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Section

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Strengthening the business base

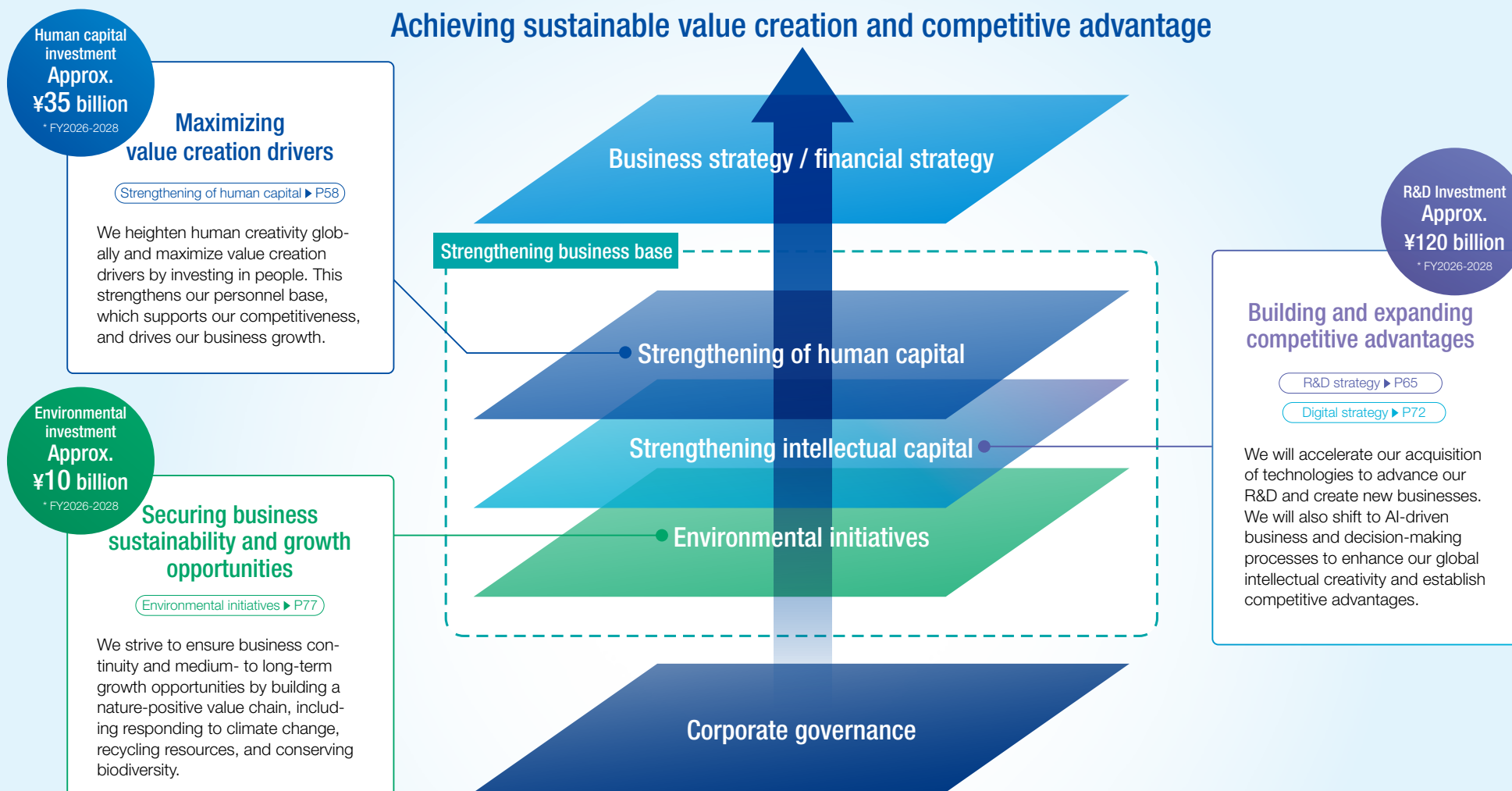
We explain our non-financial strategies, focusing on human capital, intellectual capital, and environmental initiatives, which serve as the business base that supports our sustainable growth and our value creation.



Business base for achieving sustainable value creation and competitive advantage

DNP strengthens its business base to enhance its ability to execute management strategies

DNP is strengthening its business base by coordinating and enhancing human capital, intellectual capital, and environmental initiatives to drive innovation. Furthermore, by linking this business base with its business and financial strategies, we will enhance business competitiveness and achieve sustainable value creation and competitive advantage.



Strengthening of Human Capital

Message from the Director in Charge



Kenji Miya
Executive Vice President

Through a cumulative investment of 35 billion yen in human capital over three years, we aim to enhance “human creativity” globally and create a virtuous cycle of increased corporate value

DNP is creating new value from a long-term perspective with the aim of creating a sustainable, better society and well-being lives. Based on DNP's unique and advanced P&I (Printing & Information) technologies, we engage in TAIWA (dialogue) and cooperation with diverse partners, combining our strengths to address social problems, create new value, and realize our Third Corporate Founding. The foundation of these efforts, and the source of our competitiveness, is human capital, one of our most important management capitals. Based on our Human Capital Policy, we are engaging in systematic and ongoing measures to enhance our human capital. These efforts serve as a shared compass for our development, placement, and rewards.

The basic policy of our Group's human capital strategy is “to enhance ‘human creativity’ globally through investment in people and realize a virtuous cycle of improving corporate value.” We systematically structure issues from the core perspective of alignment with our management strategies, along with strengthening organizational capabilities and organizational development, maximizing employee experience, strengthening sustainable earning power, and alignment with our HR principles and philosophy. We define KPIs, assess and evaluate

our progress and results, and reflect our findings in future initiatives. Furthermore, we clarify the requirements of the talent we need to realize our management strategies and visualize them using a career and skill map. This is used for strategic talent deployment, optimal matching, and the acquisition and development of the talent needed to execute our business strategy. We will also increase our investment in holistic human capital development that combines both monetary and non-monetary measures such as promoting career autonomy, reskilling, creating systems that encourage taking on new challenges, and improving well-being.

Through these initiatives, our diverse people and organizations will realize their capabilities and continue to take on challenges, enhancing human creativity (added-value productivity) and contributing to the improvement of our corporate and financial value. We will also use our unique value-relevance analyses to quantitatively assess investment outcomes and further improve the effectiveness of initiatives.

DNP will continue to steadily operate a virtuous cycle of value creation, rooted in its investment in people, to further evolve as a true innovation company.

Human Capital Policy and human creativity



Strengthening of Human Capital

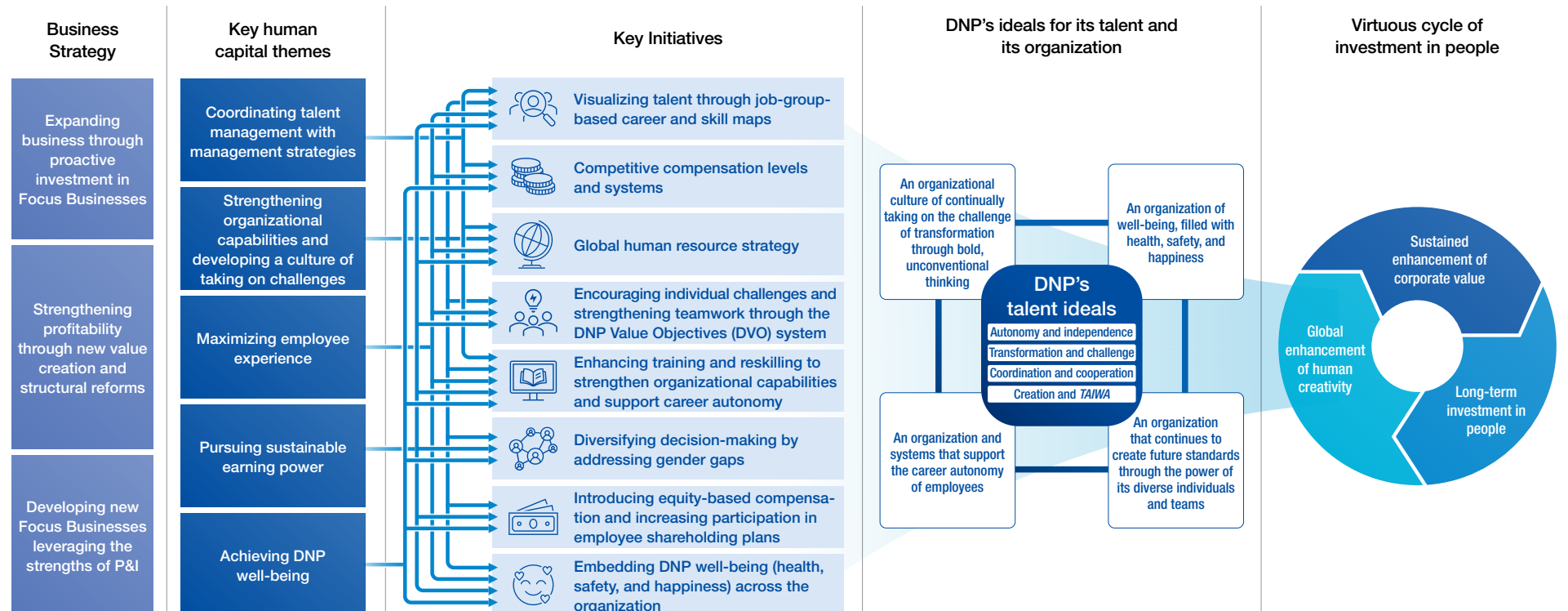
Human capital strategies that heighten human creativity

In heightening human creativity, DNP has defined its ideals for its human capital, centered on employees who are ambitious and proactively demonstrate their abilities, based on relationships of mutual trust. Each of our diverse employees autonomously charts their own career path and acts independently, deepening mutual understanding through dialogue and engaging in coordination and collaboration so that diverse values are incorporated into the organization. These elements are interconnected and build on one another, driving transformation through unconventional thinking unconstrained by traditional frameworks, fostering a culture of constantly taking on new challenges, and leading to the creation

of new value.

Through the synergy between our systems and culture which encourage individual growth and ambition, we will form a team and an organization that continuously create future standards. These initiatives will increase employee engagement and well-being and lead to the creation of value, further heightening human creativity (added-value productivity). DNP will use this chain reaction to establish a virtuous cycle and continuously enhance corporate value.

■ We aim to enhance “human creativity” globally and create a virtuous cycle of increased corporate value



Human capital
key initiative 1

Coordinating talent management with management strategies

DNP's career and skill map

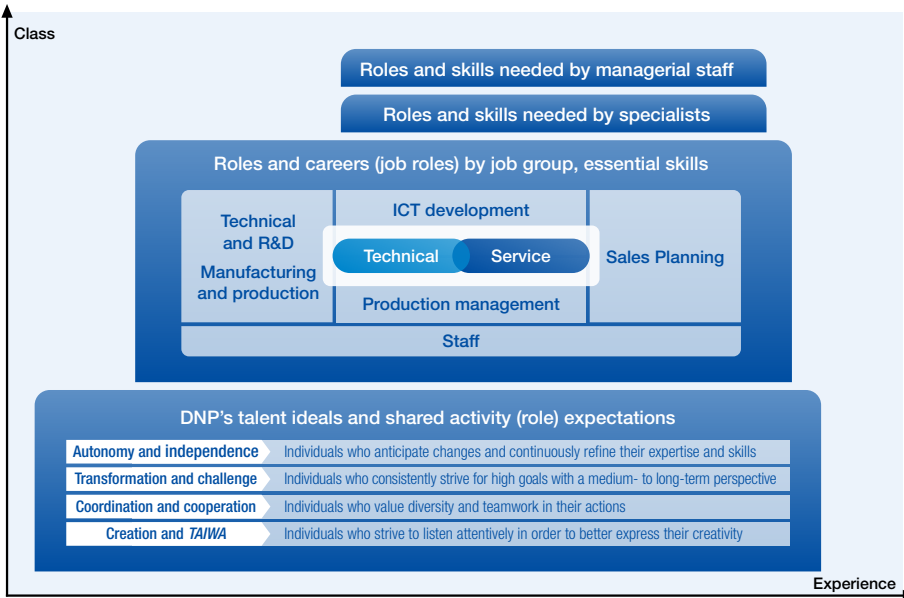
DNP places great emphasis on the unified promotion of business and talent strategies in order to achieve its Medium-Term Management Plan and its individual business strategies. The core of these efforts consists of DNP's career and skill map, and the promotion of autonomous career development using it. Based on DNP's talent ideals and shared activity (role) expectations, we systematically organize the skills that are essential to the realization of our business strategies, and we visualize talent shortages and surpluses with respect to the talent needed to realize individual business strategies.

We use this to strategically reassign and match talent, transition talent to different roles through reskilling, acquire the talent we need through hiring and personnel development, and coordinate our management and talent strategies while supporting self-directed career development.

Visualizing and developing DX talent

DNP categorizes DX talent using two grades: DX foundational talent, which encompasses all employees, and DX advanced talent, which leads our DX promotion efforts, in accordance with the Digital Skill Standards (DSS) established by the Ministry of Economy, Trade and Industry. We perform digital skill assessments of all of our employees. Based on the results of these assessments, we encourage DX foundational talent to voluntarily improve their skill levels through e-learning and the like. For candidates for DX advanced talent, we combine this with the operational skills, experience, and results data obtained through the career and skill maps, certifying them as DX advanced talent. Certified DX advanced talent are provided with not only specialized training, such as ICT and AI training, but also a practical, business-oriented training program which enables them to directly apply what they've learned to their work. By the end of fiscal 2026, we aim to recognize 1,800 employees as DX advanced talent. (As of the end of fiscal 2025, 1,645 employees had been certified.)

