

August 9, 2013

Dainippon Screen Mfg. Co., Ltd.  
Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome, Horikawa-dori,  
Kamigyo-ku, Kyoto 602-8585, Japan

## CONSOLIDATED FINANCIAL REPORT FOR THE FIRST QUARTER ENDED JUNE 30, 2013 [Japanese GAAP]

Dainippon Screen Mfg. Co., Ltd. is listed on the First Section of the Tokyo Stock Exchange with the securities code number 7735.  
(URL <http://www.screen.co.jp/>)

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

### PERFORMANCE FOR THE FIRST QUARTER ENDED JUNE 30, 2013 (APR. 1, 2013-JUN. 30, 2013)

(Millions of yen, except per share figures)

(Percentage are the rate of increase or decrease from the previous corresponding period.)

#### (1) Business Results

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
<b>Three months ended Jun. 30, 2013</b>	<b>¥59,316</b>	<b>-11.0%</b>	<b>¥ 2,210</b>	<b>-29.7%</b>	<b>¥ 2,231</b>	<b>-32.8%</b>
Three months ended Jun. 30, 2012	66,623	—	3,146	—	3,320	—

Note: Comprehensive income

Three months ended Jun. 30, 2013: ¥ 4,550 million ( - %)

Three months ended Jun. 30, 2012: ¥ (247) million ( - %)

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
<b>Three months ended Jun. 30, 2013</b>	<b>¥ 1,688</b>	<b>-17.3%</b>	<b>¥ 7.11</b>	<b>¥ —</b>
Three months ended Jun. 30, 2012	2,042	—	8.60	—

Note: The rate of increase or decrease from the previous corresponding period for the first quarter ended June 30, 2012 is not shown due to the retroactive application along with the changes of accounting policies.

#### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
<b>Jun. 30, 2013</b>	<b>¥253,320</b>	<b>¥81,399</b>	<b>31.9%</b>	<b>¥340.32</b>
Mar. 31, 2013	232,390	76,854	32.8	321.24

Note: Equity

As of Jun. 30, 2013: ¥ 80,778 million

As of Mar. 31, 2013: ¥ 76,249 million

**CASH DIVIDENDS**

Record date	Cash Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Fiscal year ended Mar. 31, 2013	¥ —	¥ —	¥ —	¥0.00	¥0.00
Fiscal year ending Mar. 31, 2014	—				
Fiscal year ending Mar. 31, 2014 (Forecast)		—	—	3.00	3.00

Note: Revision of cash dividends in the first quarter under review: No

**FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2014**

(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, 2013	¥ 109,000	-0.4 %	¥ 2,500	— %
Fiscal year ending Mar. 31, 2014	211,000	5.6	6,500	—

  

	Ordinary Income	Percentage Change	Net Income	Percentage Change	Net Income per Share (Yen)
Six months period ending Sept. 30, 2013	¥ 2,100	— %	¥ 1,500	— %	¥ 6.32
Fiscal year ending Mar. 31, 2014	5,500	—	4,000	—	16.85

Note: Revision of business forecast in the first quarter under review: Yes

**NOTES**

(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) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: Yes

Please refer to P.5 [Summary Information (Notes)] for more information.

(3) 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: Yes

3. Changes in accounting estimates: Yes

4. Retrospective restatement: No

Please refer to P.5 [Summary Information (Notes)] for more information.

(4) Number of shares outstanding

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

As of Jun. 30, 2013: 253,974,333 shares As of Mar. 31, 2013: 253,974,333 shares

2. Number of treasury stock as of end of period

As of Jun. 30, 2013: 16,615,026 shares As of Mar. 31, 2013: 16,613,829 shares

3. Average number of shares outstanding

Three months ended Jun. 30, 2013: 237,359,973 shares Three months ended Jun. 30, 2012: 237,368,976 shares

\*Indication of quarterly review procedure implementation status

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

\*Explanation for appropriate use of forecasts and other notes

(1) Dainippon Screen has revised our business forecast for the fiscal year ending March 31, 2014 that was previously announced on May 10, 2013, as noted in this financial report.

(2) 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. Dainippon Screen does not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors. Please refer to P.4 "Qualitative information regarding consolidated business results forecasts" for the assumptions used and other notes.

