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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.

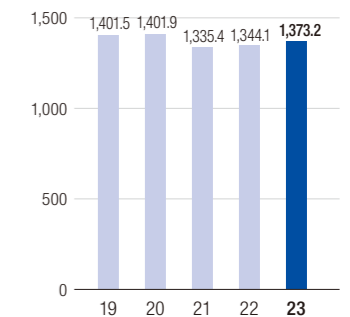
In the mobility business, we worked to develop products and services for the next-generation mobility society, which demands reduced environmental impact, higher energy efficiency, greater information security and high degrees of safety and comfort. To improve the efficiency of delivery management, etc., 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.

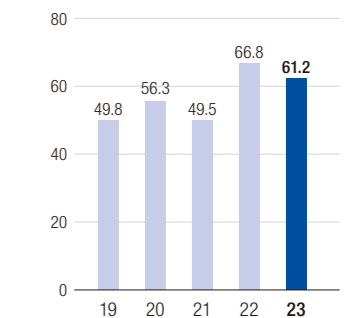
In addition to these focus businesses, the entire group has been working on structural reforms aimed at boosting DNP's competitiveness, and has worked to

Fiscal year: the accounting year ended March 31

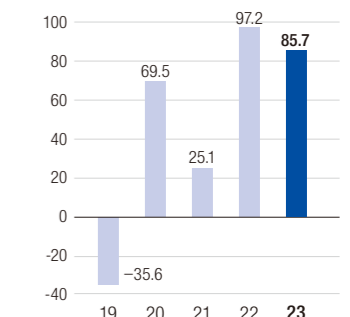
#### Net Sales (¥ billion)



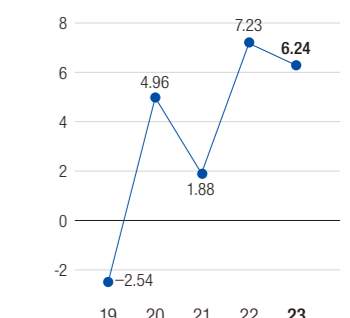
#### Operating Income (¥ billion)



#### Net Income (Loss) Attributable to Parent Company Shareholders (¥ billion)



#### Net Income (Loss) to Net Sales (%)



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.

	2023.3	2022.3	2021.3
Net sales (¥ million)	1,373,209	1,344,147	1,335,440
Gross profit margin	21.3 %	21.8 %	20.7 %
Operating income margin	4.5 %	5.0 %	3.7 %
Ordinary income margin	6.1 %	6.0 %	4.5 %
Net sales income margin	6.2 %	7.2 %	1.9 %

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. By region, sales in Asia, including Indonesia and Taiwan, increased by 3.2% year on year to ¥225,900 million. In other regions, including the United States and Europe, sales increased 26.0% to ¥89,898 million.

### 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. Sales of books decreased 5.4% to ¥637.9 billion, while sales of magazines decreased 7.7% year on year to ¥468.7 billion (surveyed by Japan's Research Institute for Publications). The number of bookstores decreased to 11,500 in 2022, in comparison with the peak of around 22,000 stores in 1999 (surveyed by The All Japan Magazine and Book Publisher's and Editor's Association). The size of the electronic book market in fiscal 2022 increased 7.5% year on year to ¥501.3 billion, and the market is expected to grow to a size exceeding ¥800 billion by fiscal 2026 (surveyed by The All Japan Magazine and Book Publisher's and Editor's Association).

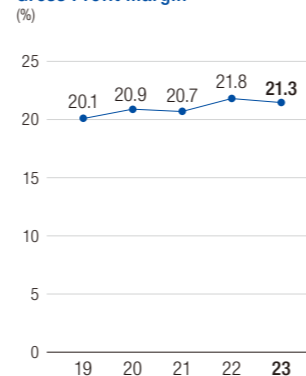
**DNP** In Publishing, on top of shrinkage in printing orders due to contraction of the market for magazines and other paper media, there was also a decline in sales from DNP's hybrid bookstore network, which handles both paper and electronic media, in comparison with the previous year's high stay-at-home demand, leading to a decrease in net sales year on year. Our electronic library service and library operations have continued to grow steadily. In the library support business, the number of contracted libraries was 1,799 as of April 30, 2023, a year-on-year increase of 53, resulting in year-on-year sales growth.

