INITIATIVES FOR SUSTAINABILITY

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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

#### Business to Contribute to SDGs Achievement
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.

#### Fair Operating Practices
We help to maintain and develop proper, free and competitive markets based on laws and social ethics and by always remaining fair and equitable.

#### Human Rights and Labor
We place human dignity first and foremost and respect diversity and equal treatment. This includes freedom of speech, thought, religion, values, gender, age, gender identity, and sexual orientation or whether they have disabilities. We accordingly respect working styles suited to the diversity of our employees and make efforts to create a safe, healthy and vibrant working environment based on the assumption of acting with discipline.

#### Environment
DNP targets the realization of a decarbonized society, a recycling-oriented society and a society in harmony with nature by creating new value through Printing and Information (PI) innovation designed to achieve the emergence of a sustainable society. (Refer to pages 62-67)

#### Responsible Procurement
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 more.

#### Product Safety and Quality
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.

#### Information Security
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.

#### Corporate Citizenship
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.

### Indicators prioritized in an effort to achieve medium- to long-term vision

<table>
<thead>
<tr>
<th>Indicators prioritized in an effort to achieve medium- to long-term vision</th>
<th>Medium- to long-term targets</th>
<th>FY2020 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Sales of environmentally conscious products and services. (DNP contributes to achieving the SDGs through all its business activities.)</td>
<td>(1) Achieve sales of 600 billion yen by FY2020.</td>
<td>(1) Achieve 10% by FY2025.</td>
</tr>
<tr>
<td>(2) Ratio of Super Eco-Products* in total sales.</td>
<td>(2) Achieve 10% by FY2025.</td>
<td>(2) 787.1 billion yen (6.5%)</td>
</tr>
<tr>
<td>(3) Number of employee participants in social contribution activity programs.</td>
<td>(3) Achieve 100% (covering all business units and Group companies).</td>
<td>(3) 1,293 persons</td>
</tr>
<tr>
<td>(4) Number of inspections and instructions by executive officer in charge of divisions implementing priority measures for personal information protection, etc.</td>
<td>(4) Achieve 100% (covering all applicable divisions).</td>
<td>(4) Achieve 100% (covering all applicable bases).</td>
</tr>
<tr>
<td>(5) Percentage of newly developed products undergoing product safety and risk assessment.</td>
<td>(5) Achieve 100%.</td>
<td>(5) 0.8% (100% in 554 products)</td>
</tr>
<tr>
<td>(6) Number of serious accidents* caused by our products.</td>
<td>(6) Achieve zero accidents.</td>
<td>(6) 0.0% (0 accidents)</td>
</tr>
<tr>
<td>(7) Number of inspections and instructions by executive officer in charge of divisions implementing priority measures for personal information protection, etc.</td>
<td>(7) Achieve 100% (covering all business units and Group companies).</td>
<td>(7) 100% (covering all applicable divisions).</td>
</tr>
<tr>
<td>(8) Ratio of employees with disabilities.</td>
<td>(8) Achieve 100% (covering all applicable bases).</td>
<td>(8) 2.2%</td>
</tr>
<tr>
<td>(9) Participation rate of Information Security education and training.</td>
<td>(9) Achieve 100% (covering all applicable bases).</td>
<td>(9) 100% (covering all applicable bases).</td>
</tr>
<tr>
<td>(10) Number of employees in social contribution activity programs.</td>
<td>(10) Achieve an accumulated total of 10,000 persons (2,000 persons per year) from FY2020 to FY2024.</td>
<td>(10) Achieve 787.1 billion yen (6.5%)</td>
</tr>
<tr>
<td>(11) Number of fair trade-related products consumed in-house.</td>
<td>(11) Achieve an accumulated total of 250,000 items (50,000 items per year) from FY2020 to FY2024.</td>
<td>(11) Achieve 100% (covering all applicable bases).</td>
</tr>
<tr>
<td>(12) Frequency rate of lost workday injuries.</td>
<td>(12) Achieve an accumulated total of 70,000 dishes (14,000 dishes per year) from FY2020 to FY2024.</td>
<td>(12) Achieve 100% (covering all applicable bases).</td>
</tr>
</tbody>
</table>

* These without a target fiscal year are the target values for each fiscal year.

For details, see the “Environmental Vision/Natural Capital (pages 62-63)” and the Initiatives for Climate Change (pages 64-67).

For details, see page 16 of the DNP Group Environmental Report 2021 for Environmental Activity Targets and Results List.
We are taking on the challenge of creating new value towards realizing our Environmental Vision for a sustainable future.

Satoru Inoue
Managing Director

DNP is working to create value that people and society want, always having our business activities consist with the natural environment as we have done in the past. In recent years, however, violent storms, flooding and other abnormal weather phenomenon have occurred frequently, and there are concerns of new contagious diseases spreading. There is an increasing need to think about what kind of value to offer and in what order to offer it.

Initiatives toward becoming carbon neutral are accelerating both in Japan and abroad, and a green recovery is needed, aimed at economic revitalization from the COVID-19 pandemic while also controlling climate change and preserving ecosystems. As a part of this, DNP established the DNP Group Environmental Vision 2050 in March 2020, aiming to speed up its specific activities in realizing a decarbonized society, a recycling-oriented society and a society in harmony with nature. We plan to achieve effectively net-zero greenhouse gas (GHG) emissions from business activities at our own sites by FY2050, aiming to create a decarbonized society.