■ Overview of DNP's career and skill map



■ Visualization of DX talent skill levels

Levels	Overview	Talent definition	Visualization
Level 4	An individual who possesses a high level of skills related to DX and is capable of leading their work and developing junior personnel.	DX advanced talent	Operational skills, experience, and results + Participating in hands-on certification and qualification acquisition training + Assessment results
Level 3	An individual who possesses applied knowledge and skills related to DX and can independently make decisions and carry out their work		
Level 2	An individual who possesses fundamental knowledge and skills related to DX and can perform their tasks under the guidance of superiors	Candidates for DX advanced talent	Digital skill assessment
Level 1	An individual who possesses the minimum required knowledge regarding DX and can carry out their tasks while seeking guidance from superiors	DX foundational talent	
Level 0	An individual who does not possess the minimum required knowledge related to DX	Raising the baseline	Operational skills Experience and results

Strengthening of Human Capital

Related initiatives (initiatives for strengthening human capital) [\[Link\]](#)

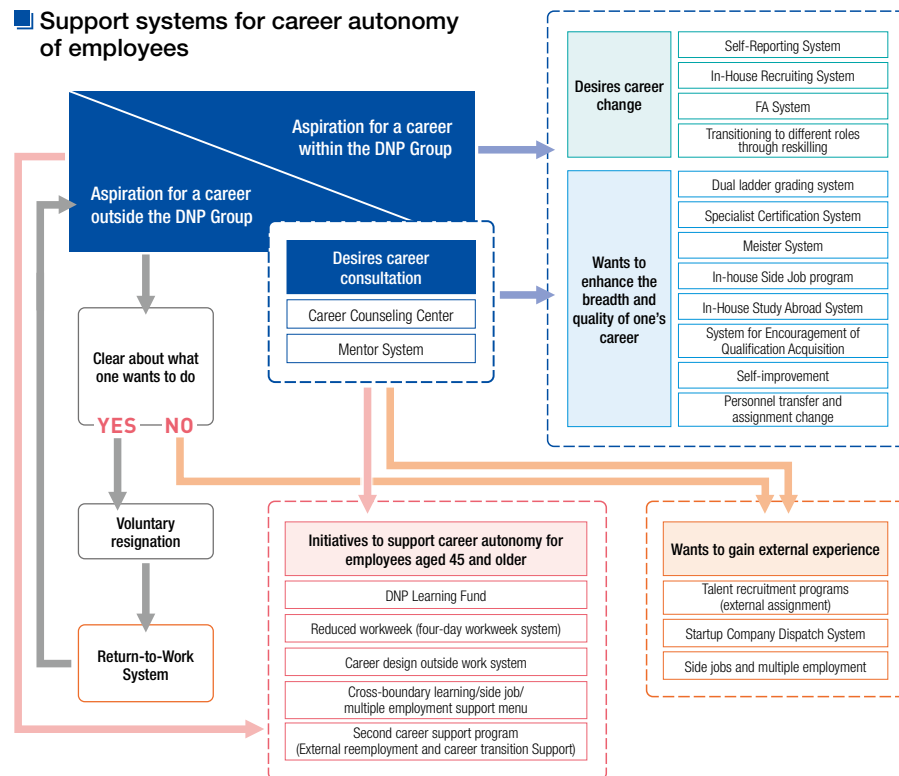
Human capital key initiative 2

Development of career autonomy and our organization to promote growth and taking on new challenges

Support systems for career autonomy of employees

DNP uses a dual ladder grading system that enables the autonomous selection of management (managerial roles) or specialist (professional roles). Based on this system, we have created an environment in which each and every employee can autonomously plan and realize their own career path. In addition to enriching training and reskilling, we perform internal recruitment, operate an internal FA system, and provide numerous opportunities for outside work, side jobs, and multiple employment, promoting the development of talent that is effective both inside and outside the company. Through these initiatives, we heighten human creativity and enhance our corporate value.

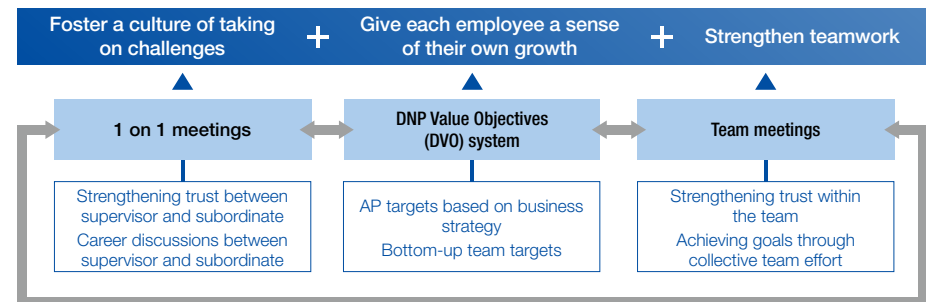
Support systems for career autonomy of employees



DNP Value Objectives (DVO) system

The DNP Value Objectives (DVO) system establishes objectives linked to business and organizational objectives, with teams and individuals working together as one to achieve them. In addition to performance objectives based on action programs, team objectives that heighten team capabilities, and growth objectives, there is also a DVO-based Challenge Declaration, and we visualize progress and processes as we implement various initiatives. Furthermore, we place great importance on TAIWA by incorporating the DVO system in 1 on 1 meetings and team meetings. This approach encourages growth and taking on new challenges and enhances the organization's value-creation capabilities.

Objectives and overview of the DVO system



DNP Well-being

"DNP well-being" refers to a positive state for both individuals and the organization in which they are filled with health, safety, and happiness; they take on new challenges based on their relationships of mutual trust; and they can fully leverage their capabilities. To establish this mentality throughout the Group, every year we conduct the DNP Well-being Awards to share and recognize exceptional field initiatives and outcomes. This helps foster a sense of challenge and improve our organizational capabilities.



DNP well-being

Human capital
key initiative 3

Promotion of D&I that leverages diverse individuality and maximization of team strengths

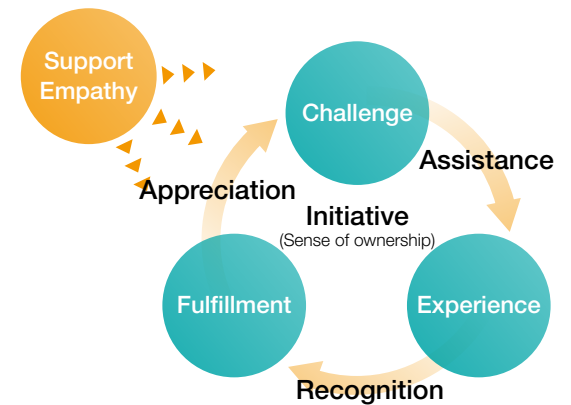
Strengthening Human Capital through D&I

To sustainably enhance its corporate value, the DNP Group has positioned investment in human capital as a key part of its business foundation. At the heart of this investment is the enhancement of human creativity, and an essential part of that is diversity & inclusion (D&I) that leverages the diverse individuality and experiences of employees. We do not think of D&I as initiatives aimed at select people, but instead as initiatives that heighten our organization's decision-making abilities and ability to respond to change, improving our long-term competitiveness.

Our medium-term vision for diversity management: establishing an Inclusion Loop

DNP has promoted D&I based on the Inclusion Loop and eight different perspectives [🔗](#) with the aim of being an organization where inclusion becomes the norm. We have clearly defined this as our ideal state for fiscal 2026 through fiscal 2028. A central part of our medium-term vision is to turn the application of the Inclusion Loop, which harnesses diverse individuality to strengthen teamwork, into a part of everyday operations. By creating these interconnected loops in each workplace, we demonstrate the collective power of All DNP and create sustainable value.

■ Illustration of the Inclusion Loop



Eliminating the gender gap and building a pipeline for the women's advancement

D&I

Eliminating the gender gap is an important management issue for creating an organization in which everyone can thrive. We recognize that one of the factors that have limited the diversity of our decision-makers is that in our process of promoting personnel to managerial positions, there has been structural bias in our decision-making and in our provision of developmental opportunities that leads to growth and promotion.

Against this backdrop, starting with women, for whom opportunity disparities are currently relatively pronounced, we are building a pipeline that will broaden the diversity of our decision-makers. To achieve this, we are advancing two efforts in tandem: providing development and experience-building opportunities for women, and encouraging greater understanding and behavioral change among managers and other decision-makers to foster an organizational culture in which the Inclusion Loop functions effectively.

Diversity Week, an initiative that seeks to transform the behavior of employees

D&I

To establish D&I as part of our organizational culture, it is vital that we change mindsets and behavior of all of our employees. Because of this, since fiscal 2020 we have conducted an annual Diversity Week. Through our past activities, it has become clear that one issue is internalization, seeing D&I as something related to one's own workplace and one's own day-to-day operations. That's why in fiscal 2025 we formed a project team made up of members from different divisions, with different positions and workplace environments, to plan and implement initiatives that reflect diverse perspectives. Through these activities, we are promoting changes in mindset and behavior, tackling organizational issues, and fostering our corporate culture.



Enhancing organizational capabilities by enriching practical, business-oriented training programs

Teamwork

We launched a practical training program aimed at achieving business objectives in fiscal 2024 as part of our efforts to develop personnel with advanced expertise. With this training, we aim not only to improve individual skills but also to strengthen teamwork by generating tangible results in each organization and business site, and we continue to expand the program accordingly.

In fiscal 2025, this training included training on improving our profit structure through cost data analysis, developing sales and proposal strengths bolstered by the use of data, and data-driven operational design. Members of various divisions, such as sales and manufacturing divisions, take part in the training program and achieve business objectives such as improving operational efficiency and cutting costs through data analysis.

Strengthening of Human Capital

Human capital key initiative 4

Strengthening human capital management on a global level

Challenges

The DNP Group does business in countries and regions around the globe, and the scale of this business is growing year-by-year. In the past, overseas local subsidiaries prepared and implemented their own human resource initiatives based on business strategies. However, as the number of sites has risen and business systems have grown more complex, know-how and information regarding them has become scattered. Overall global conditions are no longer sufficiently understood, and comparisons between sites have become lacking. This situation also makes it difficult to see the human capital risks and opportunities that could have an impact on the implementation of management strategies.

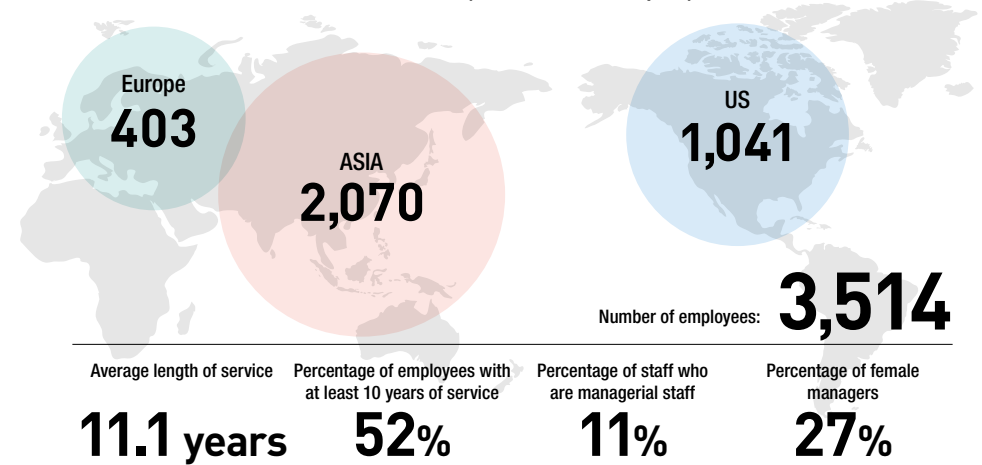
Initiatives so far

Based on these issues, we established a dedicated department within the Personnel & Employee Relations Division at headquarters to plan and promote global human resource and labor initiatives. We formulated a three-year implementation plan covering fiscal 2023 through fiscal 2025 and promoted the widespread implementation and shared understanding of the plan through TAI/WA with local subsidiaries. Furthermore, based on this plan, we carried out initiatives aimed at visualizing human capital information and assessing key positions and key talent.

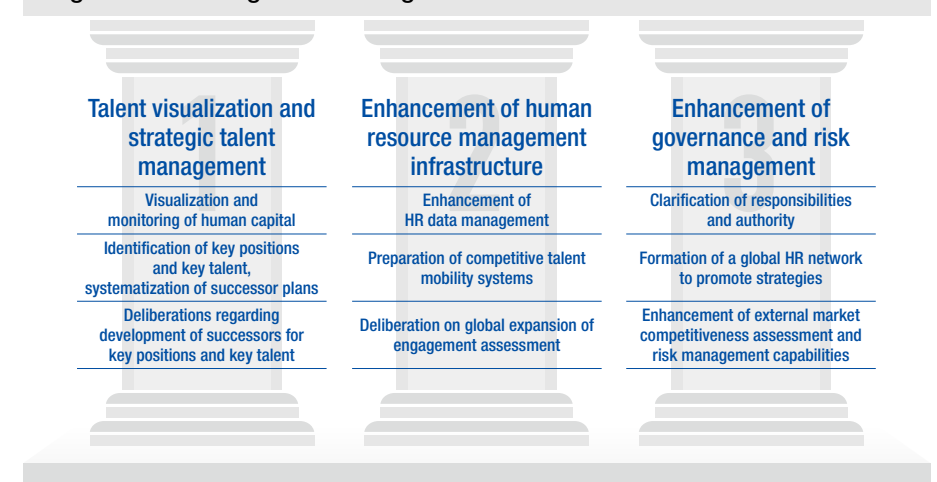
Future direction

Over the next three-year period, starting with fiscal 2026, we will compare and evaluate talent and organization conditions in each site using a cross-company approach, based on the platform we have developed for visualizing human capital information, and we will determine actual conditions. We have already begun using the platform in some areas (see figure on the right). Specifically, we will organize information regarding the sufficiency of key positions, successor preparations, the competitiveness of our compensation, attrition risk, and the like. We will rapidly detect risks and consider measures for addressing them. Along with this, we will create stronger networks and coordination between the Japanese head office, individual sites, and global HR. By sharing status and information about individual sites, we will flesh out our initiatives. We will utilize external benchmarks and specialized knowledge to continuously review and revise our strategies, initiatives, and KPIs, and we will seek to refine our global talent management.

