



Dai Nippon Printing Co., Ltd.

Sustainability Presentation

October 30, 2023

Event Summary

| | | |
|----------------------|---|---|
| [Company Name] | Dai Nippon Printing Co., Ltd. | |
| [Company ID] | 7912-QCODE | |
| [Event Language] | JPN | |
| [Event Type] | Analyst Meeting | |
| [Event Name] | Sustainability Presentation | |
| [Fiscal Period] | | |
| [Date] | October 30, 2023 | |
| [Number of Pages] | 39 | |
| [Time] | 15:00 – 16:00 (Total: 60 minutes, Presentation: 44 minutes, Q&A: 16 minutes) | |
| [Venue] | Webcast | |
| [Venue Size] | | |
| [Participants] | | |
| [Number of Speakers] | 6 | |
| | Yoshinari Kitajima | President |
| | Kenji Miya | Senior Managing Director |
| | Masato Yamaguchi | Senior Managing Director |
| | Hirofumi Hashimoto | Managing Director |
| | Hideto Sakata | Corporate Officer |
| | Naoki Wakabayashi | General Manager, IR and Public Relations Division |
| [Analyst Names]* | Takaomi Kono | Nomura Securities |
| | Takeru Hanaya | SMBC Nikko Securities |

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

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Presentation

Wakabayashi: Now it's time to begin the DNP, Dai Nippon Printing's sustainability presentation for institutional investors and analysts. I, Wakabayashi of the IR and Public Relations Division, will serve as today's moderator. Thank you very much for your cooperation.

Thank you very much for taking time out of your busy schedule today to participate in our online session. Today, we will explain in accordance with the presentation materials. The presentation materials are available on DNP's website in both Japanese and English.

Let me now introduce the contents of today's presentation. President Kitajima and other members will explain our concepts and policies behind sustainable management, reinforcing human capital, enhancing intellectual capital, environmental initiatives, and governance initiatives. This will be followed by a question-and-answer session. Please note that we are scheduled to end the session at 4:00 PM today.

Let me begin with an explanation. First, Mr. Kitajima, President, will explain the concept and policy of sustainable management. Now then, President Kitajima, please begin.

Concepts and Policies behind DNP's Sustainable Management **DNP**

Brand Statement

Creating future standards

The DNP Group will strive to realize a sustainable, better society and well-being lives by connecting individuals and society and creating new value.

4

Kitajima: Hello everyone. I am Kitajima, President. Thank you for attending today's DNP Group sustainability presentation.

Please see page four of the document. The DNP Group strives to realize a better, more sustainable society and a more fulfilling life based on its corporate philosophy of connecting people and society and providing new value.

We are focused on solving social issues, creating new value that meets people's expectations, and making that value something that is always around us, or something we take for granted. This aspiration is reflected in our brand statement, "Creating future standards."

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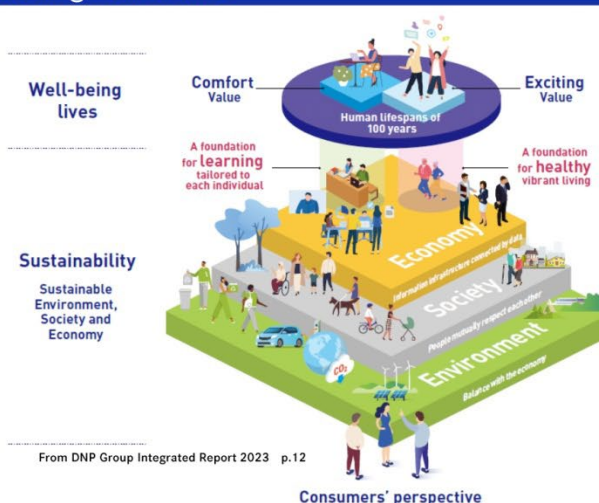
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Concepts and Policies behind DNP's Sustainable Management **DNP**

The DNP Group will strive to realize a sustainable, better society and well-being lives by connecting individuals and society and creating new value.

✓ Healthy societies and economies, and comfortable, prosperous lives are achieved through a sustainable planet.

✓ With the environment, society, and the economy undergoing rapid changes in recent years, we will create value that mitigates the negative aspects of various risks while **amplifying their positive impacts, in order to enhance the sustainability of the environment, society, and the economy.**



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See page five.

We believe that a healthy society and economy, as well as comfortable and enriched people's lives, are based on a sustainable planet. In recent years, particularly the environment, society, and the economy have been changing rapidly, and the risks, or variables, that affect management have also become increasingly diverse and wide-ranging.

Under these circumstances, DNP itself is taking the initiative in promoting business activities to create a better future. We believe that by managing medium- and long-term risks and reflecting them in our management strategies, we can reduce the negative impact of all risks throughout the supply chain and create value that has a positive impact. By doing so, we will enhance both our corporate sustainability and environmental, social, and economic sustainability.

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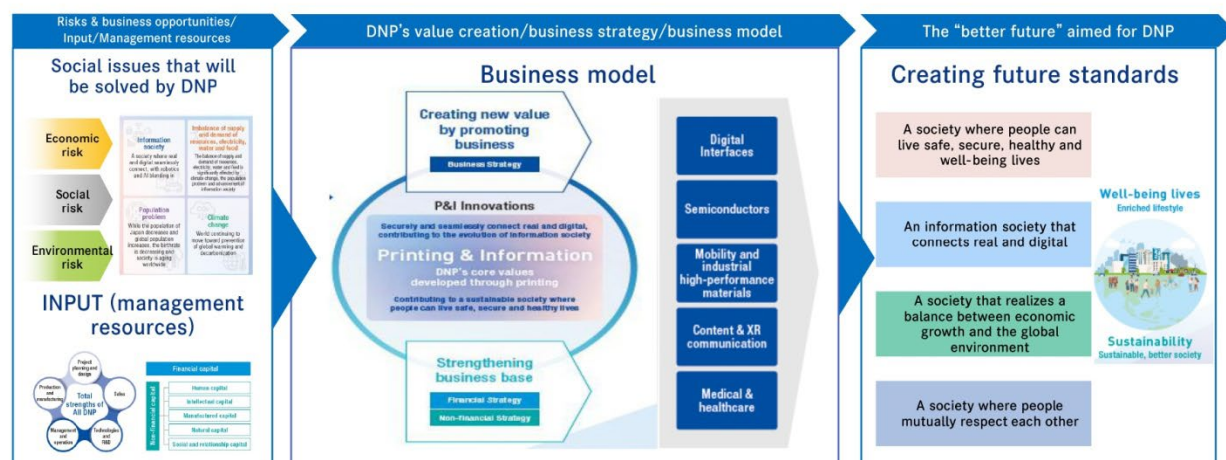
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A “better future” aimed for by DNP

DNP

Reinforcing the business base with the aim of realizing sustainability is part of our initiatives to increase corporate value. The Group will take a long-term view to conducting business activities that create a better future.



From DNP Group Integrated Report 2023 p.14-15 6

See page six. This page shows the value creation process that will enable the DNP Group to create a better future.

The business environment in which companies operate has changed rapidly and become increasingly diverse, especially in recent years. It has the potential to fundamentally change the way we work and live. These changes are also stimulating new needs of society and consumers. We not only want to respond to change, but we also want to transform ourselves and make it an opportunity to create new value.

In particular, strengthening the management foundation to achieve sustainability, which is also today's theme, is an essential and important initiative for improving corporate value, and we will promote it in tandem with the creation of new value through the promotion of our business. We will be the agents of change ourselves, bringing together the technology, know-how, and network of all DNP companies to develop business activities to create a better future.

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Sustainability Briefing

DNP

In response to the expectations of investors, DNP will evolve the sustainability briefings into a place for dialogue on medium-to long-term direction.



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See page seven.

In addition to our financial results briefings, we have been holding sustainability-related briefings on an ongoing basis since 2021 to promote a deeper understanding of our ESG-oriented management policies and their respective themes.

This time, I would like to explain the relationship between the non-financial strategies outlined in our medium-term management plan starting this year and the creation of value that will lead to the future of our company, using a storyline from the perspective of sustainability, and evolve this session into a forum for dialogue with you on medium- to long-term growth.

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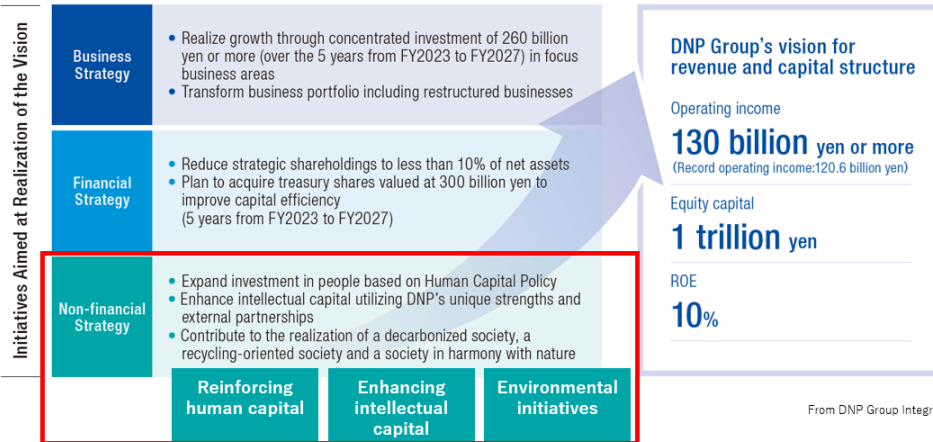
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Medium- to long-term direction

DNP

Incorporating the core non-financial capital elements of DNP's sustainability into the Medium-term Management Plan and making them part of strategy



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

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See page eight. In the medium-term management plan currently underway, the DNP Group has formulated a specific strategy for sustainable value creation with a medium- to long-term perspective. We will incorporate non-financial strategies, which are the cornerstone of our sustainability management, into these efforts, and aim to quickly achieve our ROE target of 10% and P/B ratio of over 1x by integrating our business and financial strategies.

