

Strengthening of Human Capital



We will create a positive feedback loop that enhances corporate value by increasing human creativity through investment in human resources.

Kenji Miya, Executive Vice President

The key foundation and source of strength for the DNP Group in creating a “better future” is the presence of each employee. By allowing employees to take on challenges with confidence, we can develop their individual strengths. Through *TAIWA* (dialogue), we can combine these strengths, enabling us to continuously provide new value to society and people.

The DNP Group has formulated its Human Capital Policy to represent the company’s universal and fundamental approach to human resources. This policy clearly expresses

improving efficiency

our 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. Based on this policy, we will produce employees who can perform their roles both within and outside the company by supporting employee career autonomy that leads to value creation.

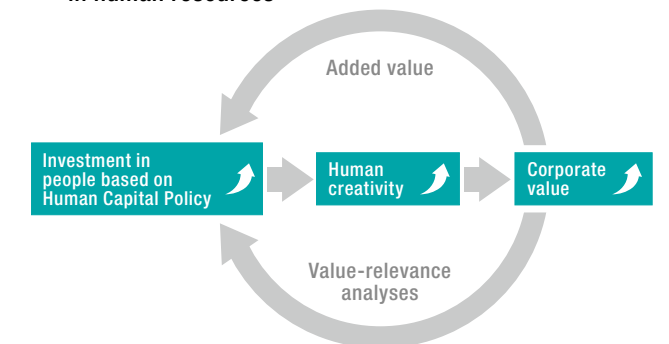
In addition, to strengthen human capital, which is the key to value creation and the driving force of growth, we declared both internally and externally our commitment to significantly elevating human creativity (value-added productivity) on a global scale toward establishing a positive feedback loop in which investment in people contributes to enhancing corporate value. To achieve this, we have identified four material issues, each accompanied by specific measures, and are accelerating our initiatives. Furthermore, to confirm whether our investments in people and various HR initiatives are contributing to improvements in human creativity, financial value, and corporate value, we conduct DNP’s unique value relevance analyses. These analyses enable us to enhance the effectiveness of each initiative.

To further align our business and talent strategies, we will clarify the following three aspects: the ideal characteristics (mindset) of talent necessary to realize the management and business strategies, the desired careers (job roles) as key contributors to strategically growing businesses, and the abilities and skills required for talent involved in priority businesses. We will visualize the necessary talent profile, the

target careers, and skills that each employee should aim to develop, in order to effectively execute our management and business strategies.

As a result of these initiatives, human creativity rose by 8.2% in fiscal 2024 compared to fiscal 2022, showing steady growth in human capital indicators. Not stopping here, we will continue to actively and continuously promote a variety of initiatives until all our employees are able to experience transformation. We will achieve a positive feedback loop in which investment in human resources elevates human creativity and leads to enhanced corporate value, further strengthening human capital, the greatest strength of the DNP Group.

Positive feedback loop of investment in human resources



The link between strengthening human capital and enhancing corporate value

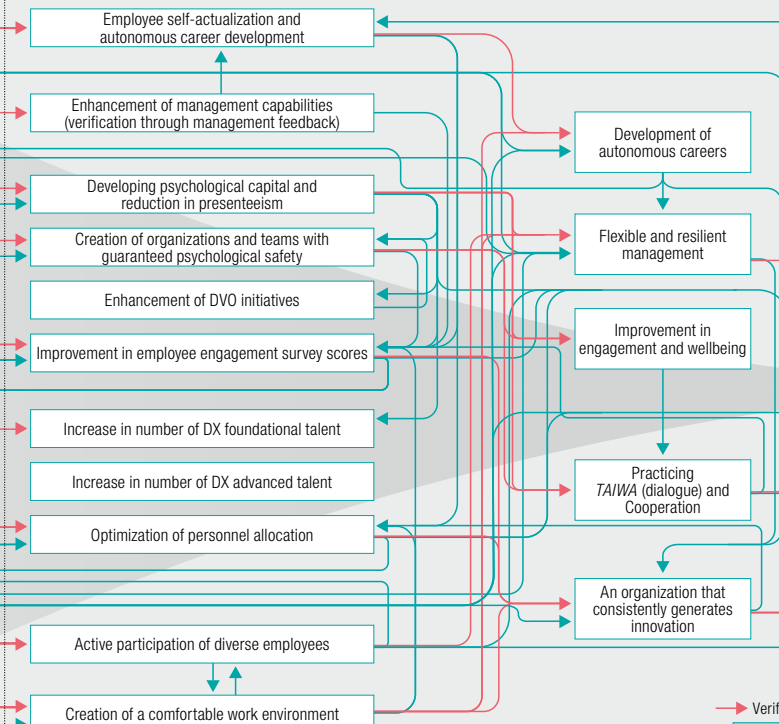
Material issues / Initiatives

- Support for career autonomy of employees and strengthening of organizational capability**
Implementation of a DNP version of “compensation and related policies that are more closely founded on a job-oriented perspective” [▶ P58](#)
- Health and productivity management that increases the happiness of employees**
Management reform based on DNP Group Declaration on Health [▶ P59](#)
- Hiring, personnel assignment and reskilling based on human resource portfolio**
Implementation of personnel assignment to focus business areas and reskilling [▶ P60](#)
- Promotion of D&I utilizing diverse individuality**
Cultivation of culture enabling active participation by diverse personnel [▶ P64](#)

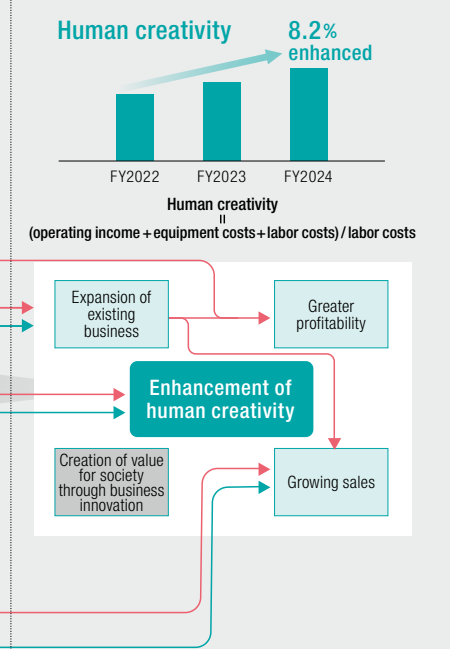
Specific measures

- Dual ladder post-based compensation and support for career autonomy
- Maintaining and securing competitive compensation levels and systems
- Enhancement of training programs aimed at strengthening organizational capability
- Measures to realize the DNP Group Declaration on Health
- Penetration of DNP Value Objectives (DVO) system (DVO: DNP Value Objectives)
- Measures to improve organization engagement
- Strengthening of hiring and expert training based on human resource portfolio
- Visualization and raising of skill level of DX talent
- Reskilling from business areas under structural reform to strategic focus areas
- Promotion of active participation by women (enhancing diversity in decision-making)
- Encouragement of male employees to take childcare leave (support for work-life balance)
- Implementation of unconscious bias training for all employees (fostering a highly psychologically safe workplace culture)
- Cultivation of D&I sense of ownership awareness
- Promoting dual ladder career (Management/Specialist)
- Support for employees’ career autonomy
- Promoting job-based (post-based) compensation and securing specialized human resources
- Enhancing training programs to improve management skills
- Expanding health and productivity promotion programs for employees
- Management transformation and strengthening of team capabilities through penetration of the DVO system (1 on 1 meetings/team meetings)
- Development of DNP Wellbeing Awards to strengthen organizational and team capability
- Strengthening hiring and training of specialized personnel
- Expansion of DX training program
- Definition and visualization of the skill level of DX foundational talent and DX advanced talent
- Facilitating job transfers after reskilling training
- Increasing number of female managers
- Improving male childcare leave uptake rate
- Increasing number of participants in unconscious bias training
- Promotion of D&I measures

Direct effects and impact on the external environment



Enhancement of financial and corporate value



→ Verified value chain from left to right as hypothesized → Verified connections
 [Grey box] New initiatives excluded from verification due to insufficient data for analysis
 Analysis: ABeam Consulting Ltd., Digital ESG Platform

Strengthening of Human Capital

Support for career autonomy of employees and strengthening of organizational capability

We are introducing and implementing initiatives that support each employee's autonomous career development and willingness to take on new challenges based on our Human Capital Policy. Through DNP's unique value relevance analyses, we examined the correlation between various systems that support career autonomy and engagement. The results revealed that an increase in users of career support systems leads to improved engagement, which in turn contributes to enhanced productivity. In response, we are working to further strengthen initiatives and systems that support autonomous career development. In addition to these initiatives that will enhance personal strengths, we will continue working to improve management capabilities to further leverage the strengths and cultivate organizational culture.

Strategies and measures

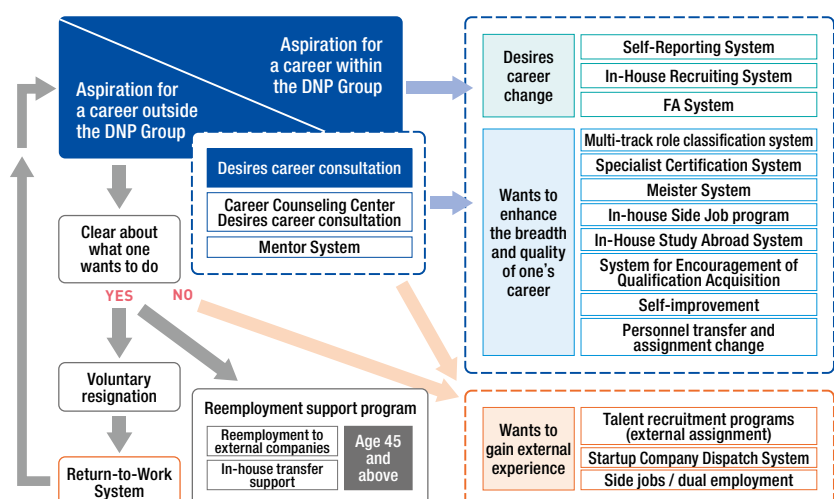
DNP version of “compensation and related policies that are more closely founded on a job-oriented perspective”

We are implementing the DNP version of “compensation and related policies that are more closely founded on a job-oriented perspective” as one of the initiatives to support autonomous career development and challenges. This unique hybrid system, which emphasizes career autonomy, leverages the benefits of both membership-based and job-based employment. Specifically, we have established a multi-track role classification system that enables the autonomous selection of management (managerial roles) or specialist (professional roles). This system incorporates grade classifications that place greater emphasis on the respective duties and positions of each track. In our management feedback program, subordinates provide feedback to managerial staff, allowing for the visualization of their management performance on a regular basis and

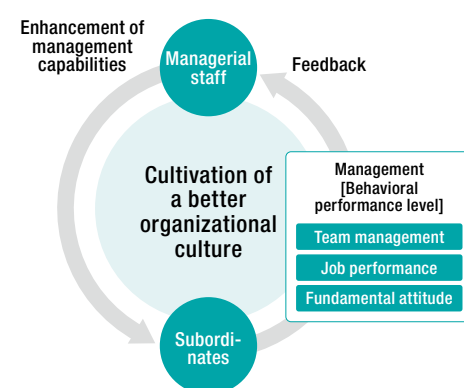
helping managers gain self-awareness by identifying their own challenges. This contributes to the enhancement of management skills and the cultivation of a better organizational culture, while also instilling the desired qualities of managerial staff throughout the entire DNP Group, including non-managerial employees.

