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P&I LAB., a collaboration facility operated by DNP



The key base and source of strength for the DNP Group in creating a better future is the presence of every employee. Based on this awareness, we aim to develop systems and structures that take into account the broader society. We also strive to create and implement appealing policies, not only internally but also from an external perspective. For example, over the three years starting from fiscal 2019, we made concentrated efforts to revamp various personnel systems, actively promoting investment in human resources.

In fiscal 2022, as a foundation for such efforts, the DNP Group formulated and publicly announced its Human Capital Policy, which represents the company's universal and fundamental approach to human resources. This policy aims to further reinforce and maximize our human capital based on a clear belief that respecting employees leads to the respected employees driving corporate growth and enhancing society alongside our desire for each individual to develop their strengths and grow further in their roles both within and outside the company.

In the new Medium-term Management Plan starting in fiscal 2023, we will enhance our investment in human resources based on our Human Capital Policy. We will significantly increase "human creativity (added value productivity)" globally to clearly connect this investment to

the enhancement of corporate value. Furthermore, we have established four material issues (materiality) to address in pursuit of this realization. We will implement concrete measures in each area: (1) support for career autonomy of employees and strengthening of organizational capability; (2) health and productivity management that increases the happiness of employees; (3) hiring, personnel assignment and reskilling based on human resource portfolio; and (4) promotion of diversity and inclusion by utilizing diverse individuality. We will boost the effectiveness of these initiatives by conducting value-relevance analyses, examining the outcomes they yield for employees and their contributions to the improvement of human creativity, corporate value and financial value.

To drive unprecedented transformation beyond our traditional path, it is important for each employee to independently shape their careers and further develop their strengths. To provide even better support for employee career autonomy, we will continue to invest optimally and effectively in our human resources, thereby strengthening our human capital. The DNP Group will continue to advance a human resource strategy aimed at significantly enhancing human creativity, with the ultimate goal of elevating corporate value.

Non-financial Strategy

Strengthening of Human Capital

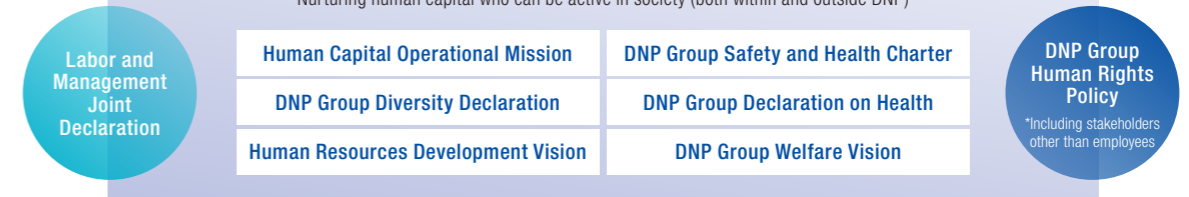
We aim to significantly increase "human creativity (added value productivity)" globally based on the Human Capital Policy to clearly connect investment in human resources the enhancement of corporate value.

Kenji Miya, Senior Managing Director

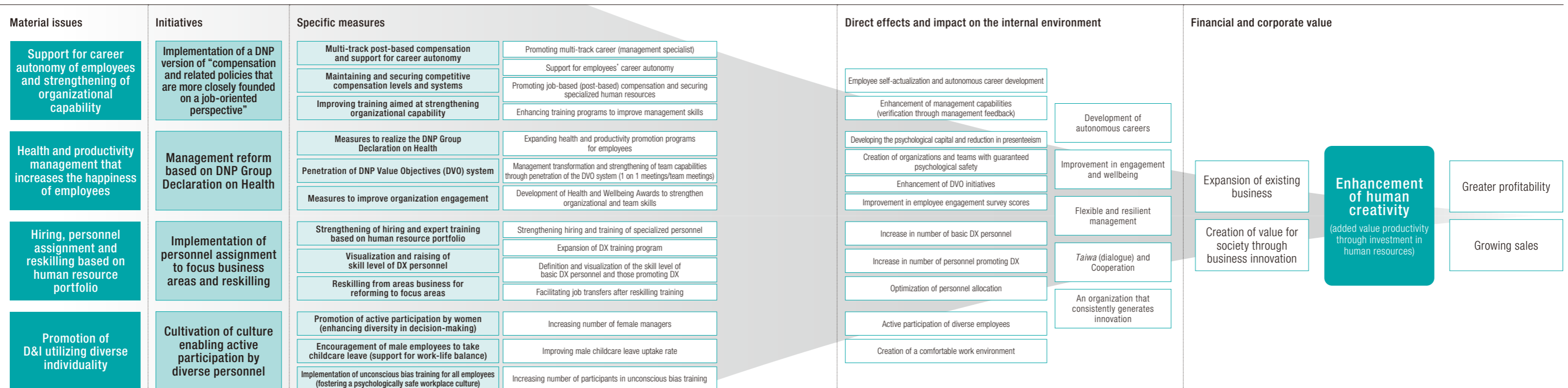
Human Capital Policy

Respecting employees leads to respected employees driving corporate growth and enhancing society

Nurturing human capital who can be active in society (both within and outside DNP)



The link between strengthening human capital and enhancing corporate value



■ Support for career autonomy of employees and strengthening of organizational capability

Starting in fiscal 2019 and continuing for three years, we have concentrated our efforts on reforming our personnel systems to establish and enhance systems that support employee career autonomy and bolster organizational capabilities.

From fiscal 2023, we will advance these initiatives further, aiming to explore the optimal approach for investing in human resources and career development frameworks that best align with DNP's business and talent needs.

We are implementing the DNP version of "compensation and related policies that are more closely founded on a job-oriented perspective," with a focus on supporting autonomous career development so that each employee can acquire expertise and skills that are applicable both within and outside the organization. This unique hybrid personnel system combines the merits of membership-based and job-based systems.

We have also strengthened support for initiatives such as challenging preferred job roles based on voluntary aspirations and self-improvement, all of which are grounded on a multi-track role classification system that allows employees to autonomously choose management or specialist roles. We have

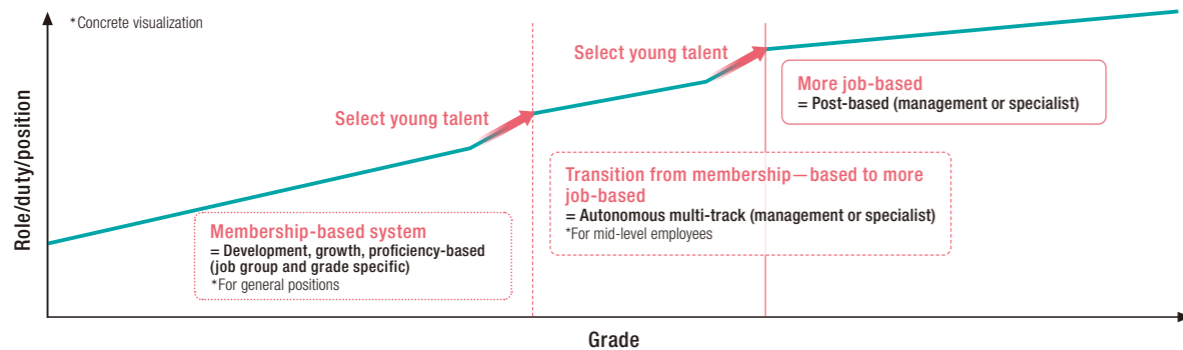
placed greater emphasis on clarifying the roles and compensation associated with job positions after career choices have been made.

We will also implement a range of associated measures. These include a heightened focus on job roles and positions for senior management and specialists, introducing a feedback system from subordinates to management, expanding internal talent recruitment efforts, implementing an internal side-job program, renewing our self-improvement support system, formalizing employee assignments to startup companies, expanding the ICT professional system and starting region-specific employee programs. These actions are all predicated on the principle of upholding a competitive compensation structure.

Expected outcome

- Complete implementation of the DNP version of "compensation and related policies that are more closely founded on a job-oriented perspective"

✓ A hybrid career autonomy-type mechanism leveraging the merits of membership-based and job-based systems



■ Health and productivity management that increases the happiness of employees

In fiscal 2021, we formulated and disseminated the DNP Group Declaration on Health as a top commitment. In accordance with this commitment, we will focus not only on physical and mental health, but also on efforts that include developing psychological capital (a positive mind) and building psychological safety (trust-based relationship).

As one of our important management strategies, DNP Group is implementing a series of measures based on the commitment. By investing in the health of our employees, we believe we can not only maintain and improve their health, but we can also enhance their vitality, creativity and productivity, thereby revitalizing the organization. Through the formation of a vibrant team, we aim to boost corporate value and link this to enhancing the happiness of each employee.

In fiscal 2021, we introduced the DNP Value Objectives (DVO) system as part of management reform efforts based on the commitment. In line with this, we will strengthen team management and build relationships of trust to drive new value creation.

Through an engagement survey, we visualize issues and other factors in the organization, and promote employees' self-understanding and mutual understanding via dialogue to increase their motivation and encourage teams to achieve their expected results.

As part of our specific initiatives for fiscal 2023 and beyond,

we are promoting our DVO Penetration Program aimed at achieving the full integration of DVO throughout the company and establishing a new management style. Additionally, we are implementing the Health and Wellbeing Award that evaluates factors beyond business revenue and conducting engagement improvement initiatives within our manufacturing department.

Expected outcome

- Development and level of engagement with DVO system: **45% → 100%** (FY2022 → end of FY2025)
- Engagement survey score: Up **10%** (FY2022 → end of FY2025)
- Smoking rate: **Less than 15%** by FY2026
- Implementation rate of specific health guidance: **More than 60%** by FY2024



President's message on the DVO Penetration Program



Health and Wellbeing Award

■ Hiring, personnel assignment and reskilling based on human resource portfolio

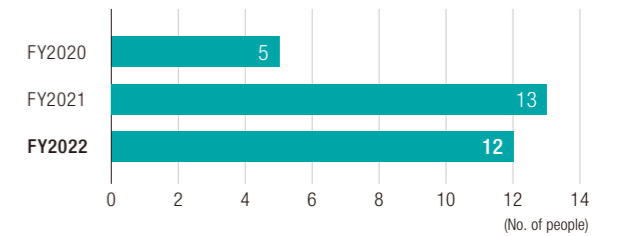
Strengthening of hiring and expert training based on human resource portfolio

The DNP Group has developed a human resource portfolio categorized into multiple types based on the roles genuinely required and the expertise and management abilities present within each business. In pursuit of our business strategies, we assess the adequacy of talent for each type and promote recruitment and development that emphasizes the qualitative aspects of our workforce.

