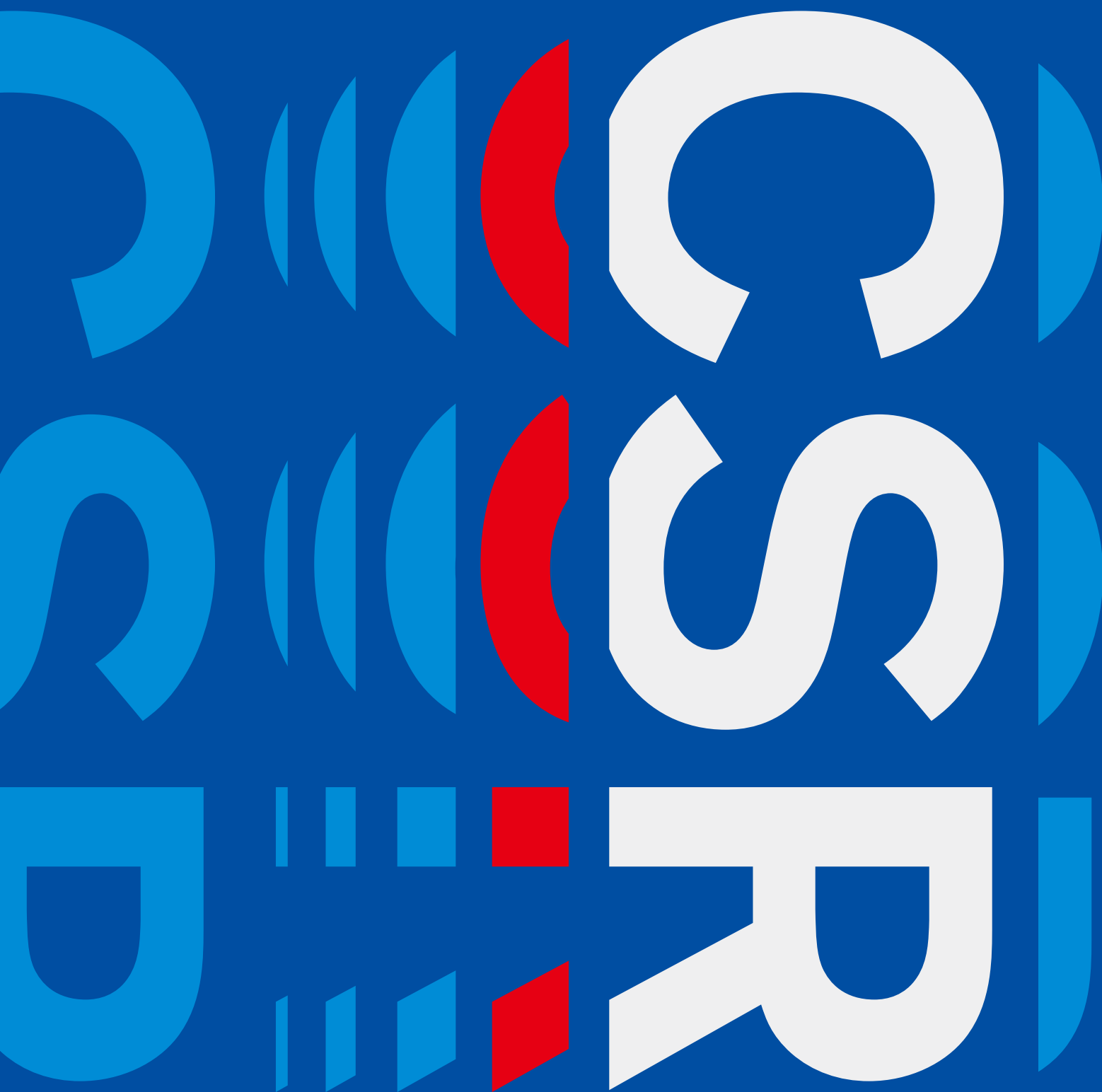


DNP

CSR Report 2010
DNP Group



A Trusted Company that Meets the Expectations of Society



DNP will greet the 135th anniversary of its predecessor, Shueisha 'founded in 1876' in October of this year. Shueisha was registered as a joint-stock company in 1894, making ours the 27th longest-running corporation in Japan.

While DNP was founded with publication printing as its core business, since the post-war period we have strived for the development and application of printing technology into a variety of fields, thereby expanding its operations to include areas such as packaging, decorative materials, electronics, and information media supplies. Currently our business fields are diversified to the life sciences and energy businesses.

DNP's goal in each era since its founding has been to accurately ascertain society's needs and the issues, and then to offer own unique solutions. This approach has itself contributed to the sustainable growth of our company, and is the embodiment of our founding principle of "contributing to the development of society" and always "conducting our business in a way that meets the expectations of society." Our unstinting efforts in this regard form the substance of DNP's CSR.

In last year's report I outlined DNP's three corporate responsibilities to society. First, "Value Creation." This can be the reason a company exists as a corporate entity. Second, "Integrity In Conduct." The responsibility of a company to ensure fairness and impartiality in its value creation processes. The third responsibility is "Accountability," which improves the transparency of a company's activities from the viewpoint of stakeholders.

I believe that by fulfilling these responsibilities we can meet society's expectations and improve public trust of our company. Substantive development of this CSR approach requires that we make active progress in CSR demanded by society as well as those which we ourselves deem important. This progress must be regularly evaluated, and requires systematic efforts that call for greater success. Of these efforts, this year's CSR Report provides particularly detailed explanations of our actions concerning the 10 Social and Economic Topics (P15-18) and 9 Environmental Topics (P63-64). We at DNP are improving the quality of our CSR by steadfastly operating the PDCA (Plan, Do, Check and Action) cycle.

DNP began its redevelopment of Ichigaya district of Tokyo in February 2010. For the past 125 years Ichigaya has been our central business location, and is where our specialized publication printing plant, as well as headquarters, sales divisions, and other units, are found. The publishing field is currently on the verge of a major transition. Our Ichigaya plant, which is our major production facility for books and magazines, is in the process of making the change from the short-term large-volume magazine production role it has played up to now to small-lot multiproduct on-demand printing, and is also adapting to the handling of media mix applications, including e-books. DNP is making improvements to our Ichigaya production base so as to respond to the demands of the era, and also is seeking to improve its new solution provision function by consolidating our sales and planning departments, which currently are distributed throughout the metropolitan areas. This is one of our strategies for strengthening the “Value Creation” capacity as we look toward the future.

In order to bring this project to fruition we have repeatedly sought to engage in *TAIWA* (Japanese for “dialogue”) with community residents and governmental bodies so as to gain their understanding of the significance of the redevelopment and its benefits for the local community. We consider thorough *TAIWA* vital to making progress in our redevelopment effort. We have already begun the widening of local streets, the burying of electrical cables, and the greening of our neighborhood, and once the redevelopment has been completed we will have achieved a good balance between green space and offices and production facilities. We have given the name “Ichigaya Forest” to this green space, which we offer to everyone in the community as a place to engage in communion with nature.

DNP issued the “Biodiversity Declaration” in March 2010 (see P55), and we believe that improving the quality of the Ichigaya Forest ecosystem is a means of contributing to this effort. In addition, we hope to go further toward meeting the expectations of the local community by including the cultural and sports facilities in the redevelopment plan.

A variety of rankings of our company’s CSR have been publicized based upon surveys taken by a number of mass media companies. In addition, evaluations of appropriateness

for investment and other items, based upon the CSR efforts made by companies, have been made by a number of “socially responsible investment” (SRI) firms. DNP has been selected for inclusion in the upper levels in various such rankings, and is also included in the majority of SRI indices. In a corporate ethics survey of Japanese companies conducted by Transparency International Japan, an international anti-corruption NGO, DNP came in at fourth place. I believe that such high appraisals are the result of our gaining successes one-by-one in our CSR efforts, which are based upon many years of *TAIWA* with society. Such evaluations meet the very high expectations of society regarding our behavior as a company, and we believe it is incumbent upon us to continue to produce more such great results in the future.

During a time of great waves of social and technological transformation the ability to continue to provide new value requires our organization to continue to enhance our capacity to respond, and also that every individual in our organization is capable of challenging issues of increasing complexity and sophistication.

Therefore, DNP is currently moving toward a radical transformation in employee workstyles, encouraging each individual employee to review his or her work habits up to now with the goal of becoming more efficient, productive and independent. We anticipate that by encouraging employees to use the personal time created through this transformation to engage in voluntary independent study or by gaining experience deepening their connection with society, we will cultivate capable personnel who maintain broader perspectives on the world. We have put in place a variety of systems to create support for a balance between work and family life so as to give strong impetus to workstyle diversity, which will help us to realize this goal. In addition, we have also poured efforts into social contribution activities at both the corporate and personal level.

Each and every employee at DNP shares our company’s founding mission of contributing to the development of society. We shall continue to work hard at creating values so as to be a trusted company that meets the expectations of society.

President



DNP Corporate Profile (as of March 31, 2010)

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/>

Established October 1876

Capital 114.464 billion yen

Employees 10,539 (Non-consolidated)

39,643 (Consolidated)

Sales Office 49 locations in Japan

20 locations overseas (including local affiliates)

Main Plants 58 domestic plants

12 overseas plants (including affiliates)

R&D Facilities 12 locations in Japan

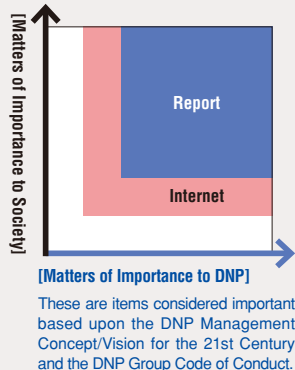
Editorial Policy

- 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 related information not contained in this report.

We examined the following in making our selection:

- Opinions and requests expressed by readers of the 2009 report
- Content of questions in CSR Survey conducted by news organizations and others * and SRI (Socially Responsible Investment)
- The 10 Principles of the UN Global Compact
- Social issues comprising the framework of ISO26000 (pending)
- Social issues listed in the GRI Guideline

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



Report Categories

DNP Management Concept/Vision for the 21st Century and the DNP Group Code of conduct	P 7-11
Corporate governance	P 13-14
Business contributing to the resolution of social issues	P 21-28
Compliance with laws and social ethics	P 29-30
Information security and personal information protection	P 31-32
Promotion of social responsibility in the supply chain	P 33-34
Proper disclosure of information	P 35-36
Realization of a 'universal society'	P 37-38
Ensuring the safety and quality of our products and services	P 39-40
Creating a vibrant workplace	P 41-48
Social contribution as a corporate citizen	P 49-53
Environmental conservation and realizing a sustainable society	P 54-75

- With the goal of ensuring objectivity in the evaluation of our activities, we have invited Co-Chair Saburo Kato of the Japan Association of Environment and Society for the 21st Century to comment on this year's Report and provide advice concerning future reports. In addition, we have elicited stakeholder 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 section, we submitted it to a third-party review conducted by the Ernst & Young ShinNihon Sustainability 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.

[Period covered by this report]

This report focuses on the period from April 1, 2009 through March 31, 2010. 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 for a total of 40 companies, including DNP and the companies reported in our consolidated financial accounting, which includes 37 of our domestic manufacturing companies, one distribution company, and one in-company food service company.

Viewing Data on our Website

Click here for related information

<http://www.dnp.co.jp/csr/2010/00e.pdf>

When the **+** **Related information** mark is located to the right of the category title, related data not provided for this item in this report can be found at the DNP homepage.

DNP Universal Design

<http://www.dnp.co.jp/ud/>

We provide URLs for special homepages created for report items.



PDF-format Reports

Clicking on the mark or URL opens up a separate webpage displaying the related data.



Printed Reports

The related data is displayed by entering the URL provided in the Internet browser address field.

About the Cover



CSR (Corporate Social Responsibility) means that in addition to pursuing profits, a company must take seriously its responsibilities toward society. With this design I express the hope that the news in this CSR Report will gently and broadly ripple throughout the world like water.

Kenjiro Sano, Art Director

Kenjiro Sano was born in Tokyo in 1972. He is the Representative Director of MR DESIGN, and is involved in a broad range of domestic and international communications design. His major projects include character design for "LISMO" of au, "T BU! S" for TBS, and "Nyan-mage" for Nikko Edomura, package design for the Mitsukan Group's "Torotto" brand of fermented soybeans (natto), CD jackets for Hikaru Utada, Yosui Inoue, Remioromen and others, advertising design for Lumine, Benesse High School Courses, and others, and T-shirt design for the Rolling Stones, John Lennon, and others.

<http://www.mr-design.jp/>

DNP Group CSR Report 2010

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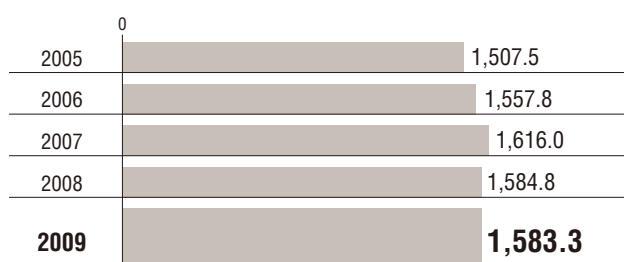
FY2009 Financial Data (FY ending March 2010)

At the base of our printing operations lies the vision of P&I Solutions. DNP is working to provide customers with solutions by synthesizing the printing technologies it has cultivated since our founding with the information technologies that have rapidly advanced through digitalization.

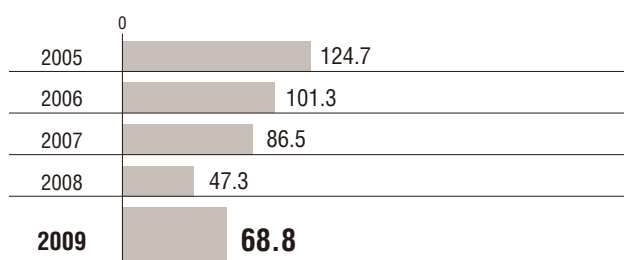
In FY2009, in addition to actively developing our business and offering products and services corresponding to customer needs, we worked hard to maintain our business results through our Group-wide "Production 21" efforts, which are aimed at establishing a solid foundation for aspects of our business, such as quality, cost, and delivery.

As a result, consolidated sales for the term were ¥1,583.3 billion, with consolidated revenues of ¥66.5 billion, consolidated profits of ¥68.8 billion, and a consolidated term net profit of ¥23.2 billion.

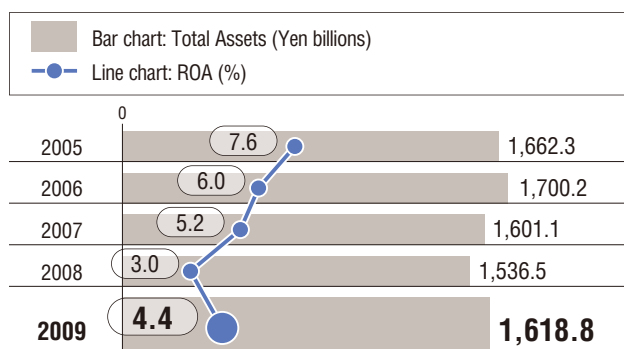
Net Sales (Yen billions)



Ordinary Income (Yen billions)



Total Assets/ROA

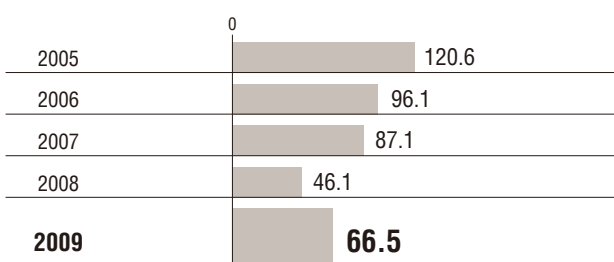


*ROA is calculated using recurring profits.

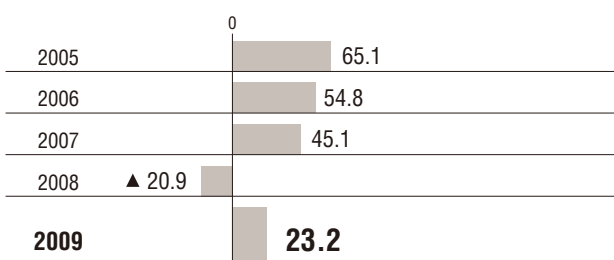
DNP Group's Consolidated Business Results (FY ending March 2010)

Net sales	¥1,583.3 billion	(down 0.1% over the previous term)
Net operating Income	¥66.5 billion	(up 44.0% over the previous term)
Ordinary Income	¥68.8 billion	(up 45.3% over the previous term)
Net Income	23.2 billion	(Prior-term loss of ¥20.9 billion)

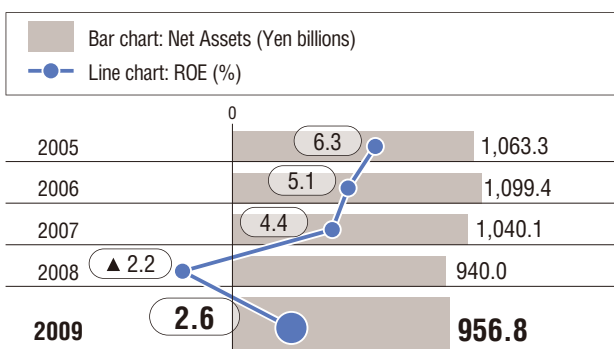
Operating Income (Yen billions)



Net Income (loss) (Yen billions)



Net Assets/ROE



*ROE is calculated using current net profits.

