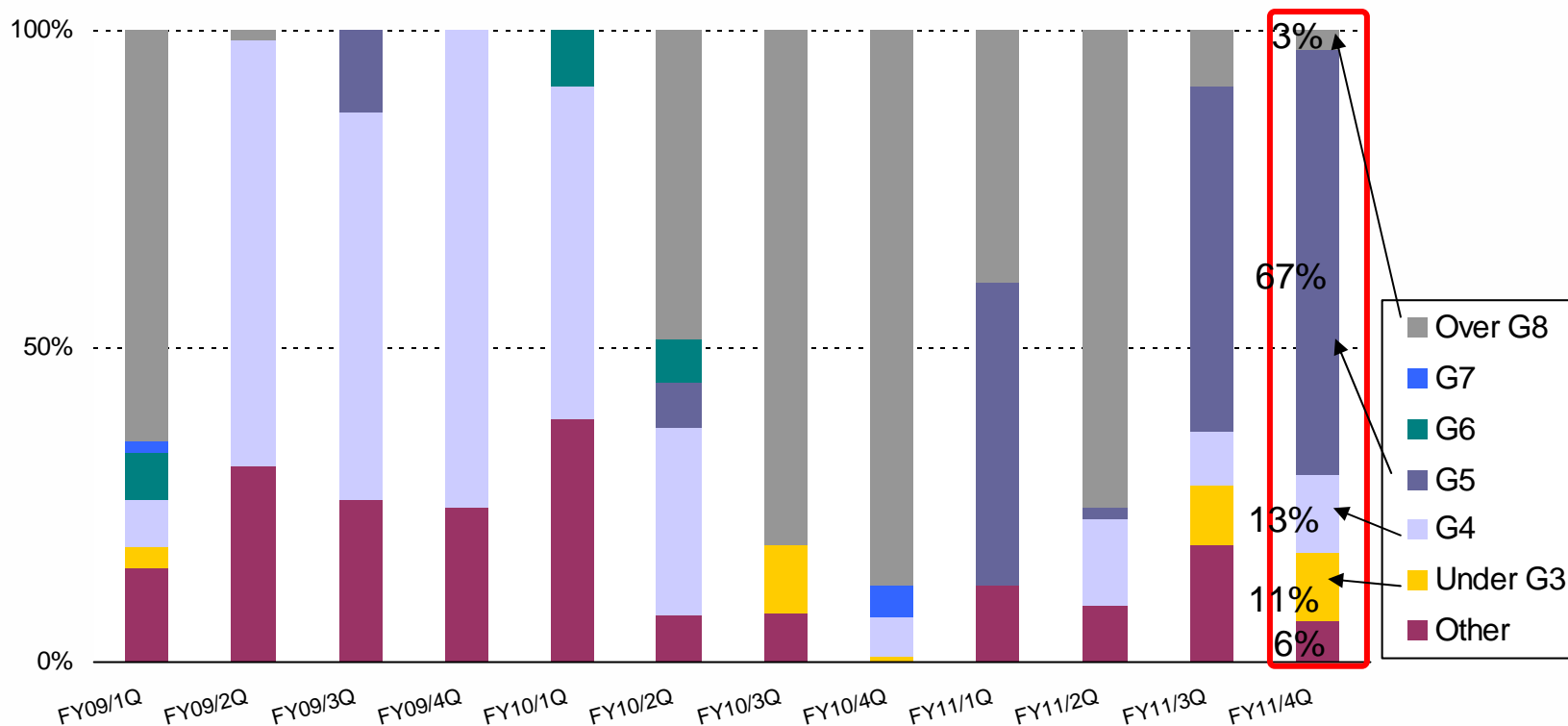


FY2011 orders
by region
(Nonconsolidated)



FPD Production Equipment Quarterly Orders Received by Generation (Nonconsolidated)

➤ 4Q order received: JPY 9.4 bn (consolidated)



FY2011 orders
by region
(Nonconsolidated)

