



Consolidated Financial Results
for the First Nine Months of the Fiscal Year Ending March 31, 2013
[J-GAAP]

February 7, 2013

Company Name: Dai Nippon Printing Co., Ltd.
 Stock exchange listings: Tokyo
 Stock code: 7912 URL: <http://www.dnp.co.jp/>
 Representative: Yoshitoshi Kitajima, President
 Contact person: Yoshio Kanbe, General Manager, Press and Public Relations
 Telephone: +81-3-5225-8220
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 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, 2012
(April 1, 2012 – December 31, 2012)

(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, 2012 | 1,088,291 | (4.2) | 24,484 | 7.0 | 28,737 | 10.6 |
| Nine months ended December 31, 2011 | 1,135,977 | (5.4) | 22,887 | (58.5) | 25,991 | (52.5) |

Note: Comprehensive income (loss):

For the first nine months ended December 31, 2012: ¥12,861 million (–%)

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

| | Net Income | | Net Income per Share | Diluted Net Income per Share |
|--|-------------|--------|----------------------|------------------------------|
| | Million yen | % | Yen | Yen |
| Nine months ended December 31, 2012 | 9,896 | 143.4 | 15.37 | 15.33 |
| Nine months ended December 31, 2011 | 4,066 | (84.3) | 6.31 | 6.30 |

(2) Consolidated financial position

| | Total Assets | Net Assets | Equity Ratio |
|-------------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of December 31, 2012 | 1,539,752 | 908,322 | 56.1 |
| As of March 31, 2012 | 1,608,806 | 914,213 | 54.2 |

Note: Stockholders' equity: As of December 31, 2012: ¥864,222 million As of March 31, 2012: ¥871,229 million

2. Dividends

| | Annual Dividends (Yen) | | | | |
|---|------------------------|--------------------|-------------------|----------|-------|
| | First Quarter-end | Second Quarter-end | Third Quarter-end | Year-end | Total |
| Year ended March 31, 2012 | – | 16.00 | – | 16.00 | 32.00 |
| Year ending March 31, 2013 | – | 16.00 | – | | |
| Year ending March 31, 2013 (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, 2013 (April 1, 2012 – March 31, 2013)

(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 | 1,520,000 | 0.8 | 38,000 | 11.7 | 39,000 | 5.9 | 12,000 | – | 18.63 |

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

Notes

(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: Yes

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

3) Changes in accounting estimates: Yes

4) Restatement of revisions: No

Note: DNP changed depreciation methods starting in the first quarter of this fiscal year, and this change falls under the category of “changes in accounting policies that are difficult to distinguish from changes in accounting estimates.” For further details, see the section titled, “2. Summary information (Notes): Changes in accounting policies, changes in accounting estimates, and restatement of revisions,” on page 3.

(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, 2012 | 700,480,693 shares | As of March 31, 2012 | 700,480,693 shares |
| As of December 31, 2012 | 56,476,077 shares | As of March 31, 2012 | 56,417,765 shares |
| Nine months ended December 31, 2012 | 644,039,918 shares | Nine months ended December 31, 2011 | 644,112,868 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

These quarterly financial statements are not subject to quarterly review procedures based on the Financial Instruments and Exchange Act, and a review of these financial statements based on said act is underway at the time of their disclosure.

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.

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

(1) Qualitative information on the consolidated financial results

During the first nine months of the fiscal year, Japan's economy benefited from earthquake restoration demand, but conditions remained harsh as a result of the European financial crisis, economic slowdowns in emerging countries, and other factors.

The printing industry continued to face a tough business environment as a result of weak demand and decline in order prices from stiffer competition.

In this environment, the DNP Group (DNP) 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"). DNP also pursued "Production 21" Activities intended to establish a robust production structure in all facets of production, including quality, cost, and delivery time. Additionally, DNP worked to secure earnings through the reorganization of domestic and overseas business structures from the standpoint of overall optimization and actively pursued business expansion from global and social perspectives.

Amid these efforts, consolidated net sales for the first nine months fell 4.2% year on year to ¥1,088.2 billion, consolidated operating income grew 7.0% to ¥24.4 billion, consolidated ordinary income grew 10.6% to ¥28.7 billion, and net income grew 143.4% to ¥9.8 billion.

Business segment results are presented below.

[PRINTING]

Information Communication

In the Information Communication segment, DNP integrated the three business divisions responsible for commercial printing, smart cards, and security solutions to establish a structure capable of creating comprehensive solutions in October 2012. The company is also taking specific steps to expand cloud computing and platform service businesses together with business partner Nihon Unisys, Ltd.

In the Books and Magazines business, amid a continued slump in the publications market, book sales increased thanks to aggressive sales activities, but magazines decreased and overall sales fell below year-ago levels.

In the Commercial Printing business, Business Process Outsourcing (BPO) services, point-of-purchase (POP) materials, and other products increased, but overall sales decreased year on year on declines for flyers, pamphlets, and other printed materials.