Reinforcing the business base

DNP

By reinforcing the business base, which is one of the most important management themes, we will support the creation of value.

| Human capital | Intellectual capital |
|---|---|
| <ul style="list-style-type: none"> ✓ DNP version of "compensation and related policies that are more closely founded on a job-oriented perspective" Implementation completed ✓ Development and level of engagement with DVO system 100% by end of FY2025 ✓ Engagement survey score Up 10% (FY2022 → end of FY2025) ✓ DX literacy standard basic education Completion of course by 27,500 people targeted ✓ Percentage of female managers 8.4% → 12% or higher (FY2022→FY2025) ✓ Percentage of males taking childcare leave 83.6% → 100% (FY2022→FY2025) | <ul style="list-style-type: none"> ✓ R&D investment Continue at a scale of 30 billion yen per year ✓ Number of users of data management infrastructure 3,678→Approx. 6,000 (FY2022→FY2025) |
| | Environmental |
| | <ul style="list-style-type: none"> ✓ Reduction of GHG emissions Early achievement of initial plan of 40% reduction by 2030 compared to FY2015 ✓ Resource recycling percentage 51.7%→56.7% (FY2015→FY2025) ✓ Reduction of water usage 35% (FY2015→FY2025) ✓ Guidelines for Procurement of Paper for Printing and Converting Percentage of items compliant: 100% by end of FY2030 |

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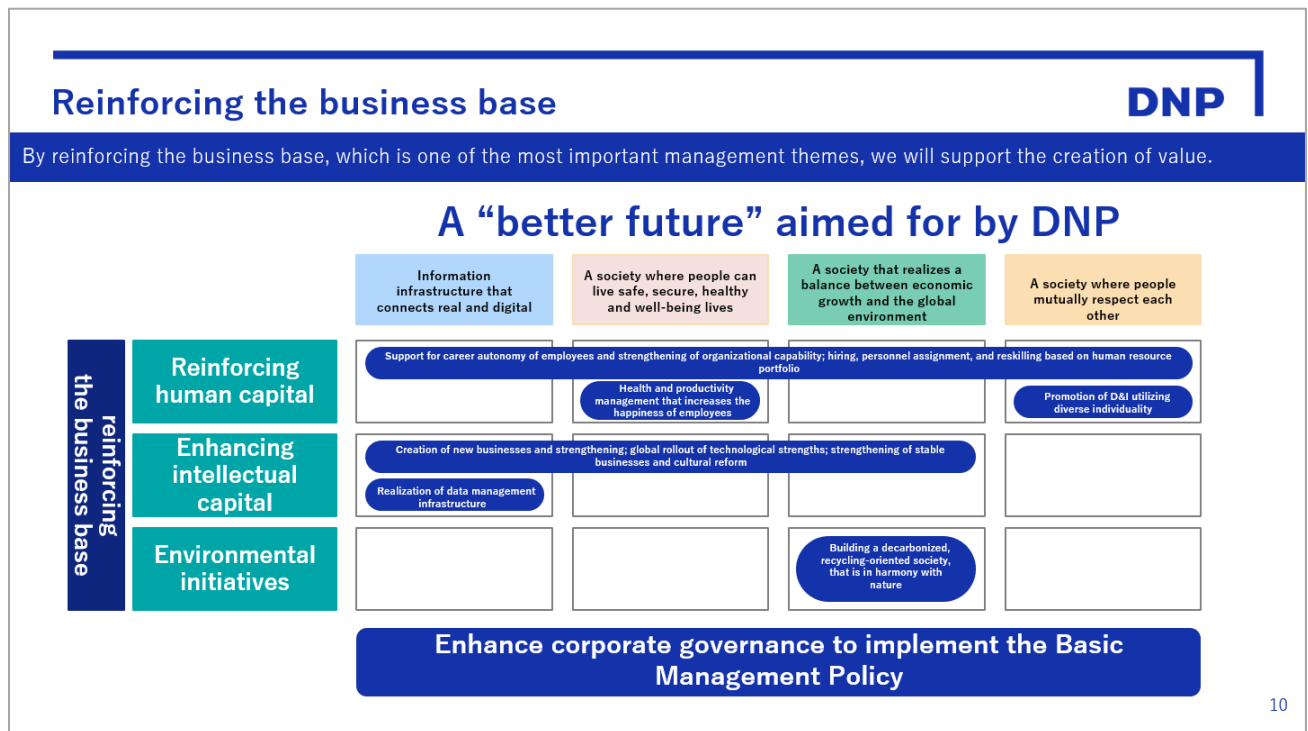
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See page nine. This page, although they are only a part of our overall activities, describes our efforts and progress in realizing our goals as specific as possible.



See page 10. From here on, each speaker will explain the human capital, intellectual capital, and the environment, which we consider particularly important among non-financial capital, as well as the governance initiatives that support them.

That is all from me. Thank you very much.

Wakabayashi: Now, Mr. Miya, Senior Managing Director, will explain about reinforcing human capital. Mr. Miya, please begin.

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Reinforcing Human Capital

DNP

Dramatically 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.

Human Capital Policy

The company respects its employees, and these respected employees drive the growth of the company as well as enriching society.

[Nurturing human capitals who can be active in society
(both within and outside DNP)]



Grounded in the Human Capital Policy

Previously announced
people-related
policies, visions, and
declarations, etc.



Integrated and strategic
initiatives to strengthen
human capital

- Fostering of a better organizational culture
- Accelerate investments in people aimed at contributing to the development of diverse human resources

Opens the way to further
improvements in corporate value

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Miya: My name is Miya, Senior Managing Director. I am in charge of the human capital area, and I would like to explain how we are reinforcing our human capital.

Please see page 12 of the document. As we recently announced internally and externally in our new medium-term management plan, DNP is further expanding investment in people based on our human capital policy to clearly link investment in people to increased corporate value and to enhance human creativity on a global basis.

DNP has been restructuring its personnel systems in recent years. Last year, we formulated our human capital policy, which clearly states our universal and basic approach to our employees and is the basis for the restructuring of our personnel systems. Under this policy, we value our employees, and our company grows through the employees we value, and these employees enrich society. This human capital policy reflects the Company's desire for each employee to develop his or her strengths and grow as a person who can be used both internally and externally.

Under this human capital policy, we will unite the human capital policies, visions, and declarations that we have communicated to date and work to reinforce human capital in an integrated and strategic manner to foster a better organizational climate, accelerate investment in people that contributes to the growth of diverse human resources, and further enhance corporate value.

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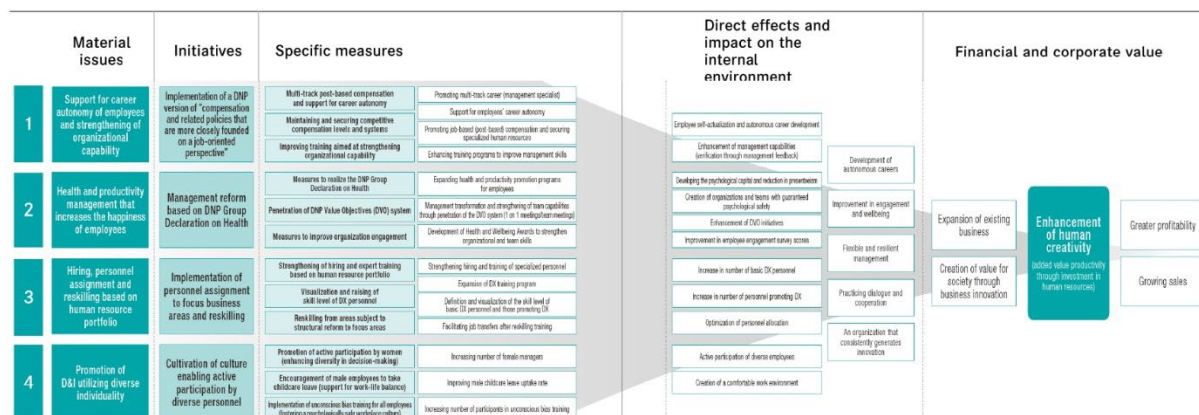
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Reinforcing Human Capital

DNP

The link between reinforcing human capital and enhancing corporate value



From DNP Group Integrated Report 2023 p.44-45

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See page 13. This shows the link between enhancing human capital and increasing corporate value. First, we have established four key issues that we will work on to enhance our corporate value.

- 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 utilizing diverse individuality.

We are then implementing specific measures for each of these important issues. The effectiveness of these measures will be further enhanced through a value relevance analysis of the effects they generate for employees and the effects they have on human creativity, corporate value, and financial value.

In order to promote change that is not an extension of the past, it is important for each employee to chart his or her career more autonomously and develop their strengths. To further support the career autonomy of these employees, we will optimally and effectively invest in people and further strengthen our human capital.

