DNP Group

CSR Report 2007 Information and Data

April 2006-March 2007

CONTENTS

Personnel Data

DNP (as of March 31, 2007)

Number of directors on the Board (Non-consolidated)	Male: 26 persons	Female: None	Total: 26 persons
Senior Expert (Leadership position level 2 and above) (Non-consolidated)	Male: 1,271 persons	Female: 14 persons	Total: 1,285 persons
Number of employees (Non-consolidated)	Male: 7,775 persons	Female: 1,228 persons	Total: 9,003 persons
Average age (Non-consolidated)	Male: 37.8 years old	Female: 29.9 years old	Aggregate: 36.7 years old
Average number of years continuously employed (Non-consolidated)	Male: 14.8 years	Female: 8.2 years	Overall: 13.9 years
Number of employees (Consolidated)	Male: 32,369 persons	Female: 5,371 persons	Total: 37,740 persons
Executive officers in overseas Group companies (Consolidated)	Local: 39 persons	Japan: 87 persons	Total: 126 persons

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 equitable methods to select and hire employees. We also actively participate in internship programs.

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.	FY2007 new hires (DNP only) • Regular employees: 150 persons (99 males, 51 females) • Technical staff: 260 persons (208 males, 52 females)	FY2006 new hires (DNP only) • Regular employees: 140 persons (95 males, 45 females) • Technical staff: 230 persons (180 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.	FY2006 mid-career hires (DNP only): 57 persons	FY2005 mid-career hires (DNP only): 78 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 2006: 105 interns were accepted in 74 categories	During August - September 2005: 68 interns were accepted in 42 categories

Support for Employees Seeking Career Advancement (1)

[Personnel System]

System	Program	This Year Results	Previous Year Results
In-house recruiting system	We periodically recruit internal staff and 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. The purpose is a connection within the company to discover talented human resources and to lot employees to realize their potential.	[FY2006] Number of recruits: 120 Number of transfers: 51 (42.5%)	[FY2005] Number of recruits: 78 Number of transfers: 55 (70.5%)
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.	FY2006: 0 company (Accumulated: 5 companies)	FY2005: 1 company* (Accumulated: 5 companies) * January 2006/YouToo
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 (the program was introduced by an employee's suggestion).	FY2006: 3 persons	FY2005: 3 persons
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 for work, primarily IT-related work FY2006: 593 persons received qualifications	Increase in employees with qualifications for specialized knowledge and technology necessary for work, primarily IT-related work FY2005: 372 persons received qualifications

Support for Employees Seeking Career Advancement (2)

[Personnel System]

System	Program	This Year Results	Previous Year Results
Meister system	Employees with valuable production skills are designated as “Meisters” and we train, appraise and treat them for the succession of their technical skills, which is the basis of manufacturing. Meisters take on roles for the whole organization as well as in each division that they belong, so as to cultivate successors by passing on their talents.	FY2006: 0 designated Cumulative total through end March 2007: 47	FY2005: 3 designated Cumulative total through end March 2006: 47
Special skills recognition program	Employees with advanced specialties, whose talents are recognized particularly widely both inside the company and outside, receive special compensation.	FY2006: 3 designated Cumulative total through end March 2007: 16	FY2005: 1 designated Cumulative total through end March 2006: 13
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 the following monthly salary systems: “Role learning salary and role basic salary”, which are evaluated based on employee’s learning status for general staff and development status for managers of each ranking. “Role performance salary”, which is evaluated based on the employee’s ranking and performance during the period.	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 their evaluate past performance. Employees and supervisors increase mutual understanding through discussion and counseling. Evaluation results are directly reflected in salaries and bonuses.	Personnel evaluation expanded to include general staff beginning with the 2005 winter bonus.	

Support for Employees Seeking Career Advancement (3)

[Personnel System]

System	Program	This Year Results	Previous Year Results
Self-reporting system	We ask employees whether they want to change positions or workplaces in order to further their careers, and for any other requests they may have related to their life plans. When the company agrees, steps are taken to realize the employee's wishes.	FY2006 Persons participating in self-reporting system interviews: 120 transferred out of 302	FY2005 Persons participating in self-reporting system interviews: 80 transferred out of 287
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.	FY2006 (Awarded in June 2006) • For job performance (special annual award): 47 awards • For achievement of goals (special annual award): 26 awards • For years of service: 461 persons	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

Support for Employees Seeking Career Advancement (4)

[Training Programs (Overview)]

Staff	Sales	Planning and Development	Research and Development	Technical Engineering	Production Management	Production
Labor management education		Planning enforcement training		IE experts training		
		Technical seminars (90 courses)				
New entry staff education	Solution business training					Leader's expertise training
	Networking with external entities					
	Pricing training					
	Sales and planning seminar					
	Project management training					
	Sales and planning intellectual properties basic		Engineering intellectual properties basic			
	Sales and planning intellectual properties advanced		Engineering intellectual properties advance			
			Mechatronics training			
	IT experts training					
	Seminar for administrator qualification					
	Seminar for information security administrator qualification					
			Training for the third type lead electric technician qualification			
New business development support seminar						
New career design training						
Business manner instructor training						
Instructor guidance training						
New entry employee instructor education						
Normalization seminar						
Sign language course (regular, advanced)						
International communication skills (English, Chinese, Korean)						
Inter-cultural management training						
Computer literacy education						
Seminar to support women's careers						

Support for Employees Seeking Career Advancement (5)

[Training Programs (Overview)]

Efforts to Create an Energetic Workplace (1)

[Respecting Diversity]

Activities	Program	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 for managers of workplaces with people with disabilities	FY2006: disabled employee rate 1.87% (DNP only)	FY2005: disabled employee rate 2.00% (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 FY2006: 65.8% Modified qualification requirements with more clarity and details, according to employee's standpoint since April 2006.	Rate of users of this system in FY2005: 61.9%
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	• Started "Seminar to support women's careers" for women employees and the supervisors. • From June 2003 to March 2006: 1,825 managers participated in training to support women's careers. (It was non-enforced in 2006)	From June 2003 to March 2005: 1,825 managers participated in training to support women's careers.

Efforts to Create an Energetic Workplace (2)

[Flexible Work Styles]

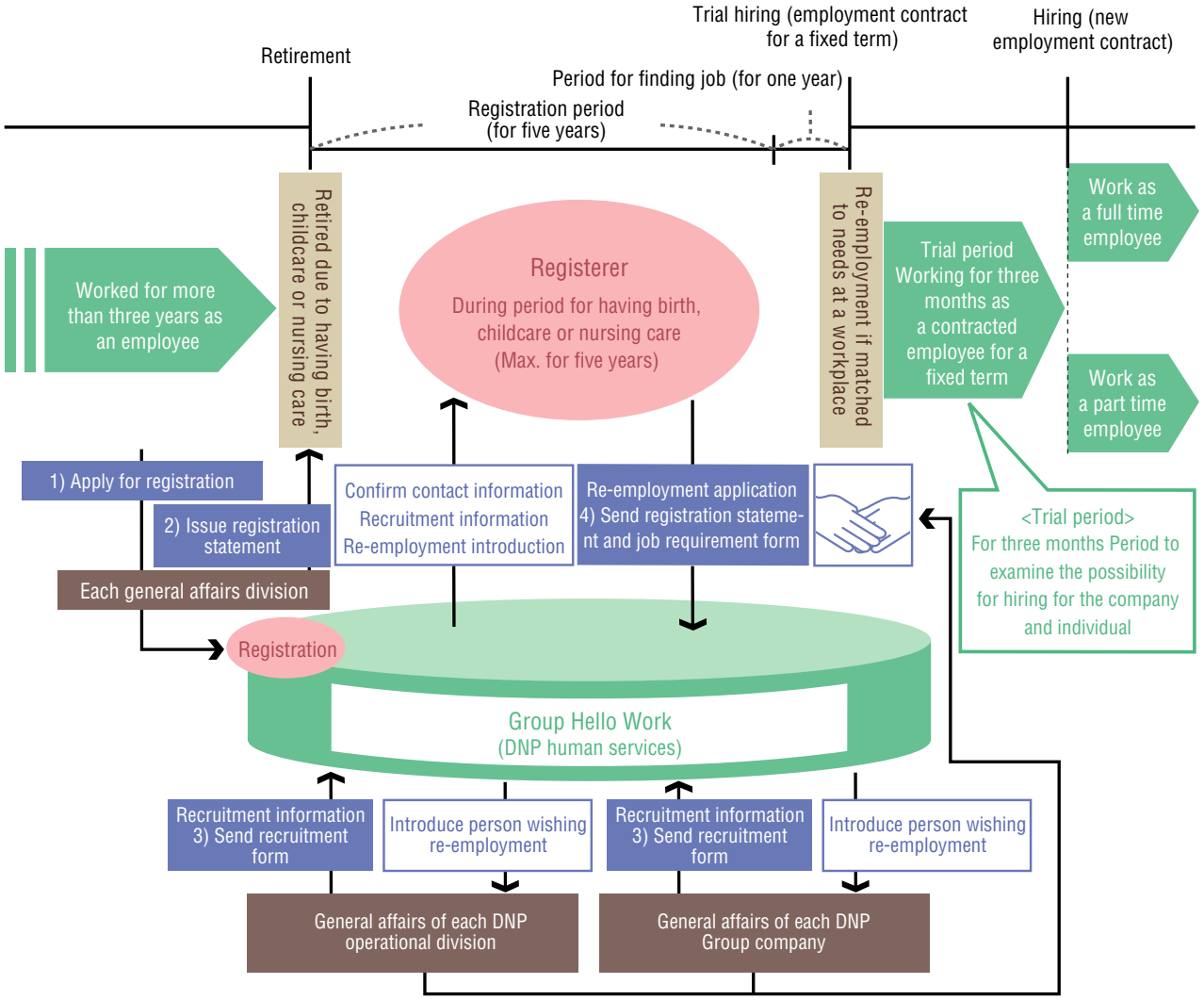
System	Program	This Year Results	Previous Year Results
Employment system	Flexible employment system incorporating: • Flex time system • Discretionary working system • Part-time working hours	Applied to over 63.3% of our employees overall (DNP only)	
Leave system	Diverse leave system that accommodates individual lifestyles. • Annual paid vacation (maximum of 20 days a year) • Childcare leave • Life-support leave	2006: Percentage of employees who took an annual paid leave: 34.4% (DNP only)	2005: Percentage of employees who took an annual paid leave: 32.7% (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.	2006: 77 persons took leave under this system (DNP only)	2005: 50 persons took leave under this system (DNP only)
Back-to-Work from Childcare Program	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 2007: 54 Kangaroo Club members in January 2007: Tokyo, 27; Osaka, 10	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	2006: 0 persons took leave under this system (DNP only)	2005: one person took leave under this system (DNP only)

Efforts to Create an Energetic Workplace (3)

[Flexible Work Styles]

System	Program	This Year Results	Previous Year Results
"re-work" System (See chart below)	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 2007, 45 persons were registered as candidate	As of March 2006, 30 persons were registered as candidate

["re-work" system]



Efforts to Create an Energetic Workplace (4)

[Flexible Work Styles]

System	Program	This Year Results	Previous Year Results
Consultation office	Consultation with specialists for the topics of housing (financial planning, housing selection, design and construction), legal issues (inheritance, family matters, and accidents), taxes, and sexual harassment.	FY2006: The office handled 1,535 cases Conducted on site clinics at 6 sites since January 2007.	FY2005: The office handled 1,192 cases Established the Kansai Consultation Office in July 2005
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	FY2006: 718 consultations	FY2005: 651 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. • FY2006: guidance 939 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. • FY2005: guidance 651 persons attended guidance and briefing sessions
Career counseling center	Provides counseling and guidance regarding career development	• FY2006: 136 persons used the center • Career design development course 25 persons (conducted three times)	• FY2005: 137 persons used the center • Career design development course 69 persons (conducted five times)
Mutual relief association	Continuous creation of independent structures for mutual relief efforts funded jointly by the company and the labor unions.	FY2006 • Congratulatory or condolence benefit: 7,595 cases • Loans: 121 cases • Children's scholarships (student grants and pension): 54 cases	FY2005 • Congratulatory or condolence benefit: 7,277 cases • Loans: 109 cases • Children's scholarships (student grants and pension): 75 cases

Efforts to Create an Energetic Workplace (5)

[Flexible Work Styles]

System	Program	This Year Results	Previous Year Results
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 2006 Percentage of people who underwent general medical examinations: 99.39%	January to December 2005 Percentage of people who underwent general medical examinations: 99.35%
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).	2006: 83,544 persons visited the clinics	2005: 82,512 persons visited the clinics
Smoking measures	Smoking measures conducted based on the Group Guideline at each worksite to prevent nonsmokers 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 2006 Telephone health consultation (including family members) Mental health consultation Nutrition consultation and exercise consultation Total of 6,077 cases	January to December 2005 Telephone health consultation (including family members) Mental health consultation Nutrition consultation and exercise consultation Total of 6,898 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 offer checkups by specialists at the Tokyo Ichigaya medical clinic and at health insurance union clinics in the Kansai area in order to promote early detection (prevention) and treatment.		

