

# DNP Group CSR Report 2008

April 2007-March 2008

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**Further information** For more detailed information, please visit the DNP website.  
Information marked with a \* is posted on the DNP website (and has been omitted from this Report).

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### [About the Cover]



The artichoke is originally from the Mediterranean, while the avocado, which comes from Mexico, recently is being used more and more in Japan. The meeting between Europe and Central America has become symbolic of borderless globalization because of the food diversification that resulted from it. While social problems such as the false labeling and safety of food are getting serious attention, this is based on concern about people and *TAIWA* (dialogue; see p.7), so it may result in great gains in terms of "trust."

Ryohei Kojima: Born in 1939 in Iwate. Graduated in 1960 from 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, as well as 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.

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## Editorial Policy

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- The matters discussed in this Report are arranged according to two categories, "Matters of Importance to Society" and "Matters of Importance to DNP." The Report focuses on matters of strong importance both to society and to DNP.
- Please refer to our website (<http://www.dnp.co.jp/eng/csr>) for information about matters, management policies, numerical data, and other related information not contained in this report.

### <How to view related data>

- (1) The following mark is found in the upper right-hand portion of odd-numbered pages of this report. Entering the posted URL in your browser will take you to the relevant webpage.



Enter this URL in your browser.

- (2) A link to a PDF edition of this report is found in the DNP website. Clicking on the URL will open the PDF in your browser.



Enter this URL in your browser.

- With the goal of ensuring objectivity in the evaluation of our activities, we have enlisted the comments of Co-Chair Saburo Kato of the Japan Association of Environment and Society for the 21st Century concerning the content of this Report, as well his advice concerning next year and beyond. In addition, we have elicited third-party comments concerning individual matters.
- We have sought to provide a clearer picture of these activities by including the words of those actually in charge of the various efforts.

- To ensure the reliability of the information in our "Environmental Performance" section, we submitted it to a third-party review conducted by the Shin Nihon Environmental and Quality Management Research Institute Co., Ltd. Also, the report was granted the Environmental Report Assurance and Registration Mark according to the "Environmental Report Assurance and Registration Mark Standards" established by the Association of Assurance Organizations for Sustainability Information.
- In compiling this report, we have referred to the Global Reporting Initiative's "Sustainability Reporting Guidelines Version 3.0" and the Japanese Ministry of the Environment's "Environmental Reporting Guidelines (2007 edition)," and have sought to disclose the important environmental data necessary to environmental report certification.

\*GRI Guideline balance sheets are provided at the DNP website.

### [Period covered by this report]

This report focuses on the period from April 1, 2007 through March 31, 2008. In some instances, the reporting of information about important items not occurring within that period may also be included.

### [Divisions Covered]

This report 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 59 sites in 47 of the companies included in the Group's consolidated financial accounting, including all 45 of our domestic manufacturing companies, one distribution company, one in-company food service company, and one equity-method affiliate.

# DNP Seeks to Contribute to Society and Maintain its Trust in Our Company



President



DNP's predecessor, "Shueisha," was founded in 1876 by men possessing a powerful drive "to bring the culture and technology of the Western powers to Japan and to contribute to our nation's modernization" by means of letterpress printing, which was the leading-edge printing technology at that time in Japan. This drive is expressed in the Corporate motto established at the founding of Shueisha, which clearly states that the business of our company is "Running a Civilized Business" While this may seem to have been an enormously ambitious goal for a just-founded venture company, I think it shows both the pride the founders had in their work and the strong sense of challenge they embraced in seeking to realize their goals.

As a part of our anniversary celebrations, we published and distributed to our employees a pamphlet entitled "The DNP Spirit," which summarizes the more than 130 years of our company's history since its founding. We then did a survey in which our employees were asked, "How would you characterize DNP?", to which the majority answered, "A spirit of challenge." This reconfirms that our employees are imbued with both "the drive of the DNP founders" and "the passion to realize those goals." They possess as well a new drive for realizing the "contribution to the emergently evolving society of the 21st century," which is expressed in our management concept and represents the continuation of our founding goals. It is, in fact, these efforts themselves that comprise DNP's CSR.



While the "SR" in CSR is originally intended to mean "Social Responsibilities," at DNP we believe that at the same time it points to the importance of another "SR"-the "Stakeholder Relationship" (i.e., the creation of good relations with our stakeholders). We build relationships with a wide variety of stakeholders through our business activities, and at DNP we emphasize *TAIWA* (Japanese for "dialogue; see p.7") in our relations with each of our stakeholders. *TAIWA* is indispensable to gaining sensitivity with regard to others- sensitivity about their aspirations, what they want for themselves, the changes in social values they might seek, etc. We then base our considerations about our own obligations

based on the understanding we gain through *TAIWA*, helping us to engage in conduct that is fruitful and in line with the needs of society, and in so doing we gain the trust and confidence of society.

The analysis and examination of individual phenomena from a number of different angles through the deepening of *TAIWA* with a variety of clients and consumers are of particular importance in business, because it makes possible the provision of solutions that effectively make use of our technology, experience, knowledge, and know-how. We believe that DNP can play an even stronger role in the lives of our stakeholders by challenging the issues faced by our clients, consumers in general, and society as a whole.



DNP is making steady progress in dealing with environmental issues, such as the reduction of VOCs, achieving zero-emissions, and improving the environmental friendliness of our products. We currently are also challenging the difficulties of achieving sustainable growth while at the same time reducing our energy use and greenhouse gas emissions.

DNP's efforts to stop global warming had up to now focused on environmental management based on the establishment of per-unit targets for contrasting added value from production output with environmental impact. In the current fiscal year we embarked on efforts to take our global warming prevention measures to the next level by establishing reduction targets for our total volume greenhouse gas emissions. Some of the actual steps we are taking to reduce such emissions include switching to LNG, which is a low CO<sub>2</sub>-emissions fuel, and purchasing Certified Green Power.

It is important to engage in both short-term and mid-to long-term (10~20 year) themes in efforts to resolve the issues of global warming and climate change. DNP is working to establish the appropriate themes and make progress in each, one by one.



Last year, DNP established the DNP Group Code of Conduct, which constitutes a revised and expanded version of the DNP Group Corporate Pledge (established in 1992), and distributed copies to each of our

Group employees. The DNP Group Code of Conduct sets forth the standards of behavior to which all of us at DNP must adhere at all times so as to ensure fairness and integrity in each of our business processes, and may be viewed as the foundation for the strong internal controls demanded in these times. Our Group Code of Conduct is also fully compatible with the principles established by the Global Compact. We continue to strive to ensure that all of our Group employees are thoroughly versed in these Standards, and that they always conduct their activities with integrity and thereby gain society's trust in DNP.

"Realization of a 'Universal Society'" is a newly-added category in the DNP Group Code of Conduct. While up to now DNP has been engaged Universal Design on a product basis, we now believe it necessary to engage in the serious promotion of the values that will contribute to realizing a 'Universal Society'. We seek to make progress in promoting the Universal Design concept through the newly-established UD Promotion Committee, and to take up the challenge of an early achievement of a Universal Society by broadening our UD efforts beyond our previously specialized efforts in certain business operations, so that our efforts include all business operations and divisions.



We are also thoroughly engaged in creating a "new way of working" for our employees. The Joint Labor-Management Declaration issued in 2006 states that we shall aim for the perpetual growth of society and the DNP Group, and that by doing so each of our employees shall realize spiritually enriched lives. The company, employees, and unions are united in the pursuit of these aims, and we are engaged in the challenge of creating systems that provide a lively and vibrant workplace, where individuals can find fulfillment and at the same time realize their potential.



DNP plays a variety of roles in society, and faces many challenges in seeking to play each of its roles to the fullest. We at DNP shall strive to maintain our "spirit of challenge" at all times, while ensuring honesty in our conduct and remaining a company that is trusted by all.

# 2007 Financial Data/ DNP Corporate Profile/ Results of Each Segment

We have increased sales and profits by promoting reform.

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

The business of the DNP Group consists of its Printing Operations and Beverages Operations.

Printing encompasses a wide range of operations. These include the Information Communication segment, made up of operations such as publishing/commercial printing, Smart cards, and network businesses; the Lifestyle and Industrial Supplies segment, which includes packaging, decorative interiors, information media supplies and industrial supplies; and the Electronics segment, which includes display components and electronics devices.

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

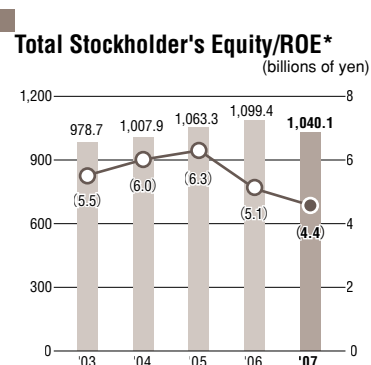
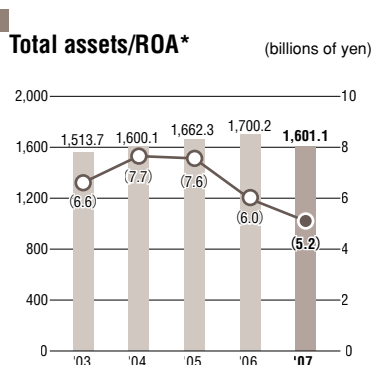
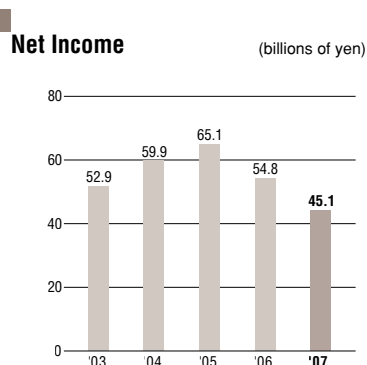
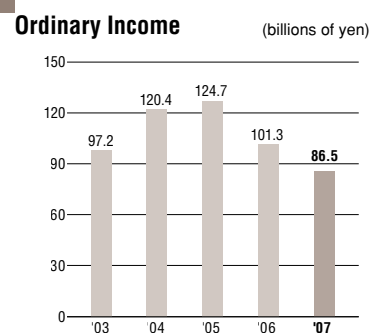
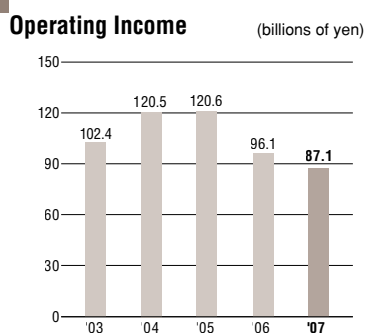
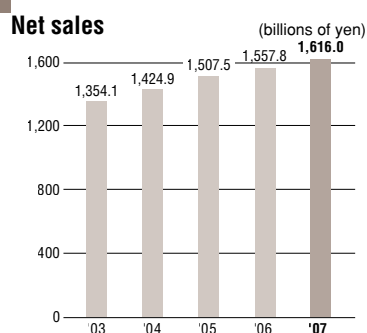
At the base of our printing operations lies the vision of P&I Solutions. DNP is working to provide customers with solutions combining the printing technologies it has cultivated since its founding with the information technologies that have advanced so rapidly in recent years.

In addition to developing our business and offering products and services corresponding to customer needs, in FY2007 we initiated Group-wide efforts to reduce costs through our "Manufacturing 21" activities, working hard to maintain our business results.

As a result, consolidated sales for the term were ¥1.6160 trillion, with consolidated revenues of ¥87.1 billion, consolidated profits of ¥86.5 billion, and consolidated term net profits of ¥45.1 billion.

## DNP Group's Consolidated Business Results (FY ending March 2008)

Net sales	1,616.0 billion yen	(up 3.7% over the previous term)
Net operating Income	87.1 billion yen	(down 9.4% over the previous term)
Ordinary Income	86.5 billion yen	(down 14.6% over the previous term)
Net Income	45.1 billion yen	(down 17.6% over the previous term)



\*ROA is calculated using recurring profits.

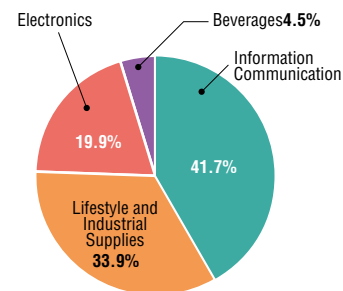
\*ROE is calculated using current net profits.

## DNP Corporate Profile (as of March 31, 2008)

**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](mailto:info@mail.dnp.co.jp)  
**Established** October 1876  
**Capital** 114.464 billion yen

**Employees** 9,396 (Non-consolidated)  
 38,657 (Consolidated)  
**Sales Offices** 52 locations in Japan  
 21 locations overseas  
 (including local affiliates)  
**Main Plants** 59 domestic plants  
 7 overseas plants  
 (including affiliates)  
**R&D Facilities** 12 locations in Japan

## Segment Breakdown of Sales for the March 2008 Fiscal Year



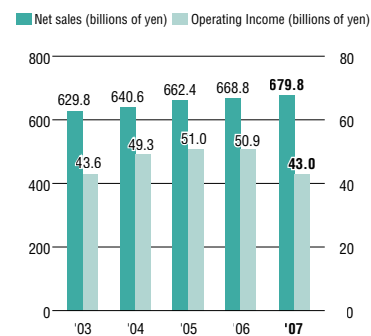
### [Information Communication]

**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, data-base business, network business, etc.

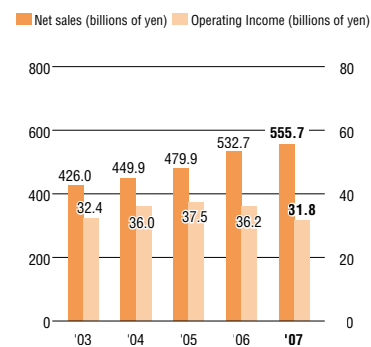


### [Lifestyle and Industrial Supplies]

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

**Lifestyle Materials:** Exterior and interior finishing material for homes, furniture, etc.; decorative sheet metal; etc.

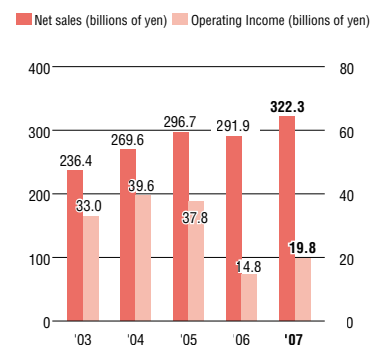
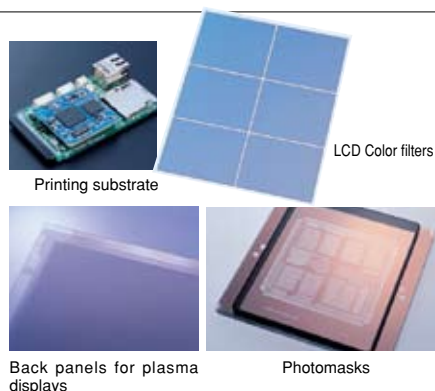
**Industrial supplies:** Optical film for displays, printer ink ribbons, bar code ink ribbons, color printer paper, etc.



### [Electronics]

**Display Products:** Color filters for LCD displays, back panels for plasma displays, etc.

**Electronic devices:** Semiconductor photo-masks, lead frames (semiconductor chip connection terminals), etc.



### [Beverages]

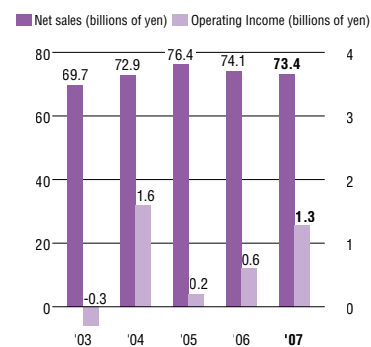
Production and marketing of beverages through Hokkaido Coca-Cola Bottling.



Hokkaido Coca-Cola Bottling



Beverage products



# First and Foremost, Acting with Integrity

## Creating New Values

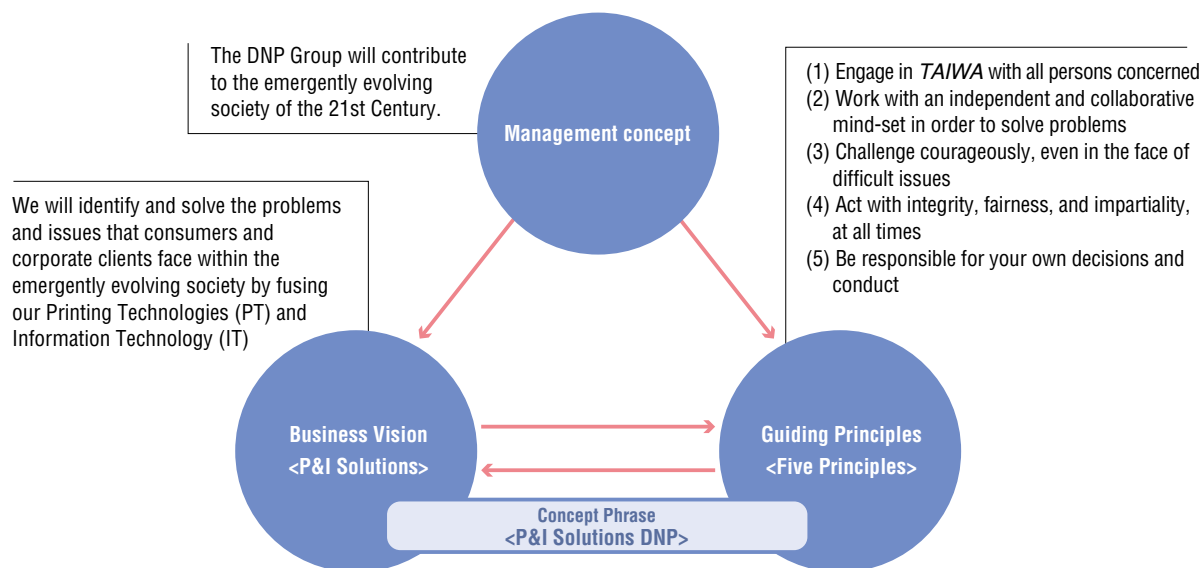
### Creating New Values Premised on Sincere Conduct

We believe that 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. We believe that such an emergently evolving society will surely develop into a society that will be more comfortable for humankind. We are aware that the most important value of the DNP Group lies in our social mission, which consists of our contribution to the development of the emergently evolving society. This forms the basis of our Management Concept, which we define as “The DNP Group will contribute to the emergently evolving society of the 21st Century.”

### Our Business Vision Is P&I Solutions

Unforeseen phenomena are engendered within the emergently evolving society. Many problems and issues and challenges face our clients and consumers as they respond to these phenomena. DNP seeks to uncover any latent issues by fostering deeper *TAIWA* (dialogue) in depth with our customers and other members of society, and thereby offering solutions that make use of the knowledge, experience, skill and know-how that we have cultivated through our business, especially our printing technologies (PT) and information technologies (IT).

This is our “P&I Solutions” business vision, and it is indicative of the direction we are taking for our contribution to the creation of an emergently evolving society.



### DNP Group Code of Conduct

The Code of Conduct that underlies all activities undertaken for realizing our Management Concept.  
This Code of Conduct is to be observed by all DNP Group employees.

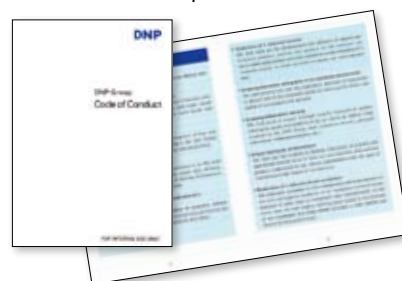
- |   |   |
|---|---|
| 1. Contribute to the development of society                                       | 6. Realization of a 'universal society'                         |
| 2. Social contribution as a good corporate citizen                                | 7. Ensuring the safety and quality of our products and services |
| 3. Compliance with all laws and societal ethics                                   | 8. Ensuring information security                                |
| 4. Respect for human dignity and diversity  | 9. Proper disclosure of information                             |
| 5. Environmental conservation and the realization of a recycling-oriented society | 10. Realization of a safe and vibrant workplace                 |

## Deepening the *TAIWA*

The Guiding Principles establishes the standards of behavior for each of our employees as they engage in realizing our Business Vision. The core concept of our Guiding Principles is *TAIWA* (Japanese for "dialogue"). As we see it, rather than simply meaning to have a conversation, *TAIWA* means finding out about the issues and dreams of others, and giving careful consideration to finding ways to help resolve those issues and realize those dreams.

## Integrity Always

DNP has established the DNP Group Code of Conduct with the goal of continuing to engage in our business, which is predicated upon "contribute to the emergently evolving society," on a foundation of strong ethical principles in accordance with our own rules as well as the law of the land. The Code of Conduct is built around themes we consider to be of mutual importance to both the DNP Group and to society as a whole.



## Themes of This Year's Report

The matters discussed in this year's Report are arranged according to two themes, "Matters of Importance to Society" and "Matters of Importance to DNP." The Report focuses on matters of strong importance both to society and to DNP.

Please refer to our website (<http://www.dnp.co.jp/eng/csr>) for information about matters, management policies, numerical data, and other related information not covered by this Report.

### < Matters of Importance to Society >

We examined the following in making our selection:

- 10 question categories in the CSR Survey executed by media organizations and others \* and SRI (Socially Responsible Investment)

\* Sustainable Asset Management, Ethical Investment Research Services, Carbon Disclosure Project, Center for Public Resources Development, The Japan Research Institute, Limited, The Good Bankers Co., Ltd., Integrex Inc., Mitsubishi UFJ Research and Consulting Co., Ltd., Nikkei Inc.

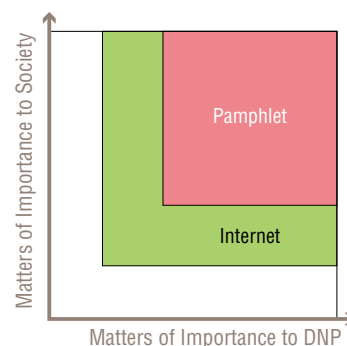
- The 10 Principles of the UN Global Compact
- Social issues comprising the framework of ISO26000 (pending)
- Social issues listed in the GRI Guideline

### < Matters of Importance to DNP >

These are items considered important based upon the DNP Management Concept/Vision for the 21st Century and the DNP Group Code of Conduct.

### <Report Categories>

We have determined that the following categories contain matters of mutual importance to both society and to the DNP Group:

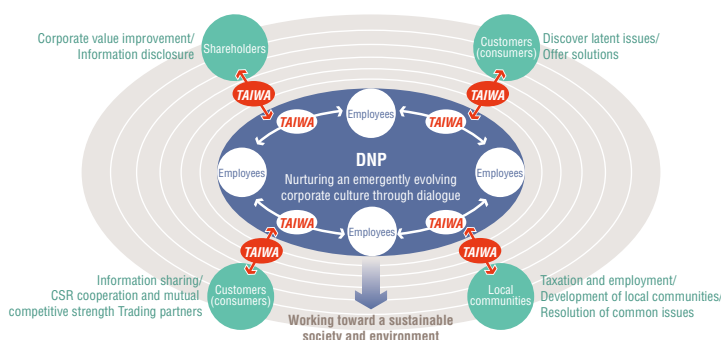


DNP Management Concept/Vision for the 21st Century and the DNP Group	p6-7
Code of conduct	
Communication with stakeholders	p8-9
Corporate governance	p12-13
Compliance with the law and social ethics	p14-15
Information security and personal information protection	p16-17
Promotion of social responsibility in the supply chain	p17
Business that contributes to the resolution of social issues	p18-23
Creating a vibrant workplace (Human resource development, diversity, work/life balance, safety and hygiene)	p24-35
Social contribution as a corporate citizen	p36-41
Environmental conservation and realizing a sustainable society (Climate change and global warming prevention, resource recycling, pollution prevention)	p42-62

# Communication

## Importance of *TAIWA* with Stakeholders

DNP places great emphasis on "*TAIWA*" with all stakeholders. In fact, *TAIWA* is at the core of our Guiding Principles, which governs all of the activities we pursue with the goal of realizing our Business Vision. Engaging in *TAIWA* with our many stakeholders provides for an early identification of changes in consumer values as well as new issues. We seek to realize a sustainable society and environment by aggressively challenging these issues.



