

May 8, 2012

Dainippon Screen Mfg. Co., Ltd.
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Kamigyo-ku, Kyoto 602-8585, Japan

CONSOLIDATED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 2012 [Japanese GAAP]

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

(URL: <http://www.screen.co.jp/>)

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Date of the annual shareholders' meeting: June 27, 2012 Date of payment for cash dividends: June 28, 2012
Date planned for the filing of the financial report: June 28, 2012

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

PERFORMANCE (APR.1, 2011-MAR. 31, 2012)

(Millions of yen, except per share figures)
(Percentage are the rate of increase or decrease from the previous fiscal year)

(1) Business Results

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Fiscal year ended Mar. 31, 2012	¥250,089	-1.9%	¥ 13,498	-49.7%	¥ 12,284	-53.7%
Fiscal year ended Mar. 31, 2011	254,952	55.3	26,811	—	26,531	—

Note: Comprehensive income

Fiscal year ended Mar. 31, 2012: ¥ 4,191 million (-81.4 %)

Fiscal year ended Mar. 31, 2011: ¥ 22,575 million (- %)

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Return on Equity	Return on Assets (Ordinary Income Basis)	Return on Sales (Operating Income Basis)
Fiscal year ended Mar. 31, 2012	¥ 4,637	-81.9%	¥ 19.54	—	5.2%	4.9%	5.4%
Fiscal year ended Mar. 31, 2011	25,686	—	108.21	—	33.9	11.3	10.5

Note: Equity in earnings (losses) of affiliates accounted for by the equity method

Fiscal year ended Mar. 31, 2012: ¥ 0 million

Fiscal year ended Mar. 31, 2011: ¥ 437 million

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Mar. 31, 2012	¥245,381	¥90,595	36.7%	¥379.44
Mar. 31, 2011	253,126	87,600	34.4	367.00

Note: Equity

As of Mar. 31, 2012: ¥ 90,068 million

As of Mar. 31, 2011: ¥ 87,118 million

(3) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
Fiscal year ended Mar. 31, 2012	¥ 11,278	¥ (4,162)	¥ (9,467)	¥35,631
Fiscal year ended Mar. 31, 2011	34,299	(2,191)	(22,249)	38,383

CASH DIVIDENDS

Record date	Cash Dividends per Share					Total Dividends (Annual) (millions of yen)	Payout Ratio (Consolidated)	Ratio of Net Assets to Dividends (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual			
Fiscal year ended Mar. 31, 2011	—	—	—	¥5.00	¥5.00	¥ 1,186	4.6%	1.6%
Fiscal year ended Mar. 31, 2012	—	—	—	5.00	5.00	1,186	25.6	1.3
Fiscal year ending Mar. 31, 2013 (Forecast)	—	—	—	5.00	5.00		10.3	

FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2013

(Millions of yen, except per share figures)
(Percentage are the rate of increase or decrease from the previous corresponding period.)

	Net Sales	Percentage Change	Operating Income	Percentage Change
Six months period ending Sept. 30, 2012	¥ 113,000	-8.1 %	¥ 3,500	-61.1 %
Fiscal year ending Mar. 31, 2013	247,000	-1.2	15,000	11.1

	Ordinary Income	Percentage Change	Net Income	Percentage Change	Net Income per Share (Yen)
Six months period ending Sept. 30, 2012	¥ 3,000	-66.0 %	¥ 2,000	-69.4 %	¥ 8.43
Fiscal year ending Mar. 31, 2013	14,000	14.0	11,500	148.0	48.45

OTHERS

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): No

New Company: Not applicable

Exclusion: Not applicable

(2) Changes of accounting policies, changes in accounting estimates and retrospective restatement

1. Changes of accounting policies accompanied by revision of accounting standard etc.: No

2. Changes of accounting policies other than 1: No

3. Changes in accounting estimates: No

4. Retrospective restatement: No

(3) Number of shares outstanding

1. Number of shares outstanding as of end of period (including treasury stock)

As of Mar. 31, 2012: 253,974,333 shares As of Mar. 31, 2011: 253,974,333 shares

2. Number of treasury stock as of end of period

As of Mar. 31, 2012: 16,605,094 shares As of Mar. 31, 2011: 16,598,341 shares

3. Average number of shares outstanding

Fiscal year ended Mar. 31, 2012: 237,372,401 shares Fiscal year ended Mar. 31, 2011: 237,389,266 shares

(Reference) Overview of nonconsolidated business performance (APR.1, 2011-MAR. 31, 2012)

(Millions of yen, except per share figures)

(1) Business Results (Percentage are the rate of increase or decrease from the previous fiscal year)

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Fiscal year ended Mar. 31, 2012	¥216,411	0.2%	¥ 9,451	-52.4%	¥ 8,539	-60.5%
Fiscal year ended Mar. 31, 2011	215,910	67.8	19,870	—	21,598	—

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Fiscal year ended Mar. 31, 2012	¥ 1,314	-94.9%	¥ 5.54	—
Fiscal year ended Mar. 31, 2011	25,515	—	107.48	—

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
Fiscal year ended Mar. 31, 2012	¥224,431	¥73,415	32.7 %	¥309.29
Fiscal year ended Mar. 31, 2011	233,502	73,210	31.4	308.42

Note: Equity

As of Mar. 31, 2012: ¥ 73,415 million

As of Mar. 31, 2011: ¥ 73,210 million

*Indication of audit procedure implementation status

This financial report is exempt from audit procedure based upon the Financial Instruments and Exchange Law. It is under the audit procedure process at the time of disclosure of this report.

*Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to Dainippon Screen and certain assumptions that are regarded as legitimate. Large discrepancies may be seen in the actual results due to various factors.

BUSINESS RESULTS**1. Business Results**Overview

During the fiscal year ended March 31, 2012, conditions in the global economy triggered heightening concerns about the worldwide economic slowdown. Such concerns were prompted by the spread of financial uncertainty along with the European debt crisis, which were also slowing the economic expansion of emerging countries—the current drivers of the global economy. In Japan, there were signs of economic recovery on the back of the restoration of supply chains damaged and disrupted by the Great East Japan Earthquake. Nevertheless, there was little room for optimism, given the ongoing strength of the yen and the negative impact of overseas economic deceleration on the business activities of Japanese companies.

With regard to overall business conditions surrounding the Dainippon Screen Group's principal field of operations, semiconductor manufacturers tightened capital investment during the fiscal year under review, reflecting growing concern about economic deceleration throughout the industry. In addition, falling DRAM prices caused by sluggish demand for personal computers led to the bankruptcy of a major semiconductor manufacturer. On the back of increased demand for such mobile devices as smartphones and tablets, however, investment in the manufacturing of semiconductors with finer circuit patterns was brisk. In the LCD panel-related industries, major household appliance manufacturers recorded substantial deficits due to ongoing poor sales of LCD TVs. Accordingly, panel manufacturers' capital investment was restrained. The print industry has remained stagnant market conditions, such as the bankruptcy of a major overseas manufacturer related to printing equipment.

Turning to the Dainippon Screen Group's performance during the fiscal year ended March 31, 2012, the Group posted net sales totaling ¥250,089 million, a decrease of ¥4,863 million, or 1.9%, compared with the previous fiscal year. On the earnings front, operating income dropped 49.7% year on year to ¥13,498 million, while ordinary income fell 53.7% year on year to ¥12,284 million. This was attributable to the decline in unit sales prices as well as the increase in R&D and personnel expenses.

Under extraordinary loss, the Dainippon Screen Group recorded an impairment loss on fixed assets held by the FPD equipment and other businesses; a provision of allowance for doubtful accounts covering notes and accounts receivable—trade; and a loss on valuation of investment securities due to the fall in market values of stocks held. After a partial reversal of deferred tax assets along with the effects of tax revisions for the fiscal year under review, net income was ¥4,637 million, a decline of 81.9% year on year.

Financial Results by Business Segments

Business results by business segment are provided as follows.

The Semiconductor Equipment (SE) segment

In the Semiconductor Equipment segment, sales of single-wafer cleaning equipment increased on the back of the semiconductor miniaturization, despite reduced capital investment among semiconductor manufacturers. Sales of batch-type cleaning equipment, however, dropped substantially. As a result, segment sales decreased 3.8% year on year to ¥167,593 million, and operating income shrank 51.6% year on year to ¥13,627 million, reflecting a decreased profit ratio due to the fall in unit sales prices and changes in the product mix as well as increased R&D and personnel expenses.

The FPD Equipment (FE) segment

In the FPD Equipment segment, sales of coater developers for small- and medium-sized LCD panels rose, while sales of coater developers for large LCD panels fell. Accordingly, segment sales were ¥32,611 million, a decline of 0.3% year on year. Owing to a loss on valuation of inventories, this segment posted an operating loss totaling ¥1,216 million, compared with an operating income of ¥34 million recorded in the previous fiscal year.

The Media and Precision Technology (MP) segment

In the Media and Precision Technology segment, sales of graphic arts equipment increased year on year, owing to rising sales of print on demand (POD) equipment in North America. On the other hand, sales of printed circuit board (PCB)-related equipment declined year on year, reflecting weak capital investment by PCB manufacturers. As a result, segment sales were ¥49,163 million, an increase of 3.9% compared with the previous fiscal year. Thanks to efforts aimed at reducing fixed and other related costs as well as increased sales, the MP segment recorded an operating income of ¥2,305 million, a turnaround from an operating loss of ¥1,304 million in the previous fiscal year.

Outlook

Regarding future economic conditions, the global economic outlook remains uncertain given the economic deceleration caused by prolonged debt crisis in Europe as well as slowing growth rates in emerging countries. The Japanese economy is also expected to feel the effects of power supply restriction and protracted appreciation of the yen.

