

May 7, 2014

To whom it may concern:

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**Dainippon Screen Announces the Launch of Challenge2016,
Its New Three-Year Medium-Term Management Plan**

The Dainippon Screen Group has launched a new three-year medium-term management plan, Challenge2016, effective from the opening of the fiscal year ending March 31, 2015.

1. Background of the formulation of Challenge2016

From the fiscal year ended March 31, 2012, through the fiscal year ended March 31, 2014, the Dainippon Screen Group implemented the three-year medium-term management plan *NextStage70*, based on the fundamental policy of establishing a stable earnings structure and building a foundation for new growth. During the fiscal year ended March 31, 2013, the second year of the plan, performance worsened considerably in the mainstay Semiconductor Equipment and FPD Equipment segments due to restrained capital investment by device manufacturers. Since then, the Group has worked to improve its earnings structure and achieved a recovery in performance in the final year of the plan, but the task of establishing a stable earnings structure remains. In terms of building a foundation for new growth, the Group has achieved moderate results through such initiatives as internal organizational reform, continued marketing and technical development in new business fields as well as by bringing new products to market.

In light of these circumstances, under the new three-year medium-term management plan, Challenge2016 (April 2014 – March 2017), the Group will *challenge* itself to achieve consistently higher earnings after completing the earnings structure reforms of the previous medium-term plan and generate profits from new business fields.

2. Targets

- (1) Complete earnings structure reforms and achieve consistently higher earnings
Achieve operating income to net sales of 10% or above in the final year of the plan
- (2) Launch businesses in new fields
Generate profits in each new business field in the final year of the plan
 - Energy field
 - Inspection and measuring field
 - Life science field
 - Printed electronics field
- (3) Strengthen financial standing
Achieve an equity ratio of 50% or above by March 31, 2017

3. Fundamental Policies

- (1) Enhance profitability through a holding company structure
Change to a holding company structure to speed up business execution and implement a stricter

project-based budget management approach

(2) Build a high-profit business portfolio

Capitalize on our core competences and advance open innovation strategy to build a high-profit business portfolio

(3) Promote balance sheet management

Place a greater emphasis on balance sheet management to create a more robust financial structure

(4) Advance CSR management

Nurture a Groupwide CSR mindset; contribute to society through business

Note:

Forward-looking statements, including business forecasts, are made in accordance with currently available information and rational assumptions and are not intended to be a commitment to their future achievement. It should be noted that actual results could differ significantly due to a variety of factors.