DAI NIPPON TORYO CO.,LTD.

Fiscal Year Ended March 31, 2025

Financial Results Briefing Materials

Securities code: 4611 TSE PRIME

May 22, 2025

Notes on Data Presented in This Material

Notation	Meaning
FY24e	• 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	• The FY2025 full-year consolidated Guidance as stated in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2025" (issued on May 15, 2025).
SPC	• SHINTO PAINT CO.,LTD., which newly became our consolidated subsidiary as of March 18, 2025
On a comparable basis	• Figures excluding the impact of new consolidation of SPC. 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].
NOPAT-ROE	• In our calculation of Return on Equity (ROE), the numerator is NOPAT, which is calculated as Operating Profit × (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	• Included based on accounting standards for consolidated financial statements.	• Only gain on Gain on bargain purchase is recognized, and operating profit/loss from SPC is excluded.
FY25e	• Included based on accounting standards for consolidated financial statements.	• Including operating profit/loss from SPC.

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Summary of This Material

FY24 Earnings Highlights

Net sales	**72,511** Million yen	vs. FY23	+0.8%
		vs. Guidance*	△2.0%
Operating profit	**4,716** Million yen	vs. FY23	△3.8%
		vs. Guidance*	△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	△0.8p
		vs. Guidance*	△0.2p
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	△64.0%
		On a comparable basis*	△22.0%
NOPAT-ROE	**5.3** %	vs. FY24	±0.0p
ROE	**5.2** %	vs. FY24	△9.9p

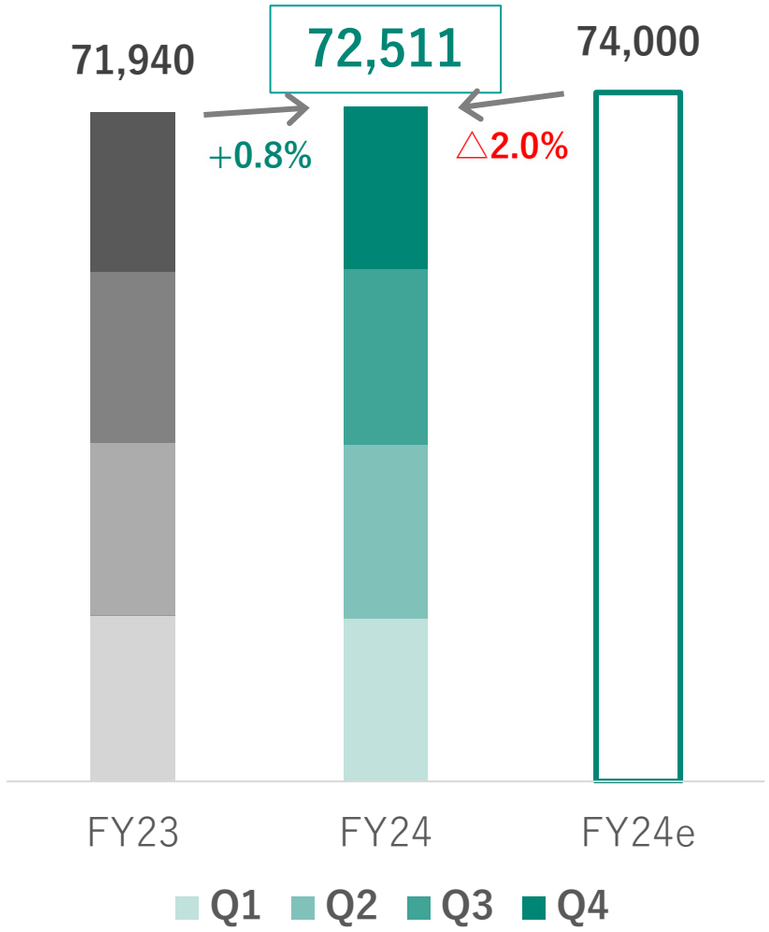
*On a comparable basis excludes the impact of new SPC consolidation.

Forecasted Dividend ¥ **58** per share

FY24 Consolidated Financial Performance

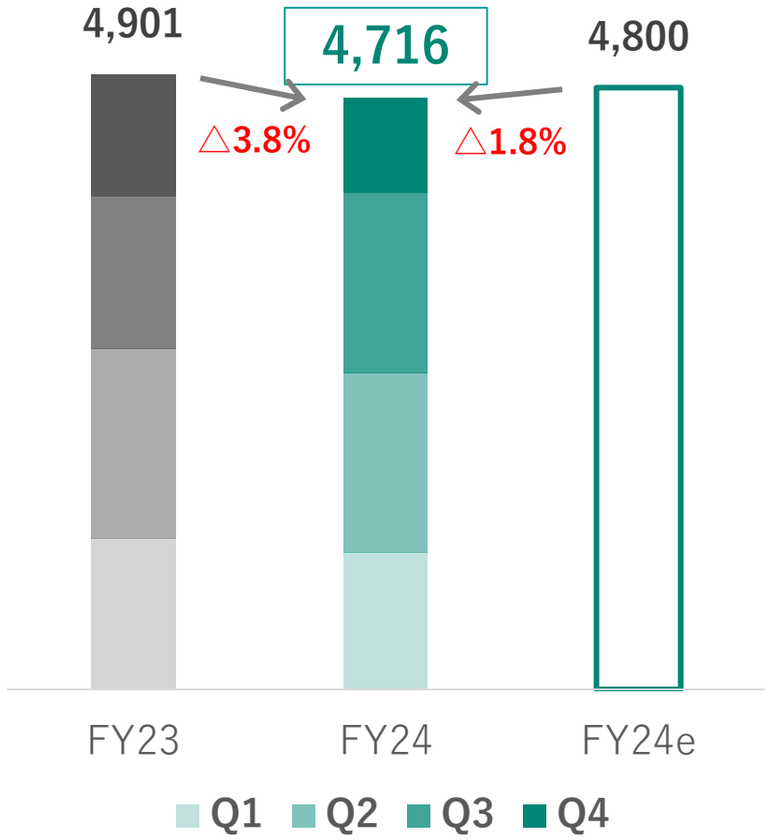
Net sales

- Sales of Domestic and Overseas coatings are softening.