Efforts to Create an Energetic Workplace (6)

[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.	Major standards and guidelines 1) Workplace environment improvement • Workplace environment standards • guidelines for preventing noise in the workplace • guidelines for tobacco smoking 2) Preventing work-related accidents • 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 2007 Industrial sanitation administrator: 385 Operation chief: 2,367 Completed technical course for restricted work operations: 6,051 Completed special educational course: 1,955	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 2006: Industrial accident rate*: 0.44%	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%

* 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

Efforts to Create an Energetic Workplace (7)

[Creating Healthy and Safe Workplaces]

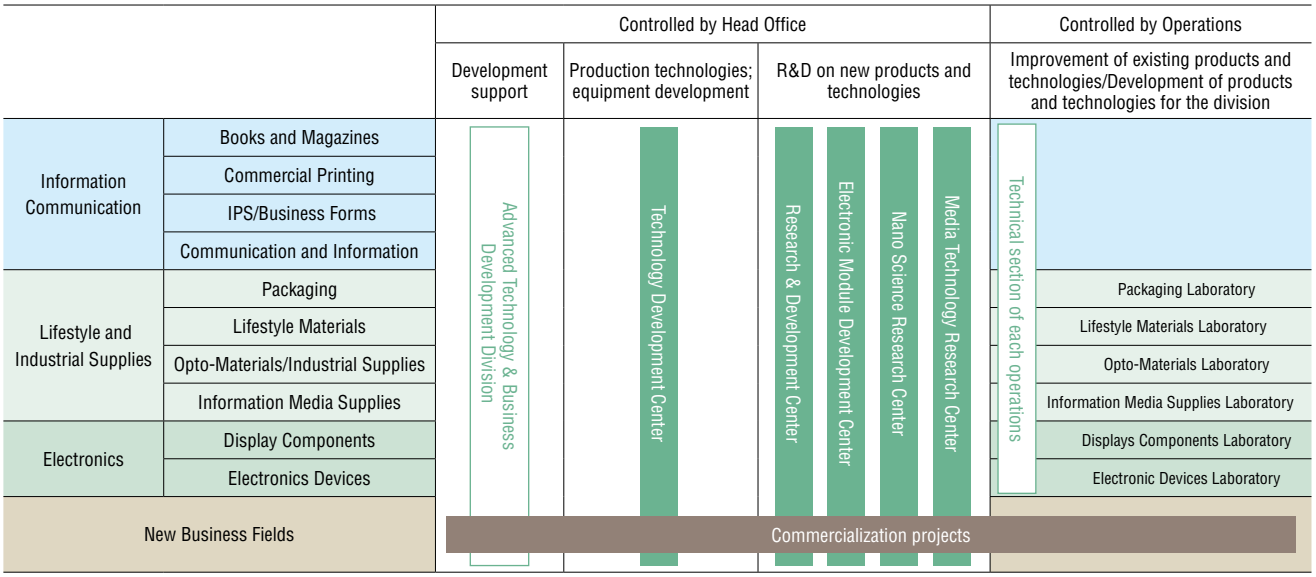
System	This Year Results	Previous Year Results
Placement of automatic external defibrillators (AED) We have placed medical devices that administer an electric shock to the heart in the event of sudden heart failure (automatic external defibrillators (AED) at our worksites nationwide. We proceeded to install them nationwide as a part of emergency medication system since July 2005. At each site, AED are placed at a security office so as to be able to use them 24 hours a day in response to an initial report for an emergency request, by receiving qualification courses in emergency skills taught by the Fire Defense Agency. We also assign medical staff who have received technical education provided by specialized agencies at each clinic	Number of AED placed as of March 2007: 54	Number of AED placed as of March 2006: 22

Research & Development to Contributions to the Emergently Evolving Society

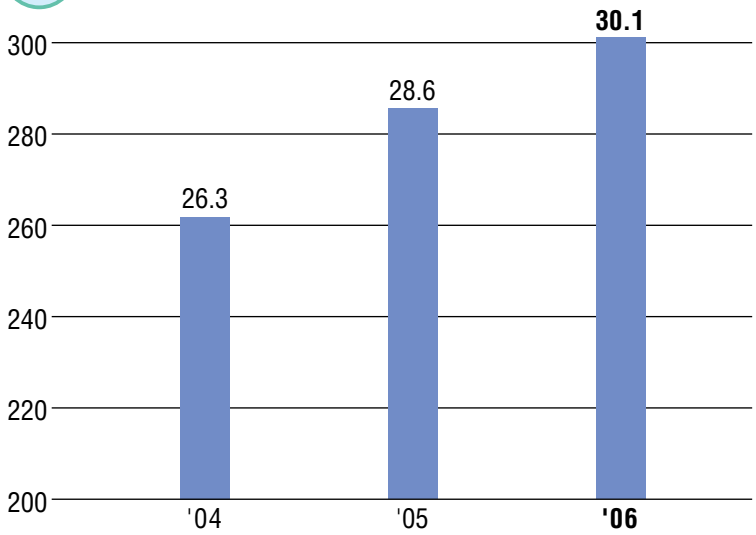
[Research & Development System]

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 the 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, Electronic Module Development Center, the Technology Development Center, and six business specific laboratories (Packaging, Living Space Materials, 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.



Investment of Research and Development (billions of Yen)



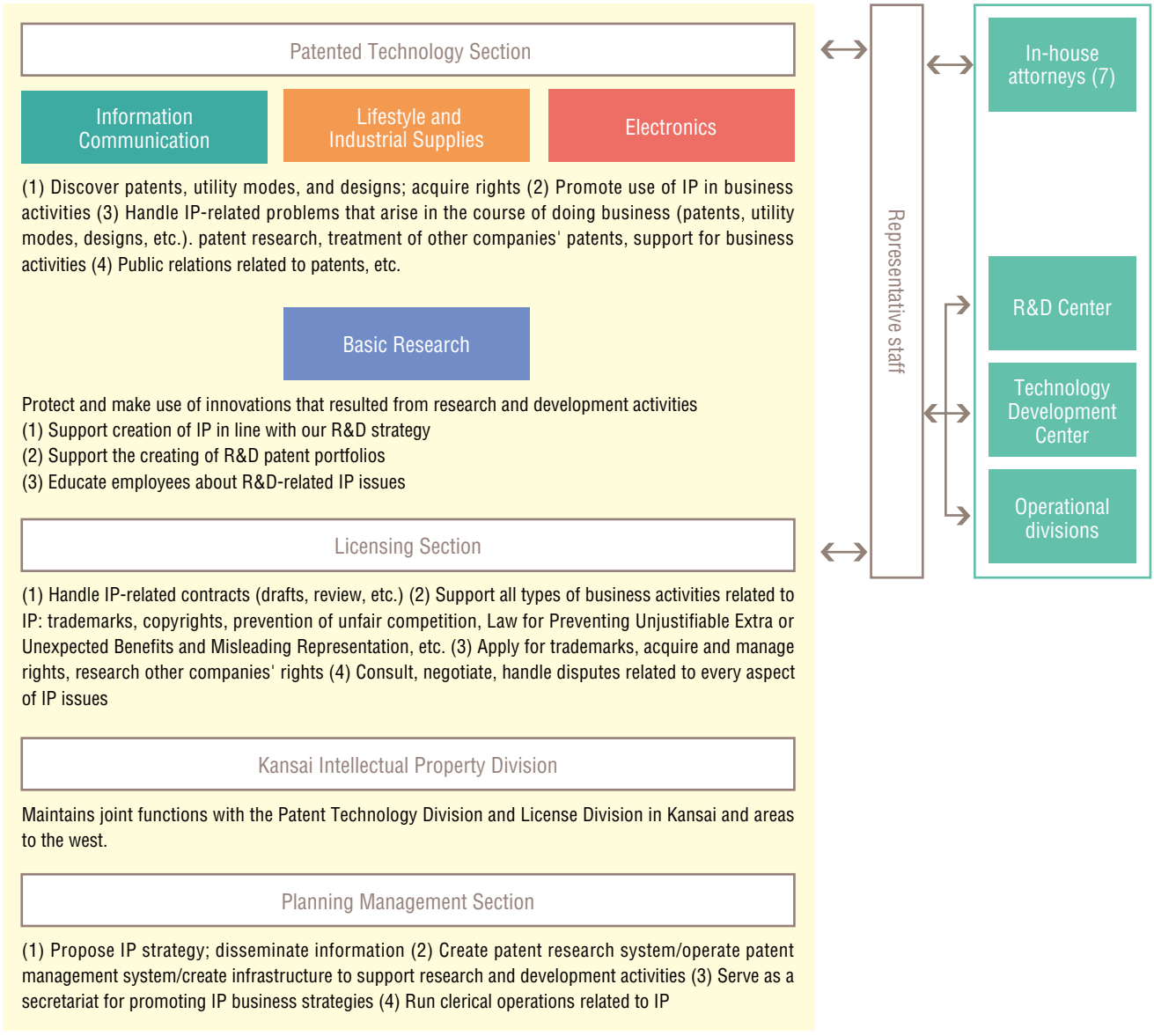
Intellectual Property Rights Management Efforts

[Framework for Promoting Intellectual Property]

DNP's IP-protection framework consists of four sections and employs seven 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.

IP Framework



Acquiring Certification for Quality Assurance

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
IPS Operations, DNP Data Techno	Warabi, Enokicho, 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
Opto-Materials Operations, DNP Opto-Materials	Okayama, Mihara	Feb. 2003
Lifestyle Materials Operations, DNP Lifestyle Materials	Tokyo, Kobe, Okayama	Nov. 1997
Lifestyle Materials Operations, DNP Ellio	Tokyo, Osaka	Sep. 1998
DNP Technopack Yokohama	Yokohama	Mar. 1998
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
Packaging Operations, DNP Technopack Kansai	Kyoto, Tanabe	Jun. 1998
Electronics Devices Operations, DNP Fine Electronics	Kamifukuoka, Kyoto, Kuki	Nov. 1994
Display Components Operations, DNP Precision Devices	Mihara, Otone	Dec. 1997
DNP LSI Design	Sapporo, Akabane, Kansai, Fukuoka	Dec. 2004
DT Fine Electronics	Kawasaki, Kitakami	Oct. 2002
Advanced Colortech	Kitakyushu	Mar. 2000
DNP Hokkaido	Sapporo	Oct. 2000
DNP Tohoku	Sendai	Nov. 2000
DNP Shikoku	Tokushima	Jan. 2002
DNP Nishinippon	Chikugo	Feb. 2000
DNP Information Systems	Sapporo, Yamagata, Tokyo, Nagoya, Osaka, Fukuyama, Fukuoka, Others	Apr. 1999
DNP Facility Services	Tokyo	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 Certification Status

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

Efforts to Create a Crisis Action Plan

[Survey on Earthquake Risks]

In creating a BCP (Business Continuity Plan), DNP has developed necessary measures for business continuity in the event of an earthquake, which is the scenario of greatest concern, by assuming the significance of earthquake of the site based on a survey on earthquake risks.

