

Business Results & Forecast

The first quarter ended June 30, 2014

Aug. 5, 2014

DAINIPPON SCREEN MFG. CO., LTD.

Managing Director & CFO
Yoichi Kondo

Cautionary statement with respect to these materials;

The earnings forecasts contained in these materials and communicated verbally, are 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.

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



1. FY2015 1Q Business Results
2. Business Situation
3. Financial Section
4. Change to Holding Company Structure
5. FY2015 Business Forecast
6. Overview

FY2015 1Q Business Results (consolidated)

>>Year-on-year comparison

(Unit: Billions of JPY)

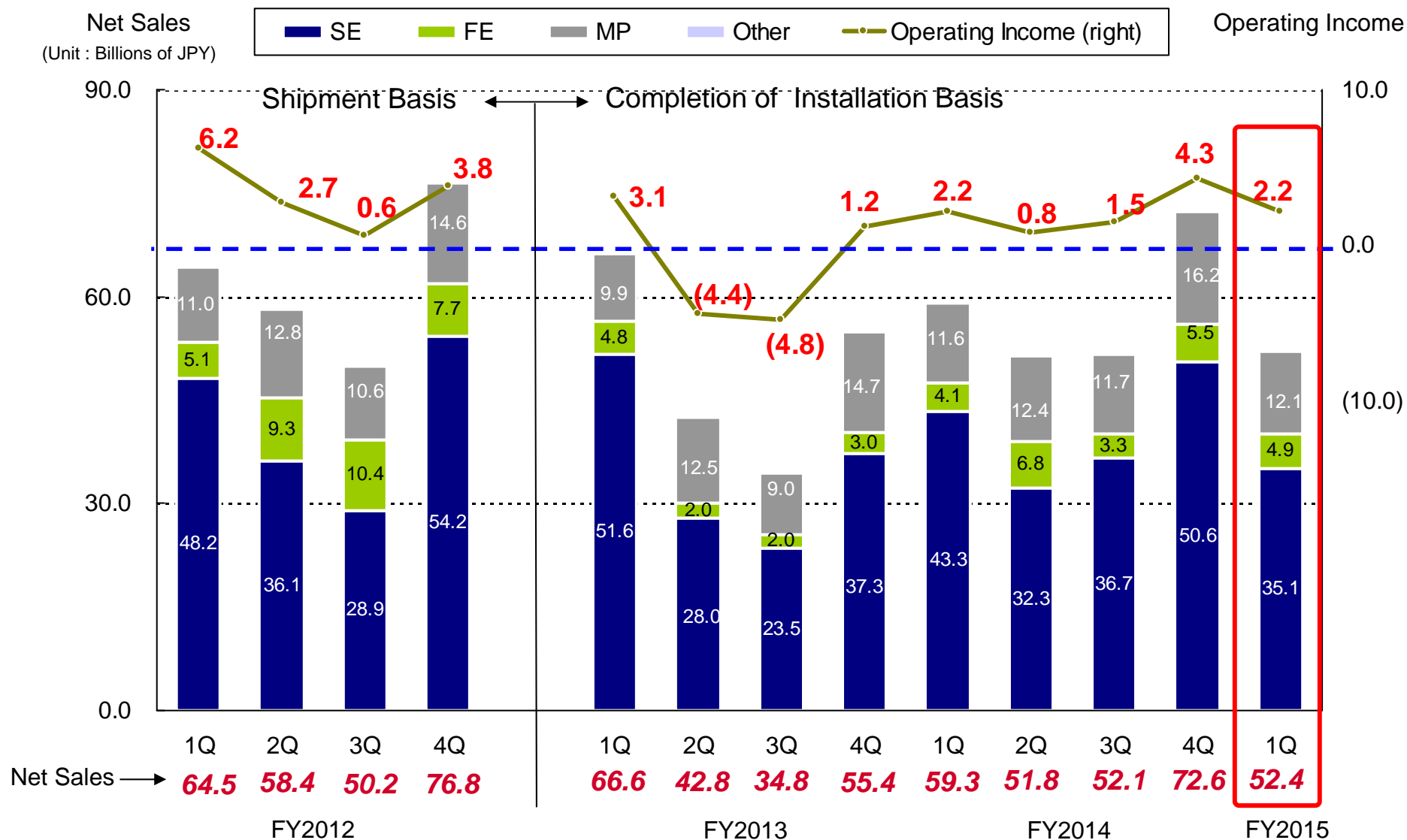
	FY2014 1Q		FY2015 1Q		Difference (15/3 1Q - 14/3 1Q)	
Net Sales	59.3	100%	52.4	100%	(6.8)	-11.5%
Operating income	2.2	3.7%	2.2	4.3%	0.0	1.3%
Ordinary income	2.2	3.8%	2.3	4.5%	0.1	5.5%
Net income	1.6	2.8%	1.5	2.9%	(0.1)	-9.1%

