

SCREEN

2009

Annual Report

Year Ended March 31, 2009

Dainippon Screen Group

Consolidated Financial Highlights

Dainippon Screen Mfg. Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

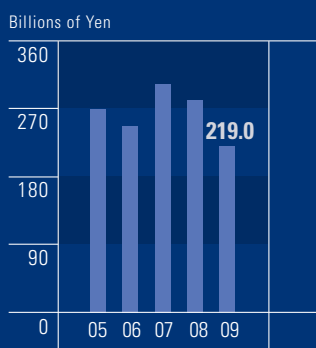
	Millions of Yen			Percent Change	Thousands of U.S. dollars
	2009	2008	2007	2009/2008	2009
Net sales	¥219,049	¥279,816	¥301,312	-21.7%	\$2,235,194
Operating income (loss)	(4,510)	14,628	30,541	—	(46,020)
Net income (loss)	(38,191)	4,578	18,452	—	(389,704)
Depreciation and amortization	8,414	5,563	4,113	51.2	85,857
Cash flows from operating activities	(24,593)	7,934	23,645	—	(250,949)
Cash flows from investing activities	(6,921)	(16,510)	(8,519)	—	(70,622)
Cash flows from financing activities	34,071	669	(8,875)	—	347,663
Capital expenditures	4,007	12,866	14,420	-68.9	40,888
R&D expenses	16,073	16,248	16,884	-1.1	164,010
Total assets	246,918	291,114	319,519	-15.2	2,519,571
Equity	69,353	122,094	133,062	-43.2	707,683

Per Share of Common Stock:

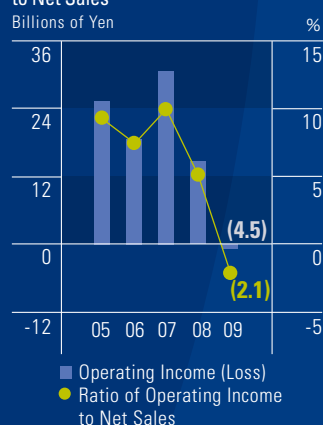
	Yen			Percent Change	U.S. dollars
	2009	2008	2007	2009/2008	2009
Net income (loss)	¥(160.86)	¥ 18.81	¥ 74.05	—%	\$ (1.64)
Net income—diluted	—	17.39	68.63	—	—
Cash dividends	—	10.00	15.00	—	—
Net assets	292.12	514.26	542.13	-43.2	2.98

	Percent			Percentage Point Change
	2009	2008	2007	2009/2008
Return on total assets (%)	-14.2%	1.5%	6.3%	—
Equity ratio (%)	28.1	41.9	41.6	-13.8
Return on equity (%)	-39.9	3.6	14.2	—

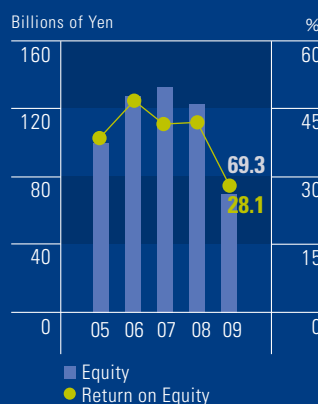
Consolidated Net Sales



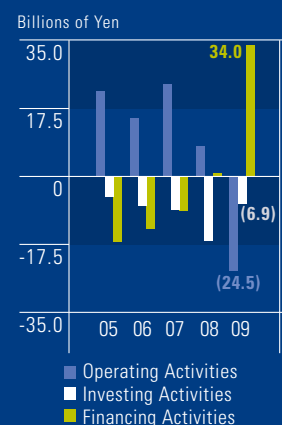
Consolidated Operating Income (Loss) and Ratio of Operating Income to Net Sales



Equity and Return on Equity



Cash Flows



Notes: 1. Dollar figures are translated, for convenience only, at the rate of ¥98 to US\$1.00.

2. Net income (loss) per share of common stock is calculated based on the weighted average number of shares outstanding during each term, excluding the Company's treasury stock and holdings by consolidated subsidiaries.

Fully diluted net income per share of common stock is not shown for the year that net loss was recorded.

Net assets per share of common stock is calculated based on the fiscal year-end total number of shares outstanding, excluding the Company's treasury stock and holdings by consolidated subsidiaries.

3. Return on total assets and return on equity are calculated on the basis of average total assets and average equity, respectively, at the current and previous fiscal year-ends.

Contents

The Dainippon Screen Group has expanded its operations based on core technologies developed over the years. These technologies include image input, processing, transfer and exposure. Using these core technologies, the Group is developing its business in the following areas.

The semiconductor, flat panel display (FPD) and printed circuit board (PCB) production equipment businesses that form the core of information technology (IT) societies.

The media technology business, which offers prepress equipment and accelerates the printing industry's adoption of digitization by providing the necessary digital printing equipment and fonts.

These businesses are contributing to the creation of an information-based society by expanding modes of communication.

2	To Our Shareholders
4	Special Feature: Measures for Restructuring
7	At a Glance
8	Company Business Performance Overview and Future Strategies
8	Semiconductor Equipment Company
10	FPD Equipment Company
12	Media And Precision Technology Equipment Company
14	Board of Directors, Corporate Auditors and Corporate Officers
16	Corporate Governance
17	Environmental, Health and Safety Management Initiatives, and Financial Section
47	Consolidated Companies
48	Investor Information
49	Corporate Data

The plans, strategies and statements related to the outlook for future results in this document are in accordance with assumptions and beliefs determined by management based on currently available information. However, it should be noted that there is a possibility that actual results could differ significantly due to such factors as social and economic conditions.

Notes: 1) All amounts shown in billions of yen are truncated to the nearest billion. Amounts shown in millions of yen are rounded to the nearest million yen.

2) All years shown are for the accounting year ending March 31 of the year shown.

Consolidated Business Results for the Fiscal Year Ended March 31, 2009

During the year, our mainstay semiconductor production equipment business faced a slowdown, which resulted in a 21.7% fall in consolidated net sales, to ¥219.0 billion. In terms of profit, operating income declined in step with the drop-off in semiconductor production equipment sales, resulting in the Company's first consolidated operating loss in nine fiscal years, at ¥4.5 billion. Other losses included equity in losses of affiliates and exchange loss on foreign currency transactions, while changes in accounting standards led to a loss on valuation of inventories, which raised extraordinary losses. This situation was exacerbated by expenses for building our business structure in the execution of restructuring measures, loss on investments in securities and other factors. Furthermore, reversal of non-consolidated deferred tax assets and adjustment for income taxes contributed to a net loss of ¥38.1 billion for the year. In light of these business results, with deep regret we refrained from the payment of cash dividends.

Extracting Opportunities from the Crisis through Extensive Structural Reforms

The financial crisis in the United States during the latter half of 2008 served as the trigger for a global recession. As a spin-off from these conditions, we experienced a significant divergence between our planned and actual business results for the fiscal year. The resultant anxieties for our shareholders and other stakeholders brought home an intense feeling of responsibility to the management of the Dainippon Screen Group. Accordingly, we are undertaking drastic restructuring measures with the key objective of significantly lowering our break-even point. As part of this process, we have had to make painful decisions in terms of soliciting voluntary retirements and instigating unavoidable workforce cuts. This dilemma has been unavoidable in our fight for corporate survival. To lay the subsequent foundations for new growth, we are aiming to bring to conclusion our restructuring measures with cost reduction measures to the effect of around ¥40 billion.

Taking a positive stance, we are striving to extract opportunities from this crisis through extensive structural reforms. (See the special feature on page 4 for more information on the Company's restructuring measures.)

Overview of Vision2008, Our Consolidated Three-Year Business Plan

The Dainippon Screen Group sought to "take a leap toward Innovation & Expansion, to become a ¥300 billion enterprise" directed by Vision2008, its consolidated three-year business plan (from April 2006 through March 2009). The first fiscal year of the plan set us off to an encouraging start, aided by a favorable operating environment. During the second year, the flat panel display (FPD) industry was affected by investment cutbacks, with business results falling short of the plan's initial goals. During the third year, ended March 31, 2009, the financial crisis originating in the United States spread to real economies worldwide, precipitating a dramatic slowdown in the business environment. In particular, capital investment plans in the semiconductor industry were successively delayed or frozen, seriously aggravating the Group's business results. As a result of the above factors, our results relative to the targets of Vision2008 were as follows.

	Planned (total over three years)	Achieved (total over three years)	Achievement ratio
Consolidated net sales	¥880.0 billion or above	¥800.1 billion	90.9%
Consolidated operating income	¥90.0 billion	¥40.6 billion	45.2%
Ratio of operating income to net sales	10.0% or above	5.1%	-

The Dainippon Screen Group has fully taken on board the results of Vision2008, and after analysis by operational sector, plans to formulate its medium- to long-term strategies for the future.

Future Challenges and Business Vision

Initially, we need to implement restructuring measures to overcome the current crisis. However, these measures clearly involve the scaling back of activities to achieve equilibrium, so when implementing these strategies it is vital to visualize the Group of the future. In the past, we have been highly vulnerable to the external business environment, which has been manifest in negative impact on performance. To avoid falling once again into this trap, it is essential that we fortify our existing operations, while optimizing new business domains and areas.

Reactivation of Anti-Takeover Defense Policy and Changes to the Term of Office of Directors

The validity period for Anti-Takeover Defense Policy introduced following approval by shareholders at the 66th Annual Shareholders Meeting, held in June 2007, expired in June 2009.

As a result of an ongoing assessment of the policy, we again tabled the topic of a structure to better reflect shareholders' intentions by confirming these intentions directly, based on the recommendations of an independent committee. We gained approval for new measures at the 68th Annual Shareholders Meeting in June 2009. In accordance with changes to Dainippon Screen's Articles of Incorporation approved at this meeting, we have reduced the term of office for directors from two years to one year. In addition to further clarifying management accountability, this move will facilitate the construction of a management system that responds swiftly to changes in the business environment. Through such initiatives, we aim to develop management that will continue to serve as a cornerstone in supporting the overall benefits of shareholders and other stakeholders.

In the year ending March 31, 2010, we expect the operating environment to remain severe. In conclusion, we reiterate our aim to extract opportunities from the crisis and carry out radical management reforms to prepare the Group for its next growth phase. We look forward to your ongoing support with these endeavors.

June 25, 2009

Akira Ishida, Chairman and CEO

Masahiro Hashimoto, President and COO

(About the garden stone in the photograph)

On the grounds of our headquarters are several garden stones, clustered to resemble a tortoise's shell. This pattern epitomizes the multifaceted development of our business, which we refer to as "tortoise shell management."



(Left) Akira Ishida, Chairman and CEO
(Right) Masahiro Hashimoto, President and COO

Special Feature: **Measures for Restructuring**

Restructuring through extensive reform in response to the current severe business climate



Akira Ishida, Chairman and CEO

Q Please outline the Group's operating environment amid this "once-in-a-century" financial crisis.

A Mr. Ishida: Since September 2008, the impact on real economies worldwide of the global financial crisis has rapidly intensified. This influence has also ricocheted through the semiconductor, flat panel display (FPD) and printing industries, all of which interact significantly with our operations. Specifically, capital investment by semiconductor manufacturers has slowed dramatically and successive investment plans have been delayed or frozen as a result. Semiconductor manufacturers have also been carrying out restructuring and consolidation since around the end of last year, and the effects of the deep global slump seem likely to result in structural changes throughout the semiconductor industry.

Q How do you envisage the future for its related markets?

A Mr. Ishida: During the fiscal year ended March 31, 2009, Dainippon Screen recorded its largest-ever net loss, at ¥38.1 billion. The severe operating environment looks set to continue for the next fiscal year, too. There has been evidence of a gradual turnaround in the global economy since the spring, but a full-blown recovery is still some way off. I anticipate that recovery for the semiconductor production equipment (SPE) market, which predominantly determines our business results, will not appear before 2010. Moreover, although demand for single wafer cleaning equipment is forecast to grow over the medium to long term in step with trends toward the miniaturization of electronic devices, batch-type cleaning equipment will witness a gradual decline. The market for wafer fabrication equipment, which is the target for the Company's equipment sales, cannot be expected to sustain growth at its previous rate.

A Mr. Hashimoto: By pursuing our restructuring measures, we have to overcome the harsh operating environment, which looks likely to continue for the time being. In light of the medium- to long-term market outlook, we need to radically rework our business operations and organization. After coming through this impasse, we must envisage the best form for the Group of the future.

Q Please provide more details regarding the measures for restructuring.

A Mr. Hashimoto: The Group's top priorities are to effect a gross reduction to the break-even point while identifying

Business review and organizational restructuring

- Review of R&D framework
- Reduction and withdrawal from unprofitable businesses
- Restructuring and consolidation of sites for Group companies
- Unification and reorganization of offices

Workforce reductions

- Cutback of 1,600 regular employees and temporary workers
- Stop new hiring

Reduction and centralization of sites

- Temporary closure of semiconductor production equipment manufacturing facilities

Measures for Restructuring

Increased R&D efficiency

- Streamlining of R&D expenses through selectivity and focus
- Early release of new products and heightened competitiveness of existing products

Personnel expense cuts

- Reductions in directors' salaries
- Cuts in personnel expenses for management and general employees

Curtailed capital investment

Thorough cost reductions

existing business areas that are earmarked for future growth and securing liquidity of funds. The first of these is to reduce the break-even point in order to survive the current crisis. Our target is to build a framework that facilitates profit on consolidated net sales of ¥150 billion, aiming for a return to profitability by the year ending March 31, 2011. We have instigated a number of measures to achieve these objectives. First, we concentrated our SPE manufacturing sites in tune with the vast reductions in production volumes. We also resolved to withdraw from the unprofitable area of direct imaging systems to expose color filters. Currently, we are also investigating the restructuring of the Dainippon Screen Group's companies and service sites, and will look into ongoing cutbacks to and withdrawals from other underperforming areas.

A Mr. Ishida: The operating environment described places management in the lamentable situation of having to make reductions of 1,600 from our workforce of regular employees and temporary workers. Additionally, we have already cut directors' salaries and personnel expenses for management and



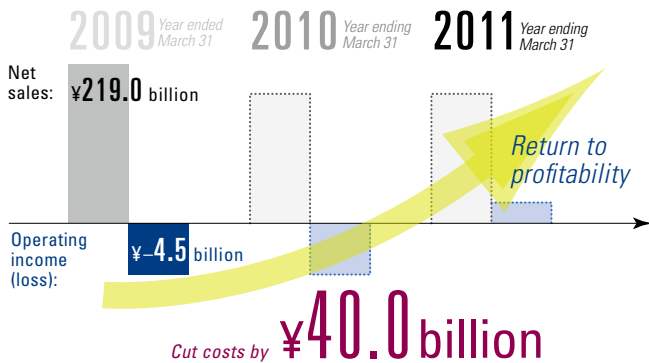
Masahiro Hashimoto, President and COO

general employees. Through such moves, we are aiming for cost reductions of ¥40.0 billion and a return to profitability by the year ending March 31, 2011.

A Mr. Hashimoto: We are implementing a system of austerity measures that spans various aspects of our operations to spearhead our restructuring drive. However, investment, which is integrally linked to business reinforcement and expansion, goes on as before. As a Company that has evolved as an R&D-centric enterprise, our technological prowess is our lifeline. Accordingly, we are continuing our future-oriented R&D with emphasis on selection of and focus on development themes, sharp distinctions between urgent and nonessential issues, and heightened awareness of cost reductions.

A Mr. Ishida: We have established a Restructuring Measures Implementation Committee, headed by the president, Mr. Hashimoto, to implement these restructuring measures. Its tasks include assessing progress and setting up a framework for

Restructuring Project



appropriate management. Under this committee, we shall promote companywide structural reforms and keep our investors suitably informed of the status of restructuring.

A Mr. Hashimoto: These companywide structural reforms aim for a thorough review of our three internal companies by cross-sectional teams responsible for (1) stock and recovery, (2) personnel, (3) R&D, (4) procurement, (5) administrative cost reductions, (6) business development, (7) selling prices and (8) manufacturing. In hand with the three internal companies, the eight teams will formulate policies, set numerical targets and monitor subsequent progress. Although our operating environment is currently highly challenging, we have established a syndicated loan and taken other steps to secure a stable financial base for the Company. We aim to see through these restructuring measures by taking all possible measures to fortify our financial and internal systems.

Q How do you assess the Company's future business development?

A Mr. Hashimoto: In the future, I think that we need to restructure our business portfolio to ensure stable profits. Consolidated net sales for the year ended March 31, 2009, stood at ¥219.0 billion, of which SPE accounted for 41%, FPD production equipment 28% and Graphic Arts Equipment 26%. During the previous fiscal year, this spread was 62%, 12% and 22% against consolidated net sales of ¥279.8 billion. With this business portfolio structure, the overall profitability largely stands or falls on the performance of SPE. In the future, we aim to build a framework that can ensure profits even during times of economic difficulty. We also plan to construct a balanced business portfolio through the creation of new businesses.

Looking at our existing businesses, although our SPE business suffered a major sales decline during the year, we are reinforcing single wafer cleaning equipment operations, which performed relatively favorably, and investigating expansion outside the cleaning equipment sector.

In our FPD production equipment business, we are developing equipment that contributes to rationalization of production

processes for liquid crystal display (LCD) panel manufacturers, such as direct imaging systems employing the Company's proprietary technologies. Further, we are continuing to work with materials manufacturers to promote the development of organic electroluminescence display production equipment utilizing our unique coating technologies. In the Graphic Arts Equipment segment, our Print on Demand (POD) business, centered on inkjet printers, is an existing new business area that is enjoying steady growth. In a drive to further boost sales, we are expanding our product lineup and reinforcing our business in inks and other consumables. Moreover, three years have passed since SOKUDO Joint Venture Company was established with Applied Materials, Inc. of the United States. Given the severe SPE market, both companies have agreed that the best avenue to improve business value and competitiveness of SOKUDO Co., Ltd., would be to reanalyze the scale of company operations and further outsource business functions in which Dainippon Screen Mfg. is strong, thereby enabling SOKUDO to move faster in response to market conditions. In line with the agreement, Dainippon Screen acquired shares from Applied Materials and SOKUDO became a subsidiary company.

We are speeding up our R&D into elemental technologies and instigating other measures to carve out new businesses. The Company is targeting applications of printing technologies to the field of electronics. Last year, we stepped up these efforts by merging two internal companies. The development of such new products as direct patterning equipment for the manufacture of flexible printed circuit boards (PCBs) is evidence of the gradual emergence of the fruits of these endeavors. In the future, we anticipate broader applications of our technologies in the electronics field, particularly in the LCD production process and the Company's specialist area. We will also continue to seek applications of inkjet and other printing technologies to the electronics field in our drive to penetrate new business domains.

A Mr. Ishida: Since its establishment, the Dainippon Screen Group has expanded into printing prepress equipment, SPE and FPD production equipment from its core photolithography technologies. We will continue to prioritize fields for investment and strategically focus our finite management resources based on our business development led by broad-ranging technologies. I believe that this strategy will lead us to a recovery in business results and on to the next growth phase.

At a Glance

Semiconductor Equipment Company

The company provides high-quality batch-type cleaning equipment, single wafer cleaning equipment and coater/developers.* In an environment characterized by the ever-increasing miniaturization of semiconductors, increasing cleanliness is being required of cleaning processes, making the company's products more vital than ever.

* Coater/developers are produced on consignment from SOKUDO Co., Ltd.



