



Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2011
(J-GAAP)

February 3, 2011

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 Securities report issuing date: February 8, 2011
 Dividend payment date: -
 Preparation of quarterly earnings presentation material: No
 Holding of quarterly earnings announcement: No

(Amounts under one million yen have been rounded down.)

1. Consolidated financial results for the first nine months ended December 31, 2010
(April 1, 2010 – December 31, 2010)

(1) Consolidated financial results

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

	Net Sales		Operating Income		Ordinary Income	
	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2010	1,200,454	2.2	55,113	20.4	54,769	22.7
Nine months ended December 31, 2009	1,175,073	(2.9)	45,758	4.0	44,627	(1.3)

	Net Income		Net Income per Share	Diluted Net Income per Share
	Million yen	%	Yen	Yen
Nine months ended December 31, 2010	25,820	31.6	40.08	—
Nine months ended December 31, 2009	19,620	68.3	30.45	—

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Million yen	Million yen	%	Yen
As of December 31, 2010	1,607,129	954,664	56.6	1,412.91
As of March 31, 2010	1,618,853	956,863	56.6	1,422.34

Note: Stockholders' equity as of December 31, 2010: ¥910,127 million As of March 31, 2010: ¥916,324 million

2. Dividends

	Annual Dividends (Yen)				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total
Year ended March 31, 2010	—	16.00	—	16.00	32.00
Year ending March 31, 2011	—	16.00	—		
Year ending March 31, 2011 (Forecast)				16.00	32.00

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

3. Consolidated earnings forecasts for the year ending March 31, 2011 (April 1, 2010 – March 31, 2011)

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,640,000	3.6	75,000	12.8	73,000	6.0	32,500	39.6	50.45

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

4. Other information (For more detail, refer to the attached “2. Other information” on page 3.)

(1) Changes in significant subsidiaries during the current quarter: None

Note: This refers to changes in specified subsidiaries resulting in change of scope of consolidation during the current quarter.

(2) Application of simplified accounting and special accounting procedures: Yes

Note: This refers to simplified accounting and accounting procedures peculiar to quarterly consolidated financial statement preparation.

(3) Changes in accounting policies, procedures and methods of presentation

1) Changes due to revision of accounting standard, etc.: Yes

2) Changes due to other reasons: None

Note: This refers to changes in accounting policies, procedures and methods of presentation related to quarterly consolidated financial statement preparation (entries of changes in significant matters that are basic to preparation of quarterly consolidated financial statements)

(4) Number of common shares issued and outstanding

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

As of December 31, 2010	700,480,693 shares	As of March 31, 2010	700,480,693 shares
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2) Number of treasury shares at end of each period

As of December 31, 2010	56,328,274 shares	As of March 31, 2010	56,241,763 shares
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3) Average number of shares outstanding during the period (cumulative from the start of the fiscal year)

Nine months ended December 31, 2010	644,200,740 shares	Nine months ended December 31, 2009	644,334,590 shares
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Presentation of implementation status for quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to these Consolidated Financial Results, and the quarterly review procedure based on the Financial Instruments and Exchange Act was completed as of the release of these Consolidated Financial Results.

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 deemed 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.

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1. Qualitative information on the consolidated results for the current quarter

(1) Qualitative information on consolidated financial results

In the first nine months of the fiscal year, Japan's economy faced increasingly severe conditions, including a stronger yen, overseas financial crisis, continued high unemployment, and weak domestic demand with the end of government economic stimulus measures.

The printing industry continued to face a difficult business environment. Competition intensified as a result of weak consumer spending and corporate advertising spending. Unit prices also declined.

In this environment, the DNP (Dai Nippon Printing Co., Ltd.) Group sought to aggressively develop its business and deliver products, services, and solutions tailored to the needs of its customers, based on its P&I Solutions business vision (P&I stands for "printing technology" and "information technology"). The Group also pursued Production 21 activities to establish a robust production structure in all facets of production, including quality, cost, and delivery time, and it worked to secure earnings.

