

**Overview of Financial Results
for First Six Months of Fiscal Year 2021 (ending March 31, 2022)
Briefing materials**



Nov. 17, 2021

Dai Nippon Printing, Co., Ltd.

1. Overview of Consolidated Results for First Six Months of Fiscal Year 2021: Earnings Summary

DNP

(Unit: ¥ billions)

	First Six Months FY2020	First Six Months FY2021	Year-on-year Change	Earnings Forecast for FY2021	Rate of Progress
Sales	644.6	657.1	+1.9 %	1,350.0	48.7%
Operating Income	17.5	30.8	+75.5 %	57.0	54.1%
Ordinary Income	21.7	36.4	+67.1 %	65.0	56.0%
Net Income Attributable to Parent Company Shareholders	11.4	33.8	+195.7 %	53.0	63.8%

- Despite the extension of stay-at-home requests and activity restrictions in response to the COVID-19 pandemic, DNP achieved growth in sales and profits. Operating income exceeded results from two years earlier (¥25.6 billion), which was before COVID-19.
- Net sales for the first six months of the fiscal year ending March 2022 include the effect (-¥14.5 billion) of our recent adoption of the revenue recognition accounting standard. If we discount that impact, sales increased by 4.2% from the same period a year earlier.
- Amid a changing business environment marked by working styles and lifestyles evolving in response to the COVID-19 pandemic and by growing awareness of global environmental issues, we are focusing on businesses related to the Internet of Things (IoT) and next generation communications, data distribution, environment, and mobility. In order to build a strong business portfolio, we worked on optimal allocation of management resources and on structural reforms aimed at boosting competitiveness.

Overview of Consolidated Results for First Six Months of Fiscal Year 2021: Segment Earnings

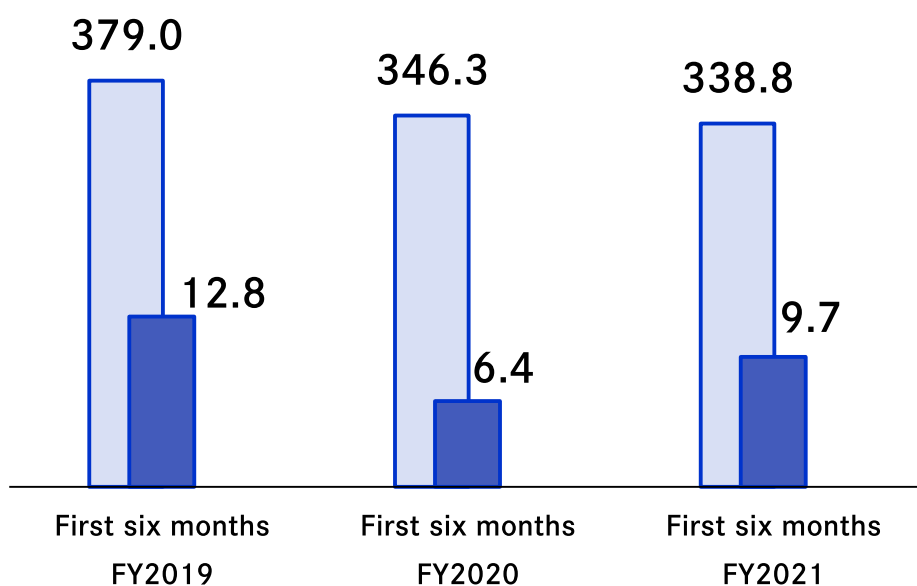
DNP

Information Communication

【Results Trends】

(Unit: ¥ billions)

□ Sales (left) ■ Operating Income (right)



【Overview】

Sales declined partly due to the drop in large-scale BPO projects after a surge in previous years, but profits increased thanks to recoveries in our Imaging Communication and Publishing businesses.

〈Information Innovation〉

- Catalogs and promotional DMs were on a recovery trend
- BPO/smart card sales decreased as large-scale projects wound down

〈Imaging Communication〉

- With vaccination progressing in the US-our main market-demand for photography-related materials and services recovered

〈Publishing〉

- Sales by "honto" hybrid bookstore increased
- Digital library services and library management operations were solid

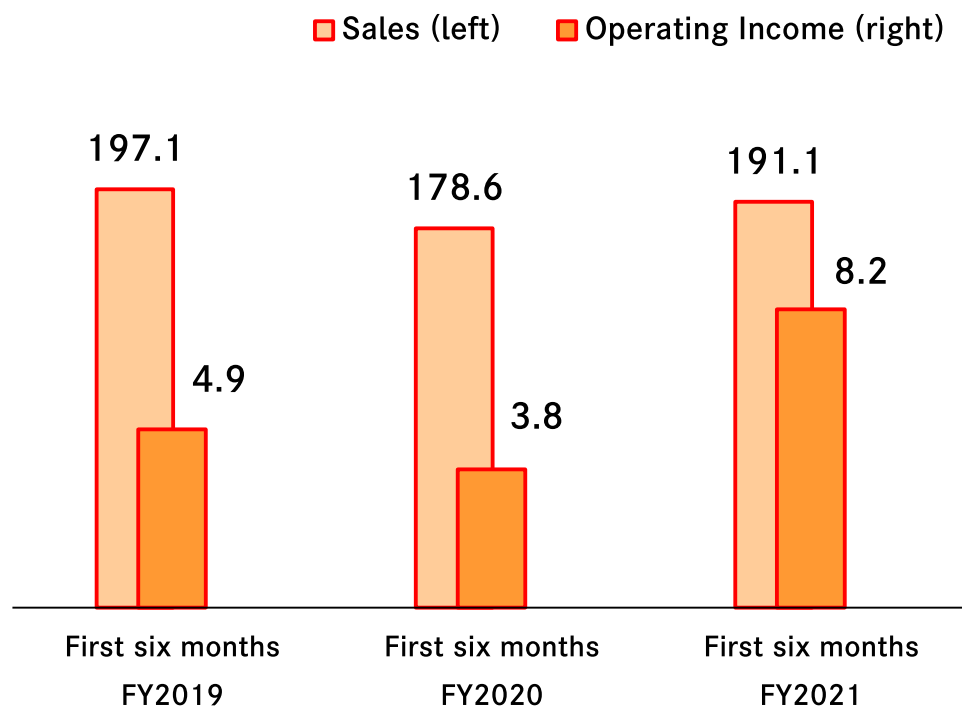
Overview of Consolidated Results for First Six Months of Fiscal Year 2021: Segment Earnings