In the Medium-term Management Plan, we established environment-related businesses as a focus business and will develop products and services with high added value and low environmental burden, utilizing our unique strengths in P&I (Printing and Information) and our diverse partnerships. In addition to expanding our battery pouches for lithium-ion batteries, which we hold the top market share globally, to electric vehicles and next-generation solid-state batteries, we will develop photovoltaic module components for renewable energy and packaging that replaces some of the petroleum-derived materials with plant-based materials. We will also develop information services that lead to improvements in traceability, recycling of resources and thorough temperature regulation in transportation, and will work to reduce our environmental footprint over the entire value chain.

We have set environmental conservation and the realization of a sustainable society as one part of our Code of Conduct for all employees, and in addition to establishing the DNP Group Environmental Policy, we are moving forward with corporate activities that are deeply cognizant of the environment, not to mention complying with laws and regulations. We will focus even further on providing diverse values to realize a sustainable, better society and more enjoyable lifestyles.

DNP Group Environmental Vision 2050

In March 2020, DNP formulated the DNP Group Environmental Vision 2050 and defined what we expect to accomplish toward the year 2050. We will continue to step up our efforts to create value with a view toward realizing a decarbonized society, a recycling-oriented society and a society in harmony with nature.

A Decarbonized Society through Climate Change Mitigation and Adaptation
- We aim to achieve effective net-zero greenhouse gas (GHG) emissions from business activities at our own sites.
- We will contribute to create a decarbonized society through our products and services.

A Recycling-Oriented Society through the Efficient use of Resources
- We will provide maximum value through the efficient use and recycling of resources throughout the value chain.

A Society in Harmony with Nature via the Conservation of Biodiversity
- We aim to minimize the impact on biodiversity throughout the entire value chain and achieve harmony with regional ecosystems.

Initiatives in the Medium-term Management Plan (FY2020-2022)
**Initiatives for Climate Change**

The effects of climate change have become increasingly serious every year, having a large impact on the environment, society and the economy. There has also been an acceleration in action toward a green recovery that tackles environmental issues in conjunction with pandemic and post-pandemic policies, and in Japan, becoming carbon neutral and achieving net zero greenhouse gas (GHG) emissions by 2050 was given as a goal. This has attached greater importance to the roles companies should fulfill.

By working to resolve climate change and other environmental issues, DNP intends to make people’s daily lives sustainable, safe and secure, while at the same time creating value that is unique to DNP and meets people’s expectations. We will also proactively engage in dialogue with stakeholders about these initiatives by disclosing information on our relevant efforts through the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), and will work to reduce GHG emissions across the entire supply chain.

**Governance**

DNP positions its response to environmental issues including climate change as a key management challenge. Under the management and supervision of the Board of Directors, the Corporate Ethics Committee oversees internal control and the Sustainability Committee, a committee of specialists in sustainability, plays a coordinating role in environmental matters. The Sustainability Committee, which is chaired by a director in charge of environmental issues, consists of directors and corporate officers with assigned duties at the Head Office. This committee, which meets twice a year and more if needed, discusses and decides policies, objectives and plans regarding group-wide sustainability, while also monitoring the progress of the plans and the status of the achievement of those objectives. The Board of Directors discusses and makes decisions on the important matters discussed by the Committee along with management policies, management strategies and other important issues.

**Establishment of a Reduction Target for Industrial Waste Using Resource Recycling Ratios**

Creating a recycling-oriented society is given as an urgent issue alongside climate change. DNP has set the target of reducing GHG emissions by 2050. In the near future, an improvement of 5 points by 2025 compared to FY2015 levels for resource recycling ratios through material and chemical recycling for all unsorted materials (industrial waste and valuable), excluding paper values that are already 100% recyclable. Use of materials in energy recovery is not included, and we will focus on initiatives to use resources more efficiently.

*Percentage of waste recycled from total waste produced.*
INITIATIVES FOR SUSTAINABILITY

Main Risks, Initiatives and Opportunities in Response to Risks Associated with Climate Change

1. Scenario where migration to a decarbonized society advances (scenario where rise in average temperature is limited to less than 2°C or 1.5°C)

<table>
<thead>
<tr>
<th>Risks to DNP</th>
<th>DNP’s initiatives and opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement of a carbon tax or an emissions trading system</td>
<td>Promotion of business portfolio (selection and concentration of businesses)</td>
</tr>
<tr>
<td>Increased investment in energy-saving technologies</td>
<td>Upgrade to highly efficient equipment and optimization of production bases</td>
</tr>
<tr>
<td>Expansion of sales of DNP plant-based packaging materials</td>
<td>Promotion of product and service designs that consider the life cycle assessment</td>
</tr>
<tr>
<td>Creation of recycling schemes</td>
<td>Promotion of the use of decarbonized and low-carbon energy materials</td>
</tr>
</tbody>
</table>

2. Scenario where the physical effects of climate change become tangible (scenario where average temperature rises 4°C)

<table>
<thead>
<tr>
<th>Physical scenario</th>
<th>Affected period</th>
<th>Risks to DNP</th>
<th>DNP’s initiatives and opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural disaster risk measures at production bases</td>
<td>Increased investment in energy-saving technologies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhancement of production backup systems with multiple production bases</td>
<td>Visualization and reminders about the risks of heat stroke in production bases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversification of suppliers</td>
<td>Energy saving measures through the introduction of highly efficient equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhancement of compensation and support systems for employees</td>
<td>Reduced risk in loss through visualization and review of process, as well as reduction in amount used and recycling</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Targets and Indicators

DNP has defined the following targets for maximizing opportunities and minimizing risks resulting from climate change. To minimize risk, we have monitored Scope 1 to 3 across the DNP Group, and are in the process of developing strategies based on the collected data. Regarding GHG emissions resulting from business activities undertaken at DNP’s own facilities (Scopes 1 and 2), we are moving forward with reduction activities to meet the mid-term targets set for the period up to 2030 to become carbon neutral by 2050. For Scope 3, which accounts for 80% of our GHG emissions, we are conducting a survey on the status of the management of GHG emissions exercised by our suppliers.

