

Overview of Financial Results
for First Nine Months of Fiscal Year 2024 (ending March 31, 2025)
Supplementary Briefing Materials

DNP

未来のあたりまえをつくる。

February 14, 2025

Dai Nippon Printing, Co., Ltd.

Overview of Financial Results for First Nine Months of FY2024

(Unit: ¥billions) **DNP**

	First Nine Months FY2023	First Nine Months FY2024	Year-on-year Change	Earnings Forecast for FY2024	Rate of progress
Sales	1,061.2	1,079.0	+1.7%	1,455.0	74.2%
Operating income	52.0	62.6	+20.5%	80.0	78.4%
Ordinary Income	68.2	79.7	+16.8%	100.0	79.7%
Net Income <small>Attributable to Parent Company Shareholders</small>	98.5	116.0	+17.8%	90.0	129.0%

Capital Expenditures	43.3	46.1	+6.4%	74.0	62.4%
R&D Expenditures	26.4	28.6	+8.1%	36.0	79.5%
Depreciation	40.7	39.7	(2.4%)	56.0	71.0%

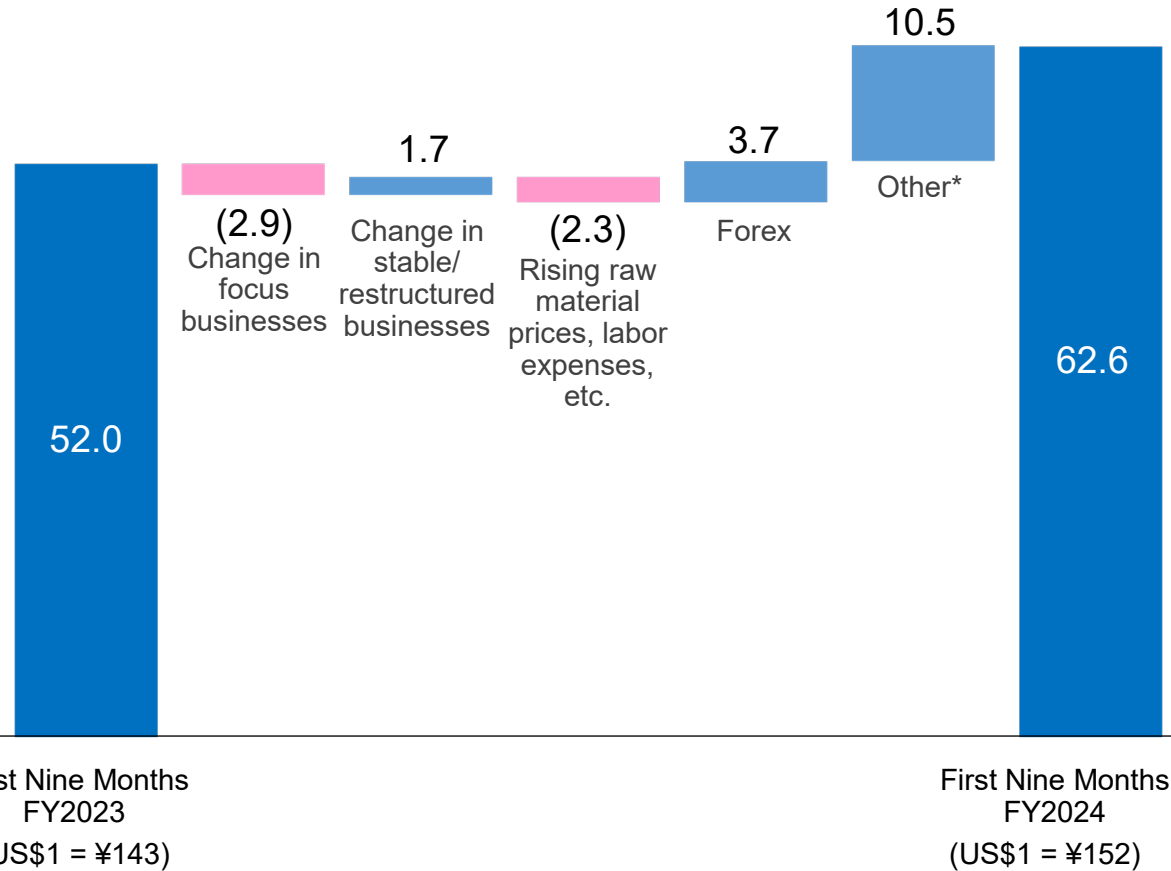
Overview

- ✓ We accelerated creation of new value, primarily in focus business areas, resulting in net sales growing year on year.
- ✓ The success of digital interfaces and semiconductors helped boost profits, and the effect of currency exchange also played a role in increasing operating income compared to last year.
- ✓ Strong earnings from equity-method affiliates and profits from selling cross-held shares also helped boost ordinary income and net income compared to last year.

