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For immediate release

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Stock Code:	7912 (TSE Prime Market)
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### **Announcement of New Medium-term Management Plan Outline**

The DNP Group has formulated the outline of a new three-year Medium-term Management Plan starting in fiscal year ending March 2024, based on the "DNP Group's Basic Management Policy" published on February 9, 2023. The overview of the "Business Strategy", the "Financial Strategy" and the "Non-Financial Strategy" is clearly stated as the outline of the Medium-term Management Plan, which is scheduled to be announced in mid-May 2023.

For more details, please refer to the attached document.

# **New Medium-term Management Plan Outline**

## **Briefing Materials**

**DNP**

March 9, 2023

Dai Nippon Printing, Co., Ltd.

Brand Statement

## Creating future standards.

The DNP Group aims to realize a sustainable society, and its corporate philosophy is to connect individuals and society and provide new value. Based on this philosophy, the Group will conduct business activities that create a better future with a long-term view in order to realize a sustainable, better society and more comfortable lifestyles.

Through such initiatives,  
the DNP Group will create sustained business value and shareholder value,

**with an ROE target of 10%, and  
expedite achieving a PBR of more than 1.0X.**

### Business Strategy

- Promote business structure transformation and accelerate concentrated investment in priority business and new business linked to the resolution of social issues and megatrends.
- Transform risks in a changing business environment into opportunities for growth through the evolution and cultivation of core technologies.

### Financial Strategy

- Create funding for investment in growth through cash flow generated through business activities, in addition to maximization of efficiency of funds including acceleration of the reduction of assets held.
- Plan the largest acquisition of treasury shares in DNP's history with the aim of improving capital efficiency.
- Seek to further enhance shareholder returns conscious of indicators such as EPS while maintaining stable finances for sustained corporate activity.

### Non-Financial Strategy

- Expand investment in people based on the Human Capital Policy.
- Enhance intellectual capital utilizing DNP's unique strengths and external partnerships.
- Contribute to the realization of a decarbonized society, a recycling-oriented society, and a society in harmony with nature.

# Outline of Measures in the New Medium-term Management Plan **DNP**

## Initiatives Aimed at Realization of the Vision

Business	<ul style="list-style-type: none"><li>Realize growth through concentrated investment of 260 billion yen or more in focus business areas</li><li>Transform business portfolio including restructured businesses</li></ul>
Finance	<ul style="list-style-type: none"><li>Reduce strategic shareholdings to less than 10% of net assets</li><li>Plan to acquire treasury shares valued at 300 billion yen to improve capital efficiency</li></ul>
Non-Financial	<ul style="list-style-type: none"><li>Expand investment in people based on Human Capital Policy</li><li>Enhance intellectual capital utilizing DNP's unique strengths and external partnerships</li><li>Contribute to the realization of a decarbonized society, a recycling-oriented society, and a society in harmony with nature</li></ul>

**DNP Group's Vision for Revenue and Capital Structure**

Operating income **130 billion yen** or more  
(Record operating income: 120.6 billion yen)

