

DNP Group Sustainability Briefing FY2023

DNP

未来のあたりまえをつくる。

October 30, 2023

Dai Nippon Printing, Co., Ltd.

(1) Concepts and Policies behind DNP's Sustainable Management

President Yoshinari Kitajima

(2) Reinforcing Human Capital

Senior Managing Director Kenji Miya

(3) Enhancing Intellectual Capital

Senior Managing Director Masato Yamaguchi

(4) Environmental Initiatives

Corporate Officer Hideto Sakata

(5) Governance Initiatives

Managing Director Hirofumi Hashimoto

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Brand Statement

Creating future standards

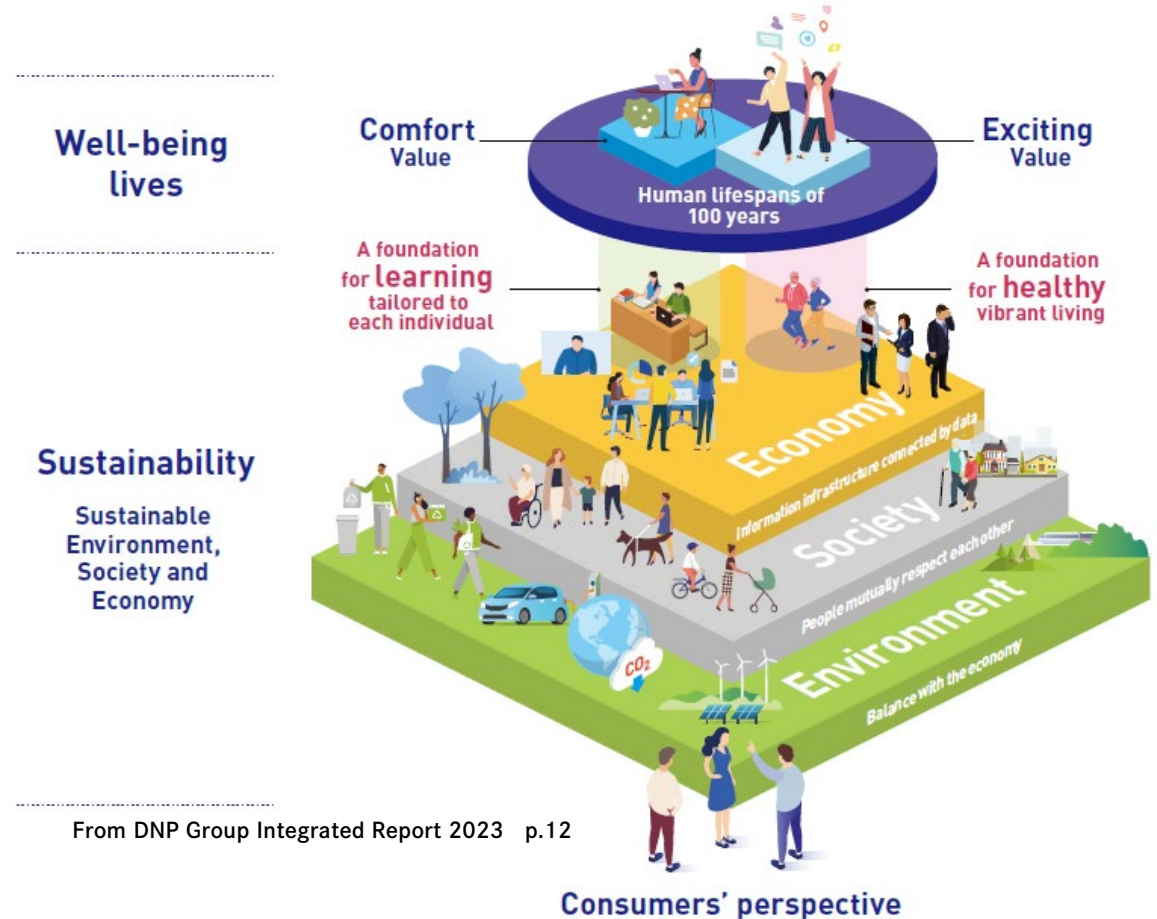
The DNP Group will strive to realize a sustainable, better society and well-being lives by connecting individuals and society and creating new value.

Concepts and Policies behind DNP's Sustainable Management **DNP**

The DNP Group will strive to realize a sustainable, better society and well-being lives by connecting individuals and society and creating new value.

✓ Healthy societies and economies, and comfortable, prosperous lives are achieved through a sustainable planet.

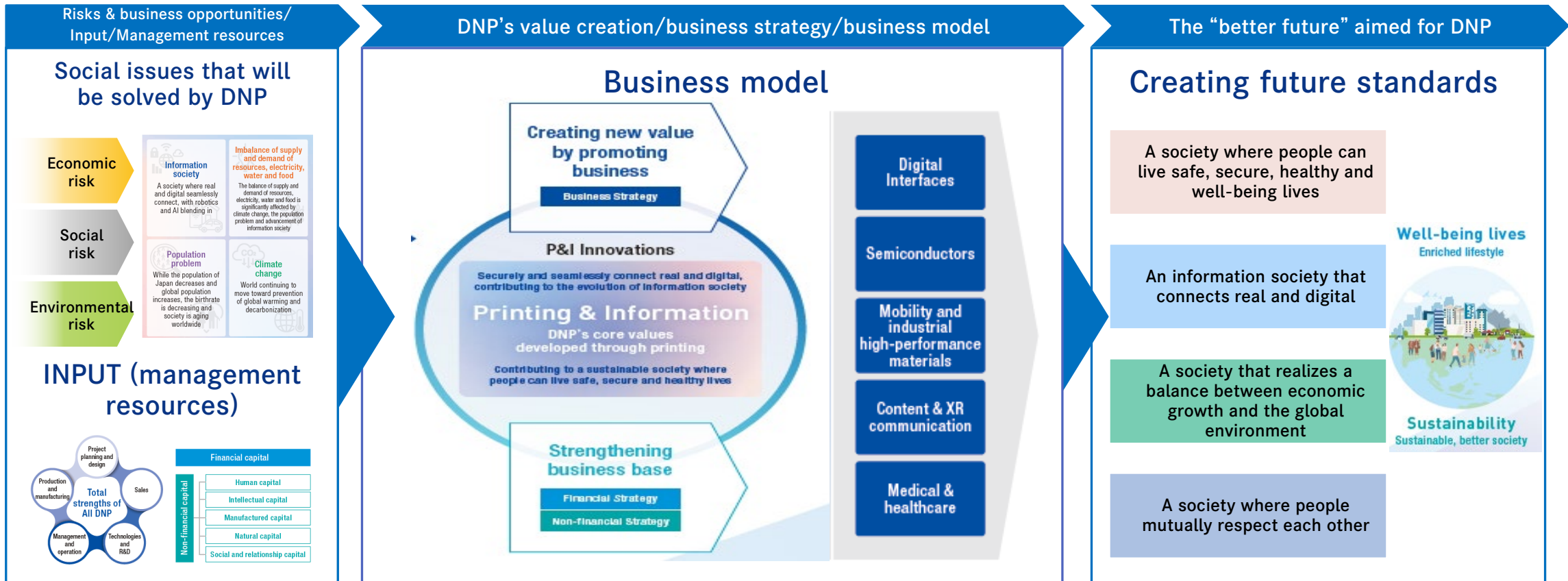
✓ With the environment, society, and the economy undergoing rapid changes in recent years, we will create value that mitigates the negative aspects of various risks while amplifying their positive impacts, in order to enhance the sustainability of the environment, society, and the economy.



A “better future” aimed for by DNP

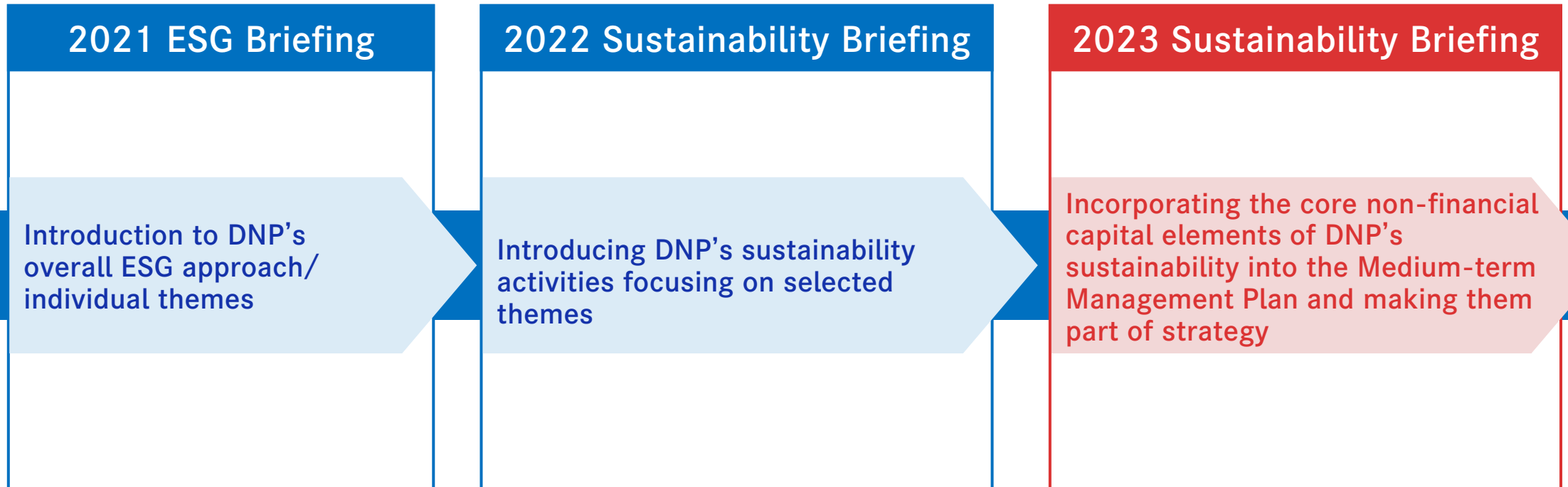
DNP

Reinforcing the business base with the aim of realizing sustainability is part of our initiatives to increase corporate value. The Group will take a long-term view to conducting business activities that create a better future.



