

# Integrated Report 2024



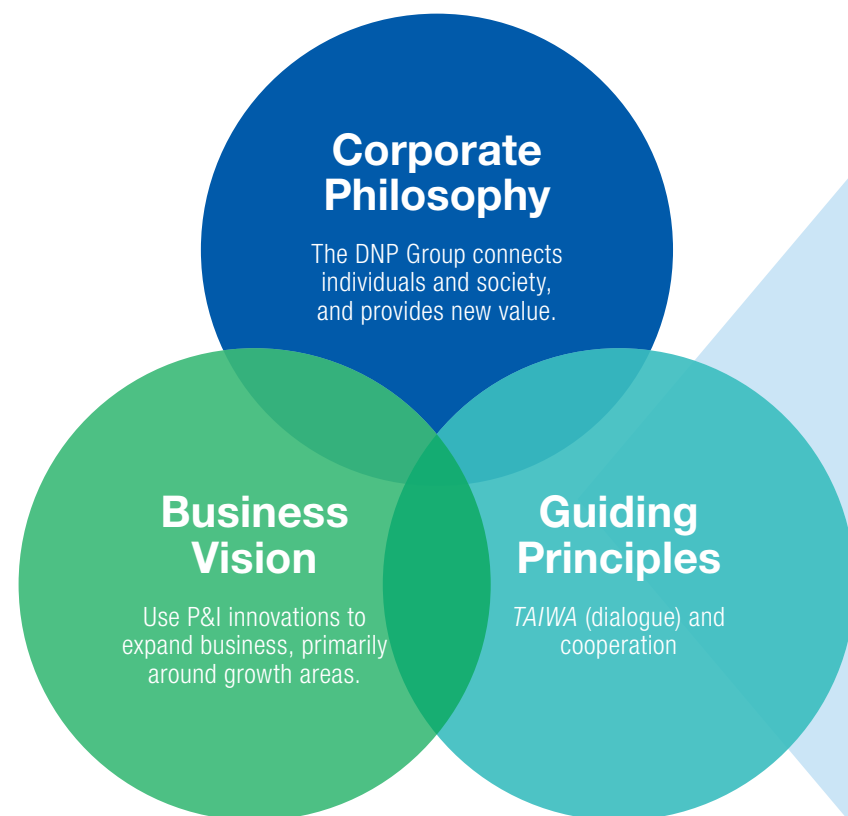
# Our Purpose and Mission

## DNP's Purpose and Mission

## Expand business through P&I Innovations for a “better future”

### DNP Group Vision

The vision is comprised of three main elements, the first of which is central: Corporate Philosophy, Business Vision and Guiding Principles



### The DNP Group Code of Conduct

A set of codes underlying all types of activities aimed at achieving our Group Vision. All DNP employees must adhere to these codes.

1. Contributing to the development of society
1. Social contribution as a good corporate citizen
1. Compliance with the law and social ethics
1. Respect for human dignity and diversity
1. Environmental conservation and realization of a sustainable society
1. Realization of a “universal society”
1. Ensuring the safety and quality of our products and services
1. Ensuring information security
1. Proper disclosure of information
1. Realization of a safe and vibrant workplace

### Three Corporate Responsibilities

Three important obligations DNP has to fulfill to remain a company that can always be fully trusted by its various stakeholders

1. Value Creation

2. Integrity in Conduct

3. Transparency (Accountability)

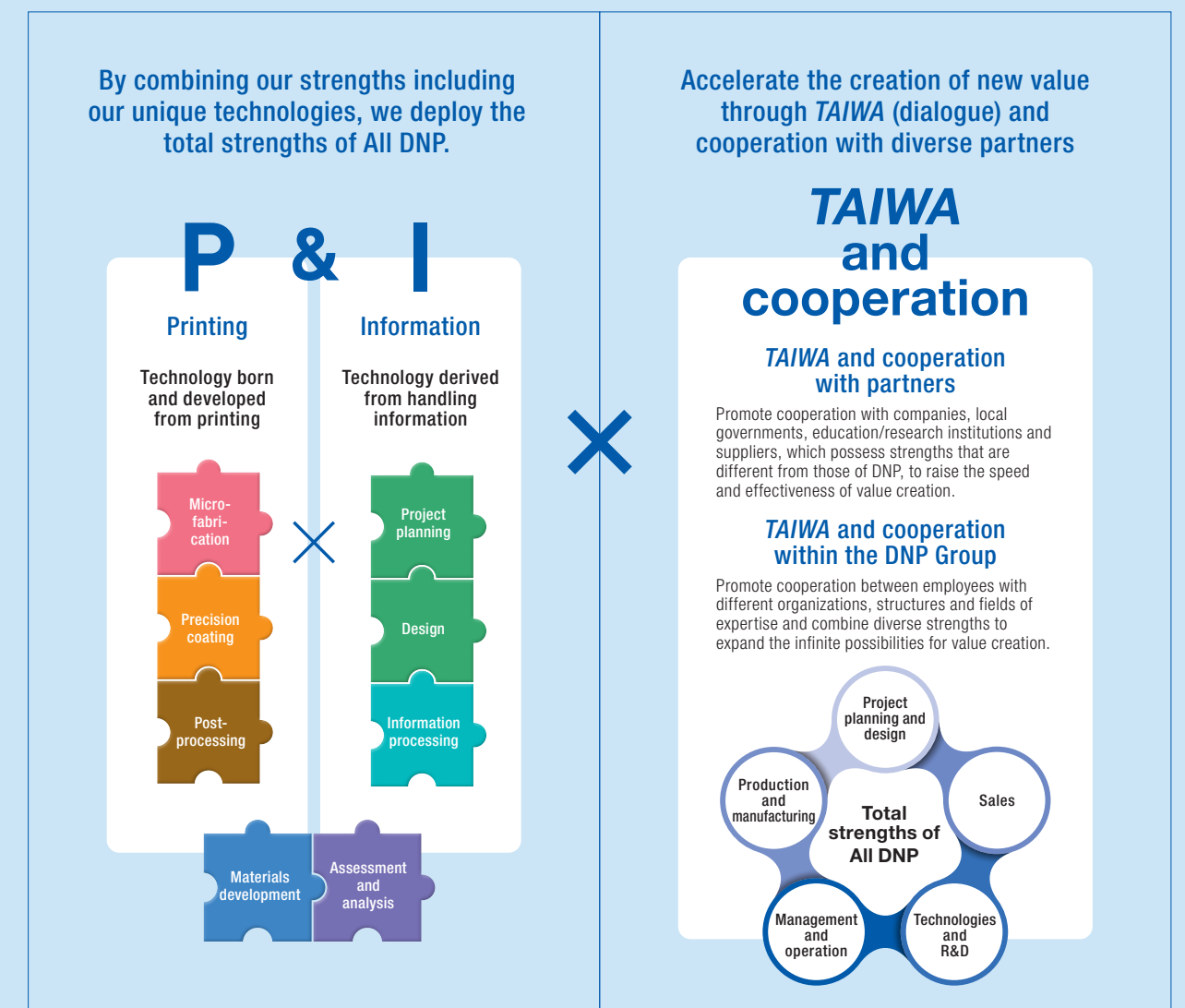
## Brand Statement

## Creating future standards

Based on the Corporate Philosophy, the DNP Group will conduct business activities that create a better future with a long-term view in order to realize a sustainable, better society and more comfortable lifestyles.

### P&I Innovations

In addition to its unique strengths cultivated in Printing & Information, DNP will also combine the technologies and ideas of external partners to promote innovation that will generate unprecedented value and create a better future. We constantly refine our diverse technologies based on printing processes to the most advanced levels and synergize these with our strengths in sales, planning, manufacturing and management to deploy maximum synergies. We will leverage DNP's hybrid strengths in both analog and digital technology, reality and virtual reality, and manufacturing and services.

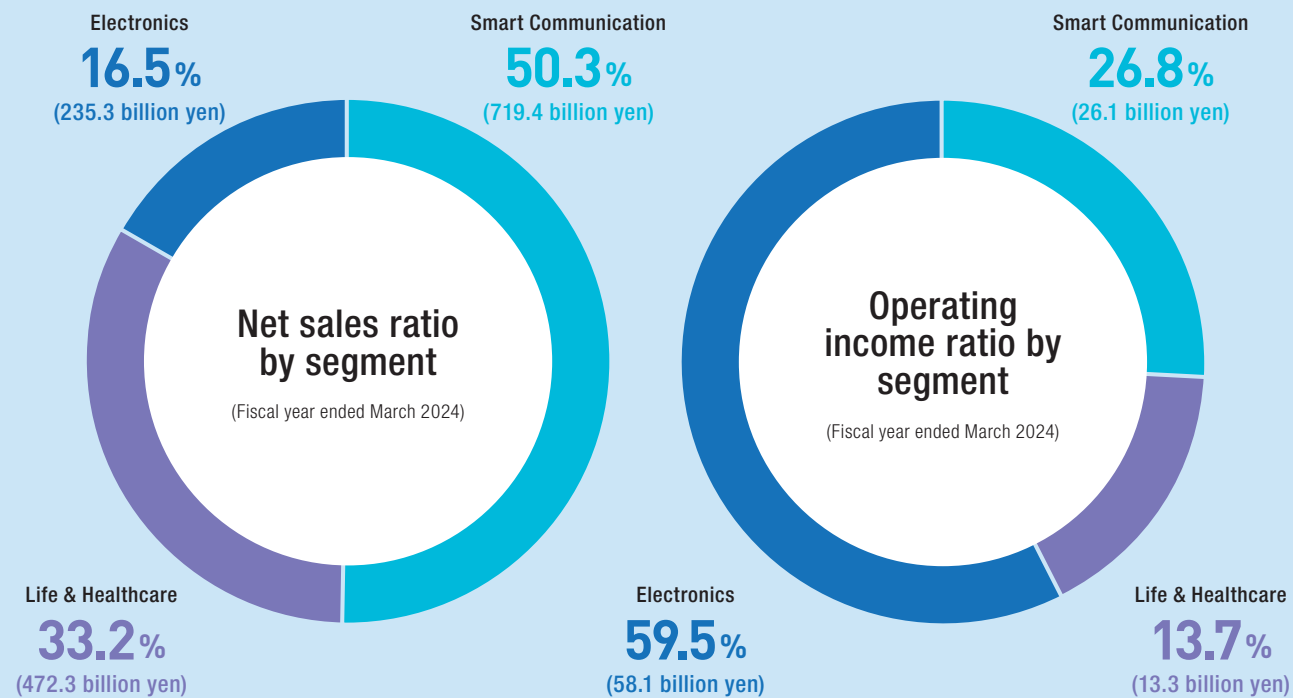


For details, see page 16 onward

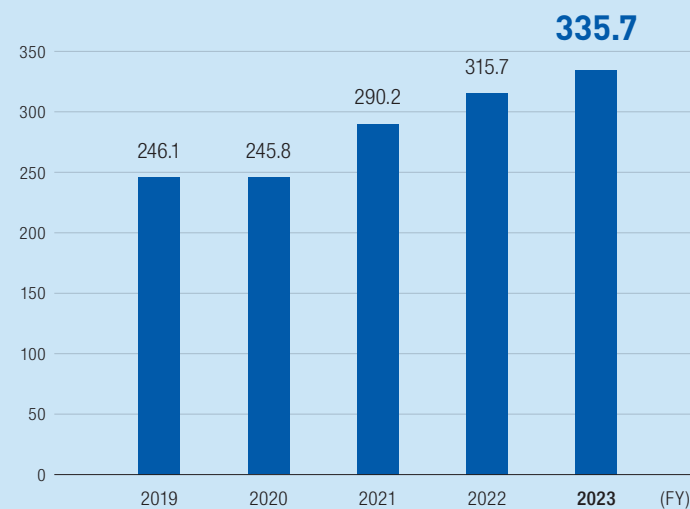
# Our Business

## Overview of DNP's Business

We deploy our top-share product lineup globally through P&I Innovations.



DNP's overseas sales (¥ billion)



**Asia**  
(China, Korea, Taiwan, Indonesia, etc.)  
73.3%

**Other regions**  
(US, Germany, France, UK, etc.)  
26.7%

Number of overseas sites

- Sales sites  
**25** sites
- Manufacturing sites  
**18** sites

Number of domestic sites

- Sales sites  
**33** sites
- Manufacturing sites  
**57** sites

(As of April, 2024)

## Business segments

## Products and services with top market shares in Japan and overseas

### Smart Communication



- Imaging communication
- Information Security
- Content & XR communication
- Marketing
- Publishing
- Education



Japan's top  
Smart cards

World's top  
Dye-sublimation thermal transfer printing media for photo prints

### Life & Healthcare



- Mobility and industrial high-performance materials
- Medical & healthcare
- Packaging
- Living spaces
- Beverages



World's top

Battery pouches for lithium-ion batteries

For details, see page 42 onward

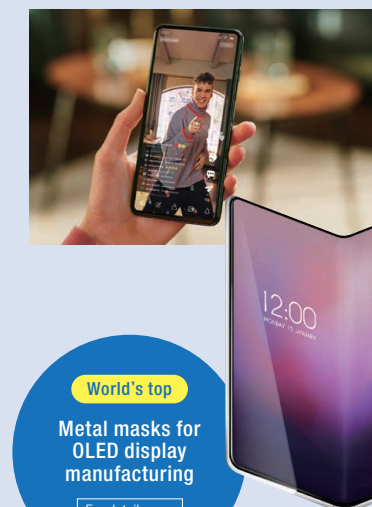
Japan's top

Olefin sheet for interior and exterior applications using EB technology

### Electronics



- Digital interfaces
- Semiconductors



World's top

Optical films for displays\*

For details, see page 34 onward

World's top

Metal masks for OLED display manufacturing

For details, see page 36 onward

\*In the case of anti-reflection film and anti-glare film used on the surface of displays



# Our Performance

## Progress of Strategies

We will steadily move ahead toward realizing an optimal business portfolio.

The DNP Group will create sustained business value and shareholder value, with an ROE target of 10%, and expedite achieving a PBR of more than 1.0X.

### Business Strategy

- Promote business structure transformation and accelerate concentrated investment in priority business and new business linked to the resolution of social issues and megatrends.
- Transform risks in a changing business environment into opportunities for growth through the evolution and cultivation of core technologies.

### Financial Strategy

- Create funding for investment in growth through cash flow generated through business activities, in addition to maximization of efficiency of funds including acceleration of the reduction of assets held.
- Plan the largest acquisition of treasury shares in DNP's history with the aim of improving capital efficiency.
- Seek to further enhance shareholder returns conscious of indicators such as EPS while maintaining stable finances for sustained corporate activity.

### Non-financial Strategy

- Expand investment in people based on the Human Capital Policy.
- Enhance intellectual capital utilizing DNP's unique strengths and external partnerships.
- Contribute to the realization of a decarbonized society, a recycling-oriented society and a society in harmony with nature.

	FY2023 results	DNP Group's vision
Business Strategy / Financial Strategy	Operating income	75.4 billion yen
	Equity capital	1.1 trillion yen
	ROE	9.8 %
Business Strategy by Segment	Smart Communication	Operating income ratio by segment 26.8 %
	Life & Healthcare	Operating income ratio by segment 13.7 %
	Electronics	Operating income ratio by segment 59.5 %
Non-financial Strategy	Human capital	Ratio of female managers 9.4 % or more
	Intellectual capital	R&D investment (annual) 35.2 billion yen
	Environment	Reduction of GHG emissions (Scope 1+2) Compared to FY2015 (FY2030 target) -38.0 %

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### Editorial Policy for DNP Group Integrated Report 2024

To realize our business vision and raise corporate value over the medium and long term, DNP is undertaking integrated business activities through swift and accurate decision-making based on the concept of utilizing financial and non-financial capital in an integrated manner. Moreover, to ensure this leads to gaining the understanding and empathy of our stakeholders, we are working to disclose appropriate information in a timely manner. This report is an annual report that provides multifaceted and integrated coverage not only of financial information but also of DNP's overall business activities, including environmental, social and governance (ESG) criteria. DNP will fulfill our accountability and deepen communications with stakeholders through this report in addition to the DNP website and such publications as the Yuho securities report, shareholders' report and environmental report as well as through various opportunities for various dialogue.

Note: This report is aimed at providing information about DNP's businesses, management vision and business results. Opinions and forecasts contained in the report were based on the best judgment of management at the time the report was prepared, so we cannot guarantee that all information contained in the report is completely infallible.

◇ Period covered by this report: April 1, 2023 to March 31, 2024  
However, reporting is not confined to this period regarding some contents.  
◇ Scope of report: All companies and divisions of the DNP Group. In this report, "DNP" refers to the entire DNP Group, and "we" refers to DNP or the DNP management team.  
(In the section on Corporate Governance (pages 78-81, pages 85-91), "DNP" refers to Dai Nippon Printing Co., Ltd.)  
◇ Issued: October 2024 (Next scheduled issue: October 2025)



## TOP INTERVIEW

# DNP will further accelerate its transformation toward realizing a “better future.”

President  
Yoshinari Kitajima

**Q** What changes occurred both within and outside DNP during the past year?

**Investor interest and employee awareness of All-DNP spirit are both rising thanks to efforts to proactively convey our message.**

In February 2023, we announced the DNP Group's Basic Management Policy and conveyed our message to stakeholders that we aim to achieve ROE of 10% and expedite achieving a PBR of more than 1.0X. Immediately thereafter, in March, our message attracted the further attention of shareholders and investors when the Tokyo Stock Exchange asked companies listed on the Prime Market to “take actions to implement management that is conscious of cost of capital and stock price.” In May, we launched a new three-year Medium-term Management Plan and clarified specific reform measures, and this also helped further drive our stock price

above the TOPIX index while PBR fluctuated at around 1X. I make efforts to proactively engage in interviews and I can truly sense the growing interest in and expectations of DNP among a wide range of stakeholders, as evidenced by the increasing number of articles about DNP's various initiatives.

Meanwhile, in working to attain these high targets employees must take on further challenges. DNP has positioned *TAIWA* (dialogue) and cooperation as its employee Guiding Principles. I personally seize every opportunity to send out messages to stimulate cooperation within the company, such as at the beginning and end of the year and during the year at in-house training and events and at town hall meetings at each site. DNP engages in a vast range of businesses. For this reason, creating new value requires that each employee recognize the strengths of colleagues in different departments, consider which of their own strengths they can combine to create synergies, and then think and act on a routine basis. I also convey DNP's vision and my expectations of employees and seek to increase every individual's engagement while forging a sense of solidarity as All-DNP spirit (what we call All DNP in Japanese English).

**Q** Could you please provide an update on the Medium-term Management Plan?

**DNP achieved significant results in the plan's first year by expanding its focus business areas and promoting business structure transformation.**

In fiscal 2023, the first year of the Medium-term Management Plan, DNP significantly exceeded its targets. Specifically, operating income surpassed 70 billion yen for the first time in 16 years, net income reached an all-time high of 110.9 billion yen, and ROE was 9.8%.

To further accelerate this momentum, we raised our initial operating income target for fiscal 2024 from 75 billion yen to 80 billion yen. To attain this revised target, we optimally allocated management resources in all areas, including our focus business areas of “growth-driving businesses” and

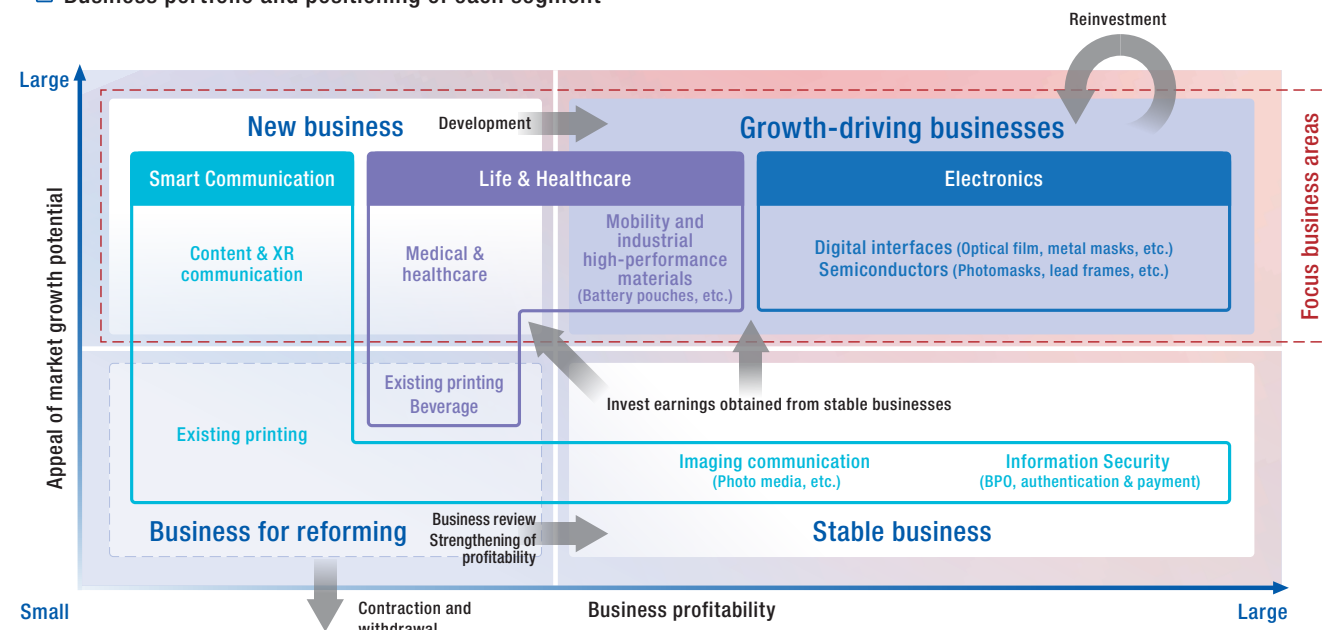
“new business,” as well as in “stable business” and “business for reforming.” In doing so, we will build an even stronger business portfolio and improve profitability and capital efficiency.

On a different front, there are concerns about the impacts of global climate change and geopolitical risks, economic fluctuations due to elections and monetary policies in various countries and regions, as well as rising costs for raw materials, energy, and logistics. I believe that we could also witness environmental, social and economic changes exceeding our expectations, such as rapid advances in AI and other technologies.

DNP is building a system capable of responding flexibly and swiftly to an assortment of risks and variables as well as anticipating change and spurring reforms to transform these into new business opportunities. By strengthening these activities and steadily implementing our Medium-term Management Plan, we aim to achieve our targets of operating income of 130 billion yen or more, equity capital of 1 trillion yen and ROE of 10% or higher.



☑ Business portfolio and positioning of each segment



Promote concentrated investment and business structure transformation into focus business areas made up of growth-driving businesses and new business with the aim of building a business portfolio resilient to changes in the business environment



Stimulating *TAIWA* and cooperation to create value.

**Q** Can you offer some insights into your Non-financial Strategy?

**We are focusing particularly on expanding investment in people and enhancing intellectual capital and promoting environmental initiatives as a management foundation for supporting sustainable growth.**

As I mentioned previously, DNP must ascertain the impact of diverse and rapid changes on its management and turn risks into business opportunities to achieve growth in the long term and contribute to the realization of a sustainable environment, society and economy. To step up these initiatives, we are enhancing the activities of the Sustainability Committee, which I chair. Consisting of directors and executive officers responsible for each department at the head office, this committee meets regularly four times a year and at other times as necessary to properly reflect DNP's approach to sustainability into our management strategies and it delivers reports and makes recommendations to the Board of Directors. The Board of Directors receives reports and recommendations on matters discussed and resolved by the Sustainability Committee, and deliberates and supervises policies and action plans, etc., for responding to risks and opportunities relating to sustainability.

The Sustainability Committee also works closely with the BCM Promotion Committee, which ensures the safety of employees and maintains production activities in the event of a natural disaster or other emergency, and the Corporate Ethics Committee, which seeks to reduce risks by raising employees' compliance awareness, to build a robust governance system that covers company-wide risks and enables flexible responses.

In fiscal 2023, we promoted initiatives focused on human capital, intellectual capital and the environment, and achieved results that exceeded our targets in each area. Besides expanding investment in people based on its Human Capital Policy and enhancing intellectual capital that leverages DNP's unique strengths and external partnerships, we further raised our GHG emission reduction target for environmental initiatives toward realizing a decarbonized society, a recycling-oriented society and a society in harmony with nature. In the future as well, we will actively implement our Non-financial Strategy, which we have positioned as our management foundation for sustainable growth.

**Q** How does DNP define the "better future" it aims for?

**I believe that a sustainable society and well-being lives are the essence of a "better future." We have identified materiality for achieving this "better future."**

In March 2024, DNP specified the actions that should be taken and the type of value that should be created to realize the "four societies" aimed for as our "better future" and identified "materiality" as a key issue for continued growth together with society. "DNP materiality" identified through deeper *TAIWA* among many departments within the company is as follows:

**With the aim of realizing "a society where people can live safe, secure, healthy and well-being lives," the DNP Group boosts environmental, social, and economic sustainability by engendering change of our own volition, as well as accommodating change that comes our way with a flexible stance.**

**To achieve "a society where people can communicate comfortably," DNP Group improves the quality of experiential value and expands on opportunities for everyone by fusing the real and the digital.**

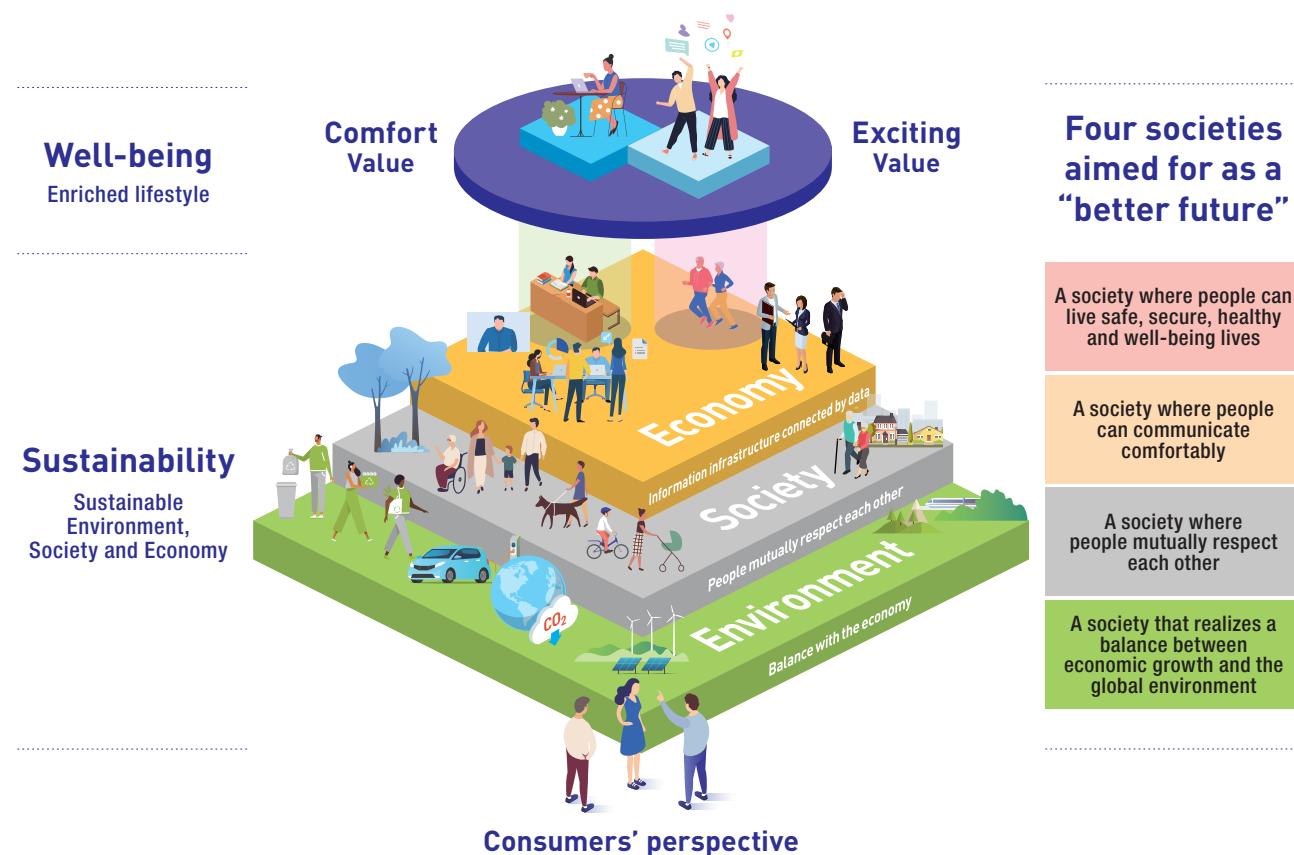
**To realize "a society where people mutually respect each other," the DNP Group strives to create a place where all the people can play an active role by deepening mutual understanding and mutual recognition.**

**To attain "a society that realizes a balance between economic growth and the global environment," the DNP Group works to achieve nature-positive value chains by engaging in environmental preservation and reducing negative environmental impacts.**

These "four societies" are mutually interrelated rather than independent entities. To the present DNP has always provided the value of basics that contribute to the realization of such societies and we also have strengths to further create new value. Presently, we are clarifying our materiality, which are key issues, to accelerate understanding and collaboration toward the "better future" we aim for both within the company and with external partners.

DNP is also enhancing efforts to stimulate *TAIWA* and cooperation for value creation. At multiple locations across Japan, including the Ichigaya district in Tokyo, home to our head office, we operate venues where employees can engage in cross-departmental dialogue and facilities that enable collaboration with external partners. Furthermore, we strive to combine the strengths of each employee in every department by undertaking a variety of projects that utilize in-house events and seminars, the intranet and internal SNS and group newsletters (booklets and online versions). Numerous employees from domestic and overseas bases participated in and worked to generate concrete ideas at Future Creating Meeting, an in-house event held both at a physical venue in Tokyo and in the metaverse space. The results of the survey reveal that this event has improved engagement, with about 70% of participating employees having positive sentiments.

☑ A “better future” aimed for by DNP



**Q** What role will DNP play in society towards realizing a “better future”?

**DNP will continuously create value that becomes “future standards” by synergizing the unique strengths of P&I (printing and information) and continuing to take on challenges together with our partners.**

DNP has been able to achieve growth consistently for approximately 150 years since the founding of its predecessor in 1876 precisely because it has continuously taken on a variety of challenges. In Japan, we command the top shares in smart cards and building decorative materials such as floor coverings while in the global market we hold the top shares in dye-sublimation thermal transfer printing media for photo prints, battery pouches for lithium-ion batteries, metal masks for OLED display manufacturing and optical films for displays. DNP’s current product and service lineup is a testament to the challenges we have met, with some of

these requiring 10 or 20 years to successfully develop. We will continue to meet challenges in the future to realize the “four societies” envisioned by DNP.

I regularly tell all employees to “take on challenges without fear of failure.” Failure is actually an essential element of success and is really proof of taking on challenges. I also tell managers to “create an organization that ensures a high degree of psychological safety that encourages challenge.” Encouraging employees to take on challenges throughout the company allows them to accumulate know-how and then apply this to future challenges even if they do not see immediate results.

DNP aims to “create a better future.” However, in this era of rapid change a better future cannot be achieved by one company working alone. With this in mind, besides synergizing our unique P&I (printing and information) strengths, we must deepen collaboration with partners possessing strengths that differ from those of DNP and create optimal value matched to individual markets and social environments both in Japan and around the world. We at DNP will create value that makes a sustainable, better society and well-being lives the “future standards” as we deploy our strength as a presence that becomes deeply rooted.

**We will create an organization with high psychological safety that encourages challenges.**

**Q** What would you identify as DNP’s key strengths?

**DNP’s greatest strengths are its technologies based on printing processes and each employee who is the key to value creation.**

DNP engaged mainly in the publishing printing business for approximately 70 years following its founding. During the postwar reconstruction period in Japan, DNP promoted “expansion printing” to broaden its business area by applying and developing printing technologies and advanced into businesses such as packaging, building materials and electronics. We call this period our Second Corporate Founding. We are currently working on our Third Corporate Founding that goes even further beyond this. In contrast to the traditional business style that tended to be based on receiving orders from corporate customers, we are striving to transition to a proposal-based business style whereby we directly address the needs and expectations of society and consumers, and create a better future.

One of DNP’s chief strengths derives from the technologies that it has continuously applied and developed based on printing processes. We have evolved “project planning and design” and “information processing” technologies as pre-processes of printing in the narrow sense of the word such as printing on paper; “microfabrication” technologies from the process of film making and platemaking that create plates for printing; “precision coating” technologies from the process of mass-producing high-quality printed matter; and “post-processing” technologies from the process of creating the final form through bookbinding. Additionally, we are constantly refining our “materials development” and “assessment and analysis” technologies related to these entire processes. I am confident that there are infinite possibilities for sophisticating and combining these technologies. These strengths have enabled us to create products and services that have garnered top market shares both in Japan and overseas and will also be indispensable for creating a “better future.” This is why we use the word “printing” in our company name. I wish for employees to take pride in and make even greater use of these unique strengths.

As DNP strengthens its business, primarily in focus business areas, it is expanding investment in people, who are key to value creation and our most important foundation. Besides concentrating investment in growth-driving businesses and new businesses and strengthening its stable businesses, DNP is also promoting reskilling in business for reforming as an investment to further draw out the capabilities of its people and is working to optimally allocate its human resources.

We are also reviewing our internal awards system and have established a system that evaluates not only business results but also the process of taking on challenges. Besides the DNP Awards that recognize businesses that contribute to society, we encourage employees to take on challenges

through the DNP Wellbeing Award, which recognizes efforts to create a vibrant workplace culture and reinforce organizations and teams as a foundation for value creation.

**Q** What message would you like to convey to DNP’s stakeholders?

**We ask for your continued support so that we work together to realize a “better future.”**

We will work in unison with All-DNP spirit to further accelerate our transformation. DNP will continue to take on the challenge of realizing a “better future” by leveraging the strengths of P&I, which has evolved based on printing processes, and by deepening cooperation with our partners. We will deepen TAI/WA and cooperation with shareholders and investors, as well as with all partners such as companies, research institutions, local governments, consumers and employees and their families, and will provide products and services that various stakeholders can appreciate. In this way, we will create a “better future” to realize a sustainable, better society and well-being lives.

Going forward, I ask for your further support as we work to meet your expectations of DNP.





# THE DNP GROUP'S VALUE CREATION STORY

## A History of Transformation

Transforming our business model from the publication printing business to P&I Innovations



### Publication printing business

### Comprehensive printing business

### Information processing business — Information communication business

### P&I Solutions

### P&I Innovations

Built diverse printing processes and evolved the strengths of P&I (printing and information)

→ Built the foundation of a technology system based on printing processes



**1877**  
Printed the revised edition of *Self-Help*



**1945-49**  
Handled part of banknote printing as a private company

Promoted “expansion printing” that broadened business domains by means of applying and advancing our printing technologies

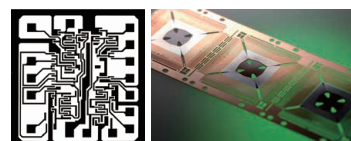
→ Realized Second Corporate Founding toward becoming a “comprehensive printing company,” which was rare throughout the world



**1951** Advanced into paper container/flexible packaging field and decorative printed materials field



**1958** Succeeded in developing shadow masks for CRTs, thus contributing to domestic production of color TVs



**1959** Developed vapor deposition masks for transistors (left)  
▶ Expanded into business for photomasks for semiconductors

**1964** Commenced production of lead frames (right)

**1964** Handled printed materials for the Tokyo Olympics

**1970** Commissioned to plan exhibitions for nine pavilions at the Osaka Expo  
▶ Expanded planning-related business

Expanding business by deepening DNP's unique hybrid strengths in both *monozukuri* (manufacturing) and services, analog and digital technology, and reality and virtual reality



**1972** Full-scale start of Computerized Typesetting System (CTS) (left)

**1983** Developed smart cards (right): Commercialized Japan's first rewritable smart card  
▶ Toward gaining the top market share in Japan

**1985** Developed world's first electronic dictionary on CD-ROM

**1985** Developed dye-sublimation thermal transfer printing media—started production: Expanded business due to the spread of photo sticker machines  
▶ Toward gaining the top global market share

**1985** Developed LCD color filter production technology

**1996** Began producing various sheets with our unique EB coating

**1997** Developed inline aseptic filling system for PET bottles

**1997** Started full-scale production of anti-reflective film for the surface of displays  
▶ Toward gaining the top global market share

**1999** Commercialized battery pouches for lithium-ion batteries  
▶ Toward gaining the top global market share

DNP aims to realize its Third Corporate Founding by directly engaging with society and consumers, solving social issues and providing value that meets expectations and needs.

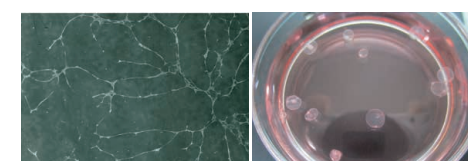
We develop various types of products and services that consider the global environment and people's health.



We are expanding DNP's eco-friendly packaging (top), upgrading and expanding our lineup of products with antibacterial and antiviral properties (bottom), and developing and selling low-reflection face shields and low-reflection film partitions.



\*The SIAA mark is displayed on products for which quality control and information disclosure are undertaken in accordance with the guidelines of the Council of Antibacterial Product Technology based on the results of evaluations under ISO 22196.



**2004** Successfully created capillary patterns (left)

**2017** Successfully researched and developed 3D human intestinal organoids “mini-guts” (right)  
▶ Toward regenerative medicine business



**2018** Developed a stretchable thin display in collaboration with the University of Tokyo: Skin electronics device that attaches to skin



**2014** Developed multifunctional insulation box that keeps the internal temperature constant for an extended period of time without using a power supply.

**2019** ▶ Awarded the 28th Grand Prize for Global Environment Award



**2003** Developed photovoltaic module components

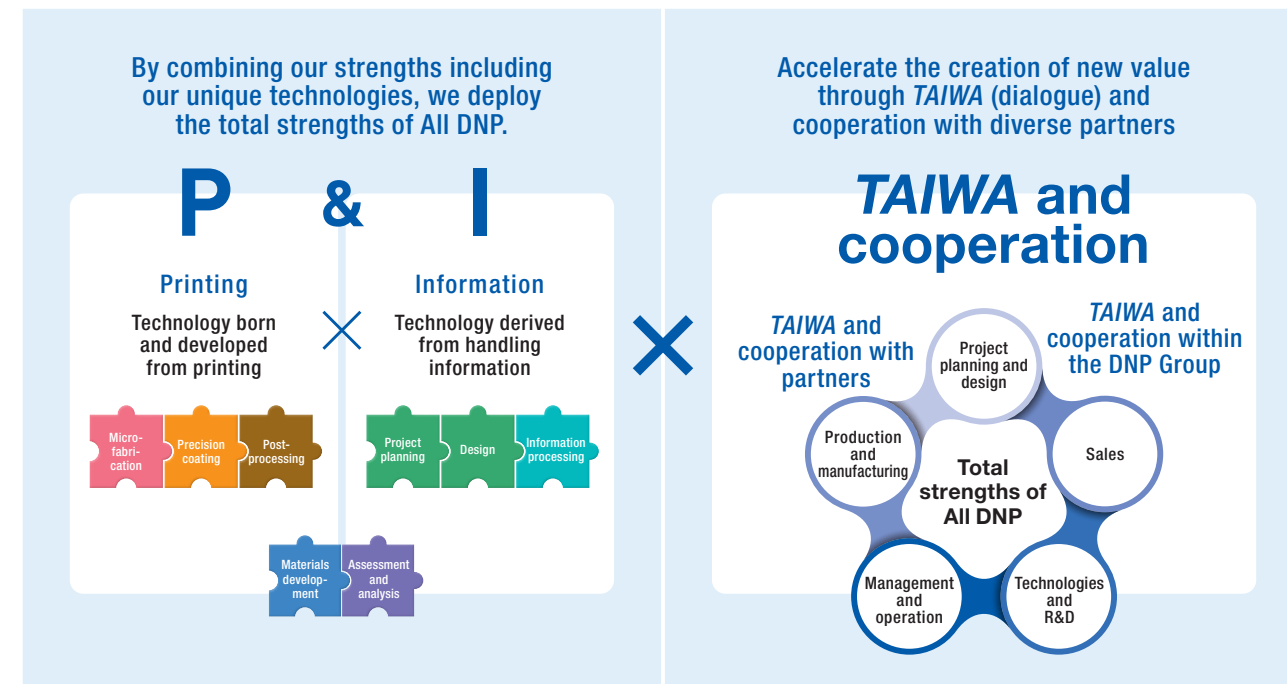
**2024** ▶ Started providing sheeting to improve power generation of bifacial photovoltaic modules



**2017** Developed curved resin glazing: Used in sunroofs and other areas to reduce automobile body weights

# P&I Innovations

DNP leverages technologies cultivated from printing processes that secure top shares for its product groups.



DNP constantly refines its most-advanced diverse proprietary technologies based on printing processes while combining these with its strengths in sales, planning, manufacturing and management to create new value. DNP's unique strengths that it has advanced in P&I (Printing & Information) are unmatched by any other company.

Furthermore, we will strengthen collaboration with a variety of external partners to increase the speed of value creation. There are endless possibilities in combining our strengths and we will realize a "better future" by continuing to take on the challenge of creating unprecedented value that is indispensable to people and society by deploying the total strengths of All DNP.

## Ability to create new value

Anticipate the future and quickly provide the value created by applying our own technologies to the entire world



**Foresight to find value**  
Foresight to perceive future potential. Develop products and services from the two perspectives of 10 years in the future and the present.

**Application capabilities to create value**  
Ability to apply our own technologies and shift this to other applications.

**Sales capabilities to expand value**  
Globally deploy business models established domestically.

## Foundation cultivated in the printing business

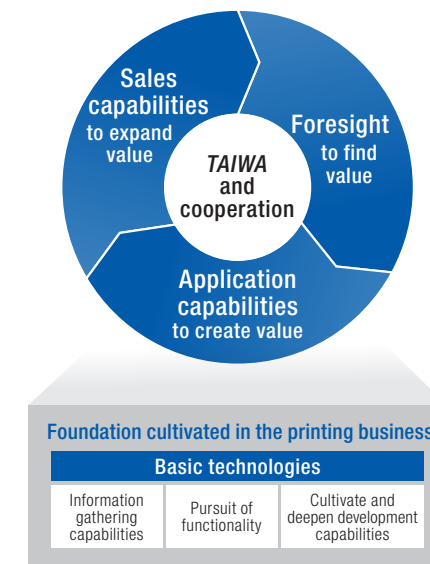
Highly functional products and services and relationships of trust with business partners and customers



**Information gathering capabilities**  
Relationships of trust with tens of thousands of business partners and customers and useful information obtained from these relationships.

**Pursuit of functionality**  
Create new functionality and value based on the technologies cultivated in the printing process.

**Cultivate and deepen development capabilities**  
Form a wide range of business areas through repeated "cultivation" and "deepening".



## Application and development of technology based on printing processes

	Technologies cultivated through printing processes	Application of technologies
<b>1 Editing</b>	Project planning and design	We design optimal communication strategies and output formats from the dual perspectives of sending and receiving information. We also build optimal processes for publishing and marketing, packaging and decorative printed materials and electronic components. We are evolving our editing capabilities to create value such as by developing services that improve experiential value for consumers and introducing Design Thinking.
<b>2 Manuscript submission and layout</b>	Information processing	We arrange diverse information formats such as text, illustrations, video, and audio and convert and process these into the most-optimal formats. During the preprocessing stage (pre-press), we also handle optimal color management and manage large volumes of data. We are also deepening our security-related technologies, safely and securely handling important information, and strengthening response capabilities for global businesses.
<b>3 Film making and platemaking</b>	Micro-fabrication	We create high-precision plates that serve as original printing plates. By further advancing the technology for this process, we form micro-patterns on such substrates as metals, glass and plastics. We are creating a wide variety of products that include leading-edge electronics products and anti-counterfeiting holograms by independently evolving our etching (corrosion) and molding (material processing) technologies.
<b>4 Printing</b>	Precision coating	Ink is applied to printing plates in accordance with various printing methods and coated thinly, uniformly and precisely onto paper or film. We also focus on various applications, such as expanding substrates to metal or glass or creating a multi-layer structure. DNP's proprietary electron beam (EB) coating technology is also the result of this process. This technology provides functions such as light and temperature control, water and oxygen barriers, weather resistance and scratch resistance.
<b>5 Binding and post-processing</b>	Post-processing	There are technologies derived from various processing processes during the creation of the final form of books, magazines and other items. These are applied to making a wide variety of products into shapes that are easy to use by consumers. These technologies are also outstanding for use in three-dimensional processing such as die cutting and assembly; packaging for such items as foods, beverages and daily necessities; the development of systems for the aseptic filling of contents; and the inspection, measurement and analysis of various products.

## Advancement toward products

- Various types of process design and optimization
- Various types of approaches such as Design Thinking
- Robotic Process Automation (RPA):
- Utilization of artificial intelligence (AI)

- Information security
- XR communication business
- Smart cards/settlement and authentication
- Digital archive
- Data centers
- Metaverse
- Color management
- Shueitai fonts, etc.

- Metal masks for OLED display manufacturing
- Photomasks for semiconductors/nanoimprint master mold
- Various electronic devices (MEMS, lead frames, etc.)
- Various types of security-related products, etc.

- Various types of optical films for displays
- Battery pouches for lithium-ion batteries
- Various types of functional films using EB coating
- Photographic print materials
- Packaging
- Decorative printed material

- Aseptic filling systems (PET bottles, pouches, etc.)
- Various three-dimensional containers (cartons, laminates, etc.)
- Multifunctional insulated box
- Bookbinding and appendices
- POP and other promotional materials, etc.

## Building a strong business portfolio

2020

2030

FUTURE

### 【New business】Content & XR communication

**2021** Promoted XR communication business that fuses real and virtual spaces to create new experiences and economic spheres



### 【New business】Medical & healthcare

**2023** Through a strategic business alliance with CMIC HOLDINGS, we promoted integrated manufacturing, from active pharmaceutical ingredients to formulations, and developed value-added pharmaceuticals.



Strengthened collaboration with various partners

### 【Growth-driving business】Digital interfaces

**2024** Expanded production capacity of metal masks for manufacturing of OLED displays, which have the world's top-share. Started manufacturing large-sized products compatible with 8th-generation glass substrates



### 【Growth-driving business】Semiconductors

**2023** Established joint venture Nanoimprint Solutions with SCIVAX. Responded to mass production needs of nano-imprinted products both in Japan and overseas

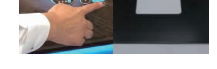


Strengthened collaboration with various partners

### 【Growth-driving business】Mobility and industrial high-performance materials

**2019** Developed next-generation decorative panels for automobile interiors (left)

**2019** Developed sheet-type coil for wireless charging of EVs (right)



### 【Stable business】Imaging communication

**2024** Launched sales of the world's lightest-class 8-inch double-sided photo printer



### 【Stable business】Information Security

Undertake various types of businesses related to authentication/security with the aim of creating a society where everyone can live comfortably and safely.

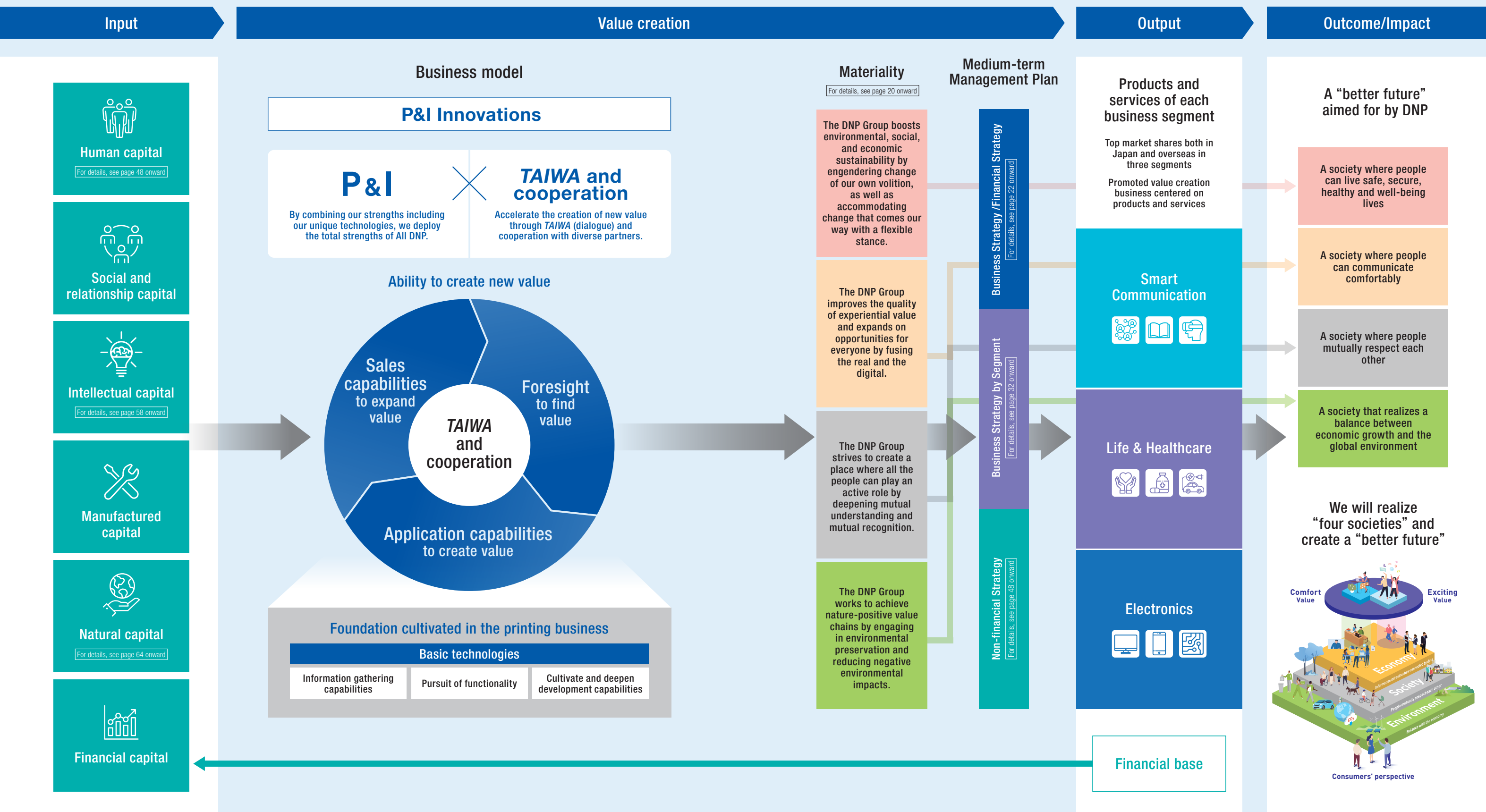




# Value Creation Process

Realizing a “better future” and increasing corporate value through P&I Innovations

For DNP to create a “better future,” we are always anticipating the future and initiating change on our own, and through TAIWA (dialogue) and cooperation we are combining our strengths to create new value and quickly provide this to the world.





Materiality

DNP identifies materiality to realize the “better future” it envisions.

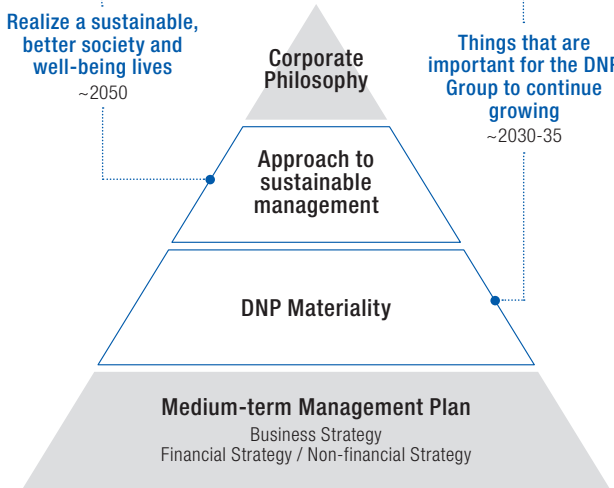
Based on the Corporate Philosophy, the DNP Group aims to realize “a sustainable, better society and well-being lives” as a sustainable management concept and is taking the initiative in conducting business activities to create a “better future.”  
To realize the four interrelated societies that it aims for as

a “better future,” in March 2024 DNP identified materiality as important for it to continuously grow together with society by specifying what DNP should do and what value it will create with an eye toward 2030-35.