We also continue to enhance our programs with a strong emphasis on the proactive and autonomous intentions of employees. In addition to the existing In-House Recruiting System, we have introduced talent recruitment programs to allow employees to challenge themselves in unfamiliar roles with confidence. We also launched the Startup Company Dispatch System, which enables employees to be assigned to external startup companies, where decision-making speed and management methods differ significantly.

Support systems for career autonomy of employees



Management feedback



Enhancement of training programs aimed at strengthening organizational capability

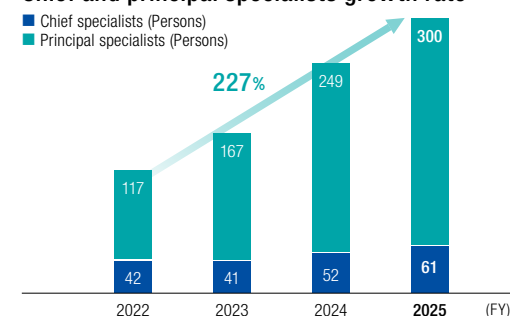
We aim to have our leaders acquire management literacy and improve their leadership and management skills through our Executive Leadership & Management Training (ELM Training) for nurturing the next generation of management leaders.

We also rotate personnel who are eligible for this training, and through gaining experience in multiple departments, we are strategically nurturing future management leaders with broader perspectives and higher-level viewpoints.

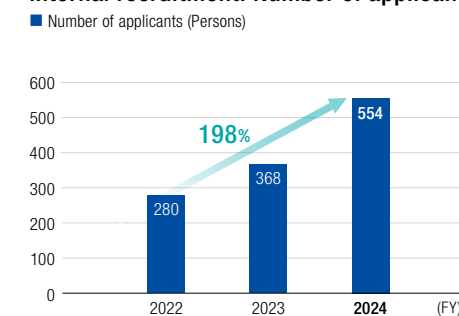
Indicators

Indicator	Description	Value
Chief and principal specialists growth rate	Indicator demonstrating the rate of enhancement among specialists strengthening organizational capability	FY2022 comparison: 227%
Internal recruitment: Number of applicants	Indicator demonstrating the use of our support for career autonomy	FY2022 comparison: 198%

Chief and principal specialists growth rate



Internal recruitment: Number of applicants



Health and productivity management that increases the happiness of employees

The DNP Group is engaged in Health and productivity management based on the DNP Group Declaration on Health, which is based on our philosophy of safety and health taking precedence over everything else. Since last year, we have defined DNP Wellbeing as a common goal for all DNP Group employees, incorporating not only health and safety but also happiness (sense of challenge and trust), and have shared this definition company-wide. Through 1 on 1 meetings and team meetings, we promote a willingness to take on challenges and work to become an organization grounded in trust. To continue to reduce health risks and improve engagement, we visualize issues and conduct follow-ups based on both quantitative and qualitative data, such as measurement results and surveys. Together with improvements to facilities and the work environment, we are also developing a work culture in which each employee participates voluntarily.

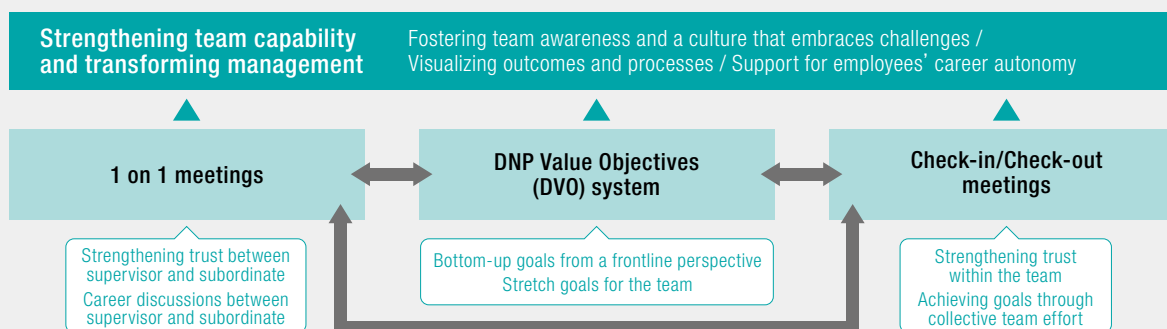
Strategies and measures

Health and productivity management strategies and priority measures that increase the happiness of employees

The DNP Group Declaration on Health focuses not only on physical and mental health but also on fostering each individual's psychological capital (a positive mindset) and building psychological safety (trust-based relationships) within the organization and teams.

1. Promoting the strengthening of team capability and the transformation of management

- We are implementing the unique DNP Value Objectives (DVO) system and operating it in conjunction with 1 on 1 meetings and team meetings. This approach aims to encourage each individual to take on challenges and build the organizational trust that supports them.



Strengthening of Human Capital

2. Creating a vibrant workplace culture as a foundation for enhancing corporate value

- We have defined DNP Wellbeing as the optimal state for both individuals and organizations in which the three elements, namely physical and mental health and a safe and comfortable work environment as well as happiness (sense of challenge and trust), are fulfilled, and have shared it as the state all employees should aim for.
- We introduced the DNP Wellbeing Award to spread DNP Wellbeing throughout the entire DNP Group.

3. Enhancing DNP wellbeing through visualization of organizational issues and implementation of initiatives

- Visualize issues using engagement surveys and improve motivation through dialogue
- Enhance engagement and wellbeing by creating communication areas in manufacturing workplaces
- Regularly hold various events such as health measurements and walking challenges to support employee health and wellness
- Provide follow-up support through both high-risk response measures based on health checkups and lifestyle improvement initiatives
- Support improved health literacy through e-learning, etc., addressing women-specific health issues and providing cancer education



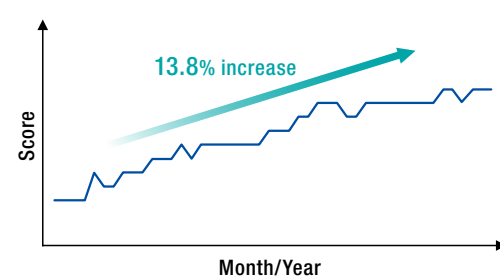
DNP Wellbeing

Indicators

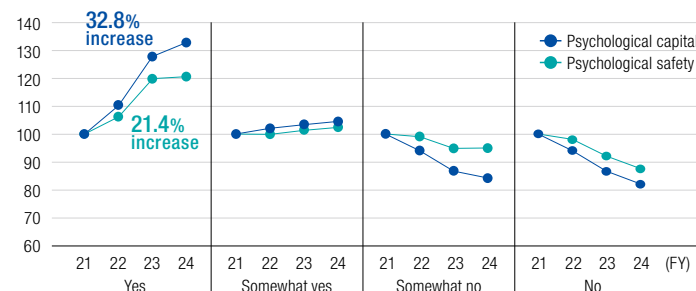
The following indicators are based on health and productivity management strategies and priority measures that increase the happiness of employees, and measures are implemented with the goal of improving upon the previous year's results.

Indicator	Description	Value
Growth rate in Challenge indicator from the engagement survey	Indicator representing the level of employees' willingness to take on challenges and the organization's support for such challenges	FY2022 comparison: 13.8% improvement
Number of proposals for DNP Wellbeing Awards and number of volunteer judges	Indicator representing proactive efforts toward improving DNP wellbeing	FY2025 proposals: 205 (FY2024 comparison: 22.0% improvement) Number of volunteer judges: 1,129
Status of improvement in psychological capital and psychological safety	Indicator representing the status of employees' psychological capital and the status of organizational psychological safety	Psychological capital: Average percentage of respondents with the most positive response to questions on Hope, Efficacy, Resilience, and Optimism (4-point scale) FY2021 comparison: 32.8% improvement Psychological safety: Average percentage of respondents with the most positive response to questions on Ease of Communication, Mutual Support, Challenge, and Respect for Individuals (4-point scale) FY2021 comparison: 21.4% improvement

Engagement survey "Challenge" indicator



Status of improvement in psychological capital and psychological safety



Note: The percentages for both psychological capital and psychological safety are calculated based on the data from FY2021 set to 100.

Hiring, personnel assignment and reskilling based on human resource portfolio

Redeployment and reskilling of personnel from businesses for reforming to focus business areas

Since fiscal 2019, the DNP Group has developed a human resource portfolio that categorizes the talent truly required for each business into multiple types based on their roles, expertise, and management abilities. To effectively promote each business strategy, we assess the adequacy of talent for each type and promote recruitment, development, and placement that emphasize the qualitative aspects of our employees.

In recent years in particular, 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 Group, as we work to build a strong business portfolio, we are placing greater emphasis on the redeployment and reskilling of talent from businesses for reforming to focus business areas.

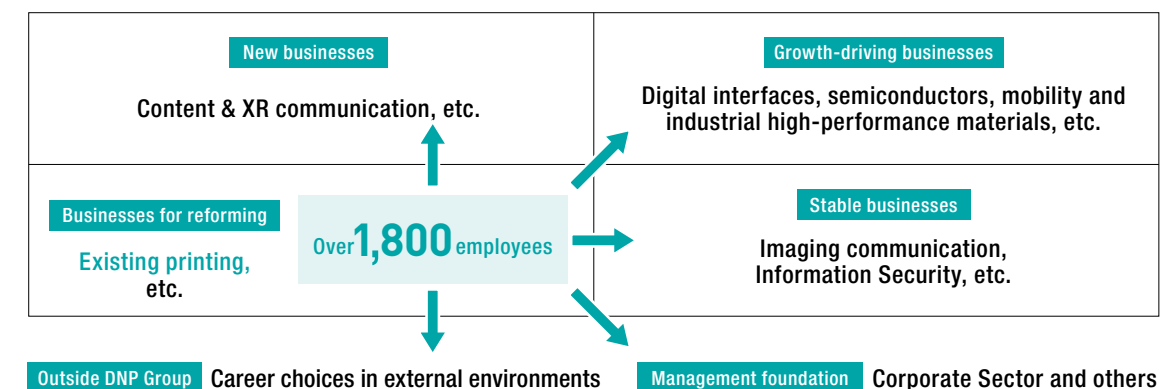
Strategies and measures

Personnel redeployment from businesses for reforming to focus business areas

At DNP Group, we assess the talent required to advance each business strategy based on our human resource portfolio and are promoting the redeployment of personnel from businesses for reforming to growth-driving and new business areas. Over the five-year period from fiscal 2020 to fiscal 2024, we reallocated more than 1,800 employees, including employees

who voluntarily transferred through in-house recruiting systems as well as those who opted for external careers. We will continue to implement reassignments from businesses for reforming to focus business areas as necessary in the future.

