

DNP in Brief

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Synopsis of Performance

Grand Summary of Financial Results

Dai Nippon Printing Co., Ltd. and Consolidated Subsidiaries Years ended March 31

	2016	2015	2014	Dollars in thousands except per share amounts 2016	Change 2016/2015
Statements of Operations (¥ million)				(\$ thousand)	
Net sales	¥ 1,455,916	¥ 1,462,118	¥ 1,448,550	\$ 12,884,212	-0.4%
Operating income	45,472	48,174	50,099	402,407	-5.6%
Ordinary income	52,651	53,759	53,285	465,938	-2.1%
Income before income taxes	54,841	51,062	48,608	485,319	7.4%
Net income attributable to parent company shareholders	33,588	26,924	25,642	297,239	24.8%
Balance Sheets (¥ million)				(\$ thousand)	
Total net assets	¥ 1,063,242	¥ 1,124,092	¥ 976,385	\$ 9,409,221	-5.4%
Interest-bearing debt	189,821	187,946	182,597	1,671,062	1.0%
Total assets	1,718,636	1,809,462	1,574,754	15,209,168	-5.0%
Cash Flow Statements (¥ million)				(\$ thousand)	
Cash flow from operating activities	¥ 72,629	¥ 85,731	¥ 120,109	\$ 642,735	-15.3%
Cash flow from investing activities	(60,883)	(50,540)	(58,371)	(538,788)	20.5%
Cash flow from financing activities	(47,166)	(23,865)	(80,038)	(417,399)	97.6%
Free cash flow*	11,746	35,191	61,738	103,947	-66.6%
Per Share Data (¥)				(\$)	
Net income	¥ 53.10	¥ 41.82	¥ 39.82	\$ 0.47	27.0%
Net assets	1,618.66	1,675.63	1,447.96	14.32	-3.4%
Cash dividend	32	32	32	0.28	—
Profit Margins (%)					
Operating income margin	3.12	3.29	3.46	3.12	-0.17
EBITDA margin	8.42	8.24	8.63	8.42	0.18
Net income to net sales	2.31	1.84	1.77	2.31	0.47
Financial Ratios					
ROE (%)	3.20	2.67	2.81	3.20	0.53
ROA (%)	1.90	1.59	1.63	1.90	0.31
D/E ratio (%)	19	17	20	19	—
Interest coverage ratio (times)	20.79	21.32	18.47	20.79	—
Valuations (against share price on March 31)					
PER (times)	18.84	27.94	24.84	18.84	—
PBR (times)	0.62	0.70	0.68	0.62	—
EV/EBITDA (times)	5.23	6.01	4.93	5.23	—
PCFR (times)	6.36	8.00	6.43	6.36	—
Dividend yield (%)	3.20	2.74	3.24	3.20	0.46
Returns to Shareholders					
Value of shares repurchased (¥ million)	19,998	—	—	19,998	—
Dividend payout ratio (%)	60.30	76.50	80.4	60.30	—
Others					
Long-term credit rating (R&I)	AA-	AA-	AA	AA-	—
Foreign ownership (%)	22.01	25.54	24.41	22.01	—

U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥113=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2016.

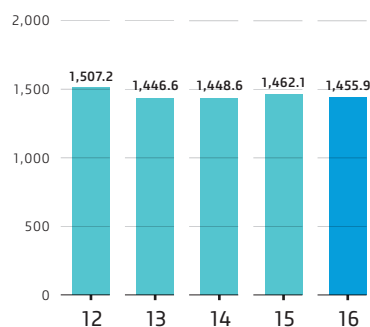
* Free cash flow = net cash from operating activities - net cash from investing activities

We expanded sales of products like smart cards, thermal transfer media for photo printing, lithium-ion rechargeable battery components, etc.

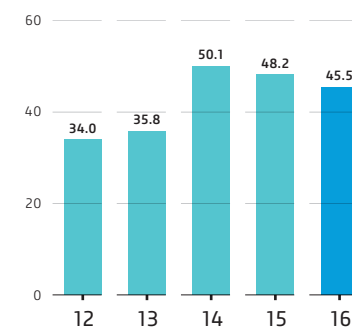
The Information Communication segment succeeded in boosting sales and profits, with operating income growing 32.3%.

We implemented strategic M&As, capital spending and other measures aimed at creating new value.

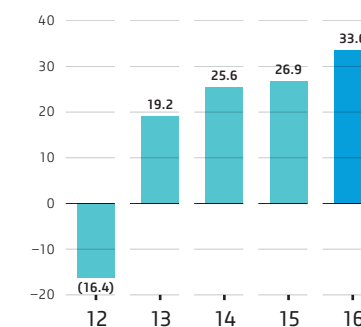
Net Sales
(¥ billion)



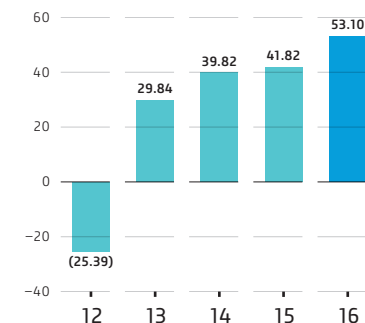
Operating Income
(¥ billion)



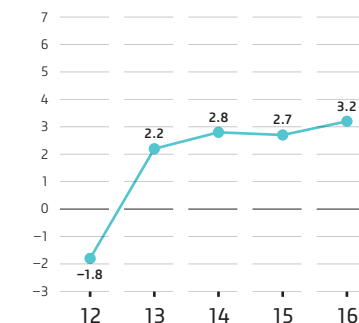
Net Income (Loss) Attributable to
Parent Company Shareholders
(¥ billion)



