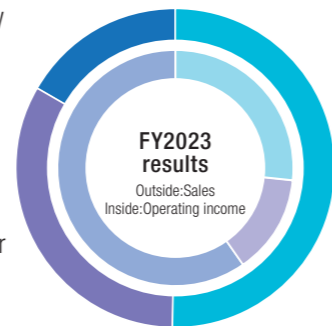


BUSINESS STRATEGY BY SEGMENT

Key Strategies by Segment

DNP is one of the world's largest comprehensive printing companies, providing indispensable value to tens of thousands of clients and consumers both domestically and internationally through a diverse range of products and services across various business fields. Since its founding in 1876, DNP has developed strengths based on cutting-edge printing processes of the times. In the 1950s, DNP began expanding its business domain through "expansion printing," applying and developing these strengths, which has led to the current structure of its business segments.

In the Medium-term Management Plan for fiscal 2023 to fiscal 2025, the products and services in each segment are classified into four categories: "growth-driving businesses," "new business," "stable business" and "business for reforming." This classification is based on two axes: growth potential/ attractiveness of the market, and business profitability, toward building a stronger business portfolio. The plan aims to accelerate concentrated investment and business structure transformation in focus business areas. By doing so, DNP is committed to generating additional value and creating a better future.



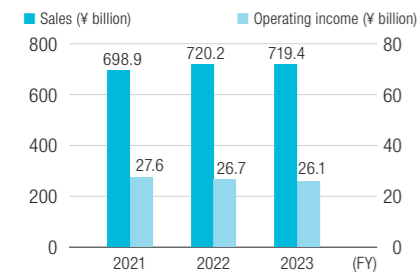
Smart Communication
 Sales: **719.4 billion yen**
 (Ratio by segment 50.3%)
 Operating income: **26.1 billion yen**
 (Ratio by segment 26.8%)

Life & Healthcare
 Sales: **472.3 billion yen**
 (Ratio by segment 33.2%)
 Operating income: **13.3 billion yen**
 (Ratio by segment 13.7%)

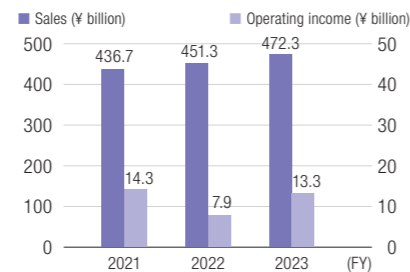
Electronics
 Sales: **235.3 billion yen**
 (Ratio by segment 16.5%)
 Operating income: **58.1 billion yen**
 (Ratio by segment 59.5%)

Three-year performance by segment

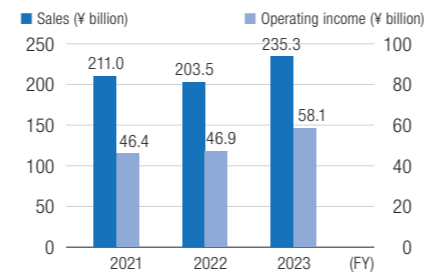
Smart Communication



Life & Healthcare



Electronics



* Beverages, which was a separate segment in fiscal 2021 and fiscal 2022, has been included in Life & Healthcare since fiscal 2023.

Smart Communication

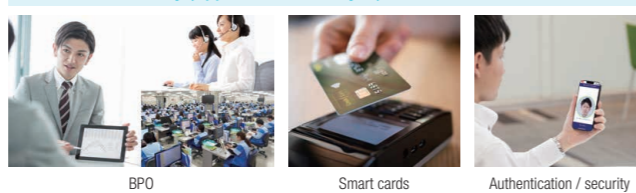
This segment includes imaging communication, where we boast the top global market share in dye-sublimation thermal transfer printing media; information security, where we offer solutions such as Business Process Outsourcing (BPO) and authentication security; content & XR communication, a new area; and other domains such as marketing, publishing and education. By combining information (I) technologies such as project planning and design, and information processing with printing (P) technologies such as plate making, printing and binding, and deepening collaboration with domestic and international partners, this segment aims to contribute to well-being lives.

- Segment strengths**
- Provide new customer experience value by utilizing high-definition image processing technology, as well as the capability to securely deliver large volumes of digital data, and integrate and optimize business processes
 - Accomplishments and trust such as dye-sublimation thermal transfer photo media products with the world-leading share and smart cards for financial institutions with the leading share in Japan

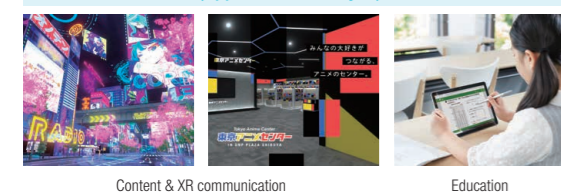
Imaging communication (Approx. 105 billion yen)



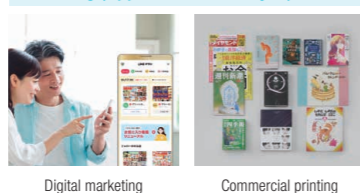
Information Security (Approx. 208 billion yen)



New business/Other (Approx. 22 billion yen)



Marketing (Approx. 130 billion yen)



Publishing (Approx. 255 billion yen)

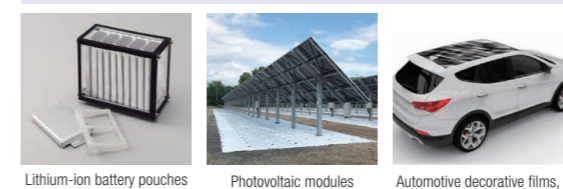


Life & Healthcare

This segment includes the mobility and industrial high-performance materials business, represented by the world's leading share of battery pouches for lithium-ion batteries, and automotive interior and exterior decorative materials, as growth-driving businesses. It also focuses on strengthening the medical & healthcare business, which includes bulk pharmaceutical manufacturing and medical packaging, as a new business. Additionally, it operates the packaging business, with a leading domestic market share in aseptic filling systems for PET bottles, as well as environmentally friendly packaging; the living spaces business, offering products for household interior and exterior decoration, also holding a top domestic market share; and the beverages business. Alongside investing in focus business areas, this segment will also promote the global expansion of existing businesses.

- Segment strengths**
- Provide essential value for security, safety, health, comfort and the environment with a variety of functional films leveraging converting technology, our unique material processing technology
 - Accomplishments and reliance on battery pouches for lithium-ion batteries with the world-leading share, and PET bottle aseptic filling systems and products for household interior and exterior decoration with the leading share in Japan

Mobility and industrial high-performance materials (Approx. 75 billion yen)



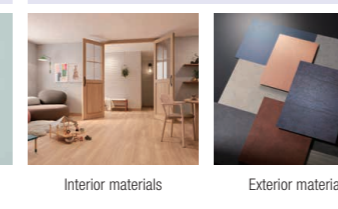
Medical & healthcare (Approx. 42 billion yen)



Packaging (Approx. 230 billion yen)



Living spaces (Approx. 62 billion yen)



Beverages (Approx. 56 billion yen)



Other (Approx. 7 billion yen)

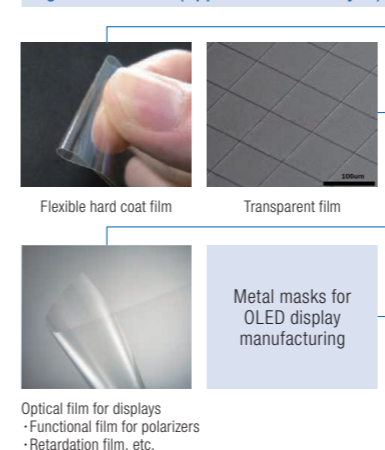
Electronics

This segment includes the digital interface business, featuring optical films for displays* and metal masks for manufacturing organic light-emitting diode (OLED) displays, both of which hold the world's top market share; and the semiconductor business, which includes photomasks for manufacturing semiconductor products and lead frames for semiconductor packaging materials, as growth-driving businesses. The segment will concentrate investments in these areas and work to enhance production capacity to stay ahead of expanding global demand. It will also strengthen partnerships with external partners to further expand the value it provides within the global supply chain.