## [Qualitative Information, Financial Statements]

### 1. Qualitative information regarding the status of consolidated business results

During the first quarter of the fiscal year ending March 31, 2014, the three-month period from April 1, 2013 to June 30, 2013, signs of slowdown prevailed in the global economy. These included a lack of momentum in U.S. economic recovery due to the delayed improvement in employment and the repercussions of fiscal problems, despite an upswing in consumer spending and housing markets; an ongoing sluggish European economy due to austerity policies; and a slowdown in economic growth in China due mainly to sluggish domestic demand and exports on the back of concerns about potential risks to the financial system arising from growing transactions handled by shadow banking sector. On the other hand, the Japanese economy saw gradual recovery with an upturn in exports and improvement in consumer spending, reflecting yen depreciation and a rise in stock prices that resulted from the effects of large-scale monetary easing and anticipation of government-led growth strategies.

With regard to the business conditions surrounding the Dainippon Screen Group, semiconductor manufacturers remained cautious about capital investment due to a decline in demand for personal computers reflecting the accelerating market penetration of smartphones and tablets.

The LCD panel industry also faced a sluggish business environment, with panel manufacturers tightening capital investment in response to the worsening balance of panel supply-demand.

Under these circumstances, the Dainippon Screen Group posted consolidated net sales of ¥59,316 million for the first quarter of the fiscal year ending March 31, 2014, a decrease of ¥7,306 million, or 11.0%, from the corresponding period of the previous fiscal year. On the earnings front, operating income totaled ¥2,210 million, down 29.7% year on year, while ordinary income amounted to ¥2,231 million, down 32.8% year on year, due mainly to a decrease in sales, despite making efforts to reduce fixed costs by continuously implementing urgent countermeasures. Net income for the first quarter of the fiscal year ending March 31, 2014 totaled ¥1,688 million, down 17.3% compared with the corresponding period of the previous fiscal year.

Performance by reportable segment is explained below.

#### *The Semiconductor Equipment (SE) Segment*

In the Semiconductor Equipment segment, capital investment by foundries increased compared with the corresponding period of the previous fiscal year, due to the penetration of smartphones and tablets. However, logic chip manufacturers decreased their capital investment to a considerable extent, on the backdrop of significant decline in demand for personal computers. Looking by product, year-on-year sales of mainstay single-wafer cleaning equipment decreased. By geographical region, domestic sales and sales to Asian markets increased, while sales to the United States, Europe and other countries decreased. As a result, net sales in this segment amounted to ¥43,362 million, a fall of 16.1% year on year. On the earnings front, operating income in this segment totaled ¥2,109 million, down 42.3% year on year.

#### *The FPD Equipment (FE) segment*

In the FPD Equipment segment, domestic sales of small- and medium-sized production equipment for high-definition LCD panels increased, while overseas sales decreased. As a result, net sales in this segment amounted to ¥4,129 million, down 14.8% year on year. On the earnings front, this segment posted an operating income of ¥112 million, down 56.3% year on year.

#### *The Media and Precision Technology (MP) Segment*

In the Media and Precision Technology segment, amid a weakening yen on foreign exchange markets, sales of graphic arts equipment increased from the corresponding period of the previous fiscal year, reflecting a rise in sales of print on demand (POD) equipment, despite a decrease in sales of computer to plate (CTP) equipment. The sales of printed circuit board (PCB)-related equipment increased year on year due to rising sales of direct imaging systems used for circuit formation. As a result, net sales in this segment amounted to ¥11,658 million, up 16.9% year on year. On the earnings front, operating income in this segment totaled ¥427 million, compared with an operating loss of ¥303 million a year ago.

### 2. Qualitative information regarding changes in consolidated financial position

Total assets as of June 30, 2013 stood at ¥253,320 million, an increase of ¥20,930 million, or 9.0%, compared with March 31, 2013. This was mainly due to increases in cash and time deposits and notes and accounts receivable-trade, despite decreases in inventories and property, plant and equipment.

Total liabilities amounted to ¥171,921 million, up ¥16,385 million, or 10.5%, compared with the end of the previous fiscal year. This was mainly attributable to the issuance of bonds and an increase in notes and accounts payable-trade. Interest-bearing debt increased by ¥8,235 million, or 11.7% from March 31, 2013, to ¥78,677 million. Net interest-bearing debt, or interest-bearing debt minus cash and time deposits, decreased by ¥7,095 million, or 23.6%, compared with the previous fiscal year-end, to ¥22,926 million.

