

DNP Group CSR Report 2006

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April 2005 – March 2006

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About the Cover

~ Human-Plant Dialogue ~



We are able to carry out our daily lives thanks to the blessings of nature. In these times we often hear terms such as "ecology" and LOHAS (Lifestyles of Health and Sustainability). The notion that we must reappraise and improve our relationship with the natural environment is becoming more and more widespread.

The design chosen for the cover of this year's report employs the silhouette of a leaf of the tropical philodendron plant, on which the patterns of two human faces have been superimposed. This represents the dialogue between humanity and nature, as well as the dialogue between persons. It is emblematic of the call for dialogue to form the basis for the resolution of the various issues we face.

Ryohei Kojima: Born in 1939 in Iwate. Graduated in 1960 from the Musashino Junior College of Art, with a degree in industrial design. After working in San-Ai's publicity section, he entered Light Publicity in 1963. In 1976, he established the Ryohei Kojima Design Office. He has since been actively engaged in the design field--advertising, artistic, public, environmental and packaging design, in particular. His awards include the Tokyo Art Directors Club Prize, the Japan Sign Design Award, the Mainichi Advertising Design Award Grand Prix, and the New York Art Directors Club Merit Award.

Editorial Policy

- In the report, we describe the DNP Group's CSR efforts, categorizing them into three principal areas - economic, social, and environmental aspects.
- We present the highlights of topics worthy of mention in these three areas from our CSR efforts in 2005.
- We have sought to provide a clearer picture of these activities by including the words of those actually in charge of the various efforts.
- In order to add a greater measure of objectivity to the evaluations of the activities, we have elicited comments on the individual topics from third parties, along with advice on improvements that could be made in the next year and beyond.
- To ensure the reliability of the information in our "Environmental Performance" section (p. 52~80), we submitted it to a third-party review conducted by the Shin Nihon Environmental and Quality Management Research Institute Co., Ltd. The report was granted the Environmental Report Assurance and Registration Mark according to the "Environmental Report Assurance and Registration Mark Standards" established by the Japanese Association of Assurance Organizations for Environmental Information.
- In compiling this report, we have referred to the Global Reporting Initiative's "Sustainability Reporting Guidelines 2002" and the Japanese Ministry of the Environment's "Environmental Reporting Guidelines (2003 edition)."



[Period covered by this report]

This report focuses on the period April 1, 2005 through March 31, 2006. In some instances, the reporting of information about important items not occurring within that period may also be included.

[Divisions Covered]

This reports covers the CSR efforts of all companies and divisions in the DNP Group. The data in the environmental section is compiled from a total of 57 sites in 47 of the companies included in the Group's consolidated financial accounting, including all 44 of our domestic manufacturing companies, one distribution company, one in-company food service company, and one equity-method affiliate.

DNP Corporate Profile (as of March 31, 2006)

- **Company Name** Dai Nippon Printing Co., Ltd.
- **Head Office** 1-1, Ichigaya Kagacho 1-chome Shinjuku-ku, Tokyo 162-8001, Japan
Tel: +81-3-3266-2111
URL: <http://www.dnp.co.jp/>
E-mail: info@mail.dnp.co.jp
- **Established** October 1876
- **Capital** ¥114.464 billion
- **Employees** 8,597 (Non-consolidated) 35,596 (Consolidated)
- **Sales Offices** 45 locations in Japan 21 locations overseas (including local affiliates)
- **Main Plants (including affiliates)** 37 domestic plants 7 overseas plants
- **R&D Facilities** 11 locations in Japan

Deepening the "TAIWA," Looking Toward the Future



A handwritten signature in black ink, reading "Yoshitoshi Kitajima".

Yoshitoshi Kitajima
President
Dai Nippon Printing Co., Ltd.

The Japanese economy continued to recover steadily in 2005, with the longest economic upturn so far poised to come into view in 2006. At the same time, there arose many issues calling to attention the great influence of corporate activity on society, including the asbestos problem, corporate buyout squabbles, falsified earthquake resistance certifications, and accounting fraud. The Kyoto Protocol also went into full effect, and the need for businesses to maintain a strong awareness of the global environment increased greatly. There is no question that businesses are assuming an ever more prominent role in promoting the sustainable development of society.

Since the days before people started talking about "CSR," DNP has been conducting business with our stakeholders, including both our clients and consumers, in mind, and we have also engaged in environmental conservation. One particular example of this is the pursuit of the creation of new values that take into account the many issues confronting society in advance, as called for in the "DNP Group's Vision for the 21st Century" established in 2001. We are proud to have achieved the understanding and recognition of our stakeholders, in particular our clients, in the course of our efforts to "contribute to the creation of an emergently evolving society" in the five years since the establishment of the DNP Group's Vision.

It has always been my contention that no "corporate management magic wand" exists. Rather, the important thing is to do what obviously needs to be done, and to build continually upon those achievements. In other words, "focus on the fundamentals." The DNP Group Corporate Pledge (enacted in 1992) and the DNP Group Employees Code of Conduct, which provides the standards for employee behavior, call for the thorough upholding of the fundamental

rules by all employees, including directors, and for unswerving sincerity in conduct. DNP has received great recognition for our CSR efforts, beginning with our receiving the Minister for the Environment's "Reputable Company" Award and "Global Environment Awards" in 2005, as well as achieving 4th place in the "Best Working Environment" rankings announced in September by a newspaper company. These awards provide recognition of the hardworking efforts of each individual member of the DNP Group, and serve as proof positive of our focus on the fundamentals.

The DNP announced our participation in of the UN Global Compact in July 2006. The Global Compact covers ten principles in the areas of human rights, labor, the environment and anti-corruption to be maintained by good corporate citizens. The DNP Group is making efforts to incorporate these ten principles in our Group management, with the goal of continuing to raise our standards for sincere corporate behavior.

Along with "focusing on the fundamentals," we also place emphasis on the principle of "*TAIWA*." "*TAIWA*" means more than simply conversation or the sharing of information; rather, it represents the clarification of issues through the mutual exchange of opinions, and the attempt thereby to find solutions. Meaningful "*TAIWA*" requires that one establish one's own sense of values while at the same time recognizing the values of one's partner in the "*TAIWA*" while at the same time seeking to accomplish the task at hand.

DNP currently offers P&I Solutions*, which synthesizes our printing and information technologies in providing solutions that meet our clients' needs. A vital facet of our P&I Solutions is maintaining a solid "*TAIWA*" with our clients. In addition, by creating a lively working environment we deepen our "*TAIWA*"

with our employees, while we build new work systems and structures that correspond to what is actually required.

I believe that the first step toward creating more meaningful "*TAIWA*" is to listen closely to what the partner in the "*TAIWA*" is saying. I am certain that DNP can further enhance our role in society through the direct participation by every employee in this kind of daily "*TAIWA*", thereby achieving an even greater level trust within society. I believe that through "*TAIWA*" we can become more attuned to the issues faced by society, which enable us to contribute to society by grappling with issues directly and thinking up solutions to them. "*TAIWA*" is in this way especially important in the current social context, in which mutual growth and harmony with society are so vitally required.

In October 2006, DNP celebrates the 130th year since our founding. Our predecessor, Shueisha, was founded in 1876, during the rapid modernization of Japan that took place in the early Meiji period. The main issues at that time were the economic development to catch up to the level of Western civilization. The hot metal letterpress printing used by Shueisha was at that time a leading-edge technology. It represented the company's drive to contribute to the development of a civilized society, which was expressly called for in the company's regulations. This drive to contribute to civilization lives on in the call to "contribute to the creation of an emergently evolving society of the 21st century" expressed in the DNP Group's Vision for the 21st Century established in 2001.

DNP will continue to engage in CSR efforts as we seek to maintain corporate character and our constant drive to contribute to the development of society.

* P&I Solutions: P&I Solutions is encompassed in our DNP Group's Vision for the 21st Century, which was established in 2001. The concept phrase "P&I Solutions DNP" expresses our business vision, by which we seek solutions that meet our clients' needs through a synthesis of the expertise DNP has gained over the years in printing technology and information technology.

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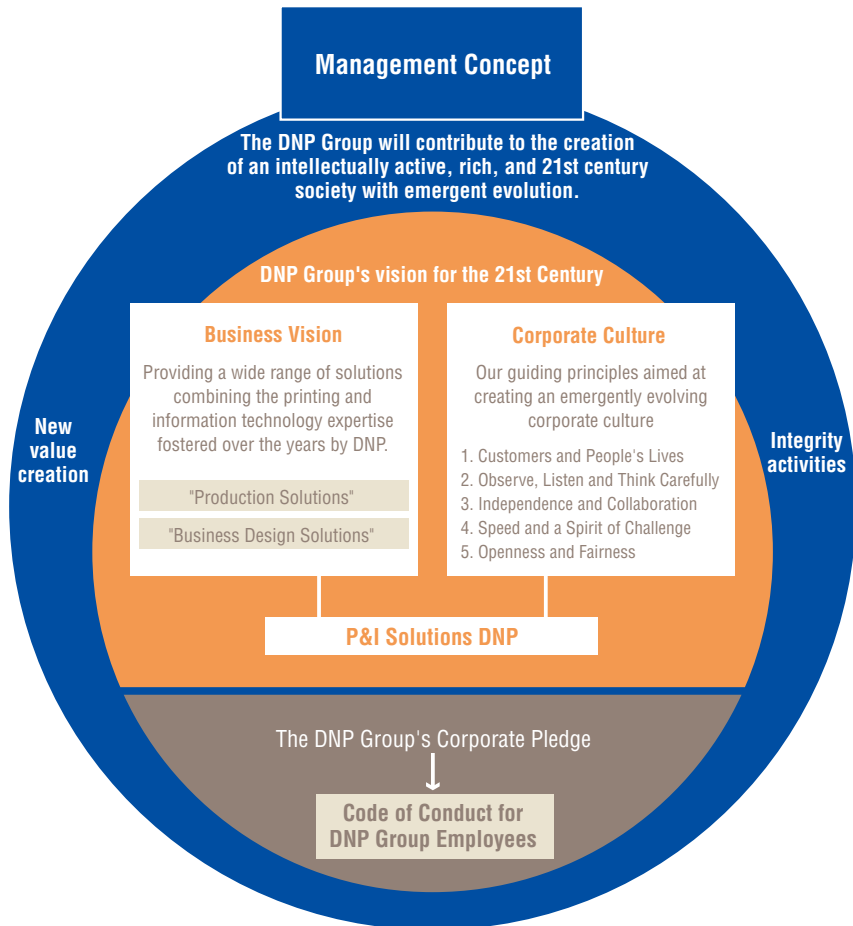
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Society has placed its expectations and trust in DNP, and we have responded by contributing to the development of a rich, emergently evolving society.

CSR means conducting activities based upon our management concept that enhance the role we must fulfill in society. We believe that in this way we can respond to the trust conferred upon us by society.

CSR and Our Management Concept

DNP's management concept is summed up as "The DNP Group will contribute to the creation of an intellectually active, rich, and 21st century society with emergent evolution." In this way we are able to respond quickly to the issues confronted by a society with diverse values, and to contribute to society by pouring our efforts into finding solutions. DNP takes two approaches toward realizing the goals of our management concept. The first is to provide social value through our business, and we seek to achieve this by promoting P&I Solutions as set forth in the DNP Group's Vision for the 21st Century. The second is to remain fully aware of our influence on society, and to therefore execute all of our activities sincerely while attempting to view our corporate activities from society's perspective. The main pillars of this effort are to be found in our DNP Group Corporate Pledge and in the DNP Group Employees Code of Conduct, which sets forth clear guidelines for the conduct of our employees. We believe that we can realize the goals of our management concept by implementing these two approaches simultaneously, and thereby enhance the role we perform in society.



Results of CSR Management in 2005

DNP created an organizational structure consisting of the CSR Committee and the CSR Office, which is dedicated to ensuring that CSR efforts are carried out companywide. In FY2005, the second year since their creation, the CSR organizational structure has been working to push ahead with effective measures, such as promoting a CSR perspective in each individual business division and in the management of our affiliate companies. They also have been looking into ways to improve the CSR consciousness of each employee.

1. The DNP Group CSR Report 2005 has been distributed to all directors and managers (approximately 1/3 of Group employees). Also, each director working as a Division Manager serves as an instructor in educational and consciousness-raising programs for division employees, and leads discussion about the CSR issues concerning their particular division.
2. The CSR Office conducted interviews at each business division and affiliate company to monitor the progress of CSR efforts, and encouraged continuing improvement in CSR consciousness and awareness. It also worked improve CSR achievements by creating a policy for the Action Plan for each business division in FY2006, based upon each CSR strategy.
3. The Network Learning "CSR Introductory Course" was made available to every employee at worksites with access to the Network Learning program. The "CSR Introductory Course" was designed by the CSR Office, and by the end of March 2005 it had been completed by nearly all of the 20,000 employees that had been enrolled. It therefore has proved valuable in improving CSR awareness.
4. CSR lectures according to company rank, such as new employee training, Division Manager training, new manager training (for employees promoted from general employee to management), were put in place, with approximately 1,000 employees participating.
5. CSR training was implemented according to the particular needs of each division. This was tied in with each Headquarters division, with each management aspect pushed forward according to the CSR strategy. A particular example of this in the current term was the establishment in connection with the Purchasing Division of the "DNP Group CSR Procurement Criteria," which extended our CSR efforts to include our suppliers.

Importance of "TAIWA" with Stakeholders

DNP places great emphasis on "TAIWA" with all stakeholders. "TAIWA" allows us to become quickly aware of changes in social values and new social issues. In this way we can successfully execute group-wide management through sincere and responsible activities in areas such as value creation, compliance with laws and social norms, environmental conservation, product safety, information security, and health and safety.

We are continuing to nurture an emergently evolving corporate culture with a relaxed atmosphere through repeated "TAIWA" irrespective of the workplace or rank. By encouraging "TAIWA" we are able to create work systems and environments that provide for a lively approach to work. Active "TAIWA" is also connected to the enhancement of training programs that support the development of professional staff who are both independent and cooperative.

Through "TAIWA" in the course of our business with customers and consumers we are able to discover latent issues that had not come to the customer's attention, in addition to issues that had already been brought up. This "TAIWA" is shared with employees in the Sales, Planning, R&D, and Production Divisions, and in this way we are able to offer the kind of solutions that can be provided only by DNP.

Through "TAIWA" with our trading

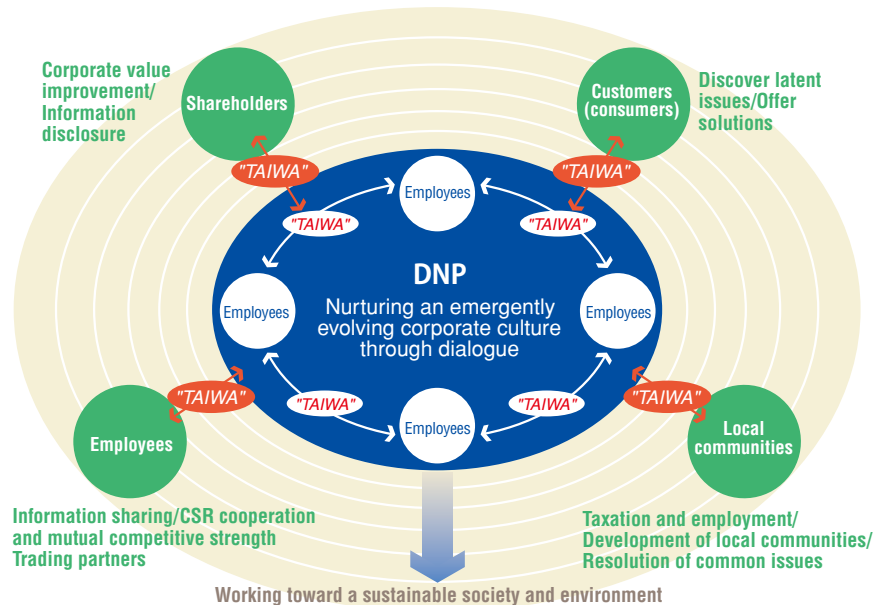
partners we seek to develop shared values, cooperate in CSR efforts, and develop mutual trust and competitive strength. While we naturally contribute to the life of our local communities by paying taxes and providing jobs, "TAIWA" with those communities enables us to share in finding solutions to common issues and to work toward local community development.

"TAIWA" forms the basis of DNP's efforts to understand the expectations and issues of concern to all of our stakeholders. By making serious efforts

to resolve these issues we can enhance our role in society, increase the trust granted us by society, and improve our enterprise value. At the same time, this allows us to improve our accountability to our shareholders and better meet their expectations.

As embodied by our management concept of "contributing to a society with emergent evolution" DNP seeks to realize a sustainable society and environment by engaging in efforts to resolve the variety of issues that we discover through the process of "TAIWA".

"TAIWA" is a process that entails identifying problems and finding solutions through the exchange of viewpoints and ideas.



Endorsement of the Global Compact

The DNP Group announced its endorsement of the United Nations Global Compact (GC) in July 2006. The GC was proposed by UN Secretary General Annan in 1999, and consists of 10 principles in four categories: Human Rights, Labor Standards, Environment, and Anti-Corruption.

While the DNP Group Corporate Pledge and Code of Conduct already require the DNP Group to conduct business in line with these 10 principles, endorsement of the GC provides the DNP Group with a further opportunity to



demonstrate our commitment to corporate integrity.

The Global Compact's ten principles

Human Rights

PRINCIPLE 1 : Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2 : Businesses should make sure they are not complicit in human rights abuses.

Labour Standards

PRINCIPLE 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4 : Businesses should uphold the elimination of all forms of forced and compulsory labour.

PRINCIPLE 5 : Businesses should uphold the effective abolition of child labour.

PRINCIPLE 6 : Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

PRINCIPLE 7 : Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8 : Businesses should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9 : Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

PRINCIPLE 10 : Businesses should work against corruption in all its forms, including extortion and bribery.

We have established a corporate governance system that ensures fair and efficient business management.

DNP's corporate governance efforts have been strengthened. The corporate governance and internal control initiatives described on this page were determined at the May 2006 Board of Directors meeting.

Current Corporate Governance System

DNP has adopted a business division system that is able to adapt swiftly to changes in the business environment. The system is set up so that directors with specialized knowledge and experience in their respective fields participate in the management decision-making process and execute business, whilst at the same time conducting oversight of the business execution of other directors. Also, corporate officers selected at Board of Directors meetings are charged with enforcing items determined at the Board of Directors meetings. Through close "TAIWA" with directors the opinions of those involved at the actual worksites are reflected in management.

The Board of Directors is composed of 26 directors, including one from outside

the company. It is normally convened monthly, and conducts appropriate and swift decision-making along with reporting on the execution of company business. The directors oversee the execution of each others' business, so that the proper oversight functions are maintained. The directors also meet at the Executive Committee Meetings held monthly to exchange information so that management decisions can be made efficiently.

DNP's Board of Statutory Auditors is composed of five auditors, including three from outside the company. Each auditor conducts audits of the business executed by the directors, according to the auditing standards and responsibilities determined by the auditors. The auditors keep close tabs on the execution of company business; the independent auditor explains the auditing plan to the auditors at the beginning of each term, while hearings concerning the auditing situation are con-

ducted as needed during the course of the term, and audit results are reported at the conclusion. The Audit unit has been established to provide assistance to the auditors, with a special support staff working at the auditors direction.

* The external directors and the independent auditors hold no stake in our company, including personal, asset, or trading relationships.

The DNP Group has established the DNP Group Corporate Pledge and DNP Group Employees Code of Conduct so as to improve the compliance awareness of each employee. The Corporate Pledge and the Code of Conduct provide the standards of conduct for all employees (including directors and auditors; please see below). Employees are made thoroughly aware of the stipulations provided in these documents through training programs and other means, with the goal of maintaining and improving a comprehensive corporate governance system.

DNP Group Corporate Pledge and Employee Code of Conduct

We believe that in order "to contribute to the creation of an emergently evolving society" - the core of our Management Concept - it is necessary for every one of us to become aware of his and her mission and responsibilities as a member of that society, and we be allowed to share in its dreams and visions. And for each of us to act with confidence and pride, we must always keep in mind our responsibilities to society as we go about our business and our lives. The DNP Group Corporate Pledge was developed with this in mind to provide a clear standard upon which all Group employees can base their actions at all times. Top management is taking the lead in propagating it throughout our organization. In addition, the DNP Group Employees Code of Conduct contains even more clearly defined standards of conduct covering items such as compliance, respect for human rights, and environmental conservation.

DNP Group Corporate Pledge

- We will be alert and responsive to changes in society and the market, identifying society's needs and leading the industry in finding solutions, while always approaching issues from the view point of people in their lives.
- We will provide both valuable products and services and original business models by fusing our leading-edge information technology with the printing technology that we have built up over the years, and by fully utilizing the wealth of knowledge and expertise that we have developed through our long and varied experience in problem-solving.
- We will establish an emergently evolving and dynamic corporate culture in which each individual, while taking pride in himself or herself as a self-reliant professional and actively generating and sharing information, collaborates with and respects the individuality of his or her coworkers.
- We will strive to enhance our individual awareness and judgment, and to act quickly and boldly, with out fearing failure, when faced with even the most difficult challenges.
- We will act in full compliance with legal and ethical standards and also strive to maintain free and fair competition with fair and open activities.
- We will work to preserve the Earth's environment and conserve natural resources to safe guard the future of humanity.
- We will work to contribute to society through communication and cultural activities, and by becoming good corporate citizens deeply involved with the community.



Corporate Pledge



Code of Conduct

Code of Conduct for DNP Group Employees

I. Fundamental Attitude

1. Compliance with the law and social ethics / 2. Respect for human rights / 3. Maintenance of a good workplace environment / 4. Consideration for the environment / 5. Reliability of product safety

II. Handling of Company Information

1. Protection of confidential corporate information / 2. Protection of customer information / 3. Handling of insider information / 4. Handling of intellectual property rights / 5. Use of computer networks

III. Fair corporate activities

1. Compliance with the Antitrust Law / 2. Compliance with the Subcontract or Payment Act / 3. Compliance with the Truth-in-Advertising Law / 4. Compliance with security trade restrictions

IV. Other General Matters

Internal Control System Policy

The DNP Board of Directors determined the basic policy for "the creation of a system for ensuring proper business (internal control system)" in conjunction with the implementation of the Corporate Law in May 2006. This constitutes one part of DNP's overall effort to strengthen corporate governance. The main aspects of this policy are as follows.

[System for ensuring that the work executed by directors and employees conforms to all laws, regulations, and articles of incorporation.]

- 1) The "DNP Group Basic Compliance Regulations" shall be established, and the Corporate Ethics Committee designated as the organization responsible for managing the DNP Group internal control system based upon these regulations.
- 2) The Product Safety Committee, Information Security Committee, and other headquarters organizations responsible up to now for legal, regulatory, and other controls shall, under the overall management of the Corporate Ethics Committee, conduct inspections, guidance, and training programs in the areas under their control.
- 3) The Information Disclosure Committee shall be established so as to furnish a system for ensuring the accuracy of financial information and the timely and proper disclosure of DNP's corporate data. This Committee shall, under the overall management of the Corporate Ethics Committee, conduct the timely and proper disclosure of corporate data.
- 4) The Auditing Department, which is independent of the business divisions, shall conduct the internal auditing, guidance, and educational programs involved in the construction and operation of the systems necessary for ensuring the proper execution of DNP's business.
- 5) The heads of each organization within the DNP Group shall determine autonomously the necessary systems and procedures appropriate to the content of each organization, and shall execute, inspect, evaluate, and implement improvements of these systems and procedures.
- 6) The "Open Door Room" shall function as the contact point for the

reporting of internal information within the DNP Group. The Open Door Room shall be available to DNP Group employees for the reporting of legal infractions and other matters, and shall initiate the response to these reports.

[Risk management regulations and other systems]

The creation of regulations and the execution of training programs and other items pertaining to compliance, the environment, disasters, product safety, information security and other matters shall be conducted by the Corporate Ethics Committee and other internal organizations, which shall work to prevent the occurrence of risk and respond promptly when it does occur. The organizations and directors charged with prompt response to newly occurring risk shall be established.

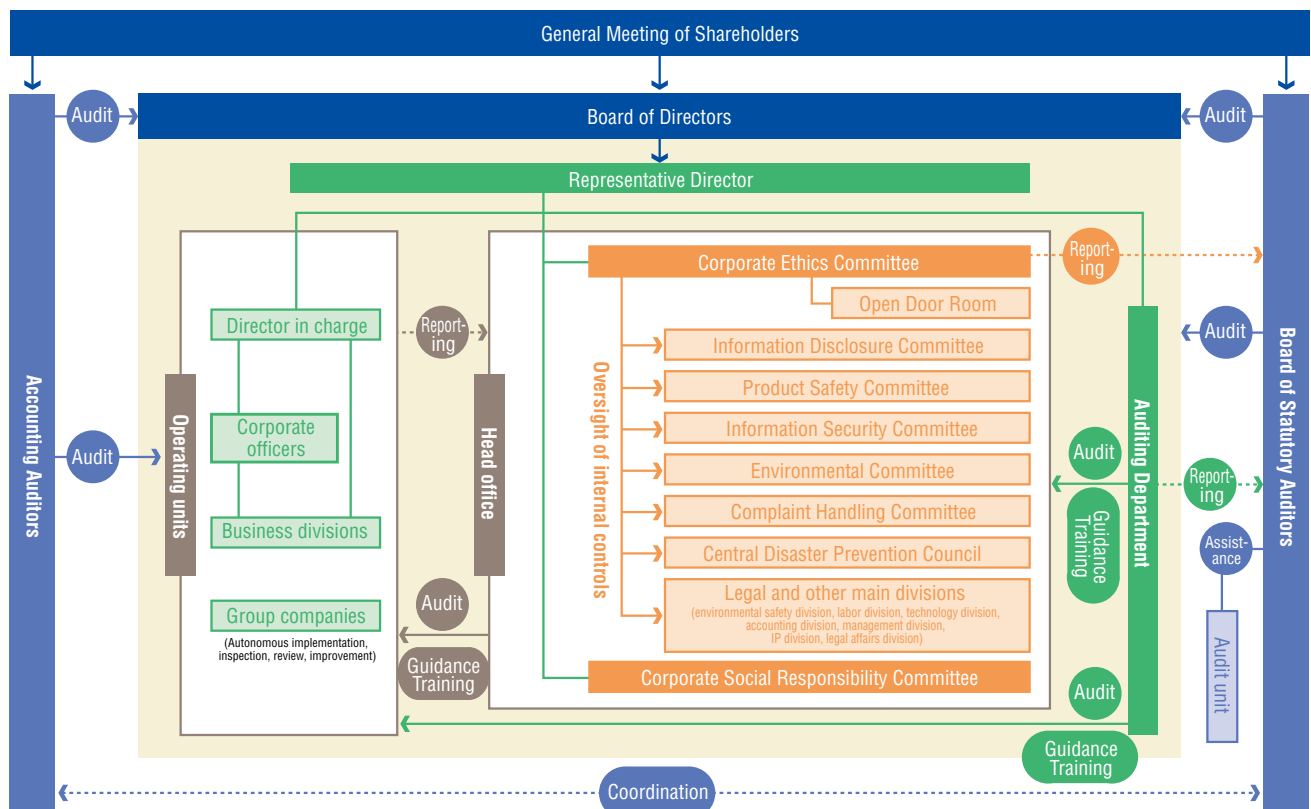
[Systems for ensuring proper business within corporate groups]

- 1) We shall strive for full compliance with the DNP Group Corporate Pledge and DNP Group Employee Code of Conduct, which govern the conduct of all employees. In addition, all relevant regulations shall be established and prepared based upon the DNP Group Basic Compliance Regulations.
- 2) Each DNP Group company shall determine autonomously the necessary systems and procedures appropriate to the content of each organization, and shall execute, inspect, evaluate, and implement improvements of these systems and procedures, based upon 1) above.

[System for reporting to the auditors, and system for ensuring that auditors can conduct audits effectively]

- 1) Directors and employees shall respond promptly when required by auditors to report on the execution of business.
- 2) The Auditing Department and the Corporate Ethics Committee shall report to the auditors regularly concerning audit content and the operation of the internal control system.

Corporate Governance and Internal Control System Chart



Offering a Safe, Reliable, and Convenient Life with the Smart Card

In recent years Japan has gone from cash and credit cards to the full-scale introduction of Smart cards. DNP has a long history of combining software development with hardware technologies, and has contributed to the evolution of Smart cards with greater security to provide richer lifestyles.

Smart Card Era Has Arrived

The use of ATMs (automated teller machines) and cash cards has greatly affected our way of life. ATMs are now found not only at banks, but also at other locations such as convenience stores. The ability to access accounts and funds 24 hours a day has led the way to a convenient lifestyle. Unfortunately, in recent years there has also been a surge in crimes involving cards and ATMs, creating a need for greater security.

DNP became convinced that the time for secure, multi-functional Smart cards had arrived. We began our research more than 25 years ago, and developed our own Smart card software. By creating technologies with a balance of hard and software appropriate to the printing and production of the cards, we are able to provide reliable quality and technology that meets the variety of expectations placed on Smart cards at this time.

World's First Vein Authentication System

Biometrics is the technology by which the unique, individual data found in parts of the human body (biological organs), such as fingerprints, veins, the iris, and voiceprints, are used for identification. Because this biological information is unique in every individual, it is enormously difficult to counterfeit or alter.

In 2004, DNP introduced the world's first Smart card employing vein authentication.

The biometric data for the user's vein pattern (registered pattern) is encoded onto the Smart card prior to usage. When the card is inserted into the ATM, a special device reads the biometric data (reference pattern), and user authentication is complete if that data matches the registered pattern on the card. The bio-

metric data for the vein pattern is stored on the card.

In vein authentication, the vein pattern is read without contact being made, and user authentication is made by referencing the registered pattern, making it suitable for hygienic, public use. The majority of financial institutions have already begun introducing this system because of its user-friendliness, precision, and anti-counterfeiting characteristics. Smart cards with vein authentication capability provide a high level of security to both users and financial institutions, and represent one of the most recent technologies DNP has to offer.

Technologies for expanding the use of Smart cards

Faced with an increase in theft from savings accounts due to the counterfeiting of cash cards, in January 2005 the Japanese Bankers Association resolved to engage in preventative measures, such as converting regular cash cards to Smart cards and employing biometric user verification systems. Nevertheless, a broad array of development factors had to be considered regarding the issu-

ance of Smart cards, such as Smart card type, functions, issuance data transfer systems, issuance systems, and encryption key control systems. A number of financial institutions were simply overwhelmed. Therefore, in April 2005 DNP put on offer a standard package with optimal specifications for the card issuance process, based upon the know-how and technical abilities developed through the production and issuance of nearly all of the Smart ATM cards used by the megabanks. This resulted in great reductions in both preparation time and costs, making it possible to deliver the Smart cash cards quickly, reliably, and with security to the issuing banks and their clients.

We also issued the first Smart cash cards using two forms of biometric data verification (finger vein pattern and palm vein pattern) in Japan in May 2006. Financial institutions are currently using one or the other method, so we recognized the need for an Smart cash card that can use both. By storing both finger vein pattern and palm vein pattern data on the same card it becomes possible to use the card at the ATMs of banks other than the issuer, improving convenience for the user.

We have also developed a system



Safety & Convenience of Smart Cards

Takashi Nonaka

Managing Director
Mizuho Bank, Ltd.

We were faced with the urgent task of offering an Smart card realizing both protection against fraud and multi-functionality at time when the improvement of cash card security and customer service improvement were in demand. Mizuho Bank had in August 2004 just begun offering a new service, the "Mizuho Mileage Club," with the goal of offering our customers improved security and convenience, after which we proceeded with the transition to Smart cash cards. We chose DNP to be our partner in this endeavor because they produced immediate results in their work to create a multi-functional Smart card, and DNP has the comprehensive capacity to offer a comprehensive Smart card service package, from software development through production and issuance that is rooted in thorough data management.

DNP has accumulated a deep knowledge of our bank and its needs by participating in thorough dialogue with us up to now. It is our hope that DNP will continue to strengthen Smart card security features, and provide an even greater level of innovative proposals and service.

for providing enhanced security to the increasing number of users of internet banking. Proving tests began in the spring of 2006 on a new log-in verification system using, a one-time password generated by the Smart cash card that is valid for only a single use, in addition to the user name and password system already in use.

For safe data transfer

While DNP is involved in all manner of credit card issuing processing, statement printing, fulfillment and distribution, we receive an enormous volume of personal information from customers in our plant. We have taken the greatest care

in implementing security measures and preventing data leaks. For example, after the personal information is encrypted and saved in media such as a CR-ROM, the media is transported in a locked trunk by a secure courier.

In October 2005 we developed a system for the safe transfer of the personal information between customers and DNP via the Internet. In this new system, called "Gendarme", personal computers for the data transfer at both the customer's location and DNP plant employ Smart cards. In addition to the popular ID and password system, an electronic ID stored in the Smart card is utilized for user authentication and for limiting access to the data, which enhances the level of security.

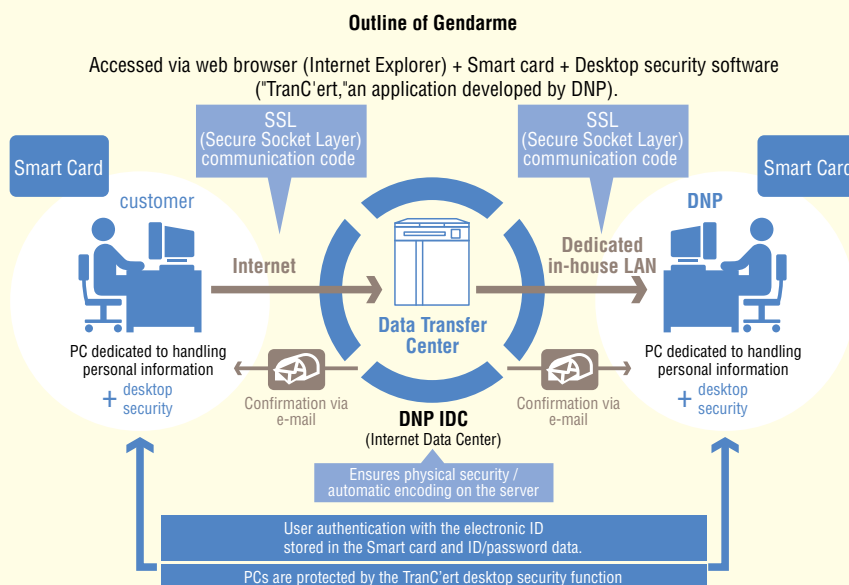
"Gendarme" means "sentinel" in French, and is also famous as the name of a peak of Mt. Hotakadake in the Northern Japanese Alps. DNP chose the name "Gendarme" (registered trademark) to symbolize a sentinel guarding personal information.



Finger-vein verification



Palm-vein verification



Continue Considering the Client's Point of View

Akiko Mikami

Manager, Security
Market Development Division
NEC Corporation

Personal information is transferred when our company issues employee ID cards. We had been looking into changing over to a new, high-security system because the need for the safe control and use of the personal information is greater than ever. The "Gendarme" system offered by DNP employs a variety of mechanisms to ensure safe and secure data transfer. Gendarme uses a highly secure encryption process for all transferred data, and in addition to transferring the data through the server at DNP's Internet Data Center it is also capable of providing user authentication through an electronic ID stored in the Smart card. It is my hope that DNP will continue to offer products to society that take the client's point of view into consideration.

We Seek to Develop a Workforce of Independent,

We strive to create a pleasant workplace environment in which each member considers his or her own career and life plans and can perform with energy and professionalism.



"Meister System-Mastership recognition program": Professional craftsmen

We introduced our "Meister System" in 2001, which is focused on our production technicians who possess valuable professional skills. This system is geared to getting back to the roots of industry by recognizing the importance of professional skills and thereby providing training, evaluation, and benefits. A "Meister" is expected to pass along his or her superior skills not only within his or her own division, but also within the Group overall.

Of the 20,000 production technicians serving in the Production Division, which is responsible for the bulk of our manufacturing, those granted the title "Meister" are recognized as having met the following three qualifications:

1) Specialized knowledge, skills, and creativity

Possesses inherent ability, intelligence, and sense. Has gained hands-on experience working over many years in a specific field, and possesses a high degree of specialized knowledge and skill. Exhibits a way of thinking, intuition, and sense in executing work that sets him apart from others. Makes appropriate judgments irrespective of the kind of challenge confronted, displays a creativity that brings results as well as unique skills.

2) Degree of recognition and confidence received from colleagues

Is recognized by all as having superior skills in a specific field. Is trusted without question by people within and outside his or her Division, and his or her presence means that work will be executed smoothly.

3) Leadership

Is capable of providing that leadership that allows the passing on of his or own special skills to subordinates.

"Meister" qualification reviews are held twice annually. As of the spring of 2006, 47 employees had been granted the "Meister" title, including "Meister Engraver" with over 40 years experience designing and engraving stock certificates, "Color Mixing Meister" (ink mixer) capable of mixing ink accurately solely by his own intuition, and others.

All employees earning the "Meister" title receive a certificate of merit, which is displayed along with their photo at every worksite. They wear a "Certified Meister" nameplate, and receive a "Meister" stipend.



Meisters Acknowledged in FY2005
DNP Seihon: Hideo Kojima (left)
DNP Media Create Kansai: Yoshio Imanaka (center)
DNP Fine Electronics: Yukihiro Asano (left)



"I have been passing on the skills I've developed to my juniors."

Hideo Kojima

Manager/Meister
Production Division
DNP Seihon

I have been working for 37 years in the book production workshop, where they say that "you need 10 years just to learn to use the brush." In the spring of 2006, I was granted the title of "Meister." I have done what I can to create a theoretical grounding for the experience and sense that I have picked up over the years. I tell my younger colleagues to "try to see what the equipment designer had in mind." A clear understanding of the structure of the equipment allows one to think about the process for oneself, which is of great benefit in quality control.

Now that I have become a "Meister" I feel inspired to learn even more. I really felt proud to be a part of DNP when I received the award in June.



Cooperative Professionals

Senior Staff System: Still putting know-how and technique to work

The Senior Staff System is a hiring system for DNP Group employees seeking to continue working after mandatory retirement. The rise in the number people reaching the pension-eligibility age and the phenomenon of an aging/low-birthrate Japanese society are forcing changes in the social environment. There is also concern that the sudden retirement of the baby-boom generation will cause a shortage of workers in Japan. The sense of crisis concerning the handing down of know-how and skill has come to be known as the "2007 Problem." In light of this, and the fact that both the workplaces and the employees have an increasing need for the effective use of the skills and experience that are only gained "on the job," DNP introduced the Senior Staff System in 2000. We sought to partially revise the qualification requirement standards to provide greater clarity and tangibility in accordance with the amendment of the Law for the Stabilization of Employment of the Aged in April 2006.

Basic Philosophy Underlying the Senior Staff System

- 1) Employees are gaining skills through their own on-the-job efforts that will continue to be needed by the DNP Group after they reach retirement age.
- 2) The company offers employees the opportunity to cultivate their abilities.
- 3) Provide jobs throughout the DNP Group that continue to offer employment opportunities.
- 4) Seek to match up the needs of the company with those of society by being receptive to diversity in the workforce.
- 5) To set wages ensuring a fixed standard through combination with public benefits.

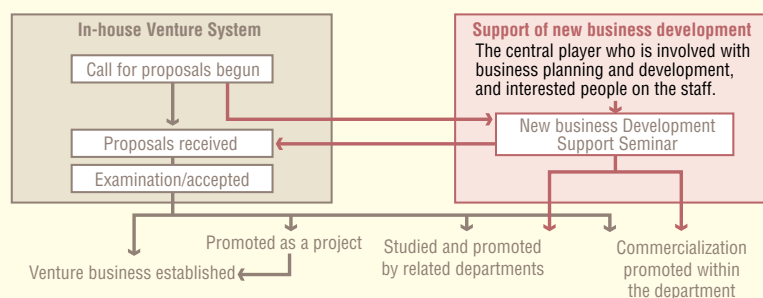
We are seeking to expand employment opportunities by offering a range of choices in terms of the type of work and contracts available, and to eliminate worries over future increases in the age of eligibility for public retirement benefits.



