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To whom it may concern:

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Notice: Semi-Annual Business Forecast Differences with its Results, Full-Year Business Forecast Revision, Reversal of Deferred Tax Assets and Dividends Forecast Revision

The following table displays the differences between the business forecast for the six months ending September 30, 2012 announced on August 7, 2012 and the actual results announced today.

Upon consideration of such factors as recent trends in business circumstances, we have revised our forecast of business results and cash dividends for the fiscal year ending March 31, 2013 as follows.

Description

1. Differences between business forecast and actual results, and revision of full-year business forecast

(1) Differences between business forecast and actual results for the six months ended September 30, 2012
 (April 1, 2012 to September 30, 2012)

(Millions of yen)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share(Yen) |
|--|-----------|------------------|-----------------|------------|---------------------------|
| Previously announced forecast (A) (Announcement on August 7, 2012) | 97,000 | (1,800) | (2,100) | (3,400) | (14.32) |
| Actual result (B) | 95,853 | (3,531) | (3,697) | (9,160) | (38.59) |
| Amount of change (B-A) | (1,146) | (1,731) | (1,597) | (5,760) | — |
| Percentage change | -1.2% | — | — | — | — |
| (Reference) Business result for the previous 6 months ended September 30, 2011 | 123,021 | 9,000 | 8,815 | 6,531 | 27.51 |

(2) Revision of business forecast for the fiscal year ending March 31, 2013
 (April 1, 2012 to March 31, 2013)

(Millions of yen)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share(Yen) |
|---|-----------|------------------|-----------------|------------|---------------------------|
| Previously announced forecast (A) (Announcement on August 7, 2012) | 213,000 | 3,500 | 2,500 | 500 | 2.11 |
| Revised forecast (B) | 190,000 | (7,000) | (7,500) | (14,000) | (58.98) |
| Amount of change (B-A) | (23,000) | (10,500) | (10,000) | (14,500) | — |
| Percentage change | -10.8% | — | — | — | — |
| (Reference) Business result for the previous fiscal year ended March 31, 2012 | 250,089 | 13,498 | 12,284 | 4,637 | 19.54 |

(3) Reason for differences and revision

Differences between the business forecast and the actual results for the six months ended September 30, 2012 were attributable to the fact that profit in the Semiconductor Equipment segment fell short of the previous forecast due to such factors as low facility utilization, and in addition that income taxes-deferred (income tax expense) were recorded following a partial reversal of deferred tax assets.

Regarding future economic conditions, semiconductor manufacturers are expected to curtail capital investment even further against the backdrop of the uncertain economic environment and prolonged weak demand for personal computers.

Under these conditions, Dainippon Screen has revised its consolidated business forecast for the fiscal year ending March 31, 2013 as above. This is mainly attributable to the prospect that sales and profit in the Semiconductor Equipment segment are likely to fall short of the previous forecast.

Against the backdrop of this extremely harsh business environment, the Dainippon Screen Group will work diligently to reduce variable costs as well as other costs. Simultaneously, with an eye to the next fiscal year and beyond, the Group will further endeavor to lower the break-even point by quickly implementing steps aimed at improving its earnings structure. To ensure future capital stability, the Group has secured an additional ¥10 billion commitment line agreement. Together with existing agreements, the Group has now shored up its capital raising ability by securing, in total, a ¥30 billion commitment.

2. Reversal of deferred tax assets

In the second quarter ended September 30, 2012, as a result of reviewing the realizability of deferred tax assets due to the significant change in business environment, Dainippon Screen's deferred tax assets (on nonconsolidated basis) for the portion not expected to be realized were reversed, and income taxes-deferred (income tax expense) of ¥3,550 million were recorded.

3. Revision of dividends forecast

(1) Reason for revision

In view of a prospect of posting a large amount of loss as shown above in the full-year business forecast, it is with regret that we will be obliged to revise our dividends forecast for the fiscal year ending March 31, 2013 from ¥5.00 to ¥0.00 per share.

(2) Details of revision

| | Cash dividends per share | | | | |
|--|--------------------------|--------------------|-------------------|----------|--------|
| | First Quarter-end | Second Quarter-end | Third Quarter-end | Year-end | Annual |
| Previously announced forecast (Announcement on August 7, 2012) | — | — | — | ¥5.00 | ¥5.00 |
| Revised forecast | — | — | — | ¥0.00 | ¥0.00 |
| (Reference) Dividends per share for the previous fiscal year ended March 31, 2012 | — | — | — | ¥5.00 | ¥5.00 |

To clarify management's responsibility for the revision of business forecast and dividends forecast, monthly remuneration for directors and corporate officers is to be reduced by 25-10% starting November 2012.

*The aforementioned forecasts are based on foreign currency exchange rate estimates of US\$1.00 = ¥80 and EUR1.00 = ¥100. 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.