

August 5, 2014

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

## CONSOLIDATED FINANCIAL REPORT FOR THE FIRST QUARTER ENDED JUNE 30, 2014 [Japanese GAAP]

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

Representative: Eiji Kakiuchi, President (COO)  
For Inquiries: Hirofumi Ohta, General Manager of Accounting Department  
Tel: +81-75-414-7155

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

### PERFORMANCE FOR THE FIRST QUARTER ENDED JUNE 30, 2014 (APR. 1, 2014-JUN. 30, 2014)

(Millions of yen, except per share figures)

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

#### (1) Business Results

	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
<b>Three months ended Jun. 30, 2014</b>	<b>¥52,475</b>	<b>-11.5%</b>	<b>¥ 2,240</b>	<b>1.3%</b>	<b>¥ 2,354</b>	<b>5.5%</b>
Three months ended Jun. 30, 2013	59,316	-11.0	2,210	-29.7	2,231	-32.8

Note: Comprehensive income

Three months ended Jun. 30, 2014: ¥ 1,846 million (-59.4%)

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

	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
<b>Three months ended Jun. 30, 2014</b>	<b>¥ 1,535</b>	<b>-9.1%</b>	<b>¥ 6.47</b>	<b>¥ —</b>
Three months ended Jun. 30, 2013	1,688	-17.3	7.11	—

#### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share of Capital Stock (Yen)
<b>Jun. 30, 2014</b>	<b>¥222,091</b>	<b>¥89,352</b>	<b>40.0%</b>	<b>¥374.08</b>
Mar. 31, 2014	232,376	87,097	37.2	364.23

Note: Equity

As of Jun. 30, 2014: ¥ 88,787 million

As of Mar. 31, 2014: ¥ 86,448 million

**CASH DIVIDENDS**

Record date	Cash Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Fiscal year ended Mar. 31, 2014	¥ —	¥ —	¥ —	¥3.00	¥3.00
Fiscal year ending Mar. 31, 2015	—				
Fiscal year ending Mar. 31, 2015 (Forecast)		—	—	5.00	5.00

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

**FORECAST OF BUSINESS RESULTS FOR FISCAL YEAR ENDING MARCH 31, 2015**

(Millions of yen, except per share figures)

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

	Net Sales	Percentage Change	Operating Income	Percentage Change	
Six months period ending Sept. 30, 2014	¥ 113,000	1.7 %	¥ 4,700	54.9 %	
Fiscal year ending Mar. 31, 2015	241,000	2.1	11,200	25.8	

  

	Ordinary Income	Percentage Change	Net Income	Percentage Change	Net Income per Share (Yen)
Six months period ending Sept. 30, 2014	¥ 4,500	71.7 %	¥ 3,000	92.4 %	¥ 12.64
Fiscal year ending Mar. 31, 2015	10,500	25.1	8,300	53.2	34.97

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

**NOTES**

- (1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): No  
New Company: Not applicable      Exclusion: Not applicable
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: Yes  
Please refer to P.5 [Summary Information (Notes)] for more information.
- (3) Changes of accounting policies, changes in accounting estimates and retrospective restatement
  1. Changes of accounting policies accompanied by revision of accounting standard etc.: Yes
  2. Changes of accounting policies other than 1: No
  3. Changes in accounting estimates: No
  4. Retrospective restatement: No
 Please refer to P.5 [Summary Information (Notes)] for more information.
- (4) Number of shares outstanding
  1. Number of shares outstanding as of end of period (including treasury stock)  
As of Jun. 30, 2014: 253,974,333 shares      As of Mar. 31, 2014: 253,974,333 shares
  2. Number of treasury stock as of end of period  
As of Jun. 30, 2014: 16,625,616 shares      As of Mar. 31, 2014: 16,625,067 shares
  3. Average number of shares outstanding  
Three months ended Jun. 30, 2014: 237,349,089 shares      Three months ended Jun. 30, 2013: 237,359,973 shares

\*Indication of quarterly review procedure implementation status

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

\*Explanation for appropriate use of forecasts and other notes

- (1) Dainippon Screen has revised our business forecast for the fiscal year ending March 31, 2015 that was previously announced on May 7, 2014, as noted in this financial report.
- (2) The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to Dainippon Screen and certain assumptions that are regarded as legitimate. Dainippon Screen does not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors. Please refer to P.4 "3. Qualitative information regarding consolidated business results forecasts" for the assumptions used and other notes.

