

DAINIPPON SCREEN MFG. CO., LTD.

Business Results & Forecast The third quarter ended December 31, 2011

February 6, 2012

Senior Managing Director & CFO Osamu Ryonai

- Agenda**
- 3Q Business Result & Analysis
 - Business Situation
 - 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
3rd Quarter ended December 31, 2011

FY2012/ 3Q Business Result

	FY2011					FY2012				
	Result					Result				Difference
	1Q	2Q	3Q	total	4Q	1Q	2Q	3Q	total	1Q-3Qtotal
(Unite: Billions of JPY)										
Net Sales	51.4	58.9	66.2	176.6	78.3	64.5	58.4	50.2	173.2	(3.3)
SE	32.7	36.5	49.5	118.7	55.4	48.2	36.1	28.9	113.3	(5.4)
FE	8.2	9.2	6.1	23.6	9.0	5.1	9.3	10.4	24.8	1.2
MP	10.3	13.0	10.3	33.7	13.5	11.0	12.8	10.6	34.4	0.7
Graphic Arts Equipment (MT)	8.9	10.6	9.2	28.8	11.6	9.5	11.4	9.8	30.7	1.9
PCB Equipment (PE)	1.3	2.3	1.1	4.8	1.9	1.4	1.4	0.7	3.6	(1.1)
Other	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4	0.0
Operating Income	4.6	6.3	7.5	18.6	8.1	6.2	2.7	0.6	9.6	(9.0)
SE	4.9	6.1	8.8	19.9	8.1	6.8	2.4	0.5	9.8	(10.1)
FE	0.6	0.0	(0.5)	0.0	(0.0)	(0.7)	(0.3)	0.4	(0.5)	(0.6)
MP	(0.9)	0.1	(0.8)	(1.5)	0.2	0.2	0.8	0.0	1.1	2.6
Other/Adjustments	(0.0)	0.0	0.1	0.1	(0.2)	(0.1)	(0.1)	(0.4)	(0.7)	(0.9)
Ordinary Income	4.6	6.3	7.4	18.4	8.0	6.0	2.7	0.2	9.0	(9.3)
Net Profit	3.8	5.7	7.7	17.3	8.3	4.7	1.8	(3.9)	2.5	(14.7)

The specific factors for the 3rd Quarter:

- Impairment loss on fixed assets : JPY 2.8 billion
- Loss on valuation of investment securities : JPY 0.4 billion
- Partial reversal of deferred tax assets in conjunction with tax revisions : JPY 0.4 billion

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

FY2012/ 3Q Business Result

Net Sales

2Q: JPY 58.4bn./3Q JPY 50.2bn. Differential JPY (8.2)bn.

(Unit : Billions of JPY)

Segment	2Q	3Q	Difference	Point
SE	36.1	28.9	(7.2)	Sales for foundry increased while sales for memory makers decreased. Sales of batch type cleaning equipment decreased.
FE	9.3	10.4	1.1	Sales of equipment for large-sized glass substrate while those for small- and mid-sized increased
MP	12.8	10.6	(2.1)	
MT	11.4	9.8	(1.5)	Sales decreased due to the strong yen in addition to seasonal factor. POD sales in North America have remained strong
PE	1.4	0.7	(0.6)	Capital investment was generally sluggish due to the delay of inventory adjustment in electronic component

