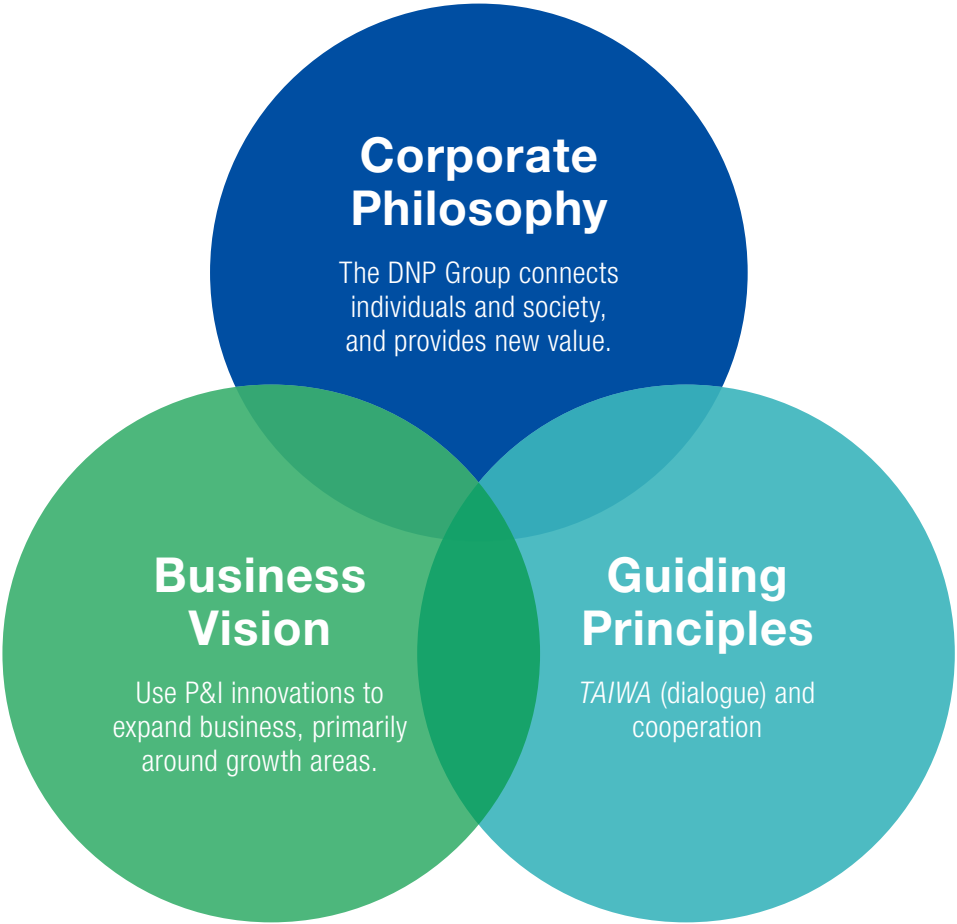


Integrated Report 2023



DNP Group Vision

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



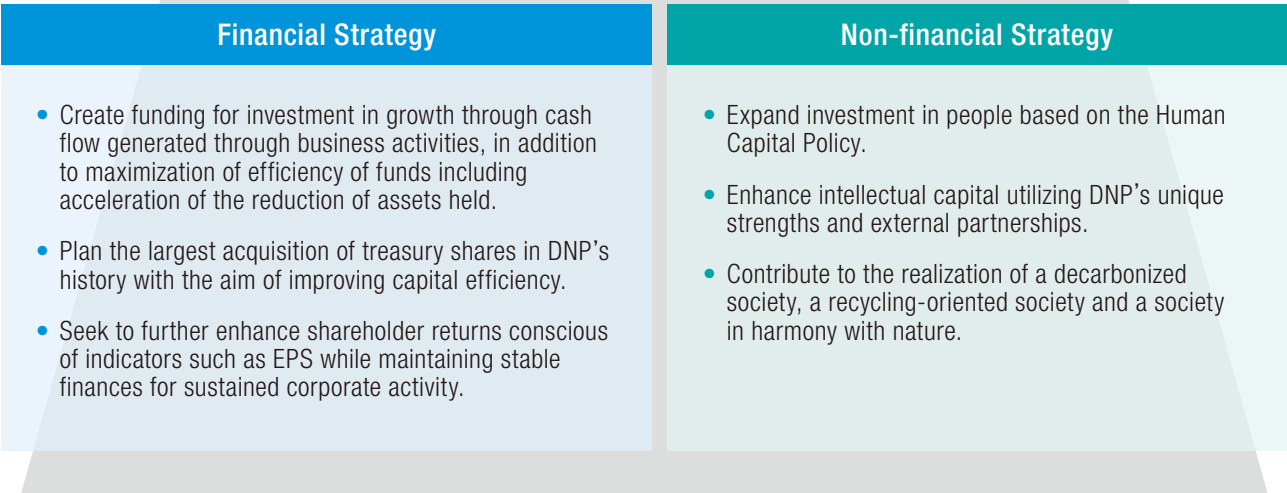
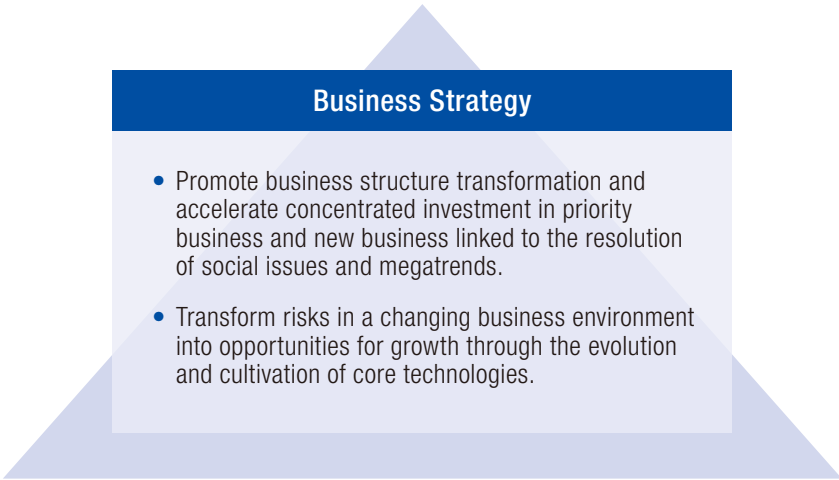
DNP Group’s Basic Management Policy

| Brand Statement |

Creating future standards

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

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



The DNP Group Code of Conduct

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

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

Three Corporate Responsibilities

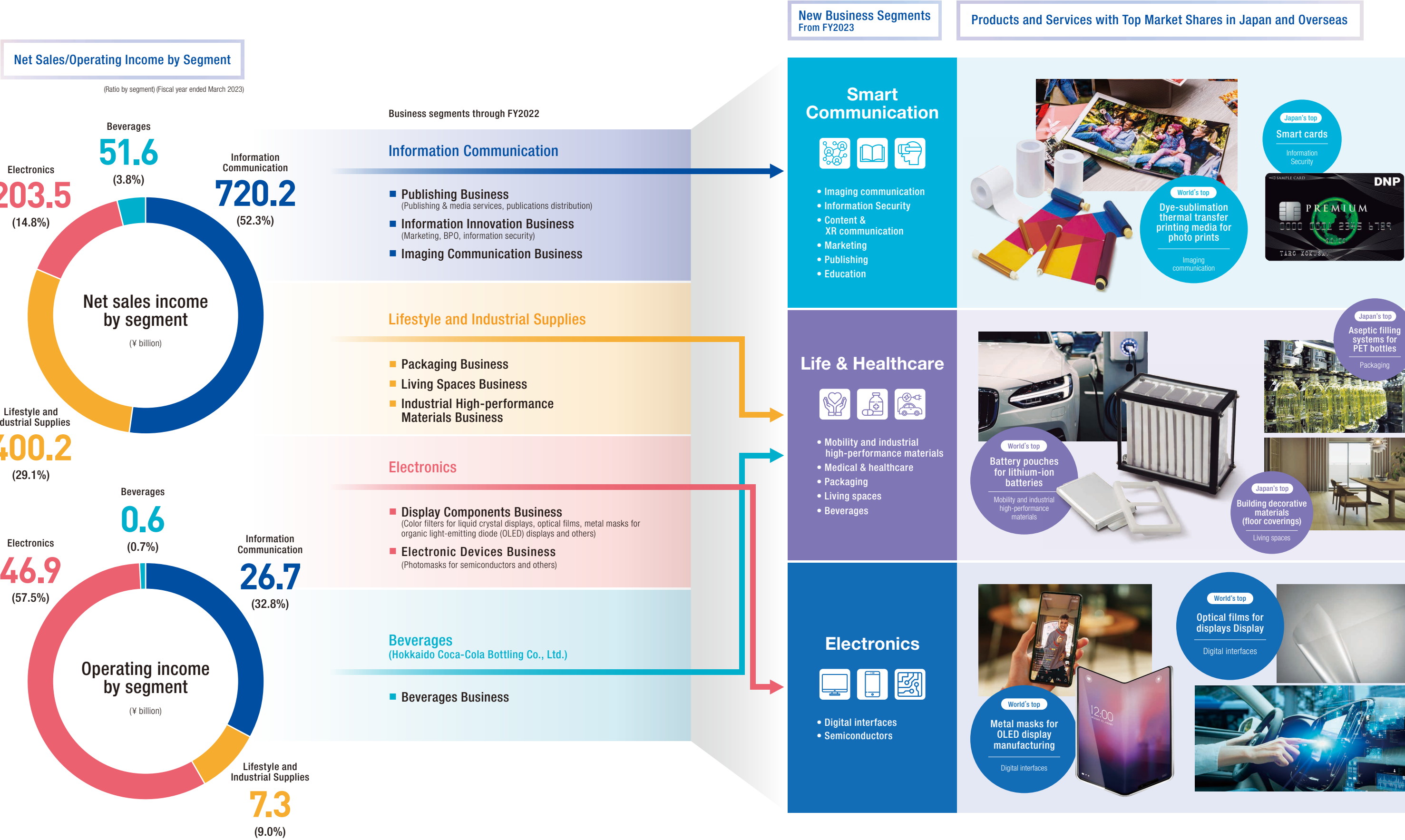
Three important obligations DNP has to fulfill to remain a company that can always be fully trusted by its various stakeholders

1. Value Creation

2. Integrity in Conduct

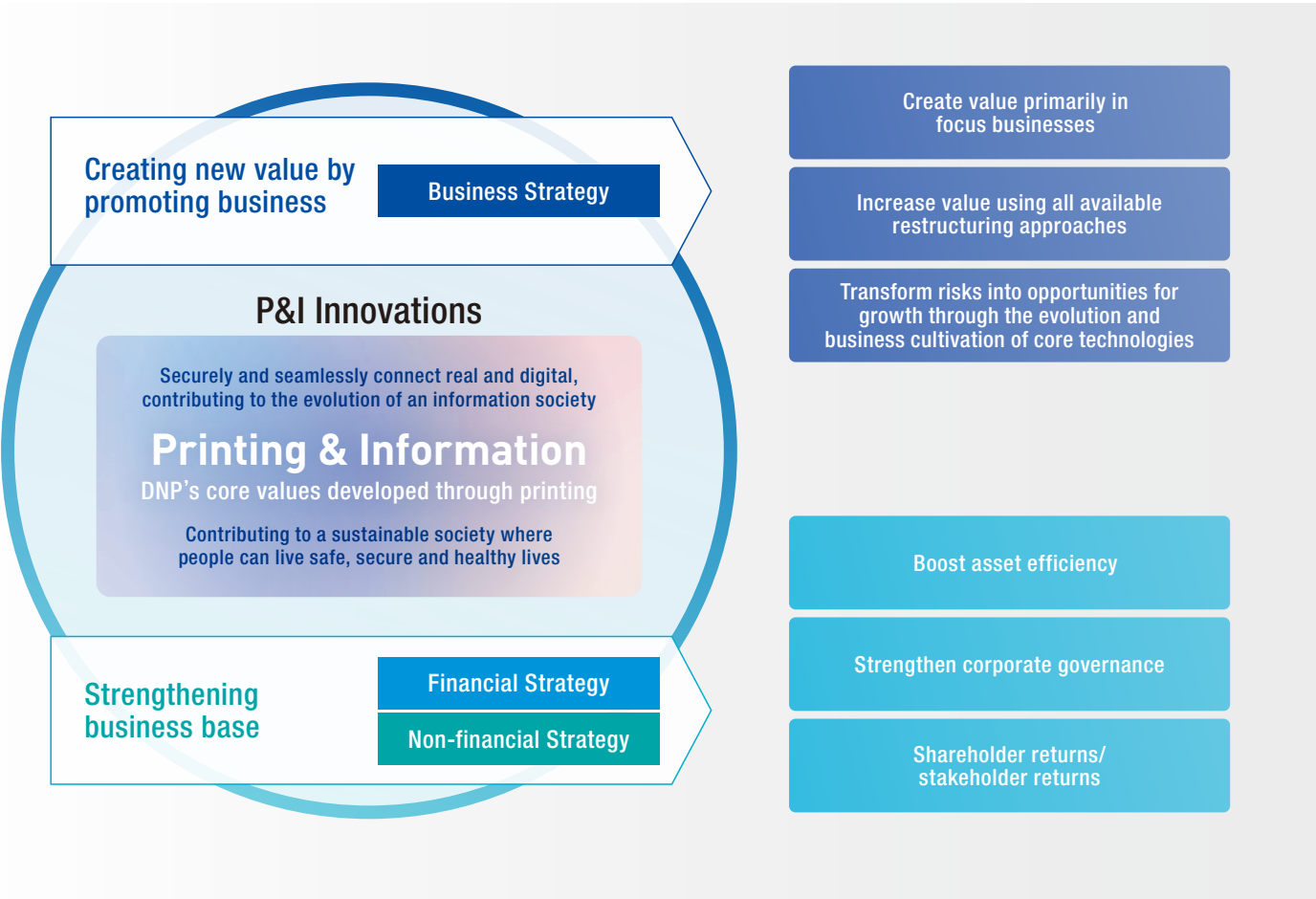
3. Transparency (Accountability)

Overview of DNP's Business — Toward Building a Stronger Business Portfolio

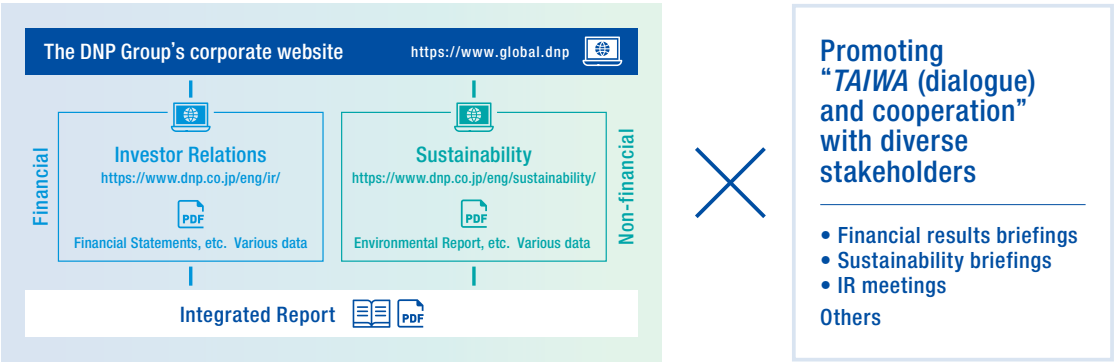


OUR VALUE CREATION

Toward creating sustainable business value and shareholder value



DNP Group’s information disclosure that leads to “TAIWA (dialogue) and cooperation”



Editorial Policy for DNP Group Integrated Report 2023

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

- ◇ Period covered by this report: April 1, 2022 to March 31, 2023
However, reporting is not confined to this period regarding some contents.
- ◇ Scope of report: All companies and divisions of the DNP Group
In this report, “DNP” refers to the entire DNP Group, and “we” refers to DNP or the DNP management team.
(In the section on Corporate Governance (pages 68-71, pages 74-79), “DNP” refers to Dai Nippon Printing Co., Ltd.)
- ◇ Issued: October 2023 (Next scheduled issue: October 2024)

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

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Achieving a Major Transformation to Realize a Sustainable, Better Society and Well-being Lives

Yoshinari Kitajima
President

Promoting the New Medium-term Management Plan in accordance with the DNP Group's Basic Management Policy –Accelerating initiatives for “Creating future standards”–

The DNP Group's Corporate Philosophy is “The DNP Group connects individuals and society, and provides new value” and we strive to realize a sustainable, better society and well-being lives. DNP focuses on solving social issues, creating new value that meets people's expectations and making this value continually exist as “basics” that are indispensable in people's daily lives. We broadly express this aspiration in our Brand Statement of “Creating future standards.”

In 2015, we formulated the DNP Group Vision that incorporates this Corporate Philosophy and our Brand Statement. Subsequently, in February 2023 we announced the DNP Group's Basic Management Policy to achieve further growth amid dramatic changes in the environment, society and economy. In announcing this policy, DNP once again declared both inside and outside the company that it will undertake business activities to create a “better future” with a view toward the long term.

In realizing this Vision, DNP will create sustained business value and shareholder value through specific initiatives based on its Business Strategy, Financial Strategy and Non-financial Strategy and as key performance indicators aims to attain ROE of 10%, and “expedite achieving a PBR (price-to-book ratio) of more than 1.0X.”

*See pages 2-3 of the DNP Group Vision and DNP Group Basic Management Policy.

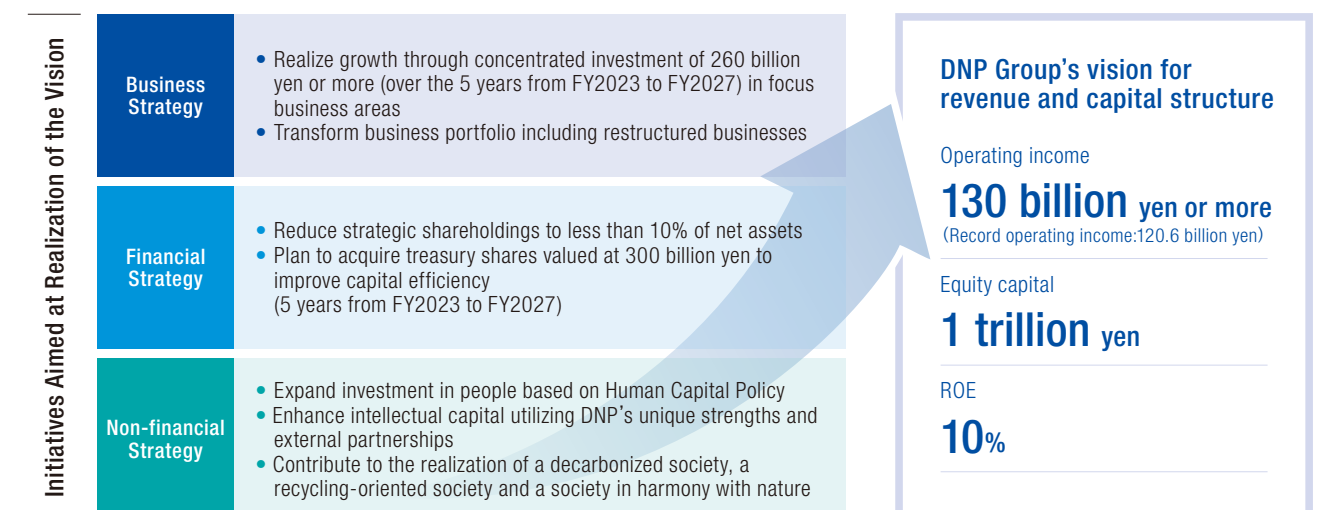
Among our long-term value creation initiatives, we launched a three-year Medium-term Management Plan covering the three-year period from fiscal 2023 to fiscal 2025 as the first step toward further transformation.

In response to the Basic Management Policy, as the Business Strategy of this Medium-term Management Plan, DNP will make concentrated investment of 260 billion yen or more over the five years to fiscal 2027 in focus business areas (see pages 11 and 21-24) and will continue to transform its business portfolio to make its revenue structure more robust.

Regarding its Financial Strategy, DNP plans to reduce strategic shareholdings to less than 10% of net assets over the next five years while acquiring a total of 300 billion yen in treasury shares with the aim of improving capital efficiency.

In its Non-Financial Strategy, DNP will mainly focus on expanding investment in people based on its Human Capital Policy, enhancing intellectual capital that leverages DNP's unique strengths and external partnerships and promoting environmental initiatives toward realizing a decarbonized society, a recycling-oriented society and a society in harmony with nature.

Outline of measures in the New Medium-term Management Plan



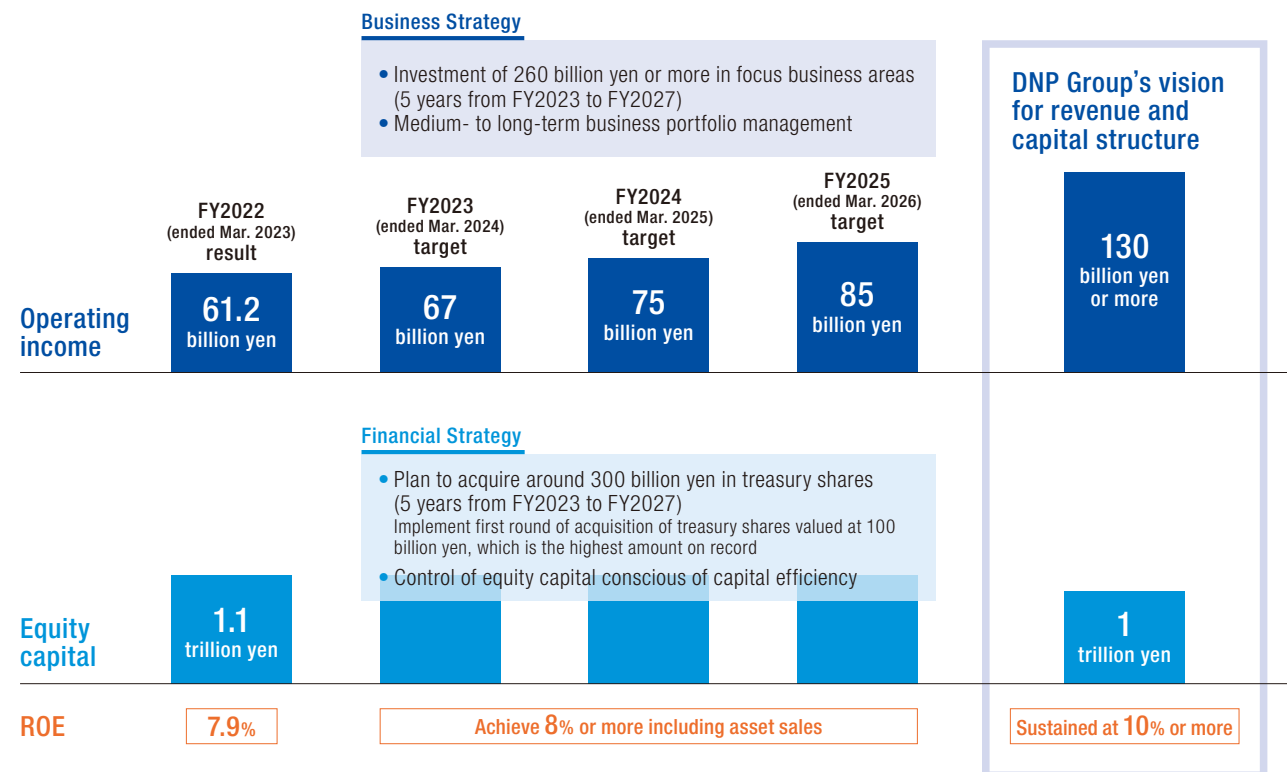
By implementing the above initiatives and also expanding disclosure especially on focus business areas,
we will expedite achieving a PBR of more than 1.0X.

TOP MESSAGE

By promoting these three strategies, we will shape the revenue and capital structure envisioned by the DNP Group. As its long-term targets, DNP aims to increase operating income to 130 billion yen or more, thereby surpassing its record operating income of 120.6 billion yen achieved in fiscal 2006, while reducing equity capital from 1.1 trillion yen

to 1 trillion yen to continually attain ROE of 10% or higher. Additionally, as milestones toward reaching these targets, DNP aims to increase operating income to 67 billion yen in fiscal 2023, to 75 billion yen in fiscal 2024, and to 85 billion yen in fiscal 2025, the final fiscal year of the three-year plan.

Management targets



Strengthening and promoting Business Strategy

—Creation of new value for a better future—

DNP believes that a healthy society and economy as well as comfortable and well-being lives are only possible on a sustainable earth. For this reason, DNP will take a long-term perspective and accurately identify and appropriately respond to social issues and megatrends such as the information society; population problems; the imbalance of supply and demand of resources, electricity, water and food; and climate change. Concurrently, DNP is promoting initiatives to turn risks into business opportunities.

In recent years, DNP has been affected by rising costs for raw materials and energy due to such factors as the emergence of geopolitical risk and the instability of global supply chains. Meanwhile, social and economic activities are recovering from the COVID-19 pandemic while people's workstyles and lifestyles that changed profoundly have become firmly established in new formats. Digital transformation (DX) is also advancing and there are increasing opportunities for DNP to synergize its unique hybrid strengths such as physical and virtual realities, digital and analog technologies, and manufacturing and services.

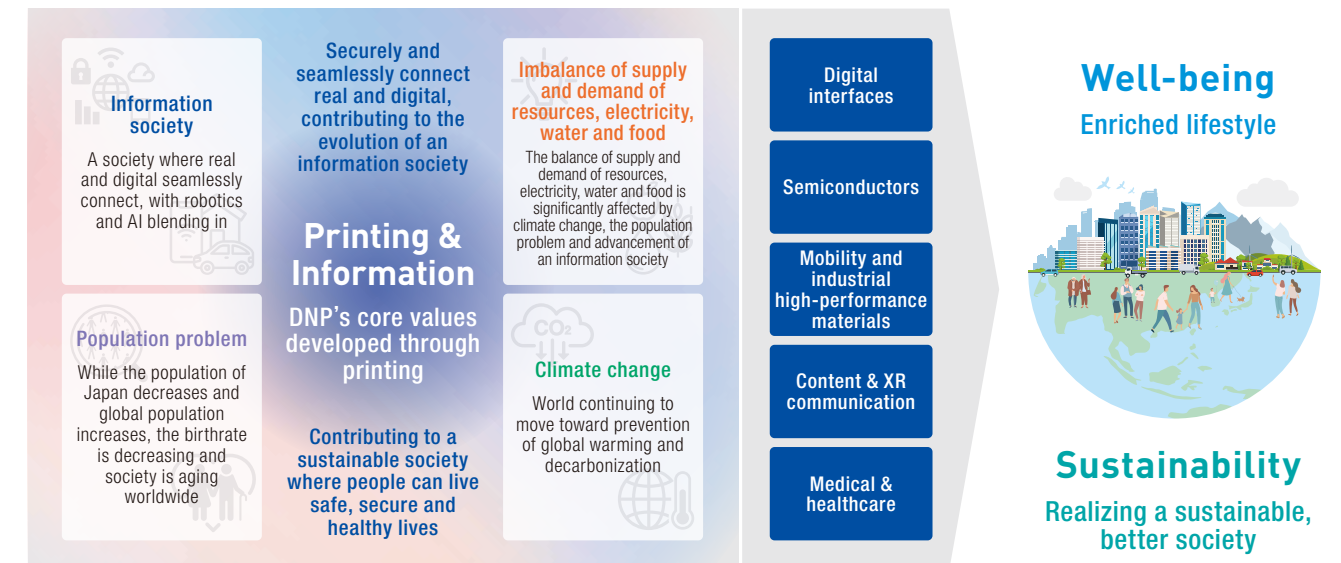
In particular, from fiscal 2022 we will strengthen the activities of the Sustainability Committee, for which I serve as chairperson, and work to adequately ascertain, analyze and manage risks as variable factors. This committee collaborates

with the Corporate Ethics Committee and the BCM Promotion Committee to manage company-wide risks under medium-to-long-term corporate activities that emphasize the environment, society and governance (ESG). We regard these variable factors as major opportunities for DNP to expand its business as well as to curb negative impacts. In an age where abrupt changes are becoming the norm, it is imperative that we ourselves take the lead in reorienting the environment, society and the economy toward a better direction rather than reacting to individual changes after these occur. Through our business activities, we have continuously supported communication between people and nurtured culture and we believe that we can also transform these changes into major business opportunities.

The DNP Group will leverage its strengths in Printing & Information that it has cultivated to the present, deepen collaboration with its numerous partners and focus on businesses linked to the resolution of social issues and megatrends. By promoting P&I Innovations as set forth in our Business Vision and implementing a variety of measures based on the Business Strategy, DNP will take on the challenge of realizing a sustainable society where people can live with peace of mind, safety, health and well-being lifestyles.

P&I Innovations

Focus business areas



Strengthening and promoting Financial Strategy and Non-financial Strategy

—Supporting value creation by strengthening the management foundation—

Strengthening the management foundation that supports our business activities is also another important management theme. Under our new three-year Medium-term Management Plan, by strengthening and promoting our Financial Strategy and Non-financial Strategy, DNP will expand its financial capital as well as non-financial capital that includes human capital, intellectual capital, manufactured capital, natural capital and social/relationship capital and invest in a variety of business activities.

The DNP Group's greatest strength in creating new value is the existence of each and every employee. All employees both in Japan and overseas are valuable human resources and serve as the driving force for our sustainable growth as a company. In recognition of this, we aim to increase "human creativity (added value productivity)" globally based on the Human Capital Policy to clearly connect investment in people to the enhancement of corporate value.

Additionally, we are working to enhance intellectual capital utilizing DNP's unique strengths as well as its external partnerships that encompass creating new businesses,

fortifying technological strengths and undertaking business globally. Besides continuing to invest in research and development on a scale of 30 billion yen annually, DNP will build and strengthen its data management infrastructure as an internal system.

Regarding environmental issues, for which solutions are urgently needed around the world, we will work on the dual imperatives of value creation through business activities and strengthening management foundations. Alongside contributing to a decarbonized society through products and services, we will promote efficient resource reuse and minimize the impact on biodiversity throughout the entire supply chain.

The DNP Group has a corporate culture of continuously taking on challenges. In the future as well, we will continue to take on the challenge of realizing a better future from a long-term perspective. To do so, I would like to deepen *TAI/WA* (dialogue) with numerous stakeholders, including shareholders. Going forward, I ask for your further support as we work to achieve our objectives.



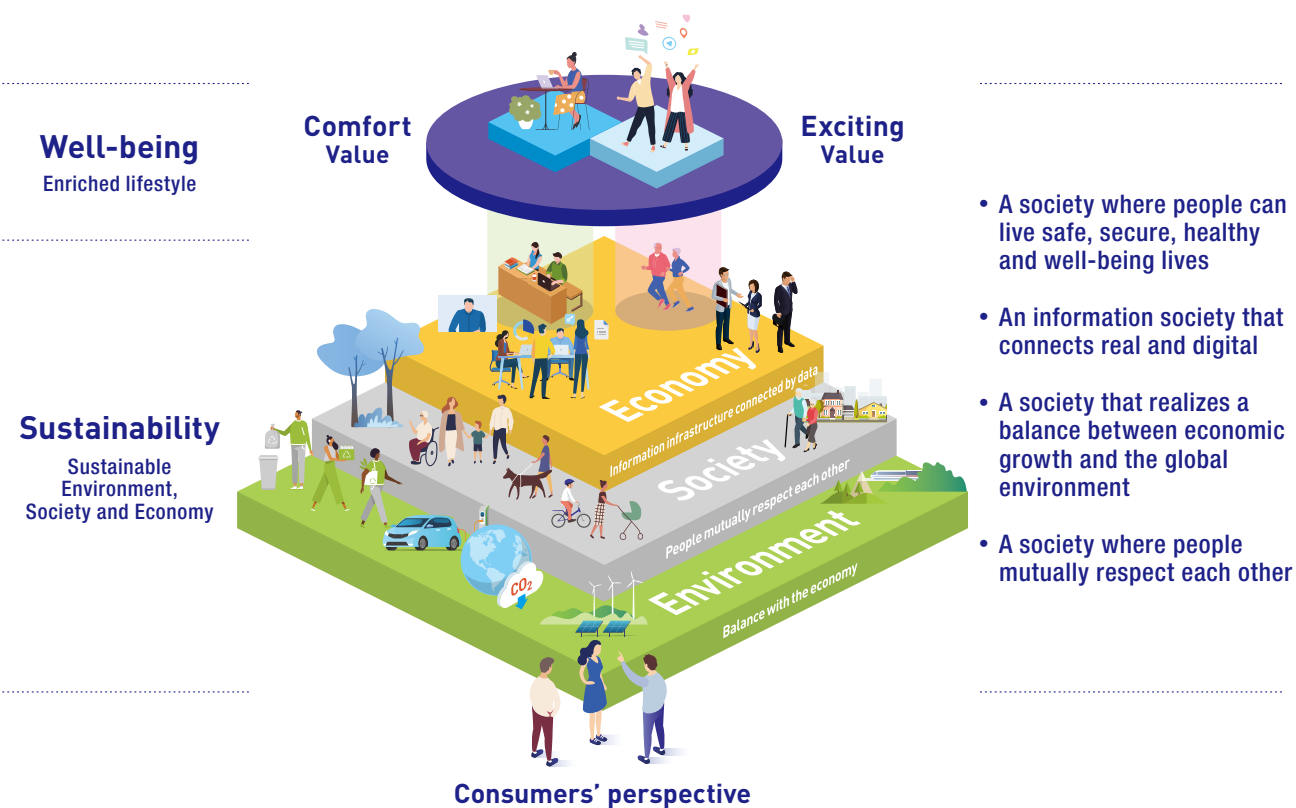
Identifying Materiality

DNP believes that a healthy society and economy as well as comfortable and well-being lives for people can only be achieved on a sustainable earth. Toward realizing the “better future” envisioned by DNP, we will identify key issues (materiality) for the sustainable growth of both society and DNP.

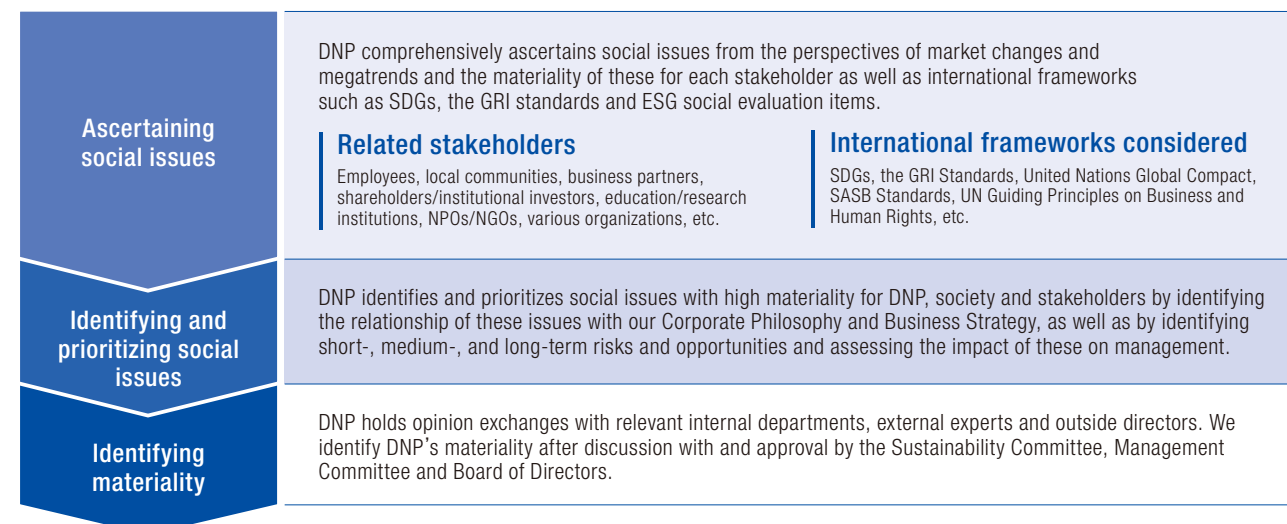
In identifying materiality, DNP comprehensively ascertains social issues, identifies and evaluates medium- to long-term risks (variable factors) for DNP in undertaking business activities, and identifies and prioritizes social issues with high materiality for DNP, society and stakeholders.

Additionally, to create value and strengthen the management foundation that supports value creation, we have selected “CSR Management Principal Themes” (pages 62-63) and are progressing with efforts to strengthen management across the entire supply chain.

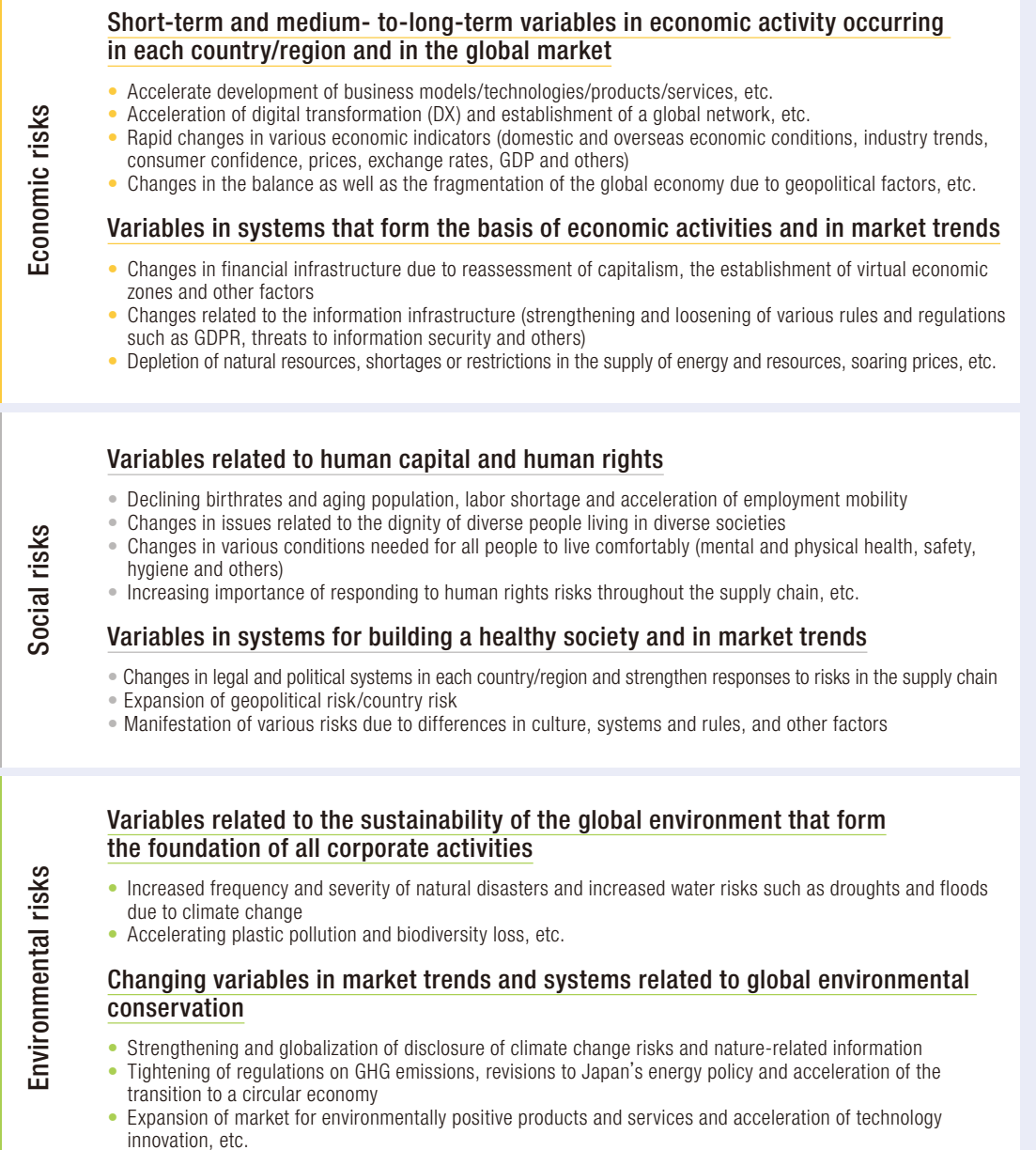
A “better future” aimed for by DNP



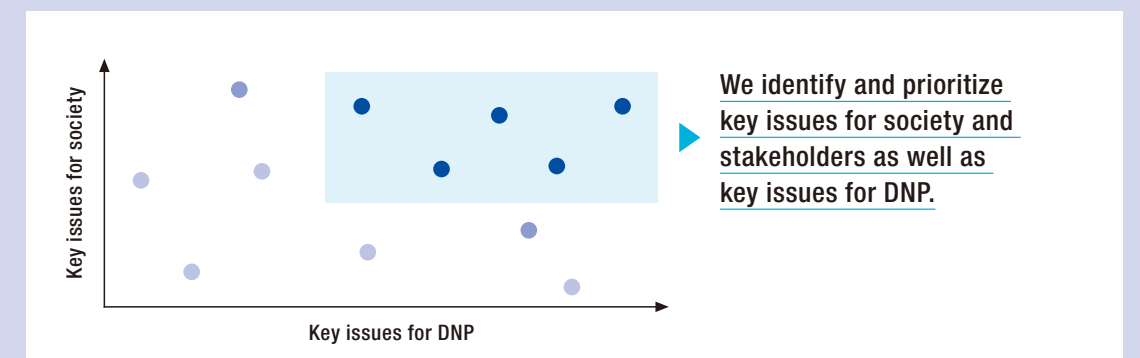
Process for identifying materiality



Identifying and analyzing risks (variables) closely associated with DNP's business activities



Prioritization of issues



DNP's Value Creation Process

DNP recognizes it has a mission of creating a better future in keeping with its corporate statement “Creating future standards.” To fulfill this mission, DNP will accurately identify and analyze changes and issues in the environment, society and economy, draw the shape of the future hoped for by people throughout the world and then continuously create indispensable value that exists as future standards.

The DNP Group operates a business model that utilizes inputs such as diverse management resources and appropriate and important information entrusted by domestic and overseas companies, organizations and consumers and delivers the value (outcome) that is created by the output of products and services to the most-suitable partners. By building on the achievements of this model and ensuring these continuously have a positive impact on the environment, society and economy, we will realize a sustainable, better society and well-being lives.