## [Qualitative Information, Financial Statements]

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

During the first quarter of the fiscal year ending March 31, 2015, the three-month period from April 1, 2014 to June 30, 2014, the overall global economy continued to gradually recover. The tone of improvement in the U.S. economy continued, backed by improved personal consumption and employment. While the European economy showed signs of recovery, mainly in Germany and the U.K., concerns about the reemergence of debt problems in Southern Europe and other factors caused the outlook to grow more unclear. The pace of growth continued to slow in emerging economies on the whole, with modest expansion persisting in China despite regulatory changes, such as the government's attempt to control investment, which had a destabilizing effect on the country's economy. Meanwhile, the Japanese economy saw moderate improvement, despite the market recoil that followed the last-minute surge in demand prior to the consumption tax hike at the beginning of the current fiscal year.

With regard to the business conditions surrounding the Dainippon Screen Group, in the semiconductor industry, investment by logic chips manufacturers increased amid continued investment in miniaturization, but investment by foundries fell as the market pulled back after a period of concentrated investment during the previous quarter. In the FPD business field, the shift to China of production of television LCD panels advanced. Business conditions for graphic arts equipment remained challenging, reflecting sluggishness in the European economy and intensifying competition.

Under these circumstances, the Dainippon Screen Group posted consolidated net sales of ¥52,475 million for the first quarter of the fiscal year ending March 31, 2015, a decrease of ¥6,841 million from the corresponding period of the previous fiscal year. On the earnings front, operating income totaled ¥2,240 million, up ¥29 million year on year, reflecting improvement in variable cost ratio and reduced loss on valuation of inventories, despite the decrease in net sales and increases in operating costs, including personnel costs and R&D expenses, due to the removal of emergency measures taken in the previous fiscal year and the depreciation of the yen. Ordinary income amounted to ¥2,354 million, up ¥123 million year on year. Net income for the first quarter of the fiscal year ending March 31, 2015 totaled ¥1,535 million, down ¥153 million compared with the corresponding period of the previous fiscal year.

Performance by reportable segment is explained below.

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

In the Semiconductor Equipment segment, investment by logic chips manufacturers increased year on year, but investment by foundries decreased, leading to a drop in sales of semiconductor production equipment, particularly cleaning equipment. By geographical region, sales to Taiwan decreased. As a result, net sales in this segment amounted to ¥35,118 million, down 19.0% year on year. On the earnings front, operating income in this segment came to ¥2,903 million, up 37.7% from the corresponding period of the previous fiscal year, reflecting improvement in variable cost ratio and reduced loss on valuation of inventories, despite the decrease in net sales as well as increases in operating expenses, including personnel costs and R&D expenses, due to the removal of emergency measures taken in the previous fiscal year and the depreciation of the yen.

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

In the FPD Equipment segment, while domestic sales decreased, sales of production equipment for large-sized LCD panels in China increased. As a result, net sales in this segment amounted to ¥4,984 million, up 20.7% year on year. On the earnings front, however, due to changes in the product mix and an increase in fixed costs, the segment posted an operating loss of ¥414 million, compared with an operating income of ¥112 million in the corresponding period of the previous fiscal year.

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

In the Media and Precision Technology segment, sales of graphic arts equipment increased year on year, reflecting increases in sales of computer to plate (CTP) equipment and print on demand (POD) equipment, due mainly to the effect of the weak yen. Printed circuit board (PCB)-related equipment sales were up year on year due to a rise in sales of mainstay direct imaging systems. As a result, net sales in this segment came to ¥12,191 million, up 4.6% year on year. On the earnings front this segment posted an operating income of ¥446 million, an increase of 4.5% from the corresponding period of the previous fiscal year.

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

Total assets as of June 30, 2014 stood at ¥222,091 million, a decrease of ¥10,284 million, or 4.4%, compared with March 31, 2014. This was largely due to decreases in notes and accounts receivable-trade, cash and time deposits, and inventories.

Total liabilities amounted to ¥132,739 million, down ¥12,539 million, or 8.6%, compared with the end of the previous fiscal year. This was mainly attributable to a considerable decrease in notes and accounts payable-trade. Interest-bearing debt decreased by ¥3 million, or 0.0%, from March 31, 2014 to ¥41,371 million. Net interest-bearing debt, or interest-bearing debt minus cash and time deposits, increased by ¥4,356 million, compared with the previous fiscal year-end, to ¥11,517 million.