■ Overview of talent in overseas sites (sites outside Japan) * Excluding some Group companies.



■ Three pillars supporting the promotion of global human resource strategy aligned with management strategies





Strengthening of Human Capital

Further strengthening human capital

The DNP Group has positioned its people as its most important management capital. We have invested in our people and supported their growth through measures such as promoting diversity and rebuilding our human resource systems. In fiscal 2022, we established our Human Capital Policy, and led by this policy we have worked to draw out the strengths of all of our employees and foster a culture that encourages taking on new challenges.

We will continue to build on this foundation and further strengthen coordination between our management and talent strategies. We will use our career and skill maps to visualize our talent and place them optimally, while also hiring and developing the talent we need through reskilling and recruitment improvements. We will also combine the strengths of our talents' diverse individuality, using collaboration across the organization to elevate our ability to create new value as All DNP.

Through initiatives such as these, we will accelerate the evolution of our people and our organization, powerfully promoting the creation of new value and using it to realize our Third Corporate Founding and the continuous enhancement of corporate value.

The DNP Group's human capital initiatives

Strengthening human capital Enhancing human creativity

2026

Formulation of the Human Capital Policy

DNP Group Health Declaration

Formulation of the DNP Group Human Rights Policy

DNP Group Diversity Declaration

Establishment of the DNP Group Health and Safety Charter

2020

Strengthening our human capital, initiative by initiative

D&I initiatives	Career autonomy and development initiatives	Hiring, evaluation, and compensation initiatives
D&I Priority Issue Design Program	Formulation of job group-based career and skill maps	Stock compensation system for employees
Practical Leadership Program	Initiatives to support career autonomy for mid-career and senior employees	DNP version of a more job-oriented compensation system
Sponsorship Program	Creation of career autonomy support payment system	DVO system and evaluation system
Unconscious Bias Training	Dual ladder grading system	Extension of mandatory retirement age (flexible retirement system)
Diversity Week	Expert system	Defined contribution (DC) pension system
100% Paternity Leave Uptake Declaration	Career Design Week	DNP Awards and DNP Well-being Awards
Establishment of special-purpose subsidiary for people with disabilities	Career design training	Highly skilled professional hiring system
D&I promotion leadership training	Reskilling initiatives	Return-to-Work System
Next-generation Female Leadership Development Training	ICT professional system	Improvement of compensation for junior personnel
Mentor Development Training	Expansion of initiatives for supporting career autonomy	
	ELM training (Developing next-generation business leaders)	

MESSAGE



Building an Organization Where New Challenges Create Value

We combine our strengths, which we have developed in a wide range of business areas, to keep on creating new value for society and consumers. The driving force behind this is each employee's willingness to take on new challenges. We use an integrated approach to implementing our business and talent strategies, and we refine our systems and corporate culture to encourage employees to take on new challenges. Through these efforts, we heighten human creativity and contribute to the sustainable enhancement of our corporate value.

Takuya Goto, Senior Corporate Officer

Combining Diverse Strengths to Pave the Way to the Future

We provide career development support and reskilling to enable our employees to grow and take on challenges. We also work to build an inclusive organizational culture.

By combining the diverse experiences and skills of individuals and engaging in cross-organizational collaboration, we will create new value and contribute to the sustainable enhancement of our corporate value.

Minako Miyama, Managing Director



R&D Strategy

Message from the Director in Charge



Osamu Nakamura
Senior Managing Director

By combining our core strength in printing technology with other strong technologies, we aim to create new value and achieve sustainable growth

In recent years, as changes in the environment, society, and economy have grown even more complex, companies need to constantly create value by leveraging their respective strengths. To meet these needs, DNP creates diverse products and services based on its printing technology and gives tremendous reach to the value that people demand.

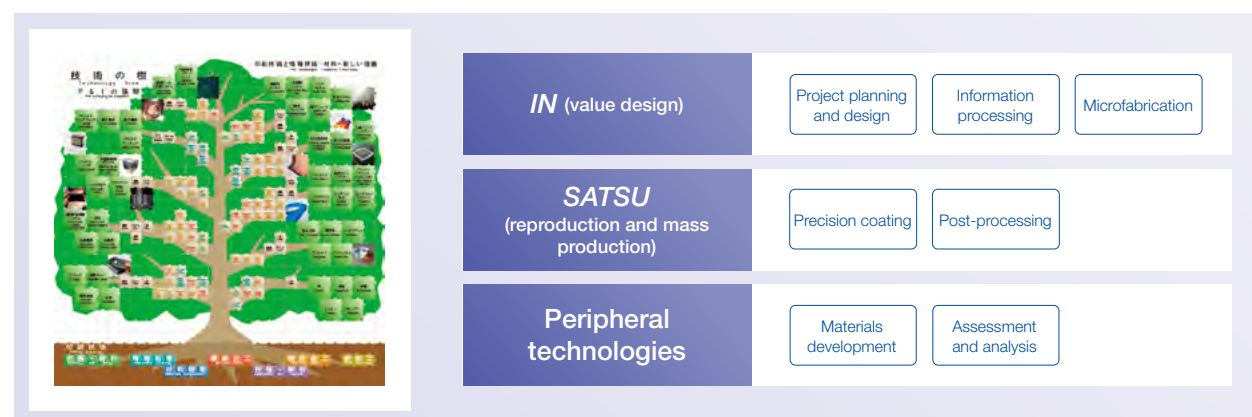
DNP's strengths lie in *INSATSU*, which goes beyond the bounds of what is encompassed by the English word "printing." We continue to evolve this *INSATSU* as a technology that creates new value by providing the surfaces of materials, such as paper, film, or metal, with diverse functions and information. We see this technology as the combination of the Japanese characters *IN* (which to us represents value design) and *SATSU* (which to us represents reproduction and mass production). *IN* is the technical field in which we design value through activities such as planning, design, information processing, and microfabrication, while *SATSU* is the technical field in which we reproduce and mass produce this value, with a high level of precision, through activities such as precision coating and post-processing. These are supported by

peripheral technologies such as materials development as well as assessment and analysis.

These core technologies are used on their own, and also mutually linked, like the roots, trunks, branches, and leaves of a "technology tree," to eventually produce the "fruit" of new value. In the 150 years since our foundation, we have expanded from printing on paper to diverse business areas including Industrial High-Performance Materials, Medical & Healthcare, Semiconductors, Digital Interfaces, and Mobility. This concept of fusing technologies and continuously transforming them into new markets and customer value is the "P&I Innovations" set forth in our Business Vision.

We will drive the further evolution of the *IN* and *SATSU* we have nurtured through the years. At the same time, we will acquire new state-of-the-art technologies, such as AI, and new core technologies with an eye to the future. We will combine and polish them into technologies that differentiate us and that our competitors will find it hard to keep up with. Leveraging this technology base, we will gain a competitive advantage through co-creation with our customers and partners, creating new value and new growth.

■ "Tree of Technology" and DNP's basic technologies



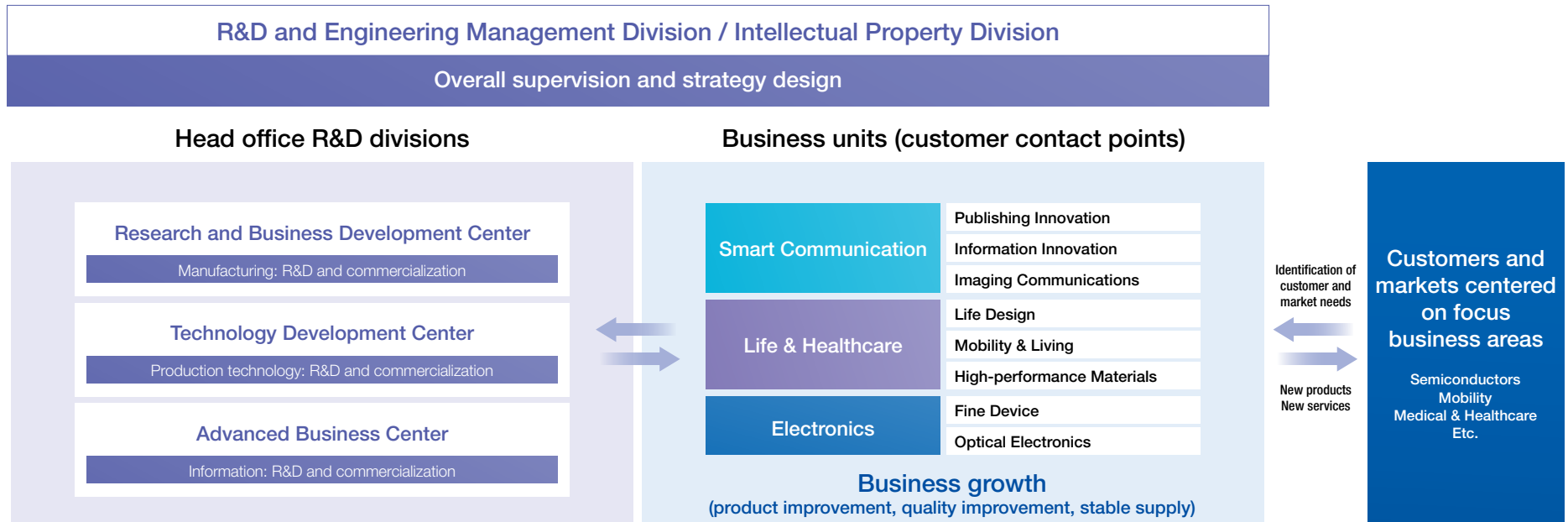
R&D Strategy

Robust R&D framework

DNP's R&D fundamentally begins with its business units, which are its points of contact with customers. Our business units identify issues and needs directly from customers and markets, and they begin creating value by connecting them with our R&D divisions, which are head office organizations. Our R&D divisions explore and create technologies. They are responsible for taking technologies from 0 to 10 so that they can be commercialized. Those technologies are then transferred to our business units, which take them from 10 to 100, growing our business. Through company-wide strategy design and topic selection, we advance the entire process from R&D to commercialization as an integrated whole.

To support this framework, in fiscal 2025 we invested 42.2 billion yen in R&D. Over the course of the next three years, starting in fiscal 2026, we will continue to invest a cumulative total of around 120 billion yen. By concentrating our management resources in focus business areas, we will advance our basic technologies, which are the wellspring of the competitive power that will support our future growth. We will use our framework, which connects the identification of issues through an approach to R&D and business growth that all begins with the customer, together with strategic investment to steadily convert the achievements of our R&D into business value.

We feed insights into customer and market challenges and needs, gathered directly by our business divisions, into R&D and drive an integrated process from technology development through commercialization.



R&D Strategy

Global expansion of our core technologies

As the globalization of pioneering R&D, talented people, and key customers and partners accelerates, DNP is further expanding its global R&D activities. We are also focusing on the creation of overseas R&D sites. We opened a new R&D site in the Netherlands in 2025 and one in India in 2026. These sites work closely with universities and research institutions. Through open innovation, we combine research platforms and talent in each region with DNP's basic technologies to handle the entire process from R&D to real-world deployment using an integrated approach. Our Indian site was established on the campus of the Indian

Institute of Technology Hyderabad. Here, we are conducting joint research in the mobility and medical & healthcare fields. With our R&D work that spans our sites in Japan, the Netherlands, and India, we are combining global insights and technologies to accelerate value creation and take it to the next level. Also, by carrying out global R&D linked to focus business areas, we are helping create new businesses that will serve as the foundation for sustainable growth.

We will globalize our R&D capabilities to address the evolving needs of global markets and customers. By collaborating through open innovation with local research institutions and universities, we will accelerate advanced technology development and create new businesses in growing markets.