Risks & business opportunities/
Input/Management resources

Business Strategy/Business model/

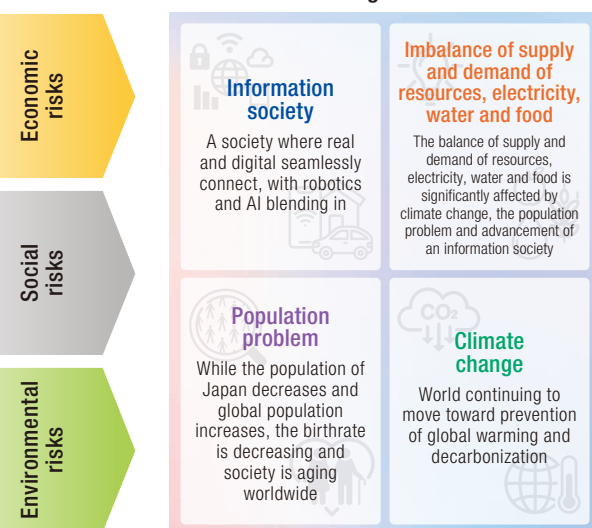
Output: products and services

Outcome
Value for people

Impact
Impact on the environment,
society and economy

Social issues that will be solved by DNP

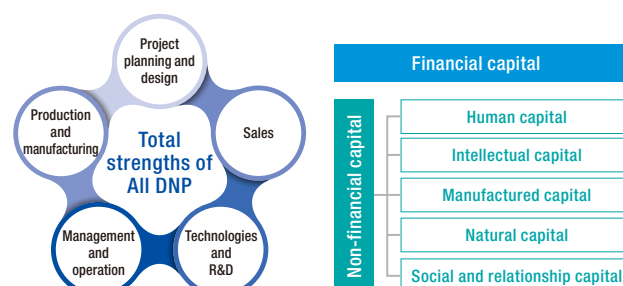
Social Issues & Megatrends



INPUT (management resources)

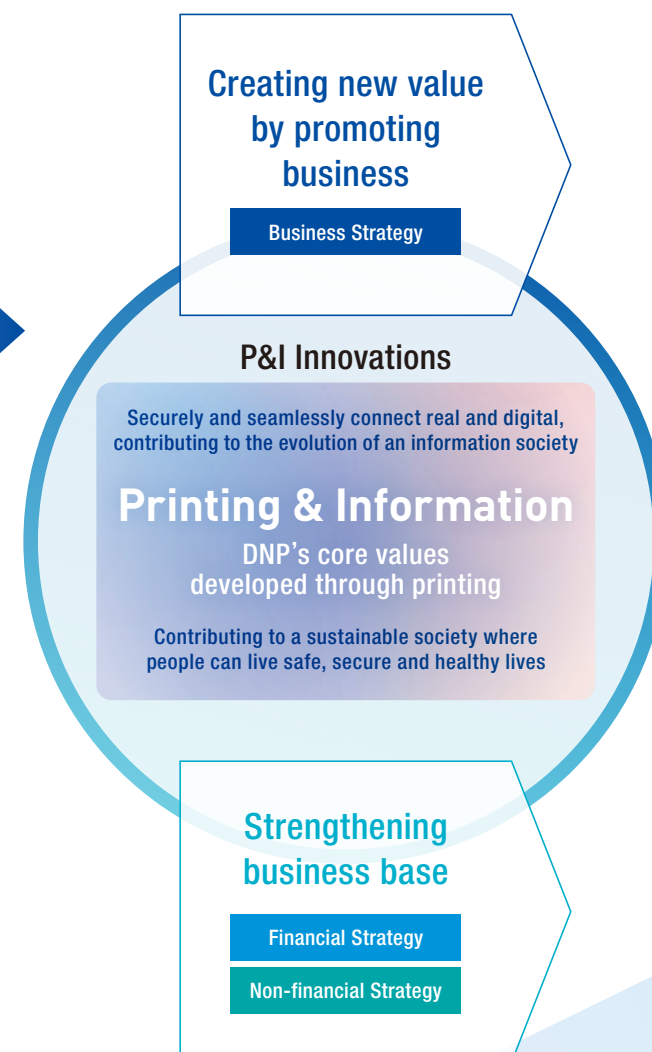
Utilize various types of content (text, images, video, audio) and confidential information and important information backed by the strong relationships of trust built with companies, organizations and consumers in Japan and overseas and our highly advanced information security infrastructure.

- Create new value by synergizing the DNP Group's diverse strengths and assets, which serve as our business base
- Integrated usage of financial capital and non-financial capital
- Generate funds for growth investment through corporate activities



Business model

The DNP Group aims to realize a sustainable society, and its corporate philosophy is to connect individuals and society and provide new value. Based on this philosophy, DNP will conduct business activities that create a better future with a long-term view in order to realize a sustainable, better society and well-being lives.



New value creation

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



The “better future” aimed for DNP

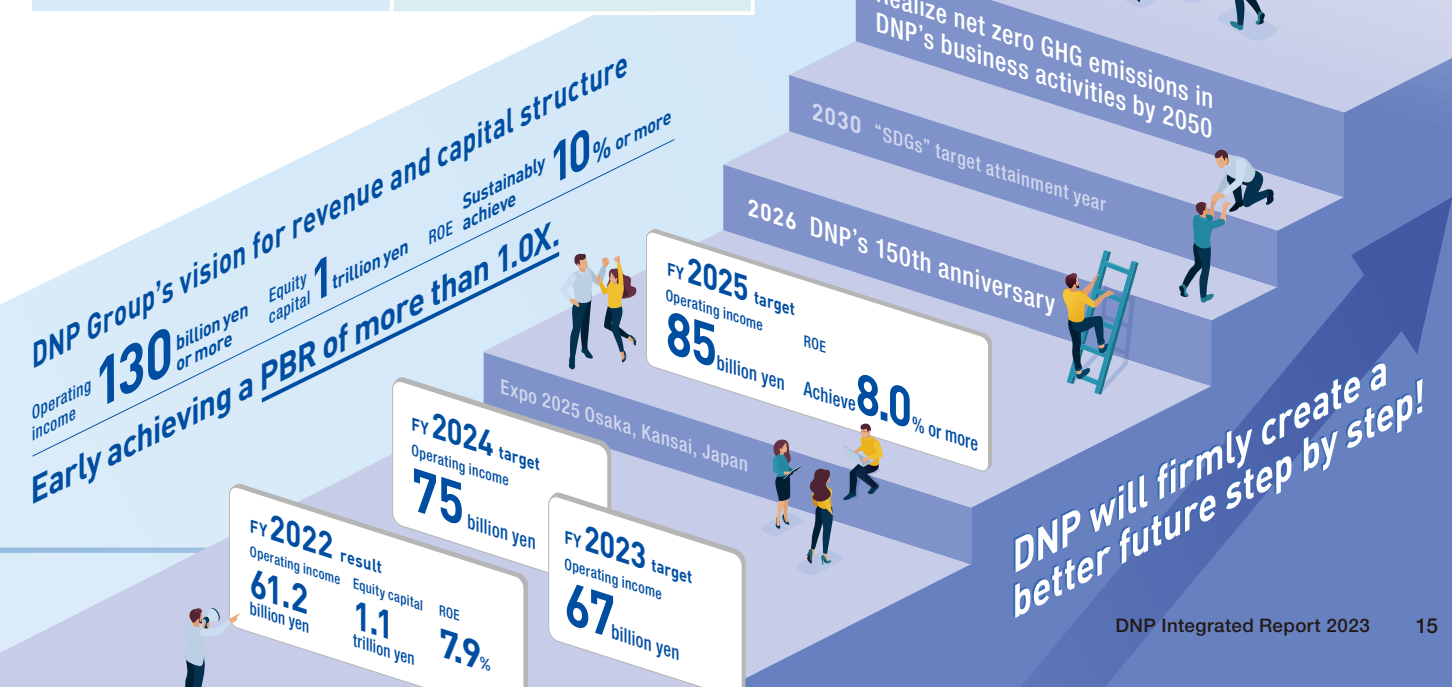
Brand Statement

Creating future standards

Well-being lives
Enriched lifestyle



Sustainability
Sustainable, better society



DNP's Strengths Beginning with Technologies

Creating new value by combining diverse strengths

We are constantly refining our most advanced technologies, such as microfabrication, precision coating and post-processing, based on printing processes, which is the basis of manufacturing, as well as planning and design, information processing, materials development and assessment and analysis. These in turn create synergies with our know-how in sales, planning, manufacturing, management and other practices, as well as with our partners' strengths, to create new value.

Especially for the promotion of DX, we will leverage DNP's hybrid strengths in both analog and digital technology, reality and

virtual reality, manufacturing and services. (See pages 54 and 55.)

We are also strengthening collaboration with diverse external partners to speed up value creation. There are endless such ways in which our strengths can be combined, and we will continue to pursue the many possibilities to achieve a better future.

DNP's unique strengths that it has advanced in both P&I (Printing & Information) are unmatched by any other company. By deploying the total strengths of All DNP, we will create unprecedented value that is indispensable to people and society.

① Strengths such as P&I technology



② Ability to create new value

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

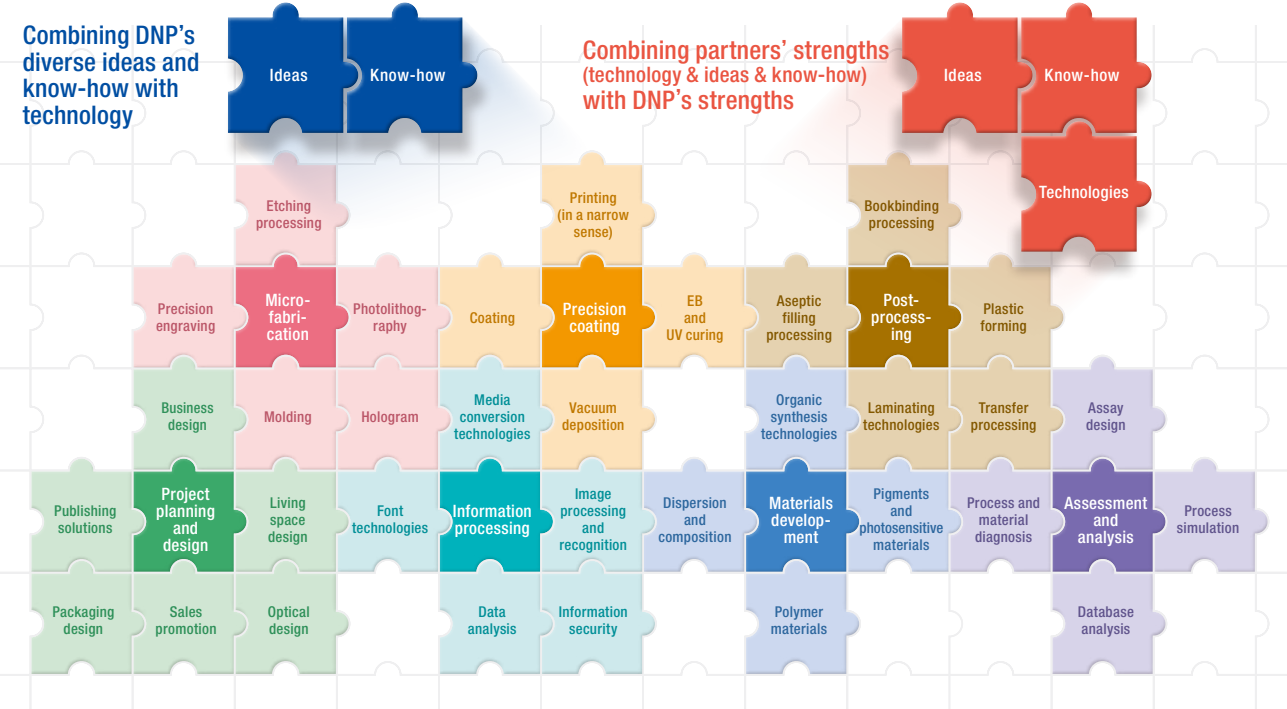


③ Foundation cultivated in the printing business

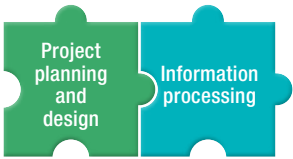
Highly functional products and services and relationships of trust with business partners and customers



✓ DNP's P&I technologies



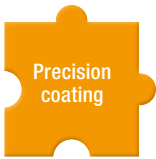
Technologies cultivated through printing processes



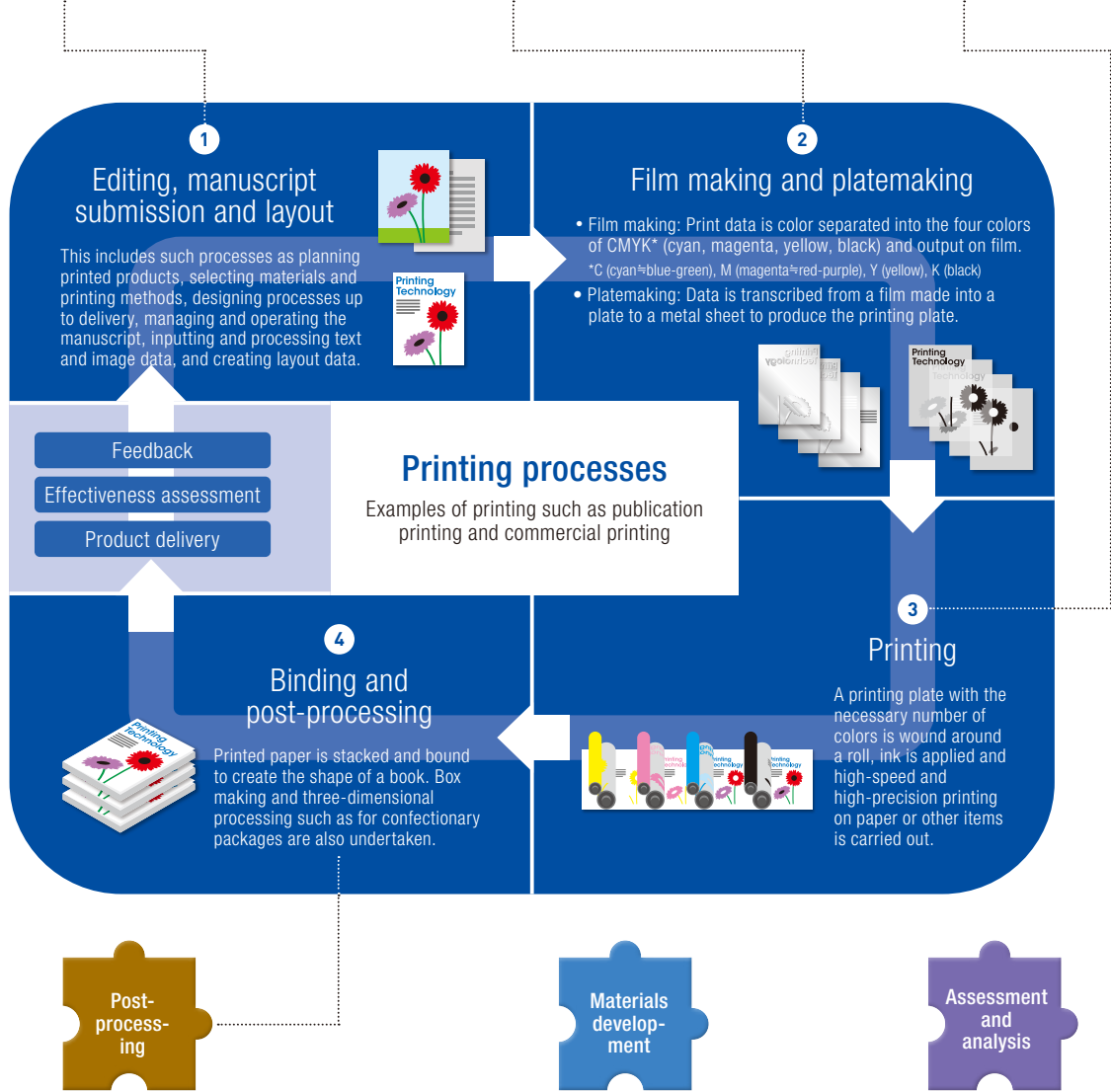
DNP plans and designs a process suited to the desired layout. DNP continuously handles large volumes of text, still images, videos, voice and other data and arranges data formats and color tones, and also undertakes processing and storage. DNP is raising its know-how for safely and properly handling large volumes of data as it expands into various types of important information processing and analysis and security technologies.



In the printing process, extremely minute processing is performed to ensure that halftone dots of printed ink are difficult to discern with the naked eye. We have further advanced this technology to enable microfabrication for such substrates as metals, glass and plastics. This technology is being applied in numerous leading-edge electronics products and in such fields as hologram anti-counterfeiting and security.



Precision coating is a technology that forms a coating film on materials with a variety of features, in either single or multilayers, in a homogenous and uniform manner on the surface of substrates such as paper as well as plastic film, metal and glass. A variety of functions that include optical and barrier properties and heat resistance can be added, giving this technology widespread applications in such areas as packaging and building materials, photographic print materials, battery materials and optical films.



Post-processing technologies are derived from various processes that follow printing, such as bookbinding. These technologies are applied to make printed products easy to use and suitable for the purpose of the finished product and are also outstanding for use in three-dimensional processing such as die cutting and assembly. These technologies have enabled the creation of packaging for such items as foods, beverages and daily necessities; the development of systems for the aseptic filling of contents; and the inspection, measurement and analysis of various products.

This technology, which works to synthesize, disperse and mix materials, is applied in the design and manufacture of materials such as ink, adhesives, photosensitive materials, coatings, etc. In order to maximize performance as the printing accuracy becomes sophisticated and products become highly functional and diversified, the development process begins with materials.

Through analysis of the manufacturing process, this technology boosts productivity, consistency of product quality, improvement of the work environment and more. Incorporating elements of theory in the latest sensing technology, we find mechanisms to identify the materials and processes impacting product quality, as well as to realize functionality and performance.

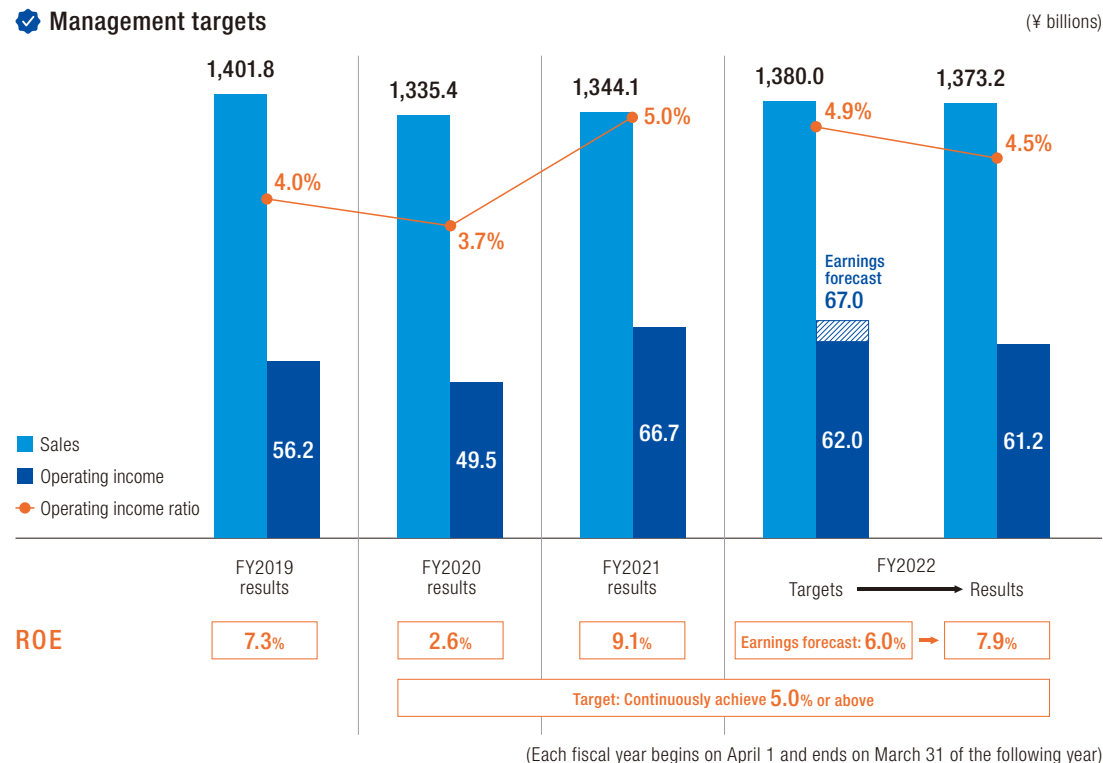
Reflecting on the Three-Year Plan (FY2020-FY2022)

Anticipating Change to Create New Value in Challenging Times

The Medium-term Management Plan spanning from fiscal 2020 to fiscal 2022 coincided with a period greatly impacted by the COVID-19 pandemic. Amid rapidly changing circumstances, we were compelled to respond promptly and effectively, and we focused on high-profitability and market-growth potential businesses, striving to expand our sales and profits.

In particular, during fiscal 2021, we achieved a 9.1% return on equity (ROE) thanks to improvements in the operating income margin. However, in 2022, geopolitical risks, such as the Ukraine conflict, emerged, leading to disruptions in the supply chain and causing raw material and energy prices to climb. As a result, while the ROE for the fiscal year ended March 2023 exceeded forecasts at 7.9%, operating income remained at 61.2 billion yen, down 8.3% year on year.

Management targets



In fiscal 2022, performance exceeded expectations in the imaging communication business, which benefited from an upward trend in the overseas photo printing market; metal masks for manufacturing organic light-emitting diode displays (OLEDs), which saw increased adoption in smartphones and other devices; and the semiconductors business, driven by robust demand from customers for product development.

Secure information products such as smart cards and Business Process Outsourcing (BPO), and industrial high-performance materials such as photovoltaic module components were mostly in line with initial forecasts.

On the other hand, battery pouches for lithium batteries, which were affected by the global slump in automobile production, mobility interior and exterior materials, and optical film-related businesses, impacted by extraordinary demand for IT equipment shown during the COVID-19 pandemic, fell short of initial forecasts.

The impact of raw material and energy price hikes was also significant, and we were not able to compensate for the full amount by passing on prices. As for operating income by segment, Information Communication and Lifestyle and Industrial Supplies fell short of forecasts, while Electronics was basically in line with expectations.

Create value primarily in growth areas

	(¥ billions)	FY2019 results	FY2022 earnings forecasts	FY2022 results	Overview of growth-driving and stable Businesses
Information Communication	Segment sales	773.0	710.0 → 720.2		Imaging communication Strong sales of photographic materials and services in Europe and Asia, in addition to the mainstay U.S. market
	Segment operating income	30.4	29.0 → 26.7		Secure information Smart cards used by financial institutions, "My Number" government issued ID cards, BPO, etc. increased
Lifestyle and Industrial Supplies	Segment sales	391.3	408.0 → 400.2		Battery pouches In addition to battery pouches for automotive use being affected by the reduction in automotive production until around the middle of the fiscal year, device demand also decreased for IT
	Segment operating income	11.1	12.0 → 7.3		Industrial high-performance materials Demand for photovoltaic module components increased
Electronics	Segment sales	186.6	212.0 → 203.5		Mobility interior and exterior materials Although reduced automotive production had an impact until the middle of the fiscal year, there was a recovery in the second half
	Segment operating income	34.1	47.0 → 46.9		Optical films A global slump in consumption and inventory adjustment throughout the entire supply chain had an impact
					Metal masks The increase in the rate of use of OLED displays in smartphones, etc. contributed
					Semiconductors Although the market was seen to slow down from the middle of the fiscal year, demand for product development by client companies was steady

* The arrows indicate comparisons with targets

DNP has continued to undertake all kinds of structural reforms to further expand our corporate value.

For example, we have decided to expand domestic and overseas production lines for battery pouches, domestic production lines for barrier films and eco-friendly packaging materials, and production lines for large-size metal masks, which are scheduled to start operation in the first half of fiscal 2024 and ultra-wide surface materials for optical films, which are scheduled to start operation in the first half of fiscal 2025. Our goal is to further expand business. On the other hand, we proceeded as planned with the downsizing of our paper media production bases in Japan and overseas, the integration of bases in the Kansai region of our packaging business, and the closure and sale of our Himeji plant for color filters. These moves were in response to persistently challenging businesses.

We have also implemented a variety of measures to expand our value, particularly in our focus businesses, including mergers and acquisitions (M&A), capital and business alliances and the launch of operating companies.

Increase value using all available restructuring approaches

	Reorganization of operating bases and business downsizing	Expansion measures
Information Communication	Downsizing paper media production bases <ul style="list-style-type: none"> Closure and sale of overseas site (Singapore) Consolidation of domestic manufacturing sites (closure of Akabane area in Tokyo, etc.) Consolidation of functions of preprocessing divisions (pre-press) 	Expanding data distribution-related business <ul style="list-style-type: none"> Establishment of NTT EDX Expanding the imaging communication business <ul style="list-style-type: none"> Conversion of Sharing Box into a Group company Acquisition of Color Vision International Strengthening of BPO service business <ul style="list-style-type: none"> Establishment of DNP CoArise Entry into XR communication business <ul style="list-style-type: none"> Promotion of external collaboration and investment
Lifestyle and Industrial Supplies	Reviewing low value-added products and restructuring business locations <ul style="list-style-type: none"> Integration of sites in the packaging-related business (Kansai area) (Closure of Uzumasa Plant in Kyoto, consolidation into Kyotanabe Plant) 	Expanding production lines for barrier films, eco-friendly packaging materials, etc. <ul style="list-style-type: none"> Installation of barrier film production line at Tobata Plant (Fukuoka Prefecture) Expanding production lines for lithium-ion battery pouches <ul style="list-style-type: none"> Installation of production line at Tsuruse Plant (Saitama Prefecture) Installation of post-process line in Europe (Denmark Plant), with operation scheduled to start in FY2023 Consider planning the strengthening of production capacity inside and outside Japan including Europe and the US
Electronics	Downsizing color filter business <ul style="list-style-type: none"> Closure and sale of Himeji Plant (Hyogo Prefecture) 	Expand optical film production lines <ul style="list-style-type: none"> Installation of new large metal mask production line at Kurosaki Plant (Fukuoka Prefecture), with operation scheduled to start in the first half of FY2024 Installation of ultra-wide surfacing material production line at Mihara West Plant (Hiroshima Prefecture), with operation scheduled to start in the first half of FY2025 Investing in electronic devices business <ul style="list-style-type: none"> Increase of capital investment in photomasks and lead frames Capital and operating alliance with SCIVAX in nano-imprinting

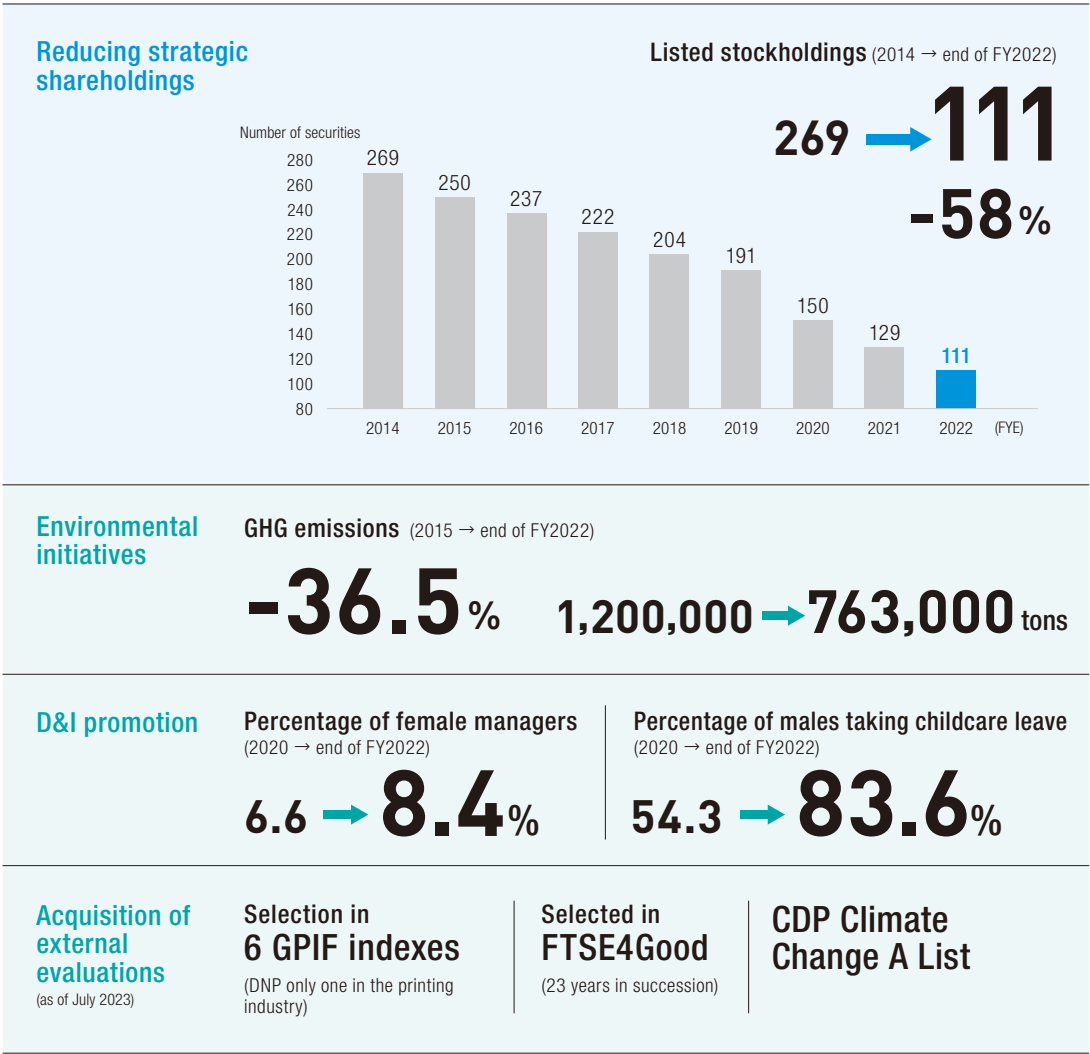
We have also continued to focus on strengthening business infrastructure underpinning growth.

For example, in terms of financial capital, before Japan’s Corporate Governance Code was applied in 2015, there were 269 strategic shareholdings at the end of fiscal 2014, but by the end of fiscal 2022, there were 111, a reduction of nearly 60%.

In the non-financial capital related area, we have set a goal of reducing greenhouse gas (GHG) emissions by 40% in 2030 compared to 2015 levels in order to be carbon neutral by 2050, and already achieved a 36.5% reduction by the end of fiscal 2022. With regard to diversity and inclusion, which leverages the diversity of our employees as one of our strengths, we have increased the percentage of female managers from 6.6% to 8.4% and the percentage of male employees taking childcare leave from 54.3% to 83.6% in the past three years.

Our efforts are highly regarded by society. We are the only company in the industry to be selected as a component of all six environmental, social and governance (ESG) investments made by the Government Pension Investment Fund (GPIF) and have been included in the FTSE4Good, the world’s most prestigious socially responsible investment index, for 23 consecutive years (as of July 2023). In recognition of our efforts to combat climate change, we were certified as an “A List Company” by CDP, and in recognition of our supplier engagement efforts, we have been selected for the fourth consecutive year to the highest-rated Leader Board in CDP’s Supplier Engagement Assessment.

Strengthen business infrastructure to support growth



Business Strategy

Medium-term Management Plan (FY2023-2025)

Accelerating Value Creation through the Development of a Strong Business Portfolio

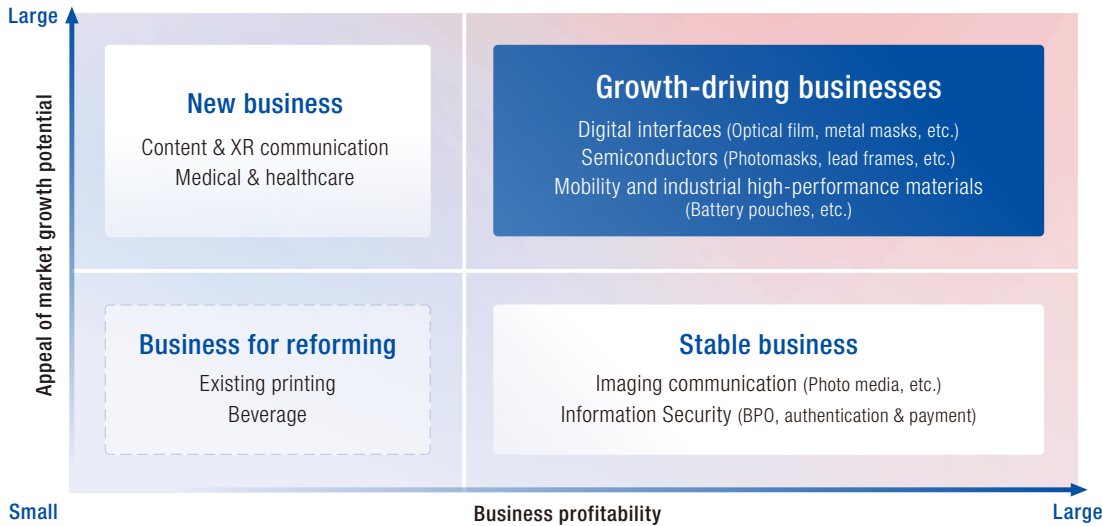
Mitsuru Tsuchiya, Senior Executive Corporate Officer

We, the DNP Group, are engaged in business activities to create a better future based on our corporate philosophy and in line with our Basic Management Policy. Within this context, our Medium-term Management Plan for fiscal 2023 to fiscal 2025 places a strong emphasis on building a business portfolio that can leverage our strengths over the medium to long term, as a major pillar of our Business Strategy.

In this renewed approach, we have restructured DNP’s businesses into four categories: “growth-driving businesses,” “new business,” “stable business” and “business for reforming,” based on the two axes of growth potential/attractiveness of the market, and business profitability. By implementing optimal strategies for each of these business areas, we aim to enhance the Group’s corporate value.

Figure 1: Business Strategy: Medium- to Long-term business portfolio

We will promote concentrated investment and business structure transformation in focus business areas made up of growth-driving and new businesses, and aim to generate further profits from our business activities. We also execute the No.1 strategy through the evolution and cultivation of core technologies, M&A and co-creation with partners.



As of the beginning of fiscal 2023, we reorganized our business segments to clarify business domains and strategies and to accelerate the execution of targeted initiatives. The former Information Communication segment has been renamed the Smart Communication segment and the Lifestyle and Industrial Supplies segment has been renamed the Life & Healthcare segment. In addition, the Beverages business has

been transferred to the Life & Healthcare segment, enhancing its contribution to comfortable living. As part of this restructuring, the Beverages segment itself has been discontinued. Figure 3 illustrates the relationship between these newly configured business segments (Figure 2) and our overall business portfolio.

Figure 2: Business segment reorganization and renaming (from the beginning of FY2023)

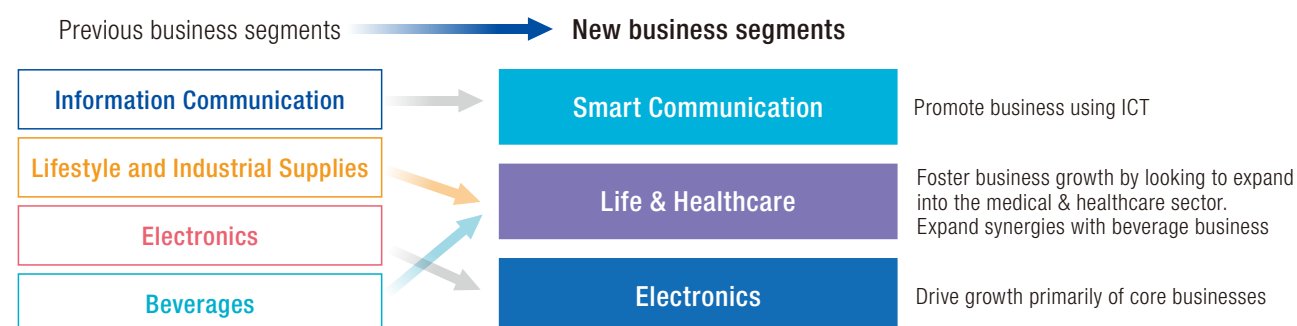
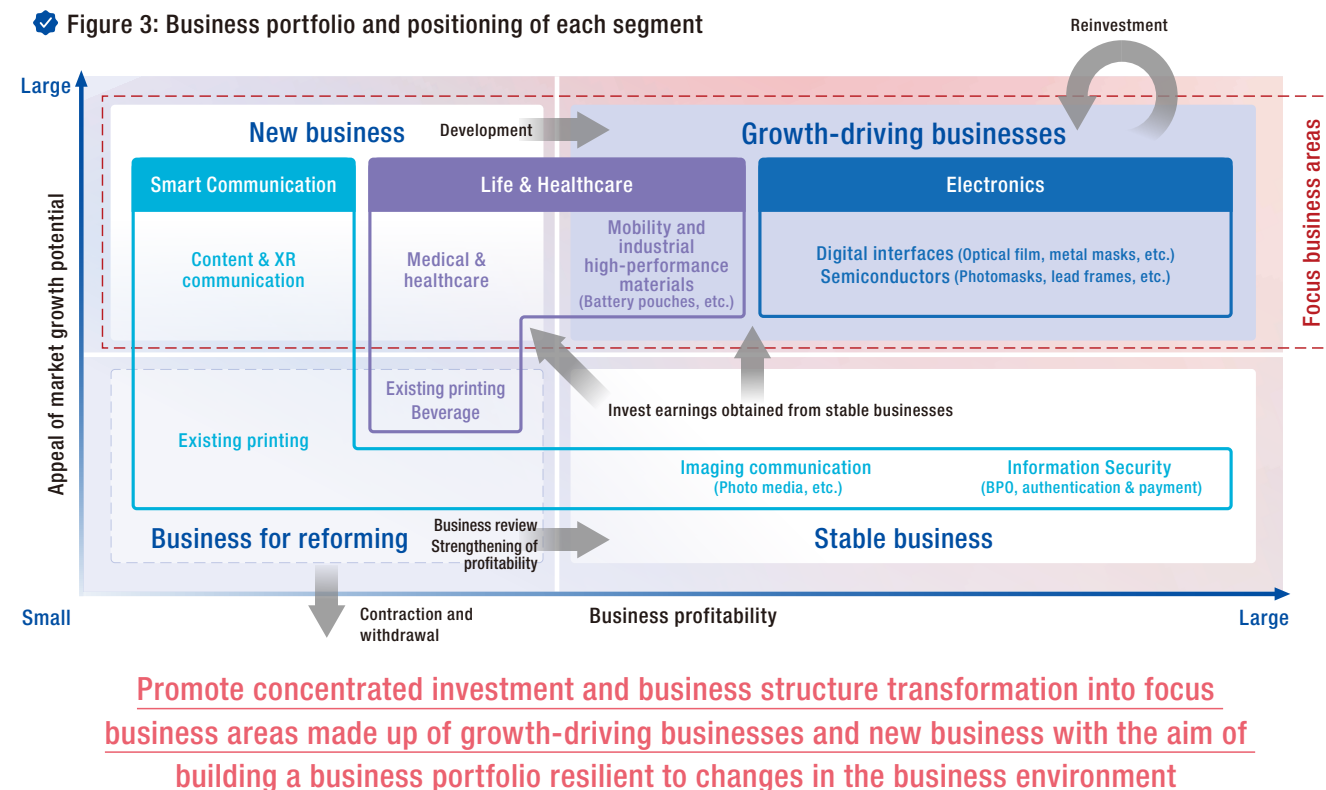


Figure 3: Business portfolio and positioning of each segment



We have positioned three businesses within the growth-driving businesses in the upper right quadrant of Figure 3. The digital interface business encompasses products such as optical film for displays, boasting the world's top market share and metal masks for manufacturing OLEDs. The semiconductor business includes items such as photomasks for semiconductor production and lead frames, both part of the Electronics segment. Additionally, in the Life & Healthcare segment, the mobility and industrial high-performance materials business is also positioned as a

growth-driving business. We will further expand this business, particularly focusing on battery pouches for lithium-ion batteries, which have the world's top market share in applications for mobile devices and electric vehicles (EVs).

In the medical & healthcare business of the Life & Healthcare segment, one of the upper-left quadrant showing new businesses, we have plans to expand the pharmaceutical support business, which includes active pharmaceutical ingredient manufacturing, formulation and medical packaging.

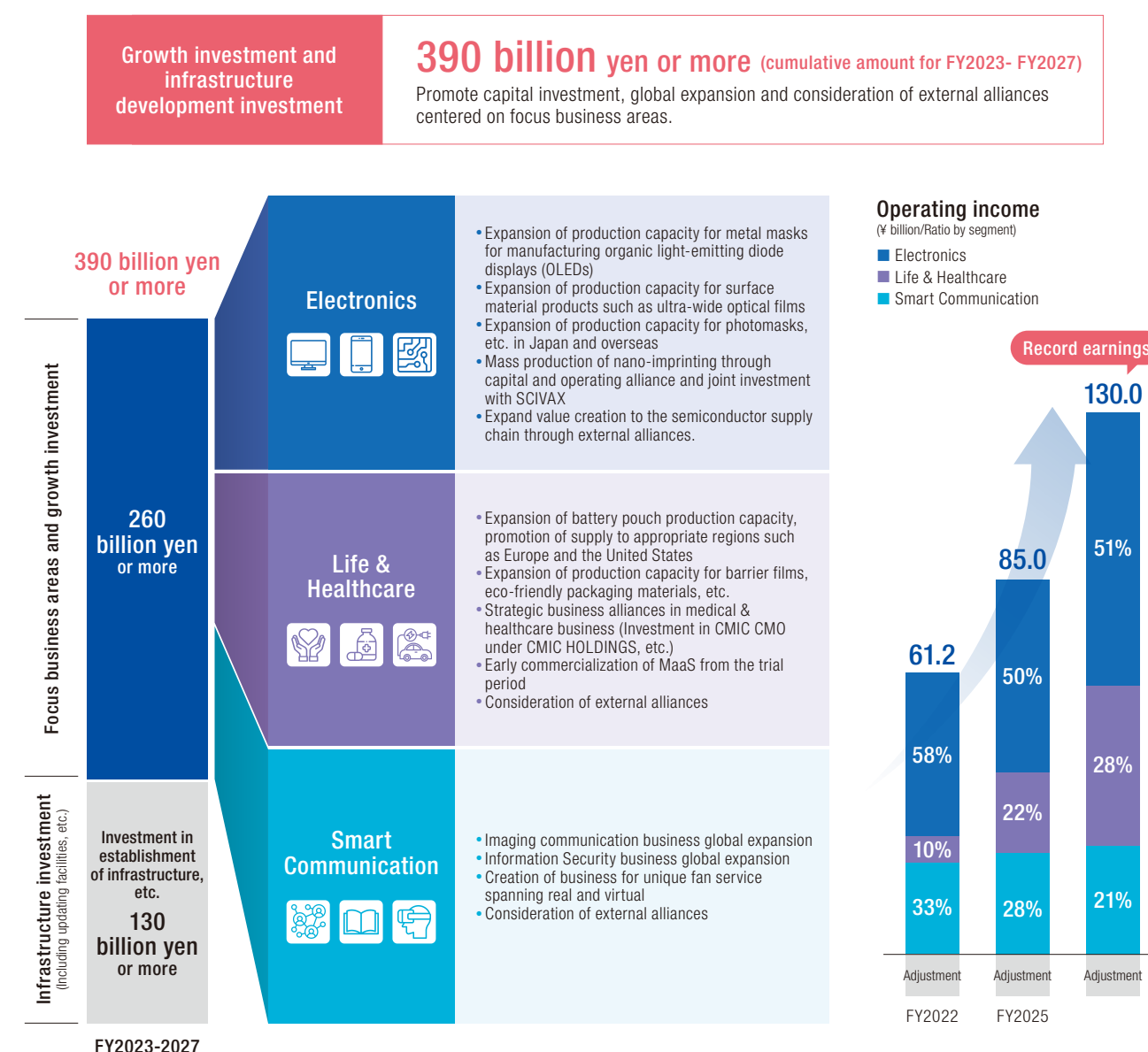
Similarly, we will focus on the smart healthcare business, including image diagnostics and online healthcare services, as part of the medical & healthcare business in the Life & Healthcare segment. In addition, in the Smart Communication segment, the content & XR communication business will leverage connections with diverse intellectual property (IP) holders worldwide and make efforts in digital transformation (DX) utilizing artificial intelligence (AI) and advanced information security technologies to contribute to the evolution of the information society. These growth-driving businesses and new businesses together form the focus business areas in our new Mid-term Management Plan.

