

DAINIPPON SCREEN MFG. CO., LTD.

Business Results & Forecast The first quarter ended June 30, 2011

August 9, 2011
Senior Managing Director & CFO Osamu Ryonai

- Agenda**
- 1Q Business Result & Analysis
 - Business Environment
 - Business Forecast

Cautionary statement with respect to these materials;

The earnings forecasts contained in these materials and communicated verbally, are based on the most recent information available to Dainippon Screen. However, rapid changes can occur in Dainippon Screen's business environment, due to factors such as global economic changes, technological developments in the electronics industry and changes in the semiconductor and LCD panel markets. As a result, Dainippon Screen's earnings performance and achievements may materially differ from those expressed in these materials.

Figures have been rounded down to eliminate amounts less than ¥100 million, except per share figures.

Business Result
1st Quarter ended June 30, 2011

FY2012/ 1Q Business Result

		FY2011					FY2012	
		Result				Result	vs.4Q	Vs.1Q
		1Q	2Q	3Q	4Q	1Q	%	%
(Unite: Billions of JPY)								
Net Sales		51.4	58.9	66.2	78.3	64.5	-17.6%	25.5%
SE		32.7	36.5	49.5	55.4	48.2	-13.1%	47.2%
FE		8.2	9.2	6.1	9.0	5.1	-43.8%	-37.9%
MP		10.3	13.0	10.3	13.5	11.0	-18.5%	7.4%
	Graphic Arts Equipment (MT)	8.9	10.6	9.2	11.6	9.5	-17.7%	6.9%
	PCB Euipment (PE)	1.3	2.3	1.1	1.9	1.4	-23.6%	10.7%
Other		0.1	0.1	0.1	0.1	0.1	-20.7%	13.9%
Operating Income		4.6	6.3	7.5	8.1	6.2	-23.9%	33.8%
SE		4.9	6.1	8.8	8.1	6.8	-15.6%	39.3%
FE		0.6	0.0	(0.5)	(0.0)	(0.7)	-	-
MP		(0.9)	0.1	(0.8)	0.2	0.2	-28.0%	-
Other		(0.0)	0.0	0.1	(0.2)	(0.1)	-	-
Ordinary Income		4.6	6.3	7.4	8.0	6.0	-24.9%	31.3%
Net Profit		3.8	5.7	7.7	8.3	4.7	-43.3%	22.3%

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

FY2012/ 1Q Business Result

Net Sales

1Q: ¥ 64.5bn./ Previous Quarter : ¥ 78.3bn. Differential (¥ 13.7bn.)

(Unit : Billions of JPY)

Segment	FY2012/1Q	FY2011/4Q	Difference	Point
SE	48.2	55.4	(7.2)	Shipments for NAND makers were firm, however, DRAM remained low tone. Both shipments for Logic makers and Foundry decreased.
FE	5.1	9.0	(3.9)	Equipment for G8 remained at the same level. Equipment for mid -small sized panel decreased.
MP	11.0	13.5	(2.5)	
MT	9.5	11.6	(2.0)	POD increased. CTP decreased.
PE	1.4	1.9	(0.4)	Both direct imaging system for PCB and auto inspection system decreased.