### Information Innovation Business: Marketing

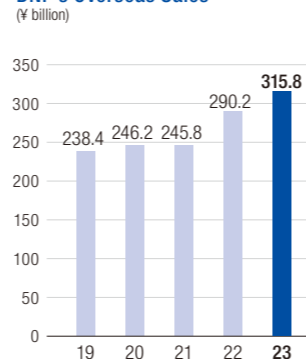
**Market** Domestic demand for advertising in fiscal 2022 decreased by 2.9% overall, despite an increase in internet advertising and event planning, due to a major decline in demand for television and newspaper advertising (surveyed by the Ministry of Economy, Trade and Industry).

**DNP** While digital marketing continued to perform strongly, overall sales declined due to a decrease in sales of paper media such as catalogues and pamphlets, along with point-of-purchase (POP), premium and other sales promotion products and services.

### 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.

**DNP** Sales increased overall due to an increase in BPO business and other large-scale projects, in addition to an increase in smart cards for financial institutions and My Number cards.

### 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.

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

### 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.

**DNP** In response to a growing awareness of environmental concerns, we also worked at developing and selling eco-friendly packaging. We made efforts to shift to high added-value products and worked to implement structural reforms to paper container manufacturing and other business processes. As a result of these efforts, although the number of film packaging products that we sold changed little from the previous year, overall Packaging sales increased thanks to progress in passing on cost increases to customers, and to increased sales of formed plastic products.

### Living Spaces Business

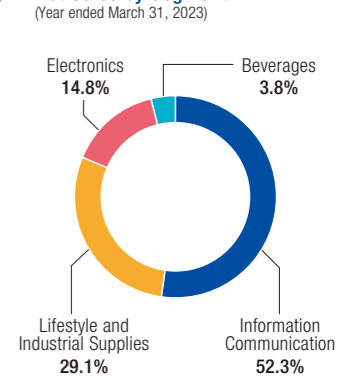
**Market** Domestic new housing starts decreased 0.6% year on year to approximately 860,000 units in fiscal 2022. In these new starts, owner-occupied houses decreased by 11.8%, while apartments and other rental housing increased by 5.0% and condominiums increased by 4.5% year on year (surveyed by the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

**DNP** The Living Spaces business was affected by a decline in new housing starts in Japan and the resulting decrease in sales of interior and exterior materials for housing. Export sales also sagged, especially in the European and U.S. markets, as inflation stifled economic activity. However, sales ended on par with the previous year due to our efforts of review of cost efficiency and price improvement.

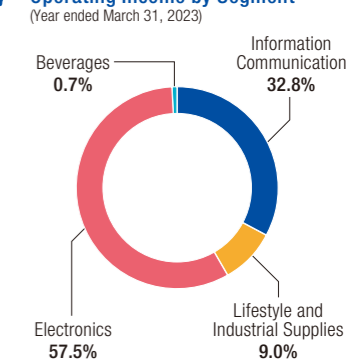
### Industrial High-performance Materials Business

**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. At the same time, demand for battery pouches for automotive use increased. The global market

### 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 CO<sub>2</sub> 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 (5,343,000m<sup>2</sup>). 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 193,447,800m<sup>2</sup> (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.

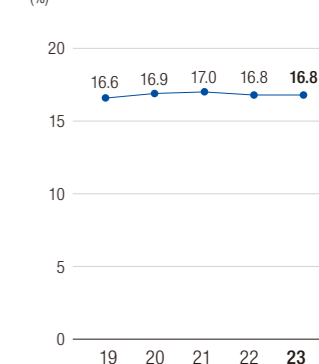
Ordinary income totaled ¥83,661 million, up ¥2,412 million, or 3.0%, from the previous year.

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.

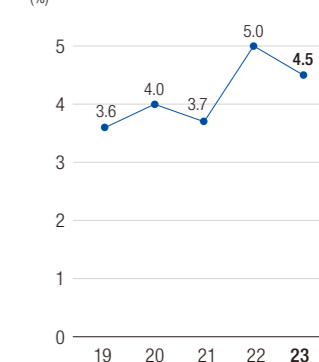
### Net Income Attributable to Parent Company Shareholders

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).