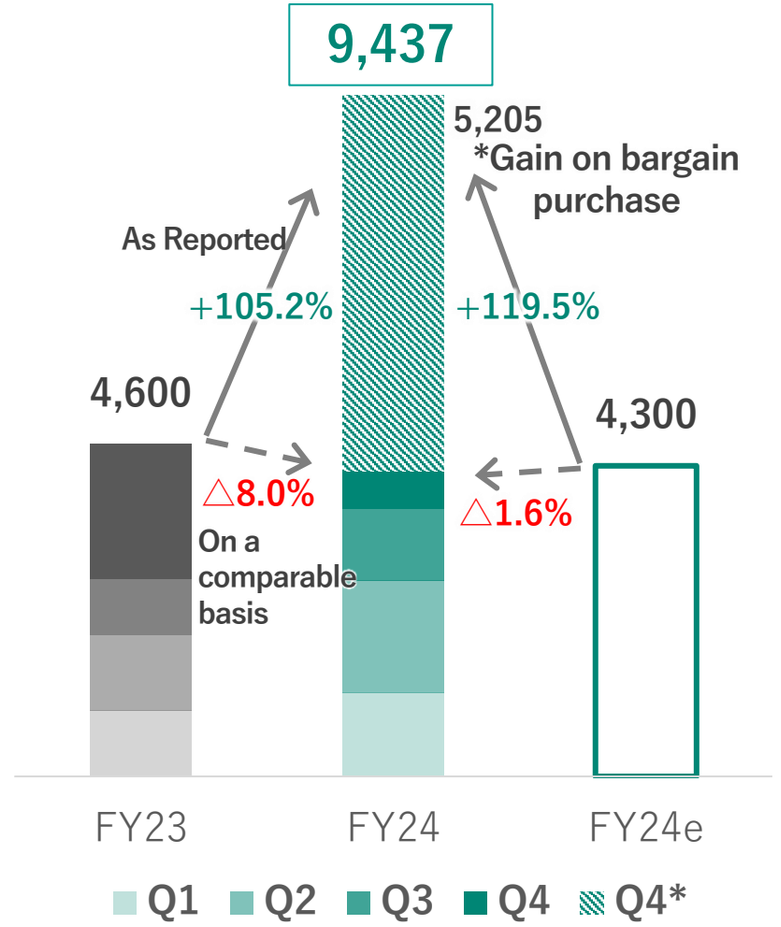
Operating profit

- 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	Year-on-Year % 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	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%	-

FY24 Profit and Loss Status: Lighting

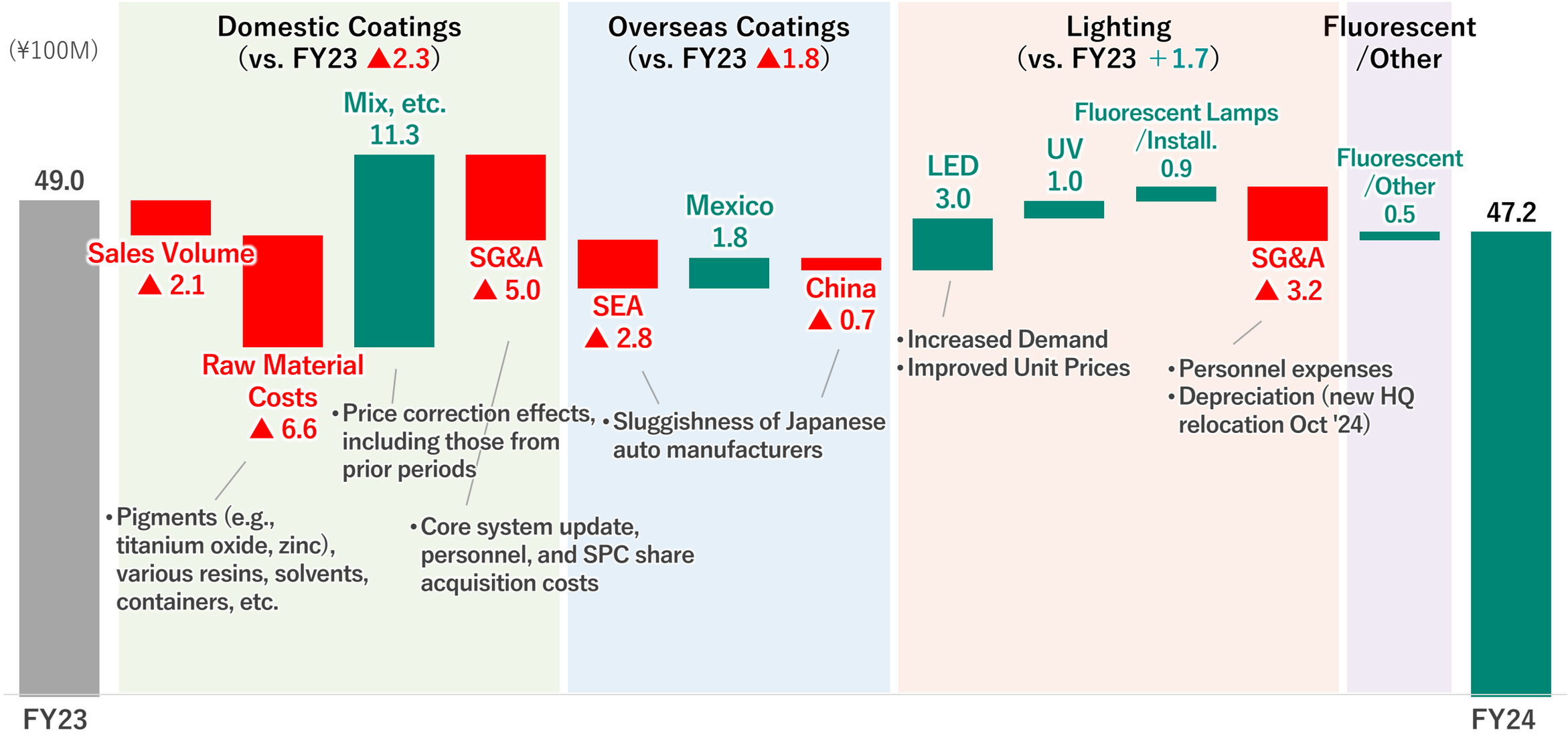
Fueled by a favorable demand environment, LED sales grew, reaching a new record profit.

- 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	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.



