

Dai Nippon Printing (7912, Corporate)

Initiating coverage: Portfolio optimisation

5th January 2026

Share price: ¥2,759

Market cap: ¥1,446.8bn

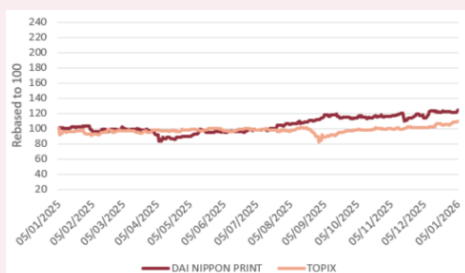
Business portfolio optimisation, whilst successfully leveraging its technology foundations, leave DNP strongly positioned to achieve long-term growth.

Company sector

Printing Services

Stock data

Price (¥)	2,759
Mkt cap (¥bn)/(\$m)	1,446.8 / 9,218.1
52-week range (¥)	1,810 – 2,759
Shares O/S (m)	524.5
Average daily value (\$m)	18.8
Free float (%)	75.9
Foreign shareholding (%)	28.5
Ticker	7912
Exchange	Tokyo Prime
Net Debt/Equity (x)	-5.6



Source: Bloomberg

BUSINESS OVERVIEW

Dai Nippon Printing Co., Ltd. (DNP) is a diversified technology company providing printing-based solutions across information communication, lifestyle and industrial supplies, and electronics. Leveraging core printing and processing technologies, DNP supports publishing, packaging, display materials, and advanced functional materials globally.

Next event

1-3Q 3/26 results in February 2026

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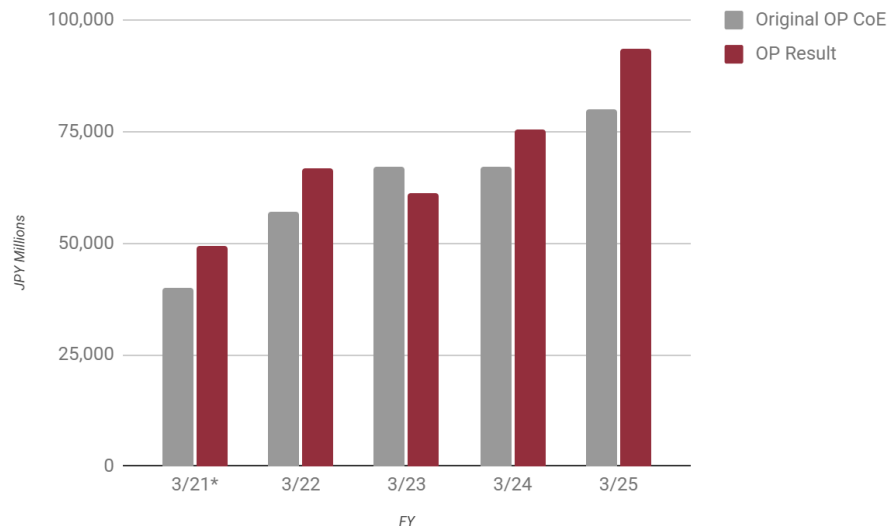
Dai Nippon Printing is a research client of Storm Research

- Dai Nippon Printing (DNP) is a comprehensive printing company that has expanded into diverse fields based on its core technologies. Growth drivers include information security (BPO & authentication), thermal transfer products, automotive films & parts, battery pouches, optical films, metal masks, & semiconductor related products. DNP is also focusing resources on new businesses such as Content/XR communication & medical fields, whilst restructuring its traditional printing & packaging segments.
- DNP's strengths stem from **core technologies rooted in its founding printing expertise, combined to create innovative products**. Its capabilities are supported by an organisational culture that tolerates challenges & failures, a strong R&D structure, high-level patent competitiveness, & 'black-boxing' through in-house development of production equipment.
- Though both TOPPAN & DNP began in printing & share similar structures, DNP differs sharply in its strengths, strategy, & financials. DNP dominates in dye-sublimation, battery pouches, & metal masks, & is expanding in photomasks that TOPPAN has excluded from consolidation. It also **outperforms in terms of profitability & capital efficiency**.
- DNP's fundamentals have improved through focus area expansion, price increases, & structural reforms. 1H 3/26 results exceeded estimates, driven by better-than-expected new printer sales & major BPO project wins. The company **anticipates structural reform supporting profitability improvements in the 2H & beyond**.
- Under its current MTP, DNP targets a 10% ROE & a >1.0x PBR through **portfolio reforms that focus on investment in growth & new businesses, as well as structural reforms**, with the next MTP (from FY 3/27) likely to continue these initiatives. It is also working to improve capital efficiency via sales of policy held shares, use of interest-bearing debt, & shareholder returns through buybacks & dividend increases.
- We expect DNP to achieve stronger medium to long term growth, as well as improved profitability through investment in priority businesses & structural reforms. Whilst the shrinking printing segment & broad portfolio contribute to a valuation discount, we believe the market underestimates DNP's improvement potential & its distinct differentiation versus TOPPAN. On 13x FY 3/26 company estimates, we recommend investors schedule time with senior management to build the investment thesis: [here](#).

Year end	3/2024	3/2025	1H 3/2026	3/2026E
Sales (¥bn)	1,424.8	1,457.6	738.7	1,500.0
OP (¥bn)	75.5	93.6	46.6	94.0
NP (¥bn)	110.9	110.7	60.4	90.0
EPS (¥)	221.6	238.9	135.0	204.0
DPS (¥)	32.0	38.0	18.0	40.0
Sales growth YoY (%)	3.8	2.3	4.3	2.9
OP growth YoY (%)	23.2	24.1	22.2	0.4
NP growth YoY (%)	29.5	-0.2	-32.7	-18.7
EPS growth YoY (%)	n/a	7.8	-29.4	-14.6
PER (x)	10.5	8.9	13.9	13.1
EV/EBITDA (x)	8.6	6.5	7.2	9.7
PBR (x)	1.0	0.8	1.0	1.1
ROE (%)	9.9	9.6	7.1	n/a
ROIC (%)	3.0	2.2	4.0	n/a
FCF yield (%)	1.1	7.7	2.6	n/a
Dividend yield (%)	2.3	3.0	n/a	1.5

Financial metrics source: Company & Bloomberg

RESULTS VS FORECAST HISTORY



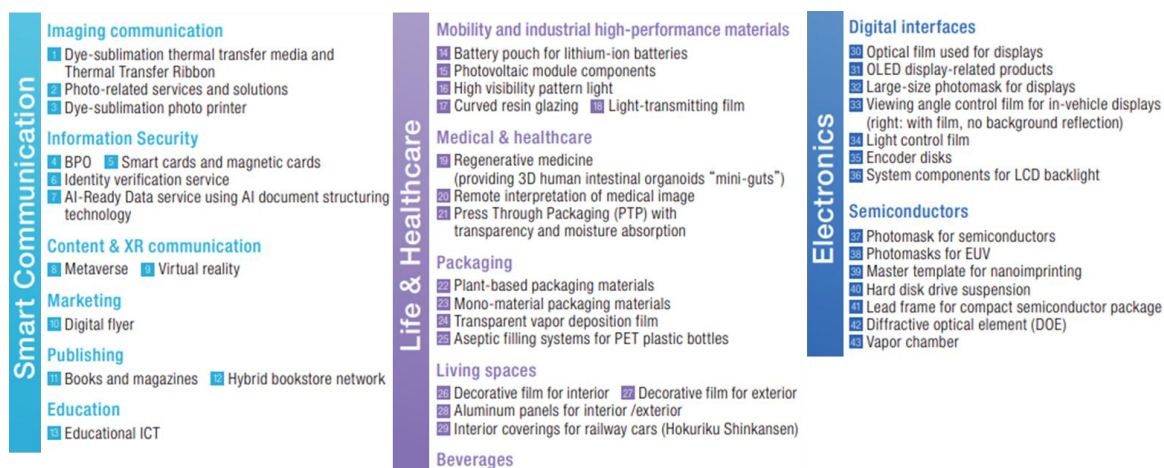
* FY 2/21 CoE released at the 1Q

COMPANY OVERVIEW

Founded in 1876, Dai Nippon Printing (DNP) is one of Japan's leading comprehensive printing companies, applying its technologies across a wide range of fields including information communication, living spaces, industrial materials, & electronics.

DNP's businesses span a wide range: from publishing, printing, & photo printing related products, to security offerings such as Smart cards & BPO services, diverse packaging products, battery pouches for lithium-ion batteries (LiB), automotive components, & electronics products for displays & semiconductors.

- DNP's products & services:



* Source: Company

DNP has a long history & will celebrate its 150th anniversary in 2026. The company began in 1876 as Shueisha, a letterpress printer of periodicals, & merged with Nisshin Printing in 1935 to form Dai Nippon Printing.

In 1951, shortly after the war, the company announced plans to expand beyond traditional printing & began printing on materials other than paper, such as vinyl & cellophane. In 1958, it became the first company in Japan to successfully prototype shadow masks, key components in colour televisions.

In 1960, the company established an electronics products plant &, in 1967, began manufacturing semiconductor photomasks. Since then, DNP has continued to develop technologies & products that have become key growth drivers today, including dye-sublimation thermal transfer media, LiB battery pouches, & metal masks for organic light-emitting diode (OLED) production.

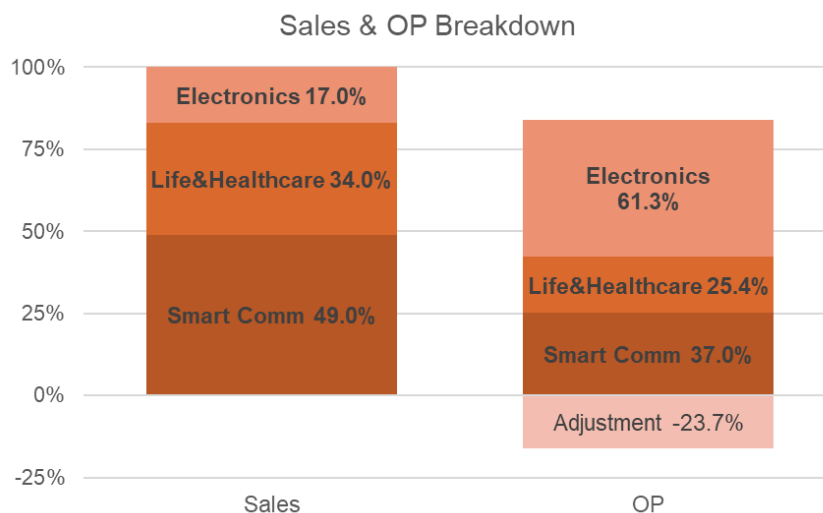
In 1949, DNP listed on the First Section of the Tokyo Stock Exchange & moved to the Prime Market in 2022.

The DNP Group comprises the parent company, 139 consolidated subsidiaries, & 25 affiliated companies. Among the consolidated subsidiaries, Maruzen CHI Holdings (3159), Hokkaido Coca-Cola Bottling (2573) & Intelligent Wave (4847), as well as equity method affiliate BIPROGY (8056), are listed.

By region, Japan accounts for the majority of sales at 75.8%, followed by Asia (China, South Korea, Indonesia, Taiwan) at 17.1%, & Other regions (United States, Germany, France, Poland) at 7.1%, as of FY 3/25.

- *Divisional breakdown*: DNP operates through 3 divisions, Smart Communication, Life & Healthcare, & Electronics, which represented 49.0%, 34.0%, & 17.0% of FY 3/25 sales & 37.0%, 25.4%, & 61.3% (adjustments: -23.7%) of OP, respectively. The Smart Communication OPM was 4.9%, Life & Healthcare 4.8%, & Electronics significantly higher at 23.2%.

- *Sales & OP breakdown (FY 3/25)*:



* Source: Compiled by Storm Research from company data.

- *Cost structure*: In FY 3/25, the cost of sales as a percentage of sales was 76.8%. Profitability is sensitive to raw material trends, as DNP relies heavily on naphtha for films, & aluminium & paper for printing related products.

In FY 3/23, sharp increases in raw material & energy prices, particularly naphtha, could not immediately be passed on to customers, resulting in a -44.3%YoY OP decline in the Lifestyle & Industrial Materials division (now Life & Healthcare).

Some individual customer contracts already include price linked formulas, whilst others are being renegotiated in response to recent inflation. With rising raw material, energy, labour & logistics costs, DNP is actively pushing through price adjustments to protect margins.

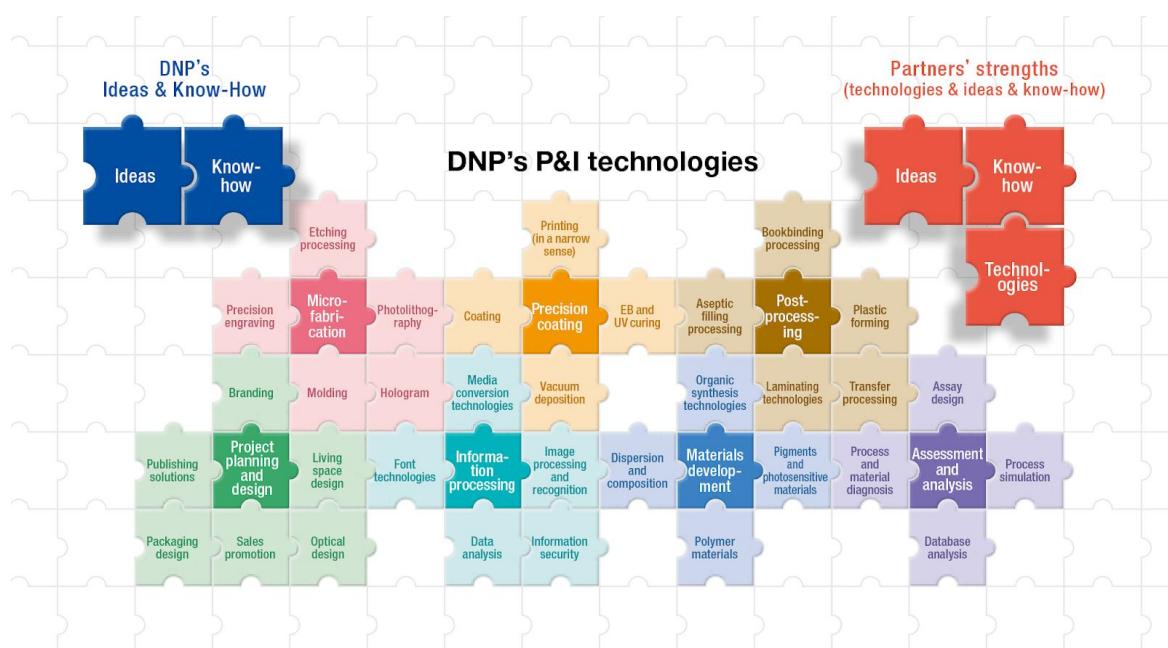
- *SG&A*: SG&A accounted for 16.8% of sales in FY 3/25, with 5.0% personnel expenses, 2.6% R&D, 0.7% depreciation, & the remaining 8.4% other expenses.
- *FX impact*: A ¥1/US\$ fluctuation has a ±¥500m effect on OP, with a weaker yen exerting a positive impact.
- *Tariff impact*: Direct exposure is limited as direct US sales in areas such as imaging communication, living spaces, & industrial high performance materials are relatively small. Indirect effects remain possible, if customer production or orders decline in response to tariffs.

COMPETITIVE ADVANTAGES

DNP's technological foundation

DNP's key strength lies in its 'P&I Innovation' approach, which combines long developed printing technologies (Printing) & the information handling capabilities built through its printing operations (Information). This unique technological base, supported by a culture that consistently drives new value creation, forms the foundation of DNP's competitive advantage.

- *Business expansion through P&I innovation*:



* Source: Company

- *Key technological foundations*: The core technologies underpinning DNP are **information processing, microfabrication, precision coating, & post processing**. All of these are derived from the company's foundational printing technologies or have been developed from handling various types of information through its printing business.
- *Information processing*: This technology emerged from handling diverse information within the printing business & the digitalisation of printing processes. It encompasses standardising formats for text, photos, illustrations, & video, converting data into optimal forms, managing colour in processed images, & organising & storing information.

Through these processes, **DNP has built deep expertise in handling large volumes of data**, which has evolved into big data processing, analytical capabilities, & security technologies. Digitalisation has also driven advancements in image processing & media conversion.

For example, DNP's Smart cards, which hold a leading domestic share, integrate authentication, encryption, data analysis, & image processing technologies rooted in its experience handling highly confidential printed materials, showing how technologies cultivated in the printing business can be leveraged across multiple domains.

As printing has digitalised, DNP has also advanced its image & natural language processing capabilities. These technologies support CG & VR content & are applied across security, marketing, imaging, education, healthcare, & entertainment.

- *Microfabrication*: DNP has refined its printing plate making technologies through its printing operations & **has extended this expertise into metal etching for fine patterning**.

DNP has also evolved its plate making process, originally for precise printing alignment, into **moulding technologies that use metal, glass, or resin moulds to replicate patterned surfaces onto substrates**.

Using these microfabrication technologies, DNP became the first company in Japan to successfully commercialise shadow masks for colour displays in 1958. Shadow masks require thousands of precise holes to direct electron beams to the correct RGB phosphors in televisions, a feat that other companies could not achieve for mass production. DNP developed the technology to drill ~200,000 0.3mm diameter holes into a metal plate, enabling the domestic production of colour televisions.