As a result, consolidated net sales for the first nine months grew 2.2% year on year to ¥1,200.4 billion, consolidated operating income grew 20.4% to ¥55.1 billion, consolidated ordinary income grew 22.7% to ¥54.7 billion, and net income grew 31.6% to ¥25.8 billion.

Business segment results are presented below.

[PRINTING]

Information Communication

In the Books and Magazines business, sales decreased year on year on a prolonged slump in the publications market, including a decline in magazine circulation.

In the Commercial Printing business, sales decreased year on year as cutbacks in corporate advertising spending resulted in declines for flyers, pamphlets, catalogs, and other products.

In the Business Forms business, sales decreased year on year as a result of declines for both information processing services (ranging from data entry to printing and shipment of personal mail and other items) and smart cards.

In the Educational Publications Distribution business, sales rose sharply year on year as a result of sales promotions at bookstores and an increase in the number of consolidated subsidiaries.

As a result of the above, overall segment sales totaled ¥541.5 billion and operating income ¥12.9 billion.

Lifestyle and Industrial Supplies

In the Packaging business, despite higher sales of PET bottle preforms and paper cups, overall sales decreased year on year on a decline in liquid paper containers.

In the Lifestyle Materials business, although housing starts remained weak, sales increased year on year on growth for eco-friendly products that use DNP's proprietary electron beam coating technology.

In the Industrial Supplies business, despite a slowdown during the third quarter for anti-reflection films used in flat-panel displays, overall sales increased year on year on growth for dye-sublimation materials for photo printers (color ink ribbons and receiver paper) and back sheets for photovoltaic modules.

As a result of the above, overall segment sales totaled ¥401.6 billion and operating income ¥35.9 billion.

Electronics

In the LCD color filter business, despite some production cutbacks, sales increased year on year on contributions from production at the Sakai Plant in Osaka Prefecture and the Himeji Plant in Hyogo Prefecture and greater demand for small and medium-sized LCD displays.

In the semiconductor-related products business, photomask sales decreased year on year. The DNP Group worked to acquire overseas demand, primarily at its plant in Taiwan, but

domestic demand remained weak. Additionally, sales of etched products for hard drive suspensions and other applications increased, but sales of high-density build-up circuit boards decreased.

As a result of the above, overall segment sales totaled ¥219.4 billion and operating income ¥12.9 billion.

[BEVERAGES]

Beverages

Amid tough market conditions, characterized by a slump in consumer spending and intensified sales competition, the DNP Group worked hard to increase sales of Coca-Cola and Georgia, both core products, and I LOHAS, a brand of mineral water that uses "ecoru Bottle Shiboru," Japan's lightest bottle.

Sales of Coca-Cola and mineral water increased, but sales of tea and coffee drinks decreased. As a result, overall segment sales totaled ¥48.0 billion and operating income ¥1.2 billion.

(2) Qualitative information on the consolidated financial position

Total assets at the end of the third quarter were down ¥11.7 billion from the end of the previous fiscal year to ¥1,607.1 billion because of declines in notes and trade receivable and investment securities.

Total liabilities decreased ¥9.5 billion from the end of the previous fiscal year to ¥652.4 billion because of a decline in notes and trade payable.

Net assets decreased ¥2.1 billion from the end of the previous fiscal year to ¥954.6 billion because of a deterioration in net unrealized gains/losses on available-for-sale securities.

As a result of the above, the equity ratio was 56.6%, unchanged from the end of the previous fiscal year.

Consolidated cash flow provided by operating activities in the first nine months totaled ¥94.4 billion primarily because of ¥50.6 billion in income before income taxes and minority interests and ¥71.9 billion in depreciation.

Cash flow used in investing activities totaled ¥59.8 billion, mainly because of the acquisition of ¥66.0 billion of property, plant and equipment, and cash flow used in financing activities totaled ¥33.6 billion, owing mainly to a ¥12.4 billion decrease in short-term bank loans and ¥20.5 billion of dividends paid.

