

For immediate release

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Stock Code:	7912 (TSE1)
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Reorganization of Nationwide Sales and Production Structure through Company Split, Etc.

Dai Nippon Printing Co., Ltd. (DNP), at a meeting of its Board of Directors on May 13, 2014, resolved to reorganize the organizational structures of DNP and group companies that operate across the country in the two business segments of information communication and packaging effective July 1, 2014, rebuild its sales structure as a nationwide organization at DNP, and integrate its production structure at production subsidiaries in charge of nationwide operations in each business segment.

DNP will split off the sales divisions of the four production and sales subsidiaries DNP Hokkaido Co., Ltd. (DNP Hokkaido), DNP Tohoku Co., Ltd. (DNP Tohoku), DNP Chubu Co., Ltd. (DNP Chubu), and DNP Nishi Nippon Co., Ltd. (DNP Nishi Nippon), and integrate these sales divisions at DNP. It will also integrate the manufacturing divisions of DNP and the above-noted companies related to commercial printing and business forms at DNP Graphica Co., Ltd. (DNP Graphica) and DNP Data Techno Co., Ltd. (DNP Data Techno), respectively.

DNP will provide disclosure for this reorganization with some disclosure items and details omitted because the reorganization involves DNP and its wholly owned subsidiaries.

1. Objective

(1) Society is experiencing major changes as a result of changes in consumer values and lifestyles, an aging population and low birth rate, rising environmental, safety, and health awareness, advance of information technology, and globalization. Responding to these changes is an urgent task, and DNP needs to provide a uniform level of services nationwide unconstrained by time and place and to build a new structure for production and information distribution.

In the information communication and packaging business segments, to respond appropriately to such societal and consumer changes, DNP needs to conduct optimal sales activities from a nationwide perspective by combining the fine-tuned customer response capabilities developed in each region and the advanced technological capabilities created

by its research structure based in the Greater Tokyo Area. Additionally, to prevail amid increasingly severe market competition, DNP needs to transform its production structure by using human resources more effectively and optimizing production locations. DNP will therefore pursue nationwide reorganization with the aim of securing earnings and enhancing capital efficiency.

2. Outline of the company split

(1) Schedule for the company split

Board of Directors resolution on the company split	May 13, 2014
Conclusion date of the company split agreement	May 13, 2014
Planned date of the company split (effective date)	July 1, 2014

Note: DNP will conduct this company split without a resolution approving of the company split agreement by the general meeting of shareholders because the integration of sales divisions outlined below in (2) a. satisfies the conditions for a simplified absorption-type company split set forth in Article 796, Clause 3 of the Companies Act, and the integration of manufacturing divisions outlined below in (2) b. satisfies the conditions for a simplified absorption-type company split set forth in Article 784, Clause 3 of the Companies Act.

(2) Method of the company split

a. Integration of sales divisions

Absorption-type company split in which DNP Hokkaido, DNP Tohoku, DNP Chubu, and DNP Nishi Nippon are the splitting companies and DNP is the succeeding company

1) Operations to be split

Sales divisions and some assets of DNP Hokkaido, DNP Tohoku, DNP Chubu, and DNP Nishi Nippon

2) Operating results of divisions to be split (fiscal year ended March 31, 2013)

Net sales (four company total)	¥ 131,779 million
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3) Assets and liabilities to be split (expected on June 30, 2014)

Current assets (four company total)	¥ 1,890 million
Fixed assets (four company total)	¥ 2,540 million

4) DNP's trade name, business details, head office location, representative directors, capital, and fiscal year will not change as a result of this company split.

b. Integration of manufacturing divisions

b-1. Commercial Printing business

Absorption-type company split in which DNP, DNP Hokkaido, DNP Tohoku, DNP Chubu, and DNP Nishi Nippon are the splitting companies and DNP Graphica is the succeeding company.

1) Outline of business division to be split

• DNP

Commercial Printing business, manufacturing division

Assets and liabilities to be split (expected on June 30, 2014)

Not applicable

• DNP Hokkaido, DNP Tohoku, DNP Chubu, and DNP Nishi Nippon

Commercial Printing business, manufacturing division

Assets and liabilities to be split (expected on June 30, 2014)

Current assets (four company total)	¥ 10 million
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Note: Operating results for the division to be split are not listed because this is a manufacturing division and net sales are difficult to calculate.