>> Comparison with the previous Quarter

(Unit: Billions of JPY)

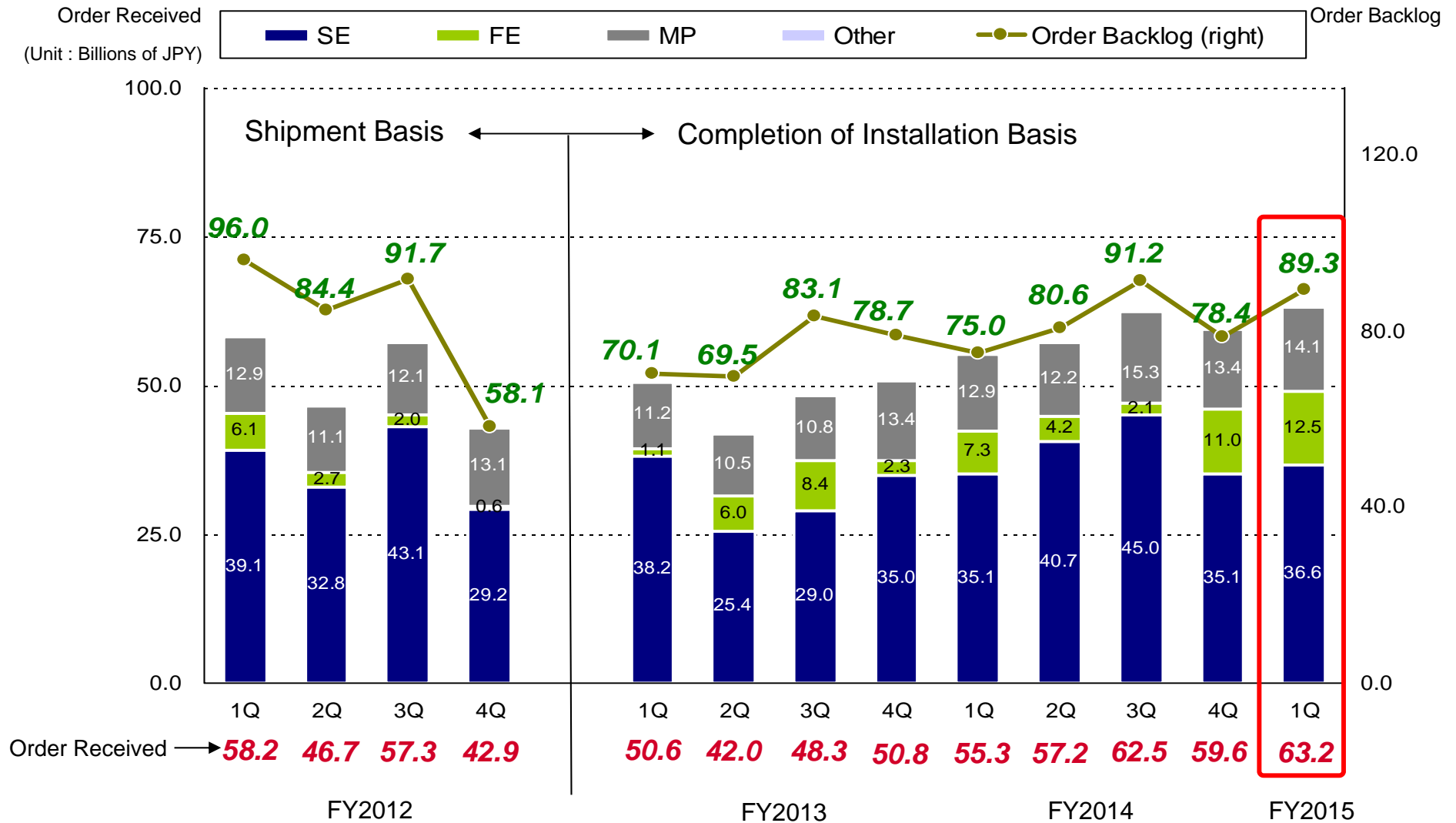
	FY2014 4Q		FY2015 1Q		Difference (15/3 1Q - 14/3 4Q)	
Net Sales	72.6	100%	52.4	100%	(20.2)	-27.8%
Operating income	4.3	6.0%	2.2	4.3%	(2.0)	-48.4%
Ordinary income	4.3	5.9%	2.3	4.5%	(1.9)	-45.3%
Net income	3.1	4.3%	1.5	2.9%	(1.6)	-51.4%

Quarterly Net Sales and Operating Income (Consolidated)



* Amounts for FY2013 in SE and FE have been reclassified with amounts calculated applying retroactively completion of installation basis.

Quarterly Orders Received and Order Backlog (Consolidated)



* Order backlog for FY2013 in SE and FE have been reclassified with amounts calculated applying retroactively completion of installation basis.