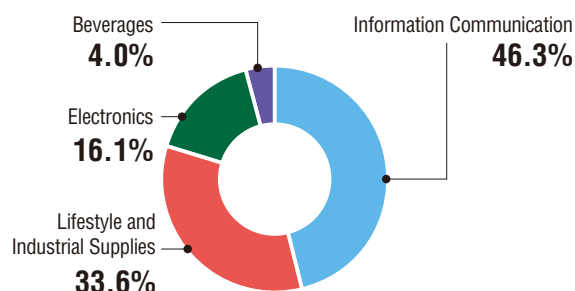
Segment Results (FY ending March 2010)

The business of the DNP Group is made up of our Printing Operations and Beverages Operations.

• **Printing:** We are developing our printing business across a broad range of applications. 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 materials, and industrial supplies; and the Electronics segment, which includes display products and electronics devices.

• **Beverages:** We produce and market carbonated beverages, coffee, tea and other beverage products, mainly through Hokkaido Coca-Cola Bottling.

Sales distribution



Printing

Information Communication

Publication printing:	Magazines, books, e-books, e-publishing 1
Commercial printing:	Catalogs, pamphlets 2 , posters, flyers, POP, digital signage, etc.
Business forms:	Passbooks, Smart cards 3 , IPS (Contract service for personal printing and sending through data entry) 4 , etc.



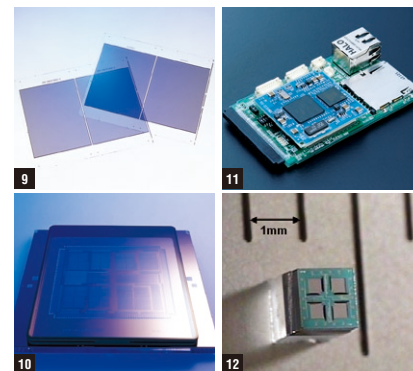
Lifestyle and Industrial Supplies

Packaging:	Container packaging materials 5 and sterile filling systems for food, beverage, confectionery, daily necessities, medical and other products
Lifestyle Materials:	Exterior and interior finishing material (flooring, decorative sheet metal, etc.) for home, office, rail cars, etc. 6
Industrial supplies:	Optical film for flat-panel displays 7 , color ink ribbons, monochrome ink ribbons, solar cell materials 8 , etc.



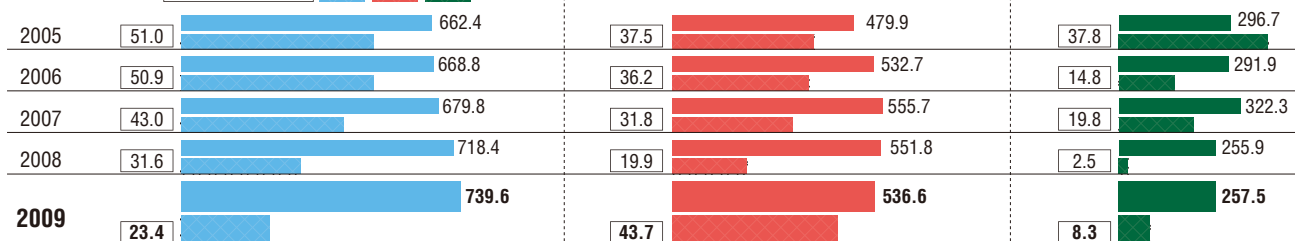
Electronics

Display Products:	Color filters for LCD displays 9 , components for organic electroluminescence displays, etc.
Electronic devices:	Semiconductor photomasks 10 , lead frames, package substrate 11 , MEMS products 12 , etc.



(Yen billions) Upper: Sales

Lower: Operating profits



Beverages

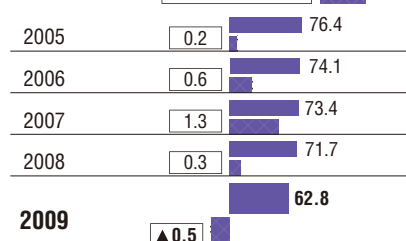
Beverages

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

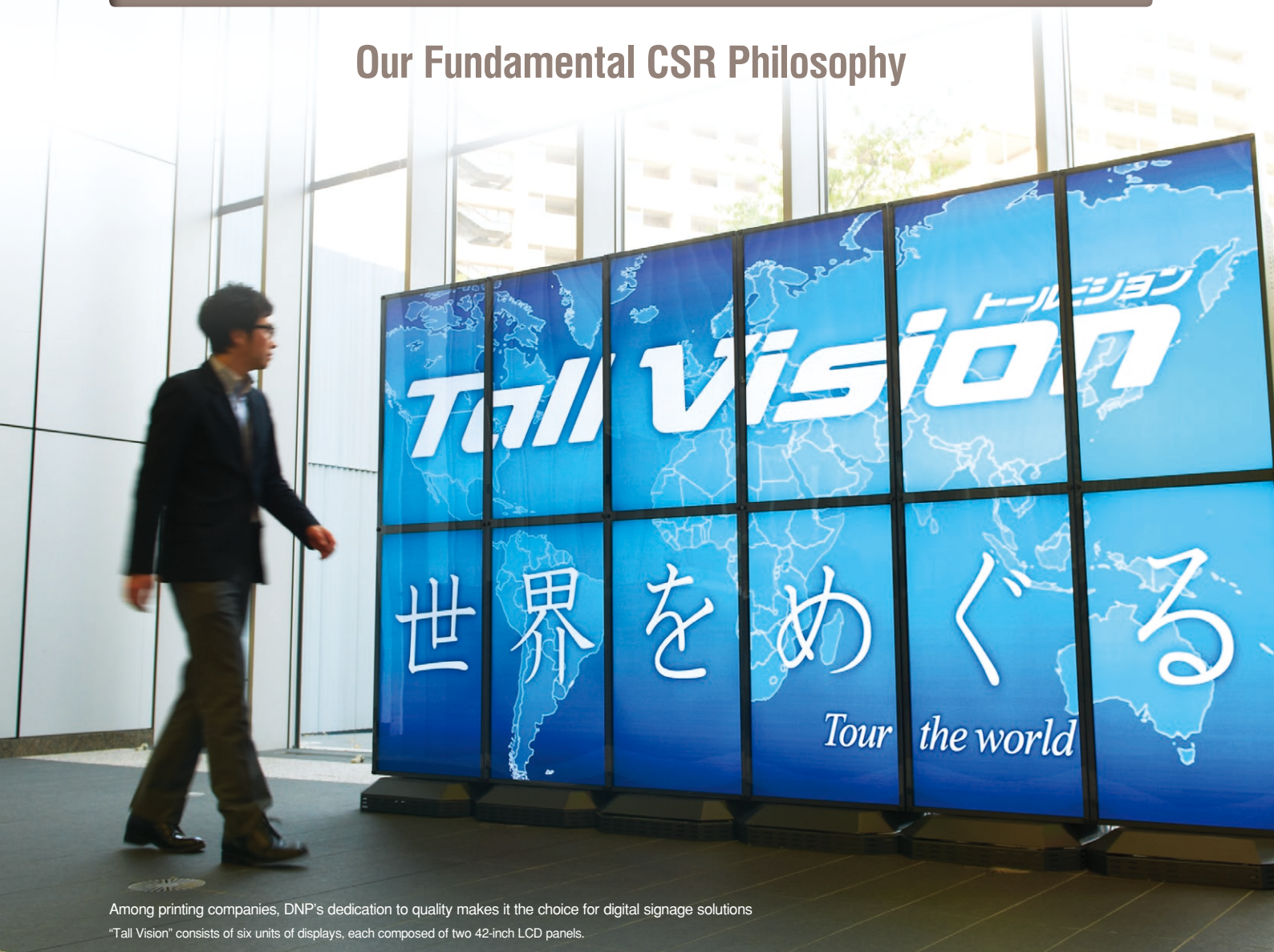


(Yen billions) Upper: Sales

Lower: Operating profits



Our Fundamental CSR Philosophy



Among printing companies, DNP's dedication to quality makes it the choice for digital signage solutions
 "Tall Vision" consists of six units of displays, each composed of two 42-inch LCD panels.

To Remain a Trusted Company Sincerely fulfilling the "Three Corporate Responsibilities"

DNP was founded as "Shueisha," in 1876 as the first full-scale printing company in Japan.

The Shueisha company regulations state company's mission as the "development of business for civilization."

This concept is expressed as follows: "Scholarship, the arts and sciences are the pillars of the nation. Learning is brought to fruition through books, and books are created through printing. Therefore, printing is the business of civilization." This represents nothing less than an expression of the desire to contribute to the development of society by conducting business contributing to the modernization of Japan.

Even today, in an evolving media environment in which the digitalization of books and signage proceeds apace, we are keeping this desire alive.

The desire to contribute to society is inherent in the "DNP Group Vision for the 21st Century," and has become the fundamental philosophy of DNP's CSR efforts as we venture into the 21st Century.

The Three Corporate Responsibilities

We at the DNP Group believe that the most important of the responsibilities of a corporation to society is “creating new values for society.” We must make a connection between the offering of products and services necessary to the sustainable development of a society and the growth of the company. The DNP Group fulfills this primary responsibility by finding solutions to the issues confronted by our customers and society through the promotion of our P&I Solutions Business Vision.

Next is the corporate responsibility for fairness and impartiality in value creation processes. No matter how superior or useful to society the value produced is, value is compromised if, for example, environmental damage occurs during the value creation process or laws are broken. Therefore, the DNP Group seeks to fulfill this responsibility by ensuring that all employees “always conduct business with integrity” in accordance with the DNP Group Code of Conduct.

Finally, the third vital corporate responsibility is “accountability.” The DNP Group seeks to fulfill this responsibility by encouraging all employees to engage in *TAIWA* with stakeholders during the course of their regular duties. Moreover, the DNP Group provides accurate information to stakeholders as a matter of course.

So as to Continue Being a Trusted Company

CSR (Corporate Social Responsibility) is generally defined as “the responsibilities of a corporation to society,” but we at the DNP Group go further, viewing CSR as “being a company that is trusted by society.”

By simultaneously meeting the three vital corporate responsibilities – “Value Creation,” “Integrity In Conduct,” and “Transparency (Accountability)” – we seek to continue being a trusted company.

DNP digital technology makes development of cross-media information possible

DNP has always sought to contribute to the advancement of society by creating new values. One example of this is the “Kojien” dictionary of Japanese. DNP has been producing this bestselling publication since 1955, with a cumulative total of more than 11 million copies issued. The new epoch for this publication began with the Third Edition, published in 1983, when the production process was completely retooled through the change from the metallic typesetting used up to that time to CTS, which makes information processing possible. The streamlining of editing and digitalization of data was realized at the same time. Progress continued afterward, with the publication of the CD-ROM edition in 1987 and the mobile phone edition in 2001, and the technology continues to evolve to this day. DNP’s digital technology makes the development of cross-media information possible, and of course the publishing industry is expanding the potential of the digital society.



CTS: Computerized Typesetting System. The text data and layout are entered as data commands and processed by the computer, after which printing is performed using fully-automated phototypesetting equipment.

The duty of a manufacturing company toward realizing a sustainable society



The DNP Group was at the forefront of the industry in establishing the Environmental Department (currently the Environmental Safety Department) in 1972. DNP next set up our own Environmental Management System using “Eco-Report” in 1993. Next, we formed the DNP Group Environmental Committee in 2000, and early on began making proactive efforts toward the resolution of environmental issues, such as promoting the sales of environmental conscious products, preventing global warming, and reducing industrial emissions and toxic substances. In recognition of such steady efforts up to now, DNP has been awarded global environment awards such as the MITI Minister’s Award and the Environment Ministry’s Minister’s Award. DNP has also always received high marks in evaluations of our environmental management. We at the DNP Group are fulfilling our social responsibilities as an industry leader concerning environmental issues in the quest to achieve the sustainable society.

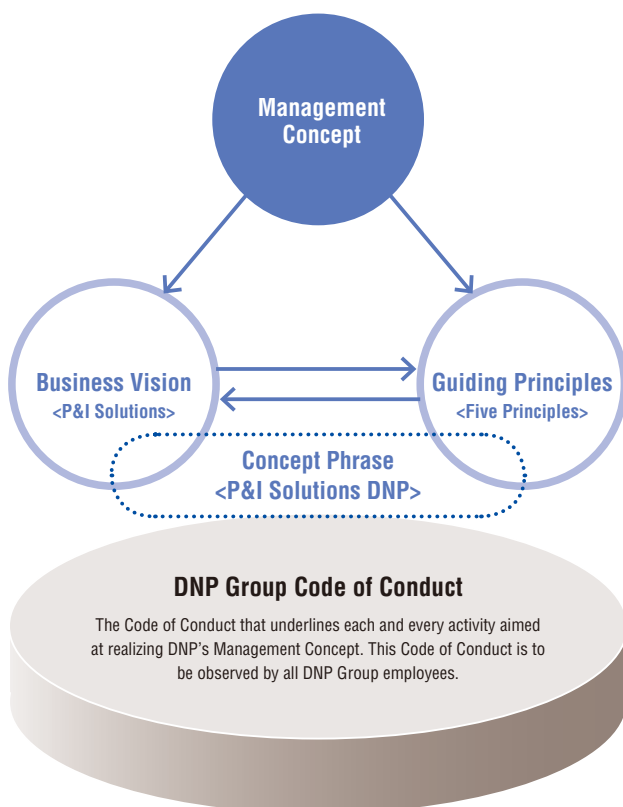
Our Fundamental CSR Philosophy

DNP Group Vision for the 21st Century

The DNP Group Vision for the 21st Century consists of our Management Concept, Business Vision, and Guiding Principles, and is an expression of our basic philosophy of co-existence and co-development with society and the environment.

Our Management Concept is the DNP Group's social mission, and is an expression of the most important value held by all DNP employees. Our Business Vision and Guiding Principles provide direction for the business and employee conduct that will enable us to make our Management Concept a reality.

The DNP Group Code of Conduct establishes the behavioral standards for all activities undertaken in realizing our Management Concept. The Code is intended to ensure that all employees conduct themselves with integrity at all times.

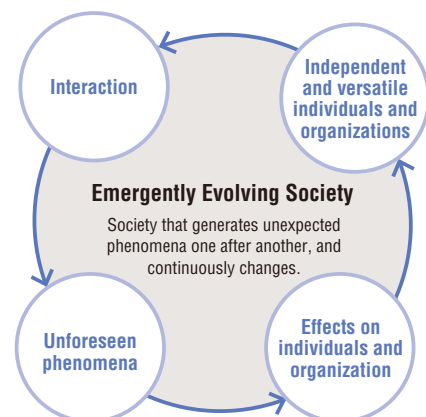


Management Concept

The DNP Group will contribute to the emergently evolving society of the 21st Century.

We believe that the 21st Century society is an emergently evolving society in which there is a diversity of values held by individuals, with the synthesis of these diverse values in turn creating new values. The DNP Group approach is based on our recognition that the emergently evolving society is itself leading to a better society for the human race, and therefore our Management Concept is founded on contributing to the emergently evolving society.

Our Management Concept represents the most important core value shared by all DNP Group employees, and represents the social mission which we must fulfill as a good corporate citizen. We therefore seek to fulfill our social responsibilities by quickly ascertaining the changes taking place in an emergently evolving society characterized by a diversity of values, clarifying the wide variety of issues faced by our customers, consumers, and society, and seeking to find solutions to those issues.



What is "Emergent Evolution"?

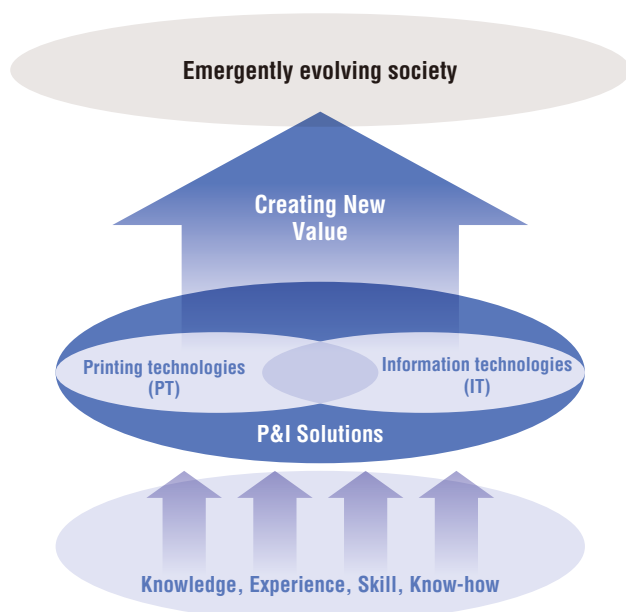
Unexpected phenomena are generated as a result of reciprocal influence between autonomous and diverse entities, and those phenomena in turn stimulated the entities in yet new ways.

Business Vision

P&I Solutions

We will identify and solve the problems and issues that consumers and corporate clients face within the emergently evolving society by fusing our Printing Technologies (PT) and Information Technology (IT).

The emergently evolving society constantly produces unforeseen phenomena, and in responding to such phenomena, our clients and consumers face a variety of difficult issues and problems. The DNP Group pursues deeper *TAIWA* with consumers and our customers so we can bring to bear the knowledge, experience, skill and know-how that we have cultivated through our business, especially our printing technologies (PT) and information technologies (IT), in offering a variety of solutions to such issues and problems. This is our Business Vision, and describes the DNP way of contributing to the emergently evolving society.



Guiding Principles

The “Five Principles” establish the standards for behavior of each DNP Group employee as they work to realize our Business Vision and contribute to the emergently evolving society.

