

# TOWARD SUSTAINABLE GROWTH

—DNP'S ESG INITIATIVES—

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## Top Management's Dialogue

# Focus on Further Promoting Diversity to Create Diverse New Value

**Minako Miyama**  
Corporate Officer



**Yoshinari Kitajima**  
President



DNP has been taking steps to empower women at work since the early 2000s and accelerated the initiatives to create value that leverages diversity by establishing the Diversity Promotion Department in June 2018. Here, we look at DNP's diversity strategy that pursues further results.

**Diversity is an important theme that all employees need to tackle.**

**Kitajima:** We are currently making efforts to create new value that resolves social issues and meets people's expectations. Society is indeed a melting pot of different peoples and DNP's products and services must be able to cater to everyone. As we work to create diverse value in business, it is an essential and critical theme to reflect

diversity in management.

**Miyama:** That's true. Enhancing diversity is a great way to increase the kinds of value we provide, while innovation is really important to make sure people feel that the value we generate is in fact "new." By matching and synergizing diverse strengths, we can heighten the effects of innovation.

**Kitajima:** DNP is already promoting the diversification of human resources. As an example, non-Japanese employees

working at overseas sites make up around one-eighth of our total workforce of about 40,000 employees. This enables us to closely and accurately grasp the characteristics, issues and needs of different parts of the world so that DNP's products and services can provide the value to resolve particular social issues.

**Respecting one another's culture leads to value creation.**

**Kitajima:** The role required differs depending on career stage or age, and life involves dealing with a variety of situations that include child care and nursing care. As a company, we have to make sure our employees can maximize their potential no matter the circumstances. We have established the systems and support mechanisms to make this possible and will look to further enhance them while keeping an eye on social trends.

In addition, each of us also needs to place an importance on our own culture in order to properly promote diversity. Recognizing the importance of one's own culture can lead to the realization that others also have a culture that they value. Having a mutual respect of one another's culture enables us to connect with diverse people in a respectful way.

**Miyama:** It's important to be interested in and understand individual differences to raise the effectiveness of diversity. Deepening our understanding of the diverse values around us can in itself lead to the creation of diverse values.

**Kitajima:** Rather than being resistant to things that are different, we can increase value by respecting these differences and combining them as strengths. DNP's business is intrinsically and richly diverse, extending well beyond printing on paper to include business domains that range from smart cards and information services to



packaging, decorative materials, electronics-related products, energy and life sciences. I believe this is the result of taking on challenges by accepting employees' enthusiastic and interesting proposals and bringing together the diverse strengths of employees from multiple departments.

**DNP has been supporting the role of women and responding to greater diversity for 20 years.**

**Miyama:** Our initiatives to make effective use of diversity started around the year 2000 with efforts to promote women in the workplace. At that time, we first expanded our training and systems with the aim of preventing women from leaving their jobs. We took such measures as holding seminars concerning support for work-life balance and helping with the career development of short-time regular employees. Although traditionally only a few women work in the printing industry, the ratio of women employed in the DNP Group currently exceeds 40% of the total with no discernible difference in the retention rate of females and males. The proportion of female managers is also gradually increasing.

**Kitajima:** You are DNP's first female Corporate Officer and this trend of diversity in management is likely to continue. It's great to have role models that people can aspire to.

**Miyama:** In 2015, DNP was selected for the Diversity Management Selection 100 issued by the Ministry of Economy, Trade and Industry (METI), and in 2019 we were designated as a Semi-Nadeshiko Brand issued jointly by METI and the Tokyo Stock Exchange for encouraging women's success in the workplace. In the Bloomberg Gender Equality Index (GEI) for 2019, DNP was selected as one of 14 Japanese companies, reflecting the high regard of society.

Currently, DNP is undertaking initiatives to promote diverse work styles so that all employees, not only females, can demonstrate their full potential. In a fact-finding survey we conducted, it was discovered that people want to know more about the things troubling those around them and what sort of inconveniences they have to deal with, not just for women, but also for persons with disabilities, senior citizens, non-Japanese and the LGBT (Lesbian, Gay, Bisexual, Transgender) demographics. Getting to know one another through dialogue is a definite way to achieve this.

**Kitajima:** In February 2019, we established the Group company DNP Business Partners Co., Ltd. to expand work opportunities for persons with disabilities and further promote the employment of diverse human resources. Based on the philosophy of normalization, the company aims to acquire certification as a Special Subsidiary that provides an environment in which persons with disabilities can work safely and with peace of mind.

**Diversity is essential for raising corporate value.**

**Kitajima:** In the development of our products and services, we endeavor to enhance value by actively incorporating an element of diversity. In 2008, we instituted the DNP Group



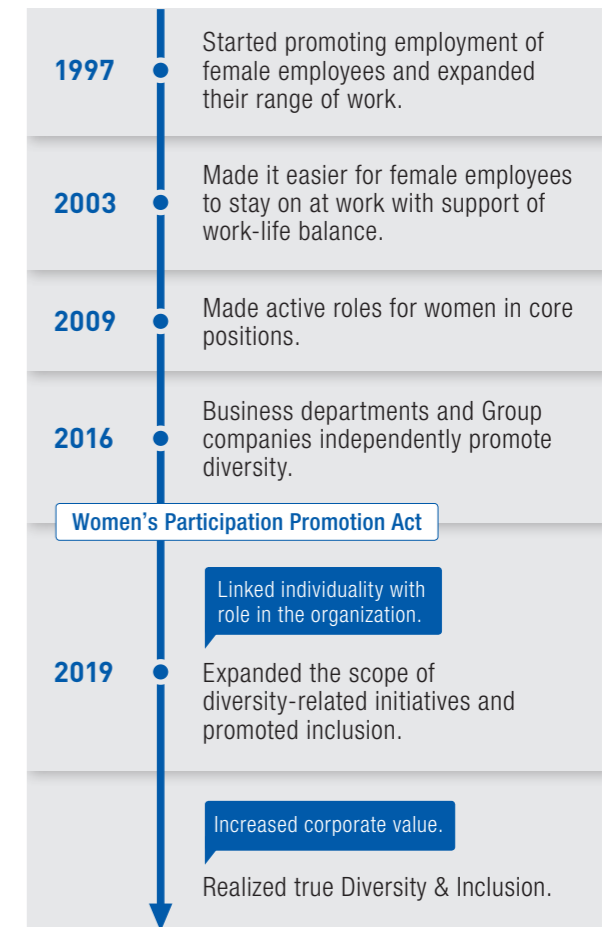
Universal Design Declaration and started focusing on products and services that are easy to use for more people. In particular, we introduced a universal color design to make colors easier for persons with an impaired sense of color to recognize, an initiative only made possible because we can utilize our expertise as a printing company. We are also implementing Inclusive Design, where persons with disabilities and the elderly, among others, take part from the early stages of product design. Packaging that is easy to open with one hand is one example of this.

**Miyama:** Activities encouraging diverse dialogue are also effective, such as a sign language course that anyone can take, discussion on career plans between a supervisor and worker and a mentoring program to nurture young employees. Organizations that only have the same type of persons will find it difficult to generate anything but very similar values. I believe that diversity in human resources is essential to provide optimal value to society and people.

