



**Consolidated Financial Results**  
**for the Second Quarter of the Fiscal Year Ending March 31, 2013**  
**[J-GAAP]**

November 8, 2012

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 Dividend payment date: December 10, 2012  
 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 six months ended September 30, 2012**  
**(April 1, 2012 – September 30, 2012)**

**(1) Consolidated financial results**

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

	Net Sales		Operating Income		Ordinary Income	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2012	720,684	(4.5)	11,614	(29.5)	14,673	(26.0)
Six months ended September 30, 2011	754,921	(5.2)	16,481	(58.0)	19,829	(49.4)

Note: Comprehensive income (loss): For the first six months ended September 30, 2012: ¥(790) million (–%)  
 For the first six months ended September 30, 2011: ¥5,356 million (63.4%)

	Net Income		Net Income per Share	Diluted Net Income per Share
	Million yen	%	Yen	Yen
Six months ended September 30, 2012	396	(95.3)	0.62	0.59
Six months ended September 30, 2011	8,422	(51.1)	13.08	13.07

**(2) Consolidated financial position**

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of September 30, 2012	1,546,265	904,862	55.7
As of March 31, 2012	1,608,806	914,213	54.2

Note: Stockholders' equity as of September 30, 2012: ¥860,575 million As of March 31, 2012: ¥871,229 million

**2. Dividends**

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

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

### 3. Consolidated earnings forecasts for the year ending March 31, 2013 (April 1, 2012 – March 31, 2013)

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,520,000	0.8	38,000	11.7	39,000	5.9	12,000	—	18.63

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

#### Notes

- (1) Changes in significant subsidiaries during the current quarter (changes in specified subsidiaries resulting in change of scope of consolidation): No
- (2) Application of accounting procedures peculiar to quarterly consolidated financial statement preparation: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
- 1) Changes in accounting policies with revision of accounting standards: Yes
  - 2) Changes in accounting policies other than the 1) above: No
  - 3) Changes in accounting estimates: Yes
  - 4) Restatement of revisions: No

Note: DNP changed depreciation methods starting in the first quarter of this fiscal year and this change falls under the category of “changes in accounting policies that are difficult to distinguish from changes in accounting estimates.” For further details, see the section titled, “2. Summary information (Notes): Changes in accounting policies, changes in accounting estimates, and restatement of revisions,” on page 4.

#### (4) Number of common shares issued and outstanding

1) Number of common shares outstanding at end of each period (including treasury shares)	As of September 30, 2012	700,480,693 shares	As of March 31, 2012	700,480,693 shares
2) Number of treasury shares at end of each period	As of September 30, 2012	56,461,575 shares	As of March 31, 2012	56,417,765 shares
3) Average number of shares outstanding during the period (cumulative from the start of the fiscal year)	Six months ended September 30, 2012	644,047,972 shares	Six months ended September 30, 2011	644,122,822 shares

#### 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 is underway 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.

For information about earnings forecasts, see the section titled, “1. Qualitative information on the consolidated results for the current quarter: (3) Qualitative information on the consolidated earnings forecasts,” on page 4.

## Contents

<b>1. Qualitative information on the consolidated results for the current quarter</b> ...	<b>2</b>
(1) Qualitative information on the consolidated financial results .....	2
(2) Qualitative information on the consolidated financial position .....	3
(3) Qualitative information on the consolidated earnings forecasts .....	4
<b>2. Summary information (Notes)</b> .....	<b>4</b>
.....Changes in accounting policies, changes in accounting estimates, and restatement of revisions .....	4
<b>3. Quarterly consolidated financial statements</b> .....	<b>5</b>
(1) Quarterly consolidated balance sheets .....	5
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income .....	7
Quarterly consolidated statements of income .....	7
Quarterly consolidated statements of comprehensive income .....	8
(3) Quarterly consolidated statements of cash flows .....	9
(4) Note on assumptions for going concern .....	11
(5) Segment information, etc. ....	11
(6) Significant changes in shareholders' equity .....	12

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

### **(1) Qualitative information on the consolidated financial results**

During the first six months of the fiscal year, although business was driven by domestic demand, aided in part by restoration demand, the future outlook has become more uncertain due to a persistently strong yen and clear economic slowdowns in emerging countries, in addition to Europe.

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

In this environment, the DNP Group (DNP) sought to aggressively develop its business and deliver products, services, and solutions tailored to the needs of its customers, based on its P&I Solutions business vision (P&I stands for “printing technology” and “information technology”). DNP also worked to secure earnings through the pursuit of "Production 21" Activities intended to establish a robust production structure in all facets of production, including quality, cost, and delivery time.