Balance Sheet Overview

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	

Cash Flow Overview

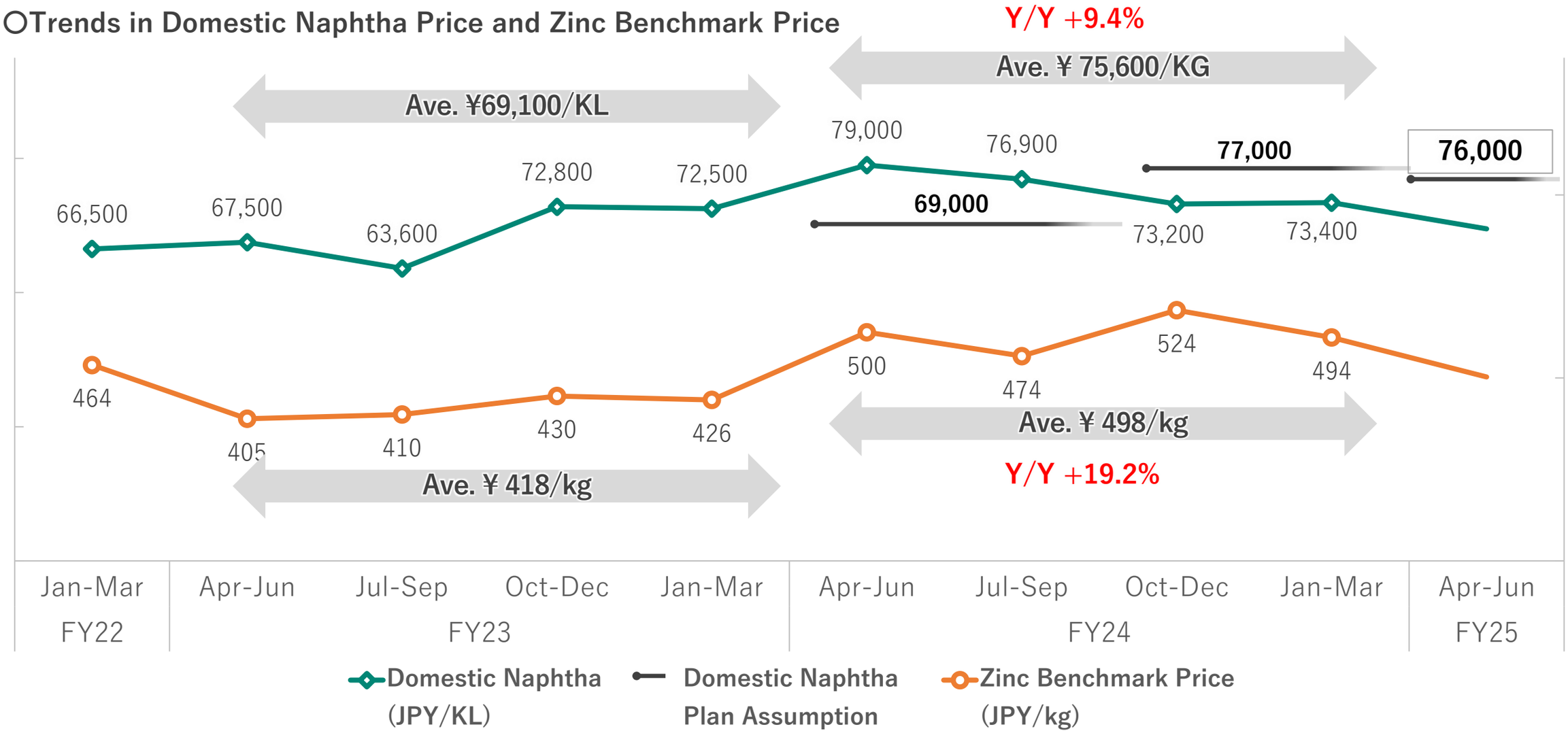
Operating cash flow was sluggish due to the impact of quality incidents, etc.
Funding needs were met by selling strategic shareholdings and fixed assets.

	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.

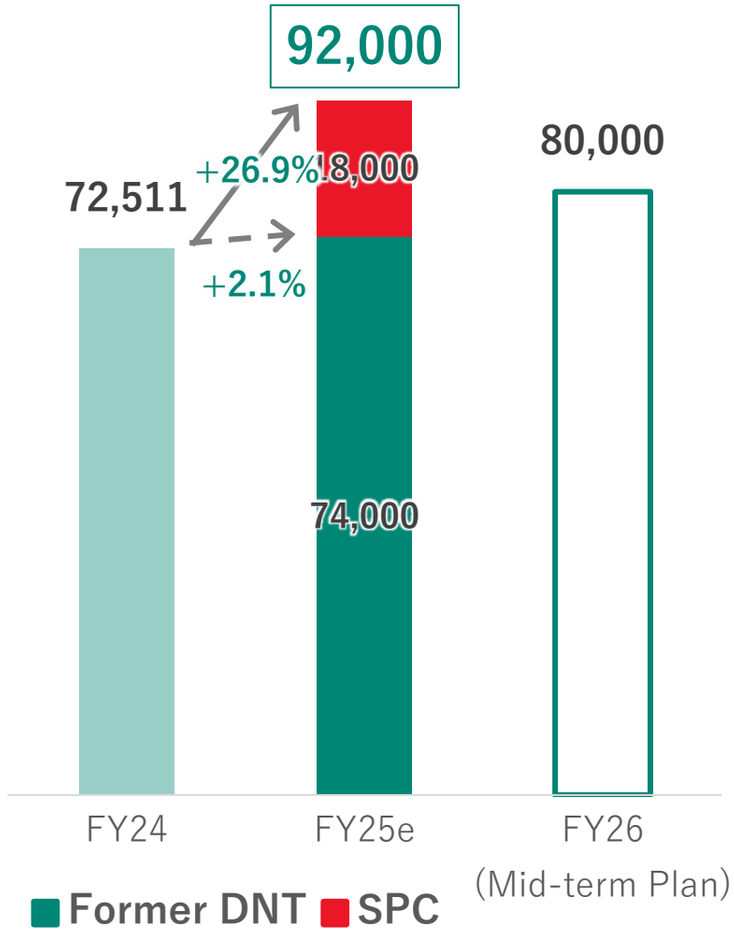
○Trends in Domestic Naphtha Price and Zinc Benchmark Price