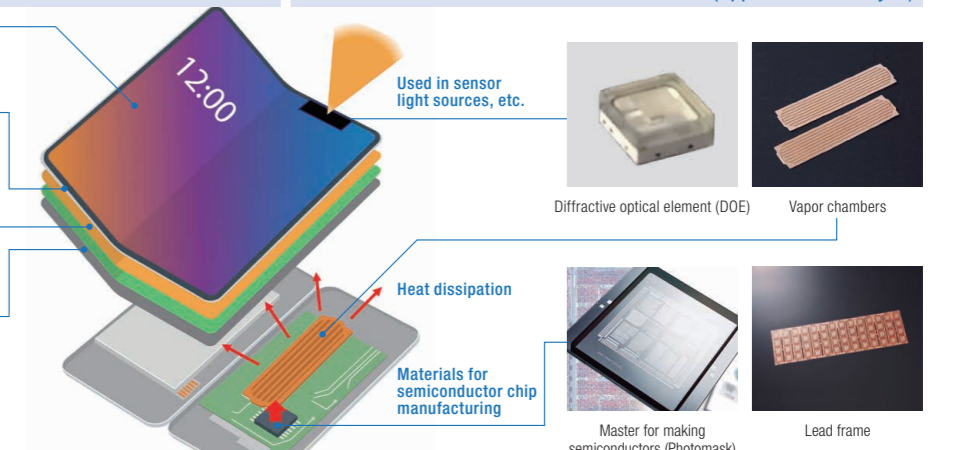
* In the case of anti-reflection film and anti-glare film used on the surface of displays

- Segment strengths**
- Develop industry-leading products leveraging large surface area functionalization technology, micro and nano modeling technology, optical control technology, etc.
 - Accomplishments and trust from products with a world-leading share in areas such as metal masks for OLED displays and optical films for displays

Digital interfaces (Approx. 173 billion yen)



Semiconductors (Approx. 62 billion yen)



Growth-driving Businesses

Electronics

Optical Films

(Anti-reflection (AR) film, anti-glare (AG) film, retardation film) Digital interfaces

Top global share*

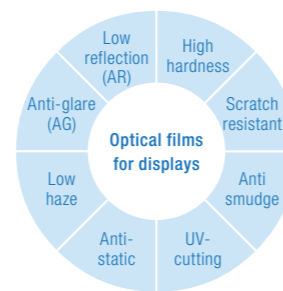
* In the case for anti-reflection film and anti-glare film used on the surface of displays

Business overview & DNP's strengths

DNP provides optical films for displays with diverse functions by leveraging our proprietary optical design and converting technologies. From large displays for televisions to those used in laptops, tablet devices, smartphones and automobiles, we offer a diverse range of products tailored to various devices and applications. We anticipate global trends, manufacturer demands and consumer expectations, continually striving to achieve even higher functionality. We have consistently developed anti-reflection (AR) films, anti-glare (AG) films and retardation films, and have introduced the world's widest production equipment for display films. As a result, we have achieved the top global market share in AR and AG films. Moving forward, DNP will continue to provide displays with more vivid colors, expand the scope of use of devices and enhance usability, thereby realizing comfortable lifestyles.

DNP's strengths

- Technology for larger sizes and high functionality, optical design to control light, and material and coating technology
- In-line multilayer coating production equipment for products with high functionality and high quality
- Extensive patents and know-how related to materials, manufacturing methods and products
- Ability to provide a stable supply of high-quality products while pursuing high productivity
 - World's largest ultra-wide 2,500 mm line for surface treatment films for displays
 - Roll-to-roll production in a clean environment



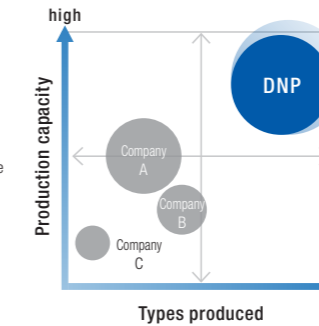
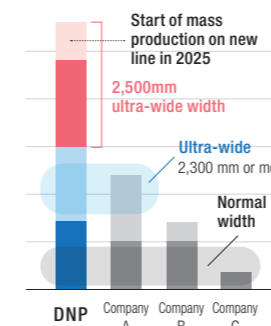
Diverse product lineup enabled by DNP's technology and multifunctionality

DNP's optical films utilizing optical design technology to control light reflection and reduce glare in lighting and other applications

Growth strategy

- Aim to drive the market and further expand our market share through the expansion of production capacity and product lineup
- Expand ultra-wide width line capacity, which is advantageous for large displays
- Accommodate various film substrates
 - Capable of handling TAC (triacetylcellulose), acrylic and PET (polyethylene terephthalate)
 - Utilize DNP's proprietary patents to employ a special PET with low moisture permeability and reduced rainbow effect for large displays

Expansion of product capacity



Expansion of product lineup

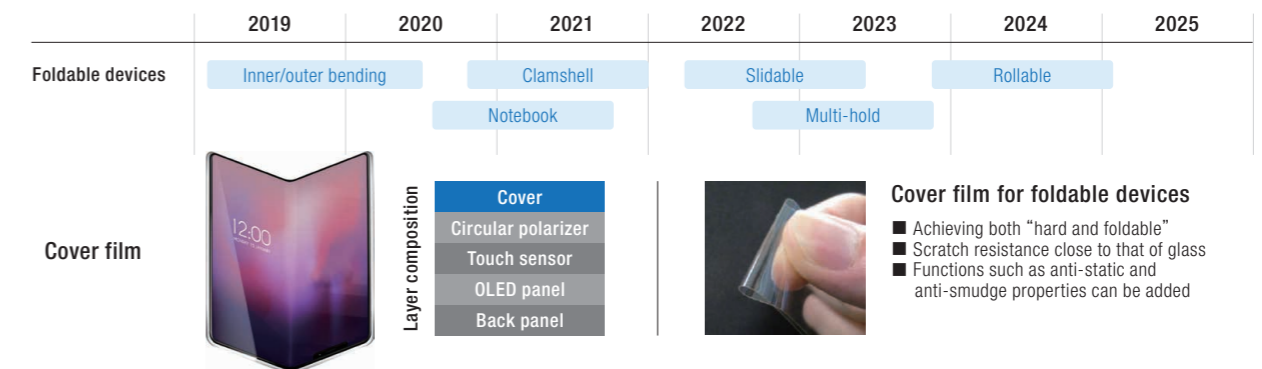
(Mass production track record)

| Substrate | TAC | | | | Acrylic | | | | PET | | | |
|-----------|-----|------|-----|-------|---------|------|-----|-------|-----|------|-----|-------|
| | AG | AGLR | CHC | CHCLR | AG | AGLR | CHC | CHCLR | AG | AGLR | CHC | CHCLR |
| Type | AG | AGLR | CHC | CHCLR | AG | AGLR | CHC | CHCLR | AG | AGLR | CHC | CHCLR |
| DNP | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Company A | ● | ● | ● | ● | | | | | | | | |
| Company B | ● | ● | ● | ● | ● | ● | | | | | | |
| Company C | | | ● | | | | | | | | | |

Developing and providing cover film for foldable displays

- We have developed films with exceptional hardness and flexibility through optimal selection of substrates and ink design and formulation

Note: Estimate by DNP based on various materials



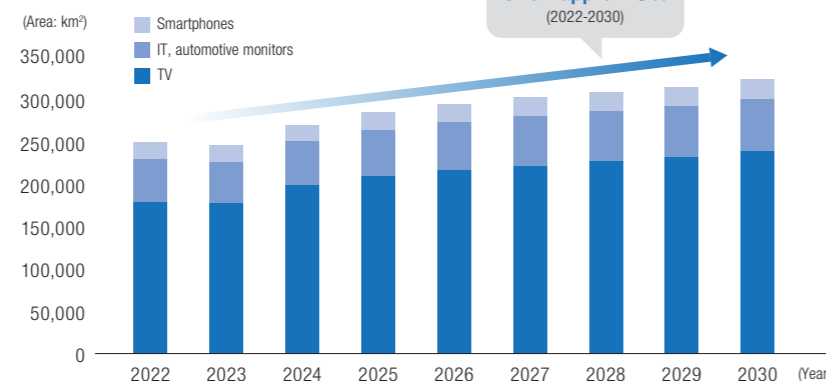
| Trends | DNP's solutions | Impact on society |
|---|--|--|
| <ul style="list-style-type: none"> ■ Increased size of TVs and other displays ■ Increased scope of use, higher functionality <ul style="list-style-type: none"> • Low reflection • Anti-glare and high definition • Scratch resistant • Foldable | <ul style="list-style-type: none"> ■ Optical design technology to control light, and material and coating technology <p>→ Top share of the global market for optical films for displays*</p> | <ul style="list-style-type: none"> ■ Provides displays with more vivid colors ■ Expanded scope of use of devices and enhanced usability <p>→ Realizing comfortable lifestyles</p> |

* Market share of AR and AG films for display surfaces

Market environment

- The display market is expected to grow at a CAGR of about 3% in terms of surface area, driven by the trend toward larger TVs, despite limited growth in unit sales.

Outlook for the global display market

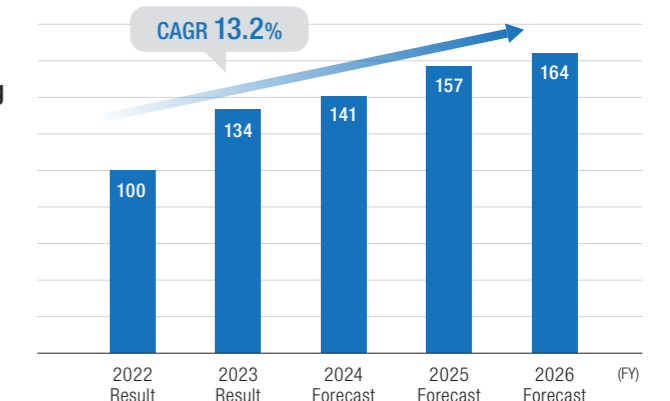


* Estimate by DNP based on various materials

Performance trends and future outlook

- DNP plans to achieve a CAGR of 13.2%, surpassing the market growth rate, by continuing to adapt to the evolving display market through the development of high-value-added products and further increasing its market share with a diverse product lineup.
- We contribute to the development of display technology from research and development to mass production to realize comfortable lifestyles.
- We are providing new value for "displays of the future."

