

“DNP” refers to Dai Nippon Printing Co., Ltd. in this section.
(As of June 29, 2017)

DNP seeks to improve earning power and capital efficiency in order to support sustained growth and increase enterprise value over the medium to long term. We established DNP Group Vision 2015, which states our corporate philosophy as: "The DNP Group connects individuals and society, and provides new value." We are

DNP's corporate governance and internal control system will have the following structure from June 29, 2017.

The diagram illustrates the internal control system of a listed company, structured as follows:

- General Meeting of Shareholders** (Top Level):
 - Audit** (Left): Connects to the Board of Directors.
 - Audit** (Right): Connects to the Board of Directors.
- Board of Directors** (Second Level):
 - Advisory Committee** and **Management Committee** (Subordinate to Board of Directors).
- President and Directors in Charge** (Third Level):
 - Operating Units** (Left): Includes **Divisions** and **Group companies**.
 - Audit** (Left): Connects to the Operating Units.
 - Reporting** (Right): Connects to the Head Office.
 - Head Office** (Center):
 - (Oversight of Internal controls)** (Vertical Label): Connects to the Head Office.
 - Corporate Ethics Committee** (Top):
 - Open Door Room** (Subordinate to Corporate Ethics Committee).
 - Information Disclosure Committee**
 - CSR & Environmental Committee**
 - Information Security Committee**
 - Invention Compensation Committee**
 - Central Disaster Prevention Council**
 - Legal and other main divisions** (Bottom): Includes CSR & Environment Department, Employee Relations Department, Technical & Engineering Division, Finance & Accounting Division, Corporate Planning & Control Department, Intellectual Property Division, Corporate Communication Division, and Legal Affairs Department, etc.
 - Auditing Department** (Right):
 - Reporting** (Top): Connects to the President and Directors in Charge.
 - Audit** (Left): Connects to the Head Office.
 - Guidance** (Left): Connects to the Head Office.
 - Audit** (Bottom): Connects to the Head Office.
 - Guidance** (Bottom): Connects to the Head Office.
- Board of Statutory Auditors** (Far Right):
 - Audit** (Left): Connects to the Auditing Department.
 - Reporting** (Left): Connects to the Auditing Department.
 - Assistance** (Left): Connects to the Auditing Department.
 - Audit Unit** (Subordinate to Board of Statutory Auditors).
- Accounting Auditors** (Far Left):
 - Audit** (Right): Connects to the Operating Units.
- Bottom Level**:
 - Reporting** (Left): Connects to the General Meeting of Shareholders.
 - Coordination** (Right): Connects to the General Meeting of Shareholders.

Management and business execution structure, audit structure

- DNP's organization is designed to allow directors with specialized expertise and experience in a wide range of business fields to participate in management decisions, to take responsibility and authority as they execute their work, and to supervise the work of other directors. We are working to enhance our decision making and supervisory capabilities from a company-wide perspective by appointing directors in charge of each management function. Independent outside directors also participate in decision-making in order to facilitate prompt and precise management decisions and smooth execution of those decisions, and to further strengthen proper supervisory functions. Corporate officers appointed by the Board of Directors have the responsibility and authority to execute business decided by the Board of Directors.
- In order to nimbly construct optimal management systems for responding to changes in the business environment, and to further clarify management responsibility for each fiscal year, we set the term of office for directors and corporate officers at one year.
- The Board of Directors consists of 12 directors, including two independent outside directors, and the Board ensures that meetings are run appropriately based on the Board of Directors Regulations. The Board meets once a month, in principle, to discuss and decide on important business matters. Corporate officers may also attend meetings as needed to provide reports. To speed up the Company's activities and make them more efficient, DNP has also established a Management Committee consisting of directors at the senior managing director level and above. The committee meets once a month, in principle, to review and discuss management policies, strategies, and important business matters. Decisions about director compensation, designation of director candidates, and other such matters are made in light of the advice and opinions of an Advisory Committee comprised of independent outside directors in an effort to increase the transparency of the decision making process.
- DNP has in place a Board of Statutory Auditors that consists of five auditors, including one auditor with considerable knowledge of finance and accounting and three outside auditors. In accordance with auditors' prescribed audit criteria and responsibilities, the statutory auditors conduct audits of the directors' management of day-to-day operations and, as necessary, seek information from the directors and corporate officers regarding business operations.
- DNP provides in its Articles of Incorporation for the ability to conclude limited liability agreements based on laws and regulations in order to allow directors (excluding executive directors, etc.) and statutory auditors to adequately fulfill their expected roles and to ensure useful personnel in the future. DNP and its directors (excluding executive directors, etc.) and statutory auditors have concluded agreements that limit the directors' and auditors' liability for damages within the parameters set forth in Article 423, Paragraph 1 of Japan's Companies Act, so long as they perform their duties in good faith and without serious negligence.

