



DAI NIPPON TORYO CO.,LTD.

Fiscal Year Ended March 31, 2025

Financial Results Briefing Materials

Securities code: 4611 TSE PRIME

May 22, 2025

| Notation | Meaning |
|------------------------------|--|
| FY24e | <ul style="list-style-type: none"> The FY2024 full-year consolidated Guidance as stated in the "Notice Regarding Differences between the Interim Guidance and Actual Results for the Fiscal Year Ending March 31, 2025, and Revision of Full-Year Guidance" (issued on November 8, 2024). |
| FY25e | <ul style="list-style-type: none"> The FY2025 full-year consolidated Guidance as stated in the "<u>Consolidated Financial Results for the Fiscal Year Ended March 31, 2025</u>" (issued on May 15, 2025). |
| SPC | <ul style="list-style-type: none"> SHINTO PAINT CO.,LTD., which newly became our consolidated subsidiary as of March 18, 2025 |
| On a comparable basis | <ul style="list-style-type: none"> Figures excluding the impact of new consolidation of SPC. <p>Unless otherwise noted as being on a comparable basis, all figures are based on the same standards as the consolidated financial statements disclosed in the [Official English Title of the Financial Results].</p> |
| NOPAT-ROE | <ul style="list-style-type: none"> In our calculation of Return on Equity (ROE), the numerator is NOPAT, which is calculated as Operating Profit \times (1 - Effective Corporate Tax Rate: 30.5%). This metric was introduced as one of our key management indicators in the 2026 Mid-Term Management Plan to prioritize profitability from core business. |

Impact of SPC consolidation

| | Consolidated Balance Sheet | Consolidated Statement of Income |
|--------------|---|--|
| FY24 | <ul style="list-style-type: none"> Included based on accounting standards for consolidated financial statements. | <ul style="list-style-type: none"> Only Gain on bargain purchase is recognized, and operating profit/loss from SPC is excluded. |
| FY25e | <ul style="list-style-type: none"> Included based on accounting standards for consolidated financial statements. | <ul style="list-style-type: none"> Including operating profit/loss from SPC. |

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FY24 Earnings Highlights

| | | |
|---|---------------------------|---|
| Net sales | 72,511 Million yen | vs. FY23 +0.8% vs. Guidance* $\triangle 2.0\%$ |
| Operating profit | 4,716 Million yen | vs. FY23 $\triangle 3.8\%$ vs. Guidance* $\triangle 1.7\%$ |
| Profit attributable to owners of parent | 9,437 Million yen | vs. FY23 +105.1% vs. Guidance* +119.5% |
| NOPAT-ROE | 5.3 % | vs. FY23 $\triangle 0.8\text{p}$ vs. Guidance* $\triangle 0.2\text{p}$ |
| ROE | 15.2 % | vs. FY23 +7.0p vs. Guidance* +8.1p |

*All comparative guidance figures are based on the announcement made on November 8, 2024.

Planned Dividend ¥ **49** per share

FY25 Guidance

| | | |
|---|---------------------------|--|
| Net sales | 92,000 Million yen | vs. FY24 +26.9% On a comparable basis* +2.1% |
| Operating profit | 5,000 Million yen | vs. FY24 +6.0% On a comparable basis* +3.9% |
| Profit attributable to owners of parent | 3,400 Million yen | vs. FY24 $\triangle 64.0\%$ On a comparable basis* $\triangle 22.0\%$ |
| NOPAT-ROE | 5.3 % | vs. FY24 $\pm 0.0\text{p}$ |
| ROE | 5.2 % | vs. FY24 $\triangle 9.9\text{p}$ |

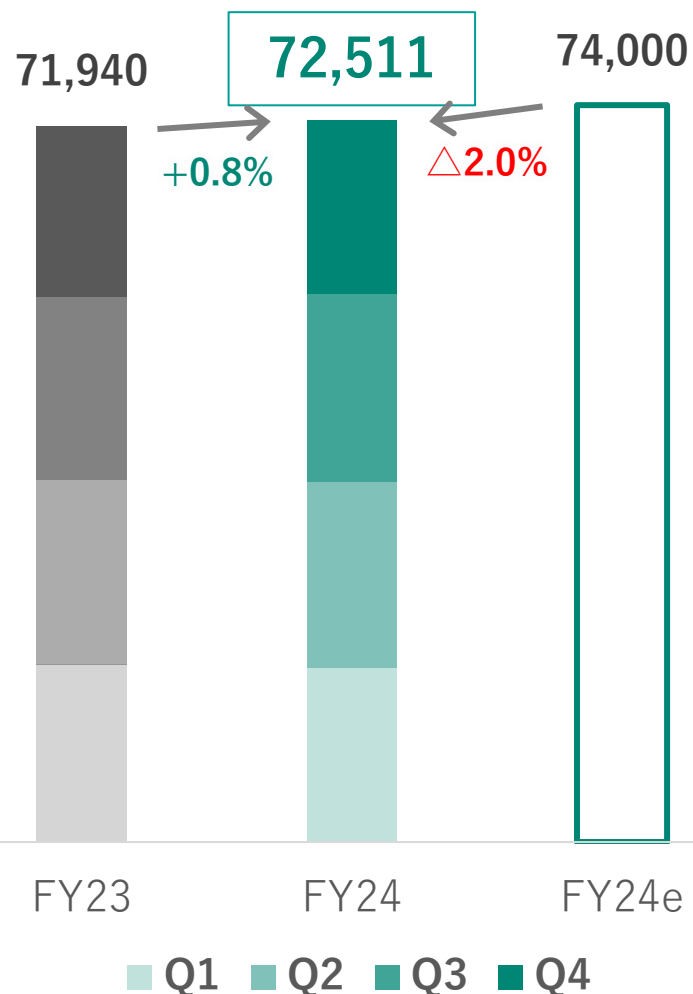
*On a comparable basis excludes the impact of new SPC consolidation.

Forecasted Dividend ¥ **58** per share

FY24 Consolidated Financial Performance

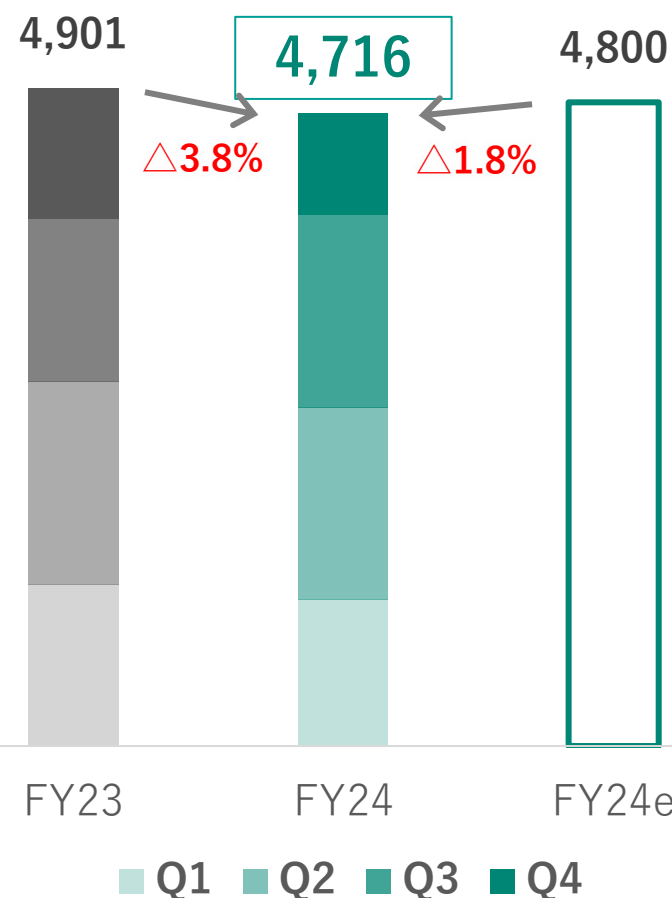
Net sales

- Sales of Domestic and Overseas coatings are softening.



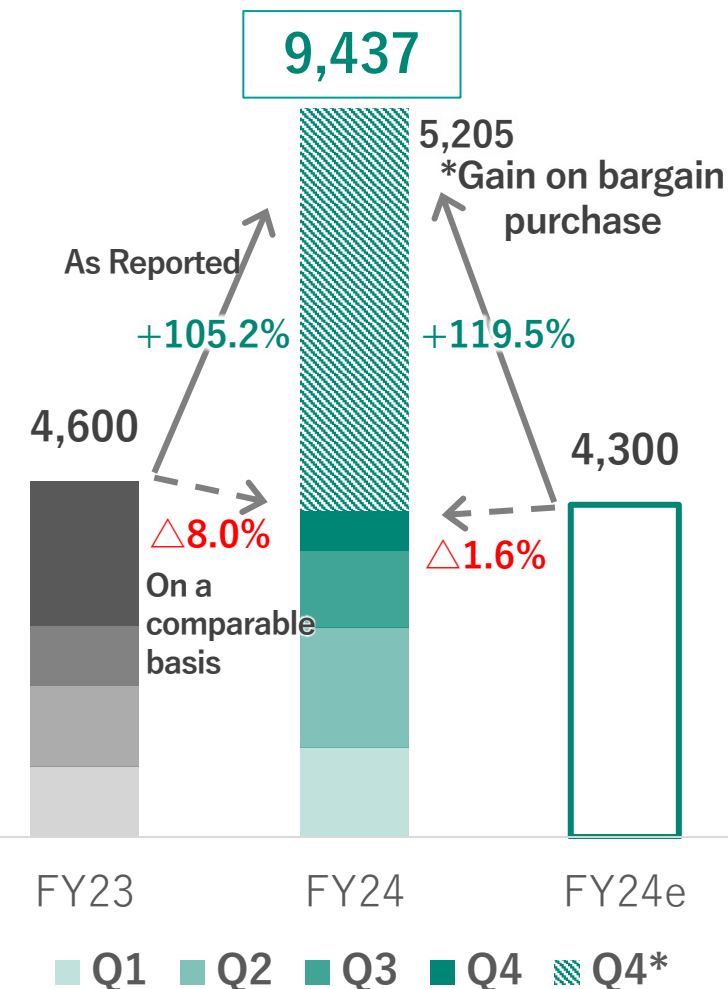
Operating profit

- Cost increases in Domestic Coatings
- Decreased profitability in Overseas Coatings



Profit attributable to owners of parent

- Recorded gain on bargain purchase from SPC consolidation.
- Reduction in strategic shareholdings.



FY24 Profit and Loss Status: Domestic Coatings

Price corrections are progressing, but volumes are sluggish due to inappropriate conduct issues.