1. Engage in *TAIWA* with all persons concerned

Through *TAIWA*, we can identify the hopes and dreams of consumers and corporate clients, as well as uncover our own problems of which we had been unaware. By pursuing *TAIWA* on the identified problems and issues with various members of the company as well as people outside the company, we will be able to find solutions to these problems and issues.

2. Work with an independent and collaborative mind-set in order to solve problems

Acquiring specialized knowledge and skills, thereby becoming independent, allows us to sharpen our sensitivity for perceiving the problems and issues that surface within *TAIWA*. We should collaborate on these issues with other members while recognizing one another's sense of values and roles in order to propose solutions that will meet the satisfaction of our clients.

3. Challenge courageously, even in the face of difficult issues

As professionals, the expectation and confidence entrusted upon us are proportionate to the level of difficulty of a problem or issue. Therefore, we should approach problems and issues with a spirit of challenge and courage, which will enhance our professional skills all the more.

4. Act with integrity, fairness, and impartiality, at all times

We are, of course, obliged to abide by the law and conform to social codes. At the same time, we should also be considerate of others, speak honestly, and act with integrity. By conducting ourselves in this manner, we will be able to win the sympathy and trust of society, which will in turn augment the ‘value’ that we provide to society.

5. Be responsible for your own decisions and conduct

Each of us should be responsible for our own decisions and conduct. A strong sense of responsibility will not only lead to our colleagues' greater trust in us, but will also enable us to make objective and appropriate evaluations of our own work processes, which will assist us in making greater strides at our next opportunity.

Our Fundamental CSR Philosophy

DNP Group Code of Conduct [Related information](#)

The DNP Group has established the DNP Group Code of Conduct as the set of principles upon which our efforts toward realizing our Management Concept are based. The Code of Conduct is founded upon strong ethical principles in accordance with our own rules as well as the law of the land, and is built around themes we consider to be of mutual importance to both the DNP Group and society as a whole. The conduct of business with integrity at all times in accordance with this Code of Conduct is the foundation of our CSR activities.

DNP Group Code of Conduct

Contributing to the development of society

Social contribution as a good corporate citizen

Compliance with the law and social ethics

Respect for human dignity and diversity

Environmental conservation and the realization of a sustainable society

Realization of a 'universal society'

Ensuring the safety and quality of our products and services

Ensuring information security

Proper disclosure of information

Realization of a safe and vibrant workplace

Endorsement of the Global Compact

The DNP Group announced its endorsement of the United Nations Global Compact (GC) in July 2006.

The GC covers 10 principles in four categories: Human Rights, Labor Standards, Environment, and Anti-Corruption. Corporations endorsing the GC engage in voluntary efforts to advance these 10 principles, with the goal of achieving a society capable of sustainable growth. We are working to enhance our image as an honest company by promoting the 10 principles of the GC in tandem with our DNP Group Code of Conduct.



The 10 Principles of the UN Global Compact

Human Rights

Businesses

Principle 1: should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor

Businesses

Principle 3: should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Businesses

Principle 7: Businesses are asked to support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Businesses

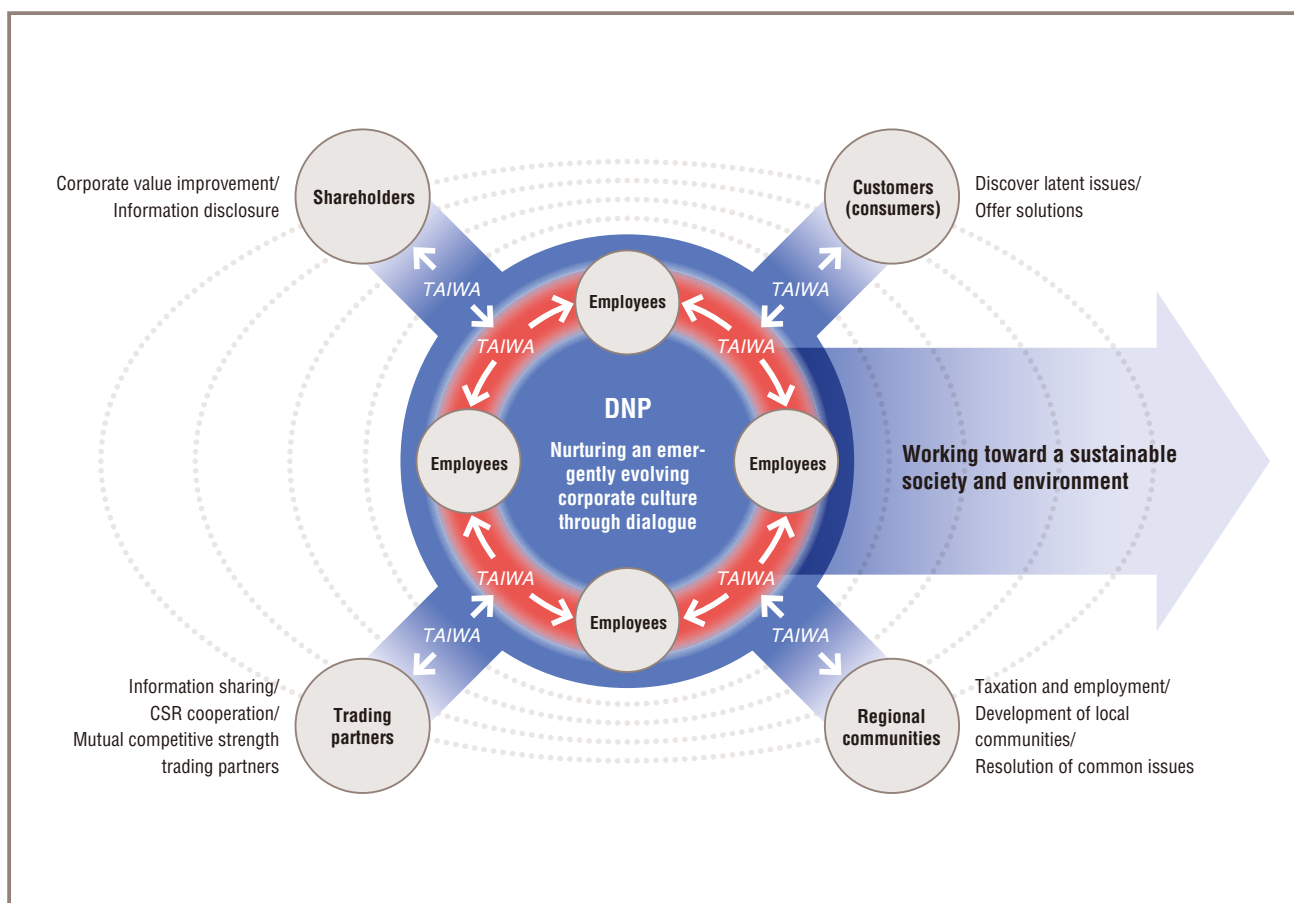
Principle 10: should work against corruption in all its forms, including extortion and bribery.

For Corporate Transparency + Related information

It is impossible to imagine that DNP could have maintained a history of over 130 years of steady growth without establishing a relationship of trust with our shareholders, customers, employees, trading partners, regional communities, and other stakeholders. We emphasize that our employees must learn the opinions of stakeholders by engaging in real *TAIWA*, and

that they take the initiative in providing accurate information in daily interactions with our stakeholders. By doing so they fulfill our duty of accountability and improve the transparency of DNP activities, which helps us achieve our goal of remaining a trusted company.

DNP Group Stakeholders



The DNP Group believes that the strengthening of our corporate governance, including our internal control system, is a management issue of major importance in meeting the social responsibilities befitting an emergently evolving company in the 21st century. In doing so we can gain the trust of all of our stakeholders, including shareholders, customers, consumers, and our employees. We strive for comprehensive corporate governance by creating and applying the systems that enable oversight and control for appropriate and timely business execution and the proper management decision-making upon which it is based. Comprehensive corporate governance also includes raising the compliance awareness of individuals by means of thorough training and education.

DNP has established a system whereby its directors, who each have a wealth of specialized knowledge and experience, participate in management decisions across a broad array of business areas, execute their work duties, and in addition oversee the work of other directors. This enables our company to respond swiftly to changes in the management environment.

The term of office for a Director is one year, so as to clarify management responsibilities during the fiscal year, as well as to enhance corporate governance and the management structure.

The diagram illustrates the internal control system of a listed company, showing the hierarchy and oversight structure:

- General Meeting of Shareholders** (Top Level): Oversees the **Board of Directors** and the **Management Committee**.
- Board of Directors** (Second Level): Oversees the **Representative Director** and the **Management Committee**.
- Representative Director** (Third Level): Oversees the **Operating units** and the **Head office**.
- Operating units** (Fourth Level): Includes **Director in charge**, **Corporate officers**, **Business divisions**, and **Group companies** (Autonomous implementation, inspection, review, improvement).
- Head office** (Fifth Level): Oversees the **Internal controls** and the **Auditors Office**.
- Internal controls** (Sixth Level): Includes the **Corporate Ethics Committee**, **Open Door Room**, **Information Disclosure Committee**, **Insider Trading Prevention Committee**, **Information Security Committee**, **Product Safety Committee**, **Environmental Committee**, **Complaint Handling Committee**, **Central Disaster Prevention Council**, and **Legal and other main divisions/Departments** (environmental safety department, labor department, technology division, accounting division, management department, IP division, legal affairs department, others).
- Auditors Office** (Seventh Level): Oversees the **Audit unit** and provides **Audit/Guidance** to the **Operating units** and **Head office**.
- Audit unit** (Eighth Level): Provides **Assistance** to the **Auditors Office**.
- Accounting Auditors** (External): Provide **Audit** to the **Operating units** and **Head office**.
- Board of Statutory Auditors** (External): Provide **Audit** to the **Representative Director** and **Internal controls**.
- Coordination** (Bottom): A dashed line indicating coordination between the **Accounting Auditors** and the **Board of Statutory Auditors**.

The Board of Directors is composed of 25 directors, including one outside (independent) director. It is normally convened monthly, with directors reciprocally overseeing the execution of each others' work duties, which ensures that proper supervisory functions are maintained. The Officers selected at the Board of Directors meeting execute the business concerning the items determined at the meeting, and maintain close dialogue with the Directors via the monthly Executive Committee Meetings, so that the opinions of those close to the actual worksites are reflected in management.

DNP is a company with a Board of Statutory Auditors. The Board of Statutory Auditors is composed of five auditors, including three from outside the company (of whom one is independent), who possess the appropriate level of finance and accounting expertise. Each auditor conducts audits of the business executed by the directors, according to the auditing standards and responsibilities determined by the Board of Statutory Auditors. The auditors maintain close cooperation. The accounting auditor explains the auditing plan to the Board 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.

*Neither the outside director nor the outside statutory auditors have personal, financial or business relationships or other interests with DNP.

Internal Control Systems + Related information

The DNP Board of Directors determines the basic policy for “the creation of a system for ensuring proper business (internal control systems)” as stipulated by the Companies Act. Also, in response to the stipulations concerning the “internal control system for financial reporting” under the Financial Instruments and Exchange Act, DNP has established, in accordance with our Internal Control System Basic Policy Guide and Basic Plan, our own evaluation policies, procedures and methods, as well as an evaluation system, evaluation parameters, evaluation schedule, and evaluation record-keeping/retention policies, plans, manuals, etc.

The efficacy of the Internal Control System (company-

wide internal control system), which has a significant effect on overall financial reporting on a consolidated basis, is evaluated in accordance with the above while conducting proper consultations with the Accounting Auditors. Taking the results of this evaluation into consideration, an evaluation of the efficacy of the internal control systems that are integrated into the work processes (internal controls on work processes involved in settlement reports and financial statements, sales, inventory controls, etc., including controls employing IT) is conducted. Moreover, we proceed immediately to correct any internal control system insufficiencies that are discovered.

Basic Policy Concerning the Internal Control System (extract)

1. A system for ensuring that the work executed by directors and employees conforms to all laws, regulations, and articles of incorporation.

- (1) The Corporate Ethics Committee, which consists of the directors in charge of each main head office organization, oversees the establishment and management of systems, etc., for ensuring the propriety of operations in the DNP Group based on the DNP Group's Basic Compliance Management Regulations.
- (2) Under the general oversight of the Corporate Ethics Committee, the Information Disclosure Committee, Insider Trading Prevention Committee, Information Security Committee, Product Safety Committee, Environmental Committee, Complaint Handling Committee, Central Disaster Prevention Council, and each head office division in charge of specific laws and regulations conduct reviews, provide guidance, and offer training for operating units and Group companies in their areas of responsibility.
- (3) The heads of each head office organization autonomously determine, implement, inspect, review and improve the required systems and procedures for their own divisions, based on the DNP Group's Basic Compliance Management Regulations and in light of the specific operations of each division.
- (4) As stipulated in the Internal Audit Regulations, the Auditing Department, which is independent of the operating units, conducts internal audits and provides guidance to the head office organizations and group companies regarding the establishment and operation of systems for ensuring the propriety of operations.
- (5) The Corporate Ethics Committee has established the Open Door Room as a conduit for the reporting of internal matters, as well as the Supplier Hotline for reporting by materials suppliers and contractors, at the DNP Group for receiving and responding to reports concerning legal violations or similar matters by Group employees.

2. Loss exposure management regulations and other systems

To manage risks that could have a material impact on business, such as those related to compliance, the environment, disasters, product safety, insider trading and export management, the Corporate Ethics Committee, other special committees and other head office organizations develop rules, make improvements, and conduct training in an effort to prevent risk occurrence, and respond promptly to avert or minimize losses to the DNP Group when risks arise. Under the oversight of the Corporate Ethics Committee, risks are regularly inventoried. For any new risks that could have a serious impact on business, the organizations and persons in charge are designated to respond properly.

3. Systems for ensuring proper business conduct by the corporation, parent company and subsidiaries which comprise the business group

- (1) To ensure the proper conduct of business by members of the DNP Group, each DNP Group company shall conduct business in compliance with the DNP Group Code of Conduct, which governs the conduct of all employees (including directors). Additionally, each DNP Group company shall seek to make all personnel thoroughly familiar with the Code of Conduct, as well as construct and operate systems as stipulated in the DNP Group Basic Compliance Regulations. Moreover, each Group company shall establish and maintain their rules using the above as the foundation for establishing and maintaining the various rules and regulations of their companies.
- (2) Each DNP Group company shall determine autonomously the necessary systems and procedures appropriate to the content of each operation, and shall execute, inspect, evaluate, and implement improvements for these systems and procedures, based upon the policy outlined in 1) above.
- (3) The Auditing Department, the Corporate Ethics Committee, each Special Committee, and each headquarters organization shall audit, check, and conduct guidance and training concerning the status of the items described in (1) and (2) above.

4. A system for directors and employees to report to the auditors, a system for other reporting to auditors, and a system for ensuring that auditors can conduct audits effectively

- (1) Auditors may at any time they deem it necessary request that directors or employees report on the execution of their business, and DNP Group directors or employees shall respond promptly to such requests.
- (2) In the event that a director discovers a legal infraction that could potentially cause another company to sustain a significant loss, the said fact shall be promptly reported to the auditors.
- (3) The Auditing Department and/or the Corporate Ethics Committee shall report to the auditors regularly concerning the audit content and the construction or operational status of systems for ensuring proper business conduct.

Chart: FY2009 Targets and Results

Theme	Reference page	FY2009 Targets	
Contributing to the development of society	P 21 - 28	Continue to strengthen measures to improve employee awareness of the DNP Group 21st Century Vision and cultivate personnel that contribute even more to the development of the emergently evolving society, so as to improve the understanding of it by all employees both in Japan and other countries, and connect that to actual activities.	
		Maximize use of the Printing Technologies (PT) and Information Technology (IT) cultivated by DNP for active product development in the energy and bio-materials field, so as to contribute to the realization of a low-carbon society and improved quality of life.	
Compliance with the law and societal ethics	P 29 - 30	Expand education and training of young employees and employees at overseas Group companies to ensure a firm adherence to and thorough understanding of corporate ethics throughout the entire Group.	
		Revise and strengthen risk management and effective education and training, so as to ensure that corporate ethics efforts retain their meaning.	
Ensuring information security	P 31 - 32	Protect information assets and increase society's trust by supporting and maintaining top-notch information security systems.	Maintain, and continuously revise and improve through PDCA, the personal data protection systems and the information security control systems.
			Create autonomous checking and improvement structures at all Group operational bases so as to respond to any new threats or risks.
			Implement education and training so as to improve the security awareness of all employees.
			Implement and standardize physical security measures at all Group operational bases.
Promoting social responsibility through the supply chain	P 33 - 34	Promote all measures concerning the DNP Group CSR Procurement Criteria.	Conduct 3rd DNP Group CSR Procurement Criteria Compliance Survey.
			Return evaluation sheets containing evaluation results of the 3rd DNP Group CSR Procurement Criteria Compliance Survey to each supplier that responded.
			Conduct an on-site inspection of main suppliers.
			Convene a "CSR Activity Promotion Explanatory Meeting" for suppliers.
Proper disclosure of information	P35 - 36	Improve opportunities for communications with shareholders and investors, such as IR Meetings, for a quick response to their needs.	
		Maximize the use of IR tools, such as the DNP website, annual reports, data books, and shareholder notices, and clearly explain DNP's activities as well as market and technical trends.	
		Reassess stakeholder relationships from the perspective of the consumer and promote corporate culture reform by achieving deeper communications both within and outside the company.	
		Strengthen accountability to stakeholders both within and outside the company, and promote an understanding of DNP.	
Realization of a 'universal society'	P 37 - 38	Put Universal Design into practice in our own business.	Develop DNP's own evaluation methods and monitoring system.
			Promote cooperation with external organizations, such as NPOs and research institutions.

