

**Consolidated Financial Results**  
**for the First Three Months of the Fiscal Year Ending March 31, 2010**

August 6, 2009

**Company Name:** Dai Nippon Printing Co., Ltd.  
**Stock exchange listings:** Tokyo, Osaka  
**Ticker code:** 7912 URL: <http://www.dnp.co.jp/>  
**Representative:** Yoshitoshi Kitajima, President  
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**Securities report issuing date:** August 7, 2009  
**Dividend payment date:** -

\*Amounts under one million yen have been rounded down.

**1. Consolidated financial results for the three months ended June 30, 2009**

**(1) Consolidated financial results**

(Percentages show change from corresponding year-ago period.)

	Net Sales		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2009	380,418	(2.4)	9,430	(50.0)	10,912	(48.2)
Three months ended June 30, 2008	389,829	-	18,848	-	21,084	-

	Net Income		Net Income per Share	Diluted Net Income per Share
	Millions of yen	%	Yen	Yen
Three months ended June 30, 2009	2,009	(79.8)	3.12	-
Three months ended June 30, 2008	9,972	-	15.27	-

**(2) Consolidated financial position**

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2009	1,507,512	943,478	59.9	1,401.81
As of March 31, 2009	1,536,556	940,085	58.5	1,393.91

Note: Stockholders' Equity as of June 30, 2009: ¥903,245 million

As of March 31, 2009: ¥898,174 million

**2. Dividends**

Record date	Dividends per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year ended March 31, 2009	-	18.00	-	14.00	32.00
Year ending March 31, 2010	-				
Year ending March 31, 2010 (Forecast)		16.00	-	16.00	32.00

Note: Revisions of projected dividends during the current quarter: None

### 3. Consolidated forecasts for the year ending March 31, 2010

(Percentages show change from corresponding year-ago period.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2009	812,000	1.0	15,000	(62.5)	15,000	(63.9)	7,500	(54.7)	11.64
Full year	1,677,000	5.8	40,000	(13.4)	40,000	(15.6)	20,000	-	31.04

Note: Revisions of consolidated forecasts during the current quarter: None

No changes have been made to the consolidated earnings forecasts announced on May 15, 2009, for the first half and the full fiscal year.

### 4. Other information

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

(2) Application of simplified accounting and special accounting procedures for preparing the quarterly consolidated financial statements: Yes

Note: Please refer to Page 6, "4. Other information" of "Qualitative Information and Financial Statements" for further details.

(3) Changes in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section titled "Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements")

1) Changes due to revision of accounting standard, etc.: None

2) Changes due to other reasons: None

(4) Number of common shares issued and outstanding

1) Number of common shares outstanding at end of each period (including treasury shares)

As of June 30, 2009: 700,480,693 shares                      As of March 31, 2009: 700,480,693 shares

2) Number of treasury shares at end of each period

As of June 30, 2009: 56,139,229 shares                      As of March 31, 2009: 56,123,617 shares

3) Average number of shares outstanding during the period (cumulative from the start of the fiscal year):

Three months ended June 30, 2009: 644,349,623 shares

Three months ended June 30, 2008: 653,081,582 shares

#### \* Explanation regarding appropriate use of earnings forecasts and other special notes

The above-noted forecasts were prepared on the basis of information available to the Company and certain assumptions that the Company deems to be reasonable as of the date of the announcement of this material.

A number of factors, including but not limited to risks and uncertainties related to changes in economic conditions affecting the Company's operations, market trends, and fluctuations in exchange rates, could cause actual results to differ from these forecasts.

Regarding earnings forecasts, please refer to page 5, "3. Qualitative information on the consolidated results forecast" of "Qualitative Information and Financial Statements."

## Qualitative Information and Financial Statements

### 1. Qualitative information on consolidated financial results

During the first three months of the current fiscal year (April 1, 2009 to June 30, 2009), economic conditions in Japan remained very weak, with consumer spending down sharply and corporate earnings and employment conditions much worse than before because of the global recession that originated with the US financial crisis.