DNP has set the following 2030 targets:

- **Foundation of business activities**: Reduce our GHG emissions by 30% from the previously established target set for FY2015.
- **Increased disclosure and review**: Implement measures to disclose and disclose information regarding our GHG emissions reduction targets and steps taken towards their realization.
- **Enhanced monitoring**: Enhance monitoring of market trends and initiatives toward reducing GHG emissions to achieve long-term environmental vision.

**Value creation**

- **Medium-term reduction target**: To achieve a reduction of 40% from FY2015 levels by 2030 (Achievement of SBT target)
- **Sales for environment-related businesses**
  - FY2020 Results: 114.5 billion yen
  - Projection for FY2024: 175.0 billion yen
- **Sales for mobility businesses**
  - FY2020 Results: 39.5 billion yen
  - Projection for FY2024: 100.0 billion yen

**Long-term Environmental Vision**

- To achieve net-zero GHG emissions by 2050
  - **DNP Group Environmental Vision 2050**: Established March 2020
    - We aim to achieve net-zero GHG emissions from business activities at our own sites by 2050.

**New Medium-term Target for Reductions in GHG Emissions Receives Updated Approval from the Science Based Targets (SBT) Initiative**

DNP established a new target to reduce group-wide GHG emissions by 40% from FY2015 levels, up 15 points from the previously established target set for FY2030. The original target received approval from the Science Based Targets (SBT) initiative for achieving the Paris Agreement’s goal to keep global warming below 2°C and for being a scientifically based standard. The newly established target was recognized for meeting the stricter well-below 2°C target (a target standard to keep global warming well below 2°C), and this new target received updated approval from the initiative.
HUMAN RESOURCES STRATEGY

About DNP’s Diversity and Inclusion as a management strategy focused on rebuilding the personnel system to accelerate value creation

Creating an organization that integrates diverse human resources to create value for “Tomorrow’s Basic”

Kenji Miya
Senior Managing Director

DNP has been working to intensively rebuild its personnel system since FY2019 and is expanding on a third round of measures starting in April 2021. What is required to create indispensable value that constantly exists close to people is personnel who can create new business ideas from global, unprecedented perspectives and a more flexible organization that can utilize these personnel. Recently, social changes have been rapid, and employment has become fluid, meaning our conventional system cannot respond adequately with only a partial revision. DNP has pursued a rebuilding of its personnel system from scratch based on current and future social issues and the management environment we are facing.

For example, we have drawn up a personnel portfolio that is connected to our business portfolio and have established a hybrid personnel system combining the merits of job-based and membership-based systems. We also established a new system to enhance our ICT personnel in order to create value utilizing digital transformation, one of the current mega trends. (For details, refer to page 41.)

We will positively evaluate free speech and action among the team members to enable them to demonstrate their diverse strengths and will promote the creation of new value by combining these strengths.

DNP is working on major reform through the rebuilding of its personnel system, and we will build an organization that allows all employees to demonstrate their skills not just to respond to the changes of the times but also to create change itself. We will continue to foster a “culture of continuously taking on the challenge of promoting change” and will continue to offer new value to society and to consumers.

Promoting diversity is a significant business challenge. Cultivating a sense of involvement is key.

Minako Miyama
Director

Having worked to promote active female participation early on, DNP established the Diversity Promotion Department in 2018 and is accelerating its value creation initiatives that utilize diversity. Since 2019, we have particularly supported more active roles not only of women, but also of employees with disabilities, LGBTQ+ employees, employees of different nationalities and senior employees, and our focus has been placed on matching and synergizing the strengths of each employee.

In July 2020, our president announced the DNP Diversity Declaration, announcing both internally and externally that we would be working on diversity & inclusion (D&I) as a significant business challenge. Based on the concept that cultivating a sense of involvement is essential, this Declaration laid out that each employee with diverse strengths is a member that helps build DNP’s D&I and that each employee is an involved member.

We held Diversity Week, an internal event, for the first time in February 2021 as a specific part of our D&I activities. We held 18 programs that would allow participants to experience each person’s differences and foster their awareness of being someone involved in D&I themselves. More than 7,000 employees participated, and in the survey, about 70% of employees said that a new change in their awareness and realizations had occurred. It is a good response to mean that many employees not just gained knowledge but truly appreciated and accepted that differences could be made into strengths. We will continue to make efforts to ensure employees themselves establish issues as involved members, consider the promotion of D&I and connect these activities with real action.

DNP will continue to promote and enhance initiatives to respect the differences of each of our employees, accept these differences mutually and utilize diversity as a strength of the organization in order to create new value.
DNP believes that diversity & inclusion (D&I) is important for the creation of new value, and we have established a Diversity Promotion Department that is under the direct control of the Head Office and led by the supervising Senior Managing Director. This Department was established as a system to spread and establish D&I across the entire Group. We are accelerating our activities in coordination with the Diversity Promotion Committee established in each business segment and Group company.

In July 2020, DNP declared the DNP Diversity Declaration as management’s commitment to promoting even greater diversity & inclusion (D&I). Specifically, we have declared that the President will spearhead our efforts to promote D&I and that we will transform awareness of those in managerial positions and make ourselves a company where each and every employee can actively take on challenges and create new value. While working to intensively rebuild our personnel system since FY2019, DNP is mainly focused on the revision of our systems for young employees, ICT personnel and our human resources with diverse careers that they have worked to develop inside and outside the company. We are also working on other initiatives, including the introduction of a flexible retirement system where senior employees can choose from a variety of working styles, revision to our system in response to the concept of equal pay for equal work and promotion of new working styles and management that combines online with offline. For programs related to diversity, we have expanded programs related to spousal leave to include same sex and common law partners, and have also expanded programs to support career/life balance and programs offering shorter working hours for nursing/child care, etc.