Major Products

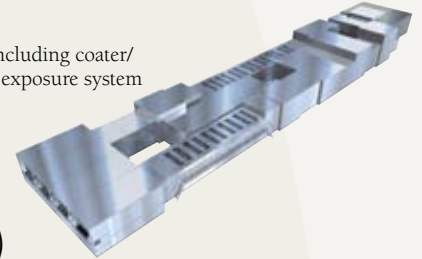
- Semiconductor production equipment, including batch-type cleaning equipment, single wafer cleaning equipment, coater/developers and annealing system

FPD Equipment Company

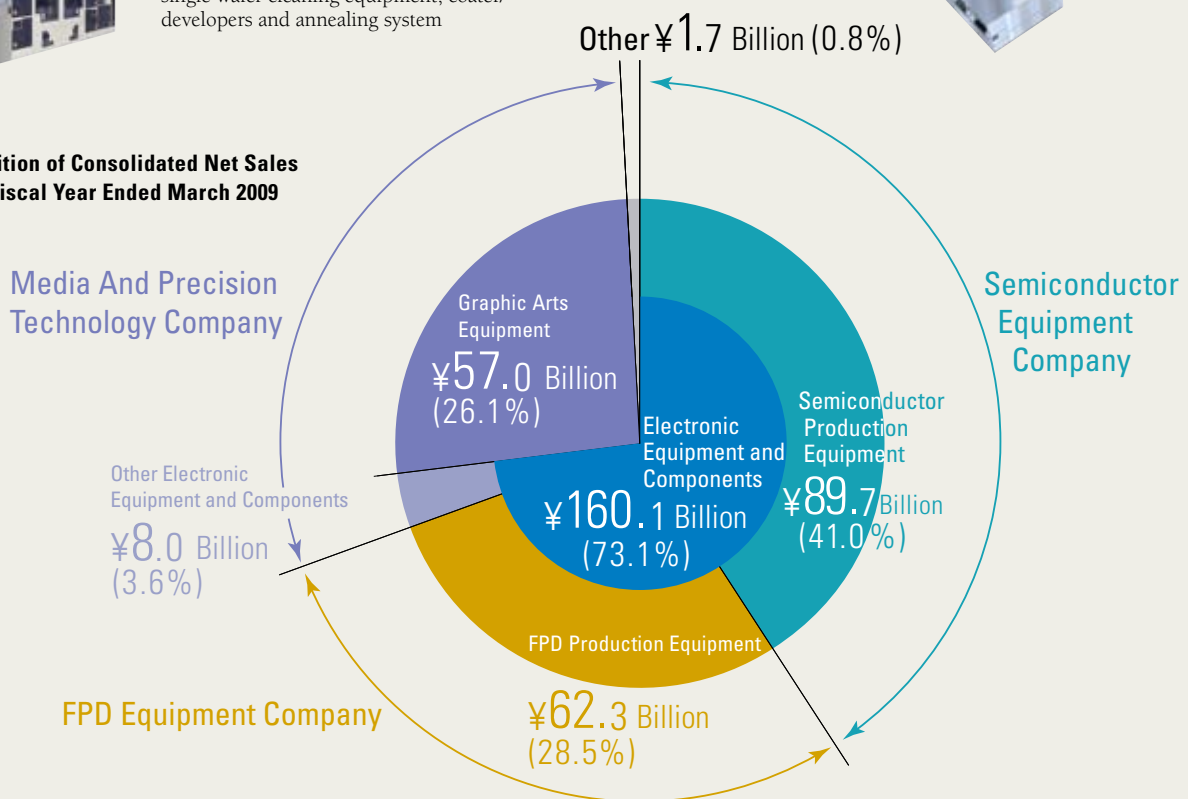
In line with the growing prevalence of large-screen LCD TVs, demand is growing for larger LCD panel glass substrates. The FPD Equipment Company concentrates on coater/developers for TFT LCDs and provides PDP exposure equipment.

Major Products

- FPD production equipment, including coater/developers, etchers, strippers, exposure system and surface inspection system



Composition of Consolidated Net Sales for the Fiscal Year Ended March 2009



Media And Precision Technology Company

The company provides Computer to Plate (CTP)-related products and digital printing equipment to rationalize production processes and enhance printing quality. Demand has benefited in particular from Print on Demand (POD), which meets the need for small, varied print runs. Working with Group company Inca Digital Printers Ltd., Dainippon Screen has high expectations for expanding sales of inkjet printers.



Major Products

- CTP (plate recorders), digital printing equipment, other printing and prepress related equipment and fonts

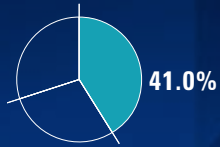
Based on its image processing, exposure and other core technologies, the company provides inspection, plotting and measuring equipment to the PCB, semiconductor and LCD industries. The company's mainstay inspection equipment and final inspection equipment for PCBs have been well received in the market.



Major Products

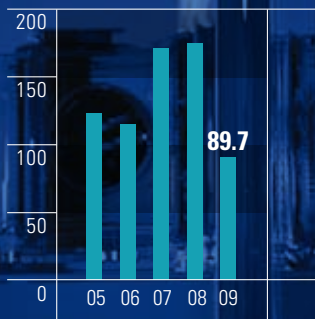
- PCB production equipment, including pattern inspection system, automatic optical inspection system, plotters, exposure system and pattern measurement system, wafer surface inspection and measurement system

Composition of
Net Sales for the
Fiscal Year Ended March 2009



Consolidated Sales of
Semiconductor Equipment Company

Billions of Yen



Eiji Kakiuchi
*President, Semiconductor
Equipment Company*

Sales were lackluster during the first half, under the impact of capital expenditure restraint by semiconductor manufacturers that has been ongoing since the summer of 2007. Further, the economic slowdown became more pronounced during the second half, leading to delays to and freezing of capital expenditure plans. As a result, the Semiconductor Equipment Company's sales fell 48.3% compared to the previous fiscal year.

Semiconductor Equipment Company



Q Please provide a summary of the main points of the company's business performance during the fiscal year ended March 31, 2009, and your views on the company's operating environment in the future.

A Falling prices of memory devices eroded semiconductor manufacturers' profits during the first half, leading to a slowdown in their capital expenditures. Moreover, the deteriorating macroeconomic climate exacerbated the slump in demand for semiconductors and electronic components from the summer onwards, causing many semiconductor manufacturers to delay or freeze planned capital expenditures. This presented an extremely challenging environment for second-half sales and orders. The Semiconductor Equipment Company recorded a 48.3% drop in sales for the year, to ¥89.7 billion.

By product category, batch-type cleaning equipment suffered significant sales declines, under the influence of capital expenditure cut-backs by memory manufacturers. Single wafer cleaning equipment sales also deteriorated, but to a lesser extent, buoyed by capital expenditures to promote miniaturization and their adoption by logic device manufacturers. Sales of coater/developers produced on consignment from SOKUDO Co., Ltd., also decreased.

In terms of earnings, rapid market contraction outpaced our emergency cost-cutting measures, with sales falling well below break-even and culminating in an operating loss for the year.

The harsh operating environment will continue into the future. Although inventory adjustments for semiconductors and electronic components will proceed steadily, no full-fledged resurgence in capital investment is imminent. I expect that we will be into 2010 before a full-blown recovery in the semiconductor production equipment (SPE) market is forthcoming.

Q Based on these market conditions, please outline the areas and products on which you will focus in the near term.

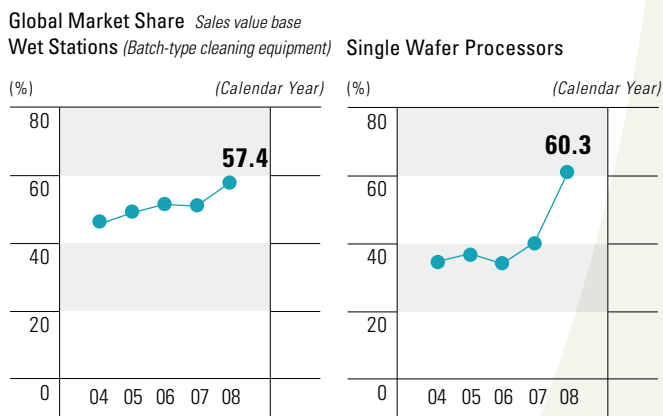
A As part of its restructuring project, the Semiconductor Equipment Company temporarily shut down its Yasu site, which had experienced a falling utilization rate, and the SPE manufacturing division of its Taga site. We also worked to reform

the corporate structure and boost operational efficiency. By stepping up such initiatives, we are striving to further lower our break-even point.

In its bid to upgrade profitability, the company will continue to reinforce product capabilities for its single wafer cleaning equipment, which has high potential for market growth arising from the promotion of miniaturization. According to a Gartner market survey, the Semiconductor Equipment Company's 2008 market share for single wafer cleaning equipment (single wafer processors) grew approximately 20 percentage points, to 60.3%. I believe this is due to cooperative efforts in the respective areas of production, process technologies, sales and field support.

In addition, in April 2009 we established a dedicated division to target the expansion of post-sales operations. Based on our proven delivery record to date, we are helping customers raise productivity and making proposals that are compatible with next-generation processes. These initiatives will enable the company to bolster customer satisfaction and expand non-product sales.

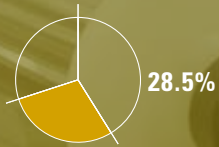
Although we anticipate a continued harsh operating environment, we are striving to bring down the break-even point, led by efforts to reduce fixed costs, and to meet market needs to reinforce our activities as an industry leader. These measures will secure our position in the SPE sector when the market recovery arrives.



Source: Gartner "Market Share: Semiconductor Etch and Clean Process Equipment, Worldwide, 2008" 5 May 2009

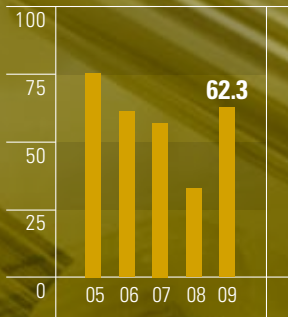
The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Prospectus) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

Composition of Net Sales for the Fiscal Year Ended March 2009



Consolidated Sales of FPD Equipment Company

Billions of Yen



FPD Equipment Company



Yoshinari Yaoi
President, FPD Equipment Company

LCD panel manufacturers began to recommence capital expenditures around the summer of 2007. As a result, the FPD Equipment Company's sales jumped 91.1% for the year, propelling the company back into profit.

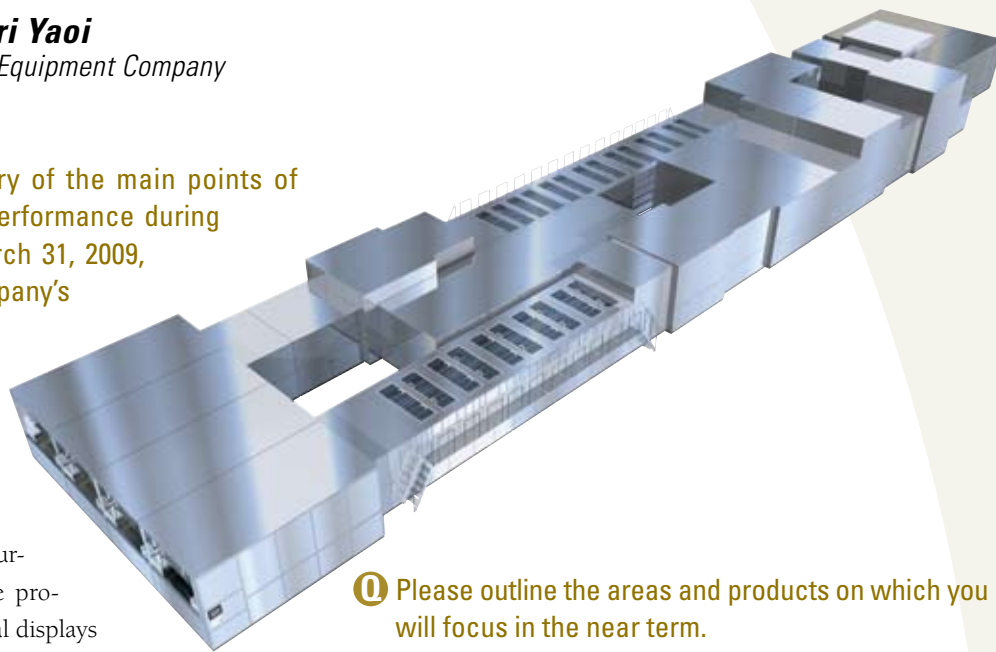
Q Please provide a summary of the main points of the company's business performance during the fiscal year ended March 31, 2009, and your views on the company's operating environment in the future.

A For the first half of the fiscal year, we gained from robust capital investment by manufacturers striving to increase production of liquid crystal displays (LCDs) for televisions. This brought brisk sales, led by coater/developers for large glass substrates. As a result, the FPD Equipment Company posted sales of ¥62.3 billion, a leap of 91.1% from the previous fiscal year.

A geographic breakdown reveals significant growth in sales in Taiwan, South Korea and China spearheading overseas sales expansion. Primary factors that are likely to affect upcoming performance include (1) the release of 10th-generation glass-substrate-compatible equipment, (2) completion of baseline designs for equipment compatible with glass substrates of 11th generation and above, and (3) the joint development of organic electroluminescence display technologies with DuPont of the United States, with a view toward mass-production. As part of this effort, we aim to mass produce coating equipment utilizing our unique nozzle printing method.

The company turned around the preceding year's operating loss to record operating income for the year, aided by ongoing cost reduction activities focused on in-house projects and growth in sales.

In line with macroeconomic trends since summer 2008, there have been signs that our mainstay customers, LCD panel manufacturers, are restraining capital expenditures and carrying out inventory adjustments. Accordingly, we experienced a falloff in orders from the second half of the fiscal year and anticipate an increasingly severe sales environment for the year ending March 31, 2010.

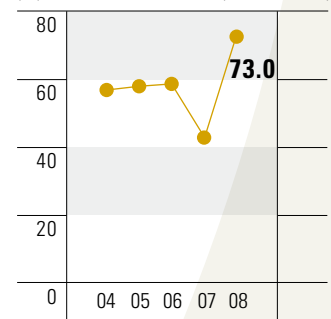


Q Please outline the areas and products on which you will focus in the near term.

A During the fiscal year ending March 31, 2010, we anticipate a recovery in demand for LCD panels, with a corresponding increase in production volumes by panel manufacturers. However, this trend will not directly result in fresh capital expenditures by customers, and it could be some time before an upturn in the market follows. In this operating environment, the FPD Equipment Company will proceed with comprehensive structural reforms to reinforce its ability to generate profits and accelerate its R&D drive to propel it toward its next development phase.

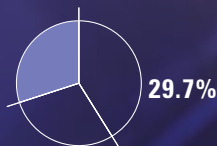
Priority R&D targets span (1) the release of an organic electroluminescence manufacturing system utilizing the nozzle printing method, (2) the development of in-house applications for inkjet technologies cultivated in the field of printing, and (3) equipment capable of handling large glass substrates that reduces resource use and energy consumption. These three developments, utilizing Dainippon Screen's unique technologies, will promote the rationalization of manufacturing processes and contribute to resource and energy savings. The company aims to provide next-generation environmentally conscious manufacturing technologies that will enable customers to achieve requisite reductions in their environmental impact.

Global Market Share of TFT LCD Coater/Developers Unit base (%) (Calendar Year)



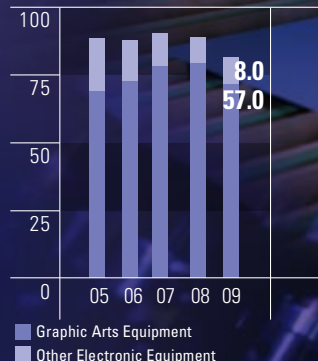
Source: Display Search

Composition of Net Sales for the Fiscal Year Ended March 2009



Consolidated Sales of Media And Precision Technology Company
(Includes Inca Digital Printers Ltd. from FY2006)

Billions of Yen



Kyohei Fujisawa
President, Media And Precision Technology Company

During the year, Graphic Arts Equipment performance gained from ongoing sales expansion for digital printing equipment. However, sales of our mainstay CTP-related products slowed during the second half, despite a favorable first-half showing. Meanwhile, other electronic equipment and components were impacted by a substantial pull-back in capital expenditures in the printed circuit board sector during the second half. As a result of these factors, the Media And Precision Technology Company's sales were lower than during the preceding fiscal year.

Media And Precision Technology Company

Interview — with **Kyohei Fujisawa** President, Media And Precision Technology Company

Q Please provide a summary of the main points of the company's performance during the fiscal year ended March 31, 2009, and your views on the company's operating environment in the future.

A **Graphic Arts Equipment:** Sales of our mainstay Computer to Plate (CTP)-related equipment, including for OEM*1 production, were robust during the first half as a result of expanded sales channels in Europe. However, the influence of the economic slowdown during the second half led to a significant cut in unit sales of CTP products. Digital printing equipment sales were steady, bolstered by drupa2008, the world's largest printing equipment exhibition, which was held in June. Robust sales in this category were due chiefly to solid ongoing sales of the *Truepress Jet520*. Our large-scale inkjet printer, *Truepress Jet2500UV*, also contributed to sales from the second half. Nevertheless, the decline in CTP-related equipment sales overshadowed robust performance by digital printing equipment. Consequently, sales by the Graphic Arts Equipment segment were down 9.3%, at ¥57.0 billion. In terms of profits, operating income fell 60.2%, to ¥1.6 billion, partially attributable to the appreciation of the yen against the euro from the second half.

The outlook for the operating environment remains severe, both in Japan and overseas. We aim to bolster sales by cultivating new business centered on Print on Demand (POD) solutions in advanced countries and CTP solutions in the BRIC nations (Brazil, Russia, India and China).

A **Other Electronic Equipment and Components:** The deterioration in capital expenditures in the printed circuit board (PCB) industry continued from the previous year, exacerbated by the impact of the global economic slowdown, with resultant delays to and freezing of capital investment in Japan and overseas. Sales of other electronic equipment and components were affected by capital expenditure adjustments, leading to decreases in all product categories.

Income was also down on the preceding year because of intensified competition and declining sales.



Q Based on these market conditions, please outline the areas and products on which you will focus in the near term.

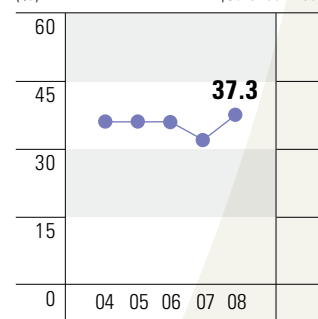
A **Graphic Arts Equipment:** To ensure profitability, we are increasing the number of production models for CTP-related equipment in China and further promoting cost-cutting measures. In addition to reducing product costs, these initiatives enable us to hedge against sudden exchange rate fluctuations.

Against a backdrop of ongoing digitization and increasingly diverse customer demand, the company's inkjet printers are earning an ever-higher level of customer approval. The number of units delivered is growing steadily as a result.

Accordingly, we are setting up business for ink and other consumables, although sales volumes are still small. In addition to our ongoing drive to bolster our product lineup, we are cultivating new customers in a bid to achieve sales of ¥25 billion for the fiscal year ending March 31, 2012.

A **Other Electronic Equipment and Components:** Last year, we launched an ellipsometric film thickness measuring system*2 ahead of our competitors for the solar cell industry, which is currently the focus of global attention. Boosting our stable of engineers will ensure functional advancement for this product, which in turn will lead to increased sales. We have expanded our portfolio of inspection systems for PCBs, one of the company's mainstay product lines, through the release of the *PI-9500*, a high-end model for advanced logic applications. This move will gain us ground in overseas markets, in addition to maintaining our high market share in Japan. We are improving the throughput of our direct imaging equipment for PCBs and plan to raise these products to even higher levels.

