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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [J-GAAP]

May 13, 2025

**Company Name:** Dai Nippon Printing Co., Ltd.  
**Stock exchange listing:** Tokyo  
**Stock code:** 7912 URL: <https://www.global.dnp>  
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**General meeting of shareholders:** June 27, 2025  
**Dividend payment date:** June 30, 2025  
**Securities report issuing date:** June 24, 2025  
**Preparation of earnings presentation material:** Yes  
**Holding of earnings announcement:** Yes (for institutional investors and analysts)

\*Amounts under one million yen have been rounded down.

### 1. Consolidated financial results for the year ended March 31, 2025

(April 1, 2024 – March 31, 2025)

#### (1) Consolidated financial results

(Percentages show change from corresponding year-ago period.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Parent Company Shareholders	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2025	1,457,609	2.3	93,612	24.1	115,920	17.4	110,682	(0.2)
Year ended March 31, 2024	1,424,822	3.8	75,450	23.2	98,702	18.0	110,929	29.5

Note: Comprehensive income: Year ended March 31, 2025: ¥49,255 million (-73.3%)

Year ended March 31, 2024: ¥184,516 million (328.8%)

	Net Income per Share	Diluted Net Income per Share	ROE	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	238.90	238.88	9.6	6.0	6.4
Year ended March 31, 2024	221.56	221.53	9.8	5.2	5.3

Reference: Equity in earnings of affiliates: Year ended March 31, 2025: ¥15,839 million

Year ended March 31, 2024: ¥17,529 million

\* The Company conducted a 2-for-1 stock split of shares of common stock, effective October 1, 2024. Accordingly, net income per share and diluted net income per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of March 31, 2025	1,917,838	1,208,778	59.2	2,514.77
As of March 31, 2024	1,955,629	1,236,687	59.6	2,433.09

Reference: Stockholders' equity: As of March 31, 2025: ¥1,135,847 million As of March 31, 2024: ¥1,165,927 million

\* The Company conducted a 2-for-1 stock split of shares of common stock, effective October 1, 2024. Accordingly, net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

### (3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of the Year
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2025	132,729	(36,740)	(87,429)	250,633
Year ended March 31, 2024	72,553	18,355	(118,696)	234,569

### 2. Dividends

	Dividends per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Dividends to Net Assets Ratio (Consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2024	—	32.00	—	32.00	64.00	15,729	14.4	1.4
Year ended March 31, 2025	—	32.00	—	22.00	—	17,302	15.9	1.5
Year ending March 31, 2026 (Forecast)	—	18.00	—	22.00	40.00		19.6	

\* The Company conducted a 2-for-1 stock split of shares of common stock, effective October 1, 2024. Accordingly, the year-end dividend per share for the fiscal year ended March 31, 2025 is stated after taking into account the effect of this stock split, and the total annual dividend per share is shown as “—.” The year-end dividend per share for the fiscal year ended March 31, 2025 without considering the stock split would be 44.00 yen and the annual dividend per share would be 76.00 yen.

### 3. Consolidated earnings forecasts for the year ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Percentages show change from corresponding year-ago period.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Parent Company Shareholders		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,500,000	2.9	94,000	0.4	105,000	(9.4)	90,000	(18.7)	204.37

#### \* Notes

(1) Significant changes in scope of consolidation during the period: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

- 1) Changes in accounting policies with revision of accounting standards: Yes
- 2) Changes in accounting policies other than the 1) above: No
- 3) Changes in accounting estimates: No
- 4) Restatement of revisions: No

Note: For more information, see the section titled, “5. Consolidated financial statements and notes (5) Notes regarding consolidated financial statements [Changes in accounting policies],” on page 30.

#### (3) Number of common shares issued and outstanding

1) Number of common shares outstanding at end of each period (including treasury shares)	As of March 31, 2025	524,480,692 shares	As of March 31, 2024	554,480,692 shares
2) Number of treasury shares at end of each period	As of March 31, 2025	72,810,712 shares	As of March 31, 2024	75,284,422 shares
3) Average number of shares outstanding during the period	Year ended March 31, 2025	463,291,512 shares	Year ended March 31, 2024	500,672,322 shares

\* The Company conducted a 2-for-1 stock split of shares of common stock, effective October 1, 2024. Accordingly, number of common shares outstanding at end of each period, number of treasury shares at end of each period and average number of shares outstanding during the period are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

## (Reference) Non-consolidated financial results

### Non-consolidated financial results for the year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

#### (1) Non-consolidated financial results

(Percentages show change from corresponding year-ago period.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2025	956,437	(0.3)	3,731	137.9	70,710	18.2	93,151	(9.0)
Year ended March 31, 2024	959,076	3.3	1,567	–	59,799	5.3	102,312	25.3

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Year ended March 31, 2025	201.05	–
Year ended March 31, 2024	204.34	–

\* The Company conducted a 2-for-1 stock split of shares of common stock, effective October 1, 2024. Accordingly, net income per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

#### (2) Non-consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of March 31, 2025	1,275,607	638,478	50.1	1,413.52
As of March 31, 2024	1,339,549	679,987	50.8	1,418.95

Reference: Stockholders' equity: As of March 31, 2025: ¥638,478 million As of March 31, 2024: ¥679,987 million

\* The Company conducted a 2-for-1 stock split of shares of common stock, effective October 1, 2024. Accordingly, net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

\* These financial results are exempt from auditing by a certified public accountant or an auditing company.

\* Explanation regarding appropriate use of earnings forecasts and other special notes

Forward-looking statements in this report, including earnings forecasts, are based on assumptions about economic conditions, market trends, and other factors at the time the report was published. Actual results may differ significantly due to a variety of factors.

For information about earnings forecasts, see the section titled, "1. Overview of operating results, etc., (4) Forecasts," on pages 5-8.

DNP will hold a briefing (online conference) for institutional investors and analysts on May 15, 2025. Materials used at the briefing will be posted on TDnet and the DNP website at around 9:00 JST the same day.

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## **1. Overview of operating results, etc.**

### **(1) Overview of operating results for the year ended March 31, 2025**

Business conditions surrounding the DNP Group during the fiscal year ended March 2025 were marked by a gradual recovery in the Japanese economy, supported by such factors as improvements in domestic employment and income levels, as well as a recovery in individual consumption and increased inbound tourism. However, the outlook remains uncertain due to factors such as sharp fluctuations in stock prices and exchange rates, prolonged geopolitical risks, sustained high prices for raw materials and fuel, policy trends in the United States and various other countries and regions, and rising domestic prices. In addition, business has become increasingly complex and diverse, with competition intensifying as a result of factors including the need to respond to environmental and human rights concerns, and advances in technologies like AI (artificial intelligence) and XR (extended reality).

The DNP Group doesn't just respond to the rapid changes and risks in the environment, society, and economy, but also initiates its own reforms from a long-term perspective and develops business activities that create a better future. By combining our unique strengths in "P&I" (printing and information) and deepening cooperation with diverse partners, we strive to expand the scope of our business and improve our bottom line.

This fiscal year—the second year of our Medium-term Management Plan that covers the three-year period from fiscal 2023 to fiscal 2025—we focused on creating sustainable business value and shareholder value through specific initiatives based on our business strategies, financial strategies, and non-financial strategies.

In line with our business strategies, we are building a business portfolio that can exhibit strength in the medium to long term while accelerating the creation of new value, particularly in our focus business areas. Concerning financial strategies, we will continue to appropriately allocate the cash that we generate to investment in further business growth and provision of returns to shareholders. By focusing on expanding investment in people, strengthening intellectual capital, and environmental initiatives as our main non-financial strategies, we are working to strengthen the management foundation that supports sustainable growth. More details about these three strategies can be found in Section 3. Management policies, (2) Medium-term Management Plan, 2) Three types of strategies.

In addition, the entire DNP Group constantly assesses changes in its business environment while implementing thorough business continuity management (BCM) measures to ensure that we can engage in our business activities without interruption.

As a result, the DNP Group's net sales for the fiscal year ended March 2025 were ¥1,457.6 billion (up 2.3% from the previous year), operating income was ¥93.6 billion (up 24.1%), ordinary income was ¥115.9 billion (up 17.4%) and net income attributable to parent company shareholders amounted to ¥110.6 billion (down 0.2%).

#### **· Smart Communication**

In the Imaging Communication business, sales of dye-sublimation thermal transfer printing media for photo prints performed well in European and American markets. Helped by increases in domestic ID photo services and photography services in Europe and America, sales grew from the previous fiscal year.

The information security sector saw solid sales of smart cards, including dual-interface cards with a single IC chip that supports both contact and contactless standards. However, overall sales declined from a year earlier due to a decrease in large-scale business process outsourcing (BPO)

projects.

In our marketing business, we worked hard to provide value by combining DNP's strengths in digital technologies with the marketing expertise and track record that we cultivated over many years. Nevertheless, sales fell below the previous year level due to contraction in the paper media market.

In Publishing, DNP's library management services performed well, with more libraries signing on as clients. Overall, however, sales fell from the previous fiscal year due to the shrinking market for magazines and similar printed publications. In April 2025, we reorganized our publishing and printing businesses to integrate manufacturing and sales functions, in order to enable faster decision-making, strengthen interdepartmental coordination, and facilitate anticipation of market changes.

Regarding content and XR communication, we worked to bolster the creation of new content-related value through initiatives such as hosting major exhibitions utilizing popular intellectual property (IP) from Japan and overseas, event and merchandise businesses, and promoting Japanese IP globally. Concerning XR communication, we are focusing on collaboration with external partners that have specialized strengths. Efforts like these, along with DNP's advanced technologies, have drawn high praise, resulting in DNP's selection to design and produce the virtual site for the Japanese government's "Japan Pavilion" at the 2025 Japan World Exposition (Osaka-Kansai Expo). We will continue to expand co-creation with diverse partners and further strengthen and expand our businesses in order to solve social issues and provide experiential value through the use of virtual (metaverse) spaces, for example by creating educational opportunities and hangout spaces for children who do not attend school.

As a result of the above, overall segment sales decreased by 0.5% year on year, to ¥715.5 billion. Operating income increased 32.5% from the previous term to ¥34.6 billion due to the positive effect of foreign exchange and business restructuring, including the optimization of human capital and fixed assets, despite the impact of declining sales due to shrinking paper and other media markets.

#### · Life & Healthcare

DNP's mobility and industrial high-performance materials sector saw increased demand for lithium-ion battery pouches for IT applications, especially for use in new models of smartphones and tablets. Demand for pouches for automotive applications began to recover from October 2024, but due to the impact of stagnant demand in the electric vehicle (EV) market for most of the year, sales decreased compared to the previous fiscal year. Due to growing demand worldwide, photovoltaic modules sold well, with sales of encapsulants particularly strong. Concerning decorative films for automotive applications, sales of products for interior use remained solid. The DNP Group also actively pursued mergers and acquisitions. In January 2025, we acquired all shares in HK Holdings Co., Ltd., the 100% parent company of HIKARI METAL INDUSTRY CO., LTD., which leverages diverse molding technologies to produce unique automotive parts and decorative components for industrial equipment. In February 2025, we acquired all shares of Resonac Packaging Corporation (renamed DNP High-performance Materials Hikone Co., Ltd.), which deals in secondary battery packaging materials and food packaging materials. By combining these companies' strengths with the management resources, technologies, and expertise that the DNP Group has cultivated, we will further enhance our ability to respond to customers and boost our competitiveness.

Although DNP's Packaging business was affected by raw material price increases, we made progress toward passing on those increases and enjoyed increased sales of packaging materials for snacks and daily necessities, and of aseptic plastic (PET) bottle filling systems. We also focused on the development and sales of environmentally friendly DNP GREEN PACKAGING® and various types of functional packaging materials. Sales increased from the previous fiscal year.