- Target achieved or making steady progress toward target
 △ Making active efforts but target not achieved
 × Efforts insufficient

FY2009 Results	Evaluation	Y2010 Targets
<ul style="list-style-type: none"> Improved employee awareness of the DNP Group 21st Century Vision and cultivated more capable personnel through new employee training, Step Up Seminars, and new executive training (841 attendees) Training of personnel so they can realize P&I Solutions through business by means of Solution Business Practical Training (100 attendees over a total of four sessions) 	○	<ul style="list-style-type: none"> Promote measures such as training to improve employee understanding and awareness of the DNP Group 21st Century Vision, and cultivate personnel who will contribute to the development of the emergently evolving society. Make full use of the functions of the Gotanda Building, the entirety of which we consider our company "showroom," and gain the cooperation of all in-house units and our valued customers so as to provide "venues for TAIWA" where new P&I Solutions possibilities can be derived, so we can contribute to the emergently evolving society through our business. Analyze and ascertain current needs and issues by executing the 5th Emergent Evolution Questionnaire (survey for monitoring employees and customers), and use the results in examining various future measures. Maximize use of the Printing Technologies (PT) and Information Technology (IT) cultivated by DNP to develop and expand business in various fields, especially energy and bio-materials, so as to contribute to the realization of a low-carbon society and improved quality of life.
<ul style="list-style-type: none"> In the area of energy, established the Energy Systems Operations and strengthened our photovoltaic cell business. Developed and produced photovoltaic cell components for the practical use of next-generation energy. In the biomaterials field, our regenerative medicine-related venture "Cell Seed," which conducts funding and joint research, was listed on the stock exchange, contributing to an expansion of that market. We endowed a course at Tokyo Medical and Dental University (in the field of regenerative medicine), and moved forward with research and development into practical application of this technology. 	○	
We expanded self-directed corporate ethics training to the younger ranks of each domestic unit. A program similar to the domestic one was started for overseas sites in FY2008. (The number of times the program was held and number of participants was also expanded in FY2009.)	○	<ul style="list-style-type: none"> Strengthen programs for ensuring a greater degree of adherence to and thorough understanding of corporate ethics at related companies in Japan and overseas. Revise and thoroughly improve management content so as to increase the effectiveness of internal controls and risk management.
All activities actually planned at the beginning of the term went forward according to schedule. In the area of training and education, the number of opportunities for individual training for specific persons according to subject was increased, and the training implemented.	○	
"Website Standards," "Education Standards" and associated rules were established and revised, with guidance strengthened.	○	
Implemented inspection and guidance, as well as evaluation and checking, for response to new risks and other matters at DNP Group sites.	○	<ul style="list-style-type: none"> Maintain and renew Privacy Mark personal data protection certification and strengthen DNP Group Information security control systems. Improve the Information security level by fully implementing the PDCA cycle for data security. Enhance Information security training for all employees. Implement and standardize physical security measures at all Group sites.
Created and distributed an information security-related brochure, and implemented instruction and specialized information security training for all 41,000 company employees.	○	
Replaced employee ID Smart cards and installed standardized equipment such as security gates.	○	
Conducted the 3rd Regular Compliance Survey for monitoring the supplier compliance situation. Some of the survey content was amended, such as changing the expression "supplier to large companies" to "small-scale supplier."	○	<ul style="list-style-type: none"> Conduct the 4th Regular DNP Group CSR Procurement Criteria Compliance Survey in autumn 2010, and send out the evaluation sheets containing the analysis of the survey replies in spring 2011. In addition to including our materials suppliers, expand the Survey to include our manufacturing contractor partner companies. Conduct on-site CSR inspection, focusing on our main suppliers. Convene "CSR Activity Promotion Explanatory Meetings" so that CSR can take hold at small-scale suppliers.
Analyzed the answers on the survey sheets, and sent evaluation sheets to suppliers in March 2010.	○	
Because no examples of irregularities were found on the supplier side, the on-site audits and "CSR Activity Promotion Explanatory Meetings" were cancelled in FY2009.	△	
In addition to holding 233 IR Meetings over the course of the year (221 held in FY2008), a number of topic-oriented study meetings, such as for electronic products, were held for investors. Also, in addition to issuing 120 news releases (87 in FY2008), coverage exceeded that in 2008.	○	<ul style="list-style-type: none"> Promote understanding of DNP by optimizing communications tools such as the website, annual report, data books, shareholder notifications, guides to the company, news releases, and internal publications, and use these to describe DNP's business activities and strengths in an easily understood way. Also, conduct IR meetings and topic-oriented study meetings and take a proactive approach toward providing information to reporters, and seek to create even more opportunities for communications with stakeholders, especially investors, mass media, client companies, and communities. Prevent insider trading not only by redoubling controls on important internal information, but also on important information received from clients. Gain an understanding of the relationship with stakeholders from the perspective of the consumer, and deepen communications both within the company and externally as well as promoting a transformation in the corporate culture.
In addition to using the website to offer information in both Japanese and English, we used a variety of communications tools to transmit timely and positive information useful in understanding DNP.	○	
After deliberation and approval by the Information Disclosure Committee, important information was disclosed. With regard to insider trading prevention, we implemented a network learning program and put in place an own-stock trading approval system, both run by the Insider Trading Prevention Committee.	○	
We proceeded with development of methods for scientific analysis of consumer behavior overall, rather than just as regards packaging.	△	<ul style="list-style-type: none"> Contribute to realizing the Universal Society through development of our business throughout the company. <ul style="list-style-type: none"> Develop versatile UD evaluation standards in conformity with DNP's business domain Share knowledge that goes beyond the realm of business, and cultivate the next generation of personnel Actively provide information about our company's efforts both within and outside the company
In addition to deepening knowledge about UD through active participation in the International Association for Universal Design, we are promoting UD throughout the society at large rather than just in our company. Also, we provided cooperation and support in next-generation personnel cultivation programs promoting UD through the Accessibility Leader Training Conference.	○	

Chart: FY2009 Targets and Results

Theme	Reference page	FY2009 Targets	
Ensuring the safety and quality of our products and services	P 39 - 40	Strengthen product safety control structures and implement thorough employee education; establish a structure for preventing product accidents through the sharing of quality data amongst production sites and monitoring of quality control.	
Respect for human dignity and diversity	P 41 - 44	Make Female Employee Active Support Meetings a facet of diversity promotion, and continue to conduct them so as to deepen awareness and understanding throughout the entire DNP Group.	
		Establish and encourage Diversity Promotion Action Programs in all operations and all companies, so as to strengthen diversity efforts.	
		Conduct regular Diversity Promotion Meetings, and seek to improve the diversity level through the DNP Group while sharing diversity information.	
		Promote next-generation family care measures through, for example, lifting the limit on the number of days that can be taken for childcare leave, and increasing the number of days that can be taken for family care.	
		Increase the number of sites holding DNP Family Friendly Day, on which employees bring their children to the workplace, and encourage more employees to participate, so as to cultivate next-generation family care and the desire to work of employees.	
Realization of a safe and vibrant workplace	P 45 - 48	Promote "transformation of workstyle" in accordance with the joint Group targets established under the DNP Group Productive Time Resource Project 1st Basic Plan.	
		Promote efforts related to "Employment, Time, Wages" as basic labor measures for creating a strong corporate structure in support of future DNP Group expansion.	
		Promote risk reduction activities in accordance with the FY2009 targets of the DNP Group 1st Industrial Accident Prevention Basic Plan.	
		Promote a health improvement plan in accordance with the FY2009 targets of the DNP Group 1st Health Maintenance Promotion Basic Plan. Also, promote measures against new influenza strains at each operational site.	
		Promote the establishment of a BCP in all areas of business	
Social contribution as a good corporate citizen	P 49 - 53	Implement the following measures to promote "Just Like DNP" social contributions.	<p>Cultivate a social contribution mindset amongst employees.</p> <ul style="list-style-type: none"> • Take measures such as providing useful data on company intranet sites and conducting seminars by experts or NPOs, so as to promote understanding and a common purpose concerning DNP's social contribution efforts.
			<p>Enhance the DNP Group social contribution menu.</p> <ul style="list-style-type: none"> • Seek to create a social contribution menu that makes employee participation easier, and promote Group-wide activities that include both labor and management.
Environmental conservation and the realization of a sustainable society		Listed on P 63-64	

- Target achieved or making steady progress toward target
 △ Making active efforts but target not achieved
 × Efforts insufficient

FY2009 Results	Evaluation	Y2010 Targets
In addition to existing product safety programs, began quality indicator monitoring and onsite inspections (Product Safety Implementation Committee) with the goal of preventing product accidents that occur in manufacturing processes.	○	<ul style="list-style-type: none"> Implement on-site inspections with the goal of preventing product accidents that occur in manufacturing processes. Continue to execute thorough employee education and strengthen the control system for product safety.
The total number of course attendees was 684 (management 295, female subordinates 389) for the DNP Group overall, with a cumulative total for female employees of 1,058. 20% of the attendees at the kickoff meeting at 10 sites participated via the teleconference system.	○	<ul style="list-style-type: none"> Strengthen diversity promotion efforts Continue with the Female Employee Active Support Meetings. Focus on the 500 employees (female employees and their superiors) in the DNP Group who have not yet taken the course. <ul style="list-style-type: none"> Continue with concrete measures concerning matters related to diversity promotion at each DNP Group company. DNP is expanding mentoring activities as a measure for increasing the rate of retention of young female employees in the sales units, and will create measures aimed at increasing the retention rate for female employees in the technical units.
About 80% of the business units and Group companies are running "action programs for diversity promotion." About 24,000 employees have participated via network learning (Introduction to Diversity Promotion).	○	
A Diversity Promotion Meeting, at which information sharing and confirmation of 2010 action policies took place, was held in February 2009.	○	<ul style="list-style-type: none"> Promote creation of an environment that enables work-life balance support measures and systems to be effective. <ul style="list-style-type: none"> We held explanatory meetings introductions to the details of work-life balance systems for the persons in charge of promoting them in April 2010, with the goal of promoting the penetration of work-life balance measures and an increase in the number of employees making use of them. Introduce "Family Friendly Days" when children can visit the workplace at 5 or more worksites so as to gain 2012 Next-Generation Childrearing Support Action Plan certification.
After looking into measures related to next-generation childrearing, beginning in April 2010 the systems related to work-life balance were upgraded and expanded (P44).	○	
Program expanded to include 7 work sites, with 66 families participating.	○	
Establish concrete action plans in each department and Group company as the first annual efforts under the "1st Basic Plan." Develop "transformation of workstyle" efforts with the participation of all employees.	○	
Implemented the following: 1) Promoted the creation of time resources by each individual, so each can hone their skills to become more efficient at work and become cross-trained in many skills; 2) Studied and introduced a new shift system in the production units; 3) Executed a response leading to early realization of the desired pay scale in the new wage system.	○	<ul style="list-style-type: none"> In accordance with the DNP Group Productive Time Resource Project Stage 1 Plan, promote activities for the firm establishment of a "transformation of workstyle" in the corporate culture. Promote risk reduction activities aimed at achieving the DNP Group 1st Industrial Accident Prevention Basic Plan frequency rate for accidents accompanied by a lost worktime target of 0.35 or less (71% of that for 2008). Work to strengthen prevention and emergency measures to shore up anti-disaster plans at each workplace, and establish measures for BCPs (Business Continuity Plans). Promote a health improvement plan that brings the number of employees receiving regular health exams to 100% and reduces persons under observation to 2.2% in accordance with the goals of the DNP Group 1st Health Maintenance Improvement Basic Plan.
Emphasis was placed on establishing the items in the Industrial Accident Prevention Basic Plan, with evaluations conducted semiannually. The frequency rate for accidents accompanied by lost worktime was 0.40 (82% of that in 2008), meeting our goal.	○	
Progress was made in establishing the Health Maintenance Promotion Basic Plan, with targets, items to be promoted, a promotion system, and evaluations established based upon the DNP Group Health Maintenance Guideline (regular physical checkup rate for employees of 99.8%).	○	
A Group-wide BCP postulating an outbreak of a virulent new strain of influenza was developed. Overall disaster response was strengthened, and revision of Group disaster measures was begun with the goal of creating a "disaster-resistant DNP." The Basic Disaster Measure Regulations were established, and a system for specifying disaster plan measures was constructed.	○	
The in-house intrasite was inaugurated in June 2009, and began actively relaying information about social contribution activities. We achieved an upload rate of an average of one or more new articles per week. The site also provides information about the activities of social contribution organizations such as NPOs, and promotes enlightenment about such activities within the company.	○	<ul style="list-style-type: none"> Nurture a spirit of social contribution among employees <ul style="list-style-type: none"> Enhance the company intrasite: <ul style="list-style-type: none"> Introduce the efforts of all organizations Post information for the information of employees concerning social contribution efforts Invite persons such as experts and NPOs to give talks Develop a social contribution activity menu for the DNP Group and enhance information provision <ul style="list-style-type: none"> Develop and execute employee programs using management resources Look into horizontal development within the Group of programs executed by each organization
When the Haiti earthquake struck we set up a structure by which employees can donate relief funds in the event of a natural disaster (P53). We also began providing "fair trade" information via our intrasite so as to help expand those activities (P53).	△	

Listed on P 63-64

FY2009 Awards & Evaluations

Date	Awards & Evaluations	Sponsor
April 2009	48th 2009 JAPAN PACKAGING COMPETITION (JPC) Awards received for 9 products (awards presented to the customers in each case)	The Japan Federation of Printing Industries
May 2009	May Day Model Partnership Award 2009 (Ten Wa Press) 33rd Kinoshita Prize Newly Created Department Award (Development of microwave oven packaging with new features)	Employment & Employability Institute Japan Packaging Institute
July 2009	45th All Japan Blood Donation Drive Health, Labour and Welfare Minister's Award for Nara Prefecture blood donation achievement- DNP Data Techno Kansai SMOKERS' STYLE COMPETITION 2009 Competition Display Category Excellence Award (DNP Gotanda Building)	Nara Prefecture Japan Tobacco Inc.
September 2009	2009 "Great Place to Work" ranking/Overall ranking: 27th Letter of thanks (for contribution to relief effort) (DNP Kamiya Solutions Center) Letter of thanks (for contribution to work stability for the physically-challenged) (DNP Precision Device) Letter of thanks (for contribution to work stability for the physically-challenged) (Hokkaido Coca-Cola Bottling)	Nikkei Inc. Tokyo Fire Department, Akabane Fire Station Saitama Employment Development Association Hokkaido Elderly and Physically-Challenged Employment Promotion Association
October 2009	5th Quality Management Survey Ranking/Overall ranking: 8th 3rd Hirano Tomiji Prize (DNP Shueitai Development Office) 2010 Tokyo University Shokumon Prize (For contribution to the preservation of the Tokyo University's historical archives) 51st All-Japan Catalog / Poster Fair 20 pieces received awards (awards presented to the customers in each case) "Cho" Monodzukuri Innovative Parts and Components Award 2009 (Stackable, ultra-thin (0.15/0.2mm) lead frame for semiconductor packages)	Union of Japanese Scientists and Engineers Society of Typography, Japan Tokyo University The Japan Federation of Printing Industries Printing & Publishing Institute Conference for the Promotion of Monodzukuri Nikkan Kogyo Shimbun, Ltd.
November 2009	39th Japan Promotional Marketing Institute Exhibition Creative Design Award Economy, Trade and Industry Minister's Prize, JPM Silver Award (awards presented to the customers in each case) Japan Traffic Safety Association Police Commissioner's Award Good Design Frontier Design Award 2009 Project on wild destructive animal damage control, applying micro-capsule (received by Hosei University) The healthiest company 2009 in the Region Sjælland (DNP Denmark) Plaque of Commendation (Tripartite partnership) (Ten Wa Press) Letter of thanks (for contribution to fire prevention) (DNP Kamiya Solutions Center)	Japan Promotional Marketing Institute Inc. Metropolitan Police Department Tokyo Traffic Safety Association Japan Industrial Design Promotion Organization Danish Ministry of Health and Prevention Singapore Industrial & Services Employees' Union Tokyo Fire Department, Akabane Fire Station
December 2009	61th Annual All-Japan Calendar Exhibition/Minister of Economy, Trade and Industry Award- 2 awards; total of 18 awards (awards presented to the customers in each case) 13 rd Japan Environmental Management Ranking Survey/Overall ranking: 19th Letter of thanks (for contribution to creating a safe community and efforts to stop bank remittance fraud) (DNP/DNP AV Center)	Japan Printing News Co., Ltd. Nikkei Inc. Police Department, Ushigome Police Station
January 2010	6th Industrial Ability Ranking of Truly Able Companies/Overall ranking: 24th	Nikkan Kogyo Shimbun, Ltd.
February 2010	FY2010 Superior Energy-Managing Company Kanto Bureau of Economy, Trade and Industry Award Printing Business Department (Real/Data Communications Business Department)	Kanto Bureau of Economy, Trade and Industry
March 2010	JAPAN SHOP SYSTEM AWARDS (JSSA) 2010 Honorable Mention New Product Development, New Services, New Technology Category (Pop-Up Electronic Picture Book) 9th Annual Integrex Survey: "Survey of Corporate Honesty and Transparency (Ethical and Social)" Overall ranking: 9th Japan Industrial CSR Management Trend Survey 2009 Company which made progress in socially responsible management efforts	Shop System Study Society Integrex Inc. The Japan Research Institute, Ltd.
April 2010	Top 30 Japanese Corporations Achieving the Highest Standards of Business Ethics in 2009 Overall ranking: 4	Transparency International Japan
May 2010	FY2010 Superior Onsite Handling of Hazardous Materials (DNP Opto Materials)	Mihara City Fire Safety Association

SRI indices in which DNP is included:

SRI (Socially Responsible Investment)

This is investing that includes a company's CSR efforts along with financial analysis among investment criteria.