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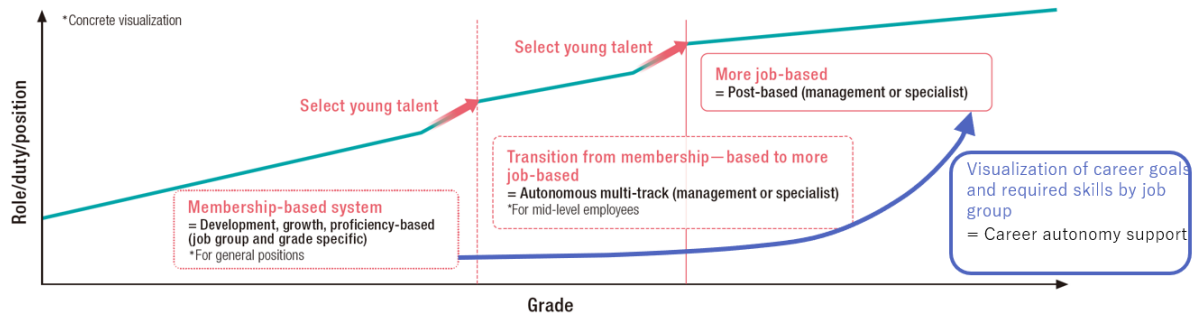
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1 Support for career autonomy of employees and strengthening of organizational capability **DNP**

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

- ✔ Policies for unique hybrid personnel system that combines the merits of membership-based and job-based systems for autonomous career development
- ✔ Promotion of multi-track career and job grade systems that allow independent selection of management or specialist roles



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See page 14. Next, I will explain each issue in a little more detail.

First, regarding support for employee career autonomy and strengthening of organizational strength. The DNP Group is developing DNP's version of more job-based compensation and related measures with the main objective of further supporting autonomous career development, so that each and every employee can acquire expertise and skills that are applicable not only within the Company but also outside the Company.

This is DNP's unique hybrid career autonomy policy that leverages the benefits of both membership-based and job-based employment. When employees are young, they move through a membership-based development and growth stage, which includes their own preferences and work experience. Thereafter, they move up to a more post-oriented, job-based stage, which includes autonomous choice of whether they want to become a manager or a specialist.

In other words, we encourage our employees to think carefully about their own careers, where they want to go in the future, and to improve themselves and grow while they are still in general employment. As they move up to mid-level executives, they will autonomously pursue managerial or specialist positions, utilizing a multi-track career and job grade system that allows them to autonomously choose between management and specialist positions.

The overall image is that the Company will then support each of these individuals in all stages of their career autonomy.

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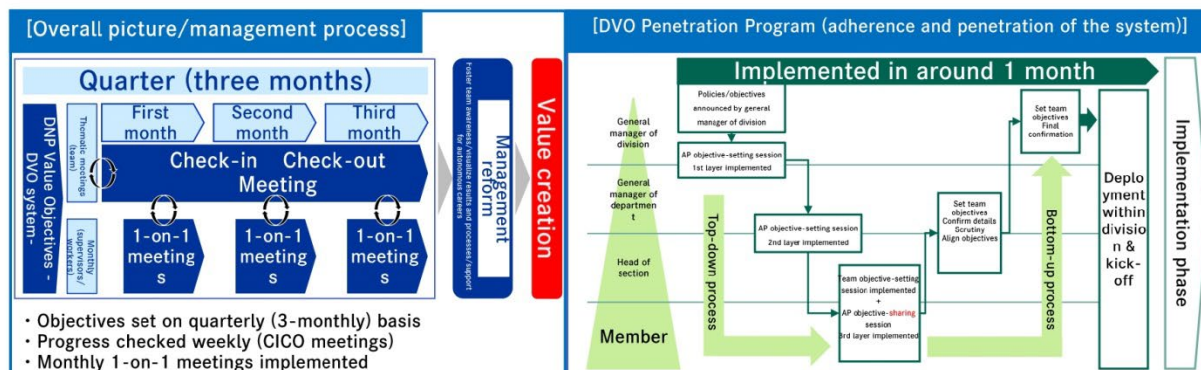
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2 Health and productivity management that increases the happiness of employees **DNP**

Management reform based on DNP Group Declaration on Health

- ✓ Promotion of the DVO (DNP Value Objectives) Penetration Program, which was introduced as part of management reforms, to achieve full integration of DVO throughout the company and establish a new management style



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See page 15. Next, I will explain the second important issue, the DVO (DNP value objectives) system, as one of the health management measures to enhance employee happiness. See the overall picture on the left, and the diagram of the operational process.

This DVO stands for DNP value objectives system and is a system that incorporates elements of OKR (objectives and key results)—which originated from Intel Corporation in the US and has been adopted by leading companies in Silicon Valley—into our conventional goal management system. It is a new management system that matches DNP's needs, aiming to visualize results and processes, foster a sense of teamwork, and support autonomous careers.

Specifically, we aim to set team goals, narrow them down to priority goals, hold weekly team meetings, and monthly one-on-one meetings to build trust and support autonomous careers, as well as psychological safety in the organization.

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2 Health and productivity management that increases the happiness of employees **DNP**

Management reform based on DNP Group Declaration on Health



- ✓ Health and Wellbeing Awards launched in FY2023 to assess elements other than business profitability.
- ✓ These honor outstanding initiatives aimed at the building of a vibrant workplace culture and the strengthening of organizational and team capabilities that are the basis of value creation.
- ✓ A total of more than 1,000 volunteer judges voted to choose the award winners from among the 130 or so entries. 16

See page 16.

Next, with regard to health management that enhances employee happiness, this fiscal year we began awarding commendations that evaluate factors other than business earnings. The award recognizes outstanding initiatives that have led to the creation of a vibrant workplace culture and the strengthening of organizational and team skills, which are the foundation for value creation.

We were able to shine a light on the steady but excellent efforts of the manufacturing division and other divisions that are not easily recognized in terms of sales and other business results, and we believe that the award winners in these divisions also felt pride and joy in their work.

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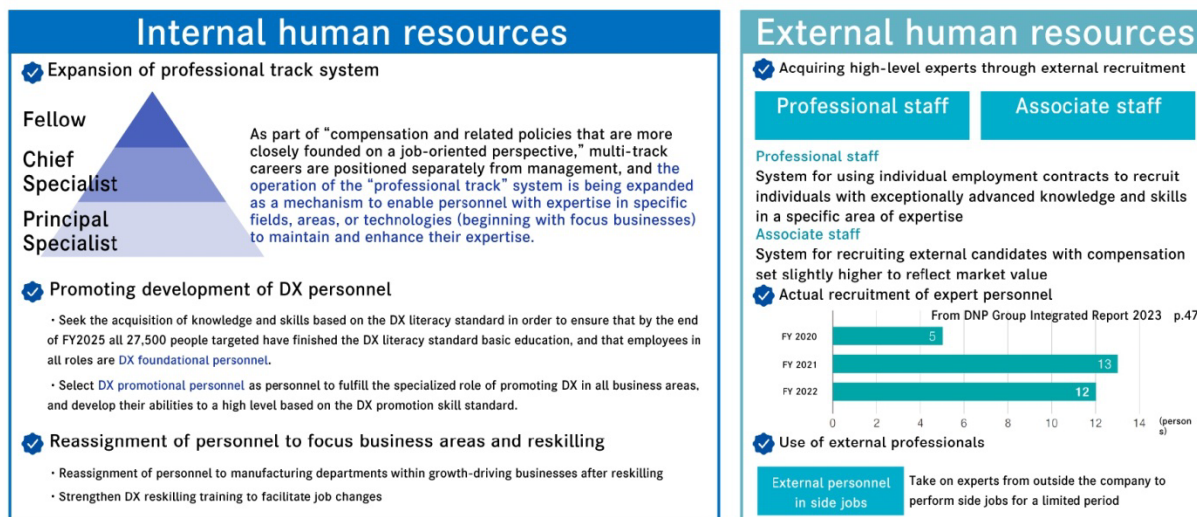
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3 Hiring, personnel assignment and reskilling based on human resource portfolio **DNP**

Implementation of personnel assignment to focus business areas and reskilling



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See page 17. The third is recruitment, staffing, and reskilling based on human resource portfolios, as a key issue. The DNP Group has created a human resources strategy in line with its business strategy by creating a human resources portfolio that is classified into several types according to the roles required for each business, the expertise possessed, and management skills.

We examine the excesses and deficiencies of each human resource type to realize our business strategy, and promote recruitment and human resource development with an emphasis on the qualitative aspects of human resources. As a premise for this, as I mentioned earlier, as one of the job-based compensation and related measures, we have prepared a multi-level career system that is separate from management positions. We are expanding and operating a system of specialized positions as a mechanism for personnel with expertise in specific fields, domains, and technologies, including our core businesses, to continue to enhance their expertise.

We are also promoting the development of DX human resources, which will be indispensable in all business domains in the future. By the end of FY2025, 27,500 employees will have completed basic education based on the DX literacy standards, and all employees in all positions are expected to acquire knowledge and skills based on the DX literacy standards as basic DX foundational personnel.

In addition, as human resource reallocation and reskilling in focused business areas, we are reallocating human resources with reskilling training to manufacturing divisions in growth-driving businesses and strengthening DX reskilling training to develop DX human resources. In addition to internal training, we are also actively promoting the use of external high-level experts.

Specifically, in addition to the professional staff system in which a separate employment contract is concluded with a person who has extremely advanced knowledge and skills in a specific field of expertise, the Company will accept outside professional human resources as a form of side employment for a certain period of time. We are actively doing those things as well.