Sales (Comparison indexed to FY2022 as 100%)



Growth-driving Businesses

Electronics

Metal Masks for

Manufacturing OLED Displays

Digital interfaces

Top global share

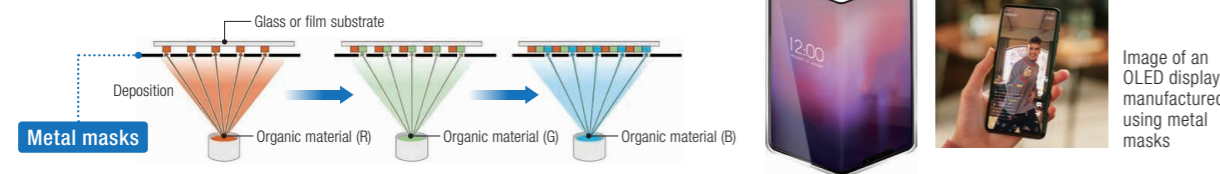
Business overview & DNP's strengths

Metal masks are key components used in the deposition method, which is the current standard for manufacturing small to medium-sized OLED displays. They are essential for forming red, green and blue (RGB) organic materials on glass or film substrates. The adoption rate of OLED displays in smartphones is expected to exceed 50% in 2024, with expanding use in tablets, laptops and automotive devices, contributing to anticipated market growth. DNP began developing metal masks in 2001 by leveraging its proprietary photolithography and etching processing technologies. Having contributed to the OLED display market since its early days, DNP now holds a leading global market share, particularly in the smartphone sector. DNP will continue to contribute to thinner, lighter and higher resolution displays while also developing applications for OLEDs using flexible shapes to enhance comfortable lifestyles.

DNP's strengths

- High-precision photolithography and etching processing technologies
- Superior technological development capabilities
- Extensive patents and know-how related to materials, manufacturing methods and products
- Ability to provide a stable supply of high-quality, high-definition products

Deposition process in OLED display manufacturing



| Trends | DNP's solutions | Impact on society |
|---|--|--|
| <ul style="list-style-type: none"> ■ Increasing demand for smartphones ■ Increasing use in small and medium devices • Smartwatches • Tablets • Laptops • Automotive | <ul style="list-style-type: none"> ■ High-definition metal masks are manufactured using proprietary photolithography and etching processing technologies. <p>DNP has obtained the top global market share particularly for smartphones</p> | <ul style="list-style-type: none"> ■ Realization of thinner, lighter and higher resolution displays ■ Expansion of possibilities for new applications using flexible shapes <p>Realizing comfortable lifestyles</p> |

Growth strategy

■ Invested approximately 20 billion yen to expand production capacity

- **Kurosaki Plant (Fukuoka Prefecture) production line began operation in May 2024**
- **It supports 8th generation glass substrates with high production efficiency**
 - Acting in anticipation of the need for larger OLED displays
 - Optimizing Business Continuity Plan (BCP), enabling a backup for the existing production site, Mihara Plant (Hiroshima Prefecture)



Exterior of the Kurosaki Plant in Fukuoka Prefecture

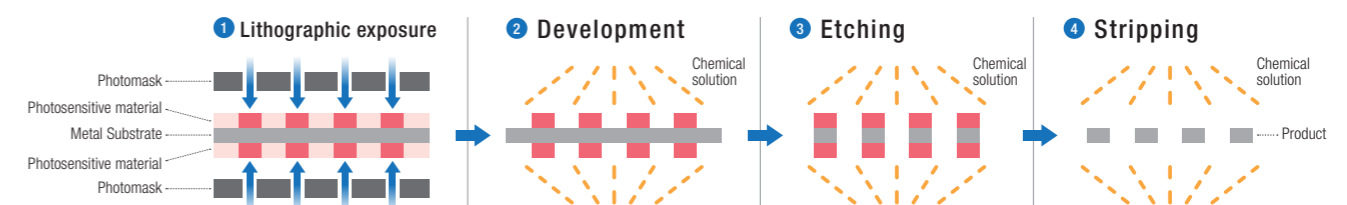


8th generation metal mask (left), 6th generation (center, right)

■ Leveraging technological strengths and patent strategies to maintain and enhance global market leadership

- **Proprietary photolithography and etching processing technologies for realizing high-definition microfabrication**
 - Metal masks created by the technology of making "printing stamps"
 - In order to print more beautifully and clearly, we have refined the technology of making "plates" and evolved it into a high-precision "microfabrication" technology.
 - Metal masks require a high level of precision in the positioning and size of holes that allow organic materials to pass through. DNP's highly accurate photolithography technology and wet etching technology for metal are major strengths.

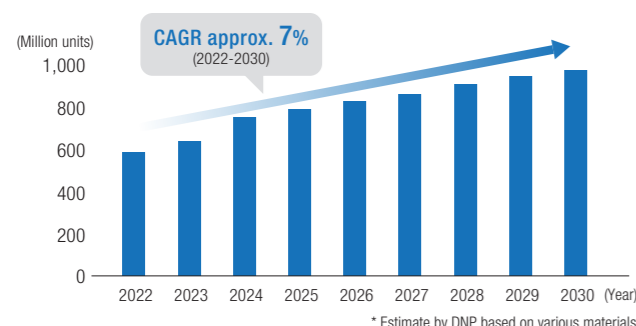
Conceptual diagram of general photolithography and etching processing technologies



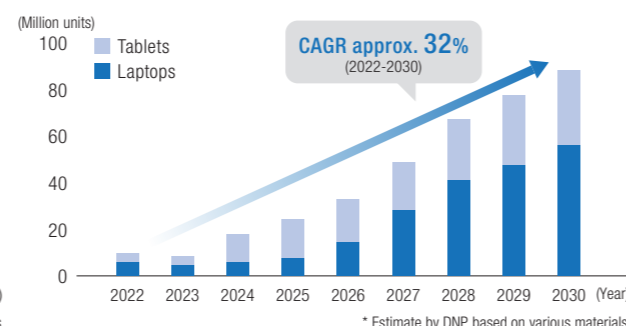
Market environment

- The transition from LCD to OLED displays for smartphones is advancing, with an expected CAGR of approximately 7% from 2022 to 2030.
- For tablets and laptops, a growth rate of around 32% is forecast.

☑ OLED demand forecast for smartphones



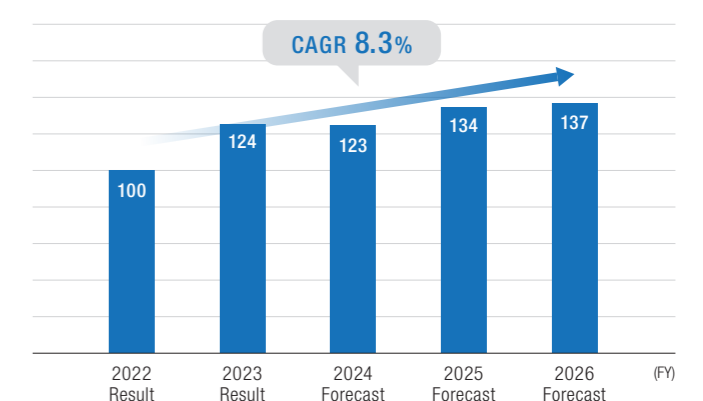
☑ OLED demand forecast for laptops and tablets



Performance trends and future outlook

- DNP will continue to adapt to changes in the display market and ensure stable supply.
- Through the execution of our growth strategy, we plan to achieve a CAGR of 8.3%, surpassing the market growth rate.

☑ Sales (Comparison indexed to FY2022 as 100)



Growth-driving Businesses

Electronics

Semiconductor

Production Photomasks

Semiconductors

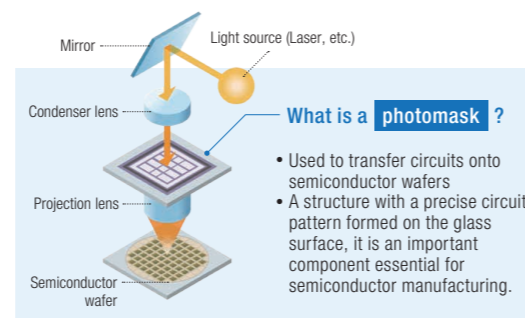
Top-level market share in photomasks for external sales

Business overview & DNP's strengths

DNP provides a range of products and services throughout the entire semiconductor manufacturing process. In the front-end process of semiconductor chip production, photomasks play a crucial role. These glass plates function like photographic negatives, using light to transfer intricate circuit patterns onto substrates. DNP combines microfabrication technology, such as plate-making and patterning, to create and accurately transfer intricate patterns onto various substrates, similar to printing stamps. Starting with the successful development of vapor-deposited masks for transistors in 1959, DNP now offers a range of photomasks, achieving patterns at the nanometer (one-billionth of a meter) level and contributing to the evolution of electronics products. In addition to investing in expanding photomask production capabilities both domestically and internationally, we are also strengthening alliances with numerous external partners. This will enable us to further enhance our value contribution to the semiconductor supply chain.