- *Photomasks*: DNP further advanced its microfabrication technologies, successfully prototyping photomasks for semiconductor circuits in 1959 & commencing production of semiconductor photomasks in 1967. Since then, the company has continued developing photomasks capable of supporting increasingly small, nanometer scale semiconductor nodes.

In DNP's Nano-Imprint solutions, the company leverages its proprietary technologies, including mould fabrication, embossing techniques to transfer nanoscale patterns from moulds to resin, & optical design expertise cultivated over decades in TV display development.

DNP possesses the full set of capabilities required for product development, from nanoscale mould fabrication, precision embossing, material selection, & prototype verification to mass production, allowing it to consistently deliver nanoscale manufacturing solutions.

- *Precision coating*: This technology, based on the core printing process of transferring ink from a thin, uniform printing plate to a substrate such as paper, has **been extended to enable uniform coating of various materials including resin, metal, & glass, on single or multiple layers, with high consistency & precision**.

As demand for individually packaged food increases, DNP is applying its precision coating technology to films. As films do not absorb ink, unlike paper, the company has developed an anchor coating (pre-treatment agent) that improves ink adhesion & established a method to coat ink thinly & uniformly on film.

In addition, as imported films were sensitive to humidity & could not produce clean prints, using its coating & vapor deposition technologies, DNP developed films suited to local climates with barrier functions that prevent food leakage & block moisture.

Building on this precision coating technology, DNP developed retardation films essential for circular polarising plates used in OLED displays, which prevent reflection, enhance black levels, & ensure clear images from any viewing angle. Given OLED's requirements for thinness & light weight, DNP created a technology to transfer only the functional liquid crystal layer to the polarising plate, achieving a layer thickness of just 0.001mm, or 1/50th of conventional thickness.

For battery pouches used in automotive & IT lithium-ion batteries (LiB), lightweight & thin designs are essential, whilst the exterior material must also be durable & corrosion resistant to protect the battery contents. Using DNP's precision coating technology, films are coated with functional layers & through the post processing techniques described below, the films are laminated to create highly sealed pouches that prevent leakage.

- *Post processing*: Building on printing techniques such as stacking, folding, binding, & cutting, DNP developed post processing technologies that shape materials for specific applications. For food retort pouches, preserving the contents & ensuring easy opening are important & DNP successfully applied its lamination technology from post processing to develop these pouches.

These post processing techniques are also applied to plastic moulding, printing, food, beverage, & daily use product packaging, & aseptic filling of PET bottles. They are also used in lamination technologies, which bond multiple films together.

DNP developed battery pouches for EVs from this food retort pouch technology. Given the need to prevent heat & chemical leakage in batteries, DNP adapted its food pouch technology to create LiB battery pouches, forming a new business segment.

Discontinuous innovation

By combining printing technologies with information processing capabilities & applying ideas that transcend existing boundaries, including insights gained through partner collaborations, **DNP has achieved discontinuous innovation & created new forms of value.** All of its products are built on foundational technologies rooted in the printing process.

The driving force behind this discontinuous innovation is **DNP's challenging mindset & a corporate culture that learns from failure.** Employees are encouraged to propose ideas, pursue foundational research, & continue efforts even when short-term results are not immediately visible.

DNP places strong emphasis on this culture & promotes an 'All DNP' approach that harnesses the group's collective strengths. Initiatives include cross-divisional exchanges & internal spaces for presenting concept ideas & products under development.

By combining technologies through P&I & actively exchanging ideas, challenges & expertise, DNP drives new value creation that tackles societal issues - its core concept of 'P&I Innovation'. To support these efforts, the company established the P&I LAB as a collaboration hub.

Research & Development

R&D is core to DNP's business model, which is based on combining its multiple technological foundations to expand. **The company consistently invests ~2.5% of sales in R&D**, allocating spending selectively: mature areas like printing receive minimal investment, whilst growth fields such as Electronics account for a larger share, with R&D at ~4.0%-4.5% of divisional sales.

In addition, ~60% of total R&D spending is recorded at the corporate level rather than allocated to individual business units. The headquarters houses the Technology Development Centre, the R&D & Business Promotion Centre, & the Advanced Business (AB) Centre. These organisations lead mid- to long-term research initiatives for developing new products, production processes, digital & manufacturing technologies, & evaluation methodologies.

According to the Nikkei's patent technology competitiveness ranking, which **assesses how highly a company's patents are valued by industry peers**, DNP ranks 2nd among all Japanese companies.

Furthermore, **DNP develops its own production technologies, equipment, & systems in-house, covering everything from design & manufacturing to installation & maintenance**. By deliberately avoiding patents for these core processes, the company maintains a 'black-box' manufacturing ecosystem that is extremely difficult for competitors to imitate. This strategy underpins several of DNP's world-leading products, including optical films for displays, LiB battery pouches, dye-sublimation type thermal transfer media, & metal masks for OLED production.

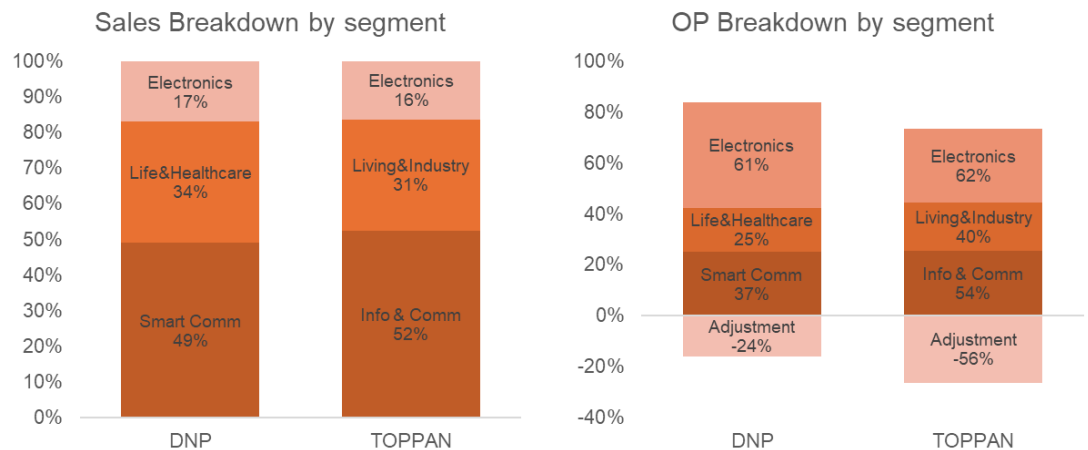
COMPARISON WITH TOPPAN (7911)

- *Divisional comparison:* Similar to DNP, TOPPAN is a comprehensive printing company & together the 2 dominate the Japanese printing industry. Their divisional structures are broadly aligned: DNP's Smart Communication segment (49% of sales) corresponds to TOPPAN's Information & Communication segment (52%), & DNP's Life & Healthcare (34%) to TOPPAN's Living & Industry (31%). Both companies maintain similarly sized Electronics divisions (DNP: 17%, TOPPAN: 16%).

The OP breakdown is also broadly similar, but notable differences remain. DNP's Electronics segment generates ~2x the OP of the other divisions, whereas TOPPAN's OP is more evenly distributed across its divisions, despite the Electronics business being the largest contributor. In addition, TOPPAN records significant expenses such as headquarters costs & basic research at the consolidated level rather than allocating them to individual segments.

On 16th Oct 2025, TOPPAN reclassified Tekscend Photomask (429A), which manufactures semiconductor photomasks & nano imprint moulds, from a consolidated subsidiary to an equity method affiliate. To reflect the exclusion from consolidation, TOPPAN lowered its sales forecast by -¥63bn & OP by -¥13bn. Since this corresponds to 45-50% of TOPPAN's Electronics segment sales, we expect the Electronics segment's share of total sales to fall to <10%.

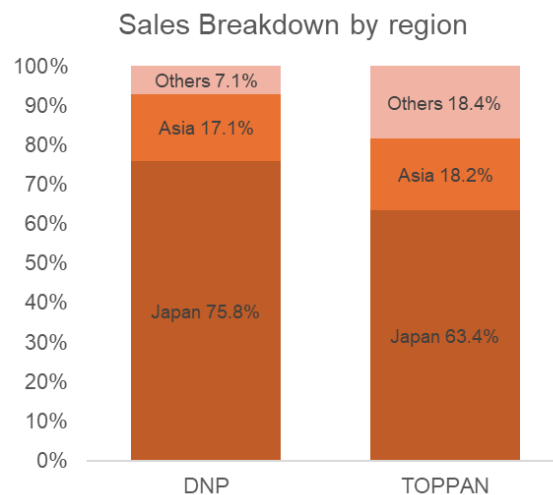
- DNP & TOPPAN sales & OP comparison (FY 3/25):



* Source: Compiled by Storm Research from company data.

- **Regional breakdown:** DNP derives a larger share of its sales from Japan (75.8%) compared with TOPPAN (63.4%). Sales from Asia are broadly similar for both companies, whilst Other regions account for 18.4% of TOPPAN's sales, more than double DNP's 7.1%.

- Regional sales breakdown comparison (FY 3/25):



* Source: Compiled by Storm Research from company data.

- **Focus areas:** DNP concentrates on areas where its core printing technologies give it a competitive edge & allow it to secure the #1 market position. Key businesses include information security (Smart cards, BPO), dye-sublimation type thermal transfer media, high-end automotive HMI, LiB battery pouches, optical films for displays, OLED production metal masks, & semiconductor photomasks. In each of these fields, **DNP holds either domestic or global leadership, reinforced by patents & proprietary production processes that create high barriers to entry.**

In contrast, TOPPAN prioritises Digital Transformation (DX), Sustainable Transformation (SX), overseas lifestyle related businesses, & Electronics. Within DX, the company is expanding across BPO, secure business, marketing DX, digital content, & manufacturing/distribution DX. **TOPPAN does not participate in dye-sublimation type thermal transfer media, where DNP commands an overwhelming market share**

In SX & overseas lifestyle related businesses, TOPPAN holds the #1 market share in transparent high barrier films for food packaging & aims to expand its environmentally friendly packaging, global operations, & overseas building materials.

Conversely, DNP has placed its packaging & living spaces related businesses under a restructuring initiative, prioritising efficiency whilst targeting growth in battery pouches, automotive decorative films, & moulded components. TOPPAN has exited the battery pouch business & does not operate in automotive decorative films or moulded components

- *Semiconductor sector strategy:* Both companies prioritise the semiconductor sector, but their strategies differ. DNP is expanding production capacity, developing advanced EUV photomasks, & driving nano imprint lithography through a mix of in-house innovation & partner collaborations. TOPPAN, by contrast, **spun off Tekscend Photomask (responsible for photomasks & nano imprint) from its consolidated subsidiaries.**







In the semiconductor packaging sector, TOPPAN leverages its strength in high performance semiconductor package substrates, specifically FC-BGA (Flip Chip Ball Grid Array), targeting semiconductor demand for AI servers & network equipment. It is also developing next generation package technologies, including chiplet structures & glass core substrates.

DNP is similarly enhancing its competitiveness through the development of next generation glass core substrates & by investing in Shinko Electric Industries, which possesses advanced semiconductor packaging technology.

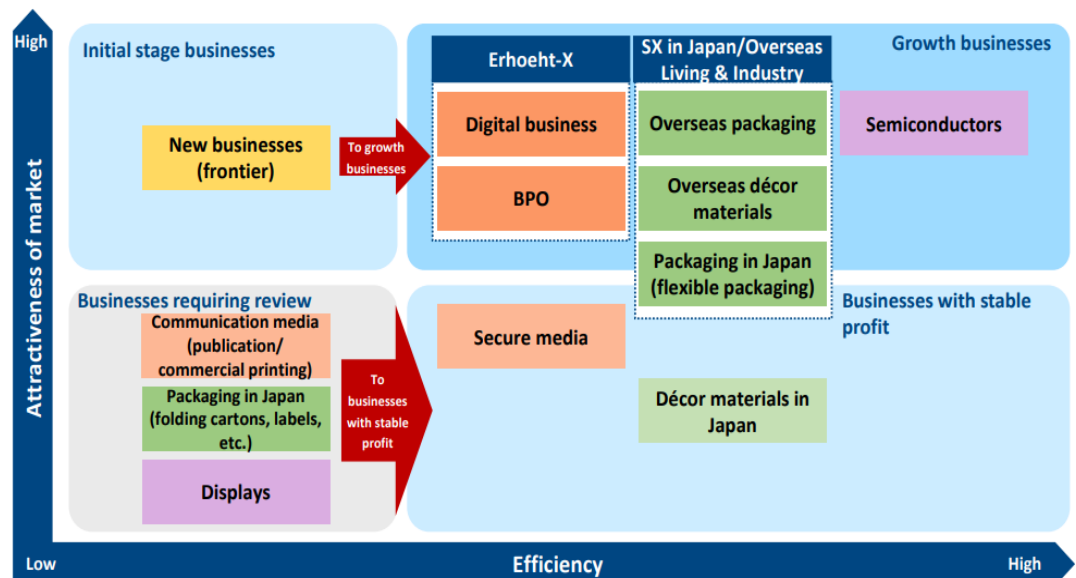
Both companies operate in optical films for displays, but DNP holds a higher market share. For OLED production metal masks, DNP maintains an almost monopolistic position, whilst TOPPAN does not operate in this area.

- *Focus areas: DNP (Figure 1) versus TOPPAN (Figure 2):*

- *Figure 1:*

Business Area	Main Products	
Information Security		Smart cards (No. 1 domestic share)
Photo Imaging		Dye-sublimation thermal transfer printing media (No.1 global market share)
Mobility*1		Automotive interior and exterior decorative films
Industrial High-Performance Materials		Battery pouches (No.1 global market share)
Digital Interfaces		Optical film, metal masks (No.1 global market share)
Semiconductors		Photomasks for semiconductors production (Top-level market share in photomasks for external sales)

- Figure 2:



* Source: Company

- **Cash allocation strategy:** Over the 5-year period from FY 3/24 to FY 3/28, DNP expects >¥440bn operating cash flow, sales of ¥220bn in policy held shares to reduce the holdings to <10% of net assets, & optimisation of idle assets plus utilisation of interest-bearing debt contributing >¥90bn, for a total cash base of >¥750bn. Of this, **>¥390bn is planned for investments, including ¥260bn for focus areas, & ¥300bn is allocated for share buybacks.**

Over the 3-year period from FY 3/24 to FY 3/26, TOPPAN anticipates >¥400bn operating cash flow, asset sales totalling >¥120bn, including the reduction of strategic shareholdings to <15% of net assets, & cash reserves of ¥260bn. The company plans to invest >¥400bn, including ¥300bn in growth areas, >¥140bn in shareholder returns (with ¥100bn in share buybacks), alongside the execution of structural reforms.

Whilst a direct comparison is not possible due to the differing target periods, both companies share the same overarching capital strategy: using operating cash flow & proceeds from cross-shareholding sales to fund growth investments & shareholder returns.

- **Acquisition strategy:** DNP's M&A policy focuses on **acquiring companies with technologies or capabilities that can be combined with its own strengths to create new discontinuous value.**

For example, in 2023, DNP acquired CMIC CMO (purchase price undisclosed). By integrating CMIC CMO's manufacturing technologies with DNP's active pharmaceutical ingredient (API) & pharmaceutical packaging businesses, DNP now offers end-to-end services from API production to contract manufacturing.

Similarly in 2024, DNP acquired Resonac Packaging (purchase price undisclosed). By combining DNP's converting technologies (processing & productization techniques) & high-quality standards with Resonac's expertise in LiB battery packaging for IT & ESS applications (material development capabilities cultivated as a chemical manufacturer), the company aims to enhance competitiveness in battery pouches.

In contrast, TOPPAN typically pursues acquisitions to gain market entry & expand scale, meaning its cash outlays for M&A are significantly higher.

Notable examples include the purchase of German Interprint to grow its overseas building materials business (¥48bn, 2019), the acquisition of US InterFlex to enter the European & US converting markets (¥14.3bn, 2021), & the acquisition of SONOCO's flexible packaging & thermoformed container operations in the Americas to establish customer & manufacturing bases (provisional ¥275.8bn, 2025).

- *Financial metrics comparison:* DNP's market capitalisation is ¥1.3trn versus TOPPAN's ¥1.2trn, & both companies trade at ~14x P/E. Sales growth over the past 2 years has been in the low single digits for both, but TOPPAN's 5 year CAGR of +2.9% is higher due to the impact of aggressive acquisitions, with +5.5%YoY growth in FY 3/22 & +5.9%YoY in FY 3/23.

DNP's FY 3/25 OP was ¥93.6bn with a 6.4% OPM, surpassing TOPPAN's OP ¥84.1bn with 4.9% OPM. DNP's 5-year EPS CAGR is also higher at 15.2%, versus 2.5% for TOPPAN.

DNP invests ~2.5% of sales into R&D, whilst TOPPAN invests 1.6-1.7%, underscoring DNP's higher R&D intensity. Conversely, capex is higher at TOPPAN, in the high single digits as a percentage of sales, versus ~5% for DNP.

Working capital is slightly lower at DNP, whilst both companies' operating & free cash flows fluctuate by year. In FY 3/25, DNP generated ¥75.6bn free cash flow, & TOPPAN recorded - ¥58.3bn.

ROIC is broadly similar for both companies, but DNP outperforms TOPPAN on ROE, ROA, & asset turnover. On capital structure, DNP shows modestly lower leverage, with slightly better Debt/Equity & Debt/EBITDA ratios.