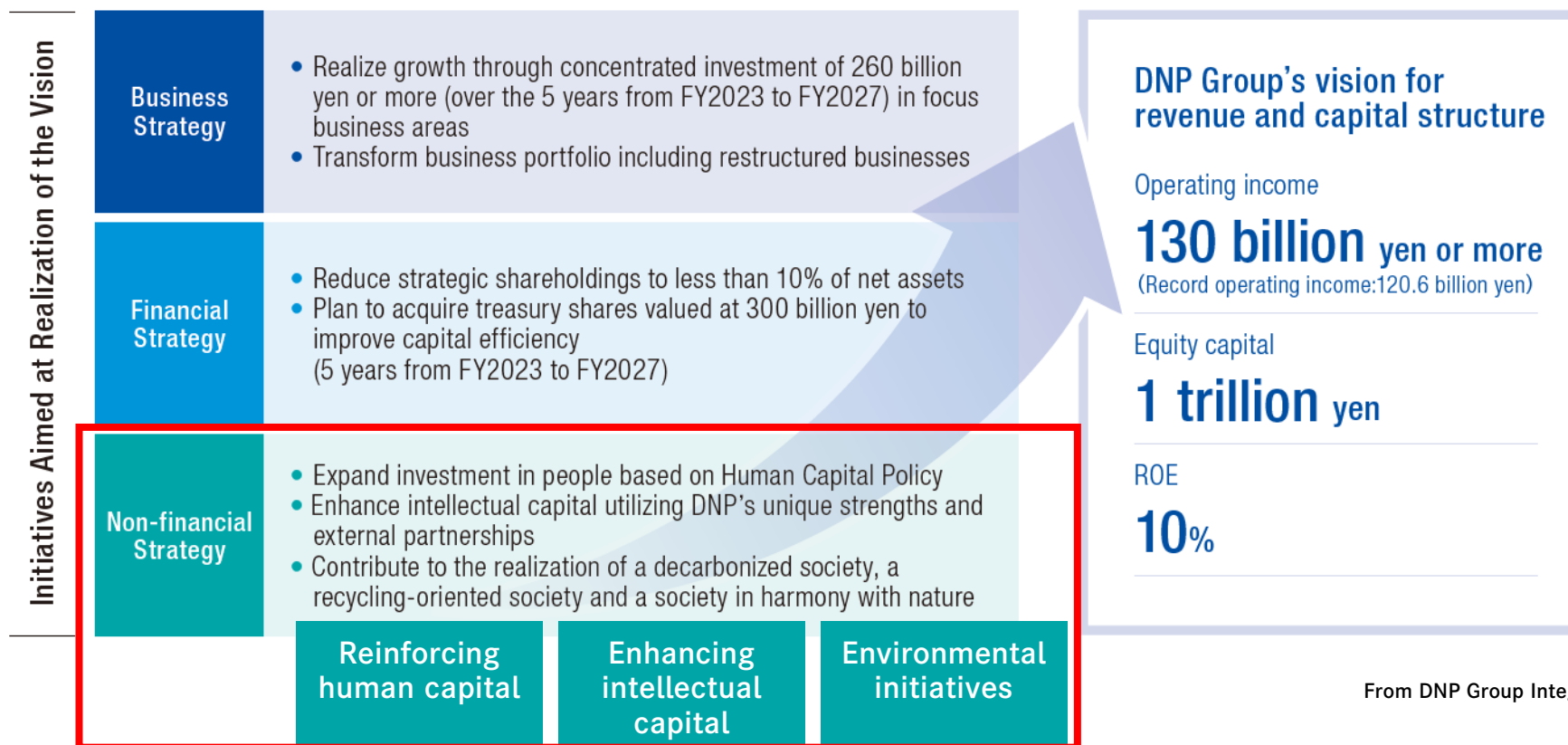
Sustainability Briefing

In response to the expectations of investors, DNP will evolve the sustainability briefings into a place for dialogue on medium-to long-term direction.



Medium- to long-term direction

Incorporating the core non-financial capital elements of DNP's sustainability into the Medium-term Management Plan and making them part of strategy



From DNP Group Integrated Report 2023 p.9

By implementing the above initiatives and also expanding disclosure especially on focus business areas, **we will expedite achieving a PBR of more than 1.0X.**

Reinforcing the business base

By reinforcing the business base, which is one of the most important management themes, we will support the creation of value.

Human capital

- ✔ DNP version of “compensation and related policies that are more closely founded on a job-oriented perspective”
Implementation completed
- ✔ Development and level of engagement with DVO system
100% by end of FY2025
- ✔ Engagement survey score
Up 10% (FY2022 → end of FY2025)
- ✔ DX literacy standard basic education
Completion of course by 27,500 people targeted
- ✔ Percentage of female managers
8.4% → 12% or higher (FY2022→F2025)
- ✔ Percentage of males taking childcare leave
83.6% →100% (FY2022→FY2025)

Intellectual capital

- ✔ R&D investment
Continue at a scale of 30 billion yen per year
- ✔ Number of users of data management infrastructure
3,678→Approx. 6,000 (FY2022→FY2025)

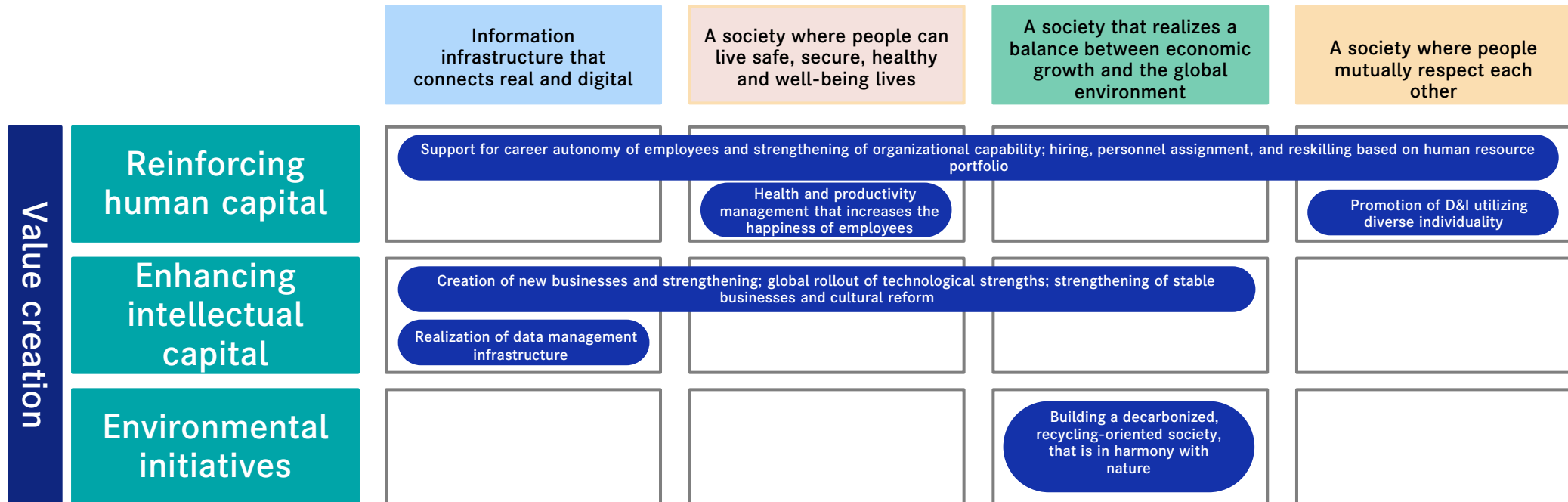
Environmental

- ✔ Reduction of GHG emissions
Early achievement of initial plan of 40% reduction by 2030 compared to FY2015
- ✔ Resource recycling percentage
51.7%→56.7% (FY2015→FY2025)
- ✔ Reduction of water usage
35% (FY2015→FY2025)
- ✔ Guidelines for Procurement of Paper for Printing and Converting
Percentage of items compliant: 100% by end of FY2030

Reinforcing the business base

By reinforcing the business base, which is one of the most important management themes, we will support the creation of value.

A “better future” aimed for by DNP



Enhance corporate governance to implement the Basic Management Policy

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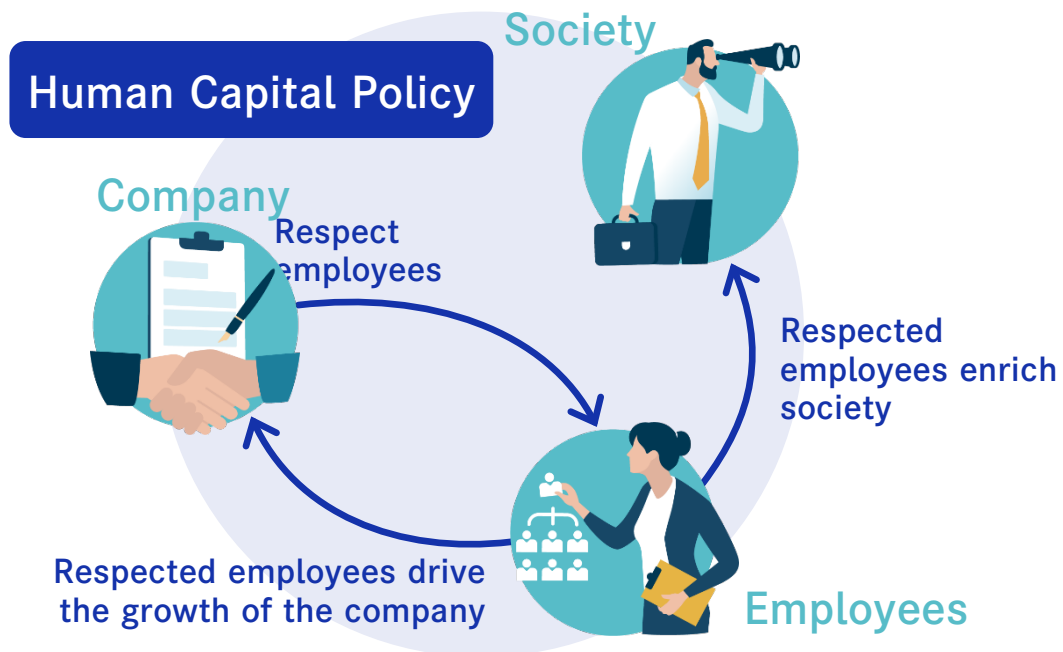
Reinforcing Human Capital

Dramatically increase “human creativity (added value productivity)” globally, based on the Human Capital Policy to clearly connect investment in people to the enhancement of corporate value.

✔ Human Capital Policy

The company respects its employees, and these respected employees drive the growth of the company as well as enriching society.

[Nurturing human capitals who can be active in society
(both within and outside DNP)]



Grounded in the Human Capital Policy

Previously announced
people-related
policies, visions, and
declarations, etc.



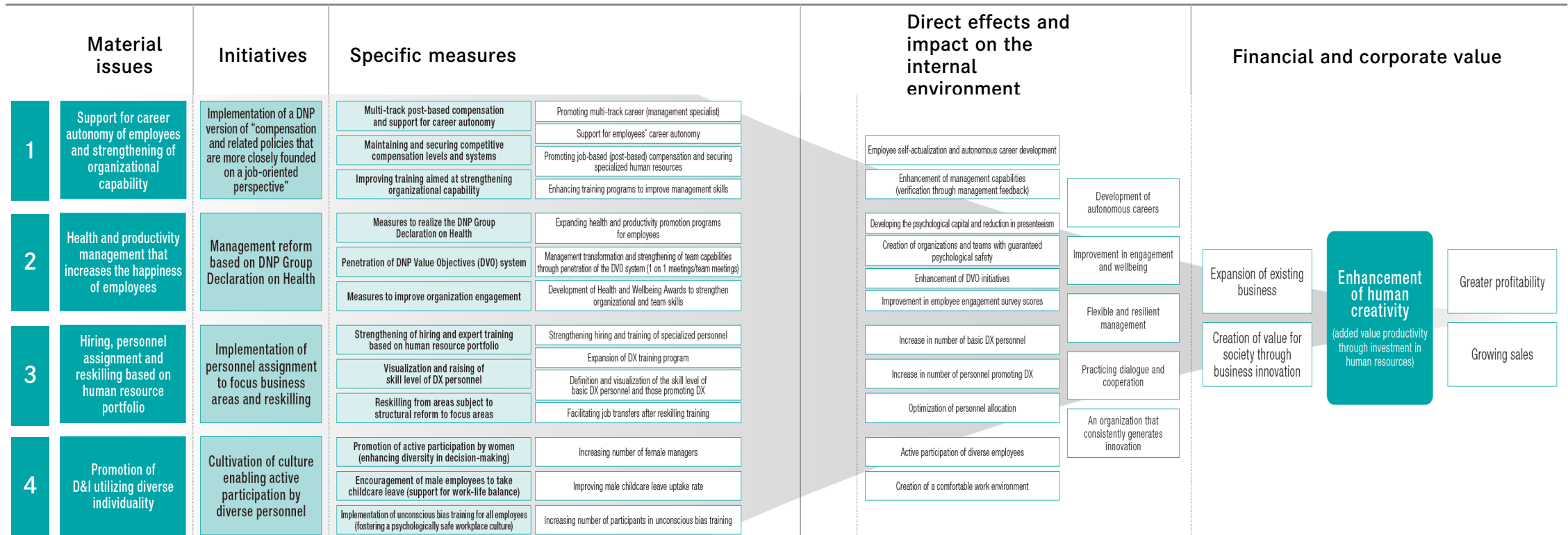
Integrated and strategic
initiatives to strengthen
human capital

- Fostering of a better organizational culture
- Accelerate investments in people aimed at contributing to the development of diverse human resources