R&D site in the Netherlands

- Next-generation semiconductor research
- Acquisition of state-of-the-art technologies and networks



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R&D site in India

- Research in the mobility and Medical & Healthcare fields
- R&D aimed at new business creation in growth markets



© Indian Institute of Technology Hyderabad



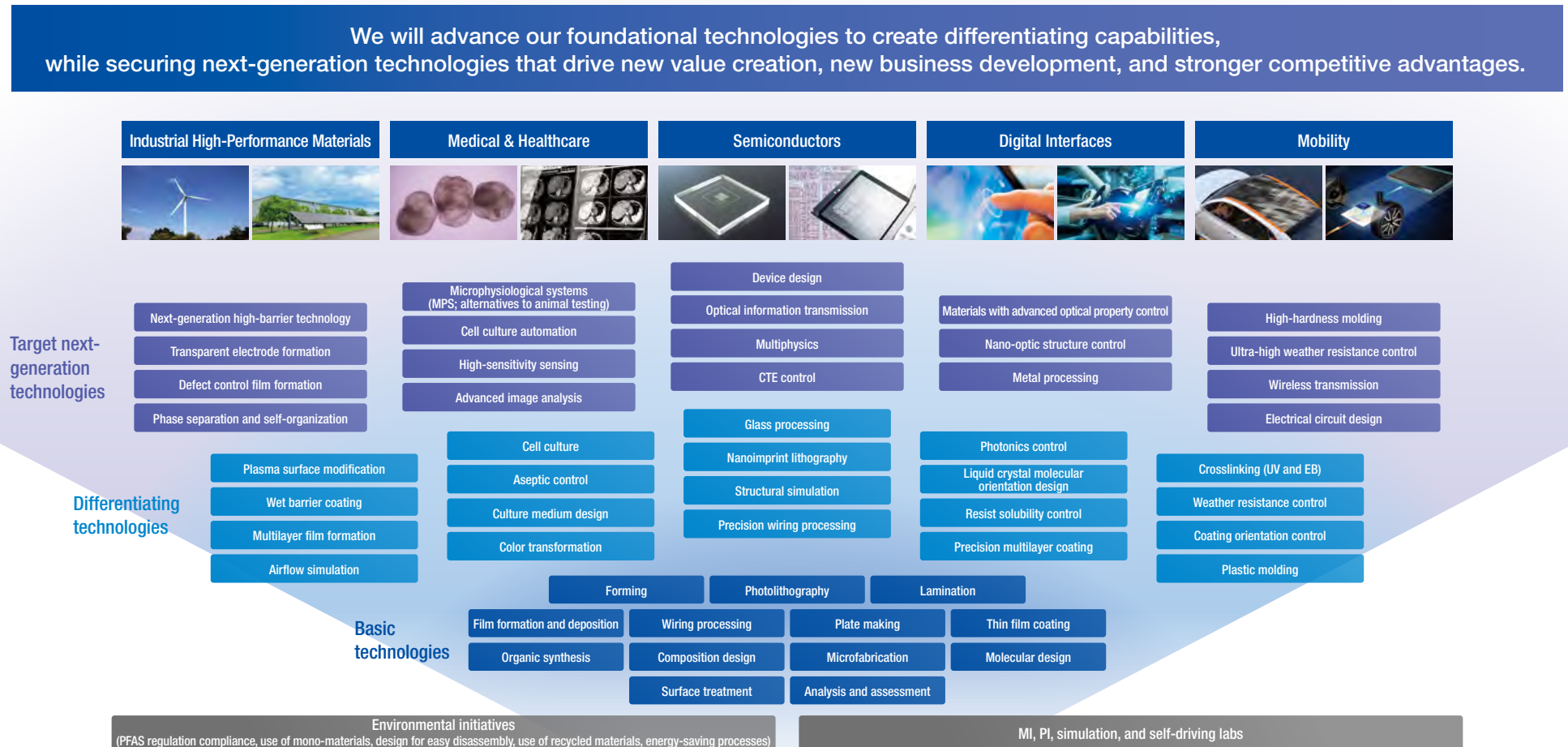
R&D Strategy

Technology development focused on printing

DNP has expanded into diverse business areas by applying and developing its printing technology, which it sees as the combination of *IN* (value design) and *SATSU* (reproduction and mass production). We further refine and deepen this technology to create technologies that differentiate us and that our competitors will find it hard to keep up with. Furthermore, in addition to refining our existing technologies, we also combine our strengths in areas such as material design, process development, and assessment and analysis to acquire new core technologies.

The technologies we create in this way are developed into new value by fusing them

with expertise and technologies from both inside and outside the company. While leveraging collaboration facilities such as the P&I LAB. and FIO Lab, we promote open innovation with client companies and partners and focus on the acquisition of next-generation technologies. Through the enhancement of our basic technologies and our creation of differentiated technologies, we are increasing our competitiveness in Focus Businesses such as Industrial High-Performance Materials, Medical & Healthcare, Semiconductors, Digital Interfaces, and Mobility. We engage in co-creation with diverse partners to accelerate the creation of new value and next-generation businesses.



R&D Strategy

High patent competitiveness

Strategic acquisition and use of intellectual property

DNP has positioned intellectual property as one of its important management assets that serve as the foundation of its sustainable growth and its ability to keep providing new value to people and society. In particular, for the products and services in which we have established a strong competitive advantage, we strategically and intensively acquire and develop patent portfolios that encompass both core technologies and peripheral technologies. This contributes significantly to our differentiation and greater profitability.

Furthermore, from the perspective of optimally allocating management resources, we focus our intellectual property resources on focus business areas where we anticipate growth. We intensively build our intellectual property rights network in fields where we enjoy a strong competitive advantage, further solidifying our market superiority.

DNP places great importance on incorporating its intellectual property strategy from the initial stages of business strategy formulation. This is done by business units, development divisions, and intellectual property divisions working together as one. Intellectual

property is not seen exclusively in terms of rights, but as a central element in our business model, creating new value over the long term. We create and leverage intellectual property tied to our business growth.

As the global expansion of our business accelerates, the intellectual property strategy we pursue overseas is also growing more important. We are strengthening our acquisition of intellectual property rights overseas and our framework for enforcing those rights locally. We are also actively pursuing optimal intellectual property investment aligned with the systems and business environments of individual countries and regions.

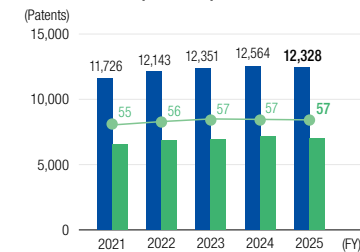
We constantly share information on our intellectual property policies and progress with management, strengthen our governance framework, and leverage this information in management decision-making. We will continue to enhance the coordination between our business units and our intellectual property divisions, steadily implementing our strategy and accelerating the expansion of our Focus Businesses.

In focus business areas, we strategically acquire intellectual property to build a robust portfolio and establish competitive advantage. Through collaboration among business, R&D, and IP divisions, we are advancing a global IP strategy while maintaining a strong domestic patent portfolio.

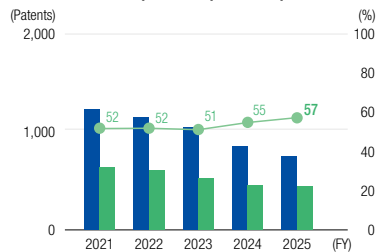
Strategic acquisition of intellectual property

1	Identifying intellectual property that supports products and services with top market shares	DNP sees intellectual property as a vital asset that is essential for value creation. Especially for products and services for which we have the top market share, either in Japan or overseas, our patent network of core and peripheral technologies is tremendously effective in expanding our business.
2	Selecting Focus Businesses and strategically acquiring intellectual property	We select Focus Businesses with high profitability and market growth potential, and we strategically build a more robust business portfolio. To accomplish this, we promote open innovation and we dedicate ourselves to the strategic acquisition of intellectual property in order to secure our own competitive advantage.
3	Creating value by implementing three strategies as one	We see the business, R&D, and intellectual property strategies of our Focus Businesses as a single, holistic strategy. We have created a business model that leverages intellectual property through our value creation process. We envision our long-term value creation story and enhance our coordination, both inside and outside the company.
4	Focusing resources and developing talent	We concentrate our resources, such as our intellectual property, in our Focus Businesses. We strive to develop talent well-versed in business, technology and R&D, and intellectual property, while also managing risk and fostering a culture of respect for the rights of others.
5	Strengthening governance and implementing strategy	We share our intellectual property-related policies and progress with members of management responsible for different areas, exercise governance, and use this information in our management decisions. At the same time, we further strengthen our coordination with individual business units and intellectual property divisions and accelerate the expansion of our Focus Businesses.

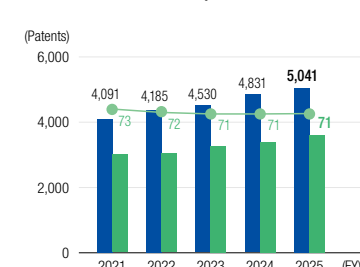
Number of Japanese patents held



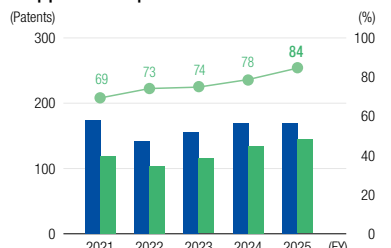
Number of Japanese patents published



Number of overseas patents held



Number of international patent applications published



■ Total ■ Focus business areas ● Percentage of patents related to Focus Businesses

R&D Strategy

High barriers to entry due to in-house development of production equipment

DNP is capable of handling everything from material design to production process and equipment development in-house, using an integrated approach. It is rare for a company to establish and operate a framework for performing production equipment design, fabrication, installation, and maintenance entirely on its own, and this is one of our major differentiating factors. We take an integrated approach from the R&D stage to production process and equipment development, creating optimized production systems that take into consideration not only product functions but also productivity and quality. We make the decision not to patent our unique know-how regarding matters such as production

processes and equipment design. Instead, we keep this know-how proprietary, creating high barriers to entry because this know-how is difficult for others to replicate. These initiatives support our high level of competitiveness and our ability to provide a stable supply of products for which we keep the world's top market shares, such as battery pouches for lithium-ion batteries, metal masks for organic light-emitting diode (OLED) displays, and optical films for displays. We will continue to work as a united whole to handle every process, from R&D to equipment development, and further strengthen our manufacturing platform, the source of our competitive advantage.

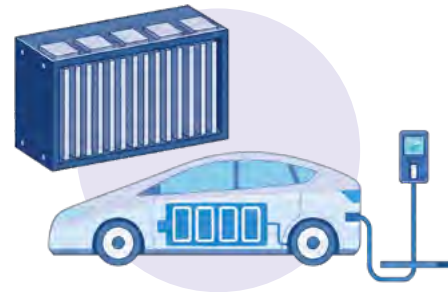
We design and develop manufacturing processes and production equipment in-house, covering the entire process from design to manufacturing, installation, and maintenance. We maintain our competitive advantage by protecting proprietary design know-how that maximizes productivity, quality, and equipment efficiency as trade secrets, rather than disclosing it through patents.

■ High barriers to entry due to integrated development, from material design to equipment development

Manufacturing platform supporting the competitiveness of our products that command the world's top market shares



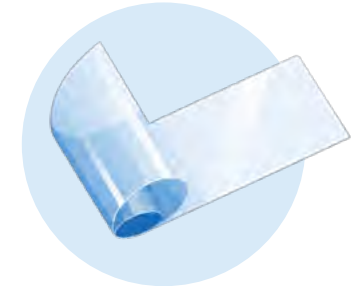
Dye-sublimation thermal transfer media for photo prints



Battery pouches for lithium-ion batteries

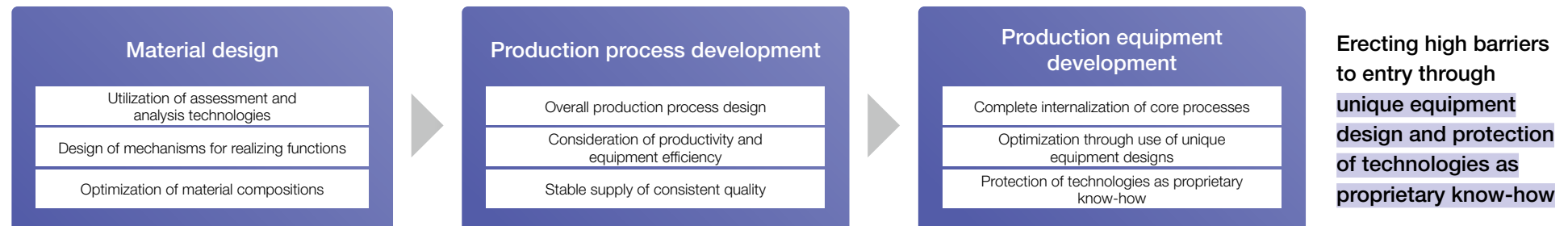


Metal masks for OLED displays



Optical films for displays*

* In the case of anti-reflection film and anti-glare film used on the surface of displays



R&D Strategy

New value created by R&D

DNP concentrates its R&D resources in focus business areas that support future growth, accelerating the creation and commercialization of technologies. Our R&D personnel play a pivotal role in this. We combine the technology base we have developed over our long history with state-of-the-art technologies. Each and every one of our employees takes on the challenges of creating new value that solves social issues and meets people's expectations.

Developing physical AI to connect human skills to the plants of the future

As labor shortages and the decline in the number of veteran technical personnel grow more severe, DNP is researching and developing physical AI that converts people's experience and expertise into data and passes it on to AI and robots. By training systems on the movements and operational know-how of veteran technical personnel, we are expanding their range of applications to include processes that were previously difficult to automate. We are fusing our unique mechanism technologies and state-of-the-art technologies such as AI and robotics to improve productivity and reduce energy consumption through initiatives such as developing compact, energy-saving robots that transport heavy goods. We handle everything in-house, from equipment development and verification to deployment at plants, rapidly supplying solutions that are optimized to address issues at production sites. In doing so, we aim to achieve sustainable manufacturing.



Hiroko Ozaki

Integrated Manufacturing Technology Laboratory
Technology Development Center



Building social infrastructure that supports the potential of the people of the future

As AI advances, semiconductor products are being called on to provide even greater processing power. To achieve this, DNP is developing glass core substrates for semiconductor packages. By using glass instead of conventional organic materials, we have achieved a high level of flatness and dimensional stability and are taking on the challenge of building a foundation for next-generation semiconductors with greater scale and higher performance. These development initiatives are important, as they contribute to the creation of the infrastructure that will support AI society. DNP's strengths lie in the fusion of diverse technologies, such as glass processing, microfabrication, and plating, that have been cultivated in the Electronics segment. Furthermore, people with experience in different businesses and technical fields bring their expertise together to create new value. The collective wisdom of DNP is giving shape to the technologies that will form the foundations of future society.