Personnel redeployment overview (FY2020–FY2024)



Transitioning to different roles through reskilling

For those transitioning to significantly different roles through deployment, we provided group training sessions to help them acquire the fundamental knowledge and skills needed in their new positions, as well as to foster the right mindset. As a specific example, we transitioned employees who had been working in businesses for reforming, including paper printing, to roles in manufacturing departments related to high-performance materials and semiconductors, as well as BPO businesses, after training them on safety and fundamental skills. We also transitioned employees in platemaking departments for paper printing to the Extended Reality (XR) Creative Department after skill training in 3D design.

Further examples include transferring employees to design departments after design and drafting skill training, as well as transitioning employees to entry-level ICT/DX roles focused on improving operational efficiency through the creation of databases for manufacturing-related departments and the use of Robotic Process Automation (RPA) and macros. Under the In-House Recruiting System with training for career changes, launched in fiscal 2022, employees have been able to voluntarily challenge themselves by transitioning into roles in unfamiliar focus business areas, with a wide variety of reskilling opportunities offered.

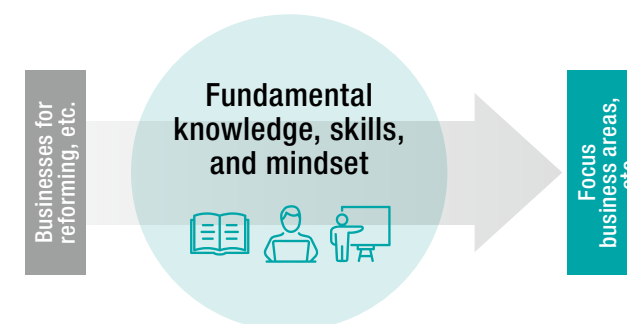


Image of the DNPweb (intranet) screen

Indicators

Indicator	Description	Value
Number of employees redeployed and reskilled	An indicator of redeployment from businesses for reforming to focus business areas over the five-year period from fiscal 2020 to fiscal 2024 (including those who opted for external careers)	Over 1,800 employees

Strengthening of Human Capital

Strengthening hiring and training of specialized personnel

Ensuring the availability of talent with the expertise required to enhance corporate value is an important challenge amid the rapid changes in today’s social environment. In response to this imperative, DNP is committed to strengthening its recruitment and development strategies for highly specialized personnel, leveraging our comprehensive human resource portfolio. “Value creation through P&I Innovation” represents DNP’s DX initiative, and DNP is focusing on cultivating talent essential for driving DX. We categorize our DX talent into two levels — DX foundational talent and DX advanced talent — and provide both basic literacy training and customized specialized training.

Strategies and measures

Recruitment of highly specialized personnel

When it comes to recruiting rare and specialized talent, we not only focus on internal development but also actively seek external candidates to enrich our team. Especially for highly skilled professionals, we have established systems such as competitive compensation packages designed for our expert staff. For example, we have successfully recruited physicians and other medical professionals to bolster our medical and healthcare divisions. Additionally, we actively hire external specialists for side jobs and welcome candidates with experience as university professors or board members of publicly listed companies. Going forward, we will continue to promote the recruitment of necessary talent through the most appropriate methods and formats.

Defining levels of DX talent

We are committed to advancing the development of DX talent in accordance with the Digital Skill Standard (DSS) established by the Ministry of Economy, Trade and Industry. We categorize DX foundational talent as individuals who possess a fundamental understanding of digital transformation (DX) and recognize it as a personal responsibility; this category encompasses all employees within the DNP Group. In contrast, DX advanced talent consists of specialized individuals who actively support DX initiatives within their respective departments. We have established specific level definitions for fiscal 2024 to facilitate targeted training that aligns with each level.

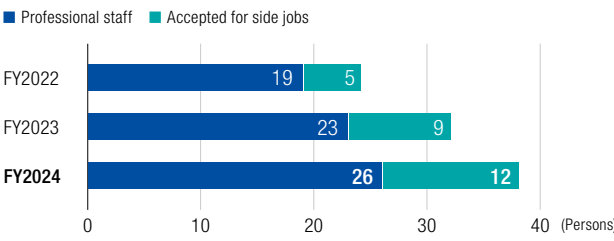
Strengthening the training of DX personnel

For DX foundational talent, our goal is to complete literacy training for 27,500 employees by the end of fiscal 2025. As of the end of fiscal 2024, a total of 25,473 employees have completed the course, representing a completion rate of approximately 92.6%.

We are focusing on the training of employees involved in ICT development to strengthen DX advanced talent with higher levels of specialized expertise. Targeting those who meet or exceed IT Skill Standard Level 3, a total of 1,036 employees attained this level in fiscal 2024. In addition to specialized programs in AI, cloud computing, and agile development, we are expanding practical, business-oriented training that empowers participants to apply their knowledge effectively to drive business growth and enhance operational outcomes. In fiscal 2024, we launched a new program that utilizes real business data for analysis, enabling participants to develop proposals for clients and improve operational efficiency. We will continue to expand these initiatives.

Additionally, we have introduced the P&I Training Course as a key placement option for new employees, where they intensively acquire the skills and mindset needed to promote DX

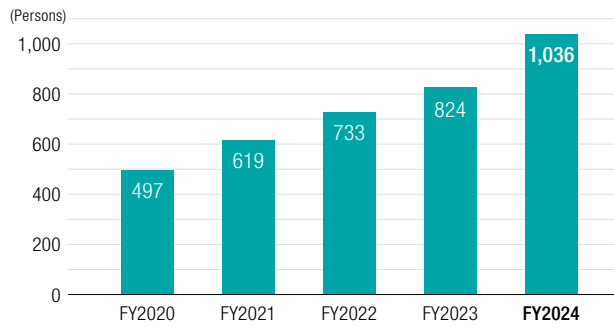
Hiring highly specialized personnel



Defining DX foundational and advanced talent levels

Levels	Overview	Talent
Level 5	A high-end player within the company capable of leading large teams.	DX advanced talent
Level 4	An individual who possesses a high level of skills related to DX, capable of leading their assignments, and ability to train the next generation.	
Level 3	An individual who possesses applied knowledge and skills related to DX, capable of making independent judgments and executing tasks related to their responsibilities.	
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
Level 1	An individual who possesses the minimum required knowledge related to 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.	

Number of individuals with IT Skill Standard Level 3 or above (FY2020-2024)



* The IT Skill Standard (ITSS) serves as an indicator for evaluating competencies related to IT, specifically designed to train specialized IT personnel.
* IT Skill Standard (ITSS) Level 3 signifies a level of proficiency where individuals possess applied knowledge and skills, enabling them to make independent judgments and execute tasks pertinent to their responsibilities.

over the course of about one year. Graduates of this course play important roles in advancing DX. Recognizing the importance of digital personnel early on, DNP launched this course in 1990 with the objective of nurturing digital talent. As of the end of

fiscal 2024, around 600 employees had completed the program. In fiscal 2024, we expanded eligibility to include recent high school graduates and introduced a specialized training course to prepare them for future roles in DX promotion.

Indicators

Indicator	Description	Value
Number of professional staff hired and external side job workers accepted	This indicator reflects the hiring status of highly specialized personnel within our human resource portfolio.	Number of highly specialized talent hires: 26 Number of external side job workers accepted: 12
Basic education for DX literacy: Course completion rate (Target: 27,500 individuals)	This indicator measures the improvement in understanding DX among DNP Group employees.	Total individuals who completed the course: 25,473 (FY2024 results)

Promotion of global human resource strategy

The DNP Group conducts various businesses in 34 cities around the globe (excluding Japan). Currently, approximately 9.6% of employees are based outside Japan, and overseas sales account for 24.2% of total revenue, with business operations overseas steadily growing each year. Up to this point, target customers and markets have been developed independently based on individual business strategies in many cases. Consequently, local subsidiaries and business divisions in different countries have had to implement their own human resource measures, resulting in a fragmented landscape of know-how and information. To transform this situation and support the growth of overseas businesses that drive the Group’s growth, we established a dedicated department within the Personnel & Employee Relations Division at headquarters to consolidate know-how and information from various countries and regions and to support the promotion of global personnel and labor initiatives.

Strategies and measures

Global human resource strategies and key initiatives

We have established the following three pillars, key initiatives, and KPIs (Key Performance Indicators) to address personnel and labor challenges in our global business operations, and are implementing them while managing progress.

1. Visualization and management of talent to create a situation where the right people are available when needed
 - Visualization of human capital information of overseas local subsidiaries
 - Identification of key positions, successor plans, and key talent to achieve business strategies
2. Development of human resource management infrastructure to create attractive and market-competitive conditions
 - Development of infrastructure to disclose information and international standards through the establishment of HR data governance
 - Development of global talent management infrastructure through the establishment of competitive mobility policies (regulations for global transfers and placement)
3. Strengthening of risk management capabilities and system development to create a situation that supports business development by establishing roles and functions and acquiring expertise
 - Establishment of the roles and structures of global human resource functions to enable the promotion of measures
 - Formation of a global HR network to promote globally-unified strategies
 - Enhancement of external market competitiveness assessment and risk management capabilities to measure the superiority and risks of measures and systems

Progress

DNP drafted these strategies and policies in 2023, and we are executing our plan over the course of three years, with the first year as the current-state assessment phase, the second year as the policy planning phase to build the foundation for the future, and the third year as the implementation phase. By the second year, we have communicated our strategy and key initiatives to overseas subsidiaries, and have researched and visualized human capital data such as turnover rates,

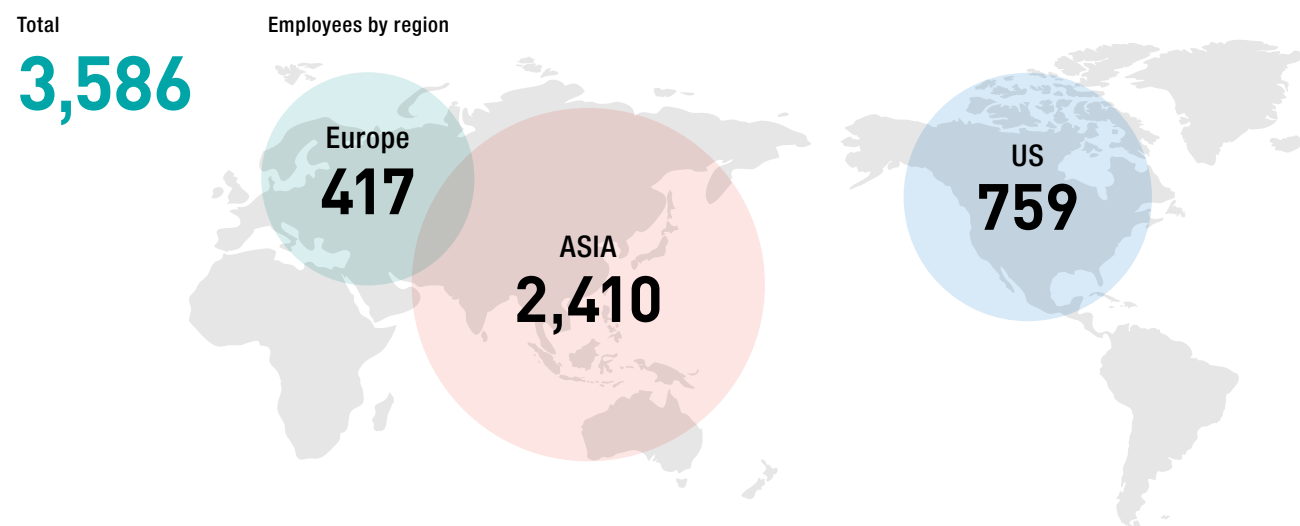
ratio of managers, years of service, and annual income at each company. We are looking into whether these results are significantly inferior compared to other companies or local market conditions, and whether there are any associated risks. We are also identifying important positions necessary for advancing the business plans of each local subsidiary and confirming their succession plans, beginning efforts to identify key talent responsible for each company’s future.