✔ Opens the way to further
improvements in corporate value

Reinforcing Human Capital

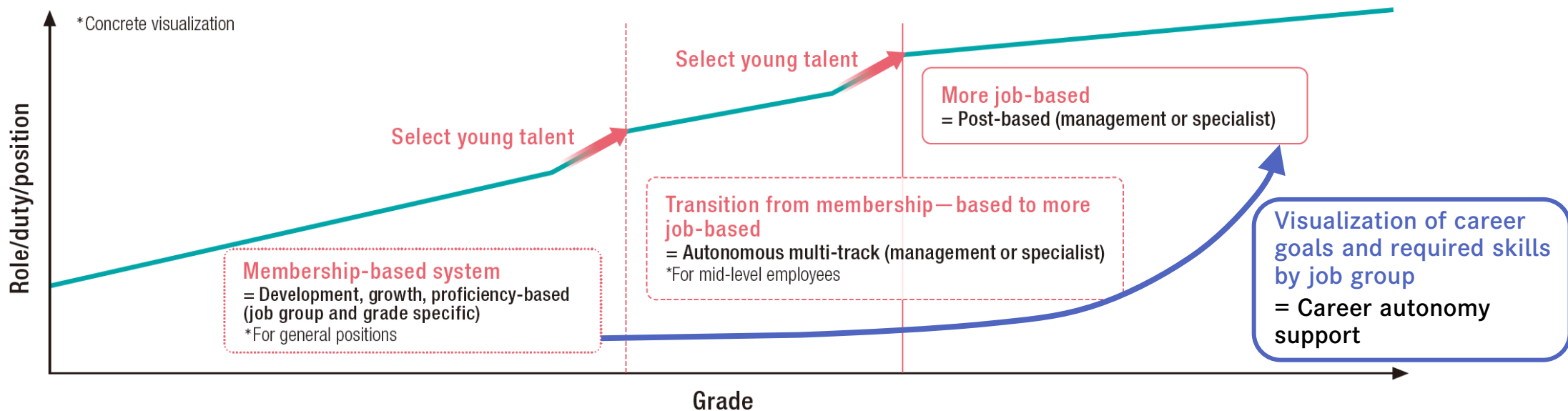
The link between reinforcing human capital and enhancing corporate value



1 Support for career autonomy of employees and strengthening of organizational capability **DNP**

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

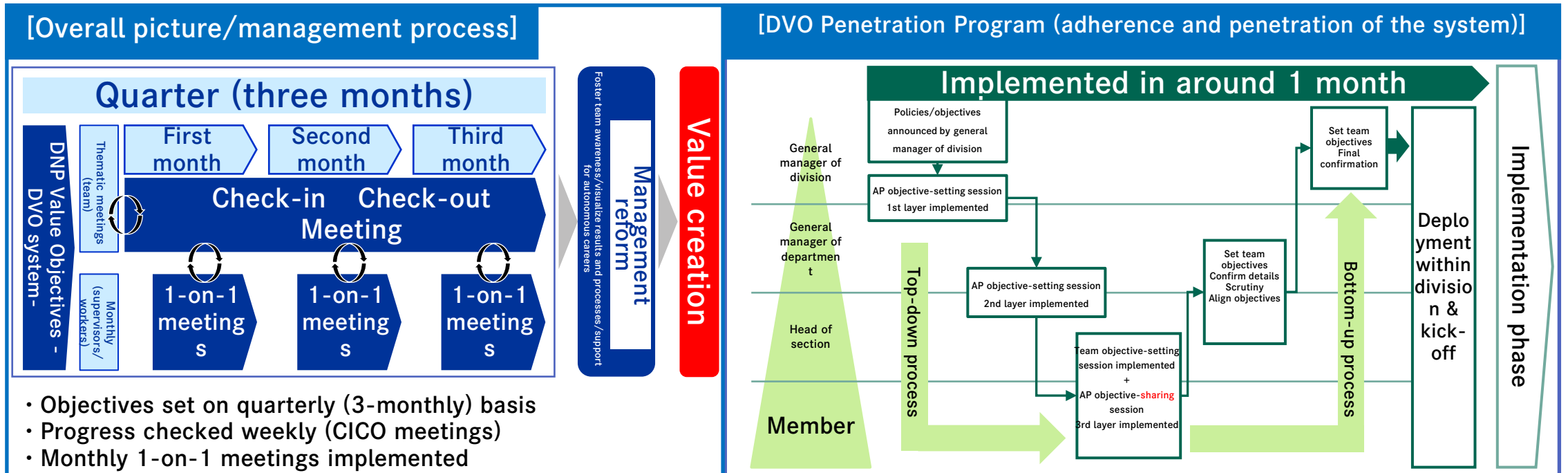
- ✔ Policies for unique hybrid personnel system that combines the merits of membership-based and job-based systems for autonomous career development
- ✔ Promotion of multi-track career and job grade systems that allow independent selection of management or specialist roles



2 Health and productivity management that increases the happiness of employees **DNP**

Management reform based on DNP Group Declaration on Health

- ✔ Promotion of the DVO (DNP Value Objectives) Penetration Program, which was introduced as part of management reforms, to achieve full integration of DVO throughout the company and establish a new management style



2 Health and productivity management that increases the happiness of employees **DNP**

Management reform based on DNP Group Declaration on Health



White departments (health): 10 departments received awards



Green departments (safety): 10 departments received awards

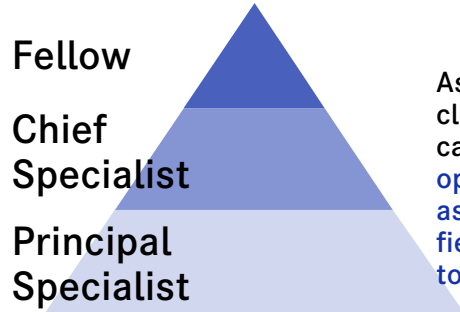
- ✔ Health and Wellbeing Awards launched in FY2023 to assess elements other than business profitability.
- ✔ These honor outstanding initiatives aimed at the building of a vibrant workplace culture and the strengthening of organizational and team capabilities that are the basis of value creation.
- ✔ A total of more than 1,000 volunteer judges voted to choose the award winners from among the 130 or so entries. 16

3 Hiring, personnel assignment and reskilling based on human resource portfolio **DNP**

Implementation of personnel assignment to focus business areas and reskilling

Internal human resources

✓ Expansion of professional track system



As part of “compensation and related policies that are more closely founded on a job-oriented perspective,” multi-track careers are positioned separately from management, and the operation of the “professional track” system is being expanded as a mechanism to enable personnel with expertise in specific fields, areas, or technologies (beginning with focus businesses) to maintain and enhance their expertise.

✓ Promoting development of DX personnel

- Seek the acquisition of knowledge and skills based on the DX literacy standard in order to ensure that by the end of FY2025 all 27,500 people targeted have finished the DX literacy standard basic education, and that employees in all roles are **DX foundational personnel**.
- Select **DX promotional personnel** as personnel to fulfill the specialized role of promoting DX in all business areas, and develop their abilities to a high level based on the DX promotion skill standard.

✓ Reassignment of personnel to focus business areas and reskilling

- Reassignment of personnel to manufacturing departments within growth-driving businesses after reskilling
- Strengthen DX reskilling training to facilitate job changes

External human resources

✓ Acquiring high-level experts through external recruitment

Professional staff

Associate staff

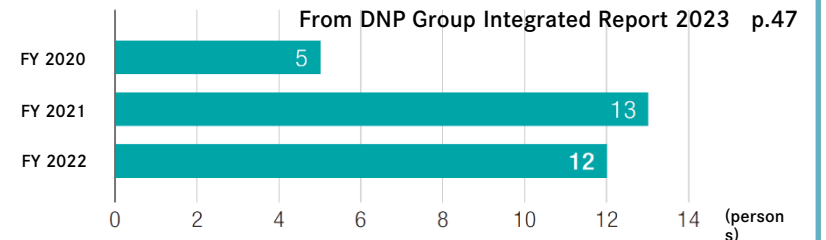
Professional staff

System for using individual employment contracts to recruit individuals with exceptionally advanced knowledge and skills in a specific area of expertise

Associate staff

System for recruiting external candidates with compensation set slightly higher to reflect market value

✓ Actual recruitment of expert personnel



✓ Use of external professionals

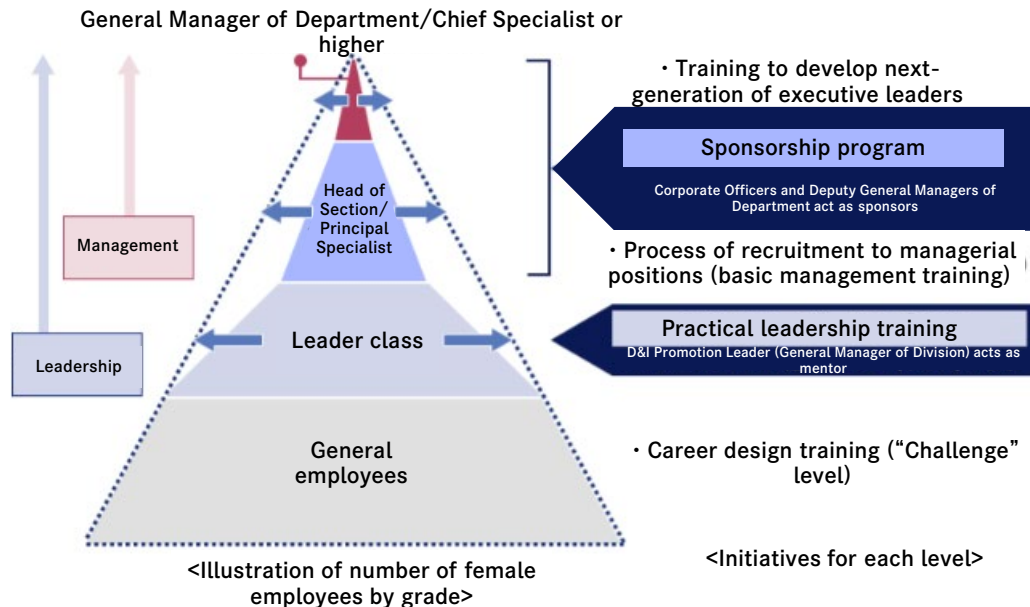
External personnel
in side jobs

Take on experts from outside the company to perform side jobs for a limited period

4 Promotion of D&I utilizing diverse individuality

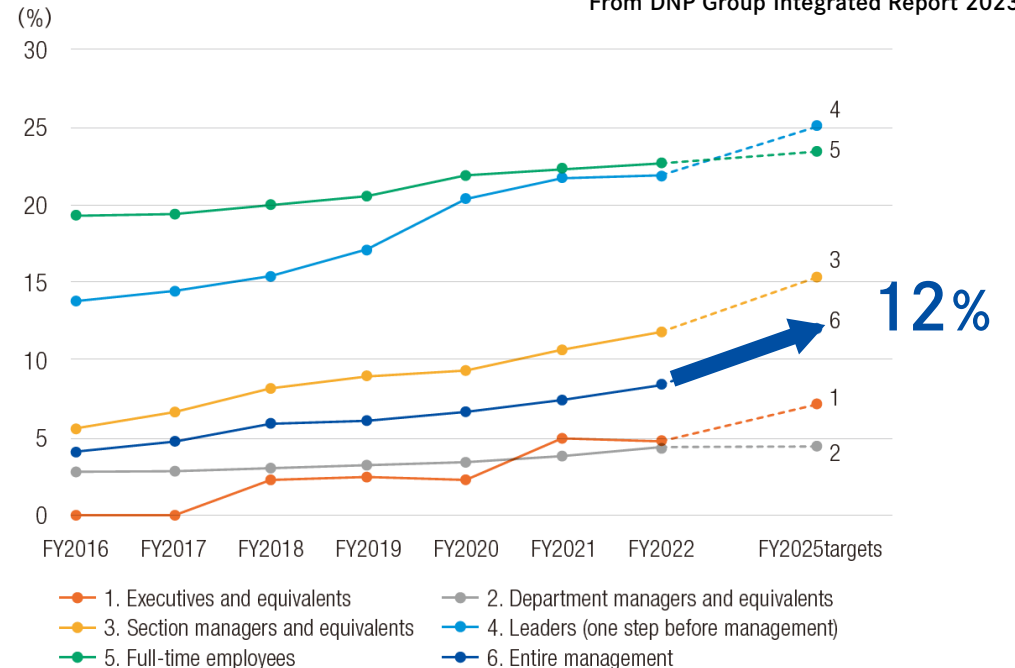
Cultivation of a corporate culture that allows diverse people to shine

✔ In terms of outcomes up to the end of FY2022, in order to enhance diversity in decision-making we are accelerating the increase in the percentage of female managers, and building mechanisms to form a pipeline. The target is to increase the percentage of female managers from 8.4% in FY2022 to 12% by the end of FY2025.