DNP Diversity Declaration
1. We will take the lead in working to promote diversity and inclusion.
2. We will transform the awareness of managers into a "Dialogue style" that utilizes the differences of each and every person as strengths.
3. We will make ourselves a company where each and every employee can actively take on challenges and create new value.

KPI / Targets
DNP has established the following targets (KPIs) to increase the effects of enhanced management toward the promotion of D&I, and we are working to meet these targets.

Initiatives for Human Resources and Human Rights
For DNP to accelerate “Tomorrow’s Basic,” an organizational culture that respects the differences of each employee, accepts these differences mutually and utilizes this diversity is essential. We have made the mental and physical health and safety of our employees a foundation and are moving forward with a variety of policies, including enhancements to personnel development and the rebuilding of our personnel system. We are aware that protecting the rights of all people involved in the DNP value creation process is a responsibility that we as a member of society should fulfill, and we are working to enhance our human rights initiatives through dialogue with many stakeholders.

Strategies and Measures
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Initiatives for Human Resources
Management

Strategies and Measures
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KPI / Targets
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Ratio of female managers and leaders
5.6% (FY2016) 7.0% or above (FY2021 target)

Number of female managers and leaders
Targets: double February 2016 level (430) by end-March 2022

Ratio of male employees taking childcare leave
54.3% (FY2020) 100%
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.

Overview of DNP’s Corporate Governance

The DNP Group’s corporate philosophy is to “connect people and society, and provide new value.” Based on this philosophy, we believe it is important to always be aware of our social responsibilities as a company in order to ensure stable business expansion over the medium to long term, and we endeavor to fulfill our three corporate responsibilities: “value creation,” “integrity of conduct” and “transparency (accountability).”

We believe that being able to boldly take on various business opportunities based on a sound entrepreneurial spirit and gaining the trust of our various stakeholders is essential for improving business competitiveness going into the future, and that enhancement of corporate governance, including internal control systems, is an important management issue.

We have established and are operating a system that enables accurate decision-making in management, appropriate and swift business execution based on that decision-making and the supervision and auditing of such decision-making. Moreover, we provide thorough training and education to raise the compliance awareness of each individual. Based on this basic concept, we ensure the Board of Directors’ appropriateness, agility, flexibility and diversity by adopting the organizational structure of a company with a Board of Statutory Auditors, by introducing outside directors and corporate officer system and by establishing and operating discretionary committees. We believe this will allow the Company to sustain growth and increase enterprise value over the medium to long term.

Structural Diagram of DNP’s Corporate Governance and Internal Control System
Roles and Responsibilities of the Board of Directors

- The Company’s Board of Directors is structured to enable Directors with specialized knowledge and experience in a wide range of business fields to participate in management decision-making aimed at realizing our corporate philosophy, to carry out their duties with responsibility and authority and to supervise the execution of duties by other Directors.

- In principle, the Board of Directors meets once a month, with Corporate Officers attending as rapporteurs when necessary, to deliberate and decide on important management issues. The criteria for agenda items to be submitted to the Board of Directors are clarified in the Board of Directors Regulations, which were established in compliance with laws and ordinances and the Articles of Incorporation. In terms of other decision-making and business execution, the Company strives to improve efficiency by delegating appropriate authority from the Executive Directors to the Corporate Officers in charge of each basic unit or the head of each unit, in accordance with the organizational rules, etc.

- The Company is a company with a Board of Statutory Auditors, which consists of five (5) members, including one (1) Statutory Auditor who has considerable knowledge of finance and accounting. Each Statutory Auditor conducts audits of the execution of duties by Directors in accordance with the auditing standards and assignments determined by the Board of Auditors, and requests reports on the execution of duties from Directors, Corporate Officers and others as necessary. Each Statutory Auditor attends all meetings of the Board of Directors and makes necessary comments on agenda items.

- The Company has four (4) Outside Directors and three (3) Outside Statutory Auditors, all of whom are independent Directors or Statutory Auditors who meet the “independence standards” stipulated by the Tokyo Stock Exchange and the Company. We believe that independent Directors and Statutory Auditors ensure transparency of management and protect the interests of general shareholders by speaking out on agenda items at meetings of the Board of Directors from a standpoint independent of management, based on their various specialized knowledge and experience.

Management Committee

In order to enhance the speed and efficiency of management activities, the Company has established a Management Committee consisting of Executive Directors to review and deliberate on matters such as management policies, management strategies and important management matters.

Advisory Committee

As part of our efforts to strengthen the supervisory function of the Board of Directors, the Company has established an Advisory Committee consisting of Independent Outside Directors and Outside Statutory Auditors to ensure the transparency and objectivity of procedures related to decisions such as on the nomination and remuneration of the Company’s Directors and Corporate Officers. In the fiscal year under review, the Advisory Committee consisted of three (3) outside commissioners (Director Miyajima, Director Sasajima and Statutory Auditor Ishii) and deliberated on the policy and amount of remuneration for Directors and Corporate Officers as well as the skills of candidates for Directors to supervise the management of the Company.

Evaluation of the Effectiveness of the Board of Directors Overall

The Company has evaluated the overall effectiveness of the Board of Directors around April each year since Japan’s Corporate Governance Code became applicable in June 2015. The aim is to improve the functioning of the Board of Directors as a whole through an ongoing process of questionnaires to Directors and Statutory Auditors and by taking appropriate measures such as improving the issues identified and enhancing the strengths of the Board of Directors.