Strengthening of Human Capital

Indicators

Indicator	Description	Value
Ratio of female managers in overseas subsidiaries	Indicator showing the organization's gender diversity and the progress in promoting women	27%
Number of key positions in overseas subsidiaries	Value indicating the number of positions directly related to executing business strategies and maintaining competitive advantage	96 positions

Our workforce at a glance for overseas group companies



Length of service for overseas group company employees (As of January 1, 2025)



Promotion of D&I utilizing diverse individuality

We are working to promote diversity and inclusion (D&I) based on the belief that leveraging diverse individuals will significantly enhance human creativity. To achieve this, we have set a mid-term vision of creating a state where inclusion becomes second nature, and are working to utilize the diverse individuality of each employee, combine their strengths, solve social issues, and create new value. However, while awareness and understanding of D&I among employees are progressing, there are challenges, such as a lack of tangible connection to their workplace experience or a direct link to performance. To address these challenges, we are further evolving our initiatives so that they lead to employee behavior change and a real sense of transformation.

Strategies and measures

Initiatives against unconscious bias

To utilize differing opinions and ideas, the DNP Group launched unconscious bias training for all employees in fiscal 2023 to foster a workplace culture that is psychologically safe. Training began with upper management, who have significant influence in the workplace, and has progressed

by level, with all employees being given the opportunity to take training by the end of fiscal 2024. In fiscal 2025, we will implement a new program with the goal of raising awareness at the organizational level as the next step.

Initiatives aimed at achieving 30% female executive ratio

To ensure sustainable growth, we are committed to enhancing diversity in decision-making. As part of this effort, all officers will take responsibility for directly engaging with the current situation and challenges, and we will also work on fostering a more diverse organizational culture. In addition, we are focusing on establishing a robust pipeline (see diagram on the right) to continuously increase the proportion of women in decision-making roles.

Initiatives to encourage male employees to take childcare leave (support for work-life balance)

In March 2025, DNP was selected under the “Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting” (Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange) scheme for the second consecutive year. Currently, the male childcare leave uptake rate is nearly 100%, yet through our internal research, we discovered that a large number of these employees said they felt their leave was a burden on their workplace. We implemented e-learning in fiscal 2024 for all employees with the goal of increasing the number of days taken by men for childcare leave and fostering a culture that supports this leave. This year, for the number of days taken for male childcare leave, we set a target of more than 40 days (excluding holidays), a number well above the current average. We are working to foster a workplace culture that allows everyone to thrive through diverse working styles.

Initiatives to promote employee behavior change #1

Internal event: Diversity Week

This event is held once a year with the goal of behavior change, with each employee participating on their own. Fiscal 2024 marked the fifth time this event was held, and to promote behavioral change among employees at each workplace, we introduced the “Let’s turn the Inclusion Loop around!” theme, holding a variety of programs that led to results. For example, we distributed explanatory cards for the Inclusion Loop to every employee to promote understanding and empathy. For the opening program, around 13,000 employees participated, which is roughly 1/3 of all employees. With the survey at the end of the week, around 90% of respondents said their understanding of the Inclusion Loop had improved, and around 70% responded that their behavior had changed thanks to Diversity Week. This has led to our goal becoming a reality.

Indicator

Indicator	Description	Value *Target values in parenthesis
Ratio of female managers	Indicator assessing the formation of a pipeline for promoting women	Positions equivalent to department manager and above 1.5 times (1.5 times*) Section managers and equivalents 13.7% (15.0%*) Leaders 24.6% (25.0%*)
Percentage of male employees taking childcare leave and days taken	Indicator related to creating a workplace culture that utilizes diverse individuality	Uptake rate 96.4% (100% *) Average days taken 27.6 days (40 days (excluding holidays)*)
Unconscious bias training completion rate	Indicator measuring the achievement toward a state where inclusion has become second nature	Completion rates 75.1% *of target employees for DNP Group training in Japan

*1 End of FY2025, *2 End of FY2029

Creating pipelines to enhance diversity in decision-making at DNP

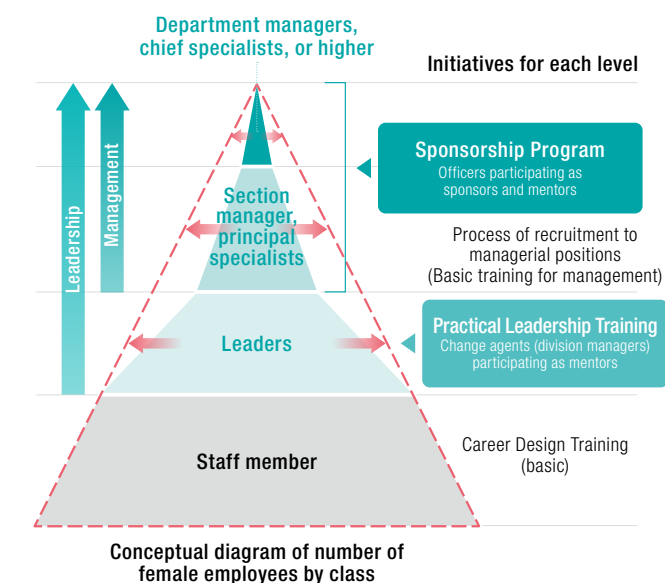


Illustration of the Inclusion Loop



Initiatives to promote employee behavior change #2

Neurodiversity

We offered e-learning and seminars to deepen employee understanding of neurodiversity as a new initiative in fiscal 2024. We will develop an organizational culture that is resilient to change and enables the easy creation of new value by having each DNP employee understand the differences in individual brains and neurology and work together with others with diverse characteristics.

Strengthening Intellectual Capital



Enhancing the strengths of
our P&I business by incorporating
cutting-edge technologies and
deepening collaboration with
diverse partners to create
new business opportunities

Toru Miyake, Senior Managing Director

DNP not only responds to rapid changes and risks in the environmental, social, and economic landscape, but also drives long-term transformation to create a “better future” through its business activities. By leveraging DNP’s unique strengths in Printing & Information (P&I) and deepening collaboration with diverse partners, we enhance our intellectual capital and increase corporate value. To support this, we continue broad-ranging research and development

activities, which serve as the driving force behind new products, services, proprietary technologies, and the creation of new businesses.

DNP aims to envision a “better future” and, based on this vision, strengthen its proprietary technologies while developing and delivering new products and services to realize its “future scenarios.” In its FY2023-2025 Medium-term Management Plan, DNP is promoting four key themes: “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 “sophistication of DX infrastructure.” To support these initiatives, the company continues to make proactive annual investments exceeding 30 billion yen in technology and research and development.

First, under the theme of “creation of new businesses and enhancement of technological strengths,” DNP continually hones its unique P&I capabilities while developing new technologies and know-how to generate a diverse range of products and services. Examples include leveraging generative AI, incorporating Materials Informatics (MI) in materials development, and creating innovative production systems. By integrating these advanced forms of intellectual capital, DNP aims to strengthen sustainable competitiveness and create new markets. These initiatives are further accelerated through open innovation, which brings in external expertise and technologies.

*MI: A materials development method utilizing AI and other information sciences

Under the theme of “global rollout of technological strengths,” DNP focuses on developing products and services that address global social challenges, including reducing environmental impact and enhancing well-being. At the same time, we are strengthening our marketing and R&D capabilities for overseas markets. Collaboration with domestic and international partners with complementary strengths also plays a key role in supporting this global expansion.

For the theme of “strengthening of stable businesses and cultural reform,” DNP promotes cross-organizational technology integration through internal events, including the “Mirai-Zukuri Meetings - Inspiring New Ideas for DNP’s Next Vision,” where all employees share seeds of technology and ideas. These initiatives foster a corporate culture of value creation across the entire company, embracing an All-DNP spirit.

Furthermore, under the theme of “sophistication of DX infrastructure,” DNP is promoting the innovation of its R&D processes by leveraging multimodal AI and advanced AI models that emulate logical thinking, exploring new materials, and automating patent searches and applications in product and service development.

DNP takes a strategic and integrated approach, with its business, R&D, and intellectual property divisions working together from technology development to commercialization and the acquisition of intellectual property. We continuously embrace transformation, enhancing the synergies of an All-DNP approach and striving to realize a “better future” through the creation of new value.

The link between strengthening intellectual capital and enhancing corporate value

Basic strategy for strengthening intellectual capital

Creation of new businesses and enhancement of technological strengths

Build business portfolio from future scenarios

▶ P68

Global rollout of technological strengths

Refinement and acceleration of global rollout of DNP’s unique technology, products, and services

▶ P69

Strengthening of stable businesses and cultural reform

Creation of new value through All-DNP spirit

Sophistication of DX infrastructure

Achievement of data driven management and reinforcement of the infrastructure for it

▶ P26

Specific measures

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

Acceleration of global expansion centered on Electronics and Life & Healthcare

Strengthening of stable businesses and development of new products through aggregation of knowledge across All DNP

Optimization of R&D mechanisms and systems

Fostering culture creating new value

Advance modernization and globalization to strengthen digital ICT infrastructure

Advance visualization and deeper analysis of data management infrastructure, and continuously update infrastructure

Research into the needs of customers

Research on and analysis of market trends

Patent strategy

Cooperation with academia

Encouragement of open innovation

Strengthening of overseas R&D systems

Value creation activities through cooperation between business divisions

Utilization of in-house events such as the introduction of new technologies

Setting of clear R&D goals

Construction of short-, medium- and long-term R&D systems

Effective utilization of R&D funding

Development of a culture of taking on challenges

Promotion of diversity and inclusion

Expansion of the use of data management infrastructure
Democratization of data and deepening and expansion of data utilization