Additionally, DNP pursued the reorganization of domestic and overseas business structures from the standpoint of overall optimization and actively worked to expand business from global and social perspectives.

In the Information Communication segment, DNP worked to develop new services and businesses in response to greater diversity in consumer values and the advance of globalization and information communication technology. In August, DNP formed a business alliance with Nihon Unisys, Ltd. to expand cloud computing and platform service businesses. In October, DNP integrated the three business divisions responsible for commercial printing, smart cards, and security solutions to establish a structure capable of creating comprehensive solutions. It also bolstered strategic planning and service development capabilities for the “honto” hybrid general bookstore business.

In the Lifestyle and Industrial Supplies segment, DNP is moving to expand production facilities in the fast-growing Southeast Asian market in the Packaging business. Initiatives include starting construction of a plant in Vietnam in July with the aim of launching operations in April 2013 and expanding production facilities at the Indonesian plant. Concerning the production structure in Japan, the company reorganized the nationwide production divisions in the Packaging business and integrated these divisions into one company in October in an effort to raise production efficiency further and bolster competitiveness.

In the Electronics segment, DNP has worked to enhance production efficiency and improve profitability. Initiatives include transferring the Sakai plant color filter business to Sakai Display Products Corporation through a simplified absorption-type company split in August and integrating the display components division and electronics devices division.

Despite these efforts, consolidated net sales for the first six months fell 4.5% year on year to ¥720.6 billion, consolidated operating income fell 29.5% to ¥11.6 billion, consolidated ordinary income fell 26.0% to ¥14.6 billion, and net income fell 95.3% to ¥300 million.

Business segment results are presented below.

#### **[PRINTING]**

##### **Information Communication**

In the Books and Magazines business, the publications market continued to slump, and although magazine sales decreased, book sales increased on a contribution from an expansion of integrated production lines, and overall sales rose above year-ago levels.

In the Commercial Printing business, sales increased year on year on growth for catalogs, POP, and other products due to aggressive sales activities.

In the Business Forms business, smart card sales were strong, including SIM cards and electronic money, but overall sales were on par with a year earlier due to a decline for information processing services (ranging from data entry to printing and shipment of personal

mail and other items).

In the Education and Publications Distribution business, amid continued tough conditions in the bookstore market, sales were on par with a year earlier as a result of stepping up sales promotion activities, including in-store promotions.

As a result of the above, overall segment sales grew 0.4% year on year to ¥348.8 billion and operating income increased 61.1% to ¥7.3 billion.

### **Lifestyle and Industrial Supplies**

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

In the Lifestyle Materials business, sales remained favorable on growth for eco-friendly products that use DNP's proprietary Electron Beam coating technology.

In the Industrial Supplies business, despite growth for energy-related products, including lithium ion rechargeable battery soft packages and photovoltaic module components, overall sales decreased year on year on a decline for anti-reflection films used in flat-panel displays.

As a result of the above, overall segment sales rose 0.3% year on year to ¥264.1 billion and operating income fell 27.4% to ¥12.0 billion.

### **Electronics**

In the LCD Color Filter business, sales of small- and medium-sized filters for smart phones and tablets were strong, but overall sales decreased year on year on a decline for large filters caused by sluggish global sales of LCD TVs and the transfer of the Sakai plant color filter business in August.

In the Electronic Devices business, amid continued tough conditions in the semiconductor market, sales increased for module products, but decreased for photomasks, and overall sales fell below year-ago levels.

As a result of the above, overall segment sales fell 25.5% year on year to ¥91.2 billion and operating losses totaled ¥3.4 billion, versus losses of ¥70 million during the same period last year.

## **[BEVERAGES]**

### **Beverages**

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

As a result of the above, tea beverages and mineral waters increased, but carbonated beverages decreased. Overall segment sales fell 2.5% year on year to ¥26.1 billion and operating losses totaled ¥200 million, versus profit of ¥400 million during the same period last year.

## **(2) Qualitative information on the consolidated financial position**

Total assets at the end of the second quarter decreased by ¥62.5 billion from the end of the previous fiscal year to ¥1,546.2 billion, due mainly to a decrease in cash and time deposits.

Total liabilities decreased by ¥53.1 billion from the end of the previous fiscal year to ¥641.4 billion, due mainly to a decline in notes and trade payable.

Net assets decreased by ¥9.3 billion from the end of the previous fiscal year to ¥904.8 billion, due mainly to a decline in retained earnings.

