

Information Communication



Business Strategies

Our Information Communication segment is composed mainly of Books and Magazines, Commercial Printing, Business Forms, and Education and Publications Distribution operations. The segment is working hard to develop new services and new businesses that address current trends such as the diversification of consumers' value systems, progress in information technologies, and globalization. In order to increase the segment's competitiveness, in October 2012 we merged three business units that mainly handled commercial printing, smart cards, and security solutions and formed a single business unit called Information Solutions. By combining the specialized strengths that these three business units have cultivated, we intend to increase our ability to solve issues related to the following themes on behalf of corporate clients and consumers:

● Creation of highly original solutions

We will provide highly original, effective solutions by combining the solid customer base that we have cultivated with forward-looking products and services.

● Strengthening of personalized marketing

We will enliven communication between corporations and consumers by offering more personalized information services through the use of diverse information media, including website-based and in-store media.

● Expanding our Business Process Outsourcing (BPO) business

We will focus on BPO-related operations that we can perform on behalf of client companies in order to boost their efficiency; these include operation of customer service centers and sales campaign management offices, and performance of back office functions for financial institutions.

● Boosting cooperation within the DNP Group and between affiliates

By increasing collaboration between highly specialized companies like Maruzen CHI Holdings Co., Ltd. and Nihon Unisys, Ltd., we will strengthen our "honto" hybrid bookstore network and other operations, including data centers and information security.

Main Policies

Expanding Hybrid Production Solutions and DNP's "Hybrid Bookstore Network"

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In order to stimulate the publications market, DNP focuses not only on our position as a printing company, i.e. a manufacturer, but also on boosting the efficiency of our marketing, sales, and distribution functions and on improving customer service. We are developing a "hybrid bookstore network" that links bricks-and-mortar bookstores with online mail-order bookstores and e-book sales services at the same time that we enhance our framework for providing "hybrid production solutions" that offer one-stop support for the publishing of paper books, electronic content, and on-demand printing.

Cross Media Communications

DNP is reinforcing its cross media business in response to increasing diversification of information media formats, including social media and digital signage, with a focus on content management systems (CMS). For example, we can use our electronic catalog production and distribution system to automate production processes in the construction of optimized databases. In this way, we can reduce production lead time and cut costs while maximizing the synergistic benefits of using both paper and electronic media; in short, we help stimulate communication between companies and consumers.

Development and Expansion of Channels for Communication with Consumers

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DNP engages in a wide variety of online business enterprises. For example, we operate the "Elne" loyalty point service and "Orikomio!" e-flyer service, and participate in a capital and business alliance with All About, Inc. Going forward, we will focus particularly on the O2O* services that are attracting attention amid increasingly widespread use of smart phones. DNP provides business models for drawing customers to bricks-and-mortar stores by providing consumers with optimized online information at the times they want it, for example through smart phone applications that handle membership authentication, payment, and coupon distribution. By collecting and analyzing consumer information and providing feedback to companies that offer products and services, DNP will continue to provide solutions that benefit both information senders and receivers.

* O2O (Online to Offline): online marketing —through mobile phone applications or the Internet— that draws customers to make purchases at offline (physical) businesses

Expanding Business Process Outsourcing (BPO) Based on Corporate Clients' Trust in DNP

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DNP is focusing on expanding comprehensive Business Process Outsourcing (BPO) services that address corporate clients' overall business processes. Our BPO services go beyond contracting to print direct mail and notifications, etc. to lighten our customers' workload in such areas as on-demand printing and all types of back-office operations including market research, planning and development, content production, operation of data centers and customer service centers, and promotional material envelope-stuffing and mailing.

Security Solutions and NFC

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DNP leads the Japanese markets for smart card production and issuance and for development of smart card operating systems and applications. We also provide unique security solutions that make use of our smart card-related strengths. We are preparing to meet the international standards for Near Field Communication (NFC) that are likely to be used increasingly widely in smart phones. DNP is developing a variety of services to support safe and secure lifestyles.

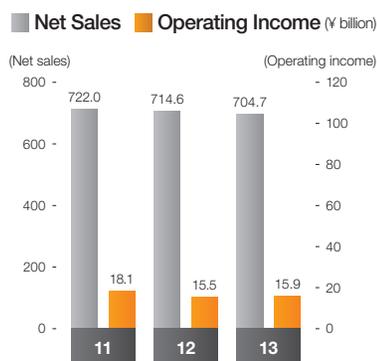
Expanding DNP's Business through Cooperation with Nihon Unisys, Ltd.

DNP has accumulated a great deal of expertise through performing front office operations that deal directly with consumers and corporate clients. Nihon Unisys, Ltd. is one of Japan's top IT system vendors. By linking these two companies across industry lines, we intend to generate new businesses and new services. Specifically, we will work on collaborating in four areas: "marketing and sales cooperation" aimed at boosting both companies' capacity for proposing solutions for customers; "strengthening the service business infrastructure" that is the foundation of both companies' businesses; "joint development of marketing platforms" to help corporate clients meet their customers' needs more quickly and more effectively; and "global development," which is an important issue for both partners. Through these efforts, we aim to achieve 50.0 billion yen in joint sales in the fiscal year through March 2017.

Financial Results

Financial Highlights

	(¥ billion, %)		
	2011.3	2012.3	2013.3
Net sales	¥ 722.0	¥ 714.6	¥ 704.7
Operating income	18.1	15.5	15.9
Operating income margin	2.5%	2.2%	2.3%



Net sales

The environment surrounding the segment as a whole remained harsh due to a lackluster publications market, lack of growth in outlays for non-Internet advertising, and reductions in corporate expense budgets, among other factors. Net sales declined by 1.4%, or 9.9 billion yen, from the previous fiscal term.

Operating income

Operating income increased by 2.9%, or 456 million yen, from the previous term, thanks largely to improved productivity stemming from the integration of business units, reductions in indirect costs, and expansion of strategic products and services including smart cards and Business Process Outsourcing (BPO). The segment's operating income margin increased by 0.1 point, from 2.2% a year earlier to 2.3%.

Fiscal Term through March 2013: Business Environment and Summary of Financial Results

Books and Magazines

The Japanese publications market remained sluggish in the year through March 2013, with publishing industry sales down 4.4% from a year earlier to 1,718.2 billion yen according to Japan's Research Institute for Publications. Big hits were scarce in the book market, where sales declined by 2.9% to 796.9 billion yen. Magazine sales continued their downward trend, falling 5.6% to 921.3 billion yen. In addition to a drop in the number of magazines sold, the number of magazines that ceased publication was greater than the number of new titles. Despite this environment, DNP took advantage of its integrated manufacturing line—which handles everything from printing to binding—to increase sales from book publishing for the third consecutive year. However, magazine sales declined and sales by DNP's overall Books and Magazines business ended slightly below the previous-year level.

Meanwhile, Japan's market for electronic publications in the fiscal term through March 2013 grew by 16% from the previous term's roughly 63.0 billion yen to about 73.0 billion yen. DNP focused on providing services that make consumers "certain to find a book they want to read" and "able to read the book they want in the format they want," primarily through the "honto" hybrid bookstore network that combines electronic book sales, Internet-based mail-order sales, and bricks-and-mortar bookstores. In the fiscal year ended March 2013, we provided readers with greater value, for example by enabling them to use hybrid loyalty points throughout the honto network and to use a hybrid "My Bookshelf" program to manage both electronic and paper book purchases, and by distributing publication rankings and information about bookstore events.

We are also working to improve the functionality of our "Hybrid Production Solutions," which address both paper and electronic media formats. In addition to producing electronic book content, we aim to expand our electronic magazine business by producing content with added video and audio components, by developing search functions and website-linking functions, and by developing overseas businesses that capitalize on magazine brands.

Commercial Printing

Overall, Japanese corporate advertising expenses in the fiscal year ended March 2013 were little changed from the previous year, according to the Ministry of Economy, Trade and Industry. Sales of Internet-based advertising continued to grow while the market for magazine advertising and publication of flyers, etc., was sluggish. Due to the increasing trend toward distributing product catalogs and user manuals via the Internet rather than in paper formats, demand for printed matter continued to decline.

Given this situation, although DNP's Commercial Printing business boosted sales from such services as sales campaign office management and customer service center operation, and from point-of-purchase advertisements, etc., overall sales declined relative to the previous year due to the decrease in printing of pamphlets, flyers, and catalogs.

Based on consumers' point of view, DNP is promoting "cross media communication" business that provides consumers with the information they want at the times when they want it, by means of the most appropriate information media. In addition, we have been integrating business units in order to strengthen cooperation between segments, and are making use of our solid information security infrastructure and diverse information media, including websites and in-store promotional materials, as we focus on personalized marketing based on consumer information. Furthermore, we are expanding our Business Process Outsourcing (BPO) business, whereby we increase the efficiency of clients' businesses by handling various processes on their behalf, including operation of customer service centers and campaign event management offices.

