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For immediate release

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### **Announcement of Extraordinary Losses**

Dai Nippon Printing Co., Ltd. (DNP) announced today that it will book the following extraordinary losses as part of its consolidated and non-consolidated financial results for the fiscal year ended March 31, 2020.

#### 1. Extraordinary losses

##### (1) Impairment losses on fixed assets (consolidated, non-consolidated)

The DNP Group is constantly engaged in restructuring in order to build a strong business portfolio resilient to changing business conditions. As part of these efforts, it has opted to book impairment losses of 26.4-billion-yen under extraordinary losses in its consolidated results for the fourth quarter of the fiscal year ended March 31, 2020 (below, the "fourth quarter"). These losses are in accordance with the J-GAAP "Accounting Standard for the impairment of fixed assets," and relate to business-use assets for which profitability has declined and idle assets with no prospects for future use. The above figure includes a 22.5-billion-yen impairment loss under extraordinary losses in DNP's non-consolidated results. <sup>Note</sup>

##### (2) Loss on devaluation of investment securities (consolidated, non-consolidated)

The DNP Group intends to book a 6.7-billion-yen loss on devaluation of investment securities under extraordinary losses in its fourth quarter consolidated results. This reflects the impairment of a portion of DNP's investment securities holdings for which market value has declined significantly from the acquisition price and in its view is unlikely to recover. <sup>Note</sup>

(3) Loss on devaluation of securities in affiliates (non-consolidated)

DNP also intends to book a 14.5-billion-yen loss on devaluation of securities in affiliates under extraordinary losses in its fourth quarter non-consolidated results. This reflects the impairment of securities in some of DNP's affiliates for which underlying value has fallen sharply and in its view is unlikely to recover.

These valuation losses are eliminated under the consolidated accounts and will not affect consolidated earnings. <sup>Note</sup>

2. Impact on consolidated results

The above extraordinary losses are the result of deliberations on structural reform and other costs referred to in the "Announcement of Revisions to Consolidated Earnings Forecasts for Fiscal Year Ending March 2020" published on February 12, 2020, and will have no further impact on DNP's announced forecasts for consolidated earnings for the fiscal year ended March 31, 2020. <sup>Note</sup>

Note: The above extraordinary losses and forecasts are based on information available as of the date of this release. Actual results may differ from these forecasts due to a variety of factors going forward.