FY25 Consolidated Guidance

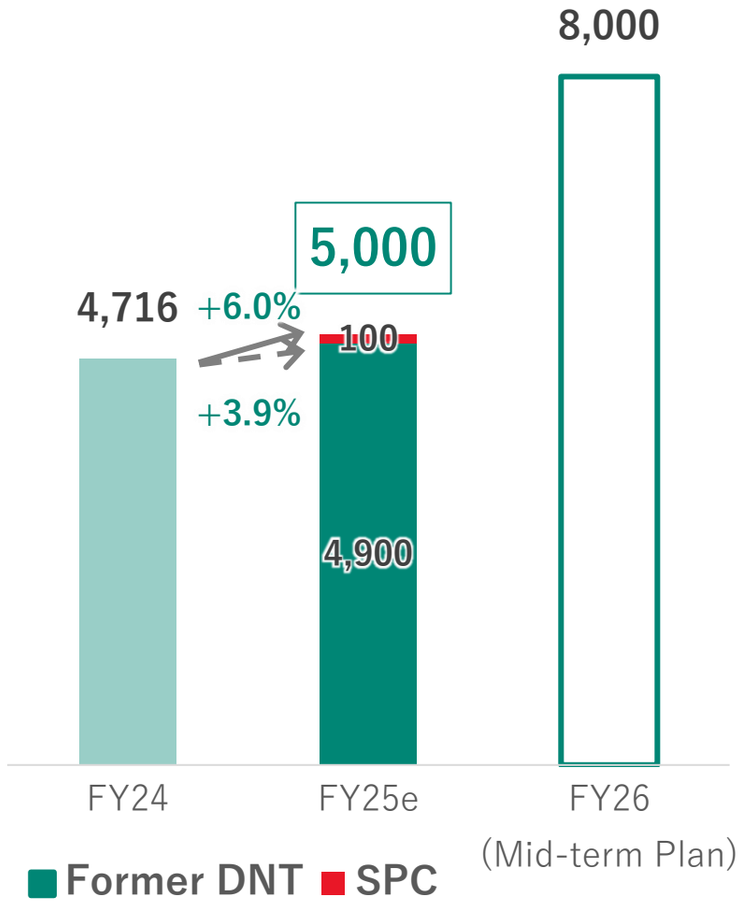
Net sales

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



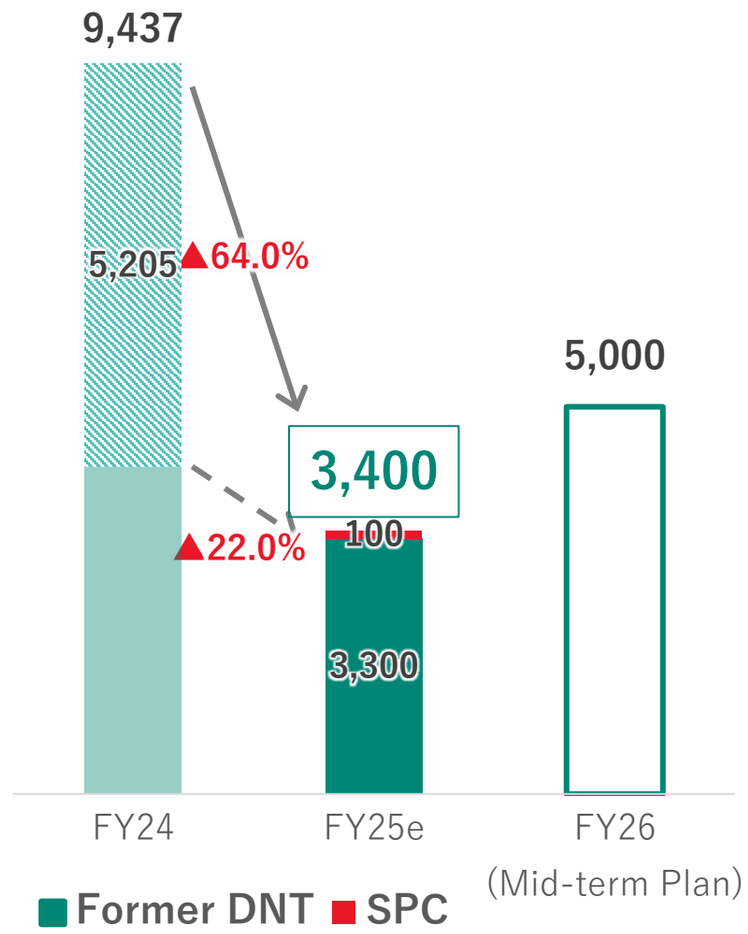
Operating profit

- 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.



FY25 Guidance: Domestic Coatings

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

(Million yen)	**FY25e Full Year**	FY24 Full Year	vs. FY24 Change	vs. FY24 % Change	Notes
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	-	

FY25 Guidance: Overseas Coatings

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 Change	vs. FY24 % Change	Notes
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	-	

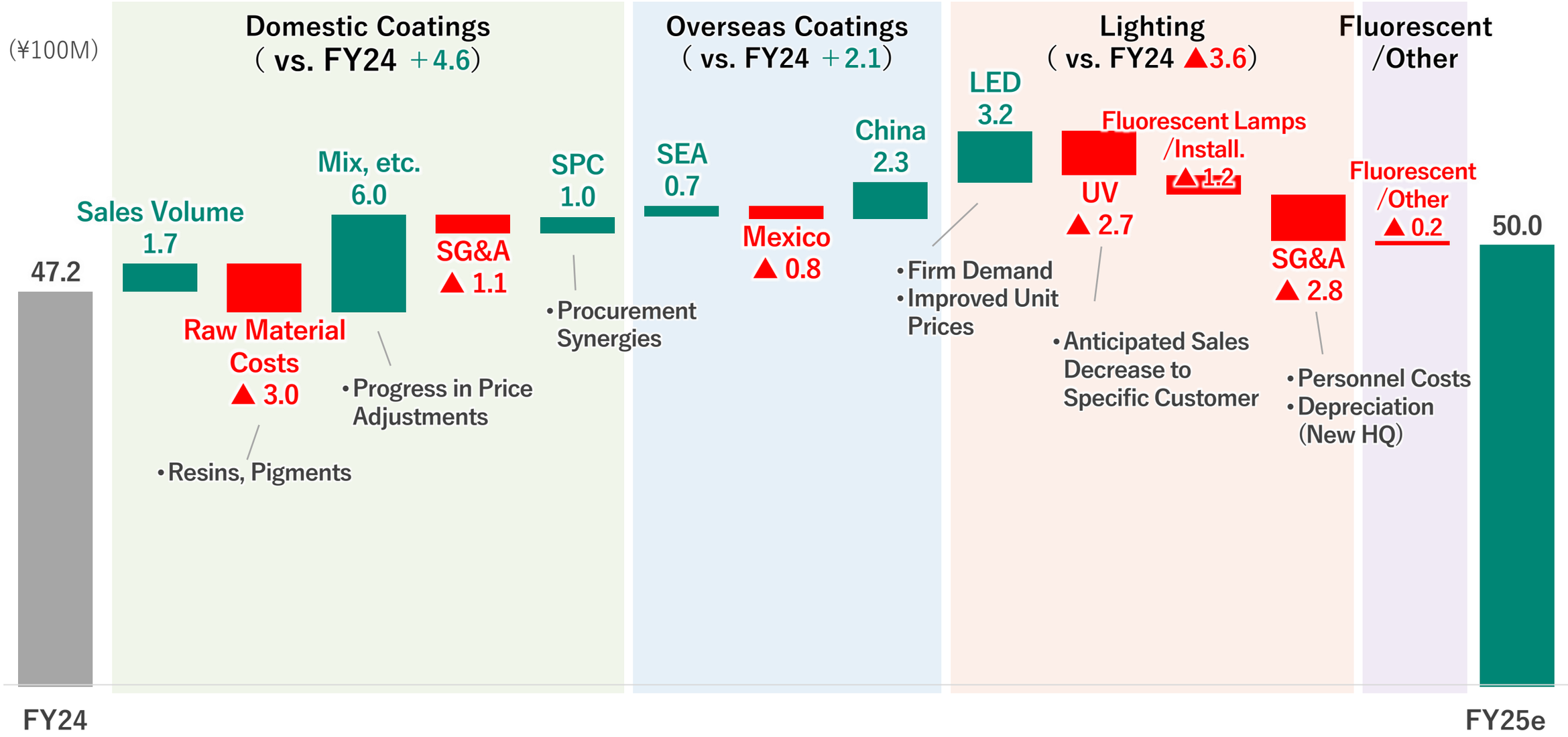
FY25 Guidance: Lighting

Strong LED demand continues.