Business Forms

As corporations streamline their organizations and trim expenses, they are ordering fewer types and fewer copies of printed matter. The business environment for this sector remains harsh as all types of notifications that used to be printed on paper and mailed to consumers are increasingly being made available through the Internet instead. On the other hand, there is increasing worldwide demand for information security systems that enable safe and reliable storage and use of sensitive corporate information and consumers' personal information.

By taking advantage of our Business Forms unit's high capacity for developing software and processing information under the protection of DNP's strong security infrastructure, we expanded sales of products like smart cards used for telecommunications, transportation, and electronic money applications. On the other hand, as businesses shift more notifications to the Internet and cut overall costs, we have seen less demand for information processing services (IPS) that handle every step in the production of personal mail and other customer communication, from data

input to printing and mailing. As a result, overall Business Forms sales declined relative to a year earlier.

DNP has always led Japan's market for smart cards and authentication technologies. We combine this advantage with our strength as a manufacturer of products like holograms in order to develop safe, reliable and convenient security solutions. We also intend to develop global services for a wide variety of industries including finance, logistics and manufacturing, using the near field communications (NFC) international standard that is expected to be increasingly widely used in smart phones and other devices.

Education and Publications Distribution Business

Although our Education and Publications Distribution business focused on sales of electronic books, book sales to libraries and education-related businesses were sluggish, and sales declined somewhat compared to a year earlier.

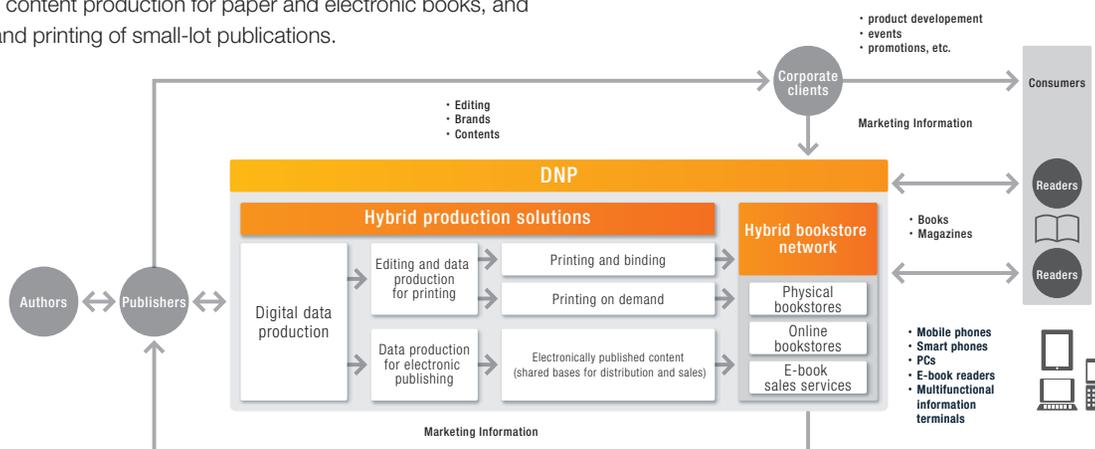
Maruzen CHI Holdings Co., Ltd. performed more contracted services on behalf of libraries and worked on boosting profitability through such steps as closing inefficient stores and trimming its workforce. We tried to boost the sales of Bunkyo Group Holdings Co., Ltd. by opening new stores and renovating existing stores, but sales still fell below the previous-year level.

The publications distribution market is expected to remain difficult, but we aim to expand profits through such initiatives as rebuilding or remodeling bookstores in line with consumer demands and market realities, expanding our hybrid bookstore network that combines electronic and paper books, and improving our distribution services and product lineups.

Expanding Hybrid Production Solutions and DNP's "Honto Bookstore Network"

Rather than approaching the market solely from the standpoint of a manufacturer, we offer total support as the Japanese publishing industry's "No. 1 partner." This includes helping with the planning of marketing and sales promotion projects, sales and distribution of both electronic and paper books, and providing customer service. DNP began digitizing printing processes in the early 1970s. Today, we are making the most of the experience that we have accumulated in this field as we focus on "hybrid production solutions" that meet all of our publishing customers' needs, including content production for paper and electronic books, and on-demand printing of small-lot publications.

DNP aims to create a service that makes consumers "sure to find a book they want to read" and "able to read the book they want in the format they want," primarily by developing our "honto" hybrid bookstore network that combines three sales formats: physical bookstores, online mail-order sales, and e-book sales. "honto" sales data is highly reliable marketing information. By providing it to publishers and other companies, we aim to stimulate the publishing market and corporate clients' product development and sales promotions.



➤ Hybrid promotion linked with physical bookstores, online mail-order sales, and e-book sales service

The strength of DNP's "honto" hybrid bookstore network lies in its linkage of physical bookstores, online mail-order sales, and an e-book sales service. One example of how "honto" actively works to promote sales of both paper and electronic books is a loyalty point service that we launched in June 2012, allowing customers to accumulate "honto" points regardless of what sales format they used for their purchase. Purchasing records and other customer information are used as a basis for distributing targeted information including book recommendations. We also provide a "My Bookshelf" program and smart phone application that allow consumers to keep track of their electronic and paper book purchases in one place.

Our hybrid network takes a variety of initiatives aimed at promoting sales. For example, we advertise bookstore events through the "honto" website and distribute detailed information and videos related to books through "hontovision" digital signage installed at bookstores.

We also operate the "honto Cafe," where customers are free to experience reading e-books on tablet PCs made available throughout the shop. The cafe is located inside Communication Plaza dot DNP, a showroom that we opened in January 2013 in Tokyo's Shinjuku Ward. The showroom also serves as a venue for events to introduce books and magazines, which we organize in cooperation with publishing companies.



hontovision: a type of digital signage installed in the main bookstores of DNP Group subsidiaries Maruzen Co., Ltd. and Junkudo Co., Ltd. Each unit is built into a merchandise display shelf, and can be used for various types of promotions.

Communication Plaza dot DNP: a showroom where consumers can experience a wide range of products and services offered by the DNP Group. The photo at right shows the "honto Cafe" on the first floor.



Developing and Expanding Channels for Communication with Consumers

DNP provides solutions that support consumers' various purchasing activities. By making use of our best technologies to provide a variety of services that consumers can easily appreciate, we continue to create communication services that are beneficial to both consumers and businesses.

▶ Providing a variety of services that help consumers shop **“Orikomio!” e-flyer service**



Launched in 2001, DNP's “Orikomio!” e-flyer service enables users to access daily information about special offers, either by taking a leisurely look on their home computer, or by checking a smart phone or tablet PC while on the go. In addition to this basic function, we have been developing one function after another that expands opportunities for communication between consumers and businesses, resulting in both more convenience for customers and more opportunities for businesses.

In order to provide greater benefits for consumers, we added a function that allows consumers to create shopping lists of items advertised in the e-flyers that appear on their smart phone. In November 2012, we launched a smart phone service that proposes an ideal menu based on combining foods that the user already has at home with sale items advertised on an e-flyer.

Other services that we initiated in order to lighten the load on businesses while simultaneously helping them expand sales include a service that quickly and cheaply produces and distributes e-flyer smart-phone applications for distribution and retail businesses, and a service that uniformly manages production of e-flyers and paper-based sales promotion tools.

▶ Developing new B to C communication channels **“Receipti!” expense log reads cash register receipts**

A growing number of “O2O” (Online to Offline) services are inducing “online” consumers, i.e. users of the Internet and/or smart phone applications, to go to bricks-and-mortar stores and buy “off-line” merchandise. DNP is making use of its accumulated expertise in marketing to provide services that increase the timeliness and utility of information distributed by businesses and get consumers to visit stores, make purchases, and pass on the information that they receive.

In June 2013, DNP introduced “Receipti!,” a home budget application that allows users to track daily expenses simply by photographing receipts with their smart phone and even suggests the best recipes based on food items listed on receipts.

The application is also useful for food and beverage manufacturers, distributors and retail stores as it enables them to attract customers and promote sales by distributing promotional information and coupons based on purchasing patterns revealed by reading the receipts. We are developing a menu of solutions that will allow corporate customers to make use of purchasing information stored in our “Receipti!” databases for planning their marketing strategies.



Promoting DNP's Business Process Outsourcing (BPO) Business

Outsourcing of business processing is gradually becoming more commonplace, but most BPO services focus only on increasing efficiency and cutting costs. There are still few examples of BPO being used to improve customer service, increase sales, or expand a company's overall business.

DNP offers comprehensive BPO services that start with analyzing a client company's business challenges and continue with the construction of necessary frameworks or systems and the planning, design and execution of business processes. In this way, we help strengthen each company's corporate structure in line with its particular management strategies, and we support effective, strategic business reform that leads to business expansion. The main features of DNP's BPO business are:

- ① We provide optimal communication between corporations and consumers by using all kinds of information media, from printed matter to networked media.
- ② Because we have built advanced security infrastructure, we can provide safe and reliable information services that meet the rigorous quality standards of all kinds of corporations, including financial institutions.