**Kitajima:** As I said before, DNP is striving to create new value that resolves social issues and meets people's expectations. It is the public who will decide whether or not our products and services are of value. The world is full of diversity, with men and women, LGBT, able-bodied and persons with disabilities, from kids to adults, as well as people from different countries and regions, to name but a few. All of these people are valuable stakeholders of DNP, so promoting even greater levels of diversity is a vital management challenge necessary to increase corporate value.

\* Please refer to pages 44-45 for "Initiatives for Human Resources Fundamental to Value Creation."

**DNP's History of Promoting Diversity**



**Training to Support Career Path**



Step-up program for young female employees.

- Career training for young female employees
- Career development support training









Program to develop personnel to promote diversity

- Next-generation female leaders training
- Diversity & Inclusion promotion leaders training

Career28 Workshop

# CSR Management

DNP has set principal themes to be addressed as part of CSR management. In addition to identifying themes that we deem important and a priority based primarily on our management strategy and business fields, we also include themes that the international community views as critical, starting with the United Nations Global Compact Ten Principles and the Sustainable Development Goals (SDGs), and comprehensively analyze them.

	Principal themes	Medium- to Long-Term Vision	Performance indicators to monitor the progress in achieving the Vision	Targets	FY2018 results	
Value creation	<b>Business to Contribute to SDGs Achievement</b>	We create new value through products and services, which will contribute to the achievement of the SDGs, and help society grow in a sustainable manner.		(1) Sales of environmentally conscious products and services (DNP contributes to achieving the SDGs through all its business activities. DNP set the above as one of the clear indicators to monitor progress.)	(1) Achieve sales of 600 billion yen by FY2020.	(1) 603.2 billion yen
	<b>Fair Operating Practices</b>	We help to maintain and develop orderly, free and competitive markets based on laws and social ethics and by always remaining fair and equitable.		(1) Number of meetings of the Corporate Ethics Committee (2) Bases holding Autonomous Corporate Ethics Training	(1) Hold meeting once a month (12 times a year). (2) Achieve 100% (covering all applicable bases).	(1) Once a month (12 times) (2) 100% (105 bases)
Foundation to support value creation	<b>Human Rights and Labor</b>	We place human dignity first and foremost and respect diversity in the culture, nationality, creed, race, ethnicity, language, religion, gender, gender identity, sexual orientation, age and ways of thinking of all persons. We accordingly respect working styles suited to the diversity of our employees and make efforts to create a safe, healthy and vibrant working environment.		(1) Number of women in managerial positions (2) Ratio of employees with disabilities (3) Annual paid leave taken (4) Frequency rate of lost workday injuries <small>* In FY2019, we will consider the establishment of a system concerning human rights due diligence.</small>	(1) Double the number of women in managerial positions by the end of March 2019 compared with the number (96) in February 2016. (2) Achieve the ratio above 2.0% in FY2017 and above 2.2% in FY2018 onwards. (3) Achieve an increase over the previous fiscal year. (4) Keep the rate below 0.2.	(1) 2.05 times the number (196) (2) 2.17% (3) 52.4% (50.8% in FY2017) (4) 0.33
	<b>Environment</b>	To create a sustainable society with the Earth's limited natural resources, we reduce environmental impact and conserve biodiversity while ensuring compliance with environmental laws and regulations and by recognizing our relationship with the environment in all business activities.		▶ For details, see page 43, "Environmental Activity Targets and Results"		
	<b>Responsible Procurement</b>	For creating excellent value and cultivating strong compliance awareness at the same time, we work jointly with our supply chain stakeholders and conduct procurement that gives due consideration to human rights, the environment and other factors.		(1) Average score of DNP Group CSR Procurement Guidelines survey on key suppliers (2) Percentage of overseas business locations conducting DNP Group CSR Procurement Guidelines surveys (3) Percentage of key suppliers conforming to DNP Group Guidelines for Procurement of Paper for Printing and Converting	(1) Achieve average score of 90 points by FY2030. (2) Achieve 100% (covering all overseas business locations). (3) Achieve 100% by FY2030.	(1) 85 points in Japan and 81 points overseas (2) 100% (3) 92%
	<b>Product Safety and Quality</b>	We seek to gain the trust of society by prioritizing the safety and quality of our products and services as part of our responsibility as a company that supplies these to society.		(1) Number of serious accidents* caused by our products <small>* Including cases where a defect in our products jeopardizes the user's life, causes serious bodily harm or inflicts serious damage on the user's property (other than the product itself)</small> (2) Percentage of newly developed products undergoing product safety and risk assessment	(1) Achieve zero accidents. (2) Achieve 100%.	(1) Zero accidents (2) 100% (184 products)
	<b>Information Security</b>	We ensure the exceptional security of personal information and all other information assets through management and protection as part of the social responsibility of a company handling such information assets.		(1) Number of information security compliance assessments conducted (2) Number of inspections and instructions on divisions implementing priority measures for personal information security performed by executive officers in charge (3) Participation rate of information security education and training (4) Number of security vulnerability tests for publicly open websites	(1) Achieve 100% (covering all business departments and group companies) (2) Achieve 100% (covering all applicable bases) (3) Achieve 100% (covering all applicable divisions) (4) Achieve 100% (covering all applicable websites)	(1) 100% (85 departments and companies) (2) 100% (63 bases) (3) 100% (Approx. 41,000 persons) (4) 100% (260 systems tested)
	<b>Corporate Citizenship</b>	We contribute to society by resolving social issues, conducting volunteer activities and through cultural activities as we look to deepen our relationship with society as a good corporate citizen that coexists with society.		(1) Number of external participants for DNP's original future generations development programs (2) Number of local volunteer activities held each year to support reconstruction of disaster-stricken regions, including Tohoku and Kumamoto	(1) Achieve an accumulated total of 7,500 persons from FY2015 to FY2019. (2) Constantly conduct activities three times a year until FY2019.	(1) Accumulated total: 6,435 persons (2) Three times (twice in Tohoku and once in Kumamoto)