TOPPAN's payout ratio stands at 18.7%, slightly above DNP's 15.6%. Its total shareholder return ratio is also higher, underscoring stronger returns for TOPPAN.

Whilst DNP's shareholder returns are somewhat lower, **the company outperforms TOPPAN in terms of profitability as well as capital & asset efficiency.** Given that both companies are currently valued at similar levels, there appears to be room for a rerating.

- Comparison of DNP & TOPPAN key metrics:

(JPY Billions)	DNP			TOPPAN		
Market cap	1,446.8			1,373.3		
P/E	15.3			15.7		
P/B	1.1			1.0		
(as of 5 th January 2026)						
	FY 3/23	FY 3/24	FY 3/25	FY 3/23	FY 3/24	FY 3/25
P/L						
Sales	1,373	1,425	1,458	1,639	1,678	1,718
- YoY	2.2%	3.8%	2.3%	5.9%	2.4%	2.4%
- 5 yr Sales CAGR	-0.6%	0.3%	0.8%	2.4%	2.8%	2.9%
OP	61.2	75.5	93.6	76.6	74.3	84.1
- Margin	4.5%	5.3%	6.4%	4.7%	4.4%	4.9%
Diluted EPS	160.6	221.5	238.9	185.1	231.0	296.0
- YoY	-9.7%	37.9%	7.8%	-49.3%	24.8%	28.2%
- 5 yr EPS CAGR	28.8%	n/a	15.2%	-5.7%	13.9%	2.5%
Investment						
R&D	32.5	35.2	37.6	26.6	27.8	26.9
- % Sales	2.4%	2.5%	2.6%	1.6%	1.7%	1.6%
CAPEX	78.0	68.3	76.6	92.1	113.4	167.9
- % Sales	5.7%	4.8%	5.3%	5.6%	6.8%	9.8%
Cash flow						
Working Capital	260.2	289.1	291.8	320.2	384.4	401.6
- % Sales	18.9%	20.3%	20.0%	19.5%	22.9%	23.4%
Operating CF	38.0	72.6	132.7	106.1	157.1	64.8
- % Sales	2.8%	5.1%	9.1%	6.5%	9.4%	3.8%
Free CF	-12.3	13.1	75.6	40.7	75.4	-58.3
- % Sales	-0.9%	0.9%	5.2%	2.5%	4.5%	-3.4%
Capital Efficiency						
RoE	7.9%	9.9%	9.6%	4.5%	5.4%	6.6%
RoA	4.6%	5.9%	5.7%	2.7%	3.2%	3.6%
RoIC	2.1%	3.0%	2.2%	3.1%	2.9%	2.3%
Asset Turnover	0.7x	0.8x	0.8x	0.7x	0.7x	0.7x
Capital Structure						
Equity Ratio	59.4%	59.6%	59.2%	59.2%	58.2%	51.4%
Debt/Equity	13.8%	14.8%	15.0%	16.5%	14.2%	34.4%
Debt/EBITDA	1.6x	1.3x	1.5x	1.9x	2.3x	1.6x
Net debt	-93.3	-50.9	-79.2	-207.9	-281.5	-301.4
Shareholders Return						
Dividend per share	32.0	32.0	38.0	46.0	48.0	56.0
Dividend payout	19.7%	14.2%	15.6%	24.9%	20.7%	18.7%
Total payout	49.9%	94.0%	74.2%	52.7%	81.2%	133.6%

* Source: Compiled by Storm Research from company data & Bloomberg.

EARNINGS

Historical performance

Following the Lehman Shock, DNP's sales growth was nearly flat due to printing related weakness amid a sluggish publishing market & packaging business decline. The Electronics division faced earnings volatility due to fluctuations in display shipments & semiconductor demand, & its relatively small contribution was unable to offset overall weakness.

Since FY 3/23, sales growth has risen to the low single digits, driven by an expansion in IT & automotive LiB battery pouches within the Life & Healthcare segment, demand recovery for optical films for displays, OLED production metal mask & semiconductor photomask growth. Price pass-throughs in response to raw material cost inflation also supported sales across divisions.

The OPM had historically remained at ~3%, but **high-margin focused business expansion, cost reductions in foundational & restructuring segments, structural reform**

progress, & favourable FX effects lifted it to 6.4% in FY 3/25. A key driver was GPM improvement from ~19% to 23.2% by FY 3/25.

From FY 3/23 to FY 3/26 (company forecast), DNP primarily attributes the total +¥32.8bn OP improvement to focused business expansion (+¥17.0bn) & structural reform benefits (+¥18.5bn).

With OP improvement, NP increased from the mid-2010s level of ¥20–30bn to ~¥111bn in both FY 3/24 & FY 3/25. Securities gains from policy held share sales totalled ¥69.9bn in FY 3/24 & ¥93.8bn in FY 3/25 & the company also recorded one-off gains from fixed asset sales related to structural reforms, pension plan revisions, & reversals of provision for remedial measures.

These gains were partly offset by impairment losses of ¥108.6bn recorded across FY 3/24 & FY 3/25.

1H 3/26 earnings

- *Sales*: 1H 3/26 sales increased +4.3%YoY to ¥738.7bn, boosted by increased awareness & adoption of new printers, which drove stronger-than-expected demand for photo printing materials. Additionally, the BPO business contribution was above plan due to large scale project contracts.

- *Focus business performance*: Battery pouches recorded growth supported by EV market recovery & increased supply to new factories of battery manufacturers. IT related pouches also performed strongly, supported by subsidy programs in China, which stimulated smartphone & tablet sales.

Optical films benefited from larger panel sizes, which expanded the shipment area, whilst OLED production metal masks contributed significantly, driven by broader OLED adoption & the commencement of production at the new Kurosaki plant line. Conversely, semiconductor photomasks experienced a slight 1H sales decline.

- *Restructuring business*: Sales declined in printing related operations such as magazines, reflecting ongoing contraction in the print media market, as well as in marketing services. Conversely, packaging performed well, with strong demand for paper cups, microwaveable packaging, & PET bottle aseptic filling systems, driving sales growth.

- *OP*: 1H 3/26 OP increased +22.2%YoY (+¥8.5bn YoY) to ¥46.6bn, with the OPM improving +0.9ppt YoY to 6.3%.

Improvements in the foundational & restructuring businesses contributed significantly, accounting for ¥15.3bn of OP. Gains were also driven by imaging communication, supported by the launch of the new printer, as well as BPO projects, which will be set to be reclassified as focus businesses from FY 3/27.

Cost reduction initiatives in the restructuring business, including in publishing, packaging, & the living related segment, also made a significant contribution. Furthermore, in publishing, commercial, & packaging printing, as well as interior materials for living spaces, the company has **selectively declined orders where customers were unwilling to accept price increases, thereby supporting margin improvement.**

The OP contribution from focus businesses was relatively modest at +¥2.7bnYoY. OP growth was supported by OLED production metal mask & optical film expansion, & battery pouch recovery. Conversely, semiconductor photomasks recorded a slight sales decline & higher fixed costs associated with active investment also constrained overall OP expansion.

- *Cost increases*: Rising raw material & labour costs reduced OP by -¥2bn, but the negative impact was smaller than the company's initial expectation due to below plan raw material price increases (for example, naphtha) & progress in passing on costs to customers.

Conversely, other expense related factors reduced OP by -¥5.6bn, exceeding DNP's expectations, primarily due to higher than anticipated development costs.

- *NP*: 1H 3/26 NP declined -32.7%YoY to ¥60.4bn, primarily due to lower gains from the sale of policy held shares, which fell from ¥61.7bn in FY 3/25 to ¥40.2bn, & the absence of significant fixed asset sale gains, which had contributed ¥10.5bn in the previous FY.

- *FY 3/26 outlook*: Whilst 1H results effectively exceeded expectations, the company has maintained its FY plan of ¥1.5trn sales, ¥94bn OP, & ¥90bn NP. Among the 3 divisions, only Life & Healthcare's OP forecast was revised upward from ¥28.0bn to ¥30.0bn, whilst the total negative adjustment was increased to preserve the overall consolidated plan.

The company revised its assumed FX rate from ¥/\$140 to ¥/\$144, which it expects to boost OP by +¥2.0bn. The FY tariff impact was revised from an initial -¥0.5bn assumption to -¥2.2bn, thereby increasing the negative effect by ¥1.7bn & almost fully offsetting the positive FX impact. The company assumes tariffs exert primarily indirect effects, such as weaker customer sales resulting from higher end product prices.

SMART COMMUNICATION

(JPY Millions)	FY 3/25 CoE	YoY	FY 3/25 Results	YoY	1Q 3/26 Results	YoY	1H 3/26 Results	YoY	FY 3/26 CoE	YoY
Sales	712,000	-1.0%	713,977	-0.5%	175,548	0.7%	356,737	3.2%	730,000	2.2%
OP	32,000	22.3%	34,667	32.5%	5,996	3.3%	14,768	16.9%	33,000	-4.8%
OPM	4.4%	0.5%	4.9%	1.2%	3.4%	0.1%	4.1%	0.5%	4.5%	-0.3%

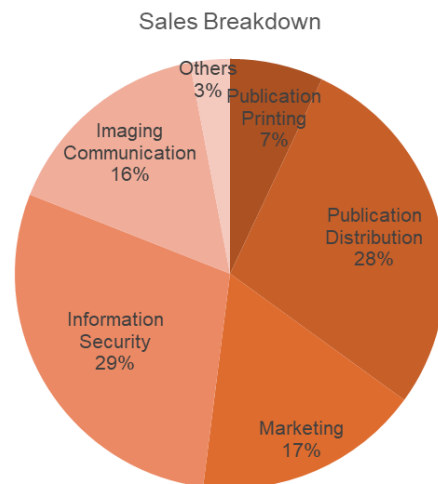
Business overview

The Smart Communication division encompasses the company's founding business of books & magazines (Publication Printing), the management & operation of bookstores & libraries, & book sales to libraries through listed subsidiary Maruzen CHI Holdings (Publication Distribution).

It also includes Marketing services supporting promotions & customer analysis, Information Security covering Smart cards, BPO, & authentication services, Imaging Communication comprising dye-sublimation thermal transfer products & photo services, as well as the newly established Content/XR Communication business.

The sales breakdown by business segment is as follows: Publication Printing 7%, Publication Distribution 28%, Marketing 17%, Information Security 29%, Imaging Communication 16%, & New Businesses including Content/XR Communication & others 3% (as of FY 3/25).

- Sales breakdown by business segment (FY 3/25):



* Source: Compiled by Storm Research from company data.

The company positions Information Security & Imaging Communication as foundation businesses that generate stable cash flow, supported by steady sales & high profitability. Content/XR Communication is designated as a new business. But, in light of the high growth potential associated with global expansion, Information Security & Photo Imaging (within the Imaging Communication business) will be reclassified as focus businesses beginning with the next MTP (from FY 3/27).

Meanwhile, the printing related business has been classified as a restructuring business in response to the ongoing shift towards digital media & the contraction of paper-based media. The company is implementing structural reforms, including the optimisation of manufacturing sites for commercial printing, the reduction of fixed costs, & the reorganisation of operations.

Marketing is also classified as a restructuring business, as the market for paper-based media such as catalogues, flyers, & brochures continues to shrink.

Focus businesses

- *Information security*: DNP plans to reclassify this segment as a focus business beginning with the next MTP (from FY 3/27). The foundation businesses comprise Smart cards & BPO (Business Process Outsourcing) services for corporate operations. In addition, the company is developing new businesses, including factory security solutions, 3D Secure, & AI-related products.

- *Smart cards (left), BPO Business (right)*:



* Source: Company

- *Smart cards*: Smart cards are based on DNP's information processing & security technologies, originally developed through its printing business. **As of FY 3/24, it held a leading domestic market share of ~55%.** Competitors include TOPPAN & Kyodo Printing (7914), but the competitive environment has remained largely stable.

- *Rubicon acquisition*: In Jul 2025, DNP acquired 75% of Rubicon SEZC, aiming to drive growth through overseas expansion. Rubicon primarily provides government ID authentication services in emerging markets, offering a one stop solution for business consulting, biometric registration & authentication devices, software, maintenance & support.

By combining DNP's authentication & security technologies with Rubicon's biometric capabilities, the company aims to expand its government ID authentication business overseas & targets cumulative sales of ¥140bn by FY 3/31.

- *BPO*: The BPO segment manages corporate processes & operations on behalf of clients. The business originated from DNP's Smart card business that ranges from card production to attaching cards to carrier sheets, enclosing them with required documents, sealing, & delivering to the postal service. This foundation enabled DNP to build expertise in personal information management & large-scale operational tasks.

DNP has extended its expertise beyond Smart cards by offering services such as writing & transmitting customer data to cards, managing account opening procedures for financial institutions, & handling government application processes.

- *Factory security & AI-related products*: Whilst current sales from these initiatives remain limited, DNP is focusing on factory security solutions in response to rising cyberattacks on manufacturing sites, security solutions for small & medium sized enterprises with limited safeguards, & business applications leveraging AI.

DNP projects a ~+7% sales CAGR from FY 3/25 to FY 3/29, supported by overseas expansion of Smart card & ID authentication services, domestic BPO operations growth, & new business development.

- *Imaging Communication*: The segment provides dye-sublimation type thermal transfer products for photo printing & photo services, with dye-sublimation products accounting for roughly 2/3rds of sales. Within the segment, Photo Imaging, covering photo-related products & services using dye-sublimation thermal transfer technology, is going to be positioned as a focus business beginning with the next MTP (from FY 3/27).

- *Dye-sublimation type thermal transfer products (left) & photo services (right)*:



* Source: Company

These products are provided to business customers & include printers & consumables such as ink ribbons & receiving sheets. In the dye-sublimation process, dyes in the ink ribbon are

heated until they sublime & are transferred onto coated receiving sheets, which fix the dyes. **Compared with inkjet printing, this method enables smoother gradation expression.** DNP applies its printing-derived converting (material processing) technology in the process.

The business derives the majority of sales from consumables (colour ink ribbons & receiving sheets) rather than printer units. The US is the largest market, where photo printing remains a common consumer habit, with customers frequently using services at drugstores & similar outlets.

- *Dominant global share:* **DNP's dye-sublimation type thermal transfer products command a dominant 70% global market share**, underscoring its competitive strength. This leadership is supported by advanced technology rooted in its printing expertise & reinforced through strategic acquisitions. The transfer of Konica Minolta's (4902) photo business & Sony's (6758) digital photo printer business expanded sales channels, enhanced development capacity, & strengthened brand recognition, further boosting competitiveness.

DNP has shipped a cumulative 680,000 printers, with over 300,000 units currently in operation across >100 countries. The company estimates >4.8bn photos are printed annually using its printers. This **widespread adoption, combined with an extensive dealer network, creates a significant barrier to entry for competitors**

Given DNP's dominant share in dye-sublimation type thermal transfer products, its primary competition comes from inkjet printers. Whilst inkjet systems offer cost advantages, dye-sublimation printers deliver high quality, vivid prints with superior colour accuracy & are particularly suited to large format output. As demand for high quality & large format photos increases, we expect dye-sublimation printer demand to expand further.

The company estimates global photo prints are likely to remain roughly flat at ~50bn annually, but **it expects the shift from wet (silver halide) printing to dry printing to drive sales growth.** Wet printing requires photo paper to react with chemicals to develop the image, raising health & environmental concerns regarding chemicals & waste. As a result, the market is gradually moving towards dry printing. DNP also aims to expand its presence in emerging markets such as China, India, the Middle East, & Africa.

DNP forecasts a FY 3/25–FY 3/29 sales CAGR of ~+3.1%, driven by rising demand from the shift to dry printing & expansion into emerging markets. It expects high value-added products such as new printers, & productivity improvements through factory automation & cost reductions to support **OP growth outpacing sales, with a ~+6.7% anticipated OP CAGR.**

- *Content/XR communication:* Content/XR Communication is a new business area. It capitalises on DNP's strong publisher relationships built through publication printing, expertise in print data conversion & colour adjustment, & high-resolution 3D capture & archiving. The segment currently contributes <3% of Smart Communication sales.

The Content business leverages IP from publishers, anime companies, & game developers, such as manga characters, to develop merchandise, organise events, & conduct related activities.

The XR business focuses on creating metaverse & game environments, whilst also offering proprietary services, including metaverse spaces for schools & local governments.

At the 2024 IR Day, the company projected a ~+25% sales CAGR between FY 3/23-FY 3/27 across the combined Content & XR businesses.

1H 3/26 Smart Communication earnings

- *Sales*: 1H sales reached ¥356.7bn +3.3%YoY. Strong Imaging Communication growth, driven by the new printer launch, & large project wins in Information Security's BPO business offset declines in magazine printing & Marketing, reflecting the ongoing contraction of the print media market.

- *Imaging Communication*: **The new printer launched in Jun 2024 has gained greater recognition & understanding of its added value**, with printer & recording media sales in North America exceeding expectations. Given the demand peak during the Oct-Dec North American holiday season (reflected in the 4Q), DNP expects demand to expand further in the 2H. From FY 3/27 onwards, sales are set to gradually expand to Europe, Asia, & other regions.

The new DS820DX printer supports large sheet output, double-sided printing, & photo book creation. Initially, its higher price slowed adoption, but from 2Q 3/26 sales began to accelerate. Whilst the previous model offered large sheet printing, it lacked double-sided & photo book functionality. No other competitor's dye-sublimation type printer combines large area printing, double-sided capability, crease functionality, & photo book support, giving the DS820DX a strong competitive edge.