Business conditions worsened further for the printing industry because of sluggish demand and the decline in unit prices due to intensified competition.

Despite these conditions, the DNP (Dai Nippon Printing Co., Ltd.) Group has continued to aggressively develop its business and provide products, services, and solutions that meet customer needs, based on its business vision of P&I Solutions (P&I stands for “printing technology” and “information technology”). In addition, DNP has made group wide efforts through its “Production 21” Activities to establish a solid production structure in terms of quality, cost, turnaround times and other factors, and has worked hard to maintain positive performance.

As a result, consolidated net sales for the first three months decreased 2.4% year on year to ¥380.4 billion, consolidated operating income declined 50.0% to ¥9.4 billion, consolidated ordinary income fell 48.2% to ¥10.9 billion, and net income dropped 79.8% to ¥2.0 billion.

The results by segment are as follows.

#### PRINTING

##### Information Communication

In the Books and Magazines business, book and magazine printing sales declined as a result of a prolonged slump in the publications market. Free newspaper printing sales, mainly for papers related to jobs and housing, were weak.

In the Commercial Printing business, sales were lower year on year because of a decline in sales of printing of flyers, pamphlets, and point of purchase displays, stemming from a deterioration in corporate earnings.

In the Business Forms business, sales of printing of smart cards increased, but overall sales were down year on year because of declines in sales of printing of continuous ledger forms for computerized accounting, and demand related to information processing services (ranging from data entry to printing and shipment of personal mail).

The Educational Publications Distribution business, which grew as a result of an acquisition, contributed to the increase in sales in this segment.

As a result, overall sales in the Information Communication segment increased 17.2% year on year to ¥191.5 billion, but operating income declined 32.7% to ¥5.5 billion.

##### Lifestyle and Industrial Supplies

In the Packaging business, sales of flexible packaging, paper containers, paper cups, preformed bottles (primary products for making PET bottles), and other molded plastic products increased, but sales were down year on year because of a decline in sales of aseptic filling systems for PET bottles.

In the Lifestyle Materials business, sales were weak overall because of a slump in housing demand and despite efforts to increase sales of eco-friendly “Safmare” decorative sheets.

In the Industrial Supplies business, sales of anti-glare film used in flat-panel displays increased, but overall sales fell year on year because of declines in sales of ink ribbons and receiver paper for photo printers as well as back sheet film for solar power systems.

As a result, overall sales in the Lifestyle and Industrial Supplies segment decreased 8.3% year on year to ¥126.8 billion, but operating income rose 6.2% to ¥8.0 billion.

##### Electronics

In the LCD color filter business, demand for LCD panels rebounded somewhat, but sales fell year on year because prices remained very weak.

In addition, the semiconductor-related market showed no signs of change. Sales of photomasks, etched products for hard drive suspensions and other applications, and high-density build-up circuit boards contracted.

As a result, overall sales in the Electronics segment decreased 32.1% year on year to ¥51.9 billion

and operating losses totaled ¥1.1 billion (versus the year-ago operating income of ¥5.6 billion).

## **BEVERAGES**

### **Beverages**

DNP worked hard to increase sales with marketing campaigns for core products, namely Coca-Cola Zero and Georgia Emerald Mountain Blend. Sales of carbonated beverages increased, but sales of tea and coffee drinks decreased because of a slump in consumer spending and more intense competition.

As a result, overall sales in the Beverages segment decreased 12.2% year on year to ¥13.5 billion and operating losses totaled ¥700 million (versus the year-ago operating losses of ¥300 million).

## **2. Qualitative information on the consolidated financial position**

Total assets at the end of the first quarter were down ¥29.0 billion from the end of the previous fiscal year to ¥1,507.5 billion primarily because of a decline in cash and time deposits.

Total liabilities were down ¥32.4 billion from the end of the previous fiscal year to ¥564.0 billion primarily because of a decrease in short-term bank loans.

Net assets rose ¥3.3 billion compared with the end of the previous fiscal year to ¥943.4 billion primarily because of an increase in net unrealized gains on marketable securities.

As a result, the equity ratio increased 1.4 percentage points from the end of the previous fiscal year to 59.9%.