>>Year-on-year comparison

	FY2014 1Q		FY2015 1Q		Difference (15/3 1Q - 14/3 1Q)	
(Unit: Billions of JPY)						
Net Sales	43.3	100%	35.1	100%	(8.2)	-19.0%
Operating income	2.1	4.9%	2.9	8.3%	0.7	37.7%

>> Comparison with the previous Quarter

	FY2014 4Q		FY2015 1Q		Difference (15/3 1Q - 14/3 4Q)	
(Unit: Billions of JPY)						
Net Sales	50.6	100%	35.1	100%	(15.5)	-30.7%
Operating income	3.9	7.8%	2.9	8.3%	(1.0)	-26.9%

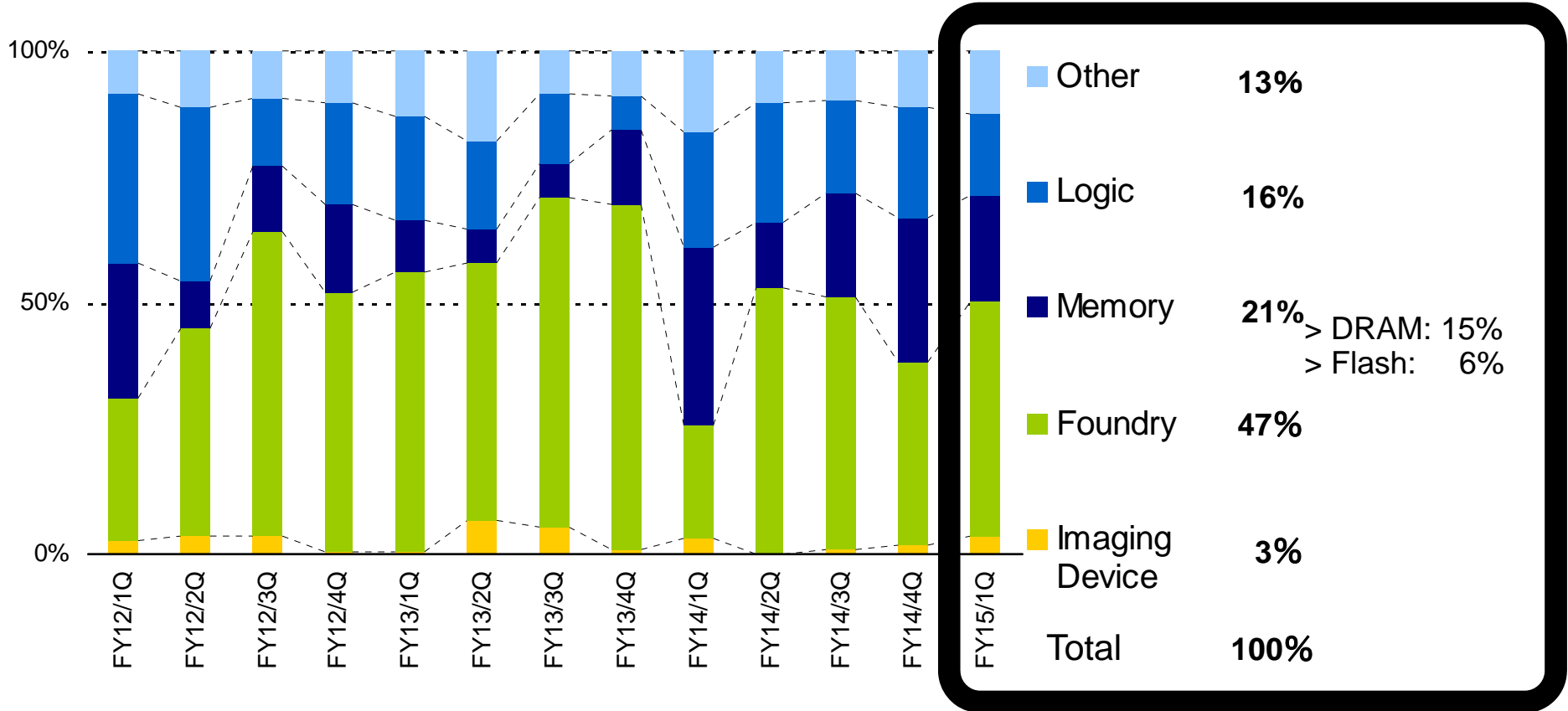
>>Topics

- Year-on-year: Sales decrease/profit increase due to the improvement in variable cost ratio and reduced loss on valuation of inventories.
- Versus previous Q: Improvement in operating profit margin despite sales decrease, owing to the improvement in variable cost ratio and a decrease in fixed costs.
- Orders received: 1Q orders received exceeded our assumption in May thanks to robust orders by foundries. 2Q orders received will go on as May forecast.
- Business environment: No significant changes from our prospect in May. Foundries and memory makers will drive the 2nd half of the year.