DNP promotes a survey on earthquake risks which assesses potential impacts based on the intensity and structure of buildings and specifications of production and utility facilities, from the ground and earthquake environment of each production site across the country.

The surveys were conducted from February 2005, and separately implemented in three periods. They will be done at 51 sites for regional inspections and completed by March 2009. By making improvements at each site after prioritization along with the survey, we can develop management consistently prepared for earthquakes.

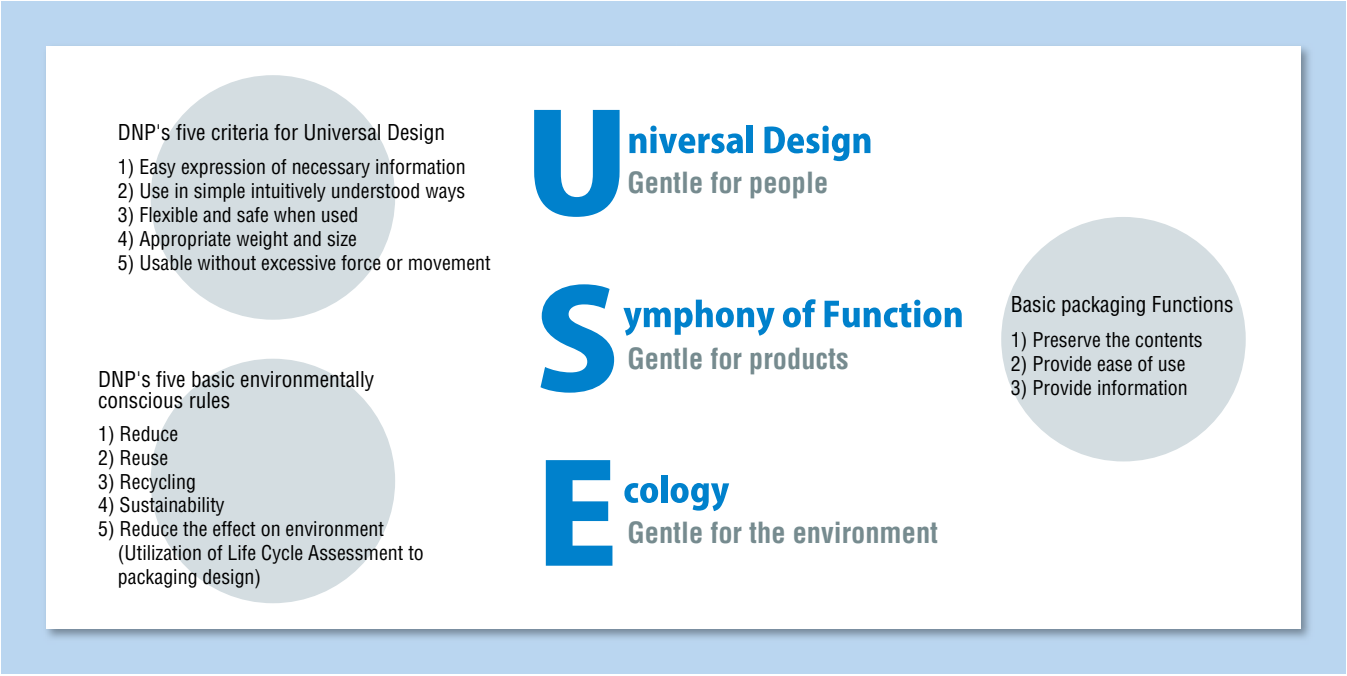
Realizing a Universal Society (1)

[Packaging Design Guidelines - USE·FULL® Packaging -]

We are continuing to pursue efforts in life-related packaging, such as foods, beverages and daily items.

"USE·FULL®" stands for DNP's packaging design guideline, which focuses on "gentle" designs from consumers' view points. Having three key words; "Universal Design" (gentle for people), "Symphony of Function" (gentle for products) and "Ecology" (gentle for the environment), we put efforts into various socially conscious packaging designs.

Packaging Design Guidelines - USE·FULL® Packaging -



Realizing a Universal Society (2)

DNP's five criteria for Universal Design in Packaging Design Guidelines - USE·FULL® Packaging -

Universal Design in Packaging

The UD Concept: Packaging that enables the comfortable use of products for as many people as possible.

DNP's Five criteria for Universal Design

Principle 1) Easy expression for necessary information

User information, such as expiry dates and ingredients, is in simple language and is expressed with appropriate and easy-to-understand features such as color, letter size, layout, and embossing.

Examples: packages with easy-to-understand opening designs, Braille using embossing techniques, illustrations using pictograms and other similar expressions.

Principle 2) Use in simple intuitively understood ways

Products can be used properly without being influenced by factors such as experience, knowledge, or visibility.

Examples: packages with openings big enough to grasp with your fingers, packages that are easy to hold, and packages that can be distinguished by their shape.

Principle 3) Flexible and safe when used

Offers consumers choice in use and has a safety-oriented design for users.

Examples: packages that do not easily transmit heat, packages made of materials that easy on the hands, and packages that are easy to store.


External view Sectional view

Principle 4) Appropriate weight and size

Products that have a certain degree of freedom in choice with a variation of size and volume for carrying, storage, and so forth.

Examples: package sizes according to use, packages that can be repacked in to smaller portions, importance given to mobility by being lightweight and compact.

Principle 5) Usable without excessive force or movement

Can be handled with minimum strength and without resorting to unnatural postures or movements

Examples: Packages that can be opened from either side, easy-to pour bottles, and products placed in easy-to-remove packages.

Option 1) Products with attractive shapes and expressions

The overall package is appealing and has pleasant designs and shapes

Option 2) Easy to separate and discard

Products with shapes and structures that are easy to dispose of and separate for garbage collection

To Promote Reputable Activities with Suppliers

[Requests from the DNP Group to its Suppliers]

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

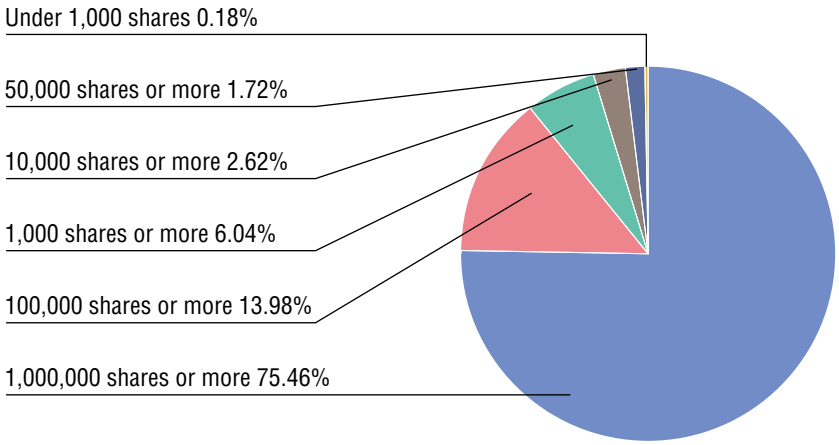
- Competitive Prices
- Superior Quality
- Safety and Stability of Products
- Reliability and Speed of Delivery
- Establish a Risk Management System to Deal With Disasters and Other Emergencies
- Stable Management
- Provide Information Promptly
- Nurturing Human Resources
- Create a Sound Corporate Culture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

Share Information

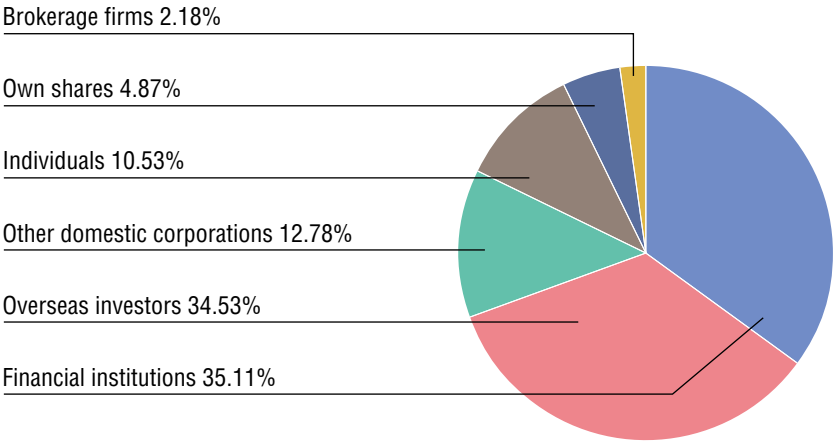
Total number of shares issued: 730,480,693 shares

Shareholders at term end: 31,364 shareholders

Breakdown by size of holdings



Breakdown by type of shareholder



Corporate Citizenship through Design and Arts

[Seminars on Philanthropy Programs]

• ggg, ddd Gallery Talk

Along with the graphic design exhibits held at the ggg Gallery in Ginza and the ddd Gallery in Nanba, 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 152 shows

• Total number of participants: approximately 11,900 persons

ddd: since 1992

10 times a year: A total of 130 shows

• Total number of participants: approximately 11,270 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 34 lectures up to now.

• Total number of participants: 1,531 persons

• CCGA Seminars

Series of seminars by inviting experts in various areas of artwork, i.e. the annual topic of “art in elderly age...”

Held since 2005: Four times a year, total 8 times.

• Total number of participants: 439 persons

Corporate Citizenship through Design and Arts

[Web Sites of Our Philanthropy]

• DNP Gallery (ggg, ddd, CCGA, Graphic Design Archive)

http://www.dnp.co.jp/gallery/index_e.html

• Maison des Musées de France (MMF)

http://www.museesdefrance.org/top.html

• Louvre - DNP Museum Lab

http://museumlab.jp/english/index.html

• DNP Museum Information Japan-artscape

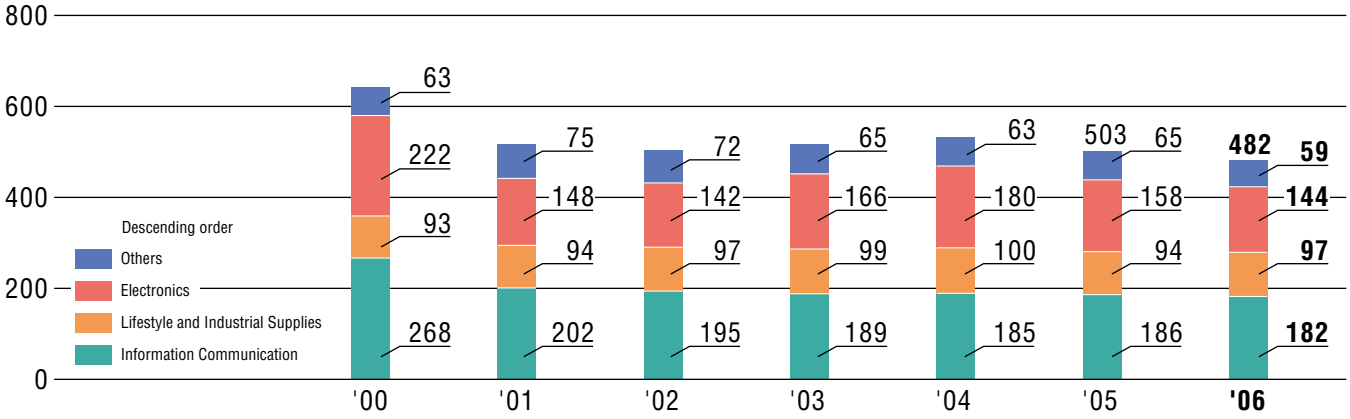
DNP's art information website, specializes in art museum and artwork information. The site has received high marks for its ground-breaking efforts and received the 2005 Japan Mecenat Awards, Mecenat Award for Art Information and Culture. We also started the international version for English speaking readers, for better understanding of Japanese arts, in September 2006.