✔ DNP Group's Philosophy and Materiality

● A “better future” aimed for by DNP

- A society where people can live safe, secure, healthy and well-being lives
- A society where people can communicate comfortably
- A society where people mutually respect each other
- A society that realizes a balance between economic growth and the global environment



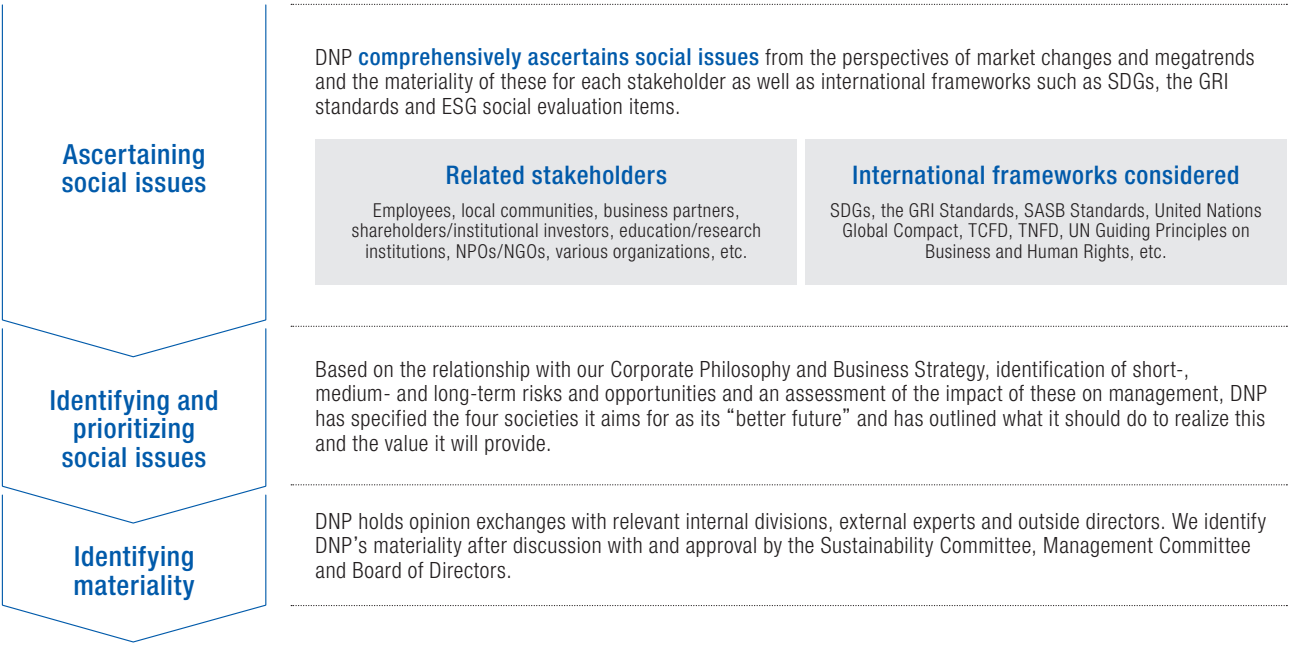
● DNP Materiality

- The DNP Group boosts environmental, social, and economic sustainability by engendering change of our own volition, as well as accommodating change that comes our way with a flexible stance.
- The DNP Group improves the quality of experiential value and expands on opportunities for everyone by fusing the real and the digital.
- The DNP Group strives to create a place where all the people can play an active role by deepening mutual understanding and mutual recognition.
- The DNP Group works to achieve nature-positive value chains by engaging in environmental preservation and reducing negative environmental impacts.

Process for identifying materiality

In identifying materiality, DNP comprehensively ascertains social issues and megatrends related to the environment, society and the economy, and evaluates and analyzes medium- to long-term risks (variable factors) and the impact of these on our business based on factors such as the impact on our own business

activities, the value we can provide, and our strengths.  
Considering these external trends, DNP has specified the four types of societies that it aims for, and to realize these we have specified what DNP should do and the value it should provide and identified these as materiality.



Business activities based on materiality

As business activities based on materiality, we are promoting cross-company new value creation, primarily in our focus business areas, through the evolution and cultivation of the strengths of DNP's unique Printing & Information (P&I).

Concurrently, we are strengthening our business base and thoroughly managing risks as we minimize negative impacts from the dual perspectives of increasing corporate value and strengthening business competitiveness.

✔ Impact of extracted risks (variable factors) on business activities and reflecting these in business opportunities

	Risks (variables) closely associated with business activities	Expected impact on business	Reflect in business opportunities
Economic risks	<ul style="list-style-type: none"><li>Market changes, acceleration of development of new products and technologies</li><li>Acceleration of DX and establishment of a global network, etc.</li><li>Geopolitical influences, rapid changes in various economic indicators</li><li>Changes in financial and information infrastructures</li><li>Depletion of/shortages/restrictions on resources, etc.</li></ul>	<ul style="list-style-type: none"><li>Changes in business structure, intensifying competition in new businesses and development</li><li>Human rights violations in using AI, spread of false information</li><li>Stagnation and sudden changes in economic and consumer trends, changes in the supply and demand balance</li><li>Intensifying threats to information security</li><li>Impacts on stable procurement, soaring prices, etc.</li></ul>	<ul style="list-style-type: none"><li>Value creation centered on focus business areas, strengthening collaboration with partners</li><li>Commercialization/efficiency enhancement through AI innovation, accelerate AI utilization</li><li>Integration of cyberspace and physical space</li><li>Provision of highly reliable and transparent information</li><li>Strengthen IT governance, sophisticate security measures, etc.</li></ul>
Social risks	<ul style="list-style-type: none"><li>Labor shortages, employment mobility</li><li>Diversity, changing conditions for people to live comfortably</li><li>Globalization of supply chains, geopolitical risks, etc.</li></ul>	<ul style="list-style-type: none"><li>Difficulties in securing and developing specialist human resources, rising labor expenses</li><li>Diversification of values, awareness of diversity</li><li>Increasing supply chain risks, including human rights</li><li>Strengthened regulations, manifestation of the impact of geopolitical risks, etc.</li></ul>	<ul style="list-style-type: none"><li>Build a robust human resources portfolio</li><li>Eliminate labor shortages by improving operational efficiency</li><li>Promote D&amp;I, utilize diverse human resources, and respect the work environment and human rights</li><li>Improve reliability by enhancing the transparency of the supply chain, etc.</li></ul>
Environment risks	<ul style="list-style-type: none"><li>Intensifying disasters and increasing water risks due to climate change</li><li>Accelerating plastic pollution and biodiversity loss</li><li>Accelerating the transition to being nature positive, carbon neutrality and a circular economy</li><li>Expanding environmentally positive markets, accelerating technology innovation, etc.</li></ul>	<ul style="list-style-type: none"><li>Suspension of operations and disruption of supply chains due to social infrastructure destruction</li><li>Tightening of regulations on GHG emissions, etc.</li><li>Expansion of reuse and recycling, rise in demand for switching to alternative materials</li><li>Reforming business structure toward being nature positive</li><li>Intensifying competition in new businesses and development, changing market trends, etc.</li></ul>	<ul style="list-style-type: none"><li>Deal with natural disasters through BCP and BCM, multiple production bases</li><li>Provide low-carbon products, services and products made from alternative materials, and effectively utilize resources</li><li>Expand markets through early technology development and product design changes, etc.</li></ul>

A “better future” aimed for by DNP		A society where people can live safe, secure, healthy and well-being lives	A society where people can communicate comfortably	A society where people mutually respect each other	A society that realizes a balance between economic growth and the global environment
		The DNP Group boosts environmental, social, and economic sustainability by engendering change of our own volition, as well as accommodating change that comes our way with a flexible stance.	The DNP Group improves the quality of experiential value and expands on opportunities for everyone by fusing the real and the digital.	The DNP Group strives to create a place where all the people can play an active role by deepening mutual understanding and mutual recognition.	The DNP Group works to achieve nature-positive value chains by engaging in environmental preservation and reducing negative environmental impacts.
Value creation	Smart Communication <small>For details, see page 32 onward</small>	Content & XR communication			
	Life & Healthcare <small>For details, see page 32 onward</small>	Medical & healthcare		Mobility and industrial high-performance materials	
	Electronics <small>For details, see page 32 onward</small>	Digital interfaces			Semiconductors
Strengthening business base	Strengthening of Human Capital <small>For details, see page 48 onward</small>	Support for career autonomy of employees and strengthening of organizational capability / Hiring, personnel assignment and reskilling based on human resource portfolio			
		Health and productivity management that increases the happiness of employees	Promotion of D&I utilizing diverse individuality		
	Strengthening Intellectual Capital <small>For details, see page 58 onward</small>	Creation of new businesses and enhancement of technological strengths / Global rollout of technological strengths / Strengthening of stable businesses and cultural reform			
		Sophistication of DX infrastructure			
	Initiatives for Environment <small>For details, see page 64 onward</small>				Build a decarbonized society, a recycling-oriented society and a society in harmony with nature.
Thorough risk management to support sustainable growth Themes: Fair Operating Practices, Human Rights and Labor, Environment, Responsible Procurement, Product Safety and Quality, Information Security, Corporate Citizenship					

BUSINESS STRATEGY / FINANCIAL STRATEGY

Business Strategy



Building on the achievements of the first year of the Medium-term Management Plan to create further business value

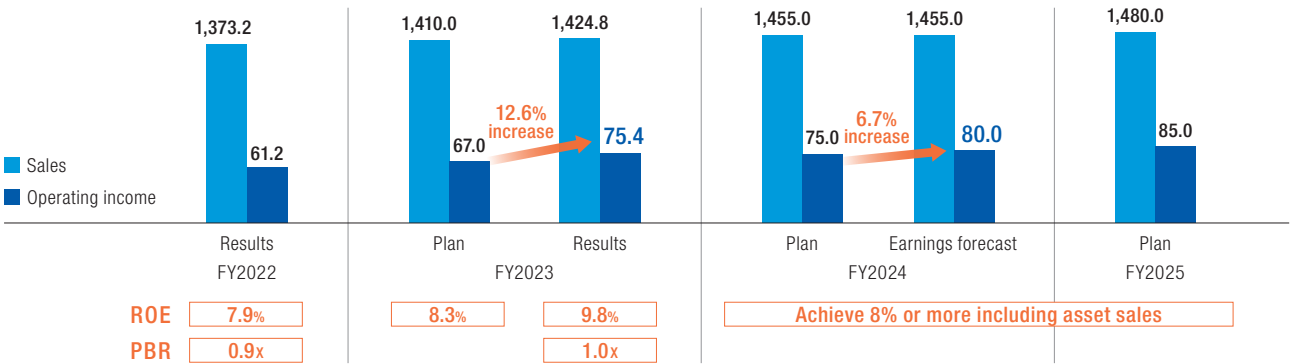
Mitsuru Tsuchiya, Senior Executive Corporate Officer

Goals and progress of the Medium-term Management Plan

The DNP Group’s Corporate Philosophy is to connect individuals and society, and provide new value. We are dedicated to creating a better, more sustainable society and a well-being life. Our commitment is to address social issues, create new value that meets people’s expectations, and make that value a constant, everyday presence in people’s lives. This dedication is embodied in our brand statement: “Creating future standards.” Through these efforts, we aim to create a sustainable business and shareholder value, striving to achieve return on equity (ROE) of 10% and a price-to-book ratio (PBR) exceeding 1.0 as early as possible.

To achieve this, our current Medium-term Management Plan for fiscal 2023 to fiscal 2025 categorizes DNP’s businesses into four areas—“growth-driving businesses,” “new business,” “stable business” and “business for reforming”—based on two axes: growth potential/attractiveness of the market, and business profitability. We will optimally allocate management resources to each business area and implement the best strategies to build a robust business portfolio that can leverage our strengths over the medium to long term, enhancing profitability and capital efficiency. (See diagram on page 10.)

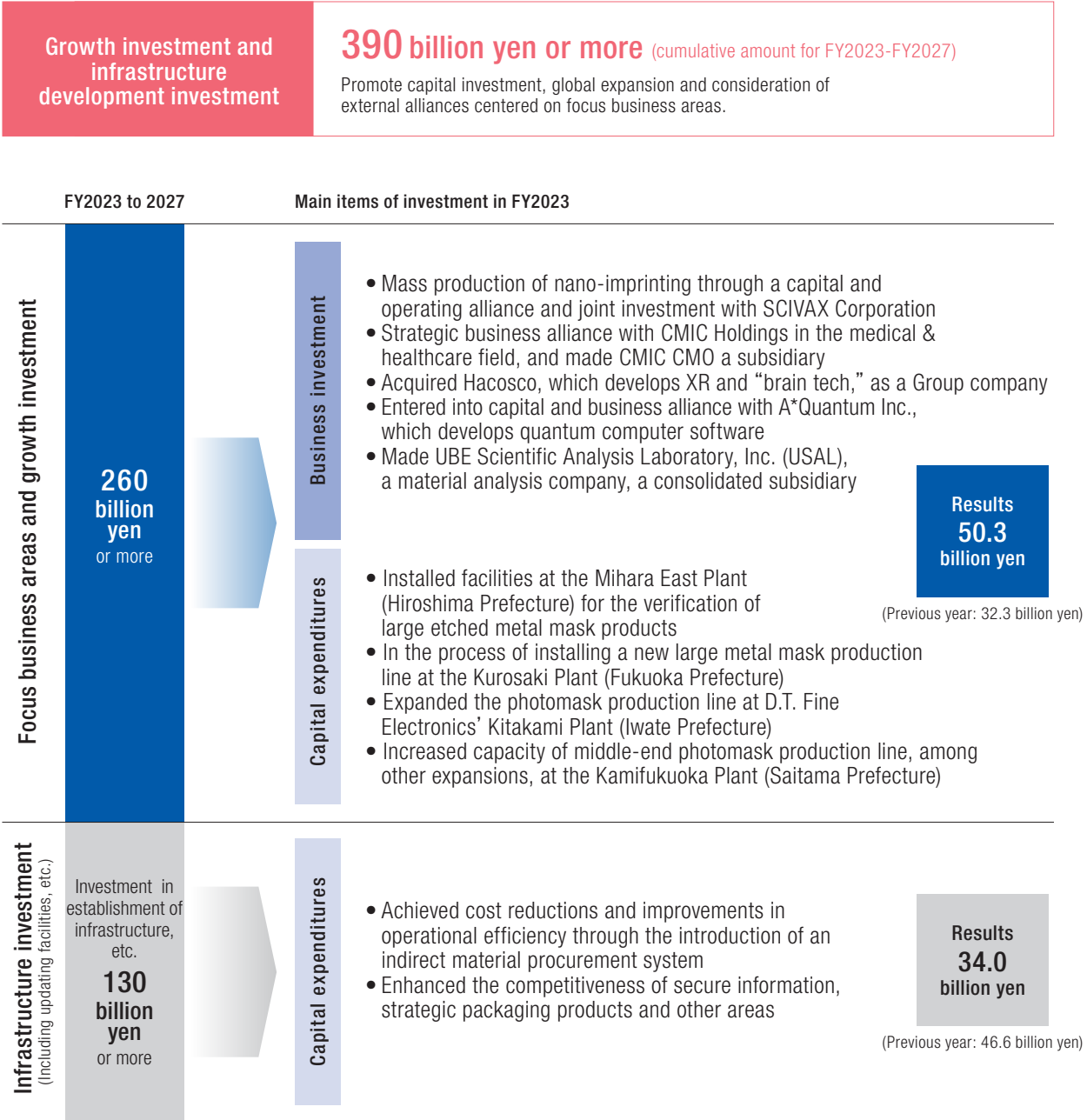
Figure 1: Overview of financial results for FY2023: Sales and operating income



In the first year of this Medium-term Management Plan, fiscal 2023, we achieved a high level of results through the steady execution of initiatives aimed at enhancing corporate value. Operating income reached 75.4 billion yen, an increase of 23.2% compared to the previous year and 12.6% above the initial target, due to the strong performance of growth-driving businesses such as digital interface. This represents the highest level in the past decade. Net income attributable to parent company shareholders was 110.9 billion yen, an increase of 29.5% compared to the previous year and 26.1% above the initial target, marking the highest profit in DNP’s history. ROE reached 9.8%, up 1.9 percentage points from the

previous year and 1.5 percentage points above the initial target, approaching our medium- to long-term goal of 10%. For fiscal 2024, we expect that growth-driving businesses will continue to perform strongly, and improvements in the profitability of business for reforming will also contribute. We anticipate operating income to reach 80 billion yen—6.7% above the initial target of 75 billion yen. However, the strong performance in fiscal 2023 includes temporary factors, such as the recording of extraordinary gains from the sale of fixed assets. Therefore, we will accelerate the accumulation of business profit and work as one Group to achieve our goals.

Figure 2: Investment in focus business areas, etc.



## Business Strategy

Regarding the business strategy of “concentrated investment in focus business areas,” we plan to allocate more than 260 billion yen of the total 390 billion yen over five years to these key business areas. In fiscal 2023, we invested 50.3 billion yen. In particular, we are actively investing in equipment

related to metal masks for OLED display manufacturing and photomasks for semiconductors in the Electronics segment, where market growth is expected. These investments are anticipated to contribute to future performance. For details on the investment targets, see Figure 2.

Figure 3: Structural reform of existing printing business and reallocation of management resources (FY2020–FY2023)

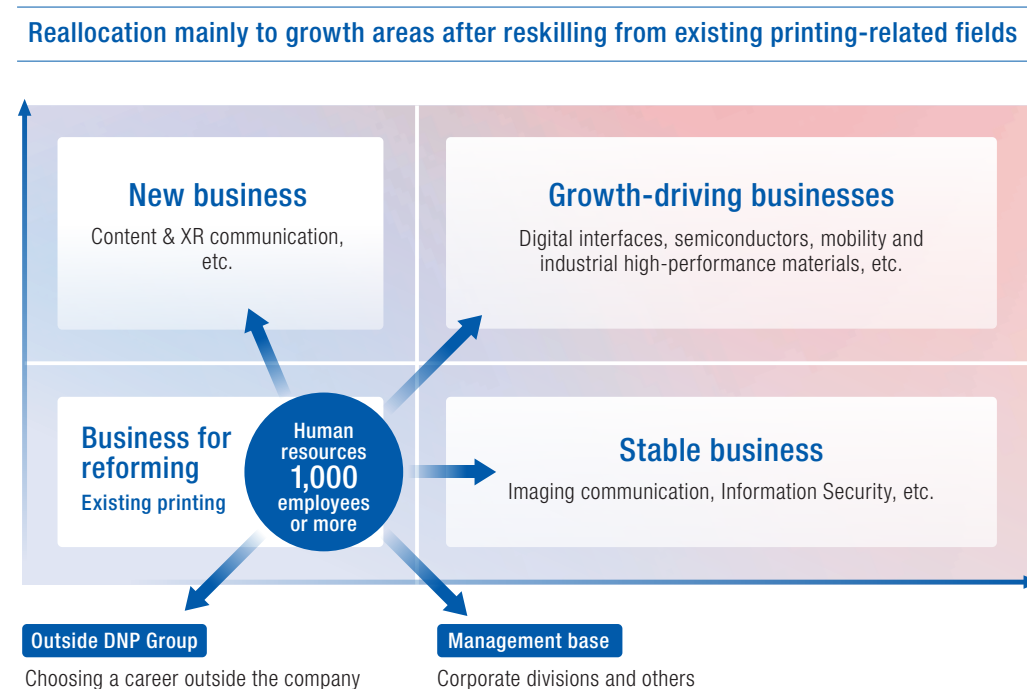
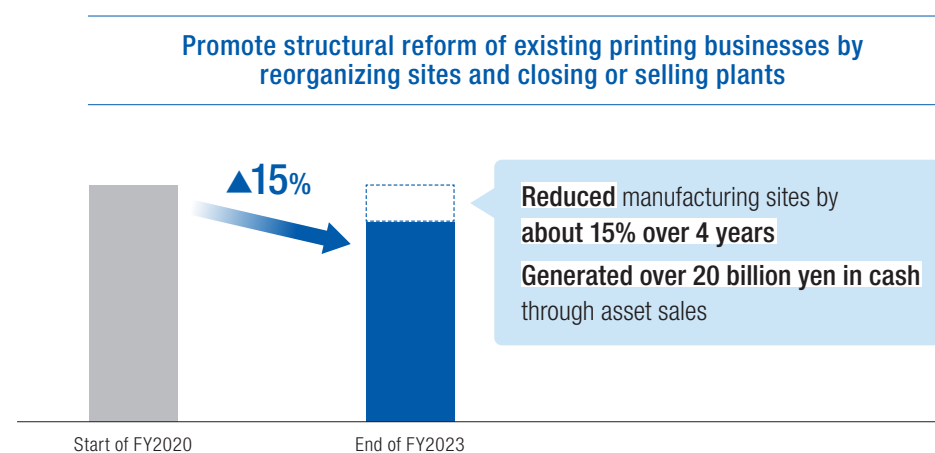


Figure 4: Profit improvement through structural reform of existing printing business and restructuring of manufacturing sites



We have also been continuously pursuing another business strategy, “business structure transformation.” Since fiscal 2020, we have redeployed over 1,000 employees from restructuring projects to growth areas through reskilling (see Figure 3). Additionally, we have reduced our manufacturing

sites by about 15% over the four years since fiscal 2020, generating over 20 billion yen in cash through asset sales (see Figure 4). We will continue to use these funds for growth investments and share repurchases, thereby further improving capital efficiency.

## Initiatives by business segment

### Smart Communication

The main businesses in the Smart Communication segment include the imaging communication business, which focuses on services related to photo printing, the Information Security business, which encompasses business process outsourcing (BPO) and smart card services, and the new business of content & XR communication.

In the stable business of imaging communication, demand for dye-sublimation thermal transfer media for photo prints, which holds a leading global market share, is expected to grow, particularly in emerging markets. We will continue to work on expanding our share further by developing applications and promoting sales tailored to regional characteristics, including the “Ki-Re-i” ID photo printing machines, which boast the largest number of installations in Japan.

In another stable business, Information Security, we expect







the market environment to remain steady. In particular, we will strengthen our competitiveness further by expanding high-value-added products, such as eco-friendly smart cards, where we maintain Japan’s top share.

In the content & XR communication business, we are committed to expanding and revitalizing the market by enhancing both the experiential and economic value for people through the integration of real and virtual spaces in the metaverse.

Meanwhile, for paper-based printed materials such as publication printing, commercial printing and business forms, which are expected to see market contraction, we will continue to drive structural reforms. This includes shifting human resources through reskilling to focus business areas and stable businesses and reorganizing manufacturing sites to optimize assets.

#### Market environment

\*1 Market outlook is DNP forecasts based on various surveys

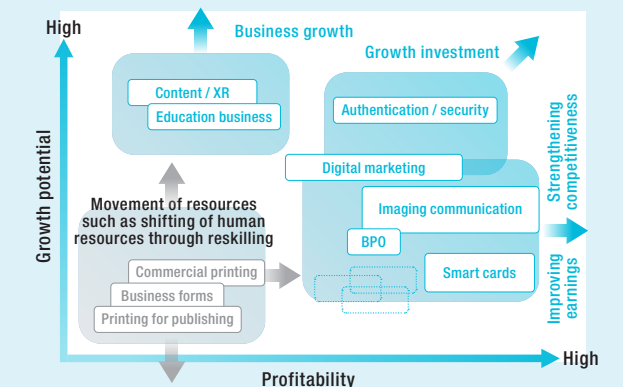
Main business segments		Market trends		Market outlook*1 (CAGR)
Imaging communication	Dye-sublimation thermal transfer printing media for photo prints		<ul style="list-style-type: none"><li>Although demand declined in FY2020 due to the impact of COVID-19, it recovered from FY2021 onward.</li><li>Increase in dry type including dye-sublimation thermal transfer printing media for photo prints due to switching from the silver halide method.</li></ul>	+4% (2022–2027)
Information Security	BPO		<ul style="list-style-type: none"><li>The market is expected to expand against a backdrop of work style reform and DX promotion due to labor and human resource shortages.</li><li>Increase in the need for services that combine human operations with digital technology.</li></ul>	+3% (2024–2027)
	Smart cards		<ul style="list-style-type: none"><li>Although the percentage of cashless payments has increased to over 35% due to the penetration of QR code payments, card payments still account for over 80% of the total, making them the mainstay of the shift to cashless payment.</li></ul>	+1% (2022–2026)
Marketing	—		<ul style="list-style-type: none"><li>Although the paper media market remains large at 1.7 trillion yen, it will continue to shrink slowly due to the progress of digitization. The digital marketing market will continue to expand.</li></ul>	Paper media: -1.5% (2023 vs. 2022)
Publishing	Books and magazines		<ul style="list-style-type: none"><li>The paper media market for both magazines and books is expected to continue shrinking.</li><li>Online bookstores and the e-book market are growing.</li></ul>	Paper media: -5% (2023–2028)
New business	Content & XR communication		<ul style="list-style-type: none"><li>Overseas demand for comics, anime and games originating in Japan will grow, and the market for content development such as merchandise and services will be active.</li><li>In addition to the demand for XR in the area of extraordinary experiences, utilization in various industries such as education and training is increasing.</li></ul>	Expanding

#### Main business strategies

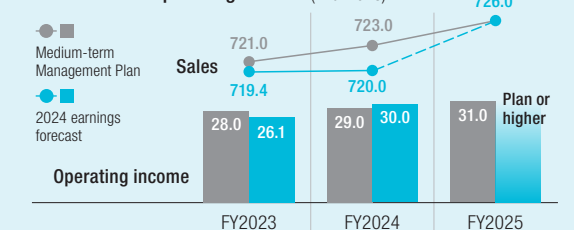
Main business segments	Strategy
<b>Imaging communication</b>	<ul style="list-style-type: none"> <li>Dye-sublimation thermal transfer printing media for photo prints: Aim to achieve a global market share of 70% or more by developing applications tailored to regional characteristics and expanding sales.</li> <li>Ink ribbons for ID cards: Capture demand for national ID cards in emerging countries, aiming for a 70% share of the global market for sublimation ribbons for ID cards.</li> </ul>
<b>Information Security</b>	<ul style="list-style-type: none"> <li>BPO: Expand the scope of business from outsourcing some operations to business reform with digitalization and support for reform.</li> <li>Smart cards: Maintain Japan’s top share by strengthening competitiveness and expanding high value-added products such as eco-friendly products and more.</li> </ul>
<b>New business</b>	<ul style="list-style-type: none"> <li>Content &amp; XR communication: Accelerate IP content development in Japan and overseas by applying information processing and conversion technologies. Develop and implement common services for XR Communication® according to solutions for regional and corporate issues.</li> </ul>

- ▶ Raise the level of profits mainly by expanding the dye-sublimation thermal transfer printing media with the leading global market share to emerging countries, etc., and by strengthening competitiveness and improving profitability of smart cards, with the leading market share in Japan
- ▶ Since the market for paper-based printed materials is expected to shrink, optimize assets by shifting human resources to growth business and stable business through reskilling and reorganizing manufacturing sites

#### Image of portfolio evolution



#### Sales and operating income (¥ billions)





Business Strategy

Life & Healthcare

The main businesses in the Life & Healthcare segment include mobility and industrial high-performance materials as a growth-driving business, medical & healthcare as a new business, as well as packaging, which encompasses environmentally conscious functional packaging and aseptic filling systems. It also covers living spaces, which deals with interior and exterior materials for residential and non-residential spaces, and beverages.

For mobility and industrial high-performance materials, the demand for battery pouches for lithium-ion batteries is expected to expand long-term, not only for electronic devices but also for automobiles, due to the growing trend toward electrification. To support this, we will continue to make the necessary investments. Automotive decorative films are projected to grow, both for interior applications and as an

alternative to painting for exterior use. In addition, the market for photovoltaic products is projected to continue growing globally. We will accelerate the global deployment of differentiated products utilizing DNP's core technologies.

For the new business of medical & healthcare, we will expand DNP's value-providing capabilities across the entire value chain, including pharmaceuticals and medical packaging, against the backdrop of steady growth in the global pharmaceutical market.

For packaging and living spaces, we will focus on improving efficiency for the domestic market while accurately capturing diverse demands in the high-growth overseas market. Our efforts will be directed towards developing and providing products and services that maximize value and business potential.

Market environment

\*1 Market outlook is DNP forecasts based on various surveys \*2 Total for EVs, PHEVs and HEVs

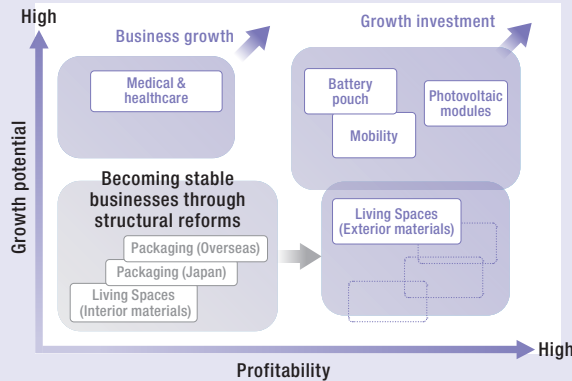
Main business segments		Market trends		Market outlook*1 (CAGR)
Mobility and industrial high-performance materials	Battery pouch		• The trend toward electrification of automobiles will remain unchanged over the medium to long term, and demand is expected to increase mainly in the US as automakers shift to in-house battery (pouch type).	EVs: +13%*2 (2023–2030)
	Photovoltaic modules		• The global market for solar power generation systems will grow 2.5x from 2020 to 2030. • Demand is growing in the US, EU and China, due to policy initiatives, etc.	Global market for power generations systems: +10% (2020–2030)
	Automotive decorative films		• There are expectations for expansion of exterior film, especially for use as a substitute for paint, amid growth in high-end design products for both interior and exterior applications.	Expanding
Medical & healthcare	–		• Stable growth is expected, with the size of the global pharmaceutical market expected to expand from 141 trillion yen in 2018 to 196 trillion yen in 2030.	Global market for pharmaceuticals +2.8% (2018–2030)
Packaging	–		• The global market for soft packaging is growing (approx. 40 trillion yen in 2023), and growth is expected in Asian markets and for eco-friendly products in the future.	Global market for soft packaging: +4.7% (2024–2030)
Living spaces	–		• Domestic housing starts are expected to continue to decline. • Overseas demand is sluggish at present, but growth will continue over the medium to long term due to population growth.	Japan: -1% (2024–2028) Overseas: +3% (2023–2029)
Beverage business	–		• Overall business conditions recovered after COVID-19, and demand, including inbound demand, remained strong.	+1–2% (2024–2026)

Main business strategies

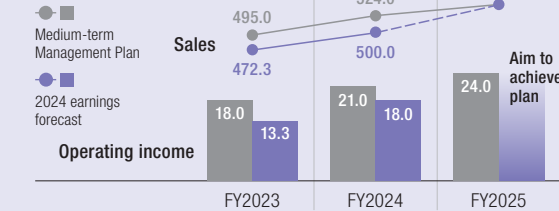
Main business segments	Strategy
Mobility and industrial high-performance materials	Battery pouch Despite the current softening of the market for automotive applications, continue to make the necessary investments to keep up with the trend of medium- to long-term growth.
	Photovoltaic modules Leverage high reliability and high quality, and consider introduction of new facilities to meet increasing demand in the US and Europe.
	Mobility Globally expand differentiated products for exterior applications by combining core technologies.
Packaging	Japan Reduce costs by switching to low-cost materials and improving delivery efficiency, and promote passing on the impact of price hikes of raw materials, etc. on to customers.
	Overseas Accelerate provision of mono-materials and aseptic filling systems to overseas customers.
Living spaces	Interior materials Promote operational efficiency and optimization of manufacturing sites, and develop customers and business partners, including overseas.
	Exterior materials Expand sales areas to Asia, China and Europe through a partner strategy, in addition to expanding into infrastructure and exterior wall applications.
New business	Medical & healthcare Continue growth in APIs, formulations and packaging by expanding DNP's value chain in an industry with a horizontal division of labor.

- ▶ Consider both business investment and M&A in line with market growth in the mobility and industrial high-performance materials, which is a growth driver
- ▶ Accelerate overseas development of products in which we have strengths in packaging and living spaces

Image of portfolio evolution



Sales and operating income (¥ billions)



Electronics

The main businesses in the Electronics segment are the digital interface, which includes optical films for displays and metal masks for manufacturing organic light-emitting diode (OLED) displays, both of which boast the world's top market share, and the semiconductor, which encompasses photomasks and lead frames.

In the digital interface business, optical films for displays are expected to continue growing due to the trend toward larger panel sizes for TVs. The long-term market outlook forecasts a compound annual growth rate (CAGR) of 3.2% for these films, indicating steady demand. Additionally, metal masks are anticipated to see increased adoption not only in smartphones but also in tablets and laptops. The market CAGR from 2023 to 2030 is projected to be approximately 6% for smartphones and around 40% for tablets and laptops.

In the semiconductor business, the demand for photomasks is increasing due to customer product development needs and the rising demand for logic and memory applications for generative AI. As a result, the external market for photomasks, excluding those used internally by

semiconductor manufacturers, is projected to experience a CAGR of approximately 8% from 2020 to 2027, indicating significant market growth in the medium to long term. Although recovery in demand for lead frames used in automotive, communications and consumer products has been slow, the market is anticipated to grow at a CAGR of about 7% from 2022 to 2029.

In response to the market environment, DNP will focus its investments on high-share businesses such as metal masks, optical films, and photomasks, as illustrated in the "image of portfolio evolution." We will target businesses with strong market potential, social needs and high public expectations. We will also prioritize the development of advanced products and services. For example, we are advancing investments in the development of glass core substrates for next-generation semiconductor packages, aiming to achieve sustainable business growth that exceeds market growth rates. Through these efforts, we aim to elevate our sales and operating income for fiscal 2024 and 2025 to levels exceeding those outlined in our Medium-term Management Plan.

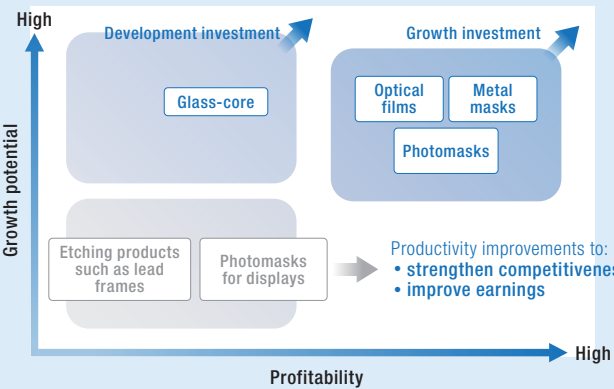
Market environment

\*1 Market outlook is DNP forecasts based on various surveys

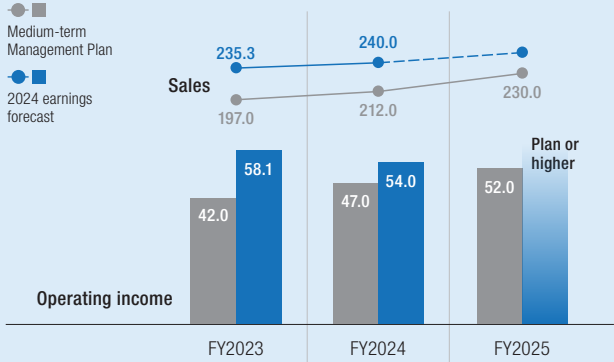
Main business segments		Market trends		Market outlook** (CAGR)
Digital interfaces	Optical films		• Demand remained strong, mainly due to an increase in area shipped resulting from a shift to larger panel sizes for TVs.	+3.2% (2023–2030)
	Metal masks for OLED display manufacturing		• Demand continues to steadily increase due to expanded adoption of OLEDs for smartphones.	Smartphones: +6% Tablets and laptops: +40% (2023–2030)
Semiconductors	Photomasks		• In addition to demand for product development, the market is expected to grow significantly in the medium to long term due to increased demand in the semiconductor market for logic and memory applications for generative AI.	External sales market +8.1% (2020–2027)
	Lead frames		• Although recovery in demand for automotive, telecommunications and consumer product applications has been delayed, the market is expected to grow over the medium to long term.	+6.9% (2022–2029)

- ▶ Concentrate investment in businesses with high social needs and in which DNP has a high market share, to achieve sustainable business expansion that exceeds the market growth rate

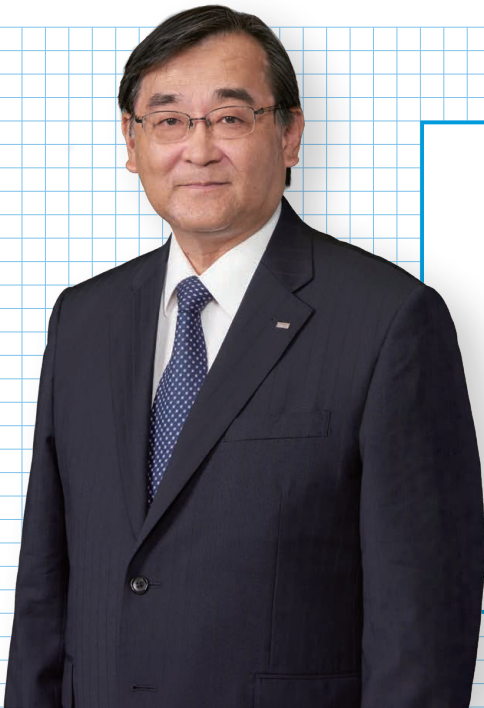
Image of portfolio evolution



Sales and operating income (¥ billions)



## Financial Strategy



**We will strive to further improve our PBR and meet the expectations of our stakeholders.**

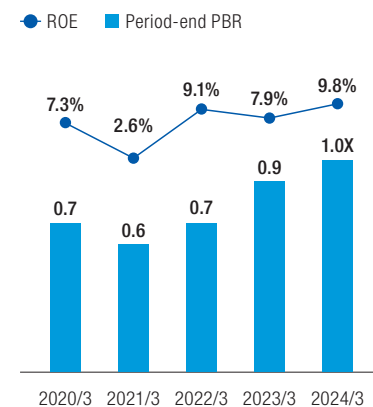
Masafumi Kuroyanagi, Senior Managing Director

In February 2023, DNP established the DNP Group's Basic Management Policy. Based on this policy, we have been working to ensure capital profitability that exceeds our cost of capital and to promote initiatives for the Group's sustainable growth. To meet the expectations of various stakeholders,

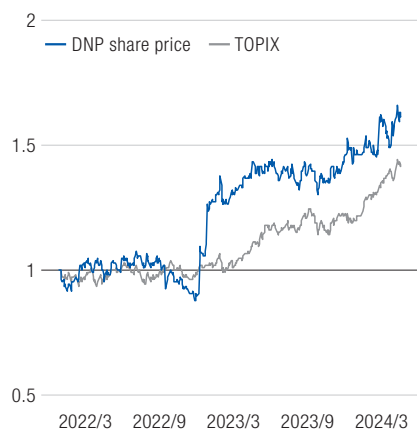
including shareholders and investors, we are committed to achieving a return on equity (ROE) of 10% and a price-to-book ratio (PBR) of more than 1.0X as early as possible through specific initiatives in our Medium-term Management Plan's business strategy, financial strategy and non-financial strategy.

### Analysis of current conditions for enhancement of corporate value

#### PBR and ROE



#### Relative share price (showing April 1, 2022 as 1)



#### PER



### Analysis of current conditions

- PBR has recently risen to around 1.0X due to solid performance from the steady implementation of the Medium-term Management Plan and enhanced shareholder returns (share buybacks, etc.) based on the cash allocation strategy.
- ROE has improved to a level exceeding the target value of 8% in the FY2025 plan, and efforts are underway to reach the target of 10%.
- Although the rate of increase of the share price is higher than TOPIX, since the current price-to-earnings ratio (PER) is at a flat level, it is necessary to provide investors with a deeper understanding of the business and raise their expectations for future earnings.
- In order to sustainably enhance corporate value, DNP needs to reform its business portfolio, including a review of business for reforming, and continue to work on the business, financial and non-financial strategies set forth in the Medium-term Management Plan to meet investors' expectations.

The graphs on page 28 show the analysis of current conditions for enhancing corporate value. In fiscal 2023, ROE improved to a level exceeding the 8% target for fiscal 2025, and the PBR has risen to around 1.0. As shown by the graph of relative share price, DNP's share price increase since the second half of fiscal 2022 has outpaced TOPIX. However, the PER remains relatively flat. This indicates that the stock market's evaluation of our solid performance is still not fully reflected.

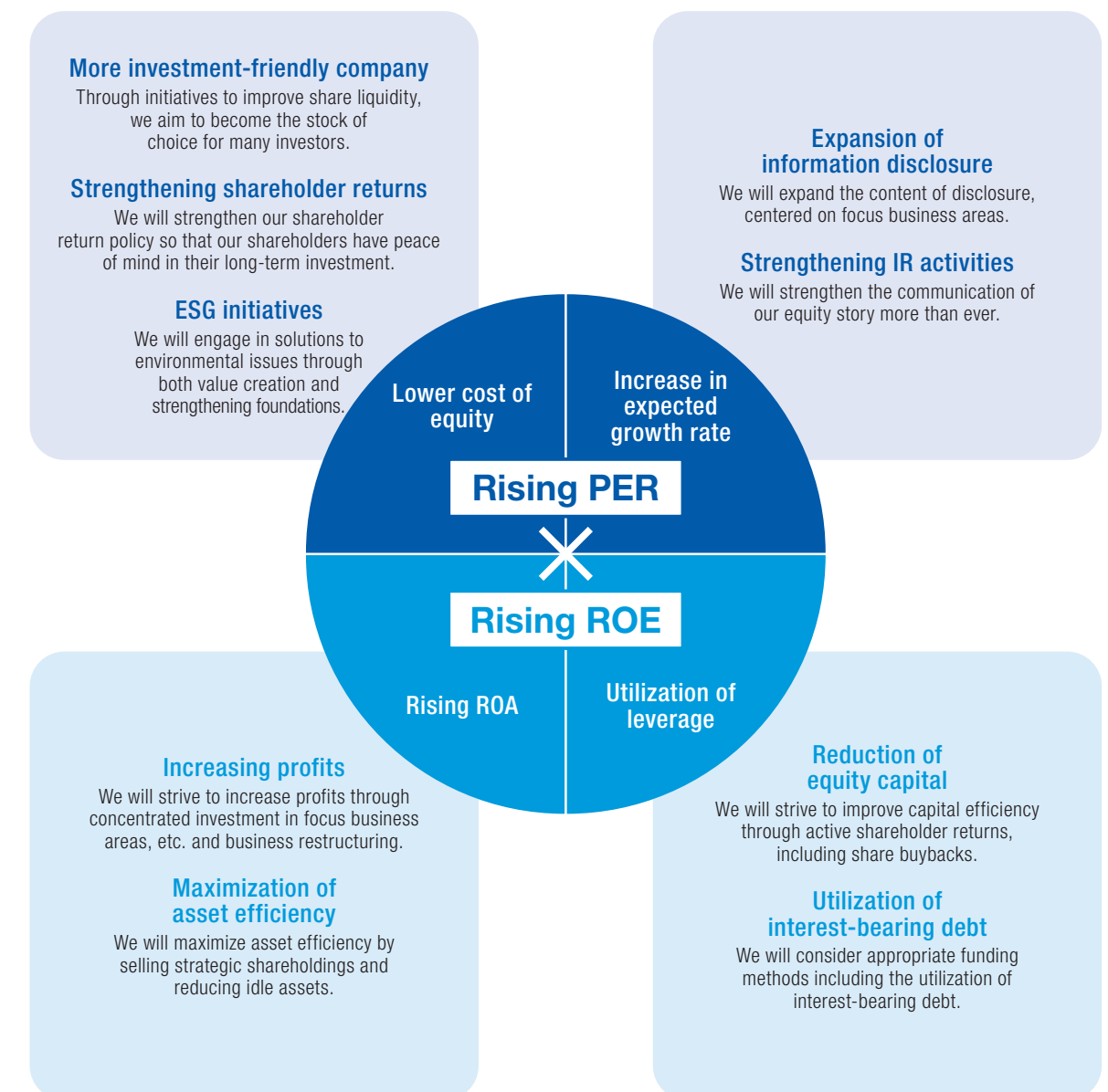
To address this situation and achieve sustainable growth and medium- to long-term enhancement of corporate value

for the DNP Group, we will initially focus on expanding profits through concentrated investment and business structure transformation in focus business areas. Additionally, we aim to create a resilient business portfolio capable of adapting to changes in the business environment. (For details, see from page 22 onward in the Business Strategy section.)

The chart below illustrates DNP's initiatives to enhance corporate value. By steadily implementing various measures aimed at expanding the equity spread, we will work towards increasing the PBR and improving corporate value.

### Initiatives aimed at enhancement of corporate value: Rising PBR

We will work to steadily implement various measures to enhance corporate value.



## Financial Strategy

As specific measures, we will implement strategies to manage volatility and reduce the cost of shareholders' equity amid rapidly changing business environments. Through initiatives to improve share liquidity, we aim to increase accessibility and become the stock of choice for many investors. We will also enhance shareholder returns to create a more secure environment for long-term investment. At the same time, we recognize the importance of our ESG initiatives. In April 2024, we raised our targets for the reduction of greenhouse gas (GHG) emissions and set more ambitious environmental goals (for details, see from page 64 onward in the Initiatives for Environment section). Through these measures, we aim to further reduce the cost of shareholders' equity.

To enhance future revenue expectations, we believe it is crucial to eliminate information disparities and increase credibility with the market by promoting timely and appropriate information dissemination and dialogue with shareholders and investors. Specifically, in addition to our traditional financial results briefings and sustainability briefings, we held our first IR Day in July 2024 to communicate growth strategies for individual businesses, particularly in our focus businesses. Through these initiatives,

we aim to deepen the understanding of DNP's operations and boost expectations for future revenue, thereby increasing the PER.

We will continue to steadily implement initiatives to boost asset efficiency. Regarding strategic shareholdings, in April 2024, we announced the sale of one listed security and recognized extraordinary gains of 58.6 billion yen from the sale of investment securities. This achievement means we have already exceeded 60% of our five-year plan to reduce strategic shareholdings by 220 billion yen. As part of our efforts to boost asset efficiency, we will further accelerate the reduction of strategic shareholdings, which has been an ongoing initiative.

In other initiatives to enhance capital efficiency, we completed the repurchase of 100 billion yen in shares in fiscal 2023 and announced a further repurchase of 50 billion yen in shares in March 2024. We will continue to steadily implement share repurchases with the aim of enhancing shareholder returns and reducing equity capital.

Through these initiatives, DNP will work to improve both the PER and ROE, aiming to increase the PBR and achieve sustainable enhancement of corporate value.

### Progress with Medium-term Management Plan: Sale of strategic shareholdings and share purchases

5 years from FY2023 to FY2027  
Cash allocation

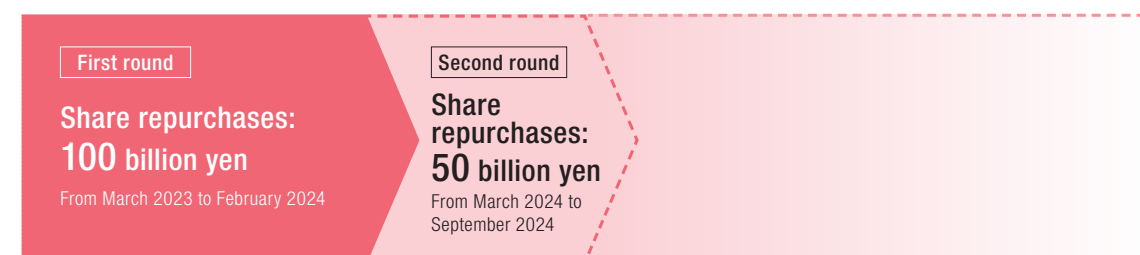
#### (1) Sale of strategic shareholdings: 220 billion yen

On April 16, 2024, the Company announced the sale of one listed stock it held and the recording of gain on sale of investment securities (extraordinary income) of 58.6 billion yen.

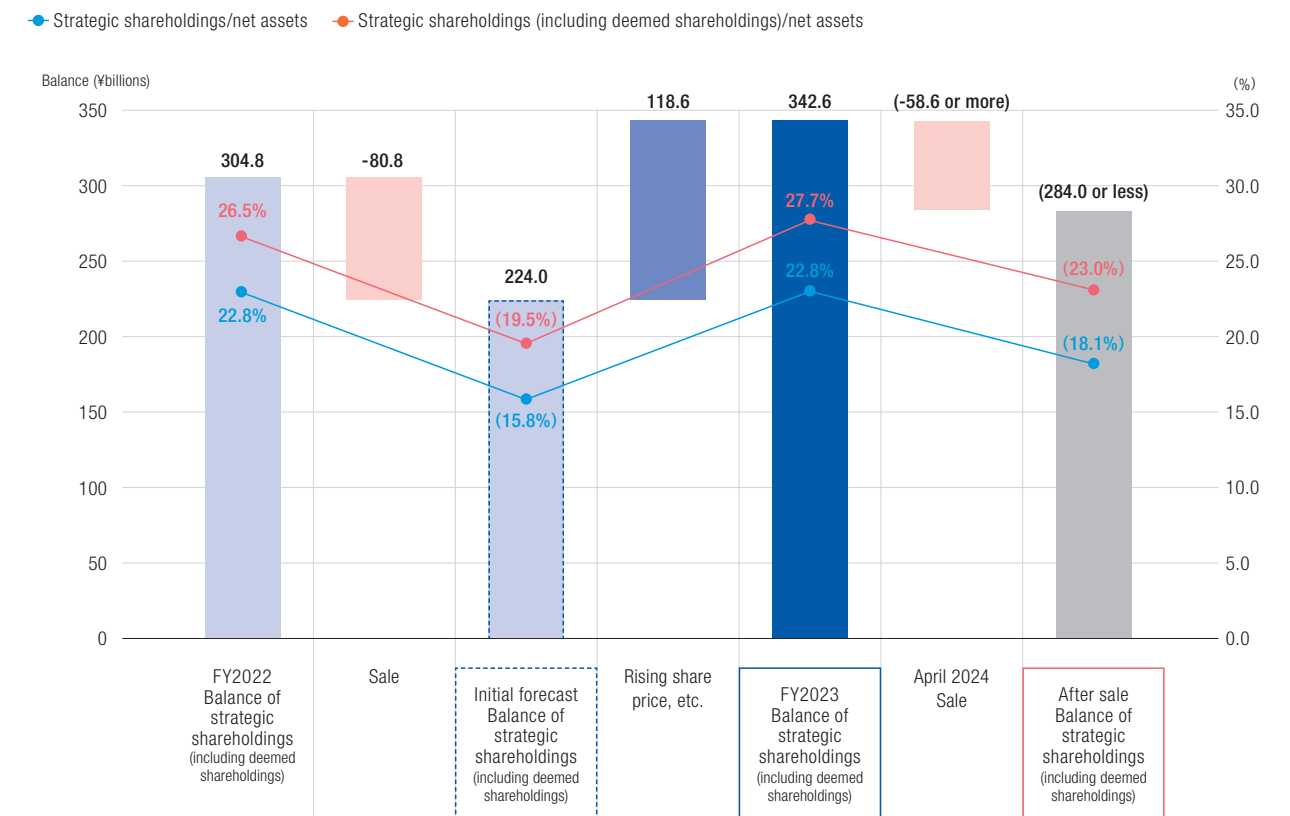


#### (2) Share repurchases: 300 billion yen

The first round of repurchase of shares of 100 billion yen (buyback period: March 10, 2023 to February 22, 2024) was steadily executed, and a new second round of repurchase of shares of 50 billion yen was announced in March 2024. As a result, the Company plans to acquire 150 billion yen of shares over 1.5 years.



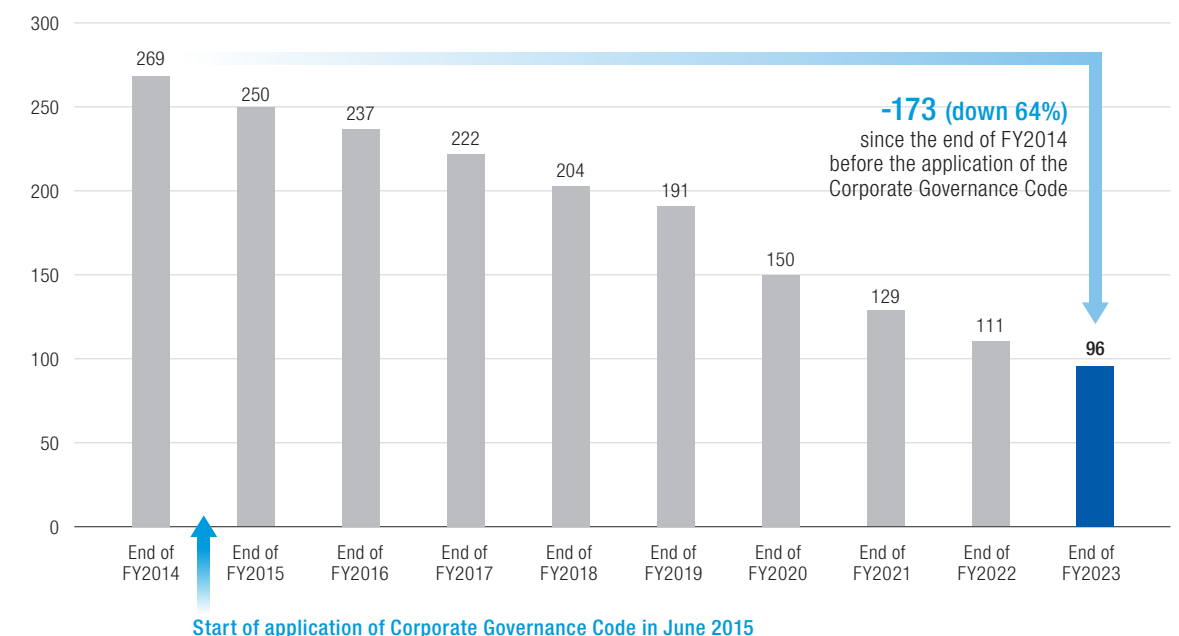
### Progress with Medium-term Management Plan: Balance of strategic shareholdings



\* The figure above is an illustration of the state of reduction of DNP's strategic shareholdings to give a better understanding of its efforts to reduce strategic shareholdings.

### Progress with Medium-term Management Plan: State of reduction of strategic shareholdings

We have proceeded to reduce the number of listed stocks held by 173 (-64%) from 269 at the end of FY2014.





# BUSINESS STRATEGY BY SEGMENT

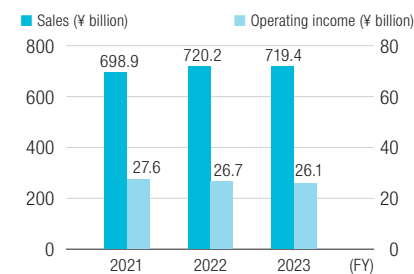
## Key Strategies by Segment

DNP is one of the world's largest comprehensive printing companies, providing indispensable value to tens of thousands of clients and consumers both domestically and internationally through a diverse range of products and services across various business fields. Since its founding in 1876, DNP has developed strengths based on cutting-edge printing processes of the times. In the 1950s, DNP began expanding its business domain through "expansion printing," applying and developing these strengths, which has led to the current structure of its business segments.