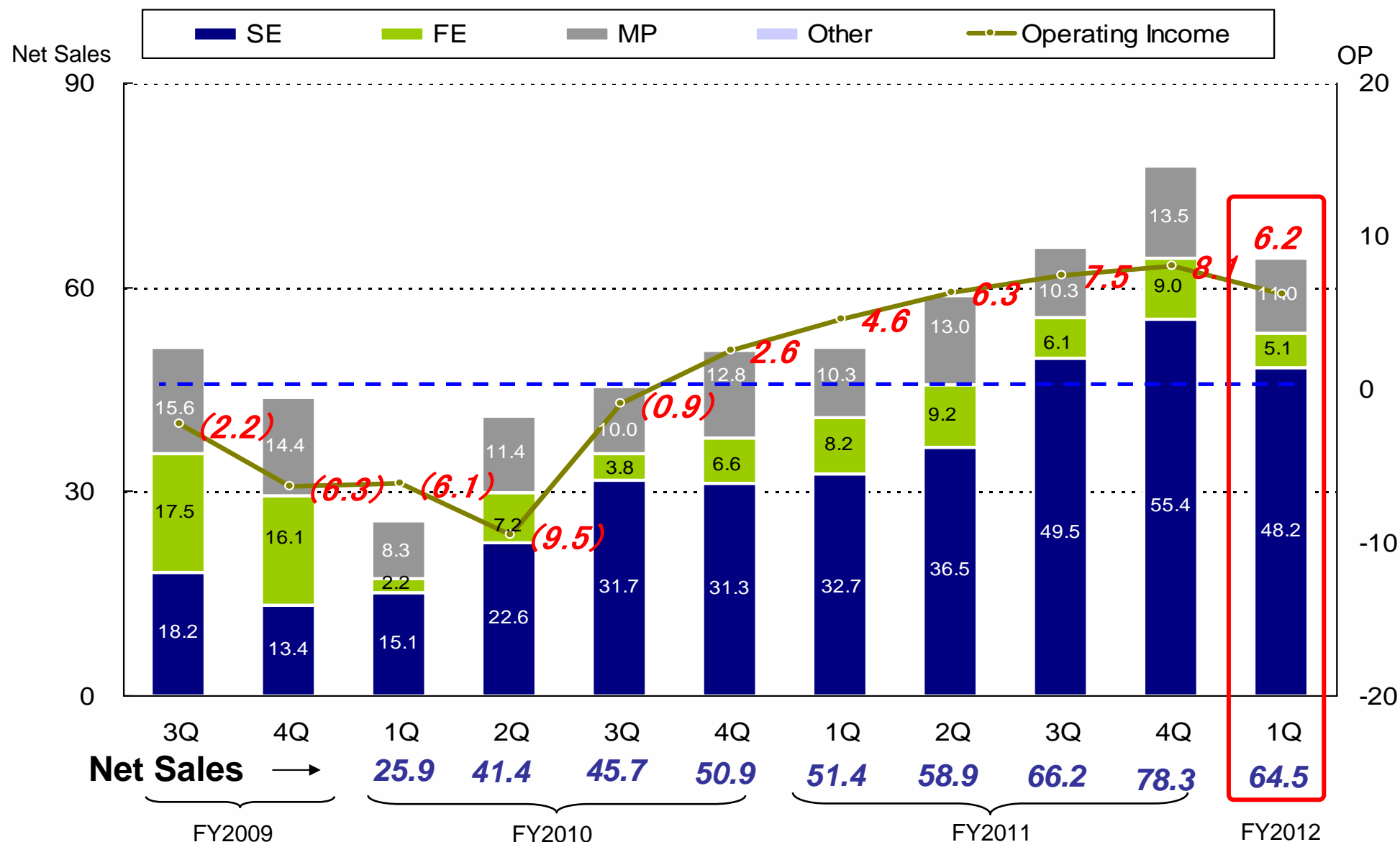
Operating Income

1Q: ¥ 6.2bn./ Previous Quarter ¥ 8.1bn. Differential (¥ 1.9bn.)

(Unit : Billions of JPY)

Segment	1Q	4Q	Difference	Point
SE	6.8	8.1	(1.2)	Keep operation margin despite decrease in net sales.
FE	(0.7)	(0.0)	(0.6)	Piled up deficits due to drop in sales.
MP	0.2	0.2	(0.0)	Improve operating margin due to holddown of fixed cost and product mix.

Quarterly Net Sales and Operating Income (Consolidated)