ID card ink ribbon demand remained subdued until the 1H 3/25 due to inventory adjustments, as manufacturers had over-ordered in anticipation of a post-COVID recovery & supply concerns. With inventories now normalised, demand is recovering.

- *Information Security*: Smart card sales declined YoY, but large scale BPO project acquisitions supported sales growth. The company expects these projects to drive further 2H sales expansion. As the newly acquired Rubicon is set to be consolidated from the 3Q, its impact was not reflected in 1H results.

- *Publication*: Despite the ongoing market contraction for magazines & similar media, sales increased YoY due to strength in Expo 2025 official store operations & in library management operations, which are handled by subsidiary Maruzen CHI Holdings (3159).

- *Marketing*: Sales declined due to the shrinking market for paper-based media such as catalogues, flyers, POP (point of purchase) materials, & in-store displays. The business is focusing on solutions that integrate digital marketing with DNP's manufacturing strengths to maximise the effectiveness of customer initiatives.

- *Content/XR communication*: Content business sales declined YoY due to the absence of large scale event projects that had boosted the previous year. In contrast, the XR business drove sales growth by launching new services within the municipal focused 'Metaverse City Hall' offering & by development & operation of the official Expo 2025 metaverse space, resulting in overall segment growth.

- *OP*: 1H OP increased 16.9%YoY to ¥14.7bn, with the OPM improving +0.5ppt to 4.1%. The main driver was a ¥5.8bn contribution from the foundational & restructuring businesses, including sales growth from the new printer & large scale BPO project acquisitions. These businesses are set to be reclassified as focus areas from FY 3/27.

Restructuring business performance improved through fixed cost optimisation in the publishing segment over recent years, as well as the Apr 2025 integration of the sales, plate making & production functions within the publishing printing division, which is expected to generate annual cost savings of ~¥4.0bn. In both publishing & commercial printing, selective order acceptance is implemented, with orders declined when customers do not accept price increases.

In addition, in Oct 2025, in the Marketing segment, 2 subsidiaries were integrated to consolidate expertise & functions, optimise assets & personnel, & strengthen competitiveness. The company expects this reorganisation to lead to **a ¥1.0bn OP contribution in the 2H 3/26 & an additional ¥1.0bn in the 1H 3/27.**

Conversely, focus businesses slightly tempered OP growth. Content/XR communication segment sales declined due to the YoY absence of large scale projects, which negatively impacted OP.

LIFE & HEALTHCARE

(JPY Millions)	FY 3/25 CoE	YoY	FY 3/25 Results	YoY	1Q 3/26 Results	YoY	1H 3/26 Results	YoY	FY 3/26 Original CoE	YoY	FY 3/26 Revised CoE*	YoY
Sales	500,000	5.9%	495,855	5.0%	127,124	2.9%	258,315	6.3%	517,000	4.3%	517,000	4.3%
OP	23,000	72.3%	23,789	78.2%	9,528	99.1%	18,149	100.5%	28,000	17.7%	30,000	26.1%
OPM	4.6%	0.8%	4.8%	2.0%	7.5%	3.6%	7.0%	3.3%	5.4%	0.6%	5.8%	1.0%

* Revised on 1H results

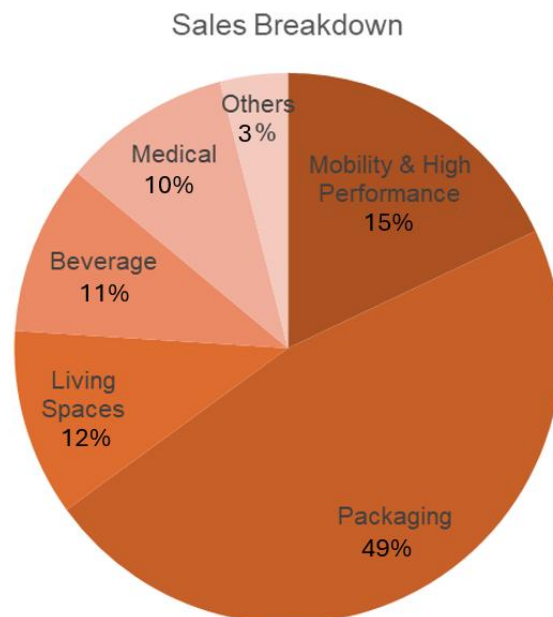
Business overview

The Life & Healthcare segment encompasses a broad range of businesses:

- The Mobility & High Performance area provides battery pouches for automotive & IT lithium ion batteries, as well as decorative films & moulded components for vehicle interiors & exteriors.
- The Packaging business supplies materials for food, beverages, & daily necessities, along with PET bottle aseptic filling systems.
- The Living Spaces area covers decorative materials for building interior & exterior, flooring, & furniture.
- The Beverage business, managed by subsidiary Hokkaido Coca-Cola Bottling (2573), handles beverage production & sales in Hokkaido.
- The Medical business includes pharmaceutical manufacturing & medical packaging.

In FY 3/25, Mobility & High Performance accounted for 15% of divisional sales, Packaging 49%, Living Spaces 12%, Beverage 11%, Medical 10%, & Others 3%.

- Business sales breakdown (FY 3/25):



Source: Compiled by Storm Research from company data

DNP has positioned Mobility & High Performance as a growth driving business & Medical as a new business.

It has categorised Packaging, Living Spaces, & Beverage as restructuring businesses, implementing reforms such as the closure of Packaging sites & the integration of Living Space related operations into Mobility. Certain areas of the Packaging business, such as aseptic filling systems, hold the #1 domestic market share & deliver strong profitability & are therefore not subject to structural reform.

Focus Business

- **Mobility:** Mobility accounts for just under 17% of Mobility & High Performance. It provides decorative films for automotive interior & exterior applications, as well as moulded components produced by group company DNP Tamura Plastic & Feb 2025 acquisition DNP Hikari Kinzoku.

- Automotive decorative films (left), high end HMI (Human Machine Interfaces) (right):



* Source: Company



Decorative films for automotive interiors are applied across multiple components, including steering wheel switch panels, instrument panels, centre consoles, & door trims.

With vehicles becoming increasingly multifunctional, featuring more displays, control switches, & instruments, & interiors evolving from driving spaces into living spaces, DNP anticipates strong growth in high-end Human Machine Interfaces (HMIs). To capture this trend, the company is developing next generation decorative panels that combine aesthetic design with display & control functionality.

DNP anticipates increasing adoption of exterior films replacing traditional painting. **These films provide added value for customers, such as process simplification & CO₂ reduction.** Exterior films have already been supplied for the roof sections of certain vehicle models, & DNP plans to expand proposals to cover full body film replacements in future.

- Competition: The main competitors are NISSHA (7915), Germany's KURZ, & Chinese manufacturers. As these companies maintain strong relationships with OEMs, major share shifts are unlikely.

The high-end HMI market remains small, but DNP's strength lies in its ability to address both interior decorative films & HMIs. The company plans to collaborate with OEMs to establish industry standards.

- *Moulded components:* In 2022, DNP acquired Tamura Plastic Manufacturing, which handles side visors. In Feb 2025, it acquired HK HOLDINGS, the parent company of Hikari Kinzoku, which produces moulded components such as control panels, steering switches, & switch panels.

HK Holdings' consolidated revenue for the fiscal year ending January 2024 was approximately ¥3.79 billion, & operated facilities in Nagoya, Gifu, & China, supplied mainly major Japanese OEMs & local Chinese OEMs. DNP is developing high value-added interior components by integrating its light transmitting decorative films with Hikari Kinzoku's moulded parts. In addition, combining Hikari Kinzoku's customer base with DNP's sales network is expanding the reach of moulded parts, & proposals to overseas OEMs are being actively pursued.

- *Moulded parts (DNP Hikari Kinzoku):*



* Source: Company

In addition, against the backdrop of vehicle electrification & autonomous driving, DNP is exploring market entry into areas such as wireless power transfer coils, software development, car sharing, & autonomous driving systems.

Leveraging new products for high end HMIs, including interior & exterior films & moulded parts, as well as new EV & autonomous driving related businesses, **DNP targets a +18% sales CAGR between FY 3/25-FY 3/29.** Due to the particularly large FY 3/26 impact of the acquisition of DNP Hikari Kinzoku, we estimate that a sales CAGR over the subsequent 3 years (FY 3/26-FY 3/29) is projected at ~+14-15%.

High-end HMI components, with their advanced design & functionality, deliver higher added value compared with conventional decorative films & standard moulded parts, & are likely to enhance profitability.

- *Battery pouches*: Battery pouches account for >50% of the Mobility & High Performance segment. DNP manufactures laminated battery pouches for automotive, IT (such as smartphones), & ESS (residential energy storage) applications, with ~60% destined for automotive use.

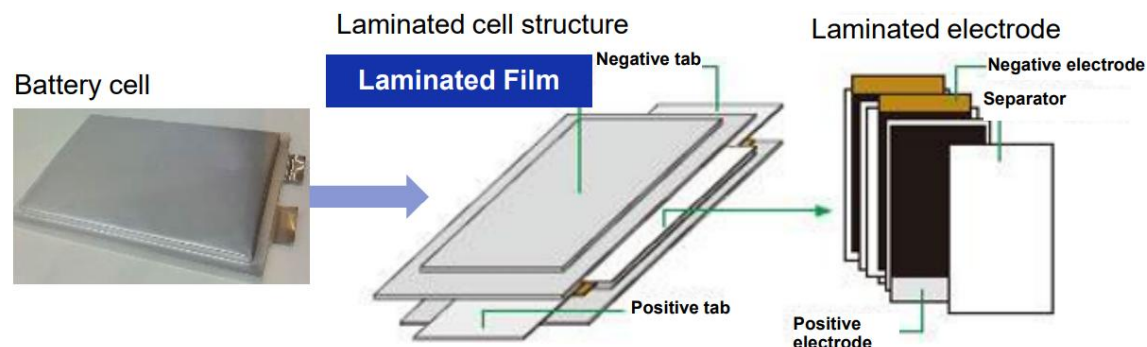
Key automotive customers include LG Chem, SK Innovation subsidiary SK On, & AESC (80% owned by China's Envision, 20% by Nissan), with the main application being installation in vehicles produced for Europe & the US. Conversely, as laminated battery pouches are not widely used in the Chinese market, supply volumes to Asia remain limited.

- *Automotive & IT Battery Pouches*:



* Source: Company

- *Laminated Cell Structure*:



* Source: Company

- *Technological advantage*: DNP developed its battery pouches by leveraging technology originally used for food retort pouches. Similar to food packaging, the pouches require airtightness to prevent electrolyte leakage, barrier properties to block external moisture, & heat/environmental resistance to ensure durability under harsh conditions.

As the manufacturing process has advanced from that for food products & production equipment are made inhouse, DNP enjoys a significant technological & production advantage.

- *Competition*: **DNP holds a 90% market share for automotive LiB battery pouches & 60-70% for IT applications.** TOPPAN, through its joint venture with Toyo Seikan (5901), T&T

Enertechno, had offered laminated soft packs & rectangular hard packs, but sold its laminated soft pack business to China's Selen Technology in 2016. South Korea's YoulChon Chemical also competes in this space.

The company expects significant automotive LiB battery pouch growth driven by EV expansion, targeting **a +18.4% sales CAGR for FY 3/25-FY 3/29**.

- *US factory plans*: To support the establishment of a US LiB supply chain, DNP acquired land in North Carolina in Nov 2023 for constructing a battery pouch factory aligned with capacity expansion investments by battery manufacturers.

The plant was initially scheduled to begin operations in FY 3/27, but the company has postponed the construction decision due to the end of US EV subsidies, slowing EV demand, & delays in battery makers' factory startups. DNP plans to determine the start of operations based on future trends in EV & LiB demand.

- *Long term*: All solid state batteries, which are likely to adopt pouch type designs, offer significant growth potential & **DNP has already received enquiries from various battery manufacturers for sample provision**.

- *ESS (energy storage systems) market*: DNP acquired Resonac Packaging, which holds a strong position in this sector. In the short term, the company is pursuing synergies such as reducing overlapping functions & common costs, improving yields, optimising facilities, lowering material costs through DNP's procurement strategy, & expanding sales channels to the food business.

In the medium to long term, DNP aims to achieve differentiation & high added value by combining Resonac's material development capabilities with DNP's converting technologies (processing & productization expertise), thereby driving business expansion.

- *Materials for solar cells*: DNP handles encapsulants that protect silicon cells used for power generation in solar panels, as well as backsheets that shield them from external environmental factors. These products account for >10% of the Mobility & High Performance segment.

Both require long-term durability of 20-30 years. Encapsulants need transparency & laminating properties, whilst backsheets require weather resistance & barrier performance.

Leveraging high reliability & quality, DNP is expanding sales in Europe & the US, whilst investing in increased production capacity at the Izumizaki Plant in Fukushima Prefecture. The company expects sales to more than double by FY 3/27 versus FY 3/24 results.

- *Medical*: This segment consists of the Medical Packaging business, which applies technologies developed in the Packaging segment to the medical field, the active pharmaceutical ingredient (API) business launched in 2013, & the drug formulation business of CMIC CMO, acquired in 2023.

- *CMIC CMO*: CMIC CMO, **the 3rd largest CMO (Contract Manufacturing Organization) in Japan, manufactures >300 pharmaceutical products across 6 plants domestically & internationally**. With horizontal specialisation in the pharmaceutical industry, outsourcing of functions other than drug discovery & sales has been advancing.

Through the acquisition of CMIC CMO, DNP can cover the entire value chain from API manufacturing to formulation & packaging, enabling the company to deliver comprehensive value across the healthcare supply chain.

At its 2024 IR Day, the company projected a +9.2% sales CAGR between FY 3/24-FY 3/28.

1H 3/26 Life & Healthcare earnings

- *Sales*: 1H sales increased by +6.3%YoY to ¥258.3bn. Growth was driven by paper cups, microwaveable packaging, & PET bottle aseptic filling systems, as well as higher sales of battery pouches for IT & automotive applications.

- *Mobility*: Sales increased significantly due to the acquisition of Hikari Kinzoku, which handles moulded parts. Within the existing automotive decorative films, interior decorative films grew in the 1H with strong sales in key markets such as North America & Japan, contributing to overall business growth.

Although interior decorative film sales slowed for certain models in the Chinese market in the 2Q, overall performance remained solid. It anticipates a 2H sales recovery through new adoption of light transmissive decorative films for high-end HMI applications & recycling compliant films.

Meanwhile, DNP Tamura Plastic, which manufactures moulded components such as side visors, continued to face weak conditions due to prolonged new vehicle launch cycles, driven by ongoing issues in the domestic automotive industry, including last year's compliance violations & recalls.

Regarding exterior decorative films, proposals are currently focused on rooftop applications, but the company is gradually expanding potential applications to full body film coverage. Internal prototyping & equipment verification are underway, & once the process is validated, customer proposals are likely to accelerate.

- *High performance*: Battery pouches for IT applications recorded steady growth, **supported by Chinese government subsidy programs, with particularly strong demand for new smartphone models**. The consolidation of Resonac Packaging, acquired in Feb 2025, also contributed to sales expansion.

Automotive application sales increased due to market recovery from Oct 2024 & the ramp up of new battery factories at battery manufacturers, which drove additional demand.

Following the end of US EV subsidies, OEMs & battery makers have revised production plans downward, & some battery manufacturers are limiting order volumes, creating the possibility of weaker 2H demand.

For solar cell encapsulants, production increased in 1Q 3/26 due to accelerated orders ahead of US tariffs. Whilst production declined in the 2Q as a rebound effect, overall 1H sales increased.

Demand remains strong, particularly from European & US solar cell manufacturers. To accommodate future demand growth, **the company invested ¥3.0bn in the Izumisaki plant to double encapsulant production capacity**. Operations are scheduled to start in Oct 2025, with utilisation gradually increasing from the 4Q (Jan-Mar).

- *Packaging*: Paper cup demand increased driven by **high margin insulated cups & an environmentally conscious shift from plastic to paper**. Whilst microwaveable packaging volumes remained flat, effective price pass through supported steady sales. PET bottle aseptic filling system sales increased, driven by growing overseas demand, particularly from China since FY 3/25.

- *Living Spaces*: Despite ongoing domestic detached housing market contraction, demand driven by revisions in the Building Standards Act & the Act on the Rational Use of Energy in Buildings limited the sales decline.

- *Medical*: Medical packaging performed well, & domestic pharmaceutical manufacturing by subsidiary CMIC CMO remained solid, contributing to sales growth.

- *Beverage*: Sales increased due to supermarket, vending machine, & online channel strength. Price revisions across key sales channels also contributed to growth.

- *OP*: 1H OP increased 100.4%YoY to ¥18.1bn, with the OPM improving +3.3ppt to 7.0%. Growth was primarily driven by improvements in the foundational/restructuring businesses (resulting in a +¥9.4bn contribution). Focus businesses also had a positive impact through higher battery pouch volumes.

Cost control initiatives, such as reviewing material procurement & improving Packaging production efficiency, **as well as structural reforms in Living Spaces, significantly boosted profitability**.

In Living Spaces, structural reforms included the impairment of factory equipment in FY 3/25, which DNP expects to contribute ~¥1.0bn to OP in FY 3/26.

Additionally, in Oct 2025, Living Spaces & Mobility were integrated. By eliminating overlapping functions & streamlining the production system, **fixed cost optimisation is likely to contribute an additional +¥1.0bn to OP, supporting 2H expansion**.

In Packaging Printing & Living Spaces (interior materials), selective order acceptance is implemented, with orders refused when customers do not accept price increases, boosting profitability.