Under such circumstances, the Dainippon Screen Group set its business forecast for the fiscal year ending March 31, 2013 as follows.

In the Semiconductor Equipment segment, sales are projected to remain on par with those of the year under review with the expectation of an increase in capital investment related to the manufacturing of semiconductors with finer circuit patterns, despite the generally careful attitude of semiconductor manufacturers toward capital investment. In the FPD Equipment segment, a significant decrease in sales is anticipated, given panel manufacturers' further reluctance to invest capital. In the Media and Precision Technology segment, POD equipment, which falls in the graphic arts equipment category, has been enjoying ever-increasing demand and is expected to see a further increase in sales following the Group's participation in "drupa 2012" (the leading international trade fair for the print and media industry). The Dainippon Screen Group also expects sales growth for direct imaging system in the PCB-related equipment category. On the earnings front, the Group will endeavor to secure profit by continuously reducing costs amid severe sales price conditions.

Forecast of the consolidated business result for the fiscal year ending March 31, 2013 (Millions of yen)

	The first half ending Sep. 30, 2012	Fiscal year ending Mar. 31, 2013
Net sales	113,000	247,000
SE	82,500	171,000
FE	5,000	23,000
MP	25,000	52,000
Other	500	1,000
Operating income	3,500	15,000
Ordinary income	3,000	14,000
Net income	2,000	11,500

*Intersegment transactions have been eliminated.

*The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥80 and EUR1.00 = ¥105. 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.

2. Financial Position

Assets, Liabilities and Net Assets

Total assets as of March 31, 2012 stood at ¥245,381 million, a decrease of ¥7,744 million, or 3.1%, from the previous fiscal year-end. In current assets, inventories and cash and time deposits decreased while notes and accounts receivable-trade increased. In noncurrent assets, property, plant and equipment decreased due to the recording of an impairment loss, etc.

Total liabilities declined ¥10,740 million, or 6.5%, from March 31, 2011, to ¥154,786 million. This was attributable to a decrease in long-term loans payable as well as increases in bonds and short-term loans payable. Interest-bearing debt decreased ¥7,914 million, or 14.2%, year on year to ¥47,676 million. Net interest-bearing debt, which is interest-bearing debt less cash and time deposits, totaled ¥10,013 million, a decrease of ¥5,591 million, or 35.8%, from a year earlier.

As for net assets, due to the recording of net income in the fiscal year under review, retained earnings increased despite the payment of cash dividends. As a result, total net assets grew ¥2,995 million, or 3.4% compared with March 31, 2011, to ¥90,595 million, while the equity ratio as of the fiscal year-end improved 2.3 percentage points from 34.4% as of March 31, 2011, to 36.7%. Reflecting a reduction in additional paid-in capital and to make an appropriation of surplus approved at the Extraordinary General Meeting of Shareholders held on April 22, 2011, capital surplus decreased ¥25,571 million and retained earnings increased by the same amount.

Cash Flows

Cash and cash equivalents as of March 31, 2012 were ¥35,631 million, a decrease of ¥2,751 million compared with the previous fiscal year-end. The factors affecting the status of each cash flow item are listed below.

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥11,278 million, compared with ¥34,299 million provided by operating activities in the previous fiscal year. Total cash inflows—including income before income taxes, depreciation and amortization, and a decrease in inventories—exceeded such cash outflows as an increase in notes and accounts receivable—trade and income taxes paid.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥4,162 million, compared with ¥2,191 million used in investing activities in the previous fiscal year. This was as a result of sales of property, plant and equipment in the Kuze Plant; the purchase of property, plant and equipment in connection with the purchase of land for a new factory in Kumamoto prefecture; and the purchase of stocks of a subsidiary.

Cash Flows from Financing Activities

Net cash used in financing activities was ¥9,467 million, compared with ¥22,249 million used in financing activities in the previous fiscal year. This was attributable to the repayments of long-term loans payable and finance lease obligations, which offset the proceeds from issuance of bonds.

Cash Flow Benchmarks

	Fiscal year ended Mar. 31, 2008	Fiscal year ended Mar. 31, 2009	Fiscal year ended Mar. 31, 2010	Fiscal year ended Mar. 31, 2011	Fiscal year ended Mar. 31, 2012
Equity ratio (%)	41.9	28.1	29.8	34.4	36.7
Equity ratio (market capitalization basis) (%)	34.2	16.0	47.9	81.8	72.1
Debt repayment period (years)	7.2	—	3.1	1.6	4.2
Interest coverage ratio (times)	10.0	—	10.4	18.9	7.5

Notes:

Equity ratio = Equity / total assets

Equity ratio (market capitalization basis) = Market capitalization / total assets

Debt repayment period = Interest-bearing debt / operating cash flow

Interest coverage ratio = Operating cash flow / interest payments

1. Figures are calculated using consolidated financial results.

2. Market capitalization is calculated by multiplying the closing price at the end of the fiscal year by the number of shares outstanding at fiscal year-end (excluding treasury stock)

3. Operating cash flow uses cash flow from operating activities as stated on the consolidated statements of cash flows.

4. Interest-bearing debt comprises all liabilities recorded on the balance sheet for which interest is paid. Interest payments use interest expenses paid as stated on the consolidated statements of cash flows.

