



**Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending March 31, 2014**  
**[J-GAAP]**

August 8, 2013

**Company Name:** Dai Nippon Printing Co., Ltd.  
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 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 three months ended June 30, 2013**  
**(April 1, 2013 – June 30, 2013)**

**(1) Consolidated financial results**

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

	Net Sales		Operating Income		Ordinary Income		Net Income (Loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2013	349,151	(1.1)	11,486	349.2	14,279	275.1	7,060	–
Three months ended June 30, 2012	352,949	(4.7)	2,556	(65.6)	3,807	(65.6)	(4,211)	–

Note: Comprehensive income: For the first three months ended June 30, 2013: ¥21,952 million (–%)  
 For the first three months ended June 30, 2012: ¥(3,210) million (–%)

	Net Income (Loss) per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended June 30, 2013	10.96	10.96
Three months ended June 30, 2012	(6.54)	–

**(2) Consolidated financial position**

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of June 30, 2013	1,576,671	948,641	57.3
As of March 31, 2013	1,578,976	937,055	56.6

Note: Stockholders' equity: As of June 30, 2013: ¥903,169 million As of March 31, 2013: ¥893,124 million

**2. Dividends**

	Annual Dividends (Yen)				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total
Year ended March 31, 2013	–	16.00	–	16.00	32.00
Year ending March 31, 2014	–				
Year ending March 31, 2014 (Forecasts)		16.00	–	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, 2014 (April 1, 2013 – March 31, 2014)

(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	1,530,000	5.8	48,000	34.2	49,000	21.5	23,000	19.7	35.71

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

#### 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 June 30, 2013	700,480,693 shares	As of March 31, 2013	700,480,693 shares
As of June 30, 2013	56,499,331 shares	As of March 31, 2013	56,490,329 shares
Three months ended June 30, 2013	643,986,211 shares	Three months ended June 30, 2012	644,061,498 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 was 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 "1. Qualitative information on the consolidated results for the current quarter, (3) Explanation of 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) Explanation of the consolidated financial results

During the first three months of the fiscal year, Japan's economy showed some positive signs, including improvement in corporate earnings and a recovery in consumer spending, aided by a series of government measures. However, conditions remained uncertain amid concerns about the financial crisis in Europe and economic slowdowns in emerging countries.

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

In this environment, the DNP Group (DNP) sought to aggressively develop its business under the catchphrase "Today's Innovation is Tomorrow's Basic" 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 with the aim of establishing a robust production structure in all facets of production, including quality, cost, and delivery time. Moreover, 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 consumer, social, and global perspectives.

As a result of these efforts, consolidated net sales for the first three months fell 1.1% year on year to ¥349.1 billion, consolidated operating income grew 349.2% to ¥11.4 billion, consolidated ordinary income grew 275.1% to ¥14.2 billion, and consolidated net income totaled ¥7.0 billion, versus a net loss of ¥4.2 billion during the same period last year.

Business segment results are presented below.

#### [PRINTING]

##### Information Communication

In the Books and Magazines business, amid a continued slump in the publications market, book sales increased thanks to aggressive sales activities that leverage integrated production lines from book printing to binding, but this was not enough to offset a decline for magazines, and overall sales fell below year-ago levels.

In the Commercial Printing business, sales decreased year on year on across-the-board declines for printed materials, including flyers, pamphlets, and catalogs.

The Business Forms business performed well on growth for smart cards and information processing services (ranging from data entry to printing and shipment of personalized mail and other items).

In the Education and Publications Distribution business, despite efforts to expand business in the "honto" hybrid bookstore network that combines physical bookstores, online bookstores, and e-book sales services, the bookstore market continued to struggle and sales decreased from the previous year.

As a result of the above, overall segment sales fell 2.8% year on year to ¥172.6 billion, and operating income edged down 0.4% to ¥3.7 billion.

##### Lifestyle and Industrial Supplies

In the Packaging business, sales decreased year on year on declines for PET bottle aseptic filling systems, paper containers, and flexible packaging.