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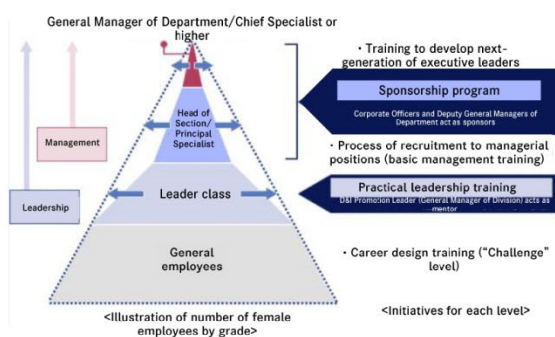
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4 Promotion of D&I utilizing diverse individuality

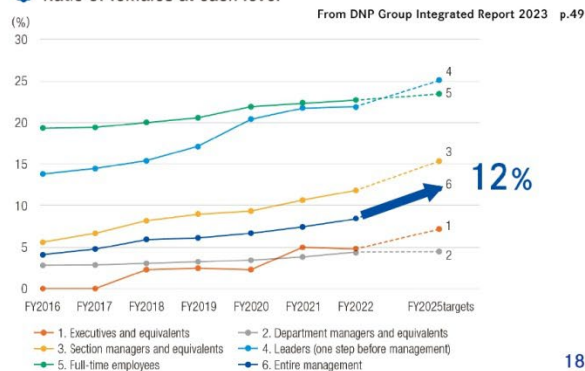
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Cultivation of a corporate culture that allows diverse people to shine

- ✓ In terms of outcomes up to the end of FY2022, in order to enhance diversity in decision-making we are accelerating the increase in the percentage of female managers, and building mechanisms to form a pipeline. The target is to increase the percentage of female managers from 8.4% in FY2022 to 12% by the end of FY2025.



Ratio of females at each level



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See page 18. The fourth important issue, the promotion of diversity and inclusion that makes the most of diverse individuals, is mainly focused on the promotion of female advancement, promotion of male maternity leave, and training on unconscious bias. Today I will explain about the promotion of women's activities to increase diversity in decision-making.

The figure on the left illustrates our continuous human resource development of female employees. We offer practical leadership training for all female employees at the leadership level, as well as a sponsorship program that involves female employees in managerial positions at the section manager and general manager level, executives from other divisions, and the head of the division to which the woman belongs. After the past two implementations, half of the participants have been promoted. In addition to raising the ratio of female managers to the target of 12% by the end of FY2025, we are charting a path to sustainably increase diversity in decision-making through this systematic approach.

That is all from me. Thank you very much.

Wakabayashi: Thank you very much. Next, Mr. Yamaguchi, Senior Managing Director, will explain how we are strengthening our intellectual capital. Then, Mr. Yamaguchi, please begin.

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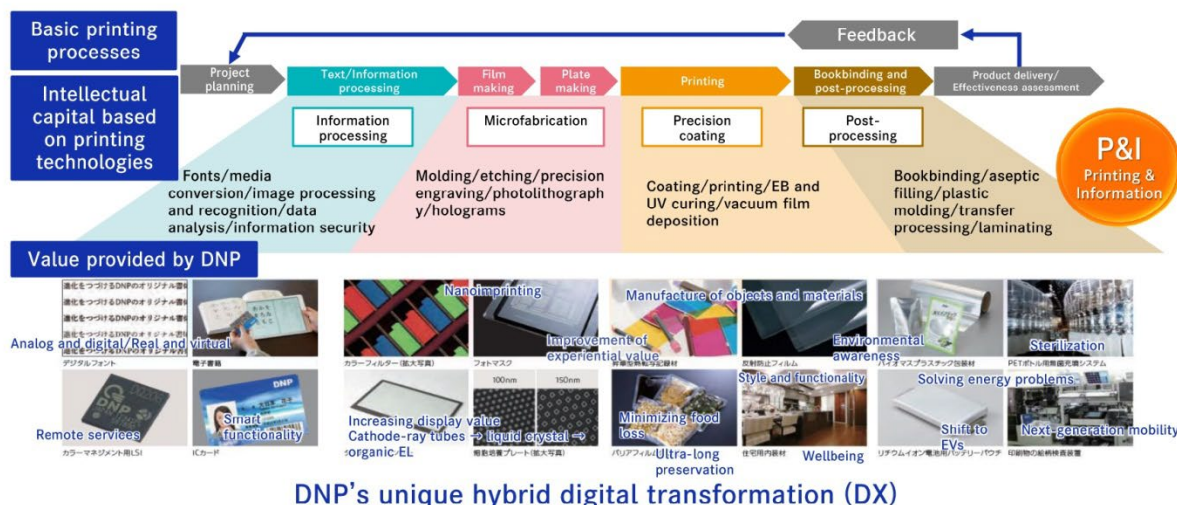
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What are DNP's unique strengths?

DNP

[DNP's intellectual capital] Creating value by anticipating changes in the world outside and in markets through its strengths in P&I (printing and information)



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Yamaguchi: I am Yamaguchi, Senior Managing Director. I would like to explain how we are strengthening our intellectual capital.

Please see page 20 of the document. DNP's intellectual capital originates from printing technology and information technology. We are creating value that leads to solutions to social issues through P&I innovation, or combining of printing and information.

As shown in the figure, the basic technology of printing starts with information processing technology, followed by microfabrication technology, precision coating technology, and post-processing technology for commercialization, etc., all of which contain significant intellectual capital and are core competencies that are the source of our company's growth. Through the application and development of these products, we are expanding into the world's top share products and DX business, etc.

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What intellectual capital strategies are being implemented during the period of the Medium-term Management Plan? **DNP**

[Basic strategy for enhancing intellectual capital] Combining strengths in P&I and collaboration with partners to bolster our business portfolio from the perspective of intellectual capital

| Material Issues | | Actions | Specific Measures | KPIs (FY2025) |
|-----------------|---|---|---|--|
| 1 | 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 | <p>R&D investment Continue at scale of 30 billion yen per year</p> <hr/> <p>Users of data management infrastructure : 3,678 → Approx. 6,000 (FY2022 → end of FY2025)</p> |
| 2 | Creation of new businesses and enhancing 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 | |
| 3 | 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 | |
| 4 | 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 | |

From DNP Group Integrated Report 2023 p.50

21

See page 21. The medium-term management plan for the period from FY2023 to FY2025, which started this year, defines four business domains.

Of these, we will promote concentrated investment and strengthening of intellectual capital in focused business areas consisting of growth-driving businesses and new businesses. We will then optimize our business portfolio by strengthening our intellectual capital through collaboration between DNP's strengths and those of our partners and other companies. In particular, we will envision a better future, and using this as a starting point, we will continue to strengthen our proprietary technologies to realize future scenarios.

The material issues are listed as 1 through 4 in this table.

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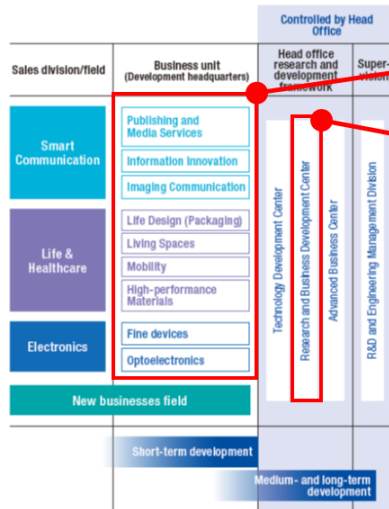
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1 What are the combined strengths of ALL DNP?

DNP

[Development framework]

By combining our "P&I" strengths, we aim for intensive promotion of new business themes that realize a better future



Each business unit promotes short-term development in various fields. Head office R&D department promotes medium- to long-term research and development, which includes new business areas.

In 2021 we established the Research and Business Development Center and integrated "seeds development" and "business development" functions.

We are also promoting collaboration with external partners to create new value, such as the development with Microwave Chemical Co., Ltd. of a transparent conductive film that balances a high level of transparency and conductivity.

Research and development expenditures (consolidated)

Investments in FY2022 continued at the 30 billion yen level

Fiscal year ended March 2023: 32.4 billion yen

Head office development department: About 20.2 billion yen

Business segment total: About 12.2 billion yen

From DNP Group Integrated Report 2023 p.53

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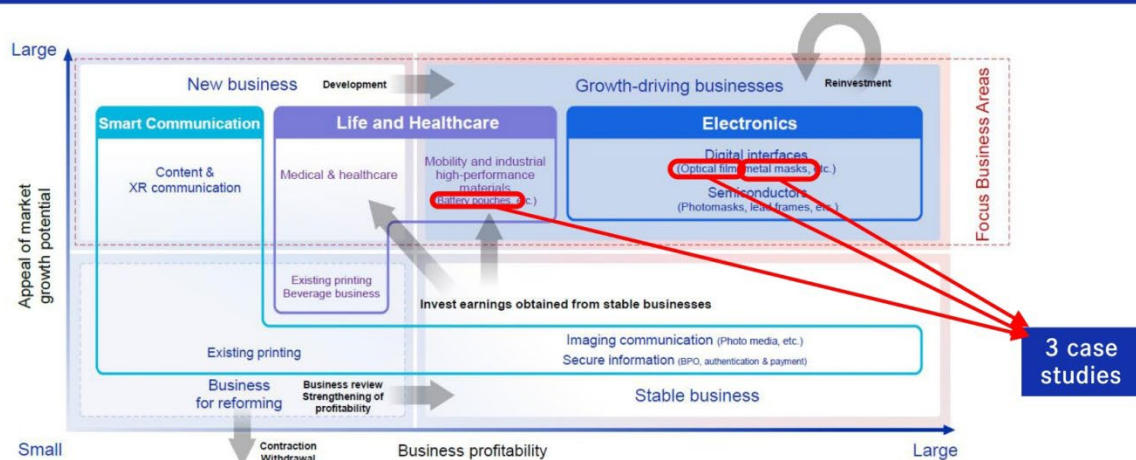
See page 22. The dispersed development structure was consolidated into the Research & Business Development Center to enable functional operation of seed development and business development. DNP will open up a new world by collaborating with partner companies that possess DNP's strengths and proprietary technologies. Every year, DNP invests more than JPY30 billion in R&D, and last year the figure was JPY32.4 billion. We plan to invest JPY34 billion this fiscal year as well.