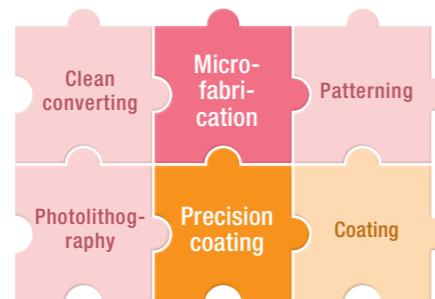
DNP's strengths

- Offering a range of products and services throughout the entire semiconductor manufacturing process
- Creating value through the integration of unique technologies developed in printing
- Capability to address cutting-edge semiconductor manufacturing processes such as nanoimprint, extreme ultraviolet (EUV) and curvilinear
- Accelerating value creation through strengthened alliances with external partners



Examples of our core technology in Electronics

We utilize our distinctive optical design technology as the foundation, incorporating precision thin-film clean coating technology and converting technology, including LCD coating, to deliver optical film products with a wide range of functionalities.



This involves etching technology, where materials undergo chemical corrosion and removal to achieve the desired structure, and molding technology, utilizing molds made of metal, glass, or resin to replicate the material's uneven shape on a printed substrate.

This technology forms high-resolution replica images by exposing a photosensitive agent applied to the substrate's surface to light or electron beams, thus creating the original image.

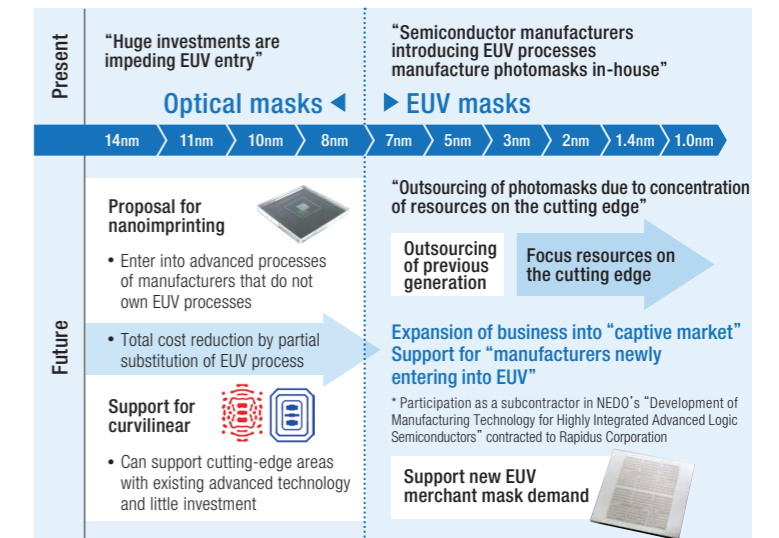
Wet coating is a process in which inked materials are thinly and uniformly applied to cover the surface of a substrate. When combined with substrate design technology, it allows for the creation of coatings with various functionalities.

Growth strategy

Strengthen ability to address advanced fields

- **Accelerate development of masks for EUV**
 - Adapt to further miniaturization of circuit patterns with shorter-wavelength EUV technology
 - Increase number of multi-beam mask writers
 - Complete 3nm node development and commence 2nm node development
- **Promote development of nanoimprint**
 - Form circuit patterns by physically pressing a substrate with fine unevenness
 - Contribute to cost reduction and carbon neutrality by consolidating multiple processes
 - Support development as inquiries from various companies increase
- **Accelerate curvilinear development**
 - Technology for achieving high precision through interaction by forming complex patterns that are not transferred onto photomasks
 - Respond to increasing inquiries from various companies

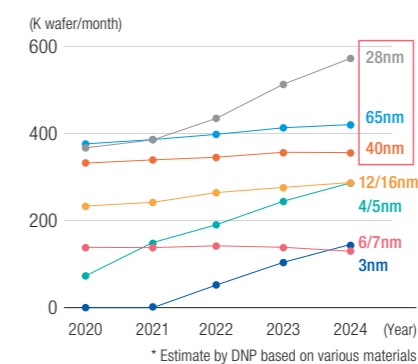
Advanced processes and DNP's initiatives



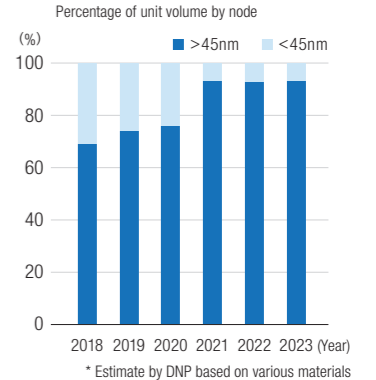
Expansion of production capacity for semiconductor products in the volume zone

- Promote investment in mid-range node semiconductor products
- Expand production capacity to 120% of 2022 levels by 2025 through the operation of production facilities from fiscal 2023 to 2025

Foundry wafer production capacity



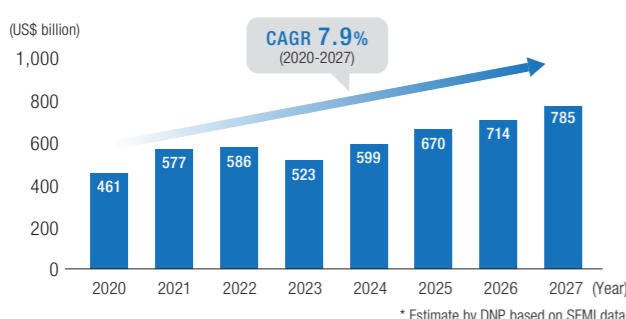
Photomask merchant market



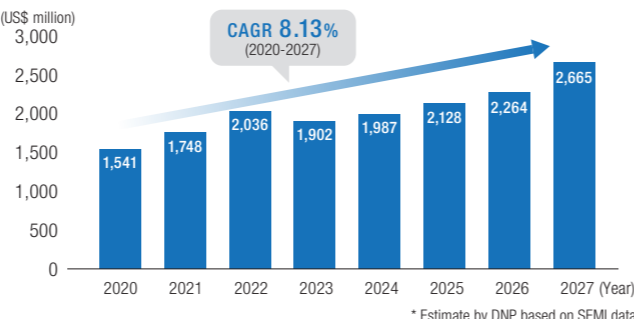
Market environment

- The semiconductor market is forecast to expand at a CAGR of 7.9% from 2020 to 2027, driven by growth in AI-related technologies and automotive applications.
- The photomask market can be roughly divided into the captive market, which targets semiconductor manufacturers' in-house production, and the merchant market, which targets semiconductor manufacturers that do not have their own in-house production divisions. With vigorous equipment investments from various manufacturers, the merchant market is expected to grow by 8.13% from 2020 to 2027.
- DNP's photomask business is targeting the merchant market for the time being. Going forward, DNP will expand its business into the captive market with new products.

Semiconductor market actual/forecasts



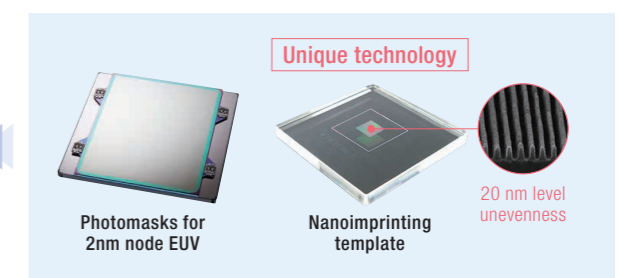
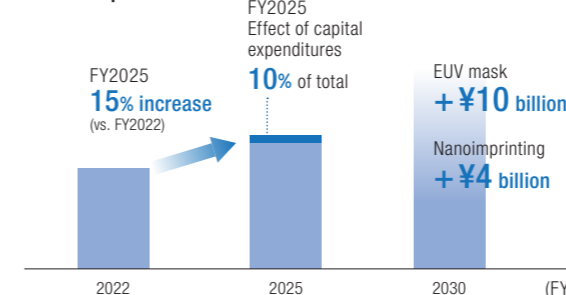
Photomask merchant market actual/forecasts



Performance trends and future outlook

- As a core product of DNP's semiconductor business, we will accelerate development of photomasks for EUV and proprietary nanoimprint technology, and expand into cutting-edge areas through commercialization.
- We will also actively invest to capture the volume zone that continues to expand with the plan to surpass the semiconductor market.