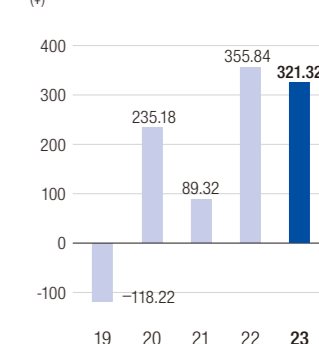
SGA Expenses to Net Sales (%)



Operating Income Margin (%)



Earnings (Loss) per Share (¥)



### Liquidity and Capital Resources

#### Cash Flow

	2023.3	2022.3	2021.3
<b>Cash flow from operating activities</b> (¥ million)	37,994	82,029	61,682
<b>Cash flow from investing activities</b> (¥ million)	-25,021	-39,209	-56,284
<b>Free cash flow</b> (¥ 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.

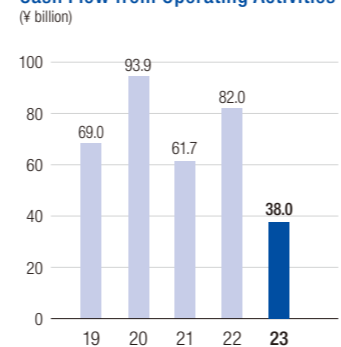
#### Capital Expenditures, Depreciation Expenditures, Research and Development Expenditures, etc.

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.

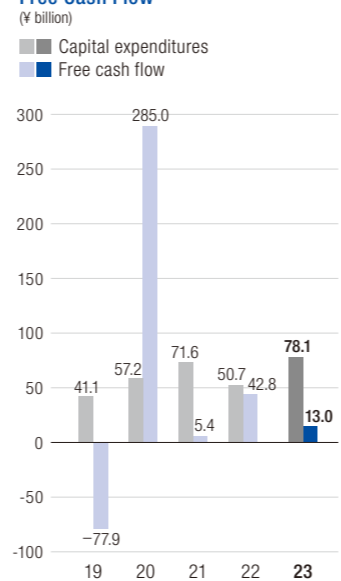
Depreciation in the fiscal year ended March 2023 was ¥51,769 million, up ¥614 million, or 1.2%, from the previous fiscal year. By segment, depreciation in the Information Communication segment was ¥20,157 million, up ¥143 million from the previous year, and accounted for 39% of total depreciation. The 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).

#### Cash Flow from Operating Activities



#### Capital Expenditures and Free Cash Flow



#### Balance Sheet

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

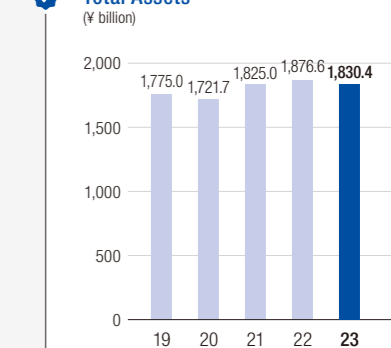
As of March 31, 2023, a total of 292,240,346 shares of common stock had been issued, of which 30,724,570 shares, or 10.51% of the total, were held as treasury stock. The total number of shares of treasury stock decreased by 17,450,544 from the previous year.

	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
<b>Shares issued</b>	Common stock	317,240,346	—	25,000,000	292,240,346
<b>Treasury stock</b>	Common stock	48,175,114	7,619,932	25,070,476	30,724,570

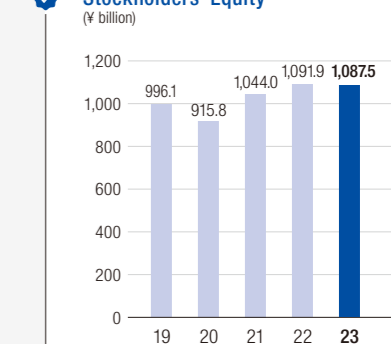
Notes

- The 25,000,000-share decrease in the number of shares of common stock issued is the result of a cancellation of treasury stock.
- 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.
- 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.