Total net assets amounted to ¥89,352 million, up ¥2,255 million, or 2.6%, from March 31, 2014. This was mainly attributable to an increase in retained earnings due to the posting of quarterly net income and the adoption of the Accounting Standard for Retirement Benefits, despite the payment of cash dividends.

As a result, the equity ratio as of June 30, 2014 improved 2.8 percentage points compared with the end of the previous fiscal year to 40.0%.

### Status of Cash Flows

The status of cash flows for the first quarter of the fiscal year ending March 31, 2015 is as follows.

Net cash used in operating activities amounted to ¥1,360 million, compared with ¥7,826 million provided by operating activities in the first quarter of the previous fiscal year. This was because the decrease in notes and accounts payable-trade and other outflows surpassed such cash inflows as income before income taxes, a decrease in notes and accounts receivable—trade and a decrease in inventories.

Net cash used in investing activities amounted to ¥1,668 million, compared with ¥1,722 million used in investing activities in the first quarter of the previous fiscal year. This was attributable to the purchase of property, plant and equipment, such as equipment for R&D.

Net cash used in financing activities amounted to ¥1,158 million, compared with ¥8,167 million provided by financing activities in the first quarter of the previous fiscal year. This was due in part to the payment of cash dividends and the repayment of loans payable.

As a result, cash and cash equivalents as of June 30, 2014, totaled ¥26,998 million, down ¥4,563 million from March 31, 2014.

## 3. Qualitative information regarding consolidated business results forecasts

Dainippon Screen has revised its consolidated business forecast for the fiscal year ending March 31, 2015, from the previously announced forecast on May 7, 2014 as listed below. This is attributable mainly to the prospect that sales and profit for the six months period ending September 30, 2014 are likely to exceed the previous forecast reflecting a current order situation in the Semiconductor Equipment segment. For more details, please refer to today's announcement "Notice: Business Forecast Revision."

### Business forecast

Fiscal year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Six months period ending Sept. 30, 2014	Fiscal year ending Mar. 31, 2015
Net Sales	¥ 113,000	¥ 241,000
SE	77,000	158,500
FE	9,000	27,000
MP	26,500	54,000
Others	500	1,500
Operating Income	4,700	11,200
Ordinary Income	4,500	10,500
Net Income	3,000	8,300

\*Intersegment transactions have been eliminated.

Note: The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥100 and EUR1.00 = ¥135. Business forecasts are also made in accordance with currently available information and rational assumptions. Dainippon Screen does not promise that the forecasts or estimates will be accurate. Therefore, it should be noted that actual results could differ significantly due to a variety of factors.

**[ Summary Information (Notes) ]**

1. Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation):  
None
2. Application of accounting methods specific to the preparation of quarterly consolidated financial statements:  
Calculation of income taxes  
Income tax amount is calculated principally by multiplying reasonably estimated annual effective tax rate through the first quarter ended June 30, 2014, with the effects of deferred taxes reflected, by the amount of year-to-date income before income taxes. When calculation using reasonably estimated annual effective tax rate causes irrational results, income tax amount is calculated based on the legal tax rate.
3. Changes of accounting policies, changes in accounting estimates and retrospective restatement:  
Changes of accounting policies

**(Adoption of new accounting standards for retirement benefits)**

Effective from the beginning of the first quarter of the fiscal year ending March 31, 2015, Dainippon Screen and its consolidated domestic subsidiaries have applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012 (hereinafter, the "Statement No. 26")) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012 (hereinafter "Guidance No. 25")) with respect to certain provisions described in article 35 of the Statement No. 26 and the article 67 of the Guidance No. 25. As a result, the methods for calculating retirement benefit obligations and service costs have been revised in the following respects. The method for attributing projected benefits to periods has been changed from the straight-line basis to the benefit formula basis, and the method for determining the discount rate has been changed from a method based on an approximation of the average of the estimated remaining service years to a method of using a single weighted-average discount rate that reflects the periods until the expected payment of retirement benefits and the amount of projected benefits every such period.

According to the transitional treatment provided in the article 37 of the Statement No. 26, the effect of changing the method for calculating retirement benefit obligations and service costs was recognized by adjusting retained earnings at the beginning of the first quarter of the fiscal year ending March 31, 2015.