Reasons for choosing this structure

We ensure that the Board of Directors acts appropriately, agilely, and flexibly by adopting the organizational structure of a company with a Board of Statutory Auditors, as noted above, by introducing an independent outside director and corporate officer system, and by establishing and operating discretionary committees. We believe that adopting this corporate governance structure will allow the Company to sustain growth and increase enterprise value over the medium to long term.

Internal control and risk management systems

The following provides an overview of the various systems that we have established to ensure appropriate business conduct at DNP and the corporate group comprising DNP and DNP subsidiaries (DNP Group), and an overview of the operation of these systems.

(1) System for ensuring that directors and employees of DNP and DNP subsidiaries perform their duties in compliance with laws and regulations and the Articles of Incorporation

- a. We established the DNP Group Code of Conduct to govern the conduct of all employees (including directors). We distribute this code to all employees of the DNP Group and conduct training and take other action to promote a full understanding of this code.

[Summary of operation]

We promote a full understanding of the DNP Group Code of Conduct through various training sessions and other activities carried out mainly by DNP's Corporate Ethics Committee.

- b. In principle, the Board meets once a month. Based on the Company's Board of Directors Regulations, the directors ensure that meetings are appropriately run and supervise each other in day-to-day operations. We appoint independent outside directors to ensure that the Board of Directors performs its duties in compliance with the law. Executive directors exercise their authority according to the Organization Rules, Work Authority Regulations, Proposal System Regulations, and other internal company rules; and they prevent acts in violation of laws, regulations, and the Articles of Incorporation by supervising the business execution of the corporate officers and general managers responsible for DNP's various organizational units.

DNP is a company with a Board of Statutory Auditors. Statutory auditors, including independent outside statutory auditors, audit the performance of duties by directors according to the audit criteria and responsibilities prescribed by DNP's Board of Statutory Auditors.

[Summary of operation]

The Board of Directors met 10 times during the fiscal year ended March 2017. The Board held discussions, made decisions, and took appropriate actions on important matters based on the Board of Directors

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Regulations. Executive directors exercise their authority according to various rules and regulations, and they supervise the business execution of the corporate officers and general managers responsible for DNP's various organizational units. DNP's two independent outside directors supervise the business execution of directors.

Statutory auditors audit the performance of duties by directors according to the audit criteria and responsibilities prescribed by DNP's Board of Statutory Auditors.

- c. DNP's Corporate Ethics Committee is responsible for establishing and operating systems and other mechanisms to ensure appropriate business conduct within the DNP Group, based on the DNP Group's Basic Compliance Management Regulations.

[Summary of operation]

DNP's Corporate Ethics Committee meets once a month to oversee the establishment and operation of systems and other mechanisms to ensure appropriate business conduct within the DNP Group.

- d. Under the general oversight of DNP's Corporate Ethics Committee, the Information Disclosure Committee, CSR & Environmental Committee, Information Security Committee, Invention Compensation Committee, Central Disaster Prevention Council, and various head office organizations responsible for specific laws and regulations conduct reviews, provide guidance, and offer training in their areas of specialty to other organizational units and Group companies.

[Summary of operation]

The various special committees, Central Disaster Prevention Council, and various head office organizations responsible for specific laws and regulations conduct reviews, provide guidance, and offer training as appropriate through field inspections, group training sessions, and other means to other organizational units and Group companies.

- e. The general managers of DNP's various organizational units independently determine, implement, check, evaluate, and improve the systems and procedures required for their own units, based on the DNP Group's Basic Compliance Management Regulations and in light of the specific operations of their unit.

[Summary of operation]

DNP's various organizational units independently determine and implement the systems and procedures required by their unit. Each organizational unit confirms the operation of these systems and procedures. Each unit compiled the results of its independent checks, evaluations, and improvements made through the end of the fiscal year ended March 2017 into a Unit Confirmation Report, and provided the report to DNP's Corporate Ethics Committee. The Corporate Ethics Committee conveyed these results to relevant head office organizations, and these head office organizations confirmed conditions and provided

guidance and training as needed.

- f. DNP's Auditing Department is independent from operating units, and based on the Internal Audit Regulations, it conducts internal audits and provides guidance to DNP's various organizational units and group companies regarding the establishment and operation of systems and other mechanisms to ensure appropriate business conduct.

[Summary of operation]

DNP's Auditing Department is independent from operating units and conducts internal audits and provides guidance to DNP and DNP Group companies, in accordance with an audit plan. The results of the Auditing Department's internal audits and guidance are reported to DNP's President, statutory auditors, and accounting auditors.

- g. DNP's Corporate Ethics Committee established the Open Door Room as an internal and external whistleblowing forum for the DNP Group. It also established the Supplier Hotline as a means to receive information from material suppliers and contractors. It uses these to obtain information about legal violations and other such actions by employees and to respond to this information (including by not providing unfair treatment to whistleblowers).