✔ Ratio of females at each level

From DNP Group Integrated Report 2023 p.49



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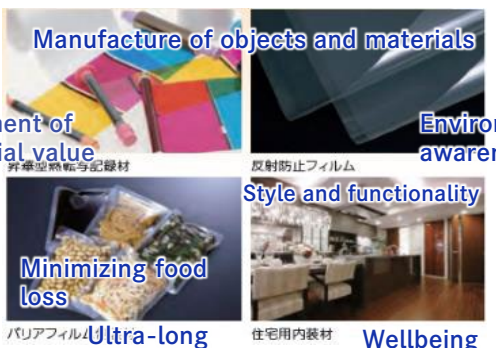
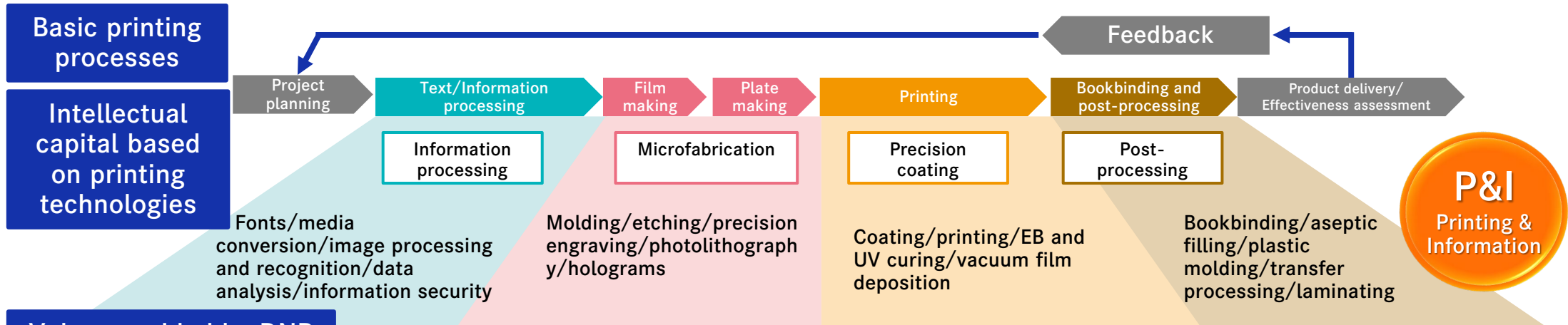
Corporate Officer Hideto Sakata

(5) Governance Initiatives

Managing Director Hirofumi Hashimoto

What are DNP's unique strengths?

[DNP's intellectual capital] Creating value by anticipating changes in the world outside and in markets through its strengths in P&I (printing and information)



DNP's unique hybrid digital transformation (DX)

What intellectual capital strategies are being implemented during the period of the Medium-term Management Plan?



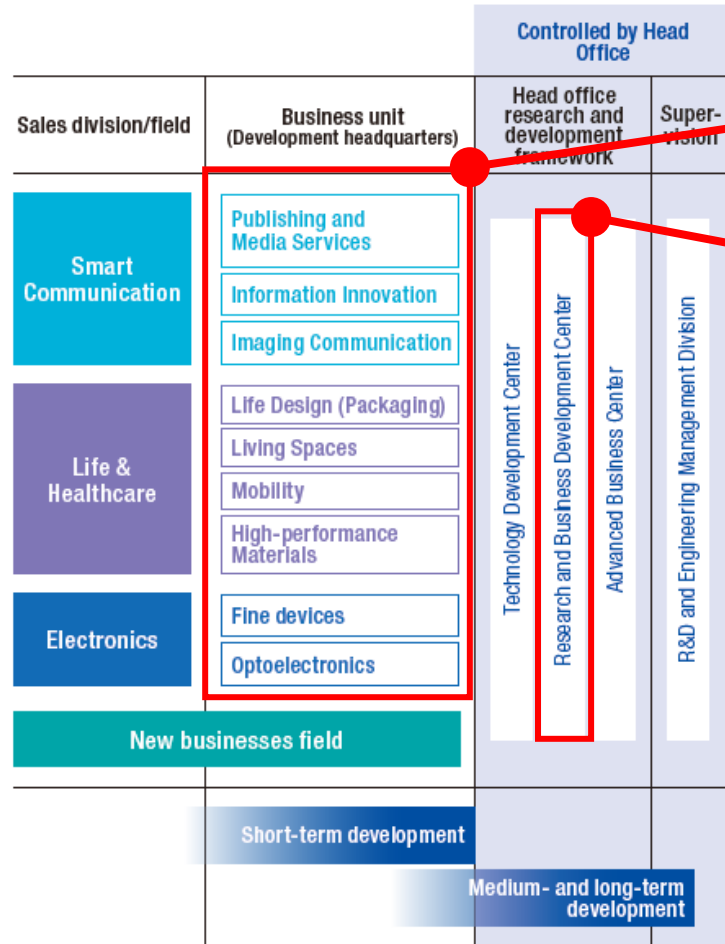
[Basic strategy for enhancing intellectual capital]

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

	Material Issues	Actions	Specific Measures	KPIs (FY2025)
1	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 	<p>R&D investment Continue at scale of 30 billion yen per year</p> <hr/> <p>Users of data management infrastructure : 3,678 → Approx. 6,000 (FY2022 → end of FY2025)</p>
2	Creation of new businesses and enhancing 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 	
3	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 	
4	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 	

1 What are the combined strengths of ALL DNP?

[Development framework] By combining our “P&I” strengths, we aim for intensive promotion of new business themes that realize a better future



Each business unit promotes short-term development in various fields. Head office R&D department promotes medium- to long-term research and development, which includes new business areas.

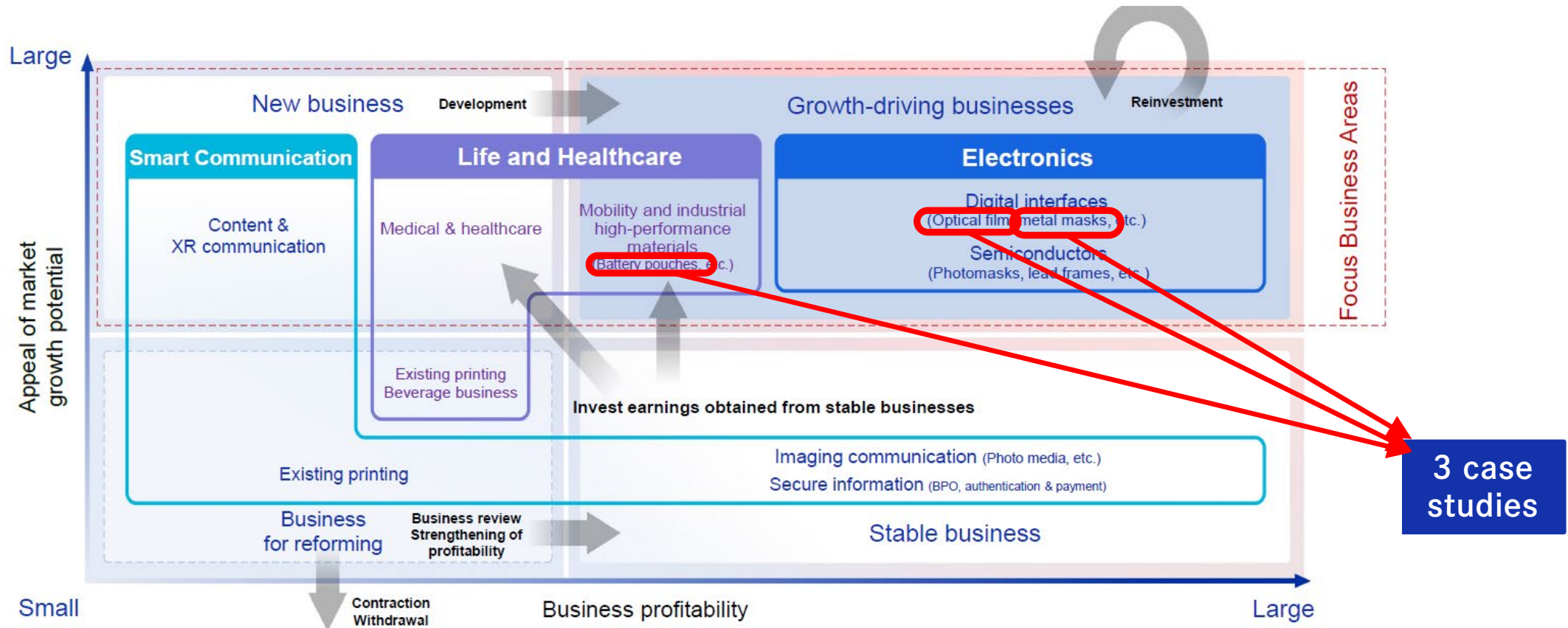
In 2021 we established the Research and Business Development Center and integrated “seeds development” and “business development” functions.

We are also promoting collaboration with external partners to create new value, such as the development with Microwave Chemical Co., Ltd. of a transparent conductive film that balances a high level of transparency and conductivity.

- Research and development expenditures (consolidated)
 - Investments in FY2022 continued at the 30 billion yen level
 - Fiscal year ended March 2023: 32.4 billion yen
- Head office development department: About 20.2 billion yen
- Business segment total: About 12.2 billion yen

2 Enhancing intellectual capital: investments in growth-driving businesses

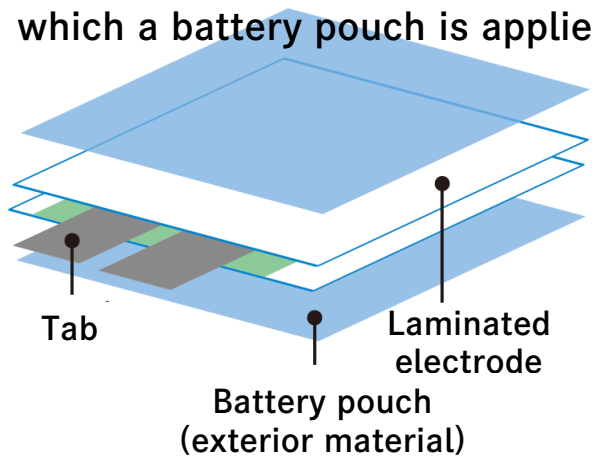
[Growth-driving businesses] Concentrate investments in focus business areas and promote business structure transformation to build a strong business portfolio



[Battery pouches] Highly rated by the battery industry as the standard for battery pouches

- ✓ Bolster competitiveness by combining the coating and lamination technologies honed in packaging materials for products such as food and pharmaceuticals as well as an exhaustive range of patent applications, self-designed materials, and internally developed production facilities

- ✓ Structure of a lithium-ion battery to which a battery pouch is applied



- ✓ Highly rated by the battery industry as the standard for battery pouches

Aiming for **sales of 100 billion yen by 2025** for lithium-ion battery pouch business as a whole