As a result of the application, net defined benefit asset, retained earnings and deferred tax liabilities included in "Other" in noncurrent liabilities increased by ¥1,881 million, ¥1,213 million and ¥667 million, respectively, at the beginning of the fiscal year ending March 31, 2015. The effect of this change on operating income, ordinary income and income before income taxes for the first quarter of the fiscal year ending March 31, 2015 is immaterial.

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	Mar. 31, 2014	Jun. 30, 2014
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and time deposits	¥ 34,213	¥ 29,853
Notes and accounts receivable-trade	45,256	38,943
Merchandise and finished goods	40,660	39,275
Work in process	23,443	22,481
Raw materials and supplies	6,055	6,106
Deferred tax assets	3,958	4,016
Other	4,597	5,145
Allowance for doubtful accounts	(859)	(799)
Total current assets	157,326	145,023
<b>Noncurrent assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	52,257	52,335
Machinery, equipment and vehicles	34,820	35,804
Other	28,742	28,067
Accumulated depreciation	(75,109)	(75,472)
Total property, plant and equipment	40,710	40,735
<b>Intangible assets:</b>		
Other	2,406	2,267
Total intangible assets	2,406	2,267
<b>Investments and other assets:</b>		
Investment securities	28,619	29,715
Net defined benefit asset	200	1,274
Other	3,930	3,893
Allowance for doubtful accounts	(817)	(818)
Total investments and other assets	31,932	34,065
Total noncurrent assets	75,049	77,068
<b>Total assets</b>	<b>232,376</b>	<b>222,091</b>

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	<b>Mar. 31,</b>	<b>Jun. 30,</b>
	<b>2014</b>	<b>2014</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	¥ 68,705	¥ 58,057
Short-term loans payable	104	—
Current portion of long-term loans payable	2,253	2,253
Current portion of bonds payable	14,000	14,000
Lease obligations	819	854
Income taxes payable	1,484	1,000
Notes payable-facilities	20	43
Provision for directors' bonuses	55	17
Provision for product warranties	5,020	4,759
Provision for loss on order received	575	457
Other	21,327	20,320
Total current liabilities	<u>114,367</u>	<u>101,763</u>
<b>Noncurrent liabilities:</b>		
Bonds payable	13,600	13,600
Long-term loans payable	8,342	8,142
Lease obligations	2,254	2,519
Net defined benefit liability	1,291	41
Provision for directors' retirement benefits	94	105
Asset retirement obligations	48	48
Other	5,278	6,516
Total noncurrent liabilities	<u>30,911</u>	<u>30,975</u>
Total liabilities	<u>145,278</u>	<u>132,739</u>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	54,044	54,044
Capital surplus	4,583	4,583
Retained earnings	41,824	43,860
Treasury stock	(12,251)	(12,251)
Total shareholders' equity	<u>88,201</u>	<u>90,237</u>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	7,089	7,781
Foreign currency translation adjustment	(4,833)	(5,432)
Remeasurements of defined benefit plans	(4,007)	(3,799)
Total accumulated other comprehensive income	<u>(1,752)</u>	<u>(1,449)</u>
<b>Minority interests</b>	<u>649</u>	<u>565</u>
<b>Total net assets</b>	<u>87,097</u>	<u>89,352</u>
<b>Total liabilities and net assets</b>	<u>232,376</u>	<u>222,091</u>

**CONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

	Apr.1, 2013 – Jun. 30, 2013	Apr.1, 2014 – Jun. 30, 2014
<b>Net sales</b>	¥ 59,316	¥ 52,475
<b>Cost of sales</b>	45,526	<b>37,502</b>
<b>Gross profit</b>	13,790	<b>14,972</b>
<b>Selling, general and administrative expenses</b>	11,579	<b>12,731</b>
<b>Operating income</b>	2,210	<b>2,240</b>
<b>Non-operating income</b>		
Interest income	30	<b>20</b>
Dividends income	198	<b>254</b>
Other	230	<b>208</b>
Total non-operating income	459	<b>483</b>
<b>Non-operating expenses</b>		
Interest expenses	271	<b>228</b>
Foreign exchange losses	28	<b>5</b>
Other	138	<b>135</b>
Total non-operating expenses	439	<b>369</b>
<b>Ordinary income</b>	2,231	<b>2,354</b>
<b>Extraordinary income</b>		
Other	—	<b>0</b>
Total extraordinary income	—	<b>0</b>
<b>Extraordinary loss</b>		
Other	0	—
Total extraordinary loss	0	—
<b>Income before income taxes</b>	2,231	<b>2,354</b>
<b>Income taxes</b>	529	<b>802</b>
<b>Income before minority interests</b>	1,701	<b>1,551</b>
<b>Minority interests in income</b>	12	<b>16</b>
<b>Net income</b>	1,688	<b>1,535</b>