- Japanese version: twice per month renewal
  International version: once a month renewal
- Access: 1.5 million page view per month

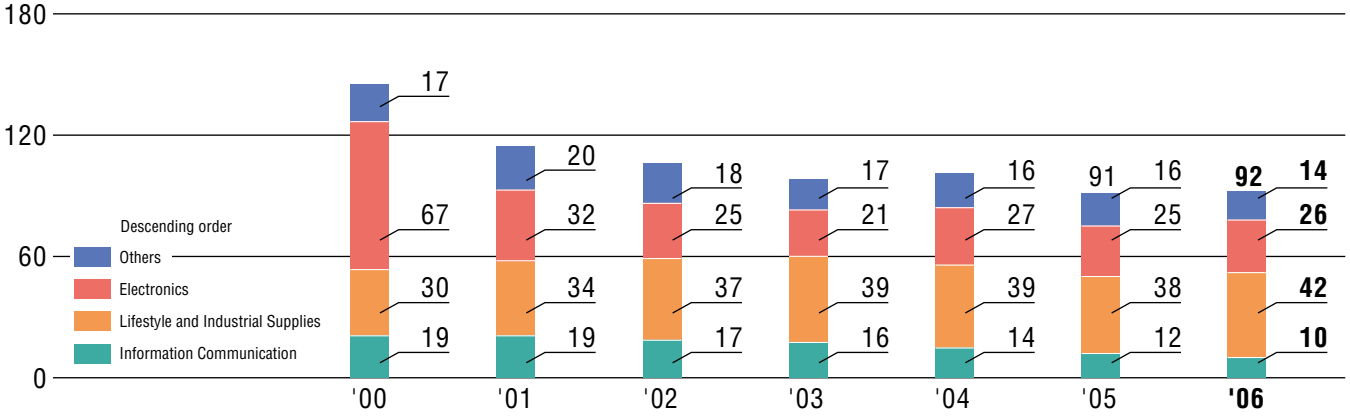
<Japanese>
http://www.dnp.co.jp/artscape
<International>
http://www.dnp.co.jp/artscape/eng/

Use of Recycled Materials

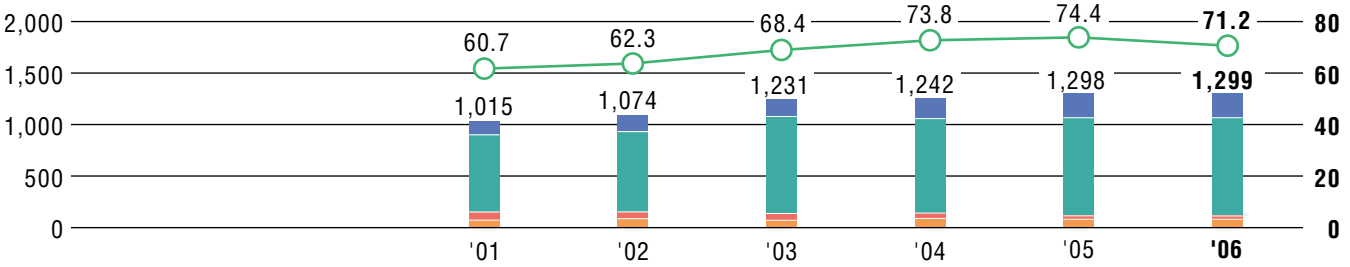
Transition of waste emissions (1,000 tons)



Transition of total waste generation (1,000 tons)



Wastepaper collection/Wastepaper collection rate (tons %)

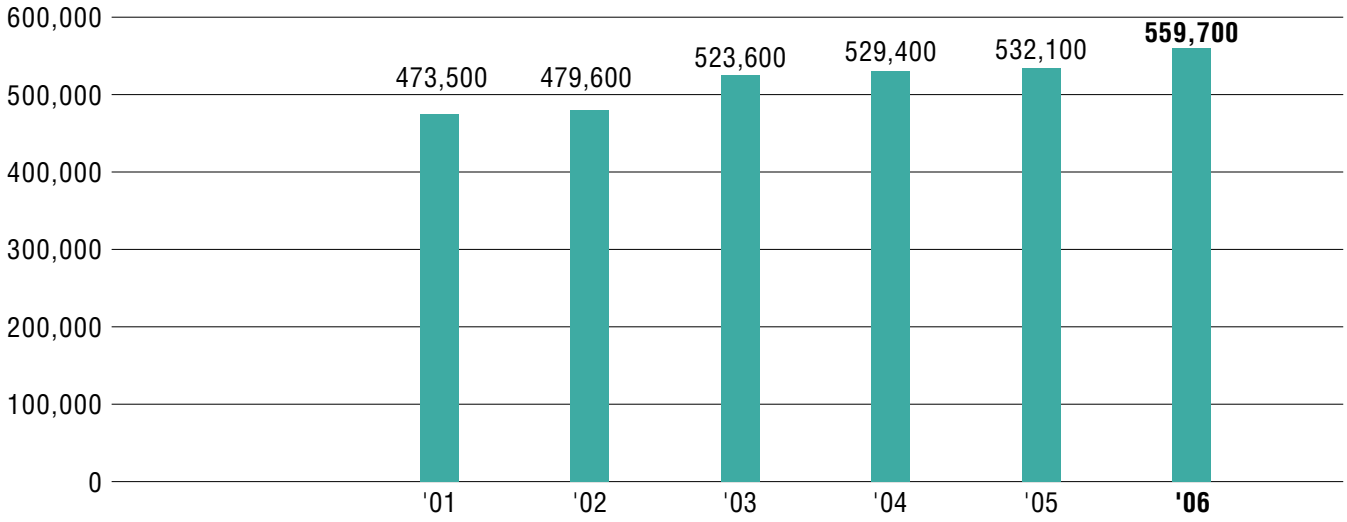


Year	2001	2002	2003	2004	2005	**2006**
Waste paper collection	1,015	1,074	1,231	1,242	1,298	**1,299**
Cardboard	125	154	165	195	234	**177**
Magazines	740	770	930	906	953	**1,006**
Newspapers	78	65	65	52	31	**34**
High quality paper	72	86	71	88	80	**82**
General waste	657	651	569	441	446	**526**
Waste paper collection + general waste amount	1,672	1,725	1,800	1,683	1,743	**1,826**
Waste paper collection rate	60.7%	62.3%	68.4%	73.8%	74.4%	**71.2%**
Number of sites	25	27	29	30	29	**30**

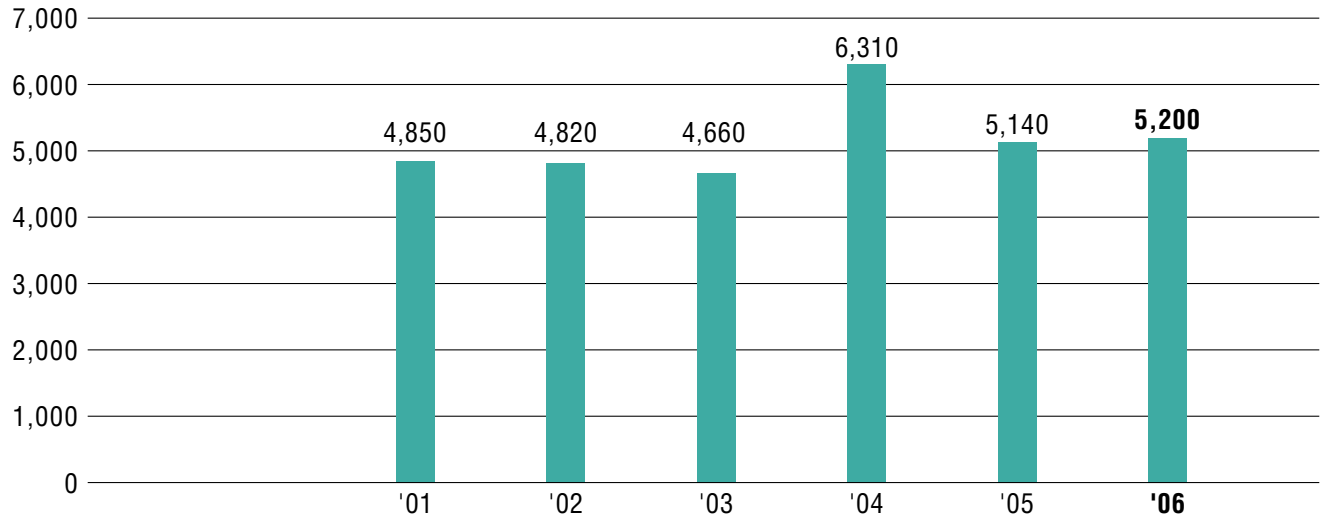
* Compiled from data obtained at sites where relevant information was available.

Use of Recycled Materials

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

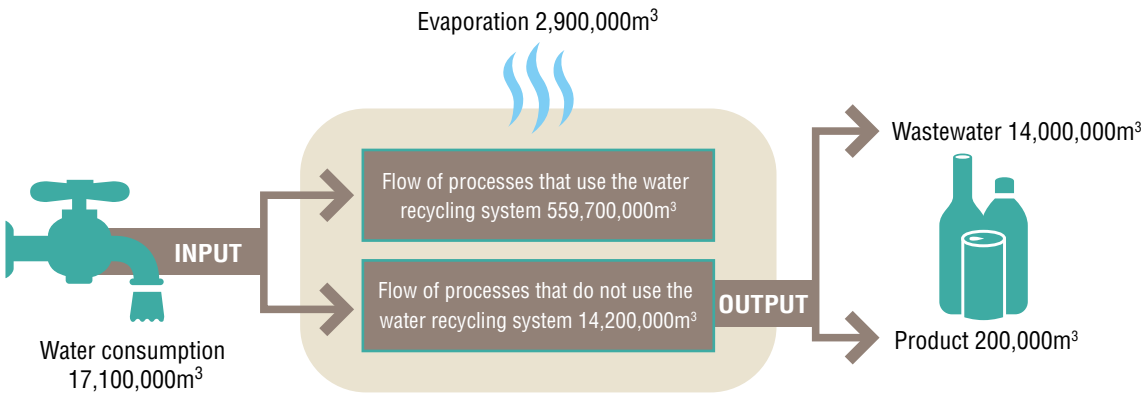


Transition of the amount of rainwater used (m³)