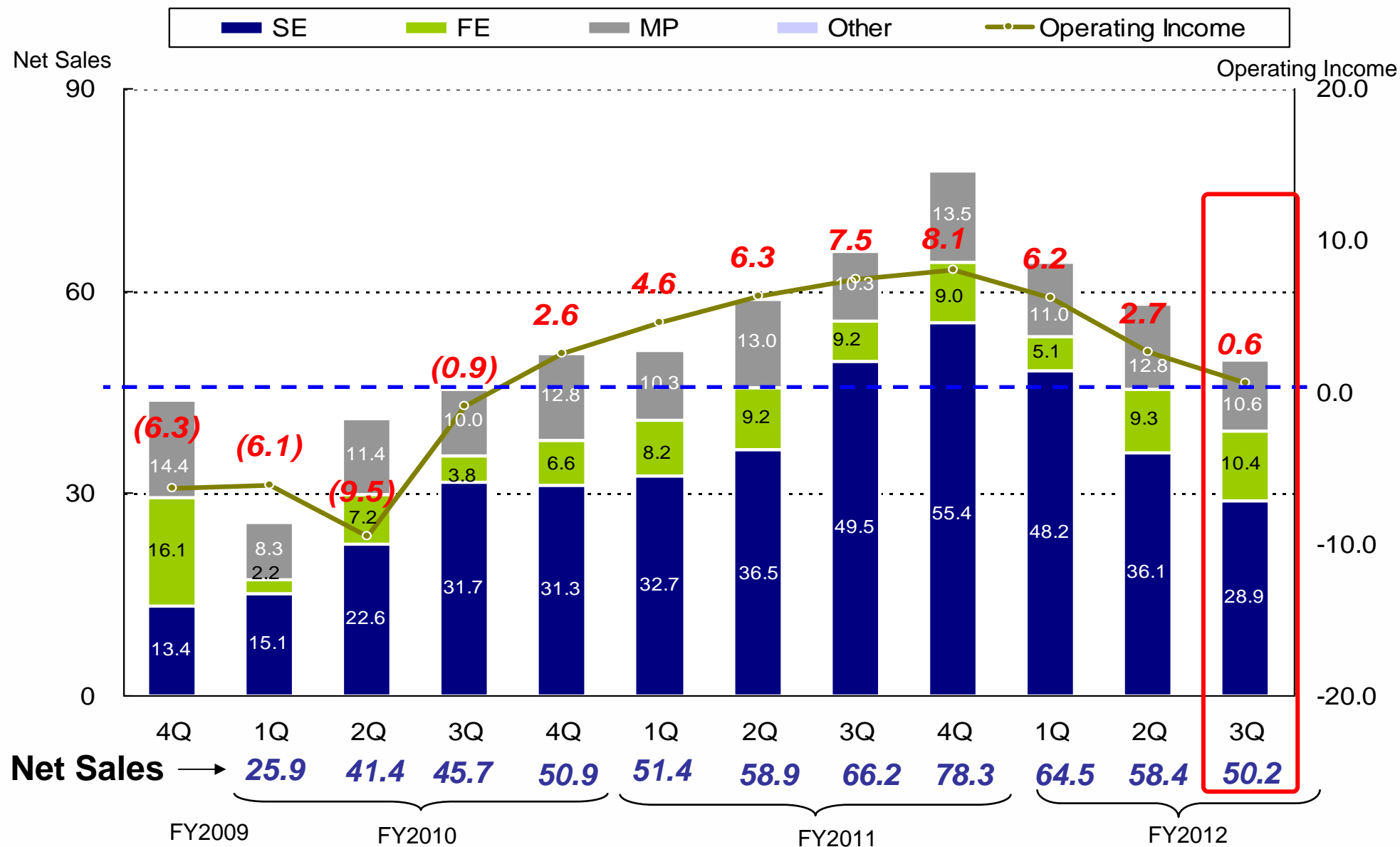
Operating Income

2Q JPY 2.7 bn. / 3Q JPY 0.6bn. Differential JPY (2.1)bn.

(Unit : Billions of JPY)

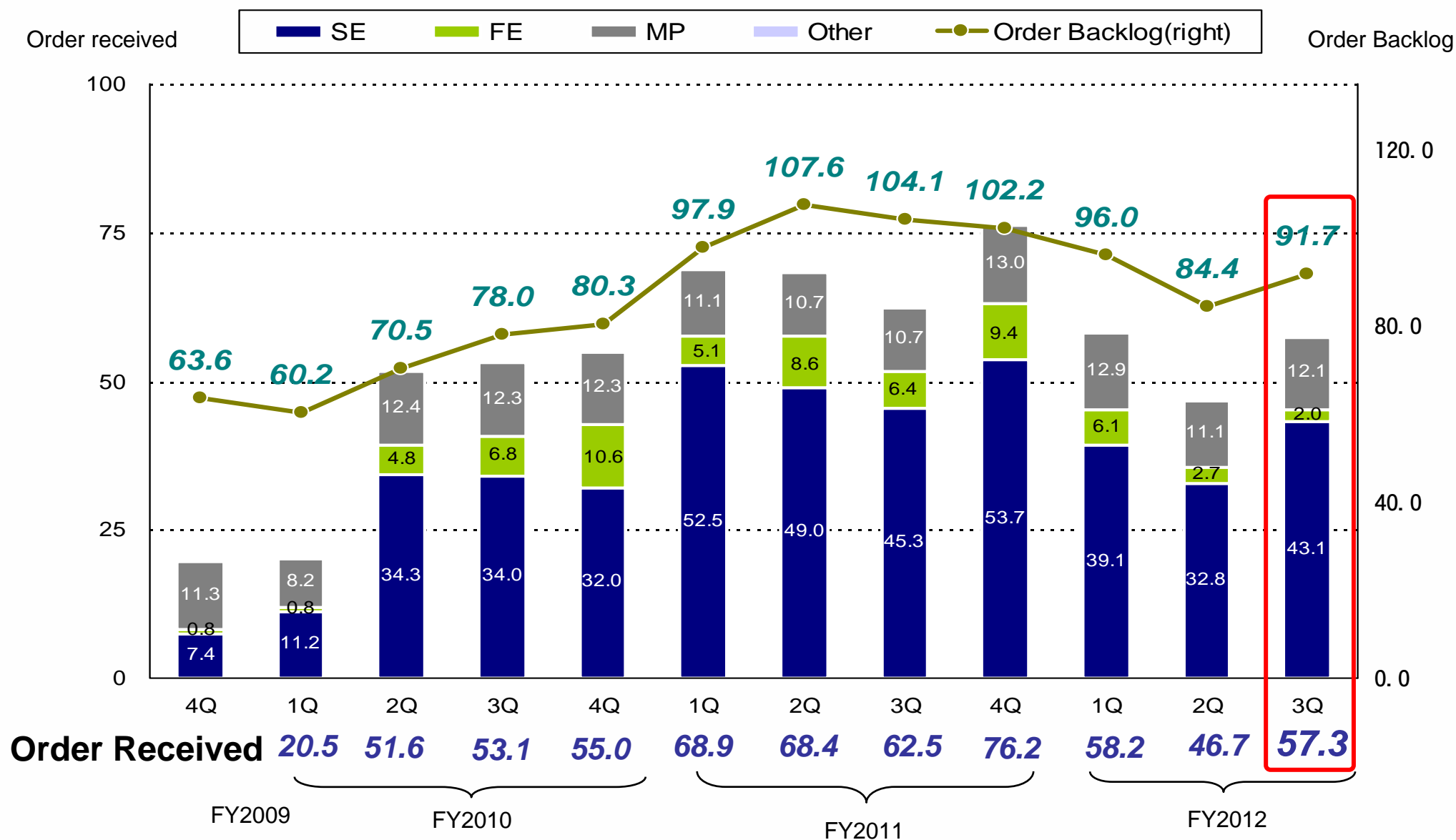
Segment	2Q	3Q	Difference	Point
SE	2.4	0.5	(1.9)	Operation income decreased due to sales decreased, but it largely within the scope of the assumption.
FE	(0.3)	0.4	0.8	Returned to the black due to cost reduction in addition to sales recovery.
MP	0.8	0.0	(0.7)	Operating income was secured in spite of sales decreased and strong yen.