## Example of Communications with Stakeholders

We believe that building a relationship of trust with stakeholders by deepening our communication with them and being fully accountable is of the utmost importance to effective *TAIWA*. Therefore, we offer information matching the needs of our stakeholders through a variety of media, and in addition aggressively seek to create opportunities for exchanges of opinion through conducting surveys and holding Q&A sessions and forums.

## Publication of "The DNP Spirit" and follow-up survey of employees

As a part of the DNP 130th Anniversary celebrations, we published a pamphlet entitled "The DNP Spirit," which outlines our history and corporate culture as it has developed so far, as well as the future direction of DNP. This pamphlet was distributed to all DNP Group employees. Afterwards, upwards of 7,000 of our employees offered their messages, expressions of their strong feelings, and even stern criticisms through a survey conducted in association with the pamphlet.

In response to the question "How would you characterize DNP?", we received answers such as "a spirit of challenge," "technological strength," "expansion printing," "meeting customer needs," etc. Many responded with comments such as "I would like to deepen my understanding of this DNP spirit and make it my own" and "I want us to continue through to the next generation and contribute to society." This lends itself to a sense of unity amongst all of our employees.

### Q. What do you "Characteristic of DNP" and "the DNP Spirit" mean?

- Challenge (1,302)
- Technology (1,143)
- Expansion printing (822)



### Q. Give an example of an important concept that employees should have in common.

- An understanding that "bystanders are a problem" (Women in their 30's)
- A sense of commonality in the DNP family (Men in their 30's)
- That *TAIWA* is the most important factor in responding to environmental changes (Men in their 40's)

Please visit our Website for further information.

- Examples of communications with different types of stakeholders
- Disclosure Policy

## Disclosure of information to all shareholders and investors

DNP conducts information disclosure according to our Disclosure Policy, so as to ensure timely and accurate disclosure of information to all shareholders and investors based upon transparency, fairness, and continuity. In addition to more than 200 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. We seek to meet the needs of our overseas investors by conducting information disclosure by means of conference calls and teleconference meetings, as well as through the Internet.

We create display panels and illustrations at our general shareholders meetings as a way of introducing our company and our business to all shareholders, so as to deepen their understanding of DNP.



Company information display panels at our 113th Regular General Shareholders Meeting

## 4th Emergent Evolution Survey

When DNP announced its vision for the 21st century in 2001, we also began to monitor our employees and customers. The survey was repeated in 2003 and 2005, so as to promote improvements that would enable it better to meet the needs of both groups. For our 4th Emergent Evolution Survey, conducted in FY2007, responses were elicited from 14,654 employees. We also conducted Q&A sessions with 18 of our client companies in parallel with our employee survey. The results are currently being tabulated and analyzed, and we plan to use the results of the analysis to strengthen our management policies.



## Recruiting Seminar: "Why CSR Now?"

We conducted an open seminar, entitled "CSR Seminar for Job-Seeking Students," for around 500 third-year university students engaged in job hunting, with the goal of reducing the kind of hiring mismatches that are becoming a social problem (a total of 3 seminars in Tokyo and Osaka). In addition to providing a basic explanation of CSR, the seminar also advised students to look into a company's CSR approach by thinking about matters such as "What is the meaning of the work?", "What is the role of the company?", "Does that role contribute to the creation of a sustainable society?", "Does the role of that company make sense to me in terms of my own values?", and "Will I be able to grow and realize my full potential at that company?" when doing their institutional research.



# FY2008 Goals

Major categories	FY2007 Results and topics
Contributing to the development of society	<ul style="list-style-type: none"> <li>● Reconfirmed course to be taken by all DNP Group employees so as to realize our Management Concept.</li> <li>● Monitoring of changes and signs in consumer society, and contribution to the development of society through the resolution of the issues of customers through application of P&amp;I Solutions, which is DNP's strength.</li> </ul>
Social contribution as a good corporate citizen	<ul style="list-style-type: none"> <li>● Began composition of an action plan for the support of social contribution activities by individual employees, through labor-management cooperation.</li> <li>● Continued with corporate art sponsorship, focusing on graphic arts. Graphic design exhibition at ggg/ddd/CCGA/Louvre-DNP Museum Lab (23 times, 79,000 visitors); Exhibition touring 4 European countries (7 galleries, 147,500 visitors [2.2006~4.2008]); Website: "DNP Museum Information Japan-artscape" (1.3 million page views monthly), etc.</li> </ul>
Compliance with the law and societal ethics	<ul style="list-style-type: none"> <li>● Companywide reconsideration of inventory and valuation risks, as well as priority risks, taking into account internal and external changes due to changes in laws and regulations, etc.</li> <li>● Newly established "DNP Group Code of Conduct" through the revision of the DNP Group Corporate Pledge and Employees Code of Conduct, so as to ensure that conduct continues to be based on own judgment at a level of ethics higher than that required by law.</li> <li>● Implemented continuous ethics training, both in programs conducted according to rank and self-directed programs, so as to ensure firm adherence to and thorough understanding of corporate ethics (14,281 employees have received training).</li> </ul>
Respect for human dignity and diversity	<ul style="list-style-type: none"> <li>● Held Female Employee Active Support Meetings continuously, and expand participation eligibility to Group companies.</li> <li>● Produce a special project for male employees using the in-house reporting system for encouraging male employees to use the childcare leave system.</li> <li>● Strengthened the various measures and policies for part-time, foreign, and physically-challenged employees. Construction of system for part-timers and temporary staff to regular employee status; Promote employment of non-Japanese (FY2007~2008: Regular recruiting-2; irregular recruiting-1); Promote employment of the physically-challenged (Individual interviews held 5 times).</li> </ul>
Environmental conservation and the realization of a recycling-oriented society	Listed on pp 60~61
Realization of a 'universal society'	<ul style="list-style-type: none"> <li>● Established the "DNP Group UD5 Principles" so as to contribute to the realization of a 'Universal Society' in which everyone can live comfortably.</li> <li>● Actively participated as a council member/corporate member of the "International Association for Universal Design."</li> <li>● Won the 2007 Barrier-Free Performance Award/Special Cabinet Office Grand Prize issued by the Cabinet Office.</li> </ul>
Ensuring the safety and quality of our products and services	<ul style="list-style-type: none"> <li>● Established a BCP (Business Continuity Plan) for IPS Operations, the Information Systems Segment, and some of the Materials Supply segments, which will have a large effect on society in the event of crises such as large-scale natural disasters or fires. Developed the BCPs already established for 5 Operations, including the Electronics Device Operations and Display Components Operations.</li> <li>● Established the "DNP Product Safety Regulations" for a rapid and appropriate response so as to prevent further damage in the event of a product accident, for example by creating an Accident Response Division and publicizing information about the problem.</li> </ul>
Ensuring information security	<ul style="list-style-type: none"> <li>● Established common Group rules with the goal of responding to new threats and risks.</li> <li>● New acquisition by 1 operation of the Privacy Mark. Also, application as a company for Privacy Mark certification.</li> <li>● Implemented the following for improved employee awareness: (1)Personal information protection management systems training (taken by approximately 41,000 employees in total); (2)Information security courses for technicians (350 participants in 5 times course was held); (3)Implement countrywide conferences and explanatory meetings for Information Security Promotion Office Managers.</li> <li>● Continued to strengthen the security level at all bases, starting with computer offices handling personal information. Also, concentrated functions and bases for "Campaign Bureau Representative Work" Data Entry Centers and Call Centers that require a high level of security.</li> </ul>
Proper disclosure of information	<ul style="list-style-type: none"> <li>● Work for timely information disclosure on a basis of transparency, fairness, and continuity, as called for by the Disclosure Policy; hold 232 IR Meetings annually.</li> <li>● Deliberation of the content, method of disclosure, and time frame of important disclosure information in the Information Disclosure Committee; after approval, implement immediate disclosure.</li> <li>● Work for the rapid and active disclosure of important information that conforms to the Timely Disclosure Regulations, as well as any information that is important or useful to understanding the activities of DNP; also, participate in IR Seminars and conduct electronic product lectures.</li> <li>● Provision of IR information through the IR Corner on the company website.</li> </ul>
Realization of a safe and vibrant workplace	<ul style="list-style-type: none"> <li>● Beginning of application of new personnel system policies based on a "demonstration of desired role/desired results." Horizontal development of the new personnel system at 50 Group companies.</li> <li>● Implementation of the following for appropriate evaluation and working conditions: (1)Survey concerning a new personnel system; (2)"Management by Objective Training" for managers; (3)"Goal-setting Training" for senior personnel (1,400 employees enrolled).</li> <li>● Implementation of efforts to create an atmosphere full of creativity and energy. (1)Overall maximization through participation by all employees; (2)Work optimization activities for the realization of desired work habits ("Work Optimization Management Training" for executives, "Work Optimization Expert Seminar" for employees responsible for advancing work).</li> <li>● Promotion of Work Accident Prevention Measures and Risk Assessment. Worksites that by FY2007 had advanced to Levels II and III were 13.1% and 23.6%, respectively.</li> <li>● Began work on health guidelines that include specific exams and specific health insurance guidance. Examination of the system for improved promotion of health and health maintenance plans.</li> </ul>
Promoting social responsibility through the supply chain	<ul style="list-style-type: none"> <li>● Monitoring of 1,900 suppliers based on responses to a survey on the DNP Group CSR Procurement Criteria compliance; began a second survey.</li> </ul>

	FY2008 Targets
	<ul style="list-style-type: none"> <li>● Strengthen measures to improve employee awareness of the DNP Group 21st Century Vision, and improve the degree of its understanding by Group employees both in Japan and other countries.</li> </ul>
	<ul style="list-style-type: none"> <li>● Strengthen measures for support of social contribution activities by individual employees, through labor-management cooperation.</li> <li>● Continue with corporate art sponsorship, focusing on graphic arts.</li> </ul>
	<ul style="list-style-type: none"> <li>● Engage the "DNP Group Code of Conduct" as a required topic for all corporate ethics training. Also, distribute the English version at overseas bases of operations, and foster awareness amongst all Group employees in Japan and in other countries.</li> <li>● Continue steadily with all current types of risk management and other training so as to ensure that corporate ethics efforts retain their meaning, as well to increase their effectiveness.</li> <li>● Improve the internal controls required by the Financial Instruments and Exchange Law, and conduct strict checking, verification, and evaluation of their application.</li> </ul>
	<ul style="list-style-type: none"> <li>● Promote horizontal development throughout the Group of Female Employee Active Support Meetings, and increase participation rates.</li> <li>● Continue to promote efforts toward acquisition of "Kurumin," the next-generation certification mark, in the 2nd Action Plan, and establish measures for increased realization of work/life balance.</li> <li>● Seek to increase the number of male employees taking childcare leave.</li> <li>● Increase the number of re-employees using Group Hello Work (Re-Work System, Senior Staff System).</li> </ul>
	Listed on pp 60~61
	<ul style="list-style-type: none"> <li>● Focus on the following so as to speed up the companywide development of contributions to the realization of a society in which everyone can live comfortably and safely (Universal Society): (1)A UD Action Declaration in each business operation; (2)Improving data used in resolving the issues confronted by consumers and clients; (3)Education and awareness activities; (4)Strengthen cooperation with NPOs and research institutes.</li> </ul>
	<ul style="list-style-type: none"> <li>● Promote the establishment of a BCP (Business Continuity Plan) within a total of 5 operations, including Packaging Operations, Lifestyle Materials Operations, and Central Operations; increase to 10 the number of business segments for which a BCP has been established.</li> <li>● Continue to reduce the rate of product claims.</li> </ul>
	<ul style="list-style-type: none"> <li>● Acquire Privacy Mark certification for Dai Nippon Printing as a company, and continue to promote the strengthening of information security control systems for the Group overall.</li> <li>● Implement the PDCA cycle continuously to support and maintain a solid security system.</li> <li>● Continue with security training for all employees, and cultivate personnel for checking and inspection based on public specifications.</li> <li>● Continue to promote the introduction of our own company products, and strengthen the security level at each DNP Group operational base.</li> </ul>
	<ul style="list-style-type: none"> <li>● Aim for more substantial IR Meetings so as to enable quicker response to the requests of all of our shareholders and investors.</li> <li>● Maximize the use of IR tools, such as annual reports and shareholder notices, and seek to express market and technical trends in an easily understood</li> </ul>
	<ul style="list-style-type: none"> <li>● Promote efforts to improve better implementation of personnel systems (expand participation in "Target Setting and Evaluator Training," distribute the "Work Efficiency Handbook" to all DNP Group employees, etc.)</li> <li>● Promote efforts to create an atmosphere full of creativity and energy. (Create a location for exchanges of opinion, efforts based on "Participation By All Employees," etc.)</li> <li>● Promote risk reduction efforts for improved safety that includes the goal of a reduction of the number of work accidents in 2012 by 15% in comparison with 2007, based on the 11th Work Accident Prevention Plan.</li> <li>● Start implementation of a Health Improvement Plan.</li> </ul>
	<ul style="list-style-type: none"> <li>● Promote all measures concerning the DNP Group CSR Procurement Criteria. (1)2nd Regular Compliance Survey; (2)On-site inspection of main suppliers; (3)Convene "CSR Activity Promotion Explanatory Meetings" for suppliers who have just started CSR efforts; (4)Full application of identical standards for all Group suppliers both in Japan and in other countries.</li> </ul>

# Corporate Governance

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## The Corporate Governance System

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### Our Basic Philosophy

The DNP Group believes that the strengthening of corporate governance, including internal control systems, is a management issue of major importance in fulfilling our social responsibility as a 21st century emergently evolving company, as well as in gaining the trust of all of our stakeholders, including shareholders, customers, consumers, and our employees. We are working for comprehensive corporate governance by creating and applying the systems that allow appropriate and timely business execution and the proper management decision-making upon which it is based, as well as enabling their oversight and control. Comprehensive corporate governance also includes raising the compliance awareness of individuals through thorough training and education.

### Board of Directors Meeting

DNP has established a system whereby its directors, who each have a wealth of specialized knowledge and experience spanning a broad array of business areas, participate in management decisions, execute their work duties, and in addition oversee the work of other directors.

Directors' terms were shortened from 2 years to 1, so as to make management responsibilities in the fiscal year more clear, and we have enhanced corporate governance and the management structure by appointing the CEO as the president, with three vice-presidents.

The Board of Directors is composed of 28 directors, including one outside director. It is normally convened monthly, with directors overseeing the execution of each others' work duties, so that proper supervisory functions are maintained. In addition, a Management Committee made up of directors of the rank of Senior Managing Director and above was formed in September 2007, so as to improve management speed and

efficiency. This Committee examines and deliberates management policy, strategy, and other important management matters. The directors also meet at the Executive Committee Meetings held monthly to exchange information so that management decisions can be made efficiently.

Also, the corporate officers selected at the Board of Directors meeting are in charge of executing the work determined by at the Board of Directors meeting. Close dialogue between the corporate officers and the directors allows for the opinions of those close to the worksites to be reflected in decision-making.

### Board of Statutory Auditors

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 closely watch the execution of the 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 conducted 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 under the auditors direction.

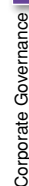
\* The external directors and the independent auditors hold no stake in our company, including personal, asset, or trading relationships.

### Information Disclosure Committee and Insider Trading Prevention Committee

DNP established the Information Disclosure Committee with the goal of ensuring the reliability of our financial reports and information disclosure that is both timely and accurate. We have also enacted the Information Disclosure Rules clarifying those functions.

Also, in August 2007, the Insider Trading Prevention Standards were established so as to strengthen the

## Corporate Governance



## Basic Policy Concerning Internal Control Systems

## Internal Control System Policy

conducted by the Corporate Ethics Committee and other internal organizations, which shall work to prevent the occurrence of risks and respond promptly when it does occur. Organizations and directors charged with prompt response to newly occurring risk shall be established.

- 2) A structure shall be established under the overall management of the Corporate Ethics Committee whereby the management of financial reporting risks (the preparation and operation of an internal control system for ensuring the reliability of financial reports) is conducted by selecting for documentation the work processes and operations having a significant effect upon the consolidated financial statements, while making necessary adjustments with the accounting auditors, and which also enables the timely and accurate evaluation and disclosure of the efficacy of the said internal control system through the self-checking of work and internal audit reports.

1) We shall strive for full compliance with the DNP Group Code of Conduct, which governs the conduct of all employees. In addition, all relevant regulations shall be established and prepared based upon the DNP Group Basic Compliance Regulations.

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

- [Risk management regulations and other systems]

- Corporate Governance ■ 13

# Compliance with Laws and Social Ethics

## So as to Continue Being a Company with Integrity

The DNP Group remains steadfast in its corporate ethics efforts so as to ensure further the trust of society that we have continued to cultivate. This requires that we always seek improvement, rather than allowing our efforts to fade.

Sincerity on the part of each and every one of our employees makes it possible to win the trust of society. We seek to impart a positive attitude toward corporate ethics on the part of our employees so as to encourage self-initiative, because the sustained development of the DNP Group begins with gaining the trust of society.

Our basic approach toward corporate ethics at the DNP Group can easily be expressed in three key words: "Sustainability," "Self-Initiative," and "Positive." This approach is shared by everyone at DNP.

## 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 at each Group company
- 1997 Introduction of self-inspection for the compliance system
- 1998 Revision of the DNP Group Employees Code of Conduct
- 1999 Inauguration of the Corporate Ethics Committee Secretariat Conference
- 2002 Revision of the DNP Group Corporate Pledge  
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  
Inauguration of the Internal Control Project Team
- 2006 Establishment of the DNP Group Basic Compliance Regulations  
Establishment of the Open Door Room Operating Standards
- 2007 "DNP Group Code of Conduct" established through a revision of the DNP Group Corporate Pledge and the Employees Code of Conduct

## Efforts for the Propagation and Thorough Understanding of Corporate Ethics

### (1) Corporate Ethics Committee

The Corporate Ethics Committee is composed of the directors in charge of each division at headquarters, and has been convened monthly since its establishment in 1992. It works to promote propagation and a thorough understanding of corporate ethics throughout the DNP Group, follows up on those efforts and responds to new issues. In addition, Corporate Ethics Committees are also in place within each division, operation, and Group company, creating a structure for corporate ethics efforts in the entire Group.

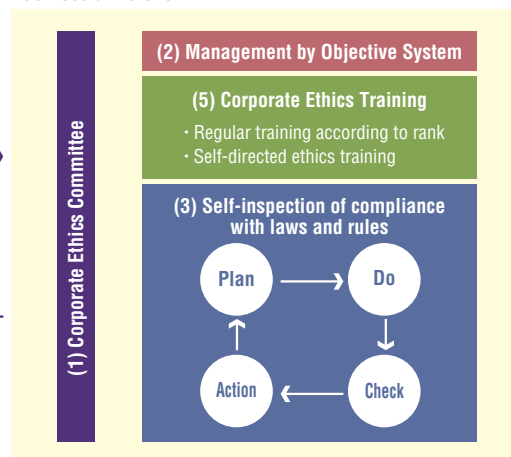
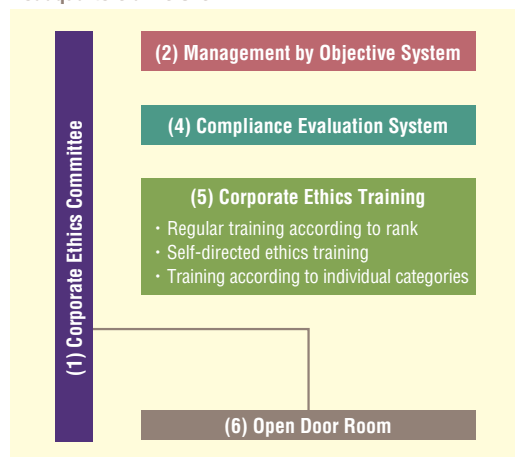
The Corporate Ethics Committee also handles the overall management in the DNP Group of internal controls required of companies under the New Corporate Code and the Financial Instruments and Exchange Law. The Corporate Ethics Committee has taken particular actions in response to the "duty to ensure the reliability of financial reporting" stipulated in the Financial Instruments and Exchange Law by launching a Project Team in 2005 for the creation of an internal control system. Preparations have been completed prior to the full-scale implementation beginning in April 2008.

### (2) Management by Objective System

Corporate ethics has been included as a factor in the Management by Objective System (See p.30), because the active participation of each employee is vital to the propagation and thorough understanding of corporate ethics. During biannual interviews with superiors, each employee discusses the meaning of fair and honest actions, and confirms that he or she is conducting work in that way.

### (3) Self-inspection of Compliance with Laws and Rules

Beginning in 2004, the Priority Execution Plan system, by which each business division makes efforts according to the priority of the issues considering that division's particular circumstances, has been implemented in addi-



tion to the Self-Inspections, by which each business division evaluates itself, that have been conducted once annually since 1997.

Self-Inspections and the Priority Execution Plan system were combined in 2007, after reconsideration of inventory and valuation risks, as well as priority risks, so as to respond to internal and external changes due to changes in laws and regulations, etc. This has enabled a more effective response to priority risks in particular, and has resulted in an inspection system that produces clearer results.

#### (4) Compliance Evaluation System

In contrast with the Self-Inspections and the Priority Execution Plan, under the Compliance Evaluation System, which was inaugurated in 2005, the inspection function is exercised by the Headquarters supervisors, who perform an objective evaluation of the level of serious risk posed to the DNP Group in the operations of each business unit.

The results of the evaluations are reported at the Executive Committee Meetings and announced to the entire Group. Each unit is aware of their own evaluation, and makes efforts to improve it. This contributes to a greater level of compliance within the Group overall.

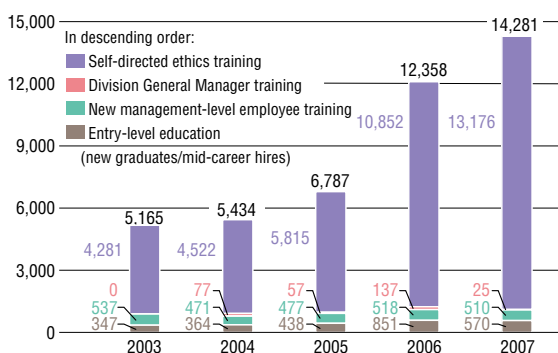
Revisions for the sake of greater objectivity, such as increasing the number of evaluation categories and the weighting of evaluations based on numerical factors, were also implemented in 2007.

#### (5) Corporate Ethics Training

It is no exaggeration to say that our corporate ethics efforts depend on each and every one of our employees developing a thorough compliance awareness. We create opportunities for employees to gain that kind of awareness through various training programs.

#### Recipients of corporate ethics training

(Unit: Total attendance)



Such programs include the following: Regular training according to rank, such as new employee training and new manager training; self-directed ethics training, in which unit supervisors direct, through *TAIWA*, their subordinates according to the specific issues of their own units; and individual category training aimed at deepening the knowledge of individual topics. Self-directed ethics training, under the motto of “Guarding our own organization ourselves,” has shown particularly steady results because the training is personalized, with the supervisors of each organization determining the content of the training.

#### (6) Open Door Room

The “Open Door Room” was established in October 2002 to handle companywide consultations and reporting by employees with regard to questions or concerns they may have in regard to issues of corporate ethics. The “DNP Group Open Door Room Operating Standards” were established in 2006 in response to the Whistleblower Protection Law. It performs an important role within the internal control system, and we have been working to improve employee awareness of it. As a result, there was an increase in the number of consultations made in FY2007, although there were none which had an impact on our business.