When it comes to recruiting rare specialized personnel, we do not just rely on internal development; we also actively seek external candidates for our team. Especially for highly skilled professionals, we offer competitive compensation packages and have dedicated provisions in place for professional staff. We have already recruited physicians and other medical professionals in our medical & healthcare businesses, and we will continue to do so across various other sectors. Regarding the development of specialized

personnel, for instance, in ICT development roles, we are focusing on planned development and retention by visualizing individuals' skill levels and establishing a Career Development Program (CDP) aimed at skill enhancement.

✓ Hiring specialized personnel



Reskilling from areas business for reforming to focus areas

As the business environment undergoes rapid changes and we enter what is often referred to as the 100-year life era, the importance of reskilling is increasing more than ever. At DNP, we have also been strengthening our business portfolio, and from fiscal 2020 to fiscal 2022, we reallocated personnel from areas business for reforming to focus business areas at an average annual rate of approximately 200 employees. For example, employees from manufacturing backgrounds in Information Communication have transitioned to roles in industrial high-performance materials and electronics manufacturing, which they had not previously experienced. Over the course of three years, approximately 170 employees made such transitions. These employees acquired the necessary knowledge and skills (reskilling) required for their new roles at their respective reassignments. We conducted group training sessions aimed at boosting their motivation before facilitating job role transitions. In addition, in fiscal

2022, we introduced talent recruitment programs with role transition training for our focus business areas.

We will continue to implement reassignments and reskilling from areas business for reforming to focus business areas as necessary in the future.



Image of the DNPweb (intranet) screen

Visualization and raising of skill level of ICT personnel and DX personnel

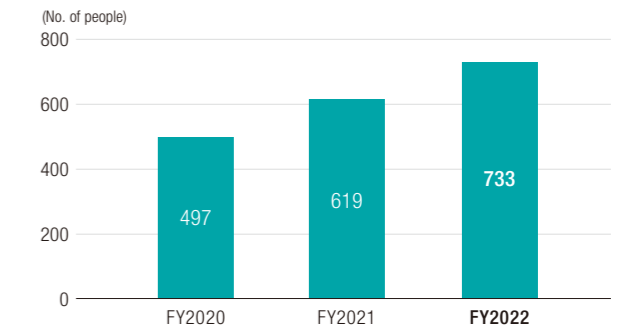
• Expansion of ICT personnel, and the enhancement of new ICT job transition and development measures

We will be strengthening the number of individuals in Career Development Program (CDP) Level 3. Additionally, to support the promotion and enhancement of DX in each business, we will expand the training programs aimed at human resource development based on the IT Skill Standard (ITSS) and its skill levels.

• Expanding education to boost DX skills

We are broadening our training curriculum to encompass Agile development, cloud computing and AI and data science. Our goal is for 27,500 eligible employees to finish the foundational DX literacy standard education by the end of 2025, equipping them with crucial DX knowledge.

✓ Number of individuals with IT Skill Standard Level 3 or above (FY2020-2022)



* IT Skill Standard (ITSS) Level 3 indicates a level of proficiency where one possesses applied knowledge and skills, can independently make judgments and carry out tasks related to their responsibilities, and is capable of identifying and resolving issues.

Defining DX personnel and promoting visualization

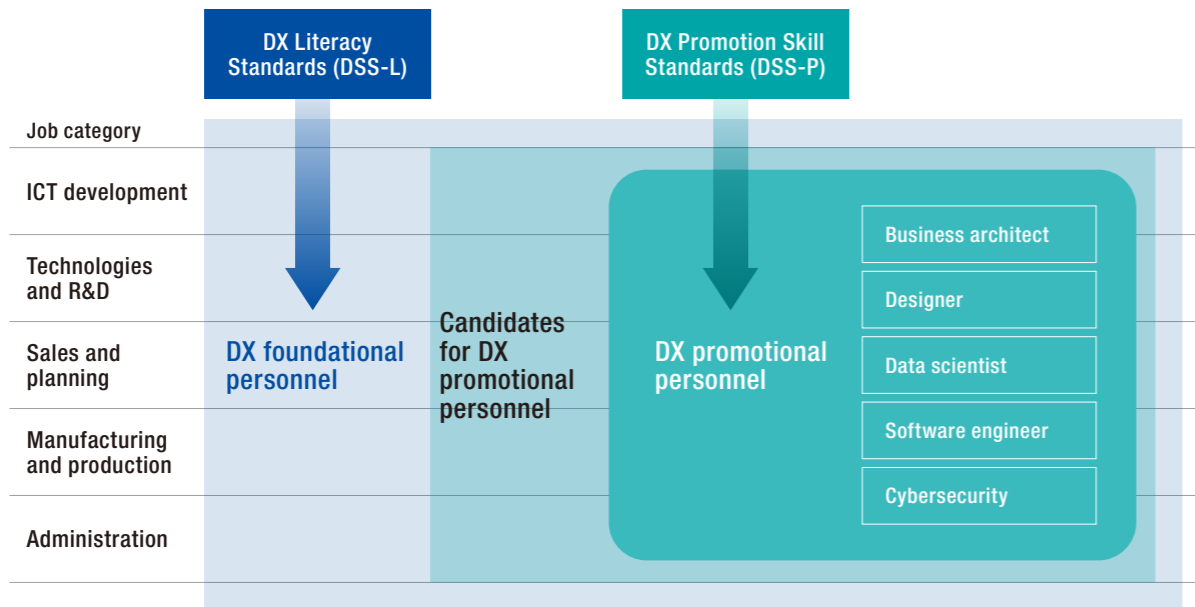
Amid changing industrial structures and society, there is a growing focus on DX personnel. In line with the Digital Skill Standard (DSS) released by the Ministry of Economy, Trade and Industry at the end of December 2022, the DNP Group has redefined DX personnel. We have categorized talent and visualized skill levels, as shown in the diagram, to accelerate human resource development.

DX foundational personnel refer to individuals who have acquired knowledge and skills based on the DX literacy standard. They will be developed across all job roles through e-learning and DX literacy education. DX promotional personnel encompasses individuals with specialized roles in

driving DX initiatives. These talents are identified in collaboration with business divisions, and their development is prioritized.

Expected outcome

- DX Literacy Standard Basic Education: Targeting completion by 27,500 individuals (end of FY2025)
- Acquisition of human resources for driving business strategy
- Innovation in new business creation and realization of DX in manufacturing operations



Promotion of D&I utilizing diverse individuality

*D&I: Diversity and inclusion

With the aim of significantly enhancing human creativity (added value productivity) as outlined in our human capital strategy, the DNP Group has been expanding its efforts and systems to transition from a homogenous and uniform organization to one rich in diversity, and to ensure that a wide range of talent can thrive within the Group amid the ongoing challenges of an aging population and declining birth rates.

While these efforts have received high praise both internally and externally, employee surveys have revealed disparities between the company's initiatives and the realities of individual workplaces. This underscores the significance of advancing "Diversity and Inclusion (D&I) initiatives that leverage the strengths of diverse individuals" as a critical challenge.

Illustration of the inclusion loop

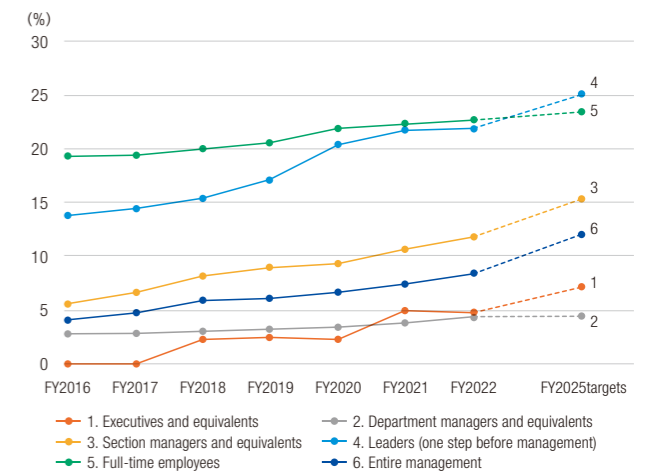


Diverse individuals are inclusive of each other, and those around them support the challenges of individuals who take the initiative. We assess the results of these challenges as valuable experiences and, through open dialogue, connect them to a sense of fulfillment. This fosters a culture where inclusion becomes second nature, with individuals receiving recognition from their peers for their contributions and feeling motivated to embrace new challenges. These interconnected loops occur across various departments and, in unison, amplify the collective strength of All DNP.

Harnessing diversity: Promotion of active participation by women (enhancing diversity in decision-making)

As outcomes by fiscal 2022, we established initiatives to accelerate the increase in the representation of female managers. Specifically, we continue to conduct practical leadership training for leader-class individuals, as well as maintain processes for promoting managers and assistant department heads, along with a Sponsorship Program to expedite the appointment of managers at the department head level and above. These efforts are contributing to the development of next-generation business leaders. In June 2023, we celebrated the appointment of our second female executive officer from within the company. Enhancing diversity in decision-making increases value creation and risk management capabilities. In addition, we recognize that improving the ratio of women in management leads to improved productivity within the DNP Group, evident in higher engagement survey scores and a reduction in overtime hours.

Ratio of females at each level



Harnessing diversity: Encouragement of male employees to take childcare leave (support for work-life balance)

Since December 2020, when we announced our participation in the 100% of Male Taking Childcare Leave Declaration both internally and externally, the uptake of male childcare leave has increased from the 50% range to 83.6% and has spread to management positions. By encouraging male employees to take childcare leave, we are

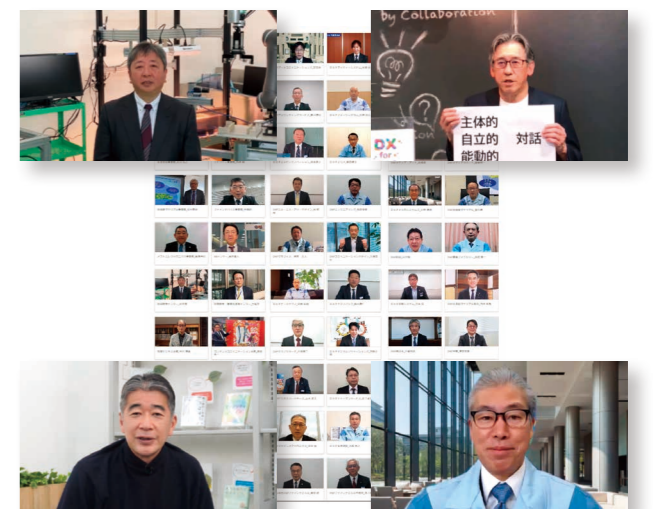
working to change gender role perceptions. We will also continue to promote the utilization of special leave for life support, which can be taken to accommodate life events, and continue our efforts with initiatives such as the Kangaroo Club, a seminar that supports employees and their partners in balancing work and childcare.