3 What investments for growth are we making to maintain our top global share?

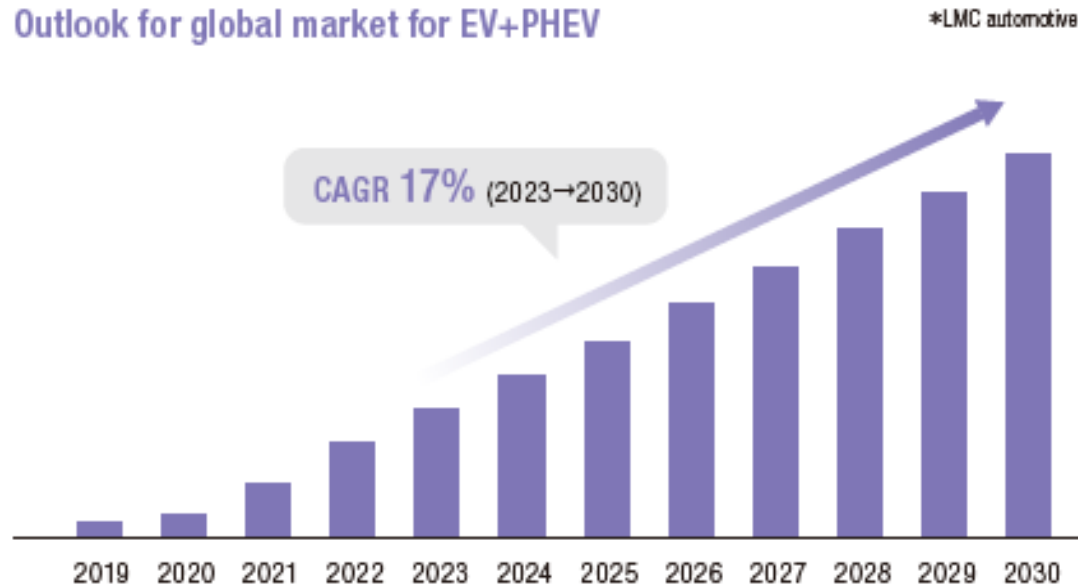
[Battery pouches]

Installation of new slit processing line in Denmark Plant
Construction of manufacturing plant under consideration in US

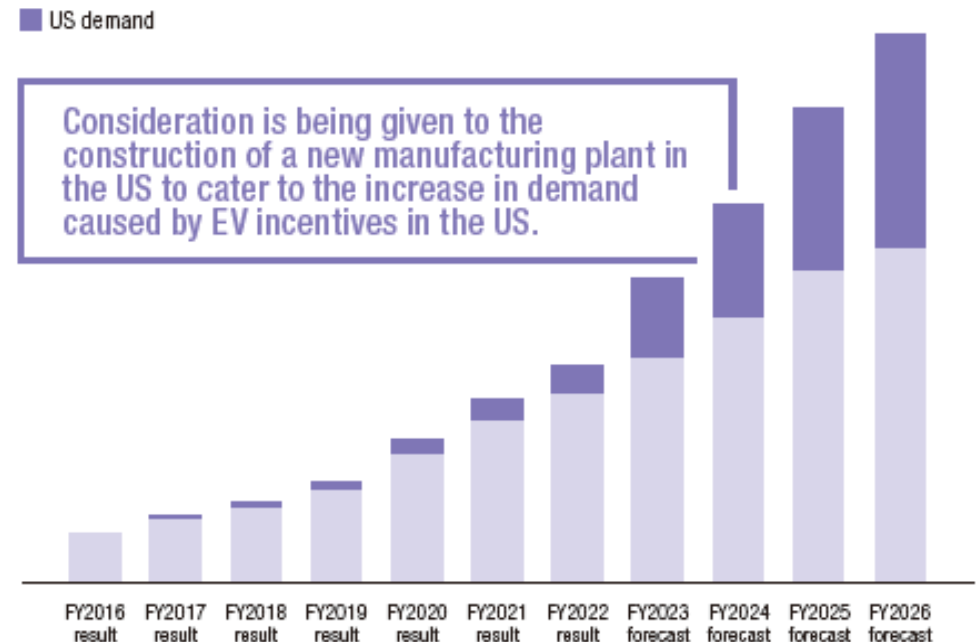
✓ Business strategy/investment plan

- Expand production capacity to meet EV demand in FY2023 and beyond
- Promote supply to appropriate regions such as Europe and the United States, with installation of post-process line in Europe (Denmark Plant), operation of which is scheduled to start in FY2023

Outlook for global market for EV+PHEV



Battery pouches business performance and targets (volume)



3 Refinement and acceleration of global rollout of DNP's unique technology and products

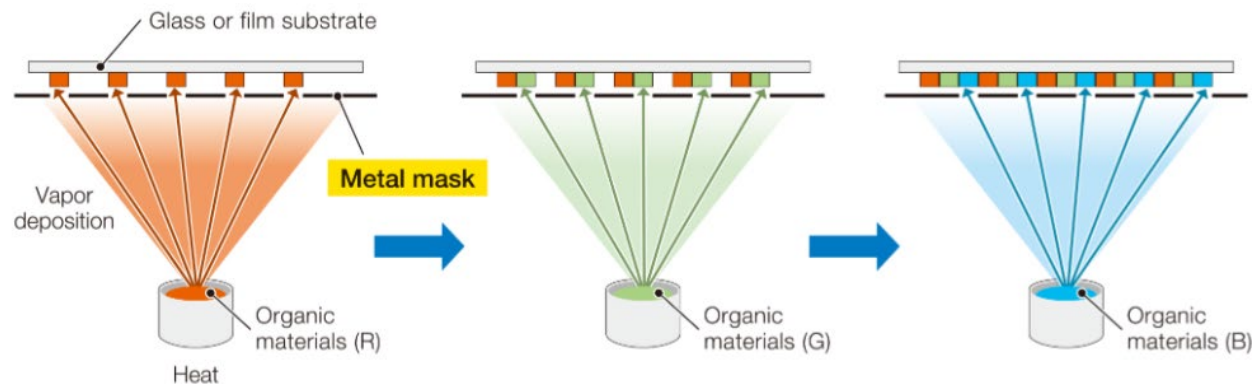


[Metal masks] Boost production capacity to meet rising demand caused by shift to larger organic EL displays

- ✓ Achieved top share globally, primarily in smartphones, by leveraging proprietary photolithography and etching technologies.

We also possess a wide range of materials, manufacturing methods, and product-related patents and know-how. We are rated highly for our outstanding technology development capabilities, as well as for our ability to provide stable supply of high-quality, high precision products

- ✓ Schematic depiction of vapor deposition process



Installation of new large metal mask production line at Kurosaki Plant (Fukuoka Prefecture)



External view of Kurosaki Plant (Kitakyushu City, Fukuoka Prefecture)

[Optical film] Increase manufacturing lines in anticipation of the needs of the market and customers

✓ In 2018 we were the first company anywhere in the world to introduce, for the production of protective films for polarizers, wide-range coating equipment that can make efficient use of film with widths of up to 2,500 mm, which are used for 65-inch screens. In order to further leverage this competitive advantage, we have added wide-range coating equipment at the Mihara Plant.

✓ Structural diagram of LCD display panel

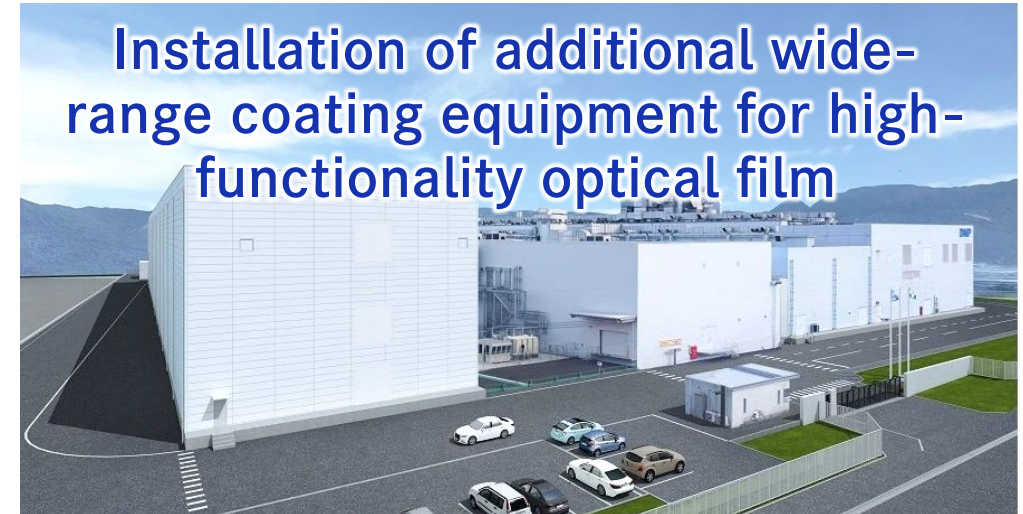
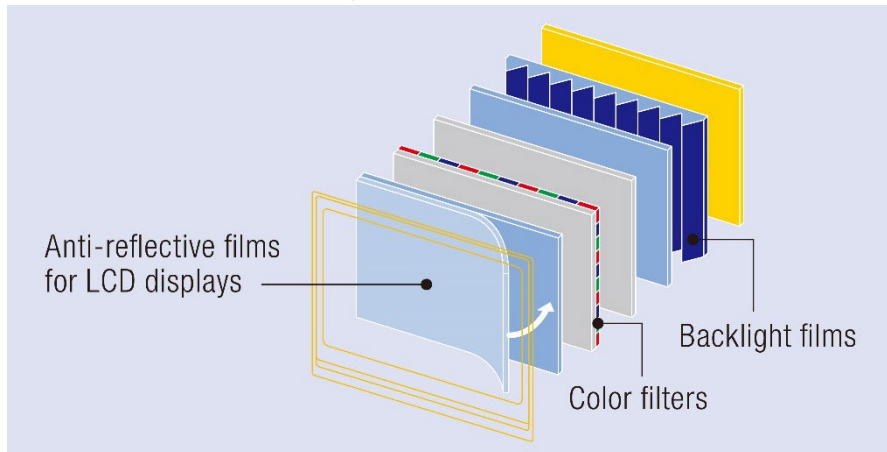


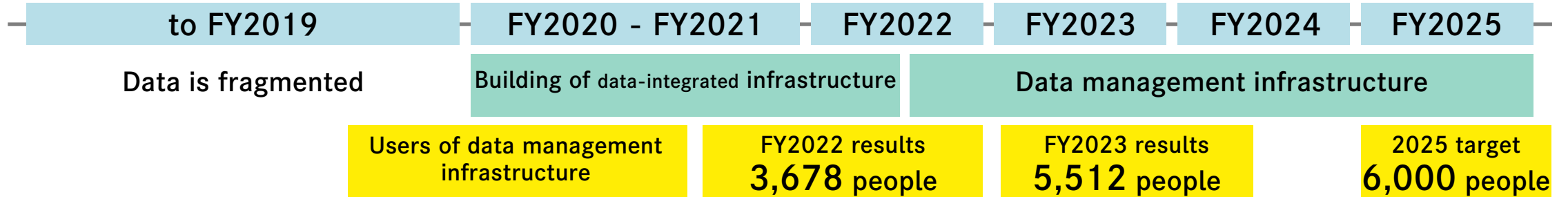
Image of the Mihara Plant, where wide-range coating equipment has been added

✓ [DNP's strengths]

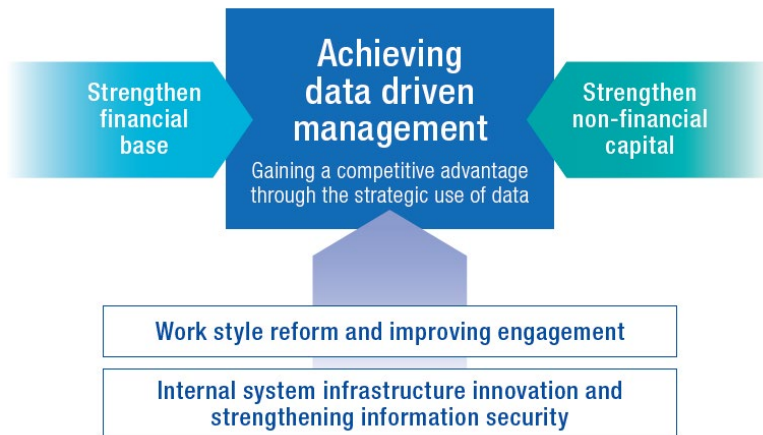
- Optical design technology
- Materials design technology
- In-line multilayer coating technology
- Wide-range coating technology

4 What is DNP's approach to DX?

[Data-driven management] Building of data management infrastructure to provide new added value