In the Medical and Healthcare field, we focused on developing and selling medical packaging. In addition, in April 2025 we opened Azusawa Center in Tokyo as a logistics hub for the medical and

healthcare industry. By handling storage, assembly, and delivery of pharmaceuticals and medical devices—services that companies have generally handled on their own—on a business process outsourcing (BPO) basis, we offer more efficient, lower-cost logistics. The facility was originally a commercial printing manufacturing site; by converting it to a medical logistics base, we not only increased investment efficiency but also helped improve our business portfolio.

The Living Spaces business enjoyed strong sales, in Japan and overseas, of ARTTEC®, an exterior material that combines high durability with aesthetically pleasing design. Nevertheless, overall sales in this business decreased from the previous year due to a decline in new housing starts in Japan, which resulted in reduced demand for residential interior materials.

In Beverages, sales exceeded the previous year despite decreased sales to bottlers outside Hokkaido, thanks to the effects of price revisions in major sales channels and strong sales through vending machines, convenience stores, and online channels.

As a result, overall segment sales amounted to ¥496.0 billion, up 5.0% from a year earlier. Thanks to increased sales in the Packaging business, cost reductions such as fixed cost reductions, and positive foreign exchange effects, operating income grew by 78.2% from a year earlier to ¥23.7 billion.

#### • Electronics

In DNP's digital interfaces business, demand for metal masks used in the manufacture of organic light-emitting diode (OLED) displays declined relative to the previous year, in which there had been a surge in demand related to new product development. However, sales of optical films were steady, thanks to expansion in the volume of product that was shipped as liquid crystal TV displays grew larger. Overall net sales in this sector increased. During the fiscal year through March 2025, we started up a new production line for metal masks at the Kurosaki Plant in Kitakyushu City, Fukuoka Prefecture, in anticipation of expanding adoption of OLED displays in tablet devices, notebook PCs, and automotive devices.

Recovery in the market for semiconductors led to solid sales of photomasks used in their production, resulting in higher sales compared to the previous year.

As a result of the above, overall segment sales grew 5.3% year on year to ¥247.7 billion. Operating income decreased 1.4% from a year earlier to ¥57.3 billion, due to the impact of increased facility costs from the expansion of metal mask production lines, despite increased sales in focused businesses, especially the digital interfaces business.

## **(2) Overview of financial position for the year ended March 31, 2025**

Total assets at the end of the fiscal year decreased by ¥37.7 billion yen from the end of the previous fiscal year to ¥1,917.8 billion due mainly to an increase in cash and time deposits and decreases in net defined benefit asset and fixed assets.

Total liabilities decreased by ¥9.8 billion from the end of the previous fiscal year to ¥709.0 billion due mainly to an increase in income taxes payable and decreases in notes and trade payables and deferred tax liabilities.

Net assets decreased by ¥27.9 billion from the end of the previous fiscal year to ¥1,208.7 billion, due mainly to an increase in net income and decreases in cash dividends paid, purchases of treasury stock, valuation difference on available-for-sale securities, and remeasurements of defined benefit plans.

### (3) Overview of cash flows for the year ended March 31, 2025

Cash and cash equivalents at the end of the current fiscal year increased by ¥16.0 billion from the end of the previous fiscal year to ¥250.6 billion.

Cash flow provided by operating activities totaled ¥132.7 billion (¥72.5 billion in the previous fiscal year), due mainly to ¥168.6 billion in income before income taxes and non-controlling interests and ¥53.7 billion in depreciation.

Cash flow used in investing activities totaled ¥36.7 billion (versus provided by ¥18.3 billion in the previous fiscal year), due mainly to ¥57.0 billion in payments for purchases of property, plant and equipment, ¥87.8 billion in payments for purchases of investment securities and ¥119.3 billion in proceeds from sales of investment securities.

Cash flow used in financing activities totaled ¥87.4 billion (¥118.6 billion in the previous fiscal year), due mainly to ¥64.8 billion in payments for purchase of treasury stock and ¥15.0 billion in dividends paid.

The trends in the DNP Group's cash flow indicators are shown below.

	Year ended March 2021	Year ended March 2022	Year ended March 2023	Year ended March 2024	Year ended March 2025
Equity ratio (%)	57.2	58.2	59.4	59.6	59.2
Market value-based equity ratio (%)	35.7	41.3	52.9	57.2	49.9
Debt-to-cash flow ratio (year)	2.6	1.9	3.9	2.3	1.2
Interest coverage ratio (times)	42.6	111.7	54.4	81.6	133.6

Notes: Equity ratio: Total stockholders' equity/Total assets  
Market value-based equity ratio: Market capitalization/Total assets  
Debt-to-cash flow ratio: Interest-bearing debt/Cash flow  
Interest coverage ratio: Cash flow/Interest paid

- \* The above indicators are calculated based on consolidated financial figures.
- \* Market capitalization is calculated as: Fiscal year-end share price × fiscal year-end number of shares outstanding (excluding treasury stock)
- \* Cash flow: Cash flow provided by/used in operating activities on the consolidated statements of cash flows  
Interest-bearing debt: All liabilities on the consolidated balance sheet that accrue interest charges  
Interest paid: Interest paid on the consolidated statements of cash flows

### (4) Forecasts

Regarding the future of the business environment, in Japan there are concerns about such trends as serious labor shortages, rising prices, and rapid fluctuations in exchange rates. The global economy is also expected to continue facing uncertainty due to policy trends in various countries and regions, including reciprocal tariffs imposed by the United States, diminished growth potential in the Chinese economy, and prolonged geopolitical risks.

Amid these circumstances, the DNP Group chooses not to respond passively to changes, but rather to proactively create its own idea of a better future based on a long-term perspective. In 2026, DNP will mark a major milestone with the 150th anniversary of its founding in 1876. In order to develop even further, we will accelerate the strategies prescribed in our Medium-term Management Plan in line with the Group's Basic Management Policy (described in detail in [3. Management policies (1) Core policies]).



Our consolidated earnings forecasts, earnings forecasts by segment, and initiatives for each segment for the fiscal year ending March 2026, which is the final year of our three-year Medium-term Management Plan, are as follows.

**<Consolidated earnings forecasts>**

(Million yen)

	Fiscal year ending March 31, 2026	
		Year-on-year change
Net Sales	1,500,000	2.9%
Operating Income	94,000	0.4%
Ordinary Income	105,000	(9.4)%
Net Income Attributable to Parent Company Shareholders	90,000	(18.7)%

**<Earnings forecasts by segment>**

(Million yen)

	Fiscal year ending March 31, 2026			
	Net Sales		Operating Income	
		Year-on-year change		Year-on-year change
Smart Communication	730,000	2.0%	33,000	(4.8)%
Life & Healthcare	517,000	4.2%	28,000	17.7%
Electronics	255,000	2.9%	57,000	(0.6)%
Total	1,502,000	2.9%	118,000	1.9%
Adjustment	(2,000)	—	(24,000)	—
Total	1,500,000	2.9%	94,000	0.4%

**< Initiatives for each segment >**

**Smart Communication**

In the field of imaging communication, DNP holds the world's top share in the market for dye-sublimation thermal transfer printing media, which use precision coating and other precision application technologies. Armed with these photo printing products and the ability to offer a variety of services, we are developing photo imaging businesses in Japan and abroad. The way people enjoy photography has changed with the times, especially in recent years with the spread of smartphones and social networking services, and consumers increasingly demand intangible, experiential value in addition to tangible, printed photos. In response to these trends, the DNP Group develops and provides a wide range of services, including photography, photo processing, print sales, and cloud-based image sales, all while protecting personal information through the use of highly secure information infrastructure and management systems.

Concerning information security, DNP will strive to expand its BPO business against a backdrop of demand from companies and organizations that want to streamline operations, reduce labor costs, and boost cost competitiveness. Additionally, we will leverage the unique security-related strengths that DNP has cultivated as Japan's top provider of smart cards in order to safely and reliably provide the authentication services and diverse payment methods that are essential to a global information society.

On the content side of content and XR communication, DNP shows up with a network of diverse IP holders and creators in Japan and overseas, a digital archiving business, high-definition image processing technologies, and a track record and reputation for copyright management, ready to leverage these assets in the development of business exhibitions and other events, and in the development of gaming equipment and other products both in Japan and internationally. In XR

communication, we will leverage our strengths mainly in securely authenticating personal information and other important information, which is essential to all kinds of services, and in integrating and optimizing business processes. By securely and seamlessly connecting large amounts of data in both real and digital realms, we intend to contribute to the evolution of information society and the enhancement of people's experiential value, in the metaverse and elsewhere.

In the fields of publishing and education, the DNP Group will further promote businesses like its "honto" hybrid bookstore network, electronic libraries, and educational information and communications technology (ICT). As for publishing and printing, in April 2025 we transitioned to a business promotion format that integrates manufacturing and sales, thereby speeding up decision-making, improving interdepartmental coordination, and facilitating quick and appropriate responses to market changes.

### **Life & Healthcare**

The division as a whole will strive to build a more robust business portfolio, accelerate its shift toward businesses with higher "market growth potential and attractiveness" and greater "business profitability", and improve profitability by reorganizing business sites and optimizing resources.

In the mobility and industrial high-performance materials sector, the DNP Group already holds the top share of the world market for lithium-ion battery pouches. We anticipate demand for pouches for automotive applications to expand from traditional electric vehicles (EVs) to plug-in hybrid EVs (PHEVs) and hybrid EVs (HEVs), and we will focus on capturing this new demand. We will also work on the development of pouches for next-generation batteries including solid-state and semi-solid batteries. Additionally, we will focus on the rapid commercialization of products and services that support safe and comfortable next-generation mobility.

In the medical and healthcare sectors, we will focus mainly on pharmaceutical support businesses including production of active pharmaceutical ingredients, drug formulation, formulation changes, and medical packaging production. In addition, we will accelerate growth in our diagnostic imaging and next-generation pharmaceutical businesses by making use of the broader DNP Group's strengths and by collaborating with external partners.

We will also focus on developing and providing a wide range of high-value-added products, including living space-related products with enhanced functionalities like superior design or resistance to bacteria, viruses or weather damage, all types of environmentally friendly packaging materials that enhance people's lifestyles by shutting out oxygen, water vapor, and other gases in order to protect package contents, and encapsulants that prolong the lifespan of solar cells.

### **Electronics**

DNP's Electronics segment already boasts the top global market share for many products. We will further accelerate the expansion of each business by means of active capital investment. We will also strive to expand our businesses by developing industry-leading products that leverage DNP's unique strengths as well as services born of collaboration with domestic and/or international partners.

Regarding digital interfaces, the DNP Group holds the world's top share of metal masks used in the manufacture of OLED displays, and we intend to take the lead in meeting expanding demand as OLED displays become used in more types of information devices. We have already made progress toward more than doubling production capacity by activating a new, large-scale metal mask manufacturing line at our Kurosaki Plant in Fukuoka Prefecture, which will enable us to stably grow our business amid expanding demand. We will also leverage our strength in anti-reflection surface films and other optical films where we also hold the world's top market share. The Group plans to add an ultra-wide production line at its Mihara Plant in Hiroshima Prefecture in response to the

market trend toward larger television displays, with start-up scheduled for the first half of the fiscal year ending March 2026. This capacity enhancement will enable further increases in production volume and market share.

Regarding photomasks used in semiconductor manufacturing, the spread of generative AI and other technological developments is expected to bolster medium- to long-term demand for semiconductors used in cloud environments and data centers. We intend to make capital investments aimed at expanding sales. For example, we will add multi-beam mask writers as well as equipment for boosting production capacity for middle-end products, with the new equipment coming online sequentially from fiscal 2023 to fiscal 2025. We are also promoting the manufacture of photomasks compatible with extreme ultra-violet (EUV) lithography, an advanced manufacturing process used in making logic semiconductors and other cutting-edge products. DNP will participate as a subcontractor in Research and Development Project of the Enhanced Infrastructures for Post-5G Information and Communication Systems (which was initiated by Japan's New Energy and Industrial Technology Development Organization or NEDO), by supplying production processes and assurance-related technologies to project participant Rapidus Corporation. DNP plans to complete the development of photomask manufacturing processes for the 2-nanometer (nm = one-billionth of a meter) line width generation in the fiscal year through March 2026, and establish production technologies with a view to starting mass production in the fiscal term through March 2028. In addition, we will continue to cooperate with imec (Interuniversity Microelectronics Centre), a cutting-edge international research institution headquartered in Belgium, to develop photomask manufacturing technology for the 1nm generation and beyond.