In the Business Forms business, smart card sales increased, including SIM 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 Education and Publications Distribution business, the bookstore market continued to face tough conditions, and sales decreased from the previous year.

As a result of the above, overall segment sales fell 0.8% year on year to ¥526.0 billion but operating income grew 33.9% to ¥11.3 billion.

Lifestyle and Industrial Supplies

In the Packaging business, sales increased year on year on growth for paper containers, PET bottle aseptic filling systems, and other products. Additionally, to further enhance the competitiveness of the Packaging business, DNP integrated domestic manufacturing divisions into one company in October 2012, expanded capacity at the Indonesian plant, and is building a plant in Vietnam that is scheduled to commence operation in April 2013.

In the Lifestyle Materials business, sales increased year on year on continued 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 cell sealing materials, 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 grew 0.9% year on year to ¥395.0 billion but operating income fell 13.2% to ¥20.6 billion.

Electronics

In the Electronics segment, DNP integrated the Display Components and Electronic Devices divisions in June 2012 and is working to improve profitability while focusing on new product development.

In the LCD Color Filter business, sales of small- and medium-sized filters for smart phones and tablets were strong, but overall sales decreased year on year on lower demand for large LCD panels and the transfer of the Sakai plant color filter business in August 2012.

In the Electronic Devices business, amid continued tough conditions in the semiconductor market, although sales of module products increased, including image quality adjustment LSIs, overall sales fell below year-ago levels on declines for photomasks and etched products, including hard disk suspensions.

As a result of the above, overall segment sales fell 23.2% year on year to ¥137.2 billion and operating losses totaled ¥1.9 billion, versus losses of ¥3.1 billion during the same period last year.

[BEVERAGES]

Beverages

Amid tough market conditions characterized by weak consumer spending and stiffer sales competition, DNP 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 of the above, tea beverages and mineral waters increased, but carbonated beverages decreased, and overall segment sales fell 1.2% year on year to ¥43.1 billion and operating income fell 53.9% to ¥600 million.

(2) Qualitative information on the consolidated financial position

Total assets at the end of the third quarter decreased by ¥69.0 billion from the end of the previous fiscal year to ¥1,539.7 billion, due mainly to a decline in cash and time deposits.

Total liabilities decreased by ¥63.1 billion from the end of the previous fiscal year to ¥631.4 billion, due mainly to a decline in notes and trade payable.

Net assets decreased by ¥5.8 billion from the end of the previous fiscal year to ¥908.3 billion, due mainly to a decline in retained earnings.

As a result of the above, the equity ratio rose from 54.2% at the end of the previous fiscal year to 56.1%.

(3) Qualitative information on the consolidated earnings forecasts

Our earnings forecasts for the fiscal year ending March 31, 2013 are unchanged from the forecasts announced on November 8, 2012.

2. Summary information (Notes)

Changes in accounting policies, changes in accounting estimates, and restatement of revisions

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

In line with revisions of the Corporation Tax Act, Dai Nippon Printing Co., Ltd. and domestic consolidated subsidiaries changed to a depreciation method based on the revised act for property, plant and equipment acquired on or after April 1, 2012 starting in the first quarter of this fiscal year.

This change has an immaterial impact on earnings.

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

(Million yen)

| | As of March 31, 2012 | As of December 31, 2012 |
|-------------------------------------|----------------------|-------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and time deposits | 217,518 | 174,975 |
| Notes and trade receivable | 385,101 | 374,599 |
| Merchandise and finished products | 91,912 | 92,247 |
| Work in progress | 39,356 | 33,655 |
| Raw materials and supplies | 19,850 | 20,612 |
| Other | 32,920 | 23,818 |
| Allowance for doubtful accounts | (3,703) | (3,439) |
| Total current assets | <u>782,956</u> | <u>716,470</u> |
| Fixed assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 213,514 | 194,633 |
| Machinery and equipment, net | 144,326 | 127,720 |
| Land | 142,149 | 155,147 |
| Construction in progress | 35,410 | 26,939 |
| Other, net | 44,165 | 37,469 |
| Total property, plant and equipment | <u>579,566</u> | <u>541,910</u> |
| Intangible fixed assets | | |
| Other | 38,005 | 35,443 |
| Total intangible fixed assets | <u>38,005</u> | <u>35,443</u> |
| Investments and other assets | | |
| Investment securities | 136,703 | 170,304 |
| Other | 76,718 | 82,504 |
| Allowance for doubtful accounts | (6,034) | (6,880) |
| Total investments and other assets | <u>207,387</u> | <u>245,928</u> |
| Total fixed assets | <u>824,959</u> | <u>823,282</u> |
| Deferred assets | 889 | - |
| TOTAL ASSETS | <u>1,608,806</u> | <u>1,539,752</u> |