ELECTRONICS

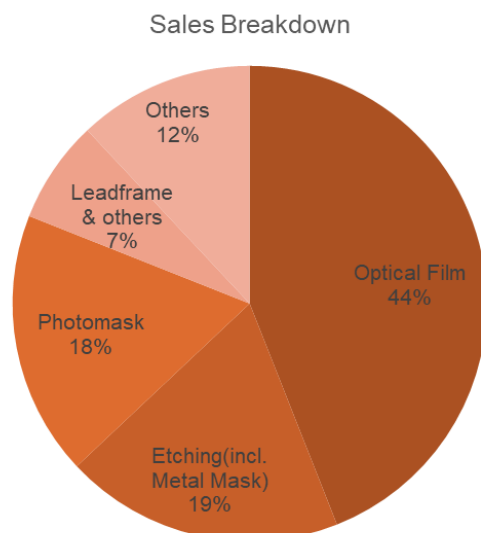
(JPY Millions)	FY 3/25 CoE	YoY	FY 3/25 Results	YoY	1Q 3/26 Results	YoY	1H 3/26 Results	YoY	FY 3/26 CoE	YoY
Sales	245,000	4.1%	247,776	5.3%	63,467	7.7%	123,781	3.4%	255,000	2.9%
OP	55,000	-5.4%	57,363	-1.4%	13,961	1.9%	26,682	-4.2%	57,000	-0.6%
OPM	22.4%	-2.2%	23.2%	-1.6%	22.0%	-1.3%	21.6%	-1.7%	22.4%	-0.8%

Business overview

The Electronics segment is broadly divided into Digital Interfaces, which includes optical films for displays & metal masks for OLED manufacturing, & Semiconductors, which covers photomasks for semiconductors & lead frames for semiconductor packaging materials.

Optical Film accounted for 44% of FY 3/25 sales, Etching (including Metal Masks) 19%, Photomasks 18%, Leadframes 7%, & Others 12%. All of these are positioned as growth driving businesses.

- Sales breakdown (FY 3/25):



* Source: Compiled by Storm Research from company data.

- *Optical films*: DNP provides anti reflection (AR) films, anti glare (AG) films, & retardation (phase difference) films. AR films reduce reflected light by utilising interference between surface reflected & interface reflected light, whilst AG films scatter incident light on a textured surface to minimise glare from external light.

Retardation films are designed to address issues such as colour shifts when viewing a display from an angle & contrast reduction caused by sunlight or other external light. They work by optically compensating the phase difference of light as it passes through the liquid crystal layer.

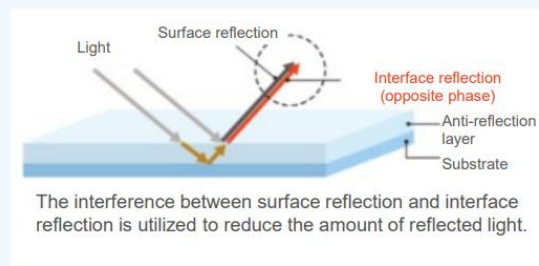
- Role & structure of AR film:

Anti-Reflection (AR) Film



Without AR film

With AR film



* Source: Company

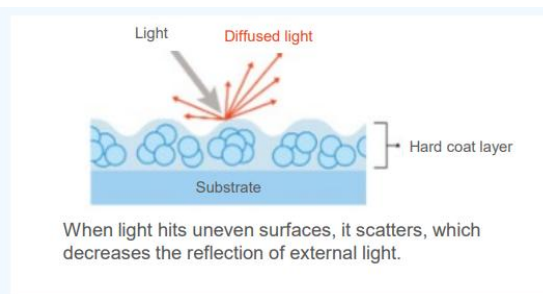
- Role & structure of AG film:

Anti-Glare (AG) Film



Conventional AG

High anti-glare AG



* Source: Company

- *Market position:* DNP has leveraged its precise coating technology, which enables ink materials to be applied thinly & uniformly on substrate surfaces, together with optical control technologies for colour adjustment & light reflection/refraction design, to develop optical films with diverse functionalities.

Backed by this high level of technological competitiveness, **DNP holds a 60% global market share, making it the world's #1.** Competitors include Hefei Xinmei Materials Technology (sold by LG Chem to a Chinese company), TOPPAN, & FUJIFILM (4901).

Between 2025-2030, the company expects the shipment area for TV panels <65 inches to remain flat, & **panels >65 inches to expand at a +6% CAGR, driven by the trend towards larger displays.**

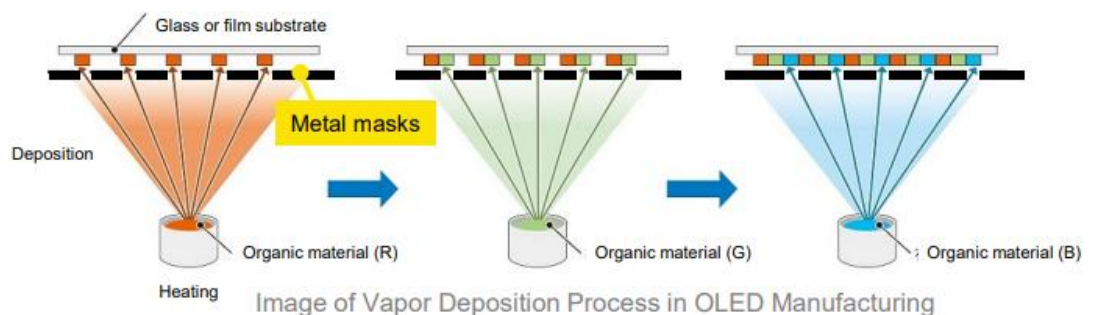
Chinese panel & polariser manufacturers are increasing large format production lines to improve efficiency, driving strong demand for 2,500 mm wide optical films that can efficiently serve 65 inch panels. In response, DNP became the first company in the world to introduce a 2,500 mm wide coating line at its Mihara Plant (Hiroshima) in 2018.

In Sept 2025, DNP expanded its wide format coating capability with an additional 2,500 mm wide line, boosting production capacity by >+15% on an area basis compared with previous levels.

Leveraging growth in display shipment areas & high value-added product expansion, DNP expects the optical film segment to achieve **a ~+3.5% sales CAGR between FY 3/25-FY 3/29.**

- *Metal masks:* DNP is also focusing on metal masks for OLED manufacturing. A metal mask is a thin metal sheet with precisely drilled microscopic holes, used in the evaporation process of OLED production. It is positioned over the display substrate (glass or film) to deposit RGB emissive materials precisely & accurately onto the substrate.

- *Role of metal masks in the OLED evaporation process:*



* Source: Company

DNP uses advanced microfabrication technologies, developed through its experience in creating printing plates for high quality, sharp images, such as photolithography & etching for metal mask production.

Each thin metal material requires tens of millions of micrometer-scale holes to be uniformly perforated, as even slight deviations in hole size can cause defects, making mass production extremely challenging. DNP has independently adapted machinery originally used for making stamps for its metal mask production, **effectively creating a proprietary & fully black boxed process. As a result, competition is minimal, giving DNP a near monopoly.**

The growth drivers for this business are the increasing adoption of OLED displays in smartphones, PCs, tablets, & automotive applications, as well as the trend towards larger display sizes.

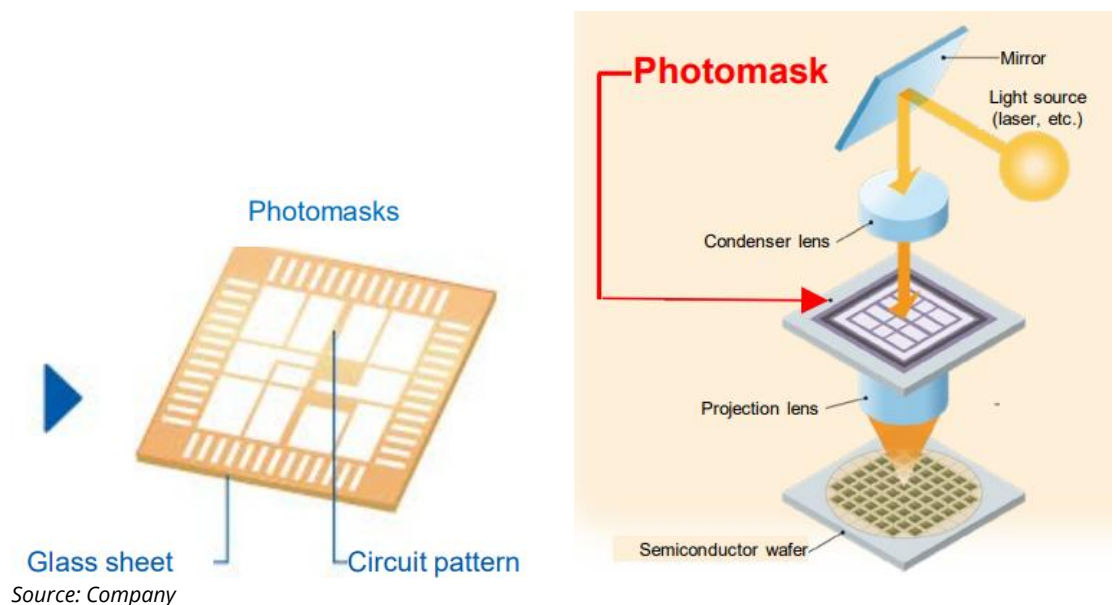
According to market research, **OLED penetration in smartphones is likely to rise from 51% in 2024 to 63% by 2030**, whilst for tablets & laptops it is projected to grow from single digits in 2024 to ~20% by 2030.

In response to increasing demand for larger displays, panel manufacturers are moving towards mass production using 8th generation (G8) glass substrates, which offer higher production efficiency compared with current 6th generation (G6) substrates. **DNP began operating a G8 production line at its Kurosaki Plant (Fukuoka Prefecture) in May 2024 & has since been strengthening its G8 production capabilities.**

OLED manufacturing metal mask sales recorded a temporary decline from FY 3/24 to FY 3/25 due to the completion of development related special demand for new model adoption. The company expects to return to a growth trajectory from FY 3/26, with sales projected to achieve a >+10% CAGR between FY 3/25-FY 3/29.

- *Photomasks for semiconductors:* These are products in which circuit patterns are formed on glass plates, used in the front-end process of semiconductor manufacturing to transfer the circuit onto wafers.

- *Semiconductor photomask (left), role of photomasks in the lithographic process (right):*



DNP leveraged its expertise in precision metal etching & microfabrication, combined with photolithography techniques from its printing business, to successfully prototype photomasks in 1959 & begin full scale production in 1967. Since then, it has continuously enhanced its technology in line with the miniaturisation of semiconductors.

- *Photomask market:* The photomask market is roughly divided into 2 segments: 60-70% produced in house by semiconductor manufacturers & the remaining external market for companies lacking in house capabilities.

In this external market, DNP, Tekscend Photomask (spun off from TOPPAN), & US based Photronics each hold a roughly one third share. As semiconductor manufacturers concentrate resources on the most advanced technologies, the company expects **further outsourcing of existing photomask production, leading to expansion of the external market.**

DNP's current photomask sales are primarily focused on the 22nm-65nm volume production segment & the 8-14nm advanced technology segment.

The company has maintained long-term partnerships, such as the joint venture D.T. Fine Electronics established with KIOXIA in 2000 (DNP 65% & KIOXIA 35%). In Europe, DNP formed DNP Photomask Europe in 2002 through an alliance with STMicroelectronics. As a result, KIOXIA & STMicroelectronics are considered key customers.

DNP is actively expanding into **the most advanced technology segments & is developing photomasks for EUV (Extreme Ultra Violet) lithography.**

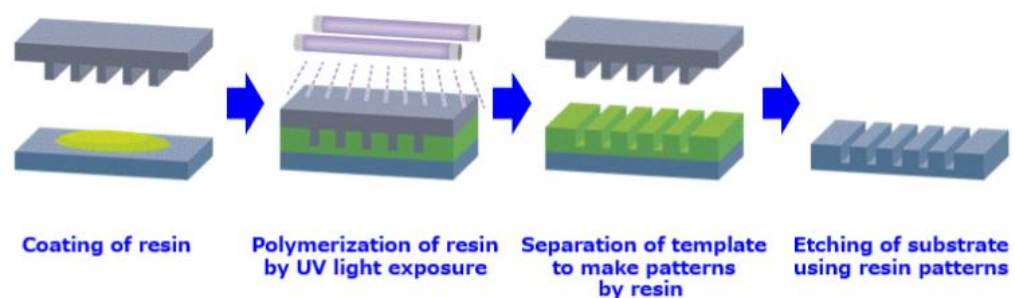
Currently, it is working on 2nm generation photomask development for Rapidus, a semiconductor manufacturer participating in the New Energy & Industrial Technology Development Organization (NEDO) project developing enhanced infrastructures for post 5G information & communication systems. It is establishing a pilot line, aiming to commence mass production from 2027.

DNP has also received increasing enquiries from major semiconductor manufacturers beyond Rapidus, & is collaborating with Imec, a leading international research institute headquartered in Belgium, to advance photomask manufacturing technologies targeting the 1nm generation.

In addition, DNP is **commercialising Nano-Imprint Lithography (NIL), a cost effective mass production process capable of forming nanoscale fine patterns in a single step.** This technique presses a mould with extremely fine relief structures onto a resin applied to various substrates, transferring ultra fine patterns, leveraging DNP's printing technology as the foundation. DNP has been developing NIL templates since 2003.

- Nano-Imprint Lithography process:

Nano-Imprint Lithography process flow



* Source: Company

DNP is jointly developing Nano-Imprint Lithography (NIL) with KIOXIA & Canon (7751) & has succeeded in reducing the power consumption of the exposure process in semiconductor

manufacturing to ~1/10th of conventional levels. This achievement **earned the company the Environmental Award from the National Institute for Environmental Studies.**

NIL is attracting increasing interest from various companies due to its ability to significantly reduce manufacturing costs & CO₂ emissions. Similar to EUV photomasks, DNP plans to begin mass production in 2027, & expects **the start of EUV photomask & NIL mass production to contribute an additional +¥10bn sales in the cutting-edge segment by FY 3/29.**

From FY 3/24-FY 3/26, DNP is executing ¥20 billion in capital expenditures to expand production capacity across all photomask nodes. In addition, to support EUV photomask mass production, NIL commercialisation & further capacity expansion from advanced to volume nodes, the company plans ¥30bn in capital expenditures between FY 3/27-FY 3/29.

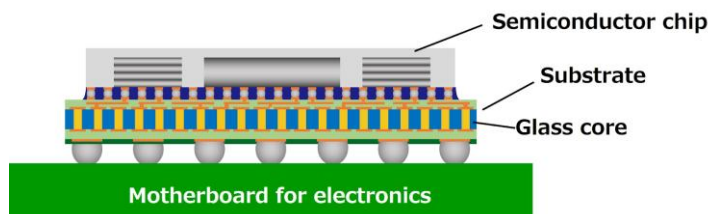
With the combined effect of capacity expansion from advanced to volume nodes & the start of EUV photomask & NIL mass production, **DNP expects an +11.6% sales CAGR between FY 3/25-FY 3/29.**

- *Glass cores for semiconductor packages:* Glass cores are a new advanced packaging material used in the back-end processes of semiconductor manufacturing, leveraging DNP's precision microfabrication technologies & large scale glass substrate handling expertise.

Conventional resin substrates face limitations due to thermal expansion induced warping & surface flatness constraints as semiconductors become smaller & denser.

By switching from resin to glass substrates, warping from temperature changes is minimised, surface flatness is improved, & further miniaturisation becomes possible. Glass also provides excellent insulation, reducing signal loss. These factors are driving the anticipated shift towards glass core substrates.

- *Glass core substrate for advanced packaging boards:*



* Source: Company

- *Shinko Electric:* DNP, together with the Japan Investment Corporation (a public private fund) & Mitsui Chemicals (4183), acquired a stake in Shinko Electric Industries, a subsidiary of Fujitsu. **DNP acquired 15% of Shinko Electric for ¥85bn.**

Shinko Electric is highly competitive in semiconductor package substrates, particularly for advanced applications &, together with competitor Ibiden (4062), holds >80% of the global market. Through this investment, **DNP aims to accelerate the development of glass core substrates.**

Glass core substrates are currently under evaluation by semiconductor manufacturers for mass production applications & the company expects full scale adoption from 2028. DNP plans to implement capital expenditures in line with semiconductor manufacturers' timelines, targeting ~¥30bn sales by FY 3/31.

1H 3/26 Electronics earnings

- *Sales*: 1H sales increased 3.4%YoY to ¥123.8bn. Growth was driven by optical film & OLED manufacturing metal mask strength, whilst semiconductor photomasks recorded a sales decline.

- *OLED manufacturing metal masks*: **Demand was mainly driven by increasing OLED adoption in smartphones.** Development demand for large metal masks compatible with 8th generation (G8) glass substrates, which began production at the Kurosaki Plant (Fukuoka Prefecture) in May 2024, also contributed to sales.

Smartphones, tablets, & laptops are increasingly adopting OLED displays. With the growing demand for larger displays, OLED panel manufacturers are ramping up mass production lines using G8 glass substrates, which offer higher production efficiency than 6th generation (G6) substrates. The company expects this trend to drive expanded demand for metal masks compatible with G8 substrates.

- *Display optical films*: Sales increased steadily, supported by the expansion of panel shipment area due to larger LCD TV panels & demand driven by subsidy programmes under China's economic revitalisation policies. To improve production efficiency amid the trend towards larger displays, DNP installed a wide 2,500mm coating line at the Mihara Plant (Hiroshima Prefecture), which began operations in Sept 2025.