(Million yen)	**FY25e Full Year**	FY24 Full Year	vs. FY24 Change	vs. FY24 % Change	Notes
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)

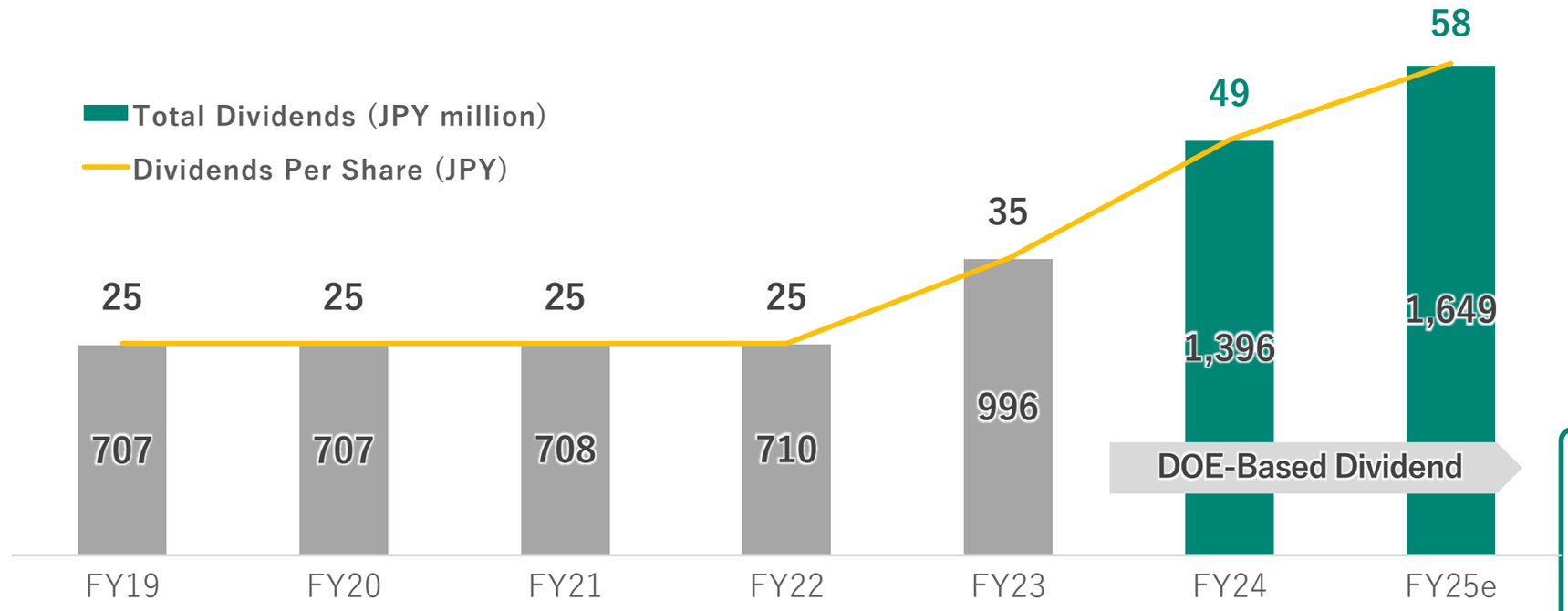
Accelerate profit improvement in Domestic Coatings and Overseas Coatings.
Lighting facing demand transition period & cost increase.



Shareholder Returns

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%**）

Proactive and stable shareholder returns to curb excessive capital accumulation.

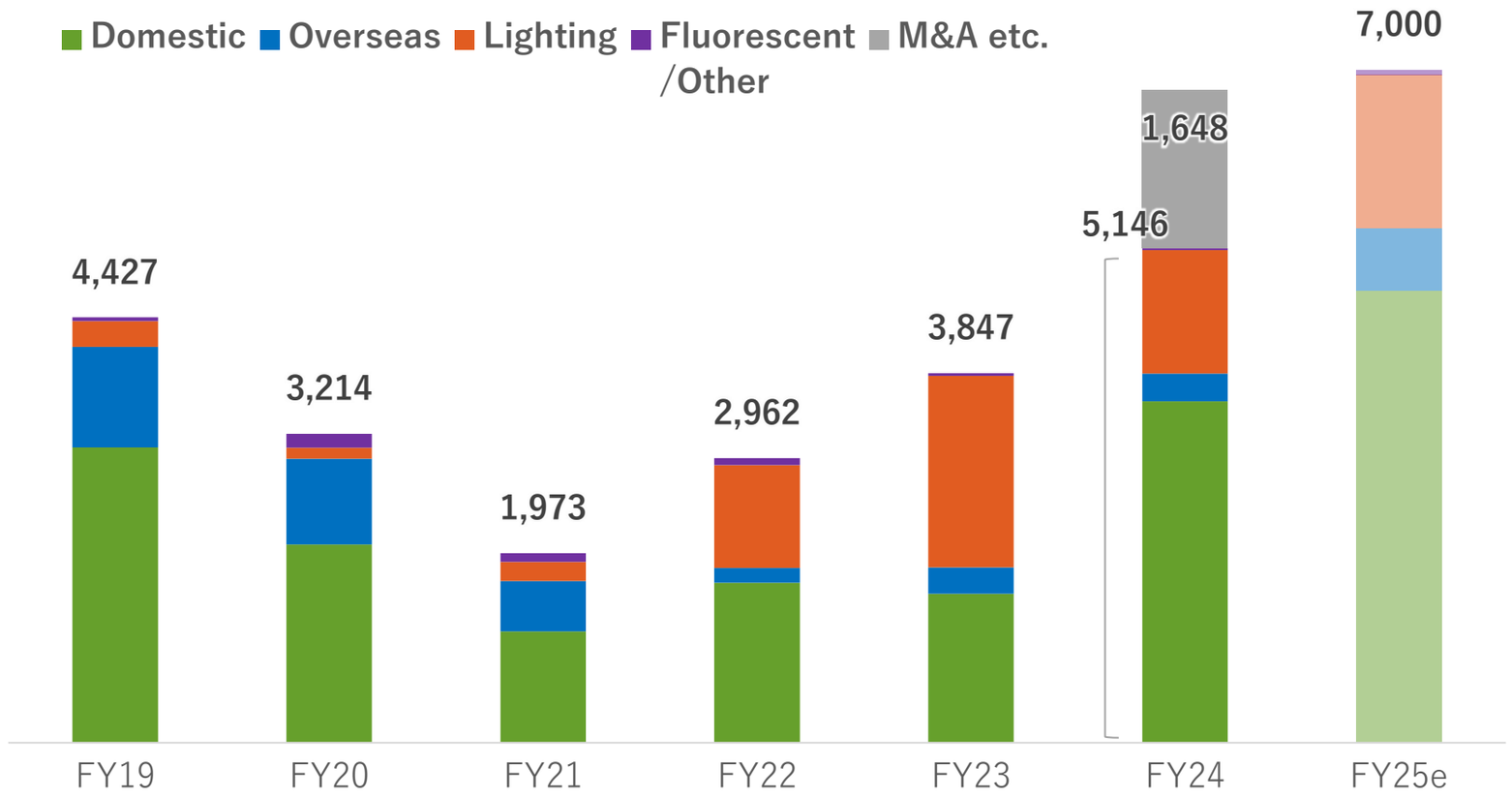
Shareholder Return Policy

- 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.