The stable businesses featured in the lower-right quadrant are critical in that they consistently generate cash flows over an extended period. These encompass the global deployment of products and services related to photo printing in the imaging communication business, as well as Information Security businesses in such areas as Business Process

Outsourcing (BPO), smart card services and authentication and payment services. We will continue to invest in these stable businesses with a focus on enhancing efficiency, while carefully balancing capital allocation and cash generation.

The quadrant dedicated to business reforming in the lower left primarily includes the existing printing and beverage businesses, which are currently less profitable, primarily within the Smart Communication and Life & Healthcare segments. We are actively working on initiatives to boost profitability, which includes adapting supply capabilities and optimizing facilities in response to evolving market conditions. In addition, we will leverage products and services with unique strengths, such as the aseptic filling systems for PET bottles and products for interior and exterior decoration for residential and non-residential use, both of which command leading share in Japan. These will be restructured through globalization efforts and boosting synergies with other businesses.

Figure 4: Overview of business investment and operating income targets by segment



We plan to invest 390 billion yen or more over five years from fiscal 2023 to fiscal 2027 to advance our business strategy. Of this, we will invest 260 billion yen or more in the five businesses designated as focus business areas to drive growth. In addition, we will expand the production capacity of our major products, which have achieved top market shares both domestically and internationally. We will also promote alliances with diverse external partners and enhance the global expansion of each business, accelerating our growth. Further, we will invest 130 billion yen or more in building and maintaining our business foundations, including updating

production facilities. For details on our key initiatives, please refer to Figure 4.

Regarding the balance among the three segments, as shown in the graph on the right in Figure 4, we anticipate approximately 50% of operating income to come from Electronics, 30% from Life & Healthcare and 20% from Smart Communication. Excluding adjustments, such as collaborative projects between segments, we aim to achieve our target operating income of 85 billion yen in fiscal 2025 and the subsequent goal of 130 billion yen or more.

Figure 5: Reinforce business foundations through business structure reform

	Strengthening measures	Expansion measures
Smart Communication	<div>Rationalization of paper media business</div>	<div>Expansion of photo imaging business into emerging markets</div> <div>Expansion of authentication security business</div> <div>Expansion of BPO service business</div> <div>Global expansion of content & XR communication business</div>
Life & Healthcare	<div>Reviewing low value-added products and restructuring business locations</div> <div>Reorganization of locations in packaging-related business</div>	<div>Expansion of production capacity for lithium-ion battery pouches</div> <div>Expansion of production capacity for barrier films, eco-friendly packaging materials, etc.</div> <div>Global collaboration for barrier films</div> <div>Maximization of medical & healthcare-related synergies</div>
Electronics	<div>Automation and productivity improvement</div>	<div>Expansion of production capacity for metal masks for manufacturing organic light-emitting diode displays (OLEDs)</div> <div>Expansion of production capacity for surface material products such as optical films</div> <div>Expansion of production capacity for photomasks, etc.</div> <div>Expansion of value provision to semiconductor supply chain</div>

The DNP Group is committed to strengthening our business foundation for creating new value, we achieve this through the continued advancement of both our financial and non-financial strategies, alongside various structural reforms within the scope of our business strategy. Our concrete

actions for sustainable growth include optimizing our locations and systems in alignment with market trends and business scale across all segments and reallocating resources from contracting divisions to areas with growth potential.



Financial Strategy

Medium-term Management Plan (FY2023-2025)

Generate capital for growth investments and strengthen financial foundations through shareholder returns

Masafumi Kuroyanagi, Managing Director

To ensure a better future and sustain long-term value creation, DNP is committed to continuously strengthening the management foundations underpinning our business operations. We strive to practice integrated management that

combines the strengths of financial and non-financial capital to achieve this goal. Specifically, our financial strategy is articulated within our basic management policy as follows (see Figure 1).

Figure 1: Financial Strategy presented as a Basic Management Policy

Financial Strategy

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

Through our financial strategy, we aim to generate 750 billion yen or more in cash over the five-year period from fiscal 2023 to fiscal 2027. Subsequently, we intend to distribute this cash strategically to facilitate ongoing business expansion and enhance shareholder returns (see Figures 2 and 3).

We aim to generate operating cash flow of 440 billion yen or more, serving as the foundation for growth investments. We will actively invest in focus business areas and enhance efficiency in existing businesses to achieve this goal. We maintain an ongoing assessment of our strategic shareholdings, considering factors such as their overall impact, trading performance and prospects. Our strategy

entails executing the required divestments of strategic shareholdings to generate 220 billion yen in cash and reduce their share to below 10% of net assets. In addition, we will accelerate the divestment of idle assets and explore appropriate funding methods, including the utilization of interest-bearing debt, to optimize financial leverage and funding efficiency, ultimately leading to the generation of 90 billion yen or more in cash.

Regarding strategic shareholdings, we conducted a tender offer for a portion of our common shares in Recruit Holdings Co., Ltd., resulting in the sale of a stake valued at 60.8 billion yen. This achievement signifies that we have

already made substantial progress, nearing 30% of our goal to sell 220 billion yen worth of strategic shareholdings over the next five years.

As part of our cash allocation strategy, we plan to invest 390 billion yen or more of cash generated through measures such as maximizing fund efficiency over the course of five years in business growth and infrastructure development. At least 260 billion yen of this will be allocated specifically to our focus business areas, further accelerating our expansion,

and securing a further competitive edge in global markets. Additionally, in line with our cash allocation strategy, we will actively pursue shareholder returns.

The DNP Group believes that to enhance the sustainability of its corporate activities and provide long-term value to society and individuals, it is important to maintain financial stability while directing cash towards growth investments and actively distributing it to shareholders.

Based on these considerations, one of the measures DNP is planning to achieve its earnings and capital structure goals is to acquire approximately 300 billion yen worth of treasury shares over the five-year period from fiscal 2023 to fiscal 2027. As the first round of this plan, we will acquire treasury shares valued at 100 billion yen by March 2024, over the course of about one year. As shown in Figure 4, we continuously strive to maximize shareholder value and regularly carry out share repurchases, with this round being

the largest in scale to date.

In addition to the share acquisition program, we also cancelled 25 million shares, equivalent to around 8% of the issued shares, as of March 20, 2023. Regarding our holdings of treasury shares, we will continue to evaluate options such as further cancellations or potential utilization for activities such as M&A, taking into consideration both domestic and international market conditions and the overall status of DNP's business.

Figure 2: Financial Strategy: Cash allocation

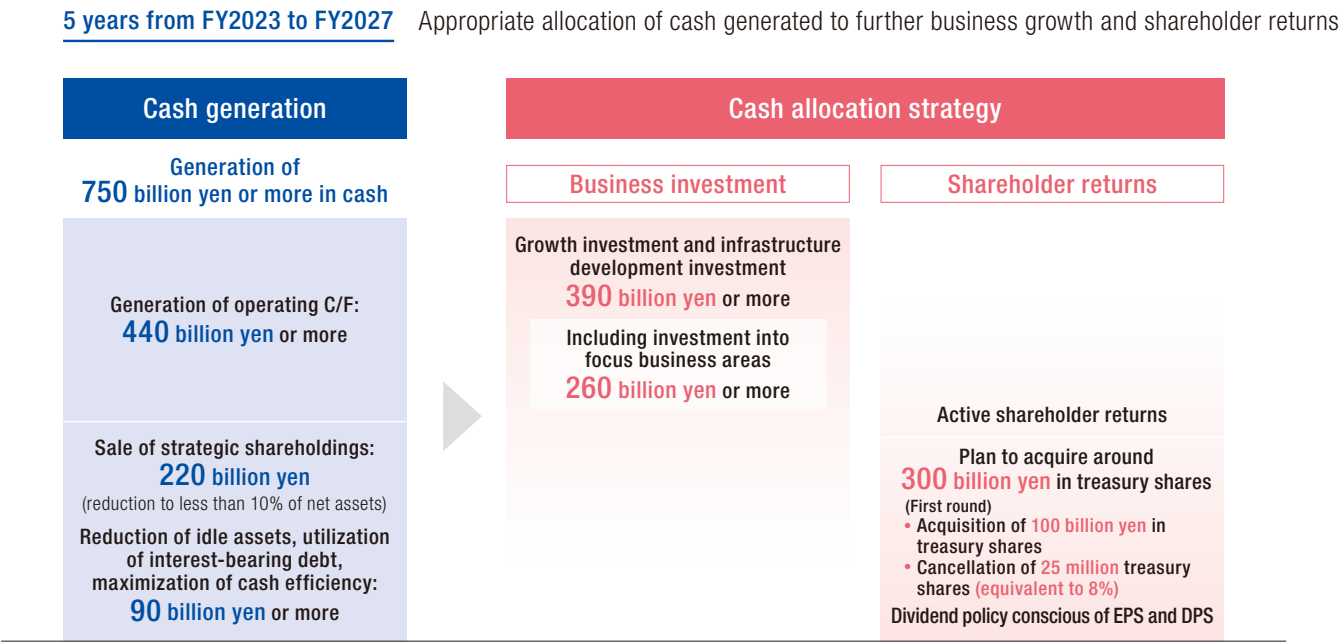
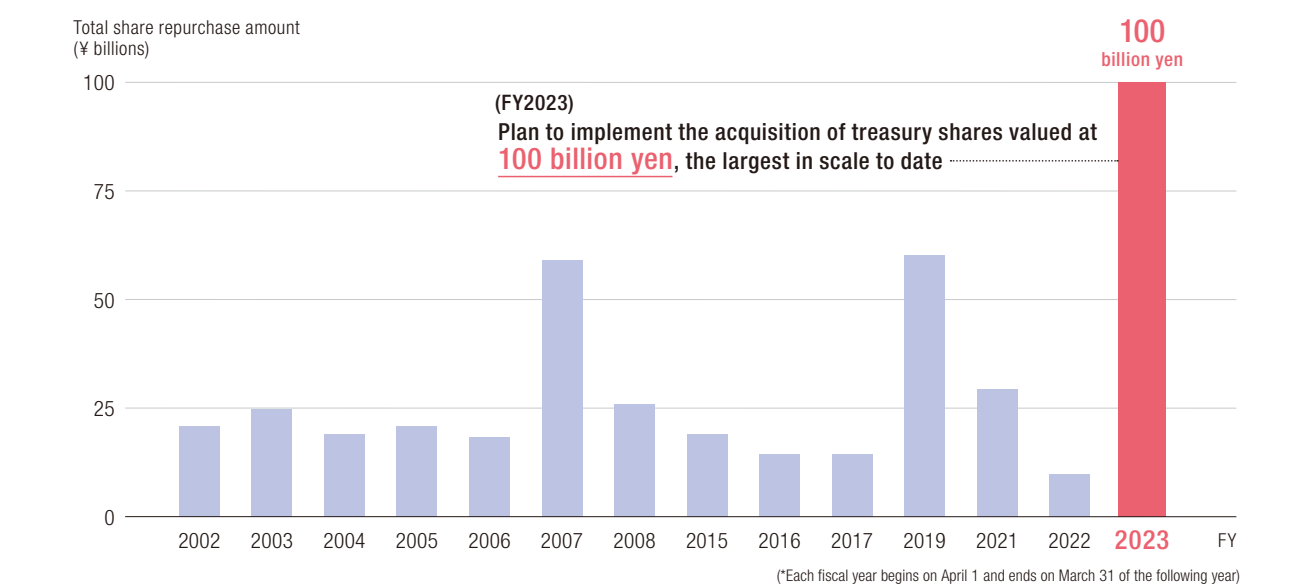


Figure 3: Financial Strategy: Priority measures

Cash generation	Stable generation of operating CF	• Create 440 billion yen or more in operating cash flow over five years providing the source for growth investment by promoting concentrated investment in focus business areas and promoting business structure reform.
	Reduction of strategic shareholdings and idle assets	• Generate 220 billion yen in cash through the sale of strategic shareholdings and reduce them to less than 10% of net assets. • Improve asset efficiency by reducing idle assets.
	Utilization of financial leverage	• Consider appropriate funding methods including the utilization of interest-bearing debt.
Cash allocation strategy	Investment in focus business areas and investment aimed at the creation of management base	• Invest 390 billion yen or more over 5 years in business investment using cash generated through the maximization of capital efficiency. Of this, invest 260 billion yen or more in focus business areas.
	Reduction of equity capital aimed at creation of optimal capital structure	• Plan to acquire a total of around 300 billion yen in treasury shares. Implement the first round of acquisition of treasury shares valued at 100 billion yen. • Cancel 25 million treasury shares (equivalent to 8%) • Consider treasury shares held, including cancellation and utilization in M&A based on future conditions.
	Balancing of financial stability and optimal capital allocation	• Stably maintain finances for sustained corporate activity, and actively allocate cash generated through maximization of capital efficiency to shareholder returns. • Execute shareholder return policy, taking into consideration earnings per share (EPS) and dividend per share (DPS).

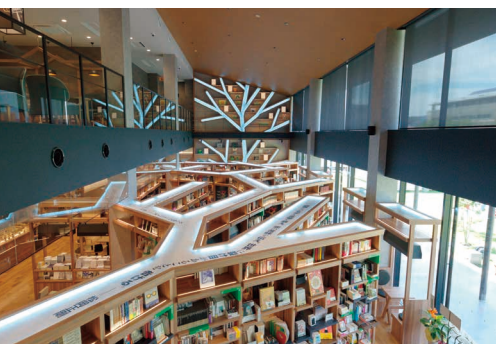
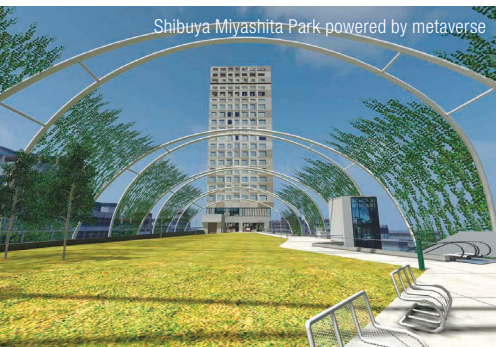
Figure 4: Acquisitions of treasury shares (FY2002-2023*)



In our shareholder return policy, we intend to actively distribute profits in consideration of earnings per share (EPS) and dividends per share (DPS).

We will continue to diligently execute the key initiatives of our financial strategy while firmly making growth investments to consistently create new value.

Smart Communication



Major products and services

Smart Communication



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

The main businesses of the Smart Communication segment include imaging communication, where we boast the top global market share in dye-sublimation thermal transfer printing media; Information Security, where we offer solutions such as Business Process Outsourcing (BPO) and authentication security; content and XR communication, a new area; and other domains such as marketing, publishing and education.

In this segment, we promote collaboration and service development with domestic and overseas companies by leveraging the expertise we have cultivated through our BPO business, such as the ability to securely distribute large volumes of data and integrate and optimize complicated and extensive business processes in addition to high-definition image processing technology.

Basic strategy

- ▶ Efficient investment with a view to balancing invested capital and cash generation
- ▶ Consider utilizing core values for collaboration and service development with companies inside and outside Japan
- ▶ Rationalization of locations and systems according to market trends and business size

KPI (FY2025)

- ▶ Sales **726 billion yen** (101% compared to FY2022)
- ▶ Operating income **31 billion yen** (116% compared to FY2022)

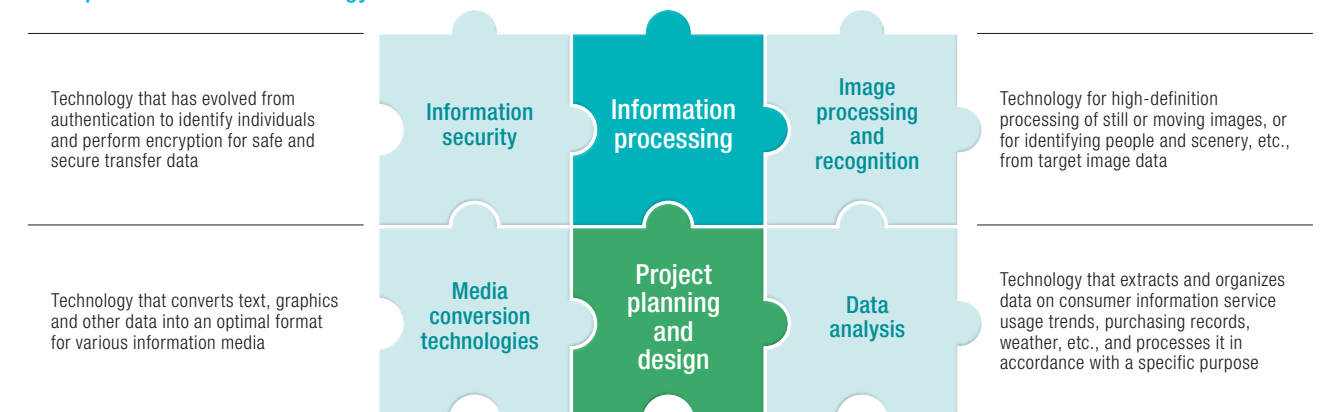
Action

- ▶ Consider investment in global expansion of imaging communication and Information Security
- ▶ Rationalization of paper media business

DNP's strengths

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

Examples of our core technology



We aim to generate maximum returns on invested capital through efficient and effective investments. In terms of expansion investments, we will explore investments to drive global expansion in areas such as Information Security, where market growth is expected, and imaging communication, where the market is robust.

At the same time, with respect to paper printed materials, which continue to decline, we will continue to promote rationalization of the paper media business through structural reforms such as reevaluating production processes and reallocating resources.

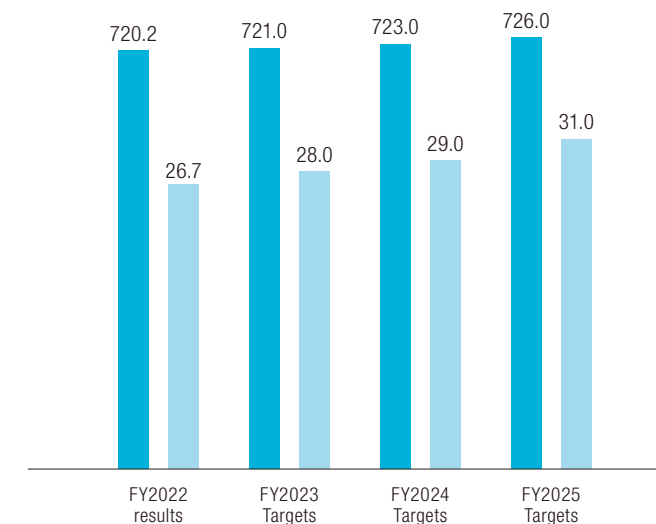
In this segment, in fiscal 2022, sales amounted to 720.2 billion yen and operating income was 26.7 billion yen. In fiscal 2025, we will aim for sales of 726 billion yen and operating income of 31 billion yen.

Sales and operating income targets

(¥ billion)

■ Sales

■ Operating income



Market environment

Japanese BPO market	2022 → 2026 4.6 → 5 trillion yen
Global market for digital ID solutions	2021 → 2030 CAGR 17%
Global sublimation transfer photo media market	2023 → 2026 CAGR 2%
Global metaverse-related market	2030 \$ 678.8 billion

*CAGR = Compound Annual Growth Rate

Focus business area strategy

New business

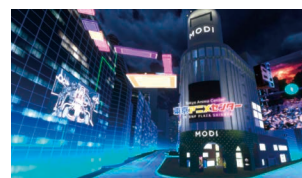
Content & XR communication

One of DNP's strengths is our worldwide network of diverse content holders and creators. We also have a track record in high-definition image processing technology and complex copyright processing developed in the archiving business and Information Security business, and the capability to distribute large volumes of data in the real world and digitally while securely authenticating individuals and information, and to integrate and optimize business processes.

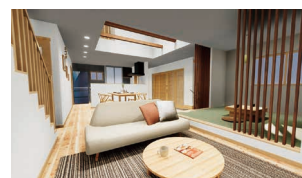
Building upon these strengths, we aim to seamlessly and securely bridge the real and virtual worlds, contributing to the advancement of the information society. The global metaverse-related market is expected to continue expanding significantly, and DNP is actively pursuing the expansion of this as a new business. In this field, we aim to approximately double our fiscal 2022 sales in fiscal 2025.



"Virtual Akihabara," a fusion of real and virtual spaces



Tokyo Anime Center
© The Association of Japanese Animations (AJA).
© Dai Nippon Printing Co., Ltd.



DNP Virtual Experience
VR presentation gateway
Data provided by Anshin Project Japan Inc.

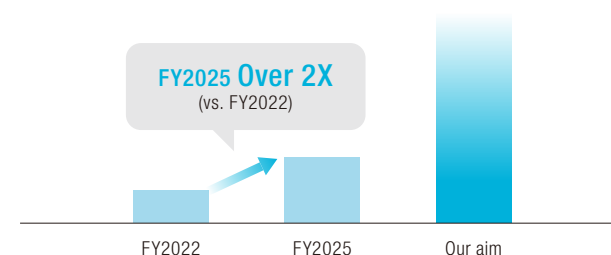
Business strategy / Investment plan

- ▶ Early creation of unique fan service business spanning real and digital worlds by utilizing Tokyo Anime Center and Web3 for fans of IP holders*
- ▶ Creation of business supporting both real and virtual corporate activities including authentication security technology, AI-based DX services and BPO
- ▶ Creation of a business providing new customer experience value leading to cultural and regional development based on the accomplishments by digitally archiving over 100,000 artworks with art museums, galleries and cultural facilities, etc. in Japan and overseas

* IP holder: A person or group who owns a variety of content (intellectual property) such as games and anime

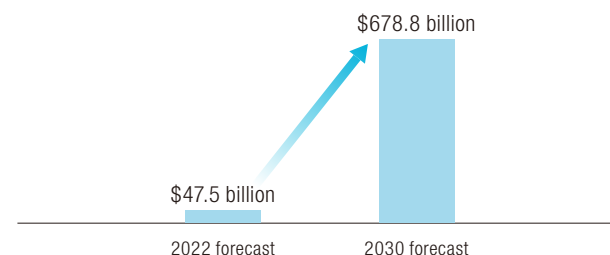
Sales plan

Growth rate indexed against FY2022 as 100



Outlook for global metaverse-related market

* Prepared by DNP based on WHITE PAPER Information and Communications in Japan (Ministry of Internal Affairs and Communications)



TOPIC

"Midokoro walk®" interactive content system

DNP has created more than 100 interactive systems since launching the DNP Museum Lab initiative in 2006, with the goal of delivering cutting-edge viewing experiences. The "Midokoro Series" represents a range of systems developed by drawing upon the accumulated technologies and expertise, envisioning diverse experiential scenarios rooted in culture and the arts.

One of these systems, "Midokoro walk®," harnesses "cross-modal perception," when two or more senses interact with each other. DNP provides new cultural experiences by creating the feeling of walking through a virtual environment using virtual reality (VR) such as the Mazarin Gallery in the Richelieu site of Bibliothèque nationale de France.

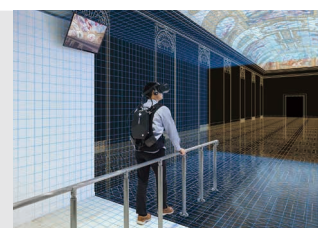


Image of a VR experience using "Midokoro walk®" at the Mazarin Gallery
©DNP Dai Nippon Printing Co., Ltd. 2021,
with the courtesy of the Bibliothèque nationale de France.

Promoting stable business

Imaging communication

Sublimation transfer photo media products and service creation

DNP has achieved the world's leading market share with dye-sublimation thermal transfer printing media developed based on printing technologies such as coating. As the way people enjoy photography evolves with the times, DNP leverages these products and various services, particularly in the realm of photo printing, to develop the photo imaging business. In recent years, driven by the widespread use of smartphones and social media, consumer needs have expanded beyond printed photos to experiences. In response, DNP offers a wide range of services, from photography and processing to print sales, as well as cloud-based image sales and services, all while prioritizing data security and privacy protection with a high-security infrastructure and system.



Dye-sublimation thermal transfer printing media

TOPIC

Promoting digital transformation and accelerating the rollout of new photo services

DNP has established a network of "Ki-Re-i" ID photo printing machines across Japan, enabling electronic application processes for various official certificates and qualifications. We are also expanding the application, for example by providing a service for collating and using profile photos taken by a "Ki-Re-i" to create employee ID cards. Moreover, we aim to provide consumers in Japan and abroad with a range of services that enhance the photography experience at theme parks, events and other venues.



Photo-related service solutions



Information Security

Business Process Outsourcing (BPO)

In the past, DNP has contributed to the BPO business with support 24/7. Now, we are deploying the latest technologies to expand this business using artificial intelligence (AI) and RPA*, from both domestic and international locations. Our services are designed to help companies and organizations address their business challenges swiftly and efficiently, tackling pressing social concerns such as labor shortages and the need for workstyle reforms through business process reengineering.

* Robotic Process Automation (RPA): Business automation using robots (software) that utilize AI



Authentication and security technology

We offer advanced authentication technology, system infrastructures, smart card manufacturing and payment services with a leading market share in Japan. We also provide physical security solutions such as security gates and surveillance cameras for offices, factories and other locations. Our services encompass sensitive information and physical security solutions, utilizing digital authentication methods for object authentication and facial recognition for personal authentication, ensuring enhanced security and convenience in daily life.



Business Strategy by Segment

Life & Healthcare



Major products and services

Life & Healthcare

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

The main businesses of the Life & Healthcare segment include the mobility and industrial high-performance materials business represented by the world's top share of battery pouches for lithium-ion batteries and mobility interior and exterior decorative materials; the medical & healthcare business, which encompasses bulk pharmaceutical manufacturing and medical packaging; and the packaging, living spaces and beverages businesses, which encompass aseptic filling systems for PET bottles and products for household interior and exterior decoration.

In this segment, we will invest in manufacturing facilities for battery pouches for lithium-ion batteries and in focus businesses centered on medical and healthcare business and promote investment in the global expansion of existing packaging and living spaces businesses.

Basic strategy

- ▶ Expand business through large-scale capital investment centered on battery pouches
- ▶ Investment in growth areas centered on medical & healthcare and global
- ▶ Consider utilizing core values for development of new products, and for collaboration and service development with companies inside and outside Japan

KPI (FY2025)

- ▶ Sales **542 billion yen** (120% compared to FY2022)
- ▶ Operating income **24 billion yen** (304% compared to FY2022)

Action

- ▶ Expansion of battery pouch production capacity
- ▶ Medical & healthcare investment: **10 billion yen** or more
- ▶ Reorganization of facilities in packaging-related business

DNP's strengths

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

Examples of our core technology

With this processing technology, coating material can be thinly and uniformly applied and attached to a substrate surface. By combining this technology with substrate design technology, it is possible to form coating films with a variety of functions such as optical properties, barrier properties and heat resistance.

Coating

A technology that uses a vacuum to vaporize a material and deposit it on a substrate material such as plastic film to produce an ultrathin film of high purity

Vacuum deposition

Precision coating

EB® hardening technologies

Post-processing

Laminating

A technology that instantly makes resins and coating films highly functional by irradiating them with electron beams. This enables to impart functions with long-term durability such as scratch resistance, weather resistance, soiling resistance, and antibacterial and antiviral properties.

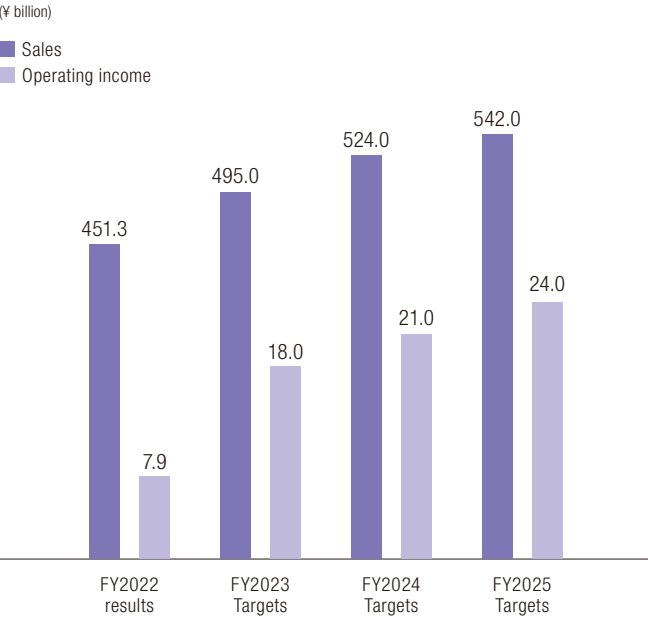
A technology that evenly bonds separately-produced materials including films, metals and resins. Bonding multiple functional materials according to the application produces even better results.

We will continue to develop new products leveraging converting technology and our unique material processing technology, and actively explore collaborations and service development with domestic and international companies to consistently deliver value for safety, security, health, comfort and the environment.

In fiscal 2022, sales in this segment amounted to 541.3 billion yen and operating income was 7.9 billion yen. With the above initiatives, we will aim for sales of 542 billion yen and operating income of 24 billion yen in fiscal 2025.

To achieve our goals, we will strive to boost business profitability by reorganizing bases and optimizing resources in the packaging business as well as in other businesses in parallel with investment to expand focus businesses.

Sales and operating income targets



Market environment

Global market for EV + PHEV	2022 Global market
	Approx. 10.5 million units
Global market for pharmaceuticals	2023 → 2030
	CAGR 17%, approx. 42 million units
	2018 → 2030
	141 → 216 trillion yen (Total for small molecules, bio and cellular pharmaceuticals)

*CAGR = Compound Annual Growth Rate

Focus business area strategy

Growth-driving businesses

Mobility and industrial high-performance materials

DNP provides products and services supporting EV range extension, automated driving and comfortable mobile spaces, starting with battery pouches for lithium-ion batteries and mobility interior and exterior decorative materials. On the back of growth in the global market for Plug-in Hybrid Electrical Vehicle (PHEV), DNP is planning major investments to expand our production capacity for battery pouches and other products, aiming to increase overall business sales in fiscal 2025 to 180% the fiscal 2022 level.

We are also developing components and materials related to clean energy and energy management. In addition, we hope to quickly commercialize MaaS*, which is gaining traction worldwide, beginning with a demonstration test of a cold chain logistics service for last mile delivery in the Philippines that combines a digital delivery management system and DNP Multifunctional Insulated Box.

*Mobility as a Service (MaaS) refers to the provision of mobility solutions, such as automobiles, as a service.



Environmentally friendly and aesthetically appealing decorative film for exterior roofs, and molding and laminating systems

Next-generation decorative panels realizing the advanced seamless design of automobile interiors



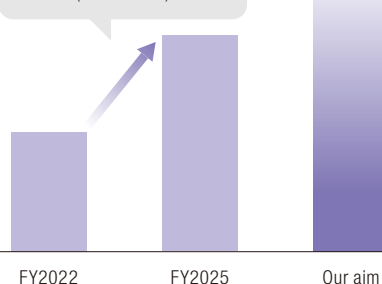
Business strategy / Investment plan

- ▶ Major investment in expansion of production capacity for battery pouches, etc. Promotion of supply to appropriate regions such as Europe and the United States
- ▶ Accelerate development of components for clean energy, energy management and sensors, key devices, etc. supporting comfortable mobile spaces
- ▶ Development and mass production of decorative film for exterior use, and molding and laminating systems
- ▶ Early commercialization of MaaS from the trial period
- ▶ Accelerate new product development for industrial high-performance materials

Sales plan

Growth rate indexed against FY2022 as 100

FY2025 80% increase
(vs. FY2022)

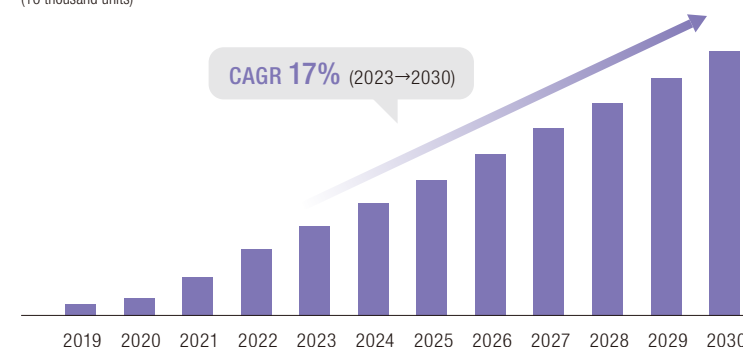


Outlook for global market for EV+PHEV

(10 thousand units)

*LMC automotive

CAGR 17% (2023→2030)



TOPIC

Promoting the expansion and practical implementation of EV models equipped with wireless charging capability

In recent years, there has been growing anticipation for wireless charging as a means to accelerate the shift to EVs, eliminating the need for a cable to connect the charger and car body. This technology reduces charging burden and increases convenience. In March 2023, DNP, in collaboration with Sojitz Corporation and DAIHEN Corporation, became the first in Japan to obtain registration approval for commercial EVs equipped with wireless charging capability and began on-road performance tests.

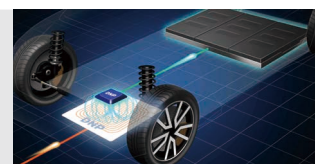


Image of a thin, light sheet-type coil for high-capacity wireless charging

Focus business area strategy

New business

Medical & healthcare

With a solid foundation of proprietary strength in Printing & Information (P&I) cultivated over a long period of time, DNP has been engaged in the pharmaceutical packaging business derived from food packaging technology, and active pharmaceutical ingredients (API) business that takes advantage of precision organic synthesis technology. From an early stage, DNP has focused on advanced medical fields such as regenerative medicine and will continue to support advanced medical business with AI-driven testing technology. At the same time, we are developing services leveraging ICT and online technology in fertility treatment, telemedicine and medical checkups.

Against this backdrop, in April 2023, we began a strategic business alliance with CMIC HOLDINGS Co., Ltd., which operates as a Contract Research Organization (CRO) and Contract Development and Manufacturing Organization (CDMO). As part of the alliance, CMIC CMO Co., Ltd., which operates a pharmaceutical formulation business, joined the DNP Group as a capital participation subsidiary.



CMIC CMO's Shizuoka Plant and measuring instruments

Business strategy / Investment plan

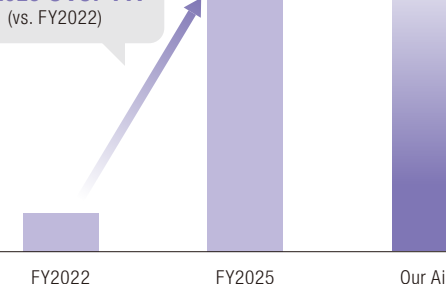
- ▶ Expand API business at DNP Fine Chemicals Utsunomiya and formulation business at CMIC CMO, and establish an integrated system spanning from the development and manufacture of API through to formulation development and manufacture through alliances with both companies
- ▶ Develop value-added pharmaceuticals by combining the packaging technology of DNP with the drug formulation technology of CMIC CMO
- ▶ Promote digital transformation (DX) in clinical trial support business through the alliance with the CMIC Group and pursue healthcare solutions to maintain and promote health such as pre-symptomatic measures designed to reduce the risk of lifestyle-related diseases



Sales plan

Growth rate indexed against FY2022 as 100

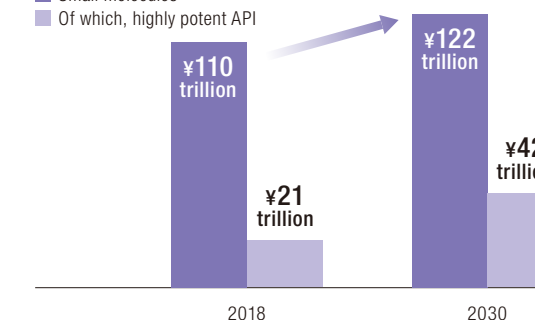
FY2025 Over 7X
(vs. FY2022)



Global market outlook for small molecules

Estimate by DNP based on various materials

■ Small molecules
■ Of which, highly potent API



TOPIC

Supporting the pharmaceutical industry's value chain and creating new value

The resources of the DNP Group and the CMIC Group will be combined to provide further enhanced support to the pharmaceutical value chain and new value proposals in the pharmaceutical industry and the fields of medical checkups and healthcare.

* CMIC Group launched the first CRO in Japan in 1992 and provides comprehensive support in the development, manufacture, sale and marketing of pharmaceuticals.



Lithium-ion battery pouches

DNP will leverage its strengths in converting technology and strive to establish itself as the industry's de facto standard, enhancing its presence in the global market. Furthermore, we will expand the applications of battery pouches and maintain and strengthen its global market share leadership. Looking toward 2040 and 2050, we aim to contribute to a sustainable society where people can live with security, health and well-being by supporting the extension of the driving range of electric vehicles (EVs) through our products and services.



In the field of EV batteries, efforts are being made to improve driving performance and energy efficiency, focusing on increasing capacity, reducing weight and thinner designs. DNP leverages its converting (material processing) technology to develop battery pouches, which serve as the outer casing for lithium-ion batteries. These pouches achieve the required heat resistance, vibration resistance and long lifespan for EVs, and have

secured the world's top market share. Demand for this product extends to various applications, including information devices, automotive, electric bicycles and energy storage.

DNP's strengths

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



The power to create new value



The foresight to discover value

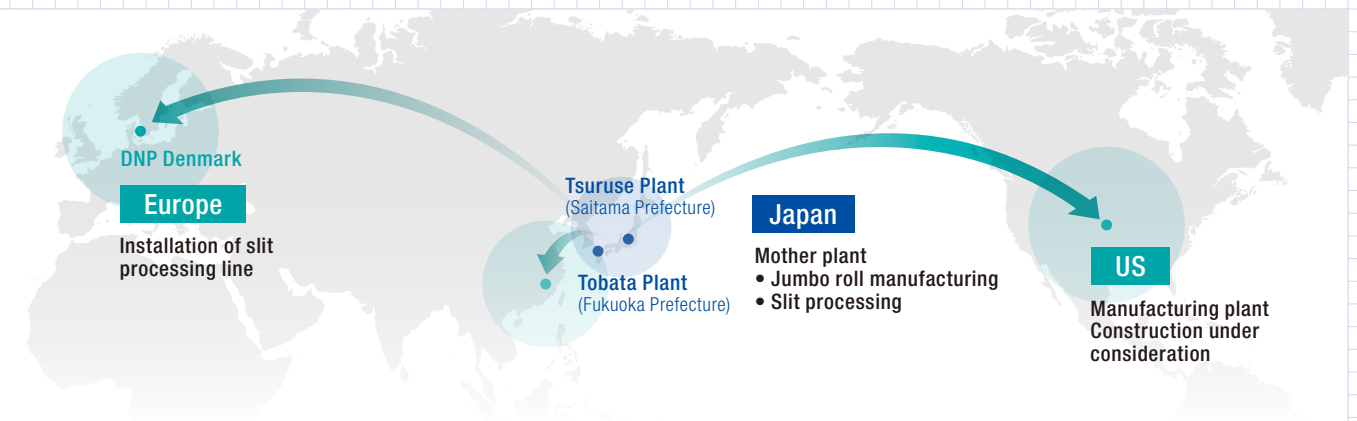
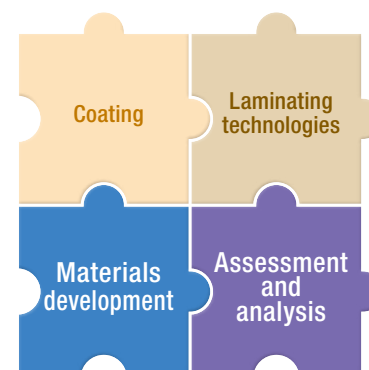
Leveraging our All DNP converting technology and anticipating market shifts and the trend towards electrification, we aim to establish the de facto standard for battery pouches in the domestic and international battery industry.

The ability to generate value

Our applied expertise in functional films, honed in packaging materials for products such as food and pharmaceuticals (through coating and lamination technologies), is now being leveraged and extended to the development of outer casing materials for lithium-ion batteries, making batteries thinner and lighter.

The sales acumen to expand value

We bolster our competitive edge through comprehensive patent applications, in-house designed materials and self-developed production facilities, as well as external collaborations. With a strong foundation of high quality, a proven track record and trusted relationships with our partners and customers, we expand our presence globally.