**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Millions of yen)

	Apr.1, 2013 – Jun. 30, 2013	Apr.1, 2014 – Jun. 30, 2014
<b>Income before minority interests</b>	¥ 1,701	¥ 1,551
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,250	692
Foreign currency translation adjustment	1,598	(606)
Remeasurements of defined benefit plans	—	208
Total other comprehensive income	<u>2,849</u>	<u>294</u>
<b>Comprehensive income</b>	<u>4,550</u>	<u>1,846</u>
(Comprehensive income attributable to)		
Owners of the parent	4,530	1,837
Minority interests	20	8

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

**Apr.1, 2013- Jun. 30, 2013      Apr.1, 2014 – Jun. 30, 2014****Cash flow from operating activities:**

Income before income taxes	¥ 2,231	¥ 2,354
Depreciation and amortization	972	1,142
Increase (decrease) in provision for retirement benefits	(50)	—
Increase (decrease) in net defined benefit liability	—	(233)
Increase (decrease) in provision for directors' bonuses	(26)	(38)
Increase (decrease) in provision for product warranties	(169)	(261)
Increase (decrease) in provision for loss on order received	254	(117)
Interest and dividends income	(228)	(275)
Interest expenses	271	228
Decrease (increase) in notes and accounts receivable-trade	(6,748)	6,233
Decrease (increase) in inventories	4,447	2,012
Decrease (increase) in other current assets	(195)	(352)
Increase (decrease) in notes and accounts payable-trade	5,763	(10,413)
Increase (decrease) in accrued expenses	(26)	(82)
Increase (decrease) in other current liabilities	2,354	(458)
Other, net	(275)	102
Subtotal	<u>8,574</u>	<u>(158)</u>
Interest and dividends income received	249	294
Interest expenses paid	(164)	(220)
Contribution in connection with the shift to a defined-contribution pension plan	(16)	(0)
Income taxes paid	(816)	(1,275)
Net cash provided by (used in) operating activities	<u>7,826</u>	<u>(1,360)</u>

**Cash flow from investing activities:**

Decrease (increase) in time deposits	(138)	(282)
Purchase of property, plant and equipment	(1,417)	(1,132)
Purchase of treasury shares of subsidiaries	—	(101)
Other, net	(166)	(152)
Net cash used in investing activities	<u>(1,722)</u>	<u>(1,668)</u>

**Cash flow from financing activities:**

Net increase (decrease) in short-term loans payable	—	(101)
Repayments of long-term loans payable	(212)	(200)
Repayments of finance lease obligations	(161)	(139)
Proceeds from issuance of bonds	8,546	—
Net decrease (increase) in treasury stock	(0)	(0)
Cash dividends paid	—	(712)
Cash dividends paid to minority shareholders	(5)	(5)
Net cash provided by (used in) financing activities	<u>8,167</u>	<u>(1,158)</u>

<b>Effect of exchange rate change on cash and cash equivalents</b>	<u>816</u>	<u>(374)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>15,088</u>	<u>(4,563)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>38,026</u>	<u>31,562</u>
<b>Cash and cash equivalents at end of period</b>	<u>53,114</u>	<u>26,998</u>

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

First quarter ended Jun. 30, 2013

Net sales and income (loss) in reportable segment

(Millions of yen)

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

## Notes

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

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

\*3 Segment operating income (loss) adjustment of ¥ (346) million is the corporate expense not apportioned in each reportable segment. Corporate expense mainly comprises the headquarters’ general and administrative expenses not usually attributed to segments.

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

First quarter ended Jun. 30, 2014

Net sales and income (loss) in reportable segment

(Millions of yen)

	Reportable segment *1				Other *2	Total	Adjustments *3	Consolidated *4
	SE	FE	MP	Total				
Sales								
(1)Sales to outside customers	¥ 35,118	¥ 4,984	¥ 12,191	¥ 52,294	¥ 180	¥ 52,475	¥ —	¥ 52,475
(2)Intersegment sales and transfers	—	—	—	—	1,657	1,657	(1,657)	—
Total	35,118	4,984	12,191	52,294	1,837	54,132	(1,657)	52,475
Segment income (loss)	2,903	(414)	446	2,935	(243)	2,692	(451)	2,240

## Notes

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

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

\*3 Segment operating income (loss) adjustment of ¥ (451) million is the corporate expense not apportioned in each reportable segment. Corporate expense mainly comprises the headquarters’ general and administrative expenses not usually attributed to segments.