Because of these activities, DNP's cash and cash equivalents at the end of the third quarter decreased by ¥1.4 billion from the end of the previous fiscal year to ¥150.3 billion.

(3) Qualitative information on the consolidated earnings forecasts

DNP has not changed its May 14, 2010 forecasts for the full fiscal year ending March 2011.

2. Other information

(1) Changes in significant subsidiaries

None

(2) Application of simplified accounting and special accounting procedures

Simplified accounting

1) Valuation of inventory

To calculate the value of inventory at the end of the third quarter, DNP eliminated the process of taking physical inventory of stock and instead adopted a rational computation 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.

2) 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.

Accounting procedures peculiar to quarterly consolidated financial statement preparation

None

(3) Changes in accounting policies, procedures and method of presentation

Changes in matters related to accounting standards

1) Application of accounting standards for asset retirement obligations

Starting from the first quarter of the current fiscal year, DNP and its domestic consolidated subsidiaries have applied the “Accounting Standards for Asset Retirement Obligations” (Accounting Standards Board of Japan [ASBJ] Statement No. 18, March 31, 2008) and the “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Implementation Guidance No. 21, March 31, 2008).

As a result, operating income for the first nine months has declined by ¥199 million, ordinary income by ¥362 million, and income before income taxes and minority interests by ¥866 million. The change in asset retirement obligations owing to the application of the accounting standards is ¥3,093 million.

2) Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

Starting from the first quarter of the current fiscal year, DNP and its domestic consolidated subsidiaries have applied the “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ Practical Issue Task Force [PITF] No. 24, March 10, 2008).

There is no impact on profits and losses as a result.

3) Application of “Accounting Standard for Business Combinations” and other accounting standards

Starting from the first quarter of the current fiscal year, DNP and its domestic consolidated subsidiaries have applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “Partial Amendments to ‘Accounting Standard for Research and Development Costs’” (ASBJ Statement No. 23, December 26, 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, December 26, 2008), and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

3. Quarterly consolidated financial statements
(1) Quarterly consolidated balance sheets

(Million yen)

	As of December 31, 2010	As of March 31, 2010
ASSETS		
Current assets		
Cash and time deposits	152,171	152,416
Notes and trade receivable	424,816	449,020
Merchandise and finished products	87,038	71,340
Work in progress	35,580	29,722
Raw materials and supplies	19,840	17,756
Deferred income taxes	3,534	9,775
Other	15,875	14,246
Allowance for doubtful accounts	(4,129)	(4,327)
Total current assets	<u>734,727</u>	<u>739,951</u>
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	217,325	207,256
Machinery and equipment, net	180,496	179,127
Land	138,675	135,485
Construction in progress	45,510	51,433
Other, net	41,402	43,544
Total property, plant and equipment	<u>623,410</u>	<u>616,847</u>
Intangible fixed assets		
Goodwill	11,449	10,281
Software	21,811	20,489
Other	3,058	3,945
Total intangible fixed assets	<u>36,320</u>	<u>34,717</u>
Investments and other assets		
Investment securities	132,532	142,381
Long-term loans	2,014	1,741
Deferred income taxes	39,873	40,574
Other	50,162	54,702
Allowance for doubtful accounts	(13,258)	(13,668)
Total investments and other assets	<u>211,324</u>	<u>225,731</u>
Total fixed assets	<u>871,056</u>	<u>877,296</u>
Deferred assets		
Business startup costs	1,327	1,605
Other	18	—
Total deferred assets	<u>1,345</u>	<u>1,605</u>
TOTAL ASSETS	<u>1,607,129</u>	<u>1,618,853</u>

(Million yen)