Taizo Hashimoto

Fine Package Business Development Center
Fine Device Operations



Digital Strategy

Message from the Director in Charge



Takahito Kanazawa
Managing Director

Accelerating business transformation through AX, building on DX Evolving into an AI-native company to drive sustainable value creation and competitive advantage

DNP is advancing AI transformation (AX) by building on the data, digital technologies, and operational foundation we have established through digital transformation (DX).

Guided by our business vision of “P&I Innovations,” we have combined the technologies and expertise cultivated over many years with digital technologies. This integration has transformed our customer touchpoints, products, services, manufacturing processes, and even our business models. We are now taking these efforts to the next level by harnessing data and AI to drive business transformation.

AI is evolving beyond generative AI to autonomous AI agents that can make decisions and take action, as well as physical AI that interacts with the real world. We view this evolution as an opportunity for growth and aim to enhance profitability and create new business opportunities by leveraging data and AI as the sources of competitive advantage.

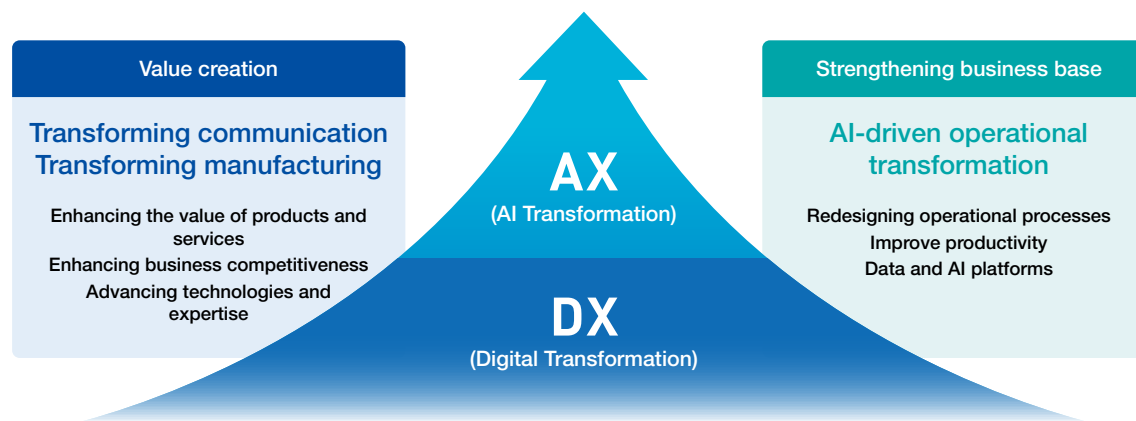
Led by our DX/AX promotion and governance organization, we are advancing AX through co-creation both within and outside the Company, with a dual focus on value creation and strengthening of our business base. We are aiming to evolve into an “AI-native company” that embeds AI throughout our businesses and operations to continuously create new value, thereby sustainably enhancing corporate value and helping address social issues.

Promotion structure



DX/AX policy

Evolving into an AI-native company



Selection for the
“DX Stocks 2026”

DNP was selected for inclusion in “DX Stocks 2026” by the Ministry of Economy, Trade and Industry; the Tokyo Stock Exchange; and the Innovation Platform Agency (IPA) in recognition of its frameworks for advancing DX that enhance corporate value and its outstanding track record in use of digital technologies.



Digital Strategy

Transforming communication and manufacturing through DX

Through DX, DNP has been transforming communication by enhancing customer touch-points and creating new value. At the same time, it has been transforming manufacturing processes across the entire lifecycle, from design and development to production. By combining digital technologies with core technologies such as information processing, microfabrication, and precision coating, which we have cultivated from our printing processes, we are expanding our business areas and creating new value.

Transforming communication through DX

Starting with its digitalization of typesetting in the 1970s, DNP has extended into digital media and the internet, subsequently into information processing services (IPS) and business process outsourcing (BPO), leveraging the expertise we had developed in information processing and data utilization.

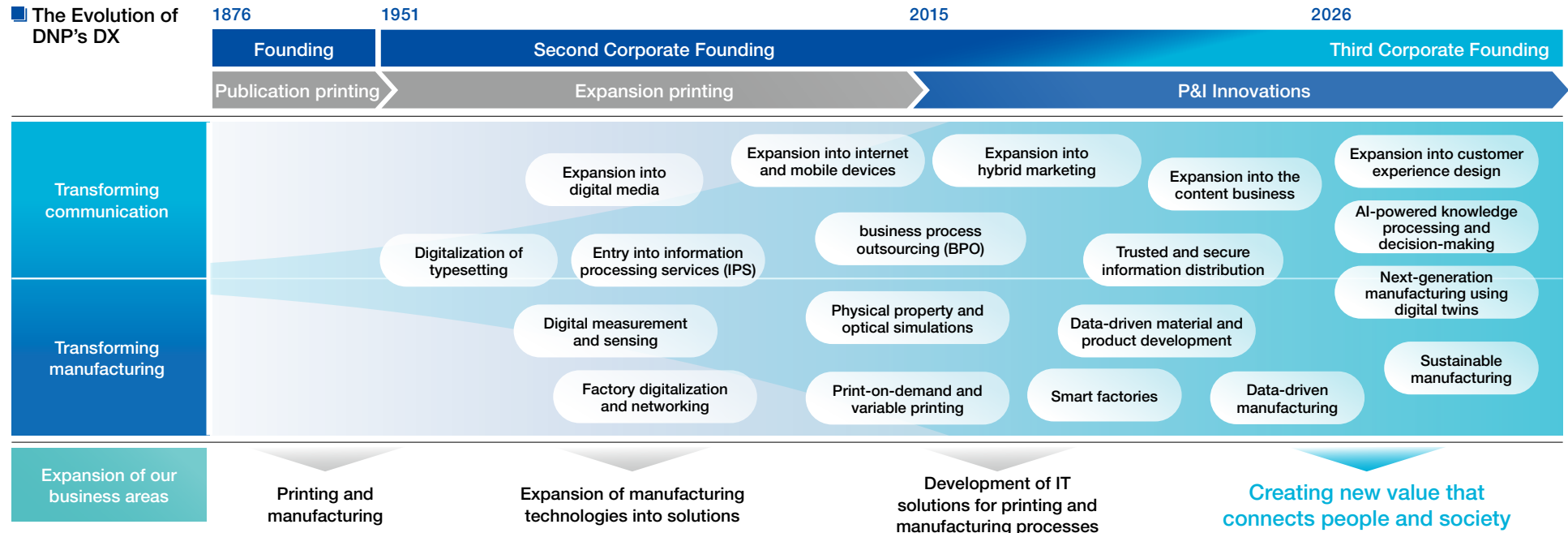
Through these DX initiatives, we have evolved from providing information primarily through print to communicating information across a diverse range of media. By delivering information and services tailored to individual needs, we are enhancing customer touch-points and customer experiences.

Transforming manufacturing through DX

At our manufacturing sites, we have digitalized and networked equipment and processes and advanced the development of smart factories and improved both productivity and quality. Furthermore, in our design and development, we are combining core technologies such as microfabrication and precision coating with simulation and data analysis to develop new materials and products.

Through these DX initiatives, we have advanced processes spanning design and development through to production, while applying the technologies originally developed through our work with paper to areas such as high-performance films and electronic components, leading to the creation of new products and businesses.

Through DX, we have transformed both communication and manufacturing while steadily building our data, digital technologies, and operational foundation. These assets now provide the foundation for our ongoing AX initiatives.



Digital Strategy

Creating value through AX, building on DX

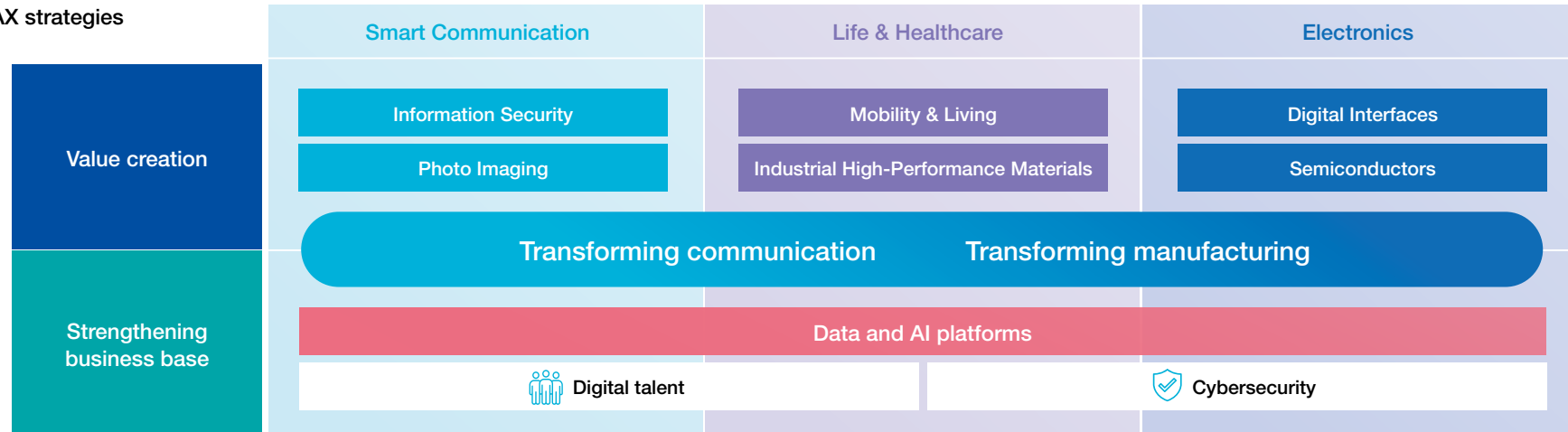
DNP is harnessing AX to further advance the transformation of communication and manufacturing.

Transforming communication: By leveraging AI at customer touchpoints to deliver information and services tailored to individual needs, we are creating higher-quality customer experiences.

Transforming manufacturing: By leveraging AI in the design, development, and manufacturing processes and facilitating the transfer of experienced personnel's knowledge and expertise, we are improving quality and productivity.

In this way, we aim to create new value and achieve a sustainable competitive advantage by advancing AX tailored to the characteristics and strengths of each business.

DX/AX strategies



Examples of initiatives

Transforming communication

Shifting the Photo Imaging business toward experience-based value creation

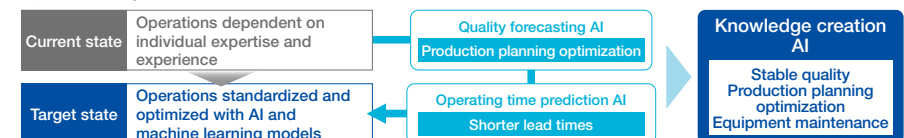
In our Imaging Communication business, we are redefining the value of photographs from simply "taking photos" to "experiencing photography" and shifting to a business model focused on providing experiential value. Based on our capabilities in IP utilization and photography know-how we developed in our publishing and printing business, we are combining photography experience design and optimization using AI with our platform for selling photo-related products and photo data. In this way, we are creating a unified model that encompasses everything from participating to photographing, sharing, and purchasing. We not only create memorable experiences around users' precious moments but also preserve them as photo merchandise and photo data, creating experiential value that lives on in both memory and record. We also help business operators enhance the value of their venues by encouraging visitors to explore more widely and expanding purchasing opportunities. We are expanding these services in Japan and overseas, contributing to increased sales of related merchandise and event support services.



Transforming manufacturing

Advancing manufacturing processes and transferring domain knowledge

In the past, setting manufacturing conditions and developing manufacturing plans were highly dependent on the intuition and experience of experienced personnel. However, we have AI developed in-house that takes these processes to a higher level. We have leveraged our accumulated on-site expertise to automate the calculation of processing conditions and the forecasting of processing times. Through this, we have optimized manufacturing planning and shortened lead times, reducing personnel-dependent operations and engineering work by more than 50%. We are also using generative AI to convert tacit knowledge into explicit knowledge.



Digital Strategy

Strengthening business base for the evolution to AX

Centered on our data and AI platforms, we are strengthening our talent and organizational capabilities, cybersecurity, and governance in an integrated manner. Through this, we are building an environment in which AI can be used safely and effectively, providing a foundation for AX across the DNP Group.

Data and AI platforms

DNP views its “knowledge circulation model”—in which data and knowledge accumulated across diverse business domains are circulated and used by people and AI to create new value—as an important business base that supports business transformation.

To realize this knowledge circulation model, we have built on our existing data management platform to promote data democratization. We have created an environment in which all employees can use generative AI safely and securely and fostered a corporate culture in which each individual takes the initiative in putting DX and AX into practice. Furthermore, we transform the data and knowledge into a form that can be used by AI and allow people and AI to generate new insights. We also continuously store and circulate the results of these efforts as knowledge within the organization, enhancing our competitive advantage.

In addition, we have established a multi-AI platform that combines the most appropriate AI models for different applications and business needs. We are actively utilizing specialized AI agents for expert tasks such as R&D, quality analysis, and patent research.