③ Because we have accumulated know-how and constructed frameworks for properly handling large amounts of diverse personal information, we are able to reliably perform the level of mass processing required for large-scale projects such as responding to legal revisions, implementing corporate mergers, or changing organizational formats.

④ We solve corporate clients' management issues by reforming their business processes, which we accomplish by taking on the performance of functions like marketing, project planning, IT, and/or office work.

DNP offers two types of BPO services: BPO in the narrow sense of handling sensitive business information, including personal information, while carefully managing information security, and Commerce Process Outsourcing (CPO), which entails handling information related to the trade of goods or services. By addressing both of these areas with meticulous care, we intend to solve the problems of client companies in a wide variety of industries.

➤ Examples of BPO service

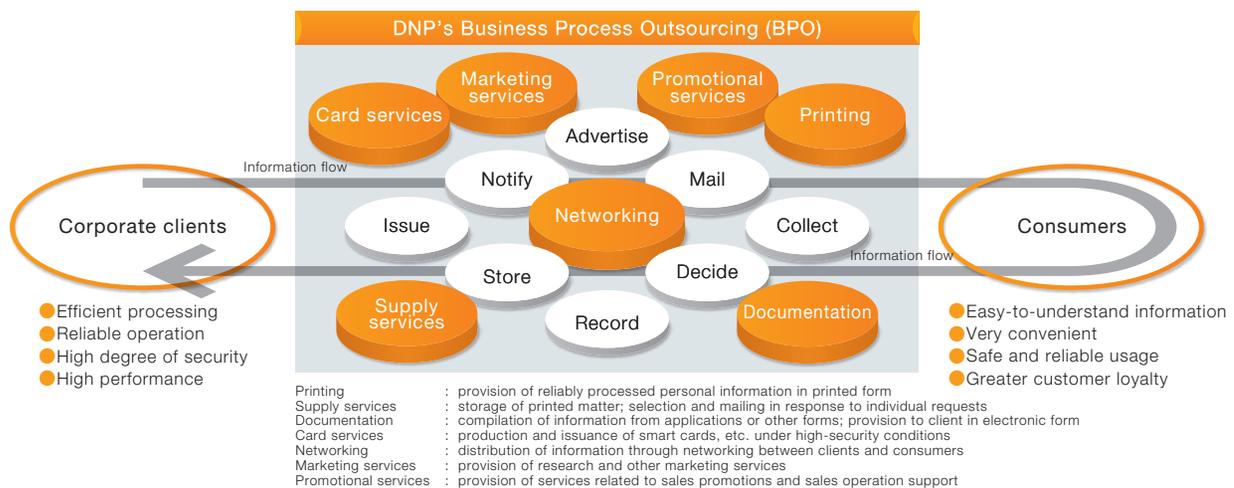
BPO may entail full outsourcing by a wide variety of industry types. Examples include handling of all processes related to new account set-up on behalf of banks, printing of notifications to policyholders on behalf of insurance companies, and processing of applications for credit card issuers and operators of certification examinations or school entrance examinations.

DNP has won high marks for accurate and dependable execution of business processes involving the handling of important information that requires the combination of printing, supply services, documentation, card services, networking and other services.

➤ Examples of CPO service

We support corporate clients' e-commerce through the construction of product or service information databases, integrated management of sales promotion tools, and construction of e-commerce websites. In addition to producing all types of sales tools, our comprehensive service includes point-of-purchase installation and data collection.

We combine marketing services, planning and production of sales promotion tools, customer management, sales operations, distribution and other services in order to accomplish whatever commerce-related tasks our corporate clients need us to do on their behalf.



Security Solutions for Safe and Reliable Communication

In recent years there has been strong demand for safer, more appropriate handling of information, including sensitive corporate information and consumers' personal information. In the more than 30 years since DNP began to develop smart cards in 1981, we have always been the leader in the Japanese smart card market. We have actively promoted the development and use of information network-related systems and of operating systems and application software for smart cards. Recently we have been providing advanced information security using near

field communication (NFC) and machine to machine (M2M) technologies, as well as other forms of telecommunications and equipment management. We are also focusing on developing broader solutions that employ these technologies.

DNP intends to deliver a variety of security solutions worldwide, using both our skills as a manufacturer—for example by developing holograms, printing minute characters, or using ink that changes color—and our skills in information processing, including processing involving smart cards and data centers.

▶ DNP's "Mobile Wallet," Japan's first platform for uniform management of NFC-compatible applications

Near field communication (NFC) is a set of international standards that is starting to be used in a wide variety of devices including exercise machines and home appliances in addition to credit card terminals at retail outlets, electronic money terminals, and loyalty point service terminals. The technology is increasingly viewed as likely to enable basic infrastructure to be shared around the world. Consumers can obtain a wide variety of information simply by holding up an NFC-enabled smart phone near one of various types of NFC-enabled devices.

DNP became Japan's first provider of a mobile wallet platform offering safe, reliable and convenient uniform management of payment processing and other smart phone-based services that have been proliferating as use of NFC has become more widespread. The platform supports "wallet-like" software that manages multiple applications, offering service providers such

services as distribution of software applications and management of authentication, universal updating of personal information, invoice production, coupon distribution, customer loyalty point management, and even healthcare and entertainment-related services.

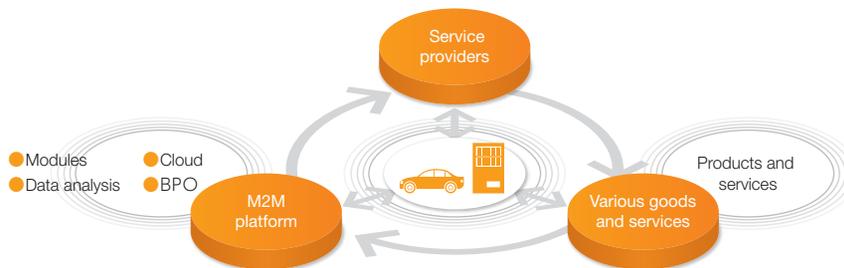


▶ Expanding security solutions through M2M technology

Machine to machine (M2M) technology allows devices connected by a computer network to exchange measurements and other data and to execute control functions with no need for the involvement of a human being. Recent developments in sensors and networking technologies have made it possible to obtain massive amounts of data in real time from a variety of devices.

Based on authentication and other security technologies that we acquired through the development and manufacture of smart cards, DNP has been developing authentication modules to

be built into electronic devices and cloud-based services that can perform functions like data analysis. By combining these elements with data obtained via M2M technology, we intend to build safe and reliable interactive networks of devices that have been verified as legitimate network members in order to monitor each device's status and usage and manage logistics and inventories. We will also link M2M with solutions in areas like payments and marketing, in order to develop even more convenient security solutions.



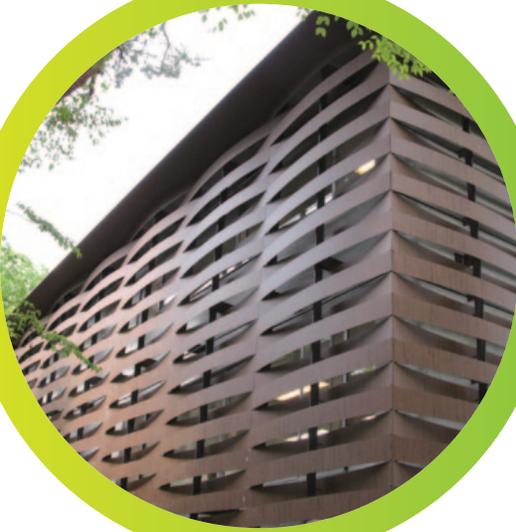
Business Strategies

Lifestyle and Industrial Supplies

The Lifestyle and Industrial Supplies segment is composed of three business divisions: Packaging, Lifestyle Materials, and Industrial Supplies. The segment plays a vital part in our corporate clients' manufacturing processes and provides many products that are important in the daily life of consumers. The Industrial Supplies division in particular provides many products for which demand is expected to grow, including various types of optical films that prevent glare on the surface of display components, components for photovoltaic cells, and lithium-ion batteries.

In recent years, consumers have become concerned that their lifestyles be environmentally friendly at the same time that they insist on safety and peace of mind regarding their food, clothing, and housing. Conservation of energy and resources, supporting clean energy, and applying universal design principles to make products and services easy to use for the maximum number of people are all important considerations. The Lifestyle and Industrial Supplies segment will continue to respond precisely to the diverse needs of DNP's corporate clients and consumers as we continue developing a multitude of eco-friendly products endowed with optimal functions for enriching people's lives.