Harnessing Diversity: Implementation of unconscious bias training for all employees (fostering a psychologically safe workplace culture)

In 2021, we initiated the internal event Diversity Week to promote an understanding of the importance of D&I and translate it into concrete actions. In 2023, the event gained significant momentum, with over 10,000 employees participating in live-streamed lectures. Additionally, 57 D&I promotion committee chairs, led by division heads and Group company presidents, within the DNP Group engaged with the results of their respective organization's engagement surveys, declaring their commitment to fostering a better organizational culture.

Starting in fiscal 2023, we will implement unconscious bias training for all officers and employees, including the president, with the aim of establishing psychological safety and creating an organizational culture where diverse ideas and opinions can thrive.

57 D&I promotion committee chairs declare their commitment



Expected outcome

- Percentage of female managers: **8.4% → 12%** (FY2022 → end of FY2025)
- Percentage of male taking childcare leave: **83.6% → 100%** (FY2022 → end of FY2025)
- Unconscious bias training: **100% participation** (end of FY2025)
- Engagement survey score: **Up 10%** (FY2022 → end of FY2025)



Non-financial Strategy

Strengthening Intellectual Capital

Combining strengths in P&I and collaboration with partners to bolster our business portfolio from the perspective of intellectual capital

Masato Yamaguchi, Senior Managing Director

Basic strategy for strengthening intellectual capital

Material Issues	Actions	Specific Measures	KPIs (FY2025)
Creation of new businesses and enhancement of technological strengths	Build business portfolio from future scenarios	<ul style="list-style-type: none"> Creation of new businesses in focus business areas capturing megatrends and business opportunities Strengthening of DNP's unique technology Acquisition and strengthening of technology through open innovation 	<p>R&D investment Continue at a scale of 30 billion yen per year</p> <p>Users of data management infrastructure*: 3,678 → Approx. 6,000 (FY2022 → end of FY2025)</p>
Global rollout of technological strengths	Refinement and acceleration of global rollout of DNP's unique technology and products	<ul style="list-style-type: none"> Acceleration of global expansion centered on Life & Healthcare Strengthening of overseas marketing and R&D system 	
Strengthening of stable businesses and cultural reform	Creation of new value through All DNP	<ul style="list-style-type: none"> Strengthening of stable business and development of new products through aggregation of knowledge by All DNP Optimization of R&D mechanisms and systems Fostering culture creating new value 	
Realization of data management infrastructure*	Transformation of internal system infrastructure supporting the utilization of ICT	<ul style="list-style-type: none"> Advance modernization and globalization to strengthen digital ICT infrastructure Advance visualization and deeper analysis of data-integrated infrastructure, and continuously update infrastructure 	

* Data management infrastructure: Infrastructure that aggregates data from various systems within the DNP Group, and processes, analyzes and visualizes the aggregated data for use in management decisions

DNP will enhance intellectual capital by evolving and deepening its long-cultivated unique strengths in Printing & Information (P&I) and bolstering collaboration with external partners in order to differentiate itself from competitors and boost global competitiveness.

Our research and development policy involves envisioning "a better future" that we aim to create, using it as a starting point to strengthen our unique technologies, and ultimately driving the development and delivery of new products and services toward the realization of future scenarios. Under our FY2023-2025 Medium-term Management Plan, we will promote the "creation of new businesses and enhancement of technological strengths," the "global rollout of technological strengths," the "strengthening of stable businesses and cultural reform" and the "realization of data management infrastructure." We allocate an annual budget of approximately 30 billion yen for our research and development investments. Within our business portfolio, we will concentrate our resources on the focus business areas of growth-driving businesses and new businesses with high growth potential and attractiveness in the market. Our primary focus will be on these areas as we strive to combine a variety of intellectual assets more effectively, speeding up the development and commercialization of products and services.

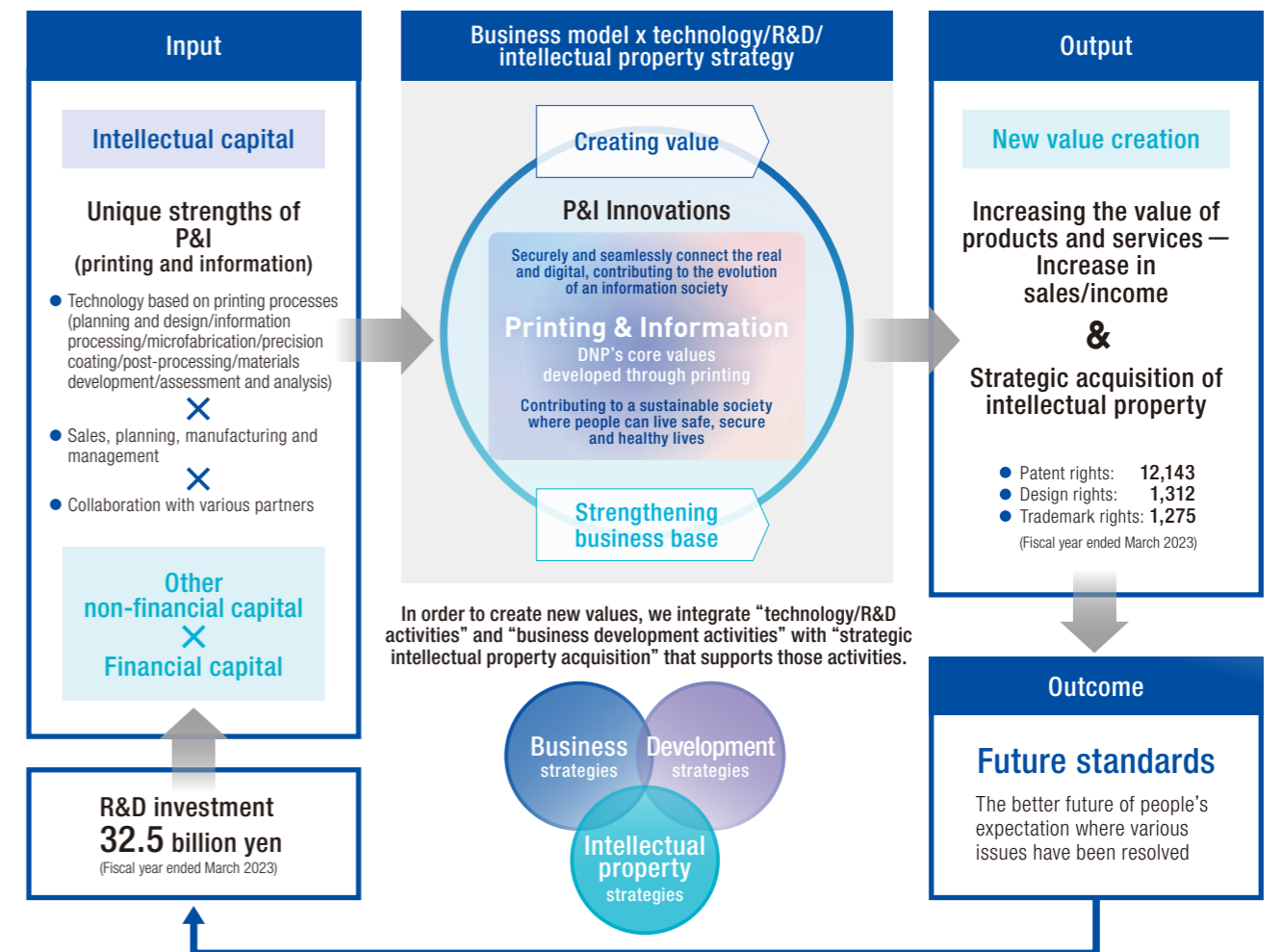
Furthermore, we will advance collaboration between industry, government and academia through open innovation, strategically driving the acquisition of technology and business development. In the context of increasing global demand for reducing environmental impact and enhancing

well-being, we will also strengthen marketing, research and development and business expansion efforts directed towards overseas markets, particularly in sectors such as Life & Healthcare. We will foster an organizational culture that actively combines the strengths of our intellectual property, including patents obtained thus far, and those from both within and outside the company. This approach will allow us to create new value in both existing and new businesses.

In recent years, we have been vigorously promoting Digital Transformation (DX) to both drive business growth and foster innovation in productivity. For DNP, DX is positioned as the fusion of hybrid strengths of complete opposites, such as analog and digital technologies, real and virtual realities and manufacturing and services. This approach enables us to build a unique business model and generate new value. In alignment with this DX strategy, we will create new business, transform existing business, drive dramatic improvements in productivity and promote innovation of internal information infrastructure. In particular, we will concentrate on expanding resources for value creation through DX, including the development of in-house DX personnel, the recruitment of necessary external expertise and collaboration with partner companies.

We will integrate "business development activities" and "technology/R&D activities" with "strategic intellectual property acquisition" that supports those activities within our business divisions, R&D divisions and intellectual property divisions. We will strive to create "a better future" by consistently embracing change and enhancing synergies within All DNP to generate new value.

Long-term value creation by strengthening and expanding intellectual capital (technology, R&D/intellectual property-related)



Promote strategic investments for the next fiscal year and beyond

For strategic acquisition of intellectual property



Understanding the intellectual property that underpins products and services that gain top market share

DNP views intellectual property as one of the essential assets for value creation. Especially for products and services that have gained top market share in Japan and internationally, our patent network of core and peripheral technologies has a significant effect on business development.

Setting focus businesses and strategic acquisition of intellectual property

We will strategically build a stronger business portfolio by setting focused businesses with high growth potential and attractiveness in the market. To this end, we are promoting open innovation and focusing on the strategic acquisition of intellectual property to ensure the superiority of our position.

Integrating three strategies to create value

We will establish business models exploiting intellectual property for our focused businesses through the value creation process by integrating business strategy, development strategy and intellectual property strategy. We plan scenarios for creating value in the long term and strengthen internal and external collaboration.

