



**Dai Nippon Printing Co., Ltd.**

Briefing (Online conference) for institutional investors and analysts on FY 3/2026 2nd quarter results

November 14, 2025

## Event Summary

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[Company Name]	Dai Nippon Printing Co., Ltd.	
[Company ID]	7912-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Briefing (Online conference) for institutional investors and analysts on FY3/2026 2nd quarter results	
[Fiscal Period]	FY2026 Q2	
[Date]	November 14, 2025	
[Number of Pages]	19	
[Time]	16:00 – 17:06 (Total: 66 minutes, Presentation: 30 minutes, Q&A: 36 minutes)	
[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	3	
	Masafumi Kuroyanagi	Senior Managing Director
	Toru Miyake	Senior Managing Director
	Naoki Wakabayashi	General Manager, IR and Public Relations Division
[Analyst Names]*		
	Takeru Hanaya	SMBC Nikko Securities
	Yusho Yoshitake	Nomura Securities
	Kenichi Saita	Mizuho Securities

\*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

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# Presentation

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**Wakabayashi:** It is now the scheduled time, so we will begin Dai Nippon Printing's online briefing for institutional investors and analysts on the Q2 results for the fiscal year ending March 2026. I am Wakabayashi from the IR and Public Relations Division, and I will serve as today's moderator. Thank you very much for joining us.

Thank you for taking time out of your busy schedules to participate in our online earnings briefing. I will proceed today in line with the presentation materials. Both the Japanese and English versions of the materials are available on DNP's website.

Let me begin by introducing today's presenters: Senior Managing Director Masafumi Kuroyanagi, and likewise Senior Managing Director Toru Miyake.

As for today's agenda, we will first explain the H1 financial results for the fiscal year ending March 2026 and the progress of our medium-term management plan. After that, we will move on to the Q&A session. We expect to finish around 17:00, so thank you in advance for your cooperation.

Now, let us move into the presentation. To begin, we will cover the overview of the H1 results for the fiscal year ending March 2026. Senior Managing Director Kuroyanagi, please go ahead.

**Kuroyanagi:** I am Senior Managing Director Kuroyanagi. Thank you very much for joining DNP's earnings briefing despite your busy schedules. I would like to start by explaining the overview of the FY2025 H1 results, which we disclosed today at 15:30. As we are somewhat pressed for time, I would like to focus on the points that are likely of most interest to you.

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## Overview of Financial Results for First Six Months of FY2025

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(Unit: ¥bn)

	FY2024 H1	FY2025 H1	YoY Change	Earnings Forecast for FY2025	Rate of progress
Sales	708.3	738.7	+4.3%	1,500.0	49.2%
Operating Profit	38.1	46.6	+22.2%	94.0	49.6%
Ordinary Profit	50.0	52.9	+5.8%	105.0	50.4%
Net Profit Attributable to Parent Company Shareholders	89.7	60.3	(32.7%)	90.0	67.1%
Capital Expenditures	31.3	47.8	+52.3%	80.0	59.8%
R&D Expenditures	18.4	20.2	+10.0%	39.0	52.0%
Depreciation	26.0	23.7	(8.5%)	50.0	47.6%

### Overview of First Six Months of FY2025

- ✓ We increased sales from the previous year by accelerating the creation of new value, mainly in our focus business areas.
- ✓ Our operating profit also rose year-on-year driven by the growth of focus businesses along with steady progress in our business restructuring efforts.
- ✓ Our net profit decreased due to lower dividend profit from the sale of strategic shareholdings, foreign exchange losses, and reduced gains on sales of fixed assets and investment securities. However, overall performance has progressed as planned relative to the initial earnings forecasts.

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On page two, you will find the overall summary of our results.

In terms of outcomes, sales increased 4.3%, and operating profit rose 22%. Operating profit grew substantially faster than sales. I will explain this using the waterfall charts for the overall business and for each segment on the following pages.

First, on this page, I will supplement my comments regarding ordinary profit and net profit for H1. Ordinary profit increased 5.8%, which is a smaller gain compared with the 22.2% increase in operating profit. Let me explain the reasons.

There are two factors. The first is a decline in equity-method investment gains. We started applying the equity method to Shinko Electric Industries this period, but compared with last year, overall equity-method income decreased by about JPY3 billion. The second factor is a JPY1.9 billion increase in foreign exchange losses.

Next is net profit for H1. Compared with the same period last year, net profit declined 32.7%. As you know, net profit is affected by special gains and losses, which can arise on a non-recurring basis. Compared with the previous year, two points stand out: a “decrease in gains on sales of strategic shareholdings,” which we have been actively reducing, and a “decrease in gains on sales of fixed assets” related to the disposal of idle real estate and other assets. In terms of amounts, gains on sales of investment securities decreased by JPY21.4 billion, and gains on sales of fixed assets decreased by JPY10.4 billion.