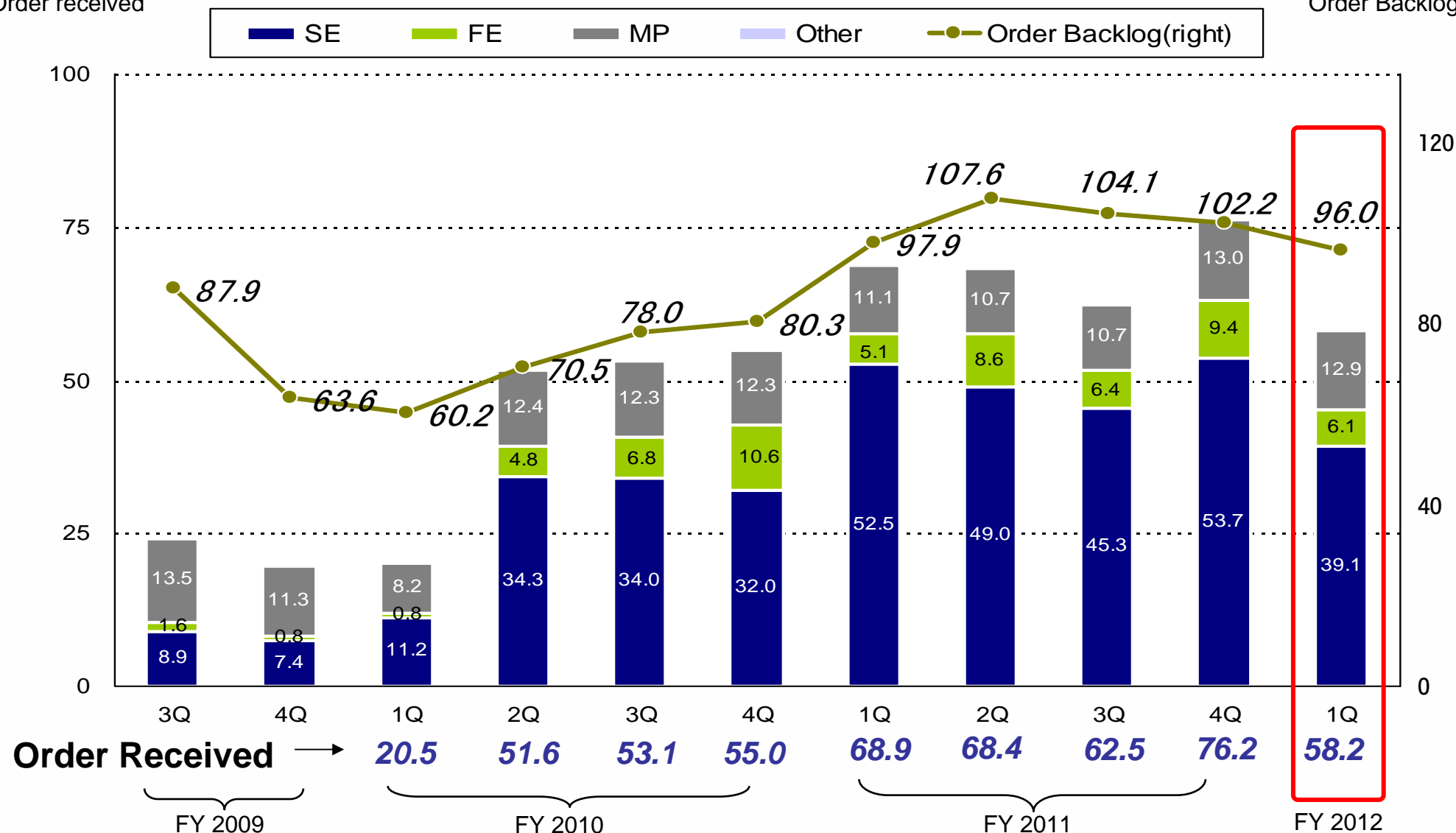


(Unit : Billions of JPY)

Quarterly Orders Received and Order Backlog (Consolidated)