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Lifestyle and Industrial Supplies

【Results Trends】

(Unit: ¥ billions)



【Overview】

Sales and profits increased thanks to recoveries in interior and exterior decorative materials for automotive and residential use, and thanks to greater demand for lithium-ion battery pouches

〈Packaging〉

- Although sales of commercial packaging materials decreased due to the extension of COVID-19-related stay-at-home requests and activity restrictions, aseptic filling system sales still grew.

〈Living Spaces〉

- The domestic and overseas auto markets and the domestic housing market were on a recovery trend; sales of decorative films for car interiors, and materials for housing interiors and exteriors all rose
- Expanded lineup of products with antibacterial and antiviral functionality

〈High-Performance Industrial Supplies〉

- Significant growth in lithium-ion battery pouches

Overview of Consolidated Results for First Six Months of Fiscal Year 2021: Segment Earnings

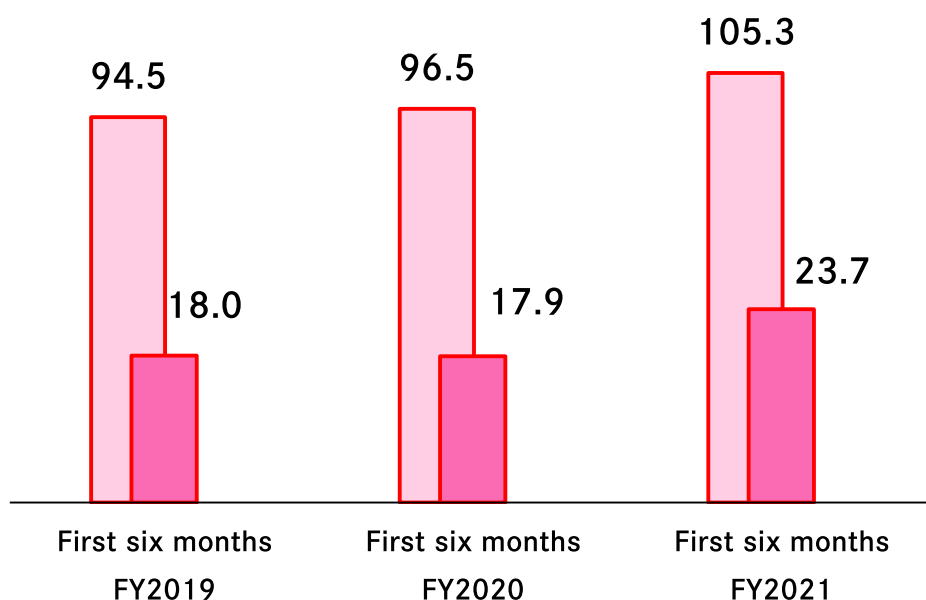
DNP

Electronics

【Results Trends】

(Unit: ¥ billions)

■ Sales (left) ■ Operating Income (right)



【Overview】

Increased sales and profits thanks to greater "nesting consumption" by people spending more time at home, and thanks to the booming semiconductor market

〈Display Components〉

- Optical films remained strong as people spent more time at home and teleworking and online learning became more prevalent
- Metal masks used for making organic EL displays also performed steadily due to increased demand for the displays for smartphones

〈Electronic Devices〉

- In light of the booming semiconductor market, demand grew for semiconductor photomasks used for making products that support communications, automotive applications and data centers

Overview of Consolidated Results for First Six Months of Fiscal Year 2021: Segment Earnings

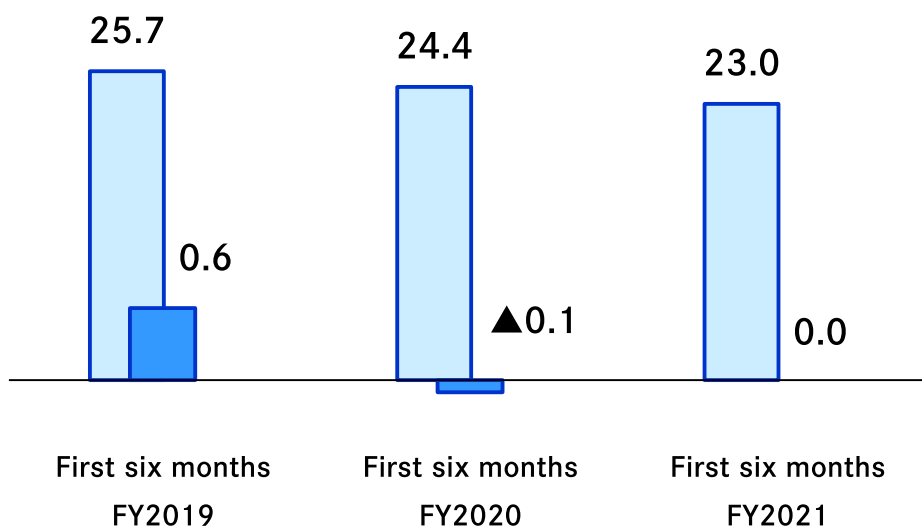
DNP

Beverages

【Results Trends】

(Unit: ¥ billions)

