

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

May 15, 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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**Telephone:** +81-3-5225-8220  
**General meeting of shareholders:** June 26, 2009  
**Dividend payment date:** June 29, 2009  
**Securities report issuing date:** June 26, 2009

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

## 1. Consolidated financial results for the year ended March 31, 2009

### (1) Consolidated financial results

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

	Net Sales		Operating Income		Ordinary Income		Net Income (Loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2009	1,584,844	(1.9)	46,177	(47.0)	47,390	(45.2)	(20,933)	-
Year ended March 31, 2008	1,616,053	3.7	87,104	(9.4)	86,502	(14.6)	45,171	(17.6)

	Net Income (Loss) per Share	Diluted Net Income per Share	ROE	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Year ended March 31, 2009	(32.35)	-	(2.2)	3.0	2.9
Year ended March 31, 2008	67.08	-	4.4	5.2	5.4

Reference: Equity in earnings or losses of affiliates:

Year ended March 31, 2009: ¥(1,247) million

Year ended March 31, 2008: ¥(1,440) million

### (2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2009	1,536,556	940,085	58.5	1,393.91
As of March 31, 2008	1,601,192	1,040,135	62.6	1,516.35

Reference: Stockholders' Equity as of March 31, 2009: ¥898,174 million

As of March 31, 2008: ¥1,002,860 million

### (3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of the Year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of March 31, 2009	131,569	(100,726)	(33,951)	117,200
As of March 31, 2008	157,282	(122,522)	(73,727)	130,695

## 2. Dividends

Record date	Dividends per Share (Yen)					Total Dividends (Annual) (Millions of yen)	Dividends Payout Ratio (Consolidated) (%)	Dividends to Net Assets Ratio (Consolidated) (%)
	1st-quarter -end	2nd-quarter -end	3rd-quarter -end	Year-end	Annual			
Year ended March 31, 2008	-	16.00	-	20.00	36.00	23,969	53.7	2.4
Year ended March 31, 2009	-	18.00	-	14.00	32.00	20,636	-	2.2
Year ending March 31, 2010 (Forecast)	-	16.00	-	16.00	32.00		103.1	

## 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

## 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) Changes in accounting policies, procedures and methods of presentation for preparing the consolidated financial statements. (Notes on Changes in significant accounting policies applied in the preparation of the consolidated financial statements)

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

2) Changes due to other reasons: None

Note: Please refer to Page 27, "Changes in significant accounting policies applied in the preparation of the consolidated financial statements" for further details.

(3) Number of common stocks issued and outstanding

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

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

As of March 31, 2008: 700,480,693 shares

2) Number of treasury stocks at end of each period

As of March 31, 2009: 56,123,617 shares

As of March 31, 2008: 39,114,316 shares

Note: Please refer to Page 33, "Per share information" for "Number of common stock at fiscal year-end used for the calculation of consolidated net income (loss) per share."

**(Reference) Non-consolidated financial results****1. Non-consolidated financial results for the year ended March 31, 2009****(1) Non-consolidated financial results**

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

	Net Sales		Operating Income		Ordinary Income		Net Income (Loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2009	1,105,429	(6.3)	11,968	(57.5)	37,772	(16.3)	(19,973)	-
Year ended March 31, 2008	1,180,188	1.5	28,186	(31.4)	45,105	(22.0)	30,343	(10.0)

	Net Income (Loss) per Share	Diluted Net Income per Share
	Yen	Yen
Year ended March 31, 2009	(30.84)	-
Year ended March 31, 2008	45.02	-

**(2) Non-consolidated financial position**

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2009	1,205,056	694,927	57.7	1,077.61
As of March 31, 2008	1,329,905	781,498	58.8	1,180.41

Reference: Stockholders' Equity as of March 31, 2009: ¥694,927 million

As of March 31, 2008: ¥781,498 million

**2. Non-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	542,000	(7.9)	2,500	(74.8)	9,500	(50.8)	4,500	(48.8)	6.98
Full year	1,106,000	0.1	10,000	(16.4)	21,500	(43.1)	10,000	-	15.51

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

The forecasts shown above include forecasts based on assumptions, projections, and plans at the time this report was prepared. Actual results may differ from the forecasts owing to risks and uncertainties related to economic conditions that affect the Company's businesses, market trends, and changes in foreign currency exchange rates, for example.

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## **1. Operating results**

### **(1) Analysis of operating results**

#### **1) Operating results for the year ended March 31, 2009**

Japan's economy went into a serious downturn in the fiscal year ended March 2009, with corporate earnings and employment conditions worsening drastically, partly because of the global financial instability that originated with the US financial crisis, a sharp decline in consumer spending, and the yen's sharp appreciation in the latter half of the fiscal year.

The business environment surrounding the printing industry remained harsh, due to such factors as weak demand, material cost increases, and unit price declines stemming from intensified competition.

Under such conditions, the DNP (Dai Nippon Printing Co., Ltd.) Group has been aggressively developing its business and providing products, services, and solutions that meet customer needs, based on a business vision of P&I Solutions (P&I stands for "printing technology" and "information technology"). In addition, DNP has made groupwide efforts through its "Monozukuri 21" activities to establish a solid production structure in terms of all aspects, such as quality, cost, and turnaround times, and has worked hard to maintain positive performance.

As a result, consolidated net sales decreased 1.9% over the previous fiscal year to ¥1,584.8 billion, consolidated operating income decreased 47.0% to ¥46.1 billion, consolidated ordinary income fell 45.2% to ¥47.3 billion, and consolidated net losses totaled ¥20.9 billion (versus the previous fiscal year's net income of ¥45.1 billion).

The results by segment are as follows.

### **PRINTING**

#### **Information Communication**

In the books and magazines business, book printing sales rose slightly but magazine printing sales declined and free newspaper and magazine printing sales, mainly for papers related to housing, were weak because the publications market was sluggish.

In the commercial printing business, demand remained strong for store design and construction, but sales were lower year-on-year because of a decline in sales of flyers and pamphlets.

In the business forms sector, sales were lower than in the comparable year-ago period because of declines in sales of printing of smart cards and continuous ledger forms for computerized accounting, and demand related to information processing services (ranging from data entry to printing and shipment of personal mail and other items).

An educational publications distribution business that DNP acquired contributed to the increase in sales in this segment.

As a result, overall sales in the Information Communication segment increased 5.7% year-on-year to ¥718.4 billion, but operating income declined 26.4% to ¥31.6 billion.

#### **Lifestyle and Industrial Supplies**

In the packaging business, sales were higher than in the comparable year-ago period because of increases in sales of flexible packaging, paper containers, paper cups, and aseptic filling systems for PET bottles, and despite a decline in sales of preformed bottles (primary products for making 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 grew year-on-year because of increased sales of ink ribbons and receiver paper for photo printers as well as back sheet film for solar power systems, offsetting the decline in sales of anti-glare film and other materials used in flat-panel displays.

As a result, overall sales in the Lifestyle and Industrial Supplies segment decreased 0.7% year-on-year to ¥551.8 billion and operating income declined 37.5% to ¥19.9 billion.

## **Electronics**

In the LCD color filter business, sales were lower than in the comparable year-ago period. They were strong in the first six months, but then demand declined sharply starting around September because of substantial production cutbacks by LCD panel manufacturers.

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 20.6% year-on-year to ¥255.9 billion, and operating income declined 87.0% to ¥2.5 billion.

## **BEVERAGES**

### **Beverages**

Carbonated beverage sales increased partly because of the introduction of new drinks, including Fanta FuruFuru Shaker and a version of Minute Maid for Hokkaido, called Otona no Zeitaku Budo. Sales of core tea drinks, however, declined because of intense competition.

As a result, overall sales in the Beverages segment decreased 2.4% year-on-year to ¥71.7 billion, and operating income declined 75.7% to ¥300 million.

## **2) Forecast for the year ending March 31, 2010**

Given the uncertain outlook in light of the global economic slowdown stemming from the financial crisis, Japan's economy is likely to be weak and show no signs of a rebound for some time to come.

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, DNP 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, DNP expects the market to remain weak but intends to increase sales by focusing on new-magazine orders and books. In the commercial printing and business forms business, 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 on its unique P&I Solutions.

### **Lifestyle and Industrial Supplies**

In the packaging business, consumer spending is likely to remain weak, but DNP 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 expects to see more orders for eco-friendly products. In the industrial supplies business, the market for flat-panel displays is likely to remain weak, but DNP intends to continue to obtain more orders for anti-glare film, color ink ribbons and battery materials.

## **Electronics**

In the LCD color filter business, changes in demand, declines in unit prices, and other changes in industry conditions are likely, but DNP 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 developing the most advanced technologies and adapting its production lines.

## **BEVERAGES**

### **Beverages**

Market conditions will probably remain challenging owing to a market slump and intense sales competition, but DNP intends to forcefully move forward with its new medium-term plan launched in January 2009 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.

By aggressively developing business in the above ways, DNP presently forecasts for the fiscal year ending March 31, 2010 consolidated net sales of ¥1,677 billion, operating income of ¥40 billion, ordinary income of ¥40 billion, and net income of ¥20 billion.

## **(2) Analysis of financial position**

Total assets at the end of the current fiscal year declined ¥64.6 billion from the end of the previous fiscal year to ¥1,536.5 billion primarily because of declines in notes and trade receivables and investment securities.

Total liabilities increased ¥35.4 billion from the end of the previous fiscal year to ¥596.4 billion primarily because of a rise in short-term bank loans.