Global Market Share of Plate Recorders (CTP) Unit base (%) (Calendar Year)



Source: Dainippon Screen estimate

*1 Original Equipment Manufacturing

*2 Automatic film thickness measuring system compatible with thin-film silicon solar cell panels

Board of Directors, Corporate Auditors and Corporate Officers

(As of June 25, 2009)

Board of Directors

Representative Director

Chairman

Chief Executive Officer
Akira Ishida



Representative Director

President

Chief Operating Officer
Masahiro Hashimoto



Director

Vice President

Chief Officer of Security Export Control,
Research & Development, Procurement,
Strategic Business Development
Masanari Tsuda



Senior Managing Director

Chief Officer of Corporate Strategy,
Finance, General Affairs and
Investor Relations
Osamu Ryonai



Directors

Chairman of the Board of Directors,
OMRON Corporation
Yoshio Tateisi



Chairman of Carlyle Japan LLC
Member of Advisory Board, National Institute of
Advanced Industrial Science and Technology (AIST)
Outside Director of Terumo Corporation
Outside Director of Renault S.A.S.
Takeshi Isayama



Attorney at Law, admitted to the Bar in
Japan and New York
Aqua Yodoyabashi Law Offices
Toru Matsumoto



Corporate Auditors

Senior Corporate Auditor

Kazuya Noguri



Corporate Auditors

Hiroshi Yamamoto



President of Kyogin Lease & Capital Co., Ltd.

Hideaki Shirota



President of The Shigagin Computer Service Co., Ltd.

President of The Shigagin Agency Co., Ltd.

Akihiko Maekawa



Substitute Corporate Auditor

Director of The Bank of Kyoto, Ltd.

Katsuyuki Toyobe



Corporate Officers

Corporate Senior Executive Officer

President of FPD Equipment Company

Yoshinari Yaoi



Corporate Executive Officers

*Vice President & Chief Technology Officer
of SOKUDO Co., Ltd.*

Akira Yamano



President of Media And Precision Technology Company

Kyohei Fujisawa



Corporate Officers (Senior)

President of Semiconductor Equipment Company

Eiji Kakiuchi



*Chief Officer of Human Resources Strategy,
Legal, Compliance and Risk-management*

Tatsuo Miyawaki



Corporate Officers

Vice President of Semiconductor Equipment Company

Shunichi Kadowaki



Vice President of FPD Equipment Company

Hayato Hayashi



*Vice President of Semiconductor Equipment Company
General Manager of Process & Equipment Engineering
Division, Semiconductor Equipment Company*

Soichi Nadahara



*Vice President of Semiconductor Equipment Company
General Manager of Sales Operations Division,
Semiconductor Equipment Company*

Tadahiro Suhara



*Chief Officer of Software and Technological Strategy
President of Research & Development Company
General Manager of I.P. Center*

Masashi Arita



Vice President of FPD Equipment Company

Katsumi Shimaji



Vice President of Research & Development Company

Toshio Hiroe



*General Manager of Financial Strategy Department
President of Accounting Company
General Manager of Export Administration Department,
Accounting Company*

Shin Minamishima



Corporate Governance

Basic Corporate Governance Philosophy

The Dainippon Screen Group aims to secure the comprehensive interests of all its stakeholders and pursue transparent management, a sound financial base and efficient business operations by maintaining a robust corporate governance structure. Moreover, the Group is implementing Corporate Social Responsibility (CSR) Management. Three specific areas are being addressed: “Strengthened Corporate Governance,” “Enhanced Internal Control Functions,” and “Environmental and Safety Management.”

Outline of Corporate Governance Structure

As the highest management decision-making body of the Dainippon Screen Group, the Board of Directors is responsible for decisions and approval regarding important matters and for supervising the implementation of business operations. The Board convenes regularly once a month and at any other time as deemed necessary. In the execution of management, to maintain an appropriate level of objectivity, since 2000 the Group has appointed outside directors. At present, three of the seven directors are outside directors. In addition, since April 1999 Dainippon Screen has adopted a corporate officer system. By delegating authority and speeding up decision making, the Group aims to increase management efficiency and strengthen operational functions. In April 2002, the Group introduced an internal company system and established the Management Committee as the Group’s highest operational decision-making body. The Management Committee comprises the directors and corporate officers.

The Dainippon Screen Group has adopted the corporate auditor system. The Board of Auditors

comprises four members (including two outside corporate auditors), and is responsible for monitoring and auditing the execution of duties by the directors. The corporate auditors attend the meetings of the Board of Directors and other important meetings, and undertake audits of Group offices and Group companies. These audits monitor whether operations are adequately carried out and meet legal compliance requirements.

Building an Internal Control System

In accordance with its corporate philosophy, the Dainippon Screen Group complies with domestic and overseas laws, and abides by societal norms. The Group carries out its business operations in accordance with the highest ethical values. Based on this fundamental stance, the Board of Directors passed a resolution in May 2006 regarding the establishment of an internal control system. The resolution established a body to oversee the building of an internal control system, which undertakes the following key tasks.

1. Disseminating information on the importance and content of the internal control system
2. Documenting the major operations performed by each organizational unit and Group company
3. Building a compliance system
4. Building a business risk management system
5. Building a system for ensuring the reliability of financial reporting

Implementation of the Control Structure

The Internal Control Committee, chaired by the Chief Operating Officer, has been established to oversee the Group’s overall business risk management, deliberate and make decisions on basic policies and plans for building the internal control system, and to monitor the progress of plan and policy implementation.

Furthermore, to promote progress in corporate governance, the Group has adopted a control system that facilitates rapid responses to important matters as they arise. These include timely information disclosure, disaster risk management, environmental and social activities, compliance, and corporate information security.

Outline of the Dainippon Screen Group’s Corporate Governance Structure



Financial Section

18	Environmental, Health and Safety Management Initiatives
20	Consolidated Eleven-Year Summary
22	Segment Information
24	Management's Discussion and Analysis
30	Consolidated Balance Sheets
32	Consolidated Statements of Income
33	Consolidated Statements of Changes in Net Assets
34	Consolidated Statements of Cash Flows
35	Notes to the Consolidated Financial Statements
46	Independent Auditors' Report

Environmental, Health and Safety Management Initiatives

As a socially responsible corporate citizen, the Dainippon Screen Group recognizes global environmental protection and occupational health and safety management as important management issues. The Group is committed to making its contribution to the creation of a sustainable society.

Basic Policy on Environmental, Health and Safety Management

The Company's stance on the environment, health and safety is expressed in the Dainippon Screen Charter of Ethics as follows:

“Pursuing the advancement of technology with environmental awareness and responsibility”

To pursue the advancement of technology while ensuring full environmental awareness and responsibility, helping to create a world in which all people can live in harmony with nature and share an affluent future.

“Ensuring employee health and safety”

To recognize that the fundamental resource of any business activities is its people and strive to create secure, comfortable, healthy workplaces in which all employees can work safely.

Dainippon Screen's Medium-Term Plan for Environmental, Health and Safety Management

In 2000, we formulated a medium-term environmental plan and framework, Eco Value-21, to reduce the impact on the environment of the Group's operations and to take concrete steps to preserve the safety of customers and health and safety of employees. Eco Value-21 aimed to reinforce our promotion system for the environment, health and safety, primarily by encouraging ISO management system certification throughout the Group. Moreover,

in recognition of our corporate social responsibilities, we began publishing our *Environmental Report* and carried out other measures to aggressively promote disclosure of information regarding our activities. We have now established Green Value-21, incorporating health and safety issues within a framework with our environmental strategies. In the future, we aim to be impeccably clear in our medium- to long-term achievement criteria, plans and targets.

(Years ended March 31)

- 2001 Publication of the *Environmental Report* (renamed the Social and Environmental Report in 2007 in light of its enhanced disclosure of social information)
- 2002 Introduction of environmental accounting, with results publicized in the *Environmental Report*
- 2005 Zero emissions achieved at all eight of the Company's manufacturing sites
- 2006 Introduction of the Green Product Certification System, a proprietary Dainippon Screen verification system for ecological friendliness
- 2008 Introduction of a modal shift to marine transportation to reduce the Company's emission of greenhouse gases (CO₂) during conveyance of products
Our LA-3000-F semiconductor production equipment was awarded the Japan Machinery Federation (JMF) President's Award in the 2007 Excellent Saving Energy Equipment category.

(Years ended March 31)
2003

Charter of Ethics

2001–2005

Eco Value-21

2006–2009

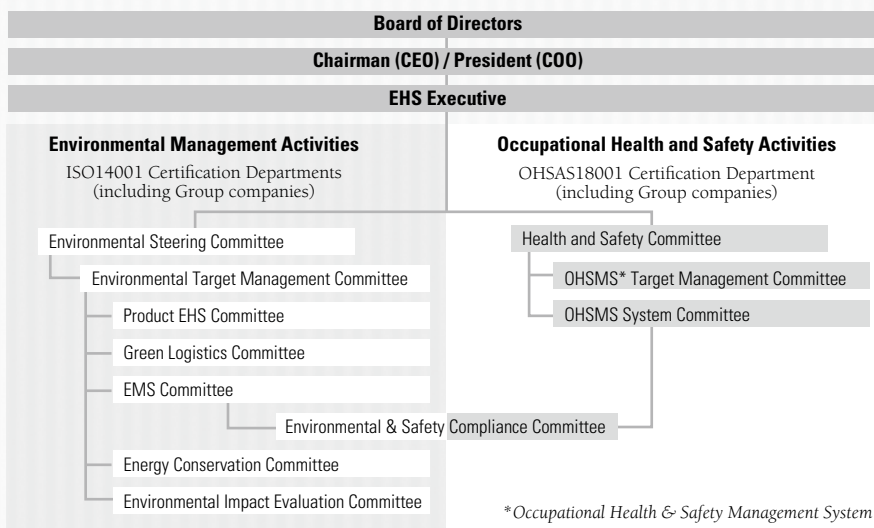
Eco Value-21 Phase II

Green Value-21

Environmental Safety Management

From the year ending March 31, 2010, we will integrate our environmental management system (EMS) and consolidate the certification of the Group's eight sites. Furthermore, we are establishing a Groupwide Environmental Policy Committee as the supreme in-house body for environmental activities to build a unified system across the Group's companies. (This consolidation is expected to be approved in September 2009.)

For the latest information on ISO management system certification in relation to the Group's environmental and health and safety endeavors, please refer to the Company's website, <http://www.screen.co.jp/environmentE/iso.html>



Global Warming Countermeasures

Response to global warming and climate change is of increasing social importance. Against this background, we are implementing proactive measures based on the following three perspectives.

1. Energy saving in plants and offices

We are striving to curtail use of energy by our factory facilities and at our offices to reduce emissions of CO₂. To achieve this goal, the Company promotes conversion to high-energy-efficiency units and improvements to processes when upgrading or installing equipment.

Example: When upgrading its existing boilers, the Hikone Plant switched its thermal energy source from fuel oil A to a more environmentally-friendly gas (LNG), such as low CO₂ emission coefficient gas.

2. Adoption of the Company's energy-saving products by clients

The array of products we supply includes industrial equipment used in various specialist environments, such as clean rooms. Accordingly, we recognize the vast potential of energy-efficient products as a global warming countermeasure onsite by customers. At the development and planning stages, we carry out environmental assessments, and products conforming to our

own environmental standards, which include criteria for energy consumption reductions, are evaluated as Eco-Products. We are promoting this accreditation system and its expanded application.

Example: We have developed the world's first technologies to facilitate wafer drying free from isopropyl alcohol (IPA) for production lines for 300-millimeter wafer semiconductor devices. IPA is targeted by international regulations as a volatile organic compound (VOC), and reducing its emission volume is a critical issue for semiconductor device manufacturers striving to lighten their environmental load.

3. Cutting energy consumption during distribution of products

We are endeavoring to curtail the emission of greenhouses gases (CO₂) during the process of transporting products from plants to customers. Specifically, in light of the growing burden on traffic infrastructure arising from the increasing size and weight of products, in recent years we have promoted marine transportation, which is relatively eco-friendly (with a low CO₂ emission coefficient), and have cut back on the weight of packaging materials.

Example: We implemented marine transportation utilizing ferries for the transportation of semiconductor and LCD production equipment to Kyushu. This link formerly depended on truck haulage.

Health and Safety Management

With the size and weight of products on the increase, the potential risk of industrial accidents is also growing in house and at customer sites. Dainippon Screen is promoting the adoption of a unified health and safety system companywide. Specifically, we are focusing on training for inexperienced employees and safety measures at customer sites.

During the year ended March 31, 2009, we reinforced the functions of our Safety Training Center, which is targeting zero occupational accidents. This step coincides with the construction of a Global Training Center, which serves as a comprehensive training base for SPE operations.

Environmental Safety Education and Social Communications



Social and Environmental Report 2009

Dainippon Screen is aggressively pursuing environmental safety education for employees and communications with its stakeholders to heighten consciousness of green issues. In particular, we conduct community site tour programs to support the development of the next generation, which is a universal issue for

local societies, and cooperate with governmental and various other bodies over the ongoing promotion of environmental awareness.

Details of these and other initiatives will be published in the *Social and Environmental Report 2009*, due to be issued in September 2009, which can be accessed on the Company website at <http://www.screen.co.jp/environmentE/index.html>.

Consolidated Eleven-Year Summary

Dainippon Screen Mfg. Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

	2009	2008	2007	2006	2005
For the Year:					
Net sales	¥219,049	¥279,816	¥301,312	¥246,534	¥269,341
Cost of sales	169,391	208,266	211,159	173,628	190,639
Cost of sales to net sales (%)	77.3%	74.4%	70.1%	70.4%	70.8%
Operating income (loss)	¥ (4,510)	¥ 14,628	¥ 30,541	¥ 18,568	¥ 25,292
Operating income to net sales (%)	-2.1%	5.2%	10.1%	7.5%	9.4%
Net income (loss)	¥(38,191)	¥ 4,578	¥ 18,452	¥ 15,236	¥ 14,454
Depreciation and amortization	8,414	5,563	4,113	3,823	5,944
Cash flows from operating activities	(24,593)	7,934	23,645	14,906	22,301
Cash flows from investing activities	(6,921)	(16,510)	(8,519)	(7,482)	(5,108)
Cash flows from financing activities	34,071	669	(8,875)	(13,442)	(16,775)
Capital expenditures	4,007	12,866	14,420	5,906	6,146
R&D expenses	16,073	16,248	16,884	13,269	12,628
Per Share of Common Stock:					
Net income (loss)	¥(160.86)	¥ 18.81	¥ 74.05	¥ 60.66	¥ 59.88
Net income—diluted	—	17.39	68.63	55.81	52.57
Cash dividends	—	10.00	15.00	10.00	7.50
Net assets	292.12	514.26	542.13	500.30	408.03
At Year End:					
Total assets	¥246,918	¥291,114	¥319,519	¥270,238	¥256,398
Return on total assets (%)	-14.2%	1.5%	6.3%	5.8%	5.8%
Current assets	¥168,191	¥196,989	¥223,463	¥181,077	¥179,012
Property, plant and equipment, net	50,955	49,069	42,346	36,096	34,308
Current liabilities	132,431	123,702	133,784	106,134	111,998
Long-term debt	32,967	40,644	43,900	24,674	31,803
Equity	69,353	122,094	133,062	126,392	99,219
Equity ratio (%)	28.1%	41.9%	41.6%	46.8%	38.7%
Return on equity (%)	-39.9%	3.6%	14.2%	13.5%	16.4%
Common stock	¥ 54,045	¥ 54,045	¥ 54,045	¥ 53,999	¥ 51,331
Retained earnings (deficit)	8,734	49,390	48,497	32,536	19,284
Number of shares issued (in thousands)	253,974	253,974	253,974	253,792	243,164
Number of employees	4,992	5,041	4,798	4,672	4,547

Notes: 1. Dollar figures are translated, for convenience only, at the rate of ¥98 to US\$1.00.

2. Net income (loss) per share of common stock is calculated based on the weighted average number of shares outstanding during each term, excluding the Company's treasury stock and holdings by consolidated subsidiaries. Fully diluted net income per share of common stock is not shown for the years that net losses were recorded.

Net assets per share of common stock is calculated based on the fiscal year-end total number of shares outstanding, excluding the Company's treasury stock and holdings by consolidated subsidiaries.

3. Return on total assets and return on equity are calculated on the basis of average total assets and average equity, respectively, at the current and previous fiscal year-ends.

4. The definition of "employee" was revised in the fiscal year ending March 31, 2004.

Millions of yen						Thousands of U.S. dollars
2004	2003	2002	2001	2000	1999	2009
¥191,939	¥167,942	¥174,218	¥242,726	¥174,812	¥147,603	\$2,235,194
135,389	121,036	126,882	170,896	133,641	114,086	1,728,480
70.5%	72.1%	72.8%	70.4%	76.4%	77.3%	
¥ 9,600	¥ 3,225	¥ 140	¥ 23,903	¥ (4,628)	¥ (18,252)	\$ (46,020)
5.0%	1.9%	0.1%	9.8%	-2.6%	-12.4%	
¥ 4,851	¥ (3,466)	¥ (18,900)	¥ 17,806	¥ (7,029)	¥ (26,084)	\$ (389,704)
4,000	4,901	7,223	7,534	8,246	9,376	85,857
14,681	87	(7,124)	21,197	(2,963)	(1,863)	(250,949)
(82)	4,304	(2,663)	(3,175)	(1,272)	(6,020)	(70,622)
(10,157)	(4,923)	43	(8,666)	7,342	18,139	347,663
2,465	1,813	3,918	6,256	4,172	9,737	40,888
11,134	10,770	10,025	9,960	9,051	11,978	164,010
Yen						U.S. dollars

¥ 23.04	¥ (18.65)	¥ (101.08)	¥ 97.20	¥ (40.00)	¥ (149.89)	\$ (1.64)
18.29	—	—	84.88	—	—	—
3.00	—	—	5.00	—	—	—
334.93	238.28	269.75	369.54	286.51	312.02	2.98

Millions of yen						Thousands of U.S. dollars
¥240,512	¥218,653	¥234,972	¥301,784	¥256,596	¥240,618	\$2,519,571
2.1%	-1.5%	-7.0%	6.4%	-2.8%	-10.1%	
¥165,506	¥149,713	¥153,149	¥214,756	¥162,172	¥140,296	\$1,716,235
35,627	38,140	45,041	50,351	52,538	57,605	519,948
113,771	116,899	120,545	154,396	127,114	95,979	1,351,337
38,163	47,491	57,190	74,067	77,365	88,552	336,398
77,434	45,100	50,435	69,099	50,630	54,296	707,683
32.2%	20.6%	21.5%	22.9%	19.7%	22.6%	
7.9%	-7.3%	-31.6%	29.7%	-13.4%	-39.3%	
¥ 48,172	¥ 37,142	¥ 36,544	¥ 36,544	¥ 33,100	¥ 32,196	\$ 551,480
3,514	(1,314)	(13,147)	6,767	(25,892)	(20,419)	89,122
231,390	189,369	186,987	186,987	176,713	174,018	
4,460	4,468	4,429	4,715	4,672	4,685	

5. For the year ended March 31, 2005, depreciation and amortization includes ¥2,299 million of nonrecurring depreciation of property, plant and equipment and other assets from the withdrawal from the CRT mask business.