FTSE4Good

http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp



http://www.ethibel.org/subs_e/4_index/main.html



モーニングスター社会的責任投資株価指数
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.



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



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



Contributing to the Development of Society through Our Business

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Special Report: DNP's information technology takes

The history of DNP is the history of the evolution and application of printing and information technologies.

Since our founding in 1876, we have achieved the world's highest standard of printing technology, and moving from the "expansion printing" concept we launched in the 1950's we have broadened our business domain through the application of technologies derived from printing to a myriad of fields.

At the same time, information technology, which primarily is technology for expressing information as accurately as possible, has also continued to evolve.

We have marked major turning points in printing technology, from the development of "Shueitai" during the Meiji Period through color management, design, and the efforts toward digitalization that began in the 1970's.

We at DNP have aggressively developed our own technologies in response to the rapid progress of digitalization and the flow of networking.

By establishing the data security technologies fundamental to today's society, as well as by making possible the development of diverse businesses, we are carving out a future in the information networking society of tomorrow.



Development of "Zasshi Viewer" e-book reading software, which offers a layout that matches the printed page

"Zasshi Viewer" e-book reading software provides a reading experience for iPhones and other smart phones that duplicates that of the printed page. Its ease of operation and smooth page-turning capability provides a comfortable reading environment.

* iPhone is a registered trademark of Apple Inc.



Experience art viewing spaces as they were 220 years ago Digital reproductions of 55 shohekiga (paintings on room partitions), such as "Ryukozu," have been unveiled

Digital reproductions have been made of 55 shohekiga created by Maruyama Ōkyo and his pupil Nagasawa Rosetsu, which are preserved at Muryoji Temple in Kushimoto, Wakayama and are designated National Important Cultural Assets. Muryoji Temple has installed these reproductions in the original abbot's chambers, the first such display in about 100 years.

the lead in social evolution

Up to now we have been putting our digital data processing and handling know-how to use in dealing with media such as CD-ROMs, DVDs, the Internet, and broadcasting.

Our first foray into this field was when we took up the challenge of the digitalization of the printing process in the 1970's.

We developed our own CTS (computerized typesetting system), which made typesetting work more streamlined and labor-efficient, while at the same time opening the way toward the development of single-source multimedia using digital text and image data.

Afterward, in 1985 we realized the world's first CD-ROM dictionary, and quickly responded to the challenges of the Internet and digital broadcasting.

In making the change from paper to digital media and networking, DNP is deepening the field information technology and contributing to ever richer communications among people.



Relaying information through images Digital signage systems

Our "Tall Vision" system connects multiple large displays to present digital images in what appears as a single display. It was first adopted in the private sector as a permanent installation by Muji-rushi Ryohin at Ikebukuro Seibu.

Digital catalog creation and distribution with enhanced "Search," "Compare," and "Share" features

This digital format allows an actual printed catalog to be viewed and its pages turned on a PC screen, and even includes features such as "Favorites" and eye-catching keyword display corresponding to searches.

Technology that Makes Information “Easy to View and Easy to Use”

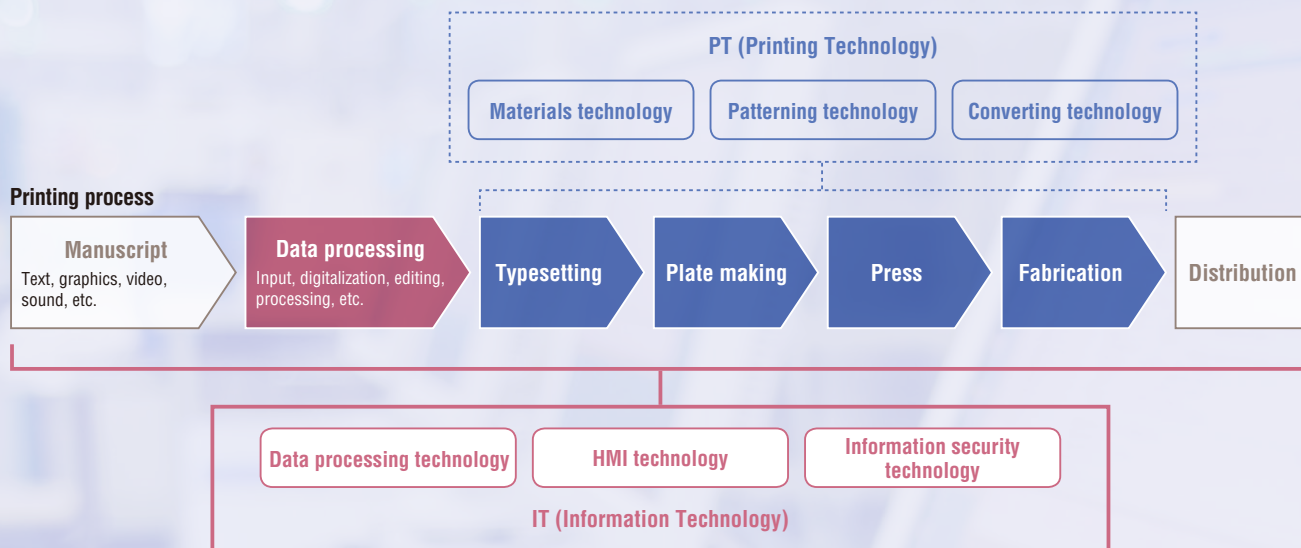
Expressing information, from examination and editing through arrangement and storage

Viewed from a certain perspective, printing is an accumulation of “information technologies.” During the prepress process, uploaded copy such as text, photos, illustrations, etc. are examined from the point of view of determining the methods, sizing, and presentation that will cause them to be clear, easy to read, and expressed with optimal effect. Next, the information is edited and processed, and the processed information is then arranged and stored.

This process itself is comprised of information processing technologies, and DNP is evolving those technologies by dealing with all types of media. At the same time, we have been working to perfect HMI technology for human interfacing that makes data easy to handle and makes text and photos easy to view.

E-books are currently getting a lot of attention, and there is demand for data processing that combines the features of each of the e-book readers. DNP technologies are supporting the process of issuing “electronic books” from “paper books.”

Technology based on the printing process + Related information



IT (Information Technology)

Information processing technologies: Data input/output, conversion, synthesis, compilation, and transmission technologies.
(Text and picture editing, database compilation, networking technologies, etc.)

HMI (Human Media Interaction) technologies: Technologies related to the interaction of humans with information.
(Font design, color matting, language processing technologies, etc.)

Information security technologies: Technologies for the accurate transmission of data, proper storage, and prevention of improper use.
(Code processing technologies, personal data processing and control, biometrics, etc.)

PT (Printing Technology)

Materials technology: Composition of new materials, dispersion and mixing techniques
(Ink and adhesives, photosensitive materials, coating materials, etc.)

Patterning technology: Techniques for forming letters, images, patterns, etc. in base material
(Press techniques, lithography, inkjet technology, etc.)

Converting technology: Processing techniques for converting or combining forms of material
(Film forming, coating, laminating, transfer, bag making, molding, etc.)

DNP Meets Society's Demand for Information Security Technology

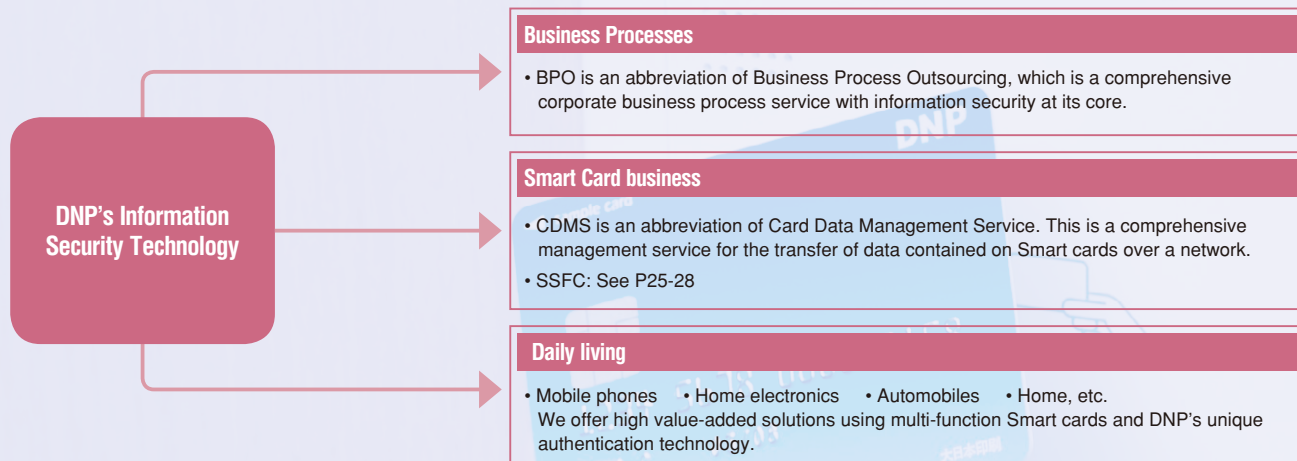
Offering a variety of solutions as the global leader

DNP closely guards the data entrusted to us by our clients, and we have achieved a high level of information security technology in our efforts to ensure careful protection of this information. Additionally, the businesses involved are expanding their field from certificates, magnetic cards, and business forms to notices, personal DM prints/enclosures/seals, Smart cards, etc. By offering solutions comprised of combinations of these we are establishing our position as the global leader.

In 2005, we inaugurated SSFC (Shared Security Formats Cooperation) which provides joint Smart card access to PCs, all types of OA equipment, gates, etc. Society has recognized the necessity of this in terms of infrastructure, and we are moving forward with our efforts in this field (P25-28).

Our success in the safekeeping of the precious copy received from clients and in handling highly important and confidential printed matter such as bank books and cards has resulted in our gaining the trust of corporations and subsequently consumers, and society's expectations of DNP Solutions are great.

■ Developing business with information security technology at its core



DNP's Information Technology Opens Up New Worlds

Yuichiro Fukuda, General Manager, Media Technology Research Center

DNP at its inception in 1876 began developing its business using letterpress printing, which was a leading-edge technology at that time. Since that time, based on the notion of "providing people the information they seek in the format they demand," we have always taken up the challenge of employing the era's foremost technology in processing information in a pleasing, user-friendly form that enlivens communications among people.

It is said that today we live in a society in which access to information is "ubiquitous," i.e., unrestricted by time or place, and in which information is ambient in nature; this conjures up

a view of a world in which anyone can connect to a network anywhere, and where a multiplicity of services lie at one's fingertips. The key to unlocking the potential of this kind of society lies in the development of comprehensive information technology with information security at its core. This means a synthesis comprised first of authentication technology, along with media, content, network and other technologies, and that is precisely what we at DNP seek to provide. We are seeking to unlock further possibilities for the information technology we have cultivated through printing, so as to open up new worlds.



Special Report: SSFC Solutions for realizing a top security environment

SSFC is rapidly enhancing office security. DNP is expanding the area of application of this technology to every aspect of life, so as to contribute to the realization of a safer, more comfortable society.



Since launching our R&D into Smart cards in 1981, DNP has been advancing Smart card manufacturing, personal data entry and issuance, and software development technology, while consistently remaining the market leader. In addition to developing MULTOS, a multi-OS with multiple Smart card functionality, DNP has created the world's first vein authentication-capable Smart card, marking a rapid advance in ATM and Smart card security.

DNP currently holds a 40% share of the Japanese Smart card market, and has secured in particular an 80% share in the market for megabank ATM Smart cards.

We have now also inaugurated SSFC (Shared Security Formats Cooperation), an alliance with its Secretariat Office at DNP, which has the goal of achieving simultaneous physical and personal data security using employee Smart ID cards.

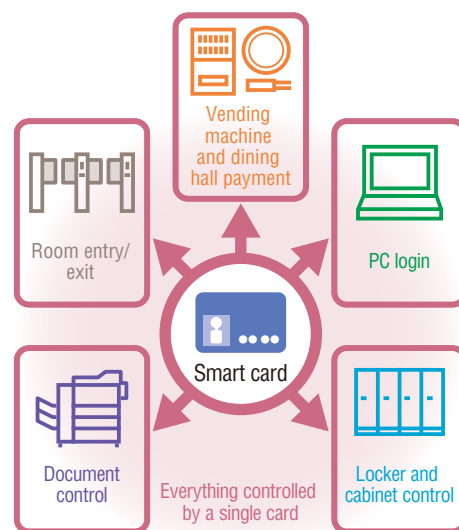
Realizing One Person/One Card Office Security

Overcoming the barriers between manufacturers

Up until now companies have not been able to maintain entirely uniform in-house security, with employees using different entry/exit cards for each office and special cards for PC login, etc. SSFC is a setup that makes possible consolidated system control focused on a single Smart card as the employee ID, which establishes a shared data format for Smart cards and joint specifications for office equipment.

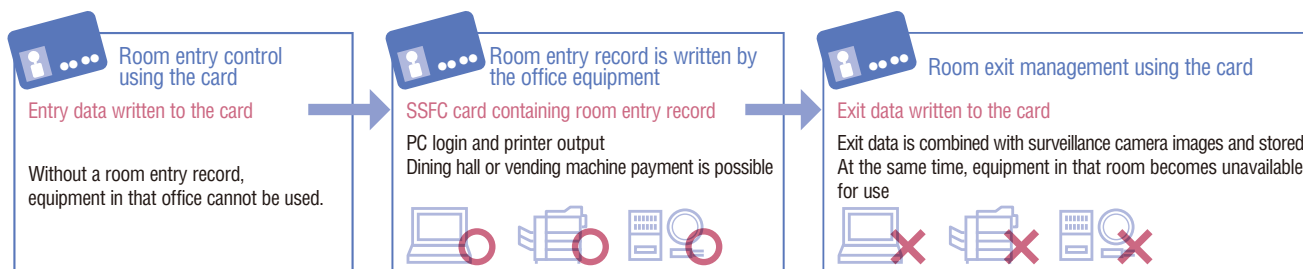
The entire series of actions requiring ID, such as office entry/exit, PC login, printer use, etc., is managed using the ID number on the employee Smart ID card. Logs using the ID number are recorded showing each person's entry into which room, their access of which data or use of which piece of equipment, serving to prevent unauthorized use or leaks of data.

The consolidated management of office security requires the cooperation of a number of specialist companies, with 204 Japanese companies handling items such as physical security equipment, printers, office furniture, and information systems.



SSFC-compatible equipment made by different manufacturers linked through the SSFC card

A system that makes it easy to thoroughly control each individual ID



SSFC-Format Smart Cards

Flexible security and expandability are the strengths of SSFC

Concern about data management has increased as companies have sought to comply with Act on the Protection of Personal Information and to acquire Privacy Mark certification, with security efforts at companies becoming more and more serious. SSFC is a shared format for Smart cards developed so as to provide a more enhanced security system while meeting the demand for greater ease of use. The level of office security is increased by making equipment and facilities, such as PCs, printers, lockers, entry/exit gates, etc., made by different manufacturers SSFC-compatible. Systems operation also becomes simpler and easier, providing a major benefit to companies in terms of data leak prevention and improved management efficiency.

SSFC Expandability and Potential

Toward a more secure and comfortable society

Examples of SSFC use are being found not only at offices, but also in the field of logistics, such as in inflow/outflow management. In one actual system already in use, a forklift driver inserts an SSFC-format Smart card in an onboard device for authentication to start the forklift engine, and the barrier shutters within the plant open and close automatically while the driver stays on the forklift.

Uses of SSFC in items other than Smart cards are also expanding, such as the proving tests for SSFC Mobile, which uses mobile phones in place of SSFC cards and began in March 2009. SSFC-format cards can also be used for employee IDs, ticket and coupon services, and apartment and hotel keys. We are also looking into the use of transport-system Smart cards for ride sharing, which is an example of the expanding possibilities of this system for providing greater safety and comfort in our lives.

Comments from the Secretariat Office

Shigeo Hachiki, SSFC Alliance Secretariat Office

SSFC is aimed at creating a data format for employee Smart ID cards that is shared among manufacturers as well as the commercialization of various types of security equipment, OA machines, office furniture, and similar items compatible with this shared format. Currently, around 200 companies representing a wide variety of equipment manufacturers, systems integrators and others are members of this alliance, linking the equipment they manufacture and thereby enabling con-

SSFC is a corporate alliance formed in February 2005 with the goal of realizing advanced corporate information security using Smart cards. The Secretariat Office is located at DNP.

solidated physical and information security, as well as providing safer and more pleasant office security. Up to now about 270 companies have installed this system, with approximately 1.5 million SSFC cards in use.

For our future endeavors we are looking toward expanding into overseas markets and non-office applications. SSFC represents a world of possibilities, and we at the Secretariat Office are exerting our utmost efforts to realize its potential.



An SSFC Consolidated Security System Model

Strengthening data links among systems through comprehensive monitoring of employee activities

Constructing a flexible security system

Kansai Ubiquitous is a core operation of Credit Saison founded in October 2008, which functions as a call center handling credit card information and registration, review, and customer response.

Tokyo Ubiquitous, which was already operating in 2005, had already constructed Smart card-based systems for handling office entry/exit, dining hall payments, and surveillance of PCs for unauthorized use. Nonetheless, because each of those functions was handled independently, linking the systems was difficult, and total monitoring of the activities of each employee presented a problem.