Net assets decreased ¥100.0 billion from the end of the previous fiscal year to ¥940 billion primarily because of repurchases of shares and a decrease in foreign currency translation adjustments.

As a result, the equity ratio declined 4.1 percentage points from the end of the previous fiscal year to 58.5%.

Consolidated cash flow provided by operating activities in the current fiscal year totaled ¥131.5 billion (¥157.2 billion in the previous fiscal year) primarily because of ¥27.8 billion in net losses before income taxes and minority interests, ¥106.8 billion in depreciation, and a ¥56.8 billion decrease in trade receivables. Cash flow used in investing activities totaled ¥100.7 billion (¥122.5 billion in the previous fiscal year), mainly because of the acquisition of ¥95.5 billion of property, plant and equipment, and cash flow used in financing activities totaled ¥33.9 billion (¥73.7 billion in the previous fiscal year) due to the buyback of ¥27.4 billion of shares.

Because of these activities, DNP’s cash and cash equivalents at the end of the current fiscal year decreased by ¥13.4 billion from the end of the previous fiscal year to ¥117.2 billion.

The trends in the DNP Group's cash flow indicators are shown below.

	Year ended March 2005	Year ended March 2006	Year ended March 2007	Year ended March 2008	Year ended March 2009
Equity ratio (%)	63.0	64.0	63.0	62.6	58.5
Market value-based equity ratio (%)	78.2	90.3	75.7	65.5	37.7
Debt-to-cash flow ratio (year)	0.4	0.5	0.6	0.5	0.9
Interest coverage ratio (times)	144.7	106.2	93.8	120.1	79.7

Note: The following indicators are calculated based on consolidated financial figures.

\*Equity ratio:  $\text{Total stockholders' equity} / \text{Total assets}$

\*Market value-based equity ratio:  $\text{Market capitalization} / \text{Total assets}$

Market capitalization:  $\text{Fiscal year-end share price} \times \text{fiscal year-end number of shares outstanding (excluding treasury stock)}$

\*Debt-to-cash flow ratio:  $\text{Interest-bearing debt} / \text{Cash flow}$

Interest-bearing debt: All liabilities on the consolidated balance sheet that accrue interest charges

Cash flow: Cash flow provided/used by operating activities on the consolidated statements of cash flows

\*Interest coverage ratio:  $\text{Cash flow} / \text{Interest expenses}$

Cash flow: Cash flow provided/used by operating activities on the consolidated statements of cash flows

Interest expenses: Interest expenses on the consolidated statements of cash flows

### **(3) Basic policies regarding the allocation of profits and dividends for the year ended March 31, 2009 and year ending March 31, 2010**

An important policy of the Company is to pass on profits to shareholders.

Profits are allocated based on a policy of paying stable dividends to shareholders and with consideration for financial results and the dividend payout ratio. For future business expansion, the Company strives to retain profits and strengthen its financial constitution and management base.

Retained earnings are used to invest in research and development related to new products and technologies, to invest in equipment needed for developing new businesses, and to implement strategic alliances, including mergers and acquisitions. At the same time, as part of its efforts to pass on profits to shareholders, the Company considers repurchases of its shares while also taking into consideration its need for capital and market trends. The Company believes that these efforts will contribute to higher profits that can then be passed on its shareholders in the future.

Based on this policy, the Company increased dividends per share for six consecutive fiscal years, from the year ended March 31, 2003 through the year ended March 31, 2008. In light of the weak financial results for the current fiscal year, however, the Company regrettably intends to pay a year-end dividend of ¥14 per share, which together with the interim dividend of ¥18 per share brings the full-year dividend to ¥32 per share, down ¥4 from the previous fiscal year. It also acquired 16.65 million of its own shares for ¥26.5 billion during the fiscal year. As a result, the Company has bought back shares for seven consecutive fiscal years, starting with the year ended March 31, 2003.

The forecast dividend for the fiscal year ending March 31, 2010 is ¥32 per share, the total of a ¥16 interim dividend and a ¥16 year-end dividend.

#### **(4) Business risks**

The performance and the results of DNP could be significantly affected by a variety of factors and circumstances that might arise in the future. Because DNP is aware of these risk factors, its policy is to strive to minimize their potential effects.

The followings are the major factors that the DNP management views as risks.

##### **1) The Japanese economy and consumption trends**

DNP engages in a wide range of businesses with an extremely large number of customers. We conduct our business so as not to be overly dependent on specific customers. The primary market where we do business is centered on the Japanese domestic market, whereas our overseas sales constitute about 13% of net sales. Nevertheless, if consumer spending and other components of domestic demand slump, owing to domestic economic weakness in sympathy with global economic trends, declines in order volume and unit prices may affect earnings.

##### **2) Changes in the electronics market**

We expect our Electronics segment to be highly profitable and we believe it has good growth potential. We position it as a strategic sector which we aim to expand in the future. We intend to secure steady profits from it by focusing on building business strategies based on a careful compilation of information and the development of highly competitive, high-added-value products. However, the market for display components and semiconductor products is subject to sudden changes. It is possible that the segment's performance could be affected by sudden changes affecting products that we handle, such as dramatic fluctuations in demand or a plunge in unit prices.

##### **3) Fluctuations in raw material procurement**

We procure raw materials such as printing paper and film from multiple suppliers in Japan and overseas. We work hard to secure stable supplies and maintain optimal prices. However, there is some potential for temporary imbalances between supply and demand due to factors like spikes in petroleum prices or sudden surges in demand from emerging markets. We intend to cope with such instances by negotiating with our customers. However, if it should become extremely difficult to secure supplies, or if prices rise markedly, it is possible that DNP's corporate performance could be affected.

##### **4) Development of new products and technologies and services**

The DNP Group uses its printing and information technologies to develop and provide to a broad range of industries products, technologies, and services that meet the needs of companies and consumers.

In recent years, the pace of technological innovation in these areas has become faster than ever, and customers' needs have been rapidly diversifying. We believe that in the future, competition in the area of product development will become more intense than ever before, and it is possible that DNP's performance could fluctuate significantly due to unforeseeable changes in market trends or a shortening of product life cycles.

##### **5) Currency fluctuations**

Particularly in fields as Electronics, and Lifestyle and Industrial Supplies, we are expanding our dealings in products and services with customers, suppliers and others overseas. Because we expect the effects of



currency rates to gradually become more important, we use such means as foreign exchange forward contracts to hedge the risks of currency fluctuations. Nevertheless, it is possible that radical swings in currency values could have a more serious effect on our corporate performance.

#### **6) Legal regulations, etc.**

We conduct our business based on strict compliance with the law and social ethics. Wherever we operate, in Japan or overseas, we are subject to a wide variety of legal regulations and restrictions, including laws related to product liability, environmental protection and recycling, monopoly prohibitions, the protection of personal information, patents, taxes, imports and exports, etc. We can imagine that in the future such regulations could become even more restrictive. If that should occur, it is possible that DNP's business performance could be affected by limitations on its business activities or increased costs.

#### **7) Information system security**

With computer networks and information systems playing an ever-greater role, protecting data and personal information has become crucial for keeping business activity going. The risks of information system malfunctions, breaches of personal information, and other events, owing to software and hardware problems and viruses, have risen in recent years. The DNP Group regards the protection of data and personal information as a top priority. It is doing all it can to protect and maintain systems and data by strengthening its organization and training employees, but if problems arise in these areas, then business activity could be affected.

#### **8) Disasters**

We take steps to protect our production equipment and other major facilities from being damaged by disasters such as fires or earthquakes. In addition, we divide our work among multiple production bases and make every effort to prevent disasters from causing production stoppages or disturbances in our ability to supply products. We also use various types of insurance to transfer risk. Nevertheless, if major earthquakes, terrorist attacks, communicable diseases such as new types of influenza, or other unexpected developments arise and lead to production stoppages or major damage or interference with the social infrastructure, then earnings could be substantially affected.

## 2. Information on the Dai Nippon Printing Group (DNP Group)

The DNP Group includes 157 subsidiaries and 12 affiliated companies. Its two main businesses are Printing and Beverages. The former encompasses Information Communication, Lifestyle and Industrial Supplies, and Electronics.

The businesses and segments of the DNP Group are outlined below.

### PRINTING

#### Information Communication

Production of textbooks, books, weekly/monthly/quarterly magazines, advertisements, stock and other securities certificates, business forms, and cards; manufacture/sale of business equipment and systems; and planning/design/construction/management of stores and advertising media

##### Major companies

Production	DNP AV Center Co., Ltd., DNP SP Tech Co., Ltd. DNP Offset Co., Ltd., DNP Graphica Co., Ltd. DNP Seihon Co., Ltd., DNP Tectas Ichigaya Co., Ltd. DNP Tectas Warabi Co., Ltd., DNP Digitalcom Co., Ltd. DNP Data Techno Co., Ltd., DNP Data Techno Kansai Co., Ltd. DNP Total Process Nagaoka Co., Ltd., DNP Total Process Maebashi Co., Ltd. DNP Total Process Warabi Co., Ltd., DNP Corporate History Center Co., Ltd. DNP Butsuryu Systems Ichigaya Co., Ltd. DNP Butsuryu Systems Shouin Co., Ltd. DNP Multi Print Co., Ltd., DNP Media Art Co., Ltd. DNP Media Create Co., Ltd., DNP Media Create Kansai Co., Ltd. DNP Uniprocess Co., Ltd.,
Production and sales	Tien Wah Press (Pte.) Ltd.
Sales and services	Junkudo Co., Ltd., Direc Co., Ltd. DNP Archives.com Co., Ltd. DNP Art Communications Co., Ltd. TRC, Inc., MyPoint.com Japan Co., Ltd., Maruzen Co., Ltd. Waseda Management Publishing Co., Ltd., Kyoiku Shuppan Co., Ltd.*

Maruzen Co., Ltd. is a publicly traded company whose shares trade on the Tokyo Stock Exchange.