□ Sales (left) ■ Operating Income (right)



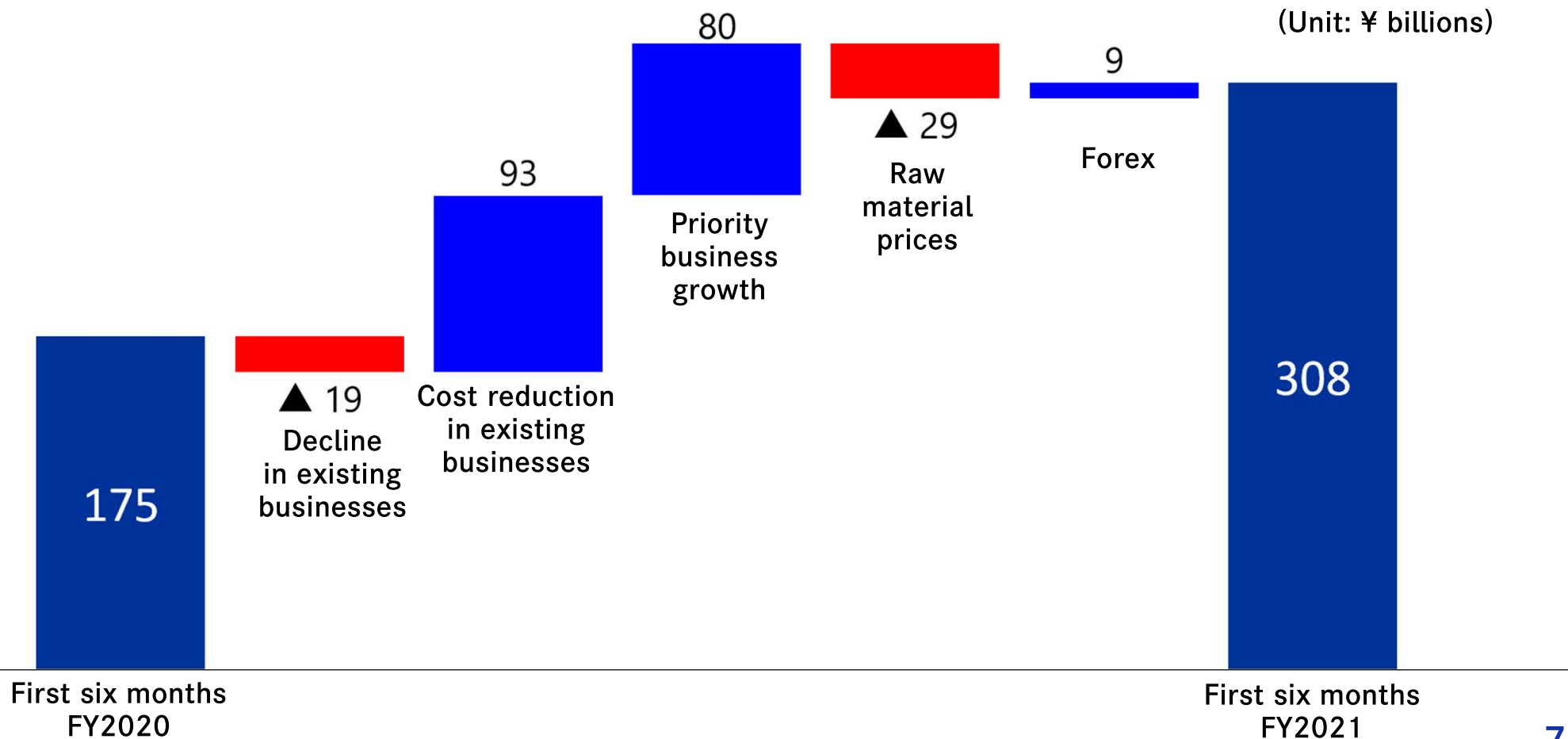
【Overview】

- Demand shrank at tourist spots and restaurants due to the extension of stay-at-home requests and activity restrictions.
- In order to address changing lifestyles and reduce environmental impact, we focused on selling beverages in PET plastic bottles without product-name or other labels.
- In alcoholic beverages, we expanded our lineup of Lemondo products and launched a new alcoholic beverage called Nomel's Hard Lemonade.

Overview of Consolidated Results for First Six Months of Fiscal Year 2021: Change in Operating Income

DNP

(Unit: ¥ billions)



FY2021 Second Half: Major impacts expected from business environment changes

DNP

From the beginning of October, the number of COVID-19 cases in Japan has decreased and economic activity has been recovering, but our earnings forecast does not project a major recovery due to factors like rising raw material prices and semiconductor shortages.

Meanwhile, concerning electronic products, we are monitoring the market amid expectations of a global decline relative to the increased demand experienced when people were staying home.