Quarterly Net Sales and Operating Income (Consolidated)



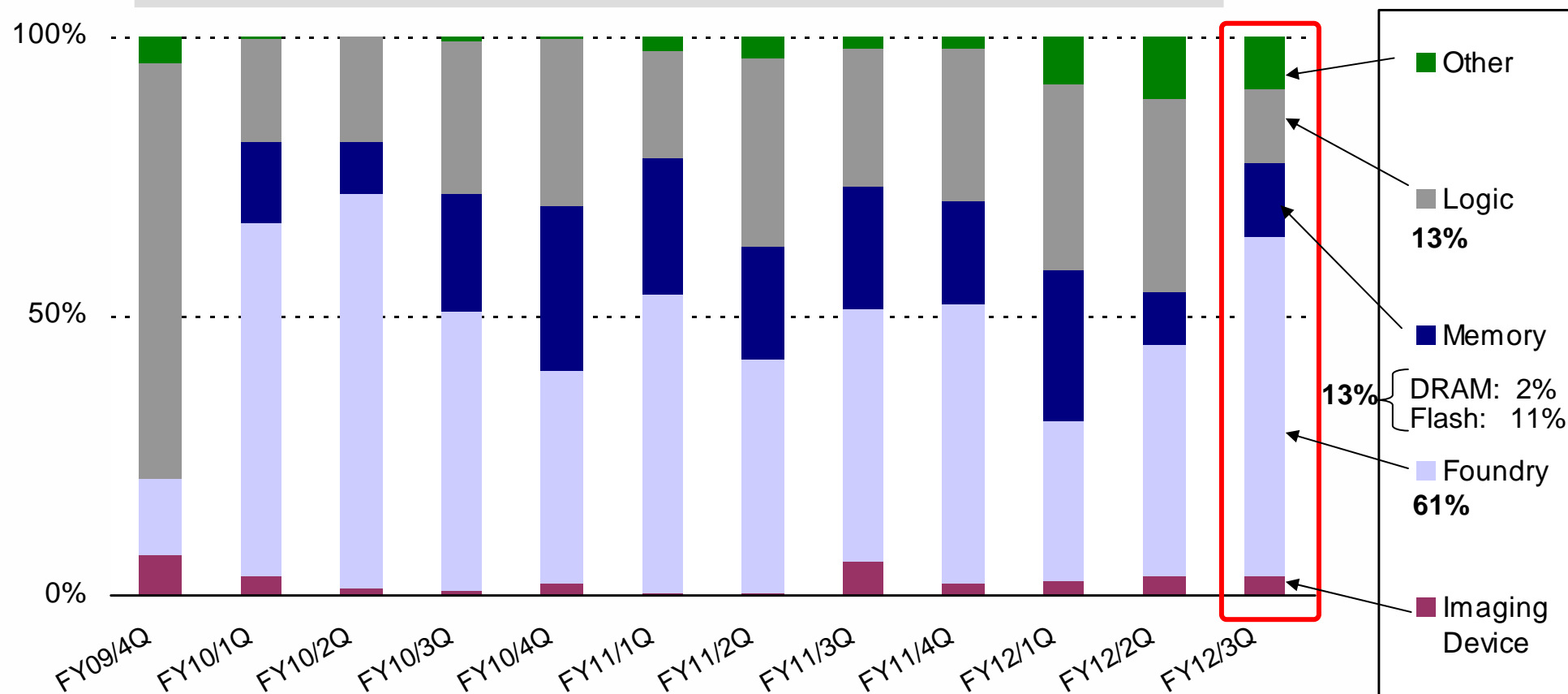
(Unit : Billions of JPY)