[Summary of operation]

We seek to publicize and gain widespread recognition of this whistleblower system and to use it appropriately.

- h. We establish, operate, evaluate, and report on internal controls for financial reporting based on the Basic Policy and Basic Plan for Establishing, Operating, and Evaluating Internal Controls for Financial Reporting, as stipulated by DNP's Board of Directors. We thereby ensure compliance with laws and regulations and reliability in financial reporting.

[Summary of operation]

DNP works to ensure compliance with laws and regulations and reliability in financial reporting by establishing internal controls for DNP and DNP Group companies and evaluating their operation based on the Basic Policy and Basic Plan for Establishing, Operating, and Evaluating Internal Controls for Financial Reporting.

- i. To sever relations with antisocial forces, we stipulate in the DNP Group Code of Conduct that the Company shall not engage in any activities with antisocial forces. In addition to complying with this stipulation, we work with our various business partners to create an arrangement enabling a severing of relations in the event that a business partner is found to be an antisocial force. The DNP Group will also strengthen ties with outside organizations, including the police and law offices, to guard against inappropriate demands made by antisocial forces.

{Summary of operation}

DNP actively seeks to sever relations with antisocial forces, and we make ongoing efforts with our various business partners to create an arrangement enabling a severing of relations in the event that a business partner is found to be an antisocial force. We are also working to strengthen ties with outside organizations, including the police and law offices, to gather information about antisocial forces and to guard against inappropriate demands made by antisocial forces.

(2) Regulations and other systems for managing the risk of losses at DNP and DNP subsidiaries

To manage risks that could have a serious impact on the business of the DNP Group, including those related to compliance, information security, environment, disasters, product safety, insider trading, and export control, DNP's Corporate Ethics Committee, various special committees, and other head office organizations establish regulations and conduct training in an effort to prevent risks from occurring. When risks do occur, we respond quickly to avoid or minimize losses to the DNP Group. Additionally, under the general oversight of DNP's Corporate Ethics Committee, we regularly take inventory of risks and designate organizations and responsible directors to quickly respond to any new risks that could have a serious impact on our business.

{Summary of operation}

DNP's Corporate Ethics Committee, various special committees, and other head office organizations identify risks that could have a serious impact on our business and designate organizations and responsible directors to respond to these risks. Special committees and head office organizations evaluate compliance in relation to these risk and work to prevent risks from occurring. We report the details of these activities to DNP's Corporate Ethics Committee.

(3) System for ensuring that directors of DNP and DNP subsidiaries perform their duties efficiently

- a. The Board of Directors meets once a month, in principle, and also holds meetings as needed, providing a basic system for ensuring that directors perform their duties efficiently. Additionally, to contribute to fair and efficient decision making, we established the Advisory Committee comprised of independent outside directors to provide advice and opinions on important matters, including director compensation and designation of director candidates. The Management Committee comprised of senior managing and higher directors meets once a month, in principle, to examine and discuss important business matters.

{Summary of operation}

In addition to the operation outlined above in (1) b., our Advisory Committee held discussions and offered advice and opinions about important matters,

including director compensation and designation of director candidates. Additionally, the Management Committee met 19 times during the fiscal year ended March 2017 to examine and discuss important business matters.

- b. We seek to improve the efficiency of business execution by allowing executive directors to perform their duties based on decisions by the Board of Directors by appropriately delegating authority to the corporate officers and general managers responsible for DNP's various organizational units, within the scope provided for in the Organization Rules, Work Authority Regulations, Proposal System Regulations, and other internal company rules.

{Summary of operation}

DNP seeks to enhance the efficiency of business execution by preparing various rules to appropriately delegate the authority of executive directors to the corporate officers and general managers responsible for DNP's various organizational units.

- c. To ensure that directors at Group companies perform their duties efficiently, we seek to enhance the efficiency of business execution by providing guidance to enable Group companies, accounting for their size and other specific attributes, to independently hold Board of Directors meetings at their discretion based on the Board of Directors Regulations, and to appropriately delegate authority based on the Organization Rules, Work Authority Regulations, Proposal System Regulations, and other internal company rules.

{Summary of operation}

Group companies are working to enhance the efficiency of business execution by directors by establishing appropriate rules in light of their business portfolio, size, and other attributes.

(4) System for storing and managing information related to the performance of duties by DNP's directors

We record information related to the performance of duties by directors in the Board of Directors meeting minutes, special committee meeting minutes, proposal documents, other paper documents, and electronic documents. Additionally, in accordance with the Basic Information Security Rules, Document Control Standards, and Electronic Data Control Standards, we appropriately and safely store and manage in an easily searchable format the paper and electronic documents in which this information is recorded for a period of time stipulated in these rules and standards.