DNP takes a very broad view of the business fields in which printing technologies can be applied. We include areas of social concern, such as environmental preservation, energy and life sciences, as areas in which we endeavor to create new businesses by providing cutting-edge, original products. We will speed up the development of these new businesses by making use of DNP's original technologies and by actively forming alliances with companies and research institutes that have particular capabilities.



Main Policies

Packaging : Expand Global Business with Focus on Advanced, Eco-friendly Products

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We intend to enhance our lineup of eco-friendly and highly functional products in order to realize both a sustainable society and an abundant consumer lifestyle. Also, we aim to develop our businesses not only in Japan, but around the world. We will also concentrate on analyzing consumers' awareness and usage of packaging products in order to continue creating the value that consumers demand.

We consider our Innovative Barrier (IB) film, a transparent film with excellent barrier properties, to be a strategic product that we will develop not only for packaging of foods and household items, but also for medical and pharmaceutical products and for industrial materials. In addition, we will concentrate on developing packaging products based on universal design and more eco-friendly products like our polyethylene terephthalate (PET) film made from sugar cane-derived material.

Moreover, we will push forward with the development of packaging technologies that enable a high level of safety while placing minimal burden on the environment, with the best example being aseptic filling systems for PET plastic beverage bottles, a market in which DNP is one of the top suppliers.

Lifestyle Materials : Realize Solutions for All Types of “Living Spaces”

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The Lifestyle Materials division offers comprehensive solutions for every type of “living space” where people conduct their lives, including homes, offices, medical and nursing care facilities, commercial facilities, hotels, automobiles, and trains, etc. We make use of DNP's original EB (electron beam) coating technology to supply abrasion and soil-resistant wall and floor coverings and other products that deliver the durability that is a basic requirement of products used in living spaces.

Lifestyle Materials engages in a wide range of businesses that address the entire living space supply chain. These include design of living spaces, measuring and assessing living environment quality, proposing space designs based on considerations like Kansei (emotional) engineering, and developing easy-to-implement construction techniques. In addition to developing new products like metal paneling that reduces electricity usage by effectively reflecting and diffusing light, we will make use of our global sales network to expand our market share in Europe and developing countries.

Industrial Supplies : Realize Sustainable Growth by Providing a Wide Range of Products

Information Media Supplies:

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We aim to enhance our global manufacturing and sales framework in order to increase the market share of DNP brand products worldwide.

In September 2013, we plan to start up a plant in Malaysia to strengthen our framework for producing dye-sublimation thermal transfer printing media (color ink ribbons and receiver paper) in order to meet rapidly growing demand for photo printing in Southeast Asian markets. By enhancing the framework for producing thermal resin-type transfer printing media used for printing barcodes at our Pittsburgh plant in the U.S., we intend to boost DNP's competitiveness throughout the Americas. Furthermore, we will expand our field of business by developing new print media and systems that meet the needs of each country's consumers.

Advanced Optics (Optical Films):

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DNP is particularly skilled at applying “clean converting” technologies—combinations of DNP's original optical technologies with techniques such as high-precision thin film coating and high-precision molding—which we use to develop a wide variety of optical films. In addition to anti-reflection films for liquid crystal displays, we are developing many new products including films for 3D displays and “Moth Eye®” films that are extremely effective at minimizing the reflection of light.

In the future, we intend to actively respond to trends in display markets, including higher definition, increasing multi-functionality and greater energy efficiency, and to make the most of our solid grasp of the properties of light in order to provide a wide variety of products that only DNP can provide. In addition, we will work more closely with Lifestyle Materials and other business units to focus on developing “smart houses,” “smart cities,” and other products and services that address environmental and energy-related problems.

Energy Systems:

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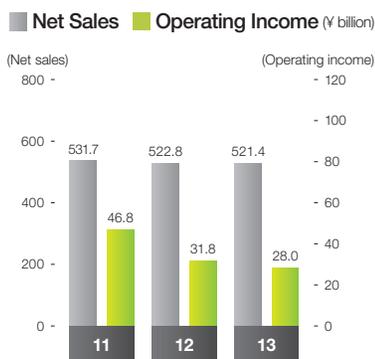
Due to increased demand for clean sources of energy, there is a growing market for products like lithium-ion batteries and photovoltaic cells. DNP uses its original technologies to offer a variety of products that meet this demand.

We are focusing on improving the functionality and lowering the cost of back sheets and encapsulants used in photovoltaic cells while also pursuing the development of new products that will help improve the cells' reliability and conversion efficiency. While DNP is already the world's largest provider of soft packs for lithium-ion batteries used in mobile phones and similar devices, we intend to work harder than ever to expand applications for these types of products to batteries used in larger devices like electric cars and home-use storage batteries.

Financial Results

Financial Highlights

	(¥ billion, %)		
	2011.3	2012.3	2013.3
Net sales	¥ 531.7	¥ 522.8	¥ 521.4
Operating income	46.8	31.8	28.0
Operating income margin	8.8%	6.1%	5.4%



Net sales

Industrial Supplies sales dipped below the previous-year level, largely due to a decline in sales of anti-reflection films resulting from lower prices and heavier competition in the LCD television market. At the same time, sales of aseptic PET plastic bottle filling systems and Lifestyle Materials products increased. As a result, sales by the segment as a whole declined by 0.3%, or 1.4 billion yen, from a year earlier.

Operating income

Affected by factors like lower market prices for photovoltaic cells and decreased sales of optical films, operating income fell by 12.0%, or 3.8 billion yen, from the previous year. The operating income margin declined 0.7 point from the previous year's 6.1%, to 5.4%.

Fiscal Term through March 2013: Business Environment and Summary of Financial Results

Packaging

Because personal consumption was sluggish in the fiscal year ended March 2013, sales of foods and household items were lackluster. Although sales of paper yogurt containers increased, sales of other paper containers and flexible packaging were little changed from the previous year. On the other hand, sales of large-scale aseptic filling systems increased greatly relative to a year earlier, as did packaging sales in Indonesia.

Following the startup of a new plant in Vietnam in May 2013, we also plan to expand our Indonesian plant as we reinforce our overseas manufacturing bases with a focus on Southeast Asia, where demand is robust. Throughout Japan, we reorganized our packaging manufacturing units in order to improve competitiveness by building an optimal production framework and reforming our cost structure.

Lifestyle Materials

Japanese housing starts rose by 6.2% year on year to around 890,000 units, marking a third consecutive year of increase. Reasons for this growth included reconstruction following the Tohoku-Pacific Ocean Earthquake and a rush to complete projects before an expected sales tax increase. Increased demand for eco-friendly products made with DNP's unique EB coating technology as well as solid sales of high-added value products that excel in terms of both aesthetics and functionality also helped this sector exceed the previous year's sales.

We intend to further expand our Lifestyle Materials business in various directions: for example by actively entering the markets for home renovation and elderly housing, by increasing our lineup of external products, by developing our automotive electron beam (EB) coating products on the global market, and by reinforcing sales of Ellio steel plate in response to increasing worldwide demand for railway cars.

Industrial Supplies

Information Media Supplies

In the fiscal term ended March 2013, we maintained sales of dye-sublimation thermal transfer printing media (color ink ribbons and receiver paper) at roughly previous-year levels despite sluggish domestic demand for photo prints and the effects of a strong yen during the first half of the term. In the market for thermal resin-type transfer printing media for printing barcodes, there was lackluster demand for Europe-bound products, but U.S. sales were strong.

Looking ahead, we expect to complete construction of our Malaysian factory in September 2013, which will help us respond to robust demand for dye-sublimation thermal transfer printing media in Southeast Asian markets. In addition, we will boost our competitiveness in the market for thermal resin-type transfer printing media for printing barcodes throughout the Americas by adding production equipment at our Pittsburgh plant in the U.S.

Advanced Optics (Optical Films)

The environment surrounding this market was very difficult, due to factors like growth in tablet PCs putting pressure on demand for laptop computers and monitors in addition to the worldwide slump in demand for flat-panel displays, including LCD and PDP (plasma display panel) televisions.

In the year ended March 2013, DNP sold more new products, including films for 3D displays and ultra-low reflection films. However, sales of anti-reflection films used in liquid crystal

displays dropped due to the double impact of sluggish demand and lower unit prices resulting from increased competition. In addition, sales of existing products such as projection screen components and contrast improvement film and other PDP components were generally sluggish and declined relative to the year before.

In the future, in addition to maintaining our large market share on the strength of outstanding technology, we will focus on developing new products that make use of clean converting techniques based on DNP's original optical technologies.