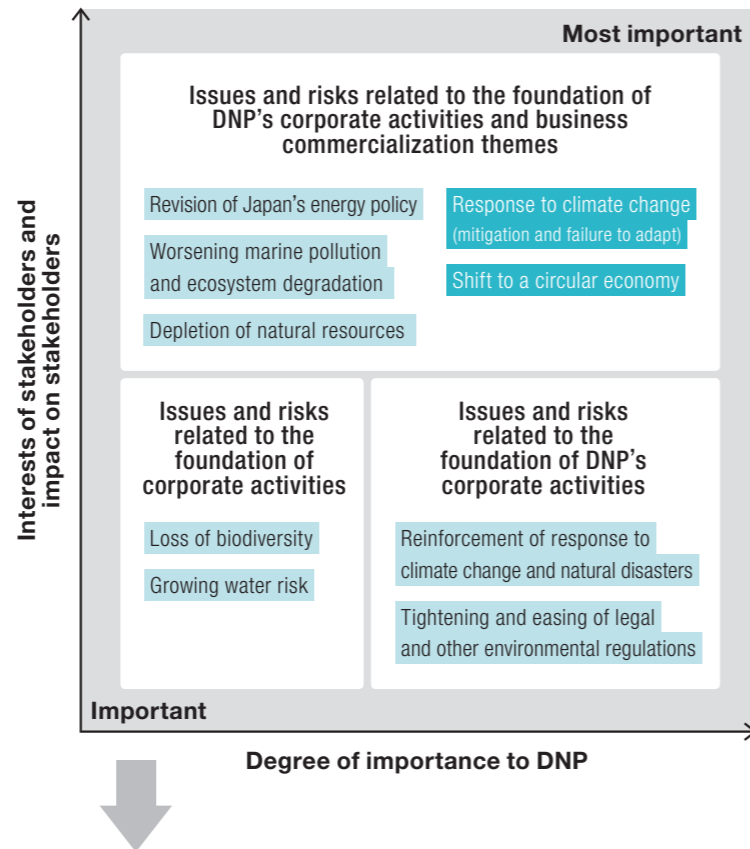
# Initiatives for the Environment

DNP has always believed in the importance of coexistence between its business activities and the natural environment to help realize a sustainable society, and we have set “Environmental conservation and the realization of a sustainable society” as one part of our Code of Conduct. We also formulated the DNP Group Environmental Policy to clarify our activities and are implementing environmental activities such as the reduction of environmental burden in consideration of the relationship between business activities and the environment in addition to compliance with environmental laws and regulations.

## Identification of Risks

We broadly identify economic, social and environmental issues, analyze their importance based on the potential impact on stakeholders and DNP, and then prioritize activities and define targets (for details, see pages 16-17).

As a result of this risk assessment, we are cognizant of the need to respond to climate change and create a recycling-oriented society to combat environmental related risks. We are implementing focused activities to help achieve these objectives.

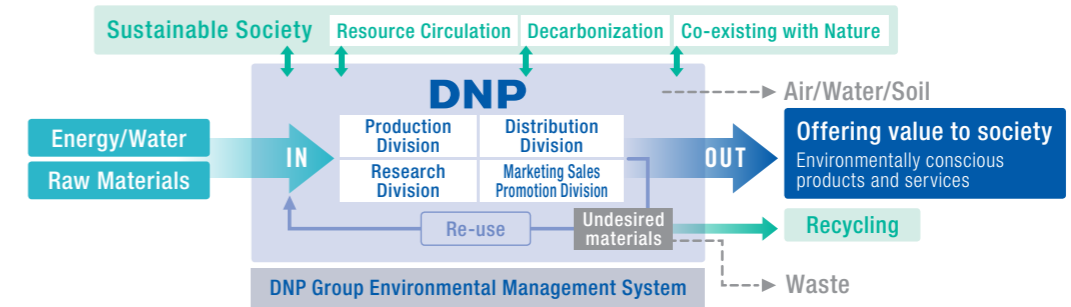


Issues identified	Risks	DNP response	
		Defensive	Proactive
<b>Response to climate change</b>	<ul style="list-style-type: none"> <li>Stricter laws and regulations worldwide related to greenhouse gas (GHG) emissions</li> <li>Rise in carbon prices</li> <li>Shift to low-emission technology</li> <li>Change in consumer/market awareness</li> <li>Increase in incidence and scale of abnormal weather</li> </ul>	<ul style="list-style-type: none"> <li>Reduce GHG emissions throughout the supply chain</li> <li>Expand use of renewable energy</li> <li>Introduce BCP measures at production sites</li> </ul>	<ul style="list-style-type: none"> <li>Develop eco-friendly products and services that contribute to a reduction in GHG throughout the supply chain</li> <li>Use renewable energy</li> <li>Procure sustainable raw materials, etc.</li> </ul>
<b>Efforts toward a recycling-oriented society</b>	<ul style="list-style-type: none"> <li>Stricter resource constraints in line with population increase</li> <li>Strengthening of laws and regulations worldwide</li> <li>Shift to a circular economy</li> <li>Change in consumer/market awareness</li> <li>Issue of marine plastic</li> </ul>	<ul style="list-style-type: none"> <li>Reduce waste emissions</li> <li>Use recyclable resources</li> </ul>	<ul style="list-style-type: none"> <li>Tie-up with companies, develop technology and participate in government-industry collaborations and international initiatives aimed at plastic recycling</li> <li>Create a system for the use of recyclable resources</li> </ul>

## Environmental Management Activities

DNP has established a CSR-Environment Committee chaired by the director in charge of CSR and the environment as the structure presiding over the entire Group's environmental activities. The committee is comprised of directors and executive officers in charge of each area at the Head Office.

In addition, Environment committees have been set up in each business and Group company to promote environmental activities based on the decisions of the CSR-Environment Committee and the attributes of the business domains.



## Environmental Activity Targets and Results

Topic	Targets through FY2020	*GHG emissions reduction target is a FY2030 target	FY2018 Results	Evaluation
<b>Development and sales of environmentally conscious products and services</b>	Development and sales of environmentally conscious products and services totaling 600 billion yen		Sales of 570.8 billion yen in FY2015 Sales of 603.2 billion yen in FY2018	5.7% increase from FY2015 ◎
<b>Reduction of GHG emissions</b>	Reduction of 25% in GHG emissions by FY2030 relative to FY2015 levels (including overseas)		Emissions in FY2015: 1.201 million tons Emissions in FY2018: 0.961 million tons	20.0% decrease from FY2015 ◎
<b>Reduction of environmental impact incurred during transport</b>	To reduce per-unit fuel use for transport (fuel use/amount of sales) by 1% per annum and 10% compared with FY2010		Per unit in FY2010: 16.1 kJ/billion yen Per unit in FY2018: 14.9 kJ/billion yen	7.8% decrease from FY2010 △
<b>Reduction of Volatile Organic Compounds (VOC) emissions</b>	To reduce emissions of VOCs (except for methane) by 35% compared with FY2010		Emissions in FY2010: 6,729 tons Emissions in FY2018: 4,040 tons	40.0% decrease from FY2010 ◎
<b>Reduction of industrial waste</b>	To reduce per-unit waste emissions (waste emissions/amount of sales) by 20% compared with FY2010 (includes overseas locations)		Per unit in FY2010: 42.4 tons/billion yen Per unit in FY2018: 36.9 tons/billion yen	13% decrease from FY2010 △
	To maintain zero emissions for the entire DNP Group		Landfill waste rate in FY2015: 0.06% Landfill waste rate in FY2018: 0.04%	Maintained zero emissions ○
<b>Reduction of water usage</b>	To reduce per-unit water use by 25% compared with FY2010 (includes overseas locations)		Per unit in FY2010: 10.8 m³/million yen Per unit in FY2018: 6.2 m³/million yen	43% decrease from FY2010 ◎
<b>Environmental conservation</b>	To keep the maximum concentration of air emissions subject to emissions regulations at 70% of the required standard or less		99% achievement rate of targets for FY2018 (voluntary target)	○
	To keep the maximum concentration of water emissions subject to wastewater regulations at 70% of the required standard or less		98% achievement rate of targets for FY2018 (voluntary target)	○
	To keep the maximum concentration of odors at our site perimeters at 70% of the required standard or less		99% achievement rate of targets for FY2018 (voluntary target)	○
	To keep the maximum level of noise at our site perimeters at 70% of the required standard or less		98% achievement rate of targets for FY2018 (voluntary target)	○
	To keep the maximum level of vibration at our site perimeters at 70% of the required standard or less		100% achievement rate of targets for FY2018 (voluntary target)	○
<b>Office environment</b>	To increase the rate of the fractional recovery of waste paper to 70% of that for general waste		81.8% recovery of waste paper in FY2018	○