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

## Consolidated Financial Highlights for the First Quarter Ended June 30, 2014

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

	FY2014	FY2015	Difference		FY2014	FY2015	
	3 months ended Jun. 30, 2013	3 months ended Jun. 30, 2014			12 months ended Mar.31, 2014	6 months ending Sept. 30, 2014	12 months ending Mar.31, 2015
	Result	Result	Amount	Percentage	Result	Forecast	Forecast
Net sales	¥ 59,316	¥ 52,475	¥ (6,841)	-11.5%	¥ 235,946	¥ 113,000	¥ 241,000
Operating income	2,210	2,240	29	1.3%	8,902	4,700	11,200
[to net sales ratio]	3.7 %	4.3 %	0.6 pt	—	3.8 %	4.2 %	4.6 %
Ordinary income	2,231	2,354	123	5.5%	8,394	4,500	10,500
[to net sales ratio]	3.8 %	4.5 %	0.7 pt	—	3.6 %	4.0 %	4.4 %
Net income	1,688	1,535	(153)	-9.1%	5,418	3,000	8,300
[to net sales ratio]	2.8 %	2.9 %	0.1 pt	—	2.3 %	2.7 %	3.4 %
Total assets	253,320	222,091	* (10,284)	-4.4%	232,376	—	—
Net assets	81,399	89,352	* 2,255	2.6%	87,097	—	—
Equity	80,778	88,787	* 2,339	2.7%	86,448	—	—
Equity ratio	31.9 %	40.0 %	* 2.8 pt	—	37.2 %	—	—
Net assets per share	¥ 340.32	¥ 374.08	* ¥ 9.85	2.7%	¥ 364.23	—	—
Interest-bearing debt	78,677	41,371	* (3)	-0.0%	41,374	—	—
Net interest-bearing debt	22,926	11,517	* 4,356	60.8%	7,161	—	—
Cash flows from operating activities	7,826	(1,360)	—	—	24,702	—	—
Cash flows from investing activities	(1,722)	(1,668)	—	—	(4,201)	—	—
Cash flows from financing activities	8,167	(1,158)	—	—	(29,301)	—	—
Depreciation and amortization	972	1,142	169	17.5%	4,100	2,400	5,150
Capital expenditures	571	1,092	520	91.1%	4,573	3,900	7,800
R&D expenses	2,615	3,060	445	17.0%	12,274	7,400	15,000
Number of employees	4,994	5,022	* 54	1.1%	4,968	—	—
Number of consolidated subsidiaries	44	48	* 4	—	44	—	—
[Domestic]	[21]	[24]	* [3]	—	[21]	—	—
[Overseas]	[23]	[24]	* [1]	—	[23]	—	—
Number of affiliates	1	1	* —	—	1	—	—
[Number of affiliates accounted for by equity method]	[1]	[1]	* [—]	—	[1]	—	—

\* show changes in amount from Mar. 31, 2014

## Sales Breakdown (Consolidated)

(Millions of yen)