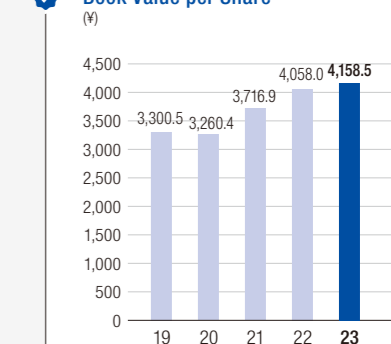
#### Total Assets



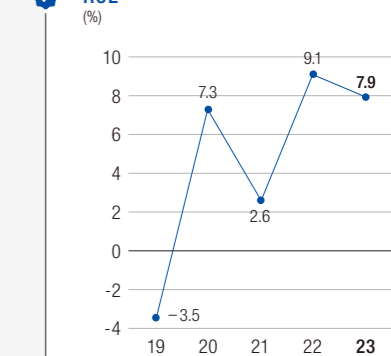
#### Stockholders' Equity



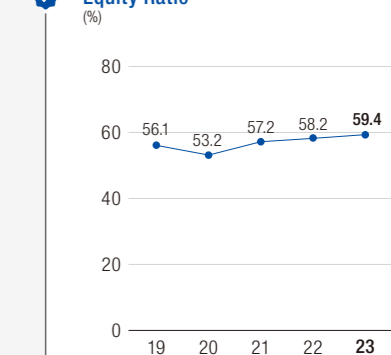
#### Book Value per Share



#### ROE



#### Equity Ratio



Key Financial Data for 11 Years Years ended March 31

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Change 2023/2022
<b>Statements of Operations</b> (¥ 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%
<b>Balance Sheets</b> (¥ 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%
<b>Cash Flow Statements</b> (¥ 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%
<b>Per Share Data</b> (¥)*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	–
<b>As a Percentage of Net Sales</b> (%)												
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
<b>Financial Ratios</b>												
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
<b>Valuations (against share price on March 31)</b>												
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
<b>Returns to Shareholders</b>												
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	–
<b>Others</b>												
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.

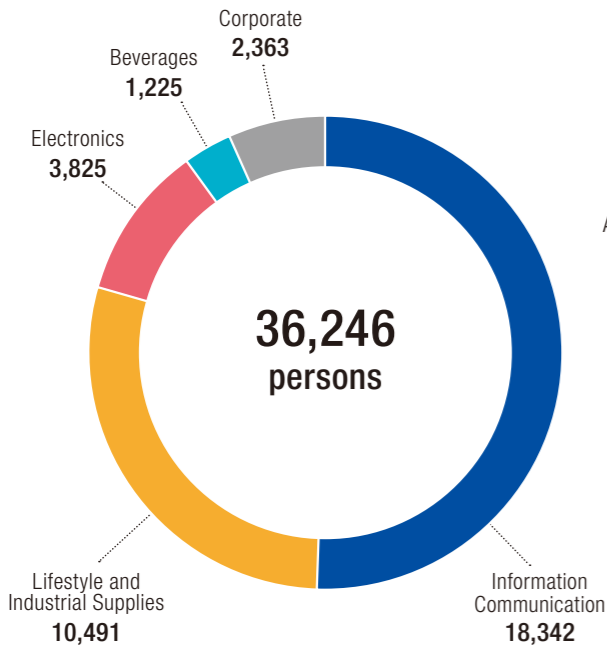
\*5 It includes investments in intangible assets.

## Non-financial Data

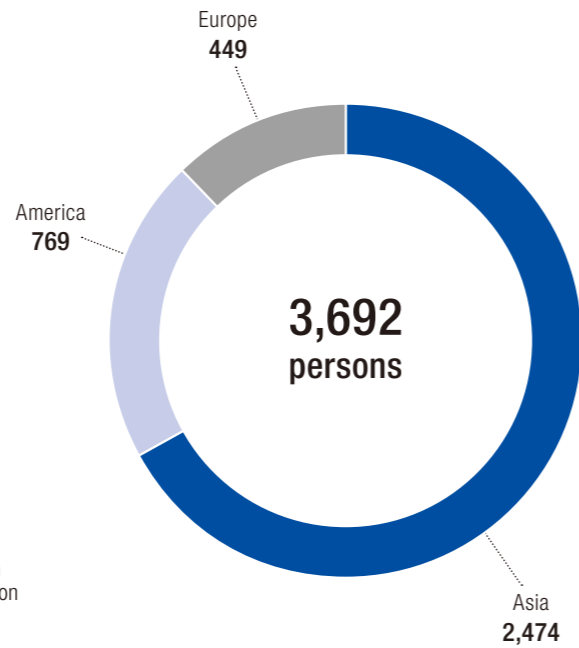
Dai Nippon Printing Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