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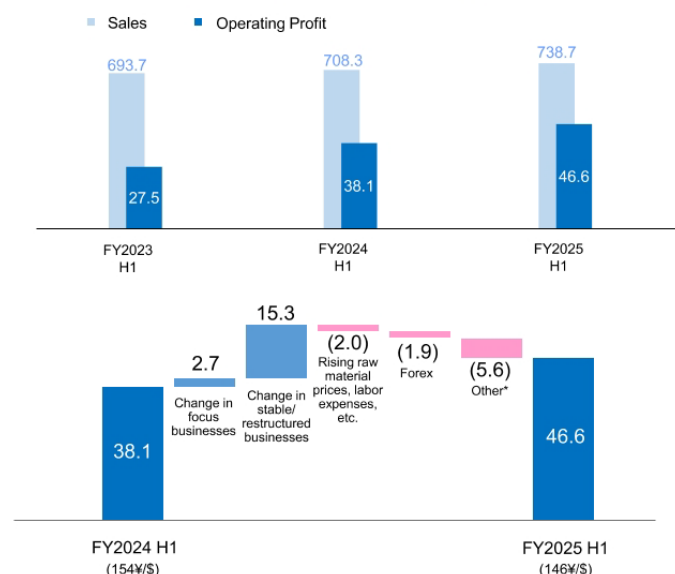
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## Overview of Financial Results for First Six Months of FY2025 Year-on-Year Change in Operating profit

(Unit: ¥bn)

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### Overview of First Six Months of FY2025

- ✓ Our focus businesses continued to perform strongly, due to increased demand for the Digital Interfaces business and a recovery of market conditions for the Industrial High-performance materials.
- ✓ In the stable/restructured businesses, the Imaging Communication business grew mainly in the U.S. market, while large BPO projects in the Information Security business contributed to profit growth.
- ✓ The reorganization of the Publishing printing business carried out as part of structural reforms, along with profitability improvements in the Packaging and Living Spaces businesses, also contributed to higher profits.

\* Other includes:  
Retirement benefit expenses (3.6)  
and other adjustments not attributable to each segment

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Moving on to page three, I will explain operating profit.

The lower left portion of the page shows the operating profit waterfall chart. A key feature of this first half is that we achieved profit growth through two factors that we have been addressing under the current medium-term plan: growth in our focus businesses and business structure reforms in our restructured businesses.

Unfortunately, in the previous fiscal year, the focus businesses posted a full-year decline in profit. However, over the most recent six-month period, they have turned positive. In the focus businesses, we have been making proactive capital investments and M&A investments in preparation for future market expansion, which means some costs are incurred in advance.

Also, because we use the declining-balance method for depreciation, the initial year tends to incur a larger cost burden. As the market expands, we intend to win more orders and translate this into profit growth. For this first half, the increase in profit from the focus businesses was JPY2.7 billion.

The other major factor is the stable/restructured businesses, which contributed a very large positive impact of JPY15.3 billion. I will explain the specifics on page 15, but within the medium-term plan, we have been carrying out thorough structural reforms across our restructured businesses—publishing, commercial printing, packaging, and living spaces businesses. These efforts include reorganizing our manufacturing setups and corporate structures, reducing fixed costs, and also implementing selective order intake—meaning, for example, avoiding low-margin orders. Through these two efforts, we were able to achieve profit growth.

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## Overview of Financial Results for First Six Months of FY2025 List by Segment

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(Unit: ¥bn)

		FY2024 H1	FY2025 H1	YoY Change (%)	YoY Change
Smart Communication	Sales	346.6	357.9	+3.3%	+11.3
	Operating Profit	12.6	14.7	+16.9%	+2.1
Life and Healthcare	Sales	242.9	258.3	+6.3%	+15.4
	Operating Profit	9.0	18.1	+100.4%	+9.1
Electronics	Sales	119.7	123.7	+3.4%	+4.0
	Operating Profit	27.8	26.6	(4.2%)	(1.2)
Adjustment	Sales	(0.9)	(1.3)	-	(0.4)
	Operating Profit	(11.3)	(12.9)	-	(1.6)
Total	Sales	708.3	738.7	+4.3%	+30.4
	Operating Profit	38.1	46.6	+22.2%	+8.5

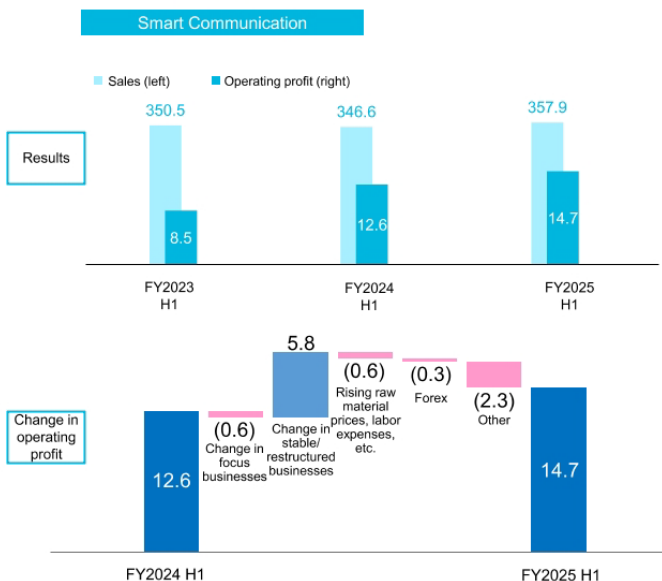
4

Now, let us look at the segments in more detail. This page provides sales and operating profit for each segment, and I will explain the three segments on the following pages.

## Overview of Financial Results for First Six Months of FY2025 Results by Segment

(Unit: ¥bn)

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### Overview of First Six Months of FY2025

- ✓ Sales and profit both increased in the Imaging Communication business due to solid performance of photo printing materials in relations with increasing demand for the new printer in European, U.S. and Asian markets, in addition to strong sales of ink ribbons for ID cards.
  - ✓ In the Information Security business, both sales and profit increased due to contributions by large BPO project.
- In July we acquired shares in Rubicon SEZC, a provider of government ID authentication services mainly in Africa, and became a consolidated subsidiary.
- ✓ In the Publishing business, the market contraction trend continued; however, profitability has improved due to improved efficiency resulting from business restructuring.