As a result of the above, the equity ratio rose from 54.2% at the end of the previous fiscal year to 55.7%

Consolidated cash flow provided by operating activities during the first six months totaled ¥44.9 billion, due mainly to ¥4.4 billion in income before income taxes and minority interests and

¥40.3 billion in depreciation.

Cash flow used in investing activities totaled ¥56.8 billion, due mainly to ¥42.9 billion in payments for purchases of property, plant and equipment and ¥13.8 billion in payments for purchases of investment securities. Cash flow used in financing activities totaled ¥21.3 billion, due mainly to a ¥4.0 billion decrease in short-term bank loans and ¥10.6 billion in dividends paid.

As a result, cash and cash equivalents at the end of the second quarter totaled ¥183.5 billion, a decrease of ¥32.7 billion from the end of the previous fiscal year.

### **(3) Qualitative information on the consolidated earnings forecasts**

DNP revised its earnings forecasts for the year ending March 31, 2013, originally published on May 14, 2012. For details, see the press released titled, "Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2013," published on November 8, 2012.

## **2. Summary information (Notes)**

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

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

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

This change has an immaterial impact on earnings.

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

(Million yen)

	As of March 31, 2012	As of September 30, 2012
<b>ASSETS</b>		
Current assets		
Cash and time deposits	217,518	185,201
Notes and trade receivable	385,101	366,379
Merchandise and finished products	91,912	91,350
Work in progress	39,356	33,687
Raw materials and supplies	19,850	20,327
Other	32,920	28,132
Allowance for doubtful accounts	(3,703)	(3,386)
Total current assets	782,956	721,692
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	213,514	194,467
Machinery and equipment, net	144,326	127,956
Land	142,149	142,014
Construction in progress	35,410	43,704
Other, net	44,165	39,594
Total property, plant and equipment	579,566	547,736
Intangible fixed assets		
Other	38,005	36,304
Total intangible fixed assets	38,005	36,304
Investments and other assets		
Investment securities	136,703	161,656
Other	76,718	85,824
Allowance for doubtful accounts	(6,034)	(6,949)
Total investments and other assets	207,387	240,532
Total fixed assets	824,959	824,573
Deferred assets	889	-
<b>TOTAL ASSETS</b>	<b>1,608,806</b>	<b>1,546,265</b>

(Million yen)

	As of March 31, 2012	As of September 30, 2012
<b>LIABILITIES</b>		
Current liabilities		
Notes and trade payable	276,353	254,127
Short-term bank loans	51,809	48,445
Reserve for bonuses	15,019	15,291
Other	99,996	134,954
Total current liabilities	443,179	452,819
Long-term liabilities		
Bonds	153,060	102,730
Long-term debt	19,147	17,085
Provision for retirement benefits	33,229	29,590
Other	45,976	39,178
Total long-term liabilities	251,413	188,584
<b>TOTAL LIABILITIES</b>	694,593	641,403
<b>NET ASSETS</b>		
Stockholders' equity		
Common stock	114,464	114,464
Capital surplus	144,898	144,898
Retained earnings	723,459	713,554
Treasury stock	(94,172)	(94,211)
Total stockholders' equity	888,649	878,706
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,370	3,201
Net deferred gains (losses) on hedges	(14)	0
Foreign currency translation adjustments	(21,775)	(21,332)
Total accumulated other comprehensive income	(17,420)	(18,130)
Stock acquisition rights	16	16
Minority interests	42,967	44,269
<b>TOTAL NET ASSETS</b>	914,213	904,862
<b>TOTAL LIABILITIES AND NET ASSETS</b>	1,608,806	1,546,265



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

**Quarterly consolidated statements of income**  
**First six months of the fiscal years**

(Million yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net sales	754,921	720,684
Cost of sales	623,712	596,330
Gross profit	131,208	124,353
Selling, general and administrative expenses	114,726	112,738
Operating income	16,481	11,614
Non-operating income		
Interest and dividend income	2,365	2,395
Equity in earnings of affiliates	261	2,536
Other	5,041	3,410
Total non-operating income	7,668	8,341
Non-operating expense		
Interest expense	1,705	1,736
Other	2,614	3,546
Total non-operating expenses	4,320	5,282
Ordinary income	19,829	14,673
Extraordinary gains		
Gain on sale of fixed assets	60	114
Gain on sale of investment securities	65	115
Gain on revision of retirement benefit plan	57	–
Other	–	5
Total extraordinary gains	183	235
Extraordinary losses		
Loss on sale or disposal of fixed assets	2,081	2,173
Loss on devaluation of investment securities	1,120	5,931
Other	860	2,373
Total extraordinary losses	4,062	10,477
Income before income taxes and minority interests	15,951	4,431
Current income taxes	8,263	7,477
Deferred income taxes	(1,217)	(3,331)
Income and other taxes	7,045	4,146
Income before minority interests	8,905	285
Minority interests in income (loss)	483	(111)
Net income	8,422	396