Securing and development of ICT and DX talent

Encouragement of citizen development

Direct effects

Identification of market needs

Identification of important issues

Moving ahead of competitors in terms of patent applications

Advancement of alliance agreements and license acquisitions

Reinforcing of cooperation with and investment in outside companies and startups

Creation of new R&D themes

Improvement of DNP’s unique technological strengths

Increase in the number of overseas partners

Increase in the number of new cross-functional themes

Identification of priority themes

Enhancement of the efficiency of our R&D activities

Increase in the number of people with go-getter attitudes

Rolling out of existing technologies

Improvement of the accuracy of data analysis and discussion

Streamlining of work and acceleration of decision making

Indirect changes and impact within and outside the company

Earning of the trust of business partners and clients

Establishment of barriers to entry for competitors

Cooperation with strong partners and gaining new partners

Enhancement of our strengths as a global corporate brand

Early entry into existing markets and development new markets

Securing of a competitive edge

Enhancement of customer satisfaction and increase of retention rate

Enhancement of financial and corporate value

Expansion of existing business

Greater profitability

Increase of our strength in P&I and cooperation with partners

Creation of value for society through new business innovation

Growing sales

Strengthening Intellectual Capital

Basic policies and structures for technologies and R&D

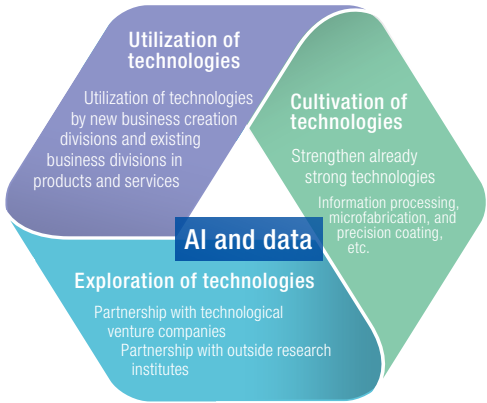
Basic policy

DNP will continue to evolve and deepen its core technological strength in P&I. At the same time, we will accelerate development by strengthening collaboration with a diverse range of partners, including ventures, startups, universities, and research institutions, in the pursuit of new technologies. Also, we will combine our internal and external technological strengths to solve various problems and create new value that excites people.

Promotion structure

DNP’s technology and R&D divisions are developing and commercializing proprietary technologies to solve diverse issues in a wide range of business fields, with a focus on the three segments 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 combination of various internal technologies and collaboration with external partners.

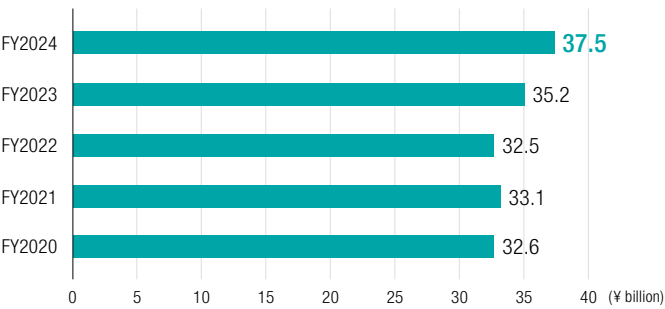
		Controlled by Head Office			
Sales division/field	Business unit (Development headquarters)	Head office research and development framework	Super- vision		
Smart Communication	Publishing Innovation	Technology Development Center Research and Business Development Center Advanced Business Center	R&D and Engineering Management Division		
	Information Innovation				
	Imaging Communication				
Life & Healthcare	Life Design (Packaging)				
	Living Space				
	Mobility				
	High-performance Materials				
Electronics	Fine Device				
	Optical Electronics				
New business fields					
	Short-term development				
				Medium- and long-term development	



Metric and targets

Technology and R&D Expenditures (per year)

DNP continues to make proactive and sustained annual investments exceeding 30 billion yen in technology and R&D. To address increasingly diverse and complex challenges and actively create a “better future,” the company maintains a broad range of research and development activities while strengthening the resources of its development divisions. For the fiscal year ended March 31, 2025, technology and R&D investments amounted to 37.5 billion yen.



Creation of new businesses and enhancement of technological strengths

DNP is promoting concentrated investments in focus business areas and implementing business structure reforms to create new businesses that capture megatrends and emerging opportunities. At the same time, we are strengthening our proprietary technologies and acquiring new technologies through collaboration with partners who possess strengths complementary to our own. Through these efforts, we are pursuing a strategy to achieve No. 1 positions across various businesses.

Initiatives

Efforts in the semiconductor field

DNP is developing photomasks for logic semiconductors for the 2-nm (nm: 10⁻⁹ meter) generation and beyond*, compatible with Extreme Ultra-Violet (EUV) lithography used in cutting-edge semiconductor manufacturing processes. In collaboration with imec, a leading international research organization headquartered in Belgium, we are also advancing photomask manufacturing technologies with an eye toward the 1-nm generation. By accelerating development through partnerships with a diverse range of domestic and international collaborators, DNP contributes to the growth of the global semiconductor industry.

* Compliant with International Roadmap for Devices and Systems (IRDS) standards

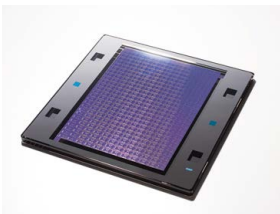
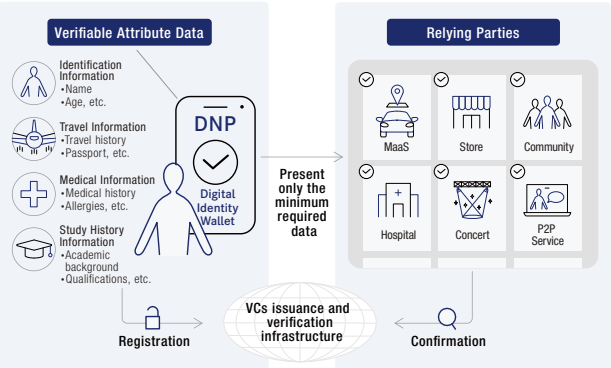


Image of photomask for beyond 2nm generation EUV lithography

Efforts in authentication and security

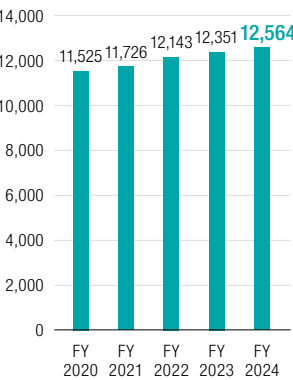
Leveraging its strengths in authentication and security technologies cultivated through its smart card business, DNP has developed a management platform for Verifiable Credentials (VC) compatible with the next-generation decentralized Internet. This platform allows individuals to manage their own digital identities—including qualifications, educational and professional history—and present them to third parties as needed. With applications envisioned in the financial, travel, and education sectors, DNP is promoting global market development and technology verification, contributing to the realization of a privacy-conscious and highly reliable society.



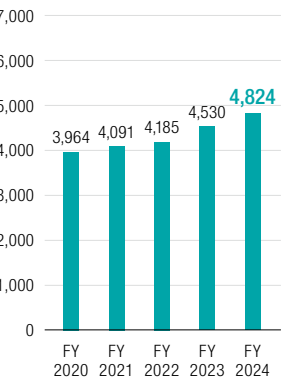
Strategic acquisition of intellectual property

Intellectual property (IP) is one of the essential assets for our business. For products and services with global top market share, IP—including strategically acquired and developed patent portfolios covering core and peripheral technologies—makes a significant contribution to business success. One key focus is integrating IP strategy from the very stage of business strategy planning. Specifically, the business, R&D, and IP divisions work together to build business models that leverage intellectual property to generate long-term value. Aligned with these business models, we formulate IP strategies and acquire intellectual property, thereby establishing a competitive advantage in DNP’s unique value creation.

Number of Japanese patents held



Number of overseas patents held



Global rollout of technological strengths

DNP is working to strengthen its global business foundation by combining the strengths of All DNP and promoting collaboration with external partners. In line with the globalization of R&D, we will open DNP’s first overseas R&D center in the Netherlands. By establishing second and third overseas sites in the future, we aim to create new value on a global scale.

Initiatives

Strengthening of overseas R&D systems

DNP will open a new R&D center in Eindhoven, the Netherlands, in September 2025. At this site, we will advance R&D in photonics-electronics convergence, a technology attracting attention as a key next-generation semiconductor innovation. Europe, where advanced R&D is thriving, is

regarded as an ideal region for encountering numerous collaborative partners to drive the development of next-generation technologies.

* Photonics-electronics convergence: A technology that integrates optical and electrical transmission techniques to significantly enhance conventional technologies in fields such as information processing, data communication, and energy conversion.



Aerial view of HTCE
©High Tech Campus Eindhoven



Image of the inside of the PITC research facility
©Eindhoven University of Technology/PITC

Initiatives for Environment



DNP is committed to harmonizing its business activities with the global environment. *Environmental conservation and pursuit of a sustainable society* are incorporated into our Code of Conduct, and we recognize addressing environmental issues—including climate change—as a key management priority. With strong requirements to reduce the negative impacts on the global environment, in recent years in particular, we have been promoting initiatives with a focus on the environment throughout all of our business activities.

The DNP Group Environmental Vision 2050, which we formulated in March 2020, sets out our commitment to the realization of a decarbonized society, a recycling-oriented society and a society in harmony with nature, and we are accelerating initiatives based on our materiality.

In April 2025, we established a new target, reducing Scope 3 GHG emissions by 27.5% compared to the fiscal 2019 level by the end of fiscal 2030,* in addition to our existing Scope 1 and 2 reduction targets. Since 2024, we have enhanced our disclosure of nature-related information in accordance with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), thereby supplementing our climate-related reporting. Going forward, we will continue to utilize frameworks such as the TNFD's LEAP (Locate, Evaluate, Assess, and Prepare) approach to further improve the quality and quantity of the value-chain related information that we disclose.

We will also continue to set appropriate metrics and targets, monitor results and progress on an ongoing basis, and enhance the effectiveness of our initiatives to increase corporate value and strengthen engagement with all stakeholders.

* The scope of the Scope 3 reduction target includes Category 1 (purchased goods and services), Category 3 (fuel- and energy-related activities not included in Scope 1 or Scope 2), Category 4 (upstream transportation and distribution) and Category 5 (waste generated in operations).