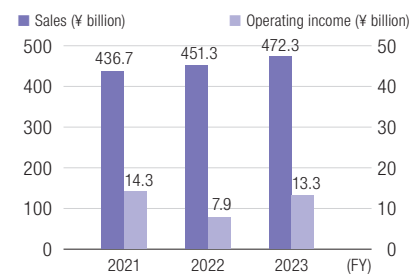
In the Medium-term Management Plan for fiscal 2023 to fiscal 2025, the products and services in each segment are classified into four categories: "growth-driving businesses," "new business," "stable business" and "business for reforming." This classification is based on two axes: growth potential/ attractiveness of the market, and business profitability, toward building a stronger business portfolio. The plan aims to accelerate concentrated investment and business structure transformation in focus business areas. By doing so, DNP is committed to generating additional value and creating a better future.

### Three-year performance by segment

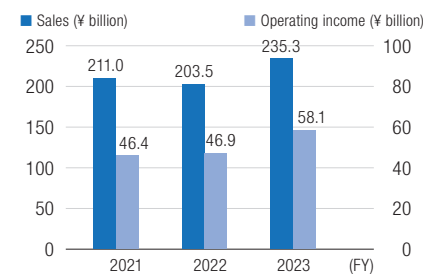
#### Smart Communication



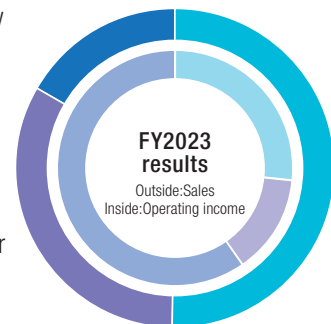
#### Life & Healthcare



#### Electronics



\* Beverages, which was a separate segment in fiscal 2021 and fiscal 2022, has been included in Life & Healthcare since fiscal 2023.



#### Smart Communication

■ Sales: **719.4 billion yen**  
(Ratio by segment 50.3%)  
■ Operating income: **26.1 billion yen**  
(Ratio by segment 26.8%)

#### Life & Healthcare

■ Sales: **472.3 billion yen**  
(Ratio by segment 33.2%)  
■ Operating income: **13.3 billion yen**  
(Ratio by segment 13.7%)

#### Electronics

■ Sales: **235.3 billion yen**  
(Ratio by segment 16.5%)  
■ Operating income: **58.1 billion yen**  
(Ratio by segment 59.5%)



This segment includes the mobility and industrial high-performance materials business, represented by the world's leading share of battery pouches for lithium-ion batteries, and automotive interior and exterior decorative materials, as growth-driving businesses. It also focuses on strengthening the medical & healthcare business, which includes bulk pharmaceutical manufacturing and medical packaging, as a new business. Additionally, it operates the packaging business, with a leading domestic market share in aseptic filling systems for PET bottles, as well as environmentally friendly packaging; the living spaces business, offering products for household interior and exterior decoration, also holding a top domestic market share; and the beverages business. Alongside investing in focus business areas, this segment will also promote the global expansion of existing businesses.

#### Segment strengths

- Provide essential value for security, safety, health, comfort and the environment with a variety of functional films leveraging converting technology, our unique material processing technology
- Accomplishments and reliance on battery pouches for lithium-ion batteries with the world-leading share, and PET bottle aseptic filling systems and products for household interior and exterior decoration with the leading share in Japan

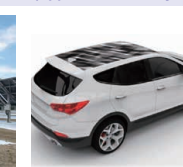
#### Mobility and industrial high-performance materials (Approx. 75 billion yen)



Lithium-ion battery pouches



Photovoltaic modules



Automotive decorative films, etc.



API business / Pharmaceuticals business



Medical packaging business

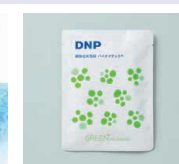
#### Other medical-related business

- Clinical trial services for pharmaceutical companies
- Diagnostic imaging business
- Value-added pharmaceutical development
- Development of various components related to regenerative medicine and cellular medicine, etc.

#### Packaging (Approx. 230 billion yen)

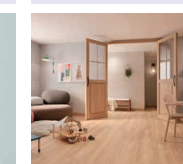


Aseptic filling systems

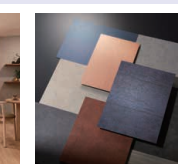


Functional packaging materials

#### Living spaces (Approx. 62 billion yen)



Interior materials



Exterior materials

#### Beverages (Approx. 56 billion yen)



#### Other (Approx. 7 billion yen)



This segment includes imaging communication, where we boast the top global market share in dye-sublimation thermal transfer printing media; information security, where we offer solutions such as Business Process Outsourcing (BPO) and authentication security; content & XR communication, a new area; and other domains such as marketing, publishing and education. By combining information (I) technologies such as project planning and design, and information processing with printing (P) technologies such as plate making, printing and binding, and deepening collaboration with domestic and international partners, this segment aims to contribute to well-being lives.

#### Segment strengths

- Provide new customer experience value by utilizing high-definition image processing technology, as well as the capability to securely deliver large volumes of digital data, and integrate and optimize business processes
- Accomplishments and trust such as dye-sublimation thermal transfer photo media products with the world-leading share and smart cards for financial institutions with the leading share in Japan

#### Imaging communication (Approx. 105 billion yen)



Dye-sublimation thermal transfer printing media for photo prints



Dye-sublimation photo printer



"Ki-Re-i" ID photo printing machines

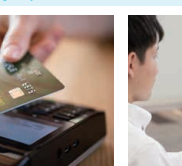
#### Information Security (Approx. 208 billion yen)



BPO



Smart cards



Authentication / security

#### New business/Other (Approx. 22 billion yen)



Content & XR communication



Education



Digital marketing

#### Marketing (Approx. 130 billion yen)



Commercial printing

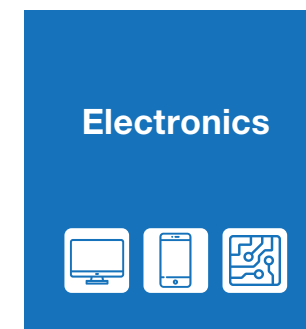


"honto"  
(book sales and related services)

#### Publishing (Approx. 255 billion yen)



Books and magazines



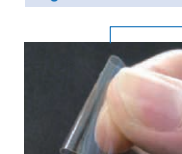
This segment includes the digital interface business, featuring optical films for displays\* and metal masks for manufacturing organic light-emitting diode (OLED) displays, both of which hold the world's top market share; and the semiconductor business, which includes photomasks for manufacturing semiconductor products and lead frames for semiconductor packaging materials, as growth-driving businesses. The segment will concentrate investments in these areas and work to enhance production capacity to stay ahead of expanding global demand. It will also strengthen partnerships with external partners to further expand the value it provides within the global supply chain.

\* In the case of anti-reflection film and anti-glare film used on the surface of displays

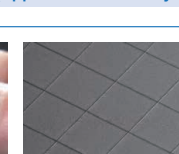
#### Segment strengths

- Develop industry-leading products leveraging large surface area functionalization technology, micro and nano modeling technology, optical control technology, etc.
- Accomplishments and trust from products with a world-leading share in areas such as metal masks for OLED displays and optical films for displays

#### Digital interfaces (Approx. 173 billion yen)



Flexible hard coat film



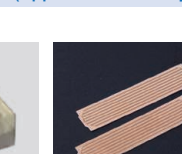
Transparent film



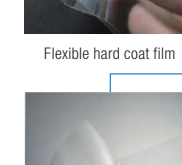
Used in sensor light sources, etc.



Diffractive optical element (DOE)

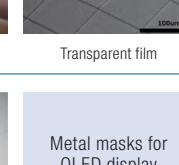


Vapor chambers

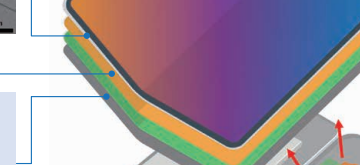


Optical film for displays

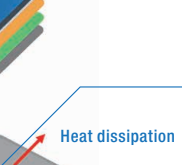
• Functional film for polarizers  
• Retardation film, etc.



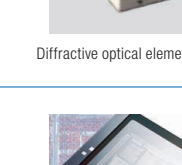
Metal masks for OLED display manufacturing



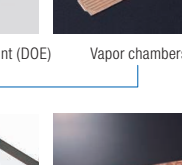
Heat dissipation



Materials for semiconductor chip manufacturing



Master for making semiconductors (Photomask)



Lead frame

## Growth-driving Businesses

### Electronics

# Optical Films

(Anti-reflection (AR) film, anti-glare (AG) film, retardation film)

Digital interfaces

Top global share\*

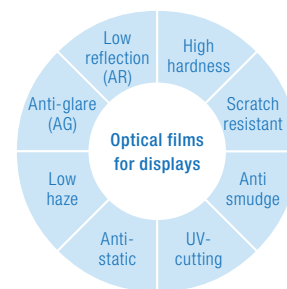
\* In the case for anti-reflection film and anti-glare film used on the surface of displays

### Business overview & DNP's strengths

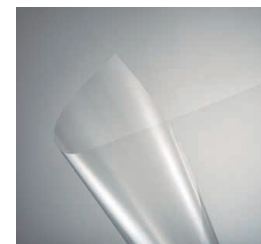
DNP provides optical films for displays with diverse functions by leveraging our proprietary optical design and converting technologies. From large displays for televisions to those used in laptops, tablet devices, smartphones and automobiles, we offer a diverse range of products tailored to various devices and applications. We anticipate global trends, manufacturer demands and consumer expectations, continually striving to achieve even higher functionality. We have consistently developed anti-reflection (AR) films, anti-glare (AG) films and retardation films, and have introduced the world's widest production equipment for display films. As a result, we have achieved the top global market share in AR and AG films. Moving forward, DNP will continue to provide displays with more vivid colors, expand the scope of use of devices and enhance usability, thereby realizing comfortable lifestyles.

### DNP's strengths

- Technology for larger sizes and high functionality, optical design to control light, and material and coating technology
- In-line multilayer coating production equipment for products with high functionality and high quality
- Extensive patents and know-how related to materials, manufacturing methods and products
- Ability to provide a stable supply of high-quality products while pursuing high productivity
  - World's largest ultra-wide 2,500 mm line for surface treatment films for displays
  - Roll-to-roll production in a clean environment



Diverse product lineup enabled by DNP's technology and multifunctionality

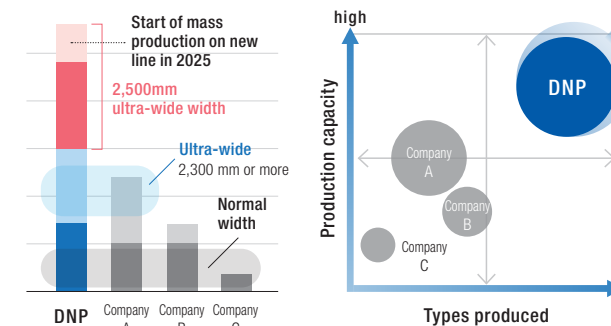


DNP's optical films utilizing optical design technology to control light reflection and reduce glare in lighting and other applications

### Growth strategy

- Aim to drive the market and further expand our market share through the expansion of production capacity and product lineup
- Expand ultra-wide width line capacity, which is advantageous for large displays
- Accommodate various film substrates
  - Capable of handling TAC (triacetylcellulose), acrylic and PET (polyethylene terephthalate)
  - Utilize DNP's proprietary patents to employ a special PET with low moisture permeability and reduced rainbow effect for large displays

### Expansion of product capacity



### Expansion of product lineup

(Mass production track record)

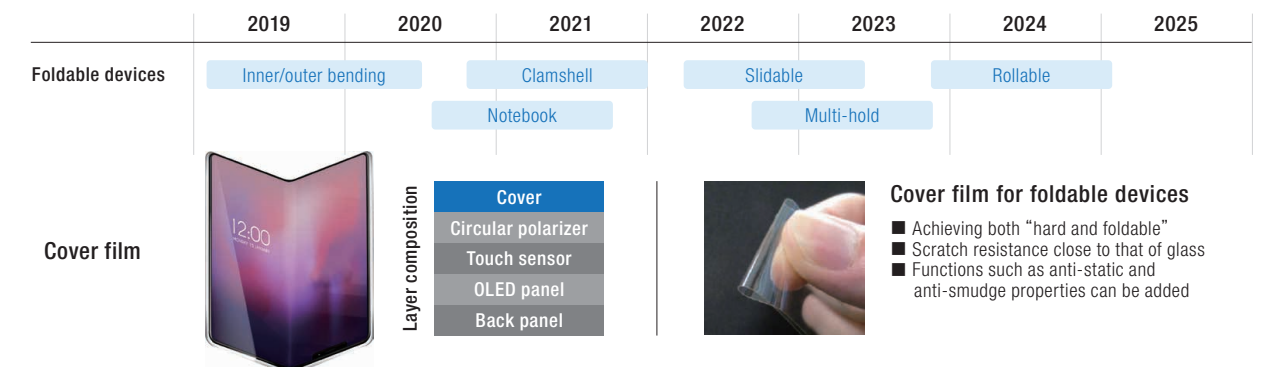
Mainstream for large TVs

Substrate	TAC				Acrylic				PET			
	AG	AGLR	CHC	CHCLR	AG	AGLR	CHC	CHCLR	AG	AGLR	CHC	CHCLR
Type	AG	AGLR	CHC	CHCLR	AG	AGLR	CHC	CHCLR	AG	AGLR	CHC	CHCLR
DNP	●	●	●	●	●	●	●	●	●	●	●	●
Company A	●	●	●	●								
Company B	●	●	●	●	●	●						
Company C			●									

### Developing and providing cover film for foldable displays

- We have developed films with exceptional hardness and flexibility through optimal selection of substrates and ink design and formulation

Note: Estimate by DNP based on various materials



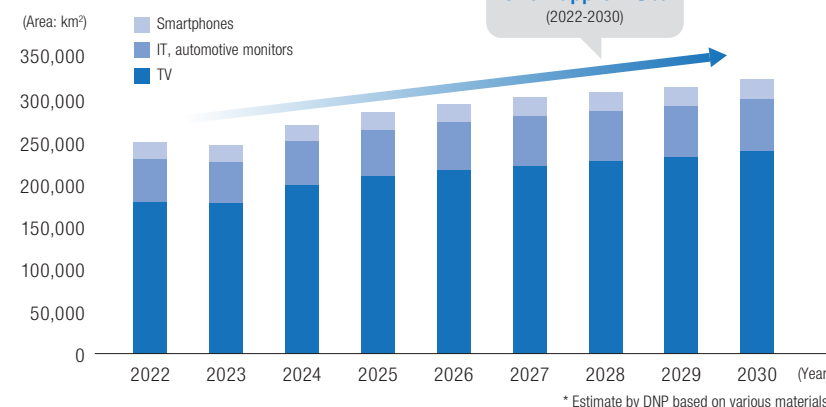
### Cover film for foldable devices

- Achieving both "hard and foldable"
- Scratch resistance close to that of glass
- Functions such as anti-static and anti-smudge properties can be added

### Market environment

- The display market is expected to grow at a CAGR of about 3% in terms of surface area, driven by the trend toward larger TVs, despite limited growth in unit sales.

### Outlook for the global display market

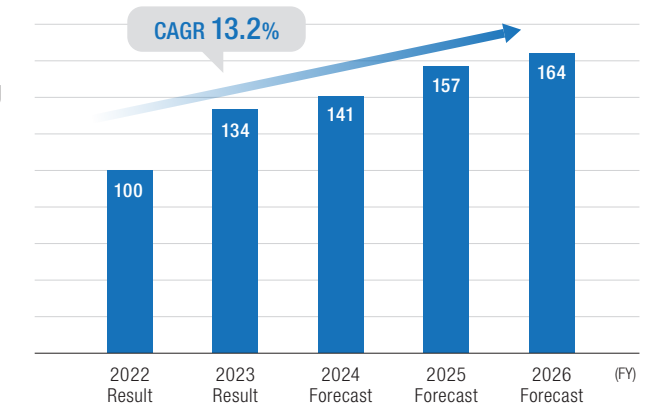


\* Estimate by DNP based on various materials

### Performance trends and future outlook

- DNP plans to achieve a CAGR of 13.2%, surpassing the market growth rate, by continuing to adapt to the evolving display market through the development of high-value-added products and further increasing its market share with a diverse product lineup.
- We contribute to the development of display technology from research and development to mass production to realize comfortable lifestyles.
- We are providing new value for "displays of the future."

### Sales (Comparison indexed to FY2022 as 100%)





## Growth-driving Businesses

### Electronics

## Metal Masks for

## Manufacturing OLED Displays

Digital interfaces

Top global share

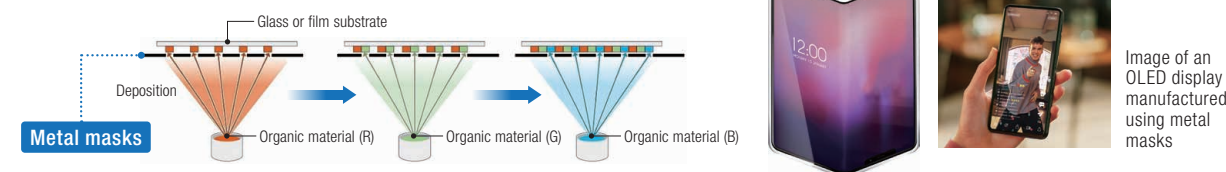
### Business overview & DNP's strengths

Metal masks are key components used in the deposition method, which is the current standard for manufacturing small to medium-sized OLED displays. They are essential for forming red, green and blue (RGB) organic materials on glass or film substrates. The adoption rate of OLED displays in smartphones is expected to exceed 50% in 2024, with expanding use in tablets, laptops and automotive devices, contributing to anticipated market growth. DNP began developing metal masks in 2001 by leveraging its proprietary photolithography and etching processing technologies. Having contributed to the OLED display market since its early days, DNP now holds a leading global market share, particularly in the smartphone sector. DNP will continue to contribute to thinner, lighter and higher resolution displays while also developing applications for OLEDs using flexible shapes to enhance comfortable lifestyles.

### DNP's strengths

- High-precision photolithography and etching processing technologies
- Superior technological development capabilities
- Extensive patents and know-how related to materials, manufacturing methods and products
- Ability to provide a stable supply of high-quality, high-definition products

### Deposition process in OLED display manufacturing



Trends	DNP's solutions	Impact on society
<ul style="list-style-type: none"> <li>■ Increasing demand for smartphones</li> <li>■ Increasing use in small and medium devices</li> <li>• Smartwatches</li> <li>• Tablets</li> <li>• Laptops</li> <li>• Automotive</li> </ul>	<ul style="list-style-type: none"> <li>■ High-definition metal masks are manufactured using proprietary photolithography and etching processing technologies.</li> </ul> <p><b>DNP has obtained the top global market share particularly for smartphones</b></p>	<ul style="list-style-type: none"> <li>■ Realization of thinner, lighter and higher resolution displays</li> <li>■ Expansion of possibilities for new applications using flexible shapes</li> </ul> <p><b>Realizing comfortable lifestyles</b></p>

### Growth strategy

#### ■ Invested approximately 20 billion yen to expand production capacity

- Kurosaki Plant (Fukuoka Prefecture) production line began operation in May 2024
- It supports 8th generation glass substrates with high production efficiency
  - Acting in anticipation of the need for larger OLED displays
  - Optimizing Business Continuity Plan (BCP), enabling a backup for the existing production site, Mihara Plant (Hiroshima Prefecture)



Exterior of the Kurosaki Plant in Fukuoka Prefecture



8th generation metal mask (left), 6th generation (center, right)

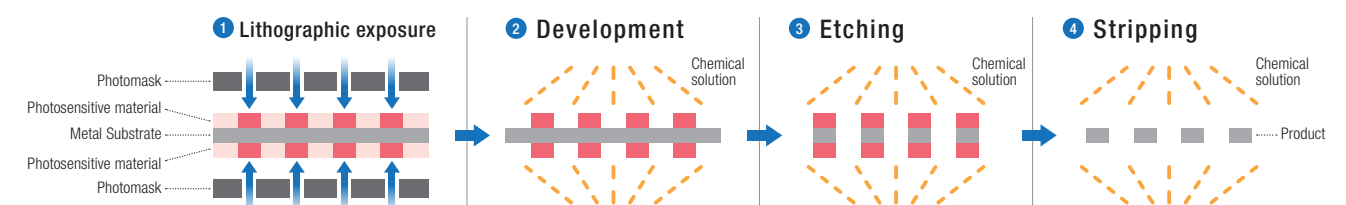
#### ■ Leveraging technological strengths and patent strategies to maintain and enhance global market leadership

- Proprietary photolithography and etching processing technologies for realizing high-definition microfabrication
  - Metal masks created by the technology of making "printing stamps"

In order to print more beautifully and clearly, we have refined the technology of making "plates" and evolved it into a high-precision "microfabrication" technology.

- Metal masks require a high level of precision in the positioning and size of holes that allow organic materials to pass through. DNP's highly accurate photolithography technology and wet etching technology for metal are major strengths.

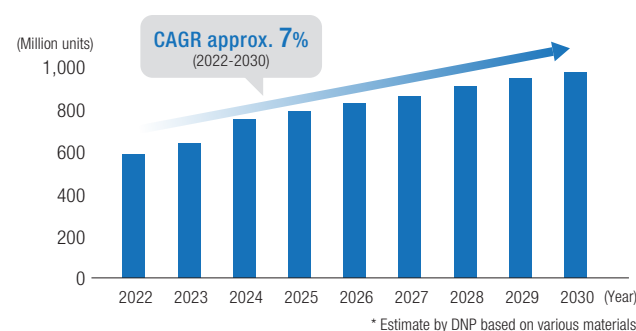
### Conceptual diagram of general photolithography and etching processing technologies



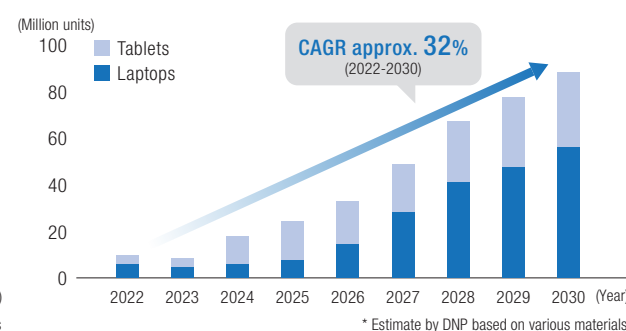
### Market environment

- The transition from LCD to OLED displays for smartphones is advancing, with an expected CAGR of approximately 7% from 2022 to 2030.
- For tablets and laptops, a growth rate of around 32% is forecast.

#### ☑ OLED demand forecast for smartphones



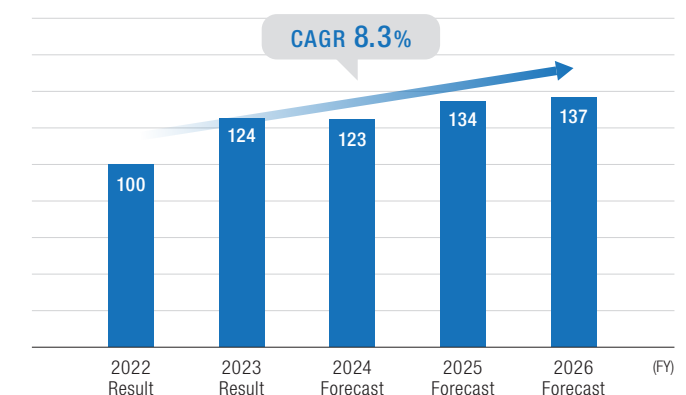
#### ☑ OLED demand forecast for laptops and tablets



### Performance trends and future outlook

- DNP will continue to adapt to changes in the display market and ensure stable supply.
- Through the execution of our growth strategy, we plan to achieve a CAGR of 8.3%, surpassing the market growth rate.

#### ☑ Sales (Comparison indexed to FY2022 as 100)





## Growth-driving Businesses

### Electronics

# Semiconductor

# Production Photomasks

Semiconductors

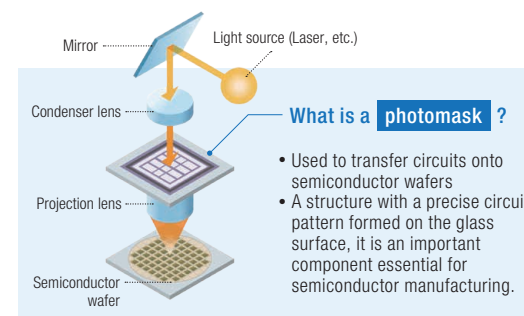
Top-level market share in photomasks for external sales

### Business overview & DNP's strengths

DNP provides a range of products and services throughout the entire semiconductor manufacturing process. In the front-end process of semiconductor chip production, photomasks play a crucial role. These glass plates function like photographic negatives, using light to transfer intricate circuit patterns onto substrates. DNP combines microfabrication technology, such as plate-making and patterning, to create and accurately transfer intricate patterns onto various substrates, similar to printing stamps. Starting with the successful development of vapor-deposited masks for transistors in 1959, DNP now offers a range of photomasks, achieving patterns at the nanometer (one-billionth of a meter) level and contributing to the evolution of electronics products. In addition to investing in expanding photomask production capabilities both domestically and internationally, we are also strengthening alliances with numerous external partners. This will enable us to further enhance our value contribution to the semiconductor supply chain.

### DNP's strengths

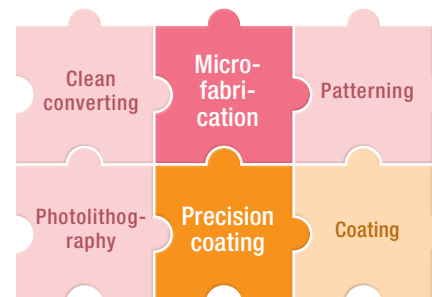
- Offering a range of products and services throughout the entire semiconductor manufacturing process
- Creating value through the integration of unique technologies developed in printing
- Capability to address cutting-edge semiconductor manufacturing processes such as nanoimprint, extreme ultraviolet (EUV) and curvilinear
- Accelerating value creation through strengthened alliances with external partners



### Examples of our core technology in Electronics

We utilize our distinctive optical design technology as the foundation, incorporating precision thin-film clean coating technology and converting technology, including LCD coating, to deliver optical film products with a wide range of functionalities.

This technology forms high-resolution replica images by exposing a photosensitive agent applied to the substrate's surface to light or electron beams, thus creating the original image.



This involves etching technology, where materials undergo chemical corrosion and removal to achieve the desired structure, and molding technology, utilizing molds made of metal, glass, or resin to replicate the material's uneven shape on a printed substrate.

Wet coating is a process in which inked materials are thinly and uniformly applied to cover the surface of a substrate. When combined with substrate design technology, it allows for the creation of coatings with various functionalities.

### Growth strategy

#### Strengthen ability to address advanced fields

##### Accelerate development of masks for EUV

- Adapt to further miniaturization of circuit patterns with shorter-wavelength EUV technology
- Increase number of multi-beam mask writers
- Complete 3nm node development and commence 2nm node development

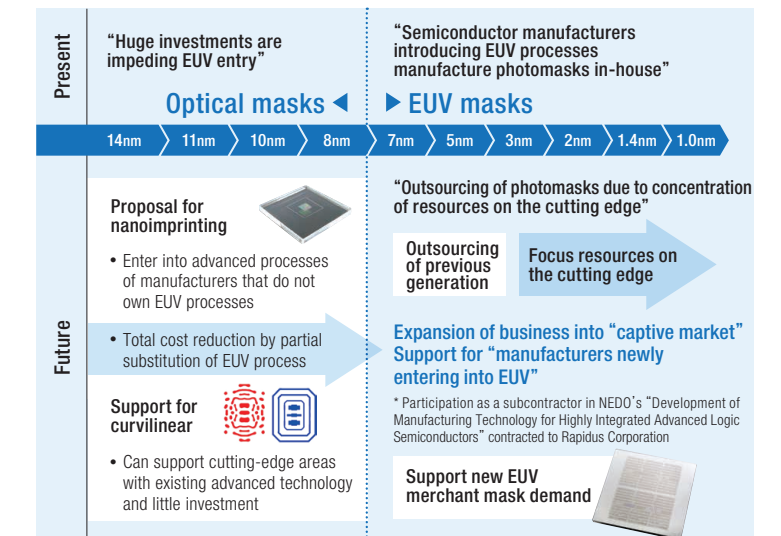
##### Promote development of nanoimprint

- Form circuit patterns by physically pressing a substrate with fine unevenness
- Contribute to cost reduction and carbon neutrality by consolidating multiple processes
- Support development as inquiries from various companies increase

##### Accelerate curvilinear development

- Technology for achieving high precision through interaction by forming complex patterns that are not transferred onto photomasks
- Respond to increasing inquiries from various companies

### Advanced processes and DNP's initiatives

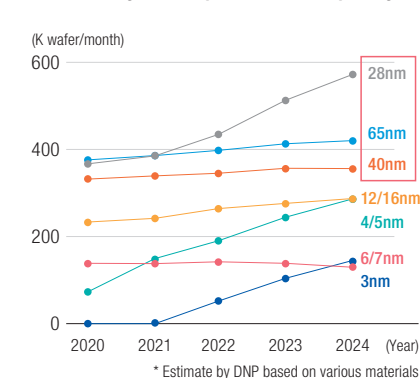


#### Expansion of production capacity for semiconductor products in the volume zone

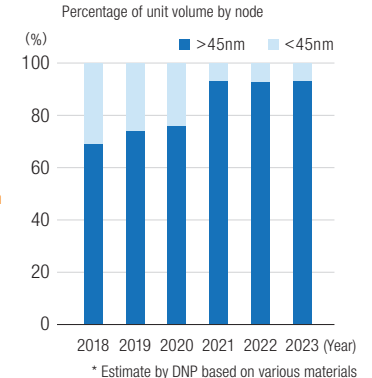
##### Promote investment in mid-range node semiconductor products

- Expand production capacity to 120% of 2022 levels by 2025 through the operation of production facilities from fiscal 2023 to 2025

#### Foundry wafer production capacity



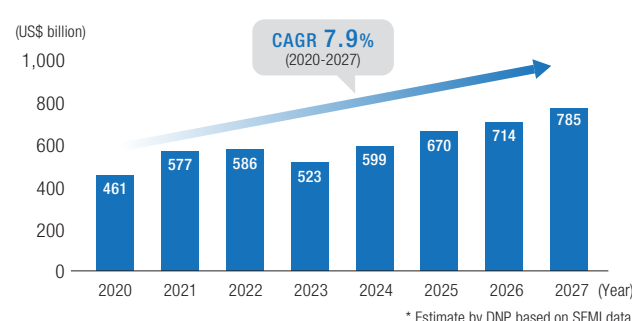
#### Photomask merchant market



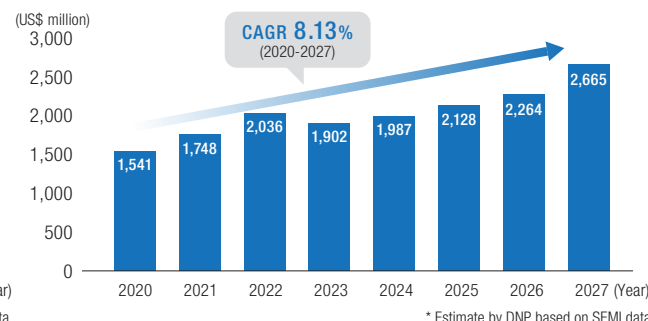
### Market environment

- The semiconductor market is forecast to expand at a CAGR of 7.9% from 2020 to 2027, driven by growth in AI-related technologies and automotive applications.
- The photomask market can be roughly divided into the captive market, which targets semiconductor manufacturers' in-house production, and the merchant market, which targets semiconductor manufacturers that do not have their own in-house production divisions. With vigorous equipment investments from various manufacturers, the merchant market is expected to grow by 8.13% from 2020 to 2027.
- DNP's photomask business is targeting the merchant market for the time being. Going forward, DNP will expand its business into the captive market with new products.

#### Semiconductor market actual/forecasts

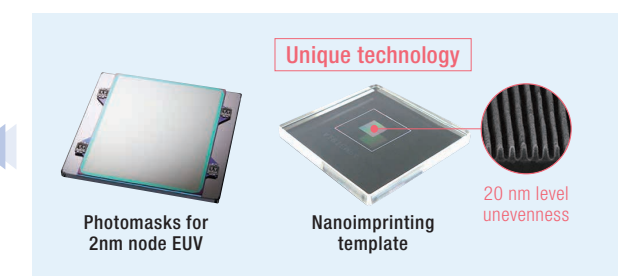
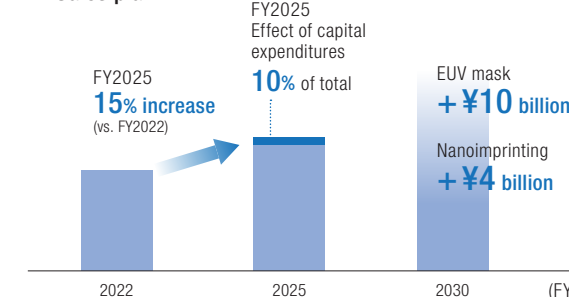


#### Photomask merchant market actual/forecasts



### Performance trends and future outlook

#### Sales plan



## Growth-driving Businesses

### Electronics

# Glass Core for Semiconductors (IC chip mounting substrates)

Semiconductors

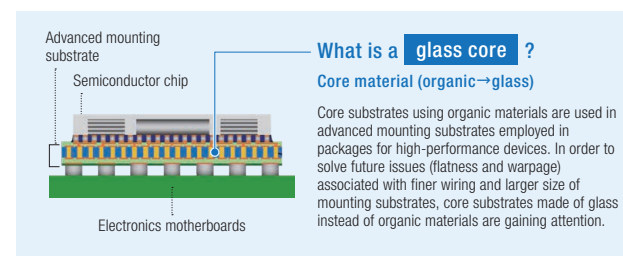
New business development

### Business overview & DNP's strengths

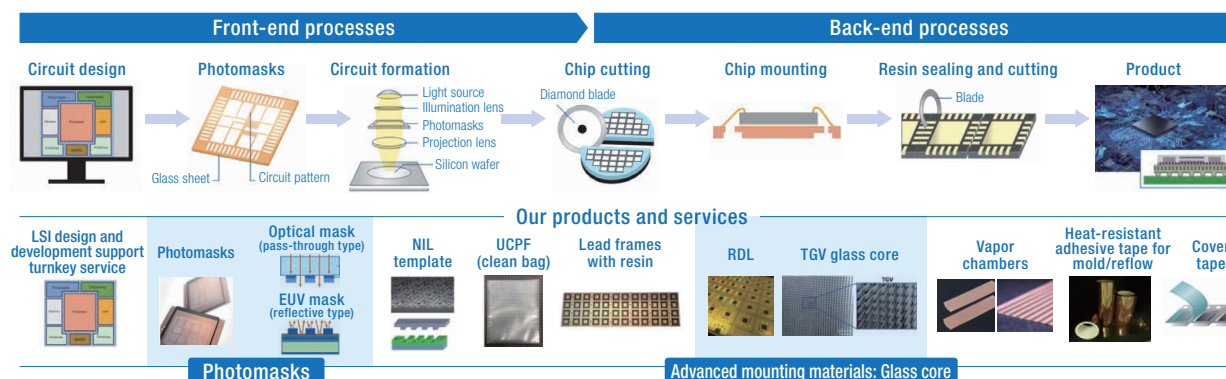
This substrate is used in the back-end chip mounting process of semiconductor manufacturing. DNP, which has a history of manufacturing lead frames for semiconductor mounting with wide line widths, is leveraging its accumulated technology and expertise to advance the development of glass cores for cutting-edge semiconductors with narrow line widths. Currently, substrates that support semiconductor chips are called 'cores,' and resin cores are commonly used. However, with the trend toward finer circuit patterns and larger chips, there is a growing demand for cores with more advanced flatness and reduced warping, making glass an attractive material. This requires the formation of fine, high-density Through Glass Via (TGV) connecting the front and back of the glass. DNP is combining its precision processing technology from photomasks and micro electro mechanical systems (MEMS) products with its expertise in handling thin, large glass used in LCD color filters to realize glass cores. We are accelerating development to drive new growth in this area.

### DNP's strengths

- Developed a next-generation semiconductor package TGV glass core substrate in March 2023 through the combination of proprietary technologies
- Applied and advanced technologies for handling thin, large glass and precision processing
- Improved adhesion between glass and metal using a new method developed by DNP, achieving high precision and reliability



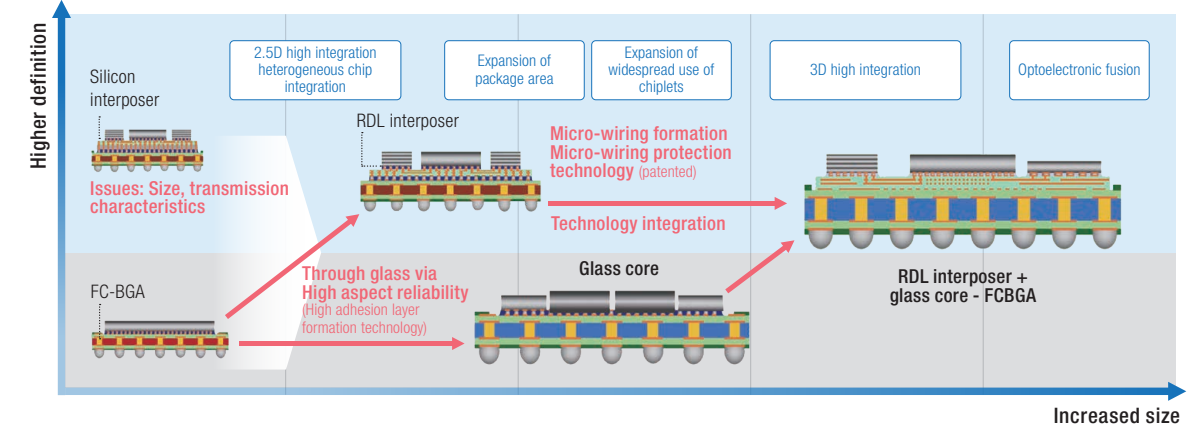
### Semiconductor fabrication process and DNP's semiconductor-related products and services



### Growth strategy

- Develop a roadmap for advanced mounting substrates for semiconductor products and steadily create new value. Leverage DNP's unique technology and collaboration with supply chain partners as strengths to introduce new products to the market.

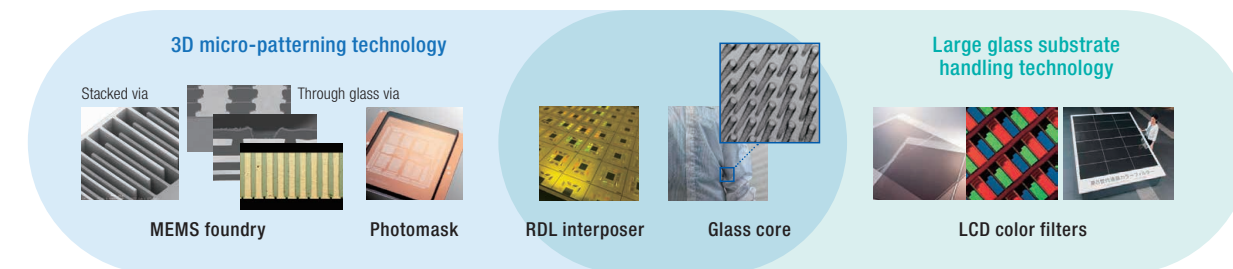
#### DNP's advanced mounting substrates roadmap



- Expansion of the lineup of advanced semiconductor mounting components by leveraging foundational technologies

- Expansion from the existing lead frames business to the advanced mounting area—new businesses that drive growth in the next generation
- Developing businesses that address next-generation technologies such as optoelectronic integration

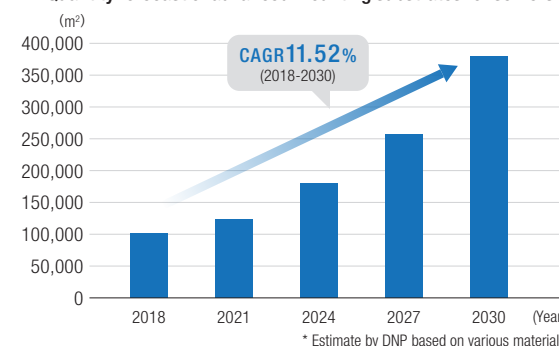
### DNP's basic technology and advanced mounting materials for semiconductors



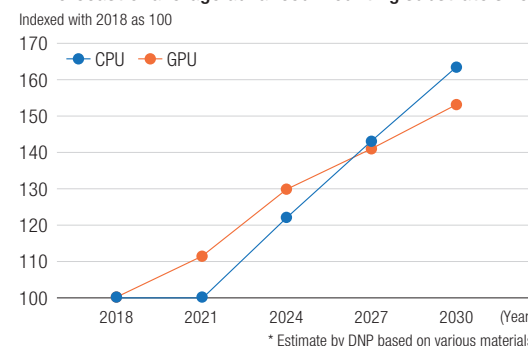
### Market environment

- Against the backdrop of advances in AI and the expansion of semiconductor chips, mounting substrates for advanced devices continue to grow in size.
- With the trend toward larger substrates, there is a growing demand for glass cores to address issues related to warping and flatness.
- DNP's business target is the market for advanced mounting substrates for high-performance devices (CPUs/GPUs) used in servers.

#### Quantity forecast of advanced mounting substrates for servers (area basis)



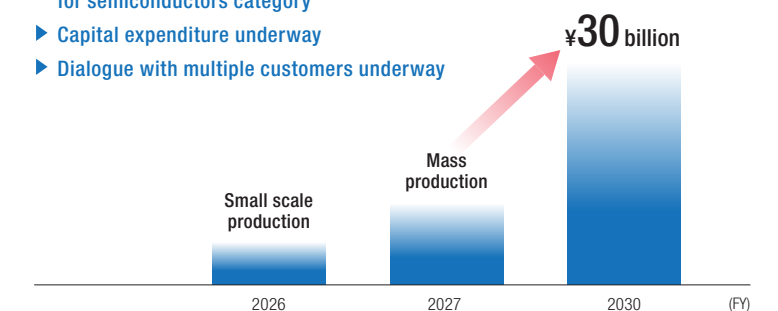
#### Forecast of average advanced mounting substrate size for servers



### Performance trends and future outlook

- DNP's next-generation semiconductor package TGV Glass Core Substrate won the Grand Prize at the Semiconductor of the Year awards (organized by Sangyo Times, Inc.) in 2023. In response to market expectations and the needs of various companies, DNP will accelerate capital investment, starting small-scale production in fiscal 2026 and full-scale production in fiscal 2027.
- Alongside the development of redistribution layer (RDL) interposers and other related technologies, we aim to grow the advanced mounting components business to a scale of 30 billion yen in fiscal 2030.

- ▶ "Market expectations" "Semiconductor of the Year 2023" Awarded the grand prize in the electronic materials for semiconductors category
- ▶ Capital expenditure underway
- ▶ Dialogue with multiple customers underway





## Growth-driving Businesses

Life & Healthcare

# Battery Pouches for Lithium-ion Batteries

Mobility and industrial  
high-performance materials

Global-leading  
market share

### Business overview & DNP's strengths

A battery pouch serves as the outer casing for lithium-ion batteries, designed to protect the internal components. DNP has achieved key features for this product, such as high insulation, superior sealing and airtightness, through its unique combination of technologies. Being a film-type material, it is lighter and more versatile compared to conventional metal can types. Consequently, the market for battery pouches has expanded, particularly for IT devices like smartphones and tablets, as well as for automotive applications such as electric vehicles (EVs). To meet the anticipated growing demand, DNP will increase its production capacity both domestically and internationally. By leveraging its strengths in unique converting technologies and proprietary patents, DNP aims to maintain and strengthen its position as the global leader in market share. Additionally, we will work toward establishing ourselves as the industry's de facto standard and enhancing our presence in the global market.

### DNP's strengths in realizing essential functions for battery pouches

- High sealing and airtightness to prevent electrolyte leakage
- High water vapor barrier property to prevent moisture ingress
- High moldability to increase battery capacity
- High insulation to support high voltage and large batteries
- Heat resistance and stability at high temperatures to ensure stable operation in harsh environments



### DNP's strengths in enhancing competitiveness

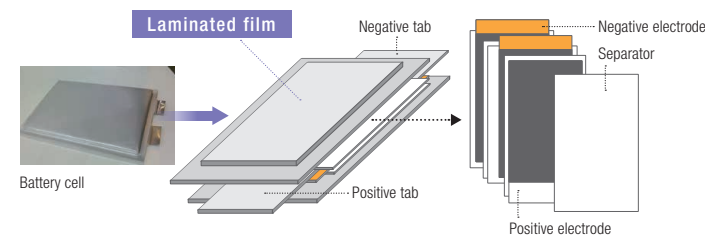
- Global standard
- Stable track record even for use with large-scale batteries
- Certified to IATF 16949 automotive quality management systems



Product image and product lineup



Laminated cell structure

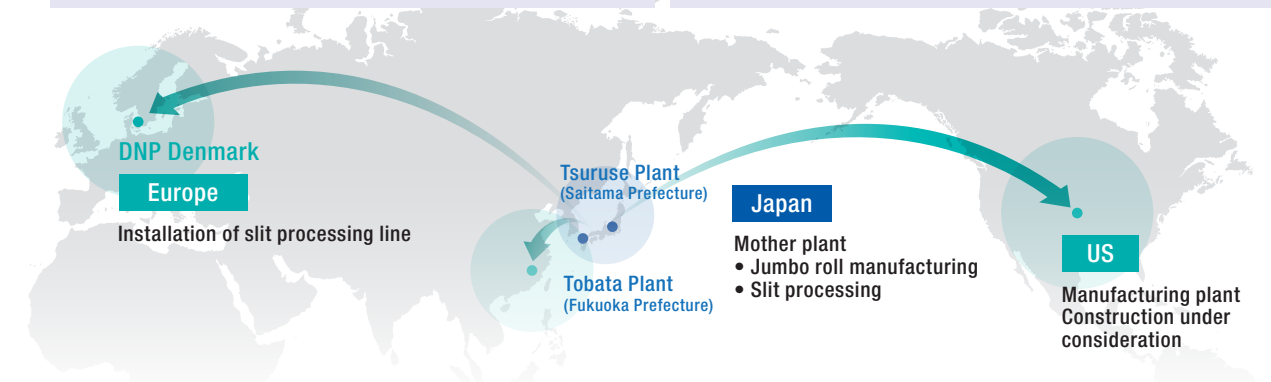
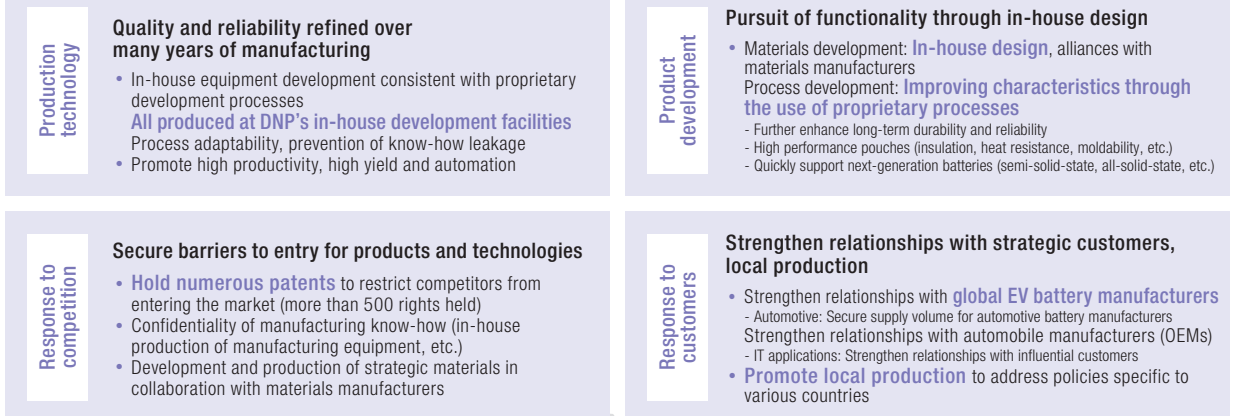


Laminated electrode

### Growth strategy

- **Production technology:** Prevent know-how leakage through in-house equipment development consistent with proprietary development processes
- **Product development:** Advance technology by designing materials in-house and forming special partnerships with material manufacturers
- **Response to competition:** Maximize strengths while restricting new market entrants by leveraging over 500 patents
- **Response to customers:** Enhance production capacity by considering local production in key regions around the world

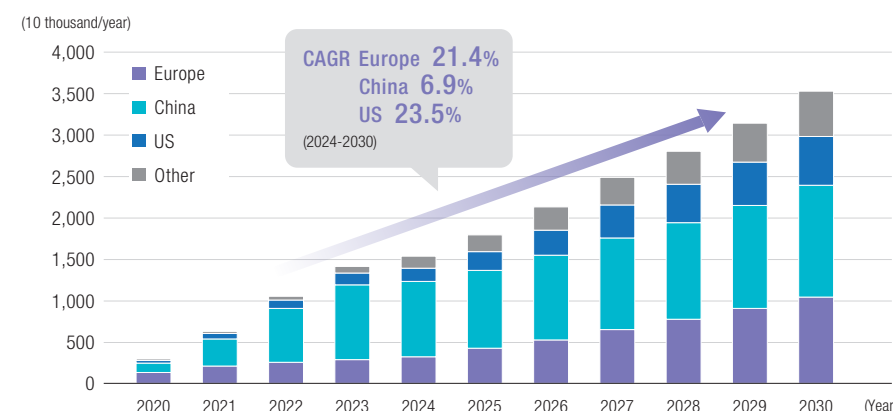
Maintain and expand status as industry leader in pouches by leveraging years of experience in advanced quality and reliability



### Market environment

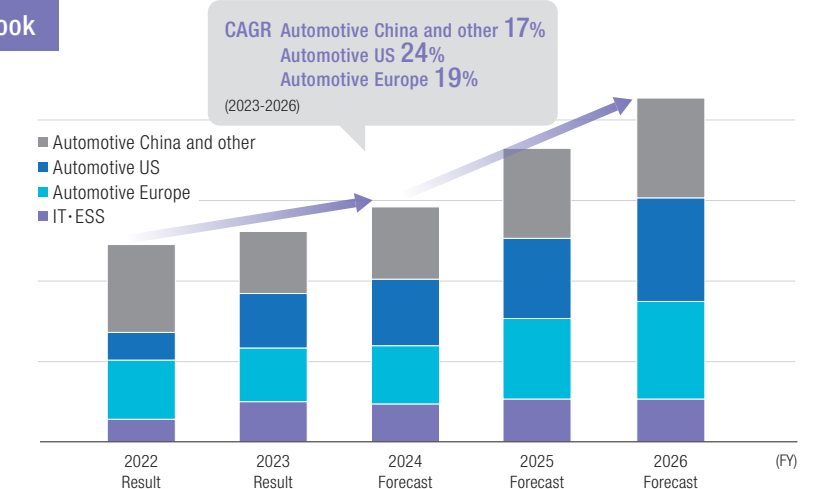
- The major trend of automobile electrification is expected to steadily progress, encompassing electric vehicles (EVs), plug-in hybrid vehicles (PHEVs) and hybrid vehicles (HEVs).

EV+PHEV sales volume by region



### Performance trends and future outlook

- Until 2020, the business expanded mainly in IT applications, focusing on smartphones, tablets and laptops. However, the automotive sector has since grown, now accounting for 70-80% of the total.
- Although demand for EVs in Europe and the United States slowed in fiscal 2023, usage of EVs, PHEVs, and HEVs is expected to increase from 2025, with battery pouches projected to grow at an annual rate of 15-20%.





## New Business

Life & Healthcare

# Medical and Healthcare Business

Medical &amp; healthcare

New business development

### Business overview & DNP's strengths

DNP is engaged in a packaging business that utilizes multi-layered films with various functionalities to protect contents from oxygen, water vapor and other elements, thereby extending shelf life, facilitating transportation and making it more user-friendly for a wider audience. Leveraging strengths cultivated since the 1950s, primarily in the packaging sector, DNP is promoting its (1) medical packages business while also focusing on the (2) API business, which started in 2013. The (3) formulation business, acquired through the consolidation of CIMIC CMO Co., Ltd. in 2023, is central to DNP's healthcare business, along with the other two businesses. Additionally, the company is enhancing its strengths as a group by advancing businesses such as clinical trial outsourcing and diagnostic imaging. DNP is committed to providing value that contributes to the entire medical supply chain, including projects aimed at further enhancing the added value of pharmaceuticals and those related to regenerative medicine.