- In the General-Use field, sales, especially for structural coatings, softened due to sluggish sales caused by the inappropriate conduct issue.
- Industrial-Use sales increased Y/Y driven by price corrections, despite a partial market recovery (e.g., metal building materials) that missed the plan.
- In the Ink & Dispersion Technology-Related business, expanded sales of new products and progress in the adoption of technologies for display applications were achieved.
- Operating profit decreased, unable to absorb one-time cost increases from core system updates and higher personnel expenses.

| (Million yen) | FY24 Full Year | FY23 Full Year | Year-on-Year Change % Change | | FY24e Full Year | Achievement Rate |
|---|-------------------|-------------------|--------------------------------------|----------------|--------------------|---------------------|
| Net sales | 50,921 | 50,551 | + 370 | + 0.7% | 52,650 | 96.7% |
| General-Use | 20,644 | 21,233 | △ 588 | △ 2.8% | 22,600 | 91.3% |
| Industrial-Use | 18,450 | 18,122 | + 327 | + 1.8% | 18,780 | 98.2% |
| Ink & Dispersion Technologies, Other | 4,245 | 4,038 | + 206 | + 5.1% | 4,460 | 95.2% |
| Subsidiaries/Adjustments | 7,580 | 7,155 | + 424 | + 5.9% | 6,810 | 111.3% |
| Operating profit | 1,968 | 2,200 | △ 232 | △ 10.6% | 2,400 | 82.0% |
| Operating Profit Margin | 3.9% | 4.4% | △ 0.5p | - | 4.6% | - |

FY24 Profit and Loss Status: Overseas Coatings

Unable to offset the impact of decreased automobile production, performance remained sluggish.

- In Southeast Asia, the business was impacted by a decrease in automobile production volume and a decrease in demand for coatings for building materials.
- Mexico performed strongly due to increased automobile production and higher demand from new deals, though it softened slightly towards the end of the fiscal period.
- In China, the market was impacted by the sluggishness of Japanese automobile manufacturers and a decrease in demand for metal building materials.
- Operating profit significantly decreased due to a decline in profit margins, primarily caused by lower sales in Southeast Asia and China.

| (Million yen) | FY24 Full Year | FY23 Full Year | Year-on-Year Change | | FY24e Full Year | Achievement Rate |
|-------------------------|---------------------------|-------------------|------------------------|---------|----------------------------|---------------------|
| Net sales | 8,133 | 8,529 | △ 396 | △ 4.7% | 8,400 | 96.8% |
| Southeast Asia | 5,352 | 6,050 | △ 697 | △ 11.5% | 5,450 | 98.2% |
| Mexico | 1,807 | 1,493 | + 313 | + 21.0% | 1,950 | 92.7% |
| China | 972 | 986 | △ 13 | △ 1.3% | 1,000 | 97.3% |
| Operating profit | 238 | 416 | △ 177 | △ 42.7% | 320 | 74.6% |
| Operating Profit Margin | 2.9% | 4.9% | △ 1.9p | - | 3.8% | - |

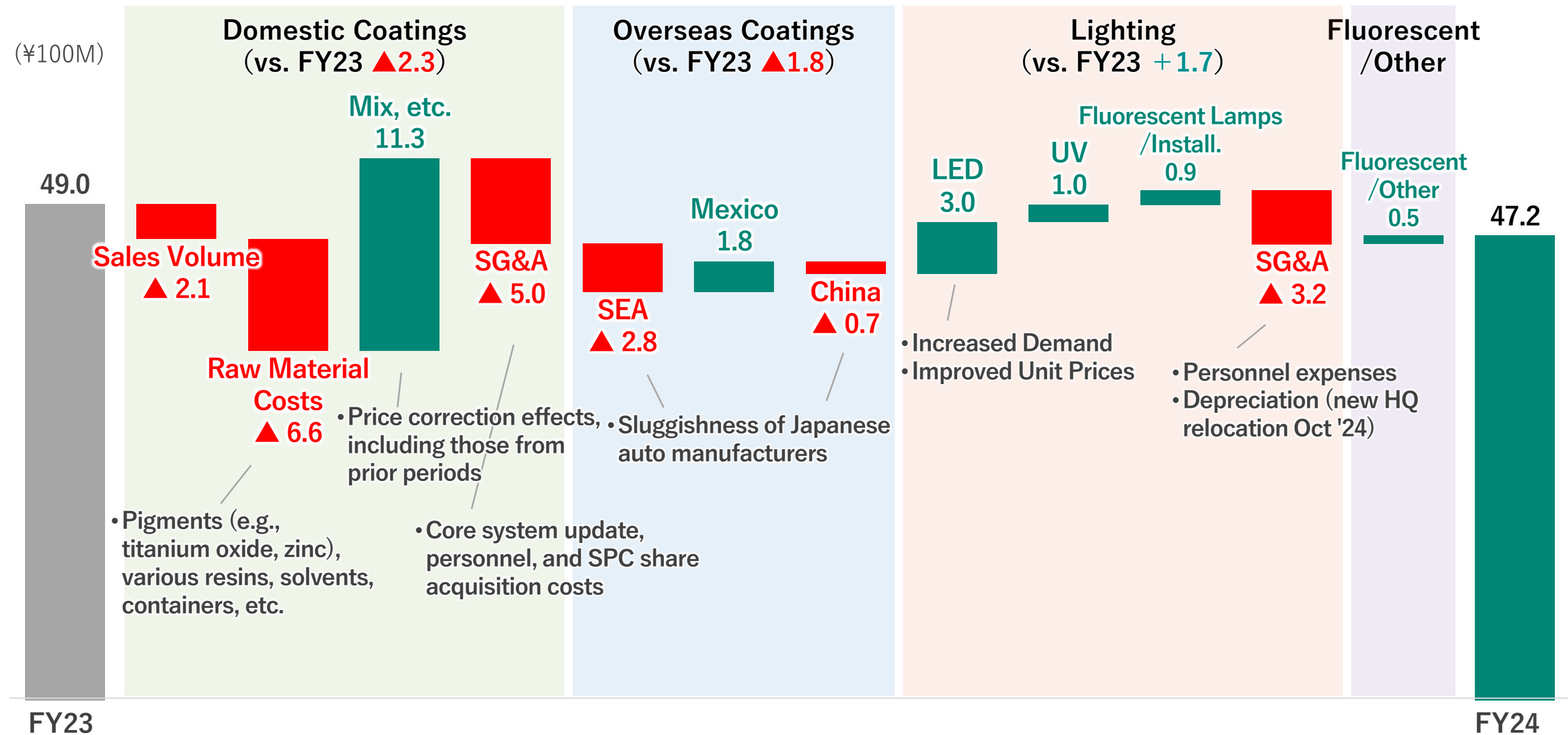
Fueled by a favorable demand environment, LED sales grew, reaching a new record profit.

- In the commercial LED lighting field, firm demand, primarily for commercial and accommodation facilities (backed by strong inbound tourism and urban redevelopment), combined with progress in improving selling prices.
- In the UV lamp field, despite firm demand for UV disinfection applications, demand for some other products declined.
- For Fluorescent Lamps, shipment volumes decreased due to market contraction, but selling prices further improved. Additionally, installation sales expanded.
- Operating profit reached a new segment record, as increased revenue absorbed higher costs, including personnel expenses and depreciation from the head office relocation.

| (Million yen) | FY24 Full Year | FY23 Full Year | Year-on-Year Change | | FY24e Full Year | Achievement Rate |
|---|-------------------|-------------------|------------------------|---------------|--------------------|---------------------|
| Net sales | 10,418 | 9,686 | + 732 | + 7.6% | 9,950 | 104.7% |
| LED lighting | 7,692 | 7,120 | + 571 | + 8.0% | 7,450 | 103.3% |
| UV lamp | 1,025 | 1,071 | △ 46 | △ 4.3% | 1,000 | 102.5% |
| Fluorescent Lamps / Installation / Other | 1,700 | 1,494 | + 206 | + 13.8% | 1,500 | 113.4% |
| Operating profit | 2,063 | 1,890 | + 173 | + 9.2% | 1,700 | 121.4% |
| Operating Profit Margin | 19.8% | 19.5% | + 0.3p | - | 17.1% | - |

Factors Affecting Consolidated Operating Profit (FY24 vs. FY23)

Despite segment-wide price corrections, operating profit fell due to lower Domestic & Overseas Coatings revenue.



Proactive capex & reduced strategic shareholdings / Increased total assets, etc. due to SPC consolidation

| | As of March 31, 2024 | As of March 31, 2025 | Y/Y Change | Notes |
|--|-------------------------|-------------------------|-----------------|--|
| Total assets | 101,618 | 133,344 | + 31,725 | |
| Current assets | 40,198 | 53,066 | + 12,867 | SPC Consolidation + 12,139 |
| Property, plant and equipment | 26,321 | 46,040 | + 19,719 | SPC Consolidation + 18,733, Capex 4,410, Depreciation△2,338, Asset Sales△1,236 |
| Intangible assets | 898 | 1,410 | + 512 | Capex + 735, Depreciation△142 |
| Investments and other assets | 34,200 | 32,826 | △ 1,373 | Strategic Share Sale△2,868, SPC Consolidation + 2,870, Retirement Asset Decrease△582, Share Market Value Decline△775 |
| Total liabilities | 39,128 | 57,173 | + 18,045 | SPC Consolidation + 19,173 |
| (Of which, Borrowings) | (5,100) | (11,576) | (+ 6,476) | SPC Consolidation + 5,026 |
| Total net assets | 62,490 | 76,170 | + 13,679 | |
| (Of which, Shareholders' equity) | (46,026) | (54,515) | (+ 8,488) | |
| Total liabilities and net assets | 101,618 | 133,344 | + 31,725 | |
| Equity (Shareholders' equity + Accumulated other comprehensive income) | 59,550 | 65,027 | + 5,477 | |
| Equity ratio | 58.6% | 48.8% | △ 9.8p | |