		FY2014						FY2015		
		3 months ended Jun. 30, 2013	3 months ended Sept. 30, 2013	6 months ended Sept. 30, 2013	3 months ended Dec. 31, 2013	3 months ended Mar. 31, 2014	12 months ended Mar.31, 2014	3 months ended Jun. 30, 2014	6 months ending Sept. 30, 2014	12 months ending Mar.31, 2015
		Result	Result	Result	Result	Result	Result	Result	Forecast	Forecast
Semiconductor Equipment	Domestic	8,120	5,212	13,332	6,910	5,069	25,312	3,376	—	—
	Overseas	35,242	27,107	62,349	29,877	45,593	137,819	31,741	—	—
	Total	43,362	32,319	75,682	36,787	50,662	163,132	35,118	77,000	158,500
FPD Equipment	Domestic	2,613	1,477	4,090	300	2,534	6,925	1,150	—	—
	Overseas	1,515	5,353	6,868	3,043	3,011	12,923	3,834	—	—
	Total	4,129	6,830	10,959	3,344	5,546	19,849	4,984	9,000	27,000
Media and Precision Technology	Domestic	4,650	4,881	9,532	4,270	6,592	20,395	4,404	—	—
	Overseas	7,008	7,566	14,575	7,505	9,680	31,761	7,786	—	—
	Total	11,658	12,448	24,107	11,775	16,272	52,156	12,191	26,500	54,000
Graphic Arts Equipment	Domestic	4,283	4,259	8,543	3,931	5,625	18,100	4,023	—	—
	Overseas	5,813	6,221	12,034	6,191	7,608	25,834	6,202	—	—
	Total	10,097	10,481	20,578	10,122	13,234	43,935	10,225	22,600	46,300
PCB Equipment	Domestic	367	621	988	338	966	2,294	381	—	—
	Overseas	1,194	1,345	2,540	1,314	2,072	5,926	1,584	—	—
	Total	1,561	1,967	3,529	1,652	3,038	8,221	1,965	3,900	7,700
Other	Domestic	132	169	301	184	180	666	136	—	—
	Overseas	34	56	90	26	24	141	43	—	—
	Total	166	226	392	210	204	807	180	500	1,500
Grand Total	Domestic	15,516	11,740	27,257	11,665	14,376	53,300	9,068	—	—
	Overseas	43,800	40,083	83,884	40,452	58,309	182,646	43,406	—	—
	Total	59,316	51,824	111,141	52,118	72,686	235,946	52,475	113,000	241,000
	Overseas Ratio	73.8%	77.3%	75.5%	77.6%	80.2%	77.4%	82.7%	—	—

## Orders received &amp; Order backlog (Consolidated)

(Millions of yen)

		FY2014						FY2015			
		3 months ended Jun. 30, 2013		3 months ended Sept. 30, 2013		3 months ended Dec. 31, 2013		3 months ended Mar. 31, 2014		3 months ended Jun. 30, 2014	
		Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Semiconductor Equipment	Domestic	7,987	8,055	4,744	7,586	4,777	5,453	5,854	6,238	4,122	6,983
	Overseas	27,142	43,020	35,968	51,881	40,279	62,282	29,289	45,977	32,499	46,735
	Total	35,129	51,074	40,712	59,467	45,056	67,735	35,143	52,215	36,621	53,718
FPD Equipment	Domestic	668	2,158	2,582	3,264	396	3,360	1,106	1,931	647	1,427
	Overseas	6,668	16,317	1,655	12,619	1,747	11,322	9,925	18,236	11,880	26,281
	Total	7,336	18,476	4,238	15,883	2,143	14,682	11,031	20,167	12,526	27,708
Media and Precision Technology	Domestic	4,826	1,482	4,920	1,520	5,145	2,395	5,923	1,725	5,847	3,168
	Overseas	8,100	3,977	7,348	3,758	10,181	6,434	7,560	4,314	8,272	4,799
	Total	12,926	5,459	12,269	5,279	15,327	8,829	13,483	6,039	14,119	7,968
Graphic Arts Equipment	Domestic	4,351	1,287	4,397	1,424	4,304	1,796	5,455	1,626	4,734	2,337
	Overseas	7,079	3,593	6,061	3,433	8,396	5,637	5,634	3,663	6,844	4,304
	Total	11,430	4,880	10,458	4,857	12,700	7,433	11,089	5,288	11,577	6,640
PCB Equipment	Domestic	475	195	523	96	841	599	468	99	1,113	831
	Overseas	1,021	384	1,287	326	1,786	797	1,926	652	1,428	496
	Total	1,496	578	1,811	422	2,627	1,396	2,394	751	2,542	1,327
Other	Domestic	—	—	—	—	—	—	—	—	—	—
	Overseas	—	—	—	—	—	—	—	—	—	—
	Total	—	—	—	—	—	—	—	—	—	—
Grand Total	Domestic	13,482	11,695	12,246	12,369	10,319	11,208	12,883	9,894	10,616	11,578
	Overseas	41,910	63,314	44,972	68,258	52,207	80,039	46,774	68,527	52,651	77,815
	Total	55,392	75,009	57,218	80,628	62,526	91,246	59,657	78,422	63,267	89,394
	Overseas Ratio	75.7%	84.4%	78.6%	84.7%	83.5%	87.7%	78.4%	87.4%	83.2%	87.0%