Going forward, we will proactively build up and manage our intellectual assets, and

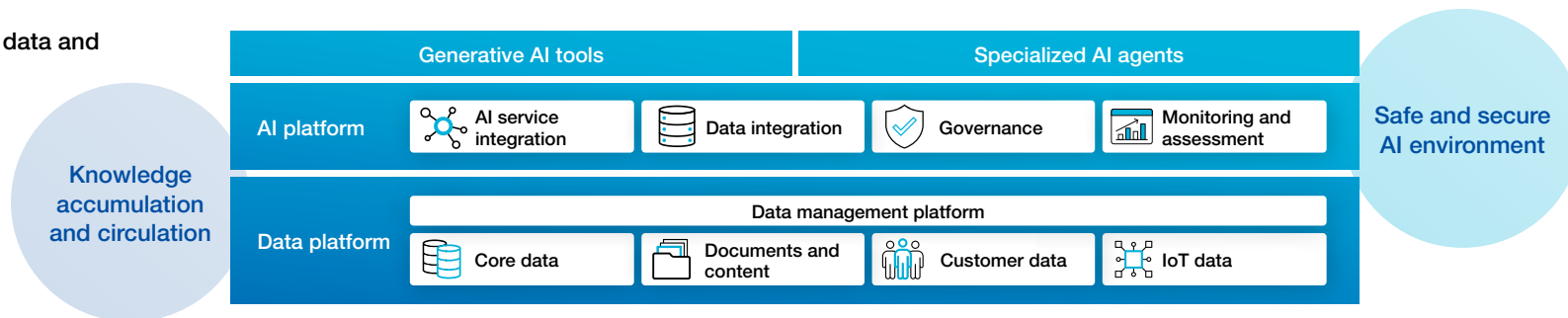
improve their reusability through continuous knowledge circulation, driving sustainable innovation and enhancing corporate value.

Data and AI governance

DNP promotes data and AI governance in accordance with the DNP Group AI Ethics Policy and the AI Usage Guidelines. We have established a data environment that supports the effective use of AI, and we maintain and improve the quality of data and appropriately manage access rights. We have established a system of assessing risks in each stage of AI planning, development, usage, and operation, while continuously monitoring usage conditions, quality, and safety. Furthermore, we are continuously implementing training and awareness-raising initiatives to ensure that every employee is able to utilize AI appropriately.

Going forward, we will continue to strengthen our data and AI governance, ensuring compliance with laws and regulations, fairness, and privacy protection. We will also work to create a safe and secure environment in which people and AI can collaborate to create value.

Overview of data and AI platforms



Digital talent ▶ P60

To realize our DX and AX strategies, we are developing talent in line with the Digital Skill Standards established by the Ministry of Economy, Trade and Industry. We are also securing and empowering digital talent that supports business transformation by strategically assigning talent and reskilling to enable career transitions.

Cybersecurity ▶ P101

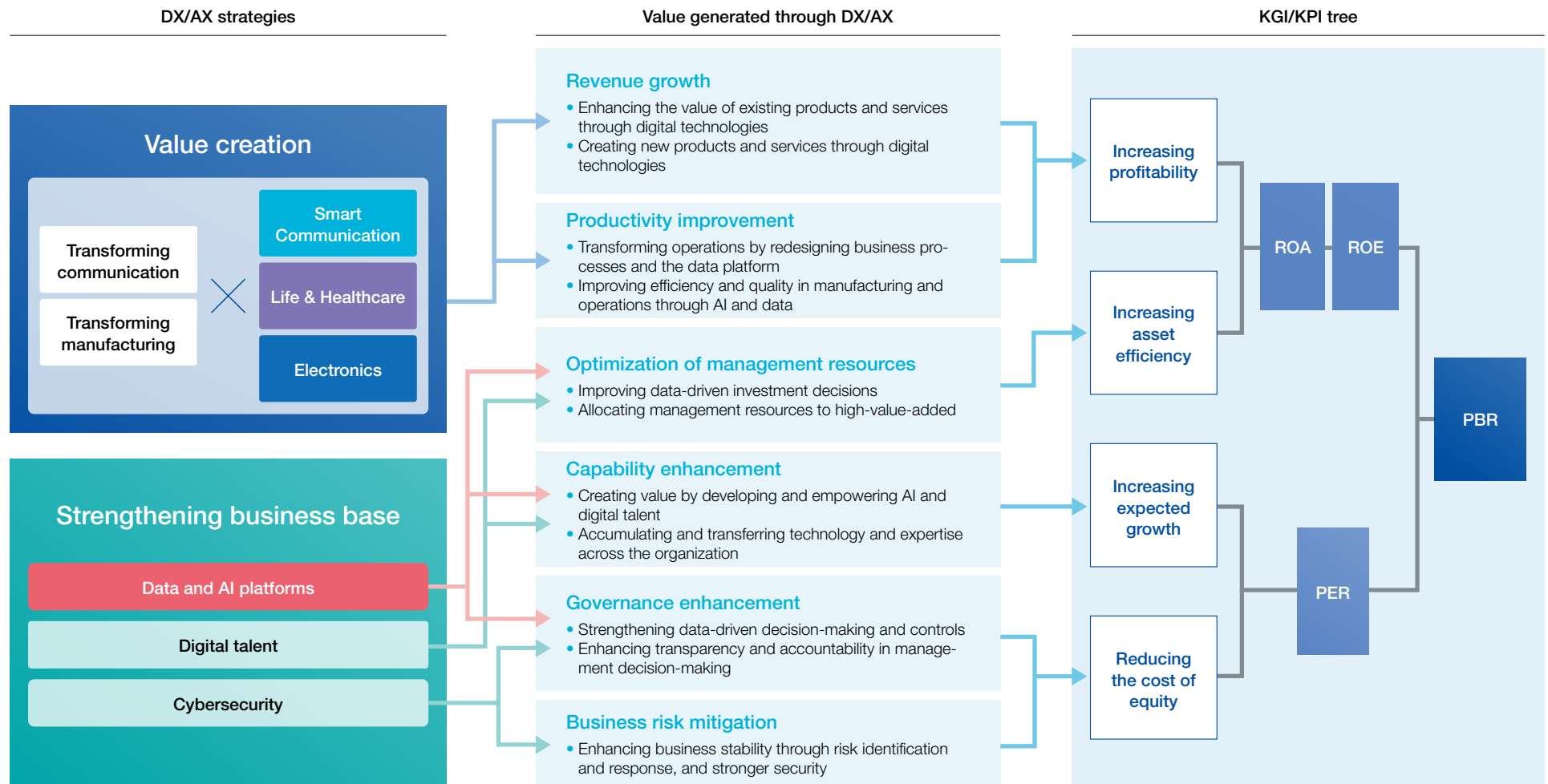
As AI advances, cyberattacks are growing more sophisticated. We recognize these evolving cyber threats as a key management issue, and we implement information security measures in line with international standards, including frameworks developed by the U.S. National Institute of Standards and Technology (NIST). We are also strengthening our risk assessment and countermeasures to support safe and secure business operation.

Digital Strategy

Linking DX/AX strategy to management metrics

To translate the outcomes of our DX and AX strategies into enhanced corporate value, we have set KPIs linked to PBR and ROE and manage them in an integrated manner alongside ROI, risk, and governance. This enables us to visualize the link between our DX and AX strategy and business performance, and continuously manage progress and results.

■ Linking DX/AX strategy to management metrics



Environmental Initiatives

Message from the Director in Charge

Advancing sustainable value creation to achieve nature-positive value chains

Environmental issues—such as climate change, resource limitations, and the loss of biodiversity—are becoming more severe. Amid this situation, we recognize that addressing environmental issues is not only about reducing risks; it is also a key management priority that can lead to new business opportunities and value creation.

In the DNP Group Environmental Vision 2050, we outlined our aim to realize a decarbonized society, a circular society, and a nature-positive society. We are seeking to enhance our medium- to long-term corporate value while balancing the reduction of negative environmental impacts with business growth.

In the previous fiscal year, to accelerate environmental initiatives across the supply chain, we revised our GHG emissions reduction targets, including Scope 3 emissions, and renewed our certification from the Science Based Targets initiative (SBTi) in April 2025. At the same time, we assessed that increasing water usage associated with business expansion requires more effective management tailored to actual operating conditions. Therefore, under the new Medium-Term Management Plan, we have designated 10 sites with high water usage for focused

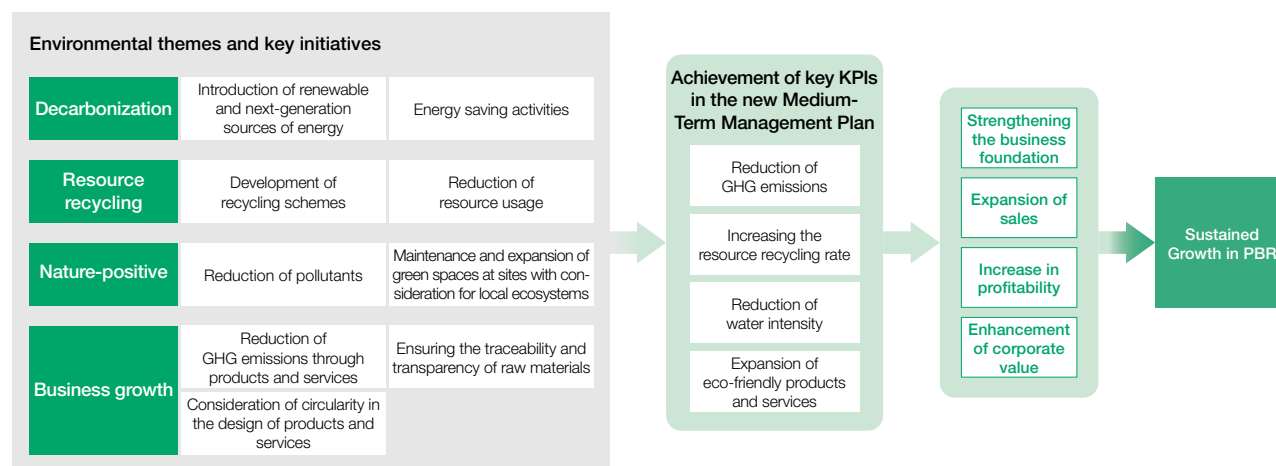
management. [▶ P81](#)

Under the new Medium-Term Management Plan starting this fiscal year, we will implement environmental investment at a scale of 10 billion yen over three years and further strengthen our response to environmental issues (figure below) based on specific KPIs [▶ P83](#). By integrating these initiatives with our business strategies, we aim to enhance corporate value through the achievement of nature-positive value chains and sustainable value creation.

Key indicators in the previous Medium-Term Management Plan	Targets (end of FY 2028)	Results (FY 2025)
GHG emissions (Scope 1 + Scope 2)	37.8% reduction vs. FY2019	32.3% reduction vs. FY2019
Resource recycling rate	Achieve 67.8%	65.9%
Water intensity	24.5% reduction vs. FY2019	11.6% reduction vs. FY2019
Ratio of total sales from eco-friendly products and services	Expand to 24.9%	18.3%

* Eco-friendly products and services are products and services certified based on DNP's "guidelines for developing eco-friendly products and services." Super Eco-Products are those that receive particularly high evaluations among them.

Value Creation Pathway



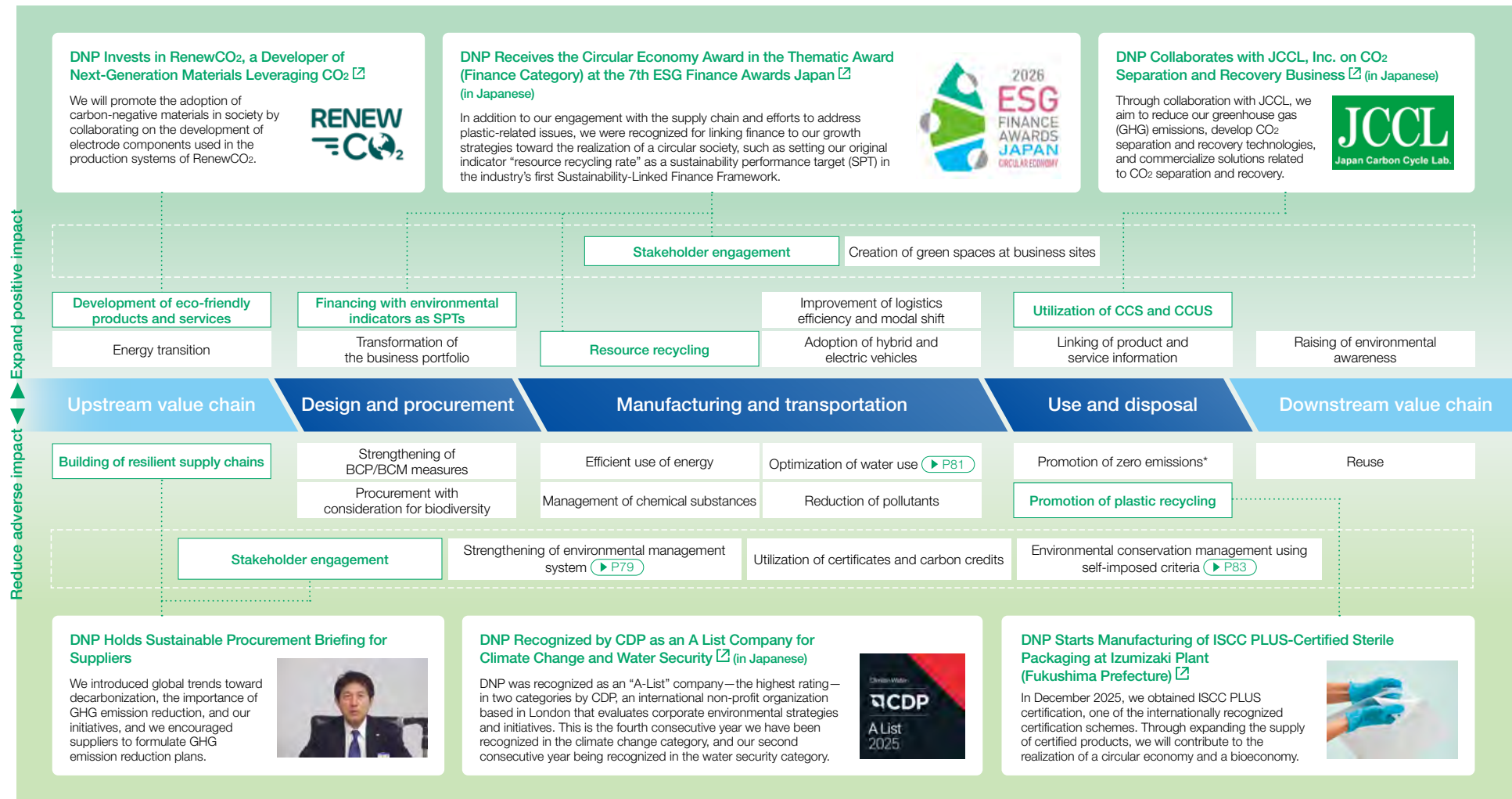
Hideto Sakata
Corporate Officer

Environmental Initiatives

[Environmental Management](#)

Advancing environmental strategies to achieve nature-positive value chains

DNP implements initiatives across the entire value chain, from upstream to downstream, to address environmental issues. In fiscal 2025, these efforts continued at various stages of the value chain (figure below). We will continue to enhance our initiatives based on our environmental strategies and promote nature-positive efforts at each stage of our value chain through our business activities.