#### Lifestyle and Industrial Supplies

Manufacture/sale of containers and packaging products, packaging equipment and systems, interior and exterior construction materials, photographic materials, and industrial supplies

##### Major companies

Production	Sagami Yoki Co., Ltd., DNP IMS Co., Ltd., DNP IMS Odawara Co., Ltd. DNP Ellio Co., Ltd., DNP OptoMaterials Co., Ltd. DNP Lifestyle Materials Co., Ltd., DNP Technopack Co., Ltd. DNP Technopack Kansai Co., Ltd., DNP Technopack Tokai Co., Ltd. DNP Technopack Yokohama Co., Ltd., DNP Techno Film Co., Ltd. DNP Techno Polymer Co., Ltd.
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Production and sales	Aseptic Systems Co., Ltd., DNP Fine Chemical Co., Ltd. DNP Hosono Co., Ltd., PT DNP Indonesia, DNP Electronics America, LLC DNP IMS America Corporation, DNP Photo Imaging America Corporation DNP Denmark A/S, DNP IMS Netherlands B.V. DNP Plastic Molding (Shanghai) Co., Ltd.
Sales and services	DNP ID System Co., Ltd., DNP Lifestyle Materials Marketing Co., Ltd. DNP Photo Imaging Co., Ltd., DNP Fotolusio Co., Ltd. DNP Photo Imaging Corporation SAS, DNP Photo Imaging Europe SAS

## **Electronics**

Manufacture/sale of precision electronic components and other products

### **Major companies**

Production	DNP LSI Design Co., Ltd., DNP Color Techno Sakai Co., Ltd. DNP Fine Electronics Co., Ltd., DNP Fine Electronics Sagamiyama Co., Ltd. DNP Precision Devices Co., Ltd., DNP Micro Technica Co., Ltd.
Production and sales	DNP Color Techno Kameyama Co., Ltd., DNP Technology Co., Ltd. DT Fine Electronics Co., Ltd., DNP Photomask Europe S.p.A. DNP Photomask Technology Taiwan Co., Ltd.
Sales and services	DNP Taiwan Co., Ltd., DNP Display Technology Taiwan Co., Ltd.

### **Other companies with multiple types of businesses**

Production and sales	DNP Hokkaido Co., Ltd., DNP Tohoku Co., Ltd. DNP Tokai Co., Ltd., DNP Shikoku Co., Ltd. DNP Nishinippon Co., Ltd., The Inctec Inc., D.N.K. Co., Ltd.
Sales and services	DNP Trading Co., Ltd., DNP Logistics Co., Ltd. DNP Accounting Services Co., Ltd., DNP Facility Services Co., Ltd. DNP Information Systems Co., Ltd., DNP Human Services Co., Ltd. DNP Corporation USA, DNP America, LLC DNP Holding USA Corporation

## **BEVERAGES**

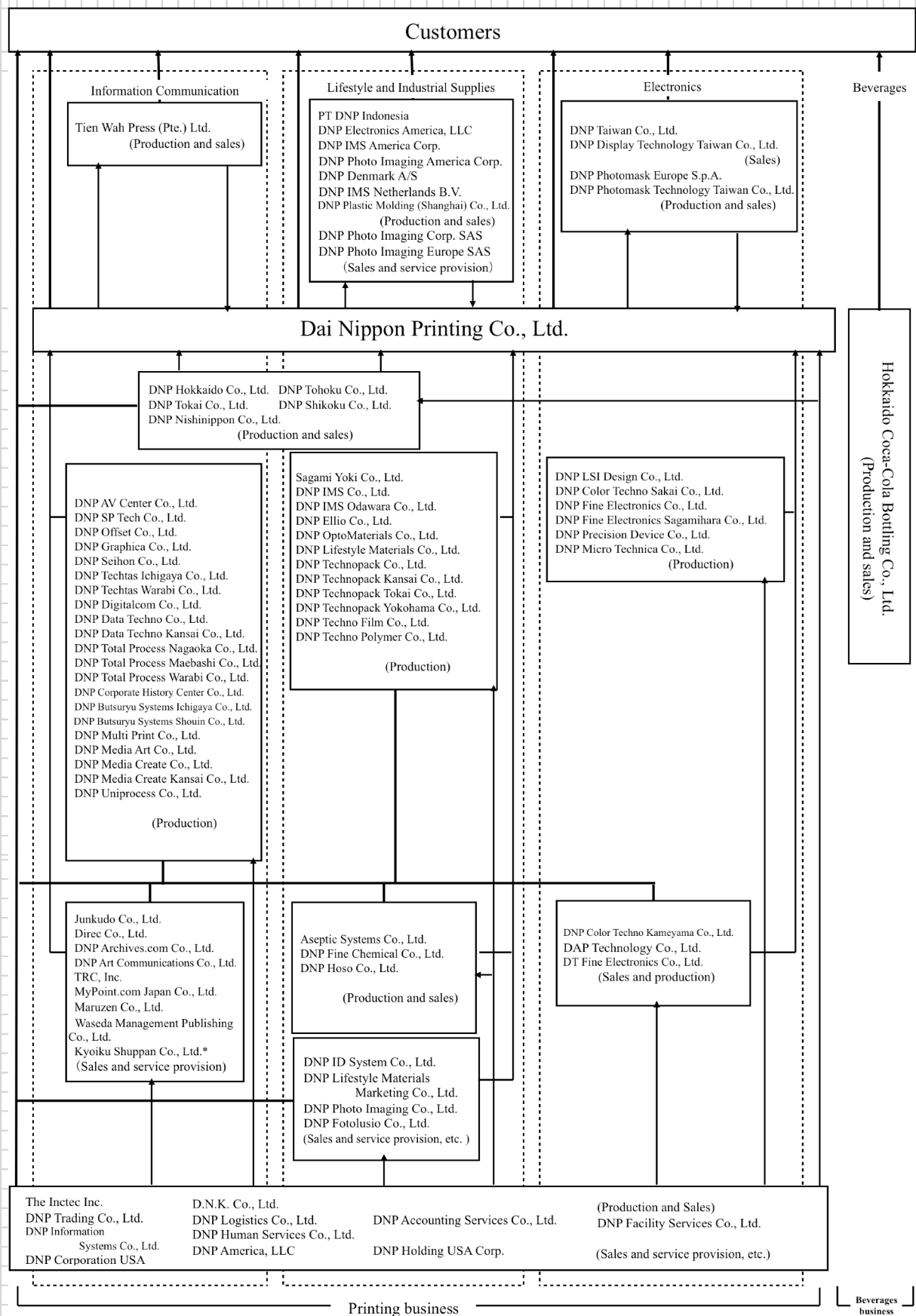
### **Beverages**

Centered on Hokkaido Coca-Cola Bottling Co., Ltd. (a publicly traded company whose shares trade on the Tokyo Stock Exchange and the Sapporo Securities Exchange); manufacture/sale of soft drinks and juices

\* Equity-method affiliated companies

## Organizational chart

The businesses noted above are shown in the organizational chart below.



Notes: \* : Equity-method affiliated companies  
 ← : Flow of products, materials and services

### **3. Management policies**

#### **(1) Core policies**

The DNP (Dai Nippon Printing Co., Ltd.) Group has been striving to contribute to society by providing new value-added products and services based on a management concept of contributing to the emergently evolving society of the 21st century.

With a business vision of P&I Solutions (P&I stands for “printing technology” and “information technology”), the DNP Group aims to expand and contribute to an emergently evolving society by bringing together printing technology and information technology and finding and solving various problems for customers and consumers.

The DNP Group Code of Conduct calls for compliance with the laws and social ethics. It has established and implemented a system of internal controls to promote fair and appropriate corporate activity and fulfill its responsibilities to society as a corporation. The group strives to conduct business in good faith so as to earn the high trust of shareholders, customers, consumers, employees and other stakeholders.

#### **(2) Medium- and long-term management strategy and key issues**

The DNP Group aims to steadily expand over the long term, based on its P&I Solutions business vision, and strives to conduct business in good faith, in recognition of its responsibilities to society as a corporation.

To further promote its P&I Solutions business vision and enhance its future prospects, DNP has been strengthening its organization through various means such as redeveloping the Ichigaya plant, for example.

In the 123 years since the Ichigaya plant was built in the Shinjuku district of Tokyo in 1886, 10 years after the Company’s founding in 1876 as Shueisha, DNP has stayed based in this area and expanded into various businesses.

Under a redevelopment plan, the Company aims to consolidate in the Ichigaya area the planning and development, sales, and head office functions of different divisions that are located in nearby areas; develop new businesses; and reorganize manufacturing and logistics and integrate manufacturing facilities to achieve optimization from an overall perspective. The plan is scheduled to be completed by 2017.

### **Initiatives in the different businesses and segments**

#### **Information Communication**

This segment provides various products and services and is engaged in a broad range of media development initiatives, such as searches for optimal expressions that meet customers’ needs and electronic publishing for the Internet and mobile phones.