Quarterly Orders Received and Order Backlog (Consolidated)

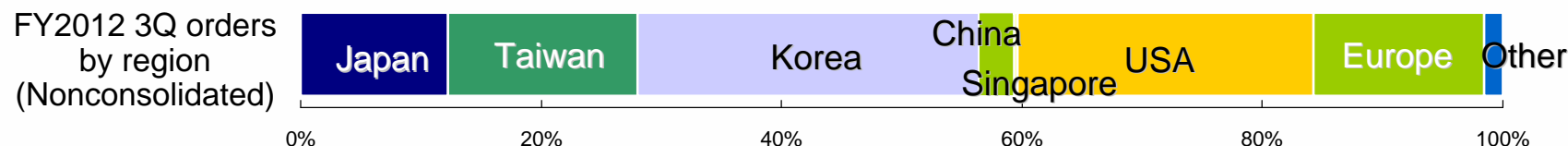


Semiconductor Production Equipment Quarterly Order Received Ratio by Device Application (Nonconsolidated)

➤ 3 Q order received: JPY 43.1bn. (consolidated)

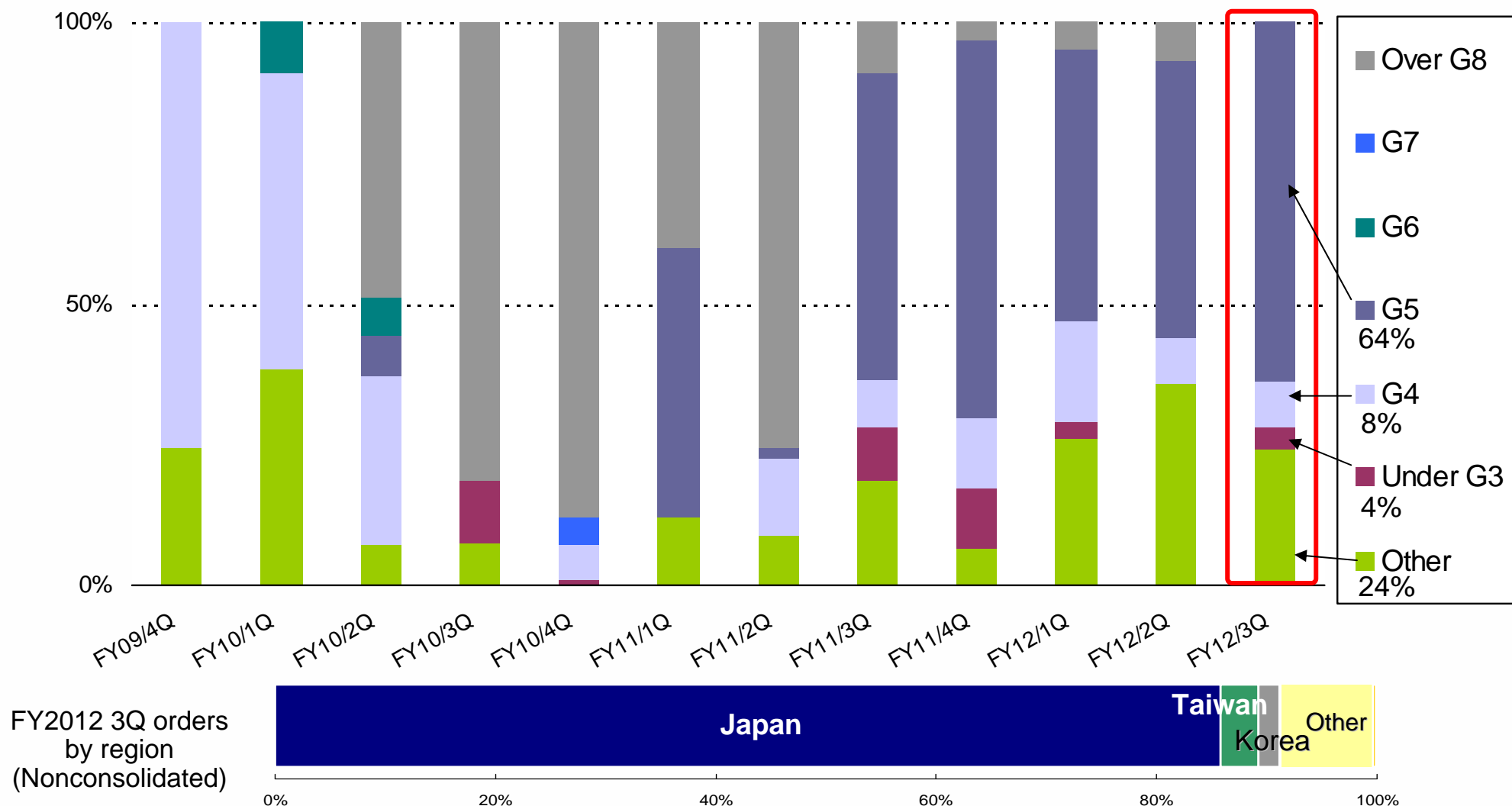


*Parts are classified with Other from FY12/2Q



FPD Production Equipment Quarterly Orders Received by Generation (Nonconsolidated)