In the questionnaires conducted in March last year (2020), based on the advice of a third-party institution, and including efforts for themes considering social situations as a target for assessment, the Board of Directors was assessed as having no issues with its effectiveness. However, one of the issues to be addressed is the need to continue to improve and deepen internal discussions from the “perspective of the Group as a whole” in the preparation of Board of Directors’ proposals. In response to the results of last year’s evaluation of the Board of Directors, in the fiscal year under review, we took steps to enhance the reporting of summaries of the internal discussions from the “perspective of the Group as a whole” in the context of the Medium-term Management Plan and business investment proposals. A questionnaire survey focused on items to measure progress on last year’s improvement issues was then carried out, and the results of the analysis confirmed that improvements had been made overall.

At the same time, social changes, such as the new normal and growing environmental awareness at a global level, require the Board of Directors to further enhance discussions on business risks and other issues across all Group companies, and at the meeting of the Board of Directors in May 2021, all Directors and Statutory Auditors shared the view that the Board of Directors would focus on further addressing these issues.
Board of Directors

Yoshitoshi Kitajima
Chairman

President

Managing Director of the Company

Apr. 1978 Joined the Company
May 1987 Manager of Display Components Operation of the Company
Jun. 2010 General Manager of Personnel Dept. of the Company
Jun. 2013 Senior Managing Director of the Company
Dec. 2016 General Manager of K&B & D, General Manager of Business Development Center, General Manager of the Technology
Apr. 2018 Corporate Officer (Yakuin), in charge of Finance, and Deputy General Manager of DB
Jun. 2020 Managing Director, in charge of Strategic Business Planning & Development Dts. and President of the Company

Reasone for nomination as a candidate for Director

Yoshinari Kitajima is nominated as a candidate for Director as it is expected that he will work to realize the Company’s business growth and improvement of business performance, and also appropriately oversee the entire Group, based on his considerable experience as a management executive.

Kenji Miya
Senior Managing Director

Jun. 1983 Joined the Company
Jan. 1993 Manager of Display Components Operation of the Company
Apr. 1996 General Manager of Personnel Dept. of the Company
Nov. 2011 Senior Managing Director of the Company

Reasone for nomination as a candidate for Director

Kenji Miya is nominated as a candidate for Director as it is expected that he will work to realize the Company’s business growth and improvement of business performance, and also appropriately oversee the entire Group, based on his considerable experience as a management executive.

Masato Yamaguchi
Senior Managing Director

Apr. 1977 Joined the Company
Dec. 1984 General Manager of K&B & D Dept., General Manager of Business Development Center of the Company
Jun. 2009 Corporate Officer (Yakuin), Deputy General Manager of Display Components Operation of the Company
Jun. 2012 Senior Corporate Officer, General Manager of Fine-Optics Operations of the Company

Reasone for nomination as a candidate for Director

Masato Yamaguchi is nominated as a candidate for Director as it is expected that he will work to realize the Company’s business growth and improvement of business performance, and also appropriately oversee the entire Group, based on his considerable experience as a management executive.

Satoru Inoue
Managing Director

Jan. 14, 1963

Reasone for nomination as a candidate for Director

Satoru Inoue is nominated as a candidate for Director as it is expected that he will work to realize the Company’s business growth and improvement of business performance, and also appropriately oversee the entire Group, based on his considerable experience as a management executive.

Hirofumi Hashimoto
Managing Director

Apr. 1981 Joined the Company
Jul. 1997 Director of the Company
Jun. 2003 Managing Director of the Company
Jun. 2010 Senior Managing Director of the Company
Jun. 2021 Senior Managing Director of the Company

Reasone for nomination as a candidate for Director

Hirofumi Hashimoto is nominated as a candidate for Director as it is expected that he will work to realize the Company’s business growth and improvement of business performance, and also appropriately oversee the entire Group, based on his considerable management experience in the DNP Group and in his achievements in the business planning department of the Company.

Masafumi Kuroyanagi
Managing Director

May 4, 1960

Reasone for nomination as a candidate for Director

Masafumi Kuroyanagi is nominated as a candidate for Director as it is expected that he will work to realize the Company’s business growth and improvement of business performance, and also appropriately oversee the entire Group, based on his considerable management experience in the DNP Group and in his achievements in the business planning department of the Company.

Minako Miyama
Director

Jun. 15, 1962

Reasone for nomination as a candidate for Outside Director and expected role

Minako Miyama is nominated as a candidate for Outside Director as it is expected that she will provide advice and supervision over the Company’s management from an objective perspective independent from the management executing the business, based on, among other things, her high level of insight and extensive experience as a legal expert.

Tsukasa Miyajima
Director

Aug. 7, 1960

Reasone for nomination as a candidate for Outside Director and expected role

Tsukasa Miyajima is nominated as a candidate for Outside Director as it is expected that he will provide advice and supervision over the Company’s management from an objective perspective independent from the management executing the business, based on, among other things, his high level of insight and extensive experience as an expert.
### 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

The policy for deciding the details of the compensation for each individual Director is as follows: Compensation for directors is calculated within the compensation amount limit approved at the General Meeting of Shareholders.