# Management Supporting Value Creation

## Information Security and Efforts to Guard Personal Information

Our company is entrusted with the storage of personal information from a wide variety of companies and organizations, and we assist in the provision of many kinds of services and products offered to consumers. In addition, our company itself engages in the development of many kinds of services and products that use personal information effectively. Through such businesses we have come to a thorough understanding of the importance of personal information, and we believe that the appropriate protection of information is as a matter of course our duty. Our company shall handle personal information properly in accordance with our Personal Information Protection Policy.

→ Personal Information Protection Policy <http://www.dnp.co.jp/about/privacy.html>

### 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. We established the Information Security Headquarters under the management of the Headquarters DNP Group Information Security Committee in April 2007. We have broadly increased the number of personnel, strengthening the auditing and guidance structure for the business operations and Group companies.

#### (2) Maintaining Internal Procedures and Rules

Personal information protection efforts in 2007 included the establishment of Group-wide rules concerning employees, job applicants, and the handling of personal information in data processing, notebook computers, and mobile phones. Also, 7 standards were established concerning information security, including those for

document control, computer use, areas from which non-DNP employees are restricted from entry, etc. We rapidly send out notices and establish or revise our rules accordingly in response to new threats and risks, and we make sure that employees are thoroughly informed about them.

#### (3) Establishment of a Management System

DNP has been promoting the establishment of a management system based on the Japanese Industrial Standards, "Personal Information Protection Management System Requirements" (JISQ15001), which is a standard for thorough compliance with laws and the management of the protection of personal information at all offices which handle personal information. Also, we are actively making progress in acquiring the Privacy Mark\* and ISO/IEC27001\*. In addition, DNP has applied as a company for Privacy Mark certification, and plans to receive certification in FY2008.

### Measures for Human Resources

We are engaged in awareness-raising efforts such as pamphlet distribution, mass education, network learning and other forms of training. In FY2007, we also implemented the Personal Information Protection Management System (PMS), the Information Security Course, and held nationwide conferences and explanatory meetings for Information Security Promotion Office Managers.

### Physical Measures

Various measures are in place at the Data Processing Offices which handle personal information, so as to prevent information theft. These include entry/exit controls using biometrics to ensure that unauthorized persons cannot access the facilities, surveillance cameras that keep improper behavior in check, and pocket-free uniforms for on-site workers. We also have enhanced information controls by separating the locations where information is written to media and employing checks using metal detectors. We continued

\* Privacy Mark

A certification system for contractors that have established systems composed of appropriate personal information security measures compliant with JISQ15001.

\* ISO/IEC27001

Information security control standards

## Please visit our Website for further information.

- Efforts toward information security and personal information protection
- Social responsibilities in the supply chain
- Research and development conducive to the realization of an emergently evolving society
- Intellectual property management efforts
- Delivering products and services with the highest standard of quality in the world

to strengthen these measures and the enhance our facilities in fiscal 2007.

Also, the Data Entry Center and Call Center functions and bases that require a high level of security for Campaign Bureau Representative Work have been concentrated. Regular DNP Group operational bases also underwent various upgrades in FY2007.

Entry/exit controls using Smart cards for employee identification have been newly installed at 29 operational bases. Locking bags for the sole use of main operational bases have been introduced for the in-company transfer of confidential documents. We are also proceeding with the fitting of PC screens with "Anti-Peeping Filters" to prevent information leaks.

### Technology-related Measures

Controls at Data Processing Offices where personal information is handled have been strengthened by reducing the number of employees engaged in the work of writing to recording media. Also, when the personal information of customers is transferred via networks, the DNP-developed "Gendarme" system uses the electronic certificates stored on both parties' Smart cards for verification, ensuring security. DNP also developed and began selling its "Dreadnought" CD-R loaded with software that automatically encrypts data received on recording media. This is used for the encryption of important information by the customer.

Anti-virus software installation and OS vulnerability prevention measures identical to those at domestic sites were implemented in PCs used at overseas bases in 2007, where the construction of concentrated control systems was also performed.



Personal Information Management System Surveillance



Personal Information Protection Handbook (English version)

## Social Responsibility in the Supply Chain

DNP is also working to enhance the compatibility with society of the entire value chain. The existence of superior goods and services is pointless if the production or procurement processes create social disharmony. We are moving forward with a variety of management measures with the goal of attaining high value creation working in tandem with a strong compliance awareness.

### The Basic Procurement Policy and the DNP Group CSR Procurement Criteria

In March 2006, DNP amended our Basic Procurement Policy, newly establishing our Group-wide DNP Group CSR Procurement Criteria. We held explanatory meetings for suppliers and conducted CSR Procurement Criteria surveys.

In FY2007, the efforts of 1,900 suppliers were monitored based on responses to the survey on DNP Group CSR Procurement Criteria compliance. The survey categories were then revised to encourage more practical efforts, and we began the 2nd regular survey in March 2008.

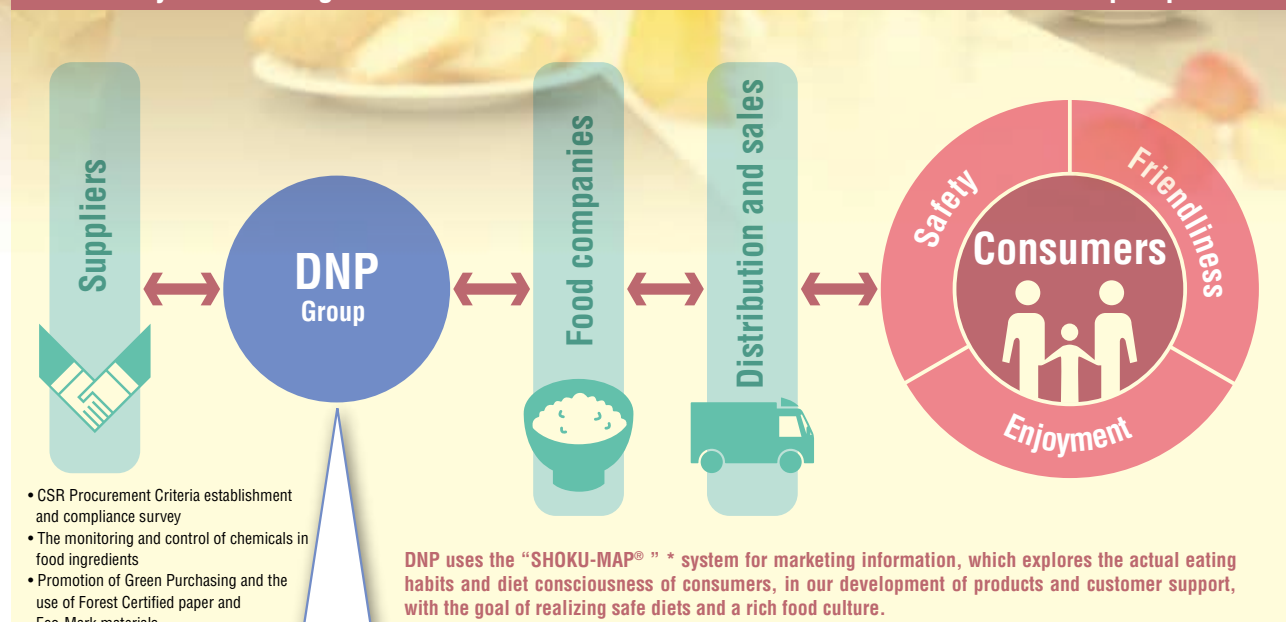
We are proceeding with new efforts in FY2008, such as getting feedback through Evaluation Sheets for all suppliers based upon the results of the 2nd survey, executing on-site inspections of major suppliers, and holding "CSR Activity Promotion Explanatory Meetings" for suppliers who have just started CSR efforts.

# Contributing to a Rich Food Culture from a Consumer Perspective

New values appear one after another in the emergently evolving society, causing great changes to the foundation of society. We see the provision of solutions to the companies and consumers adapting to these new ideas and structures, and the contribution to the development of society, as DNP's vital mission- in other words, it is our "work." In recent years a number of issues have emerged in respect to food, which has always been a topic of much discussion. DNP is offering many solutions in this area as well.

This Special Report introduces the "work" in which DNP is engaged, along with our customers, from a consumer perspective, with the goal of realizing safe diets and a rich food culture.

Creatively contributing to safe and secure diets and food culture from a consumer perspective.



\* SHOKU-MAP®

Shoku-MAP® is a database system for the continuous, 365-day accumulation of information about "Who prepared and ate (menu) what (ingredients and products) in any house on any occasion (breakfast, lunch, dinner)." Currently the database covers 2.76 million dining tables, 13 million menus, and 28 million foodstuffs (results from 1998 through 2007).

The Shoku-MAP® system (with "shoku" meaning "food" in Japanese) was developed by NTT Data Lifescape Marketing Corporation, a DNP joint venture.

Packaging supply

Packaging R&D

Environmental design

Quality labeling

Traceability

Information processing / design

Universal Design



## Supporting Dietary Safety

Food is at the center of daily life, and is of the utmost importance as the basis of happy and healthy living. Food safety is gaining more and more attention, and the DNP Group views the support of dietary safety and security for consumers, who are saying, “We want to purchase and use trustworthy food products,” to be our important “work.”

### Sterile Packaging System

“Sterile packaging” refers to a continuum of sterilization - filling - packaging in facilities in a sterile environment with zero contact by human hands. The record of the food manufacturing process can also be recorded so as to ensure continuity and uniformity in all facilities. The sterile filling system enables the provision of safe food products, and its ongoing use makes it possible to offer safety to consumers, generating trust by consumers in food product manufacturers.

DNP conducted its sterile packaging research and development continuously for more than 30 years, resulting in the provision of a wide variety of products on the market up to now. DNP will continue to support safe and secure eating habits as the leader in sterile packaging technology.

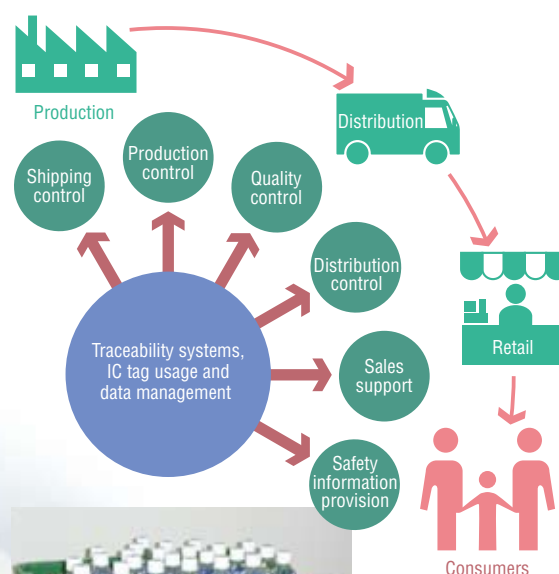


Bag in box (sterile fill)

### Product Traceability

The BSE (bovine spongiform encephalitis) problem and cases of the false labeling of food products have sparked strong demands for information supporting food safety, which consumers rely upon in making food product choices. The DNP Group's IC tags and traceability systems enable tracing from ingredient procurement through production, distribution, and sale. This provides a solution to the safety issue by making the production and distribution process data transparent, and allowing any accidents that might occur to be traced. Also, it contributes to an increase in food product control efficiency.

#### Traceability systems





## Making Eating Easier

Packaging enables the shipping, storage, and delivery to consumers of most food products. We at DNP look at eating habits from a consumer perspective, thinking about how to make packaging easier to use and understand, and how to incorporate Universal Design. We also seek to practice environmental friendliness through R&D into environmentally-friendly containers and packaging.



### Easy-to-understand labeling

In addition to the expiration dates and lists of ingredients required by law, food packaging labels also contain a lot

of other information that consumers would like to know. DNP puts particular emphasis on easily understood labeling for food products that require preparation by the consumer, checking to make sure that the design and directions are right so that the consumer can prepare the food by following the instructions. We use the results of convenience testing by our dedicated testing facility, the Packaging Usability Laboratory (PUL), in accordance with the DNP Packaging Usability® principles, in our attempts to create a package design that uses illustrations matching the preparation instructions along with perfectly expressed directions.



### Easy-to-use packaging

Our 2L PET bottles provide for safe pouring because their shape allows for a firm one-handed grip. Also, cartons and lids, which are opened with the fingers, are designed to be large enough to be grasped. Our development of easy-to-use packaging for consumers relies on the design of packaging containers using body measurement database information and measurements of test subjects.



Development example: Blendy Caf Au Lait Sticks (Ajinomoto General Foods)



PUL (Packaging Usability Laboratory)



### Employee Commentary

#### Taking a Consumer Perspective Making Eating Easier

Effective application of the Universal Design philosophy means making better packaging that can be easily used by even more people. I would like to contribute to the provision of packaging that incorporates Universal Design so that all consumers can access safe and secure products. DNP defines its "5 UD Principles" as "Expressing necessary information in an easily understood way," "Simple and intuitive usability," "Safety and flexibility of use," "Appropriate volume and size," "Usability without unnecessary force or operation." To these I would like to propose the addition of two items: "Form and expression that raise product attractiveness," and "ease of separation and disposability."



**Haruko Furuta**

General Manager, UD Planning Office  
Packaging Operations



### Easily Prepared Foods

Microwave ovens are now found in more than 95% of homes, and there is great demand from consumers for easily prepared, tasty dishes that can be warmed up in a microwave. The retort food packaging developed by DNP Group consists of a bag that can be heated as is in the microwave, and is used for curries, hamburger

Please visit our Website for further information.

● Making Eating Easier

■ Packaging Design Guideline ~USE•FULL® Packing~

patties, soups, etc. This allows anyone to prepare food easily, irrespective of age, with no breakage or leaking of the bag during heating in the microwave. The superiority of this product in terms of hygiene and safety



"No-Touch Wing" retort type

expands the range of food choices for consumers.



### "Ecocul" Tray

The demand for containers and packaging that are easily separated after use is growing as consumers become more aware of global environmental issues. The "Ecocul" tray developed by the DNP Group allows for easy separation of the interior film liner, on which food residue remains, so that the paper board of the actual tray can be separated and recycled as a resource rather than disposed of as garbage. There is no need to wash the container with water and then dry it, so there is no waste of time or water. It is also easy to break down and crush, so the volume of the container is reduced and transport is made more efficient.



Ecocul Tray



### Reduced-Weight BeauBel Cup

These cups are used for chilled drinks, such as milk beverages and coffee drinks, that are kept in a refrigerated state throughout the entire process of production,

distribution, and sale, in response to consumer demand for readily available, tasty and safe beverages. The DNP Group has developed lightweight plastic chilled beverage cups that use 17% less plastic than previous types. One focus of the Container and Packaging Recycling Law (passed in 1997) is the obligation of packaging manufacturers to reduce the weight of containers. A 17% weight reduction amounts to 3 grams per cup, so for example if 30 million cups are produced annually the result is a reduction of plastic weight volume of 90 tons. Also, reducing the weight (by reducing the thickness) of the cups means that the cardboard containers that used to hold 600 stacked cups now hold 720. This improves transport efficiency and reduces the need for storage space.



BeauBel Cup



### Sterile PET Bottle Filling System

PET bottles are mainly used for beverages because they are light yet strong, as well as clear and hygienic. They have become a part of everyday life. The sterile PET bottle filling system developed by DNP fills sterile bottles with a sterilized beverage in an antiseptic room, so there is no need to use high heat to kill bacteria. This allows the bottle weight to be reduced to 42 grams from 64 (our own comparison using 2-liter bottles). Since the PET bottles, which had been shaped by the manufacturer, are now shaped at the plant, their transport has become more efficient. A life-cycle analysis of the entire life cycle from resource extraction through disposal (including recycling) shows that the new filling system has less environmental impact than the previous one.



Sterile PET Bottle Filling System



## Bringing Enjoyment to Eating

The DNP Group is engaged in a wide array of efforts involving food, beginning with packaging. In recent years in particular we have been providing various methods for getting in touch with consumers and bringing enjoyment to the experience of eating, such as point-of-sale communications, the Internet, and mobile phone content.

### At Table, Using Animation for In-Store Recipes



At Table uses LCD displays in supermarkets to inform shoppers of recipes that will bring joy to their dining tables. A DNP venture project, At Table is a leading-edge, first of its kind information provision service that analyzes POS data and dietary habit data to find out what consumers are interested in eating during a particular period, and then provides recipe information in stores.

Also, the provision of information through POP and other means in stores can be conducted independently by food manufacturers and retailers, and there are many cases in which they are not doing so jointly. In addition to meeting the needs of consumers, At Table also performs analysis and offers proposals matching the weekly sales promotion plans of food manufacturers and retailers, providing a link between consumers, manufacturers, and retailers.



The relevant product is displayed and recipes are shown on the monitor. This is of interest to shoppers who think about the dishes they will prepare that evening while they are at the store. In addition, all of the necessary ingredients are on display in one location.

### Packaging Information Portal Site: packaging.jp

This is a portal site providing packaging information product descriptions and planning. The “packaging.jp” site is where DNP offers a variety of information for the support of “Safety and Security” for consumers, and functions as a new communications contact point for people involved in the planning and development of packaging products to put their issue resolution know-how to use broadly. Topics of interest to consumers are also offered, and anyone interested in the latest information about packaging is welcome to have a look.



### Direction to Mobile Websites

Mobile phones, which have become indispensable in modern consumer life, can be used to get dietary information from mobile websites. DNP has had the QR Code function for some time, and developed the “Color Code” and “Jump-B!” technology, which adds colorful fun to food packaging.

#### Examples of Use



Ace Cook's “Chilled Noodle Campaign” offers campaign page sites through color codes, with the access serial number printed on the reverse side of the lid.



Color code (image)

# DNP's Japanese Astronaut Food Goes Into Orbit

On March 11, 2008, Japanese astronaut food using packaging developed by DNP was launched along with Astronaut Doi in the Endeavor space shuttle. DNP was awarded the astronaut food packaging contract in its position as Japan's top packaging manufacturer, and began development and packaging specification work as the sole contractor for Japanese astronaut food in 2002. We succeeded in developing packaging materials allowing for the preparation and consumption of Japanese food in the special environment of space, and Japanese astronaut food was for the first time placed onboard the space shuttle for the Japanese astronaut. A menu consisting not only of traditional Japanese food, but also regular Japanese home-style dishes such as rice, noodles, curry, fish, Japanese beverages and snacks, is a candidate for inclusion as a choice for the astronauts who will man the International Space Station, which is to be completed in 2010.



Packaging for Japanese astronaut food



International Space Station  
(Source: JAXA)



Friendship Lab "Kibo"  
(Source: JAXA)

## Employee Commentary

### Tasty Astronaut Food is Made Possible Through the Combined Technologies of DNP

Astronaut food must be capable of long-term storage, compact and light. The shelf-life standard for astronaut food demands that a product be capable of being transported into space just as products are which are tested for the market. Compactness and lightness are achieved through both packaging innovation and the freeze-drying of the food, and a special needle is used to insert water into the container from the space shuttle's water dispenser, so to ensure that the hot water doesn't float away when poured in a zero-gravity environment. The packaging must be made to match up exactly with the water dispenser, but try as we might we couldn't at first get NASA to supply a diagram of the water dispenser. Therefore, we obtained some astronaut food from NASA and used it for our research. The test models we produced were a result of the combined use of DNP's barrier materials, silicon rubber shaping, retort packaging, molding, and other technologies, along with the cooperation of our partner companies. Of the six test models we sent to NASA for compliance tests, five cleared all of the conditions.

The packaging had to be clear so as to make the food look palatable, so DNP's IB Film, which uses our exclusive evaporation technology, is used for the clear laminate film, which forms a strong barrier to oxygen and steam. We designed thin walls and other innovations in the silicon rubber so that it doesn't leak when the needle is extracted, and achieved a seal performance superior to NASA's own products. Although enjoying the soup solids together with the stock had previously not been possible, we made it so by using a large-diameter mouth for the liquid packaging.



**Kiyoshi Toda** General Manager, Development Division  
Packaging Operations

## Product Planning by Vegetable & Fruit Meisters

Food products containing vegetables and fruit are getting a lot of attention these days as health consciousness continues to increase. DNP's Vegetable & Fruit Meisters are professional vegetable and fruit product planners, certified by the Japan Vegetable & Fruit Meister Association; just like a sommelier is an expert in wine, people with this certificate are experts in vegetables and fruit. The Vegetable & Fruit Meisters

gather and analyze qualitative data about vegetables and fruit from around the world, and monitor the immediate needs of consumers. They work together with customers to develop new products, from basic concepts through final product planning and sales promotion, so that a greater variety of vegetable and fruit products can be made available to consumers.



# For an Inspiring Workplace

We gathered six representatives from divisions and operations throughout the DNP Group to talk about the creation of a workplace environment in which people can really feel the "will to work" and a sense that they can realize their individual potential. The discussion was moderated by Messrs. Akeno of the Labor Division and Hara of the Personnel Division.

From the left:  
**Shigenori Akeno**  
Labor Division  
**Kazuya Sugiura**  
Ichigaya Publication Printing Operations  
**Masao Taguchi**  
DNP Precision Device Manufacturing No. 2 Division  
**Ichiro Ishizuki**  
DNP Photo Marketing Domestic Business Division  
**Mayumi Shikida**  
Commercial Printing Operations  
**Shuntaro Nakajima**  
C&I Operations  
**Miyuki Akazawa**  
MEMS Division  
**Kento Hara**  
Personnel Division

## A Corporate Culture that Encourages Initiative

**Akeno:** Our topic today is how we should be thinking about the "will to work" in our daily work, and I hope everyone will give their unreserved opinions. We have representatives today from a variety of company operations, including sales, manufacturing, and planning. Also, everyone here today is young or in mid-career, having entered the company from 6 to 17 years ago. There aren't a lot of opportunities for such people to get together in this way. How about we start with getting opinions that make reference to your own area of business?

**Shikida:** I have enjoyed working here for the past 6 years, handling sales and working with many customers in grappling with new issues one after

another. I feel a real inspiration to work when I get the sense that the customer views me as a trusted partner. The promotional work that I am in charge of contributes to improving product sales, and when I see consumers acquiring those products at stores I am happy thinking to myself that "This is connected to my work." Most of my colleagues at the office possess a spirit of challenge, and that inspires me to take a positive attitude toward my work.

**Hara:** Mr. Ishizuki, you have worked at DNP for three years now, right?

### Ichiro Ishizuki

DNP Photo Marketing Domestic Business Division. Joined the DNP Group in July 2006 through the transfer of operations from Konica Minolta. Coordinator of sales to volume retailers of home electronics.



**Ishizuki:** I became a member of the DNP Group in July 2006 through the transfer of operations from Konica Minolta. I can feel the spirit of challenge and the drive of the DNP founders here. I also feel encouraged by the way that my results improve as communications with my colleagues get better and better. I'm always thinking of what kind of proposals I can make, and when one of them turns out to show real results I feel a strong sense of motivation.

**Shikida:** The evolution of sales promotion methods is really dramatic, making it necessary to come up with new promotional methods all the time. Thinking up new things constantly is hard.

**Ishizuki:** Recently I have been engaged in offering photocopiers to volume retailers of home electronics, and they are taking large quantities.

Even without ink or other media it is possible to increase the number of high-quality, inexpensive copies through projection printing. It was very hard to work with technicians to deliver and set up 120 kg photocopiers after one of our customers closed, but afterward I heard that people were happy about making a lot of copies of weddings and other photos, so I felt that it was good that we did so.



## Joining Together to Achieve the Same Goals

**Hara:** Mr. Nakajima, are you in charge of coordinating projects at the Planning Office?

**Nakajima:** Yes, I am. As a Project Manager my job is to coordinate joint approaches to specialized work among other departments and group companies. We are involved in the production of broadcast programs, but it isn't the case we that we are told, "Make this program," and then we make it. Rather, the important thing is the degree to which we incorporate the image of the customer. There is no way we can get the work from customers if we don't create new things, so it is important that we get the support of the most talented people. I really feel motivated when we accomplish a spirit of team achievement.