Consolidated cash flow provided by operating activities in the first quarter totaled ¥33.2 billion primarily because of ¥8.7 billion in income before income taxes and minority interests and ¥20.9 billion in depreciation. Cash flow used in investing activities totaled ¥35.5 billion, mainly because of the acquisition of ¥34.0 billion of property, plant and equipment, and cash flow used in financing activities totaled ¥20.6 billion, due to a ¥10.3 billion decline in short-term bank loans and ¥8.8 billion of dividend payments.

Because of these activities, DNP's cash and cash equivalents at the end of the first quarter decreased by ¥21.5 billion from the end of the previous fiscal year to ¥95.6 billion.

### 3. Qualitative information on the consolidated results forecast

Given the uncertain outlook in light of the global economic slowdown, Japan's economy is likely to be weak for some time.

Conditions are likely to remain challenging for the printing industry because of sluggish demand and the decline in unit prices due to intensified competition.

Confronting these difficult conditions, the DNP Group intends to adapt to changes in market conditions and demand trends, aggressively expand its marketing activities, and strive to maintain earnings.

#### PRINTING

##### Information Communication

In the Books and Magazines business, the Company expects the market to remain weak but intends to increase sales by focusing on orders for new magazines and books. In the Commercial Printing and Business Forms businesses, covering flyers, pamphlets, IPS, and smart cards, demand is likely to decline due to deteriorating corporate earnings, but DNP aims to win more orders by focusing even more on its unique P&I Solutions.

##### Lifestyle and Industrial Supplies

In the Packaging business, consumer spending is likely to remain weak, but the Company aims to obtain more orders for its innovative barrier film, which features outstanding barrier qualities, and other types of high-performance materials.

In the Lifestyle Materials business, the housing markets in Japan and other countries will probably remain weak, but DNP intends to increase sales of its eco-friendly products that use its well-regarded proprietary EB (electron beam) coating technology.

In the Industrial Supplies business, DNP intends to work hard to increase sales of anti-glare film, in light of some signs of a rebound in demand for flat-panel displays, and win more orders for color ink ribbons and various types of battery materials.

##### Electronics

In the LCD color filter business, changes in demand, declines in unit prices, and other changes in business conditions are likely, but the Company plans to win more orders for filters for PC monitors and consumer TVs as well as strengthen its production operations to meet market demand.

Conditions in the photomask business are likely to remain unfavorable because of a deterioration in semiconductor market conditions, but DNP aims to become more competitive by further developing products based on the latest technologies and by changing its production lines.

#### BEVERAGES

##### Beverages

Market conditions will probably remain challenging owing to a market slump and intense sales competition, but the Company intends to move forward with its new medium-term plan, titled "Restart 2009: New Beginnings in the North," as well as to further improve its earnings structure and generate sales and earnings by introducing new products and developing marketing campaigns.

In light of all the foregoing, for the first two quarters half of the current fiscal year, DNP presently forecasts consolidated net sales of ¥812.0 billion, operating income of ¥15.0 billion, ordinary income of ¥15.0 billion, and net income of ¥7.5 billion. For the current fiscal year, DNP presently forecasts consolidated net sales of ¥1,677.0 billion, operating income of ¥40.0 billion, ordinary income of ¥40.0 billion, and net income of ¥20.0 billion.

#### 4. Other information

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation)

None

(2) Application of simplified accounting and special accounting procedures for preparing the quarterly consolidated financial statements

\* Simplified accounting

Valuation of inventory

For the calculation of the value of inventory at the end of the first quarter, DNP eliminated the process of taking physical inventory of stock and instead adopted a streamlined calculation method based on the actual inventory at the end of the previous fiscal year.

Write-downs of the book value of inventory are based on the estimated net sale amount of inventories whose profitability has clearly worsened.

Calculation of depreciation of fixed assets

For assets depreciated using the declining-balance method, depreciation for the fiscal year is calculated by dividing the amount proportionately over the period.