<table>
<thead>
<tr>
<th>Date for Resolution</th>
<th>Details of Resolution</th>
<th>Number of Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 9, 2016</td>
<td>Compensation for board 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).</td>
<td>12</td>
</tr>
<tr>
<td>June 28, 2007</td>
<td>Compensation for statutory auditors shall be within an annual amount of 180 million yen.</td>
<td>5</td>
</tr>
</tbody>
</table>

To determine a policy for deciding the details of compensation for each director, including the amount thereof, the Board of Directors established standards by referring to objective compensation market data. The Advisory Committee, which consists of independent outside directors (three outside directors and one outside statutory auditor), then went through a process of deliberation and examination. The Company took the details of this deliberation into consideration and passed a resolution on a policy for deciding the details of compensation for the fiscal year ended March 31, 2021 at a meeting of the Board of Directors held on April 20, 2020.

In the fiscal year ended March 31, 2021, the Board of Directors decided to entrust Yoshinari Kitajima, President and Representative Director, with the task of deciding a specific amount of compensation for each director, and Mr. Kitajima, who accepted the task, decided each amount. The Board of Directors entrusted him with this authority because the president and representative director is best positioned to conduct the evaluation of duties each director is responsible for while simultaneously looking at results from broad perspectives.

At DNP, the Advisory Committee conducts an assessment from many perspectives, including consistency with a decided policy to make sure that the president and representative director exercises the entrusted authority appropriately, and the president and representative director then decides the details of compensation for each director, taking into consideration the results of such assessment.

The amount of compensation for each director was determined, as mentioned above, after the Advisory Committee conducted an assessment from multiple perspectives including consistency with the determined policy. Therefore, the Company considers that the details of compensation for each director for the fiscal year ended March 31, 2021 are consistent with the policy.

### Executive directors’ compensation

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. Fixed compensation and performance-based compensation account for 70% and 30%, respectively, in terms of the composition of remuneration. 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 (10% in principle) 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. Taking these factors into consideration, for the fiscal year ended March 31, 2021, fixed compensation and performance-based compensation accounted for 65% and 35%, respectively, in terms of the composition of remuneration. Going forward, performance-based compensation will be raised.

The indicators for performance-based compensation are consolidated operating income, net income attributable to parent company shareholders and return on equity (ROE). These indicators were selected because it clearly reflects consolidated business results for the fiscal year in performance-based compensation. The targets for the indicators for performance-based compensation in the fiscal year (year ended March 31, 2021) were 40.0 billion yen for consolidated operating income, 21.0 billion yen for net income attributable to parent company shareholders and 2.3% for ROE, and the actual results were 49.5 billion yen, 25.0 billion yen and 2.6%, respectively.

### Compensation for outside directors and statutory auditors

Regarding outside directors and statutory auditors, from the perspective of maintaining their independence, no performance-based compensation shall be paid, and only fixed compensation shall be provided. 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.
INITIATIVES FOR SUSTAINABILITY

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

<table>
<thead>
<tr>
<th>Category of director/statutory auditor</th>
<th>Total compensation (¥ million)</th>
<th>Total compensation by type (¥ million)</th>
<th>Number of directors and statutory auditors covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors (excluding outside directors)</td>
<td>772</td>
<td>562 210 0 7</td>
<td></td>
</tr>
<tr>
<td>Statistical auditors (excluding outside auditors)</td>
<td>57</td>
<td>57 0 0 2</td>
<td></td>
</tr>
<tr>
<td>Outside directors and auditors</td>
<td>146</td>
<td>146 0 0 7</td>
<td></td>
</tr>
</tbody>
</table>

Note: 1. Awards of performance-based compensation are provided for bonuses for directors and statutory auditors for the fiscal year ended March 31, 2021.
2. There were six internal directors, two internal statutory auditors and six outside directors as of the end of the fiscal year ended March 31, 2021.

(3) Company directors and total compensation

| Name              | Total compensation (¥ million) | Director type | Company                          | Total compensation by type (¥ million) | Fixed compensation | Performance-based compensation | Non-monetary compensation, etc. |
|-------------------|--------------------------------|---------------|----------------------------------|---------------------------------------|--------------------|-------------------------------- |---------------------------------
| Yoshitoshi Kitajima | 256                           | Director      | Dai Nippon Printing Co., Ltd.    | 276                                    | 80                 |                                |                                |
| Yoshinari Kitajima | 195                           | Director      | Dai Nippon Printing Co., Ltd.    | 138                                    | 57                 |                                |                                |

Note: 1. Total compensation is shown only for those with compensation of at least 100 million yen.

Compensation Paid to Accounting Auditors

(1) Compensation paid to accounting auditors

<table>
<thead>
<tr>
<th>Category</th>
<th>Fiscal year ended March 31, 2020</th>
<th>Fiscal year ended March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dai Nippon Printing Co., Ltd.</td>
<td>Compensation for audit certification (¥ million) 122</td>
<td>Compensation for other services (¥ million) 3</td>
</tr>
<tr>
<td>Consolidated subsidiaries</td>
<td>Compensation for audit certification (¥ million) 133</td>
<td>Compensation for other services (¥ million) 0</td>
</tr>
<tr>
<td>Total</td>
<td>Compensation for audit certification (¥ million) 252</td>
<td>Compensation for other services (¥ million) 3</td>
</tr>
</tbody>
</table>

(2) Compensation paid to individual member firms affiliated with the same network, to which auditors belong

None

(3) Other material compensation details

None

(4) Details of services other than auditing work provided by the accounting auditor to the submitting company

Services other than auditing provided by the accounting auditor to the Company are formalities-related work.

(5) Determination of compensation for audit services

The Company’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.

(6) 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 initial stockholdings 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, 2021, the number of individual stocks held by the Company decreased by 61 stocks as listed on the right.