The DNP Group is also developing important components of next-generation semiconductor packages, such as organic interposers, and TGV glass core substrates, and developing businesses that use next-generation technologies like optoelectronic integration. Strengthening alliances with external partners is one of the ways by which the Group endeavors to expand the value that it provides to the semiconductor supply chain. In recent years, major semiconductor manufacturers have announced the adoption of glass core substrates, and next-generation semiconductor technologies such as chiplets are attracting attention. DNP intends to speed up its provision of new value to meet market needs related to these developments. In March 2025, we completed our investment in a special purpose company aimed at acquiring the shares of SHINKO ELECTRIC INDUSTRIES CO., LTD., a major manufacturer of semiconductor package substrates.

The DNP Group will expand its businesses in these three segments by combining our unique “P&I” (printing and information) capabilities while strengthening cooperation with our partners, in order to more quickly build a better future. DNP's hybrid strengths encompass both poles of various spectrums—for example real and virtual, analog and digital, manufacturing and services. By combining these strengths, DNP can express the “All DNP” synergy that is our unique differentiating asset. We endeavor to take maximum advantage of these strengths as we catch the tailwinds of technological innovations like XR, metaverses, AI, and autonomous driving. We see business opportunities in social issues in areas like information security, shrinking birth rates and aging populations, environmental preservation and energy sourcing, and in our responses to megatrends as we develop new value to provide to consumers in Japan and around the world.

#### **(5) Basic policies regarding the allocation of profits and dividends for the year ended March 31, 2025 and year ending March 31, 2026**

Among the key management policies established by the DNP Group are the achievement of long-term growth through the realization of a better, more sustainable society and the enrichment of people's lives, and a commitment to meeting the expectations of shareholders and other

stakeholders by providing stable returns of profits.

Our basic policy regarding profit distribution is to provide stable and continuous returns to shareholders. Based on a medium- to long-term management perspective, we seek to maintain the stability of our financial base, balance between investments in growth businesses and shareholder returns, and implement payments based on comprehensive consideration of factors including business performance and dividend payout ratio.

We also intend to secure an appropriate level of retained earnings and strengthen our management base to prepare for future business development. We keep an eye on our capital requirements and market trends as we allocate retained earnings to investments in the development of new products, services, and technologies, capital investments for new business development, strategic alliances including M&As, and investments in human resources that support these various initiatives. We acquire treasury stock in an appropriate and timely manner in order to return profits to shareholders and optimize capitalization.

We believe that these policies will contribute to increasing profits, which can then be returned to shareholders in the future.

Based on this policy, the DNP Group will pay a year-end dividend of ¥22 per share. The Company conducted a 2-for-1 stock split of common shares on October 1, 2024, and this year-end dividend is equivalent to ¥44 per share when converted before the said stock split. Combined with the interim dividend (¥32 per share), the annual dividend will be ¥76 per share, an increase of ¥12 from ¥64 per share in the previous year. As a result, the consolidated dividend payout ratio for the fiscal year through March 2025 is 15.9%.

For the fiscal year ending March 31, 2026, the DNP Group forecasts payment of an interim dividend of ¥18 and a year-end dividend of ¥22, resulting in an annual dividend of ¥40.

## 2. Information on the DNP Group

The DNP Group includes the Company, 139 subsidiaries, and 25 affiliated companies. The Group's business activities are related to Smart Communication, Life & Healthcare and Electronics.

The businesses and segments of the DNP Group are broadly outlined below. The three business segments cited below are the same as the reporting segment categories.

### <<Smart Communication>>

Books including standard books, dictionaries, commemorative and memorial editions, all types of magazines including weekly, monthly and quarterly, corporate PR magazines, textbooks, e-books, Digital marketing support from sales promotions to customer analysis, BPR consulting and BPO services related to corporate business processes and sales processes, Contact center business, IPS, smart cards, payment-related services, card-related equipment, Authentication and security services and related products, IC tags, holograms, business forms, Catalogs, leaflets, brochures, calendars, point-of-purchase (POP) materials, digital (electronic) signage, Planning/development/production/construction/operations related to events/stores/products/ contents, etc., Services using generative AI, planning/development/production/operations of virtual space, Dye-sublimation thermal transfer media (color ink ribbons, receiver paper, and dye-sublimation photo printer), Thermal resin-type transfer printing media (monochrome ink ribbons), ID photo business, portrait photograph and ID solutions, Entertainment and amusement solutions, E-book distribution and sales, book sales, library management, etc.

### [Major companies]

(Production)	OGUCHI BOOK BINDING & PRINTING CO., LTD. DNP Imagingcomm Co., Ltd., DNP SP Innovation Co., Ltd. DNP Graphica Co., Ltd., DNP Communication Design Co., Ltd. DNP Book Factory Co., Ltd., DNP Data Techno Co., Ltd. DNP Media Art Co., Ltd., DNP Media Support Co., Ltd.
(Production and sales)	DNP Imagingcomm Asia Sdn. Bhd., DNP Imagingcomm Europe B.V. DNP Imagingcomm America Corporation *MK Smart Joint Stock Company
(Sales and services)	Maruzen CHI Holdings Co., Ltd., INTELLIGENT WAVE INC. DNP ID System Co., Ltd., DNP Art Communications Co., Ltd. DNP CoArise Co., Ltd., DNP Digital Solutions Co., Ltd. DNP HyperTech Co., Ltd., DNP Photo Imaging Japan Co., Ltd. DNP PLANNING NETWORK Co., Ltd., DNP hollyhock Co., Ltd. 2Dfacto, Inc., Hacosco Inc., mobilebook.jp, Inc. MARUZEN-YUSHODO Co., Ltd. MARUZEN PUBLISHING CO., LTD. MaruzenJunkudo Bookstores Co., Ltd. Toshokan Ryutsu Center Co., Ltd. MARUZEN Research Services Co., Ltd. Colorvision International, Inc., DNP Photo Imaging Europe SAS DNP Photo Imaging Russia, LLC, DNP Photo Imaging Spain S.L.U.

DNP Photo Imaging Belgium SA  
\* BIPROGY Inc., Kyoiku Shuppan Co., Ltd.

The shares of Maruzen CHI Holdings Co., Ltd., INTELLIGENT WAVE INC., and BIPROGY Inc. are traded on the Tokyo Stock Exchange.

### <<Life & Healthcare>>

Lithium-ion battery components, photovoltaic module components, materials for transporting electronic components, multifunctional insulation box, and other industrial high-performance materials, various types of packaging materials for products such as foods, beverages, snacks, household items and medical supplies; cups, plastic bottles, laminated tubes, molded plastic containers, aseptic filling systems, Interior and exterior materials for homes, stores, offices, vehicles, home appliances, and furniture, etc.; molded plastic parts for automobiles, metallic veneers, contract manufacturing of bulk pharmaceutical intermediates, pharmaceutical contract formulation, carbonated drinks, coffee beverages, tea beverages, fruit juices, functional beverages, mineral water, alcoholic beverages, etc.

#### [Major companies]

(Production)	DNP Technopack Co., Ltd., N-TECH corporation Tomoe Resin Co., Ltd., Sagami Yoki Co., Ltd., DNP Ellio Co., Ltd. DNP High-performance Materials Co., Ltd. DNP Living Space Co., Ltd., DNP Hoso Co., Ltd.
(Production and sales)	Hokkaido Coca-Cola Bottling Co., Ltd., CMIC CMO Co., Ltd. DNP High-performance Materials Hikone Co., Ltd. DNP Tamura Plastic Co., Ltd., Aseptic Systems Co., Ltd. DNP Fine Chemicals Utsunomiya Co., Ltd. HK Holding Co., Ltd., HIKARI METAL INDUSTRY CO., LTD. PT DNP Indonesia, DNP Vietnam Co., Ltd.
(Sales and services)	LIFESCAPE MARKETING CORPORATION DNP • SIG Combibloc Co., Ltd.

The shares of Hokkaido Coca-Cola Bottling Co., Ltd. are traded on the Tokyo Stock Exchange and Sapporo Securities Exchange.

### <<Electronics>>

Optical films for displays, metal masks for organic EL displays, large photomasks for liquid crystal displays, photomasks for semiconductor products, lead frames, LSI design, hard disk suspensions, camera module components for smartphones, etc.

#### [Major companies]

(Production)	DNP LSI Design Co., Ltd., DNP Fine Optronics Co., Ltd.
(Production and sales)	DT Fine Electronics Co., Ltd., DNP Photomask Europe S.p.A. * Photronics DNP Mask Corporation Photronics DNP Mask Corporation Xiamen
(Sales)	DNP Taiwan Co., Ltd.
(Investment in business companies)	* JICC-04, Ltd.

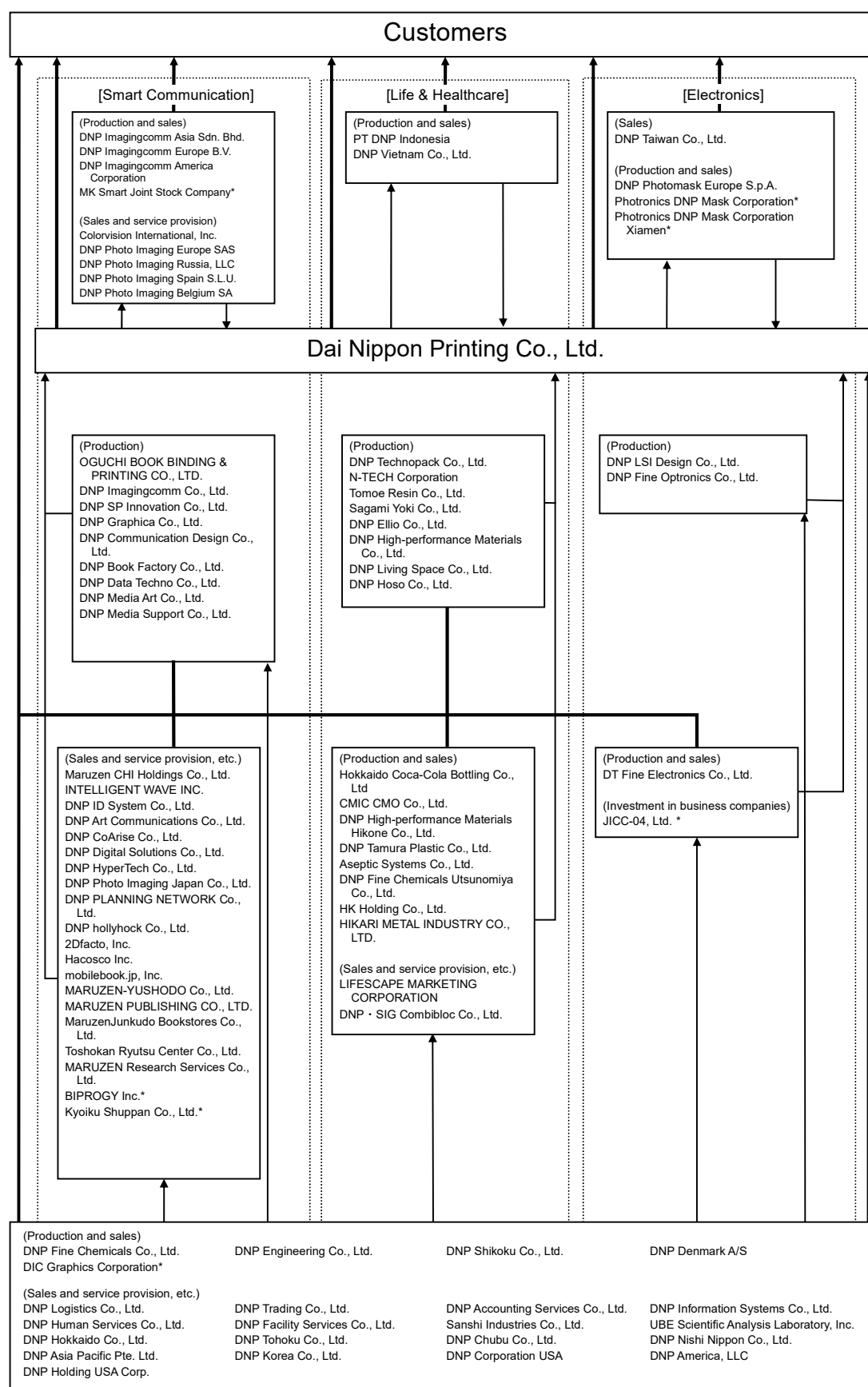
**<Companies with multiple types of businesses>**