Order received

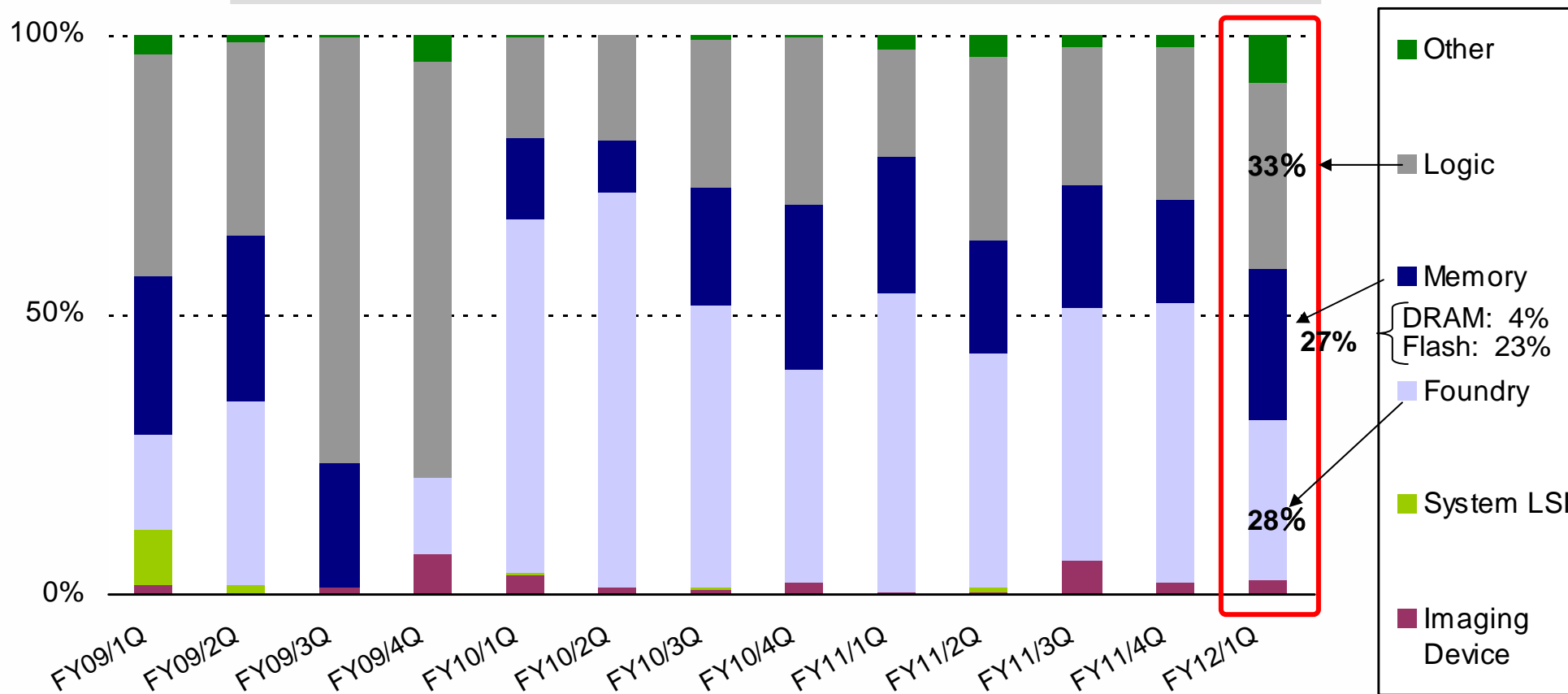
Order Backlog



(Unit: Billions of JPY)

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

➤ 1 Q order received: JPY 39.1 bn. (consolidated)

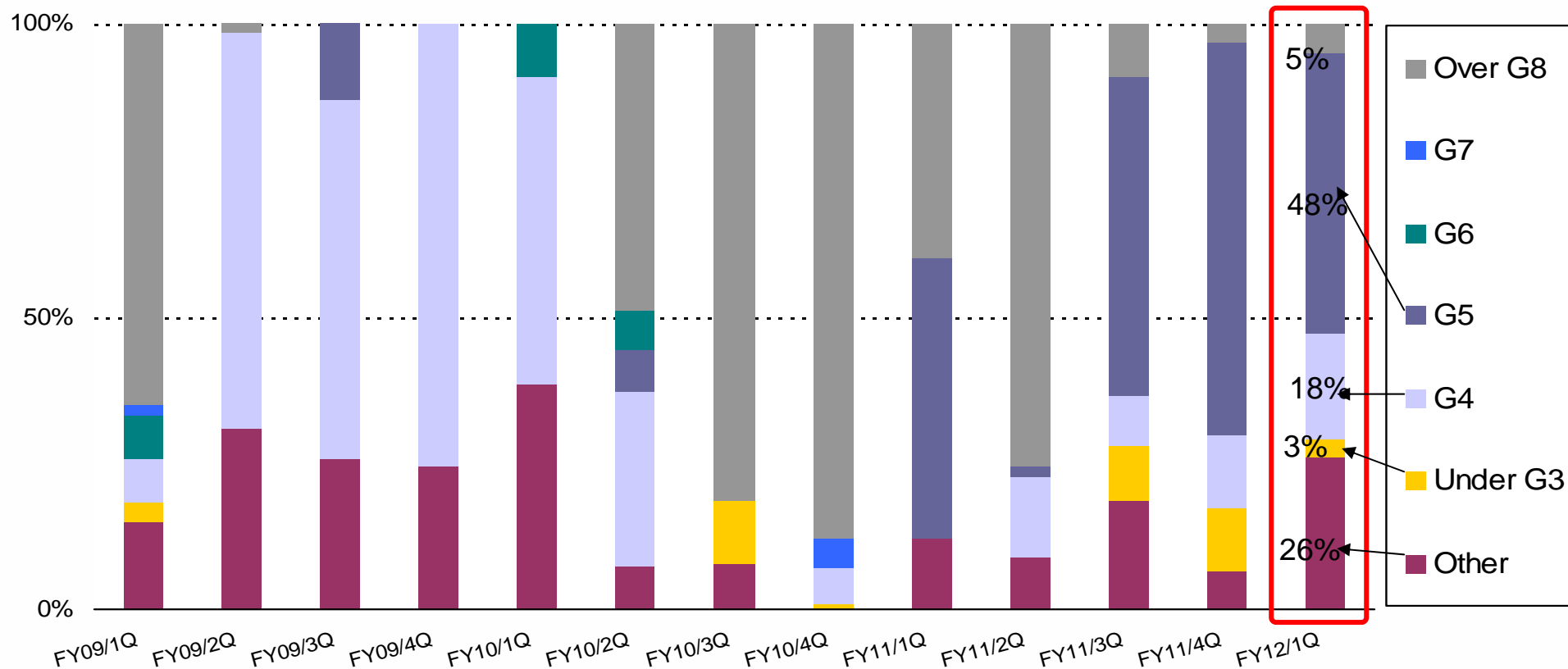


FY2012 1Q orders
by region
(Nonconsolidated)