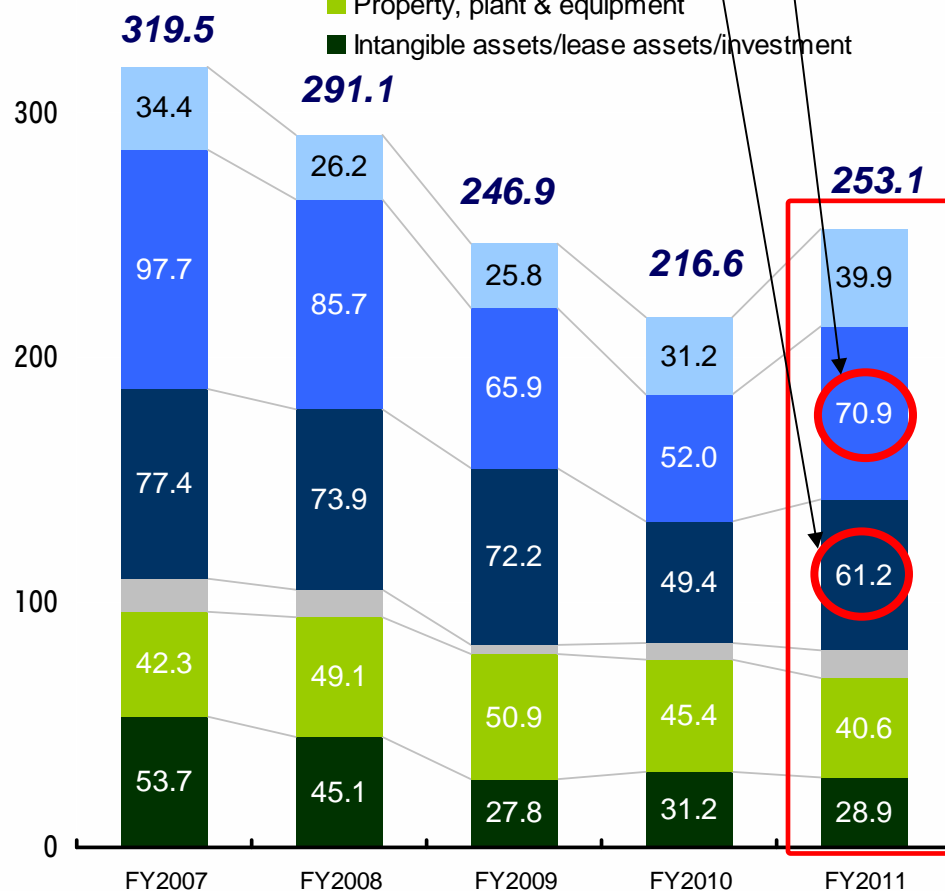


Trend in B/S (Consolidated)

(Unit: Billions of JPY)