{Summary of operation}

We record information related to the performance of duties by directors in paper and electronic documents, and appropriately store and manage these documents in the responsible organization according to various regulations.

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(5) System for ensuring appropriate business conduct by the corporate Group comprising DNP and DNP subsidiaries

- a. To ensure appropriate business conduct in the DNP Group, we undertake training and other activities so that all DNP Group employees (including directors) gain a full understanding and perform their work according to the DNP Group Code of Conduct. Concerning the establishment and operation of systems and other mechanisms to ensure appropriate business conduct, we established the DNP Group's Basic Compliance Management Regulations and the Affiliated Company Management Regulations, and provide guidance to Group companies to help them establish their own rules and regulations based on the above.

[Summary of operation]

In addition to the operation outlined above in (1) a., Group companies establish their own rules and regulations under the direction of relevant head office organizations and based on the DNP Group's Basic Compliance Management Regulations and the Affiliated Company Management Regulations.

- b. We confirm that Group companies, based on the policies outlined in the preceding item, independently establish various rules and regulations, including Proposal System Regulations, that stipulate matters requiring prior consultation or subsequent reporting with the parent company, accounting for each company's size and other specific attributes; that they establish and operate reporting systems to report to DNP about important business execution by directors and other employees of Group companies; and that this business execution complies with laws, regulations, and the Articles of Incorporation and is carried out efficiently. We also provide guidance to help Group companies make independent decisions about the systems and procedures they need in light of their business portfolio, size, and other attributes; and to implement, check, evaluate, and improve their systems and procedures.

[Summary of operation]

Group companies establish various rules and regulations, including Proposal System Regulations, that stipulate matters requiring prior consultation or subsequent reporting with DNP; and establish appropriate systems in light of their business portfolio, size, and other attributes. Group companies confirmed the operation of these rules, regulations, and systems; compiled a Unit Confirmation Report by the end of the fiscal year ended March 2017; and reported to DNP's Corporate Ethics Committee. The Corporate Ethics Committee conveyed these results to relevant head office organizations, and these head office organizations confirmed conditions and provided guidance and training as needed.

- c. DNP's Auditing Department, Corporate Ethics Committee, various special committees, and other

head office organizations conduct audits and checks and provide guidance and training in relation to the implementation of the preceding two items.

[Summary of operation]

DNP's Auditing Department, Corporate Ethics Committee, various special committees, and other head office organizations conduct audits and checks and provide guidance and training in relation to the systems of Group companies.

(6) System for employees who assist DNP's statutory auditors in the performance of their duties and matters related to the independence of these employees from directors

- a. DNP's Board of Statutory Auditors established the Audit Unit and appoints dedicated staff member to assist DNP's statutory auditors in the performance of their duties. To ensure the effectiveness of the instructions given by DNP's statutory auditors to their staff, we grant their staff the authority to appropriately conduct checks and gather information.

[Summary of operation]

DNP appoints one dedicated staff member to assist its statutory auditors. We grant this staff member the authority to appropriately conduct checks and gather information to ensure the effectiveness of his or her work.

- b. Audit Unit staff perform their duties under the direction of DNP's statutory auditors. Any personnel evaluation, transfer, reprimand, or other such actions related to this staff requires the consent of DNP's Board of Statutory Auditors.

[Summary of operation]

Audit Unit staff are independent from the direction of directors and perform their duties under the direction of DNP's statutory auditors. Any personnel evaluation, transfer, reprimand, or other such actions related to this staff are taken with the consent of DNP's Board of Statutory Auditors.

(7) System for directors and employees of DNP and DNP subsidiaries to report to DNP's statutory auditors; policy for expenses incurred as statutory auditors perform their duties; system for other reporting to statutory auditors; and system for ensuring effective auditing by statutory auditors

- a. DNP's statutory auditors at any time deemed necessary can request that directors and employees of the DNP Group provide a report on the performance of their duties; and the directors, employees, or persons receiving reports from these persons will report promptly when requested by DNP's statutory auditors.

[Summary of operation]

Statutory auditors are independent from the direction of directors, and have the authority to request as needed that directors and employees provide reports on business execution at DNP and DNP Group

companies. DNP Group directors and employees respond promptly when requested to report by DNP's statutory auditors.

- b. If a DNP director discovers a legal violation or other matter that could significantly damage the DNP Group, the director will report this matter immediately to DNP's statutory auditors.

[Summary of operation]

We endeavor to make DNP directors fully aware of their reporting obligations to statutory auditors as stipulated in the Companies Act.

- c. DNP's Auditing Department and Corporate Ethics Committee provide regular reports to DNP's statutory auditors about the details of auditing of the DNP Group and the establishment and operation of systems and other mechanisms to ensure appropriate business conduct in the DNP Group.

[Summary of operation]

During the fiscal year ended March 2017, DNP's Auditing Department and Corporate Ethics Committee held meetings with DNP's statutory auditors and provided timely reports to these statutory auditors.