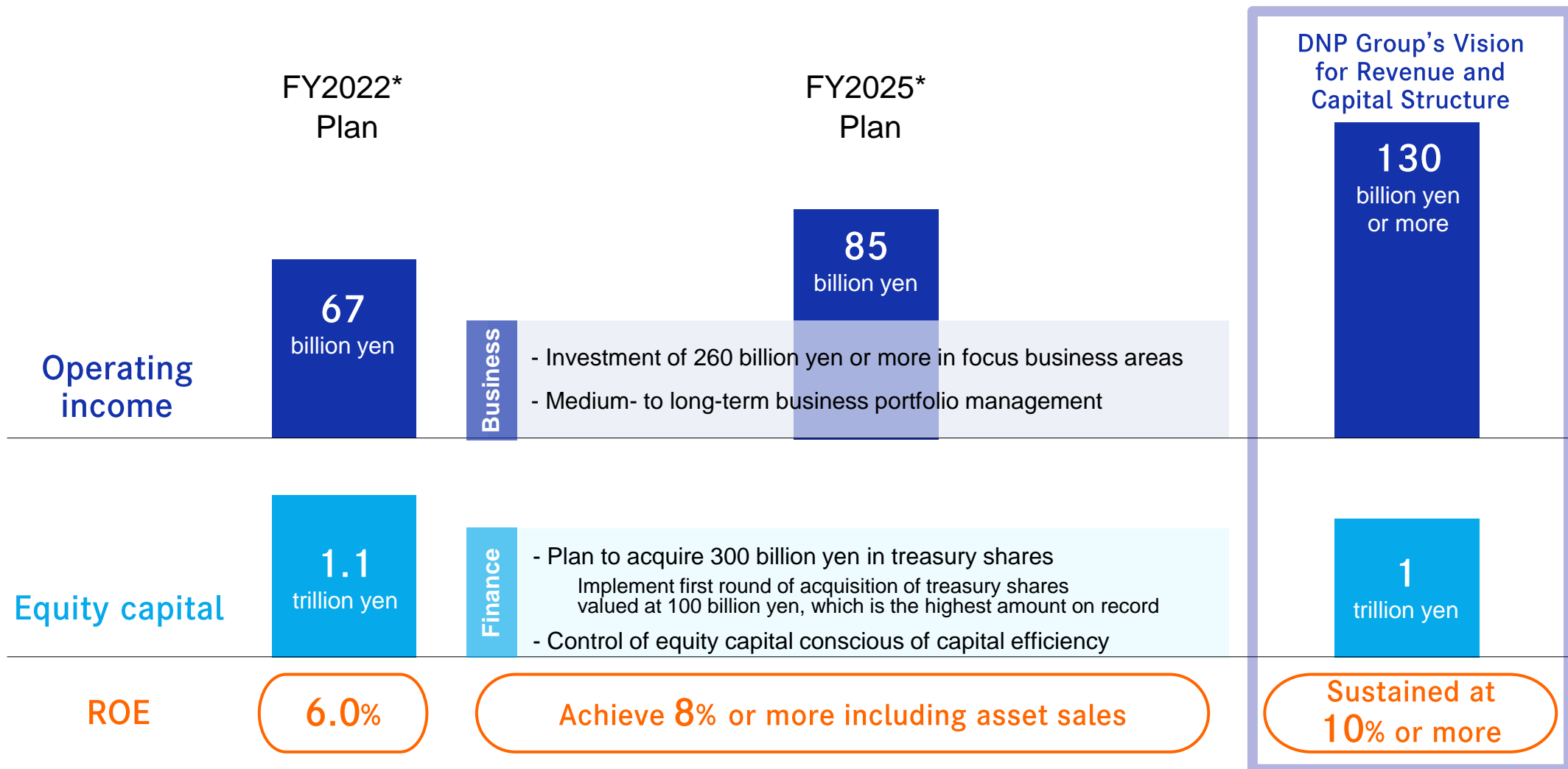
Equity capital **1 trillion yen**

ROE **10%**

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

# Roadmap for Achieving Performance Targets

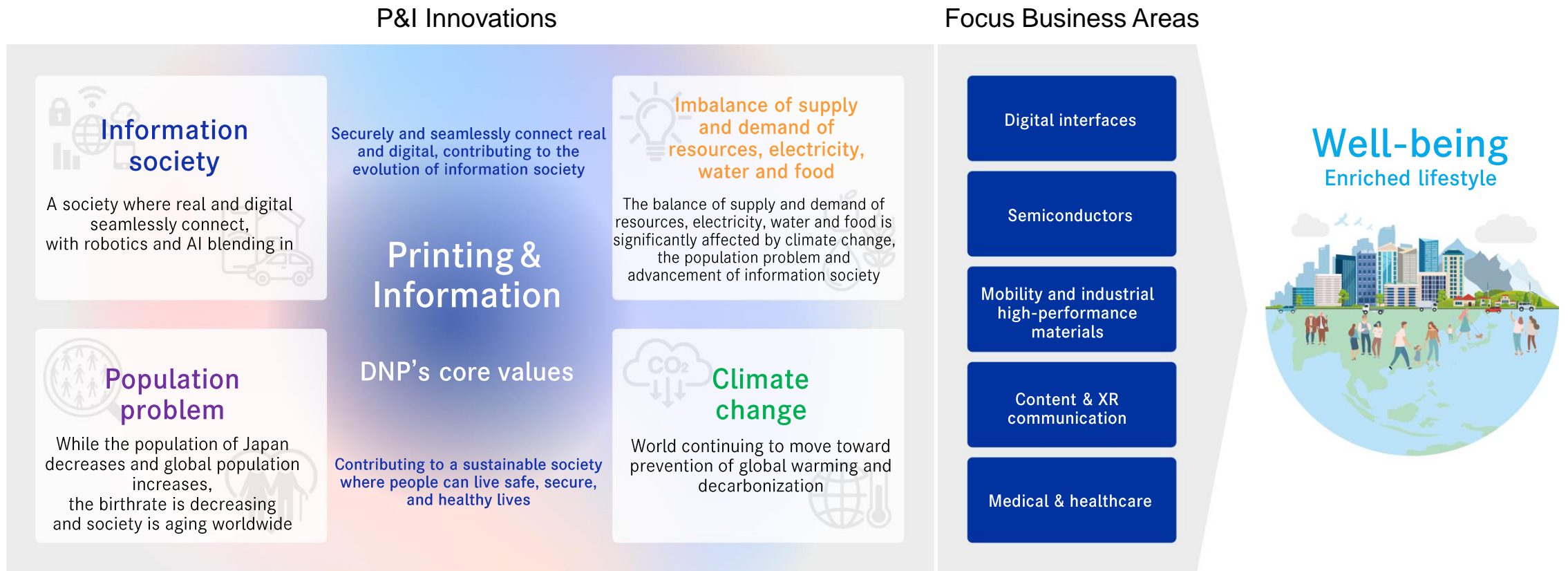