**Akeno:** How about the ties among the production divisions?

**Sugiura:** The process by which a single book is issued involves many departments, beginning with the Sales Department taking the order

### Kazuya Sugiura

Ichigaya Publication Printing Operations, Ichigaya Publication Printing Division. In charge of plate processing at the Kuki Plant.



from the customer, and ending with delivery by the Distribution Department. There are many steps just within the plant itself, from proof making through plate processing, printing, and binding. It is really important for all of the members of the team involved in making that book to work together as colleagues. I am in charge of plate processing, which takes place early in the printing process. I try as much as possible to get together with other departments, look over the situation and talk with them, asking questions such as, "Why can't we do that?" and "What areas are you having trouble with?" so as to get a clear picture of the overall process and allow to us to follow up on each other's work. Getting to know the work of other departments makes work more interesting for me, so from now in doing so I want to include my subordinates as well.

**Hara:** How do you find the relationship between superiors and workers?

**Taguchi:** Superiors and workers engage in a lot of exchanges of opinion concerning the order of work and schedule creation at plants as colleagues working toward the same goal. In my case, I am fortunate to have a superior who tells me, "Try what you think is best, and if it doesn't work out I will help you." This makes it possible for me to feel secure and positive in doing my work.

**Ishizuki:** There are a lot of cases in which I have to respond right way to customers about prices and campaigns, so I communicate and meet with my superiors frequently. Solidarity

with one's superiors is indispensable, and results depend on it.

**Akeno:** Mr. Sugiura, I heard that there are hearing-impaired employees at your plant.

**Sugiura:** Yes, there are three. To be honest, at first we weren't sure how to communicate with them, but we are working on communication through signing. They fit in at work just like the able-bodied employees, and all three of them are part of our team. All three are straightforward and serious workers, and are great assets to us.

### Masao Taguchi

DNP Precision Device Manufacturing No. 2 Division. In charge of final testing of LCD color filters at the Otone Plant. In his 16th year with DNP.



**Taguchi:** There is also a physically-challenged employee at our plant. At first he seemed to have trouble dealing with changing into our work outfits, which are like space suits, but now he engages in work just like everyone else, and handles the job with no problem at all.

**Akeno:** One of our fundamental philosophies at DNP is "normalization." We try to set up an environment in which the physically-challenged can work together with the able-bodied, but the awareness of their co-workers is of vital importance.

## Balancing Work and Life

**Akeno:** Ms. Akazawa, you have children don't you?

**Akazawa:** Yes, I have a 4-year-old. Previously my life was focused on work and I spent a lot of time at the office, but since the birth of my child I haven't been able to avoid putting some limits on my work. With the

help of my husband at home and the understanding of my superiors and colleagues I am able to get through times when meeting the deadlines and other needs of customers is difficult. One needs the help of others, both at home and at work. There are a lot of working women with children at my office, and raising children while working is becoming a natural thing to do.

**Shikida:** I thought before I got married that balancing life and work would be difficult, but right after I got married I enrolled in a training course just for women, in which they advised us that “It is better to not to worry, and if things get too hard in the future deal with it then.” One of DNP’s advantages is that everyone seeks to work together as a team. Up to now there have been times when I have been feeling down and others gave me support, or conversely when I was able to handle things myself and give assistance to others. The team spirit is really great. Actually, I am about to take maternity leave myself. At first I was thinking about quitting work, but my boss said, “Please have a child to help fund our future pensions.” I really get the strong sense that a lot of people are helping me out at work.

**Akeno:** How about the men? How are your family relations?

**Nakajima:** I think that a full family and personal life is the basis for giving my best at work. I think it is essential that one make work/life balance adjustments for oneself. I am lucky in that my department allows individuals to distribute working hours themselves. In that sense it is a good working environment.

**Taguchi:** I have two children. If my personal life is not fulfilling I can’t do a good job at work, so I avoid taking work home.

**Sugiura:** I also try to completely forget

**Shuntaro Nakajima**

Media Division, C&I Operations. In his 7th year at DNP handling promotional campaigns using mass media and producing programs. Currently serving as a member of the Labor Union Central Committee.



about work as soon as I am away from the company, so I can devote myself to playing with my kids.

**Hara:** It is very important to strike a balance between work and private life.

## Inheriting and Passing on Technology

**Akeno:** Do you get a sense of a “will to work” in the inheriting of technology and skills from seniors at the workplace, and in passing those on to one’s subordinates?

**Taguchi:** I am engaged in doing inspections of color filters, and am using humans to judge flaws smaller even than 1 micron. I was given strict training by my seniors, and it was 2 years until I got a “passing” grade as a technician. I think that is where I really came of age. I want to pass on to my subordinates a strong will to guard the DNP brand, which has been 130 years in the making.

**Sugiura:** I also received really strict training from my seniors. The creation of good products depends on the upbringing of good personnel, but I think that nowadays it might be better to take a different approach, so I try to work with my subordinates in my own way. When one of them exceeds my anticipations I will compliment them in front of others, and when talking about techniques or knowledge I use concrete examples, saying “This is the way I have been doing it.” My subordinates are workplace assets, and I am really glad when I see them grow.

## Towards One's Own Growth

**Hara:** What do you think of personnel systems, such as the Goal Challenge System (see p.30)?

**Nakjima:** I think it is a good chance to deepen TAIWA with superiors. If possible, I think the award system should be strengthened, so that people can get a better sense of achievement.



**Miyuki Akazawa**

Device Development Production Department, MEMS Division. Works in MEMS product development. Joined DNP 12 years ago. \*MEMS=Micro Electro Mechanical Systems

\*MEMS=Micro Electro Mechanical Systems

**Akazawa:** The content of the work at my office changes rapidly, so disparities between the time goals are set and the time of evaluation occur when goals are set through the Goal Management System (see p.30). I think it is necessary to revise goals during the term. Also, there are cases in which I am not sure where and how evaluations are made. If they say “If you do this you will get better results,” even if negative aspects are pointed out the person being evaluated will think “I’m going to try.”

**Hara:** Henceforth, is there anything you would like to learn, and do you have experiences in which you were able to put something you learned in a course to use?

**Ishizuki:** I would like to study the conditions covering the entire field of our business, and expand the number of new business methods. We have large-scale customers, so if a proposal is accepted it turns into a big project. I don’t think it is possible to go too far, so rather than getting stuck in a range I would like to have perspectives from which a variety of

proposals can be made.

**Akazawa:** My department is like a miniature operation, so development and sales people come together there from a number of different places. In my New Management-Level Employee Training studies I learned about the “Coordination of Personnel,” and have been able to put that to use.

**Taguchi:** I took CAPA (distance learning course). It is been useful in my daily work, and I have put it to use in changing the workplace layout, etc.

**Akeno:** What system would you like to use in the future?



**Nakajima:** I would like to use the In-House Venture System and the Different Department In-House Learning System in the future. Those systems would help me gain a lot of experience and broaden my horizons.

**Sugiura:** Feedback from customers has to travel a long way to get to the production floor, so for example I would like to hear directly from customers, as would a person in charge of sales. By doing so I would be able to broaden the range of my current work.

## A Safe Work Environment

**Akeno:** A safe work environment and the physical and mental health of employees seems to me to be important from the standpoint of sustaining work.

**Taguchi:** Members of the Plant Safety and Health Committee make the rounds once a month. We can't afford

to have any accidents at work, so at such times I sense that there is a particular emphasis on work safety consciousness.

**Sugiura:** I am in charge of workplace safety and health. I go around and inspect the plant facilities, and propose improvements, even when these entail costs, so that we can continue working safely. I get the sense that younger people have a different sense of risk than what has been the case up to now, so I try to get them to pay particular attention to that.

**Akazawa:** We handle a lot of dangerous chemicals in the lab, and there is tendency for the awareness of the risk involved to diminish when they are used on an everyday basis. Safety is the number one concern, so I try to get people who are new to the workplace to be especially careful.

**Shikida:** DNP has its own health checkup facilities, doesn't it? I think we have an environment in which we can work with security, for example thanks to our dental and health consultation office.

## Creating a More Energetic Workplace

**Akeno:** Is there anything anyone would like to add before we end the discussion?

**Sugiura:** I feel that my personal mission is to create a good working environment for my subordinates.

**Taguchi:** I think it would be good to have opportunities for exchanges of ideas, such as this roundtable discussion, with other departments.

**Ishizuki:** I would like society to become more aware of the DNP brand.

**Shikida:** My superiors and the people around me have created a workplace in which I feel the will to work. From now on I think we should work aggressively to keep improving the work environment.

**Nakajima:** I would like find something at DNP that only I can do. I think it is important to have pride in one's work.

**Akazawa:** There are some useful systems in place already for working women, but I think they still have a way to go before they completely permeate the company. It would be good if we could make use of them in a less self-conscious way.



**Hara:** Realizing a workplace in which there is a will to work has a synergistic effect on improving company results. Listening to everyone here today I am reminded again of the importance of communication at the workplace.

**Akeno:** I would like more opportunities to be created in the future for everyone to get together and talk. We can get together and think about better systems and measures, and then create them. I would like to thank everyone for attending.

For a Safe and Energetic Workplace

# For an Inspiring Workplace

The trust of society in DNP depends on the trust in each individual employee. A diverse group of individuals works together at DNP, with new and valuable things emerging from the novel thoughts that bubble up as a result of their *TAIWA*. DNP respects the diversity of its individual employees, and seeks to create a workplace that is pleasant, free, and vigorous, so that each can develop their potential and contribute to the future development of society.

## Personnel Measures for Realizing Our Vision

The DNP Group believes that employees must be nurtured as self-reliant professionals and also that they must work together so as to contribute to an emergently evolving society.

Free and vigorous *TAIWA* among employees is indispensable to making this concept a reality. *TAIWA* means more than simply “conversation” or “sharing information”; it means talking over the problems and issues that arise from day to day, and discussing how to resolve them. We are engaging in a variety of personnel measures so as to cultivate a free and vigorous corporate culture that permits *TAIWA* to occur without consciousness of hierarchical considerations.

### Officer Comment

## Our Challenge to Streamline Work and Reform Work Habits

### - Aspiring to create an energetic workplace -

Results come from individual effort, consciousness, aggregate motivation, and synergy, and an energetic workplace itself can of itself produce results. We have been placing a lot of effort into creating structures and working environments that support each individual employee fulfilling his or her expected role while at the same time realizing personal growth and self-actualization.

At the same time, it is necessary to strive for the work habits of all employees to conform more closely to the value-creation model, so as to spur our further development as a business that appropriately responds to the increasingly complex and sophisticated problems and issues of our customers. One way to do so is to restructure time resources through the streamlining of work. For example, by revising one's work methods and methods of progress, it is possible to expand activities for a new value creation while realizing greater fulfillment in one's personal life. The transformation

of work habits to enable improved work quality and the creation of greater value is the challenge facing all of us, and is indeed the key to our future.



**Tokuji Kanda**

Corporate Officer and General  
Manager of the Labor Division

Please visit our Website for further information.

- Realizing an Energetic Workplace (1)
- Policies for personnel measures
- Personnel data
- Transparent and Fair Hiring Practices

## Creating a Creative and Energetic Work Culture

DNP issued the Joint Labor-Management Declaration in October 2006. It states that we shall aim for the “realization of perpetual growth of the DNP Group and rich and rewarding lives for our employees” through the following efforts to be engaged in by the company, the union, and all employees, each of whom shall be active participants in achieving these goals.

### Total Optimization Efforts Through “Full Participation”

The DNP Group has since 2007 recognized the Promotion of Total Optimization as indispensable to our development, and implements full employee participation throughout the company in Total Optimization Efforts for the thorough elimination of latent waste in work, fomenting an attitude of “if this were changed in this way it would eliminate waste” throughout the entire work process, from landing the business through delivery.

Issues that arise at the workplace are taken up in the labor-management relationship, through regular explanations provided to the union by the company about the progress of the activities of each of the Group operations, as well as through reporting by the union of the status of its activities at each workplace.

### Putting the Desired Work Habits into Practice:

#### Work Streamlining Efforts

We are engaging in work streamlining efforts to eliminate the gap between the operational system we seek to attain and the actual situation. Over roughly half of 2007 we sought to strengthen work streamlining through Work Streamlining Management Training and by holding seminars by experts in work streamlining.

Work Streamlining Management Training focuses on management-level employees with the goal of sharing philosophies and methods for the promotion of joint activities among the operations. In the seminars by ex-

perts in work streamlining we focus on efforts toward resolving practical issues by selecting two or so personnel from each operation to function as promoters within their operation using VE (Value Engineering) and IE (Industrial Engineering) methods.

Henceforth, we will continue to monitor the progress concerning the aims of the Labor-Management Productive Time Resource Project, so as to realize the “desirable work habits” of each and every employee through continuing to put efforts into the PDCA Cycle for work streamlining through full participation. In addition, we are considering creating a “Work Streamlining Handbook” for distribution to all employees, which will sum up the joint philosophies concerning work streamlining.

### Enhancing Labor-Management Consultations:

#### Group Labor-Management Friendly Conferences, and the Productive Time Resource Project

One effort unfolding as a result of the efforts that went into the Joint Labor-Management Declaration is the Productive Time Resource Project, which is proceeding through the joint efforts of labor and management. By labor and management both fulfilling their respective roles and working cooperatively, time resources are generated for each individual employee. These time resources can be used to develop new business or to improve personal life.

In 2007 we aimed to strengthen both the Central Productive Time Resource Project held throughout the company and the Operation Productive Time Resource Projects (Labor-Management Committee), which engage in activities corresponding to the situation in each operation.

Also, labor-management relations activities included the holding of two (in May and December) Group Labor-Management Friendly Conferences attended by company management and the officers of the DNP Group Labor Union Association (DNP Group Union) for the exchange of opinions. We intend to continue using the Group Labor-Management Friendly Conferences as an opportunity for the effective sharing of information between labor and management about Group management policies and their current status, and Group joint measures.

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## Fair Evaluation and Assignment

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### Development of New Personnel System Policies in the Group Companies

DNP restructured the basic personnel system so that each individual employee can display his or her abilities and help us realize our Vision. The new system (rating, wages, working hours, commendations) was inaugurated in March-April 2007. The new system is founded on the Demonstration of the Desired Role/Desired Results concept, and applies new systems such as new work organization categories and new rankings, including a new wage system, application of a planned work-type discretionary labor system, and commendations for timely work results.

The Demonstration of the Desired Role/Desired Results concept is shared by the entire Group as the personnel system policy. The goal is for each Group company to rebuild its personnel system with the same core as that of DNP, while reflecting the individual characteristics and personnel strategies the particular company.

### Management by Objective System

After introducing the new personnel system, DNP conducted the "Personnel System Execution Survey & Questionnaire" (Management by Objective System / Work habits based on the D-Work "Discretionary Labor System" / Commendations for timely work results) in 2007, so as to identify real issues and assess the degree of permeation and the implementation status of the new system.

One of the efforts launched based on the results of the Survey was to start "Management by Objective Training" beginning in January 2008 for management-level employees, so as to improve the evaluation system by deepening an understanding of evaluation methods and interview techniques. In addition, in consideration of the conclusion in Fiscal 2007 of the Goal-setting Training, which had been held since 2004, basic

training using actual case studies of goals achieved at the company was implemented in Fiscal 2008, with the training expanded to include the upper echelons of the general employee ranks.

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## Respecting Diversity

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As stated in the DNP Group Code of Conduct, we consider the dignity of the human race to be of unsurpassed importance, and we shall respect diversity in the culture, nationality, creed, race, ethnicity, language, religion, gender, age, and ways of thinking of each individual. Our "efforts to create an energetic and inspiring workplace" are founded on this principle.

### Hiring of Foreign Nationals

We actively seek to hire foreign nationals based upon compliance, and hire them on two-year consecutive contracts or as mid-career hires. We have programs such as having them stay in company dormitories or providing guidance counselors so they can quickly get used to the Japanese living environment. Our active use of foreign nationals stimulates a sense of understanding of other cultures and improved communication abilities on the part of many of our employees, and as the globalization of the DNP Group continues we will continue our active hiring of foreign nationals.

### Hiring of Part-timers and Temporary Staff as Regular Employees

DNP has for some time been hiring part-timers and temporary staff as regular employees on an operational basis. In April 2008, we created a system providing opportunities based on established criteria for the hiring as regular employees of superior part-timers and temporary staff who are proactive toward their work and fulfill an important function, so as to maximize the efforts of each individual and exert our full organizational strength. We want to increase ambition by creating an

Please visit our Website for further information.

- Realizing an Energetic Workplace (2)
- Fair Evaluation and Assignment
- Flexible Work Habits
- Respecting Diversity
- Active Support of Female Employees

environment in which they can demonstrate the specialized knowledge and work experience they have accumulated, and thereby improve productivity.

### Hiring the Physically-Challenged

DNP is working to strengthen ties with public institutions (in particular the Employment Service Agency) based upon the philosophy of "Normalization." We hold hiring conferences solely for DNP five times annually, and make active efforts in the mid-career employment of the physically-challenged. We also are strengthening our ties with schools so as to increase regular hiring, and are working to expand and stabilize the annual hiring of the physically-challenged by deepening our cooperation with the National Rehabilitation Center and other organizations.

We conduct Normalization Seminars for workplace managers and supervisors to make sure these programs take hold, and seek to create an environment in which the physically-challenged and the able-bodied can work as a team by holding whatever training is necessary at each given worksite, including, for example, signing classes. This is all part of our efforts to create workplaces in which everyone is active and feels the will to work.

### Senior Staff System

In April 2006 we revised the Senior Staff System for hiring older workers, clarifying the necessary qualifications for participation in this program and expanding the rehiring of employees past the mandatory retirement age. In Fiscal 2007 about 80% of the employees at the mandatory retirement age were rehired, allowing them to make use of the knowledge and experience cultivated over many years at the company in their work and in the training and guidance of their successors.

### Active Support of Female Employees

We began holding Female Employee Active Support Meetings (Kick-Off Meetings and Network Meetings) in 2006 with the goal of nurturing an organizational culture that allows our female employees to display their skills to the fullest. Kick-Off Meetings precede the Network Meetings held in the first and second half of the year, and are attended by female employees and their superiors with the aim of improving their understanding of company policies and systems and their current status, as well as

#### Employee Commentary

### I am working to cultivate my successors, with the goal of "Total Optimization."

I worked for many years as a Printing Coordinator, in which my job was to communicate customer intentions to the worksite. I have been able to continue doing this work even after reaching the mandatory retirement age. For example, there are times when even though a job appears to be the best, it can be at the graphic content stage, it may not be optimal in terms of application. Therefore, we exert quality control and avoid risk during each process. I don't think that there is anything DNP cannot do to meet the needs of the customer, but that may not be possible if we don't know about the technical skills and know-how of our company, and if communications with the worksite are insufficient. Everyone must make mistakes on the way to maturity. I hope to continue working to cultivate my successors, which is a major role of the Senior Staff, with the goal of attaining Total Optimization.



**Yoshio Yamazaki**

Meister, Process Support Center Dept  
No. 1, DNP Media Create

#### Employee Commentary

### I would like to teach subordinates who are seeking to balance work and life.

I felt encouraged when I heard the message at a Female Employee Active Support Meeting, from both male managers balancing work with nursing care or childcare and women with childcare leave experience, that we should try to engage in productive work even when faced with time constraints. I also started thinking seriously about female management-level work and self-realization for myself. I myself had been unsure as to whether or not my own attempts at concentrating my work efforts and improving quality in my attempts to balance work with childrearing were sufficient, but I learned that through work in which one gains trust it is possible to realize the life one is aiming for. Anyone wrapped up in both work and life will face a variety of challenges. I would like to teach those of my subordinates, both male and female, who are seeking to balance life and work in such circumstances.



**Emi Takabayashi**

Research & Development Center  
Control Division

to make everyone conscious of the need for the active support of female employees. The company's efforts and systems for supporting of female employees are explained, examples of how senior female employees took advantage of these systems are shown, and talks are given by lecturers from outside the company.

Network Meetings are on each occasion attended by 30 female employees. The career paths of successful role models within the company are introduced, and discussions are held concerning topics important to female employees, such as career formation, work-life balance, and others. In Fiscal 2007, 120 female employees participated in meeting held in the first half, while 150 participated in the second half.

## Support for the Development of the Next Generation

### 2nd Action Plan Efforts



We were certified by the Tokyo Labor Bureau in April 2007 as a "Business Proprietor Conforming With Standards" in recognition of our support for education as called for by the Law for Measures to Support the Development of the Next Generation. During the 2nd Action Plan period (April 2007-March 2012) we shall continue to work to implement systems and create an environment which will make it easier for more of our employees to work easily, while we seek to improve the understanding and functioning of our systems.

We get feedback from participants in our efforts to improve the Back-to Work from Childcare Program, which supports employees so they can feel secure about taking leave for childbirth or childcare and smoothly return to the workplace afterward, and the Kangaroo Club, which is for communication among participants about working and making preparations for work after having taken childcare leave. These programs get high marks from our employees.

We plan to expand our Childcare Leave System, Family Care Leave System, and Part-Time Work During Childcare System, and are also planning to implement programs such as a Bring Your Child to Work Day, so that children can get a better understanding about what Mommy and Daddy do at work.

### Promoting Childcare Leave for Fathers

The promotion of the taking of childcare leave by male employees is indispensable toward realizing a good work-life balance. Male DNP employees have been able to take childcare leave since 2005.

Neither women nor men can smoothly take leave or return to the workplace without the understanding of the people with whom they work. We have created special reports in our in-house newsletters for the promotion of understanding at the workplace, in which we seek to raise consciousness about the taking of childcare leave by recounting the personal experiences of male employees who have taken childcare leave and letting readers know what female employees think about men getting to take childcare leave.

### Employee Commentary

#### Irreplaceable Experience, and New Work Perceptions



My wife and I discussed my taking childcare leave before the baby was born. My wife is a specialist who takes a lot of business trips, so childcare leave was indispensable to raising our child. I started discussing my upcoming childcare leave with my subordinates six months before it was to begin, so as to prepare them to take over for me. I had no experience as a bachelor and was a complete novice even at cooking, so the six months with a child who at the start of my leave was only three-months old was one surprise after another, and was really an irreplaceable experience. After returning to work I still had to pick up our child at daycare, and sometimes was called away suddenly to deal with fevers and other crises, so I became aware of the importance of handling work-related risks thoroughly in advance.

**Eiji Kumano**

Contact Center Solutions Division  
DNP Digitalcom

Please visit our Website for further information.

- Realizing an Energetic Workplace (3)
- Support for the Development of the Next Generation (List of measures)
- Maintaining and Improving Health (List of measures)
- Ensuring Safety at the Workplace (List of measures)
- Creating a Secure Working Environment

## Health Maintenance Promotion

We employ a Total Health System founded on the three health maintenance pillars of prevention, examination, and treatment, with the goal of supporting the maintenance and improvement of the health of our employees and their families. The Total Health System meets a broad array of needs, such as consultation about health, nutrition, exercise, nursing care, and mental health counseling, and provides a health clinic for examination/diagnosis, comprehensive health testing, etc. Our corporate culture can be stated as, "Health itself, and an approach that values efforts toward maintaining health," and we focus on health from the long-term perspective, emphasizing lifestyle diseases and metabolic syndrome prevention and measures for supporting mental and physical health. At the same time, we are strengthening support for health improvement that meets the individual needs of our employees and their families.

Work began in 2007 on the health guidelines encompassing specific health examinations and specific insurance guidance to be implemented from April 2008.

We are systematically moving forward with environment enhancement and information consolidation so as to improve health in the Group overall.

We engage in thorough education about mental health and are building our mental health consultation services, because we believe that mental health must be maintained and improved in the same way as physical health.

We are engaging in continuous efforts to improve awareness and education about mental health, by means such as distributing guidebooks, informational magazines, and our original instructional DVDs, as well as through mental health courses and lectures designed specifically for management-level staff and general employees. We also have increased the number of consulting and treatment services available both within and outside the company, centered on a number of industrial health specialists. We seek to enable a smooth response by offering prevention, early detection, and treatment opportunities.