In-House Venture System: Starting up a new business independently

The In-House Venture System was introduced in 2000 to provide support for employees who have entrepreneurial aspirations and want to start an independent new business. The system is tied to the training provided in the New Business Development Support Seminar, in which trainees draw up plans and submit applications through their hands-on new business training. Every year about 20~30 employees apply, and if an application is accepted it enters the FS (feasibility) period, receiving management resources if necessary. Test marketing is conducted during the feasibility period, with the final examination conducted at the stage where sales have been predicted. If approval is granted, the company is established. These projects are co-funded by DNP and the employee that made the proposal (with the company providing 51% or more of the capital). It is possible for the employee that made the proposal to be an executive of the venture.

YouTou, which operates a J-League information website, was founded through this program in FY2005, with a total of five companies created since its inception.



I have turned my passion into my profession, and plan to keep at it.

Yousuke Yamada

President
YouTou

I have been in charge of new business development in the Planning Division for the past 10 years. In March 2003, I created the "Reds Press" website. This site is an entertainment information service for fans of the Urawa Reds soccer club, providing an Internet magazine that can be checked on a PC or cellular phone. I am a big fan of sports, and while I had gathered a lot of information about the Urawa Reds on my own on the Internet since 1998, much of it wasn't verified. Therefore, I decided to create a website where I could post the items that I wanted to find out about. We have increased the number of websites we run, such as FC Tokyo, Vegalta Sendai, and Shonan Bellmare, and membership is in the tens of thousands. In January 2006 we started up YouTou, with the goal of expanding our consumer-oriented business by building the experience we have gained over the past three years. My goal is for this company to turn into something that satisfies fans' demands.

Eco-Report System: Spanning the Globe

DNP has plants and offices in every region of the world, including Europe, the Americas, and Asia. We are moving forward both domestically and overseas with our own EMS, the "Eco-Report System" (see P53), with the goal of creating harmony with all of our local communities.

Efforts at overseas Manufacturing sites

DNP Denmark

We have succeeded in recycling residual resins that we used to throw away.

Our company produces and sells optical screens for projection TVs. To make the large screens we mix chemicals to create a thermosetting resin, which is poured into a mould hardened with hot water. Up until recently, we had disposed the residual resin left over in the resin feeding tank, but by adding new chemicals to the mix that did not change the total contents it became possible to recycle the residual resin. This greatly reduces the amount of disposed resin. Using the recycled resin has caused no sacrifice of quality.



Bent Mejer-Larsen

Efforts at overseas Manufacturing sites

Tien Wah Press

Through the synergistic effects of the Eco-Report System combined with ISO14001, we are able to give clarity to issues.

Tien Wah Press acquired ISO14001 certification at its Singapore plant in 2002, and at its Johor Baru plant in 2005. The synergy achieved by combining this with the Eco-Report System gives greater clarity to issues, making it possible to continue making improvements at production facilities. The Singapore plant was able to cut VOC emissions by 41% over the previous year by switching its film laminating system from solvent-based to heat-bath adhesion.



Sahizan Abdul Hamid



ISO14001 certification

Efforts at overseas Manufacturing sites

DNP Photomask Europe

We are moving forward with ISO14001 acquisition.

As a member of the DNP Group, our company has been working to create an environmental management system that will meet the requirements of society and our customers, continue to improve environmental performance, and increase efficiency. This resulted in our acquiring ISO14001 certification in April 2006. We will continue to work hard in this area.



Albert Trimarchi



ISO14001 certification

Efforts at overseas offices

We have reduced paper usage at our offices.

We redoubled our efforts to reduce paper usage at our offices in conjunction with the implementation of the Eco-Report System. These efforts are continuing through measures focusing on the thorough elimination of waste and loss in paper use in our offices.



Hung Shih Han, Ho Chia Lin, Liao Chien Hui
Taipei Office



Daphne Takahashi
San Francisco Office

Efforts at overseas Manufacturing sites

DNP Indonesia

Providing environmental education to our employees.

At DNP Indonesia we are putting particular effort into our employees' environmental education. Rather than merely requiring them to acquire new information passively, we encourage the deepening of understanding of environmental conservation through dialogue with employees. We will seek to implement a future approach that is both global and local by implementing the Eco-Report System.



Agus Cahyo Syamsu

Efforts at overseas Manufacturing sites

DNP Electronics America

We are making efforts to eliminate unwanted product waste by improving production.

DNP Electronics America uses the Employee Improvement Proposal System and Skill Education/Evaluation System in our efforts to implement production improvement through employee participation. We have greatly reduced the volume of protective materials used for protect the quality of partly-finished products by revising our manufacturing process. Also, we are having success in cutting unwanted product and industrial waste through our efforts to improve our yield rates.



Paul Willoughby

Efforts at overseas Manufacturing sites

DNP IMS America

Making progress with our energy conservation program.

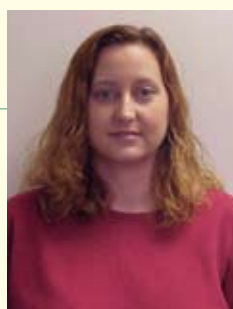
We focused on reducing our use of electricity in FY2005. In addition to installing a high-efficiency lighting system inside our plant, we are employing dimmers that function automatically through the use of timers and photocells. We have also repaired defects in our air conditioning equipment, and have made adjustments for increased efficiency. These measures have resulted in an energy efficiency improvement per man-hour of 22% over last year.



Ernie Giavedoni



Catherine R. Cummings
Silicon Valley Office



Diane Smith
Los Angeles Office



Wang Bing
Shanghai Office



Kan Jeon Hee
Seoul Office

We place great emphasis on “TAIWA” with stakeholders in our CSR efforts.

Through “TAIWA” we are able to deepen mutual understanding with stakeholders and uncover the issues they are faced with. By working to find solutions to these issues we believe we can contribute to the growth of society.

Communications with different categories of stakeholders

DNP believes that the building of a relationship of trust by engaging in thorough

stakeholder communications and the solid fulfillment of accountability are vital to creating effective “TAIWA”. We therefore offer information meeting our stakeholders through a variety of media, in addition to which we create “TAIWA” and elicit

stakeholder opinions by taking a proactive approach to distributing surveys and holding discussions and forums.

| Stakeholders | Communication venues | Communication media |
|----------------------------|---|---|
| Shareholders and investors | General Shareholders Meeting Individual meetings with investors, plant tours, strategic technology seminars, etc. | Website Shareholders newsletter (DNP Report) Annual report CSR Report, etc. |
| Customers (consumers) | Advertising Information exchange through trade groups Solution seminars (Seminars offering optimum solutions for communication issues between corporations and consumers) Participation in various business show Client surveys, etc. | Website Corporate Brochure CSR Report Pamphlets concerning our products and services Our showrooms Marketing dispatch (Informational magazine that approaches marketing from a "corporate and consumer communication" perspective) Solution dispatch (Informational magazine that presents optimal solutions for corporate and consumer communication issues), etc. |
| Employees | Manager consultation (Management By Objective System) Employee surveys Life Planning, Mental Health, and other employee consultation offices Employee social gatherings Open Door Room, etc. | Intranet In-house magazines/video reports CSR Report In-house magazine "Healthy Life" Mental Health Guidebook Second Life Design Book, etc. |
| Trading partners | Trade talks and information exchanges during follow-ups Meetings for explanation of CSR Procurement Criteria Inspections of purchased products for chemical content, etc. | Website Basic Procurement Policy DNP Group CSR Procurement Criteria CSR Report Green Purchasing Guideline DNP Group Management Criteria for Chemicals, etc. |
| Local communities | Plant tours, acceptance of internships at plants Dispatch of lecturers to educational institutions Community cleanups Community environmental conservation activities Participation in local events Local disaster, crime, and fire prevention Lending of facilities Internships ggg, ddd, CCGA, etc. | Website Corporate Brochure Employment Guide CSR Report Graphic Design Annual, etc. |



CSR Report:
once/year



Annual Report:
once/year



Corporate Brochure



Employment Guide



Web site



In-house video reports:
twice a month



In-house magazines:
4 times/year



Graphic Design
Annual: once/year



DNP Report
(shareholders newsletter): 4 times/year



Plant tours

[DNP P&I Solutions Seminar]

DNP holds regular DNP P&I Solutions Seminars to support the realization of optimum corporate-consumer communications. We demonstrate and provide examples of a variety of solutions for resolving issues arising in corporate-consumer communications, and each seminar is attended by large numbers of corporate representatives.



[CSR Communication Seminar]

We hold our CSR Communication Seminars at locations in Tokyo and Osaka in coordination with the Environmental Control Center and the Shin Nihon Environmental and Quality Management Research Institute. This program is designed to support the CSR efforts of companies at a time in which the importance of CSR in corporate communications is sharply increasing. These seminars have been held since 2000 (through 2004 they were entitled "Environmental Report Preparation Seminars"), addressing and analyzing the latest CSR communication know-how and trends. The 2005 seminars were attended by the representatives of approximately 160 companies.



Emergent Evolution Survey

When DNP announced its vision for the 21st century in 2001, it also began to monitor our employees and customers. It repeated the survey in 2003 and used it to promote improvements that would enable it better to meet the needs of both groups.

[Employee Surveys]

The September 2005 survey addressed the issue of moving forward with P&I Solutions. It called attention to the necessity for connections and information sharing among the divisions.

These results were incorporated in action programs (medium-term plans) of the individual divisions, which clarified the roles and strengths of each divisional and individual, and set forth measures to promote a structure and system to facilitate interchange. In particular, an effort was made to foster awareness in the individual employee of being part of a whole in all of his or her doings, with the emphasis being placed on communication and collaboration in the workplace, divisional mental dealings, and a wide range of other settings and relationships. Specifically, we worked to expand the emergent-evolution support systems and efforts for which there was a greatest demand, including the introduction of an intracompany exchange study program, use of the company's intranet network to re-energize our information exchange venues, etc. In addition, we have put together trans-divisional task-force teams comprised of specialized sales and planning sections with people well-versed in a wide range of products and services and those with expertise in a particular field. We also have established similar overarching project teams to identify common customer problems and issues. We are thus working to bolster our ability to provide solutions to customer needs.

[Customer Survey (interview method)]

Concurrent with the employee survey, we conducted an interview survey of 17 client companies. Regarded as the unadulterated firsthand views of the customer and market, the results were fed back to the relevant division and used to assist us in providing services and quality that offer a higher level of satisfaction, and were incorporated into measures to enhance our P&I Solutions.

Communication with students

DNP works hard to engage in "TA/IWA" with university students, who will lead the next generation. DNP participated in the Corporate Staff Dispatch Course held by the Keizai Koho Center in May 2005. The goal of the course was for university students to get a real sense of the most recent trends in Japanese industry, with the course being taught by actual corporate employee lecturers sent to universities by the Keizai Koho Center. A lecture entitled "The DNA of CSR Solutions in Management Strategy" was held for third- and fourth-year university students as part of the "Considering Corporate Social Responsibility (CSR)" course offered by the Keio University Faculty of Business and Commerce. In addition, DNP dispatches lectures to many other universities so as to maintain communication with students.



Corporate Museums in Kansai

DNP published this guidebook, "83 Corporate Museums and Resource Centers", which lists locations such as art museums, resource centers, and field trip facilities in four counties in two prefectures in the Kansai area, and distributed it free of charge to 708 elementary schools in the Kyoto/Osaka/Kobe area.

It was created for use in field trip selection in school courses, background knowledge, and study at home.



DNP and Economic Activity

DNP was founded in 1876 for the purpose of making a contribution to the rapid modernization of Japan occurring at that time through its core printing business. At the end of World War II, DNP continued to support the drive toward creating a rich lifestyle through printing technology, in particular through the application and development of "expansion printing." In the 21st Century, DNP will continue to engage in new value creation by developing its P&I Solutions, which creates a synthesis of printing and information technologies.

Business of Civilization

Our predecessor, Shueisha, began operations in 1876 and took up the challenge of familiarizing the youth of Japan with the Western ideas and information necessary for Japan to take its place among modern civilized nations. The printing company's mission of propelling modernization through the printing business is symbolized by stipulations in the company's regulations on the "business of civilization".



Shueisha at its founding



"Kaisei Saigoku Risshihen"
("Self-Help": by Samuel Smiles)

Expansion Printing

In the period after WWII, DNP expanded the application of the printing technologies developed since its founding to areas such as interior materials, packaging, and electronic products. This was the beginning of expansion printing. We are also engaged in making advances in the security technology necessary for cash vouchers and credit cards, as well as the digital technologies that provide for media diversification. We continually strive to realize ever more advanced information communications.



Dissemination of hygienic individual containers

Paper container printing



Offering functional living spaces

Construction material printing



Dissemination of color TVs made in Japan

Shadow mask



Digitalization of data

CD-ROM edition of the "Kojien (Japanese dictionary) 3rd Edition"



Diversification of media

Portal site Media Galaxy



Security technology

Smart Cards



"Print club" boom

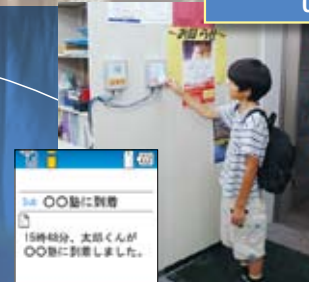
Dye-sublimation transfer materials

Environmental- and health-conscious living spaces



WS Safmalle

Child safety



KIDS IN FEEL

Food safety



Aseptic filling system for PET bottles

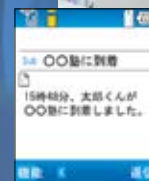
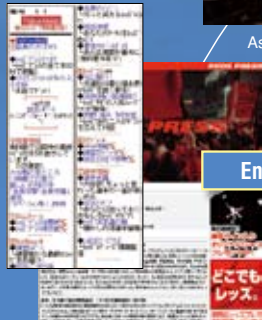


Photo courtesy of FUJITSU LIMITED

Entertainment information service



Urawa Reds fan site: "Reds Press"

Stronger security

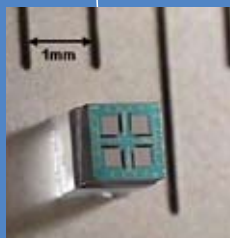
Palm-vein verification
Smart Cash Card

P&I Solutions

In the 21st Century society, DNP seeks to offer solutions to latent issues that had not come to the customer's attention, in addition to those that have already been brought to our attention. "TAI/WA" is the key to discovering these latent issues. Through P&I Solutions DNP offers strong support for the growth of a sustainable society.

MEMS (Micro Electro Mechanical Systems)
Three-dimensional accelerometer sensor chip
of 0.9mm square

Base for next-generation industrial technology

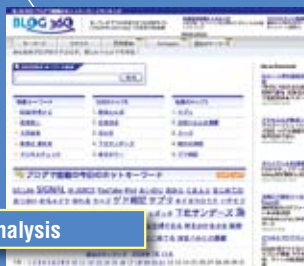


Universal design



Elbow pouch®

Trend analysis



Word of mouth follow-up site using key-words [BLOG360]

Diffusion of digital printing



Self-printing system "Print Rush"

Photomask original of blood capillaries



Revascularization through print technology

DNP announced the "DNP Group's Vision for the 21st Century" in 2001, wherein we set forth our goal of "contributing to the creation of an emergently evolving society of the 21st century."

The 21st Century society is an emergently evolving society in which there is a diversity of values held by individuals, and as these values converge they in turn create new values. DNP is moving forward with P&I Solutions, which synthesizes our printing and information technologies in providing solutions to the issues arising from the creation of these new values. DNP seeks in this way to support universal design, environmentally-conscious products, advanced data communications, and safe and secure lifestyles, and to contribute to upgrading the electronic technologies that play a large part in their success.

We have increased sales and profits by promoting reform

The DNP Group--engaged in a wide range of businesses. Within a severe business climate, we have promoted reforms in both our operational and cost structures based on our concept phrase of P&I Solutions DNP, achieving record sales and profits in the process.

Printing encompasses a wide range of operations, from its Information Communication segment-including publishing and commercial printing, Smart cards, and network-related businesses - to its Lifestyle and Industrial Supplies segment - including packaging, decorative interiors, information media supplies and industrial supplies - and its Electronics segment - including display components and electronics devices.

Beverages operations involve the production and marketing of cola and juices, mainly through the Hokkaido Coca-Cola Bottling.

At the base of our printing operations lies the fundamental concept of P&I Solutions DNP. The "P" in P&I refers to printing technology, while the "I" refers to information technology. DNP is working to provide customers with solutions combining the printing technologies it has cultivated over many years with the infor-

mation technologies it began developing in the early 1970's.

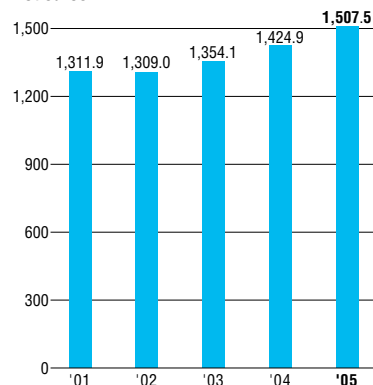
In addition to developing our business and offering products and services corresponding to customer needs, in FY2005 we initiated group-wide efforts to reduce costs through our "Manufacturing 21"activities, working hard to maintain our business results. As a result, consolidat-

ed sales for the term were¥1.5075 trillion, with consolidated revenues of ¥120.6 billion, consolidated profits of ¥124.7 billion, and consolidated term net profits of ¥65.1 billion. We therefore achieved our best results ever for consolidated sales, consolidated revenues, consolidated profits, and consolidated term net profits.

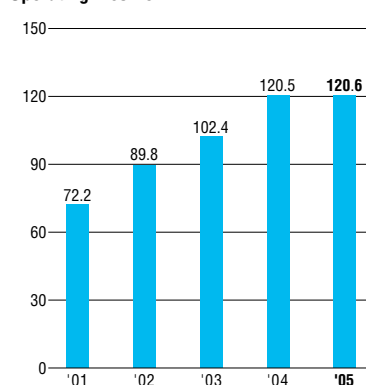
DNP Group's Consolidated Business Results (FY ending March 2006)

| | |
|----------------------|--|
| Net sales | 1,507.5 billion yen (up 5.8% over the previous term) |
| Net operating Income | 120.6 billion yen (up 0.1% over the previous term) |
| Ordinary Income | 124.7 billion yen (up 3.5% over the previous term) |
| Net Income | 65.1 billion yen (up 8.8% over the previous term) |

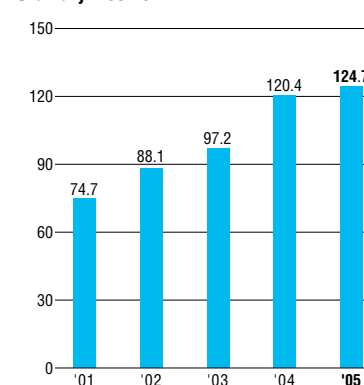
Net sales (billions of yen)



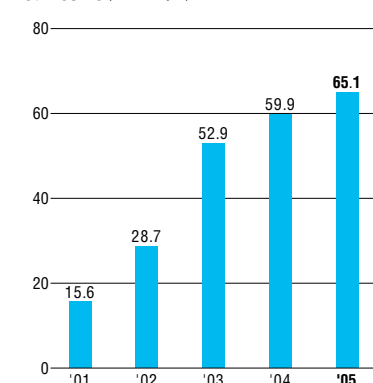
Operating Income (billions of yen)



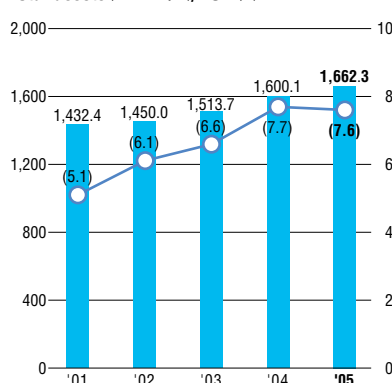
Ordinary Income (billions of yen)



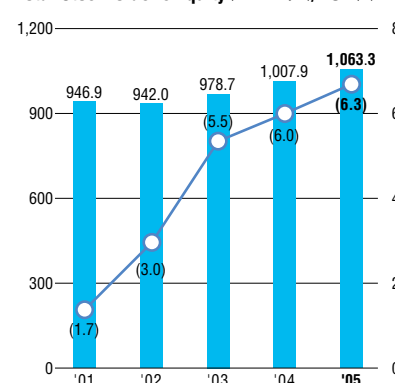
Net Income (billions of yen)



Total assets (billions of yen)/ROA (%)



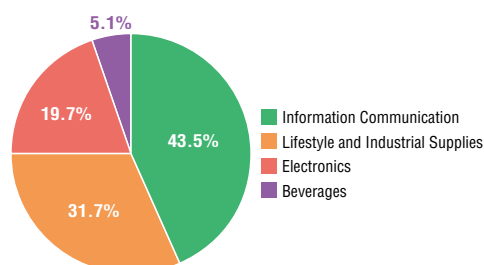
Total Stockholder's Equity (billions of yen)/ROE (%)



ROA is calculated using recurring profits.

ROE is calculated using current net profits.

Segment Breakdown of Sales for March 2006 Fiscal Year

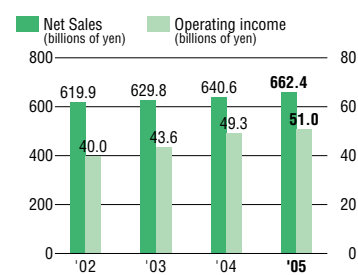
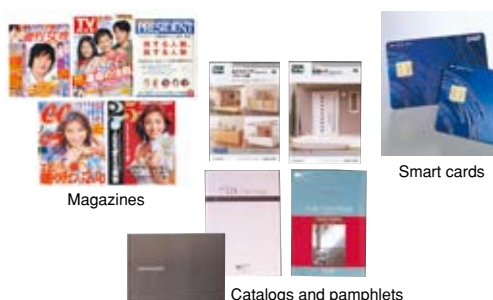
**[Information Communication]**

Books and periodicals: Magazines, books, etc.

Commercial printing: Catalogs, pamphlets, posters, leaflets, etc.

Business forms: Passbooks, various types of cards, IPS (Contract service for personal printing and sending through data entry), etc.

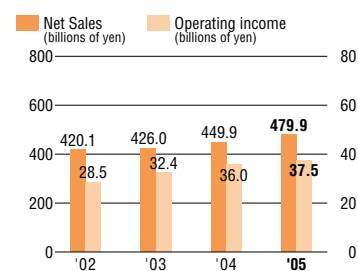
Other: Multimedia planning and production, database business, network business, etc.

**[Lifestyle and Industrial Supplies]**

Packaging: Container packaging materials for food, beverage, confectionery, daily necessities, medical and other products

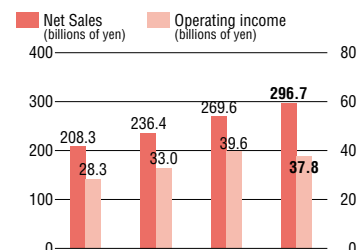
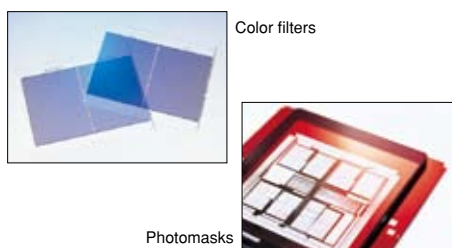
Decorative materials: Exterior and interior finishing material for homes, furniture, etc.; decorative sheet metal; etc.

Industrial supplies: Optical film for displays, printer ink ribbons, facsimile ink ribbons, etc

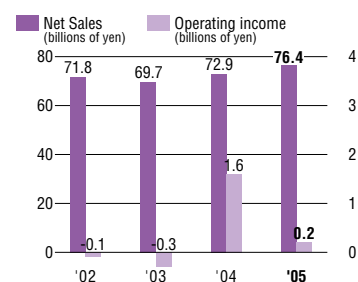
**[Electronics]**

Displays: LCD color filters, plasma television back-planes. CRT television shadow masks, etc.

Electronic devices: Semiconductor photomasks, lead frames (semiconductor chip connection terminals), etc.

**[Beverages]**

Production and marketing of beverages through Hokkaido Coca-Cola Bottling.



We are responding to diverse issues by synthesizing print and information technologies and offering new products and services.

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Our Research & Development Efforts

We thus believe that the very foundations of our CSR efforts are formed by the contributions we make as a company through our principal operations. Our aim is to create new values, as we work to enable their demand and solve issues of our customers and, further, the people at large, by intergrating information technology with the printing technology and techniques we have cultivated over the years.

Our Business Division maintains close communications with clients so as to share the actual demands they have. The Research & Development Division then develops original technologies and plants "the seeds of a solution." We respond to the trust bestowed upon us by our clients by offering the most advanced solutions.

[Research & Development System]

Our Research & Development Division develops the seeds of solutions in a broad range of R&D fields, and creates systems that take the commercialization of these seeds into market.

The Research & Development Division consists of the Research & Development Centers (8 specialized laboratories), the Nano-Science Research Centers (two specialized laboratories), the Media Technology Research Center, the Technology Development Research Center, and six business specific laboratories (Packaging, Decorative Interiors, Opto-materials (Formerly Advanced Industrial Supplies), Information Media Supplies, Display Components, and Electronics Devices). They all work closely with our business operations in seeking to create new values.

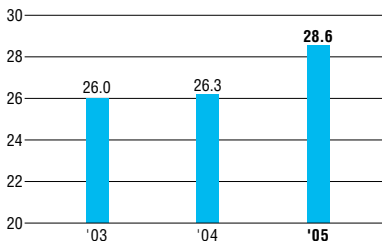
[Future of Research and Development]

Information is rapidly exchanged at a broad variety of levels in today's emergently evolving society, and the speed at which market trends and technological change is accelerated correspondingly. The possibilities for the application of printing technologies in a wide area of fields are also under intense scrutiny.

Therefore, it is now more important than ever to grasp quickly and accurately how society is evolving and what issues are arising, to see into the future, create scenarios, and thereby develop technologies that offer the right solutions.

Strong efforts toward maintaining "TAIWA" are vital to this process. DNP seeks to conduct solid "TAIWA" with society, and to base our R&D theme design, progress, and evaluation upon what we learn from it.

A Investment of Research and Development
(billions of Yen)



[DNP's Technology Development]

(1) More advanced information processing

The information processing technology we have cultivated in printing, which is a technology for conveying information, has continued to become ever more advanced in conjunction with the development of a networked society. We are developing our Information Processing Solutions, which impart a personalized element to mass production, as well as modularized information processing products such as technologies for data protection, Smart cards and RFIDs.



(2) More precise patterns

Printing, which is the large-volume reproduction of precise patterns, is a production technology for which we seek thoroughgoing improvements and advances. We are, for example, developing semiconductor photomasks that require ever smaller nano-scale circuits, as well as ultra-miniature three-dimensional structured Micro Electro Mechanical Systems (MEMS), Ink Jet Technology, and manufacturing innovations for display components using printing technologies.

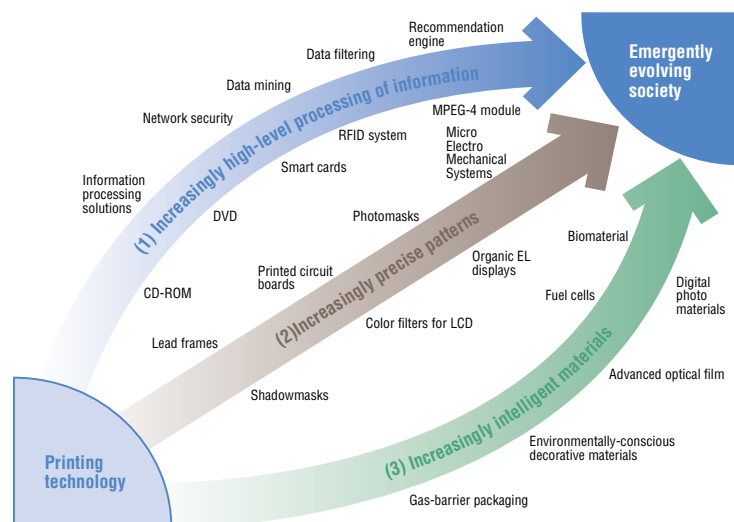


(3) Increasingly intelligent materials

Incorporating more sophisticated nanomaterials technology in printing techniques will enable us to make products with more sophisticated and complex functions. Other areas of interest include gas-barrier packaging that will enable the long-term storage of processed foods, safe and environmentally-conscious building materials, advanced optical film for clearer displays, and digital photo materials. We are also beginning to turn our attention to the bio and energy areas.



DNP technology: advancement seeking an emergently evolving society



We are creating an environment conducive to active progress in value creation.

We are seeking to create a new atmosphere in which the R&D, Planning, and Sales Divisions can work and respond swiftly regarding all issues related to intellectual property, and we are making efforts to handle intellectual property with high added values.

Basic Policy

In order to make intellectual property (IP) a major source of corporate revenues, each of DNP's business operations has formulated an independent IP strategy and has drafted a business strategy that includes the development and use of promising IP.

DNP provides all employees with education and training regarding intellectual property in order to cultivate a corporate culture of fairness in which we both assert our own rights when appropriate and respect the rights of other companies. In addition, we actively offer IP-related consulting and planning support services.

[Framework for Promoting IP Rights]

DNP's IP-protection framework consists of four sections and employs six in-house attorneys. The Patented Technology Section addresses IP related to basic research and DNP's main business segments: Information Communication, Lifestyle and Industrial Supplies, and Electronics. The Licensing Section handles contracts and legal issues related to IP. The Kansai Intellectual Property Section handles both patent and license-related functions for Kansai and the rest of western Japan, combining the functions of the first two sections. The Planning Management Group proposes IP strategy and operates DNP's patent

information management system.

In Addition, an IP representative is assigned to each development base in Japan, so that our IP activities can be closely linked to our business operations. So that we may promptly handle IP issues in the US, we have a representative at a Los Angeles law firm who deals with the International Trade Commission (ITC), researches patents and contracts with US companies, and gathers information about IP-related matters in the US.

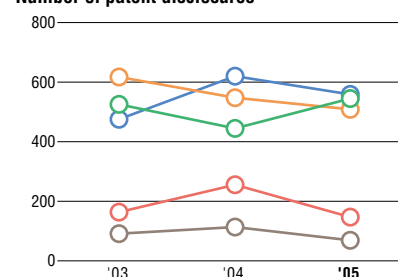
[Outline of Activities]

- (1) We promote dynamic collaboration among business operations and actively educate employees about intellectual property so as to support the generation of intellectual property that has a good deal of commercial value, build skills among employees, and use our overseas resident system to appropriately develop rights and maximize the potential of development results in each region.
- (2) In order to develop intellectual property that we have already created and increase its technological and commercial value, we work on strengthening communication with relevant government bodies and evaluate the performance of outside patent offices
- (3) We support the work of our business operations by evaluating and organizing intellectual property related to important themes - both our own

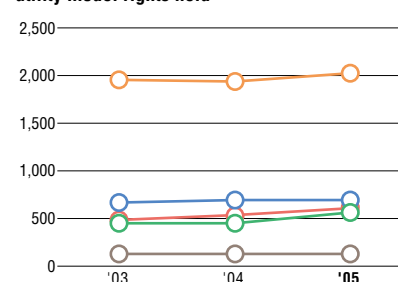
property and that of other companies - in order to effectively use IP for which we already own rights as part of DNP's business strategy.

- (4) In order to deal with IP-related issues that arise in connection with our business activities, we provide legal support by studying legal implications and giving opinions.

Number of patent disclosures

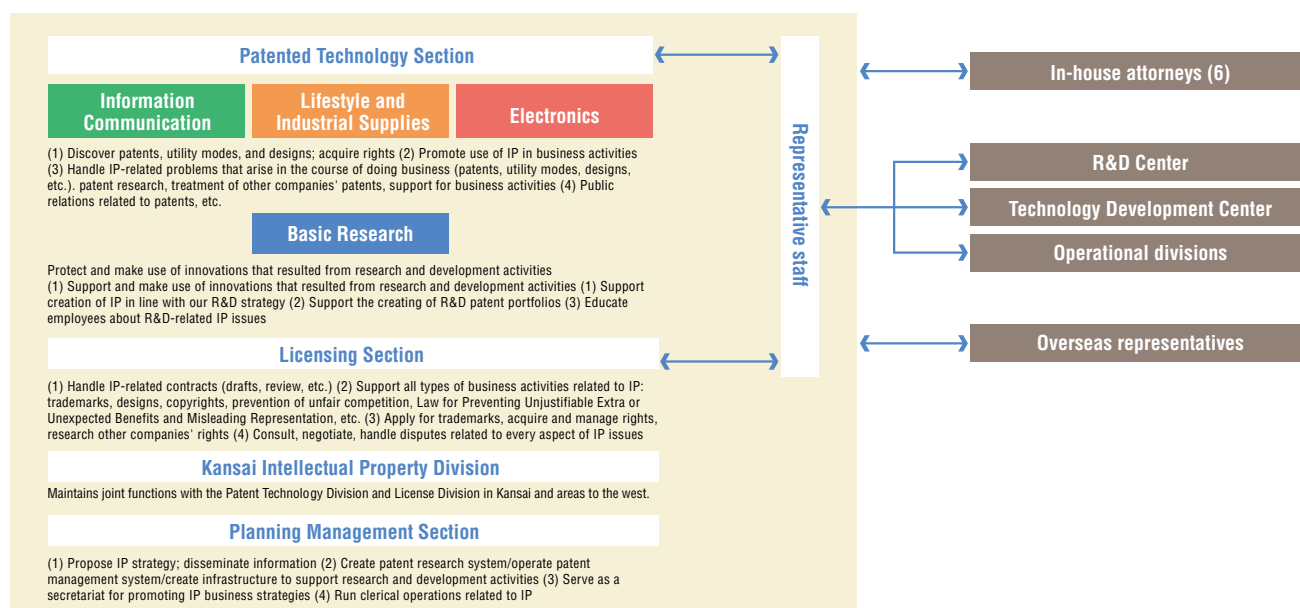


Number of patents and utility model rights held



— Information Communication — Lifestyle and Industrial Supplies — Electronics — Basic Research — Other

IP Framework



DNP is in the business of receiving, processing, and providing information, so the protection of information is our greatest responsibility.

Information security and privacy protection are major issues in the ever-advancing information society.

DNP is using the know-how and deep understanding gained over many years in striving for the better protection of information.

Information security measures / Personal information protection policy

[DNP's Efforts and Social Mission]

DNP has been involved for 130 years in the printing of such important documents as stock certificates, passbooks, and questions for university entrance exams. Over time we have developed a high degree of know-how and understanding about the prevention of counterfeiting and leaking of information.

DNP currently offers products and services that involve the receiving of personal information from clients or the collecting of personal information as a proxy for our clients, such as the printing of rosters and albums, the creation and sending of direct mail and applications, the issuance of cash cards and credit cards, and the development and operation of client databases. We anticipate an expansion of these types of business in the future.

DNP believes it is our mission as

Personal Information Protection Policy

- 1) Comply with laws and regulations related to personal information protection; strive to protect personal information.
- 2) Take reasonable safety precautions to prevent illegitimate access to personal information, and to prevent the loss, destruction, falsification or leakage of such personal information. In the event that such a problem should occur, take prompt measures to correct the situation.
- 3) Specify reasons for using personal information; acquire, use, and provide personal information in fair and appropriate ways.
- 4) Respond appropriately to anyone whose personal information we hold if that person lodges a complaint, inquiry, or a request regarding their own personal information, such as a request to disclose, correct, or stop using the information.
- 5) When the performance of services on behalf of a client company involves the handling of personal information, use the information only within the scope of the requested services.
- 6) Establish in-house regulations concerning the handling of personal information; build, maintain, and continuously improve related systems.

a company to handle the products we provide to clients and the data entrusted to us under conditions of utmost safety and security, and to offer our services

accurately and without error. We treat information security measures and personal information protection as the most important of issues.

Personal Information Protection Efforts

[Organizational Measures]

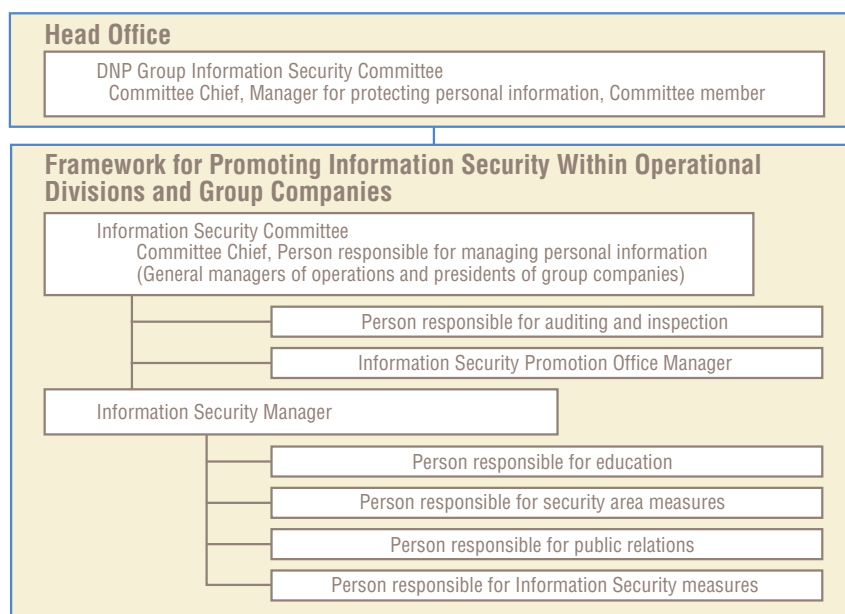
(1) System Maintenance

Beginning with the establishment of the Office for the Protection of Personal Information in April 1999, we have made changes in Japan and abroad, and conducted reviews for the purpose of further strengthening our information security measures. Currently the DNP Group Information Security Committee has been inaugurated at headquarters, as an umbrella organization for the entire company. Furthermore, an Information Security Committee will be inaugurated in operations and Group companies that are the core of our businesses. The company committee consists of a Committee Chief and persons responsible for managing personal information (the head of each division). Managers, auditors, and inspection managers will be set up according to each issue such as education, security regions, and computer measures.

(2) Maintaining Internal Procedures and Rules

Procedures and rules regarding personal information at DNP include the Personal Information Protection

Structure of DNP Group Information Security Management



Regulations (implemented in 1999, revised in 2005) and the Employee Information Protection Regulations (implemented in 2004). In 2002 we reviewed our various related regulations regarding our overall information security, and formulated a new sys-

tem for the basic policy for information security and basic regulations thereof. Under these regulations, we have established seven standards, including those for document management, the use of computers, and off limit areas for those who do not work for DNP.

(3) Establishment of a Management System

DNP has been promoting the establishment of a management system based on JISQ15001, which is a standard for the thorough compliance with laws and the management of the protection of personal information, for all offices which handle personal information. Also, DNP has been actively seeking the acquisition of "privacy marks," which are given to offices which maintain operation procedures and management systems in line with JISQ15001, as well as of BS7799 and ISMS, which are standards for the implementation of information security management. Six divisions acquired "privacy marks" in FY2005, while two divisions acquired ISMS.