2) Status of succeeding company and splitting company after the company split

• DNP (splitting company)

No change in trade name, head office location, positions and names of representative directors, business details, capital, and fiscal year

• DNP Graphica (succeeding company)

Plan to change head office location and representative director as follows.

Head office location	2-3-6 Akabane-minami, Kita-ku, Tokyo
Representative	Satoshi Yanai, President

Note: Commercial Printing business, planning, production, and pre-press divisions

Concerning the planning, production, and prepress divisions in the Commercial Printing business, DNP plans to conduct an absorption-type company split on July 1, 2014 (effective date) with DNP Hokkaido, DNP Tohoku, DNP Chubu, and DNP Nishi Nippon as the splitting companies and DNP wholly owned subsidiary DNP Media Create Co., Ltd. as the succeeding company.

b-2. Business Forms business

Absorption-type company split in which DNP, DNP Hokkaido, DNP Tohoku, and DNP Nishi Nippon are the splitting companies and DNP Data Techno is the succeeding company.

1) Outline of business division to be split

• DNP

Business Forms business, manufacturing division

Assets and liabilities to be split (expected on June 30, 2014)

Current assets	¥ 5,930 million
Fixed assets	¥ 11,850 million

• DNP Hokkaido, DNP Tohoku, and DNP Nishi Nippon

Business Forms business, manufacturing division

Assets and liabilities to be split (expected on June 30, 2014)

Current assets (three company total)	¥ 170 million
Fixed assets (three company total)	¥ 480 million

Note: Operating results for the division to be split are not listed because this is a manufacturing division and net sales are difficult to calculate.

2) Status of succeeding company and splitting company after the company split

• DNP (splitting company)

No change in trade name, head office location, positions and names of representative directors, business details, capital, and fiscal year

• DNP Data Techno (succeeding company)

Plan to change head office location and representative director as follows.

Head office location	4-5-1 Nishikicho, Warabi, Saitama
Representative	Sakae Hikita, President

3) Allocations related to the company split

No allocations of stock, cash, etc. as a result of the company split

4) Treatment of stock acquisition rights and bonds with stock acquisition rights related to the company split

Not applicable

5) Capital decrease resulting from the company split

DNP's capital will not change as a result of the company split.

6) Rights and obligations assumed by the succeeding company

The succeeding company in this company split will assume from the splitting company certain assets that are required for the operations to be split and all of the contractual rights and obligations with business partners in relation to these operations.

7) Expected fulfillment of obligations

The succeeding company in this company split believes there will be no problems in fulfilling obligations starting on the effective date of the company split.

3. Outline of companies involved in this company split (as of September 30, 2013)

(1) Name	Dai Nippon Printing Co., Ltd. (sales division succeeding company) (manufacturing division splitting company)	
(2) Business activities	Printing and other businesses	
(3) Date founded	January 19, 1876	
(4) Head office	1-1, Ichigaya-Kagacho 1-chome, Shinjuku-ku, Tokyo	
(5) Representative	Yoshitoshi Kitajima, President	
(6) Paid-in capital	¥114,464 million	
(7) Number of common shares outstanding	700,480,693 shares	
(8) Fiscal year-end	March 31	
(9) Number of Employees	39,430 (consolidated)	
(10) Major shareholders and equity stakes	The Master Trust Bank of Japan, Ltd. (Trust A/C)	5.80%
	Japan Trustee Services Bank, Ltd. (Trust A/C)	4.61%
	The Dai-ichi Life Insurance Co., Ltd.	4.41%
	Mizuho Bank, Ltd.	3.13%
	Employees' Shareholding Association	2.21%
(11) Operating results and financial conditions for the latest fiscal year (Million yen)		
Fiscal year ended	March 31, 2013 (consolidated)	
Net assets	937,055	
Total assets	1,578,976	
Net assets per share (Yen)	1,386.86	
Net sales	1,446,607	
Operating income	35,779	
Ordinary income	40,318	
Net income	19,217	
Net income per share (Yen)	29.84	