6. Equity in the above table represents the total of shareholders' equity and valuation gain/loss, translation gain/loss, etc. in the consolidated balance sheets. This is due to the adoption of the new accounting standards for presentation of net assets in the balance sheet, which requires former shareholders' equity and minority interests to be presented as net assets, and net assets to be classified as shareholders' equity, valuation gain/loss, translation gain/loss, etc. and minority interests. Under the new accounting standards, the net assets section includes deferred hedge income and loss, net of taxes, which was previously included in the assets or liabilities section without considering the related income tax effects. The accompanying consolidated financial statements after the year ended March 31, 2006 have been prepared in accordance with the new accounting standards, whereas the statements for the previous years are presented pursuant to the previous presentation rules.

Segment Information

Segment Information by Business Field

Years ended March 31,		Millions of yen				
		2009	2008	2007	2006	2005
Net Sales ^{*Note 1}	Electronic Equipment and Components	¥160,157	¥214,350	¥236,522	¥187,040	¥212,967
	Graphic Arts Equipment	57,095	62,927	62,468	58,080	55,090
	Other	1,797	2,539	2,322	1,414	1,284
	Consolidated	¥219,049	¥279,816	¥301,312	¥246,534	¥269,341
Operating Income (Loss)	Electronic Equipment and Components	¥ (5,920)	¥ 9,825	¥ 27,234	¥ 16,596	¥ 21,571
	Graphic Arts Equipment	1,601	4,023	2,300	1,361	3,190
	Other	(191)	780	1,007	611	531
	Consolidated	¥ (4,510)	¥ 14,628	¥ 30,541	¥ 18,568	¥ 25,292

Notes: 1. Sales to customers outside of the Company and its consolidated subsidiaries.

2. Effective from the fiscal year ended March 31, 2005, the Company changed its method of accounting for product warranty costs from the cash basis to the accrual basis as a result of these costs being newly centralized in certain consolidated subsidiaries, facilitating their systematic recognition. As a result of this change, operating expenses for the year ended March 31, 2005, increased by ¥281 million in the Electronic Equipment and Components segment and ¥73 million in the Graphic Arts Equipment segment, and operating income decreased by the same amounts, respectively, compared with amounts that would have been recorded using the previously applied method.

3. Consolidated domestic subsidiaries have adopted a new accounting standard for directors' bonuses from the year ended March 31, 2007. As a result of this change, operating expenses for the year ended March 31, 2007 increased by ¥32 million in the Electronic Equipment and Components segment, ¥20 million in the Graphic Arts Equipment segment and ¥35 million in the Other segment, and operating income decreased by the same amounts, respectively, compared with amounts that would have been recorded using the previously applied method.

4. In October 2005, the Company and certain consolidated subsidiaries withdrew from the CRT mask business, which had been previously included in the Electronic Equipment and Components segment.

5. Pursuant to an amendment to the Corporation Tax Law, effective from the fiscal year ended March 31, 2008, the Company and its consolidated domestic subsidiaries adopted a new depreciation method under the amended Corporation Tax Law for property, plant and equipment acquired after April 1, 2007. As a result of this change, operating expenses for the year ended March 31, 2008 increased by ¥136 million in the Electronic Equipment and Components segment, ¥26 million in the Graphic Arts Equipment segment and ¥2 million in the Other segment, and operating income decreased by the same amounts, respectively, compared with amounts that would have been recorded using the previously applied method. Furthermore, the Company and its consolidated domestic subsidiaries depreciate the difference between 5% of the acquisition cost of assets acquired on or before March 31, 2007 and the memorandum value of said assets uniformly over a five-year period, starting the year following the fiscal year in which the depreciated value of said assets reaches 5% of the acquisition price using the pre-amendment depreciation method. Depreciated amounts are included in depreciation expenses. As a result of this change, operating expenses for the year ended March 31, 2008 in the Electronic Equipment and Components segment, Graphic Arts Equipment segment and Other segment increased by ¥128 million, ¥52 million and ¥0 million, respectively, while operating income in those segments decreased by the same amounts, compared with amounts that would have been recorded using the previously applied method.

6. Changes in accounting policies

(Changes in evaluation standards and methods for inventories)

Effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries have adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006). As a result of this change, operating loss for the fiscal year ended March 31, 2009 in the Electronic Equipment and Components segment increased by ¥847 million (\$8,643 thousand), operating income in the Graphic Arts Equipment segment decreased by ¥525 million (\$5,357 thousand) and operating loss in the Other segment increased by ¥1 million (\$10 thousand), compared with amounts that would have been recorded using the previously applied method.

(Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements")

Effective from the fiscal year ended March 31, 2009, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18 issued on May 17, 2006) has been adopted and the necessary adjustments have been made for consolidation. As a result of this change, operating loss for the fiscal year ended March 31, 2009 in the Electronic Equipment and Components segment increased by ¥140 million (\$1,429 thousand) and operating income in the Graphic Arts Equipment segment increased by ¥7 million (\$71 thousand), compared with amounts that would have been recorded using the previously applied method.

(Application of the "Accounting Standard for Lease Transactions")

On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, the "Accounting Standard for Lease Transactions," which revised the former accounting standard for lease transactions issued on June 17, 1993, and ASBJ Guidance No. 16, the "Guidance on Accounting Standard for Lease Transactions," which revised the former guidance issued on January 18, 1994. Formerly, the Company and its consolidated domestic subsidiaries accounted transactions with which the ownership of the leased assets does not transfer to the lessee as operating leases. However, the revised accounting standard requires that all finance lease transactions shall be capitalized. Effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries have adopted the accounting standard. As a result of this change, operating loss for the fiscal year ended March 31, 2009 in the Electronic Equipment and Components segment decreased by ¥259 million (\$2,643 thousand), operating income in the Graphic Arts Equipment segment increased by ¥10 million (\$102 thousand) and operating loss in the Other segment increased by ¥36 million (\$367 thousand), compared with amounts that would have been recorded using the previously applied method.

(Change in the Depreciation Method for Fixed Assets in Accordance with Tax Reform)

Following revisions to the taxation system in Japan, effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries changed the estimated useful lives of their assets. As a result of this change, operating loss for the fiscal year ended March 31, 2009 in the Electronic Equipment and Components segment decreased by ¥289 million (\$2,949 thousand) and operating income in the Graphic Arts Equipment segment increased by ¥5 million (\$51 thousand), compared with amounts that would have been recorded using the previously applied method.

Domestic Sales and Overseas Sales

Years ended March 31,		Millions of yen				
		2009	2008	2007	2006	2005
Domestic sales ^{*Note 1}		¥ 72,281	¥ 95,214	¥ 99,567	¥ 94,450	¥ 94,434
Overseas sales ^{*Note 2}		146,768	184,602	201,745	152,084	174,907
North America		38,467	41,227	56,238	36,796	31,041
Asia & Oceania		80,603	105,468	113,348	89,315	117,899
Europe		20,017	25,681	28,212	24,591	24,714
Others		7,681	12,226	3,947	1,382	1,253
Ratio of overseas sales to net sales (%)		67.0%	66.0%	67.0%	61.7%	64.9%
Net sales		¥219,049	¥279,816	¥301,312	¥246,534	¥269,341

Notes: 1. Sales to customers in Japan by the Company and its consolidated subsidiaries.

2. Sales to customers outside Japan by the Company and its consolidated subsidiaries.

Segment Information by Geographic Area^{*Note 1}

Years ended March 31,		Millions of yen				
		2009	2008	2007	2006	2005
Net Sales ^{*Note 2}	Japan	¥149,054	¥183,195	¥195,852	¥169,445	¥195,279
	Overseas	69,995	96,621	105,460	77,089	74,062
	North America	30,822	39,665	53,845	40,347	34,260
	Asia & Oceania	18,260	23,944	22,110	16,462	22,612
	Europe	20,913	33,012	29,505	20,280	17,190
	Consolidated	¥219,049	¥279,816	¥301,312	¥246,534	¥269,341
Operating Income (Loss)	Japan	¥ (5,790)	¥ 11,747	¥ 25,944	¥ 16,856	¥ 21,429
	Overseas	1,449	3,681	5,122	1,841	3,060
	North America	696	1,067	1,121	192	210
	Asia & Oceania	1,780	2,420	2,628	1,190	1,337
	Europe	(1,027)	194	1,373	459	1,513
	Total	(4,341)	15,428	31,066	18,697	24,489
	Eliminations	(169)	(800)	(525)	(129)	803
	Consolidated	¥ (4,510)	¥ 14,628	¥ 30,541	¥ 18,568	¥ 25,292
Assets	Japan	¥183,370	¥208,857	¥229,523	¥186,536	¥181,059
	Overseas	37,801	55,724	62,167	50,735	38,660
	North America	12,380	15,031	22,309	17,707	15,806
	Asia & Oceania	14,135	20,709	17,771	14,013	12,217
	Europe	11,286	19,984	22,087	19,015	10,637
	Total	221,171	264,581	291,690	237,271	219,719
	Eliminations/Corporate	25,747	26,533	27,829	32,967	36,679
	Consolidated	¥246,918	¥291,114	¥319,519	¥270,238	¥256,398

Notes: 1. For the Company and its consolidated subsidiaries located in the respective geographic areas.

2. Sales to customers outside of the Company and its consolidated subsidiaries.

3. The Company has recorded a provision for accrued product warranty costs from the fiscal year ended March 31, 2005. As a result of this change, operating expenses for the year ended March 31, 2005 increased by ¥354 million, and operating income decreased by the same amount in Japan, compared with amounts that would have been recorded using the previously applied method.

4. Effective from the fiscal year ended March 31, 2005, a U.S. consolidated subsidiary reclassified a portion of sales as installation service sales, which are recorded at the time installation is completed. Previously sales were recorded at time of delivery. As a result of this change, sales decreased by ¥1,353 million and operating expenses decreased by ¥546 million relating to installation services for the year ended March 31, 2005, compared with amounts that would have been recorded using the previously applied method.

5. Consolidated domestic subsidiaries have adopted a new accounting standard for directors' bonuses from the year ended March 31, 2007. As a result of this change, operating expenses for the year ended March 31, 2007 increased by ¥87 million, and operating income decreased by the same amount in Japan, compared with amounts that would have been recorded using the previously applied method.

6. Pursuant to an amendment to the Corporation Tax Law, effective from the fiscal year ended March 31, 2008, the Company and its consolidated domestic subsidiaries adopted a new depreciation method under the amended Corporation Tax Law for property, plant and equipment acquired after April 1, 2007. As a result of this change, operating expenses for the year ended March 31, 2008 increased by ¥164 million, and operating income decreased by the same amount in Japan, compared with amounts that would have been recorded using the previously applied method. Furthermore, the Company and its consolidated domestic subsidiaries depreciate the difference between 5% of the acquisition cost of assets acquired on or before March 31, 2007 and the memorandum value of said assets uniformly over a five-year period, starting the year following the fiscal year in which the depreciated value of said assets reaches 5% of the acquisition price using the pre-amendment depreciation method. Depreciated amounts are included in depreciation expenses. As a result of this change, operating expenses for the year ended March 31, 2008 increased by ¥180 million, while operating income decreased by the same amount in Japan, compared with amounts that would have been recorded using the previously applied method.

7. Changes in accounting policies

(Changes in evaluation standards and methods for inventories)

Effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries have adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006). As a result of this change, operating loss for the fiscal year ended March 31, 2009 increased by ¥1,373 million (\$14,010 thousand) in Japan, compared with amounts that would have been recorded using the previously applied method.

(Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements")

Effective from the fiscal year ended March 31, 2009, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18 issued on May 17, 2006) has been adopted and the necessary adjustments have been made for consolidation. As a result of this change, operating income for the fiscal year ended March 31, 2009 in Asia and Oceania increased by ¥37 million (\$378 thousand) while operating loss in Europe increased by ¥170 million (\$1,735 thousand), compared with amounts that would have been recorded using the previously applied method.

(Application of the "Accounting Standard for Lease Transactions")

On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, the "Accounting Standard for Lease Transactions," which revised the former accounting standard for lease transactions issued on June 17, 1993, and ASBJ Guidance No. 16, the "Guidance on Accounting Standard for Lease Transactions," which revised the former guidance issued on January 18, 1994. Formerly, the Company and its consolidated domestic subsidiaries accounted transactions with which the ownership of the leased assets does not transfer to the lessee as operating leases. However, the revised accounting standard requires that all finance lease transactions shall be capitalized. Effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries have adopted the accounting standard. As a result of this change, operating loss for the fiscal year ended March 31, 2009 decreased by ¥233 million (\$2,378 thousand) in Japan, compared with amounts that would have been recorded using the previously applied method.

(Change in the Depreciation Method for Fixed Assets in Accordance with Tax Reform)

Following revisions to the taxation system in Japan, effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries changed the estimated useful lives of their assets. As a result of this change, operating loss for the fiscal year ended March 31, 2009 decreased by ¥294 million (\$3,000 thousand) in Japan, compared with amounts that would have been recorded using the previously applied method.

Management's Discussion and Analysis

Dainippon Screen Mfg. Co., Ltd. and Subsidiaries
Fiscal Years Ended March 31

This section presents an analysis of the consolidated financial statements prepared in accordance with generally accepted accounting standards in Japan.

Operating Results

Sales

Consolidated net sales for the fiscal year ended March 31, 2009 decreased 21.7% year on year, to ¥219,049 million.

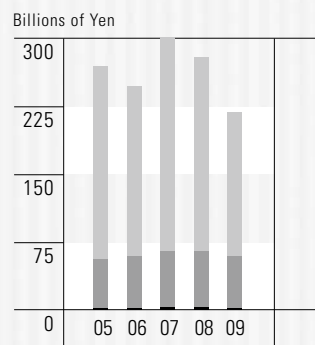
In the Electronic Equipment and Components segment, profitability of semiconductor production equipment (SPE) suffered as a result of falling prices for dynamic random access memories (DRAMs), flash memories and other products, exacerbated by a drop in demand arising from the business recession. This caused semiconductor manufacturers in Japan and overseas to delay or freeze their capital investment plans. For the Company, this was manifest in a drastic cut in SPE sales. By product, the impact of capital investment restraint by memory manufacturers caused a serious deterioration in sales of batch-type cleaning equipment. Single wafer cleaning equipment sales also declined, but advances in capital investment to fuel the miniaturization of semiconductors and new applications by makers of logic devices ensured that the decrease was not as dramatic as for batch-type cleaning equipment. Furthermore, sales of coater/developers, which we produce on consignment from an affiliate, also fell. In contrast, sales of flat panel display (FPD) production equipment grew significantly from the previous year, benefiting from robust capital investment by liquid crystal display (LCD) panel manufacturers and demand for coater/developers for eighth-generation and above large-glass substrates. By geographical region, sales in Taiwan, South Korea and China climbed. Performance by other electronic equipment and components was affected by weak ongoing sales of the Company's automatic optical inspection equipment, influenced by sluggish capital expenditures by printed circuit board (PCB) manufacturers in Japan and overseas.

In the Graphic Arts Equipment segment, we continued to post healthy sales of digital printing equipment, led by demand for *Truepress Jet520* and inkjet printers produced by Inca Digital Printers Ltd. Sales volumes for our mainstay Computer to Plate

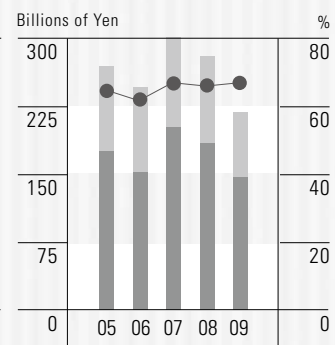
(CTP) related products decreased, as a robust first-half performance arising from expansion of sales channels in Europe failed to offset the economic recession of the second half. The impact of exchange rates, specifically yen appreciation, translated this deterioration into a falloff in sales.

Total overseas sales fell ¥37,834 million, or 20.5% year on year, to ¥146,768 million. Total overseas sales as a percentage of total sales rose 1.0 percentage point from the previous year, to 67.0%. North American sales decreased 6.7% year on year, to ¥38,467 million, primarily on the back of declining sales of SPE and graphic arts equipment. In Asia & Oceania, sales dropped 23.6%, to ¥80,603 million, due to a fall in SPE sales, despite a recovery in sales of FPD production equipment. In Europe, sales were down 22.1%, at ¥20,017 million, as the deterioration in SPE sales outweighed healthy performance by graphic arts equipment.

Consolidated Net Sales by Business Field



Domestic Sales, Overseas Sales and Ratio of Overseas Sales to Net Sales



■ Electronic Equipment and Components
■ Graphic Arts Equipment
■ Other

■ Domestic Sales
■ Overseas Sales
● Ratio of Overseas Sales to Net Sales

Cost of Sales and SGA Expenses

The cost of sales ratio for the fiscal year was 77.3%, sliding 2.9 percentage points from the previous year's figure of 74.4%. The primary factors were a dramatic decline in SPE factory utilization rates and a change in product mix.

Selling, general and administrative (SGA) expenses eased by ¥2,754 million, or 4.8%, to ¥54,168 million. Although running costs for the semiconductor *Process Technology Center* and other factors pushed up depreciation and amortization expenses and

transfer to allowance for doubtful receivables rose as a result of aggravated business conditions for customers, we cut such expenses as personnel and travel and transportation through emergency reduction measures implemented to counter the impact of the worsening business environment. The ratio of SGA expenses to net sales increased from 20.3% to 24.7%—a rise of 4.4 percentage points—despite the decline in SGA expenses because of the drop in net sales.

Years ended March 31,	Millions of yen				
	2009	2008	2007	2006	2005
Net sales	¥219,049	¥279,816	¥301,312	¥246,534	¥269,341
Cost of sales	169,391	208,266	211,159	173,628	190,639
Cost of sales to net sales (%)	77.3%	74.4%	70.1%	70.4%	70.8%
Gross profit	¥ 49,658	¥ 71,550	¥ 90,153	¥ 72,906	¥ 78,702
SGA expenses	54,168	56,922	59,612	54,338	53,410
SGA expenses to net sales (%)	24.7%	20.3%	19.8%	22.1%	19.8%

Research and Development Expenses

During the year, Dainippon Screen invested ¥16,073 million in R&D.

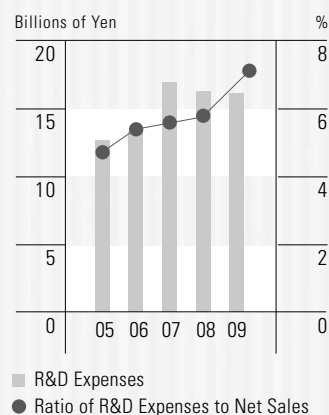
In the Electronic Equipment and Components segment, our SPE development targeted next-generation cleaning equipment. We are also working to develop more environmentally friendly products, such as the incorporation of dry air desiccation modules which reduce volatile organic compounds (VOCs) generated in the cleaning equipment drying process to zero, while substantially reducing running costs. In FPD production equipment, we developed and marketed low-environmental-impact equipment, with resource- and energy-saving benefits, compatible with 10th-generation glass substrates for LCD panels. We also strove to develop elemental technologies to facilitate compatibility with larger substrates. Further, Dainippon Screen is working to realize mass-production of and manufacturing cost reductions for organic electroluminescence (EL) displays, which are heralded as the next generation of displays. To this end, we progressed with the development of an organic EL display full-scale production line incorporating Dainippon Screen's proprietary coating equipment. In the solar cell field, we moved toward the commercialization of film thickness measuring equipment for thin-film solar cell displays and worked toward the development of coating technologies using nozzle discharge and such solar-cell-related technologies as plating technologies for dye-sensitized solar cells. R&D expenditures on

the above-mentioned developments in this segment amounted to ¥12,050 million.