3. Basic Policy Regarding Appropriation of Profits, Cash Dividends for the Fiscal Year under Review and Cash Dividend Forecast for the Fiscal Year Ending March 31, 2013

Taking into consideration the needs of a broad stakeholder base that includes shareholders, customers, business partners and employees, the Dainippon Screen Group has positioned the return of an adequate level of profits as a key management priority. As for cash dividends, the Dainippon Screen Group strives to ensure stable cash dividends while considering the amount of retained earnings required to ensure business growth and increased profitability based on its dividend payout ratio, operating environment and the status of earnings conditions.

Dainippon Screen expects to distribute a fiscal year-end cash dividend of ¥5 per share for the fiscal year ended March 31, 2012.

Moreover, Dainippon Screen currently anticipates a fiscal year-end cash dividend forecast of ¥5 per share for the fiscal year ending March 31, 2013 based on earnings forecasts and its financial position during the current fiscal year.

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2011	Mar. 31, 2012
ASSETS		
Current assets:		
Cash and time deposits	¥39,985	¥ 37,662
Notes and accounts receivable-trade	70,979	72,949
Merchandise and finished goods	25,307	28,175
Work in process	31,301	23,381
Raw materials and supplies	4,604	5,561
Deferred tax assets	7,612	7,213
Other	4,739	3,724
Allowance for doubtful accounts	(1,007)	(1,125)
Total current assets	183,522	177,543
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	53,265	50,928
Accumulated depreciation	(35,500)	(34,642)
Buildings and structures (Net)	17,764	16,286
Machinery, equipment and vehicles	29,019	29,282
Accumulated depreciation	(22,748)	(23,502)
Machinery, equipment and vehicles (Net)	6,270	5,780
Land	9,253	9,741
Lease assets	8,541	7,389
Accumulated depreciation	(3,174)	(3,574)
Lease assets (Net)	5,367	3,815
Construction in progress	1,110	1,558
Other	9,411	9,959
Accumulated depreciation	(8,478)	(8,471)
Other (Net)	933	1,487
Total property, plant and equipment	40,699	38,669
Intangible assets:		
Lease assets	781	479
Other	408	1,665
Total intangible assets	1,189	2,145
Investments and other assets:		
Investment securities	22,184	21,147
Long-term loans receivable	59	58
Deferred tax assets	621	587
Other	4,921	6,700
Allowance for doubtful accounts	(71)	(1,469)
Total investments and other assets	27,715	27,024
Total noncurrent assets	69,604	67,838
Total assets	253,126	245,381

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	Mar. 31, 2011	Mar. 31, 2012
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	¥ 81,942	¥ 81,458
Short-term loans payable	500	8,049
Current portion of long-term loans payable	35,060	1,649
Current portion of bonds payable	2,500	7,000
Lease obligations	2,026	1,347
Income taxes payable	2,242	1,586
Notes payable-facilities	49	606
Provision for directors' bonuses	68	58
Provision for product warranties	6,059	5,522
Provision for loss on order received	336	246
Asset retirement obligations	32	—
Other	17,313	15,698
Total current liabilities	148,131	123,223
Noncurrent liabilities:		
Bonds payable	7,000	19,000
Long-term loans payable	3,633	6,988
Lease obligations	4,869	3,641
Deferred tax liabilities	839	834
Provision for retirement benefits	279	315
Provision for directors' retirement benefits	110	109
Asset retirement obligations	48	48
Other	613	624
Total noncurrent liabilities	17,394	31,562
Total liabilities	165,526	154,786
NET ASSETS		
Shareholders' equity:		
Capital stock	54,044	54,044
Capital surplus	30,154	4,583
Retained earnings	26,418	55,439
Treasury stock	(12,236)	(12,240)
Total shareholders' equity	98,381	101,827
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,344	1,385
Deferred gains or losses on hedges	(41)	—
Foreign currency translation adjustments	(12,566)	(13,144)
Total accumulated other comprehensive income	(11,263)	(11,758)
Minority interests	482	527
Total net assets	87,600	90,595
Total liabilities and net assets	253,126	245,381

