

Overview of Financial Results  
for First Nine Months of Fiscal Year 2023 (ending March 31, 2024)  
Supplementary Briefing materials

**DNP**

未来のあたりまえをつくる。

February 9, 2024  
Dai Nippon Printing, Co., Ltd.

# [Overview of Financial Results for First Nine Months of FY2023]

(Unit: ¥billions) **DNP**

	First Nine Months FY2022	First Nine Months FY2023	Year-on year Change	Earnings Forecast for FY2023	Rate of progress
Sales	1,023.5	1,061.2	+3.7%	1,410.0	75.3%
Operating Income	44.5	52.0	+16.6%	67.0	77.6%
Ordinary Income	57.6	68.2	+18.4%	78.0	87.5%
Net Income <small>Attributable to Parent Company Shareholders</small>	64.4	98.5	+52.9%	88.0	112.0%

Capital Expenditures	35.7	43.3	+21.2%	76.0	57.1%
R&D Expenditures	24.4	26.4	+8.3%	34.0	77.9%
Depreciation	37.5	40.7	+8.5%	54.0	75.5%

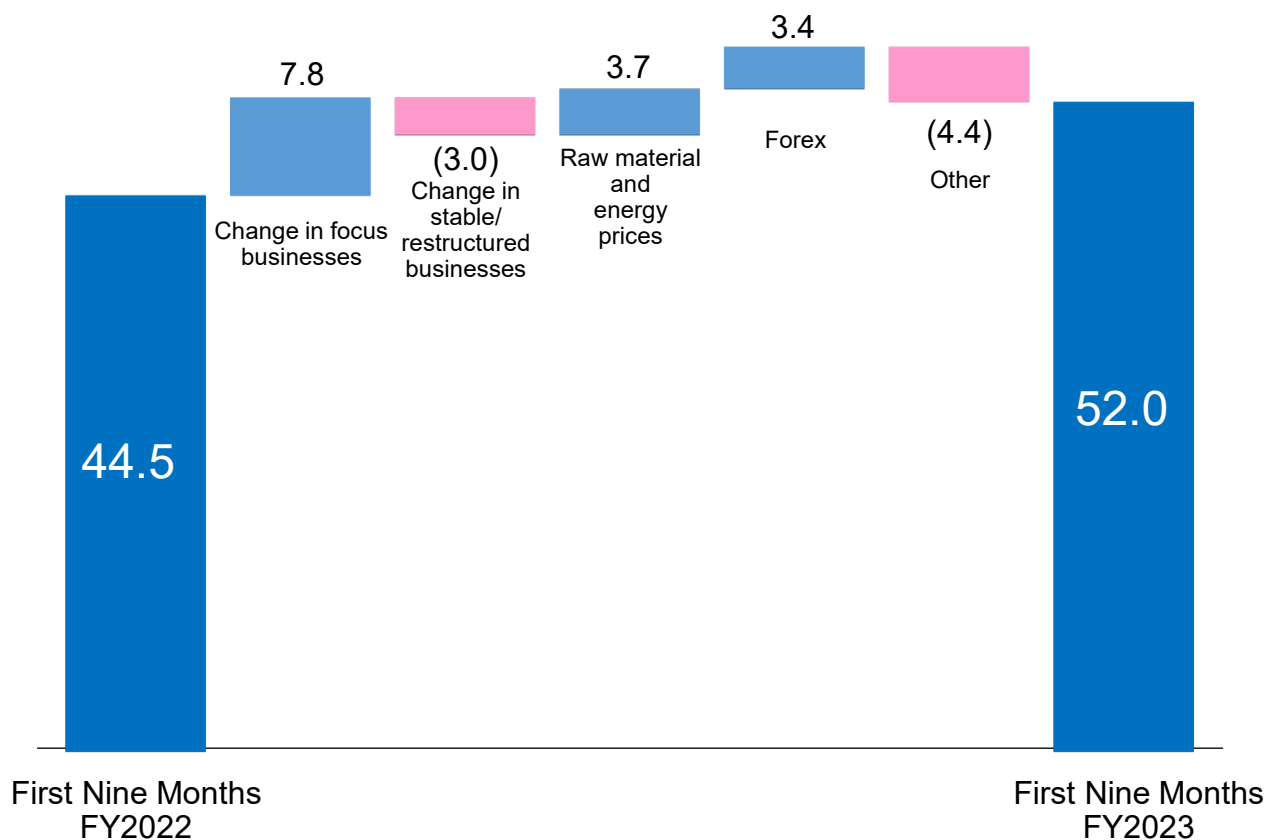
## Overview

- ✓ We accelerated creation of new value, primarily in focus business areas, resulting in net sales growing 3.7% year on year
- ✓ The focus businesses in Digital Interfaces performed well, and we succeeded in increasing operating income by 16.6% from the previous-year level
- ✓ Ordinary income and net income exceeded the previous-year level thanks to the contribution of expanded earnings from equity-method affiliates

# [Overview of Financial Results for First Nine Months of FY2023]

## Change in Operating Income

(Unit: ¥billions) **DNP**



### Overview

- ✓ Although focus businesses were affected by the market deceleration in Semiconductors, demand for display components was strong, and battery pouches and sealant for photovoltaic cells were also steady
- ✓ Stable businesses saw strong demand, but were impacted by customer inventory corrections, etc. for some products
- ✓ In restructured businesses, the decline in the paper media market continued, and housing-related demand was also weak
- ✓ Regarding the impact of raw material and energy prices, the pace of increases settled down and the impact of the lack of transfer of prices was alleviated