Concentrate resources and developing human resources

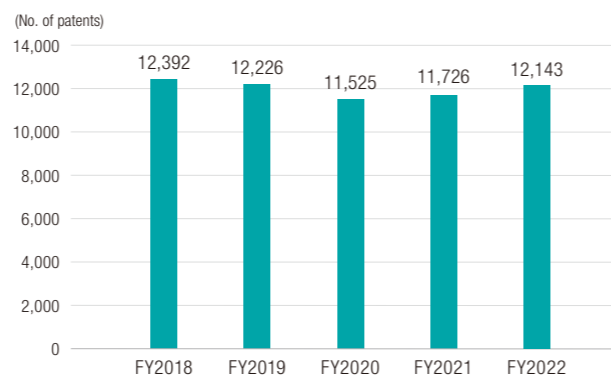
Our various resources, including intellectual property, will be concentrated on focus businesses. We will endeavor to develop human resources who are well versed in business, technologies, R&D and intellectual property, and we will encourage a culture of managing risk and respecting the rights of others.

Strengthen governance and implement strategies

Intellectual property policies and the state of progress will be shared with management and other personnel having different responsibilities and utilized in management decision-making while ensuring effective governance. At the same time, there will be a further strengthening of cooperation between each business unit and the intellectual property department to accelerate the expansion of focus businesses.

The DNP Group sets its focus businesses by carefully examining the environmental, social and economic value that each business generates based on the growth potential, attractiveness and profitability of domestic and overseas markets. Under our FY2023-2025 Medium-term Management Plan, we are concentrating our management resources into focus business areas made up of growth-driving businesses and new businesses. We will further strengthen our patent portfolio within our focus businesses as part of our efforts to acquire and expand intellectual property.

Number of patents held in Japan

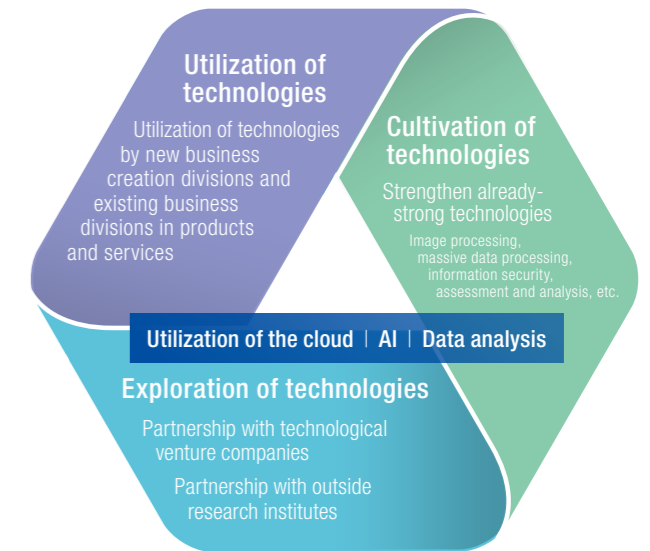


Basic policies and structures for technologies and R&D

For DNP, which has expanded its business domains by applying and developing technologies cultivated in the printing process, strengthening technology and R&D is a crucial management issue. We will always take the consumer's point of view as we accurately understand environmental, social and economic issues, and create optimal solutions.

DNP will further evolve and deepen the already-strong technologies that we have cultivated to handle, in a safe and secure manner, important information entrusted to us by companies, organizations and consumers, and will also accelerate development by promoting collaboration with various partners, including venture companies, start-ups, students and research institutions, and by exploring new technologies. Also, we will combine our internal and external technological strengths to solve various problems and create new value that excites people.

As a base for such cultivation, exploration and utilization of technologies, we will strengthen AI-based data analysis and the use of cloud environments, taking advantage of the major trends in DX.



Technologies and R&D structures

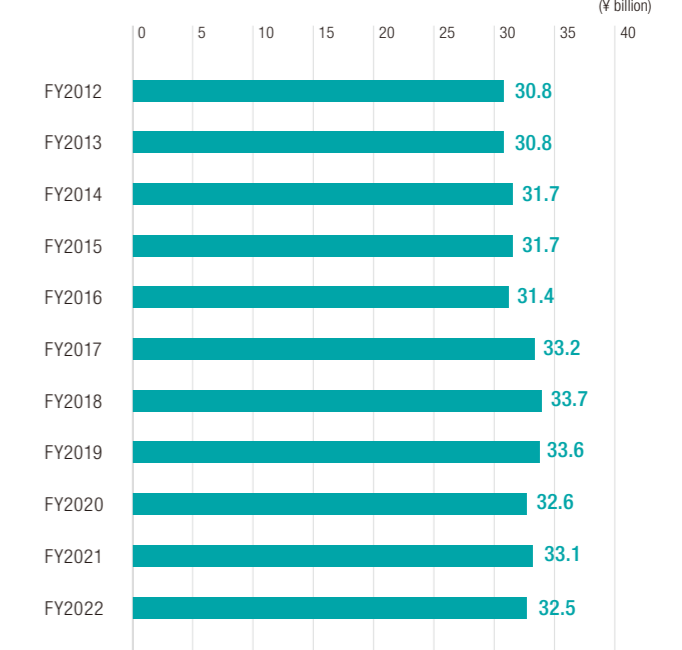
DNP's technology and R&D divisions are developing proprietary technologies to solve diverse issues in a wide range of business fields, with a focus on the three areas of Smart Communication, Life & Healthcare and Electronics. We are building and operating robust structures that create new value in existing and new businesses by promoting the combining of technologies and collaboration with external partners.

Sales division/field	Business unit (Development headquarters)	Controlled by Head Office	
		Head office research and development framework	Supervision
Smart Communication	Publishing and Media Services	Technology Development Center Research and Business Development Center Advanced Business Center	R&D and Engineering Management Division
	Information Innovation		
	Imaging Communication		
Life & Healthcare	Life Design (Packaging)	Technology Development Center Research and Business Development Center Advanced Business Center	R&D and Engineering Management Division
	Living Spaces		
	Mobility		
Electronics	High-performance Materials	Technology Development Center Research and Business Development Center Advanced Business Center	R&D and Engineering Management Division
	Fine Devices		
New businesses field	Optoelectronics	Technology Development Center Research and Business Development Center Advanced Business Center	R&D and Engineering Management Division
	Short-term development		
			Medium- and long-term development

Technology and R&D Expenditures

DNP continues to invest over 30 billion yen annually in technology and R&D, with the amount reaching 32.5 billion yen in the fiscal year ended March 31, 2023, and 34 billion yen planned for the current fiscal year ending March 31, 2024. In recent years, in order to solve increasingly diverse and complex problems and create a better future for ourselves, we have been increasing the expenditures of the R&D department at the headquarters based on the All DNP concept, which combines the strengths of the entire Group.

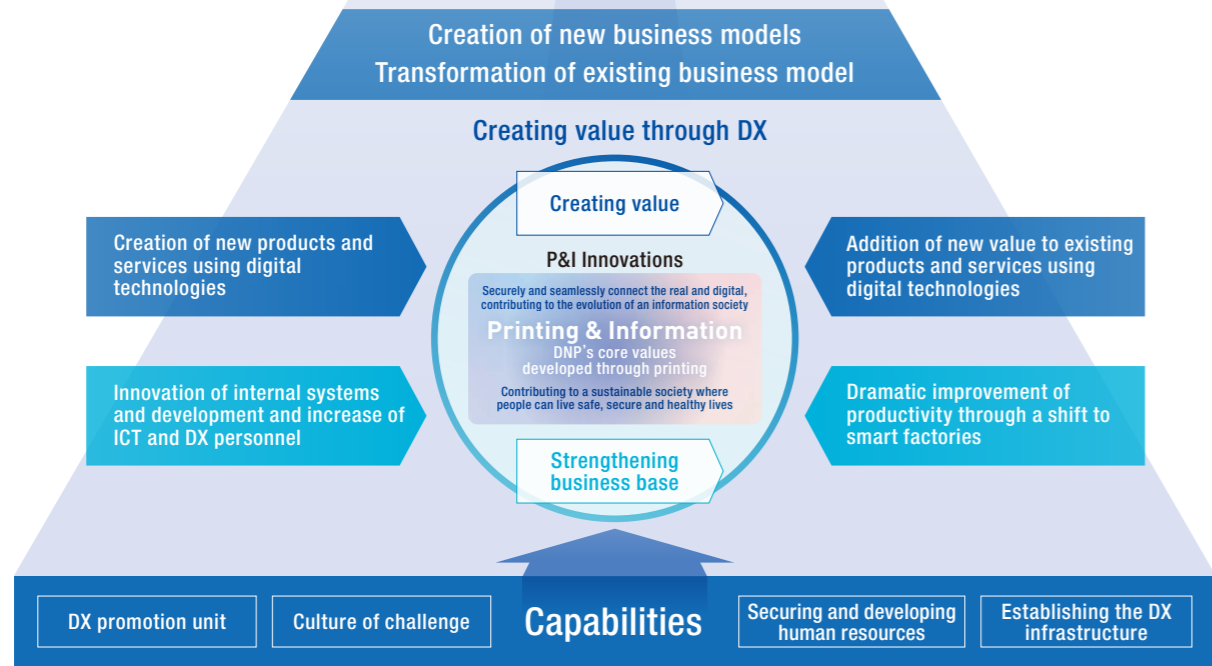
Technology and R&D Expenditures



Value Creation through Digital Transformation (DX)

DNP positions DX as “value creation through P&I Innovations,” combining digital technologies with our business strengths of All DNP. Leveraging the hybrid strengths of P&I (Printing and Information) incorporating opposites such as analog and digital technologies, real and virtual design, and products and services, we will create new business models and drive our business model transformation, based on our medium- to long-term business portfolio strategy, and offer these technologies and services as new value to a sustainable society.

Building our medium- to long-term business portfolio
 We aim to generate further profits in our business activities by transforming our business structure and making focused investments in priority businesses leading to the resolution of social issues and megatrends.

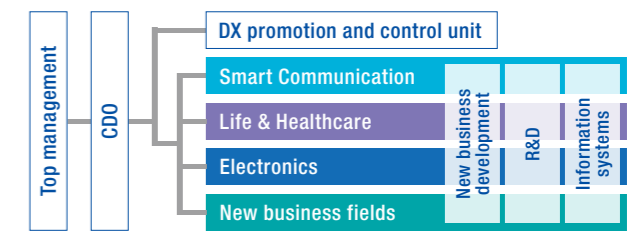


We are driving value creation through DX, with strategies based on both creating value and strengthening our business base. Utilizing DNP’s core values in image processing, security technology and optimized design of business processes, we will continue to enhance our human and intellectual capital, and engage in complex and continuous activities with the comprehensive strength of All DNP—leveraging our organization, corporate culture, human resources and DX infrastructure as synergistic capabilities.