Water Input-Output

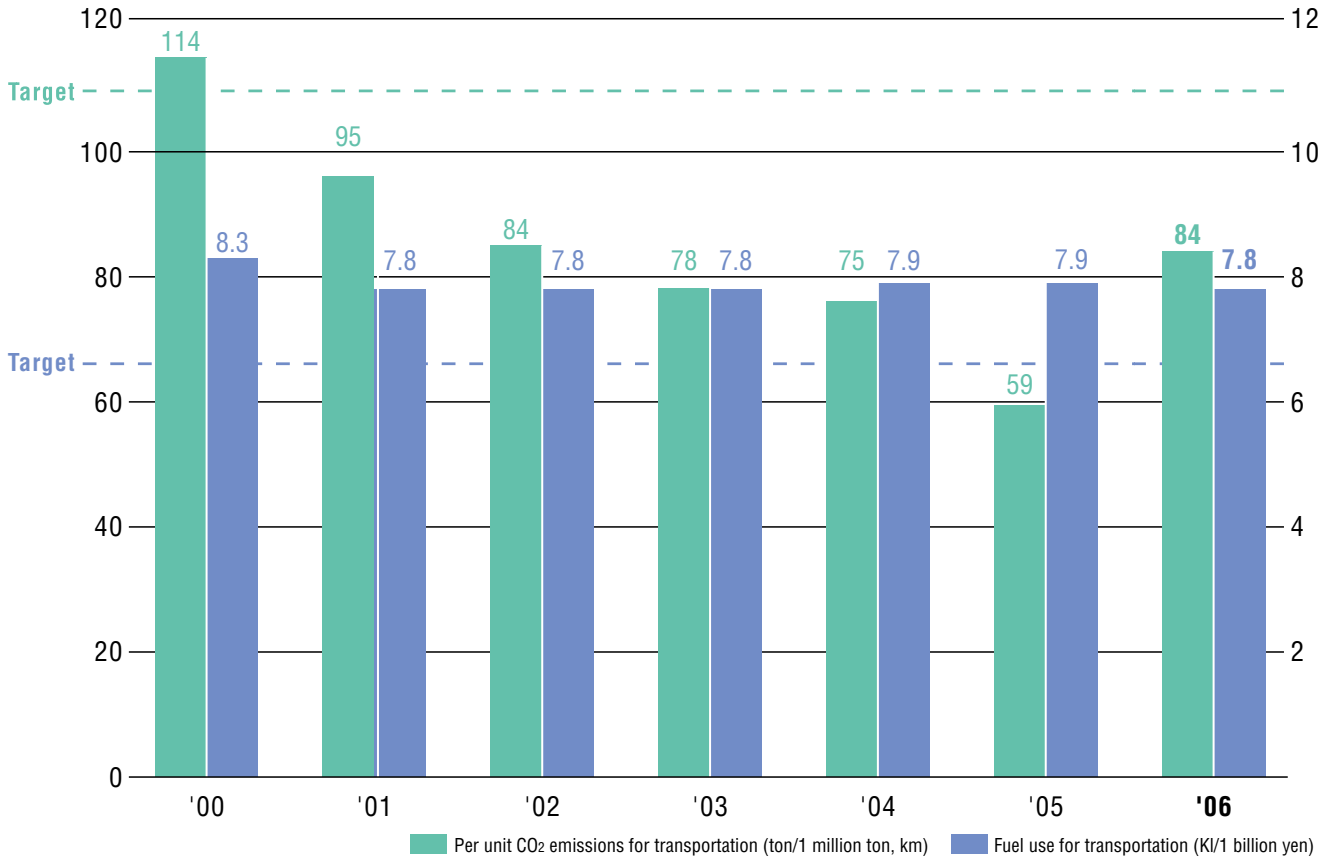
(The total amount for the DNP Group in FY 2006)



Hokkaido Coca-Cola Bottling and the The Inctec use a portion of its water consumption amount in products.

Reducing Global Warming and the Climate Change Impact

Transitions of CO_2 emissions and fuel use for transportation



Reducing Environmental Pollutants (1)

Chemical Substances subject to the PRTR Law

(tons; dioxins: mg-TEQ)

Substance	Handled	Emissions to Air	Emissions to Public Waters	Transferred to the Sewer System
Zinc compound (water-soluble)	3.0	0.0	0.0	3.0
Bis (2-ehtylhexyl) adipate	1.5	0.0	0.0	0.0
2-Aminoethanol	27.6	0.0	0.0	2.7
Isophorone-di-isocyanate	20.5	0.0	0.0	0.0
bisphenol A type epoxy resin	2.3	0.0	0.0	0.0
Ethyl-benzene	230.4	3.3	0.0	0.0
Ethylene glycol	1.9	0.0	0.0	0.0
Ethylene glycol monoethyl ether	18.5	0.9	0.0	0.0
Ethylene glycol monomethyl ether	53.1	1.8	0.0	0.0
Epsilon-caprolactam	20.0	0.0	0.0	0.0
Xylene	304.0	7.4	0.0	0.0
Silver and its water soluble compounds	22.4	0.0	0.0	0.1
Chromium & chromium (III) compounds	151.6	0.0	0.0	0.0
Hexavalent chromium compounds	30.1	0.0	0.0	0.0
Cobalt and its compounds	4.2	0.0	0.0	0.0
Acetic acid 2-ethoxyethyl	1.0	0.0	0.0	0.0
Inorganic cyanide compound	1.5	0.2	0.0	0.0
1,1 Dichloro-1-fluroethane	10.0	10.0	0.0	0.0
Dichloromethane	5.0	0.3	0.0	0.0
Dioxins	0.0	2.2	0.0	0.0
Water soluble copper salts	620.4	0.0	0.0	0.0
1,3,5-trimethylbenzene	6.7	0.1	0.0	0.0
Toluene	19,470.8	1,093.4	0.0	0.0
Lead and its compounds	169.8	0.0	0.0	0.0
Nickel	2,063.4	0.0	0.0	0.0
Nickel compounds	632.3	0.0	0.0	0.0
Hydroquinone	4.1	0.0	0.0	4.1
Phenol	6.5	0.0	0.0	0.0
Di-n-butyl phthalate	1.4	0.0	0.0	0.0
Bis (2-ethylhexyl) phthalate	16.8	0.1	0.0	0.0
1,2,4-Benzenetricarboxylic acid-1,2-anhydride	10.6	0.0	0.0	0.0
Boron and its compounds	24.6	0.0	0.0	0.0
Octylphenol ether	11.7	0.0	0.0	0.1
Poly (oxyethylene) nonylphenol ether	55.6	2.0	0.0	0.0
Formaldehyde	3.3	3.3	0.0	0.0
Manganese compounds	10.6	0.0	0.0	1.3
	24,017.2	1,122.8	0.0	11.3

* Above figures include substances over 0.5t annually for special first class substances and over 1t for other substances, except dioxin, in accordance with the PRTR Law (36 substances and 34 plants).

Reducing Environmental Pollutants (2)

Chemical Substances subject to the PRTR Law

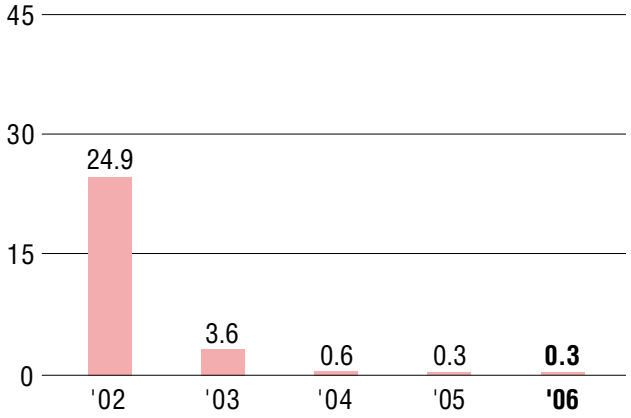
(tons; dioxins: mg-TEQ)

Substance	Transferred as Waste	Recycled	Consumed	Removed/Consumed
Zinc compound (water-soluble)	0.0	0.0	0.0	0.0
Bis (2-ehtylhexyl) adipate	0.3	0.0	1.3	0.0
2-Aminoethanol	25.0	0.0	0.0	0.0
Isophorone-di-isocyanate	0.0	0.0	20.5	0.0
bisphenol A type epoxy resin	0.0	0.0	2.3	0.0
Ethyl-benzene	2.2	50.1	83.7	91.1
Ethylene glycol	0.0	0.0	1.8	0.0
Ethylene glycol monoethyl ether	2.5	0.0	5.8	9.3
Ethylene glycol monomethyl ether	4.3	0.0	23.2	23.8
Epsilon-caprolactam	1.5	0.0	18.5	0.0
Xylene	5.2	57.1	95.4	139.0
Silver and its water soluble compounds	4.8	9.8	2.7	4.9
Chromium & chromium (III) compounds	44.0	79.0	28.6	0.0
Hexavalent chromium compounds	0.3	0.1	16.8	12.9
Cobalt and its compounds	1.3	1.1	1.9	0.0
Acetic acid 2-ethoxyethyl	0.2	0.0	0.9	0.0
Inorganic cyanide compound	0.6	0.0	0.0	0.7
1,1 Dichloro-1-fluroethane	0.0	0.0	0.0	0.0
Dichloromethane	0.0	0.0	0.0	4.6
Dioxins	195.4	0.0	0.0	0.0
Water soluble copper salts	170.5	337.8	110.7	1.4
1,3,5-trimethylbenzene	0.1	3.7	0.1	2.7
Toluene	1,577.3	3,100.6	5,126.8	8,572.7
Lead and its compounds	121.1	0.0	48.7	0.0
Nickel	0.0	929.7	1,102.2	31.4
Nickel compounds	98.6	533.1	0.0	0.6
Hydroquinone	0.0	0.0	0.0	0.0
Phenol	0.0	0.0	6.4	0.1
Di-n-butyl phthalate	0.0	0.0	1.3	0.1
Bis (2-ethylhexyl) phthalate	1.6	0.0	13.4	1.7
1,2,4-Benzenetricarboxylic acid-1,2-anhydride	0.6	0.0	10.0	0.0
Boron and its compounds	16.8	0.0	7.8	0.0
Octylphenol ether	0.0	0.0	11.6	0.0
poly (oxyethylene) nonylphenol ether	3.2	0.0	2.5	47.9
Formaldehyde	0.0	0.0	0.0	0.0
Manganese compounds	2.4	1.9	4.9	0.0
	2,084.4	5,104.0	6,749.8	8,944.9

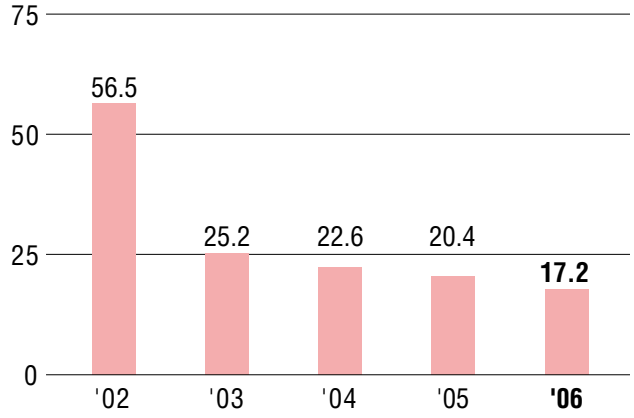
* Above figures include substances over 0.5t annually for special first class substances and over 1t for other substances, except dioxin, in accordance with the PRTR Law (36 substances and 34 plants).