In the Graphic Arts Equipment segment, we endeavored to commercialize A2 wide-format inkjet printing equipment capable of high-quality sheet-feed printing. Furthermore, we have been involved in the development of a new-concept workflow system that combines CTP and Print on Demand (POD) workflow systems to facilitate the integration and joint use of offset printing with POD. The Group's research and development expenditures in this segment were ¥3,947 million.

In the Other segment, R&D expenses totaled ¥76 million. This investment was spent developing uses for light modulation devices, which are installed in CTP products. We also engaged in a joint research project with universities to develop a sight system for a robot developed using image processing technology.

R&D Expenses and Ratio of R&D Expenses to Net Sales



Years ended March 31,	Millions of yen				
	2009	2008	2007	2006	2005
R&D expenses	¥16,073	¥16,248	¥16,884	¥13,269	¥12,628
R&D expenses to net sales (%)	7.3%	5.8%	5.6%	5.4%	4.7%

Segment Information

Sales in the Electronic Equipment and Components segment fell 25.3% during the year, to ¥160,157 million. FPD production equipment sales grew, led by demand for coater/developers compatible with eighth-generation and above large-glass substrates arising from robust capital investment by LCD manufacturers. Sales of SPE decreased dramatically during the year, principally because of delays to and freezing of capital investment plans by semiconductor manufacturers in Japan and overseas. In terms of profitability, the drop in sales of SPE resulted in an operating loss of ¥5,920 million for the year, compared with operating income of ¥9,825 million during the previous term.

In the Graphic Arts Equipment segment, we continued to post healthy sales of digital printing equipment, led by demand

for *Truepress Jet520* and inkjet printers produced by Inca Digital Printers Ltd. Sales of our mainstay CTP-related products decreased, as robust first-half performance arising from expansion of sales channels in Europe failed to offset the economic recession of the second half, which was exacerbated by yen appreciation, translating into a falloff in sales. Accordingly, net sales for the segment decreased ¥5,832 million, or 9.3%, to ¥57,095 million, while operating income dropped ¥2,422 million, or 60.2%, to ¥1,601 million.

In the Other segment, sales declined ¥742 million, or 29.2%, to ¥1,797 million. We posted an operating loss for the segment of ¥191 million, compared with operating income of ¥780 million for the previous fiscal year.

Earnings Analysis

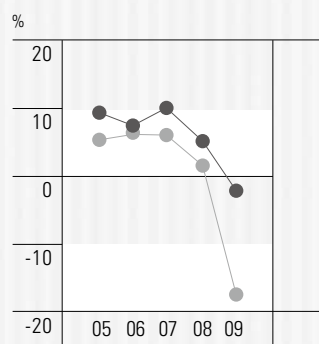
As is explained above, the slowdown in sales of our core SPE led to a decrease of ¥60,767 million, or 21.7% in net sales, to ¥219,049 million. In terms of profits, the drop in net sales triggered an operating loss of ¥4,510 million, as opposed to operating income of ¥14,628 million for the previous year even though emergency cost reductions were implemented. The ratio of operating income to net sales consequently worsened by 7.3 percentage points, to minus 2.1%.

Net other income and expenses deteriorated from an expense amount of ¥5,687 million during the previous term to an expense amount of ¥21,363 million. Primary contributors to this decline were an increase in equity in losses of affiliates arising from losses on affiliates, greater interest expenses accompanying growth in interest-bearing debt, and estimated restructuring costs of ¥7,278 million for business structure improvements. Moreover, changes in accounting standards brought about loss on valuation of inventories and the falling market value of securities caused loss on investments in securities, exacerbated by fixed asset and impairment losses for noncurrent property, plant and equipment and goodwill.

As a result of the above, we recorded a loss before income taxes of ¥25,873 million for the year, compared with income before income taxes of ¥8,941 million for the preceding fiscal term. Adjustment for income taxes arising from reversal of deferred tax assets resulted in a net loss of ¥38,191 million, compared with net income of ¥4,578 for the previous year. Consequently, the ratio of net income to net sales slid from 1.6% to minus 17.4% during the year.

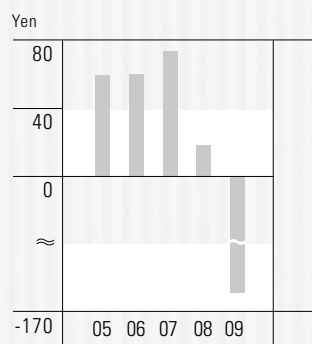
Net loss per share of common stock stood at ¥160.86, against net income per share of common stock of ¥18.81 for the preceding fiscal term, while return on equity fell from 3.6% to minus 39.9%. Return on total assets decreased from 1.5% to minus 14.2%.

Ratio of Operating Income to Net Sales
Ratio of Net Income to Net Sales

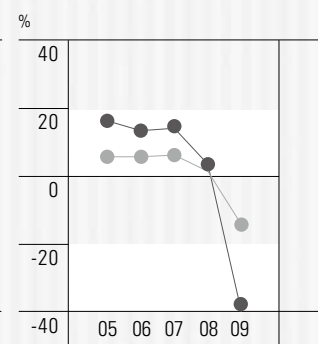


● Ratio of Operating Income to Net Sales
● Ratio of Net Income to Net Sales

Net Income per Share of Common Stock



Return on Equity
Return on Total Assets



● Return on Equity
● Return on Total Assets

Years ended March 31,

	Millions of yen				
	2009	2008	2007	2006	2005
Operating income (loss)	¥ (4,510)	¥14,628	¥30,541	¥18,568	¥25,292
Operating income to net sales (%)	-2.1%	5.2%	10.1%	7.5%	9.4%
Net income (loss)	¥(38,191)	¥ 4,578	¥18,452	¥15,236	¥14,454
Net income to net sales (%)	-17.4%	1.6%	6.1%	6.2%	5.4%
Per share of common stock (yen)					
Net income (loss)	¥(160.86)	¥ 18.81	¥ 74.05	¥ 60.66	¥ 59.88
Net income—diluted	—	17.39	68.63	55.81	52.57
Return on equity (%)	-39.9%	3.6%	14.2%	13.5%	16.4%
Return on total assets (%)	-14.2%	1.5%	6.3%	5.8%	5.8%

Note: Return on equity and return on total assets are calculated on the basis of average equity and average total assets, respectively, for the current and previous fiscal year-ends.

Financial Position and Liquidity

Assets, Liabilities and Net Assets

Total assets stood at ¥246,918 million as of March 31, 2009, down ¥44,196 million, or 15.2%, from the last fiscal year.

Within current assets, notes and accounts receivable declined ¥19,794 million, while revisions to estimated uncollectible amounts resulting from the worsening business environment led

to a fall in deferred tax assets of ¥5,581 million. In investments and other assets, a market downturn eroded the value of securities held, causing a ¥10,561 million falloff in investments in securities. Furthermore, investments in affiliates fell by ¥4,948 million, as the Group posted equity in losses of affiliates.

In liabilities, current liabilities and long-term liabilities both increased, by ¥8,729 million and ¥236 million, respectively.

In current liabilities, a reduction in orders brought a decrease in purchasing, which in turn caused a drop in trade notes and accounts payable of ¥31,761 million, while short-term debt and the current portion of long-term debt increased ¥26,843 million and ¥18,794 million, respectively. The rise in the current portion of long-term debt was attributable to the transfer of convertible notes with stock acquisition rights due for redemption on September 30, 2009, from long-term debt.

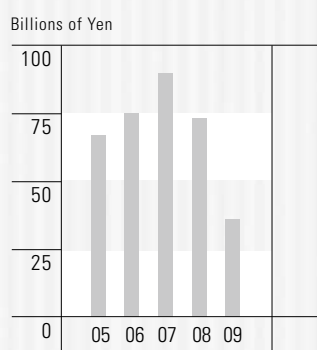
Furthermore, we posted ¥6,079 million as accrued business structure improvement costs in light of estimated reconstruction costs. In long-term liabilities, long-term debt fell ¥7,677 million.

In addition to the above, in accordance with the "Accounting Standards for Lease Transactions" leased assets increased by ¥7,347 million in net base and lease obligations by ¥7,697 million.

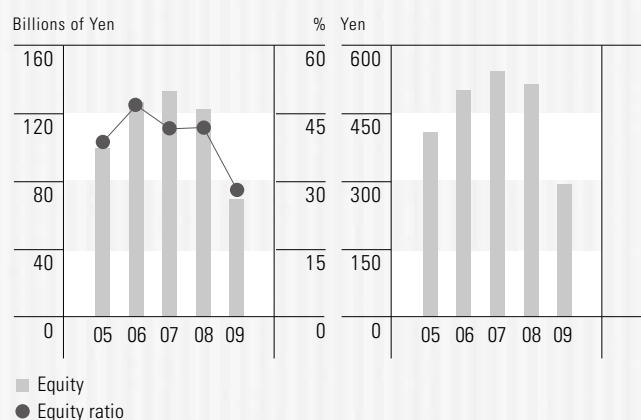
In net assets, retained earnings decreased ¥40,656 million because of the net loss posted

and payment of cash dividends. Furthermore, a decline in the market value of securities held led to a reduction of ¥6,171 million in net unrealized holding gain on securities and the escalating yen and falling dollar caused a reduction in foreign currency translation adjustments of ¥5,914 million. As a result, equity, which represents net assets minus minority interests, fell by ¥52,741 million, or 43.2%, compared with the previous fiscal year-end, to ¥69,353 million. Consequently, the equity ratio fell 13.8 percentage points, to 28.1%, from 41.9% as of the previous fiscal year-end.

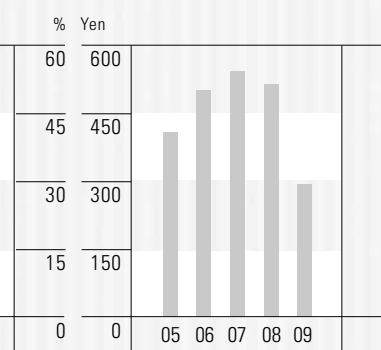
Working Capital



Equity and Equity Ratio



Net Assets per Share of Common Stock



As of March 31,

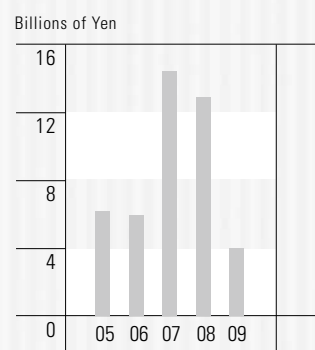
	2009	2008	2007	2006	2005
Total assets	¥246,918	¥291,114	¥319,519	¥270,238	¥256,398
Electronic Equipment and Components	159,141	178,234	195,371	144,512	143,380
Graphic Arts Equipment	39,959	50,011	52,685	51,730	46,281
Other	6,250	7,531	7,093	5,553	5,528
Eliminations/Corporate	41,568	55,338	64,370	68,443	61,209
Working capital	35,760	73,287	89,679	74,943	67,014
Equity	69,353	122,094	133,062	126,392	99,219
Equity ratio (%)	28.1%	41.9%	41.6%	46.8%	38.7%
Net assets per share of common stock (yen)	¥ 292.12	¥ 514.26	¥ 542.13	¥ 500.30	¥ 408.03

Capital Expenditures and Depreciation and Amortization

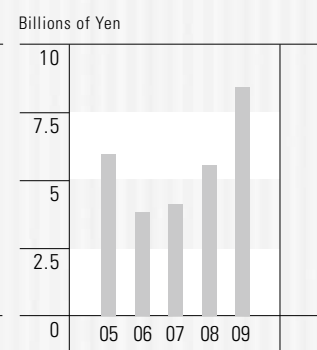
Capital expenditures for the whole Group during the year stood at ¥4,007 million. These expenditures centered on technological development facilities and production facilities in the Electronic Equipment and Components segment. This represents a major decline from the previous year's figure of ¥12,866 million.

Depreciation and amortization during the year amounted to ¥8,414 million, up ¥2,851 million from the preceding term. The main causes of the rise were the start-up of the semiconductor *Process Technology Center* acquired in the previous year and application of lease accounting standards.

Capital Expenditures



Depreciation and Amortization



Years ended March 31,	Millions of yen				
	2009	2008	2007	2006	2005
Capital expenditures	¥4,007	¥12,866	¥14,420	¥5,906	¥6,146
Electronic Equipment and Components	2,665	9,233	10,797	2,749	5,028
Graphic Arts Equipment	438	856	810	847	479
Other	119	123	240	53	64
Corporate	785	2,654	2,573	2,257	575
Depreciation and amortization	8,414	5,563	4,113	3,823	5,944
Electronic Equipment and Components	5,934	3,771	2,774	2,825	5,041
Graphic Arts Equipment	951	763	632	538	480
Other	249	129	97	55	65
Corporate	1,280	900	610	405	358
Impairment loss	1,442	—	—	—	—
Electronic Equipment and Components	—	—	—	—	—
Graphic Arts Equipment	567	—	—	—	—
Other	766	—	—	—	—
Corporate	109	—	—	—	—

Cash Flows

Net cash used in operating activities during the year was ¥24,593 million, compared with ¥7,934 million in net cash provided by operating activities during the preceding term. Major factors included a decrease in trade notes and accounts payable of ¥30,417 million, loss before income taxes of ¥25,873 million, a decrease in trade notes and accounts receivable of ¥18,376 million and depreciation and amortization of ¥8,414 million.

Net cash used in investing activities was ¥6,921 million, compared with ¥16,510 million in the preceding term. This decrease

was due to the payment of construction expenses for the semiconductor *Process Technology Center* and the *Welfare Center* built during the previous year, in addition to acquisition of Silicon Light Machines Corporation in the United States.

Net cash provided by financing activities amounted to ¥34,071 million, compared with ¥669 million in the preceding term. Cash was used for the payment of cash dividends and repayment of long-term debt. The principal source of cash was funds raised by taking on short- and long-term debt.

Years ended March 31,	Millions of yen				
	2009	2008	2007	2006	2005
Cash flows from operating activities	¥(24,593)	¥ 7,934	¥23,645	¥ 14,906	¥ 22,301
Cash flows from investing activities	(6,921)	(16,510)	(8,519)	(7,482)	(5,108)
Cash flows from financing activities	34,071	669	(8,875)	(13,442)	(16,775)
Effect of exchange rate changes on cash and cash equivalents	(2,335)	(1,103)	494	617	258
Net increase (decrease) in cash and cash equivalents	¥ 222	¥ (9,010)	¥ 6,745	¥ (5,401)	¥ 676
Increase (decrease) in cash and cash equivalents in line with changes in scope of consolidation	(91)	—	—	—	—

Risk Factors

(1) Semiconductor and FPD market trends

While the semiconductor and FPD markets have recorded significant growth on rapid technological innovation, they are also susceptible to deterioration in market supply-demand balance which leads to cyclical upturns and downturns known as the silicon and crystal cycles. Given such market conditions, the Dainippon Screen Group is making every effort to create a business structure that can consistently generate profits during cyclical downturns. However, unexpectedly large cyclical downturns can have a material impact on the Group's financial condition and business performance.

(2) Exchange rate fluctuations

The overseas sales ratio for the Group for the fiscal year under review was 67.0%. While the Group is working to minimize the impact of exchange rate fluctuations by using forward exchange contracts and other measures to minimize the impact on its business performance, rapid fluctuations in exchange rates can have a material impact on the Group's financial condition and business performance.

(3) New product development

In order to strengthen its earnings structure by expanding market share, the Group is working to concentrate development themes

in line with the respective strategies of each in-house company, to share technologies held within the Group and effectively utilize external technology resources to strengthen and invigorate its development capabilities in the timely introduction of products incorporating the latest technologies. This notwithstanding, extended development periods could result in delays in new product releases, which could have a material impact on the Group's financial condition and business performance.

(4) Intellectual property rights

The Group has over the years continually strived to introduce products utilizing the latest technologies into the market and has created various proprietary technologies within each business division. In addition, the Group has worked to establish and protect its intellectual property rights under related intellectual property laws and in contracts with other companies. However, given the increasing complexity of intellectual property rights in leading-edge technology fields, there is the risk that the Group could in the future become involved in intellectual property disputes, and that such disputes could have a material impact on the Group's financial condition and business performance.

(5) Interest rate fluctuations

The Group's total interest-bearing debt at the end of the fiscal year under review was ¥102,581 million and included interest-bearing debt with variable interest rates. In order to minimize the risk of interest rate fluctuations, the Group fixes a portion of these variable rates through the use of interest rate swaps and other means.

Nevertheless, the Group's financial condition and business performance could be materially affected by the impact of interest rate fluctuations on interest-bearing debt at variable interest rates and on new fund procurement.

(6) Retirement benefit obligations

The Group calculates accrued pension and severance costs based on assumed discount rates set by actuarial calculations and on expected pension asset investment returns. Given differences between actual results and assumed costs, changes in assumed parameters and/or declines in pension fund returns, future cumulative differences in these obligations must be recognized, generally having an effect on the recognition of future costs and the recording of benefit obligations. While the Group is working through a conversion from a qualified retirement pension system to a cash balance plan and a defined contribution plan and taking other measures to reduce the impact of retirement benefit obligations, worse than forecasted investment returns and other factors could have a material impact on the Group's financial condition and business performance.

(7) Exercise of stock acquisition rights and dilution of value per share

For the fiscal year under review, potential share dilution from the remaining balance of convertible notes with stock acquisition rights represented 7.9% of shares outstanding as of the end of the

fiscal year. The exercise of these stock acquisition rights into shares would dilute the value of each share of the Company.

(8) Impact of impairment accounting

Due to the application of impairment accounting for fixed assets, future trends in property prices and the earnings outlook for the business could have a material impact on the Group's financial condition and business performance.

(9) Corporate acquisitions and capital participation

The Group may engage in corporate acquisitions or capital participation in other companies as part of its business strategy. While the Group will thoroughly examine each specific project before taking action, business plans may not proceed as originally planned after an acquisition or a business alliance is concluded, and this could have a material impact on the Group's financial condition and business performance.

(10) Information security

The Group in the course of its business operations handles various personal, customer and technology information. The Group has established "Network System Management Regulations" in order to strengthen the security of internal information systems and is working to thoroughly implement corporate ethics through the "Dainippon Screen Code of Ethics" in order to strengthen its information management system. However, unforeseen leaks of confidential information could have a material impact on the Group's financial condition and business performance.

(11) Financial condition

Certain loan contracts of the Company provide for financial covenants regarding its net assets at the end of each fiscal year and second quarter, and ordinary income (loss) of each fiscal year. If these covenants were to be breached and the financial institutions required the repayment, the Company may forfeit the benefit of time in relation to such loans. In such case, the Company may in conjunction forfeit the benefit of time in relation to its bonds and other loans. If the Company forfeits the benefit of time for its loans and incurs the obligation of lump-sum repayment, it could have a material impact on the Group's financial condition.

(12) Other risks

In addition to the above-described risks, the Group's business operations are affected, as are other companies, by risks of the global and domestic political environment, the economic environment, natural disasters, wars, terrorism, the spread of epidemics, the stock markets, commodity markets, the supply systems of business associates and employment conditions. Adverse developments in any of the above areas could therefore have a material impact on the Group's financial condition and business performance.