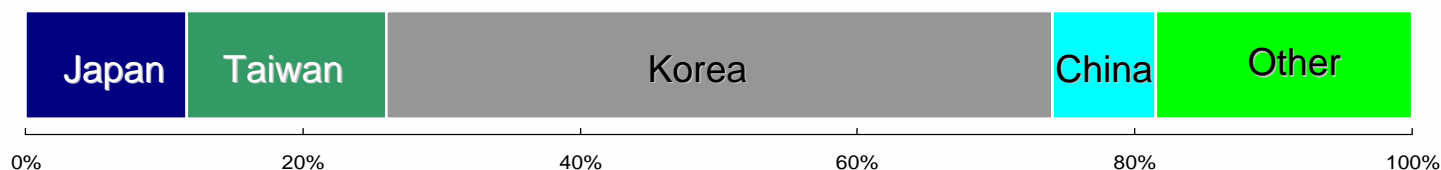


FPD Production Equipment Quarterly Orders Received by Generation (Nonconsolidated)

➤ 1 Q order received: JPY 6.1 bn. (consolidated)



FY2012 1Q orders
by region
(Nonconsolidated)

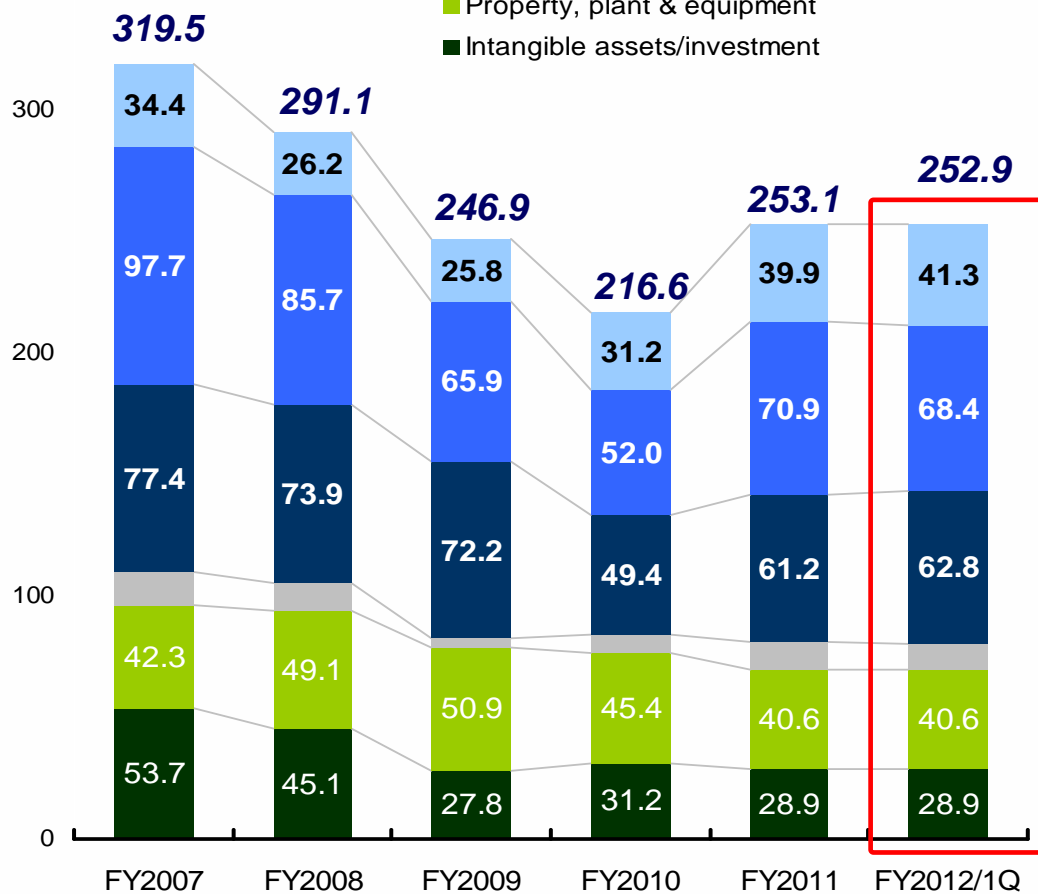


(Unit: Billions of JPY)

Trend in B/S (Consolidated)