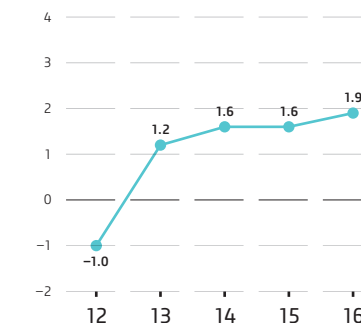
Net Income (Loss) per Share
(¥)



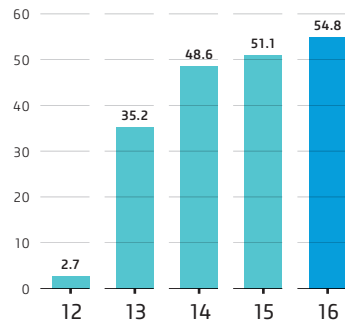
ROE
(%)



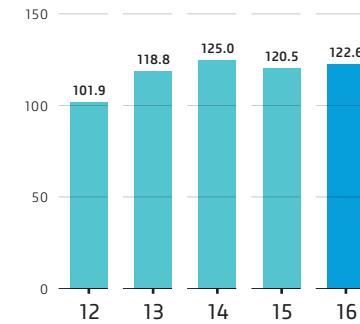
ROA
(%)



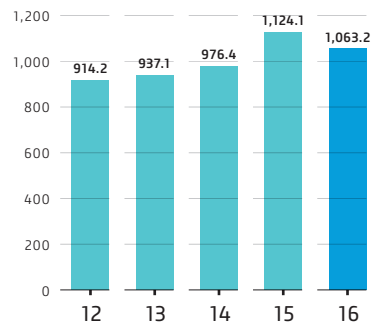
Income before Income Taxes
(¥ billion)



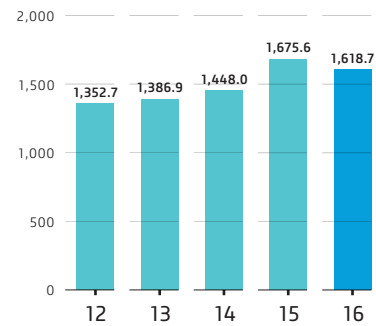
EBITDA
(¥ billion)



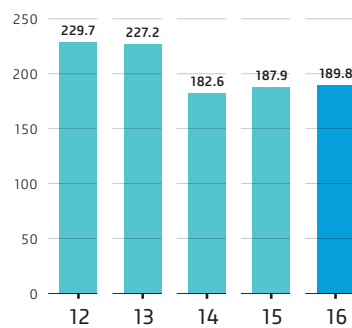
Total Net Assets
(¥ billion)



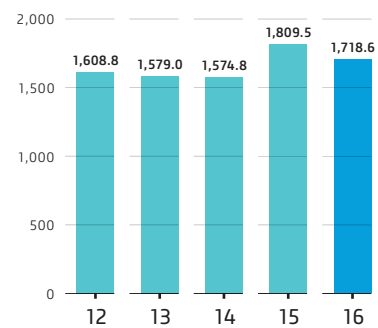
Net Assets per Share
(¥)



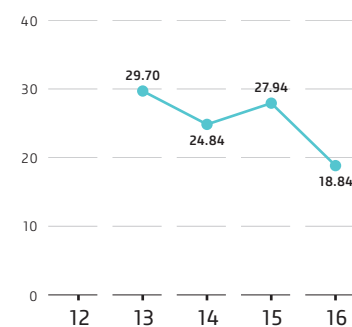
Interest-bearing Debt
(¥ billion)



Total Assets
(¥ billion)



PER (Price Earnings Ratio)*
(times)



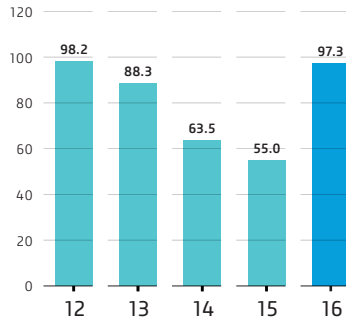
PBR (Price Book-value Ratio)
(times)



* Figure for the fiscal year through March 2012 is not shown because a net loss was recorded for the year.

Capital Expenditures*

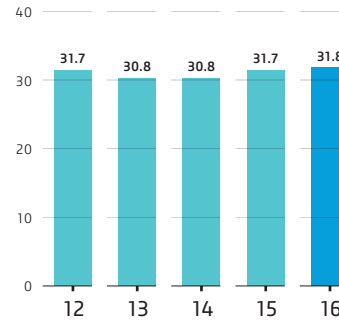
(¥ billion)



*Figures include capital expenditures for intangible fixed assets.

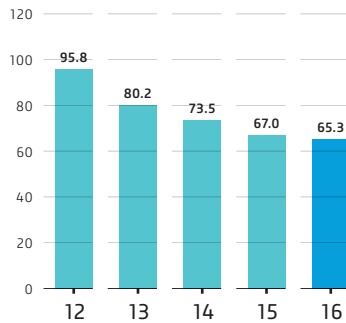
Research and Development Expenditures

(¥ billion)



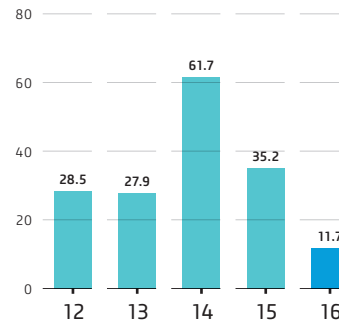
Depreciation Expense

(¥ billion)