◆ Impact of raw materials costs

First half: ¥2.9 billion ⇒ Second half: Expected to be about ¥5.5 billion

Prices of naphtha and aluminum are soaring. We intend to minimize the impact of these increases by negotiating prices with customers.

◆ Impact of semiconductor shortages

In the automobile industry, production adjustments are occurring globally, and there are concerns about future demand trends.

Earnings Forecast for Fiscal Year 2021

(Unit: ¥ billions) **DNP**

	FY2020	FY2021	Year-on-year Change
Sales	1,335.4	1,350.0	+1.1%
Operating Income	49.5	57.0	+15.1%
Operating Income Ratio	3.7%	4.2%	+0.5%
Ordinary Income	59.9	65.0	+8.5%
Net Income Attributable to Parent Company Shareholders	25.0	53.0	+111.3%
ROE	2.6%	5.0%	+2.4%

Capital Investments	71.6	65.0	-9.3%
Research and Development	32.6	33.0	+1.2%

		FY2020	FY2021	Year-on-year Change
Information Communication	Sales	721.8	728.0	+0.9%
	Operating Income	19.1	23.0	+19.9%
Lifestyle and Industrial Supplies	Sales	368.0	380.0	+3.3%
	Operating Income	13.9	17.0	+21.7%
Electronics	Sales	197.0	194.0	-1.5%
	Operating Income	36.6	37.0	+0.8%
Beverages	Sales	51.4	51.5	+0.1%
	Operating Income	0.8	0.8	+1.2%
Adjustment	Sales	-2.8	-3.5	
	Operating Income	-21.1	-20.8	

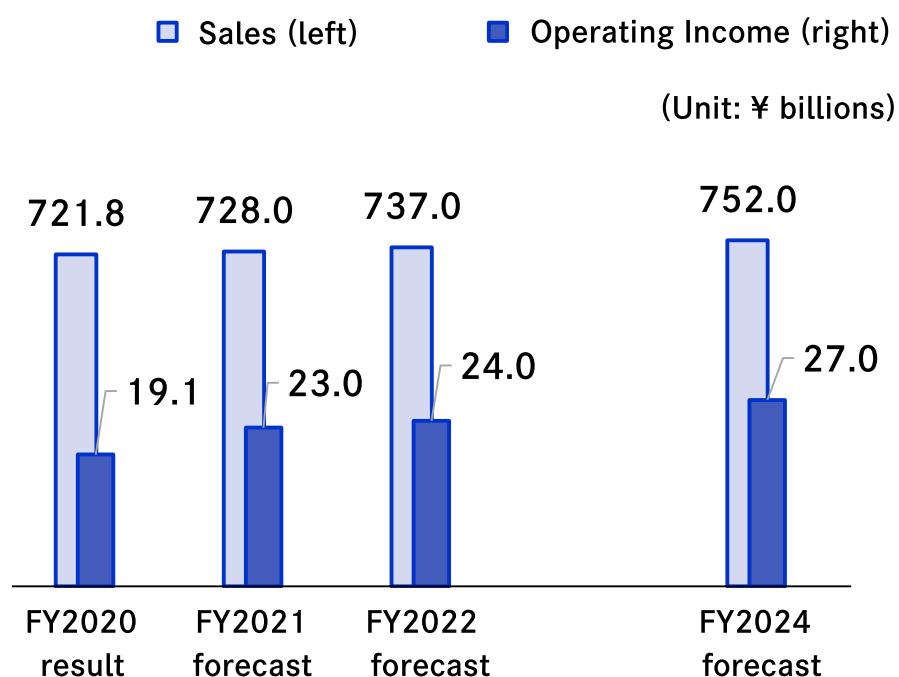
- There is no change in our full-year earnings forecast at this time.
- We expect to post extraordinary profits from the sale of real estate and other assets and from changes to our retirement benefit system.

ROE is forecast at 5.0%.

※ Impact on sales of adopting new revenue recognition accounting standard: roughly -¥30 billion.

【 Medium-term Management Plan 】 Information Communication

DNP



Subsegment	Focus businesses
Information Innovation Business	<div>BPO</div> <div>Authentication/ security</div> <div>Information banks</div> <div>Photo media/ service creation</div> <div>Educational business</div>
Imaging Communication Business	
Publishing Business	

Progress in Focus Businesses: by Segment

DNP

Information Communication

Focus businesses

Service creation

Expanding demand for photographs by promoting digital transformation (DX) and responding to new lifestyles

Social issues/
trends

Solutions that leverage DNP's unique "P&I" strengths

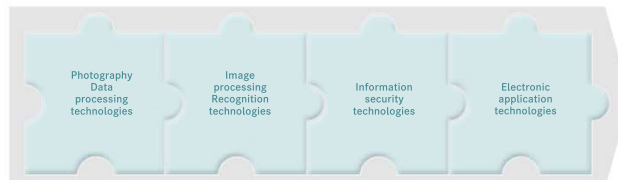
Social impact

Establishment of
Digital Agency

Raising the
percentage of
people with a My
Number card

Information
security

Infectious
disease
countermeasures



Provide consumers
around the world
with safe and reliable
image use solutions

- Online application for My Number cards through Japan's top photo ID kiosk chain, Ki-Re-i
- Upgrade to new version of system that entails taking ID photos at local government offices
- Increase market share through M&As, enhance online functionality
- Electronic payment services; antibacterial and antiviral coatings



<Promoting digital transformation (DX) of government services>

- DX of application processing at local government offices
- DX of consumer photography
- DX of application process