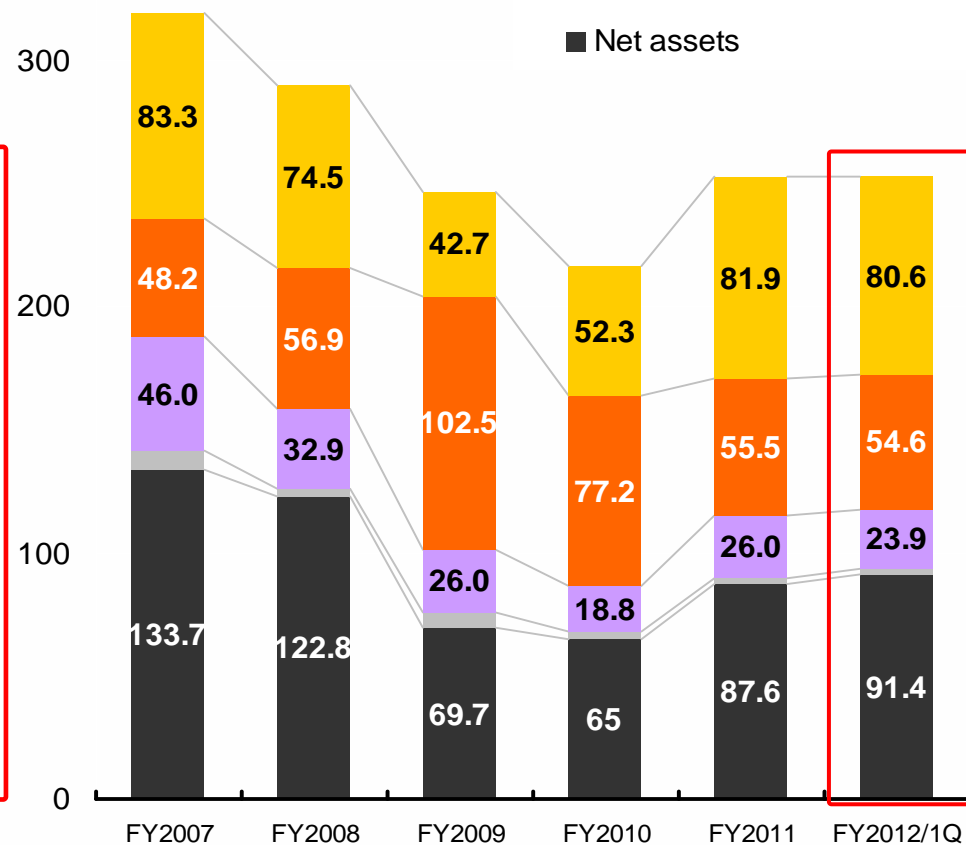
Assets

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



Liabilities and Net Assets

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



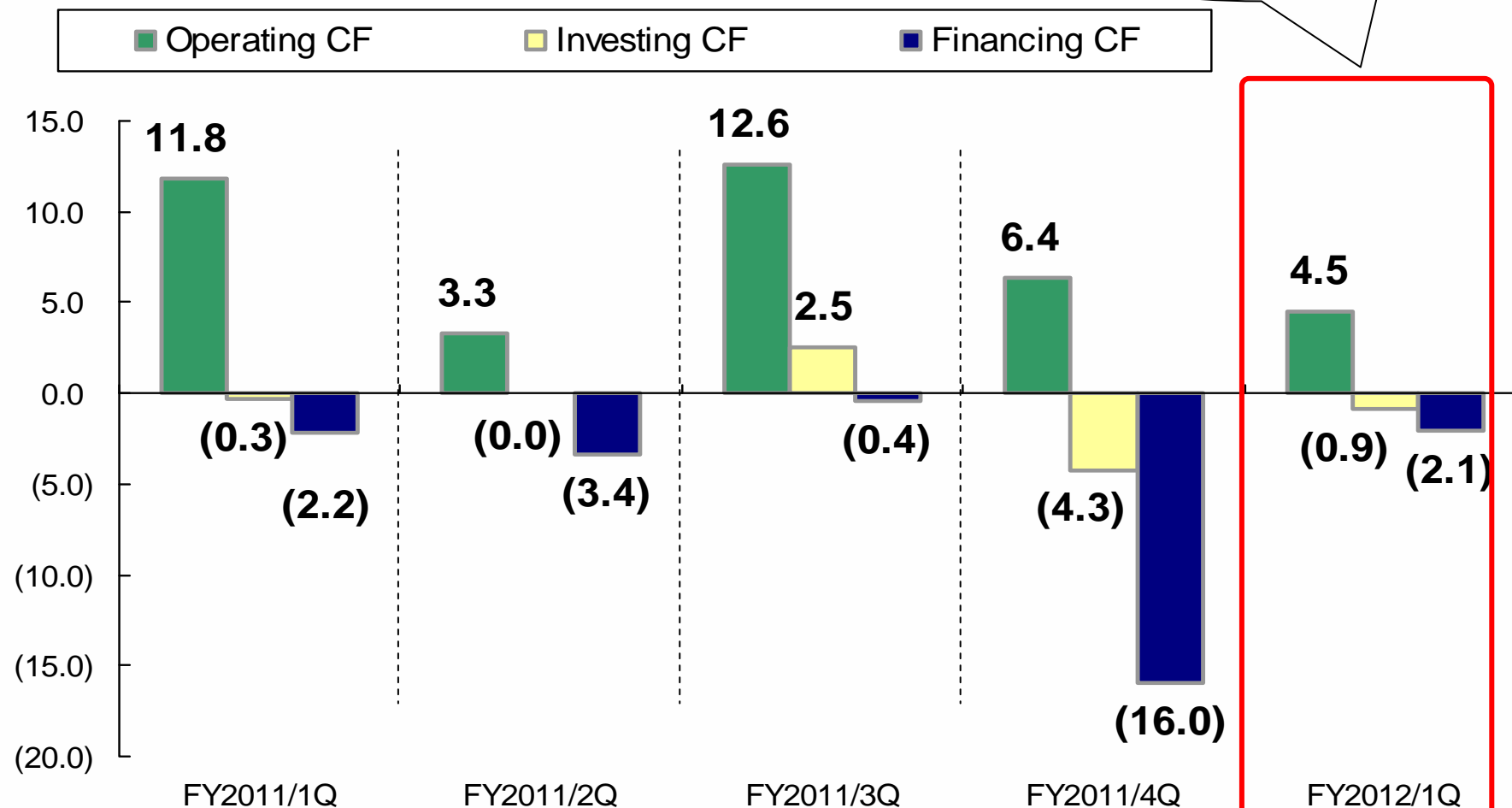
Equity Ratio 34.4% (March 2011) → 36.0 % (June 2011)