\*Application of special accounting procedures for preparing the quarterly consolidated financial statements

None

(3) Changes in accounting principles, procedures and presentation methods for preparing the quarterly financial statements

None

**5. Quarterly consolidated financial statements**  
**(1) Quarterly consolidated balance sheets**

(Millions of yen)

	First quarter ended June 30, 2009 (As of June 30, 2009)	Year ended March 31, 2009 (As of March 31, 2009)
<b>ASSETS</b>		
Current assets		
Cash and time deposits	104,103	123,569
Notes and trade receivable	388,250	405,876
Merchandise and finished products	72,762	73,372
Work in progress	31,214	29,707
Raw materials and supplies	18,521	17,566
Deferred income taxes	5,765	10,278
Other	21,513	21,057
Allowance for doubtful accounts	(5,638)	(5,280)
Total current assets	636,494	676,149
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	201,373	199,265
Machinery and equipment, net	178,113	183,890
Land	133,065	132,888
Construction in progress	66,978	57,756
Other, net	30,833	31,103
Total property, plant and equipment	610,365	604,904
Intangible fixed assets		
Goodwill	24,090	24,099
Software	19,194	20,053
Other	4,575	4,696
Total intangible fixed assets	47,860	48,850
Investments and other assets		
Investment securities	129,819	113,448
Long-term loans	3,463	3,015
Deferred income taxes	47,424	50,015
Other	43,308	51,923
Allowance for doubtful accounts	(12,651)	(12,484)
Total investments and other assets	211,362	205,917
Total fixed assets	869,588	859,672
Deferred assets		
Business startup costs	1,429	735
Total deferred assets	1,429	735
<b>TOTAL ASSETS</b>	<b>1,507,512</b>	<b>1,536,556</b>

(Millions of yen)

	First quarter ended June 30, 2009 (As of June 30, 2009)	Year ended March 31, 2009 (As of March 31, 2009)
<b>LIABILITIES</b>		
Current liabilities		
Notes and trade payable	285,757	290,871
Short-term bank loans	49,472	59,875
Current portion of long-term debt	2,959	2,898
Income taxes payable	3,127	7,891
Reserve for bonuses	6,559	16,186
Other	90,215	92,075
Total current liabilities	438,092	469,799
Long-term liabilities		
Bonds	51,000	51,000
Long-term debt	10,082	10,490
Provision for retirement benefits	41,830	41,451
Other	23,028	23,729
Total long-term liabilities	125,941	126,671
<b>TOTAL LIABILITIES</b>	<b>564,033</b>	<b>596,471</b>
<b>NET ASSETS</b>		
Stockholders' equity		
Common stock	114,464	114,464
Capital surplus	144,898	144,898
Retained earnings	744,916	751,869
Treasury stock	(93,897)	(93,884)
Total stockholders' equity	910,381	917,348
Valuation and translation adjustments		
Net unrealized gains (losses) on marketable securities	5,276	(3,882)
Net deferred gains (losses) on derivatives	0	(4)
Foreign currency translation adjustments	(12,414)	(15,285)
Total valuation and translation adjustments	(7,136)	(19,173)
Minority interests	40,233	41,910
<b>TOTAL NET ASSETS</b>	<b>943,478</b>	<b>940,085</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,507,512</b>	<b>1,536,556</b>



**(2) Quarterly consolidated statements of income**

(Millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Net sales	389,829	380,418
Cost of sales	319,532	313,564
Gross profit	70,296	66,853
Selling, general and administrative expenses	51,447	57,423
Operating income	18,848	9,430
Non-operating income		
Interest income	380	204
Dividend income	1,949	1,791
Equity in gains of affiliates	-	30
Other	2,402	1,708
Total non-operating income	4,732	3,734
Non-operating expenses		
Interest expense	346	448
Equity in losses of affiliates	335	-
Other	1,815	1,805
Total non-operating expenses	2,497	2,253
Ordinary income	21,084	10,912
Extraordinary gains		
Gain on sale of fixed assets	46	81
Gain on sale of investment securities	208	1
Gain on reversal of allowance for doubtful accounts	-	100
Other	121	-
Total extraordinary gains	376	183
Extraordinary losses		
Loss on sale or disposal of fixed assets	1,346	1,464
Loss on devaluation of investment securities	188	855
Other	62	13
Total extraordinary losses	1,597	2,334
Income before income taxes and minority interests	19,863	8,761
Current income taxes	4,016	2,830
Deferred income taxes	5,806	3,568
Income and other taxes	9,823	6,398
Minority interests	67	354
Net income	9,972	2,009