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First, page five—the smart communication segment.

As you are aware, this segment faces the challenge of a shrinking paper-based media market, so we are working to secure earnings by addressing this issue. In this area as well, we have been implementing structural reforms in publishing and commercial printing, and we are seeing positive effects.

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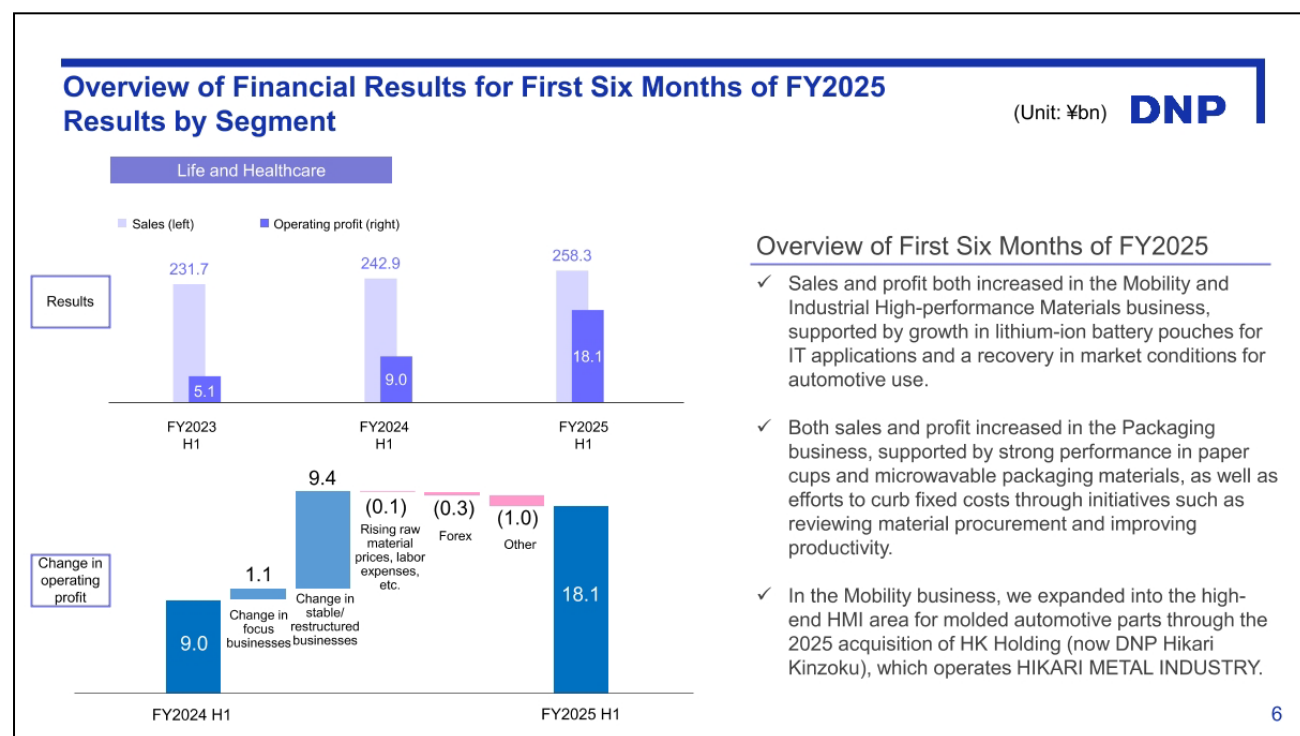
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In addition, in our stable businesses—such as imaging communication and information security—we have been able to grow sales, which also contributed to the increase in operating profit. In particular, the imaging communication business has seen substantial growth in sales of photo printing materials, driven by the rollout—especially in the US—of the new multifunction printers developed by our company.



On page six, I will explain the life and healthcare segment.

In this segment, operating profit has doubled from the prior year, resulting in a significant increase. We achieved positive contributions from both growth areas and structural reforms. In the previous fiscal year, the market environment for battery pouches was still weak, and as a result, the growth areas ended up being a negative factor. However, in this first half, they have turned positive.

A major driver of the substantial profit increase was structural reform. As I mentioned earlier, we implemented measures such as reducing fixed costs, and on the sales side, the packaging business benefited from higher sales of paper cups, microwavable packaging, and aseptic filling machines.

Battery pouches increased mainly for IT applications. EV applications also increased, but because the outlook in this area can have a large impact on our performance, we intend to continue sharing information as developments unfold.

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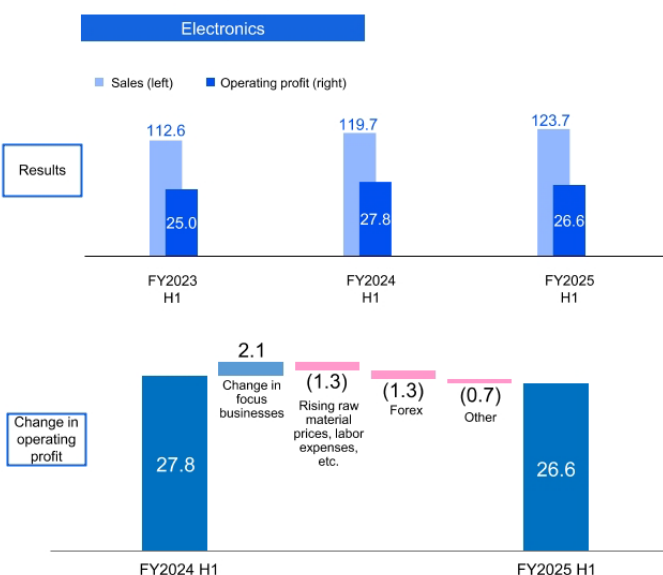
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## Overview of Financial Results for First Six Months of FY2025 Results by Segment