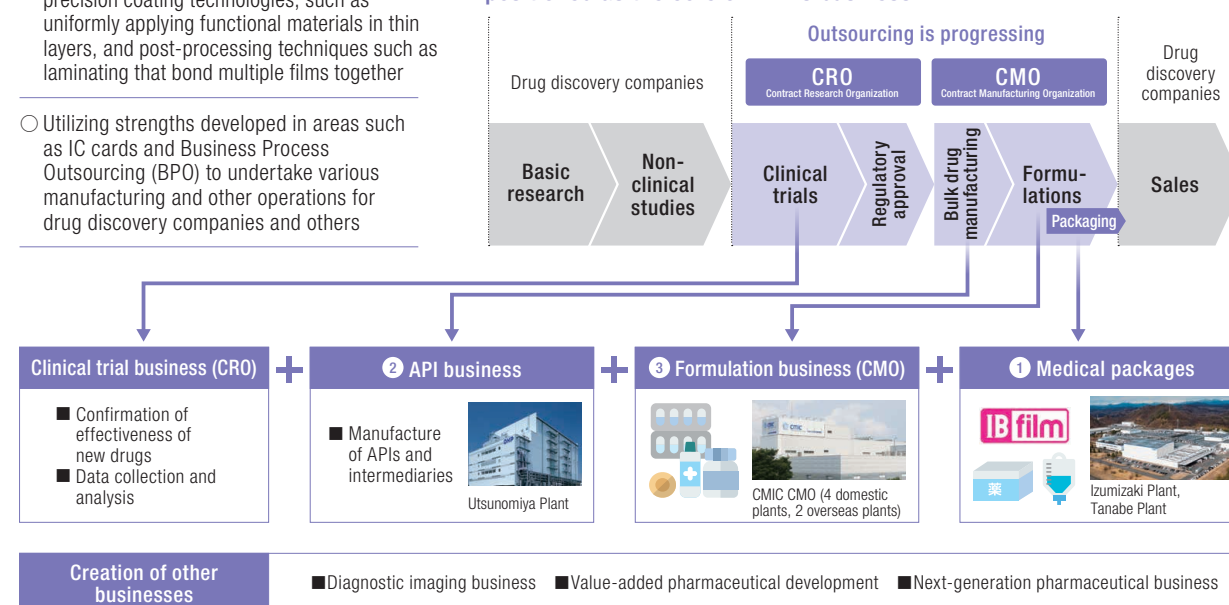
### DNP's strengths

○ Creation of value through the combination of precision coating technologies, such as uniformly applying functional materials in thin layers, and post-processing techniques such as laminating that bond multiple films together

○ Utilizing strengths developed in areas such as IC cards and Business Process Outsourcing (BPO) to undertake various manufacturing and other operations for drug discovery companies and others

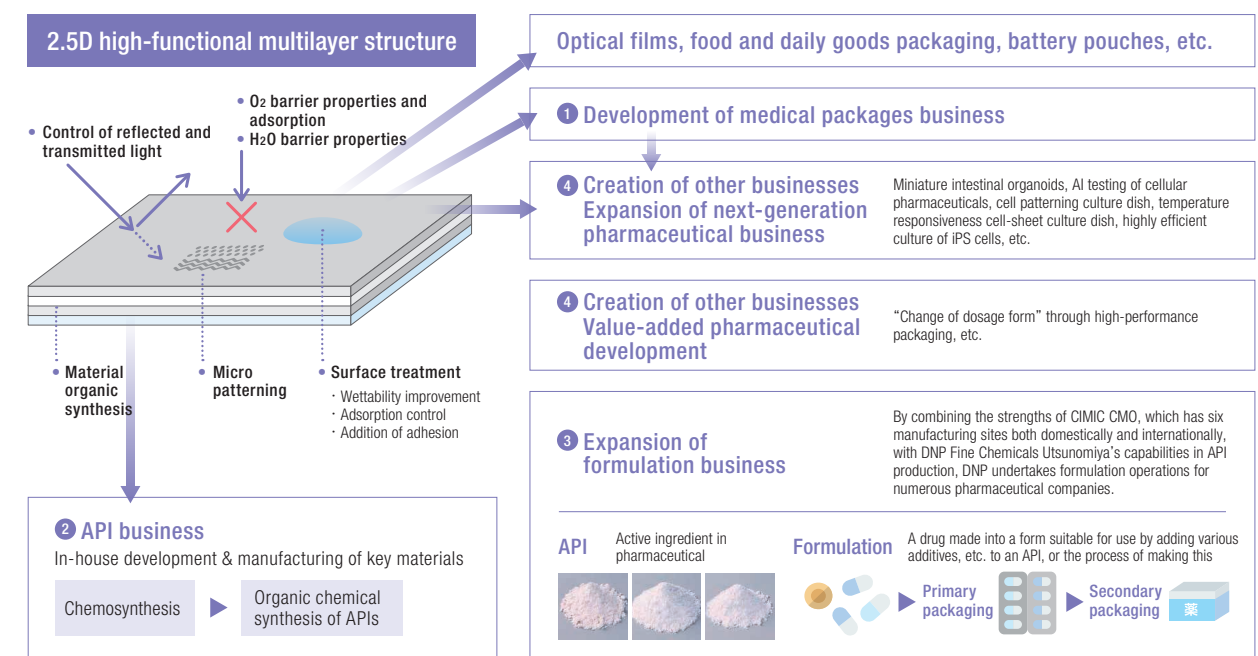
### Overview of DNP's medical and healthcare business

Outsourcing for pharmaceutical companies is positioned as the core of DNP's business



### Growth strategy

- Medical packages:** Leverage strengths in multi-layering diverse functional films to develop and provide packaging for pharmaceuticals and medical devices. By combining this with formulation technologies, DNP aims to enhance the added value of products such as anticancer drugs.
- API business:** Promote the development of raw materials for multi-layer structures and pharmaceutical APIs at DNP's factories equipped with chemical synthesis processes. Deepen collaboration with CIMIC CMO to aim for the building of an integrated manufacturing process from APIs to drug formulation.
- Formulation business:** CIMIC CMO is the third largest CMO operator in Japan. Leveraging its strengths in manufacturing over 300 pharmaceutical products across six factories both domestically and internationally, the business aims to expand further.
- Creation of other businesses:** This includes contracting clinical trial operations for pharmaceutical companies, expanding the diagnostic imaging business with a focus on the practical application of AI technology, developing value-added pharmaceuticals, and creating various materials related to regenerative medicine and cellular medicine.



### Market environment

- The global pharmaceutical market is expected to expand from 141 trillion yen in 2018 to 196 trillion yen in 2030.
- The weight of low-molecular-weight pharmaceuticals manufactured through chemical synthesis is significant, with particularly strong growth expected in highly pharmacologically active drugs such as anticancer drugs.
- DNP is engaged in pharmaceutical manufacturing primarily in the low-molecular-weight pharmaceutical sector while also aiming to build businesses in biopharmaceuticals and cellular medicine.

### Low-molecular-weight pharmaceuticals

Large and major mature market, yet exhibiting stable growth

¥110 trillion (2018) → ¥122 trillion (2030) (CAGR: 0.9%)

(Number included) Highly pharmacologically active drugs

¥21 trillion (2022) → ¥42 trillion (2030) (CAGR: 10.0%)

### Biopharmaceuticals

Market is expected to expand Large capital expenditure burden

¥30 trillion (2018) → ¥70 trillion (2030) (CAGR: 7.3%)

### Cellular medicine

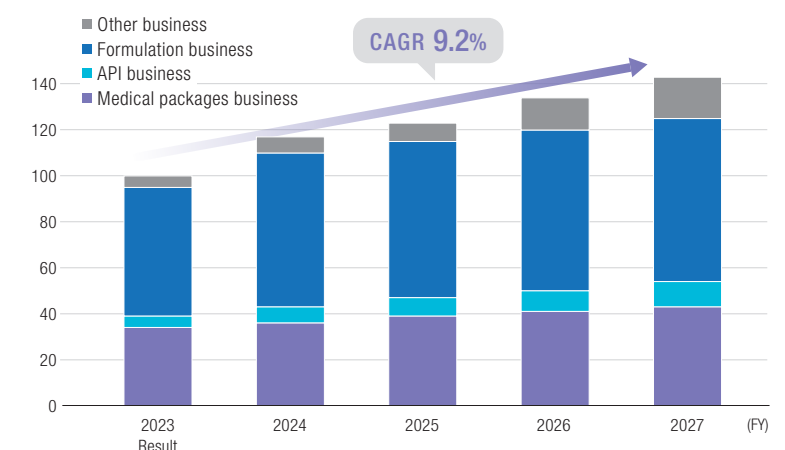
¥950 billion (2021) → ¥4.4 trillion (2026) (CAGR: 47.6%)

### Performance trends and future outlook

- The 1 medical packages, 2 API and 3 formulation businesses are expected to grow steadily, aiming for sales of over 1.4 times the FY2023 results in 2027 (projecting CAGR of 9.2%).
- The DNP Group is committed to contributing more than ever to client companies, including pharmaceutical firms, while continuously supporting people's health and ensuring safe, secure lives.

### Revenue plan for the medical and healthcare business

Comparison indexed to FY2023 as 100



\*Source 1: "Study on Issues for Industrialization Related to Pharmaceuticals, Regenerative Medicine, Cell Therapy, and Gene Therapy, and on Initiatives Required to Resolve These Issues" Arthur D. Little  
URL: [https://www.kantei.go.jp/jp/singi/kenkou/kenkou/singiyou/pdf/r01hosei\\_jyakusanren-sangyouka\\_saisei02.pdf](https://www.kantei.go.jp/jp/singi/kenkou/kenkou/singiyou/pdf/r01hosei_jyakusanren-sangyouka_saisei02.pdf)

\*Source 2: World Preview Report Final 2021 URL: <https://www.scribd.com/document/578590998/WorldPreviewReport-Final-2021#>

\*Source 3: Global Biosimilars Market Expected to Grow at a CAGR of 24.7% from 2022 to 2031 URL: <https://www.report.jp/biosimilars-market-by-type-human/>

## New Business Smart Communication

# Development of businesses content production and XR

## such as communication

Content &amp; XR communication

New business  
development

### Business overview & DNP's strengths

The phrase “running a business that contributes to civilization,” established at the time of the Company’s founding, continues to be upheld today as DNP engages in various businesses that contribute to the cultivation and development of knowledge and culture among people. In this new business under the Medium-term Management Plan, the vision is to communicate content in the most appropriate form, create new value, support comfortable lifestyles, and nurture enriched culture. The mission is to promote communication models that merge the real and virtual, connecting people and society and delivering “new experiential value” to the world through information processing and conversion technologies. The business focuses on advancing content production and developing XR communication, supported by a common foundation comprising three functions. This initiative aims to nurture culture and achieve a comfortable and enjoyable future for all.

### DNP's strengths

- Network with diverse content holders and creators around the world
- Proven track record and reliability in high-definition image processing technology and copyright processing
- Ability to integrate and optimize business processes using authentication technology and technology for processing large volumes of data
- Applying these strengths, we will create a new economic sphere by seamlessly connecting the real and virtual in a safe and secure manner.

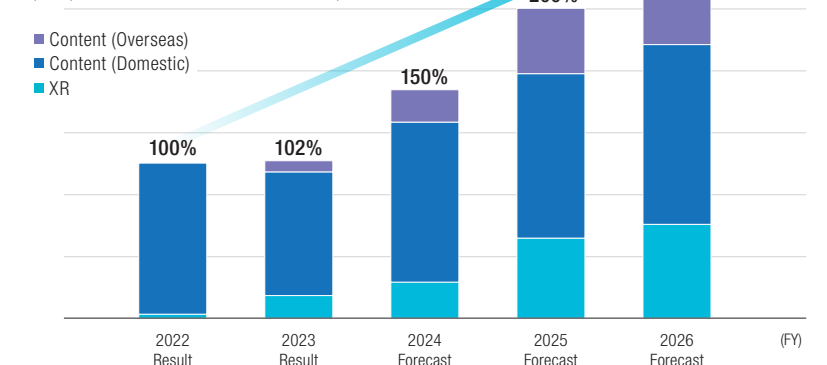
### Content & XR communication: Basic functions

- 1 Producing content**  
(Converting content value)
- 2 XR Communication®**  
(Value creation through fusion of the real and virtual)
- 3 Common infrastructure for content and XR areas**  
“Content planning/production/development,” “authentication/security,” “e-commerce,” “BPR/BPO”

### Performance trends and future outlook

- DNP aims to expand sales in this business to 240% of the FY2022 level by FY2026.
- We will actively invest in content and collaborate with different companies and organizations. For example, in May 2024, we established a capital and business partnership with monoAI technology K.K. to strengthen the foundation of XR communication. Together with our business alliance partners, we will continue to bolster our business promotion system.

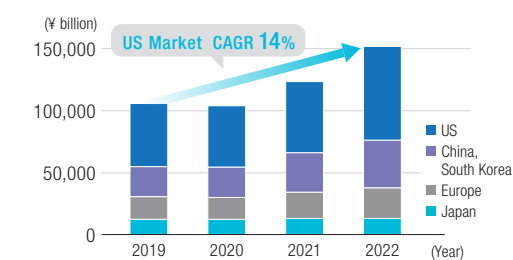
✓ Sales: performance and medium-term plan  
(Comparison indexed to FY2022 as 100%)



## Development of the (1) Content production business

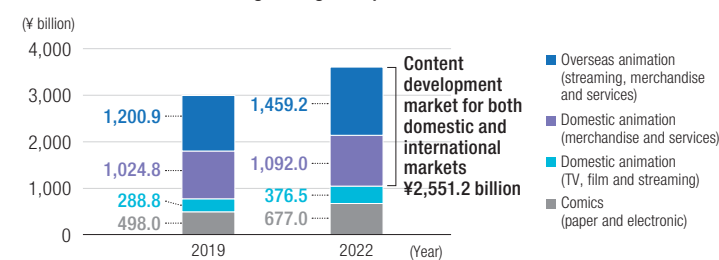
- The size of the overseas content market has nearly doubled in the last decade. The expansion of demand is also driven by secondary content developments, such as merchandise and exhibitions based on comics, anime and games. Diverse media consumption styles for enjoying content have become firmly established worldwide.
- DNP is expanding the range of our business by applying our information processing and conversion technologies, and software and hardware development capabilities. In April 2024, we opened the Tokyo Anime Center in San Francisco, building on our domestic operations. We plan to develop various businesses, including exhibitions, events and game equipment development, both domestically and internationally.

### ✓ Trends in the size of the overseas content market



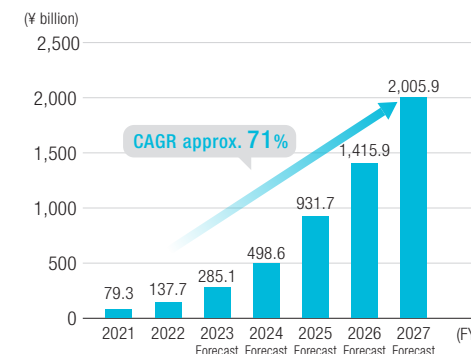
Source: HumanMedia, “Japan and World Media Content Market Database”

### ✓ Structure of content originating in Japan



DNP research

### ✓ Domestic market for XR and metaverse



Source: Yano Research Institute Ltd., “The Metaverse Market 2023”

### ✓ Scenarios for expansion of areas utilizing XR and metaverse



Source: Prepared by Deloitte Tohmatsu Consulting

## Bonding with your favorite, delivering to the world

### Expansion of content utilization business “Producing a diverse range of media”

Expanding self-organized entertainment business with exhibitions, events and merchandise at its core.



Development and provision of game machines based on DNP technology



### Overseas expansion of successful Japanese model

- Comic and anime exhibitions
- Sales of original merchandise
- Provision of amusement game machines

### Global business expansion “Overseas expansion of Japanese content”

Overseas expansion of merchandise, services and events originating from Japan  
Starting with expansion in North America



Events with exhibits in North America (FY2023 results)  
Anime Expo @Los Angeles New York Comic Con Anime Matsuri@Houston

\* The Tokyo Anime Center is a joint operation project between The Association of Japanese Animations and DNP.

## Social implementation as future infrastructure to create a new economic sphere

### Community-linked XR Service with metaverse



Start a demonstration project to solve various issues faced by local governments (Edogawa City)



Develop an initiative to create places for children who are unable to attend school or need Japanese language instruction (Tokyo Metropolitan Government)

### XR marketing for enterprises with metaverse



Various communication measures with consumers such as events and seminars



Large-scale events that bring together employees from various locations for discussion



NON-FINANCIAL STRATEGY

Strengthening of Human Capital



We will create a positive feedback loop that enhances corporate value by increasing human creativity through investment in human resources.

Kenji Miya, Executive Vice President

The key foundation and source of strength for the DNP Group in creating a better future is the presence of each employee. By allowing employees to take on challenges with confidence, we can develop their individual strengths. Through dialogue, we can combine these strengths, enabling us to continuously provide new value to society.

Building on this approach, we revamped various personnel systems over a three-year period starting in 2019. Since then, we have continued to actively invest in human resources by implementing initiatives such as the DNP version of “compensation and related policies that are more closely founded on a job-oriented perspective,” a system that emphasizes career autonomy. These efforts support individual career development and challenges while also fostering a more positive organizational culture, which serves as the foundation for these initiatives.

In fiscal 2022, as a foundation for such efforts, the DNP Group formulated and publicly announced its Human Capital Policy, which represents the company’s universal and fundamental approach to human resources. This policy aims to further reinforce and maximize our human capital based on a clear belief that respecting employees leads to the respected employees driving corporate growth and enhancing society alongside our desire for each individual to develop their strengths and grow further in their roles both within and outside the company.

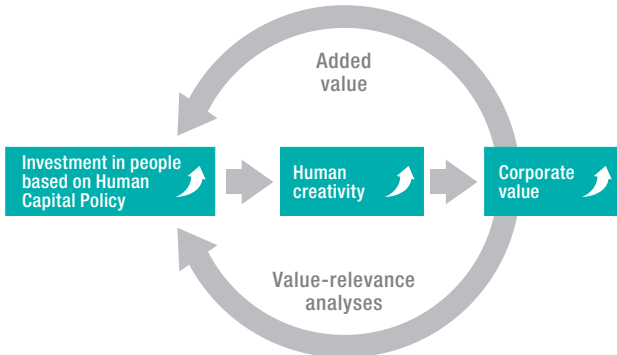
Based on our Human Capital Policy, we declared in the new Medium-term Management Plan starting in fiscal 2023, the establishment of a positive feedback loop in which investment in human resources contributes to enhancing corporate value, aiming to significantly elevate human

creativity (value-added productivity) on a global scale.

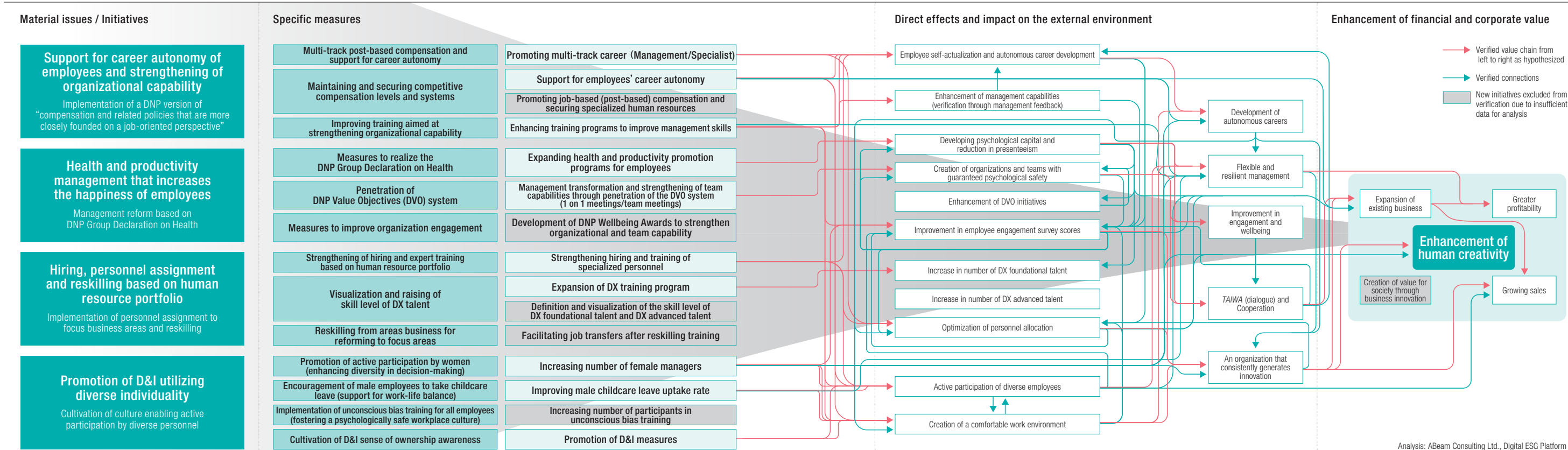
To achieve this, we have identified four material issues, each accompanied by specific measures that we are currently implementing. Furthermore, to ensure that these initiatives are linked to improvements in human creativity, financial value, and corporate value, we conduct DNP’s unique value relevance analyses. These analyses enable us to examine and verify the relationship between each initiative aimed at strengthening human capital and corporate value, ultimately leading to further enhancements in effectiveness.

The DNP Group will continue to actively and consistently invest in human resources, enhancing human creativity to maximize value-added contributions through our business operations. This will create a positive feedback loop that redirects this added value back into further investments in people, thereby further developing our greatest strength: human capital.

Positive feedback loop of investment in human resources



The link between strengthening human capital and enhancing corporate value



Analysis: ABeam Consulting Ltd., Digital ESG Platform



Strengthening of Human Capital

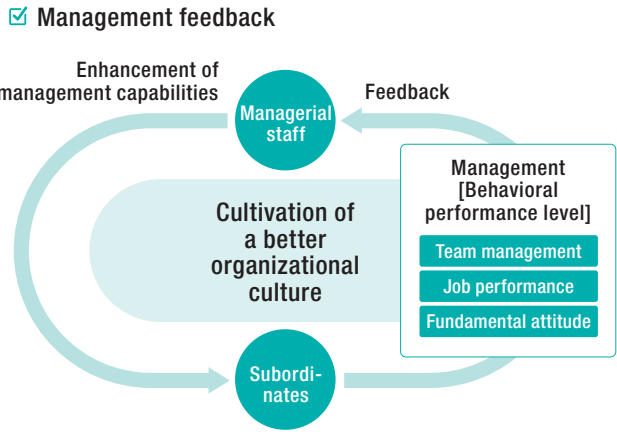
Implementation of a DNP version of “compensation and related policies that are more closely founded on a job-oriented perspective”

The DNP Group is implementing the DNP version of “compensation and related policies that are more closely founded on a job-oriented perspective” as one of the initiatives based on our Human Capital Policy. This unique hybrid system, which emphasizes career autonomy, leverages the benefits of both membership-based and job-based employment to support each employee’s autonomous career development and challenges.

Specifically, we have established a multi-track role classification system that enables the autonomous selection of management or specialist roles. This system places greater emphasis on grade classifications for managerial and specialist positions, as well as incorporating management feedback from subordinates for managerial roles.

For instance, through management feedback, we regularly visualize the management performance of managerial staff based on feedback from their subordinates. This process facilitates self-discovery of challenges for managers, leading to insights that contribute to the enhancement of management skills and the cultivation of a

better organizational culture. It also helps to instill the desired qualities of managerial staff throughout the entire DNP Group, including non-managerial employees.

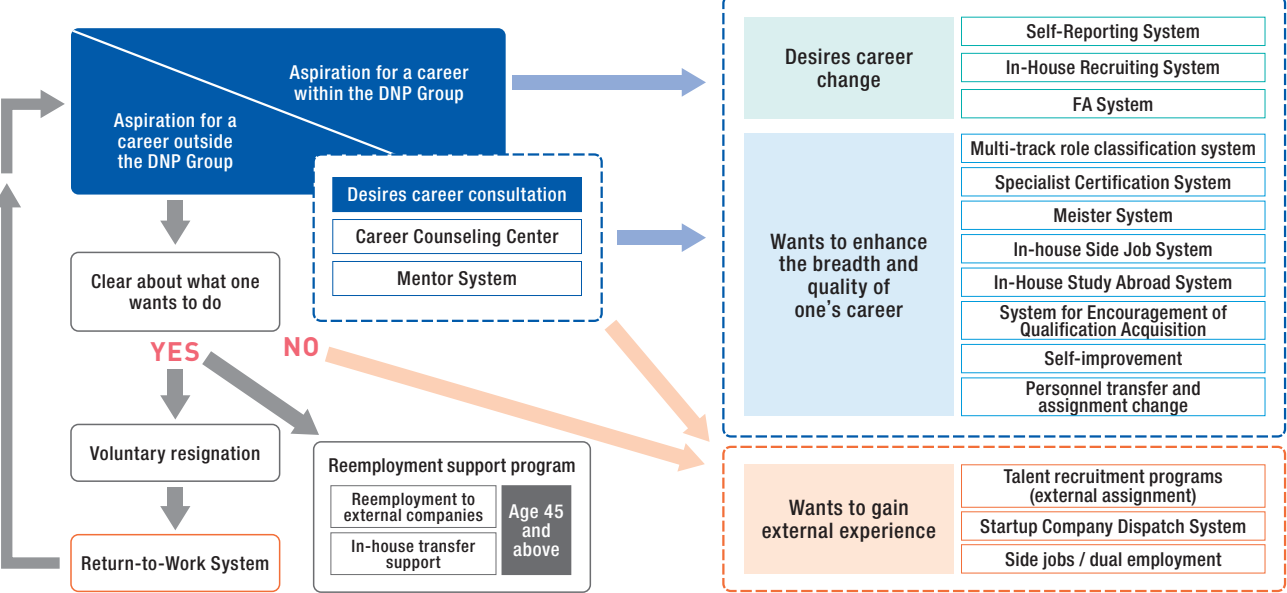


Support systems for career autonomy of employees

Through value relevance analyses, we examined the correlation between various systems that support career autonomy, and engagement. The results revealed that an increase in users of career support systems leads to improved engagement, which in turn contributes to enhanced productivity. As a result, we are working to strengthen initiatives and systems that support autonomous career development.

Specifically, we continue to enhance the In-House Recruiting System, which has been in place since 1996, placing significant emphasis on the proactive intentions of employees. For example, to allow employees to challenge themselves in unfamiliar roles, we launched talent recruitment programs with training in fiscal 2022. Additionally, for those seeking careers outside the DNP Group, we enable applications for assignments to external

Support systems for career autonomy of employees



companies, primarily focusing on suppliers, through these programs.

Moreover, we have revised the Self-Reporting System, which allows employees to share their mobility preferences and requests for changes in work themes as well as the means to achieve this with their managers. This revision enables employees to declare not only their short-term aspirations but also their mid- to long-term career visions. Additionally, starting in fiscal 2023, we have introduced a

system that permits employees to engage in side jobs or assignments at startup companies, where decision-making speed and management methods may differ significantly.

In the DNP Group, we will continue to enhance support for autonomous career development. As a prerequisite for this, we have decided to provide a career autonomy support payment within the base salary, enabling each employee to actively engage in their own career development with a sense of ownership.

Alignment of human resource strategy with business strategy

To align business strategy with human resource strategy, we will enhance the effectiveness of our investment in people and various human resource initiatives through value-relevance analyses. Moving forward, we will continue to implement various initiatives that contribute to the creation of corporate value through our business activities.

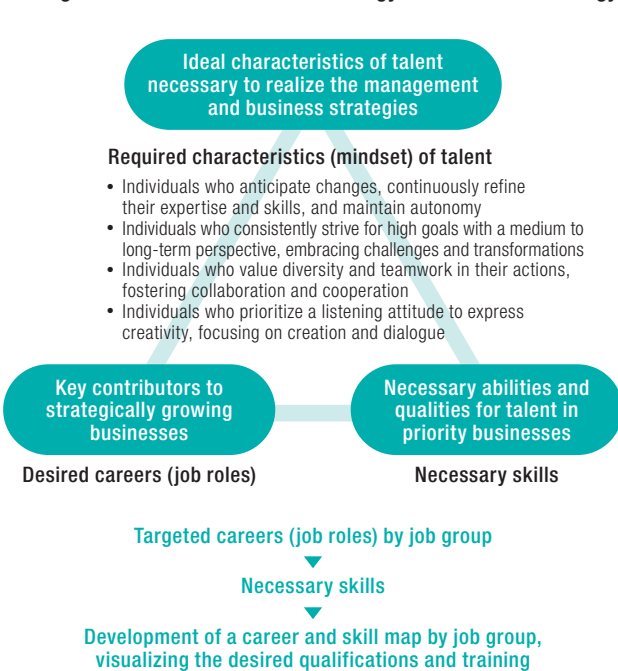
For example, in the current consideration of developing a career and skill map by job group, we will clarify the following three aspects:

- The ideal characteristics (mindset) of talent necessary to realize the management and business strategies
- The desired careers (job roles) as key contributors to strategically growing businesses
- The abilities and qualities (skills) required for talent involved in priority businesses

We will visualize the necessary talent profile, the target careers, and the required skills to effectively execute our management and business strategies.

To further strengthen human capital, which is a key strength of the DNP Group, we will continue to expand our investment in human resources and strategically and cohesively implement our human resource initiatives.

Alignment of human resource strategy with business strategy



Health and productivity management that increases the happiness of employees

Under our Human Capital Policy, the DNP Group Declaration on Health aims for health and productivity management that focuses not only on physical and mental health but also on fostering each individual’s psychological capital (a positive mindset) and building psychological safety (trust-based relationships) within the organization and teams.

For example, to further strengthen team capability and transform management, we are implementing the unique DNP Value Objectives (DVO) system and operating it in conjunction with 1 on 1 meetings and team meetings. This approach aims to enhance each individual’s challenges and the organization’s trust that supports them.

This fiscal year, we have defined DNP Wellbeing as a common goal for all DNP Group employees to create a vibrant workplace culture and reinforce organizational and team capabilities as a foundation for value creation. Specifically, we aim for both individuals and organizations to be in an

optimal state, not only focusing on fulfilling three key elements, namely physical and mental health and a safe and comfortable work environment as well as happiness (sense of challenge and trust). To expand this state across the DNP Group, we introduced the DNP Wellbeing Award this fiscal year, which received numerous applications.

In addition to these initiatives, we are continuing efforts such as the engagement survey, which visualizes issues and other factors in the organization and fosters dialogue to

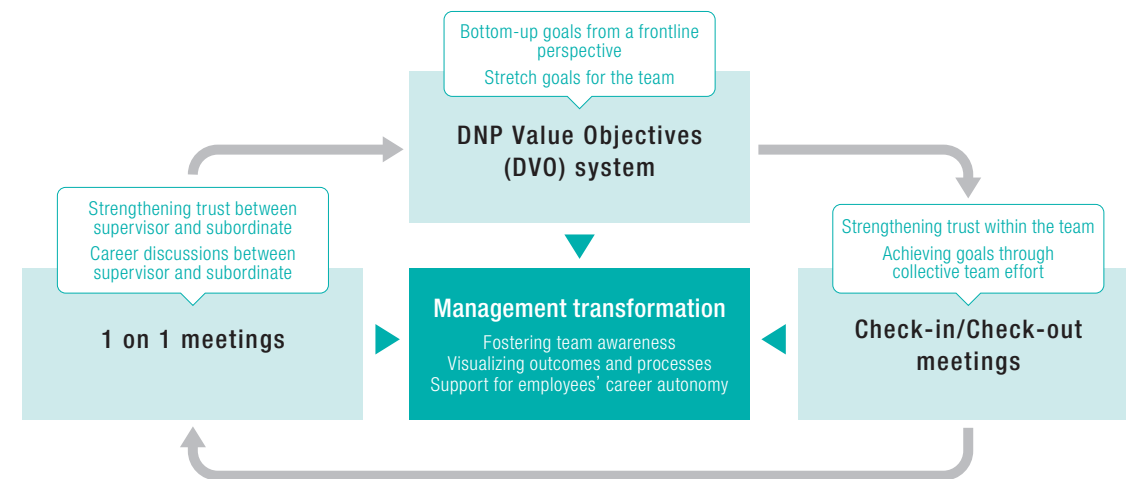


## Strengthening of Human Capital

improve motivation. We are also enhancing wellbeing by creating communication areas in manufacturing workplaces. Furthermore, as part of our efforts to promote employee

health, we are addressing women-specific health issues and continuing various events such as health checkups and walking challenges.

### Three initiatives and requirements for transforming management



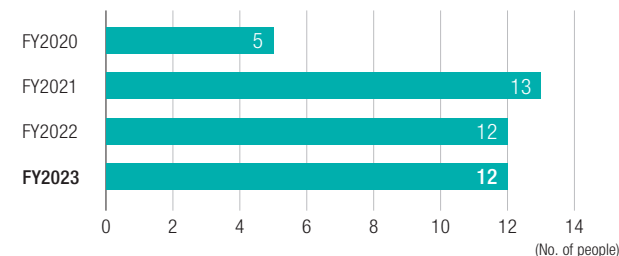
## Strengthening of hiring and experts based on human resource portfolio

Since fiscal 2019, the DNP Group has developed a human resource portfolio that categorizes the talent truly required for each business into multiple types based on their roles, expertise and management abilities. In pursuit of our business strategies, we assess the adequacy of talent for each type and promote recruitment, development, and placement that emphasizes the qualitative aspects of our workforce.

When it comes to recruiting rare, specialized personnel, we do not just rely on internal development; we also actively seek external candidates for our team. Especially for highly skilled professionals, we have established systems such as offering competitive compensation packages for our professional staff. For example, we have already recruited physicians and other medical professionals in our medical &

healthcare businesses. Moving forward, we will continue to promote the recruitment of necessary talent using the most suitable methods and formats.

### Hiring specialized personnel



## Redeployment and reskilling of personnel from business for reforming to focus business areas

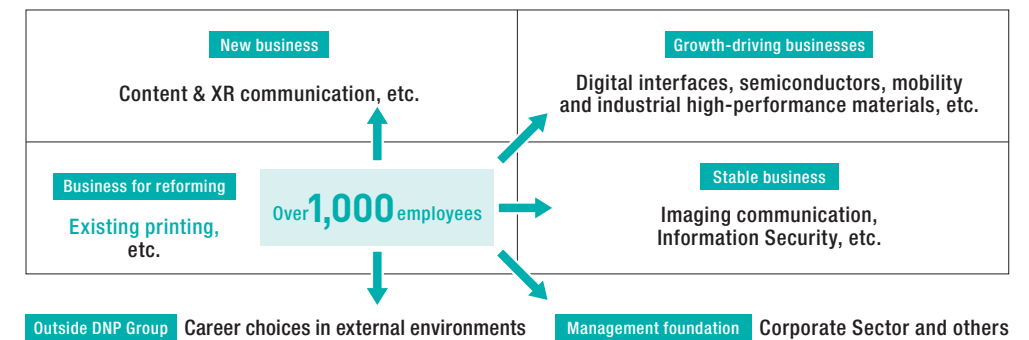
As the business environment undergoes rapid changes and we enter what is often referred to as the 100-year life era, the importance of reskilling is increasing more than ever. At DNP Group, we have also been working to build a strong business portfolio, and over the four-year period from fiscal 2020 to fiscal 2023, we reallocated and reskilled more than 1,000 employees from business for reforming to focus business areas, including those who opted for external careers. For those transitioning to significantly different roles, we provided group training sessions to help them acquire the fundamental knowledge and skills needed in their new positions, as well as to foster the right mindset.

We will continue to implement reassignments and reskilling from areas business for reforming to focus business areas as necessary in the future.



Image of the DNPweb (intranet) screen

### Personnel redeployment overview (FY2020–FY2023)



## Defining, visualizing and developing DX talent

### DX talent

In the face of evolving industrial structures and societal shifts, we are committed to cultivating talent capable of actualizing DNP's DX initiative, "value creation through P&I innovation". We have defined DX talent in alignment with the Digital Skill Standard (DSS) established by the Ministry of Economy, Trade and Industry. We define DX foundational

talent as individuals who possess DX literacy and view DX as a personal responsibility, encompassing all employees of the DNP Group. DX advanced talent are specialized individuals who support the DX initiatives within their respective departments, and candidates for DX advanced talent are selected and developed from the pool of DX foundational talent at the departmental level. ICT talent is encompassed within DX advanced talent, and we will continue to strengthen this core group moving forward.



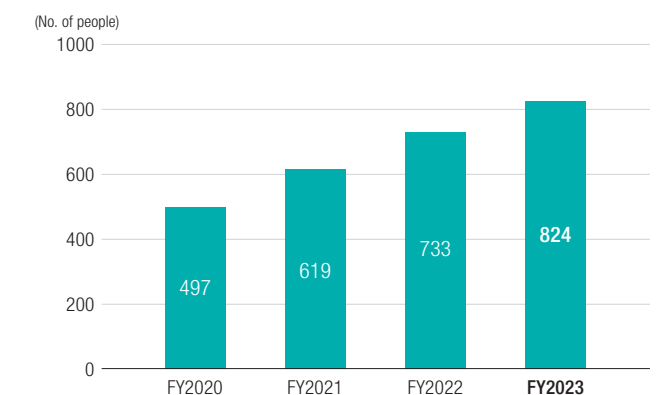
### DX foundational talent

We conduct DX literacy level assessments to visualize current skill levels. Based on these results, we provide DX literacy education tailored to each individual's level through e-learning and in-house training programs to facilitate skill improvement. By the end of fiscal 2023, 24,408 individuals had completed the basic DX literacy e-learning course, and we aim for a target of 27,500 employees completing the course by the end of fiscal 2025.

### DX advanced talent

We are building practical training programs aligned with business objectives to advance talent development. Among these, ICT talent are being developed to achieve a target of IT Skill Standard (ITSS) level 3 or higher, with 824 individuals reaching that level in fiscal 2023.

### Number of individuals with IT Skill Standard level 3 or above (FY2020–2023)



\* IT Skill Standard (ITSS) level 3 indicates a level of proficiency where one possesses applied knowledge and skills, can independently make judgments and carry out tasks related to their responsibilities.



Strengthening of Human Capital

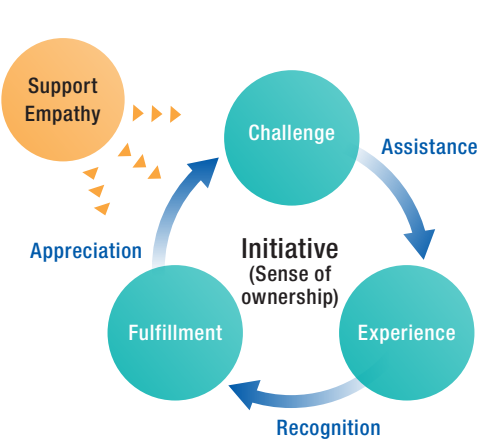
Promotion of D&I utilizing diverse individuality

Inclusion Loop supporting employee challenges and creating new value

Based on our Human Capital Policy, we believe that promoting diversity and inclusion (D&I) by leveraging diverse individuals will significantly enhance human creativity. To achieve this, we have set a mid-term vision of creating a state where inclusion becomes second nature and are working on various initiatives to realize it. While awareness and understanding of this initiative among employees are progressing, there remains a disconnect in their direct experience in each workplace. To bridge this gap, we represent our efforts through an Inclusion Loop, which supports each employee's challenges and values their experiences, linking them to a sense of satisfaction and fostering a sense of ownership. As part of this effort, Diversity

Week (4th, held in February 2024), in which all employees participated, focused on the theme of "gratitude" as the driving force to turn this Inclusion Loop around. Various programs were implemented with the awareness that the theme of "gratitude" would provide psychological safety and stimulate dialogue in each workplace. Additionally, among the eight items we believe are essential for realizing the state of inclusion becoming the norm, we have initiated unconscious bias training for approximately 30,000 DNP Group employees, including the president and officers, to encourage self-reflection on unconscious biases.

Illustration of the Inclusion Loop



Diverse individuals are inclusive of each other, and those around them support the challenges of individuals who take the initiative. We assess the results of these challenges as valuable experiences and, through open dialogue, connect them to a sense of fulfillment. This fosters a culture where inclusion becomes the norm, with individuals receiving recognition from their peers for their contributions and feeling motivated to embrace new challenges. These interconnected loops occur across various departments and, in unison, amplify the collective strength of All DNP.

Eight items

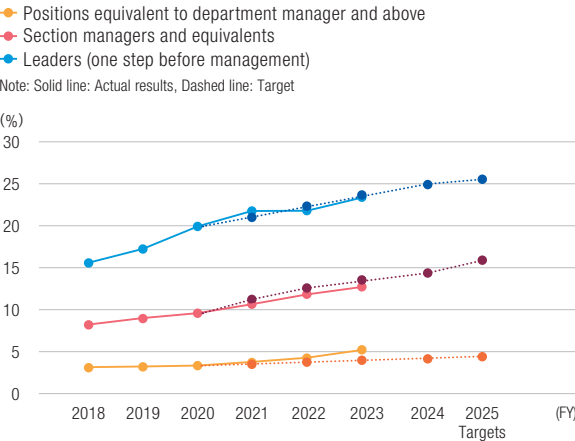
Respect for diversity (differences)	Control of unconscious biases	Career autonomy
Cultivate an empathetic culture	Inclusion becomes the norm	Foster a culture of psychological safety
Knowledge of All DNP	Recognize diverse work styles	Eliminate gender gaps

Initiatives aimed at achieving 30% female executive ratio in 2030

To ensure DNP's sustainable growth, we are committed to enhancing diversity in decision-making to facilitate better management decisions. As part of this effort, we focus on promoting women to senior management positions by developing female talent not only among management but also among younger and mid-career employees. This aims to continuously increase the proportion of women in decision-making roles by establishing a robust pipeline. Starting from fiscal 2023, we have recognized this as a management challenge for the entire DNP Group and expanded the practical leadership training for leader-class females to our Group companies, with 285 participants enrolled. In the Sponsorship Program initiated in fiscal 2021, senior executives act as sponsors, providing growth opportunities for participants to enhance their perspectives and fostering their development. As a result, the number and ratio of individuals at the department manager level significantly exceeded our initial targets in fiscal 2023. Furthermore, starting in fiscal 2024, all officers will take responsibility for directly engaging with the current situation and challenges in order to achieve the goal of having 30%

female executive representation in 2030. In conjunction with this, we will also work on fostering an inclusive organizational culture.

Ratio of females at each level



Promotion of global human resource strategy

The DNP Group conducts various businesses in 34 cities around the globe. Currently, overseas sales account for 23.6% of total revenue, and approximately 10% of employees are based outside Japan, with business operations steadily growing each year. However, up to this point, target customers and markets have been developed independently based on individual business strategies. Consequently, local subsidiaries and business divisions in different countries have had to implement their own human resource measures, resulting in a fragmented landscape of know-how and information. To transform this situation and support the growth of overseas businesses that drive the Group's growth, the Human Resources function in Japan has decided to consolidate know-how and information from various countries and regions and to strongly support global expansion. To facilitate this, we established a global people group within the Employee Relations Department of Personnel & Employee Relations Division. Through close communication with local subsidiaries, we recognize the following global human resource challenges for the DNP Group: (1) Development of candidates for expatriate positions, (2) Development of global personnel with

management capabilities, (3) Clarification of local human capital, (4) Strengthening of Head Office functions, (5) Compliance with international standards and information disclosure, (6) Verification of market competitiveness and standards, and (7) Risk management in such areas as labor laws, taxation, health and productivity management. In the three-year plan devised to address these challenges starting in fiscal 2023, we have identified three main pillars:

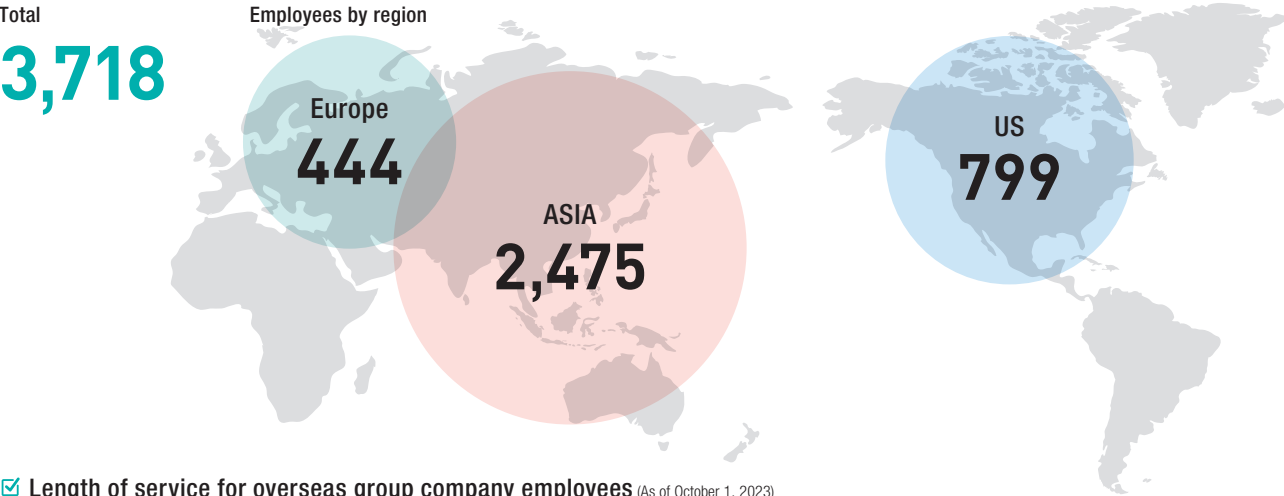
- (1) Visualization and management of talent
- (2) Establishment of human resource management infrastructure
- (3) Strengthening of risk management capabilities and system development

We are focusing on key measures for each pillar, setting KPIs for each initiative, and managing progress to ensure successful execution. Through these activities, we will continue to maximize human creativity on a global scale.

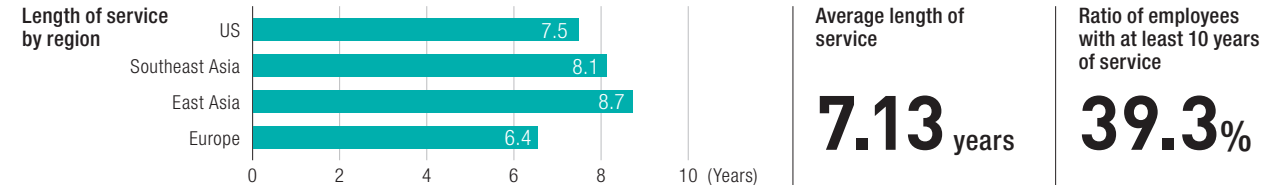
Three pillars and key initiatives

Strategy	Key Initiatives
Visualization and management of talent	• Visualization of human capital information • Establishing a systematic approach to strategic expatriate assignment based on business needs
Establishment of human resource management infrastructure	• Establishing human resource data governance • Creating competitive mobility policies
Strengthening of risk management capabilities and system development	• Identifying the roles of global human resource functions and establishing governance structures while building networks with local functions • Establishing market competitiveness assessment functions in compensation and enhancing risk management capabilities • Centralizing process management operations and promoting outsourcing

Our workforce at a glance for overseas group companies



Length of service for overseas group company employees (As of October 1, 2023)



## Strengthening of Human Capital

### Unique Indicators

Data coverage \*1 DNP (parent alone) \*2 DNP Group in Japan \*3 DNP Group in overseas

#### Support for career autonomy of employees and strengthening of organizational capability

Indicator	Description	Value
<b>Management feedback/Stress check correlation coefficient</b> <small>[Figure 1] *2</small>	Indicators measuring the correlation between the degree of management exhibited by managers and individual stress levels and organizational engagement	Management feedback × Stress check: -0.4573 Management feedback × Engagement survey: 0.4153
<b>Management feedback/Engagement survey correlation coefficient</b>		
<b>Number and growth rate of chief specialists and principal specialists</b> <small>[Figure 2] *2</small>	Indicator showing how employees with expertise link their careers to the strengths of the business	FY2023 Chief specialist: 41 Principal specialists: 167 Total: 208 Growth rate compared with FY2021: 80%
<b>Internal recruitment: Number of applicants</b> <small>[Figure 3] *2</small>	Indicator representing a culture where employees actively choose their careers	Number of applicants in FY2023: 368
<b>Number of cross-boundary learners</b> <small>[Figure 4] *2</small> (Internal side jobs, external side jobs/dual employment, startup company assignments, and number of users of the inter-departmental cross-boundary coaching system)	Indicator aimed at creating innovation across departments and the company	Total number of cross-boundary learners (internal side jobs, external side jobs/dual employment, startup company assignments, inter-departmental cross-boundary coaching system users): 696

Figure 1: Management feedback (overall score) × Stress check (overall health risk)

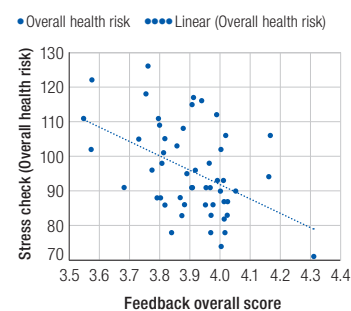


Figure 2: Chief and principal specialists growth rate

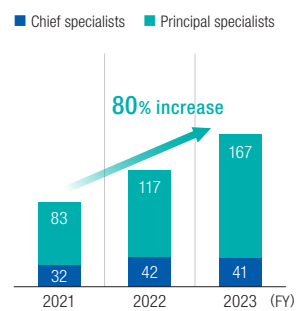


Figure 3: Internal recruitment: Number of applicants

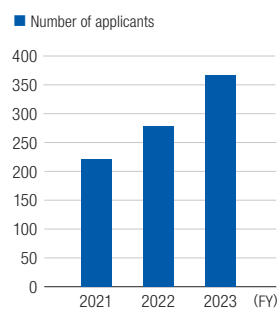


Figure 4: Number of cross-boundary learners

Program name	Start (FY)	Total number of users
Internal side jobs	2021	117
External side jobs/dual employment	2019	161
Startup company assignments	2023	7
Inter-departmental cross-boundary coaching	2021	411
Total number of cross-boundary learners		696

#### Health and productivity management that increases the happiness of employees

Indicator	Description	Value									
<b>Status of improvement in (1) psychological capital and (2) psychological safety</b> <small>[Figure 5] *2</small>	1. Indicator representing the status of employees' psychological capital 2. Indicator representing the status of organizational psychological safety	1. Psychological capital: Average percentage of respondents answering "Yes" to questions on Hope, Efficacy, Resilience, and Optimism (4-point scale) FY2021 comparison: 27.8% improvement 2. Psychological safety: Average percentage of respondents answering "Yes" to questions on Ease of Communication, Mutual Support, Challenge, and Respect for Individuals (4-point scale) FY2021 comparison: 20.0% improvement									
<b>Growth rate in Challenge indicator from the engagement survey</b> <small>[Figure 6] *2</small>	Indicator representing the level of employees' willingness to take on challenges and the organization's support for such challenges	June 2021 comparison: 12.1% improvement									
<b>Implementation rate and satisfaction of 1-on-1 and team meetings in DVO system</b> <small>[Figure 7] *1</small>	Indicator representing activities aimed at enhancing individual strengths and team effectiveness through the DVO system	<table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Implementation rate/ Satisfaction level for 1on1 meetings</td> <td>43% / 47%</td> <td>57% / 53%</td> </tr> <tr> <td>Implementation rate /Initiative level for team meetings</td> <td>47% / 46%</td> <td>58% / 55%</td> </tr> </tbody> </table>		2022	2023	Implementation rate/ Satisfaction level for 1on1 meetings	43% / 47%	57% / 53%	Implementation rate /Initiative level for team meetings	47% / 46%	58% / 55%
	2022	2023									
Implementation rate/ Satisfaction level for 1on1 meetings	43% / 47%	57% / 53%									
Implementation rate /Initiative level for team meetings	47% / 46%	58% / 55%									
<b>Number of proposals for DNP Wellbeing Awards and number of volunteer judges</b> *2	Indicator representing proactive efforts toward improving DNP wellbeing	FY2024 proposals: 168 Number of volunteer judges: 1,189 (FY2023 comparison: Proposal increase rate: 32.2% Volunteer judge increase rate: 14.7%)									

Figure 5: Status of improvement in (1) psychological capital and (2) psychological safety

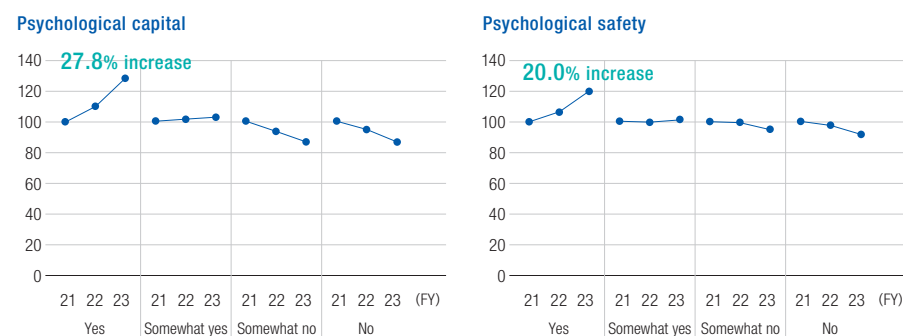
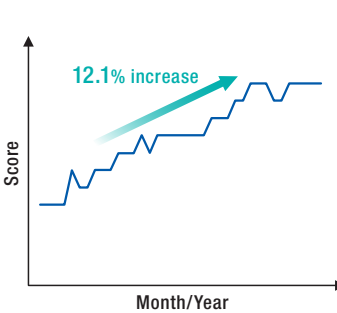
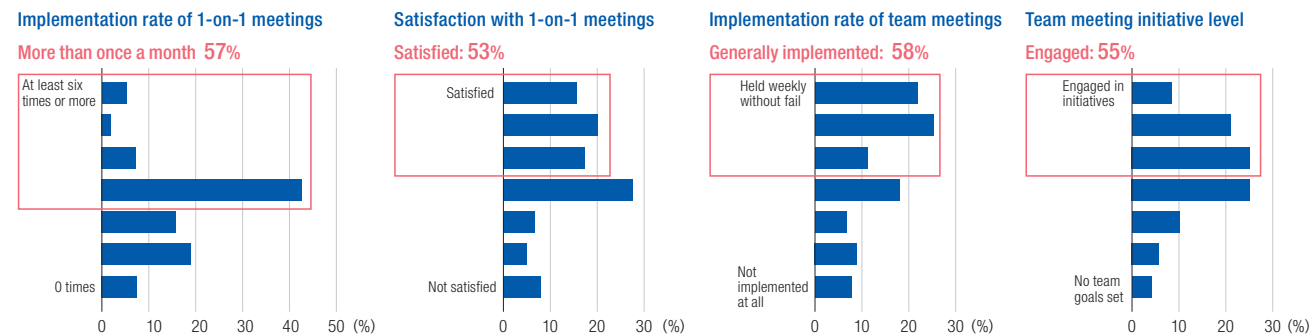


Figure 6: Engagement survey "Challenge" indicator



Note: The percentages for both psychological capital and psychological safety are calculated based on the data from FY2021 set to 100.