Total net assets amounted to ¥81,399 million, up ¥4,544 million, or 5.9%, compared with the end of the previous fiscal year. This was mainly attributable to an increase in retained earnings due to the posting of quarterly net income; an increase in valuation difference on available-for-sale securities due to the rising market values of stocks held; and an increase in foreign currency translation adjustment due to the yen depreciation. Despite the improvement of equity, the equity ratio at the end of the first quarter under review deteriorated by 0.9 percentage points to 31.9%, compared with the end of the previous fiscal year, reflecting an increase in total assets.

*Status of Cash Flows*

The status of cash flows for the first quarter of the fiscal year ending March 31, 2014 is as follows.

Net cash provided by operating activities amounted to ¥7,826 million, compared with ¥1,563 million net cash provided by operating activities in the first quarter of the previous fiscal year. For the period under review, total cash inflows, including the posting of income before income taxes, a decrease in inventories and an increase in notes and accounts payable-trade, outpaced total cash outflows such as an increase in notes and accounts receivable-trade.

Net cash used in investing activities amounted to ¥1,722 million, compared with ¥1,970 million used in investing activities in the first quarter of the previous fiscal year. This was attributable to the purchase of property, plant and equipment, such as equipment for R&D.

Net cash provided by financing activities amounted to ¥8,167 million, compared with ¥9,538 million used in financing activities in the corresponding period of the previous fiscal year. This was due mainly to the issuance of bonds aimed at financing.

As a result, cash and cash equivalents as of June 30, 2013 totaled ¥53,114 million, up ¥15,088 million from March 31, 2013.

(Note) As noted in P.5 [Summary Information (Notes)] 3. Changes of accounting policies, changes in accounting estimates and retrospective restatement, from the first quarter of the fiscal year ending March 31, 2014, as for main unit sales in the SE segment and FE segment, Dainippon Screen and its consolidated subsidiaries changed its accounting policy for revenue recognition from shipment basis to completion of installation basis. Accordingly, a comparative analysis has been made using amounts for the first quarter ended June 30, 2012 and as of March 31, 2013 that have been calculated applying retroactively this new accounting policy.

### 3. Qualitative information regarding consolidated business results forecasts

With regard to overall business conditions surrounding the Dainippon Screen Group's principal field of business, in the semiconductor industry, capital investment by logic chip manufacturers is expected to remain weak due to sluggish demand for personal computers. On the other hand, capital investment for memory chips used for mobile devices is expected to resume on the back of growing demand for smartphones and tablets, while capital investment by certain foundries is projected to remain strong. In the LCD panel industry, although the business environment is expected to remain stagnant because of worsening balance of panel supply-demand, capital investment in panels for televisions has re-emerged in China.

Under these conditions, with regard to the consolidated business forecast for the fiscal year ending March 31, 2014, Dainippon Screen has unchanged its earnings forecast from the previous forecast due to such factors as the delayed improvement in variable cost ratio, although sales for the first half of the fiscal year in the Semiconductor Equipment segment are expected to exceed the previous forecast.

#### Business forecast

(1) For the six months ending September 30, 2013 (April 1, 2013 to September 30, 2013) (Millions of yen)

	Net sales	Operating Income	Ordinary Income	Net Income
Previously announced forecast (A)	102,000	2,500	2,100	1,500
Revised forecast (B)	109,000	2,500	2,100	1,500
Amount of change (B - A)	7,000	-	-	-

(2) For the fiscal year ending March 31, 2014 (April 1, 2013 to March 31, 2014) (Millions of yen)

	Net sales	Operating Income	Ordinary Income	Net Income
Previously announced forecast (A)	204,000	6,500	5,500	4,000
Revised forecast (B)	211,000	6,500	5,500	4,000
Amount of change (B - A)	7,000	-	-	-

Note: The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥95 and EUR1.00 = ¥125. Business forecasts are also made in accordance with currently available information and rational assumptions. Dainippon Screen does not promise that the forecasts or estimates will be accurate. Therefore, it should be noted that actual results could differ significantly due to a variety of factors.