**DNP**



\*Fiscal year (Year beginning on Apr. 1 and ending on Mar. 31 of the following year)

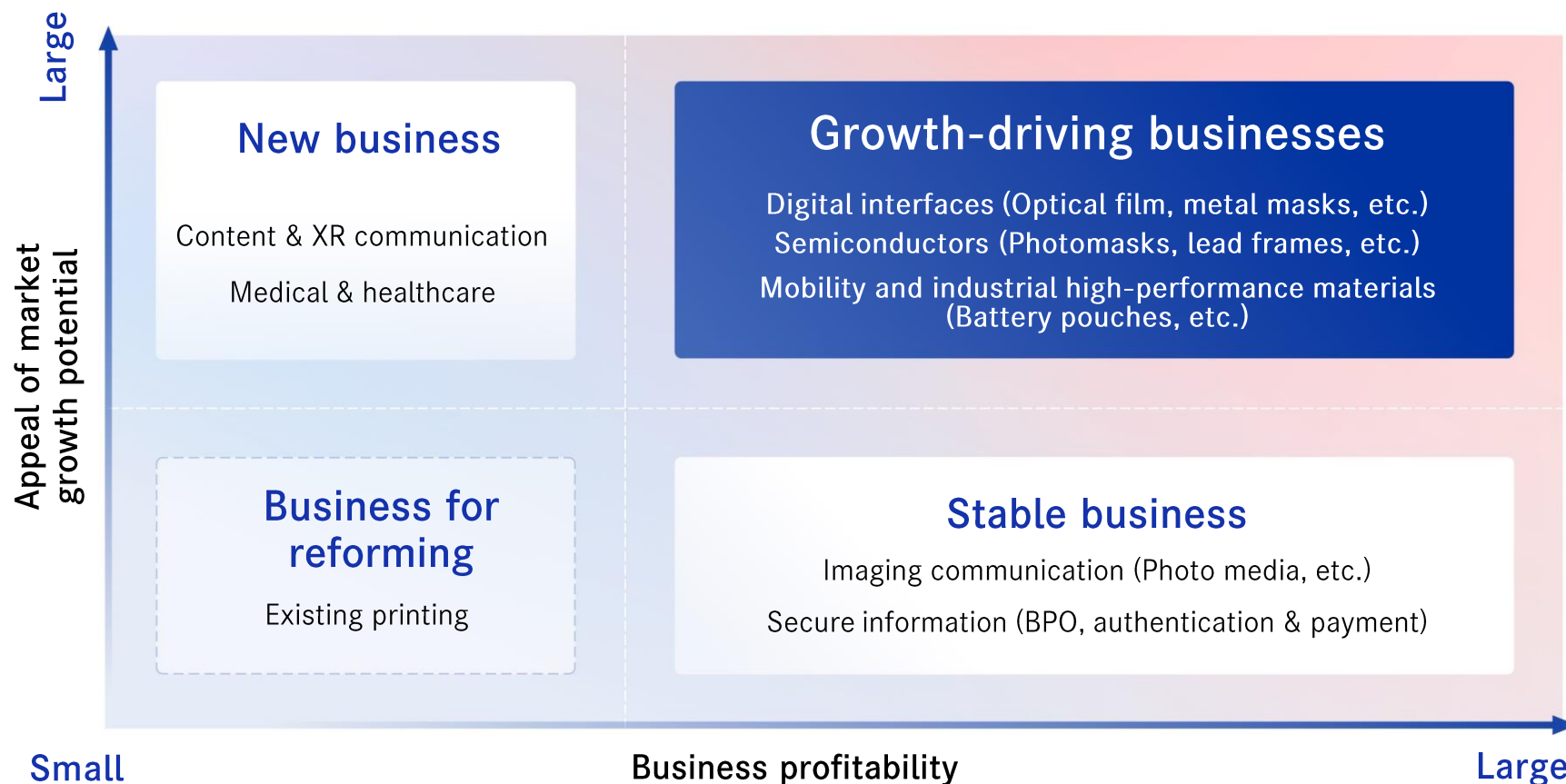
# Business Strategy: Aiming to Resolve Social Issues Utilizing DNP's Core Values **DNP**