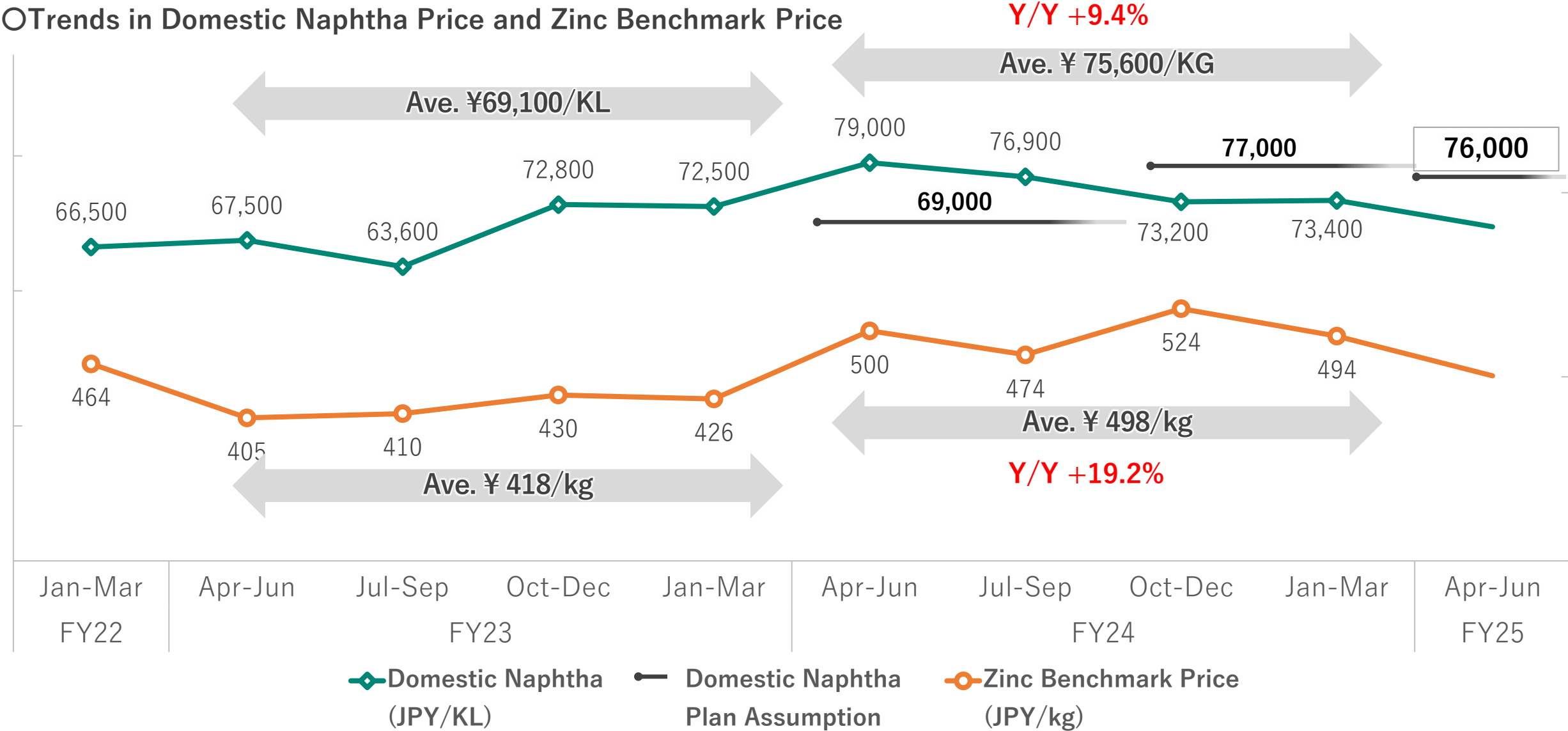
Operating cash flow was sluggish due to the impact of quality incidents, etc.
Funding needs were met by selling strategic shareholdings and fixed assets.

| | FY23 | FY24 | Y/Y Change | Notes |
|---|----------------|--------------|----------------|---|
| Cash flows from operating activities | 3,463 | 3,570 | + 107 | |
| Cash flows from investing activities | △ 772 | △ 364 | + 408 | Increased Capex△988, Strategic Share Sale + 1,200, Decreased Fixed Asset Sales△378, SPC Share Acquisition△1,648 |
| Cash flows from financing activities | △ 1,657 | △ 75 | + 1,581 | Increased Borrowings + 1,350 |
| Effect of exchange rate change on cash and cash equivalents | 492 | 470 | △ 22 | |
| Net increase (decrease) in cash and cash equivalents | 1,526 | 3,601 | + 2,074 | |
| Cash and cash equivalents at beginning of period | 6,340 | 7,867 | + 1,526 | |
| Cash and cash equivalents at end of period | 7,867 | 11,469 | + 3,601 | |

Trends in Key Raw Material Prices

Raw Material Prices Remained High in FY24, with a Slight Downturn Recently.

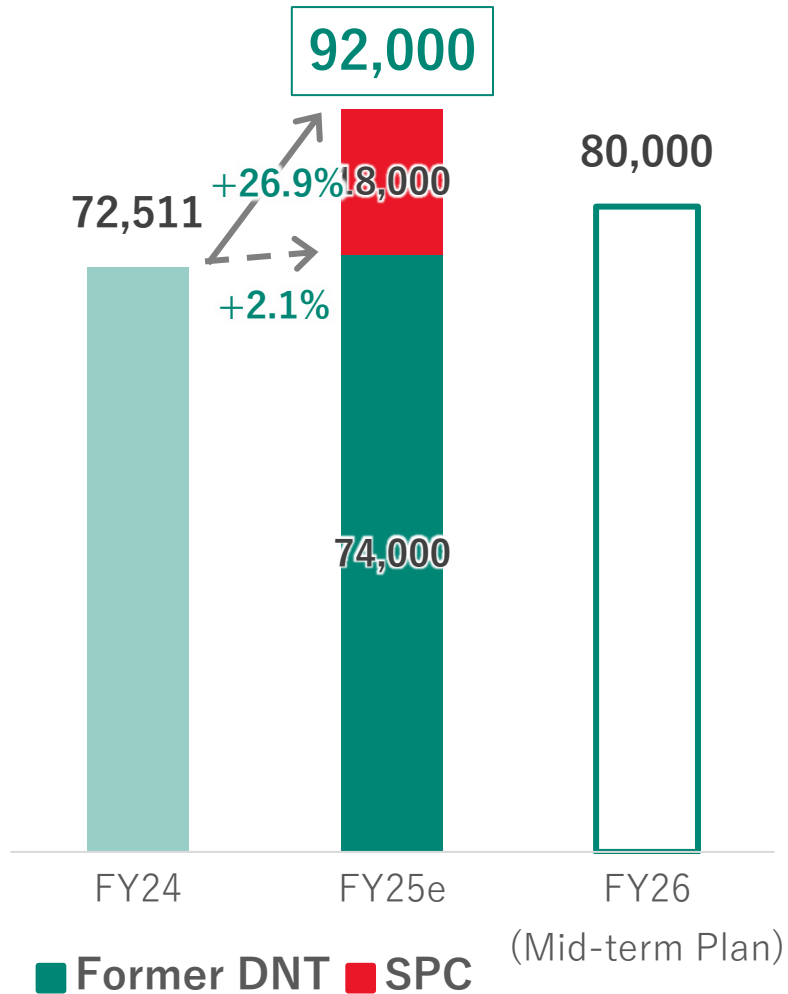
OTrends in Domestic Naphtha Price and Zinc Benchmark Price



FY25 Consolidated Guidance

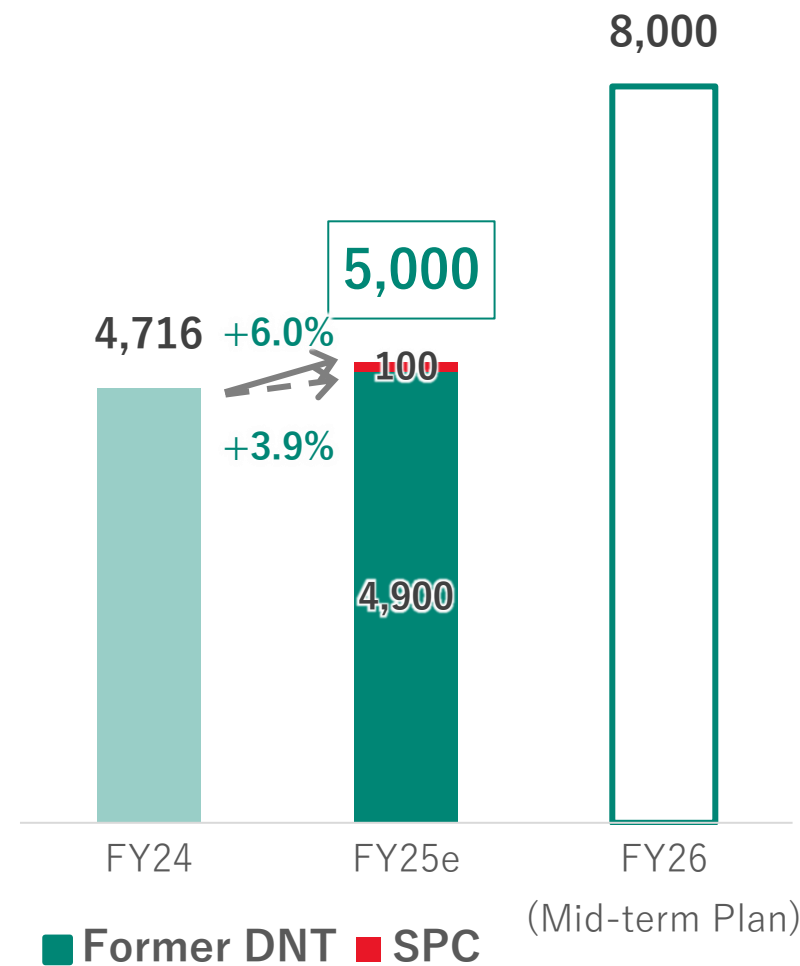
Net sales

- Firm demand outlook for Industrial (Domestic Coatings) and LED (Lighting).
- Organic growth is projected at 2.1%.



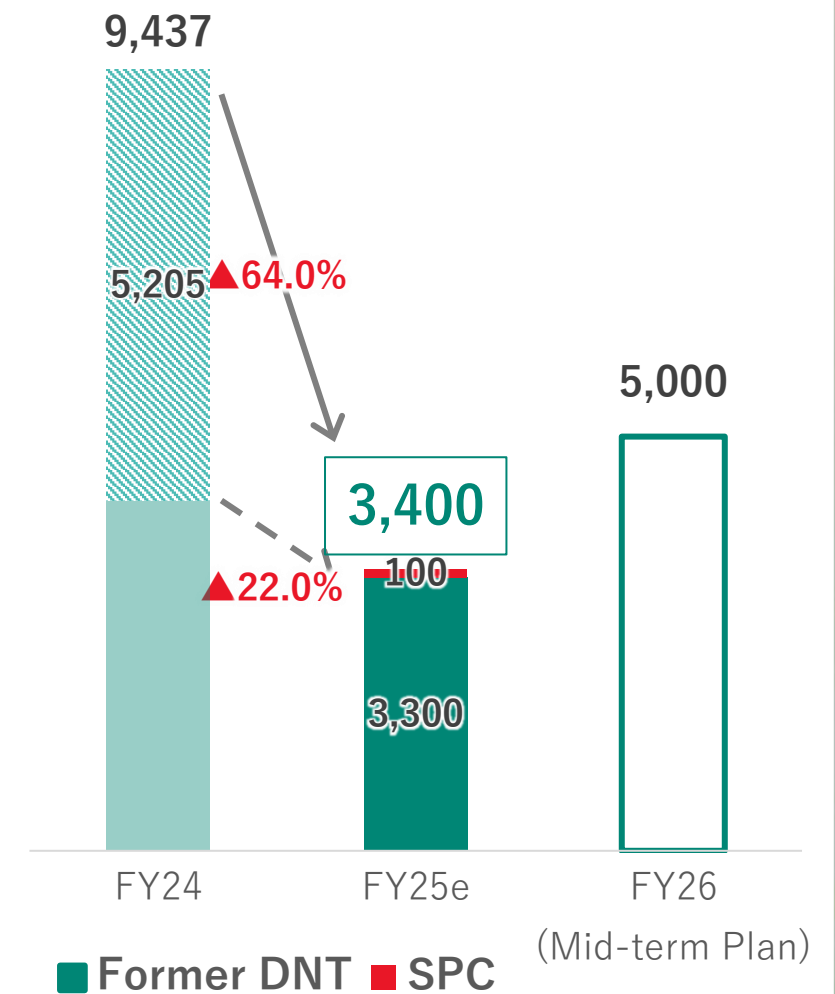
Operating profit

- SPC consolidation expected to generate synergies of approximately JPY 100 million this fiscal year.