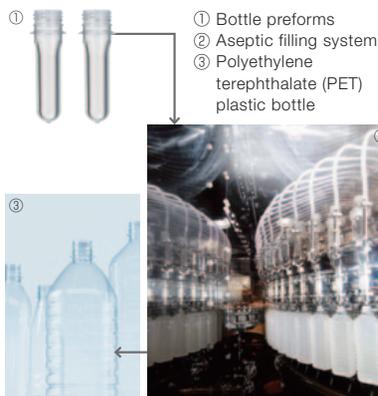
Energy Systems

Here too, the business environment was severe. In the fiscal term ended March 2013, in addition to a sharp drop in worldwide demand for photovoltaic cells due to the European fiscal crisis and other factors, order prices also plunged, largely due to increased competition. DNP's Energy Systems business sold more soft packs for lithium-ion batteries and encapsulants for photovoltaic cells, but sales of back sheets for photovoltaic modules were weak.

In the future, we will develop and market components with better functionality and greater durability, for which demand is expected to increase. Currently there is growing demand for soft packs for lithium-ion batteries used in smart phones and other mobile devices, but in the long term we aim to respond to growing demand for electric car batteries and home-use storage batteries.

TOPICS

Aseptic filling systems: a field with growing potential DNP's comprehensive framework handles every aspect from technological development to equipment manufacture and installation



One of the important roles of packaging is to enable the safe and reliable delivery of foods and beverages to consumers. "Aseptic packaging" entails filling sterilized containers or packaging material with sterilized contents and sealing them shut within a bacteria-free environment. In addition to being safe and reliable, this type of system preserves nutrients, flavors, textures, colors and aromas by eliminating the need to sterilize contents at high temperatures for a long period of time.

In 1978, DNP became the first Japanese company to develop aseptic packaging when we began working on single-portion containers for coffee whitener. Since then, we have continued to innovate new technologies as packages have become more complex.

In 1994, DNP was the first Japanese company to develop a system for aseptically filling PET plastic beverage bottles with milk-based beverages. In 1997, we started operating a system that aseptically filled small, test tube-like bottle preforms while simultaneously blowing them up into full-size bottles. We expanded this business and today hold one of the largest shares of the Japanese market for aseptic bottle preform-filling systems.

By refining our converting technologies (technologies that change a material's form) and the sterilization techniques that we have been working on for some 40 years, we have built a comprehensive framework for handling every step from technological development to equipment manufacture and installation, and we are now working on market development.

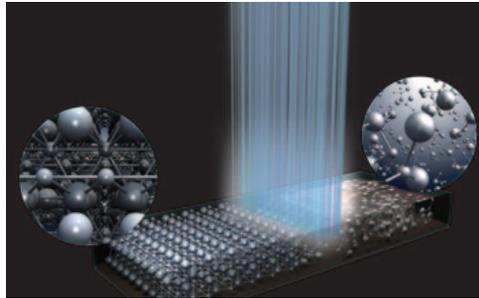
Lifestyle Materials: Developing Solutions for All Types of Living Spaces

DNP's Lifestyle Materials Operations develops and supplies a wide range of products and services for any company, whether in Japan or abroad, that deals in "dwelling spaces," including homes, offices, medical or nursing care facilities, automobiles and railroad cars. As we develop this business, we keep in mind a number of concepts that are indispensable to the development of living styles and living spaces for the future. These include environmental and energy conservation, safety and security, health and comfort, aging, smart housing and smart cities.

DNP has filed more than 1,000 patent applications related to our proprietary electron beam (EB) coating technology. The advanced, eco-friendly products that we make with this technology have won high praise from corporate clients and consumers and are capturing a growing share of the domestic market for interior and exterior products. One after another, we are creating products like "EB Floor" and "EB Cloth" that generate new value for "dwelling spaces."



Model room showing residential interior using DNP products



Electron Beam (EB) coating



A model lobby with DNP wall and floor coverings

➤ Providing solutions that cover every part of every dwelling space

DNP defines "dwelling space" as any location where people conduct their lives, and we consider all dwelling spaces to be within our field of business. We have continually advanced "dwelling spaces" by increasing "functional value"—primarily through EB technology—and "kansei (emotional) value"—primarily through design. We are actively engaged in new product development aimed at creating dwelling spaces for the future, which will not only meet the expectations of our corporate clients but also enable consumers to enjoy full and comfortable lives.

Our VOX-ART (Beaux-Art) and WORKSHOP lifestyle materials showrooms (in Gotanda, Tokyo; Nanba, Osaka; and Tenjin, Fukuoka) display models of residential living spaces that highlight DNP's unique design ideas. The comprehensive showrooms display DNP interior products covering ceilings, floors, walls, doors, windows and sliding partitions, and Ellio steel plate and other DNP exterior products in front doors and elevators, etc.

The showrooms serve as a meeting place for condominium developers, residential contractors, interior coordinators, and design firms. In addition to introducing each of our decorative

materials, we integrate into our business the viewpoints that we hear in these showrooms from the many stakeholders involved in creating and using residential living spaces.

Based on this information, we envision lifestyle scenarios and propose comprehensive solutions encompassing every step from materials development and living space design to interior coordination, even including construction methods.



DNP's VOX-ART (Beaux-Art) lifestyle materials showroom in the DNP Gotanda Building

Information Media Supplies: Business Expansion Centered on Photo Printing

DNP began manufacturing and selling information media supplies in the 1980s after applying coating technologies that we cultivated through our printing business to the successful development of two types of thermal transfer printing media—dye-sublimation and thermal resin. DNP is among the world's largest providers of both dye-sublimation media (used primarily in photo printers and card printers for printing high-definition, full-color images) and of thermal resin-type media (used mainly in ink ribbons for high-speed barcode printers).



Dye-sublimation thermal transfer printing media and a digital photo printer (right)



Thermal resin-type transfer printing media

➤ Expanding our business by developing products that meet customers' photo printing needs

Due to the increasing popularity of smart phones and digital cameras, there has been a dramatic increase in the number of photos taken by consumers. In tandem with this trend, more people are printing photos using dry methods such as dye-sublimation or inkjet rather than conventional silver halide methods using a developing solution.

Dye-sublimation printers are gaining popularity in the market as they take up less space, are more affordable to buy, and are easier to maintain than other types of dry printers or photo printers that use silver halides. DNP's dye-sublimation thermal transfer printing media are increasingly appreciated in the market

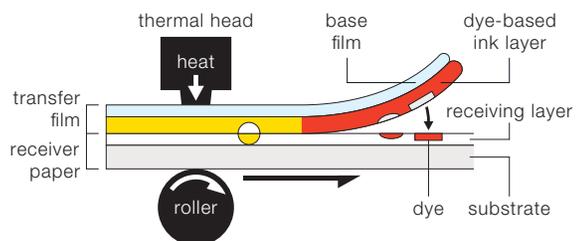
How dye-sublimation type thermal transfer printing works

Heat from the printer's thermal head sublimates (vaporizes and hardens) yellow, magenta and cyan dye-based inks that have been thinly coated onto a base film, and transfers each color in turn onto receiver paper, thereby printing a color image. Because the amount of ink transferred is proportional to the amount of heat in the thermal head, the printer can express smooth gradations in color tones and produce finely detailed, beautiful photographs.

One way in which we expand our worldwide business is by actively pursuing M&As that provide synergistic benefits through the combination of our strengths with those of other companies. In 2006, for example, we acquired the Konica Minolta Group's ID photo business and photography-related product manufacturing and sales businesses. In 2008, we acquired Sony Chemical & Information Device Corp.'s barcode printing business, and in 2011 we acquired Sony Corp.'s commercial-use digital photo printer business.

because they deliver the same smooth color tones and high-quality images as silver halide printing, but the prints come out instantly and are exceptionally durable. In addition to offering printing services at retail outlets, we take advantage of DNP's instant printing system to offer printing services at more and more locations, including event venues and tourist destinations.

In the future, in addition to ongoing development and production of print media, we intend to use our capacity to develop printing systems and software in order to provide convenient products and services for consumers' enjoyment.



Advanced Optics (Optical Films):

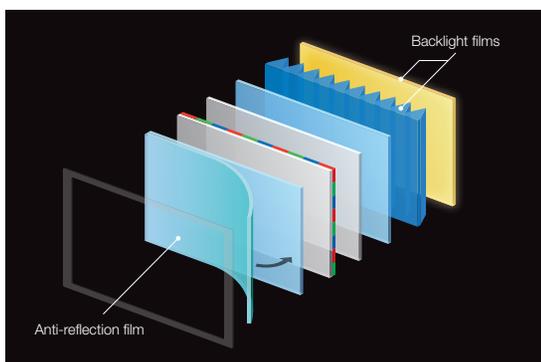
Using “Clean Converting Technologies” to Provide Products and Solutions that Only DNP Can Provide, Based on Our Thorough Knowledge of Optical Properties

By making use of the “clean converting technologies” that we acquired through the design and development of a variety of materials and manufacturing processes based on original optical design technologies, DNP provides optical film products that perform a variety of functions, primarily for flat-panel displays used in devices like televisions, personal computers, and mobile devices.