<Information security>

- Safe and reliable application

<New lifestyles in "with Corona" society>

- Reduce chances of contact during application processes

Future initiatives

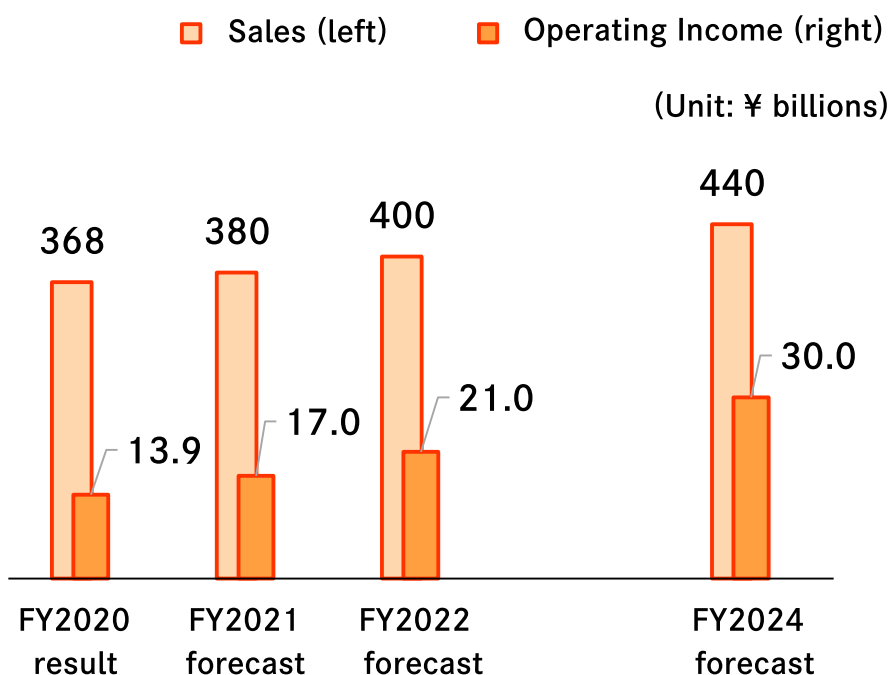
- Expand uses for electronic application services
- Develop facial image data provision services
- Add identity verification functionality

ID photo-related services
FY2024 target:
¥10 billion in sales



【 Medium-term Management Plan 】 Lifestyle and Industrial Supplies

DNP



Subsegment	Focus businesses
Packaging Business	<div>Eco-friendly packaging</div>
Living Spaces Business	<div>Medical/healthcare</div> <div>Mobility interior and exterior materials</div>
Industrial High-performance Materials Business	<div>Industrial high-performance materials</div> <div>Battery pouches for lithium-ion batteries</div>

Progress in Focus Businesses: by Segment

DNP

Lifestyle and Industrial Supplies

Focus businesses

Battery pouches
for lithium-ion batteries

Demand is increasing for this leading player in carbon-neutral,
next-generation communications

Social issues/
trends

Solutions that leverage DNP's unique "P&I" strengths

Impact on
the Environment
and Society

Lighter, thinner
lithium-ion batteries

Building a
decarbonized society

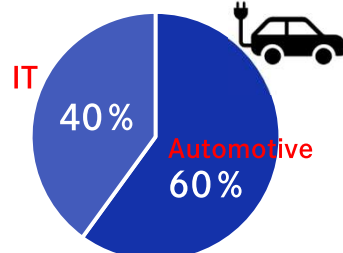
Shift to electric
vehicles

Uptake of next-
generation
communications

By making the most of our strength in converting
technologies and creating a de-facto industry
standard, we are expanding applications to
strengthen our top global share.

Lighter,
longer-lasting,
safer
battery pouches

Breakdown by application



DNP's Strengths

- Global standard
- Stable track record even for use with large-scale batteries
- Acquisition of IATF 16949 certification



Improvements like lighter
weight and greater freedom
of form resolve issues with
EV driving range and
useable space

Decarbonized society
Mitigating and
responding to
climate change



Progress in Focus Businesses: by Segment

DNP

Lifestyle and Industrial Supplies

Focus businesses

Battery pouches
for lithium-ion batteries

Short- and Medium- to Long-term Trends

Mid- and long-term growth expected along with shift toward electric automobiles



Sales Target

For lithium-ion battery
pouches overall
FY2024: ¥100 billion

	Short-term	Medium- to Long-term
Market trends	<ul style="list-style-type: none"> ● Temporary effects of auto production cuts due to factors like chip shortages ● Effects of price surges for aluminum, resins, and other raw materials 	<ul style="list-style-type: none"> ● Continuous strong sales expected due to growing EV demand
Production systems	<ul style="list-style-type: none"> ● Status of factory expansion → Scheduled to add a production line at Tsuruse Plant in 2022 Currently considering other investments in Japan and overseas 	

Progress in Focus Businesses: by Segment

DNP

Lifestyle and Industrial Supplies

Focus businesses

Eco-friendly packaging
(Mono-material packaging)

**Excellent functionality and recyclability;
increasing demand expected in Japan and abroad**

Social issues/
trends

Solutions that leverage DNP's unique "P&I" strengths

Social impact

Shift to recycling-
oriented economy

Pollution of
oceans with
plastic waste

Reduction of
greenhouse gas
emissions



Superior barrier
function
Recyclability
Cooperation with
overseas business
bases

- Superior barrier functionality that makes use of DNP's proprietary converting technologies