- d. DNP's statutory auditors convene liaison meetings and exchange opinions with statutory auditors at Group companies.

[Summary of operation]

The statutory auditors of DNP and DNP Group companies convene liaison meetings at their discretion and exchange information and opinions.

- e. DNP bears the costs deemed necessary for its statutory auditors to perform their duties, and DNP's Board of Statutory Auditors can request these costs from DNP both before and after the fact.

[Summary of operation]

DNP bears costs related to the work of its statutory auditors within a scope that it deems necessary.

- f. DNP's President conducts regular exchanges of opinion with DNP's Board of Statutory Auditors.

[Summary of operation]

During the fiscal year ended March 2017, DNP's President held meetings and exchanged opinions with DNP's Board of Statutory Auditors.

Internal controls and auditor's auditing

In order to maintain a structure that allows for precise management decision-making, appropriate and prompt execution of business, and inspection and monitoring of these functions, the Corporate Ethics Committee, as the body in charge of internal control, inspects and guides DNP's operating units according to the DNP Group's Basic Compliance Management Regulations, and regularly reports to statutory auditors regarding management conditions. In addition, the Auditing Department (consisting of 12

employees) ensures the propriety of operations by conducting accounting and operational audits based on Internal Audit Regulations and by providing progress reports to the statutory auditors and the accounting auditor.

The statutory auditors hold regular meetings of the Board of Statutory Auditors, work with other statutory auditors to perform their audit duties, and closely cooperate with the accounting auditors by receiving from them an explanation of the audit plan at the start of the fiscal year, assessing audit operations during the fiscal year as appropriate, and receiving a report of audit results at the end of the fiscal year.

DNP's outside directors and outside statutory auditors

DNP has two outside directors and three outside statutory auditors. Outside directors and statutory auditors do not have any particular personal relationships, capital relationships, transactional relationships, or other interests with DNP.

The role of outside directors is to supervise inside directors and contribute to improving the transparency and accountability of the Board of Directors by providing management advice based on their judgment. The role of outside statutory auditors is to enhance the propriety of accounting and operational audits and to supervise management.

- Outside director Tadao Tsukada can participate in business decision making from an objective standpoint that is independent from the Company's management team that executes its business, based on keen insight and broad experience as a distinguished academic. Mr. Tsukada owns 2,000 shares of DNP stock.
- Outside director Tsukasa Miyajima can participate in business decision making from an objective standpoint that is independent from the Company's management team that executes its business, based on keen insight and broad experience as a legal professional. Mr. Miyajima owns 2,000 shares of DNP stock.
- Outside statutory auditor Shin-ichi Ikeda is designated as an independent officer and can help bolster auditing based on a broad knowledge gained from business experience at other companies. Mr. Ikeda owns 2,000 shares of DNP stock.
- Outside statutory auditor Makoto Matsuura is designated as an independent officer and can help bolster auditing based on his legal expertise as an attorney.
- Outside statutory auditor Kuniaki Nomura can help bolster auditing based on his legal expertise as an attorney.

DNP established its own Independence Standards for Independent Officers with reference to stock listing rules and other material in order to avoid conflicts of interest with general shareholders when appointing outside directors and outside statutory auditors. These standards are presented below, and we designate all of our outside directors and outside statutory auditors as independent officers as a result of satisfying these standards.

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DNP's independence standards for independent officers

Independent officers must have a neutral position that is independent from DNP's management team; none of the following conditions may apply.

- (1) An executive of DNP or DNP affiliated company (hereinafter, DNP Group) (person to whom this applies during the past 10 years. Persons who have served as a non-executive director or auditor of the DNP Group during the past 10 years may include those who have served as an executive during the 10-year period prior to their appointment as a director or auditor)
- (2) A major supplier of the DNP Group (supplier group [entity belonging to the consolidated group of the direct supplier] that provides products or services to the DNP Group for which the transaction value of the products or services provided to the DNP Group accounts for over 2% of the supplier group's annual consolidated sales or gross revenues in the most recent fiscal year) or an executive thereof
- (3) A major customer of the DNP Group (customer group that receives products and services from the DNP Group for which the transaction value of the products and services provided to the customer group from the DNP Group accounts for over 2% of the DNP Group's annual consolidated sales in the most recent fiscal year) or an executive thereof
- (4) A major lender to the DNP Group (lender providing loans accounting for over 2% of the DNP Group's total consolidated assets in the most recent fiscal year) or an executive thereof
- (5) A consultant, accounting professional, or legal professional (in the case of an organization, a person belonging to said organization) who receives a large amount of monetary or other consideration other than executive compensation from the DNP Group (person who receives consideration other than executive compensation in excess of the larger of an annual amount of ¥10 million or 2% of the person's sales or gross revenues in the most recent fiscal year)
- (6) A major shareholder of DNP (direct or indirect ownership of 10% or more of total voting rights) or an executive thereof
- (7) An executive at an entity in which the DNP Group is a major investor (direct or indirect ownership of 10% or more of total voting rights)
- (8) A person belonging to an auditing company that performs statutory audits for DNP
- (9) A person to whom items (2) through (8) have recently applied (within one year)
- (10) A relative (within second degree of kinship) of a person (excluding insignificant persons) to whom any of items (1) through (5) apply
- (11) An executive at an entity with mutual appointments of outside officers (person to whom this applies during the past 10 years)
- (12) An entity that receives donations from DNP (average donation during the past three fiscal years that is the higher of an annual amount of ¥10 million or 2% of the recipient's annual gross revenues) or an executive thereof (person to whom this applies during the past 10 years)