TOPIC
Selected as a DX Stock 2023
 In recognition of our efforts to create new business models and initiatives such as the DX promotion unit, human resource development and utilization of digital technology, DNP was selected as one of the DX Stocks 2023, under the Digital Transformation Stock Selection (DX Stock) program, in which the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly evaluate, select and announce the stocks of companies that are actively engaged in DX. We were also awarded the Special Prize at the Cyber Index Awards 2022 (sponsored by Nikkei Inc.), in recognition of our efforts in cybersecurity education in human resource development.

DX promotion unit

The Chief Digital Officer (CDO) appointed by the President supervises company-wide activities relating to DX. We have established a full-time DX promotion and control unit at the head office and will enhance cooperation between the divisions in charge of new business development, R&D, information systems and other relevant divisions within the operation division and implement a range of measures across the entire Group to drive digital transformation.



Culture of challenge

We have established a new business development division that creates innovation in a highly flexible environment, and is boldly addressing the challenges of developing new business through DX. Going forward, we will continue to drive transformation—what could also be called “discontinuity”—by fostering values such as tackling challenges without fear of failure, collaborating across internal and external barriers and taking swift, agile and proactive action.

Securing and developing human resources

DNP has defined the ideal image of human resources who support DX promotion based on the Ministry of Economy, Trade and Industry (METI) Digital Skills Standard. We will improve DX literacy for all employees and provide education on topics such as agile development, cloud computing, AI and data science for those who promote DX. (See page 47-48)

In the area of content and XR communication, which is one of our focus business areas, we are engaged in efforts to reskill human resources from conventional 2D production designers to 3D production and UI/UX designers. We are also working to develop human resources who enhance the user experiences.

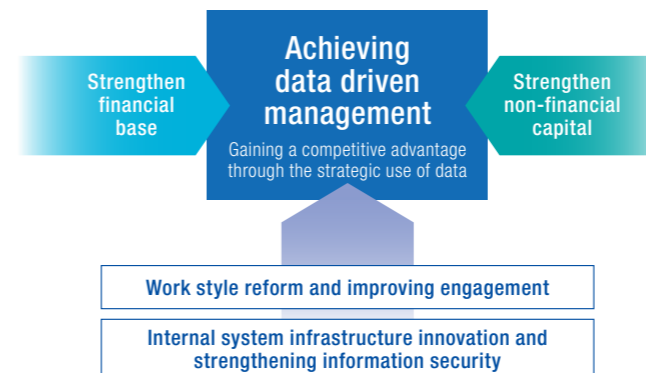
We also provide cybersecurity education to approximately 30,000 DNP Group employees both in Japan and overseas, to raise awareness of cyberattacks.

Establishing the DX infrastructure

Achieving data-driven management

Utilizing IT systems and digital technologies, DNP transformed its business management. In addition to sales and production status data, we have built a data management infrastructure platform that aggregates data that contributes to business growth, and processes, visualizes and analyzes the aggregated data to speed up decision-making and provide new added value.

By modernizing business systems in focus business areas that allow us to make effective use of our competitive advantage, we will continue to feed strategic data back to this data management infrastructure and continuously update it as an offensive platform. With our eyes set firmly on the global market, we will continue to strengthen ICT governance at our overseas bases and aim to become a digitally advanced company on a global scale.



Driving DX in manufacturing

To build a strong business portfolio, we are implementing internal manufacturing DX to reform in cost structure and business structure of existing businesses. By optimizing all business processes of sales order, procurement, production, logistics and sales, we not only improve productivity and quality, but also contribute to decreasing environmental impact by reducing energy consumption and waste material.

Utilizing advanced technologies

With the aim of utilizing AI in various business areas, we have created an environment and system in which approximately 30,000 DNP Group employees—both in Japan and overseas—can use generative AI as part of our DX initiatives. We operate an AI chat service in a high-security environment that can be used for business-related research, documentation and code creation.

We will actively utilize AI in our focus business areas relating to content & XR communication to provide new value to consumers, companies and other organizations, etc.

We have also started to examine the possibility of commercialization of decentralized/distributed ID. We are currently engaged in evaluation for technologies such as self-sovereign identity (SSI) digital certificates that allow individuals to manage their identity data, and are promoting the feasibility of social implementations, such as the use of digital IDs in school operation, job change/job hunting by certifying individual career data and corporate human capital management.

Initiatives for Environment

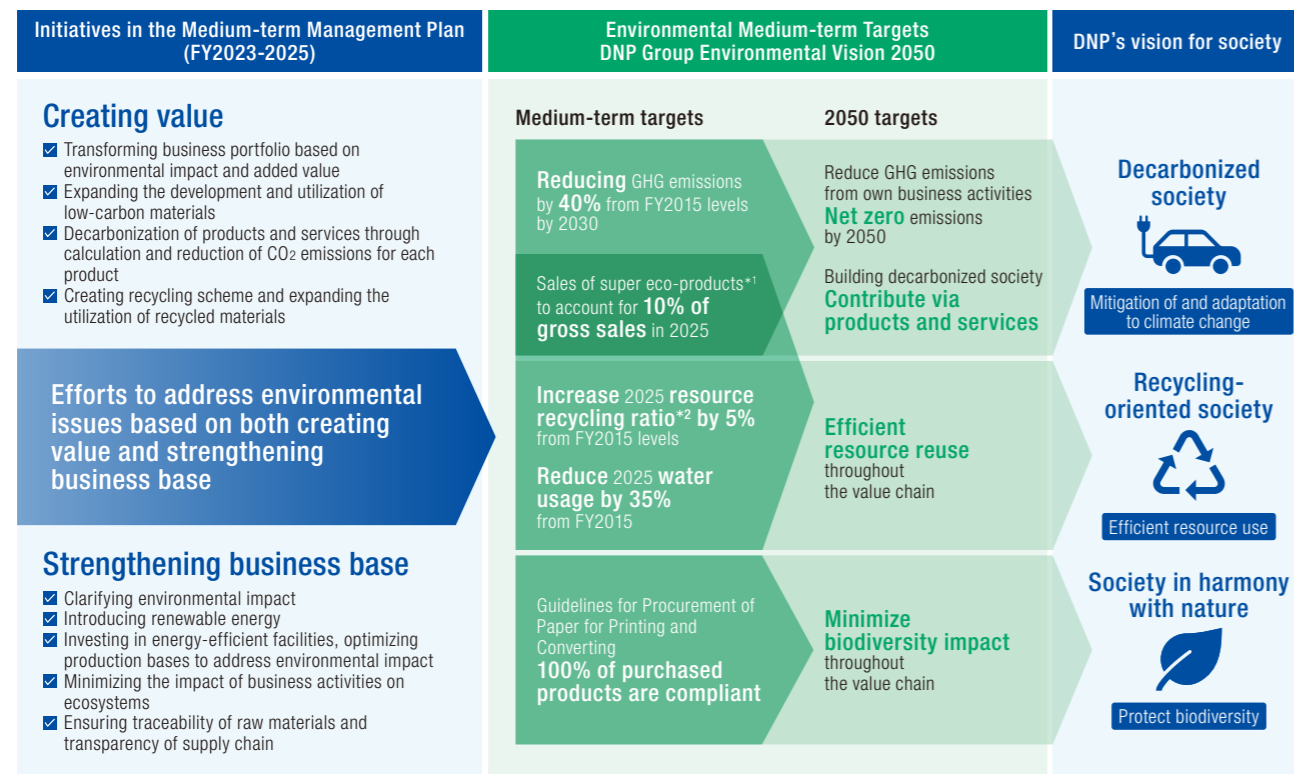
Non-financial Strategy

Contributing to the realization of a decarbonized society, a recycling-oriented society and a society in harmony with nature

DNP continuously strives for coexistence between our business activities and the global environment, and identifies environmental conservation and the realization of a sustainable society as part of its Code of Conduct. With strong requirements to reduce the impacts on the global environment, in recent years in particular, we are engaging in activities with a focus on the environment throughout our entire supply chain.

DNP Group Environmental Vision 2050

DNP formulated the DNP Group Environmental Vision 2050 and defined what we expect to accomplish toward the year 2050 in order to create a sustainable society. With a primary focus on the following initiatives, we will continue to step up our efforts to create value and strengthen the business base that underpins the creation of that value, toward the realization of a decarbonized society, a recycling-oriented society and a society in harmony with nature.



*1 Super eco-products are products and services that DNP deems to be exceptionally environmentally conscious based on its proprietary criteria.
*2 Resource recycling ratio is the rate of unneeded materials, excluding valuable materials such as paper, etc., recycled by either material or chemical recycling.

We set medium-term targets and are accelerating the pace of specific activities aimed at achieving the DNP Group Environmental Vision 2050. In particular, we are investing efforts into reducing GHG emissions and improving our resource recycling rate, and are making greater progress than originally planned. (For details of our environmental targets, see page 17 of the DNP Group Environmental Report 2023).

Vision of society	Medium-term targets	Actual results for FY2022
Decarbonized society	Reduction in GHG emissions: 40% reduction compared with FY2015 levels by the end of FY2030 (Scope 1 and 2).	36.5% reduction
Recycling-oriented society	Resource recycling ratio: five-point increase compared with FY2015 by the end of FY2025 (51.7%→56.7%)	6.3-point increase
Society in harmony with nature	Percentage of items in compliance with the Guidelines for Procurement of Paper for Printing and Converting: 98% by the end of FY2025, 100% by the end of FY2030	94%

Efforts to the realization of a decarbonized society



The effects of climate change have become increasingly serious every year and have a large impact on the environment, society and the economy. There are calls to accelerate efforts toward achieving carbon neutrality by 2050, as a response to this climate change crisis, and the importance of the roles to be played by companies is always increasing.