- Mono-material packaging is more amenable to recycling

- Cooperating with PT DNP Indonesia to share the latest technological developments



Used for Unilever Japan's Lipton Keep & Charge products, among others

Recipient of Japan Packaging Institute's 45th Kinoshita Prize



Left: Product adopted by Colgate-Palmolive
Right: Mono-material packaging that can hold liquids

Provide 3 values: resource recycling;
CO₂ reduction; and preservation
of the natural environment

Contribute to "horizontal recycling,"
which is essential to the success of a
recycling-oriented society

Boost supply of mono-material
packaging overseas



Future initiatives

- Expand lineup of mono-material packaging products
- Build ecosystem (recycling value chains)

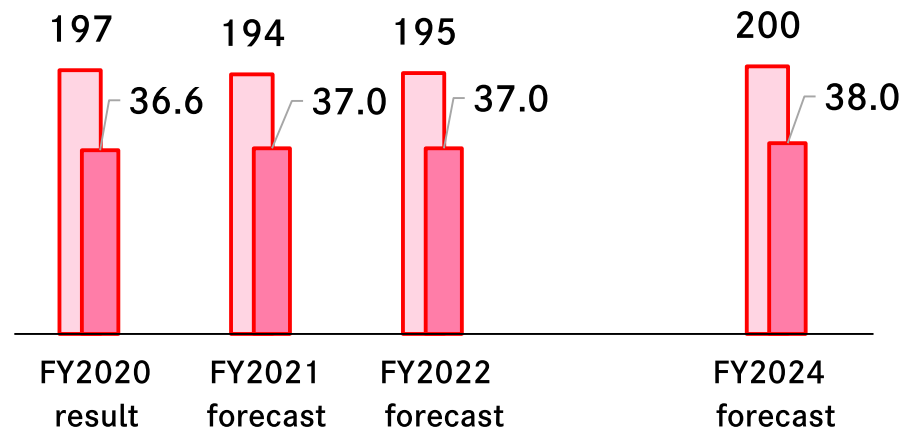
[GREEN PACKAGING]
In FY2025,
overall annual
sales of ¥50 billion



【 Medium-term Management Plan 】 Electronics

DNP

■ Sales (left) ■ Operating Income (right)
 (Unit: ¥ billions)



Subsegment	Focus businesses
Display Components Business	<div>Optical films</div> <div>Metal masks</div> <div>New 5G-related products</div>
Electronic Devices Business	

Progress in Focus Businesses: by Segment

DNP

Electronics

Focus businesses

New 5G-related products
(Nano Imprint Lithography: NIL)

Help achieve carbon-free society by supplying products for next-generation semiconductors

Social issues/
trends

Solutions that leverage DNP's unique "P&I" strengths

Social impact

Miniaturization of
semiconductor
processing

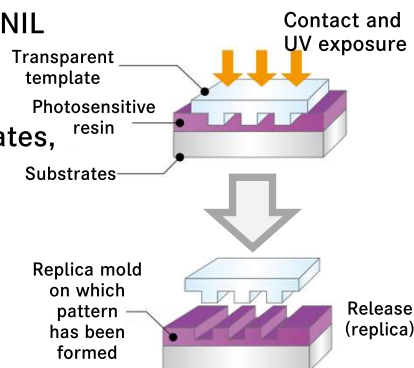
Rising cost of
making
semiconductors

Greater energy
efficiency and eco-
friendliness of
digital devices and
information
communication



Handling every phase
from development and
production of master
templates and replica
templates to mass
production

- DNP is the world's only manufacturer of NIL master templates for making semiconductors
- In addition to offering 15nm-level templates, DNP anticipates its customers' need for advanced products and develops 3D templates that will make it possible to execute multiple processes at once
- Significantly reduce manufacturing costs and power consumption of NAND flash memories and logic ICs



Reduce energy
usage and costs in
semiconductor
manufacturing

Contribute to DX

Decarbonized society
Mitigating and
responding to
climate change

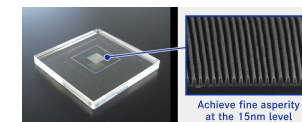


Future initiatives

- Improve manufacturing technologies and operating practices, and work toward further resolution of issues (circuit defects, etc.) impeding practical use
- Start development of even finer "next generation templates"