(1) Name	DNP Hokkaido Co., Ltd. (manufacturing and sales divisions splitting company)	DNP Tohoku Co., Ltd. (manufacturing and sales divisions splitting company)
(2) Business activities	Printing business	Printing business
(3) Date founded	October 1, 2004	October 1, 2004
(4) Head office	1-1, Kita 7 Higashi 11, Higashi-ku, Sapporo, Hokkaido	3-5-1 Nigatake, Miyagino-ku, Sendai, Miyagi
(5) Representative	Kensuke Nakamura, President	Eiji Sato, President
(6) Paid-in capital	¥350 million	¥350 million
(7) Number of common shares outstanding	7,000 shares	7,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Number of Employees	403	462
(10) Major shareholders and equity stakes	Dai Nippon Printing Co., Ltd. 100%	Dai Nippon Printing Co., Ltd. 100%

(11) Operating results and financial conditions for the latest fiscal year (Million yen)		
Fiscal year ended	March 31, 2013 (non-consolidated)	March 31, 2013 (non-consolidated)
Net assets	722	(229)
Total assets	5,584	6,905
Net assets per share (Yen)	103,152.30	(32,825.59)
Net sales	18,528	21,679
Operating income	(52)	(217)
Ordinary income	22	(175)
Net income	19	(180)
Net income per share (Yen)	2,791.16	(25,721.73)

(1) Name	DNP Chubu Co., Ltd. (manufacturing and sales divisions splitting company)	DNP Nishi Nippon Co., Ltd. (manufacturing and sales divisions splitting company)
(2) Business activities	Printing business	Printing business
(3) Date founded	March 24, 1945	April 24, 1961
(4) Head office	3-902 Seko, Moriyama-ku, Nagoya, Aichi	2-16-36 Shimizu, Minami-ku, Fukuoka, Fukuoka
(5) Representative	Ken Yanai, President	Kouichi Hashimoto, President
(6) Paid-in capital	¥350 million	¥400 million
(7) Number of common shares outstanding	7,000,000 shares	800,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Number of Employees	562	973
(10) Major shareholders and equity stakes	Dai Nippon Printing Co., Ltd. 100%	Dai Nippon Printing Co., Ltd. 100%

(11) Operating results and financial conditions for the latest fiscal year (Million yen)		
Fiscal year ended	March 31, 2013 (non-consolidated)	March 31, 2013 (non-consolidated)
Net assets	3,962	3,272
Total assets	12,574	22,477
Net assets per share (Yen)	566.08	4,090.64
Net sales	33,685	57,855
Operating income	572	950
Ordinary income	673	1,027
Net income	434	567
Net income per share (Yen)	62.10	709.80

(1) Name	DNP Graphica Co., Ltd. (Commercial Printing business succeeding company)	DNP Data Techno Co., Ltd. (Business Forms business succeeding company)
(2) Business activities	Printing business	Printing business
(3) Date founded	October 2, 1995	July 1, 1998
(4) Head office	1062-8 Honjo, Nishikata-machi, Tochigi, Tochigi	1650-70 Okubara-cho, Ushiku, Ibaraki
(5) Representative	Shigeru Miyashita, President	Mikio Kushima, President
(6) Paid-in capital	¥100 million	¥100 million
(7) Number of common shares outstanding	2,000 shares	2,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Number of Employees	117	484
(10) Major shareholders and equity stakes	Dai Nippon Printing Co., Ltd. 100%	Dai Nippon Printing Co., Ltd. 100%
(11) Operating results and financial conditions for the latest fiscal year (Million yen)		
Fiscal year ended	March 31, 2013 (non-consolidated)	March 31, 2013 (non-consolidated)
Net assets	122	12,500
Total assets	452	14,036
Net assets per share (Yen)	61,353.66	6,250,278.70
Net sales	3,136	10,427
Operating income	(222)	2,716
Ordinary income	(22)	2,992
Net income	(24)	1,852
Net income per share (Yen)	(12,045.44)	926,200.44

Note 1: DNP plans to merge DNP Graphica as the surviving company and DNP wholly owned subsidiary DNP Media Techno Kansai Co., Ltd. as the non-surviving company and dissolve the non-surviving company on the same date as the effective date of the company split.

Note 2: DNP plans to merge DNP Data Techno as the surviving company and DNP wholly owned subsidiaries DNP Data Techno Kansai Co., Ltd. and DNP Total Process Warabi Co., Ltd. as the non-surviving companies and dissolve the non-surviving companies on the same date as the effective date of the company split.

4. Forecast of earnings impact of reorganization

This reorganization will not impact DNP's consolidated earnings because DNP and wholly owned subsidiaries of DNP comprise all of the involved parties. The impact on non-consolidated earnings will also be minor.