Overview of Financial Results for First Nine Months of FY2024

Change in Operating Income

(Unit: ¥billions) **DNP**



Overview










- ✓ Automotive battery pouches were affected by stagnant demand for EVs, but businesses related to photovoltaic modules and digital interfaces increased.
- ✓ While materials for printing photographs and demands for IC cards were steady, BPO decreased due to the absence of large projects from the previous year.
- ✓ High demand for packaging and beverages and efforts to reduce costs helped the growth.

* Includes decrease in retirement benefit expenses, and changes in adjustments not belonging to other segments.

Overview of Financial Results for First Nine Months of FY2024

Overview of Focus and Stable Businesses

(Unit: ¥billions) **DNP**

		First Nine Months FY2023	First Nine Months FY2024	Overview (Arrow indicates sales relative to previous year)	
Smart Communication	Segment sales	532.1	522.3		Imaging communication Strong performance from materials for printing photographs, primarily in European, U.S., and Asian markets
	Segment operating income	15.9	20.4		Information Security Dual-interface cards* grew due to the shift to cashless transactions, but BPO declined due to the absence of large projects from the previous year
					Content & XR communication We opened the second Tokyo Anime Center outside Japan in suburban Boston, U.S.A., due to the increasing demand for Japanese content
Life and Healthcare	Segment sales	356.5	374.6		Industrial high-performance materials The market for battery pouches used in automotives has been slow, but the demand for those used in IT applications has gone up. Additionally, we acquired all the shares of Resonac Packaging, which specializes in packaging materials for secondary batteries
	Segment operating income	10.5	16.7		Mobility Acquired all shares of HK Holding, the parent company of HIKARI METAL INDUSTRY, which manufactures molded automotive parts
					Medical & healthcare Strengthened research and development by entering into a technical alliance with NEXEL of South Korea on cardiomyocyte culture to support drug discovery and development
Electronics	Segment sales	174.4	183.4		Optical films Sales increased due to an increase in the size of films manufactured to accommodate the growing size of TV panels
	Segment operating income	42.3	42.6		Metal masks used for manufacturing OLED displays Demand dropped compared to the previous year's significant demand, but the use of OLED displays in smartphones and other devices kept increasing
					Semiconductors Photomasks for semiconductor production performed well in line with the recovery of the market

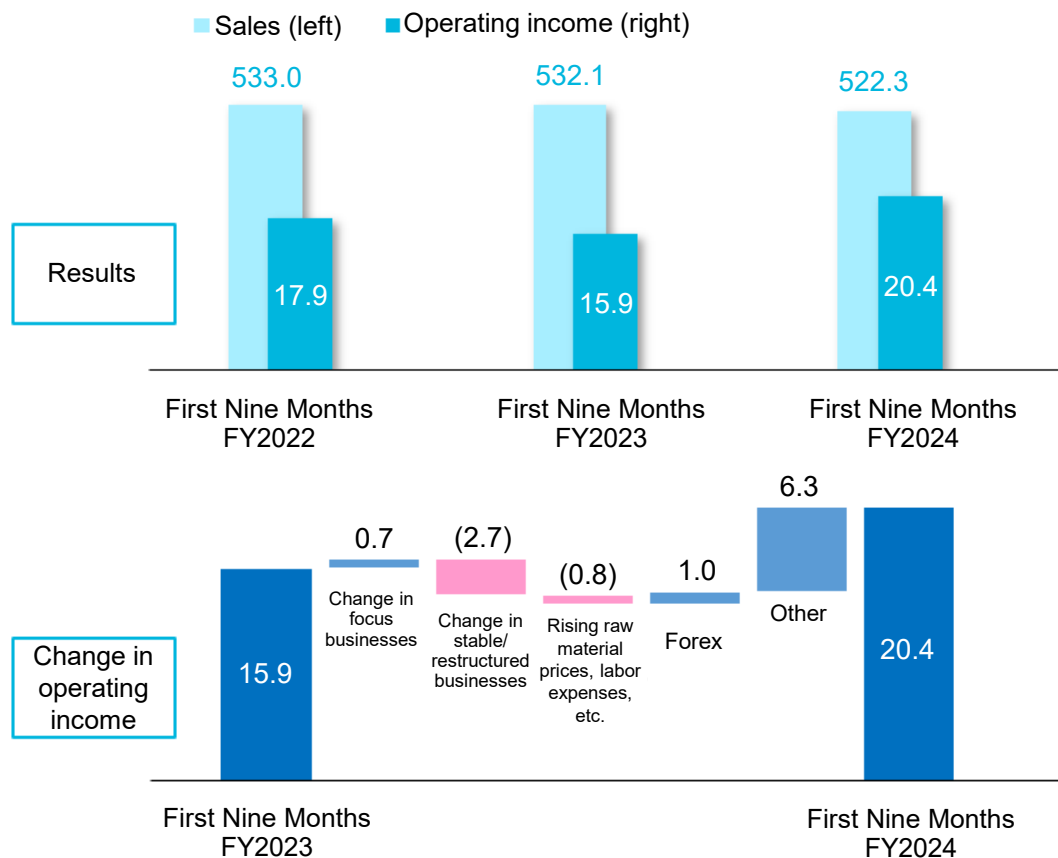
* Cards with two interfaces on one chip (contact and contactless)