<Business operations and Divisions that acquired certification> (As of June 20, 2006)

Divisions that have acquired the Privacy Mark

- Dai Nippon Printing, IPS Operations
- Dai Nippon Printing, C&I Operations
- Dai Nippon Printing, Information Communication Kansai Operations
- Dai Nippon Printing, Commercial Printing Operations
- Dai Nippon Printing, DAC Department
- DNP Digitalcom
- DNP Uniprocess
- DNP Logistics
- DNP Information Systems
- DNP Media Create Kansai
- DNP Tokai
- DNP Data Techno Kansai
- DNP Hokkaido
- DNP Media Create
- DNP Tohoku
- DNP Data Techno
- DNP Total Process BF
- Multi Print

Acquisition of ISMS and BS7799 certification

- Dai Nippon Printing, IPS Operations (for obtaining ISMS only)
- DNP Facility Services (for obtaining simultaneous certification)
- DNP Digitalcom (for obtaining ISMS only)
- DNP Data Techno Kansai (for obtaining ISMS only)

[Measures for Human Resources]

DNP has implemented information security training using network learning, an in-house training tool geared toward employees using personal computers. Our goal is to increase the consciousness of each employee through training and education. We have also created guidebooks and videos (in Japanese and English) for education about anti-computer virus measures, for use by all Group employees. We have convened six information security courses, taught by intellectuals from all related fields, focusing on our technicians. High-level, practical training and promotion programs in addition to these include national conferences and

briefings for our staff employees.

Our efforts outside the company include participation in the editing of "Personal Information Protection Q&A for the Printing Workplace", published by The Japan Federation of Printing Industries, as well as dispatching lecturers to the briefing held for it.



Guidebook on computer viruses

[Physical Measures]

We have implemented a system for the consolidated installation of Windows PCs. Doing so provides consistency in security measures during computer use, thoroughly prevents information leaks

during repairs or when the PCs are discarded (lifecycle control), reduces work stoppage by permitting prompt replacement or installation of new units during breakdowns, optimizes trouble response, and strengthens safety measures taken for earthquake occurrence.

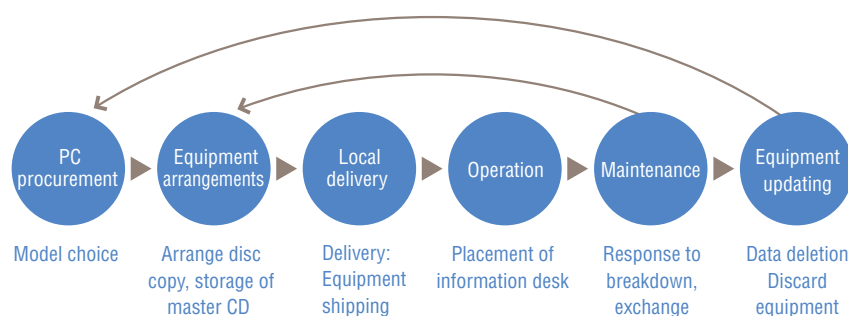
[Technology-related Measures]

All of the internet servers we operate for handling personal data are evaluated twice annually to ensure that all aspects, from set-up and development through operation, are functioning according to company standards. We also require the use of security checking diagnostic tools and corrective measures based on paired results, and by doing so have built and operate a safer, more solid Web server system.

Main Training Courses and Conferences in FY2005

| Information security training via the network | |
|---|---|
| August 2005 – February 2006 | Anti-virus measures Approx. 20,000 enrolled |
| May 2005 | Introduction to information security Approx. 1,100 enrolled |
| Computer virus measure reference materials | |
| May 2005 | Guidebook on computer viruses (Japanese/English) Approx. 31,000 published |
| May 2005 | Video on computer viruses (Japanese/English) Distributed to approximately 450 departments |
| Information security course for technicians (6 in total) | |
| November – December 2005 | "Basic Course," "Encryption Technologies," "Biometrics," "Electronic ID," "Network Security," "System Vulnerability." Cumulative total of approx. 700 took courses. |
| National conferences and briefing on information security for staff employees | |
| May/November 2005, February 2006 | National conference on information security for promotional staff |
| May 2005 | Briefing on vulnerability of internet servers handling personal information for technical staff |
| September 2005 | Briefing on anti-virus measures for technical staff |
| The Japan Federation of Printing Industries | |
| March 2006 | Briefing on "Personal Information Protection Q&A for the Printing Workplace" |

Flow chart for the consolidated installation of Windows PCs



We are proud of our Production Division, and never compromise in seeking to provide the world's best products and services.

The offering of safe, high-quality products and services is fundamental to the Production Division, and receives top priority. We are working to ensure safety, acquire an array of certification, and improve risk management.

Product Safety

Our basic policy regarding product safety is to work to fulfill our social responsibility by not only producing products consistent with the relevant standards and laws, but also exceeding the needs and expectations of customers.

We established the Product Safety Committee at Headquarters and in each operation and Group company in November 1994, to provide a framework through which we could promote product

safety. In our system, the Headquarters Product Safety Committee establishes product safety guidelines, and based on these guidelines, the operations' and Group companies' product safety committees set general standards for safety assurance, and safety standards for individual products.

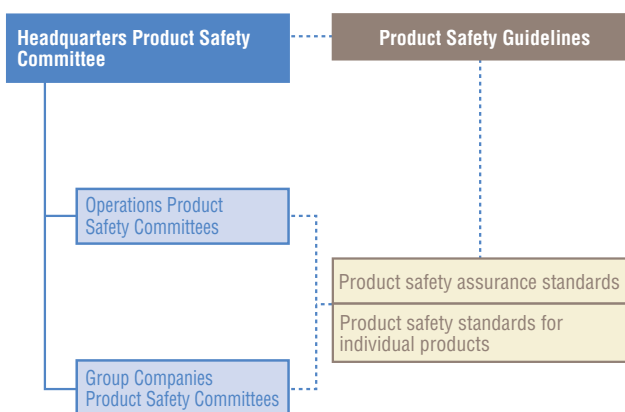
Pursuant to our belief that the management of product liability (PL) must be an ongoing effort, we perform risk checks whenever a new product is developed or a complaint is received, and once a year on all product groups.

Should these PL risk checks uncover

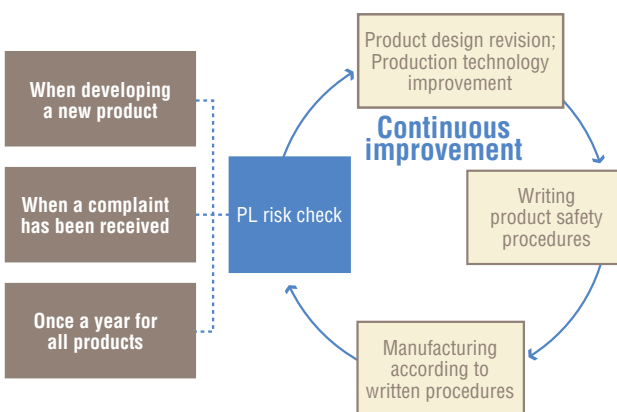
any problems with a product's design or a production technology, we modify the design or improve the technology to ensure safety, eliminate the risk, and document these changes in our product safety standards.

In addition, we have been conducting PL training seminars since 1994, and began employing our Intranet network for this purpose in fiscal 2000. 12,435 employees have completed the network seminars in total.

Structure



PL Management System Model



Efforts to Create a Crisis Action Plan

The long-term loss of our functions and ability to conduct business during a crisis caused by, for example, a large-scale natural disaster or fire could seriously affect and cause trouble for our clients and all of our stakeholders. DNP would not only lose sales as a result, but could also lose trust, suffer damage for the brand, or the impact could even threaten the continued existence of the company. As part of our overall crisis management, DNP has therefore created a BCP (Business Continuity Plan) to serve as the action plan in the event of a crisis and minimize risk.

In creating an action plan in the event of an earthquake, which is the scenario of greatest concern, we began by looking into the types of measures necessary to business continuity in the event of an earthquake of magnitude 6. A great deal of our business is international. It would be difficult to contract our production to other companies, and the impact on society would be large, so we plan to have a complete BCP for the Electronics Business Division, which experiences great client demand, by the autumn of 2006. We will subsequently continue to finalize BCPs for other divisions.

For Quality Improvement

DNP aims to offer products and services with the highest standard of quality in the world, so as provide solutions to clients and the utmost in satisfaction to consumers. We also believe that we can gain an even greater amount of trust from clients and consumers by sustaining and improving our level of quality. We therefore are promoting our "Manufacturing 21" efforts, with the goal of "realizing a production structure for manufacturing high quality products at competitive costs."

Through Manufacturing 21 we are creating a place for "TAIWA" within the company in every area of business, from planning and sales through production and delivery, as well as for "TAIWA" that crosses the boundaries of those business areas. Also, through daily "TAIWA" with clients we are able to hear about the clients concerns and desires, and then work to provide solutions. We have won the "Best Supplier Award" for four years in a row thanks to the high marks given us by clients, and we intend to continue working to improve client satisfaction.

All of our business operations have acquired ISO9000 series certification for quality management, as well as HACCP9000 certification for food safety and quality systems in our packaging operations. We are currently proceeding in the area of information management with acquisition of IT security certification (ISO/IEC15408) for the handling of cash/credit cards, securities, and other business documents, "privacy marks" for personal information, and Information Security Management Systems (ISMS). (See pages 22 ~ 23)

ISO9000 Certification Status

| Operations/Group companies | Factory | Obtained in: |
|---|---|--------------|
| Commercial Printing Operations, DNP Media Create | Enokicho, Oji, Akabane, Utsunomiya | Aug. 2002 |
| Information Communication Kansai Operations, DNP Media Create Kansai | Osaka, Neyagawa, Ono | Jul. 2001 |
| Information Communication Kansai Operations, DNP Data Techno Kansai | Nara | Dec. 1999 |
| BF, IPS Operations, DNP Data Techno | Warabi, Enokicho, Oji, Ushiku | Nov. 1997 |
| DNP Seihon | Akabane | Oct. 2002 |
| DNP Digital Com | Data Processing Center | Dec. 1999 |
| Information Media Supplies Operations, DNP IMS | Sayama, Okayama | Nov. 1994 |
| Advanced Industrial Supplies Operations, DNP Advanced Industrial Supplies | Okayama | Feb. 2003 |
| Decorative Interiors Operations, DNP Kenzai | Tokyo, Kobe, Okayama | Nov. 1997 |
| Decorative Interiors Operations, DNP Ellio | Tokyo, Osaka | Sep. 1998 |
| Packaging Operations, DNP Technopack Yokohama | Yokohama | Mar. 1998 |
| Packaging Operations, DNP Technopack Tokai | Nakatsugawa | Nov. 1999 |
| Packaging Operations, DNP Technopack | Sayama, Izumizaki | Apr. 1998 |
| Packaging Operations, DNP Techno Polymer | Kashiwa, Kansai | May 1999 |
| Packaging Operations, DNP Techno Film | Kashiwa, Izumizaki | Mar. 2002 |
| Packaging Operations, DNP Cup Techno | Sayama | Sep. 2002 |
| Kansai Packaging Operations, DNP Technopack Kansai | Kyoto, Tanabe | Jun. 1998 |
| Electronics Devices Operations, DNP Fine Electronics | Kamifukuoka, Kyoto, Kuki | Sep. 1992 |
| Display Components Operations, DNP Precision Devices | Mihara, Otone | Dec. 1997 |
| DNP LSI Design | Sapporo, Akabane, Kansai, Fukuoka | Dec. 2004 |
| DT Fine Electronics | Kawasaki, Kitami | Oct. 2002 |
| Advanced Colortech | Kitakyushu | Mar. 2000 |
| DNP Hokkaido | Sapporo | Oct. 2000 |
| DNP Tohoku | Sendai | Nov. 2000 |
| DNP Tokai | Nagoya | Jun. 1999 |
| DNP Shikoku | Tokushima | Jan. 2002 |
| DNP Nishinippon | Fukuoka, Chikugo | Feb. 2000 |
| DNP Information Systems | Sapporo, Asahikawa, Muroran, Hakodate, Tokyo, Morioka, Yamagata, Hiroshima, Fukuoka | Apr. 1999 |
| DNP Facility Services | Ichigaya | Aug. 2001 |
| The Inctec | Tokyo, Kasaoka | Jun. 2003 |
| DNP IMS America | U.S.A. (Concord) | Apr. 1997 |
| DNP Indonesia | Indonesia (Jakarta) | May 2002 |
| DNP Photomask Europe | Italy (Agrate) | Jan. 2005 |
| Tien Wah Press | Singapore | May 2002 |

HACCP9000

| Departments | Factory | Obtained in: |
|---|---------------------------|--------------|
| Packaging Operations, DNP Technopack Yokohama | Yokohama | Jun. 2000 |
| DNP Facility Services | Cafeteria at C&I Building | Mar. 2000 |
| DNP Hosono | Akabane | Mar. 2002 |



We believe in superior design and technology.

Ron Gagnon

Vice President, Design and Marketing
Willsonart International, Inc.

Our partnership with DNP has been an important part of Willsonart's success over several decades. The company has risen to each new challenge we have presented, with an open mind and innovative approaches to producing the designs we need. They have also backed up each new development with excellent, reliable service and support, enabling us to meet market demand consistently. Our newest success, Willsonart HD, has been in large part due to DNP's ability to respond to our needs with both design and technology solutions. We look forward to DNP's continuing role on the design "team" at Willsonart, helping us to raise the bar on surface design.



The FY2005 Best Supplier Award Ceremony (DNP the winner for four years in a row.)

* Manufacturing 21: This is a Group-wide project to create a sinewy manufacturing structure responsive to changes in the marketplace, with the goal of realizing the DNP Group's Vision for the 21st Century. We are creating a manufacturing structure capable of constant improvement and continuous, sustainable strength, so as to conduct manufacturing with increased profitability and improved asset efficiency.

We have established the DNP Group CSR Procurement Criteria, and are seeking the co-operation of our suppliers.

We are coordinating with our suppliers to meet our corporate social responsibilities in areas such as legal compliance, environmental conservation, and proper labor conditions, so as to provide useful and safe products and services.

DNP Group Purchasing Policy

In modern times economic activity proceeds along a chain, in which a number of businesses are involved in producing a single product or service. It is necessary for all of the businesses involved in producing that product or service to be aware of their social responsibilities and conduct their activities honestly, in order to fulfill their corporate social responsibilities. DNP seeks the cooperation of our suppliers of materials, equipment, construction supplies, and other items so that society, DNP, and the suppliers can all achieve sustainable growth. To this end, in March 2006 we amended our Basic Procurement Policy, and established our Group-wide DNP Group CSR Procurement Criteria.



Homepage for the Procurement Site

Basic Procurement Policy

| | |
|------------------------------|--|
| Fairness | In choosing suppliers, we follow fair competitive principles based on comprehensive judgment encompassing quality, price advantage, assurance of delivery, follow-up services, reliability, and technical capabilities. |
| Equal Opportunity | As regards procurement, we believe in being positive in purchasing materials that meet our financial- and quality-related criteria, without adhering to our existing suppliers regardless of whether a supplier is based in Japan or abroad. |
| Mutual Development | Through fair business transactions, while endeavoring to build mutually trusting relationships with the suppliers with whom we conduct business, it is our hope to maintain relationships that contribute to mutual development. |
| Social Responsibility | Through mutual understanding and respect for all laws, regulations, and business customs in our business transactions, our company and the suppliers, with whom we conduct business, believe that we must fully live up to our social responsibility, without neglecting to give due consideration to labor conditions, conservation of natural resources and the environment. |

DNP Group CSR Procurement Criteria

At all of their branches and collaborating companies, DNP and the suppliers that provide DNP with raw materials, machinery, buildings, and other items, domestically as well as abroad, shall carry out CSR (corporate social responsibility) efforts in the areas described below.

(1) Compliance with Laws and Social Norms

- Establish corporate ethics policies and regulations, and promote measures to ensure compliance with laws and social norms.

(2) Preservation of the Environment and Product Safety

- Provide a safe, healthy, and sanitary environment for employees and neighboring residents.
- Comply with related laws and regulations to strictly control all steps leading up to the final disposal of wastes.
- Put priority on purchasing items that have a minimal environmental burden, including parts, raw materials, equipment and materials, and office supplies.
- Proper management of chemical substances is conducted in compliance with various laws related to protecting the environment as well as the DNP Group Management Criteria for Chemicals.

(3) Compliance Regarding Labor-Related Matters

- Equal opportunities for all employees, elimination of discrimination, and respect for and consideration of human rights are put into practice.
- A system is in place and put into effect to prevent inhumane labor practices, such as child labor and forced labor.

(4) Compliance Regarding Information Security

- A very thorough system has been set up, comprised of a basic policy, internal regulations and other measures, as well as an educational and training program for the employees, to prevent the unauthorized release of information, such as personal information or confidential information obtained in the process of conducting business with other companies.

(5) Protection of Inside Informants

- An internal help desk has been set up where employees can bring their concerns, making it possible to prevent problems from occurring or to detect them in the early stages. Moreover, measures have been established to ensure that employees who bring up these problems do not suffer any retaliation.

(6) Compliance with Rules for Fair Competition

- DNP carries out its corporate activities in compliance with business relevant laws and regulations as well as in accordance with the rules for fair competition.

The DNP Group believes the abovementioned CSR Procurement Criteria to be an essential requirement for carrying out business transactions. We will be checking periodically to ascertain to what degree these criteria are being observed. It is our sincere wish that all of our suppliers have a clear understanding of our CSR Procurement Criteria and make every effort to carry out their activities in accordance with the Criteria.

Regular examination of compliance with the CSR Procurement Criteria

The DNP Group has disclosed the DNP Group CSR Procurement Criteria to its all suppliers, and has conducted briefings for 3,300 suppliers throughout Japan so as to elicit compliance. In addition, DNP also conducts regular examinations of compliance by suppliers with the CSR Procurement Criteria. These regular examinations seek to determine compliance in areas such as management systems (ISO acquisition), environmental stipulations (chemical substance management, waste disposal, health and safety measures, etc.), and social responsibility (legal compliance, human rights compliance, risk management, and others).



Briefing

DNP Group Requests

In addition to the DNP Group CSR Procurement Criteria, a set of requests made of suppliers by the DNP Group has also been established, so as to move our CSR activity another step forward. In addition to already existing procurement requirements, such as competitive cost, superior quality, and reliable delivery, these include the creation of a BCP (Business Continuity Plan) as part of a risk management system, contributions to society, the creation of a sound corporate climate, and others.

While these requests do not require the same level of compliance as the CSR Procurement Criteria, meeting them helps to achieve the goal of mutually maintaining and improving the corporate competitiveness of the DNP Group and the suppliers.

Requests from the DNP Group to its Suppliers

- Prices That Are Competitive
- Superior Quality
- Safety and Stability of Products
- Reliability and Speed of Delivery
- Establish a Risk Management System to Deal With Disasters and Other Emergencies
- Stable Management
- Provide Information Promptly
- Nurturing Human Resources
- Create a Sound Corporate Culture
- Social Contributions

Consideration of environmental and product safety

DNP has established the DNP Group Green Purchasing Policy with the goal of promoting green purchasing so as to reduce environmental impact in all areas of our business, and so that the products we offer to our clients will also themselves contribute to the reduction of environmental impact.

As part of our efforts to improve product safety, in response to the EU (European Union) RoHS Directive* and various environmental conservation regulations, as well as client demand, in 2004 the DNP Group conducted a study (certificate of nonuse of chemical substances and survey sheets on substances contained in products) regarding chemicals contained in materials we purchase from suppliers, and completed a database for some 23,000 brands. This has allowed us to monitor the chemicals used in each product, thereby strengthening our controls. In addition, it has created a mechanism for the manufacture of products according to established standards.

* RoHS Directive: The restriction of the use of certain hazardous substances in electrical and electronic equipment.

* Refer to page 71 for the overall flow of chemical substance control.



Let's conduct CSR efforts together.

Yoshiko Oonuki

Quality Management Group
Graphic Systems Business Div.
Fuji Photo Film Co., Ltd.

Our company has supplied DNP with printing press process materials and equipment, mainly for press plate processing, for more than 40 years. We routinely contact DNP to get their opinion about the quality of our products, and have developed a strong relationship of trust that serves us well in areas such as new product development.

I believe that DNP's establishment of its CSR Procurement Criteria will, by clarifying the standards for procurement, provide for a greater awareness of legal compliance and corporate social responsibility by both companies. It is my hope that our companies can work together to continue our excellent relationship as business partners and to fulfill our roles in contributing to the economy, society, and the environment through our CSR activities.

* Green purchasing: The prioritizing in the purchase of products or services of those with the lowest environmental impact, and of vendors that make efforts to reduce their environmental impact.

Our goal is safe and suitable manufacturing useful to individuals and society, and the creation of new values.

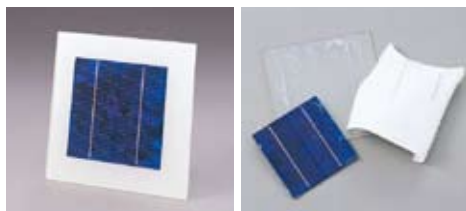
DNP is developing products and services as a way to provide the next generation with a safe, pleasant and secure living environment at a time when the world around us is experiencing enormous change.

DNP's Environmentally-Conscious Products and Services

Just as the 21st century is called the century of the environment, it is impossible to talk about the future without discussing environmental issues. Certainly corporations of today are required to develop products and offer services from the perspective of global citizens. In each of our business fields, DNP contributes to a sustainable recycling-oriented society by offering solutions, including environment-friendly products with the global environment in mind.

[Filler Sheets for Solar Power Systems]

The modules used in solar power generation systems are composed of surface glass, filler sheets, solar battery cells, and back sheet film. In theory the surface glass can last for 100 years, but the filler sheets used up until now generate a gas during the module production process that hastens the deterioration of the equipment. Also, those filler sheets are difficult to detach, so that 80% of the cells and glass is not reusable. DNP applied



the converting technology developed through our packaging manufacturing business to this problem, and developed filler sheets that permit recycling of module materials while at the same time reducing environmental impact.

[WS Safmalle]

There has been great demand in recent years for housing materials that are both friendly to the environment and health. DNP is developing products that contain none of the "13 volatile organic compounds" (VOC) listed by the Ministry of Health, Labour, Welfare as primary causes of "sick house" syndrome. We seek to provide comfortable living spaces that are environmentally friendly, healthy, and comfortable.

Our environmental products, represented by WS Safmalle, have been given high marks both in Japan and abroad for

the health and environmental considerations. WS Safmalle employs an energy-conserving EB coating that has a strong CO₂ emission-reducing effect, contains none of the chemical substances related to "sick house" syndrome, and uses a non-PVC material that produces zero dioxin emissions. It also has a tough surface and excellent soiling resistance, making it an easy to use product.



[Living Space Evaluation and Analysis Center]

DNP has established the Living Space Evaluation and Analysis Center, a facility dedicated to measuring the VOCs emitted by housing materials. DNP has acquired the first ISO/IEC 17025 third-party certification in Japan for our VOC measuring process and technology, which is based on the JIS A 1901 standard. In addition to measuring the VOCs in our own products, DNP is now offering service contracts for VOC measurement for other parties.

In June 2005 we also developed collection technology for the VOCs emitted by automobile interior parts, broadening our range of service.



[Forest Certified Paper Products]

We are continuing to pursue efforts in the packaging area according to DNP's four criteria for environmental conscious packaging in the "USE-FULL® Packaging" packaging design guideline. In addition, in our paper packaging, we are promoting the use of PEFC and FSC CoC-Certified paper, which is guaranteed to have originated from forests managed according to

environmentally sound methods, so as to encourage the sustainable use of resources.

We received PEFC CoC certification registration in January 2004, and applied the PEFC logo to the packaging of the main product of a large confection company, which was a first for Japan. We continue to supply these products. We received FSC CoC certification registration in December 2005, creating a system for compliance with both of the world's "forest certification" programs. In addition, in September 2005, DNP Tokai acquired PEFC CoC certification, while in March 2006 the Ichigaya Publication Printing Operations and DNP Tohoku acquired new CoC certification. We are working hard to promote the use of "forest certified" paper throughout the Group. (See page 74).



Left: FSC CoC certification registration
Right: PEFC CoC registration

<Packaging Design Guidelines ~USE-FULL® Packaging~>

DNP's five criteria for Universal Design

- Easy expression for necessary information
- Use in simple intuitively understood ways
- Flexible and safe when used
- Appropriate weight and size
- Usable without excessive force or movement

DNP's four criteria for environmental conscious packaging

- Reduction of packaging material
- Less total volume of packaging after use
- Recycling
- Less environmental load (Life Cycle Assessment)

DNP's Universal Design (UD) Products and Services

We are working to create products that "anyone can use easily" and that are "comfortable." We take particular care at every stage in packaging, from planning through development and design, with consideration given to improving clarity of expression and usability, so as to create packaging that everyone can enjoy. To that end, we launched the UD Promotion Group in December 2005, in an attempt to promote these efforts throughout the company in anticipation of a future widespread demand for Universal Design.

[Anti-Reflection Film]

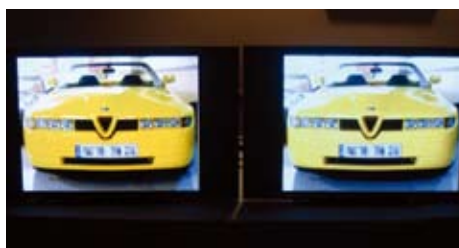
Anti-Reflection film is used on the surface of flat panel displays (FPDs) such as liquid crystal displays or plasma displays used on TVs or laptop PCs.

This film has anti-reflection, anti-scratching and dust resistant characteristics, is easy on the eyes and sharpens picture quality. All of these characteristics make it one of the most important components in FPDs.



[High-Quality Liquid Crystal Displays]

The quality of liquid crystal displays has been improving along with factors such as increases in display size and the popularization of HD broadcasts. This has corresponded to an increasing demand for more true-to-life color reproduction. By developing and adding yellow and cyan color material to the red, green, and blue (RGB) of already-existing color filters, we have developed multi color filters for high-quality liquid crystal displays that broadly expand the reproduction range to include colors such as yellow, gold, and aqua.



Left: New product Right: Former product

[Heartfit Carton®]

This our original easy-to-open, easy-to-use carton. The carton is simple, safe, and comfortable to open, imparting a sense of quality to the product it contains. We have also improved our paper container surface processing technology to make it easier to maneuver by touch. We offer an easy-to-use carton that can incorporate the functions required by the contents, for a perfect fit for the consumer.



[PUL: Packaging Usability Laboratory]

DNP has established this facility within the company to research package usability. We have reproduced an average household kitchen so as to be able to observe and examine the ease with which consumers can open, close, and use packaging for food items and household items. While we naturally examine the packaging of already existing products, the PUL allows for short-term, low-cost evaluation and analysis of the function of the packaging under development.

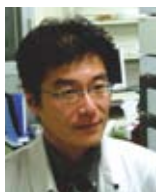


[Revising Display Design for Medicines Contained in Medical Infusion Solution Bags]

Otsuka Pharmaceutical Factory has worked in cooperation with a number of universities and medical institutions to improve the display design for medicines contained in medical-use infusion bags, so as to reduce the number of accidents caused by dispensing error at hospitals. Significant improvements in the color and size of lettering, differentiability and clarity were achieved through the application of ergonomic principles. Other improvements, such as making the drug names visible from the reverse side of the package, were made based on the opinions gathered from nurses and pharmacists, and full-scale revisions were made for approximately 60 products.



Left: Previous product Right: New product



DNP technologies contribute to improving confidence in medicine.

Tetsuji Iwamoto

Operating Officer
Information Center for Infusion Therapy and Product
Otsuka Pharmaceutical Factory, Inc.

The variety of pharmaceutical products is vast, and in addition we have observed that similarities in name and appearance make it easy for human error to occur. The Intravenous solutions handled by Otsuka Pharmaceutical Factory are no exception, and we sought to improve differentiability. This time we took a new approach by asking DNP to revise our infusion solution bags. They made major display design changes after verifying the effects of employing ergonomic methods. The reaction of workers in the medical field has been positive, and along with improving the effective prevention of human error we have been congratulated for taking positive steps as a pharmaceutical company to improve medical safety. I would like to express my gratitude for the contribution of DNP's technologies to improving people's confidence in medicine.

Products Supporting Safe and Secure Living

While Japan's society is considered comparatively safe, concerns about increasing incidents of crime and disasters have created a need for self-protection and other measures. Consumers are also becoming more and more concerned about food safety and product labeling, and we are making progress in developing a quality assurance system for food products.

[KIDS IN FEEL]

There has recently been a succession of tragic incidents in which children lost their lives, and childcare givers are becoming more and more concerned about child safety management. DNP is working with DoCoMo Systems to provide an e-mail service called "KIDS IN FEEL" that uses RFIDs to notify caregivers when their children are at the school gate. When a student holds up an RFID imbedded card in front of an RFID reader installed at the school gate, the system sends out an e-mail to the registered cellular phone or PC that notifies caregivers of the student's arrival and departure.



[Digital Pen for Emergency Medicine Gets Test Run at the Exposition of Global Harmony]

We operated Japan's first emergency medical-use digital use pen system at the Exposition of Global Harmony, in cooperation with Professor Takashi Noguchi of Aichi Medical University. This pen immediately digitizes information written down on paper and sends it to a nearby terminal or server. The immediate digitizing of information about factors such as workplace, time, and patient condition makes it possible to consolidate emergency lifesaving information, providing for

more efficient responses and an analysis of accident trends.



[Disaster Victim Traceability System]

In conjunction with Fuji Tokoha University and Catena Corporation, DNP has developed a Casualty Traceability System for use in the event of a large-scale disaster. Handwritten tags providing information about persons injured are used by medical personnel during disasters, but a consolidated information management system is needed for efficient medical efforts over a broad area. In our system, a digital pen is used to input victim information on a specialized tag on which DNP's 2-dimensional code is printed. The victim information is rapidly digitized, so that the victim's current location can be ascertained and information can be shared among medical facilities.



[Food Traceability System]

Food safety and security is getting more and more attention nowadays, and attention is being paid to traceability systems that cover every stage in the history of a food product, from production through processing and distribution. DNP is developing a variety of traceability systems for agricultural products, processed foods, imported foods, and others, and is offering them to production organizations, manufacturers, retailers, etc.

Our systems use automatic recognition technology, such as RFID label

and RFIDs, so that a company can consolidate the management of information about a product's ingredients, place of production, processing, production date, shipping information, etc., through the company's network system. Consumers can also check on the same background information by using special terminals at stores. The Ministry of Agriculture, Forestry and Fisheries of Japan is currently conducting proving tests of our food traceability systems. In addition, it is also possible to check the status of the products during production, transportation, and storage, by using RFIDs containing heat, moisture, and light sensors.



Product control using RFID label in the distribution process



RFIDs containing heat, moisture, and light sensors

We endeavor to provide easy-to-understand and timely information to our shareholders and investors.

By providing information to our shareholders and investors, we enhance our investor relations (IR) in order to obtain an appropriate evaluation of our company and deepen the mutual understanding between ourselves, our shareholders and investors.

[Providing Information in Japan]

In addition to more than 300 individual meetings a year, we also hold factory tours and strategic technology seminars for our businesses and products with high interest among our shareholders and investors. We complement this information by producing annual reports in both English and Japanese.

We also established an Information Disclosure Committee in May 2006, with the goal of ensuring timely and accurate information disclosure.

[Providing Information Overseas]

We also provide information in response to requests from overseas investors, via teleconferencing by utilizing telecommunication technologies, including televisions and telephones, and through the Internet.

[Policy on Disclosure of Information]

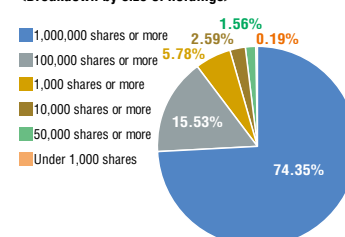
In order to provide timely and appropriate information, which is transparent, fair, and continuous to our shareholders and investors, DNP discloses information based on the following policy:

Share Information (as of March 31, 2006)

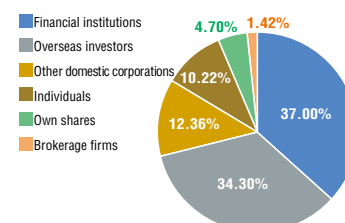
■ Total number of shares issued:
740,480,693 shares

■ Shareholders at term-end:
30,655 shareholders

<Breakdown by size of holdings>



<Breakdown by type of shareholder>



Disclosure Policy

(1) Information Disclosure Standards

Our company promptly discloses information in accordance with the Securities Exchange Law and other related laws, as well as the "timely disclosure rules" established by the Tokyo Stock Exchange. We also promptly and proactively disclose information even if it does not apply to the timely disclosure rules, as long as we believe that the information is considered necessary and helpful to shareholders and investors to promote further understanding of our company.

(2) Methods of Information Disclosure

In accordance with the timely disclosure rules, after briefing the TSE in advance, we publicly disclose important information that applies to those rules through TDNet (a system for the timely disclosure of information provided by the Tokyo Stock Exchange) and to the press. At the same time we post this information in a timely manner on our website. We also provide information considered useful in enhancing the understanding of our company by posting this information on our website and/or the press websites.

(3) Period of Silence

Before the announcement of our financial statements, we have a "period of silence," during which we refrain from responding to comments and inquiries regarding settlement, in order to ensure fairness. However, even during a period of silence, we promptly disclose any information that would incur major changes in our business results. Furthermore, we will respond to any questions regarding information that has already been disclosed.

<SRI>

Socially Responsible Investment (SRI) is an investment in corporations that practice sustainability and takes seriously involvement in CSR. DNP is incorporated in the FTSE 4 Good, Ethibel Sustainability Index and Dow Jones Sustainability Index, which are overseas SRI Indexes. In addition, we are included in a number of SRI funds in Japan.



<http://www.ftse.com/ftse4good/index.jsp>



<http://www.ethibel.org/>



<http://www.sustainability-index.com/>

[Society]

Relations between DNP and Society

We seek a society in which every individual can have an active life, both at the workplace and in local communities. DNP wants to be involved when new values and culture are created through interaction among people and between people and society.

"We want to create a pleasant workplace."



[In-house Venture]
M's Communicate/Yuko Okada
→ p39

"I want to continue learning more and more."



[Meister]
DNP Seihon/Hideo Kojima
→ p10

"I want to gain a high degree of skill."



[In-House Apprentice Ship System]
C&I Operations/Daisuke Fujikawa
→ p37

"I'm hoping to advance my career."



[In-House Recruiting]
ICC Division/Noriko Unayama
→ p37

We are a team of independent professionals.

DNP

"I have turned my passion into my profession."



[In-House Venture System]
YouToo/Youstake Yamada
→ p11

"We have a culture that deserves respect."



[Takumi(Meister) Project]
DNP Media Create Kansai/Yoshio Imanaka
→ p48

"TAIWA"

Employees

"I'm raising kids while working."

[Back-to-Work Program]
DNP Nishinippon/Michiko Machi
→ p40



"I think this is a great opportunity."

[Overseas Intern]
Linards Grigans
→ p47





[Donating notebooks to local elementary schoolchildren]
DNP Indonesia



["Japanese Posters-Today" held in Europe.]
DNP Archives of Graphic Design



[Revascularization through printing technology]
Joint research with Tokyo Medical & Dental University

We are proud to be able to contribute to society through our business.

DNP



[Famous strawberry jam and juice label design]
DNP Graphica

"TAIWA"



[MMF Art Seminar]
Maison des Musées de France

Local Communities



[Netday Summit in Kashiwa]
Dai Nippon Printing

We act according to laws and societal ethics.

DNP Group strives for thorough corporate ethics so as to continue to be a company that is trusted by society. Each employee must have a strong sense of purpose and responsibility, and see it as their personal duty to engage in honest work every day.

The DNP Group established the Corporate Ethics Committee in 1992. This committee checks and provides guidance concerning the promotion of fair and honest business practices based upon compliance with laws and social ethics, which is necessary if we are to be a company that is trusted by society.

The Corporate Ethics Committee is the controlling body for the internal control system created to promote a compliance system that will ensure a strong internal control system for the DNP Group, as well as ensuring that all business is fairly conducted as required by laws, our articles of incorporation, internal regulations and social ethics. The Committee shall also clarify the functions of the internal control system.

In order to ensure the effectiveness of the internal control system, a corporate climate must be created that inspires each employee to have a strong sense of purpose and responsibility, and to see it as their personal duty to engage in honest work every day. Our compliance efforts are not simply a set of slogans. Rather, they must also comprise down-to-earth activities tied to actual results. Many errors in thinking have been made up to now in the creation of this system. While we provide a rundown of current activities below, we are still not satisfied. We must continue to make improvements, and work to create a system that will allow no regression.

For the firm establishment of corporate ethics

[Corporate Ethics Committee]

The Corporate Ethics Committee is composed of the Directors in charge of each division, and meets once a month. Every organization within the Group, including all Headquarters Departments, Operations, and Group Companies, shall establish a Corporate Ethics Committee to promote the firm establishment and thorough permeation of corporate ethics within the Group.

[Management by Objective System]

The establishment of corporate ethics requires that all employees regard it as their personal duty to engage in honest work every day. We therefore have in-

cluded corporate ethics as a factor in the Management by Objective System, and each employee is to discuss the meaning of fair and honest action, as well as confirm that he or she is conducting work in that way, during the biannual interviews with superiors concerning the establishment of goals and results evaluation. This is intended to ensure a more thorough establishment and permeation of corporate ethics.

[Self-Inspection for Compliance]

We implemented the "self-inspection for compliance" system in 1997 to check for compliance with laws and rules in the conduct of corporate activities, and as of 2006 it will be in its 9th year of operation.

Under this system, each business division conducts an annual self-evaluation according to a checklist composed by the Headquarters' supervisors, and based upon this takes the initiative toward making improvements. By having each business division conduct a self-examination, we nurture a strong spirit of "guarding our organization ourselves." This provides for prompt and accurate improvements, and produces material results.

The results of the evaluations are compiled according to category by the Headquarters' Corporate Ethics Committee, and are reflected in the next set of companywide measures.

In addition, a system called the Priority Execution Plan was adopted in 2004. Rather than having all business divisions address a single set of issues with the same degree of urgency, we get better results by having each assign priority levels to issues according to their particular circumstances.

[Compliance Evaluation System]

The compliance evaluation system was initiated in 2005 in light of the need to eliminate inconsistencies in compliance at each level within the organization, and to create a bottom up approach. It provides an objective evaluation system for every level. The Headquarters' supervisors evaluate the progress made through the efforts of each organization toward resolving the issues that have been selected for prioritization by the supervisors. The evaluation results, which are consolidated twice annually, are compiled by the Corporate Ethics Committee and published throughout the Group.

After examination of the content obtained through the first application of the system, the evaluation categories and standards were revised so as to provide for even more objective evaluation.

<Corporate ethics compliance efforts>

- 1991 Start of the first corporate ethics training
- 1992 Establishment of the Corporate Ethics Committee
Establishment of the DNP Group Corporate Pledge
- 1993 Establishment of the DNP Group Employees Code of Conduct
- 1994 Establishment of the Group Company Corporate Ethics Committee
- 1997 Introduction of self-inspection for compliance system
- 1998 Revision of the Code of Conduct
- 1999 Inauguration of the Corporate Ethics Committee Secretariat Conference
- 2002 Revision of the DNP Group Employees Code of Conduct
Establishment of the Open Door Room
- 2003 Introduction of self-directed ethics training
- 2004 Priority execution plan adopted
- 2005 Introduction of the compliance evaluation system

* [Compliance]: Compliance with laws and regulations. In corporate behavior this means not only compliance with legal imperatives, such as laws and regulations, but also includes upholding social norms and societal ethics.

Corporate Ethics Training

Each individual employee must sufficiently understand the importance of corporate ethics, and connect the significance of corporate ethics to their daily work. We have implemented the corporate ethics training described below with the goal of the establishment and permeation of corporate ethics consciousness. The training was held on 176 occasions in FY2005, with 6,787 people in attendance.

1) Regular training according to rank

Corporate ethics training has been woven into the curriculum for training according to employee rank, such as new employee training and new manager training. We continue to make efforts on all suitable occasions to ensure that employees maintain their corporate ethics consciousness after

they have entered the company as well.

2) Self-directed ethics training

We want all employees to view corporate ethics as a matter for their personal attention. We believe that doing so requires that the training content be specific to each division, as well as more tangible. To that end, we initiated self-directed ethics training in each organization in November 2003, in which the directors in charge and other supervisors function as lecturers and explain corporate ethics policies to their subordinates in their own words.