- (Production and sales) DNP Fine Chemicals Co., Ltd., DNP Engineering Co., Ltd.  
DNP Shikoku Co., Ltd., DNP Denmark A/S  
\* DIC Graphics Corporation
- (Sales and services) DNP Logistics Co., Ltd., DNP Trading Co., Ltd.  
DNP Accounting Services Co., Ltd.  
DNP Information Systems Co., Ltd.  
DNP Human Services Co., Ltd., DNP Facility Services Co., Ltd.  
Sanshi Industries Co., Ltd., UBE Scientific Analysis Laboratory, Inc.  
DNP Hokkaido Co., Ltd., DNP Tohoku Co., Ltd., DNP Chubu Co., Ltd.  
DNP Nishi Nippon Co., Ltd.  
DNP Asia Pacific Pte. Ltd., DNP Korea Co., Ltd.  
DNP Corporation USA, DNP America, LLC  
DNP Holding USA Corporation

\* Equity-method affiliated companies

## Organizational chart

The businesses noted above are shown in the organizational chart below.



Notes: \* : Equity-method affiliated companies (Otherwise, subsidiaries)  
 ← : Flow of products, materials and services



### **3. Management policies**

#### **(1) Core policies**

The DNP Group aims to realize a sustainable society, and expresses its corporate philosophy as “DNP connects individuals and society, and provides new value.” In order to realize a better and more sustainable society and more fulfilling lifestyles based on this idea, our core management policy is to maintain a long-term view as we endeavor to develop business activities that will enable us to create a better future through our own efforts.

Through our various activities, we solve social issues and, at the same time, create new value that meets people’s expectations. We strive to make that new value such an integral part of people’s everyday lives that they come to take it for granted. By continually generating value that people find indispensable, the DNP Group strives to make itself an indispensable company. This aspiration is expressed in our brand statement as “Today’s Innovation is Tomorrow’s Basic.”

Through initiatives aligned with our core management policies, we continually generate corporate value and shareholder value. We use ROE and PBR as indicators for evaluating our business activities. We evaluate and analyze the progress of our value improvement efforts in order to improve the effectiveness of our next measures.

In March 2024, the DNP Group identified the materiality (key issues) that concretize what it should do and what kind of value it should create for the four interrelated societies that it aims to create as a “better future.”

#### **< DNP’s Materiality >**

- A society in which people can live safe, secure, healthy and fulfilling lives  
By generating its own changes and responding flexibly to change, the DNP Group will enhance the sustainability of the environment, society, and the economy.
- A society in which pleasant communication is possible  
By connecting the real and the digital, the DNP Group will enhance the quality of the experiential value that people can gain, and will expand opportunities for people to engage in activities.
- A society in which people respect each other  
The DNP Group will create a place where everyone can play a vital and active role by deepening mutual understanding and acknowledging each other.
- A society in which economic growth coexists with the global environment  
By working to conserve the environment and reduce the environmental impact of its activities, the DNP Group realizes a nature-positive value chain.

## **(2) Medium-term Management Plan**

### **1) Plan overview**

In line with our basic management policies, in April 2023 the DNP Group began implementing its three-year Medium-term Management Plan, whose final year is the fiscal year ending March 31, 2026. According to this plan, we will implement concrete measures—mainly “business strategies”—aimed at continual value creation. At the same time, we will promote “financial strategies” and “non-financial strategies” to strengthen the management capital that supports those measures, and we will increase corporate value and shareholder value.

### **2) Three types of strategies**

#### **[1] Business strategies**

##### **[1-1] The thinking behind DNP’s medium- to long-term business portfolio**

DNP’s Business Strategy clearly defines the medium- to long-term business portfolio we should aim for, based on market growth potential, appeal, and profitability. Growth-driving businesses (\*1) and new businesses (\*2) with high market growth potential and appeal are positioned as “focus businesses.” By concentrating management resources in focus business areas, while adequately developing the structures and systems that they require, we intend to expand profits even further. In addition to developing and mining DNP’s own unique strengths, including the diverse partners who constitute DNP’s own brand of relational social capital, as we strive for “No.1” positions we will also accelerate co-creation with those diverse partners, for example through M&As with companies whose strengths differ from those of DNP.

\*1 Growth-driving businesses: digital interfaces, semiconductors, mobility and industrial high-performance materials

\*2 New businesses: content and XR communication, medical and healthcare

At the same time, among stable businesses (\*3), where market growth potential and attractiveness are low but profitability is high, the Group will work to improve business process efficiency and take other steps to generate a stable cash flow. Among businesses for reforming (\*4), which currently have low market growth potential and low profitability, the Group will promote optimization, which may include reduction or elimination of production capacity and/or operating locations, reallocation of resources to focus businesses, and strengthening of products or services that have unique advantages.

\*3 Stable businesses: imaging communication, information security

\*4 Businesses for reforming: existing printing business, beverages business

##### **[1-2] Strategies for each segment**

###### **○ Smart Communication**

In the Smart Communication segment, we intend to invest efficiently and effectively while keeping our eye on the balance between invested capital and cash generation. We will leverage DNP’s unique strengths and pursue collaborative operations and development of services with companies in Japan and abroad. Concerning our paper media printing business, which belongs in the category of “businesses for reforming,” we will promote rationalization and optimization as appropriate for the scale of the market.

In the new business area of content and XR communication, we will offer digital experiences (DX) and other services in the metaverse, where people can cross seamlessly and securely between real and virtual spaces, thereby enhancing the value of people’s experiences. We will deepen our connections with diverse IP holders and creators in Japan and overseas, and leverage DNP’s various capabilities, including high-definition image processing technologies and data processing technologies that make use of high-security infrastructure, in order to create new markets that enhance the value of people’s communication. As “stable businesses” that steadily

accumulate profits, we will expand global investment in imaging communication, where we offer diverse products and services including photo printing, and information security, which includes various authentication services and the smart card business that the DNP Group leads as Japan's top supplier. We will also expand our BPO business, which captures the needs of companies and local governments that seek greater operational efficiency and digital transformation (DX), optimizes their business processes and contracts to outsource the performance of some of those operations.

## ○ Life & Healthcare

In “mobility and industrial high-performance materials,” one of this segment's growth-driving businesses, we will implement aggressive capital investment in overseas bases for the global expansion of lithium-ion battery pouches for EVs, a market in which we hold the top global market share. Primarily through these battery pouches and a wide variety of interior and exterior decorative materials for vehicular use, we will work to help realize extended EV cruising distances, automated driving, and pleasant mobile spaces within the next few decades.

In medical and healthcare—a new business area for DNP—we will combine a variety of technologies that we cultivated through businesses like publishing, packaging, and semiconductors, including image processing and color management technologies, aseptic/anoxic filling technologies, micro/nano modeling technologies, and fine organic synthesis, in order to develop pharmaceutical support businesses such as production of active pharmaceutical ingredients, drug formulation, formulation changes, and medicine package manufacturing. We will also work to maximize synergies with relevant partners and contribute to extending people's healthy life expectancy by expanding smart healthcare businesses like diagnostic imaging and online medical care.

In Packaging, we will work to improve profitability through reorganization of production bases and other measures, and we will expand our global capacity to supply various environmentally friendly packaging materials as well as unique products like DNP transparent vapor deposition IB (Innovative Barrier)-FILM®.

## ○ Electronics

In addition to actively promoting capital investment, this segment will accelerate business expansion by developing new products that leverage DNP's unique strengths and by expanding the value that it provides to the semiconductor supply chain through alliances with external partners.

In digital interfaces, one of growth-driving businesses, we will continue to create new value that links the real with the virtual and the analog with the digital by staying ahead of the curve in technological innovation, and by focusing on products for which we hold the world's top market share, such as metal masks for manufacturing OLED displays and optical films for display surfaces.

Another of growth-driving businesses is semiconductors. As the volume of data being distributed around the world increases dramatically with increasing use of automated driving, distance education, telemedicine, cloud environments and expanding data centers, DNP will develop and provide fine devices that are indispensable to the entire semiconductor supply chain.

## [2] Financial strategies

In order to continuously generate corporate value and shareholder value, we need to build and maintain a stable financial base from which we allocate cash both for investment in growth and for appropriate returns to shareholders.

### ○ **Cash allocation strategies**

The Group will actively invest in focus business areas and improve the efficiency of each business to generate a stable operating cash flow that will be used to fund investment in growth. In order to improve asset efficiency, we are accelerating sales of strategic share holdings and steadily reducing underused real estate holdings. We will also strive to maximize funding efficiency by considering various appropriate funding methods, including the use of interest-bearing debt.

The cash that we generate will be allocated for concentrated investment in focus business areas, as well as for investment aimed at building our management base. In order to promote corporate activities over the long term and to continue to provide value to society and individuals, we will also actively allocate cash for shareholder returns while taking into account the balance between investing in growth and returning profits to shareholders.

## **[3] Non-financial strategies**

### ○ **Strengthening human capital**

In 2022, the DNP Group formulated its Human Capital Policy, and we will continue to actively promote investment in people. We are implementing a number of initiatives aimed at more clearly linking investment in people with the enhancement of corporate value and at dramatically increasing “human creativity” (value-added productivity) on a global basis.

In order to support our employees' career autonomy and strengthen organizational capabilities so as to create more value, we have developed our own compensation and related policies that are more closely based on a job-oriented perspective. We are also advancing multi-track position-based compensation, investment in human capital aimed at supporting career autonomy, the securing and maintenance of competitive compensation levels and systems, and enhanced organizational development.

Regarding health management, we are working in line with the DNP Group Declaration on Health in order to implement management reform and make DNP function as a more powerful team by drawing out the strengths of diverse individuals. Also, we aim to promote increased employee happiness and well-being by adopting DNP Value Objectives (DVO) and by developing measures aimed at boosting organizational engagement.

We will take steps to get the right people into the right positions based on business strategies. These steps include using a talent management system to make it easy to see the skill levels of ICT and DX personnel, use of a human resources portfolio as a basis for hiring and training, and enhancement of any retraining needed for the redeployment of personnel.

The DNP Group also considers the promotion of diversity and inclusion (D&I) to be an important management issue, since we believe that respect for employees' diversity and combining the diverse strengths of each individual are essential for value creation. We will further advance these measures aimed at realizing our basic D&I policy: development of diverse human resources, the institution of diverse working styles, and the cultivation of a culture in which diverse personnel can thrive.

### ○ **Enhancing intellectual capital**

We will enhance our intellectual capital by leveraging DNP's unique strengths and by collaborating with external partners whose strengths differ from those of DNP.

DNP's research and development policy is to start by drawing our own picture of a “better future” that DNP wants to create, and to then hone our proprietary technologies and link them to the development and provision of new products and services in order to realize a scenario of the future based on the picture that we drew. We will promote the creation of new themes centered around our focus business areas, enhancement of core technologies, development of new

products, acquisition of strategic technologies through open innovation, and commercialization of the resulting products and technologies. In all three of our business segments, and particularly in the Life & Healthcare segment, we will also strive to strengthen overseas business development and to bolster overseas marketing and research and development. Additionally, we will create new value in both existing and new businesses by developing new products and services that use existing intellectual capital such as patents that the DNP Group has acquired through its various businesses, and by building and fostering an organizational culture that encourages the active combination of strengths from both inside and outside the company.