Governance / Risk and Impact Management

Advancing environmental initiatives as a key management priority

DNP regards advancing environmental initiatives as one of our key management priorities. Toward the achievement of nature-positive value chains stated in our materiality, we are implementing integrated initiatives toward realizing the three societies: a decarbonized society, a circular society, and a nature-positive society.

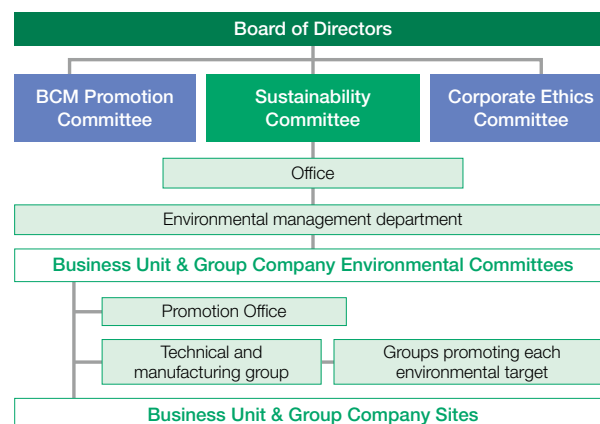
Chaired by the Representative Director and President, the Sustainability Committee manages medium- to long-term risks related to sustainability, including environmental risks, identifies business opportunities, and incorporates them into management strategies. The Committee holds at least four meetings each year, deliberating on and making decisions regarding future environmental initiatives and investments in light of progress toward medium-term targets and transition plans. The Board of Directors reviews and supervises policies, action plans, and other measures related to sustainability risks and opportunities, based on the Committee's reports and resolutions. The environmental strategies and policies decided by the Committee are implemented by the DNP Group as a whole, in coordination with the Business Unit & Group Company Environmental Committees (figure on right).

In the past, policies and standards—such as the environmental policy, environmental vision, and sustainable procurement guidelines—were formulated and revised after being deliberated and approved by the Sustainability Committee (including its former organization) with key issues being reported to the Board of Directors.

Management process for minimizing negative impacts and maximizing opportunities

DNP engages in integrated risk management to minimize the negative impacts arising from changes in external conditions and expand business opportunities.

Environmental, social, and economic risks and opportunities are reviewed, evaluated, and managed by the Sustainability Committee at least once a year. Particularly significant or high-priority risks are reflected in business strategies and plans after discussions by the Management Committee and the risks are addressed under the leadership of the designated management departments. For opportunities, the DNP Group designates focus businesses and links them to strategic business development. In the process, we also consider KPIs related to the environment and the progress of investments, and reflect them as necessary in business strategies and investment plans based on factors such as impact on business plans and financial impact, stakeholder concerns, impacts on the environment and society, and likelihood of occurrence.



Disclosure against TNFD General Requirements

Materiality	We considered impact materiality based on the disclosure of financial impacts arising from nature-related issues.
Scope of disclosures	The scope covers direct operations and related value chains across three business segments.
Location of nature-related issues	Locations with high water risks were identified using the following tools. - Overseas manufacturing sites: Aqueduct provided by World Resources Institute (WRI) - Domestic manufacturing sites: Hazard maps
Integration with other sustainability-related disclosures	Climate change is recognized as a key driver of nature-related change. We aim for integrated disclosure, taking into account the synergies and trade-offs between various nature-related issues. On the DNP Sustainability Website, we disclose information about business activities based on materiality identified with consideration for social issues related to the environment, society, and economy ▶P24 . 
Time Horizons	Our time horizons are aligned with the following strategies. - Short term (0-5 years): Medium-Term Management Plan - Medium term (5-15 years): Environmental Medium-term Targets - Long term (15 years or more): Environmental Vision
Stakeholder engagement	Currently, issues such as climate change and biodiversity loss are causing human rights issues, resulting in significant damage to the economy and society. Recognizing that DNP's business activities may affect the human rights of all stakeholders, we are implementing a range of measures, including proactive stakeholder engagement, to prevent and mitigate adverse impacts of our business activities. 

TNFD Disclosures
2/5

Strategy: Dependencies and Impacts (1)

Identifying dependencies and impacts on DNP's value chain

In its business activities, DNP relies on a wide range of ecosystem services and impacts natural systems. We have organized these dependencies and impacts within the context of *DNP and Nature*, identifying where in the value chain they occur and how they affect the natural environment (figure below).

DNP depends on ecosystem provisioning services for the raw and auxiliary materials used in its businesses. For example, DNP is dependent on forest resources for paper for magazines and books, and battery pouches for lithium-ion batteries and optical films use mineral and fossil resources.

Among these dependencies, water resources are directly used in cooling, cleaning, and other parts of our manufacturing processes. In consideration of the increase in water usage due to future business expansion, we have identified 10 sites with a high dependence on water resources and are implementing focused management at these sites.

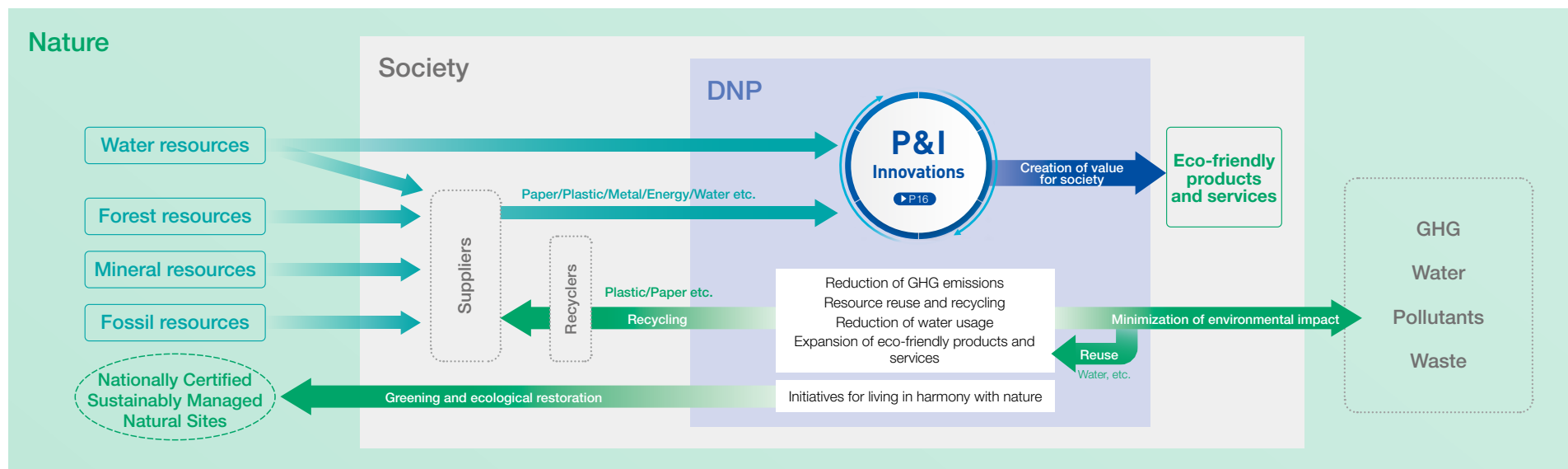
▶ P81

In addition, the maintenance and management of manufacturing sites depend on ecosystem regulation and maintenance services. We have identified four DNP manufacturing sites located in areas exposed to high water risk and are enhancing our response to physical risks.

Our manufacturing processes also generate emissions to air, discharges to water bodies, and unnecessary objects, including plastics, all of which are regarded as drivers of negative environmental impacts.

We advance initiatives aimed at minimizing such environmental impacts. At the same time, we will contribute toward the transition to a nature-positive economy through developing green spaces, recycling plastic and paper, reusing water, and providing eco-friendly products and services.

■ DNP and Nature



TNFD Disclosures
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Strategy: Dependencies and Impacts (2) / Scenario Analysis

Identifying 10 sites with high water usage and improving effectiveness of water resource conservation

DNP sees water as a key resource that is directly used in our manufacturing processes. In recent years, with the expansion of various fields, including the Electronics, we recognize the increasing use of freshwater arising from business expansion as an issue. To transition toward more effective water resource conservation activities under such circumstances, we considered water usage by site and have identified 10 sites with particularly high dependence on water resources (table below). We will undertake focused management for these 10 sites from fiscal 2026, seeking to reduce water intensity by 24.5% from fiscal 2019 levels by the end of fiscal 2028 (30% by the end of fiscal 2030).

These sites are key production sites supporting Focus Businesses in the Medium-Term Management Plan and are expected to use more water going forward. To achieve the newly established challenging target, we will go beyond the existing measures of saving and recycling water, implementing specific initiatives such as the introduction of water-saving equipment. In parallel, we will implement water quality management based on self-imposed wastewater quality criteria for all manufacturing sites to contribute toward water resource sustainability from both aspects of quantity and quality.

■ Applicable site / Business scope

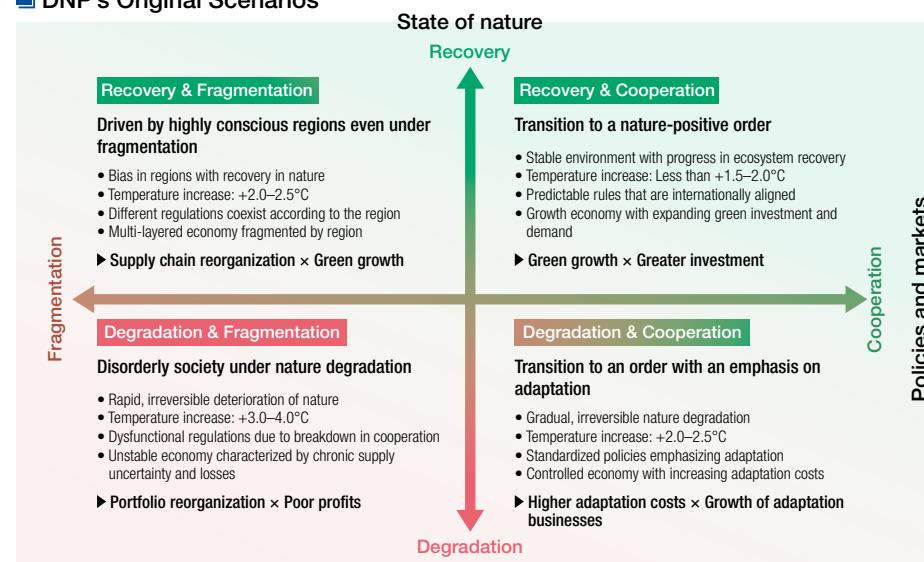
Applicable site	Business scope
Kamifukuoka Plant, DNP Fine Optonics Co., Ltd.	Manufacturing of precision electronic components
Mihara East Plant, DNP Fine Optonics Co., Ltd.	Manufacturing of precision electronic components
Shizuoka Plant, CMIC CMO Co., Ltd.	Development and manufacturing of pharmaceuticals and other formulations
Nishine Plant, CMIC CMO Co., Ltd.	Development and manufacturing of pharmaceuticals and other formulations
Toyama Plant, CMIC CMO Co., Ltd.	Development and manufacturing of pharmaceuticals and other formulations
Ashikaga Plant, CMIC CMO Co., Ltd.	Development and manufacturing of pharmaceuticals and other formulations
Kyotanabe Plant, DNP Technopack Co., Ltd.	Manufacturing of packaging materials
Izumizaki Plant, DNP Technopack Co., Ltd.	Manufacturing of packaging materials
Tobata Plant, DNP High-performance Materials Co., Ltd.	Manufacturing of functional films
PT DNP Indonesia	Manufacturing of packaging materials

Refining risks and opportunities using DNP's Original Scenarios

To better specify the impacts on business sustainability from environmental risks and opportunities, we established DNP's Original Scenarios (figure below) and conducted analyses using them. In developing the scenarios, based on our business strategies and the process of identifying risks and opportunities, we defined "State of nature" and "Policies and markets" as key drivers of uncertainty affecting business continuity. We used the four disclosed scenarios  referenced so far with the TNFD's guidance on scenario analysis to specify the respective concept of the four quadrants made up by these two axes. The figure below shows the key elements characterizing the concept of each quadrant as well as the key impacts on DNP.

In the scenario analyses of risks and opportunities, we used DNP's Original Scenarios to evaluate the impacts on stakeholders and our business operations in terms of magnitude of financial impact, time horizon, and likelihood of occurrence.