➤ 3 Q order received: JPY 2.0 bn. (consolidated)

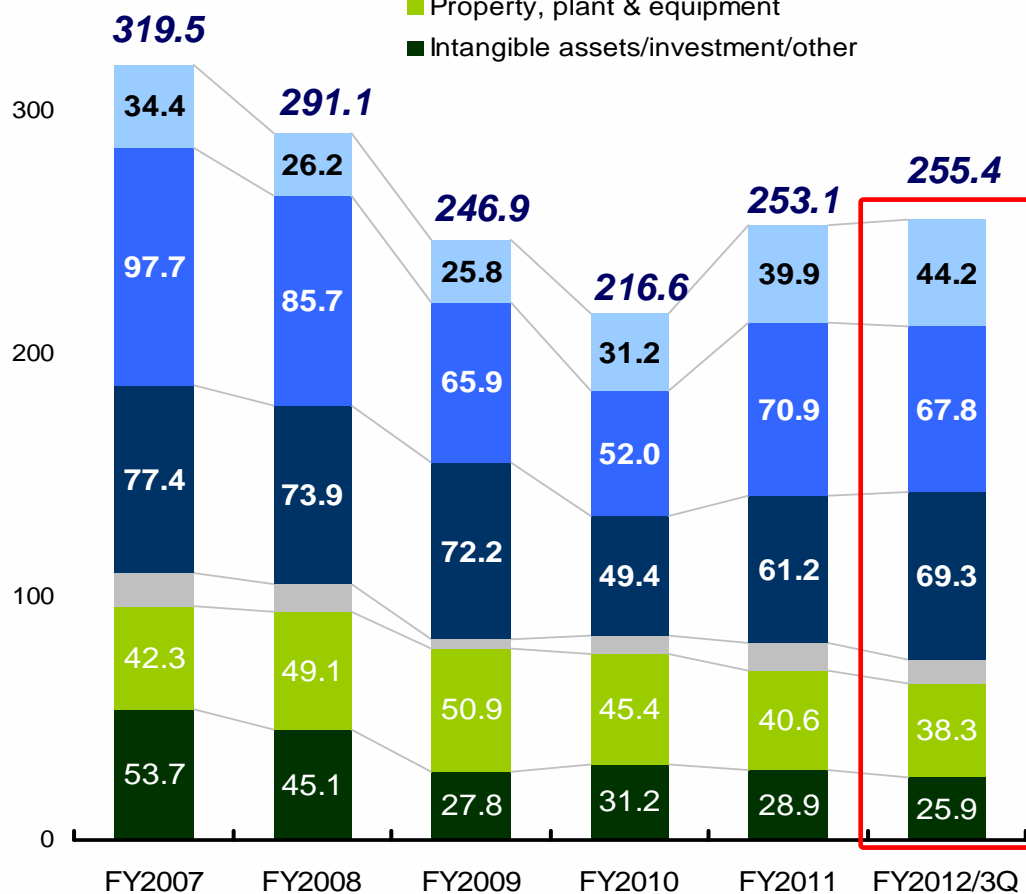


Trend in B/S (Consolidated)

(Unit : Billions of JPY)