The DNP Group positions DX as something that creates its own unique business model and value by fusing opposing strengths from different fields, such as analog and digital, real and virtual, manufacturing and services. We will promote the creation of new businesses, transformation of existing businesses, dramatic improvements in productivity, and reform of our internal information infrastructure.

#### ○ **Environmental protection initiatives**

The DNP Group always considers the coexistence of its business activities with the global environment, and views responsiveness to environmental problems as one of its most important management issues. By approaching environmental issues from the dual perspective of value creation (business promotion) and foundation strengthening, we contribute to the realization of a decarbonized society that is recycling-oriented and in harmony with nature.

Regarding value creation (business promotion), we are working on transitioning to a business portfolio that simultaneously achieves reductions in environmental impact while increasing the added value of our businesses. We also work toward such goals as creating new businesses with environmental themes, developing and using low-carbon materials, calculating and reducing CO<sub>2</sub> emissions per product unit, building recycling schemes to support a recycling-oriented society, and promoting the use of recycled materials.

In terms of foundation strengthening, we will keep working to make environmental effects visible, introduce renewable energy, invest in energy-saving equipment that lightens the burden on the environment, optimize production bases, make efficient use of resources and especially of plastics, achieve traceability of raw materials, and reduce the burden on ecosystems, etc.

#### **[4] Governance**

The DNP Group assesses risks that could have a major impact on management, such as sudden changes in the environment, society, or the economy, and reflects them in medium- to long-term management strategies. We are working on enhancing the processes by which we transform these risks into business opportunities.

In order to accelerate these efforts, we operate the Sustainability Committee, which is chaired by the DNP Group's president. In the process of implementing our Medium-term Management Plan, the Sustainability Committee assesses sudden changes in the environment, society, and economy, and reports and makes recommendations to the Executive Committee and Board of Directors in order to appropriately reflect those changes in management strategies.

#### **4. Basic approach to selecting accounting standards**

The DNP Group uses Japanese GAAP in preparing consolidated financial statements. It plans to consider adopting IFRS going forward and respond appropriately based on domestic and overseas circumstances.

## 5. Consolidated financial statements and notes

### (1) Consolidated balance sheets

(Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
<b>ASSETS</b>		
Current assets		
Cash and time deposits	228,765	254,995
Notes receivables	48,590	43,657
Trade receivables	299,193	297,305
Contract assets	646	612
Marketable securities	7,500	—
Merchandise and finished products	88,301	86,298
Work in progress	36,607	37,733
Raw materials and supplies	39,588	41,695
Other	50,789	62,872
Allowance for doubtful accounts	(664)	(478)
Total current assets	799,318	824,692
Fixed assets		
Property, plant and equipment		
Buildings and structures	572,978	555,618
Accumulated depreciation	(394,367)	(404,119)
Buildings and structures, net	178,611	151,499
Machinery and equipment	710,091	703,763
Accumulated depreciation	(633,477)	(642,690)
Machinery and equipment, net	76,614	61,072
Land	142,404	141,787
Construction in progress	23,751	17,607
Other	141,859	147,351
Accumulated depreciation	(110,100)	(113,522)
Other, net	31,758	33,829
Total property, plant and equipment	453,139	405,795
Intangible fixed assets		
Goodwill	4,101	10,295
Software	23,738	27,068
Other	2,856	9,029
Total intangible fixed assets	30,697	46,393
Investments and other assets		
Investment securities	374,659	393,125
Net defined benefit asset	248,389	194,597
Deferred income taxes	8,718	9,434
Other	43,592	46,188
Allowance for doubtful accounts	(2,885)	(2,388)
Total investments and other assets	672,474	640,956
Total fixed assets	1,156,310	1,093,145
<b>TOTAL ASSETS</b>	<b>1,955,629</b>	<b>1,917,838</b>

(Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
<b>LIABILITIES</b>		
Current liabilities		
Notes and trade payables	223,873	215,474
Short-term bank loans	38,261	31,747
Current portion of long-term debt	4,478	5,819
Income taxes payable	11,642	52,956
Reserve for bonuses	21,290	21,748
Repair reserve	7,157	—
Other	102,224	108,034
Total current liabilities	408,928	435,780
Long-term liabilities		
Bonds	100,000	100,000
Long-term debt	23,403	24,441
Net defined benefit liability	56,190	54,607
Deferred tax liabilities	111,654	73,003
Other	18,765	21,226
Total long-term liabilities	310,013	273,278
<b>TOTAL LIABILITIES</b>	<b>718,941</b>	<b>709,059</b>
<b>NET ASSETS</b>		
Stockholders' equity		
Common stock	114,464	114,464
Capital surplus	145,118	145,034
Retained earnings	782,000	824,329
Treasury stock	(126,367)	(135,347)
Total stockholders' equity	915,215	948,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	161,863	106,681
Net deferred gains (losses) on hedges	26	(16)
Foreign currency translation adjustments	20,850	30,309
Remeasurements of defined benefit plans	67,971	50,391
Total accumulated other comprehensive income	250,711	187,366
Non-controlling interests	70,760	72,930
<b>TOTAL NET ASSETS</b>	<b>1,236,687</b>	<b>1,208,778</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,955,629</b>	<b>1,917,838</b>

**(2) Consolidated statements of income and comprehensive income**  
**Consolidated statements of income**

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Net sales	1,424,822	1,457,609
Cost of sales	1,111,129	1,119,330
Gross profit	313,692	338,278
Selling, general and administrative expenses	238,242	244,666
Operating income	75,450	93,612
Non-operating income		
Interest and dividends income	6,410	7,154
Equity in earnings of affiliates	17,529	15,839
Other	4,494	3,356
Total non-operating income	28,434	26,350
Non-operating expenses		
Interest expense	894	984
Contributions	1,041	1,015
Other	3,246	2,043
Total non-operating expenses	5,182	4,042
Ordinary income	98,702	115,920
Extraordinary gains		
Gain on sale of fixed assets	277	13,497
Gain on sale of investment securities	69,931	93,832
Other	15,694	23,108
Total extraordinary gains	85,903	130,438
Extraordinary losses		
Loss on sale or disposal of fixed assets	1,894	2,732
Impairment loss	38,263	70,268
Other	1,436	4,692
Total extraordinary losses	41,593	77,692
Income before income taxes and non-controlling interests	143,012	168,665
Current income taxes	31,474	65,705
Deferred income taxes	84	(10,595)
Total income taxes	31,558	55,110
Net income	111,454	113,555
Net income attributable to non-controlling shareholders	524	2,872
Net income attributable to parent company shareholders	110,929	110,682



## Consolidated statements of comprehensive income

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Net income	111,454	113,555
Other comprehensive income		
Valuation difference on available-for-sale securities	23,027	(54,876)
Net deferred gains (losses) on hedges	63	(55)
Foreign currency translation adjustments	6,214	5,251
Remeasurements of defined benefit plans	42,852	(18,560)
Share of other comprehensive income of associates accounted for using equity method	904	3,940
Total other comprehensive income	73,062	(64,299)
Comprehensive income	184,516	49,255
Attributable to:		
Parent company shareholders	183,201	46,470
Non-controlling shareholders	1,315	2,785

**(3) Consolidated statements of changes in net assets**  
**The year ended March 31, 2024 (April 1, 2023 – March 31, 2024)**

(Million yen)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of current period	114,464	145,112	737,699	(88,212)	909,064
Changes of items during the period					
Cash dividends paid			(16,430)		(16,430)
Net income attributable to parent company shareholders			110,929		110,929
Change in ownership interest of parent arising from transactions with non-controlling shareholders		5			5
Change in treasury stock resulting from change in ownership of affiliates accounted for by the equity method				0	0
Purchases of treasury stock				(88,564)	(88,564)
Disposal of treasury stock			55	156	211
Retirement of treasury stock			(50,253)	50,253	–
Net changes in items other than stockholders' equity					–
Total changes of items during the period	–	5	44,301	(38,155)	6,151
Balance at the end of current period	114,464	145,118	782,000	(126,367)	915,215

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	138,781	(21)	14,143	25,535	178,439	60,741	1,148,245
Changes of items during the period							
Cash dividends paid							(16,430)
Net income attributable to parent company shareholders							110,929
Change in ownership interest of parent arising from transactions with non-controlling shareholders							5
Change in treasury stock resulting from change in ownership of affiliates accounted for by the equity method							0
Purchases of treasury stock							(88,564)
Disposal of treasury stock							211
Retirement of treasury stock							–
Net changes in items other than stockholders' equity	23,081	47	6,706	42,436	72,271	10,019	82,291
Total changes of items during the period	23,081	47	6,706	42,436	72,271	10,019	88,442
Balance at the end of current period	161,863	26	20,850	67,971	250,711	70,760	1,236,687

**The year ended March 31, 2025 (April 1, 2024 – March 31, 2025)**

(Million yen)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of current period	114,464	145,118	782,000	(126,367)	915,215
Changes of items during the period					
Cash dividends paid			(15,032)		(15,032)
Net income attributable to parent company shareholders			110,682		110,682
Change in scope of consolidation			2,053		2,053
Change of application of equity method			329		329
Change in ownership interest of parent arising from transactions with non-controlling shareholders		(83)			(83)
Change in treasury stock resulting from change in ownership of affiliates accounted for by the equity method				(0)	(0)
Purchases of treasury stock				(64,862)	(64,862)
Disposal of treasury stock			59	118	178
Retirement of treasury stock			(55,763)	(55,763)	–
Net changes in items other than stockholders' equity					–
Total changes of items during the period	–	(83)	42,329	(8,979)	33,265
Balance at the end of current period	114,464	145,034	824,329	(135,347)	948,481

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	161,863	26	20,850	67,971	250,711	70,760	1,236,687
Changes of items during the period							
Cash dividends paid							(15,032)
Net income attributable to parent company shareholders							110,682
Change in scope of consolidation							2,053
Change of application of equity method							329
Change in ownership interest of parent arising from transactions with non-controlling shareholders							(83)
Change in treasury stock resulting from change in ownership of affiliates accounted for by the equity method							(0)
Purchases of treasury stock							(64,862)
Disposal of treasury stock							178
Retirement of treasury stock							–
Net changes in items other than stockholders' equity	(55,181)	(42)	9,459	(17,580)	(63,345)	2,170	(61,174)
Total changes of items during the period	(55,181)	(42)	9,459	(17,580)	(63,345)	2,170	(27,908)
Balance at the end of current period	106,681	(16)	30,309	50,391	187,366	72,930	1,208,778

**(4) Consolidated statements of cash flows**

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
<b>Cash flows from operating activities</b>		
Income before income taxes and non-controlling interests	143,012	168,665
Depreciation	55,990	53,709
Impairment loss	38,263	70,268
Increase (Decrease) of doubtful receivables, net	747	(496)
(Increase) Decrease of net defined benefit asset	(17,656)	1,974
Increase of net defined benefit liability	4,748	3,615
Equity in gains of affiliates	(17,529)	(15,839)
Amortization of consolidation goodwill, net	735	626
Interest and dividend income	(6,410)	(7,154)
Interest expense	894	984
Net gain on sale of investment securities	(69,913)	(93,718)
Net loss on devaluation of investment securities	685	269
Net (gain) loss on sale or disposal of fixed assets	1,649	(10,699)
(Increase) Decrease in trade receivables	(12,844)	13,941
(Increase) Decrease in inventories	(2,598)	3,847
Decrease in trade payables	(3,452)	(17,344)
Other	(13,915)	(14,895)
<b>Sub-total</b>	<b>102,403</b>	<b>157,754</b>
Payments for repair costs	(4,251)	(404)
Payments for extra retirement payments	(89)	(761)
Payment of income taxes	(25,508)	(23,859)
<b>Net cash provided by operating activities</b>	<b>72,553</b>	<b>132,729</b>
<b>Cash flows from investing activities</b>		
Net (increase) decrease in time deposits	(703)	328
Net decrease in marketable securities	10,300	—
Payments for purchases of property, plant and equipment	(59,428)	(57,082)
Proceeds from sales of property, plant and equipment	1,782	18,329
Payments for purchases of investment securities	(1,470)	(87,845)
Proceeds from sales of investment securities	81,614	119,337
Payments for purchase of stock in subsidiaries resulting in change in scope of consolidation	(9,282)	(19,619)
Payments for purchase of intangible fixed assets	(15,325)	(15,800)
Interest and dividends received	12,632	9,429
Other	(1,763)	(3,817)
<b>Net cash provided by (used in) investing activities</b>	<b>18,355</b>	<b>(36,740)</b>

