



**Consolidated Financial Results**  
**for the First Nine Months of the Fiscal Year Ending March 31, 2015**  
**[J-GAAP]**

February 5, 2015

**Company Name:** Dai Nippon Printing Co., Ltd.  
 Stock exchange listing: Tokyo  
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 Dividend payment date: —  
 Preparation of quarterly earnings presentation material: No  
 Holding of quarterly earnings announcement: No

(Amounts under one million yen have been rounded down.)

**1. Consolidated financial results for the first nine months ended December 31, 2014**  
**(April 1, 2014 – December 31, 2014)**

**(1) Consolidated financial results**

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2014	1,091,782	1.6	35,827	(0.8)	40,972	0.9	24,577	11.7
Nine months ended December 31, 2013	1,075,027	(1.2)	36,127	47.6	40,607	41.3	22,002	122.3

Note: Comprehensive income: For the first nine months ended December 31, 2014: ¥116,226 million (112.6%)  
 For the first nine months ended December 31, 2013: ¥54,676 million (325.1%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Nine months ended December 31, 2014	38.17	37.89
Nine months ended December 31, 2013	34.17	34.02

**(2) Consolidated financial position**

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of December 31, 2014	1,725,752	1,074,742	59.7
As of March 31, 2014	1,574,753	976,386	59.2

Note: Stockholders' equity: As of December 31, 2014: ¥1,030,459 million As of March 31, 2014: ¥932,329 million

**2. Dividends**

	Annual Dividends (Yen)				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total
Year ended March 31, 2014	—	16.00	—	16.00	32.00
Year ending March 31, 2015	—	16.00	—		
Year ending March 31, 2015 (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, 2015 (April 1, 2014 – March 31, 2015)

(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	1,500,000	3.6	52,000	3.8	54,000	1.3	26,000	1.4	40.38

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

#### Other information

(1) Changes in significant subsidiaries during the first nine months (changes in specified subsidiaries resulting in change of scope of consolidation): Yes

Newly included: – Excluded: 1 DNP Photomask Technology Taiwan Co., Ltd.

Note: For further details, see the section titled, “2. Summary information (notes), (1) Changes in status of material subsidiaries during the first nine months,” on page 4.

(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: No

4) Restatement of revisions: No

Note: For further details, see the section titled, “2. Summary information (notes), (2) 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 December 31, 2014	700,480,693 shares	As of March 31, 2014	700,480,693 shares
As of December 31, 2014	56,632,044 shares	As of March 31, 2014	56,586,830 shares
Nine months ended December 31, 2014	643,876,811 shares	Nine months ended December 31, 2013	643,959,913 shares

2) Number of treasury shares at end of each period

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

#### Presentation of implementation status for quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to these Consolidated Financial Results, and the quarterly review procedure based on the Financial Instruments and Exchange Act 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.

See “1. Qualitative information on the consolidated results for the current quarter, (3) Explanation of the consolidated earnings forecasts” on page 3 for information about earnings forecasts.

## Contents

<b>1. Qualitative information on the consolidated results for the current quarter .....</b>	<b>2</b>
<b>(1) Explanation of the consolidated financial results.....</b>	<b>2</b>
<b>(2) Explanation of the consolidated financial position .....</b>	<b>3</b>
<b>(3) Explanation of the consolidated earnings forecasts.....</b>	<b>3</b>
<b>2. Summary information (notes).....</b>	<b>4</b>
<b>(1) Changes in status of material subsidiaries during the first nine months .....</b>	<b>4</b>
<b>(2) Changes in accounting policies, changes in accounting estimates, and         restatement of revisions.....</b>	<b>4</b>
<b>3. Quarterly consolidated financial statements.....</b>	<b>5</b>
<b>(1) Quarterly consolidated balance sheets .....</b>	<b>5</b>
<b>(2) Quarterly consolidated statements of income and quarterly consolidated         statements of comprehensive income .....</b>	<b>7</b>
<b>Quarterly consolidated statements of income</b>	
<b>First nine months of the fiscal years.....</b>	<b>7</b>
<b>Quarterly consolidated statements of comprehensive income</b>	
<b>First nine months of the fiscal years.....</b>	<b>8</b>
<b>(3) Notes regarding quarterly consolidated financial statements .....</b>	<b>9</b>
<b>[Notes on premise of a going concern] .....</b>	<b>9</b>
<b>[Significant changes in shareholders' equity] .....</b>	<b>9</b>
<b>[Segment information, etc.] .....</b>	<b>9</b>

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

### (1) Explanation of the consolidated financial results

Employment conditions in Japan improved during the first nine months of the fiscal year, benefitting from government economic policies and monetary easing by the Bank of Japan. However, the economy has still not reached a full-fledged recovery, due partly to a reaction to front-loaded demand prior to the consumption tax hike, sluggish consumer spending, unfavorable weather conditions, and overseas economic slowdowns.