Evaluation criteria ◎: Target exceeded by a wide margin ○: Target achieved or making steady progress toward target △: Making active efforts but target not achieved ×: Efforts insufficient

## GHG Emissions Reduction Target of the DNP Group Recognized by the Science Based Targets (SBT) Initiative

DNP acquired approval from the international Science Based Targets (SBT) initiative in July 2018, recognizing the aforementioned GHG emissions reduction target as “science-based” in helping to achieve the goal of the Paris Agreement, which is to keep global warming below two degrees Celsius. Going forward, DNP will continue to augment its GHG emissions reduction activities by saving energy and introducing energy-saving facilities. Dai Nippon Printing commits to reduce Scope 1 and 2 GHG emissions 25% by FY2030 from a FY2015 base-year. The company also commits to engage with key suppliers representing 90% of purchase value to ensure these will have SBTs in place by FY2025.



# Initiatives for Human Resources Fundamental to Value Creation

DNP is making efforts to support the active role of employees as irreplaceable assets that have helped us achieve innovation since our earliest days. We respect individual differences such as nationality, religious values, culture, background, gender, gender identity, sexual orientation, presence or absence of disability, age and experience, and combine these differences as strengths to create new value.

## Personnel and Labor Related Measures

### Reform of Personnel Systems

In April 2019, DNP undertook fundamental reform of its personnel system aimed at supporting employees who we view as the leaders of value creation. Through the reform, we will design or rebuild various systems related to recruitment, development and promotion of excellent human resources in order to optimize and maximize our human capital while remaining aware of overall trends in society.

#### 〈Features of the Reform〉

As a first step, we carried out a system reform mainly targeting young employees and people with varying careers both within and outside the Group.

#### 1 Employment-related systems to proactively incorporate outside perspectives

- Introduction of fixed-term employment
- Establishment of return-to-work system
- Starting to permit certain side jobs or dual employment

#### 2 Revising promotion-related systems for the creation of new value

- Drastic increase in young employees' bonus and wage levels
- Establishment of an ICT professional system
- Rebuilding wage and promotion systems by job type and region
- Revision to a personnel evaluation system and promotion of TAIWA-based human resources development management

#### 3 Promoting and supporting flexible work styles for effective time and space utilization

- Introduction of telecommuting
- Promotion of work style reform

For detail See pages 15-16, the "Human Rights and Labor" section of the DNP Group CSR Report 2019.

### Promoting Diversity

#### (Employment of Persons with Disabilities)

At DNP, respective business divisions and Group companies have worked individually to recruit and retain persons with disabilities and support their active roles. With an eye to further facilitating their active participation and promoting employment of diverse human resources, we established DNP Business Partners Co., Ltd., a wholly owned subsidiary, on February 1, 2019.

Going ahead, in addition to recruitment by individual business divisions and Group companies, we intend to create opportunities for active participation by many more persons with disabilities by promoting related cross-sectional operations within the Group as a business of the new company.



For detail See page 18, the "Human Rights and Labor" section of the DNP Group CSR Report 2019.

### Ensuring Occupational Health and Safety

DNP has promoted Group-wide safety and health activities under the policy that safety takes precedence over everything else. Ensuring the safety of manufacturing sites, in particular, requires an overarching approach encompassing all business activities from sales and planning to general affairs and employee relations. Under this belief and toward the realization of a safe and healthy workplace culture, we formulated the DNP Group Safety and Health Charter in April 2019. In concrete terms, we formulated seven items to be addressed by all employees under the guidance of the president.



For detail See page 19, the "Human Rights and Labor" section of the DNP Group CSR Report 2019.

## Human Resources Development

### Promoting Diversity

#### (Career Training for Female Employees)

DNP formulated an action plan based on the Women's Participation Promotion Act, creating a framework and providing systematic training to increase the number of actively engaged female employees at each job level and continuously nurture females who will assume leadership roles and take part in organizational decision-making.



Female participant (left) receiving advice from an executive-level employee during training

#### 〈Action Plan〉

First phase (April 2016 to March 2019) target:

Achieved (the number of women in managerial positions)

Second phase (April 2019 to March 2022) targets:

1. Achieve the ratio of women in managerial positions (section chief or above) of 7.0%.
2. Double the number of women in managerial positions and leader-level positions compared with the number at the end of February 2016 (from 430 to 860).

For detail See page 17, the "Human Rights and Labor" section of the DNP Group CSR Report 2019.

### Response to Risk (Employee Education)

#### Fair Operating Practices

It is our belief that in carrying out business activities, we need to do more than just ensuring DNP's and its employees' compliance with laws and regulations but always remain fair and equitable, acting under high ethical standards that respond to the expectations of society. To achieve this, DNP provided training and educational programs for employees on compliance in such areas as bribery prevention and response to antisocial forces to ensure that all business activities are carried out fairly.

Autonomous corporate ethics training:  
Implementation rate: 100% (105 bases)/FY2018

e-learning (bribery prevention):  
Number of employees who took lessons: 18,028/FY2018

For detail See pages 11-13, the "Fair Operating Practices" section of the DNP Group CSR Report 2019.

#### Product Safety and Quality

DNP recognizes that placing safety and quality first and foremost is a responsibility of a company providing products and services to society. We are working to enhance e-learning and training sessions at the divisional level and across the organization in order to comply with the standards, laws and regulations required of our products and services; ensure that the level of quality and safety exceeds the needs and expectations of customer companies and consumers; and fulfill our social responsibility as a company.

For detail See pages 27-29, the "Product Safety and Quality" section of the DNP Group CSR Report 2019.

### Employee Volunteer Program

DNP believes that participating as volunteers in social contribution activities provides each employee with the opportunity to gain a deeper insight into social issues and serves to foster a broad outlook and diverse values.



Employees who volunteered in recovery efforts following the Great East Japan Earthquake

In FY2018, 354 DNP Group employees took part in various volunteer programs, thereby heightening sensitivity to social issues.

#### 〈Examples of volunteer programs participated in FY2018〉

- Workshop for developing the next generation (46 employees)
- Local disaster relief support (62 employees)
- Donation of translated picture books (136 employees), etc.

For detail See pages 35-41, the "Corporate Citizenship" section of the DNP Group CSR Report 2019.

### Responsible Procurement

With advancing globalization, the supply chain has become increasingly complex, prompting greater demand on companies to respond to risks associated with such areas as human rights, labor, the environment, pollution and corruption. In December 2018, DNP conducted an internal study session on CSR procurement for managers of divisions in charge of placing orders for subcontracting in each business division and Group company in Japan.