## Workplace Safety

We engage in risk assessments for the prevention of workplace accidents. We follow risk evaluation standards based on the analyses we have performed up to now, and ensure safety in the course of daily safety activities through a cycle based on accident risk identification, evaluation, and the establishment of measures to reduce risk. Our basic safety maintenance philosophy is to "focus all knowledge on maintaining and enhancing workplace safety, and always seek improvement." Operating from the perspective of safety specialists in addition to that of our workers, we seek to eliminate risk that has that not yet been rooted out, as well as to conduct thorough risk reduction measures. We also seek to perfect our risk management through an analysis of the basic risk generation factors.

### Industrial Health Physician Commentary

#### Don't overlook it, keep after it, and don't let up

I think DNP's signature attitude as a company is seen in its strong support of physical and mental health, as well as in its "don't overlook it, keep after it, and don't let up" stance toward employees taking their own initiative regarding health. For example, employees are notified with all speed of the results of health examinations, and the number of employees getting follow-up testing based upon such results is increasing. Such after-the-fact measures contribute to health awareness on the part of employees. In addition, given that management during working hours is very important, as an industrial physician I take particular interest in the "Don't overlook it" notion. In addition to telephone and help desk consultation for mental health, the company also works with industrial physicians to provide education for managers so they can notice signs of mental health concerns in others. Such measures help boost the quality of life of each individual employee.



**Hiroshi Mitsuyama**

Ichigaya Health Office  
DNP Health Insurance Association

For a Safe and Energetic Workplace

# Support for Employees Seeking Career Advancement

The diversity of our individual employees is the source of DNP's strength, by which we continue to grow significantly by challenging new fields and expanding the stages on which we perform. The experience cultivated by the individual increases his/her value in new areas, and we can expect it to spread throughout the workplace. The DNP Group has established a variety of systems for matching the ambitions of each individual, which increases the energy of the Group.

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## Systems for Supporting Career Advancement

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### In-house Recruiting System

The In-house Recruiting System, Self-Reporting System, In-house Venture System, and In-house Learning in a Different Department System are designed to expand the parameters of work and increase opportunities for the independent selection of work.

In the In-house Recruiting System, personnel with specialized skills capable of bringing about the realization of new solutions, business development, technological development, or product development in line with the DNP Group's business strategy are recruited from within the Group, so as to achieve the effective use of personnel and the enlivening of organizations. The employee is given the opportunity to choose his or her workplace independently, which supports career formation. DNP has had this system in place for more than 10 years, and so far approximately 400 persons have been selected out of a total of 1500 applicants.

### Self-Reporting System

In the Self-Reporting System, employees fill out a "Self-Reporting Form" once annually, in which they describe the form they would like their career to take and note the kind of self-realization steps and workplace transfers they desire toward that end. That report is then submitted to the employee's superiors, who can then offer guidance and training to their subordinates through communication, while hastening the building of the employee's awareness in regard to the practice of proactive self-realization. It also promotes a free and vigorous atmosphere and deepens the relationship of trust.

### In-house Venture System

Shifts in business models continue apace in a management environment that is experiencing rapid changes, such as digitalization, networking, personalization, and globalization. The rapid creation of new business has

Please visit our Website for further information.

- Support for employees seeking career advancement
- Systems for Supporting Career Advancement (List of measures)
- Practical and Diversified Training Programs  
(Diagram of training systems)

## Group companies established through the In-house Venture System

Company name	Date established	Type of business
CP Design Consulting	April 1, 2002	Personal information security consulting business
M's Communicate	September 12, 2003	Consulting business related to customer membership services
At Table	September 1, 2004	Sales promotion support for supermarkets
Mobile IMPULSE	January 11, 2005	Retail distribution through mobile phone shopping sites
YouToo	January 23, 2006	Mobile phone website operation featuring soccer and other sports content

been necessary for some time, and the In-House Venture System, which was inaugurated in 2000, is a program we have implemented to unearth the seeds of new businesses buried within our company and to make active use of the ideas of our employees. Under this system, an employee submits a new business idea, and if it passes an in-house examination DNP provides a variety of forms of support, such as funds, personnel, and equipment, with the employee that came up with the idea of running the business as a manager. This system provides career formation opportunities for employees and enlivens the corporate culture. Five companies which successfully underwent the examination process have been established since the introduction of this system.

## In-House Learning in a Different Department

Under this system, an employee can take the initiative in requesting the opportunity to accumulate experience in another department or office for a fixed term, after which the employee returns to his or her original position and puts the new knowledge and skills into practice. This system expands the range of work that the employee can undertake, and also improves quality.

During the employee's tenure at the transfer department, the superiors there provide support for the visiting employee's goal attainment, and afterward both the employee and the superiors at the employee's original and transfer departments discuss the situation thoroughly so as to ensure appropriate reassignment after the employee has returned.

## Practical and Diversified Training Programs

We aim to cultivate employees capable of creating their own future vision and acquiring the skills to attain it, and who can work with people both in and outside of the company as confident and responsible professionals functioning independently in their field.

DNP offers a variety of practical and diversified training programs for acquiring the necessary basic skills and specialized knowledge for each field, as well as for the development of human skills and conceptual skills, so as to support the career designs of each individual.

DNP also conducts practical courses in communication skill enhancement for managers and leaders, so as to deepen their understanding concerning the need for a career development system that enables their subordinates to display their abilities to the fullest.

### Employee Commentary

#### I am using the museum curator degree I received at university.

My previous job involved planning and sales promotion for DM and brochure DB creation, but I wanted to use the degree in museum curator studies I had acquired at art college in the field of corporate art sponsorship, so I applied through the In-House Recruiting System.

My current work involves operating the Louvre - DNP Museum Lab, which is part of DNP's overall corporate art sponsorship program. While the content of my current work is completely different from what I had been doing, there are many connections with the experiences and human network I had developed in my previous job, because both are within the same DNP Group; it wasn't as if I was starting from scratch. By taking an interest in the In-house Recruiting System one can be spurred to consider many career formation possibilities, and I hope that many others will use that system actively as a means of re-focusing on their careers.



**Kyoko Ishibashi**

MF Promotion Office  
ICC Division

As a Good Corporate Citizen

# Social Contributions

DNP is making progress in our social contribution efforts under the motto "Just Like DNP" in areas related to our core businesses, such as printing technology and graphic arts, as well as through efforts rooted in local communities. The DNP Group participates actively as a good corporate citizen in efforts to realize a rich society and sustainable growth.



## DNP's Corporate Philanthropy, with a Focus on Art

### Graphic Art Design Exhibitions and Gallery Talks

Graphic design is design that conveys information using printing as a medium, and exists as a collaboration with printing. As such it is the form of art that is closest to the business of DNP.

DNP opened "ggg" (Ginza Graphic Gallery) in Tokyo's Ginza in March 1986 as the first gallery dedicated to graphic design, and it continues to function as the foundation of our cultural activities. The gallery holds design exhibitions focusing on graphic design and printing

### Third-Party Commentary

## DNP's Corporate Philanthropy and Design

The DNP Group's corporate philanthropy has made great contributions to those of us in the graphic design world through the Ginza Graphic Gallery (ggg), which was launched in March 1986, and the Osaka ddd Gallery, which opened in 1991. The ggg was proposed by the late Ikkou Tanaka, and DNP President Yoshitoshi Kitajima made the bold decision to open the gallery in a prime location in Ginza. It is currently hosting its 262nd graphic arts exhibition, and the exhibitions it holds have improved the status of graphic designers both in Japan and throughout the world. There have up to now been 84 volumes, published by gggBooks, of collections of the works of the graphic designers exhibiting at the gallery. In addition, the DNP Graphic Design Archive continues to grow, and its exhibitions at 7 locations worldwide have prompted tremendous responses. These activities have deepened awareness of graphic arts immeasurably and are a great credit to DNP.



**Kazumasa Nagai**

Graphic Designer

Please visit our Website for further information.

- The DNP Group Social Contribution Policy
- DNP's Corporate Philanthropy, With a Focus on Art
- Galleries and Websites

themes on a monthly basis, introducing the creative works of artists and designer groups from Japan and throughout the world. The gallery also holds lectures (Gallery Talks) by graphic designers, art directors, and others for the general public as well as for students.

Up to now a total of 464 design exhibitions have been held at the three galleries- the ggg, the ddd in Osaka, and the Fukushima/Sukagawa CCGA (Center for Contemporary Graphic Art)- and these have attracted more than 1.15 million visitors.

In 2008, we received the Special Jury Prize in the "Design Books" category at the 6th Takeo Awards for our efforts and meritorious service in publishing gggBooks (84 volumes in publication) over the 20-year history of the ggg, as well as other design-related books.



### International Exchange Through Archived Graphic Artworks

The DGA (DNP Graphic Design Archive) was established in 2000 with the goal of accumulating, storing, maintaining, and providing information about works of graphic design. The "Exhibition of Today's Japanese Posters," which consists of works kept at the DGA, toured Germany, Switzerland, the Czech Republic, and Poland from February 2006 through April 2008. A total of 147,500 visitors viewed the exhibition at 7 major venues, which included national galleries and museums.



ggg



ddd Gallery



CCGA

### Workshop: "16th Century Venetian Artists Workshop"

~ Digital Pen Oil Painting Creation ~

We held a workshop aimed at helping local children become acquainted with paintings, consisting of actual Louvre Museum children's activities modified for use by the Louvre - DNP Museum Lab (see p.38). After learning about 16th Century oil painting techniques and equipment through a high-definition theater presentation, the children were able to get to know oil painting by using digital pens incorporating the latest in IT technology.



## Artscape

The DNP Museum Information Japan- Artscape website was created in 1995 to provide a wide variety of information about art museums and art, primarily concerning exhibitions throughout Japan. Each month the Japanese version is updated twice, and the international (English) version once. The site is very popular with art fans, receiving around 130 million page views monthly. In November 2005 it received the "2005 Japan Mecenat Award- Award for Art Information and Culture" (Industrial Philanthropy Association) for continuous efforts at the forefront of art information.

## Louvre - DNP Museum Lab

The Louvre - DNP Museum Lab, a joint project of DNP and the Louvre Art Museum, was inaugurated in October 2006 at the DNP Gotanda Building in Tokyo. The Lab exhibits works from the Louvre, and in addition provides a variety of information about them through multifaceted presentations employing DNP's imaging and information technologies, the goal of which is to offer new ways of viewing art. Three exhibitions, attended

by 21,000 visitors, have been held so far, along with 27 lectures and events attended by 889 visitors.

In addition, workshops and lectures for local children and educational institutions were held in Fiscal 2007, with the goal of promoting communications with local communities via the arts. We intend to continue operating the Lab as a museum that is open to everyone.



3rd Exhibition: The Madonna of the Rabbit - A Sacred Poem

## COLUMN

### The Students of the Lycée Franco-Japonais de Tokyo Visited the DNP's Lab

As part of their school studies, students of the Lycée Franco-Japonais de Tokyo came to the Lab to view the famous painting, the Madonna of the Rabbit, from the Louvre collection in their home country. The students were able to deepen their appreciation of the painting while enjoying the latest in art appreciation systems and very interesting digital content. In addition, after the viewing Louvre Director Loyrette was invited to provide a wide-ranging Q&A session about what it is like to work in a museum, how to enjoy paintings, etc.



### The Madonna of the Rabbit and a Christmas Concert

Employees, their families, and local residents were invited to enjoy Christmas with a viewing of the Louvre - DNP Museum Lab's 3rd Exhibition, The Madonna of the Rabbit by Titan, as well as concert. The concert was performed by the DNP Group Philharmonic Ensemble, which was formed in 1999 and is composed of DNP Group employees and their families, and the joyous music echoed through the office building in the December night.



## Domestic Social Contribution

### Donation of Tableware to Disaster Relief Organizations after the Niigata Earthquake

DNP Techno Polymer, which manufactures molded plastic goods, donated 60 sets of plastic tableware made from recycled PET bottles as relief supplies in the aftermath of the Niigata-Chuetsu Offshore Earthquake in July of last year. This tableware, developed and produced by DNP Techno Polymer, has superior heat-resistance, insulation, and impact-resistance qualities, and was sent through the offices of our partner, the Sawayaka Welfare Foundation of Tokyo, to Yoshikawa-Tasukeai, an NPO handling health and welfare activities and town revitalization in stricken areas of Niigata-Chuetsu. The NPO used the tableware in its meals-on-wheels service.



Donated tableware made from recycled PET bottles

### Environmental Conservation Support for the Shiretoko World Natural Heritage Site

Hokkaido Coca-Cola Bottling has introduced environmentally-friendly and scenery-appropriate vending machines and delivery vehicles in support of environmental conservation activities in Shiretoko, which has been designated a World Natural Heritage Site. In addition, the company concluded an agreement with



Donation to Sharichou

Sharichou by which a portion of the proceeds from vending machines in Sharichou will be donated toward environmental conservation activities in the Shiretoko region. In May 2007, a donation in the amount of JPY1,082,575, which was taken from the money deposited in vending machines by users (approximately 1.08 million people) was donated to Sharichou. This money is being used for conservation of the environment of the Shiretoko World Natural Heritage Site.

Hokkaido Coca-Cola Bottling then went on to enter into a similar agreement with the town of Rausucho, which contains Shiretoko, in May 2007. These efforts comprise part of our contribution toward protecting the natural environment of Shiretoko, and living in harmony with nature.

## Third-Party Commentary

### Rapid Support Continues to Impress

We of the Sawayaka Welfare Foundation (Chikara Horita, President) have been putting all of our efforts in to creating "a society in which every person communicates and helps each other actively" since the founding of our organization in 1991, and have been receiving a great deal of support from DNP Techno Polymer since the time of President Kawajiri.

In spring of last year we were told that plastic tableware made from recycled PET bottles with superior heat-resistance, insulation, and impact-resistance qualities had been developed, and that they would like to try out its use by senior citizens at welfare facilities. When we introduced it to organizations affiliated with Sawayaka we got a bigger response than anticipated. We had just started trying to get more of it when the Niigata Chuetsu Offshore Earthquake struck on July 16. We were getting damage information from everywhere in the vicinity, and we heard from Yoshikawa-Tasukeai, which handles meals-on-wheels in Joetsu City, that all of their tableware had been broken in the earthquake. As soon as we asked for support, taking precedence over other organizations, they immediately got their inventory together and sent an express shipment of 60 sets.

The ability to continue the meals-on-wheels service for senior citizens in the stricken area was a source of great relief to both the people receiving the service and their families, not to mention being able to get the meals with good tableware. People are still impressed with the support they received.



**Yoshio Takano** Director  
Sawayaka Welfare Foundation

## Social Contribution Overseas

### Participating in a Meal Delivery Service

Tien Wah Press, located in Singapore, decided that not only would they donate funds, they would do actual physical work in contributing to society. 31 of Tien Wah's employees take part in the "Meals on Wheels" efforts of Touch Community Services (TCS), delivering meals to seniors and physically-challenged people living alone. Once a week, over a six-month period, the employees take around 2.5 of their working hours to deliver meals, using their own cars and paying for fuel themselves.

In addition, when during the preliminary test run the employees saw the conditions in which the recipients of the program were living, they collected S\$2,000 from the company and S\$1,509 in employee contributions and donated it to TCS to help pay for beds and mattresses.



Tien Wah employees delivering meals.

### Participating in the Region Contribution Program at Industrial Estates

DNP Indonesia has for some time supported local programs, such as providing scholarships for middle and high school students and distributing notebooks to primary school students, as a member of the Karawang International Industrial City Community Association. Now they are trying to contribute to increasing local farm productivity, which is the main local industry, and toward helping the local community become self-sufficient through a new program called the "Desa Telaga Agro-Enviro Education Park."

With the help of Bogor Agricultural University, this program provides technical guidance and technology transfers to support farming, aquaculture, animal husbandry, forestry, and similar activities. DNP Indonesia is taking the lead, through tree-planting and other programs, among Japanese companies in lending its support to this program.



Planting a rare tree in commemorating the start of the program.

### Employee Commentary

#### We want to be useful in helping local communities develop sound self-sufficiency.

The mission of DNP Indonesia since its founding in 1972 has been to spread our packaging culture and to develop along with the economy of Indonesia. During that time we have been able to offer better packaging in the region, and we are proud to have helped create a safer, healthier, and more convenient living environment. While the rich natural environment and abundant natural resources of Indonesia have supported economic growth, in recent years there have been many occurrences of serious droughts and major floods due to climate change brought on by deforestation and global warming. This causes a lot of trouble to local communities every year, and is now clearly seen as a cause of the gap between rich and poor which has accompanied economic development as well as a social injustice. DNP Indonesia seeks co-prosperity and co-existence with the region, and we want to contribute as best we can to helping local communities develop sound self-sufficiency; therefore, we chose to participate in the Regional Contribution Program. We shall continue to seize every opportunity to participate actively in regional contribution activities, so as to leave a rich society for coming generations.



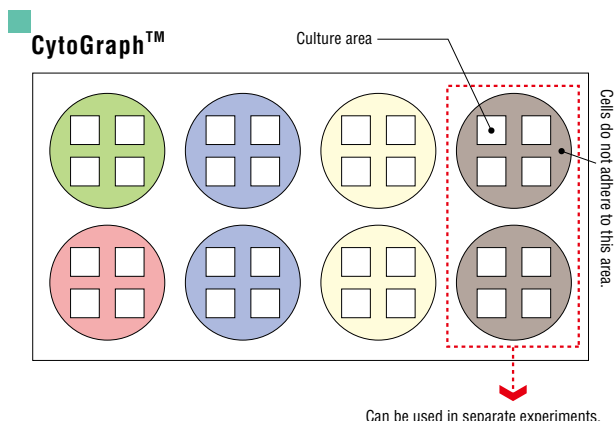
**Shuuichi Kobayashi** President  
DNP Indonesia

## Social Contribution Through Our Business

### The World's First Commercialized Cell Pattern Culture Substrate, an Invaluable Tool in Cell Therapy

Our Biomaterials Lab, which engages in joint research with the leading biology research institutes, has improved the capillary formation technology that was developed by the Nanomedicine DNP program endowed by DNP and established at the Tokyo Medical and Dental University in 2005. We now have developed surface patterning technology that allows the placement, propagation, and control of non-capillary cells as well. All of the basic conditions necessary to the commercialization of this patterning technology as a product, such as cultures, storage stability, and the sterility of the various types of cell used at medical research institutions, have been fulfilled. Exhibitions and samples of the product have received favorable evaluations, so the world's first commercialized cell pattern culture substrate, the "CytoGraph™," went on sale in May 2008.

This cell pattern culture substrate is a tool that allows the highly efficient growing and evaluation of cells, and is an invaluable instrument for applied research for cell and tissue therapy. There is a strong possibility that it will also be used in the future in the growth and evaluation of human stem cells and iPS cells (induced pluripotent stem cells) used in regenerative medicine.



\*CytoGraph™: Our trademark combines "Cyto" (cell) with "Graphic."

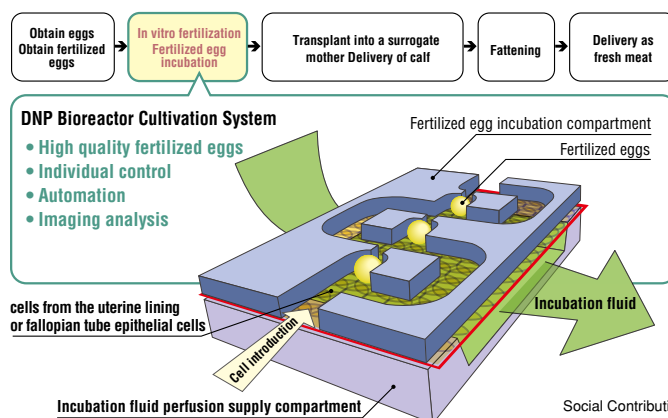
### Development of a Bioreactor for the Stable Supply of Viable Fertilized Eggs in Animal Husbandry

In recent years there have been an increasing number of attempts to transplant fertilized eggs extracted from beef cattle into dairy cattle, so as to increase beef cattle production (in particular that of high-quality indigenous Japanese Black Cattle). Nonetheless, one issue that has arisen is the stable supply of viable fertilized eggs. DNP has been engaged in the research and development of a bioreactor-based cultivation system capable of the efficient mass production of high-quality fertilized eggs from Japanese Black Cattle and other breeds. We are now at the stage where the cultivation and stable supply of high-quality fertilized eggs nearly the same of those produced naturally can be anticipated, because we possess a structure that mimics the microenvironment that exists within a cow's body. This provides for new possibilities for a fresh meat industry that is considering exports, and at the same time contributes to food safety by permitting traceability through the individual control of fertilized eggs.

Construction of the bioreactor employs DNP's own microprocessing technology, while the quality of the fertilized eggs is monitored through image processing using our IT technology. Each of DNP's operations contributed its own technology, with design and production of the bioreactor handled by the R&D Center, configuration of the cultivation system handled by the Technology Development Center's Production Technology Lab, and image processing software development handled by the Media Technology Research Center.

This research was adopted in Fiscal 2007 as a 5-year project by the Agriculture, Forestry and Fisheries Ministry, and is being implemented by a consortium consisting of the Institute of Industrial Science, the University of Tokyo, the National Livestock Breeding Center, and DNP.

### Beef Cattle Production Progression



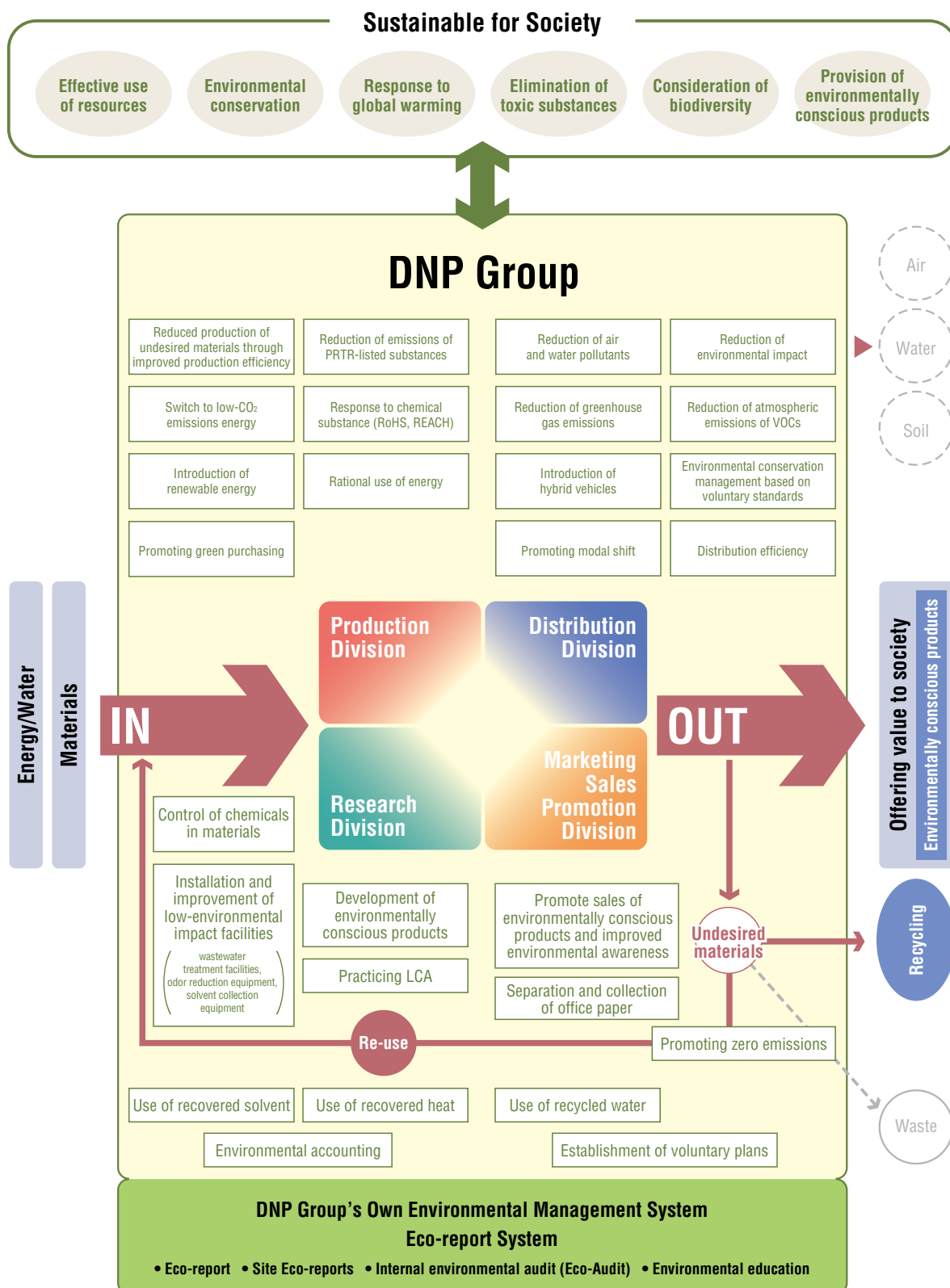
# For Environmental Conservation and a Sustainable Society

As a manufacturer we are constantly thinking about how to coexist with the global environment. The gifts of nature are precious, and we seek to coexist with nature so we can pass its gifts on to the next generation. Our efforts to do so are of primary importance to us now in the 21st Century, which is referred to as the "Environmental Century."