# [Overview of Financial Results for First Nine Months of FY2023]

## Overview of Focus and Stable Businesses

(Unit: ¥billions) **DNP**

		First Nine Months FY2022	First Nine Months FY2023	Overview (Arrow indicates sales relative to previous year)	
Smart Communication	Segment Sales	533.0	532.1	↑	Imaging communication Strong performance from materials for printing photographs, primarily in European and Asian markets
	Segment Operating Income	17.9	15.9	→	Secure information Although large BPO projects and dual interface cards* grew, paper media such as business forms decreased
				↑	Content & XR communication As part of strengthening the XR communication business, we focused on the creation of new businesses such as promoting coordination with Hacosco Inc. a group company
Life and Healthcare	Segment Sales	338.8	356.5	↑	Industrial high-performance materials In addition to battery pouches being steady for both automotive and IT equipment applications, sealant for photovoltaic cells also performed well
	Segment Operating Income	6.1	10.5	↑	Mobility In addition to interior materials, exterior decorative materials was also steady
				↑	Medical & healthcare Made CMIC CMO Co., Ltd. a group company in order to work together with a focus on integrated manufacturing from APIs to formulation, as well as high value-added pharmaceutical development
Electronics	Segment Sales	153.2	174.4	↑	Optical film Recorded increase after previous fiscal year's inventory corrections in the overall supply chain dissipated
	Segment Operating Income	36.0	42.3	↑	Metal masks used for manufacturing organic OLED displays Steady increases against the background of expanded adoption of OLEDs for smartphones
				↓	Semiconductors Lead frames, etc. for semiconductor packages decreased due to the impact of the market slowdown

\* Cards with two interfaces on one chip (contact and contactless)