Approximately 220 employees from business divisions and Group companies nationwide took part in the study session.

For detail See pages 23-26, the "Responsible Procurement" section of the DNP Group CSR Report 2019.

### Information Security

DNP implements physical and technical measures internally to ensure cyber security, an area that has become increasingly important in recent years. We are also combatting growing cyber security risks by strengthening organizational measures and personnel measures.

Information security education and training:  
Participation rate: 100% (approx. 41,000 employees)/FY2018

For detail See pages 30-34, the "Information Security" section of the DNP Group CSR Report 2019.

# Corporate Governance

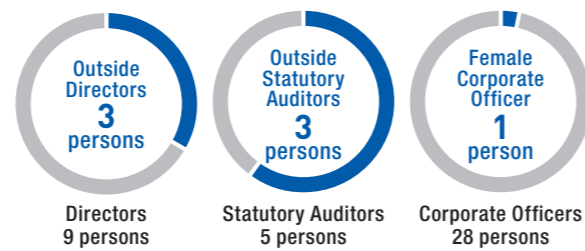
DNP regards enhancement of corporate governance as a top management priority in order to contribute to sustainable development of society, increase enterprise value and win the trust of our various stakeholders. The Company endeavors to establish and operate systems that enable proper managerial decision-making, prompt and appropriate business execution based on these decisions, and supervision and auditing of processes of the proper managerial decision-making and prompt and appropriate business execution.

## The Specific Initiatives for Enhancement of Corporate Governance

### Increase in the Number of Outside Directors

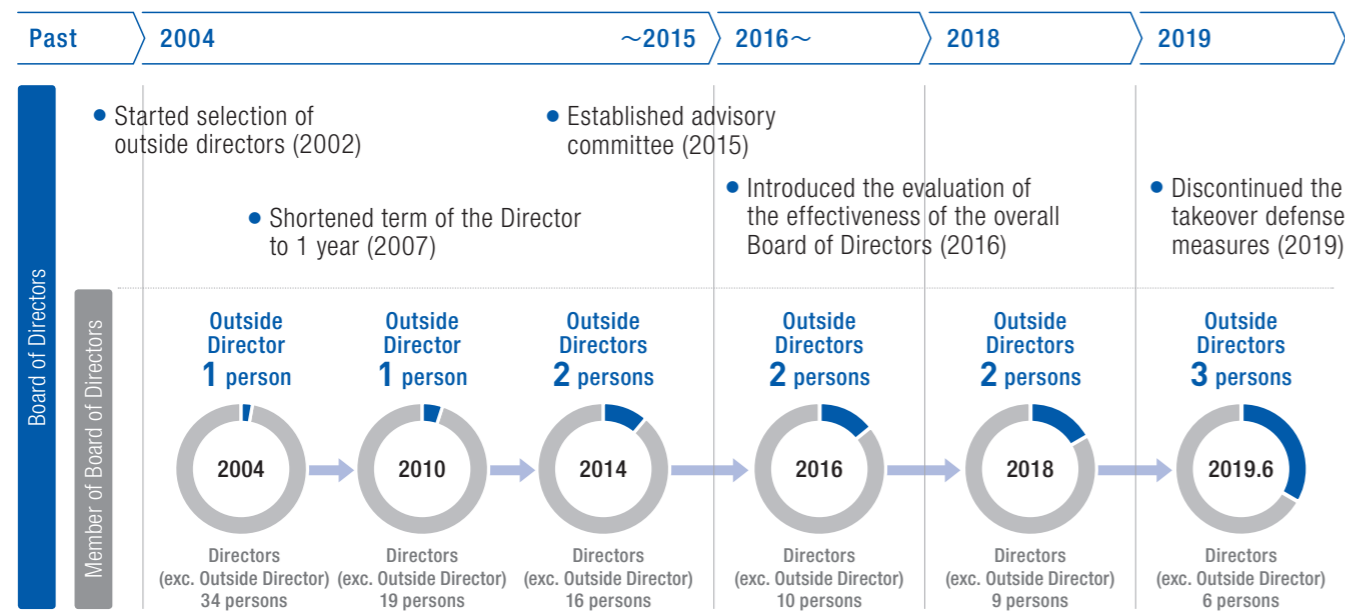
To further enhance the transparency and supervisory function, the Company at the General Meeting of Shareholders on June 2019 approved to propose the increase of the number of outside directors from two (2) to three (3) at this General Meeting of Shareholders.

### Members of Directors and Statutory Auditors (As of June 27, 2019)



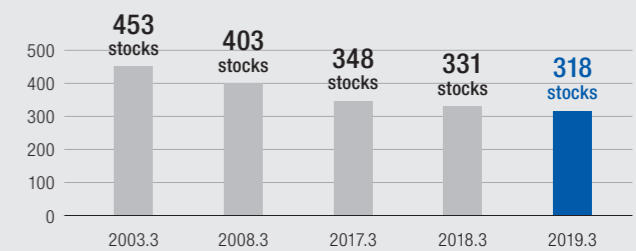
From right  
 Outside Director Tadao Tsukada  
 Outside Director Tsukasa Miyajima  
 Outside Director Ryuichi Tomizawa  
 Outside Statutory Auditor Kuniaki Nomura  
 Outside Statutory Auditor Makoto Matsuura  
 Outside Standing Statutory Auditor Kazuhisa Morigayama

### Transition in Corporate Governance



### Strategic Shareholdings

DNP examines strategic shareholdings, based on business status between the Company and each company issuing such shares, trends in operating performance of such company, etc., and regularly verifies the significance and purpose of such shareholdings. Therefore, the Company sold part of its strategic shareholding shares in the fiscal year ended March 2019 and enhanced asset efficiency.