*Data-integrated infrastructure: a platform that consolidates data from various systems within the DNP Group
 *Data management infrastructure: a platform enabling the data consolidated by the data-integrated infrastructure to be processed, analyzed, visualized, and used for management decisions



- ✓ We are building a data management infrastructure that not only enables sales and production data and other data that contributes to business growth to be consolidated, processed, visualized, and analyzed for the purpose of prompt decision-making, but also provides new value
- ✓ By modernizing business systems in focus business areas where we can exert our competitive advantages, we will feed back strategic data to the data management infrastructure

FY2023 - FY2025

Policies aimed at realizing the Medium-term Management Plan

Anticipate
market changes
by reading
megatrends and
expand
focus businesses
in growth areas



Combine DNP's
unique strengths
and boost
cooperation with
partners



Generate
value
through
DX

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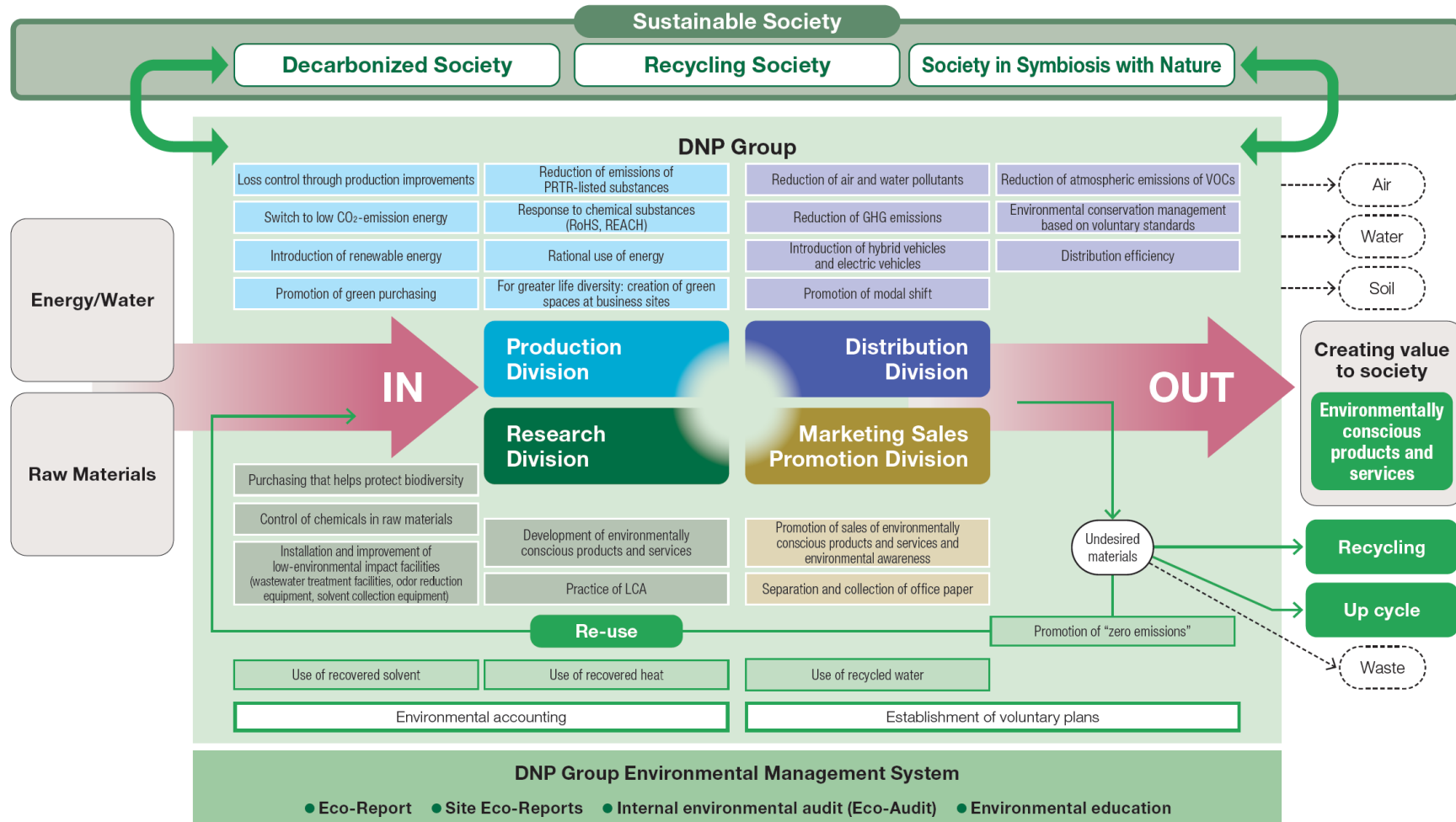
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(5) Governance Initiatives

Managing Director Hirofumi Hashimoto

Business activities and environmental activities

Aim for coexistence of business activities with global environment, and promote environmental conservation throughout the supply chain.



DNP Group Environmental Vision 2050

Working to realize the “three societies” of our Environmental Vision by both creating value and strengthening our business base.

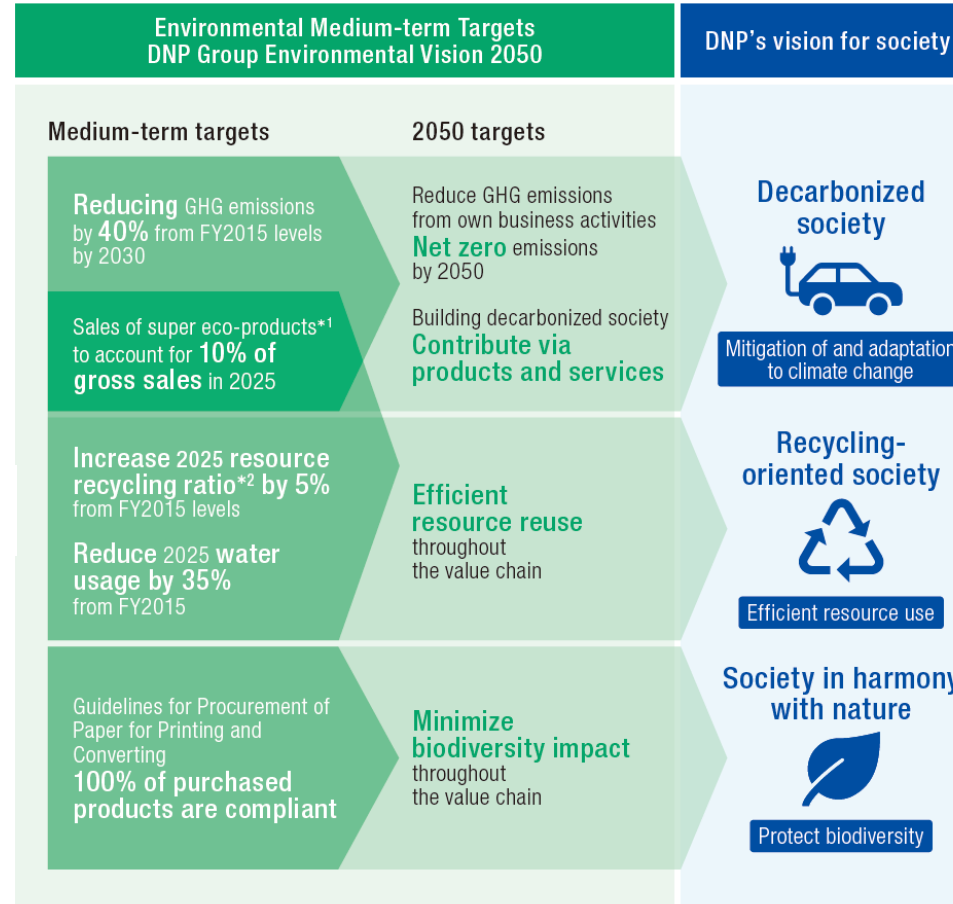
Initiatives in the Medium-term Management Plan (FY2023-FY2025)

✓ Creating value

- Transforming business portfolio based on environmental impact and added value
- Expanding the development and utilization of low-carbon materials
- Decarbonization of products and services through calculation and reduction of CO2 emissions for each product
- Creating recycling scheme and expanding the utilization of recycled materials

✓ Strengthening business base

- Clarifying environmental impact
- Introducing renewable energy
- Investing in energy-efficient facilities, optimizing production bases to address environmental impact
- Minimizing the impact of business activities on ecosystems
- Ensuring traceability of raw materials and transparency of supply chain



From DNP Group Integrated Report 2023 p.56

*1 Super eco-products are products and services that DNP deems to be exceptionally environmentally conscious based on its proprietary criteria.

*2 Resource recycling percentage is the rate of unneeded materials, excluding valuable materials such as paper, etc., recycled by either material or chemical recycling.

1 Response to climate change utilizing TCFD framework

In preparation for realizing carbon neutrality in 2050, we will respond flexibly and strategically to climate risks.

Type	Climate risk	Financial and other effects on DNP									Response	
		Negative	Period of impact	Level of impact	Likelihood	Positive	Period of impact	Level of impact	Likelihood			
Transition risk	Policies, laws and regulations	Increased regulation of GHG emissions	Raising emission reduction targets becomes mandatory	Increased capital expenditures accompanying efforts to encourage energy saving	Medium	Medium	High	—	—	—	Introduce renewable energy in preparation for carbon neutrality in 2050, systematically implement capital expenditures based on internal carbon pricing, promote expansion and development of energy-related businesses, build system for calculating CO2 over product life cycle, and reduce emissions	
			Mandatory adoption of renewable energy	Increased capital expenditures for the introduction of renewable energy, and increased expenses for purchasing Non-Fossil Certificate	Medium	Low	High	Growth in sales of products related to solar power generation, promotion of development for the use of next-generation fuels	Short to medium term	Medium		High
			Introduction of carbon tax	Increase in operating costs caused by introduction of carbon tax	Long term	Medium-High	Low	—	—	—		—
			Acceleration of carbon neutrality in supply chain	Increasing requests for carbon reductions, pass-through of raw material prices	Short to medium term	Medium-High	High	Secure an advantage by calculating CO2 emissions over product lifecycle, and developing the calculation business	Medium	Medium		High
	Technology	Transition to low-carbon technologies	Acceleration of technological innovations	Increased investment in the development of new technologies, loss of markets due to delays in development	Medium	Medium-High	Medium	Promotion of development for use of next-generation fuels, rising demand in related divisions following widespread popularization of EVs, widespread adoption of low carbon technology for semiconductor production	Short to medium term	High	High	Growth in focus business areas such as those related to high-performance materials for mobility and industry, and semiconductors
	Market/reputation	Changes in customer behavior	Market consolidation	Loss of markets due to a lack of carbon reduction, acceleration of the shift to non-petrochemical products, requests for replacement of non-environmentally conscious materials with alternative materials	Medium	Low	High	Expansion of market for low-carbon product and services, expansion of market for alternatives to existing plastic products	Medium	High	High	Development of low-carbon products and services Greater use of recycled and biomass materials Build system for calculating CO2 over product life cycle
Increased concern among stakeholders												
Physical risks	Urgency	Increased damage from wind and flood	Suspension of operations Disruption of supply chains	Decreased earnings, increased cost of disaster countermeasures, construction of production systems at multiple bases	Short term	Medium	High	—	—	—	Strengthening of disaster countermeasures at production bases Increased transparency/redundancy in supply chain	
	Chronic	Increase in temperature Long-term heatwaves	Hindrances to operations due to average temperature increases, increase in costs due to growing demand for cooling	Increased energy expenses, increased capital expenditures	Medium	Medium	High	Increase in demand for products utilizing functional films to control light and temperature	Short to medium term	Medium	High	Strengthening of disaster countermeasures at production bases Construction of production systems at multiple bases

1 Response to climate change

We have reviewed BCP on the assumption of a major natural disaster, and strengthened measures related to facilities and management.