<SE> Quarterly Order Received Ratio by Device Application (Nonconsolidated)

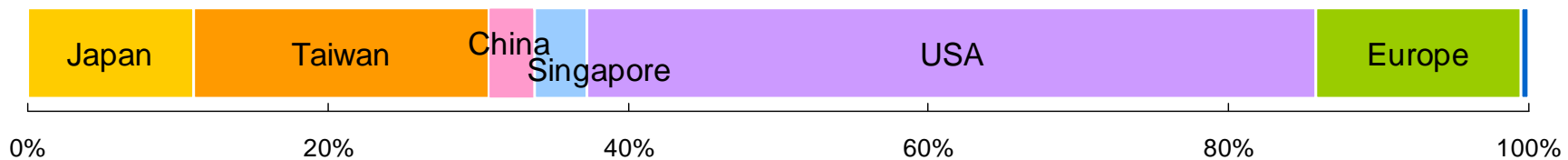
>> FY2015 1Q Order Received Ratio by Device Application (Nonconsolidated)

*Ref.: 1Q Order Received (consolidated) JPY 36.6 bn.



>> FY2015 1Q orders by region (Nonconsolidated)

*Parts are classified as Other from FY12/2Q



Business Environment < FE: FPD Equipment >

>>Year-on-year comparison

(Unit: Billions of JPY)

	FY2014 1Q		FY2015 1Q		Difference (15/3 1Q - 14/3 1Q)	
Net Sales	4.1	100%	4.9	100%	0.8	20.7%
Operating income	0.1	2.7%	(0.4)	-8.3%	(0.5)	- %

>> Comparison with the previous Quarter

(Unit: Billions of JPY)

	FY2014 4Q		FY2015 1Q		Difference (15/3 1Q - 14/3 4Q)	
Net Sales	5.5	100%	4.9	100%	(0.5)	-10.1%
Operating income	(0.1)	-3.2%	(0.4)	-8.3%	(0.2)	- %