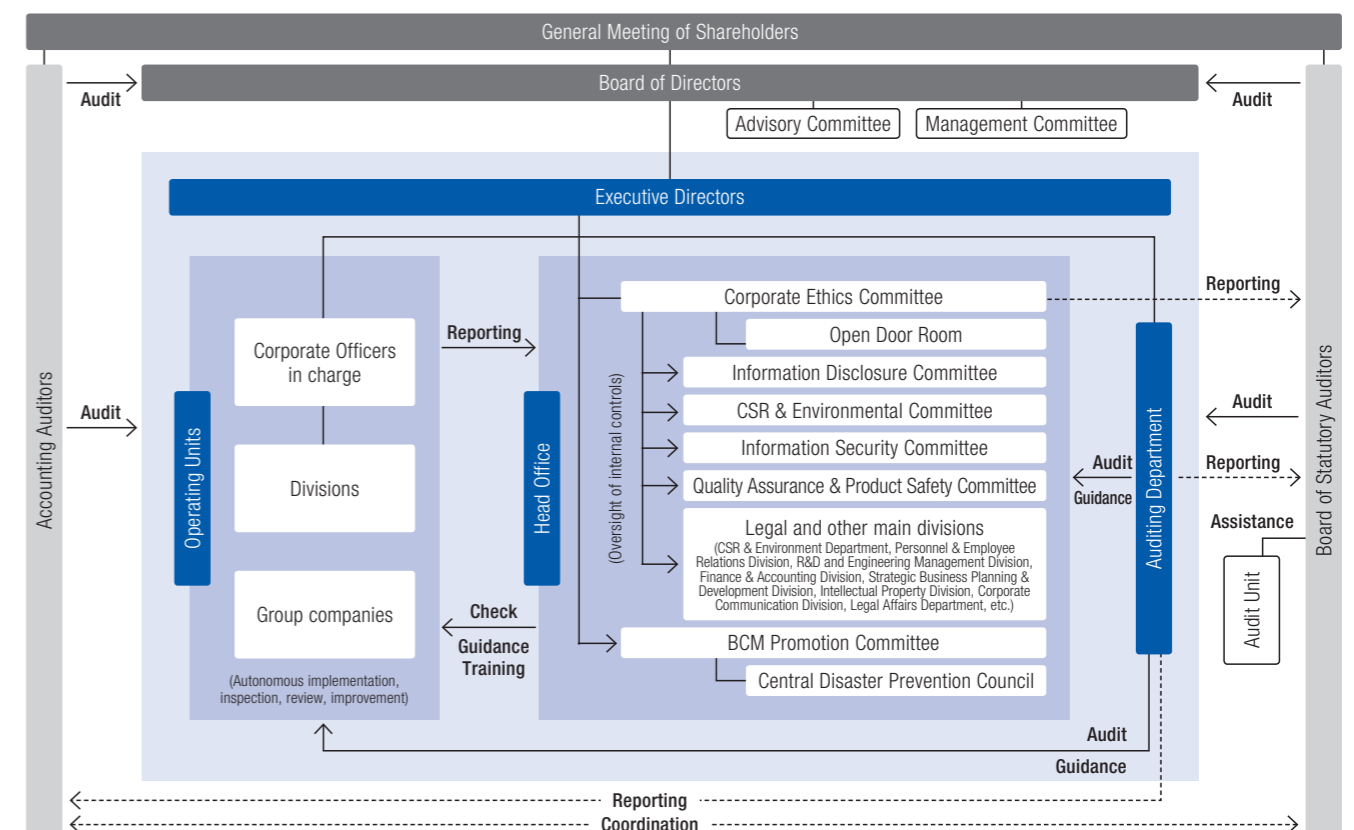
### Discontinuance of Takeover Defense Measures

Though the way a person may gain control of the Company should ultimately rest on the will of the shareholders as a whole, among those large-scale purchases or offers for purchase of the Company's shares, etc., there may be cases in which the common interests of shareholders are harmed. Therefore, the Company introduced Takeover Defense Measures in 2007. However, the Company determined that further enhancing corporate governance and devoting greater efforts to steadily implementing our medium- to long-term growth strategies will help enhance corporate value and thereby enable us to further secure and improve common interests with shareholders over the medium to long term. Accordingly, the Company resolved at the meeting of the Board of Directors to discontinue the Takeover Defense Measures, the effective period of which expires at the General Meeting of Shareholders.

### Evaluation of the Effectiveness of the Overall Board of Directors

DNP took an independent third party's view into the annual process of analyzing and evaluating the effectiveness of the Board of Directors. The Board of Directors is aware of objective results of the analysis through such process and endeavors to enhance effectiveness of the Board of Directors. Regarding the fiscal year ended March 2019, the Company conducted interviews with all outside directors and outside statutory auditors through an independent third party in April 2019, and at the meeting of the Board of Directors held in May 2019, the Board of Directors reconfirmed that it would pursue further improvement of the effectiveness of the overall Board of Directors and examine the status of improvement based on the previous results of the evaluation.

### Corporate Governance Structure



## Compensation paid to directors and statutory auditors

### (1) Matters concerning policies regarding the amounts and calculation methods for determining compensation for directors and statutory auditors

Compensation for directors is calculated within the compensation amount limit approved at the General Meeting of Shareholders. The date for resolution of compensation for directors at the General Meeting of Shareholders was June 29, 2016 and the resolution prescribes that "Compensation for directors shall be within an annual amount of 1.4 billion yen (compensation for outside directors shall be within an annual amount of 80 million yen)," with 12 directors receiving compensation in accordance with this prescribed resolution.

Executive directors' compensation consists of fixed compensation and performance-based compensation. Fixed compensation is basically based on position and is determined taking into consideration such factors as job duties handled and responsibilities. Performance-based compensation is primarily determined taking into consideration consolidated business results for the fiscal year and the degree of contribution.

Additionally, to ensure this remuneration system is truly linked to medium- to long-term corporate growth and to shareholder value improvement, a portion of fixed remuneration for executive directors is contributed to the Company's directors' shareholding association every month for the purchase of treasury stock and these shares shall be held for the duration of the term of office.

Regarding outside directors, from the perspective of maintaining their independence, no performance-based compensation shall be provided and only fixed compensation shall be provided.

In determining directors' compensation, the Advisory Committee with membership consisting of outside directors (two outside directors and one outside statutory auditor) with independence shall be convened. This shall then be reviewed and discussed by the Management Committee based on the advice and suggestions of the Advisory Committee and subsequently deliberated and decided on by the Board of Directors.

The Board of Directors possesses the authority to determine policies regarding the amount of compensation for DNP's directors and the calculation method and the content of this authority and scope of discretion shall be for deliberating on and determining fixed compensation and performance-based compensation. Moreover, the Board of Directors can entrust the President with determining the amount of compensation for each director.

The indicator for performance-based compensation is consolidated operating income. This indicator was selected because it clearly reflects consolidated business results for the fiscal year in performance-based compensation.

The target for the indicator for performance-based compensation in the fiscal year was 47.0 billion yen and the actual result was 49.8 billion yen.

The date for resolution of compensation for statutory auditors at the General Meeting of Shareholders was June 28, 2007 and the resolution prescribes that "Compensation for statutory auditors shall be within an annual amount of 180 million yen," with five statutory auditors receiving compensation in accordance with this prescribed resolution.

Compensation for statutory auditors is calculated within the compensation amount limit approved at the General Meeting of Shareholders and compensation for statutory auditors is determined based on discussions by the statutory auditors.

### (2) Total compensation paid 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
		Fixed compensation	Performance-based compensation	
Directors (excluding outside directors)	1,000	824	176	11
Statutory auditors (excluding outside auditors)	62	62	–	2
Outside directors and auditors	118	118	–	5

Notes:

- Amounts of performance-based compensation are provisions for bonuses for directors and statutory auditors for the fiscal year ended March 2019.
- There were nine internal directors, two internal statutory auditors and five outside directors as of the end of the fiscal year ended March 2019.