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	7,953	(6,518)
Proceeds from long-term debt	4,619	6,886
Repayments of long-term debt	(11,146)	(4,508)
Payments for redemption of bonds	(2,500)	—
Income from the sale of shares of a subsidiary without a change in the scope of consolidation	982	153
Payments for purchases of treasury stock	(88,564)	(64,862)
(Increase) Decrease of money trusts for the purpose of purchasing treasury stock	(5,462)	4,865
Payments for purchases of treasury stock of subsidiaries	(100)	(14)
Interest paid	(889)	(993)
Dividends paid	(16,431)	(15,031)
Dividends paid to non-controlling interests	(1,651)	(868)
Other	(5,506)	(6,537)
Net cash used in financing activities	(118,696)	(87,429)
Effect of exchange rate changes on cash and cash equivalents	3,983	5,618
Net increase (decrease) in cash and cash equivalents	(23,804)	14,178
Cash and cash equivalents at beginning of year	258,329	234,569
Net increase in cash and cash equivalents resulting from newly consolidated subsidiaries	—	1,726
Net increase in cash and cash equivalents resulting from merger of non-consolidated subsidiaries	45	159
Cash and cash equivalents at end of year	234,569	250,633

## **(5) Notes regarding consolidated financial statements**

### **[Notes on premise of a going concern]**

None

### **[Basis of presenting consolidated financial statements]**

#### **1) Scope of consolidation and application of the equity method of accounting**

##### **Number of consolidated subsidiaries: 110**

Major companies: Maruzen CHI Holdings Co., Ltd.  
Hokkaido Coca-Cola Bottling Co., Ltd., INTELLIGENT WAVE INC.  
CMIC CMO Co., Ltd., DNP Fine Chemicals Co., Ltd.  
DNP Logistics Co., Ltd.  
DNP High-performance Materials Hikone Co., Ltd.

##### **Number of equity-method affiliated companies: 19**

Major companies: BIPROGY Inc., DIC Graphics Corporation  
Kyoiku Shuppan Co., Ltd., JICC-04, Ltd.  
Photonics DNP Mask Corporation  
MK Smart Joint Stock Company  
Photonics DNP Mask Corporation Xiamen

#### **2) Changes in scope of consolidation and application of the equity method of accounting (Scope of consolidation)**

As of the current fiscal period, DNP High-performance Materials Hikone Co., Ltd. and five other companies have been newly included in the scope of consolidation in accordance with the acquisition of shares. In addition, seven companies have been removed from the scope of consolidation due to dissolution related to mergers, etc.

##### **(Application of equity method)**

From the current fiscal period, one company has been newly included in the scope of application of the equity method in accordance with the acquisition of shares. In addition, one company has been excluded from the scope of application of the equity method due to the sale of stock.

#### **3) Matters concerning the fiscal years of consolidated subsidiaries**

Of the consolidated subsidiaries, Hokkaido Coca-Cola Bottling Co., Ltd. and 33 others have fiscal years that end on December 31, while Maruzen CHI Holdings Co., Ltd. and 18 others have fiscal years that end on January 31. Their financial statements as of the same date are used in the preparation of these consolidated financial statements.

Additionally, INTELLIGENT WAVE INC.'s fiscal year ends on June 30, CMIC CMO Co., Ltd. and four others have fiscal years that end on September 30, DNP Tamura Plastic Co., Ltd. and one other company have fiscal years that end on October 31, and DNP • SIG Combibloc Co., Ltd.'s fiscal year ends on December 31. Consequently, financial statements based on provisional account settlements are used.

Any material transactions during the time between the foregoing settlement dates or provisional settlement dates and the consolidated settlement date are adjusted for on a consolidated basis.

#### 4) Summary of significant accounting policies

##### (a) Criteria and methods for valuing significant assets

• Marketable securities	
Held-to-maturity debt	Amortized cost method (straight-line method)
Other securities	
Non-stock instruments that do not have a market price	Fair market value (The related valuation differences are directly included in net assets and cost of sales is computed mainly by the moving-average method.)
Stock instruments that do not have a market price	Mainly cost based on the moving-average method
• Derivatives	Mainly fair market value
• Inventories	For figures shown on the balance sheet, the book value write-down method based on the decrease in profitability is used.
Merchandise	Mainly cost based on the specific identification method
Finished products, work in progress	Mainly cost based on the retail inventory cost method
Raw materials	Mainly cost based on the moving-average method
Supplies	Mainly cost based on the most recent purchase method

##### (b) Depreciation and amortization of significant assets

• Property, plant and equipment (except for lease assets and right-of-use assets)	<p>The Company and its domestic consolidated subsidiaries mainly use the declining balance method.</p> <p>However, depreciation of buildings (excluding building fixtures) acquired after April 1, 1998 and of building fixtures and structures acquired after April 1, 2016 are computed by the straight-line method.</p> <p>Assets with an acquisition cost of at least ¥100,000 and less than ¥200,000 are depreciated mainly over three years by the equal depreciation.</p> <p>Foreign consolidated subsidiaries mainly use the straight-line method.</p>
• Intangible fixed assets (except for lease assets and right-of-use assets)	<p>Mainly the straight-line method</p> <p>Software used internally is amortized mainly using the straight-line method over the Company's estimate of the useful life of the assets (five years).</p>
• Lease assets	<p><u>Lease assets with transfer of ownership</u></p> <p>These lease assets are depreciated using the same depreciation method used for owned fixed assets.</p> <p><u>Lease assets with no transfer of ownership</u></p> <p>These lease assets are depreciated over the lease period using the straight-line method with no residual value.</p>
• Right-of-use assets	<p>These right-of-use assets are depreciated over the lease period using the straight-line method with no residual value.</p>

**(c) Basis for recording significant allowances**

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Allowance for doubtful accounts</li></ul> | To cover possible losses on doubtful accounts, including trade receivables and loans, the allowance for doubtful accounts is based on historical default rates for general accounts and on estimates of the amounts that may not be recoverable based on examinations of the recoverability of specific accounts including accounts at risk of default. |
| <ul style="list-style-type: none"><li>• Reserve for bonuses</li></ul>             | To cover payments of employee bonuses in the following fiscal year, the reserve for bonuses is based on the estimated amount that is attributable to the current fiscal year.   |

**(d) Revenue and expense reporting standards**

Details of the major performance obligations in our major businesses related to revenue generated from contracts with customers of the Company or its consolidated subsidiary, and normal times for satisfying those performance obligations (normal times for revenue recognition) are as follows:

- Details of major performance obligations in major businesses

The main performance obligations of the Company and its consolidated subsidiaries are the sale of products or merchandise or the provision of services, etc. by its business segments, which are Smart Communication, Life & Healthcare, and Electronics. Specific products offered by each business segment are listed in “2. Information on the DNP Group.”

- Normal times for fulfilling performance obligations (normal times for recognizing revenue)

**(1) Sale of products or merchandise**

Regarding the domestic sale of products or merchandise, we mainly apply the alternative treatment stipulated in Section 98 of the Guidelines for Applying Accounting Standards for Revenue Recognition. When the amount of time that elapses from shipment until control of the products or merchandise is passed to the customer is a normal period, we recognize revenue based on shipment. With regard to export sales of products or merchandise, we regard the customer as having taken control of the products or merchandise when the burden of risks related to those products or merchandise has transferred to the customer based on the terms of trade established in the contract with the customer. Therefore, at that point we are considered to have fulfilled our performance obligation and at that time we recognize revenue. In addition, regarding merchandise sales that take place at stores operated by some of our consolidated subsidiaries (Smart Communication business segment), we consider the customer to have taken control of the merchandise at the point when it is delivered to the customer, so at that point we consider our performance obligation to have been satisfied and we recognize revenue.

**(2) Provision of services**

Concerning the provision of services, in cases where the performance obligation is fulfilled at a single point in time, the performance obligation is considered to have been fulfilled when the customer accepts the service provision, and we recognize revenue at that point. In cases where the contract with the customer stipulates that the performance obligation be satisfied for the duration of a certain period of time covered by the contract, the performance obligation is considered to have been satisfied with the passage of time, and the revenue is recognized as being evenly apportioned over the contract period.



**(e) Accounting treatment of retirement benefits**

- Method of attributing expected retirement benefits to periods

In calculating retirement benefit obligations, a benefit formula is used to allocate expected retirement benefit payments in the period until the end of the current fiscal year.

- Method of amortizing actuarial gains/losses and prior service costs

Actuarial gains/losses are amortized starting in the next fiscal year after they are incurred using the declining balance method over a certain number of years that is equal to or less than the average future service period of eligible employees in the fiscal year the actuarial gains/losses are incurred (generally nine years).

Prior service costs are amortized using the straight-line method over a certain number of years that is equal to or less than the average future service period of eligible employees at the time the costs are incurred (generally six years).

**(f) Amortization of goodwill**

Goodwill is amortized using the straight-line method for an effective period not more than 20 years.

**(g) Scope of funds in the consolidated statements of cash flows**

Cash and cash equivalents comprise cash on hand, immediately withdrawable funds, and short-term investments that can be easily converted to cash, have insignificant risk of changes in value, and have maturities within three months of the purchase date.

**[Changes in accounting policies]**

(Application of accounting standards for corporate, resident, and business taxes, etc.)

Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022), Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022), and Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) were applied from the beginning of the consolidated fiscal year ended March 2025.

This had no impact on the consolidated financial statements.

(Application of Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules)

Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (ASBJ Practical Solution Report No. 46, March 22, 2024) was applied from the beginning of the consolidated fiscal year ended March 2025.

This had no impact on the consolidated financial statements.

**[Consolidated balance sheets]**

	Year ended March 31, 2024	Year ended March 31, 2025
1. Discounts on notes receivables	¥89 million	¥— million
2. Contract liabilities	¥25,518 million	¥31,955 million
(Current liabilities and other in long-term liabilities)		

**[Consolidated statements of income]**

	Year ended March 31, 2024	Year ended March 31, 2025
1. Research and development expenses (Selling, general and administrative expenses)	¥35,236 million	¥37,561 million

2. Impairment losses

The DNP Group recorded impairment losses for the following asset groups in the current consolidated fiscal year.

Location	Application	Category
Sayama City (Saitama), other	Packaging business assets	Buildings and structures, machinery and equipment, construction in progress, software, other
Okayama City (Okayama), other	Living Spaces business assets	Buildings and structures, machinery and equipment, construction in progress, software, other
Shinjuku Ward (Tokyo), other	Information Innovation business assets	Buildings and structures, machinery and equipment, construction in progress, software, other
Fujimino City (Saitama), other	Semiconductor business assets	Buildings and structures, machinery and equipment, construction in progress, software, other
Miyoshi Town, Iruma-gun (Saitama), other	Industrial High-Performance Materials business assets	Construction in progress, software
Ashikaga City (Tochigi), other	Medical Healthcare business assets	Buildings and structures, machinery and equipment, construction in progress, goodwill, software, other
Kuki City (Saitama), other	Publishing business assets	Buildings and structures, machinery and equipment, construction in progress, software, other
Kashiwa City (Chiba), other	Information Communication business assets	Machinery and equipment, software
Other	Business assets other than above	Buildings and structures, goodwill, other
Other	Idle assets	Buildings and structures, land

In calculating impairment losses, the DNP Group combines assets based mainly on the business groups that serve as profit/loss units. It also considers impairment losses for each individual item for idle assets.