**(3) Quarterly consolidated statements of cash flows**

(Millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	19,863	8,761
Depreciation	25,206	20,903
Increase of doubtful receivables, net	745	462
Increase (Decrease) of provision for retirement benefits, net	(865)	587
Equity in losses (earnings) of affiliates	335	(30)
Amortization of goodwill, net	830	1,277
Interest and dividend income	(2,330)	(1,996)
Interest expense	346	448
Net gains on sales of investment securities	(208)	(1)
Net losses on devaluation of investment securities	188	855
Net losses on sale or disposal of fixed assets	1,299	1,382
Decrease in trade receivables	13,796	19,035
Increase in inventories	(8,414)	(1,035)
Decrease in trade payables	(11,018)	(5,079)
Other	(3,613)	(4,920)
Sub-total	36,160	40,652
Payment of income taxes	(15,799)	(7,418)
Net cash provided by operating activities	20,361	33,233
<b>Cash flows from investing activities</b>		
Increase in time deposits	(49)	(54)
Proceeds from sales of marketable securities	986	-
Payments for purchases of property, plant and equipment	(22,998)	(34,059)
Proceeds from sales of property, plant and equipment	1,053	427
Payments for purchases of investment securities	(3,341)	(6,477)
Proceeds from sales of investment securities	1,061	2,063
Payments for purchases of subsidiary stocks	(3,220)	(3,329)
Payments for business transfer	(3,664)	-
Interest and dividends received	2,319	2,003
Other	(3,631)	3,864
Net cash used in investing activities	(31,485)	(35,563)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Cash flows from financing activities		
Increase (Decrease) in short-term bank loans	8,849	(10,391)
Proceeds from long-term debt	1,220	800
Repayments of long-term debt	(1,091)	(1,095)
Payments for purchases of treasury stocks	(26,589)	(23)
Interest paid	(127)	(227)
Dividends paid	(12,852)	(8,753)
Dividends paid to minority interests	(54)	(56)
Other	(144)	(878)
Net cash used in financing activities	(30,791)	(20,625)
Effect of exchange rate changes on cash and cash equivalents	(3,567)	1,421
Net decrease in cash and cash equivalents	(45,482)	(21,532)
Cash and cash equivalents at beginning of year	130,695	117,200
Cash and cash equivalents at end of period	85,212	95,667

**(4) Notes on premise of a going concern**

None

**(5) Segment information****Business segment information**

Three months ended June 30, 2008

(Millions of yen)

	Information Communication	Lifestyle and Industrial Supplies	Electronics	Beverages	Total	Elimination and/or corporate	Consolidated
Net sales							
(1) Outside customers	161,591	136,289	76,486	15,460	389,829	-	389,829
(2) Inter- segment	1,867	2,071	0	10	3,951	(3,951)	-
Total	163,459	138,361	76,487	15,471	393,780	(3,951)	389,829
Operating income (loss)	8,207	7,532	5,652	(393)	20,998	(2,149)	18,848

Three months ended June 30, 2009

(Millions of yen)

	Information Communication	Lifestyle and Industrial Supplies	Electronics	Beverages	Total	Elimination and/or corporate	Consolidated
Net sales							
(1) Outside customers	189,569	125,320	51,960	13,568	380,418	-	380,418
(2) Inter- segment	1,967	1,550	4	9	3,530	(3,530)	-
Total	191,536	126,870	51,964	13,577	383,949	(3,530)	380,418
Operating income (loss)	5,526	8,000	(1,141)	(785)	11,599	(2,168)	9,430

**(6) Notes on significant changes in the amount of stockholders' equity**

None