Overview of Financial Results for First Nine Months of FY2024

Results by Segment

(Unit: ¥billions) **DNP**

Smart Communication



Overview

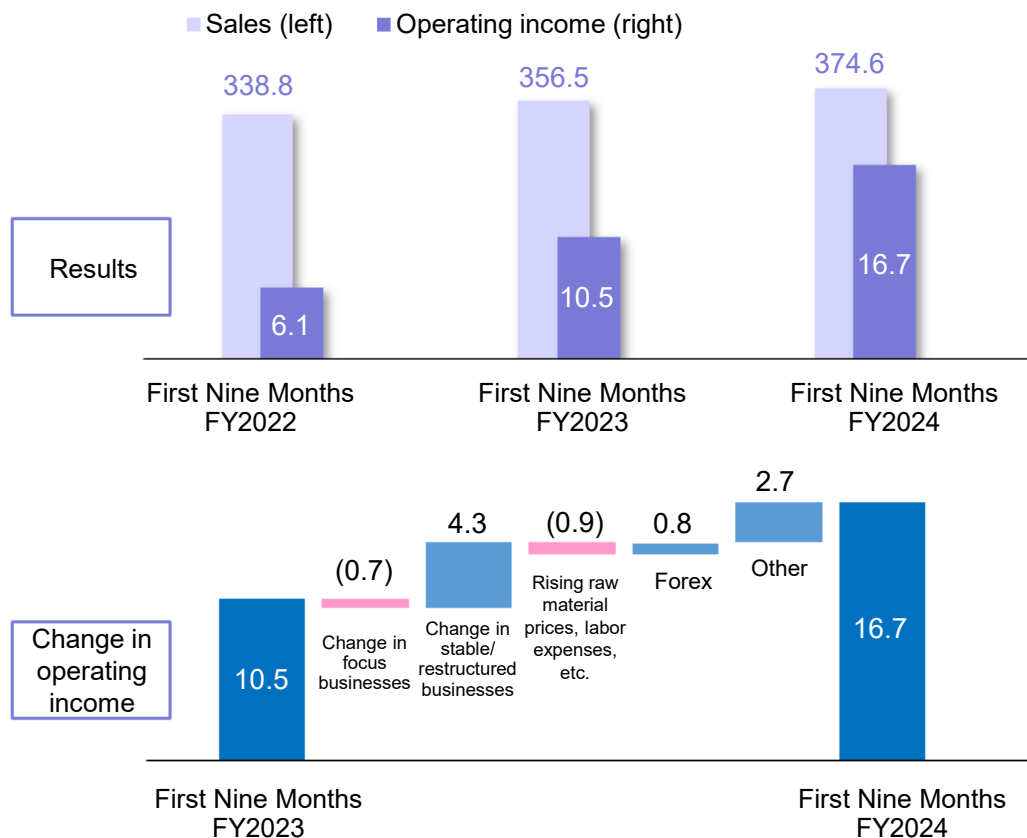
- ✓ In Information Security, sales of IC cards remained strong, but BPO sales declined due to the absence of the large projects of the previous year.
- ✓ In imaging communication, materials for printing photographs performed well, and photo-related services in Japan increased.
- ✓ To adapt to changes in the printed paper media industry, such as magazines and commercial printing, we are restructuring our business, including integrating our production and sales teams.