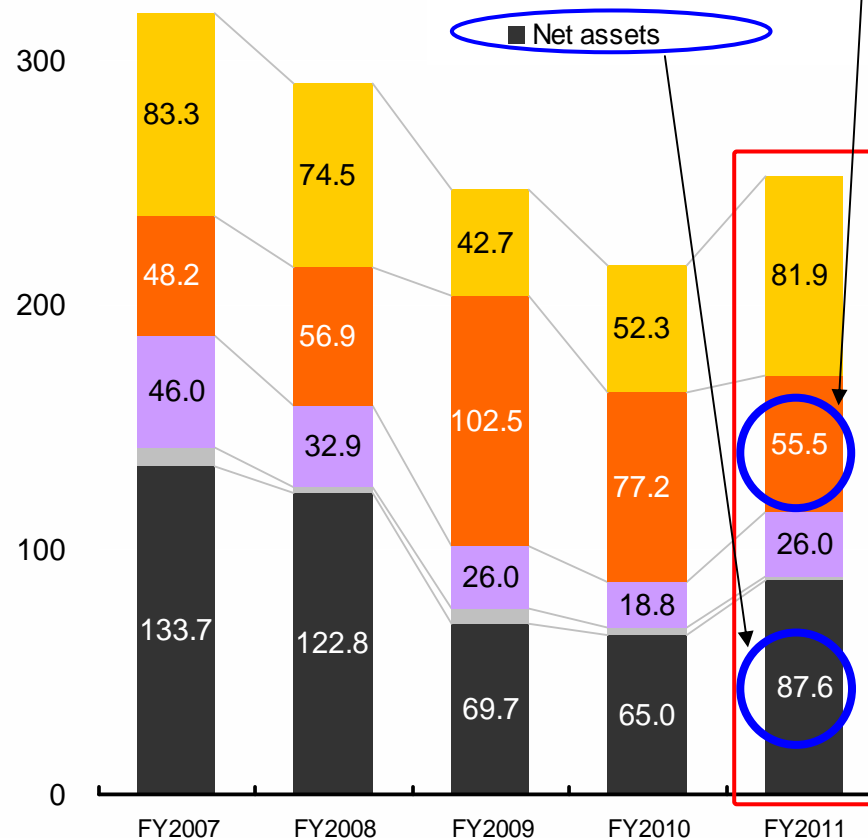
Assets

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



Liabilities and Net Assets

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



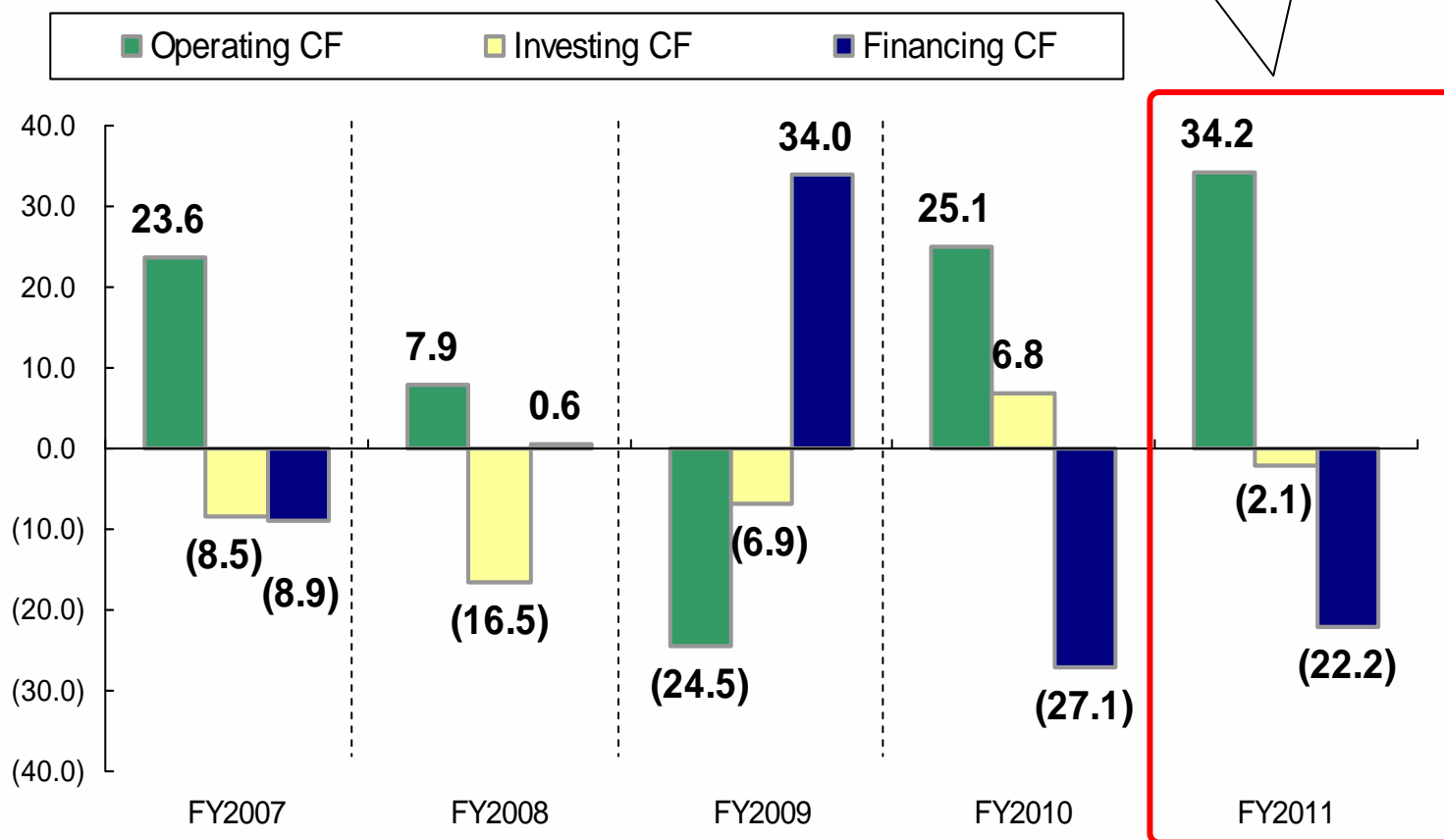
Equity Ratio 29.8% (March 2010) → **34.4 %** (March 2011)