In the educational publications distribution business this fiscal year, DNP made Maruzen Co., Ltd. and Junkudo Co., Ltd. consolidated subsidiaries and strengthened its partnership with TRC Inc., which became a consolidated subsidiary in the previous fiscal year. DNP has thereby combined the expertise of the companies with the Group’s product and services, expanded sales promotions at bookstores, promoted the adoption of smart cards and tags among college and public libraries, and contributed to the overall educational publications market. These initiatives are expected to stimulate the educational

publications market and lead to a stronger printing business, which is a core business of the Group.

In established business areas, DNP continues to make efforts to improve the quality of earning structure through such measures as consolidating and strengthening the management of manufacturing, linking a broad range of processes ranging from prepress to printing and processing, establishing a lean production structure, and improving the efficiency of logistics.

### **Lifestyle and Industrial Supplies**

The segment faces weak demand for packaging because of the slump in consumer spending, but focuses on various types of functional materials, such as innovative barrier film, which provides a very strong barrier against vapor and oxygen and is optimal for food, medical/pharmaceutical, and electronic material packaging applications. The segment is also working on universal design initiatives and developing packaging that is easier to use.

The lifestyle materials business, which faces a continuing slump in housing markets in Japan and other countries, focuses on comfortable and healthy living and strives to increase sales of eco-friendly products with outstanding design, durability, and practicality. The products use DNP's own electron beam coating technology, which is well regarded in the industry.

In the industrial supplies business, anti-glare film and other optical films face contracting output in the market for flat-panel displays but have strong longer-term growth potential. With demand likely to grow for color ink ribbons, as digital photography becomes even more widespread, and ink ribbons for barcodes, the DNP Group is making efforts to increase production capacity, improve product quality, and become more cost competitive.

### **Electronics**

In this segment, the priority in resource allocation is on output capacity increases and the development of new technologies and products so as to be able to quickly adapt to drastic changes in market demand.

In the LCD color filter business, changes in demand, declines in unit prices, and other changes in industry conditions are likely, but the DNP Group aims to win more orders for filters for PC monitors and consumer TVs as well as make its production operations more flexible to meet market demand. Ties with customers are being strengthened to expand business. For example, a 10th-generation color filter plant is being built in Sakai, Osaka, and an 8th-generation plant is being built in Himeji, Hyogo Prefecture.

In the semiconductor photomask business, semiconductor prices may worsen and other conditions are likely to remain very difficult, but efforts are being made to develop the most advanced technologies, reorganize the production structure to include a new plant in Taiwan, and become more competitive.

### **New businesses**

In new business areas, DNP is working on developing businesses to generate new added value, such as services and products with outstanding functionality to address the problems of companies and consumers.

In the energy area, the Company finished building a plant in Izumizaki, Fukushima Prefecture in January 2009 to manufacture back sheet film and filling materials for solar power systems to meet the growing worldwide demand for solar cells. The Energy System division with centralized sales, development, and manufacturing has been formed to strengthen and expand the solar cell business.

In the medical, pharmaceutical, health care, and other life science areas, DNP is using its printing technologies to develop advanced and distinctive technologies and products. In this fiscal year, DNP

began selling the CytoGraph, Japan's first commercialized cell pattern culture substrate, and together with Tokyo Women's Medical University and CellSeed Inc., it developed techniques for efficiently producing cell sheet culture film used in regenerative medicine. In March 2009, DNP formed a research unit within Tokyo Women's Medical University's research and educational facilities to promote advanced research on regenerative medicine.

### **Strengthened organization**

Along with enhancing the DNP Group's overall strengths by strengthening collaboration across divisions in the group even further, DNP is striving to promote broad solutions, including proposals for customers' business strategies and marketing plans, through dialogue and collaboration.

In order to reinforce established businesses and quickly develop new ones, the DNP Group recognizes that it cannot rely only on its own technologies but needs to work with other companies with their own strengths. DNP has strategically partnered with other companies and merged with or acquired others in the electronic product and photo businesses, among others, and intends to aggressively look for similar opportunities in Japan and other countries based on this strategy.

To restructure costs, DNP is improving productivity by revamping its business processes and streamlining production processes, cutting material costs, and establishing a strong production structure with a continual focus on profitability. Since 2002, DNP has made groupwide efforts through its "Monozukuri 21" activities and generated solid results in terms of becoming stronger. Under the theme of overall optimization, the DNP Group regards the flow from orders to delivery as an integrated whole and strives to smooth out flows between processes and across divisions, make the production system more efficient by eliminating as much waste as possible, improve product quality, and become more cost competitive.

### **Contributions to a sustainable society**

DNP's environment-related initiatives to contribute to the establishment of a sustainable society include the establishment of a distinctive Eco-Report System for environmental management, a strengthening of the Environmental Committee, and environmental protection activities, including efforts to stem global warming. In addition to developing eco-friendly products, DNP is making efforts in terms of promoting green purchasing, reducing the environmental impact of its manufacturing, and achieving zero emissions of industrial waste.

As part of its efforts in the current fiscal year to reduce CO<sub>2</sub> emissions, DNP switched from heavy fuel oil to municipal gas as a fuel source for its Odawara plant and purchased Renewable Energy Certificates (RECs). It intends to increasingly use renewable energy sources by installing solar power systems at new plants, for example.

**4. Consolidated financial statements**  
**(1) Consolidated balance sheets**

	(Millions of yen)	
	Year ended March 31, 2008 (As of March 31, 2008)	Year ended March 31, 2009 (As of March 31, 2009)
<b>ASSETS</b>		
Current assets		
Cash and time deposits	131,058	123,569
Notes and trades receivables	456,932	405,876
Marketable securities	11,102	8
Inventories	96,392	-
Merchandise and finished products	-	73,372
Work in progress	-	29,707
Raw materials and supplies	-	17,566
Deferred income taxes	12,992	10,278
Other	11,781	21,048
Allowance for doubtful accounts	(5,283)	(5,280)
Total current assets	714,976	676,149
Fixed assets		
Property, plant and equipment		
Buildings and structures	484,577	491,602
Accumulated depreciation	(275,033)	(292,336)
Buildings and structures, net	209,544	199,265
Machinery and equipment	949,931	907,428
Accumulated depreciation	(712,938)	(723,538)
Machinery and equipment, net	236,993	183,890
Land	130,655	132,888
Construction in progress	35,413	57,756
Other	112,567	119,167
Accumulated depreciation	(85,830)	(88,064)
Other, net	26,736	31,103
Total property, plant and equipment	639,343	604,904
Intangible fixed assets		
Goodwill	12,684	24,099
Software	19,473	20,053
Other	3,246	4,696
Total intangible fixed assets	35,404	48,850
Investments and other assets		
Investment securities	150,057	113,448
Long-term loans	4,436	3,015
Deferred income taxes	18,601	50,015
Other	49,041	51,923
Allowance for doubtful accounts	(10,668)	(12,484)
Total investments and other assets	211,468	205,917
Total fixed assets	886,216	859,672
Deferred assets		
Business startup costs	-	735
Total deferred assets	-	735
<b>TOTAL ASSETS</b>	<b>1,601,192</b>	<b>1,536,556</b>



(Millions of yen)

	Year ended March 31, 2008 (As of March 31, 2008)	Year ended March 31, 2009 (As of March 31, 2009)
<b>LIABILITIES</b>		
Current liabilities		
Notes and trade payable	317,855	290,871
Short-term bank loans	21,969	59,875
Current portion of long-term debt	3,185	2,898
Income taxes payable	16,911	7,891
Reserve for bonuses	18,232	16,186
Other	76,212	92,075
Total current liabilities	454,367	469,799
Long-term liabilities		
Bonds	50,100	51,000
Long-term debt	4,850	10,490
Deferred tax liabilities	2,798	3,352
Provision for retirement benefits	40,349	41,451
Other	8,591	20,377
Total long-term liabilities	106,690	126,671
<b>TOTAL LIABILITIES</b>	<b>561,057</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	797,316	751,869
Treasury stock	(66,556)	(93,884)
Total stockholders' equity	990,122	917,348
Valuation and translation adjustments		
Net unrealized gains (losses) on marketable securities	10,610	(3,882)
Net deferred gains (losses) on derivatives	7	(4)
Foreign currency translation adjustments	2,120	(15,285)
Total valuation and translation adjustments	12,738	(19,173)
Minority interests	37,274	41,910
<b>TOTAL NET ASSETS</b>	<b>1,040,135</b>	<b>940,085</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,601,192</b>	<b>1,536,556</b>

## (2) Consolidated statements of income

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Net sales	1,616,053	1,584,844
Cost of sales	1,327,871	1,324,522
Gross profit	288,181	260,322
Selling, general and administrative expenses	201,077	214,144
Operating income	87,104	46,177
Non-operating income		
Interest income	2,032	1,393
Dividend income	2,613	2,770
Subsidies	1,185	2,326
Other	4,174	5,137
Total non-operating income	10,005	11,626
Non-operating expenses		
Interest expense	1,309	1,666
Equity in losses of affiliates	1,440	1,247
Foreign exchange losses	1,528	2,003
Other	6,329	5,496
Total non-operating expenses	10,608	10,413
Ordinary income	86,502	47,390
Extraordinary gains		
Gain on sale of fixed assets	285	214
Gain on sale of investment securities	8,736	373
Gain on contribution of investment securities to pension trust	7,310	-
Gain on revision of retirement benefits plan	2,787	-
Change of equity interest	-	531
Other	564	4
Total extraordinary gains	19,684	1,124
Extraordinary losses		
Loss on sale or disposal of fixed assets	3,703	6,954
Impairment loss on fixed assets	3,300	50,690
Loss on devaluation of investment securities	1,745	13,615
Loss on sale of securities in affiliates	-	58
Loss on devaluation of securities in affiliates	12	330
Provision for accrued directors' retirement benefits	1,396	-
Directors' retirement benefits	6,553	-
Loss on revision of retirement benefits plan	-	144
Amortization of goodwill	-	1,859
Other	1,005	2,703
Total extraordinary losses	17,717	76,357
Income (Loss) before income taxes and minority interests	88,469	(27,842)
Current income taxes	31,791	15,374
Deferred income taxes	10,102	(20,857)
Income and other taxes	41,893	(5,482)
Minority interests	1,403	(1,427)
Net income (loss)	45,171	(20,933)