### Human Capital Data

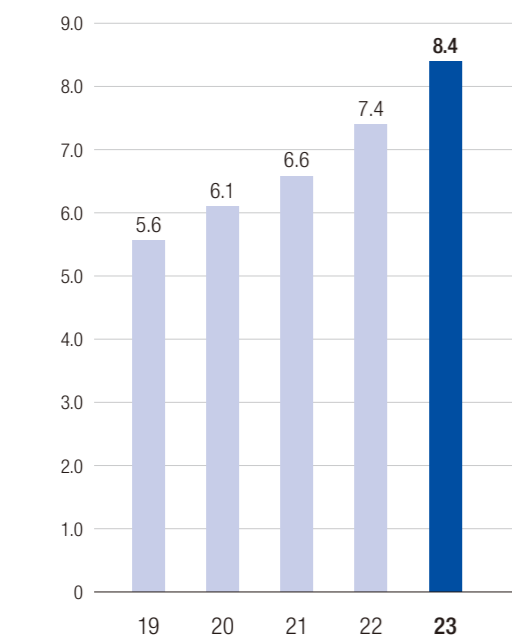
**Total number of employees (by segment)**  
(persons) (As of March 31, 2023)



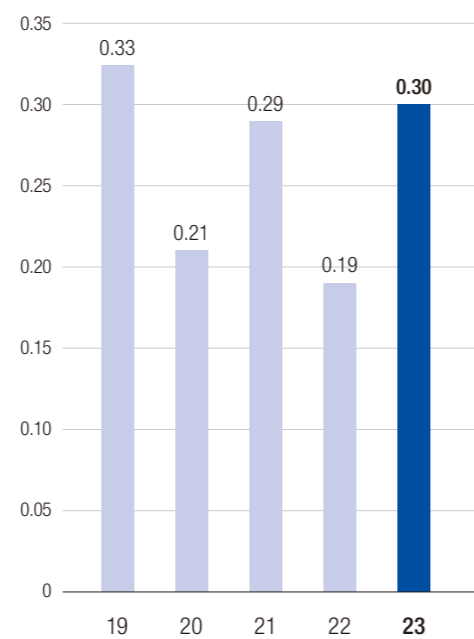
**Number of overseas Group company employees (by area)**  
(persons) (As of March 31, 2023)