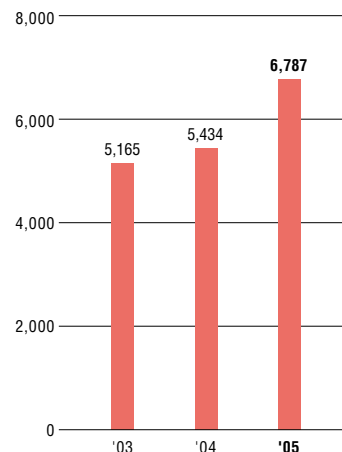
3) Seminars conducted by visiting supervisors from Headquarters

These are seminars concerning essential themes, and are conducted by supervisors from Headquarters as required in support of regular training according to rank and self-directed ethics training.

Corporate Ethics Training Results

| | Regular training according to rank | | | | | | Self-directed ethics training | | Total | |
|--|------------------------------------|-----------|--------------|-----------|---------------------|-----------|-------------------------------|-----------|----------|-----------|
| | New and mid-career hires | | New managers | | Divisional managers | | Sessions | Attendees | Sessions | Attendees |
| | Sessions | Attendees | Sessions | Attendees | Sessions | Attendees | | | | |
| FY2003 (January – December 2003) | 3 | 347 | 10 | 537 | – | – | 120 | 4,281 | 133 | 5,165 |
| FY2004 (January – December 2004) | 3 | 364 | 10 | 471 | 1 | 77 | 156 | 4,522 | 170 | 5,434 |
| FY2005 (January – December 2005) | 1 | 438 | 10 | 477 | 1 | 57 | 164 | 5,815 | 176 | 6,787 |

Trend in total number of attendees



Consulting and Reporting System - Open Door Room

The Corporate Ethics Committee has always responded promptly to employee consultation about questions or concerns they have may have in regard to issues of corporate ethics. Nevertheless, a consulting and reporting system, with the Open Door Room functioning as a consultation desk, was established in 2002, particularly to respond in cases in which the employee might feel uncomfortable about approaching a superior directly.

We strengthened this system in re-

sponse to the Whistleblower Protection Act of April 2006, and in addition made efforts to ensure that all employees were fully aware of its functions. We have implemented full confidentiality, so that employees reporting or consulting about corporate ethics issues will not suffer any repercussions.

The Corporate Ethics Committee is striving to improve corporate ethics consciousness, so as to create a relaxed workplace atmosphere in which employees can comfortably discuss their questions or concerns with superiors, colleagues, and workplace staff during the course of their daily activities.

Equal Opportunities for a Cooperative and Diverse Workforce

The DNP Group promotes versatility in various aspects of its business, including employment, training, evaluation, work environment, safety, and disaster prevention, aiming to achieve a workplace where each employee can cooperate with one another to wield their abilities in a positive working environment.

The DNP Group Employees Code of Conduct clearly stipulates the basic policy prohibiting discrimination towards job applicants or employees in any aspect of our business, including recruiting, employment and promotions, as regards matters of culture, nationality, creed, race, ethnicity, language, religion, sex, age, social status, or disability.

We believe that it is necessary for employees to develop as independently functioning professionals and to evolve emergently together so as to continue to contribute to an emergently evolving society.

In order to realize this idea it is es-

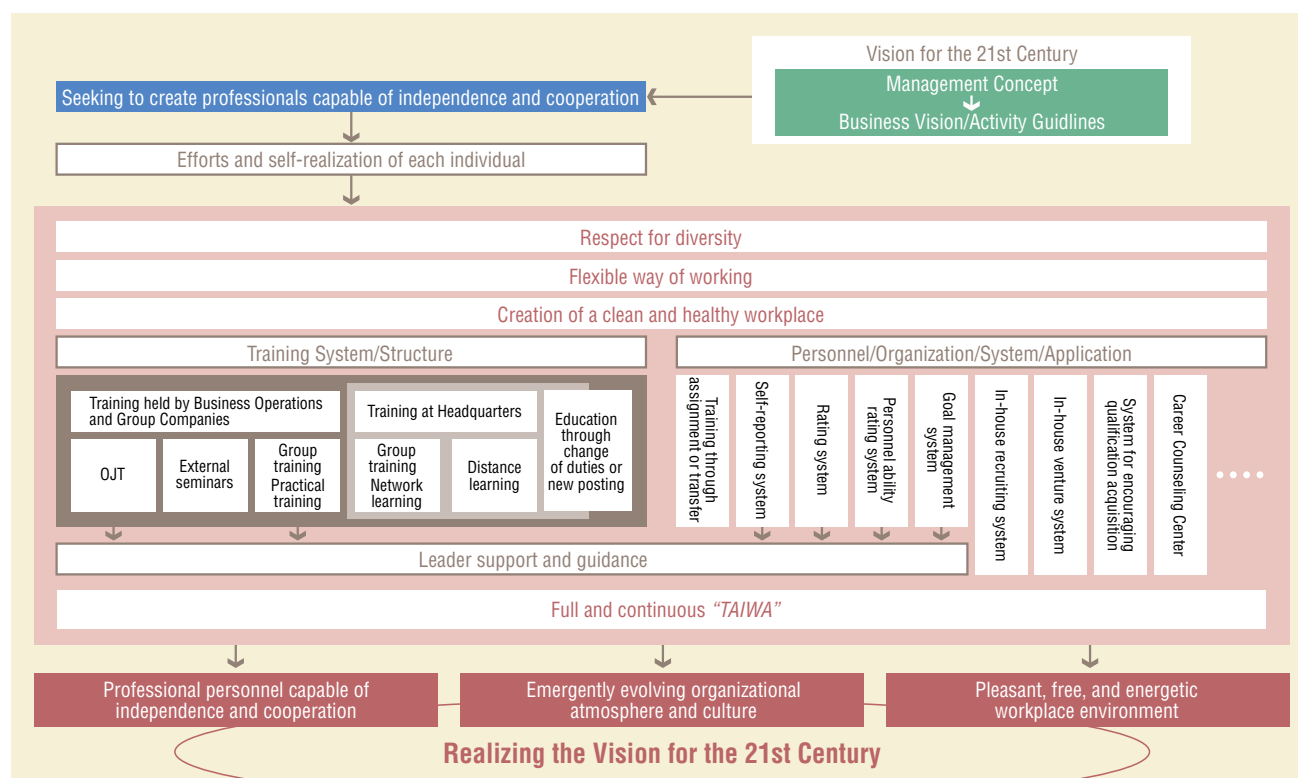
sential for the employees to be able to engage in a free and vigorous dialogue. "TAIWA" does not stop at "conversations" and "sharing information", but rather includes mutual discussion about solv-

ing problems and issues that occur on a daily basis. DNP eliminated the "officer system" in 2002, so as to provide for freedom of "TAIWA" and nurture an emergently evolving corporate culture.

Personnel and Employment Guideline

Our goal is for each of our employees to be an independent professional with a sense of responsibility and self-confidence. They shall strive to achieve self-realization in order to face challenges positively and resolutely. The company shall provide an environment and organization supportive of the development and self-realization of individual employees, and will nurture an emergently evolving Corporate Culture and culture that will allow each of our employees to display their full professional abilities.

Personnel and Human Resources Development Efforts for Realizing Our Vision



DNP (Non-Consolidated) (as of March 31, 2006)

| | | | |
|---|----------------------|------------------------|---------------------------|
| Number of executive officers | Male: 26 persons | Female: None | Total: 26 persons |
| Senior Expert (Leadership position level 2 and above) | Male: 1,000 persons | Female: 8 persons | Total: 1,008 persons |
| Number of employees | Male: 7,438 persons | Female: 1,159 persons | Total: 8,597 persons |
| Number of employees (consolidated) | Male: 30,069 persons | Female: 5,527 persons | Total: 35,596 persons |
| Executive officers at overseas Group companies (consolidated) | Local: 38 persons | Japan: 92 persons | Total: 117 persons |
| Average age | Male: 37.6 years old | Female: 29.7 years old | Aggregate: 36.5 years old |
| Average number of years continuously employed | Male: 14.9 years | Female: 8.6 years | Overall: 14.0 years |

Transparent and Fair Hiring Practices

We provide opportunities equally to anyone who shares our corporate vision and wants to work with us to realize their potential. We use evenhanded methods to select and hire employees. We also actively participate in internship programs.



Internship Report Meeting

| Type of Hiring | This Year Results | Previous Year Results |
|--|--|--|
| New hiring We inform candidates of the type of person we are looking for, the steps in our hiring process, the timing of each step, and what we are looking for in each interview. In order to avoid mismatches, we assign young employees as recruiting partners to give candidates a real-life picture of our company. | 2006 new hires (DNP only) Regular employees: 140 persons (95 males, 45 females) Technical staff: 230 persons (180 males, 50 females) | 2005 new hires (DNP only) Regular employees: 120 persons (80 males, 40 females) Technical staff: 200 persons (150 males, 50 females) |
| Mid-career hiring We advertise broadly via the Internet, with no age restrictions. We explain clearly and specifically the job duties of the positions we seek to fill. | 2005 mid-career hires (DNP only): 78 persons | 2004 mid-career hires (DNP only): 80 persons |
| Internships (arranged jointly with affiliates) In response to requests from schools and students seeking experience in the working world, we provide students with opportunities to gain work experience. These opportunities do not necessarily lead to regular employment. | During August - September 2005, 68 interns were accepted in 42 categories | During August - September 2004, 73 interns were accepted in 44 categories |

Nurturing human resources into independently functioning professionals

[Cultivating Independent Professionals]

We believe it is important for each employee to work at self-development, consider his or her own career path, decide what kind of work he or she wants to do, and expand his or her own field of work.

In order to support these efforts by individual employees, we have established personnel systems that allow them to choose the kind of work they want to do, as well as education, evaluation, and compensation systems that encourage employees to acquire specialized knowledge and skills.



Award presentation

| System | This Year Results | Previous Year Results |
|--|---|--|
| In-house recruiting system We advertise positions requiring specialized knowledge and positions in new businesses or new product development. Anyone with ability, experience, and the desire to be challenged is free to apply. Discovery of talented employees and realization of their potential. | FY2005 Number of recruits: 78 Number of transfers: 55 (70.5%) | Cumulative results through March 2005: 244 transferred |
| In-house venture system We provide training, financing, and other types of support for employees who have entrepreneurial aspirations and want to start an independent new business. Generally, we appoint the person who proposed the idea for a new company to be its president. | FY2005 1 company (January 2006/YouToo) | April 2002/CP Design Consulting September 2003/M's Communicate (Female president) September 2004/At Table January 2005/Mobile Impulse |
| In-House Learning in a Different Department The employee gains experience in another department or office for a fixed term and then returns to his or her original position, with the goal of improving work skills. | FY2005 3 persons | FY2004 2 persons |



I'm seeking to advance my career at a new workplace.

Noriko Unayama
ICC Division



Before I was transferred I worked in the Planning Division, where I offered SP proposals to clients. I had studied the French language and culture out of my own interest, and more than anything else I wanted to use that knowledge in my work. The MF Promotion Office operates the "Maison des Musées de France" facilities, so I applied for a position there through in-house recruiting. Now I am in charge of many duties that bring me into direct contact with clients, and I have to come up with my own solutions. The ability to seek to advance my career, while using the experience and network of contacts I developed at my former position, gives me a real sense of the merits of the in-house recruiting system.



I learned about personal information protection through in-house learning in a different department

Daisuke Fujikawa
SI Division, C&I Operations

While my department offers consolidated systems services, from planning through development and implementation, the ability to deal with personal information protection and security is indispensable. These areas require a high level of technical knowledge, so I spent four months doing in-house learning in a different department at CP Design Consulting (CPDC). CPDC is an in-house venture company, and is one of the foremost personal information protection consulting companies in Japan. I was able to pick up a high level of skill through both in-house work and going on visits with colleagues to clients. I am able to put this experience to use in creating a greater level of security in the systems we construct, and can offer planning services that include checking and risk measures for the handling of personal information in business.

Relationship with Employees

| System | This Year Results | Previous Year Results |
|---|---|---|
| Qualification support program This program pays incentives to employees who acquire specialized knowledge, skills, or qualifications needed for their job (covers about 90 types of qualification, up to 100,000 yen). | Increase in employees with qualifications for specialized knowledge and technology necessary to work, primarily IT-related work FY2005 372 persons received qualifications | FY2004 104 persons received qualifications |
| Meister system Employees with valuable production skills are designated as "Meisters" and are encouraged to acquire additional specialized skills and cultivate successors by passing on their talents. Meisters receive a certificate of recognition from the president, and are paid a special allowance. | FY2005 3 designated Cumulative total through end March 2006 47 | Cumulative total through end March 2005 44 |
| Special skills recognition program Employees with advanced specialties, whose talents are recognized particularly widely both inside the company and outside, receive special compensation. | FY2005 1 designated Cumulative total through end March 2006 13 | Cumulative total through end March 2005 12 |
| Ranking and salary Individual performance is evaluated according to his/her current role and results and ranked accordingly. Monthly salary and bonus standards are interlocked, while seniority is excluded from evaluation. | Introduction of evaluation based on "roles" and "performance" into monthly salaries. Bonuses paid based on "employee assessment" and uniformity in ranking. | |
| Evaluation / compensation systems (management by objective system, etc.) At regular intervals, employees sit down with their supervisors to set future performance targets and evaluate past performance. Employees and supervisors increase mutual understanding through discussion and counseling. Evaluation results are directly reflected in salaries and bonuses. | Scope of application expanded to include almost all employees in October 2003. Personnel evaluation expanded to include general staff beginning with the 2005 winter bonus. | |
| Self-reporting system We ask employees whether they want to change positions or workplaces in order to further their careers, and any other requests they may have related to their life plans. When the company and the employee agree, steps are taken to realize the employee's wishes. | FY2005 Persons participating in self-reporting system interviews 80 transferred out of 287 | FY2004 Persons participating in self-reporting system interviews 24 transferred out of 334 |
| Award system This system includes awards for job performance, achievement of goals, and years of service (25 years) - based on results achieved semiannually and annually. | FY2005 (Awarded in June 2005) For job performance (special annual award): 41 awards For achievement of goals (special annual award): 26 awards For years of service: 381 persons | FY2004 (Awarded in June 2004) For job performance (special annual award): 34 awards For achievement of goals (special annual award): 30 awards For years of service: 302 persons |

[Training for Employees Who Want to Advance Their Career]

Employees design their own careers, with each one aiming to become an accountable, self-confident autonomous professional in a particular field, with the ability to collaborate smoothly with others inside and outside the company.

The company supports employees' career designs by arranging practical and diverse training programs that offer basic or specialized knowledge required in various fields, as well as development of people skills, conceptual skills, etc.

For managers and leaders, we also have practical training courses to deepen the understanding of career development, and to enhance communication and corroboration skills, as well as to help the managers and leaders to bring the best out from their staff.



DNP Hakone Training Center

| | Course Contents | Attended by |
|--|--|--|
| Training for Division Managers | Management training In addition to the vision and basic strategies, participants learn basic methods and technical skills for formulating strategy. For 6 months (10 group training sessions, and self-study using training materials) | All senior management, starting from the rank of divisional manager |
| | Advanced management training Drawing up action reform plans, through multi-faceted evaluation, on competence, workplace climate, and an understanding of the special aspects of management For 6 months (group training, and workout meetings) | All departmental and divisional managers |
| | Training for managers entering leadership positions First part: 2 day group training session to acquire basic leadership knowledge Second part: 5 month-training including 3 group training sessions and team study to receive advice regarding measures for realizing leadership visions | For all employees being promoted to leadership positions |
| Specialized Training for Sales, Planning and Engineering Divisions | Solution business training Acquiring ideas and skills for realizing solutions and to learn business processes For 3 months (3 group training sessions and individual research studies) | Employees of sales and planning divisions, and their managers |
| | Pricing training Participants will acquire knowledge in marketing and pricing. For 5 months (9 group training sessions and group study) | Employees in charge of service and solution divisions for new products |
| | Training to improve planning skills Participants learn planning skills for P&I solutions. For 6 months (6 group training sessions and individual research studies) | Group leaders and managers in the planning division |
| | Technical seminars (Specialized courses) In addition to specialized knowledge, participants acquire knowledge on production systems, cost management, marketing, law, human skills, etc. Approximately 80 sessions per year (Optional selection of courses) | No restrictions regarding total working years, their rank, or division |

| | Course Contents | Attended by |
|--------------------------------------|--|---|
| Training in Manufacturing Activities | Training for Plant manager training To draw up action plans to promote manufacturing 21 actions, and to draw up action plans for solving problems and putting those plans into practice. For 6 months. | For All plant managers |
| | IE experts training This training is to learn IE methods and to promote improvement in one's own department. For 3 months (1 training camp session, 3 practical application sessions, and 1 briefing session) | Technical staff |
| Other Training | Network learning These on-line courses are conducted to enable participants to use their own personal computers to acquire knowledge needed by all employees and/or by employees in certain departments and sections, as well as to learn about topics that require a timely response to environmental change. (30 courses) | Participants choose each individual course (guest participants are also allowed) |
| | Training to acquire international communication skills English (open course): Class lessons based on individual levels (30 classes) For 5 months (eighteen 90-minute sessions) In addition to English, classes in Chinese and Korean are also offered. | People who have indicated they would like these classes because their job either currently requires those language skills or will require them in the future 2 sign-up periods per year |
| | Sign language course This course teaches sign language for communication with handicapped employees. Class lessons by locality and level For 3 months (10 group training sessions, 90 minutes per session) | Workplace leaders with hearing disabilities |
| | Correspondence courses Participants can choose from among some 200 courses for self-education in ten different fields, including sales strategy, management, business skills, finance, computer literacy, foreign language, and obtaining certification or qualifications. Participants who complete these courses within the stipulated time period receive financial support totaling half the tuition cost. | Signups for people who want to take these courses are conducted twice a year. |

Free, Open, and Pleasant Working Environments

[Respecting Diversity]

We believe that in order to contribute to society by realizing a free, open, and dynamic corporate culture, it is important that all employees respect each other and help create a pleasant working environment. Toward this end, we think it is important for everyone to realize their potential and to do their best without worrying about gender, age, or disabilities.



Joint seminar for hiring the disabled

| Activities | This Year Results | Previous Year Results |
|--|--|---|
| Hiring people with disabilities We achieved the legally mandated ratio of disability employment, based on the premise that people with disabilities should be able to function normally in society. We educate workplace leaders so they can understand employees' special needs. • Workplaces and facilities are adapted to allow people with disabilities to work • Hiring throughout the year • Normalization training to managers of workplaces with people with disabilities | Fiscal 2005: disabled employee rate 2.00% (DNP only) | Fiscal 2004: disabled employee rate 1.84% (DNP only) |
| Hiring seniors Employees who want to continue working as seasoned professionals after reaching their mandatory retirement age may be hired as a "senior officer." | Rate of users of this system in fiscal 2005: 61.9% Modified qualification requirements with more clarity and details, according to employee's stand-point since April 2006 | |
| Eliminating gender bias from the workplace • We conducted training seminars for managers about supporting women's careers • We expanded career opportunities for women • We sent female managers to outside training seminars | From June 2003 to March 2005: 1,825 managers participated in training to support women's careers | |



**A good workplace isn't one in which you have free time;
it is a place where you can achieve your goals.**

Yuko Okada
President, M's Communicate

M's Communicate was established through the in-house venture system as a CRM consulting company, primarily dealing with point service. I had been in the habit of jotting down business ideas unrelated to my duties since I was a new employee, and I decided to compose some plans and show them to my superiors and the business division. It was then that I got the real sense that the men both in our company and at our clients' offices had been failing to take women's perspectives as consumers into consideration. M's Communicate was formed in 2003 as part of DNP's efforts to expand consumer-oriented business, and it turned out to be profitable. I think it would be effective for everyone to take advantage of the various systems that DNP offers to create the kind of place where they would like to work

[Flexible Work Styles]

If every employee is to reach their full potential as a professional, it is important that consideration be given to individual career plans and life plans, and that working time be balanced with ample time for self-development and a private life. It is equally important that coworkers respect each other's precious time.

We are building systems to assist the self-efforts of employees to promote their physical and mental health and that of their families.



"Kangaroo Club" Back-to-Work Seminar

| System | This Year Results | Previous Year Results |
|--|---|---|
| Employment system Flexible employment system incorporating: • Flex time system • Discretionary working system • Part-time working hours | Applied to over 77% of our employees overall (DNP only) | |
| Leave system Diverse leave system that accommodates individual lifestyles. • Annual paid vacation (maximum of 20 days a year) • Childcare leave • Life-support leave | 2005: Percentage of employees who took an annual paid leave: 32.7% (DNP only) | 2004: Percentage of employees who took an annual paid leave: 32% (DNP only) |
| Childcare leave • Until April 30 of the child's second year, or until a child is 18 months old • An employee can take childcare leave up to twice per child during the childcare leave period. | 2005: 50 persons took leave under this system (DNP only) | 2004: 71 persons took leave under this system (DNP only) |
| Back-to-Work from Childcare Program (see page 41) This system is designed to create an environment in which employees facing childbirth and childcare duties can feel secure about taking leave and then returning to the workplace smoothly, and also so that they can display their full abilities while balancing work and home duties. It includes an Internet program, "wiwiw", for support for returning to work after childcare, and a back-to-work seminar, Kangaroo Club. | Registered wiwiw members as of March 2006: 81 Kangaroo Club members in January 2006: Tokyo, 11; Osaka, 9 | |
| Family nursing care leave • Up to 366 days per eligible family member; no limit on the number of times | 2005: one persons took leave under this system (DNP only) | 2004: two persons took leave under this system (DNP only) |
| "re-work" System This makes it possible, under certain conditions, for former employees who, having been forced to stop work for childcare or nursing care purposes, find that their life circumstances have changed and would like to become employees again. | As of March 2006, 30 persons were registered with our candidate | |
| Consultation office Consultation with specialists for the topics of housing (financial planning, housing selection, design, construction), legal issues (inheritance, family matters, and accidents), taxes, and sexual harassment. | 2005: The office handled 1,192 cases Established the Kansai Consultation Office in July 2005 | 2004: The office handled 972 cases |
| Life Plan Consulting Center Provides information about pensions, employment insurance, motivation for living, lifelong education, etc. to assist individuals with planning for life after retirement | 2005: 651 consultations | 2004: 1,330 consultations |
| Life planning promotion system Joint labor-management programs, such as distribution of magazines and holding seminars | Distribution of design books to 45-year-olds Preparation guidance for 55-year-olds Briefing sessions are held regarding public pensions and employment insurance for people of the ages of 58 and 59. 2005: 651 persons attended guidance and briefing sessions | Distribution of design books to 45-year-olds Preparation guidance for 55-year-olds Briefing sessions are held regarding public pensions and employment insurance for people of the ages of 58 and 59. 2004: 929 persons attended guidance and briefing sessions |



Supporting a flexible workplace environment.

Teruko Kachi

Director, Tokyo Office, Japan Institute of Worker's Evolution

In these days of advancing information technology, we are amazed by the free and easy design and construction of the books and magazines that give access to Japan's and the world's culture and civilization. DNP, which has an experienced, diverse workforce without regard to differences in sex, age, or culture, is working to germinate new DNA from inherited forms, so as to continue to develop these pearls of culture in perpetuity. By enforcing a policy promoting the creation of a flexible workplace environment and respect for diversity, DNP creates opportunities for employees to participate, and in fact promotes a greater level of participation. I speak for myself and the foundation in pledging our support for the courageous decision DNP has made toward drawing out emergently evolving uniqueness.



Meeting others at Kangaroo Club put my heart at ease.

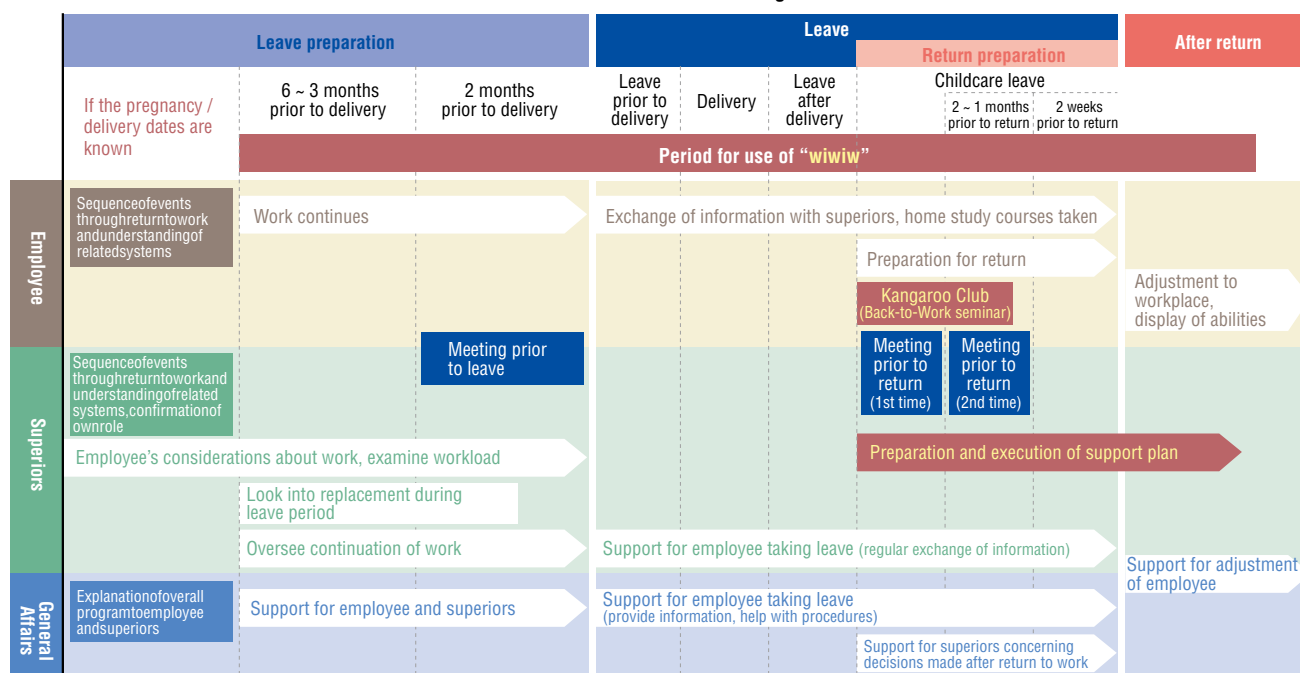
Michiko Machi

Sales Division
DNP Nishinippon

While caring for children does have its joys, one also must contend with strong feelings of insecurity and loneliness. During my period of childcare leave I was desperate to have someone to talk with, but I just couldn't find a way to meet other working mothers. Then I decided to try out the Kangaroo Club, and was able to meet with other working mothers just like me from Group companies throughout Japan. Meeting with and talking things over with other mothers, both younger and older than myself, put my heart at ease. I'm really grateful that I have access to this kind of a system that allows me to meet with other women like myself who are both working and raising children!

| System | This Year Results | Previous Year Results |
|---|--|--|
| Career counseling center Provides counseling and guidance regarding career development | 2005: 137 persons used the center Career design development course: 69 persons (conducted five times) | 2004: 138 persons used the center |
| Mutual relief association Continuous creation of independent structures for mutual relief efforts funded jointly by the company and the labor unions. | 2005: Congratulatory or condolence benefit: 7,277 cases Loans: 109 cases Children's scholarships (student grants and pension): 75 cases | 2004: Congratulatory or condolence benefit: 6,940 cases Loans: 86 cases Children's scholarships (student grants and pension): 35 cases |
| Health management system "Health examination management system" on the Intranet makes it possible to access one's own health examination results, including past results, via a personal computer. | January to December 2005 Percentage of people who underwent general medical examinations: 99.35% | January to December 2004 Percentage of people who underwent general medical examinations: 98.8% |
| Clinics 14 clinics throughout Japan. In addition to employees covered by medical insurance, these clinics treat the nonworking dependents of those employees (up to the age of 16). | 2005: 82,512 persons visited the clinics | 2004: 82,560 persons visited the clinics |
| Smoking measures Smoking measures conducted based on the Group Guideline at each worksite to prevent non-smokers from secondhand smoke. | Creation and implementation of the "DNP Group Smoking Guideline" that stipulates standards for separate smoking areas and smoking regulations. | |
| Health consultation office; Telephone health consultation; Mental health consultation office; Nutrition consultation; exercise consultation Consultation system for employees and their families to provide advice from medical specialists about disease or medical therapy. It also provides support for health maintenance through nutrition consultation and exercise consultation. | January to December 2004 Telephone health consultation (including family members) Mental health consultation Nutrition consultation and exercise consultation Total of 6,898 cases | January to December 2004 Telephone health consultation (including family members) Mental health consultation Nutrition consultation and exercise consultation Total of 5,153 cases |
| Mental Health DNP is shoring up educational programs and expanding in-house consultation opportunities so as to support and improve employee mental health. We have continued as we did last year in implementing mental health education by distributing our guidebook and holding lectures. We also created our own videos and intranet-based courses, and made these courses mandatory for all employees. We also began offering checkups by specialists at health insurance union clinics in the Kansai area, in addition to those already on offer at the Tokyo Ichigaya medical clinic, with the goal of early detection (prevention) and treatment. | | |

Back-to Work from Childcare Program



Relationship with Employees

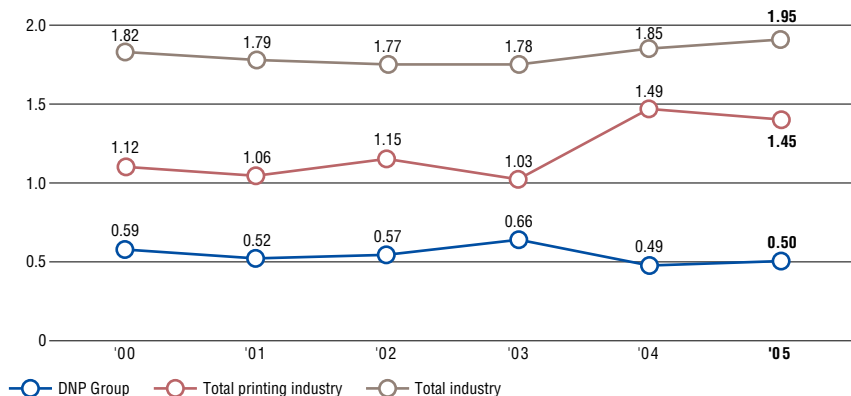
[Creating Healthy and Safe Workplaces]

All of our employees want to work in a safe and pleasant environment, so we conduct our own health and safety activities. Our basic policy is to support the creation of comfortable and pleasant working environments and working styles that make room for family life. Accordingly, we created a system of health and safety activities for all employees to participate in, and we attach great importance to this system.

The Central Health and Safety Committee has been established at Headquarters through joint labor-management cooperation, as well as in each operation and affiliate company.

| System | This Year Results | Previous Year Results |
|---|--|---|
| Standards and guidelines Management and employees together established the Central Health and Safety Committee within the head office. Each Operation and the Group company has a similar system for discussing and promoting health and safety related activities. We have also created company-wide standards and guidelines related to these topics. | Major standards and guidelines 1) Workplace environment improvement <ul style="list-style-type: none"> • Workplace environment standards • guidelines for preventing noise in the workplace • guidelines for tobacco smoking 2) Preventing work-related accidents <ul style="list-style-type: none"> • Guidelines for preventing industrial accidents caused by machinery, etc. | |
| Skill improvement Promotes activities that are tailored to each workplace, and seeks to improve employees' skills when necessary to allow the Health and Safety Committees to function effectively. | Employees holding qualifications as of March 2006 Industrial sanitation administrator: 349 Operation chief: 2,126 Completed technical course for restricted work operations: 5,522 Completed special educational course: 2,282 | |
| Accident prevention We analyze potential hazards and take steps to prevent accidents involving revolving machinery, which is a major cause of industrial accidents. | DNP's accident rate is low compared to the industry-wide average and even compared to the average for all types of printing industries Jan - Dec 2005: Industrial accident rate*: 0.50% | Jan. - Dec. 2004: Industrial accident rate: 0.49% |
| Placement of automatic external defibrillators (AED) We have placed medical devices that administer an electric shock to the heart in the event of sudden heart failure (automatic external defibrillators (AED) at our worksites nationwide. | This program started in July 2005, when the Ichigaya Publication Printing Operations sent the devices to the security offices at our Ichigaya, Kuki, and Tsuruse plants. We then proceeded to install them nationwide, including at 14 Clinics, 3 rest facilities, the C&I Building Disaster Prevention Center, and the Ichigaya Health Center, with devices at a total of 22 locations as of March 2006. We promptly responded to the need for training in use of the devices, combining that offered by the manufacturer with as qualification courses in emergency skills taught by the Fire Defense Agency (11 persons in the Ichigaya area), courses offered by specialist institutions (39 doctors and nurses) and others. These AEDs have a computer installed that automatically analyzes the electrocardiogram when the electrodes are placed on the chest, determines whether or not there is ventricular fibrillation, and uses sound to indicate the application of electric shock. | |

Industrial Accident Rate



* Industrial accident rate: the number of employees who missed work due to a work-related accident divided by the total number of hours worked in units of 1 million hours

Secure Working Environment

DNP has created an earthquake response outline and a central disaster prevention basic plan, in order to secure employees' safety, restore functioning to workplaces, and support employees' families and local residents in the event of a disaster.

We established "Disaster Prevention Councils" in operations and Group companies at our headquarters and in outlying areas. In the event of an earthquake, these councils are prepared to automatically begin functioning as response headquarters.

Six action teams are to take specific disaster prevention measures and earthquake response measures, with each team taking responsibility for human rescue, care of buildings, asset protection, business operations, PR, or community aid. Furthermore, by shoring up the emergency communications network system, which are disaster airless systems at 29 business sites in the Kanto area and satellite phone facilities at 42 sites nationwide, we are able to provide prompt and appropriate assistance not only for the business affected by the disaster, but also to regional residents and businesses. In certain areas we also use the

Emergency Earthquake Information* provided by the Japan Meteorological Agency. This system provides an alert that major seismic activity is anticipated, activating our damage control measures.

Strengthening Cooperation with Local Communities for Disaster Response

One way in which we seek to contribute to local communities in the Ichigaya area is by forecasting flooding along the Kanda River, and offering temporary refuge on the second floor of the DNP Health Center gymnasium to those unable to undertake their own evacuation measures. We concluded an agreement concerning these cooperative measures with the Tokyo Fire Department Ushigome Fire Station on November 18.



Liaison meeting for offices participating in the large-scale disaster support agreement

Expanding and Strengthening Our Emergency Training System

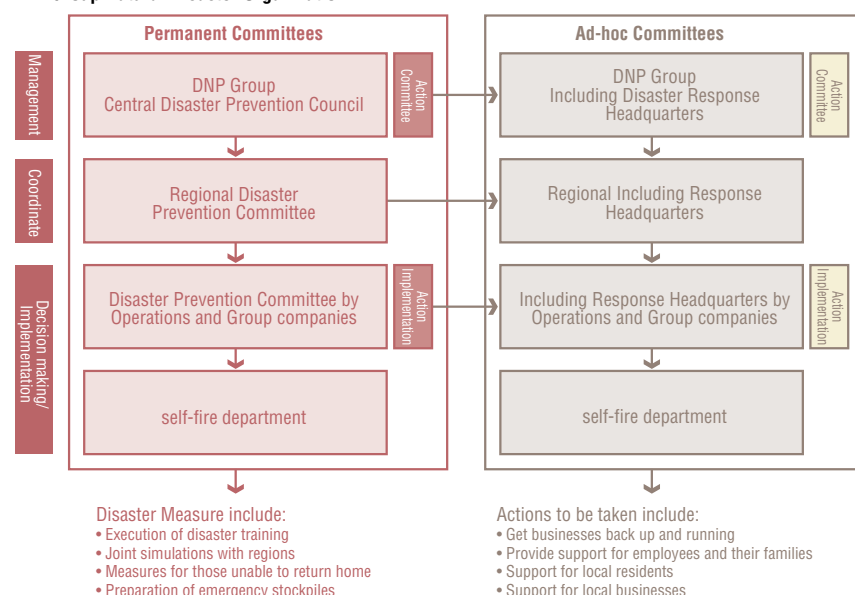
We have installed automatic external defibrillators for prompt response to heart attacks and other emergencies at our Ichigaya, Kuki, and Tsuruse plants (in the security offices). In conjunction with the installation of the AEDs, on September 14, we also launched a basic life support course (operation of the AED) at the Ichigaya Plant, with the cooperation of the Ushigome Fire Station. 17 people enrolled in the course.

The Ichigaya Publication Printing Operations have been offering courses in basic life support in cooperation with the Ushigome Fire Station since 1994, and up to now 670 people have completed the course. 51 of our staff took the AED course this year, and are ready to respond in an emergency.



Basic life support workshop and AED

DNP Group Natural Disaster Organization



*Emergency Earthquake Information: This earthquake information system analyzes seismic waves detected immediately after an earthquake through sensors located near faults, and provides information about the epicenter and seismic scale prior to the arrival of large quakes.

The Ginza Graphic Gallery celebrated its 20th anniversary, and more than 1 million visitors enjoyed the exhibits at our three galleries.

As a printing company, we are most involved in providing exhibitions of art and graphic design, which are related closely to our business. We seek to provide corporate philanthropy with originality, focusing on the graphic arts as suggested by our motto, "living side-by-side with our trade."

[ggg]20th anniversary

DNP opened "ggg" (Ginza Graphic Gallery) in Tokyo's Ginza in March 1986. Since then we have continued to specialize in introducing the creative works of Japanese and overseas artists and groups focusing on the themes of graphic design and printing, and in 2005 the Ginza Graphic Gallery celebrated its 20th anniversary. We have held 238 program exhibitions since our first exhibition featuring the works of Tadashi Ohashi, and over the years the gallery has had more than 760,000 visitors.

In addition to the Ginza Graphic Gallery, in 1991 we opened the ddd gallery in Dojima, Osaka, where, as the premier graphic design gallery in the Kansai area, we mainly focus on exhibitions of cutting edge artists from other countries. We also opened the CCGA (Center for Contemporary Graphic Art) in Sukagawa, Fukushima. It stores the Tyler Graphics Archive Collection of Tyler Graphics of the USA, which is well-known as a modern graphic arts center. In addition to regular exhibitions of the works it holds in storage, the Center also holds exhibitions of a wide range of modern art.

[Attendance at ggg-ddd-CCGA tops 1 million]

Cumulative attendance at our three galleries - ggg, ddd, and CCGA - topped 1 million in 2005. Attendance at the ddd alone exceeded 200,000, making this year a turning point. We will continue to present exhibitions so that more and

more people can encounter and enjoy the wonders of graphic design.

Graphic Art Archive

DNP established the DNP Archives of Graphic Design in 2000, where we take a proactive, organizational approach to collecting, storing, and archiving works of graphic design. The archives are maintained through the ggg, ddd, and CCGA, and we provide comprehensive information concerning graphic art.

The DGA is currently involved in collecting and storing poster art and related materials from the 1950's through the present, mainly focusing on Japan, with 5,400 objects currently stored in the database (as of March 2006). The collection is currently offered for exhibitions and loaned to art museums and educational facilities, as well as being made available for graphic design research and study.