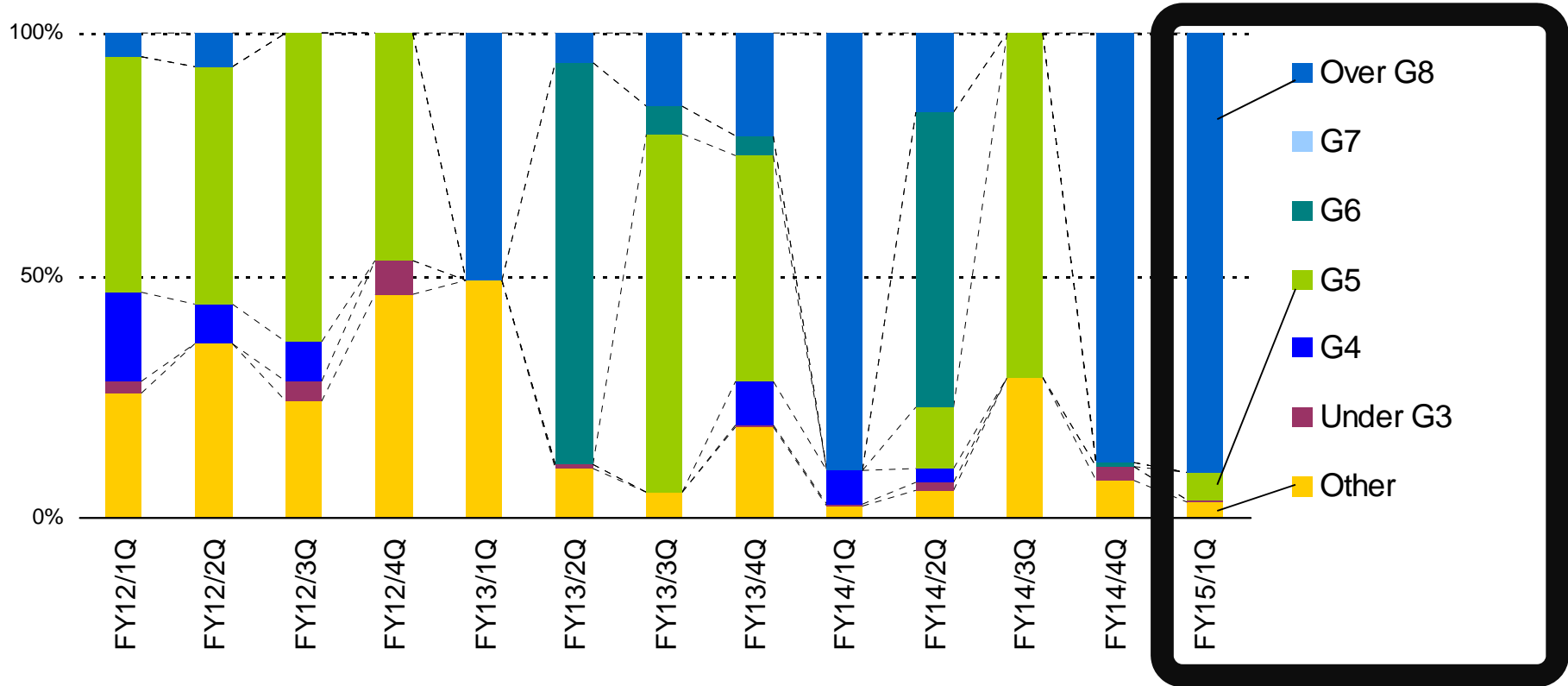
>>Topics

- Year-on-year: A profitability declined due to changes in the product mix and increasing fixed costs in spite of an increase in sales of production equipment for large-sized TV LCD panels in China.
- Orders received: Following the previous 4Q, orders received remained at a high level, led by production equipment for large-sized TV LCD panels in China.
→ Sales will be recorded during or after 4Q of the current year.
- Business environment: Investment in China will drive the business for a time. Expect the TV screens to get larger with penetration of 4K TVs.

< FE > Quarterly Orders Received by Generation (Nonconsolidated)

>> FY2015 1Q Orders Received by Generation (Nonconsolidated)

*Ref.: 1Q Order Received (consolidated) JPY 12.5 bn.



>> FY2015 1Q orders by region (Nonconsolidated)

*Calculated by gross in FY12/4Q



>>Year-on-year comparison

(Unit: Billions of JPY)	FY2014 1Q		FY2015 1Q		Difference (15/3 1Q - 14/3 1Q)	
	Net Sales	11.6	100%	12.1	100%	0.5
Operating income	0.4	3.7%	0.4	3.7%	0.0	4.4%

>> Comparison with the previous Quarter

(Unit: Billions of JPY)	FY2014 4Q		FY2015 1Q		Difference (15/3 1Q - 14/3 4Q)	
	Net Sales	16.2	100%	12.1	100%	(4.0)
Operating income	1.2	7.7%	0.4	3.7%	(0.8)	-64.5%

>>Topics

- Year-on-year: MT: Overseas sales increased due partly to the effects of weakening yen.
PE: Sales of direct imaging systems increased in Taiwan.
- Versus previous Q: Both sales and profit decreased as sales tend to be concentrated in 4Q.
- Business environment: In MT business, there has been a domestic demand for replacement of CTP.
A harsh situation will continue in Europe, but business deals are increasing.

Trend in B/S (consolidated)

Assets

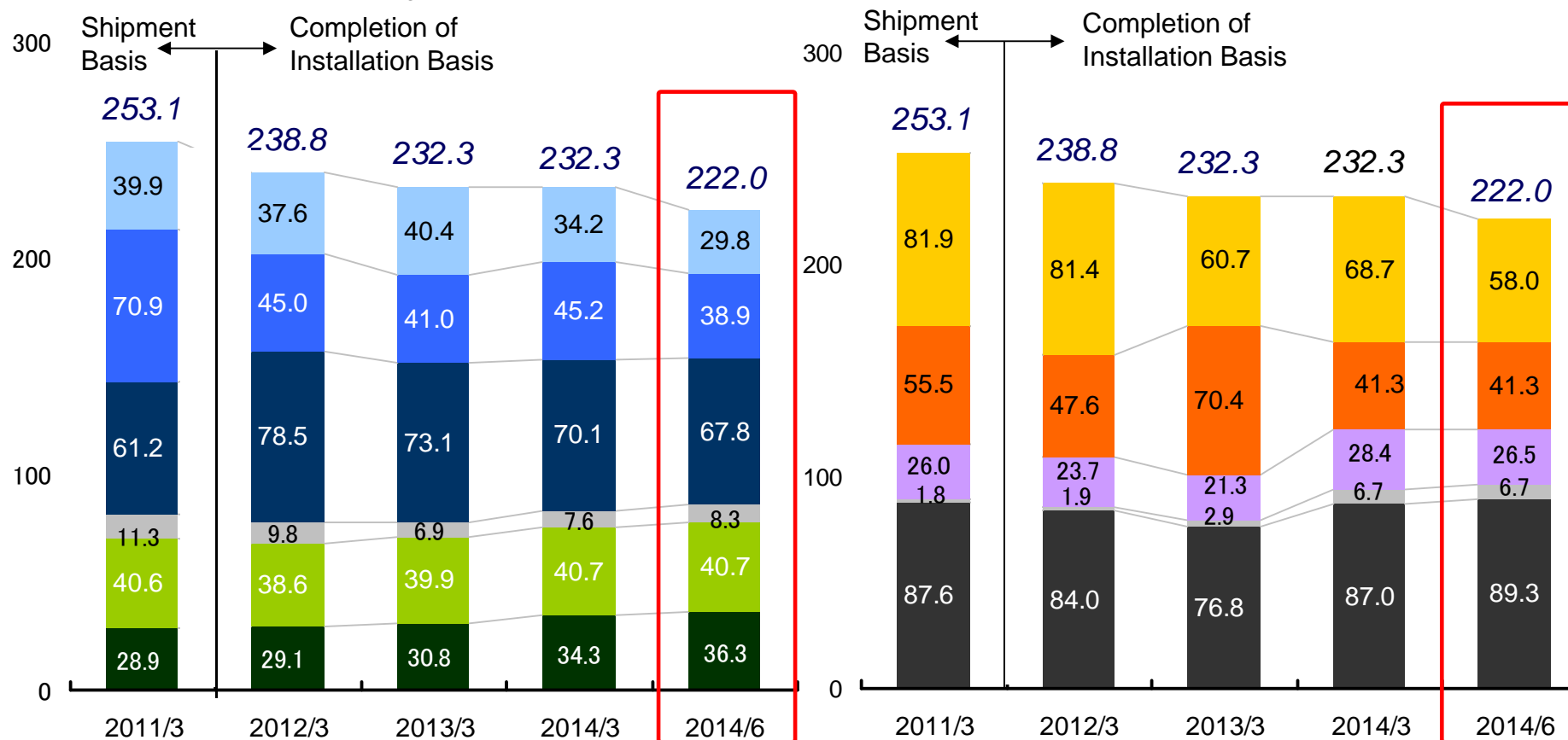
(Unit: Billions of JPY)