Sales plan



Growth-driving Businesses

Electronics

Glass Core for Semiconductors (IC chip mounting substrates)

Semiconductors

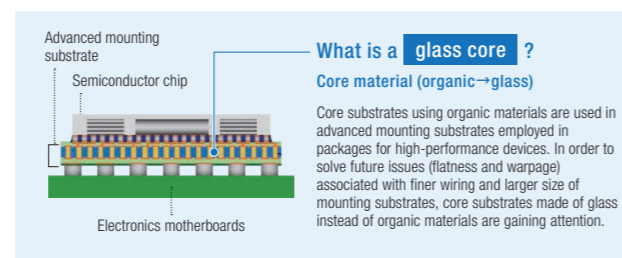
New business development

Business overview & DNP's strengths

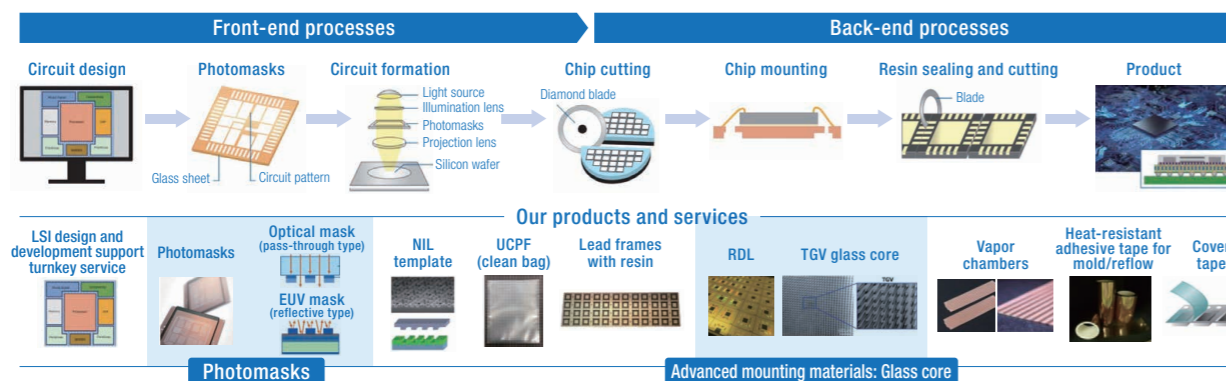
This substrate is used in the back-end chip mounting process of semiconductor manufacturing. DNP, which has a history of manufacturing lead frames for semiconductor mounting with wide line widths, is leveraging its accumulated technology and expertise to advance the development of glass cores for cutting-edge semiconductors with narrow line widths. Currently, substrates that support semiconductor chips are called 'cores,' and resin cores are commonly used. However, with the trend toward finer circuit patterns and larger chips, there is a growing demand for cores with more advanced flatness and reduced warping, making glass an attractive material. This requires the formation of fine, high-density Through Glass Via (TGV) connecting the front and back of the glass. DNP is combining its precision processing technology from photomasks and micro electro mechanical systems (MEMS) products with its expertise in handling thin, large glass used in LCD color filters to realize glass cores. We are accelerating development to drive new growth in this area.

DNP's strengths

- Developed a next-generation semiconductor package TGV glass core substrate in March 2023 through the combination of proprietary technologies
- Applied and advanced technologies for handling thin, large glass and precision processing
- Improved adhesion between glass and metal using a new method developed by DNP, achieving high precision and reliability



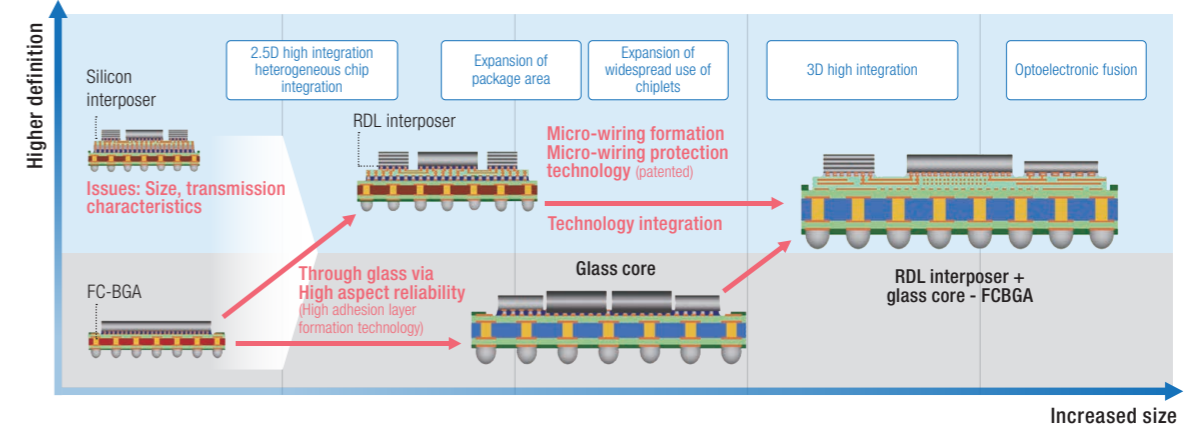
Semiconductor fabrication process and DNP's semiconductor-related products and services



Growth strategy

- Develop a roadmap for advanced mounting substrates for semiconductor products and steadily create new value. Leverage DNP's unique technology and collaboration with supply chain partners as strengths to introduce new products to the market.

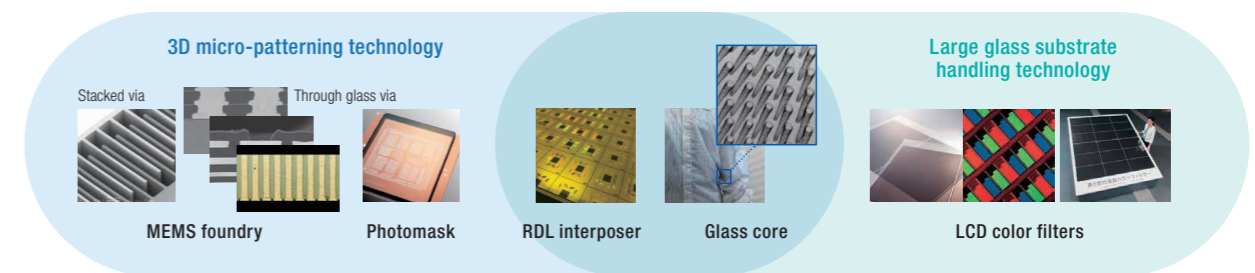
DNP's advanced mounting substrates roadmap



- Expansion of the lineup of advanced semiconductor mounting components by leveraging foundational technologies

- Expansion from the existing lead frames business to the advanced mounting area—new businesses that drive growth in the next generation
- Developing businesses that address next-generation technologies such as optoelectronic integration

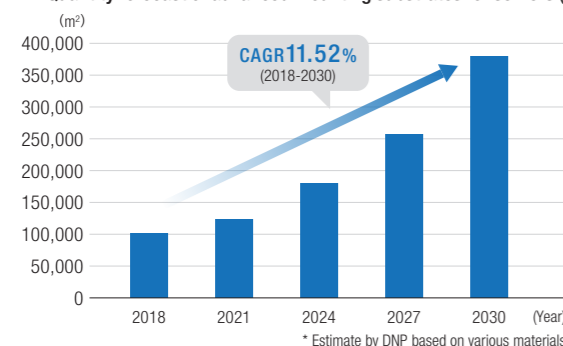
DNP's basic technology and advanced mounting materials for semiconductors



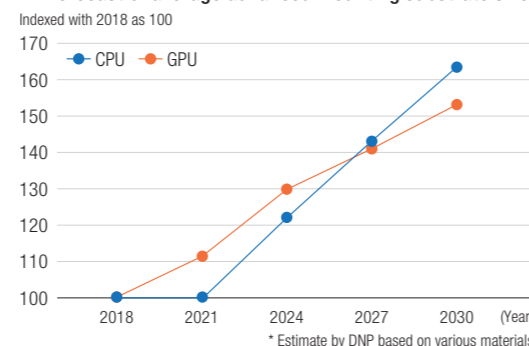
Market environment

- Against the backdrop of advances in AI and the expansion of semiconductor chips, mounting substrates for advanced devices continue to grow in size.
- With the trend toward larger substrates, there is a growing demand for glass cores to address issues related to warping and flatness.
- DNP's business target is the market for advanced mounting substrates for high-performance devices (CPUs/GPUs) used in servers.