Compensation paid to directors and statutory auditors

- (1) Total compensation paid by DNP, by category of director/statutory auditor, total compensation by type, and the number of directors and statutory auditors covered

Category of director/ statutory auditor	Total compensation (¥ million)	Total compensation by type (¥ million)		Number of directors and statutory auditors covered
		Base compensation	Bonus	
Directors (excluding outside directors)	1,033	855	178	16
Statutory auditors (excluding outside auditors)	58	58	—	2
Outside directors and auditors	110	110	—	5

Notes: 1. Bonuses are provisions for bonuses for directors and statutory auditors for the fiscal year ended March 2017.
2. There were 10 internal directors, two internal statutory auditors and five outside directors as of the end of the fiscal year ended March 2017.

- (2) Company directors and total compensation

Name (director type)	Total compensation (¥ million)	Company	Total compensation by type (¥ million)	
			Base compensation	Bonus
Yoshitoshi Kitajima (Director)	326	Dai Nippon Printing Co., Ltd.	276	50
Koichi Takanami (Director)	129	Dai Nippon Printing Co., Ltd.	105	23
Masayoshi Yamada (Director)	129	Dai Nippon Printing Co., Ltd.	105	23

Notes: 1. Total compensation is shown only for those with compensation of at least 100 million yen.
2. Bonuses of Dai Nippon Printing Co., Ltd. are the amounts expected to be paid as bonuses for the fiscal year ended March 2017.

- (3) **Policies regarding the determination of compensation for directors and statutory auditors**
Compensation for directors is calculated within the limits on directors' compensation approved at a general meeting of shareholders; is reviewed and discussed by the Management Committee in light of the advice and opinions of the Advisory Committee comprised of independent outside directors; and is deliberated and decided on by the Board of Directors.

Compensation for each director is determined based on a broad range of factors, including the operations they are in charge of, their responsibilities, achievements, and contributions.

Compensation for statutory auditors is calculated within the limits on statutory auditors' compensation, and the compensation of each statutory auditor is determined based on discussions with the statutory auditor.

| Accounting auditing

The names of the certified public accountants who performed the accounting audits, the audit firms they are employed by, and their assistants in the audit work are as follows:

- **Certified public accountants who performed the accounting audits**
Atsushi Sasayama, Hirofumi Nikaido,
Reiji Yonekura, Yurika Kimura
- **Audit firm**
ARK MEIJI AUDIT & Co.
- **Number of accounting audit assistants**
22 certified public accountants, 4 others

| Matters for resolution by the general meeting of shareholders that can be resolved by the Board of Directors

- (1) **Share buybacks**
DNP's Articles of Incorporation specify that the Company may buy back its shares in the open market, in accordance with Article 165, Paragraph 1 of Japan's Companies Act, upon approval by the Board of Directors, in accordance with Article 165, Paragraph 2 of Japan's Companies Act, to allow the Company to use capital more efficiently and implement a flexible capital structure policy in response to changes in business conditions.
- (2) **Exemption of directors from liability**
DNP's Articles of Incorporation specify that directors (including former directors) may, by a resolution of the Board of Directors, in accordance with Article 426, Paragraph 1 of Japan's Companies Act, be exempted from liabilities in Article 423, Paragraph 1 of Japan's Companies Act so that the directors can sufficiently carry out their expected responsibilities.
- (3) **Exemption of statutory auditors from liability**
DNP's Articles of Incorporation specify that statutory auditors (including former statutory auditors) may, by a

resolution of the Board of Directors, in accordance with Article 426, Paragraph 1 of Japan's Companies Act, be exempted from liabilities in Article 423, Paragraph 1 of Japan's Companies Act so that the statutory auditors can sufficiently carry out their expected responsibilities.