We continue to do what we can for the environment day in and day out, as required by our DNP Group Code of Conduct, which states that "We shall strive to use resources effectively without destroying or polluting the global environment, so as to pass on a beautiful planet to the generations that follow."

We shall endeavor to lead the way in ensuring the future prosperity of mankind.





# Global Warming Prevention Efforts

People throughout the world are applying their knowledge and efforts to guarding our irreplaceable Earth, while efforts to prevent global warming are taking place in all the countries of the world.

We at the DNP Group are making efforts in all areas, including planning, design, purchasing, production, and distribution, to reduce greenhouse gas emissions. One of DNP's most important missions is protecting the health of people and contributing to a safe and secure society.



LNG tank of Okayama Plant

## Greenhouse Gas Emissions Reduction

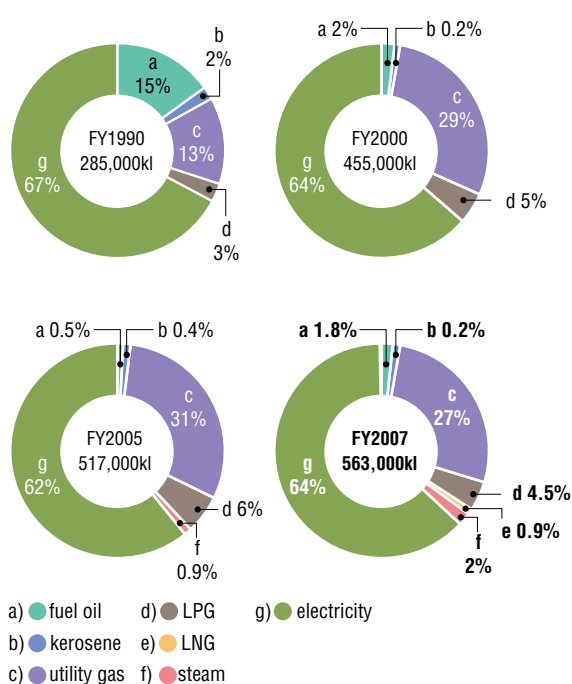
### Switching to low CO<sub>2</sub> emissions fuels

The DNP Group is making progress in the switch to low-CO<sub>2</sub> emissions fuels so as to reduce emissions of greenhouse gases such as CO<sub>2</sub>. We have been making the switch from diesel, kerosene, and similar high-CO<sub>2</sub> emissions petroleum fuels into low-CO<sub>2</sub> emissions utility gas and LPG (liquefied petroleum gas) since 1990. In

2007 we continued with our efforts in this regard, switching the Okayama plant from LPG to LNG (liquefied natural gas), which causes even fewer CO<sub>2</sub> emissions. The Okayama plant had been using 14,000 tons of LPG annually, so we expect this switch to result in an annu-

### Changes in fuel composition

(Unit: kl (converted to crude oil))



#### \* Greenhouse gas emissions volume

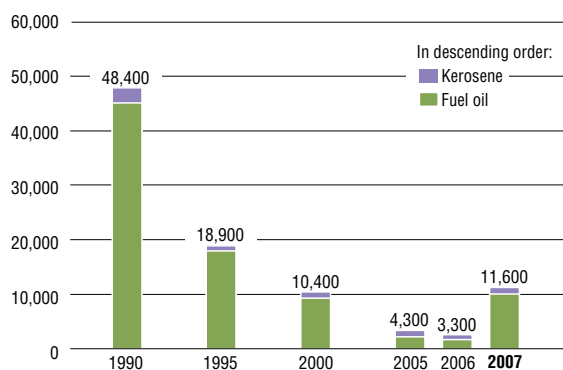
Electricity use, fuel use/combustion, burning of waste, atmospheric emissions of HFC / PFC / SF<sub>6</sub> from plants, as well as greenhouse gas emissions due to the fuel use and running of DNP Logistics trucks are calculated according to the "Greenhouse gas emissions calculation and reporting manual Ver. 2.1" (Published June

al emissions reduction of 7,000 tons of CO<sub>2</sub>. The work involved in making the switch has been progressing on schedule since last autumn, and was completed by the beginning of the year. CO<sub>2</sub> emissions were reduced by more than 2,000 tons in FY2007.

At the same time, our use of fuel oil increased due to the increase in our aggregate accounting range due to our M&A activities. While some of the new acquisitions have already been switched to electric, we will continue to make the switch to gas.

### Oil and Kerosene Usage

(Unit: kl (converted to crude oil))



Green Power Certification



We have started using Green Power (1 million kWh annually). The printing of this Report was powered by "natural" energy (930kWh).

### Greenhouse gas emissions volume and per-unit CO<sub>2</sub> emissions

The DNP Group's overall greenhouse gas emissions\* in FY2007 were 1,025,000 tons. This breaks down as follows: Energy source CO<sub>2</sub> emissions, 983,000 tons; non-energy source CO<sub>2</sub> emissions 36,000 tons; methane converted to CO<sub>2</sub> emissions equivalent, 60 tons; CO<sub>1</sub> emissions, 890 tons; SF<sub>6</sub> emissions, 5,290 tons. There were no emissions of HFCs or PFCs.

Per-unit\* CO<sub>2</sub> emissions in FY2007 amounted to 24.6 tons-CO<sub>2</sub>/1 billion yen, a reduction of 2.3% in comparison to fiscal 1990. We continued to make efforts in FY2007 to reduce CO<sub>2</sub> emissions by using less energy for air conditioning and power, switching to low-emissions fuels, improving production line operations, efficient co-generation, etc. In FY2008 we will continue our aggressive efforts to limit greenhouse gas emissions by continuing with the switch to low-emission fuels, introducing energy-saving equipment such as inverters, and improving production efficiency.

### Employee Commentary

#### We have switched to low-CO<sub>2</sub> emissions liquefied natural gas (LNG).



We had been using LPG (liquefied petroleum gas) to run the boilers, ventilation and other equipment at our Okayama plant, but by switching to low-CO<sub>2</sub> emissions LNG (liquefied natural gas) we were able to cut CO<sub>2</sub> emissions by 2,100 tons (CO<sub>2</sub>) in the first term of 2008. This is helping us reduce our environmental impact.

The problem of global warming became a big issue worldwide last year, and we have made it our mission to make the fuel switch as quickly as possible. We have put a lot of effort into reducing the time it takes to convert our entire operation. From now on we will work to reduce our energy usage (absolute amount), and will keep trying to reduce CO<sub>2</sub>.

**Hiroshi Sugita**

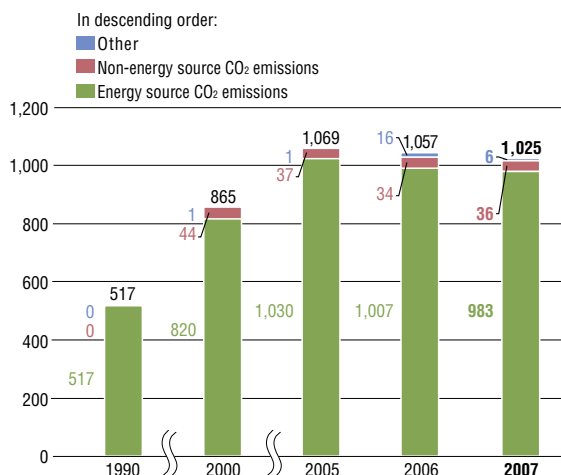
DNP IMS, Okayama Plant No. 1, Production Technology Department

29, 2007; Ministry of the Environment and Ministry of Economy, Trade and Industry). Electricity emissions coefficients for 2006 and 2007 are according to FY2006 values published by the Ministry of the Environment on September 27, 2007; for other years those published in the environmental reports of the electric companies are used. All emissions volumes are converted to CO<sub>2</sub>. Also, the

"Guideline for Greenhouse Gas Emissions Calculation for Businesses (Draft Ver. 1.6)" (July 28, 2005, partially revised; Ministry of the Environment) is followed in recalculating the greenhouse gas emissions amount standards, etc., in regard to the changes in the calculation range due to the change in our aggregate accounting range resulting from M&A.

## Greenhouse gas emissions volume

(Unit: 1,000tons-CO<sub>2</sub>)



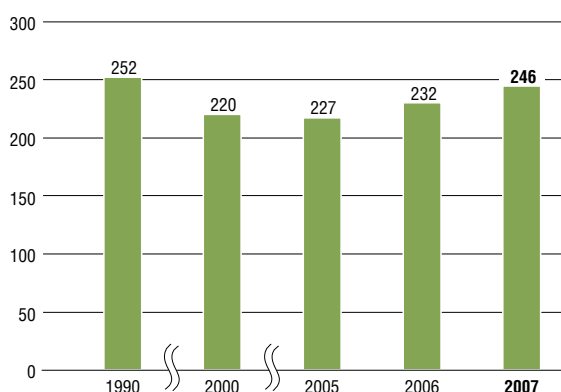
## Efforts in Shipping

In FY2007 the Group's overall shipping volume was 388 million ton-kilometers. The Group used 32,000 kiloliters of energy (converted to crude oil), with CO<sub>2</sub> emissions of 81,000 tons. Per unit fuel use for transport (amount of fuel used/sales) was 1.98 kiloliters/JPY100 million, a reduction of 7.9% over the previous year.

We continued to implement distribution-related environmental impact reduction measures such as the optimization of transport routes, improved efficiency through digital tachometer installations, an idling-stop campaign, a modal shift to rail transport, and the introduction of hybrid vehicles.

## Per-unit CO<sub>2</sub> emissions

(Unit: tons-CO<sub>2</sub>/1billion yen)



## Anti-global warming measures at offices and homes

The DNP Group has participated in "Team Minus 6%," a program encouraging CO<sub>2</sub> emissions reduction efforts both at the office and at home, since 2005. Nine of our facilities participated in the "CO<sub>2</sub> Reduction/Lights Down Campaign" in FY2008 as well.

The DNP Group also participated in the "Refuse Shopping Bags" campaign initiated by the Green Purchasing Network in October last year. Employees shopping at company shops participated in "No Shop-

### COLUMN

## The DNP Gotanda Building Wins the Greening Grand Prize

The DNP Gotanda Building, which was completed in 2006 and is the first skyscraper in the DNP Group, won the "Green Grand Prize" in the Shinagawa-ku "Green Award System." This system awards buildings incorporating the best greening measures, and the Gotanda Building won this time for having the best design while maintaining a large area of greenery, and for creating a common space for the local citizens to feel refreshed. The building was given special mention for creating an abundant green space in the community.



© Photo Tom Fox, SWA Group

## Tsuruse Plant Awarded a PRTR Honorable Mention

The Tsuruse Plant was awarded a PRTR Honorable Mention in the 4th Chemical Management and Risk Communication "PRTR 2007 Awards" held at the Center for Environmental Information Science. The plant was recognized for its aggressive efforts in chemical management, such as the installation of solvent collection equipment and non-toluene construction materials, as well as for its communications with Saitama Prefecture and the local citizenry.



\* Per-unit CO<sub>2</sub> emissions: This is direct CO<sub>2</sub> emissions volume from plants through energy use divided by production output. Production output indicates business activity, and added value is distributed to the direct amount according to the ratio of the energy amount for direct emissions and the energy amount for indirect emissions.

Please visit our Website for further information.

- Reducing Environmental Pollutants
  - Dichloromethane emissions trend/Dioxin emissions trend/CFC substitute emissions trend/SOx emissions trend/NOx emissions trend/VOC emissions trend
  - COD emissions trend/Nitrogen emissions trend/Phosphorous emissions trend
  - Chemical Substances subject to the PRTR Law

ping Bags” efforts, broadly reducing the use of shopping bags from 90% to just 10%. This was by March equivalent to a reduction of a total of around 6.4 tons of CO<sub>2</sub>.

## Reducing Environmental Pollutants

### Reducing air pollutants

The Air Pollution Control Law specifies substances such as toxic air pollutants and ozone depleting substances, including sulfur oxide (SOx) and nitrous oxide (NOx), as well as volatile organic compounds (VOC), as air pollutants. These substances have an impact on health and the global environment, causing problems such as urban ozone formation and ozone layer depletion. We at the DNP Group are working hard to monitor and reduce emissions of such substances.

We are making progress in our switch from dichloromethane to water-based cleaners in our printing process, and in FY2007 our total atmospheric emissions fell from the 2001 level of 53 tons to just 1 ton. Also, dioxin emissions, which are created by the burning of waste, were completely eliminated in small furnaces due to strict burning controls. Currently, atmospheric emissions from large furnaces, which have been brought up to the 2002 control standards, were 6.9 mg-TEQ in FY2007 for the 6 furnaces currently in operation.

While we do still use some of the ozone-depleting chemical HCFC-141b (1,1-dichloro-1-fluoroethane) as a cleaner, our FY2007 emissions fell to 5.3 tons, a 47% reduction over the previous year.

Sulfuric acid emissions result from burning fuel oil and kerosene containing sulfur. The switch to low-sulfur utility gas from high-sulfur fuel oil and kerosene for firing our boilers has resulted in a reduction of sulfuric acid emissions, but due to our M&A activities we have had an overall increase in atmospheric emissions to 85.3 tons due to the inclusion in our aggregate ac-

counting of plants still using fuel oil. Also, nitrogen oxide emissions, which are caused by the burning of fuel, are being reduced through our efforts to install low NOx burners, but these emissions have increased because of an increase in energy usage in comparison to last year.

### Reducing VOC emissions

The Revised Air Pollution Control Law, which was enacted in April 2006, strengthened emissions controls on VOCs (Volatile Organic Chemicals) emitted from printing processes and other processes. Printing processes use VOC-containing materials such as ink, solvents, adhesives, and cleaners, and the DNP Group is making efforts not only to regulate concentrations but also to reduce emissions overall. We have been switching to substitute products with a lower environmental impact and installing equipment for VOC treatment and collection. These efforts have resulted in a 52.1% reduction, to 11,104 tons, in comparison with 2002, which is used as the yardstick for performance. This emissions total breaks down to 890 tons of substances regulated by the PRTR Law, and 10,214 tons of substances not covered by that law.

### Reducing water pollutants

We detoxify and reduce the pollution load of the wastewater from our industrial processes and dining halls by using purification tanks and wastewater treatment equipment. We implemented reduction measures, such as changing out the filtration membranes and absorbing agents in wastewater processing equipment, improving the wastewater treatment in the kitchens, and reducing the organic materials in rain runoff, but the volume of wastewater still increased, accompanied by an increase in COD\*, nitrogen, and phosphorous emissions.

\* COD: Chemical Oxygen Demand

# Building a Recycling Society

We seek the effective reduction of environmental impact by selecting and purchasing materials according to our Green Purchasing Policy, and by working to reduce undesired material output through the effective use of resources in our production processes. DNP is taking part in the production of more and more environmentally-conscious products as the demand for such products increases; we are engaged in designing easily recyclable products, making more use of biomass materials, etc.

## Offering Environmentally-conscious Products

### Development and Sales of Environmentally Conscious Products

The DNP Group created the Environmentally-Conscious products Development Guidelines to direct from the design stage to the creation of environmentally-conscious products, so as to reduce the environmental impact of our products throughout the lifecycle. We offer solutions, such as reduced environmental impact products, in each area of business so as to realize a sustainable recycling society.

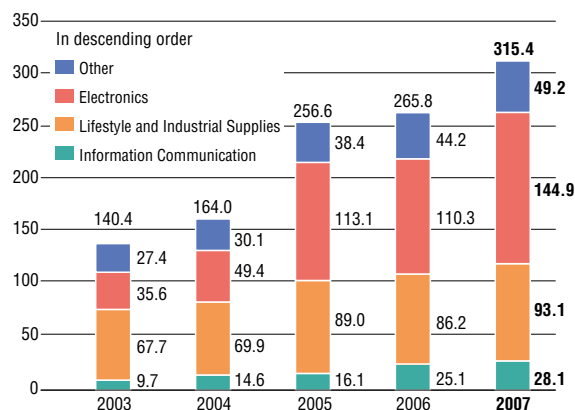
Our sales of environmentally-conscious products reached JPY315.4 billion in FY2007 (JPY265.8 billion in FY2006). In particular, we have seen increased sales of Resin BM Color Filters (LCD color filters using a resin black matrix instead of metal), PET-G cards (cards made of non-PVC "PET-G" material), and printed materials using Forest Certified paper (paper certified as having originated in forests that are managed according to environmentally sound practices).



PET-G card

### Sales of environmentally conscious products

(Unit: 1 billion yen)



\* Categorization of the 4 operations was changed, and sales are listed for each FY according to the new classification.

Please visit our Website for further information.

● Offering environmentally-conscious products

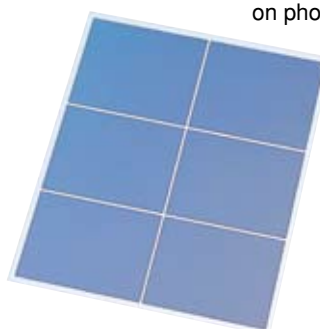
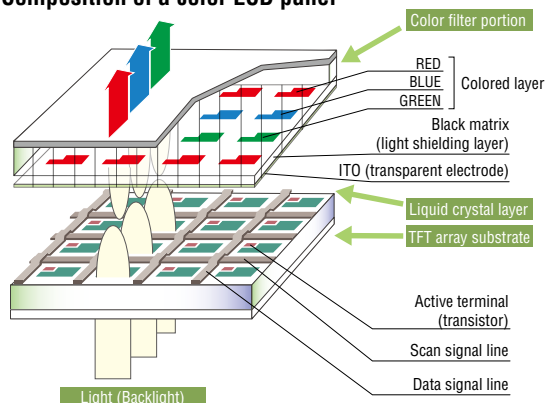
◆ Environmentally-Conscious Product Development Guideline

## Environmentally-Conscious Product Example

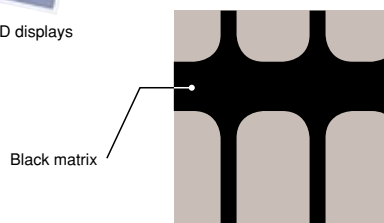
### Resin BM Color Filter

The color LCD panels used in LCD TVs and other equipment create color images by the passage of light through a color filter (CF) which lines up with the red, green, and blue minute pixels. Contrast is improved and a vivid image is created through the use of a black matrix that shields the light between each of the CF color pixels.

#### Composition of a color LCD panel



Color filter for use with LCD displays



Black matrix

on photosensitive resin is patterned on the substrate. This both reduces environmental impact and cuts costs.

### Employee Commentary

#### We have attained reactivity even to weak light on a light-shielding BM

The resin BM uses technology similar to that of photo engraving. We harden the required portions of the material with light (UV), and the unneeded portions are removed through developing. The role of the black matrix is to block 1/10,000 of the light. Because it is a film through which light cannot pass, the middle of the film is not hardened by the UV light because the light does not reach it. We had been searching together with materials manufacturers for everyday materials with the quality of reactivity even to extremely weak light, so as to gain compatibility between the conflicting characteristics. We developed a method by which we devised a way to use developing equipment for mild and even developing that leaves a slightly hardened portion.

During the development period (beginning over 10 years ago), only DNP successfully produced such a BM. We created a 24-hour system so as not to cause difficulties with our customers' product development, and poured a variety of efforts into it so as to pass the strictest testing standards. At this point it is indispensable technology for IPS-type LCD panels, and provides support for the current golden age of LCD television.



Keizou Ishikawa

Production Department No. 1  
Display Components Operations

### Development of products using LCA

Society now strongly demands the reduction of environmental impact. DNP has introduced LCA (Life Cycle Assessment), which evaluates the form and degree of the environmental impact of a single product over its entire life cycle, and seeks ways to make improvements. The LCA system has been incorporated into product development.

The LCA is a method for quantitatively evaluating the resource investment and environmental impact, as well as the effect on the planet or the ecosystem, that a certain product or service exerts over the course of its life cycle. "Life cycle" here encompasses everything that takes place during the existence of the product or service, from resource extraction through manufacture, transport, use, and the return of all waste to the Earth.

### Environmental Label Certification

#### Proper disclosure of environmental information about products

We have acquired environmental labeling, such as Eco-Mark, CoC certification, and EPD, and are working to expand the number of such products. The Eco-Mark is granted to products that are valuable in terms of environmental conservation, and our "S-mail recycled paper type" (pressure-bonded postcard). CoC certification guarantees that the pulp used in making the printed materials is Forest Certified, meaning it originated in forests that are managed according to environmentally sound practices. CoC certification has been acquired by a total of 13 divisions as the system for certifying that the printed materials are made from such pulp. In May of this year, the IPS Operations and Tien Wah Press (PTE) Ltd. (Singapore) also acquired this system. EPD is an environmental declaration program developed by Sweden's Environmental Management Committee for the disclosure of LCA data reviewed by a third party. DNP has acquired EPD certification fused thermal transfer materials and dye-sublimation transfer materials.

### Third-Party Commentary

#### Paper Promotes Periodic Forest Thinning



Photo provided by Office Chonai-Kai, an environmental NPO

The DNP Group CSR Report is printed on "Morino Chonai-Kai - Forest Thinning Support Paper." The "Morino Chonai-Kai" (Forest Neighborhood Association), which since its founding in 1991 has been working with 1,100 member companies as well its partner in used office paper, the environmental NPO "Office Chonai-Kai", in 2005 began its "new forest conservation efforts promoting forest thinning through the use of paper from thinned forests." DNP, a major industry leader deeply involved in paper selection by users, is pursuing a truly encouraging course in its stance and activities, which give important consideration to the global environment, by contributing to the cultivation of sound forests through actively seeking to use paper made from thinned forest pulp. We hope that Morino Chonai-Kai can continue to play a central role making consideration of the forests a factor when users make their choice of paper.



**Eiju Hangai** Secretary, Office Chonai-Kai (Environmental NPO)

Please visit our Website for further information.

● Environmental Label Certification

■ Acquisition status of CoC and EPD Certification

## We Consider the Environment at the Materials Purchase Stage as Well.

We choose and prioritize for purchase materials with the lowest possible environmental impact, so as to offer goods and services that are both valuable for society and can be used with confidence. We also seek to control and reduce the chemical substances contained in materials.

### Promoting Green Purchasing

DNP employs Green Purchasing in selecting and buying parts, materials, provisions and equipment, and office supplies that cause the least possible environmental impact, so as to reduce the environmental impact of upstream production processes and of our business overall, and to reduce the environmental impact of DNP's products. We also give priority in materials and equipment purchasing to suppliers that take environmental conservation seriously.