Profit attributable to owners of parent

- Profit decrease expected from smaller strategic share reduction and absence of gain on bargain purchase.



SPC consolidation boosted segment sales, and we are exploring synergy creation.

| (Million yen) | FY25e Full Year | FY24 Full Year | vs. FY24 | | Notes |
|--------------------------------------|--------------------|-------------------|-----------------|----------------|--|
| | | | Change | % Change | |
| Net sales | 69,700 | 50,921 | + 18,778 | + 36.9% | |
| General-Use | 21,000 | 20,644 | + 355 | + 1.7% | • Market remained flat; focus on recovery from quality issues. |
| Industrial-Use | 19,000 | 18,450 | + 549 | + 3.0% | • Firm demand outlook for metal products and various machinery. |
| Ink & Dispersion Technologies, Other | 4,700 | 4,245 | + 454 | + 10.7% | • Anticipate increase from acquiring new users for Nanocote materials in display applications. |
| Subsidiaries/Adjustments | 7,600 | 7,580 | + 19 | + 0.3% | |
| SPC | 17,400 | - | - | - | |
| Operating profit | 2,430 | 1,968 | + 461 | + 23.4% | • Approximately JPY 100 million in immediate synergies from SPC consolidation factored in, mainly from raw material procurement. |
| Operating Profit Margin | 3.5% | 3.9% | △ 0.4p | - | |

Focus on expanding customer base in Southeast Asia.
Exploring business transfer and production outsourcing in China.

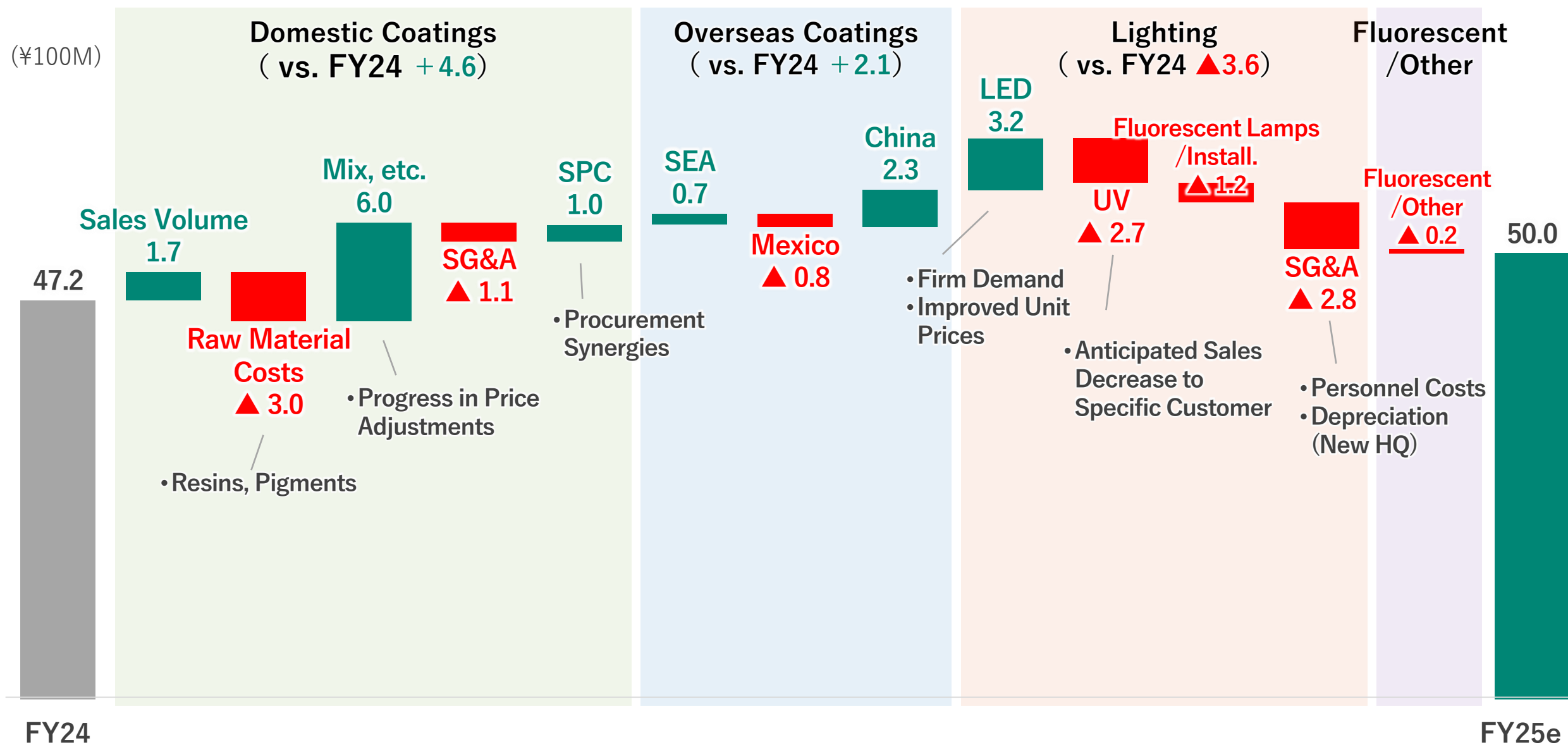
| (Million yen) | FY25e Full Year | FY24 Full Year | vs. FY24 | | Notes |
|-------------------------|--------------------|-------------------|--------------|----------------|---|
| | | | Change | % Change | |
| Net sales | 9,000 | 8,133 | + 866 | + 10.7% | |
| Southeast Asia | 5,820 | 5,352 | + 467 | + 8.7% | • Japanese auto manufacturers' struggles continue, but production volume is expected to recover by 5-10% vs. FY24. We're focusing on increasing transactions with non-Japanese manufacturers. |
| Mexico | 1,570 | 1,807 | △ 237 | △ 13.1% | • Though US tariff policy impact is unclear, we anticipate FY24-level auto production volume. Net sales are projected to decrease due to the discontinuation of low-profit thinner sales. |
| China | 1,010 | 972 | + 37 | + 3.8% | • We're negotiating with specific customers, considering business transfer and production outsourcing. |
| SPC | 600 | - | - | - | |
| Operating profit | 450 | 238 | + 211 | + 88.6% | • The profit impact from US tariff policy in FY25 is estimated at a maximum of JPY 80 million (not incorporated into the plan). |
| Operating Profit Margin | 5.0% | 2.9% | + 2.1p | - | |

Strong LED demand continues.

| (Million yen) | FY25e Full Year | FY24 Full Year | vs. FY24 | | Notes |
|---|--------------------|-------------------|----------|----------|---|
| | | | Change | % Change | |
| Net sales | 10,350 | 10,418 | △ 68 | △ 0.7% | |
| LED lighting | 8,510 | 7,692 | + 817 | + 10.6% | • Firm outlook for main commercial facilities, hotels, and offices. Additionally, we aim to develop the residential and outdoor markets. |
| UV lamp | 610 | 1,025 | △ 415 | △ 40.5% | • Sales to a large, specific customer are expected to decrease due to a demand trough. |
| Fluorescent Lamps / Installation / Other | 1,230 | 1,700 | △ 470 | △ 27.7% | • While continuous price improvements are planned for fluorescent lamps, shipment volume is projected to decrease by 40% due to market contraction. |
| Operating profit | 1,700 | 2,063 | △ 363 | △ 17.6% | • Profit decrease planned due to higher personnel costs (future-oriented staffing/wage improvements) and increased depreciation from HQ relocation. |
| Operating Profit Margin | 16.4% | 19.8% | △ 3.4p | - | |

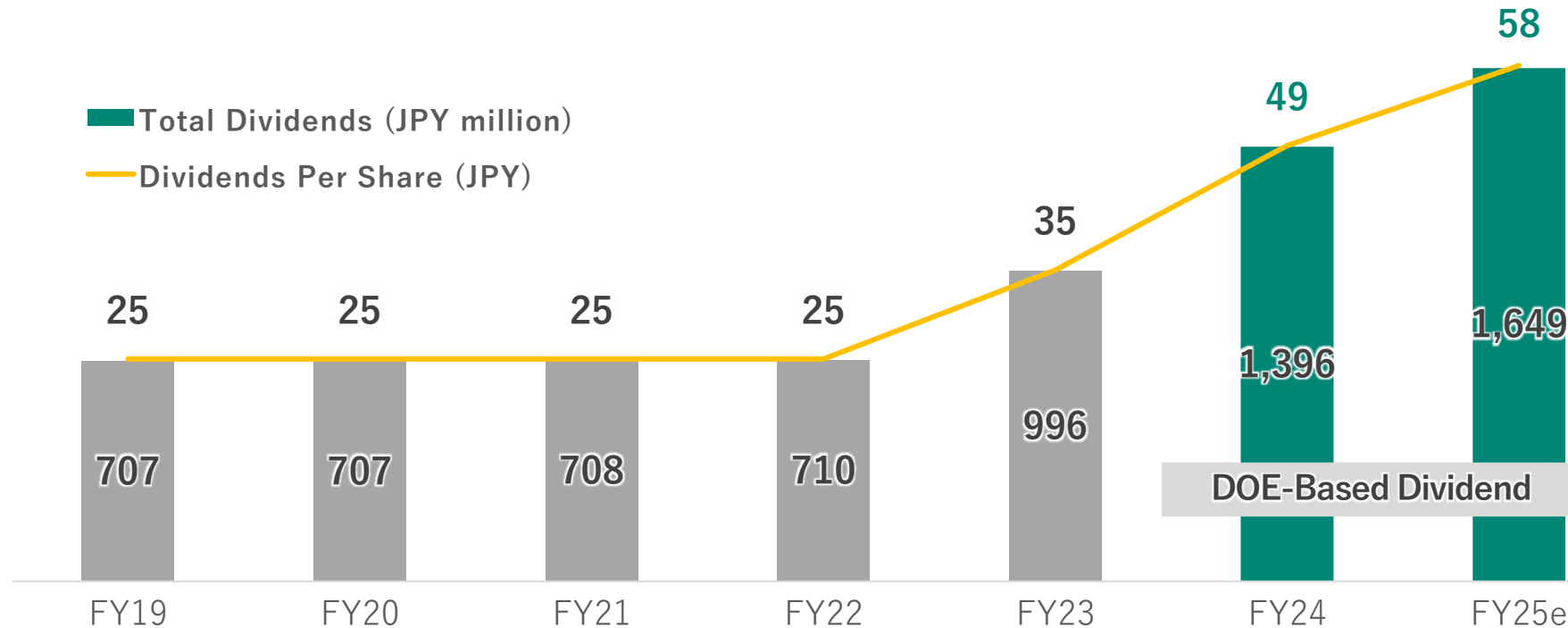
Factors Affecting Operating Profit Outlook (FY25 vs. FY24)

Accelerate profit improvement in Domestic Coatings and Overseas Coatings.
Lighting facing demand transition period & cost increase.