## [ Summary Information (Notes) ]

1. Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation):  
None

2. Application of accounting methods specific to the preparation of quarterly consolidated financial statements:

### Calculation of income taxes

Income tax amount is calculated principally by multiplying reasonably estimated annual effective tax rate through the first quarter ended June 30, 2013, with the effects of deferred taxes reflected, by the amount of year-to-date income before income taxes. When calculation using reasonably estimated annual effective tax rate causes irrational results, income tax amount is calculated based on the legal tax rate.

3. Changes of accounting policies, changes in accounting estimates and retrospective restatement:

### Changes of accounting policies

#### (Changes in depreciation method)

Dainippon Screen and its consolidated domestic subsidiaries had depreciated its property, plant and equipment, principally using the declining balance method. From the first quarter under review, we changed the depreciation method principally to the straight-line method.

As part of our structure reform based on the change of business environment, we focus on enhancing the versatility of equipment and increasing the ratio of equipment which are operated stably. Against such a background, we have decided it is more properly in terms of utilization for property, plant and equipment to adopt the straight-line method which evenly allocates depreciation expenses over estimated usable period.

As a result of this change, operating income for the first quarter ended June 30, 2013 increased by ¥190 million, and ordinary income and income before income taxes increased by ¥200 million, respectively, compared with amounts that would have been recorded using the previously applied method.

The impact on segment information is noted in the corresponding section.

#### (Changes in revenue recognition)

Dainippon Screen and its consolidated subsidiaries had adopted the revenue recognition method on shipment basis for main unit sales in the Semiconductor Equipment segment and the FPD Equipment segment. From the first quarter under review, we changed to the revenue recognition method on completion of installation basis. The period from shipment to completion of installation has become longer due to the increasing overseas sales ratio and the system to collect data on completion of installation has been developed by reviewing an operation process from shipment to completion of installation. Against such a background, under the trend of recent international accounting practice we have decided this change to better reflect the earnings situation.

This change of accounting policies is to be applied retroactively. Accordingly, new accounting policies are retroactively applied to the financial statements for each quarter of the previous fiscal year and for the previous fiscal year.

As a result of this change, operating income, ordinary income and income before income taxes for the first quarter ended June 30, 2012 increased by ¥4,925 million, respectively, compared with amounts before the retroactive application. In addition, a balance of retained earnings at beginning of the fiscal year ended March 31, 2013 decreased by ¥6,514 million as a cumulative effect was reflected in net assets at beginning of the previous fiscal year.

The impact on segment information is noted in the corresponding section.

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	<b>Mar. 31, 2013</b>	<b>Jun. 30, 2013</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and time deposits	¥ 40,420	¥ 55,751
Notes and accounts receivable-trade	41,093	47,999
Merchandise and finished goods	41,721	37,825
Work in process	25,549	26,053
Raw materials and supplies	5,874	5,686
Deferred tax assets	3,984	4,003
Other	3,906	4,319
Allowance for doubtful accounts	(935)	(910)
Total current assets	161,614	180,729
<b>Noncurrent assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	51,586	51,630
Machinery, equipment and vehicles	33,315	33,509
Other	27,837	27,739
Accumulated depreciation	(72,837)	(73,237)
Total property, plant and equipment	39,902	39,640
<b>Intangible assets:</b>		
Other	2,624	2,638
Total intangible assets	2,624	2,638
<b>Investments and other assets:</b>		
Investment securities	21,836	23,795
Other	7,467	7,569
Allowance for doubtful accounts	(1,054)	(1,054)
Total investments and other assets	28,249	30,311
Total noncurrent assets	70,776	72,590
<b>Total assets</b>	<b>232,390</b>	<b>253,320</b>

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	<b>Mar. 31, 2013</b>	<b>Jun. 30, 2013</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	¥ 60,750	¥ 65,964
Short-term loans payable	33,783	33,790
Current portion of long-term loans payable	3,349	3,349
Lease obligations	732	689
Income taxes payable	843	667
Notes payable-facilities	112	103
Provision for directors' bonuses	39	13
Provision for product warranties	4,940	4,790
Provision for loss on order received	132	387
Other	15,327	17,775
Total current liabilities	120,013	127,533
<b>Noncurrent liabilities:</b>		
Bonds payable	19,000	27,600
Long-term loans payable	10,642	10,429
Lease obligations	2,934	2,817
Provision for retirement benefits	151	101
Provision for directors' retirement benefits	78	85
Asset retirement obligations	48	48
Other	2,666	3,304
Total noncurrent liabilities	35,521	44,387
Total liabilities	155,535	171,921
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	54,044	54,044
Capital surplus	4,583	4,583
Retained earnings	36,405	38,093
Treasury stock	(12,245)	(12,245)
Total shareholders' equity	82,788	84,476
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	2,716	3,967
Foreign currency translation adjustment	(9,255)	(7,665)
Total accumulated other comprehensive income	(6,539)	(3,697)
<b>Minority interests</b>	605	620
<b>Total net assets</b>	76,854	81,399
<b>Total liabilities and net assets</b>	232,390	253,320

**CONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

	Apr.1, 2012 – Jun. 30, 2012	Apr.1, 2013 – Jun. 30, 2013
<b>Net sales</b>	¥ 66,623	¥ 59,316
<b>Cost of sales</b>	51,794	45,526
<b>Gross profit</b>	14,828	13,790
<b>Selling, general and administrative expenses</b>	11,682	11,579
<b>Operating income</b>	3,146	2,210
<b>Non-operating income</b>		
Interest income	14	30
Dividends income	213	198
Other	237	230
Total non-operating income	464	459
<b>Non-operating expenses</b>		
Interest expenses	236	271
Foreign exchange losses	14	28
Other	39	138
Total non-operating expenses	290	439
<b>Ordinary income</b>	3,320	2,231
<b>Extraordinary loss</b>		
Loss on valuation of investment securities	702	—
Other	0	0
Total extraordinary loss	702	0
<b>Income before income taxes</b>	2,617	2,231
<b>Income taxes</b>	564	529
<b>Income before minority interests</b>	2,053	1,701
<b>Minority interests in income</b>	10	12
<b>Net income</b>	2,042	1,688



**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Millions of yen)

	Apr.1, 2012 – Jun. 30, 2012	Apr.1, 2013 – Jun. 30, 2013
<b>Income before minority interests</b>	¥ 2,053	¥ 1,701
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(1,383)	1,250
Foreign currency translation adjustment	(917)	1,598
Total other comprehensive income	(2,300)	2,849
<b>Comprehensive income</b>	(247)	4,550
(Comprehensive income attributable to)		
Owners of the parent	(267)	4,530
Minority interests	20	20

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

**Apr.1, 2012- Jun. 30, 2012      Apr.1, 2013 – Jun. 30, 2013****Cash flow from operating activities:**

Income before income taxes	¥ 2,617	¥ 2,231
Depreciation and amortization	1,079	972
Loss (gain) on valuation of investment securities	702	—
Increase (decrease) in provision for retirement benefits	76	(50)
Increase (decrease) in provision for directors' bonuses	(44)	(26)
Increase (decrease) in provision for product warranties	(176)	(169)
Increase (decrease) in provision for loss on order received	(57)	254
Interest and dividends income	(227)	(228)
Interest expenses	236	271
Decrease (increase) in notes and accounts receivable-trade	(6,792)	(6,748)
Decrease (increase) in inventories	8,923	4,447
Decrease (increase) in other current assets	(30)	(195)
Increase (decrease) in notes and accounts payable-trade	(1,758)	5,763
Increase (decrease) in accrued expenses	(220)	(26)
Increase (decrease) in other current liabilities	(1,468)	2,354
Other, net	30	(275)
Subtotal	2,889	8,574
Interest and dividends income received	239	249
Interest expenses paid	(141)	(164)
Contribution in connection with the shift to a defined-contribution pension plan	(17)	(16)
Income taxes paid	(1,407)	(816)
Net cash provided by operating activities	1,563	7,826

**Cash flow from investing activities:**

Decrease (increase) in time deposits	(21)	(138)
Purchase of property, plant and equipment	(2,186)	(1,417)
Proceeds from sales of property, plant and equipment	267	4
Other, net	(30)	(171)
Net cash used in investing activities	(1,970)	(1,722)

**Cash flow from financing activities:**

Net increase (decrease) in short-term loans payable	(7,974)	—
Repayments of long-term loans payable	(12)	(212)
Repayments of finance lease obligations	(359)	(161)
Proceeds from issuance of bonds	—	8,546
Net decrease (increase) in treasury stock	(0)	(0)
Cash dividends paid	(1,186)	—
Cash dividends paid to minority shareholders	(4)	(5)
Net cash provided by (used in) financing activities	(9,538)	8,167