As a solution to this problem, Kansai Ubiquitous constructed a consolidated security system with SSFC at its axis, linking the office equipment with the system.

Kansai Ubiquitous' security system is comprised of a "physical security system" made up of linked room entry/exit gates and surveillance cameras, consolidated with a "information security system" linking room entry/exit data recorded when a gate has been passed and PC security. Also, a system for the management and analysis of use logs provides a daily checking function. Combining the Smart cards with various kinds of security equipment and the log management system enables the monitoring of employees from the time they enter the office until they leave, as well as enabling the surveillance and control of nearly all work-related activities. This makes it possible to manage the security environment as a single entity.

In constructing the Kansai Ubiquitous system, DNP provided

development of a consolidated control system using SSFC-format employee Smart ID cards, as well as entry/exit gate equipment, surveillance cameras, a dining hall payment system equipment, and other equipment compatible with the SSFC format. This system relays the most recent employee data to the security system without delay in the event of employee transfers, card loss, new part time or temp hires, or when employees leave the company, so that linked data such as that concerning authorizations, etc., can be maintained in the most recently updated status.

At DNP we are treating this consolidated security system as a model, with the goal of constructing systems for handling even more advanced security environments.



Entrance to Credit Saison /Kansai Ubiquitous
Photograph provided by Credit Saison Co., Ltd.



Call center



Cafeteria

Customer Comment

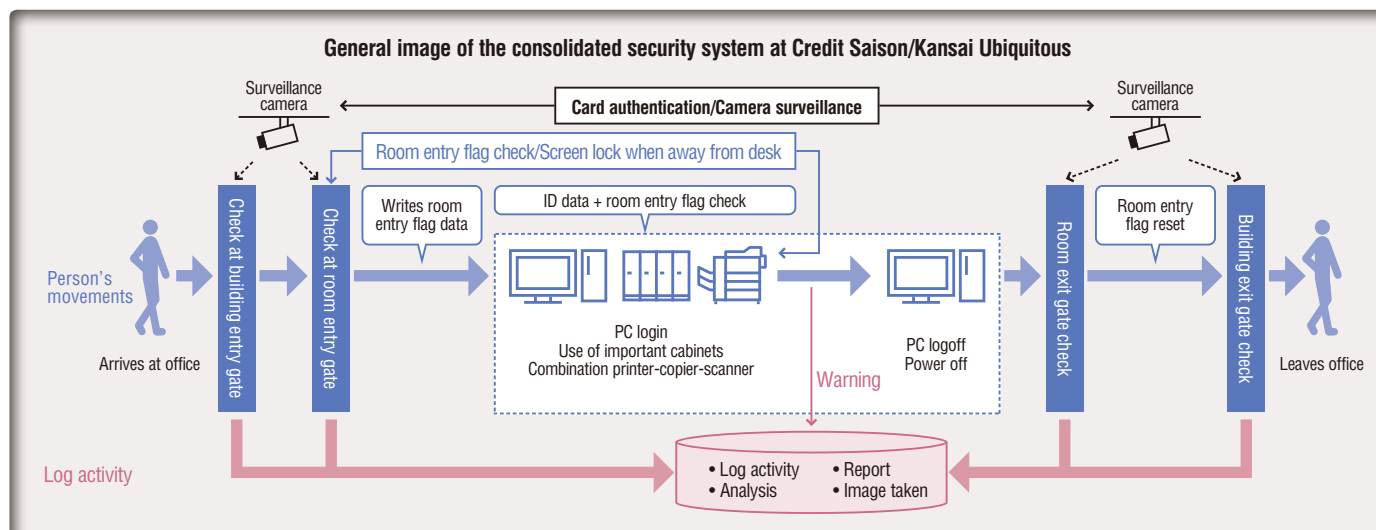
By installing a consolidated security system that revolves around SSFC, we have realized maintenance of the necessary security level with information linkage. Our corporate culture has always been marked by an open atmosphere, so we did not want have a system that would make our people feel like they were constantly under surveillance. We also took into consideration SSFC's compatibility and expandability, which allow for future security en-

Nobumitsu Nigawara

Manager, Systems Planning Dept. Credit Saison Co., Ltd.

hancement and equipment additions, and were able to construct a flexible system. Another attractive feature is that by being able to compare products supported by SSFC we were able to cut costs by connecting all of the systems. We will provide feedback to DNP concerning issues that arise at Kansai Ubiquitous, and we hope that by doing so we will be able to exchange ideas with them and construct an even stronger security environment.





Introduction of SSFC-format Smart cards as student IDs

The SSFC card room entry/exit control system: A vigilant 24-hour campus guard

After initiating study of the system four years ago, it has finally become a reality

The Keio University Shonan Fujisawa Campus (SFC) has a number of specialty faculties, such as the Faculty of Policy Management, the Faculty of Environment and Information Studies, and the Faculty of Nursing and Medical Care, and is recognized as the birthplace of the Internet in Japan.

Known as the “24-hour campus,” the lecture halls and research facilities that dot SFC operate 24 hours a day, with cutting-edge research underway even in the middle of the night.

The PC classrooms in particular are available for students to use at any time. Therefore, when the campus was opened in 1990 a room entry/exit gate control system using magnetic cards was installed. The recent need to revamp this system presented an opportunity to introduce SSFC-format Smart card student IDs.



Keio University Shonan Fujisawa Campus Main Hall

Photograph provided by Keio University

The system introduced in this case consists of SSFC-format FeliCa Smart card student IDs, which can also be used at the Mita and Hiyoshi campuses, and a room entry/exit gate control system. Approximately 5,000 Smart cards were issued to students and academic staff, with Smart card readers for room entry/exit control installed in about 110 classrooms, such as PC classrooms and laboratories. We envision that in the future

use of these cards will be applied to a variety of services currently using magnetic cards, first in replacing various types of ID cards as well as for library access and lending. The deciding factor in choosing this system was the versatility of the SSFC-based Smart cards and systems environment, as well as the ease with which new applications can be added. At DNP, we offer SSFC as well as issue the Smart card student IDs.

Customer Comment

We had been using three kinds of building entry/exit control system, primarily magnetic cards, and we wanted to standardize the system. Also, the system installed when the SFC facilities were constructed was due for renewal, and we chose this opportunity to install the SSFC-format Smart card system because of its high degree of versatility and because it is easy to add applications using SSFC. This system made it possible to use SSFC to standardize

Isao Takekoshi

Manager, General Affairs Shonan Fujisawa, Keio University

access by students to all of the learning facilities of our “24-hour campus.” Currently we are using magnetic cards and barcodes for library access and lending, as well as for issuance of various kind of ID cards. Our next step is to switch from magnetic cards to Smart cards, and by making future buildings we construct SSFC-compatible as well we hope to make our campus even safer and more convenient.



Activities Governed by Laws and Social Ethics

We believe that the continuous demonstration of sincere behavior by each and every one of our employees is the most important factor in earning the deep trust of society, which is vital to the sustainable growth of the DNP Group.

Our Basic Stance

We at the DNP Group use three key words to instill a sense of the importance of corporate ethics held by each and every employee, and shared throughout the entire Group: “Self-Initiative,” “Continuity,” and “Positive.”

We believe that these keywords clarify the stance toward corporate ethics required of our employees, and serve to encourage sincere behavior on the part of each.



Structure for Ensuring thorough Corporate Ethics + Related information



Corporate Ethics Committee

This committee is composed of the directors and corporate officers in charge at each Headquarters division, and is the Group's umbrella internal control organization for supporting our compliance structure. Its goal is promoting the propagation and thorough understanding of corporate ethics throughout the DNP Group.

Committee meetings, at which the members consider the Group's overall compliance structure policies and action plans and make proposals and decisions concerning them, are held regularly on a monthly basis. The Committee also comprehensively examines and provides guidance concerning the creation and operational status of structures based on the action plans, continuously revising the policies and action plans.

The Corporate Ethics Committee has its own secretariat, while individual Corporate Ethics Committees with secretariats have similarly been set up within each Business Division, creating a Group-wide corporate ethics promotional structure.

Management by Objective System

Corporate ethics themes are covered in our Management by Objective System, in which employees are interviewed at the end of each term by their superiors and evaluated concerning the results of their efforts to achieve the targets they have set for themselves.

The evaluations from this system are reflected in employees' Personal Results Assessments, so as to encourage more

serious corporate ethics efforts on the part of each individual employee and to improve results.

Self-Inspection of Compliance with Laws and Rules

The Self-inspection System has been in full operation in the Group since 1997. Conducted under the motto “Guarding our own organization ourselves,” in this system each business division checks and evaluates the status of its own compliance with inspection categories established by Headquarters supervisors concerning laws and rules. When insufficiencies are identified the Headquarters supervisors provide support to efforts for improvement.

The inspection categories and methods are reviewed annually with the goal of improving efficiency and results. Some of the categories were revised in FY2009 with the goal of improving inspection accuracy.

Compliance Evaluation System

In contrast with the Self-inspection System, in which the business divisions check up on themselves, the inspections in the Compliance System, which was inaugurated in 2005, are conducted by the Headquarters supervisors, who examine and evaluate the compliance efforts of the business divisions from an objective point of view.

The results are reported at the Executive Committee Meetings, which allows each business division to see their compliance status and mark how their own compliance level

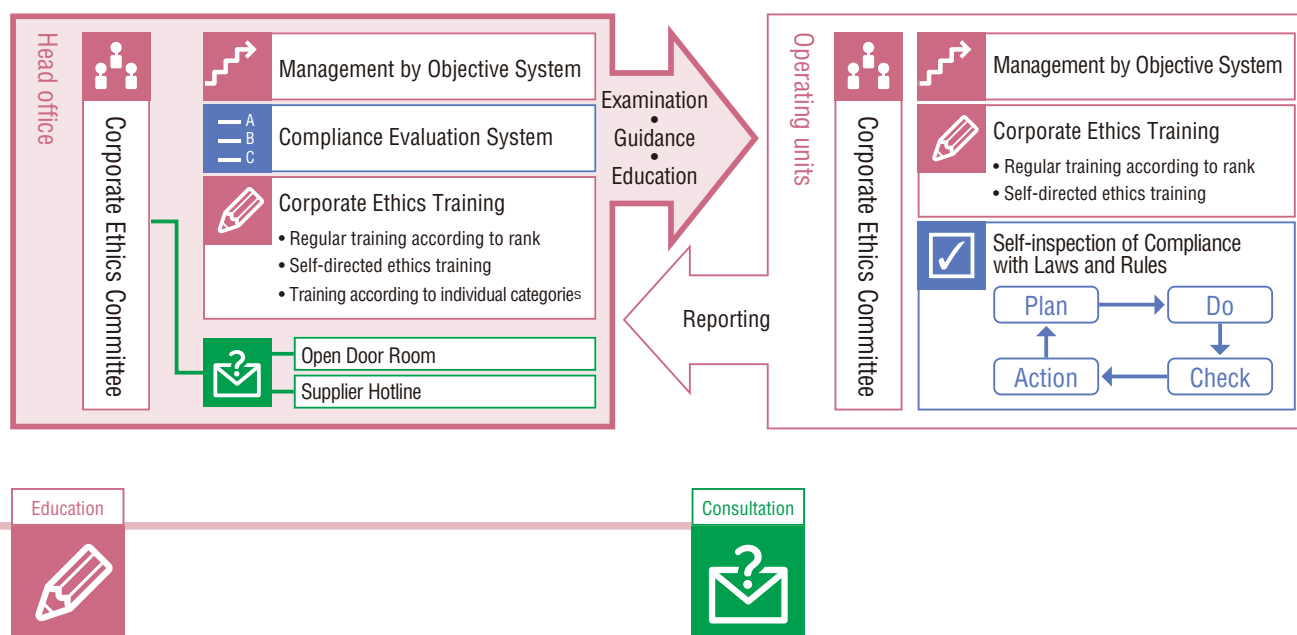
The DNP Group has continued to maintain a high level of corporate ethics efforts as it seeks to remain a company that is trusted by society. I give them high marks for their efforts this year, which include seeking to enhance their compliance system by newly establishing the Supplier Hotline.

While corporate ethics can be said to be the foundation of CSR, the "R" in CSR is evolving from "responsibility" to "respect" (i.e., respect for the image a company must have and that it seeks

to have). From now on, corporate ethics should transcend that which is required in terms of "responsibility." Companies should consider what they must do to be trusted, and the image they should seek to achieve through their contributions to society, so as to gain the benefits of receiving "respect" from society based on trust.



Diagram of systems for thorough corporate ethics



measures up within the Group. In this way, each division is aware of their compliance grade, inspiring them to work harder to improve, thereby improving the level of the Group as a whole.

■ Corporate Ethics Training (education and awareness programs)

At the DNP Group we believe a sense of corporate ethics will take a deeper and firmer hold at our company if employees possessing a strong ethical perspective can think and act for themselves. We have developed corporate ethics training programs that provide opportunities to cultivate even more strongly self-motivated employees.

In FY2009, we continued the efforts begun in FY2008 to develop self-directed ethics training at our overseas affiliates so that a sense of corporate ethics corresponding to that of our Japanese group companies will take a deeper and firmer hold at those companies as well. We focused on our local employees in particular in those efforts.

Main Corporate Ethics Training Programs

Entry-level education	Training received by employees when they newly join the DNP Group
Regular training according to rank	Training by rank for new management-level employees
Self-directed ethics training	The top managers at each business division serve as the trainers for their subordinates
Training according to topic	Training according to individual topics, such as major laws and regulations, etc.

■ Consultation and Reporting System

● Open Door Room

The "DNP Group Open Door Room" was established in October 2002 so that employees with concerns about corporate ethics can feel secure when consulting or reporting information. We overhauled our "DNP Group Open Door Room Operating Standards" in 2006 in response to the enactment of the Japanese Whistle-Blower Protection Act, so that people would be able to consult and report without hesitation. We also worked hard to find ways to inform our employees about the Open Door Room, such as by putting an animated feature about it on our website. The number of reports has been increasing every year, with around 20 consultations/reports received in FY2009. These were mostly of a general nature, and none had an impact on our business.

● Supplier Hotline

The Supplier Hotline was established in 2009 so as to provide a contact point for our suppliers, whom we consider our valued stakeholders, to consult or report about improper behavior on the part of persons associated with the DNP Group. Similar to the Open Door Room, the Hotline performs an effective consultation and reporting function within our internal control system, and we are working to make sure that our suppliers are aware of it and that it operates properly.

Protecting Personal Information

We view our duty to guard information assets, such as the personal data and the information entrusted to us by customers in conducting business, as a matter of course. Information security and personal information protection are among the most important management issues facing the DNP Group, and we maintain strict, continuous controls through strong management systems and employee training programs

Thorough Information Controls and their Further Expansion + Related information

The DNP Group maintains a Personal Information Protection System and strict, continuous controls on information assets. We also by establishment, execution and check of our security control policies, monitoring them for any issues that may arise, and seek to resolve them through IT and other means, employing know-how and technology in our DNP security solutions.

Strengthening Policies through System Improvements

DNP has established the Headquarters DNP Group Information Security Committee and the Information Security Headquarters as our company-wide control organizations, which examine the information security measures of our business operations and Group companies, and provide guidance to them. Also, Information Security Committees have been established in each of the business operations and Group companies, which under the direction of the committee chairpersons and persons in charge of personal information control handle issues such as training and computer measures, and are in charge of inspections.

Maintaining Internal Procedures and Rules

Our personal information protection measures include maintaining the Personal Information Protection Regulations and establishing joint rules regarding actual standards for information protection within the Group.

Concerning information security, we maintain the Basic Personal Information Policy and Basic Personal Information Rules, under which nine standards have been established

concerning document control, computer use, areas from which non-DNP employees are restricted from entry, and others. In FY2009, we created new standards for websites and training. Our system is always on the alert against new threats and risks, in response to which we rapidly send out notices, establish or revise our rules accordingly, and we make sure that our employees are thoroughly informed about them.

Personal information protection policy

<http://www.dnp.co.jp/eng/about/privacy.html>

Establishment of a Management System

DNP has been promoting the establishment of a management system for full compliance with all laws and regulations at all Group business offices handling personal information, pursuant to the Japanese Industrial Standards "Personal Information Protection Management System Requirements" (JISQ15001).

Also, we are actively making progress toward acquiring the Privacy Mark and ISO/IEC27001.

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 ISO/IEC27001

Strengthening Security through Human Resource Development

We are engaged in raising the awareness of each employee through efforts such as pamphlet distribution, mass education, network learning and other forms of training.

Main efforts in FY2009

DNP Group Information Security Committee	Committee Chairman Guidance	23 times
Information Security Headquarters	Auditing/Guidance	47 offices; Total of 107 times
	Compliance evaluations	116 headquarters divisions, operations, Group companies; Total of 290 hours
	Audits of Personal Information Management Systems	52 headquarters divisions, operations; Total of 174 hours
Human Resource Development	Personal Information Protection Management System (PMS) Education	July 2009 - March 2010; Total of approximately 41,000 participants
	Information Security Course for Technicians (held 5 times)	November - December 2009; Total of 600 participants
	Information Security/Personal Information Protection Tester/Auditor Education (JISQ15001, ISO/IEC 27001) (Held 2 times)	November 2009 - February 2010; Total of 95 participants
	Nationwide Information Security Conference and Seminar for Information Security Promotion Office Managers	Held in June 2009 and February 2010



Information Security Course for Technicians



Information security course materials

While ICT is important to the organizational infrastructure in terms of contribution to a company's competitiveness, building lasting relationships with customers, cost reduction and enhanced productivity, it is necessary to maintain a balance between it and information security/risk controls. While DNP introduces the latest in ICT and services, the company also demonstrates leadership that extends beyond the industry. For example, as part of its effort to continue to remain up to date about the most appropriate information security to prevent and protect against ever-evolving

threats, DNP conducted deep TA/WA with the CIOs and CSOs of each company actively participating in the Information Security CIO Forum, which is sponsored by like-minded companies in the industry. In addition to introducing the latest technology, DNP conducts unceasing efforts to strengthen its effective information security through education and training programs and inspection. It is my hope that in response to society's demands DNP will continue to execute information security measures that provide a sense of security to customers.