(Unit: ¥bn)

**DNP**



### Overview of First Six Months of FY2025

- ✓ In the Digital Interfaces business, both sales and profit increased in metal masks for OLED display manufacturing. This rise is attributed to the growing use of OLED displays in smartphones and the need for larger metal masks that are compatible with 8th-generation glass substrates.
- ✓ Sales of optical films for displays remained strong due to an increase in display area shipped accompanying the larger panel sizes of LCD televisions.  
  
To enhance production efficiency for optical films, we installed a wide-width coating machine capable of handling 2,500 mm at the Mihara Plant (Hiroshima Prefecture) and began operation in September 2025.
- ✓ Sales of photomasks for semiconductor production were steady. However, fixed costs increased due to capital and development expenditures.

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Next, page seven covers the electronics segment.

Unlike the previous two segments, which achieved both higher sales and higher profit, the electronics segment recorded higher sales but lower profit. As you can see in the waterfall chart, growth businesses provided a positive contribution, but profit decreased by JPY1.3 billion due largely to the strong yen.

In this segment, we are making very active investments in growth businesses, but some of these are upfront investments. As a result, the profit contribution from growth businesses is currently limited.

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## Overview of Financial Results for First Six Months of FY2025

### Overview of Focus and Stable Businesses

(Unit: ¥bn)

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		FY2024 H1	FY2025 H1		Overview	Arrow indicates sales relative to previous year
Smart Communication	Sales	346.6	357.9	Imaging Communication		We exceeded last year's results. In addition to strong performance in photo printing materials in European, U.S. and Asian markets, sales of ink ribbons for ID cards were also strong.
	Operating Profit	12.6	14.7	Information Security		We exceeded last year's results. Dual-interface cards saw a decline among our smart cards, but large BPO projects made a significant contribution.
				Content & XR Communication		We launched the "AI Staff Service Plus," an AI chat service implemented in the "Metaverse Government Office" for local governments.
Life and Healthcare	Sales	242.9	258.3	Industrial High-performance Materials		Sales of battery pouches remained strong for IT applications, while sales for automotive applications also exceeded the previous year's level, supported by a recovery in market conditions.
	Operating Profit	9.0	18.1	Mobility		Sales of interior decorative films for automobiles continued to be strong. We expanded our business into high-end HMI together with DNP Hikari Kinzoku.
				Medical & Healthcare		We exceeded last year's results. In addition to strong performance in medical packaging, the domestic pharmaceutical business also performed well.
Electronics	Sales	119.7	123.7	Optical Films		Optical films performed well backed by factors such as increased display area shipped resulting from the larger size of LCD television panels.
	Operating Profit	27.8	26.6	Metal Masks used for manufacturing OLED displays		Sales exceeded the previous year's level, supported by the wider adoption of OLED panels in smartphones and the contribution of large metal masks newly put into production at the Kurosaki Plant.
				Semiconductor-related		The recovery in demand in the semiconductor market was sluggish other than in AI applications. Sales of photomasks remained steady year-on-year.

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Page 8 shows sales trends in our focus businesses and stable businesses across the three segments.

As you can see, almost all categories are trending upward in blue. The exception is semiconductor-related products shown at the bottom. With the market outside AI-related demand recovering slowly, sales were roughly flat YoY.

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## Earnings Forecast for FY2025

(Unit: ¥bn) **DNP**

No change to our full-year earnings forecast

Company-wide	FY2024 results	Earnings forecast for FY2025	YoY Change (Difference)
Sales	1,457.6	1,500.0	+2.9%
Operating Profit	93.6	94.0	+0.4%
Operating Profit Ratio	6.4%	6.3%	(0.1pt)
Ordinary Profit	115.9	105.0	(9.4%)
Net Profit <small>Attributable to Parent Company Shareholders</small>	110.6	90.0	(18.7%)
ROE	9.6%	8.0%	(1.6pt)
Capital Expenditures	76.6	80.0	+4.4%
R&D Expenditures	37.5	39.0	+3.8%
Depreciation	53.7	50.0	(6.9%)

By Segment		FY2024 Result	Earnings forecast for FY2025	YoY Change (Difference)
Smart Communication	Sales	715.5	730.0	+14.5
	Operating Profit	34.6	33.0	(1.6)
Life and Healthcare	Sales	496.0	517.0	+21.0
	Operating Profit	23.7	30.0	+6.3
Electronics	Sales	247.7	255.0	+7.3
	Operating Profit	57.3	57.0	(0.3)
Adjustment	Sales	(1.7)	(2.0)	(0.3)
	Operating Profit	(22.2)	(26.0)	(3.8)
Total	Sales	1,457.6	1,500.0	+42.4
	Operating Profit	93.6	94.0	+0.4

Exchange rate: Initial projection of ¥140/\$, current projection of ¥144/\$, impact of +¥2.0 bn  
Impact of tariffs: Initial projection of (¥0.5 bn), current projection of (¥2.2 bn), impact of (¥1.7 bn)

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Moving to page nine, this is our current full-year forecast.