### (3) Consolidated statements of changes in stockholders' equity

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Stockholders' equity		
Common stock		
Balance at March 31, 2008	114,464	114,464
Balance at March 31, 2009	114,464	114,464
Capital surplus		
Balance at March 31, 2008	144,898	144,898
Balance at March 31, 2009	144,898	144,898
Retained earnings		
Balance at March 31, 2008	828,707	797,316
Changes in retained earnings resulting from changes of accounting policies of foreign consolidated subsidiaries	-	363
Changes of items during the period		
Cash dividends paid	(23,931)	(24,849)
Net income (loss)	45,171	(20,933)
Changes in retained earnings resulting from changes of fiscal year end of consolidated subsidiaries	16	-
Disposal of treasury stock	(1)	(27)
Retirement of treasury stock	(52,646)	-
Total changes during the period	(31,391)	(45,809)
Balance at March 31, 2009	797,316	751,869
Treasury stock		
Balance at March 31, 2008	(60,594)	(66,556)
Changes of items during the period		
Purchase of treasury stock	(58,642)	(27,424)
Disposal of treasury stock	34	89
Retirement of treasury stock	52,646	-
Other	-	7
Total changes during the period	(5,962)	(27,327)
Balance at March 31, 2009	(66,556)	(93,884)
Total stockholders' equity		
Balance at March 31, 2008	1,027,475	990,122
Changes in retained earnings resulting from changes of accounting policies of foreign consolidated subsidiaries	-	363
Changes of items during the period		
Cash dividends paid	(23,931)	(24,849)
Net income (loss)	45,171	(20,933)
Changes in retained earnings resulting from changes of fiscal year end of consolidated subsidiaries	16	-
Purchase of treasury stock	(58,642)	(27,424)
Disposal of treasury stock	32	62
Other	-	7
Total changes during the period	(37,353)	(73,137)
Balance at March 31, 2009	990,122	917,348

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Valuation and translation adjustments		
Net unrealized gains (losses) on marketable securities		
Balance at March 31, 2008	41,331	10,610
Changes of items during the period		
Net changes in items other than stockholders' equity	(30,721)	(14,492)
Total changes during the period	(30,721)	(14,492)
Balance at March 31, 2009	10,610	(3,882)
Net deferred gains (losses) on derivatives		
Balance at March 31, 2008	(3)	7
Changes of items during the period		
Net changes in items other than stockholders' equity	10	(11)
Total changes during the period	10	(11)
Balance at March 31, 2009	7	(4)
Foreign currency translation adjustments		
Balance at March 31, 2008	3,093	2,120
Changes of items during the period		
Net changes in items other than stockholders' equity	(972)	(17,406)
Total changes during the period	(972)	(17,406)
Balance at March 31, 2009	2,120	(15,285)
Total valuation and translation adjustments		
Balance at March 31, 2008	44,421	12,738
Changes of items during the period		
Net changes in items other than stockholders' equity	(31,683)	(31,911)
Total changes during the period	(31,683)	(31,911)
Balance at March 31, 2009	12,738	(19,173)
Minority interests		
Balance at March 31, 2008	27,542	37,274
Changes of items during the period		
Net changes in items other than stockholders' equity	9,732	4,635
Total changes during the period	9,732	4,635
Balance at March 31, 2009	37,274	41,910

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Total net assets		
Balance at March 31, 2008	1,099,439	1,040,135
Changes in retained earnings resulting from changes of accounting policies of foreign consolidated subsidiaries	-	363
Changes of items during the period		
Cash dividends paid	(23,931)	(24,849)
Net income (loss)	45,171	(20,933)
Changes in retained earnings resulting from changes of fiscal year end of consolidated subsidiaries	16	-
Purchase of treasury stock	(58,642)	(27,424)
Disposal of treasury stock	32	62
Other	-	7
Net changes in items other than stockholders' equity	(21,950)	(27,275)
Total changes during the period	(59,304)	(100,412)
Balance at March 31, 2009	1,040,135	940,085

**(4) Consolidated statements of cash flows**

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	88,469	(27,842)
Depreciation	109,902	106,882
Impairment loss on fixed assets	3,300	50,690
Decrease of doubtful receivables, net	(69)	(522)
Decrease of provision for retirement benefits, net	(16,823)	(3,111)
Equity in losses of affiliates	1,440	1,247
Amortization of goodwill, net	2,049	6,406
Interest and dividend income	(4,645)	(4,163)
Interest expense	1,309	1,666
Net gains on sales of investment securities	(8,537)	(373)
Net losses on devaluation of investment securities	1,745	13,946
Net losses on sale or disposal of fixed assets	3,418	6,739
Decrease in trade receivables	26,965	56,827
Decrease in inventories	2,989	4,370
Decrease in trade payables	(27,495)	(42,200)
Other	6,929	(4,037)
Sub-total	190,948	166,526
Payment of income taxes	(33,665)	(34,957)
Net cash provided by operating activities	157,282	131,569
Cash flows from investing activities		
Decrease (Increase) in time deposits	24,904	(14)
Proceeds from sales of marketable securities	10,000	10,980
Payments for purchases of property, plant and equipment	(124,127)	(95,555)
Proceeds from sales of property, plant and equipment	1,900	3,307
Payments for purchases of investment securities	(32,706)	(8,200)
Proceeds from sales of investment securities	18,411	1,387
Payments for purchases of subsidiary stocks	(7,920)	(2,082)
Payments for business transfer	(5,708)	(6,528)
Interest and dividends received	4,678	4,173
Other	(11,955)	(8,193)
Net cash used in investing activities	(122,522)	(100,726)

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Cash flows from financing activities		
Increase in short-term bank loans	12,535	23,323
Proceeds from long-term debt	1,253	4,961
Repayments of long-term debt	(3,479)	(6,563)
Payments for redemption of bonds	-	(100)
Interest paid	(1,309)	(1,650)
Dividends paid	(23,927)	(24,831)
Dividends paid to minority interests	(418)	(421)
Payments for purchases of treasury stock	(58,642)	(27,424)
Payments for purchases of treasury stock of subsidiaries	(3)	(10)
Other	264	(1,234)
Net cash used in financing activities	(73,727)	(33,951)
Effect of exchange rate changes on cash and cash equivalents	(825)	(10,386)
Net decrease in cash and cash equivalents	(39,793)	(13,495)
Cash and cash equivalents at beginning of year	170,488	130,695
Cash and cash equivalents at end of period	130,695	117,200

## Notes on premise of a regarding going concern

None

## Significant matters concerning the preparation of the consolidated financial statements

### 1. Scope of consolidation and application of the equity method of accounting

#### (1) Number of consolidated subsidiaries: 108

Major companies: Maruzen Co., Ltd., Hokkaido Coca-Cola Bottling Co., Ltd., The Inctec Inc.  
DNP Trading Co., Ltd., DNP Color Techno Kameyama Co., Ltd.  
DNP Technopack Co., Ltd., DNP Nishinippon Co., Ltd.  
DNP Photo Imaging Co., Ltd., DNP Logistics Co., Ltd.  
DAP Technology Co., Ltd.

#### (2) Number of equity-method affiliated companies: 10

Major company: Kyoiku Shuppan Co., Ltd.

### 2. Changes in scope of consolidation and application of the equity method of accounting

#### (1) Scope of consolidation

Newly included:	15	DNP Fotolusio Co., Ltd. and 14 other companies
Excluded:	6	DNP Photo Marketing Co., Ltd. and five other companies

#### (2) Application of equity method

Newly included:	2	UD Alliance Technology Limited and one other company
Excluded:	3	Maruzen Co., Ltd. and two other companies

### 3. Matters concerning the fiscal years of consolidated subsidiaries

Of the consolidated subsidiaries, Hokkaido Coca-Cola Bottling Co., Ltd. and 29 others have fiscal years that end on December 31, while Maruzen Co., Ltd. and five others have fiscal years that end on January 31. Their financial statements as of the same date are used in the preparation of these consolidated financial statements, and any material transactions in the time until the consolidated fiscal year-end date are adjusted for on a consolidated basis.

### 4. Summary of significant accounting policies

#### (1) Criteria and methods for valuing significant assets

- Marketable securities

Held-to-maturity debt securities	Mainly amortized cost
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Other securities

Those with market prices available	Fair market value based on market prices as of the balance sheet date (The related valuation differences are directly included in net assets and the sale prices computed by the moving-average method.)
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Those without market prices available	Mainly cost based on the moving-average method
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- Derivatives

Mainly fair market value

- Inventories

For figures shown on the balance sheet, the book value write-down method based on the decrease in profitability is used.