We plan proactive shareholder returns in FY25, based on a DOE of 3.0%, leading to the **3rd consecutive year of dividend increases**.

○Trends in Shareholder Returns



FY24

Dividends per share: **¥49**
vs. FY23 + **¥14** (+40%)

FY25 Plan

Dividends per share: **¥58**
vs. FY24 + **¥9** (+18%)

DOE-Based Dividend

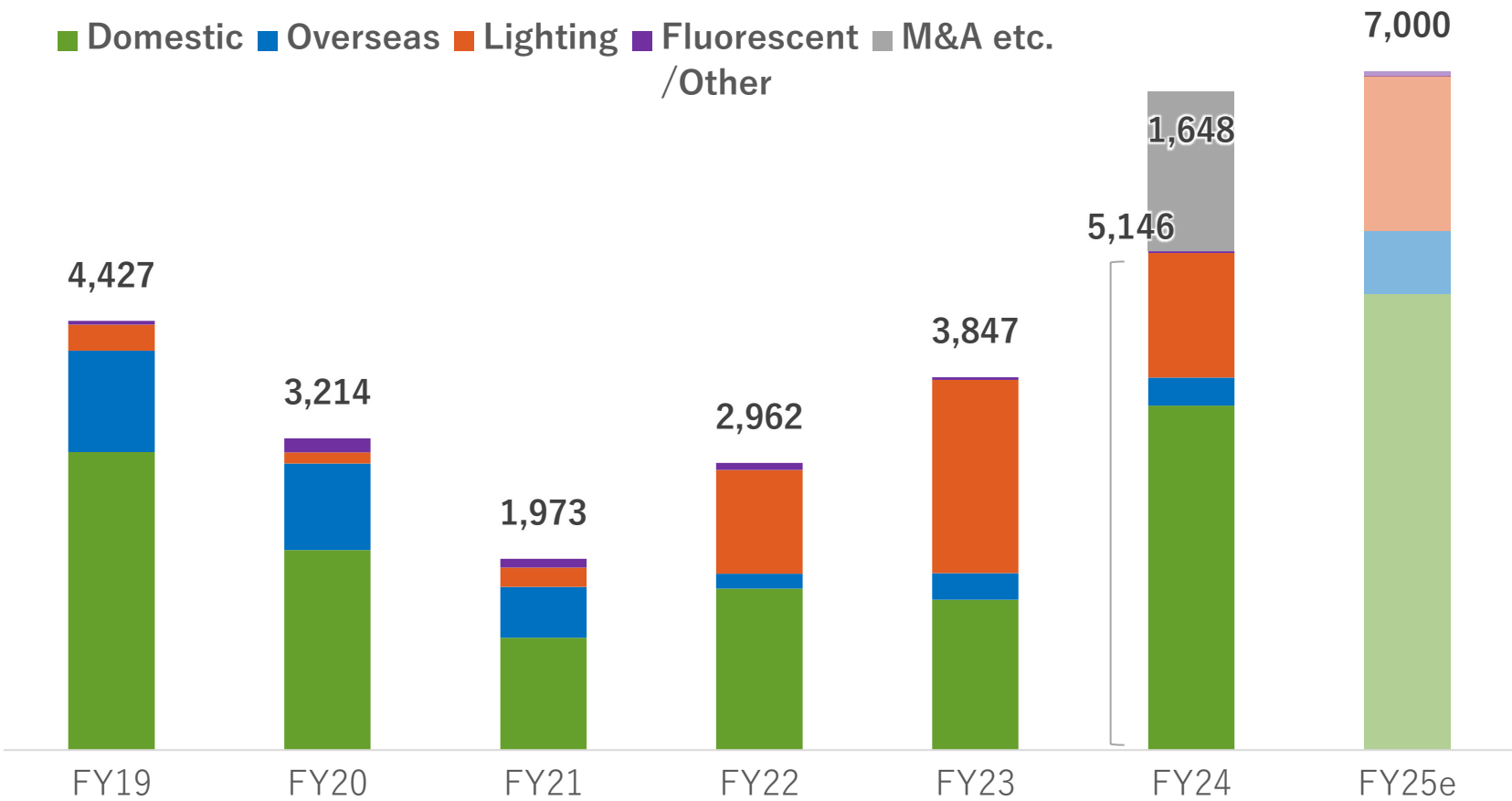
Proactive and stable shareholder returns to curb excessive capital accumulation.

Shareholder Return Policy

- Aim for long-term stable dividends, using **DOE (Dividend on Equity)** as a key return metric.
- The FY26 Mid-term Plan (FY24-FY26) is based on a **DOE of 3.0%**, with a goal to reach 5.0% by FY29 (the final year of the next Mid-term Plan). Shareholders' equity is based on the previous fiscal year-end.
- Conduct share repurchases as needed, considering market conditions and capital efficiency.

Actively investing in core Domestic Coatings and high-profit Lighting.

○ Trends in Capex and Growth Investments



FY24

- Domestic**
- Logistics efficiency, Workplace enhancements ¥1.8B
 - Plants (Efficiency, Renewal) ¥0.8B
 - SPC stock acquisition ¥1.6B
- Lighting**
- New HQ (including Technology Center) ¥0.8B

FY25 Plan

- Domestic**
- Logistics efficiency, Workplace enhancements ¥2.0B
 - Plants (Efficiency, Capacity expansion, Safety, Renewal) ¥2.0B
- Lighting**
- Plant Reconstruction (Efficiency, Capacity expansion) ¥1.1B
 - Enhanced Showroom Functions, Workplace enhancements ¥0.5B

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Appendix. Action to Implement Management that is
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Positioning and Initiatives for Achieving the FY26 Mid-term Plan

SPC consolidation puts the Vision 2029 Net sales target within reach, but profitability improvement remains a challenge.

Rolling the FY26 Mid-term Plan will be considered following discussions by the Business Alliance Committee.

| (Million yen) | FY24 | FY25e | FY26 Mid-term Plan | Initiatives & Outlook |
|--|------------------------|------------------------|-------------------------|---|
| Net sales | 72,511 | 92,000 | 80,000 | <ul style="list-style-type: none"> Aim to maintain or increase overall volume while differentiating strategies by business, thereby improving average unit prices. Achieving the Vision 2029 Net sales target of ¥100.0B is premised on M&A. <p>→ SPC consolidation puts Net sales within reach.</p> |
| Operating profit (Operating Profit Margin) | 4,716 (6.5%) | 5,000 (5.4%) | 8,000 (10.0%) | <ul style="list-style-type: none"> Improve profit margins by shifting to high value-added product groups and expanding businesses positioned as growth drivers. Promote fundamental business structure improvements and productivity enhancements, including leveraging external resources. <p>→ Discussions ongoing with the business alliance committee with SPC for comprehensive profitability improvement.</p> |
| NOPAT -ROE | 5.3% | 5.3% | 8.0% | <ul style="list-style-type: none"> Curb excessive capital accumulation through proactive shareholder returns, investment in growth areas, and appropriate facility upgrades. <p>→ Equity ratio to be kept below 50% in FY24. Third consecutive year of dividend increases planned for shareholder returns.</p> |

Progress on Key Initiatives for the FY26 Mid-term Plan (1/2)

| Key Initiatives | Details | Domestic | Overseas | Lighting | Fluorescent / Other |
|---|--|----------|----------|----------|---------------------|
| Accelerate our focus on growth markets and pioneering areas to create new business opportunities. | ① Business Portfolio Review <ul style="list-style-type: none"> Reviewing China business(Overseas) → Negotiating with a specific customer, including considering business transfer and production outsourcing. Strengthening focus on the high-grade residential market(Lighting) → Reassessing strategy and reviewing internal organization. Initial focus on the existing housing market. | — | ✓ | — | — |
| | ② Execution of Strategic Investments <ul style="list-style-type: none"> Upgrading distillation columns to improve profitability and strengthen BCP for coumarone resin production (Domestic) | ✓ | — | — | — |
| | ③ Enhanced Product Development <ul style="list-style-type: none"> Launched new reagent kit Exorapid-qIC® for extracellular vesicle detection(Domestic) → Jointly developing a quantitative measurement system for test results with TOPPAN; expanding into the US market. Established Technology Development Center(Lighting) → Progressing with product improvements and expanding product lineup. Enables stronger development in strategic markets like outdoor applications. Obtained OEKO-TEX® ECO PASSPORT international certification for dye and chemical safety(Fluorescent) | ✓ | — | ✓ | — |

【Legend】 — Under Consideration、 ✓ Commenced、 ○ Completed

Progress on Key Initiatives for the FY26 Mid-term Plan (2/2)

| Key Initiatives | Details | Domestic | Overseas | Lighting | Fluorescent /Other |
|---|--|----------|----------|----------|--------------------|
| Expand our business foundation by acquiring and utilizing external resources. | ④Expansion of Coatings Business Foundation | ✓ | — | | |
| | ⑤Fundamental Business Efficiency Improvement | ✓ | — | — | — |
| Optimize our human resource development and business activities company-wide. | ⑥Productivity Improvement through Facility Upgrades and DX | ✓ | ✓ | ✓ | ✓ |
| | ⑦Company-wide Optimization of People and Organization | ✓ | — | ✓ | — |
| | ⑧Strengthening Inter-organizational Collaboration | ✓ | | ✓ | — |

• SPC Consolidation: Details on next page.