Operating profit progress for H1 was 49.6%. After examining various factors affecting H2, we have decided to leave our full-year operating profit forecast unchanged at JPY94 billion.

Although we still have six months remaining, issues such as the Trump tariffs, market conditions—particularly relating to China, the US, and even signs of slight economic slowdown in Japan—make it difficult to forecast through March with confidence. For now, we are keeping the operating profit, ordinary profit, and net profit forecasts announced in May unchanged.

That concludes the overview of our financial results.

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## 1. Overview of Financial Results for First Six Months of Fiscal Year 2025

## 2. Progress with Medium-term Management Plan

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Next, on page 10, I will explain the progress of the three-year medium-term management plan that began in FY2023.

We are now roughly two and a half years into the plan, so I would like to take this opportunity to update you on where things stand as we head toward March of next year.

### Outline of Measures in the Medium-term Management Plan

#### Initiatives Aimed at Realization of the Vision

Business	<ul style="list-style-type: none"> <li>Realize growth through investment of over 390 billion yen centered on focus business areas (cumulative amount for FY2023-FY2027)</li> <li>Transform business portfolio including restructured businesses</li> </ul>
Finance	<ul style="list-style-type: none"> <li>Reduce strategic shareholdings to less than 10% of net assets</li> <li>Plan to acquire treasury shares valued at 300 billion yen to improve capital efficiency (cumulative amount for FY2023-FY2027)</li> </ul>
Non-Financial	<ul style="list-style-type: none"> <li>Expand investment in people based on Human Capital Policy</li> <li>Enhance intellectual capital utilizing DNP's unique strengths and external partnerships</li> <li>Contribute to the realization of a decarbonized society, a recycling-oriented society, and a society in harmony with nature</li> </ul>

#### DNP Group's Vision for Revenue and Capital Structure

Operating profit	130 billion yen or more (Record operating profit: 120.6 billion yen)
Equity capital	1 trillion yen
ROE	10%

By implementing the above initiatives and also expanding disclosure especially on focus business areas, we will expedite achieving a PBR of more than 1.0X.

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On page 11, this material shows the core elements of our current medium-term plan, which we announced two years ago in March.

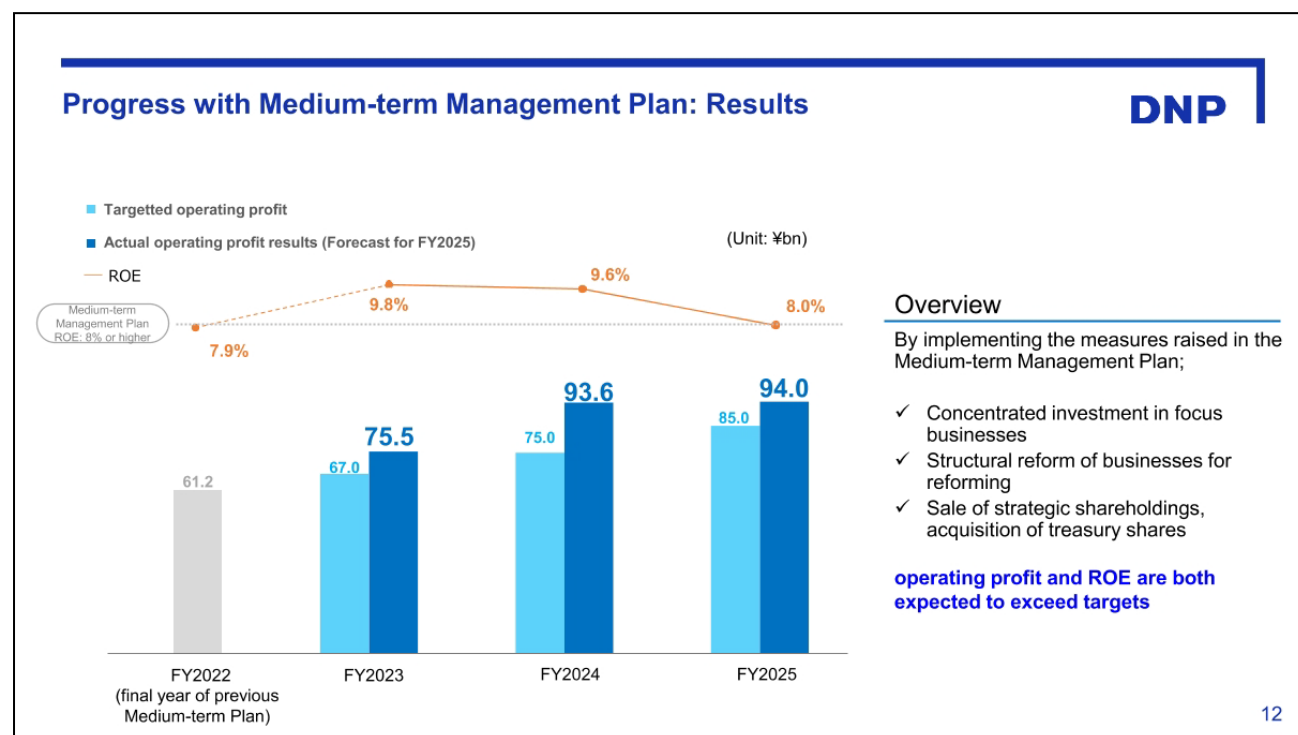
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Numerically, we set targets of achieving ROE of 10% and a PBR above 1x at an early stage. To accomplish this, we have positioned our business strategy, financial strategy, and non-financial strategy as an integrated set, with the entire Group working together. In aiming for ROE of 10%, we also announced that we would strive to reach operating profit of JPY130 billion—exceeding our previous record—as early as possible. Today, I will explain the status of our operating profit.