Merchandise

Mainly cost based on the specific identification method



Finished products, work in progress	Mainly cost based on the retail inventory cost method
Raw materials	Mainly cost based on the moving-average method
Supplies	Mainly cost based on the most recent purchase method

## **(2) Depreciation and amortization of significant assets**

- Property, plant and equipment (except for lease assets)
 

The Company and its domestic consolidated subsidiaries use the declining balance method.

However, depreciation of machinery and equipment at the Kurosaki Plant No. 1 (2nd-Stage plant) and Plant No. 3 is computed by the straight-line method.

Depreciation of buildings (excluding building fixtures) acquired after April 1, 1998, is computed by the straight-line method.

Assets with an acquisition cost of at least ¥100,000 and less than ¥200,000 are depreciated mainly over three years by the straight-line method.

Foreign consolidated subsidiaries mainly use the straight-line method.
- Intangible fixed assets (except for lease assets)
 

Mainly the straight-line method

Software used internally is amortized using the straight-line method over the Company's estimate of the useful life of the assets (not more than five years).
- Lease assets
 

Lease assets with a transfer of ownership

These lease assets are depreciated using the same method as for fixed assets owned by the Company.

Lease assets with no transfer of ownership

These lease assets are depreciated over the lease period using the straight-line method with no residual value.

Lease assets based on lease agreements that do not involve a transfer of ownership to the lessee and with lease start dates before the initial applicable fiscal year under the Accounting Standard for Lease Transactions (Accounting Standards Board of Japan (the "ASBJ") Statement No. 13) are accounted for based on the method for ordinary rental transactions.

## **(3) Treatment of significant deferred assets**

Some consolidated subsidiaries have capitalized business startup costs as deferred assets and amortize them over five years using the straight-line method.

## **(4) Basis for recording significant allowances**

- Allowance for doubtful accounts
 

To cover possible losses on doubtful accounts, the allowance for doubtful accounts is based on historical default rates for normal accounts and on estimates of the amounts that may not be recoverable

for specific overdue accounts.

- Reserve for bonuses To cover payments of employee bonuses in the following fiscal year, the reserve for bonus is based on the estimated amount that is attributable to the current fiscal year.
- Reserve for bonuses to directors To cover payments of directors' bonus in the following fiscal year, the reserve for bonuses is based on the estimated amount that is attributable to the current fiscal year.
- Provision for retirement benefits To cover future payments of employee retirement benefits, provisions for employees' retirement benefits are based on an amount incurred by the fiscal year-end based on estimated retirement benefit liabilities and pension plan assets at the end of the fiscal year.  
Prior service costs are amortized using the straight-line method over a certain number of years that is equal to or less than the average future service period of eligible employees at the time the costs are incurred (generally six years).  
Actuarial gains/losses are amortized beginning in the fiscal year in which the gains/losses are recognized and using the straight-line method over a certain number of years that is equal to or less than the average future service period of eligible employees at the time the actuarial gains/losses are incurred (generally nine years).  
Additional information  
Some domestic consolidated subsidiaries converted their qualified retirement benefit plans to defined contribution plans in December 2008 and use Accounting for Transfers between Retirement Benefit Plans (ASBJ No.1).  
The effect of this change is a ¥144 million extraordinary loss.
- Provision for accrued directors' retirement benefits For payments of directors' retirement benefits, domestic consolidated subsidiaries record a fiscal year-end required amount based on internal regulations.

## **(5) Accounting treatment of consumption taxes**

National and local consumption taxes are excluded from transaction amounts.

## **(6) Consolidated subsidiaries' assets and liabilities**

Consolidated subsidiaries' assets and liabilities are all valued using the fair value method.

## **(7) Amortization of goodwill and negative goodwill**

Goodwill and negative goodwill are amortized in a straight line over a period of not more than 20 years. In the current fiscal year, straight-line amortization over five years is generally used.

## **5. Scope of funds in the statements of cash flows**

Cash and cash equivalents in the consolidated statements of cash flows are short-term investments with an original maturity of three months or less, are subject to insignificant risk of changes in value, and can be easily converted into cash and drawable funds as needed.

## **Changes in significant accounting policies applied in the preparation of the consolidated financial statements**

### **Changes in criteria and methods for valuing inventory**

Starting with the current fiscal year, the Company and its domestic consolidated subsidiaries have applied the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, issued by the ASBJ on July 5, 2006) and have adopted the retail inventory cost method (for the book value of inventory on the balance sheets, by writing inventory down based on the decrease in profitability of the inventory) for inventory held for the usual objective of sales.

This change had an immaterial impact on income.

### **Application of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements**

Starting with the current fiscal year, the Company has applied the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18, issued by the ASBJ on May 17, 2006) and made revisions required for consolidated accounting.

This change had an immaterial impact on income.

### **Application of Accounting Standards for Lease Transactions**

Previously, lease payments under finance leases that do not transfer ownership of the leased property to the lessee had been recognized as expenses. However, starting with the current fiscal year, in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, revised on March 30, 2007 (originally issued by the First Committee of the Business Accounting Deliberation Council on June 17, 1993)) and the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, revised on March 30, 2007 (originally issued by the Accounting Committee of the Japanese Institute of Certified Public Accountants on January 18, 1994)), the Company and its domestic consolidated subsidiaries have applied these accounting standards, etc., and are following accounting procedures for normal sales transactions.

This change had an immaterial impact on income.

## Notes regarding consolidated financial statements

### Consolidated balance sheets

	Year ended March 31, 2008	Year ended March 31, 2009
1. Guarantee of debt	¥90 million	¥92 million
2. Discounts on notes receivable	¥820 million	¥670 million

### Consolidated statements of income

	Year ended March 31, 2008	Year ended March 31, 2009
1. Research and development expenses (Selling, general and administrative expenses, and Cost of sales)	¥35,556 million	¥34,111 million

#### 2. Impairment loss on fixed assets

The impairment losses that the Group recognized in the current fiscal year are for the following assets.

Address	Use	Type
Yahata Nishi-ku, Kita-Kyushu City, Fukuoka Prefecture, etc.	Color filter production	Machinery, buildings and structures, construction in progress
Fujimino City, Saitama Prefecture, etc.	Photomask production	Machinery, buildings and structures, construction in progress
Tobata-ku, Kita-Kyushu City, Fukuoka Prefecture, etc.	Idle facility for production of rear panels for plasma displays, etc.	Machinery, construction in progress, other
Okayama City, Okayama Prefecture, etc.	Premises, etc.	Buildings and structures, other

In calculating impairment losses, the DNP Group generally organizes them by business group, the unit for the losses. Impairment losses are considered separately for loaned assets and idle assets. The recoverable amounts are determined using net selling prices for idle assets and value in use for all other assets. Net selling prices are assessed on the basis of appraised values in the case of buildings and structures, and assessed at ¥0 for machinery and other assets with sale prices that are difficult to estimate. Values in use are calculated by discounting expected future cash flows by 10%.

As a result, the carrying values of assets with market values that declined considerably were reduced to their recoverable amounts, and the reductions in values, i.e. impairment losses (¥50,690 million), were recognized as extraordinary losses.

The impairment losses consisted of ¥25,242 million for machinery, ¥11,992 million for buildings and structures, ¥10,968 million for construction in progress, and ¥2,486 million for other.

## Consolidated statements of changes in stockholders' equity

The year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

### 1. Matters related to the types and number of shares outstanding and treasury stock

(Shares)

	Stock type	Number of shares at the end of the year ended March 2007	Increase in number of shares during the year ended March 2008	Decrease in number of shares during the year ended March 2008	Number of shares at the end of the year ended March 2008
Outstanding shares	Common stock	730,480,693	-	30,000,000	700,480,693
Treasury stock	Common stock	36,254,522	32,879,377	30,019,583	39,114,316

- Notes:
1. The decrease of 30 million common shares outstanding is due to the retirement of treasury shares.
  2. The increase of 32,879,377 treasury shares is due to the repurchase of 32,686,000 shares, as authorized by the Board of Directors, the repurchase of 108,377 odd-lot shares, and the purchase of 85,000 odd-lot shares at the request of shareholders.
  3. The decrease of 30,019,583 treasury shares is due to the retirement of 30 million treasury shares and the sale of 19,583 odd-lot shares.

### 2. Detailed information regarding dividends

#### (1) Dividends paid

Resolution	Stock type	Total dividends (Millions of yen)	Dividend per share (Yen)	Dividend record date	Effective date
General meeting of shareholders on June 28, 2007	Common stock	13,203	19	March 31, 2007	June 29, 2007
General meeting of shareholders on November 9, 2007	Common stock	10,728	16	September 30, 2007	December 7, 2007

#### (2) Of dividends for which the record date belongs to the current fiscal year, those that come into effect in the following fiscal year

Resolution	Stock type	Total dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Dividend record date	Effective date
General meeting of shareholders on June 27, 2008	Common stock	13,241	Retained earnings	20	March 31, 2008	June 30, 2008

**The year ended March 31, 2009 (April 1, 2008 – March 31, 2009)**

**1. Type and number of shares outstanding, type and number of treasury shares**

(Shares)

	Stock type	Number of stocks at the end of the year ended March 2008	Increase in number of stocks during the year ended March 2009	Decrease in number of stocks during the year ended March 2009	Number of stocks at the end of the year ended March 2009
Outstanding shares	Common stock	700,480,693	-	-	700,480,693
Treasury stock	Common stock	39,114,316	17,231,279	221,978	56,123,617

- Notes:
1. The increase of 17,231,279 treasury shares is due to the repurchase of 16,656,000 shares, as authorized by the Board of Directors, the repurchase of 119,279 odd-lot shares, and the purchase of 456,000 odd-lot shares at the request of stockholders.
  2. The decrease of 221,978 treasury shares (common shares) is due to the sale of 53,103 odd-lot shares and the company's share of 168,875 treasury shares sold by affiliated companies accounted for by the equity method.

