

September 12, 2016

For immediate release

Company Name:	Dai Nippon Printing Co., Ltd.
Stock Code:	7912 (TSE1)
Name of Representative:	Yoshitoshi Kitajima, President
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Notification of Change in Subsidiary (Stock Transfer)

Dai Nippon Printing Co., Ltd. (DNP) announced today that its Board of Directors, at a meeting held on September 12, 2016, decided to conclude an agreement to transfer a portion of the common stock that DNP owns in BUNKYODO GROUP HOLDINGS CO., LTD. (BUNKYODO) to NIPPON SHUPPAN HANBAI INC. (NIPPAN).

Additionally, the Board of Directors of DNP's consolidated subsidiary MaruzenJunkudo Bookstores Co., Ltd. (MaruzenJunkudo), at a meeting held on September 12, 2016, decided to conclude an agreement to transfer all of the common stock that MaruzenJunkudo owns in BUNKYODO to NIPPAN.

The stock transfers by DNP and MaruzenJunkudo will reduce the percentage of voting rights in BUNKYODO from 51.86% (comprising DNP at 35.78%, MaruzenJunkudo at 16.08%, and other at 0.01%) to 23.74% (comprising DNP at 23.73% and other at 0.01%). BUNKYODO will change from a consolidated subsidiary of DNP to an equity-method affiliate of DNP as a result of these stock transfers.

1. Reasons for stock transfers

The DNP Group operates the "honto" business combining physical bookstore sales, online bookstore sales, and e-book sales services. With the aim of expanding this business, MaruzenJunkudo and DNP invested in BUNKYODO in 2009 and 2010, respectively, and together with BUNKYODO, we cooperated in various efforts that included the acquisition of "honto" members, mutual referral of customers between physical bookstores and online bookstores, and utilization of purchase data.

During this process, DNP and MaruzenJunkudo determined that stronger relations between BUNKYODO and NIPPAN would be effective for furthering ongoing efforts to promote cooperative relations in the publications distribution market and to energize the market, and decided to transfer BUNKYODO stock to NIPPAN.

The DNP Group and BUNKYODO both seek to advance the “honto” business after the stock transfer, and will work to develop new products and services based on a continued good cooperative relationship.

2. Change in DNP’s number and percentage of shares owned due to the stock transfer

Shares owned before the transfer 5,000,000 shares

(Number of voting rights 50,000
Percentage of voting rights 35.78%)

Shares to be transferred 1,683,000 shares

Shares owned after the transfer

3,317,000 shares
(Number of voting rights 33,170
Percentage of voting rights 23.73%)

(Reference) MaruzenJunkudo

Shares owned before the transfer 2,247,000 shares

(Number of voting rights 22,470
Percentage of voting rights 16.08%)

Shares to be transferred

2,247,000 shares

Shares owned after the transfer

0 share

3. Overview of subsidiary subject to change

(as of May 31, 2016)

① Company name	BUNKYODO GROUP HOLDINGS CO., LTD.
② Head office address	3-3-17 Hisamoto, Takatsu-ku, Kawasaki city, Kanagawa
③ Representative position and name	Fujio Shimazaki, President
④ Business details	Sells books, magazines, CDs, DVDs, stationary, games, hobby goods, and other products, and operates a chain of general soft media shops that provide video rental and other services.
⑤ Capital	2,035 million yen
⑥ Establishment date	December 1949
⑦ Shares outstanding	Common stock 14,004,715 shares, Classified stock 2,012,000 shares Total 16,016,715 shares
⑧ Fiscal year-end date	August 31
⑨ Number of Employees (as of February 29, 2016)	352 (consolidated)

⑩	Main business partners	TOHAN CORPORATION, NIPPON SHUPPAN HANBAI INC., Happinet Pictures and Music Corporation		
⑪	Main banks	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Shoko Chukin Bank, Ltd., THE SHIZUOKA BANK, LTD., The Bank of Yokohama, Ltd.		
⑫	Major shareholders and ownership ratios (Percentage of voting rights) (as of February 29, 2016)	Dai Nippon Printing Co., Ltd.	35.78%	
		MaruzenJunkudo Bookstores Co., Ltd.	16.08%	
		FUJIMEDIA Ltd.	3.96%	
		TOHAN CORPORATION	3.59%	
		KADOKAWA CORPORATION	2.99%	
⑬	Relationship with DNP	Capital relationship	DNP owns 5,000,000 shares of stock. DNP's consolidated subsidiary MaruzenJunkudo owns 2,247,000 shares and DNP's consolidated subsidiary Shufunotomo Co., Ltd. owns 1,300 shares.	
		Business relationship	No business relationship	
		Personnel relationship	One DNP employee serves concurrently as a director at BUNKYODO and one DNP employee serves concurrently as an auditor at BUNKYODO.	
⑭	Operating results and financial conditions during the past three years (consolidated)	(Million yen)		
	Fiscal year	FY ended August 31, 2013	FY ended August 31, 2014	FY ended August 31, 2015
	Net assets	2,225	1,297	725
	Total assets	25,522	25,691	24,922
	Net assets per share (yen)	96.17	38.41	(2.90)
	Net sales	34,608	33,284	33,335
	Operating loss	(14)	(491)	(399)
	Ordinary income (loss)	17	(444)	(386)
	Net loss	(289)	(831)	(553)
	Net loss per share (yen)	(21.17)	(59.91)	(40.03)
	Cash dividend per share (yen)	—	—	—