Free Cash Flow*

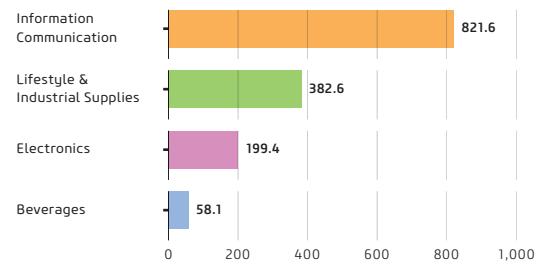
(¥ billion)



* Free cash flow = net cash from operating activities
– net cash from investing activities

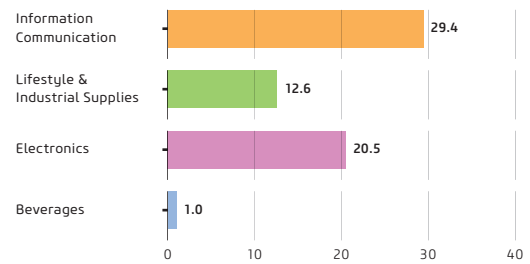
Net Sales by Segment (Year ended March 31, 2016)

(¥ billion)



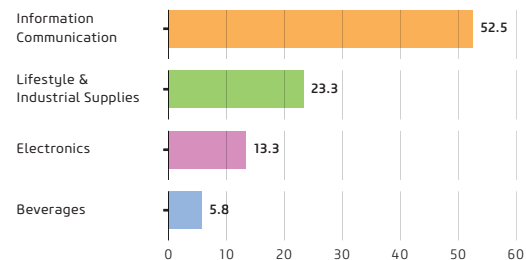
Operating Income by Segment (Year ended March 31, 2016)

(¥ billion)



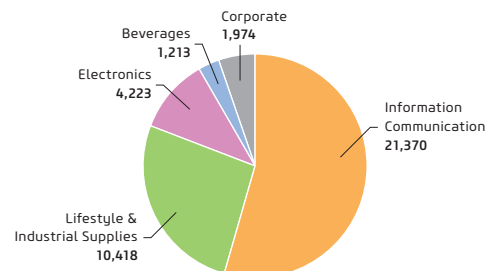
Capital Expenditures by Segment (Year ended March 31, 2016)

(¥ billion)



Employees by Segment (As of March 31, 2016)

(persons)



DNP at a Glance

Profile

A comprehensive printing company that creates new value by combining strengths in printing and information

DNP is one of the largest comprehensive printing companies in the world. We provide a variety of products and services in a wide range of business fields to consumers and some 30,000 corporate clients in Japan and around the globe. DNP's main strengths are the printing and information technologies that it has cultivated since its founding in 1876. The Company has used these technologies to branch out from publishing and commercial printing into diverse fields including packaging, decorative materials, display components, and electronic devices, and has developed many products in which it holds the world's largest market share. In the future, we will continue to create new value by combining our main strengths—printing and information technologies—to innovate in the growth areas of Knowledge and Communication, Food and Healthcare, Lifestyle and Mobility, and Environment and Energy in order to solve the problems confronting consumers and society.

From early in its development, DNP set about boosting the efficiency of the overall Group's management through measures including promotion of overall optimization, boosting profitability, and making effective use of management resources. We work hard to manage the company efficiently, for example by concentrating functions like planning, sales, and research and development in our head office while positioning manufacturing divisions and specific technology development divisions within Group companies.

As of March 31, 2016, the DNP Group employed about 39,198 people and had 40 sales bases and 56 production plants in Japan. Overseas, the Group has 25 sales bases in 15 countries and a region, and 14 production plants in eight countries and a region. Overseas sales contributed 16.1% of the Group's overall net sales in the fiscal year ended March 2016.

Business Portfolio

DNP's business portfolio is balanced in terms of stability, profitability, growth potential, and business risks

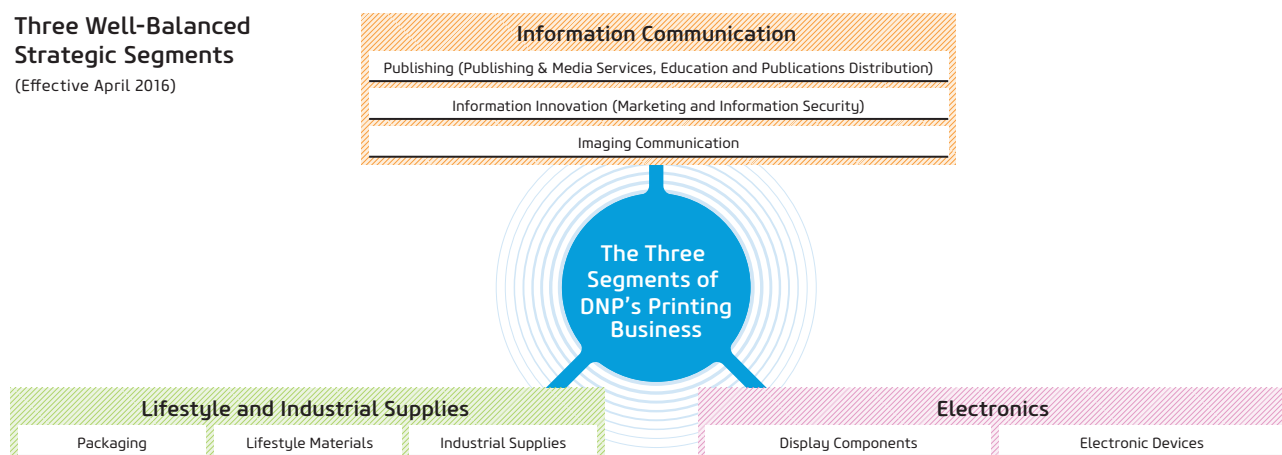
DNP has two main businesses: Printing, which contributes about 96% of consolidated net sales, and Beverages, which generates about 4% of the Group's sales through Hokkaido Coca-Cola Bottling Co., Ltd. Armed with this business portfolio, DNP aims to expand its businesses and increase its corporate value by providing new value to corporate clients and consumers.