Reducing Environmental Pollutants (3)

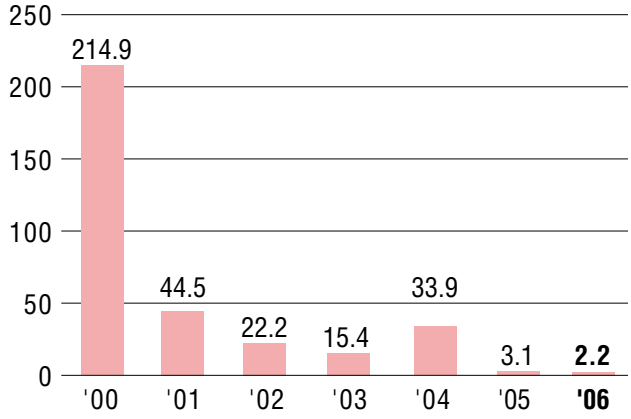
Dichloromethane emissions (tons)



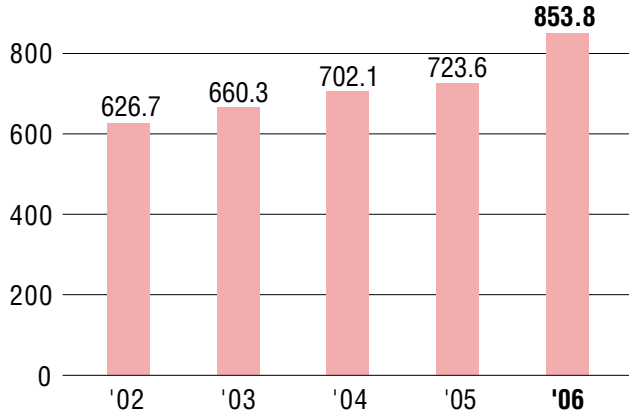
SOx emissions (tons)



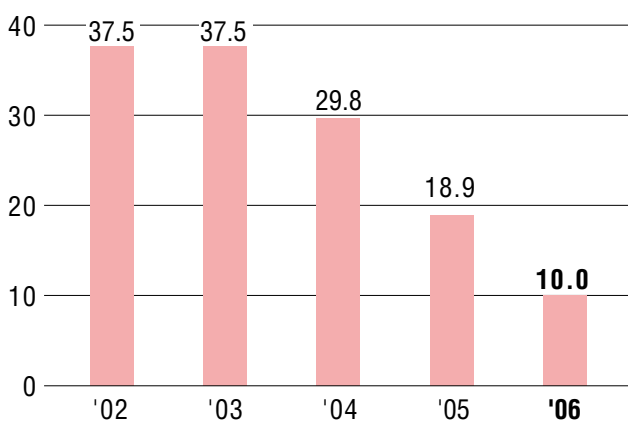
Dioxin emissions (mg-TEQ)



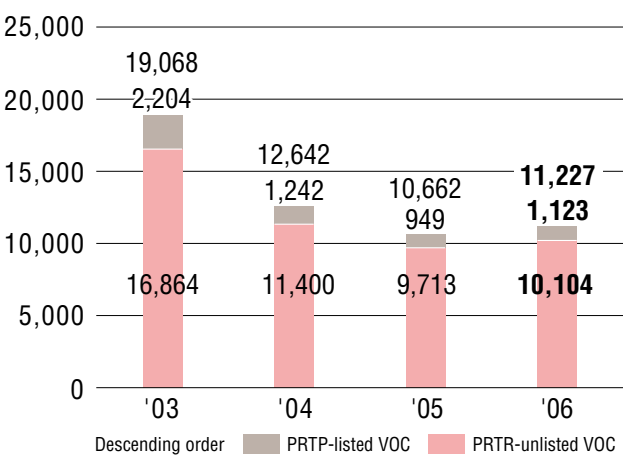
NOx emissions (tons)



CFC substitute emissions (tons)

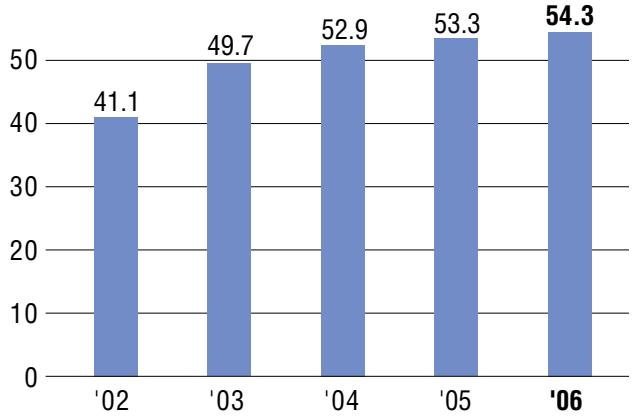


VOC emissions (tons)

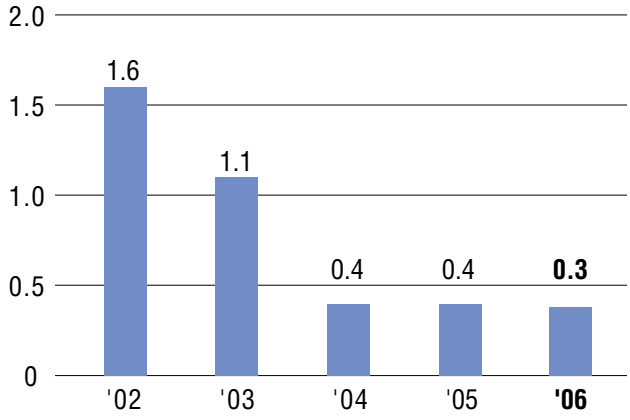


Reducing Environmental Pollutants (4)

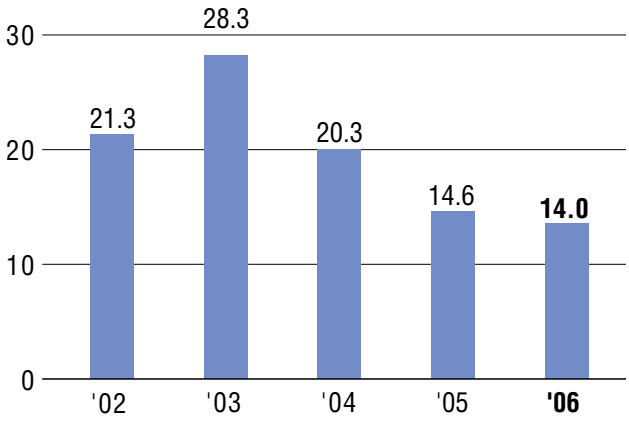
COD emissions (tons)



Phosphorous emissions (tons)



Nitrogen emissions (tons)



Sites for Environmental Disclosure

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 (Others*)

Kiyota-ku, Sapporo
- Sapporo Plant, Hokkaido Coca-Cola Bottling
  Beverage manufacturing (Others)

Miyagi/Miyagino-ku, Sendai
- DNP Tohoku
  Plate-making/printing/bookbinding/manufacturing of packaging (Others)

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 Lifestyle Materials*1
  Plate-making/printing plate/printing/processing (Lifestyle and Industrial Supplies)

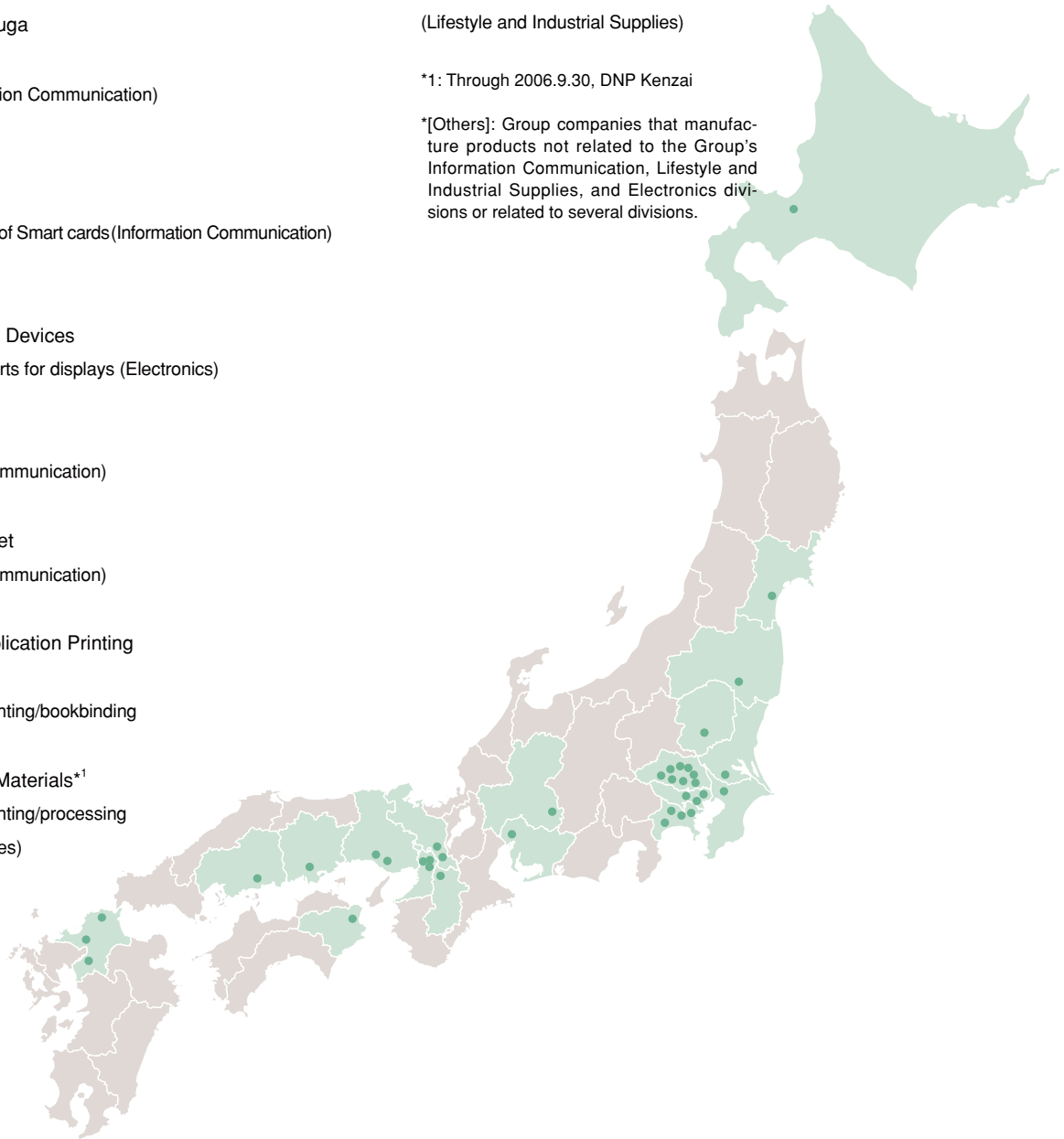
Saitama/Miyoshi, Iruma
- Tsuruse Plant, DNP Opto-Materials
  Manufacturing of electronic precision parts (Lifestyle and Industrial Supplies)

Warabi
- Warabi Plant, IPS Operations
  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)

*1: Through 2006.9.30, DNP Kenzai

*[Others]: 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.



Saitama/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 (Others)

Kita-ku
- Akabane Plant, DNP Offset*2
  Printing (Information Communication)
- Akabane Plant, Commercial Printing Operations
  Plate-making/printing/bookbinding (Information Communication)
- DNP Seihon
  Bookbinding (Others)
- DNP Logistics
  Packaging/shipping (Others)
- DNP Hoso
  Processing of filling and packaging (Others)
- D.N.K
  Printing and manufacturing of machine tools (Others)

Kanagawa/Tsuzuki-ku, Yokohama
- DNP Technopack Yokohama
  Plate-making/printing plate/printing (Lifestyle and Industrial Supplies)

*2: Through 2006.3.31, DNP Ichigaya Publication Printing Operations

Kanagawa/Midori-ku, Yokohama
- Tokyo Plant, The Inctec
  Manufacturing of ink, varnish, pigments and dyes (Others)

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 (Others)

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
  Printing plate/printing (Lifestyle and Industrial Supplies)

Nara/Kawanishi, Shiki
- DNP Data Techno Kansai
  Plate-making/printing/processing (Information Communication)

Osaka/Hirakata
- Kansai Plant, The Inctec
  Manufacturing of ink, varnish, pigments and dyes (Others)

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 Lifestyle Materials*3
  Printing/processing (Lifestyle and Industrial Supplies)

Ono

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

Okayama/Okayama

- Okayama Plant, DNP IMS
  Manufacturing of dye-sublimation transfer materials (Lifestyle and Industrial Supplies)
- Okayama Plant, DNP Lifestyle Materials*3
  Plate-making/printing plate/printing/processing (Lifestyle and Industrial Supplies)
- Okayama Plant, DNP Opto-Materials
  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 (Others)

Fukuoka/Yahatanishi-ku, Kitakyushu

- Kurosaki Plant No. 1 and Plant No. 2,*4 DNP Precision Devices
  Manufacturing of color filters (Electoronics)

Tobata-ku, Kitakyushu

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

Minami-ku, Fukuoka

- Fukuoka Plant, DNP Nishinippon
  Plate-making/printing/bookbinding/manufacturing of packaging (Others)

Chikugo

- Chikugo Plant, DNP Nishinippon
  Plate-making/printing/bookbinding/manufacturing of packaging (Others)

*3: Through 2006.9.30, DNP Kenzai
*4: Through 2006.9.30, The Production Unit of Advanced Color Tech was transferred.