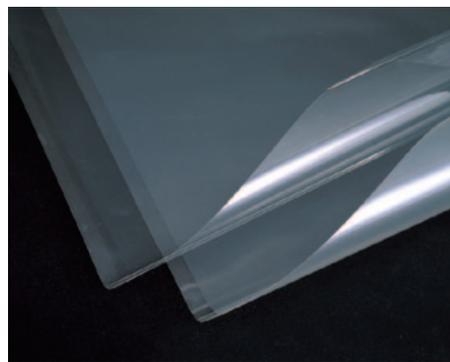
DNP has won the top share of the world market for anti-reflection films, which are used on a display’s outermost surface

in order to make the display easier to see by preventing glare from both indoor and outdoor light. We have developed one new product after another, including films for 3D displays, “Moth Eye®” ultra-low reflection films, and optical films for touch panel displays.

In the future, we will make use of our proprietary basic technologies to advance product development from new points of view and to expand our business into a broader market that includes fields like energy and environmental preservation.



DNP optical films used in a liquid crystal display



Anti-reflection film

➤ “Moth Eye®” anti-reflection film reduces light reflection more than ever before



The compound eyes of moths have microscopic conical protrusions that measure a few hundred nanometers in height and form a concavo-convex surface structure called a “moth-eye” structure. Because the protrusions on the surface of a moth’s eye are smaller than the wavelength of light, they block reflection of outside light. This allows the moth to make efficient use of what little light there is at night without exposing its position to an enemy by reflecting light from its eyes.

DNP produces films that imitate the microscopic concavo-convex surface of a moth’s eye using continuous, roll to roll processing that allows us to cover even large surfaces.

By using this ultra-low reflective film on a flat-panel display, glare is significantly reduced compared to existing products on the market, enabling the display of a clearer picture. Going forward, we aim to expand sales of related products beyond the flat-panel display market by developing applications such as display cases used in art galleries and museums and show windows used in commercial facilities.

Display case using “Moth Eye®” anti-reflection film: on the left side, where “Moth Eye®” film is used, a minimal amount of light is reflected.

Energy Systems:

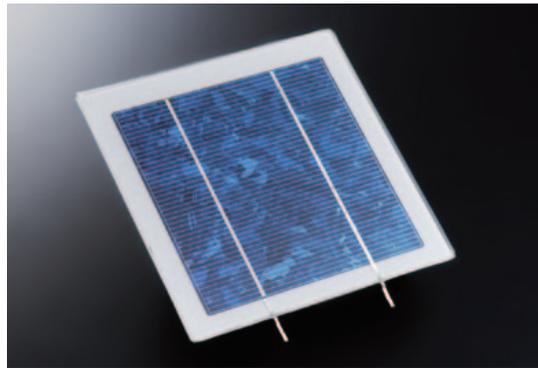
Providing Diverse Products and Services in Response to the Growing Market for Clean Energy

DNP positions environment and energy as one of our strategic businesses as we respond to growing demand for clean sources of energy that can replace fossil fuels, and to growth in related markets.

DNP's main photovoltaic cell-related products are back sheets, which adhere to the back side of photovoltaic panels and keep out wind and rain; encapsulants, which hold photovoltaic cells (power generation elements) and power collection wiring in place and protect them from the outside environment; and bus-line sheet used in rear-contact photovoltaic modules, made by forming electrode circuits on film. We began mass producing in bus-line sheet in 2012. We intend to continue meeting our corporate clients' needs by increasing the functionality of our products and reducing costs.



"Soft pack" covering for a lithium-ion battery



Photovoltaic cell

We also offer lightweight, exceptionally durable "soft pack" external coverings for lithium-ion batteries made with flexible, easy-to-process multiplex film. Our soft packs have already captured the top share of world markets. In addition to the current primary applications—smart phones, tablet PCs, and other mobile devices—we intend to expand this business through other applications including battery-assisted bicycles, electric cars, and home-use storage batteries.

In addition to creating very clean environments in our manufacturing plants, we designed our Tobata Plant in Kitakyushu, Fukuoka Prefecture so that we can produce components for both photovoltaic cells and lithium-ion batteries at a single facility, which will allow us to respond flexibly to sudden changes in market trends.

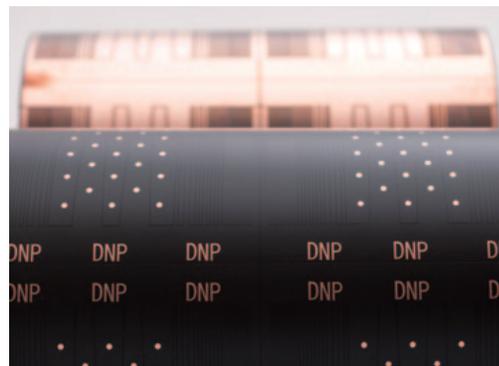
▶ Development of products that improve the power generation efficiency of photovoltaic cells

The photovoltaic cell market seeks high-performance components amid increasing demand for greater durability and power generation efficiency. DNP is meeting these needs by developing high-quality photovoltaic module components that bring together DNP's unique clean converting technologies.

DNP's encapsulants shut out water vapor ten times more effectively than competing products in common use. In addition, because DNP's encapsulants do not generate acidic gas that corrodes wiring or other components, they have attracted attention as outstanding encapsulants that prevent potential induced degradation (PID) in photovoltaic cells subject to high voltage, high temperature and high humidity.

Bus-line sheets reduce shadow loss in photovoltaic cells and contribute to the commercialization of rear-contact photovoltaic modules, which are more efficient power generators than conventional photovoltaic cells. Our corporate clients have given high marks to DNP's bus-line sheets.

Going forward, we will work actively to improve power generation efficiency by developing new products that meet our customers' demands, including an all-in-one bus-line sheet-back sheet combination.



Bus-line sheet used on photovoltaic modules

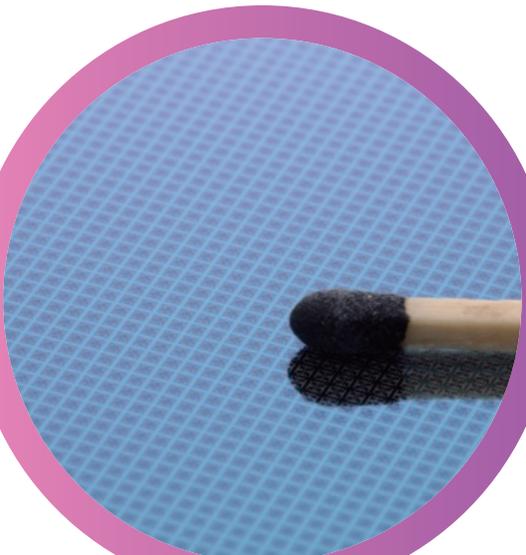
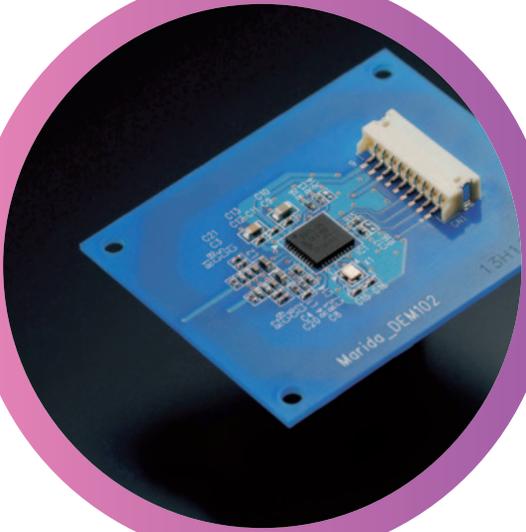
Business Strategies

Electronics

Usage of a wide variety of electronic devices—including household appliances and information devices like smart phones and tablet PCs—is rapidly spreading. When selecting these types of electronic devices, consumers seek convenience and new features based on cutting-edge technologies. At the same time, the needs of corporations and consumers are becoming increasingly diverse and manufacturers must take appropriate action to quickly address these changing needs while also responding to demands for lower costs.

DNP's Electronics segment considers these various market demands as we work hard to develop the newest technologies that respond to the market's diverse needs and to establish optimal supply frameworks. It is against this backdrop that we apply world-class printing technologies, including microfabrication and patterning technologies, in order to provide a wide range of display components and electronic devices such as color filters for liquid crystal displays, photomasks (original plates for making LSI circuits), and touch panel components.

The Electronics segment's basic strategy regarding product development is to keep our eyes on the next generation of electronic products as we work at developing cutting-edge, industry-leading technologies, and to supply high-added value products with superior functionality in line with the market's demands. These cutting-edge products are primarily developed and manufactured at our mother plant in Japan, but we intend to take a global point of view regarding other products as we flexibly consider the best locations for production, including overseas locations. We also intend to actively engage in collaboration with companies that have important strengths in order to speed up our business development.