2 Enhancing intellectual capital: investments in growth-driving businesses

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[Growth-driving businesses]

Concentrate investments in focus business areas and promote business structure transformation to build a strong business portfolio



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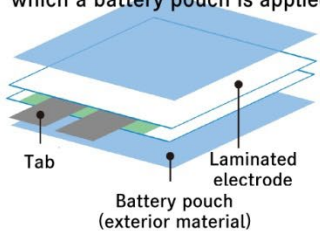
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See page 23. As I mentioned earlier, we have defined our focus business areas and will continue to strategically strengthen our concentrated investments and intellectual capital. Here I introduce three of our focused businesses that are growth drivers and have the world's top market share.


3
Refinement and acceleration of global rollout of DNP's unique technology and products
DNP

[Battery pouches] Highly rated by the battery industry as the standard for battery pouches

- ✓ Bolster competitiveness by combining the coating and lamination technologies honed in packaging materials for products such as food and pharmaceuticals as well as an exhaustive range of patent applications, self-designed materials, and internally developed production facilities
- ✓ Structure of a lithium-ion battery to which a battery pouch is applied







✓ Highly rated by the battery industry as the standard for battery pouches
 Aiming for **sales of 100 billion yen by 2025** for lithium-ion battery pouch business as a whole

24

See page 24. First, it is a battery pouch.

Around 1990, DNP began developing battery pouches, anticipating that lithium-ion batteries would require lighter weight and higher reliability in the future. The functionality and reliability of the pouches have been highly evaluated, and they have been adopted by Japanese EVs and the world's largest smartphone makers, then expanding to this day.

The name “battery pouch” was also popularized by DNP and is highly regarded as a standard in the battery industry. We have over 200 patents and all of our production equipment is made in-house.

We aim to achieve sales of JPY100 billion by FY2025 for the entire lithium-ion battery pouch.

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3 What investments for growth are we making to maintain our top global share?

DNP

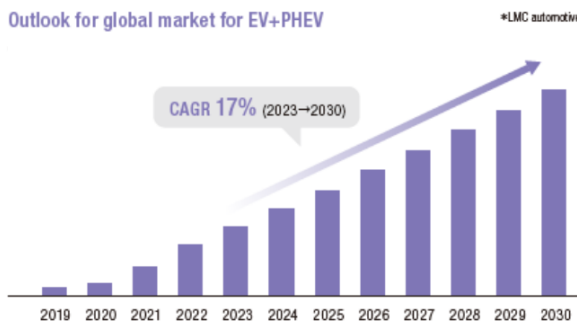
[Battery pouches]

Installation of new slit processing line in Denmark Plant
Construction of manufacturing plant under consideration in US

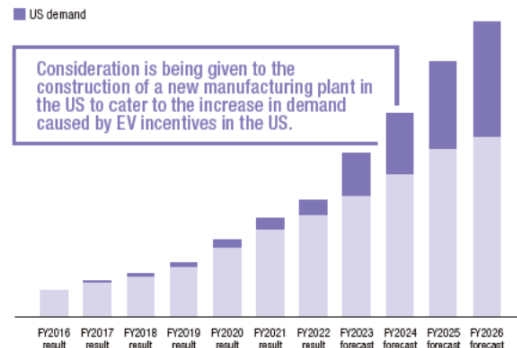
Business strategy/investment plan

- Expand production capacity to meet EV demand in FY2023 and beyond
- Promote supply to appropriate regions such as Europe and the United States, with installation of post-process line in Europe (Denmark Plant), operation of which is scheduled to start in FY2023

Outlook for global market for EV+PHEV



Battery pouches business performance and targets (volume)



25

See page 25. In addition, the battery pouch is becoming increasingly globalized, with customers in Korea, China, Europe, and North America.

DNP has established four post-processing sites in China and a European site in Denmark this year. Next, we are looking to expand into North America.

3 Refinement and acceleration of global rollout of DNP's unique technology and products

DNP

[Metal masks] Boost production capacity to meet rising demand caused by shift to larger organic EL displays

Achieved top share globally, primarily in smartphones, by leveraging proprietary photolithography and etching technologies.

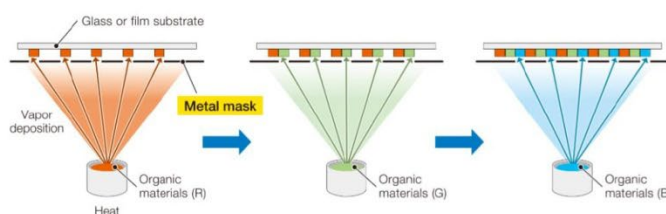
We also possess a wide range of materials, manufacturing methods, and product-related patents and know-how. We are rated highly for our outstanding technology development capabilities, as well as for our ability to provide stable supply of high-quality, high precision products

Installation of new large metal mask production line at Kurosaki Plant (Fukuoka Prefecture)



External view of Kurosaki Plant
(Kitakyushu City, Fukuoka Prefecture)

Schematic depiction of vapor deposition process



26

See page 26. Next is the metal mask.

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The top share in the global market is, above all, metal masks for OLED displays. In response to the need for larger sizes, we have now expanded our large line in Kurosaki, Kitakyushu, to maintain our leading market share. DNP's superior development capabilities, strong strategic patents, and know-how differentiate us from our competitors.

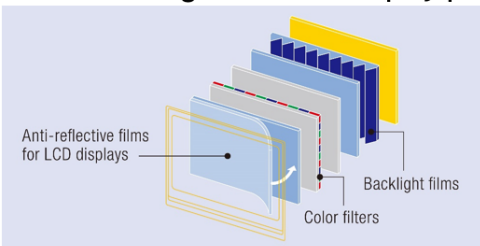
A schematic diagram of vapor deposition process is shown in page 26. One of the main features of this system is that each RGB patterning can be done at the time of vapor deposition if three types of metal masks are available.

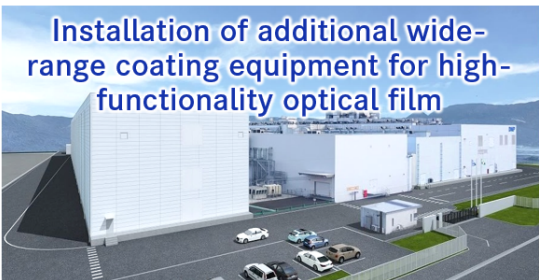
3
Refinement and acceleration of global rollout of DNP's unique technology and products
DNP

[Optical film] Increase manufacturing lines in anticipation of the needs of the market and customers

✓ In 2018 we were the first company anywhere in the world to introduce, for the production of protective films for polarizers, wide-range coating equipment that can make efficient use of film with widths of up to 2,500 mm, which are used for 65-inch screens. In order to further leverage this competitive advantage, we have added wide-range coating equipment at the Mihara Plant.

✓ Structural diagram of LCD display panel





Installation of additional wide-range coating equipment for high-functionality optical film

Image of the Mihara Plant, where wide-range coating equipment has been added

✓ [DNP's strengths]

- Optical design technology
- Materials design technology
- In-line multilayer coating technology
- Wide-range coating technology

27

See page 27. Next is the optical film.

High-performance optical films for displays have enhanced the performance of displays by preventing surface glare and reflection, and by collecting and diffusing light.

We own many strong patents in Japan and abroad. We are aggressively investing in facilities, and will add a new large-scale facility in Mihara, Hiroshima Prefecture.

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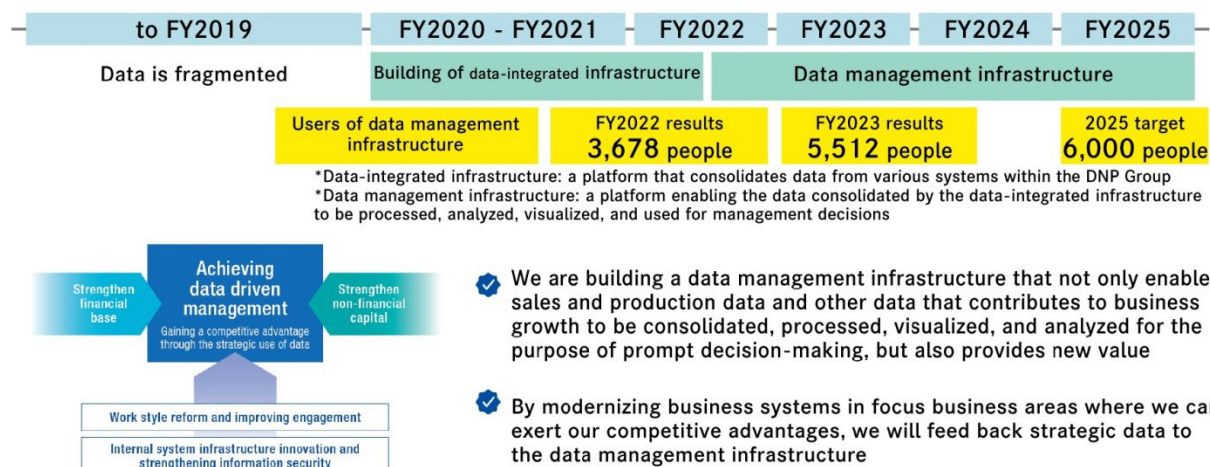
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4 What is DNP's approach to DX?