In the Lifestyle Materials business, the domestic housing market is gradually recovering, and sales increased year on year on firm sales of eco-friendly products that use DNP's proprietary Electron Beam coating technology.

In the Industrial Supplies business, sales increased year on year on growth for anti-reflection films used in flat-panel displays, dye-sublimation thermal transfer printing media for photo

printers (color ink ribbons and receiver paper), and other products.

As a result of the above, overall segment sales fell 1.0% year on year to ¥126.0 billion, but operating income grew 56.6% to ¥7.6 billion.

## **Electronics**

In the LCD Color Filter business, sales of large display filters fell below year-ago levels, but small- and medium-sized filters for smart phones and tablets were firm.

In the Electronic Devices business, conditions remained difficult in the semiconductor market, and although sales of photomasks were on par with last year, overall sales fell below year-ago levels on a decline for etched products, including hard disk suspensions.

As a result of the above, overall segment sales fell 1.6% year on year to ¥42.0 billion, and operating income totaled ¥2.7 billion, versus a loss of ¥3.4 billion during the same period last year.

## **[BEVERAGES]**

### **Beverages**

Amid a slump in the soft drink market and tough conditions caused by stiffer price competition, DNP worked to expand sales of Coca-Cola and Georgia, both core products, and I LOHAS, a brand of mineral water that uses a lightweight PET bottle.

As a result of the above, mineral waters increased, but coffee beverages decreased, and overall segment sales edged down 0.1% year on year to ¥11.7 billion and operating losses totaled ¥0.4 billion, versus a loss of ¥0.5 billion during the same period last year.

## **(2) Explanation of the consolidated financial position**

Total assets at the end of the first quarter decreased by ¥2.3 billion from the end of the previous fiscal year to ¥1,576.6 billion, due partly to an increase in investment securities and a decrease in notes and trade receivables.

Total liabilities decreased by ¥13.8 billion from the end of the previous fiscal year to ¥628.0 billion, due partly to a decline in reserve for bonuses.

Net assets increased by ¥11.5 billion from the end of the previous fiscal year to ¥948.6 billion, due mainly to increases for valuation difference on available-for-sale securities and foreign currency translation adjustments.

As a result of the above, the equity ratio rose from 56.6% at the end of the previous fiscal year to 57.3%.

## **(3) Explanation of the consolidated earnings forecasts**

Our earnings forecasts for the fiscal year ending March 2014 are unchanged from the forecasts announced on May 13, 2013.

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

(Million yen)

	As of March 31, 2013	As of June 30, 2013
<b>ASSETS</b>		
Current assets		
Cash and time deposits	213,630	223,615
Notes and trade receivable	367,765	347,435
Merchandise and finished products	91,047	92,973
Work in progress	29,030	30,995
Raw materials and supplies	18,977	20,205
Other	33,583	27,409
Allowance for doubtful accounts	(2,883)	(2,784)
Total current assets	751,150	739,849
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	196,019	194,547
Machinery and equipment, net	129,350	127,225
Land	154,005	152,217
Construction in progress	22,921	25,298
Other, net	36,157	35,406
Total property, plant and equipment	538,454	534,696
Intangible fixed assets		
Other	35,480	34,324
Total intangible fixed assets	35,480	34,324
Investments and other assets		
Investment securities	189,657	203,037
Other	70,210	70,639
Allowance for doubtful accounts	(5,977)	(5,876)
Total investments and other assets	253,890	267,800
Total fixed assets	827,825	836,822
<b>TOTAL ASSETS</b>	<b>1,578,976</b>	<b>1,576,671</b>