Printing consists of an assortment of businesses through which DNP applies and develops printing and information technologies in order to solve problems for consumers, and for client companies who operate in all types of business fields and in diverse formats. We divide our Printing business into three segments: (1) Information Communication, which includes the book and magazine printing business where DNP got its start, marketing-related materials with a focus on commercial printing, smart cards and other products related to information security, and Imaging Communication, which focuses on photo printing and related products, (2) Lifestyle and Industrial Supplies, which supplies a wide range of products including packaging products, decorative materials, and energy-related components, and (3) Electronics, which deals in display components, optical films, and electronic devices, among other products. These three segments cooperate with each other and form a business portfolio that is well-balanced from the standpoints of stability, profitability, growth potential, and risk.

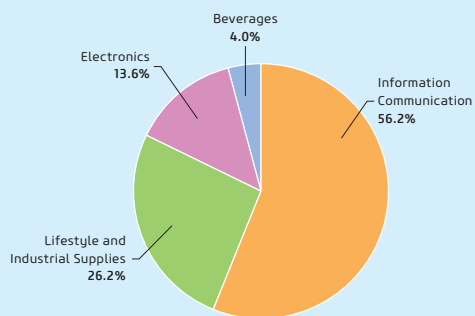
Our Beverages business takes advantage of the Coca-Cola brand strength while also developing original DNP products. We are working on bolstering our beverages business base, for example by promoting production and procurement in cooperation with bottlers in various parts of Japan.

Three Well-Balanced Strategic Segments

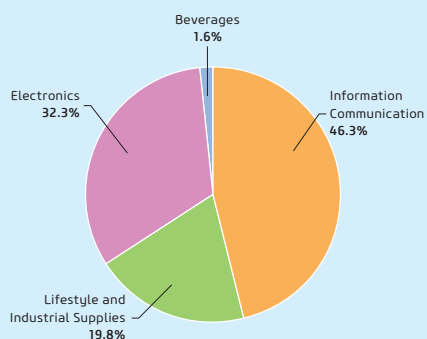
(Effective April 2016)



**Net Sales
by Segment** (Year ended March 31, 2016)

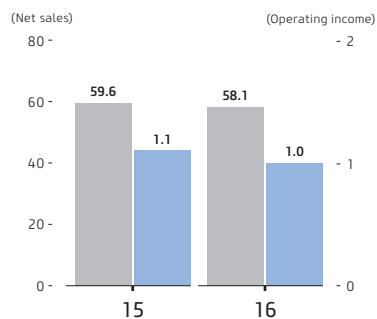


**Operating Income
by Segment** (Year ended March 31, 2016)

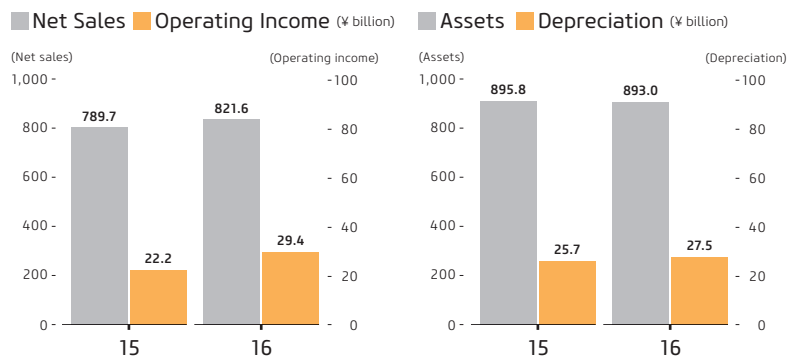


Beverages

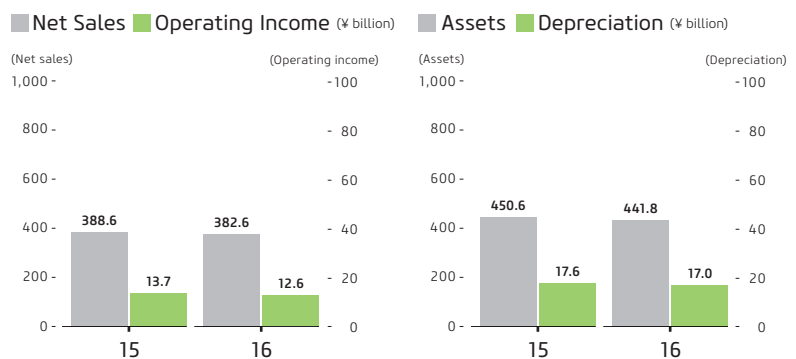
Net Sales Operating Income (¥ billion)



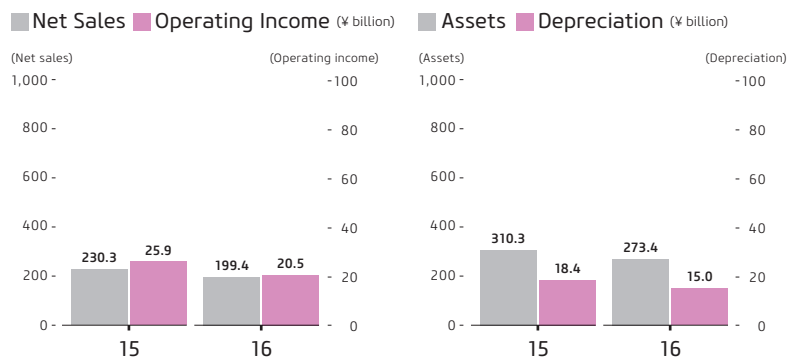
Information Communication*



Lifestyle and Industrial Supplies*



Electronics



* In April 2015, Imaging Communication business was transferred into the Information Communication segment from the Lifestyle and Industrial Supplies segment. Figures for the term ended March 2015 in the chart above have been adjusted to reflect the new configuration of the Information Communication segment and Lifestyle and Industrial Supplies segment.