2. Number of stocks and amounts recorded on balance sheets

<table>
<thead>
<tr>
<th>Number of companies (stocks)</th>
<th>Total amount of acquisition cost pertaining to the increase in number of shares (¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-listed stocks</td>
<td>7 454</td>
</tr>
<tr>
<td>Stocks other than non-listed stocks</td>
<td>11 75</td>
</tr>
</tbody>
</table>

(Stocks for which the number of shares decreased in the fiscal year ended March 31, 2021)

<table>
<thead>
<tr>
<th>Number of companies (stocks)</th>
<th>Total amount of sales value pertaining to the decrease in number of shares (¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-listed stocks</td>
<td>7 505</td>
</tr>
<tr>
<td>Stocks other than non-listed stocks</td>
<td>54 4,854</td>
</tr>
</tbody>
</table>

Reduction of strategic shareholdings

As a result of efforts for strategic shareholding reductions in the fiscal year ended March 31, 2021, the Company decreased the number of listed stocks by 41 and moved forward with the improvement of capital efficiency.

Stockholdings of listed stocks

<table>
<thead>
<tr>
<th>Number of stocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016.3</td>
</tr>
<tr>
<td>250</td>
</tr>
</tbody>
</table>
### Initiatives for Sustainability

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

<table>
<thead>
<tr>
<th>Company name</th>
<th>Fiscal year ended March 31, 2021</th>
<th>Fiscal year ended March 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares</td>
<td>Amount recorded on balance sheet (in ¥ million)</td>
<td>Amount recorded on balance sheet (in ¥ million)</td>
</tr>
<tr>
<td>Recruit Holdings Co., Ltd.</td>
<td>6,500,000</td>
<td>6,500,000</td>
</tr>
<tr>
<td>The Dai-ichi Life Insurance Co., Ltd.</td>
<td>5,600,000</td>
<td>5,600,000</td>
</tr>
<tr>
<td>Ezaki Glico Co., Ltd.</td>
<td>5,100,000</td>
<td>5,100,000</td>
</tr>
<tr>
<td>Lien Corporation</td>
<td>3,100,000</td>
<td>3,100,000</td>
</tr>
<tr>
<td>Deerlras Corporation</td>
<td>3,125,000</td>
<td>3,125,000</td>
</tr>
<tr>
<td>Aca Kogyu Co., Ltd.</td>
<td>1,230,000</td>
<td>1,230,000</td>
</tr>
<tr>
<td>Tasho Pharmaceutical Holdings Co., Ltd.</td>
<td>1,362,000</td>
<td>1,362,000</td>
</tr>
<tr>
<td>FUJIFILM Holdings Corporation</td>
<td>685,000</td>
<td>685,000</td>
</tr>
<tr>
<td>Mizuho Financial Group, Inc.</td>
<td>2,730,000</td>
<td>2,730,000</td>
</tr>
<tr>
<td>Meiji Holdings Co., Ltd.</td>
<td>546,000</td>
<td>546,000</td>
</tr>
<tr>
<td>Toyo Suzuki Kaisha, Ltd.</td>
<td>794,000</td>
<td>794,000</td>
</tr>
<tr>
<td>AI Inside Inc.</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Kobayashi Pharmaceutical Co., Ltd.</td>
<td>318,000</td>
<td>318,000</td>
</tr>
<tr>
<td>Hakusho OY Holdings Inc.</td>
<td>1,720,000</td>
<td>1,720,000</td>
</tr>
<tr>
<td>YAMATO HOLDINGS CO., LTD.</td>
<td>830,000</td>
<td>830,000</td>
</tr>
<tr>
<td>Kikkoman Corporation</td>
<td>450,000</td>
<td>450,000</td>
</tr>
<tr>
<td>Asahi Group Holdings, Ltd.</td>
<td>350,000</td>
<td>350,000</td>
</tr>
<tr>
<td>YAKULT HONSHA CO., LTD.</td>
<td>350,000</td>
<td>350,000</td>
</tr>
<tr>
<td>TAKARA HOLDINGS INC.</td>
<td>1,200,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Sapporo Holdings Limited</td>
<td>759,000</td>
<td>759,000</td>
</tr>
<tr>
<td>S&amp;B FOODS INC.</td>
<td>346,000</td>
<td>346,000</td>
</tr>
</tbody>
</table>

**Holding purpose, quantitative effect of ownership and the reason for increase of number of shares**

<table>
<thead>
<tr>
<th>Company name</th>
<th>Fiscal year ended March 31, 2021</th>
<th>Fiscal year ended March 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>MORINAGA &amp; CO., LTD.</td>
<td>393,000</td>
<td>393,000</td>
</tr>
<tr>
<td>Ajinomoto Co., Inc.</td>
<td>630,000</td>
<td>630,000</td>
</tr>
<tr>
<td>TOYODA KOKI RIKO CO., LTD.</td>
<td>206,000</td>
<td>206,000</td>
</tr>
<tr>
<td>Mitsubishi UFJ Financial Group, Inc.</td>
<td>355,000</td>
<td>355,000</td>
</tr>
<tr>
<td>Oakden Holdings Co., Ltd.</td>
<td>947,000</td>
<td>947,000</td>
</tr>
<tr>
<td>Holi Co., Ltd.</td>
<td>1,049,000</td>
<td>1,049,000</td>
</tr>
<tr>
<td>Unicharm Co., Ltd.</td>
<td>290,000</td>
<td>290,000</td>
</tr>
<tr>
<td>Oji Holdings Co., Ltd.</td>
<td>1,531,000</td>
<td>1,531,000</td>
</tr>
<tr>
<td>KADOKAWA CORPORATION</td>
<td>292,000</td>
<td>292,000</td>
</tr>
</tbody>
</table>

Note: Stocks held for reasons other than pure investment purposes 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
Reflecting on the End of a Big Role at DNP
A corporate culture allowing outside directors to function

Tadao Tsukada
Outside Director*
(Professor Emeritus, Tokyo Institute of Technology)

* Outside Director Tsukada retired when his term expired at the 127th Ordinary General Meeting of Shareholders on June 29, 2021.