**Percentage of female managers (Dai Nippon Printing)**  
(%)

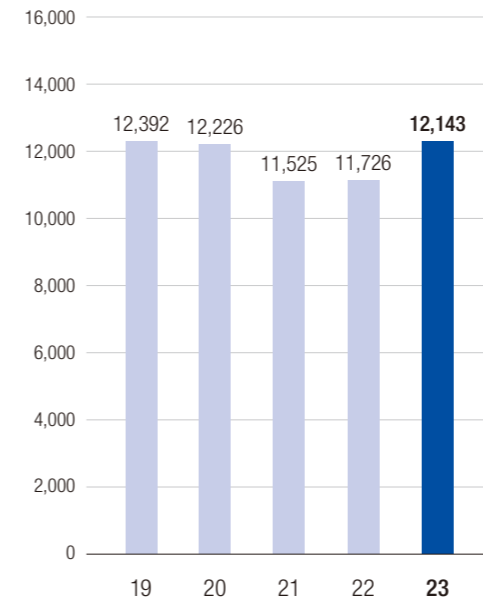


**Lost time work accident occurrence ratio**

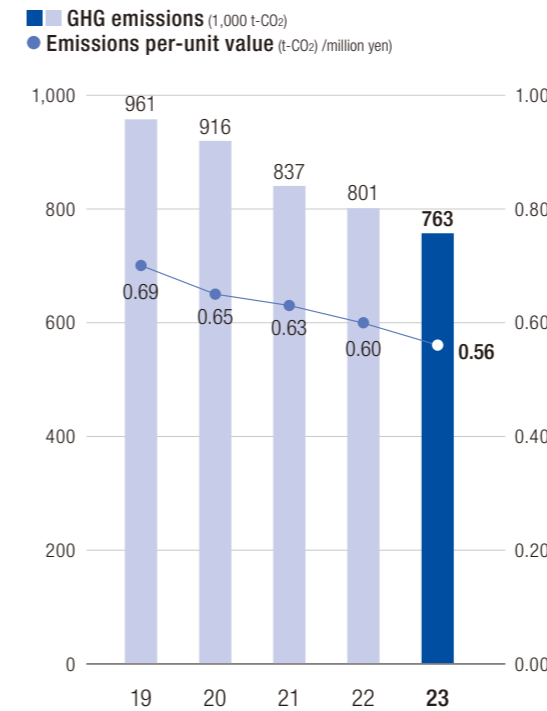


### Intellectual Capital Data

**Number of Japanese patents held**

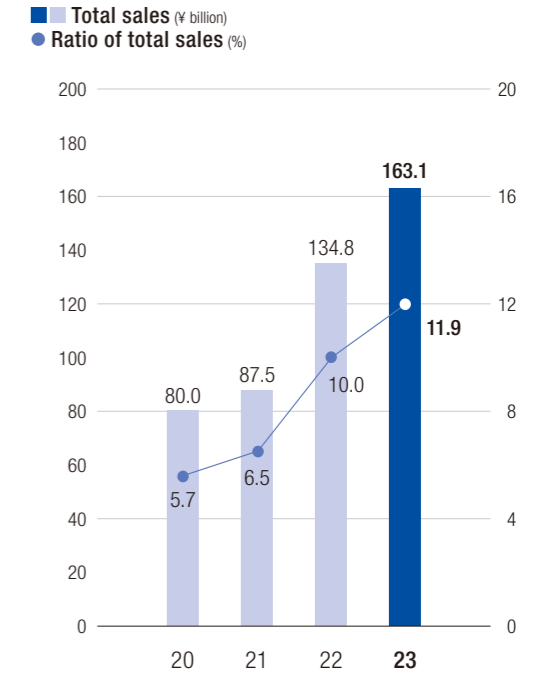


**GHG emissions (Including international operations)**

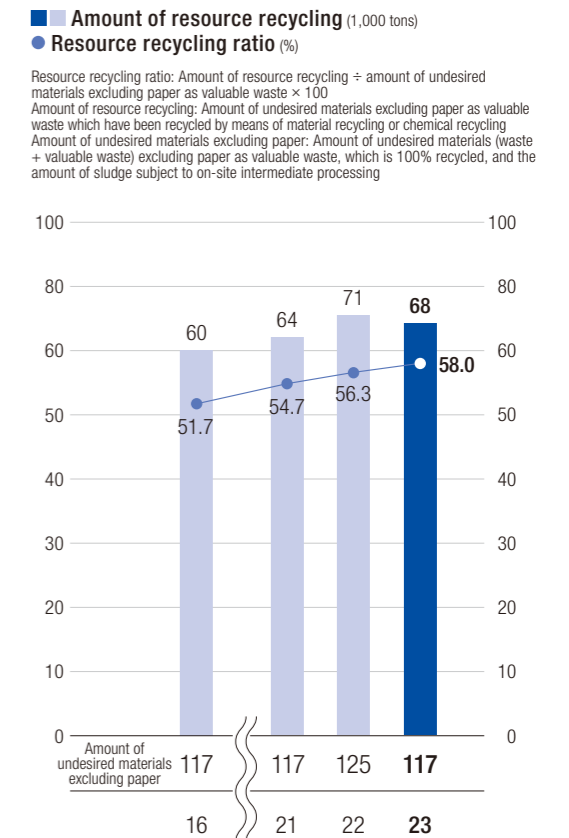


### Environmental Data

**Eco-friendly products and services Super Eco-Products**



**Amount of resource recycling**



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

### Printing

		Capital (¥ million)	Ownership ratio of voting rights (%)
<b>Information Communication</b>			
<b>Publishing</b>			
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	
<b>Information Innovation</b>			
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	
<b>Imaging Communication</b>			
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	
<b>Lifestyle and Industrial Supplies</b>			
<b>Packaging</b>			
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	
<b>Living Spaces</b>			
DNP Lifestyle Materials Marketing Co., Ltd.	Sale of decorative products	300	100.0
DNP Elio 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
<b>Mobility</b>			
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)
<b>Industrial high-performance materials</b>			
DNP High-performance Materials Co., Ltd.	Production of lithium-ion battery components	200	100.0