**2. Matters related to dividends**

**(1) Dividends paid**

Resolution	Stock type	Total dividends (Millions of yen)	Dividend per share (Yen)	Dividend record date	Effective date
General meeting of shareholders on June 27, 2008	Common stock	13,241	20	March 31, 2008	June 30, 2008
General meeting of shareholders on November 14, 2008	Common stock	11,608	18	September 30, 2008	December 10, 2008

**(2) Of dividends for which the record date belongs to the current fiscal year, those that come into effect in the following fiscal year**

Resolution	Stock type	Total dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Dividend record date	Effective date
General meeting of shareholders on June 26, 2009	Common stock	9,028	Retained earnings	14	March 31, 2009	June 29, 2009

## **Segment information**

### **1. Business segment information**

**The year ended March 31, 2008 (April 1, 2007- March 31, 2008)**

(Millions of yen)

	Information Communication	Lifestyle and Industrial Supplies	Electronics	Beverages	Total	Elimination and/or corporate	Consolidated
I Net sales and Operating income (loss)							
Net sales							
(1) Outside customers	672,772	547,567	322,264	73,449	1,616,053	-	1,616,053
(2) Inter-segment	7,125	8,224	48	44	15,442	(15,442)	-
Total	679,897	555,791	322,312	73,494	1,631,495	(15,442)	1,616,053
Operating expenses	636,820	523,928	302,494	72,168	1,535,412	(6,463)	1,528,948
Operating income	43,076	31,863	19,818	1,325	96,083	(8,978)	87,104
II Assets, depreciation, impairment loss and capital expenditures							
Assets	557,532	532,229	427,401	44,335	1,561,499	39,693	1,601,192
Depreciation	23,279	28,587	51,717	3,664	107,248	2,653	109,902
Impairment loss	52	1,051	2,153	42	3,300	-	3,300
Capital expenditures	26,538	31,818	45,984	3,692	108,033	8,105	116,139

**The year ended March 31, 2009 (April 1, 2008- March 31, 2009)**

(Millions of yen)

	Information Communication	Lifestyle and Industrial Supplies	Electronics	Beverages	Total	Elimination and/or corporate	Consolidated
I Net sales and Operating income (loss)							
Net sales							
(1) Outside customers	711,275	545,915	255,967	71,685	1,584,844	-	1,584,844
(2) Inter-segment	7,150	5,905	8	45	13,109	(13,109)	-
Total	718,425	551,821	255,975	71,731	1,597,953	(13,109)	1,584,844
Operating expenses	686,735	531,905	253,397	71,408	1,543,447	(4,780)	1,538,667
Operating income	31,690	19,916	2,577	322	54,506	(8,329)	46,177
II Assets, depreciation, impairment loss and capital expenditures							
Assets	619,079	513,092	329,042	43,394	1,504,608	31,948	1,536,556
Depreciation	25,204	29,512	46,039	3,506	104,263	2,619	106,882
Impairment loss	1,798	48	48,692	150	50,690	-	50,690
Capital expenditures	27,988	29,718	34,270	2,834	94,812	1,344	96,156

### **2. Geographic segment information**

In the previous and current fiscal years, geographical segment information is not stated because Japan accounts for more than 90% of aggregate sales of all segments and of the aggregate amount of assets of all segments.

## 1. Overseas sales

### The year ended March 31, 2008 (April 1, 2007 - March 31, 2008)

	<u>Asia</u>	<u>Other</u>	<u>Total</u>
I Overseas sales (a)	¥195,092 million	¥84,445 million	¥279,537 million
II Consolidated net sales (b)			¥1,616,053 million
III Ratio: (a)/(b)	12.1%	5.2%	17.3%

### The year ended March 31, 2009 (April 1, 2008 - March 31, 2009)

	<u>Asia</u>	<u>Other</u>	<u>Total</u>
I Overseas sales (a)	¥134,108 million	¥76,302 million	¥210,410 million
II Consolidated net sales (b)			¥1,584,844 million
III Ratio: (a)/(b)	8.5%	4.8%	13.3%

- Notes:
1. Country and regional segments are based on geographic proximity.
  2. Main countries and regions included in each segment:  
Asia: Taiwan, South Korea, China, Indonesia  
Other: United States, France, Germany, United Kingdom
  3. Overseas sales represent the total sales of the Company and its consolidated subsidiaries outside Japan.



## **Per share information**

Year ended March 31, 2008 (April 1, 2007- March 31, 2008)	Year ended March 31, 2009 (April 1, 2008- March 31, 2009)
Net assets per share ¥1,516.35	Net assets per share ¥1,393.91
Net income per share ¥67.08	Net income (loss) per share ¥(32.35)
No diluted net income per share is presented for the fiscal year because there are no potentially dilutive securities.	No diluted net income per share is presented for the fiscal year because there are net losses per share and there are no potentially dilutive securities.

## **Note: Basis of calculations**

### **1. Net assets per share**

	Year ended March 31, 2008 (As of March 31, 2008)	Year ended March 31, 2009 (As of March 31, 2009)
Total net assets (Millions of yen)	1,040,135	940,085
Amount excluded from total net assets (Millions of yen)	37,274	41,910
Of which, minority interests (Millions of yen)	37,274	41,910
Net assets at fiscal year-end pertaining to common stock (Millions of yen)	1,002,860	898,174
Number of common shares outstanding (Thousand shares)	700,480	700,480
Number of common treasury shares (Thousand shares)	39,114	56,123
Number of common shares at fiscal year-end used for the calculation of net assets per share (Thousand shares)	661,366	644,357

### **2. Net income (loss) per share**

	Year ended March 31, 2008 (April 1, 2007- March 31, 2008)	Year ended March 31, 2009 (April 1, 2008- March 31, 2009)
Net income (loss) (Millions of yen)	45,171	(20,933)
Amounts not attributable to common shareholders (Millions of yen)	-	-
Net income (loss) pertaining to common stock (Millions of yen)	45,171	(20,933)
Average number of common shares outstanding during the fiscal year (Thousand shares)	673,364	647,025

## **Disclosure omission**

Disclosure of notes on such items as tax effect accounting, marketable securities, and retirement benefits is omitted because such disclosure in the release of Financial Results is not considered to be important.

**5. Non-consolidated financial statements**  
**(1) Non-consolidated balance sheets**

(Millions of yen)

	Year ended March 31, 2008 (As of March 31, 2008)	Year ended March 31, 2009 (As of March 31, 2009)
<b>ASSETS</b>		
Current assets		
Cash and time deposits	66,154	49,874
Notes receivable	51,487	44,155
Trade receivable	310,961	257,183
Marketable securities	10,009	-
Merchandise, finished products and work in progress	18,955	-
Merchandise and finished goods	-	4,994
Work in progress	-	10,317
Raw materials and supplies	4,399	3,924
Deferred income taxes	5,760	4,781
Other	14,068	17,853
Allowance for doubtful accounts	(2,422)	(2,309)
Total current assets	479,374	390,775
Fixed assets		
Property, plant and equipment		
Buildings	369,107	365,070
Accumulated depreciation	(206,634)	(215,809)
Buildings, net	162,473	149,261
Structures	29,595	30,160
Accumulated depreciation	(21,307)	(21,926)
Structures, net	8,288	8,233
Machinery	719,008	689,899
Accumulated depreciation	(549,960)	(560,965)
Machinery, net	169,047	128,933
Vehicles	1,025	1,047
Accumulated depreciation	(874)	(914)
Vehicles, net	151	133
Equipment	50,409	48,657
Accumulated depreciation	(38,891)	(39,128)
Equipment, net	11,518	9,528
Land	117,186	117,533
Lease asset	-	1,626
Accumulated depreciation	-	(77)
Lease asset, net	-	1,548
Construction in progress	24,536	39,579
Total property, plant and equipment	493,202	454,752
Intangible fixed assets		
Software	15,807	15,598
Other	4,943	7,998
Total intangible fixed assets	20,750	23,597

(Millions of yen)

	Year ended March 31, 2008 (As of March 31, 2008)	Year ended March 31, 2009 (As of March 31, 2009)
Investments and other assets		
Investment securities	133,550	105,254
Investments in securities in affiliates	119,646	140,356
Long-term loans	43,615	29,035
Deferred income taxes	18,182	41,355
Other	32,337	35,346
Allowance for doubtful accounts	(10,755)	(15,417)
Total investments and other assets	336,577	335,930
Total fixed assets	850,531	814,281
<b>TOTAL ASSETS</b>	1,329,905	1,205,056

(Millions of yen)