- Reduced raw material procurement costs and strengthened BCP by leveraging a proprietary purchasing system(**Domestic**)
- Improved workplace environment, including Tokyo office renovation and DNL's new HQ construction(**Domestic, Lighting**)
- Introduced large-scale solar power generation system in Thailand, improving energy efficiency(**Overseas**)
→Confirmed approximately 36% CO2 reduction; planning additional solar system installation in Thailand and new introduction in Mexico.
- Consolidated group bases and streamlined logistics.(**Other-Logistics**)

- Implemented Talent Management System(**Domestic, Lighting**)
→Aiming to improve employee engagement and strengthen talent development.
- Introduced 360-degree feedback in performance reviews: Aiming to enhance management capabilities and organizational strength for managers (**Domestic**)
- Revised executive compensation system: Linking evaluation metrics to FY26 Mid-term Plan performance targets

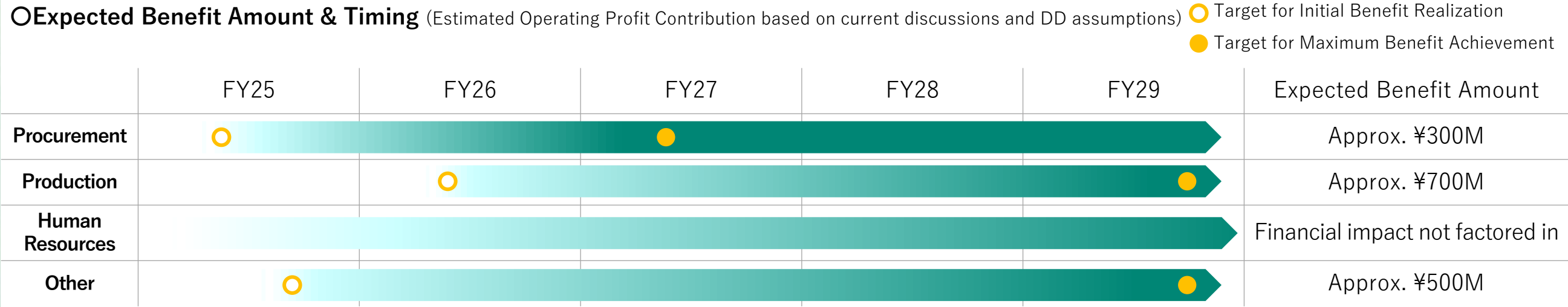
- Reorganized for strengthening ink and life science domains. (**Domestic**)
- Established new organization to enhance planning functions. (**Lighting**)

【Legend】 — Under Consideration、✓ Commenced、○ Completed

Expanding Business Foundation by Leveraging External Resources: SPC Consolidation

We've established a Business Alliance Committee and launched subcommittees for procurement, production, human resources, and more. This builds a system to generate synergy effects from both short-term and long-term perspectives.

| | Procurement Optimization | Production Optimization | Human Resources Development & Utilization | Other Initiatives |
|-------------------|---|--|---|---|
| Initiatives | <ul style="list-style-type: none">• Joint purchasing• BCP• Standardization | <ul style="list-style-type: none">• Sharing and consolidation of production facilities (Product item / line)• Productivity improvement through new investments (Manufacturing cost reduction + Quality control enhancement)• Efficient utilization of fixed assets | <ul style="list-style-type: none">• Mutual exchange of personnel• Employee development• Offering diverse career paths• Organizational revitalization | <ul style="list-style-type: none">• Sharing of technical know-how• Standardization of external services• Joint analysis/intellectual property operations• Accelerated new product development• Reduced development costs• Headquarter cost reduction |
| Expected Benefits | <ul style="list-style-type: none">• Volume discounts• Reduced transportation costs due to supply chain integration• Stable product supply | | | |



Life Science

Quantitative measurement of immunochromatographic tests achieved (jointly developed with TOPPAN Inc.).

Following the US launch in Jan 2025, expansion will proceed.

① 細胞外小胞 (EVs) の検出

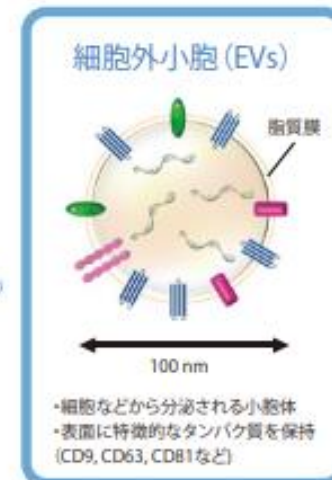
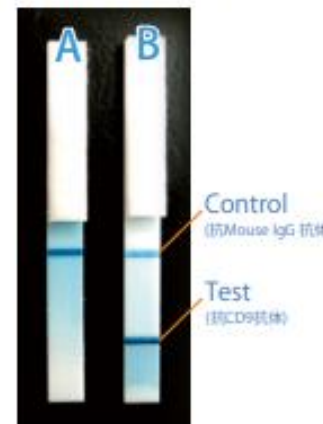
Exorapid-qIC®を使用してEVsを検出。
EVsの量に応じてTestラインの濃淡が変化。



細胞外小胞用イムノクロマトキット「Exorapid-qIC®」

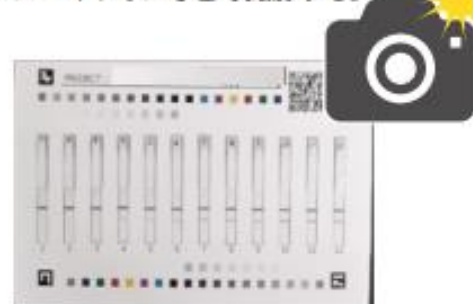
【試験結果】

A. 陰性試験 B. 陽性試験



② 専用台紙貼付けと写真撮影

試験紙を専用台紙に貼付け、
スマートフォンなどで撮影する。



③ CAM-FIT® for Exorapid-qIC®で自動測定

②で撮影した写真をCAM-FIT®へドラッグ＆ドロップする。



Nanocoating

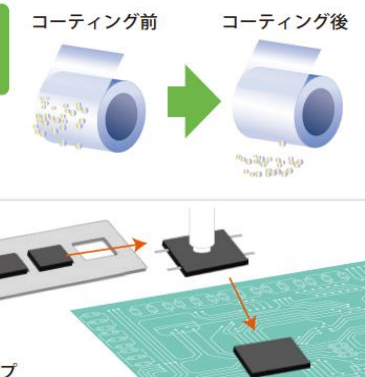
Proprietary technology for functional oxide dispersion enables development of various functional coatings.

Antistatic coating materials (Anti-reflection, Antistatic)

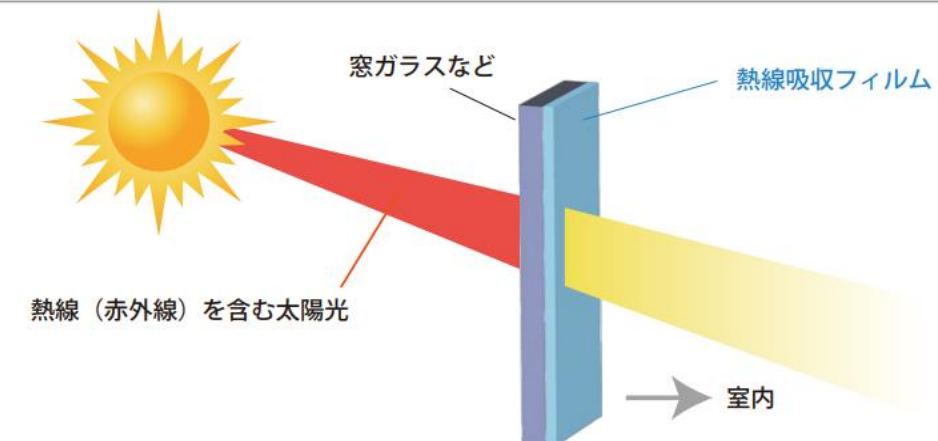
反射防止フィルム



帯電防止フィルム



Heat-absorbing coating materials (Heat-blocking)



We have prioritized shareholder returns and growth investments,
and are striving to improve operating cash flow.

Cash-in progress

FY24-FY26 Three-Year Cumulative (Plan)

Cash-out progress

Operating CF

FY24 Actual : ¥3.5 billion
FY25 Estimate : ¥4-4.5 billion

Behind plan; striving for profitability improvement.

Operating CF

¥15 billion
(¥5 billion/year)

Shareholder returns:

¥5 billion or above
(¥1.7 billion or above/year)
FY26 : DOE3%

Growth investment
Equipment renewal
(Human capital
investment and DX)

¥20 billion or above
(¥6.7 billion or above/year)

Total dividends

FY24 Forecast : ¥1.39 billion
FY25 Plan : Approx. ¥1.65 billion

Strengthening returns based on the plan.

Investment amount

FY24 Actual : ¥6.7 billion
(Capital investment: ¥5.1 billion)
(M&A: ¥1.6 billion)
FY25 Plan : ¥7 billion

Undertaking multiple large-scale investments for the future.

Sales of cross-shareholdings

FY24 Actual : ¥2.8 billion
FY25 Estimate : ¥0.7 billion

Utilization of borrowings (amount of increase from the end of the previous period)

FY24 Actual: ¥1.5 billion
FY25 Estimate: ¥4-5 billion

Proceeding with asset divestiture and debt utilization.

Reduction of cross-shareholdings, etc.

Utilization of borrowings

Efficient utilization of internal and external assets

Cash-in

Cash-out

Part I . Financial Results and Guidance p. 2

Part II . Progress of Mid-Term Management Plan p. 19

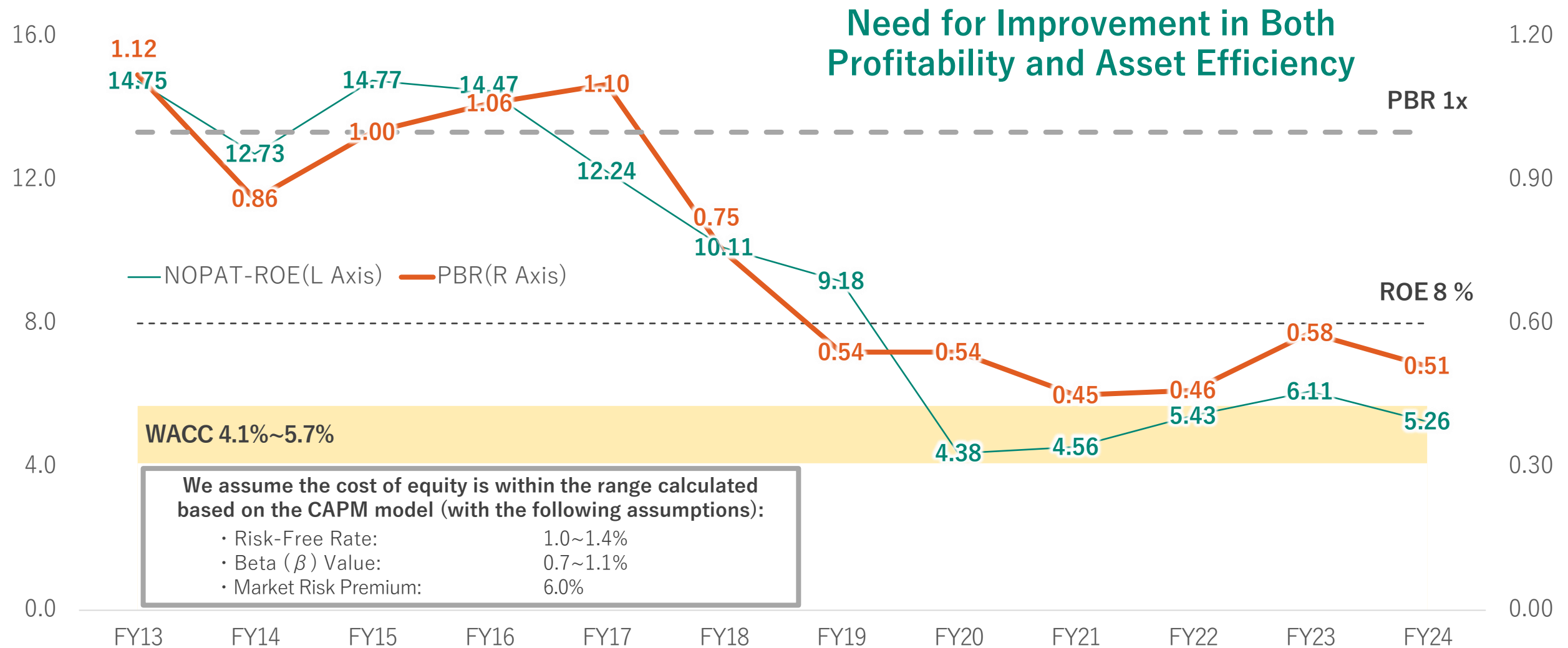
Appendix. Action to Implement Management that is
Conscious of Cost of Capital and Stock Price
(Update) p. 26