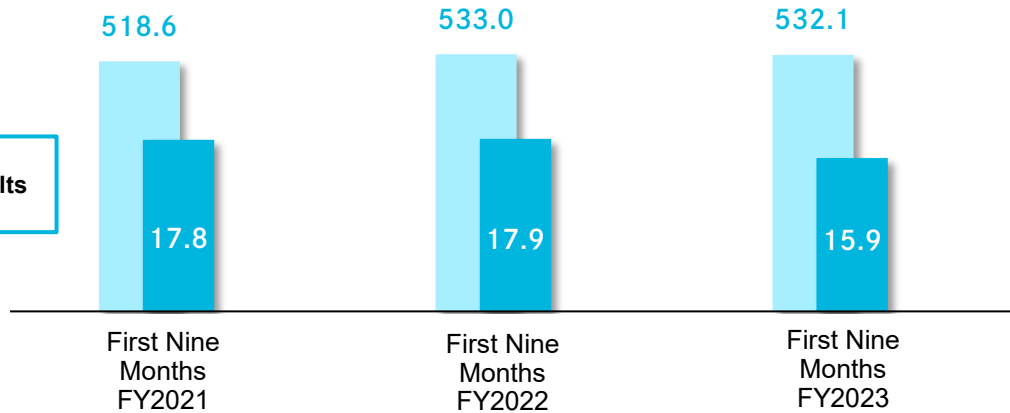
# [Overview of Financial Results for First Nine Months of FY2023] Results by Segment

(Unit: ¥billions) **DNP**

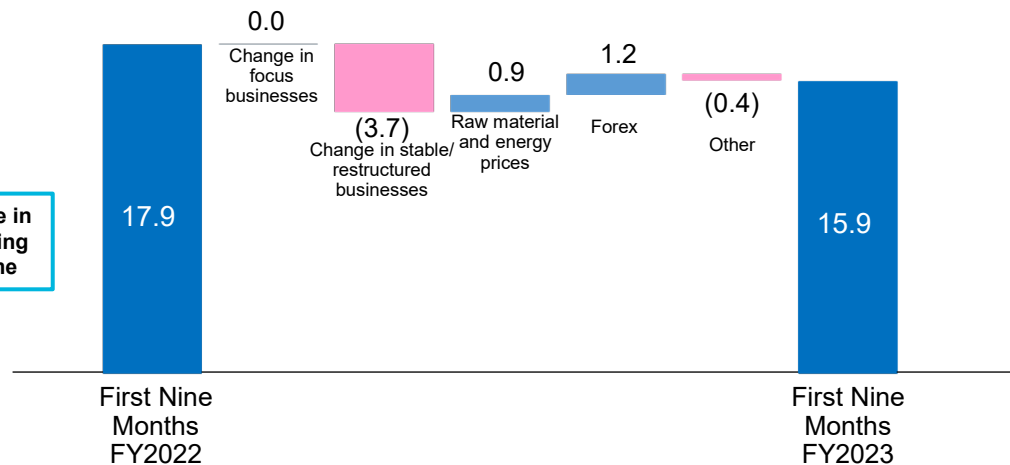
## Smart Communication

■ Sales (left) ■ Operating income (right)

Results



Change in operating income



## Overview

- ✓ In secure information, BPO and IC cards performed well
- ✓ Demand in imaging communication was also strong, but profits were affected by inventory corrections, etc. for some products
- ✓ In restructured businesses, the market for magazines and other paper media continue to contract