	As of March 31, 2013	As of June 30, 2013
<b>LIABILITIES</b>		
Current liabilities		
Notes and trade payable	249,567	251,313
Short-term bank loans	47,296	44,880
Current portion of bonds	50,760	50,740
Reserve for bonuses	16,004	5,791
Other	94,156	90,945
Total current liabilities	457,784	443,670
Long-term liabilities		
Bonds	102,800	102,595
Long-term debt	19,548	19,570
Provision for retirement benefits	26,441	26,523
Other	35,345	35,670
Total long-term liabilities	184,135	184,359
<b>TOTAL LIABILITIES</b>	<b>641,920</b>	<b>628,029</b>
<b>NET ASSETS</b>		
Stockholders' equity		
Common stock	114,464	114,464
Capital surplus	144,898	144,898
Retained earnings	722,057	718,805
Treasury stock	(94,226)	(94,234)
Total stockholders' equity	887,193	883,934
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,908	27,058
Net deferred gains (losses) on hedges	8	(6)
Foreign currency translation adjustments	(12,986)	(7,815)
Total accumulated other comprehensive income	5,930	19,235
Stock acquisition rights	16	16
Minority interests	43,915	45,455
<b>TOTAL NET ASSETS</b>	<b>937,055</b>	<b>948,641</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,578,976</b>	<b>1,576,671</b>

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

**Quarterly consolidated statements of income**

**First three months of the fiscal years**

(Million yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Net sales	352,949	349,151
Cost of sales	293,326	282,515
Gross profit	59,623	66,636
Selling, general and administrative expenses	57,066	55,150
Operating income	2,556	11,486
Non-operating income		
Interest and dividend income	2,058	2,135
Equity in earnings of affiliates	56	615
Other	1,475	1,929
Total non-operating income	3,589	4,680
Non-operating expense		
Interest expense	868	865
Other	1,470	1,021
Total non-operating expenses	2,339	1,886
Ordinary income	3,807	14,279
Extraordinary gains		
Gain on sale of fixed assets	63	431
Compensation income	–	177
Other	8	15
Total extraordinary gains	72	624
Extraordinary losses		
Loss on sale or disposal of fixed assets	1,363	1,169
Loss on evaluation of investment securities	3,636	133
Other	272	175
Total extraordinary losses	5,271	1,478
Income (loss) before income taxes and minority interests	(1,392)	13,425
Current income taxes	1,925	2,042
Deferred income taxes	175	3,343
Total income taxes	2,101	5,385
Income (loss) before minority interests	(3,494)	8,040
Minority interests	717	979
Net income (loss)	(4,211)	7,060

**Quarterly consolidated statements of comprehensive income**  
**First three months of the fiscal years**

(Million yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Income (loss) before minority income	(3,494)	8,040
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,213)	8,018
Net deferred gains on hedges	19	2
Foreign currency translation adjustments	3,483	5,697
Share of other comprehensive income of affiliates accounted for using equity method	(4)	193
Total other comprehensive income	284	13,912
Comprehensive income	(3,210)	21,952
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(3,991)	20,366
Comprehensive income attributable to minority interests	781	1,586

### (3) Notes regarding quarterly consolidated financial statements

#### [Notes on premise of a going concern]

None

#### [Significant changes in shareholders' equity]

None

#### [Segment information, etc.]

##### I. First three months of previous fiscal year (April 1, 2012 – June 30, 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	176,269	122,167	42,766	11,746	352,949	–	352,949
Inter-segment	1,312	5,150	0	0	6,463	(6,463)	–
Total	177,582	127,317	42,766	11,747	359,413	(6,463)	352,949
Segment income (loss)	3,757	4,863	(3,430)	(529)	4,659	(2,103)	2,556

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 quarterly consolidated statements of income.

##### II. First three months of current fiscal year (April 1, 2013 – June 30, 2013)

##### 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	171,231	124,097	42,093	11,729	349,151	–	349,151
Inter-segment	1,433	1,924	0	0	3,359	(3,359)	–
Total	172,665	126,021	42,094	11,730	352,511	(3,359)	349,151
Segment income (loss)	3,742	7,614	2,782	(424)	13,714	(2,228)	11,486

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 quarterly consolidated statements of income.