Main Policies

Display Components:

Shift Focus to Small- and Medium-sized Products and to Increasing Resolution

Now that LCD televisions have transitioned from the growth phase to a mature phase of their product lifecycle, growth in demand for LCD TV-related products has begun to slow on the global market for displays. Worldwide, panel manufacturers have excessive production capacity for panels used in large-screen televisions. Panel prices are falling, and it is becoming increasingly difficult for manufacturers to turn a profit.

Given these circumstances, we are working to stabilize production, largely by shifting our focus from color filters for large-screen televisions that were our previous mainstay to the small- and medium-sized color filters that are expected to be increasingly in demand for use in products like smart phones and tablet PCs. At the same time, we are reforming our business and cost structures. This includes revising our production framework by selling or consolidating equipment. We will make the most of the technical strengths and customer trust that we have cultivated over the years as we work to stabilize our business by focusing on providing the high-resolution, high-quality products that are particularly in demand for use in small- and medium-sized devices.

Make Use of Existing Technologies and Equipment to Enhance Product Lineup with New Products like Touch Panel Components

We will work to develop our lineup of new products by making the most of existing technologies and production equipment. Touch panel components in particular are expected to be a growing market, and we intend to expand our share of that market based on the appeal of our advanced technical capabilities. We already supply touch panel sensors and other new products that contribute to the production of thinner, lighter smart phones and tablet PCs, and we intend to continue to focus on product development that meets the needs of manufacturers in Japan and around the world.

Electronic Devices:

Expand Overseas Semiconductor Photomask Business and Develop Cutting-edge Technologies

DNP's semiconductor photomasks have established a solid reputation for outstanding quality and have maintained control of a large share of the global photomask market (excluding in-house production by semiconductor manufacturers). In particular, we have captured one of the top shares of the worldwide market for cutting-edge products with line widths of 45nm*1 or less, which require particularly advanced technology for their production.

With demand for miniaturizing semiconductor products only expected to increase in the future, DNP aims to use the results of development conducted jointly with corporate clients in order to prepare a framework for developing and supplying cutting-edge photomasks with line widths of 22nm or less. At the same time, we will keep working on commercializing next-generation semiconductor lithography technologies such as extreme ultraviolet (EUV) exposure*2 and nanoimprinting.*3

Given the harsh business environment surrounding electronic devices, we will adjust our production framework so that we can actively address demand overseas as well as in Japan. We will make use of overseas photomask production bases that we have established in partnership with major corporate clients in order to supply cutting-edge photomasks to Europe and the Asian region.

Boost Earning Power by Developing New Products

We intend to apply microfabrication, patterning, etching, and other technologies to the active development of a wide range of products including hard disk drive components, metal bases for LEDs, printed wiring boards with embedded components, and MEMS*4 products.

By concentrating management resources on areas that promise future growth, such as various types of electronic modules used in image processing, we intend to construct a business framework that will allow us to secure profits despite fluctuations in the semiconductor market.

*1 nm (nanometer): one billionth of a meter

*2 Extreme ultraviolet (EUV) exposure: a technique for using ultraviolet rays with extremely short wavelengths to burn minute circuit patterns onto a wafer

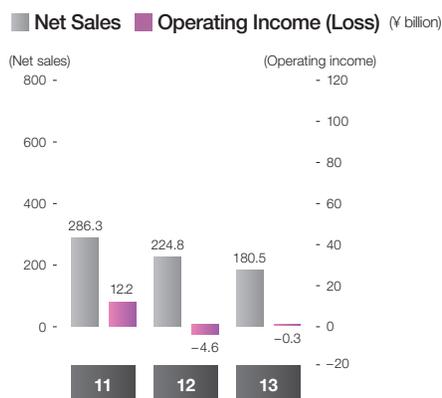
*3 Nanoimprinting: a semiconductor manufacturing technique that entails physically transferring a minute pattern to a resin-coated silicon wafer by pressing a template bearing the pattern against the resin on the wafer

*4 MEMS (micro electro mechanical system): a group of minute components made with semiconductor microfabrication technologies

Financial Results

Financial Highlights

	(¥ billion, %)		
	2011.3	2012.3	2013.3
Net sales	¥ 286.3	¥ 224.8	¥ 180.5
Operating income	12.2	(4.6)	(0.3)
Operating income margin	4.3%	—	—



Net sales

Sales of color filters declined relative to the previous fiscal year, mainly because of decreased demand for LCD televisions and the August 2012 transfer of our Sakai plant's color filter business to Sakai Display Products Corp. Sales of electronic devices, including photomasks, were generally slow due to weak demand for personal computers. As a result, sales by the segment as a whole declined by 19.7%, or 44.3 billion yen, from a year earlier.

Operating income

In addition to benefits from reforming the Electronics segment's cost structure, for example by reorganizing production bases and merging the two business units that formerly handled display components and electronic devices separately, operating income was also boosted by revenues from new products like touch panel sensors, which we began mass producing. Compared to the operating loss of 4.6 billion yen posted in the previous fiscal term, we achieved a big improvement in the fiscal year ended March 2013, resulting in the segment's operating loss shrinking by some 4.3 billion yen to 0.3 billion yen.

Fiscal Term through March 2013: Business Environment and Summary of Financial Results

Structural Reform of the Entire Electronics Segment

In June 2012, we merged the two business units that formerly handled display products and electronic devices to form a new Fine Electronics unit. In addition to reducing indirect operations, we set about boosting the Electronics segment's technological and development capabilities by combining the two units' strengths in order to improve investment efficiency and profitability.

Display Components

According to one research company's figures, worldwide shipments of LCD televisions in calendar 2012 declined by 1% year on year to 203 million units. There was continued growth in shipments to emerging countries, including China and Central and South American nations, but the number of units shipped to developed countries decreased. There was an especially sharp year-on-year drop in television shipments in Japan because of the previous year's spike in replacement buying due to broadcasters' shift to digital terrestrial broadcasting in 2011. Shipments of personal computers also declined worldwide, by 3.5% year on year to about 350 million units. Growth in both LCD televisions and personal computers was slowed partly because of the spread of smart phones and tablet PCs. These market trends gave rise to major changes in manufacturers' courses of action, with panel makers implementing production cutbacks and shifting their emphasis from large-size products used in televisions to small- and medium-sized products for smart phones and other mobile devices.

Given this environment, DNP did a brisk business in small- and medium-sized color filters, but larger filters for large-screen televisions were affected by falling LCD television prices and overall Display Components operations posted smaller sales than in the previous year. In response, we downsized by selling some of the color filter manufacturing equipment from our plant in Mihara, Hiroshima Prefecture in February 2013, and by selling our Sakai plant's 10th-generation color filter operations to Sakai Display Products Corporation.

In the future, demand for LCD televisions is expected to grow primarily in newly industrializing countries like India, while in developed countries higher-added value products such as 4K and 3D televisions are expected to grow in popularity. Meanwhile,

the market for small- and medium-sized panels is expected to continue to enjoy solid growth as more people use smart phones and tablet PCs.

DNP will continue to expand production of the small- and medium-sized products that are meeting growing demand. In addition, we will continue to respond to demand for thinner, lighter products and to develop products for flexible displays.

We will also accelerate development of new products that can be made with color filter production equipment, such as capacitive sensors for touch panels and surface covers that protect touch panels from scratching.

Electronic Devices

In the fiscal term through March 2013, the global semiconductor market shrank by 2.2% from the previous year, mainly because of stagnation in demand for personal computers, the European fiscal crisis, and a dampening of demand from China. The market slowed in Japan too, and the fiscal performance of major domestic semiconductor manufacturers declined due to increased international competition.

DNP's Electronic Devices business worked hard to increase its share of the domestic market and to take advantage of overseas demand, but net sales of photomasks declined compared to the previous year. In other areas, DNP enjoyed increased sales of electronic modules used in commercial amusement machines, but sales of suspensions and other components for hard disk drives declined, as did sales of lead frames.

We are starting to see signs of a future recovery in the semiconductor market, such as more active investment in the further miniaturizing of semiconductor products used in smart phones, tablet PCs, and other mobile terminals that are the objects of growing demand. As semiconductor products become thinner and higher in density than ever before, increasingly advanced technologies are required to create the ultra-fine circuit lines used in their manufacture.

As miniaturization progresses, we aim to increase DNP's share of the market for products at the cutting edge. At production bases both in Japan and abroad, DNP is moving ahead with mass production of products made with under-32nm line widths. At the same time, we are preparing to support photolithography techniques for making ultra-advanced under-30nm products by combining ArF immersion and double exposure manufacturing methods. In addition, we are working with semiconductor manufacturers to speed up research and development of next-generation semiconductor lithography technologies like extreme ultraviolet (EUV) exposure and nanoimprinting.