To meet forecast growth in demand for EVs over the medium to long term, we will focus investments to increase the production capacity of battery pouches for automotive applications. In particular, we are promoting production in the best locations in Europe and the United States. For Europe, a new slit processing line has been built at the Denmark Plant and operations are underway. In the United States, we are exploring the construction of

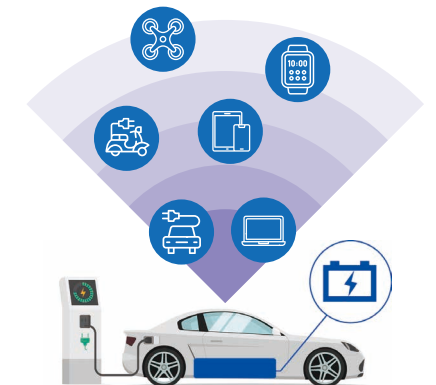
a local manufacturing plant to meet growing demand on the back of preferential policies for EVs.

Through these business expansion strategies, we aim to maintain the top share in the global market and strengthen our production system to achieve 100 billion yen in overall sales of battery pouches for lithium-ion batteries by fiscal 2025.

Business strategy / Investment plan

- ▶ **Consider expansion of production capacity for the increase in EV demand from FY2023.**
- ▶ **Promotion of supply to appropriate regions such as Europe and the United States.**
Installation of post-process line in Europe (Denmark Plant), with operation scheduled to start in FY2023.

Aim for 100 billion yen in sales by FY2025 for lithium-ion battery pouches overall

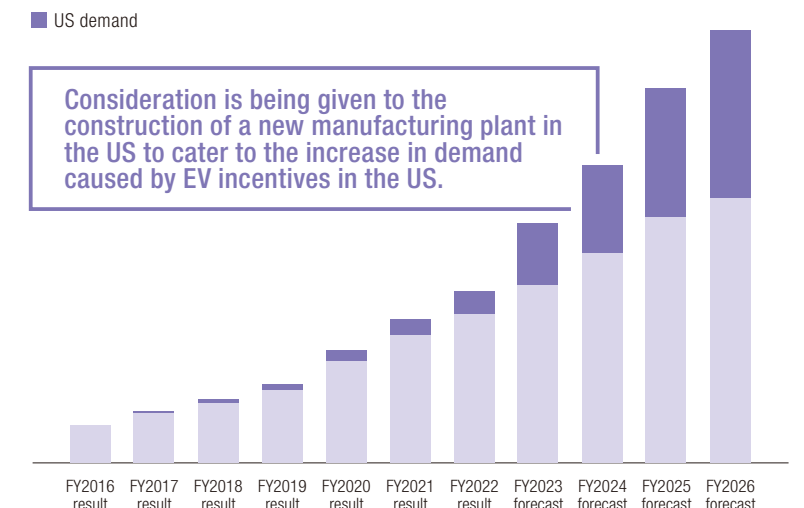


Leveraging the strengths of battery pouches that safely and securely encase lithium-ion batteries to expand into various applications

Market trends

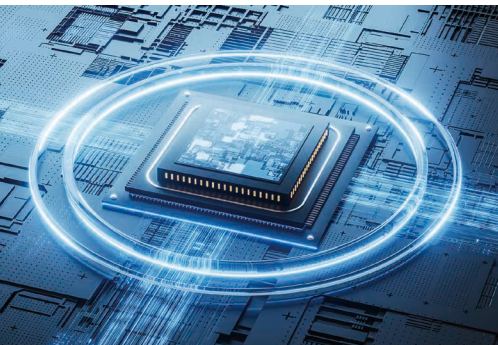
Short-term	<ul style="list-style-type: none"> ▶ Significantly impacted by market conditions such as a slump in consumption due to the recoil following the surge in stay-at-home demand due to the COVID-19 pandemic ▶ Although significantly affected by market conditions such as a decrease in automotive manufacturing caused by the semiconductor shortage, a gradual recovery is being made
Medium- to Long-term	<ul style="list-style-type: none"> ▶ Continuous strong sales expected due to growing EV demand

Battery pouches business performance and targets (volume)




Business Strategy by Segment

Electronics



Major products and services

Electronics



- Digital interfaces
- Semiconductors

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

DNP has positioned the Electronics segment as a whole as a growth-driving business and will actively make capital investments in this area going forward.

Basic strategy

- ▶ Accelerate expansion of existing businesses through active capital investment
- ▶ Consider utilizing core values for development of new products, and for collaboration and service development with companies inside and outside Japan

KPI (FY2025)

- ▶ Sales **230 billion yen** (113% compared to FY2022)
- ▶ Operating income **52 billion yen** (111% compared to FY2022)

Action

- ▶ Investment in expansion of production capacity for metal masks for manufacturing OLED displays
Approx. 20 billion yen
- ▶ Investment in expansion of production capacity for optical films for displays
13 billion yen or more
- ▶ Investment in expansion of production capacity for photomasks, etc.
20 billion yen or more
- ▶ Expansion of provision of value to the semiconductor supply chain through external alliances

DNP's strengths

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

Examples of our core technology

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

Clean converting

Micro-fabrication

Patterning

Photolithography

Precision coating

Coating

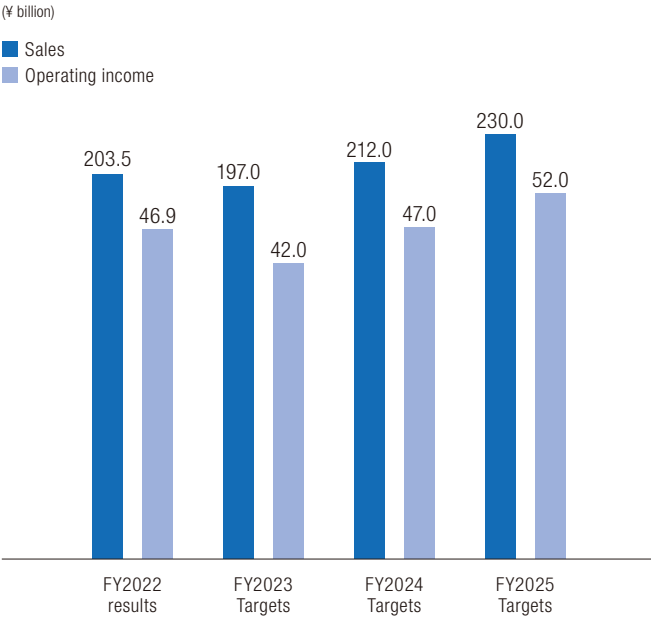
This involves etching technology, where materials undergo chemical corrosion and removal to achieve the desired structure, and molding technology, utilizing molds made of metal, glass, or resin to replicate the material's uneven shape on a printed substrate.

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

DNP leverages its unique strengths in large-area functionalization technology, micro/nano modeling technology derived from microfabrication technology used for stamps, and optical control technology, which enables the design of colors and the reflection and refraction of light. Using these technologies, we will continue developing cutting-edge products for the electronics industry. Furthermore, through alliances with external partners, we aim to expand our value proposition within the semiconductor supply chain.

In this segment in fiscal 2022, sales amounted to 203.5 billion yen and operating income was 46.9 billion yen. We will aim for sales of 230 billion yen and operating income of 52 billion yen in fiscal 2025.

Sales and operating income targets



Market environment

Global display market	To reach 300 million square meters in 2030
	2023 → 2030 CAGR 3.8%
Global semiconductor market	100 trillion yen in 2030
	2023 → 2030 CAGR 5%

*CAGR = Compound Annual Growth Rate

Focus business area strategy

Growth-driving businesses

Digital interfaces

We will continue to make aggressive capital investments in line with the expansion of the global market for displays, particularly in metal masks for manufacturing OLED displays and optical films for displays. Our plans call for an investment of approximately 20 billion yen in a new metal mask production line for manufacturing OLED displays at the Kurosaki Plant (Fukuoka Prefecture) and more than 13 billion yen in a new wide-range optical film production line at the Mihara Plant (Hiroshima Prefecture) to expand production capacity.

By increasing applications to include Extended Reality (XR) and in-vehicle displays, we hope to contribute to the evolution of the information society by safely and seamlessly connecting the real and digital worlds.

Through these efforts, we aim to raise the sales of digital interface business in fiscal 2025 to 112% of the fiscal 2022 level.



Image of the Mihara Plant (Hiroshima Prefecture), where a new wide-range coating device has been added

Business strategy / Investment plan

- ▶ Investment of approx. 20 billion yen in expansion of production capacity for metal masks for manufacturing OLED displays, scheduled to commence operation in FY2024
- ▶ Investment of 13 billion yen or more in the expansion of production capacity of ultrawide optical film, scheduled to commence operation in FY2025
- ▶ Expansion of applications such as XR and automotive displays



Image of an OLED display manufactured using metal masks



Optical design technology is used to control light reflection and reduce glare in lighting and other applications

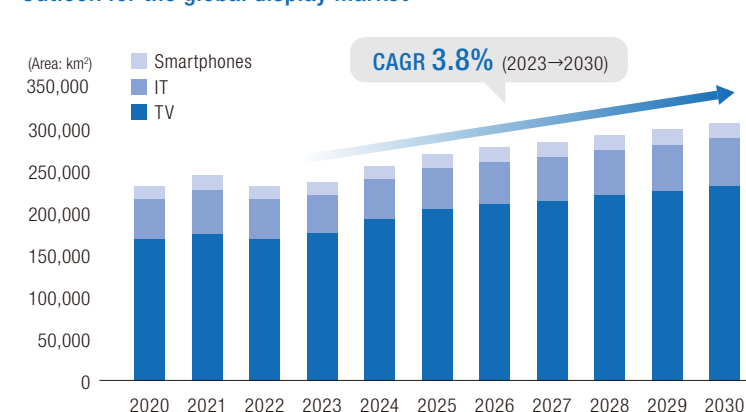
Sales plan

Growth rate indexed against FY2022 as 100



Outlook for the global display market

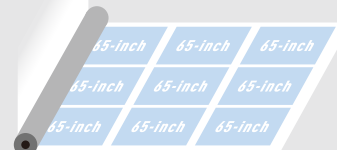
* Estimate by DNP based on various materials



TOPIC

Addition of a wide-range coating device for high functional optical film

DNP has increased the number of wide-range coating devices suitable for the manufacture of high function optical film with a maximum width of 2,500 mm. The device has been added at the Mihara Plant in Hiroshima Prefecture in response to the ongoing shift to large screen televisions. As a result, production capacity, on an area basis, has increased by more than 15%. This will boost the productivity of film for 65-inch large-screen TVs with horizontal and vertical dimensions of 1436.4 mm x 809.0 mm.



Focus business area strategy

Growth-driving businesses

Semiconductors

We provide fine devices essential in the semiconductor supply chain, with a focus on photomasks for manufacturing semiconductor products and lead frames for semiconductor packaging components. We plan to make capital investments of at least 20 billion yen at domestic and overseas production bases in order to expand production capacity for photomasks and other products and will also promote alliances with external parties.

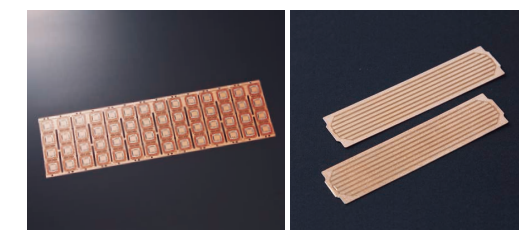
Moreover, we are working to develop nanoimprint technology to reduce power consumption in semiconductor manufacturing processes. We formed a capital and operational alliance with SCIVAX Co., Ltd. to accelerate the mass production of nanoimprinted products such as optical elements for mobile devices and bio-device elements through Nanoimprint Solutions Co., Ltd., a joint venture with SCIVAX.



Photomask (master for making semiconductors)

Business strategy / Investment plan

- ▶ Investment of 20 billion yen or more in expansion of production capacity for photomasks, etc. in Japan and overseas
- ▶ Accelerate the mass production of nano-imprinted products such as optical elements for mobile devices and bio-device elements through Nanoimprint Solutions, a joint investment with SCIVAX
- ▶ Expand value provision to the semiconductor supply chain through external alliances

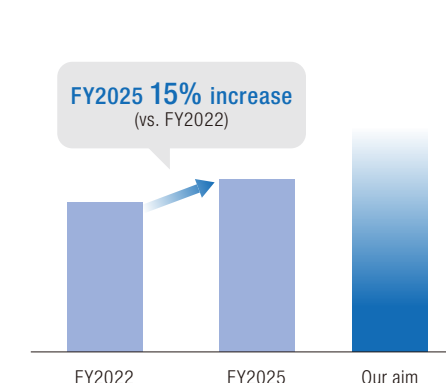


Lead frame for compact semiconductor packages

Vapor chambers (metallic heat-dissipation components)

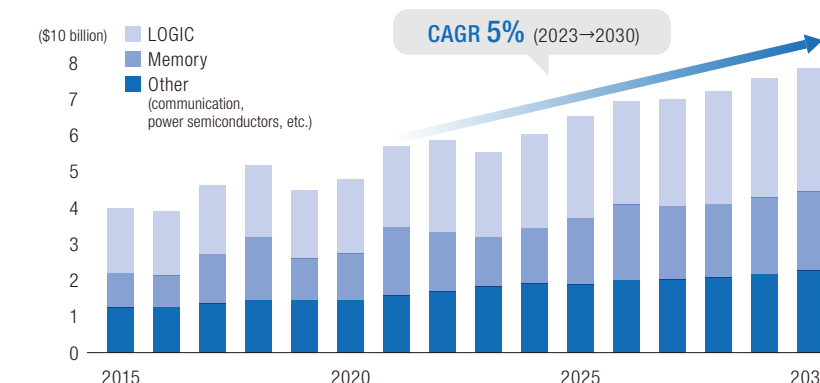
Sales plan

Growth rate indexed against FY2022 as 100



Global market outlook for semiconductors

* Estimate by DNP based on various materials

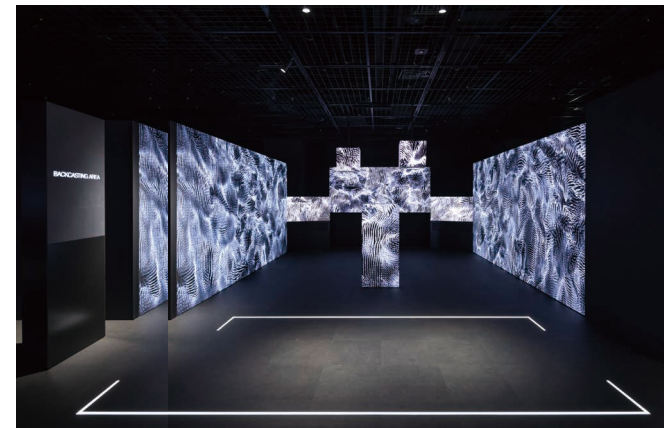


TOPIC

Capital and operational alliance in foundry business for the mass production of nanoimprinted products

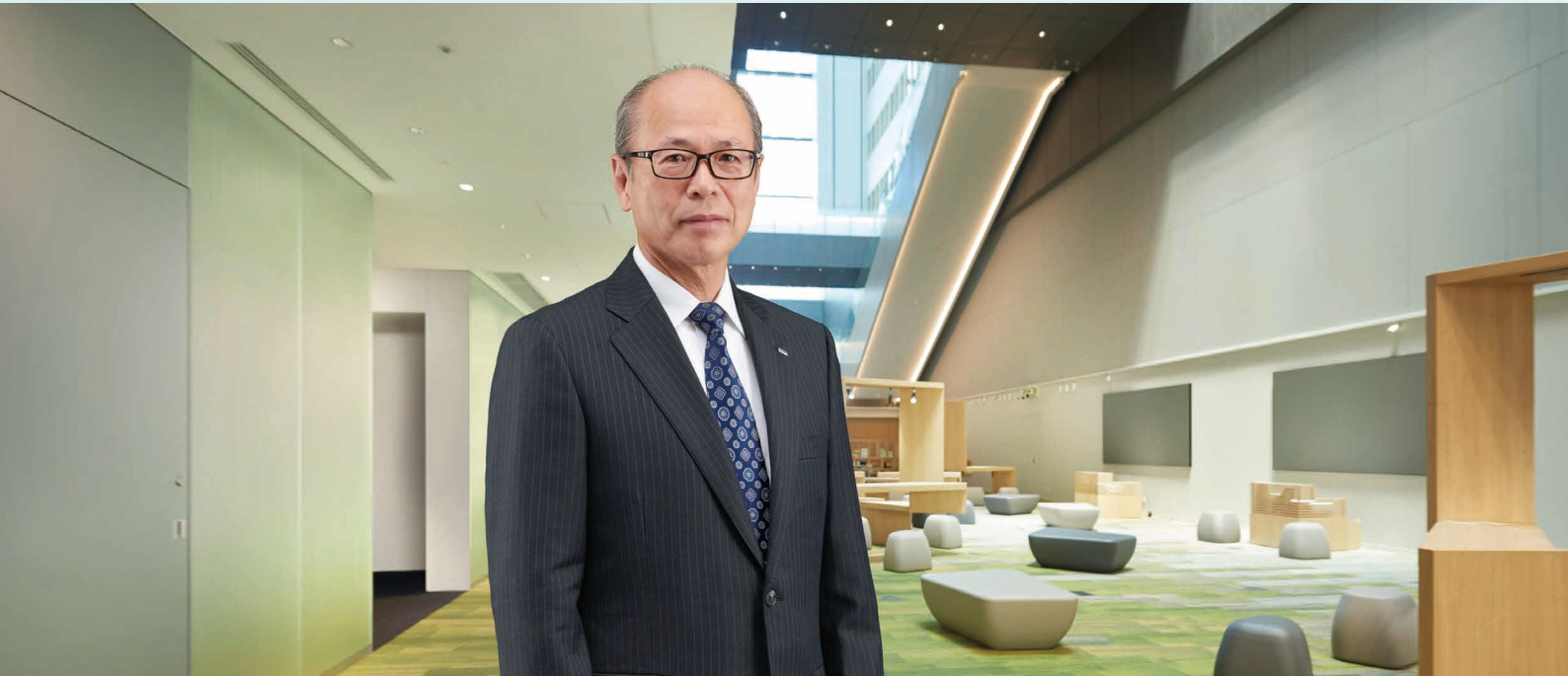
In this alliance, we will combine DNP's strengths in cutting-edge nanoimprint master mold manufacturing technology, mass production and quality control know-how, with SCIVAX's strengths in mass-production manufacturing equipment capable of high-precision nanoimprinting and equipment design technology, among other areas. As a result, we will develop a system in Japan that can rapidly respond to the mass production outsourcing needs of manufacturers in Japan and overseas, which, in the future, will also lead to capabilities in responding to global supply chain risks.





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P&I LAB., a collaboration facility operated by DNP



The key base and source of strength for the DNP Group in creating a better future is the presence of every employee. Based on this awareness, we aim to develop systems and structures that take into account the broader society. We also strive to create and implement appealing policies, not only internally but also from an external perspective. For example, over the three years starting from fiscal 2019, we made concentrated efforts to revamp various personnel systems, actively promoting investment in human resources.

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

In the new Medium-term Management Plan starting in fiscal 2023, we will enhance our investment in human resources based on our Human Capital Policy. We will significantly increase “human creativity (added value productivity)” globally to clearly connect this investment to the enhancement of corporate value.

Furthermore, we have established four material issues (materiality) to address in pursuit of this realization. We will implement concrete measures in each area: (1) support for career autonomy of employees and strengthening of organizational capability; (2) health and productivity management that increases the happiness of employees; (3) hiring, personnel assignment and reskilling based on human resource portfolio; and (4) promotion of diversity and inclusion by utilizing diverse individuality. We will boost the effectiveness of these initiatives by conducting value-relevance analyses, examining the outcomes they yield for employees and their contributions to the improvement of human creativity, corporate value and financial value.

To drive unprecedented transformation beyond our traditional path, it is important for each employee to independently shape their careers and further develop their strengths. To provide even better support for employee career autonomy, we will continue to invest optimally and effectively in our human resources, thereby strengthening our human capital. The DNP Group will continue to advance a human resource strategy aimed at significantly enhancing human creativity, with the ultimate goal of elevating corporate value.

Non-financial Strategy

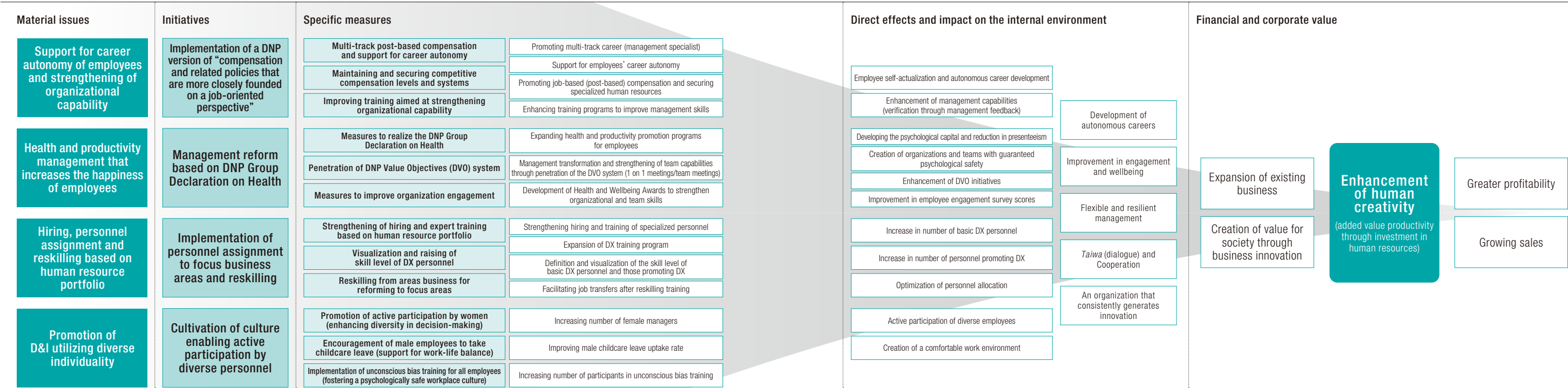
Strengthening of Human Capital

We aim to significantly increase “human creativity (added value productivity)” globally based on the Human Capital Policy to clearly connect investment in human resources the enhancement of corporate value.

Kenji Miya, Senior Managing Director



🔗 The link between strengthening human capital and enhancing corporate value



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

Starting in fiscal 2019 and continuing for three years, we have concentrated our efforts on reforming our personnel systems to establish and enhance systems that support employee career autonomy and bolster organizational capabilities.

From fiscal 2023, we will advance these initiatives further, aiming to explore the optimal approach for investing in human resources and career development frameworks that best align with DNP's business and talent needs.

We are implementing the DNP version of "compensation and related policies that are more closely founded on a job-oriented perspective," with a focus on supporting autonomous career development so that each employee can acquire expertise and skills that are applicable both within and outside the organization. This unique hybrid personnel system combines the merits of membership-based and job-based systems.

We have also strengthened support for initiatives such as challenging preferred job roles based on voluntary aspirations and self-improvement, all of which are grounded on a multi-track role classification system that allows employees to autonomously choose management or specialist roles. We have

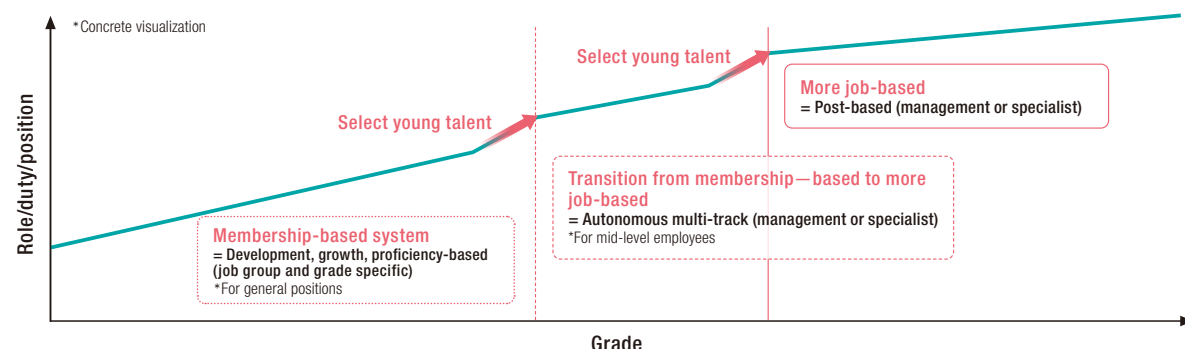
placed greater emphasis on clarifying the roles and compensation associated with job positions after career choices have been made.

We will also implement a range of associated measures. These include a heightened focus on job roles and positions for senior management and specialists, introducing a feedback system from subordinates to management, expanding internal talent recruitment efforts, implementing an internal side-job program, renewing our self-improvement support system, formalizing employee assignments to startup companies, expanding the ICT professional system and starting region-specific employee programs. These actions are all predicated on the principle of upholding a competitive compensation structure.

Expected outcome

- Complete implementation of the DNP version of "compensation and related policies that are more closely founded on a job-oriented perspective"

✓ A hybrid career autonomy-type mechanism leveraging the merits of membership-based and job-based systems



■ Health and productivity management that increases the happiness of employees

In fiscal 2021, we formulated and disseminated the DNP Group Declaration on Health as a top commitment. In accordance with this commitment, we will focus not only on physical and mental health, but also on efforts that include developing psychological capital (a positive mind) and building psychological safety (trust-based relationship).

As one of our important management strategies, DNP Group is implementing a series of measures based on the commitment. By investing in the health of our employees, we believe we can not only maintain and improve their health, but we can also enhance their vitality, creativity and productivity, thereby revitalizing the organization. Through the formation of a vibrant team, we aim to boost corporate value and link this to enhancing the happiness of each employee.

In fiscal 2021, we introduced the DNP Value Objectives (DVO) system as part of management reform efforts based on the commitment. In line with this, we will strengthen team management and build relationships of trust to drive new value creation.

Through an engagement survey, we visualize issues and other factors in the organization, and promote employees' self-understanding and mutual understanding via dialogue to increase their motivation and encourage teams to achieve their expected results.

As part of our specific initiatives for fiscal 2023 and beyond,

we are promoting our DVO Penetration Program aimed at achieving the full integration of DVO throughout the company and establishing a new management style. Additionally, we are implementing the Health and Wellbeing Award that evaluates factors beyond business revenue and conducting engagement improvement initiatives within our manufacturing department.

Expected outcome

- Development and level of engagement with DVO system: **45% → 100%** (FY2022 → end of FY2025)
- Engagement survey score: Up **10%** (FY2022 → end of FY2025)
- Smoking rate: **Less than 15%** by FY2026
- Implementation rate of specific health guidance: **More than 60%** by FY2024



President's message on the DVO Penetration Program



Health and Wellbeing Award

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

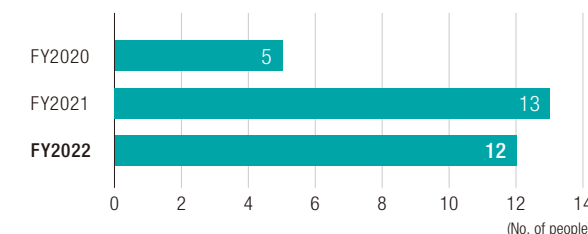
Strengthening of hiring and expert training based on human resource portfolio

The DNP Group has developed a human resource portfolio categorized into multiple types based on the roles genuinely required and the expertise and management abilities present within each business. In pursuit of our business strategies, we assess the adequacy of talent for each type and promote recruitment and development that emphasizes the qualitative aspects of our workforce.

When it comes to recruiting rare specialized personnel, we do not just rely on internal development; we also actively seek external candidates for our team. Especially for highly skilled professionals, we offer competitive compensation packages and have dedicated provisions in place for professional staff. We have already recruited physicians and other medical professionals in our medical & healthcare businesses, and we will continue to do so across various other sectors. Regarding the development of specialized

personnel, for instance, in ICT development roles, we are focusing on planned development and retention by visualizing individuals' skill levels and establishing a Career Development Program (CDP) aimed at skill enhancement.

✓ Hiring specialized personnel



Reskilling from areas business for reforming to focus areas

As the business environment undergoes rapid changes and we enter what is often referred to as the 100-year life era, the importance of reskilling is increasing more than ever. At DNP, we have also been strengthening our business portfolio, and from fiscal 2020 to fiscal 2022, we reallocated personnel from areas business for reforming to focus business areas at an average annual rate of approximately 200 employees. For example, employees from manufacturing backgrounds in Information Communication have transitioned to roles in industrial high-performance materials and electronics manufacturing, which they had not previously experienced. Over the course of three years, approximately 170 employees made such transitions. These employees acquired the necessary knowledge and skills (reskilling) required for their new roles at their respective reassignments. We conducted group training sessions aimed at boosting their motivation before facilitating job role transitions. In addition, in fiscal

2022, we introduced talent recruitment programs with role transition training for our focus business areas.

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



Image of the DNPweb (intranet) screen

Visualization and raising of skill level of ICT personnel and DX personnel

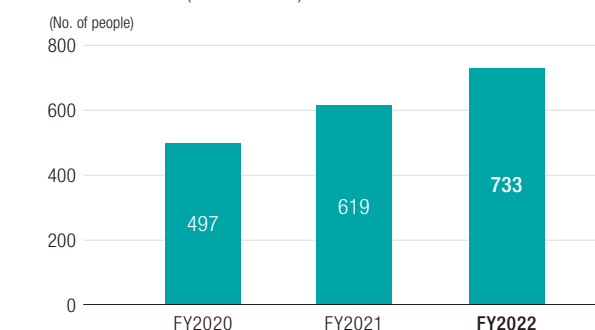
• Expansion of ICT personnel, and the enhancement of new ICT job transition and development measures

We will be strengthening the number of individuals in Career Development Program (CDP) Level 3. Additionally, to support the promotion and enhancement of DX in each business, we will expand the training programs aimed at human resource development based on the IT Skill Standard (ITSS) and its skill levels.

• Expanding education to boost DX skills

We are broadening our training curriculum to encompass Agile development, cloud computing and AI and data science. Our goal is for 27,500 eligible employees to finish the foundational DX literacy standard education by the end of 2025, equipping them with crucial DX knowledge.

✓ Number of individuals with IT Skill Standard Level 3 or above (FY2020-2022)



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

Defining DX personnel and promoting visualization

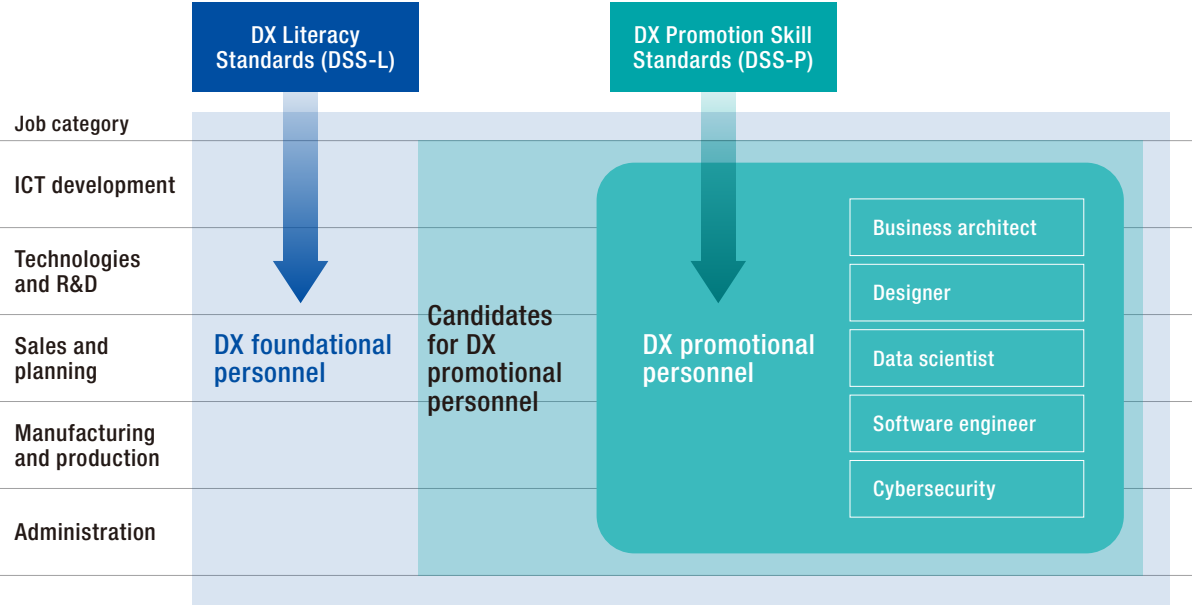
Amid changing industrial structures and society, there is a growing focus on DX personnel. In line with the Digital Skill Standard (DSS) released by the Ministry of Economy, Trade and Industry at the end of December 2022, the DNP Group has redefined DX personnel. We have categorized talent and visualized skill levels, as shown in the diagram, to accelerate human resource development.

DX foundational personnel refer to individuals who have acquired knowledge and skills based on the DX literacy standard. They will be developed across all job roles through e-learning and DX literacy education. DX promotional personnel encompasses individuals with specialized roles in

driving DX initiatives. These talents are identified in collaboration with business divisions, and their development is prioritized.

Expected outcome

- DX Literacy Standard Basic Education: Targeting completion by 27,500 individuals (end of FY2025)
- Acquisition of human resources for driving business strategy
- Innovation in new business creation and realization of DX in manufacturing operations



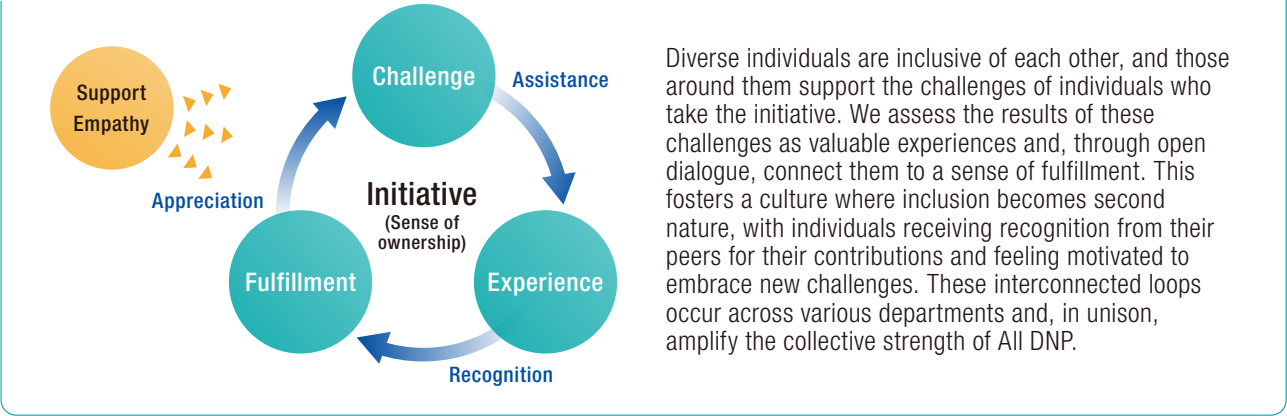
Promotion of D&I utilizing diverse individuality

*D&I: Diversity and inclusion

With the aim of significantly enhancing human creativity (added value productivity) as outlined in our human capital strategy, the DNP Group has been expanding its efforts and systems to transition from a homogenous and uniform organization to one rich in diversity, and to ensure that a wide range of talent can thrive within the Group amid the ongoing challenges of an aging population and declining birth rates.

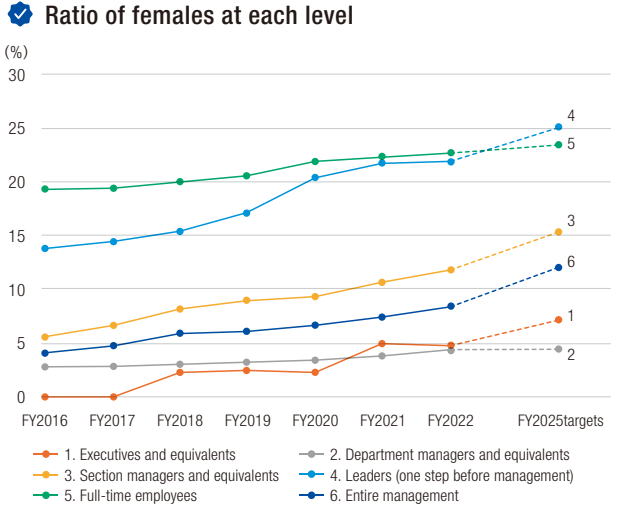
While these efforts have received high praise both internally and externally, employee surveys have revealed disparities between the company's initiatives and the realities of individual workplaces. This underscores the significance of advancing "Diversity and Inclusion (D&I) initiatives that leverage the strengths of diverse individuals" as a critical challenge.

Illustration of the inclusion loop



Harnessing diversity: Promotion of active participation by women (enhancing diversity in decision-making)

As outcomes by fiscal 2022, we established initiatives to accelerate the increase in the representation of female managers. Specifically, we continue to conduct practical leadership training for leader-class individuals, as well as maintain processes for promoting managers and assistant department heads, along with a Sponsorship Program to expedite the appointment of managers at the department head level and above. These efforts are contributing to the development of next-generation business leaders. In June 2023, we celebrated the appointment of our second female executive officer from within the company. Enhancing diversity in decision-making increases value creation and risk management capabilities. In addition, we recognize that improving the ratio of women in management leads to improved productivity within the DNP Group, evident in higher engagement survey scores and a reduction in overtime hours.



Harnessing diversity: Encouragement of male employees to take childcare leave (support for work-life balance)

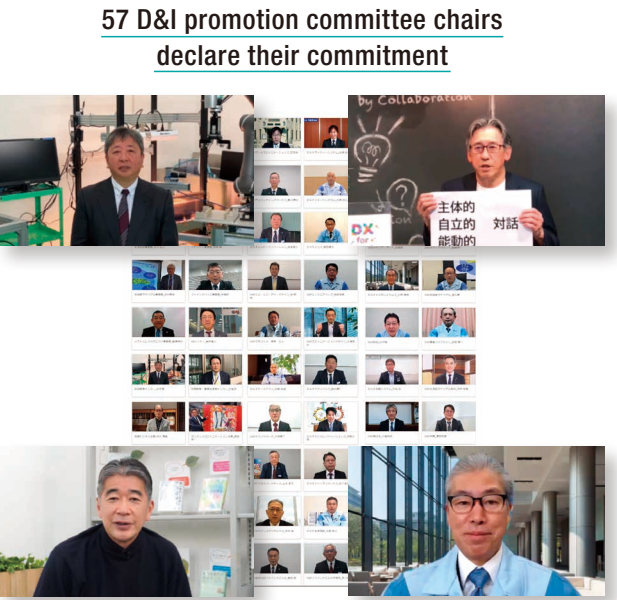
Since December 2020, when we announced our participation in the 100% of Male Taking Childcare Leave Declaration both internally and externally, the uptake of male childcare leave has increased from the 50% range to 83.6% and has spread to management positions. By encouraging male employees to take childcare leave, we are

working to change gender role perceptions. We will also continue to promote the utilization of special leave for life support, which can be taken to accommodate life events, and continue our efforts with initiatives such as the Kangaroo Club, a seminar that supports employees and their partners in balancing work and childcare.

Harnessing Diversity: Implementation of unconscious bias training for all employees (fostering a psychologically safe workplace culture)

In 2021, we initiated the internal event Diversity Week to promote an understanding of the importance of D&I and translate it into concrete actions. In 2023, the event gained significant momentum, with over 10,000 employees participating in live-streamed lectures. Additionally, 57 D&I promotion committee chairs, led by division heads and Group company presidents, within the DNP Group engaged with the results of their respective organization's engagement surveys, declaring their commitment to fostering a better organizational culture.

Starting in fiscal 2023, we will implement unconscious bias training for all officers and employees, including the president, with the aim of establishing psychological safety and creating an organizational culture where diverse ideas and opinions can thrive.



Expected outcome

- Percentage of female managers: **8.4% → 12%** (FY2022 → end of FY2025)
- Percentage of male taking childcare leave: **83.6% → 100%** (FY2022 → end of FY2025)
- Unconscious bias training: **100% participation** (end of FY2025)
- Engagement survey score: **Up 10%** (FY2022 → end of FY2025)



Strengthening Intellectual Capital

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

Masato Yamaguchi, Senior Managing Director

Basic strategy for strengthening intellectual capital

Material Issues	Actions	Specific Measures	KPIs (FY2025)
Creation of new businesses and enhancement of technological strengths	Build business portfolio from future scenarios	<ul style="list-style-type: none"> Creation of new businesses in focus business areas capturing megatrends and business opportunities Strengthening of DNP's unique technology Acquisition and strengthening of technology through open innovation 	
Global rollout of technological strengths	Refinement and acceleration of global rollout of DNP's unique technology and products	<ul style="list-style-type: none"> Acceleration of global expansion centered on Life & Healthcare Strengthening of overseas marketing and R&D system 	R&D investment Continue at a scale of 30 billion yen per year
Strengthening of stable businesses and cultural reform	Creation of new value through All DNP	<ul style="list-style-type: none"> Strengthening of stable business and development of new products through aggregation of knowledge by All DNP Optimization of R&D mechanisms and systems Fostering culture creating new value 	Users of data management infrastructure*: 3,678 → Approx. 6,000 (FY2022 → end of FY2025)
Realization of data management infrastructure*	Transformation of internal system infrastructure supporting the utilization of ICT	<ul style="list-style-type: none"> Advance modernization and globalization to strengthen digital ICT infrastructure Advance visualization and deeper analysis of data-integrated infrastructure, and continuously update infrastructure 	

* Data management infrastructure: Infrastructure that aggregates data from various systems within the DNP Group, and processes, analyzes and visualizes the aggregated data for use in management decisions

DNP will enhance intellectual capital by evolving and deepening its long-cultivated unique strengths in Printing & Information (P&I) and bolstering collaboration with external partners in order to differentiate itself from competitors and boost global competitiveness.

Our research and development policy involves envisioning “a better future” that we aim to create, using it as a starting point to strengthen our unique technologies, and ultimately driving the development and delivery of new products and services toward the realization of future scenarios. Under our FY2023-2025 Medium-term Management Plan, we will promote the “creation of new businesses and enhancement of technological strengths,” the “global rollout of technological strengths,” the “strengthening of stable businesses and cultural reform” and the “realization of data management infrastructure.” We allocate an annual budget of approximately 30 billion yen for our research and development investments. Within our business portfolio, we will concentrate our resources on the focus business areas of growth-driving businesses and new businesses with high growth potential and attractiveness in the market. Our primary focus will be on these areas as we strive to combine a variety of intellectual assets more effectively, speeding up the development and commercialization of products and services.