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

Liabilities & Net Assets

(Unit: Billions of JPY)

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



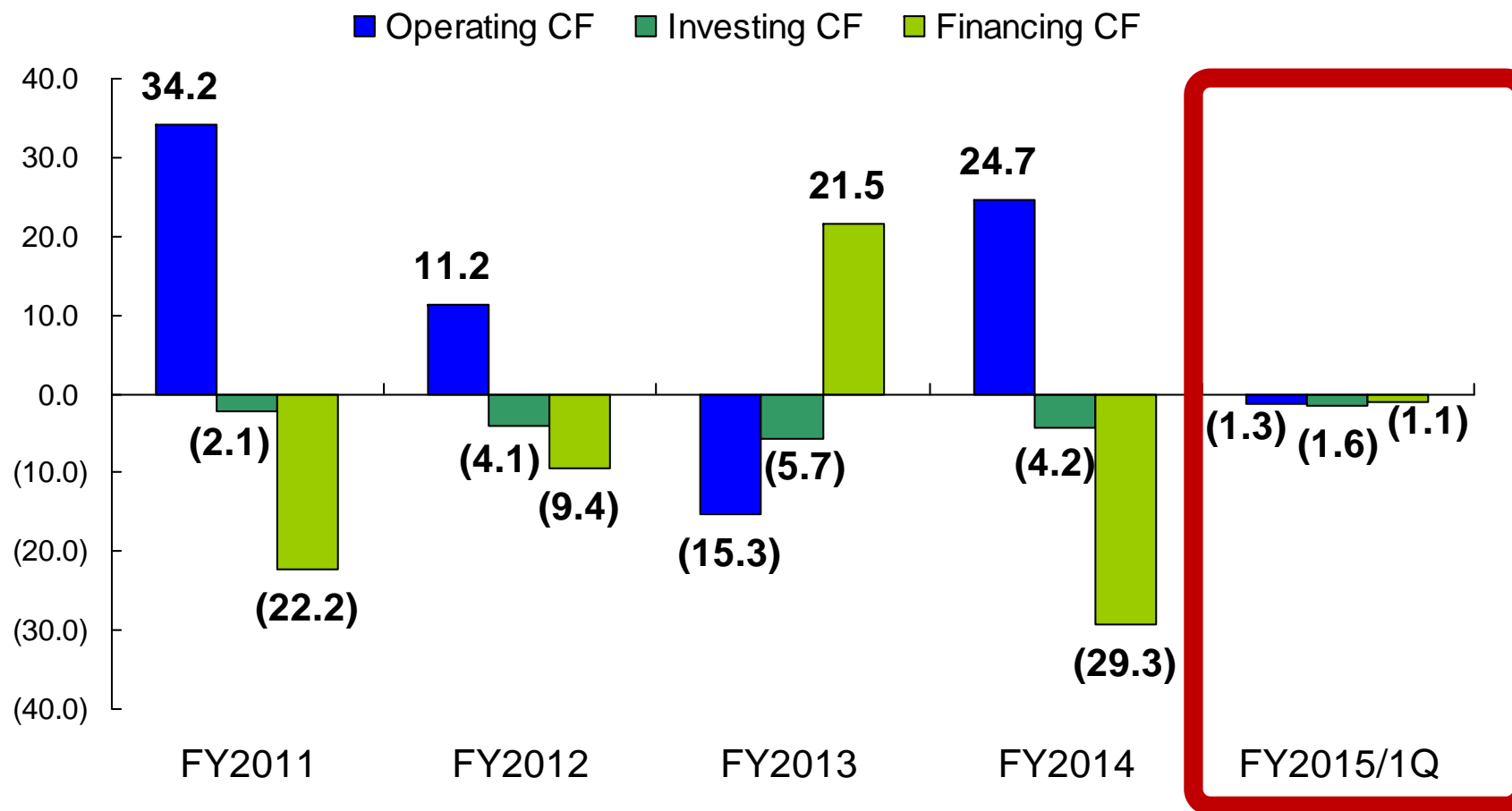
Equity Ratio 37.2% (2014/3) → 40.0% (2014/6)