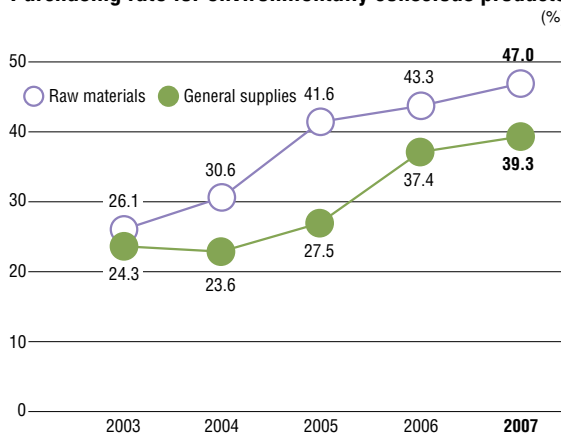
### Consideration of environmental and product safety

As part of DNP's efforts to improve product safety, in response to the RoHS Directive adopted by the EU and various environmental conservation regulations, as well as client demand, the DNP Group monitors and manages chemicals contained in the materials we purchase.

We conducted a study of the amounts of chemicals contained in materials we purchase from suppliers, and in 2004 we completed a chemical content database. 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.

We require a report from the supplier in the form of an examination slip with every new purchase; in addition, when we start trading with a new supplier we explain the use of the chemical content examination slip when the trading account is opened, and request that one be submitted with each delivery.

### Purchasing rate for environmentally conscious products (%)



Certificate of non-use of chemical substances/  
Chemical substance content examination slip

## Use of Recycled Materials

### Reduction of undesired materials in production processes and the use of recycled materials

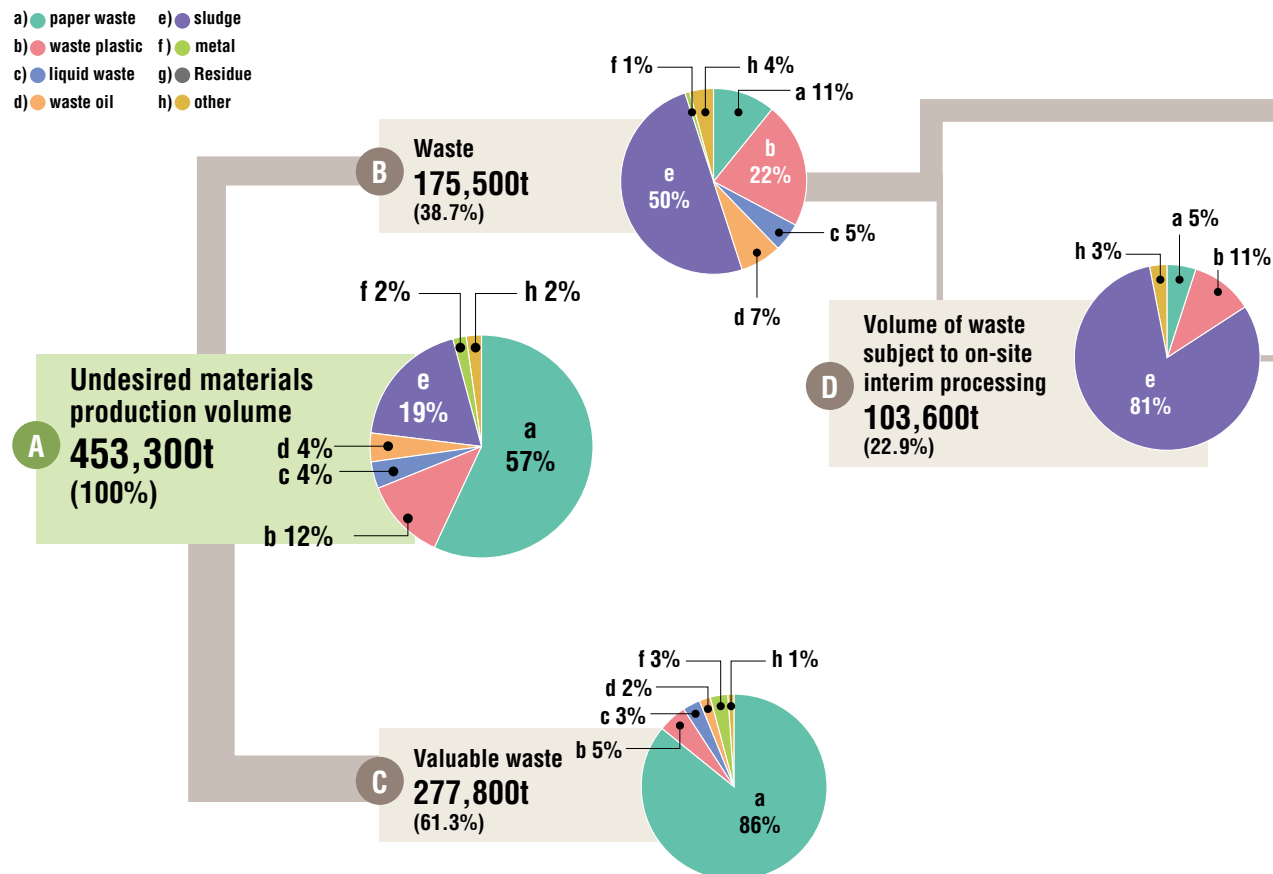
The DNP Group is working to “improve resource productivity” and “promote the reuse of undesired materials” so as to contribute to the building of a recycling society. These efforts require that the materials input in production processes are used without waste, and that resources are used effectively by reusing to the greatest extent possible any undesired materials that are produced.

We use waste per unit of production (waste emis-

sions (E + F) / production volume\*) and the undesired materials production ratio (volume of undesired materials\*/materials input volume) as productivity indicators, and incorporate it in “Manufacturing 21”. Waste per unit of production in FY2007 was 0.180, which represents an improvement since 2006, when it was 0.189. This is mostly due a shift to shadowmasks and color filters by the Electronics Division, and a decrease in waste fluid generation. At the same time, the undesired materials production ratio was 12.9%, which is worse than the 12.6% in 2006.

We use the recycling rate as the indicator for undesired materials reuse promotion, with the goal being zero emissions. Zero emissions means efforts to bring the landfill waste amount (J + K)/ undesired materials

### Breakdown of undesired materials production volume



\* Production output  
This shows the output from our business activities, and uses added values.

\* Waste generation rate  
Waste originating from the main materials of the Electronics Division and Data Techno is input into calculation of the waste generation rate.

Please visit our Website for further information.

● Reuse of undesired materials

■ Waste emissions trend/Total waste generation trend/Wastepaper collection and wastepaper collection rate/Trend in recycled water volume/Trend in the amount of rainwater used/Water Input-Output

production volume (A) to 0.5% or less, and while the rate for the Group overall is 1.7%, 43 sites have achieved zero emissions, with 7 sites added since last year. We have also achieved a recycling rate of 99%, despite low rates for waste plastic (95.8%) and glass waste (75.7%).

### Collection of paper for recycling from offices

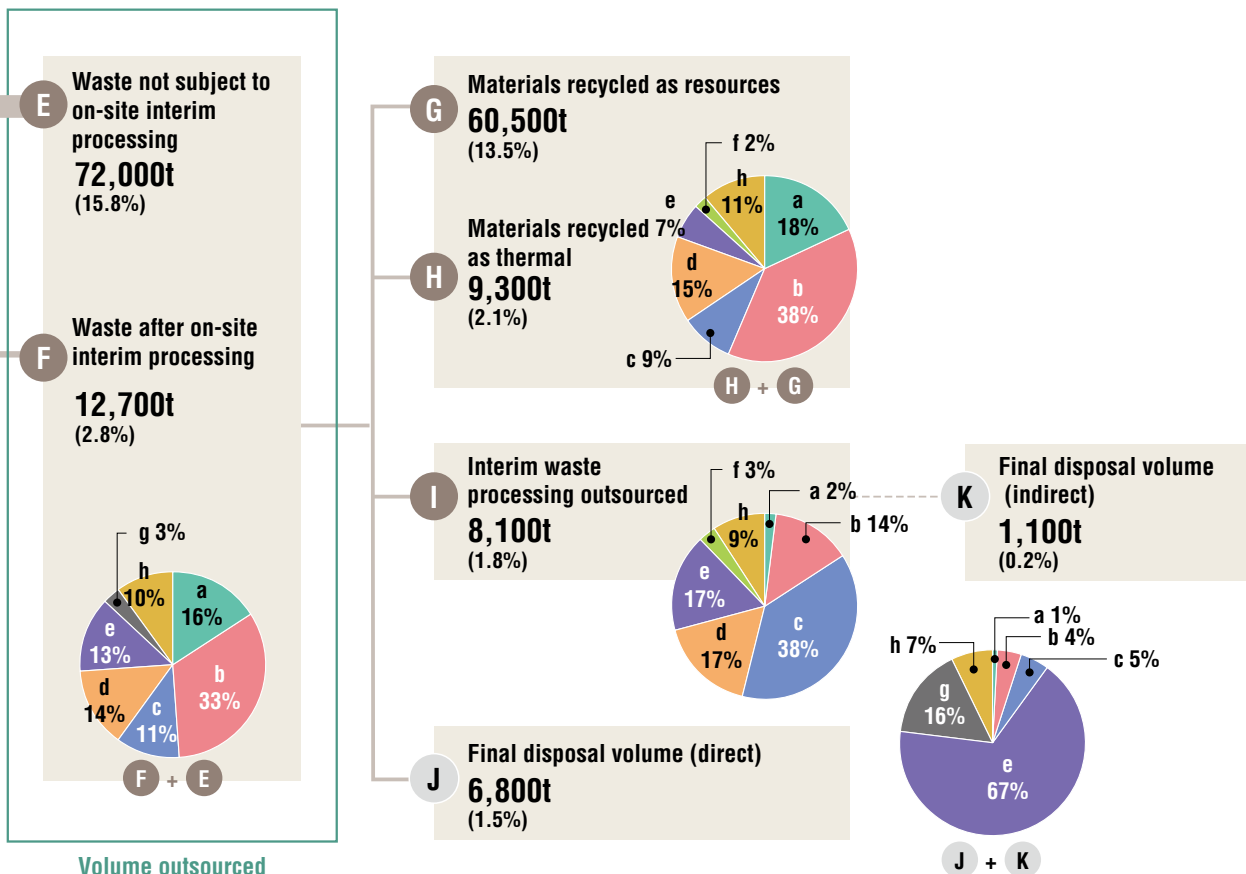
We make serious efforts to separate and recycle paper discarded from offices. Our rate of office paper recycling\* was 76.7% in fiscal 2007, meaning that we are continuing to meet our targets. The business of the DNP Group is deeply connected to paper, and we have been collecting data about paper separation and collec-

tion for some time. Data was gathered at 30 sites in fiscal 2007.

### Use of recycled water

We are working hard to conserve water resources by recycling the water we use in cleaning our products, heating and cooling our production equipment, and air conditioning our buildings. We used 517 million m<sup>3</sup> of recycled water\* in FY2007. Our water usage ratio was 29.4-fold.

We are also making effective use of rainwater in our office buildings. We used 5,700 m<sup>3</sup> of rainwater in FY2007 for toilet flushing and watering our grounds.



\* Wastepaper collection rate  
Waste paper collection / {wastepaper collection + general waste amount (excluding cans, bottles, and garbage)} x 100

\* Recycled Water  
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.

For Environmental Conservation and a Sustainable Society

# Our Environmental Management Foundation

We practice environmental management based on the DNP Group's unique environmental management system- the Eco-Report System. We have compiled the results for fiscal 2007 and the issues and targets from the next year onward.

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## Environmental Management Structure

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The DNP Group emphasizes environmental conservation and the efficient use of resources throughout the entire company.

Our environmental management system consists of the DNP Group Environmental Committee, which is in charge of the management of the entire Group, and Operations Group Environmental Committees for each area of business. Each committee has its own promotional office. The DNP Group Environmental Committee, which is made up of the directors in charge of the basic organizations at company headquarters, deliberates and decides on environmental policy, objectives and plans for the entire Group, and monitors the progress of the plans and the status of the achievement of those objectives. The decisions made by the DNP Group Environmental Committee are further developed by the Operations Group Environmental Committees with consideration paid to the characteristic features of each particular sphere of business.

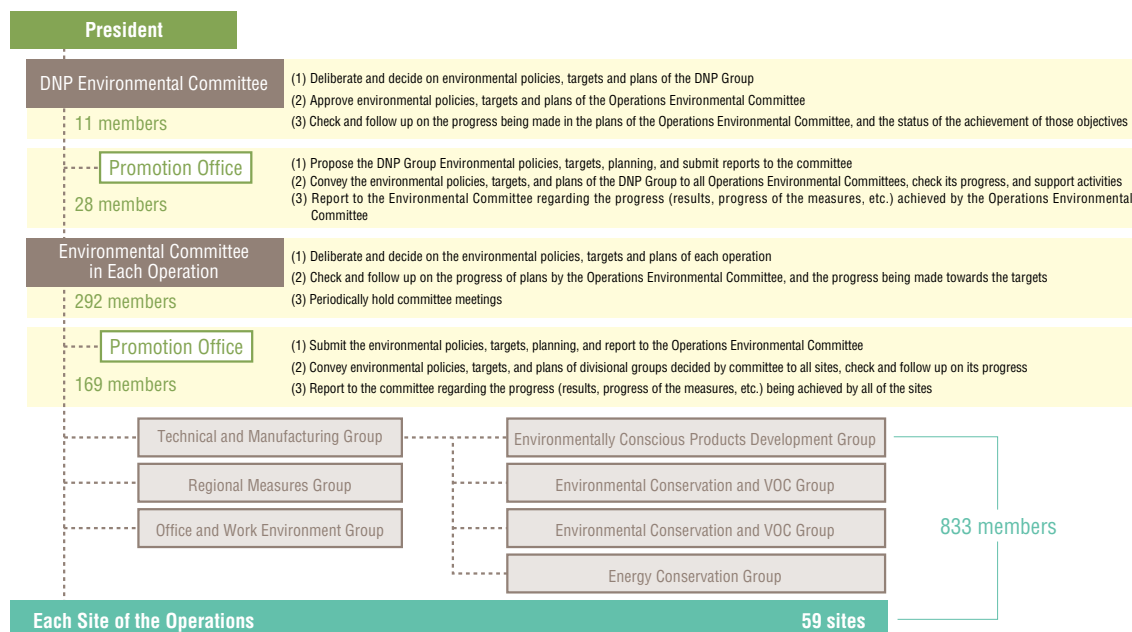


## Please visit our Website for further information.

● Please visit our Website for further information.

- Environmental Policies
- Sites for Environmental Disclosure
- Environmental Accounting
- ISO14001 Certification Acquisition /  
Eco Action 21 Certificate Acquisition
- Environmental Education Chart
- Achievements in Environmental Issues

## DNP Group Environmental Management Structure



## Comments of the Director in Charge of the Environment

### We are getting results from our own environmental management system.

The DNP Group operates its own Environmental Management System, which we call the "Eco-Report System," so as to fulfill our contribution toward environmental conservation and the realization of recycling-orientation as called for in our Code of Conduct. The Eco-Report System is made up of Site Eco-Reports, Eco-Reports, and Environmental Guidelines, as well as Eco-Audits and Eco-Report Training. Of these, the Eco-Report Training best characterizes our System. Under this program, representatives from the Promotion Office visit individual sites to explain the environmental issues we are grappling with as a company and our Group policies, as well as to exchange ideas about the individual environmental issues facing each site. Through the *TAIWA* between the representatives from the Promotion Office and each site, we can achieve efficient and effective environmental performance. We have already seen results in the areas of atmospheric VOC emissions reduction, a reduced rate of landfill waste, and green purchasing.

Our environmental policy commits us to making constant improvements while at the same time giving consideration to the environment in each of our businesses. Quantifiable goals include expanding our sales of environmentally conscious products, global warming prevention, reduction of industrial waste, cutting VOCs, and promoting green purchasing. Our most pressing issue right now is the prevention of global warming. We are already making progress in areas such as making the switch to low CO<sub>2</sub> emissions liquid natural gas (LNG) and making effective use of nighttime electrical power by using NAS batteries. We are also dealing with this by holding energy conservation conferences covering all of our plants, establishing usage reduction goals, and developing energy conservation technology evenly at all plants.



**Yoshiki Nozaka** Director and Chairman of the DNP Group Environmental Committee

We have been working up to now to establish goals for the reduction of per-unit CO<sub>2</sub> emissions, but we are also aware that the reduction of total greenhouse gas emissions is vital. Therefore, beginning in FY2008 we will work to establish total greenhouse gas reduction goals. The DNP Group will continue to work to contribute to society as a corporate leader in environmental efforts in the 21st Century.

## DNP's Unique Environmental Management System

### The Eco-Report System and Eco-Audits

The 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.

In 1996 we also began implementing "Eco-Audits," which are internal management audits aimed at making the Eco-Report System more effective. When an audit discovers that corrective measures are necessary, a Correction Measures Performed Sheet is issued to the

site involved, and the response report must get the approval of the DNP Group Environmental Committee.

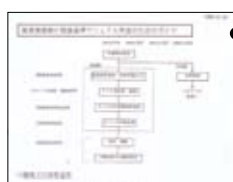
We conducted Eco-Audits at 62 sites. While there were areas needing improvement indicated in some cases, such as insufficient reporting at specific sites and other legal violations, we confirmed that the necessary improvement measures are being taken in each case.

The areas indicated as requiring improvement are analyzed and actions are decided upon, and follow-up Eco-Audits will be carried out in fiscal 2008.

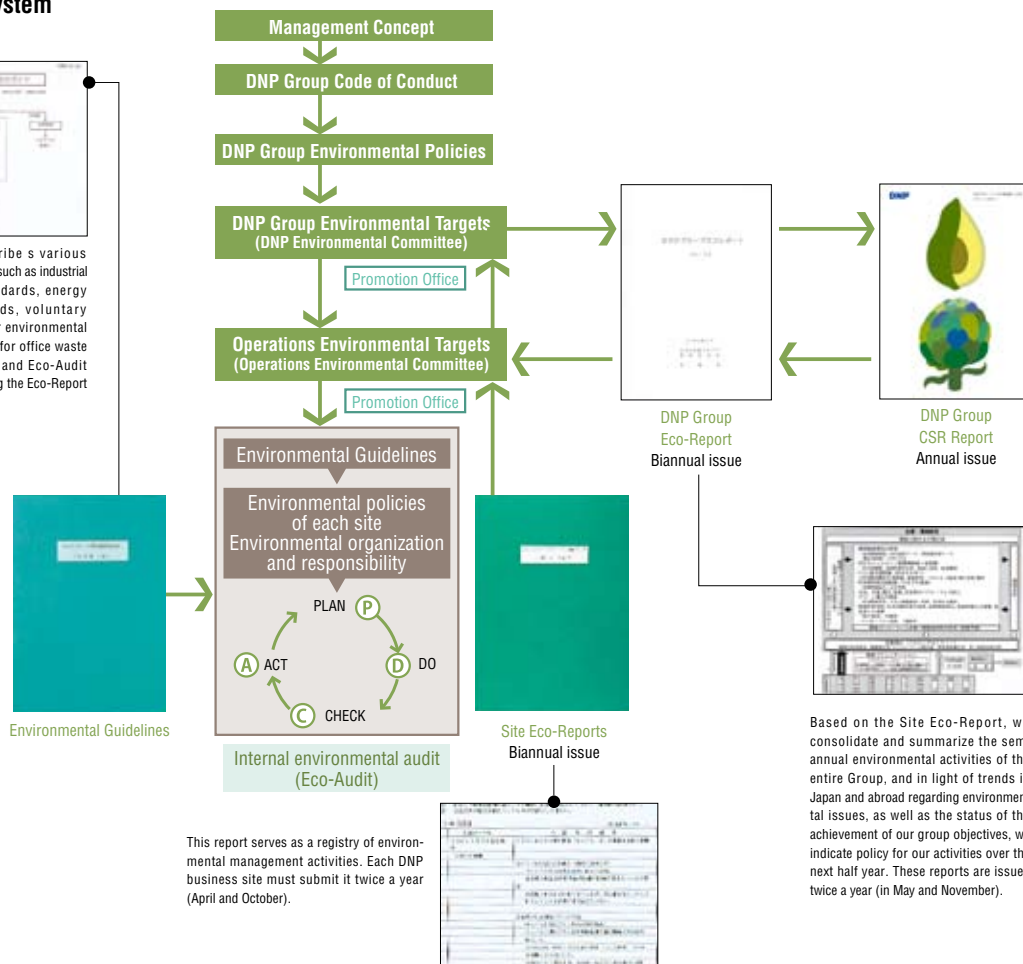
### 2007 Eco-Audit Performance

Number of sites audited	62 sites
Number of attendees at sites	499 persons
Cumulative auditor numbers	125 persons
Cumulative auditing hours	580 hours

### Eco-Report System



This publication describes various standards and guidelines (such as industrial waste processing standards, energy conservation standards, voluntary inspection standards for environmental conservation, standards for office waste sorting and collection, and Eco-Audit checklists) for establishing the Eco-Report System.



Please visit our Website for further information.

- DNP's own environmental management system
  - Eco-Audit flow, characteristics of the specialization and independence of Eco-Audits, categories of items indicated in Eco-Audits and requests for correction
- Environmental Management
  - Compliance status

## Environmental Risk Management

### Environmental Conservation Measures

The DNP Group monitors trends in environmental regulations and publishes regular Eco-Reports so as to ensure full compliance. Our compliance efforts also include the establishment and strict adherence to our own voluntary standards (air, water, noise, vibration, odor) and voluntary guidelines (chemical substance management, soil contamination measures), which exceed what is legally required.

### Chemical Substance Management

The DNP Group handles a wide variety of chemicals in its production processes. We have drawn up a Chemical Substance Management Guide for chemical substance handling, and have set up levees and shut-off systems to prevent liquids from over-flowing and installed two-tier storage tanks for the prevention of accidents at plants handling chemicals. Furthermore, we stock up on materials that can be used during emergencies and hold emergency response drills.

### Soil and Groundwater Contamination

The DNP Group conducts soil inspections based upon the guidelines we have established. 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 receiving instructions from the local authorities, we implement appropriate measures for removing the contamination. In addition to continuing the purification of pump water at one site in FY2007, we also implemented updating of tank equipment, leak inspections, and levee building so as to prevent soil contamination.

### PCB storage

PCBs are currently in storage at 28 sites, with a total of 318 condensers and 325 transformers.

The PCBs were contained in electric equipment that was used in substation facilities in our plants. 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. 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 4 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 respond promptly by launching a thorough investigation into the cause of the problem and working to make improvements.



Gas leak response drill



Ink leak response drill

## Current Status of Environmental Impact

The DNP Group manufactures a variety of different products closely related to the everyday lives of consumers, with main materials such as paper, film, plastic, metal (iron, aluminum, etc.) and ink, as well as electronics.

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

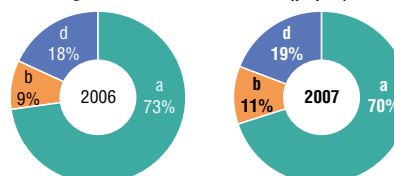
The Lifestyle and Industrial Supplies Segment, is one of the biggest users of solvents in the DNP Group as it manufactures packaging, construction and other industrial materials and uses solvents for its gravure printing, coating and lamination.

The Electronics Segment uses and discharges a great amount of water in proportion to the rest of the Group for its color filters and lead frames.