- ✓ Assuming greater risk of flooding from rivers and inland waters, we are implementing measures to prevent flooding of buildings, and utility facilities
- ✓ Learning from the experience of sites such as Warabi, Ushiku, Kamiya, Nara, and Kyoto Minami that have already acquired certification for ISO22301 (business continuity management systems: BCMS), we are raising the BCMS level at other locations
- ✓ In order to mitigate procurement risk, we will select suppliers and secure appropriate levels of raw material inventory
- ✓ Main flooding countermeasures

✓ Nara Plant: raising of electricity transformer facilities

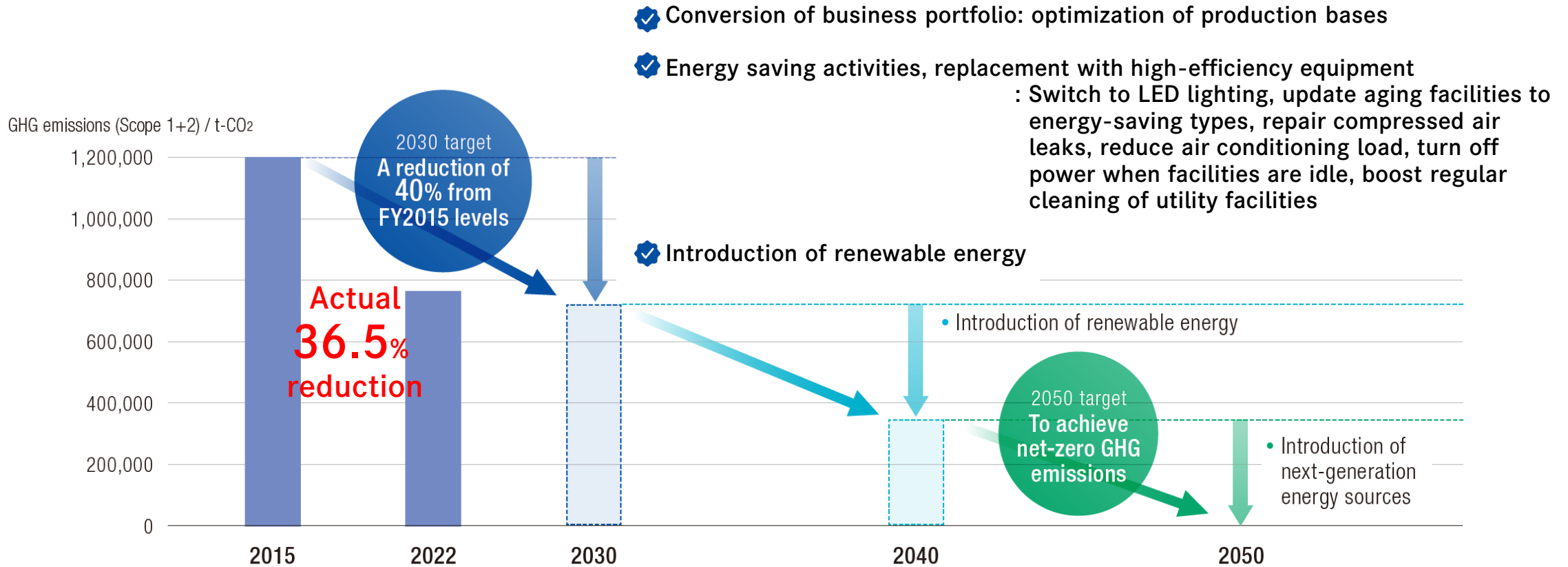
Fiscal year	Plant	Measures
2019	Kanagawa (Kawasaki)	Water barriers installed around utility facilities and buildings
2021	Saitama (Warabi)	Raising of electricity transformer facilities
2021	Nara (Kawanishi)	Raising of electricity transformer facilities
2022	Aichi (Nagoya)	Water barriers around buildings
2022	Kyoto (Kyoto Minami)	Improvements to water barriers around buildings
2023	Hokkaido (Sapporo)	Water barriers around electricity transformer facilities



Measures have been completed for 100% of locations assumed to be at risk from rivers in Japan

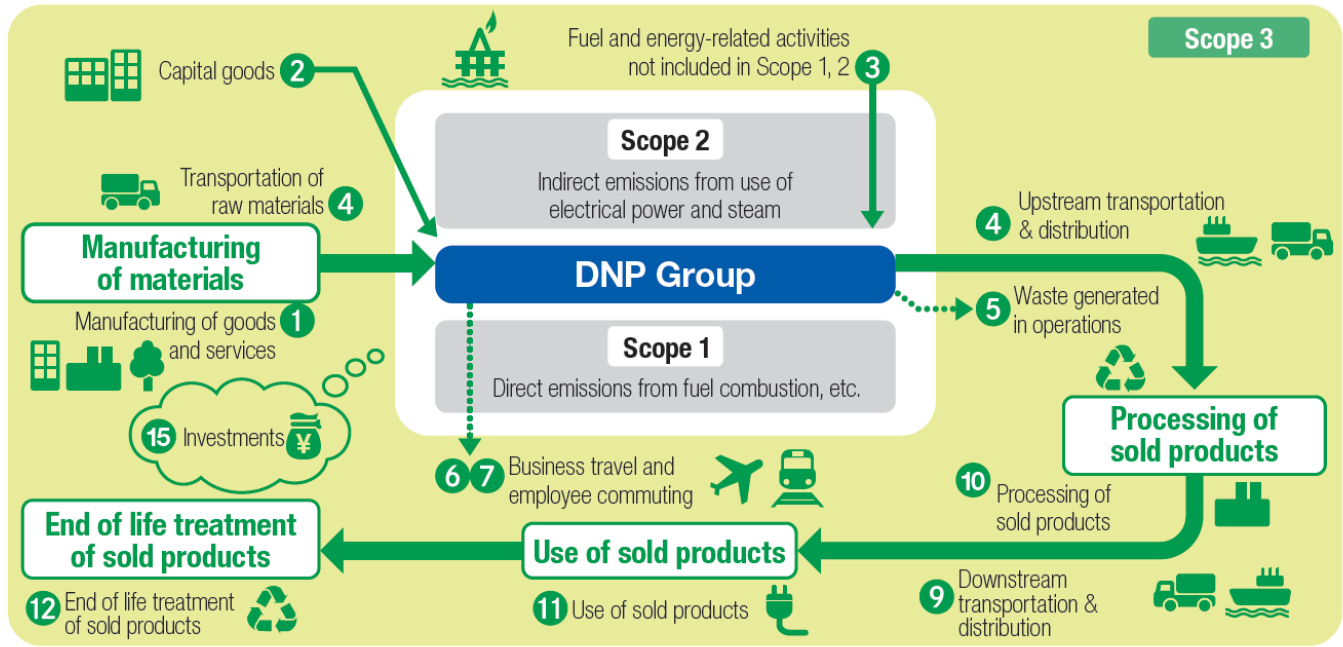
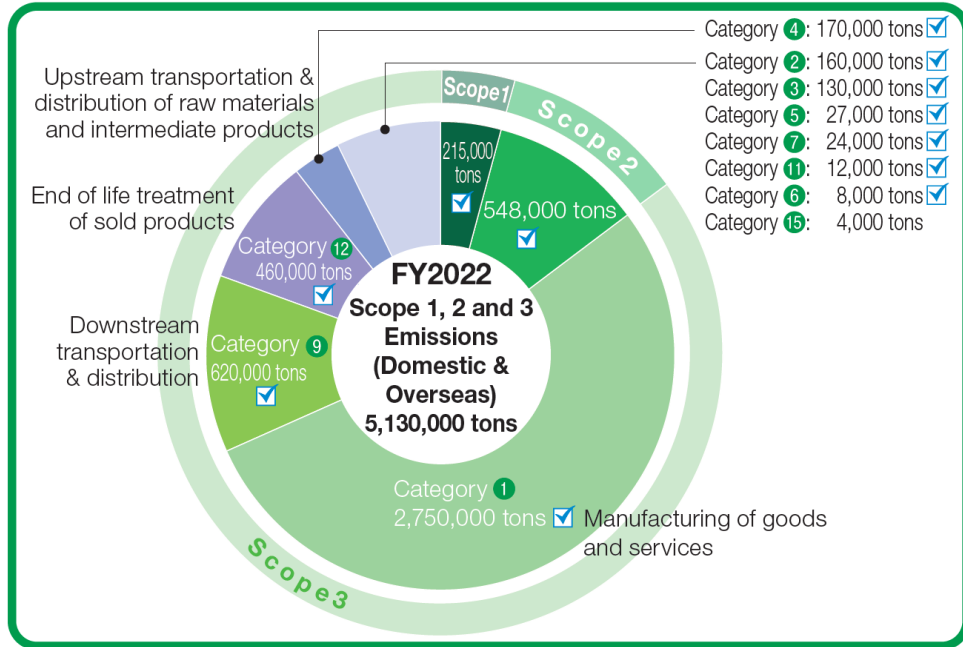
1 Roadmap for achieving carbon neutrality by 2050

2030 targets expected to be achieved early. Accelerating initiatives to achieve net-zero GHG emissions by 2050.



1 Reducing emissions throughout the supply chain

By strengthening our cooperation with main suppliers, we seek to reduce emissions throughout the supply chain.



[Calculation method]

Conforms to the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 3.3.

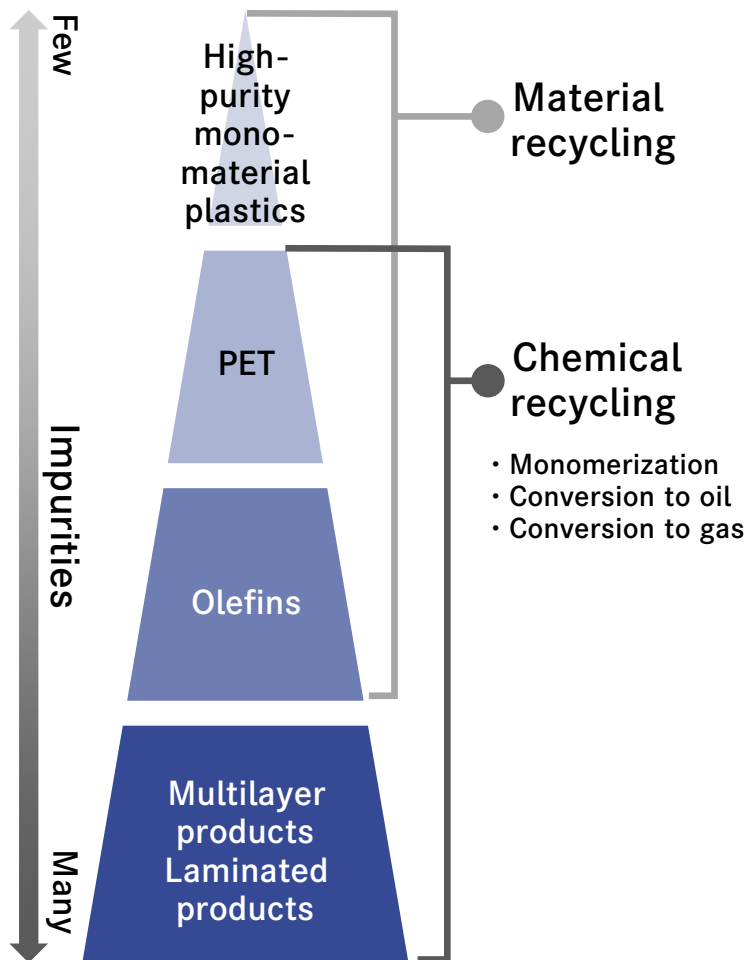
- Scope 1 emissions associated with transportation by Group companies are included in Category 4. Category 8 is included in Scope 1 and 2.
- Category 10 is excluded from the calculation because the percentage contained in final products is very small.
- Category 11 consists only of emissions from domestic PET plastic beverage bottles. • Categories 13 and 14 are not applicable. Beginning in FY2021, we based the emissions per unit on IDEA.

[Scope of calculations]

Main domestic locations (excluding Hokkaido Hokkaido Coca-Cola Products, the Bookstore Group, etc.) and main overseas sites (PT DNP Indonesia, DNP Imagingcomm America Corporation, DNP Imagingcomm Asia Sdn. Bhd.)

2 Efficient use of resources throughout the supply chain

Promote shift from heat recovery to material or chemical recycling, primarily for plastics.