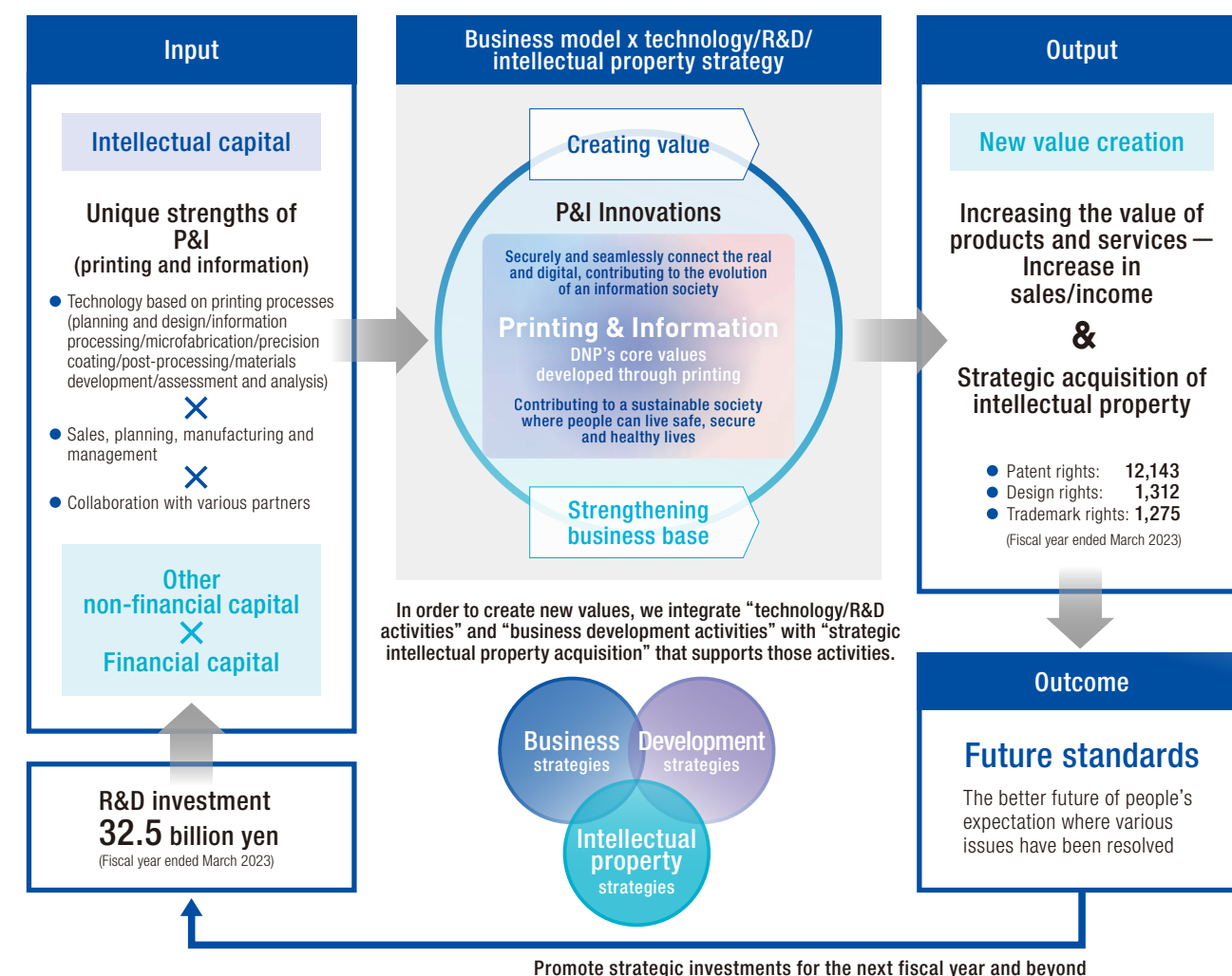
Furthermore, we will advance collaboration between industry, government and academia through open innovation, strategically driving the acquisition of technology and business development. In the context of increasing global demand for reducing environmental impact and enhancing

well-being, we will also strengthen marketing, research and development and business expansion efforts directed towards overseas markets, particularly in sectors such as Life & Healthcare. We will foster an organizational culture that actively combines the strengths of our intellectual property, including patents obtained thus far, and those from both within and outside the company. This approach will allow us to create new value in both existing and new businesses.

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

We will integrate “business development activities” and “technology/R&D activities” with “strategic intellectual property acquisition” that supports those activities within our business divisions, R&D divisions and intellectual property divisions. We will strive to create “a better future” by consistently embracing change and enhancing synergies within All DNP to generate new value.

Long-term value creation by strengthening and expanding intellectual capital (technology, R&D/intellectual property-related)

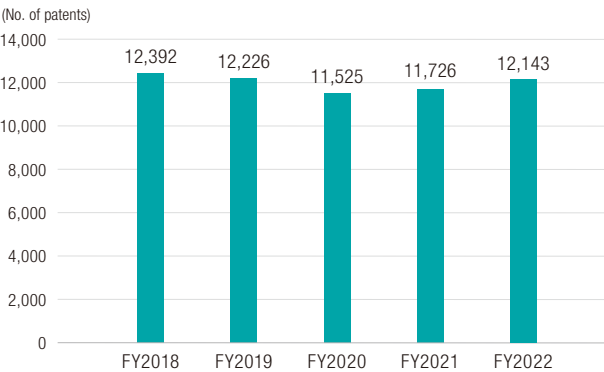


For strategic acquisition of intellectual property



The DNP Group sets its focus businesses by carefully examining the environmental, social and economic value that each business generates based on the growth potential, attractiveness and profitability of domestic and overseas markets. Under our FY2023-2025 Medium-term Management Plan, we are concentrating our management resources into focus business areas made up of growth-driving businesses and new businesses. We will further strengthen our patent portfolio within our focus businesses as part of our efforts to acquire and expand intellectual property.

Number of patents held in Japan

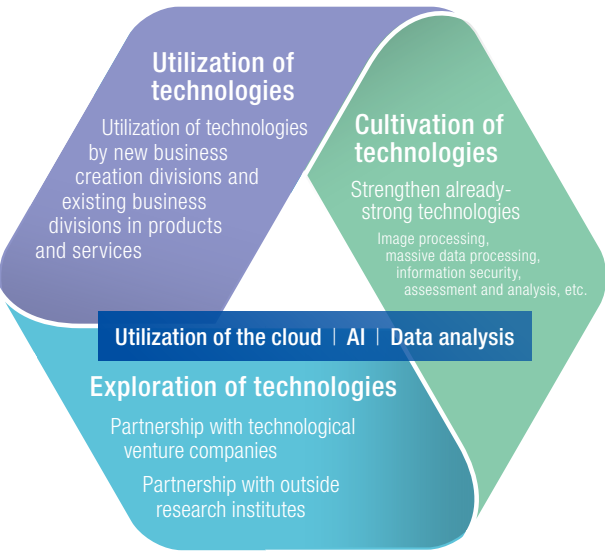


Basic policies and structures for technologies and R&D

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

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

As a base for such cultivation, exploration and utilization of technologies, we will strengthen AI-based data analysis and the use of cloud environments, taking advantage of the major trends in DX.



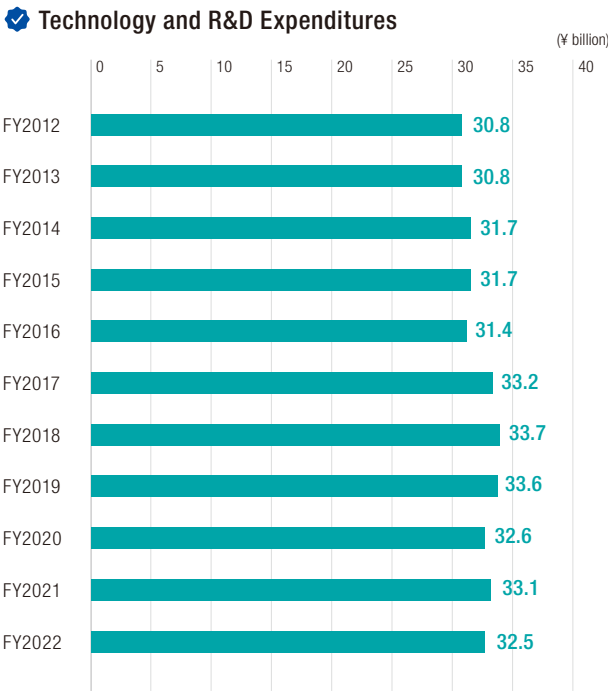
Technologies and R&D structures

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

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

Technology and R&D Expenditures

DNP continues to invest over 30 billion yen annually in technology and R&D, with the amount reaching 32.5 billion yen in the fiscal year ended March 31, 2023, and 34 billion yen planned for the current fiscal year ending March 31, 2024. In recent years, in order to solve increasingly diverse and complex problems and create a better future for ourselves, we have been increasing the expenditures of the R&D department at the headquarters based on the All DNP concept, which combines the strengths of the entire Group.

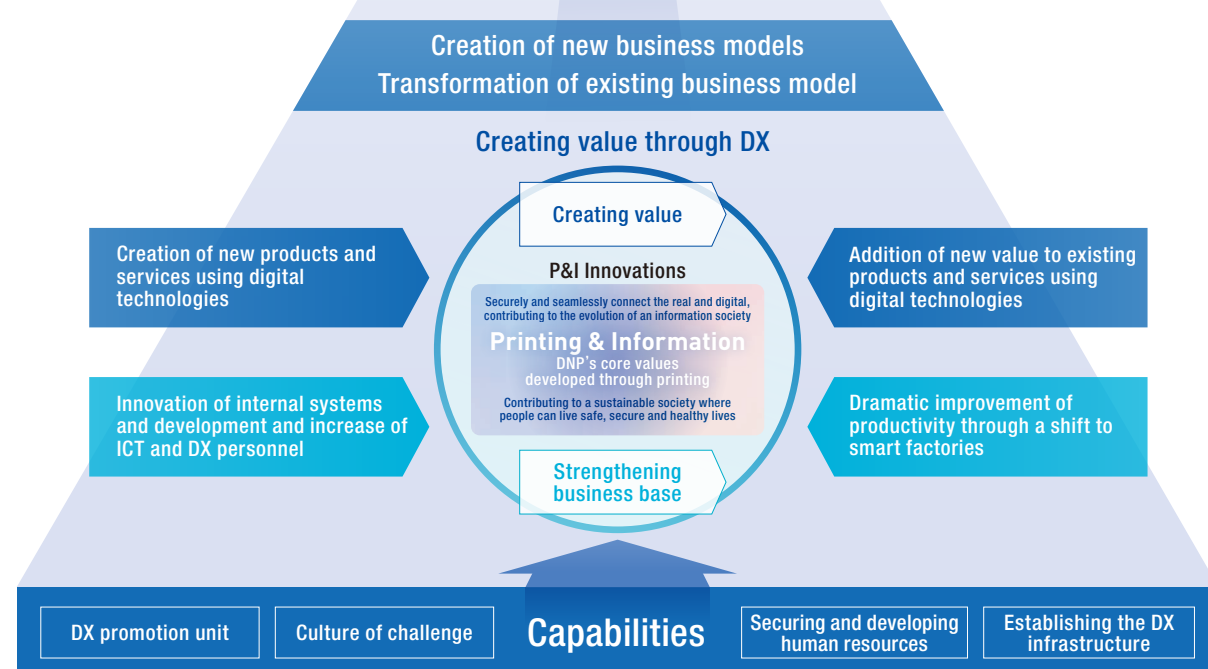


Value Creation through Digital Transformation (DX)

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

Building our medium- to long-term business portfolio

We aim to generate further profits in our business activities by transforming our business structure and making focused investments in priority businesses leading to the resolution of social issues and megatrends.



We are driving value creation through DX, with strategies based on both creating value and strengthening our business base. Utilizing DNP's core values in image processing, security technology and optimized design of business processes, we will continue to enhance our human and intellectual capital, and engage in complex and continuous activities with the comprehensive strength of All DNP—leveraging our organization, corporate culture, human resources and DX infrastructure as synergistic capabilities.

TOPIC

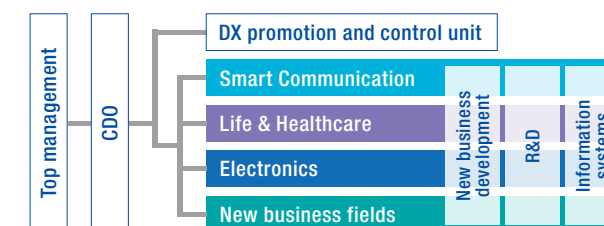
Selected as a DX Stock 2023

In recognition of our efforts to create new business models and initiatives such as the DX promotion unit, human resource development and utilization of digital technology, DNP was selected as one of the DX Stocks 2023, under the Digital Transformation Stock Selection (DX Stock) program, in which the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly evaluate, select and announce the stocks of companies that are actively engaged in DX. We were also awarded the Special Prize at the Cyber Index Awards 2022 (sponsored by Nikkei Inc.), in recognition of our efforts in cybersecurity education in human resource development.



DX promotion unit

The Chief Digital Officer (CDO) appointed by the President supervises company-wide activities relating to DX. We have established a full-time DX promotion and control unit at the head office and will enhance cooperation between the divisions in charge of new business development, R&D, information systems and other relevant divisions within the operation division and implement a range of measures across the entire Group to drive digital transformation.



Culture of challenge

We have established a new business development division that creates innovation in a highly flexible environment, and is boldly addressing the challenges of developing new business through DX. Going forward, we will continue to drive transformation—what could also be called “discontinuity”—by fostering values such as tackling challenges without fear of failure, collaborating across internal and external barriers and taking swift, agile and proactive action.

Securing and developing human resources

DNP has defined the ideal image of human resources who support DX promotion based on the Ministry of Economy, Trade and Industry (METI) Digital Skills Standard. We will improve DX literacy for all employees and provide education on topics such as agile development, cloud computing, AI and data science for those who promote DX. (See page 47-48)

In the area of content and XR communication, which is one of our focus business areas, we are engaged in efforts to reskill human resources from conventional 2D production designers to 3D production and UI/UX designers. We are also working to develop human resources who enhance the user experiences.

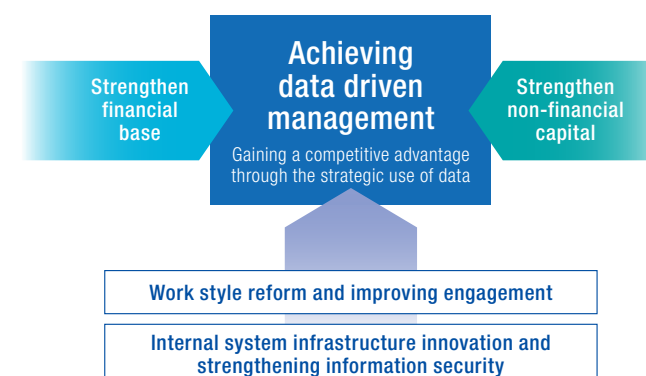
We also provide cybersecurity education to approximately 30,000 DNP Group employees both in Japan and overseas, to raise awareness of cyberattacks.

Establishing the DX infrastructure

Achieving data-driven management

Utilizing IT systems and digital technologies, DNP transformed its business management. In addition to sales and production status data, we have built a data management infrastructure platform that aggregates data that contributes to business growth, and processes, visualizes and analyzes the aggregated data to speed up decision-making and provide new added value.

By modernizing business systems in focus business areas that allow us to make effective use of our competitive advantage, we will continue to feed strategic data back to this data management infrastructure and continuously update it as an offensive platform. With our eyes set firmly on the global market, we will continue to strengthen ICT governance at our overseas bases and aim to become a digitally advanced company on a global scale.



Driving DX in manufacturing

To build a strong business portfolio, we are implementing internal manufacturing DX to reform in cost structure and business structure of existing businesses. By optimizing all business processes of sales order, procurement, production, logistics and sales, we not only improve productivity and quality, but also contribute to decreasing environmental impact by reducing energy consumption and waste material.

Utilizing advanced technologies

With the aim of utilizing AI in various business areas, we have created an environment and system in which approximately 30,000 DNP Group employees—both in Japan and overseas—can use generative AI as part of our DX initiatives. We operate an AI chat service in a high-security environment that can be used for business-related research, documentation and code creation.

We will actively utilize AI in our focus business areas relating to content & XR communication to provide new value to consumers, companies and other organizations, etc.

We have also started to examine the possibility of commercialization of decentralized/distributed ID. We are currently engaged in evaluation for technologies such as self-sovereign identity (SSI) digital certificates that allow individuals to manage their identity data, and are promoting the feasibility of social implementations, such as the use of digital IDs in school operation, job change/job hunting by certifying individual career data and corporate human capital management.

Initiatives for Environment

Contributing to the realization of a decarbonized society, a recycling-oriented society and a society in harmony with nature

DNP continuously strives for coexistence between our business activities and the global environment, and identifies environmental conservation and the realization of a sustainable society as part of its Code of Conduct. With strong requirements to reduce the impacts on the global environment, in recent years in particular, we are engaging in activities with a focus on the environment throughout our entire supply chain.

DNP Group Environmental Vision 2050

DNP formulated the DNP Group Environmental Vision 2050 and defined what we expect to accomplish toward the year 2050 in order to create a sustainable society. With a primary focus on the following initiatives, we will continue to step up our efforts to create value and strengthen the business base that underpins the creation of that value, toward the realization of a decarbonized society, a recycling-oriented society and a society in harmony with nature.

Initiatives in the Medium-term Management Plan (FY2023-2025)	Environmental Medium-term Targets DNP Group Environmental Vision 2050		DNP's vision for society
<div>Creating value</div> <div>Transforming business portfolio based on environmental impact and added value</div> <div>Expanding the development and utilization of low-carbon materials</div> <div>Decarbonization of products and services through calculation and reduction of CO₂ emissions for each product</div> <div>Creating recycling scheme and expanding the utilization of recycled materials</div> <div>Efforts to address environmental issues based on both creating value and strengthening business base</div> <div>Strengthening business base</div> <div>Clarifying environmental impact</div> <div>Introducing renewable energy</div> <div>Investing in energy-efficient facilities, optimizing production bases to address environmental impact</div> <div>Minimizing the impact of business activities on ecosystems</div> <div>Ensuring traceability of raw materials and transparency of supply chain</div>	Medium-term targets	2050 targets	
	Reducing GHG emissions by 40% from FY2015 levels by 2030	Reduce GHG emissions from own business activities Net zero emissions by 2050	Decarbonized society
	Sales of super eco-products*1 to account for 10% of gross sales in 2025	Building decarbonized society Contribute via products and services	Mitigation of and adaptation to climate change
	Increase 2025 resource recycling ratio*2 by 5% from FY2015 levels	Efficient resource reuse throughout the value chain	Recycling-oriented society
	Reduce 2025 water usage by 35% from FY2015		Efficient resource use
	Guidelines for Procurement of Paper for Printing and Converting 100% of purchased products are compliant	Minimize biodiversity impact throughout the value chain	Society in harmony with nature
			Protect biodiversity

*1 Super eco-products are products and services that DNP deems to be exceptionally environmentally conscious based on its proprietary criteria.
*2 Resource recycling ratio is the rate of unneeded materials, excluding valuable materials such as paper, etc., recycled by either material or chemical recycling.

We set medium-term targets and are accelerating the pace of specific activities aimed at achieving the DNP Group Environmental Vision 2050. In particular, we are investing efforts into reducing GHG emissions and improving our resource recycling rate, and are making greater progress than originally planned.
(For details of our environmental targets, see page 17 of the DNP Group Environmental Report 2023).

Vision of society	Medium-term targets	Actual results for FY2022
Decarbonized society	Reduction in GHG emissions: 40% reduction compared with FY2015 levels by the end of FY2030 (Scope 1 and 2).	36.5% reduction
Recycling-oriented society	Resource recycling ratio: five-point increase compared with FY2015 by the end of FY2025 (51.7%→56.7%)	6.3-point increase
Society in harmony with nature	Percentage of items in compliance with the Guidelines for Procurement of Paper for Printing and Converting: 98% by the end of FY2025, 100% by the end of FY2030	94%

Efforts to the realization of a decarbonized society

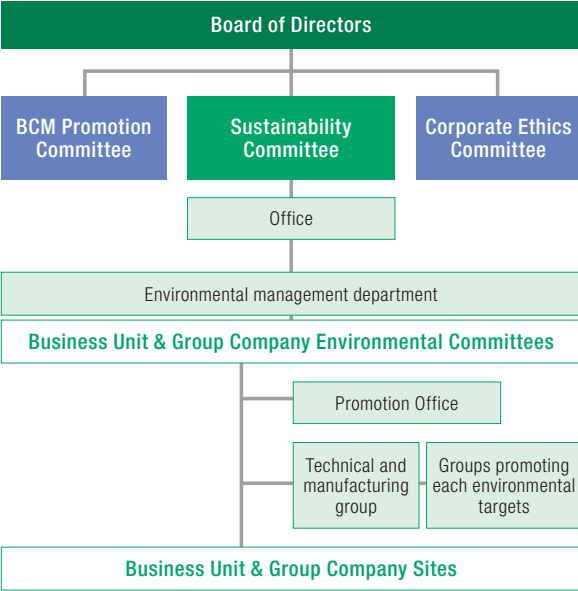


The effects of climate change have become increasingly serious every year and have a large impact on the environment, society and the economy. There are calls to accelerate efforts toward achieving carbon neutrality by 2050, as a response to this climate change crisis, and the importance of the roles to be played by companies is always increasing.
By working to resolve climate change and other environmental issues, DNP intends to resolve social issues and create new value to meet people’s expectations. We are also proactively engaging in dialogue with stakeholders by enhancing the quality and volume of information disclosed via our integrated reports, websites and other media, utilizing an international framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), while maintaining transparency with regard to the various risks and opportunities that climate change poses to our business.

Governance

DNP regards addressing environmental issues—including climate change—as one of its key management challenges. In April 2022, DNP reorganized the Sustainability Committee heated by the president in order to enhance environmental, social and economic sustainability and further drive DNP’s sustainable growth and enhanced functionality. By coordinating with the BCM Promotion Committee, which ensures the safety of employees and maintains production activities in the event of a natural disaster or other emergency, and the Corporate Ethics Committee, which seeks to raise employees’ compliance awareness and reduce risks, the Sustainability Committee has established a flexible and robust governance system that covers company-wide risks.
The Sustainability Committee meets regularly, four times a year, and at other times as necessary for the purposes of managing medium to long-term management risks relating to sustainability, identifying business opportunities and reflecting them in management strategies; and delivers reports and makes recommendations to the Board of Directors. The Board of Directors receives reports and recommendations on matters discussed and resolved by the Sustainability Committee, and deliberates and supervises policies and action plans, etc., for responding to risks and opportunities relating to sustainability. Strategies and policies on environmental issues determined by the Committee are

addressed by the DNP Group as a whole, in coordination with the Business Unit & Group Company Environmental Committees.



Risk management

DNP engages in integrated risk management to minimize the negative impact of variable factors (risks) and expand business opportunities based on a flexible and resilient governance system.
Environmental, social and economic risks and opportunities are identified, evaluated and managed by the Sustainability Committee at least once a year. We prioritize activities and set targets based on factors such as business plans, financial impact, stakeholder concerns, impact on the

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

Strategy

DNP utilizes multiple scenarios published by international institutions (see pages 58-59) to identify risks caused by climate change and consider strategies for addressing risks in its business activities. We use these scenarios to evaluate and analyze qualitative and quantitative financial impact and the periods of time during which we will be affected. Climate

change-related risks include transition risks associated with transitioning toward a decarbonized society, such as the tightening of regulations and increased demand for low-carbon technologies (1.5°C scenario) and changes associated with physical impacts resulting from rising temperatures (4°C scenario). Based on the results of its scenario analyses,

DNP will respond flexibly and strategically to foreseeable climate risks and increase the resilience of its business activities for all scenarios in the medium to long term.

Response to transition risks and opportunities

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

Meanwhile, we expect that demand and market for low-carbon products and services will continue to grow, requiring the accelerated shift to and development of low-carbon technologies. In response to such changes, DNP is working to create value by enhancing its alliances with numerous external partners by leveraging its strengths in P&I (Printing and Information). Specifically, we have set the Mobility and Industrial High-performance Materials businesses as focus businesses under our Medium-term Management Plan, in view of their profitability and market growth potential. In addition to products that contribute to the creation of a decarbonized society, such as clean energy-related materials, components and products such as battery pouches for lithium-ion batteries, we also expect to see business growth in security solutions for the sharing economy. We are also driving sales of environmentally friendly packaging, which offers both environmental conservation and convenience, and

rolling out a certified system to calculate life cycle CO₂, which contributes to decarbonization across the entire supply chain by calculating CO₂ emissions throughout the entire lifecycle of our products and services. To strengthen these businesses, we are intensively investing management resources and implementing strategic investments.

Response to physical risks and opportunities

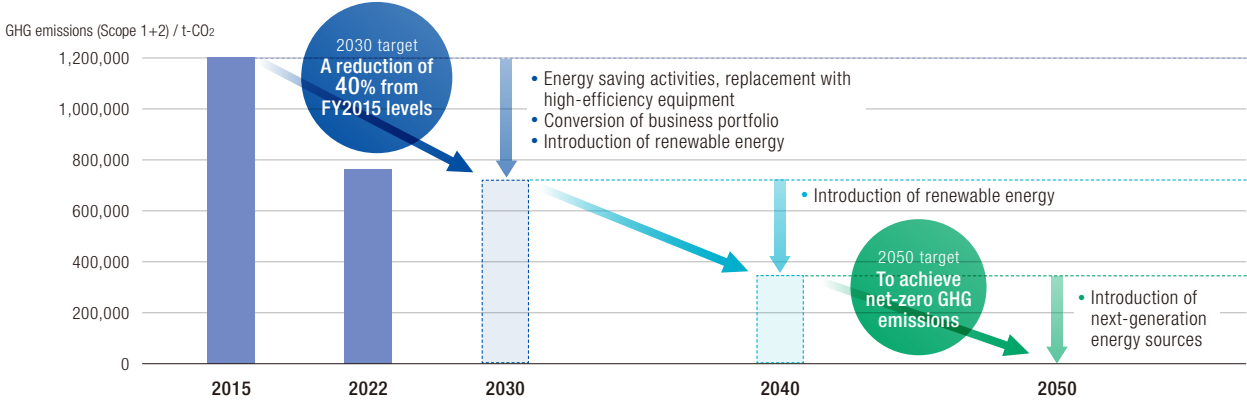
Physical risks in the short term are assumed to be frequent and aggravated damage from torrential rains, which may cause suspension of operations and disrupt the supply chain, etc. In the medium and long term, we anticipate an increase in costs and the interruption of operations, etc., caused by a rise in average temperatures and a change in demand for water. In preparation for these risks, we have organized a system for managing business continuity. More specifically, for the past several years, we have been implementing disaster control measures such as raising outdoor facilities and installing water control barriers. We have also been working to enhance our supply chain management by building production systems at multiple plants, diversifying suppliers, etc.

On the other hand, demand for products and services that adapt to the effects of rising temperatures is also expected to increase. For example, we will work to expand our range of products and services utilizing our proprietary converting technologies, such as lighting film, which maintains a comfortable space by efficiently incorporating sunlight into indoor spaces, and a multifunctional insulation box that supports logistics operations at low temperatures and constant temperatures. We will also expand the use of functional films, such as by supplying flexible LED sheet, an LED lighting solution that contributes to improving productivity in growing agricultural products for plant factories, which are less affected by wind and flood damage.

Scenario analysis reference scenarios

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

Roadmap for achieving carbon neutrality by 2050



Climate change-related risks

Type	Risks related to climate		Impact on financial affairs, etc. of DNP								
			Negative	Period of impact	Level of impact	Likeli- hood	Positive	Period of impact	Level of impact	Likeli- hood	
Transition	Policies, laws and regulations	Tightening GHG emissions regulations	Obligation to raise emission reduction targets	<ul style="list-style-type: none">Increased capital expenditures accompanying efforts to encourage energy saving▶ Systematic capital expenditures based on internal carbon pricing (ICP)	Medium term	Medium	High	-	-	-	
			Mandatory introduction of renewable energy	<ul style="list-style-type: none">Increased capital expenditures for the introduction of renewable energyIncreased expenses for purchasing Non-Fossil Certificate▶ Estimate for additional expenses as of 2030 due to the tightening of GHG emissions regulations to limit the temperature increase to 1.5°C level: Approx. 600 million yen/year	Medium term	Low	High	<ul style="list-style-type: none">Growth of sales of products related to solar power generationThe promotion of development for the use of next-generation fuels such as hydrogen and ammonia	Short to medium term	Medium	High
			Introduction of an emissions trading system	<ul style="list-style-type: none">Increase in expenses for purchasing emissions rights▶ Estimated additional expenses as of 2030 due to the tightening of GHG emissions regulations to limit the temperature increase to 1.5°C level: Approx. 400 to 800 million yen/year	Medium term	Low	Medium	<ul style="list-style-type: none">Gain on sale of emissions rights due to reduction of emissionsAppealing to a proactive corporate stance toward reducing emissions	Medium term	Low	Medium
			Introduction of a carbon tax	<ul style="list-style-type: none">Increase in operating cost due to imposition of a carbon tax on GHG emissions▶ Estimate for expenses as of 2030, assuming 140 US dollars/t-CO₂ of carbon tax using the scenario of the International Energy Agency (IEA): approx. 8.4 billion yen/year	Long term	Medium - High	Low	-	-	-	
			Acceleration of the carbon neutrality of the supply chain	<ul style="list-style-type: none">Increased demand from major clients, etc., for the reduction of emissionsBusiness contracts impactedSuppliers passing on the prices of raw materials	Short to medium term	Medium - High	High	<ul style="list-style-type: none">Secure an advantage by calculating CO₂ emissions from products' entire lifecycle, developing the calculation business	Medium term	Medium	High
			Toughening of emissions reporting obligations	<ul style="list-style-type: none">Tougher rules on accurate tracking of emissionsIncrease in media for disclosing emissions data	Short term	-	High	-	-	-	
	Technology	Shift to low-carbon technologies	Accelerating technological innovation to achieve carbon neutrality	<ul style="list-style-type: none">Increased investment in the development of new technologiesLoss of markets due to delays in development and decreased profit	Medium term	Medium - High	Medium	<ul style="list-style-type: none">Increased market share through early development of low-carbon productsThe promotion of development for the use of next-generation fuels such as hydrogen and ammoniaIncreased demand due to the widespread popularization of EVs (battery pouches for lithium-ion batteries, mobility-related materials and films for use as coating alternatives, etc.)▶ Aim for 100 billion yen in overall sales of battery pouches for lithium-ion batteries by 2025Widespread adoption of low-carbon product technologies accompanying growing demand for semiconductors (nanoinprint lithography) [See pages 22-23 for details of focus businesses]	Short to medium term	High	High
	Market/evaluation	Changes in customer behavior	Reduction in products and services that are not low-carbon or environmentally conscious	<ul style="list-style-type: none">Loss of market and decrease in revenue due to a lack of carbon reductionAcceleration of the shift to non-petrochemical products, a negative impression of plastic products penetrates marketsGrowing demand for the replacement of non-environmentally conscious materials with alternative materials	Medium term	High	Medium	<ul style="list-style-type: none">Promotion of the development of and the growing market for low-carbon products and services▶ Aim for 10% percentage of gross sales from sales of super eco products by FY2025Enable the market for recycled materials, biomass materials and paper, etc., to grow as replacements for existing plastic productsSecuring an advantage by calculating CO₂ emissions from products' entire lifecycle	Short to medium term	High	High
			Increase in concerns of stakeholders	Worsening of the corporate image, a decline in stock price and exclusion from investments	<ul style="list-style-type: none">Loss of market due to a lack of carbon reduction and a decrease in revenue due to a decrease in transactionsOutflow of human resources and an increase in hiring costs	Short to medium term	Medium	Medium	<ul style="list-style-type: none">Increased information disclosure and improvement of engagementSecuring advantages and human resources as a company leading the way in sustainability	Medium term	Medium
Physical impact	Urgency	Increase in wind and flood damage from heavy rainfall, flooding, etc.	Suspension of operations in the event of a disaster	<ul style="list-style-type: none">Decreased revenue due to delayed manufacturingIncreased cost of disaster control measures Disaster control measures for production facilities and bases, development of production systems in multiple locations, etc.	Short term	Medium	High	-	-	-	
			Disruption of supply chains	<ul style="list-style-type: none">Decreased revenue due to delayed manufacturing and shippingIncreased cost of purchasing raw materials and interruption of supply	Short term	Medium	High	-	-	-	
	Chronic	Increase in temperature and long-term heat waves	Hindrance to operations due to average temperature increases	<ul style="list-style-type: none">Decreased revenue due to delayed manufacturing	Medium term	Medium	High	<ul style="list-style-type: none">Increase in demand for products utilizing functional films to control light and temperatureIncrease in demand for products (such as flexible LED sheet) that contribute to the safe and stable supply of food by avoiding external impacts	Short to medium term	Medium	High
			Increase in costs due to growing demand for cooling	<ul style="list-style-type: none">Increased energy expensesIncreased capital expenditures	Medium term	Medium	High				
		Water-related risks in river basins	Suspension of operations in locations susceptible to flooding such as river basins	<ul style="list-style-type: none">Decreased revenue due to delayed manufacturingIncreased cost of disaster control measures Disaster control measures for production facilities and bases, development of production systems in multiple locations, etc.	Medium term	Medium	High				

Degree of impact We have determined the degree of impact on the interests of stakeholders and the business considering business plans, identified risks related to the environment given their likelihood and categorized the risks that are predicted to have a long-term effect or a financial impact of 10 billion yen or more as having a high degree of impact. Risks with an impact lasting several years or a financial impact of several hundred million yen were categorized as having a low degree of impact.

Degree of financial impact: **High:** approx. 10 billion yen **Medium:** 1 to 10 billion yen **Low:** less than 1 billion yen

Targets and indicators

To minimize the risks associated with climate change, we calculate the GHG emissions of the entire DNP Group (Scopes 1, 2 and 3) and develop strategies based on the results of these calculations. In order to achieve carbon neutrality by 2050, we have set the goal of reducing GHG emissions (Scopes 1 and 2) associated with business activities at our establishments by 40% by 2030, compared with emissions in FY2015, and are engaged in various reduction activities. Specifically, in addition to transforming our business portfolio with consideration of environmental impact and added value, we are implementing measures such as the introduction of high-efficiency equipment that factors in internal carbon pricing (3,000 yen/t-CO₂). As a result of these efforts, we expect to be able to achieve our GHG emission reduction target for 2030 ahead of schedule, and are now considering

raising the target. In addition, we are investigating the status of our suppliers' targets for controlling and reducing their GHG emissions to control our Scope 3 emissions, which account for more than 80% of GHG emissions across our entire supply chain.

To maximize business opportunities, we are working to expand our focus businesses based on the Medium-term Management Plan. We have set the goal of raising the percentage of gross sales from sales of super eco-products (specific products and services that DNP deems to be exceptionally eco-friendly based on its own criteria) to 10% by 2025, and sales are growing at a pace that exceeds this target. We will continue to increase the number of our products and services that contribute to the creation of a decarbonized society.

Super Eco-Products examples and sales performance

DNP has established guidelines for developing eco-friendly products and services* from the perspective of reducing environmental impact throughout their life cycle, and is working to create eco-friendly products and services from the development stages. Among them, we have identified products and services that are exceptionally eco-friendly as Super Eco-Products.

*See DNP Group Environmental Report 2023 page 20

Mono-material packaging materials



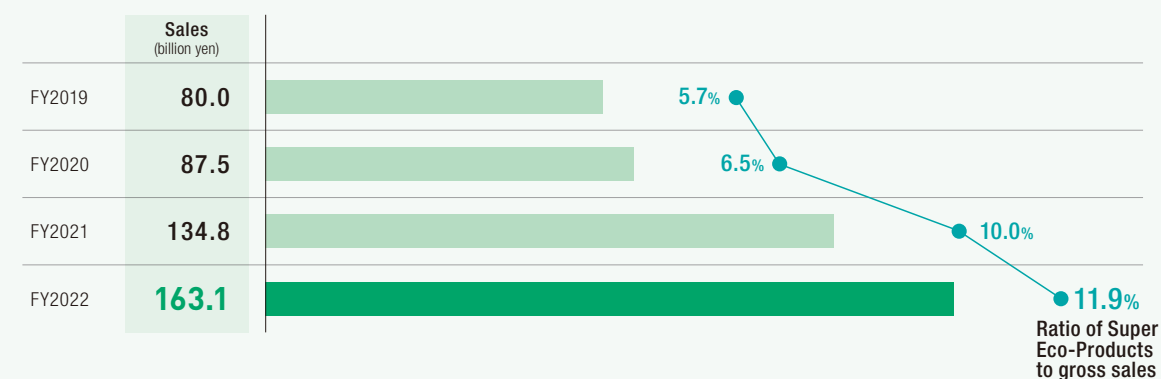
Mono-material packaging materials use only a mono-material, and are therefore easily recyclable and contribute to the recycling of resources. Utilizing our innovative converting technologies, they offer high performance as a barrier to oxygen and water vapor and in blocking light.

Multifunctional insulation boxes



Multifunctional insulation boxes offer a high degree of heat insulation performance due to their high-barrier film, making it possible to keep the internal temperature constant for an extended period of time without using a power supply. They support safe and secure logistics operations with temperature quality through thermal design technology and temperature control using IT.

Super Eco-Products sales trends and ratio of their sales to gross sales



Efforts to realize a recycling-oriented society

As a response to the problems of marine plastic waste, climate change and the toughening of waste import regulations in various countries, the importance of recycling plastic resources in Japan is also increasing. DNP is making efficient use of resources throughout its supply chain to help realize a recycling-oriented society as laid out in the DNP Group Environmental Vision 2050.

Since fiscal 2021, we have been working to recycle unneeded materials, using the resource recycling rate—the percentage of materials included in unneeded waste that are recycled by material and chemical recycling—as an indicator. We set a target of improving this recycling ratio by 5 points (51.7% → 56.7%) in comparison with fiscal 2015 levels by fiscal 2025, and as a result of recycling (primarily plastics) we achieved an improvement of 6.3 points (58.0%) in fiscal 2022. Going forward, we aim to achieve a resource recycling ratio of 65% for all unneeded materials, and a resource recycling ratio of 50% for plastics by 2030, further accelerating the efficient use of resources.

DNP awarded Japan DX Grand Prize (Special Prize) for demonstration experiment for visualization of resource recycling

In June 2023, DNP was awarded the special prize in the SX/GX category of the Japan DX Grand Prize, which is run by the Japan Digital Transformation Promotion Association, in recognition of its efforts in the Saitama Prefecture Resource Recycling Visualization Demonstration Experiment. In this project, DNP ensured traceability (i.e., management and tracking of information) from the collection to the recycling of used plastics from households, visualizing and communicating information on CO₂ emissions generated in all processes. As a result of the experiment, we obtained results indicating that communicating this data to consumers in an easily understandable manner leads to a change in their awareness of recycling.

Going forward, DNP will continue to promote efficient use of resources by engaging in various measures for resource recycling and enhancing communication strategies to encourage consumers to take action and reduce environmental impact.



Efforts to realize a society in harmony with nature

DNP recognizes that its business activities affect biodiversity, and believes that maintaining DNP's coexistence with nature is essential for the company's sustainable growth. We strive to minimize our impact on biodiversity and maintain harmony with regional ecosystems throughout the entire value chain to establish a society that is in harmony with nature. We have examined the relationship between our business activities and biodiversity, prioritized the key themes of raw material procurement (which is dependent on ecosystem services and greatly impacts biodiversity) and the creation of greenery areas on company premises (as an effective use of land for contributing to the conservation of biodiversity), and are implementing specific activities to address them.

Ensure traceability in procurement of raw materials (paper)

We established the DNP Group Guidelines for Procurement of Paper for Printing and Converting in 2012 for the procurement of paper, which, in DNP's business activities, significantly relies on and impacts ecosystems, to maintain sustainable forest resources. The Guidelines specify the criteria for selecting suppliers and types of paper to purchase, and we are strengthening our relationships with suppliers and verifying the legitimacy of raw materials. At present, we are promoting the active use of paper products with forest certification and the assurance of traceability to achieve 100% compliance with the Guidelines.

DNP is selected harmony with nature site certification-equivalent "30by30* Alliance for Biodiversity"

DNP is redeveloping the Ichigaya district in Tokyo, home to its head office, as a center for new value creation. We are growing "Ichigaya-no-Mori" (The Ichigaya forest), a greenery area replicating while imaging the wooded area of Musashino which once spread there. By creating a new forest in an urban area as part of this city planning project, we aim to achieve both the development of a business base and contribution to the environment. The Ichigaya-no-Mori site has also been selected as "harmony with nature site certification-equivalent" under a demonstration project by the 30by30 Alliance for Biodiversity, which is run by Japan's Ministry of the Environment (MOE). Together with the growth of the highly diverse Ichigaya-no-Mori site, DNP will continue working to create new value originating in the Ichigaya district.



*30by30: A global goal adopted at the 15th Conference of the Parties to the United Nations Biodiversity Conference (COP15) to protect and conserve at least 30% of land and sea areas in a healthy state by 2030

Initiatives Across the Entire Supply Chain

DNP is engaged in initiatives addressing the principal themes of CSR management throughout its supply chain to help create a sustainable society. Our main activities and achievements in fiscal 2022 were as follows.