Overview of Financial Results for First Nine Months of FY2024

Results by Segment

(Unit: ¥billions) **DNP**

Life and Healthcare



Overview

- ✓ Battery pouches for IT applications increased due to wider adoption in new smartphone and tablet models. In contrast, those for automotive applications declined because of stagnant EV demand.
- ✓ In packaging, we faced rising raw material prices but maintained our growth due to strong demand for snack and daily necessity packaging. Additionally, cost-cutting measures, such as reducing fixed costs, contributed to this stability.

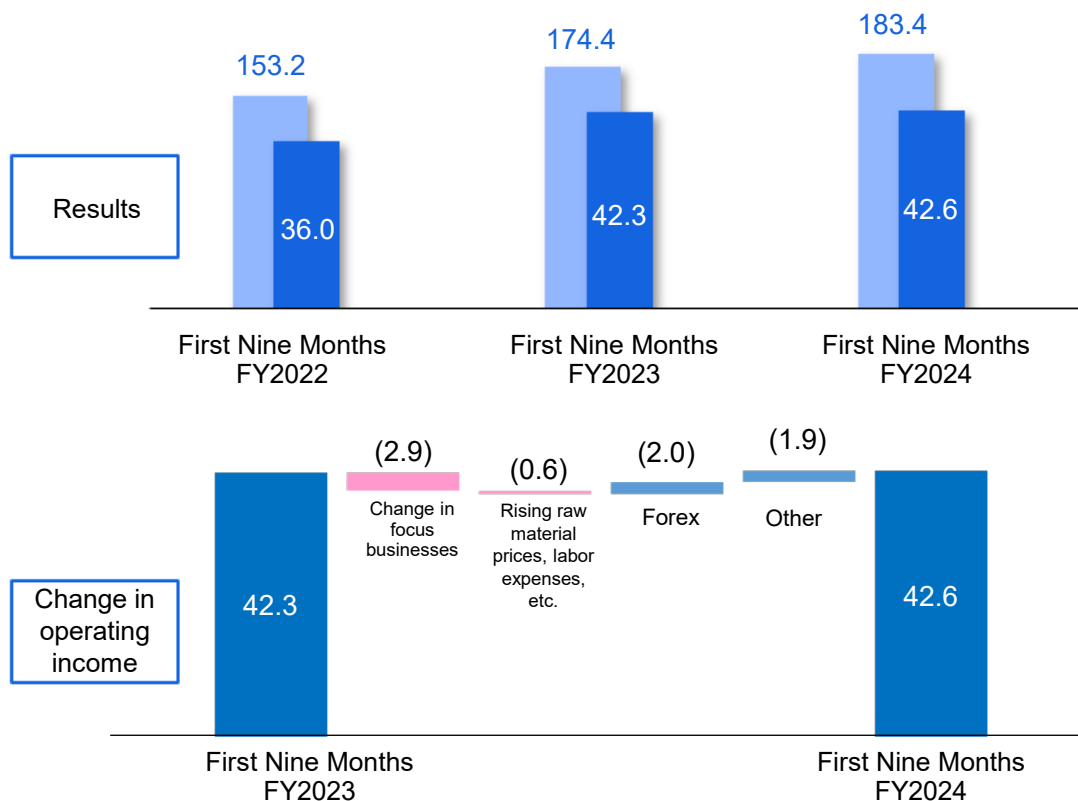
Overview of Financial Results for First Nine Months of FY2024

Results by Segment

(Unit: ¥billions) **DNP**

Electronics

■ Sales (left) ■ Operating income (right)



Overview

- ✓ Sales of optical films continued to expand with the growing trend towards larger panel sizes for televisions.
- ✓ Metal masks used in the production of OLED displays saw an increase in depreciation costs due to the construction of new production lines, but the adoption ratio of OLED displays in smartphones and other devices continued to grow.
- ✓ Photomasks for semiconductor production performed well due to the recovery of the semiconductor market.