DNP

[Data-driven management] Building of data management infrastructure to provide new added value



From DNP Group Integrated Report 2023 p.55

28

See page 28. DNP aims for data-driven management, a management approach that achieves results through decision-making based on a variety of data.

This requires expertise and skills in collecting and analyzing the data to be utilized, and we will secure and nurture personnel skilled in data science. The number of users of the data management infrastructure was 3,678 in the previous fiscal year, but 5,512 were utilizing the infrastructure in H1 of this fiscal year. And our goal is to have more than 6,000 people in FY2025.

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FY2023 - FY2025

Policies aimed at realizing the Medium-term Management Plan



29

See page 29. The role of intellectual capital is crucial in the policy for the realization of the FY2023-25 medium-term plan.

In addition to the combination of DNP's unique strengths and strengthening of cooperation with partners, we will aim for a new DNP through value creation by DX.

That is all from me. Thank you very much.

Wakabayashi: Yes, thank you. Mr. Sakata, Corporate Officer, will now explain our environmental initiatives. Mr. Sakata, please begin.

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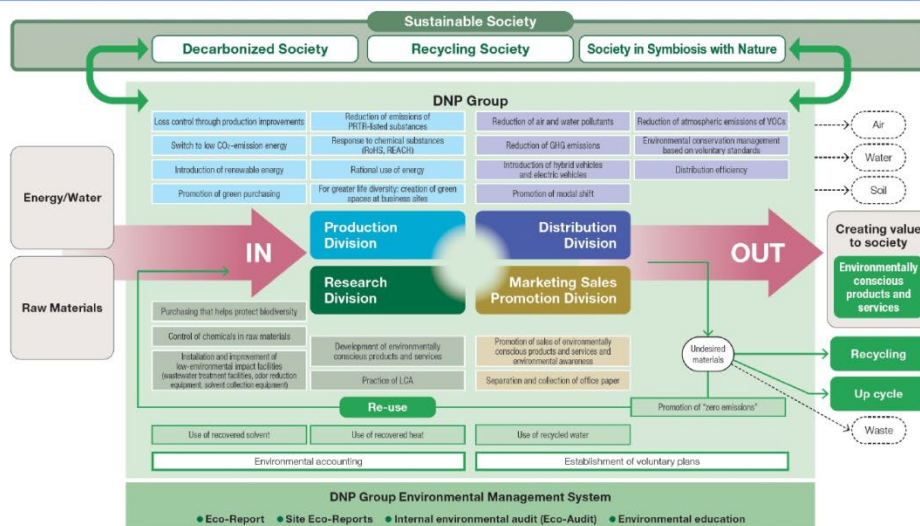
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Business activities and environmental activities

DNP

Aim for coexistence of business activities with global environment, and promote environmental conservation throughout the supply chain.



31

Sakata: I am Sakata, Corporate Officer. I will explain our environmental initiatives.

Please see page 31 of the document. The DNP Group always acts in consideration of the symbiosis between its business activities and the global environment.

In recent years, as climate change, marine pollution, and loss of biodiversity have become increasingly serious, DNP has been promoting activities with a strong awareness of the environment throughout its supply chain, from raw material procurement and product design to manufacturing, distribution, disposal, and recycling, with the aim of realizing a sustainable society.

The progress of these activities is summarized in an environmental report, which is published annually, and the opinions of people outside the Company have been reflected in our activities.

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DNP Group Environmental Vision 2050

DNP

Working to realize the “three societies” of our Environmental Vision by both creating value and strengthening our business base.

Initiatives in the Medium-term Management Plan (FY2023-FY2025)



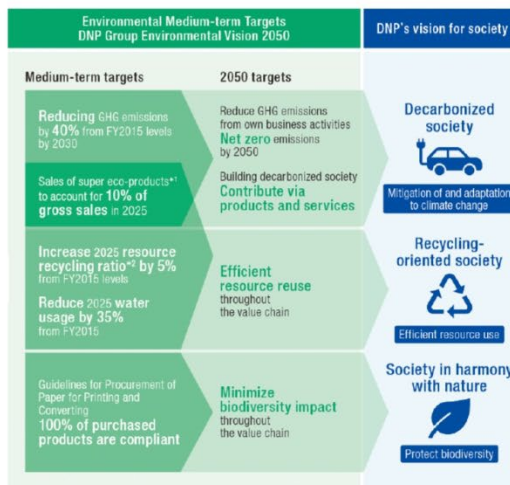
Creating value

- Transforming business portfolio based on environmental impact and added value
- Expanding the development and utilization of low-carbon materials
- Decarbonization of products and services through calculation and reduction of CO2 emissions for each product
- Creating recycling scheme and expanding the utilization of recycled materials



Strengthening business base

- Clarifying environmental impact
- Introducing renewable energy
- Investing in energy-efficient facilities, optimizing production bases to address environmental impact
- Minimizing the impact of business activities on ecosystems
- Ensuring traceability of raw materials and transparency of supply chain



*1 Super eco-products are products and services that DNP deems to be exceptionally environmentally conscious based on its proprietary criteria.

*2 Resource recycling percentage is the rate of unneeded materials, excluding valuable materials such as paper, etc., recycled by either material or chemical recycling.

From DNP Group Integrated Report 2023 p.56

32

See page 32. About three and a half years ago, in March 2020, we formulated the DNP Group Environmental Vision 2050 as our vision of where we want to be in FY2050, and accelerated specific activities to build a decarbonized, recycling-oriented, and nature-harmonious society. We have established medium-term goals and are stepping up efforts to create value and strengthen the management foundation that supports this value creation.

1 Response to climate change utilizing TCFD framework

DNP

In preparation for realizing carbon neutrality in 2050, we will respond flexibly and strategically to climate risks.

| Type | Climate risk | | Financial and other effects on DNP | | | | | | | | Response | |
|-------------------------------------|--------------------------------------|--|--|--|-----------------|-------------|--|---|----------------------|------------|---|--|
| | | | Negative | Period of impact | Level of impact | Likelihood | Positive | Period of impact | Level of impact | Likelihood | | |
| Transition risk | Policy, laws and regulations | Raising emission reduction targets becomes mandatory | Increased capital expenditures accompanying efforts to encourage energy saving | Medium | Medium | High | — | — | — | — | | |
| | | Mandatory adoption of renewable energy | Increased capital expenditures for the introduction of renewable energy, and increased expenses for purchasing Non-Fossil Certificate | Medium | Low | High | Growth in sales of products related to solar power generation, promotion of development for the use of next-generation fuels | Short to medium term | Medium | High | Introduce renewable energy in preparation for carbon neutrality in 2050, systematically implement capital expenditures based on internal carbon pricing, promote expansion and development of energy-related businesses, build system for calculating CO2 over product life cycle, and reduce emissions | |
| | | Introduction of carbon tax | Increase in operating costs caused by introduction of carbon tax | Long term | Medium-High | Low | — | — | — | — | | |
| | Technology | Acceleration of carbon neutrality in supply chain | Increasing requests for carbon reductions, pass-through of raw material prices | Short to medium term | Medium-High | High | Secure an advantage by calculating CO2 emissions over product lifecycle, and developing the calculation business | Medium | Medium | High | | |
| | | Transition to low-carbon technologies | Acceleration of technological innovations | Increased investment in the development of new technologies, loss of markets due to delays in development | Medium | Medium-High | Medium | Promotion of development for use of next-generation fuels, rising demand in related divisions following widespread popularization of EVs, widespread adoption of low-carbon technology for semiconductor production | Short to medium term | High | High | Growth in focus business areas such as those related to high-performance materials for mobility and industry, and semiconductors |
| | | | | | | | | | | | | |
| Market risk | Changes in customer behavior | Market consolidation | Loss of markets due to a lack of carbon reduction, acceleration of the shift to non-petrochemical products, requests for replacement of non-environmentally conscious materials with alternative materials | Medium | Low | High | Expansion of market for low-carbon product and services, expansion of market for alternatives to existing plastic products | Medium | High | High | Development of low-carbon products and services Greater use of recycled and biomass materials Build system for calculating CO2 over product life cycle | |
| | Increased concern among stakeholders | Decline in corporate value, exclusion from investments | Loss of markets due to a lack of carbon reduction, outflow of human resources and an increase in hiring costs | Short to medium term | Medium | Medium | Increased information disclosure, stronger engagement Competitive edge as a leading sustainability company | Medium | Medium | Medium | Strengthening activities in response to external requests, increase in corporate value as a result of better disclosure | |
| | | | | | | | | | | | | |
| Physical risk | Disaster | Increased damage from wind and flood | Suspension of operations Disruption of supply chains | Decreased earnings, increased cost of disaster countermeasures, construction of production systems at multiple bases | Short term | Medium | High | — | — | — | Strengthening of disaster countermeasures at production bases Increased transparency/redundancy in supply chain | |
| | | | | | | | | | | | | |
| | Chronic | Increase in temperature Long-term heatwaves | Hindrance to operations due to average temperature increases, increase in costs due to growing demand for cooling | Increased energy expenses, increased capital expenditures | Medium | Medium | High | Increase in demand for products utilizing functional films to control light and temperature | Short to medium term | Medium | High | Strengthening of disaster countermeasures at production bases Construction of production systems at multiple bases |
| Water-related risks in river basins | | Suspension of site operations | Decreased earnings, increased cost of disaster countermeasures, construction of production systems at multiple bases | Medium | Medium | High | | Short to medium term | Medium | High | Accelerate development of products utilizing functional films and expand applications | |

33

Today, we would like to introduce some specific initiatives to realize these three societies. See page 33.