The printing industry continued to face a tough business environment, due partly to a decline in order prices on account of weak demand and stiffer competition, and higher raw material prices.

In this environment, the DNP Group (DNP), based on its P&I Solutions business vision, worked to develop a global business from consumer and social perspectives under the catchphrase “Today’s Innovation is Tomorrow’s Basic.” It also endeavored to secure earnings by pursuing structural reforms, including the reorganization of domestic and overseas business structures from the standpoint of overall optimization.

As a result of these efforts, consolidated net sales for the first nine months grew 1.6% year on year to ¥1,091.7 billion, consolidated operating income fell 0.8% to ¥35.8 billion, consolidated ordinary income grew 0.9% to ¥40.9 billion, and net income grew 11.7% to ¥24.5 billion.

Business segment results are presented below.

DNP changed its reportable business segments effective from the first quarter of the current fiscal year, and comparison and analysis of the first nine-month performance are based on the new reportable business segments.

#### [PRINTING]

##### Information Communication

In the Books and Magazines business, DNP aggressively pursued sales activities, especially for books, but sales of both books and magazines decreased year on year amid a continued slump in the publication market.

In the Commercial Printing business, sales increased for pamphlets, but overall sales decreased from the previous year on weak sales of flyers, catalogs, and other products.

In the Business Forms business, smart card sales increased for financial institutions and electronic money, and settlement services expanded favorably, including international brand prepaid card systems. However, Information Processing Services (IPS; ranging from data entry to printing and shipment of personalized mail and other items) were sluggish, and overall sales fell below year-ago levels.

In the Education and Publications Distribution business, DNP worked to expand business in the “honto” hybrid bookstore network that combines physical bookstores, online bookstores, and e-book sales services, including by releasing “honto pocket” as an e-reader pre-loaded with e-book content in December. Moreover, the library support, publishing, and other businesses also performed well, and overall sales increased from the previous year.

As a result of the above, overall segment sales grew 0.2% year on year to ¥519.7 billion but operating income fell 34.9% to ¥4.8 billion.

##### Lifestyle and Industrial Supplies

In the Packaging business, paper packaging fell below year-ago levels, but overall sales increased from the previous year on firm sales for plastic film packaging and paper cups, and sales growth for PET bottle aseptic filling systems.

In the Lifestyle Materials business, DNP worked to expand sales of eco-friendly products and other products that use its proprietary Electron Beam coating technology, but sales decreased year on year amid a continued decline in domestic housing starts in reaction to previous

front-loaded demand.

In the Industrial Supplies business, despite a decline for battery components, sales increased over last year on growth for dye-sublimation thermal transfer printing media for photo printers (color ink ribbons and receiver paper), driven largely by the full operation of a new plant in Malaysia and uptake of firm demand in North America and Southeast Asia.

As a result of the above, overall segment sales grew 3.7% year on year to ¥355.5 billion and operating income grew 12.3% to ¥17.4 billion.

### **Electronics**

In the LCD Color Filter business, TV filters were firm, but sales fell below year-ago levels on declines for PC and mobile device filters.

Semiconductor photomask sales decreased from last year, despite tapping into firm overseas demand, as a result of sluggish sales in Japan.

In the Optical Films business, overall sales increased year on year as growth for LCD polarizing plate films offset declines for other products.

As a result of the above, overall segment sales fell 0.8% year on year to ¥175.1 billion and operating income fell 0.7% to ¥19.1 billion.

### **[BEVERAGES]**

#### **Beverages**

The soft drink industry faces a tough market environment as a result of market share competition. Under these circumstances, DNP worked to increase sales by focusing on expanding market share and acquiring new customers through the release of new products and enhancement of mainstay brands.

As a result of the above, sales rose sharply for I LOHAS, a brand of mineral water that uses a lightweight PET bottle, and overall segment sales grew 9.5% year on year to ¥45.7 billion while operating income grew 38.9% to ¥1.1 billion.

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

Total assets at the end of the third quarter increased by ¥150.9 billion from the end of the previous fiscal year to ¥1,725.7 billion, due mainly to an increase in investment securities.