Capex and Growth Investments

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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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	**74,000**	**92,000**	**80,000**	• 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. **➡ SPC consolidation puts Net sales within reach.**
Operating profit (Operating Profit Margin)	**4,800 (6.5%)**	**5,000 (5.4%)**	**8,000 (10.0%)**	• 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. **➡ Discussions ongoing with the business alliance committee with SPC for comprehensive profitability improvement.**
NOPAT -ROE	**5.5%**	**5.3%**	**8.0%**	• Curb excessive capital accumulation through proactive shareholder returns, investment in growth areas, and appropriate facility upgrades. **➡ Equity ratio to be kept below 50% in FY24. Third consecutive year of dividend increases planned for shareholder returns.**

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.	①Business Portfolio Review	• 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.**	—	✓	—	—
	②Execution of Strategic Investments	• Upgrading distillation columns to improve profitability and strengthen BCP for coumarone resin production (Domestic)	✓	—	—	—
	③Enhanced Product Development	• 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	• **SPC Consolidation: Details on next page.**	✓	—		
	⑤Fundamental Business Efficiency Improvement		✓	—	—	—
Optimize our human resource development and business activities company-wide.	⑥Productivity Improvement through Facility Upgrades and DX	• 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)	✓	✓	✓	✓
	⑦Company-wide Optimization of People and Organization	• 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**	✓	—	✓	—
	⑧Strengthening Inter-organizational Collaboration	• Reorganized for strengthening ink and life science domains. (Domestic) • Established new organization to enhance planning functions. (Lighting)	✓		✓	—

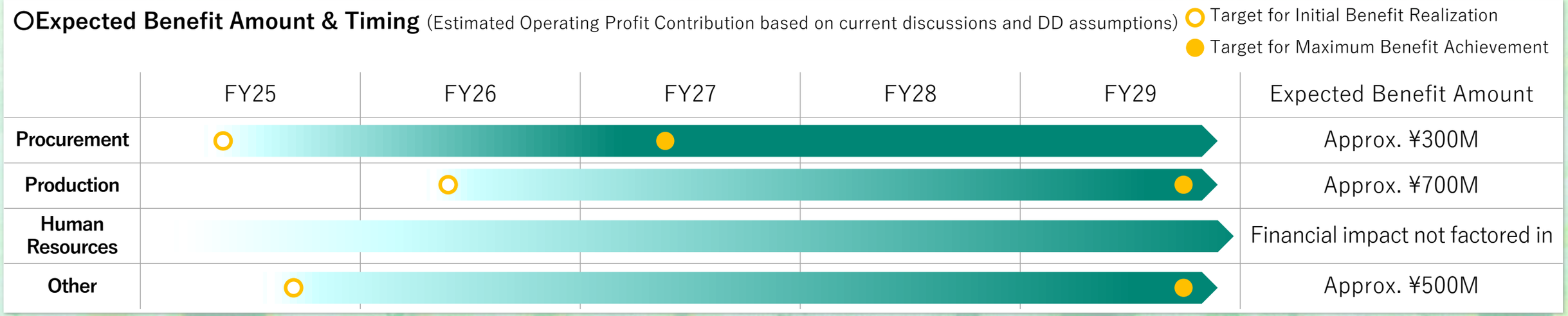
【Legend】 —Under Consideration、 ✓Commenced、 ○Completed

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	• Joint purchasing • BCP • Standardization	• Sharing and consolidation of production facilities (Product item / line)	• Mutual exchange of personnel • Employee development	• Sharing of technical know-how • Standardization of external services • Joint analysis/intellectual property operations
Expected Benefits	• Volume discounts • Reduced transportation costs due to supply chain integration • Stable product supply	• Productivity improvement through new investments (Manufacturing cost reduction + Quality control enhancement) • Efficient utilization of fixed assets	• Offering diverse career paths • Organizational revitalization	• Accelerated new product development • Reduced development costs • Headquarter cost reduction

○Expected Benefit Amount & Timing (Estimated Operating Profit Contribution based on current discussions and DD assumptions)



Focusing on Growth Markets and Pioneering Areas: Life Sciences and Nanocoating

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

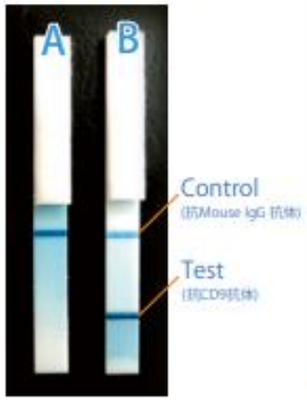
Exorapid-qIC®を使用してEVsを検出。
EVs の量に応じてTestラインの濃淡が変化。