Consolidated Cash Flows

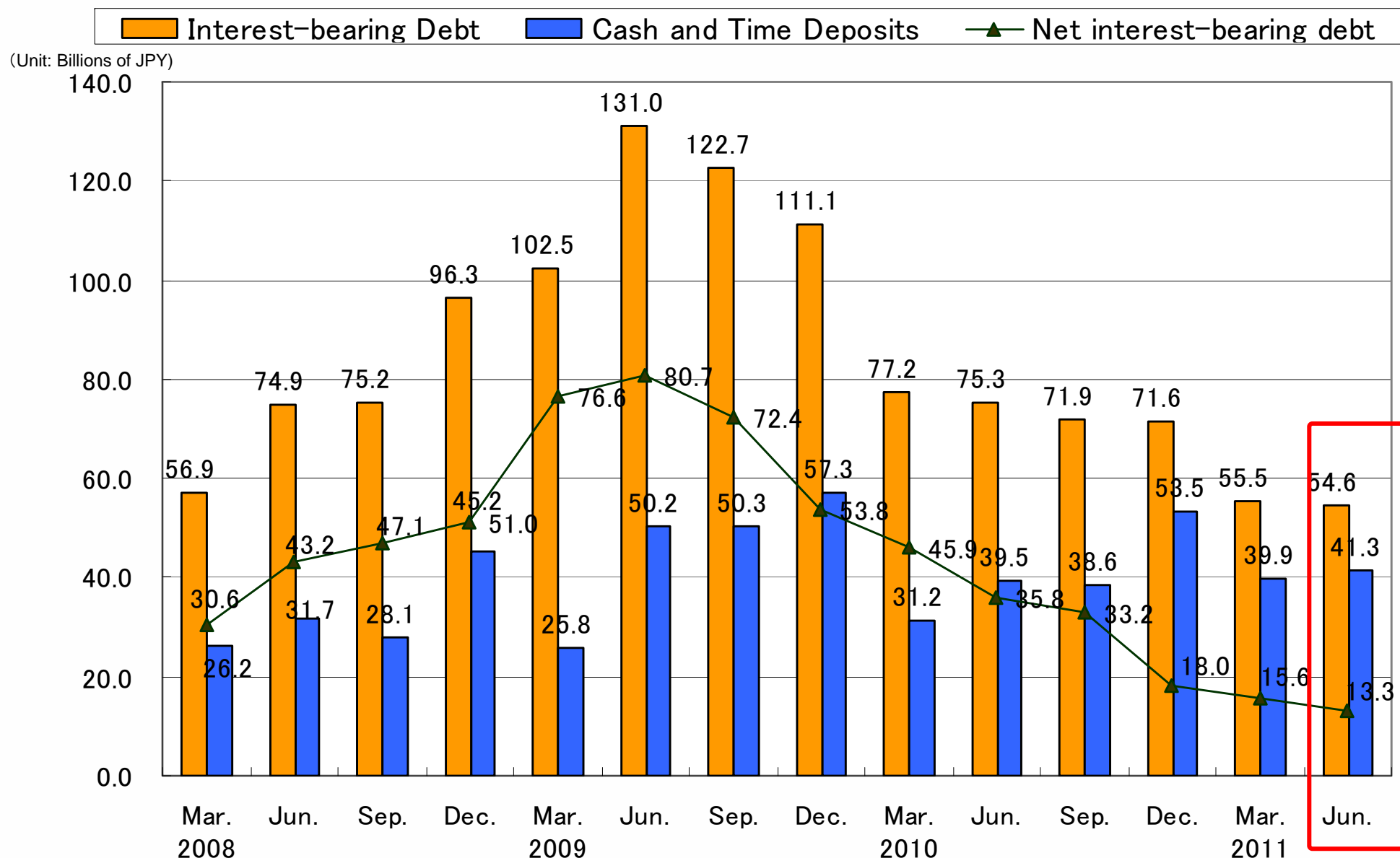
Free Cash Flow: JPY 3.5 bn.