	As of December 31, 2010	As of March 31, 2010
LIABILITIES		
Current liabilities		
Notes and trade payable	293,031	308,630
Short-term bank loans	51,442	50,547
Current portion of long-term debt	5,847	4,019
Income taxes payable	4,383	15,623
Reserve for bonuses	6,426	16,341
Other	91,245	76,783
Total current liabilities	452,377	471,945
Long-term liabilities		
Bonds	102,540	101,167
Long-term debt	17,154	11,018
Provision for retirement benefits	40,496	43,229
Other	39,895	34,628
Total long-term liabilities	200,086	190,045
TOTAL LIABILITIES	652,464	661,990
NET ASSETS		
Stockholders' equity		
Common stock	114,464	114,464
Capital surplus	144,898	144,898
Retained earnings	761,240	756,428
Treasury stock	(94,102)	(94,016)
Total stockholders' equity	926,500	921,774
Valuation and translation adjustments		
Net unrealized gains on available-for-sale securities	1,927	8,059
Net deferred gains on hedges	17	(10)
Foreign currency translation adjustments	(18,317)	(13,498)
Total valuation and translation adjustments	(16,373)	(5,449)
Stock acquisition rights	16	—
Minority interests	44,521	40,538
TOTAL NET ASSETS	954,664	956,863
TOTAL LIABILITIES AND NET ASSETS	1,607,129	1,618,853

(2) Quarterly consolidated statements of income

(Million yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Net sales	1,175,073	1,200,454
Cost of sales	954,643	970,342
Gross profit	220,429	230,111
Selling, general and administrative expenses	174,671	174,997
Operating income	45,758	55,113
Non-operating income		
Interest income	623	355
Dividend income	2,373	2,769
Other	3,864	5,087
Total non-operating income	6,861	8,212
Non-operating expense		
Interest expense	1,845	2,057
Equity in losses of associated companies	201	210
Other	5,945	6,288
Total non-operating expenses	7,993	8,556
Ordinary income	44,627	54,769
Extraordinary gains		
Gain on sale of fixed assets	921	258
Gain on sale of investment securities	36	31
Other	204	35
Total extraordinary gains	1,161	325
Extraordinary losses		
Loss on sale or disposal of fixed assets	4,747	2,863
Loss on devaluation of investment securities	1,189	438
Other	914	1,097
Total extraordinary losses	6,851	4,399
Income before income taxes and minority interests	38,937	50,695
Current income taxes	13,501	12,898
Deferred income taxes	5,755	11,745
Income and other taxes	19,256	24,644
Income before minority interests	—	26,050
Minority interests	59	230
Net income	19,620	25,820

(3) Quarterly consolidated statements of cash flows

(Million yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Cash flows from operating activities		
Income before income taxes and minority interests	38,937	50,695
Depreciation	66,700	71,920
Increase of doubtful receivables, net	2,125	137
Increase (Decrease) of provision for retirement benefits, net	1,718	(3,110)
Equity in losses of associated companies	201	210
Amortization of consolidation goodwill, net	3,993	1,966
Interest and dividend income	(2,997)	(3,124)
Interest expense	1,845	2,057
Net gains on sales of investment securities	(30)	(29)
Net losses on devaluation of investment securities	1,189	453
Net losses on sale or disposal of fixed assets	3,826	2,604
(Increase) Decrease in trade receivables	(47,415)	25,461
Increase in inventories	(2,925)	(10,203)
Increase (Decrease) in trade payables	18,440	(19,808)
Other	(1,037)	(2,960)
Sub-total	84,572	116,269
Payment of income taxes	(6,054)	(21,851)
Net cash provided by operating activities	78,517	94,418
Cash flows from investing activities		
(Increase) Decrease in time deposits	4,255	(241)
Payments for purchases of property, plant and equipment	(83,245)	(66,061)
Proceeds from sales of property, plant and equipment	2,368	2,521
Payments for purchases of investment securities	(8,679)	(1,842)
Proceeds from sales and redemption of investment securities	2,661	10,294
Payments for purchases of subsidiary stocks	(5,566)	—
Proceeds from purchases of newly consolidated subsidiary stocks	—	908
Payments for business transfer	(49)	—
Interest and dividends received	2,980	3,287
Other	1,932	(8,685)
Net cash used in investing activities	(83,340)	(59,819)