### Electronics

		Capital (¥ million)	Ownership ratio of voting rights (%)
<b>Display Components</b>			
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	
<b>Electronic Devices</b>			
DT Fine Electronics Co., Ltd.	Production and sale of precision electronic components	490	65.0
DNP Fine Optronics 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	(EUR 1,000)	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 Dexterity 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

<b>Beverages</b>			
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

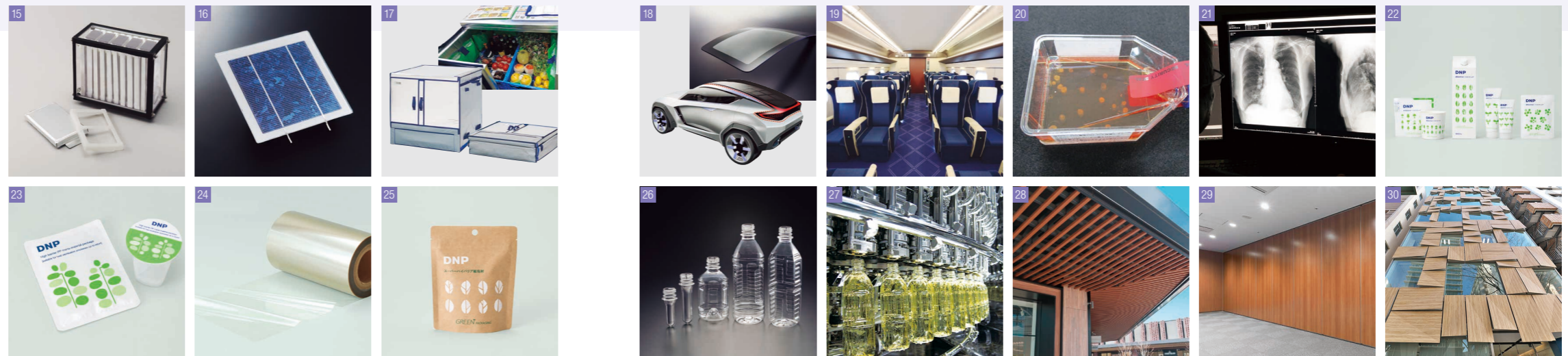
#### • Packaging

- 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



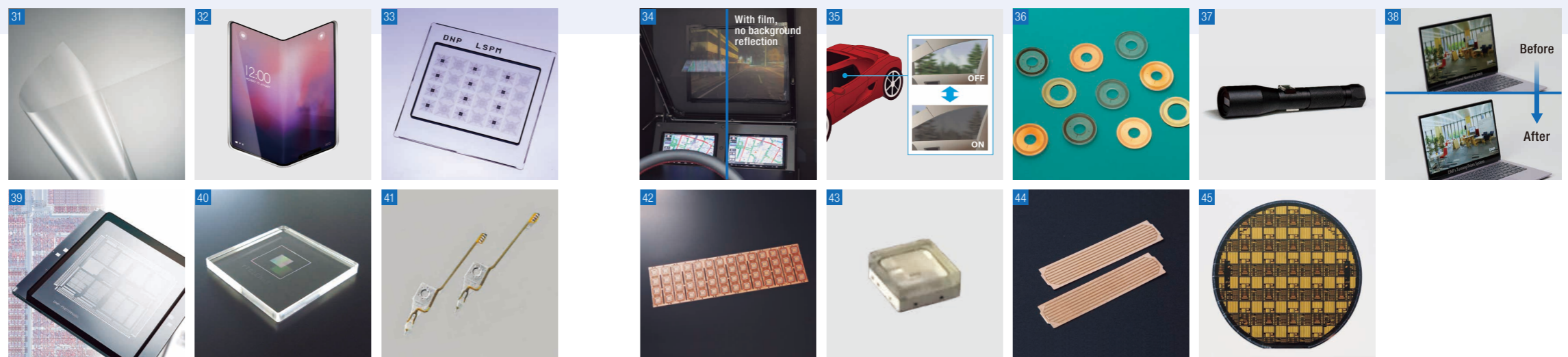
### Electronics

#### • 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 (As of March 31, 2023)

	Shares (thousands)	Percentage (%)
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.