Supply chain

Procurement		Company activities (manufacturing, distribution, etc.)		Use, disposal and recycling of products	
Responsible Procurement		Product Safety and QualityInformation Security		Business to Contribute to SDGs Achievement	
<ul style="list-style-type: none">Strengthening of our management structure based on our Basic Procurement Policy and CSR Procurement GuidelinesSupplier surveys based on CSR Procurement Guidelines Average score: 82Supplier survey on responsible minerals procurement Smelters/refiners that are “Conformant” in the Responsible Minerals Assurance Process(RMAP) audit: 260		<ul style="list-style-type: none">Value creation through three strategies: business strategy, development strategy and intellectual property strategyAcquisition and strengthening of technology through open innovationTechnology and R&D investment in excess of 30 billion yen per year: 32.4 billion yenPatent rights: 12,143, design rights: 1,312, trademark rights: 1,275 <div>Strengthening intellectual capital ▶ Pages 50–53</div>		<ul style="list-style-type: none">Global production bases 56 bases in Japan, 16 bases overseasQuality management based on the DNP Group Quality Policy and DNP Group Product Safety PolicyRigorous management based on the DNP Group’s Basic Policy on Information Security Ratio of compliance assessments conducted: 100% Privacy mark / ISO/IEC27001 certification obtained	
<div>Businesses that contribute to achieving the SDGs utilizing Printing & Information core values Focus business strategy ▶ P14-17</div> <ul style="list-style-type: none">Contributing to a sustainable society where people can live safe, secure and healthy livesSecurely and seamlessly connecting real and digital, contributing to the evolution of an information society <div>Creating value primarily in focus business areas ▶ P18-27</div> <div>Digital interfacesSemiconductorsMobility and industrial high-performance materialsContent & XR communicationMedical & healthcare</div> <div>Providing products and services with a top market share both in Japan and overseas ▶ P4-5</div>					
Initiatives for stakeholders					
Human Rights and LaborFair Operating PracticesInformation SecurityProduct Safety and QualityCorporate Citizenship					
Suppliers and outsourcing contractors <ul style="list-style-type: none">Responsible procurement activities Cooperating suppliers: 180 Suppliers and outsourcing contractors participating in engagement activities: 22Partnership-building declaration		Employees <ul style="list-style-type: none">Improving the percentage of female managers: 8.4% (DNP non-consolidated)Improving the percentage of males taking childcare leave: 83.6% (DNP non-consolidated)Improving the ratio of employees with disabilities: 2.6% (DNP non-consolidated)Improving the ratio of annual paid leave taken: 53.3%Reduction in frequency rate of lost workday injuries: 0.3% <div>Strengthening of human capital ▶ Pages 44–49</div>		<ul style="list-style-type: none">Corporate ethics and compliance education Ratio of Autonomous Corporate Ethics Training conducted: 100% (107 organizations)Participation rate of information security education and training: 100% (Approx. 41,000 persons)	
<div>Enhancing the internal whistle-blower systems</div> <div>In accordance with the Whistleblower Protection Act, DNP established the Open Door Room in 2002 as a contact point for employees for consultation and reporting (whistleblowing) of matters relating to corporate ethics. Also in 2015, we established an external contact point for consultation and whistleblowing via an attorney’s office. In fiscal 2022, we expanded the scope of coverage for the Supplier Hotline which was established in 2009 as a contact point for whistleblowing from outside the company, and renamed it the Compliance Hotline. Through the operation of these systems, we will continue working to ensure fairer, more equitable corporate activities.</div>		<div>Providing dishes with fundraising for refugee support at employee cafeterias</div> <div>DNP engages in a variety of corporate citizenship activities with employee participation, to help realize a society in which no one is left behind. In fiscal 2022, we began providing refugee support menu items that include donations as part of the fee at employee cafeterias nationwide, to support more than 100 million refugees around the world. Coinciding with World Refugee Day and Human Rights Week, dishes were served in honor of Ukraine, Syria and Myanmar. A total of 3,544 meals were eaten, and donations amounting to approximately 180,000 yen will be used for UNHCR's refugee relief activities, along with company donations (a total of 50 million yen over a period of five years).</div>		<div>Client companies and consumers</div> <ul style="list-style-type: none">Number of serious accidents caused by our products: 0 accidentPercentage of newly developed products undergoing product safety and risk assessment: 100% (330 products)Percentage of quality system inspections carried out: 100% (51 units and companies) <div>Local communities</div> <ul style="list-style-type: none">Social contribution activity programs conducted: 58, external participants: 1,610Menu items at employee cafeteria including a donation Total of dishes: 38,912, amount of donations: 1,945,600 JPY *Including refugee support menu items	
Initiatives for environment					
Environment					
<ul style="list-style-type: none">Procurement papers conforming to DNP Group Guidelines for Procurement of Paper for Printing and Converting Percentage of key suppliers that have obtained the conformance certificate: 94%Reduction of GHG emissions (Scope 3) in cooperation with suppliers		<ul style="list-style-type: none">Reduction of GHG emissions (Scope 1 and 2) 36.5% reduction compared to FY2015 levelsImprovement in resource recycling ratio improved from 51.7% in FY2015 to 58.0%Maintenance of performance at 70% or below environmental laws and regulations standard levels Number of cases exceeding regulation levels: 2 <div>Initiatives for Environment ▶ Pages 56-61</div>		<ul style="list-style-type: none">Calculation and reduction of CO2 emissions and implementation of LCA for the entire supply chainCreating products and services comply with guidelines for developing eco-friendly products and services Ratio of Super Eco-Products in total sales: 11.8%	
<div>Eco-friendly design team of DNP</div> <div>In October 2022, we launched a cross-divisional eco-friendly design team that combines DNP’s diverse technologies and know-how to contribute to resolving environment-related issues at companies. Going forward, we will provide companies with services aimed at solving various issues, with the aim of achieving long-term harmonious coexistence between the environment and businesses.</div>					
Initiatives for responsible minerals procurement					

DNP has been engaged in responsible procurement initiatives since 2006, to enhance sustainability throughout the supply chain. In particular, because of concerns that certain mineral resources contained in raw materials may cause serious human rights violations in the mining process, we have stipulated “responsible mineral procurement” as one of the matters to be complied with in the DNP Group CSR Procurement Guidelines, and established a management system based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas—an international standard for responsible procurement.

In fiscal 2022, we conducted a regular survey of our major suppliers using the RMI*¹ (Responsible Minerals Initiative) RMAP*² (Responsible

Minerals Assurance Process). We identified 414 smelters/refiners for tin, tantalum, tungsten, gold, cobalt and mica contained in DNP’s raw materials, and confirmed that 260 of them were Conformant certified. We also assess human rights risks based on DNP’s own risk management framework and standards. At the same time, we will continue to conduct detailed assessments of smelters/refiners with potential risks and strive to prevent and improve upon them. For aluminum, which is a raw material for DNP’s main products, we have launched new initiatives to identify and evaluate smelters/refiners, etc. By holding regular discussions with the relevant suppliers, we are conducting engagement initiatives and evaluating the eight smelters/refiners identified to confirm that no significant human rights risks are found.

As global human rights due diligence legislation and the strengthening of risk management related to mineral resources progresses, DNP is engaging in further initiatives such as creating a management system and conducting supplier surveys to introduce similar management measures for 16 minerals including lithium, nickel and copper.

In fiscal 2023 and beyond, we will continue to strengthen our response to human rights risks in our supply chain, with a primary focus on mineral resources.

*1 RMI: An organization that spearheads the responsible procurement of minerals. More than 400 companies/organizations from around the world are members.
*2 RMAP: A program that verifies compliance with responsible minerals procurement in conjunction with the management system and procurement practices of smelters and refineries based on the evaluations of independent third parties.
*3 CAHRAs: Conflict-Affected and High-Risk Areas.


Risk assessment results for six conflict minerals (tin, tantalum, tungsten, gold, cobalt and mica)	
Number of responding companies	171
Number of smelters/refiners subject to risk assessments	414
Number of smelters/refiners that are either “Conformant” or “Active” in the RMAP audit or are not located within DNP CAHRAs* ³ (1)	397
Number of smelters/refiners under (1) with “Conformant” RMAP audit status	260

Board of Directors

<div><div>Yoshitoshi Kitajima</div><div>Chairman (Aug. 25, 1933)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities</div><div><div><div>May 1963 Joined the Company</div><div>Jul. 1967 Director of the Company</div><div>Jul. 1970 Managing Director of the Company</div><div>Jan. 1972 Senior Managing Director of the Company</div></div><div><div>Aug. 1975 Director, Vice President of the Company</div><div>Dec. 1979 President of the Company</div><div>Jun. 2018 Chairman of the Company</div></div></div></div> <div><div>■ Qualifications as a Director</div><div>Mr. Yoshitoshi Kitajima is qualified to appropriately supervise the entire group, as he has extensive knowledge of all aspects of management, as well as a wealth of experience and accomplishments, having led the DNP Group's performance improvement as President of the Company since 1979.</div></div>
<div><div>Yoshinari Kitajima</div><div>President (Sep. 18, 1964)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities</div><div><div><div>Apr. 1987 Joined The Fuji Bank Ltd.</div><div>Mar. 1995 Joined the Company</div><div>Jun. 2001 Director of the Company</div><div>Jun. 2003 Managing Director of the Company</div><div>Jun. 2005 Senior Managing Director of the Company</div></div><div><div>Jun. 2009 Executive Vice President of the Company</div><div>Jun. 2018 President of the Company</div><div>Apr. 2022 President, Chairman of Sustainability Committee of the Company</div></div></div></div> <div><div>■ Qualifications as a Director</div><div>Mr. Yoshinari Kitajima is qualified to appropriately supervise the entire group as well as to realize the group strategy toward sustainable business growth and corporate value improvement, based on his extensive experience as a management executive in the DNP Group.</div></div>
<div><div>Kenji Miya</div><div>Senior Managing Director (Jun. 11, 1954)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities</div><div><div><div>Apr. 1978 Joined the Company</div><div>May 1991 Chief Financial Officer of Dai Nippon Printing Co. (Hong Kong) Ltd.</div><div>Jul. 2003 General Manager of Personnel Dept. of the Company</div><div>Jun. 2010 Corporate Officer (Yakuin), General Manager of Personnel Dept. of the Company</div><div>Jun. 2018 Managing Director of the Company</div><div>Jun. 2020 Senior Managing Director of the Company</div></div><div><div>Jun. 2021 Senior Managing Director (Daihyo Torishimariyaku Senmu) of the Company</div><div>Apr. 2023 Senior Managing Director (Daihyo Torishimariyaku Senmu), managing Information and Communications Sector (currently Smart Communications Sector), Human Capital Sector and Corporate Sector of the Company</div></div></div></div> <div><div>■ Qualifications as a Director</div><div>Mr. Kenji Miya is qualified to appropriately supervise the entire group as well as to realize the human resources and labor strategies, etc. toward business growth and corporate value improvement, based on his extensive experience as a management executive in the DNP Group, including as a chief financial officer at an overseas subsidiary.</div></div>
<div><div>Masato Yamaguchi</div><div>Senior Managing Director (Sep. 10, 1952)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities</div><div><div><div>Apr. 1975 Joined the Company</div><div>Dec. 1994 General Manager of R&D 1st Dept., General Production Research Center of the Company</div><div>Jun. 2008 Corporate Officer (Yakuin), Deputy General Manager of Display Components Operations of the Company</div><div>Jun. 2012 Senior Corporate Officer, General Manager of Fine Electronics Operations of the Company</div></div><div><div>Jun. 2017 Senior Executive Corporate Officer, in charge of Living Spaces Operations, Mobility Operations and High-Performance Materials Operations of the Company</div><div>Jun. 2021 Senior Managing Director (Daihyo Torishimariyaku Senmu), managing R&D and Engineering Management Sector, Lifestyle and Industrial Supplies Sector (currently Life & Healthcare Sector) and Electronics Sector of the Company</div></div></div></div> <div><div>■ Qualifications as a Director</div><div>Mr. Masato Yamaguchi is qualified to appropriately supervise the entire group as well as to realize business development and other activities toward business growth and corporate value improvement, based on his experience as a person responsible for technology, research and development, and manufacturing of display products, etc., as well as new business development using ICT, having extensive management experience in the DNP Group.</div></div>
<div><div>Hirofumi Hashimoto</div><div>Managing Director (Jul. 8, 1957)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities</div><div><div><div>Apr. 1981 Joined the Company</div><div>Jan. 1997 Finance Manager of PT DNP Indonesia</div><div>Jun. 2015 Corporate Officer (Yakuin), General Manager of Strategic Business Planning Dept. of the Company</div><div>Apr. 2016 Director of Maruzen CHI Holdings Co., Ltd.</div><div>Jun. 2018 Senior Corporate Officer, in charge of Strategic Business Planning & Development Div. of the Company</div><div>Statutory Auditor of Nihon Unisys, Ltd. (currently BIPROGY Inc.) (current)</div></div><div><div>Jun. 2020 Managing Director, in charge of Strategic Business Planning & Development Div. and Value Creation & Promotion Div. of the Company</div><div>Apr. 2023 Managing Director, in charge of IR and Public Relations Div., Corporate Administration Dept., Legal Affairs Dept. and Internal Auditing Div. of the Company</div></div></div></div> <div><div>■ Qualifications as a Director</div><div>Mr. Hirofumi Hashimoto is qualified to appropriately supervise the entire group as well as to realize the strengthen IR strategy and compliance, etc., toward business growth and corporate value improvement, based on his extensive management experience in the DNP Group and his achievements in the business planning department of the Company, including his role as chief financial officer at an overseas subsidiary.</div></div>

<div><div>Masafumi Kuroyanagi</div><div>Managing Director (May 4, 1960)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities</div><div><div><div>Apr. 1983 Joined the Company</div><div>Apr. 2004 General Manager of Finance & Accounting 1st Dept., Finance & Accounting Div. of the Company</div><div>Jun. 2010 President of DNP Total Process Warabi Co., Ltd.</div><div>Jun. 2015 Corporate Officer (Yakuin), General Manager of Finance & Accounting Div. of the Company</div></div><div><div>Apr. 2019 Senior Corporate Officer, in charge of Finance & Accounting Div. of the Company</div><div>Jun. 2021 Managing Director, in charge of Finance & Accounting Div. of the Company</div></div></div></div> <div><div>■ Qualifications as a Director</div><div>Mr. Masafumi Kuroyanagi is qualified to appropriately supervise the entire group as well as to realize financial strategies and capital policy, etc., toward business growth and corporate value improvement, based on his considerable management experience in the DNP Group and knowledge of all aspects of financial accounting, including account settlement and taxation.</div></div>
<div><div>Toru Miyake</div><div>Managing Director (Feb. 5, 1958)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities</div><div><div><div>Apr. 1982 Joined the Company</div><div>Oct. 2005 General Manager of R&D Div., Display Components Operations of the Company</div><div>Jun. 2011 General Manager of Corporate R&D Div. of the Company</div></div><div><div>Jun. 2018 Corporate Officer, General Manager of Purchasing Div. of the Company</div><div>Jun. 2020 Senior Corporate Officer, in charge of Purchasing Div. of the Company</div><div>Jun. 2023 Managing Director, in charge of Purchasing Div. of the Company</div></div></div></div> <div><div>■ Qualifications as a Director</div><div>Mr. Toru Miyake is qualified to appropriately supervise the entire group as well as to realize the strengthen R&D and supply chain, etc., toward business growth and corporate value improvement, based on his experience and high vision, having served as the head of research and development at the headquarters and business divisions.</div></div>
<div><div>Minako Miyama</div><div>Director (Jan. 15, 1962)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities</div><div><div><div>Apr. 1986 Joined the Company</div><div>Apr. 2005 General Manager of VR Planning and Development Office, DB Div., C&I Operations of the Company</div><div>Jul. 2014 General Manager of Recruiting and Training Dept. of the Company</div></div><div><div>Jun. 2018 Corporate Officer, General Manager of Recruiting and Training Dept., and Diversity Promotion Dept. of the Company</div><div>Jun. 2021 Director of the Company</div><div>Oct. 2021 Director, in charge of Recruiting and Training Dept. and Diversity & Inclusion Promotion Dept. of the Company</div><div>Jun. 2022 Outside Director of TOKAI RIKA CO., LTD. (current)</div></div></div></div> <div><div>■ Qualifications as a Director</div><div>Ms. Minako Miyama is qualified to appropriately supervise the entire group as well as to realize human resources development strategies, etc., toward business growth and corporate value improvement, since she has a proven track record as the Company's first female Corporate Officer, leading the way in developing human resources and ensuring diversity, in addition to experience in the research, planning and development segments.</div></div>
<div><div>Tsukasa Miyajima</div><div>Director (Aug. 23, 1950)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities and status of important concurrent offices</div><div><div><div>Apr. 1990 Professor of Keio University, Faculty of Law</div><div>Apr. 2003 Registered as an attorney at law at the Daini Tokyo Bar Association (current)</div><div>Jul. 2012 Outside Director of Hule Co., Ltd. (current)</div><div>Jun. 2014 Director of the Company, Outside Statutory Auditor of Mikuni Corporation (current)</div></div><div><div>Apr. 2016 Emeritus Professor of Keio University (current), Professor of Asahi University, Faculty of Law and Graduate School of Law (current)</div><div>Jun. 2018 Outside Statutory Auditor of Daifuku Co., Ltd. (current)</div></div></div></div> <div><div>■ Reasons for nomination as a candidate for Outside Director and expected role</div><div>Mr. Tsukasa Miyajima is nominated as a candidate for Outside Director as it is expected that he will provide advice and supervision over the Company's management from an objective perspective independent from the management executing the business, based on, among other things, his high level of insight and extensive experiences as a legal expert.</div></div>
<div><div>Kazuyuki Sasajima</div><div>Director (Aug. 8, 1953)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities and status of important concurrent offices</div><div><div><div>Apr. 1982 Joined Tokyo Shibaura Electric Co., Ltd. (Manufacturing Engineering Research Center)</div><div>Apr. 1989 Associate Professor of Saitama University, Faculty of Engineering</div><div>Dec. 1999 Professor of Tokyo Institute of Technology, Graduate School of Information Science and Engineering</div></div><div><div>Apr. 2016 Professor of Tokyo Institute of Technology, School of Engineering, Department of Systems and Control Engineering</div><div>Mar. 2019 Emeritus Professor of Tokyo Institute of Technology</div><div>Jun. 2020 Director of the Company</div></div></div></div> <div><div>■ Reasons for nomination as a candidate for Outside Director and expected role</div><div>Mr. Kazuyuki Sasajima is nominated as a candidate for Outside Director as it is expected that he will provide advice and supervision over the Company's management from an objective perspective independent from the management executing the business, based on, among other things, his high level of insight and extensive experience as an academic expert in information science and engineering and systems and control engineering in addition to his experience as a researcher in a company.</div></div>

Board of Directors

<div><div>Yoshiaki Tamura</div><div>Director (Oct. 3, 1954)</div></div>	<div></div> <div><div>■ Brief personal history, title, responsibilities and status of important concurrent offices</div><div><div>Apr. 1979</div><div>Joined Asahi Glass Co., Ltd. (currently AGC Inc.)</div></div><div><div>Mar. 2013</div><div>Representative Director, Executive Vice President, Overall business management, GM of Technology General Division, Deputy leader of AGC Group Improvement Activities of Asahi Glass Co., Ltd.</div></div><div><div>Mar. 2014</div><div>Executive Vice President, President of Glass Company of Asahi Glass Co., Ltd.</div></div><div><div>Mar. 2017</div><div>Executive Fellow of Asahi Glass Co., Ltd.</div></div><div><div>Mar. 2018</div><div>Outside Director of DIC Corporation (current)</div></div><div><div>Jun. 2022</div><div>Director of the Company</div></div></div> <div><div>■ Reasons for nomination as a candidate for Outside Director and expected role</div><div>Mr. Yoshiaki Tamura is nominated as a candidate for Outside Director as it is expected that he will provide the Company's management with advice and supervision from an objective perspective independent of the management executing the business, using his high level of insight based on his management experience and expertise in the manufacturing of glass and other materials acquired at AGC Inc. and through his activities as an outside director of other listed companies.</div></div>
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Statutory Auditors and Corporate Officers

Standing Statutory Auditor

Ryuji Minemura
Tatsuya Hisakura
Kazuhisa Morigayama*¹

Statutory Auditor

Taeko Ishii*¹
Yasuyoshi Ichikawa*¹

Senior Executive Corporate Officers

Sakae Hikita
Motoharu Kitajima
Satoru Inoue
Mitsuru Tsuchiya
Toshiki Sugimoto

Senior Corporate Officers

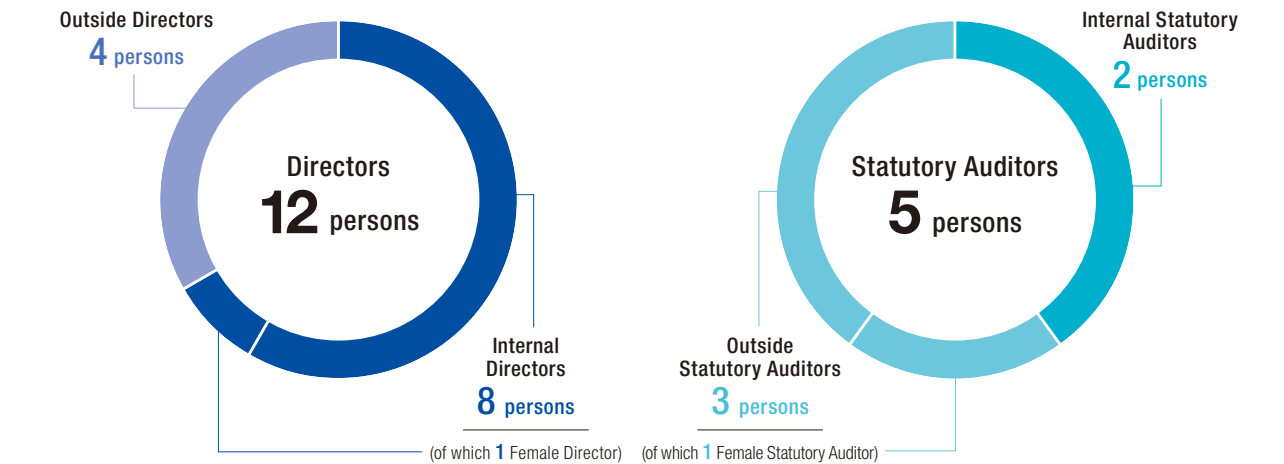
Nobuyuki Asaba
Kazuhiko Sugita
Yoshiki Numano
Osamu Nakamura
Mitsuru Iida
Takahito Kanazawa

Corporate Officers

Ryota Chiba
Kazuhisa Kobayashi
Go Miyazaki
Naohiro Nishizawa
Kazuo Murakami
Hiroyuki Matsumura
Takuya Goto
Minoru Nakanishi
Hiroyuki Sone
Yasuyuki Tani
Ariyoshi Matsumura
Mitsue Sako
Nobuyuki Tomizawa
Hideto Sakata

*¹ Outside Statutory Auditors

Composition of the Company's Board of Directors (As of June 29, 2023)



Background of the Company's Directors and Statutory Auditors

		Corporate management, business strategy	ESG, diversity	Financial/management accounting, capital policy initiatives	HR/labor, human resource development	Legal affairs, compliance, risk management	Overseas business	IT DX	R&D, new business
Directors	Yoshitoshi Kitajima	◎					○		
	Yoshinari Kitajima	◎	◎			○	○		
	Kenji Miya	◎	◎	○	◎	○	○		○
	Masato Yamaguchi	◎				○	◎	◎	◎
	Hirofumi Hashimoto	◎		○		◎	○		○
	Masafumi Kuroyanagi	◎		◎					
	Toru Miyake	○	○					○	◎
	Minako Miyama	○	◎		○			○	○
	Tsukasa Miyajima*					◎			
	Kazuyuki Sasajima								◎
Outside	Yoshiaki Tamura*	◎	○				◎	○	○
	Hiroshi Shirakawa*	◎		◎		○			
Statutory Auditors	Ryuji Minemura	○				◎			
	Tatsuya Hisakura	○		◎		○	◎	○	
	Kazuhisa Morigayama	○		◎	○	○			
	Taeko Ishii		◎		○	○			
	Yasuyoshi Ichikawa			◎		○			

*Advisory Committee Member

Background of the Company's directors and statutory auditors

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

Corporate Governance

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

Overview of DNP’s Corporate Governance

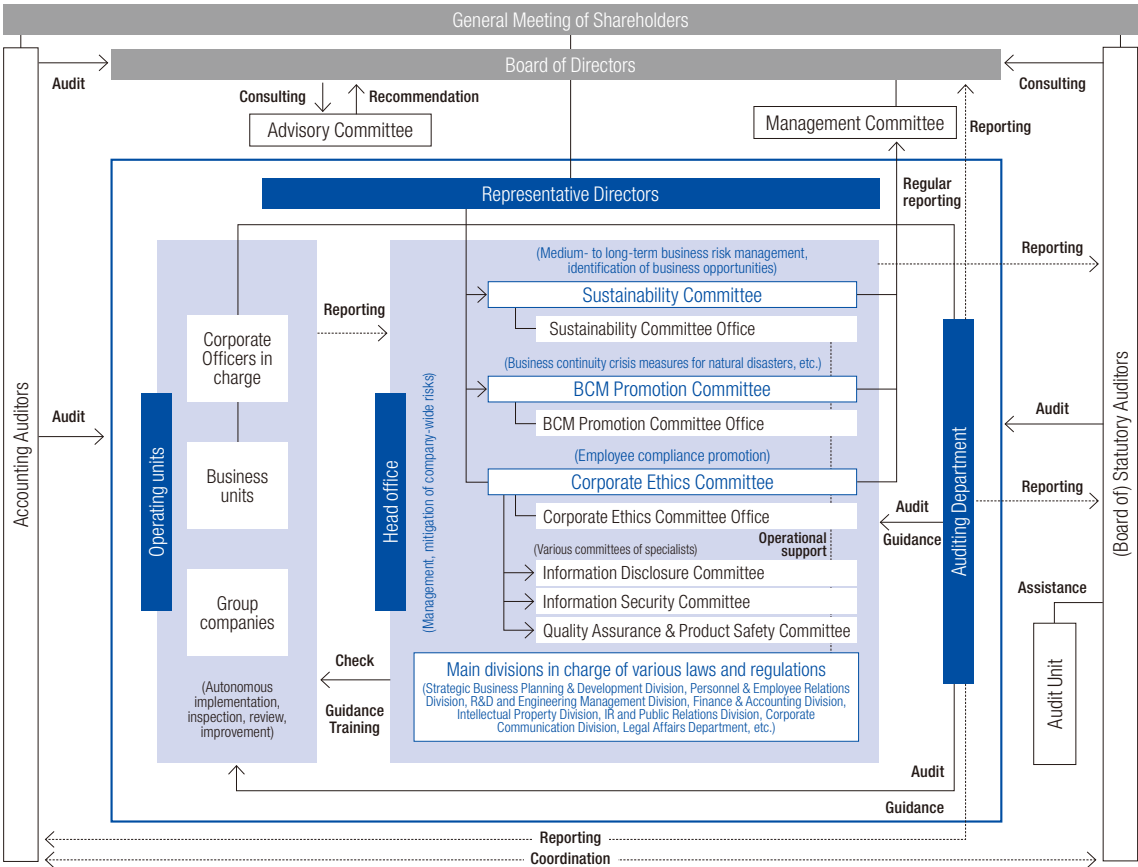
DNP is working to steadily grow its businesses over the medium and long term, based on its corporate philosophy, “Connect people and society and provide new value.” We believe that boldly addressing the challenges of various business opportunities through sound entrepreneurship and earning the trust of various stakeholders is essential for improving the competitiveness of our business in the future, and are working to improve corporate governance, including our internal control systems. We strive to make swift and accurate management decisions, maintain smooth business executions based on decisions made, build and operate a system of overseeing and auditing the business executions, and provide thorough training and education to increase employee awareness regarding legal compliance.

In recent years in particular, risks (factors contributing to change, including the rapid change of the environment and socioeconomic conditions) that may affect our business are becoming increasingly diverse. In response, we are working

to strengthen the process for appropriately assessing those risks, applying our assessments in our medium- to long-term management strategies and converting the risks into business opportunities. In March 2022, the Sustainability Committee headed by the president was restructured to accelerate efforts to strengthen this process.

The Sustainability Committee takes a central role and coordinates with the BCM Promotion Committee, which works to ensure the safety of employees and maintain continuity of production activities even in the event of emergencies such as natural disasters, and the Corporate Ethics Committee, which seeks to reduce risks by increasing employee awareness with regard to compliance. In this way, we have established a system that covers company-wide risks, in which material issues in management are verified regularly and discussed at Management Committee and Board of Directors meetings to appropriately reflect risks in our medium- to long-term management strategy.

Structural diagram of DNP’s corporate governance and internal control system



DNP’s corporate governance system

DNP has adopted the organizational design of a company with a Board of Statutory Auditors, with independent outside directors who participate in management decision-making to further enhance swift and accurate decision-making, smooth performance of duties based on the decisions made and

appropriate supervisory functions. We have also established a system with 25 corporate officers appointed by the Board of Directors, allowing the performance of duties decided by the Board of Directors with responsibility and authority.

Board of Directors and Board of Statutory Auditors

- The Company’s Board of Directors is structured to enable directors with specialized knowledge and experience in a wide range of business fields to participate in management decision-making aimed at realizing our corporate philosophy to carry out their duties with responsibility and authority and to supervise the execution of duties by other directors. In addition to supervising the Company’s internal directors, outside directors also contribute to the improvement of transparency and accountability of the Board of Directors through insightful management advice.
- In principle, the Board of Directors is held once a month, with corporate officers attending as rapporteurs when necessary, to deliberate and decide on important management issues. The criteria for agenda items to be submitted to the Board of Directors are clarified in the Board of Directors Regulations, which were established in compliance with laws and ordinances and the Articles of Incorporation. In terms of other decision-making and business execution, the directors or corporate officers in charge of each basic organization delegate appropriate authority to the head of the organization to which the Board of Directors has delegated, in accordance with organizational rules, etc., to improve efficiency.

Main items discussed at Board of Directors meetings during the fiscal year ended March 2023	
Management strategy	<ul style="list-style-type: none">Progress of operations in line with the Medium-term Management PlanFormulation of the Basic Management PolicyFormulation of the new Medium-term Management Plan, etc.
Sustainability	<ul style="list-style-type: none">Formulation of the Human Capital PolicyRevision of the DNP Group Environmental PolicyStatuses of Sustainability Committee activities, etc.
Dialogue with shareholders	<ul style="list-style-type: none">Holding of financial results briefings, ESG briefings, etc.Status of dialogues with institutional investors, etc.
Governance	<ul style="list-style-type: none">Key personnel, organizational units and remunerationEvaluation of the effectiveness of the Board of DirectorsStatus of internal audits, etc.
Other	<ul style="list-style-type: none">Individual investments, etc.

- The Company’s Board of Statutory Auditors consists of five (5) members (including three (3) standing statutory auditors) with diverse backgrounds. Each statutory auditor conducts audits of the execution of duties by directors in accordance with the auditing standards and assignments determined by the Board of Statutory Auditors and requests reports on the execution of duties from directors, corporate officers, and others as necessary. Each statutory auditor attends all meetings of the Board of Directors and makes necessary comments on agenda items. Outside statutory auditors enhance the validity of both accounting audits and operational audits, and fulfill the function of supervising management.
- The Company has four (4) outside directors and three (3) outside statutory auditors, all of whom are independent directors or statutory auditors who meet the “independence standards” stipulated by the Tokyo Stock Exchange and the Company. We believe that independent directors and statutory auditors ensure transparency of management and protect the interests of general shareholders by speaking out on agenda items at meetings of the Board of Directors from a standpoint independent of management, based on their various specialized knowledge and experience.



Management Committee

In order to enhance the speed and efficiency of management activities, the Company has established a Management Committee consisting of executive directors to review and

deliberate on matters such as management policies, management strategies and important management matters.

Advisory Committee

As part of our efforts to strengthen the supervisory function of the Board of Directors, we have established an Advisory Committee consisting of independent outside directors and/or outside statutory auditors to ensure transparency and objectivity of procedures and decision-making processes relating to decisions on key management issues including the nomination and remuneration of the Company's directors and corporate officers. In the fiscal year under review, the Advisory Committee consisted of three (3) outside commissioners (Director Miyajima, Director Tamura and Director Shirakawa) and deliberated on the policy and amount of remuneration for directors and corporate officers as well as the skills of candidates for directors to supervise the management of the Company.

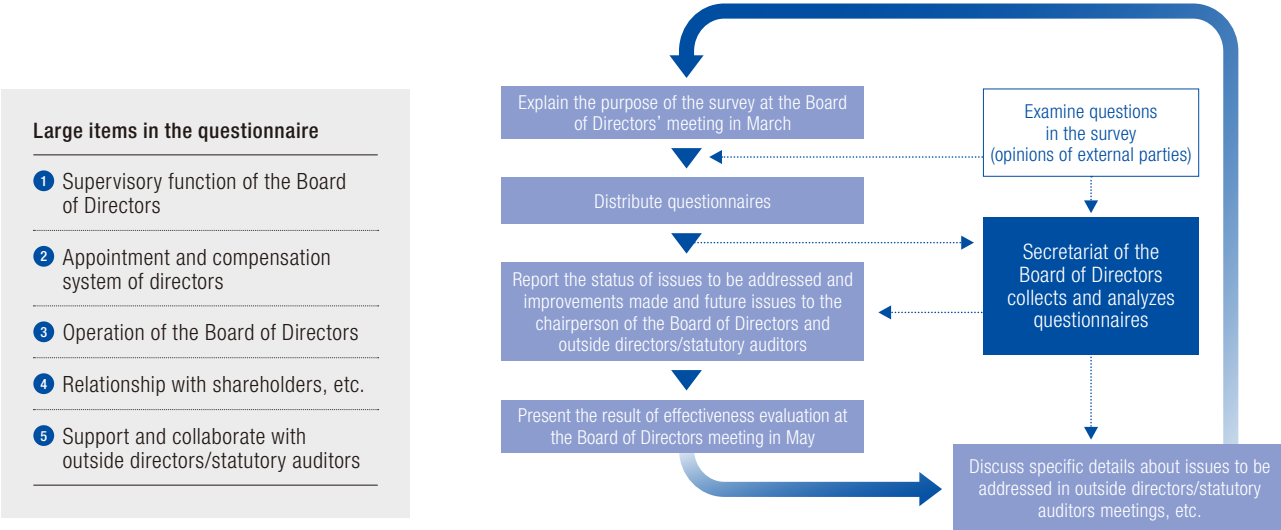
Items deliberated by the Advisory Committee during the fiscal year ended March 2023

- Appointment of corporate officers
- Basic policy on remuneration for directors and corporate officers, introduction of a stock-based remuneration system and individual remuneration
- Status of measures to train next-generation management leaders and managers
- State of consideration of the Basic Management Policy and Medium-Term Management Plan

Evaluation of the effectiveness of the Board of Directors overall

We have been evaluating the overall effectiveness of the Board of Directors around April each year since the enforcement of Japan's Corporate Governance Code in 2015 as an opportunity to receive frank opinions from the Board members about the activities of the Board of Directors. We conduct a questionnaire survey consisting of several dozen questions on the following large items (on a 1-to-3 scale and open-ended questions) which all directors and statutory auditors answer, analyze the result and present the issues to be addressed at a meeting of

the Board of Directors based on the outside directors' opinions regarding the results of the analysis. The survey is revised as appropriate, based on social trends and the opinions of external organizations, to ensure objectivity. In the past, we have also interviewed the directors by external parties as appropriate to further examine the survey results. We are improving all of the functions of the Board of Directors, including its supervisory function, through the ongoing series of steps in this process.



Results for the fiscal year ended March 2023

In the eighth effectiveness evaluation conducted in 2023, we checked the status of deliberations at the Board of Directors between April 2022 and March 2023 (12 sessions) and reconfirmed the status of items being addressed as improvement issues so far. Questions were added concerning the self-evaluation of each director and statutory auditor regarding the deliberations of the Board of Directors, and the free response statement column was also improved. As a result of an analysis (by the Board's administrative office) of the effectiveness of the questionnaire answered by all directors and statutory auditors, it was confirmed that the effectiveness of the Board of Directors has been maintained, and that improvements were made with regard to the issues identified in

the seventh effectiveness evaluation. To further enhance effectiveness, the following issues to be addressed were shared at the Board of Directors meeting in May 2023.

1

Further measures for progress at the Board of Directors meetings (standardization of meeting material formats to secure time for deliberations and enhancement of content of prior explanations given before meetings, etc.)

2

Enhancing communication between management and outside officers to enhance the effectiveness of the Board of Directors (status of DNP's business operations and content of dialogues with shareholders, etc.)

Initiatives to enhance corporate governance

Since the introduction and application of Japan's Corporate Governance Code in 2015, we have been working to enhance

the effectiveness of the Board of Directors based on the results of effectiveness evaluations.

Improvements to the corporate governance system

	Board of Directors (directors and statutory auditors)		Corporate officers
	Overall (of which female)	Independent directors	Overall (of which female)
FY2016	23persons (0person) <div><div>23</div></div>	5persons (21.7%) <div><div>5</div><div>18</div></div>	22persons (0person) <div><div>22</div></div>
FY2023	17persons (2persons) <div><div>2</div><div>15</div></div>	7persons (41.2%) <div><div>7</div><div>10</div></div>	25persons (1person) <div><div>1</div><div>24</div></div>

Major initiatives so far

Supervisory function of the Board of Directors	<div><div>• Addition of outside directors</div><div>• Appointment of a female internal director</div><div>• Appointment of a female outside statutory auditor</div><div>• Revision of Group governance system</div><div>• Regular management of risks and identification of business opportunities, led by the Sustainability Committee, etc.</div></div>
Appointment and compensation system of directors	<div><div>• Establishment of the Advisory Committee and expansion of membership</div><div>• Development and announcement of skill matrix</div></div>
Operation of the Board of Directors	<div><div>• Establishment of the secretariat of the Board of Directors</div><div>• Organization of agenda items to be submitted</div><div>• Prior explanations for outside directors/statutory auditors on the agenda of the Board of Directors, etc.</div></div>
Relationship with shareholders, etc.	<div><div>• Reporting of the results of the exercise of voting rights at the Ordinary General Meeting of Shareholders and the status of SR (Shareholder Relations) activities to the Board of Directors</div><div>• Holding briefings (such as financial results briefings) for investors and giving feedback to the Board of Directors</div><div>• Feedback of opinions from shareholders, etc., including daily IR (Investor Relations) activities, etc.</div></div>
Support and cooperation of outside directors/statutory auditors	<div><div>• Distribution in advance of materials concerning agenda items submitted to the Board of Directors to outside directors/statutory auditors</div><div>• Holding meetings of outside directors/statutory auditors</div><div>• Factory visits by outside directors/statutory auditors</div><div>• Enhancing provision of information to outside directors/statutory auditors, etc.</div></div>

Dialogue of Outside Directors

Efforts of the Board of Directors to Increase DNP's Corporate Value



Yoshiaki Tamura, Outside Director

Mr. Tamura has held key positions at Asahi Glass Co., Ltd., (currently AGC Inc.) including Representative Director and Executive Vice President (overall business management, GM of Technology General Division and Deputy leader of AGC Group Improvement Activities) in 2013, Executive Vice President and President of Glass Company in 2014 and Executive Fellow in 2017. He was appointed as a director of DNP in June 2022, and has also served as a member of the Advisory Committee since June 2023.

Hiroshi Shirakawa, Outside Director

Mr. Shirakawa has held key positions at TAISEI CORPORATION, including Trustee and General Manager, Corporate Planning Department, Corporate Planning Office in 2011, Executive Officer, Deputy Chief of Corporate Planning Office and General Manager, Corporate Planning Department in 2012, Managing Executive Officer, Chief of Yokohama Branch in 2015 and Senior Managing Executive Officer, Member of the Board and Chief of Marketing & Sales (Building Construction) Division II in 2019. He was appointed as a director of DNP in June 2022, and has also served as a member of the Advisory Committee since June 2023.

Reflecting on the past year since appointment as directors

Tamura: I had long recognized DNP as a company that was engaged in a wide range of business operations, but when I became an outside director, I was surprised to learn—in the process of carrying out my duties—that DNP was engaged in a wider range of businesses than I had realized. When a company is engaged in such a diverse range of businesses, there is a possibility that the direction in which it should head as an organization may not be properly decided, but I feel that DNP has a certain DNA that has been passed down throughout its 150-year history since its founding, developing printing technologies that process information, and taking on challenges in new fields. While DNP's employees today are still active in various business fields, they all have a common understanding of the direction in which DNP should be heading (now defined in its current corporate brand statement as “creating future standards”), based on the basic printing and information technologies cultivated so far. I believe that this common understanding has spread through President

Kitajima's continuous efforts to communicate information to employees through various media, such as the internal website and internal newsletter.

Shirakawa: I feel the same way. Although at first glance the brand statement of “creating future standards” may be viewed as making it difficult to understand what it is that we are aiming for, there is a kind of blank margin that allows each employee to think and act in their own field and in fact I feel that DNP employees think about that margin as they carry out their duties. I think it's a very good brand statement.

Also, because DNP is engaged in a wide range of businesses, the agenda items submitted to the Board of Directors are very diverse. When I was first appointed, I found it hard to understand the content of some of the agenda items made at Board of Directors meetings, but I deepened my understanding of DNP through various opportunities such as meetings with executive divisions, in addition to receiving prior explanations about the background of the proposals. This is also important in fulfilling our duties as outside directors, to supervise management from an objective standpoint.

Tamura: As Mr. Shirakawa said, we are very grateful for the prior explanation of the agenda items for Board of Directors meetings. Corporate officer class personnel highlight important points and explain them to us directly, making it easy to ask questions on the spot and helping us to understand. This enables us to attend Board of Directors meetings with a deeper understanding of agenda items in advance, and I feel that this has enabled us to offer appropriate advice and recommendations at meetings based on our experience.

Working to further improve the efficiency of the Board of Directors

Shirakawa: I think that DNP's Board of Directors has good discussions on the agenda items that are put forward. On the other hand, perhaps because there is a strong desire to provide sufficient information to outside directors and statutory auditors, there are situations where there is quite an overlap between the prior explanations and those given at the Board of Directors meetings, and I feel that things would be even better if there was a little more time for discussion. Based on the results of this year's evaluation of the effectiveness of the Board of Directors, we will work on devising operational measures to secure more time for deliberation, and I hope that this will lead to an improvement.

Tamura: I think the same situation exists at other companies, but there is a tendency for internal directors to answer questions from outside directors about individual agenda items at the Board of Directors meetings. I think that it is important to set aside time for discussions on major themes that are separate from individual projects—such as the recognition of management issues in light of social changes and state of response to them, as with the new Medium-term Management Plan—so that internal directors who are well acquainted with DNP's business operations and outside directors with objective perspectives can exchange opinions based on their respective knowledge, and the Board of Directors can show the company's major direction to those both inside and outside the company. I think that this is important, not only to provide appropriate information to shareholders and other stakeholders, but also to enhance DNP's corporate value.

Shirakawa: I agree. Individual agenda items submitted at the Board of Directors meetings have already been discussed within the company and deliberated by the Management Committee, so I can understand the situation where it can be difficult for internal directors to express their opinions after that, having experienced the role of being an internal director myself in the past. However, DNP's Board of Directors consists of executives with diverse backgrounds, so I think it would still be useful to discuss these items regardless. There is also the option of setting themes for discussion without seeking conclusions.