### (3) Company directors and total compensation

Name	Total compensation (¥ million)	Director type	Company	Total compensation by type (¥ million)	
				Fixed compensation	Performance-based compensation
Yoshitoshi Kitajima	340	Director	Dai Nippon Printing Co., Ltd.	289	51
Yoshinari Kitajima	149	Director	Dai Nippon Printing Co., Ltd.	122	27
Koichi Takanami	130	Director	Dai Nippon Printing Co., Ltd.	107	23
Masayoshi Yamada	130	Director	Dai Nippon Printing Co., Ltd.	107	23

Notes:

- Total compensation is shown only for those with compensation of at least 100 million yen.
- Amounts of performance-based compensation are the amounts expected to be paid as bonuses for the fiscal year ended March 2019.

## Compensation Paid to Accounting Auditors

### (1) Compensation paid to accounting auditors

Category	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019	
	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	122	–	126	–
Total	218	–	222	–

### (2) Other material compensation details

None

### (3) Compensation paid to accounting auditors for services other than auditing work provided to the submitting company

None

### (4) 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.

### (5) Reason Board of Statutory Auditors consented to compensation for the accounting auditor

The Company's Board of Statutory Auditors considers such areas as details of the accounting auditor's audit plan, the state of job execution in the previous fiscal year, and the calculation basis of estimates of compensation by obtaining necessary materials from and listening to reports from directors, relevant internal departments and accounting auditors. As a result, the Board of Statutory Auditors consented with the amount of compensation for the accounting auditor submitted by the Company.

## Stockholdings

### (1) Basis of classification of investment securities and rationale

The Company does not possess investment securities for pure investment purposes aimed at obtaining profits through fluctuations in stock prices or by receiving dividends. The investment stocks acquired by the Company are for the purpose of strengthening relationships with customers in implementing sales strategies and strengthening collaborative relationships with partners for the co-development of new technologies and new products and these are classified as stocks held for reasons other than for pure investment purposes.

### (2) Stocks held for reasons other than for pure investment purposes

1. Stockholding policy, method for validating rationale for stockholdings and details of validation at Board of Directors concerning the propriety of individual stockholdings

The Company specifically closely examines individual stocks based on trends in the status of business transactions with the company issuing the stock, trends in business results of that company, the Company's own business conditions and medium- to long-term economic rationality and future prospects, and the Company periodically verifies the significance and purpose of holding a stock. As a result, the Company sells stocks it determines have diminished significance. In the fiscal year ended March 31, 2019, the number of individual stocks held by the Company decreased by 36 stocks as listed on the right.

### 2. Number of stocks and amounts recorded on balance sheets

	Number of companies (Stocks)	Total amounts recorded on balance sheets (¥ million)
Non-listed stocks	114	19,035
Stocks other than non-listed stocks	204	315,218

(Stocks for which number of shares increased in the fiscal year ended March 31, 2019)

	Number of companies (Stocks)	Total amount of acquisition cost pertaining to the increase in number of shares (¥ million)	Reason for increase in number of shares
Non-listed stocks	9	1,167	For strengthening our business alliance
Stocks other than non-listed stocks	11	19	For enhancing our business relationship

(Stocks for which the number of shares decreased in the fiscal year ended March 31, 2019)

	Number of companies (Stocks)	Total amount of sale value pertaining to the decrease in number of shares (¥ million)
Non-listed stocks	3	29
Stocks other than non-listed stocks	33	26,194

3. 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

Stocks held for reasons other than pure investment purposes

Company name	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	Company's ownership of DNP shares (Y/N)	Holding purpose, quantitative effect of ownership and the reason for increase of number of shares
	Number of shares	Number of shares		
	Amount recorded on balance sheet (¥ million)	Amount recorded on balance sheet (¥ million)		
Recruit Holdings Co., Ltd.	58,100,000	58,100,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	183,654	153,645		
The Dai-ichi Life Insurance Co., Ltd.	6,606,600	6,606,600	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	10,160	12,833		
Ezaki Glico Co., Ltd.	1,616,286	1,615,709	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company. In the fiscal year ended March 31, 2019, the number of shares increased because of the enhancement of our business relationship.
	9,406	8,999		
Lion Corporation	3,140,665	3,140,665	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	7,317	6,730		
Taisho Pharmaceutical Holdings Co., Ltd.	692,700	692,700	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	7,307	7,245		
Meiji Holdings Co., Ltd.	564,400	564,400	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	5,073	4,571		
Aica Kogyo Co., Ltd.	1,293,743	1,293,743	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	4,773	5,097		
Mizuho Financial Group, Inc.	27,134,319	27,134,319	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	4,648	5,193		
FUJIFILM Holdings Corporation	685,965	685,965	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	3,453	2,911		
Toyo Suisan Kaisha, Ltd.	794,980	794,980	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	3,350	3,279		
Hakuhodo DY Holdings Inc.	1,720,000	1,720,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	3,058	2,516		
Kobayashi Pharmaceutical Co., Ltd.	316,915	316,182	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company. In the fiscal year ended March 31, 2019, the number of shares increased because of the enhancement of our business relationship.
	2,959	2,428		
YAKULT HONSHA CO., LTD.	350,500	701,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,712	5,516		
YAMATO HOLDINGS CO., LTD.	830,300	1,660,600	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,373	4,431		
Asahi Group Holdings, Ltd.	480,029	960,029	N	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,366	5,440		
Dexerials Corporation	3,125,000	3,125,000	N	We hold the company's shares aiming to strengthen our business alliance. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	2,293	3,453		
Kikkoman Corporation	350,940	350,940	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,905	1,502		
MORINAGA & CO., LTD.	393,000	593,000	N	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,888	2,778		
Sapporo Holdings Limited	759,277	759,277	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,835	2,353		
TAKARA HOLDINGS INC.	1,200,000	1,200,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,570	1,417		

Company name	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	Company's ownership of DNP shares (Y/N)	Holding purpose, quantitative effect of ownership and the reason for increase of number of shares
	Number of shares	Number of shares		
	Amount recorded on balance sheet (¥ million)	Amount recorded on balance sheet (¥ million)		
S&B FOODS INC.	344,400	172,200	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company. In the fiscal year ended March 31, 2019, the number of shares increased because of a stock split.
	1,434	1,990		
Mitsubishi Chemical Holdings Corporation	1,799,790	1,799,790	Y	We hold the company's shares aiming to strengthen our business alliance. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,402	1,854		
HOUSE FOODS GROUP INC.	309,297	309,297	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,376	1,093		
Mitsubishi UFJ Financial Group, Inc.	2,399,760	2,399,760	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,319	1,672		
Oji Holdings Corporation	1,840,800	1,840,800	Y	We hold the company's shares aiming to strengthen our business alliance. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,264	1,259		
Gakken Holdings Co., Ltd.	236,875	236,875	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,217	1,135		
Hulic Co., Ltd.	1,040,000	1,040,000	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,129	1,207		
Ajinomoto Co., Inc.	630,931	630,931	N	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,116	1,214		
Unicharm Corporation	290,700	290,700	N	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,064	880		
TOKYO BROADCASTING SYSTEM HOLDINGS, INC.	518,064	518,064	Y	We hold the company's shares aiming to enhance our business relationship. While the quantitative effect of ownership is not stated, we have verified the significance and purpose of our shareholding through close investigation of the transaction status and the prospects of businesses with the company.
	1,049	1,169		

Notes:

1. 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.
2. The quantitative effect of ownership is not stated because of matters concerning business agreements with the business partner. In terms of the rationality of the holding, we have periodically verified the significance and purpose of shareholding through close investigation of the transaction status with the company, financial results of the company, business status of DNP, the medium- to long-term economical rationality and the prospects.
3. In the company's ownership of DNP shares, in case that the company is a holding company, the holding status of the parent company and its major subsidiaries is stated.
4. Among stocks held for reasons other than pure investment purposes, the 30 stocks with the largest amounts as recorded in the balance sheet are listed.