As a result, regarding a group of assets used by businesses with reduced profitability and idle assets that are not expected to be used, the book value was reduced to the recoverable value and that reduced value was recorded as an extraordinary impairment loss of ¥70,268 million.

The impairment loss breaks down into buildings and structures at ¥27,204 million, machinery and equipment at ¥24,423 million, construction in progress at ¥6,425 million, software at ¥6,160 million, goodwill at ¥1,249 million, and other at ¥4,805 million.

The recoverable value of assets whose profitability has declined is measured by the value in use or the net salable value. We calculate value in use by discounting the cash flows from future

operating activities at a discount rate based on the weighted average cost of capital. However, where cash flows from future operating activities are expected to be negative, value in use is valued as zero. Assets that are measured based on net salable value are calculated according to real estate appraisals, etc. Regarding sites that the Company plans to close or relocate, the book value of assets that will become unnecessary at the time of site closure or relocation is reduced.

The recoverable value of idle assets is measured according to the net selling price, which is calculated based on the planned sale price.

**[Consolidated statements of changes in net assets]****The year ended March 31, 2024 (April 1, 2023 – March 31, 2024)****1. Types and number of shares outstanding and treasury stock**

(Shares)

	Stock type	Number of shares at the beginning of the year ended March 2024	Increase in number of shares during the year ended March 2024	Decrease in number of shares during the year ended March 2024	Number of shares at the end of the year ended March 2024
Outstanding shares	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:
- 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.
  - The breakdown of the increase in the number of common treasury shares by 21,968,902 shares is as follows.
    - Increase due to acquisition of treasury shares by resolution of the Board of Directors: 21,954,700 shares
    - Increase due to acquisition of treasury shares free of charge under the restricted stock compensation plan: 10,509 shares
    - Increase due to purchase of odd-lot shares: 3,693 shares
  - The breakdown of the decrease in the number of common treasury shares by 15,051,261 shares is as follows.
    - Decrease due to cancellation of treasury stock: 15,000,000 shares
    - Decrease due to disposal of treasury stock as restricted stock compensation: 51,242 shares
    - Decrease due to sale of odd-lot shares: 14 shares
    - Decrease due to change in ownership interest in equity method affiliates: 5 shares

**2. Detailed information regarding dividends****(1) Dividends paid**

Resolution	Stock type	Total dividends (Million yen)	Dividend per share (Yen)	Dividend record date	Effective date
General meeting of shareholders on June 29, 2023	Common stock	8,368	32	March 31, 2023	June 30, 2023
Board of Directors' meeting on November 10, 2023	Common stock	8,061	32	September 30, 2023	December 8, 2023

**(2) Of dividends for which the record date belongs to the current fiscal year, those that come into effect in the following fiscal year**

Resolution	Stock type	Total dividends (Million yen)	Source of dividends	Dividend per share (Yen)	Dividend record date	Effective date
General meeting of shareholders on June 27, 2024	Common stock	7,667	Retained earnings	32	March 31, 2024	June 28, 2024

## The year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

### 1. Types and number of shares outstanding and treasury stock

(Shares)

	Stock type	Number of shares at the beginning of the year ended March 2025	Increase in number of shares during the year ended March 2025	Decrease in number of shares during the year ended March 2025	Number of shares at the end of the year ended March 2025
Outstanding shares	Common stock	277,240,346	277,240,346	30,000,000	524,480,692
Treasury stock	Common stock	37,642,211	65,202,284	30,033,783	72,810,712

- Notes:
- The number of outstanding shares of common stock increased by 277,240,346 shares due to a stock split of 277,240,346 shares.
  - The number of outstanding shares of common stock decreased by 30,000,000 shares due to the retirement of 30,000,000 shares of treasury stock.
  - The breakdown of the increase in the number of common treasury shares by 65,202,284 shares is as follows.  
(Before the stock split)
    - Increase due to acquisition of treasury shares by resolution of the Board of Directors: 9,479,700 shares
    - Increase due to acquisition of treasury shares free of charge under the restricted stock compensation plan: 696 shares
    - Increase due to purchase of odd-lot shares: 1,851 shares
(At the time of and after the stock split)
    - Increase due to stock split: 47,090,714 shares
    - Increase due to acquisition of treasury shares by resolution of the Board of Directors: 8,627,200 shares
    - Increase due to purchase of odd-lot shares: 1,585 shares
    - Increase due to change in ownership interest in equity method affiliates: 538 shares
  - The breakdown of the decrease in the number of common treasury shares by 30,033,783 shares is as follows.  
(Before stock split)
    - Decrease due to disposal of treasury stock as restricted stock compensation: 33,738 shares
    - Decrease due to change in ownership interest in equity method affiliates: 5 shares
(After stock split)
    - Decrease due to cancellation of treasury stock: 30,000,000 shares
    - Decrease due to sale of odd-lot shares: 40 shares

### 2. Detailed information regarding dividends

#### (1) Dividends paid

Resolution	Stock type	Total dividends (Million yen)	Dividend per share (Yen)	Dividend record date	Effective date
General meeting of shareholders on June 27, 2024	Common stock	7,667	32	March 31, 2024	June 28, 2024
Board of Directors' meeting on November 11, 2024	Common stock	7,365	32	September 30, 2024	December 10, 2024

Note: The Company conducted a 2-for-1 stock split of its common stock on October 1, 2024. Dividend per share shows the amount before the stock split.

#### (2) Of dividends for which the record date belongs to the current fiscal year, those that come into effect in the following fiscal year

Resolution	Stock type	Total dividends (Million yen)	Source of dividends	Dividend per share (Yen)	Dividend record date	Effective date
General meeting of shareholders on June 27, 2025	Common stock	9,937	Retained earnings	22	March 31, 2025	June 30, 2025

**[Segment information, etc.]**

**(Segment information)**

**1. Overview of the reporting segments**

**(1) Method of determining reporting segments**

DNP's reporting segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of business resources and evaluate business results.

The DNP Group bases its business divisions on the products and services provided and develops its business activities based on a comprehensive domestic and overseas strategy for each business division. The three reporting segments are Smart Communication, Life & Healthcare, and Electronics.

**(2) Products and services in each reporting segment**

Each business segment's specific products are listed under "2. Information on the DNP Group."

**2. Method of calculating sales, income/loss, assets, and other items by reporting segment**

The accounting method used for reporting business segments is generally the same as stated in "Basis of presenting consolidated financial statements."

Reporting segment income figures are based on operating income. Inter-segment sales and transfers are based on current market prices.

### 3. Information on sales, income/loss, assets, and other items by reporting segment and income analysis information

The year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Million yen)

	Reporting segment				Adjustment Note 1	Amounts reported on consolidated financial statements <sup>Note 2</sup>
	Smart Communication	Life & Healthcare	Electronics	Total		
Net sales <sup>Note 3</sup>						
Outside customers	717,279	472,240	235,303	1,424,822	–	1,424,822
Inter-segment	2,152	120	–	2,272	(2,272)	–
Total	719,431	472,360	235,303	1,427,094	(2,272)	1,424,822
Segment income	26,162	13,347	58,152	97,662	(22,211)	75,450
Segment assets	814,558	547,931	290,109	1,652,599	303,029	1,955,629
Other items						
Depreciation and amortization	20,524	22,926	10,945	54,396	1,593	55,990
Amortization of goodwill	586	152	2	741	–	741
Impairment loss	34,283	3,502	13	37,799	463	38,263
Investments in equity-method affiliates	4,917	160	46,447	51,525	48,949	100,474
Increase in property, plant and equipment and in intangible fixed assets	24,539	18,204	24,674	67,418	950	68,368

Notes: 1. Figures are adjusted as follows.

- (1) Segment income is adjusted for costs related to basic research not assignable to a reporting segment or costs of research shared by different segments.
  - (2) Segment assets are adjusted for companywide assets not allocated to reporting segments and the elimination of inter-segment transactions.
  - (3) Impairment loss adjustments are related to companywide assets not allocated to reporting segments.
  - (4) Investments in equity-method affiliates are adjusted for investments not allocated to reporting segments.
  - (5) Increases in property, plant and equipment and in intangible fixed assets are adjusted for capital expenditures for the head office building and other items.
2. Segment income is adjusted to reflect operating income as reported in the consolidated financial statements.
  3. Sales include revenues generated from contracts with customers as well as other revenues, but because almost all revenues are generated from contracts with customers, the other revenues are insignificant and are therefore not displayed separately.

**The year ended March 31, 2025 (April 1, 2024 – March 31, 2025)**

(Million yen)

	Reporting segment				Adjustment Note 1	Amounts reported on consolidated financial statements <sup>Note 2</sup>
	Smart Communication	Life & Healthcare	Electronics	Total		
Net sales <sup>Note 3</sup>						
Outside customers	713,977	495,855	247,776	1,457,609	–	1,457,609
Inter-segment	1,597	183	0	1,781	(1,781)	–
Total	715,575	496,038	247,777	1,459,391	(1,781)	1,457,609
Segment income	34,667	23,789	57,363	115,820	(22,208)	93,612
Segment assets	753,247	484,742	385,754	1,623,744	294,093	1,917,838
Other items						
Depreciation and amortization	16,247	21,351	14,424	52,023	1,685	53,709
Amortization of goodwill	448	175	2	626	–	626
Impairment loss	9,700	55,843	4,372	69,916	352	70,268
Investments in equity-method affiliates	5,553	217	142,660	148,432	51,915	200,348
Increase in property, plant and equipment and in intangible fixed assets	31,275	19,194	23,068	73,539	3,088	76,627

Notes: 1. Figures are adjusted as follows.

- (1) Segment income is adjusted for costs related to basic research not assignable to a reporting segment or costs of research shared by different segments.
  - (2) Segment assets are adjusted for companywide assets not allocated to reporting segments and the elimination of inter-segment transactions.
  - (3) Impairment loss adjustments are related to companywide assets not allocated to reporting segments.
  - (4) Investments in equity-method affiliates are adjusted for investments not allocated to reporting segments.
  - (5) Increases in property, plant and equipment and in intangible fixed assets are adjusted for capital expenditures for the head office building and other items.
2. Segment income is adjusted to reflect operating income as reported in the consolidated financial statements.
  3. Sales include revenues generated from contracts with customers as well as other revenues, but because almost all revenues are generated from contracts with customers, the other revenues are insignificant and are therefore not displayed separately.



**(Related information)****The year ended March 31, 2024 (April 1, 2023 – March 31, 2024)**

## 1. Information on products and services

Omitted because similar information is disclosed in segment information.

## 2. Regional information

## (1) Net sales

(Million yen)

Japan	Asia	Other regions	Total
1,089,075	246,023	89,723	1,424,822

- Notes:
1. Sales are classified by country or region, based on the location of customers.
  2. Country and regional segments are based on geographic proximity.
  3. Main countries and regions included in each segment:  
 Asia: China, South Korea, Taiwan, Indonesia  
 Other: United States, Germany, France, United Kingdom

## (2) Property, plant and equipment

Omitted because the value of property, plant and equipment located in Japan is over 90% of the value of property, plant and equipment as reported in the consolidated balance sheets.

## 3. Information on major customers

Not described because sales to specific outside customers are less than 10% of sales as reported in the consolidated statements of income.

**The year ended March 31, 2025 (April 1, 2024 – March 31, 2025)**

## 1. Information on products and services

Omitted because similar information is disclosed in segment information.

## 2. Regional information

## (1) Net sales

(Million yen)

Japan	Asia	Other regions	Total
1,105,107	248,763	103,738	1,457,609

- Notes:
1. Sales are classified by country or region, based on the location of customers.
  2. Country and regional segments are based on geographic proximity.
  3. Main countries and regions included in each segment:  
 Asia: China, South Korea, Indonesia, Taiwan  
 Other: United States, Germany, France, Poland

## (2) Property, plant and equipment

Omitted because the value of property, plant and equipment located in Japan is over 90% of the value of property, plant and equipment as reported in the consolidated balance sheets.

## 3. Information on major customers

Not described because sales to specific outside customers are less than 10% of sales as reported in the consolidated statements of income.