Effect of exchange rate change on cash and cash equivalents	(696)	816
Net increase (decrease) in cash and cash equivalents	(10,641)	15,088
Cash and cash equivalents at beginning of period	35,631	38,026
Cash and cash equivalents at end of period	24,990	53,114

**SEGMENT INFORMATION****[Segment Information]**

First quarter ended Jun. 30, 2012

Net sales and income (loss) in reportable segment

(Millions of yen)

	Reportable segment *1				Other *2	Total	Adjustments *3	Consolidated *4
	SE	FE	MP	Total				
Sales								
(1)Sales to outside customers	¥ 51,654	¥ 4,845	¥ 9,977	¥ 66,477	¥ 145	¥ 66,623	¥ —	¥ 66,623
(2)Intersegment sales and transfers	—	—	—	—	1,642	1,642	(1,642)	—
Total	51,654	4,845	9,977	66,477	1,787	68,265	(1,642)	66,623
Segment income (loss)	3,654	258	(303)	3,609	(95)	3,514	(367)	3,146

## Notes

\*1 The SE segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. The FE segment develops, manufactures and markets FPD production equipment, and it also conducts maintenance services. In the MP segment, graphic arts equipment and PCB related equipment are developed, manufactured, sold and maintained.

\*2 The “Other” category incorporates operations not included in reportable segments, including software development, planning and production of printed matter, logistics operations and other businesses.

\*3 Segment operating income (loss) adjustment of ¥ (367) 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.

\*4 Segment income (loss) is adjusted with operating income under consolidated statements of income.

First quarter ended Jun. 30, 2013

## 1. Net sales and income (loss) in reportable segment

(Millions of yen)

	Reportable segment *1				Other *2	Total	Adjustments *3	Consolidated *4
	SE	FE	MP	Total				
Sales								
(1)Sales to outside customers	¥ 43,362	¥ 4,129	¥ 11,658	¥ 59,150	¥ 166	¥ 59,316	¥ —	¥ 59,316
(2)Intersegment sales and transfers	—	—	—	—	1,547	1,547	(1,547)	—
Total	43,362	4,129	11,658	59,150	1,713	60,863	(1,547)	59,316
Segment income (loss)	2,109	112	427	2,649	(92)	2,557	(346)	2,210

## Notes

\*1 The SE segment develops and manufactures semiconductor production equipment and conducts sales and maintenance services. The FE segment develops, manufactures and markets FPD production equipment, and it also conducts maintenance services. In the MP segment, graphic arts equipment and PCB related equipment are developed, manufactured, sold and maintained.

\*2 The “Other” category incorporates operations not included in reportable segments, including software development, planning and production of printed matter, logistics operations and other businesses.

\*3 Segment operating income (loss) adjustment of ¥ (346) 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.

\*4 Segment income (loss) is adjusted with operating income under consolidated statements of income.

## 2. Changes in reportable segment

### Changes of accounting policies

#### (Changes in depreciation method)

As noted in [ Summary Information (Notes) ] 3, Dainippon Screen and its consolidated domestic subsidiaries changed the depreciation method for property, plant and equipment.

As a result of this change, segment income for the first quarter ended June 30, 2013 in the SE segment, FE segment and MP segment increased by ¥157 million, ¥9 million and ¥23 million, respectively, compared with amounts that would have been recorded using the previously applied method.

#### (Changes in revenue recognition)

As noted in [ Summary Information (Notes) ] 3, as for main unit sales in the SE segment and FE segment, Dainippon Screen and its consolidated subsidiaries changed the revenue recognition.

This change of accounting policies is to be applied retroactively. Accordingly, new accounting policies are retroactively applied to segment information for the first quarter ended June 30, 2012.

As a result of this change, segment income for the first quarter ended June 30, 2012 in the SE segment and FE segment increased by ¥4,307 million and ¥618 million, respectively, compared with amounts before the retroactive application.