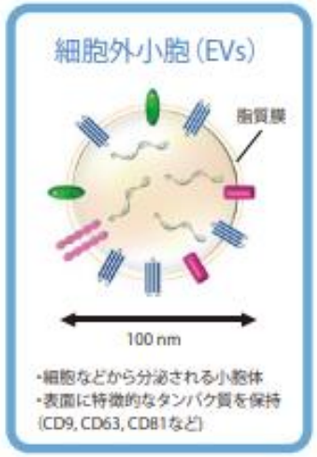


細胞外小胞用イムノクロマトキット「Exorapid-qIC®」

【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。



③CAM-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。



数秒でTestラインの濃淡が数値化される

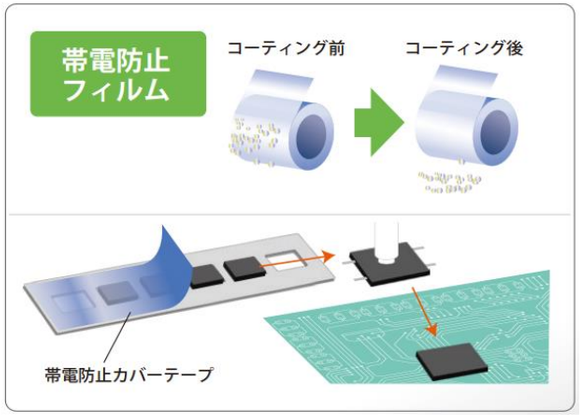
数値化　グラフ化

Nanocoating

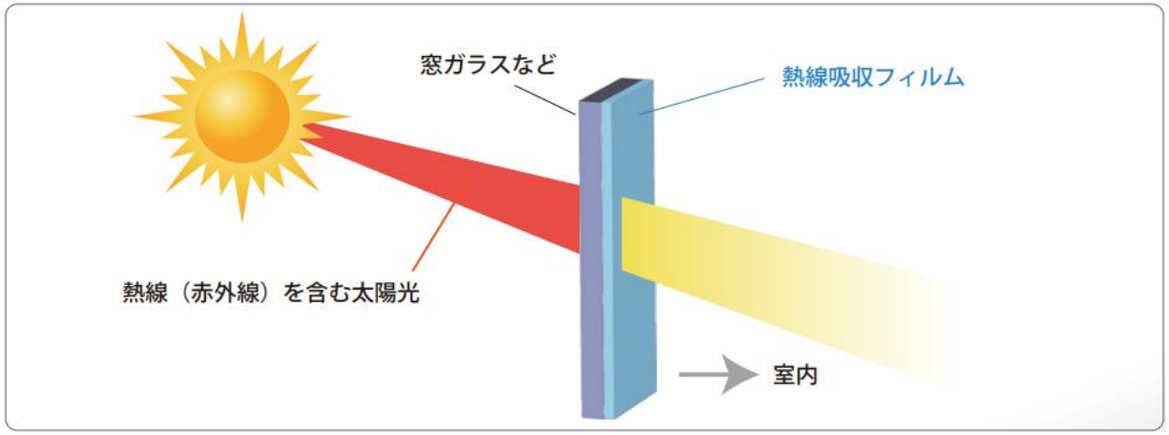
Proprietary technology for functional oxide dispersion enables development of various functional coatings.

Antistatic coating materials (Anti-reflection, Antistatic)





Heat-absorbing coating materials (Heat-blocking)



Cash Allocation Progress

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

Cash-in progress

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

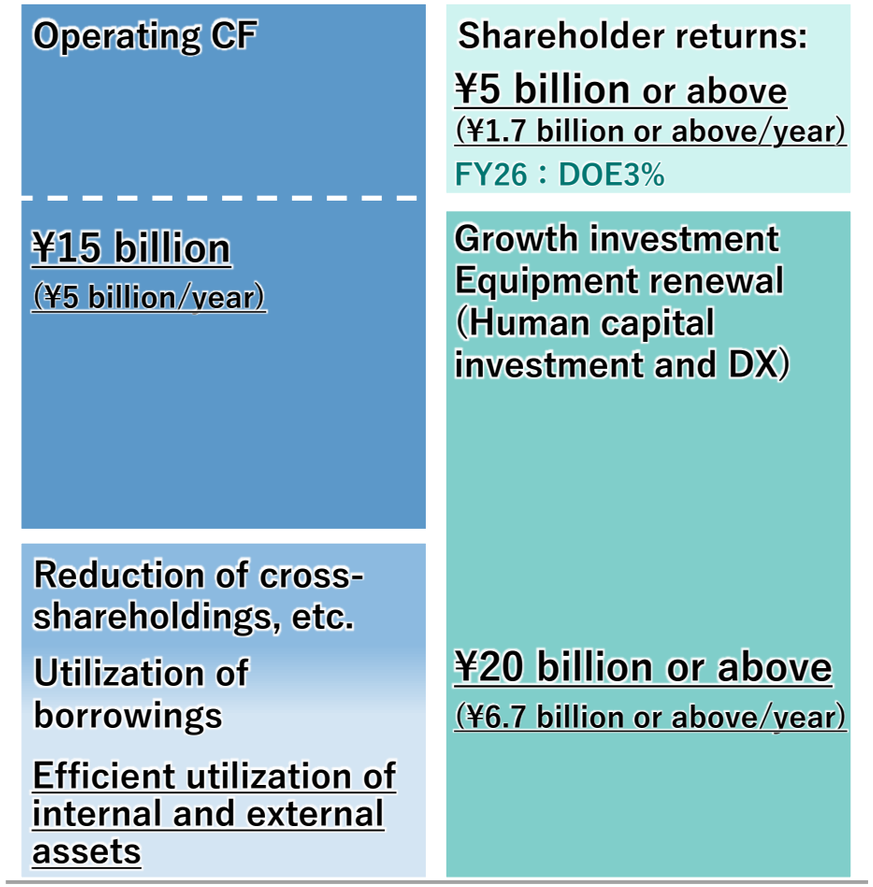
Behind plan; striving for profitability improvement.

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.

FY24-FY26 Three-Year Cumulative (Plan)



Cash-out progress

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.

Part Ⅰ. Financial Results and Guidance p. 2

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

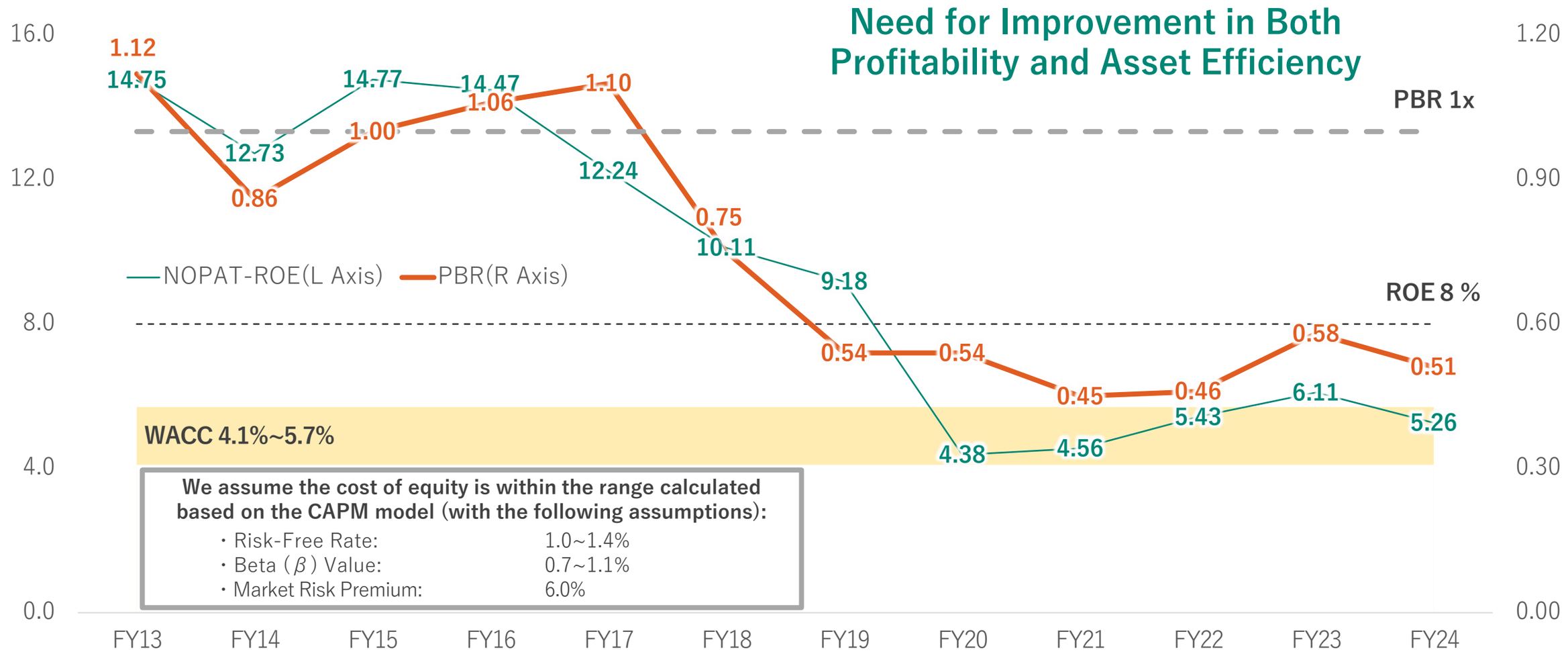
Appendix. Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Update) p. 26