| | As of March 31, 2012 | As of December 31, 2012 |
|---|----------------------|-------------------------|
| LIABILITIES | | |
| Current liabilities | | |
| Notes and trade payable | 276,353 | 261,434 |
| Short-term bank loans | 51,809 | 42,945 |
| Reserve for bonuses | 15,019 | 5,863 |
| Other | 99,996 | 134,433 |
| Total current liabilities | 443,179 | 444,677 |
| Long-term liabilities | | |
| Bonds | 153,060 | 102,505 |
| Long-term debt | 19,147 | 19,887 |
| Provision for retirement benefits | 33,229 | 27,727 |
| Other | 45,976 | 36,633 |
| Total long-term liabilities | 251,413 | 186,753 |
| TOTAL LIABILITIES | 694,593 | 631,430 |
| NET ASSETS | | |
| Stockholders' equity | | |
| Common stock | 114,464 | 114,464 |
| Capital surplus | 144,898 | 144,898 |
| Retained earnings | 723,459 | 712,738 |
| Treasury stock | (94,172) | (94,217) |
| Total stockholders' equity | 888,649 | 877,883 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,370 | 6,732 |
| Net deferred losses on hedges | (14) | (19) |
| Foreign currency translation adjustments | (21,775) | (20,374) |
| Total accumulated other comprehensive income | (17,420) | (13,661) |
| Stock acquisition rights | 16 | 16 |
| Minority interests | 42,967 | 44,083 |
| TOTAL NET ASSETS | 914,213 | 908,322 |
| TOTAL LIABILITIES AND NET ASSETS | 1,608,806 | 1,539,752 |

(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, 2011 | Nine months ended December 31, 2012 |
|---|--|--|
| Net sales | 1,135,977 | 1,088,291 |
| Cost of sales | 940,860 | 894,715 |
| Gross profit | 195,116 | 193,575 |
| Selling, general and administrative expenses | 172,228 | 169,090 |
| Operating income | 22,887 | 24,484 |
| Non-operating income | | |
| Interest and dividend income | 3,162 | 3,181 |
| Equity in earnings of affiliates | 564 | 2,872 |
| Other | 5,970 | 5,392 |
| Total non-operating income | 9,698 | 11,446 |
| Non-operating expense | | |
| Interest expense | 2,553 | 2,618 |
| Other | 4,040 | 4,575 |
| Total non-operating expenses | 6,593 | 7,194 |
| Ordinary income | 25,991 | 28,737 |
| Extraordinary gains | | |
| Gain on sale of fixed assets | 1,762 | 234 |
| Compensation income | – | 293 |
| Other | 149 | 121 |
| Total extraordinary gains | 1,911 | 648 |
| Extraordinary losses | | |
| Loss on sale or disposal of fixed assets | 3,707 | 3,157 |
| Loss on devaluation of investment securities | 2,664 | 3,073 |
| Other | 2,064 | 2,673 |
| Total extraordinary losses | 8,436 | 8,904 |
| Income before income taxes and minority interests | 19,466 | 20,481 |
| Current income taxes | 10,330 | 10,201 |
| Deferred income taxes | 4,502 | 796 |
| Income and other taxes | 14,833 | 10,997 |
| Income before minority interests | 4,633 | 9,483 |
| Minority interests in income (loss) | 566 | (413) |
| Net income | 4,066 | 9,896 |

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

(Million yen)

| | Nine months ended December 31, 2011 | Nine months ended December 31, 2012 |
|---|--|--|
| Income before minority interests | 4,633 | 9,483 |
| Other comprehensive income (loss) | | |
| Valuation difference on available-for-sale securities | (6,690) | 2,215 |
| Net deferred gains (losses) on hedges | 8 | (4) |
| Foreign currency translation adjustments | (5,427) | 1,178 |
| Share of other comprehensive loss of affiliates accounted for using equity method | (4) | (11) |
| Total other comprehensive income (loss) | (12,113) | 3,378 |
| Comprehensive income (loss) | (7,480) | 12,861 |
| Comprehensive income (loss) attributable to | | |
| Comprehensive income (loss) attributable to owners of the parent | (7,598) | 13,655 |
| Comprehensive income (loss) attributable to minority interests | 118 | (794) |

(3) Note on assumptions for going concern

None

(4) Segment information, etc.

I. First nine months of previous 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.

II. First nine months of current fiscal year (April 1, 2012 – December 31, 2012)

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 | 521,381 | 386,526 | 137,273 | 43,110 | 1,088,291 | – | 1,088,291 |
| Inter-segment | 4,689 | 8,502 | 0 | 1 | 13,194 | (13,194) | – |
| Total | 526,070 | 395,028 | 137,274 | 43,112 | 1,101,485 | (13,194) | 1,088,291 |
| Segment income (loss) | 11,335 | 20,611 | (1,941) | 654 | 30,659 | (6,174) | 24,484 |

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