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Apr.1, 2010- Mar.31, 2011	Apr.1, 2011- Mar.31, 2012
Net sales	¥ 254,952	¥ 250,089
Cost of sales	182,990	187,324
Gross profit	71,962	62,765
Selling, general and administrative expenses	45,151	49,266
Operating income	26,811	13,498
Non-operating income		
Interest income	102	123
Dividends income	279	384
Equity in earnings of affiliates	437	0
House rent income	272	198
Gain on sales of noncurrent assets	259	387
Other	1,183	495
Total non-operating income	2,535	1,589
Non-operating expenses		
Interest expenses	1,789	1,496
Foreign exchange losses	161	299
Sales discounts	247	330
Other	616	676
Total non-operating expenses	2,815	2,802
Ordinary income	26,531	12,284
Extraordinary income		
Gain on sales of investment securities	162	38
Gain on sales of subsidiaries and affiliates' stocks	525	—
Reversal of allowance for doubtful accounts	210	—
Other	2	—
Total extraordinary income	901	38
Extraordinary loss		
Impairment loss	1,656	2,866
Provision of allowance for doubtful accounts	—	1,323
Loss on valuation of investment securities	346	830
Loss on disaster	47	18
Business structure improvement expenses	648	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	297	—
Other	—	7
Total extraordinary loss	2,997	5,045
Income before income taxes	24,434	7,277
Income taxes	2,342	2,041
Income taxes-deferred	(3,652)	541
Total income taxes	(1,309)	2,582
Income before minority interests	25,744	4,695
Minority interests in income	57	57
Net income	25,686	4,637

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Apr.1, 2010- Mar.31, 2011	Apr.1, 2011- Mar.31, 2012
Income before minority interests	¥ 25,744	¥ 4,695
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,054)	41
Deferred gains or losses on hedges	25	41
Foreign currency translation adjustments	(1,140)	(586)
Total other comprehensive income	(3,168)	(503)
Comprehensive income	22,575	4,191
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	22,523	4,141
Comprehensive income attributable to minority interests	52	50

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Apr.1, 2010- Mar.31, 2011	Apr.1, 2011- Mar.31, 2012
Shareholders' equity		
Capital stock		
Balance, as of beginning of current period	¥ 54,044	¥ 54,044
Increase (decrease) during the period		
Total changes during the period	—	—
Balance, as of end of current period	54,044	54,044
Capital surplus		
Balance, as of beginning of current period	30,154	30,154
Increase (decrease) during the period		
Transfer to retained earnings from capital surplus	—	(25,571)
Surplus from sale of treasury stock	(0)	(0)
Total changes during the period	(0)	(25,571)
Balance, as of end of current period	30,154	4,583
Retained earnings		
Balance, as of beginning of current period	731	26,418
Increase (decrease) during the period		
Transfer to retained earnings from capital surplus	—	25,571
Dividends from surplus	—	(1,186)
Net income	25,686	4,637
Total changes during the period	25,686	29,021
Balance, as of end of current period	26,418	55,439
Treasury stock		
Balance, as of beginning of current period	(12,224)	(12,236)
Increase (decrease) during the period		
Acquisition of treasury stock	(11)	(4)
Surplus from sale of treasury stock	0	0
Total changes during the period	(11)	(4)
Balance, as of end of current period	(12,236)	(12,240)
Total shareholders' equity		
Balance, as of beginning of current period	72,706	98,381
Increase (decrease) during the period		
Transfer to retained earnings from capital surplus	—	—
Dividends from surplus	—	(1,186)
Net income	25,686	4,637
Acquisition of treasury stock	(11)	(4)
Surplus from sale of treasury stock	0	0
Total changes during the period	25,675	3,445
Balance, as of end of current period	98,381	101,827

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Millions of yen)

	Apr.1, 2010- Mar.31, 2011	Apr.1, 2011- Mar.31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance, as of beginning of current period	¥ 3,399	¥ 1,344
Increase(decrease) during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	(2,054)	41
Total changes during the period	(2,054)	41
Balance, as of end of current period	1,344	1,385
Deferred gains or losses on hedges		
Balance, as of beginning of current period	(67)	(41)
Increase(decrease) during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	25	41
Total changes during the period	25	41
Balance, as of end of current period	(41)	—
Foreign currency translation adjustments		
Balance, as of beginning of current period	(11,431)	(12,566)
Increase(decrease) during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	(1,134)	(578)
Total changes during the period	(1,134)	(578)
Balance, as of end of current period	(12,566)	(13,144)
Total accumulated other comprehensive income		
Balance, as of beginning of current period	(8,100)	(11,263)
Increase(decrease) during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	(3,163)	(495)
Total changes during the period	(3,163)	(495)
Balance, as of end of current period	(11,263)	(11,758)
Minority interests		
Balance, as of beginning of current period	434	482
Increase(decrease) during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	47	45
Total changes during the period	47	45
Balance, as of end of current period	482	527
Total net assets		
Balance, as of beginning of current period	65,040	87,600
Increase(decrease) during the period		
Transfer to retained earnings from capital surplus	—	—
Dividends from surplus	—	(1,186)
Net income	25,686	4,637
Acquisition of treasury stock	(11)	(4)
Surplus from sale of treasury stock	0	0
Net increase (decrease) during the period, except for items under shareholders' equity	(3,115)	(450)
Total changes during the period	22,559	2,995
Balance, as of end of current period	87,600	90,595