Our Products and Services

Information Communication

Publishing

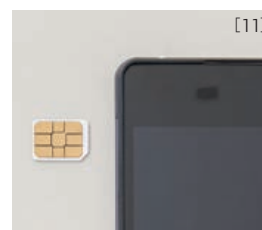
- **Publishing & Media Services** [1] Magazines [2] Books
- [3] Hybrid bookstore network "honto"
- **Education and Publications Distribution**
- [4] Maruzen & Junkudo Bookstore in Shibuya (Tokyo)

Information Innovation

- **Marketing** [5] Flyers and catalogs
- [6] Household budget-tracking application
- [7] Energy-efficient digital signage
- **BPO*** [8] DNP's Kamiya Solutions Center
- **Information Security** [9] Personalized mail
- [10] Smart cards and magnetic cards
- [11] SIM card [12] Transparent hologram ribbon

Imaging Communication

- [13] Dye-sublimation thermal transfer printing media
- [14] Dye-sublimation photo printer [15] Ki-Re-i ID photo kiosk
- [16] Barcode labels made using thermal mass transfer printing media



*BPO: Business Process Outsourcing

Lifestyle and Industrial Supplies

Packaging

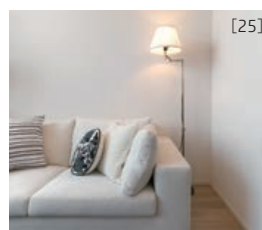
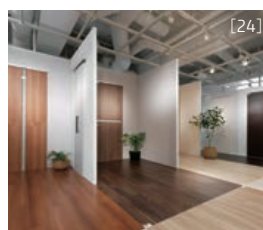
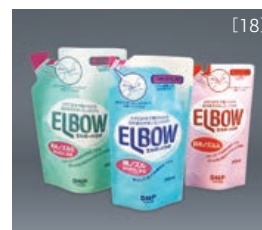
- [17] Packaging [18] Universal design products
- [19] Barrier film for packages
- [20] Biomass plastic packaging
- [21] PET plastic bottles and preform (left in the photo)
- [22] Aseptic filling systems for PET plastic bottles
- [23] Medicine packaging for daily behavior monitoring systems

Lifestyle Materials

- [24] Residential interior materials (floor coverings)
- [25] Residential interior materials (wall coverings)
- [26] Exterior materials for buildings
- [27] Automotive interior materials
- [28] Interior coverings for railway cars (Hokuriku Shinkansen)

Industrial Supplies

- [29] Photovoltaic module components
- [30] Bus line sheet used in photovoltaic cells
- [31] Pouch for lithium-ion battery



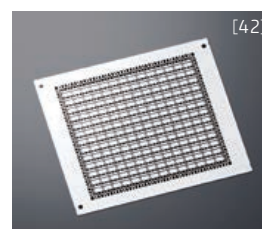
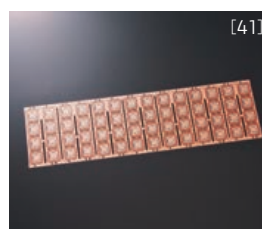
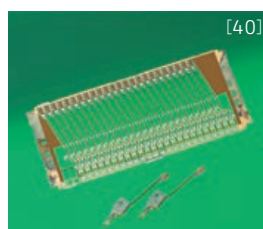
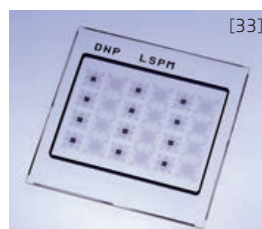
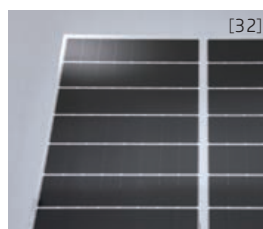
Electronics

Display Components

- [32] Color filter for liquid crystal display
- [33] Large-scale photomask [34] Touch panel sensors
- [35] Optical films used for displays
- [36] Electrode film for capacitive touch panels
- [37] Display system for ultra-short focus projector

Electronic Devices

- [38] Semiconductor photomask
- [39] Master template for nanoimprinting
- [40] Hard disk drive suspension
- [41] Lead frame for compact semiconductor packages
- [42] Metal substrate for LED light
- [43] Camera module
- [44] Image Enhancement LSI
- [45] NFC (near field communication) module
- [46] Electronic paper display system
- [47] MEMS (micro electro mechanical systems) products



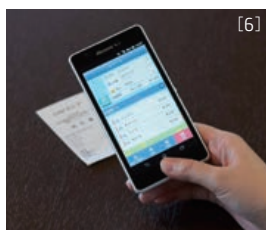
Note: Numbers in square brackets correspond to photographs on pp. 16-17.