Trends in Management Indicators p. 30

Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Current State Analysis and Evaluation)

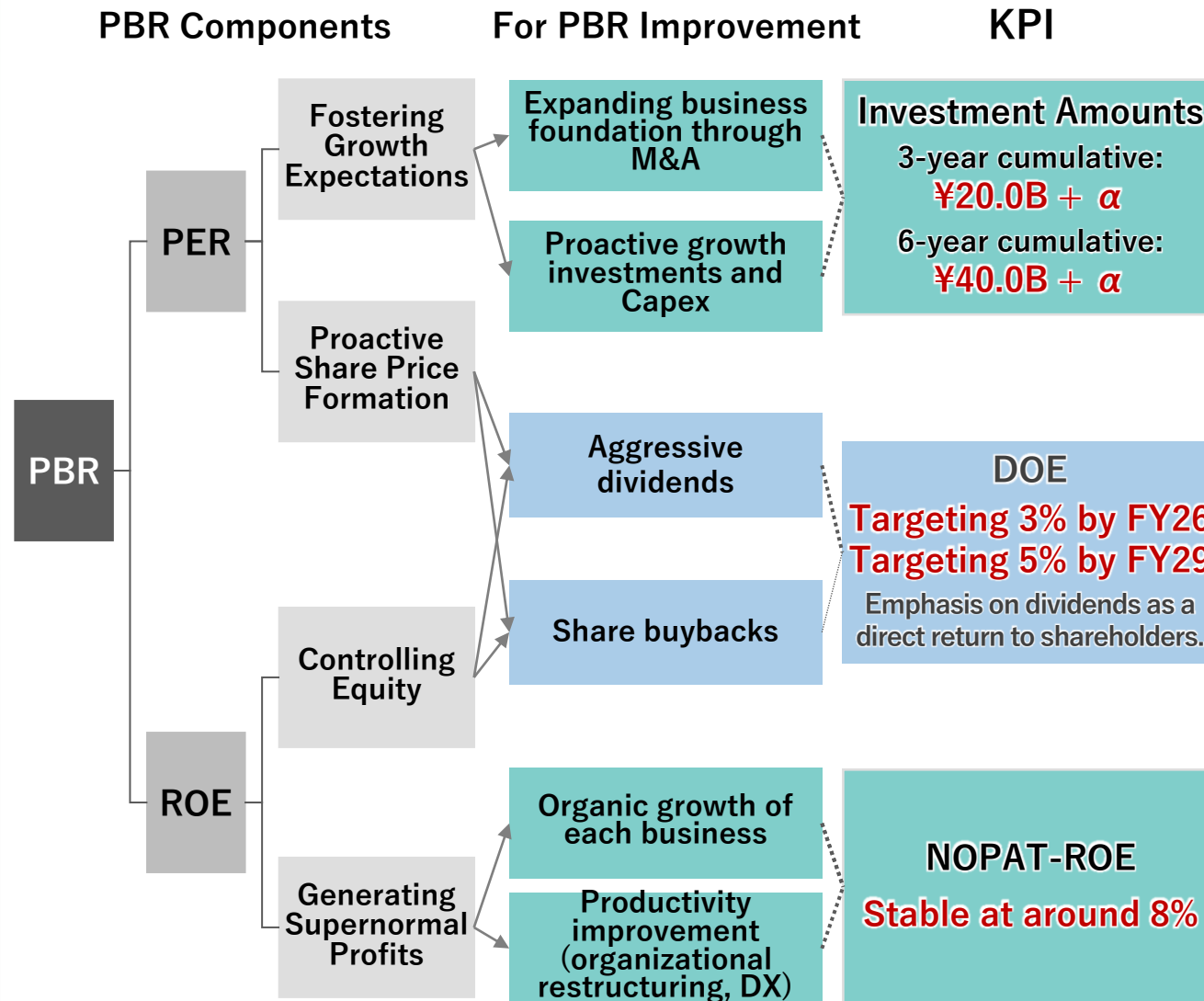
Since FY18, following a downward trend in NOPAT-ROE, PBR has persistently traded below 1x.

○Trends in NOPAT-ROE and PBR



Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Improvement in ROE and PER)

Driving PBR Improvement Through Both Profitability and Asset Efficiency



Progress and Challenges

- We completed one M&A deal, but its direct impact on our share price has been minor.
- ➔ We recognize it's crucial **to demonstrate sales growth and profitability improvement through future synergy creation.**
- Total planned investment for FY24 and FY25 is just under ¥14.0B.
- ➔ We'll manage these investments appropriately **to ensure their effectiveness.**
- For FY24 and FY25, we plan to pay dividends equivalent to 3% of shareholders' equity at the end of the previous period.
- ➔ We'll **accelerate business growth** to reach our FY29 target.
- NOPAT-ROE for both FY24 results and FY25 plan remains at 5.3%, falling short of targets.
- ➔ Profitability improvement is our top priority, starting with **recovery from quality issues.** We're also focusing on comprehensive cost control.
- We're proceeding with the reduction of strategic shareholdings as planned.
- ➔ We'll further reduce strategic shareholdings, liquidate idle assets, optimize production sites, and enhance working capital efficiency.
- **Reviewing our business portfolio** in light of SPC consolidation is also a key consideration.

Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Reduction in Cost of Equity)

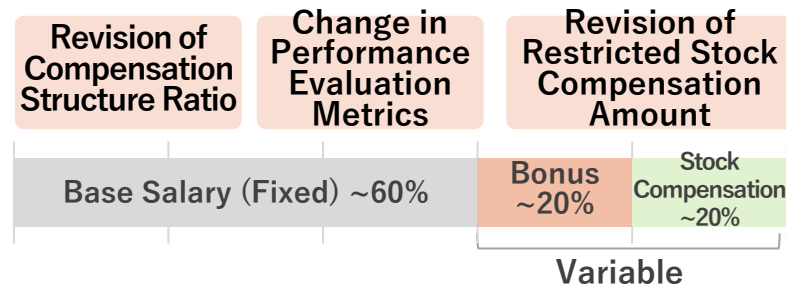
Strengthening Governance

Enhancing Quality Management

- Establishment of an independent Quality Control Department
- Building a preventative mechanism by linking the quality management system for inspection data with the core system
- Continuous quality education for employees

Revising Executive Compensation System

- We revised the executive compensation system (effective Apr 2025) to secure excellent management talent and incentivize sustainable growth.



Comprehensive Review of Relevant Laws and Regulations

- We're conducting a comprehensive review of compliance with relevant laws and regulations across our group's businesses.
- **Focusing on strengthening governance across the board.**

Promoting Sustainability Strategy

Comprehensive Review of Relevant Laws and Regulations

- Established a "Sustainable Procurement Policy".
→ **Strengthening supply chain management.** (Conducting supplier surveys starting this fiscal year)
- Enhancing raw material BCP to enable long-term growth.
- Raised Scope 1 & 2 CO2 emission reduction target to 40% by FY29 (vs. FY21).
→ **Actively introducing solar power generation systems.** (FY24: Introduced in Lighting and Overseas; FY25: Planned for two domestic and two overseas locations)
- Updating facilities with CO2 emission reduction in mind.

Talent Development and Promotion of Women's Advancement

- Talent Management System Implementation
→ For sustainable organizational structure and improved employee engagement.
- **Raising Target for Female Manager Ratio**
(Previous) (Revised)

≥4%



≥10%

Optimizing Financial Structure / Strengthening IR Activities

Improving Efficiency and Profitability

- Reduction of strategic shareholdings and idle assets.
→ **Achieved the target of reducing net assets ratio to below 10% by end of FY24 (8.4%).** We'll continuously evaluate held stocks and consider further reductions going forward.
- Reorganization of business portfolio in light of SPC consolidation and implementation of comprehensive cost control to mitigate business risks.



Strengthening IR Activities

- Proactive engagement with investors.
→ We've started a **proactive approach** to increase engagement opportunities, fostering a better understanding of investor expectations and facilitating feedback to management.
- Enhanced information disclosure.
→ We'll expand information disclosure on our company website within this fiscal year to reduce information asymmetry.

Consolidated statement of income (Annual Trend)

| (Million yen) | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net sales | 72,623 | 73,005 | 76,388 | 72,789 | 74,119 | 73,743 | 72,709 | 63,160 | 66,948 | 72,849 | 71,940 | 72,511 |
| Y/Y % Change | 2.5 | 0.5 | 4.6 | △ 4.7 | 1.8 | △ 0.5 | △ 1.4 | △ 13.1 | 6.0 | 8.8 | △ 1.2 | 0.8 |
| Domestic Coatings | 53,438 | 53,045 | 55,508 | 53,498 | 53,374 | 52,972 | 51,861 | 47,232 | 49,622 | 53,250 | 50,551 | 50,921 |
| Overseas Coatings | 6,751 | 7,464 | 7,467 | 7,019 | 7,960 | 8,063 | 7,290 | 5,486 | 6,939 | 8,066 | 8,529 | 8,133 |
| Lighting | 8,998 | 9,131 | 9,694 | 9,092 | 9,470 | 9,377 | 10,135 | 7,239 | 7,656 | 8,557 | 9,686 | 10,418 |
| Fluorescent color material | 1,539 | 1,401 | 1,432 | 1,377 | 1,275 | 1,287 | 1,337 | 1,117 | 1,223 | 1,154 | 1,175 | 1,158 |
| Other businesses | 1,893 | 1,961 | 2,284 | 1,801 | 2,038 | 2,041 | 2,084 | 2,084 | 1,507 | 1,820 | 1,997 | 1,879 |
| Gross profit | 20,109 | 20,040 | 21,906 | 22,649 | 22,813 | 21,833 | 21,800 | 19,165 | 19,658 | 20,616 | 21,804 | 22,463 |
| Gross Profit Margin (%) | 27.7 | 27.5 | 28.7 | 31.1 | 30.8 | 29.6 | 30.0 | 30.3 | 29.4 | 28.3 | 30.3 | 31.0 |
| Selling, General and Administrative Expenses | 15,835 | 15,612 | 16,047 | 16,115 | 16,224 | 15,794 | 16,252 | 16,336 | 16,474 | 16,670 | 16,902 | 17,747 |
| SG&A Ratio (%) | 21.8 | 21.4 | 21.0 | 22.1 | 21.9 | 21.4 | 22.4 | 25.9 | 24.6 | 22.9 | 23.5 | 24.5 |
| Operating profit | 4,274 | 4,428 | 5,858 | 6,533 | 6,588 | 6,039 | 5,547 | 2,828 | 3,183 | 3,946 | 4,901 | 4,716 |
| Y/Y % Change | 53.8 | 3.6 | 32.3 | 11.5 | 0.8 | △ 8.3 | △ 8.1 | △ 49.0 | 12.5 | 24.0 | 24.2 | △ 3.8 |
| Operating Profit Margin (%) | 5.9 | 6.1 | 7.7 | 9.0 | 8.9 | 8.2 | 7.6 | 4.5 | 4.8 | 5.4 | 6.8 | 6.5 |
| Domestic Coatings | 2,506 | 2,351 | 3,785 | 3,886 | 3,466 | 2,934 | 2,464 | 1,631 | 1,990 | 1,986 | 2,200 | 1,968 |
| Overseas Coatings | 501 | 763 | 775 | 1,186 | 1,405 | 1,190 | 843 | 221 | 236 | 203 | 416 | 238 |
| Lighting | 740 | 785 | 688 | 931 | 1,146 | 1,238 | 1,639 | 479 | 577 | 1,285 | 1,890 | 2,063 |
| Fluorescent color material | 230 | 154 | 171 | 135 | 119 | 74 | 0 | 54 | 46 | 71 | 28 | 59 |
| Other businesses | 173 | 177 | 202 | 158 | 213 | 315 | 217 | 257 | 114 | 159 | 138 | 79 |
| Intersegment Adjustments | 122 | 196 | 235 | 234 | 236 | 285 | 266 | 183 | 218 | 238 | 227 | 305 |
| Ordinary profit | 4,210 | 4,498 | 5,559 | 6,600 | 6,392 | 6,210 | 5,786 | 3,268 | 3,465 | 4,316 | 5,336 | 5,199 |
| Profit attributable to owners of parent | 2,592 | 2,756 | 3,614 | 5,199 | 4,573 | 3,604 | 3,662 | 1,968 | 2,031 | 3,458 | 4,600 | 9,437 |