Consolidated Cash Flows

Free Cash Flow : JPY 32.1 bn

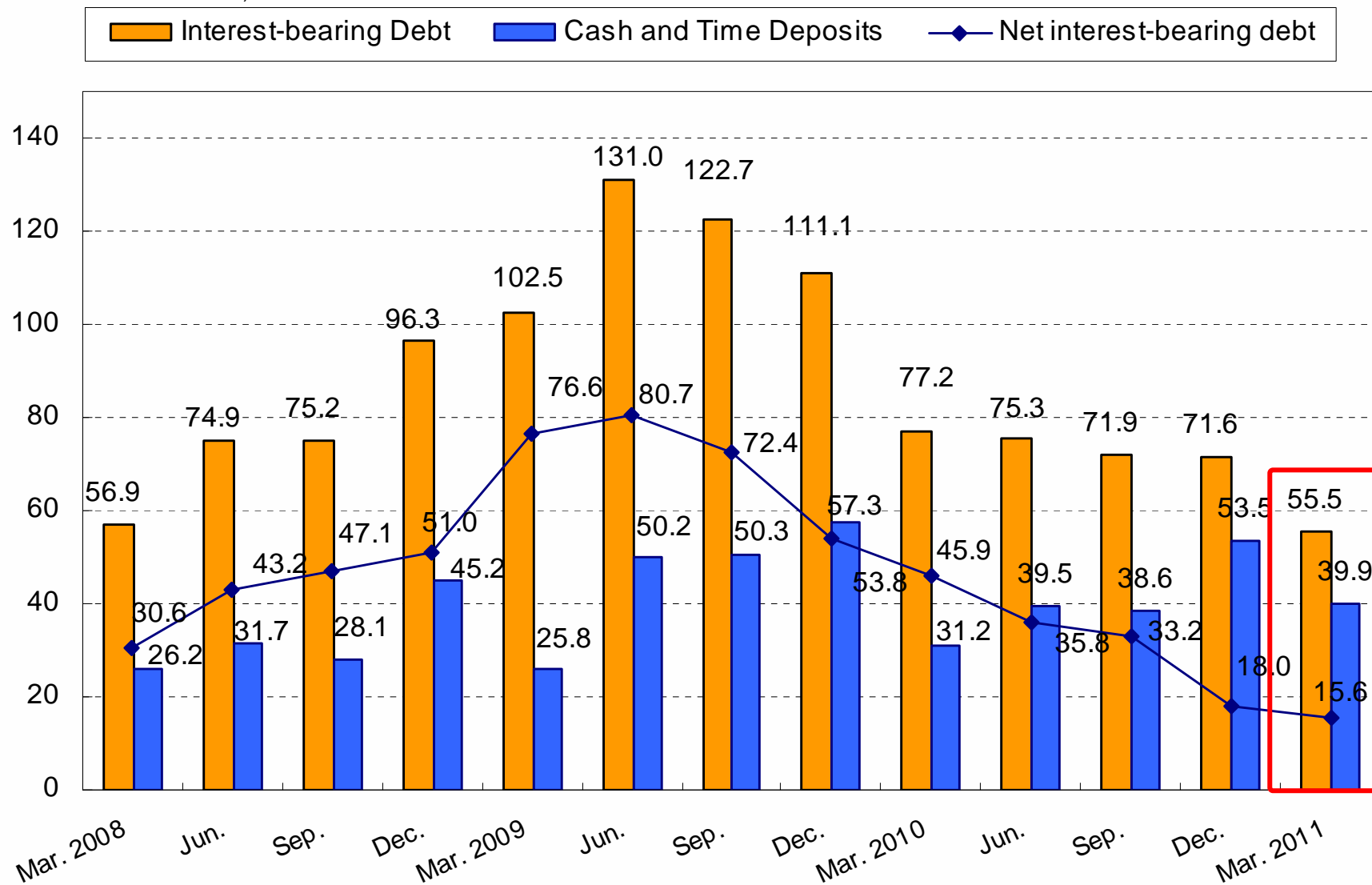
Operating CF : JPY 34.2 bn
Investing CF : JPY (2.1 bn)
Financing CF : JPY (22.2 bn)