✔ Increase in resource recycling percentage for DNP waste
Target: Increase of five points from 51.7 → 56.7%(2015 → end of FY2025)
Actual: FY2022 58.0% (improvement of 6.7 points)

• Concentrating on plastics where high volumes of waste occur, we will work with partner companies to categorize waste more finely, convert to single materials (mono-materials), and to move to chemical recycling.

*Resource recycling percentage: material or chemical recycling as a percentage of waste

✔ Cooperation between government and private sector Demonstration experiment for visualization of plastic resource recycling

• Saitama Prefecture and seven companies are working together to ensure traceability from the point at which they are recovered from stores to their reuse in products

• Information on the flow of resource recycling and CO2 emissions is communicated to consumers in an easily understandable manner to foster changes in their awareness



3 Protecting and nurturing natural capital

Through the creation of areas of greenery and the sustainable procurement of raw materials, we aim to minimize the impact on biodiversity and achieve harmony with regional ecosystems.

✔ Growing a new forest in urban area “Ichigaya-no-Mori” (Ichigaya Forest)

- We are growing a new forest of varieties native to the region, and as close to natural as possible, as part of the redevelopment of the Ichigaya area.
- The area of greenery has been expanded steadily since 2015, and now covers around one third of the site’s area (15,000 m²).
- In October 2023, it was selected as a “harmony with nature site,” as certified by the Ministry of the Environment. It also won the Minister of Land, Infrastructure, Transport and Tourism Award in the 43rd Urban Greening Prize. Our efforts were rated highly for creating a forest of varieties native to the region, the greening of man-made services using fertile soil, and the structure of active maintenance and management by employees.



✔ Sustainable raw material procurement

Target: 100% conformance with **DNP Group Guidelines for Procurement of Paper for Printing and Converting by FY2030**

Actual: FY2022 **94%**

- In cooperation with suppliers we will confirm the legality of raw materials, and work to ensure traceability.





(1) Concepts and Policies behind DNP's Sustainable Management

President Yoshinari Kitajima

(2) Reinforcing Human Capital

Senior Managing Director Kenji Miya

(3) Enhancing Intellectual Capital

Senior Managing Director Masato Yamaguchi

(4) Environmental Initiatives

Corporate Officer Hideto Sakata

(5) Governance Initiatives

Managing Director Hirofumi Hashimoto

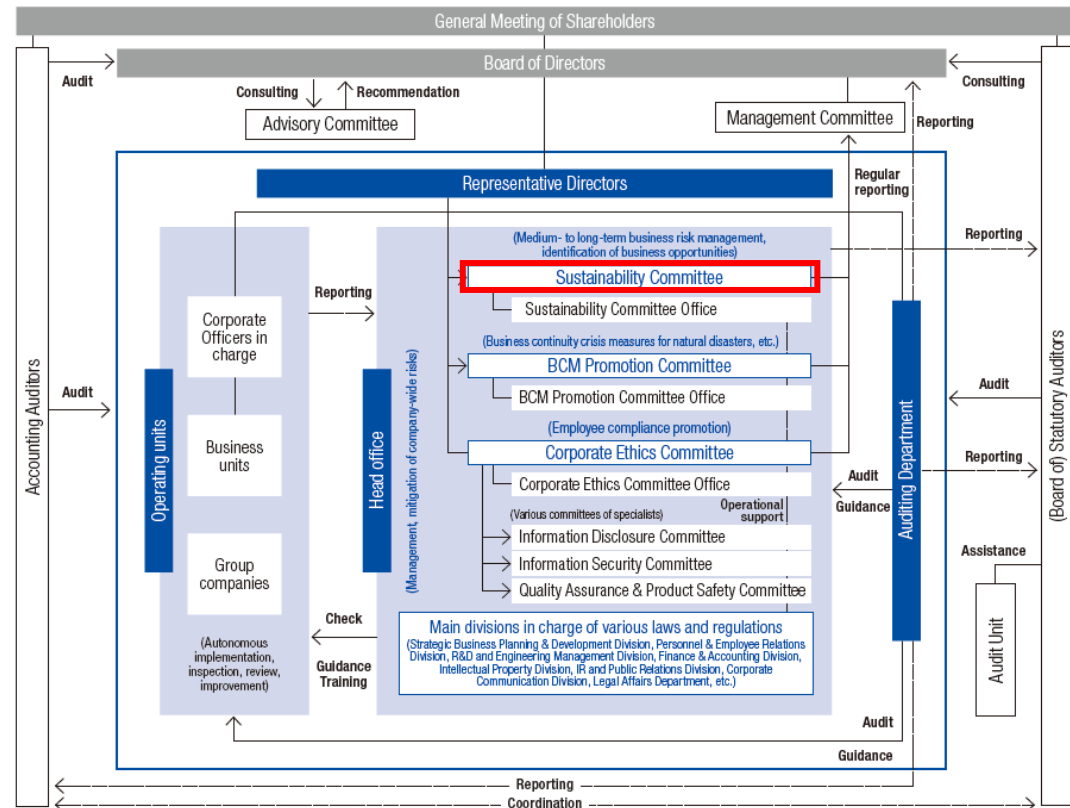
Governance system that promotes business

provide new value, with the aim of creating a sustainable, better society and well-being lives.



Enhance corporate governance system

- Boldly addressing the challenges of various business opportunities through sound entrepreneurship
- Earning the trust of various stakeholders
- Strengthening the process for appropriately assessing risks, applying assessments in the medium- to long-term management strategies and converting the risks into business opportunities.



A management team with members from diverse backgrounds **DNP**

A variety of business issues are deliberated by a diverse management team

✔ Background of the Company's Directors and Statutory Auditors

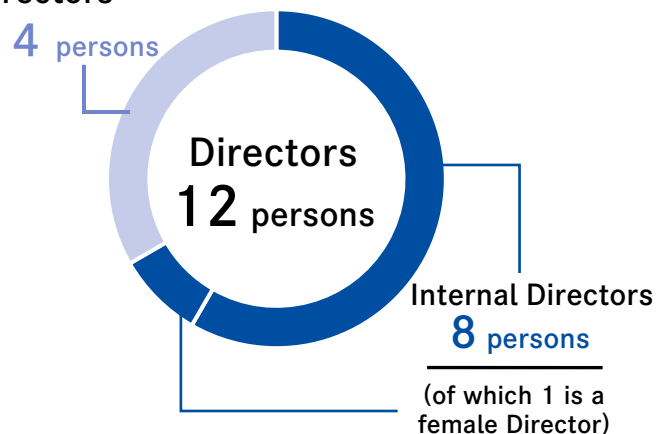
		Corporate management, business strategy	ESG, diversity	Financial/management accounting, capital policy initiatives	HR/labor, human resource development	Legal affairs, compliance, risk management	Overseas business	IT DX	R&D, new business
Directors	Yoshitoshi Kitajima	◎					○		
	Yoshinari Kitajima	◎	◎			○	○		
	Kenji Miya	◎	◎	○	◎	○	○		○
	Masato Yamaguchi	◎				○	◎	◎	◎
	Hirofumi Hashimoto	◎		○		◎	○		○
	Masafumi Kuroyanagi	◎		◎					
	Toru Miyake	○	○					○	◎
	Minako Miyama	○	◎		○			○	○
	Tsukasa Miyajima*					◎			
	Kazuyuki Sasajima								◎
Statutory Auditors	Outside								
	Yoshiaki Tamura*	◎	○				◎	○	○
	Hiroshi Shirakawa*	◎		◎		○			
	Ryuji Minemura	○				◎			
	Tatsuya Hisakura	○		◎		○	◎	○	
	Kazuhisa Morigayama	○		◎	○	○			
Outside	Taeko Ishii		◎		○	○			
	Yasuyoshi Ichikawa			◎		○			

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A management team with members from diverse backgrounds **DNP**

A variety of business issues are deliberated by a diverse management team

Outside Directors



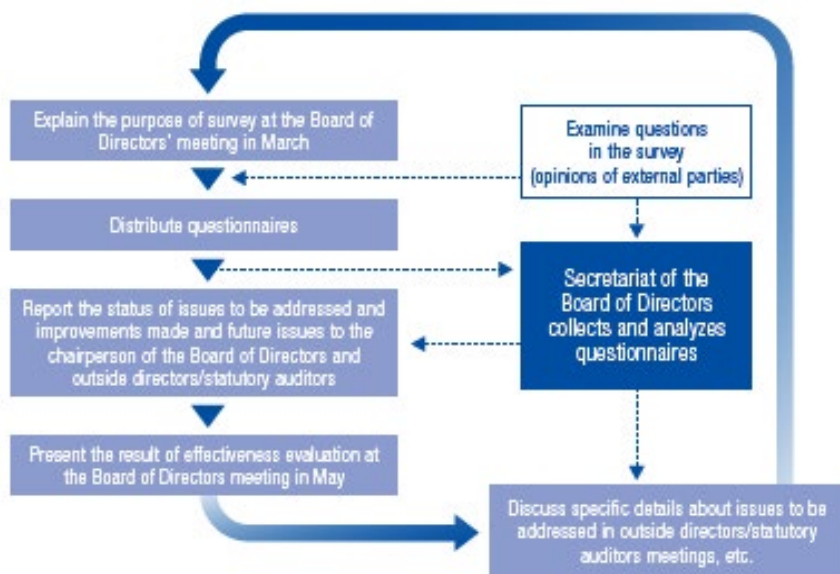
✓ Main items discussed at Board of Directors meetings during the fiscal year ended March 2023

Management strategy	<ul style="list-style-type: none"> • Progress of operations in line with the Medium-term Management Plan • Formulation of the Basic Management Policy • Formulation of the new Medium-term Management Plan, etc.
Sustainability	<ul style="list-style-type: none"> • Formulation of Human Capital Policy • Revision of the DNP Group Environmental Policy • Status of Sustainability Committee activities, etc.
Dialogue with shareholders	<ul style="list-style-type: none"> • Holding of financial results briefings, sustainability briefings, etc. • Status of dialogue with institutional investors, etc.
Governance	<ul style="list-style-type: none"> • Key personnel, organizational units and remuneration • Evaluation of the effectiveness of the Board of Directors • Status of internal audits, etc.
Other	<ul style="list-style-type: none"> • Individual investments, etc.

Ensuring the effectiveness of the Board of Directors to improve governance **DNP**

Past improvement activities using questionnaire surveys to evaluate effectiveness

In April of every year, we conduct a questionnaire survey to evaluate effectiveness in which all Directors and Statutory Auditors participate. Based on the results of the survey and the status of improvement issues, we report the issues to be addressed to the Board of Directors.



✓ Main issues in which improvements made

Supervisory function of the Board of Directors	Increase in the number of Outside Directors Reorganization of the Sustainability Committee
Appointment and remuneration system	Setting up/increasing members of Advisory Committee, compilation of skills matrix
Operation of the Board of Directors	Establishing of Secretariat of the Board of Directors, beginning of prior explanations of agenda items
Relationship with shareholders	Feedback to management on status of IR activities, including ESG briefings
Support for outside directors/statutory auditors	Regular holding of meetings for outside directors/statutory auditors, factory tours

Outside Director expectations for the Board of Directors

Initiatives for 2023 based on the results of the evaluation of effectiveness

- ✔ Ensure sufficient time for deliberations by the Board of Directors
- ✔ Deep discussions of management issues based on social changes that are not tied to individual projects



Outside Director Yoshiaki Tamura

Outside Director Hiroshi Shirakawa

✔ Initiatives for the current fiscal year (from the 2023 evaluation of effectiveness for the Board of Directors)

Further measures for progress at the Board of Directors meetings

Standardization of meeting material formats to secure time for deliberations and enhancement of content of prior explanations given before meetings, etc.

Further enhancing communication between management and outside officers to enhance the effectiveness of the Board of Directors

Status of DNP' business operations and content of dialogues with shareholders, etc.

未来のあたりまえをつくる。

DNP

Disclaimer

The earnings forecasts, medium-term management targets, and other forward-looking statements contained in these materials represent DNP's judgement of the current outlook based on information available at the time of preparation, and involve potential risks and uncertainties. Actual performance may therefore differ materially from these forward-looking statements due to changes in the various assumptions on which they are based.