Dai Nippon Printing Co., Ltd.
Briefing on Financial Results: Q&A Summary
(November 13, 2026)

Questioner 1

Q: Please explain why operating profit in Electronics is projected to be lower in the second half than in the first half (page 9 of the materials). Also, please provide the outlook for G8 (eighth-generation) metal masks and photomasks.

A: Operating profit in Electronics is projected to be 26.0 billion yen in the second half, compared with 31.9 billion yen in the first half. The first half was subject to a positive foreign exchange impact of 2.8 billion yen, but no such impact is anticipated in the second half.

In addition, we initially expected the impact of the semiconductor memory shortage to subside during FY2026. However, given the possibility that the impact may continue into 2027, we have lowered our fourth-quarter profit forecast for metal masks from the initial plan. Meanwhile, in the first half, we received unanticipated spot orders for high-end products and G8 metal masks. These orders were driven in part by the growing adoption of OLED displays in tablets and notebook PCs. However, the absence of similar spot orders in our second-half forecast is another factor behind the expected decline in profit from the first half.

Although the U.S. midterm elections may have an impact on photomasks going forward, at present we do not anticipate any significant changes to our plans for the period from the second half through around FY2027.

Q: Please explain Rubicon's impact on first-half results and its expected contribution to profit from the second half onward.

A: In the first half, Rubicon alone had a negative impact of several billion yen due to factors including goodwill-related expenses and delays in some large-scale projects in Africa. In the second half, we expect Rubicon to make a positive contribution to profit, driven in part by progress on the postponed projects. We also expect progress on these projects to contribute to profit from the next fiscal year onward.

Questioner 2

Q: Please explain why operating profit in Life & Healthcare is projected to be lower in the second half than in the first half (page 9 of the materials).

A: Operating profit in Life & Healthcare is projected to be 21.6 billion yen in the second

half, compared with 23.3 billion yen in the first half. The main factors include an anticipated negative impact of approximately 1.4 billion yen from the situation in the Middle East, primarily in Packaging, as well as the benefits of structural reforms resulting from the integration of Mobility and Living Spaces in October of the previous year having largely run their course.

In Packaging, customers have recognized our ability to reliably procure raw materials, which has also led to the acquisition of new orders. Going forward, these effects may diminish if the situation in the Middle East stabilizes and the raw material procurement environment improves. Meanwhile, although there is room to pass on higher costs in food packaging materials, there may be some postponement of purchases in anticipation of the consumption tax rate reduction. In light of these circumstances, we have adopted a somewhat cautious outlook for the second half.

Q: When do you expect to make an investment decision on the equipment required for mass production of glass cores for next-generation semiconductor packages, which is planned to begin around FY2028?

A: We have introduced a pilot line for glass cores and are supplying customers with samples manufactured in the sizes that will be used in actual production. These samples are now being evaluated by semiconductor manufacturers further along the supply chain. We plan to introduce a mass-production line in 2028 and expect to make an investment decision on mass-production equipment during 2026.

Although we are not yet at the stage of making a specific announcement, we are proceeding with the necessary preparations while closely monitoring the decisions of packaging and semiconductor manufacturers. We intend to promptly make an announcement once we are in a position to disclose the information.

<u>Questioner 3</u>

Q: Regarding the revision to the full-year operating profit forecast (page 11 of the materials), the forecast for Focus Businesses is below the initial forecast, while that for Stable Businesses, Businesses for Reforming, and Growth-Potential Businesses is above the initial forecast. Please explain the main factors behind the difference from the initial assumptions for each item.

A: For Focus Businesses, the main negative factors are battery pouches, Information Security and metal masks. Battery pouches have been affected by reduced smartphone production in China resulting from the semiconductor memory shortage and by the slowdown in the EV market. Some projects have been postponed in

Information Security, while metal masks continue to be affected by semiconductor memory shortages for longer than initially anticipated. Meanwhile, products such as optical films and photomasks for semiconductors are offsetting these negative factors. For Stable Businesses, Businesses for Reforming, and Growth-Potential Businesses, Packaging, Residential Interior Decorative Materials, and solar cell components, among others, are performing above initial expectations. In Packaging, we made progress in passing on higher raw material prices arising from the situation in the Middle East. Recognition of our stable procurement capabilities also led to an increase in orders. Residential Interior Decorative Materials benefited from an increase in housing starts and price revisions. We have also received requests to increase production volumes of solar cell components against the backdrop of growing demand in the United States.

Customer evaluations for battery pouches used in energy storage systems (ESS) were successfully completed in the first half, and we are now moving into the production ramp-up phase. While the positive impact on profit has been limited so far, we may begin to see some contribution from the second half onward.

Q: Please explain the impact of the semiconductor memory shortage on optical films and the outlook for the second half onward.

A: At present, the semiconductor memory shortage has had almost no impact on sales or profit from optical films. As televisions continue to increase in size, factors contributing to higher profit include the wide-web coater introduced in September 2025, capable of handling widths of 2,500 mm, enabling efficient production of films for large televisions of approximately 65 inches.

We do not anticipate any significant impact from the semiconductor memory shortage in the second half. At present, we also expect no major impact from economic trends in China or seasonal factors around the Lunar New Year, and anticipate performance at a level comparable to the first half.

<u>Questioner 4</u>

Q: A certain degree of negative impact on Packaging due to the situation in the Middle East is projected for the second half. Are there currently any specific signs of this in orders or inquiries?

A: At the beginning of the fiscal year, we projected a company-wide negative impact of 2 billion yen in the first quarter alone, and assumed that just under 1 billion yen of this would be related to Packaging. However, through measures such as passing on

cost increases and ensuring stable procurement of raw materials, the impact of the situation in the Middle East in the first half was almost zero for the Company as a whole.

For the second half, we project a negative impact of 2 billion yen for the Company as a whole. We expect Packaging to account for some of this impact. However, this does not mean that a specific impact has materialized for any particular customer. Rather, we have taken a cautious approach to our estimates for the second half, considering factors such as changes in the order environment as the situation in the Middle East stabilizes and the possibility that declining raw material prices could make it more difficult to pass on cost increases.

Q: Regarding the targets for operating profit of 120 billion yen in FY2027 and 130 billion yen in FY2028 set forth in the Medium-Term Management Plan (page 15 of the materials), will only the breakdown by segment be revised going forward, or is there also a possibility that the company-wide profit targets themselves will be revised?

A: We have retained the company-wide operating profit targets of 120 billion yen for FY2027 and 130 billion yen for FY2028 for the time being, as we have not yet completed a detailed review of those targets. However, the plans for each segment clearly need to be revised. For example, the operating profit target for Life & Healthcare for FY2027 was 43 billion yen, while its forecast for FY2026 is already 45 billion yen.

We will also review the company-wide targets of 120 billion yen and 130 billion yen.

We plan to announce the revised company-wide targets, together with updated targets for each segment, when we announce our financial results in May 2027.

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