Total liabilities increased by ¥52.6 billion from the end of the previous fiscal year to ¥651.0 billion, due mainly to an increase in deferred tax liabilities.

Net assets increased by ¥98.3 billion from the end of the previous fiscal year to ¥1,074.7 billion, due mainly to an increase in valuation difference on available-for-sale securities.

As a result of the above, the equity ratio rose from 59.2% at the end of the previous fiscal year to 59.7%.

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

Our earnings forecasts for the fiscal year ending March 2015 are unchanged from the forecasts announced on May 13, 2014.

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

### **(1) Changes in status of material subsidiaries during the first nine months**

DNP specified subsidiary DNP Photomask Technology Taiwan Co., Ltd. (DPTT) was absorbed in a merger by Photronics, Inc. subsidiary Photronics Semiconductor Mask Corp. (name changed to Photronics DNP Mask Corporation; PDMC) during the first quarter.

As a result of this merger, DNP has removed DPTT from consolidation due to its elimination and has added PDMC as an equity method affiliate.

### **(2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions**

#### **(Changes in accounting policies)**

DNP adopted the provisions of the main clauses in Paragraph 35 of the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and in Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012) starting in the first quarter of the current fiscal year.

Accordingly, DNP has revised the method of calculating retirement benefit obligations and service costs; changed the method of attributing expected retirement benefits to periods from a straight line-basis to a benefit formula basis; and changed the method of determining a discount rate from a method in which bond duration as the basis for determining the discount rate is determined based on a number of years similar to the average remaining service period of employees to a method that mainly uses multiple discount rates established for each period of expected retirement benefit payments.

With the adoption of the Accounting Standard for Retirement Benefits, in accordance with the transitional treatment stipulated in Paragraph 37, DNP reflected in retained earnings the amount of the impact of the change in the method of calculating retirement benefit obligations and service costs at the start of the current fiscal year.

As a result, net defined benefit liability at the start of the current fiscal year increased by ¥2,392 million, net defined benefit asset increased by ¥9,190 million, and retained earnings increased by ¥4,000 million.

Additionally, operating income increased by ¥1,175 million, and both ordinary income and income before income taxes and minority interests increased by ¥1,216 million in the first nine months of the current fiscal year.

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

(Million yen)

	As of March 31, 2014	As of December 31, 2014
<b>ASSETS</b>		
Current assets		
Cash and time deposits	203,212	183,898
Notes and trade receivable	356,981	378,342
Merchandise and finished products	91,681	97,925
Work in progress	28,509	30,953
Raw materials and supplies	19,464	22,897
Other	35,996	28,054
Allowance for doubtful accounts	(2,791)	(1,109)
Total current assets	733,054	740,963
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	195,326	185,428
Machinery and equipment, net	118,903	100,044
Land	153,159	153,444
Construction in progress	27,577	35,674
Other, net	33,571	32,517
Total property, plant and equipment	528,538	507,108
Intangible fixed assets		
Other	31,751	30,308
Total intangible fixed assets	31,751	30,308
Investments and other assets		
Investment securities	217,059	368,183
Other	70,198	87,391
Allowance for doubtful accounts	(5,848)	(8,202)
Total investments and other assets	281,409	447,371
Total fixed assets	841,699	984,788
<b>TOTAL ASSETS</b>	<b>1,574,753</b>	<b>1,725,752</b>

(Million yen)

	As of March 31, 2014	As of December 31, 2014
<b>LIABILITIES</b>		
Current liabilities		
Notes and trade payable	249,604	266,956
Short-term bank loans	48,961	42,722
Reserve for bonuses	17,310	6,716
Other	102,544	106,851
Total current liabilities	418,422	423,246
Long-term liabilities		
Bonds	101,800	103,530
Long-term debt	17,505	17,137
Net defined benefit liability	29,550	32,727
Deferred tax liabilities	2,231	49,508
Other	28,857	24,859
Total long-term liabilities	179,945	227,763
<b>TOTAL LIABILITIES</b>	<b>598,367</b>	<b>651,009</b>
<b>NET ASSETS</b>		
Stockholders' equity		
Common stock	114,464	114,464
Capital surplus	144,898	144,898
Retained earnings	727,070	734,895
Treasury stock	(94,322)	(94,369)
Total stockholders' equity	892,110	899,889
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34,597	122,666
Net deferred gains on hedges	3	16
Foreign currency translation adjustments	144	3,022
Remeasurements of defined benefit plans	5,473	4,864
Total accumulated other comprehensive income	40,218	130,570
Stock acquisition rights	16	16
Minority interests	44,040	44,266
<b>TOTAL NET ASSETS</b>	<b>976,386</b>	<b>1,074,742</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,574,753</b>	<b>1,725,752</b>