**[Per share information]**

	Year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Net assets per share	¥2,433.09	¥2,514.77
Net income per share	¥221.56	¥238.90
Diluted net income per share	¥221.53	¥238.88

- Notes:
1. The Company conducted a 2-for-1 stock split of shares of common stock on October 1, 2024. Accordingly, net assets per share, net income per share and diluted net income per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.
  2. The basis for calculating net income per share and diluted net income per share is as follows

	Year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
(1) Net income per share		
Net income attributable to parent company shareholders (Million yen)	110,929	110,682
Amounts not attributable to common shareholders (Million yen)	—	—
Net income attributable to parent company common shareholders (Million yen)	110,929	110,682
Average number of common shares outstanding during the fiscal year (Thousand shares)	500,672	463,291
(2) Diluted net income per share		
Adjustments to net income attributable to parent company shareholders (Million yen)	(16)	(12)
Of which, impact of dilutive stock of consolidated subsidiaries and affiliates (Million yen)	(16)	(12)
Increase in common stock (Thousand shares)	—	—

3. The basis for calculating net assets per share is as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Total net assets (Million yen)	1,236,687	1,208,778
Amount excluded from total net assets (Million yen)	70,760	72,930
Of which, non-controlling interests (Million yen)	70,760	72,930
Net assets at fiscal year-end pertaining to common stock (Million yen)	1,165,927	1,135,847
Number of common shares outstanding (Thousand shares)	554,480	524,480
Number of common treasury shares (Thousand shares)	75,284	72,810
Number of common shares at fiscal year-end used for the calculation of net assets per share (Thousand shares)	479,196	451,669

**[Significant subsequent events]**

(Sales of investment securities)

The Company sold one listed holding security on April 18, 2025 in order to improve the efficiency of its asset holdings.

As a result of the above, the 34.5 billion-yen profit from the sale of investment securities will be recorded as extraordinary gains in the fiscal year ending March 2026.

(Issuance of ordinary corporate bonds)

Based on a resolution of the Board of Directors meeting held on March 14, 2025, the Company issued ordinary corporate bonds. Details are as follows:

Issue	7th Unsecured Bonds (with limited pari passu clause between bonds) (sustainability-linked bonds)	8th Unsecured Bonds (with limited pari passu clause between bonds) (sustainability-linked bonds)	9th Unsecured Bonds (with limited pari passu clause between bonds)
Total amount of issue	40,000 million yen	20,000 million yen	40,000 million yen
Issue price	100 yen per 100 yen of the bond amount	100 yen per 100 yen of the bond amount	100 yen per 100 yen of the bond amount
Interest rate	1.253% per annum	1.474% per annum	1.923% per annum
Payment date and issue date	May 1, 2025	May 1, 2025	May 1, 2025
Redemption date	May 1, 2030	April 30, 2032	May 1, 2035
Use of funds	We plan to use the entire amount to replenish cash reserves temporarily reduced by the payment of M&A funds.		

(Acquisition of treasury stock)

At the Board of Directors meeting held on May 13, 2025, the Company resolved to acquire treasury stock pursuant to the provisions of Article 156 of the Companies Act of Japan, as applied mutatis mutandis to the provisions of Article 165, Paragraph 3 of the Companies Act. For details, please refer to the “Announcement of Share Buyback,” dated May 13, 2025.

## 6. Non-consolidated financial statements and key notes

### (1) Non-consolidated balance sheets

(Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
<b>ASSETS</b>		
Current assets		
Cash and time deposits	111,255	124,966
Notes receivable	9,894	8,837
Electronically recorded monetary claims	31,081	30,847
Trade receivable	232,970	223,237
Merchandise and finished goods	8,794	8,267
Work in progress	16,310	13,908
Raw materials and supplies	7,347	5,419
Other	37,785	35,541
Allowance for doubtful accounts	(276)	(209)
Total current assets	455,162	450,817
Fixed assets		
Property, plant and equipment		
Buildings	422,721	401,203
Accumulated depreciation	(291,200)	(296,384)
Buildings, net	131,520	104,818
Structures	31,039	29,948
Accumulated depreciation	(25,384)	(25,702)
Structures, net	5,654	4,246
Machinery	512,299	481,913
Accumulated depreciation	(464,789)	(458,663)
Machinery, net	47,510	23,250
Vehicles	1,624	1,608
Accumulated depreciation	(1,455)	(1,508)
Vehicles, net	168	100
Equipment	48,347	45,393
Accumulated depreciation	(41,560)	(40,907)
Equipment, net	6,787	4,485
Land	113,151	112,981
Lease assets	2,446	6,326
Accumulated depreciation	(1,009)	(1,618)
Lease assets, net	1,437	4,707
Construction in progress	16,403	12,315
Total property, plant and equipment	322,633	266,905
Intangible fixed assets		
Software	13,015	16,166
Other	1,019	960
Total intangible fixed assets	14,034	17,126
Investments and other assets		
Investment securities	282,809	204,233
Investments in securities in affiliates	151,791	254,377
Investments in capital of affiliates	1,500	1,526
Prepaid pension costs	102,831	68,419
Other	12,054	15,339
Allowance for doubtful accounts	(3,269)	(3,138)
Total investments and other assets	547,719	540,757
Total fixed assets	884,387	824,789
<b>TOTAL ASSETS</b>	<b>1,339,549</b>	<b>1,275,607</b>

(Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
<b>LIABILITIES</b>		
Current liabilities		
Electronically recorded debts	–	5,385
Notes payable	8,644	2,487
Trade payable	206,069	208,448
Lease obligations	513	1,434
Accounts payable - other	36,151	28,632
Accrued expenses	16,842	23,182
Contract liability	2,282	6,102
Deposits payable	184,863	156,815
Reserve for bonuses	8,494	8,613
Reserve for bonuses to directors	189	249
Repair reserve	7,157	–
Electronically recorded debts for facilities	–	288
Notes payable for facilities	569	184
Income taxes payable	–	38,669
Other	753	125
Total current liabilities	472,531	480,620
Long-term liabilities		
Bonds	100,000	100,000
Lease obligations	1,189	4,193
Asset retirement obligations	1,146	1,430
Provision for retirement benefits	12,986	14,502
Deferred tax liabilities	71,637	36,333
Other	70	48
Total long-term liabilities	187,030	156,507
<b>TOTAL LIABILITIES</b>	<b>659,562</b>	<b>637,128</b>
<b>NET ASSETS</b>		
Stockholders' equity		
Common stock	114,464	114,464
Capital surplus		
Capital reserve	144,898	144,898
Total capital surplus	144,898	144,898
Retained earnings		
Legal reserve	23,300	23,300
Other retained earnings		
Reserve for depreciation reduction of fixed assets	15	14
Other reserves	132,780	132,780
Retained earnings brought forward	232,100	254,515
Total retained earnings	388,196	410,610
Treasury stock	(126,337)	(135,316)
Total stockholders' equity	521,221	534,656
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	158,766	103,821
Total valuation and translation adjustments	158,766	103,821
<b>TOTAL NET ASSETS</b>	<b>679,987</b>	<b>638,478</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,339,549</b>	<b>1,275,607</b>

**(2) Non-consolidated statements of income**

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Net sales	959,076	956,437
Cost of sales	822,210	815,801
Gross profit	136,866	140,636
Selling, general and administrative expenses	135,298	136,905
Operating income	1,567	3,731
Non-operating income		
Interest income	138	236
Dividend income	49,692	55,695
Equipment rental	31,184	33,608
Other	4,597	4,059
Total non-operating income	85,613	93,600
Non-operating expenses		
Interest expense	368	368
Equipment rental expense	24,255	23,127
Other	2,758	3,125
Total non-operating expenses	27,381	26,620
Ordinary income	59,799	70,710
Extraordinary gains		
Gain on sale of fixed assets	149	4,188
Gain on sale of investment securities	69,640	92,686
Gain on reversal of repair reserve	15,647	6,752
Other	363	16,779
Total extraordinary gains	85,801	120,407
Extraordinary losses		
Loss on sale or disposal of fixed assets	1,464	2,130
Impairment loss	33,080	66,911
Other	584	2,516
Total extraordinary losses	35,129	71,558
Income before income taxes	110,471	119,559
Current income taxes	10,330	39,560
Deferred income taxes	(2,170)	(13,151)
Total income taxes	8,159	26,408
Net income	102,312	93,151

**(3) Non-consolidated statements of changes in net assets**  
**The year ended March 31, 2024 (April 1, 2023 – March 31, 2024)**

(Million yen)

	Stockholders' equity							
	Common stock	Capital surplus		Retained earnings				
		Capital reserve	Total capital surplus	Legal reserve	Other retained earnings			Total retained earnings
					Reserve for depreciation reduction of fixed assets	Other reserve	Retained earnings brought forward	
Balance at the beginning of current period	114,464	144,898	144,898	23,300	16	232,780	98,086	354,183
Changes of items during the period								
Reversal of reserve for depreciation reduction of fixed assets					(0)		0	—
Reversal of other reserve						(100,000)	100,000	—
Cash dividends paid							(16,430)	(16,430)
Net income							102,312	102,312
Purchases of treasury stock								—
Disposal of treasury stock							55	55
Retirement of treasury stock							(50,253)	(50,253)
Decrease due to company split							(1,670)	(1,670)
Net changes in items other than stockholders' equity								
Total changes of items during the period	—	—	—	—	(0)	(100,000)	134,014	34,013
Balance at the end of current period	114,464	144,898	144,898	23,300	15	132,780	232,100	388,196

	Stockholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total stockholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(88,182)	525,363	136,289	136,289	661,653
Changes of items during the period					
Reversal of reserve for depreciation reduction of fixed assets		–			–
Reversal of other reserve		–			–
Cash dividends paid		(16,430)			(16,430)
Net income		102,312			102,312
Purchases of treasury stock	(88,564)	(88,564)			(88,564)
Disposal of treasury stock	156	211			211
Retirement of treasury stock	50,253	–			–
Decrease due to company split		(1,670)			(1,670)
Net changes in items other than stockholders' equity			22,476	22,476	22,476
Total changes of items during the period	(38,155)	(4,142)	22,476	22,476	18,333
Balance at the end of current period	(126,337)	521,221	158,766	158,766	679,987

**The year ended March 31, 2025 (April 1, 2024 – March 31, 2025)**

(Million yen)

	Stockholders' equity							
	Common stock	Capital surplus		Retained earnings				Total retained earnings
		Capital reserve	Total capital surplus	Legal reserve	Other retained earnings			
					Reserve for depreciation reduction of fixed assets	Other reserve	Retained earnings brought forward	
Balance at the beginning of current period	114,464	144,898	144,898	23,300	15	132,780	232,100	388,196
Changes of items during the period								
Reversal of reserve for depreciation reduction of fixed assets					(0)		0	—
Cash dividends paid							(15,032)	(15,032)
Net income							93,151	93,151
Purchases of treasury stock								—
Disposal of treasury stock							59	59
Retirement of treasury stock							(55,763)	(55,763)
Net changes in items other than stockholders' equity								
Total changes of items during the period	—	—	—	—	(0)	—	22,415	22,414
Balance at the end of current period	114,464	144,898	144,898	23,300	14	132,780	254,515	410,610

	Stockholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total stockholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(126,337)	521,221	158,766	158,766	679,987
Changes of items during the period					
Reversal of reserve for depreciation reduction of fixed assets		–			–
Cash dividends paid		(15,032)			(15,032)
Net income		93,151			93,151
Purchases of treasury stock	(64,862)	(64,862)			(64,862)
Disposal of treasury stock	118	178			178
Retirement of treasury stock	55,763	–			–
Net changes in items other than stockholders' equity			(54,944)	(54,944)	(54,944)
Total changes of items during the period	(8,979)	13,435	(54,944)	(54,944)	(41,508)
Balance at the end of current period	(135,316)	534,656	103,821	103,821	638,478

**(4) Notes regarding non-consolidated financial statements**

**[Notes on premise of a going concern]**

None