* Amounts for 2012/3 and 2013/3 have been reclassified with amounts calculated applying retroactively completion of installation basis.

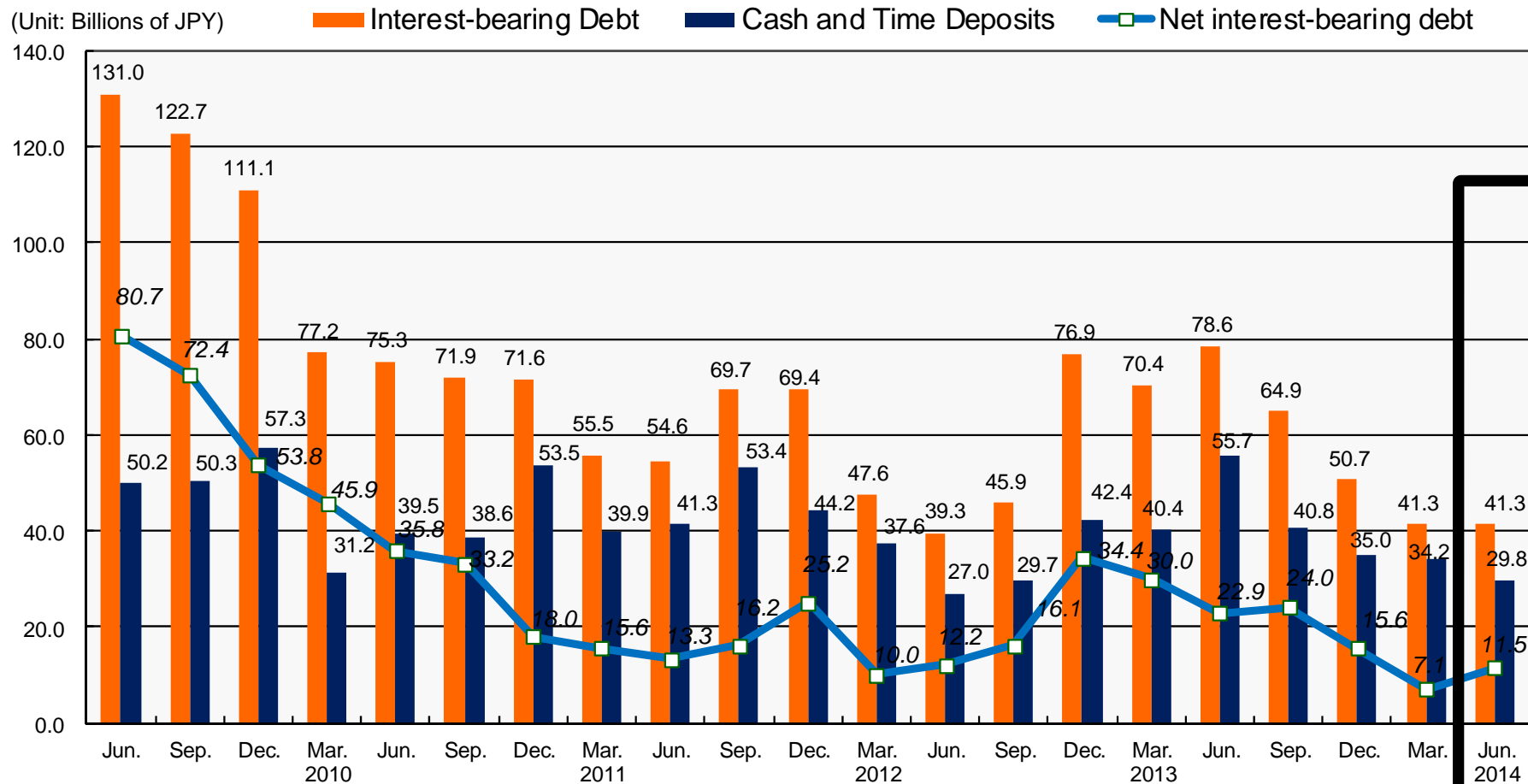
Consolidated Cash Flows

>> FY2015 1Q Free Cash Flow : JPY(3.0) bn.