Please look at page 12. Under the three-year medium-term plan, we set operating profit targets for each fiscal year.

For FY2025, which is the current fiscal year, we announced a target of JPY85 billion two and a half years ago. Based on the performance results from the previous and the year before last, we raised the full-year operating profit forecast to JPY94 billion this May, and in this H1 results announcement we are not making any changes. Compared with the plan created two and a half years ago, we are currently progressing more than JPY9 billion ahead of schedule.

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## Progress with Medium-term Management Plan: Cash Allocation

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5 years from FY2023 to FY2027\* We will appropriately allocate the cash generated to further business growth and shareholder returns

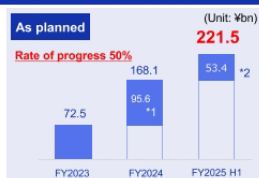
### Cash Generation Strategy

Target to generate over ¥750 bn in cash

Generation of operating CF:  
¥440 bn or more

- Sale of strategic shareholdings: ¥220 bn (we target to reduce to less than 10% of net assets)
- Reduction of idle assets, utilization of interest-bearing debt, maximization of cash efficiency: ¥90 bn or more

We issued corporate bonds worth ¥100 bn in April 2025



\*1. Calculated by excluding the proceeds from the sale of shares sold within retirement benefit trusts.

\*2. Calculated by excluding the tax expenses associated with the sale of strategic shareholdings.



\*Fiscal Year: FY2023 (ended March 31, 2024) FY2027 (ending March 31, 2028)

### Cash Allocation Strategy

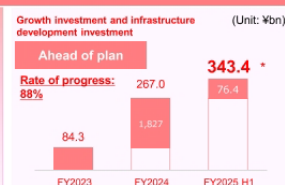
#### Business investment

Growth investment and infrastructure development investment  
¥390 bn or more

Of which investment into focus business areas:  
¥260 bn or more

#### Shareholder returns

- Acquisition of treasury shares  
Plan to acquire around ¥300 bn in treasury shares  
FY2023-24: acquired ¥170 bn  
FY2025: Plan to acquire ¥50 bn
- Dividends  
A dividend increase is planned for the second consecutive year.  
Dividend per share in FY2025  
Up ¥2 to ¥40 (planned)  
(Interim: ¥18 Year-end: ¥22)



\* For details, please refer to "Investment in Focus Business Areas, Etc." on page 14.



\* For FY2023, the amount of treasury shares acquired is stated based on the resolution of the Board of Directors on March 9, 2023.  
For FY2024, the amount of treasury shares acquired is stated based on the resolutions of the Board of Directors on March 8, 2024, and November 29, 2024.  
For FY2025, the amount of treasury shares acquired is stated based on the resolution of the Board of Directors on May 13, 2025.

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From here, I will explain our financial strategy, business strategy, and non-financial strategy in turn. I will begin with the financial strategy.

Under the current medium-term plan, our financial strategy and capital policy center on actively deploying cash. The two main pillars are business investment and shareholder returns. To raise ROE, we are actively investing in business growth to increase the numerator, and at the same time reducing shareholders' equity—the denominator—through enhanced shareholder returns. That is the direction we are pursuing. Next, let me explain the sources of cash.

On the left side of the page, the main sources consist of operating cash flow and other cash sources. Operating cash flow derived from operating profit has totaled JPY221.5 billion over the two and a half years elapsed. This represents 50% progress against our five-year plan, and we are proceeding steadily as planned.

As for other sources, regarding strategic shareholdings, although it is fortunate for us, the market value of our shareholdings has risen significantly compared with before, so as we sell them, both the sale proceeds and the cash generated from those sales are increasing.

In April of this year, we also issued JPY100 billion in corporate bonds as part of our policy of utilizing debt. We are using these funds for business investment and shareholder returns. Details on business investment will be explained by Senior Managing Director Miyake on the following pages.

With respect to shareholder returns, we set a target of JPY300 billion in share buybacks over five years. As noted, we have already progressed beyond the 60% mark. For dividends, we raised the dividend last fiscal year, and for this fiscal year we plan to raise the interim dividend by JPY2, marking a second consecutive year of dividend increases.

That concludes my portion of the explanation. I will now hand it over to Senior Managing Director Miyake.