Disclosure based on TNFD general requirements

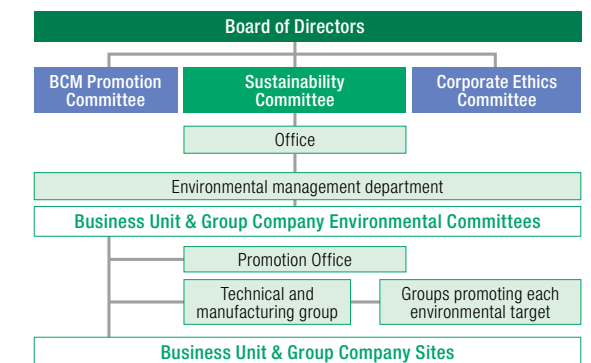
Application of materiality	Based on the financial impact of nature-related issues and considering the impacts of our business activities on nature
Scope of disclosed information	Direct operations and related value chains across three business segments: Smart Communication, Life & Healthcare and Electronics
Location of nature-related issues	Dependencies and impacts have been assessed at our direct manufacturing sites, with four facilities in Southeast Asia designated as priority regions. ▶ P72
Integration with other sustainability-related disclosures	DNP has disclosed information about climate change since 2020 in accordance with the TCFD recommendations. It is recognized as a key driver of nature-related change. We have expanded our disclosure of information in line with the TNFD recommendations, taking into account the synergies and trade-offs between nature related issues. Information about business activities based on materiality identified due to variable factors, including environmental, social and economic issues ▶ P20-23 , have been disclosed via the DNP Sustainability Website. Website Sustainability https://www.global.dnp/sustainability/
Time horizons considered	Our time horizons are aligned with the following strategies: • Short term (0-5 years): DNP Group Medium-term Management Plan • Medium term (5-15 years): DNP Group Environmental Medium-term Targets • Long term (15 years or more): DNP Group Environmental Vision 2050
Engagement with indigenous peoples, local communities and affected stakeholders in the identification and assessment of the organisation's nature-related issues	Climate change, biodiversity loss and other nature-related challenges can cause serious human rights issues, resulting in significant damage to the economy and society. Recognizing that our 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 negative impacts of our business activities. ▶ P76-79

Governance

DNP regards addressing environmental issues as one of its key management challenges. To enhance environmental, social and economic sustainability and further drive sustainable corporate growth, the Sustainability Committee manages medium- to long-term risks, identifies business opportunities and incorporates them into management strategies. By coordinating with the BCM Promotion Committee, which ensures business continuity in the event of a natural disaster or other emergency, and the Corporate Ethics Committee, which aims to raise employees' compliance awareness and reduce risks, the Sustainability Committee has established a more flexible and robust governance system that covers company-wide risks.

The Sustainability Committee convenes at least four times annually, reporting and making recommendations to the Board of Directors. 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. Strategies and policies

on environmental issues determined by the Committee are implemented by the DNP Group as a whole, in coordination with the Business Unit & Group Company Environmental Committees.



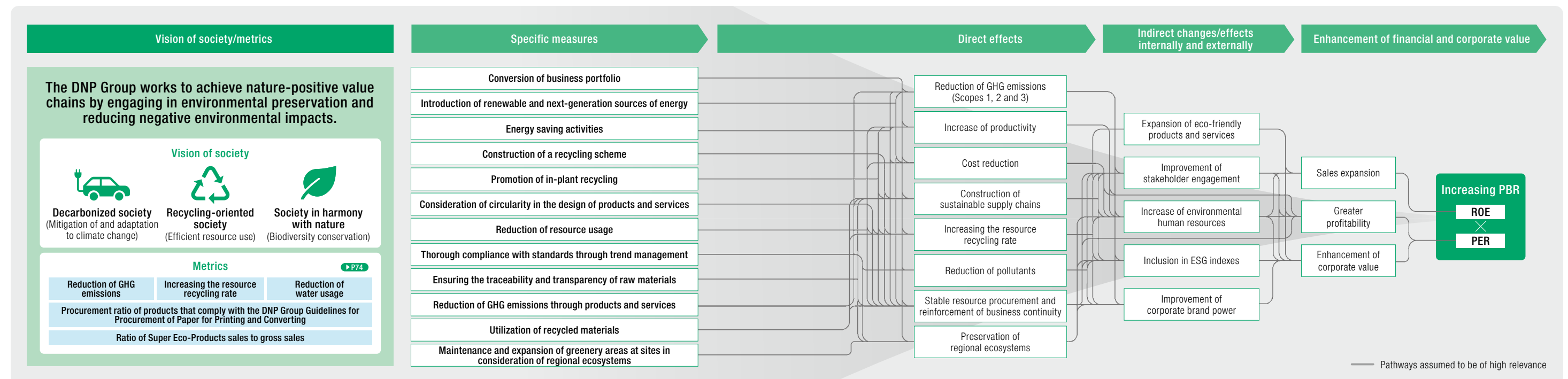
Risk and impact management

DNP engages in integrated risk management to minimize the negative impacts of variable factors and expand business opportunities.

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 impact on business plans and financial impact, stakeholder concerns, impacts

on the environment and society and likelihood of occurrence, and reflect them in our management strategies. Business strategies and plans are made to reflect particularly significant or high-priority risks 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.

The link between environmental initiatives and enhancing corporate value



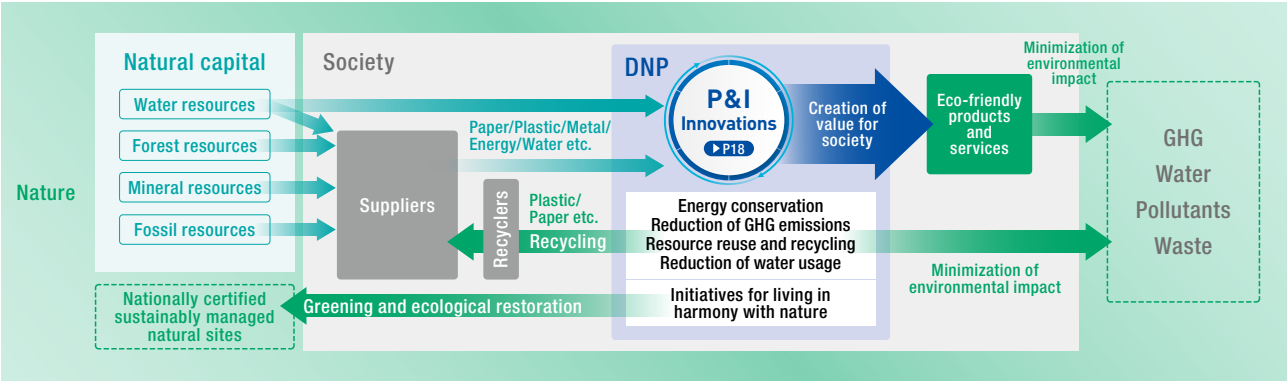
Initiatives for Environment

Strategy

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. We will continue to broaden and deepen our data collection and related initiatives.

DNP and Nature



Dependencies and impacts

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 lithium-ion battery pouches and optical films use mineral and fossil resources. We also rely on water resources, both directly in manufacturing processes and indirectly in papermaking. In addition, production sites located near rivers depend on ecosystem regulation and maintenance services. Four of DNP's manufacturing sites near rivers are located in high water-risk areas and have been identified as priorities. Our manufacturing processes also emit gases into the atmosphere (GHGs, NOx, SOx, VOCs, etc.), discharge waste into bodies of water (wastewater, nitrogen, phosphorus, etc.) and unnecessary objects including plastics, all of which are regarded as causes that negatively impact the environment.

Four manufacturing sites in high water-risk areas



Scenario analyses

To identify environmental risks and formulate strategies and countermeasures, DNP conducted scenario analyses. These analyses enabled us to identify specific potential impacts on our business, which we categorized as environmental risks and opportunities. Considering our business plans, we evaluate the impact of these risks and opportunities on stakeholders and our business operations in terms of the level of effects, period of effects and likelihood of occurrence.

We will continue to develop our scenario analyses by using published analysis tools, information from research institutions and the TNFD's guidance, thereby strengthening the medium- to long-term resilience of our business activities.

Reference scenarios used in our scenario analysis

Type	Referenced published scenarios
① 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.
② 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.
③ Scenario #1*	#1 Ahead of the game A scenario in which nature loss remains moderate to low, ecosystem services continue to be available, and stakeholder demands are aligned with regulatory, legal and policy frameworks.
④ Scenario #3*	#3 Sand in the gears A scenario where the severe degradation of natural conditions significantly reduces dependent ecosystem services, necessitating responses to production disruptions and increased costs. Additionally, stakeholder demands and regulatory, legal, and policy frameworks fail to align, creating an unstable situation with high decision-making risks.

* Utilizing the scenarios proposed in the TNFD recommendations.

Risks and opportunities

Physical risks

We recognize that the increasingly frequent and severe damage due to torrential rains, forest fires and other natural disasters and the degradation of ecosystem provisioning services may cause the suspension of operations or the realization of supply chain risks. We conduct region-level assessments of the water risks faced by our domestic and overseas manufacturing sites using published tools such as Aqueduct provided by the World Resources Institute (WRI) to identify priority regions.

To respond to these risks, we are investing in disaster preparedness infrastructure, such as emergency power systems and water control barriers. We have also been working to further enhance our supply chain management by building production systems at multiple plants and diversifying suppliers.

Transition risks

As policies addressing environmental challenges become stricter, it is expected that new measures will become necessary, including mandatory environmental due diligence and the regulation of plastics, in addition to decarbonization-related regulations. This shift will increase stakeholders' awareness of the environment, and companies that fail to respond adequately

risk exiting the market or suffering reputational damage.

To address transition risks, DNP is transforming its business portfolio to reduce its negative environmental impacts and increase added value. In addition, DNP is focusing on managing environmental risks using self-imposed criteria that are stricter than laws and regulations, promoting the recycling of plastics with a low recycling rate and strengthening its supplier engagement based on the DNP Group Sustainable Procurement Guidelines.

Opportunities

DNP believes that society and the economy are increasingly oriented toward integrated actions to realize nature positivity, and this will increase the demand for eco-friendly products and services. This is a significant business opportunity for the Company.

Guided by its Medium-term Management Plan, DNP is planning to invest 260 billion yen over the five years through fiscal 2027, focusing on priority business areas including eco-friendly products and services, such as battery pouches for lithium-ion batteries. Our goal is to positively impact the natural environment while creating a virtuous cycle of new earnings growth and enhanced corporate value.

Key environmental risks and opportunities

Scenario drivers		Expected impact on business	Time horizon	Level of effects	Likelihood	Initiatives	Scenarios				Dependencies		Impacts			
							①	②	③	④	Provisioning	Adjustment and maintenance	Cultural	Climate change	Use change	Resource use
Physical risks	Increase in the number of natural disasters	Damage to social infrastructure	• Decreased profit due to delayed or suspended manufacturing	Short term	High	• Strengthening BCP/BCM measures	●	●	●	●	●	●	●	●	●	●
	Degradation of ecosystem provisioning services	Increasing water stress	• Decreased profit due to delayed manufacturing	Medium to Long term	Medium	• Optimizing water usage and expanding water recycling in manufacturing processes	●	●	●	●	●	●	●	●	●	●
		Decrease in the supply of raw materials	• Decreased profit due to delayed manufacturing and shipping	Medium to Long term	Low	• Strengthening supplier engagement	●	●	●	●	●	●	●	●	●	●
Transition risks	Policies and regulations for decarbonization		• Increased cost of climate change mitigation	Short to Medium term	High	• Promotion of energy-saving activities, replacement with high-efficiency equipment	●	●	●	●	●	●	●	●	●	●
			• Introduction of an emissions trading system for major emitters (2026)	Medium to Long term	High	• Proactive introduction of renewable energy	●	●	●	●	●	●	●	●	●	●
	Policies and regulations for resource recycling		• Increased cost of complying with laws and regulations	Short to Medium term	High	• Ensuring the traceability of raw materials	●	●	●	●	●	●	●	●	●	●
			• Increased cost due to higher prices of recycled materials	Medium to Long term	High	• Promotion of recycling and development of compatible products	●	●	●	●	●	●	●	●	●	●
Opportunities	Market changes	Expansion of the markets for green transformation (GX) products and services	• Increased demand for eco-friendly products and services	Medium term	High	• Strengthening supplier engagement	●	●	●	●	●	●	●	●	●	●
		Growth of impact finance	• Expansion of opportunities for low-cost financing	Medium to Long term	High	• Ensuring and evaluating the traceability of raw materials	●	●	●	●	●	●	●	●	●	●
	Greater importance of non-financial information	Standardization of disclosure standards	• Enhanced corporate image and investor evaluation	Short to Long term	High	• Strengthening environmental management systems	●	●	●	●	●	●	●	●	●	●
			• Application of disclosure requirements under sustainability reporting standards (TBD)	Medium to Long term	Medium	• Disclosing information in a timely and appropriate manner in line with various standards	●	●	●	●	●	●	●	●	●	●

[Time horizon] Short term: 0-5 years, medium term: 5-15 years, long term: 15 years or more [Level of effects]: High: approx. 10 billion yen, Medium: 1 to 10 billion yen, Low: less than 1 billion yen [Likelihood] Probability of impact: High > medium > low The scenarios used to identify risks and opportunities, as well as dependencies and impacts on natural capital that were considered are indicated with a ● mark.