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

(Million yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Income before minority interests	8,905	285
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,835)	(1,315)
Net deferred gains on hedges	21	15
Foreign currency translation adjustments	255	223
Share of other comprehensive income of associates accounted for using equity method	9	1
Total other comprehensive income	(3,549)	(1,075)
Comprehensive income	5,356	(790)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,842	(313)
Comprehensive income attributable to minority interests	513	(477)

**(3) Quarterly consolidated statements of cash flows**

(Million yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Cash flows from operating activities		
Income before income taxes and minority interests	15,951	4,431
Depreciation	46,562	40,363
Increase (Decrease) of doubtful receivables, net	(1,297)	604
Decrease of provision for retirement benefits, net	(2,699)	(3,281)
Equity in gains of affiliates	(261)	(2,536)
Amortization of consolidation goodwill, net	1,681	1,591
Interest and dividend income	(2,365)	(2,395)
Interest expense	1,705	1,736
Net gains on sales of investment securities	(64)	(115)
Net losses on devaluation of investment securities	1,120	5,931
Net losses on sales or disposal of fixed assets	2,037	2,070
Decrease in trade receivables	23,951	18,297
(Increase) Decrease in inventories	(9,177)	4,515
Increase (Decrease) in trade payables	1,094	(23,071)
Other	(1,964)	5,416
Sub-total	76,274	53,558
Payments for extra retirement payments	–	(1,380)
Payment of income taxes	(9,535)	(7,178)
Net cash provided by operating activities	66,739	44,999
Cash flows from investing activities		
Net (increase) decrease in time deposits	805	(409)
Payments for purchases of property, plant and equipment	(34,729)	(42,968)
Proceeds from sales of property, plant and equipment	808	1,719
Payments for purchases of investment securities	(968)	(13,890)
Proceeds from sales of investment securities	89	239
Proceeds from transfer of business	–	8,091
Interest and dividends received	2,892	2,803
Other	(7,327)	(12,430)
Net cash used in investing activities	(38,430)	(56,845)

(Million yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Cash flows from financing activities		
Net decrease in short-term bank loans	(7,886)	(4,007)
Proceeds from long-term debt	4,170	1,200
Repayments of long-term debt	(3,503)	(3,074)
Payments for redemption of bonds	(1,323)	(330)
Proceeds from stock issuance to minority shareholders	–	1,882
Payments for purchases of treasury stock	(47)	(16)
Purchase of treasury stock of subsidiaries in consolidation	–	(0)
Interest paid	(1,586)	(1,745)
Dividends paid	(10,313)	(10,310)
Dividends paid to minority interests	(345)	(317)
Other	(4,243)	(4,592)
Net cash used in financing activities	(25,078)	(21,311)
Effect of exchange rate changes on cash and cash equivalents	219	456
Net increase (decrease) in cash and cash equivalents	3,450	(32,701)
Cash and cash equivalents at beginning of year	222,056	216,279
Net increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	295	(25)
Cash and cash equivalents at end of period	225,802	183,552

#### (4) Note on assumptions for going concern

None

#### (5) Segment information, etc.

##### I. First six months of previous fiscal year (April 1, 2011 – September 30, 2011)

##### Information on sales and income/loss by reporting segment

(Million yen)

	Reporting segment					Adjustment Note 1	Amounts reported on quarterly consolidated statements of income Note 2
	Information Communication	Lifestyle and Industrial Supplies	Electronics	Beverages	Total		
Net sales							
Outside customers	345,068	260,658	122,371	26,822	754,921	–	754,921
Inter-segment	2,525	2,826	0	1	5,353	(5,353)	–
Total	347,594	263,485	122,371	26,823	760,274	(5,353)	754,921
Segment income (loss)	4,564	16,560	(75)	402	21,452	(4,971)	16,481

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

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

##### II. First six months of current fiscal year (April 1, 2012 – September 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	346,103	257,210	91,223	26,146	720,684	–	720,684
Inter-segment	2,764	6,964	0	0	9,730	(9,730)	–
Total	348,867	264,174	91,224	26,147	730,414	(9,730)	720,684
Segment income (loss)	7,354	12,026	(3,442)	(294)	15,644	(4,029)	(11,614)

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

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

**(6) Significant changes in shareholders' equity**

None