Amid growing demand for thin, compact semiconductor packages that can accommodate high-density mounting of

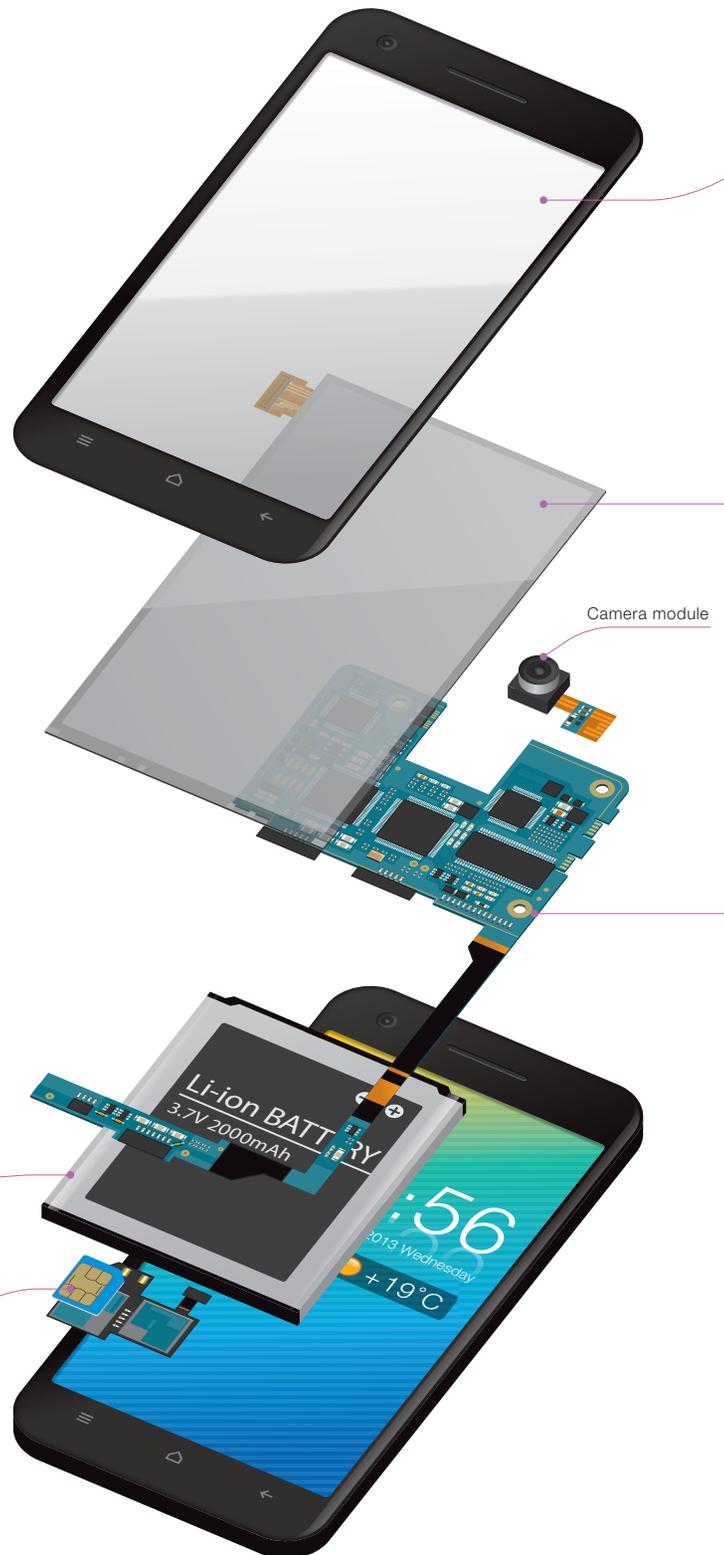
internal components, we aim to expand DNP's share of the market for etched electronic components, backed by such strengths as our unique B²it (pronounced "bee-square-it") buildup board technology. We will also actively pursue development of new products including metal LED substrates, hard disk drive components, electronic modules for image processing and other applications, and MEMS products.

DNP Electronics Products in Everyday Life

DNP Products and Technologies Used in Smart Phones and Tablet PCs

For more than half a century, DNP has been supplying a wide variety of electronic products by applying the photographic plate-making skills that we gained through our printing business, and by refining the photolithography and etching technologies that enable us to make extremely fine patterns.

DNP's various products and systems contribute to improving the operation and functionality of smart phones, tablet PCs and other information terminals. Examples of the products we supply include high-definition color filters for liquid crystal displays, touch panel components, photomasks and lead frames used in cutting-edge semiconductor products, digital camera modules and autofocus springs.



■ "Soft pack" for lithium-ion battery

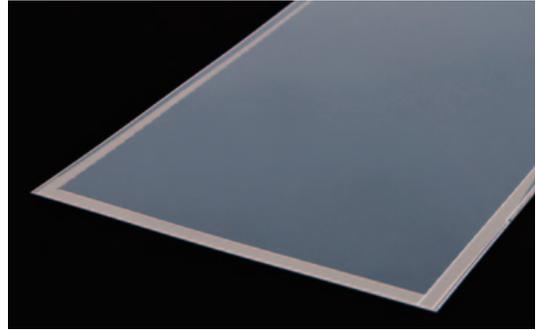
Soft packs are outer coverings made of film-type material; they seal in electrolytes, separators and other battery components. Compared to conventional metal packaging, a soft pack allows greater freedom in designing a battery's shape and dimensions and can help reduce its weight and cost. (Lifestyle and Industrial Supplies)

■ SIM (Subscriber Identity Module) card

A type of smart card issued by a telecommunications carrier, the SIM card contains information needed for authenticating user identification, as well as telephone numbers and other information. (Information Communication)

● Touch panel components

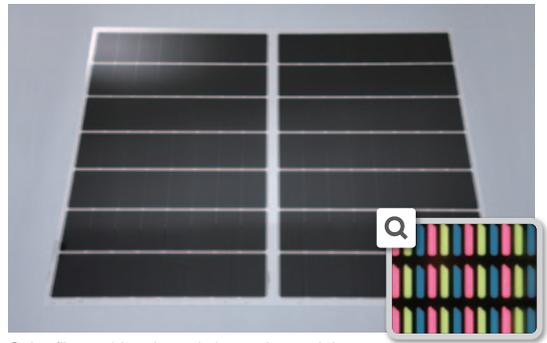
Amid widening use of smart phones, tablet PCs and other mobile terminals, there is increasing demand for touch panel sensors that detect fingertip movement on a display. When building a touch panel function into a display, it is important to avoid increasing the device's thickness or weight. In response to this consideration, DNP has begun mass producing cover glass integrated sensors using tempered glass, and film-type sensors that are processed on both sides of the film. Both of these products enable the production of thinner, lighter mobile terminals.



Touch panel sensor

● High-definition color filters for LCDs

In order to display more beautiful images on the small screens of smart phones and tablet PCs, the displays need to have better resolution and brightness. In our color filter production, we have developed some of DNP's existing proprietary technologies to meet the market's demands for higher-definition, brighter, thinner, lighter displays for smart phones and other mobile terminals, and these efforts have won high praise.



Color filter, with enlarged view at lower right

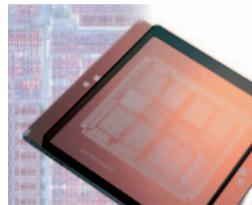
● Electronic devices

DNP makes use of printing technologies like patterning and etching to provide a large number of products that are essential to the operation of all kinds of electronic devices.

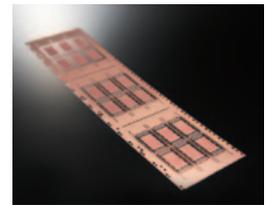
We mass-produce cutting-edge photomasks—masters for making large-scale integrated circuits (LSIs), DRAM semiconductor memories, and other semiconductor products—with line widths of less than 30nm. We also meet our corporate clients' miniaturization needs by working to develop practical applications for next-generation semiconductor lithography technologies like nanoimprinting and extreme ultraviolet (EUV) exposure.

In addition, we supply lead frames (components that hold IC chips onto printed wiring boards and transmit electric signals) for use in ultra-thin semiconductor packages that are only 0.4mm thick, or one eighth the thickness of conventional products.

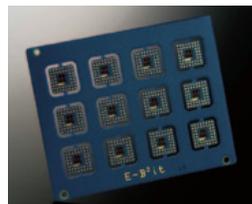
DNP's unique B²it (pronounced "bee-square-it") embedded-component wiring board technology answers demand for more compact, higher-density motherboards. And we use our advanced etching technologies to manufacture autofocus springs that instantaneously adjust the focus of the lens inside a camera module.



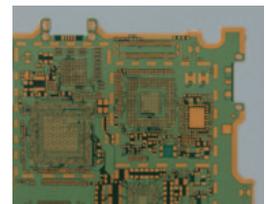
Photomask used for making semiconductors



Lead frame



Printed wiring board with embedded components (for camera module, etc.)



Motherboard for a smart phone