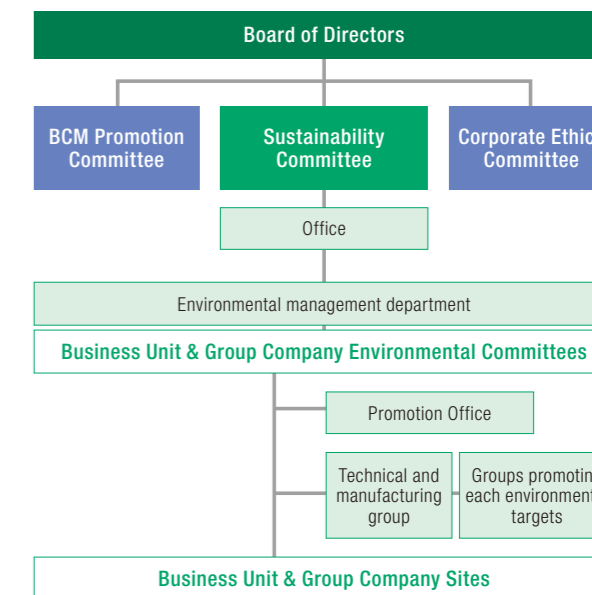
By working to resolve climate change and other environmental issues, DNP intends to resolve social issues and create new value to meet people's expectations. We are also proactively engaging in dialogue with stakeholders by enhancing the quality and volume of information disclosed via our integrated reports, websites and other media, utilizing an international framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), while maintaining transparency with regard to the various risks and opportunities that climate change poses to our business.

Governance

DNP regards addressing environmental issues—including climate change—as one of its key management challenges. In April 2022, DNP reorganized the Sustainability Committee headed by the president in order to enhance environmental, social and economic sustainability and further drive DNP's sustainable growth and enhanced functionality. By coordinating with the BCM Promotion Committee, which ensures the safety of employees and maintains production activities in the event of a natural disaster or other emergency, and the Corporate Ethics Committee, which seeks to raise employees' compliance awareness and reduce risks, the Sustainability Committee has established a flexible and robust governance system that covers company-wide risks.

The Sustainability Committee meets regularly, four times a year, and at other times as necessary for the purposes of managing medium to long-term management risks relating to sustainability, identifying business opportunities and reflecting them in management strategies; and delivers reports and makes recommendations to the Board of Directors. The Board of Directors receives reports and recommendations on matters discussed and resolved by the Sustainability Committee, and deliberates and supervises policies and action plans, etc., for responding to risks and opportunities relating to sustainability. Strategies and policies on environmental issues determined by the Committee are

addressed by the DNP Group as a whole, in coordination with the Business Unit & Group Company Environmental Committees.



Risk management

DNP engages in integrated risk management to minimize the negative impact of variable factors (risks) and expand business opportunities based on a flexible and resilient governance system.

Environmental, social and economic risks and opportunities are identified, evaluated and managed by the Sustainability Committee at least once a year. We prioritize activities and set targets based on factors such as business plans, financial impact, stakeholder concerns, impact on the

environment and society and likelihood of occurrence, and reflect them in our management strategies. For risks with a particularly high level of importance or priority, we select a risk management department and reflect the risks in business strategies and plans after discussions by the Management Committee, with each organizational unit playing a central role in responding to them. For opportunities, we manage priority themes throughout DNP and link them to strategic business development.

Strategy

DNP utilizes multiple scenarios published by international institutions (see pages 58-59) to identify risks caused by climate change and consider strategies for addressing risks in its business activities. We use these scenarios to evaluate and analyze qualitative and quantitative financial impact and the periods of time during which we will be affected. Climate

change-related risks include transition risks associated with transitioning toward a decarbonized society, such as the tightening of regulations and increased demand for low-carbon technologies (1.5°C scenario) and changes associated with physical impacts resulting from rising temperatures (4°C scenario). Based on the results of its scenario analyses,

DNP will respond flexibly and strategically to foreseeable climate risks and increase the resilience of its business activities for all scenarios in the medium to long term.

Response to transition risks and opportunities

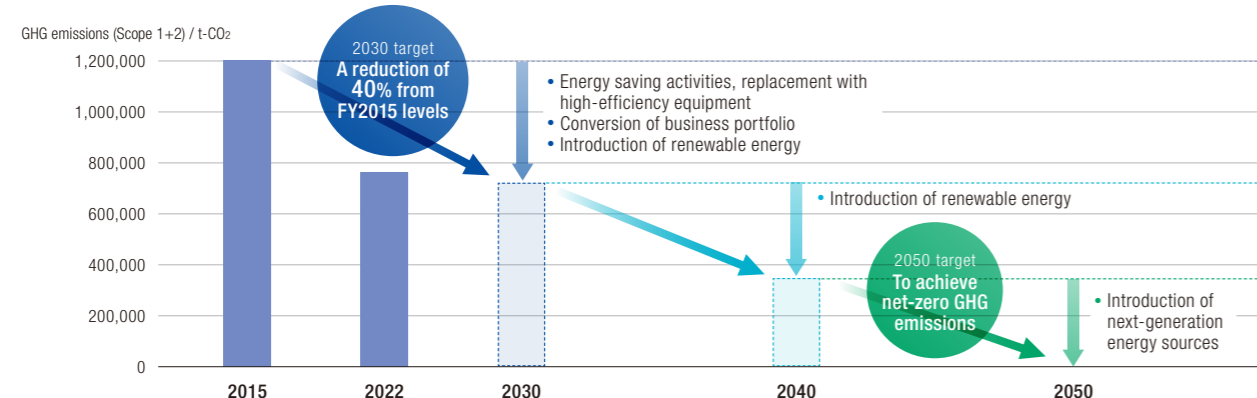
Transition risks include the likeliness of the increase in the use of renewable energy, the introduction of emissions trading (cap and trade) and the introduction of a carbon tax, etc., due to the tightening of GHG emissions regulations. We expect this to increase operating costs. In response to this, DNP is transforming its business portfolio based on environmental impact and added value. Under the DNP Group Environmental Vision 2050, we are striving to achieve net-zero GHG emissions from business activities at our establishments by 2050. We have set medium-term targets for 2030 and are improving our energy conservation activities, replacing existing equipment with higher-efficiency equipment using internal carbon pricing and systematically introducing renewable energy.

Meanwhile, we expect that demand and market for low-carbon products and services will continue to grow, requiring the accelerated shift to and development of low-carbon technologies. In response to such changes, DNP is working to create value by enhancing its alliances with numerous external partners by leveraging its strengths in P&I (Printing and Information). Specifically, we have set the Mobility and Industrial High-performance Materials businesses as focus businesses under our Medium-term Management Plan, in view of their profitability and market growth potential. In addition to products that contribute to the creation of a decarbonized society, such as clean energy-related materials, components and products such as battery pouches for lithium-ion batteries, we also expect to see business growth in security solutions for the sharing economy. We are also driving sales of environmentally friendly packaging, which offers both environmental conservation and convenience, and

Scenario analysis reference scenarios

Type	Example reference scenario
1.5 °C Scenario	Net Zero Emissions by 2050 Scenario (NZE) The NZE 2050 Scenario is one of the climate change scenarios published by the International Energy Agency (IEA). In order to create a decarbonized society and ensure energy security, it envisions the strengthening of ambitious and coordinated policies, the introduction of low-carbon technologies, and the creation of markets. It is a scenario in which carbon neutrality is achieved by 2050, and the average temperature increase is limited to 1.5° C.
4 °C Scenario	SSP5-8.5 Scenario The SSP5-8.5 Scenario is one of the climate change scenarios presented by the Intergovernmental Panel on Climate Change (IPCC) in its Sixth Assessment Report. It is a scenario in which GHG emissions increase significantly due to fossil fuel-dependent social development, with the average temperature increasing by over 4° C by 2100, which will have a significant impact on ecosystems and human activities.

Roadmap for achieving carbon neutrality by 2050



rolling out a certified system to calculate life cycle CO₂, which contributes to decarbonization across the entire supply chain by calculating CO₂ emissions throughout the entire lifecycle of our products and services. To strengthen these businesses, we are intensively investing management resources and implementing strategic investments.

Response to physical risks and opportunities

Physical risks in the short term are assumed to be frequent and aggravated damage from torrential rains, which may cause suspension of operations and disrupt the supply chain, etc. In the medium and long term, we anticipate an increase in costs and the interruption of operations, etc., caused by a rise in average temperatures and a change in demand for water. In preparation for these risks, we have organized a system for managing business continuity. More specifically, for the past several years, we have been implementing disaster control measures such as raising outdoor facilities and installing water control barriers. We have also been working to enhance our supply chain management by building production systems at multiple plants, diversifying suppliers, etc.

On the other hand, demand for products and services that adapt to the effects of rising temperatures is also expected to increase. For example, we will work to expand our range of products and services utilizing our proprietary converting technologies, such as lighting film, which maintains a comfortable space by efficiently incorporating sunlight into indoor spaces, and a multifunctional insulation box that supports logistics operations at low temperatures and constant temperatures. We will also expand the use of functional films, such as by supplying flexible LED sheet, an LED lighting solution that contributes to improving productivity in growing agricultural products for plant factories, which are less affected by wind and flood damage.