Discussions for the formulation of the Medium-term Management Plan

Shirakawa: From the second half of 2022, when I took on my post as a director, we checked the progress of the previous Medium-term Management Plan, and the Board of Directors also discussed a new Medium-term Management Plan for FY2023 through FY2025. In my previous job, too, I was involved in drafting medium-term management plans, so I can really understand the situation in which the executive side has repeatedly discussed and examined the formulation of the new plan.

At the Board of Directors, discussions were held in stages, including the basic management policy, the initial framework of the Medium-term Management Plan, the outline of the plan (report at the formulation stage) and the formal decision. From the standpoint of an outside director, I feel that it was very easy for us to advance discussions, with the flow of deliberations shifting gradually from the broad direction that the company should take to more specific details. I think it was good that we were able to take the proper steps, engaging in dialogues with people in the market



and holding discussions at the Board of Directors.

Tamura: About discussions on the formulation of the Plan, I have the same impression as Mr. Shirakawa. It goes without saying that the most important thing is not simply to create a Medium-term Management Plan but to execute it properly, in accordance with the plan. Based on our common understanding of “creating future standards,” the Board of Directors will monitor and support the steady implementation of the Medium-term Management Plan and the implementation of other initiatives to enhance DNP's corporate value, while checking progress based on the KPIs (Key Performance Indicators) we have set and reviewing the plan as necessary.

Roles to fulfill going forward

Tamura: The current state of society—with the use of AI and the changing values such as the awareness of time-performance—was unimaginable in the past, and I think that the kind of future and business environment that we are currently envisaging now will also change significantly. I am excited to see what kind of “future standards” DNP will create. I believe that it will be necessary to launch new businesses and expand globally, but I would like to contribute to the continued development of DNP by providing appropriate advice on the challenges DNP faces by leveraging the knowledge of product development and global expansion I accumulated in my previous job, from an objective standpoint.

Shirakawa: DNP has a history of growing by reviewing and transforming its business portfolio while responding to social changes. Now the current Board of Directors must show the “future” that the company is aiming for and the direction in which it is heading. In addition to checking the progress of the Medium-term Management Plan, I will also continue to make recommendations to enhance DNP's corporate value from a standpoint that is independent of management, utilizing the knowledge of corporate planning, finance and management accounting I gained in my previous jobs to review the company's business portfolio and discuss management issues.



Compensation paid to directors and statutory auditors

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

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

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

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

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

To determine a policy for deciding the details of compensation for each director, including the amount thereof, the Board of Directors established standards by referring to objective compensation market data. The Advisory Committee, which consists of independent outside directors and/or statutory auditors, then went through a process of deliberation and examination. The Board of Directors took the details of this deliberation into consideration and passed a resolution on a policy for deciding the details of the compensation of each director for the fiscal year under review (the fiscal year ended March 31, 2023) at a meeting of the Board of Directors held on April 18, 2022.

In the fiscal year ended March 31, 2022, the Board of Directors decided to entrust Yoshinari Kitajima, President with the task of deciding a specific amount of compensation for each director, and Mr. Kitajima, who accepted the task, decided each amount. The Board of Directors entrusted him with this authority because the president is best positioned to conduct the evaluation of the duties of each director is responsible for while simultaneously looking at results from broad perspectives.

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

The amount of compensation for each director was decided, as mentioned above, after the Advisory Committee conducted an assessment from multiple perspectives including consistency with the determined policy. Therefore, the Board of Directors considers that the details of compensation for each director for the fiscal year ended March 31, 2022 are consistent with the policy.

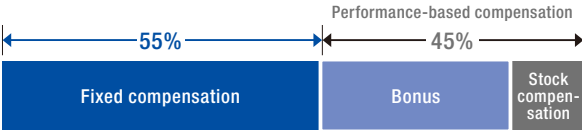
(1) Executive directors’ compensation

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

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

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

Diagram of compensation in the fiscal year under review



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

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

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

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

The transfer of shares allotted to executive directors is restricted until their retirement. The method of calculating the number of shares whose restriction to transfer is lifted will be determined (a) for the portion that requires the continuous service of the director at DNP for a certain period of time (condition of a term in office) and (b) for the portion that requires the achievement of target indicators (currently consolidated operating income and ROE) (performance condition) set as goals in the Medium-term Management Plan to be an incentive for the achievement of the medium-term management goals. In the future, DNP will consider introducing non-financial indicators such as environmental indicators in addition to consolidated operating income and ROE.

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

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

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

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

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

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

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

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

(2) Matters concerning performance-based compensation, etc.

Indicators of performance and the calculation method used for performance-based compensation, etc., are described in Section 1 of “matters concerning the policy for deciding the details of compensation for each individual director” above. The indicator consolidated operating income under bonuses is the consolidated earnings forecast for the current fiscal year of 67.0 billion yen. Since the purpose of the consolidated operating income indicator under performance-based stock compensation is to link performance and compensation to the Medium-term Management Plan, we set a target of 62.0 billion yen for the fiscal year under review in the Medium-term Management Plan for FY2020–FY2022. The targets for the indicators net income attributable to parent company shareholders and ROE were 67.0 billion yen and 6.0%, respectively. The actual results were 61.2 billion yen for consolidated operating income, 85.6 billion yen for net income attributable to parent company shareholders and 7.9% for ROE.

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

(3) Compensation for outside directors

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

(4) Compensation for statutory auditors

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

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

Category of director/statutory auditor	Total compensation (¥ million)	Total compensation by type (¥ million)			Number of directors and statutory auditors covered
		Fixed compensation	Performance-based compensation		
			Bonus	Stock compensation	
Directors (excluding outside directors)	896	560	252	82	8
Statutory auditors (excluding outside auditors)	57	57	—	—	2
Outside directors and auditors	130	130	—	—	9

Note:
1. Bonus amounts shown are the amounts scheduled to be paid as bonuses for the fiscal year under review.
2. Stock compensation shows the amounts recorded as expenses for the fiscal year under review.
3. There were eight internal directors, two internal statutory auditors and seven outside directors as of the end of the fiscal year ended March 31, 2023.

Company directors and total compensation

Name	Total compensation (¥ million)	Director type	Company	Total compensation by type (¥ million)		
				Fixed compensation	Performance-based compensation	
					Bonus	Stock compensation
Yoshitoshi Kitajima	375	Director	Dai Nippon Printing Co., Ltd.	255	83	37
Yoshinari Kitajima	233	Director	Dai Nippon Printing Co., Ltd.	141	71	21

Note:
1. Total compensation is shown only for those with compensation of at least 100 million yen.
2. Bonus amounts shown are the amounts scheduled to be paid as bonuses for the fiscal year under review.
3. Stock compensation shows the amounts recorded as expenses for the fiscal year under review.

Compensation paid to accounting auditors

(1) Compensation paid to accounting auditors

Category	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
	Compensation for audit certification (¥ million)	Compensation for other services (¥ million)	Compensation for audit certification (¥ million)	Compensation for other services (¥ million)
Dai Nippon Printing Co., Ltd.	122	0	122	0
Consolidated subsidiaries	135	0	135	0
Total	257	0	257	0

(2)Compensation paid to individual member firms affiliated with the same network, to which auditors belong (excluding the compensation paid to KRESTON International (1))
None

(3)Other material compensation details
None

(4) Details of services other than auditing work provided by the accounting auditor to the submitting company
Services other than auditing provided by the accounting auditor to the Company are formalities-related work.

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

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

Stockholdings

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

(2) Stocks held for reasons other than for pure investment purposes
1. Stockholding policy, method for validating rationale for stockholdings and details of validation at the Board of Directors concerning the propriety of individual stockholdings.
The Company specifically closely examines individual stocks based on trends in the status of business transactions with the company issuing the stock, trends in business results of that company, the Company's own business conditions and medium- to long-term economic rationality and future prospects, and the Company periodically verifies the significance and purpose of holding a stock. As a result, the Company sells stocks it determines have diminished significance.
In the fiscal year ended March 31, 2023, the number of shares of 31 stocks held by the Company decreased as listed on the right.

2. Number of stocks and amounts recorded on balance sheets

	Number of companies (Stocks)	Total amounts recorded on balance sheets (¥ million)
Non-listed stocks	112	6,267
Stocks other than non-listed stocks	111	255,734

(Stocks for which number of shares increased in the fiscal year ended March 31, 2023)

	Number of companies (Stocks)	Total amount of acquisition cost pertaining to the increase in number of shares (¥ million)	Reason for increase in number of shares
Non-listed stocks	2	749	To strengthen our business alliance
Stocks other than non-listed stocks	7	20	To enhance our business relationship

(Stocks for which the number of shares decreased in the fiscal year ended March 31, 2023)

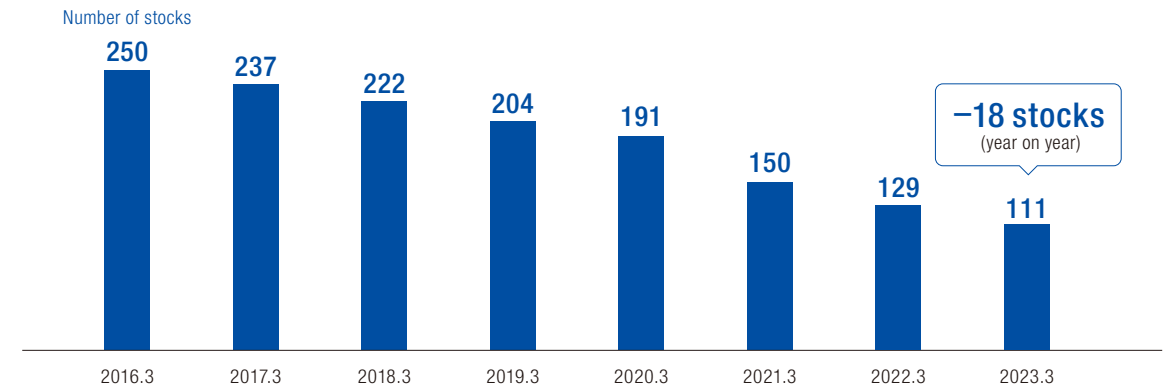
	Number of companies (Stocks)	Total amount of sale value pertaining to the de-crease in number of shares (¥ million)
Non-listed stocks	4	178
Stocks other than non-listed stocks	27	14,633

(Continued on the next page)

Reduction of strategic shareholdings

As a result of efforts for strategic shareholding reductions in the fiscal year ended March 31, 2023, the Company decreased the number of listed stocks by 18 and moved forward with the improvement of capital efficiency.

✔ Stockholdings of listed stocks



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

Stocks held for reasons other than pure investment purposes

Company name	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Company's ownership of DNP shares (Y/N)	Holding purpose, the quantitative effect of ownership and the reason for increase in number of shares
	Number of shares	Number of shares		
	Amount recorded on balance sheet (¥ million)	Amount recorded on balance sheet (¥ million)		
Recruit Holdings Co., Ltd.	36,600,000	38,600,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company. After reviewing the significance and purpose of the shareholding, we have sold a part of our shareholding in the fiscal year ended March 31, 2023.
	133,590	208,980		
Dai-ichi Life Holdings, Inc.	6,606,600	6,606,600	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	16,087	16,509		
Dexterials Corporation	3,125,000	3,125,000	N	We hold the company's shares aiming to strengthen our business alliance. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	8,400	10,453		
Ezaki Glico Co., Ltd.	1,619,706	1,618,647	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company. In the fiscal year ended March 31, 2023, the number of shares increased because of the enhancement of our business relationship.
	5,401	6,021		
Mizuho Financial Group, Inc.	2,713,431	2,713,431	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	5,095	4,251		
FUJIFILM Holdings Corporation	685,965	685,965	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	4,594	5,146		
Lion Corporation	3,140,665	3,140,665	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	4,494	4,277		
Toyo Suisan Kaisha, Ltd.	794,980	794,980	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	4,412	3,474		
Aica Kogyo Co., Ltd.	1,293,743	1,293,743	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	3,926	3,866		
Taisho Pharmaceutical Holdings Co., Ltd.	692,700	692,700	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	3,823	3,934		
Meiji Holdings Co., Ltd.	564,400	564,400	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	3,561	3,730		
YAKULT HONSHA CO., LTD..	350,500	350,500	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	3,375	2,285		
Ajinomoto Co., Inc.	630,931	630,931	N	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,906	2,192		
Kobayashi Pharmaceutical Co., Ltd.	319,800	319,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company. In the fiscal year ended March 31, 2023, the number of shares increased because of the enhancement of our business relationship.
	2,587	3,132		
Sapporo Holdings Limited	759,277	759,277	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,585	1,751		
Hakuhodo DY Holdings Inc.	1,720,000	1,720,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,571	2,657		
Kikkoman Corporation	350,940	350,940	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,365	2,853		
Asahi Group Holdings, Ltd.	480,029	480,029	N	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,363	2,141		
Mitsubishi UFJ Financial Group, Inc.	2,399,760	2,399,760	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,034	1,824		
YAMATO HOLDINGS CO., LTD.	830,300	830,300	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,883	1,903		
KADOKAWA CORPORATION	584,000	584,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,645	1,880		

Company name	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Company's ownership of DNP shares (Y/N)	Holding purpose, the quantitative effect of ownership and the reason for increase in number of shares
	Number of shares	Number of shares		
	Amount recorded on balance sheet (¥ million)	Amount recorded on balance sheet (¥ million)		
TOKYO OHKA KOGYO CO., LTD.	206,000	206,000	Y	We hold the company's shares aiming to strengthen our business alliance. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,584	1,516		
Unicharm Corporation	290,700	290,700	N	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,581	1,267		
MORINAGA & CO., LTD.	393,000	393,000	N	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,475	1,497		
Aflac Incorporated	149,600	149,600	N	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,288	1,179		
TAKARA HOLDINGS INC.	1,200,000	1,200,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,226	1,321		
S&B FOODS INC.	344,400	344,400	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,215	1,267		
SINFONIA TECHNOLOGY CO., LTD.	732,800	732,800	Y	We hold the company's shares aiming to strengthen our business alliance. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,154	976		
Hulic Co., Ltd.	1,040,000	1,040,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,130	1,145		
TBS HOLDINGS, INC.	518,064	518,064	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	986	925		

1. Stocks held for reasons other than pure investment purposes and stocks held in trust with voting rights are not added together when selecting stocks with the largest amounts as recorded in the balance sheet.
2. The quantitative effect of ownership is not stated because of matters concerning business agreements with the business partner. In terms of the rationality of the holding, we have periodically verified the significance and purpose of shareholding through close investigation of the transaction status with the company, financial results of the company, business status of DNP, the medium- to long-term economical rationality and the prospects.
3. In the company's ownership of DNP shares, in the case that the company is a holding company, the holding status of the parent company and its major subsidiaries is stated.
4. Among stocks held for reasons other than pure investment purposes, the 30 stocks with the largest amounts as recorded in the balance sheet are listed.

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

Company name	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Company's ownership of DNP shares (Y/N)	Holding purpose, the quantitative effect of ownership and the reason for increase in number of shares
	Number of shares	Number of shares		
	Amount recorded on balance sheet (¥ million)	Amount recorded on balance sheet (¥ million)		
Terumo Corporation	7,722,000	7,722,000	Y	We hold voting instruction rights for shares in retirement benefit trusts.
	27,598	28,756		
TV Asahi Holdings Corporation	4,030,000	4,030,000	N	We hold voting instruction rights for shares in retirement benefit trusts.
	6,073	6,077		
Astellas Pharma Inc.	2,284,000	2,284,000	N	We hold voting instruction rights for shares in retirement benefit trusts.
	4,300	4,364		
Japan Tobacco Inc.	1,000,000	1,000,000	N	We hold voting instruction rights for shares in retirement benefit trusts.
	2,798	2,087		
KADOKAWA CORPORATION	532,608	532,608	Y	We hold voting instruction rights for shares in retirement benefit trusts.
	1,500	1,714		
TAKARA HOLDINGS INC.	500,000	500,000	Y	We hold voting instruction rights for shares in retirement benefit trusts.
	511	550		

1. Stocks held for reasons other than pure investment purposes and stocks held in trust with voting rights are not added together when selecting stocks with the largest amounts as recorded in the balance sheet.
2. In the company's ownership of DNP shares, in the case that the company is a holding company, the holding status of the parent company and its major subsidiaries is stated.

(3) Stocks held for pure investment purposes

None

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Management’s Discussion and Analysis

Consolidated

Business Environment and Overview of Operating Results for the Fiscal Year Ended March 2023

Business conditions surrounding the DNP Group during the fiscal year ended March 2023 were marked by gradual progress in efforts to change people’s working styles and lifestyles, in addition to recovery from the effects of the COVID-19 pandemic on social and economic activities. In Japan, in particular, there were signs of gradual economic recovery, with increasing demand for inbound tourism, especially since travel restrictions were eased at the beginning of 2023.

On the other hand, factors such as the emergence of geopolitical risks and decreased stability in global supply chains continued to push up prices of raw materials and energy and logistics costs. The business environment in Japan and elsewhere has become more severe, with economic slowdowns being seen in many regions overseas due to inflation and monetary tightening.

Amid these conditions, the DNP Group vigorously pursued initiatives aimed at realizing a better, sustainable society and enabling well-being lives. In line with DNP’s P&I Innovation business vision that synergizes DNP’s unique strengths in P&I (Printing & Information), we deepened the level of cooperation with our many partners and strove to create new value that solves social issues and meets people’s expectations.

In the fiscal year ended March 2023, we designated four “focus businesses” for which we anticipate strong market growth and high profitability: IoT and next-generation communications business, data distribution-related business, mobility business and environment-related business. We focused and optimized management resource allocation in these areas, including both financial capital and non-financial capital such as human resources and intellectual properties. Doing so led to many positive results.

In the IoT and next-generation communications business, DNP has developed a film-type antenna that supports the Sub6 waveband of fifth-generation mobile communication systems (5G) with its excellent design, weather resistance and flexibility. By combining DNP’s proprietary technologies with other technologies, we intend to build a coherent production system handling everything from pattern design to processing, and to promote rapid commercialization.

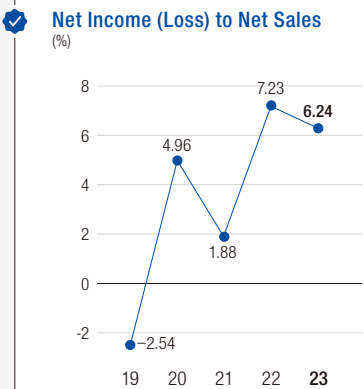
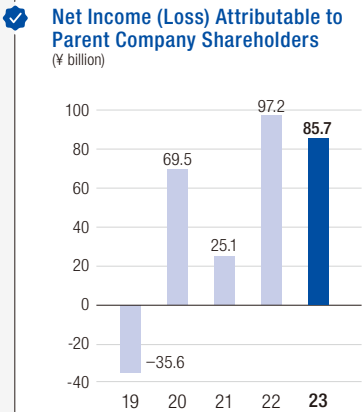
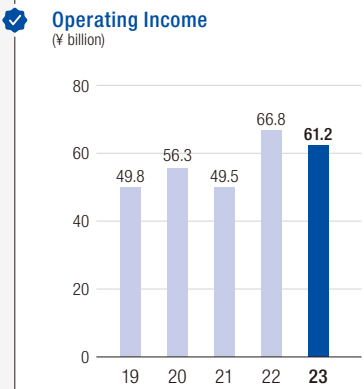
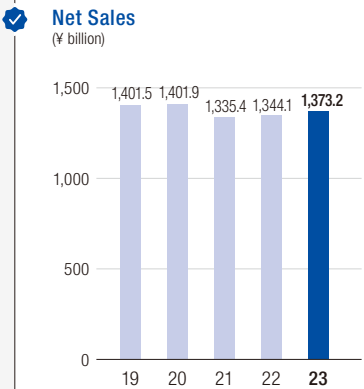
In data distribution-related business, in October 2022 we began providing a face authentication system that uses photo data from facial photos taken with DNP’s “Ki-Re-I” ID photo machines. The system offers contactless control of room entry and exit while simultaneously measuring body temperature, making it possible to reduce security risks and prevent infections with a single device. In December 2022, we formed a business tie-up with The Yomiuri Shimbun Tokyo Headquarters and SMN Corporation. By compiling behavioral data relating to consumers who come into contact with newspapers, magazines and television shows owned by each company, we launched “Media X,” a platform for more effective distribution of advertisements.

In the mobility business, we worked to develop products and services for the next-generation mobility society, which demands reduced environmental impact, higher energy efficiency, greater information security and high degrees of safety and comfort. To improve the efficiency of delivery management, etc., as part of this effort, in February 2023, we used Mobility as a Service (MaaS) in the Republic of the Philippines to demonstrate the viability of a “last mile logistics” business that delivers goods from final logistics bases into the hands of consumers.

In environment-related business, in October 2022, we combined DNP’s diverse technologies and expertise to launch a cross-departmental environmentally conscious design team called DNP GREEN PARTNER, whose mission is to help solve environmental issues faced by corporations. Aiming for long-term coexistence between a healthy environment and business, we intend to provide companies with services aimed at resolving various issues.

In addition to these focus businesses, the entire group has been working on structural reforms aimed at boosting DNP’s competitiveness, and has worked to

Fiscal year: the accounting year ended March 31



build a stronger business portfolio. To strengthen our management foundation so that it can support long-term growth, we have accelerated the promotion of digital transformation (DX) aimed at improving productivity, upgrading our information infrastructure and initiatives relating to the environment, human resources and human rights.

Table with 4 columns: Metric, 2023.3, 2022.3, 2021.3. Rows include Net sales, Gross profit margin, Operating income margin, Ordinary income margin, and Net sales income margin.

Overseas sales for the DNP Group as a whole were ¥315,798 million, up 8.8% from the previous fiscal year. Overseas sales accounted for 23.0% of total sales, an increase of 1.4 percentage points from 21.6% in the previous fiscal year.

Information Communication

- Net Sales: ¥720,294 million (up 3.0% YoY)
- Operating Income: ¥26,731 million (down 3.2% YoY)
- Operating Income Margin: 3.7% (down 0.3 percentage points)

Publishing Business

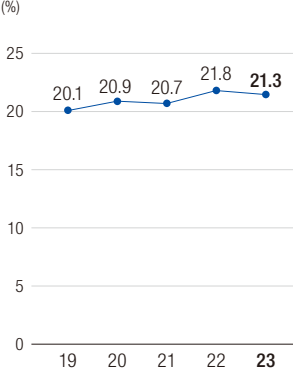
Market Sales volume in the publishing industry in fiscal 2023 totaled ¥1,110.6 billion (down 6.4% year on year). The positive impact of the increase in reading time due to the COVID-19 pandemic that continued in fiscal 2020 and fiscal 2021 has ended, and the market was also affected by consumer restraint from buying due to high prices.

DNP In Publishing, on top of shrinkage in printing orders due to contraction of the market for magazines and other paper media, there was also a decline in sales from DNP's hybrid bookstore network, which handles both paper and electronic media, in comparison with the previous year's high stay-at-home demand, leading to a decrease in net sales year on year.

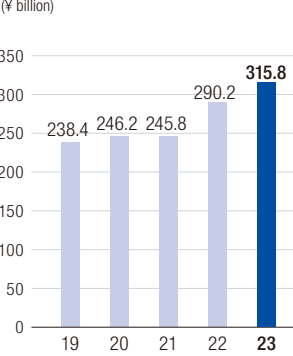
Information Innovation Business: Marketing

Market Domestic demand for advertising in fiscal 2022 decreased by 2.9% overall, despite an increase in internet advertising and event planning, due to a major decline in demand for television and newspaper advertising (surveyed by the Ministry of Economy, Trade and Industry).

Gross Profit Margin



DNP's Overseas Sales



Information Innovation Business: Information Security

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

Imaging Communication Business

Market Demand for taking and printing photographs—which had declined due to the impact of restrictions on movement and other measures against the COVID-19 pandemic—recovered in the European and Asian markets, in addition to the main U.S. market.

Lifestyle and Industrial Supplies

- Net Sales: ¥400,236 million (up 3.4% YoY)
- Operating Income: ¥7,380 million (down 45.8% YoY)
- Operating Income Margin: 1.8% (down 1.7 percentage points)

Packaging Business

Market Demand for eco-friendly packaging materials and packaging materials for food products and daily commodities began to recover, as did inbound demand for packaging materials for tourism-related souvenirs.

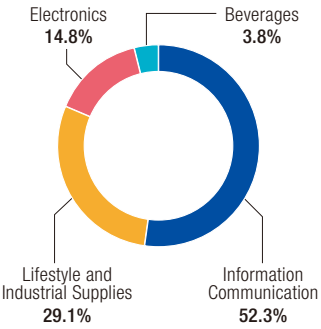
Living Spaces Business

Market Domestic new housing starts decreased 0.6% year on year to approximately 860,000 units in fiscal 2022. In these new starts, owner-occupied houses decreased by 11.8%, while apartments and other rental housing increased by 5.0% and condominiums increased by 4.5% year on year (surveyed by the Ministry of Land, Infrastructure, Transport and Tourism).

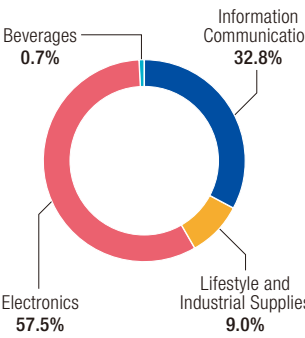
Industrial High-performance Materials Business

Market Demand for products like smartphones and notebook PCs remained sluggish against the backdrop of reactionary reductions to stay-at-home demand and market inventory adjustments, and sales of battery pouches for lithium-ion batteries used in IT applications decreased.

Net Sales by Segment



Operating Income by Segment



for electric vehicles is expected to grow 17% in terms of CAGR (Compound Annual Growth Rate) between 2023 and 2030, due to the increasing global trend toward environmental requirements for reducing CO₂ emissions (surveyed by LMC Automotive). Global demand for encapsulants for solar cells has also increased.

DNP Although sales of battery pouches for lithium-ion batteries used in devices such as tablets and smartphones decreased, sales of battery pouches for lithium-ion batteries for automotive use and encapsulants for solar cells increased, resulting in net sales that were on par with the previous year.

Electronics

- Net Sales: ¥203,574 million (down 3.6% YoY)
- Operating Income: ¥46,936 million (up 1.0% YoY)
- Operating Income Margin: 23.1% (up 1.1 percentage points)

Display Components Business

Market In 2022, although the market for organic light-emitting diode (OLED) displays for smartphones suffered from an overall decrease in the number of smartphones shipped due to factors such as a decline in consumer motivation to purchase, the number of manufacturers adopting OLED displays increased, resulting in a 5.4% increase in display area shipped (5,343,000m²). The market for TVs and other large LED panel displays shrank, due to factors such as a reactionary decrease in stay-at-home demand, with display area shipped decreasing by 7.1% to 193,447,800m² (source: Reality and Future Prospect of Display Related Market 2023, Fuji Chimera Research Institute, Inc.).

DNP The Display Components business enjoyed solid demand for metal masks used in the production of OLED displays, which are increasingly used for smartphones. At the same time, sales of optical films decreased relative to the previous year's surge in stay-at-home demand in Japan, along with the impact of inventory adjustments throughout the supply chain due to a worldwide slump in consumption. As a result, overall sales from this business decreased.

Electronics Devices Business

Market Global semiconductor sales for 2022 increased 3.3% year on year to US\$ 574.0 billion as demand stalled in the second half of the year, according to the World Semiconductor Trade Statistics. By field, semiconductor memory shipments decreased by 15.6% year on year, and logic shipments increased by 14.0% year on year.

DNP The Electronic Devices business was affected by a slowdown in the expansion of the semiconductor market, leading to a decline in sales of lead frames and other semiconductor package components in the latter half of the fiscal year due to the impact of inventory adjustments by some client companies. Nevertheless, sales for the whole year grew relative to the previous year. Demand for semiconductor production photomasks also remained strong for product development at client companies, resulting in an overall year-on-year increase in sales.

Beverages

- Net Sales: ¥51,605 million (up 3.8% YoY)
- Operating Income: ¥602 million (down 12.9% YoY)
- Operating Income Margin: 1.2% (down 0.2 percentage points)

Market Demand for beverages recovered due to good weather during the summer, as the impact of stay-at-home policies implemented during the COVID-19 pandemic diminished.

DNP As a result, segment sales increased overall thanks to a recovery in convenience store sales on top of increased restaurant and online sales.

Cost of Sales/Selling, General and Administrative Expenses/
Operating Income

Cost of sales increased ¥30,066 million, or 2.9% year on year, to ¥1,081,284 million, and the gross profit margin fell 0.5 percentage points to 21.3%.

The price of raw materials and energy increased during the fiscal year under review due to the emergence of geopolitical risks and instability in the global supply chain, with raw material and energy costs minus the portion transferred to selling prices increasing by ¥11.7 billion year on year.

Selling, general and administrative expenses amounted to ¥230,692 million in the fiscal period under review, a year-on-year increase of ¥4,552 million, or 2.0%. The percentage of net sales remained unchanged at 16.8% from the previous fiscal year.

As a result, operating income for the fiscal year under review fell ¥5,556 million, or 8.3% year on year, to ¥61,233 million. The operating margin fell 0.5 percentage points to 4.5%.

Non-operating Income (Expenses) and Income before Income Taxes and
Non-controlling Interests

Non-operating income totaled ¥26,695 million in the fiscal year under review, up ¥8,143 million, or 43.9%, from the previous fiscal year. Non-operating expenses totaled ¥4,267 million, up ¥176 million, or 4.3% year on year. As a result, net non-operating income was ¥22,428 million, an increase of ¥7,968 million, or 55.1% year on year.

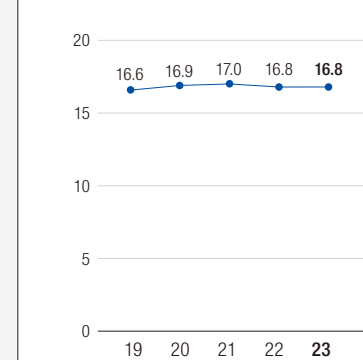
Ordinary income totaled ¥83,661 million, up ¥2,412 million, or 3.0%, from the previous year.

Income before income taxes and non-controlling interests totaled ¥119,734 million, down ¥7,157 million, or 5.6%, from the previous fiscal year, due in part to the fact that extraordinary income posted for revision of the retirement benefit plan in the previous fiscal year did not arise during the year under review, and also due to the posting of impairment losses.

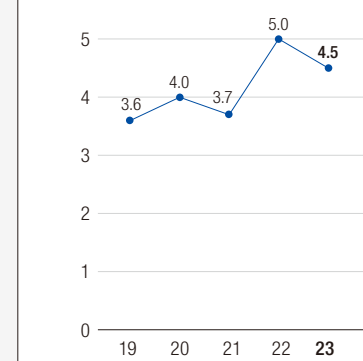
Net Income Attributable to Parent Company Shareholders

Net income attributable to parent company shareholders totaled ¥85,693 million, down ¥11,489 million, or 11.8%, from the previous fiscal year. Net income per share was ¥321.32 (compared to net income per share of ¥355.84 in the previous year).

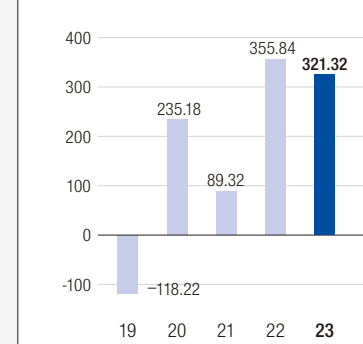
SGA Expenses to Net Sales (%)



Operating Income Margin (%)



Earnings (Loss) per Share (¥)



Liquidity and Capital Resources

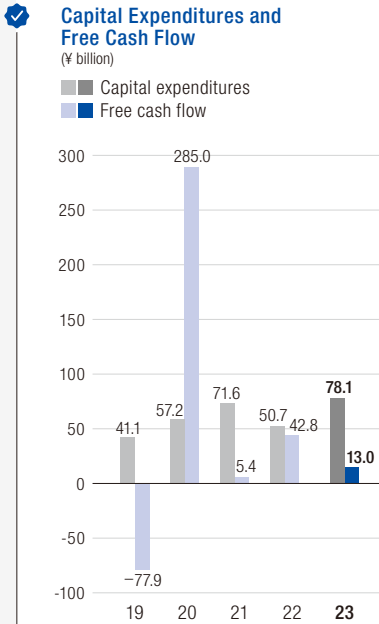
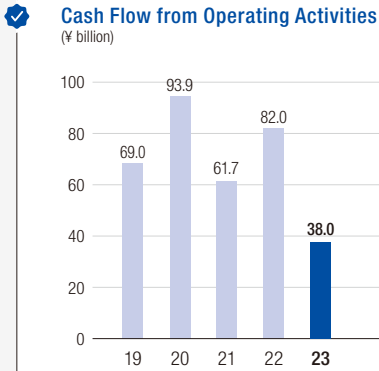
Cash Flow

	2023.3	2022.3	2021.3
Cash flow from operating activities (¥ million)	37,994	82,029	61,682
Cash flow from investing activities (¥ million)	-25,021	-39,209	-56,284
Free cash flow (¥ million)	12,973	42,820	5,398

In the consolidated cash flow in the fiscal year ended March 2023, net cash provided by operating activities totaled ¥37,994 million, due mainly to ¥119,734 million in income before income taxes and ¥51,769 million in depreciation. Net cash used in investing activities amounted to ¥25,021 million, mainly due to payments of ¥50,322 million for the purchases of property, plant and equipment and ¥11,804 million for the purchases of intangible assets. Net cash used in financing activities amounted to ¥52,436 million, mainly due to ¥25,866 million for the purchase of treasury shares and ¥17,142 million in dividend payments. As a result of these activities, cash and cash equivalents at the end of the fiscal year in the consolidated cash flow statement totaled ¥258,329 million. Free cash flow in the fiscal year under review, which is the sum of cash flow from operating activities and cash flow from investing activities, amounted to revenue of ¥12,973 million.

Capital Expenditures, Depreciation Expenditures, Research and Development Expenditures, etc.

Capital expenditures in the fiscal year ended March 2023, which included the redevelopment of the Tokyo Ichigaya area (where our head office is located) and priority investment in strategic businesses, totaled ¥78,082 million, up ¥27,383 million, or 54.0%, from the previous fiscal year. By segment, capital expenditures in the Information Communication segment were ¥36,794 million, up ¥17,726 million from the previous year, and accounted for 47% of total capital expenditures. The Lifestyle and Industrial Supplies segment was ¥23,517 million, up ¥1,948 million, and accounted for 30%. The Electronics segment was ¥13,522 million, up ¥8,018 million, and accounted for 17%. The Beverages segment was ¥2,354 million, up ¥201 million, and accounted for 3%. Capital expenditures for company-wide assets totaled ¥1,895 million, down ¥510 million year on year, and accounted for 3% of total capital expenditures. The necessary capital for the above investments was covered by funds on hand. Depreciation in the fiscal year ended March 2023 was ¥51,769 million, up ¥614 million, or 1.2%, from the previous fiscal year. By segment, depreciation in the Information Communication segment was ¥20,157 million, up ¥143 million from the previous year, and accounted for 39% of total depreciation. The Lifestyle and Industrial Supplies segment was ¥18,416 million, around the same as in the previous year, and accounted for 36%. The Electronics segment was ¥9,481 million, up ¥786 million and accounted for 18%. The Beverages segment was ¥2,103 million, a slight increase, and accounted for 4%. Depreciation of company-wide assets totaled ¥1,612 million, a decrease of ¥305 million year on year, and accounted for 3% of total capital expenditures. In addition, research and development expenditures for the fiscal year ended March 2023 totaled ¥32,481 million, a decrease of ¥667 million on the expenditures of the previous fiscal year (¥33,148 million).



Balance Sheet

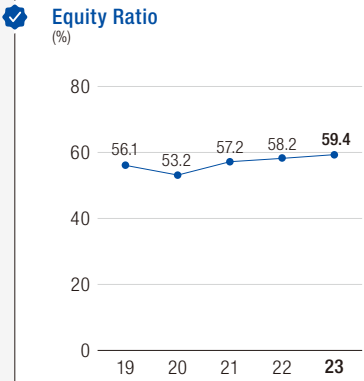
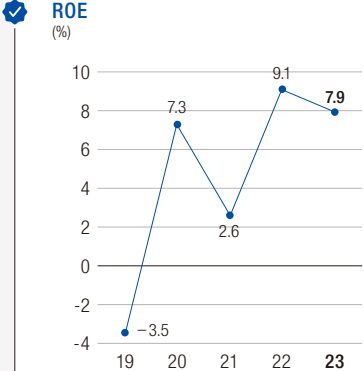
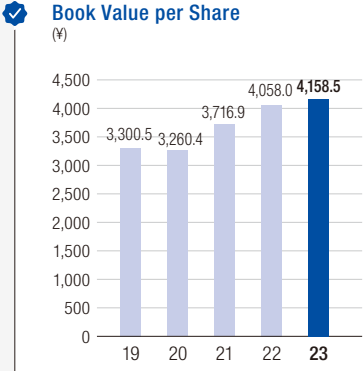
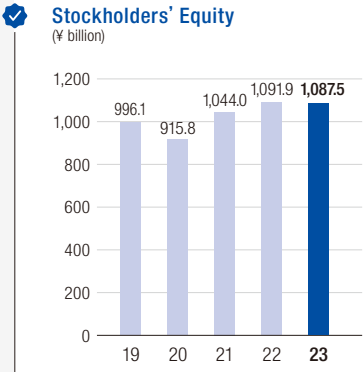
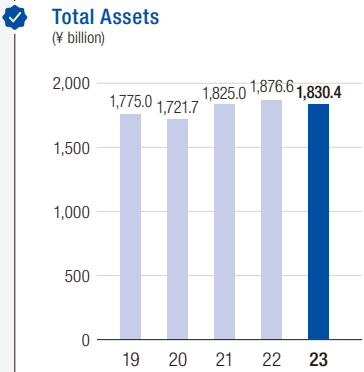
	2023.3	2022.3	2021.3
Total assets (¥ million)	1,830,384	1,876,647	1,825,019
Interest-bearing debt (¥ million)	147,817	154,362	158,555
Stockholders' equity (¥ million)	1,087,504	1,091,861	1,043,977
Book value per share (¥)	4,158.46	4,057.98	3,716.85

DNP's total assets at the end of the fiscal year under review amounted to ¥1,830,384 million, down ¥46,263 million, or 2.5%, from the previous fiscal year. Among current assets, cash and cash equivalents totaled ¥258,329 million, down ¥35,032 million, or 11.9%, from the previous fiscal year. The sum of trade receivables and contract assets came to ¥329,762 million, up ¥4,916 million, or 1.5%. Inventories of merchandise and finished products, work in process, raw materials and supplies totaled ¥154,863 million, up ¥13,242 million, or 9.4%. As a result, current assets totaled ¥802,995 million, down ¥1,818 million, or 0.2%. Among fixed assets, tangible assets totaled ¥436,430 million, up ¥14,554 million, or 3.4%, from the previous fiscal year. Intangible fixed assets totaled ¥30,360 million, up ¥2,613 million, or 9.4%. Investments and other assets totaled ¥560,598 million, down ¥61,612 million, or 9.9%. As a result, fixed assets totaled ¥1,027,389 million, down ¥44,445 million, or 4.1%. Current liabilities totaled ¥398,571 million, down ¥7,537 million, or 1.9%, from the previous fiscal year. Long-term (fixed) liabilities totaled ¥283,568 million, down ¥38,558 million, or 12.0%. As a result, total liabilities amounted to ¥682,139 million, down ¥46,095 million, or 6.3%. As of March 31, 2023, net assets totaled ¥1,148,245 million. As a result, the equity ratio in the fiscal year under review was 59.4%, an increase of 1.2 percentage points from the previous fiscal year.

As of March 31, 2023, a total of 292,240,346 shares of common stock had been issued, of which 30,724,570 shares, or 10.51% of the total, were held as treasury stock. The total number of shares of treasury stock decreased by 17,450,544 from the previous year.

	Type of shares	Shares at beginning of fiscal year	Increase in shares during fiscal year	Decrease in shares during fiscal year	Shares at end of fiscal year
Shares issued	Common stock	317,240,346	—	25,000,000	292,240,346
Treasury stock	Common stock	48,175,114	7,619,932	25,070,476	30,724,570

Notes
1. The 25,000,000-share decrease in the number of shares of common stock issued is the result of a cancellation of treasury stock.
2. The 7,619,932-share increase in the number of shares of common stock held as treasury stock is the result of an increase of 7,616,500 shares due to a purchase of treasury stock by resolution of the Board of Directors and an increase of 3,432 shares due to a purchase of odd-lot shares.
3. The 25,070,476-share decrease in the number of shares of common stock held as treasury stock is the sum of a decrease of 25,000,000 shares due to a cancellation of treasury stock, a decrease of 70,470 shares due to the disposal of treasury shares as restricted stock compensation, and a decrease of 6 shares due to changes in ratios of equity held in equity method affiliates.