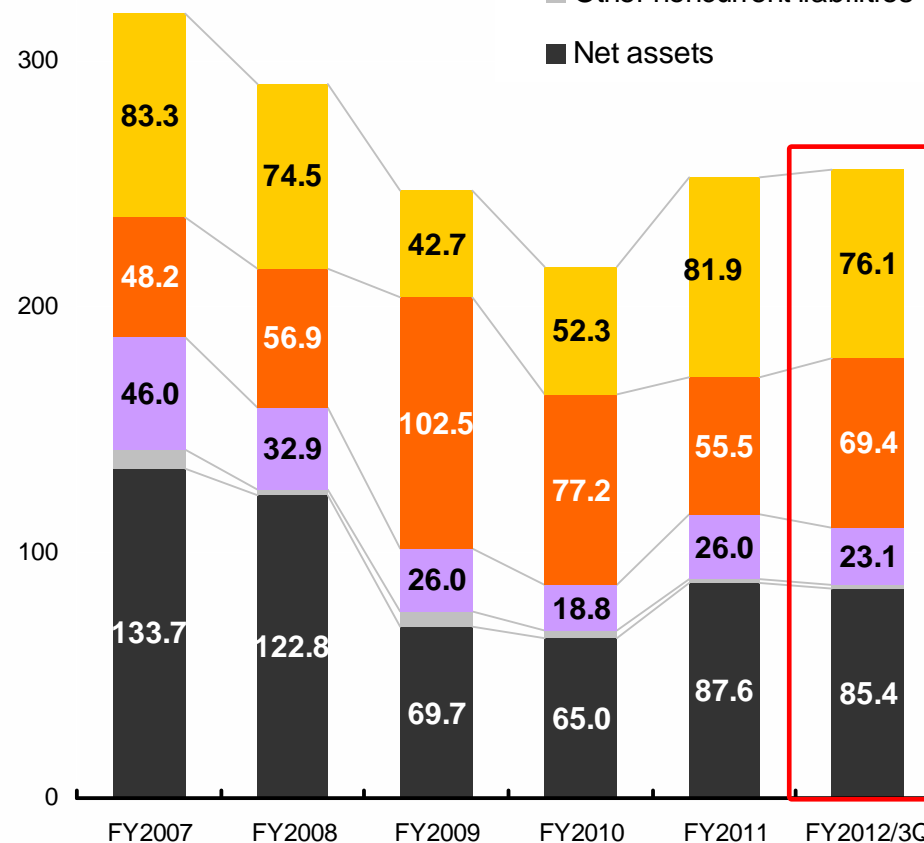
Assets

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



Liabilities and Net Assets

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

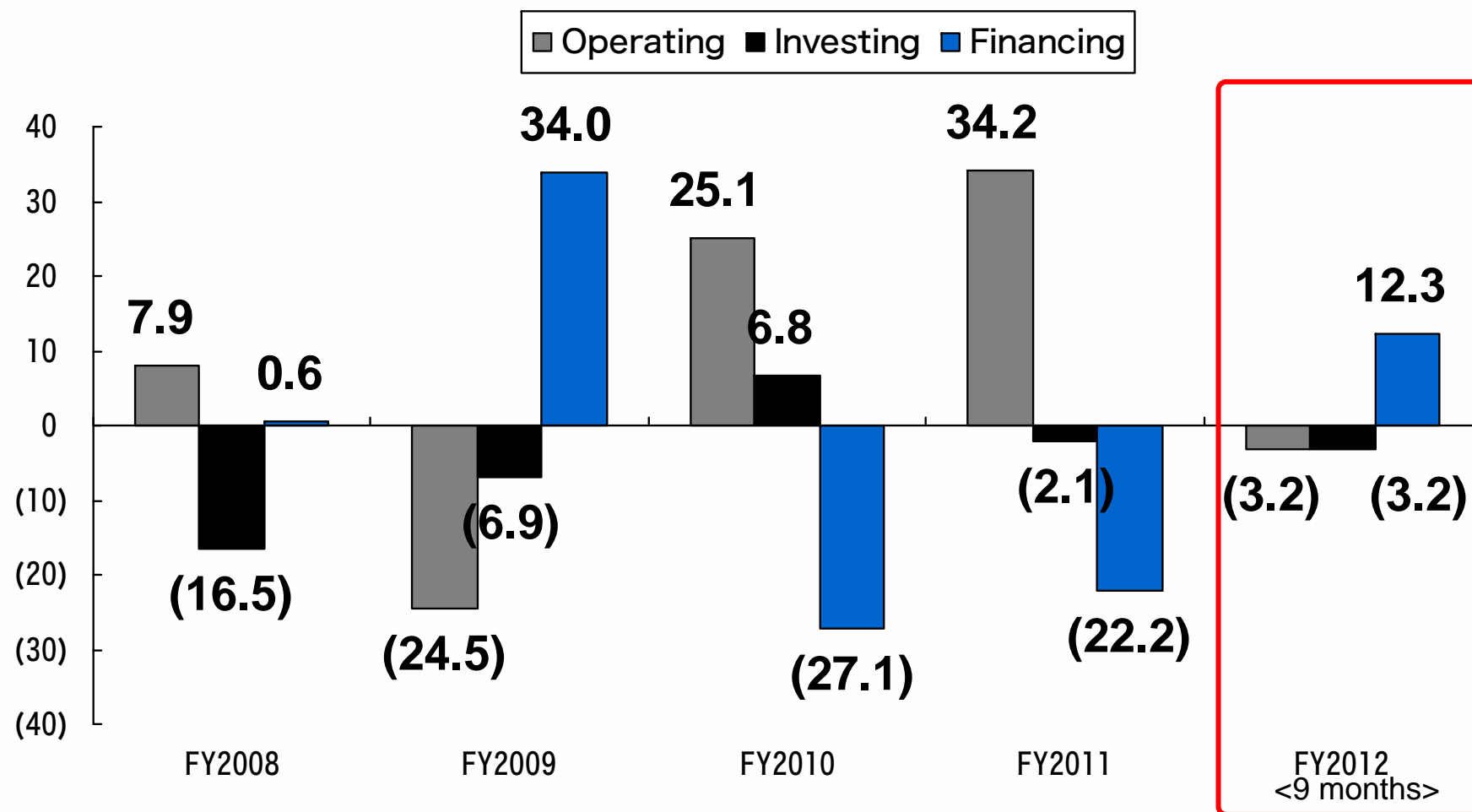


Equity Ratio 34.4% (Mar. 2011) → 33.3% (Dec. 2011)