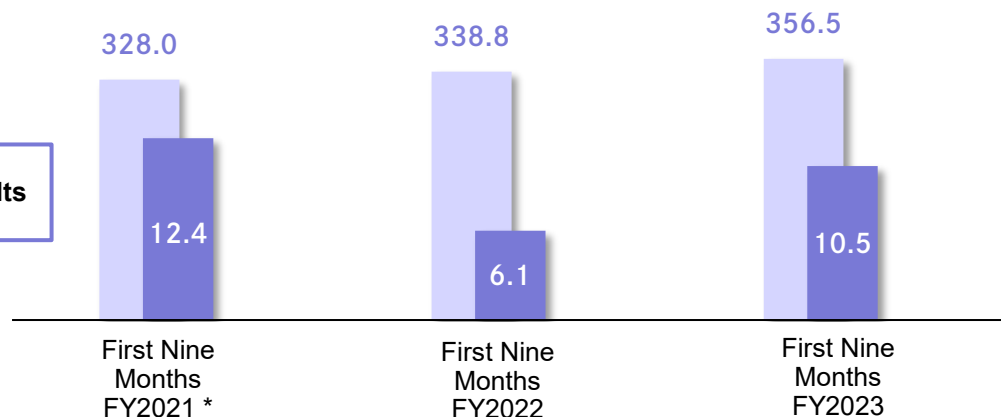
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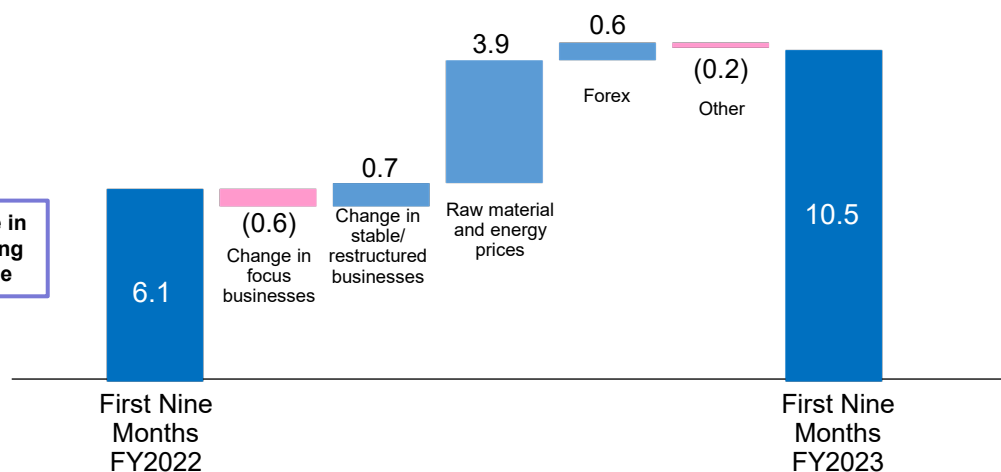
## Life and Healthcare

■ Sales (left) ■ Operating income (right)

Results



Change in operating income



## Overview

- ✓ In focus businesses, although demand was strong centering on battery pouches and sealant for photovoltaic cells, back sheets for photovoltaic modules were affected by factors such as inventory corrections
- ✓ In the Packaging and Living Spaces businesses, we focused on high value-added products and worked to reform the business portfolio
- ✓ Regarding the impact of raw material and energy prices, the pace of increases settled down and the impact of the lack of transfer of prices was alleviated

\*FY2021 sales and operating income for "Life and Healthcare" display the total of the former "Lifestyle and Industrial Supplies" and "Beverages"