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

**Quarterly consolidated statements of income**

**First nine months of the fiscal years**

(Million yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	1,075,027	1,091,782
Cost of sales	871,923	883,184
Gross profit	203,103	208,598
Selling, general and administrative expenses	166,975	172,770
Operating income	36,127	35,827
Non-operating income		
Interest and dividend income	3,362	3,762
Equity in earnings of affiliates	973	1,437
Other	5,624	4,904
Total non-operating income	9,960	10,104
Non-operating expense		
Interest expense	2,297	1,802
Other	3,183	3,157
Total non-operating expenses	5,480	4,959
Ordinary income	40,607	40,972
Extraordinary gains		
Gain on sale of fixed assets	985	232
Gain on sale of investment securities	286	3,951
Compensation income	297	–
Other	38	81
Total extraordinary gains	1,609	4,265
Extraordinary losses		
Loss on sale or disposal of fixed assets	3,287	1,309
Loss on evaluation of investment securities	154	55
Loss on business integration	–	4,342
Other	436	821
Total extraordinary losses	3,878	6,529
Income before income taxes and minority interests	38,338	38,709
Current income taxes	8,691	8,286
Deferred income taxes	6,588	4,795
Total income taxes	15,280	13,081
Income before minority interests	23,058	25,628
Minority interests	1,056	1,050
Net income	22,002	24,577

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

(Million yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority income	23,058	25,628
Other comprehensive income		
Valuation difference on available-for-sale securities	22,973	87,964
Net deferred gains (losses) on hedges	(15)	16
Foreign currency translation adjustments	8,170	3,065
Remeasurements of defined benefit plans	–	(1,729)
Share of other comprehensive income of affiliates accounted for using equity method	489	1,281
Total other comprehensive income	31,618	90,598
Comprehensive income	54,676	116,226
Attributable to:		
Shareholders of parent company	53,576	114,929
Minority interests	1,100	1,297

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

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

None

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

None

#### [Segment information, etc.]

##### I. First nine months of previous fiscal year (April 1, 2013 – December 31, 2013)

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

(Million yen)

	Reporting segment					Adjustment Note 1	Amounts reported on quarterly consolidated statements of income Note 2
	Information Communication	Lifestyle and Industrial Supplies	Electronics	Beverages	Total		
Net sales							
Outside customers	514,481	342,243	176,478	41,824	1,075,027	–	1,075,027
Inter-segment	4,135	605	0	2	4,744	(4,744)	–
Total	518,617	342,849	176,478	41,827	1,079,772	(4,744)	1,075,027
Segment income	7,401	15,566	19,312	807	43,087	(6,959)	36,127

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

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

##### II. First nine months of current fiscal year (April 1, 2014 – December 31, 2014)

##### 1. 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	515,933	354,930	175,124	45,794	1,091,782	–	1,091,782
Inter-segment	3,781	635	7	5	4,430	(4,430)	–
Total	519,715	355,565	175,131	45,799	1,096,212	(4,430)	1,091,782
Segment income	4,815	17,477	19,174	1,121	42,588	(6,760)	35,827

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

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

## 2. Changes in reportable business segments, etc.

### (1) Changes in reportable business segments

DNP changed its reportable business segments effective from the first quarter of the current fiscal year.

DNP shifted the Optical Films business from the Lifestyle and Industrial Supplies segment to the Electronics segment as a result of integrating the business unit responsible for display products and semiconductor photomasks and the business unit responsible for optical films including LCD surface films in April 2014.

Segment information for the first nine months of the previous fiscal year has been prepared based on the new reportable business segments.

### (2) Application of Accounting Standard for Retirement Benefits

As noted in the section on changes in accounting policies, DNP changed the method of calculating retirement benefit obligations and service costs effective from the first quarter of the current fiscal year, and has accordingly made a similar change in the method of calculating retirement benefit obligations and service costs for business segments.

As a result of this change, compared with the previous method, segment profits increased by ¥555 million for Information Communication, by ¥281 million for Lifestyle and Industrial Supplies, by ¥162 million for Electronics, and by ¥106 million for Beverages.