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

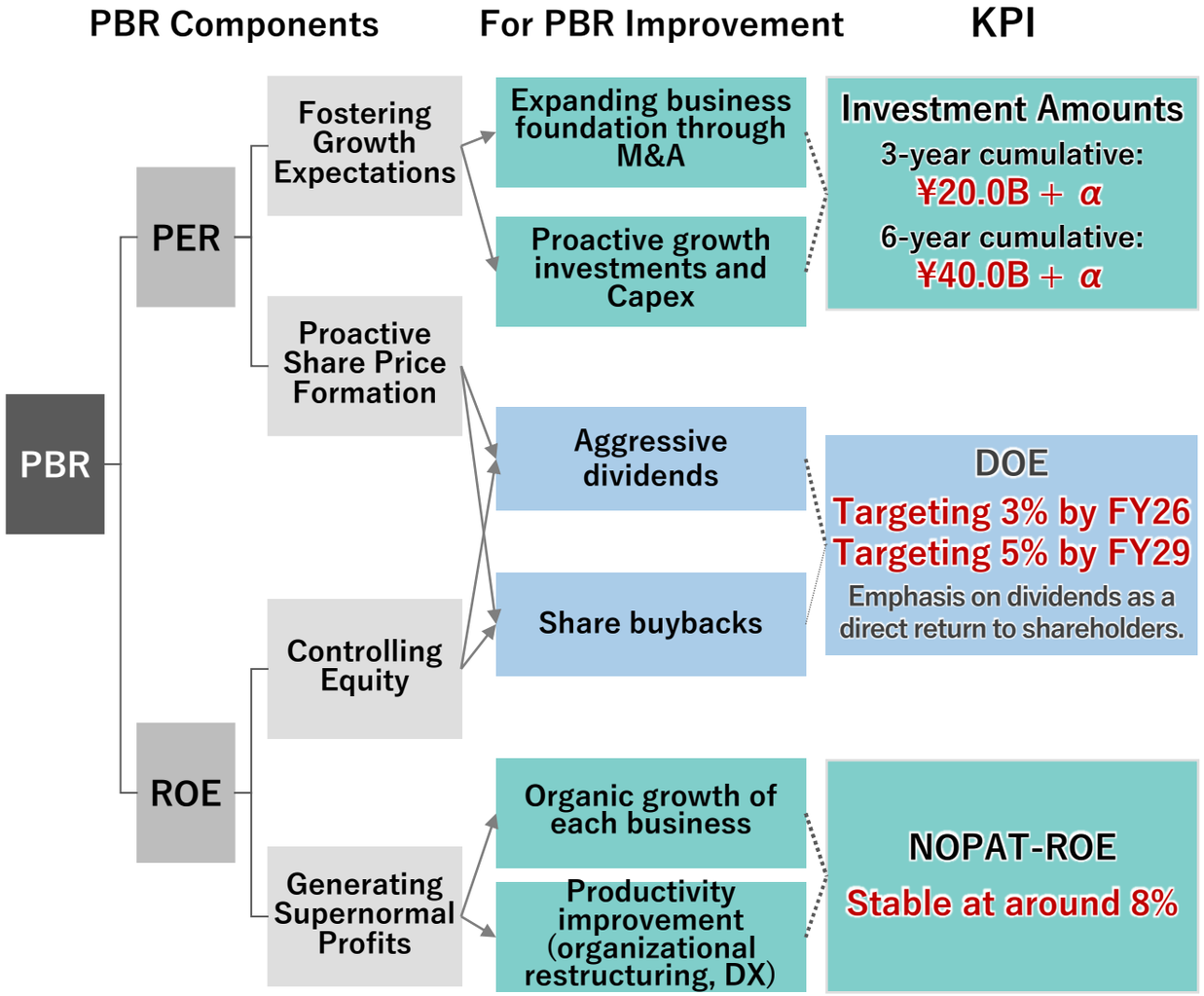


We assume the cost of equity is within the range calculated based on the CAPM model (with the following assumptions):

- Risk-Free Rate: 1.0~1.4%
- Beta (β) Value: 0.7~1.1%
- Market Risk Premium: 6.0%

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)

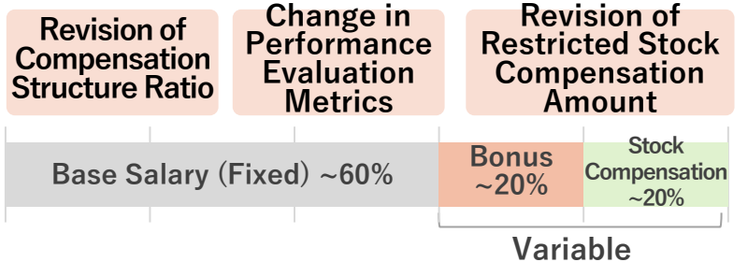
Strengthening Governance

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%

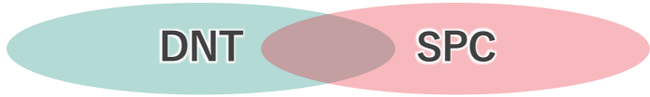
Optimizing Financial Structure / Strengthening IR Activities

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.

Thank you for your time today!

Sponsorship of Paralym Art



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

Artist Name: Raphael Princess

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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.

Paralym Art®
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