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)
- DNP Media Create and DNP Butsuryu Systems Shouin are covered as a division of the Enokicho Plant, Commercial Printing Operations
- DNP Total Process Warabi and DNP Techtas Warabi 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
- We established DNP IMS Odawara (in October 2006) and DNP Fine Chemical (in January 2007) for the business transferred to us from Konica Minolta Holdings in fiscal 2007. We began compiling the data for these two companies in fiscal 2007, so as to improve our data compilation system.
- We began compiling the data for DNP Color Techno Kameyama, which was established (in September 2006) at the Sharp Kameyama Plant No. 2 in Mie Prefecture in fiscal 2007, so as to improve our data compilation system.

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/Malaysia, plate-making/printing/bookbinding)
- DNP Indonesia (Indonesia, plate-making/printing/bookbinding, manufacturing and sales of packaging)
- DNP Photomask Europe (Italia, manufacturing and sales of precision electronics parts)

ISO14001 Certification Acquisition (1)

ISO14001 Certificates

Site	Date*	Registration Organization
Okayama Plant, Information Media Supplies Operations	Nov. 1997	JIA-QA*
Mihara Plant, Display Components Operations	Jul. 1998	DNV*
DNP Facility Services*	Apr. 2000	AJA*
Okayama Plant, Lifestyle Materials Operations	Jul. 2000	JIA-QA
Sayama Plant, DNP Technopack	Dec. 2001	DNV
Kobe Plant, Lifestyle Materials Operations	Jan. 2002	JIA-QA
Tokyo Plant, The Inctec	Jan. 2002	JCQA*
Kansai Plant, The Inctec	Jan. 2002	JCQA
Utsunomiya Plant, The Inctec	Jan. 2002	JCQA
Ushiku Plant, IPS Operations	Mar. 2002	DNV
DNP Technopack Tokai	Mar. 2002	JCQA
Tien Wah Press (Singapore)	May 2002	PSB*
Chikugo Plant, DNP Nishinippon	Jun. 2002	DNV
Kyoto Plant, Electronics Devices Operations	Jul. 2002	DNV
Sayama Plant, Information Media Supplies Operations	Oct. 2002	JIA-QA
DNP Media Create Kansai	Mar. 2003	JIA-QA
Kurosaki Plant No. 2, DNP Precision Devices	Jan. 2004	JCQA
Tokyo Plant, Lifestyle Materials Operations	Jan. 2004	JIA-QA
Kamifukuoka Plant, Electronics Devices Operations	Mar. 2004	AJA
Fukuoka Plant, DNP Nishinippon	Jun. 2004	DNV

* Indicates the first registration date.
* DNP Facility Services acquired the certificate as part of a comprehensive management system for quality, environment, labor safety and food sanitation; the initial registration organ was JIC-QA (JIC Quality Assurance Ltd.)
* [JIA-QA]: Japan Gas Appliances Inspection Association, QA Center
* [DNV]: Det Norske Veritas AS (Norway)
* [AJA]: Anglo Japanese American Registrars Ltd.
* [JCQA]: Japan Chemical Quality Assurance Ltd.
* [PSB]: PSB Certification Pte Ltd. (Singapore)

ISO14001 Certification Acquisition (2)

ISO14001 Certificates

Site	Date*	Registration Organization
Itabashi Area, DNP Logistics	Oct. 2004	AJA
Tokyo Plant, DNP Ellio	Jan. 2005	LRQA*
Osaka Plant, DNP Ellio	Jan. 2005	LRQA
Warabi Plant, IPS Operations	Mar. 2005	DNV
Nara Plant, DNP Data Techno Kansai	Jun. 2005	DNV
Tien Wah Press (Johor Bahru)	Nov. 2005	PSB
Otone Plant, Display Components Operations	Mar. 2006	DNV
Kashiwa Plant, DNP Techno Polymer	Mar. 2006	JACO*
Kansai Plant, DNP Techno Polymer	Mar. 2006	JACO
DNP Photomask Europe	Apr. 2006	CISQ*
Akabane Area, DNP Logistics	Dec. 2006	AJA
Kashiwa Plant, DNP Techno Film	Mar. 2007	DNV
Izumizaki Plant, DNP Techno Film	Mar. 2007	DNV
DNP IMS Odawara	Mar. 2007	JQA*
DT Fine Electronics*	mar. 1997	JACO

* Indicates the first registration date.
* DT Fine Electronics registered as part of Toshiba Corporation (Semiconductor Company) (Kawasakishi, Kanagawa Pref.)
* [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)
* [JQA]: Japan Quality Assurance Organization

Eco Action 21 Certificates

Eco Action 21 Certificates

Site	Date*	Registration Organization
Tokyo Head Office, Dai Nippon Trading	Jan. 2006	IGES*

* IGES: The Institute for Global Environmental Strategies

Environmental Accounting

Purpose

(1) Use as an environmental management tool for the DNP Group

- Environmental accounting produces a breakdown of environmental conservation costs 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, 2006 through March 31, 2007 (Environmental conservation facilities are those considered as of March 31, 2007)

2) Scope of coverage: Of companies subject to our consolidated financial accounting, environmental accounting was applied to the Group's domestic manufacturing companies (44 companies), one distribution company, one in-house food catering company.

3) Monetary unit: All monetary figures are expressed in billions 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 CO_2 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 VOCs.
- The benefit related to goods produced by business activities is the benefit of the reduction of CO_2 emissions when disposing of or recycling containers or packaging.
- The benefit related to the environmental impact of transportation is the benefit of reduced CO_2 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) x 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 uctuations in prices.

[Results of Our Environmental Accounting]

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

(Unit: billion yen)

Category	Investment		Expense		Details of Major Efforts
	2005	2006	2005	2006	
(1) Business area cost					
Pollution prevention cost	0.997	0.794	2.200	3.386	Increase in deodorizing equipment, expansion of wastewater treatment facilities, Wastewater treatment tank installation
Global environmental conservation cost	0.220	0.139	0.725	0.615	Switch to gas for fuel, inverter installation, insulation installation
Resource circulation costs	0.102	0.148	3.008	3.130	Increase in compressors, separation recycling, zero emissions (conversion to RPF / cement ingredients), use of recycled water
(Total business area costs)	1.318	1.081	5.933	7.131	
(2) Up/downstream cost			0.115	0.004	Recycling system development
(3) Administration cost			2.078	2.003	ISO14001 inspection and registration costs, environmental measurement costs, environmental report composition costs
(4) R&D cost			2.696	2.465	Research and development into environmentally conscious products and production methods
(5) Social activities cost			0.021	0.013	Cleanup of areas outside the plant compound, support for activities of environmental conservation groups
(6) Environmental remediation cost			0	0.238	
Total	1.318	1.081	10.842	11.854	

Environmental conservation costs to total costs ratio

(Unit: billion yen)

Category	Consolidated Total Costs	Costs	Ratio	Details of Major Environmental Conservation Costs
Investment of current period	162.885	1.081	0.66%	Deodorizing equipment, expansion of wastewater treatment facilities, Switch to gas for fuel, insulation installation
R&D cost of current period	30.112	2.465	8.19%	Non-PVC decorative sheets, Biomass materials, product weight reduction, materials for charging photovoltaic cells water-based inks, etc.

Table (2) Environmental conservation benefits

Category	Category of indicator showing benefit	Value			Remarks
		2005	2006	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	21,310	1,210	All consumed energy was converted into average value in calories
	Added-value unit consumption for the above (TJ/1 billion yen)	0.423	0.437	0.014	Energy increased by 0.014TJ per 1 billion yen in added value
Input volume of water	Water usage (in thousands of tons)	15,653	17,089	1,436	Water supply, industrial water, and well water
	Added-value unit consumption for the above (1,000 tons/1 billion yen)	0.318	0.351	0.033	Water increased by 33m^3 per 1 billion yen
Input volume of main raw materials (paper, plastic, metal, etc.)	Supplied amount (in thousands of tons)	2,734	2,732	-2	Total weight of paper, plastic, ink and metals
	Amount of undesired materials generated/supplied (%)	12.9	12.6	-0.3	Ratio of unwanted materials that are main raw materials
• Environmental conservation benefit related to waste or environmental impact originating from business activities					
Emissions to the air	SOx emissions (tons)	20.4	17.2	-3.2	Calculated from supplied energy
	NOx emissions (tons)	723.6	853.8	130.2	Calculated from supplied energy
	Environmental pollutant emissions volume (VOC emissions volume) (tons)	10,662	11,227	565	Including 12 substances covered by the PRTR report
Water quality	COD discharge (tons)	53.3	53.4	0.1	Calculated from the amount of discharged water and average concentration
	Emissions of environmental pollutants (354 PRTR substances) (tons)	0.0	0.0	0.0	4 substances discharged in 2005
Water emission volume	Generated undesired materials (1,000 tons)	502.7	481.6	-21.1	Including undesired materials other than main raw materials
	Discharged waste (1,000 tons)	91.1	92.3	1.2	Total waste subcontracted to waste disposal companies
	Added-value unit consumption for the above (ton/1 million yen)	0.185	0.189	0.004	Waste emissions per added-value increased
	Recycle rate (%)	98.5	98.9	0.4	Not achieved for waste plastics (4.4%) and glasses (76.1%)
	Emissions of environmental pollutants (354 PRTR substances) (tons)	2,261	2,084	-177	Total for 25 substances reported
Volume of green gas emission	Emissions of greenhouse gasses (1,000 t-CO_2)	973	1,123	150	Total GHG including emissions by incinerators and drying furnaces
	Added-value unit consumption for the above (ton-CO_2/1 billion yen)	18.8	21.3	2.5	Increased 2.5 tons of emissions per 1 billion yen added-value

Table (2) Environmental conservation benefits

Category	Category of indicator showing benefit	Value			Remarks
		2005	2006	Difference	
(2) Environmental conservation benefit related goods and services produced from business activities					
• Benefit related to goods produced by business activities					
CO_2 emissions after product shipment	CO_2 emissions (1,000 t-CO_2)	386.0	361.4	-24.6	Emitted at incineration and recycling of used containers and packaging
	CO_2 emissions / volume of products (t-CO_2/t)	1.38	1.25	-0.13	Reduction of CO_2 emissions of 0.13t per 1t of product
(3) Other environmental conservation benefit					
• Benefit related to the environmental impact of transportation					
	CO_2 emissions during the transportation of products (tons)	4,481	4,144	-337	7.5% reduction of CO_2 emissions
	CO_2 emissions during the transportation / (weight x distance) (tons/million tons·km)	59.0	84.2	25.2	CO_2 emissions increased by 25.2 tons for each ton of goods transported 1 million ton-km

Table (3) Economic Benefits of Environmental Conservation Activities

(Unit: billion yen)

Economical benefits of environmental conservation activities	Amount			Remarks
	2005	2006	Difference	
(1) Increased sales				
• Economic benefit of R&D costs				
Sales of environmentally conscious products	256.639	265.807	9.168	Sales up 3.6% over 2005
(2) Increased income				
• Benefit of resource recycling costs income from recycling undesired materials				
income from recycling undesired materials	2.148	3.086	0.938	Increased along with rising metal prices
(3) Cost saving				
• Benefit corresponding to global environmental conservation and resource circulation costs				
Saving energy costs by energy conservation	-0.590	-1.684	-1.094	Increased energy consumption per added-value
Saving disposal processing cost by resource conservation	0.335	0.270	-0.065	Improvement per unit due to reduction of emissions

[Evaluation of 2006 Environmental Accounting Performance Data]

Environmental conservation cost and environmental conservation activities

1) Investment in environmental facilities decreased by 0.237 billion yen (18%) over the previous year. While there was an increase in wastewater treatment facilities, such as water purification tanks, this represents a decrease over the previous year because of stepped down VOC measures (catalytic incinerator and solvent collection equipment).
2) Business area costs increased in comparison to the previous year, but this was mainly due to increased investment in plant facilities (Kurosaki Plant No. 2).