(Unit: Billions of JPY)



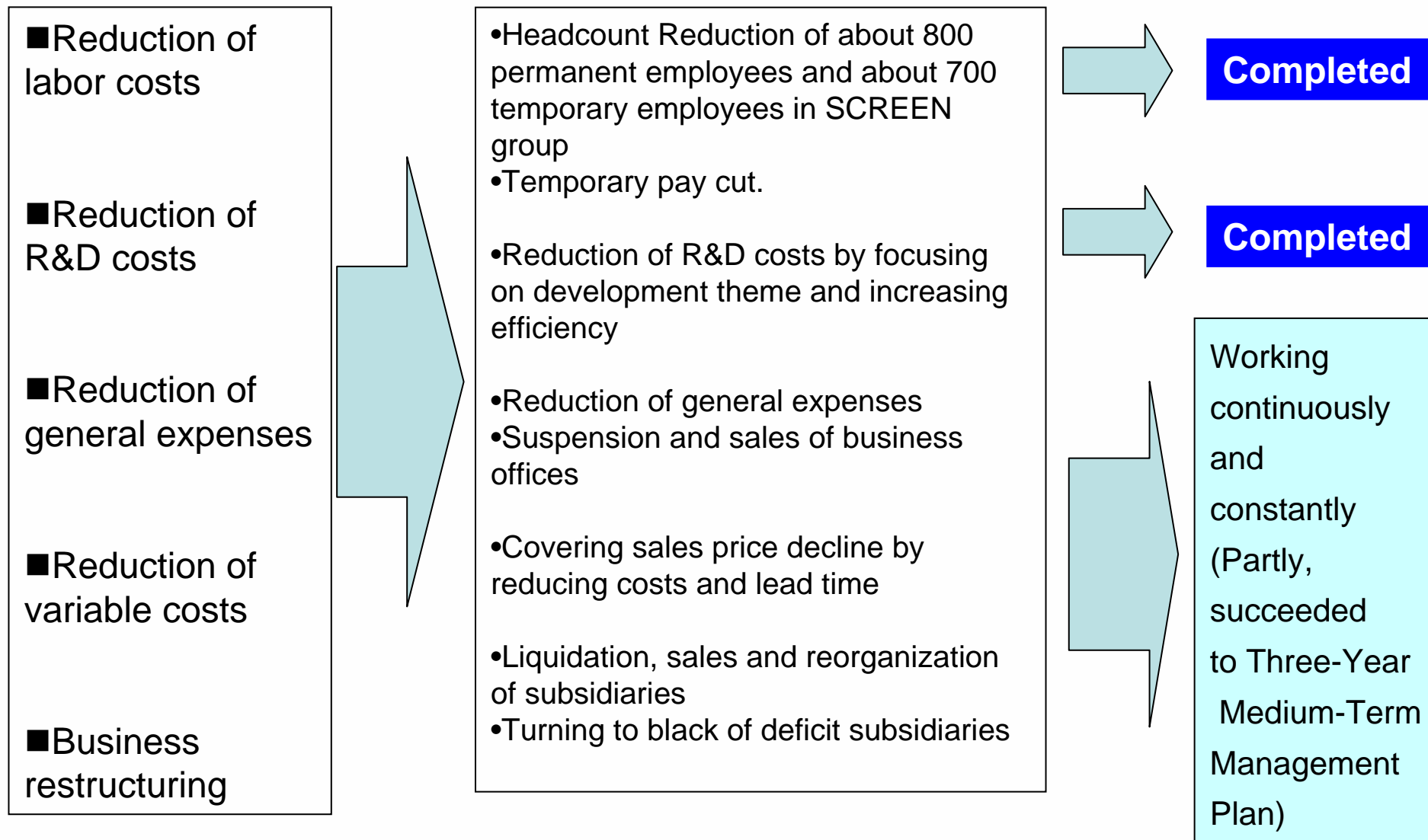
Interest-bearing Debt (Consolidated)

(Unit: Billions of JPY)



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

Business Restructuring (Summary)



Business Area

The Great East Japan Earthquake

Direct Effects :

No human suffering in SCREEN group employees and their families

<SE>Subsidiary "QUARTZ LEAD" (Production of quartz glass parts, plants located in Koriyama city and Iwaki city) was visited.

