



Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2012
[J-GAAP]

February 10, 2012

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 Stock exchange listings: Tokyo
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 Securities report issuing date: February 13, 2012
 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, 2011
(April 1, 2011 – December 31, 2011)

(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, 2011	1,135,977	(5.4)	22,887	(58.5)	25,991	(52.5)
Nine months ended December 31, 2010	1,200,454	2.2	55,113	20.4	54,769	22.7

Note: Comprehensive income (loss):

For the first nine months ended December 31, 2011: ¥(7,480) million (–%)

For the first nine months ended December 31, 2010: ¥14,697 million (–%)

	Net Income		Net Income per Share	Diluted Net Income per Share
	Million yen	%	Yen	Yen
Nine months ended December 31, 2011	4,066	(84.3)	6.31	6.30
Nine months ended December 31, 2010	25,820	31.6	40.08	–

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of December 31, 2011	1,607,972	924,124	54.7
As of March 31, 2011	1,649,784	952,440	55.1

Note: Stockholders' equity as of December 31, 2011: ¥880,240 million As of March 31, 2011: ¥908,521 million

2. Dividends

	Annual Dividends (Yen)				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total
Year ended March 31, 2011	–	16.00	–	16.00	32.00
Year ending March 31, 2012	–	16.00	–	–	–
Year ending March 31, 2012 (Forecasts)	–	–	–	16.00	32.00

Note: Revisions to the most recently announced dividend forecasts during the current quarter: No

3. Consolidated earnings forecasts for the year ending March 31, 2012 (April 1, 2011 – March 31, 2012)

(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	1,540,000	(3.1)	38,000	(44.0)	38,000	(39.5)	8,000	(68.0)	12.42

Note: Revisions to the most recently announced earnings forecasts during the current quarter: Yes

4. Other information

(1) Changes in significant subsidiaries during the current quarter (changes in specified subsidiaries resulting in change of scope of consolidation): No

(2) Application of accounting procedures peculiar to quarterly consolidated financial statement preparation: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

1) Changes in accounting policies with revision of accounting standards: No

2) Changes in accounting policies other than the 1) above: No

3) Changes in accounting estimates: No

4) Restatement of revisions: No

(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, 2011	700,480,693 shares	As of March 31, 2011	700,480,693 shares
As of December 31, 2011	56,400,603 shares	As of March 31, 2011	56,338,163 shares
Nine months ended December 31, 2011	644,112,868 shares	Nine months ended December 31, 2010	644,200,740 shares

2) Number of treasury shares at end of each period

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

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 has been completed as of the release of these Consolidated Financial Results.

Explanation regarding appropriate use of earnings forecasts and other special notes

Forward-looking statements in this report, including earnings forecasts, are based on assumptions about economic conditions, market trends, and other factors at the time the report was prepared. Actual results may differ significantly due to a variety of factors.

See the “(3) Qualitative information on the consolidated earnings forecasts” on page 3 for information about earnings forecasts.

Contents

1. Qualitative information on the consolidated results for the current quarter	2
(1) Qualitative information on the consolidated financial results	2
(2) Qualitative information on the consolidated financial position	3
(3) Qualitative information on the consolidated earnings forecasts	3
2. Quarterly consolidated financial statements	4
(1) Quarterly consolidated balance sheets	4
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income	6
Quarterly consolidated statements of income	6
Quarterly consolidated statements of comprehensive income	7
(3) Note on assumptions for going concern	8
(4) Segment information, etc.	8
(5) Significant changes in shareholders' equity	9
(6) Additional information	9

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

(1) Qualitative information on the consolidated financial results

In the first nine months of the fiscal year, Japan's economy showed some signs of recovering from the impact of the Tohoku – Pacific Ocean Earthquake, but uncertain conditions persisted, due partly to overseas economic slowdowns, rapid yen appreciation, and worsening employment conditions.

The printing industry faced a tough business environment. Competition grew more intense due to a slow recovery in corporate advertising expenditures, which fell sharply after the earthquake, and to sluggish consumer spending.

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. Especially in the information communication segment, the business environment has changed significantly as a result of changes in consumer behavior, advance of social media, and greater information security needs. In light of these conditions, DNP is pursuing groupwide efforts to leverage the advantages it has developed to build a new business model. In an effort to optimize the production structure, the Group is working hard to enhance efficiency through the integration of group companies and reorganization of the nationwide production management structure.

In spite of these efforts, the DNP Group's consolidated net sales for the first nine months fell 5.4% year on year to ¥1,135.9 billion, consolidated operating income fell 58.5% to ¥22.8 billion, consolidated ordinary income fell 52.5% to ¥25.9 billion, and consolidated net income fell 84.3% to ¥4.0 billion.

Business segment results are presented below.

[PRINTING]

Information Communication

In the Books and Magazines business, the publications market slumped, and although book sales increased, magazines declined.