<20-year history>

- March 1986 Opening of ggg
- October 1989 Sponsor of "Europalia '89" (Belgium) "Modern Japanese Poster Exhibition"
- September 1991 Renovation of ggg
- November 1991 Opening of ddd
- July 1992 First test exhibition at ddd, "Design, Print, and Paper"
- November 1992 Publication of "ggg Books"
- April 1995 Opening of CCGA
- December 1995 CCGA wins the "Display Design Award Grand Prix" (Japan Display Design Association)
- March 1996 ggg wins "Mainichi Design Award Special Award" for 10 years of activities (The Mainichi Newspapers)
- December 1996 ggg 10th Anniversary Exhibition/Mecenat Award of Outstanding Popularization of the Arts
- April 1997 CCGA holds the Graphics of James Rosenquist Memorial Lecture, "Artists and Rights in the Age of Multimedia"
- January 1999 One-line.com project 2nd Japan Media Arts Festival, "Excellence Prize" in Digital Art (Interactive Art) Division
- September 2000 CCGA holds the "DNP Archives of Graphic Design Inaugural Exhibition"
- February 2002 ggg begins trials of "gallery talks"
- March 2004 ddd changes its logo to ddd
- October 2004 ggg begins "creative tours"
- September 2005 ddd opens its "Creative Square" (formerly, "Solutions Square")

[ggg (Ginza Graphic Gallery)]



1F, DNP Ginza Bldg., 7-7-2
Ginza, Chuo-ku, Tokyo



- Established: 1986
- Total number of visitors: 760,000 persons

[ddd Gallery]

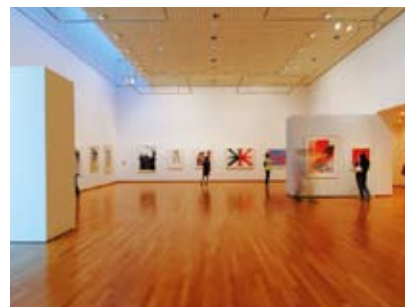


1F, Dojima AXIS Bldg., 2-28,
Dojimahama 2-chome, Kita-ku, Osaka



- Established: 1991
- Total number of visitors: 210,000 persons

[CCGA (Center for Contemporary Graphic Art)]



1, Miyata, Shiota, Sukagawa-shi,
Fukushima



- Established: 1995
- Total number of visitors: 55,000 persons

Expanding International Exchanges through Art Information

DNP is sponsoring the Japanische Plakate - heute (Japanese Posters Today) exhibition for 1 year and 10 months, from February 2006 through November



Poster from Japanese Posters Today exhibition

2007, at six national and public museums in four European countries- Germany, Switzerland, Czech, and Poland- in order to give the people an introduction to Japanese graphic design. This exhibition is made up of 132 posters selected from the excellent

Japanese design collection held by DGA. It focuses on comparing the works of leading modern Japanese graphic designers with those of young designers. Through this we hope to introduce the world to DGA's activities, which make up a part of DNP's contribution to cultural development.

We also opened the Maison des Musées de France (MMF) in Ginza in 2003, through a partnership with the Réunion des Musées Nationaux, which is supervised and operated by the French Ministry of Culture and Communication. The MMF provides a broad variety of information about French art museums, offering introductions to the art museums of France, access to information about exhibitions, and art seminars. The MMF also will continue to engage in various projects with French art museums, most importantly the Louvre.



Introduction of Director Hufnagl



MMF Information Center



Graphic design has made borderless networks possible.

Prof. Dr. Florian Hufnagl

Head Director of Die Neue Sammlung -
Bayern State Museum of Applied Arts and Design

The exhibition succeeded in highlighting stylistic changes and the transformation in printing technology that result from increasing digitization and globalization, as well as a certain degree of continuity that characterizes an unmistakably Japanese aesthetic sense. Thanks to their highly idiosyncratic graphic language, great expressiveness and sophistication in printing terms, Japanese posters play a leading international role in applied art.

We should like to express our particular thanks to DNP for the opportunity of presenting this subject-matter to an interested public in Europe and for their support for the project.

The leading institutions involved in this traveling exhibition are Die Neue Sammlung as its first stop, which also took charge of editing the catalogue, and the Museum of Applied Art in Prague, that was also responsible for the design of the catalogue. However, the exhibition does not only link DNP in Japan with Europe, it also joins together the participating museums in several countries throughout Europe. In fact, the tour has resulted in a cross-national network.

The galleries run by DNP, ggg in Tokyo and ddd in Osaka, are highly regarded throughout the world as communications centers for graphic design; being on show here is an excellent reference.

All these activities evidence DNP's unusual degree of commitment to the international exchange of ideas in the field of graphic design. It would make me happy if DNP were to successfully pursue this line of activities in the future, too, and to continue to offer internationally active museums the opportunity for cooperation agreements.

Seminars held

[ggg, ddd Gallery Talk]

Along with the graphic design exhibits held at the ggg Gallery in Ginza and the ddd Gallery in Dojima, we also conduct talk shows featuring graphic designers and art directors among students and professionals. (Admission is free.)



ggg: since 1995

- 12 times a year: a total of 142 shows
- Total number of participants: approximately 11,100 persons

ddd: since 1992

- 10 times a year: a total of 126 shows
- Total number of participants: approximately 11,000 persons

[MMF Art Seminars]

These are sponsored by the Maison des Musées de France (MMF) in Ginza, which provides information about art museums and works of art in France and sells museum goods. The lectures, the topics of which are different each time, are held at the DNP Ginza building and are led by museum curators, critics, and researchers.



Held since 2003: irregular dates; total of 21 lectures up to now.

- Cumulative of participants: Approx. 1,100

[The Ginza School]

This is an event that DNP organizes around the theme, "Let's Enjoy Thinking about Communication." Guest speakers from various circles address an audience of male and female participants of all ages, in an entertaining format.



Admission is 500 yen. Located in DNP's Ginza Annex, the event has been held 50 times since 1995, with a total of 4,500 people attending.

DNP Museum Information Japan Artscape wins the 2005 Japan Mecenat Awards

URL: <http://www.dnp.co.jp/artscape>

Artscape, DNP's art information website, specializes in art museum and artwork information, and receives around 1 million page views per month. The site has received high marks for its groundbreaking efforts for the past ten years, and in November 2005 it received the 2005 Japan Mecenat Awards, Mecenat Award

for Art information and Culture. We published the Artscape Chronicle 1995-2005: Art, Net, Museum, in both Web and bound formats, to commemorate winning this award.



Social Contribution (Local Communities)

With a sense of gratitude and a desire for harmony, we are moving forward with our local communities.

DNP conducts business in most regions of the world. We are engaged in a wide variety of programs together with the residents of local communities so as to create rich and safe societies.

Efforts in Japan

[100 Yen of Love Campaign] (DNP Technopack Kansai)

DNP Technopack Kansai, which is located in Kyoto, has continued its the 100 Yen of Love Campaign efforts for more than 20 years. This campaign, mainly operating through the work of volunteers from labor unions in the Kyoto area, is a drive to collect money from employees at summer and winter bonus time so that children living in institutions can have the opportunity to participate in camp and other events. Many of the employees also volunteer to work at summer camps, where they can get to know the children.



[Purchasing Fairtrade coffee] (DNP Facility Services)

DNP Facility Services has made the switch to Fairtrade coffee at the employee dining halls and client reception areas of all major DNP offices (Tokyo, Osaka). Fairtrade coffee is now also being sold at our My Shops, which are employee stores for food and household items.

DNP hopes through these efforts to contribute to the development of sound commerce in developing countries and to finding solutions to issues such as poverty and forced labor. In addition, we hope that this will help to popularize the Fairtrade concept in Japan, both within and outside our company.



[Award for Continuous Contribution to Red Cross Work] (My Point .com Japan)

My Point .com Japan placed a "Donate to the Japanese Red Cross Society" button on My Point, its free Internet point service point-exchange menu. Every 100 points donated in this way is matched by a 100yen donation from My Point members. My Point has been making donations in this way since April 2005. In recognition of their efforts, My Point received the "Silver Award" for distinguished service in contributing to Red Cross work (disaster relief efforts, international activities, medicine, etc.).



[Sponsorship of the Netday Summit in Kashiwa] (Dai Nippon Printing)

On Net Day, efforts are made, mainly by volunteers, to build school information networks throughout Japan. In August 2005, DNP sponsored the Netday Summit in Kashiwa, so that people involved in Netday activities could come from throughout Japan to exchange information.

DNP employees, who have been involved in these activities, mainly in the Gunma Prefecture area, for nearly 10 years, also participated as key members in this event. DNP is active in the information network business, so we are in accord with the aims of these activities, and seek to offer our support as one facet of our social contribution efforts.



[Contributions to the Printing Industry] (Dai Nippon Printing)

DNP is putting all of its efforts into displaying greater sensitivity toward the importance to society of the protection of personal information, in particular in light of full passage of the Act on the Protection of Personal Information in April 2005. An extremely great volume of personal information is handled by the printing industry. The entire industry must fully understand the importance of personal information protection and also must manage data properly so as to gain the confidence of society.

It was with this in mind that Personal Information Protection Q&A for the Printing Workplace was published by The Japan Federation of Printing Industries in February 2006. Having established our Personal Information Protection Policy in 1999, DNP has gained vast personal information management know-how, and we provided thorough back-up for the creation and publication of this book, dispatching our Personal Information Security Division experts to contribute to the editing. We also dispatched lecturers to the briefing held for Personal Information Protection Q&A for the Printing Workplace in March 2006, as part of our effort to ensure that it is fully understood.



Efforts Overseas

[YMCA Childcare Program] (DNP Electronics America)

DNP Electronics America has continuously participated in the Childcare Program held by the YMCA. Through this program, volunteers visit elementary school children forced to remain at school after lessons are over because their parents are still at work. The volunteers interact with the children through games and sports, in the hope of contributing to their sound development.



[In-House Apprenticeship for Local High School Students] (DNP IMS America)

DNP IMS America participates in the Bulldog Survival Camp program run by the Cabarrus County High School System of North Carolina. This program is designed to help prepare high-risk students for adjustment to life in society, and seeks to increase their interest in entering society and starting a career. 20 students from area high schools were accepted for two in-house apprenticeship periods in June and July 2005.



[Donating Notebooks to Local Elementary Schools] (DNP Indonesia)

DNP Indonesia distributed two notebooks apiece to approximately 5,000 elementary school students living in five villages in the vicinity of its plant, Karawang International Industrial City in West Java.

This program was undertaken in conjunction with the industrial park's residents' association as part of the overall effort to create mutual prosperity and harmony. The residents' association also conducts a variety of efforts, such as contributing scholarship funds to middle and high school students.



[Scholarships for Local Community Colleges] (DNP IMS America)

Since its founding in 1995, as part of its social contribution efforts DNP IMS America has donated \$50,000 in scholarship funds to Rowan-Cabarrus Community College (RCCC), which is located near company headquarters. About \$30,000 of that amount was due to an increased contribution commemorating the 10th anniversary of the founding of the company in 2005.



[Accepting Internships from Europe] (Dai Nippon Printing)

DNP participates in the Vulcanus in Japan Program sponsored by the Eu-Japan Centre for Industrial Cooperation, offering corporate internships to European polytechnic and university students. This program offers one-year internships annually, beginning in September and ending in August of the following year, to the young people who hold the key to future Japan-Europe relations. Students from Latvia and Malta sharpened their skills in 2005.



I came to study electronics.

Linards Grigans

Vulcanus in Japan Program Internship Student (Republic of Latvia)
Electronic Devices Laboratories

I came here to pursue the study of electronics, which is my major at my university in the Republic of Latvia. I learned about the internship program from an article in my university newspaper. I think this is an excellent opportunity to learn about the business and environment of a Japanese company, as well as to become familiar with Japan's unique culture and spirit. Through the internship program, I have been able to make a lot of friends from many different countries. The people at the workplace have been very kind and friendly, and any time I need help with a problem at work everyone in the office comes to lend a hand. One thing I would like ask of DNP is that they offer more training and seminars for interns.

DNP seeks to make social contributions as we interact with society through our core business.

We are pouring our efforts into contributing to society by applying our core business printing technology to areas such as culture and medicine. Our entire Group is seeking to expand the range of our contribution to the creation of a rich, sustainable society through our everyday business.

<Preserving Important Cultural Assets through Printing Technology>

We draw upon our printing technology in our efforts to preserve cultural assets.

Many of Japan's traditional cultural assets have been written or drawn on easily perishable material, such as wood or paper. In addition, concern about degradation due to the rapid changes in the global environment is creating greater interest in the preservation of cultural assets. DNP Media Create Kansai inaugurated the "Takumi"(Meister) Project in 2000, and began working to preserve important cultural assets for the next generation through the method of digital reproduction, which puts to use DNP's printing technology. In the past, the facsimile reproduction technique was widely used to preserve cultural assets. This process, however, takes a long time, and in some cases the nuances of the picture are altered due to the interpretations or subjectivity of the artist reproducing the work. At the same time, it remains difficult to respond to unanticipated situations, such as natural disasters or damage caused by people. Through sufficient prior examination and inspection with the supervising editor, the latest technologies, such as digital image processing using computer technology, DTP editing that digitizes the prepress process, and production methods that include the use of actual gold leaf in our

own special processing/gold leaf printing (patent no. 3789693), DNP's digital reproduction allows for world-class reproduction of cultural assets and works of art through printing technology.

We have been working to create reproductions of partition paintings and other works of art in the Okyo Hall of the Tokyo National Museum, primarily those of Maruyama Okyo from Daijōji Temple in Kami, Hyogo Prefecture, including "Matsunikujakuzu," "Kakushigizu," and

"Sansuizu," and other cultural assets of historical importance. There are many paintings and examples of calligraphy that are composed on parts of buildings such as walls or sliding screens, so by substituting "digital reproductions" for originals on these items we can impart a sense of the richness of ancient artistic spaces. DNP will continue pursuing this important cultural work as part of our efforts toward social contribution.



We are making contributions through reproduction technology, which is the basis of printing.

Yoshio Imanaka

"Takumi" Project, Meister
DNP Media Create Kansai



I can combine the experience I have gained working from my 20's into my 60's in the planning, technology, prepress, printing, production management, and quality assurance fields in this dynamic project, which is representative of our desire to further the superiority of DNP's technology. We are working to reproduce the highly-skilled brushwork, line strength and density, cracks, and colors of the original paintings, by using the technologies and experience we have developed through printing. This project covers the entire process, from preliminary inspection and photography through printing and framing, and I have had to put a lot of study into learning about areas new to me, such as selection and development of Japanese paper, adhesive, and ink. I am very proud to be in contact with such treasured cultural assets, and to be able to participate in the preservation of cultural assets to be passed on to future generations, which I view as deeply significant from a social perspective.



Collaboration with Universities

Industry-academia collaboration entails the creation of new values through joint research conducted by universities,

research institutions, and industry. University research activities help to fulfill an educational institution's important social mission of developing excellence in the young people who will lead the next generation. DNP takes a serious approach toward maintaining strong collaboration with universities.

<Keynote Speech at the Tokyo-Kansai Four-University Forum>

President Kitajima delivered the keynote speech at the Industry-Academia-Government Collaboration Forum (Sponsor: Ministry of Education, Culture, Sports, Science and Technology; Second Sponsor: Ministry of Economy, Trade and Industry / Nippon Keidanren, others), which was set up according to three frameworks - Marrow, Truth, and New- for industry-academia-government collaboration by four universities (Keio, Waseda, Ritsumeikan, Doshisha).








President Kitajima noted that printing, an applied technology that has expanded to many areas of business as it continued to develop, has relationships with a wide variety of industries as well as many ties to academia, and in his keynote speech he addressed the forum as a representative of industry. In his speech, he described the efforts of industry and academia working in collaborative efforts from the basic research stage through business creation, and the desire for government support in that process. He also noted the importance of structures for joint use by universities and industries of intellectual property assets and for personnel exchange, as well as the importance of dialogue between universities, industry, and government organs.

Cooperating with Universities

| Description of cooperative activities | Case Example |
|--|--|
| Courses | Offering a course called "Nanomedicine DNP" at Tokyo Medical and Dental University, we cooperate with the university to promote research to find applications of printing technology in the field of regenerative medicine for organs, for which there are great expectations in the future. We also have established an "Art Management Course" and an "Introduction to Entrepreneurship" course at Keio University. |
| Providing instructors | For universities that promote research in new media, we offer courses in the development of information technology in the printing industry. |
| Scholarships and grants | DNP provides scholarships and grants to several active universities and researchers in Japan and abroad to fulfill their aim in creating a ubiquitous networking society. These scholarships and grants are actually donations, given free of charge, for which we do not expect direct compensation. We also offer scholarships at Waseda University and The University of Tokyo, where joint research related to the emergently evolving society is being conducted |
| Joint-research and commissioned research | We commission research and promote joint-research at universities expected to yield direct results in research and development for the printing industry. Depending on the circumstances, we provide researchers from our company to take part in joint-research activities, in order to obtain valuable results through close exchange. These research activities are conducted in various forms, with some, for example, receiving special project budgets from the national government, and others becoming the basis of the funding of venture businesses that originate from the university and are expected to produce results early on. We have also launched the "SFC-DNP Project" with Keio University. |

DNP has received a number of awards in recognition of our CSR efforts.

The expectations of our stakeholders are high, and we have been given high marks from them for our efforts in areas such as technology, personnel policies, and corporate philanthropy. We will continue to strive to maintain the confidence of all of our stakeholders.

| Date | Name of evaluation / Name of award | Details | |
|------------|---|---|---|
| | Sponsor / Examining Organization | | |
| 2005.6.10 | 29th Kinoshita Prize Research and Development | For development of Untouch-through Stand Retort Type microwaveable retort food pouch. The ability to microwave the retort food without opening it, its superior oxygen and steam barrier after retort sterilization, its superior impact strength, sealing and opening characteristics resulted in an overall excellent evaluation. |  |
| | Japan Packaging Institute | | |
| 2005.10.18 | 2006 Family Friendly Award, Tokyo Labour Bureau Director's Prize | For implementation of DNP's own back-to-work program supporting a balance between work and home, and for efforts to create a comprehensive policy for supporting this balance |  |
| | Ministry of Health, Labour and Welfare | | |
| 2005.11.22 | 2005 ICCJ Award | For making the greatest contribution to Japanese-Italian commercial relations For the establishment of DNP Photomask Europe in the Milano area and cultural contributions |  |
| | Italian Chamber of Commerce in Japan | | |
| 2005.11.24 | 2005 Recommended Company Magazine, Editor's Award / Recommended Company Video Magazine, Media Award | Award system for superior company communications implemented annually with the goal of promoting company communications useful in management |  |
| | Nippon Keidanren | | |
| 2005.11.25 | 2005 Japan Mecenat Awards Mecenat Award for Art Information and Culture | For the valuable role of the art information website DNP Museum Information Japan "Artscape" in providing Japanese art information for the past ten years |  |
| | Association for Corporate Support of the Arts, Japan | | |
| 2005.11.28 | Second Annual France-Japan Investment Awards(Manufacturing) | For contribution to economic development through direct investment between France and Japan For the establishment in France of CDO which produces and sells FAX paper in France, and for the establishment of DNP IMS France, a sales company, as well as for cultural contributions |  |
| | Invest in France Agency (AFII) | | |
| 2005.12.29 | In the running for the 8th Nikkei Annual Report Award | Recognition received for original design employing ukiyoe, which are popular in foreign countries, and for easily understood explanations of DNP's basic technologies and the products it has developed |  |
| | Nihon Keizai Shimbun | | |

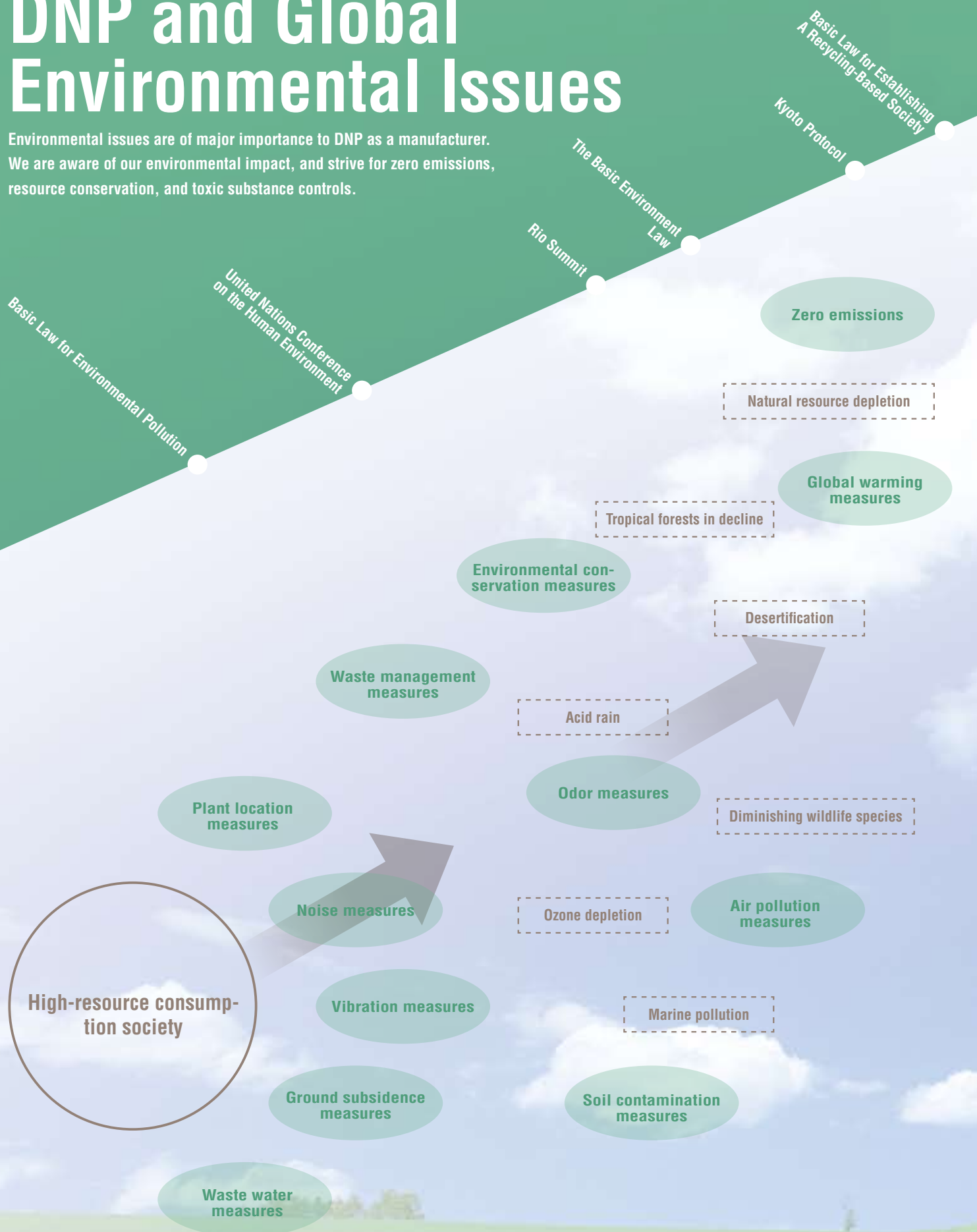
Prizes Received by Group Companies or Business Divisions

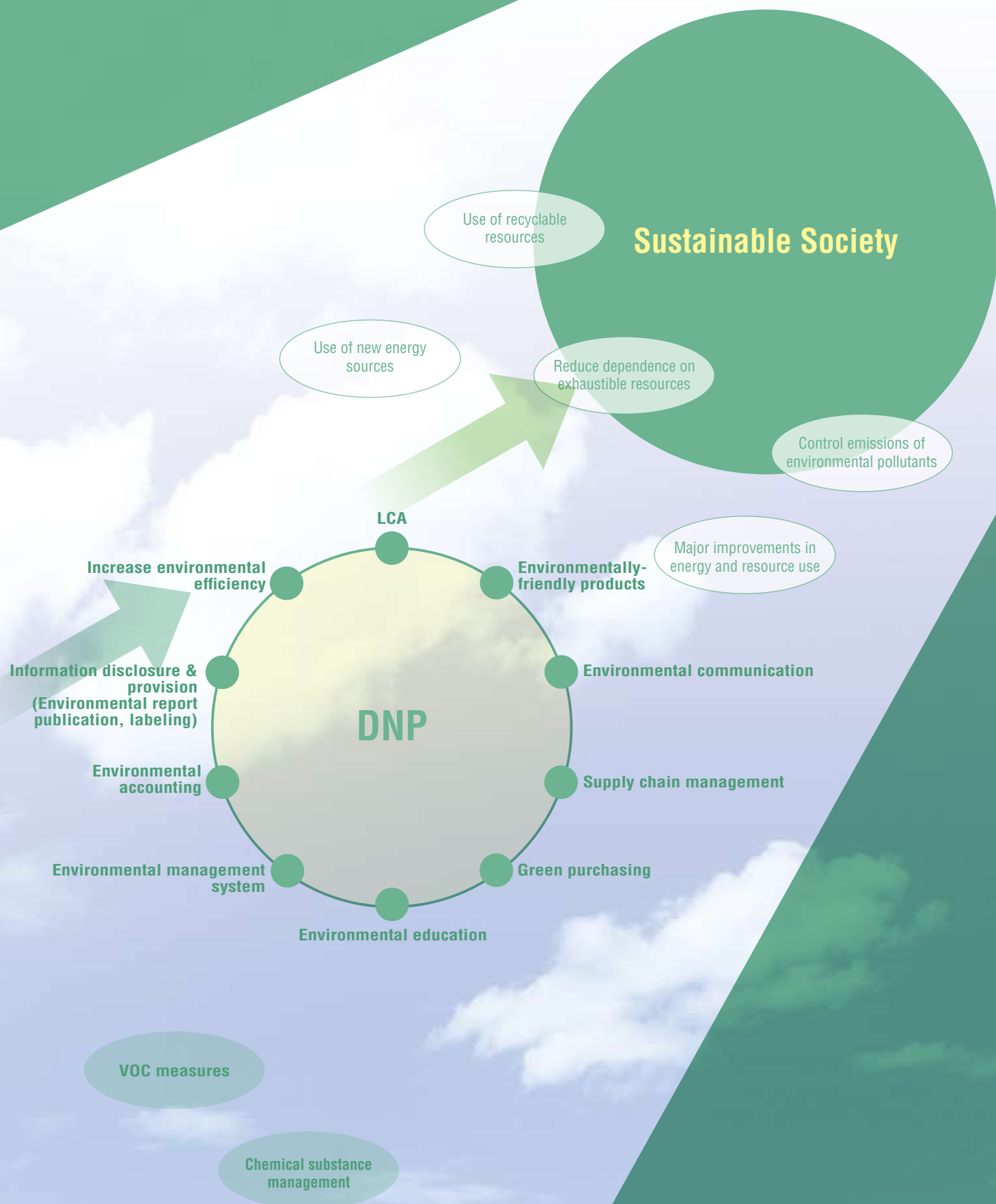
| Date | Division Receiving Award | Name of evaluation / Name of award received / Name of award | Sponsor / Examining body |
|------------|--|---|--|
| 2005.6.14 | DNP Facility Services | 2005 Precision Control Superiority Award | Japan Association for Working Environment Measurement |
| 2005.6.22 | Production Division, Decorative Interiors Operations (Tokyo) | Fire and Disaster Management Agency Chief Officers Award (Superior Handling of Dangerous Items by a Business) | Fire and Disaster Management Agency |
| 2005.9.9 | DNP Technopak Yokohama | 2006 Hiring of the Disabled Promotion Convention (Kanagawa Governor's Award) | Kanagawa Prefecture Kanagawa Hiring of the Disabled Promotion Association |
| 2005.9.9 | DNP Data Techno Kansai | Nara Prefecture Hiring of the Disabled Promotion Association Chairman's Award | Nara Prefecture Hiring of the Disabled Promotion Association |
| 2005.10.7 | Individual Award: Toshihiko Shimizu, (Then-) Manager, DNP Data Techno Kansai | Nara Prefecture Labor Standards Association Chairman's Award | Nara Prefecture Labor Standards Association |
| 2005.10.13 | DNP Data Techno Kansai | 2006 "Family Friendly Award", Nara Labour Bureau Director's Prize | Ministry of Health, Labour and Welfare |
| 2005.10.21 | DNP Tokai | 2006 "Family Friendly Award", Aichi Labour Bureau Director's Prize | Ministry of Health, Labour and Welfare |
| 2006.2.1 | Individual Award: Masaaki Suzuki, Assistant Manager, Production Division, Ichigaya Publication Printing Operations | 2006 Health, Labour and Welfare Minister's Award for Superior Work Safety | Ministry of Health, Labour and Welfare |
| 2006.3.20 | DNP Tohoku | 2006 Superior Supplier Award | Nippon Becton Dickinson Company |
| 2006.3.31 | My Point .com Japan | Silver Award | Japanese Red Cross Society |

[Environment]

DNP and Global Environmental Issues

Environmental issues are of major importance to DNP as a manufacturer. We are aware of our environmental impact, and strive for zero emissions, resource conservation, and toxic substance controls.





Eco-Report System is DNP's own environmental management system created in 1993 with the goal of attaining the DNP Group environmental targets. It forms the basis of our environmental management efforts.

PDCA (Plan-Do-Check-Action) is developed over biannual cycle using three tools - the DNP Group Eco-Report, the Site Eco-Report, and the Environmental Guidelines - and is directly connected to the making of continuous improvements. The main themes of our environmental ef-

forts are those that gain us recognition as a company and that actually get results in contributing through environmental management for the realization of a resource circulation society. These include green purchasing, reducing the environmental impact of our production processes, developing and selling products that are even more environmentally-friendly, and reducing the environmental impact of the shipping process.

[Environmental Policies and Targets]

The DNP environmental policies and targets are decided by the DNP Environmental Committee at its head office and reviewed on a regular basis in light of global and customer trends, and the status of company wide activities.

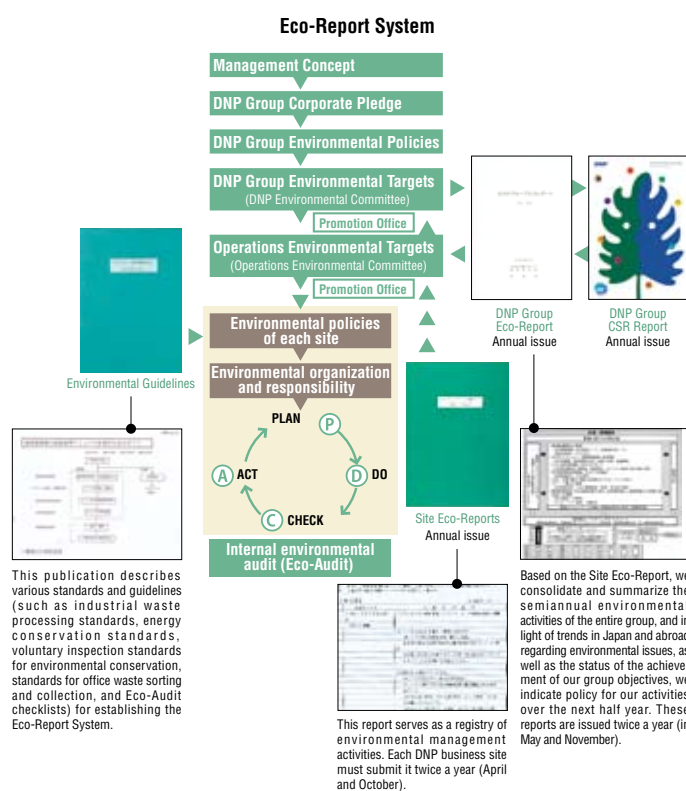
The policies and targets specified herein are widely communicated throughout the company from the headquarters promotion office to the environmental committee and promotion office in each operations.

[Implementing Activities at the Site]

When implementing specific activities, each site conducts environmental activities as stipulated in the DNP Environmental Guidelines. Activities are recorded monthly in the Site Eco-Report. On a six month basis, results are assessed and targets are set for the next six month period. In addition, site activities are audited once a year to ascertain if they comply with regulations and to see the achievement of targets for the overall group. This is done to ensure the improvement of environmental activities.

[Flow for the Disclosure of Environmental Information]

The headquarters promotion office publishes DNP Group Eco-Report covering company wide activities twice a year, based on changes in social environmental trends and the Site Eco-Reports from each operation. This is the Group's white paper on environmental activities. Following publication of the report, management goes out to each site to resolve problems at a particular site or the positioning of each problem within the Group for the purpose of mutually understanding environmental information and pinpointing important issues that exist among operations. The paper also supports the sharing of information and ascertaining future key topics. Furthermore, once a year, this DNP Group CSR Report is published to inform of our environmental management activities over the past year.



Be the world's corporate leader in environmental conservation.

Saburo Kato

Chairman, Japan Association of Environment and Society for the 21st Century
President, Research Institute for Environment and Society

The DNP Group's environmental efforts are nothing less than earnest. One finds descriptions on every page of the simple and honest implementation of basic environmental measures, such as setting up a policy, establishing goals and targets, making regular revisions, implementing continuous improvements, and preventing pollution. One especially notable item in this report is the significant increase in environmentally-friendly products, in which a conscious attempt is made to use environmentally-friendly materials and to eliminate those that are hazardous. I would like to see DNP attempt, if possible, to make all of its products environmentally-friendly. DNP, as a signatory of the UN Global Compact, should attempt to position itself as the world's corporate leader in environmental conservation.

In terms of things DNP needs to continue to work on, implementing measures to reduce CO₂ emissions resulting from transport would be an important step. DNP is currently no closer to achieving its goal for per-unit fuel use. I would hope they will achieve this after 2006. DNP should also put more effort into reducing the incidence of unusable items and on improving the recycling rate.

Eco-Audit to further improve our Eco-Report System

We conducted Eco-Audits at 58 sites in FY2005. We are confirming that appropriate corrective actions are being taken for all items designated “improvement required” or “improvement consideration & examination.”

Features

The DNP Group has been conducting eco-audits for environmental issues in the company since 1996. The promotional office at company headquarters plans, selects a team of auditors, carries out the plans, and performs the appropriate verification on the corrective action response papers. The chair of the Environment Committee at headquarters then approves the results of the audit and the corrective action response papers.

Feature (1)

By bringing together the expertise inherent in the products and manufacturing processes and the independence of the sites, the auditors are able to obtain significant and objective results from their auditing.

Feature (2)

In the Eco-Audit we place importance on in on-site confirmation of actual items. In addition, we point out factors for which danger is projected and request preventive action when needed.

Feature (3)

In addition to confirmation on compliance, we confirm the status of continuous improvements and corrections being made towards the achievement of the environmental targets. When necessary, we require audited sites to review plans (Compliance audit and operations audit).

Results

We conducted Eco-Audits on 58 sites in FY 2005.

Items requiring improvement, pointed out through the audit, include legally conflicting items such as inadequacies in the legal descriptions at waste product management facilities, and defects regarding notification of specified facilities. All of the items indicated, however, were addressed in the corrective action response papers submitted by the sites in question, and it was confirmed that the appropriate corrective actions taken.

Analyzing the contents of the indicated items and deciding on which items action should be taken, we will follow up during the Eco-Audit for FY 2006.

2005 Eco-Audit Performance

| | |
|------------------------------|-------------|
| Number of sites audited | 58 sites |
| Number of attendees at sites | 416 persons |
| Cumulative auditor numbers | 123 persons |
| Cumulative auditing hours | 587 hours |

Types of Notifications and Corrections Issued in the Eco-Audit

| Types of Notifications | Corrections |
|---|---|
| Improvement required | Submission of a written description of correction measures performed or improvement plans |
| Improvement consideration & examination | Submission as necessary of a written description of results of consideration/examination or improvement plans |



Confirming the site and actual items



Collecting data by phoning directly



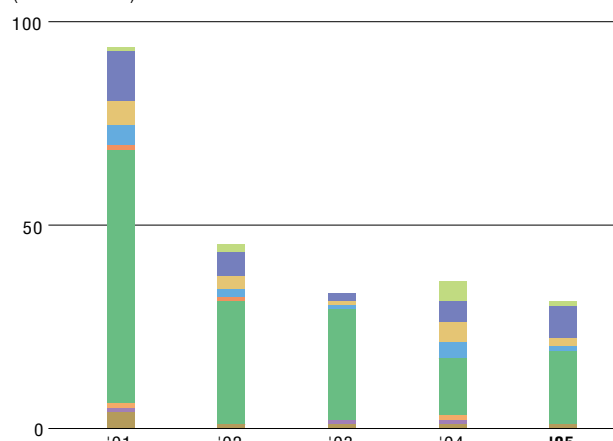
Confirming the traceability of data

Features Regarding the Expertise and Independence of Eco-Audits

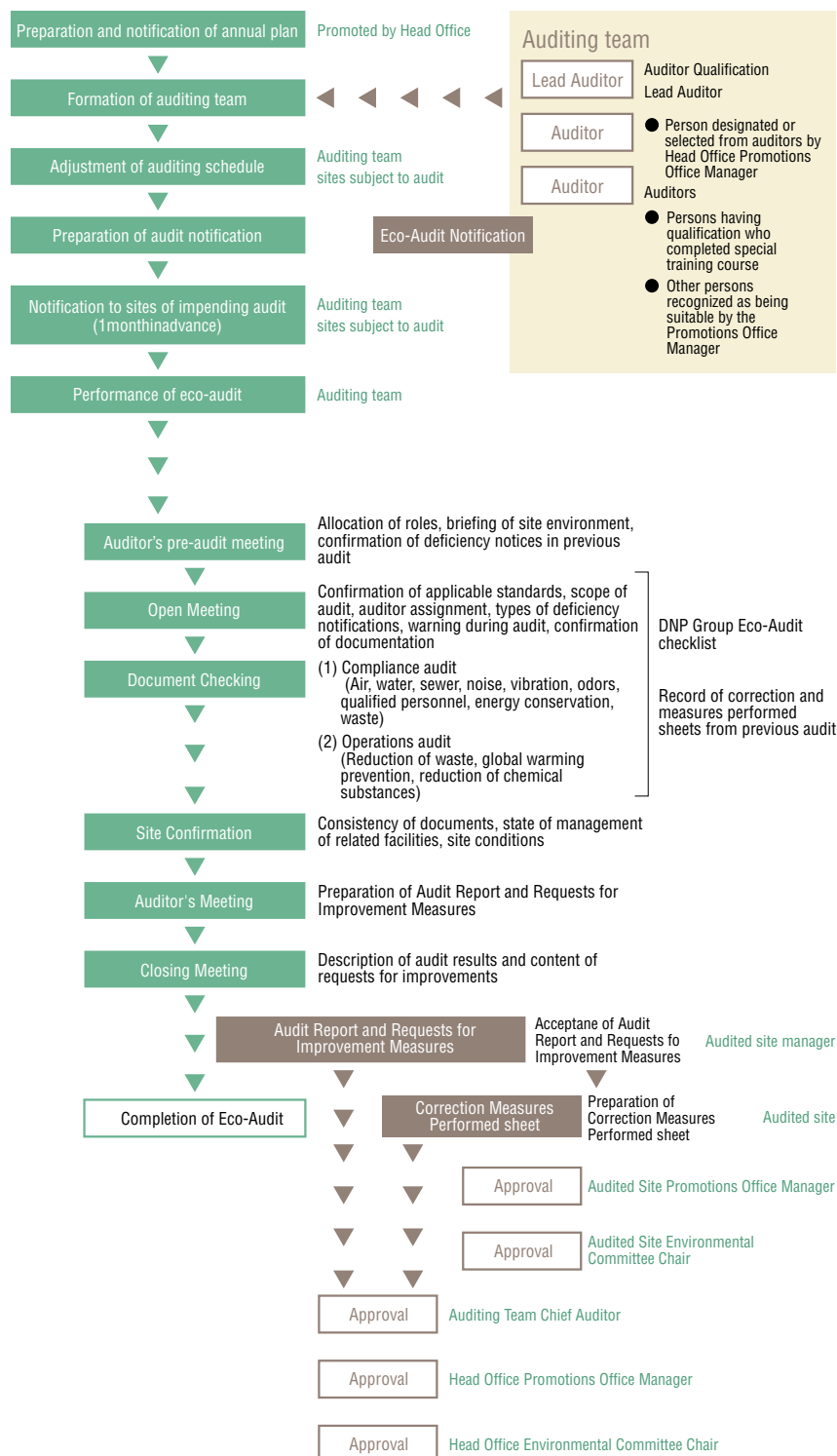
| Type of Audit | Expertise of auditors regarding products and manufacturing processes | Independence of auditors (sites) |
|-------------------------|--|----------------------------------|
| Eco-Audit | ○ | ○ |
| ISO14001 External Audit | △ | ○ |
| ISO14001 Internal Audit | ○ | - |

(We promote ISO14001 certificates for each site. See p. 75.)