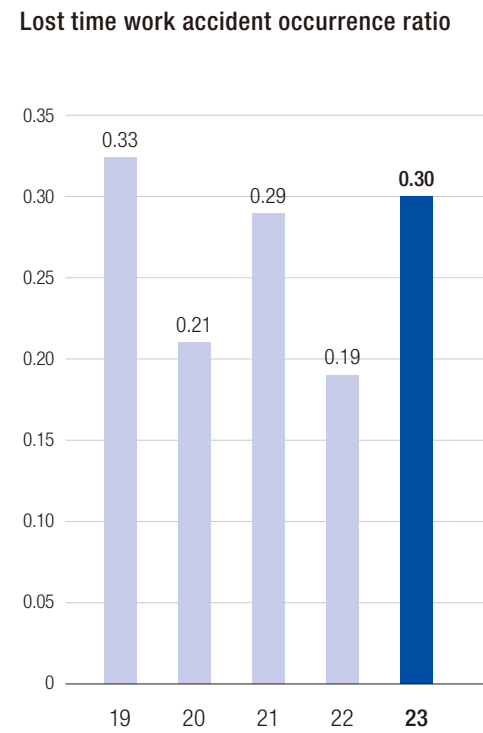
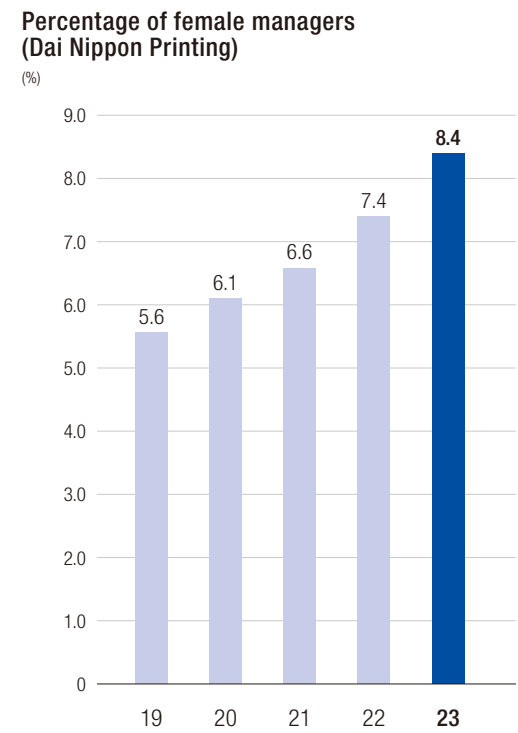
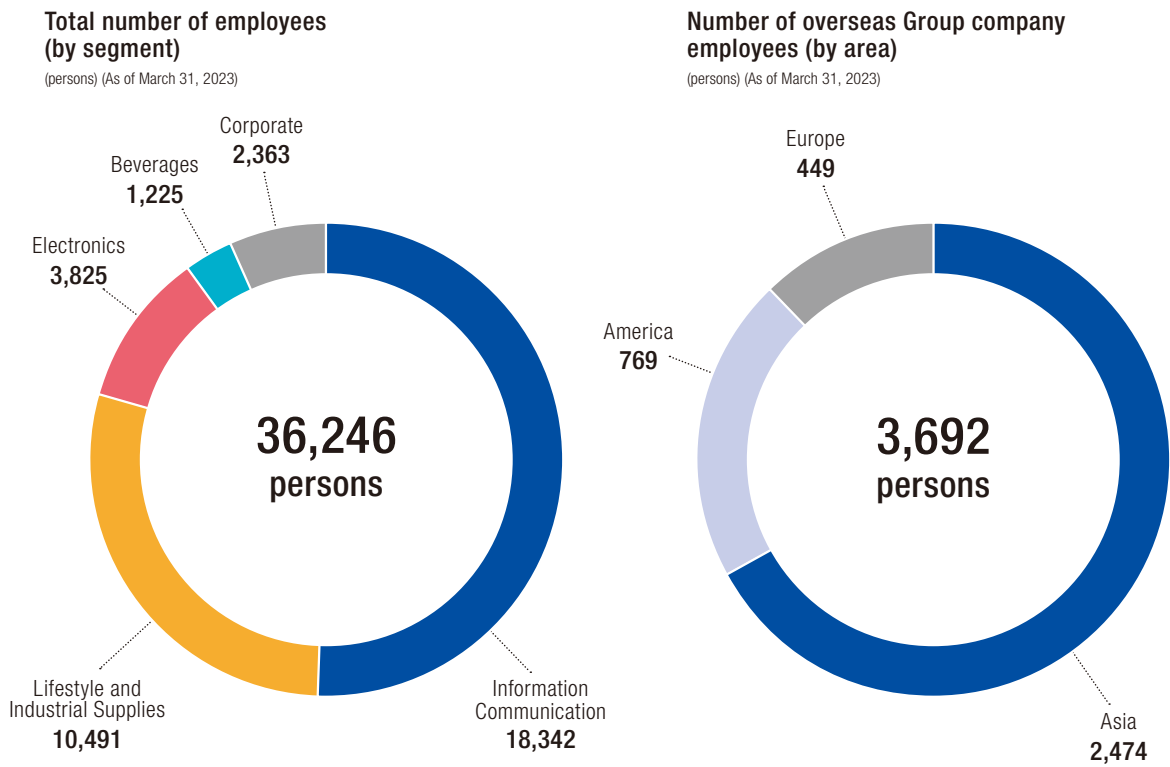
Key Financial Data for 11 Years Years ended March 31

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Change 2023/2022
Statements of Operations (¥ million)												
Net sales	1,446,607	1,448,550	1,462,118	1,455,916	1,410,173	1,412,252	1,401,506	1,401,894	1,335,440	1,344,147	1,373,209	2.2%
Operating income	35,780	50,099	48,174	45,472	31,411	46,372	49,898	56,274	49,529	66,789	61,233	-8.3%
Ordinary income	40,318	53,285	53,759	52,651	36,740	50,971	58,259	63,786	59,907	81,249	83,661	3.0%
Income (loss) before income taxes	35,152	48,608	51,062	54,841	39,831	45,396	(18,685)	102,719	46,401	126,891	119,734	-5.6%
Net income (loss) attributable to parent company shareholders	19,218	25,642	26,924	33,588	25,226	27,501	(35,669)	69,498	25,088	97,182	85,693	-11.8%
EBITDA	118,835	124,980	120,548	122,590	103,494	108,678	42,463	158,660	98,550	178,781	172,203	-3.7%
Balance Sheets (¥ million)												
Total net assets	937,055	976,385	1,124,093	1,063,241	1,081,286	1,102,551	1,046,622	968,575	1,098,614	1,148,413	1,148,245	-0.0%
Interest-bearing debt	227,209	182,596	188,996	189,820	169,133	170,103	166,350	211,646	158,555	154,362	147,817	-4.2%
Stockholders' equity	893,124	932,329	1,078,828	1,017,425	1,033,864	1,053,600	996,162	915,779	1,043,977	1,091,861	1,087,504	-0.4%
Total assets	1,578,976	1,574,754	1,809,462	1,718,636	1,741,904	1,794,764	1,775,023	1,721,724	1,825,019	1,876,647	1,830,384	-2.5%
Cash Flow Statements (¥ million)												
Cash flows from operating activities	100,498	120,109	85,731	72,629	71,945	48,457	68,972	93,937	61,682	82,029	37,994	-53.7%
Cash flows from investing activities	(72,588)	(58,371)	(50,540)	(60,883)	14,012	23,075	(146,909)	191,057	(56,284)	(39,209)	(25,021)	—
Cash flows from financing activities	(36,236)	(80,038)	(23,865)	(47,166)	(45,223)	(42,771)	(32,197)	(41,281)	(78,269)	(57,752)	(52,436)	—
Free cash flow*1	27,910	61,738	35,191	11,746	85,957	71,532	(77,937)	284,994	5,398	42,820	12,973	-69.7%
Per Share Data (¥)*2												
Net income (loss) - primary	29.84	39.82	41.82	53.10	40.79	90.77	(118.22)	235.18	89.32	355.84	321.32	-9.7%
Net assets	1,386.86	1,447.96	1,675.63	1,618.66	1,680.55	3,493.79	3,300.52	3,260.38	3,716.85	4,057.98	4,158.46	2.5%
Cash dividend*3	32.00	32.00	32.00	32.00	32.00	48.00	64.00	64.00	64.00	64.00	64.00	—
As a Percentage of Net Sales (%)												
Operating income	2.47	3.46	3.29	3.12	2.23	3.28	3.56	4.01	3.71	4.97	4.46	-0.51
EBITDA margin	8.21	8.63	8.24	8.42	7.34	7.70	3.03	11.32	7.38	13.30	12.54	-0.76
Net income	1.33	1.77	1.84	2.31	1.79	1.95	(2.54)	4.96	1.88	7.23	6.24	-0.99
Financial Ratios												
ROE (%)	2.18	2.81	2.67	3.20	2.46	2.63	(3.48)	7.27	2.56	9.10	7.86	-1.24
ROA (%)	1.21	1.63	1.59	1.90	1.46	1.56	(2.00)	3.97	1.41	5.25	4.62	-0.63
Equity ratio (%)	56.56	59.20	59.62	59.20	59.35	58.70	56.12	53.19	57.20	58.18	59.41	1.23
Valuations (against share price on March 31)												
PER (times)	29.70	24.84	27.94	18.84	29.43	24.22	—	9.78	25.97	8.09	11.53	—
PBR (times)	0.64	0.68	0.70	0.62	0.71	0.63	0.80	0.71	0.62	0.71	0.89	—
EV/EBITDA (times)	4.92	4.93	6.02	5.23	6.69	5.30	16.07	2.94	4.97	3.49	4.92	—
PCFR (times)	5.74	6.43	8.00	6.36	8.52	7.48	34.12	5.21	8.57	5.22	7.05	—
Dividend yield (%)	3.61	3.24	2.74	3.20	2.67	2.91	2.42	2.78	2.76	2.22	1.73	-0.49
Returns to Shareholders												
Values of shares repurchased (¥ million)*4	—	—	—	19,998	14,999	14,998	—	59,999	—	29,999	25,854	—
Dividend payout ratio (%)	107.27	80.38	76.54	60.28	78.47	70.52	—	27.21	71.66	17.99	19.92	—
Total return ratio (%)	107.33	80.43	76.59	119.48	137.57	124.78	—	113.11	71.66	48.64	49.90	—
Others												
Capital Expenditures*5	88,315	63,465	55,024	97,265	57,085	59,558	41,103	57,162	71,649	50,699	78,082	54.0%
R&D Expenditures	30,821	30,820	31,749	31,827	31,376	33,210	33,786	33,603	32,623	33,148	32,481	-2.0%
Depreciation	80,200	73,459	67,034	65,310	61,461	61,071	59,081	54,475	50,893	51,155	51,769	1.2%
Long-term credit rating (R&I)	AA	AA	AA—	AA—	AA—	AA—	AA—	AA—	AA—	AA—	AA—	—
Foreign ownership (%)	21.12	24.41	25.54	22.01	23.91	24.58	24.85	24.14	23.64	23.16	27.38	—

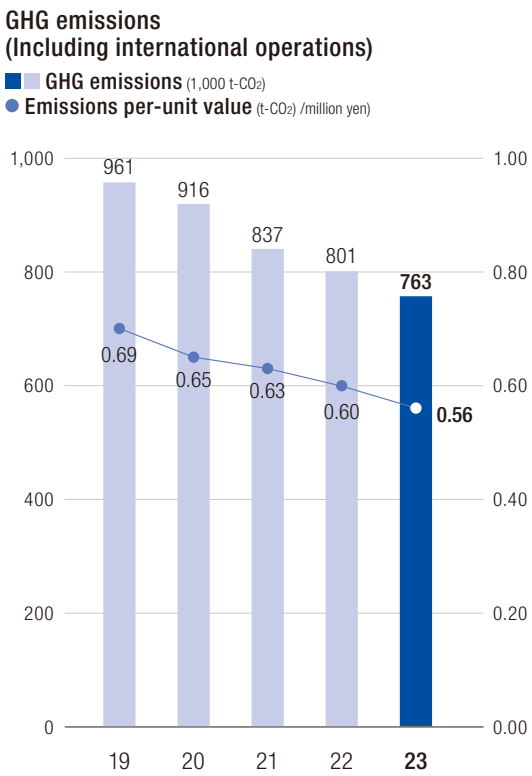
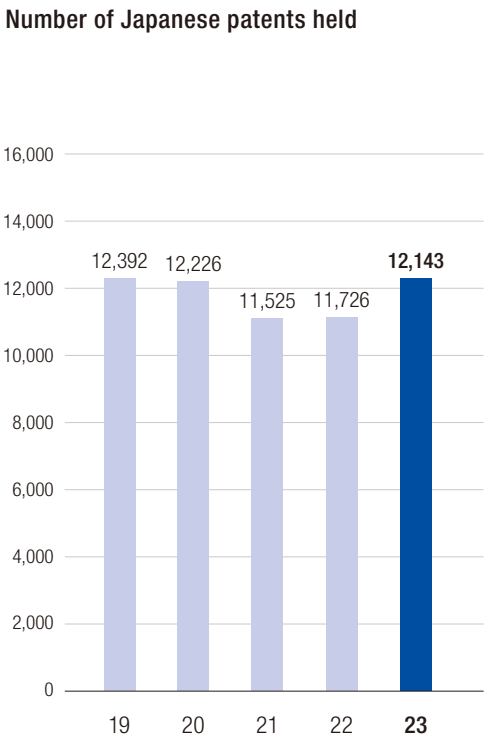
*1 Free cash flow = net cash from operating activities + net cash from investing activities
*2 As of October 1, 2017, two shares of common stock were consolidated into one share of common stock.
*3 Cash dividends per share of ¥48.00 for the fiscal year through March 2018 is the combined total of interim cash dividends per share of ¥16.00 and year-end cash dividends per share of ¥32.00.
*4 Treasury stock acquired through requests for the purchase of odd-lot shares is not included.
*5 It includes investments in intangible assets.

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

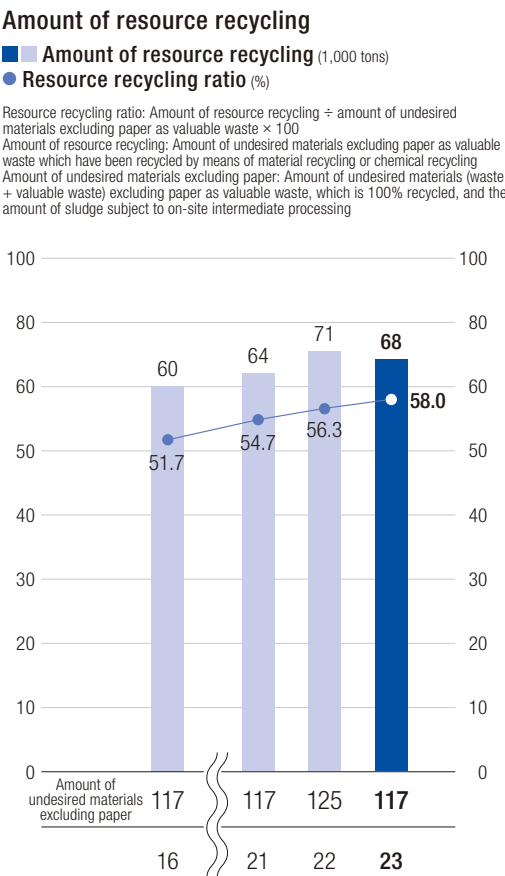
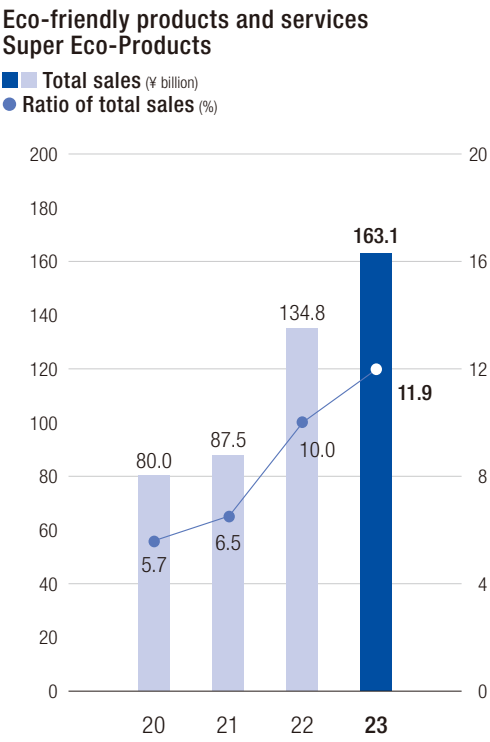
Human Capital Data



Intellectual Capital Data



Environmental Data



Major Subsidiaries and Affiliates (As of March 31, 2023)

Printing

		Capital (¥ million)	Ownership ratio of voting rights (%)
Information Communication			
Publishing			
Maruzen CHI Holdings Co., Ltd.	Investment in operating companies	3,000	55.0
TRC Library Service Inc.	Sale of books, creation of data, library operation support and consulting	266	55.0 (55.0)
MARUZEN-YUSHODO Company, Limited	Education and academic businesses; retail stores; publishing; commercial facility/store interiors, etc.	100	55.0 (55.0)
MARUZEN PUBLISHING CO., LTD.	Publishing	50	55.0 (55.0)
MaruzenJunkudo Bookstores Co., Ltd.	Sale of books, magazines and stationery	50	55.0 (55.0)
Maruzen Research, Inc.	Production, intermediation, sales and browsing services for e-books, etc.	50	55.0 (55.0)
BOOKOFF GROUP HOLDINGS LIMITED	Management of group companies and related business	100	16.3 (9.8)
DNP Book Factory Co., Ltd.	Offset printing and bookbinding	200	100.0
DNP Media Art Co., Ltd.	Prepress and media production	180	100.0
2Dfacto, Inc.	Operation of hybrid bookstore services	100	100.0
MobileBook.jp Inc.	Electronic publishing and distribution platform services; e-book distribution service	100	63.8
Kyoiku Shuppan Co., Ltd.	Editing and sale of textbooks and educational materials	60	48.3
VISUALJAPAN Inc.*	Development, sale and maintenance of computer software	50	87.0
Oguchi Book Binding & Printing Co., Ltd.	Bookbinding	49	100.0 (15.2)
Tien Wah Press (Pte.) Ltd.	Film making, printing and bookbinding	(SGD1,000)	100.0
		4,600	
Information Innovation			
INTELLIGENT WAVE INC.	Development and maintenance of software	843	50.8
DNP Graphica Co., Ltd.	Offset printing and bookbinding	100	100.0
DNP CoArise Co., Ltd.	BPO business and BPO consulting business	100	100.0
DNP Communication Design Co., Ltd.	Planning, production, film making and plate making	100	100.0
DNP Data Techno Co., Ltd.	Production and sale of business forms and plastic cards	100	100.0
DNP Digital Solutions Co., Ltd.	Planning, design, maintenance and operation of information systems	100	100.0
DNP SP Innovation Co.,Ltd.	Planning and production of promotional materials	80	100.0
DNP Planning Network Co., Ltd.	Planning and production of printed materials	50	95.0
DNP HyperTech Co., Ltd.	Production and sale of computers and peripheral devices; development, production and sale of software	40	100.0
NBC Co., Ltd.*	Mailing of printed matter, etc.	20	100.0 (100.0)
DNP Media Support Co., Ltd.	Production and sale of all types of printed matter	10	95.0
MK Smart Joint Stock Company	Production and sale of cards, and BPO business and DTP business	(VND1,000,000)	36.3
		100,000	
PT.Wahyu DNP Bureau	Card-issuing services	(USD1,000)	45.0
		2,000	
Imaging Communication			
DNP Imaging Comm Co., Ltd.	Production and processing of thermal mass transfer media and dye-sublimation media	100	100.0
DNP Photo Imaging Japan Co., Ltd.	Sale of photo-related products; operation of ID photo booths and automated commemorative photo booths	100	100.0
DNP hollyhock Co., LTD.	Operation of photo studio and related equipment services	90	100.0 (100.0)
DNP ID System Co., Ltd.	Sale of government-affiliated smart card identification equipment and materials	60	100.0
DNP Imaging Communication (Shanghai) Co., Ltd.*	Sale of printed matter (Products and services of the Imaging Communication business)	(CNY1,000)	100.0
		24,000	(100.0)
DNP Imagingcomm Asia Sdn. Bhd.	Production, processing and sale of thermal mass transfer media and dye-sublimation media; sale of photo-related products	(MYR1,000)	100.0
		190,000	
DNP Imagingcomm America Corporation	Production, processing and sale of thermal mass transfer media and dye-sublimation media; sale of photo-related products	(USD1,000)	100.0
		71,980	(100.0)
Colorvision International Inc.	Operation of a photography distribution system for amusement facilities	(USD)	100.0
		0.01	(100.0)
DNP Photo Imaging Europe SAS	Sale of photo-related products	(EUR1,000)	100.0
		2,408	
DNP Photo Imaging Russia, LLC	Sale of photo-related products	(RUB1,000)	100.0
		7,622	(100.0)
Sharingbox SA	Providing functional photo booths for event business	(EUR1,000)	100.0
		3,588	(100.0)
DNP Imagingcomm Europe B.V.	Processing and sale of thermal mass transfer media and dye-sublimation media	(EUR1,000)	100.0
		1,000	
Lifestyle and Industrial Supplies			
Packaging			
Lifescape Marketing Co., Ltd.	Research, compilation and provision of various kinds of information about purchasing and consumption of foods and beverages	430	84.0
DNP Technopack Co., Ltd	Production, printing and processing of packaging materials	300	100.0
Sagami Yoki Co., Ltd.	Production of plastic tubes	200	90.0
Aseptic Systems Co., Ltd.	Manufacturing and sale of aseptic filling systems and related consulting services	100	100.0
DNP Hoso Co., Ltd	Filling and processing of packages	80	100.0
DNP-SIG Combibloc Co., Ltd.	Sale of sterile paper containers and filling equipment for beverages and liquid foods	75	50.0
Dai Nippon Printing (Thailand) Co., Ltd.*	Sale of packaging materials	(THB1,000)	100.0
		200,000	
DNP Vietnam Co.,Ltd.	Production and sale of packaging materials	(USD1,000)	100.0
		31,500	(20.0)
PT DNP Indonesia	Production and sale of packaging materials	(USD1,000)	51.0
		26,000	
Living Spaces			
DNP Lifestyle Materials Marketing Co., Ltd.	Sale of decorative products	300	100.0
DNP Ellio Co., Ltd.	Printing and processing of steel, aluminum and other metals	300	50.0
DNP Living Space Co., Ltd.	Production, printing and processing of decorative products	200	100.0
Mobility			
DNP Tamura Plastic Co., Ltd.	Manufacturing and sale of automotive accessories	60	100.0
NTEC Co., Ltd.	Manufacturing of molds	5	89.0 (89.0)
DNP Living Space & Mobility (Shanghai) Co., Ltd.*	Sale of printed matter (Products and services of Living Space and Mobility business)	(CNY1,000)	100.0
		10,000	(100.0)
Industrial high-performance materials			
DNP High-performance Materials Co., Ltd.	Production of lithium-ion battery components	200	100.0

		Capital (¥ million)	Ownership ratio of voting rights (%)
Electronics			
Display Components			
DNP Precision Devices Himeji Co., Ltd.	Production of display-related components	400	100.0
DNP International Trading (Shanghai) Co., Ltd.*	Sale of printed matter, etc.	(CNY1,000)	100.0
		39,301	(100.0)
DNP Denmark A/S	Production and sale of precision electronic components	(DKK1,000)	100.0
		135,000	
Electronic Devices			
DT Fine Electronics Co., Ltd.	Production and sale of precision electronic components	490	65.0
DNP Fine Optonics Co., Ltd.	Production of precision electronic components	300	100.0
DNP LSI Design Co., Ltd.	Design and production of drawings used in semiconductor production	100	100.0
Photronics DNP Mask Corporation	Production and sale of semiconductor photomasks	(TWD1,000)	49.9
		2,198,185	
Photronics DNP Mask Corporation Xiamen	Production and sale of semiconductor photomasks	(USD1,000)	49.9
		180,000	(49.9)
DNP Photomask Europe S.p.A.	Production and sale of semiconductor photomasks	(EUR1,000)	80.6
		47,200	

Other

BIPROGY Inc.	Development and sale of software; computer system support services	5,483	20.6
DNP Fine Chemicals Co., Ltd.	Production and sale of chemical products	2,000	100.0
DNP Fine Chemicals Utsunomiya Co., Ltd.	Manufacturing and sale of chemical materials, pharmaceutical ingredients, etc.	100	100.0 (100.0)
DNP Logistics Co., Ltd.	Packing, shipping, freight forwarding and warehousing operations	626	100.0
DIC Graphics Corporation	Production and sale of printing ink	500	33.4
DNP Art Communications Co., Ltd.	Planning, production and sale of artistic images and videos	300	100.0
DNP Engineering Co., Ltd.	Manufacturing, repair and sale of printing equipment and other machinery	100	100.0
DNP Trading Co., Ltd.	Buying and selling of printing paper and various other types of merchandise	100	94.3
CYBER KNOWLEDGE ACADEMY Co., Ltd.	Operation of academy for training and developing personnel to defend against targeted cyber attacks	70	100.0
DNP Shikoku Co., Ltd	Film making, printing, bookbinding; production and sale of packaging	50	97.0
CP Design Consulting Co., Ltd.*	Personal information protection and risk management consulting	40	100.0
CAFI Corporation*	Remote diagnostic imaging service	32	51.1
At Table Co., Ltd.*	Research, consulting and planning related to production and sales promotions for supermarkets and other retailers	30	66.6
DNP Dexerials Consulting Co., Ltd.	Business planning and proposals	10	50.0
DNP Corporation USA	Investment in operating companies	(USD1,000)	100.0
		62,164	(7.2)
DNP Holding USA Corporation	Investment in operating companies	(USD1,000)	100.0
		100	(100.0)
DNP Business Consulting (Shanghai) Co., Ltd.*	Study of Chinese market and business feasibility	(USD1,000)	100.0
		8,780	
DNP Asia Pacific Pte. Ltd.	Coordination of DNP business operations in Southeast Asia region	(SGD1,000)	100.0
		125,898	

Personal Welfare, Facility Service and Others

DNP Facility Services Co., Ltd	Building maintenance, cleaning and security; operation of sports and welfare facilities	350	100.0
DNP Information Systems Co., Ltd.	Design, development and maintenance of information systems; production and sale of software	100	100.0
DNP Metro Systems Co., Ltd.	Planning, design, development, maintenance and support operations for information systems	100	100.0 (90.0)
DNP Hokkaido Co., Ltd.	General affairs, accounting work and other business services	100	100.0
DNP Tohoku Co., Ltd.	General affairs, accounting work and other business services	100	100.0
DNP Chubu Co., Ltd.	General affairs, accounting work and other business services	100	100.0
DNP Nishi Nippon Co., Ltd.	General affairs, accounting work and other business services	100	100.0
DNP Human Services Co., Ltd.	Planning and management related to personnel plans	90	100.0
DNP Accounting Services Co., Ltd.	Accounting agency and consulting	30	100.0
DNP Techno Research Co., Ltd.*	Studies related to patents	20	100.0
Sanshi Kosan Co., Ltd.	Lease and management of real estate, etc.	10	100.0 (100.0)
DNP Business Partners Co., Ltd.*	Office support business	10	100.0

Overseas Sales

DNP Korea Co., Ltd.*	Sale of precision electronic components	(KRW1,000)	100.0
		800,000	
DNP Taiwan Co., Ltd.	Sale of precision electronic components	(TWD1,000)	100.0
		10,000	
DNP Singapore Pte. Ltd.*	Sale of printed matter, precision electronic components and decorative materials	(SGD1,000)	100.0
		350	
DNP America, LLC	Sale of printed matter, precision electronic components and decorative materials	(USD1,000)	100.0
		100	(100.0)
DNP Europa GmbH*	Sale of printed matter and decorative materials	(EUR1,000)	100.0
		92	

Beverages

Beverages			
Hokkaido Coca-Cola Bottling Co., Ltd.	Production and sale of beverages	2,935	59.7 (2.2)

Notes: 1. Voting rights ownership ratios (in parentheses) indicate the percentage of shares owned through DNP's subsidiaries or affiliates.
2. Companies with an asterisk are neither consolidated nor accounted for by the equity method.

Our Products and Services

Smart Communication

Imaging communication

- 1 Dye-sublimation thermal transfer printing media and thermal mass transfer printing media
- 2 Photo-related services and solutions
- 3 Dye-sublimation photo printer

Information Security

- 4 BPO
- 5 Smart cards and magnetic cards
- 6 Identity verification service
- 7 Transparent hologram ribbon

Content & XR communication

- 8 Metaverse
- 9 Virtual reality

Marketing

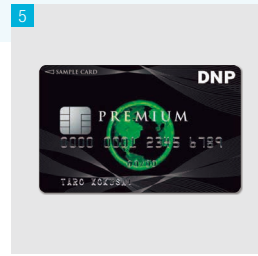
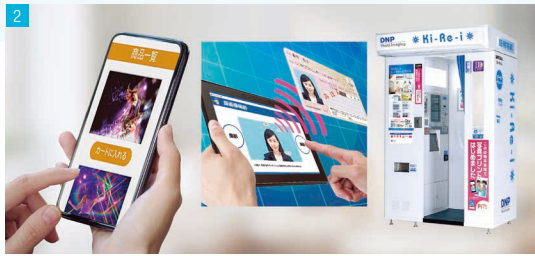
- 10 Digital flyer

Publishing

- 11 Books and magazines
- 12 Hybrid bookstore network
- 13 Maruzen & Junkudo Bookstore in Shibuya (Tokyo)

Education

- 14 Educational ICT



Life & Healthcare

Mobility and industrial high-performance materials

- 15 Battery pouch for lithium-ion batteries
- 16 Photovoltaic module components
- 17 Multifunctional insulation box
- 18 Curved resin glazing
- 19 Interior coverings for railway cars (Hokuriku Shinkansen)

Medical & healthcare

- 20 Regenerative medicine (providing 3D human intestinal organoids "mini-guts")
- 21 Remote image diagnosis

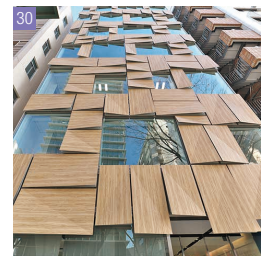
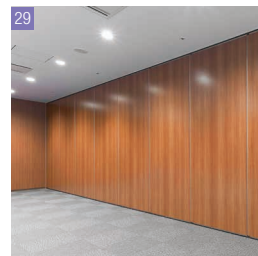
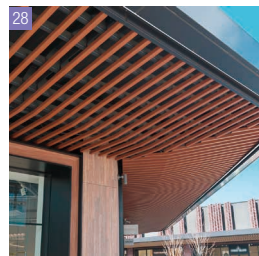
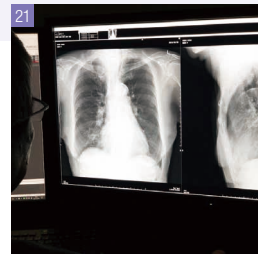
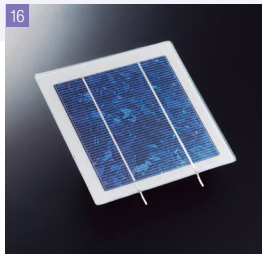
Packaging

- 22 Plant-based packaging materials
- 23 Mono-material packaging materials
- 24 Transparent vapor deposition film
- 25 Super high-barrier paper packaging materials
- 26 PET plastic bottles
- 27 Aseptic filling systems for PET plastic bottles

Living spaces

- 28 Decorative film for exterior
- 29 Antiviral steel plates
- 30 Aluminum panels for interior/exterior

Beverages



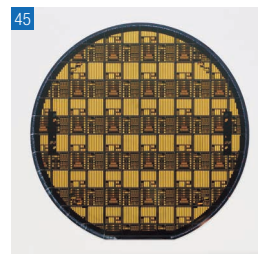
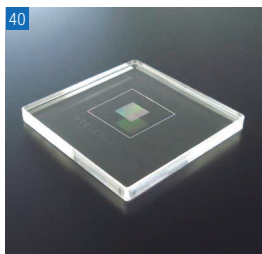
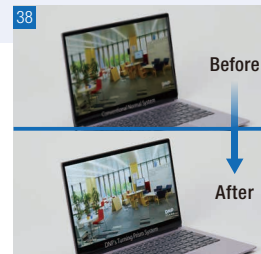
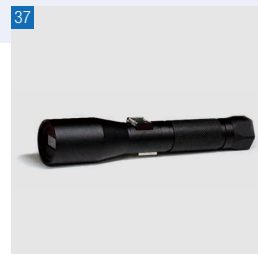
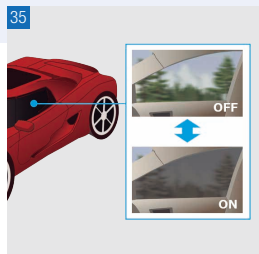
Electronics

Digital interfaces

- 31 Optical film used for displays
- 32 OLED display-related products
- 33 Large-size photomask for displays
- 34 Viewing angle control film for in-vehicle displays (right: with film, no background reflection)
- 35 Light control film
- 36 Encoder disks
- 37 High visibility pattern light
- 38 System components for LCD backlight

Semiconductors

- 39 Photomask for semiconductors
- 40 Master template for nanoimprinting
- 41 Hard disk drive suspension
- 42 Lead frame for compact semiconductor package
- 43 Diffractive optical element (DOE)
- 44 Vapor chamber
- 45 Micro electro mechanical systems (MEMS) products



Investor Information (As of March 31, 2023)

Dai Nippon Printing Co., Ltd.

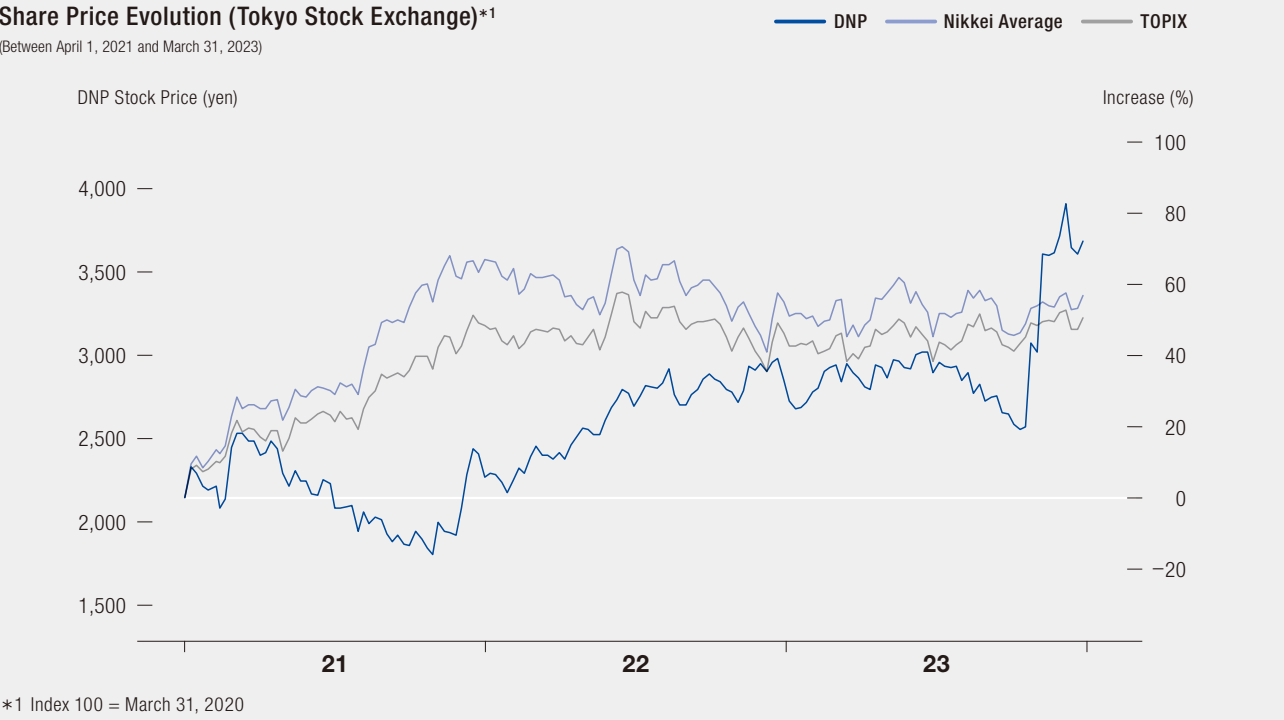
Head Office: 1-1, Ichigaya-Kagacho 1-chome, Shinjuku-ku, Tokyo 162-8001, Japan
Established: 1876
Number of Employees (consolidated): 36,246
Paid-in Capital: ¥114,464 million
Number of Common Stocks: Authorized: 745,000,000 shares
Issued: 292,240,346 shares
Number of Trading Unit Shareholders (own 100 or more shares): 23,430
Stock Exchange Listing: Tokyo Stock Exchange

Major Shareholders <small>(As of March 31, 2023)</small>	Shares <small>(thousands)</small>	Percentage <small>(%)</small>
The Master Trust Bank of Japan, Ltd. (Trust Account)	47,932	18.33
Custody Bank of Japan, Ltd. (Trust Account)	16,596	6.35
The Dai-ichi Life Insurance Co., Ltd.	8,894	3.40
Employees’ Shareholding Association	7,771	2.97
ELLIOTT INTERNATIONAL LP	6,477	2.48
Mizuho Bank, Ltd.	5,706	2.18
Nippon Life Insurance Company	4,735	1.81
STATE STREET BANK WEST CLIENT - TREATY 505234	4,256	1.63
JP MORGAN CHASE BANK 385781	3,463	1.32
THE LIVERPOOL LIMITED PARTNERSHIP	3,048	1.17

Note: 1. The ownership stakes are based on the total number of shares outstanding less treasury shares (261,526,877).
2. The number of treasury shares is excluded from the figures above.

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

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



Total Shareholder Return*2 (TSR)					
Fiscal year ended	2019.3	2020.3	2021.3	2022.3	2023.3
DNP (%)	123.34	110.51	114.24	142.58	183.12
TOPIX (%)	(94.96)	(85.94)	(122.15)	(124.57)	(131.82)

*2 Represents total investment return to shareholders, combining capital gains and dividends. The TSR calculation method is as follows: (Stock price at the end of each fiscal year + the total amount of dividends per share up to each fiscal year starting from four fiscal years prior to the fiscal year ended March 31, 2023 ÷ the stock price at the end of the fiscal year ended March 31, 2018.)

Voting Rights <small>(As of March 31, 2023)</small>				Number of stocks <small>(stocks)</small>	Number of voting rights <small>(rights)</small>
Type					
Stocks with no voting rights				—	—
Stocks with limited voting rights (treasury stocks, etc.)				—	—
Stocks with limited voting rights (other)				—	—
Stocks with voting rights (treasury held stocks, etc.)	(Treasury held stocks)	Common stocks		30,713,400	—
Stocks with voting rights (other)		Common stocks		261,274,800	2,612,748
Stocks with less than trading units		Common stocks		252,146	—
Outstanding shares				292,240,346	—
Total voting rights of stockholders				—	2,612,748

Treasury Stocks <small>(As of March 31, 2023)</small>			No. of stocks held	Percentage of holding to No. of outstanding shares
Holder				
Dai Nippon Printing Co., Ltd.			30,713,400	10.51
Total			30,713,400	10.51

Dialogues with Shareholders and Investors

Policy for initiatives

The DNP Group will seek to rapidly achieve and maintain a PBR of more than 1.0X and aim for further improvement, by sustainably enhancing its corporate value. To do so, we are expanding opportunities such as financial results briefings and IR meetings attended by the president and other senior management personnel, to encourage constructive dialogues with shareholders and investors. The results of these dialogues are also shared with the Board of Directors and utilized in management decision-making.

DNP personnel responsible for dialogues

Based on the instructions of the president, etc., the director in charge supervises the overall corporate response to dialogues with shareholders and investors, which consists of individual responses by the president, directors, executive officers and the IR and Public Relations Division.

Number of dialogues

1. Individual IR meetings	FY2022: approx. 160	2. Individual SR meetings	FY2022: 14
	FY2021: approx. 150		FY2021: 16

Main dialogue participants

Analysts, fund managers, engagement managers, voting right holders, etc., primarily from institutional investors in Japan and overseas

Main dialogue themes

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

Items incorporated based on dialogues and subsequent feedback

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

Main IR activities

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

Recognition from society (As of June 30, 2023)


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

For example, DNP has been selected for the FTSE4Good Global Index for the 23rd consecutive year since 2001, and for the MSCI ESG Leaders indexes for the 7th consecutive year since 2017.

In addition, in 2022 we were certified by CDP, an international non-profit organization that provides environmental information disclosure systems, as an “A-List” company—the highest rating for our efforts in addressing climate change. We have also received a silver rating from EcoVadis, which evaluates the sustainability of business enterprises.


ESG indexes

FTSE4Good Global Index




FTSE4Good

MSCI ESG Leaders indexes



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

FTSE Blossom Japan Index




FTSE Blossom Japan Index

MSCI Japan ESG Select Leaders Index

2023 CONSTITUENT MSCI ジャパン ESGセレクト・リーダーズ指数

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FTSE Blossom Japan Sector Relative Index




FTSE Blossom Japan Sector Relative Index

MSCI Japan Empowering Women (WIN) Index

2023 CONSTITUENT MSCI 日本株 女性活躍指数 (WIN)


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Euronext Vigeo Eiris World Index 120




INDICES WORLD 120

Morningstar Japan ex-REIT Gender Diversity Tilt Index



Morningstar GenDi J
Japan ex-REIT Gender Diversity Tilt Index
TOP CONSTITUENT 2022

S&P/JPX Carbon Efficient Index



S&P/JPX カーボン エフィシエント 指数

Recognition regarding sustainability

CDP A LIST



CDP A LIST 2022 CLIMATE

EcoVadis Sustainability Rating



SILVER 2023 ecovadis Sustainability Rating

DX Brand 2023



DX 銘柄 2023 Digital Transformation

Message from the Director in Charge



We will create diverse opportunities for dialogue, fulfill our responsibilities for timely and appropriate explanation and work to create a better future together with our stakeholders.

Hirofumi Hashimoto, Managing Director

At DNP, we always value *Taiwa* (dialogues) with many stakeholders as opportunities to create new value. In particular, we are working to increase opportunities for dialogue with shareholders and investors, such as through day-to-day IR meetings, various briefings and general meetings of shareholders.

In the fiscal year ended March 2023, in addition to semiannual financial results briefings, we held a sustainability briefing in November 2022, and a briefing session in March 2023 to explain the outline of the new medium-term management plan, in response to the DNP Group's Basic Management Policy announced in February 2023. The frank opinions received at these briefings will be a great asset for DNP itself to create a better future through collaboration with stakeholders.

In addition, in order to deepen the level of dialogue and cooperation and make them more fruitful, we are working to disclose DNP’s efforts to increase corporate value by utilizing financial and non-financial capital in an integrated manner through various information media. As well as communicating a variety of content on our corporate website in a timely manner throughout the year, with the cooperation of both internal and external stakeholders, we also plan, edit, and publish a quarterly shareholder newsletter (DNP Report), quarterly reports, and annual Integrated Report, annual Environmental Report and annual Securities Report, etc.

In the DNP Group Integrated Report 2023, we reflected on stakeholder feedback and worked to solve the following three issues.

- Clarifying details of DNP’s unique competitive edge and specific long-term strategies
- Identifying appropriate management indicators and strategies to achieve ROE and other targets
- Linking sustainability-related themes with business strategies and clarifying initiatives to improve corporate value with an awareness of material issues

In response to these issues, we have worked to enhance the content of the report, focused primarily on the medium-term management plan for fiscal 2023-2025. We aim to continue deepening the level of our communication with you going forward, and hope for your continued guidance and support in the future.

Dai Nippon Printing Co., Ltd.

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TEL: +81-3-3266-2111
URL: <https://www.global.dnp>
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