(Million yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Cash flows from financing activities		
Net decrease in short-term bank loans	(21,609)	(12,472)
Proceeds from long-term debt	2,240	11,763
Repayments of long-term debt	(2,807)	(8,012)
Proceeds from issuance of bonds	50,000	2,700
Payments for redemption of bonds	(62)	(266)
Payments for purchases of treasury stocks	(96)	(105)
Interest paid	(1,272)	(1,589)
Dividends paid	(19,298)	(20,589)
Dividends paid to minority interests	(232)	(368)
Other	(2,933)	(4,701)
Net cash provided by (used in) financing activities	3,928	(33,642)
Effect of exchange rate changes on cash and cash equivalents	415	(2,491)
Net decrease in cash and cash equivalents	(480)	(1,535)
Cash and cash equivalents at beginning of year	117,200	151,709
Increase in cash and cash equivalents from newly consolidated subsidiaries	97	—
Increase in cash and cash equivalents from merger with unconsolidated subsidiaries	—	128
Cash and cash equivalents at end of period	116,817	150,302

(4) Note on assumptions for going concern

None

(5) Segment information

[Segment information by type of business]

First nine months of previous fiscal year (April 1, 2009 – December 31, 2009)

(Million yen)

	Information Communication	Lifestyle and Industrial Supplies	Electronics	Beverages	Total	Elimination and/or corporate	Consolidated
Net sales							
(1) Outside customers	551,203	391,219	184,820	47,830	1,175,073	—	1,175,073
(2) Inter-segment	5,364	4,588	16	34	10,003	(10,003)	—
Total	556,568	395,807	184,836	47,864	1,185,076	(10,003)	1,175,073
Operating income (loss)	16,101	31,446	4,791	(299)	52,040	(6,281)	45,758

[Segment information]

(Supplementary information)

Starting from the first quarter of the current fiscal year, DNP and its domestic consolidated subsidiaries have applied the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008).

1. Overview of reporting segments

DNP’s reporting segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of business resources and evaluate business results.

The Group bases its business divisions on the products and services provided and develops its business activities based on a comprehensive domestic and overseas strategy for each business division. The four reporting segments are Information Communication, Lifestyle and Industrial Supplies, Electronics, and Beverages.

The main products and services of each reporting segment are as follows:

Information Communication	Production and sale of publications, commercial printed matter, and business forms; educational publications distribution
Lifestyle and Industrial Supplies	Manufacture and sale of packaging materials, interior and exterior construction materials, photographic materials, and industrial supplies
Electronics	Manufacture and sale of precision electronic components
Beverages	Manufacture and sale of carbonated and non-carbonated beverages

2. Information concerning sales and income/loss by reporting segment
 First nine months of current fiscal year (April 1, 2010 – December 31, 2010)

(Million yen)

	Reporting segment					Adjustment ¹	Amounts reported on quarterly consolidated statements of income ²
	Information Communication	Lifestyle and Industrial Supplies	Electronics	Beverages	Total		
Net sales							
(1) Outside customers	536,484	396,430	219,458	48,080	1,200,454	—	1,200,454
(2) Inter-segment	5,091	5,255	9	4	10,361	(10,361)	—
Total	541,576	401,685	219,467	48,085	1,210,815	(10,361)	1,200,454
Segment income (loss)	12,925	35,993	12,909	1,265	63,093	(7,979)	55,113

Notes:

1. Segment income are adjusted for costs related to basic research not assignable to a reporting segment or costs of research shared by different segments.
2. Segment income are adjusted to reflect operating income as reported on the consolidated statements of income.

(6) Significant changes in shareholders' equity

None