Number of Notifications Issued for “Improvement Required” in Eco-Audit (Number issued)



| | | | | | |
|--------------|-----------|-----------|-----------|-----------|-----------|
| Air | 1 | 2 | 0 | 5 | 1 |
| Water | 12 | 6 | 2 | 5 | 8 |
| Noise | 6 | 3 | 1 | 5 | 2 |
| Vibration | 5 | 2 | 1 | 4 | 1 |
| Odor | 1 | 1 | 0 | 0 | 0 |
| Waste | 62 | 30 | 27 | 14 | 18 |
| Energy | 1 | 0 | 0 | 1 | 0 |
| Dioxin | 1 | 0 | 1 | 1 | 0 |
| Organization | 4 | 1 | 1 | 1 | 1 |
| Total | 93 | 45 | 33 | 36 | 31 |

Step in Eco-Audit**<Eco-Audit Contents>****Compliance Audit****(1) Document Audit**

Site location
 Type and number of statutory facilities
 Types of waste
 Energy Consumption
 Exhaust and wastewater channels
 Changes in facilities, production processes since the last audit
 Applicable laws
 State of improvement of notifications of deficiencies in previous audit
 State of submission of statutory notifications, reports, and changes
 Frequency of measurement, validity of measured data, traceability of data
 Changes in management personnel due to internal transfers

(2) On-site Inspections

Site location and relationship with surrounding sites
 Conformity to statutory facility document audit (type, number, scale, etc.)
 State of management of individual facilities and equipment, existence of abnormalities
 Emergency containment in case of abnormality or emergency
 Site picture taking
 Appropriateness of actual work performed

Operations Audit

- Confirmation of validity of site policy and established targets
 Performance in the previous term
 Consistency with DNP Group policy
 Continuity of performance in previous term
 Validity of established targets
- Confirmation of the validity of implementation programs
 Consistency between targets and programs
 Effectiveness of the programs
 Possibilities of the programs
 Possibilities of fulfillment of the programs
 Promotion system and schedule
- Confirmation of achievement of implementation items, performance and targets
 Records of activities performed
 State of progression of the programs
 Effects of the programs performance of indicator and achievement of targets

The following consolidated manufacturing sites are subject to disclosure in this report.

Hokkaido/Higashi-ku, Sapporo

- DNP Hokkaido
Plate-making/printing/bookbinding/manufacturing of packaging (BC*)

Kiyota-ku, Sapporo

- Sapporo Plant, Hokkaido Coca-Cola Bottling
Beverage manufacturing (BC)

Miyagi/Miyagino-ku, Sendai

- DNP Tohoku
Plate-making/printing/bookbinding/manufacturing of packaging (BC)

Fukushima/Izumizaki, Nishi Shirakawa

- Izumizaki Plant, DNP Technopack
Plate-making/printing plate/printing (Lifestyle and Industrial Supplies)

Tochigi/Nishikatacho, Kamitsuga

- DNP Graphica
Printing/bookbinding (Information Communication)

Ibaraki/Ushiku

- DNP Data Techno
Manufacturing of various types of Smart cards (Information Communication)

Saitama/Otone, Kita Saitama

- Otone Plant, DNP Precision Devices
Manufacturing of electronic parts for displays (Electronics)

Shiraoka, Minami Saitama

- Shiraoka Plant, DNP Offset
Offset printing (Information Communication)

Kawaguchi

- Kawaguchi Plant, DNP Offset
Offset printing (Information Communication)

Miyoshi, Iruma

- Tsuruse Plant, Ichigaya Publication Printing Operations
Plate-making/printing plate/printing/bookbinding (Information Communication)
- Tokyo Plant, DNP Kenzai
Plate-making/printing plate/printing/processing (Lifestyle and Industrial Supplies)
- Tsuruse Plant, DNP Opto-Materials *1
Manufacturing of electronic precision parts (Lifestyle and Industrial Supplies)

Warabi

- Warabi Plant, IPS Operations**2
Plate-making/printing/processing (Information Communication)

Sayama

- Sayama Plant, DNP Technopack
Plate-making/printing plate/printing (Lifestyle and Industrial Supplies)
- DNP Cup Techno
Molding and processing of various types of paper containers (Lifestyle and Industrial Supplies)
- Sayama Plant, DNP IMS
Manufacturing of thermal transfer carbon ribbons (Lifestyle and Industrial Supplies)

Fujimino

- Kamifukuoka Plant, DNP Fine Electronics/DNP Precision Devices
Manufacturing of electronic precision parts (Electronics)

Kuki

- Kuki Plant, Ichigaya Publication Printing Operations
Printing/bookbinding (Information Communication)
- Kuki Plant, DNP Fine Electronics/DNP Precision Devices
Manufacturing of electronic precision parts (Electronics)

Chiba/Kashiwa

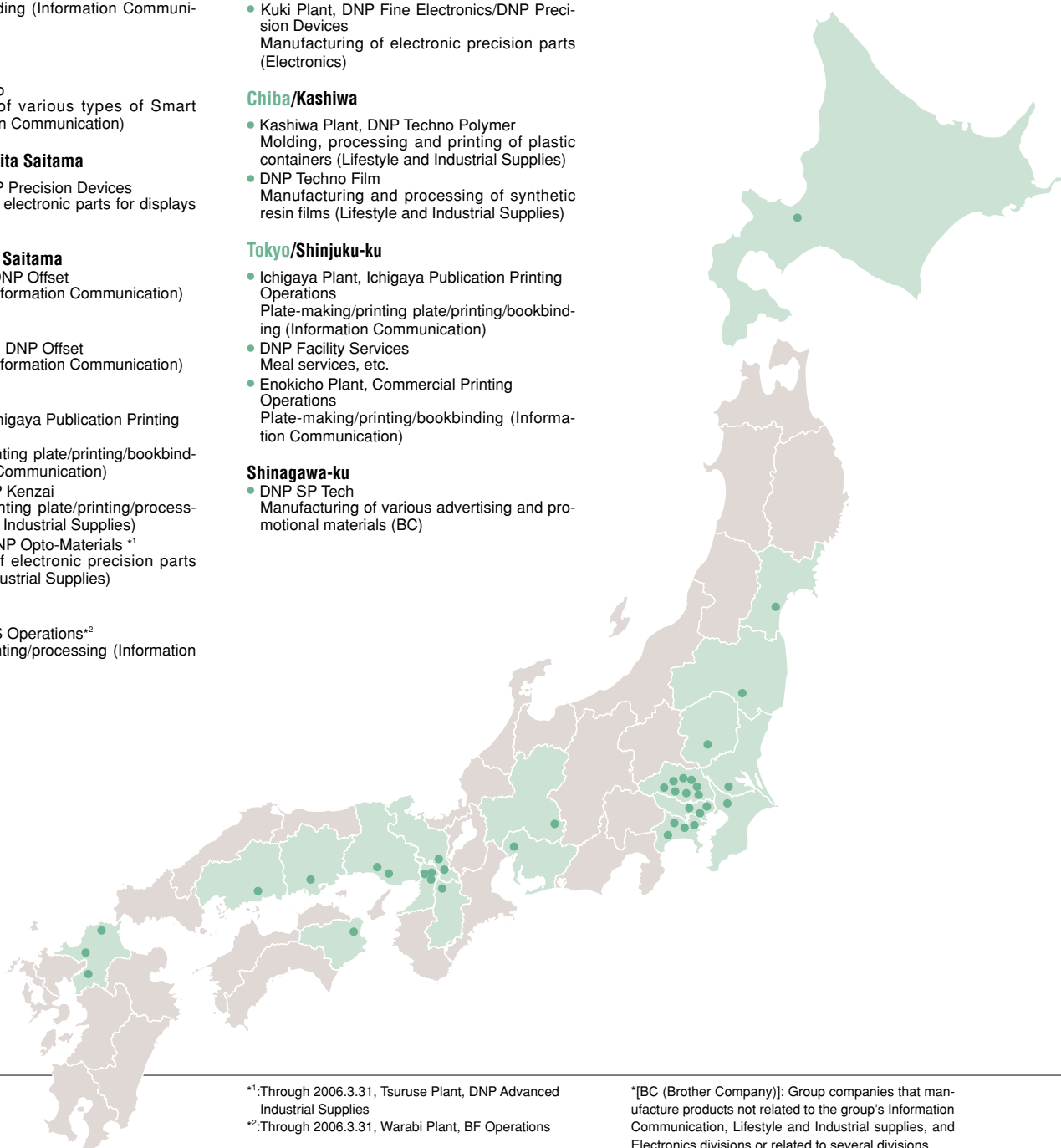
- Kashiwa Plant, DNP Techno Polymer
Molding, processing and printing of plastic containers (Lifestyle and Industrial Supplies)
- DNP Techno Film
Manufacturing and processing of synthetic resin films (Lifestyle and Industrial Supplies)

Tokyo/Shinjuku-ku

- Ichigaya Plant, Ichigaya Publication Printing Operations
Plate-making/printing plate/printing/bookbinding (Information Communication)
- DNP Facility Services
Meal services, etc.
- Enokicho Plant, Commercial Printing Operations
Plate-making/printing/bookbinding (Information Communication)

Shinagawa-ku

- DNP SP Tech
Manufacturing of various advertising and promotional materials (BC)



*1:Through 2006.3.31, Tsuruse Plant, DNP Advanced Industrial Supplies

**2:Through 2006.3.31, Warabi Plant, BF Operations

*[BC (Brother Company)]: Group companies that manufacture products not related to the group's Information Communication, Lifestyle and Industrial supplies, and Electronics divisions or related to several divisions.

*DAP Technology one of the equity-method affiliates, has been included in the scope of disclosure in recognition of its importance. Please refer to page 76 for information of our overseas business sites.

Kita-ku

- Akabane Plant, Ichigaya Publication Printing Operations
Printing (Information Communication)
- Akabane Plant, Commercial Printing Operations
Plate-making/printing/bookbinding (Information Communication)
- DNP Seihon
Bookbinding (BC)
- DNP Logistics
Packaging/shipping (BC)
- DNP Hoso
Processing of filling and packaging (BC)
- D.N.K
Printing and manufacturing of machine tools (BC)

Kanagawa/Tsuzuki-ku, Yokohama

- DNP Technopack Yokohama
Plate-making/printing plate/printing (Lifestyle and Industrial Supplies)

Midori-ku, Yokohama

- Tokyo Plant, The Intec
Manufacturing of ink, varnish, pigments and dyes (BC)

Odawara

- Sagami Yoki
Manufacturing of laminated tubes (Lifestyle and Industrial Supplies)

Aikawa, Aiko

- Tokyo Plant, DNP Ellio
Printing and processing of metal sheets (Lifestyle and Industrial Supplies)

Saiwai-ku, Kawasaki

- DT Fine Electronics
Manufacturing of semiconductor photomasks (Electronics)

Gifu/Nakatsugawa

- DNP Technopack Tokai
Manufacturing/printing/processing of packaging (Lifestyle and Industrial Supplies)

Aichi/Moriyama-ku, Nagoya

- DNP Tokai
Printing/bookbinding/manufacturing of packaging (BC)

Kyoto/Minami-ku, Kyoto

- Kyoto Plant, DNP Fine Electronics
Manufacturing of electronic precision parts (Electronics)

Ukyo-ku, Kyoto

- Kyoto Plant, DNP Technopack Kansai
Plate-making/printing plate/printing (Lifestyle and Industrial Supplies)

Kyotanabe

- Tanabe Plant, DNP Technopack Kansai
Plate-making/printing plate/printing (Lifestyle and Industrial Supplies)

Nara/Kawanishi, Shiki

- DNP Data Techno Kansai
Plate-making/processing (Information Communication)

Osaka/Hirakata

- Kansai Plant, The Intec
Manufacturing of ink, varnish, pigments and dyes (BC)

Neyagawa

- Neyagawa Plant, DNP Media Create Kansai
Printing (Information Communication)
- Kansai Plant, DNP Techno Polymer
Molding, processing and printing of plastic containers (Lifestyle and Industrial Supplies)
- Osaka Plant, DNP Ellio
Printing and processing of metal sheets (Lifestyle and Industrial Supplies)

Hyogo/Kita-ku, Kobe

- Kobe Plant, DNP Kenzai
Printing/processing (Lifestyle and Industrial Supplies)

Ono

- Ono Plant, DNP Media Create Kansai
Plate-making/processing/bookbinding (Information Communication)

Okayama/Okayama

- Okayama Plant, DNP IMS
Manufacturing of dye-sublimation transfer materials (Lifestyle and Industrial Supplies)
- Okayama Plant, DNP Kenzai
Plate-making/processing (Lifestyle and Industrial Supplies)
- Okayama Plant, DNP Opto-materials*³
Manufacture of electronic parts, etc. (Lifestyle and Industrial Supplies)

Hiroshima/Mihara

- Mihara Plant, DNP Precision Devices
Manufacturing of electronic precision parts (Electronics)

Tokushima/Tokushima

- DNP Shikoku
Plate-making/printing/manufacturing of packaging (BC)

Fukuoka/Yahatanishi-ku, Kitakyushu

- Advanced Colortech
Manufacturing of color filters (Electronics)

Tobata-ku, Kitakyushu

- DAP Technology
Manufacturing of rear panels for plasma (Electronics)

Minami-ku, Fukuoka

- Fukuoka Plant, DNP Nishinippon
Plate-making/processing/bookbinding/manufacturing of packaging (BC)

Chikugo

- Chikugo Plant, DNP Nishinippon
Plate-making/processing/bookbinding/manufacturing of packaging (BC)

Other Domestic Consolidated Affiliates

- DNP Art, DNP Total Process Ichigaya, DNP Uniprocess, and DNP Techtas Ichigaya are covered under a portion of the Ichigaya Plant, Ichigaya Publication Printing Operations
- DNP Butsuryu Systems Ichigaya is covered as a division of the plants under the Ichigaya Publication Printing Operations (Ichigaya Plant, Tsuruse Plant, Kuki Plant and the Akabane Plant)
- DNP Media Create and DNP Butsuryu Systems Shouin are covered as a division of the Enokicho Plant, Commercial Printing Operations
- DNP Total Process BF and DNP Techtas BF are covered as a division of the Warabi Plant, IPS Operations
- DNP Micro Technica is covered as a division of the Kamifukuoka Plant, DNP Fine Electronics
- Of the companies treated as consolidated companies under financial accounting practice, we excluded 12 companies without manufacturing divisions, such as DNP Trading

Overseas Consolidated Manufacturing Affiliates

- DNP IMS America (US, processing thermal transfer ribbons)
- DNP Electronics America (US, manufacturing and sales of precision electronics parts)
- DNP Denmark (Denmark, manufacturing and sales of precision electronics parts)
- Tien Wah Press (Singapore, plate-making/printing/bookbinding)
- DNP Indonesia (Indonesia, plate-making/printing/bookbinding, manufacturing and sales of packaging)
- DNP Photomask Europe (Italy, manufacturing and sales of precision electronics parts)

*³:Okayama Plant, DNP Advanced Industrial Supplies until March 31, 2006.

Current Status of Environmental Impact

Each segment has its own environmental impact due to the differences in the manufacturing processes

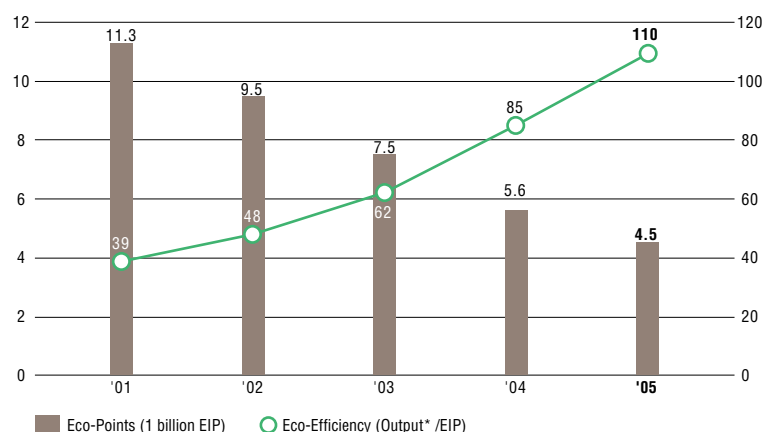
The Information Communications Segment uses a significant amount of raw materials (paper), while the Lifestyle and Industrial Supplies Segment uses solvents and the Electronics Segment used and discharged water.

The DNP Group manufactures a variety of different products closely related to the everyday lives of consumers, which consist of main materials as film, plastic, metal (iron, aluminum, etc.) and/or ink.

The Information Communications Segment, which mainly manufactures magazines and other printed material through offset printing, uses a great amount of paper. The Lifestyle and Industrial Sup-

plies Segment, is one of the biggest users of solvents in the DNP Group as it manufactures packaging, construction and other industrial materials and uses solvents for its gravure printing, coating and lamination. The Electronics Segment uses and discharges great amount of water in proportion to the rest of the Group for its shadow masks and lead frames.

Trends in Eco-Efficiency

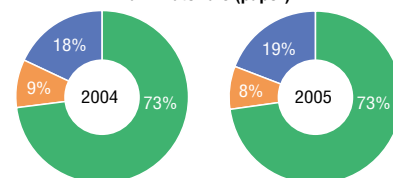


The DNP Group evaluates eco-efficiency using JEPIX*. We are improving our eco-efficiency by reducing pollutants such as air pollution and photochemical oxidants through measures to reduce atmospheric emissions of VOCs (volatile organic chemicals). The focus in JEPIX is mainly on the on-site environmental impact, with a notable aspect being that reducing emission amounts of chemicals listed in the PRTR Law has a significant effect on the improvement of eco-efficiency. We are working to improve our eco-efficiency through maintaining awareness of these items.

Main materials

| | 2004 | 2005 |
|---------|----------------|--------------------------------|
| Paper | 2,101,300 tons | 2,265,800 tons (7.8% increase) |
| Film | 126,400 tons | 140,700 tons (11.3% increase) |
| Plastic | 74,500 tons | 74,800 tons (0.4% increase) |
| Metal | 78,100 tons | 73,700 tons (5.6% decrease) |
| Ink | 62,600 tons | 58,300 tons (6.9% decrease) |
| Others | 117,300 tons | 120,700 tons (2.9% increase) |

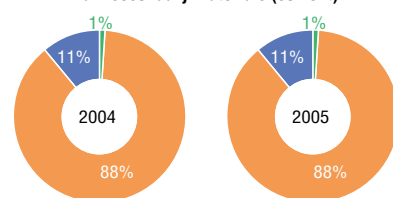
Percentage distribution by individual segment for main materials (paper)



Main secondary materials

| | 2004 | 2005 |
|-------------------|-------------|------------------------------|
| Solvent | 28,300 tons | 22,300 tons (21.2% decrease) |
| Acid and alkaline | 46,300 tons | 35,400 tons (23.5% decrease) |

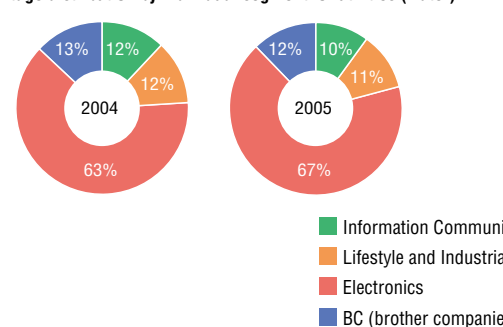
Percentage distribution by individual segment for main secondary materials (solvent)



Utilities

| | 2004 | 2005 |
|-------------|---------------------|-------------------------------------|
| Electricity | 1,186.4 million kWh | 1,255.2 million kWh (5.8% increase) |
| City gas | 149.0 million m³ | 152.0 million m³ (2.0% increase) |
| LPG | 25.9 million kg | 24.8 million kg (4.2% decrease) |
| Fuel oil | 2,700 kl | 2,400 kl (11.1% decrease) |
| Steam | 182 TJ | 181 TJ (0.5% decrease) |
| Water | 15.307 million m³ | 15.653 million m³ (2.3% increase) |

Percentage distribution by individual segment for utilities (water)



*[JEPIX]: Environmental Policy Priorities Index for Japan is a single index environmental evaluation system developed in Japan, which calculates the degree of overall environmental impact according to a single numeric value expressed as Eco-Points. The JEPIX Forum for the application of the JEPIX methodology was held as part of the Ministry of Education, Culture, Sports, Science and Technology's COE Project (International Christian University), and our company began participating in the second term.

*[Output]: Indicates operation activities, this is the total added value for companies covered in this report.

Product Manufacturing Process

Information Communication

Books and periodicals, commercial printing, business forms

Lifestyle and Industrial Supplies

Packaging, decorative materials, industrial supplies

Electronics

Displays, electronic devices

BC (brother companies)

Ink, beverages, etc.

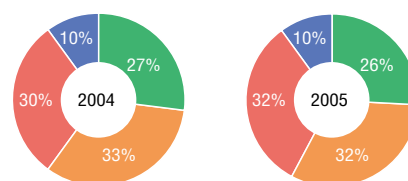
Current Status of Recycling in the DNP Group

| | 2004 | 2005 |
|--|--|---|
| Recycled solvent | 6,100 tons (usage ratio: 1.22) | 5,900 tons (usage ratio: 1.26) |
| Recycled acid and alkaline | 58,500 tons (usage ratio: 2.26) | 30,500 tons (usage ratio: 1.86) |
| Recycled water | 529.42 million m ³ (usage ratio: 35.6) | 532.074 million m ³ (usage ratio: 35.0) |
| Vapor generated from waste heat recovery | 178,200 tons | 198,400 tons |

Emissions into the air

| | 2004 | 2005 |
|---------------|------------------------------|--|
| GHG emissions | 935,900 tons-CO ₂ | 963,800 tons-CO ₂ (3.0% increase) |
| NOx emissions | 702 tons | 724 tons (3.1% increase) |
| SOx emissions | 22.6 tons | 20.4 tons (9.7% decrease) |
| VOC emissions | 12,600 tons | 10,662 tons (15.4% decrease) |

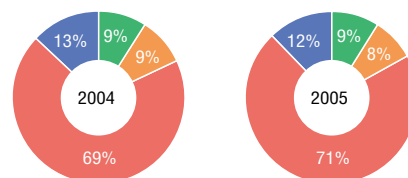
Percentage distribution by individual segment for GHG emission amounts.



Emissions into bodies of water

| | 2004 | 2005 |
|------------------------|-------------------------------|---|
| Water discharged | 12,506 million m ³ | 13,216 million m ³ (5.7% increase) |
| COD emissions * | 52.9 tons | 53.3 tons (0.8% increase) |
| Nitrogen emissions * | 20.3 tons | 14.6 tons (28.1% decrease) |
| Phosphoric emissions * | 0.4 tons | 0.4 tons (0.0% decrease) |

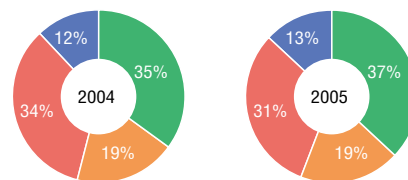
Percentage distribution by each segment for water discharge.



Undesired Materials Generated

| | 2004 | 2005 |
|-------------------------------------|--------------|------------------------------|
| Total amount of undesired materials | 527,700 tons | 502,700 tons (4.7% decrease) |
| Waste emissions | 95,500 tons | 91,100 tons (4.6% decrease) |
| Landfill waste amount | 10,500 tons | 8,000 tons (23.8% decrease) |

Percentage distribution by each segment for undesired substances.



■ Information Communication
■ Lifestyle and Industrial Supplies
■ Electronics
■ BC (brother companies)

*[Usage Ratio]: This is a calculation of (input + recovery and recycling)/input. It does not include vapor or solvent in ink.

*[COD, nitrogen and phosphoric emission]: This covers water discharge channels which apply to the Water Pollution Control Law.

2005 Targets and Results

Making steady headway towards achieving our environmental targets.

In light of our environmental policy, the DNP Group sets environmental targets appropriate to our business, and is steadily getting results. The table on the right indicates our targets and the results for fiscal 2005 and our targets for fiscal 2006.

| | Targets through 2005 | 2005 results |
|---|---|---|
| Global warming prevention | To reduce per unit CO ₂ emissions by 15% from the 1990 level by 2010. | Per unit in 1990: 20.6 t-CO ₂ /1 billion yen Per unit in 2005: 18.8 t-CO ₂ /1 billion yen 8.7% decrease from that in 1990 |
| Reduction of environmental impact incurred during transport | To reduce per unit CO ₂ emissions per unit shipped (CO ₂ emissions/shipped weight/distance shipped) by 5% from the 2000 level (2010). | Per unit CO ₂ emissions in 2000: 115.0 t-CO ₂ /million ton-km Per unit CO ₂ emissions in 2005: 59.8 t-CO ₂ /million ton-km 48% decrease from that in 2000 |
| | To reduce per unit fuel use for transport (amount of fuel used/sales) by 20% from the 2000 level (2010). | Per unit fuel use for transport in 2000: 8.33 kl/1 billion yen Per unit fuel use for transport in 2005: 7.90 kl/1 billion yen 5.1% decrease from that in 2000 |
| VOC | To reduce emissions of VOCs by 50% compared to 2002 by fiscal 2005. | Emissions in 2002: 21,312 tons Emissions in 2005: 10,662 tons 50% reduction from that in 2002. |
| Reduction of industrial waste | To reduce per unit waste emissions (waste emissions/production) by 40% from the 2000 level (2005). | Per unit in 2000: 0.312 tons/million yen Per unit in 2005: 0.185 tons/million yen 40.7% decrease from that in 2000 |
| | To reduce undesired material generation by 25% from the 2000 level (2005). | Total undesired materials in 2000: 646,000 tons Total undesired materials in 2005: 503,000 tons 22.1% decrease from that in 2000 |
| | To achieve zero emissions at 30 sites. | Achieved at 31 sites |
| | To reduce the undesired material generation ratio (undesired material generation/total material input) by 20% from the 2000 level (2005). | 17.7% generation rate of undesired material in 2000 12.9% generation rate of undesired material in 2004 27.1% decrease from that in 2000 |
| | To achieve a 80% recycling ratio (recycled amount/total amount of undesired material generation) in the disposing main raw materials (2005). | 79.4% recycling rate in 2005 |
| Development and sales of environmentally conscious products | To increase the level each year by 10% (over the previous year). | Sales of 256.6 billion yen in 2005 56% increase over that in 2004 |
| Green purchasing | To increase the rate of the products purchased according to the green purchasing standards of DNP, to 40% by 2010. | 23.6% green purchasing rate for materials in 2004 27.5% green purchasing rate for materials in 2005 |
| | To increase the purchasing rate of environmentally certified products, such as those labeled with the Eco-Mark, of the total supplies (office supplies and equipment) to 50% by 2010. | 30.6% green purchasing rate for materials in 2004 41.6% green purchasing rate for materials in 2005 |
| Environmental conservation | To keep the maximum concentration of air emissions subject to emissions regulations at 70% of the required standard or less (2005). | 96% achievement rate of targets for 2005 (voluntary target) |
| | To keep the maximum concentration of wastewater discharges subject to wastewater regulations at 70% of the required standard or less (2005). | 93% achievement rate of targets for 2005 (voluntary target) |
| | To keep the maximum level of noise at our site perimeters at 95% of the required standard or less. | 56% achievement rate of targets for 2005 (voluntary target) |
| | To keep the maximum level of vibration at our site perimeters at 95% of the required standard or less (2005). | 100% achievement rate of targets for 2005 (voluntary target) |
| | To keep the maximum concentration of odors at our site perimeters at 70% of the required standard or less (2005). | 96% achievement rate of targets for 2005 (voluntary target) |
| Office environment | To increase the ratio of the fractional recovery of waste paper to 65% of that for general waste. | 74.4% rate wastepaper separation in 2005 |
| Environmental management system | To promote ISO14001 certification at 30 sites (2005). | Acquired by 5 sites in 2005. Total 31 sites. |
| | To promote Eco-Audits at all sites. | Eco-Audits conducted at all sites in 2005. |

◎ :Target Broadly Achieved ○ :Achieved target or in steady progress toward target × :Target not achieved

| Evaluation | Described in this report | Targets from fiscal 2006 |
|------------|--------------------------|---|
| ○ | p64 | ◆ To reduce per unit CO ₂ emissions by 15% from the 1990 level by 2010. |
| ◎ | p65 | ◆ We aim to achieve the following targets by 2010: • To reduce per unit CO ₂ emissions per unit shipped (CO ₂ emissions/shipped weight/distance shipped) by 40% from the 2000 level. • To reduce per unit fuel use for transport (amount of fuel used/sales) by 20% from the 2000 level. |
| × | p65 | |
| ○ | p63 • 66 | ◆ To reduce emissions of VOCs by 70% compared to 2002 by fiscal 2008. |
| ○ | p68 • 69 | |
| × | p68 • 69 | ◆ We aim to achieve the following targets by 2010: • To reduce per unit waste emissions (waste emissions/production) by 50% from the 2000 level. • To reduce undesired material generation by ratio (undesired material generation/total material input) at all sites by more than 3%, 35% from the 2000 level. • To achieve a 98% recycling ratio (recycled amount/total amount of undesired material generation) in the disposing main raw materials. 2005 results: paper 99.8%, plastic 93.2%, metal 99.1%, glass 59.8% • To achieve zero emissions for the entire DNP Group. |
| ◎ | p68 • 69 | |
| ◎ | p68 • 69 | |
| × | p68 • 69 | |
| ◎ | p73 | ◆ To increase the level each year by 10% (over the previous year), and achieve 300 billion yen by 2010. |
| ○ | p74 | ◆ To increase the rate of the products purchased according to the green purchasing standards of DNP, to 40% by 2010. |
| ○ | p74 | ◆ To increase the purchasing rate of environmentally certified products, such as those labeled with the Eco-Mark, of the total supplies (office supplies and equipment) to 50% by 2010. |
| ◎ | p70 | • To keep the maximum concentration of air emissions subject to emissions regulations at 70% of the required standard or less. |
| ○ | p70 | • To keep the maximum concentration of wastewater discharges subject to wastewater regulations at 70% of the required standard or less. |
| × | p70 | • To keep the maximum level of noise and vibration at our site perimeters at 95% of the required standard or less. |
| ◎ | p70 | • To keep the maximum concentration of odors at our site perimeters at 70% of the required standard or less. |
| ◎ | p70 | |
| ◎ | p67 | ◆ To increase the ratio of the fractional recovery of waste paper to 70% of that for general waste. |
| ○ | p75 | • To promote ISO14001 certification. |
| ○ | p54 | • To promote Eco-Audits at all sites. |

We are working to reduce emissions of environmental pollutants.

We are making efforts to monitor and reduce emissions of environmental pollutants so as to conserve both the global and local environments. We are making steady progress toward achieving the environmental targets we have established.

Reducing Air Pollutants and Switching to Low-Impact Substances

[Hazardous Air Pollutants]

22 hazardous air pollutants are designated among the substances listed in the Air Pollution Control Law as requiring priority measures toward reduction. Of these, dichloromethane was used in the past as a cleaner in the printing process, but by switching to a water-based cleaner we have reduced our emissions of this substance from 52.9 tons in 2001 to 0.3 tons in 2005.

Dioxin is emitted through waste incineration. We eliminated small-scale incinerators, in which incineration is difficult to control, by 2002, broadly reducing emissions stemming from waste incineration. Currently, all of our active incinerators are large-scale thermal recovery incinerators that fulfill the 2002 regulations. We use six such incinerators nationwide, and continued in 2005 to maintain emissions levels far lower than those in 2000.

[Ozone-depleting substances (CFC substitute)]

In the case of ozone-depleting substances, we use air conditioners that employ coolant containing CFC-11 and CFC-12, and currently use ten of these units. In addition, we had been using HCFC-141b, which is a CFC substitute, as a cleaning agent in our manufacturing process, and reduced emissions in 2005 by switching to a cleaning agent substitute.

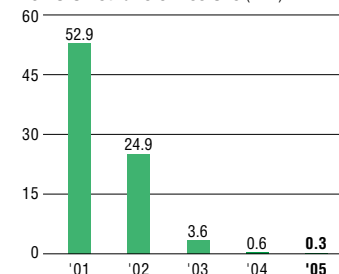
[SOx (sulfur oxides)]

SOx is emitted when fuel oil is burned to fire boilers. We have been working to reduce SOx emissions by switching from fuel oil to municipal gas, improving combustion facilities, and energy conservation. By switching our boilers from fuel oil to municipal gas in fiscal 2005, we were able to reduce SOx emissions.

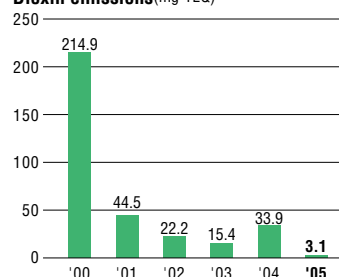
[NOx (nitrogen oxides)]

NOx is also generated when fuel is burned in production processes. As with SOx, we have thus far made efforts to reduce NOx by such means as improving combustion facilities and conserving energy. NOx emissions increased in 2005 due to an increase in energy consumption.

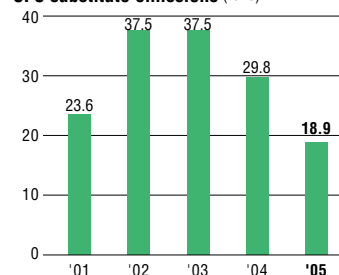
Dichloromethane emissions (tons)



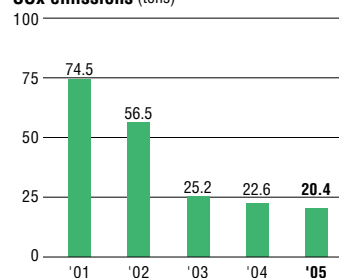
Dioxin emissions(mg-TEQ)



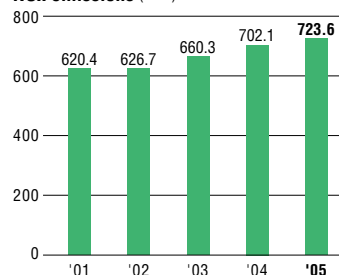
CFC substitute emissions (tons)



SOx emissions (tons)



NOx emissions (tons)



We are working to reduce VOC emissions.

Zenichi Higuchi

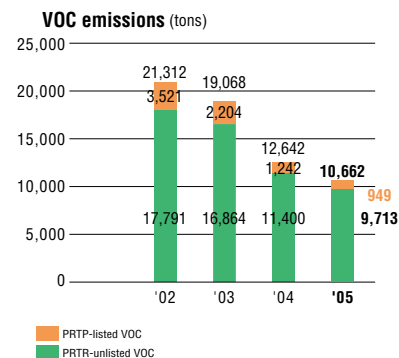
Manager, Facility Control Group
DNP Technopack Tokai

Our company manufactures packaging for food and medical products. We use VOCs such as toluene in ink and acetic ether, and reducing the emissions of these VOCs is a major issue for us. In May 2005 we installed a gas emissions processor. We got it into optimal working order by doing trials and getting it running, making adjustments for seasonal changes, etc. As a result, we have been able to reduce VOC emissions by 60% in comparison with 2004. We are going to keep working for even greater emissions reduction by shooting for more efficient operations.

[VOCs (volatile organic compounds)]

In our printing processes we use large amounts of ink solvents, adhesive agents and cleaning agents which contain VOC. In order to reduce the VOC emission, we have employed such means as switching over to alternatives that have less of an environmental

impact, and installing processing and recovery equipment. In 2005, we reduced the VOC emissions by such means as switching over to other materials and introducing processing equipment.



Reducing Water Pollutants

[COD (chemical oxygen demand)]

We use wastewater treatment facilities to decontaminate and reduce the pollution of wastewater discharged from our production lines and dining areas, which contains organic substances. Despite working to reduce impact in the Electronics Segment in 2005 through the adoption of low-COD chemicals, an increase in production volume resulted in an increase in post-processing wastewater and COD emissions.

[Nitrogen]

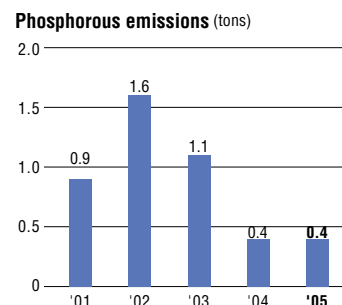
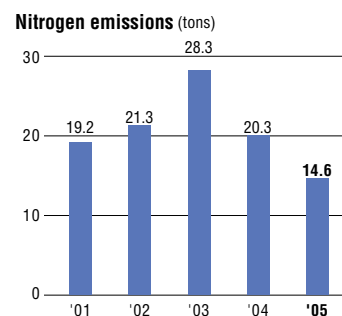
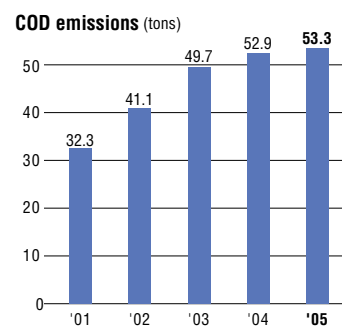
We have been using wastewater treatment facilities and water-purifier tanks to decontaminate wastewater from our plants and offices as a means of preventing the eutrophication* of public waters. In 2005, the Electronics

Segment was able to reduce nitrogen emissions by reducing the amount of nitrogen- and phosphorous-containing bacterial eutrophics used in the biological treatment of wastewater.

[Phosphorous]

In 2004 the Electronics Segment, which releases large amounts of drainage water, also reduced its phosphorous amounts by such means as changing cleaning agents that contain phosphorous.

As it did for nitrogen emissions, in 2005 the Electronics Segment, which discharges large amounts of wastewater, was able to maintain phosphorous emissions at roughly the same levels as in 2004 by switching to a non-phosphorous cleaner and by reducing the amount of (nitrogen- and phosphorous-containing) bacterial eutrophics used in the biological treatment of wastewater.



* Eutrophication Eutrophication is a problem affecting water quality in closed coastal water areas and lakes. This is caused by the nitrogen and phosphorous content in residential and industrial wastewater, and is characterized by an unusually high growth rate for plankton.

Measures Against Global Warming

We are taking measures to reduce greenhouse gas emissions such as installing energy-saving equipment, switching to better fuel types, and improving production efficiency.

Although we continued CO₂ emissions reduction measures in 2005, such as installing energy-saving equipment and implementing thorough air conditioning temperature controls in summer and winter, increases in production, particularly in the Electronics Segment, resulted in increases in greenhouse gas emissions. Per unit CO₂ emissions are at a standstill.

Target

To reduce per unit CO₂ emissions by 15% from the 1990 level by 2010.

Result

Per unit CO₂ emissions have been reduced by 8.7%, to 18.8 tons/1 billion yen.

Greenhouse gas emissions calculation method

Greenhouse gas emissions are calculated using emission coefficients from the "guideline for the calculation of greenhouse emissions from businesses" (Ministry of the Environment, July 2002). Calculations in the 2007 edition of this report will be made as required by the amendment of the Law Concerning the Promotion of Measures to Cope with Global Warming.

* All greenhouse gas emissions amounts are converted to CO₂ and given in tons.

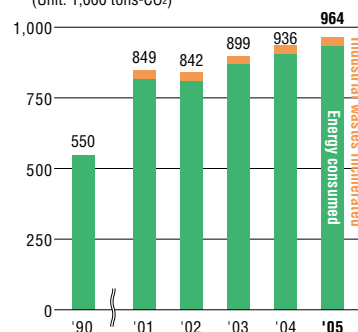
Method of calculating per unit energy consumption and per unit CO₂ emissions

Per unit CO₂ emissions = CO₂ (1,000 tons) emitted through the consumption of energy (fuel, electricity)/production (1 billion yen)

Production output expresses the amount of business activity, using the total added value amount for consolidated companies subject to disclosure in this report.