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr.1, 2010- Mar.31, 2011	Apr.1, 2011- Mar.31, 2012
Cash flow from operating activities:		
Income before income taxes	¥ 24,434	¥ 7,277
Depreciation and amortization	5,805	4,985
Impairment loss	1,656	2,866
Equity in (earnings) losses of affiliates	(437)	(0)
Loss (gain) on valuation of investment securities	346	830
Loss (gain) on sales of investment securities	(162)	(36)
Loss (gain) on sales of subsidiaries and affiliates' stocks	(525)	—
Increase (decrease) in provision for retirement benefits	(207)	35
Increase (decrease) in provision for directors' bonuses	45	(9)
Increase (decrease) in provision for product warranties	2,273	(534)
Increase (decrease) in provision for loss on order received	(179)	(89)
Business structure improvement expenses	648	—
Interest and dividends income	(381)	(507)
Interest expenses	1,789	1,496
Loss (gain) on sales of property, plant and equipment	(234)	(387)
Decrease (increase) in notes and accounts receivable-trade	(18,484)	(1,834)
Decrease (increase) in inventories	(12,490)	3,033
Decrease (increase) in other current assets	(214)	626
Increase (decrease) in notes and accounts payable-trade	28,796	(604)
Increase (decrease) in accrued expenses	707	(634)
Increase (decrease) in other current liabilities	4,551	(2,102)
Other, net	(45)	(90)
Subtotal	37,694	14,319
Interest and dividends income received	369	498
Interest expenses paid	(1,817)	(1,495)
Contribution in connection with the shift to a defined-contribution pension plan	(875)	(55)
Payment for business structure improvement expenses	(164)	—
Income taxes paid	(906)	(1,988)
Net cash provided by operating activities	34,299	11,278

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	Apr.1, 2010- Mar.31, 2011	Apr.1, 2011- Mar.31, 2012
Cash flow from investing activities:		
Decrease (increase) in time deposits	¥ (349)	¥ (489)
Purchase of property, plant and equipment	(2,449)	(4,491)
Proceeds from sales of property, plant and equipment	712	1,855
Purchase of investment securities	(4,018)	(13)
Proceeds from sales of investment securities	519	125
Proceeds from sales of stocks of subsidiaries and affiliates	3,739	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(313)
Other, net	(347)	(835)
Net cash used in investing activities	(2,191)	(4,162)
Cash flow from financing activities:		
Net increase (decrease) in short-term loans payable	500	7,546
Proceeds from long-term loans payable	—	5,000
Repayments of long-term loans payable	(9,772)	(35,227)
Repayments of finance lease obligations	(2,960)	(1,985)
Proceeds from issuance of bonds	—	18,895
Redemption of bonds	(10,000)	(2,500)
Net decrease (increase) in treasury stock	(11)	(4)
Cash dividends paid	—	(1,186)
Cash dividends paid to minority shareholders	(4)	(4)
Net cash used in financing activities	(22,249)	(9,467)
Effect of exchange rate change on cash and cash equivalents	(1,379)	(400)
Net increase (decrease) in cash and cash equivalents	8,478	(2,751)
Cash and cash equivalents at beginning of period	29,904	38,383
Cash and cash equivalents at end of period	38,383	35,631

SEGMENT INFORMATION

[Segment Information]

1. Segment Overview

(1) Calculation Method for Reportable Segments

The Dainippon Screen Group'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.

The Dainippon Screen Group 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 the Media and Precision Technology (MP) segment, graphic arts equipment and PCB related equipment are developed, manufactured, sold and maintained.

2. Measurement of Net Sales, Profit/loss, Assets and Other in Reportable Segment

Income for each reportable segment is the amounts based on operating income.

Intersegment revenues and transfers are based on market prices.

3. Net Sales, Profit/loss, Assets and Other in Reportable Segment

Fiscal year ended March 31, 2011

(Millions of yen)

	Reportable segment				Other *1	Total	Adjustments *2	Consolidated *3
	SE	FE	MP	Total				
Sales								
(1)Sales to outside customers	¥ 174,278	¥ 32,711	¥ 47,306	¥ 254,296	¥ 656	¥ 254,952	—	¥ 254,952
(2)Intersegment sales and transfers	—	—	—	—	7,831	7,831	(7,831)	—
Total	174,278	32,711	47,306	254,296	8,487	262,784	(7,831)	254,952
Segment income (loss)	28,140	34	(1,304)	26,870	303	27,174	(362)	26,811
Segment assets	129,061	26,445	39,684	195,191	4,046	199,237	53,889	253,126
Other								
Depreciation and amortization	3,452	460	673	4,586	120	4,706	1,098	5,805
Increase in the amount of tangible fixed assets and intangible fixed assets	2,509	323	538	3,371	89	3,461	151	3,612

Notes

*1 The "Other" category incorporates operations not included in reportable segments, including software development, planning and production of printed matter, logistics operations and other businesses.