## Consolidated Financial Highlights for the First Quarter Ended June 30, 2013 (\*1)

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

	FY2013	FY2014	Difference		FY2013	FY2014	
	3 months ended Jun. 30, 2012	3 months ended Jun. 30, 2013			12 months ended Mar.31, 2013	6 months ending Sept. 30, 2013	12 months ending Mar.31, 2014
	Result	Result	Amount	Percentage	Result	Forecast	Forecast
Net sales	¥ 66,623	¥ 59,316	¥ (7,306)	-11.0%	¥ 199,795	¥ 109,000	¥ 211,000
Operating income	3,146	2,210	(935)	-29.7%	(4,833)	2,500	6,500
[to net sales ratio]	4.7 %	3.7 %	-1.0 pt	—	-2.4 %	2.3 %	3.1 %
Ordinary income	3,320	2,231	(1,089)	-32.8%	(5,052)	2,100	5,500
[to net sales ratio]	5.0 %	3.8 %	-1.2 pt	—	-2.5 %	1.9 %	2.6 %
Net income	2,042	1,688	(353)	-17.3%	(11,333)	1,500	4,000
[to net sales ratio]	3.1 %	2.8 %	-0.3 pt	—	-5.7 %	1.4 %	1.9 %
Total assets	222,402	253,320	* 20,930	9.0%	232,390	—	—
Net assets	82,641	81,399	* 4,544	5.9%	76,854	—	—
Equity	82,098	80,778	* 4,529	5.9%	76,249	—	—
Equity ratio	36.9 %	31.9 %	* -0.9 pt	—	32.8 %	—	—
Net assets per share	¥ 345.87	¥ 340.32	* ¥ 19.08	5.9%	¥ 321.24	—	—
Interest-bearing debt	39,339	78,677	* 8,235	11.7%	70,442	—	—
Net interest-bearing debt	12,272	22,926	* (7,095)	-23.6%	30,021	—	—
Cash flows from operating activities	1,563	7,826	—	—	(15,319)	—	—
Cash flows from investing activities	(1,970)	(1,722)	—	—	(5,767)	—	—
Cash flows from financing activities	(9,538)	8,167	—	—	21,533	—	—
Depreciation and amortization	1,079	972	(107)	-10.0%	4,731	2,100	4,500
Capital expenditures	1,440	571	(868)	-60.3%	6,450	2,300	6,200
R&D expenses	3,077	2,615	(462)	-15.0%	12,685	5,600	11,500
Number of employees	4,949	4,994	* 39	0.8%	4,955	—	—
Number of consolidated subsidiaries	45	44	* (1)	—	45	—	—
[Domestic]	[21]	[21]	* —	—	[21]	—	—
[Overseas]	[24]	[23]	* (1)	—	[24]	—	—
Number of affiliates	1	1	* —	—	1	—	—
[Number of affiliates accounted for by equity method]	[1]	[1]	* —	—	[1]	—	—

\* show changes in amount from Mar. 31, 2013

### Note \*1

As for main unit sales in the Semiconductor Equipment segment and the FPD Equipment segment, the revenue had been recognized on shipment basis. From the first quarter ended June 30, 2013, the revenue recognition method was changed to completion of installation basis. Accordingly, results of three months ended June 30, 2012 and twelve months ended March 31, 2013 have been reclassified with amounts calculated applying retroactively this change of accounting policies.

## Sales Breakdown (Consolidated) (\*2)

(Millions of yen)

		FY2013						FY2014		
		3 months ended Jun. 30, 2012	3 months ended Sept. 30, 2012	6 months ended Sept. 30, 2012	3 months ended Dec. 31, 2012	3 months ended Mar. 31, 2013	12 months ended Mar.31, 2013	3 months ended Jun. 30, 2013	6 months ending Sept. 30, 2013	12 months ending Mar.31, 2014
		Result	Result	Result	Result	Result	Result	Result	Forecast	Forecast
Semiconductor Equipment	Domestic	5,285	4,129	9,414	3,464	4,523	17,401	8,120	—	—
	Overseas	46,368	23,957	70,325	20,113	32,848	123,287	35,242	—	—
	Total	51,654	28,086	79,740	23,577	37,371	140,689	43,362	75,000	140,000
FPD Equipment	Domestic	815	1,304	2,120	1,106	2,904	6,130	2,613	—	—
	Overseas	4,029	750	4,780	980	149	5,911	1,515	—	—
	Total	4,845	2,055	6,901	2,087	3,053	12,041	4,129	10,000	21,500
Media and Precision Technology	Domestic	4,355	5,627	9,983	3,604	6,296	19,884	4,650	—	—
	Overseas	5,621	6,918	12,540	5,466	8,432	26,439	7,008	—	—
	Total	9,977	12,546	22,524	9,070	14,729	46,323	11,658	23,500	48,500
Graphic Arts Equipment	Domestic	3,939	4,724	8,664	3,222	5,527	17,414	4,283	—	—
	Overseas	5,027	5,986	11,014	4,903	6,863	22,782	5,813	—	—
	Total	8,967	10,711	19,678	8,125	12,391	40,196	10,097	20,000	41,400
PCB Equipment	Domestic	416	903	1,319	381	769	2,470	367	—	—
	Overseas	593	932	1,525	562	1,568	3,657	1,194	—	—
	Total	1,009	1,835	2,845	944	2,337	6,127	1,561	3,500	7,100
Other	Domestic	137	148	285	160	246	692	132	—	—
	Overseas	8	6	14	—	32	47	34	—	—
	Total	145	154	300	160	279	739	166	500	1,000
Grand Total	Domestic	10,594	11,209	21,804	8,335	13,970	44,109	15,516	—	—
	Overseas	56,028	31,633	87,661	26,560	41,463	155,685	43,800	—	—
	Total	66,623	42,843	109,466	34,895	55,433	199,795	59,316	109,000	211,000
	Overseas Ratio	84.1%	73.8%	80.1%	76.1%	74.8%	77.9%	73.8%	—	—