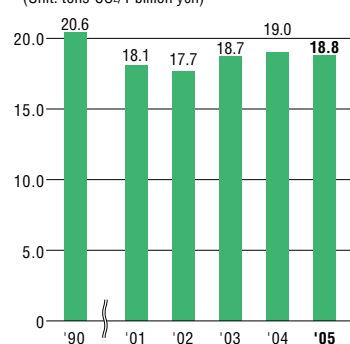
Greenhouse Gas Emissions

(Unit: 1,000 tons-CO₂)



Per Unit CO₂ Emissions

(Unit: tons-CO₂/1 billion yen)



<Individual registration in the "Team -6% committee">

The DNP Group has been participating in the Japanese government's "Team -6% committee" program for citizen action in preventing global warming since last year. This program encourages energy conservation measures such as adjusting the temperature of offices and turning off PCs and lights when not in use. We have called upon all Group employees to register individually in the "Team -6% committee" so as to broaden this effort, and they have responded positively to furthering the goals of this program.



The DNP Group is participating in "Team -6% committee" efforts against global warming.

Kazuo Hatazawa

Manager
DNP Facility Services

DNP Facility Services is in charge of energy management for DNP Group plants and offices. The DNP Group began participating in "Team -6% committee" in July 2005, and has been promoting energy conservation through measures such as turning the thermostat up 2°C in summer and down 2°C in winter and participating in the "light-down" campaign.

We are also conducting efforts at the C&I Building in Ichigaya, Tokyo, such as thorough air conditioning temperature controls in summer and winter, controlling the number of elevators in operation, and optimizing the use of lighting in offices, washrooms, etc. We will continue to proceed with energy use optimization in 2006 in our efforts to reduce CO₂ emissions.



"Black Illumination"
(signage lighting)



Working to use energy efficiently and reduce CO₂ emissions.

Masato Igarashi

Okayama Plant, Opto-Materials Operations

We manufacture optical film at our plant by applying various materials to plastic film that alter its optical characteristics. The solvent (VOC*) that we discharge during the application process is incinerated in processing equipment. The heat that is emitted during the incineration is collected and used to generate steam through a waste-heat boiler we installed in June 2005, giving us an effective way to use this heat. We generated roughly 4,000 tons of steam in 2005, and, in comparison with the steam we get from the regular boilers, we got about 11,500 gigajoules, while reducing CO₂ emissions by roughly 690 tons. In this way, we are working both for the efficient use of energy and CO₂ emission reduction.



waste-heat boiler

* [VOC]: Volatile Organic Compounds

We are reducing CO₂ emissions from our trucks by conducting more efficient transport operations.

DNP Logistics handles transport for the DNP Group. It is based in the Tokyo area but covers a wide area from Northeast Honshu to Kyushu, and is making solid progress in reducing the environmental impact of our transport operations.

CO₂ emissions stemming from transport operations in 2005 amounted to 4,540 tons, a 25.8% decrease in comparison to 2000. Progress was made in reducing per unit CO₂ emissions due to an increase in transport volume, but transport fuel consumption per unit of sales is on an upward trend.

Targets

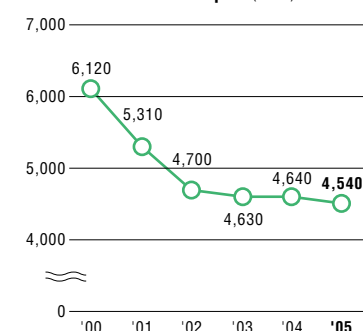
To reduce per unit CO₂ emissions per unit shipped (CO₂ emissions/shipped weight/distance shipped) by 5% from the 2000 level.

- To reduce per unit fuel use for transport (amount of fuel used/sales) by 20% from the 2000 level.

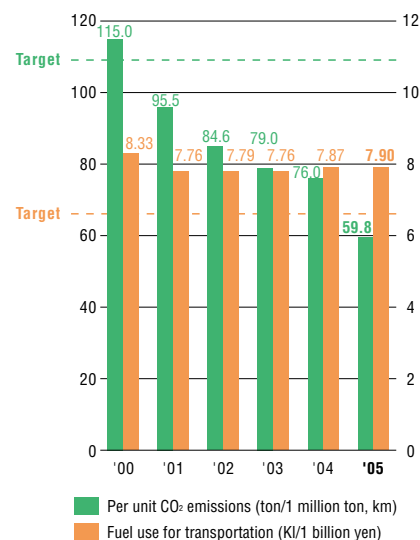
Results

- Reduced 48.0% of CO₂ emissions
- Reduced 5.1% of fuel use for transport

CO₂ emissions from transport (t-CO₂)



Transitions of CO₂ emissions and fuel use for transportation



Efforts to reduce CO₂

DNP Logistics has made progress toward greater efficiency by optimizing its fleet of transport vehicles and distribution routes, and by installing digital tachometers. Other efforts toward reducing CO₂ emissions include implementing an idling stop policy, bringing CNG and hybrid vehicles into the fleet, and making the transition to

larger vehicles. DNP Logistics has been participating in the Eco-Report System, which is the DNP Group environmental management system, and has added to the environmental improvement activities it is already engaging in by acquiring ISO14001 certification for its Itabashi Offices. The company plans to continue pursuing ISO14001 certification for its offices, with the Akabane Offices scheduled for certification in autumn of this year.



We are making progress in transport efficiency and ensuring safety.

Sadao Obara

General Manager, DNP Logistics



Morning and evening roll call

Our principle is, "We do our work on roads created for public use, so we must by all means avoid causing trouble to others using the roads." We therefore put serious effort into safety training for our site supervisors and our drivers. Site supervisors have face-to-face "TAIWA" with drivers at morning and evening roll call, and each driver is called upon to declare a "personal safety pledge." During the National Traffic Safety weeks conducted in the spring and fall, our site supervisors work with traffic safety organizations to conduct pedestrian guidance at intersections. This is part of our safety training, which teaches the importance of seeing from the pedestrian's point of view.

* Transportation ton/km (t·km) Σ (amount of cargo x distance)

We are making extensive reductions in the emissions of chemical substances.

We are working to reduce emissions of all Volatile Organic Chemicals (VOCs) listed under the PRTR Law as "Class 1 for emissions or transport", with the goal of reducing the environmental impact of chemicals used in our manufacturing processes.

Target

- To reduce emissions of VOCs by 50% compared to 2002 by fiscal 2005.

Result

- VOC emissions totaled 10,662 tons in 2005, a reduction of 1,980 tons in comparison to the previous year, and a 50% reduction in comparison to 2002, thereby achieving our target.
- We will continue to work to reduce the VOC emissions, stepping up our reduction goal to a 70% reduction in comparison to 2002 by 2008.



Solvent processing equipment: Okayama Plant, DNP Opto-Materials



Solvent processing equipment: DNP Tohoku

Chemical Substances subject to the PRTR Law (tons; dioxins: mg-TEQ)

| Substance | Handled | Emissions to Air | Emissions to Public Waters | Transferred to Sewer System | Transferred as Waste | Recycled | Consumed | Removed/Consumed |
|---|-----------------|------------------|----------------------------|-----------------------------|----------------------|----------------|----------------|------------------|
| Zinc compound (water-soluble) | 6.8 | 0.0 | 0.0 | 6.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Bis(2-ethylhexyl) adipate | 1.1 | 0.0 | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 |
| 2-Aminoethanol | 38.9 | 0.0 | 0.0 | 4.1 | 34.7 | 0.0 | 0.0 | 0.0 |
| Isophorone-di-isocyanate | 21.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 21.8 | 0.0 |
| Ethyl-benzene | 208.4 | 2.0 | 0.0 | 0.0 | 3.1 | 47.1 | 74.9 | 81.3 |
| Ethylene glycol | 10.8 | 0.0 | 0.0 | 0.0 | 7.9 | 0.0 | 2.9 | 0.0 |
| Ethylene glycol monoethyl ether | 21.3 | 0.6 | 0.0 | 0.0 | 3.1 | 0.0 | 5.3 | 12.3 |
| Ethylene glycol monomethyl ether | 60.5 | 2.1 | 0.0 | 0.0 | 7.5 | 0.0 | 25.4 | 25.5 |
| Epsilon-caprolactam | 19.7 | 0.0 | 0.0 | 0.0 | 1.5 | 0.0 | 18.2 | 0.0 |
| Xylene | 283.3 | 6.8 | 0.0 | 0.0 | 5.7 | 58.8 | 88.5 | 123.5 |
| Silver and its water soluble compounds | 16.1 | 0.0 | 0.0 | 0.2 | 3.7 | 6.2 | 1.6 | 4.5 |
| Chromium & chromium (III) compounds | 160.7 | 0.0 | 0.0 | 0.0 | 47.8 | 81.1 | 28.9 | 2.8 |
| Hexavalent chromium compounds | 38.4 | 0.0 | 0.0 | 0.0 | 0.8 | 0.1 | 21.6 | 15.9 |
| Cobalt and its compounds | 5.7 | 0.0 | 0.0 | 0.0 | 1.7 | 0.8 | 3.1 | 0.0 |
| Inorganic cyanide compound | 4.2 | 0.0 | 0.0 | 0.0 | 3.4 | 0.0 | 0.0 | 0.8 |
| 1,1 Dichloro-1-fluoroethane | 19.0 | 18.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dichloromethane | 5.1 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4.2 |
| Dioxins | 0.0 | 3.1 | 0.0 | 0.0 | 164.0 | 0.0 | 0.0 | 0.0 |
| Water soluble copper salts | 578.4 | 0.0 | 0.0 | 0.0 | 162.3 | 312.0 | 101.2 | 3.0 |
| 1,3,5-trimethylbenzene | 7.2 | 0.1 | 0.0 | 0.0 | 0.0 | 4.4 | 0.0 | 2.8 |
| Toluene | 16,309.3 | 914.4 | 0.0 | 0.0 | 1,751.5 | 2,929.9 | 2,556.2 | 8,157.2 |
| Lead and its compounds | 171.3 | 0.0 | 0.0 | 0.0 | 117.7 | 12.0 | 41.7 | 0.0 |
| Nickel | 2,545.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,242.6 | 1,280.7 | 21.8 |
| Nickel compounds | 781.0 | 0.0 | 0.0 | 0.0 | 89.1 | 689.4 | 2.1 | 0.4 |
| Hydroquinone | 4.4 | 0.0 | 0.0 | 4.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Di-n-butyl phthalate | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 0.1 |
| Bis (2-ethylhexyl) phthalate | 19.9 | 0.1 | 0.0 | 0.0 | 1.6 | 0.0 | 15.9 | 2.2 |
| 1,2,4-Benzenetricarboxylic acid-1,2-anhydride | 9.8 | 0.0 | 0.0 | 0.0 | 0.6 | 0.0 | 9.2 | 0.0 |
| Boron and its compounds | 17.6 | 0.0 | 0.0 | 0.4 | 12.5 | 0.0 | 4.6 | 0.0 |
| Octylphenol ether | 5.8 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 5.7 | 0.0 |
| Formaldehyde | 3.2 | 3.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manganese compounds | 11.8 | 0.0 | 0.0 | 0.0 | 4.5 | 2.0 | 5.4 | 0.0 |
| Molybdenum compounds | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 0.0 |
| | 21,388.7 | 948.5 | 0.0 | 16.0 | 2,260.9 | 5,386.4 | 4,316.9 | 8,458.3 |

* The data above are compiled with PRTR results. In accordance with the data compilation limits stipulated by the PRTR Law, substances are subject to compilation when the amount of the said substance handled in one year is one ton or greater.

* The amount handled has decreased in comparison with last year's report, with a reduction in emissions of 24.0%.

* [The PRTR Law]: The PRTR Law is a law enacted to promote the monitoring and control of emissions of designated chemicals into the environment.

We are reducing waste from our production processes and recycling paper and water used at our offices and plants.

We are putting efforts into separating and collecting the used paper generated by our offices, as well as the efficient use and recycling of water. In addition, we seek to achieve "zero emissions" at our plants.

Recycling used office paper

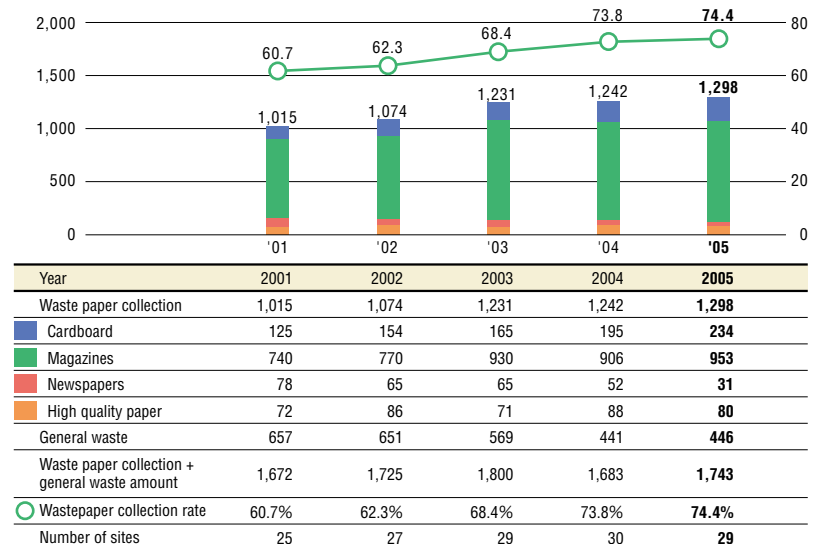
Target

To increase the rate of the fractional recovery of waste paper to 65% of that for general waste.

Result

The amount of used paper collected in 2005 was 1,298 tons, with a collection rate of 74.4%. The collection rate was improved in the Ichigaya area (Ichigaya Publication Printing Operations), which is a large-scale operation.

Wastepaper collection/Wastepaper collection rate(tons-%)



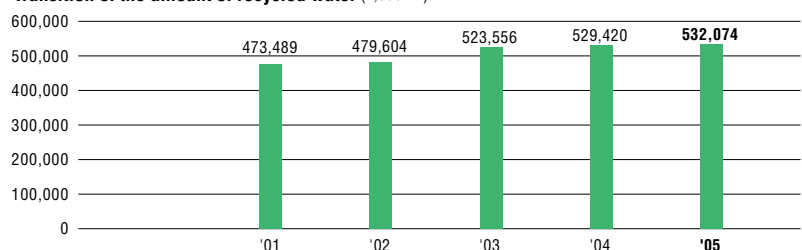
* Compiled from data obtained at sites where relevant information was available.

Efficient use and recycling of water

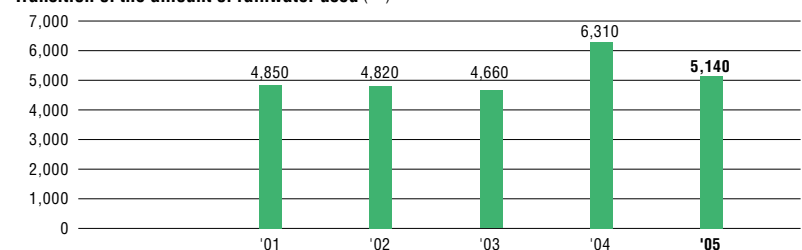
We used 5.32 billion m³ of recycled water in 2005 in cleaning our products, heating and cooling our production equipment, and air conditioning our buildings. Our water usage ratio was 35-fold.

We are also making effective use of rainwater at our C&I Building and the DNP Logistics No. 2 Building. We used 5,140m³ of rainwater in 2005, which amounts to 29% of the water used for toilet flushing and watering our grounds.

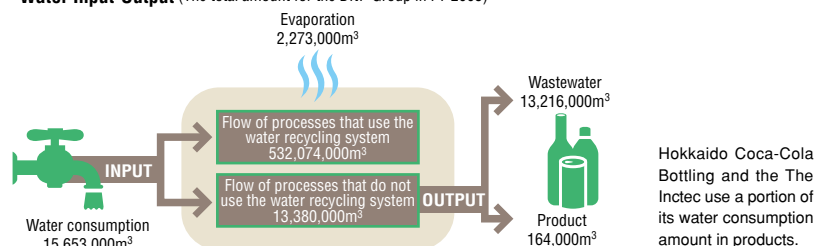
Transition of the amount of recycled water (1,000 m³)



Transition of the amount of rainwater used (m³)



Water Input-Output (The total amount for the DNP Group in FY 2005)



* Wastepaper collection rate
Waste paper collection/wastepaper collection + general waste amount (excluding cans, bottles, and garbage)

* As water is mainly used for heating or cooling the manufacturing equipment, air conditioning in buildings, and in product cleaning, the majority of plants are starting to use recycled water through a closed system. The amount of recycled water is the total amount that flows through heat exchangers and cleaning equipments in these closed systems in one year.

* Water usage ratio = (amount consumed + wastewater amount + amount of recycled water)/amount of water used

Reduction and Effective Use of Undesired Materials Generated in Production

Targets

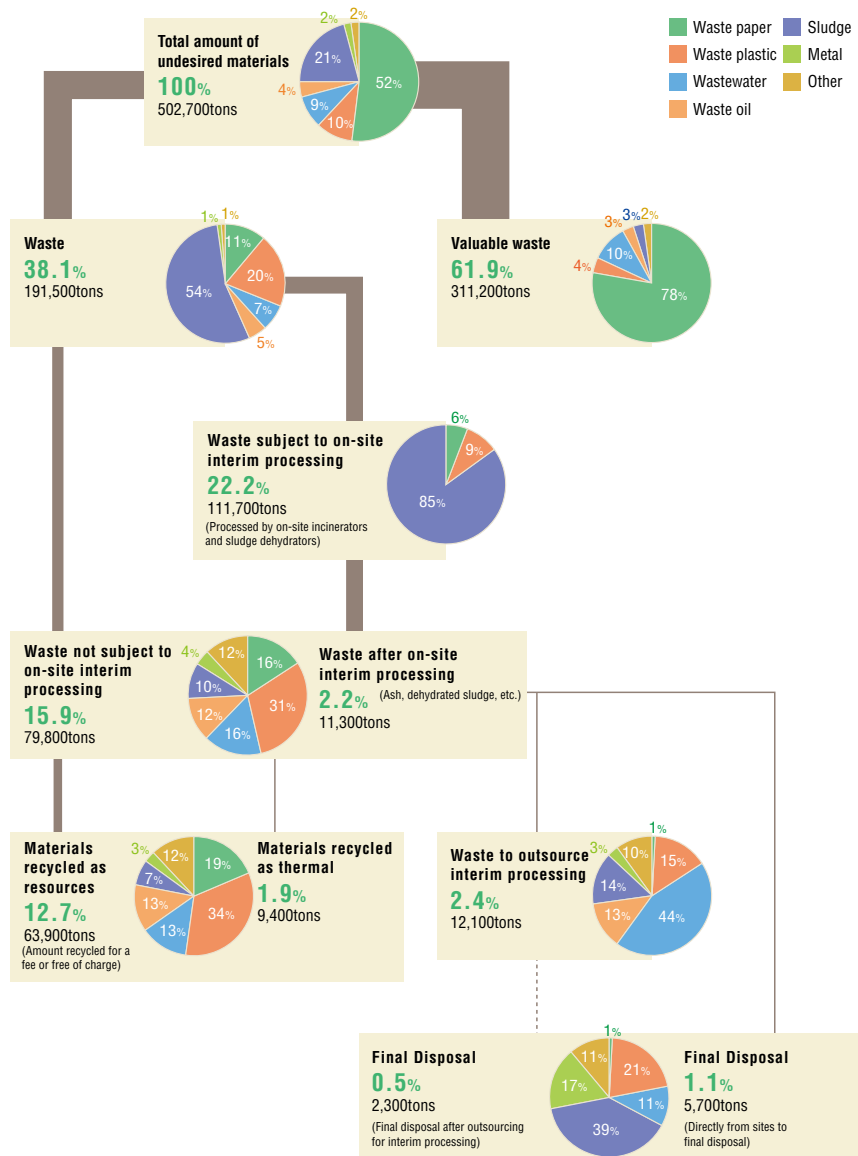
To achieve the following targets by 2005:

- To reduce per unit waste emissions (waste emissions/production) by 40% from the 2000 level.
- To reduce undesired material generation by 25% from the 2000 level.
- To reduce the undesired material generation ratio (undesired material generation/total material input) by 20% from the 2000 level.
- To achieve an 80% recycling ratio (recycled amount/total amount of undesired material generation) in the disposing main raw materials.
- To achieve zero emissions at 30 sites.

Results

- Per unit waste in 2005 was 0.185 tons/1 million yen, a 40.7% decrease in comparison with 0.312 tons/million yen in 2000, achieving targets. Production output expresses the amount of business activity, using the total added value amount for consolidated companies subject to disclosure in this report.
- The total amount of undesired material generated in 2005 was 503,000 tons, a 22.1% decrease compared to the 646,000 tons generated in 2000. Nevertheless, this fell short of our target of 25%.
- Undesired material generation rate in 2005 was 12.9%, marking a 27.1% achievement over the 2000 rate of 17.7%.
- Recycling rate was 79.4% roughly at the target level, just short of the target of 80%.
- Zero emissions (a landfill waste rate of 0.5% or less) in the processing of undesired material from plants was achieved at 31 sites, achieving the 2010 goal.

Breakdown of undesired materials



<Paper recycling rate: 99.8%>

The DNP Group manufactures an enormous volume and variety of products that are mainly composed of paper, such as books, magazines, catalogues, business forms, and containers. We are working through our Manufacturing 21 efforts to minimize waste and loss in our production processes, and also to reduce the amount of paper used and paper waste generated. It is nevertheless impossible generating some undesired material in the process of making paper products. We therefore use great care in separating waste paper so as to provide the best material possible for paper recycling. Paper that is not suitable for use in recycling is processed as solid waste incinerator fuel. Through these efforts we have succeeded in achieving a 99.8% recycling rate.

[Examples of Our Efforts]

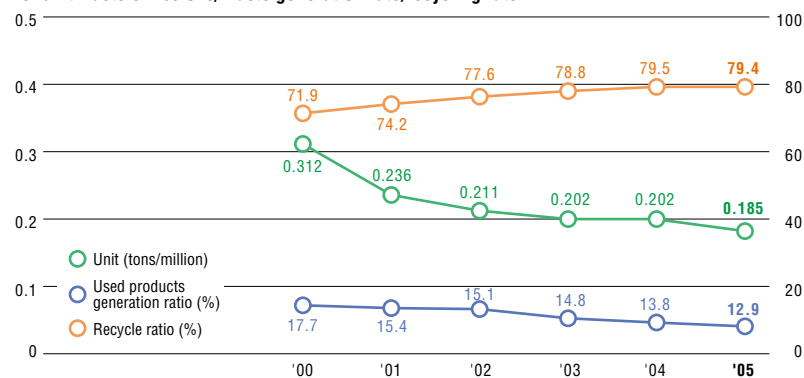
We seek to create an effective system of production that minimizes resource inputting and undesired material generation. We have implemented raw measures and efficiency improvement through the Manufacturing 21 activities underway at our production sites. Some of these efforts include improving the non-defective product ratio and shortening lead times, reducing the overall generation of undesired material, improving per unit waste, and improving the undesired material generation ratio. In addition, we have implemented raw measures such as the installation of solvent collection equipment.

We have also been able to achieve zero emissions of undesired material at 31 sites and continue to improve recycling rates since 2000. We have done so by implementing thorough separation, processing improvements, and contractor selection, adding value (paper and plastic waste, sludge), creating raw material for paper manufacturing (paper waste), solid waste incinerator fuel (paper and plastic waste), distillation recycling (waste solvent), and raw material for cement (ash).

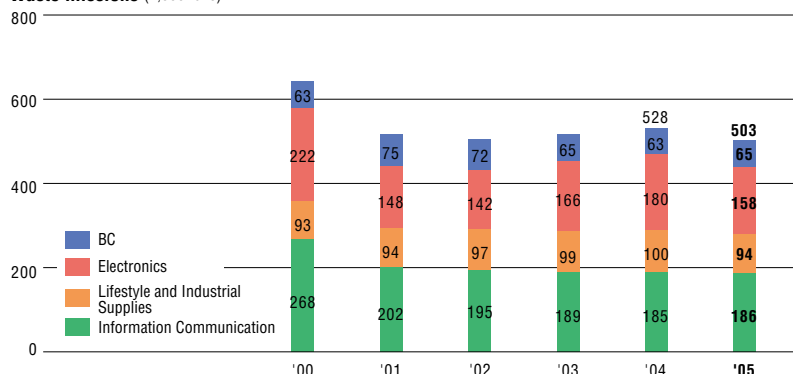
[Revising Our Environmental Targets]

The cutoff point for the waste reduction targets among the DNP Group's overall environmental targets was fiscal 2005, so the DNP Group Environmental Committee revised these targets when it met in March. The new targets, which are to be achieved by fiscal 2010, use per unit waste and undesired materials generation rate indicators in order to promote greater eco-efficiency. They seek also to promote more efficient use of resources through the improvement of recycling rates for the most important raw materials, as well as aiming for zero emissions for the entire Group so as to achieve further reduction of the landfill waste.

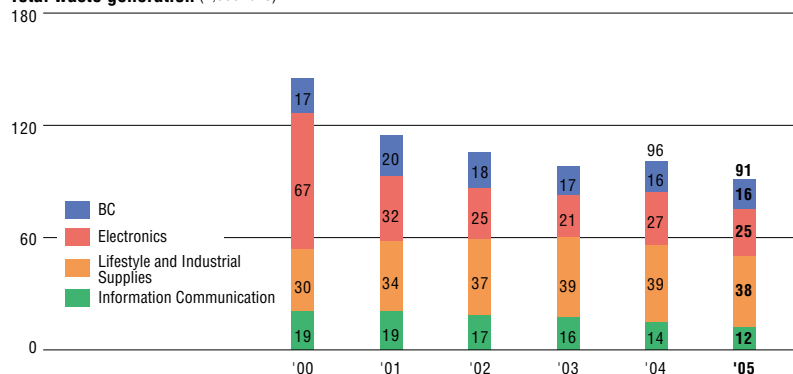
Per unit waste emissions/Waste generation rate/recycling rate



Waste missions (1,000 tons)



Total waste generation (1,000 tons)



We have made a significant contribution to achieving the targets.

Yasuaki Ishii

General Manager, Environmental Management Office
DNP Precision Devices

The Mihara Plant was established in 1993 for the manufacture of shadow masks for color TVs, and the range of products we make has grown. We were the second member of the DNP Group to acquire ISO14001 certification, and have been making continuous efforts to reduce our environmental impact.

Our plant has been trying to make effective use of the waste we produce, such as by selling our waste etching acid, of which we generate a large amount, as an ingredient for acid manufacture. Also, we go beyond simply attempting to reduce sludge generated in large amounts by our wastewater treatment facility at the source; and also reduce the sludge emissions by selling the metals-containing sludge as valuable waste. Through these measures we have been able to make a significant contribution to the achievement of the DNP Group's environmental targets by reducing undesired material per month by 1,100 tons, waste by 950 tons per month, and final disposal by 300 tons per month.

Complying with Environmental Laws as well as Voluntary Standards and Guidelines

The DNP Group monitors trends in environmental regulations so as to ensure full compliance. We also have established and strictly adhere to our own voluntary standards (air, water, noise, vibration, odor) and voluntary guidelines (chemical substance management, soil contamination measures).

Our measures concerning air, water, noise, vibration, and odor

Targets

To achieve the following targets by 2005:

- To keep the maximum concentration of air emissions subject to emissions regulations at 70% of the required standard or less (2005).
- To keep the maximum concentration of wastewater discharges subject to wastewater regulations at 70% of the required standard or less (2005).
- To keep the maximum level of noise at our site perimeters at 95% of the required standard or less.
- To keep the maximum level of vibration at our site perimeters at 95% of the required standard or less (2005).
- To keep the maximum concentration of odors at our site perimeters at 70% of the required standard or less (2005).

2005 Voluntary Standard Achievement Rate

| Item | Voluntary Standards (Targets) | 2004 | 2005 |
|------------|-------------------------------|------|------|
| Air* | Under 70% of legal standards | 96% | 96% |
| Water* | Under 70% of legal standards | 96% | 93% |
| Noise* | Under 95% of legal standards | 56% | 56% |
| Vibration* | Under 95% of legal standards | 100% | 100% |
| Odor* | Under 70% of legal standards | 92% | 96% |

* State of compliance with emissions duct regulations also included in odor measurement data.

* For items for which measurements were not taken in the previous year, and in which targets were not achieved according to the most recent deemed as not achieving targets in the fiscal year concerned.

[Ensuring Legal Compliance]

We have established our own voluntary standards that exceed legal requirements so as to minimize environmental damage and the economic costs of repairing that damage, as well as to limit as much as possible the risk of losing the confidence of society, while ensuring compliance with laws and regulations. We also constantly monitor trends in environmental regulations and attempt to have measures in place that preempt the passage of new laws.



Grease trap processing equipment/Enokicho Plant, Commercial Printing Operations

Results

We have established our own voluntary standards for air, water, noise, vibration, and odor that exceed the legal requirements in our efforts to preserve the environmental quality of the areas around our plants and to reduce the environmental impact of their operations.

As the chart below shows, we continued to make improvements in achieving our 2005 goals for vibration and odor since 2004. Nevertheless, there has been an increase in voluntary standards for water quality items that we have not been able to clear, such as pH (hydrogen ion concentration) and BOD (biochemical oxygen demand), causing a worsening of our voluntary standard achievement rate. While we have made improvements regarding noise since the previous year, the degree of achievement remains low compared to other environmental categories. We will continue to take measures such as upgrading our environmental facilities and installing equipment for the reduction of environmental impact.



Noise barrier/Nara Plant, DNP Data Techno Kansai



Leakage retaining wall/Utsunomiya Plant, DNP Graphica

<Main Improvements in 2005>

Main air pollution measures

Soot measurement
Change of fuel (from fuel oil to natural gas)
Burner cleaning
NOx emissions control measures
Auditing of VOC-emitting facilities
VOC measurement
Emergency response drills

Main water quality measures

Water quality measurements
Separation and recovery of oily water
Replacement of filters and membranes at water treatment facilities
Installation of grease trap cleaners at dining halls
Installation of leak collection tanks
Installation of leak reduction equipment
Cleaning of pipes
Grease trap cleaning
Sludge recycling method tests
Installation of leak barriers
pH measures
Reduction of nitrogen facility load
Emergency response drills

Main noise measures

Noise measurement
Installation of noise barriers
Sash board blocking
Insulation of exhaust fans
Measures against noise from gas pipes
Checking for open windows
Sheet shutter upgrades
Moving of printing equipment
Measurement of background noise

Main vibration measure

Vibration measurement
Inspection and maintenance of relevant equipment

Main odor measures

Odor measurement
Upgrading of deodorizing equipment
Changing and recycling of filters
Cleaning of filters
Changing activated charcoal
Repairing cracks in deodorizing equipment
Deodorizing equipment temperature controls
Emergency response drills

* The voluntary standard achievement ratio is determined by multiplying the indexes measuring air, water, odors, noise, and vibrations in plants subject to regulations (total measured indexes) by the target attainment indexes for each item.

* Air: Ratio of the voluntary standard achievement index number against the total measured index number for Sox, particulate, NOx, and dioxin.

* Water: Ratio of the voluntary standard achievement index number against the total measured index number for pH, CoD, SS, etc. (excluding water temperatures)

* Noise: Ratio of time zones in which voluntary standards were achieved out of the total number of time zones in which measurements were taken (daytime, morning, evening, and night)

* Vibration: Ratio of time zones in which voluntary standards were achieved out of the total number of time zones in which measurements were taken (daytime and night)

Chemical Substance Management

We have established the “DNP Group Chemical Control Standards” for the monitoring and control of toxic chemicals, including raw materials, and to ensure product safety and environmental conservation pertaining to chemicals. Controls on 29 chemicals are implemented based upon three categories, “purchasing prohibited,” “inclusion in products prohibited,” and “inclusion in products controlled.” The chemicals are for all products and materials used in the manufacturing processes by the DNP Group.

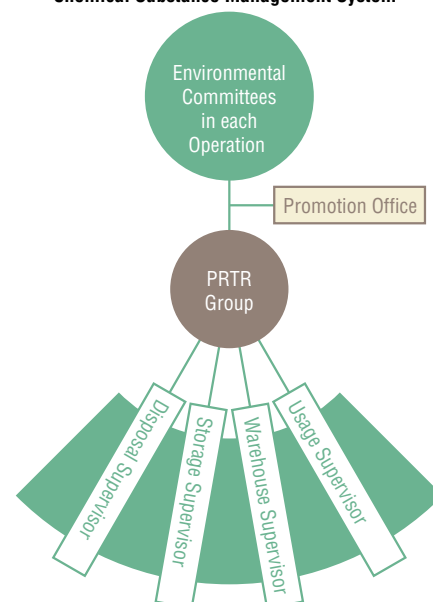
The table below outlines the management categories of the audits conducted at our suppliers in 2005, by which we renewed our database of the

amounts of chemicals subject to controls contained in approximately 23,000 ingredients. Using this database we then renewed our datasheet for chemicals contained in approximately 340 product lines from across the DNP Group, and created a structure for ensuring product safety and environmental conservation.

In addition, as the chemicals and solvents may leak during deliveries to the plants or during waste disposal, we endeavored to prevent accidents by enacting a Chemical Substance Management Guide, by setting up levees to prevent the liquid from overflowing in the delivered plants, and by creating two-tier storage tanks.

Furthermore, in case of emergencies, we stocked up on materials that can be used during emergencies and held emergency training drills.

Chemical Substance Management System



* Chemical substance management in purchasing is described on page 27.

<DNP Group Chemical Control Standards>

- 1) Purchasing prohibited: 10 chemicals.
These are chemicals that may not be contained in any raw materials we purchase.
- 2) Inclusion in products prohibited: 6 chemicals.
These are chemicals that may not be contained in amounts above a prescribed level in any DNP product.
- 3) Inclusion in product controlled: 13 chemicals.
These are chemicals for which inclusion in DNP products is monitored.

<Chemical Substance Management Guide>

1. Establishing a Chemical Substance Management System
2. Monitoring Amounts of Chemical Substances Handled
3. Implementing Chemical Substance Management
 - (1) Examining Facilities
 - (2) Managing Waste that Contains Chemical Substances
 - (3) Restricting Emissions through Facilities Improvement
 - (4) Management by Production Process
 - (5) Proper Usage
4. Preparing for Accidents and Emergencies
5. Education and Training

Examples of scenario-based emergency response training

Air pollution prevention



Kamifukuoka Plant, Electronics Devices Operations, gas leak response drill

Water pollution prevention



Tokyo Plant, DNP Kenzai, ink leak response drill

Water pollution prevention



DNP Technopack Tokai, oil leak response drill

Water pollution prevention



Otone Plant, DNP Precision Devices, chemical leak response drill

* Odors: Ratio of the voluntary standard achievement index number against the total measured index number for emission duct odor density, perimeter fence odor density and the number of substances for which density the measurements were taken.

Soil and Groundwater Contamination

The DNP Group implements soil inspection guidelines that exceed the legal requirements. When soil contamination is discovered through our inspection, we file a report with the office of the governor or mayor in charge of that prefecture or city, and upon instructions from the local authorities, we implement appropriate measures for removing the contamination.

In 2005, DNP inspected groundwater conditions at the following sites.

A soil inspection was conducted in accordance with the "Osaka Prefecture Living Environment Ordinance" due to the dismantling of the DNP Media Create Kansai Osaka Plant. The inspection revealed that levels of trichloroethane, flourine and lead in some areas exceeded environmental standards. Soil decontamination by soil removal and replacement was thereby conducted under the guidance of the Osaka prefectural authorities.

No soil contamination was found at any other sites.

<Sites inspected for soil and groundwater pollution in 2005>

Groundwater inspection

Tokyo Plant, DNP Kenzai
Kamifukuoka Plant (Electronics Segment)
Mihara Plant, DNP Precision Devices
Fukuoka Plant, DNP Nishinippon

Soil inspection

Osaka Plant, DNP Media Create Kansai

PCB storage

PCBs are currently in storage at 26 sites. There is a total of 294 units, an increase of 5 units from 2004. The PCBs were contained in electric equipment that was used in substation facilities in our plants which are no longer in use. The PCBs are stored in special containers in special storage rooms, and are managed under the strictest of conditions in accordance with applicable regulations to ensure prevention of leakage or loss. Each site makes sure the PCBs are stored in the appropriate manner, performing daily

inspections and making regular reports to the authorities, and confirming storage conditions in annual internal audits.

PCB disposal began nationwide at the end of 2004. All PCB currently in storage will be disposed of as required by law according to the disposal plans for each region.

Legal compliance situation

While we make all efforts to comply with environmental laws and regulations, over the past three years we have experienced 1 leakage of solvent onto the pavement, 2 incidents of water quality abnormalities in wastewater, 1 discharge of wastewater into public waters, and one case of inadequacy of qualified personnel.

There are no ongoing legal disputes involving environmental issues. We have unfortunately had some complaints from areas neighboring our plants concerning noise and odors. Whenever we receive such complaints, we launch a thorough investigation into the cause of the problem and work to make improvements to prevent a recurrence.

<Situation over the past three years>

March 29, 2004/ Ichigaya Plant, Ichigaya Publication Printing Operations

An accident occurred involving the leakage of ink dilution solvent, which was caused by deterioration in a pipe fitting in a gravure ink pipe. Approximately 50 liters of ink leaked outside the premises. Sand and other materials were immediately spread to absorb the solvent, and there was no leakage into the main sewer. After the accident occurred we took measures to prevent any expansion of the leakage, and we filed accident reports with both the local fire department and the water bureau. We proceeded to take measures against recurrence under the guidance of the fire department.

August 24, 2004/ Ushiku Plant, DNP Data Techno

An accident occurred when the BOD and COD value of the final discharged water was above the standard criterion. It was caused by a good quantity of isopropyl

alcohol and anon used for printing in the air conditioning drains in the plants. We exchanged the pipes to clear the drainage in the drains which completed our measures against reoccurrence.

July 27, 2005/ Ushiku Plant, DNP Data Techno

An inspection plate cover accidentally came off of a wastewater pipe, discharging wastewater, but the wastewater gate was immediately closed and the wastewater pumped out. Although the wastewater contained no toxins, about 500 liters escaped into public water, so we filed an accident report with the authorities. We changed the method for fastening the inspection plate cover under the guidance of the authorities.

February 6, 2006/ Ushiku Plant, DNP Data Techno

An on-site inspection by the public authorities revealed that the BOD and COD values of the plant's final effluent were in excess of the standard. The cause of this turned out to be an excess volume of injections of methanol used in testing to improve sludge processing ability. Under the guidance of the authorities we took measures to prevent recurrence by installing a control system that adjusts the amount of methanol injected based on the wastewater throughput burden.

February 24, 2006/ Tanabe Plant, Dai Nippon Printing

Despite being a Type 1 Designated Electricity Management Plant, an Energy Manager had not yet been appointed. Therefore, the authorities issued a warning upon conducting an on-site inspection. We reported the appointment of an Energy Manager the following March, which was acknowledged by the authorities.

We have broadly increased our sales of environmentally conscious products.

We have created a succession of products with reduced environmental impact throughout the product/service lifecycle. We far exceeded our sales targets for environmentally conscious products in FY 2005.

Development and Sales of Environmentally Conscious Products

In order to reduce environmental impact throughout the product lifecycle, we have been promoting the development and sales of environmentally conscious products by establishing the "Environmentally Conscious Product Development Guidelines." These are based on "Consideration of the Lifecycles of Products and Services," which is contained in the Green Purchasing Network's "Basic Green Purchasing Principles" (revised June 12, 2001.)

Targets

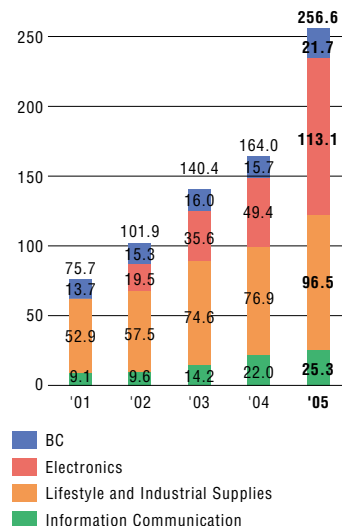
- To increase the level each year by 10% (over the previous year).