Consolidated Balance Sheets

Dainippon Screen Mfg. Co., Ltd. and Consolidated Subsidiaries
As of March 31, 2009 and 2008

Assets	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Current Assets:			
Cash and cash equivalents	¥ 25,111	¥ 24,980	\$ 256,235
Time deposits	789	1,267	8,051
Trade notes and accounts receivable	66,000	85,794	673,469
Allowance for doubtful receivables	(1,360)	(765)	(13,878)
Inventories	72,231	73,930	737,051
Deferred tax assets	1,191	6,772	12,153
Prepaid expenses and other	4,229	5,011	43,154
Total current assets	168,191	196,989	1,716,235
Property, Plant and Equipment, at Cost:			
Land	9,694	10,054	98,918
Buildings and structures	55,097	55,121	562,214
Machinery, equipment and other	43,375	41,483	442,602
Lease assets	7,073	—	72,173
Construction in progress	287	1,602	2,929
Total	115,526	108,260	1,178,836
Accumulated depreciation	(64,571)	(59,191)	(658,888)
Net property, plant and equipment	50,955	49,069	519,948
Investments and Other Assets:			
Investments in securities	18,478	29,039	188,551
Investments in affiliates	1,728	6,676	17,633
Goodwill	—	2,296	—
Lease assets	1,248	—	12,735
Deferred tax assets	954	2,516	9,735
Other assets	5,364	4,529	54,734
Total investments and other assets	27,772	45,056	283,388
TOTAL	¥246,918	¥291,114	\$2,519,571

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Liabilities and Net Assets	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Current Liabilities:			
Short-term debt	¥ 39,095	¥ 12,252	\$ 398,929
Current portion of long-term debt	22,822	4,028	232,878
Lease obligations	1,671	—	17,051
Notes and accounts payable—			
Trade	42,786	74,547	436,592
Construction and other	3,085	8,376	31,480
Accrued expenses	4,809	8,943	49,071
Income taxes payable	910	2,175	9,286
Accrued product warranty costs	3,963	4,102	40,439
Accrued bonuses to directors	38	96	388
Allowance for business structure improvement	6,079	—	62,031
Allowance for loss on orders received	325	—	3,316
Other current liabilities	6,848	9,183	69,876
Total current liabilities	132,431	123,702	1,351,337
Long-Term Liabilities:			
Long-term debt	32,967	40,644	336,398
Accrued pension and severance costs	665	1,498	6,786
Estimated termination and retirement allowances for directors and corporate auditors	124	153	1,265
Lease obligations	6,026	—	61,490
Reserve for loss on guarantees	46	84	469
Other long-term liabilities	4,945	2,158	50,459
Total long-term liabilities	44,773	44,537	456,867
Contingent Liabilities (Note 8)			
Net Assets:			
Shareholders' Equity:			
Common stock—			
Authorized—900,000,000 shares in 2009 and 2008			
Issued—253,974,333 shares in 2009 and 2008	54,045	54,045	551,480
Capital surplus	30,156	30,176	307,714
Retained earnings	8,734	49,390	89,122
Treasury stock, at cost—			
16,562,258 shares in 2009 and 16,560,577 shares in 2008	(12,220)	(12,238)	(124,694)
Total shareholders' equity	80,715	121,373	823,622
Valuation Gain/Loss, Translation Gain/Loss, etc.:			
Net unrealized holding gain on securities	176	6,347	1,796
Deferred hedge income and loss	(4)	(6)	(41)
Foreign currency translation adjustments	(11,534)	(5,620)	(117,694)
Total valuation gain/loss, translation gain/loss, etc.	(11,362)	721	(115,939)
Minority Interests:			
Minority interests	361	781	3,684
Total net assets	69,714	122,875	711,367
TOTAL	¥246,918	¥291,114	\$2,519,571

Consolidated Statements of Income

Dainippon Screen Mfg. Co., Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Net Sales	¥219,049	¥279,816	\$2,235,194
Cost of Sales	169,391	208,266	1,728,480
Gross profit	49,658	71,550	506,714
Selling, General and Administrative Expenses	54,168	56,922	552,734
Operating income (loss)	(4,510)	14,628	(46,020)
Other (Income) Expenses:			
Interest and dividend income	(725)	(938)	(7,398)
Interest expense	1,490	819	15,204
Exchange loss on foreign currency transactions, net	1,249	1,931	12,745
Gain on sale of investments in securities	—	(34)	—
Loss on disposal of property, plant and equipment	83	107	847
Loss on disposal of inventories	—	990	—
Equity in losses of affiliates	5,955	3,042	60,765
Revenue from service contracts	(711)	(682)	(7,255)
Subsidy income	(756)	—	(7,714)
Insurance income	(122)	(321)	(1,245)
Amortization of prior service cost	—	(556)	—
Gain on transition to a defined contribution pension plan	—	(468)	—
Business structure improvement expenses	7,278	—	74,265
Loss on valuation of inventories	2,427	—	24,765
Loss on investments in securities	1,688	61	17,224
Impairment loss	1,442	—	14,714
One-time amortization of goodwill	1,312	—	13,388
Other, net	753	1,736	7,685
	21,363	5,687	217,990
Income (Loss) Before Income Taxes	(25,873)	8,941	(264,010)
Income Taxes			
Current	1,478	2,991	15,082
Deferred	10,837	1,289	110,581
	12,315	4,280	125,663
Minority Interests in Net Income of Consolidated Subsidiaries	3	83	31
Net Income (Loss)	¥(38,191)	¥ 4,578	\$ (389,704)

	Yen		U.S. dollars
Per Share of Common Stock:			
Net income (loss)	¥(160.86)	¥ 18.81	\$ (1.64)
Net income—diluted	—	17.39	—
Cash dividends, applicable to earnings for the year	—	10.00	—

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Dainippon Screen Mfg. Co., Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of yen										
	Shares of issued common stock (thousands)	Shareholders' equity				Valuation gain/loss, translation gain/loss, etc.					Total net assets
		Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized holding gain on securities	Deferred hedge income and loss	Foreign currency translation adjustments	Minority interests		
Balance at March 31, 2007	253,974	¥54,045	¥30,178	¥48,497	¥ (7,919)	¥11,194	¥(12)	¥ (2,921)	¥ 716	¥133,778	
Net income				4,578						4,578	
Cash dividends paid, ¥15.00 per share				(3,682)						(3,682)	
Decrease due to an increase in consolidated companies				(3)						(3)	
Net unrealized holding gain on securities						(4,847)				(4,847)	
Deferred hedge income and loss							6			6	
Foreign currency translation adjustments								(2,699)		(2,699)	
Acquisition of treasury stock					(4,325)					(4,325)	
Disposal of treasury stock			(2)		6					4	
Other									65	65	
Balance at March 31, 2008	253,974	¥54,045	¥30,176	¥49,390	¥(12,238)	¥ 6,347	¥ (6)	¥ (5,620)	¥ 781	¥122,875	
Net loss				(38,191)						(38,191)	
Cash dividends paid, ¥10.00 per share				(2,374)						(2,374)	
Effect of changes in accounting policies applied to foreign subsidiaries				(91)						(91)	
Net unrealized holding gain on securities						(6,171)				(6,171)	
Deferred hedge income and loss							2			2	
Foreign currency translation adjustments								(5,914)		(5,914)	
Acquisition of treasury stock					(18)					(18)	
Disposal of treasury stock			(20)		36					16	
Other									(420)	(420)	
Balance at March 31, 2009	253,974	¥54,045	¥30,156	¥8,734	¥(12,220)	¥ 176	¥ (4)	¥(11,534)	¥ 361	¥ 69,714	

	Thousands of U.S. dollars										
		Shareholders' equity				Valuation gain/loss, translation gain/loss, etc.					Total net assets
		Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized holding gain on securities	Deferred hedge income and loss	Foreign currency translation adjustments	Minority interests		
Balance at March 31, 2008	\$551,480	\$307,918	\$503,980	\$(124,878)	\$64,765	\$(61)	\$ (57,347)	\$ 7,970	\$1,253,827		
Net loss			(389,704)						(389,704)		
Cash dividends paid, \$0.10 per share			(24,224)						(24,224)		
Effect of changes in accounting policies applied to foreign subsidiaries			(930)						(930)		
Net unrealized holding gain on securities					(62,969)				(62,969)		
Deferred hedge income and loss						20			20		
Foreign currency translation adjustments							(60,347)		(60,347)		
Acquisition of treasury stock				(183)					(183)		
Disposal of treasury stock		(204)		367					163		
Other								(4,286)	(4,286)		
Balance at March 31, 2009	\$551,480	\$307,714	\$89,122	\$(124,694)	\$1,796	\$(41)	\$(117,694)	\$ 3,684	\$ 711,367		

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Cash Flows

Dainippon Screen Mfg. Co., Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Cash Flows from Operating Activities:			
Income (loss) before income taxes	¥(25,873)	¥8,941	\$(264,010)
Depreciation and amortization	8,414	5,563	85,857
Impairment loss	1,442	—	14,714
Amortization of goodwill	1,056	994	10,776
One-time amortization of goodwill	1,312	—	13,388
Equity in losses of affiliates	5,955	3,042	60,765
Loss on investments in securities	1,688	61	17,224
Loss on disposal of property, plant and equipment	83	107	847
Gain on sale of investments in securities	—	(34)	—
Decrease in accrued pension and severance costs	(630)	(1,763)	(6,429)
Increase (decrease) in accrued bonuses to directors	(58)	9	(592)
Gain on transition to a defined contribution pension plan	—	(468)	—
Increase (decrease) in accrued product warranty costs	(64)	472	(653)
Increase in allowance for loss on orders received	325	—	3,316
Business structure improvement expenses	7,278	—	74,265
Interest and dividend income	(725)	(938)	(7,398)
Interest expense	1,490	819	15,204
Decrease in trade notes and accounts receivable	18,376	11,318	187,510
Decrease (increase) in inventories	(1,844)	1,553	(18,816)
Decrease in other current assets	635	1,880	6,480
Decrease in trade notes and accounts payable	(30,417)	(8,698)	(310,378)
Decrease in accrued expenses	(3,638)	(1,392)	(37,122)
Increase (decrease) in other current liabilities	(4,909)	492	(50,092)
Other, net	(322)	(278)	(3,285)
Subtotal	(20,426)	21,680	(208,429)
Interest and dividends received	740	936	7,551
Interest paid	(1,526)	(793)	(15,571)
Contribution in connection with the transition to a defined contribution pension plan	(944)	(927)	(9,633)
Payment of the business structure improvement expenses	(259)	—	(2,643)
Income taxes paid	(2,178)	(12,962)	(22,224)
Net cash provided by (used in) operating activities	(24,593)	7,934	(250,949)
Cash Flows from Investing Activities:			
Increase (decrease) in time deposits, net	179	(848)	1,827
Acquisition of property, plant and equipment	(4,935)	(14,644)	(50,357)
Proceeds from sale of property, plant and equipment	75	180	765
Purchase of investments in securities	(213)	(1,238)	(2,173)
Proceeds from sale of investments in securities	—	545	—
Purchases of investments in subsidiaries	(300)	—	(3,061)
Acquisition of shares of a newly consolidated subsidiary	(1,276)	(31)	(13,020)
Other, net	(451)	(474)	(4,603)
Net cash used in investing activities	(6,921)	(16,510)	(70,622)
Cash Flows from Financing Activities:			
Increase in short-term debt, net	27,295	12,195	278,520
Proceeds from long-term debt	17,451	900	178,071
Repayment of long-term debt	(6,375)	(4,412)	(65,051)
Repayment of finance lease obligations	(1,917)	—	(19,561)
Increase in treasury stock, net	(2)	(4,321)	(21)
Cash dividends paid	(2,374)	(3,682)	(24,224)
Cash dividends paid to minority interests	(7)	(11)	(71)
Net cash provided by financing activities	34,071	669	347,663
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,335)	(1,103)	(23,826)
Net Increase (Decrease) in Cash and Cash Equivalents	222	(9,010)	2,266
Cash and Cash Equivalents at Beginning of Year	24,980	33,990	254,898
Decrease in Cash and Cash Equivalents in Line with Changes in Scope of Consolidation	(91)	—	(929)
Cash and Cash Equivalents at End of Year	¥25,111	¥24,980	\$256,235

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Notes to the Consolidated Financial Statements

Dainippon Screen Mfg. Co., Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2009 and 2008

Note 1: Summary of Significant Accounting and Reporting Policies

(a) Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of Dainippon Screen Mfg. Co., Ltd. (the "Company") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law and its related accounting regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

Prior to the year ended March 31, 2009, the accounts of consolidated overseas subsidiaries had been based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. As discussed in below, the accounts of consolidated overseas subsidiaries for the year ended March 31, 2009 are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, with adjustments for the specified six items as applicable. The accompanying consolidated financial statements have been restructured and translated into English, with some expanded descriptions, from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

Effective from the fiscal year ended March 31, 2009, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force No. 18 issued on May 17, 2006) has been adopted and the necessary adjustments of six items have been made for consolidation. As a result of this change, operating loss and loss before income taxes increased by ¥133 million (\$1,357 thousand) and ¥189 million (\$1,929 thousand), respectively, compared with amounts that would have been recorded using the previously applied method. The effect on segment information is presented in each related section.

The accompanying consolidated financial statements have been translated into U.S. dollars solely for the convenience of readers outside Japan, using the prevailing exchange rate as of and for the year ended March 31, 2009 at the rate of ¥98 to U.S.\$1.00. This translation should not be construed as a representation that all the amounts shown could be converted into U.S. dollars.

Certain amounts in the prior years' consolidated financial statements have been reclassified to conform to the current year's presentation.

(b) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant companies over which the Company has power of control through majority voting rights or the existence of certain conditions evidencing control by the Company.

Investments in affiliates over which the Company has the ability to exercise significant influence over operating and financial policies are accounted for by the equity method.

Neither SOKUDO Co., Ltd. nor its subsidiary company SOKUDO USA, LLC, are included within the range of consolidation because the business is a joint venture company, though the Company owns the majority voting rights, and accounting procedures based on the equity method are applied to both companies.

Investments in which significant influence does not exist have been stated at cost. Earnings of these companies are recorded in the Company's books only through cash dividends.

In the elimination of investments in subsidiaries, the portion of the subsidiary's assets and liabilities attributable to the shares owned by the Company is evaluated based on the fair value at the time when the Company acquired control of the subsidiary. The portion of the assets and liabilities attributable to minority shareholders' shares of the subsidiary are determined using the financial statements of the subsidiary.

(c) Translation of foreign currencies

Receivables and payables denominated in foreign currencies are translated into Japanese yen at year-end rates.

Except for shareholders' equity accounts, which are translated at historical rates, balance sheets of consolidated overseas subsidiaries are translated into Japanese yen at year-end rates.

Except for transactions with the Company, which are translated at the rates used by the Company, income statements of consolidated overseas subsidiaries are translated at average rates.

The resulting translation adjustments are presented as foreign currency translation adjustments in net assets.

(d) Inventories

The Company and its consolidated domestic subsidiaries mainly state inventories calculated either by the first-in, first-out method or the specific identification method (with regard to the amounts stated in the balance sheet, book value devaluation method based on decline in profitability).

Consolidated overseas subsidiaries mainly state inventories at the lower of cost or market either by the first-in, first-out method or the specific identification method.

(Changes in Accounting Policy)

Effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries have adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006).

As a result of this change, operating loss and loss before income taxes increased by ¥1,373 million (\$14,010 thousand), and ¥3,800 million (\$37,776 thousand), respectively, compared with amounts that would have been recorded using the previously applied method. The effect on segment information is presented in each related section.

(e) Installment sales

Certain consolidated domestic subsidiaries have installment sales and recognize profits as the related receivables become due.

Unrealized income is included in other current liabilities in the accompanying consolidated balance sheets.

(f) Securities

The Company and its consolidated subsidiaries classify securities as all other securities (hereafter, "available-for-sale securities").

Available-for-sale securities with available fair values are stated at fair value. Unrealized holding gains (losses) on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on the sale of such securities are computed using moving average cost. Other securities with no available fair values are stated at moving average cost.

(g) Depreciation

Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is computed primarily by the declining balance method.

Depreciation of property, plant and equipment of the consolidated overseas subsidiaries is mainly computed by the straight-line method.

Estimated useful lives are as follows:

Buildings and structures	3–60 years
Machinery and equipment	2–17 years

Maintenance and repairs, including minor renewals and betterments, are charged to income as incurred.

Leased assets related to finance lease transactions are depreciated on a straight-line basis, with the lease periods as the useful life and no residual value.

(Changes in Accounting Policy)

Pursuant to an amendment to the Corporation Tax Law, effective from the fiscal year ended March 31, 2008, the Company and its consolidated domestic subsidiaries adopted a new depreciation method under the amended Corporation Tax Law for property, plant and equipment acquired after April 1, 2007. As a result of this change, gross profit, operating income, and income before income taxes for the year ended March 31, 2008 decreased by ¥85 million, ¥164 million, and ¥174 million, respectively, compared with amounts that would have been recorded using the previously applied method. The effect on segment information is presented in each related section.

(Additional Information)

Effective from the fiscal year ended March 31, 2008, the Company and its consolidated domestic subsidiaries depreciate the difference between 5% of the acquisition cost of assets acquired on or before March 31, 2007 and the memorandum value of said assets uniformly over a five-year period starting the year following the fiscal year in which the depreciated value of said assets reaches 5% of the acquisition price using the pre-amendment depreciation method. Depreciated amounts are included in depreciation expenses. As a result of this change, gross profit, operating income, and income before income taxes for the year ended March 31, 2008 decreased by ¥81 million, ¥180 million, and ¥182 million, respectively, compared with amounts that would have been recorded using the previously applied method. The effect on segment information is presented in each related section.

Following revisions to the taxation system in Japan effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries changed the estimated useful lives of their assets. As a result of this change, operating loss and loss before income taxes decreased by ¥294 million (\$3,000 thousand) and ¥301 million (\$3,071 thousand), respectively, compared with amounts that would have been recorded using the previously applied method. The effect on segment information is presented in each related section.

(h) Impairment of fixed assets

The Company and its consolidated subsidiaries evaluate the book value of fixed assets for impairment. If the book value of a fixed asset is impaired, the amount by which the book value exceeds the recoverable amount is recognized as impairment loss.

(i) Software

Software, included in “Other assets”, is amortized using the straight-line method over its estimated useful life (3–5 years for internal use and 3 years for software for sale).

(j) Research and development

Expenses related to research and development activities, which are charged to income as incurred, amounted to ¥16,073 million (\$164,010 thousand) in 2009 and ¥16,248 million in 2008.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits placed with banks on demand or with maturities of three months or less.

(l) Goodwill

Goodwill, which represents the excess of purchase price over the fair value of net assets acquired, is amortized on a straight-line basis over a period of five years. However, when no significant difference in the amounts exists, it is amortized at one time.

(m) Accounting for leases

On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, the “Accounting Standard for Lease Transactions,” which revised the former accounting standard for lease transactions issued on June 17, 1993, and ASBJ Guidance No. 16, the “Guidance on Accounting Standard for Lease Transactions,” which revised the former guidance issued on January 18, 1994.

Formerly, the Company and its consolidated domestic subsidiaries accounted transactions with which the ownership of the leased assets does not transfer to the lessee as operating leases.

However, the revised accounting standard requires that all finance lease transactions shall be capitalized.

Effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries have adopted the accounting standard.

As a result of this change, operating loss decreased by ¥233 million (\$2,378 thousand), and loss before income taxes increased by ¥189 million (\$1,929 thousand), compared with amounts that would have been recorded using the previously applied method. The effect on segment information is presented in each related section.

(n) Bonds issue costs

Bonds issue costs are charged to expenses as incurred.

(o) Income taxes

The Company and its consolidated subsidiaries record deferred tax assets and liabilities on loss carryforwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes by using the assets and liability approach.

(p) Allowance for doubtful receivables

An allowance for doubtful receivables is provided to cover possible losses on collection. The Company and its consolidated domestic subsidiaries provide the allowance for doubtful receivables by adding individually estimated uncollectible amounts of specific items to an amount based on the actual rate of past uncollected receivables.