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Regarding the first one, the efforts to realize a decarbonized society, DNP has positioned addressing climate change as one of its key management issues, and is working to build a decarbonized society in order to adapt and mitigate the effects of climate change.

Specifically, we utilize the international disclosure framework provided by the TCFD, or Task Force on Climate-related Financial Disclosures, to identify risks and opportunities related to climate change and to examine strategies. Multiple scenarios are used to assess the qualitative and quantitative financial impact of climate change risks, including the short-term impact on business activities due to shutdowns and supply chain disruptions caused by increased wind and flood damage.

On the other hand, in the medium- to long-term, we envision tighter regulations and an accelerated transition to low-carbon technologies to achieve carbon neutrality in FY2050. We respond flexibly and strategically to these risks and set specific targets to contribute to a decarbonized society through our products and services, as well as to achieve virtually zero GHG emissions in our own business activities.

1

Response to climate change




We have reviewed BCP on the assumption of a major natural disaster, and strengthened measures related to facilities and management.

- ✓ Assuming greater risk of flooding from rivers and inland waters, we are implementing measures to prevent flooding of buildings, and utility facilities
- ✓ Learning from the experience of sites such as Warabi, Ushiku, Kamiya, Nara, and Kyoto Minami that have already acquired certification for ISO22301 (business continuity management systems: BCMS), we are raising the BCMS level at other locations
- ✓ In order to mitigate procurement risk, we will select suppliers and secure appropriate levels of raw material inventory
- ✓ Main flooding countermeasures

| Fiscal year | Plant | Measures |
|-------------|----------------------|--|
| 2019 | Kanagawa (Kawasaki) | Water barriers installed around utility facilities and buildings |
| 2021 | Saitama (Warabi) | Raising of electricity transformer facilities |
| 2021 | Nara (Kawanishi) | Raising of electricity transformer facilities |
| 2022 | Aichi (Nagoya) | Water barriers around buildings |
| 2022 | Kyoto (Kyoto Minami) | Improvements to water barriers around buildings |
| 2023 | Hokkaido (Sapporo) | Water barriers around electricity transformer facilities |

- ✓ Nara Plant: raising of electricity transformer facilities



Measures have been completed for 100% of locations assumed to be at risk from rivers in Japan

34

See page 34.

For short-term risks such as windstorms, floods, and other large-scale natural disasters, we have formulated a business continuity plan (BCP) and are strengthening measures for facilities and management. Specifically, we are implementing inundation countermeasures at sites in Japan where river flooding and other risks are anticipated, and we are also expanding the management systems at each site.

We will continue to build a strong corporate structure that will enable us to quickly restore business activities even in the event of an emergency situation that threatens the survival of our business.

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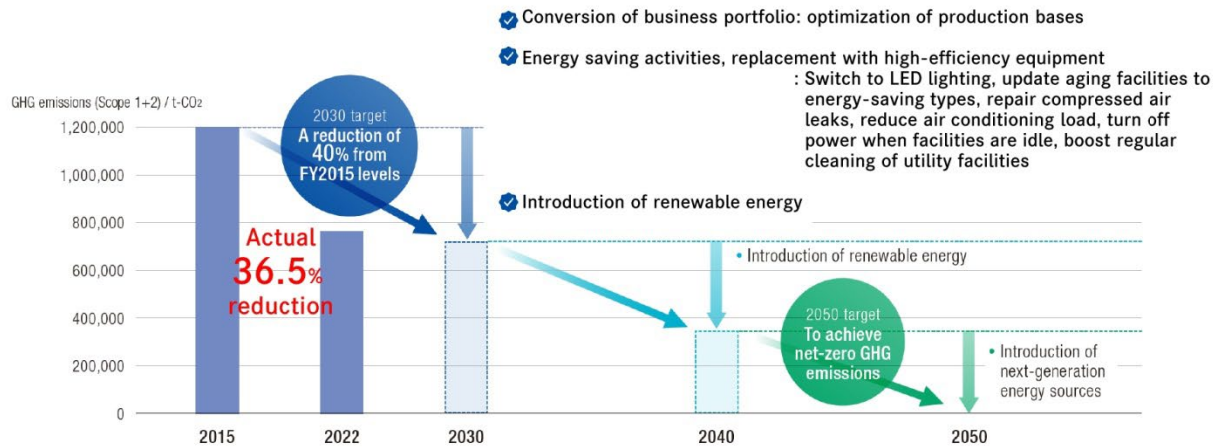
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1 Roadmap for achieving carbon neutrality by 2050

DNP

2030 targets expected to be achieved early. Accelerating initiatives to achieve net-zero GHG emissions by 2050.



From DNP Group Integrated Report 2023 p.58

35

See page 35.

Meanwhile, amid international calls to achieve carbon neutrality by FY2050, the role of companies is becoming even more important and their efforts need to be accelerated.

GHG emissions from business activities are also expected to increase due to mergers and acquisitions and expansion of business operations, especially in focused businesses. In response, we have set a medium-term goal for FY2030, which includes a shift in our business portfolio to reduce environmental impact and increase added value, strengthening energy conservation activities and actively introducing renewable energy.

We have set a target of 40% reduction by FY2030 compared to FY2015, and as of FY2022, we have achieved a 36.5% reduction, exceeding our plan. We are considering further raising the target and will accelerate our efforts to achieve virtually zero GHG emissions in FY2050.

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DNP

FY2022 Emissions (Domestic & Overseas) 5,130,000 tons

Scope 1, 2 and 3 Emissions Breakdown:

- Scope 1:** 2,750,000 tons (Category 1)
- Scope 2:** 548,000 tons (Category 2)
- Scope 3:** 2,832,000 tons (Categories 3-15)

Category Details:

- Category 1: 2,750,000 tons
- Category 2: 548,000 tons
- Category 3: 270,000 tons
- Category 4: 160,000 tons
- Category 5: 130,000 tons
- Category 6: 27,000 tons
- Category 7: 24,000 tons
- Category 8: 12,000 tons
- Category 9: 8,000 tons
- Category 10: 4,000 tons
- Category 11: 170,000 tons
- Category 12: 160,000 tons
- Category 13: 130,000 tons
- Category 14: 27,000 tons
- Category 15: 24,000 tons

Value Chain Emissions Breakdown:

- Manufacturing of materials:** 1,100,000 tons (Scope 1, 2, 3)
- Manufacturing of goods and services:** 1,100,000 tons (Scope 1, 2, 3)
- End of life treatment of solid products:** 1,100,000 tons (Scope 1, 2, 3)
- Use of solid products:** 1,100,000 tons (Scope 1, 2, 3)
- Processing of solid products:** 1,100,000 tons (Scope 1, 2, 3)
- Downstream transportation & distribution:** 1,100,000 tons (Scope 1, 2, 3)
- Upstream transportation & distribution:** 1,100,000 tons (Scope 1, 2, 3)
- Waste generated in operations:** 1,100,000 tons (Scope 1, 2, 3)
- Business travel and employee commuting:** 1,100,000 tons (Scope 1, 2, 3)
- Investments:** 1,100,000 tons (Scope 1, 2, 3)
- Fuel and energy-related activities not included in Scope 1, 2:** 1,100,000 tons (Scope 1, 2, 3)

• Main domestic locations (excluding Hokkaido Hokkaido Coca-Cola Products, the Bookstore Group, etc.) and main overseas sites (PT DNP Indonesia, DNP Imagingcomm America Corporation, DNP Imagingcomm Asia Sdn. Bhd.)

DNP

Material recycling

Chemical recycling

- Monomerization
- Conversion to oil
- Conversion to gas

- Information on the flow of resource recycling and CO2 emissions is communicated to consumers in an easily understandable manner to foster changes in their awareness



See page 37. In addition, the importance of further promoting resource recycling both domestically and internationally has increased in response to the marine plastic waste problem, climate change issues, and tighter regulations on waste imports from other countries.

Against this backdrop, DNP is working to build a recycling-oriented society while promoting the efficient use of resources. We are working to improve our resource recycling rate, which is the ratio of material and chemical recycling, with a particular focus on plastics, which are the Company's largest source of unwanted materials.

By FY2025, we aim to achieve a 5-point improvement over FY2015, and as of FY2022, we have achieved a 6.7-point improvement, which is also ahead of our plan. In addition, to promote efficient resource recycling throughout the supply chain, we are working with our partners to establish recycling schemes.

We will continue to promote various measures for resource recycling, as well as strengthen communication measures to encourage consumers to take action to reduce their environmental impact and promote efficient use of resources.

3 Protecting and nurturing natural capital

DNP

Through the creation of areas of greenery and the sustainable procurement of raw materials, we aim to minimize the impact on biodiversity and achieve harmony with regional ecosystems.

✓ Growing a new forest in urban area "Ichigaya-no-Mori" (Ichigaya Forest)

- We are growing a new forest of varieties native to the region, and as close to nature as possible, as part of the redevelopment of the Ichigaya area.
- The area of greenery has been expanded steadily since 2015, and now covers around one third of the site's area (15,000 m²).
- In October 2023, it was selected as a "harmony with nature site," as certified by the Ministry of the Environment. It also won the Minister of Land, Infrastructure, Transport and Tourism Award in the 43rd Urban Greening Prize. Our efforts were rated highly for creating a forest of varieties native to the region, the greening of man-made services using fertile soil, and the structure of active maintenance and management by employees.