By utilizing the core values of Printing & Information, DNP contributes to a sustainable society where people can live safe, secure, and healthy lives. In order to realize well-being lifestyles on a global scale, we focus on businesses linked to the resolution of social issues and megatrends, such as those indicated below.



# Business Strategy: Medium- to Long-term Business Portfolio

We will promote concentrated investment and business structure transformation in focus business areas made up of growth-driving and new businesses and execute the No.1 strategy through evolution and cultivation of core technologies, M&A, and co-creation with partners.



Business investment  
(5 years from FY2023  
to FY2027\*)

**390** billion yen  
or more

Including investment  
into focus business  
areas

**260** billion yen  
or more

\* Year : Fiscal Year  
FY2023 : ending March 31,2024  
FY2027 : ending March 31,2028

# Financial Strategy: Cash Allocation

5 years from FY2023 to FY2027\*

Appropriate allocation of cash generated to further business growth and shareholder returns

## Cash Generation

Generation of 750 billion yen or more in cash

Generation of operating C/F:  
**440 billion yen or more**

Sale of strategic shareholdings:  
**220 billion yen**  
(reduction to less than 10% of net assets)

Reduction of idle assets, utilization of interest-bearing debt, maximization of cash efficiency:  
**90 billion yen or more**

## Cash Allocation Strategy

### Business investment

Growth investment and infrastructure development investment:  
**390 billion yen or more**

Including investment into focus business areas:  
**260 billion yen or more**

### Shareholder returns

#### Active shareholder returns

Plan to acquire around **300 billion yen** in treasury shares

(First round)

Acquisition of **100 billion yen** in treasury shares

Cancellation of **25 million** treasury shares (equivalent to 8%)

Dividend policy conscious of EPS and DPS

\* Year : Fiscal Year FY2023 : ending March 31,2024  
FY2027 : ending March 31,2028