Figure 7: Implementation rate and satisfaction of 1-on-1 and team meetings in DVO system



#### Hiring, personnel assignment and reskilling based on human resource portfolio

Indicator	Description	Value
<b>Number of highly specialized talent hires</b> <small>[Figure 8] *2</small> (Number of professional staff hired + Number of external side job workers accepted)	Indicator showing the hiring status of talent in focus businesses, including mid-career hiring and acceptance of side job workers	Number of highly specialized talent hires: 24 Number of external side job workers accepted: 12
<b>Basic education for DX literacy: Course planning and completion rate</b> *2	Indicator showing the number of individuals who have completed basic education for DX literacy and the degree of achievement against the target value	Completion target by March 31, 2026: 27,500 individuals As of March 31, 2024: 24,408 individuals completed, with a completion rate of 88.8%

#### Promotion of D&I utilizing diverse individuality

Indicator	Description	Value
<b>4th Diversity Week: Number of participants</b> *2	Number of participants for keynote speech	Approx. 14,000
<b>Unconscious bias training: Completion rate by level</b> <small>[Figure 9] *2</small>	Indicator measuring the achievement toward a state where inclusion has become second nature	Completion rates: DNP president and executives, DNP Group company presidents: 99% Division heads and general managers: 96% Department managers: 92%
<b>Promotion status of women who completed the Sponsorship Program</b> <small>[Figure 10] *1</small>	Indicator assessing the formation of a pipeline for promoting women	Percentage at department manager and above: 90%

#### Promotion of global human resource and labor strategy

Indicator	Description	Value
<b>Ratio of female managers in overseas subsidiaries</b> <small>[Figure 11] *3</small>	Indicator showing the organization's gender diversity and the promotion of women's leadership	28%
<b>Number of key positions in overseas subsidiaries</b> *3	Value indicating the number of positions directly related to executing business strategies and maintaining competitive advantage	98 positions

Figure 8: Number of highly specialized personnel hired

Category	Cumulative total
Number of highly specialized personnel hired	24
Number of external part-time workers accepted	12
Total	36

Figure 9: Unconscious bias training FY2023 completion status

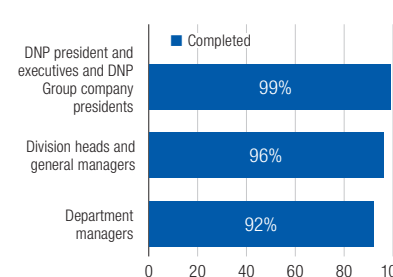


Figure 10: Promotion status of women three years after completing the Sponsorship Program

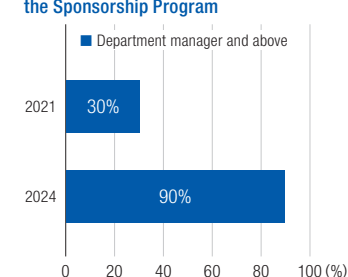
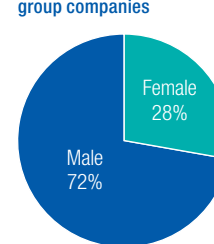


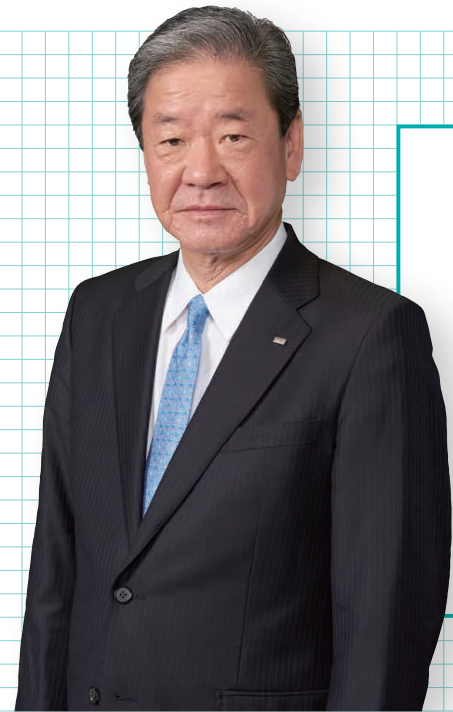
Figure 11: Ratio of female managers in overseas group companies



Note: The indicators for comparability are partially documented on page 102.



# Strengthening Intellectual Capital



## Combining strengths in P&I and collaboration with partners to bolster our business portfolio from the perspective of intellectual capital

Masato Yamaguchi, Executive Vice President

DNP enhances its intellectual capital by transforming and deepening the unique strengths in Printing & Information (P&I) cultivated for many years and reinforcing its collaboration with external partners to increase the number

of globally competitive products it provides and ensure continued growth.

To this end, our R&D activities range widely from the creation of new businesses and the development of new

products to the development of production technologies. These activities are the driving force behind our business activities.

Our research and development policy involves envisioning a “better future” that we aim to create, using it as a starting point to strengthen our unique technologies, and ultimately driving the development and delivery of new products and services toward the realization of future scenarios. Under our FY2023-2025 Medium-term Management Plan, we promote the “creation of new businesses and enhancement of technological strengths,” the “global rollout of technological strengths,” the “strengthening of stable businesses and cultural reform” and the “sophistication of DX infrastructure.” We have continued to allocate an annual budget of more than 30 billion yen for our research and development investments and this has increased in accordance with our business growth strategies.

For example, the role of digital transformation (DX), including generative AI, will undoubtedly continue to grow. The use of digital technologies and enhancing their productivity are important issues for society. Semiconductors are key to this and we put significant effort into semiconductor research and development, positioning it as a priority area.

Our primary focus is on these areas as we strive to combine a variety of intellectual capital more effectively, speeding up the development and commercialization of products and services.

In addition, we will step up collaboration between industry, government and academia through open innovation in Japan and overseas, strategically promoting the acquisition

of technology and the development of businesses. In the context of the increasing global demand for reducing environmental impact and enhancing well-being, our marketing, R&D and business expansion efforts are also increasingly directed overseas. We will foster an organizational culture that actively brings together strengths, such as our intellectual property, including the patents we have obtained to date, both inside and outside the company. Through this approach, we seek to create new value in both existing and new businesses. To this end, we have established a forum for dialogue and interaction across the company to sow the seeds of new businesses.

In recent years, we have been vigorously promoting DX to both drive business growth and foster innovation in productivity. For DNP, DX is positioned as the fusion of hybrid strengths of complete opposites, such as analog and digital technologies, real and virtual realities and manufacturing and services. This approach enables us to build a unique business model and generate new value. In alignment with this DX strategy, we have been creating new businesses, transforming existing businesses, moving forward with dramatic productivity improvements and promoting internal information infrastructure innovations. In particular, we concentrate on expanding resources for value creation through DX, including the development of in-house DX talent, the recruitment of necessary external experts and collaboration with partner companies.

Our business divisions, R&D divisions and intellectual property divisions form a triad, integrating their efforts to create a better future by consistently embracing change and enhancing synergy within All DNP to generate new value.

### ✓ The link between strengthening intellectual capital and enhancing corporate value

#### Basic strategy for strengthening intellectual capital

##### Creation of new businesses and enhancement of technological strengths

Build business portfolio from future scenarios

##### Global rollout of technological strengths

Refinement and acceleration of global rollout of DNP's unique technology and products

##### Strengthening of stable businesses and cultural reform

Creation of new value through All-DNP spirit

##### Sophistication of DX infrastructure

Achievement of data driven management and reinforcement of the infrastructure for it

#### Specific non-financial activities

Creation of new businesses in focus business areas capturing megatrends and business opportunities

Strengthening of DNP's unique technology

Acquisition and strengthening of technology through open innovation

Acceleration of global expansion centered on Life & Healthcare

Strengthening of stable business and development of new products through aggregation of knowledge by All DNP

Optimization of R&D mechanisms and systems

Fostering culture creating new value

Advance modernization and globalization to strengthen digital ICT infrastructure

Advance visualization and deeper analysis of data management infrastructure, and continuously update infrastructure

Research into the needs of existing customers

Research on and analysis of market trends

Patent strategy

Cooperation with academia

Encouragement of open innovation

Strengthening of overseas R&D systems

Value creation activities through cooperation between business divisions

Utilization of in-house events such as the introduction of new technologies

Setting of clear R&D goals

Construction of short-, medium- and long-term R&D systems

Effective utilization of R&D funding

Development of a culture of taking on challenges

Promotion of diversity and inclusion

Expansion of the use of data management infrastructure  
Democratization of data and deepening and expansion of data utilization

Securing and development of ICT and DX talent

Encouragement of citizen development

#### Direct effects of non-financial activities

Identification of market needs

Identification of important issues

Moving ahead of competitors in terms of patent applications

Advancement of alliance agreements and license acquisitions

Reinforcing of cooperation with and investment in outside companies and startups

Creation of new R&D themes

Improvement of DNP's unique technological strengths

Increase in the number of overseas partners

Increase in the number of new cross-functional themes

Identification of priority themes

Enhancement of the efficiency of our R&D activities

Increase in the number of people with go-getter attitudes

Rolling out of existing technologies

Improvement of the accuracy of data analysis and discussion

Streamlining of work and acceleration of decision making

#### Indirect changes and impact within and outside the company

Earning of the trust of business partners and clients

Establishment of barriers to entry

Cooperation with strong partners and gaining new partners

Enhancement of our strengths as a global corporate brand

Early entry into markets and entry into new markets

Securing of a competitive edge

Enhancement of customer satisfaction and increase of retention rate

#### Financial and corporate value

Expansion of existing business

Creation of value for society through business innovation

**Increase of our strength in P&I and cooperation with partners**

Greater profitability

Growing sales

Strengthening Intellectual Capital

Creation of new businesses and enhancement of technological strengths

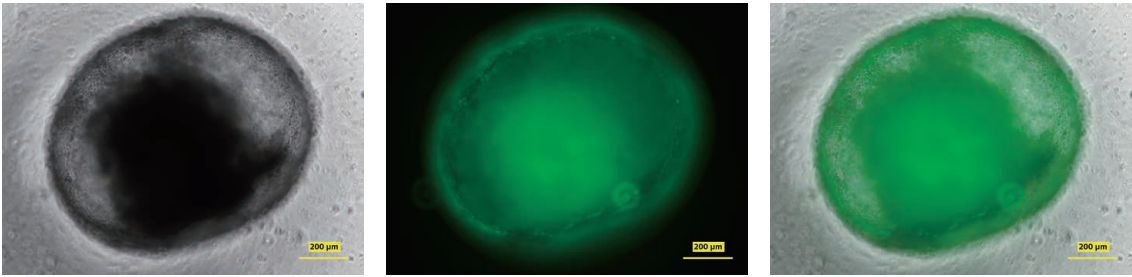
Creation of new businesses in focus business areas capturing megatrends and business opportunities

DNP promotes the reform of its business structure and pursues the generation of more profits from its business activities through concentrated investments in focus business areas. We also strengthen our cooperation with partners that have strengths different from those of DNP as we advance strategies for obtaining the no. 1 position in many different businesses.

In the medical & healthcare business, CMIC CMO Co., Ltd., for example, became a consolidated subsidiary in May 2023. In June of the same year, we joined the CMIC Group to engage in consistent manufacturing from API to formulation and the development of value-added pharmaceuticals, among other activities.

DNP has also been working on the research and development of efficient cell cultures. In 2017, it became the

first company in the world to successfully grow miniature intestinal organoids from human embryonic stem cells (ES cells) and iPS cells (induced pluripotent stem cells) in a test tube in collaboration with the National Center for Child Health and Development. Currently we are selling the miniature intestinal organoids on a trial basis. In June 2024, we teamed up with NEXEL Co., Ltd., a Korean biotechnology company specializing in iPS cells, to commence technical collaboration in the area of cardiomyocyte cultures derived from human iPS cells. Through this collaboration, we will seek to develop a method for manufacturing large quantities of high-quality cells for use in the research and development of new drugs, and a microphysiological system (MPS) simulating human organs on a chip.



①Miniature intestinal organoid  
②Reagent applied to the intestine surface  
③The miniature intestinal organoid absorbs the reagent

Strengthening of DNP's unique technology

DNP has applied its printing technology, the core of the company's technological strengths, in many different areas including electronics and has sought to expand its business. Aside from being a pioneer in these areas, we are differentiating our businesses and strengthening our proprietary technologies. An example of this is DNP's strategic acquisition of intellectual property.

In April 2024, DNP made UBE Scientific Analysis Laboratory, Inc. (USAL) a consolidated subsidiary. As a member of the UBE Group, USAL analyzes organic, inorganic and macromolecular compounds. DNP strives to strengthen its intellectual capital for

purposes such as the creation of new value and the strategic securing of intellectual property through the cultivation of technologies to support high value-added business development and the combination of different technologies. USAL's strengths are in the analysis and evaluation that is necessary for product development and it possesses advanced analysis technologies, equipment and specialists. Through the collaboration with this subsidiary, we will promote new product development and strengthen our portfolio from an intellectual property perspective.



UBE Ube Laboratory's new building (Ube City, Yamaguchi) partly used by USAL



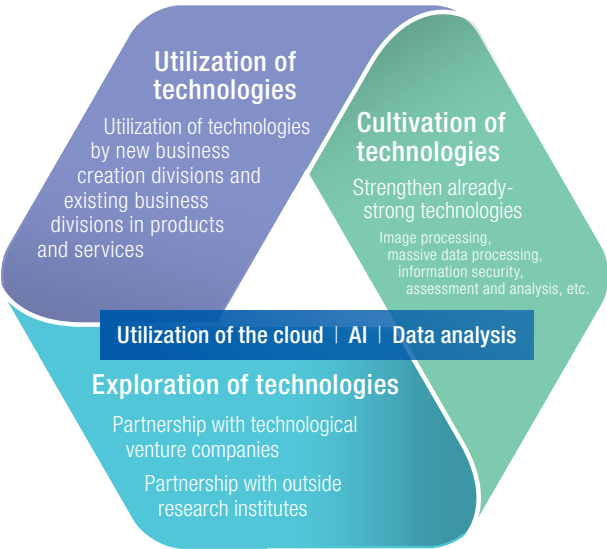
An example of measurement work

Basic policies and structures for technologies and R&D

For DNP, which has expanded its business domains by applying and developing technologies cultivated in the printing process, strengthening technology and R&D is a crucial management issue. We will always take the consumer's point of view as we accurately understand environmental, social and economic issues, and create optimal solutions.

DNP will further evolve and deepen the already-strong technologies that we have cultivated to handle, in a safe and secure manner, important information entrusted to us by companies, organizations and consumers, and will also accelerate development by promoting collaboration with various partners, including venture companies, start-ups, universities and research institutions, and by exploring new technologies. Also, we will combine our internal and external technological strengths to solve various problems and create new value that excites people.

R&D is important for this. To increase the efficiency of R&D, we will actively introduce machine learning and generative AI. Materials informatics (MI) has already been introduced in the design of materials which is a part of our R&D efforts.



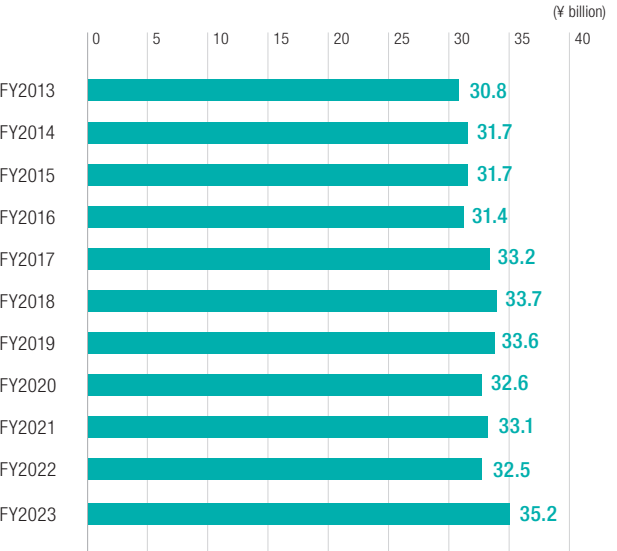
Technologies and R&D structures

DNP's technology and R&D divisions are developing proprietary technologies to solve diverse issues in a wide range of business fields, with a focus on the three segments of Smart Communication, Life & Healthcare and Electronics. We are building and operating robust structures that create new value in existing and new businesses by promoting the combining of technologies and collaboration with external partners.

Sales division/field	Business unit (Development headquarters)	Controlled by Head Office	
		Head office research and development framework	Super- vision
Smart Communication	Publishing and Media Services	Technology Development Center Research and Business Development Center Advanced Business Center	R&D and Engineering Management Division
	Information Innovation		
	Imaging Communication		
Life & Healthcare	Life Design (Packaging)		
	Living Spaces		
	Mobility		
	High-performance Materials		
Electronics	Fine Devices		
	Optoelectronics		
New businesses field			
Short-term development		Medium- and long-term development	

Technology and R&D Expenditures

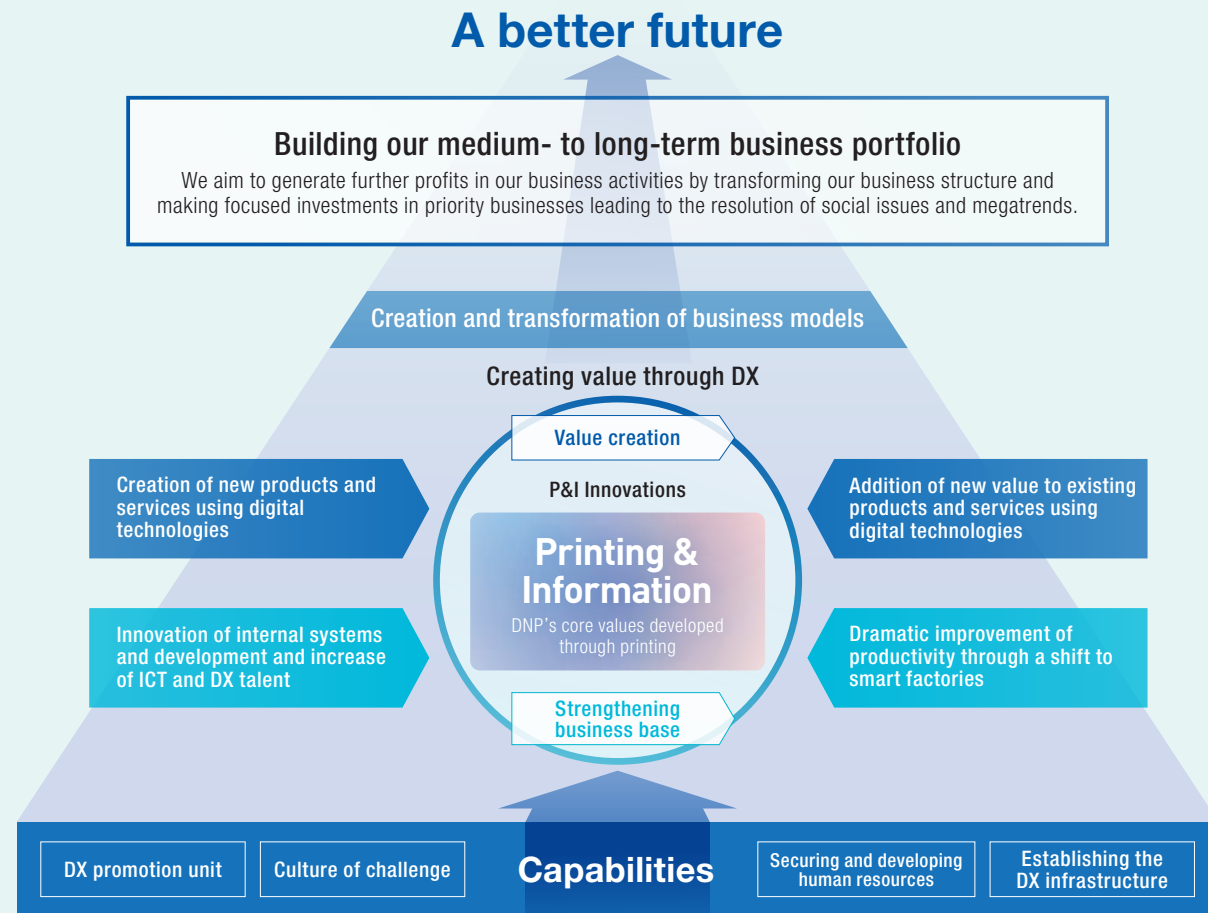
DNP continues to invest over 30 billion yen annually in technology and R&D, with the amount reaching 35.2 billion yen in the fiscal year ended March 31, 2024, and 36 billion yen planned for the current fiscal year ending March 31, 2025. In recent years, in order to solve increasingly diverse and complex problems and create a better future for ourselves, we have been increasing the expenditures of the R&D department at our headquarters based on the All DNP concept, which combines the strengths of the entire Group.





# Value Creation through Digital Transformation (DX)

DNP positions DX as “value creation through P&I Innovations,” combining digital technologies with our business strengths of All DNP. Leveraging the hybrid strengths of P&I (Printing and Information) incorporating opposites such as analog and digital technologies, real and virtual design, and products and services, we will create and transform business models based on our medium- to long-term business portfolio strategy, and offer these technologies and services as new value to a sustainable society.



We are driving value creation through DX, with strategies based on both creating value and strengthening our business base. To establish many different businesses, we leverage the information processing technologies we have accumulated through our printing processes, particularly including core technologies in areas such as media conversion, image processing and recognition, information security and the optimization of business processes.

## Capability enhancement

We will engage in complex and continuous activities using the comprehensive strengths of All DNP—leveraging our organization, corporate culture, human resources and DX infrastructure as synergistic capabilities.

### DX promotion unit

The Chief Digital Officer (CDO) appointed by the President supervises company-wide activities relating to DX. We have established a full-time DX promotion and control unit at the head office and, in cooperation with individual business segments and other divisions in charge of new business development, R&D and information systems, we are implementing a range of measures across the entire Group to promote digital transformation.



### Development of DX talent

We develop human resources capable of building businesses by utilizing digital technologies and data leveraging the domain knowledge they have acquired through their work. Led by our operational divisions, our operational transformation is under way using generative AI in an environment in which approximately 30,000 DNP Group employees are able to use generative AI. We seek to enhance knowledge and skills through DX literacy and education in the area of design thinking, and to foster a mindset of taking on challenges through our ideathon and hackathon. To enable the improvement of specialists for the promotion of DX, we have established the ICT professional system, encourage the acquisition of DX-related qualifications and provide highly specialized and practical education in the areas of agile development, cloud computing and AI and data science. Furthermore, we develop human resources to support specialists.

### Promoting open innovation

To solve social issues and create new value, industry, government and academia co-creation and collaboration is necessary, in addition to in-house efforts. We accelerate the provision of new value using the P&I LAB to innovate based on conversations with customers and partners using diverse knowledge and perspectives, and using DNP INNOVATION PORT to promote co-creation with startups and emerging companies, among other initiatives.

## Creation of new products and services using digital technologies

### Creating new experiences and economic zones in the metaverse

High-quality expression techniques and the ability to process large quantities of information, which we acquired through printing processes, are cultivated and transformed into highly detailed 3D technology for enhancing the value of experiences in XR spaces. We will create new experiences and economic zones where you can move between real and virtual worlds without being separated by age, gender, nationality or any other attribute.



A virtual space for children who are not attending school or who need Japanese language instruction

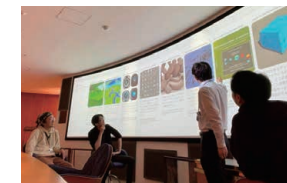


Metaverse Government Office

### Using generative AI to create new value with partners

We advance co-creation with outside partners to create new value using DNP's unique strengths and external connections and to explore the potential of generative AI.

We have increased the sophistication of our technology for recognizing the structure of a document, which we acquired via the secondary use of printed data, enabling us to develop our unique data formatting technology which dramatically increases the accuracy of generative AI responses. We will roll out solutions leveraging our knowledge in, for example, the processing and formatting of different documents.



## Innovation of internal systems and development and increase of ICT and DX talent

### Achieving data-driven management and reinforcing its infrastructure

The environment surrounding businesses and the needs of customers are growing more diverse and complicated and they are becoming hard to predict. Taking this as an opportunity, we facilitate quick managerial decision making using data.

Amid the progress in digitalization, we build data management infrastructure for centralizing the accumulation, analysis and visualization of enormous amounts of information. The democratization of data expands the scope of its use for the visualization of investment plans, salespeople's demand forecasts and the reinforcement of supplier relationships.

We are increasing the sophistication of our DX infrastructure in combination with modernization, globalization and the improvement of employees' digital proficiency using AI and technology.



### Our data management infrastructure targets

Indicators	End of FY2025 target	End of FY2023 results
Number of users	10,000	6,504
Number of data analysts	1,000	405
Number of reports analyzed and visualized	1,800	671

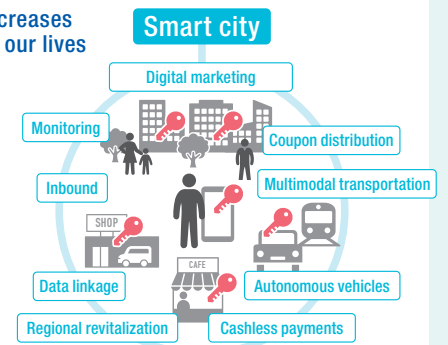
### Accelerating value creation with no-code development

Realizing ideas and initiatives at an early stage accelerates the creation of new products and services and corporate transformation. Actively utilizing no-code development tools, we have established a new operational process where people who are inexperienced in programming can put forward and even implement ideas by themselves. This accomplishment has been praised and has resulted in DNP winning the Excellence Prize at the 2nd No Code Promotion Association Awards.

## Addition of new value to existing products and services using digital technologies

### Use of a digital key increases safety and security in our lives

Using our authentication and security technologies, we offer smartphone-based key functions instead of conventional physical keys to live safe, secure and fulfilling lives in an information society. This is a realization of the smart city concept balancing security and convenience.



### Offering new value connected to photography

By adding services to our manufacturing of thermal transfer printing media that we supply to printer manufacturers, we are shifting to a consumer-oriented business model.

Using our expertise in printing, we are rolling out many different portrait services in Japan and globally, including services for ID photos, My Number Card applications, employee ID cards and profile images for online meeting and business chat applications.

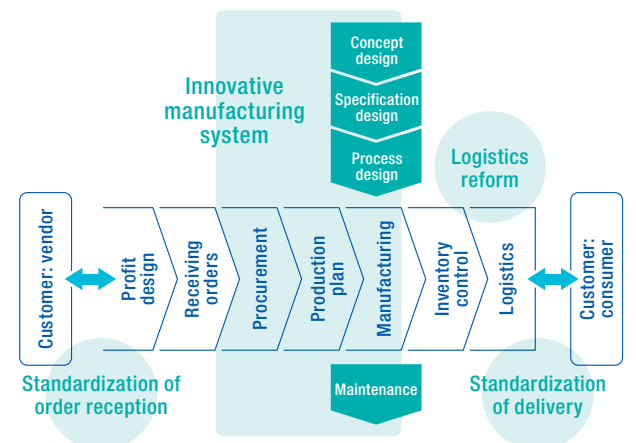


"Ki-Re-i" ID photo printing machines

## Dramatic improvement of productivity through a shift to smart factories

### Using digital twins to optimize production and strengthen supply chain management

To address the labor shortage resulting from the decline in the working population, we are working on the transition to smart factories. Utilizing data to transform experienced engineers' tacit knowledge into explicit knowledge, in addition to the utilization of manufacturing data, we seek to transform the design and operation of production lines. Digital twins simulating factories in virtual spaces dramatically optimize production lines. We will establish a cycle of acquiring data from production lines, accumulating data, analyzing data using AI and applying the insights we gain on the production line. We will continue to implement the transition to smart factories.



In addition to simply making factories smarter, we expand the sophisticated use of data throughout our supply chains to comprehensively address issues in 2024, such as logistics, natural disaster and infectious disease risks, to move toward carbon neutrality, and to institute numerous other initiatives. We will achieve many positive outcomes, such as increasing the flexibility of our production plans and shortening the time before a product can be brought to market. Moreover, we will actively contribute to the resolution of social issues through energy saving, resource recycling, product recycling and other activities.

Initiatives for Environment

For a society that realizes a balance between economic growth and the global environment

The DNP Group continuously strives to enable the co-existence of our business activities and the global environment, includes environmental conservation and the realization of a sustainable society in its Code of Conduct and regards addressing environmental issues—including climate change—as one of its key management challenges. With strong requirements to reduce the negative impacts on the global environment, in recent years in particular, we are engaging in activities with a focus on the environment throughout our entire supply chain. Having formulated the DNP Group Environmental Vision 2050 in March 2020, DNP is accelerating specific initiatives while achieving medium-term targets toward the realization of a decarbonized society, a recycling-oriented society and a society in harmony

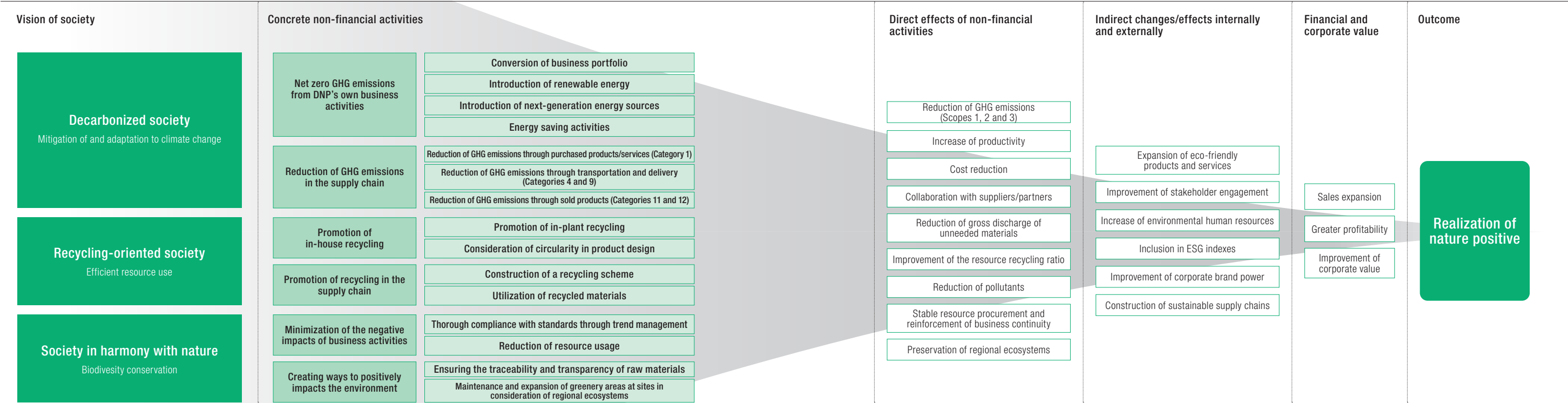
with nature. Additionally, we are working to systematically understand the internal and external impact of the initiatives and their relationship to the improvement of financial and corporate value to enable activities to be more effective. As a result of proactive environmental activities, the fiscal 2023 targets for all of the environmental indicators were achieved. In particular, we are concentrating on reducing greenhouse gas (GHG) emissions, and we expect to achieve our fiscal 2030 targets ahead of schedule. In April 2024, we updated our environmental targets so that they are more aggressive. We will further promote environmental conservation and the reduction of negative environmental impacts to realize a nature-positive value chain.

New environmental targets

Theme	Updated medium-term targets Target year: FY2030	Previous medium-term targets Target year: FY2025 (FY2030 for GHG)
Reduction of GHG emissions*	46.2% reduction of GHG emissions compared to FY2019 (1.06 million tons → 0.57 million tons)	40% reduction of GHG emissions compared to FY2015 (1.2 million tons → 0.72 million tons)
Improvement of the resource recycling ratio	Achieve 70% resource recycling ratio of all unneeded material	Improvement by 5 points compared to FY2015 (51.7% → 56.7%)
Reduction of water usage	30% reduction of per-unit water usage compared to FY2019 (6.71 m³/million yen → 4.70 m³/million yen)	35% reduction of per-unit water usage compared to FY2015 (8.82 m³/million yen → 5.73 m³/million yen)
Expansion of sales of eco-friendly products and services	Expand Super Eco-Products share of total sales to 30%	Expand Super Eco-Products share of total sales to 10%

\* The target for reduction of GHG emissions is “4.2% reduction per year compared to the base year” in accordance with the “1.5°C target (a target for limiting the temperature increase since the Industrial Revolution to within 1.5 °C),” which is the target set in the Paris Agreement. Additionally, figures in the benchmark fiscal year were reviewed in consideration of factors such as organizational and structural changes due to M&A activities and other matters.

The link between environmental initiatives and enhancing corporate value





Initiatives for Environment

For the realization of the DNP Group Environmental Vision 2050



The negative environmental impacts of human activities are international issues that have recently been drawing attention. This has increased the demand for responses to complex environmental issues. In this situation, the importance of the roles to be played by companies is always increasing.

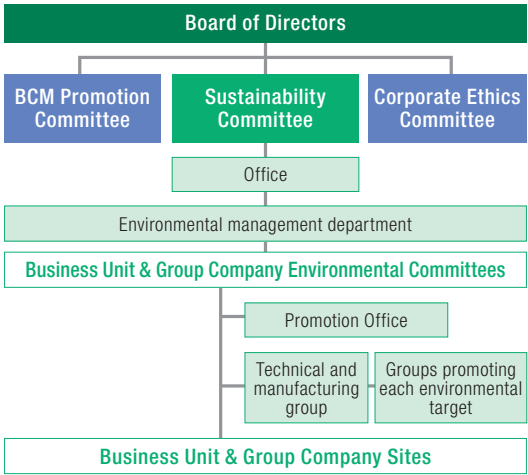
To realize the DNP Group Environmental Vision 2050, DNP is promoting initiatives to address environmental issues. We have also adopted the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) regarding the assessment of the impacts of business activities on the natural environment and the enhancement of environmental initiatives. We have disclosed information within the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) and will work to enhance the quality and quantity of the information it discloses in accordance with the TNFD Recommendations to ensure its dialog with stakeholders is more in depth.

Governance

DNP regards addressing environmental issues as one of its key management challenges. In March 2022, DNP reorganized the Sustainability Committee headed by the president in order to enhance environmental, social and economic sustainability and further drive DNP’s sustainable growth and enhanced functionality. By coordinating with the BCM Promotion Committee, which ensures the safety of employees and maintains production activities in the event of a natural disaster or other emergency, and the Corporate Ethics Committee, which aims to raise employees’ compliance awareness and reduce risks, the Sustainability Committee has established a flexible and robust governance system that covers company-wide risks.

The Sustainability Committee meets regularly, four times a year, and at other times as necessary for the purposes of managing medium to long-term management risks relating to sustainability, identifying business opportunities and reflecting them in management strategies; and delivers reports and makes recommendations to the Board of Directors. The Board of Directors receives reports and recommendations on matters discussed and resolved by the Sustainability Committee, and deliberates and supervises policies and action plans, etc., for responding to risks and

opportunities relating to sustainability. Strategies and policies on environmental issues determined by the Committee are addressed by the DNP Group as a whole, in coordination with the Business Unit & Group Company Environmental Committees.



Risk management

DNP engages in integrated risk management to minimize the negative impacts (risks) of variable factors and expand their positive impacts (opportunities) based on a flexible and resilient governance system.

Environmental, social and economic risks and opportunities are identified, evaluated and managed by the Sustainability Committee at least once a year. We prioritize activities and set targets based on factors such as business plans, financial effects, stakeholder concerns, impacts on the

environment and society and likelihood of occurrence, and reflect them in our management strategies. For risks with a particularly high level of importance or priority, we select a risk management department and reflect the risks in business strategies and plans after discussions by the Management Committee, with each organizational unit playing a central role in responding to them. For opportunities, we manage priority themes throughout DNP and link them to strategic business development.

Strategy

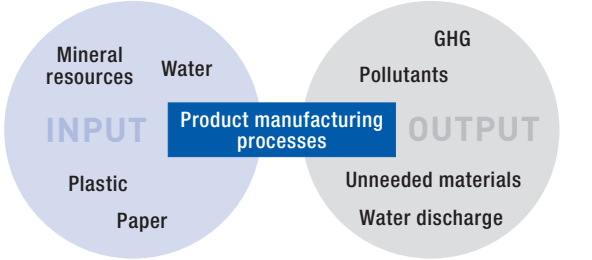
We utilized multiple scenarios published by international institutions (see page 68) to identify risks related to environmental issues and consider strategies for addressing these risks. We are analyzing the input and output of the manufacturing processes at our business sites that have material dependencies and impacts on natural capital within DNP’s value chain.

Using original scenarios developed from this information,

we identified environmental risks and opportunities and evaluated the qualitative and quantitative financial effects of the identified risks and opportunities and the periods of time during which we would be affected. We will continue to develop our scenario analyses and increase the resilience of our business activities against predicted environmental risks using published analysis tools and the TNFD’s guidance.

Dependencies and impacts

DNP understands the manufacturing processes of its main products rely on natural capital such as paper (forest resources), water, mineral resources and plastic (oil resources) in particular. For instance, we depend on forest resources for the paper that is used as raw material for magazines, books and pamphlets and on water through its direct use in the manufacturing processes of pharmaceutical products and semiconductor-related components or its indirect use in papermaking processes. Our battery pouches for lithium-ion batteries and packaging materials use mineral resources and plastic as raw materials. Moreover, through our product manufacturing processes, we emit GHG, VOC, SOx and NOx into the air, water discharge and pollutants into water and dispose of unneeded materials including plastic. We regard these as causes of negative environmental impacts.



Main natural capitals	Our main products and services
Paper	Magazines, books, pamphlets, packaging materials
Water	Pharmaceutical products, semiconductor-related components
Mineral resources	Packaging materials, battery pouches for lithium-ion batteries
Plastic	Smart cards, packaging materials, decorative surface materials for interior and exterior

\* For more environmental data, see DNP Group Environmental Report 2024.

Response to environmental risks

Transition risks

Transition risks include the likeliness of the increase in the use of renewable energy, the introduction of emissions trading (cap and trade) and the introduction of a carbon tax, etc., due to the tightening of regulations on GHG emissions. We expect this to increase operating costs. In response to this, DNP is transforming its business portfolio based on negative environmental impacts and added value. Under the DNP Group Environmental Vision 2050, we are striving to achieve net-zero GHG emissions from business activities at our establishments by 2050. We have set medium-term targets for 2030 and are improving our energy conservation activities, replacing existing equipment with higher-efficiency equipment using internal carbon pricing and proactively introducing renewable energy.

As the world is discussing tighter regulation and international treaties of plastic, we believe that the transition to a circular economy will accelerate. We at DNP we engage in material recycling through the promotion of mono-material products and waste segregation, while also establishing chemical recycling technologies in collaboration with partner companies, focusing on the resource recycling of plastic, the material whose recycling ratio is the lowest.

The related laws and regulations may become tighter due to water resource depletion and water pollution becoming more serious. DNP works to ensure it effectively uses water resources through efforts such as the reductions of water consumption, the promotion of cyclic use by reviewing and optimizing manufacturing processes and the utilization of rainwater. In addition, DNP’s self-imposed criteria for the management of all environmental preservation items (air, water discharge, offensive odor, noise and vibration) are stricter than laws and regulations to ensure that environmental risk factors are controlled by reducing pollutants and appropriately managing chemicals.

While sustainability is emphasized throughout the supply

chain, DNP is strengthening its supplier engagement based on the DNP Group Sustainable Procurement Guidelines in anticipation of a requirement to ensure environmental and human rights due diligence (DD) is conducted throughout supply chains (see pages 72-73). To realize zero deforestation, we are ensuring the traceability of raw materials and examining their legitimacy based on the DNP Group Guidelines for Procurement of Paper for Printing and Converting in our paper procurement which has material dependencies and impacts on ecosystems.

**Physical risks**

Short-term acute risks as physical risks are assumed to be frequent and aggravated damage from torrential rains and forest fires, which may cause the suspension of operations or the realization of risks in the supply chain, etc. Medium- and long-term chronic risks are predicted to be the possibility of costs increasing and operations being interrupted due to the rise in average temperatures, change of supply and demand of water and the loss of biodiversity. In preparation for these risks, we have organized a system for managing business continuity. The severity of water risks in particular differs by region or country, so we assessed them for each region where our manufacturing sites are located, including overseas sites, using the World Resources Institute (WRI)’s Aqueduct, the Water Footprint Assessment Tool and reports on climate change published by the Intergovernmental Panel on Climate Change (IPCC), identifying four sites in Southeast Asia as sites with high water risks. To respond to these risks, our equipment-investment-based disaster control measures include the installation of equipment to be used as emergency power sources, raised the floors of warehouses and other facilities, installed water control barriers and moved facilities. We have also been working to enhance our supply chain management by building production systems at multiple plants, diversifying suppliers, etc.

Initiatives for Environment

Reference scenarios used in our scenario analysis

Type	Example reference scenario
1.5 °C Scenario	<b>Net Zero Emissions by 2050 Scenario (NZE)</b> The NZE 2050 Scenario is one of the climate change scenarios published by the International Energy Agency (IEA). In order to create a decarbonized society and ensure energy security, it envisions the strengthening of ambitious and coordinated policies, the introduction of low-carbon technologies, and the creation of markets. It is a scenario in which carbon neutrality is achieved by 2050, and the average temperature increase is limited to 1.5° C.
4 °C Scenario	<b>SSP5-8.5 Scenario</b> The SSP5-8.5 Scenario is one of the climate change scenarios presented by the Intergovernmental Panel on Climate Change (IPCC) in its Sixth Assessment Report. It is a scenario in which GHG emissions increase significantly due to fossil fuel-dependent social development, with the average temperature increasing by over 4° C by 2100, which will have a significant impact on ecosystems and human activities.

Environmental risks

Type		Effects on financial affairs, etc. of DNP					
		Scenarios	Scenario drivers	Risks	Period of effects	Level of effects	Likelihood
Physical risks	Acute risks	Increase in wind and flood damage from heavy rainfall, flooding, landslides, forest fires, etc.	Suspension of operations in the event of a disaster	<ul style="list-style-type: none"><li>Decreased profit due to delayed or suspended manufacturing</li><li>Increased cost of disaster control measures (Disaster control measures for production facilities and sites, development of production systems in multiple locations, etc.)</li></ul>	Short term	Medium	High
			Supply chain risks	<ul style="list-style-type: none"><li>Decreased profit due to delayed manufacturing and shipping</li><li>Increased cost of purchasing raw materials and interruption of supply</li></ul>	Short term	Medium	High
	Chronic risks	Increase in temperature and long-term heat waves	Hindrance to operations due to average temperature increases	<ul style="list-style-type: none"><li>Decreased revenue due to delayed or suspended manufacturing</li><li>Increased safety and health measure costs for DNP employees</li></ul>	Medium term	Medium	High
			Pandemic caused by novel pathogens				
		Increase in flood damage in rivers and other areas	Increase in costs due to growing demand for cooling	<ul style="list-style-type: none"><li>Increased energy expenses</li><li>Increased capital expenditures</li></ul>	Medium term	Medium	High
			Suspension of operations in sites susceptible to flooding such as river basins	<ul style="list-style-type: none"><li>Decreased profit due to delayed or suspended manufacturing</li><li>Increased cost of disaster control measures (Disaster control measures for production facilities and sites, development of production systems in multiple sites, etc.)</li></ul>	Medium term	Medium	High
Transition risks	Policy	Accelerating biodiversity loss	Disruption of supply chains due to the depletion of natural resources	<ul style="list-style-type: none"><li>Decreased profit due to delayed manufacturing and shipping</li><li>Increased cost of purchasing raw materials and interruption of supply</li></ul>	Medium to Long term	Medium	High
		Loss of water resources caused by drought	Disruption of operations due to insufficient fresh water supply	<ul style="list-style-type: none"><li>Decreased profit due to delayed manufacturing</li><li>Development of production systems in multiple sites</li></ul>	Short term	Medium	High
			Supply chain risks	<ul style="list-style-type: none"><li>Decreased profit due to delayed manufacturing and shipping</li><li>Increased cost of purchasing raw materials and interruption of supply</li></ul>	Short term	Medium	High
		Transition to a decarbonized society	Obligation to raise emission reduction targets	<ul style="list-style-type: none"><li>Increased capital expenditures</li><li>Systematic capital expenditures based on internal carbon pricing (ICP)</li></ul>	Medium term	Medium	High
			Mandatory introduction of renewable energy	<ul style="list-style-type: none"><li>Increased capital investment for the introduction of renewable energy</li><li>Increased expenses for purchasing Non-Fossil Certificate</li><li>Estimate for additional expenses as of 2030 due to the tightening of GHG emissions regulations to limit the temperature increase to 1.5°C level: Approx. 600 million yen/year</li></ul>	Medium term	Low	High
			Introduction of an emissions trading system	<ul style="list-style-type: none"><li>Increase in expenses for purchasing emissions rights</li><li>Estimated additional expenses as of 2030 due to the tightening of GHG emissions regulations to limit the temperature increase to 1.5°C level: Approx. 400 to 800 million yen/year</li></ul>	Medium term	Low	Medium
			Introduction of a carbon tax	<ul style="list-style-type: none"><li>Increase in operating cost due to imposition of a carbon tax on GHG emissions</li><li>Estimate for expenses as of 2030, assuming 140 US dollars/t-CO2 of carbon tax using the scenario of the International Energy Agency (IEA): approx. 14.4 billion yen/year</li></ul>	Long term	Medium - High	Low
			Acceleration of the carbon neutrality of the supply chain	<ul style="list-style-type: none"><li>Increased demand from major clients, etc., for the reduction of emissions</li><li>Business contracts impacted</li><li>Suppliers passing on the prices of raw materials</li></ul>	Short to Medium term	Medium - High	High
			Toughening of emissions reporting obligations	<ul style="list-style-type: none"><li>Tougher rules on accurate tracking of emissions</li><li>Increase in media for disclosing emissions data</li></ul>	Short term	-	High
	Transition to nature-positive economy	Tightening of regulations on chemical management		<ul style="list-style-type: none"><li>Thorough chemical management</li><li>Switching to alternative materials</li></ul>	Short to Medium term	Medium	Medium
			Obligation to implement environmental due diligence	<ul style="list-style-type: none"><li>Stricter supply chain management</li><li>Stricter raw material traceability measures</li><li>Shortage of human resources with technical knowledge</li></ul>	Short term	Medium	High
	Transition to a circular economy	Tightening of regulations on plastic		<ul style="list-style-type: none"><li>Stricter raw material traceability regulations</li><li>Increased cost due to higher prices of recycled materials</li><li>Design review of existing products</li><li>Exclusion from the market</li></ul>	Short to Medium term	Medium	Medium
	Market	Changes in customer behavior	Reduction in products and services that are not eco-friendly	<ul style="list-style-type: none"><li>Loss of markets and decreased profit due to insufficient action to reduce negative environmental impacts</li><li>Switching to alternative materials</li><li>Increased procurement costs</li><li>Reorganization of business portfolio</li></ul>	Medium term	High	Medium
	Technology	Transition to eco-friendly technology	Accelerating technological innovation to achieve nature positive	<ul style="list-style-type: none"><li>Increased investment in the development of new technologies</li><li>Loss of markets due to delays in development and decreased profit</li><li>Reorganization of business portfolio</li></ul>	Medium term	Medium - High	Medium
	Reputational	Increase in concerns of stakeholders	Worsening of the corporate image	<ul style="list-style-type: none"><li>Loss of markets due to insufficient action to reduce negative environmental impacts and decreased profit due to reduced transactions</li><li>Outflow of human resources</li><li>Increase in hiring costs</li><li>Reorganization of business portfolio</li><li>Decline in stock price and exclusion from investments</li></ul>	Short to Medium term	High	Medium

We assessed risks and opportunities in light of business plans based on scenarios established from the following viewpoints: Level of effects on stakeholders and business, period of effects, and likelihood.  
[Period of effects] Short term: 0-5 years, medium term: 5-15 years, long term: 15 years or more [Level of effects]: High: approx. 10 billion yen, Medium: 1 to 10 billion yen, Low: less than 1 billion yen  
[Likelihood] Probability of impact: High > medium > low

Business opportunity creation

DNP believes that its social and economic orientation for integrated actions to realize nature positive will enable growth in the demand and markets for eco-friendly products and services. We also believe that we must continue to transition to and promote the development of related technologies. In response to such changes, we are working to create value by enhancing alliances with numerous external partners by leveraging its strengths in P&I (printing and information). Specifically, we have set five focus businesses, including the mobility and industrial high-performance materials businesses, under our Medium-term Management Plan, in view of their profitability and market growth potential. In addition to products that contribute to the creation of a decarbonized society, such as clean energy-related materials, components and products such as battery pouches for lithium-ion batteries, we also expect to see the growth of services such as security solutions for the sharing economy these focus businesses operate within. We are also driving sales of eco-friendly packaging, which offers both environmental conservation and convenience, and rolling out a certified system to calculate life cycle CO2, which contributes to decarbonization across the entire supply chain by calculating CO2 emissions in the lifecycle of our products and services. To adapt to manifesting environmental risks, we contribute to

building a society that balances economic growth and environmental sustainability by expanding the use of functional films, such as wood-grain design film antennas for the 5G-sub 6 waveband that support information distribution amid communication diversification, and by providing products and services based on our proprietary converting technologies, including multifunctional insulation boxes that enable prolonged logistics operations at low and constant temperatures. To strengthen these businesses, we are intensively investing management resources and implementing strategic investments.  
As a part of our biodiversity conservation activities, DNP concentrates on the creation of greenery areas on company premises to connect the surroundings of business sites to living creatures. Our activities include the conservation of endangered species leveraging the advantages of the company's properties where there is less risk of feeding damage caused by natural predators and alien species and the creation of greenery areas in harmony with regional ecosystems. Using these activities at on-premises greenery areas in communication with diverse stakeholders including local communities, we promote engagement activities with the goal of constructing a nature-positive value chain.