Whilst China's economic stimulus measures are scheduled to end in Dec 2025, **the company expects growth to continue due to the ongoing trend towards larger LCD TV panels.**

- *Semiconductor photomasks*: Sales declined due to operational stoppages for statutory inspections.

In addition to the effects of capital investment, the company anticipates capacity expansion & the normalisation of inventory adjustments for non-AI semiconductors supporting 2H sales recovery.

- *OP*: 1H OP declined 4.2%YoY to ¥26.7bn, with the OPM deteriorating -1.7ppt YoY to 21.6%. Whilst sales increased, higher fixed costs from semiconductor photomask equipment & development investments, alongside rising raw material & labour costs, led to lower OP.

MTP

In Feb 2023, DNP announced its fundamental management policy, aiming to create sustainable business & shareholder value. The company targets **a 10% ROE & a >1.0x PBR as soon as possible.**

To realise its management philosophy & vision, DNP formulated a MTP for FY 3/24-FY 3/26. The plan defined strategies across business, financial, & non-financial areas, targeting ¥130bn OP, ¥1trn shareholders' equity, & a sustained ROE >10%. No specific timeline has been set for achieving these goals.

In the final year of the MTP (FY 3/26), management targets ¥85bn OP & >8% ROE. Actual FY 3/25 OP was ¥93.6bn & the FY 3/26 OP forecast is ¥94.0bn, indicating the company is already exceeding the MTP targets.

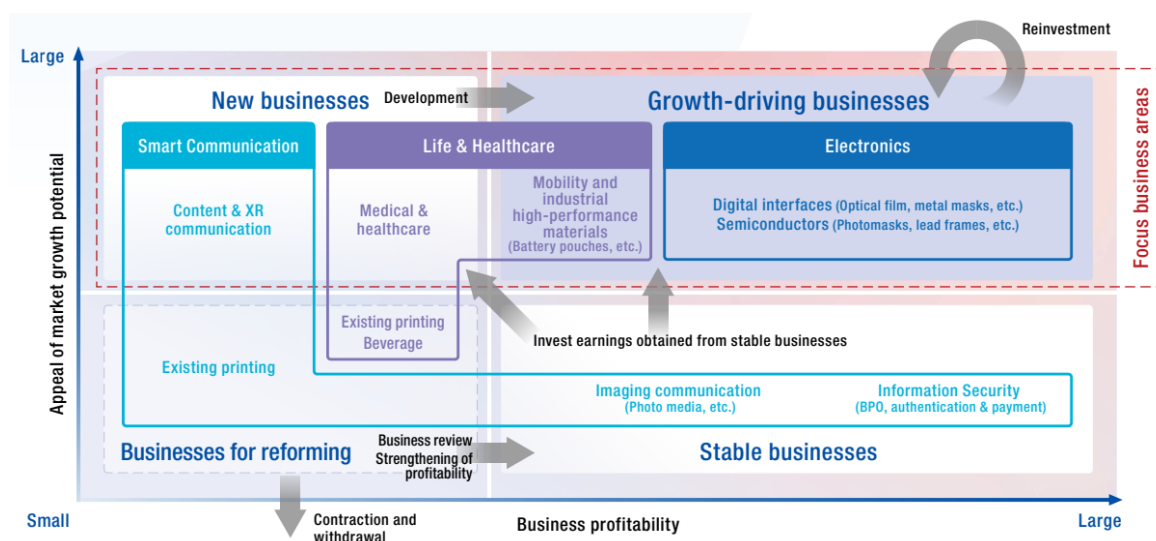
1. Business strategy

DNP classifies its businesses based on market presence, market growth potential, & profitability (ROE).

Businesses are categorised into 3 types: focus businesses, which have high market growth & are positioned as growth drivers or new businesses; foundation businesses, which have lower growth but generate stable cash flow; & reconstruction businesses, which have low growth & profitability & are the target of structural reform.

This portfolio strategy is aimed at driving mid to long term growth.

- Business portfolio strategy:



* Source: Company

- *Focus businesses*: Businesses with high growth potential & favourable market conditions are rated as focus businesses, **targeting >¥260bn in investment over FY 3/24-FY 3/28**.

Those that achieve a certain scale of sales with high profitability are designated as growth driver businesses, including Optical Film & OLED manufacturing Metal Masks (Digital Interfaces), Photomasks & Leadframes (Semiconductors), & Battery Pouches (High Performance).

Conversely, the Content/XR Communication & Medical segments are positioned as new businesses, targeting both expansion & profitability improvement.

- *Foundation businesses*: Foundation businesses are those with relatively low growth potential but high profitability, serving as a stable source of funding for investment into focus businesses. These include Imaging Communication, which handles dye-sublimation thermal transfer recording products, & Information Security, covering Smart cards, BPO, & authentication services.

As DNP expects these businesses to achieve high growth, **it plans to reclassify them as growth driver businesses in the next MTP from FY 3/27**.

- *Restructuring businesses*: Conversely, businesses with both low growth & low profitability are classified as restructuring businesses, & structural reforms are being implemented.

This category includes parts of Publication, Marketing, Living Spaces, Packaging, & Beverage. Measures such as optimising production sites, closing facilities, & reorganising operations are being pursued to improve efficiency & strengthen competitiveness.

DNP has continued to actively pursue business structural reforms following the previous MTP. During this MTP period, the company optimised manufacturing sites in commercial printing, closed production facilities related to packaging, & reorganised operations in publishing, marketing, & living spaces businesses.

As a result, over FY 3/21-FY 3/25, the company recorded ¥122.4bn in impairment of fixed assets. Of the projected +¥32.8bn OP growth from ¥61.2bn in FY 3/23 to the ¥94.0bn FY 3/26 forecast, the company expects **more than half (¥18.5bn) to come from cost reductions & efficiency gains related to these business structural reforms.**

- Business restructuring progress:

Implementation period	Main Structural Reform Measures
2023	✓ Optimization of manufacturing sites for commercial printing
2023-	✓ Optimization of fixed costs
2025	✓ Reorganization of Publishing Printing Division (establishment of DNP Publication Products)
2025	✓ Reorganization of marketing (commercial printing) division (establishment of DNP Marcom Products)
2023	✓ Closed manufacturing facilities in the packaging-related business (Chubu area)
2024-	✓ Optimization of fixed costs
2025	✓ Reorganization of Living Spaces business and Mobility business (Mobility & Living Operations)

* Source: Company

2. Financial strategy (FY 3/24-FY 3/28)

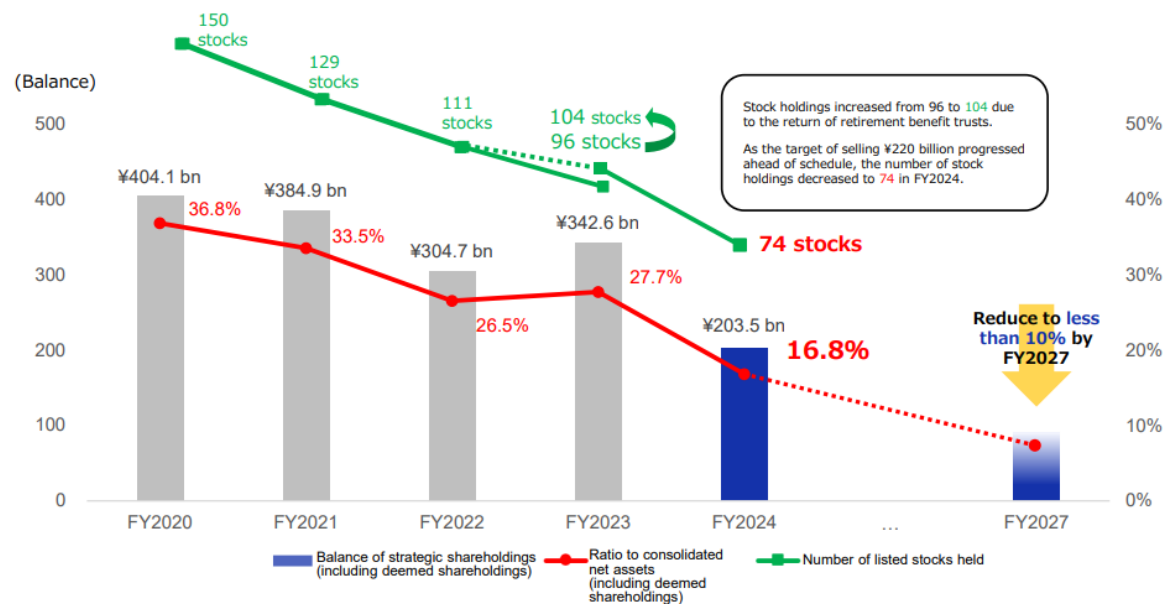
DNP's financial strategy for the 5-year period from FY 3/24 to FY 3/28 focuses on generating & efficiently allocating cash to support growth in focus businesses & enhance shareholder returns.

The company plans to generate >¥750bn in total cash, with >¥440bn operating cash flow, ¥220bn from the sale of policy held shares, & the reduction of idle assets combined with the strategic use of interest-bearing debt exceeding ¥90bn.

- **Stock reductions: DNP aims to reduce its holdings of policy held shares from 36.8% of net assets in FY 3/21 to <10% by FY 3/28.** The initially planned ¥220bn sale was achieved in FY 3/25 with proceeds of ¥233.7bn.

Due to stock price appreciation, the ratio to net assets stood at 14% as of the 1H 3/26. The company plans to continue selling shares to reach the <10% threshold & further reduce holdings even after reaching this target.

- Reduction of policy held shares:



* Source: Company

- **Capex:** DNP plans to invest >¥390.0bn over FY 3/24-FY 3/28, including >¥260.0bn allocated to focused business areas. By the 1H 3/26 (the first 2.5 years), ¥343.4 bn had already been deployed, indicating faster than anticipated execution, partly due to large scale M&A activity, such as the ¥85.7bn investment in a special purpose company to acquire shares of Shinko Electric Industries, which was not originally included in the plan.

As part of its focused business investments, DNP has established a large scale OLED metal mask production line at the Kurosaki Plant & expanded photomask production lines at D.T. Fine Electronics (a joint venture with KIOXIA).

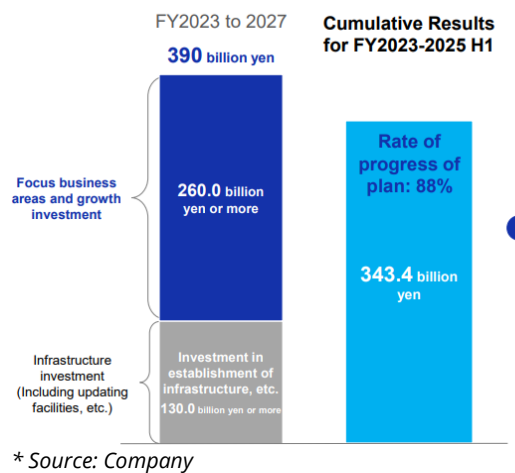
In the 1H 3/26, the company also added a new optical film line at the Mihara West Plant (Hiroshima) & increased photomask production capacity at the Kamifukuoka Plant (Saitama).

Planned initiatives for the 2H include expanding solar cell encapsulant production capacity at the Izumisaki Plant (Fukushima) & establishing a pilot line for glass core substrates at the Kuki Plant (Saitama). **These investments are aimed at strengthening DNP's leading technologies & production capacity in its strategic growth areas.**

DNP's M&A policy is not aimed at simply expanding scale but focuses on acquiring companies that **possess technologies or capabilities which, when combined with DNP's own strengths, can generate new, discontinuous value.**

Under this strategy, DNP has completed acquisitions such as CMIC CMO, Resonac Packaging, & HK HOLDINGS (the parent company of Hikari Kinzoku), as well as invested in a special purpose company to acquire Shinko Electric Industries. In the 1H 3/26, DNP also acquired Rubicon SEZC, a company providing ID authentication services.

- Strategic investment:



Main Investments in the Medium-term Management Plan

(Key) ● : M&A

Fiscal year	Overview of Investments	
2023	CMIC CMO has become a subsidiary	●
2023	Installed a new large metal mask production line at the Kurosaki Plant (Fukuoka Prefecture)	
2024	Expanded photomask production line at D.T.Fine Electronics Co., Ltd.	
2024	Made Resonac Packaging a subsidiary	●
2024	Made HK Holding, which operates HIKARI METAL INDUSTRY CO., LTD., a subsidiary	●
2024	Invested in special purpose company for the purpose of acquiring shares of Shinko Electric Industries	●
2025 H1	Established a new line for optical film at the Mihara West Plant (Hiroshima Prefecture)	
2025 H1	Expanded the photomask production facilities at the Kamifukuoka Plant (Saitama Prefecture)	
2025 H1	Made Rubicon SEZC, an ID authentication service provider, a subsidiary	●
2025 H2	Increased the production capacity for sealant for photovoltaic cells at the Izumizaki Plant (Fukushima Prefecture)	
2025 H2	Established a glass core pilot line in the Kuki Plant (Saitama Prefecture)	

* From this presentation, the fiscal year indication has been revised to reflect the year in which major equipment was inspected and accepted.

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DNP is also strengthening shareholder returns, targeting >¥300bn in share buybacks over FY 3/24-FY 3/28. Share buybacks have already been executed, with ¥100bn in FY 3/24 & ¥70bn in FY 3/25 & ¥50bn planned in FY 3/26, exceeding the original target. **The dividend was raised for the first time in 17 years in FY 3/25, & another increase is planned in FY 3/26.**

3. Non-financial strategy

DNP links investments in personnel to corporate value enhancement. Initiatives include supporting employee career autonomy, promoting health management to improve employee wellbeing, & implementing a talent portfolio strategy. DNP is also strengthening its intellectual capital by leveraging its own strengths together with collaborations with external partners.

To contribute to the creation of a decarbonised & nature positive society, & a circular economy, the company is working to reduce carbon emissions through its products & services & to promote resource circulation across the entire supply chain.

Next MTP

With the current MTP ending in FY 3/26, the company is in the process of formulating the new plan for FY 3/27-FY 3/29. It aims to continue measures such as **business portfolio transformation, concentrated investment in priority businesses, & structural reforms for reconstruction businesses.**

Among the businesses currently classified as reconstruction businesses, some products & services have the potential to be repositioned as new businesses or foundation businesses after reassessing their fundamental value.

SHAREHOLDER RETURNS

Under the current MTP, the company is **strengthening shareholder returns & improving capital efficiency, accelerating share buybacks & enhancing total returns.**

In FY 3/25, it implemented its first dividend increase in 17 years. It also plans a further dividend increase in FY 3/26, with the interim dividend rising by +¥2 (before considering the stock split). The share buyback program is progressing ahead of the ¥300bn MTP target, with ¥170bn already repurchased by FY 3/25 & an additional ¥50bn scheduled in FY 3/26.

In addition, to broaden its investor base & improve liquidity, DNP executed a 2-for-1 stock split in Oct 2024 & conducted a secondary share offering in Nov 2024.

MANAGEMENT

DNP is led by President Yoshinari Kitajima (61). He began his career at Fuji Bank (now Mizuho Bank) in 1987 before joining DNP in 1995. He was appointed Director in 2001, Managing Director in 2003, & Senior Managing Director in 2005. In Jun 2009, he became Executive Vice President, & in 2018 he was named President. Since Apr 2022, he has also served as President & Chairperson of the Sustainability Committee.

Although the current President's family, the Kitajima family, is not a founding or owner family, the presidency has been passed down within the Kitajima line since 1955, when Orie Kitajima, son of Hiroshi Aoki, the 2nd President, became the 4th President. He was succeeded by Yoshitoshi Kitajima as the 5th President & then Yoshinari Kitajima, the 6th President.

ESG

In the MTP for FY 3/24-3/26, the company positions sustainable management as a core priority, aiming to address social issues through its businesses & contribute to the sustainable development of both industry & society.

- *Environment*: In Mar 2020, the company formulated the DNP Group Environmental Vision 2050, accelerating initiatives towards realising a 'decarbonised society', a 'circular society', & a 'nature positive society'. It has set targets to reduce GHG emissions (Scope 1+2) by -46.2% by FY 3/31 versus FY 3/20 & to achieve net zero emissions by 2050. **As of 1Q 3/26, GHG emissions had already been reduced -32.1% versus FY 3/20, ahead of schedule.**

Through its products & services, the company also aims to contribute to building a decarbonised society, & aims to increase its sales ratio of 'Super Eco Products', environmentally superior products & services identified based on DNP's own criteria, to 30% by FY 3/31. As of 1Q 3/26, the ratio was 15.5%.

The company also targets a 70% resource recycling rate by 2030 & a -30% reduction in water consumption per unit versus FY 3/20. As of 1Q 3/26, the resource recycling rate was 63.5%, whilst water usage had been reduced by -10.5%, indicating somewhat slower progress.

In addition, to properly assess the environmental impact of its business activities & to strengthen the effectiveness of its environmental initiatives, DNP is working to improve the quality of its disclosure by adopting the TCFD recommended framework.

- *Social*: DNP positions human capital as an 'essential foundation' for creating a 'better future' & is accelerating efforts to strengthen it. The company promotes initiatives such as supporting employees' career autonomy, advancing health & well-being management to enhance happiness, allocating & reskilling talent for priority areas, & strengthening diversity & inclusion (D&I).