Results

- We were able to reach our sales target for environmentally conscious products as the total was 256.6 billion yen in fiscal year 2005, an increase of 56% over the previous year.

The Information Communication Segment has strongly increased its sales of products made of Forest-Certified paper and soy ink, as well as of cards that contain no polyvinyl chlorides. The Lifestyle and Industrial Supplies Segment has had a strong showing for its products that contain no chlorinated materials, and for products that are now made of paper instead of plastic. The Electronics Segment made a big contribution to the increase in Group sales with its sales of products containing no heavy metals, and also of its products that are made without the use of organic solvents in the manufacturing process.

Sales of environmentally conscious products (Unit: 1 billion yen)



<Environmentally Conscious Product Development Guidelines>

1) Reduction of environmental pollutants

Elimination of ozone layer-damaging substances, heavy metals, volatile organic compounds, and prevention of release into the environment of nitrous oxides and other substances

2) Resource and energy conservation

Reduce the use of metals and fossil fuels

3) Sustainable use of resources

Utilize natural resources in a sustainable way

4) Long-term usability

Make considerations for the ease of repair and parts replacement, length of maintenance and repair service, and the expandability of functions

5) Reusability

In the case of sites and parts, considerations regarding disassembly, cleaning, and refilling; establishment of a collection and reuse system that is easy for the purchaser to use

6) Recyclability

Are the materials used in the product easy to recycle? Does the design allow for easy breakdown, disassembly, and separation of materials? Is there a collection and recycling system that is easy for the purchaser to use?

7) Use of recycled materials, etc.

Use as many collected and recycled materials and parts as possible

8) Ease of treatment and disposal

Attempt to place as little burden as possible on incinerator facilities and landfill sites

Examples of environmentally conscious products



Peel-off shipping forms



Drainage material for flat cables



Soy ink



HT Floor



Pre-forms



Insulated cups

We are making progress in our “green purchasing” of raw materials and general supplies, and in acquiring CoC and EPD certification.

We put priority in purchasing to low-environmental impact parts, materials, equipment, and office supplies, and are making efforts to reduce the environmental impact of production processes upstream. We also are promoting Environmental Label certification, which provides proper environmental information about products.

Green Purchasing

We have established targets for green purchasing of raw materials and general materials with the goal of reducing upstream environmental impact and creating a sustainable recycling-based society.

Targets

- To increase the rate of the products purchased according to the green purchasing standards of DNP, to 40% by 2010.
- To increase the purchasing rate of environmentally certified products, such as those labeled with the Eco-Mark, of the total supplies (office supplies and equipment) to 50% by 2010.

Results

In 2005 we succeed in increasing our purchasing ratio for environmentally-conscious raw materials (Purchasing Division Green Purchasing Standards) by 3.9 points, and our purchases of environmentally-friendly general supplies (products with Environmental Label certification, such as the Eco-Mark) by 11 points, to 27.5% and 41.6% respectively.

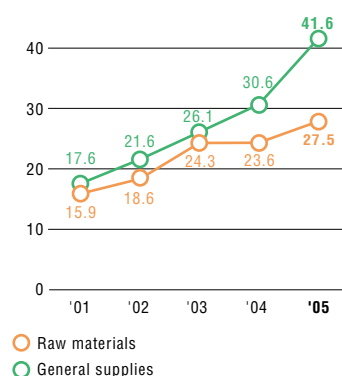
[Efforts in Raw Materials (paper, ink, and manufacturing supplies)]

We improved our purchasing rate for environmentally-conscious materials in 2005. The Information Communication Segment increased purchases of ECF-pulp and TCF-pulp paper, while the clear-vapor deposit film and barrier film of the Lifestyle and Industrial Supplies Segment and the steel frames and arsenic-free glass used in the shadow masks of the Electronics Segment received environmentally-conscious certification.

[Efforts in General Supplies (stationery and office supplies)]

We broadly increased our purchases of environmentally-conscious general supplies because of an increase in the selection of newly-certified environmentally-conscious products.

Purchasing rate for environmentally-conscious products (%)



Environmental Label Certification

In regard to environmental labels, we are acquiring the “S-mail recycled paper type” Eco-Mark, and in addition are promoting the acquisition of CoC certification for use as a Type I environmental label. The CoC certification system guarantees that the pulp used in making the printed materials is Forest Certified as having originated in forests that are managed according to environmentally sound practices. We are endeavoring to promote the sales of CoC certified products.

We also acquired EPD certification in June 2005 for Type III labeling of fused thermal transfer materials and dye-sublimation transfer materials. EPD is an environmental declaration program developed by Sweden’s Environmental Management Committee for the disclosure of LCA data reviewed by a third party.

CoC and EPD Certification Acquisition Status

| Certification Type | Acquired By | Acquisition Date* | Registration Organization |
|--------------------|--|-------------------|---------------------------|
| FSC-CoC | DNP Tokai | Oct. 2002 | SGS* |
| FSC-CoC | Commercial Printing Operations | Aug. 2003 | SGS |
| FSC-CoC | DNP Media Create Kansai | Sep. 2003 | SGS |
| FSC-CoC | DNP Trading | Dec. 2003 | SGS |
| FSC-CoC | Yokohama Plant, Packaging Operations | Dec. 2005 | SGS |
| FSC-CoC | DNP Tohoku | Mar. 2006 | SGS |
| FSC-CoC | Ichigaya Publication Printing Operations | Mar. 2006 | SGS |
| PEFC*-CoC | Packaging Operations | Jan. 2004 | JIA* |
| PEFC-CoC | DNP Tokai | Sep. 2005 | SGS |
| EPD* | Dye-sublimation transfer materials (2 types) | Mar. 2003 | JIA |
| EPD | Fused thermal transfer materials (8 types) | Jun. 2005 | JIA |

*Date of initial registration

*[FSC] Forest Stewardship Council

*[PEFC] Programme for the Endorsement of Forest Certification Scheme

*[SGS] SGS ICS Japan

*[JIA] Japan Gas Appliances Association

*[EPD] Environmental Product Declarations

*[Products conforming to Green Purchasing Standards]

Paper: Paper made from recycled pulp, non-wood pulp paper, ECF/TEF pulp paper (paper made from non-chlorine bleached pulp), FSC-certified forest pulp, biodegradable resin. Ink: Soy ink, water-based ink, and non-toluene ink (ink that does not contain toluene), substitute solvent, recycled solvent. Manufacturing supplies: Eco-mark certified products, reused or recycled materials. Sites subject to these standards are the 32 sites under the jurisdiction of DNP’s Purchasing Division.

We promote the acquisition of ISO14001 certification.

We are promoting a unique environmental management system by creating ISO14001 compliance based on the Eco-Report System that takes into account the special characteristics of each business domain.

| Targets | Results |
|--|--|
| <ul style="list-style-type: none"> To promote ISO14001 certification at 30 sites by FY2005. | <ul style="list-style-type: none"> By FY2005, 31 sites had acquired certification, meeting our target. DNP Photomask Europe of Italy was added to this list as of April 2006, bringing the certification total to 24 systems at 32 sites. |

ISO14001 Certificates

| Site | Date* | Registration Organization |
|--|-----------|---------------------------|
| 1 Okayama Plant, Information Media Supplies Operations | Nov. 1997 | JIA-QA* |
| 2 Mihara Plant, Display Components Operations | Jul. 1998 | DNV* |
| 3 DNP Facility Services* | Apr. 2000 | AJA* |
| 4 Okayama Plant, Decorative Interiors Operations | Jul. 2000 | JIA-QA |
| 5 CHUBU Operations, DNP Tokai | May 2001 | JIA-QA |
| 6 Sayama Plant, DNP Technopack | Dec. 2001 | DNV |
| 7 Kobe Plant, Decorative Interiors Operations (same system with No. 4) | Jan. 2002 | JIA-QA |
| 8 Tokyo Plant, The Inctec | Jan. 2002 | JCQA* |
| 9 Kansai Plant, The Inctec (same system with No. 8) | Jan. 2002 | JCQA |
| 10 Utsunomiya Plant, The Inctec (same system with No. 8) | Jan. 2002 | JCQA |
| 11 Ushiku Plant, IPS Operations | Mar. 2002 | DNV |
| 12 DNP Technopack Tokai | Mar. 2002 | JCQA |
| 13 Tien Wah Press (Singapore) | May 2002 | PSB* |
| 14 Chikugo Plant, DNP Nishinippon | Jun. 2002 | DNV |
| 15 Kyoto Plant, Electronics Devices Operations | Jul. 2002 | DNV |
| 16 Sayama Plant, Information Media Supplies Operations | Oct. 2002 | JIA-QA |
| 17 DNP Media Create Kansai | Mar. 2003 | JIA-QA |
| 18 Advanced Colortech | Jan. 2004 | JCQA |
| 19 Tokyo Plant, Decorative Interiors Operations (same system with No. 4) | Jan. 2004 | JIA-QA |
| 20 Kamifukuoka Plant, Electronics Devices Operations | Mar. 2004 | AJA |
| 21 Fukuoka Plant, DNP Nishinippon | Jun. 2004 | DNV |
| 22 Itabashi Area, DNP Logistics | Oct. 2004 | AJA |
| 23 Tokyo Plant, DNP Ellio | Jan. 2005 | LRQA* |
| 24 Osaka Plant, DNP Ellio (same system with No. 23) | Jan. 2005 | LRQA |
| 25 Warabi Plant, IPS Operations (same system with No. 11) | Mar. 2005 | DNV |
| 26 Nara Plant, DNP Data Techno Kansai | Jun. 2005 | DNV |
| 27 Tien Wah Press (Johor Bahru) | Nov. 2005 | PSB |
| 28 Otone Plant, Display Components Operations (same system with No.2) | Mar. 2006 | DNV |
| 29 Kashiwa Plant, DNP Techno Polymer | Mar. 2006 | JACO* |
| 30 Kansai Plant, DNP Techno Polymer (same system with No.29) | Mar. 2006 | JACO |
| 31 DNP Photomask Europe | Apr. 2006 | CISQ* |
| 32 DT Fine Electronics* | Mar. 1997 | JACO |



Mihara and Otone Plants,
Display Components Operations



Kashiwa and Kansai Plants, DNP Techno Polymer

*[JIA-QA]: Japan Gas Appliances Association QA Center, QA Center

*[DNV]: Det Norske Veritas (Norway)

*[AJA]: AJA Registrars Ltd.

*[JCQA]: JIC Quality Assurance Ltd.

*[PSB]: PSB Certification Pte Ltd. (Singapore)

*[LRQA]: Lloyd's Register Quality Assurance Ltd.

*[JACO]: Japan Audit and Certification Organization for Environment and Quality

*[CISQ]: Federazione Certificazione Italiana dei Sistemi Qualit Aziendali (Italy)

* Indicates the first registration date.

* DNP Facility Services acquired the certificate as part of a comprehensive management system of quality, environment, labor safety and food sanitation; the initial registration organ was JIC-QA (JIC Quality Assurance Ltd.)

* DT Fine Electronics registered as part of Toshiba Corporation (Semiconductor Company) (Kawasaki-shi, Kanagawa Pref.)

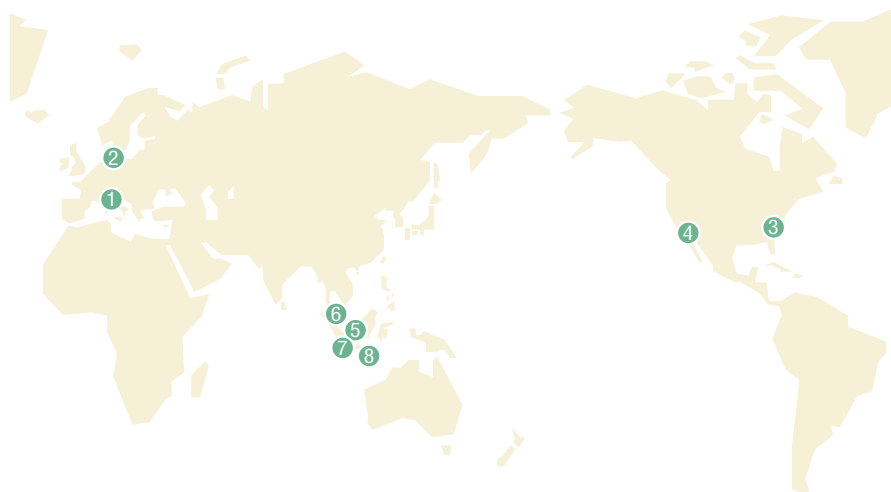
We are introducing the Eco-Report System at overseas sites also.

We are enhancing environmental management at our overseas sites through our Eco-Report System and Overseas Surveillance.

Efforts at Overseas Sites

We implemented the Eco-Report System (see page 53) at our overseas sites as well in 2005. We will continue to work to enhance our environmental management. Our Headquarters Promotion Office also visits all overseas manufacturing sites and offices once a year under our Overseas Surveillance program, checking on the environmental management situation and giving guidance. Overseas Surveillance was conducted at all overseas manufacturing sites and offices in 2005.

We promote compliance with all local laws and regulations at our overseas manufacturing sites, as well as environmental conservation measures such as setting targets for energy conservation, waste reduction, and recycling. We also promote the setting and achievement of targets for items such as energy conservation, reduced paper use, and recycling at our overseas offices.



<Overseas Manufacturing Sites>

1. DNP Photomask Europe
2. DNP Denmark
3. DNP IMS America
4. DNP Electronics America
5. Tien Wah Press (Singapore)
6. Tien Wah Press (Johor Bahru)
7. DNP Indonesia (Probadon)
8. DNP Indonesia (Karawan)

<Overseas Offices>

Dusseldorf, London, Paris, New York, Los Angeles, Silicon Valley, San Francisco, San Marcos, Seoul, Shanghai, Taipei, Singapore, Sydney



Confirming registration
Tien Wah Press
(Johor Bahru)



Environmental facility
DNP Denmark



Environmental facility
DNP Photomask Europe



Emergency response equipment
DNP Electronics America



Office recycling
San Francisco office

Current situation of environmental impact (1 -6 tabulated between April 2005 and March 2006; 7-8 was tabulated between January 2005 and December 2005)

| | CO ₂ emissions | Final amount of waste disposals | VOC emissions |
|--|---------------------------|---------------------------------|-----------------|
| 1. DNP Photomask Europe Agrate, Italy; manufacturing photomasks | 2,790ton-CO ₂ | 78 tons | less than 1 ton |
| 2. DNP Denmark Carlsund, Denmark; manufacturing projection television screens | 1,180ton-CO ₂ | 0 tons | less than 1 ton |
| 3. DNP IMS America Concorde, North Carolina; manufacturing information media supplies | 1,720ton-CO ₂ | 304 tons | less than 1 ton |
| 4. DNP Electronics America Chula Vista, California; manufacturing projection television screens | 1,670ton-CO ₂ | 15 tons | less than 1 ton |
| 5. Tien Wah Press (Singapore) Singapore; offset printing and binding | 15,380ton-CO ₂ | 455 tons | 201 tons |
| 6. Tien Wah Press (Johor Bahru) Johor Bahru, Malaysia; offset printing and binding | 3,680ton-CO ₂ | 182 tons | 135 tons |
| 7. DNP Indonesia (Probadon) Probadon, Indonesia; Gravure printing and offset printing | 20,140ton-CO ₂ | 2,680 tons | 2,530 tons |
| 8. DNP Indonesia (Karawang) Karawan, Indonesia; Gravure printing and offset printing | 15,200ton-CO ₂ | 698 tons | 3,300 tons |

* The results were calculated using GHG protocol indexes based on the CO₂ emissions and energy consumption.

We are constructing education and training systems so that consciousness of environmental issues takes root among our employees.

| Type of Training | Course Name | Description | Held in | Eligibility | Time of year | No. in attendance in 2005 (Total Participants) |
|------------------------------|---|---|---------|---|---|---|
| Education for New Recruits | Environmental Activity Overall (required) | Basic environmental knowledge and conservation efforts of the DNP Group | 1994 | All new recruits | When joining the company | 438 persons (3,673 persons) |
| Technical Seminar | How DNP Deals with the Environment (required) | Basic knowledge of the environment issue, its impact and improvement means such as environmental conservation facilities | 1997 | Technicians in their 2nd year of employment | Fiscal year of attending the seminar | 286 persons (2,564 persons) |
| Technical Seminar | Environment (optional) | Environmental laws and regulations | 1999 | Technicians | At irregular intervals | 164 persons (314 persons) |
| Network Learning | Environmental Issues and Business (required) | Environmental information to be used when presenting customers with proposals concerning environment-oriented businesses | 2000 | Employees with more than 2 years experience in the sales and planning divisions | Employees can decide for themselves | 1,634 persons (8,837 persons) |
| Correspondence Course | Optional | Beginners class on ISO 14001 and LCA | | All employees of DNP Group | Semiannual | — — |
| Eco-report Training | Environmental Issues of the Group (required) | Domestic & international trends in environmental issues, revisions in environmental laws, degree of achievement of environmental targets, new targets, issues concerning specific sites | 1993 | Site members and factory-related personnel of the operations' group environmental committee | Twice a year upon issuing of the Eco-Report | — — |
| Environmental Communications | Risk Communications (required) | valuating health risks of chemical substances, methods of reducing emissions, disclosure of data concerning such substances | 2002 | Site members of the operations' group environmental committee | At irregular intervals | 0 persons (263 persons) |



I took an environmental course so that CSR can fully take root at the workplace.

Toshiaki Yatsuhashi

Technical Operations
DNP Tokai

As the central organization within the DNP Tokai Manufacturing 21 Promotion Group, the ISO Bureau is currently engaged in restructuring our Integrated Management System (IMS), which consolidates all of the various international standards, such as ISO14001, Forest Certification, ISO9001, and JISQ15001, under a single system. I was inspired to take an environmental course because I believe in the importance of a company's behavior in society and in corporate compliance with laws and societal ethics in realizing the sustainable pursuit of profit. These are major factors in a company's CSR (corporate social responsibility), and taking the course helps ensure that the knowledge of laws with which we must comply as members of the DNP Group becomes thoroughly understood within the ISO Bureau.

The lectures that I attended on environmental laws focused on common themes within these laws, and were very easy to understand. The lecture materials and topics have been effectively developed as part of environmental education focusing on employees at the level of Section Manager and above. We, in the central organization, get quite a few inquiries through the business segments every year from clients concerning environmentally conscious products and services. I hope to attend more such lectures, which contain a lot of specific details and useful explanations of actual examples, so as to help develop the full potential of this business.



Technical seminar held November 25, 2005
(Topic: Environment)



Technical seminar held March 8, 2006
(Topic: Industrial waste)

We manage costs and economic benefits in order to continue improving our environmental conservation efforts.

Our environmental accounting follows the Ministry for the Environment guidelines for effective environmental management and is a social communication tool. We reduced our VOC emissions in 2005.

Environmental Accounting Data and Disclosure

Targets

- (1) Use as an environmental management tool for the DNP Group
 - Environmental accounting produces a breakdown of environmental conservation costs as that can be used as a reference for determining the effectiveness of environmental conservation activities.
 - Environmental accounting data is used to determine the cost of individual environmental facilities, the Group's overall budget for environmental conservation, and the amount of investment in environmental activities.
 - Environmental accounting is used to monitor and evaluate the effects and achievements of activities performed throughout the year in order to ensure continuous improvement in our environmental performance.
- (2) Use as a tool for communicating with society
 - Environmental accounting provides the means for the public release of our environmental conservation efforts and their results.
 - We use the reception concerning our environmental accounting reports as received from shareholders, clients, and local communities as a reference for improving our approach to environmental conservation.

<Environmental Accounting Calculation Bases>

- 1) Period covered: April 1, 2005 through March 31, 2006 (Environmental conservation facilities are those considered as of March 31, 2006)
- 2) Scope of coverage: Of companies subject to our consolidated financial accounting, environmental accounting was applied to the Group's domestic manufacturing companies (43 companies and 54 sites), one distribution company, one in-house food catering company, and one important company covered under the equity method.
- 3) Monetary unit: All monetary figures are expressed in millions of yen, rounded off to the nearest million.
- 4) Announcement format: Used the format in the 2005 version of the Environmental Accounting Guidebook by the Ministry of the Environment.
- 5) Basis for the environmental conservation cost
 - The environmental conservation costs include depreciation expenses for investments. Depreciation is applied in accordance with corporate tax law regulations.
 - Personnel costs for full-time workers were calculated at the average labor cost per person, while personnel costs for workers holding two or more posts were calculated at 1/10 or 1/5 the average personnel cost per person, depending on the worker's assigned duty.
 - R&D costs are the total costs incurred by our 10 R&D centers in the development of environmentally conscious products and manufacturing equipment
- 6) Basis for environmental conservation benefits
 - DNP uses consumption per added-value as an indicator for the volume of resources (energy and water) spent on business activities, as well as for the volume of waste materials and CO₂ emissions. Furthermore, the DNP Group uses the added-value total of the company concerned as an indicator of the volume of business activities, given that companies within the Group perform product transactions. The added-value amount is calculated pursuant to the "Management Analysis of Japanese Corporations" issued by the Ministry of the Economy, Trade and Industry.
 - Environmental pollutant emissions' volume into the air for the business area costs from this period refers to the total volume of PRTR-listed VOCs.
 - The benefit related to goods produced by business activities is the benefit of the reduction of CO₂ emissions when disposing of or recycling containers or packaging.
 - The benefit related to the environmental impact of transportation is the benefit of reduced CO₂ emissions during the transportation of products by the distribution company subject to DNP's consolidated accounting.
- 7) Bases for the calculation of the economic benefit of environmental conservation activities
 - The benefit corresponding to global environmental conservation and resource circulation costs are calculated respectively as saving energy costs by energy conservation and saving waste disposal costs by resource conservation.
The reduction amount is calculated as follows: ((Benchmark period unit consumption - unit consumption for the current period) × business activity amount for the current period).
 - The calculation of business activities was performed using the added-value indicated in Item 6 of the above benefit calculation basis.
 - For unit consumption, we used energy cost/added-value and waste disposal cost/added value.
 - The benchmark period unit consumption is the gross average value for the three-year period up to and including the previous term. However, energy costs are adjusted to current price levels in calculating unit consumption due to severe fluctuations in prices.

<Results of Our Environmental Accounting>

Table (1) Environmental conservation costs (Categories corresponding to business activities)

| Category | Investment | | Expense | | Details of Major Efforts | Refer to: |
|--|------------|-------|---------|--------|---|-------------|
| | 2004 | 2005 | 2004 | 2005 | | |
| (1) Business area cost | | | | | | |
| Pollution prevention cost | 854 | 997 | 2,885 | 2,200 | Increase in deodorizing equipment, expansion of wastewater treatment facilities, erection of noise barriers | 62,63,66,70 |
| Global environmental conservation cost | 101 | 220 | 1,050 | 725 | Increase in waste-heat boilers, motive energy inversion, thermostat and light controls | 64 |
| Resource circulation costs | 171 | 102 | 3,725 | 3,008 | Increase in compressors, separation recycling, zero emissions (conversion to RPF / cement ingredients), use of recycled water | 67,68,69 |
| (Total business area costs) | 1,126 | 1,318 | 7,660 | 5,933 | | |
| (2) Up/downstream cost | | | 129 | 115 | Cost of environmentally conscious product design and container/packaging recycling | 73 |
| (3) Administration cost | | | 2,036 | 2,078 | ISO14001 inspection and registration costs, environmental measurement costs, environmental report composition costs | 52-55,75 |
| (4) R&D cost | | | 2,386 | 2,696 | Research and development into environmentally conscious products and production methods | 73 |
| (5) Social activities cost | | | 11 | 21 | Cleanup of areas outside the plant compound, support for activities of environmental conservation groups | |
| (6) Environmental remediation cost | | | 65 | 0 | | 72 |
| Total | 1,126 | 1,318 | 12,287 | 10,842 | | |

* Includes ¥400,000 for WWF and ¥200,000 for Japan Greenery Research and Development Center

Environmental conservation costs to total costs ratio

| Category | Consolidated Total Costs | Costs | Ratio | Details of Major Environmental Conservation Costs | Refer to: |
|------------------------------|--------------------------|-------|-------|---|-----------|
| Investment of current period | 136,059 | 1,318 | 0.97% | Catalytic deodorizing equipment, expansion of wastewater treatment facilities, increase in waste-heat boilers, etc. | 62,63,66 |
| R&D cost of current period | 28,692 | 2,696 | 9.40% | Non-PVC decorative sheets, biodegradable plastics, product weight reduction, water-based inks, etc. | 73 |

Table (2) Environmental conservation benefits

| Category | Category of indicator showing benefit | Value | | | Remarks | Refer to: |
|--|--|--------|--------|------------|--|-----------|
| | | 2004 | 2005 | Difference | | |
| (1) Environmental conservation benefit related to resources input into business activities | | | | | | |
| - Benefit arising from supplied resources | | | | | | |
| Total energy input volume | Energy consumption (TJ) | 20,100 | 20,800 | 700 | All consumed energy was converted into average value in calories | 58,64 |
| | Added-value unit consumption for the above (TJ/1 billion yen) | 0.425 | 0.423 | -0.002 | Energy reduced by -0.002TJ per 1 billion yen in added value | |
| Input volume of water | Water usage (in thousands of tons) | 15,307 | 15,653 | 346 | Water supply, industrial water, and well water | 58,67 |
| | Added-value unit consumption for the above (1,000 tons/1 billion yen) | 0.324 | 0.318 | -0.006 | Water reduced by 60m³ per 1 billion yen | 58,67 |
| Input volume of main raw materials (paper, plastic, metal, etc.) | Supplied amount (in thousands of tons) | 2,560 | 2,734 | 174 | Total weight of paper, plastic, ink and metals | 58 |
| | Amount of undesired materials generated/supplied (%) | 13.8 | 12.9 | -0.9 | Ratio of unwanted materials that are main raw materials | 58 |
| - Environmental conservation benefit related to waste or environmental impact originating from business activities | | | | | | |
| Emissions to the air | SOx emissions (tons) | 22.6 | 20.4 | -2.2 | Calculated from supplied energy | 59,62 |
| | NOx emissions (tons) | 702.1 | 723.6 | 21.5 | Calculated from supplied energy | 59,62 |
| | Environmental pollutant emissions volume (VOC emissions volume) (tons) | 12,600 | 10,662 | -1,938 | Including 12 substances covered by the PRTR report | 59,63,66 |
| Water quality | COD discharge (tons) | 52.9 | 53.3 | 0.4 | Calculated from the amount of discharged water and average concentration | 59,63 |
| | Emissions of environmental pollutants (354 PRTR substances) (tons) | 0.0 | 0.0 | 0.0 | Three substances discharged in 2005 | 59,66 |
| Water emission volume | Generated undesired materials (1,000 tons) | 528 | 502.7 | -25.3 | Including undesired materials other than main raw | 59,68,69 |
| | Discharged waste (1,000 tons) | 95.5 | 91.1 | -4.4 | materials | 59,68,69 |
| | Added-value unit consumption for the above (ton/1 million yen) | 0.202 | 0.185 | -0.017 | Reduction of waste emissions per amount of added value | 68,69 |
| | Recycle rate (%) | 79.5 | 79.4 | -0.1 | The value-added cost per waste disposal amount is the same as last year | 68,69 |
| | Emissions of environmental pollutants (354 PRTR substances) (tons) | 2,271 | 2,261 | -10 | Total for 27 substances reported | 66 |
| Volume of green gas emission | Emissions of greenhouse gasses (1,000 t-CO₂) | 936 | 964 | 28 | Including emissions by incinerators and drying furnaces | 58,59,64 |
| | Added-value unit consumption for the above (ton-CO₂/1 billion yen) | 19 | 18.8 | -0.2 | Reduction of 2t of emissions per 1 billion yen of added value | 64 |
| (2) Environmental conservation benefit related goods and services produced from business activities | | | | | | |
| - Benefit related to goods produced by business activities | | | | | | |
| CO₂ emissions after product shipment | CO₂ emissions (1,000 t-CO₂) | 395.3 | 386.0 | -9.3 | Emitted at incineration and recycling of used containers and packaging | |
| | CO₂ emissions / volume of products | 1.46 | 1.38 | -0.08 | Reduction of CO₂ emissions of 0.08t per 1t of product | |
| (3) Other environmental conservation benefit | CO₂ emissions during the transportation of products (tons) | | | | | |
| - Benefit related to the environmental impact of transportation | CO₂ emissions during the transportation / (weight x distance) (tons/million tons·km) | 4,630 | 4,540 | -90 | 1.9% reduction of CO₂ emissions | 65 |
| | | 76.0 | 59.8 | -16 | CO₂ emissions reduced by 2 tons for each ton of goods transported 1 million ton·km | 65 |

Table (3) Economic Benefits of Environmental Conservation Activities

| Economical benefits of environmental conservation activities | Amount | | | Remarks | Refer to |
|---|---------|---------|------------|--|----------|
| | 2004 | 2005 | Difference | | |
| (1) Increased sales | | | | | |
| · Economic benefit of R&D costs | | | | | |
| Sales of environmentally conscious products | 163,975 | 256,639 | 92,664 | Sales up 56% over 2004 | 73 |
| (2) Increased income | | | | | |
| · Benefit of resource recycling costs | | | | | |
| Income from recycling undesired materials | 3,048 | 2,148 | -900 | Reduction of waste metal | 58,68,69 |
| (3) Cost saving | | | | | |
| · Benefit corresponding to global environmental conservation and resource circulation costs | | | | | |
| Saving energy costs by energy conservation | -861 | -590 | 271 | Improvement in per unit energy consumption volume | 58,64 |
| Saving disposal processing cost by resource conservation | 263 | 335 | 72 | Improvement per unit due to reduction of emissions | 58,68,69 |

<Evaluation of 2005 Environmental Accounting Performance Data>

Environmental conservation cost and environmental conservation activities

- Investment in environmental facilities increased by 19.2 billion yen (17.1%) over the previous year. In addition expansion of large-scale environmental facilities such as waste-heat boilers and wastewater treatment facilities was due to the continuation of VOC measures (catalytic incinerator and solvent collection equipment) ongoing since 2004.
- Business area costs were down 22.5% in comparison to the previous year. This was mainly due to a reduction in the costs of recycling and processing industrial waste.
- The increase in research and development costs over the previous year was due to an increase in the number of environmentally conscious product themes in the Living and Industry Segment and an increase in the budget for existing themes.

Environmental conservation benefit

- An approximately 76.0 billion yen investment in solvent collection and elimination facilities was made in 2005, and emissions of VOCs were reduced by 1,938 tons.
- The conversion to LNG for fuel reduced SO_x by 10%.
- Material input increased as a result of expansion of business operations, but progress was made in improving the yield rate and adding value to undesired material, and reductions were made in undesired material and waste emissions amounts. Conversely, due to an expansion in industrial output, the greenhouse gas emissions increased. However, per unit emissions decreased due to improvements in production efficiency and increases in waste-heat boilers and inverter equipment.

Economic benefit of environmental conservation measures

- Sales of environmentally conscious products increased by 56% in comparison with the previous year, exceeding the target with a 10% increase.
- Income from recycling undesired materials showed a decrease of 90.0 billion yen in comparison with the previous year, due to a reduction in undesired material generated, mainly waste metal.
- The cost reduction benefit is calculated according to "Basis for economic benefits of environmental conservation measures" on the previous page. The added value amount increased 5.9% in 2005 in comparison to the benchmark period (three-year average from 2002~2004). Including per unit improvement for waste, an economic benefit of 7.2 billion yen was gained. Also, due to an improvement in per unit energy consumption from the previous year, the worsening trend in energy consumption was halted.

Issues Henceforth

- Make further improvements in eco-efficiency through Manufacturing 21 activity and eliminate all waste from production processes.
- Continue to install solvent collection and elimination equipment so as to achieve the VOC emissions reduction targets.
- Continue fuel conversions (fuel oil→gas, LPG→natural gas) so as to improve per unit greenhouse gas emissions.

We have steadily endeavored in environmental issues toward the realization of a sustainable society.

- 1972** ● Establishes the Environment Department within the head office to promote pollution prevention measures and communication with local residents
- 1990** ● Make new efforts to deal with global environmental issues by establishing the Eco-Plan Promotion Office within the Environment Department
- 1992** ● Establishes the DNP Group Corporate Pledge and Code of Conduct for DNP Group Employees
- 1992** ● Establishes the Eco-Plan Promotion Targets, the fundamental voluntary plan based on the Environmental Declaration of the Codes of Conduct, and starts activities by 4 sub-committees
- 1993** ● Starts the Eco-Report System, which is part of the DNP Group environmental management system
- 1994** ● Remodels and expands the Environment Department into the Environment & Product Liability Department to strengthen our efforts towards environmental issues, including taking responsibility for the disposal of products we produce
- 1995** ● DNP wins the International Trade and Industry Minister's Prize in the "Fourth Global Environmental Awards", which commend companies and groups that contribute to the conservation of the global environment. (The Awards were established in 1991 by the Japan Industrial Journal and the Fuji Sankei Communications Group, with special support by WWF Japan and sponsorship by the Ministry of the Environment, the Ministry of the Economy, Trade and Industry, and the Japan Federation of Economic Organizations.)
- 1996** ● Begins performing the Eco-Audit, the internal environmental audit performed by the Eco-Plan Promotion Office to upgrade the Eco-Report System
- 1997** ● Okayama Plant, Information Media Supplies Operations becomes the first in the printing industry to acquire ISO 14001 certification
- 1998** ● Mihara Plant, Display Components Operations acquires ISO 14001 certification
- Publish the DNP Group Environmental Activity Report
- 2000** ● The Eco-Plan Promotion Office is dismantled and replaced with DNP Environmental Committee to strengthen the system for promoting environmental activities
- The affiliate DNP Facility Services becomes the first in the world to be certified as a comprehensive system with quality, environment, office safety and HACCP
- Okayama Plant, Decorative Interiors Operations acquires ISO 14001 certification
- 2001** ● DNP Tokai, and Sayama Plant, DNP Technopack acquires ISO 14001 certification

- 2002** ● DNP Tokai acquires FSC-CoC certification
- Acquisition of ISO 14001 certification by: Kobe Plant, Decorative Interiors Operations, The Inctec (Tokyo, Kansai, and Utsunomiya Plants), Ushiku Plant, BF Operations, DNP Technopack Tokai, Tien Wah Press, Chikugo Plant, DNP Nishinippon, Kyoto Plant, Electronics Devices Operations, Sayama Plant, Information Media Supplies Operations
- 2003** ● Environmental Report Division receives the "6th Environmental Report Grand Prize" for superior reporting
- Acquisition of ISO 14001 certification by: Ono Plant, DNP Media Create Kansai, Advanced Colortech, Tokyo Plant, Decorative Interiors Operations, Kamifukuoka Plant, Electronics Devices Operations
- Commercial Printing Operations, DNP Media Create Kansai, DNP Trading acquire FSC-CoC certification, while Packaging Operations acquires PEFC-CoC certification.
- Two types of fused thermal transfer materials of the Information Media Supplies Operations receive EPD "Type III" environmental labeling certification and registration.
- 2004** ● The "14th Global Environment Grand Prize" awarded by the Minister for the Environment
- The "7th Environmental Report Prize" awarded for Excellence
- Fukuoka Plant, DNP Nishinippon, DNP Logistics, DNP Erio (Tokyo and Osaka Plants), Warabi Plant, BF Operations acquire ISO14001.
- Eco-Report System implemented at overseas sites.
- 2005** ● "8th Environmental Report Prize / Sustainability Report Prize" awarded for Excellence
- DNP Data Techno Kansai, Johore Bahru Plants, Tien Wah Press, Otone Plants, Display Products Operations, DNP Techno Polymer (Kashiwa and Kansai Plants) acquire ISO14001.
- Ichigaya Publication Printing Operations, DNP Tohoku, Yokohama Plant, Packaging Operations acquire FSC-CoC certification, and DNP Tokai acquires PEFC-CoC certification.

<Efforts Supporting Biodiversity>

DNP considers biodiversity and the surrounding environment when developing large-scale plant construction and other projects, and when necessary we perform environmental assessments. An environmental assessment examines, forecasts, and evaluates the effect that such a development has on the environment. We publish the results of these assessments and listen to opinions concerning them, and by taking all of that into account we are better able to create plans from an environmental conservation perspective.

Independent Review Report Comments by independent institution
(Shin Nihon Environmental and Quality Management Research Institute Co., Ltd.)

TRANSLATION

Independent Assurance Report

August 3, 2006

Mr. Yoshitoshi Kitajima
President
Dai Nippon Printing Co., Ltd

Shin Nihon Environmental and Quality Management Research Institute Co., Ltd

Representative Director

Yasuo Kurihara

1. Scope and objectives of this engagement

The purpose of this assurance engagement, based on the contract with Dai Nippon Printing Co., Ltd (the "Company"), is to express an independent opinion on the DNP Group CSR report 2006 (the "Report") in respect of whether the environmental performance data, environmental accounting data and material environmental information^{*1}, which are prescribed in the institutional framework of the assurance engagement and the registration of the environmental report of the Company and its material subsidiaries, were accurately measured and calculated and covers all material aspects without omissions in accordance with the reporting standard of a social and environmental report^{*2}. The reporting responsibility belongs to the Company's management. Our responsibility is to express an independent opinion on the Report.

^{*1}The material environmental information which are prescribed in the institutional framework of the assurance engagement and the registration of environmental report, are indicated in the "Environmental report assurance and registration mark standards" (The Japanese Association of Assurance Organizations for Environmental Information).

^{*2}The reporting standard for social and environmental report refers to "The Environmental Reporting Guideline 2003" (Ministry of Environment, March 2003).

2. Outline of the assurance engagement procedures

We have applied limited assurance engagement procedures mainly composed of inquiry, review and analytical procedures in accordance with the "Practical guideline for assurance engagement of non-financial statements (exposure draft)" (Japanese Institute of Certified Public Accountants Jul 2005) and the "Practical guideline for assurance engagement of environmental information" (J-AOEI Jan 2006). Therefore, our assurance engagement provides relatively limited assurance compared to a reasonable assurance engagement.

Outline of the applied procedures is as follows;

- 1) Understanding and evaluating the collection and calculation process of the subject information described in the Report.
- 2) Recalculating and cross-checking the subject information described in the Report with the supporting evidence on a sample basis.
- 3) Verifying the consistency of the subject information with other information described in another part of the Report.
- 4) Conducting an onsite assessment^{*3} to make inquiries to the responsible persons, understanding the circumstances and verifying the supporting evidence per site visit.

^{*3} The onsite verification took place at the Head Quarter Office, and the three major subsidiaries: DNP Tohoku Limited, DNP Technopack Tokai Limited, and the Tokyo Plant of DNP Kenzai Limited.

3. Our opinion

Based on our assurance engagement, we have not come across any material miscalculation or omissions in relation to the environmental performance data, environmental accounting data and material environmental information prescribed in the institutional framework of the assurance engagement and the registration of an environmental report in compliance with the reporting standard.

4. Our independence

We, as a member of the Ernst&Young ShinNihon Group, are in compliance with the Certified Public Accountant Law, the ethics regulation of the Japanese Institute of Certified Public Accountants and the ethics procedure of Ernst&Young ShinNihon. Therefore, there has been no common interest between the Company and us.

NOTE: The above Independent Review Report was prepared based on the original Japanese version.



On-site inspection /
DNP Technopack Tokai



On-site inspection / DNP Tohoku



On-site inspection / Tokyo Plant,
DNP Kenzai



This label indicates that wood comes from FSC certified well-managed forests and company controlled sources.

The Japanese-version of DNP Group CSR Report 2006 is printed in environmentally conscious manners on FSC certified papers.

Dai Nippon Printing Co., Ltd.

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