	Year ended March 31, 2008 (As of March 31, 2008)	Year ended March 31, 2009 (As of March 31, 2009)
<b>LIABILITIES</b>		
Current liabilities		
Notes payable	23,438	18,186
Trade payable	225,025	183,161
Short-term bank loans	-	14,000
Lease obligation	-	269
Accounts payable - other	42,695	44,334
Accrued expenses	16,625	13,719
Income taxes payable	3,494	-
Deposits payable	150,715	143,003
Reserve for bonuses	7,402	5,993
Reserve for bonuses to directors	240	180
Reserve for loss on liquidation of affiliates	-	336
Notes payable for facilities	2,695	15,084
Other	3,463	2,499
Total current liabilities	475,796	440,769
Long-term liabilities		
Bonds	50,000	50,000
Lease obligation	-	1,356
Long-term debt	6,553	6,424
Provision for retirement benefits	16,057	11,578
Total long-term liabilities	72,611	69,359
<b>TOTAL LIABILITIES</b>	<b>548,407</b>	<b>510,128</b>
<b>NET ASSETS</b>		
Stockholders' equity		
Common stock	114,464	114,464
Capital surplus		
Capital reserve	144,898	144,898
Total capital surplus	144,898	144,898
Retained earnings		
Legal reserve	23,300	23,300
Other retained earnings		
Reserve for loss on overseas investment	2	1
Reserve for special depreciation	64	27
Reserve for depreciation reduction of fixed assets	70	60
Other reserve	532,780	482,780
Retained earnings brought forward	22,033	27,230
Total retained earnings	578,250	533,399
Treasury stock	(66,524)	(93,859)
Total stockholders' equity	771,088	698,903
Valuation and translation adjustments		
Net unrealized gains (losses) on marketable securities	10,401	(3,969)
Net deferred gains (losses) on derivatives	7	(6)
Total valuation and translation adjustments	10,409	(3,975)
<b>TOTAL NET ASSETS</b>	<b>781,498</b>	<b>694,927</b>

**TOTAL LIABILITIES AND NET  
ASSETS**

1,329,905

1,205,056

**(2) Non-consolidated statements of income**

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Net sales	1,180,188	1,105,429
Cost of sales	1,039,119	982,377
Gross profit	141,069	123,052
Selling, general and administrative expenses	112,882	111,084
Operating income	28,186	11,968
Non-operating income		
Interest income	1,404	1,189
Dividend income	8,184	21,230
Other	66,352	66,256
Total non-operating income	75,940	88,677
Non-operating expenses		
Interest expense	835	1,264
Other	58,186	61,608
Total non-operating expenses	59,021	62,873
Ordinary income	45,105	37,772
Extraordinary gains		
Gain on sale of fixed assets	169	3
Gain on sale of investment securities	8,735	371
Gain on contribution of investment securities to pension trust	7,310	-
Gain on cancellation of shares due to absorption of a subsidiary	-	652
Reversal of allowance for doubtful accounts	1,237	-
Other	59	2
Total extraordinary gains	17,513	1,030
Extraordinary losses		
Loss on sale or disposal of fixed assets	2,698	5,580
Impairment loss on fixed assets	1,820	41,310
Loss on devaluation of investment securities	1,503	13,461
Loss on devaluation of securities in affiliates	32	10,588
Directors' retirement benefits	6,553	-
Other	502	2,669
Total extraordinary losses	13,111	73,610
Income (loss) before income taxes and minority interests	49,507	(34,808)
Current income taxes	10,900	210
Deferred income taxes	8,263	(15,044)
Income and other taxes	19,163	(14,834)
Net income (loss)	30,343	(19,973)

### (3) Non-consolidated statements of changes in stockholders' equity

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Stockholders' equity		
Common stock		
Balance at March 31, 2008	114,464	114,464
Balance at March 31, 2009	114,464	114,464
Capital surplus		
Capital reserve		
Balance at March 31, 2008	144,898	144,898
Balance at March 31, 2009	144,898	144,898
Total capital surplus		
Balance at March 31, 2008	144,898	144,898
Balance at March 31, 2009	144,898	144,898
Retained earnings		
Legal reserve		
Balance at March 31, 2008	23,300	23,300
Balance at March 31, 2009	23,300	23,300
Other retained earnings		
Reserve for loss on overseas investment		
Balance at March 31, 2008	3	2
Changes of items during the period		
Reversal of reserve for loss on overseas investment	(1)	(0)
Total changes during the period	(1)	(0)
Balance at March 31, 2009	2	1
Reserve for special depreciation		
Balance at March 31, 2008	139	64
Changes of items during the period		
Reversal of reserve for special depreciation	(75)	(37)
Total changes during the period	(75)	(37)
Balance at March 31, 2009	64	27
Reserve for depreciation reduction of fixed assets		
Balance at March 31, 2008	81	70
Changes of items during the period		
Reversal of reserve for depreciation reduction of fixed assets	(11)	(9)
Total changes during the period	(11)	(9)
Balance at March 31, 2009	70	60
Other reserve		
Balance at March 31, 2008	582,780	532,780
Changes of items during the period		
Reversal of other reserve	(50,000)	(50,000)
Total changes during the period	(50,000)	(50,000)
Balance at March 31, 2009	532,780	482,780

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Retained earnings brought forward		
Balance at March 31, 2008	18,181	22,033
Changes of items during the period		
Reversal of reserve for losses on overseas investment	1	0
Reversal of reserve for special depreciation	75	37
Reversal of reserve for depreciation reduction of fixed assets	11	9
Reversal of other reserve	50,000	50,000
Cash dividends paid	(23,931)	(24,849)
Net income (loss)	30,343	(19,973)
Disposal of treasury stock	(1)	(27)
Retirement of treasury stock	(52,646)	-
Total changes during the period	3,851	5,196
Balance at March 31, 2009	22,033	27,230
Total retained earnings		
Balance at March 31, 2008	624,486	578,250
Changes of items during the period		
Cash dividends paid	(23,931)	(24,849)
Net income (loss)	30,343	(19,973)
Disposal of treasury stock	(1)	(27)
Retirement of treasury stock	(52,646)	-
Total changes during the period	(46,236)	(44,850)
Balance at March 31, 2009	578,250	533,399
Treasury stock		
Balance at March 31, 2008	(60,562)	(66,524)
Changes of items during the period		
Purchase of treasury stock	(58,642)	(27,424)
Disposal of treasury stock	34	89
Retirement of treasury stock	52,646	-
Total changes during the period	(5,962)	(27,335)
Balance at March 31, 2009	(66,524)	(93,859)
Total stockholders' equity		
Balance at March 31, 2008	823,287	771,088
Changes of items during the period		
Cash dividends paid	(23,931)	(24,849)
Net income (loss)	30,343	(19,973)
Purchase of treasury stock	(58,642)	(27,424)
Disposal of treasury stock	32	62
Total changes during the period	(52,198)	(72,185)
Balance at March 31, 2009	771,088	698,903

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Valuation and translation adjustments		
Net unrealized gains (losses) on marketable securities		
Balance at March 31, 2008	40,871	10,401
Changes of items during the period		
Net changes in items other than stockholders' equity	(30,469)	(14,371)
Total changes during the period	(30,469)	(14,371)
Balance at March 31, 2009	10,401	(3,969)
Net deferred gains (losses) on derivatives		
Balance at March 31, 2008	(3)	7
Changes of items during the period		
Net changes in items other than stockholders' equity	10	(13)
Total changes during the period	10	(13)
Balance at March 31, 2009	7	(6)
Total valuation and translation adjustments		
Balance at March 31, 2008	40,868	10,409
Changes of items during the period		
Net changes in items other than stockholders' equity	(30,458)	(14,385)
Total changes during the period	(30,458)	(14,385)
Balance at March 31, 2009	10,409	(3,975)
Total net assets		
Balance at March 31, 2008	864,155	781,498
Changes of items during the period		
Cash dividends paid	(23,931)	(24,849)
Net income (loss)	30,343	(19,973)
Purchase of treasury stock	(58,642)	(27,424)
Disposal of treasury stock	32	62
Net changes in items other than stockholders' equity	(30,458)	(14,385)
Total changes during the period	(82,657)	(86,570)
Balance at March 31, 2009	781,498	694,927



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

None

### **6. Other information**

#### **(1) Changes in directors and officers (as of June 26, 2009)**

- a. New director candidates (to be selected at the Ordinary General Meeting of Shareholders to be held on June 26)
  - Director Sakae Hikita (currently Corporate Officer)
- b. Retiring directors (at the conclusion of the Ordinary General Meeting of Shareholders to be held on June 26)
  - Managing Director Tatsuya Nishimura (to be appointed Senior Corporate Officer)
- c. Directors scheduled to be promoted (at the Board of Directors' meeting following the Ordinary General Meeting of Shareholders to be held on June 26)
  - Executive Vice President (a representative director) Yoshinari Kitajima (currently Senior Managing Director)]
- d. New senior and corporate officers
  - Senior Corporate Officer Tatsuya Nishimura
  - Corporate Officer Yasuo Takeda (currently Deputy General Manager of Packaging)
  - Corporate Officer Junichi Funatsu (currently General Manager of Commercial Printing)
  - Corporate Officer Morihiro Muramoto (currently General Manager of IPS)
- e. Senior corporate officers to be promoted
  - Senior Corporate Officer Tatsuro Kitayuguchi (currently Corporate Officer)
  - Senior Corporate Officer Koichi Hashimoto (currently Corporate Officer)

## **Supplementary data**

### **Net sales by segment**

Segment \ Term	Year ended March 31, 2008 (A)		Year ended March 31, 2009 (B)		Increase (Decrease) (A - B)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Information Communication	558,614	47.3	532,343	48.1	(26,271)	(4.7)
Lifestyle and Industrial Supplies	379,772	32.2	383,483	34.7	3,711	1.0
Electronics	241,802	20.5	189,603	17.2	(52,199)	(21.6)
Total	1,180,188	100.0	1,105,429	100.0	(74,759)	(6.3)