Constructing an Office Security Environment + Related information

Strengthening security through new Smart card employee IDs



Desktop security system "TranC'ert"

In October 2009, we completed issuance of Smart card replacement employee IDs to about 34,000 DNP Group employees, thereby constructing an office security environment that merges

leading-edge security with convenience. The newly-introduced proprietary DNP Smart card employee IDs are loaded with two IC chips- a contact IC and a FeliCa 9KB, the first domestic non-contact IC with twice the data capacity of previous models. The new card supports the latest coding technology and biometric authentication.

Biometric authentication using the new Smart card employee IDs (finger vein and palm vein) is used for entry/exit

control for computer rooms in which personal information is handled. This accurate system of personal ID confirmation prevents intrusion by outsiders.

Cooperation with Industry Groups



Lecturer provided for seminar at the Japan Federation of Printing Industries

Japan Federation of Printing Industries: We dispatched members to the Personal Information Protection Seminar, where they assisted in revising the "Personal Information Protection Manual for the Printing Industry" and in promoting personal information protection in the printing industry.

Security measures based on Smart card employee IDs

Physical measures

Installation of security gate system	<ul style="list-style-type: none"> • 18 new sites • Total of 121 sites (including some overseas plants and offices)
ID when using combination printer/copiers	<ul style="list-style-type: none"> • Can print only those documents for which one is authorized • Expands system for preventing leaks due to machine being left unattended, etc. (through joint development with equipment manufacturers) within the company

Technological measures

Access control using non-contact IC	<ul style="list-style-type: none"> • Key control system (locker for important documents) • Safety box • IC tag system for delivery of valuables • Control system for researcher attendance • IC tag-supported automated library lending system • Work attendance hours control system • Dining hall payment system (deduction from salary, electronic money), etc.
Access control using contact IC	<ul style="list-style-type: none"> • Desktop security system (TranC'ert) (control of PC boot-up, etc.) • PKI authentication • Security systems for home office PCs employed as anti-influenza measure • System for receipt of important data, etc.

Example

Digital pen-based visitor reception control



We have inaugurated a visitor reception control system using digital pens to convert information entered on a form to digital data. Information filled in by visitors on forms presented upon entry is immediately digitized. While this of course allows visitor data to be monitored, it also reduces the systems control and entry form (paper form) storage load, and ties in this system with the security gate system Smart cards loaned to visitors.

Example

Website manipulation prevention measures

We conduct twice-annual vulnerability inspections of all DNP Group Internet servers that handle personal information. Also, we established the Website Control Standards in FY2009, and conducted overall checks of the website as needed to prevent manipulation by "Gumblar," a malware botnet.

Sincere Dealings with Suppliers

We believe we can offer safe products and services that are useful to society, starting by fulfilling our social responsibilities such as legal compliance, environmental conservation, and fair labor practices. We strive to share this approach with our suppliers and work together with them.

Our Basic Supply Chain Philosophy

DNP works together with suppliers to achieve high-quality and meet the demands of society across the entire value chain. The existence of superior goods and services is pointless if the production or materials procurement processes create social disharmony. We are moving forward with a variety of management measures with the goal of attaining a high standard of value creation in tandem with strong compliance awareness.

Value Chain: The continuous process of creating added value in the course of the provision of goods or services by a company to customers, from procurement to development, production, sales and service, up to and including the delivery of the said goods or services to the consumer.

Regarding materials procurement

<http://www.dnp.co.jp/eng/procurement/>

Promoting CSR Procurement + Related information

In March 2006, DNP amended our Basic Procurement Policy, and newly established our DNP Group CSR Procurement Criteria. We held explanatory meetings for suppliers so as to deepen their understanding of our CSR Procurement Criteria, and conducted regular compliance status surveys.

■ Group Company CSR Procurement

CSR procurement efforts have been underway at Group companies since FY2008, but due to the broad differences in type and scale of business among these companies it has been difficult to develop these efforts in step. Therefore, in FY2009 we proceeded to monitor the status of the efforts at each supplier, focusing on the major issues at each Group company. In this way we gained a mutual understanding of the items requiring improvement, and proceeded with concrete improvement efforts.

■ Continuous Efforts to Make CSR Procurement Take Hold

2010 marks the fifth year of our continuous attempts to improve our efforts to increase CSR procurement awareness on the part of our suppliers. We believe that our continuous efforts are making CSR procurement take hold across the supply chain, and we will actively continue to try to expand on our accomplishments.

Example Regular CSR Procurement Criteria compliance status surveys

● Survey form (Supplier → DNP)

These surveys have been conducted continuously about once annually since the first one in 2006, with the third conducted in autumn 2009. These take the form of a self-checking questionnaire, which in the first two surveys dealt with items noticed by the supplier. We chose not to change the survey items so as to ascertain the degree of progress made, but having determined through the first two surveys that the initial goals had been accomplished, we changed the content of the questions in the 2009 survey so as to deepen understanding of each of the problematic items.

● Feedback through the evaluation sheets (DNP → Supplier)

Since the second survey in 2008, DNP has supplied feedback to the suppliers in the form of an "evaluation sheet" showing the survey results, in which we seek to have the supplier improve awareness and understanding of CSR compliance. We created the evaluation sheet ourselves based upon the DNP Group CSR Procurement Criteria, with the evaluation categories broadly divided into "Social Aspects," such as human rights and labor, and "Environmental Aspects." The goal is to make it possible to see the degree of progress in each area.

Nowadays, CSR requires that a company take measures in the environmental area, such as promoting anti-global warming measures and responding to toxic substance regulations (for example, REACH), as well as grappling with social concerns such as compliance and corporate governance.

While our company's CSR activities naturally include conducting business responsibly and compliance with laws and regulations, we also seek to promote sustained CSR efforts while

listening to the opinions of all of our stakeholders.

The categories in the CSR procurement surveys of DNP, which is an important client as well as one of our stakeholders, are always accurate. Also, the use of the pentagon graph in the evaluation sheets allows us to visualize clearly those areas in which we need improvement, which is a big help when checking up on our CSR promotion activities. We plan to continue to make use of the valuable opinions offered by DNP.



Building a Relationship of Trust with Suppliers

DNP always aims to act sincerely so as to remain a company that is trusted by society. Therefore, our employees strive always to engage in activities in accordance with all laws and regulations, as stipulated in the DNP Group Code of Conduct.

Furthermore, we have established detailed rules concerning employees engaged in external trading, such as that they must comply with all agreements entered into with suppliers and contractors, may not receive gifts or favors, and may not engage in breaches of social ethics.

■ Establishment of the Supplier Hotline

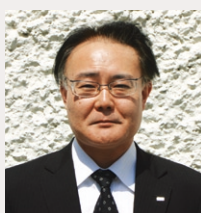
We established our Supplier Hotline in November 2009, so as to create a structure for rapid response in the unlikely event of unlawful action on the part of any of our employees. This Hotline serves as the contact point for our suppliers to inform us of unlawful action (or suspicion of unlawful action) by a DNP employee in the course of doing business with the DNP Group.

Thus far no suppliers have consulted with us via the Hotline concerning any particular problem. We will continue work on measures that promote fair and honest business dealings based on a relationship of mutual trust.

Employee Comment

Hiroshi Asada

General Manager, Purchasing Division



DNP deals with a broad range of trading partners in terms of scale and type of business, as well as a wide variety of materials and services, in developing our extensive array of businesses with printing technology at the core. When I first began explaining about compliance with DNP's CSR procurement policies to our trading partners there were as yet very few companies engaged in such efforts, making it really difficult to gain their understanding. I wound up holding numerous explanatory meeting that began by presenting the basics of CSR.

While it was difficult, we at DNP view our trading partners not only as our valued partners, but also as important stakeholders. Consequently, carefully responding one by one to the doubts and problems of our trading partners is in itself DNP's CSR, and serves to strengthen our TAIWA with them.

CSR and the CSR procurement concept have by now caught on throughout the world, and we rarely hear fundamental questions about the topic. Nonetheless, I intend to continue as I have up to now in making a sincere effort to contribute to the best of my abilities to the realization of a sustainable society.

Preparedness for Unexpected Accident

A BCP (Business Continuity Plan) is a plan by which a company guards against the stoppage of important work caused by the occurrence of, for example, a large-scale natural disaster or influenza pandemic, and which provides that the supply of products and services will resume with an allowable period of time even should a work stoppage occur. Thus, BCPs constitute an important management strategy. Consequently, a BCP must realistically take the entire supply chain into consideration, which makes joint efforts with suppliers indispensable.

■ Large-Scale Earthquake Measures

Since 2005, the DNP Group has been engaged in establishing BCPs for large-scale earthquake risk for each of our main operational sites. We specify the important business and work at sites where an earthquake of intensity 6 upper is anticipated, taking the special characteristics of the business and customer needs into consideration. We then create a plan consisting of measures to restore business within a target time period.

We have also been proceeding with revisions to our company-wide disaster prevention plans concerning large-scale earthquake measures in the event of an earthquake occurring directly under Tokyo, which prioritizes preserving continuous core functions even when a disaster occurs. We are proceeding with these plans which function in tandem with our BCPs as deliberate, strategic measures for preventing/minimizing of damage.

■ Influenza Pandemic Response and Countermeasures

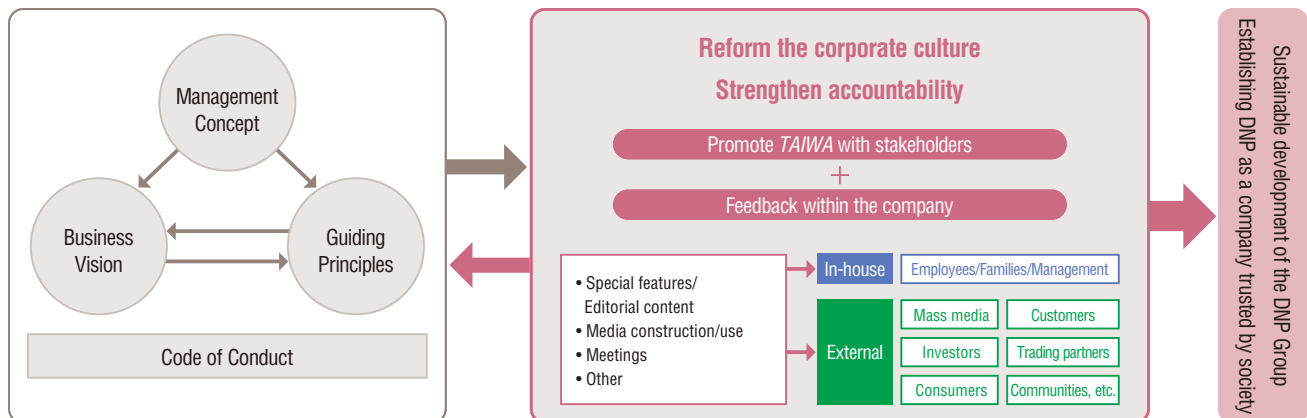
We created a BCP in 2009 in response to the influenza outbreak in preparation for its possible spread throughout the company and the outbreak of an even stronger strain (please see P48).

We received many inquiries from customers, in particular at our Packaging Division which is responsible for supplying society with food and medical goods packaging, concerning transmission prevention in the event of an influenza pandemic and our ability to maintain supplies. Our measures in this regard included gaining the cooperation of all elements of the supply chain, including suppliers, distributors, and customers, in the area of infection prevention. Also, we established measures such as getting accurate information from our suppliers, as well as their cooperation, in examining inventories prior to the onset of the pandemic.

Promoting Prompt Disclosure and Communication

DNP seeks to deepen *TAIWA* with all of our stakeholders, such as shareholders and investors, client and trading partner companies, consumers, the mass media, our employees and communities, and to enhance our daily communications with them through the timely disclosure of information.

DNP's Corporate Communications + Related information



DNP engages in active *TAIWA* with a broad array of stakeholders, and we believe that the importance of mutual respect for each others' philosophies and opinions demands that we disclose appropriate information in a timely fashion as well as fulfill our duty of accountability. We seek to realize our Management Concept, which advocates contribution to society, by obtaining feedback from our stakeholders and reforming our corporate culture, in addition to increasing our corporate transparency.

■ Expanding Opportunities for Communication

DNP takes an active approach to information provision by gaining an accurate understanding of society's needs and maintaining close communications with all stakeholders. We seek to expand opportunities for communication, by providing material and press releases to the mass communication outlets as well as by enhancing a variety of communications tools, such as the design and operation of our company showroom for corporate clients, and strengthening our IR efforts.

DNP is also building our new information media know-how, such the inauguration of our digital signage-based in-house information sharing system at all major domestic sites. This know-how is being put to use in improving services for our corporate clients.

■ Retention and Disclosure of Company Data

DNP collects and retains corporate data and a variety of related data which enhances our communications efforts. We have accumulated much data possessing strong cultural value over our years of social contribution since the founding of the company

more than 130 years ago, and when appropriate we present that and other data at our showroom and in other venues.



Display facility for "Infopark- from letterpress to digital" (Shinjuku Ward, Tokyo)

Example ✎ More than 100 news releases annually




Our news releases summarize DNP's broad array of new products and services in an easy-to-understand way. We also produce more than 200 articles for distribution to reporters each year, focusing on popular themes.

When accidents, fires or other incidents occur we release accurate and timely information about the cause, measures being taken, and background, and exert our maximum efforts to prevent the spread of damage to others.

Since 1966 the Nippon Keidanren Business Services Internal Communication Center has selected a superior in-house corporate publications to receive our annual "Nippon Keidanren Recommended Company Magazine" award.

The DNP Group company magazine "DNP Family" has received high marks from us in recent years, taking the "Overall Performance Award" for comprehensive superiority from design through layout in 2008 and a "Special Award" in the Visual category in 2009. Quarterlies have a tendency to be somewhat lacking in content

in comparison with monthly or bi-monthly publications, despite the fact that design, editing and other tasks are time-consuming. Nonetheless, each edition of "DNP Family" has been excellent. It displays the well-balanced, stimulating layout and color scheme one would expect from a printing company. As the name suggests, the magazine takes into consideration not only employees but also their families. The cover illustration theme of "A Splendid Future To Be Lived As A Family" of each edition showing employees gathered together with their families is a pleasure just to behold.



Enhancing IR (Investor Relations) Efforts

+ Related information

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. Our disclosure efforts are led by the Information Disclosure Committee, which gathers corporate data and determines disclosure methods and other considerations, with the goal of executing prompt disclosure.

We pour our efforts in our IR activities into expanding opportunities for communications with investors by holding individual IR meetings, factory tours, etc., so as to provide detailed responses to investor demands. We are working to enhance our various communications tools so as to present DNP's strengths and strategies in an easily understood manner.

Communications with shareholders and investors

Expanding opportunities for communication

- More than 200 individual IR meetings annually
- Factory tours, strategy and technology seminars concerning business of particular interest
- Meetings conducted via telecom networks (for overseas shareholders and investors, etc.)
- General shareholder meetings (introducing DNP's efforts through displays and video)

Enhancing communications tools

- Expanding IR information on the homepage
- Publishing annual reports and shareholder bulletins
- Introducing exercising of voting rights via the Internet
- Offering consolidated financial report summaries and news releases in both English and Japanese

Strengthening Communications Using Tools

We work to maintain our relationship of trust with each of our stakeholders by planning communications strategies that take the special characteristics of each into consideration and by conducting appropriate information disclosure using the optimal tools.

• External communications tools

We revamped the DNP homepage in October 2009, improving its ease of use and enhancing the content. We also offer our "DNP News Channel" focusing on business topics and events on our homepage. In addition, items such as guides to the company (Japanese and English) and the "DNP Report" shareholder bulletin are available for printing and as PDFs.

• In-house communications tools

Our Group magazine, "DNP Family," is distributed to about 40,000 DNP employees, and covers the activities of the Group as a whole, with the goal of instilling our business vision. We have also launched new efforts, such as the inaugural issue of "Discover DNP" and information transmission using digital signage.



Group magazine, "DNP Family"

Example Creating the most appropriate tools with stakeholders in mind



• DNP homepage (dnp.co.jp)

Our homepage introduces the businesses of our three main segments in an easy-to-understand way, and by improving the site's search function we are increasing the number of times it is accessed.



• Information journal, "Discover DNP"

This is an in-house publication introducing DNP's consumer products and services. It was launched in February 2010 with the goal of promoting the understanding and use of DNP's business.



• Digital signage

Large displays have been installed at some DNP sites for presenting information to employees and visitors.

Efforts to Realize a Safe and Convenient Society

The need for Universal Design is increasing as society changes and values diversify. The DNP Group is working to make the products and services we offer easy to use for as many people as possible.

The DNP Group's UD + Related information



DNP UD Mark:
This mark symbolizes the attempt to incorporate UD as promoted by the DNP Group

The upgrading and improvement of products and services from a consumer perspective is essential to realizing a universal society that is safe and convenient for all. At DNP, the realization of Universal Design (UD) in all of our products and services is an important issue in the daily work of all employees.

In FY2009, we continued to move this concept forward by revising the 2008 UD Declaration and principles while promoting tie-ins with external organizations.