### Main materials

	2006	2007
Paper	2,269,900 tons	2,191,600 tons (3.4% decrease)
Film	136,300 tons	130,900 tons (4.0% decrease)
Plastic	80,400 tons	83,100 tons (3.4% increase)
Metal	71,800 tons	59,900 tons (16.6% decrease)
Ink	54,900 tons	58,300 tons (6.2% increase)
Others	118,500 tons	138,000 tons (16.5% increase)

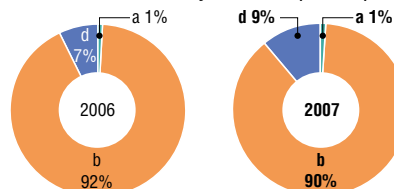
#### Percentage distribution by individual segment for main materials (paper)



### Main secondary materials

	2006	2007
Solvent	21,200 tons	25,200 tons (18.9% increase)
Acid and alkaline	31,600 tons	19,700 tons (37.7% decrease)

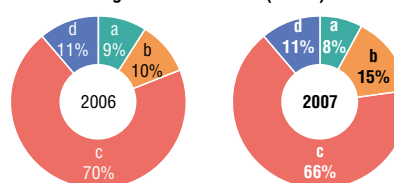
#### Percentage distribution by individual segment for main secondary materials (solvent)



### Utilities

	2006	2007
Electricity	1,367.4 million kWh	1,410.6 million kWh (3.2% increase)
City gas	151.3 million m <sup>3</sup>	145.3 million m <sup>3</sup> (4.0% decrease)
LNG	—	3.8 million kg (—)
LPG	24.3 million kg	19.5 million kg (19.8% decrease)
Fuel oil	2,000 kl	10,100 kl (405% increase)
Steam	398 TJ	441 TJ (10.8% increase)
Kerosene	1,300 kl	1,500 kl (15.4% increase)
Water	17.1 million m <sup>3</sup>	18.2 million m <sup>3</sup> (6.3% increase)

#### Percentage distribution by individual segment for utilities (water)



a: Information Communication  
b: Lifestyle and Industrial  
c: Electronics  
d: brother companies

Please visit our Website for further information.

● Actual environmental impact situation

■ JEPIX Environmental Efficiency Trend

## 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.

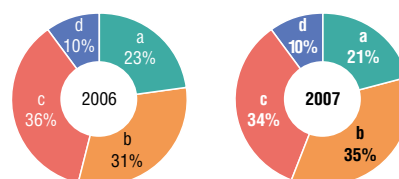
## Current Status of Recycling in the DNP Group

	2006	2007
Recycled solvent	5,100 tons (usage ratio*1.24)	5,700 tons (usage ratio*1.23)
Recycled acid and alkaline	26,100 tons (usage ratio 1.83)	9,000 tons (usage ratio 1.46)
Recycled water	559.7 million m <sup>3</sup> (usage ratio 33.8)	517.0 million m <sup>3</sup> (usage ratio 29.4)
Vapor generated from waste heat recovery	192,800 tons	192,960 tons

## Emissions into the air

	2006	2007
GHG* emissions	1,057,000 tons-CO <sub>2</sub>	1,025,000 tons-CO <sub>2</sub> (3.0% decrease)
NOx emissions	774 tons	794 tons (2.6% increase)
SOx emissions	17 tons	85 tons (400% increase)
VOC emissions	11,227 tons	11,100 tons (1.1% decrease)

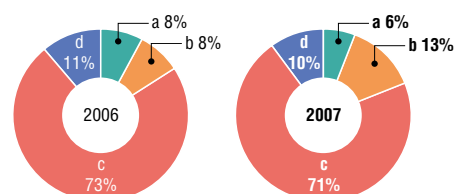
### Percentage distribution by individual segment for GHG emission amounts



## Emissions into bodies of water

	2006	2007
Water discharged	14.0 million m <sup>3</sup>	15.2 million m <sup>3</sup> (8.7% increase)
COD* emissions	54.3 tons	56.7 tons (4.4% increase)
Nitrogen emissions	14.0 tons	18.8 tons (34.3% increase)
Phosphoric emissions	0.3 tons	0.7 tons (133.3% increase)

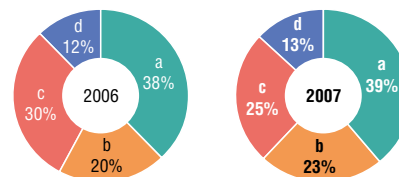
### Percentage distribution by each segment for water discharge



## Undesired Materials Generated

	2006	2007
Total amount of undesired materials	482,100 tons	453,300 tons (6.0% decrease)
Waste emissions	92,300 tons	84,700 tons (8.2% decrease)
Landfill waste amount	9,100 tons	7,900 tons (13.2% decrease)

### Percentage distribution by each segment for undesired substances



a: Information Communication

c: Electronics

b: Lifestyle and Industrial

d: brother companies

\* Usage Ratio

This is a calculation of (input+ recovery and recycling)/input. It does not include vapor or solvents in ink. Figures for water are calculated by the same method at page 53.

\* GHG

Green House Gases

\* COD, nitrogen and phosphoric emission

This covers water discharge channels which apply to the Water Pollution Control Law.

## 2007 Targets and Results

	Targets through 2007	2007 results
Global warming prevention	To reduce per unit CO <sub>2</sub> emissions by 15% from the 1990 level (fiscal 2010).	Per unit in 1990: 25.2 tons/1 billion Per unit in 2007: 24.6 tons/1 billion 2.3% decrease from that in 1990
Reduction of environmental impact incurred during transport	To reduce per unit fuel use for transport (amount of fuel used/sales) at 1% per annum, and 4% by fiscal 2010 compared to fiscal 2006.	Per unit fuel use for transport in 2006: 0.215 kl/1 billion Per unit fuel use for transport in 2007: 0.198 kl/1 billion 7.9% decrease from that in 2006
VOC	To reduce emissions of VOCs by 70% compared to 2002 (fiscal 2008).	Emissions in 2002: 21,312 tons Emissions in 2007: 11,104 tons 47.9% reduction from that in 2002
Reduction of industrial waste	To reduce per unit waste emissions (waste emissions/production) by 50% from the 2000 level (fiscal 2010).	Per unit in 2000: 0.312 tons/million yen Per unit in 2007: 0.180 tons/million yen 42.3% decrease from that in 2000
	To reduce undesired material generation by ratio (undesired material generation/total material input) at all sites by more than 3%, 35% less than the 2000 level (fiscal 2010).	Generation rate of undesired materials in 2000: 17.7% Generation rate of undesired materials in 2007: 12.9% 27.1% decrease from that in 2000
	To achieve a 98% recycling ratio (recycled amount/total amount of undesired material generation) in disposing main raw materials (fiscal 2010).	Recycling rate in 2006 paper 99.9%, plastic 94.5%, metal 99.2%, glass 76.1% Recycling rate in 2007 paper 99.8%, plastic 95.8%, metal 99.2%, glass 75.7%
	To achieve zero emissions for the entire DNP Group (fiscal 2010).	Landfill waste rate in 2006: 1.9% Landfill waste rate in 2007: 1.7%
Development and sales of environmentally conscious products	To increase the level each year by 10% (over the previous year), and achieve 300 billion yen (fiscal 2010).	Sales of 265.8 billion yen in 2006 Sales of 315.4 billion yen in 2007 18.6% increase over that in 2006
Green purchasing	To increase the rate of the products purchased according to the green purchasing standards of DNP, to 40% (fiscal 2010).	37.4% green purchasing rate for materials in 2006 39.3% green purchasing rate for materials in 2007
	To increase the purchase rate of environmentally certified products, such as those labeled with the Eco-Mark, of the total supplies (office supplies and equipment) to 50% (fiscal 2010).	43.3% green purchasing rate for materials in 2006 47.0% green purchasing rate for materials in 2007
Environmental conservation	To keep the maximum concentration of air emissions subject to emissions regulations at 70% of the required standard or less.	95% achievement rate of targets for 2007 (voluntary target)
	To keep the maximum concentration of wastewater discharges subject to wastewater regulations at 70% of the required standard or less.	97% achievement rate of targets for 2007 (voluntary target)
	To keep the maximum concentration of odors at our site perimeters at 70% of the required standard or less.	95% achievement rate of targets for 2007 (voluntary target)
	To keep the maximum level of noise at our site perimeters at 95% of the required standard or less.	61% achievement rate of targets for 2007 (voluntary target)
	To keep the maximum level of vibration at our site perimeters at 95% of the required standard or less.	100% achievement rate of targets for 2007 (voluntary target)
Office environment	To increase the rate of the fractional recovery of waste paper to 70% of that for general waste.	76.7% rate wastepaper separation in 2007
Environmental management system	To perform Eco-Audits at all sites.	Eco-Audits conducted at all sites in 2007

◎ : Target broadly achieved      ○ : Conducted activities but target not achieved  
△ : Achieved target or in steady progress toward target    × : No sufficient activities

	Evaluation	Described in this report	Targets from fiscal 2008
	△	45, 46	<ul style="list-style-type: none"> <li>To reduce per unit CO<sub>2</sub> emissions by 15% from the 1990 level (fiscal 2010).</li> <li>To reduce GHG emissions by 10% from the 2005 level (fiscal 2020).</li> </ul>
	◎	46	To reduce per unit fuel use for transport (amount of fuel used/sales) at 1% per annum, and 4% by fiscal 2010 compared to fiscal 2006.
	△	47	To reduce emissions of VOCs by 70% compared to 2002 by fiscal 2008.
	△	52, 53	
	△	52, 53	<p>We aim to achieve the following targets by 2010:</p> <ul style="list-style-type: none"> <li>To reduce per unit waste emissions (waste emissions/production) by 50% from the 2000 level.</li> <li>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.</li> <li>To achieve a 98% recycling ratio (recycled amount/total amount of undesired material generation) in the disposing of main raw materials.</li> </ul>
	○	52, 53	<ul style="list-style-type: none"> <li>To achieve zero emissions for the entire DNP Group.</li> </ul>
	△	52, 53	
	◎	48, 49	To increase the level each year by 10% (over the previous year), and achieve 300 billion yen (fiscal 2010).
	◎	51	<ul style="list-style-type: none"> <li>To increase the rate of the products purchased according to the green purchasing standards of DNP, to 40% by 2010.</li> </ul>
	○	51	<ul style="list-style-type: none"> <li>To increase the purchase 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.</li> </ul>
	◎	57	<ul style="list-style-type: none"> <li>To keep the maximum concentration of air emissions subject to emissions regulations at 70% of the required standard or less.</li> </ul>
	◎	57	<ul style="list-style-type: none"> <li>To keep the maximum concentration of wastewater discharges subject to wastewater regulations at 70% of the required standard or less.</li> </ul>
	△	57	<ul style="list-style-type: none"> <li>To keep the maximum concentration of odors at our site perimeters at 70% of the required standard or less.</li> </ul>
	◎	57	<ul style="list-style-type: none"> <li>To keep the maximum level of noise and vibration at our site perimeters at 95% of the required standard or less.</li> </ul>
	○	53	To increase the rate of the fractional recovery of waste paper to 70% of that for general waste.
	○	56	<ul style="list-style-type: none"> <li>To promote Eco-Audits at all sites.</li> </ul>

## Integrity at Our Overseas Operations

We implemented the Eco-Report System (see p.56) 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 under our Overseas Surveillance program, checking on the environmental management situation and giving guidance. Continuing

from FY2006, we plan to conduct onsite surveillance at all overseas manufacturing sites and offices this year.

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 use of copier paper, and recycling at our overseas offices.



## Current situation of environmental impact

(1-6 tabulated between April 2007 and March 2008; 7-8 was tabulated between January 2007 and December 2007)

	CO2 emissions	Final amount of waste disposals	VOC emissions
① DNP Photomask Europe S.p.A Agrate, Italy; manufacturing photomasks	4,820 ton-CO <sub>2</sub>	36 tons	less than 1 ton
② DNP Denmark A/S Carlsund, Denmark; manufacturing projection television screens	820 ton-CO <sub>2</sub>	0 ton	less than 1 ton
③ DNP IMS America Corporation Concorde, North Carolina; manufacturing information media supplies	1,710 ton-CO <sub>2</sub>	439 tons	less than 1 ton
④ DNP Electronics America, LLC Chula Vista, California; manufacturing projection television screens	1,470 ton-CO <sub>2</sub>	2 tons	less than 1 ton
⑤ Tien Wah Press (Pte.) Ltd. (Singapore) Singapore; offset printing and binding	15,890 ton-CO <sub>2</sub>	347 tons	129 tons
⑥ Tien Wah Press (Pte.) (Johor Bahru) Johor Bahru, Malaysia; offset printing and binding	4,280 ton-CO <sub>2</sub>	339 tons	92 tons
⑦ DNP Indonesia (Prokadon) Prokadon, Indonesia; Gravure printing and offset printing	19,830 ton-CO <sub>2</sub>	2,224 tons	2,515 tons
⑧ DNP Indonesia (Karawang) Karawan, Indonesia; Gravure printing and offset printing	18,230 ton-CO <sub>2</sub>	627 tons	3,848 tons

\* The results were calculated using GHG protocol indexes based on the CO<sub>2</sub> emissions and energy consumption.

# Independent Review Report Comments by an Independent Institution

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

## TRANSLATION

### Independent Assurance Report

June 17, 2008

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

#### 1. Purpose and Scope of our Assurance Engagement

We have performed certain assurance procedures, based on the engagement with Dai Nippon Printing Co., Ltd. (the "Company"), to express an independent opinion on the Company's Key Environmental Performance Indicators (the "Key Environmental Information"<sup>1</sup>) reported in the Company's "DNP Group CSR Report 2008" (the "CSR Report") of the Company and the major subsidiaries for the year ended March 31, 2008, as provided in the Assurance and Registration Scheme of the Sustainability Report with respect to whether the Key Environmental Performance Indicators are measured and calculated accurately and whether material information are disclosed completely in accordance with the reporting standards of a CSR report<sup>2</sup>.

The preparation of the CSR Report is the responsibility of the Company's management. Our responsibility is to express an independent opinion on the CSR Report.

<sup>1</sup> The Key Environmental Information refers to the information stipulated in the "2008 Environmental Reporting Assurance and Registration Criteria" of the Japanese Association of Assurance Organizations for Sustainability Information ("J-SUS").

<sup>2</sup> The reporting standards refer to the "2003 Environmental Reporting Guidelines" of the Ministry of Environment, the "2006 Sustainability Reporting Guidelines" of the Global Reporting Initiatives, and the "2008 Environmental Reporting Assurance and Registration Criteria" of the J-SUS in the context of specifying the subject matter.

#### 2. Outline of Assurance Procedures Performed

We have performed limited assurance procedures<sup>3</sup> which are mainly composed of inquiries, reviews and analytical procedures in accordance with the "2003 International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information" of the International Federation of Accountants (IFAC) and the "2008 Practical Guidelines for the Assurance of Sustainability Information" of the J-SUS. Therefore, our assurance engagement provides relatively limited assurance compared to a reasonable assurance engagement.

<sup>3</sup> We have reviewed and assessed the Company's procedures for the collection and aggregation of data, as well as recalculated and reconciled them with the corroborating evidences on the quantitative environmental information on a test basis. Also, we have reviewed the minutes, checked for consistency and made inquiries on the qualitative environmental information.

#### 3. Conclusion

Based on the assurance procedures performed, nothing has come to our attention that causes us to believe that the Key Environmental Performance Indicators have not, in all material respects, been measured and calculated accurately in accordance with the reporting standards of sustainability reports.

#### 4. Independency

We, as a subsidiary of the Ernst & Young ShinNihon LLC, comply with the "Certified Public Accountant Law", and the "Ethics Regulation" of the Japanese Institute of Certified Public Accountants. Therefore, there has been no interest to be noted between the Company and us.

Akihiro Nakagome  
Representative Director

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

Note: This Independent Assurance Report was prepared as a translation of the original Japanese version.



Site audit: IPS Operations, Warabi Plant



Site audit: Information Media Supplies Operations,  
Sayama Plant

# 2007 CSR Awards and Evaluations

DNP has received high marks for its CSR efforts, from the media and business world as well as from various organizations and institutions. Our CSR efforts will continue to improve.

Date	Award Name	Sponsor / Examining Organization
April 2007	• 46th 2007 JAPAN PACKAGING COMPETITION (JPC) - Awards received for 16 products (awards presented to the customers for each)	The Japan Federation of Printing Industries
May 2007	• 31st Kinoshita Award - R&D Category: "Development of PET bottle for sterile poured hot beverage sales" / Packaging Technology Award: "Reduction of weight of in-mold cup for chilled beverages"	Japan Packaging Institute
June 2007	• 2006 Environmental Ratings - Overall: A (9 ratings with AAA being the top, and A being third from the top)	Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.
July 2007	• 9th Automatic Identification System Grand Prize - Grand Prize: Distribution control traceability system using "Trace Catch" active-type RF tags with built-in heat sensors	Japan Automatic identification Systems Association
August 2007	• 2007 "Great Place to Work" ranking, 16th out of 399 companies	Nikkei Inc.
September 2007	• 10th Japan Food Superior Vending Machine Materials and Ingredients Prize - Materials Category: "Development of PET bottle for sterile poured hot beverage sales" * Together with Kirin Beverage and Japan Crown Cork Co., Ltd.	Japan Food Journal Co., Ltd.
October 2007	• 3rd Quality Management Survey Ranking - 6th place out of 215 companies	Union of Japanese Scientists and Engineers
November 2007	• 49th All-Japan Catalog / Poster - Keizai Sangyo Grand Prize: "EXHIBITIONS: Graphic Messages from Ginza Graphic Gallery' ddd Gallery 1996 - 2006" others	The Japan Federation of Printing Industries Japan Printing & Publishing Institute
November 2007	• 2007 Recommended Company Magazine - Recommended Company Magazine: Visual Prize	Nippon Keidanren
December 2007	• 2007 Service citation for promotion of a change to a barrier-free society Special Cabinet Grand Prize	Cabinet Office
December 2007	• Japan Environmental Management Ranking: 39th overall/1,752 manufacturing companies	Nikkei Inc.
January 2008	• PRTR Grand Prize 2007 - PRTR Honorable Mention, Tsuruse Plant	Center for Environmental Information Science
January 2008	• 4th Industrial Ability Ranking: 19th/297 companies	THE NIKKAN KOGYO SHIMBUN, LTD.
January 2008	• Sustainability Leaders 2007/2008 - Media: Silver Class (at 4th level, second from the top)	Sustainable Asset Management (Switzerland)
March 2008	• MCPC award 2008 - Honorable Mention: "Trace Catch"	Mobile Computing Promotion Consortium (MCPC) Secretariat
March 2008	• Shinagawa-ku "Green Award System" - Greening Grand Prize: DNP Gotanda Bldg.	Shinagawa-ku
March 2008	• 13th AMD Award - Multi-Use Image Category: Innovative Company Award	Association of Media in Digital
March 2008	• 22nd All-Japan DM Grand Prize - Gold Medal Special Jury Prize Strategy Category (Production Coordinator)	Japan Pose Service Co., Ltd.
March 2008	• 7th CSR Survey - Companies listed in the first section of the Tokyo Stock Exchange: 3rd/709 companies	Integrex Inc.
March 2008	• 2007 Japan Aluminum Association Awards - Technology Prize (Development of an electrodeposited aluminum separator for fuel cell batteries)	Japan Aluminum Association

## President Yoshitoshi Kitajima Presented the Légion d'Honneur Medal by the Republic of France

President Yoshitoshi Kitajima was presented with L'Ordre National de la Légion d'Honneur (Commandeur) by the Republic of France, in recognition for his contributions over many years both to the development of French industry and to cultural exchanges between Japan and France. The Légion d'Honneur was established in 1802 by Napoleon Bonaparte as France's highest decoration, and is bestowed by order of the French president and government for outstanding contributions to France in areas such as culture, science, industry, commerce, and creation. The order is divided into five degrees, with Grand-Croix (1st) Grand Officier (2nd) as Premier class, and Commandeur (3rd) as Minister class. The award constitutes recognition of President Kitajima's service to Franco-Japanese economic and cultural relations.



# Third Party Opinion

## Saburo Kato

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

Upon graduating from the Faculty of Engineering of the University of Tokyo in 1966, joins the Ministry of Health and Welfare. Takes charge of Pollution and Environmental Administration at the Environmental Agency after its establishment. Appointed as the first Head of the Global Environmental Department in 1990. After participating in the Global Summit and the creation of the Basic Law for the Environment, leaves office in 1993. Establishes Research Institute for Environment and Society in the same year, of which he is currently President. Serves concurrently as Chairman of the Japan Association of Environment and Society for the 21st Century (formerly, Association for the Study of Environment and Society in the 21st Century). Major published works include *The Power of the Environment to Create Wealth* (2005, Goma Shobo); *The Power of the Environment* (2003, Goma Shobo); *The Environmental Century* (2001, Mainichi Shinbunsha); *Conditions for Creating the Recycling Society* (1998, Nikkan Kogyo Shinbunsha).



2008 witnessed the Hokkaido Toyako G8 Summit, and as such we can think of 2008 as a turning point year with meaning not only for people with an interest in the environment, but for Japanese society as a whole. In times such as these it is encouraging to read in this Report of the efforts engaged in by everyone in the DNP Group, led by President Yoshitoshi Kitajima. I would like to examine five areas of particular interest from the standpoint of the ongoing development of the DNP Group's CSR activities.

First, I would like to discuss the "Spirit of Challenge," which as noted in the Top Message is what the employees consider best characterizes DNP. I believe that spirit is most evident in the company's efforts to combat global warming. While it is excellent that the company has established reduction targets for the total of greenhouse gas emissions, "a goal of 10% reduction by 2020 in comparison to 2005" is I feel somewhat insufficient. While the total CO2 emissions for the DNP Group have recently been decreasing slightly, per-unit emissions have increased over the past three years. I would like to see DNP establish more ambitious targets and strengthen their measures, taking into consideration the Toyako Summit and other new developments.

My second point concerns the *TAIWA* with stakeholders into which DNP puts so much effort. I give DNP high marks for engaging in mutual exchanges of ideas with a diversity of stakeholders, and putting those ideas to work in the actions of the company. Nonetheless, I get the impression that it would be good for them to have a more robust policy, by which they not only connect with customers, trading partners, local communities, and shareholders, but also actively engage in dialogue with parties such as NPOs, knowledgeable people from outside the company, and others, even if they say something management doesn't want to hear.

Third, I think it is excellent that this report devotes a lot of space to the work habits of employees. DNP is admirable for the great concern it shows toward the work habits of employees, especially when Japanese corporate society faces so many serious difficulties, such as death from overwork, non-regular employees, childrearing, etc. I think the coverage in the report would be more effective were there more stories about actual cases of male employees taking leave for child-care, as well as about non-regular employees being hired on as full-timers.

The fourth item I would like to mention is the Special Report about food. When I first saw it I wondered to myself, "Why are they talking about food?", but upon reading it I learned that DNP does have a deep relationship with food. It makes sense, because in fact sterile packaging is vital to providing safety and security to consumers, and the technology developed in that field is also being used to package Japanese food for use in outer space. Issues involving food will become more and more important, and I hope DNP will continue to distinguish itself in those technologies.

Finally, I'd like to say something about the company's finances. Just a glance at the data shows that while consolidated sales are continuing to grow, operating profits and ordinary profits have declined for two consecutive years. This strikes me as a cause for concern. I believe that "The Power of the Environment" is a power that affects not only environmental departments, but is also a force for improving the quality of management overall. Therefore, as a layman it seems to me that if the goals are set for high for global warming and other measures, and the executives and employees work as one to achieve them, there should also be a positive effect on profits. This is an area in which I hope to see an improvement in next year's DNP Group CSR Report.



#### SRI indices in which DNP is included:



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



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



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



<http://www.sam-group.com/html/main.cfm>



モーニングスター社会的責任投資株価指数<sup>※</sup>  
Morningstar Socially Responsible Investment Index

<http://www.morningstar.co.jp/sri/index.htm>

\* The Morningstar Socially Responsible Investment Index, developed by Morningstar Japan K.K., tracks the share performance of 150 selected Japanese companies based on their commitment to CSR.

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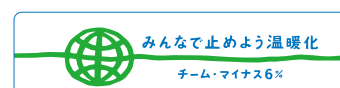
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