[4]



[5]



[6]



[7]



[8]



[12]



[13]



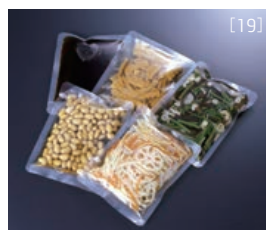
[14]



[15]



[16]



[19]



[20]



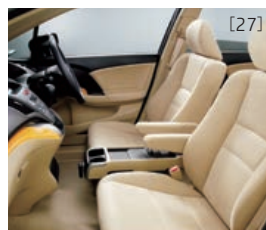
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[22]



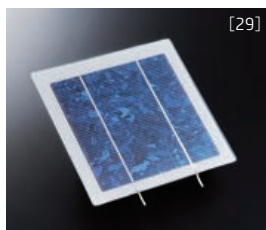
[23]



[27]



[28]



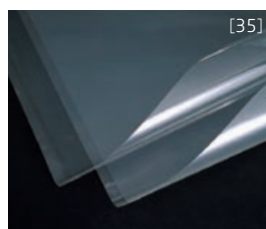
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[30]



[31]



[35]



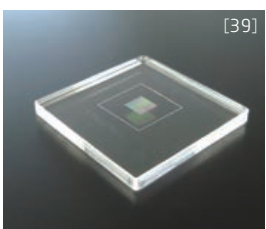
[36]



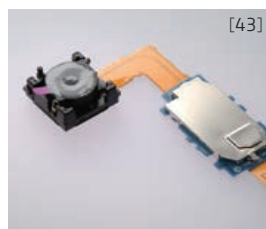
[37]



[38]



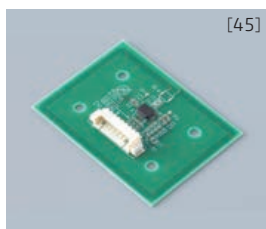
[39]



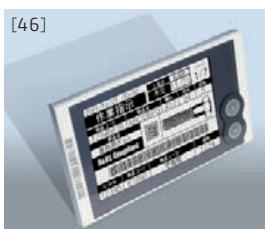
[43]



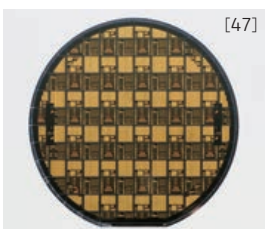
[44]



[45]

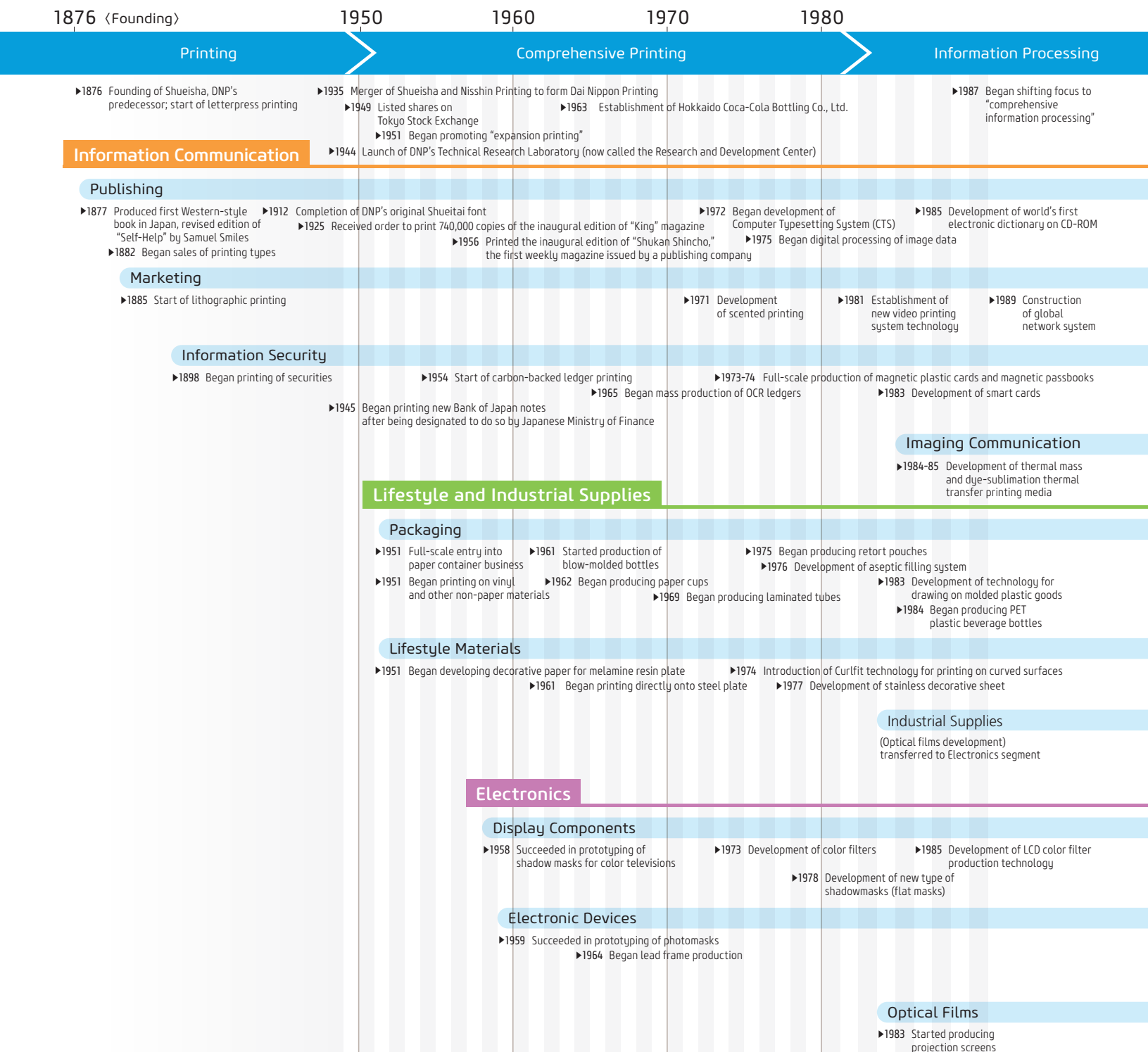


[46]