* For management indicators since FY20, figures are presented in accordance with Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).

Consolidated statement of income (Quarterly Trend)

| (Million yen) | FY22 | | | | FY23 | | | | FY24 | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net sales | 17,094 | 17,760 | 19,266 | 18,727 | 17,814 | 18,556 | 18,411 | 17,158 | 17,483 | 18,652 | 18,972 | 17,403 |
| Q/Q % Change | 2.2 | 3.9 | 8.5 | △ 2.8 | △ 4.9 | 4.2 | △ 0.8 | △ 6.8 | 1.9 | 6.7 | 1.7 | △ 8.3 |
| Domestic Coatings | 12,810 | 13,207 | 13,879 | 13,353 | 12,701 | 13,233 | 13,084 | 11,531 | 12,404 | 13,197 | 13,486 | 11,832 |
| Overseas Coatings | 1,844 | 1,698 | 2,374 | 2,148 | 2,127 | 2,111 | 2,176 | 2,113 | 1,965 | 2,156 | 2,068 | 1,942 |
| Lighting | 1,768 | 2,138 | 2,176 | 2,474 | 2,253 | 2,425 | 2,308 | 2,699 | 2,366 | 2,566 | 2,616 | 2,868 |
| Fluorescent color material | 289 | 268 | 301 | 294 | 280 | 337 | 278 | 279 | 292 | 267 | 286 | 311 |
| Other businesses | 381 | 447 | 535 | 456 | 451 | 448 | 563 | 534 | 454 | 463 | 513 | 448 |
| Gross profit | 4,833 | 5,175 | 5,489 | 5,118 | 5,471 | 5,668 | 5,519 | 5,145 | 5,400 | 5,749 | 5,981 | 5,331 |
| Gross Profit Margin (%) | 28.3 | 29.1 | 28.5 | 27.3 | 30.7 | 30.5 | 30.0 | 30.0 | 30.9 | 30.8 | 31.5 | 30.6 |
| Selling, General and Administrative Expenses | 4,130 | 4,104 | 4,227 | 4,207 | 4,269 | 4,154 | 4,303 | 4,175 | 4,309 | 4,316 | 4,548 | 4,573 |
| SG&A Ratio (%) | 24.2 | 23.1 | 21.9 | 22.5 | 24.0 | 22.4 | 23.4 | 24.3 | 24.6 | 23.1 | 24.0 | 26.3 |
| Operating profit | 702 | 1,070 | 1,262 | 910 | 1,201 | 1,513 | 1,215 | 969 | 1,091 | 1,433 | 1,433 | 758 |
| Q/Q % Change | 21.7 | 52.4 | 17.8 | △ 27.9 | 32.0 | 26.0 | △ 19.7 | △ 20.2 | 12.5 | 31.3 | 0.0 | △ 47.1 |
| Operating Profit Margin (%) | 4.1 | 6.0 | 6.6 | 4.9 | 6.7 | 8.2 | 6.6 | 5.7 | 6.2 | 7.7 | 7.6 | 4.4 |
| Domestic Coatings | 343 | 486 | 771 | 385 | 586 | 765 | 627 | 221 | 436 | 692 | 725 | 114 |
| Overseas Coatings | 95 | 93 | 53 | △ 38 | 105 | 136 | 10 | 163 | 75 | 78 | 103 | △ 18 |
| Lighting | 169 | 348 | 356 | 411 | 423 | 490 | 449 | 526 | 467 | 563 | 474 | 558 |
| Fluorescent color material | 18 | 14 | 24 | 13 | 7 | 6 | 6 | 7 | 13 | 18 | 6 | 20 |
| Other businesses | 32 | 31 | 40 | 54 | 18 | 26 | 64 | 27 | 16 | 0 | 42 | 20 |
| Intersegment Adjustments | 44 | 95 | 15 | 83 | 58 | 87 | 57 | 23 | 80 | 81 | 81 | 61 |
| Ordinary profit | 922 | 1,109 | 1,251 | 1,033 | 1,362 | 1,598 | 1,310 | 1,065 | 1,382 | 1,382 | 1,675 | 759 |
| Profit attributable to owners of parent | 594 | 728 | 861 | 1,273 | 910 | 1,046 | 772 | 1,871 | 1,162 | 1,553 | 996 | 5,723 |

Other Consolidated Management Indicators

| (Million yen) | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|--|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Balance Sheet | | | | | | | | | | | | |
| Total Assets | 65,291 | 69,252 | 67,732 | 70,374 | 76,155 | 78,880 | 76,817 | 85,765 | 87,705 | 92,805 | 101,618 | 133,344 |
| Total Liabilities | 42,312 | 40,811 | 37,112 | 34,055 | 32,806 | 33,796 | 32,138 | 34,900 | 35,713 | 37,594 | 39,128 | 57,173 |
| Total net assets | 22,978 | 28,441 | 30,620 | 36,319 | 43,349 | 45,083 | 44,679 | 50,865 | 51,991 | 55,210 | 62,490 | 76,170 |
| Shareholders' Equity | 18,329 | 20,455 | 23,382 | 27,777 | 31,385 | 33,868 | 36,491 | 37,754 | 39,101 | 42,112 | 46,026 | 54,515 |
| Equity (Shareholders' equity + Accumulated other comprehensive income) | 21,883 | 26,474 | 28,647 | 34,103 | 40,747 | 42,275 | 41,762 | 48,069 | 49,015 | 52,033 | 59,550 | 65,027 |
| Cash Flow | | | | | | | | | | | | |
| Operating Activities | 6,499 | 4,783 | 5,785 | 6,133 | 5,315 | 4,358 | 4,434 | 3,641 | 3,364 | 1,282 | 3,463 | 3,570 |
| Investing Activities | △ 1,359 | △ 1,838 | △ 718 | 637 | △ 398 | △ 2,470 | △ 4,424 | △ 2,325 | △ 966 | △ 1,449 | △ 772 | △ 364 |
| Financing Activities | △ 4,987 | △ 2,977 | △ 4,317 | △ 5,808 | △ 4,747 | △ 351 | △ 742 | 499 | △ 2,841 | △ 473 | △ 1,657 | △ 75 |
| Cash and Cash Equivalents at End of Period | 2,379 | 2,444 | 3,072 | 3,953 | 4,256 | 5,704 | 5,064 | 6,736 | 6,479 | 6,340 | 7,867 | 11,469 |
| Other Indicators | | | | | | | | | | | | |
| Total number of issued shares at the end of the period | 29,710 | 29,710 | 29,710 | 29,710 | 29,710 | 29,710 | 29,710 | 29,710 | 29,710 | 29,710 | 29,710 | 29,710 |
| Number of treasury shares at the end of the period | 12 | 13 | 310 | 610 | 819 | 1,115 | 1,408 | 1,405 | 1,377 | 1,273 | 1,246 | 1,213 |
| EPS (Earnings Per Share) | 87.28 | 92.83 | 122.38 | 178.06 | 157.70 | 125.61 | 128.96 | 69.55 | 71.74 | 121.78 | 161.70 | 331.40 |
| BPS (Book-Value Per Share) | 736.86 | 891.46 | 974.38 | 1,171.93 | 1,410.38 | 1,478.43 | 1,475.59 | 1,698.23 | 1,730.00 | 1,829.75 | 2,092.10 | 2,281.92 |
| Dividend Per Share | 12.50 | 15.00 | 17.50 | 20.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 35.00 | 49.00 |
| Total Dividends | 371 | 445 | 514 | 582 | 722 | 714 | 707 | 707 | 708 | 710 | 996 | 1,396 |
| DOE (Dividend on Equity*) | 2.3% | 2.0% | 2.5% | 2.5% | 2.6% | 2.3% | 2.1% | 1.9% | 1.9% | 1.8% | 2.4% | 3.0% |
| Equity Ratio | 33.5% | 38.2% | 42.3% | 48.5% | 53.5% | 53.6% | 54.4% | 56.0% | 55.9% | 56.1% | 58.6% | 48.8% |
| ROE | 12.9% | 11.4% | 13.1% | 16.6% | 12.2% | 8.7% | 8.7% | 4.4% | 4.2% | 6.8% | 8.2% | 15.2% |
| NOPAT-ROE | 14.8% | 12.7% | 14.8% | 14.5% | 12.2% | 10.1% | 9.2% | 4.4% | 4.6% | 5.4% | 6.1% | 5.3% |

*On October 1, 2017, our company conducted a 1-for-5 reverse stock split of its common shares. The figures above for periods prior to the split have been restated to reflect the post-split number of shares.

*Dividend on Equity (DOE) is calculated based on shareholders' equity at the end of the previous fiscal year.

Sponsorship of Paralympic Art



Artwork Title: いのちの芽吹き
(Japanese title as is)

Artist Name: Raphael Princess

Paralympic Art is a socially conscious project operated by the Association for the promotion of Self-Reliance of Persons with Disabilities, aimed at supporting the economic independence of artists with disabilities. It operates on a system where individuals and companies sponsoring the project acquire usage rights for artworks, and in turn, remuneration is paid to the artists.

We have been sponsoring this activity since 2022, utilizing their artworks as an official partner. The designs in this material have also extensively incorporated these artworks.



Forward-Looking Statements and Disclaimers

This material is for informational purposes only and not a solicitation for investment. Our forward-looking statements are based on current goals and forecasts, and future results may differ. Information on industry trends and external environments is from reliable sources, but we don't guarantee its accuracy or completeness. Use this material at your own judgment and risk; we assume no responsibility for its use.

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