We look back on the activities of Mr. Tadao Tsukada at DNP, after he stepped down as outside director at the Ordinary General Meeting of Shareholders held in June 2021. First, thank you for your service.

The environment surrounding the company has undergone considerable change, and the fact that I was able to take part in meetings of the Board of Directors making decisions to take on new challenges toward sustainable growth and could freely express my views is thanks to the shareholders and investors of DNP, as well as the employees who supported an outside director who was unfamiliar with the internal workings of the company. Just how much I was able to contribute to the growth of the Company during my term is something for which I am grateful. I am grateful for the privilege of leading a life as a researcher.

I heard you attended almost every Board of Directors meeting.

When I underwent clip surgery for a cerebral aneurysm and told the administrative office that I intended to attend a Board of Directors meeting a few days afterward, I was told to rest up and encouraged not to attend. Apart from that, I managed to attend every one. Yasuharu Suematsu, a Professor Emeritus from the Tokyo Institute of Technology who was awarded the Order of Culture, said to me at the party celebrating the award, “Hey Tsukada, do you know why I got this?” When I didn’t understand and failed to answer, he provided the answer: “It’s because I’ve lived a long, healthy and energetic life.” To borrow this quote from Professor Suematsu, I can say that “I was able to fulfill a big role at DNP because above all, I could work in a healthy and energetic way.”

Where does that energy come from? What is the driving force behind it?

After I finished my master’s degree, I went to work on cutting tool design at Nachi-Fujikoshi Corporation. I even operated machines that use cutting tools and became covered in oil. I later transferred to the School of Engineering at the Tokyo Institute of Technology and took on the challenge of measurement and information, which was not my specialty. It was through this experience that I developed the habit of “thinking while running” in research, pursuing curiosity as a “jack-of-all-trades” instead of sticking within the confines of a single area of specialty. Also, out of a desire to learn about the manufacturing industry in the field, I asked the production innovation consultant Minoru Nagaya and was able to take part in guidance meetings for production innovation activities at the plants of companies like Hitachi and Sony around once every two or three months. This went on for around 10 years. Each time, after the guidance meetings had ended, it was tough having to offer critique, but it was also a valuable learning experience. At DNP, I was asked for by members of the General Production Research Center (now the Technology Development Center), and sometimes we would discuss technical issues like how to proceed with production technologies or how to make use of personal contacts outside the company. It was at those times that my experience in attending the production innovation activities I mentioned above came in handy. When it comes to technological development, it is important to be able to “act from the neck down,” which is to put an idea you have thought up into immediate action, because that gives you the chance of serendipity – making some lucky discovery. I explained that you need to think flexibly to accomplish this and discussed the technical issues DNP was facing. Having said that, since my specialty is so different from DNP, I looked over academic journals from Japan and overseas and a bunch of technical and business materials so that they would take me seriously. These kinds of things became the driving force that kept me running and were the basis for my comments at Board of Directors meetings.

I think the role of an outside director is to communicate objective opinions from an outside perspective to top management when they are making management decisions. How did you find the Board of Directors meetings at DNP?

In 2002, when I first served as an outside director of DNP, there were 35 directors. Around this time, the DNP Group Vision for the 21st Century had been announced the previous year, and the whole company was making concerted efforts to make that vision a reality. The fact that an engineering researcher like myself was able to freely communicate my views to the Board of Directors as one of the people responsible for steering the management of the company is testament to the broad-minded corporate culture that has formed at DNP.

The DNP Board of Directors made efforts to slim down and improve efficiency, such as introducing an executive officer system (2005) and increasing the number of outside directors (2014 onwards), and in June 2020 there were 10 directors on the board (of whom where internal directors, and 4 of whom where outside directors). Under this structure, I was able to engage in free and open discussion, but I felt even more nervous. At the time, the Board of Directors would decide on between 20 and 30 agenda items in advance, and remote meeting systems can now be utilized. In this way, a lot of progress has been made with the environment enabling outside officers to discuss management strategy at Board of Directors meetings. Since 2015 when the Corporate Governance Code was adopted, I was appointed to chair the Advisory Committee made up of outside officers, and in that capacity I delivered recommendations to the Company on matters such as the constituent members of the Board of Directors. During my tenure, the environment has changed, including the composition of the DNP Board of Directors, but I feel that DNP’s corporate culture, which allows a “jack-of-all-trades” researcher such as myself to freely express ourselves, has not been lost, and is evolving in the direction of accepting diversity.

Please give some brief comments directed at the future of DNP.

For DNP to continue to deliver innovation as it aims for “Tomorrow’s Basic” through the P&B business, it is crucial that it does not become preoccupied with academic expertise or past successes. I have never been top of my class in school. Perhaps that is why I have been able to learn whatever I want outside my area of expertise, which pride being an issue, and how I have managed to avoid falling prey to blind spots in my thinking that hinder development. I think it is also preferable for company management to embrace wide-ranging dialogue instead of a know-it-all attitude, and this is also true for the roles fulfilled by outside directors on the Board of Directors. During my tenure on the board of DNP, I think I have been able to continue to speak freely while taking care not to be a “know-it-all.”

DNP has a corporate culture that respects diverse opinions and addresses adversity with sincerity. I believe that going forward, as long as the Board of Directors continues to challenge unknown possibilities without pretending to know everything, it can create “Tomorrow’s Basic.”

Thank you very much.