In health & wellbeing management, DNP upholds the philosophy that 'health & safety take precedence over everything'. It aims to improve its employee engagement survey score +10% versus FY 3/23, with the FY 3/25 result already showing a +4.5% increase

As part of its D&I initiatives, the company is committed to achieving a 30% ratio of female executives (10.4% as of FY 3/25) & a 100% paternity leave uptake rate among male employees (96.4% as of FY 3/25).

In addition, DNP is advancing measures not only to address risks related to employees' occupational health, safety, & workplace environments, but also to strengthen traceability, reduce risks, & ensure responsible sourcing across the entire supply chain.

- *Governance*: DNP's Board comprises 13 Directors, of whom 5 are external & 2 are female, with expertise spanning management, accounting & capital policy, sustainability, legal affairs & compliance, R&D & new business. It discloses a skill matrix for its directors, director compensation, & board effectiveness

In order to strengthen the Board of Directors' oversight & ensure transparency & objectivity in decision making, the company has established an advisory committee composed of 3 independent external directors. The committee deliberates on, provides advice, & makes recommendations regarding director nomination & compensation, as well as other key management issues.

COMPANY INFORMATION

Company Timeline	
Oct 1876	Founded in Kyobashi-ku, Tokyo Prefecture, as Shueisha
Nov 1886	Opened the First Plant (Ichigaya Plant).
Apr 1888	Revised company rules and changed to a limited liability company.
Jan 1894	Changed to a joint-stock company in line with the enforcement of the Commercial Code.
Oct 1923	Relocated headquarters to current location.
Dec 1931	Established Morohoshi Ink Co., Ltd. (now DNP Fine Chemical Co., Ltd.: currently a consolidated subsidiary).
Feb 1935	Merged with Nisshin Printing Co., Ltd. and renamed Dai Nippon Printing Co., Ltd.
Sep 1946	Rebuilt and resumed operations at the Enokicho Plant.
Oct 1946	Opened Kyoto Plant.
May 1949	Listed on the Tokyo Stock Exchange.
Nov 1951	Opened Osaki Plant.
Sep 1956	Merged with Nippon Seihan Co., Ltd., launching as the Osaka Plant.
Aug 1957	Opened Oji Plant.
Sep 1957	Opened Nagoya Sales Office.
Jan 1958	Opened Sendai Sales Office.
Oct 1958	Established Dai Nippon Packing & Transport Co., Ltd. (now DNP Logistics Co., Ltd.: currently a consolidated subsidiary).
Mar 1961	Opened Fukuoka Sales Office.
Sep 1961	Opened Sapporo Sales Office.
Sep 1962	Established Dai Nippon Trading Co., Ltd. (currently a consolidated subsidiary).
Jan 1963	Established Hokkaido Coca-Cola Bottling Co., Ltd. (currently a consolidated subsidiary).
Jul 1966	Completed Central Research Institute.
Sep 1967	Opened Yokohama Plant.
Dec 1968	Merged with Dai Nippon Micro Co., Ltd., launching as Micro Plant (now Kamifukuoka Plant).
Jan 1972	Opened Akabane Plant.
Jun 1972	Merged with Futaba Printing Co., Ltd.
Dec 1972	Opened Warabi Plant.
Apr 1973	Opened Sayama Plant.
May 1973	Opened Tsuruse Plant.
Oct 1973	Opened Nara Plant.
July 1975	Established Comprehensive Production Research Institute.
Sep 1983	Opened Kuki Plant.
Jul 1985	Completed Central Research Institute Kashiwa Research Facility.
Nov 1990	Opened Ono Plant.
Oct 1991	Opened Okayama Plant.
Jul 1993	Opened Mihara Plant.
Oct 1994	Opened Ohtone Plant.
Sep 1995	Opened Tanabe Plant.
Nov 1996	Opened Izumisaki Plant.
Mar 1998	Opened Utsunomiya Plant.
Jan 1999	Opened Ushiku Plant.
Oct 2004	Established DNP Hokkaido Co., Ltd. and DNP Tohoku Co., Ltd. (currently consolidated subsidiaries).
May 2005	Opened Kurosaki Plant.
Oct 2005	Established DNP Nishi Nippon Co., Ltd. (currently a consolidated subsidiary).
Jul 2006	Acquired the ID photo business, etc., from Konica Minolta Holdings, Inc.
Sep 2006	Completed DNP Gotanda Building.
	Opened DNP Kamiya Solution Center.
Aug 2008	Acquired shares of Maruzen Co., Ltd., making it a consolidated subsidiary.
Mar 2009	Acquired shares of Junkudo Bookstore Co., Ltd., making it a consolidated subsidiary.
	Integrated the management of Maruzen Co., Ltd. and TRC (Library Distribution Center) Co., Ltd., establishing an intermediate holding company, CHI Group Co., Ltd. (now Maruzen CHI Holdings Co., Ltd.: currently a consolidated subsidiary).
Feb 2010	Acquired shares of INTELLIGENT WAVE INC., making it a consolidated subsidiary.
Oct 2010	Integrated DNP Offset Co., Ltd. and DNP Seihon Co., Ltd. to establish DNP Book Factory Co., Ltd.
	Integrated Chubu Division and DNP Tokai Co., Ltd. to establish DNP Chubu Co., Ltd. (currently a consolidated subsidiary).
Apr 2011	Opened Tobata Plant.

Oct 2012	Integrated DNP Techno Pack Yokohama, DNP Techno Pack Tokai, DNP Techno Pack Kansai, and DNP Technopolymer into DNP Techno Pack Co., Ltd. (currently a consolidated subsidiary).
Jan 2013	Opened consumer-oriented facility "Communication Plaza dot DNP" (Tokyo).
Apr 2013	Opened consumer-oriented facility "CAFE Lab." (Osaka).
May 2013	Opened Vietnam Plant.
Jul 2013	Opened Organic Synthesis Plant in Utsunomiya.
Dec 2013	Opened Malaysia Plant. Opened DNP Kashiwa Data Center.
Jul 2014	Split DNP Hokkaido, DNP Tohoku, DNP Chubu, and DNP Nishi Nippon into separate companies, integrating their sales divisions into the Company. Integrated commercial printing and business form manufacturing divisions of the Company and the above four companies into DNP Graphica Co., Ltd. (currently a consolidated subsidiary) and DNP Data Techno Co., Ltd. (currently a consolidated subsidiary), and integrated their commercial printing-related planning, production, and prepress divisions into DNP Media Create Co., Ltd.
Aug 2015	Acquired shares of Tamura Plastic Products Co., Ltd., making it DNP Tamura Plastic Co., Ltd., a consolidated subsidiary. Completed redevelopment of Ichigaya district, "DNP Ichigaya Kaga-cho Building".
Oct 2016	Integrated DNP Media Create, DNP Digitalcom, and DNP Eizo Center to establish DNP Communication Design Co., Ltd. (currently a consolidated subsidiary). Opened "Tokyo Anime Center in DNP Plaza" (now "Tokyo Anime Center in DNP PLAZA SHIBUYA").
Oct 2017	
Apr 2022	Transitioned to the Tokyo Stock Exchange Prime Market.
Jan 2023	Established DNP CoArise Co., Ltd. (currently a consolidated subsidiary).
Mar 2024	Acquired shares of UBE Scientific Analysis Laboratory, Inc. (now DNP Scientific Analysis Center Co., Ltd.), making it a consolidated subsidiary.
Jan 2025	Acquired shares of HK Holdings Co., Ltd., which operates Hikari Metal Industries Co., Ltd., making it a consolidated subsidiary.
Feb 2025	Acquired shares of Resonac Packaging Co., Ltd., making it DNP High-Performance Materials Hikone Co., Ltd., a consolidated subsidiary.
Apr 2025	Integrated the Company's publishing printing business with DNP Book Factory Co., Ltd. and DNP Media Art Co., Ltd. to establish DNP Publishing Products Co., Ltd. (currently a consolidated subsidiary).

Company Contact Details

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Major Shareholders	Stake (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	17.79%
Custody Bank of Japan, Ltd. (Trust Account)	6.49%
The Dai-ichi Life Insurance Co., Ltd.	3.28%
Employees' Shareholding Association	2.88%
Nippon Life Insurance Company	2.10%
STATE STREET BANK WEST CLIENT - TREATY 505234	1.98%
STATE STREET BANK AND TRUST COMPANY 505001	1.85%
Mizuho Bank, Ltd.	1.70%
GOVERNMENT OF NORWAY	1.58%
JP MORGAN CHASE BANK 385781	1.39%

Source: Company as of March 31, 2025

MANAGEMENT

Yoshinari Kitajima	President
Career History	
Apr 1987	Joined The Fuji Bank Ltd.
Mar 1995	Joined the Company
Jun 2001	Director of the Company
Jun 2003	Managing Director of the Company
Jun 2005	Senior Managing Director of the Company
Jun 2009	Executive Vice President of the Company
Jun 2018	President of the Company
Apr 2022	President, Chairperson of Sustainability Committee of the Company
Kenji Miya	Executive Vice President
Career History	
Apr 1978	Joined the Company
Jul 2003	General Manager of Personnel Dept. of the Company
Jun 2010	Corporate Officer, General Manager of Personnel Dept. of the Company
Jun 2018	Managing Director of the Company
Jun 2020	Senior Managing Director of the Company
Jun 2021	Senior Managing Director of the Company
	Executive Vice President, managing Smart Communications Sector, Human Capital Sector and Corporate Sector of the Company and Chairman of BCM Promotion Committee of the Company
Jun 2024	
Masafumi Kuroyanagi	Senior Managing Director
Career History	
Apr 1983	Joined the Company
	General Manager of Finance & Accounting 1st Dept., Finance & Accounting Division of the Company
Apr 2004	
Jun 2010	President and Representative Director of DNP Total Process Warabi Co., Ltd.
	Corporate Officer, General Manager of Finance & Accounting Division of the Company
Jun 2015	
	Senior Corporate Officer, in charge of Finance & Accounting Division of the Company
Apr 2019	
Jun 2021	Managing Director, in charge of Finance & Accounting Division of the Company
	Senior Managing Director, in charge of Finance & Accounting Div., Legal Affairs Dept. and Internal Auditing Div. of the Company
Jun 2024	
Kazuhiko Sugita	Senior Managing Director
Career History	
Apr 1982	Joined the Company
Jun 1997	General Manager of Sales and Control Dept., Kyushu Operations of the Company
	General Manager of Planning and Control Dept., Ichigaya Operations of the Company
Apr 2008	
Jun 2015	Corporate Officer, in charge of Corporate Communication Div. of the Company
	Senior Corporate Officer, in charge of Corporate Communication Div. of the Company
Jun 2018	
	Senior Managing Director, in charge of Corporate Communication Div. and IR and Public Relations Div. and Corporate Administration Dept. of the Company
Jun 2024	
	Senior Managing Director, in charge of Corporate Communication Div., IR and Public Relations Div., and Corporate Administration Dept. and Chairperson of Corporate Ethics Committee of the Company
Jun 2025	
Toru Miyake	Senior Managing Director
Career History	
Apr 1982	Joined the Company
Oct 2005	General Manager of R&D Div., Display Components Operations of the Company
Jun 2011	General Manager of Corporate R&D Div. of the Company
Jun 2018	Corporate Officer, General Manager of Purchasing Div. of the Company
Jun 2020	Senior Corporate Officer, in charge of Purchasing Div. of the Company
Jun 2023	Managing Director, in charge of Purchasing Div. of the Company
	Senior Managing Director, in charge of Purchasing Div., Strategic Business Planning & Development Div., and Intellectual Property Div. of the Company
Jun 2025	

Osamu Nakamura	Senior Managing Director
Career History	
Apr 1985	Joined the Company General Manager of Technology 1 st Dept., 1 st Business Div., Display Components Operations of the Company
Apr 2001	Deputy General Manager of Fine Optronics Operations of the Company
Apr 2014	Corporate Officer, Deputy General Manager of Fine Optronics Operations of the Company
Jun 2017	Senior Corporate Officer, in charge of R&D Div. (General Manager of R&D and Business Development Center since Oct. 2021)
Jun 2020	Senior Corporate Officer, in charge of Fine Optronics Operations (currently Fine Device Operations and Optoelectronics Operations)
Jul 2022	Chairman and Representative Director of DT Fine Electronics Co., Ltd. (current)
Aug 2022	President and Representative Director of DNP Fine Optronics Co., Ltd. (current)
Oct 2022	Senior Managing Director, in charge of Fine Device Operations, Optoelectronics Operations, R&D and Business Development Center, and Fine Packaging Div. of the Company
Jun 2025	
Minako Miyama	Managing Director
Career History	
Apr 1986	Joined the Company General Manager of VR Planning and Development Office, DB Div., C&I Operations of the Company
Apr 2005	General Manager of Recruiting and Training Dept. of the Company
Jul 2014	Corporate Officer, General Manager of Recruiting and Training Dept., and Diversity Promotion Dept. of the Company
Jun 2018	Director, in charge of Recruiting and Training Dept. and Diversity & Inclusion Promotion Dept. of the Company
Jun 2021	Outside Director of TOKAI RIKI CO., LTD. (current)
Jun 2022	Managing Director, in charge of Recruiting and Training Dept. and Diversity & Inclusion Promotion Dept. of the Company
Jun 2024	
Takahito Kanazawa	Managing Director
Career History	
Apr 1984	Joined the Company General Manager of Warabi Plant, Manufacturing Div. in Business Form Operations of the Company
Oct 2004	President and Representative Director of DNP Data Techno Co., Ltd.
Apr 2017	General Manager of Information System Div. of the Company
Apr 2018	Corporate Officer, General Manager of ICT Business Development Div., Advanced Business Center of the Company
Jun 2019	Director of Nihon Unisys, Ltd. (currently BIPROGY Inc.) (current)
Jun 2021	Corporate Officer, Head of Advanced Business Center, and in charge of Information System Div. of the Company
Oct 2021	Senior Corporate Officer, Head of Advanced Business Center, and in charge of Information System Div. of the Company
Jun 2022	Managing Director, Head of Advanced Business Center, and in charge of Information System Div. of the Company
Jun 2024	
Tsukasa Miyajima	Director
Career History	
Apr 1990	Professor of Keio University, Faculty of Law
Apr 2003	Registered as an attorney at law at the Daini Tokyo Bar Association (current)
Jul 2012	Outside Director of Hulic Co., Ltd. (current)
Jun 2014	Outside Director of the Company, Outside Audit & Supervisory Board member of Mikuni Corporation (current)
Nov 2015	Advisory Committee Member of the Company
Apr 2016	Emeritus Professor of Keio University (current), Professor of Asahi University, Faculty of Law and Graduate School of Law (current)
Jun 2018	Outside Audit & Supervisory Board member of Daifuku Co., Ltd. (current)

Yoshiaki Tamura	Outside Director
Career History	
Apr 1979	Joined Asahi Glass Co., Ltd. (currently AGC Inc.)
	Representative Director, Executive Vice President, Overall business management, GM of Technology General Div., Deputy leader of AGC Group Improvement Activities of Asahi Glass Co., Ltd.
Mar 2013	
Mar 2014	Executive Vice President, President of Glass Company of Asahi Glass Co., Ltd.
Mar 2017	Executive Fellow of Asahi Glass Co., Ltd.
Mar 2018	Outside Director of DIC Corporation
Jun 2022	Outside Director of the Company
Jun 2023	Member of Advisory Committee of the Company (current)

Hiroshi Shirakawa	Outside Director
Career History	
Apr 1979	Joined TAISEI CORPORATION
	Trustee, General Manager, Corporate Planning Dept., Corporate Planning Office of TAISEI CORPORATION
Apr 2011	Executive Officer, Deputy Chief of Corporate Planning Office, General Manager, Corporate Planning Dept. of TAISEI CORPORATION
Apr 2012	
Apr 2015	Managing Executive Officer, Chief of Yokohama Branch of TAISEI CORPORATION
	Senior Managing Executive Officer, Member of the Board, Chief of Marketing & Sales (Building Construction) Div. II of TAISEI CORPORATION
Jun 2019	
Jun 2022	Outside Director of the Company
Jun 2023	Member of Advisory Committee of the Company

Nobuhiko Sugiura	Outside Director
Career History	
Apr 1989	Joined The Hongkong & Shanghai Banking Corporation Limited
	Research Fellow at Financial Research and Training Center (FRTC) (currently Financial Research Center (the FSA Institute)), Dept. of Policies, Planning and Coordination Bureau at the Financial Services Agency
Aug 2001	Completed the PhD program at the Graduate School of Law (specialized in Private Law) at Chuo University (PhD in Law)
Mar 2004	
Apr 2006	Senior Legal Advisor at JPMorgan Securities Japan Co., Ltd.
	Professor of Business School (Chuo Graduate School of Strategic Management) at Chuo University (current)
Apr 2008	
Jun 2014	External Director of SUNDRUG Co., Ltd.
Jun 2024	Outside Director of the Company

Mika Kumahira	Outside Director
Career History	
Apr 1985	Joined Kumahira Co., Ltd.
May 1989	Director of Kumahira Co., Ltd.
Apr 1993	Representative Director of The Bear Group Inc.
Apr 1997	Representative Director of Atech Kumahira Co., Ltd. (current)
Apr 2004	Director of Culture Convenience Club Co., Ltd.
	Representative Director of KUMAHIRA SECURITY FOUNDATION, a General Incorporated Foundation (current)
Apr 2011	Principal of Institute of Diversity Promotion, Career College of Showa Women's University (current)
Apr 2014	
Sep 2015	Representative Director of Learning-21 Organization (current)
	Outside Director of NITTAN VALVE CO., LTD. (currently NITTAN Corporation) (current)
Jun 2019	
Feb 2020	Outside Corporate Auditor of Kewpie Corporation (current)
Mar 2024	Outside Director of Cybozu, Inc. (current)
Jun 2025	Outside Director of the Company