Operating CF : JPY 4.5 bn.
Investing CF : JPY (0.9 bn.)
Financing CF : JPY (2.1 bn.)

(Unit: Billions of JPY)



Interest-bearing Debt (Consolidated)



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

Business Area

SE

1Q

- A review of capital investment plans by foundry and logic makers due to a sluggish condition of semiconductor market.
- Keeping a high level of sales despite of partial sales sliding.
- Orders received stood at a lower level of the guideline at beginning of year.
- Received a high evaluation of single wafer cleaning equipment SU-3200 with progress in process assessment.
- Intensifying competition as to coater/developers.

Outlook for 2Q and after

- Logic will keep steady.
- Except a NAND maker, as to memory, investment for mass production will be flat due to decline in price.
- Due to inventory adjustment, foundry will continue to wait and see toward investment in 2Q (Jul. to Sep.)
- Each maker will continue R&D investment for miniaturization.
- Focus on sales of imaging device and power device with vigorous investment.
- Strengthen further reduction of expenses and costs while continuing research and development investment.

FE

1Q

- Investments for small- and medium-sized LTPS have remained strong.
- Investments for large-sized substrate equipment for TV have been flat, centered on existing investments in China.
- Nozzle printers for OLED have received orders for evaluation equipment.

Outlook for 2Q and after

- Improve profitability in LCD equipment business.
(Promotion of procurement in China, Reduction of variable costs by VE activities and control of fixed costs.)
- Continue activities in orders received on pilot line for nozzle printers for OLED.
- Continue to focus on growing areas capable of application development of holding technologies.
(Equipment related to photovoltaic, Lithium-ion batteries equipment)

MP

1Q

<MT>

- Secured operating income by control of fixed costs and improvement of product mix.
- In Japan, the U.S. and Europe, recovery of investment for graphic arts equipment was at a standstill due to an economic downturn.
- CTP shipments have been steady in such newly emerging countries as China and India.
- POD stayed expanding market in areas other than Japan, the U.S. and Europe. Received large-scale orders in fields other than commercial printing.

<PE>

- Inspection equipment has had increase in orders received in Asia.
- Sales opportunities for direct imaging systems for high-definition PCB have been increased.

Outlook for 2Q and after

<MT>

- Construction for increasing floor space in a CTP production factory in China was completed in August. It will be on full line from the second half trying to keep up with demand in newly emerging countries.
- POD sales will keep strong with a large-scale business settled.
- Focus on further cost reduction given the prospect for increasing business deals in newly emerging countries and ongoing tendency to an appreciation of the yen.

<PE>

- Be scheduled to input in market new high-production equipment for direct imaging system for PCB.
- Focus on sales promotion particularly toward customers in Taiwan and China.

Business Forecast for the year
ending March 31, 2012

Revised Business Forecast for FY2012

Rate: 1\$=80yen 1 €=110yen

(Unite: Billions of JPY)

(Unite : Billions of JPY)			FY2012										FY2011			
			1H				2H				Full					
			10-May		9-Aug		10-May		9-Aug		10-May		9-Aug		Result	
Net Sales			138.0		132.0		142.0		Unchanged		280.0		274.0		254.9	
SE			99.0		93.5		92.0				191.0		185.5		174.2	
FE			15.5		13.7		25.5				41.0		39.2		32.7	
MP	MT	23.2	20.1	24.5	21.4	24.1	20.9	47.3			41.0	48.6	42.3	47.3	40.4	
	PE		3.1		3.1		3.2				6.3		6.3		6.8	
Others			0.3		0.3		0.4				0.7		0.7		0.6	
Operating Income			12.5		10.5		13.5				26.0		24.0		26.8	
Ordinary Income			12.0		10.0		13.0				25.0		23.0		26.5	
Net Income			11.0		9.0		12.0		23.0		21.0		25.6			

Revised consolidated business forecast for the entire fiscal year, reflecting revisions only to the first half of the fiscal year and leaving the forecast for the second half of the fiscal year announced on May 10, 2011, unchanged.

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

Business Area

<SE>

- Change in trends of capital investment by device makers.
- Still uncertain while assuming that recovery timing of orders received will be lagging behind 1Q to 2Q, compared to as of beginning of the fiscal year.

<FE>

- Investment for LTPS will keep steady while investment for large-sized substrate for TV will be flat.

<MP>

- POD sales will remain steady led by large-scale orders received.
- CTP will pursue further cost reduction toward a newly emerging market.

Areas we focus on

- Improvement of variable cost ratio in existing product lines.
- Improvement of profitability ratio by enhancing product competitiveness.
- Implementation of Three-year Medium-term Management Plan.
(Ongoing investment in a new business)