Environmental opportunities

Type		Effects on financial affairs, etc. of DNP					
		Scenarios	Scenario drivers	Opportunities	Period of effects	Level of effects	Likelihood
Business performance	Market	Changes in customer behavior	Increased demand for eco-friendly products and services	<ul style="list-style-type: none"><li>Promotion of the development and expansion of markets for eco-friendly products and services</li><li>Aim for 30% percentage of gross sales from sales of Super Eco-Products by FY2030</li><li>Secure an advantage by calculating CO2 emissions from products' entire lifecycle, developing the calculation business</li><li>Enable the market for recycled materials, biomass materials and paper, etc., to grow as switching to existing plastic products</li></ul>	Short to Medium term	High	High
				<ul style="list-style-type: none"><li>Expansion of the markets for information security products and services</li><li>Securing the superiority of products and services through the establishment of the traceability of raw material traceability</li><li>Increased efficiency of business with a foundation linked to supply chain data</li></ul>	Short to Medium term	Medium	Medium
	Capital flow and financing	Transition to a circular economy	Traceability information distribution	<ul style="list-style-type: none"><li>Gain on sale of emissions rights due to reduction of emissions</li></ul>	Medium term	Low	High
		Transition to a decarbonized society	Introduction of an emissions trading system	<ul style="list-style-type: none"><li>Funding through the issuance of green bonds</li></ul>	Medium to Long term	Low	Low
	Resource efficiency	Changes in financial markets	Expansion of impact investment in environmental issues	<ul style="list-style-type: none"><li>Enable the market for recycled materials, biomass materials and paper, etc., to grow as switching to existing plastic products</li></ul>	Short to Medium term	High	High
		Changes in customer behavior	Increased demand for eco-friendly products and services	<ul style="list-style-type: none"><li>Enable the market for recycled materials, biomass materials and paper, etc., to grow as switching to existing plastic products</li></ul>	Short to Medium term	High	High
	Products and services	Avoidance and mitigation of negative environmental impacts	Efficient use of natural capital	<ul style="list-style-type: none"><li>Increased demand for products and services whose benefits include the reduced use of natural capital (aseptic filling systems for PET plastic bottles, etc.)</li><li>Increased demand for products and services whose benefits include the avoidance of the use of natural capital (promotion of the digitization of books, switching from paper to electronic books, etc.)</li></ul>	Short to Medium term	High	High
				<ul style="list-style-type: none"><li>Market acquisition and increase in license revenue through the early development of eco-friendly products and services</li><li>The promotion of development for the use of next-generation fuels such as hydrogen and ammonia</li><li>Increased demand due to the widespread popularization of EVs (wireless chargers, battery pouches for lithium-ion batteries, mobility-related materials and films for use as coating alternatives, etc.)</li><li>Aim for 100 billion yen in overall sales of battery pouches for lithium-ion batteries by 2025</li><li>Widespread adoption of low-carbon product technologies accompanying growing demand for semiconductors (nanoimprint lithography, etc.)</li><li>Increase in demand for products (flexible LED sheet, etc.) that contribute to the safe and stable supply of food by avoiding external impacts</li></ul>	Short to Medium term	High	High
		Transition to eco-friendly technologies	Acceleration of technological innovation for nature positive				
			Increased demand for renewable energy	<ul style="list-style-type: none"><li>Growth of sales of products related to solar power generation</li></ul>	Short to Medium term	Medium	High
		Changes in lifestyles	Diversification of interpersonal communications	<ul style="list-style-type: none"><li>Increased demand for products and services supporting changes in lifestyles (the metaverse, remote medicine/education, etc.)</li></ul>	Short to Medium term	Medium	Medium
		Increase in average temperatures	Increased demand for temperature control technology	<ul style="list-style-type: none"><li>Growth of sales for products utilizing functional films to control light and temperature</li></ul>	Short to Medium term	Medium	High
			Acceleration of new drug development	<ul style="list-style-type: none"><li>Growth of sales in the medical &amp; healthcare businesses (pharmaceutical support business, regenerative medicine, etc.)</li></ul>	Short to Medium term	High	High
	Reputational capital	Changes in stakeholder awareness	Improvement of corporate image	<ul style="list-style-type: none"><li>Increased information disclosure and improvement of engagement</li><li>Securing advantages and human resources as a company leading the way in sustainability</li><li>Improvement of investor valuation</li></ul>	Short to Medium term	High	Medium
		Transition to a decarbonized society	Introduction of an emissions trading system	<ul style="list-style-type: none"><li>Appealing to a proactive corporate stance toward reducing emissions</li></ul>	Medium term	Low	Medium
Sustainability performance	Sustainable restoration and regeneration	Transition to a decarbonized society	Increased demand for renewable energy	<ul style="list-style-type: none"><li>The promotion of development for the use of next-generation fuels such as hydrogen and ammonia</li></ul>	Short to Medium term	Medium	High
		Transition to a nature-positive economy	Increased demand for the quantitative evaluation of the negative environmental impacts of activities in the supply chain	<ul style="list-style-type: none"><li>Securing of an advantage by constructing a system for evaluating products throughout their lifecycle and developing a calculation business</li></ul>	Medium term	Medium	High
		Promotion of the Kunming-Montreal Global Biodiversity Framework	Realization of the 30by30 target	<ul style="list-style-type: none"><li>Corporate greening activities (engagement activities at Ichigaya no mori (Ichigaya Forest), Shinjuku, Tokyo)</li><li>Investment in planting businesses and financial support for thinning for forest conservation</li></ul>	Long term	Low	High



Initiatives for Environment

Metrics and targets

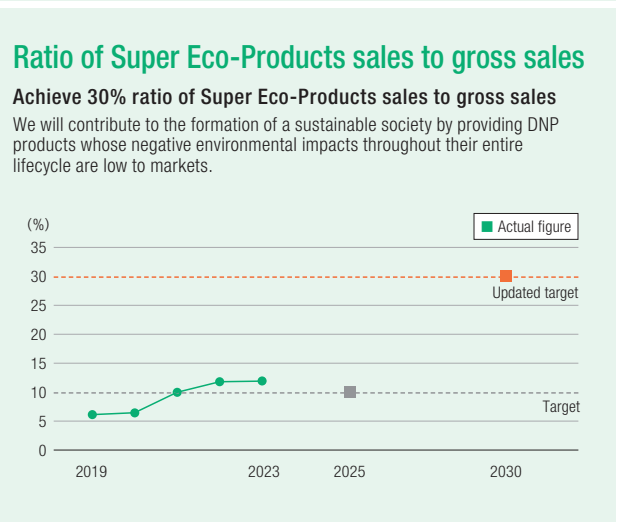
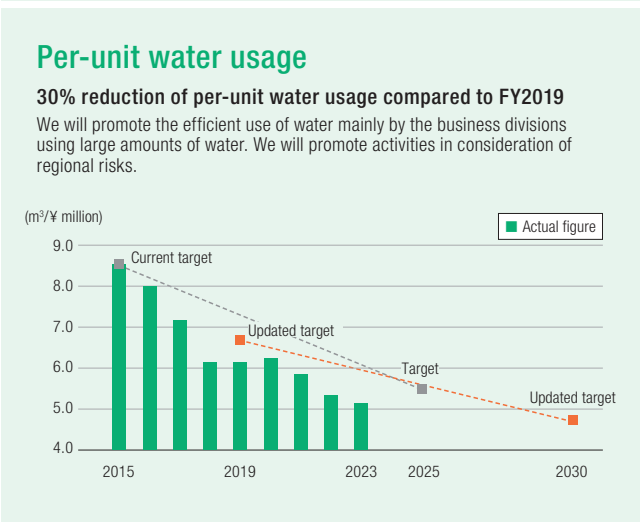
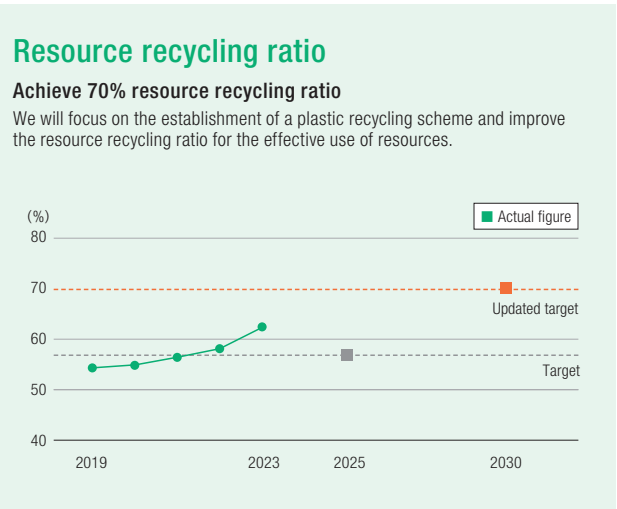
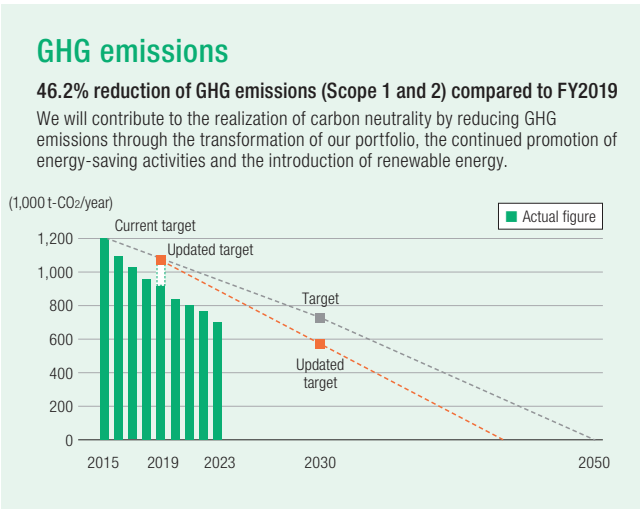
DNP has established a 2030 medium-term target as it moves toward the achievement of carbon neutrality by 2050. Due to proactive GHG emissions reduction efforts, the actual results for fiscal 2023 exceeded the plan, and in April 2024, we updated the target to a more challenging one. We will continue to accelerate activities to reduce GHG emissions by 46.2% compared to fiscal 2019 by 2030 in accordance with the 1.5 °C target, which is an international standard. To be specific, we are promoting the introduction of highly efficient equipment that utilizes internal carbon pricing (20,000 yen/t-CO<sub>2</sub>) and the use of renewable energy. Scope 3 emissions are over 80% of the GHG emissions from DNP’s entire supply chain. To control them, we are investigating the status of our suppliers’ targets for controlling and reducing their GHG emissions and also collaborating with them regarding the use of alternatives and the reduction of GHG emissions for each product.

To establish a recycling-oriented society, we are moving forward with the efficient use of resources, aiming to achieve a resource recycling ratio of 70% for all unneeded materials

coming from our business activities during fiscal 2030. We are increasing our material and chemical recycling especially for plastic, which has the lowest resource recycling ratio. DNP set the new target of reducing per-unit water usage by 30% from the level in fiscal 2019 by 2030, and we will optimize the usage of water in manufacturing processes by divisions that require large amounts of water for processes such as electronics-related processes, reduce water waste and promote the efficient use of water.

Super Eco-Products are excellent eco-friendly products and services as designated by DNP’s original certification system that contribute to the reduction of the negative environmental impacts of products and services and the expansion of business opportunities based on products and services. The ratio of Super Eco-Products sales to gross sales has grown steadily. We will increase the number of products and services that are able to contribute to the realization of nature positive by significantly raising the 2030 target ratio of Super Eco-Products sales to gross sales from 10% to 30%.

Four metrics and new targets for fiscal 2030



\*GHG emissions and per-unit water usage intensity BMs are reviewed following M&A activities or the revision of laws.

Eco-friendly products and services

DNP has established ten guidelines for developing eco-friendly products and services from the perspective of reducing the negative environmental impacts of the products and services throughout their lifecycle, and we are working from the development stage to create eco-friendly products and services. We have identified products and services that are exceptionally eco-friendly as Super Eco-Products, evaluating the negative environmental impact reduction initiatives throughout the entire lifecycle of the products and services, and we use the ratio of Super Eco-Products sales to gross sales as an indicator. We are also working to quantify the negative environmental impacts of products and services through lifecycle assessments (LCAs) to contribute to the realization of a sustainable society through our products and services.

Guidelines for developing eco-friendly products and services				
<b>Reduction of environmental pollutants</b> Elimination of ozone layer-damaging substances, heavy metals and organic chlorine compounds and prevention of the release of nitrous oxides and other substances into the environment.	<b>Resource and energy conservation</b> Reduce the use of metals and fossil fuels. Promote energy-conserving products and systems.	<b>Sustainable resource harvesting</b> Utilize natural resources in a sustainable way.	<b>Long-term usability</b> Consider the ease of repair and parts replacement, length of maintenance and repair service and the expandability of functionality.	<b>Reusability</b> For product parts, considerations regarding disassembly, cleaning and refilling and the establishment of a collection and reuse system that is easy for the purchaser to use.
<b>Recyclability</b> Consideration is given to recyclability through the use of easily recyclable materials, designs that facilitate the separation, disassembly and sorting of individual materials, and the creation of collection and recycling systems that are easy for purchasers to use.	<b>Use of recycled materials</b> Use as many collected and recycled materials and parts as possible.	<b>Ease of treatment and disposal</b> Attempt to place as little burden as possible on incinerator facilities and landfill sites.	<b>Increasing the visibility of negative environmental impacts and taking biodiversity into consideration</b> Increasing the visibility of any impact that should be reduced and aiming to protect biodiversity.	<b>Supporting and promoting environmental education and awareness</b> Contributing to a sustainable society

Ichigaya no mori (Ichigaya Forest), a new forest created in an urban area

DNP is engaged in urban redevelopment in the Ichigaya district of Shinjuku, Tokyo, home to its head office, as a base for new value creation. As part of these activities, we are growing Ichigaya no mori (Ichigaya Forest) to create a new forest in an urban area. Imagining the wooded area of Musashino which was once in that area, we have created a diverse, natural forest with a mix of deciduous broadleaf trees and evergreens, covering approximately one-third of the site area (15,000 m<sup>2</sup>). We will continue to grow Ichigaya no mori as a whole and move forward with urban development while ensuring better communication with community members.

Obtained certification as “Nationally Certified Sustainably Managed Natural Sites” by Japan’s Ministry of the Environment

The Ichigaya no Mori site was selected as “Nationally Certified Sustainably Managed Natural Sites” by Japan’s Ministry of the Environment (MOE) in October 2023. This is the initiative by the MOE for achieving the 30by30 target.\*1 MOE certifies areas where biodiversity conservation efforts are being made as “Nationally Certified Sustainably Managed Natural Sites” and the certified areas are registered in an international database as OECMs.\*2

Winning of the Minister of Land, Infrastructure, Transport and Tourism Award in the 43rd Urban Greening Prize

Ichigaya no mori won the Minister of Land, Infrastructure, Transport and Tourism Award in the 43rd Urban Greening Prize hosted by the Organization for Landscape and Urban Green Infrastructure in October 2023. Our efforts were rated highly for creating a forest of varieties native to the region, greening with fertile soil on artificial ground, and the structure of active maintenance and management by employees.



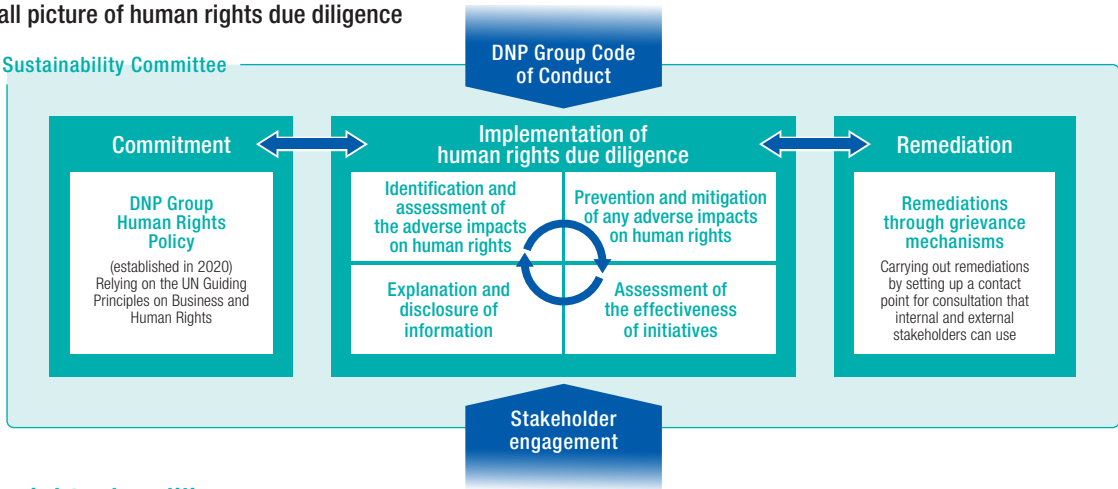
\*1 30by30: A global goal adopted at the 15th Conference of the Parties to the United Nations Biodiversity Conference (COP15) to protect and conserve at least 30% of land and sea areas in a healthy state by 2030  
\*2 Other Effective area-based Conservation Measures (OECMs): Areas that are achieving conservation through private initiatives or areas where management whose goal is not conservation consequently contributes to the protection of the natural environment

Enhancing Risk Management Throughout the

To connect individuals and society and provide new value, DNP believes that it is important to act sincerely in accordance with the ethics of society and to observe laws and regulations. We analyze the significance of each issue from DNP’s perspective based on the DNP Group Code of Conduct and from social perspectives including the perspective of international norms. We have established critical themes including Fair Operating Practices, Human Rights and Labor, Environment, Responsible Procurement, Product Safety

Initiatives for human rights

Overall picture of human rights due diligence



Human rights due diligence

Respect for human dignity and diversity is a component of the DNP Group Code of Conduct. At DNP we respect for the diversity of each individual’s unique culture, nationality, beliefs, race, ethnic group, language, religion, gender, age, or ideas. To realize a society where people mutually respect each other, one of the “four societies” whose establishment is targeted for the creation of a “better future,” in March 2024, DNP identified materiality as the creation of a place where all the people can play an active role by deepening mutual understanding and recognition. Aiming to realize a society where human rights are respected, DNP established the DNP Group Human Rights Policy in March 2020, and is

promoting human rights due diligence in line with the UN Guiding Principles on Business and Human Rights. Recognizing that its business activities influence the human rights of all stakeholders, including DNP’s suppliers and the communities it operates within, in addition to its employees, DNP implements many different measures to prevent or mitigate any adverse human rights impacts its activities may have. Additionally, to secure access to the remediations that are required when doing human rights due diligence activities, DNP is increasing the effectiveness of its contact point that is used by stakeholders and promoting dialogue with stakeholders.

Supply Chain

and Quality, Information Security, Corporate Citizenship in our work to enhance risk management throughout the supply chain. As supply chains have become global, and the world as a whole values respect for human rights in corporate activities in particular, DNP will focus on the enhancement of its human rights due diligence structures, systems and measures based on international norms and also cooperate more closely with diverse stakeholders in the supply chain.

Initiatives to address human rights issues in the supply chain

DNP recognizes that human rights issues in the supply chain are some of the potential human rights risks caused by business activities. This is why DNP has established the DNP Group CSR Procurement Guidelines\*1 which stipulate matters that both DNP and its suppliers should observe, such as matters related to human rights and labor and occupational safety and health. To increase the effectiveness of the guidelines, we continuously conduct a written survey for suppliers who are deemed important in terms of the scale of transactions or business continuity and/or interview these suppliers to examine their compliance and address issues. Additionally, to understand the reality of human rights

issues in the supply chain, we also examined suppliers’ human rights management policies, structures and systems and suppliers’ involvement in countries or regions where there are concerns regarding the employment of forced labor or conflict. Based on the results of these efforts, we assessed human rights risks and identified no serious human rights violations. We are continuing to cooperate with some suppliers with weak management of human rights via investigations to ensure that they enhance their human rights management.

\*1 Revised into the DNP Group Sustainable Procurement Guidelines in July 2024.

Initiatives for responsible minerals procurement

DNP strives to ensure its procurement of the mineral resources that are indispensable in its business activities, amid concerns of the possible serious human rights risks. In fiscal 2023, we implemented due diligence for tin, tantalum, tungsten, gold, cobalt and mica using the Responsible Minerals Initiative (RMI)’s\*2 Responsible Minerals Assurance Process (RMAP).\*3 We identified 393 smelters/refiners providing these six minerals and confirmed that 255 of them were RMAP Conformant smelters/refiners. Regarding the raw materials from smelters/refiners that are not conformant certified, we reiterated our request for suppliers to use minerals from RMAP Conformant smelters/refiners and again recommended that smelters/refiners not yet audited for RMAP certification undergo the process. Additionally, DNP is enhancing its due diligence regarding aluminum, a raw material used in the battery pouches for lithium-ion batteries that is one of its mainstay products. Since fiscal 2022, DNP has increased the transparency of its supply chain through continued engagement with

suppliers. If there are any items where there are concerns regarding risks as a result of our stakeholders’ risk assessments of the supply chain, we ask suppliers to conduct additional investigations and mitigate and remediate risks. Moreover, to ensure that procurement is in compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, we perform site inspections which include the examination of records and documents and promote initiatives throughout the supply chain. In fiscal 2024 and beyond, we will continue to strengthen our response to human rights risks in our supply chain.

\*2 RMI: An organization that spearheads the responsible procurement of minerals. More than 500 companies/organizations from around the world are members.  
\*3 RMAP: A program that verifies compliance with responsible minerals procurement in conjunction with the management system and procurement practices of smelters and refineries based on the evaluations of independent third parties.

Initiatives across the entire supply chain

Upstream	DNP		Downstream	
DNP’s action policy and details of initiatives <ul style="list-style-type: none"><li>Promoting responsible procurement</li><li>Securing traceability</li><li>Strengthening information security</li></ul>	DNP’s action policy and details of initiatives <ul style="list-style-type: none"><li>Respecting human rights</li><li>Supporting the successful careers of diverse human resources</li><li>Promoting occupational safety and health</li></ul>		DNP’s action policy and details of initiatives <ul style="list-style-type: none"><li>Promoting social contribution activities</li><li>Thoroughly ensuring corporate ethics and compliance</li><li>Thoroughly ensuring AI ethics</li><li>Strengthening information security</li><li>Ensuring the safety and quality of our products and services</li><li>Reducing negative environmental impacts of business activities</li></ul>	
Initiatives in cooperation with stakeholders (main activities and results in FY2023)				
Initiatives in cooperation with suppliers, outsourcing contractors and others <ul style="list-style-type: none"><li>Suppliers cooperating in responsible procurement activities: <b>274</b></li><li>Suppliers participating in engagement activities: <b>22</b></li><li>Supplier surveys based on CSR Procurement Guidelines Average score: <b>81</b> (fiscal 2030 target: 90 or higher)</li><li>Supplier survey on responsible minerals procurement Smelters/refiners that are Conformant certified in the Responsible Minerals Assurance Process (RMAP) audit: <b>255</b></li><li>Procurement papers conforming to DNP Group Guidelines for Procurement of Paper for Printing and Converting Ratio of key suppliers that have obtained the conformance certificate: <b>98%</b></li></ul>	Initiatives for employees <ul style="list-style-type: none"><li>Trainees who have taken the Business and Human Rights course: <b>Approx. 22,600 persons</b></li><li>Improving the ratio of female managers: <b>9.4%</b> (up 1.0 point YoY, DNP non-consolidated)</li><li>Improving the percentage of males taking childcare leave: <b>98.7%</b> (up 15.1 point YoY, DNP non-consolidated)</li><li>Improving the ratio of employees with disabilities: <b>2.9%</b> (up 0.3 point YoY)*</li><li>Improving the ratio of annual paid leave taken: <b>55.6%</b> (up 2.3 point YoY, DNP non-consolidated)</li><li>Reduction in frequency rate of lost workday injuries: <b>0.24%</b> (down 0.06 point YoY)</li></ul> <p><small>* Total including DNP non-consolidated and special subsidiaries</small></p>		Initiatives in cooperation with employees <ul style="list-style-type: none"><li>Ratio of Autonomous Corporate Ethics Training conducted: <b>100%</b> (105 organizations)</li><li>Participation rate of information security education and training: <b>100%</b> (44,000 persons)</li><li>Percentage of newly developed products undergoing product safety and risk assessment: <b>100%</b> (513 products)</li><li>Percentage of quality system inspections carried out: <b>100%</b> (51 units and companies)</li><li>Reduction of GHG emissions (Scope 1 and 2) <b>38.0%</b> reduction compared to FY2015 levels Improvement in resource recycling ratio improved from 51.7% in FY2015 to <b>62.4%</b></li></ul>	Initiatives for corporate customers/users <ul style="list-style-type: none"><li>Number of serious accidents caused by our products and services: <b>0</b> accident</li><li>Ratio of Super Eco-Products in total sales: <b>12.0%</b></li><li>Expanding the scope of the GHG emissions information provided for each product</li></ul> Engagement with shareholders/investors <ul style="list-style-type: none"><li>Enhancement of various briefings (e.g., Financial results briefings and Sustainability briefings)</li><li>Individual IR meetings: About <b>170</b>, SR meetings: <b>15</b></li><li>Continued selection as a component of all the Environment, Social and Governance (ESG) investment indexes adopted by Japan’s Government Pension Investment Fund (GPIF).</li></ul>

\* Including emergency support menu items for victims of the Noto Peninsula Earthquake



MANAGEMENT STRUCTURE

Board of Directors



Yoshinari Kitajima

President  
(Sep. 18, 1964)

Brief personal history, title, responsibilities

Apr. 1987 Joined The Fuji Bank, Ltd.  
Mar. 1995 Joined the Company  
Jun. 2001 Director of the Company  
Jun. 2003 Managing Director of the Company  
Jun. 2005 Senior Managing Director of the Company  
Jun. 2009 Executive Vice President of the Company  
Jun. 2018 President of the Company  
Apr. 2022 President, Chairperson of Sustainability Committee of the Company

Qualifications as a Director

Mr. Yoshinari Kitajima is qualified to appropriately supervise the entire Group as well as to realize the Group strategy toward sustainable business growth and corporate value improvement, based on his considerable experience as a management executive in the DNP Group.



Toru Miyake

Managing Director  
(Feb. 5, 1958)

Brief personal history, title, responsibilities

Apr. 1982 Joined the Company  
Oct. 2005 General Manager of R&D Div., Display Components Operations of the Company  
Jun. 2011 General Manager of Corporate R&D Div. of the Company  
Jun. 2018 Corporate Officer, General Manager of Purchasing Div. of the Company  
Jun. 2020 Senior Corporate Officer, in charge of Purchasing Div. of the Company  
Jun. 2023 Managing Director, in charge of Purchasing Div. of the Company

Qualifications as a Director

Mr. Toru Miyake is qualified to appropriately supervise the entire Group as well as to realize enhancement of research and development activities and supply chain, etc., toward business growth and corporate value improvement, based on his experience having served as the head of research and development sector both at the headquarters and business divisions, and having promoted transformation of procurement activities based on such experience and from a high perspective.



Kenji Miya

Executive Vice President  
(Jun. 11, 1954)

Brief personal history, title, responsibilities

Apr. 1978 Joined the Company  
May 1991 Chief Financial Officer of Dai Nippon Printing Co. (Hong Kong) Ltd.  
Jul. 2003 General Manager of Personnel Dept. of the Company  
Jun. 2010 Corporate Officer (Yakuin), General Manager of Personnel Dept. of the Company  
Jun. 2018 Managing Director of the Company  
Jun. 2020 Senior Managing Director of the Company  
Jun. 2021 Senior Managing Director (Daihyo Torishimariyaku Senmu) of the Company  
Jun. 2024 Executive Vice President, managing Smart Communications Sector, Human Capital Sector and Corporate Sector of the Company and Chairperson of BCM Promotion Committee of the Company

Qualifications as a Director

Mr. Kenji Miya is qualified to appropriately supervise the entire Group as well as to realize the human resources and labor strategies, etc. toward business growth and corporate value improvement, based on his considerable experience as a management executive in the DNP Group, including as a chief financial officer at an overseas subsidiary.



Minako Miyama

Managing Director  
(Jan. 15, 1962)

Brief personal history, title, responsibilities

Apr. 1986 Joined the Company  
Apr. 2005 General Manager of VR Planning and Development Office, DB Div., C&I Operations of the Company  
Jul. 2014 General Manager of Recruiting and Training Dept. of the Company  
Jun. 2018 Corporate Officer, General Manager of Recruiting and Training Dept., and Diversity Promotion Dept. of the Company  
Jun. 2021 Director, in charge of Recruiting and Training Dept. and Diversity & Inclusion Promotion Dept. of the Company  
Jun. 2022 Outside Director of TOKAI RIKI CO., LTD. (current)  
Jun. 2024 Managing Director, in charge of Recruiting and Training Dept. and Diversity & Inclusion Promotion Dept. of the Company

Qualifications as a Director

Ms. Minako Miyama is qualified to appropriately supervise the entire Group as well as to realize human resources development strategies, etc., toward business growth and corporate value improvement, based on her proven track record as the Company's first female Corporate Officer and Director, leading the way in developing human resources and ensuring diversity, in addition to experience in the research, and planning and development department.



Masato Yamaguchi

Executive Vice President  
(Sep. 10, 1952)

Brief personal history, title, responsibilities

Apr. 1975 Joined the Company  
Dec. 1994 General Manager of R&D 1st Dept., General Production Research Center of the Company  
Jun. 2008 Corporate Officer (Yakuin), Deputy General Manager of Display Components Operations of the Company  
Jun. 2012 Senior Corporate Officer, General Manager of Fine Electronics Operations of the Company  
Jun. 2017 Senior Executive Corporate Officer, in charge of Living Spaces Operations, Mobility Operations and High-Performance Materials Operations of the Company  
Jun. 2021 Senior Managing Director (Daihyo Torishimariyaku Senmu) of the Company  
Jun. 2024 Executive Vice President, managing R&D and Engineering Management Sector, Life & Healthcare Sector and Electronics Sector of the Company and Chairperson of Corporate Ethics Committee of the Company

Qualifications as a Director

Mr. Masato Yamaguchi is qualified to appropriately supervise the entire Group as well as to realize business development and other activities, etc., toward business growth and corporate value improvement, based on his experience as a person responsible for technology, research and development, and manufacturing of display products, etc., as well as new business development using ICT, having considerable management experience in the DNP Group.



Takahito Kanazawa

Managing Director  
(Sep. 4, 1960)

Brief personal history, title, responsibilities

Apr. 1984 Joined the Company  
Oct. 2004 General Manager of Warabi Plant, Manufacturing Div. in Business Form Operations of the Company  
Apr. 2007 General Manager of System Development Div., IPS Operations of the Company  
Apr. 2017 President of DNP Data Techno Co., Ltd.  
Apr. 2018 General Manager of Information System Div. of the Company  
Jun. 2019 Corporate Officer, General Manager of ICT Business Development Div., Advanced Business Center of the Company  
Apr. 2020 Corporate Officer, in charge of Information System Div. of the Company  
Jun. 2021 Director of Nihon Unisys, Ltd. (currently BIPROGY Inc.) (current)  
Oct. 2021 Corporate Officer, Head of Advanced Business Center, and in charge of Information System Div. of the Company  
Jun. 2022 Senior Corporate Officer of the Company  
Jun. 2024 Managing Director, Head of Advanced Business Center, and in charge of Information System Div. of the Company

Qualifications as a Director

Mr. Takahito Kanazawa is qualified to appropriately supervise the entire Group as well as to realize its ICT strategy and enhance information security, etc., toward business growth and corporate value improvement, based on his proven track record as a person responsible for new business development using ICT and his experience as a person responsible for information security.



Masafumi Kuroyanagi

Senior Managing Director  
(May 4, 1960)

Brief personal history, title, responsibilities

Apr. 1983 Joined the Company  
Apr. 2004 General Manager of Finance & Accounting 1st Dept., Finance & Accounting Div. of the Company  
Jun. 2010 President of DNP Total Process Warabi Co., Ltd.  
Jun. 2015 Corporate Officer (Yakuin), General Manager of Finance & Accounting Div. of the Company  
Apr. 2019 Senior Corporate Officer, in charge of Finance & Accounting Div. of the Company  
Jun. 2021 Managing Director, in charge of Finance & Accounting Div. of the Company  
Jun. 2024 Senior Managing Director, in charge of Finance & Accounting Div., Legal Affairs Dept. and Internal Auditing Div. of the Company

Qualifications as a Director

Mr. Masafumi Kuroyanagi is qualified to appropriately supervise the entire Group as well as to realize financial strategies and capital policy, etc., toward business growth and corporate value improvement, based on his considerable management experience in the DNP Group and knowledge of all aspects of financial accounting, including account settlement and taxation.



Tsukasa Miyajima

Director  
(Aug. 23, 1950)

Brief personal history, title, responsibilities and status of important concurrent offices

Apr. 1990 Professor of Keio University, Faculty of Law  
Apr. 2003 Registered as an attorney at law at the Daini Tokyo Bar Association (current)  
Jul. 2012 Outside Director of Hulic Co., Ltd. (current)  
Jun. 2014 Outside Director of the Company, Outside Statutory Auditor of Mikuni Corporation (current)  
Nov. 2015 Advisory Committee Member of the Company  
Apr. 2016 Emeritus Professor of Keio University (current), Professor of Asahi University, Faculty of Law and Graduate School of Law (current)  
Jun. 2018 Outside Statutory Auditor of Daifuku Co., Ltd. (current)

Overview of expected role as an Outside Director

Mr. Tsukasa Miyajima is expected to provide advice and supervision over the Company's management from an objective perspective independent from the management executing the business, based on, among other things, his high level of insight and extensive experiences as a legal expert.



Kazuhiko Sugita

Senior Managing Director  
(Jan. 19, 1960)

Brief personal history, title, responsibilities

Apr. 1982 Joined the Company  
Jun. 1997 General Manager of Sales and Control Dept., Kyushu Operations of the Company  
Apr. 2003 General Manager of Planning and Control Dept., Packaging Operations of the Company  
Apr. 2008 General Manager of Planning and Control Dept., Ichigaya Operations of the Company  
Jun. 2015 Corporate Officer (Yakuin), in charge of Corporate Communication Div. of the Company  
Jun. 2018 Senior Corporate Officer, in charge of Corporate Communication Div. of the Company  
Jun. 2024 Senior Managing Director, in charge of Corporate Communication Div., IR and Public Relations Div., Corporate Administration Dept. and Facility Management Promotion Dept. of the Company

Qualifications as a Director

Mr. Kazuhiko Sugita is qualified to appropriately supervise the entire Group as well as to realize public relations and IR strategies, etc. toward business growth and corporate value improvement, based on his considerable knowledge of management accounting he has gained through his long practical experience in administrative division and his proven track record in sustainability and public relations departments.



Yoshiaki Tamura

Director  
(Oct. 3, 1954)


Brief personal history, title, responsibilities and status of important concurrent offices

Apr. 1979 Joined Asahi Glass Co., Ltd. (currently AGC Inc.)  
Mar. 2013 Representative Director, Executive Vice President, Overall business management, GM of Technology General Division, Deputy leader of AGC Group Improvement Activities of Asahi Glass Co., Ltd.  
Mar. 2014 Executive Vice President, President of Glass Company of Asahi Glass Co., Ltd.  
Mar. 2017 Executive Fellow of Asahi Glass Co., Ltd.  
Mar. 2018 Outside Director of DIC Corporation  
Jun. 2022 Outside Director of the Company  
Jun. 2023 Advisory Committee Member of the Company

Overview of expected role as an Outside Director

Mr. Yoshiaki Tamura is expected to provide advice and supervision over the Company's management from an objective perspective independent from the management executing the business, based on his high level of insight he gained through management experience and expertise in the manufacturing of glass and other materials acquired at AGC Inc. and his experience as an outside director of other listed companies, using such high level of insight.

Board of Directors

<div></div> <div><b>Hiroshi Shirakawa</b> Director (Dec. 22, 1954)</div>	<div>■ <b>Brief personal history, title, responsibilities and status of important concurrent offices</b></div> <div>Apr. 1979 Joined TAISEI CORPORATION Apr. 2011 Trustee, General Manager, Corporate Planning Department, Corporate Planning Office of TAISEI CORPORATION Apr. 2012 Executive Officer, Deputy Chief of Corporate Planning Office, General Manager, Corporate Planning Department of TAISEI CORPORATION Apr. 2015 Managing Executive Officer, Chief of Yokohama Branch of TAISEI CORPORATION Jun. 2019 Senior Managing Executive Officer, Member of the Board, Chief of Marketing &amp; Sales (Building Construction) Division II of TAISEI CORPORATION Jun. 2022 Outside Director of the Company Jun. 2023 Advisory Committee Member of the Company</div>		<div>■ <b>Overview of expected role as an Outside Director</b></div> <div>Mr. Hiroshi Shirakawa is expected to provide advice and supervision over the Company's management from an objective perspective independent from the management executing the business, based on his considerable and high level of insight into overall business management he gained through his long experience in administrative division of TAISEI CORPORATION and various important posts held using his considerable experience after assuming the position of Executive Officer of that corporation.</div>	
	<div>■ <b>Brief personal history, title, responsibilities and status of important concurrent offices</b></div> <div>Apr. 1989 Joined The Hong Kong &amp; Shanghai Banking Corporation Limited Aug. 2001 Research Fellow at Financial Research and Training Center (FRTC) (currently Financial Research Center (the FSA Institute)), Department of Policies, Planning and Coordination Bureau at the Financial Services Agency Mar. 2004 Completed the PhD program at the Graduate School of Law (specialized in Private Law) at Chuo University (PhD in Law) Apr. 2006 Senior Legal Advisor at JPMorgan Securities Japan Co., Ltd. Apr. 2008 Professor of Business School (Chuo Graduate School of Strategic Management) at Chuo University (current) Jun. 2014 External Director of SUNDRUG Co., Ltd. Jun. 2024 Outside Director of the Company</div>		<div>■ <b>Overview of expected role as an Outside Director</b></div> <div>Mr. Nobuhiko Sugiura is expected to provide advice and supervision over the Company's management from an objective perspective independent from the management executing the business, based on, among other things, his high level of insight and extensive experience in the financial, capital market, corporate governance code and business investment fields, etc.</div>	

Statutory Auditors and Corporate Officers

Standing Statutory Auditor

Statutory Auditor

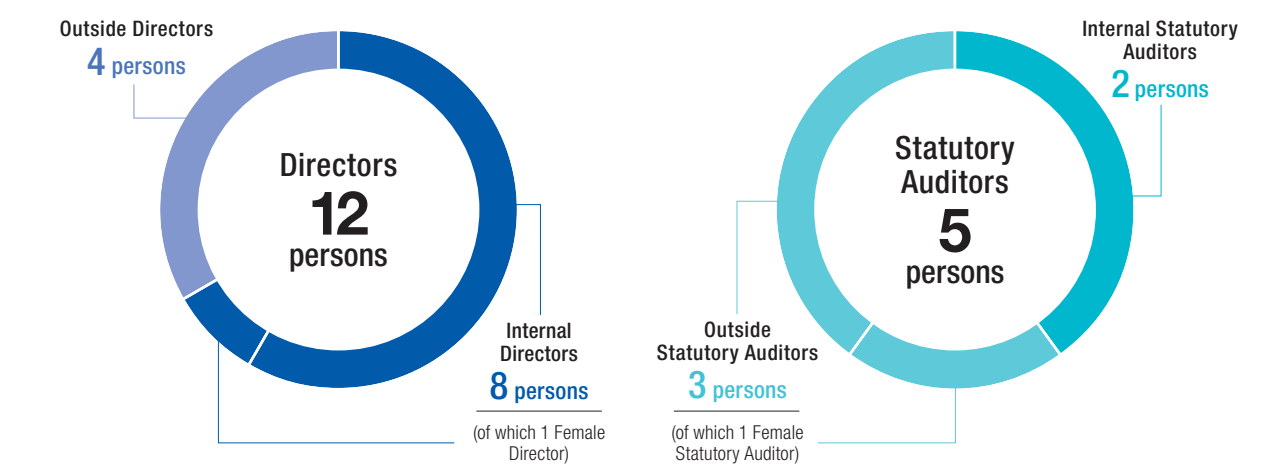
Senior Executive Corporate Officers

Senior Corporate Officers

Corporate Officers

Ryuji Minemura	Tatsuya Hisakura	Kazuhisa Morigayama* <sup>1</sup>
Taeko Ishii* <sup>1</sup>	Yasuyoshi Ichikawa* <sup>1</sup>	
* <sup>1</sup> Outside Statutory Auditors		
Sakae Hikita	Motoharu Kitajima	Satoru Inoue
Mitsuru Tsuchiya	Toshiki Sugimoto	
Nobuyuki Asaba	Yoshiki Numano	Osamu Nakamura
Mitsuru Iida	Ryota Chiba	Kazuhisa Kobayashi
Go Miyazaki	Naohiro Nishizawa	
Kazuo Murakami	Takuya Goto	Minoru Nakanishi
Hiroyuki Sone	Yasuyuki Tani	Ariyoshi Matsumura
Mitsue Sako	Nobuyuki Tomizawa	Hideto Sakata
Toshinari Irukayama	Tomohiro Seyama	

Composition of the Company's Board of Directors (As of June 28, 2024)



Background of the Company's Directors and Statutory Auditors

		Corporate Management, Business Strategy	Financial/Management Accounting, Capital Policy Initiatives	ESG, Diversity	Legal Affairs, Compliance, Risk Management	HR/Labor, Human Resource Development	R&D, New Business	Overseas Business	IT/DX
Directors	Yoshinari Kitajima	◎		◎	○			○	
	Kenji Miya	◎	○	◎	○	◎	○	○	
	Masato Yamaguchi	◎			○		◎	◎	◎
	Masafumi Kuroyanagi	◎	◎		○				
	Kazuhiko Sugita	○	◎	◎					
	Toru Miyake	○		○			◎		○
	Minako Miyama	○		◎		◎	○		○
	Takahito Kanazawa	○			◎		○		◎
	Tsukasa Miyajima*				◎				
	Yoshiaki Tamura*	◎		○			○	◎	○
Statutory Auditors	Hiroshi Shirakawa*	◎	◎		○				
	Nobuhiko Sugiura	○	◎		◎			○	○
	Ryuji Minemura	○			◎				
	Tatsuya Hisakura	○	◎		○			◎	○
	Kazuhisa Morigayama	○	◎		○	○			
	Taeko Ishii			◎	○	○			
	Yasuyoshi Ichikawa		◎		○				

\*Advisory Committee Member

Background of the Company's directors and statutory auditors

The Company's Board of Directors and the Board of Statutory Auditors consist of members with diverse backgrounds to cover the experience and expertise (skills) that are considered important in promoting the Medium-term Management Plan. "○" indicates that the individual possesses the background, and "◎" indicates that the individual is highly expected to demonstrate his/her competence in the field.



# Corporate Governance

DNP engages in business activities that provide new value in the long term, with the aim of creating a sustainable, better society and well-being lives. To continue providing such value, DNP believes that we must improve our corporate value and continue to be a company that is always trusted by all stakeholders. We recognize the enhancement of corporate governance as an important management issue and are working to increase the accuracy of decision-making, maintain proper and prompt business executions based on the decisions that are made, and build and operate a system of supervising and auditing the business executions.

## Overview of DNP's Corporate Governance

DNP's Corporate Philosophy is "The DNP Group connects individuals and society, and provides new value." Based on this philosophy, we believe it is important to always consider our responsibilities to society as a corporation to expand our business consistently over the medium- to long-term. We think a corporation should fulfill three (3) responsibilities: value creation, integrity in conduct and transparency (accountability). We are committed to fulfilling these responsibilities.

To improve DNP's competitiveness going forward, we must boldly address the challenges presented by various business opportunities through sound entrepreneurship and earn the trust of each and every stakeholder. We thus believe that improving corporate governance, including our internal control systems, is an important management issue. In particular, we make accurate management decisions, properly and promptly execute business based on the decisions that have been made, build and operate a system that makes it possible to supervise and audit such execution of business, and provide thorough

training and education to increase each employee's awareness regarding legal compliance.

Due to recent rapid changes in the social environment, factors that may affect our business are becoming increasingly diverse and widespread. The Company's Board of Directors believes that appropriately assessing risks in this environment, incorporating these assessments into our medium- to long-term management strategies, and strengthening the process of converting the risks into business opportunities will allow us to more significantly contribute to a sustainable society. Following deliberation by the Advisory Committee, the Board of Directors thus resolved in March 2022 to restructure the Sustainability Committee. The president has been appointed to be its chairperson.

The following three (3) committees collaborate to address company-wide risks comprehensively. The Sustainability Committee manages medium- to long-term risks, identifies business opportunities and integrates them into management strategies. The BCM Promotion Committee works to ensure the

safety of employees and maintain the continuity of production activities even in the event of emergencies such as natural disasters, thereby ensuring business continuity. The Corporate Ethics Committee seeks to reduce risks by increasing employees' awareness of legal compliance, which

is the foundation for business continuity. The Sustainability Committee takes a central role in regularly reviewing material issues in management, and the Management Committee and Board of Directors discuss them to appropriately integrate risks into our medium- to long-term management strategy.

## DNP's corporate governance system

DNP has adopted the organizational design of a company with a Board of Statutory Auditors, with independent outside directors who participate in management decision-making to further enhance the accuracy of decision making, proper and prompt execution of their duties based on the decisions that have been made and appropriate supervisory and audit functions. We have also established a system with 24 corporate officers appointed by the Board of Directors, allowing the execution of duties decided by the Board of

Directors with responsibility and authority. Additionally, we have established and operate the independent Advisory Committee and non-mandatory committees that manage company-wide risks, including the Sustainability Committee. We believe that these committees will help us ensure that the Board of Directors is appropriate, agile, flexible and diverse and enable us to achieve the sustainable growth of the Company and improve its medium- to long-term corporate value.

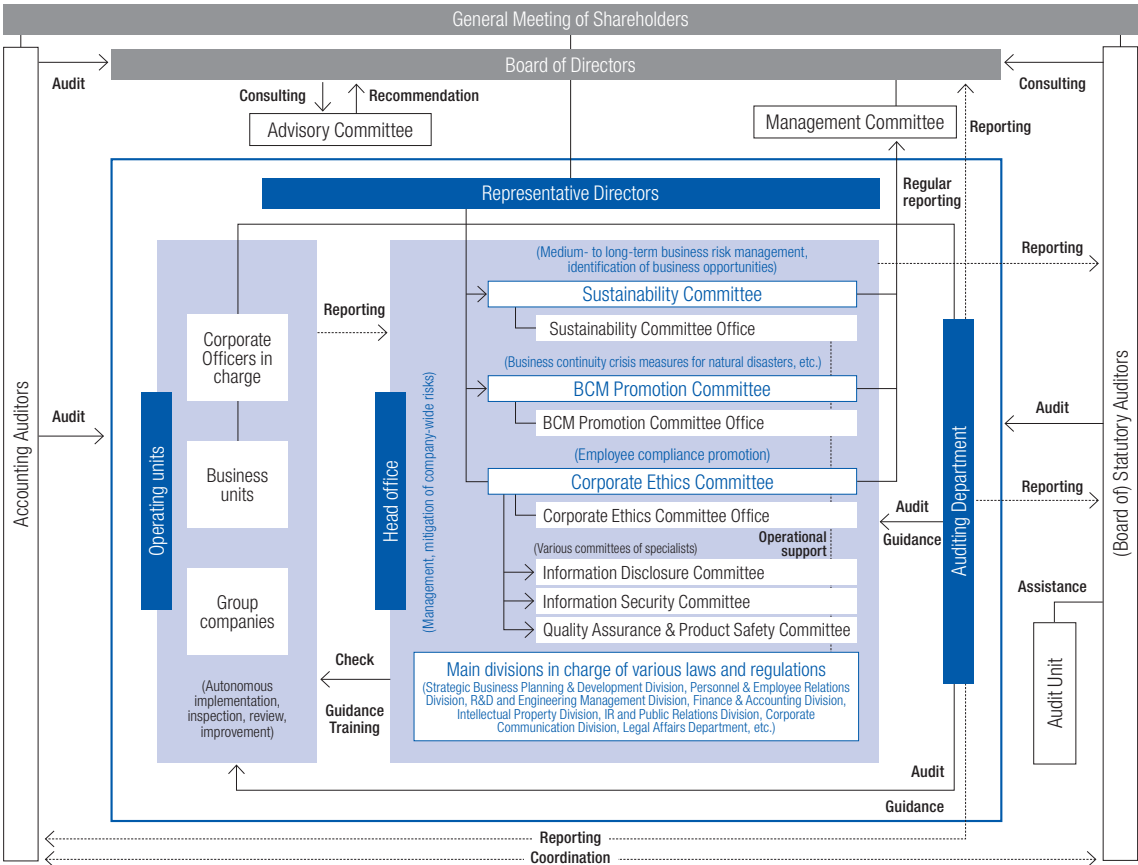
## Board of Directors and Board of Statutory Auditors

- The Company's Board of Directors is structured to enable directors with specialized knowledge and experience in a wide range of business fields to participate in management decision-making aimed at realizing our corporate philosophy to execute their duties with responsibility and authority and to supervise the execution of duties by other directors.
- In principle, the Board of Directors is held once a month, with corporate officers attending as rapporteurs when necessary, to deliberate and decide on important management issues. The criteria for agenda items to be submitted to the Board of Directors are clarified in the Board of Directors Regulations, which were established in compliance with laws and ordinances and the Articles of Incorporation. In terms of other decision-making and business execution, the director or corporate officer delegated by the Board of Directors to be in charge of a specific basic organization delegates appropriate authority to the head of the organization, in accordance with organizational rules, etc., to improve efficiency.
- The Company's Board of Statutory Auditors consists of five (5) members (three (3) are standing statutory auditors), including three (3) statutory auditors with a considerable degree of knowledge about finance and accounting. Each statutory auditor conducts audits of the execution of duties by directors in accordance with the auditing standards and assignments determined by the Board of Statutory Auditors and requests reports on the execution of duties from directors, corporate officers, and others as necessary. Each statutory auditor attends all meetings of the Board of

Directors and makes necessary comments on agenda items. Outside statutory auditors enhance the validity of both accounting audits and operational audits, and fulfill the function of supervising management.

- The Company has four (4) outside directors and three (3) outside statutory auditors, all of whom are independent directors/statutory auditors who meet the "independence standards" stipulated by the Tokyo Stock Exchange and the Company. We believe that independent directors and statutory auditors ensure transparency of management and protect the interests of general shareholders by speaking out on agenda items at meetings of the Board of Directors from a standpoint independent of management, based on their various specialized knowledge and experience.

### Structural diagram of DNP's corporate governance and internal control system



### Main items discussed at Board of Directors meetings during the fiscal year ended March 2024

Management strategy	• Development and progress of operations in line with the Medium-term Management Plan (business, financial and non-financial strategies)
Dialogue with shareholders	• Holding of financial results briefings, sustainability briefings, etc. • Status of dialogues with institutional investors
Governance	• Status of Sustainability Committee activities • Key personnel, organizational units and compensation • Evaluation of the effectiveness of the Board of Directors • Status of internal audits • Approval of conflict-of-interest transactions • Compliance survey analysis
Individual investments, reorganization and development of operating bases, and acquisition and sale of assets	



Outside Director Tsukasa Miyajima Outside Director Yoshiaki Tamura Outside Director Hiroshi Shirakawa Outside Director Nobuhiko Sugiura Outside Statutory Auditor Kazuhisa Morigayama Outside Statutory Auditor Taeko Ishii Outside Statutory Auditor Yasuyoshi Ichikawa

Corporate Governance

Management Committee

In order to enhance the speed and efficiency of management activities, the Company has established the Management Committee consisting of executive directors to review and deliberate on matters such as management policies, management strategies and important management matters.

Advisory Committee

As part of our efforts to strengthen the supervisory functions of the Board of Directors, we have established the Advisory Committee consisting of independent outside directors/statutory auditors to ensure the transparency and objectivity of decision-making procedures relating to the nomination of candidates for positions as directors or statutory auditors of the Company, their compensation and other issues. The Advisory Committee is a non-mandatory committee established in 2015 and functions as a nomination committee and a compensation committee. Each committee member provides advice and recommendations regarding important management matters.

Evaluation of the effectiveness of the Board of Directors overall

Evaluation method

- We have been evaluating the overall effectiveness of the Board of Directors in April each year since the enforcement of Japan's Corporate Governance Code began in 2015 as an opportunity to receive frank opinions from directors and statutory auditors about the current structure and activities of the Board of Directors. We aim to enhance governance by evaluating the status of the responses to addressed issues identified in the previous year.
- We conduct a questionnaire survey consisting of several dozen questions on the large items on the right (evaluation on a scale of 1 to 5 and open-ended questions) which all directors and statutory auditors answer, analyze the results and present the issues to be addressed at a meeting of the Board of Directors in May based on the opinion of outside directors/statutory auditors regarding the results of the analysis.
- We annually review the questionnaire, examining standard questions from external organizations, to ensure that the questions are based on current social trends. We keep basic questions unchanged to evaluate improvements to address medium- to long-term issues.
- The chart on the right illustrates the evaluation process we conduct annually. We are confident that this series of steps will enhance all of the functions of the Board of Directors, including its supervisory functions.

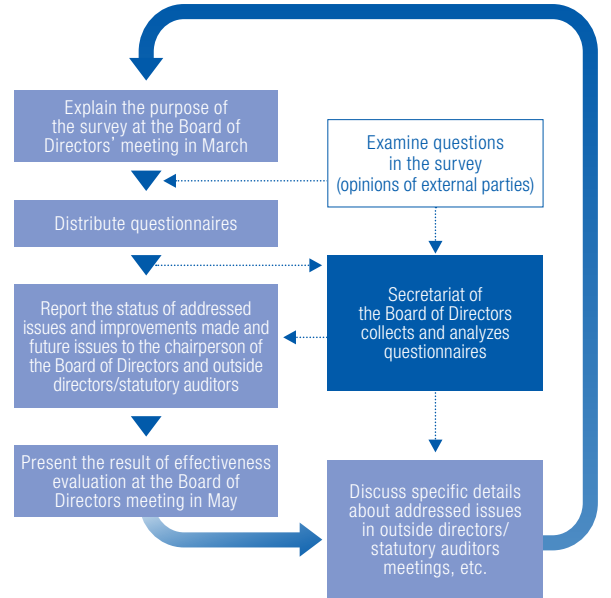
Results for the fiscal year ended March 2024

- In the ninth effectiveness evaluation conducted in April 2024 (the survey regarding the 14 Board of Directors meetings between April 2023 to March 2024), we asked questions about the status of responses to addressed issues identified in the previous (eighth) effectiveness evaluation and their deliberations on the progress of the implementation of the Medium-term Management Plan. We

Activities of the Advisory Committee during the fiscal year ended March 2024

Members	Chairperson: Outside Director Miyajima Members: Outside Directors Tamura and Shirakawa
Number of meetings held	Five (All members attended all meetings.)
Main items deliberated	<ul style="list-style-type: none"><li>Agenda items for the 2024 ordinary general meeting of shareholders</li><li>Changes to the directors/statutory auditors/corporate officers (including the structure of the Board of Directors and its skill matrix after the 2024 ordinary general meeting of shareholders)</li><li>Basic policy on compensation for directors and individual compensation</li><li>IR activity policy</li><li>Deliberations in Sustainability Committee meetings</li><li>Status of implementation of initiatives for the development of female management leaders and managers</li><li>Status of employee engagement surveys</li></ul>

Large items in the questionnaire	1 Supervisory function of the Board of Directors
	2 Appointment and compensation system of directors
	3 Operation of the Board of Directors
	4 Relationship with shareholders, etc.
	5 Support and cooperation with outside directors/statutory auditors



expanded the free response statement columns. The secretariat of the Board of Directors collected and analyzed the responses to the questionnaire. The outside directors/statutory auditors reviewed the findings of the analysis.