* 3-nanonode (line width 12nm) and 2-nanonode (line width 10nm) templates

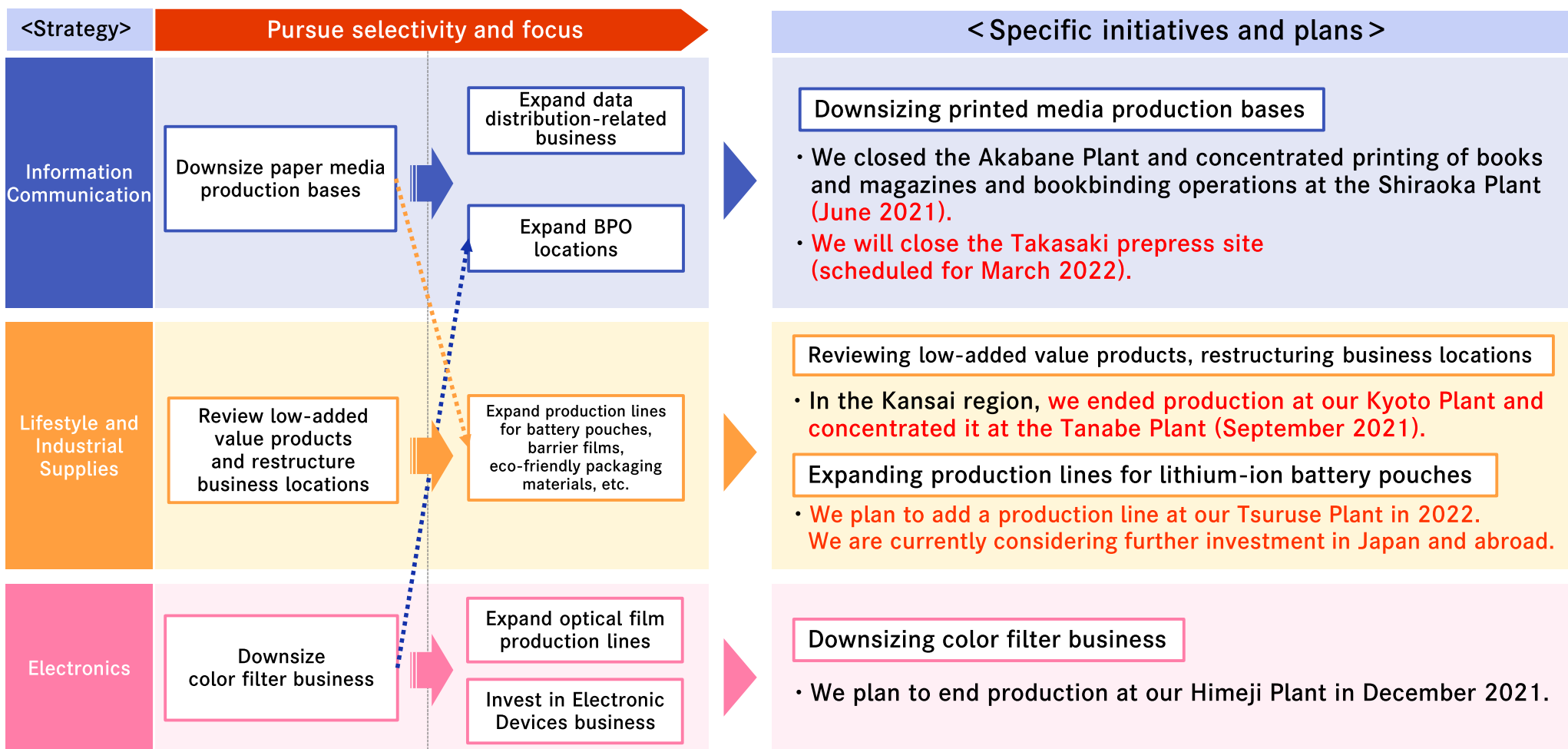
Start of mass
production
expected in 2025



Increase value using all available restructuring approaches

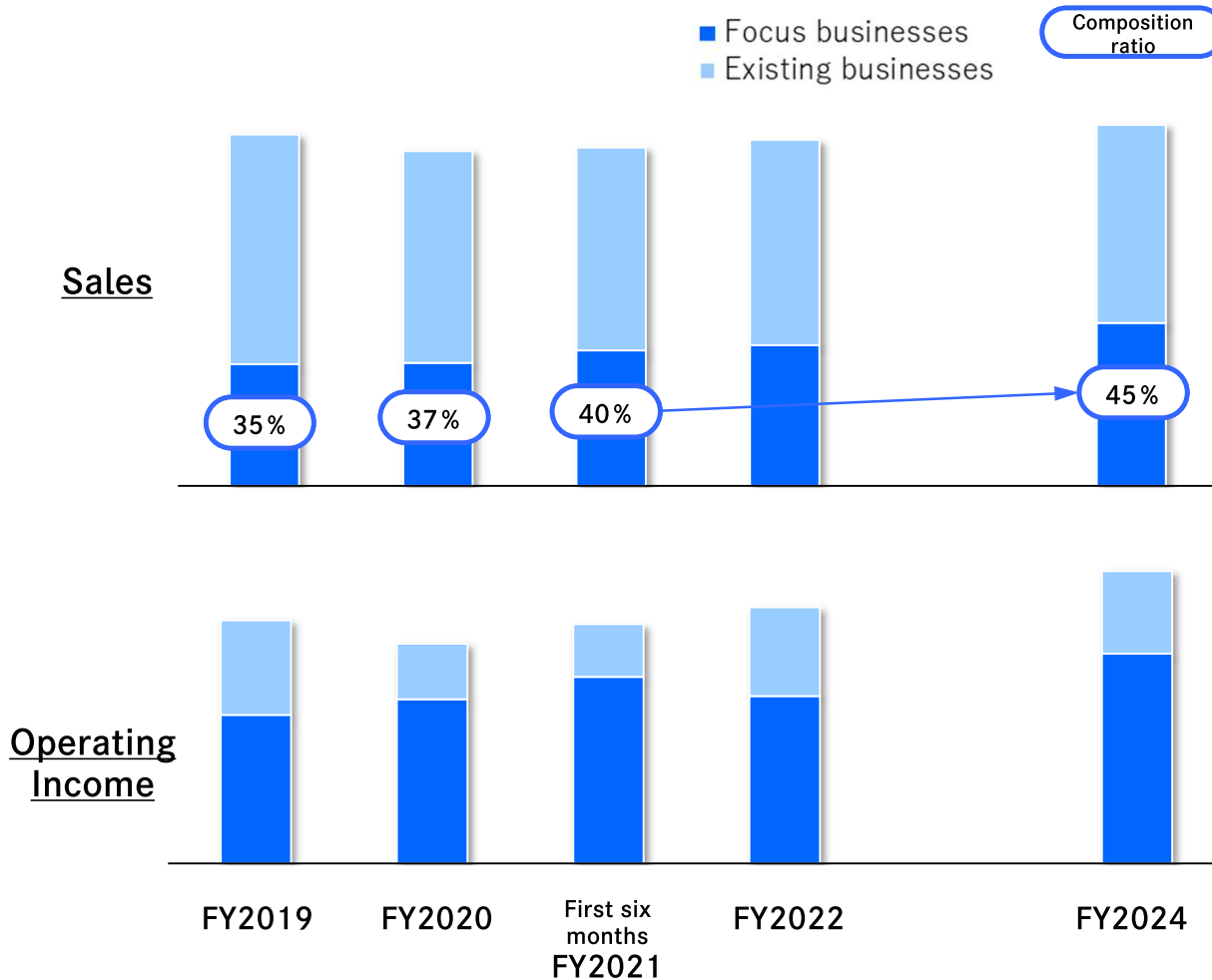
Progress since previous presentation (May 2021)