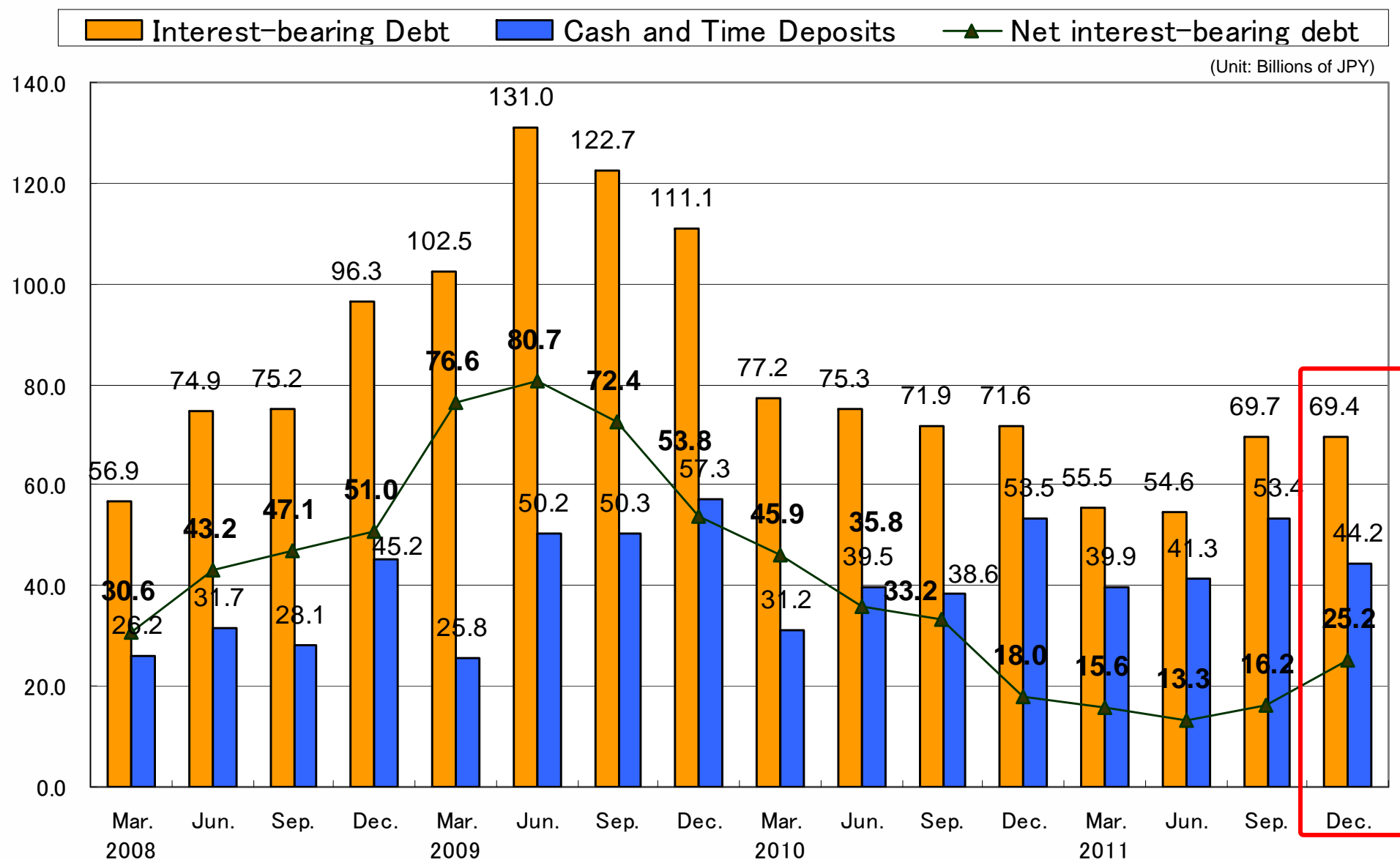
Consolidated Cash Flows

Free Cash Flow: JPY (6.5)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

3Q

- Business performance was largely within the scope of the assumption.
- Orders received exceeded the guideline with vigorous investment by foundry.
- The “SS-3200”, a new product of Spin Scrubber was released aimed at growing the market share.
- The “DW-3000”, a maskless direct imaging exposure system was released, entering the post-processing market.