## Orders received &amp; Order backlog (Consolidated) (\*2)

(Millions of yen)

		FY2013						FY2014			
		3 months ended Jun. 30, 2012		3 months ended Sept. 30, 2012		3 months ended Dec. 31, 2012		3 months ended Mar. 31, 2013		3 months ended Jun. 30, 2013	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Equipment	Domestic	3,813	7,189	3,093	6,152	5,374	8,062	4,649	8,188	7,987	8,055
	Overseas	34,468	51,642	22,378	50,063	23,637	53,587	30,382	51,120	27,142	43,020
	Total	38,281	58,831	25,470	56,215	29,011	61,649	35,030	59,308	35,129	51,074
FPD Equipment	Domestic	693	2,550	5,241	6,487	1,157	6,537	471	4,104	668	2,158
	Overseas	414	3,115	777	3,141	7,290	9,450	1,863	11,164	6,668	16,317
	Total	1,107	5,666	6,018	9,629	8,447	15,988	2,334	15,268	7,336	18,476
Media and Precision Technology	Domestic	4,449	1,193	5,398	963	4,005	1,363	6,240	1,306	4,826	1,482
	Overseas	6,796	4,483	5,136	2,700	6,881	4,115	7,202	2,885	8,100	3,977
	Total	11,245	5,676	10,533	3,663	10,886	5,479	13,442	4,191	12,926	5,459
Graphic Arts Equipment	Domestic	4,059	1,101	4,340	716	3,363	856	5,891	1,220	4,351	1,287
	Overseas	5,480	3,483	4,930	2,426	5,648	3,170	6,021	2,327	7,079	3,593
	Total	9,539	4,583	9,270	3,142	9,011	4,027	11,912	3,547	11,430	4,880
PCB Equipment	Domestic	389	92	1,058	247	642	507	348	86	475	195
	Overseas	1,316	1,000	206	274	1,233	945	1,181	558	1,021	384
	Total	1,705	1,093	1,264	521	1,875	1,452	1,530	644	1,496	578
Other	Domestic	—	—	—	—	—	—	—	—	—	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	—	—	—	—	—	—	—	—	—	—
Grand Total	Domestic	8,955	10,932	13,732	13,602	10,535	15,963	11,359	13,598	13,482	11,695
	Overseas	41,677	59,241	28,290	55,904	37,809	67,152	39,447	65,168	41,910	63,314
	Total	50,633	70,174	42,022	69,507	48,344	83,116	50,806	78,767	55,392	75,009
	Overseas Ratio	82.3%	84.4%	67.3%	80.4%	78.2%	80.8%	77.6%	82.7%	75.7%	84.4%

Note \*2

As for main unit sales in the Semiconductor Equipment segment and the FPD Equipment segment, the revenue had been recognized on shipment basis. From the first quarter ended June 30, 2013, the revenue recognition method was changed to completion of installation basis. Accordingly, net sales for the fiscal year ended March 31, 2013 have been reclassified with amounts calculated applying retroactively this change of accounting policies. In addition, along with this, order backlog as of end of each quarter of the fiscal year ended March 31, 2013 has been changed.