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

Company name	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	Company's ownership of DNP shares (Y/N)	Holding purpose, quantitative effect of ownership and the reason for increase of number of shares
	Number of shares	Number of shares		
	Amount recorded on balance sheet (¥ million)	Amount recorded on balance sheet (¥ million)		
Terumo Corporation	7,722,000	3,861,000	Y	We hold voting instruction rights for shares in retirement benefit trusts. In the fiscal year ended March 31, 2019, the number of shares increased because of a stock split.
	26,100	21,582		
TV Asahi Holdings Corporation	4,030,000	4,030,000	N	We hold voting instruction rights for shares in retirement benefit trusts.
	7,826	9,353		
Astellas Pharma Inc.	2,284,000	2,284,000	N	We hold voting instruction rights for shares in retirement benefit trusts.
	3,788	3,686		
Japan Tobacco Inc.	1,000,000	1,000,000	N	We hold voting instruction rights for shares in retirement benefit trusts.
	2,745	3,066		
TAKARA HOLDINGS INC.	500,000	500,000	Y	We hold voting instruction rights for shares in retirement benefit trusts.
	654	590		

Notes:

1. 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.
2. In the company's ownership of DNP shares, in case that the company is a holding company, the holding status of the parent company and its major subsidiaries is stated.

(3) Stocks held for pure investment purposes

None



# Board of Directors, Statutory Auditors and Corporate Officers

(As of June 27, 2019)



Masahiko Wada      Yoshinari Kitajima      Yoshitoshi Kitajima      Tetsuji Morino

Chairman	Director	Senior Executive Corporate Officers	Senior Corporate Officers	Corporate Officers
Yoshitoshi Kitajima	Tadao Tsukada* <sup>1</sup>	Sakae Hikita	Toshiki Sugimoto	Kazuhiko Takada
<b>President</b>	<b>Director</b>	Masato Koike	Naohiko Sugimoto	Ryota Chiba
Yoshinari Kitajima	Tsukasa Miyajima* <sup>1</sup>	Masato Yamaguchi	Kiyotaka Nakagawa	Souichiro Nishitani
	<b>Director</b>	Motoharu Kitajima	Daiji Suzuki	Yoshiki Numano
<b>Senior Managing Director</b>	Ryuichi Tomizawa* <sup>1</sup>	Takashi Saito	Nobuyuki Asaba	Osamu Nakamura
Tetsuji Morino	<b>Standing Statutory Auditor</b>	Ryuji Minemura	Mitsuru Tsuchiya	Kazuhisa Kobayashi
<b>Senior Managing Director</b>	Naoki Hoshino	Morihiro Muramoto	Hirofumi Hashimoto	Toru Miyake
Masahiko Wada	<b>Standing Statutory Auditor</b>		Kazuhiko Sugita	Mitsuru Iida
	Toshio Sano		Masafumi Kuroyanagi	Minako Miyama
<b>Managing Director</b>	<b>Standing Statutory Auditor</b>			Takahito Kanazawa
Satoru Inoue	Kazuhisa Morigayama* <sup>2</sup>			Go Miyazaki
<b>Managing Director</b>	<b>Statutory Auditor</b>			Naohiro Nishizawa
Kenji Miya	Makoto Matsuura* <sup>2</sup>			
	<b>Statutory Auditor</b>			
	Kuniaki Nomura* <sup>2</sup>			

\*<sup>1</sup> Outside directors  
\*<sup>2</sup> Outside statutory auditors

# Stakeholder Dialogue

In June 2019, DNP held a stakeholder dialogue with CSR Review Forum-Japan.

DNP has continuously held stakeholder dialogues with external stakeholders since 2015 with the aim of raising shareholder value by communicating DNP's thinking and initiatives to stakeholders while gathering information on social trends and expectations of DNP.

The recent dialogue was based on the theme "How will DNP create value in five years, 10 years and beyond?" There

was a lively exchange of opinions about this theme with reviewers from a variety of standpoints regarding 1) How will DNP solve social issues?; 2) What impact is the transition to a new management structure having on corporate culture?; and 3) Communication with stakeholders. We intend to reflect these opinions and expectations in our future business activities and report on these in our Integrated Report.

## Participants

### CSR Review Forum-Japan

#### < Reviewers >

Tomohiko Yamaguchi,  
Joint Representative,  
CSR Review Forum-Japan

Li Yanyan,  
Professor, Komazawa University,  
Faculty of Letters,  
Department of Sociology

#### < Guest Reviewer >

Minoru Matsubara,  
Chief Manager,  
Asset Management Division,  
Responsible Investment Group,  
Resona Bank

Hiroki Sawashima  
Senior Stewardship Officer,  
Stewardship Development Department,  
Sumitomo Mitsui Trust  
Asset Management Co., Ltd.

Arisa Kishigami,  
Sustainability Specialist,  
Head of ESG, En-CycleS

### DNP

Senior Corporate Officer  
Hirofumi Hashimoto  
(In charge of Business  
Promotion Division)

Senior Corporate Officer  
Kazuhiko Sugita  
(Corporate Communications Division,  
CSR/Environment Department)

Corporate Officer  
Yoshiki Numano  
(General Manager of  
Information Innovation Operations)

Corporate Officer  
(General Manager of Purchasing Division)  
Toru Miyake

Corporate Officer  
General Manager of  
High-performance Materials Operations  
Mitsuru Iida

Corporate Officer  
(In charge of Diversity Promotion Department,  
Recruiting and Training Department)  
Minako Miyama

## 【Main opinions and expectations】

### ● How will DNP solve social issues?

- I would like to see DNP first of all closely consider what is your own core upon defining social issues that must be addressed.
- Independent actions by each person are extremely important after identifying social issues and linking these to businesses. On the other hand, company systems and structures that encourage and evaluate autonomy are also essential.
- Frameworks that evaluate both sides (business and personnel aspects) of the degree of contributions to profitability results and solving social issues are also needed in the same manner.

### ● What impact is the transition to a new management structure having on corporate culture?

- For the recent dialogue, every person expressed their thoughts as they wished and I truly sensed there is free and open communication inside the company since adopting the new structure.
- I could feel the determination to transform the company encompassing initiatives and new systems for personnel and I have expectations for the future.

### ● Communication with stakeholders

- DNP's communication method is superficial like that of an honor student in areas such as arranging and collecting information and direct self-expression. However, as a company that makes its living from communication, I would like to see DNP break away from this type of superficial communication.
- There is room for devising a more-creative means for communication such as for explaining how the long-term sustainability of business and ESG are interconnected.