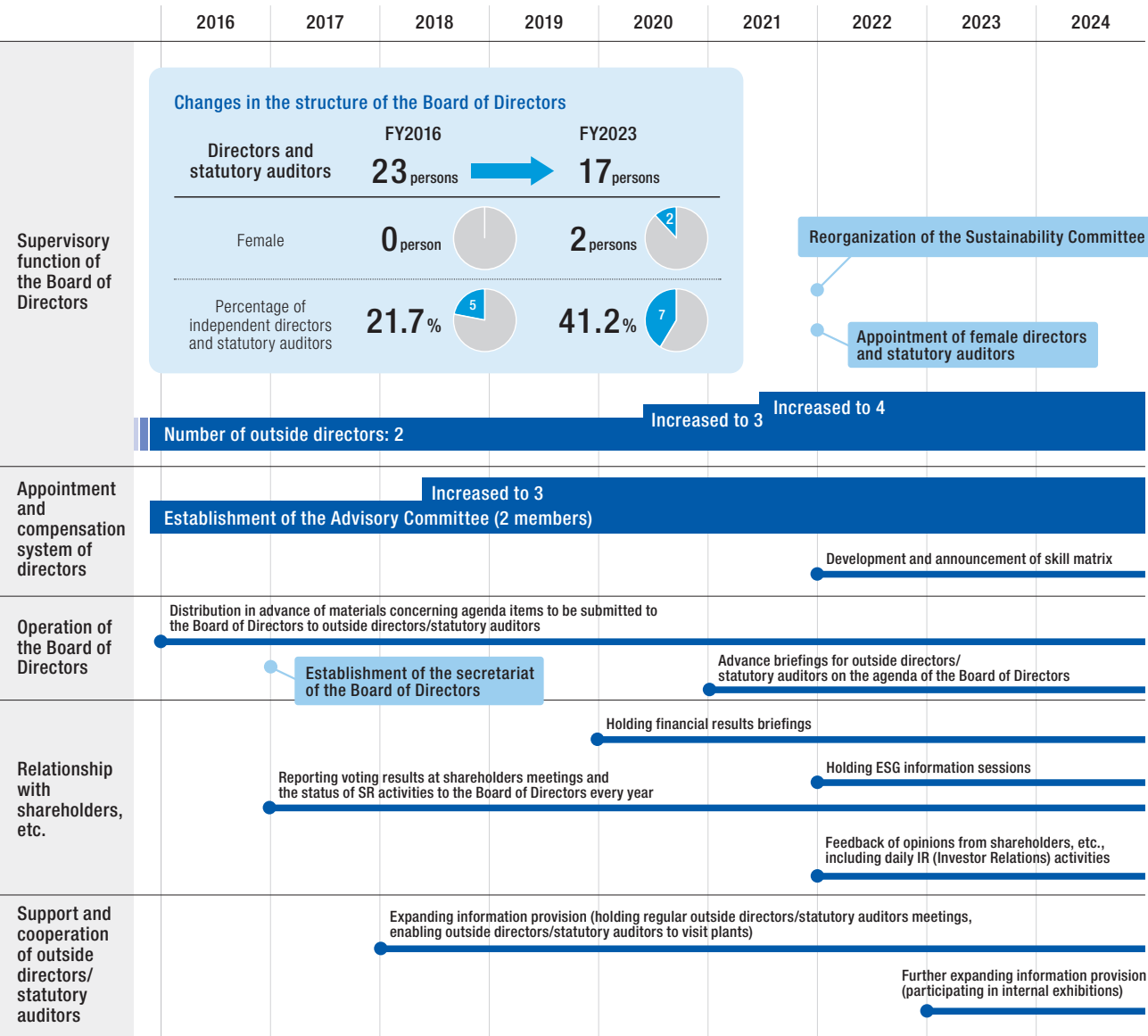
- The average score for the ninth effectiveness evaluation of the directors and statutory auditors was 4.5, compared to 2.8 in the previous evaluation on a scale of 1 to 3. We

- believe that changing the scale enabled the evaluation to be more detailed. We have concluded that the governance system of the Board of Directors is considered to be as effective as it was in the previous survey.
- The results of this effectiveness evaluation indicate that the Company's Board of Directors is steadily fulfilling its supervisory functions based on the current Medium-term Management Plan, which emphasizes the capital policy. Meanwhile, we have acknowledged that we need to overcome numerous challenges by changing the way discussions are conducted at Board of Directors meetings to more actively listen to the voices of shareholders and investors and appropriately incorporate them into management strategies.
  - As a result of actions regarding the issue of addressing

- the information gap between inside and outside directors/statutory auditors, which was an issue in the effectiveness evaluation, we found there was hardly any significant difference between the average scores of the inside and outside directors/statutory auditors.
- Based on the analysis of the survey results, all directors and statutory auditors have agreed to address the following issues:
    - Continue to act to follow up on significant investment projects the Board of Directors resolved to implement or that were reported on at Board of Directors meetings and in connection with reports on the status of IR activities
    - Continue to create opportunities for outside directors and statutory auditors to communicate with management and employees

Initiatives to enhance corporate governance

Since the introduction and application of Japan's Corporate Governance Code in 2015, we have been working to enhance the effectiveness of the Board of Directors based on the results of effectiveness evaluations.





## Outside Director Roundtable

# DNP's steady growth and transformation, and the roles outside directors are expected to play


**Tsukasa Miyajima,**  
Outside Director

Mr. Miyajima is a professor emeritus at Keio University and a professor of Asahi University's School of Law and Graduate School of Law. He is a lawyer. He was appointed as a director of DNP in June 2014. He is also an outside director or outside statutory auditor of other companies. He has been a member of the Advisory Committee since its establishment in 2015 and is now its chairperson.

**Yoshiaki Tamura,**  
Outside Director

Mr. Tamura has held key positions at Asahi Glass Co., Ltd., (currently AGC Inc.) including Representative Director and Executive Vice President (overall business management, GM of Technology General Division and Deputy leader of AGC Group Improvement Activities) in 2013 and Executive Fellow in 2017. He was appointed as a director of DNP in June 2022, and has also served as a member of the Advisory Committee since June 2023.

**Hiroshi Shirakawa,**  
Outside Director

Mr. Shirakawa has held key positions at TAISEI CORPORATION, including Executive Officer, Deputy Chief of Corporate Planning Office and General Manager, Corporate Planning Department in 2012, Managing Executive Officer, Chief of Yokohama Branch in 2015 and Senior Managing Executive Officer, Member of the Board and Chief of Marketing & Sales (Building Construction) Division II in 2019. He was appointed as a director of DNP in June 2022, and has also served as a member of the Advisory Committee since June 2023.

**Nobuhiko Sugiura,**  
Outside Director

Mr. Sugiura is a professor at the Chuo Graduate School of Strategic Management. He joined The Hong Kong and Shanghai Banking Corporation Limited in 1989. He was appointed as a Research Fellow at the Financial Research and Training Center (FRTC), Department of Policies, Planning and Coordination Bureau at the Financial Services Agency in 2001. He assumed the role of Senior Legal Advisor at JPMorgan Securities Japan Co., Ltd. in 2006. He has been a professor at the Chuo Graduate School since 2008. He was an outside director for other companies from 2014 to 2024.

## Introduction

**Miyajima:** Today, I would like to exchange opinions with all of the outside directors, including the newly appointed Director Sugiura, about the future roles of the outside directors on DNP's Board of Directors.

**Tamura:** DNP excels in P&I (printing and information) technologies and it has developed globally acclaimed products, such as battery pouches and metal masks, by applying these technologies. In recent years, a vast amount of information instantly crosses borders in various forms over the Internet, reaching broad audiences, partly due to advancements in AI technology. It is important for us to utilize our P&I technologies more effectively to disseminate the value of information optimally to every corner of society. I believe that is the mission of DNP, which has been involved in

P&I since its foundation, and it will help create the better society that DNP aims to enable. Technology is advancing rapidly, and there are high obstacles to overcome. I would like to continue discussing our long-term vision and roadmap at Board of Directors meetings so that DNP can continue to provide value without lagging behind the speed of social change.

**Sugiura:** I had a business connection with DNP more than 20 years ago and have had some knowledge of the Company



since then. However, DNP is no longer the printing company it once was. The Company is currently undergoing significant transformation and changing its direction. I have been allowed to join the Board of Directors as an outside director during this time of transformation. I find this very rewarding and feel a strong sense of responsibility.

**Initiatives in the second year of the Medium-term Management Plan**

**Miyajima:** DNP announced its Medium-term Management Plan in May 2023. 2024 is the second year of the plan. What are your views on the roles of the Board of Directors, especially the outside directors, supervising the implementation of our business strategy and our financial and non-financial strategies?

**Shirakawa:** In 2023, the first year of the Medium-term Management Plan, the Board of Directors discussed various issues related to the plan. Discussions of the business strategy focused on significant events primarily in the focus business areas, such as the investment in CMIC CMO Co., Ltd. to make it a subsidiary in the medical & healthcare business and the investment in a special purpose company for acquiring shares of Shinko Electric Industries, Co., Ltd. in the semiconductor business. I feel like it was a very dynamic year. Let me move on to financial strategy. DNP has a solid financial position, which has enabled it to pursue investments aggressively. However, a solid financial position indicates poor capital efficiency. To improve capital efficiency, we proactively acquired treasury stock and reduced strategic shareholdings in 2023. We need to continue to closely monitor the progress of these initiatives. Our non-financial strategy included reskilling to reallocate personnel from the business for reforming to the focus business areas. In 2024, we need to examine the results of these initiatives. I believe that the Board of Directors needs to continue to follow up on the progress of the initiatives that it has resolved to implement and consider the need for course corrections.

**Tamura:** The importance of following up after a decision to invest is made at a Board of Directors meeting will increase. The Board of Directors carefully examines the objectives of investments and the plans for them at the time of investment. The medical & healthcare and semiconductor businesses draw a significant amount of attention from society, and it is expected that in these sectors the rate of technological innovation will be rapid and the market environment will change quickly. There are probably cases where plans will not go as initially expected. I would like to review the progress of plans based on the KPIs and discuss making changes to the plans according to the progress at Board of Directors meetings to provide advice and recommendations that help the Company ultimately surpass its initial goals.

**Miyajima:** I understand that the ways that we and the

investors who seek short-term results perceive time are different regarding the progress in the Medium-term Management Plan, particularly shareholder returns in the financial strategy. DNP's Board of Directors has been discussing management strategies that consider the cost of capital and the balance between aggressive growth investment and shareholder returns. These strategies include the reduction of strategic shareholdings. The Board of Directors has also been deliberating on the proportion of female directors and the disclosure of information that is more detailed than segment information. The Board of Directors has been discussing these matters since before the Tokyo Stock Exchange requested that companies do so. I believe that the results of the vote on the reappointment of top management at the General Meeting of Shareholders in June this year were due to these differences in the perception of time and were not attributable to criticism of the growth strategy or capital policy set out in the Medium-term Management Plan, which is being implemented under the leadership of the president. After analyzing the share price trends, I believe that DNP's initiatives have been well received by the market.

**Sugiura:** I am a professor at the Chuo Graduate School of Strategic Management. I have practical experience in private enterprises. As a research fellow at the Financial Services Agency, I was involved in policy-making that led to the creation of the current governance code. In recent years, the importance of disclosing information to capital markets has been increasing. I would like to utilize my experience and knowledge to advise and supervise DNP on whether DNP is providing accurate information in the right direction.

**DNP's pursuit of an optimal governance system**

**Miyajima:** Every year, DNP conducts a survey of all of its directors and statutory auditors to evaluate the effectiveness of the Board of Directors. The issues that need to be addressed are identified based on the results of the evaluation. The outside directors/statutory auditors review issues, such as diversity on the Board of Directors, its efficient operations, and the provision of information to outside directors/statutory auditors, as needed and work to improve the supervisory functions of the Board of Directors.







**Shirakawa:** I understand that the criteria for submitting agenda items to be presented to the Board of Directors were modified in 2017 based on the results of the effectiveness evaluation. I feel that the backgrounds of the current members of DNP's Board of Directors, which consists of twelve (12) directors (including four (4) outside directors) and five (5) statutory auditors (including three (3) outside statutory auditors) are diverse. They have sufficient time to discuss important management issues and hold prompt, flexible and in-depth discussions. It is important for outside directors to have a correct understanding of the DNP Group as a whole to make decisions on individual issues and offer appropriate advice to and appropriately supervise management. Efforts have been made to enhance the provision of information to outside directors/statutory auditors. However, we aim to further increase the dialogue with the people executing business.

**Miyajima:** The composition and management structure of the Board of Directors directly impact its effectiveness, and I believe that other companies, like us, are facing challenges when it comes to selecting the appropriate number of outside directors in today's business environment, which calls for a higher proportion of outside directors. Since each company has its own unique culture and philosophy and different management issues and risks (variables), there are no outside director candidates that match every company. There is no benefit to simply increasing the number of outside directors or changing the organizational structure for the sole purpose of increasing the proportion of independent outside directors/statutory auditors. At DNP, the Board of Directors determines director candidates after deliberations by the Advisory Committee. The Advisory Committee reviews the candidates of directors/statutory auditors/corporate officers

proposed by the Company. They consider the circumstances surrounding DNP, the required skill items, whether the Board of Directors will have the balanced set of skills needed, and whether the size of the Board of Directors will be appropriate for effective Board operations.

**Sugiura:** The Corporate Governance Code mandates the appointment of outside directors based on the expectation that the inclusion of outside directors on the Board of Directors will foster discussions that incorporate objective viewpoints, resulting in the provision of clear information to stakeholders, including capital markets and shareholders. Outside directors need to remember that they play a role in management, taking advantage of their position that is independent from management.

**Tamura:** Outside directors are responsible for supervising and providing advice to other directors from an external perspective. I aim to be well-informed about internal and external circumstances and participate in discussions during Board of Directors meetings. To do this, I will work to improve myself.

**Miyajima:** Since the establishment of the Corporate Governance Code, most companies have appointed outside directors. Each company is required to not just appoint outside directors but also ensure they perform effectively. They need to be aware that the influence of each outside director on management decisions is growing as the proportion of outside directors on the Board of Directors increases. At DNP's General Meeting of Shareholders held in June this year, there was a shareholder proposal. There have been more shareholder proposals and business acquisitions in recent years. Outside directors play an important role in objectively evaluating whether these activities serve the common interests of the shareholders and whether they damage shareholder value. The Board of Directors is responsible for supervising management and promoting risk-taking. Each of us, including me, must understand the roles expected of us and fulfill our responsibilities to enhance DNP's corporate value.

Thank you for joining us today.



## Compensation paid to directors and statutory auditors

### Matters concerning resolutions at the General Meeting of Shareholders regarding compensation paid to directors and statutory auditors

Compensation for directors and statutory auditors is calculated within the limit for compensation as determined by a resolution at the General Meeting of Shareholders.

Date for resolution	Details of resolution	Number of members*
June 29, 2016	Compensation for directors: Within an annual amount of 1.4 billion yen (Compensation for outside directors shall be within an annual amount of 80 million yen).	12
June 29, 2022	Stock compensation: Directors are granted claims to monetary compensation within an annual amount of up to 300 million yen per year, and up to 300,000 restricted shares per year by receiving in-kind contributions of such claims to monetary compensation (executive directors)	8
June 28, 2007	Compensation for statutory auditors shall be within an annual amount of 180 million yen.	5

\*Number of persons covered by the provision at the time of the resolution

### Matters concerning the policy for deciding the details of compensation for each individual director

To determine a policy for deciding the details of compensation for each director, including the amount thereof, the Board of Directors established standards by referring to objective compensation market data. The Advisory Committee, which consists of independent outside directors and/or statutory auditors, then went through a process of deliberation and examination. The Board of Directors took the details of this deliberation into consideration and passed a resolution on a policy for deciding the details of the compensation of each director for the fiscal year under review (the fiscal year ended March 31, 2024) at a meeting of the Board of Directors held on April 17, 2023.

In the fiscal year ended March 31, 2024, the Board of Directors decided to entrust Yoshinari Kitajima, President with the task of deciding a specific amount of compensation for each director, and Mr. Kitajima, who accepted the task, decided each amount. The Board of Directors entrusted him with this authority because the president is best positioned to conduct the evaluation of the duties of each director is responsible for while simultaneously looking at results from broad perspectives.

At the Company, the Advisory Committee conducts an assessment from many perspectives, including consistency with a decided policy to make sure that the president exercises the entrusted authority appropriately, and the president then decides the details of compensation for each director, taking into consideration the results of such assessment.

The amount of compensation for each director was decided, as mentioned above, after the Advisory Committee conducted an assessment from multiple perspectives including consistency with the determined policy. Therefore, the Board of Directors considers that the details of compensation for each director for the fiscal year ended March 31, 2024 are consistent with the policy.

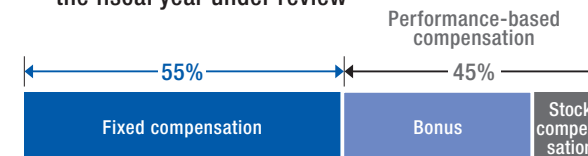
#### 1 Executive directors' compensation

Executive directors' compensation consists of 1. fixed compensation, 2. a performance-based bonus and 3. stock compensation.

The ratio of the whole that is (a) fixed compensation and (b) the performance-based bonus and stock compensation are, as a guide, (a) 55% and (b) 45%.

The standard ratio of total compensation that is stock compensation is 12%. These percentages represent the case in which the targets for performance-based compensation have been achieved.

#### Diagram of compensation in the fiscal year under review



The policy for determining the amount of fixed compensation, bonuses and stock compensation is described below.

1. Fixed compensation: The amount of fixed compensation is determined based on the position or title of the director using objective market data about compensation as a reference and taking into account factors such as the duties and responsibilities of the director. Fixed compensation is paid every month.

2. Bonuses: The amounts of bonuses are determined by considering the level of contribution of the director in the fiscal year under review using consolidated operating income, net income attributable to parent company shareholders and ROE as indicators. The bonus is paid after calculation based on the financial results for the fiscal year under review after the end of each fiscal year.

3. Stock compensation: The company has adopted a restricted stock compensation system to increase the incentive for the medium- to long-term increase of corporate value and for directors to hold shares, thereby sharing profit with shareholders.

The transfer of shares allotted to executive directors is restricted until their retirement. The method of calculating the number of shares whose restriction to transfer is lifted will be determined (a) for the portion that requires the continuous service of the director at DNP for a certain period of time (condition of a term in office) and (b) for the portion that requires the achievement of target indicators (currently consolidated operating income and



Corporate Governance

ROE) (performance condition) set as goals in the Medium-term Management Plan to be an incentive for the achievement of the medium-term management goals. In the future, DNP will consider introducing non-financial indicators such as environmental indicators in addition to consolidated operating income and ROE.

Executive directors contribute the total amount of claims to monetary compensation to be granted by the Company to the Company as in-kind contributed assets, and common stock of the Company are issued or disposed of.

The total number of common stock of the Company to be issued as stock compensation or disposed of shall not exceed 300,000 shares per year\*<sup>1</sup>, and the amount paid per share shall be determined by the Board of Directors based on the closing price\*<sup>2</sup> of the Company’s common stock on the Tokyo Stock Exchange on the business day preceding the date of the resolution made by the Board, to such extent that the amount is not particularly advantageous to the executive directors who receive the relevant common stock.

Issuance or disposal of the Company’s common stock and the granting of claims to monetary compensation as in-kind contribution assets are subject to the conclusion of a restricted stock allotment agreement between the Company and the executive directors, which includes the following three points.

(1) During the period until the resignation or retirement of an officer or employee of the Company or its subsidiaries, they must not transfer, establish a security interest based upon, or otherwise dispose of the common stock of the Company allocated as stock compensation.

(2) In the event that the officer or employee is unable to achieve the performance conditions for shares allocated as stock compensation for which such performance conditions have been set, the Company shall acquire all or part of the shares free of charge, at a time determined in advance, and without lifting the transfer restriction.

(3) In the event of certain other reasons, the Company shall acquire the shares free of charge.

\*1. Provided, however, that in the event of a stock split of the Company’s common stock (including a free-of-charge allotment of the Company’s common stock) or a reverse stock split, or in the event of other circumstances requiring the adjustment of the total number of the Company’s common stock to be issued or disposed of as restricted shares, the total number of shares will be reasonably adjusted.

\*2. If the transaction is not completed on the same day, the closing price on the most recent trading day preceding it will be used.

2 Matters concerning performance-based compensation, etc.

Indicators of performance and the calculation method used for performance-based compensation, etc., are described in Section 1 of “matters concerning the policy for deciding the details of compensation for each individual director” above. The indicator consolidated operating income under bonuses is the consolidated earnings forecast for the current fiscal year of 67.0 billion yen. The purpose of the consolidated operating income indicator in our performance-based stock compensation is to highlight the achievement of our Medium-term Management Plan. Therefore, we set an evaluation period of three years, which is aligned with the period of the Medium-term Management Plan, from fiscal year 2023 to fiscal year 2025, and the target for the consolidated operating income indicator is a consolidated operating income of 85.0 billion yen in fiscal year 2025, the final year of the Medium-term Management Plan. The targets for the indicators net income attributable to parent company shareholders and ROE were 88.0 billion yen and 8.0%, respectively. The actual results were 75.4 billion yen for consolidated operating income, 110.9 billion yen for net income attributable to parent company shareholders and 9.8% for ROE.

These indicators were selected to clearly reflect the consolidated business performance for the fiscal year and the state of achievement of the Medium-term Management Plan for performance-based compensation.

3 Compensation for outside directors

Regarding outside directors, from the perspective of maintaining their independence, no performance-based compensation and only fixed compensation shall be provided.

4 Compensation for statutory auditors

Regarding statutory auditors, from the perspective of their roles and maintaining their independence, no performance-based compensation and only fixed compensation shall be provided, the amount of which is determined through consultation among statutory auditors within the limit for compensation determined by a resolution at the General Meeting of Shareholders.

Total compensation paid by category of director/statutory auditor, total compensation by type and the number of directors and statutory auditors covered

Category of director/ statutory auditor	Total compensation (¥ million)	Total compensation by type (¥ million)			Number of directors and statutory auditors covered
		Fixed compensation	Performance-based compensation		
			Bonus	Stock compensation	
Directors (excluding outside directors)	833	540	188	104	9
Statutory auditors (excluding outside auditors)	59	59	—	—	4
Outside directors and auditors	128	128	—	—	8

Note:  
1. Bonus amounts shown are the amounts scheduled to be paid as bonuses for the fiscal year under review.  
2. There were seven internal directors, two internal statutory auditors and seven outside directors as of the end of the fiscal year ended March 31, 2024.

Company directors and total compensation

Name	Total compensation (¥ million)	Director type	Company	Total compensation by type (¥ million)		
				Fixed compensation	Performance-based compensation	
					Bonus	Stock compensation
Yoshitoshi Kitajima	254	Director	Dai Nippon Printing Co., Ltd.	227	—	27
Yoshinari Kitajima	255	Director	Dai Nippon Printing Co., Ltd.	148	78	28

Note:  
1. Total compensation is shown only for those with compensation of at least 100 million yen.  
2. Bonus amounts shown are the amounts scheduled to be paid as bonuses for the fiscal year under review.  
3. Director Yoshitoshi Kitajima passed away on February 13, 2024.

Compensation paid to accounting auditors

1 Compensation paid to accounting auditors

Category	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Compensation for audit certification (¥ million)	Compensation for other services (¥ million)	Compensation for audit certification (¥ million)	Compensation for other services (¥ million)
Dai Nippon Printing Co., Ltd.	122	0	130	—
Consolidated subsidiaries	135	0	134	—
Total	257	0	265	—

2 Compensation paid to individual member firms affiliated with the same network, to which auditors belong (excluding the compensation paid to KRESTON International 1)

None

3 Other material compensation details

None

4 Details of services other than auditing work provided by the accounting auditor to the submitting company

Services other than auditing provided by the accounting auditor to the Company are formalities-related work.

5 Determination of compensation for audit services

The Company’s compensation for auditing services is determined based on a variety of factors, including the number of expected days for the audit and the company size.

6 Reason Board of Statutory Auditors consented to compensation for the accounting auditor

The Company’s Board of Statutory Auditors considers such areas as details of the accounting auditor’s audit plan, the state of job execution in the previous fiscal year and the calculation basis of estimates of compensation by obtaining necessary materials from and listening to reports from directors, relevant internal departments and accounting auditors. As a result, the Board of Statutory Auditors consented to the amount of compensation for the accounting auditor submitted by the Company.

Corporate Governance

Stockholdings

1 Basis of classification of investment securities and rationale

The Company does not possess investment securities for pure investment purposes aimed at obtaining profits through fluctuations in stock prices or by receiving dividends. The investment stocks acquired by the Company are for the purpose of strengthening relationships with customers in implementing sales strategies and strengthening collaborative relationships with partners for the co-development of new technologies and new products and these are classified as stocks held for reasons other than for pure investment purposes.

2 Stocks held for reasons other than for pure investment purposes

1. Stockholding policy, method for validating rationale for stockholdings and details of validation at the Board of Directors concerning the propriety of individual stockholdings.

The Company specifically closely examines individual stocks based on trends in the status of business transactions with the company issuing the stock, trends in business results of that company, the Company's own business conditions and medium- to long-term economic rationality and future prospects, and the Company periodically verifies the significance and purpose of holding a stock. As a result, the Company sells stocks it determines have no significance.

In the fiscal year ended March 31, 2024, the number of shares of 28 stocks held by the Company decreased as listed on the right.

2. Number of stocks and amounts recorded on balance sheets

	Number of companies (Stocks)	Total amounts recorded on balance sheets (¥ million)
Non-listed stocks	111	5,676
Stocks other than non-listed stocks	96	276,403

(Stocks for which number of shares increased in the fiscal year ended March 31, 2024)

	Number of companies (Stocks)	Total amount of acquisition cost pertaining to the increase in number of shares (¥ million)	Reason for increase in number of shares
Non-listed stocks	2	130	To strengthen our business alliance
Stocks other than non-listed stocks	7	21	To enhance our business relationship

(Stocks for which the number of shares decreased in the fiscal year ended March 31, 2024)

	Number of companies (Stocks)	Total amount of sale value pertaining to the de-crease in number of shares (¥ million)
Non-listed stocks	3	12
Stocks other than non-listed stocks	25	80,885

(Continued on the next page)

3. Holding category, company name, number of shares, amount recorded on the balance sheet and holding purpose of stocks held for reasons other than for pure investment purposes

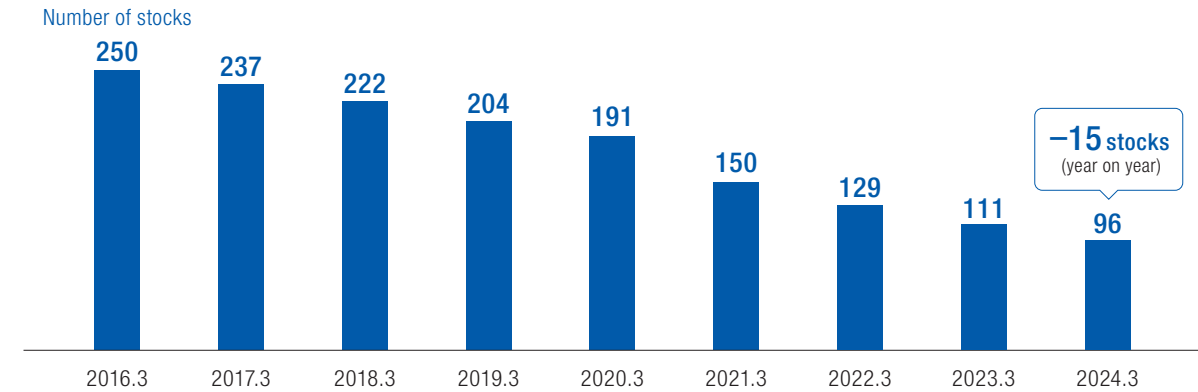
Stocks held for reasons other than pure investment purposes

Company name	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Company's ownership of DNP shares (Y/N)	Holding purpose, quantitative effect of ownership and the reason for increase of number of shares
	Number of shares	Number of shares		
	Amount recorded on balance sheet (¥ million)	Amount recorded on balance sheet (¥ million)		
Recruit Holdings Co., Ltd.	18,300,000	36,600,000	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company. After reviewing the significance and purpose of the shareholding, we have sold a part of our shareholding in the fiscal year ended March 31, 2024.
	122,738	133,590		
The Dai-ichi Life Insurance Co., Ltd.	6,606,600	6,606,600	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	25,455	16,087		
Dexerials Corporation	3,125,000	3,125,000	N	We hold the company's shares aiming to strengthen our business alliance. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	20,896	8,400		
Mizuho Financial Group, Inc.	2,713,431	2,713,431	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	8,265	5,095		
Toyo Suisan Kaisha, Ltd.	794,980	794,980	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	7,532	4,412		
Ezaki Glico Co., Ltd.	1,620,641	1,619,706	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of shareholding through close investigation of the transaction status and the prospects of businesses with the company. In the fiscal year ended March 31, 2024, the number of shares increased because of the enhancement of our business relationship.
	6,860	5,401		
Aica Kogyo Co., Ltd.	1,293,743	1,293,743	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	4,812	3,926		
FUJIFILM Holdings Corporation	457,310	685,965	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company. After reviewing the significance and purpose of the shareholding, we have sold a part of our shareholding in the fiscal year ended March 31, 2024.
	4,623	4,594		
Sapporo Holdings Limited	759,277	759,277	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	4,579	2,585		
Lion Corporation	3,140,665	3,140,665	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	4,265	4,494		
Mitsubishi UFJ Financial Group, Inc.	2,399,760	2,399,760	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	3,736	2,034		
Kikkoman Corporation	350,940	350,940	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	3,455	2,365		
TOKYO OHKA KOGYO CO., LTD.	618,000	206,000	Y	We hold the company's shares aiming to strengthen our business alliance. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,829	1,584		
Asahi Group Holdings, Ltd.	480,029	480,029	N	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,679	2,363		
Hakuhodo DY Holdings Inc.	1,720,000	1,720,000	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,383	2,571		

Reduction of strategic shareholdings

As a result of efforts for strategic shareholding reductions in the fiscal year ended March 31, 2024, the Company decreased the number of listed stocks by 15 and moved forward with the improvement of capital efficiency.

Stockholdings of listed stocks





Corporate Governance

Company name	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Company's ownership of DNP shares (Y/N)	Holding purpose, quantitative effect of ownership and the reason for increase of number of shares
	Number of shares	Number of shares		
	Amount recorded on balance sheet (¥ million)	Amount recorded on balance sheet (¥ million)		
SINFONIA TECHNOLOGY CO., LTD.	732,800	732,800	Y	We hold the company's shares aiming to strengthen our business alliance. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,374	1,154		
TBS HOLDINGS, INC.	518,064	518,064	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communication Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,258	986		
YAKULT HONSHA CO., LTD.	701,000	350,500	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,186	3,375		
MORINAGA & CO., LTD.	786,000	393,000	N	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,063	1,475		
Aflac Incorporated	149,600	149,600	N	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,944	1,288		
Hokuetsu Corporation	976,500	976,500	Y	We hold the company's shares aiming to strengthen our business alliance. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,878	866		
YAMATO HOLDINGS CO., LTD.	830,300	830,300	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,791	1,883		
Kobayashi Pharmaceutical Co., Ltd.	320,836	319,800	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of shareholding through close investigation of the transaction status and the prospects of businesses with the company. In the fiscal year ended March 31, 2024, the number of shares increased because of the enhancement of our business relationship.
	1,634	2,587		
Hulic Co., Ltd.	1,040,000	1,040,000	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,634	1,130		
KADOKAWA CORPORATION	584,000	584,000	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,548	1,645		
S&B FOODS INC.	344,400	344,400	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,518	1,215		
Shin-Etsu Chemical Co., Ltd.	226,000	45,200	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,487	966		
Unicharm Corporation	290,700	290,700	N	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,405	1,581		
TAKARA HOLDINGS INC.	1,200,000	1,200,000	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,284	1,226		
Credit Saison Co.,Ltd.	403,600	403,600	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,281	678		

(Notes)

1. Stocks held for reasons other than pure investment purposes and stocks held in trust with voting rights are not added together when selecting stocks with the largest amounts as recorded in the balance sheet.

2. The quantitative effect of ownership is not stated because of matters concerning business agreements with the business partner. In terms of the rationality of the holding, we have periodically verified the significance and purpose of shareholding through close investigation of the transaction status with the company, financial results of the company, business status of DNP, the medium- to long-term economical rationality and the prospects.

3. In the company's ownership of DNP shares, in case that the company is a holding company, the holding status of the parent company and its major subsidiaries is stated.

4. TOKYO OHKA KOGYO CO., LTD. split its ordinary shares 3-for-1 on January 1, 2024.

5. YAKULT HONSHA CO., LTD. split its ordinary shares 2-for-1 on October 1, 2023

6. MORINAGA & CO., LTD. split its ordinary shares 2-for-1 on January 1, 2024.

7. Shin-Etsu Chemical Co., Ltd. split its ordinary shares 5-for-1 on April 1, 2023

8. Among stocks held for reasons other than pure investment purposes, the 30 stocks with the largest amounts as recorded in the balance sheet are listed.

Stocks held in trust or other legal entity while retaining voting rights or voting instruction rights

Company name	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Company's ownership of DNP shares (Y/N)	Holding purpose, quantitative effect of ownership and the reason for increase of number of shares
	Number of shares	Number of shares		
	Amount recorded on balance sheet (¥ million)	Amount recorded on balance sheet (¥ million)		
Terumo Corporation	7,722,000	7,722,000	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. We hold voting instruction rights for shares in retirement benefit trusts.
	42,146	27,598		
TV Asahi Holdings Corporation	4,030,000	4,030,000	N	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. We hold voting instruction rights for shares in retirement benefit trusts.
	8,648	6,073		
Japan Tobacco Inc.	1,000,000	1,000,000	N	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. We hold voting instruction rights for shares in retirement benefit trusts.
	4,054	2,798		
Astellas Pharma Inc.	2,284,000	2,284,000	N	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. We hold voting instruction rights for shares in retirement benefit trusts.
	3,753	4,300		
KADOKAWA CORPORATION	532,608	532,608	Y	We hold the company's shares aiming to enhance our business relationship in the Smart Communications Sector. We hold voting instruction rights for shares in retirement benefit trusts.
	1,412	1,500		
TAKARA HOLDINGS INC.	500,000	500,000	Y	We hold the company's shares aiming to enhance our business relationship in the Life & Healthcare Sector. We hold voting instruction rights for shares in retirement benefit trusts.
	535	511		

(Notes)

1. Stocks held for reasons other than pure investment purposes and stocks held in trust with voting rights are not added together when selecting stocks with the largest amounts as recorded in the balance sheet.

2. In the company's ownership of DNP shares, in case that the company is a holding company, the holding status of the parent company and its major subsidiaries is stated.

3 Stocks held for pure investment purposes

None

# 6 BUSINESS RESULTS / CORPORATE PROFILE

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## Management's Discussion and Analysis

### Consolidated

#### Business environment and overview of operating results for the fiscal year ended March 2024

The business conditions surrounding the DNP Group during the fiscal year ended March 2024 were marked by a gradual economic recovery due to factors such as improved domestic employment, average income and the recovery of inbound tourism demand. However, the outlook remains uncertain given factors such as prolonged geopolitical risks, the impact of monetary policies around the world, rising domestic prices and labor shortages. There also continue to be concerns about the effects of climate change, highlighted by UN Secretary-General António Guterres's description of global warming as having reached the era of "global boiling," and natural disasters like Japan's Noto Peninsula earthquake.

Even amid these rapid changes in the environment, society and the economy, the DNP Group does not merely respond to changes and risks. It initiates its own reforms from a long-term perspective and develops business activities aimed at creating a better future. By combining DNP's unique P&I (printing and information) strengths and increasing its cooperation with diverse partners, DNP is working to expand the scope of our business.

DNP is currently implementing a Medium-term Management Plan covering the three-year period from fiscal 2023 to fiscal 2025. Through specific measures based on business strategies, financial strategies and non-financial strategies, we are focusing on the sustainable creation of corporate value and shareholder value. Looking at our business strategies, we are building a business portfolio that can be a strength in the medium to long term while accelerating the creation of new value, particularly in our focus business areas. Regarding our financial strategies, we appropriately allocate the cash that we generate by investing in the continued growth of the business and providing returns to shareholders. By focusing on expanding our investments in people, enhancing intellectual capital and implementing environmental initiatives, which are our main non-financial strategies, we work to strengthen our management foundation supporting sustainable growth.

In addition, the entire DNP Group continuously implements a variety of comprehensive business continuity management (BCM) measures to be prepared for natural disasters and other unpredictable events.

	2024.3	2023.3	2022.3
<b>Net sales</b> (¥ million)	1,424,822	1,373,209	1,344,147
<b>Operating income margin</b>	22.0 %	21.3 %	21.8 %
<b>Gross profit margin</b>	5.3 %	4.5 %	5.0 %
<b>Ordinary income margin</b>	6.9 %	6.1 %	4.5 %
<b>Net sales income margin</b>	7.8 %	6.2 %	7.2 %

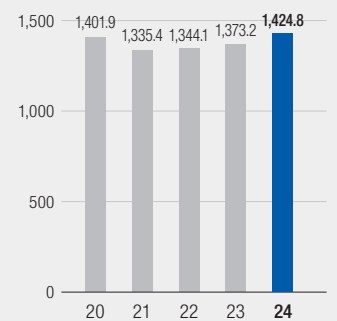
Overseas sales for the DNP Group as a whole were ¥335,747 million, up 6.3% from the previous fiscal year. Overseas sales accounted for 23.6% of total sales, an increase of 0.6 percentage points from 23.0% in the previous fiscal year. By region, sales in Asia, including Indonesia and Taiwan, increased by 8.9% year on year to ¥246,024 million. In other regions, including the United States and Europe, sales decreased 0.2% from the previous fiscal year to ¥89,723 million.

#### Information by segment

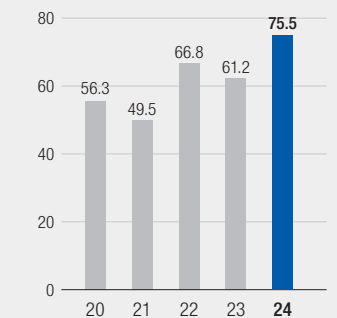
As of the fiscal year ended March 2024, the name of the Information Communication segment was changed to Smart Communication, and the name of the Lifestyle and Industrial Supplies segment was changed to Life & Healthcare. The Beverages segment was transferred to Life & Healthcare. Comparisons with the previous fiscal year and related analyses are based on the new classifications.

Fiscal year: the accounting year ended March 31

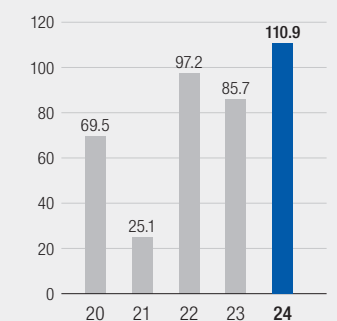
#### Net sales (¥ billion)



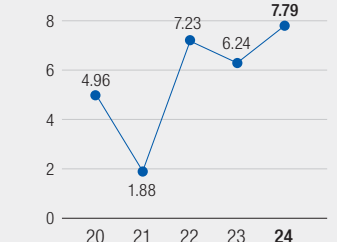
#### Operating income (¥ billion)



#### Net income attributable to parent company shareholders (¥ billion)

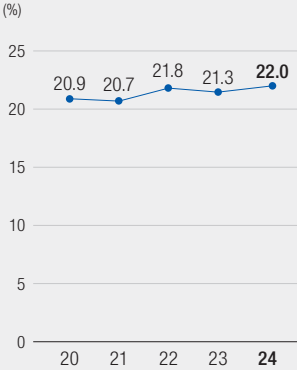


#### Net income to net sales (%)

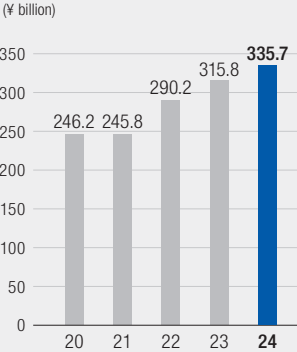




Gross profit margin



DNP's overseas sales



Smart Communication

- Net sales: ¥719,432 million (down 0.1% YoY)
- Operating income: ¥26,162 million (down 2.1% YoY)
- Operating income margin: 3.6% (down 0.1 percentage points)

Imaging communication

**Market** Demand related to taking and printing photographs increased in North America, Europe and Asia.

**DNP** Sales increased overall due to the strong performance of dye-sublimation thermal transfer printing media for photo prints, and other photography-related services.

Information Security

**Market** Society's demand for business process outsourcing (BPO) continued to increase in response to labor shortages and workstyle reforms. In the smart card segment, the percentage of payments using credit cards remained high amid a rise in cashless payment practices.

**DNP** Sales increased overall due to large-scale business process outsourcing (BPO) projects and strong sales of dual-interface cards that support contact and contactless standards using a single IC chip.

Marketing

**Market** Domestic demand for advertising in fiscal 2023 decreased 0.9% overall, despite an increase in internet advertising, outdoor advertising and transportation advertising, due to a decline in demand for television and newspaper advertising and event planning (survey by the Ministry of Economy, Trade and Industry).

**DNP** Sales decreased overall due to the contraction of paper media such as catalogs and brochures, although we worked hard to provide value by combining DNP's strengths in digital technologies with our expertise and track record in creating marketing initiatives for companies and other clients.

Publishing

**Market** Sales in the paper publishing industry in 2023 decreased 6.0% from the previous fiscal year to ¥1,061.2 billion. Sales of books decreased 4.7% to ¥619.4 billion, while sales of magazines decreased 7.9% year on year to ¥441.8 billion. The number of bookstores decreased to 10,900 in 2023, in comparison with the peak of around 22,000 stores in 1999. The size of the electronic book market in 2023 increased 6.7% year on year to ¥535.1 billion (surveyed by Japan's Research Institute for Publications).

**DNP** Our book distribution and sales business performed solidly. They are composed of a hybrid mix of physical bookstores and online sales, and our library management services, where more libraries made DNP their designated administrators. The number of contracted libraries in the library support business was 1,806 as of January 31, 2024, a year-on-year increase of 20. Overall, however, net sales in the Publishing Business were in line with the previous year due to the shrinking market for magazines and similar printed publications.

Content & XR (Extended Reality) communication

**Market** As a new normal is being established, services that operate in virtual spaces unconstrained by time and distance are growing.

**DNP** We worked to strengthen our XR (extended reality) communication business, which enhances people's experiences by fusing real and virtual spaces using information processing and conversion technologies. We will

deliver a wide range of content to the world in the most optimal form. Additionally, we will strive to address social issues by partnering with external companies, including IP holders, and utilizing the XR technology platform. We aim to develop this new business and shape the market.

Education

**Market** Every student at school is now equipped with a device thanks to the GIGA School Program. The use of ICT in everyday life is becoming widespread, and efforts toward the digital transformation of education are being promoted as a national policy.

**DNP** DNP, together with Lenovo Japan LLC, was selected by the Tokyo Metropolitan Government to support the construction and operation of Tokyo's virtual learning platform (VLP) project. Going forward, DNP will continue to support the activities of local governments and classrooms throughout Japan under the nation's "no one left behind policy" by assisting in the provision of a variety of educational opportunities and utilizing big data in education.

Life & Healthcare

- Net sales: ¥472,360 million (up 4.6% YoY)
- Operating income: ¥13,348 million (up 67.2% YoY)
- Operating income margin: 2.8% (up 1.0 percentage points)

Mobility and industrial high-performance materials

**Market** In the electric vehicles (EVs) market, the demand for EVs slowed in the second half due to a reduction in EV subsidies in the EU area and auto manufacturers diversifying into plug-in hybrid electric vehicles (PHEVs) and hybrid electric vehicles (HEVs) instead of focusing solely on simple EVs. However, the global market for electronic vehicles (EVs and PHEVs) is projected to expand to over 14 million units in 2023 (survey by MarkLines Co., Ltd.) and, in terms of its CAGR (Compound Annual Growth Rate), grow 16% between 2024 and 2030 (survey by GlobalData Plc).

**DNP** Sales of battery pouches for lithium-ion batteries for automotive applications were affected by the slowdown of demand for electric vehicles (EVs) in the second half and inventory adjustments, but demand recovered in the IT sector, thanks to the increased use of DNP products in new smartphone models. Overall, battery pouch sales remained firm. Regarding PV materials, there was a significant increase in demand for encapsulants, particularly in Europe and the United States. In the mobility products sector, sales of side visors and exterior decorative films for automobiles remained firm. DNP shortened the painting process for its decorative films with excellent design characteristics and reduced their environmental impact.

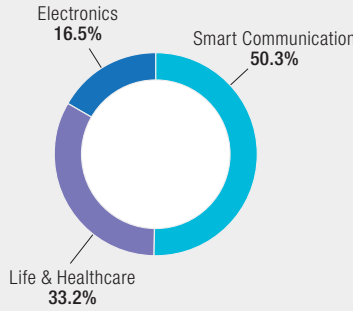
Packaging

**Market** Demand for packaging materials for food products and daily commodities was affected by consumers' reluctance to buy things amid increasing prices. However, the flow of people did recover and there was an increase in inbound tourism demand, which led to the expansion of sales of packaging materials for confectioneries and beverages.

**DNP** Despite the impact of downside consumer spending trends, we were able to maintain sales at a level consistent with the previous year by passing on cost increases to customers and boosting sales of molded plastic products. The Group focused on the development and sale of functional packaging materials, such as eco-friendly packaging, and took steps to strengthen this sector structurally, for example by reorganizing its manufacturing sites.

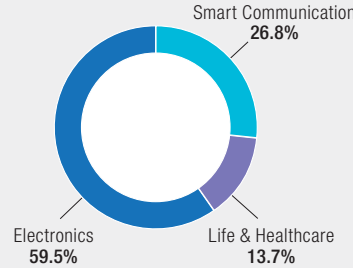
Net sales by segment

(Year ended March 31, 2024)



Operating income by segment

(Year ended March 31, 2024)



Living spaces

**Market** Domestic new housing starts decreased 4.6% year on year to approximately 820,000 units in fiscal 2023. In these new starts, owner-occupied houses decreased by 11.4%. Apartments and other rental housing declined by 0.3%. Condominiums fell by 3.6%. New housing starts were at the lowest level in three years (survey by the Ministry of Land, Infrastructure, Transport and Tourism).

**DNP** Sales of DNP's ARTTECH® residential exterior materials that are both durable and have attractive designs were firm in Japan and overseas. However, new housing (owner-occupied houses) starts in Japan declined, resulting in a decrease in sales of interior materials for housing. Overseas, the excess inventory in North America was resolved. However, total overseas sales were significantly affected by declining consumption due to inflation and high interest rates, leading to a decrease in sales.

Beverages

**Market** The economy bounced back as the impact of the COVID-19 pandemic waned. The resurgence of the tourism and restaurant industries and the increase in the number of foreign tourists resulted in increased consumer activity and a rebound in demand for beverages.

**DNP** Sales volumes increased due to more people going out in the aftermath of the COVID-19 pandemic, as well as sales efforts that captured the increased demand due to the favorable summer weather. Additionally, price revisions contributed to the positive outcome and resulted in sales being higher than the previous fiscal year.

Medical & healthcare

**Market** In the medical and healthcare market, pharmaceutical modalities are now more diverse and complex than ever, and developing new drugs is increasingly challenging. Pharmaceutical companies are concentrating their resources on creating new drugs and utilizing C(D)MO, contract development, and manufacturing organizations. The industry is moving toward being a horizontally divided industry. The C(D)MO market is expanding. There is also progress in the horizontal division of the pharmaceutical packaging industry.

**DNP** CMIC CMO Co., Ltd. became a consolidated subsidiary of DNP during the first quarter of the fiscal year under review, and sales increased. In June, the Company began collaborating with the CMIC Group on activities including the integrated manufacturing of pharmaceuticals from active pharmaceutical ingredients as well as the development of value-added pharmaceuticals.

Electronics

- Net sales: ¥235,303 million (up 15.6% YoY)
- Operating income: ¥58,153 million (up 23.9% YoY)
- Operating income margin: 24.7% (up 1.6 percentage points)

Digital interfaces

**Market** In 2023, the market for organic light-emitting diode (OLED) displays for smartphones suffered due to an overall decrease in the number of smartphones shipped because of factors such as the contraction of the Chinese market resulting from an economic downturn, inflation, and the shrinkage of the European and the US markets caused by the situation in Ukraine. However, the number of manufacturers adopting OLED displays increased, resulting in a 6.2% increase in display area shipped (5,675,100 m²). The market for TVs and other large LED panel displays shrank, due to increasing demand for large TVs, with

display area shipped increasing by 2.4% to 198,147,400m² (source: Reality and Future Prospect of Display Related Market 2024, Fuji Chimera Research Institute, Inc.).

**DNP** The demand for metal masks used in the production of organic light-emitting diode (OLED) displays was solid as these displays are increasingly used for smartphones. There was also an uptick in demand for optical films due both to the winding down of inventory adjustments in the previous year that resulted from problems in overall supply chains, and due to orders of larger-sized products, mainly due to the growth of the size of TV displays. Overall net sales in this sector increased.

Semiconductors

**Market** Global semiconductor sales remained weak in 2023 and decreased 9.4% year on year to US\$ 520.1 billion due to market conditions worsening from the second half of 2022, according to the World Semiconductor Trade Statistics. By field, semiconductor memory shipments decreased by 31.0% year on year, and logic shipments decreased by 0.9% year on year.

**DNP** Sales of photomasks for semiconductor production remained stable relative to the previous year because of demand related to clients' product development activities, but due to the slowdown of the semiconductor market as a whole, there was a decline in sales of lead frames and other semiconductor package components, resulting in overall sales being lower than the previous year.

Cost of sales/Selling, general and administrative expenses/  
Operating income

Cost of sales increased ¥29,845 million, or 2.8% year on year, to ¥1,111,129 million, and the gross profit margin rose 0.7 percentage points to 22.0%.

Raw material and energy costs minus the portion transferred to customers via selling prices decreased ¥4.8 billion year on year due to the pace of the increase in the prices of raw materials and energy caused by the emergence of geopolitical risks and instability in the global supply chain slowing down during the fiscal year under review. Additionally, the portion transferred via selling prices increased compared to fiscal 2022.

Selling, general and administrative expenses amounted to ¥238,242 million in the fiscal period under review, a year-on-year increase of ¥7,550 million, or 3.3%. The percentage of net sales declined 0.1 percentage point year on year to 16.7%.

Operating income increased by approximately ¥5.1 billion from the previous fiscal year due to changes in exchange rates (a weaker yen). As a result, operating income for the fiscal year under review rose ¥14,218 million from the previous fiscal year, or 23.2% year on year, to ¥75,451 million. The operating margin rose 0.8 percentage points to 5.3%.

Non-operating income (expenses) and income before income taxes and non-controlling interests

Non-operating income totaled ¥28,434 million in the fiscal year under review, up ¥1,739 million, or 6.5%, from the previous fiscal year. Non-operating expenses totaled ¥5,182 million, up ¥915 million, or 21.5% year on year. As a result, net non-operating income was ¥23,252 million, an increase of ¥824 million, or 3.7% year on year.

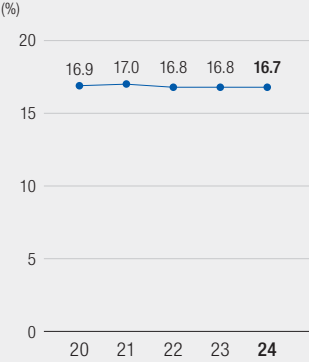
Ordinary income totaled ¥98,702 million, up ¥15,041 million, or 18.0%, from the previous year.

Income before income taxes and non-controlling interests totaled ¥143,012 million, up ¥23,278 million, or 19.4%, from the previous fiscal year, due in part to the posting of extraordinary gains resulting from the sale of investment securities.

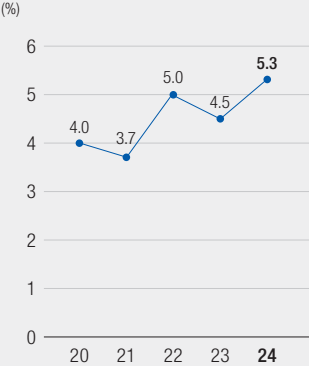
Net income attributable to parent company shareholders

Net income attributable to parent company shareholders totaled ¥110,930 million, up ¥25,237 million, or 29.5%, from the previous fiscal year. Net income per share was ¥443.12 (compared to net income per share of ¥321.32 in the previous year).

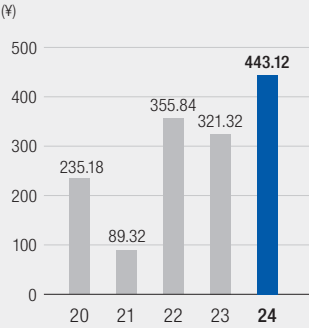
SGA expenses to net sales



Operating income margin

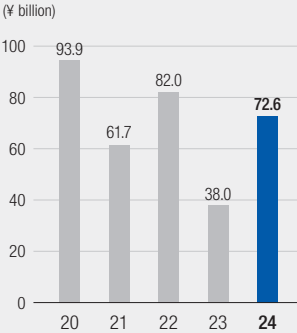


Earnings per share





Cash flow from operating activities



Liquidity and capital resources

Cash flow

	2024.3	2023.3	2022.3
Cash flow from operating activities (¥ million)	72,554	37,994	82,029
Cash flow from investing activities (¥ million)	18,355	− 25,021	− 39,209
Free cash flow (¥ million)	90,909	12,973	42,820

In the consolidated cash flow in the fiscal year ended March 2024, net cash provided by operating activities totaled ¥72,554 million, due mainly to ¥143,012 million in income before income taxes and ¥55,991 million in depreciation.

Net cash provided by investing activities amounted to ¥18,355 million, mainly due to a net decrease in marketable securities of ¥10,300 million and proceeds from sales of investment securities of ¥81,615 million, which were partially offset by payments for purchases of property, plant and equipment of ¥59,428 million and payments for the purchase of intangible fixed assets of ¥15,326 million.

Net cash used in financing activities amounted to ¥118,697 million, mainly due to ¥11,147 million in repayments of long-term debt, ¥88,564 million for the purchase of treasury shares and ¥16,431 million in dividend payments.

As a result of these activities, cash and cash equivalents at the end of the fiscal year in the consolidated cash flow statement totaled ¥234,570 million.

Free cash flow in the fiscal year under review, which is the sum of cash flow from operating activities and cash flow from investing activities, amounted to revenue of ¥90,909 million.

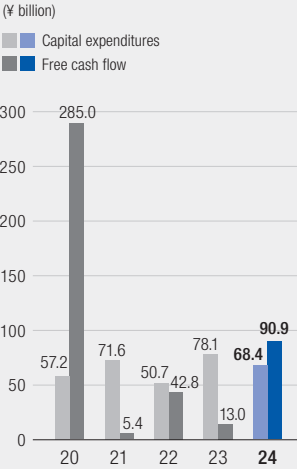
Capital expenditures, depreciation expenditures, research and development expenditures, etc.