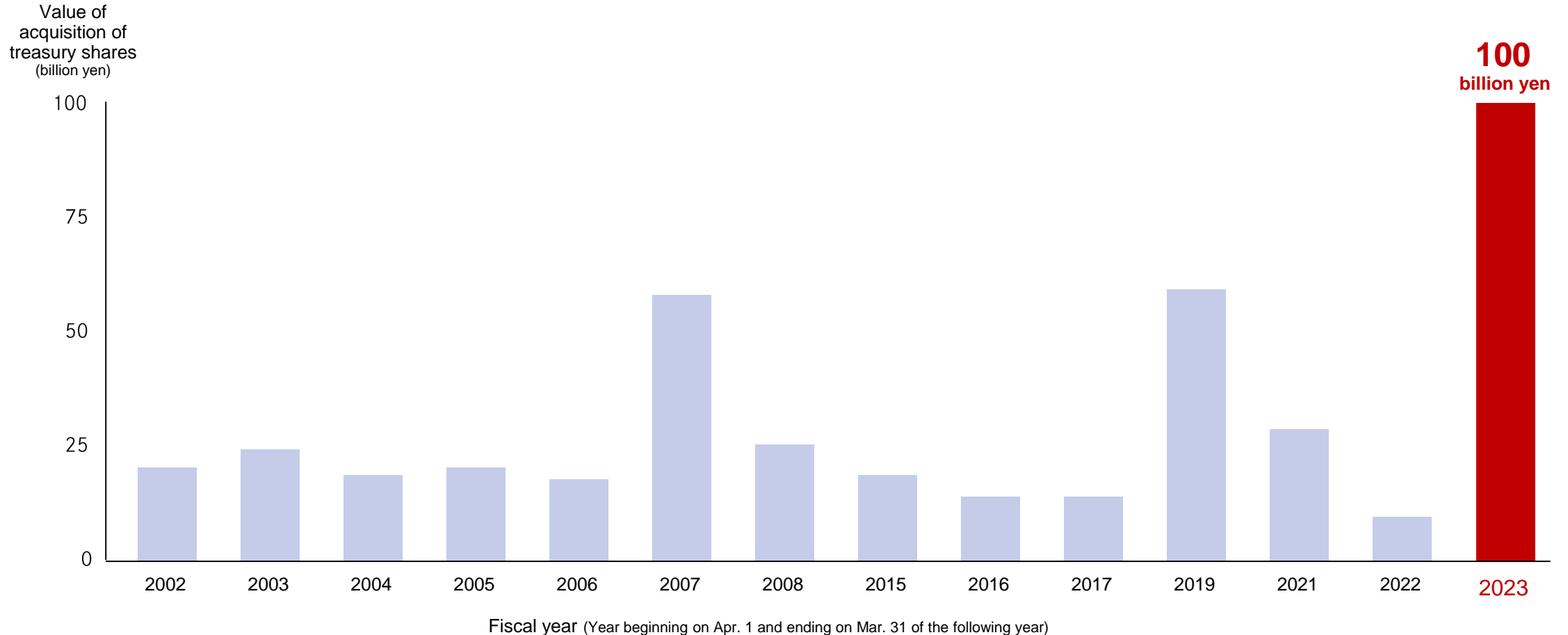


# Financial Strategy: Priority Measures

<p>Stable generation of operating CF</p>	<ul style="list-style-type: none"> <li>• Create 440 billion yen or more in operating cash flow over five years providing the source for growth investment by promoting concentrated investment in focus business areas and promoting business structure reform.</li> </ul>
<p>Reduction of strategic shareholdings and idle assets</p>	<ul style="list-style-type: none"> <li>• Generate 220 billion yen in cash through the sale of strategic shareholdings and reduce them to less than 10% of net assets.</li> <li>• Improve asset efficiency by reducing idle assets.</li> </ul>
<p>Utilization of financial leverage</p>	<ul style="list-style-type: none"> <li>• Consider appropriate funding methods including the utilization of interest-bearing debt.</li> </ul>
<p>Investment in focus business areas and investment aimed at the creation of management base</p>	<ul style="list-style-type: none"> <li>• Invest 390 billion yen or more over 5 years in business investment using cash generated through the maximization of capital efficiency. Of this, invest 260 billion yen or more in focus business areas.</li> </ul>
<p>Reduction of equity capital aimed at creation of optimal capital structure</p>	<ul style="list-style-type: none"> <li>• Plan to acquire a total of around 300 billion yen in treasury shares. Implement the first round of acquisition of treasury shares valued at 100 billion yen.</li> <li>• Cancel 25 million treasury shares (equivalent to 8%)</li> <li>• Consider treasury shares held, including cancellation and utilization in M&amp;A based on future conditions.</li> </ul>
<p>Balancing of financial stability and optimal capital allocation</p>	<ul style="list-style-type: none"> <li>• Stably maintain finances for sustained corporate activity, and actively allocate cash generated through maximization of capital efficiency to shareholder returns.</li> <li>• Execute shareholder return policy, taking into consideration earnings per share (EPS) and dividend per share (DPS).</li> </ul>

# Financial Strategy: Acquisition of Treasury Shares

(First round) Implement acquisition of treasury shares valued at 100 billion yen, which is the highest amount on record



# Non-Financial Strategy: Approach to Strengthening Non-financial Capital **DNP**

We will strengthen our management base supporting the sustainable growth of DNP.



Strengthening of human capital

**Expand investment in people based on Human Capital Policy**

- Promote career autonomy support of employees and strengthening of organizational capabilities aimed at value creation.
- Promote health and productivity management that increases the happiness of employees.
- Hire based on human resource portfolio, and implement personnel assignment and reskilling to focus areas.
- Promote diversity & inclusion utilizing diverse individuality.



Enhancement of intellectual capital

**Enhance of intellectual capital utilizing DNP's unique strengths and external partnerships**

- Promote the accumulation of technology and intellectual property strategy targeting focus business areas.
- Strengthen the R&D system accelerating implementation of products and businesses effectively combining intellectual capital.
- Expand resources for the promotion of DX (digital transformation).



Environmental initiatives

**Contribute to the realization of a decarbonized society, a recycling-oriented society, and a society in harmony with nature**

- Achieve net zero GHG emissions from DNP business activities by 2050, and reduce emissions by 40% from 2015 level by 2030.
- Promote the minimization and efficient circular use of resources.
- Seek to minimize impact on biodiversity and achieve harmony with local ecosystems.

# DNP

## Disclaimer

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