Earnings Forecast for FY2024 (Revised)

(Unit: ¥billions) **DNP**

Companywide	FY2023 Result	Earnings Forecast for FY2024	Revised	Year-on-year Change (Difference)
Sales	1,424.8	1,455.0	1,455.0	+2.1%
Operating income	75.4	80.0	88.0	+16.6%
Operating Income Ratio	5.3%	5.5%	6.0%	+0.7%
Ordinary Income	98.7	100.0	110.0	+11.4%
Net Income <small>Attributable to Parent Company Shareholders</small>	110.9	90.0	106.0	(4.4%)
ROE	9.8%	8.0%	9.2%	(0.6%)
Capital Expenditures	68.3	74.0	74.0	+8.2%
R&D Expenditures	35.2	36.0	36.0	+2.2%
Depreciation	55.9	56.0	56.0	0%

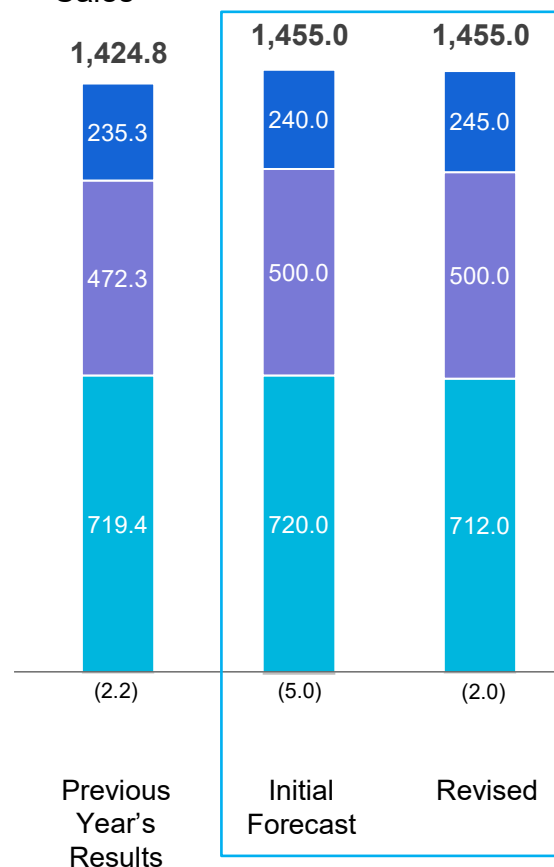
By Segment		FY2023 Result	Earnings Forecast for FY2024	Revised	Year-on-year Change (Difference)
Smart Communication	Sales	719.4	720.0	712.0	(1.0%)
	Operating income	26.1	30.0	32.0	+22.3%
Life and Healthcare	Sales	472.3	500.0	500.0	+5.9%
	Operating income	13.3	18.0	23.0	+72.3%
Electronics	Sales	235.3	240.0	245.0	+4.1%
	Operating income	58.1	54.0	55.0	(5.4%)
Adjustment	Sales	(2.2)	(5.0)	(2.0)	-
	Operating income	(22.2)	(22.0)	(22.0)	-
Total	Sales	1,424.8	1,455.0	1,455.0	+2.1%
	Operating income	75.4	80.0	88.0	+16.6%