[47]

Evolution of DNP's Businesses



1990 2000 2010 2016 (140th anniversary of DNP's founding)

Information Communication

P&I Solutions

P&I Innovations aimed at creating new value

- Hybrid publishing solutions
- Hybrid bookstore network "honto"
- Promote BPO business
- Expand total security solutions
- Inbound tourism and regional revitalization
- Settlement-linked marketing
- Expand imaging market

- Expand eco-friendly products & services
- Develop new products using materials with more advanced functionality
- Expand safe, reliable packaging, a variety of living space solutions, and industrial materials businesses worldwide

- Display products:
Shift emphasis to growth areas and expand new product lineup
- Electronic devices:
Develop cutting-edge technologies and expand overseas business
- Optical films:
Use basic technologies to expand into new markets

- Promote research and development aimed at business creation

►2001 Announcement of DNP Group Vision for the 21st Century (125th anniversary of DNP's founding)

►2015 Announcement of DNP Group Vision 2015

►1992 Development of Shueitai True Type font
►1997 Start of online publishing business

►2008-10 Alliances with Maruzen Co., Ltd., Junkudo Co., Ltd. and Bunkyo Group Holdings Co., Ltd., etc.
►2010 Startup of "honto" e-book sales service

►1995 Began Internet service "Media Galaxy"
►1997 Began e-commerce service
►2001 Began Orikomi! e-flyer service

►2008 Launch of digital signage project

►1993 Production of contactless smart cards
►1999 Launch of IC tag project

►2004 Began Card Data Management Service (CDMS)
►2005 Establishment of "SSF" office security consortium

►2013 Established DNP Kashiwa Data Center
►2015 Expanded nationwide BPO center network to five locations

►2005 Began development of "PrintRush" self-service printing system

►2015 Began offering "My Number" citizen ID card applications via Ki-Re-i ID photo kiosks

►1997 Began selling aseptic PET plastic bottle-filling systems using preforms

►2007 Development of packaging for Japanese-style space food

►1998 Development of transparent "innovative barrier film (IB Film)"

►2013 Established plant in Vietnam
►2015 Acquired license as controlled medical devices retailer (Kyoto)

►1996 Began producing sheet with EB coating

►2014 Established research facility "DNP Sumai Mirai Lab" concerned with pleasant future living

►1999 Commercialized pouches for lithium-ion rechargeable batteries

►2003 Development of photovoltaic module components
►2005 Development of fuel cell components

►2007 Development of printed organic photovoltaic cells

►2015 Began selling DNP Agri Film
►2015 Began selling DNP Lighting Film

►2001 Development of flexible organic EL displays

►2003 Development of full-color organic EL panels
►2006 Mass production of color filters using inkjet method

►2016 Announced expanded production capacity of metal masks used for organic EL displays

►1995 Launched multilayer wiring formation technology

►1999 Entered semiconductor package substrate field

►2001 Began MEMS (micro electro mechanical systems) processing under contract
►2002 Completed production line for "B²it" high-density build-up boards

►2011 Development of the world's thinnest (0.28mm) printed board

►1996 Establishment of anti-glare film technology for LCDs

►2004 Development of "JETBLACK" front projection screens

►2014 Development of ultra-low reflection film

New Businesses

Life Science (Regenerative Medicine, etc.)

►2004 Successful formation of capillary patterns

►2015 Business and capital tie-up with PSP, a major player in medical imaging management systems

►2008 Development of cell pattern culture substrate

►2008 Development of cell sheet culture film

Investor Information

(as of March 31, 2016)

Dai Nippon Printing Co., Ltd.

Head Office:

1-1, Ichigaya-Kagacho 1-chome, Shinjuku-ku,
Tokyo 162-8001, Japan

Established: 1876

Number of Employees (consolidated): 39,198

Paid-in Capital: ¥114,464 million

Number of Common Stocks:

Authorized: 1,490,000,000 shares

Issued: 680,480,693 shares

* With the cancellation of 17 million treasury shares on May 26, 2016,
the total number of outstanding shares stood at 663,480,693.

Number of Trading Unit Shareholders (own 1,000 or more shares):

24,228

Stock Exchange Listing: Tokyo Stock Exchange

Major Shareholders:

	Shares (thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	46,972	7.47
Japan Trustee Services Bank, Ltd. (Trust Account)	35,566	5.65
The Dai-ichi Life Insurance Co., Ltd.	30,882	4.91
Mizuho Bank, Ltd.	18,413	2.93
Employees' Shareholding Association	15,639	2.49
Nippon Life Insurance Company	9,471	1.51
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8,010	1.27
The Bank of New York Mellon SA/NV 10	7,340	1.17
State Street Bank West Client-Treaty 505234	7,306	1.16
State Street Bank And Trust Company 505225	7,198	1.14

Notes: 1. The number of treasury shares (51,375,142) is excluded from the figures above.
2. The ownership stakes are based on the total number of shares outstanding less treasury shares (629,105,551).

Major Stock Indices in which DNP is a Constituent:

Nikkei Stock Average
TOPIX Large70
S&P/TOPIX 150
Dow Jones Sustainability Indices
FTSE4Good Global Index
MSCI Global Sustainability Indexes
CDP Climate Performance Leadership Index
ETHIBEL Investment Register
Morningstar Socially Responsible Investment Index

Stock Code: 7912

Administrator of Shareholder Register:

Mizuho Trust & Banking Co., Ltd.
2-1, Yaesu 1-chome, Chuo-ku,
Tokyo 103-8670, Japan

American Depositary Receipts:

Ratio (ADR:ORD): 1:1
Exchange: OTC (Over-the-Counter)
Symbol: DNPLY
CUSIP: 233806306
Depository:
The Bank of New York Mellon
101 Barclay Street, 22 West,
New York, NY 10286, U.S.A.
Telephone: (201) 680-6825
U.S. toll free: 888-269-2377 (888-BNY-ADRS)
URL: <http://www.adrbnymellon.com/>

Annual Meeting of Shareholders:

The annual meeting of shareholders of DNP is normally held in June each year in Tokyo, Japan.