Outlook for 4Q

- Sales recovery in 4Q is expected on the back of orders backlog accumulated in 3Q.
- Orders received in 4Q will remain strong, led by investment for miniaturization and leading-edge.

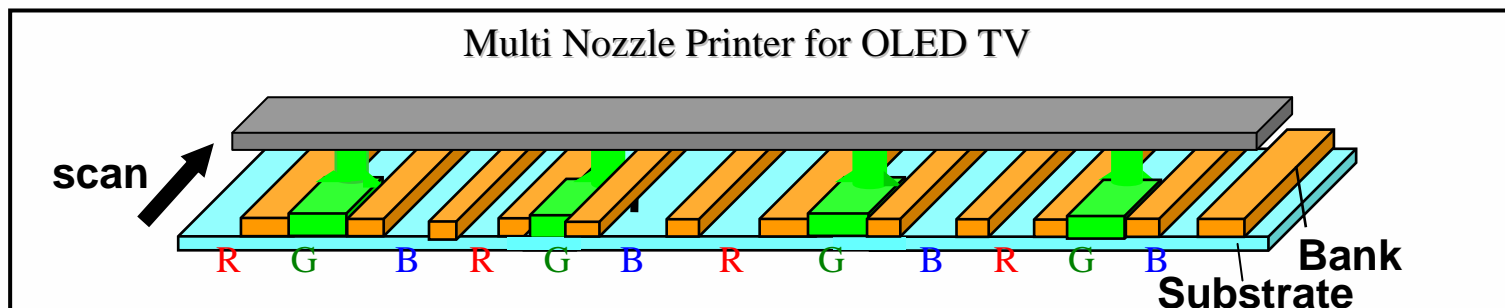
FE

3Q

- Sales have been strong while new business deals for LCD were flat.
- Experimental equipment of nozzle printers for OLED was shipped.

Outlook for 4Q

- Investments for small- and medium- sized will be continued.
- Expect a recovery in orders received with business inquiries in Japan and Korea.
- Strive to get orders of nozzle printers for OLED TV.



MP**3Q**

- <MT>
- CTP sales have been strong in emerging countries.
 - A transfer of CTP production to a production subsidiary in China (Hangzhou) went on as scheduled.
 - POD has been strong in North America and had the movements of expanding markets in countries other than developed countries.
 - A POD showroom was set up in Japan, Europe and North America.
- <PE>
- Capital investment was generally sluggish even though sales of inspection system went as planned.

Outlook for 4Q

- <MT>
- A sales system will be enhanced for POD market expansion.
 - Development of new products for “drupa2012” (in Dusseldorf, May 3rd to 16th)
- <PE>
- Strengthen sales of direct imaging system for PCB to accumulate order received.

Outlook for Market Environment in CY2012

<Semiconductor business>

It is assumed that capital investment will be temporarily adjusted, but it will not be a big decline. A recovery is expected in the latter half. Total capital investment for the full year is expected to be – 5 % to – 10 % ,compared with CY2011.

<FPD business>

There will be an aggressive investment for OLED. As for LCD, investment for small- and medium-sized will be continued while investment for TV will be flat. Accordingly, total capital investment is expected to be – 40 % ,compared with CY2011.

<Graphic arts equipment business>

CTP will grow slightly, reflecting that a decline in unit price will be covered by sales increase.

POD market will be expanded in emerging countries in addition to penetration in developed countries.

Business Forecast for the year
ending March 31, 2012

Revised Business Forecast for FY2012

Assumed Exchange Rate: 1\$=75 yen, 1€=100yen

(Unit: Billions of JPY)

		FY2012										FY2011	
		1H		2H				Full					
Result		Forecast Nov. 7		Revised Forecast		Forecast Nov. 7		Revised Forecast		Result			
Net Sales		123.0		126.0		126.0		249.0		249.0		254.9	
SE		84.4		81.0		81.0		165.4		165.4		174.2	
FE		14.4		19.1		19.1		33.5		33.5		32.7	
MP	MT	23.8	20.9	25.6	22.2	25.6	22.2	49.5	43.2	49.5	43.2	47.3	40.4
	PE		2.8		3.4		3.4		6.3		6.3		6.8
Other		0.3		0.3		0.3		0.6		0.6		0.6	
Operating Income		9.0		5.0		5.0		14.0		14.0		26.8	
Ordinary Income		8.8		4.2		4.2		13.0		13.0		26.5	
Net Income		6.5		3.4		0.0		10.0		6.5		25.6	

*Annual cash dividends per share (forecast) : JPY 5.00(Year-end) --- no change

Summary

In a state of uncertainty to the macroeconomic outlook,

<SE>

- Receive orders steadily provided by leading-edge investment for foundry
- Promote market share growing of each product and expand business fields.

<FE>

- Earnings recovery in existing businesses
- Proceed with the practical use of nozzle printers for OLED TV

<MP>

- Promote cost reduction of CTP
- Enhance sales system in line with POD market expansion

Aim to achieve the Three-Year Medium-Term Management Plan,
NextStage70