**Miyake:** I will continue with the explanation.

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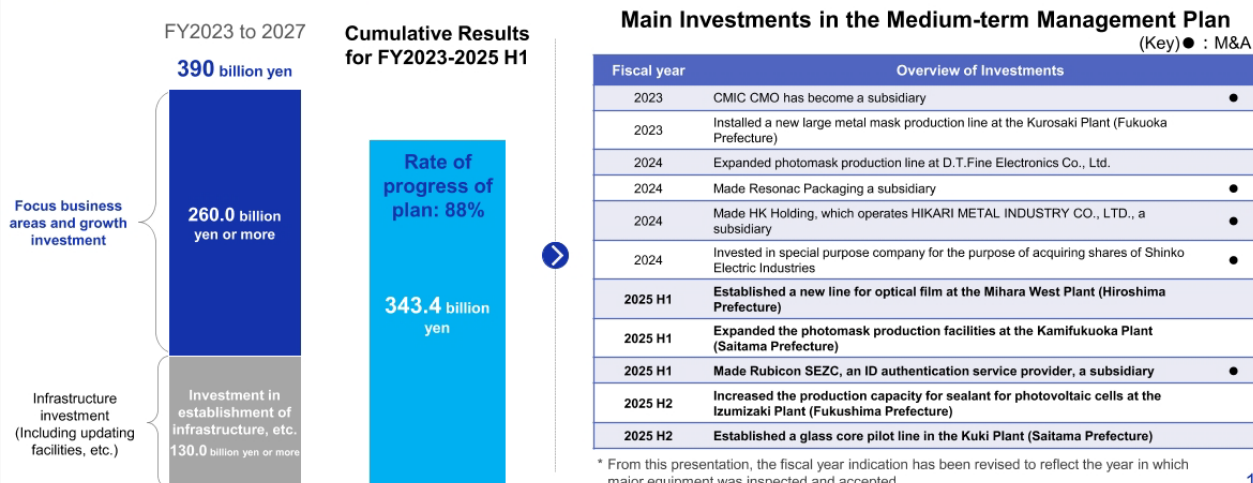
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## Progress with Medium-term Management Plan (Business Strategy): Investment in Focus Business Areas, Etc.

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Growth investment and infrastructure  
development investment:

**390 billion yen or more (cumulative amount for FY2023–FY2027)**



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First, this section concerns the focus businesses within our business strategy. Our overall business strategy consists of two major pillars: expanding growth areas and implementing structural reforms. I will begin by explaining how we are investing to expand these focus business areas.

On the left side of the chart, you can see the original plan—investing more than JPY390 billion over five years from FY2023 to FY2027. The dark blue portion shows investments allocated specifically to focus businesses and growth areas, amounting to JPY260 billion. The gray portion below represents infrastructure investments, totaling JPY130 billion. In other words, roughly two-thirds, or about 66%, is allocated to focus businesses, and about 33% to infrastructure investments.

The light blue portion represents actual investment progress through H1 of FY2025—two and a half years, or the halfway point. We have invested JPY343.4 billion, which corresponds to a progress rate of 88%. You may ask how the actual ratio of spending compares with the plan; at this point, focus business investments and infrastructure investments are progressing at roughly a 70% / 30% split.

On the right side, we list the major investments currently underway. These begin with those initiated in FY2023, and the entries marked with black circles indicate M&A. The bold text in the lower half shows the investments for the current fiscal year.

In H1, we implemented three initiatives, including a new optical film production line at our Mihara West Plant in Hiroshima Prefecture. Additional projects will be implemented in H2, such as encapsulant materials for solar cells at our Izumizaki Plant in Fukushima Prefecture, and at the bottom of the list, a glass core facility at our Kuki Plant in Saitama Prefecture. This is not yet a mass-production line but rather a pilot line, which we plan to install within this calendar year. We will supply actual-size samples—approx. 500 mm square—to customers for evaluation. If results are favorable, we plan to begin mass production in FY2028.

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## Progress with Medium-term Management Plan (Business Strategy): Structural Reform

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Outline in Medium-term Plan		Implementation period	Main Structural Reform Measures
Smart Communication	Rationalization of paper media business	2023	✓ Optimization of manufacturing sites for commercial printing
		2023-	✓ Optimization of fixed costs
Life and Healthcare	Reviewing low value-added products and restructuring business locations Reorganization of facilities in packaging-related business	<b>2025</b>	✓ <b>Reorganization of Publishing Printing Division</b> (establishment of DNP Publication Products)
		<b>2025</b>	✓ <b>Reorganization of marketing (commercial printing) division</b> (establishment of DNP Marcom Products)
		2023	✓ Closed manufacturing facilities in the packaging-related business (Chubu area)
		2024-	✓ Optimization of fixed costs
		<b>2025</b>	✓ <b>Reorganization of Living Spaces business and Mobility business</b> (Mobility & Living Operations)

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Next is the second pillar of our business strategy: structural reforms.

As shown on the left, in smart communication we have been rationalizing the paper media business, optimizing production sites and fixed costs since FY2023, including impairment of certain equipment.

The bold blue text shows progress for FY2025. For publishing and printing, we reorganized the business into a subsidiary—DNP Publishing Products—on April 1, covering book and magazine printing. In past earnings briefings, we stated that the annual effect would be JPY2 billion, and progress is currently on track.

Below that, we are introducing for the first time today the reorganization of our existing marketing-related businesses into DNP Marcom Products. I will explain this on the next page.

In life and healthcare, we also closed manufacturing sites and optimized fixed costs. As we shared in May, we integrated the living space business and mobility business, establishing the Mobility & Living Operations effective October 1. This reorganization also has an anticipated effect of JPY2 billion, and this initiative is proceeding smoothly.

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## Reorganization of Marketing Business: Strengthening Capabilities and Operational Efficiency

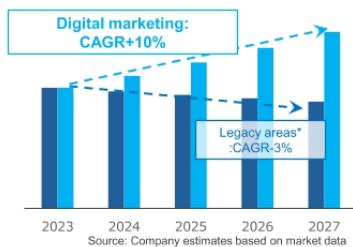
**DNP**

Our Marketing business strategy is to optimally integrate manufacturing and digital marketing to **maximize the effectiveness of clients' marketing campaigns** and drive business growth. In October 2025, we integrated two subsidiaries to **strengthen functions and improve operational efficiency**.