*2 Segment operating income (loss) adjustment of ¥ (362) 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 assets adjustment of ¥53,889 million is the corporate assets not apportioned in each reportable segment. Corporate assets mainly comprise the administrative assets not usually attributed to segments.

*3 Segment income (loss) is adjusted with operating income under consolidated statements of income.

SEGMENT INFORMATION

Fiscal year ended March 31, 2012

(Millions of yen)

	Reportable segment				Other *1	Total	Adjustments *2	Consolidated *3
	SE	FE	MP	Total				
Sales								
(1)Sales to outside customers	¥ 167,593	¥ 32,611	¥ 49,163	¥ 249,368	¥ 721	¥ 250,089	—	¥ 250,089
(2)Intersegment sales and transfers	—	—	—	—	8,656	8,656	(8,656)	—
Total	167,593	32,611	49,163	249,368	9,377	258,746	(8,656)	250,089
Segment income (loss)	13,627	(1,216)	2,305	14,716	3	14,719	(1,221)	13,498
Segment assets	133,926	15,662	41,225	190,814	4,763	195,577	49,803	245,381
Other								
Depreciation and amortization	3,204	328	310	3,843	111	3,955	1,030	4,985
Increase in the amount of tangible fixed assets and intangible fixed assets	2,951	447	1,041	4,440	114	4,554	2,792	7,346

Notes

*1 The “Other” category incorporates operations not included in reportable segments, including software development, planning and production of printed matter, logistics operations and other businesses.

*2 Segment operating income (loss) adjustment of ¥ (1,221) 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 assets adjustment of ¥49,803 million is the corporate assets not apportioned in each reportable segment. Corporate assets mainly comprise the administrative assets not usually attributed to segments.

*3 Segment income (loss) is adjusted with operating income under consolidated statements of income.

Consolidated Financial Highlights for the Fiscal Year Ended Mar. 31, 2012

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

	FY2011	FY2012	Difference		FY2013	
	12months ended Mar.31, 2011	12months ended Mar. 31, 2012			6months ending Sept. 30, 2012	12months ending Mar.31, 2013
	Result	Result	Amount	Percentage	Forecast	Forecast
Net sales	¥ 254,952	¥ 250,089	¥ (4,863)	-1.9%	113,000	247,000
Operating income	26,811	13,498	(13,312)	-49.7%	3,500	15,000
[to net sales ratio]	10.5 %	5.4 %	-5.1 pt	—	3.1 %	6.1 %
Ordinary income	26,531	12,284	(14,246)	-53.7%	3,000	14,000
[to net sales ratio]	10.4 %	4.9 %	-5.5 pt	—	2.7 %	5.7 %
Net income	25,686	4,637	(21,049)	-81.9%	2,000	11,500
[to net sales ratio]	10.1 %	1.9 %	-8.2 pt	—	1.8 %	4.7 %
Total assets	253,126	245,381	(7,744)	-3.1%	—	—
Net assets	87,600	90,595	2,995	3.4%	—	—
Equity	87,118	90,068	2,950	3.4%	—	—
Equity ratio	34.4 %	36.7 %	2.3 pt	—	—	—
Net assets per share	¥ 367.00	¥ 379.44	¥ 12.44	3.4%	—	—
Interest-bearing debt	55,590	47,676	(7,914)	-14.2%	—	—
Net interest-bearing debt	15,604	10,013	(5,591)	-35.8%	—	—
Return on equity	33.9 %	5.2 %	-28.7 pt	—	—	—
Cash flow from operating activities	34,299	11,278	(23,020)	—	—	—
Cash flow from investing activities	(2,191)	(4,162)	(1,970)	—	—	—
Cash flow from financing activities	(22,249)	(9,467)	12,782	—	—	—
Depreciation and amortization	5,805	4,985	(819)	-14.1%	2,400	5,500
Capital expenditures	3,612	7,346	3,733	103.3%	4,000	10,000
R&D expenses	12,129	13,888	1,759	14.5%	7,200	14,800
Number of employees	4,732	4,890	158	3.3%	—	—
Number of consolidated subsidiaries	43	44	1	—	—	—
[Domestic]	[19]	[20]	[1]	—	—	—
[Overseas]	[24]	[24]	—	—	—	—
Number of affiliates	1	1	—	—	—	—
[Number of affiliates accounted for by equity method]	[1]	[1]	—	—	—	—

Sales Breakdown (Consolidated)

(Millions of yen)