■ DNP's Original Scenarios



Environmental Initiatives

TCFD and TNFD Disclosures

TNFD Disclosures 4/5

Strategy: Risks and Opportunities

Conducting analyses of risks and opportunities with consideration of environmental impacts

DNP identifies risks and opportunities, viewing the environment as a variable with diverse impacts on management. The table below organizes environmental risks and opportunities into physical risks, transition risks, and opportunities. Each of them is evaluated for their impact on DNP's business, with the time horizon being zero to five years for the short term, five to 15 years for the medium term, and 15 years or more for the long term; the magnitude of financial impact on our finances being categorized as "High" for on the order of 10 billion yen, "Medium" for 1 to 10 billion yen, and "Low" for less than 1 billion

yen; and likelihood as either "High," "Medium," or "Low." Furthermore, the environmental impacts of DNP's business, DNP's Original Scenarios used in evaluation [▶P81](#), and the relevant factors of dependencies and impacts on nature have been organized from the aspects of ecosystem services and impact drivers. By managing these factors, risks, and opportunities in an integrated manner, we will effectively promote initiatives that both minimize adverse impacts and create business opportunities.

Risks and opportunities	Scenario drivers		Expected impact on business	Time horizon	Financial impact	Likelihood	Key initiatives	DNP's Original Scenarios				Environmental impact	Ecosystem services			Impact drivers				
								Recovery & Fragmentation	Recovery & Cooperation	Degradation & Fragmentation	Degradation & Cooperation		Provisioning	Regulating and maintenance	Cultural	Climate change	Use change	Resource use	Pollution	Alien species
Physical risks	Increase in the number of natural disasters	Damage to social infrastructure	- Decreased profit due to delayed or suspended manufacturing - Increased cost of disaster control measures - Increased cost of purchasing raw materials and interruption of supply	Short term	Medium	High	- Strengthening BCP/BCM measures - Building resilient supply chains ▶P27	△		◎	○	Low	●	●		●	●		●	
	Degradation of ecosystem provisioning services	Increasing water stress	Decreased profit due to delayed manufacturing	Medium to Long term	Medium	Low	- Optimization of water use - Reduction of pollutants	△		◎	◎	High	●			●	●	●	●	
		Decrease in the supply of raw materials	- Decreased profit due to delayed manufacturing and shipping - Increased cost of purchasing raw materials and interruption of supply	Medium to Long term	Medium	Low	Procurement with consideration for biodiversity	△		◎	◎	High	●			●	●	●	●	
Transition risks	Transition to nature-positive	Policies and regulations for decarbonization	- Increased cost of climate change mitigation * Introduction of an emissions trading system for major emitters	Short to Medium term	Medium - High	High	- Efficient use of energy - Energy transition (renewable energy) - Utilization of certificates and carbon credits ▶ Internal carbon pricing: 20,000 yen /t-CO₂e ▶ Carbon taxes in 2030: 7.6–12.0 billion yen	○	◎			Low				●				
			Addressing residual emissions	Long term	Medium	Low	- Energy transition (next-generation energy) - Utilization of CCS and CCUS ▶ Carbon taxes in 2050: 3.2–4.0 billion yen	○	◎			Low	●			●				
		Policies and regulations for resource recycling	- Increased cost of complying with laws and regulations - Increased cost due to higher prices of recycled materials - Design review of existing products	Short to Medium term	Medium	High	- Linking of product and service information - Promotion of plastic recycling	○	◎			High	●	●	●	●	●	●	●	●
		Disclosure requirements regarding value chains	- Disclosure of information from environmental due diligence - Stricter supply chain management * Application of Carbon Footprint of Products (CFP) disclosure requirements under the Battery Regulation * Application of disclosure requirements under sustainability reporting standards	Short to Medium term	Medium	Medium	- Supply chain management 🔗 - Linking of product and service information - Strengthening environmental management systems	○	◎			High	●						●	
Opportunities	Market changes	Expansion of the markets for green transformation (GX) products and services	- Increased demand for eco-friendly products and services - Acceleration of technological innovation for nature-positive	Medium term	High	High	- Development of eco-friendly products and services ▶ Sales of Super Eco-Products in FY2025: 276.1 billion yen	◎	◎	△	○	High	●	●	●	●	●	●	●	●
		Growth of impact finance	Expansion of opportunities for low-cost financing	Medium to Long term	High	Medium	- Financing with environmental indicators as SPTs ▶ Issuance of sustainability-linked bonds: 60.0 billion yen (May 2025)	△	◎		△	Medium	●	●	●	●	●	●	●	●
	Greater importance of nonfinancial information	Standardization of disclosure standards	- Enhanced corporate image and investor evaluation * Application of disclosure requirements under sustainability reporting standards	Short to Long term	High	Medium	Stakeholder engagement 🔗	○	◎			Low				●		●		

TNFD Disclosures
5/5

Metrics and Targets

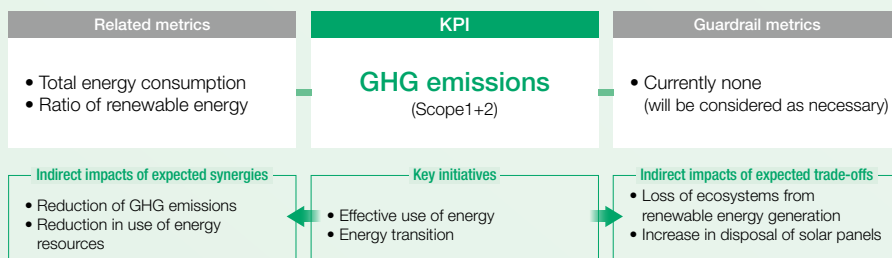
Managing KPIs and metrics in an integrated manner toward achievement of nature-positive

In the Medium-Term Management Plan that started in fiscal 2026, GHG emissions, resource recycling rate, water intensity, and ratio of total sales from Super Eco-Products (eco-friendly products and services) were established as KPIs for measuring the effectiveness of our environmental strategies. Taking into account the DNP Linkage Map [▶P84](#), toward achieving these four KPIs, we identified the key initiatives by DNP and the expected synergies and trade-offs on the environment from those initiatives. Furthermore, we redefined the environmental data managed by DNP so far into related

metrics measuring synergies and guardrail metrics measuring trade-offs. Through this, we established an integrated structure of metrics and targets toward realizing a decarbonized society, a circular society, and a nature-positive society (figure below). We aim to achieve nature-positive across the value chain by managing these KPIs and metrics in an integrated manner. Please see our website for the actual KPIs and metrics [↗](#) as well as global core disclosure metrics [↗](#).

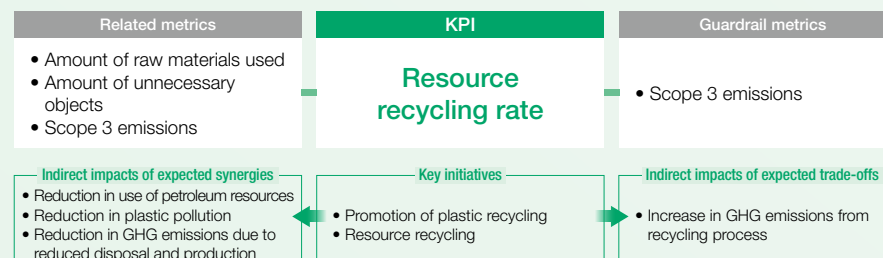
GHG emissions (Scope1+2)

Target: 37.8% reduction vs. FY2019 (by end of FY2028) **Actual:** 32.3% reduction vs. FY2019 (FY2025)



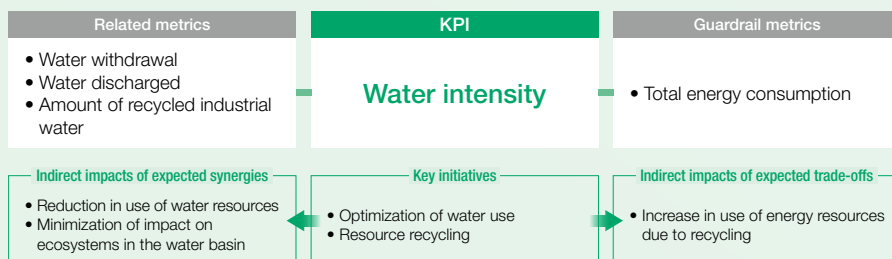
Resource recycling rate

Target: Achieve 67.8% (by end of FY2028) **Actual:** 65.9% (FY 2025)



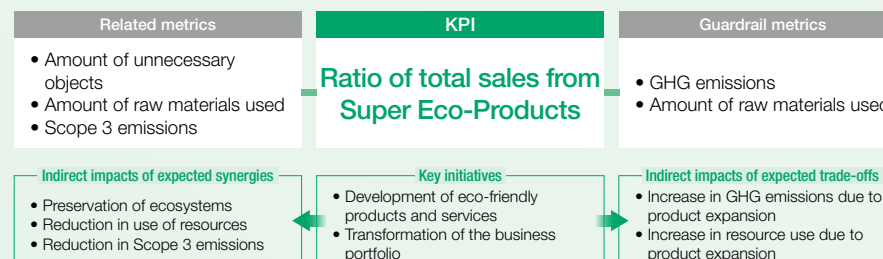
Water intensity

Target: 24.5% reduction vs. FY2019 (by end of FY2028) **Actual:** 23.2% reduction (FY2025)*



Ratio of total sales from Super Eco-Products (eco-friendly products and services)

Target: Expand to 24.9% (by end of FY2028) **Actual:** 18.3% (FY2025)



* Reference value for applicable sites after updating target

Environmental Initiatives

Taking on the challenge of an integrated environmental strategy and progress management toward realizing the Environmental Vision

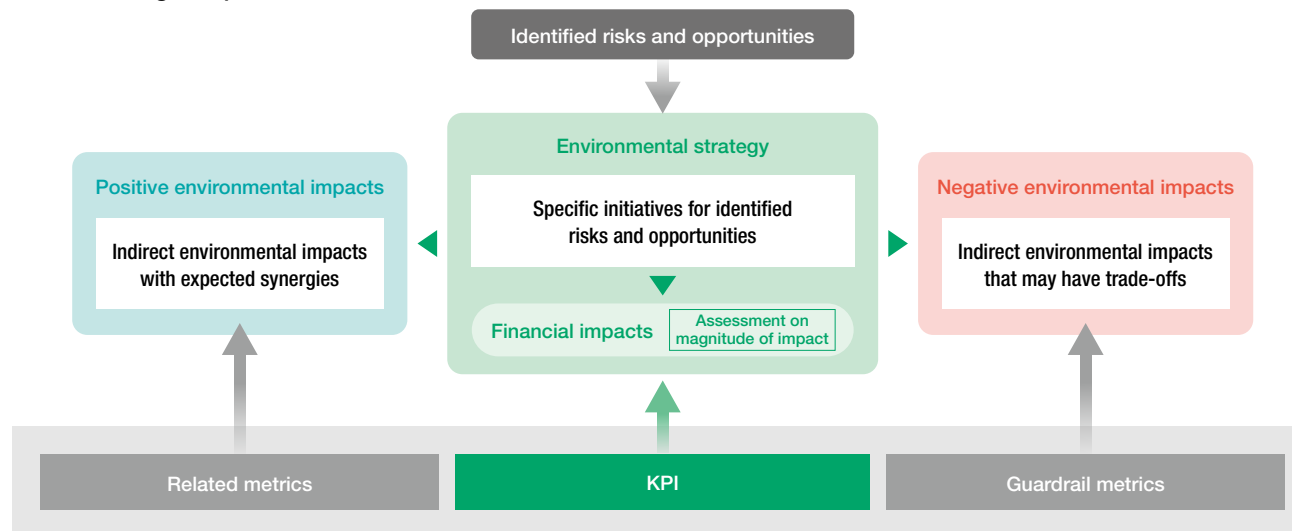
Developing the DNP Linkage Map that formalizes the relationship between the environmental strategies and KPIs

To realize our environmental vision, DNP has been promoting various environmental initiatives. Since fiscal 2024, we have been undertaking disclosure in accordance with the recommendations of the TNFD, striving to enhance the quality and quantity of our information disclosure. As we promote such activities, toward further improvement in the effectiveness of our environmental strategies, we have defined a new issue: to organize existing initiatives and disclosure content using an integrated perspective for the realization of the three societies stated in our environmental vision.

To address this issue, in September 2025, we embarked on studying four actions: (1) developing DNP's Original Scenarios (▶P81), (2) evaluating environmental impact, (3) analyzing the synergies and trade-offs of environmental initiatives, and (4) visualizing the relationship between our strategies and metrics. One of the results was the development of the DNP Linkage Map (figure below) integrating (2), (3), and (4).

The DNP Linkage Map focuses on themes selected from the previously identified environmental risks and opportunities based on two perspectives: their financial impacts on DNP and the environmental impacts of DNP's business activities assessed in (2). It clarifies how the positive and negative environmental impacts identified in (3) are linked to the strategies and metrics outlined in (4). We will work on improving effectiveness by using the DNP Linkage Map developed this time for progress management of environmental strategies and decision-making regarding initiatives and investments.

DNP Linkage Map



Bottom-up proposal toward integration of environmental strategies to take on the challenge of a Ministry of the Environment support program

We applied for the FY2025 Support Program for Models Implementing Integrated Initiatives to Achieve Decarbonization in hope of communicating—in an easy-to-understand manner—our commitment toward realizing our environmental vision by organizing DNP's environmental strategies from an integrated perspective. Under the support program, we faced various challenges, including the quantification of impacts. However, cooperation with relevant internal parties and advice from the program secretariat enabled us to develop the DNP Linkage Map, which clarifies the structure of our environmental strategies. Building on this experience, we will work toward improving the effectiveness of our environmental strategies.

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Sustainability
Committee Office