Earnings Forecast for FY2024: Comparison with Initial Forecast

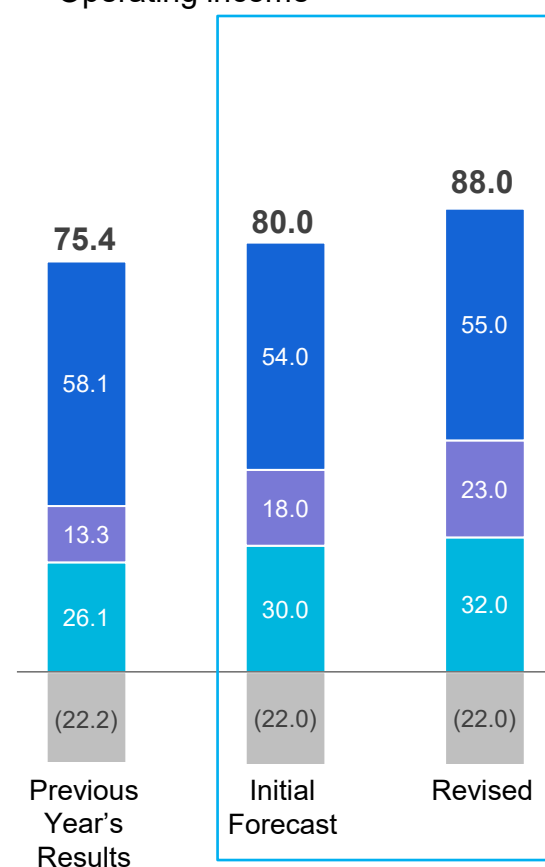
(Unit: ¥billions) **DNP**

- Electronics
- Life and Healthcare
- Smart Communication

■ Sales



■ Operating income



Electronics

Both sales and income are expected to exceed the initial forecast due to the expanding adoption ratio of OLED displays in smartphones and other devices, the continuing trend toward larger panel sizes for TVs, and the contribution of foreign exchange effects.

Life and Healthcare

The overall performance is expected to surpass the initial forecast, driven by growth in photovoltaic cell-related materials and packaging, as well as contributions from cost-reduction efforts. However, the performance of battery pouches for automotive applications is likely to fall below the initial forecast due to the current stagnation in demand for EVs.

Smart Communication

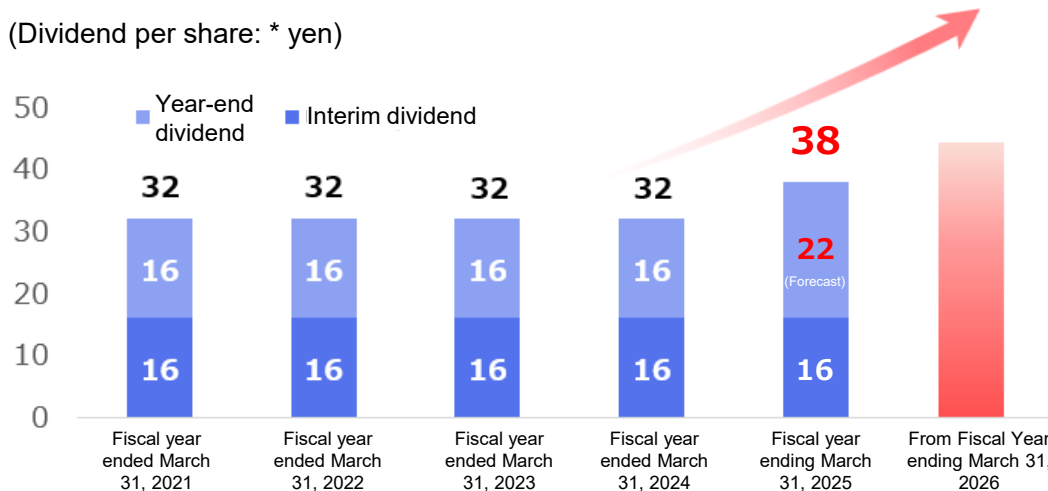
Operating income is expected to exceed the initial forecast due to strong sales of materials for printing photographs, optimization of owned assets, and reduced fixed costs.

Revision of Dividend Forecast for FY2024 (Increase in Dividend)

We are dedicated to achieving consistent profit growth and continuously exploring ways to increase our dividends.

- ✓ We expect our operating income for the full fiscal year ending in March 2025 to be 88 billion yen, and we're on track to meet our goals for the final year of the Medium-term Management Plan **a year early**.
- ✓ Due to the updated earnings forecast, we have reassessed our dividends and are **increasing the year-end dividend forecast to 22 yen, which is an increase of 6 yen**. This means the total dividend **for the year will be 38 yen**, factoring in the effects of the stock split.
- ✓ **We are ahead of schedule with our initial share buyback plan** of 300 billion yen. We will continue to adapt our approach **flexibly and aggressively**, taking into account stock prices and our financial situation, to **achieve an ROE of 10%**.

(Dividend per share: * yen)



* DNP conducted a 2-for-1 stock split of common stock, effective October 1, 2024. Dividend per share is calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021.

Medium-term Management Plan

Dividend policy conscious of EPS and DPS

* EPS: Earning per share, DPS: Dividend per share

We will further carry on a flexible and proactive share buyback program and **continuously evaluate the possibility of increasing dividends** in line with sustainable profit growth.

未来のあたりまえをつくる。

DNP

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.