		FY2011		FY2012						FY2013	
		6 months ended	12 months ended	3 months ended	3 months ended	6 months ended	3 months ended	3 months ended	12 months ended	6 months ending	12 months ending
		Sept. 30, 2010	Mar. 31, 2011	Jun. 30, 2011	Sept. 30, 2011	Sept. 30, 2011	Dec. 31, 2011	Mar. 31, 2012	Mar. 31, 2012	Sept. 30, 2012	Mar. 31, 2013
		Result	Result	Result	Result	Result	Result	Result	Result	Forecast	Forecast
Semiconductor Equipment	Domestic	10,420	24,380	8,668	13,159	21,827	3,048	7,510	32,387	—	—
	Overseas	58,867	149,898	39,571	23,019	62,590	25,922	46,692	135,206	—	—
	Total	69,288	174,278	48,239	36,178	84,418	28,971	54,203	167,593	82,500	171,000
FPD Equipment	Domestic	4,347	6,828	383	2,194	2,577	3,734	2,597	8,908	—	—
	Overseas	13,109	25,882	4,717	7,109	11,827	6,730	5,144	23,702	—	—
	Total	17,456	32,711	5,100	9,303	14,404	10,464	7,742	32,611	5,000	23,000
Media and Precision Technology	Domestic	11,104	20,773	4,077	5,449	9,526	3,969	6,646	20,142	—	—
	Overseas	12,236	26,532	6,991	7,356	14,347	6,639	8,034	29,021	—	—
	Total	23,340	47,306	11,068	12,806	23,874	10,608	14,680	49,163	25,000	52,000
Graphic Arts Equipment	Domestic	9,051	17,452	3,328	4,808	8,136	3,573	5,201	16,911	—	—
	Overseas	10,553	23,035	6,246	6,594	12,840	6,246	7,564	26,651	—	—
	Total	19,605	40,488	9,574	11,403	20,977	9,820	12,765	43,563	21,600	45,000
PCB Equipment	Domestic	2,052	3,321	749	640	1,389	396	1,444	3,230	—	—
	Overseas	1,682	3,496	744	762	1,507	392	470	2,369	—	—
	Total	3,734	6,818	1,493	1,402	2,896	788	1,915	5,600	3,400	7,000
Other	Domestic	315	646	138	174	313	149	234	697	—	—
	Overseas	4	10	4	6	11	7	5	23	—	—
	Total	319	656	142	181	324	156	239	721	500	1,000
Grand Total	Domestic	26,187	52,628	13,267	20,977	34,244	10,902	16,988	62,135	—	—
	Overseas	84,217	202,324	51,284	37,492	88,776	39,299	59,877	187,954	—	—
	Total	110,405	254,952	64,551	58,470	123,021	50,202	76,866	250,089	113,000	247,000
	Overseas Ratio	76.3%	79.4%	79.4%	64.1%	72.2%	78.3%	77.9%	75.2%	—	—

Orders received & Order backlog (Consolidated)

(Millions of yen)

		FY2011		FY2012							
		3 months ended Mar. 31, 2011		3 months ended Jun. 30, 2011		3 months ended Sept. 30, 2011		3 months ended Dec. 31, 2011		3 months ended Mar. 31, 2012	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Equipment	Domestic	8,275	13,071	10,005	14,407	6,552	7,799	6,573	11,323	2,170	5,983
	Overseas	45,458	57,462	29,129	47,020	26,266	50,267	36,532	60,876	27,091	41,274
	Total	53,732	70,533	39,134	61,427	32,818	58,066	43,104	72,199	29,260	47,256
FPD Equipment	Domestic	5,670	6,551	1,129	7,296	778	5,881	1,228	3,374	1,110	1,887
	Overseas	3,808	20,995	5,024	21,301	1,939	16,131	792	10,192	-482	4,565
	Total	9,477	27,546	6,152	28,597	2,718	22,011	2,020	13,566	628	6,452
Media and Precision Technology	Domestic	5,852	2,080	3,550	1,552	4,937	1,040	4,326	1,396	6,350	1,100
	Overseas	7,163	2,080	9,400	4,489	6,227	3,359	7,871	4,590	6,753	3,309
	Total	13,015	4,160	12,949	6,041	11,164	4,399	12,197	5,987	13,103	4,409
Graphic Arts Equipment	Domestic	4,927	1,751	2,926	1,349	4,334	874	3,757	1,057	5,126	981
	Overseas	6,204	1,783	8,371	3,907	5,869	3,182	6,951	3,886	6,709	3,030
	Total	11,131	3,534	11,297	5,256	10,202	4,055	10,708	4,943	11,834	4,012
PCB Equipment	Domestic	925	329	624	204	604	167	569	339	1,224	119
	Overseas	959	297	1,029	581	358	177	920	705	45	279
	Total	1,884	627	1,652	785	961	344	1,489	1,044	1,269	397
Other	Domestic	—	—	—	—	—	—	—	—	—	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	—	—	—	—	—	—	—	—	—	—
Grand Total	Domestic	19,796	21,702	14,683	23,256	12,267	14,720	12,126	16,094	9,630	8,970
	Overseas	56,428	80,537	43,552	72,809	34,432	69,756	45,195	75,658	33,362	49,148
	Total	76,224	102,238	58,235	96,065	46,700	84,476	57,321	91,752	42,992	58,118
	Overseas Ratio	74.0%	78.8%	74.8%	75.8%	73.7%	82.6%	78.8%	82.5%	77.6%	84.6%