Quantity forecast of advanced mounting substrates for servers (area basis)



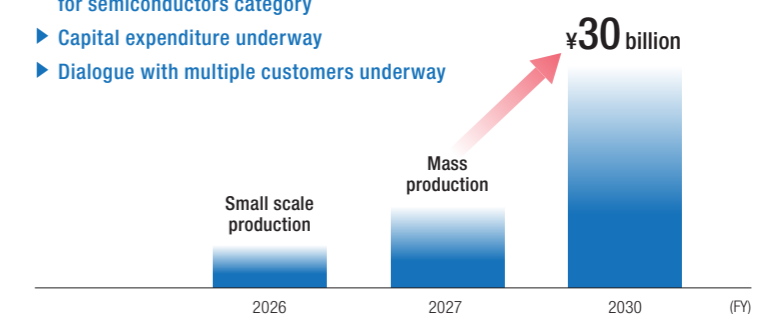
Forecast of average advanced mounting substrate size for servers



Performance trends and future outlook

- DNP's next-generation semiconductor package TGV Glass Core Substrate won the Grand Prize at the Semiconductor of the Year awards (organized by Sangyo Times, Inc.) in 2023. In response to market expectations and the needs of various companies, DNP will accelerate capital investment, starting small-scale production in fiscal 2026 and full-scale production in fiscal 2027.
- Alongside the development of redistribution layer (RDL) interposers and other related technologies, we aim to grow the advanced mounting components business to a scale of 30 billion yen in fiscal 2030.

- ▶ "Market expectations" "Semiconductor of the Year 2023" Awarded the grand prize in the electronic materials for semiconductors category
- ▶ Capital expenditure underway
- ▶ Dialogue with multiple customers underway



Growth-driving Businesses

Life & Healthcare

Battery Pouches for Lithium-ion Batteries

Mobility and industrial high-performance materials



Business overview & DNP's strengths

A battery pouch serves as the outer casing for lithium-ion batteries, designed to protect the internal components. DNP has achieved key features for this product, such as high insulation, superior sealing and airtightness, through its unique combination of technologies. Being a film-type material, it is lighter and more versatile compared to conventional metal can types. Consequently, the market for battery pouches has expanded, particularly for IT devices like smartphones and tablets, as well as for automotive applications such as electric vehicles (EVs). To meet the anticipated growing demand, DNP will increase its production capacity both domestically and internationally. By leveraging its strengths in unique converting technologies and proprietary patents, DNP aims to maintain and strengthen its position as the global leader in market share. Additionally, we will work toward establishing ourselves as the industry's de facto standard and enhancing our presence in the global market.

DNP's strengths in realizing essential functions for battery pouches

- High sealing and airtightness to prevent electrolyte leakage
- High water vapor barrier property to prevent moisture ingress
- High moldability to increase battery capacity
- High insulation to support high voltage and large batteries
- Heat resistance and stability at high temperatures to ensure stable operation in harsh environments



DNP's strengths in enhancing competitiveness

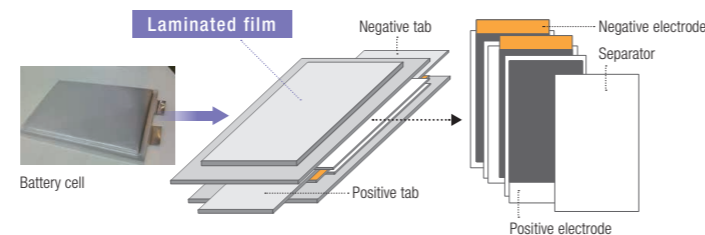
- Global standard
- Stable track record even for use with large-scale batteries
- Certified to IATF 16949 automotive quality management systems



Product image and product lineup



Laminated cell structure

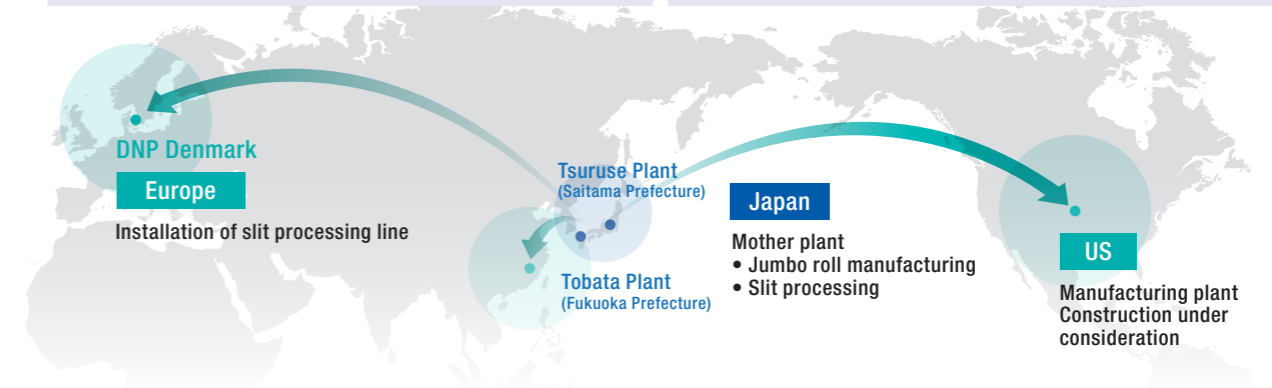


Growth strategy

- **Production technology:** Prevent know-how leakage through in-house equipment development consistent with proprietary development processes
- **Product development:** Advance technology by designing materials in-house and forming special partnerships with material manufacturers
- **Response to competition:** Maximize strengths while restricting new market entrants by leveraging over 500 patents
- **Response to customers:** Enhance production capacity by considering local production in key regions around the world

Maintain and expand status as industry leader in pouches by leveraging years of experience in advanced quality and reliability

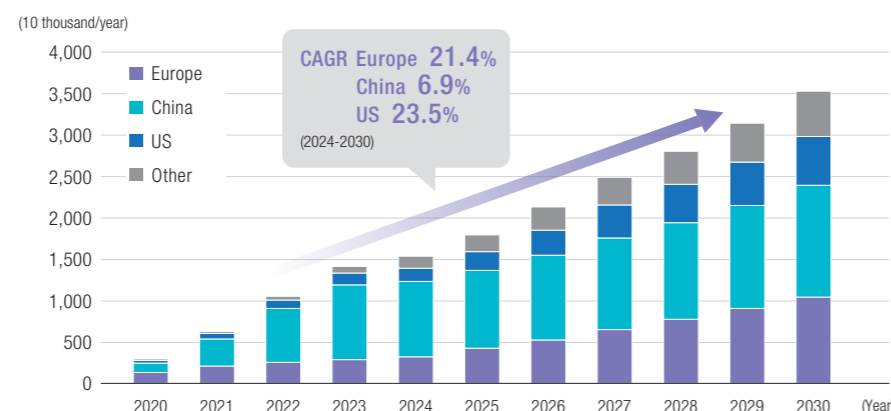
| | |
|---|---|
| Production technology Quality and reliability refined over many years of manufacturing <ul style="list-style-type: none"> • In-house equipment development consistent with proprietary development processes • All produced at DNP's in-house development facilities • Process adaptability, prevention of know-how leakage • Promote high productivity, high yield and automation | Product development Pursuit of functionality through in-house design <ul style="list-style-type: none"> • Materials development: In-house design, alliances with materials manufacturers • Process development: Improving characteristics through the use of proprietary processes - Further enhance long-term durability and reliability - High performance pouches (insulation, heat resistance, moldability, etc.) - Quickly support next-generation batteries (semi-solid-state, all-solid-state, etc.) |
| Response to competition Secure barriers to entry for products and technologies <ul style="list-style-type: none"> • Hold numerous patents to restrict competitors from entering the market (more than 500 rights held) • Confidentiality of manufacturing know-how (in-house production of manufacturing equipment, etc.) • Development and production of strategic materials in collaboration with materials manufacturers | Response to customers Strengthen relationships with strategic customers, local production <ul style="list-style-type: none"> • Strengthen relationships with global EV battery manufacturers - Automotive: Secure supply volume for automotive battery manufacturers - Strengthen relationships with automobile manufacturers (OEMs) - IT applications: Strengthen relationships with influential customers • Promote local production to address policies specific to various countries |



Market environment

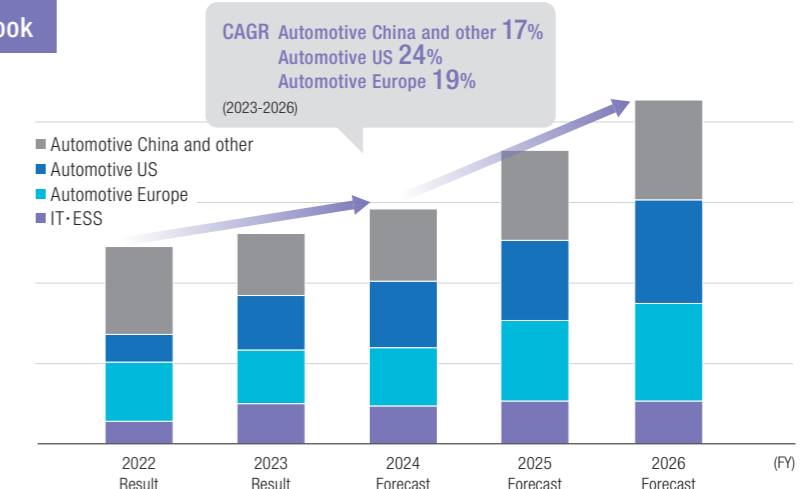
- The major trend of automobile electrification is expected to steadily progress, encompassing electric vehicles (EVs), plug-in hybrid vehicles (PHEVs) and hybrid vehicles (HEVs).