Climate change-related risks

Type	Risks related to climate	Impact on financial affairs, etc. of DNP									
		Negative	Period of impact	Level of impact	Likelihood	Positive	Period of impact	Level of impact	Likelihood		
Transition	Policies, laws and regulations	Obligation to raise emission reduction targets	Increased capital expenditures accompanying efforts to encourage energy saving Systematic capital expenditures based on internal carbon pricing (ICP)	Medium term	Medium	High	-	-	-		
		Mandatory introduction of renewable energy	Increased capital expenditures for the introduction of renewable energy Increased expenses for purchasing Non-Fossil Certificate Estimate for additional expenses as of 2030 due to the tightening of GHG emissions regulations to limit the temperature increase to 1.5°C level: Approx. 600 million yen/year	Medium term	Low	High	Growth of sales of products related to solar power generation The promotion of development for the use of next-generation fuels such as hydrogen and ammonia	Short to medium term	Medium	High	
		Introduction of an emissions trading system	Increase in expenses for purchasing emissions rights Estimated additional expenses as of 2030 due to the tightening of GHG emissions regulations to limit the temperature increase to 1.5°C level: Approx. 400 to 800 million yen/year	Medium term	Low	Medium	Gain on sale of emissions rights due to reduction of emissions Appealing to a proactive corporate stance toward reducing emissions	Medium term	Low	Medium	
		Introduction of a carbon tax	Increase in operating cost due to imposition of a carbon tax on GHG emissions Estimate for expenses as of 2030, assuming 140 US dollars/t-CO ₂ of carbon tax using the scenario of the International Energy Agency (IEA): approx. 8.4 billion yen/year	Long term	Medium - High	Low	-	-	-		
		Acceleration of the carbon neutrality of the supply chain	Increased demand from major clients, etc., for the reduction of emissions Business contracts impacted Suppliers passing on the prices of raw materials	Short to medium term	Medium - High	High	Secure an advantage by calculating CO ₂ emissions from products' entire lifecycle, developing the calculation business	Medium term	Medium	High	
		Toughening of emissions reporting obligations	Tougher rules on accurate tracking of emissions Increase in media for disclosing emissions data	Short term	-	High	-	-	-		
	Technology	Shift to low-carbon technologies	Accelerating technological innovation to achieve carbon neutrality	Increased investment in the development of new technologies Loss of markets due to delays in development and decreased profit	Medium term	Medium - High	Medium	Increased market share through early development of low-carbon products The promotion of development for the use of next-generation fuels such as hydrogen and ammonia Increased demand due to the widespread popularization of EVs (battery pouches for lithium-ion batteries, mobility-related materials and films for use as coating alternatives, etc.) Aim for 100 billion yen in overall sales of battery pouches for lithium-ion batteries by 2025 Widespread adoption of low-carbon product technologies accompanying growing demand for semiconductors (nanoinprint lithography) [See pages 22-23 for details of focus businesses]	Short to medium term	High	High
		Changes in customer behavior	Reduction in products and services that are not low-carbon or environmentally conscious	Loss of market and decrease in revenue due to a lack of carbon reduction Acceleration of the shift to non-petrochemical products, a negative impression of plastic products penetrates markets Growing demand for the replacement of non-environmentally conscious materials with alternative materials	Medium term	High	Medium	Promotion of the development of and the growing market for low-carbon products and services Aim for 10% percentage of gross sales from sales of super eco products by FY2025 Enable the market for recycled materials, biomass materials and paper, etc., to grow as replacements for existing plastic products Securing an advantage by calculating CO ₂ emissions from products' entire lifecycle	Short to medium term	High	High
	Market/evaluation	Increase in concerns of stakeholders	Worsening of the corporate image, a decline in stock price and exclusion from investments	Loss of market due to a lack of carbon reduction and a decrease in revenue due to a decrease in transactions Outflow of human resources and an increase in hiring costs	Short to medium term	Medium	Medium	Increased information disclosure and improvement of engagement Securing advantages and human resources as a company leading the way in sustainability	Medium term	Medium	Medium
		Urgency	Increase in wind and flood damage from heavy rainfall, flooding, etc.	Suspension of operations in the event of a disaster	Decreased revenue due to delayed manufacturing Increased cost of disaster control measures Disaster control measures for production facilities and bases, development of production systems in multiple locations, etc.	Short term	Medium	High	-	-	-
Disruption of supply chains	Decreased revenue due to delayed manufacturing and shipping Increased cost of purchasing raw materials and interruption of supply		Short term	Medium	High	-	-	-			
Physical impact	Chronic	Increase in temperature and long-term heat waves	Hindrance to operations due to average temperature increases	Decreased revenue due to delayed manufacturing	Medium term	Medium	High	Increase in demand for products utilizing functional films to control light and temperature	Short to medium term	Medium	High
		Increase in costs due to growing demand for cooling	Increased energy expenses Increased capital expenditures	Medium term	Medium	High	Increase in demand for products (such as flexible LED sheet) that contribute to the safe and stable supply of food by avoiding external impacts				
		Water-related risks in river basins	Suspension of operations in locations susceptible to flooding such as river basins	Decreased revenue due to delayed manufacturing Increased cost of disaster control measures Disaster control measures for production facilities and bases, development of production systems in multiple locations, etc.	Medium term	Medium	High	-			

Degree of impact We have determined the degree of impact on the interests of stakeholders and the business considering business plans, identified risks related to the environment given their likelihood and categorized the risks that are predicted to have a long-term effect or a financial impact of 10 billion yen or more as having a high degree of impact. Risks with an impact lasting several years or a financial impact of several hundred million yen were categorized as having a low degree of impact.
Degree of financial impact: High: approx. 10 billion yen Medium: 1 to 10 billion yen Low: less than 1 billion yen

Targets and indicators

To minimize the risks associated with climate change, we calculate the GHG emissions of the entire DNP Group (Scopes 1, 2 and 3) and develop strategies based on the results of these calculations. In order to achieve carbon neutrality by 2050, we have set the goal of reducing GHG emissions (Scopes 1 and 2) associated with business activities at our establishments by 40% by 2030, compared with emissions in FY2015, and are engaged in various reduction activities. Specifically, in addition to transforming our business portfolio with consideration of environmental impact and added value, we are implementing measures such as the introduction of high-efficiency equipment that factors in internal carbon pricing (3,000 yen/t-CO₂). As a result of these efforts, we expect to be able to achieve our GHG emission reduction target for 2030 ahead of schedule, and are now considering

raising the target. In addition, we are investigating the status of our suppliers' targets for controlling and reducing their GHG emissions to control our Scope 3 emissions, which account for more than 80% of GHG emissions across our entire supply chain.

To maximize business opportunities, we are working to expand our focus businesses based on the Medium-term Management Plan. We have set the goal of raising the percentage of gross sales from sales of super eco-products (specific products and services that DNP deems to be exceptionally eco-friendly based on its own criteria) to 10% by 2025, and sales are growing at a pace that exceeds this target. We will continue to increase the number of our products and services that contribute to the creation of a decarbonized society.

Super Eco-Products examples and sales performance

DNP has established guidelines for developing eco-friendly products and services* from the perspective of reducing environmental impact throughout their life cycle, and is working to create eco-friendly products and services from the development stages. Among them, we have identified products and services that are exceptionally eco-friendly as Super Eco-Products.

*See DNP Group Environmental Report 2023 page 20

Mono-material packaging materials



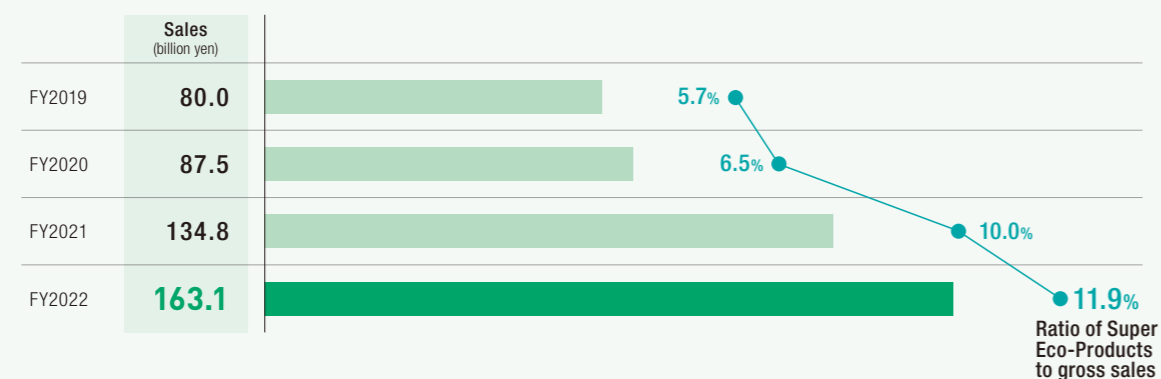
Mono-material packaging materials use only a mono-material, and are therefore easily recyclable and contribute to the recycling of resources. Utilizing our innovative converting technologies, they offer high performance as a barrier to oxygen and water vapor and in blocking light.

Multifunctional insulation boxes



Multifunctional insulation boxes offer a high degree of heat insulation performance due to their high-barrier film, making it possible to keep the internal temperature constant for an extended period of time without using a power supply. They support safe and secure logistics operations with temperature quality through thermal design technology and temperature control using IT.

Super Eco-Products sales trends and ratio of their sales to gross sales



Efforts to realize a recycling-oriented society

As a response to the problems of marine plastic waste, climate change and the toughening of waste import regulations in various countries, the importance of recycling plastic resources in Japan is also increasing. DNP is making efficient use of resources throughout its supply chain to help realize a recycling-oriented society as laid out in the DNP Group Environmental Vision 2050.

Since fiscal 2021, we have been working to recycle unneeded materials, using the resource recycling rate—the percentage of materials included in unneeded waste that are recycled by material and chemical recycling—as an indicator. We set a target of improving this recycling ratio by 5 points (51.7% →56.7%) in comparison with fiscal 2015 levels by fiscal 2025, and as a result of recycling (primarily plastics) we achieved an improvement of 6.3 points (58.0%) in fiscal 2022. Going forward, we aim to achieve a resource recycling ratio of 65% for all unneeded materials, and a resource recycling ratio of 50% for plastics by 2030, further accelerating the efficient use of resources.

DNP awarded Japan DX Grand Prize (Special Prize) for demonstration experiment for visualization of resource recycling

In June 2023, DNP was awarded the special prize in the SX/GX category of the Japan DX Grand Prize, which is run by the Japan Digital Transformation Promotion Association, in recognition of its efforts in the Saitama Prefecture Resource Recycling Visualization Demonstration Experiment. In this project, DNP ensured traceability (i.e., management and tracking of information) from the collection to the recycling of used plastics from households, visualizing and communicating information on CO₂ emissions generated in all processes. As a result of the experiment, we obtained results indicating that communicating this data to consumers in an easily understandable manner leads to a change in their awareness of recycling.

Going forward, DNP will continue to promote efficient use of resources by engaging in various measures for resource recycling and enhancing communication strategies to encourage consumers to take action and reduce environmental impact.



Efforts to realize a society in harmony with nature

DNP recognizes that its business activities affect biodiversity, and believes that maintaining DNP's coexistence with nature is essential for the company's sustainable growth. We strive to minimize our impact on biodiversity and maintain harmony with regional ecosystems throughout the entire value chain to establish a society that is in harmony with nature. We have examined the relationship between our business activities and biodiversity, prioritized the key themes of raw material procurement (which is dependent on ecosystem services and greatly impacts biodiversity) and the creation of greenery areas on company premises (as an effective use of land for contributing to the conservation of biodiversity), and are implementing specific activities to address them.

Ensure traceability in procurement of raw materials (paper)

We established the DNP Group Guidelines for Procurement of Paper for Printing and Converting in 2012 for the procurement of paper, which, in DNP's business activities, significantly relies on and impacts ecosystems, to maintain sustainable forest resources. The Guidelines specify the criteria for selecting suppliers and types of paper to purchase, and we are strengthening our relationships with suppliers and verifying the legitimacy of raw materials. At present, we are promoting the active use of paper products with forest certification and the assurance of traceability to achieve 100% compliance with the Guidelines.