Initiatives for Environment

Metrics and targets

To achieve the DNP Group Environmental Vision 2050, we have established five metrics with medium-term targets: reduction of GHG emissions, increasing the resource recycling rate, reduction of water usage, the ratio of Super Eco-Products sales (eco-friendly products and services) to gross sales, and the procurement ratio of products that comply with the DNP

Group Guidelines for Procurement of Paper for Printing and Converting. We are actively implementing initiatives to meet these targets. These initiatives are making steady and good progress, and we will continue to accelerate efforts to protect the environment and reduce our environmental impact.

Reduction of GHG emissions

Metric	Target	FY2024 result
Reduction of GHG emissions Scope 1 and 2	46.2% reduction from the FY2019 levels by the end of FY2030	18.4% reduction
Reduction of GHG emissions Scope 3 (Categories 1, 3, 4 and 5)	27.5% reduction from the FY2019 levels by the end of FY2030	15.9% reduction

Our goal is to reduce Scope 1 and 2 GHG emissions by 46.2% from the fiscal 2019 levels by the end of fiscal 2030. In April 2025, we established a new Scope 3 GHG emissions target, aiming for a 27.5% reduction from the fiscal 2019 levels by the end of fiscal 2030. Going forward, we will increase our collaboration with suppliers in Japan and overseas and pursue the reduction of GHG emissions throughout the supply chain.

SBT certification renewal

On April 25, 2025, the DNP Group's GHG emission reduction targets were recertified by the international Science Based Targets initiative (SBTi) as being scientifically aligned with the goal of limiting the increase of global temperatures to 1.5° C.



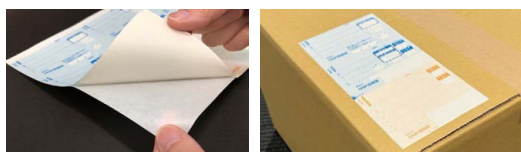
Ratio of Super Eco-Products sales to gross sales

Metric	Target	FY2024 result
Ratio of Super Eco-Products sales (eco-friendly products and services) to gross sales	Increase to 30% by the end of FY2030	15.0%

Super Eco-Products are excellent eco-friendly products and services as designated by DNP's original certification system. We aim to increase the ratio of Super Eco-Products sales to gross sales to 30% by the end of fiscal 2030. By providing products and services with a low environmental impact throughout their life cycle, we will contribute to the realization of a sustainable society.

Received the Encouragement Award of the Eco-Pro Awards

Recognized for our reduction of CO₂ emissions and visualization of the amount that emissions have been reduced, our environmentally friendly label slip received an Encouragement Award at the 7th Eco-Pro Awards. We aim to reduce CO₂ emissions by 700 tons or more per year by 2025.



Increasing the resource recycling rate

Metric	Target	FY2024 result
Increasing the resource recycling rate (the ratio of material and chemical recycling in relation to the amount of unnecessary objects)	Achieve a 70% resource recycling rate for all unnecessary objects by the end of FY2030	63.5%

We aim to increase the resource recycling rate for all unnecessary objects generated by our business activities to 70% by the end of fiscal 2030. In particular, we are focusing on plastics, which have a low recycling rate, by promoting mono-material product design, advancing material recycling through the separation of discarded materials and establishing chemical recycling technologies in collaboration with other companies.

Capital and business alliance with esa inc.

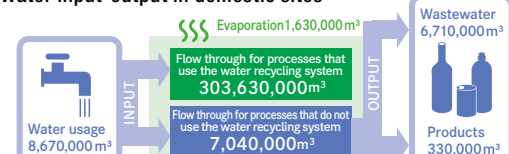
In October 2024, DNP entered into a capital and business alliance agreement with esa inc., a company engaged in environmental businesses focused on the recycling and re-resourcing of plastic waste. Through this collaboration, we will further promote the reduction of CO₂ emissions across the supply chain and the development of products utilizing recycled materials.

Reduction of water usage

Metric	Target	FY2024 result
Reduction of water usage (Per-unit water usage)	30% reduction from the FY2019 levels by the end of FY2030	7.7% reduction

DNP aims to reduce per-unit water usage by 30% from fiscal 2019 levels by the end of fiscal 2030. To achieve this, we are reducing water usage by optimizing and reviewing manufacturing processes, expanding water recycling and promoting the effective use of water resources, including rainwater.

Water input-output in domestic sites



Hokkaido Coca-Cola Bottling and DNP Fine Chemicals use water in products.

Procurement ratio of products that comply with the DNP Group Guidelines for Procurement of Paper for Printing and Converting

Metric	Target	FY2024 result
Procurement ratio of products that comply with the DNP Group Guidelines for Procurement of Paper for Printing and Converting	98% by the end of FY2025 100% by the end of FY2030	99.5%

To realize zero deforestation and maintain sustainable forest resources, we ensure traceability to verify the legitimacy of raw materials in our paper procurement activities in accordance with the DNP Group Guidelines for Procurement of Paper for Printing and Converting recognizing our significant dependencies and impacts on ecosystems.

▶ P79

Recognized on CDP's A List in two categories

In February 2025, DNP was recognized as an "A-List" company—the highest rating—in two out of three categories (climate change and water security) by CDP, an international non-profit organization based in London that evaluates corporate environmental strategies and initiatives. This is the third consecutive year we have been recognized in the climate change category, and our first time being recognized in the water security category which was created to promote sustainable water management.

We will continue to address environmental issues, including climate change, while proactively disclosing information to help realize a sustainable society and enhance corporate value.



Certified as a Water Circulation ACTIVE Company under the Water Circulation Company Registration and Certification System

In October 2024, DNP was certified as a Water Circulation ACTIVE Company under the Water Circulation Company Registration and Certification System established by the Cabinet Secretariat's Water Circulation Policy Office in recognition of its proactive water circulation initiatives implemented in its business activities.

We will continue to enhance our efficient use of water and our conservation of aquatic biodiversity through our business activities, contributing to the realization of a society in harmony with nature that is nature positive.



Formulation of a framework for financing environmental initiatives and issuance of bonds

In October 2024, DNP became the first company in the printing industry to establish a Sustainability-Linked Finance Framework as a means of financing initiatives to address environmental challenges. The framework sets targets for reducing GHG emissions and increasing the resource recycling rate, and DNP obtained a second opinion from Rating and Investment Information, Inc. (R&I), an external reviewer. Based on this framework, in May 2025, DNP raised 60 billion yen by issuing sustainability-linked bonds. Going forward, DNP will leverage sustainability-linked financing to continue to communicate our specific sustainability initiatives and accelerate our environmental efforts.

Metric	Target
Reduction of GHG emissions Scope 1 and 2	46.2% reduction from the FY2019 levels by the end of FY2030
Increasing the resource recycling rate	Achieve a 70% resource recycling rate*1 for all unnecessary objects*2 by the end of FY2030

*1 Resource recycling rate = Amount of resource recycling ÷ amount of unnecessary objects excluding paper as valuable waste × 100

Amount of resource recycling = Amount of unnecessary objects (excluding paper as valuable waste) that have been recycled by means of material recycling or chemical recycling

Amount of unnecessary objects excluding paper = Amount of unnecessary objects (waste and valuable waste) excluding paper as valuable waste, which is 100% recycled, and the amount of sludge subject to on-site intermediate processing

*2 Total amount of waste and valuable materials discharged from our own manufacturing sites

Awarded the Special Prize at the 33rd Global Environment Award for Ichigaya no mori (Ichigaya Forest)

DNP is engaged in urban redevelopment in the Ichigaya district of Shinjuku, Tokyo, as a core base for value creation. As part of these activities, we are growing Ichigaya no mori (Ichigaya Forest) to create a new forest in an urban area. In March 2025, the project was highly regarded for its functions as an urban green space that enhances safety and disaster preparedness, its contributions to the environment and society, and its direct maintenance and management by the company. As a result, it received the Special Prize of the 33rd Global Environment Award organized by the Sankei Shimbun.

