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For immediate release

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Stock Code:	7912 (TSE Prime Market)
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Announcement of the Introduction of a Stock-Based Compensation System for Employees

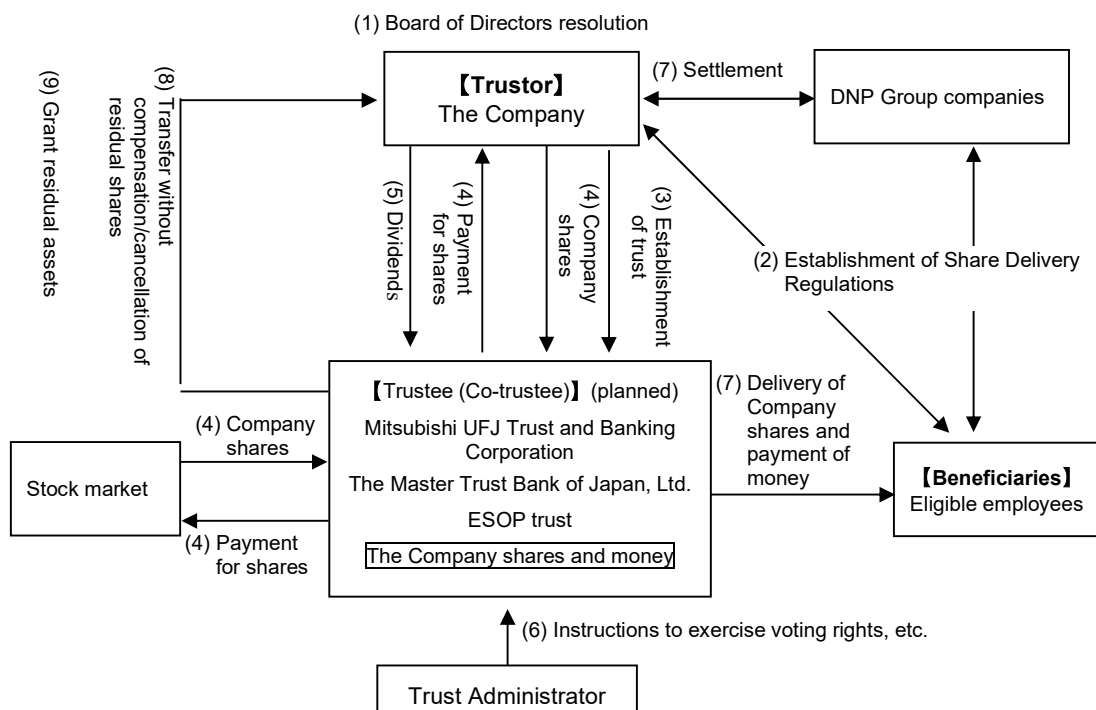
The Board of Directors of Dai Nippon Printing Co., Ltd. (“the Company”) resolved at a meeting held on December 22, 2025, to introduce a stock-based compensation system (“the System”) for employees of the Company as outlined below, beginning in the fiscal year ending March 31, 2027. Details, including those pertaining to the acquisition of Company shares under the System, will be announced as soon as they are determined.

1. Purpose of Introducing the System

- (1) The Company strives to create new value in order to realize a better, sustainable future and more fulfilling lifestyles. We are accelerating the “investment in people,” meaning investment in our employees, that we regard as essential to this endeavor. The DNP Group’s Human Capital Policy clearly states our desire for each individual to develop their strengths and grow further in their roles both within and outside the Company, as well as our belief that respecting employees leads to the respected employees driving corporate growth and enhancing society. Based on this policy, we declared both internally and externally our commitment to significantly elevating human creativity (value-added productivity) on a global scale toward establishing a positive feedback loop in which investment in people contributes to enhancing corporate value.