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Management Targets Focus/Existing businesses Composition

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Key issues

< Existing businesses >

- Printed media business sales to decline in Information Communication segment
- Pursuing earnings improvement via selectivity and focus in Packaging business

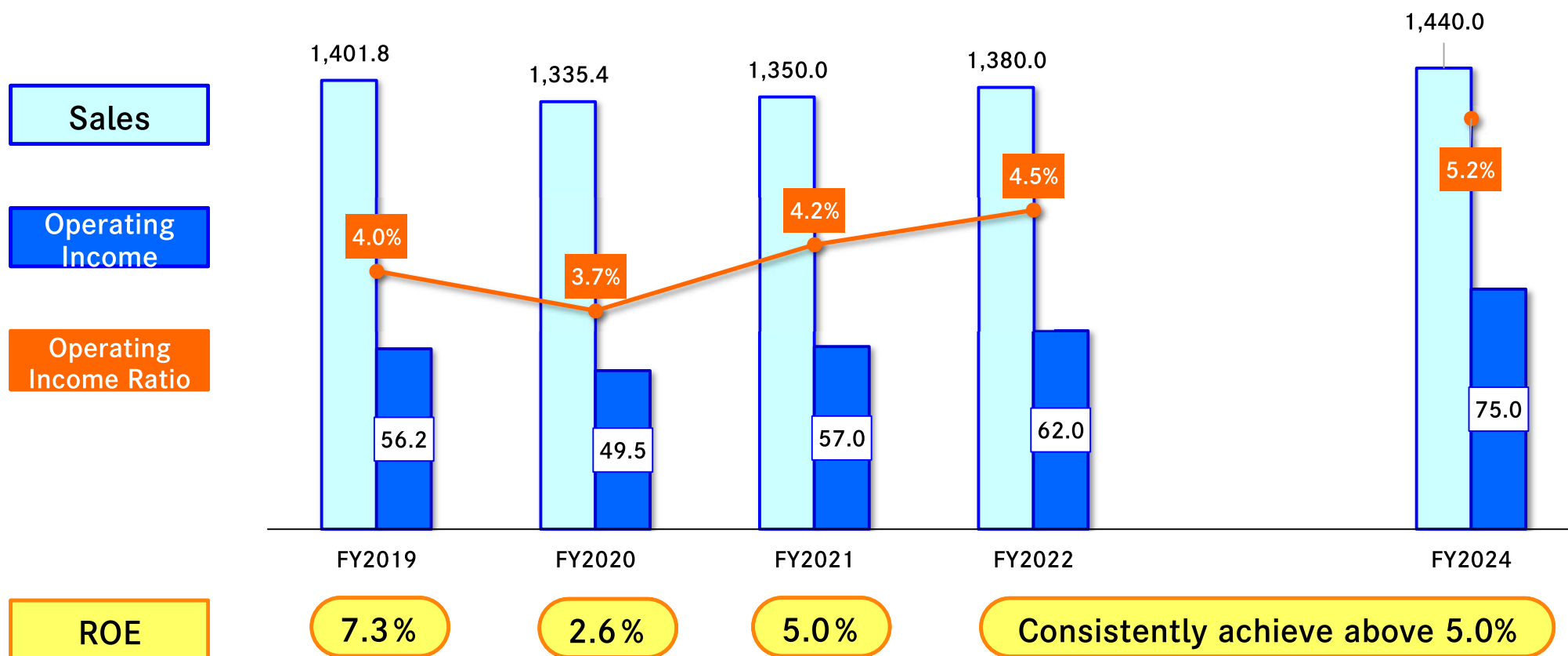
< Focus businesses >

- Growth drivers in medium-term plan Battery pouches (Lifestyle and Industrial Supplies segment)
- Focusing investment in new businesses after confirming return on investment (ROI)

Management Targets

DNP

(Unit: ¥ billions)



Note: New revenue recognition standard will reduce sales by around ¥30 billion from FY2021

Today's Innovation is "Tomorrow's Basic."

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Disclaimer

The earnings forecasts, medium-term management targets, and other forward-looking statements contained in these materials represent DNP's judgement of the current outlook based on information available at the time of preparation, and involve potential risks and uncertainties. Actual performance may therefore differ materially from these forward-looking statements due to changes in the various assumptions on which they are based.