Income statement ・ 連結損益計算書

	FY 3/22	FY 3/23	FY 3/24	FY 3/25
Sales ・ 売上高	1,344,147	1,373,209	1,424,822	1,457,609
COGS ・ 売上原価	1,051,218	1,081,284	1,111,129	1,119,330
Gross Profit ・ 売上総利益	292,928	291,924	313,692	338,278
Operating expenses ・ 販売費及び一般管理費	226,140	230,691	238,242	244,666
Operating Profit ・ 営業利益	66,788	61,233	75,450	93,612
Non-operating income ・ 営業外収益				
Interest income ・ 受取利息	277	449	1,261	2,089
Dividend income ・ 受取配当金	3,836	8,566	5,149	5,065
Equity-method investment income ・ 持分法による投資利益	8,686	13,603	17,529	15,839
Others ・ その他	5,751	4,076	4,494	3,356
Total non-operating income ・ 営業外収益合計	18,552	26,695	28,434	26,350
Non-operating expenses ・ 営業外費用				
Interest expenses ・ 支払利息	735	700	894	984
寄付金	1,078	1,179	1,041	1,015
Others ・ その他	2,277	2,387	3,246	2,043
Total non-operating expenses ・ 営業外費用合計	4,091	4,267	5,182	4,042
Ordinary profit ・ 経常利益	81,249	83,661	98,702	115,920
Extraordinary income ・ 特別利益				
Gain on sale of fixed assets ・ 固定資産売却益	7,133	17,426	277	13,497
Gain on sale of investment securities ・ 投資有価証券売却益	12,118	12,871	69,931	93,832
Reversal of provision for repair measures ・ 補修対策引当金戻入額	14,674	11,388	15,647	6,752
Others ・ その他	20,652	2,788	46	16,356
Total extraordinary income ・ 特別利益合計	54,579	44,474	85,903	130,438
Extraordinary loss ・ 特別損失				
Loss on sale ・ 固定資産売却損	1,772	49	163	252
Loss on disposal of fixed assets ・ 固定除却損	2,145	1,263	1,730	2,480
Impairment loss ・ 減損損失	3,506	6,286	38,263	70,268
Others ・ その他	1,513	802	1,436	4,692
Total extraordinary loss ・ 特別損失合計	8,938	8,402	41,593	77,692
Profit before income taxes ・ 税引前当期純利益	126,890	119,733	143,012	168,665
Corporate, inhabitant, and business taxes ・ 法人税、住民税及び事業税	17,998	20,377	31,474	65,705
Adjustment for corporate and other taxes ・ 法人税等調整額	8,391	9,650	84	△10,595
Total corporate and other taxes ・ 法人税等合計	26,389	30,028	31,558	55,110
Net income for the period ・ 当期純利益	100,501	89,704	111,454	113,555
Net income attributable to non-controlling interests ・ 非支配株主に帰属する当期純利益	3,319	4,011	524	2,872
Net income attributable to owners of the parent ・ 親会社株主に帰属する当期純利益	97,182	85,692	110,929	110,682

(JPY Millions ・ 百万円)

Balance sheet ・ 連結貸借対照表

■Assets	FY 3/22	FY 3/23	FY 3/24	FY 3/25
Current assets ・ 流動資産				
Cash & deposits ・ 現金及び預金	287,334	246,438	228,765	254,995
Notes Receivable ・ 受取手形	46,635	46,780	48,590	43,657
Accounts Receivable ・ 売掛金	277,912	282,560	299,193	297,305
Contract Assets ・ 契約資産	298	421	646	612
Securities ・ 有価証券	17,900	22,800	7,500	n/a
Inventories ・ 商品および製品	80,385	85,026	88,301	86,298
Work in Progress ・ 仕掛品	30,980	33,890	36,607	37,733
Raw Materials and Supplies ・ 原材料及び貯蔵品	30,255	35,946	39,588	41,695
Other short-term assets ・ その他	33,804	49,819	50,789	62,872
Allowance for Doubtful Accounts ・ 貸倒引当金	△693	△688	△664	△478
Current assets ・ 流動資産合計	804,813	802,995	799,318	824,692
Fixed Assets ・ 固定資産				
Tangible Fixed Assets ・ 有形固定資産				
Buildings ・ 建物及び構築物	529,948	555,484	572,978	555,618
Accumulated depreciation ・ 減価償却累計額	△369,441	△373,274	△394,367	△404,119
Buildings and structures (net) ・ 建物及び構築物（純額）	160,506	182,209	178,611	151,499
Machinery and Equipment ・ 機械及び装置	684,070	678,617	710,091	703,763
Accumulated depreciation ・ 減価償却累計額	△613,240	△612,663	△633,477	△642,690
Machinery, equipment, and transportation equipment (net) ・ 機械装置及び運搬具（純額）	70,830	65,954	76,614	61,072
Land ・ 土地	139,573	139,907	142,404	141,787
Leased Assets ・ リース資産	15,638	14,859	18,063	20,724
Accumulated depreciation ・ 減価償却累計額	△9,087	△7,735	△9,452	△10,722
Leased assets (net) ・ リース資産（純額）	6,550	7,123	8,611	10,001
Construction in Progress ・ 建設仮勘定	25,640	20,284	23,751	17,607
Other ・ その他	112,733	115,097	123,795	126,626
Accumulated depreciation ・ 減価償却累計額	△93,958	△94,148	△100,648	△102,799
Other (net) ・ その他（純額）	18,775	20,949	23,147	23,827
Total Tangible Fixed Assets ・ 有形固定資産合計	421,875	436,429	453,139	405,795
Intangible Fixed Assets ・ 無形固定資産				
Goodwill ・ のれん	2,317	2,423	4,101	10,295
Software ・ ソフトウェア	23,556	26,109	23,738	27,068
Others ・ その他	1,873	1,827	2,856	9,029
Total Intangible Fixed Assets ・ 無形固定資産合計	27,747	30,360	30,697	46,393
Investments and Other Assets ・ 投資その他の資産				
Investment securities ・ 投資有価証券	410,266	341,215	374,659	393,125
Retirement benefit assets ・ 退職給付に係る資産	166,130	174,781	248,389	194,597
Deferred tax assets ・ 繰延税金資産	11,770	7,749	8,718	9,434
Others ・ その他	36,002	38,882	43,592	46,188
Allowance for doubtful accounts ・ 貸倒引当金	△1,957	△2,029	△2,885	△2,388
Total investments and other assets ・ 投資その他の資産合計	622,210	560,598	672,474	640,956
Total Fixed Assets ・ 固定資産合計	1,071,834	1,027,389	1,156,310	1,093,145
Total assets ・ 資産合計	1,876,647	1,830,384	1,955,629	1,917,838

(JPY Millions ・ 百万円)

■Liabilities	FY 3/22	FY 3/23	FY 3/24	FY 3/25
Current liabilities ・ 流動負債				
Notes Payable ・ 支払手形	236,188	224,418	223,873	215,474
Short-term Borrowings ・ 短期借入金	33,990	30,301	38,261	31,747
Current Portion of Long-term Borrowings ・ 1 年内返済予定の長期借入金	2,567	1,243	4,478	5,819
Accrued Income Taxes ・ 未払法人税等	10,051	10,492	11,642	52,956
Provision for Bonuses ・ 賞与引当金	20,367	20,433	21,290	21,748
Provision for Repairs ・ 補修対策引当金	17,252	17,549	7,157	n/a
Other ・ その他	85,689	94,131	102,224	108,034
Current liabilities ・ 流動負債計	406,108	398,571	408,928	435,780
Non-current liabilities ・ 固定負債				
Bonds Payable ・ 社債	102,500	100,000	100,000	100,000
Long-term Borrowings ・ 長期借入金	14,254	13,772	23,403	24,441
Lease Liabilities ・ リース債務	5,144	7,821	11,745	13,752
Provision for Repairs ・ 補修対策引当金	28,036	9,506	n/a	n/a
Liabilities for Retirement Benefits ・ 退職給付に係る負債	55,888	54,740	56,190	54,607
Deferred Tax Liabilities ・ 繰延税金負債	102,275	84,659	111,654	73,003
Other ・ その他	14,026	13,066	7,019	7,473
Non-current liabilities ・ 固定負債合計	322,125	283,567	310,013	273,278
Total liabilities ・ 負債合計	728,233	682,139	718,941	709,059

(JPY Millions ・ 百万円)

■Net assets	FY 3/22	FY 3/23	FY 3/24	FY 3/25
Shareholders' equity ・ 株主資本				
Capital Stock ・ 資本金	114,464	114,464	114,464	114,464
Capital Surplus ・ 資本剰余金	145,143	145,112	145,118	145,034
Retained Earnings ・ 利益剰余金	740,183	737,699	782,000	824,329
Treasury stock ・ 自己株式	△133,123	△88,212	△126,367	△135,347
Total shareholders' equity ・ 株主資本合計	866,667	909,064	915,215	948,481
Other equity ・ その他の包括利益累計額				
Unrealized Gains/Losses on Other Securities ・ その他有価証券評価差額金	192,994	138,781	161,863	106,681
Deferred Hedge Gains/Losses ・ 繰延ヘッジ損益	45	△21	26	△16
Foreign Currency Translation Adjustments ・ 為替換算調整勘定	4,220	14,143	20,850	30,309
Accumulated Adjustments for Retirement Benefits ・ 退職給付に係る調整累計額	27,932	25,535	67,971	50,391
Total Accumulated Other Comprehensive Income ・ その他の包括利益累計額合計	225,193	178,439	250,711	187,366
Non-controlling Interests ・ 被支配株主持分	56,552	60,741	70,760	72,930
Total equity ・ 純資産合計	1,148,413	1,148,245	1,236,687	1,208,778
Total liabilities and equity ・ 負債純資産合計	1,876,647	1,830,384	1,955,629	1,917,838

(JPY Millions ・ 百万円)

Cash flow statement ・ 連結キャッシュ・フロー計算書

■Operating CF	FY 3/22	FY 3/23	FY 3/24	FY 3/25
Cash flows from operating activities ・ 営業活動によるキャッシュ・フロー				
Profit Before Income Taxes ・ 税金等調整前当期純利益	126,890	119,733	143,012	168,665
Depreciation Expense ・ 減価償却費	51,154	51,769	55,990	53,709
Impairment Loss ・ 減損損失	3,506	6,286	38,263	70,268

Change in Allowance for Doubtful Accounts; △ indicates decrease ・ 貸倒引当金の増減額 (△は減少)	△853	38	747	△496
Change in Assets Related to Retirement Benefits; △ indicates increase ・ 退職給付に係る資産の増減額 (△は増加)	△35,003	△16,958	△17,656	1,974
Change in Liabilities Related to Retirement Benefits; △ indicates decrease ・ 退職給付に係る負債の増減額 (△は減少)	3,851	3,641	4,748	3,615
Equity in Earnings or Losses of Affiliates; △ indicates gain ・ 持分法による投資損益 (△は益)	△8,686	△13,603	△17,529	△15,839
Goodwill Amortization ・ のれん償却額	521	512	735	626
Interest and Dividends Received ・ 受取利息及び受取配当金	△4,114	△9,016	△6,410	△7,154
Interest Paid ・ 支払利息	735	700	894	984
Gain/Loss on Sale of Investment Securities; △ indicates gain ・ 投資有価証券売却損益 (△は益)	△11,942	△12,810	△69,913	△93,718
Valuation Gain/Loss on Investment Securities; △ indicates gain ・ 投資有価証券評価損益 (△は益)	742	337	685	269
Gain/Loss on Disposal of Fixed Assets; △ indicates gain ・ 固定資産除売却損益 (△は益)	△3,168	△16,080	1,649	△10,699
Change in Accounts Receivable; △ indicates increase ・ 売上債権の増減額 (△は増加)	2,461	△1,599	△12,844	13,941
Change in Inventories; △ indicates increase ・ 棚卸資産の増減額 (△は増加)	△13,355	△11,085	△2,598	3,847
Change in Accounts Payable; △ indicates decrease ・ 仕入債務の増減額 (△は減少)	7,882	△13,404	△3,452	△17,344
Others ・ その他	△ 17,644	△ 19,585	△13,915	△14,895
Subtotal ・ 小計	102,977	68,875	102,403	157,754
Payment for Repair and Maintenance Costs ・ 補修対策費用の支払額	△7,215	△6,844	△4,251	△404
Payment for Special Retirement Benefits ・ 特別退職金の支払額	△197	△141	△89	△761
Payment of Corporate Taxes, etc. ・ 法人税等の支払額	△13,535	△23,895	△25,508	△23,859
Cash flows from operating activities ・ 営業活動によるキャッシュ・フロー	82,028	37,993	72,553	132,729

(JPY Millions ・ 百万円)

■Investing CF	FY 3/22	FY 3/23	FY 3/24	FY 3/25
Cash flows from investing activities ・ 投資活動によるキャッシュ・フロー				
Net Increase/Decrease in Time Deposits; △ indicates increase ・ 定期預金の純増減額 (△は増加)	4,502	1,492	△703	328
Net Increase/Decrease in Securities; △ indicates increase ・ 有価証券の純増減額 (△は増加)	n/a	n/a	10,300	n/a
Cash Outflow from Acquisition of Tangible Fixed Assets ・ 有形固定資産の取得による支出	△53,614	△50,321	△59,428	△57,082
Proceeds from Sale of Property, Plant & Equipment ・ 有形固定資産の売却による収入	8,120	19,813	1,782	18,329
Cash Outflow from Acquisition of Investment Securities ・ 投資有価証券の取得による支出	△1,571	△1,038	△1,470	△87,845
Cash Inflow from Sale of Investment Securities ・ 投資有価証券の売却による収入	14,747	14,903	81,614	119,337
Payments for Acquisition of Subsidiary Shares Involving Change in Scope of Consolidation ・ 連結の範囲の変更を伴う子会社株式の取得による支出	△50	△1,743	△9,282	△19,619
Cash Outflow for Acquisition of Intangible Fixed Assets ・ 無形固定資産の取得による支出	△12,206	△11,804	△15,325	△15,800
Interest and Dividend Received ・ 利息及び配当金の受取額	6,980	6,740	12,632	9,429
Others ・ その他	△6,117	△3,063	△1,763	△3,817
Cash flows from investing activities ・ 投資活動によるキャッシュ・フロー	△39,208	△25,021	18,355	△36,740

(JPY Millions ・ 百万円)

■Financing CF	FY 3/22	FY 3/23	FY 3/24	FY 3/25
Cash flows from financing activities ・ 財務活動によるキャッシュ・フロー				
Net Increase/Decrease in Short-term Borrowings; △ indicates decrease ・ 短期借入金の純増減額（△は減少）	△3,350	△3,693	7,953	△6,518
Cash Inflow from Long-term Borrowings ・ 長期借入れによる収入	4,790	3,100	4,619	6,886
Cash Outflow for Repayment of Long-term Borrowings ・ 長期借入金の返済による支出	△2,009	△2,652	△11,146	△4,508
Cash Outflow for Redemption of Bonds Payable ・ 社債の償還による支出	△3,570	△1,050	△2,500	-
Cash Inflow from Sale of Subsidiary Shares without Change in Consolidation Scope ・ 連結の範囲の変更を伴わない子会社株式の売却による収入	10	41	982	153
Cash Outflow for Repurchase of Treasury Stock ・ 自己株式の取得による支出	△30,012	△25,864	△88,564	△64,862
Net Increase/Decrease in Trust Funds for Treasury Stock Acquisition; △ indicates increase ・ 自己株式取得のための金銭の信託の増減額（△は増加）	n/a	△127	△5,462	4,865
Cash Outflow for Subsidiary's Repurchase of Treasury Stock ・ 子会社の自己株式の取得による支出	△847	△0	△100	△14
Interest Paid ・ 利息の支払額	△734	△698	△889	△993
Dividends Paid ・ 配当金の支払額	△17,642	△17,142	△16,431	△15,031
Dividends Paid to Non-controlling Interests ・ 非支配株主への配当金の支払額	△509	△592	△1,651	△868
Others ・ その他	△ 3,875	△3,754	△5,506	△6,537
Net Cash Flows from Financing Activities ・ 財務活動によるキャッシュ・フロー	△57,751	△52,435	△118,696	△87,429
Effect of Exchange Rate Changes on Cash and Cash Equivalents ・ 現金及び現金同等物に係る換算差額	4,054	4,430	3,983	5,618
Net Increase/Decrease in Cash and Cash Equivalents; △ indicates decrease ・ 現金及び現金同等物の増減額（△は減少）	△10,877	△35,032	△23,804	14,178
Cash and Cash Equivalents at Beginning of Period ・ 現金及び現金同等物の期首残高	304,223	293,361	258,329	234,569
Increase in Cash and Cash Equivalents Due to New Consolidation ・ 新規連結に伴う現金及び現金同等物の増加額	n/a	n/a	n/a	1,726
Increase in Cash and Cash Equivalents Due to Merger with Non-consolidated Subsidiaries ・ 非連結子会社との合併に伴う現金及び現金同等物の増加額	15	n/a	45	159
Cash and Cash Equivalents at End of Period ・ 現金及び現金同等物の期末残高	293,361	258,329	234,569	250,633

(JPY Millions ・ 百万円)

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