- (2) By introducing this System in order to establish a positive feedback loop based on investment in people, the Company provides employees with incentives for improving business performance and for achieving the targets specified in our Medium-Term Business Plan. In this way, the System encourages employees to take the same perspective as shareholders, and to heighten employee awareness of corporate value enhancement. Moreover, we expect that employee share ownership will increase employees' motivation and engagement by allowing them to profit economically from the Company's growth, which in turn will lead to further enhancement of corporate value.
- (3) The System will be based on the degree of achievement of targets set forth in the new Medium-Term Business Plan that covers the three-year period from April 2026 to March 2029. Employees who meet certain eligibility requirements will receive Company shares and cash equivalent to the converted amount of those shares, pursuant to predetermined Share Delivery Regulations. The Company also plans to introduce a similar incentive plan for certain subsidiaries, which would cover corporate officers in addition to employees.

2. System Structure



- (1) The Company and DNP Group companies ("Target Companies") shall implement procedures necessary for the introduction of the System, such as having their Board of Directors pass a resolution.
- (2) Each Target Company shall establish its own Share Delivery Regulations to support its own system.
- (3) The Company contributes funds to establish an employee stock ownership plan trust ("ESOP Trust"), which grants stock to beneficiaries who are employed by the Company or DNP Group companies and meet certain criteria ("Eligible Employees").
- (4) The ESOP Trust uses the funds held in trust as described in (3) above as capital for acquiring shares in the Company from the stock market or through disposal of treasury shares in accordance with instructions from the Trust Administrator.
- (5) Dividends for Company shares held in the ESOP Trust are paid in the same manner as dividends for other Company shares.
- (6) As long as shares remain in the ESOP Trust, the Trust Administrator will give instructions for exercising voting rights and other shareholder rights and the Trust shall exercise shareholder rights according to those instructions.
- (7) For the duration of the Trust, points are granted to and accumulated by Eligible Employees in accordance with Share Delivery Regulations. Eligible employees who meet the beneficiary requirements will be awarded Company shares equivalent to a certain percentage of their points. Company shares equivalent to the remaining points will be converted into cash within the ESOP Trust according to the provisions of the trust agreement, and employees will receive cash equivalent to the converted amount. The Target Companies will settle among themselves the amounts required to acquire Company shares and to cover the converted amount for their Eligible Employees.
- (8) At the end of the trust period, any remaining shares may continue to be used in the ESOP Trust as part of the same type of stock granting system by amending the trust agreement and establishing an additional trust. If the ESOP Trust is terminated, the Company plans to transfer its remaining shares from the Trust to the Company without compensation and cancel the acquired Company shares as a means of shareholder return.
- (9) At the end of the trust period, any residual dividends paid for Company shares held in the ESOP Trust will be used to acquire shares if the ESOP Trust continues to be used. However, if the ESOP Trust is terminated with the expiration of the trust period, any dividends exceeding the trust expense reserve will be donated to organizations without conflicting interests.

【Content of trust agreement】

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| (1) Type of trust: | A money trust that is not a specific, individually operated trust (third-party beneficiary trust) |
| (2) Purpose of trust: | Provide incentives to Eligible Employees |
| (3) Trustor: | The Company |
| (4) Trustee: | Mitsubishi UFJ Trust and Banking Corporation (planned)
(Co-trustee: The Master Trust Bank of Japan, Ltd.) |
| (5) Beneficiaries: | Eligible Employees who meet beneficiary criteria |
| (6) Trust Administrator: | A third party (certified public accountant) who has no conflict of interest with the Company |
| (7) Date of trust agreement: | July 2026 (planned) |
| (8) Trust period: | July 2026 (planned) to August 31, 2029 (planned) |
| (9) Commencement date of the System: | July 2026 (planned) |
| (10) Type of shares to be acquired: | Common shares of the Company |
| (11) Amount of funds in trust: | to be announced as soon as determined |
| (12) Method of share acquisition: | to be announced as soon as determined |
| (13) Exercise of voting rights: | The trustee will exercise voting rights for the Company's shares in accordance with the Trust Administrator's instructions, which will reflect the intentions of potential beneficiaries. |
| (14) Rights holder for residual assets: | The Company |
| (15) Residual assets: | The Company holds the rights to residual assets and can receive residual assets within the scope of the trust expense reserve, which equals the funds held in trust minus the cost of acquiring shares. |