DNP is selected harmony with nature site certification-equivalent "30by30* Alliance for Biodiversity"

DNP is redeveloping the Ichigaya district in Tokyo, home to its head office, as a center for new value creation. We are growing "Ichigaya-no-Mori" (The Ichigaya forest), a greenery area replicating while imaging the wooded area of Musashino which once spread there. By creating a new forest in an urban area as part of this city planning project, we aim to achieve both the development of a business base and contribution to the environment. The Ichigaya-no-Mori site has also been selected as "harmony with nature site certification-equivalent" under a demonstration project by the 30by30 Alliance for Biodiversity, which is run by Japan's Ministry of the Environment (MOE). Together with the growth of the highly diverse Ichigaya-no-Mori site, DNP will continue working to create new value originating in the Ichigaya district.



*30by30: A global goal adopted at the 15th Conference of the Parties to the United Nations Biodiversity Conference (COP15) to protect and conserve at least 30% of land and sea areas in a healthy state by 2030

Initiatives Across the Entire Supply Chain

DNP is engaged in initiatives addressing the principal themes of CSR management throughout its supply chain to help create a sustainable society. Our main activities and achievements in fiscal 2022 were as follows.

Principal themes of CSR management

Business to Contribute to SDGs Achievement	Fair Operating Practices	Human Rights and Labor	Environment
Responsible Procurement	Product Safety and Quality	Information Security	Corporate Citizenship

Supply chain

Procurement Responsible Procurement	Company activities (manufacturing, distribution, etc.)	Product Safety and Quality Information Security	Use, disposal and recycling of products Business to Contribute to SDGs Achievement
<ul style="list-style-type: none"> Strengthening of our management structure based on our Basic Procurement Policy and CSR Procurement Guidelines Supplier surveys based on CSR Procurement Guidelines Average score: 82 Supplier survey on responsible minerals procurement Smelters/refiners that are "Conformant" in the Responsible Minerals Assurance Process(RMAP) audit: 260 	<ul style="list-style-type: none"> Value creation through three strategies: business strategy, development strategy and intellectual property strategy Acquisition and strengthening of technology through open innovation Technology and R&D investment in excess of 30 billion yen per year: 32.4 billion yen Patent rights: 12,143, design rights: 1,312, trademark rights: 1,275 <p style="border: 1px solid #00a68f; padding: 2px; display: inline-block;">Strengthening intellectual capital ▶ Pages 50–53</p>	<ul style="list-style-type: none"> Global production bases 56 bases in Japan, 16 bases overseas Quality management based on the DNP Group Quality Policy and DNP Group Product Safety Policy Rigorous management based on the DNP Group's Basic Policy on Information Security Ratio of compliance assessments conducted: 100% Privacy mark / ISO/IEC27001 certification obtained 	<p style="background-color: #e0f2f1; padding: 5px;">Businesses that contribute to achieving the SDGs utilizing Printing & Information core values Focus business strategy ▶P14-17</p> <ul style="list-style-type: none"> Contributing to a sustainable society where people can live safe, secure and healthy lives Securely and seamlessly connecting real and digital, contributing to the evolution of an information society <p style="background-color: #e0f2f1; padding: 5px;">Creating value primarily in focus business areas ▶P18-27</p> <p style="background-color: #e0f2f1; padding: 5px; font-size: small;">Digital interfaces Semiconductors Mobility and industrial high-performance materials Content & XR communication Medical & healthcare</p> <p style="background-color: #e0f2f1; padding: 5px;">Providing products and services with a top market share both in Japan and overseas ▶P4-5</p>

Initiatives for stakeholders

Human Rights and Labor Fair Operating Practices Information Security Product Safety and Quality Corporate Citizenship	<p>Suppliers and outsourcing contractors</p> <ul style="list-style-type: none"> Responsible procurement activities Cooperating suppliers: 180 Suppliers and outsourcing contractors participating in engagement activities: 22 Partnership-building declaration 	<p>Employees</p> <ul style="list-style-type: none"> Improving the percentage of female managers: 8.4% (DNP non-consolidated) Improving the percentage of males taking childcare leave: 83.6% (DNP non-consolidated) Improving the ratio of employees with disabilities: 2.6% (DNP non-consolidated) Improving the ratio of annual paid leave taken: 53.3% Reduction in frequency rate of lost workday injuries: 0.3% <p style="border: 1px solid #00a68f; padding: 2px; display: inline-block;">Strengthening of human capital ▶ Pages 44–49</p>	<ul style="list-style-type: none"> Corporate ethics and compliance education Ratio of Autonomous Corporate Ethics Training conducted: 100% (107 organizations) Participation rate of information security education and training: 100% (Approx. 41,000 persons) 	<p>Client companies and consumers</p> <ul style="list-style-type: none"> Number of serious accidents caused by our products: 0 accident Percentage of newly developed products undergoing product safety and risk assessment: 100% (330 products) Percentage of quality system inspections carried out: 100% (51 units and companies) 	<p>Local communities</p> <ul style="list-style-type: none"> Social contribution activity programs conducted: 58, external participants: 1,610 Menu items at employee cafeteria including a donation Total of dishes: 38,912, amount of donations: 1,945,600 JPY *Including refugee support menu items
<p style="background-color: #e0f2f1; padding: 5px;">Enhancing the internal whistle-blower systems</p> <p style="font-size: small;">In accordance with the Whistleblower Protection Act, DNP established the Open Door Room in 2002 as a contact point for employees for consultation and reporting (whistleblowing) of matters relating to corporate ethics. Also in 2015, we established an external contact point for consultation and whistleblowing via an attorney's office. In fiscal 2022, we expanded the scope of coverage for the Supplier Hotline which was established in 2009 as a contact point for whistleblowing from outside the company, and renamed it the Compliance Hotline. Through the operation of these systems, we will continue working to ensure fairer, more equitable corporate activities.</p>		<p style="background-color: #e0f2f1; padding: 5px;">Providing dishes with fundraising for refugee support at employee cafeterias</p> <p style="font-size: small;">DNP engages in a variety of corporate citizenship activities with employee participation, to help realize a society in which no one is left behind. In fiscal 2022, we began providing refugee support menu items that include donations as part of the fee at employee cafeterias nationwide, to support more than 100 million refugees around the world. Coinciding with World Refugee Day and Human Rights Week, dishes were served in honor of Ukraine, Syria and Myanmar. A total of 3,544 meals were eaten, and donations amounting to approximately 180,000 yen will be used for UNHCR's refugee relief activities, along with company donations (a total of 50 million yen over a period of five years).</p>			

Initiatives for environment

Environment	<ul style="list-style-type: none"> Procurement papers conforming to DNP Group Guidelines for Procurement of Paper for Printing and Converting Percentage of key suppliers that have obtained the conformance certificate: 94% Reduction of GHG emissions (Scope 3) in cooperation with suppliers 	<ul style="list-style-type: none"> Reduction of GHG emissions (Scope 1 and 2) 36.5% reduction compared to FY2015 levels Improvement in resource recycling ratio improved from 51.7% in FY2015 to 58.0% Maintenance of performance at 70% or below environmental laws and regulations standard levels Number of cases exceeding regulation levels: 2 <p style="border: 1px solid #00a68f; padding: 2px; display: inline-block;">Initiatives for Environment ▶ Pages 56-61</p>	<ul style="list-style-type: none"> Calculation and reduction of CO2 emissions and implementation of LCA for the entire supply chain Creating products and services comply with guidelines for developing eco-friendly products and services Ratio of Super Eco-Products in total sales: 11.8% 	<p style="background-color: #e0f2f1; padding: 5px;">Eco-friendly design team of DNP</p> <p style="font-size: small;">In October 2022, we launched a cross-divisional eco-friendly design team that combines DNP's diverse technologies and know-how to contribute to resolving environment-related issues at companies. Going forward, we will provide companies with services aimed at solving various issues, with the aim of achieving long-term harmonious coexistence between the environment and businesses.</p>
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Initiatives for responsible minerals procurement

DNP has been engaged in responsible procurement initiatives since 2006, to enhance sustainability throughout the supply chain. In particular, because of concerns that certain mineral resources contained in raw materials may cause serious human rights violations in the mining process, we have stipulated "responsible mineral procurement" as one of the matters to be complied with in the DNP Group CSR Procurement Guidelines, and established a management system based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas—an international standard for responsible procurement.

In fiscal 2022, we conducted a regular survey of our major suppliers using the RMI*1 (Responsible Minerals Initiative) RMAP*2 (Responsible

Minerals Assurance Process). We identified 414 smelters/refiners for tin, tantalum, tungsten, gold, cobalt and mica contained in DNP's raw materials, and confirmed that 260 of them were Conformant certified. We also assess human rights risks based on DNP's own risk management framework and standards. At the same time, we will continue to conduct detailed assessments of smelters/refiners with potential risks and strive to prevent and improve upon them. For aluminum, which is a raw material for DNP's main products, we have launched new initiatives to identify and evaluate smelters/refiners, etc. By holding regular discussions with the relevant suppliers, we are conducting engagement initiatives and evaluating the eight smelters/refiners identified to confirm that no significant human rights risks are found.

As global human rights due diligence legislation and the strengthening of risk management related to mineral resources progresses, DNP is engaging in further initiatives such as creating a management system and conducting supplier surveys to introduce similar management measures for 16 minerals including lithium, nickel and copper.

In fiscal 2023 and beyond, we will continue to strengthen our response to human rights risks in our supply chain, with a primary focus on mineral resources.

*1 RMI: An organization that spearheads the responsible procurement of minerals. More than 400 companies/organizations from around the world are members.
*2 RMAP: A program that verifies compliance with responsible minerals procurement in conjunction with the management system and procurement practices of smelters and refineries based on the evaluations of independent third parties.
*3 CAHRAs: Conflict-Affected and High-Risk Areas.

Risk assessment results for six conflict minerals (tin, tantalum, tungsten, gold, cobalt and mica)

Number of responding companies	171
Number of smelters/refiners subject to risk assessments	414
Number of smelters/refiners that are either "Conformant" or "Active" in the RMAP audit or are not located within DNP CAHRAs*3 (1)	397
Number of smelters/refiners under (1) with "Conformant" RMAP audit status	260