In the Commercial Printing business, sales decreased year on year as a slow recovery in corporate advertising expenditures, which decreased after the earthquake, resulted in generally weak sales of flyers, pamphlets, catalogs, and other products.

In the Business Forms business, smart card sales were strong, including transportation cards and electronic money, but overall sales decreased year on year on a decline for information processing services (ranging from data entry to printing and shipment of personal mail and other items).

In the Educational Publications Distribution business, sales rose above year-ago levels, due partly to an increase in the number of consolidated subsidiaries.

As a result of the above, overall segment sales fell 2.1% year on year to ¥530.1 billion and operating income fell 34.5% to ¥8.4 billion.

Lifestyle and Industrial Supplies

In the Packaging business, sales increased year on year, driven by growth for PET bottle aseptic filling systems and PET bottle preforms.

In the Lifestyle Materials business, 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 growth for energy-related products, including lithium ion rechargeable battery soft packages and photovoltaic module back sheets, and for dye-sublimation thermal transfer recording media for photo printers (color ink ribbons and receiver paper), overall sales decreased year on year on a decline for anti-reflection films used in flat-panel displays.

As a result of the above, overall segment sales fell 2.5% year on year to ¥391.4 billion and operating income fell 34.0% to ¥23.7 billion.

Electronics

In the LCD color filter business, sales of small and medium-sized filters for smartphones were firm, but overall sales decreased year on year because global LCD TV sales were sluggish.

In the electronic devices business, sales decreased for etched products, including photomasks and hard drive suspensions, amid tough conditions in the global semiconductor market.

As a result of the above, overall segment sales fell 18.6% year on year to ¥178.7 billion and operating losses totaled ¥3.1 billion, versus operating income of ¥12.9 billion during the same period last year.

[BEVERAGES]

Beverages

Amid tough market conditions, characterized by weak consumer spending and stiffer sales competition, the DNP Group worked to expand 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.

As a result, coffee sales decreased, but mineral waters increased. Overall segment sales fell 9.2% year on year to ¥43.6 billion and operating income rose 12.2% to ¥1.4 billion.

(2) Qualitative information on the consolidated financial position

Total assets at the end of the third quarter decreased by ¥41.8 billion from the end of the previous fiscal year to ¥1,607.9 billion, due partly to decreases in cash and time deposits and in machinery and equipment.

Total liabilities decreased by ¥13.4 billion from the end of the previous fiscal year to ¥683.8 billion, due partly to a decline in the reserve for bonuses.

Net assets decreased by ¥28.3 billion from the end of the previous fiscal year to ¥924.1 billion, due partly to a decline in retained earnings from the payment of dividends.

As a result of the above, the equity ratio declined from 55.1% at the end of the previous fiscal year to 54.7%.

(3) Qualitative information on the consolidated earnings forecasts

We have revised our earnings forecasts for the fiscal year ending March 2012, originally published on August 11, 2011. For details, see our press release titled, Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2012, published on February 10, 2012.

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

(Million yen)

	As of March 31, 2011	As of December 31, 2011
ASSETS		
Current assets		
Cash and time deposits	223,847	195,856
Notes and trade receivable	403,986	394,780
Merchandise and finished products	87,446	95,669
Work in progress	31,585	38,483
Raw materials and supplies	19,575	20,399
Other	31,496	26,277
Allowance for doubtful accounts	(6,994)	(6,228)
Total current assets	790,942	765,238
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	212,984	209,133
Machinery and equipment, net	173,849	154,305
Land	138,650	142,718
Construction in progress	47,036	55,798
Other, net	42,306	42,231
Total property, plant and equipment	614,827	604,186
Intangible fixed assets		
Other	35,891	37,497
Total intangible fixed assets	35,891	37,497
Investments and other assets		
Other	218,119	210,801
Allowance for doubtful accounts	(11,250)	(10,724)
Total investments and other assets	206,868	200,077
Total fixed assets	857,587	841,760
Deferred assets	1,253	972
TOTAL ASSETS	1,649,784	1,607,972

	As of March 31, 2011	As of December 31, 2011
LIABILITIES		
Current liabilities		
Notes and trade payable	275,525	285,168
Short-term bank loans	51,403	49,358
Reserve for bonuses	16,650	6,217
Reserve for disaster losses	4,648	2,405
Other	99,541	93,732
Total current liabilities	447,768	436,881
Long-term liabilities		
Bonds	153,520	153,120
Long-term debt	14,802	16,786
Provision for retirement benefits	39,260	33,853
Other	41,991	43,206
Total long-term liabilities	249,574	246,965
TOTAL LIABILITIES	697,343	683,847
NET ASSETS		
Stockholders' equity		
Common stock	114,464	114,464
Capital surplus	144,898	144,898
Retained earnings	760,452	743,882
Treasury stock	(94,113)	(94,160)
Total stockholders' equity	925,702	909,085
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	832	(5,874)
Net deferred gains (losses) on hedges	(12)	(4)
Foreign currency translation adjustments	(18,000)	(22,966)
Total accumulated other comprehensive income	(17,180)	(28,845)
Stock acquisition rights	16	16
Minority interests	43,902	43,867
TOTAL NET ASSETS	952,440	924,124
TOTAL LIABILITIES AND NET ASSETS	1,649,784	1,607,972