The consolidated overseas subsidiaries provide the allowance for doubtful receivables based mainly on the estimated uncollectible amounts of specific receivables.

(q) Accrued bonuses to directors

Certain consolidated domestic subsidiaries provide an allowance for directors' bonuses based on the estimated amounts of payments for the fiscal year.

(r) Employees' severance and retirement benefits

The Company and its consolidated subsidiaries provide two types of postemployment benefit plans, an unfunded lump-sum payment plan and a funded non-contributory pension plan, under which all eligible employees are entitled to benefits based on the level of wages and salaries at the time of retirement or termination, length of service and certain other factors.

The Company and certain consolidated subsidiaries have defined contribution pension plans.

The Company and its consolidated domestic subsidiaries provide accrued pension and severance costs at the end of the fiscal year based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at that date.

Actuarial gains and losses are recognized in expenses using the straight-line method within the average of the estimated remaining service years (14 years) commencing with the following period. The prior service costs (credits) resulting from the change of the employees' severance and retirement benefits plan in August 2005, ¥(3,337) million, have been recognized as other income over two years from the plan revision.

As the fair value of plan assets as of March 31, 2009 exceeded the projected benefit obligation (excluding the unrecognized actuarial differences) of the Company, the difference has been recognized as "Other assets" in Investments and Other Assets.

(Additional Information)

With the enactment of the Defined Contribution Pension Law, the Company and its consolidated domestic subsidiaries changed part of their pension plan to the defined contribution pension plan in August 2007, and adopted the "Accounting Process for Transitions Between Retirement Benefit Plans" (Financial Accounting Standard Implementation Guidance No. 1). As a result of this change, ¥468 million has been recognized as gain on revision of retirement benefit plan in other income for the year ended March 31, 2008.

(s) Retirement benefits for directors and corporate auditors

Certain consolidated domestic subsidiaries have unfunded retirement and termination allowance plans for directors and statutory auditors. The amounts required under the plans have been fully accrued.

(t) Accrued product warranty costs

The Company and certain consolidated subsidiaries provide estimated product warranty costs for the warranty period after product delivery based on the rate of actual payments in the past.

(u) Reserve for loss on guarantees

A reserve for loss on guarantees is provided in an estimated amount for leases of customers after consideration of the customers' financial position, solvency, etc.

(v) Allowance for business structure improvement

The Company and certain consolidated subsidiaries provide estimated expenses such as the premium severance pay accrued in the next fiscal year under the business restructuring plans, including business reforms, the streamlining of organizations and business sites as well as personnel adjustments.

The main items of business structure improvement expenses in "Other Expenses" are as follows.

	Millions of yen	Thousands of U.S. dollars
Early retirement benefits and reemployment assistance expenses	¥6,260	\$63,878
Loss on disposal of inventories from the withdrawal from the direct imaging system for color filter business	626	6,388
Loss on disposal of property, plant and equipment from the withdrawal from the direct imaging system for color filter business	318	3,245

(w) Allowance for loss on orders received

The Company provides for estimated loss accrued in or after the next fiscal year to cover future possible loss related to order received contracts, if future loss is expected and reasonably estimated. (If the net sales value goes negative by calculating based on the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006), the amounts are provided as an allowance for loss on orders received.)

(x) Derivatives and hedge accounting

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company and its consolidated subsidiaries defer recognition of gains or losses resulting from changes in the fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

When a forward foreign exchange contract meets certain conditions, the hedged item is stated at the forward exchange contract rate.

Also, if interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

The Company uses forward foreign exchange contracts, interest rate swap contracts and interest rate cap contracts only for the purpose of mitigating future risks of fluctuation of foreign currency exchange rates and interest rates. In terms of forward foreign exchange contracts, the Company uses them within the amounts of foreign currency receivables and authorized forecast transactions.

The following table summarizes the derivative financial instruments used in hedge accounting and the related items hedged as of March 31, 2009.

Hedging instruments:	Hedged items:
Forward foreign exchange contracts	Foreign currency receivables
Interest rate swap contracts	Interest on short-term and long-term debt
Interest rate cap contracts	Interest on short-term and long-term debt

The Company executes and manages derivative transactions in accordance with established internal policies and specified limit on the amounts of derivative transactions allowed. The derivative transactions are reported to and approved by the Board of Directors.

The Company evaluates hedge effectiveness semiannually by comparing the cumulative changes in the hedging derivative instruments and the items hedged.

Note 2: Consolidated Statements of Cash Flows

The noncash financing activities for the year ended March 31, 2009 were as follows:

Assets and liabilities newly booked due to an application of the "Accounting Standard for Lease Transactions"

	Millions of yen	Thousands of U.S. dollars
Lease assets	¥773	\$7,888
Lease obligations	810	8,265

Note 3: Income Taxes

The Company is subject to several taxes based on income with an aggregate statutory tax rate of approximately 39.5% in 2009 and 2008.

As of March 31, 2009, the Company and certain consolidated subsidiaries had net tax loss carryforwards aggregating ¥26,458

million (\$269,980 thousand), which were available to offset the respective future taxable incomes of these companies.

Significant components of the Company and its consolidated subsidiaries' deferred tax assets and liabilities as of March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Deferred tax assets (current)			
Accrued bonuses for employees	¥ 628	¥ 1,362	\$ 6,408
Loss on disposal of inventories	—	2,860	—
Loss on valuation of inventories	3,486	—	35,571
Accrued product warranty costs	1,532	1,535	15,633
Allowance for business structure improvement expenses	2,394	—	24,429
Other	1,605	2,319	16,378
Valuation allowance	(8,451)	(1,274)	(86,235)
Deferred tax liabilities (current)			
Adjustment of allowance for doubtful accounts and other	(26)	(55)	(266)
Net deferred tax assets	¥ 1,168	¥ 6,747	\$ 11,918
Deferred tax assets (noncurrent)			
Net operating loss carryforwards	¥ 10,536	¥ 1,737	\$ 107,510
Loss on investments in securities	632	1,446	6,449
Accrued pension and severance costs	317	586	3,235
Depreciation	3,983	4,343	40,643
Other	2,572	5,507	26,245
Valuation allowance	(17,072)	(5,927)	(174,204)
Deferred tax liabilities (noncurrent)			
Undistributed earnings of consolidated overseas subsidiaries	(855)	(2,094)	(8,724)
Net unrealized holding gain on securities	(198)	(3,065)	(2,020)
Other	(304)	(17)	(3,103)
Net deferred tax assets (liabilities)	¥ (389)	¥ 2,516	\$ (3,969)

The significant differences between the aggregate statutory tax rates and the effective tax rates of the Company and its consolidated subsidiaries for financial statement purposes for the year ended March 31, 2009 are not shown due to the loss before income taxes.

Such significant differences for the year ended March 31, 2008 were as follows:

	2008
Statutory tax rate	39.5%
Non-deductible expenses	3.3%
Income deducted from gross revenue	(0.9)%
Valuation allowance	(14.7)%
Equity in losses of affiliates	15.0%
Amortization of goodwill	4.4%
Other, net	1.3%
Effective tax rate	47.9%

Note 4: Short-Term and Long-Term Debt

Short-term debt generally represents short-term notes from banks. The average interest rates on these borrowings at March 31, 2009 and 2008 were 1.1% and 1.4%, respectively.

Long-term debt as of March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
1.37% to 1.9% loans from Japanese banks, due in installments through 2015			
—secured	¥ 296	¥ 346	\$ 3,020
—unsecured	11,667	6,728	119,051
0.7% to 1.99% loans from a governmental institution, due in installments through 2015			
—secured	—	125	—
—unsecured	5,352	3,153	54,613
1.84% to 2.17% loans from an insurance company, due in installments through 2015			
—unsecured	3,975	2,321	40,561
2.13% unsecured notes, due February 8, 2013	7,000	7,000	71,429
2.13% unsecured notes, due January 31, 2012	2,500	—	25,510
1.66% unsecured notes, due February 8, 2011	10,000	10,000	102,041
Zero coupon unsecured convertible notes (with stock acquisition rights), due September 30, 2009	14,999	14,999	153,051
Total	55,789	44,672	569,276
Less: current portion of long-term debt shown in current liabilities	(22,822)	(4,028)	(232,878)
	¥ 32,967	¥40,644	\$ 336,398

The zero coupon unsecured convertible notes (with stock acquisition rights) due in 2009 are convertible at the option of the holder into shares of common stock at a price of ¥749 per share, subject to adjustment in specific circumstances.

As of March 31, 2009, certain long-term debt of ¥296 million (\$3,020 thousand) was secured by property, plant and equipment with a net book value of ¥384 million (\$3,918 thousand).

As is customary in Japan, substantially all of the bank borrowings are subject to general agreements with each bank which provide, among other things, that additional security and guarantees for present and future indebtedness will be given upon request by the bank and that any collateral so furnished will be applicable to all indebtedness to that bank. In addition, the agreements provide that the bank has the right to offset cash deposited against any long-term or short-term debt that becomes due and, in case of default and certain other specified events, against all other debts payable to the bank. To date, the Company has not received any such requests from its banks.

The Company and a certain domestic subsidiary have contracts for commitment lines for financing by which banks are bound to extend loans up to a prearranged amount upon request. As of March 31, 2009, the total financing available under these contracts amounted to ¥20,000 million (\$204,082 thousand), and the full amount of these contracts had been used.

The aggregate annual maturities of long-term debt are as follows:

Years ended March 31,	Millions of yen	Thousands of U.S. dollars
2011	¥16,272	\$166,041
2012	6,061	61,847
2013	8,360	85,306
2014	1,706	17,408
2015 and thereafter	568	5,796
Total	¥32,967	\$336,398

Note 5: Net Assets and Per Share Data

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Japanese Corporate Law ("the Law"), in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Law, all additional paid-in-capital and all legal earnings reserve may be transferred to

other capital surplus and retained earnings, respectively, and are potentially available for dividends. Both of these appropriations generally require a resolution of the shareholders' meeting.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

Net income per share is based on the weighted average number of shares of common stock outstanding. Diluted net income per share is computed using the weighted average number of shares after assuming conversion of all dilutive convertible notes and the exercise of stock acquisition rights.

Diluted net income per share of common stock for the year ended March 31, 2009 is not shown due to the net loss.

Note 6: Leases

1. Finance leases

Information relating to finance leases, excluding those leases for which the ownership of the leased assets is considered to be transferred to the lessee, as of and for the years ended March 31, 2009 and 2008, was as follows:

(As lessee)

A. Leased assets not recorded in the consolidated balance sheets:

	Millions of yen						Thousands of U.S. dollars		
	2009			2008			2009		
	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property
Machinery and equipment	¥ —	¥ —	¥ —	¥2,693	¥1,963	¥ 730	\$ —	\$ —	\$ —
Other tangible fixed assets	—	—	—	2,335	1,013	1,322	—	—	—
Other intangible fixed assets	—	—	—	3,565	2,180	1,385	—	—	—
Total	¥ —	¥ —	¥ —	¥8,593	¥5,156	¥3,437	\$ —	\$ —	\$ —

Future minimum lease payments:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Due within one year	¥ —	¥1,436	\$ —
Due after one year	—	2,083	—
Total	¥ —	¥3,519	\$ —

Lease payments, depreciation (computed by the straight-line method over the term of the lease with no residual value) and imputed interest expense:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Lease payments	¥ —	¥1,915	\$ —
Depreciation, if capitalized	—	1,798	—
Interest expense, if capitalized	—	98	—

B. Leased assets recorded in the consolidated balance sheets (from the fiscal year ended March 31, 2009, when the “Accounting Standard for Lease Transactions” was applied):

1) Contents of leased assets

1. Tangible fixed assets

Mainly the production facilities and the R&D facilities in the Electronic Equipment and Components business (“Buildings and structures,” “Machinery, equipment and other”)

2. Intangible fixed assets

Software

2) Depreciation method for leased assets

As described in Note 1: Summary of Significant Accounting and Reporting Policies, “(g) Depreciation”

(As lessor)

Leased assets recorded in the consolidated balance sheets:

	Millions of yen						Thousands of U.S. dollars		
	2009			2008			2009		
	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property
Machinery and equipment	¥ —	¥ —	¥ —	¥3	¥0	¥3	\$ —	\$ —	\$ —
Total	¥ —	¥ —	¥ —	¥3	¥0	¥3	\$ —	\$ —	\$ —

Future minimum lease receipts:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Due within one year	¥ —	¥1	\$ —
Due after one year	—	2	—
Total	¥ —	¥3	\$ —

Lease revenue, depreciation (computed by the straight-line method over the term of the lease with no residual value) and imputed interest income:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Lease revenue	¥ —	¥0	\$ —
Depreciation, if capitalized	—	0	—
Interest income, if capitalized	—	0	—

2. Operating leases

(As lessee)

Future minimum lease payments as lessee:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Due within one year	¥264	¥ 444	\$2,694
Due after one year	427	768	4,357
Total	¥691	¥1,212	\$7,051

3. Subleases

(As lessee)

Future minimum lease payments as lessee:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Due within one year	¥ —	¥ 557	\$ —
Due after one year	—	936	—
Total	¥ —	¥1,493	\$ —

(As lessor)

Future minimum lease receipts as lessor:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Due within one year	¥ —	¥ 575	\$ —
Due after one year	—	954	—
Total	¥ —	¥1,529	\$ —

Note 7: Segment Information

Segment Information by Business Field

Year ended March 31, 2009	Millions of yen				
	Electronic Equipment and Components	Graphic Arts Equipment	Other	Eliminations/Corporate	Consolidated
Net sales and operating income (loss)					
Sales to customers	¥160,157	¥57,095	¥ 1,797	¥ —	¥219,049
Intersegment sales	—	—	8,160	(8,160)	—
Total	160,157	57,095	9,957	(8,160)	219,049
Operating expenses	166,077	55,494	10,148	(8,160)	223,559
Operating income (loss)	¥ (5,920)	¥ 1,601	¥ (191)	¥ —	¥ (4,510)
Assets	¥159,141	¥39,959	¥ 6,250	¥41,568	¥246,918
Depreciation and amortization	5,934	951	249	1,280	8,414
Impairment loss	—	567	766	109	1,442
Capital expenditures	2,665	438	119	785	4,007

Year ended March 31, 2008	Millions of yen				
	Electronic Equipment and Components	Graphic Arts Equipment	Other	Eliminations/Corporate	Consolidated
Net sales and operating income					
Sales to customers	¥214,350	¥62,927	¥ 2,539	¥ —	¥279,816
Intersegment sales	—	—	8,833	(8,833)	—
Total	214,350	62,927	11,372	(8,833)	279,816
Operating expenses	204,525	58,904	10,592	(8,833)	265,188
Operating income	¥ 9,825	¥ 4,023	¥ 780	¥ —	¥ 14,628
Assets	¥178,234	¥50,011	¥ 7,531	¥55,338	¥291,114
Depreciation and amortization	3,771	763	129	900	5,563
Capital expenditures	9,233	856	123	2,654	12,866

Year ended March 31, 2009	Thousands of U.S. dollars				
	Electronic Equipment and Components	Graphic Arts Equipment	Other	Eliminations/Corporate	Consolidated
Net sales and operating income (loss)					
Sales to customers	\$1,634,255	\$582,602	\$ 18,337	\$ —	\$2,235,194
Intersegment sales	—	—	83,265	(83,265)	—
Total	1,634,255	582,602	101,602	(83,265)	2,235,194
Operating expenses	1,694,663	566,265	103,551	(83,265)	2,281,214
Operating income (loss)	\$ (60,408)	\$ 16,337	\$ (1,949)	\$ —	\$ (46,020)
Assets	\$1,623,888	\$407,745	\$ 63,775	\$424,163	\$2,519,571
Depreciation and amortization	60,551	9,704	2,541	13,061	85,857
Impairment loss	—	5,786	7,816	1,112	14,714
Capital expenditures	27,194	4,470	1,214	8,010	40,888

- Notes: 1. Eliminations/Corporate includes corporate assets of ¥53,478 million (\$545,694 thousand) and ¥68,497 million for the years ended March 31, 2009 and 2008, respectively.
2. Pursuant to an amendment to the Corporation Tax Law, effective from the fiscal year ended March 31, 2008, the Company and its consolidated domestic subsidiaries adopted a new depreciation method under the amended Corporation Tax Law for property, plant and equipment acquired after April 1, 2007. As a result of this change, operating expenses for the year ended March 31, 2008 increased by ¥136 million in the Electronic Equipment and Components segment, ¥26 million in the Graphic Arts Equipment segment and ¥2 million in the Other segment, and operating income decreased by the same amounts, respectively, compared with amounts that would have been recorded using the previously applied method. Furthermore, the Company and its consolidated domestic subsidiaries depreciate the difference between 5% of the acquisition cost of assets acquired on or before March 31, 2007 and the memorandum value of said assets uniformly over a five-year period, starting the year following the fiscal year in which the depreciated value of said assets reaches 5% of the acquisition price using the pre-amendment depreciation method. Depreciated amounts are included in depreciation expenses. As a result of this change, operating expenses for the year ended March 31, 2008 in the Electronic Equipment and Components segment, Graphic Arts Equipment segment and Other segment increased by ¥128 million, ¥52 million and ¥0 million, respectively, while operating income in those segments decreased by the same amounts, compared with amounts that would have been recorded using the previously applied method.
3. Changes in accounting policies
(Changes in evaluation standards and methods for inventories)
Effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries have adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006). As a result of this change, operating loss for the fiscal year ended March 31, 2009 in the Electronic Equipment and Components segment increased by ¥847 million (\$8,643 thousand), operating income in the Graphic Arts Equipment segment decreased by ¥255 million (\$5,357 thousand) and operating loss in the Other segment increased by ¥1 million (\$10 thousand), compared with amounts that would have been recorded using the previously applied method.
- (Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements")
Effective from the fiscal year ended March 31, 2009, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18 issued on May 17, 2006) has been adopted and the necessary adjustments have been made for consolidation. As a result of this change, operating loss for the fiscal year ended March 31, 2009 in the Electronic Equipment and Components segment increased by ¥140 million (\$1,429 thousand) and operating income in the Graphic Arts Equipment segment increased by ¥7 million (\$71 thousand), compared with amounts that would have been recorded using the previously applied method.
- (Application of the "Accounting Standard for Lease Transactions")
On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, the "Accounting Standard for Lease Transactions," which revised the former accounting standard for lease transactions issued on June 17, 1993, and ASBJ Guidance No. 16, the "Guidance on Accounting Standard for Lease Transactions," which revised the former guidance issued on January 18, 1994. Formerly, the Company and its consolidated domestic subsidiaries accounted transactions with which the ownership of the leased assets does not transfer to the lessee as operating leases. However, the revised accounting standard requires that all finance lease transactions shall be capitalized. Effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries have adopted the accounting standard. As a result of this change, operating loss for the fiscal year ended March 31, 2009 in the Electronic Equipment and Components segment decreased by ¥259 million (\$2,643 thousand), operating income in the Graphic Arts Equipment segment increased by ¥10 million (\$102 thousand) and operating loss in the Other segment increased by ¥36 million (\$367 thousand), compared with amounts that would have been recorded using the previously applied method.
- (Change in the Depreciation Method for Fixed Assets in Accordance with Tax Reform)
Following revisions to the taxation system in Japan, effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries changed the estimated useful lives of their assets. As a result of this change, operating loss for the fiscal year ended March 31, 2009 in the Electronic Equipment and Components segment decreased by ¥289 million (\$2,949 thousand) and operating income in the Graphic Arts Equipment segment increased by ¥5 million (\$51 thousand), compared with amounts that would have been recorded using the previously applied method.

