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For immediate release

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Announcement of Extraordinary Losses and Gains

Dai Nippon Printing Co., Ltd. (DNP) will record extraordinary losses and extraordinary gains in the first six months of the fiscal year ending March 2017. Details are provided below.

1. Extraordinary losses (repair costs)

DNP is implementing a repair program as a result of defects in some of the wallpaper products that it manufactured in the Lifestyle Materials business. Given that these defects arose as a result of the usage environment, changes over time, and other factors, the company examined product usage, condition, and other factors on a case-by-case basis, and is now making necessary repairs to address these defects.

DNP has enhanced its system for understanding the scope of repairs and quickly performing repairs, and based on an examination of overall conditions, it is now possible to reasonably estimate the additional repair costs that will arise going forward. As a result, DNP expects to record ¥28 billion in repair costs as extraordinary losses during the first six months of the fiscal year ending March 2017.

2. Extraordinary gains (gain on sale of investment securities)

DNP, as outlined in an August 24, 2016 press release titled, "Announcement of Sale of Investment Securities," will participate as one of the selling companies in a secondary offering of common stock by Recruit Holdings Co., Ltd. (stock code: 6098; Tokyo Stock Exchange First Section), and also sold a portion of the common stock that it owns in Recruit Holdings based on a share repurchase through the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) of the Tokyo Stock Exchange, Inc., which was announced on by Recruit August 25, 2016.

As a result, DNP will sell 11,250,800 shares based on the secondary offering at a sale price to underwriters that was determined today, and combined with 749,200 shares sold on August 26, 2016 based on the share repurchase, DNP will sell a total of 12,000,000 shares

and expects to record ¥39,093 million in extraordinary gains (gain on sale of investment securities).

(1) Share sale based on secondary offering

Investment securities to be sold	Common stock of Recruit Holdings Co., Ltd.
Number of shares to be sold	11,250,800 shares
Sale amount	40,957 million yen (3,640.40 yen per share)
Gain on sale of investment securities	36,452 million yen
Transfer date	September 21, 2016 (Wednesday) scheduled

(2) Share sale based on share repurchase

Investment securities sold	Common stock of Recruit Holdings Co., Ltd.
Number of shares sold	749,200 shares
Sale amount	2,940 million yen (3,925 yen per share)
Gain on sale of investment securities	2,640 million yen
Transfer date	August 31, 2016 (Wednesday)

3. Future outlook

If needed, DNP will promptly announce revisions to its forecasts for the fiscal year ending March 2017.

Note: This document is a press release for public announcement and is not intended for soliciting investments or engaging in any other similar activities within or outside Japan including the United States.

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