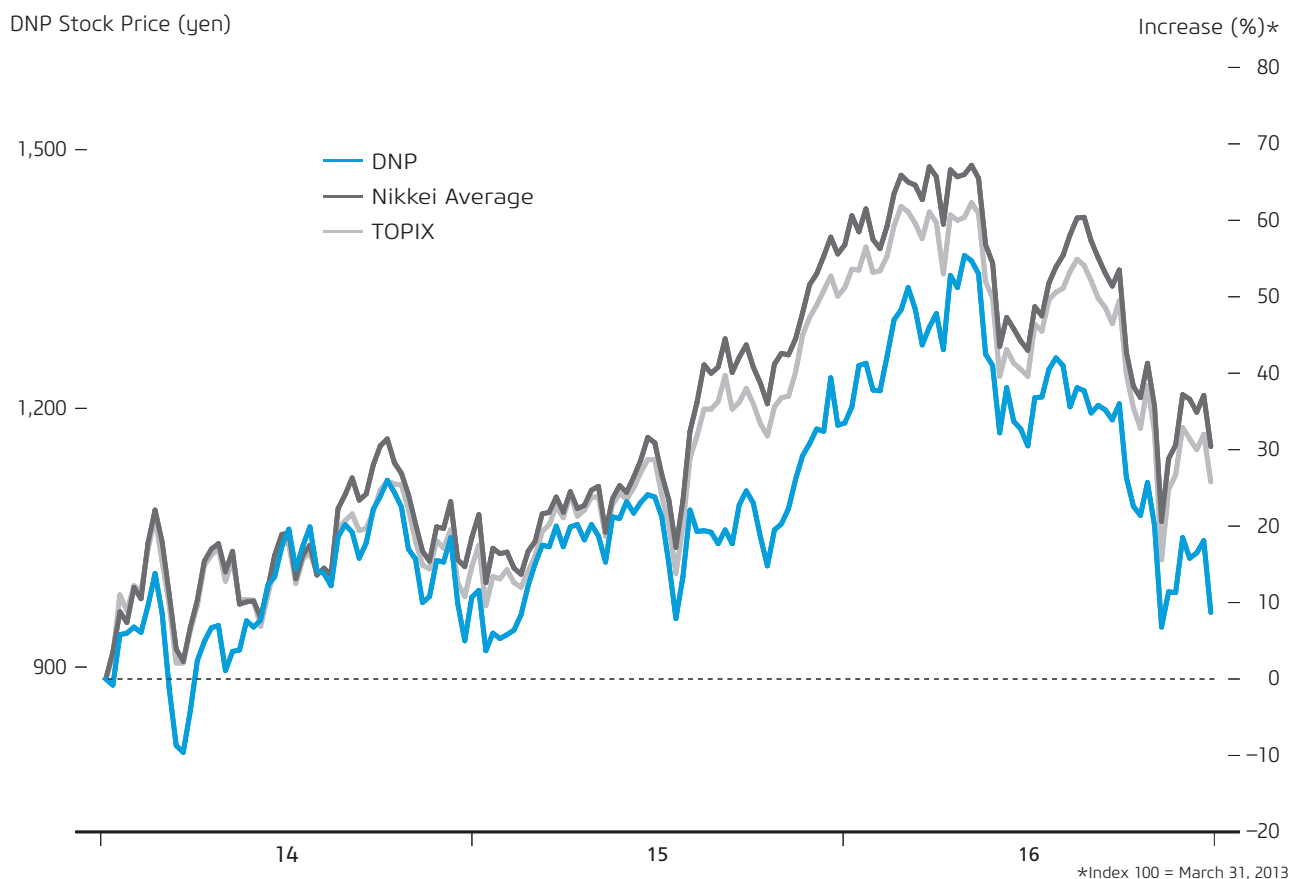
Investor Relations:

Dai Nippon Printing Co., Ltd.
Corporate Communication Division
IR Group, Press and Public Relations
1-1, Ichigaya-Kagacho 1-chome, Shinjuku-ku,
Tokyo 162-8001, Japan
Tel: +81-3-6735-0101
Fax: +81-3-5225-8239

Web Site:

<http://www.dnp.co.jp/eng/>

Share Price Evolution (Tokyo Stock Exchange)
(between April 1, 2013 and March 31, 2016)



Voting Rights

(as of March 31, 2016)

Type	Number of Stocks (stocks)		Number of Voting Rights (rights)
Stocks with no voting rights	—		—
Stocks with limited voting rights (treasury stocks, etc.)	—		—
Stocks with limited voting rights (other)	—		—
Stocks with voting rights (Treasury held stocks) (treasury stocks, etc.) (Mutually held stocks)	Common stocks	51,375,000	—
	Common stocks	1,085,000	—
Stocks with voting rights (other)	Common stocks	626,088,000	626,087
Stocks with less than trading units	Common stocks	1,932,693	—
Outstanding shares	680,480,693		—
Total voting rights of stockholders	—		626,087

Treasury Stocks

(as of March 31, 2016)

Holder	No. of Stocks Held	Percentage of Holding to No. of Outstanding Shares
Dai Nippon Printing Co., Ltd.	51,375,000	7.55
Kyoiku Shuppan Co., Ltd.	1,085,000	0.16
Total	52,460,000	7.71