EV+PHEV sales volume by region



Performance trends and future outlook

- Until 2020, the business expanded mainly in IT applications, focusing on smartphones, tablets and laptops. However, the automotive sector has since grown, now accounting for 70-80% of the total.
- Although demand for EVs in Europe and the United States slowed in fiscal 2023, usage of EVs, PHEVs, and HEVs is expected to increase from 2025, with battery pouches projected to grow at an annual rate of 15-20%.



New Business Life & Healthcare

Medical and Healthcare Business

Medical & healthcare

New business development

Business overview & DNP's strengths

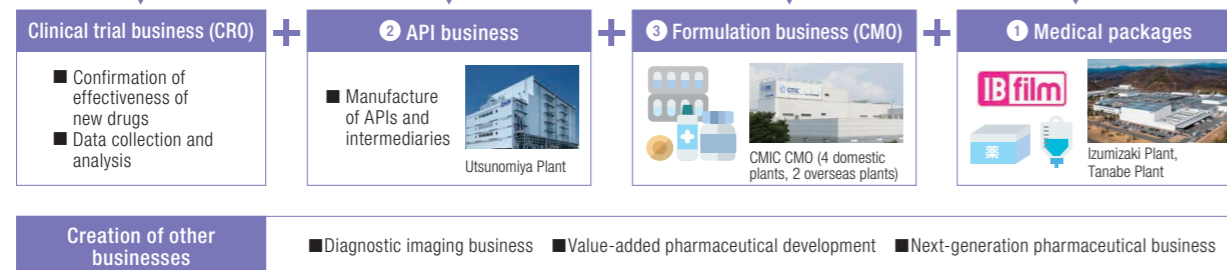
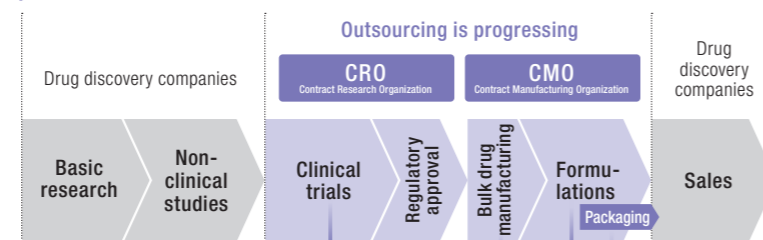
DNP is engaged in a packaging business that utilizes multi-layered films with various functionalities to protect contents from oxygen, water vapor and other elements, thereby extending shelf life, facilitating transportation and making it more user-friendly for a wider audience. Leveraging strengths cultivated since the 1950s, primarily in the packaging sector, DNP is promoting its (1) medical packages business while also focusing on the (2) API business, which started in 2013. The (3) formulation business, acquired through the consolidation of CIMIC CMO Co., Ltd. in 2023, is central to DNP's healthcare business, along with the other two businesses. Additionally, the company is enhancing its strengths as a group by advancing businesses such as clinical trial outsourcing and diagnostic imaging. DNP is committed to providing value that contributes to the entire medical supply chain, including projects aimed at further enhancing the added value of pharmaceuticals and those related to regenerative medicine.

DNP's strengths

- Creation of value through the combination of precision coating technologies, such as uniformly applying functional materials in thin layers, and post-processing techniques such as laminating that bond multiple films together
- Utilizing strengths developed in areas such as IC cards and Business Process Outsourcing (BPO) to undertake various manufacturing and other operations for drug discovery companies and others

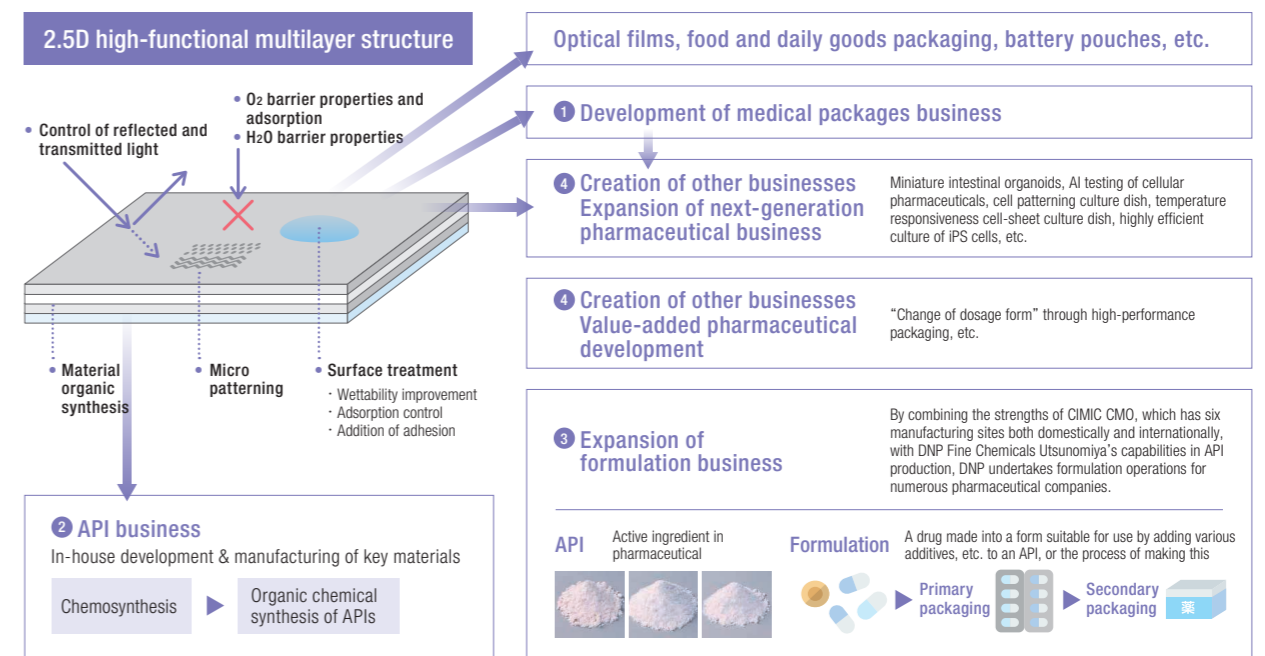
Overview of DNP's medical and healthcare business

Outsourcing for pharmaceutical companies is positioned as the core of DNP's business



Growth strategy

- 1 Medical packages:** Leverage strengths in multi-layering diverse functional films to develop and provide packaging for pharmaceuticals and medical devices. By combining this with formulation technologies, DNP aims to enhance the added value of products such as anticancer drugs.
- 2 API business:** Promote the development of raw materials for multi-layer structures and pharmaceutical APIs at DNP's factories equipped with chemical synthesis processes. Deepen collaboration with CIMIC CMO to aim for the building of an integrated manufacturing process from APIs to drug formulation.
- 3 Formulation business:** CIMIC CMO is the third largest CMO operator in Japan. Leveraging its strengths in manufacturing over 300 pharmaceutical products across six factories both domestically and internationally, the business aims to expand further.
- 4 Creation of other businesses:** This includes contracting clinical trial operations for pharmaceutical companies, expanding the diagnostic imaging business with a focus on the practical application of AI technology, developing value-added pharmaceuticals, and creating various materials related to regenerative medicine and cellular medicine.

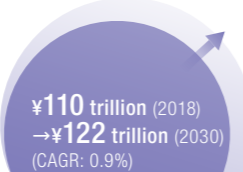


Market environment

- The global pharmaceutical market is expected to expand from 141 trillion yen in 2018 to 196 trillion yen in 2030.
- The weight of low-molecular-weight pharmaceuticals manufactured through chemical synthesis is significant, with particularly strong growth expected in highly pharmacologically active drugs such as anticancer drugs.
- DNP is engaged in pharmaceutical manufacturing primarily in the low-molecular-weight pharmaceutical sector while also aiming to build businesses in biopharmaceuticals and cellular medicine.

Low-molecular-weight pharmaceuticals

Large and major mature market, yet exhibiting stable growth



(Number included) Highly pharmacologically active drugs



Biopharmaceuticals

Market is expected to expand. Large capital expenditure burden



Cellular medicine

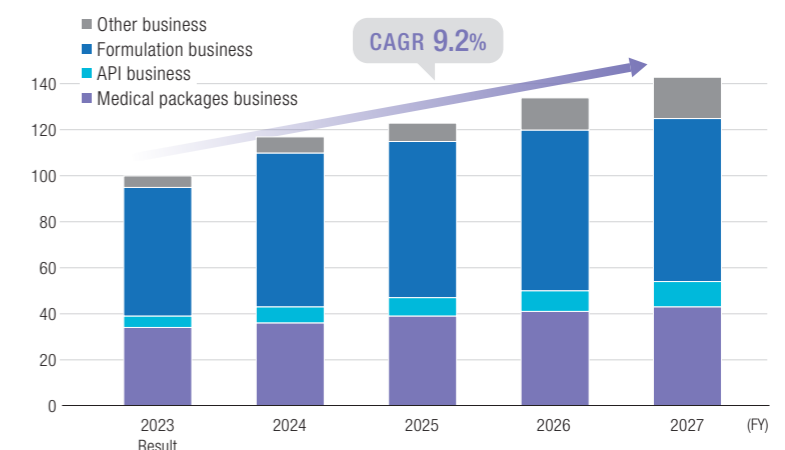


Performance trends and future outlook

- The 1 medical packages, 2 API and 3 formulation businesses are expected to grow steadily, aiming for sales of over 1.4 times the FY2023 results in 2027 (projecting CAGR of 9.2%).
- The DNP Group is committed to contributing more than ever to client companies, including pharmaceutical firms, while continuously supporting people's health and ensuring safe, secure lives.