- (4) **Interim dividend**
DNP's Articles of Incorporation specify that the Company may, by a resolution of the Board of Directors, pay a monetary dividend stipulated in Article 454, Paragraph 5 of Japan's Companies Act to shareholders of record as of September 30 of each year and shareholders with actual stock certificates, so that profits can be flexibly passed on to shareholders.

| Number of directors

DNP's Articles of Incorporation specify that the number of regular members on the Board of Directors shall be no more than 16.

| Requirements for shareholder approval of director nominees

DNP's Articles of Incorporation specify that the approval of director nominees requires the attendance of at least one third of shareholders with voting rights and a majority of the votes of these shareholders, and does not depend on cumulative votes.

| Requirements for shareholder approval of special resolutions

DNP's Articles of Incorporation specify that the approval of special resolutions stipulated in Article 309, Paragraph 2 of Japan's Companies Act requires the attendance of at least one third of shareholders with voting rights and at least two thirds of the votes of these shareholders, so that the shareholders' meetings can run smoothly.

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Stockholdings

(1) Stocks held for reasons other than for pure investment purposes

No. of stocks: 348

Total on the balance sheet: 322,871 million yen

(2) Holding category, company name, number of shares, amount recorded on the balance sheet, and holding purpose of stocks held for reasons other than for pure investment purposes

(Fiscal year ended March 2016)

Stocks held for reasons other than pure investment purposes

Company name	Number of shares	Amount recorded on balance sheet (¥ million)	Holding purpose
Recruit Holdings Co., Ltd.	35,700,000	122,629	Enhance business relationship
Ezaki Glico Co., Ltd.	1,614,656	9,316	Enhance business relationship
The Dai-ichi Life Insurance Co., Ltd.	6,606,600	9,001	Enhance business relationship
Terumo Corporation	2,202,000	8,885	Enhance business relationship
Asahi Group Holdings, Ltd.	1,860,029	6,523	Enhance business relationship
Taisho Pharmaceutical Holdings Co., Ltd.	692,700	6,178	Enhance business relationship
Meiji Holdings Co., Ltd.	564,400	5,107	Enhance business relationship
NISSIN FOODS HOLDINGS CO., LTD.	898,711	4,754	Enhance business relationship
Mizuho Financial Group, Inc.	27,134,319	4,561	Enhance business relationship
Lion Corporation	3,140,665	3,985	Enhance business relationship
YAMATO HOLDINGS CO., LTD.	1,660,600	3,731	Enhance business relationship
YAKULT HONSHA CO., LTD.	701,000	3,494	Enhance business relationship
Dexerials Corporation	3,125,000	3,475	Strengthen business alliance
Toyo Suisan Kaisha, Ltd.	794,980	3,211	Enhance business relationship
Aica Kogyo Co., Ltd.	1,293,743	3,058	Enhance business relationship
FUJIFILM Holdings Corporation	685,965	3,053	Enhance business relationship
Daikin Industries, Ltd.	300,000	2,523	Enhance business relationship
Hakuhodo DY Holdings Inc.	1,720,000	2,193	Enhance business relationship
Sapporo Holdings Limited	3,796,388	2,125	Enhance business relationship
NSK Ltd.	1,814,000	1,868	Strengthen business alliance
SMK Corporation	3,200,000	1,849	Enhance business relationship
Shiseido Co., Ltd.	677,619	1,702	Enhance business relationship
MORINAGA & CO., LTD.	2,965,000	1,698	Enhance business relationship
Ajinomoto Co., Inc.	630,931	1,602	Enhance business relationship
Kobayashi Pharmaceutical Co., Ltd.	157,054	1,551	Enhance business relationship
Mitsubishi Electric Corporation	1,300,000	1,533	Enhance business relationship
Kikkoman Corporation	350,940	1,298	Enhance business relationship
KDDI Corporation	426,600	1,282	Enhance business relationship
ROHM Co., Ltd.	269,474	1,277	Enhance business relationship
PILOT CORPORATION	297,400	1,275	Enhance business relationship
Mitsubishi UFJ Financial Group, Inc.	2,399,760	1,251	Enhance business relationship
NuFlare Technology, Inc.	250,000	1,246	Strengthen business alliance
Tosoh Corporation	2,609,000	1,234	Strengthen business alliance

Stocks held in trust or other legal entity while retaining voting rights or voting instruction rights

Company name	Number of shares	Amount recorded on balance sheet (¥ million)	Holding purpose
Terumo Corporation	3,861,000	15,579	Hold voting instruction rights for shares in retirement benefit trust
TV Asahi Holdings Corporation	4,030,000	8,136	Hold voting instruction rights for shares in retirement benefit trust
Japan Tobacco Inc.	1,000,000	4,690	Hold voting instruction rights for shares in retirement benefit trust
Astellas Pharma Inc.	2,284,000	3,418	Hold voting instruction rights for shares in retirement benefit trust

Note: Specified stocks and stocks held in trust with voting rights are not added together when selecting stocks with the largest amounts as recorded in the balance sheet.