(Unit : Billions of JPY)



Interest-bearing Debt (Consolidated)



>>FY2015 Jun.

- Interest-bearing debt: 41.3 bn.
- Cash and time deposits: 29.8 bn.
- Net interest-bearing debt: 11.5 bn.

>> Preparation for company split-up in October 2014 is steadily in progress

A division for changing to a holding company structure was established, solving a variety of challenges and managing progress
Establish a new framework of Successor Companies

SCREEN Holdings Co., Ltd.



Business Forecast for FY2015 (consolidated)

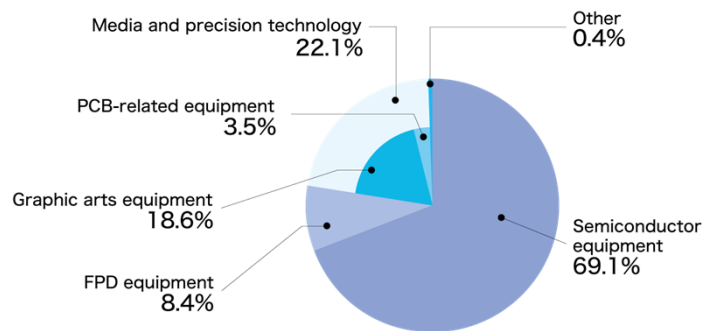
(Unit: Billions of JPY)

	1 st H		2 nd H		Full	
	Forecast		Forecast		Forecast	
	May 7	Aug. 5	May 7	Aug. 5	May 7	Aug. 5
Net Sales	108.0	113.0	128.0	128.0	236.0	241.0
SE	73.0	77.0	81.5	81.5	154.5	158.5
FE	8.5	9.0	18.0	18.0	26.5	27.0
MP	26.0	26.5	27.5	27.5	53.5	54.0
OT	0.5	0.5	1.0	1.0	1.5	1.5
Operating income	3.5	4.7	6.5	6.5	10.0	11.2
Ordinary income	3.0	4.5	6.0	6.0	9.0	10.5
Net income	2.2	3.0	5.3	5.3	7.5	8.3

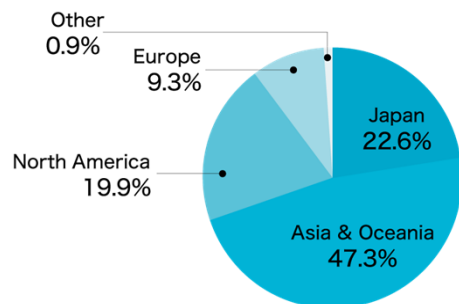
- FY2015 Forecast Rate >> USD1=100 yen, EUR1=135 yen
- Forecast of annual cash dividends for FY2015 >> JPY 5.00 per share (year-end cash dividend)
Unchanged from May forecast

- >> The current business environment is largely within the scope of the assumption at the beginning of the current year.
- >> In view of the current order situation, a business forecast for the 1st half of the fiscal year has been upwardly revised.
 - ➔ Robust capital investment by each foundry has already been in execution and is also being planned.
- >> An earnings structure reform is under way centering on a reduction of variable costs.
- >> Preparation for a holding company structure starting from October 1 is steadily in progress.
 - ➔ Speed up the execution of operation, enhance a financially independent system in each business, aim for the improvement of earnings strength.

Consolidated Net Sales by Business Segment



Consolidated Net Sales by Location



Sales Results

Unit: Billions of JPY (round down)		FY2013	FY2014			
		Full (installation basis)	1st H Apr.-Sep.	2nd H Oct.-Mar.	Full	Y/Y
Net Sales	SE	199.7	111.1	124.7	235.9	36.1
	FE	140.6	75.6	87.3	163.1	22.4
	MP	12.0	10.9	8.8	19.8	7.8
	MT	46.3	24.0	27.9	52.1	5.8
	PE	40.1	20.4	23.3	43.9	3.7
	Other	6.1	3.4	4.6	8.2	2.0
Operating Income		0.7	0.3	0.4	0.8	0.0
Operating Income	SE	(4.8)	3.0	5.8	8.9	13.7
	FE	(3.7)	2.8	5.7	8.7	12.5
	MP	(0.8)	0.0	(3.0)	(4.0)	4.0
	Other & Adjustments	1.4	0.9	1.6	2.7	1.2
Ordinary Income		(1.7)	(8.0)	(1.2)	(2.2)	(0.4)
Net Income		(5.0)	2.5	5.7	8.3	13.4
Net Income		(11.3)	1.5	3.7	5.4	16.7

SE: Semiconductor Equipment Business
 FE: FPD Equipment Business
 MP: Media And Precision Technology Business
 MT: Graphic Arts Equipment Business
 PE: PCB-related Equipment Business

SCREEN

Fit your needs, Fit your future