Capital expenditures in the fiscal year ended March 2024 totaled ¥68,369 million, down ¥9,713 million, or 12.4%, from the previous fiscal year. This included expenditures for reorganizing production bases in existing businesses and priority investments in strategic businesses. By segment, capital expenditures in the Smart Communication segment were ¥24,540 million, down ¥12,254 million from the previous year. They accounted for 36% of total capital expenditures. The Life & Healthcare segment was ¥18,204 million, down ¥7,667 million, and accounted for 27% of total capital expenditures. The Electronics segment was ¥24,675 million, up ¥11,153 million and accounting for 36% of total capital expenditures. Capital expenditures for company-wide assets totaled ¥950 million, down ¥945 year on year, and accounting for 1% of total capital expenditures. The necessary capital for the above investments was covered by funds on hand.

Depreciation in the fiscal year ended March 2024 was ¥55,991 million, up ¥4,222 million, or 8.2%, from the previous fiscal year. By segment, depreciation in the Smart Communication segment was ¥20,524 million, up ¥368 million from the previous year and accounting for 37% of total depreciation. The Life & Healthcare segment was ¥22,927 million, up ¥2,408 million and accounting for 41% of total depreciation. The Electronics segment was ¥10,946 million, up ¥1,465 million and accounting for 19% of total depreciation. Depreciation of company-wide assets totaled ¥1,594 million, a slight decrease from the previous fiscal year and accounting for 3% of total depreciation.

In addition, research and development expenditures for the fiscal year ended March 2024 totaled ¥35,236 million, an increase of ¥2,755 million over the expenditures of the previous fiscal year (¥32,481 million).

Capital expenditures and free cash flow



Balance sheet

	2024.3	2023.3	2022.3
Total assets (¥ million)	1,955,629	1,830,384	1,876,647
Interest-bearing debt (¥ million)	166,143	147,817	154,362
Stockholders' equity (¥ million)	1,165,927	1,087,504	1,091,861
Book value per share (¥)	4,866.18	4,158.46	4,057.98

DNP's total assets at the end of the fiscal year under review amounted to ¥1,955,629 million, up ¥125,245 million, or 6.8%, from the previous fiscal year.

Among current assets, cash and cash equivalents totaled ¥234,570 million, down ¥23,759 million, or 9.2%, from the previous fiscal year. The sum of trade receivables and contract assets came to ¥348,430 million, up ¥18,668 million, or 5.7%. Inventories of merchandise and finished products, work in process, raw materials and supplies totaled ¥164,497 million, up ¥9,634 million, or 6.2%. As a result, current assets totaled ¥799,318 million, down ¥3,677 million, or 0.5%.

Among fixed assets, tangible assets totaled ¥453,140 million, up ¥16,710 million, or 3.8%, from the previous fiscal year. Intangible fixed assets totaled ¥30,697 million, up ¥337 million, or 1.1%. Investments and other assets totaled ¥672,474 million, up ¥111,876 million, or 20.0%. As a result, fixed assets totaled ¥1,156,310 million, up ¥128,921 million, or 12.5%.

Current liabilities totaled ¥408,929 million, up ¥10,358 million, or 2.6%, from the previous fiscal year. Long-term (fixed) liabilities totaled ¥310,013 million, up ¥26,445 million, or 9.3%. As a result, total liabilities amounted to ¥718,942 million, up ¥36,803 million, or 5.4%.

As of March 31, 2024, net assets totaled ¥1,236,687 million.

As a result, the equity ratio in the fiscal year under review was 59.6%, an increase of 0.2 percentage points from the previous fiscal year.

As of March 31, 2024, a total of 277,240,346 shares of common stock had been issued, of which 37,642,211 shares, or 13.57% of the total, were held as treasury stock. The total number of shares of treasury stock decreased by 6,917,641 from the previous year.

	Type of shares	Shares at beginning of fiscal year	Increase in shares during fiscal year	Decrease in shares during fiscal year	Shares at end of fiscal year
Shares issued	Common stock	292,240,346	—	15,000,000	277,240,346
Treasury stock	Common stock	30,724,570	21,968,902	15,051,261	37,642,211

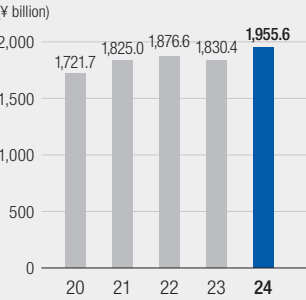
Notes

1. The number of outstanding shares of common stock declined by 15,000,000 shares due to the retirement of 15,000,000 shares of treasury stock.

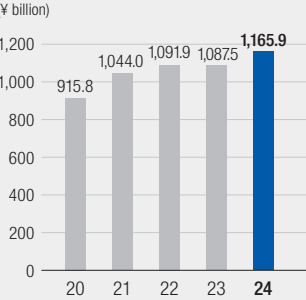
2. The number of treasury shares of common stock increased by 21,968,902 shares due to the decision by the Board of Directors to repurchase 21,954,700 shares of stock. It also increased by 10,509 shares due to the acquisition of treasury stock without consideration under the restricted stock compensation system and by 3,693 shares due to the repurchase of odd-lot shares.

3. The number of treasury shares of common stock declined by 15,051,261 shares due to the retirement of 15,000,000 shares, the disposal of 51,242 treasury shares as restricted stock compensation, the sale of 14 shares due to odd-lot shares and the sale of 5 shares due to a change in the DNP Group's ownership stake in an equity-method affiliate.

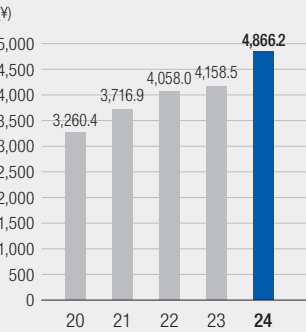
Total assets



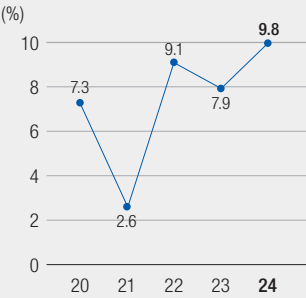
Stockholders' equity



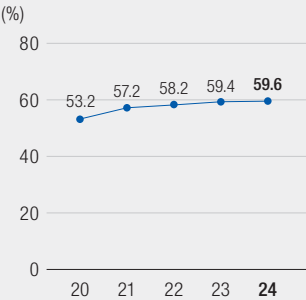
Book value per share



ROE



Equity ratio



Key Financial Data for 11 Years

Years ended March 31

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Change 2024/2023
Statements of Operations (¥ million)												
Net sales	1,448,550	1,462,118	1,455,916	1,410,173	1,412,252	1,401,506	1,401,894	1,335,440	1,344,147	1,373,209	1,424,822	3.8%
Operating income	50,099	48,174	45,472	31,411	46,372	49,898	56,274	49,529	66,789	61,233	75,451	23.2%
Ordinary income	53,285	53,759	52,651	36,740	50,971	58,259	63,786	59,907	81,249	83,661	98,702	18.0%
Income (loss) before income taxes	48,608	51,062	54,841	39,831	45,396	(18,685)	102,719	46,401	126,891	119,734	143,012	19.4%
Net income (loss) attributable to parent company shareholders	25,642	26,924	33,588	25,226	27,501	(35,669)	69,498	25,088	97,182	85,693	110,930	29.5%
EBITDA	124,980	120,548	122,590	103,494	108,678	42,463	158,660	98,550	178,781	172,203	199,897	16.1%
Balance Sheets (¥ million)												
Total net assets	976,385	1,124,093	1,063,241	1,081,286	1,102,551	1,046,622	968,575	1,098,614	1,148,413	1,148,245	1,236,687	7.7%
Interest-bearing debt	182,596	188,996	189,820	169,133	170,103	166,350	211,646	158,555	154,362	147,817	166,143	12.4%
Stockholders' equity	932,329	1,078,828	1,017,425	1,033,864	1,053,600	996,162	915,779	1,043,977	1,091,861	1,087,504	1,165,927	7.2%
Total assets	1,574,754	1,809,462	1,718,636	1,741,904	1,794,764	1,775,023	1,721,724	1,825,019	1,876,647	1,830,384	1,955,629	6.8%
Cash Flow Statements (¥ million)												
Cash flows from operating activities	120,109	85,731	72,629	71,945	48,457	68,972	93,937	61,682	82,029	37,994	72,554	91.0%
Cash flows from investing activities	(58,371)	(50,540)	(60,883)	14,012	23,075	(146,909)	191,057	(56,284)	(39,209)	(25,021)	18,355	—
Cash flows from financing activities	(80,038)	(23,865)	(47,166)	(45,223)	(42,771)	(32,197)	(41,281)	(78,269)	(57,752)	(52,436)	(118,697)	—
Free cash flow*1	61,738	35,191	11,746	85,957	71,532	(77,937)	284,994	5,398	42,820	12,973	90,909	600.8%
Per Share Data (¥)*2												
Net income (loss) - primary	39.82	41.82	53.10	40.79	90.77	(118.22)	235.18	89.32	355.84	321.32	443.12	37.9%
Net assets	1,447.96	1,675.63	1,618.66	1,680.55	3,493.79	3,300.52	3,260.38	3,716.85	4,057.98	4,158.46	4,866.18	17.0%
Cash dividend*3	32.00	32.00	32.00	32.00	48.00	64.00	64.00	64.00	64.00	64.00	64.00	—
As a Percentage of Net Sales (%)												
Operating income	3.46	3.29	3.12	2.23	3.28	3.56	4.01	3.71	4.97	4.46	5.30	0.84
EBITDA margin	8.63	8.24	8.42	7.34	7.70	3.03	11.32	7.38	13.30	12.54	14.03	1.49
Net income	1.77	1.84	2.31	1.79	1.95	(2.54)	4.96	1.88	7.23	6.24	7.79	1.55
Financial Ratios												
ROE (%)	2.81	2.67	3.20	2.46	2.63	(3.48)	7.27	2.56	9.10	7.86	9.85	1.99
ROA (%)	1.63	1.59	1.90	1.46	1.56	(2.00)	3.97	1.41	5.25	4.62	5.86	1.24
Equity ratio (%)	59.20	59.62	59.20	59.35	58.70	56.12	53.19	57.20	58.18	59.41	59.62	0.21
Valuations (against share price on March 31)												
PER (times)	24.84	27.94	18.84	29.43	24.22	—	9.78	25.97	8.09	11.53	10.54	—
PBR (times)	0.68	0.70	0.62	0.71	0.63	0.80	0.71	0.62	0.71	0.89	0.96	—
EV/EBITDA (times)	4.93	6.02	5.23	6.69	5.30	16.07	2.94	4.97	3.49	4.92	5.25	—
PCFR (times)	6.43	8.00	6.36	8.52	7.48	34.12	5.21	8.57	5.22	7.05	6.70	—
Dividend yield (%)	3.24	2.74	3.20	2.67	2.91	2.42	2.78	2.76	2.22	1.73	1.37	-0.36
Returns to Shareholders												
Values of shares repurchased (¥ million) *4	—	—	19,998	14,999	14,998	—	59,999	—	29,999	25,854	88,549	—
Dividend payout ratio (%)	80.38	76.54	60.28	78.47	70.52	—	27.21	71.66	17.99	19.92	14.44	—
Total return ratio (%)	80.43	76.59	119.48	137.57	124.78	—	113.11	71.66	48.64	49.90	94.00	—
Others												
Capital Expenditures*5	63,465	55,024	97,265	57,085	59,558	41,103	57,162	71,649	50,699	78,082	68,369	-12.4%
R&D Expenditures	30,820	31,749	31,827	31,376	33,210	33,786	33,603	32,623	33,148	32,481	35,236	8.5%
Depreciation	73,459	67,034	65,310	61,461	61,071	59,081	54,475	50,893	51,155	51,769	55,991	8.2%
Long-term credit rating (R&I)	AA	AA—	AA—	AA—	AA—	AA—	AA—	AA—	AA—	AA—	AA—	—
Foreign ownership (%)	24.41	25.54	22.01	23.91	24.58	24.85	24.14	23.64	23.16	27.38	27.25	—

\*1 Free cash flow = net cash from operating activities + net cash from investing activities  
\*2 As of October 1, 2017, two shares of common stock were consolidated into one share of common stock.  
\*3 Cash dividends per share of ¥48.00 for the fiscal year through March 2018 is the combined total of interim cash dividends per share of ¥16.00 and year-end cash dividends per share of ¥32.00.

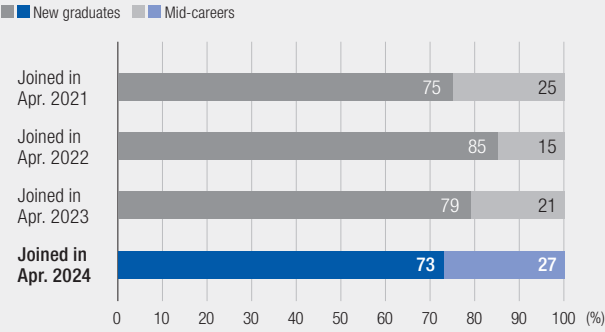
\*4 Treasury stock acquired through requests for the purchase of odd-lot shares is not included.  
\*5 It includes investments in intangible assets.



Non-financial Data Dai Nippon Printing Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

Human Capital Data

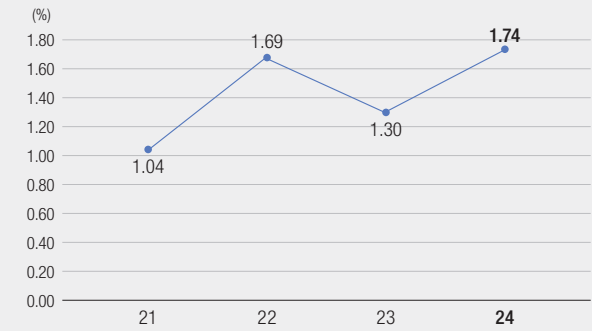
Ratio of new graduates and mid-career hires  
(Non-consolidated)



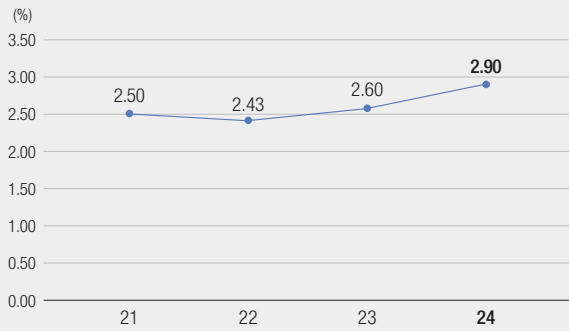
Average annual overtime hours /  
Ratio of annual paid leave taken (Non-consolidated)



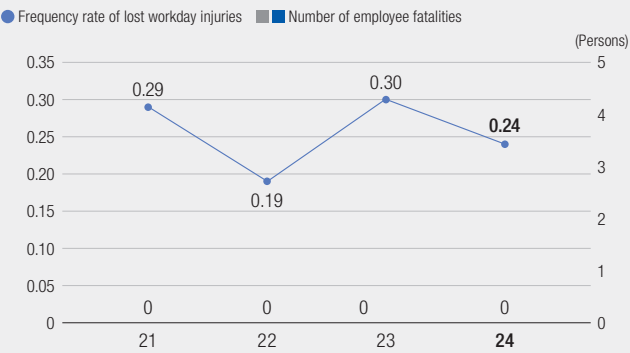
Annual employee turnover rate  
(Non-consolidated)



Employment rate of people with disabilities  
(Combination of non-consolidated and special-purpose subsidiary group)

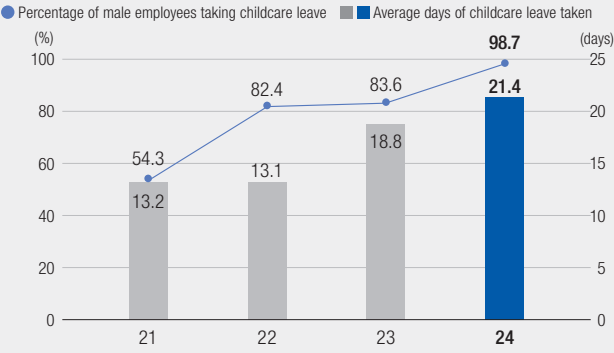


Frequency rate of lost workday injuries and number of fatalities  
due to occupational accidents (Domestic)

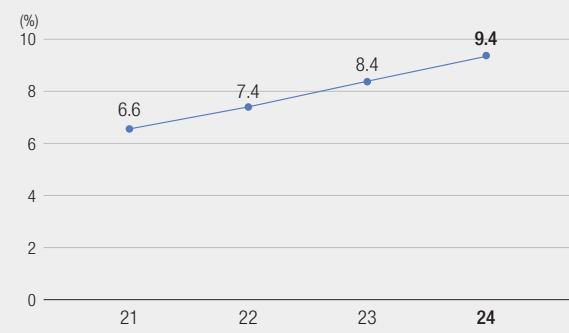


\*1 Frequency rate of lost workday injuries = Number of fatalities or injuries due to industrial accidents (4 or more lost workdays) ÷ Total working hours x 1,000,000  
\*2 The period of frequency rate of lost workday injuries is from January to December.

Male employees taking childcare leave (Non-consolidated)

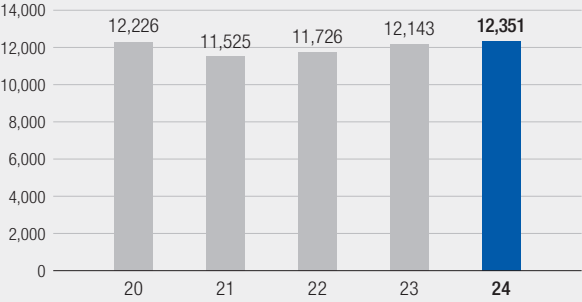


Ratio of female managers  
(Non-consolidated)

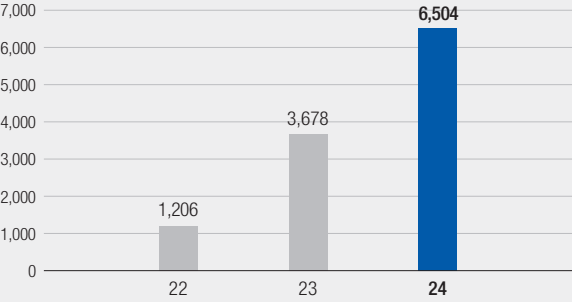


Intellectual Capital Data

Number of Japanese patents held

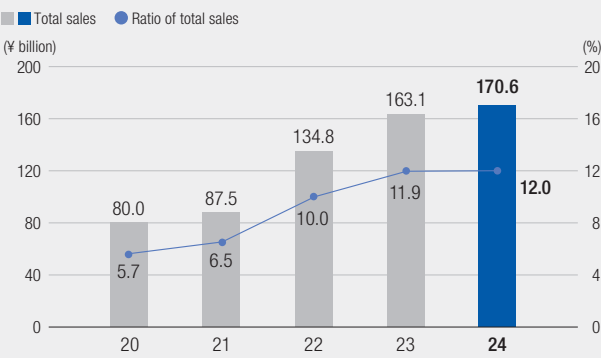


Number of data management infrastructure users

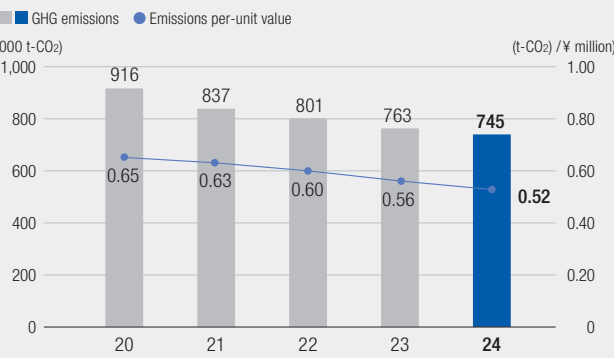


Environmental Data

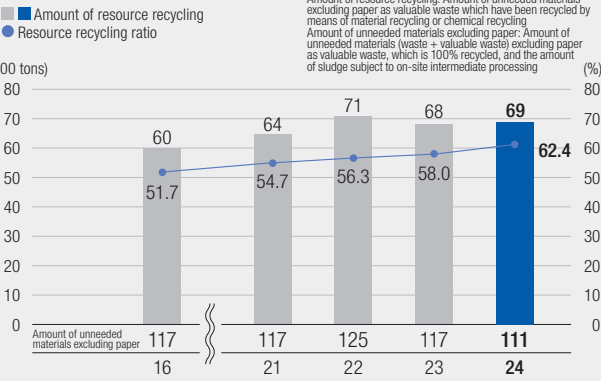
Eco-friendly products and services  
Super Eco-Products



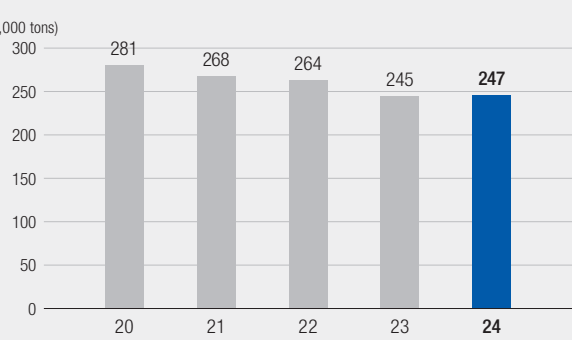
GHG emissions  
(Including international operations)



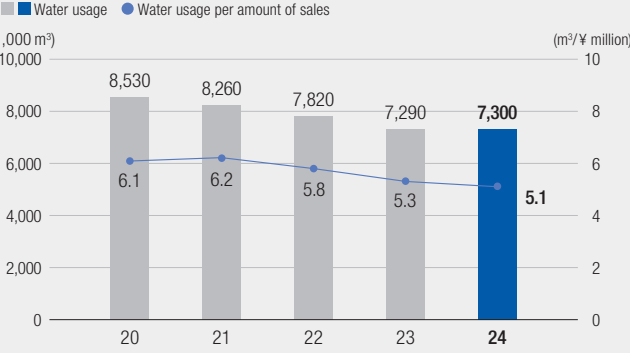
Amount of resource recycling



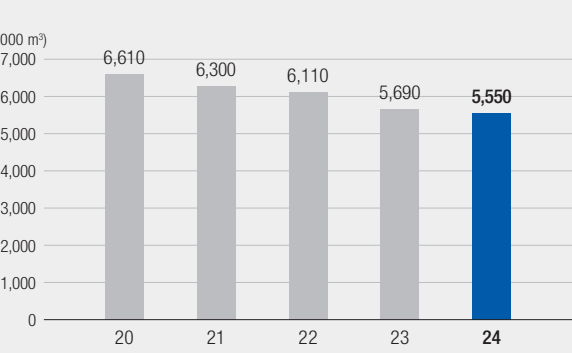
Total unneeded materials emissions



Water usage



Water discharged



Major Subsidiaries and Affiliates

(As of March 31, 2024)

		Capital (¥ million)	Ownership ratio of voting rights (%)
Smart Communication			
Publishing			
Maruzen CHI Holdings Co., Ltd.	Investment in operating companies	3,000	55.5
TRC Library Service Inc.	Sale of books, creation of data, library operation support and consulting	266	55.5 (55.5)
MARUZEN-YUSHODO Company, Limited	Education and academic businesses; retail stores; publishing; commercial facility/store interiors, etc.	100	55.5 (55.5)
MARUZEN PUBLISHING CO., LTD.	Publishing	50	55.5 (55.5)
MaruzenJunkudo Bookstores Co., Ltd.	Sale of books, magazines and stationery	50	55.5 (55.5)
Maruzen Research, Inc.	Information provision service business using communication networks	50	49.9 (49.9)
BOOKOFF GROUP HOLDINGS LIMITED	Management of group companies and related businesses	100	16.3 (9.8)
DNP Book Factory Co., Ltd.	Offset printing and bookbinding	200	100.0
DNP Media Art Co., Ltd.	Prepress and media production	180	100.0
2Dfacto, Inc.	Operation of hybrid bookstore services	100	100.0
MobileBook.jp Inc.	Electronic publishing and distribution platform services; e-book distribution service	100	63.8
Kyoiku Shuppan Co., Ltd.	Editing and sale of textbooks and educational materials	60	48.3
VISUAL JAPAN Inc.*	Development, sale and maintenance of computer software	50	87.0
Oguchi Book Binding & Printing Co., Ltd.	Bookbinding	49	100.0 (15.2)
Marketing / Information Security			
INTELLIGENT WAVE INC.	Development and maintenance of software	843	51.0
DNP Graphica Co., Ltd.	Offset printing and bookbinding	100	100.0
DNP CoArise Co., Ltd.	BPO business and BPO consulting business	100	100.0
DNP Communication Design Co., Ltd.	Digital marketing support; planning and production of advertising and promotional materials	100	100.0
DNP Data Techno Co., Ltd.	Production of products related to security business	100	100.0
DNP Digital Solutions Co., Ltd.	Planning, design, maintenance and operation of information systems	100	100.0
DNP SP Innovation Co., Ltd.	Planning and production of promotional materials	80	100.0
DNP Planning Network Co., Ltd.	Planning and production of printed materials	50	95.0
DNP HyperTech Co., Ltd.	Production and sale of computers and peripheral devices; development, production and sale of software	40	100.0
NBC Co., Ltd.*	Mailing of printed matter, etc.	20	100.0 (100.0)
DNP Media Support Co., Ltd.	Production and sale of all types of printed matter	10	95.0
MK Smart Joint Stock Company	Production and sale of cards, and BPO business and DTP business	(VND1,000,000)	36.3
		100,000	
PT.Wahyu DNP Bureau	Card-issuing services	(USD1,000)	45.0
		2,000	
Imaging communication			
DNP Imaging Comm Co., Ltd.	Production and processing of thermal mass transfer media and dye-sublimation media	100	100.0
DNP Photo Imaging Japan Co., Ltd.	Sale of photo-related products; operation of ID photo booths and automated commemorative photo booths	100	100.0
DNP hollyhock Co., LTD.	Operation of photo studio and related equipment services	90	100.0 (100.0)
DNP ID System Co., Ltd.	Sale of government-affiliated smart card identification equipment and materials	60	100.0
DNP Imaging Communication (Shanghai) Co., Ltd.*	Sale of printed matter (Products and services of the Imaging Communication business)	(CNY1,000)	100.0
		24,000	(100.0)
DNP Imagingcomm Asia Sdn. Bhd.	Production, processing and sale of thermal mass transfer media and dye-sublimation media; sale of photo-related products	(MYR1,000)	100.0
		190,000	
DNP Imagingcomm America Corporation	Production, processing and sale of thermal mass transfer media and dye-sublimation media; sale of photo-related products	(USD1,000)	100.0
		71,980	(100.0)
Colorvision International Inc.	Operation of a photography distribution system for amusement facilities	(USD)	100.0
		0.01	(100.0)
DNP Photo Imaging Europe SAS	Sale of photo-related products	(EUR1,000)	100.0
		2,408	
DNP Photo Imaging Russia, LLC	Sale of photo-related products	(RUB1,000)	100.0
		7,622	(100.0)
Sharingbox SA	Providing functional photo booths for event business	(EUR1,000)	100.0
		3,588	(100.0)
DNP Imagingcomm Europe B.V.	Processing and sale of thermal mass transfer media and dye-sublimation media	(EUR1,000)	100.0
		1,000	
DNP Photo Imaging Spain S.L.U.	Sale of photo-related products	(EUR1,000)	100.0
		50	
Life & Healthcare			
Packaging			
Lifescape Marketing Co., Ltd.	Research, compilation and provision of various kinds of information about purchasing and consumption of foods and beverages	430	84.0
DNP Technopack Co., Ltd	Production, printing and processing of packaging materials	300	100.0
Sagami Yoki Co., Ltd.	Production of plastic tubes	200	90.0
Aseptic Systems Co., Ltd.	Manufacturing and sale of aseptic filling systems and related consulting services	100	100.0
DNP Hoso Co., Ltd	Filling and processing of packages	80	100.0
DNP-SiG Combibloc Co., Ltd.	Sale of sterile paper containers and filling equipment for beverages and liquid foods	75	50.0
Dai Nippon Printing (Thailand) Co., Ltd.*	Sale of packaging materials	(THB1,000)	100.0
		200,000	
DNP Vietnam Co.,Ltd.	Production and sale of packaging materials	(USD1,000)	100.0
		31,500	(20.0)
PT DNP Indonesia	Production and sale of packaging materials	(USD1,000)	51.0
		26,000	
Living spaces			
DNP Lifestyle Materials Marketing Co., Ltd.	Sale of decorative products	300	100.0
DNP Ellio Co., Ltd.	Printing and processing of steel, aluminum and other metals	300	50.0
DNP Living Space Co., Ltd.	Production, printing and processing of decorative products	200	100.0
Mobility			
DNP Tamura Plastic Co., Ltd.	Manufacturing and sale of automotive accessories	60	100.0
Tomoe Resin Co., Ltd.	Manufacturing and sale of plastic injection molded parts	16	100.0 (100.0)
NTEC Co., Ltd.	Manufacturing of molds	5	100.0 (100.0)
DNP Living Space & Mobility (Shanghai) Co., Ltd.*	Sale of printed matter (Products and services of mobility business)	(CNY1,000)	100.0
		10,000	(100.0)
Industrial high-performance materials			
DNP High-performance Materials Co., Ltd.	Production of lithium-ion battery components	200	100.0

		Capital (¥ million)	Ownership ratio of voting rights (%)
Medical & healthcare			
CMIC CMO Co., Ltd.	Contract Development and Manufacturing Organization (CDMO) business	100	50.1
CAFI Corporation*	Remote diagnostic imaging service	32	51.1
Beverages			
Hokkaido Coca-Cola Bottling Co., Ltd.	Production and sale of beverages	2,935	57.0
Electronics			
Digital interfaces / Semiconductors			
DNP Fine Optronics Co., Ltd.	Production of precision electronic components	300	100.0
Semiconductors			
DT Fine Electronics Co., Ltd.	Production and sale of precision electronic components	490	65.0
DNP LSI Design Co., Ltd.	Design and production of drawings used in semiconductor production	100	100.0
Photronics DNP Mask Corporation	Production and sale of semiconductor photomasks	(TWD1,000)	49.9
		2,198,185	
Photronics DNP Mask Corporation Xiamen	Production and sale of semiconductor photomasks	(USD1,000)	49.9
		180,000	(49.9)
DNP Photomask Europe S.p.A.	Production and sale of semiconductor photomasks	(EUR 1,000)	80.6
		47,200	
Multiple businesses and others			
BIPROGY Inc.	Development and sale of software; computer system support services	5,483	20.6
DNP Fine Chemicals Co., Ltd.	Production and sale of chemical products	2,000	100.0
DNP Fine Chemicals Utsunomiya Co., Ltd.	Manufacturing and sale of chemical materials, pharmaceutical ingredients, etc.	100	100.0 (100.0)
DNP Logistics Co., Ltd.	Packing, shipping, freight forwarding and warehousing operations	626	100.0
DIC Graphics Corporation	Production and sale of printing ink	500	33.4
DNP Art Communications Co., Ltd.	Planning, production and sale of artistic images and videos	300	100.0
DNP Engineering Co., Ltd.	Manufacturing, repair and sale of printing equipment and other machinery	100	100.0
DNP Trading Co., Ltd.	Buying and selling of printing paper and various other types of merchandise	100	94.3
Hacosco Inc.	Development and sales of VR/Metaverse	92	67.0 [33.0]
DNP Shikoku Co., Ltd	Film making, printing, bookbinding	50	97.0
CP Design Consulting Co., Ltd.*	Personal information protection and risk management consulting	40	100.0
UBE Scientific Analysis Laboratory, Inc.	Contracted composition analysis, structural analysis and physical property evaluation of various materials	40	66.6
At Table Co., Ltd.*	Research, consulting and planning related to production and sales promotions for supermarkets and other retailers	30	66.7
DNP Dexerials Consulting Co., Ltd.	Business planning and proposals	10	50.0
DNP Denmark A/S	Manufacturing, processing and sales of precision electronic components and lithium-ion battery materials	(DKK1,000)	100.0
		135,000	
DNP Corporation USA	Investment in operating companies	(USD1,000)	100.0
		62,164	(7.2)
DNP Holding USA Corporation	Investment in operating companies	(USD1,000)	100.0
		100	(100.0)
DNP Business Consulting ( Shanghai) Co., Ltd.*	Study of Chinese market and business feasibility	(USD1,000)	100.0
		8,780	
DNP Asia Pacific Pte. Ltd.	Coordination of DNP business operations in the Southeast Asia region	(SGD1,000)	100.0
		125,898	
Personal welfare, facility service and others			
DNP Facility Services Co., Ltd	Building maintenance, cleaning and security; operation of sports and welfare facilities	350	100.0
DNP Information Systems Co., Ltd.	Design, development and maintenance of information systems; production and sale of software	100	100.0
DNP Metro Systems Co., Ltd.	Planning, design, development, maintenance and support operations for information systems	100	100.0 (90.0)
DNP Hokkaido Co., Ltd.	General affairs work and other business services	100	100.0
DNP Tohoku Co., Ltd.	General affairs work and other business services	100	100.0
DNP Chubu Co., Ltd.	General affairs work and other business services	100	100.0
DNP Nishi Nippon Co., Ltd.	General affairs work and other business services	100	100.0
DNP Human Services Co., Ltd.	Planning and management related to personnel plans	90	100.0
DNP Accounting Services Co., Ltd.	Accounting agency and consulting	30	100.0
DNP Techno Research Co., Ltd.*	Studies related to patents	20	100.0
Sanshi Kosan Co., Ltd.	Lease and management of real estate, etc.	10	100.0 (100.0)
DNP Business Partners Co., Ltd.*	Office support businesses	10	100.0
Overseas sales			
DNP Korea Co., Ltd.*	Sale of precision electronic components	(KRW1,000)	100.0
		800,000	
DNP Taiwan Co., Ltd.	Sale of precision electronic components	(TWD1,000)	100.0
		10,000	
DNP International Trading (Shanghai) Co., Ltd.*	Sale of printed matter, etc.	(CNY1,000)	100.0
		39,301	(100.0)
DNP Singapore Pte. Ltd.*	Sale of printed matter, precision electronic components and decorative materials	(SGD1,000)	100.0
		350	
DNP America, LLC	Sale of printed matter, precision electronic components and decorative materials	(USD1,000)	100.0
		100	(100.0)
DNP Europa GmbH*	Sale of printed matter and decorative materials	(EUR1,000)	100.0
		92	

Notes: 1. Figures in parentheses in the ownership ratio of voting rights indicate the percentage of shares owned indirectly, and the figure in brackets indicate the percentage of shares owned by shareholders with close ties or consents.  
2. Companies with an asterisk are neither consolidated nor accounted for by the equity method.



Our Products and Services

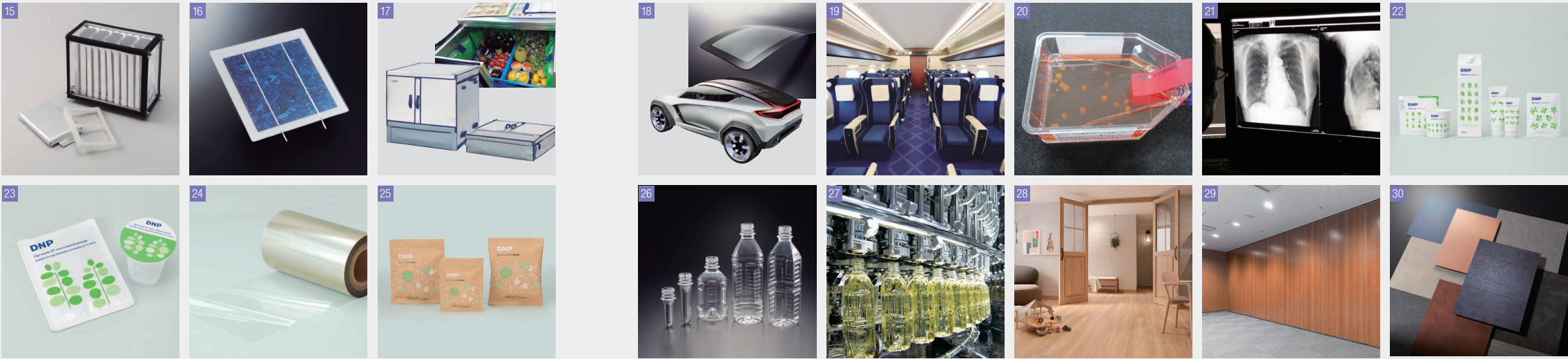
Smart Communication

- Imaging communication
  - 1 Dye-sublimation thermal transfer printing media and thermal mass transfer printing media
  - 2 Photo-related services and solutions
  - 3 Dye-sublimation photo printer
- Information Security
  - 4 BPO
  - 5 Smart cards and magnetic cards
  - 6 Identity verification service
  - 7 Transparent hologram ribbon
- Content & XR communication
  - 8 Metaverse
  - 9 Virtual reality
- Marketing
  - 10 Digital flyer
- Publishing
  - 11 Books and magazines
  - 12 Hybrid bookstore network
  - 13 Maruzen & Junkudo Bookstore in Shibuya (Tokyo)
- Education
  - 14 Educational ICT



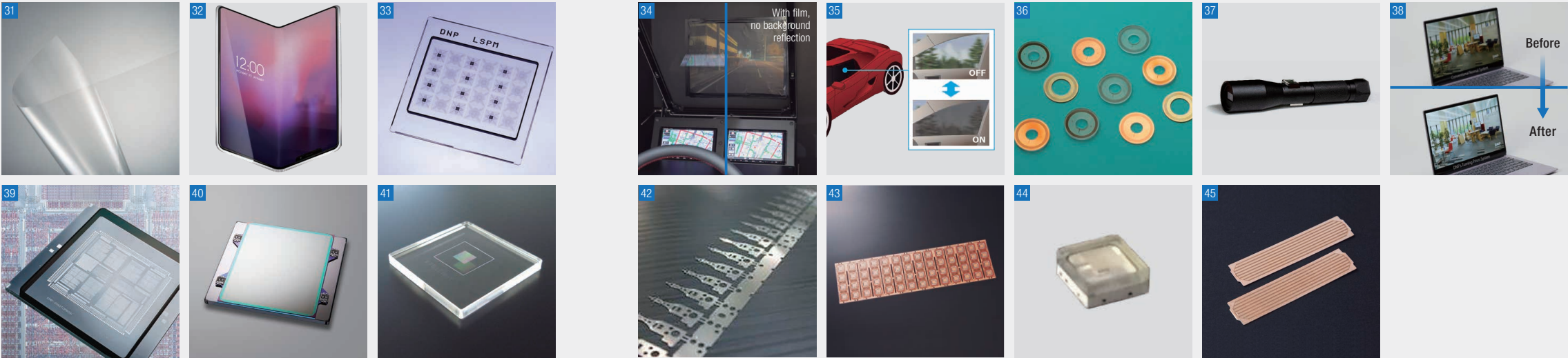
Life & Healthcare

- Mobility and industrial high-performance materials
  - 15 Battery pouch for lithium-ion batteries
  - 16 Photovoltaic module components
  - 17 Multifunctional insulation box
  - 18 Curved resin glazing
  - 19 Interior coverings for railway cars (Hokuriku Shinkansen)
- Medical & healthcare
  - 20 Regenerative medicine (providing 3D human intestinal organoids "mini-guts")
  - 21 Remote image diagnosis
- Packaging
  - 22 Plant-based packaging materials
  - 23 Mono-material packaging materials
  - 24 Transparent vapor deposition film
  - 25 Super high-barrier paper packaging materials
  - 26 PET plastic bottles
  - 27 Aseptic filling systems for PET plastic bottles
- Living spaces
  - 28 Decorative film for exterior
  - 29 Antiviral steel plates
  - 30 Aluminum panels for interior/exterior
- Beverages



Electronics

- Digital interfaces
  - 31 Optical film used for displays
  - 32 OLED display-related products
  - 33 Large-size photomask for displays
  - 34 Viewing angle control film for in-vehicle displays (right: with film, no background reflection)
  - 35 Light control film
  - 36 Encoder disks
  - 37 High visibility pattern light
  - 38 System components for LCD backlight
- Semiconductors
  - 39 Photomask for semiconductors
  - 40 Photomasks for EUV
  - 41 Master template for nanoimprinting
  - 42 Hard disk drive suspension
  - 43 Lead frame for compact semiconductor package
  - 44 Diffractive optical element (DOE)
  - 45 Vapor chamber





Investor Information (As of March 31, 2024)

Dai Nippon Printing Co., Ltd.

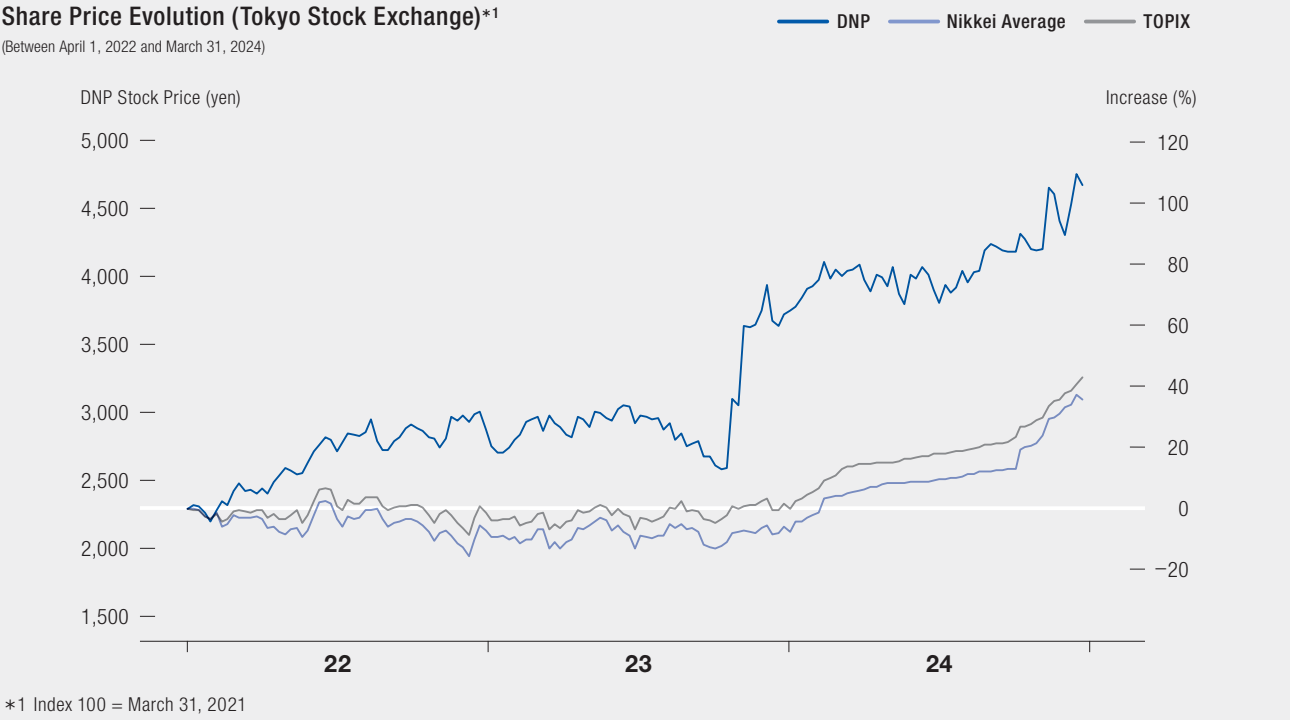
**Head Office:** 1-1, Ichigaya-Kagacho 1-chome, Shinjuku-ku, Tokyo 162-8001, Japan  
**Established:** 1876  
**Number of Employees (consolidated):** 36,911  
**Paid-in Capital:** ¥114,464 million  
**Number of Common Stocks:** Authorized: 745,000,000 shares  
Issued: 277,240,346 shares  
**Number of Trading Unit Shareholders (own 100 or more shares):** 22,298  
**Stock Exchange Listing:** Tokyo Stock Exchange

Major Shareholders (As of March 31, 2024)	Shares (thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	40,633	16.96
Custody Bank of Japan, Ltd. (Trust Account)	13,157	5.49
The Dai-ichi Life Insurance Co., Ltd.	7,411	3.09
Employees' Shareholding Association	7,145	2.98
ELLIOTT INTERNATIONAL LP	6,477	2.70
Mizuho Bank, Ltd.	5,706	2.38
Nippon Life Insurance Company	4,735	1.98
STATE STREET BANK WEST CLIENT - TREATY 505234	4,480	1.87
JP MORGAN CHASE BANK 385781	3,325	1.39
THE LIVERPOOL LIMITED PARTNERSHIP	3,048	1.27

Note: 1. The ownership stakes are based on the total number of shares outstanding less treasury shares (239,609,231).  
2. The number of treasury shares is excluded from the figures above.

**Stock Code:** 7912  
**Administrator of Shareholder Register:**  
Mizuho Trust & Banking Co., Ltd.  
Stock Transfer Agency Department  
3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan  
**American Depositary Receipts:**  
Ratio (ADR:ORD): 2:1  
Exchange: OTC (Over-the-Counter)  
Symbol: DNPLY  
CUSIP: 233806306  
Depository:  
The Bank of New York Mellon  
240 Greenwich Street, New York, NY 10286, U.S.A.  
Telephone: (201) 680-6825  
U.S. toll free: 888-269-2377 (888-BNY-ADRS)  
URL: <http://www.adrbnymellon.com/>

**Fiscal Year-end:** March 31  
**Independent Auditor:** ARK LLC  
**Annual Meeting of Shareholders:**  
The annual meeting of shareholders of DNP is normally held in June each year in Tokyo, Japan.  
**Investor Relations:**  
Dai Nippon Printing Co., Ltd.  
IR and Public Relations Division  
Investor Relations Office  
1-1, Ichigaya-Kagacho 1-chome, Shinjuku-ku,  
Tokyo 162-8001, Japan  
Tel: +81-3-6735-0124  
Fax: +81-3-5225-8239  
**Web Site:** <https://www.global.dnp>



Total Shareholder Return*2 (TSR)					
Fiscal year ended	2020.3	2021.3	2022.3	2023.3	2024.3
DNP (%)	89.35	92.44	115.98	149.64	188.55
TOPIX (%)	(90.50)	(128.63)	(131.18)	(138.81)	(196.19)

\*2 Represents total investment return to shareholders, combining capital gains and dividends. The TSR calculation method is as follows: (Stock price at the end of each fiscal year + the total amount of dividends per share up to each fiscal year starting from four fiscal years prior to the fiscal year ended March 31, 2024 ÷ the stock price at the end of the fiscal year ended March 31, 2019.)

Voting Rights (As of March 31, 2024)				Number of stocks (stocks)	Number of voting rights (rights)
Type					
Stocks with no voting rights				—	—
Stocks with limited voting rights (treasury stocks, etc.)				—	—
Stocks with limited voting rights (other)				—	—
Stocks with voting rights (treasury held stocks)				37,631,100	—
Common stocks				239,361,000	2,393,610
Stocks with voting rights (other)				248,246	—
Common stocks				277,240,346	—
Outstanding shares				—	2,393,610
Total voting rights of stockholders					

Treasury Stocks (As of March 31, 2024)			No. of stocks held	Percentage of holding to No. of outstanding shares
Holder				
Dai Nippon Printing Co., Ltd.			37,631,115	13.57
Total			37,631,115	13.57

Note: At a meeting of the Board of Directors held on August 8, 2024, DNP plans to conduct a 2-for-1 stock split of shares of common stock, effective October 1, 2024.



Dialogues with Shareholders and Investors

Policy for initiatives

In order to sustainably enhance corporate value, we are expanding opportunities such as financial results briefings and IR meetings attended by the president and other senior management personnel, to encourage constructive dialogues with shareholders and investors. The results of these dialogues are also shared with the Board of Directors and utilized in management decision-making.

Number of dialogues

Individual IR meetings	FY2023: approx. 170	Individual SR meetings	FY2023: 15
	FY2022: approx. 160		FY2022: 14

Main dialogue themes

Business strategies to improve profitability, financial strategies to improve capital efficiency, non-financial strategies to enhance sustainability, shareholder returns policy, promotion of information disclosure and strengthening of corporate governance, etc.

Items incorporated based on dialogues and subsequent feedback

- Disclosure of quantitative medium- to long-term management-related targets (ROE 10%, PBR of 1.0X or greater, etc.)
- Expanding disclosure of information relating to particular focused business areas, etc.

Main IR activities

- General Meeting of Shareholders: once a year
- Financial results briefings: twice a year
- IR Day: once a year
- Sustainability briefings: once a year
- Company briefings for individual investors: irregular
- IR meetings: 150-170 companies per year (domestic and overseas)
- SR meetings: 15 times per year (domestic and overseas)
- Issuance of IR-related tools: integrated reports, shareholder newsletters, etc.
- Information disclosure on IR website

Message from the Director in Charge

TAIWA (dialogue) and cooperation with shareholders and investors

— Creating a “better future” together with our stakeholders —

Kazuhiko Sugita, Senior Managing Director, in charge of IR and Public Relations Division



We are committed to creating new value as we drive transformation to shape a better future. However, in the face of rapid changes in the environment, society, and economy, we believe that achieving greater results requires dialogue and cooperation with a wide range of stakeholders, including our shareholders and investors. Based on this belief, we will respond sincerely and reliably to Japan’s Corporate Governance Code while also addressing Japan’s Stewardship Code and the demands of the stock market, striving to enhance sustainable corporate and shareholder value.

In July 2024, as part of efforts to enhance IR activities aimed at increasing corporate value, we held our first IR Day. In addition to the financial results briefing, which provides updates on business performance and financial strategy, and the sustainability briefing, which covers initiatives related to non-financial strategies, we also provided an opportunity to deepen the understanding of our business strategy centered around transforming the business portfolio and focus business areas.

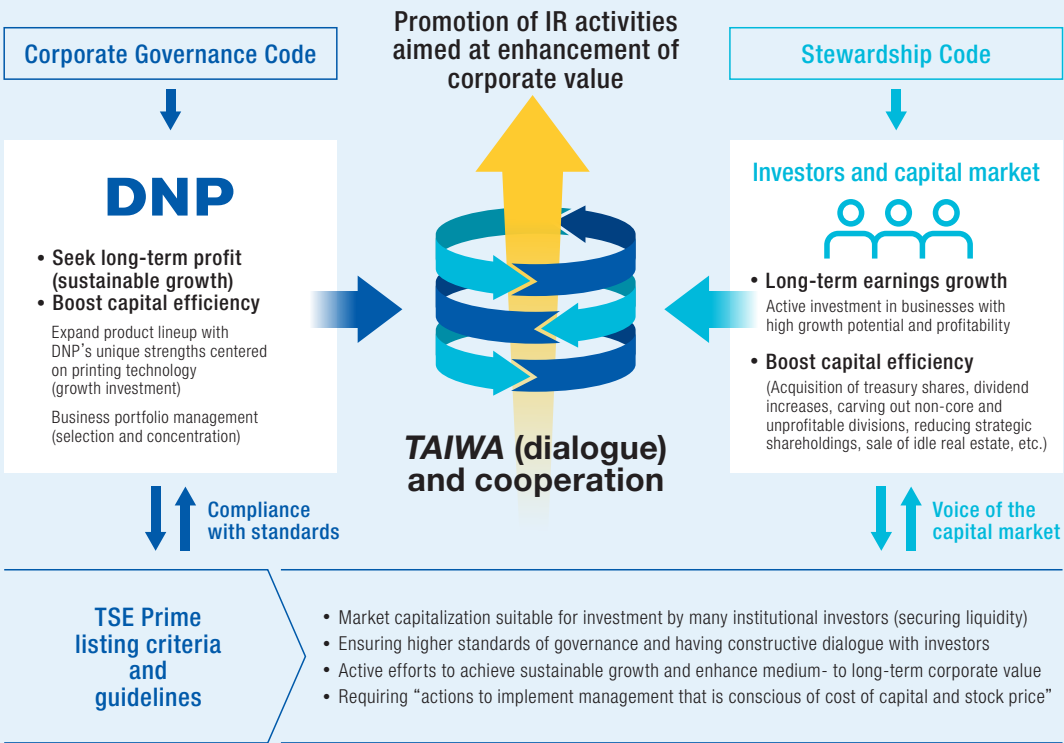
Additionally, the DNP Group Integrated Report 2024 was planned and edited collaboratively by relevant departments

with the aim of fostering further dialogue and cooperation with our stakeholders, while keeping the following points in mind.

- Bolstering messages from management regarding our value creation strategy
- Clearly defining the value provided (outcomes) and impacts based on our unique strengths
- Linking business, financial, and non-financial strategies based on materiality (material issues)
- Presenting further evolution of corporate governance, etc.

The DNP Group will continue to create more opportunities for communication with our stakeholders, enriching the content of these interactions to deepen dialogue and make the future even better. We kindly ask for your continued guidance and support as we strive to achieve our goals.

For sustained enhancement of corporate value



Recognition from society (As of June 30, 2024)

DNP has been highly evaluated by ESG evaluation agencies throughout the world and has been selected for inclusion in numerous ESG indexes in Japan and overseas.

For example, DNP has been selected for the FTSE4Good Global Index for the 24th consecutive year since 2001, and for the MSCI ESG Leaders indexes for the 8th consecutive year since 2017.

In addition, in 2023 we were certified by CDP, an international non-profit organization that provides environmental information disclosure systems, as an “A-List” company—the highest rating for our efforts in addressing climate change. We have also received a silver rating from EcoVadis, which evaluates the sustainability of business enterprises.

ESG indexes

FTSE4Good Global Index

FTSE4Good

MSCI ESG Leaders indexes

2024 MSCI ESG Leaders Indexes Constituent

THE INCLUSION OF Dai Nippon Printing IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Dai Nippon Printing BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

FTSE Blossom Japan Index

FTSE Blossom Japan Index

MSCI Japan ESG Select Leaders Index

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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S&P/JPX Carbon Efficient Index

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