⇒Koriyama plant was reopened on March 22nd.

Iwaki plant was reopened in series.

<SE>"Kitakami service station" (in Kitakami city) of a subsidiary was visited.

⇒Resumed the operation after a few days. Working on recovery support for customers.

<MP>"Sendai sales branch" (in Sendai city) of a subsidiary was visited.

⇒Resumed the operation after a few days . Working on recovery support for customers.

Indirect Effects:

<Effects on our supply chain>

- Our some suppliers were suffered from the earthquake.
- Keep a close watch on their situation of recovery and study substituting goods and design changes
- Our production activities may be affected depending on their ability to procure materials, components and other items.

<Effects on our customers' plan for investments>

- The attitude toward investment will not be affected by the earthquake basically
- However, there are concerns regarding the impact of delayed customer capital investment due to stagnant production activities and postponements to other companies' deliveries of manufacturing equipment caused by disruptions to the material (including semiconductor wafers) and component supply chains in the aftermath of the Great East Japan Earthquake.

Uncertainties from the Earthquake are not taken into account for the forecast of Fiscal year ending March 31,2012 .

SE & FE

4Q

<SE>

- Received high level of orders of JPY 53.7 billion and sales of JPY 55.4billion in 4Q
 - ➔ Continuing positive investment by foundry and logic makers
- No postponement of sales or cancellation due to the Earthquake.

<FE>

- Continuing investment for small-and medium-sized LTPS.
 - ➔ Orders received were led by coater/developers for LTPS.
- The large-scale investment (the 2nd group) for TV in China was postponed due to a depression in LCD panel market.

Outlook for FY2012

<SE>

- There is a move to postpone their orders in some IC device makers.
- Expect year-on-year positive growth for the whole year.

<FE>

- Focus on growing areas for PV、OLED、LTPS.
- Continuing sales activities in nozzle printers for OLED (for pilot lines).

MP

4Q

<MT>

- CTP sales have been steady particularly in newly emerging countries.
- For POD, sales plan was not achieved, even in recovery trend.
- Fixed costs have been controlled by transferring about 100 people to other sections.

<PE>

- Investments in PCB market have remained strong. Sales for imaging system and inspection equipment have grown in Japan and Asia.
- Turned to black for the year

Outlook for FY2012

<MT>

- CTP unit sales are steady. (Try further cost reduction due to risks of foreign exchange and lower pricing.)
 - ➔ Release of ultra-high productivity CTP for advanced countries.
The new type CTP for newly emerging countries is receiving inquiries and made a good start.
Cost reduction will be accelerated by expanding local manufacturing capacity as a result of increasing floor space in a manufacturing subsidiary in China.
- POD has recovery trend. (Try to increase sales in Japan, North America and South America areas.)
 - ➔ Try to accelerate sales with expansion of lineup for roll-type POD.)
Input in market sheet-fed POD that matches the quality of offset printing.

<PE>

- Try to fix the strong structure for profit-making by enhancing the products for imaging system and inspection equipment.

Business Forecast
Fiscal Year Ending March 31, 2012

Business Forecast for FY2012

Rate 1\$=80yen 1€=115yen

(Unit : Billions of JPY)