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income

First nine months of the fiscal years

(Million yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Net sales	1,200,454	1,135,977
Cost of sales	970,342	940,860
Gross profit	230,111	195,116
Selling, general and administrative expenses	174,997	172,228
Operating income	55,113	22,887
Non-operating income		
Interest and dividend income	3,124	3,162
Equity in earnings of associated companies	–	564
Other	5,087	5,970
Total non-operating income	8,212	9,698
Non-operating expense		
Interest expense	2,057	2,553
Equity in losses of associated companies	210	–
Other	6,288	4,040
Total non-operating expenses	8,556	6,593
Ordinary income	54,769	25,991
Extraordinary gains		
Gain on sale of fixed assets	258	1,762
Other	66	149
Total extraordinary gains	325	1,911
Extraordinary losses		
Loss on sale of fixed assets	2,863	3,707
Loss on devaluation of investment securities	438	2,664
Other	1,097	2,064
Total extraordinary losses	4,399	8,436
Income before income taxes and minority interests	50,695	19,466
Current income taxes	12,898	10,330
Deferred income taxes	11,745	4,502
Income and other taxes	24,644	14,833
Income before minority interests	26,050	4,633
Minority interests	230	566
Net income	25,820	4,066

Quarterly consolidated statements of comprehensive income
First nine months of the fiscal years

(Million yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Income before minority interests	26,050	4,633
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(6,060)	(6,690)
Net deferred gains on hedges	27	8
Foreign currency translation adjustments	(5,262)	(5,427)
Share of other comprehensive loss of associates accounted for using equity method	(56)	(4)
Total other comprehensive loss	<u>(11,352)</u>	<u>(12,113)</u>
Comprehensive income (loss)	<u>14,697</u>	<u>(7,480)</u>
Comprehensive income (loss) attributable to owners of the parent	14,896	(7,598)
Comprehensive income (loss) attributable to minority interests	(198)	118

(3) Note on assumptions for going concern

None

(4) Segment information, etc.

I. First nine months of previous fiscal year (April 1, 2010 – December 31, 2010)

Information on sales and income/loss by reporting segment

(Million yen)

	Reporting segment					Adjustment Note 1	Amounts reported on quarterly consolidated statements of income Note 2
	Information Communication	Lifestyle and Industrial Supplies	Electronics	Beverages	Total		
Net sales							
Outside customers	536,484	396,430	219,458	48,080	1,200,454	–	1,200,454
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	12,925	35,993	12,909	1,265	63,093	(7,979)	55,113

Notes: 1. Segment income is adjusted for costs related to basic research not assignable to a reporting segment or costs of research shared by different segments.

2. Segment income is adjusted to reflect operating income as reported on the consolidated statements of income.

II. First nine months of current fiscal year (April 1, 2011 – December 31, 2011)

Information on sales and income/loss by reporting segment

(Million yen)

	Reporting segment					Adjustment Note 1	Amounts reported on quarterly consolidated statements of income Note 2
	Information Communication	Lifestyle and Industrial Supplies	Electronics	Beverages	Total		
Net sales							
Outside customers	526,016	387,576	178,733	43,650	1,135,977	–	1,135,977
Inter-segment	4,155	3,880	1	2	8,040	(8,040)	–
Total	530,172	391,457	178,734	43,652	1,144,017	(8,040)	1,135,977
Segment income (loss)	8,462	23,747	(3,173)	1,420	30,457	(7,570)	22,887

Notes: 1. Segment income (loss) is adjusted for costs related to basic research not assignable to a reporting segment or costs of research shared by different segments.

2. Segment income (loss) is adjusted to reflect operating income as reported on the consolidated statements of income.

(5) Significant changes in shareholders' equity

None

(6) Additional information

1) Application of the "Accounting Standard for Accounting Changes and Error Corrections"

As a result of accounting changes and corrections of past errors since the start of the first quarter of the fiscal year ending March 31, 2012, DNP is applying the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009).

2) Impact of change in corporate tax rates

Following the promulgation of the "Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114, 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Tohoku – Pacific Ocean Earthquake" (Act No. 117, 2011) on December 2, 2011, corporate income tax rates will change for consolidated fiscal years starting on or after April 1, 2012. As a result, the effective statutory tax rates used to calculate deferred tax assets and deferred tax liabilities are listed below according to the timing of eliminating temporary differences, etc.

Through March 31, 2012: 40.7%

April 1, 2012 to March 31, 2015: 38.0%

From April 1, 2015: 35.6%

This change in tax rates resulted in a net decrease in deferred tax assets of ¥4,035 million and an increase in income taxes – deferred of ¥4,040 million.