Segment Information by Geographic Area

Year ended March 31, 2009	Millions of yen					
	Japan	North America	Asia & Oceania	Europe	Eliminations/ Corporate	Consolidated
Net sales and operating income (loss)						
Sales to customers	¥149,054	¥30,822	¥18,260	¥20,913	¥ —	¥219,049
Intersegment sales	41,481	1,274	4,887	525	(48,167)	—
Total	190,535	32,096	23,147	21,438	(48,167)	219,049
Operating expenses	196,325	31,400	21,367	22,465	(47,998)	223,559
Operating income (loss)	¥ (5,790)	¥ 696	¥ 1,780	¥ (1,027)	¥ (169)	¥ (4,510)
Assets	¥183,370	¥12,380	¥14,135	¥11,286	¥ 25,747	¥246,918

Year ended March 31, 2008	Millions of yen					
	Japan	North America	Asia & Oceania	Europe	Eliminations/ Corporate	Consolidated
Net sales and operating income						
Sales to customers	¥183,195	¥39,665	¥23,944	¥33,012	¥ —	¥279,816
Intersegment sales	62,871	790	4,385	807	(68,853)	—
Total	246,066	40,455	28,329	33,819	(68,853)	279,816
Operating expenses	234,319	39,388	25,909	33,625	(68,053)	265,188
Operating income	¥ 11,747	¥ 1,067	¥ 2,420	¥ 194	¥ (800)	¥ 14,628
Assets	¥208,857	¥15,031	¥20,709	¥19,984	¥ 26,533	¥291,114

Year ended March 31, 2009	Thousands of U.S. dollars					
	Japan	North America	Asia & Oceania	Europe	Eliminations/ Corporate	Consolidated
Net sales and operating income (loss)						
Sales to customers	\$1,520,959	\$314,510	\$186,327	\$213,398	\$ —	\$2,235,194
Intersegment sales	423,276	13,000	49,867	5,357	(491,500)	—
Total	1,944,235	327,510	236,194	218,755	(491,500)	2,235,194
Operating expenses	2,003,316	320,408	218,031	229,235	(489,776)	2,281,214
Operating income (loss)	\$ (59,081)	\$ 7,102	\$ 18,163	\$ (10,480)	\$ (1,724)	\$ (46,020)
Assets	\$1,871,122	\$126,327	\$144,235	\$115,163	\$ 262,724	\$2,519,571

Notes: 1. Segment information by geographic area is for the Company and its consolidated subsidiaries located in the respective geographic areas. Eliminations/Corporate includes corporate assets of ¥53,478 million (\$545,694 thousand) and ¥68,497 million for the years ended March 31, 2009 and 2008, respectively.

2. Pursuant to an amendment to the Corporation Tax Law, effective from the fiscal year ended March 31, 2008, the Company and its consolidated domestic subsidiaries adopted a new depreciation method under the amended Corporation Tax Law for property, plant and equipment acquired after April 1, 2007. As a result of this change, operating expenses for the year ended March 31, 2008 increased by ¥164 million, and operating income decreased by the same amount in Japan, compared with amounts that would have been recorded using the previously applied method. Furthermore, the Company and its consolidated domestic subsidiaries depreciate the difference between 5% of the acquisition cost of assets acquired on or before March 31, 2007 and the memorandum value of said assets uniformly over a five-year period, starting the year following the fiscal year in which the depreciated value of said assets reaches 5% of the acquisition price using the pre-amendment depreciation method. Depreciated amounts are included in depreciation expenses. As a result of this change, operating expenses for the year ended March 31, 2008 increased by ¥180 million, while operating income decreased by the same amounts in Japan, compared with amounts that would have been recorded using the previously applied method.

3. Changes in accounting policies

(Changes in evaluation standards and methods for inventories)

Effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries have adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 5, 2006). As a result of this change, operating loss for the fiscal year ended March 31, 2009 increased by ¥1,373 million (\$14,010 thousand) in Japan, compared with amounts that would have been recorded using the previously applied method.

(Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements")

Effective from the fiscal year ended March 31, 2009, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18 issued on May 17, 2006) has been adopted and the necessary adjustments have been made for consolidation. As a result of this change, operating income for the fiscal year ended March 31, 2009 in Asia and Oceania increased by ¥37 million (\$378 thousand) while operating loss in Europe increased by ¥170 million (\$1,735 thousand), compared with amounts that would have been recorded using the previously applied method.

(Application of the "Accounting Standard for Lease Transactions")

On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, the "Accounting Standard for Lease Transactions," which revised the former accounting standard for lease transactions issued on June 17, 1993, and ASBJ Guidance No. 16, the "Guidance on Accounting Standard for Lease Transactions," which revised the former guidance issued on January 18, 1994. Formerly, the Company and its consolidated domestic subsidiaries accounted transactions with which the ownership of the leased assets does not transfer to the lessee as operating leases. However, the revised accounting standard requires that all finance lease transactions shall be capitalized. Effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries have adopted the accounting standard. As a result of this change, operating loss for the fiscal year ended March 31, 2009 decreased by ¥233 million (\$2,378 thousand) in Japan, compared with amounts that would have been recorded using the previously applied method.

(Change in the Depreciation Method for Fixed Assets in Accordance with Tax Reform)

Following revisions to the taxation system in Japan, effective from the fiscal year ended March 31, 2009, the Company and its consolidated domestic subsidiaries changed the estimated useful lives of their assets. As a result of this change, operating loss for the fiscal year ended March 31, 2009 decreased by ¥294 million (\$3,000 thousand) in Japan, compared with amounts that would have been recorded using the previously applied method.

Domestic Sales and Overseas Sales

Years ended March 31	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Domestic sales	¥ 72,281	¥ 95,214	\$ 737,561
Overseas sales	146,768	184,602	1,497,633
North America	38,467	41,227	392,520
Asia & Oceania	80,603	105,468	822,480
Europe	20,017	25,681	204,255
Others	7,681	12,226	78,378
Ratio of overseas sales to net sales	67.0%	66.0%	
Net sales	¥219,049	¥279,816	\$2,235,194

Notes: 1. Domestic sales are sales to customers in Japan by the Company and its consolidated subsidiaries.

2. Overseas sales are sales to customers outside Japan by the Company and its consolidated subsidiaries

Note 8: Contingent Liabilities

As of March 31, 2009, the Company and its consolidated subsidiaries were contingently liable for the following:

	Millions of yen	Thousands of U.S. dollars
As guarantors of—		
Customers' business loans	¥ 12	\$ 122
Customers' lease payments	616	6,286
Employees' housing loans	576	5,878
Concomitant debt assumption on affiliates' trade payable entrusted—SOKUDO Co., Ltd.	439	4,480
Trade notes receivable endorsed	22	224
Total	¥1,665	\$16,990

Note 9: Derivative Transactions

Outstanding derivative transactions at March 31, 2009 and 2008 were as follows:

Years ended March 31	Millions of yen								Thousands of U.S. dollars			
	2009				2008				2009			
	Contracted amount	Portion exceeding one year	Fair value	Recognized gain (loss)	Contracted amount	Portion exceeding one year	Fair value	Recognized gain (loss)	Contracted amount	Portion exceeding one year	Fair value	Recognized gain (loss)
Non-exchange traded forward foreign exchange contracts:												
(Sell-U.S. dollars)	¥1,408	¥ —	¥1,462	¥(54)	¥5,798	¥ —	¥5,652	¥146	\$14,367	\$ —	\$14,918	\$(551)
(Sell-EUR)	763	—	804	(41)	1,114	—	1,098	16	7,786	—	8,204	(418)
Total	¥2,171	¥ —	¥2,266	¥(95)	¥6,912	¥ —	¥6,750	¥162	\$22,153	\$ —	\$23,122	\$(969)

Notes: 1. Forward foreign exchange transactions are translated at the forward foreign exchange rates at March 31, 2009 and 2008.

2. The above table does not list derivative transactions for which hedge accounting has been applied.

Note 10: Related Party Transactions

Sales to and balances due from significant affiliates as of and for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
	SOKUDO Co., Ltd.		
(a) Sales and other revenue for the year	¥10,240	¥17,172	\$104,490
(b) Receivables at year end	3,917	8,208	39,969

Note 11: Securities

A. The following tables summarize acquisition costs, book values and fair values of securities with available fair values as of March 31, 2009 and 2008:

	Millions of yen						Thousands of U.S. dollars		
	2009			2008			2009		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Securities with book values exceeding acquisition costs:									
Equity securities	¥ 5,939	¥9,289	¥ 3,350	¥13,283	¥23,700	¥10,417	\$ 60,602	\$94,786	\$ 34,184
Others	—	—	—	—	—	—	—	—	—
Total	¥ 5,939	¥9,289	¥ 3,350	¥13,283	¥23,700	¥10,417	\$ 60,602	\$94,786	\$ 34,184
Other securities:									
Equity securities	¥11,451	¥8,479	¥(2,972)	¥ 5,578	¥ 4,591	¥ (987)	\$116,847	\$86,520	\$(30,327)
Others	31	27	(4)	43	38	(5)	316	276	(40)
Total	¥11,482	¥8,506	¥(2,976)	¥ 5,621	¥ 4,629	¥ (992)	\$117,163	\$86,796	\$(30,367)

B. The following tables summarize book values of available-for-sale securities whose fair values are not readily determinable as of March 31, 2009 and 2008:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Available-for-sale securities:			
Non-listed equity securities	¥683	¥710	\$6,969
Total	¥683	¥710	\$6,969

C. Total sales of available-for-sale securities for the year ended March 31, 2009 amounted to ¥0 million (\$0 thousand), and the related total gain amounted to ¥0 million (\$0 thousand). Total sales of available-for-sale securities sold in the year ended March 31, 2008 amounted to ¥545 million, and the related total gain amounted to ¥34 million.

Note 12: Employees' Severance and Pension Benefits

Accrued pension and severance costs included in the liability section of the consolidated balance sheets as of March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Projected benefit obligation	¥ 31,680	¥ 31,770	\$ 323,265
Fair value of plan assets	(21,117)	(25,140)	(215,479)
Unrecognized actuarial differences	(10,597)	(5,132)	(108,133)
Prepaid pension expenses	699	—	7,133
Accrued pension and severance costs	¥ 665	¥ 1,498	\$ 6,786

Severance and pension benefit expenses included in the consolidated statements of income for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Service costs—benefits earned during the year	¥ 1,427	¥ 1,731	\$ 14,561
Interest cost on projected benefit obligation	600	629	6,122
Expected return on plan assets	(1,378)	(1,099)	(14,061)
Amortization of prior service cost	—	(556)	—
Amortization of actuarial differences	596	122	6,082
Severance and pension benefit expenses	¥ 1,245	¥ 827	\$ 12,704
Gain on transition to a defined contribution pension plan	—	(468)	—
Others	720	626	7,347
Total	¥ 1,965	¥ 985	\$ 20,051

The discount rate used by the Company was 2.0% in 2009 and 2008. The rate of expected return on plan assets was 5.70% in 2009 and 4.00% in 2008. The estimated amount of all retirement benefits to be paid at the future retirement dates is allocated equally to each service year using the estimated number of total service years.

Note 13: Impairment of Fixed Assets

For assessing fixed asset impairment, the Company groups its assets at the business unit level which is also the basis of segment information by business field. The consolidated subsidiaries generally group their assets at the subsidiary level. The Company and its consolidated subsidiaries group their idle assets by the individual asset. The recoverable amounts of the idle assets are based on the net sale values, calculated by subtracting the estimated cost of

disposal from the estimated amounts based on similar transactions. The Company and its consolidated subsidiaries recorded impairment loss of ¥1,442 million (\$14,714 thousand), mainly related to intangible assets and land, for the year ended March 31, 2009. The Company and its consolidated subsidiaries recorded no impairment loss for the year ended March 31, 2008.

Note 14: Significant Subsequent Events

At the Board of Directors' meeting held on June 23, 2009, the Board of Directors of the Company decided to purchase additional shares of its affiliated company SOKUDO Co., Ltd., (hereafter "SOKUDO," a joint venture company with Applied Materials, Inc. (hereafter "Applied", headquartered in California, in the United States)) and made it a subsidiary on the same date.

As a result of this purchase, SOKUDO is now 81.0% owned by the Company and 19.0% by Applied (previously 52.0% and 48.0%, respectively).

As SOKUDO has been converted from joint venture, affiliated company accounted for by the equity method, to a subsidiary, the Company plans to newly include both SOKUDO and its 100% subsidiary SOKUDO USA, LLC within its scope of consolidation. Also, the Company will adopt the revised Accounting Standard for Business Combinations and related matters from the fiscal year ended March 31, 2010. The Company plans to record nonoperating income of approximately ¥5,200 million (\$53,061 thousands) from gain on the step acquisition and gain on negative goodwill as SOKUDO becomes its consolidated subsidiary.

Independent Auditors' Report

To the Board of Directors of Dainippon Screen Mfg. Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Dainippon Screen Mfg. Co., Ltd. (the "Company") and its consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to the following:

As discussed in Note 1 to the consolidated financial statements, effective April 1, 2009, the Company and its consolidated domestic subsidiaries adopted the "Accounting Standard for Measurement of Inventories."

As discussed in Note 14, "Significant Subsequent Events," on June 23, 2009, the Board of Directors of the Company decided to purchase additional shares of the affiliated company SOKUDO Co., Ltd. and made it a subsidiary on the same date.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation was made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.
Osaka, Japan
June 25, 2009



Consolidated Companies

As of March 31, 2009

Overseas

North America

D.S. North America Holdings, Inc.
DNS Electronics, LLC
Dainippon Screen Graphics (USA), LLC
S. Ten Nines California, LLC
D.S. Venture Investments International, Incorporated
Silicon Light Machines Corporation
SOKUDO USA, LLC *

Europe

Dainippon Screen (U.K.) Ltd.
Inca Digital Printers Ltd.
Dainippon Screen (Deutschland) GmbH
Dainippon Screen Ireland Ltd.
Dainippon Screen Electronics France Sarl
Dainippon Screen Italy S.R.L.
Dainippon Screen Israel Ltd.
Dainippon Screen (Nederland) B.V.

Asia & Oceania

Dainippon Screen Electronics (Shanghai) Co., Ltd.
Dainippon Screen (China) Ltd.
Screen Media Technology Ltd.
Dainippon Screen MT (Hangzhou) Co., Ltd.
Dainippon Screen (Korea) Co., Ltd.
SEMES Co., Ltd.*
Dainippon Screen Electronics (Taiwan) Co., Ltd.
DNS Feats (Taiwan) Co., Ltd.
Dainippon Screen (Taiwan) Co., Ltd.
Dainippon Screen Singapore Pte. Ltd.
Dainippon Screen (Australia) Pty. Ltd.

Domestic

Tech In Tech Co., Ltd.
SEBACS Co., Ltd.
Quartz Lead Co., Ltd.
FASSE Co., Ltd.
Scientific and Semiconductor Manufacturing
Equipment Recycling Co., Ltd.
FEBACS Co., Ltd.
MEBACS Co., Ltd.
Media Technology Japan Co., Ltd.
MT Service Japan East Co., Ltd.
MT Service Japan West Co., Ltd.
S. Ten Nines Kyoto Co., Ltd.
S. Ten Nines Sapporo Co., Ltd.
Laser Solutions Co., Ltd.
First Lease Co., Ltd.
Tec Communications Co., Ltd.
DS Finance Co., Ltd.
INITOUT Japan Co., Ltd.
TRANSUP Japan Co., Ltd.
ReVersion 65 Co., Ltd.
Miyako Link Ring Co., Ltd.
GERANT Co., Ltd.
SOKUDO Co., Ltd.*
MIXA Co., Ltd.*

*Affiliates accounted for by the equity method

Investor Information

(As of March 31, 2009)

Stock Information

Authorized Number of Shares: 900,000,000

Number of Shares Issued: 253,974,333

Number of Shareholders: 20,619

Number of Shares Held by Non-Japanese

Companies and Individuals: 40,156,816 (15.81%)

Listings: Tokyo and Osaka

Code Number: 7735

Major Shareholders

	Number of shares (thousands)	Percentage of total shares issued (%)
1. Japan Trustee Services Bank, Ltd. (Accounting in trust)	14,767	5.81
2. The Master Trust Bank of Japan, Ltd. (Accounting in trust)	11,781	4.63
3. Nippon Life Insurance Company	11,300	4.44
4. Japan Trustee Services Bank, Ltd. (Accounting in trust 4G)	11,160	4.39
5. The Bank of Kyoto, Ltd.	6,730	2.65
6. Resona Bank, Limited	4,562	1.79
7. The Shiga Bank, Ltd.	4,241	1.67
8. Dainippon Screen's Employees Shareholders' Association	4,072	1.60
9. Dainippon Screen's Business Partners Shareholders' Association Synchronize	3,908	1.53
10. The Bank of New York GCM Client Account JPRD ISG (FE-AC)	3,892	1.53

Note: While Dainippon Screen Mfg. Co., Ltd. holds 16,562,258 shares (6.52%) in treasury stock, this is not included in the above list of major shareholders.

Bank References

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Resona Bank, Ltd.

The Bank of Kyoto, Ltd.

The Shiga Bank, Ltd.

Mizuho Corporate Bank, Ltd.

Underwriter

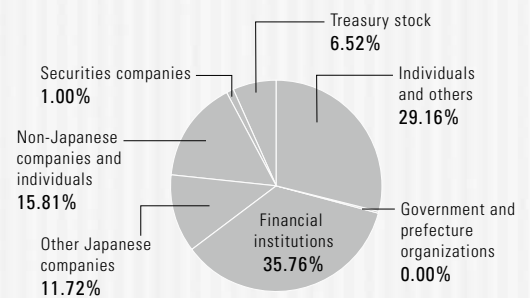
The Nomura Securities Co., Ltd.

Sub-Underwriters

Mitsubishi UFJ Securities Co., Ltd.

Cosmo Securities Co., Ltd.

Breakdown by Type of Shareholder



Note: Based on register of shareholders. Including shares less than one unit.

Stock Price Range and Turnover

■ Dainippon Screen Stock Price (left scale)
 ■ Dainippon Screen Stock Turnover (lower right scale)
 — Nikkei Stock Average (upper right scale)



Corporate Data

Company Name

Dainippon Screen Mfg. Co., Ltd.

Established

October 11, 1943

Representative Directors (As of June 25, 2009)

Akira Ishida, Chairman and CEO
Masahiro Hashimoto, President and COO

Capital (As of March 31, 2009)

¥54,045 million

Employees (As of March 31, 2009)

2,328 employees (Nonconsolidated)
4,992 employees (Consolidated)

Head Office

Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome,
Horikawa-dori, Kamigyo-ku, Kyoto 602-8585, Japan
Tel.: +81-75-414-7111
Fax: +81-75-451-9603
E-mail: synchronize@screen.co.jp
Website: <http://www.screen.co.jp/>

Business and Manufacturing Sites

Head Office, Kuze, Rakusai (WHITE CANVAS
RAKUSAI), Kumiyama, Yasu, Hikone, Taga,
Kudan and Otsuka

www.screen.co.jp

DAINIPPON SCREEN MFG. CO., LTD.

Tenjinkita-machi 1-1, Teranouchi-agaru 4-chome, Horikawa-dori,
Kamigyo-ku, Kyoto 602-8585, Japan



This article is printed using environment-friendly process qualified as SILVER status by E3PA.E3PA: Environment Pollution Prevention Printing Association
<http://www.e3pa.com>



Printed in Japan IR-ARE-09