		Mar. 2012						Mar. 2011					
		1H		2H		Full		1H		2H		Full	
		Forecast		Forecast		Forecast		Results		Results		Results	
Net Sales		138.0		142.0		280.0		110.4		144.5		254.9	
SE		99.0		92.0		191.0		69.2		104.9		174.2	
FE		15.5		25.5		41.0		17.4		15.2		32.7	
MP	PE	23.2	3.1	24.1	3.2	47.3	6.3	23.3	3.7	23.9	3.0	47.3	6.8
	MT		20.1		20.9		41.0		19.6		20.8		40.4
Others		0.3		0.4		0.7		0.3		0.3		0.6	
Operating Income		12.5		13.5		26.0		11.0		15.7		26.8	
SE		-		-		-		11.0		17.0		28.1	
FE		-		-		-		0.6		(0.6)		0.0	
MP		-		-		-		(0.7)		(0.5)		(1.3)	
Others		-		-		-		0.0		(0.1)		(0.0)	
Ordinary Income		12.0		13.0		25.0		10.9		15.5		26.5	
Net Income		11.0		12.0		23.0		9.5		16.1		25.6	

FY2012 year-end cash dividend JPY 5 per share (Forecast)

Three-year Medium-term
Management Plan
[NextStage70]
April 1, 2011 to March 31, 2014

Fundamental Guidelines

1. Management Targets

- Ensuring profitability during market downturns
 - Ongoing approach to establishing a stable earnings structures
 - Continually increase the added value of existing products and reduce costs
- Improving net assets
 - Increase “equity ratio” through pursuing “improving profitability ratio” and “Increasing capital efficiency”

2. Fundamental Policies

“Establishing a stable Earnings Structure and Building a Foundation for New Growth”

- Establishing a stable earnings structure
 - Strengthen price competitiveness
 - Bolster highly profitable products and cultivate products that create value for customers
 - Shift to perpetually evolving business structures capable of rapidly adapting to changes in the external environment
- Promoting new growth
 - Increase profitability and stability while developing new business to enable further growth
 - Enhance global business foundation

3. Numerical Targets

“Equity ratio above 50.0%, Reducing net interest-bearing debt to zero” (as of March 31, 2014)

- Improve profitability ratio: Ratio of net income to net sales above 7.5%
- Increase capital efficiency: Asset turnover ratio above 1.1 times

Promoting New Growth

Enhance Existing Business and Create New Business

- Enhance existing businesses by advancing new technologies
 - Prioritize R&D investment in the SE business to respond to technological innovation
 - Develop businesses related to photovoltaic
 - Expand applications of inkjet technology (Diversified print media, development to FPD)
- Aim to commercialize business in a new sector within three years (Promote active development investments)
 - New energy sector (Lithium-ion batteries equipment using coating technology)
 - Printed electronics sector (Fusion of print/coating technology and electronics)

Enhance Global Business Foundation

- Strengthen risk management
- Personnel – Foster global human resources, Appropriate human resource, Improve the personnel system
- Finance and Accounting – Promote IFRS, Cash efficiency at global level
- IT – Enhance information system infrastructure and bolster security platforms

Fundamental Policies by Business

1. SE

- Reform profitability structure
(Further enhancement of supply-chain management)
- Improve Quality
(Quality assurance in all of sales, product and service)
- Provide competitive products
(Develop high added value products including next-generation process and higher productivity)

2. FE

- Establish the technology of integrated manufacturing line for large size OELD TV and expand sales
- Expand photovoltaic-related equipment business
- Reform structures for manufacturing
- Aim to be above 50% of sales ratio in a new sector in the last year

3. MP

- POD business: Enhance product lineup, Develop consumable goods business, Strengthen sales channel
→ Aim to be above 50% of sales ratio in POD related products in the last year
- CTP business: Maintain No. 1 vendor position by high competitive products
- PE business: Conquer the Asian market in the imaging system and inspection equipment businesses

Renewal of the Anti-takeover Defense Plan at Shareholders' Meeting

Background

- The Anti-takeover Defense Plan implemented in 2009 will be expired in June this year.
- Started reviewing the Current Plan, including whether to resubmit it, considering the trend of judicial precedents.
- Considering to reflect the intention of the Independent Committee.

Regarding the Anti-takeover Defense Plan

- Pre-notice type defense plan will be admitted at shareholders' meeting.
- Setting up the Independent Committee to prevent board members' arbitrary implementation.
- The defense plan has to be implemented after being admitted at shareholders' intentions confirmation meeting.
- Effective term will be 3 years(2 years in the current plan).



Will be brought up as one of the agenda at shareholders' meeting (Scheduled on June 28, 2011).

SCREEN

Fit your needs, Fit your future