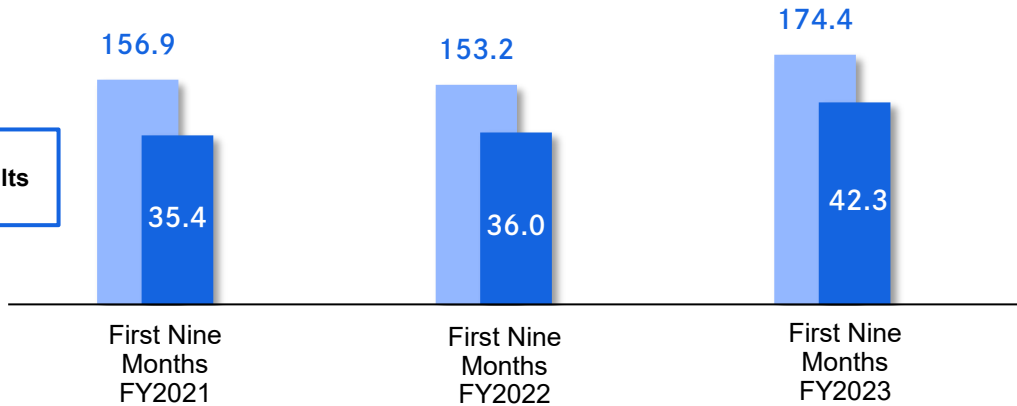
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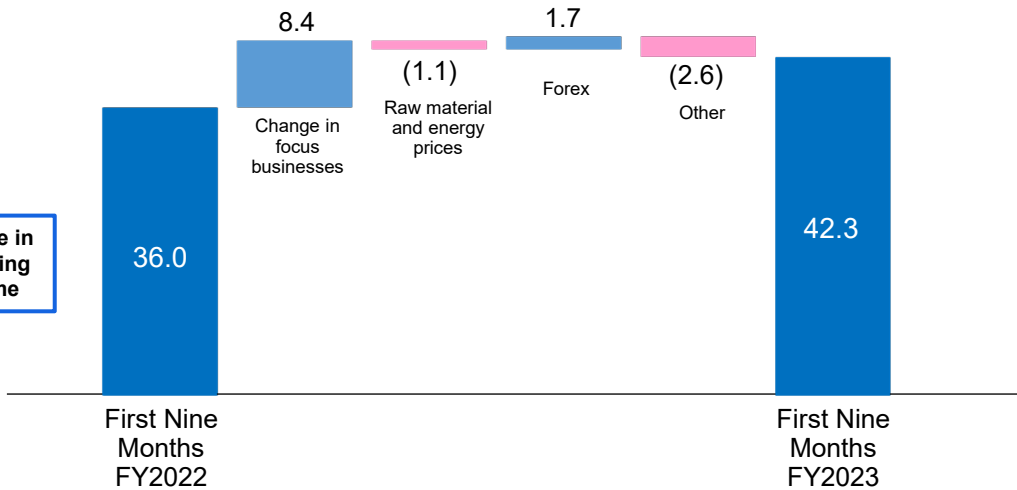
## Electronics

■ Sales (left) ■ Operating income (right)

Results



Change in operating income



## Overview

- ✓ Optical film increased due to the recovery in demand for display components
- ✓ Metal masks for manufacturing OLED displays were strong, following an increase in the adoption rate for smartphones
- ✓ Despite strength in photomasks for semiconductors, lead frames, etc. for semiconductor packages decreased

# [Overview of Financial Results for First Nine Months of FY2023] Full-year Earnings Forecast by Segment

(Unit: ¥billions)



The earnings forecast by segment was revised in light of the results for the first nine months and current demand trends

		First quarter		Second quarter		Third quarter		Fourth quarter		Full year		* Reference FY2023 initial earnings forecast
		FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023 revised earnings forecast	
Smart Communication	Sales	173.6	180.0	174.2	170.4	185.2	181.6	187.2	188.8	720.2	721.0	721.0
	Operating Income	4.7	4.9	4.6	3.6	8.5	7.3	8.7	8.0	26.7	24.0	28.0
Life and Healthcare	Sales	103.7	109.2	113.3	122.4	121.6	124.7	112.5	118.4	451.3	475.0	495.0
	Operating Income	1.0	1.5	1.8	3.6	3.3	5.4	1.8	2.4	7.9	13.0	18.0
Electronics	Sales	57.4	56.2	47.0	56.3	48.7	61.7	50.3	42.5	203.5	217.0	197.0
	Operating Income	16.2	12.4	9.5	12.6	10.2	17.2	10.9	9.6	46.9	52.0	42.0
Adjustment	Sales	(0.3)	(0.4)	(0.5)	(0.6)	(0.6)	(0.6)	(0.4)	(1.2)	(2.0)	(3.0)	(3.0)
	Operating Income	(5.0)	(5.6)	(5.3)	(5.5)	(5.0)	(5.6)	(4.8)	(5.1)	(20.4)	(22.0)	(21.0)
Total	Sales	334.4	345.0	334.0	348.6	355.0	367.4	349.6	348.7	1,373.2	1,410.0	1,410.0
	Operating Income	16.9	13.2	10.6	14.2	16.9	24.4	16.6	14.9	61.2	67.0	67.0



未来のあたりまえをつくる。

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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.