(Fiscal year ended March 2017)

Stocks held for reasons other than pure investment purposes

Company name	Number of shares	Amount recorded on balance sheet (¥ million)	Holding purpose
Recruit Holdings Co., Ltd.	23,700,000	134,616	Enhance business relationship
The Dai-ichi Life Insurance Co., Ltd.	6,606,600	13,190	Enhance business relationship
Ezaki Glico Co., Ltd.	1,615,185	8,721	Enhance business relationship
Asahi Group Holdings, Ltd.	1,860,029	7,827	Enhance business relationship
Lion Corporation	3,140,665	6,287	Enhance business relationship
Taisho Pharmaceutical Holdings Co., Ltd.	692,700	6,262	Enhance business relationship
NISSIN FOODS HOLDINGS CO., LTD.	898,711	5,545	Enhance business relationship
Mizuho Financial Group, Inc.	27,134,319	5,535	Enhance business relationship
Meiji Holdings Co., Ltd.	564,400	5,231	Enhance business relationship
YAKULT HONSHA CO., LTD.	701,000	4,332	Enhance business relationship
YAMATO HOLDINGS CO., LTD.	1,660,600	3,873	Enhance business relationship
Aica Kogyo Co., Ltd.	1,293,743	3,793	Enhance business relationship
Dexerials Corporation	3,125,000	3,437	Strengthen business alliance
Daikin Industries, Ltd.	300,000	3,355	Enhance business relationship
Toyo Suisan Kaisha, Ltd.	794,980	3,295	Enhance business relationship
FUJIFILM Holdings Corporation	685,965	2,982	Enhance business relationship
MORINAGA & CO., LTD.	593,000	2,929	Enhance business relationship
NSK Ltd.	1,814,000	2,887	Strengthen business alliance
Tosoh Corporation	2,609,000	2,551	Strengthen business alliance
Sapporo Holdings Limited	759,277	2,285	Enhance business relationship
Hakuhodo DY Holdings Inc.	1,720,000	2,270	Enhance business relationship
Mitsubishi Electric Corporation	1,300,000	2,076	Enhance business relationship
ROHM Co., Ltd.	270,178	1,999	Enhance business relationship
Shiseido Co., Ltd.	677,619	1,985	Enhance business relationship
Kobayashi Pharmaceutical Co., Ltd.	315,274	1,699	Enhance business relationship
Mitsubishi UFJ Financial Group, Inc.	2,399,760	1,679	Enhance business relationship
Mitsubishi Chemical Holdings Corporation	1,799,790	1,550	Enhance business relationship
TAKARA HOLDINGS INC.	1,200,000	1,441	Enhance business relationship
Ajinomoto Co., Inc.	630,931	1,385	Enhance business relationship
Mitsubishi Pencil Co., Ltd.	243,350	1,357	Enhance business relationship
PILOT CORPORATION	297,400	1,354	Enhance business relationship
SMK Corporation	3,200,000	1,267	Enhance business relationship
KDDI Corporation	426,600	1,246	Enhance business relationship
Senshukai, INC.	1,511,663	1,212	Enhance business relationship
SINFONIA TECHNOLOGY CO., LTD.	3,664,000	1,190	Strengthen business alliance
Eidai Co., Ltd.	2,237,000	1,178	Enhance business relationship
TOTO LTD.	279,000	1,173	Enhance business relationship
Kikkoman Corporation	350,940	1,166	Enhance business relationship

Stocks held in trust or other legal entity while retaining voting rights or voting instruction rights

Company name	Number of shares	Amount recorded on balance sheet (¥ million)	Holding purpose
Terumo Corporation	3,861,000	14,922	Hold voting instruction rights for shares in retirement benefit trust
TV Asahi Holdings Corporation	4,030,000	8,479	Hold voting instruction rights for shares in retirement benefit trust
Japan Tobacco Inc.	1,000,000	3,618	Hold voting instruction rights for shares in retirement benefit trust
Astellas Pharma Inc.	2,284,000	3,348	Hold voting instruction rights for shares in retirement benefit trust

Note: Specified stocks and stocks held in trust with voting rights are not added together when selecting stocks with the largest amounts as recorded in the balance sheet.

(3) Stocks held for pure investment purposes

None

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2. Compensation Paid to Accounting Auditors

Compensation paid to accounting auditors

	Fiscal year ended March 2016		Fiscal year ended March 2017	
	Compensation for audit certification (¥ million)	Compensation for other services (¥ million)	Compensation for audit certification (¥ million)	Compensation for other services (¥ million)
Dai Nippon Printing Co., Ltd.	96	—	96	—
Consolidated subsidiaries	125	—	124	—
Total	221	—	220	—

Other material compensation details

None

Compensation paid to accounting auditors for services other than auditing work provided to DNP

None

Determination of compensation for audit services

DNP's compensation for auditing services is determined based on a variety of factors, including the number of expected days for the audit and the company size.