Environmental conservation benefit

1) An approximately 0.42 billion investment (0.76 billion yen the previous year) in solvent collection and elimination facilities was made in 2006, and emissions of VOCs were reduced by 565 tons.
2) SOx emissions were reduced due to the fuel use reduction resulting from the warm winter. NOx emissions increased because of an increase in plant facilities using steam (Kurosaki Plant No. 2).
3) A decrease in unit orders, mainly at the Electronics Division, caused reduced added value, resulting in a worsening in specific consumption from output since the previous fiscal year.

Economic benefit of environmental conservation measures

1) Sales of environmentally-conscious products increased by 3.6% in comparison with the previous year, so we were unable to achieve the targeted 10% increase.
2) Income from the recycling of undesired materials increased by 0.938 billion yen in comparison with the previous year, due to market recovery and better separation and collection.
3) The cost reduction benefit is calculated according to "Environmental Accounting Calculation Bases" (61-6 (7)). An economic benefit of 0.270 billion yen was gained through improved resource conservation from the better rate of undesired materials output achieved through “Manufacturing 21”, and also from advances in adding value through the separation and collection, as well as the recycling, of undesired materials. At the same time, we expanded the Electronics Division, which uses a large volume of energy, so no economic benefit was seen in relation to energy conservation.

Issues Henceforth

1) Make further improvements in eco-efficiency through “Manufacturing 21” activity and eliminate all waste from production processes.
2) Continue fuel conversions (fuel oil gas, LPG natural gas) so as to improve per unit greenhouse gas emissions.

Environmental Education

Type of Training	Course Name	Description	Held in	Eligibility	Time of year	No. in attendance in 2006 (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	537persons (4,210 persons)
Technical Seminar	Environment (optional)	Environmental laws and regulations	1999	Technicians	At irregular intervals	71persons (385 person)
Network Leaning	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	2,645 persons (11,482 persons)
Correspon-dence Course	(Optional)	Beginners class on ISO 14001 and LCA	Program scheduled every year	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 the Eco-Report	

Achievements in Environmental Issues

1972
- Establishes the Environment Department within the head office to promote pollution prevention measures and communication with local residents

1990
- Makes 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.

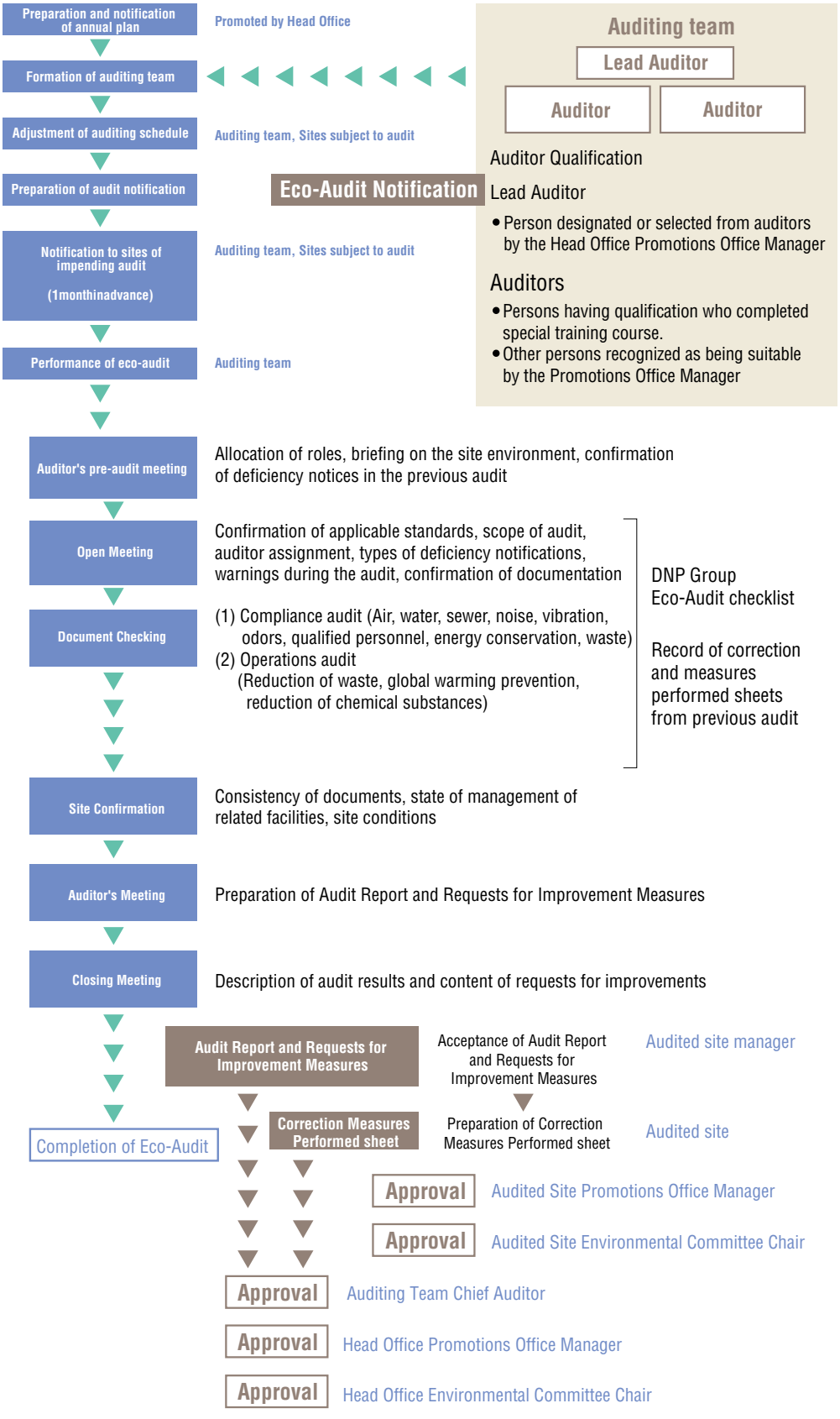
2004
- The "14th Global Environment Grand Prize" awarded by the Minister for the Environment
- The "7th Environmental Report Prize" awarded for Excellence
- Fukuoka Plant, DNP Nishinippon, DNP Logistics, DNP Erio (Tokyo and Osaka Plants), Warabi Plant, BF Operations acquire ISO14001.
- Eco-Report System 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.

2006
- DNP Photomask Europe, Akabane Area, DNP Logistics, DNP' Techno Film (Kashiwa Plant and Izumisaki Plant), DNP IMS Odawara acquire the certification of ISO14001.

DNP's Own Environmental Management System (1)

Step in Eco-Audit and Contents



<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 clata
- 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

(1) 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

(2) 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

(3) 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
- Achievement of targets

DNP's Own Environmental Management System (2)

[Eco-Audits]

• Features of Eco-Audits

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).

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.)

Types of Notifications and Corrections Issued in the Eco-Audit

Types of Notifications	Improvement required
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

Environmental Risk Management

[Legal compliance situation]

While we make all efforts to comply with environmental laws and regulations, over the past three years we have experienced 5 incidents of water quality abnormalities in wastewater, 1 case of inadequacy of qualified personnel, and 1 case of odor in excess of standards.
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.

August 24, 2004/Ushiku Plant
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 isoprophy 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
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 9, 2006/Ushiku Plant
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
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.

October 17, 2006/Tanabe Plant
An onsite inspection by the authorities revealed that the BOD value for water discharged into the sewer was above the standard. The cause was the inadvertent discharge of dampening water (containing alcohol) used cyclically in the planographic printing process into the sewer instead of the collection tank. We took steps to prevent recurrence by thoroughly re-training the workers handling the changing of the dampening water, and fastening an operating bulb that cannot be opened up easily.

Environmental Risk Management

[Legal compliance situation]

February 14, 2007/Izumisaki Plant

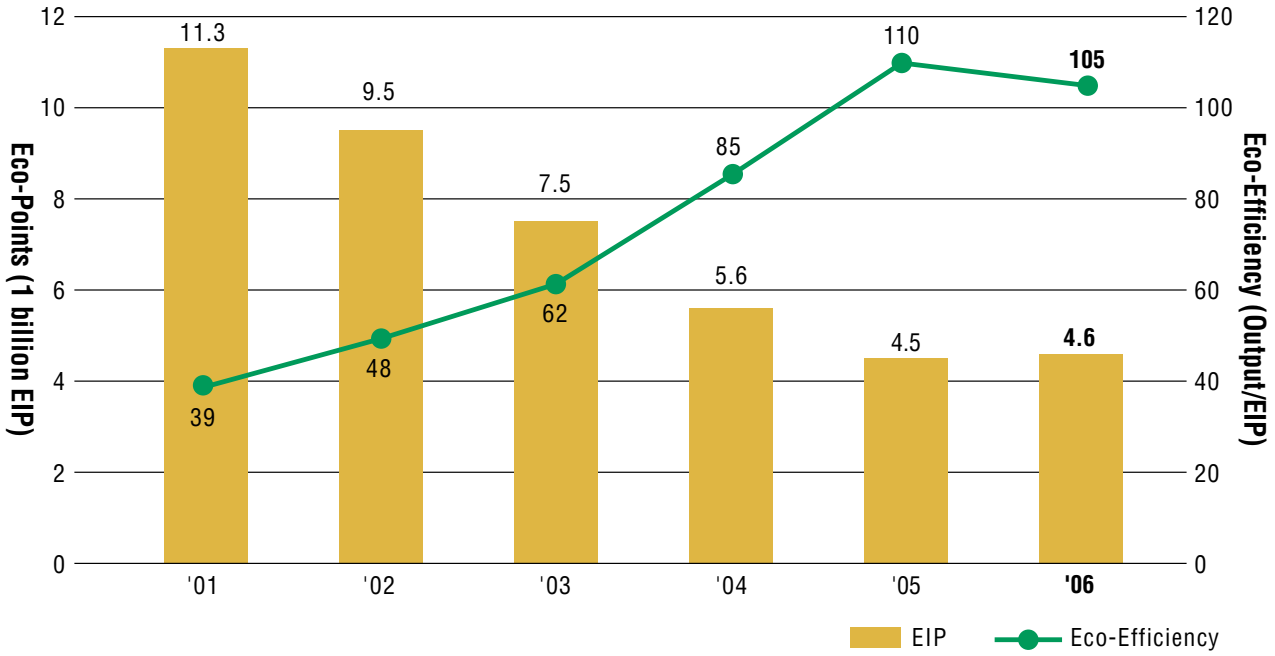
An onsite inspection by the authorities revealed that the BOD value for water finally discharged into the sewer was above the standard. Further measurement was conducted but no abnormal values were noted. The authorities ordered us to continue to look into the cause of the initial excess BOD measurement so as to prevent recurrence.

February 26, 2007/Ichigaya Plant

An onsite inspection by the authorities of odor levels of revealed that emission concentrations from offsetting rotary presses at two locations were above the standard. The cause was fissures that developed in the deodorization equipment due to heat exhaustion, or possibly that the deodorizing medium had degraded. The fissures were repaired, and the medium replaced. We revised the inspection criteria for the deodorization equipment for early detection of abnormalities, so as to prevent recurrence.

Current Status of Environmental Impact

Trends in Eco-Efficiency



The DNP Group evaluates eco-efficiency using JEPIX*. The FY2006 eco-efficiency has dropped off by increasing pollutants such as emissions of VOCs (volatile organic chemicals), greenhouse gases and landfill wastes, compared with previous year.

*[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 participated in the project.