### Market Environment of Domestic Marketing

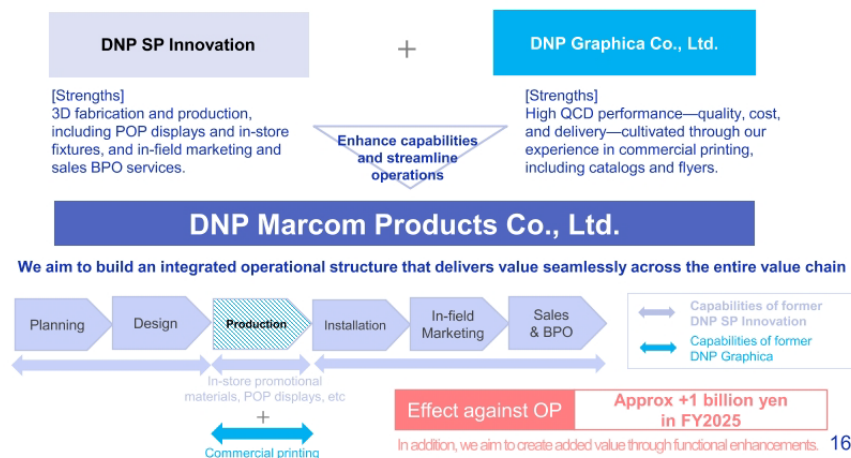
- ✓ The market for printed and in-store promotional materials, including catalogs, flyers, POP displays, and fixtures, has been showing a downward trend.
- ✓ The digital marketing sector is expected to maintain a high rate of market growth going forward.

### Market Forecast (Indexed to FY2023 = 1)



\*Legacy areas: in-store promotional materials, catalogs, flyers, POP displays, etc.

### Overview of Strengthening Capabilities and Operational Efficiency from the Integration of Two Subsidiaries (effective from October 2025)



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Now, on page 16, we outline the reorganization of our marketing businesses.

The chart on the left illustrates how the marketing market has been shifting. The dark blue area represents paper media and manufacturing—catalogs, flyers, in-store POP materials—where the market continues to contract.

By contrast, the light blue area represents digital marketing, which continues to grow. At DNP, both of these businesses are handled separately by DNP SP Innovation and DNP Graphica, as shown on the right. By integrating the two, we aim to improve efficiency. Furthermore, by combining our strengths in printing and manufacturing with digital capabilities, we aim to expand the business through hybrid marketing. As noted at the bottom right, for this fiscal year we are planning for an integration effect of JPY1 billion.

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## Progress with Medium-term Management Plan (Non-Financial Strategy)

**DNP**

Specific KPIs have been established and progress is monitored with strengthening of human capital, enhancement of intellectual capital and environmental initiatives as basic measures for the non-financial strategy in the Medium-term Management Plan.

	Main indicator	FY2024 Result	FY2025 Target	FY2025 H1 Result
Human capital	Employee engagement survey score	+4.5% from FY2022	Up 10% from FY2022	+6.0% from FY2022
	Completion of DX literacy standard basic education course	25,473 people	27,500 target people	- (Education implemented from October)
	Percentage of female managers	10.4%	12% or more	10.5%
	Percentage of eligible men taking childcare leave	96.4%	100%	100% (Forecast)
Intellectual capital	R&D investment (annual)	¥37.5 bn	Maintain in range of ¥30.0 bn	¥20.2 bn
	Number of data management infrastructure users	7,069 people	10,000 people	7,268 people
Environment	Reduction of GHG emissions (Scope 1+2)	Down 18.4% from FY2019	Down 46.2% from FY2019 (FY2030 target)	Down 34.0% (forecast) from FY2019
	Resource recycling rate	63.5%	70% (FY2030 target)	64.5% (forecast)
	Reduction of water usage	Down 7.7% from FY2019	Down 30% from FY2019 (FY2030 target)	Down 3.9% (forecast) from FY2019
	Expansion of sales of eco-friendly products and services	15%	30% (FY2030 target)	16.3% (forecast)

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This page is the final slide of today's presentation.

Here, we describe our non-financial strategy. On the far left, we list the key indicators for three non-financial areas—human capital, intellectual capital, and the environment—along with the FY2024 results and the FY2025 targets. We explained these items at last month's sustainability briefing.

Today, in addition to that, we have added the H1 results shown in the rightmost column. For example, in human capital, the first item is the engagement survey score. The FY2024 result is shown, and for the current fiscal year's first half, we expect a 6% improvement. The target is 10%, and we will continue working toward achieving the remaining portion.

The next item is DX literacy. The H1 result is marked with a dash (-), but this is because the training will be conducted in H2, and we intend to achieve the target value by then.

As for the ratio of female managers, it currently stands at 10.5%. With the next major personnel transfers scheduled for April 1 next year, we have set a target of reaching 12% inclusive of those changes, and at present we expect to achieve this.

Turning to intellectual capital, research and development investment is expected to total JPY20 billion for the half year and around JPY40 billion for the full year.

For the environment, the table shows FY2025 targets and, in smaller parentheses, the FY2030 targets. For the four environmental indicators, we are working backward from the FY2030 goals. While we have not disclosed specific FY2025 targets, based on comparisons between FY2019 and FY2030, we are progressing smoothly toward the FY2025 levels.

However, regarding the second item from the bottom—water usage reduction—the FY2024 result was a 7.7% reduction, but for this fiscal year the figure is 3.9%, meaning usage has actually increased. This is due to the startup of new factories and new equipment. Nonetheless, we remain committed to achieving the FY2030 goal of a 30% reduction.

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That concludes the explanation. Thank you very much.

**Wakabayashi:** With that, we will end the presentation.

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