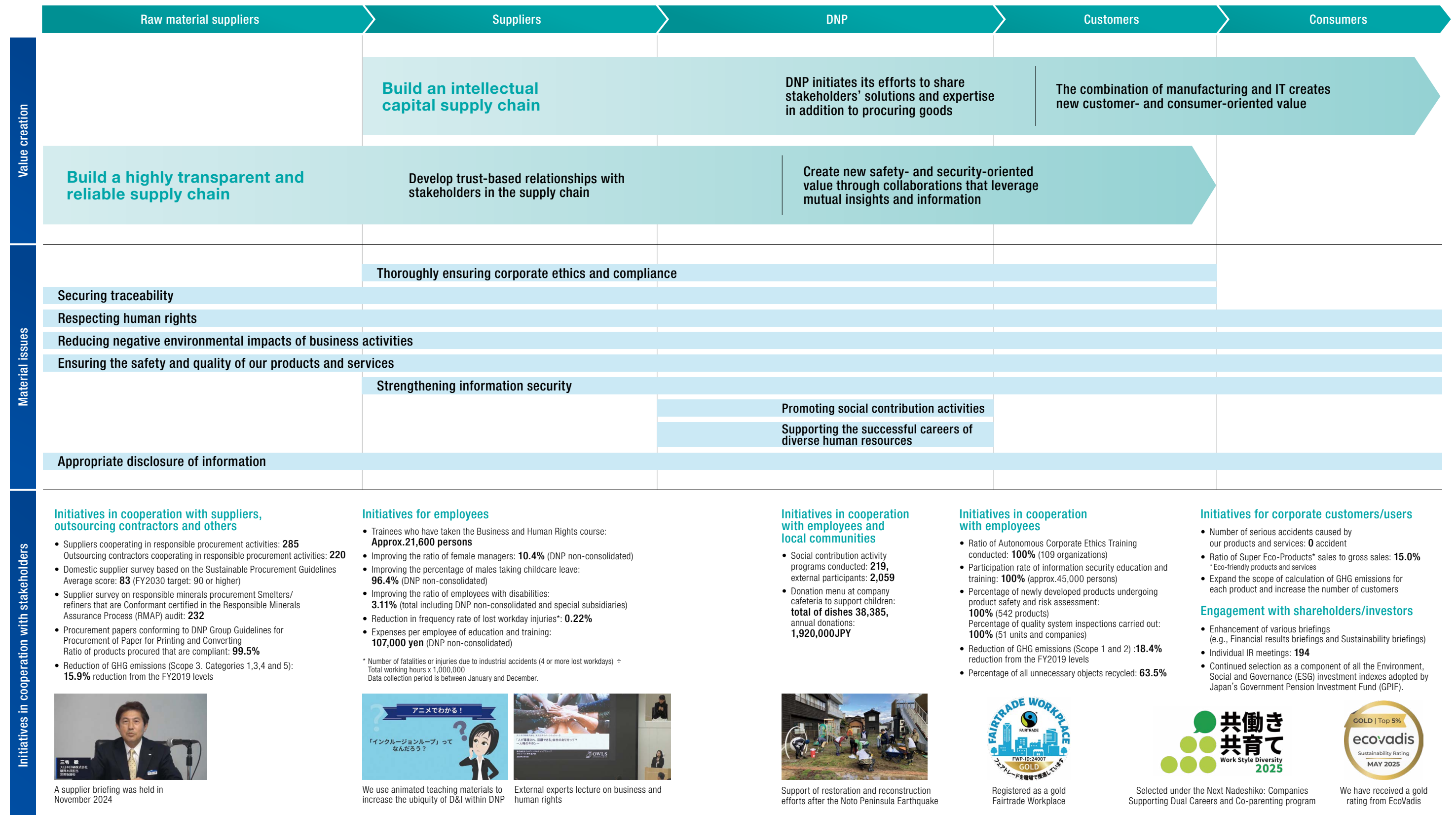
In April 2025, we launched a dedicated website to showcase the appeal of Ichigaya no mori and the value creation initiatives centered on the district. The site also broadly communicates DNP's efforts to realize nature positivity and helps expand co-creation with diverse partners.



Creating New Value Throughout the Supply Chain

To sustainably enhance corporate value, it is necessary to create new value throughout the supply chain. Instead of limiting itself to internal efforts, DNP is committed to building a system for creating new value by sharing solutions and expertise with suppliers and leveraging the strengths of all stakeholders.

To support the creation of value, it is necessary to encourage responsible procurement and act with integrity based on compliance with laws and the ethics of society. We analyze the significance of each issue from DNP's perspective based on the DNP Group Code of Conduct and from social perspectives including the perspective of international norms. In this way, we enhance risk management throughout the supply chain.



Creating New Value Throughout the Supply Chain

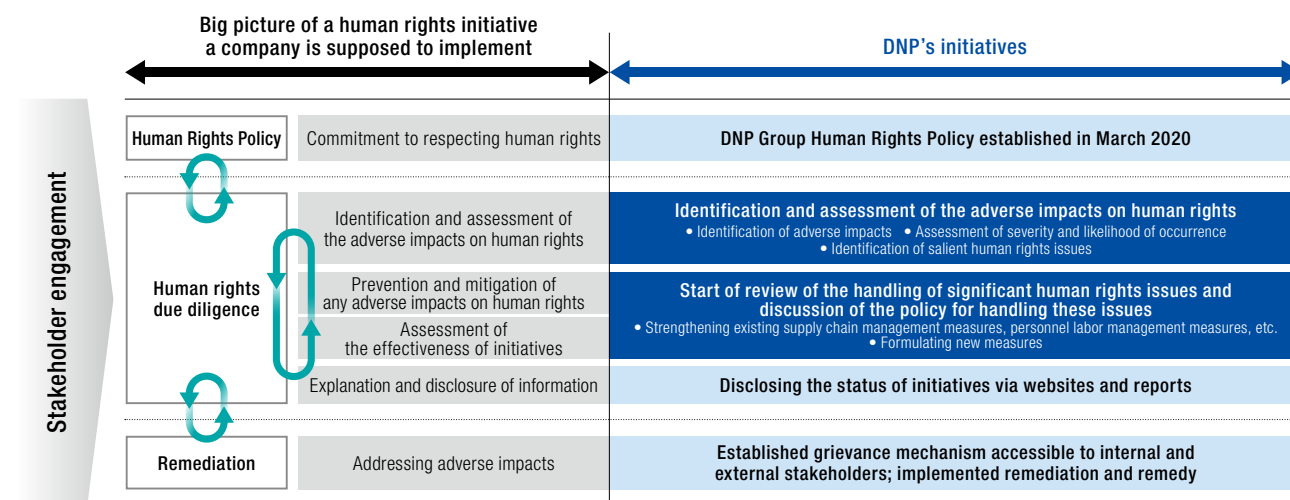
Initiatives for human rights

DNP endorses human rights-related international standards such as the International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights. Of course, respecting human rights is a responsibility that a company must fulfill, and it is also an indispensable part of the foundation for the enhancement of corporate value. Based on this understanding, DNP respects the human rights of all stakeholders that may be impacted by its business activities, and it works to prevent and mitigate any adverse impact it may have.

Initiatives for human rights due diligence

Respect for human dignity and diversity is a component of the DNP Group Code of Conduct. At DNP, we respect diversity in culture, nationality, creed, race, ethnicity, language, religion, gender, age and ways of thinking of all persons. After deliberation by the Board of Directors, DNP established the DNP Group Human Rights Policy in 2020 based on the UN Guiding Principles on Business and Human Rights. In line with the Policy, the Sustainability Committee leads our human rights due diligence activities, which include the prevention and mitigation of individual human rights risks and the remediation

of issues through a contact point for consultations that is available to internal and external stakeholders. Awareness regarding respecting human rights increased in recent years, and in fiscal 2024, we identified and assessed the ways that DNP's business activities could potentially have an adverse impact on human rights and identified salient human rights issues. We are discussing policies and reviewing the situations regarding these salient human rights issues.



Identification and assessment of the adverse impacts

In cooperation with external experts, we identified the advanced impacts that DNP should consider, referencing observations by international institutions and NGOs and examples of risks that have manifested within the industry. The importance of adverse impacts was assessed in terms of their severity and likelihood of occurrence, and salient human rights issues involving DNP were identified. Going forward, we will continue to review this matter in accordance with trends in society and changes in DNP's business activities.

Methods for identifying and assessing salient human rights issues	Potential significant human rights issues identified
Identification of adverse impacts that should be considered <ul style="list-style-type: none"> Identify adverse impacts referencing risks identified by international institutions and NGOs and examples of risks that have manifested within the industry Clarify matters such as DNP's operations, characteristics and current awareness of risk through interviews and questionnaire surveys of related units in Japan and overseas 	DNP <ul style="list-style-type: none"> Harassment (Harassment between employees, employees' harassing business partners,* clients' harassing DNP employees) Safety and health in the labor environment Long working hours and excessive labor
Identify salient human rights issues <ul style="list-style-type: none"> Assess each identified adverse impact in terms of severity and likelihood of occurrence to determine their importance, and then identify the salient human rights issues that DNP should prioritize 	Supply chain <ul style="list-style-type: none"> Business partners* engaged in forced labor or child labor within business, particularly at raw material production sites Client companies and their factories engaged in forced labor or child labor
	Products and services <ul style="list-style-type: none"> Impact of our products and services on safety and health Indirect complicity in conflict, oppression, etc. through the use of our products and services Invasion of privacy due to the external leakage of personal information, such as information about consumers

* Business partners: Suppliers, outsourcing contractors, on-site outsourcing contractors, alliance partners, joint investors, etc.

Handling key risks in supply chains

Introducing a supply chain risk management cloud

The increase in natural disasters and the manifestation of geopolitical risks due to climate change, the violation of human rights related to labor and other problems that society is facing, such as corruption, are increasing the risk of disruption and dysfunction throughout the supply chain.

Regarding these situations, DNP believes that risk management throughout the supply chain is an important issue in its management of its business, and it engages in efforts to minimize potential negative impacts.

To strengthen these efforts, the cloud-based Resilire, a supply chain risk management service was introduced in August 2024. When DNP's activities are impacted by a disaster or the manifestation of a geopolitical risk, Resilire makes it possible to efficiently understand the status of

suppliers and promptly begin to respond to the issue.

It also helps to improve the traceability of DNP's supply chains overall, reduce risks and facilitate the reform of employees' workstyles by reducing workloads. Going forward, we will strengthen sustainability initiatives. For example, we will promote our sharing of information with suppliers.



Responsible procurement

Paper is a raw material that is indispensable in DNP's business activities, and to contribute to the sustainable use of forest resources in the area of paper procurement, DNP established the DNP Group Guidelines for Procurement of Paper for Printing and Converting and set the target of having 100% of the paper we procure be compliant with these guidelines. To achieve this target and ensure the legality of our procurement operations, we are committed to preferentially using FSC-certified paper, using wood from tree thinning activities and ensuring traceability. As a result of these efforts, 99.5%, almost equal to our target, 100%.

There are concerns regarding mineral resources that are high risk in terms of their connection to human rights violations, and responsible minerals procurement is included in the DNP Group Sustainable Procurement Guidelines. We are promoting measures in this area and developing a management structure in line with international standards.

In fiscal 2021, we started a Survey of Suppliers on Human Rights Issues and Conflict Mineral Issues and we also conduct a survey on the country of origin of raw materials. Furthermore, we conduct risk assessments regarding six minerals such as

conflict minerals by using the RMAP (Responsible Minerals Assurance Process), a conformity verification program of the RMI (Responsible Minerals Initiative), an international framework that spearheads the responsible procurement of minerals.

International NGOs and other organizations have pointed out human rights risks connected to aluminum in recent years, such as forced labor. Since aluminum is a material used in major DNP products, initiatives for respecting human rights throughout the supply chain are important. Based on this idea, we will strengthen our efforts through two-party inspections (including on-site confirmations and document screenings) and engagement with major suppliers.



A two-party inspection with a supplier

Strengthening supply chain information security

Cyberattacks via business partners with insufficient security measures have been increasing in recent years. Cyberattacks on stakeholders in the supply chain can cause production activities to stop and information to leak, and they may affect

the entire supply chain. To prevent these information security risks, DNP strengthens its communication with suppliers and takes the following steps to manage risks.

Steps of information security management

1. Conduct an information security questionnaire (10 items) for suppliers to identify risks
2. Consider risk countermeasures and encourage implementation
3. Confirmation and evaluation of implementation of risk countermeasures
4. Work with suppliers to improve countermeasures.

Items in the supplier information security survey

- Basic policy and information security promotion system
- Management of confidential information
- Education for employees
- Information security management for business partners
- Responding to incidents
- User management
- Management of information equipment
- System administration
- Network administration
- Use of e-mail and websites