Revenue plan for the medical and healthcare business

Comparison indexed to FY2023 as 100



*Source 1: "Study on Issues for Industrialization Related to Pharmaceuticals, Regenerative Medicine, Cell Therapy, and Gene Therapy, and on Initiatives Required to Resolve These Issues" Arthur D. Little URL: https://www.kantei.go.jp/jp/singi/kenkouiryoushiyou/pdf/r01hosei_jyakukanren-sangyouka_saisei02.pdf

*Source 2: WorldPreviewReport Final 2021 URL: <https://www.scribd.com/document/578590998/WorldPreviewReport-Final-2021#>

*Source 3: Global Biosimilars Market Expected to Grow at a CAGR of 24.7% from 2022 to 2031 URL: <https://www.report.jp/biosimilars-market-by-type-human/>

New Business Smart Communication

Development of businesses content production and XR

such as communication

Content & XR communication

New business
development

Business overview & DNP's strengths

The phrase "running a business that contributes to civilization," established at the time of the Company's founding, continues to be upheld today as DNP engages in various businesses that contribute to the cultivation and development of knowledge and culture among people. In this new business under the Medium-term Management Plan, the vision is to communicate content in the most appropriate form, create new value, support comfortable lifestyles, and nurture enriched culture. The mission is to promote communication models that merge the real and virtual, connecting people and society and delivering "new experiential value" to the world through information processing and conversion technologies. The business focuses on advancing content production and developing XR communication, supported by a common foundation comprising three functions. This initiative aims to nurture culture and achieve a comfortable and enjoyable future for all.

DNP's strengths

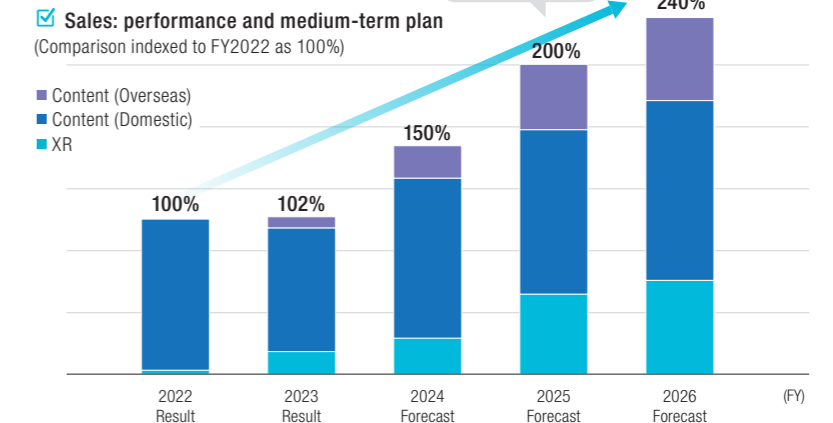
- Network with diverse content holders and creators around the world
- Proven track record and reliability in high-definition image processing technology and copyright processing
- Ability to integrate and optimize business processes using authentication technology and technology for processing large volumes of data
- Applying these strengths, we will create a new economic sphere by seamlessly connecting the real and virtual in a safe and secure manner.

Content & XR communication: Basic functions

- 1 Producing content**
(Converting content value)
- 2 XR Communication®**
(Value creation through fusion of the real and virtual)
- 3 Common infrastructure for content and XR areas**
"Content planning/production/development," "authentication/security," "e-commerce," "BPR/BPO"

Performance trends and future outlook

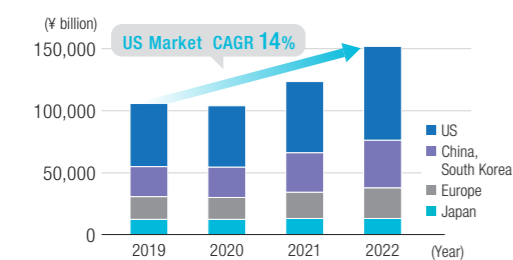
- DNP aims to expand sales in this business to 240% of the FY2022 level by FY2026.
- We will actively invest in content and collaborate with different companies and organizations. For example, in May 2024, we established a capital and business partnership with monoAI technology K.K. to strengthen the foundation of XR communication. Together with our business alliance partners, we will continue to bolster our business promotion system.



Development of the (1) Content production business

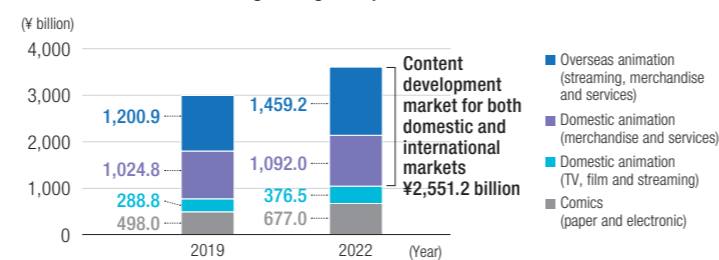
- The size of the overseas content market has nearly doubled in the last decade. The expansion of demand is also driven by secondary content developments, such as merchandise and exhibitions based on comics, anime and games. Diverse media consumption styles for enjoying content have become firmly established worldwide.
- DNP is expanding the range of our business by applying our information processing and conversion technologies, and software and hardware development capabilities. In April 2024, we opened the Tokyo Anime Center in San Francisco, building on our domestic operations. We plan to develop various businesses, including exhibitions, events and game equipment development, both domestically and internationally.

Trends in the size of the overseas content market



Source: HumanMedia, "Japan and World Media Content Market Database"

Structure of content originating in Japan

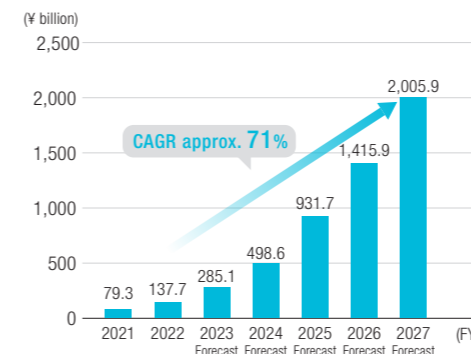


DNP research

(2) Development of XR Communication® business

- DNP is leveraging Extended Reality (XR) technology to merge real and virtual spaces, enhancing both experiential and economic value for people through its XR Communication business. The domestic market in related areas is expected to grow at a CAGR of 71% until 2027, reaching a value of 2 trillion yen. In addition to entertainment, there is great potential for applications in education, addressing local challenges and corporate marketing.
- DNP is deepening collaborations with many local governments, companies and organizations to expand administrative services through initiatives such as the Metaverse Government Office, as well as creating metaverse spaces for children who are unable to attend school or need Japanese language instruction. We also provide support for corporate anniversary events and marketing events.

Domestic market for XR and metaverse



Source: Yano Research Institute Ltd., "The Metaverse Market 2023"

Scenarios for expansion of areas utilizing XR and metaverse



Source: Prepared by Deloitte Tohmatsu Consulting

Bonding with your favorite, delivering to the world

Expansion of content utilization business "Producing a diverse range of media"

Expanding self-organized entertainment business with exhibitions, events and merchandise at its core.

Development and provision of game machines based on DNP technology



Overseas expansion of successful Japanese model

- Comic and anime exhibitions
- Sales of original merchandise
- Provision of amusement game machines

Global business expansion "Overseas expansion of Japanese content"

Overseas expansion of merchandise, services and events originating from Japan

Starting with expansion in North America
Events with exhibits in North America (FY2023 results)
Anime Expo @Los Angeles New York Comic Con Anime Matsuri@Houston

* The Tokyo Anime Center is a joint operation project between The Association of Japanese Animations and DNP.

Social implementation as future infrastructure to create a new economic sphere

Community-linked XR Service with metaverse

"Metaverse Government Office" with no need to visit in person

Start a demonstration project to solve various issues faced by local governments (Edogawa City)

Educational metaverse

Develop an initiative to create places for children who are unable to attend school or need Japanese language instruction (Tokyo Metropolitan Government)

XR marketing for enterprises with metaverse

Marketing events

Various communication measures with consumers such as events and seminars

Corporate events

Large-scale events that bring together employees from various locations for discussion