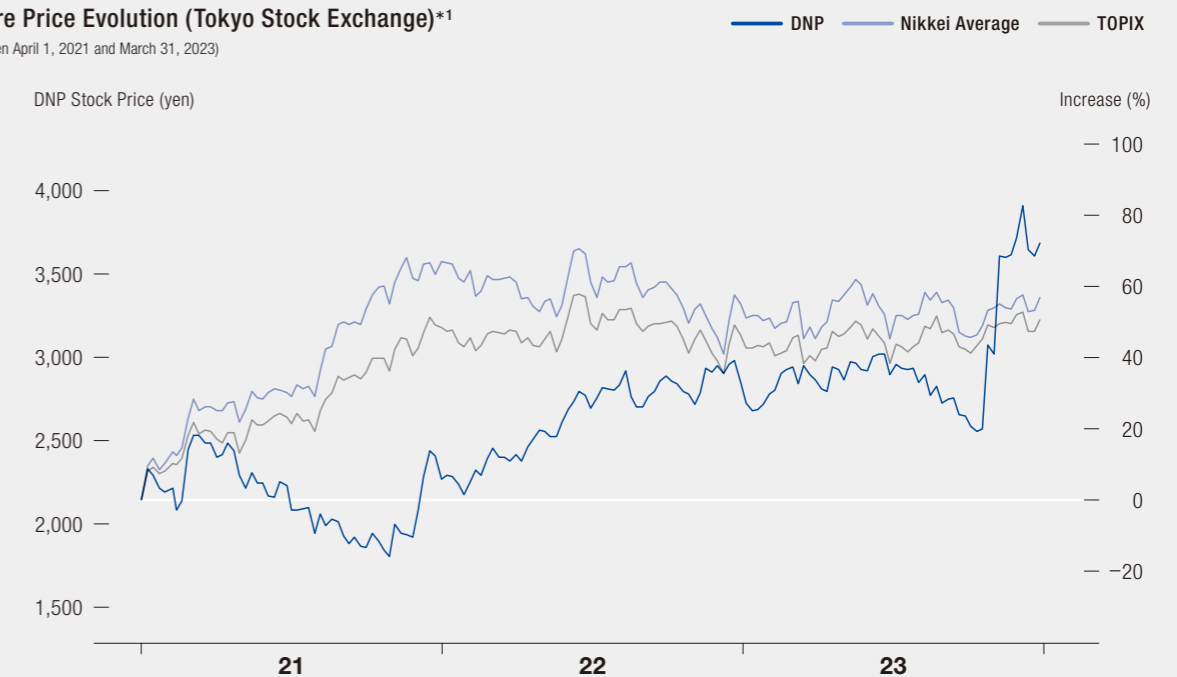
### Investor Relations:

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>

### Share Price Evolution (Tokyo Stock Exchange)\*1

(Between April 1, 2021 and March 31, 2023)



\*1 Index 100 = March 31, 2020

### 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 (As of March 31, 2023)

Type	Number of stocks (stocks)	Number of voting rights (rights)
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)	30,713,400	—
Stocks with voting rights (other)	261,274,800	2,612,748
Stocks with less than trading units	252,146	—
Outstanding shares	292,240,346	—
Total voting rights of stockholders	—	2,612,748

### Treasury Stocks (As of March 31, 2023)

Holder	No. of stocks held	Percentage of holding to No. of outstanding shares
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

 <b>FTSE4Good</b> <small>MSCI ESG Leaders indexes</small> 	 <b>FTSE Blossom Japan Index</b> <small>MSCI Japan ESG Select Leaders Index</small> 	 <b>FTSE Blossom Japan Sector Relative Index</b> <small>MSCI Japan Empowering Women (WIN) Index</small> 
 <b>EURONEXT</b> <small>INDICES WORLD 120</small>	 <b>MORNINGSTAR GenDi J</b> <small>Japan ex-REIT Gender Diversity Tilt Index</small> 	 <b>S&amp;P/JPX</b> <small>カーボン エフィシエント 指数</small>

### Recognition regarding sustainability

 <b>CDP</b> <small>A LIST 2022 CLIMATE</small>	 <b>ecovadis</b> <small>Sustainability Rating</small> 	 <b>DX</b> <small>銘柄2023 Digital Transformation</small>
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## 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.