✓ Sustainable raw material procurement

Target: 100% conformance with DNP Group Guidelines for Procurement of Paper for Printing and Converting by FY2030

Actual: FY2022 **94%**

- In cooperation with suppliers we will confirm the legality of raw materials, and work to ensure traceability.



38

See page 38.

In building a society in harmony with nature, we are creating green spaces in consideration of local ecosystems and procuring raw materials in consideration of biodiversity.

In creating green spaces, we are taking advantage of the unique characteristics of each of our business sites throughout Japan. In the Ichigaya area (Shinjuku-ku, Tokyo), where our head office is located, we are cultivating the Ichigaya Forest (Ichigaya-no-Mori) as a new urban forest. The forest is close to nature, consisting of local native species, and has been greened in stages since FY2015.

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See page 39.

In October 2023, we obtained certification from the Ministry of the Environment as a site in harmony with nature as an area where biodiversity is conserved. In the same month, the Company won the Minister of Land, Infrastructure, Transport and Tourism Award in the 43rd Urban Greening Prize in recognition of its soil-based greening on artificial ground and the proactive maintenance and management system of its employees.

Please return to page 38 of the document. On the other hand, in the procurement of raw materials, we established guidelines in 2012 for the procurement of paper, which is highly dependent on and impacts the ecosystem, with the aim of maintaining sustainable forest resources, and we are promoting the procurement of sustainable raw materials by actively using forest certified paper and understanding the production and procurement process.

We will continue to aim to minimize the impact of our business activities on biodiversity and harmonize them with local ecosystems throughout our supply chain.

That is all from me. Thank you very much.

Wakabayashi: Yes, thank you very much. Now, Mr. Hashimoto, Managing Director, will continue with an explanation of our governance initiatives. Mr. Hashimoto, please begin.

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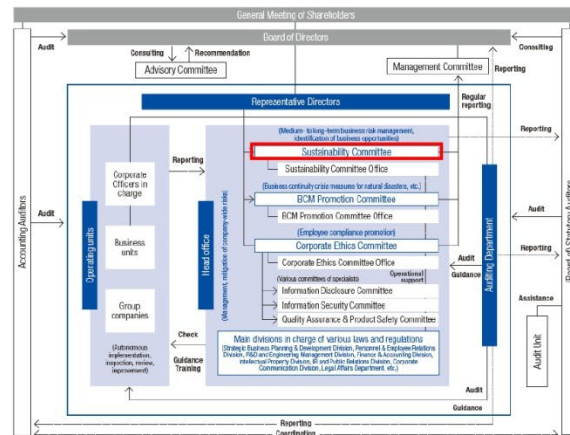
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Governance system that promotes business

provide new value, with the aim of creating a sustainable, better society and well-being lives.

Enhance corporate governance system

- Boldly addressing the challenges of various business opportunities through sound entrepreneurship
- Earning the trust of various stakeholders
- Strengthening the process for appropriately assessing risks, applying assessments in the medium- to long-term management strategies and converting the risks into business opportunities.



From DNP Group Integrated Report 2023 p.68

41

Hashimoto: I am Hashimoto, Managing Director. I will explain our governance initiatives.

See page 41 of the document. In February of this year, we announced the DNP Group's Basic Management Policy. Naturally, I think the important thing will be the early realization of the goals set forth in this policy. To this end, we consider the enhancement of corporate governance to be indispensable.

Our governance structure is shown on the right side of your handout. In order to boldly address the challenges of business opportunities and earn the trust of stakeholders, we believe it is necessary to establish a process to assess risks, reflect them in management strategies, and turn into opportunities.

To this end, last April we strengthened and reorganized the structure of the Sustainability Committee. Chaired by the President, the committee also manages various risks throughout the Company in cooperation with the Corporate Ethics Committee and the BCM Promotion Committee.

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A management team with members from diverse backgrounds DNP

A variety of business issues are deliberated by a diverse management team

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 | | | | | | | ○ |
| Statutory Auditors | Yoshiaki Tamura* | ○ | | | ○ | ○ | ○ | ○ |
| | Hiroshi Shirakawa* | ○ | | ○ | ○ | | | |
| | Ryuji Minemura | ○ | | | ○ | | | |
| | Tatsuya Hisakura | ○ | | ○ | ○ | ○ | ○ | |
| | Kazuhisa Morigayama | ○ | | ○ | ○ | | | |
| | Taeko Ishii | | ○ | | ○ | ○ | | |
| | Yasuyoshi Ichikawa | | | ○ | ○ | | | |

From DNP Group Integrated Report 2023 p.67

42

While it is important to enhance governance, we believe that it is also important to ensure the diversity of the Board members for this purpose. As I mentioned earlier, we have compiled a list of skills that we believe are important to realize the DNP Group's Basic Management Policies we announced in February, and based on this list, we have created a skills matrix to determine the Board members. Based on this matrix, we have created a management team with diverse backgrounds that can contribute to the achievement of the DNP Group's Basic Management Policies.

A management team with members from diverse backgrounds DNP

A variety of business issues are deliberated by a diverse management team

Outside Directors

4 persons

Directors
12 persons

Internal Directors
8 persons
(of which 1 is a female Director)

Statutory Auditors
5 persons

Outside Statutory Auditors
3 persons
(of which 1 is a female Statutory Auditor)

Internal Statutory Auditors
2 persons

Main items discussed at Board of Directors meetings during the fiscal year ended March 2023

Management strategy

- Progress of operations in line with the Medium-term Management Plan
- Formulation of the Basic Management Policy
- Formulation of the new Medium-term Management Plan, etc.

Sustainability

- Formulation of Human Capital Policy
- Revision of the DNP Group Environmental Policy
- Status of Sustainability Committee activities, etc.

Dialogue with shareholders

- Holding of financial results briefings, sustainability briefings, etc.
- Status of dialogue with institutional investors, etc.

Governance

- Key personnel, organizational units and remuneration
- Evaluation of the effectiveness of the Board of Directors
- Status of internal audits, etc.

Other

- Individual investments, etc.

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See page 43. We have confirmed that the current Board members have a good balance of skills that are important for the promotion of the new medium-term management plan, as shown in the skills matrix that you have just seen. In addition, we have four(4) outside directors out of twelve(12) directors, and we promote discussion of all angles at the Board of Directors meetings.

The main items discussed at the Board of Directors meetings for the fiscal year ended March 31, 2023 are shown in the table on the right side of page 43.

Ensuring the effectiveness of the Board of Directors to improve governance **DNP**

Past improvement activities using questionnaire surveys to evaluate effectiveness

In April of every year, we conduct a questionnaire survey to evaluate effectiveness in which all Directors and Statutory Auditors participate. Based on the results of the survey and the status of improvement issues, we report the issues to be addressed to the Board of Directors.

Main issues in which improvements made

| | |
|--|--|
| Supervisory function of the Board of Directors | Increase in the number of Outside Directors Reorganization of the Sustainability Committee |
| Appointment and remuneration system | Setting up/increasing members of Advisory Committee, compilation of skills matrix |
| Operation of the Board of Directors | Establishing of Secretariat of the Board of Directors, beginning of prior explanations of agenda items |
| Relationship with shareholders | Feedback to management on status of IR activities, including Sustainability briefings |
| Support for outside directors/statutory auditors | Regular holding of meetings for outside directors/statutory auditors, factory tours |

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Please see page 44.

The Board of Directors' meetings are very limited in terms of time, and since important management matters are discussed in a variety of ways, improving the effectiveness of the Board of Directors is an extremely important theme.

Every year, we conduct a questionnaire survey of all directors and statutory auditors to assess the effectiveness of the Board of Directors, identify issues, and work to improve them. We also hold meetings of outside directors and outside statutory auditors to discuss such issues in these meetings, and report back to the Board of Directors on the order of priority and what needs to be done first.

The main issues that have been improved so far are shown on the right side of page 44.

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Outside Director expectations for the Board of Directors

DNP

Initiatives for 2023 based on the results of the evaluation of effectiveness

- ✓ Ensure sufficient time for deliberations by the Board of Directors
- ✓ Deep discussions of management issues based on social changes that are not tied to individual projects



Outside Director Yoshiaki Tamura

Outside Director Hiroshi Shirakawa

- ✓ Initiatives for the current fiscal year (from the 2023 evaluation result of effectiveness for the Board of Directors)

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.

Further enhancing communication between management and outside officers to enhance the effectiveness of the Board of Directors

Status of DNP' business operations and content of dialogues with shareholders, etc.

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See page 45.

Regarding these efforts to improve the effectiveness of the Board of Directors, this year's Integrated Report 2023 includes a dialogue between outside directors Mr. Tamura and Mr. Shirakawa, which we hope you will later look over the report.

As I explained earlier, we have listened to the opinions of outside directors and outside statutory auditors and, as one of our priority issues for FY2023, we will make further efforts to improve the progress of Board meetings, which we have been doing in various ways in the past.

In addition, there is inevitably an information gap between internal and outside directors. As part of our efforts to resolve this issue and to enhance the effectiveness of the Board of Directors, we have decided to further promote communication and to plan factory tours for outside directors and outside statutory auditors to gain a better understanding of the characteristics of DNP's various business operations.

The entire management team will work diligently to address these management issues and strive to achieve a Board of Directors that contributes to sustainable management.

That is all from me. Thank you very much.

Wakabayashi: That's all for each section.

[END]

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