Universal Design: The design of items such as appliances, buildings, and living spaces that from the outset takes into account usability by as many people as possible.

■ 5 Universal Design Principles

DNP Group UD begins with our determination to consider everyone. The DNP Group's 5 Universal Design Principles have been established to make our UD efforts more fruitful. The DNP Group offers a broad array of products and services, and we strive to make them easy to use by applying these Principles in all of our fields of business.

Principle 1: Make it clear

Label properly according to the circumstances of the information recipient.

Principle 2: Make it intuitive

Design so that usage is easy to understand, enabling intuitive handling.

Principle 3: Make it flexible

Design to enable diverse users and usage methods.

Principle 4: Make it safe

Design so that even if misused there is no danger.

Principle 5: Make it easy

Design for comfortable handling with minimum force.

The DNP Group 5 Universal Design Principles are based on the "7 Universal Design Principles" of Dr. Ronald Mace, an American who coined the term "Universal Design."

DNP Universal Design

<http://www.dnp.co.jp/ud/>

Next-Generation Human Resource Development Advancing UD

DNP is engaged in programs for advancing UD which include evolving our in-house efforts as well as working in cooperation with external organizations.

As part of our in-house efforts we are continuing to operate network learning focusing on new employees, so as to improve understanding of the UD philosophy and programs and make them take hold among all of our employees. As we did in 2008, we continued to invite outside experts to conduct UD awareness seminars.

Our work in cooperation with external organizations includes joining the International Association for Universal Design in 2003 as a trustee and directing company, in which we have been at the center of development of a number of projects. We will continue to actively develop programs for promoting UD that go beyond efforts within our own company.

Example Accessibility Leader Camp



In March 2010, DNP began cooperative efforts with the Accessibility Leader Training Association by becoming a corporate host of the Accessibility Leader Camp program for training personnel to take the lead in a "people-friendly" society. At the event, 21 students and teachers, mostly from Hiroshima University, held a UD Evaluation Workshop at our Tokyo Human Research Laboratory.

Accessibility Leader Training Association: This Association was established in June 2009 through a combined effort led by Hiroshima University, Microsoft Corporation, and the Japan Student Services Organization, with the goal of developing "Accessibility Leaders" at public and private universities throughout Japan to promote improved accessibility in academic, work, and living environments using IT and other means. "Accessibility" means ease of use and access to information, services, products, the environment, etc.
<http://alp.hiroshima-u.ac.jp/>

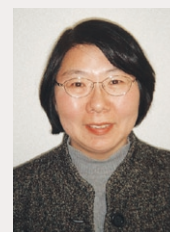
Stakeholder Opinion

Mariko Fujita-Sano, Assistant Director of Accessibility Leader Training Association/ Professor, Graduate School of Integrated Arts and Sciences of Hiroshima University

Our Association seeks to train leaders in accessibility promotion at universities, companies, and in communities throughout Japan by conducting our Accessibility Leader Program, which consists of study courses, qualification certification, internships, and training camps.

At our March 2010 Accessibility Leader Camp, DNP, our host company, introduced excellent leading-edge UD efforts and evaluation methods at its Human Research Laboratory. The par-

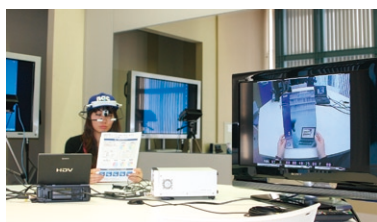
ticipating students were able to gain valuable experience which greatly stimulated their motivation, and I expect they will use that experience in bringing UD to society. I sincerely hope that DNP will continue to be active in developing this program.



UD Efforts in Business + Related information

■ Efforts by Usability Verification Facilities

Both the Tokyo Human Research Laboratory and the Osaka PUL (Packaging Usability Laboratory) are, in addition to



Human Research Laboratory

package evaluation, engaged in developing methods of scientific analysis of all facets of consumer behavior.

■ Efforts in Lifestyle and Industrial Supplies Segment

DNP's UD efforts in packaging, which is used daily by consumers, are focused on the package development work of our Packaging segment. When purchasing a product, consumers demand that not only the contents but also the package be of high quality, as well as strong. We conduct labeling and package design in an effort to develop packaging that is more attractive and easy to use. We also dispatch employees to participate in projects conducted by external organizations, so that they can both increase their knowledge and actively participate in the promotion of UD in society.

Employee Comment

Kenji Tsuchimura

Planning Division, Packaging Operations

What makes a "burn warning" label intuitively understandable by most people, irrespective of gender, age, or nationality? We have grappled with this problem together with other project members at the International Association for Universal Design since 2006. Consumers spend only a short time looking at the information on packages, so one very effective way of relaying information is through pictograms. After examining more than 100 design proposals, we released a "burn warning" pictogram with enhanced understandability and decipherability in 2010. We are currently promoting its widespread use.



Results of the International Association for Universal Design "UD Project for Food" research

■ Efforts in the Information Communication Field

We have been actively licensing our DNP original font, "Shueitai," to outside parties, so that more people can be able to enjoy the easy-to-read font that has been in use for so many years. Morisawa & Company launched its sale as a font product in November 2009, and we hope that will lead to even more widespread use

At digital content producer DNP Digitalcom we have launched the GOGO Design Renewal Pack service, which eval-

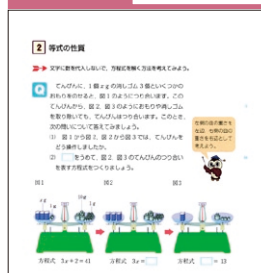


GOGO Design Renewal Pack

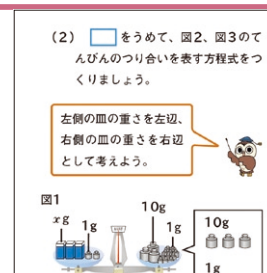
uates client company websites from a variety of perspectives. By conducting eye tracking and color image analysis we can make website content easier to understand and improve message expression.

Eye tracking: This is a method of website use analysis that employs sight line analysis to measure "how long" and "along what path" a user gazes at "which locations and regions" on a web page.

Example Magnified textbooks for sight-challenged children



Original textbook



Magnified textbook

Sight-challenged children possessing a visual acuity of 0.3 or less have difficulty using textbooks, even when they use corrective eyeglasses. DNP Group Kyokko Shuppan has developed magnified textbooks for use by such children.

We convert the text to large Gothic font, and adjust the diagrams and photos. Inserted illustrations are also re-rendered. The content of a single page in a regular textbook is magnified to take up 3~4 pages, and in some cases it is necessary to use a different approach from the regular textbook design in producing some of the pages in a magnified textbook. We at the DNP Group believe that the experience gained in this way provide clues to finding methods that make it easy to express information to diverse people in differing situations, and we hope that by sharing and developing this know-how we can bring universal design to the field of information transmission.

Offering Products and Services Trusted by Society

As a provider of products and services, the DNP Group remains aware that quality and safety efforts are one of its main responsibilities. Our entire Group is united in working to provide consumers with safe, easy-to-use products and services.

Our Basic Quality and Safety Philosophy

At the DNP Group we base our quality and safety efforts on imagining the location where a product or service will be used, and considering from the consumer perspective how it can be used safely and what is required in terms of quality. We then repeatedly make improvements accordingly.

The DNP Group is united in our efforts to make repeated improvements from the consumer perspective at every stage, from design proposal to delivery. In this way we seek to offer products and services that satisfy our clients and consumers.

Maintaining the World's Top Standard of Quality + Related information

DNP Group Quality Policy

The DNP Group created our “DNP Group Quality Policy” in 2005, with the goal of maintaining and improving our manufacturing at a level that produces safe products with the highest standard of quality in the world.

Quality Policy

<http://www.dnp.co.jp/csr/theme07.html>

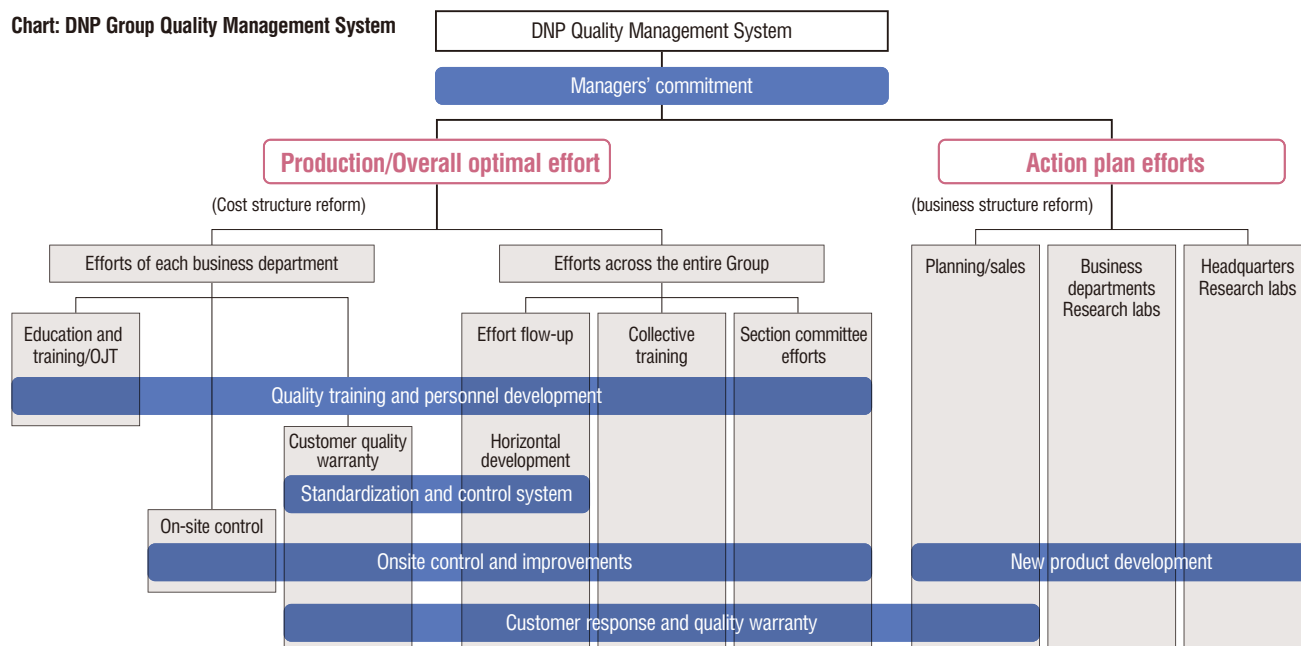
DNP Group Quality Management

The DNP Group is involved in a broad array of businesses, and as the products and services handled differ, so do the quality control methods vary according to the business. We engage in cross-Group efforts and employee training in aiming for quality management in the Group overall, so as to conduct quality ef-

forts that match up to each particular business field, as well as to accurately ascertain the needs of society and our customers and gain a thorough synergistic effect.

We are making all efforts to acquire a variety of certifications so as to continue making steady progress in quality improvement. We are continuing to acquire certification, such as ISO9000 series certification for quality management, as well as ISO22000 for food safety and quality certification by our Packaging segment, IT security certification (ISO/IEC15408) information management, “privacy marks” for personal information, and Information Security Management Systems (ISO27001/ISMS). (P31)

Chart: DNP Group Quality Management System



Each DNP operation and Group company has a Product Safety Committee and has established operational guidelines for product safety, so as to ensure the safety of the products and services offered to customers. Even if a thorough system has been put in place, if it does not function effectively the level of protection against product accidents is reduced. To counter this, in 2009 DNP established the Product Safety Practices Committee to conduct on-site verification of the operational status of the product

safety management system. Having attended this Committee as a third-party observer, I got a sense of the strong commitment of the people in charge at each site to conducting risk evaluation, anti-risk measures, verification, and improvements so that absolutely no product accidents would occur. It is my hope that this strong commitment will be sustained, resulting in further improvements to the product safety management system and quality assurance of the highest standard in the world.



Example

Efforts across the entire group based on quality management

● Production 21

This is a project in which all DNP Group operations and employees participate to create a muscular manufacturing structure responsive to changes in the marketplace. While actively improving our manufacturing operations, we seek to optimize the entire structure, from order-taking through distribution and delivery. We therefore are making efforts in planning and development, sales and other areas, and are taking the customer's perspective in strengthening our activities.

● Quality training



Group leader training

A strong quality and safety consciousness on the part of employees is essential to the creation of high quality products and services. We seek to improve employee consciousness by conducting network learning programs and practical training to cultivate professionalism in our personnel.

Product Safety Efforts Related information

■ DNP Group Product Safety Policy

We established the DNP Group Product Safety Policy in 1994 so as to offer products that go beyond customers' product safety needs and expectations, and we continue to work to ensure the safety of our products.

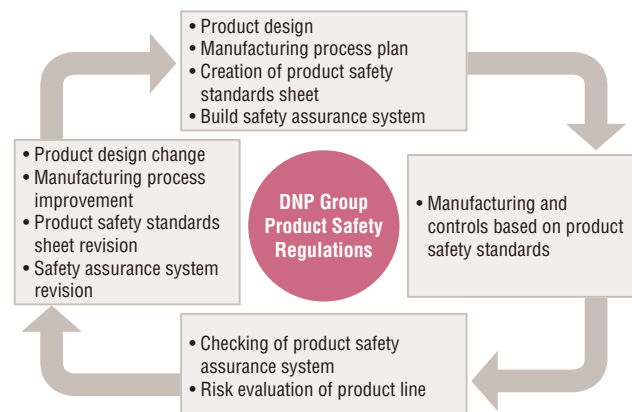
Product Safety Policy

<http://www.dnp.co.jp/csr/theme07.html>

■ Product Safety Control System

The DNP Group Product Safety Committee establishes rules and guidelines concerning product safety, and informs the Group about them. The Product Safety Committees in each operation and Group company then establish product safety control systems based upon these rules and guidelines, and conduct safety efforts.

Given the importance of continuous product safety efforts, we conduct regular (twice annual) checks of the product safety systems, and risk evaluations of all product lines. Based upon the results, we make revisions to the control system, alter product design, or make improvements to the manufacturing processes, so as to ensure a greater level of safety.



Example

Product Safety Practices Committee at a factory



The Product Safety Practices Committee performs onsite confirmation of product safety accident countermeasures conducted at manufacturing sites, as well as their application status. In addition to the manufacturing facilities and work procedures, the Committee looks for any problems existing throughout the overall management system and seeks to make improvements. The Committee inspected five factories in FY2009.

Realizing a Pleasant and Energetic Workplace

The DNP Group places the greatest importance on human dignity, so we respect diversity, recognizing the uniqueness of each individual. We encourage each employee to develop a workstyle that corresponds to his or her individual characteristics within a diverse workforce, and by using time efficiently we can realize a pleasant and energetic workplace.

Respect for Diversity + Related information

Diversity Promotion Efforts

In FY2009 we drew up a concrete action plan for resolving issues at each Group company concerning our goal of gaining Group-wide understanding of the DNP Group philosophy of "Respect For Diversity," and to create a workplace in which every employee is able to work to his or her fullest potential. In real terms this meant retraining all employees concerning "harassment," which constitutes an infringement upon respect for human rights and diversity, with about 24,000 employees taking our "Diversity Promotion Course" and our revamped "Sexual Harassment Prevention Course" via network learning.

Active Support of Female Employees

Female Employee Active Support Meetings

These meetings were created to nurture a spirit of challenge among female employees by assisting in forming a support network of senior female employees and alleviating the career insecurities and concerns faced particularly by women, so as to create an organizational culture in which our female employees can display their skills to the fullest.

At the same time, we are aware of the need to create a work environment in which men and women can work actively, so we are attempting to change the attitudes of male superiors about women at the workplace. By March 2010, 1,058 female employees had participated in the Female Employee Active Support Meetings since they began in 2006.

Employee Comment

Keiko Muroi

Sales Division, Ichigaya Publication Printing Operations

I participated in the Female Employee Active Support Meetings, conducted under the theme of "Create A Career That Suits You!," as a senior employee panelist. I was able to hear what female employees working in a variety of work environments had to say, which provided an excellent reference point for considering how to promote diversity and gain more active participation by female employees within the DNP Group.

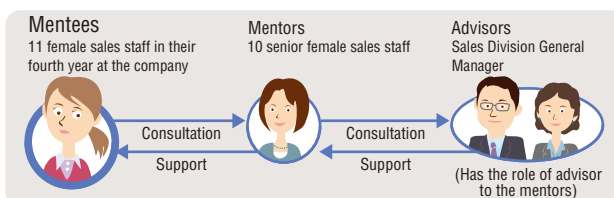
A "Female Employee Survey" was conducted through a cooperative labor/management effort at the Ichigaya Publication Printing Operations. A lot of different opinions were received concerning how a woman can build a career and continue to work while successfully balancing one's own life plan with work. Based upon this, the "Female Sales Staff Activity Committee" was formed to examine a variety of measures to be used to expand the active participation of female employees.



Mentoring Program

This program was started in 2009 so that younger female employees (in the Sales Division) could consult with more experienced and knowledgeable senior employees about their concerns and problems, and get support in finding their own solutions. This program is working as a support measure to enable female sales staff to continue to have active careers even as they face life events.

Support system for the Mentoring Program



Program details Conducted over a 6-month period, with 1~2 hours of direct consultation

September 2009	Kickoff camp
September - November	Team mentoring (1) Mentoring activities through a team system, with three mentors and three mentees. Expand the mentees' company network, and build a relationship of trust between the mentors and mentees.
November 18	Mentor meeting Mentors share information and work on skills.
November - January	Pair mentoring (2) Mentoring activities pairing one mentor with one mentee
February 2010	"Mentoring Report Meeting" at the final session Mentors and mentees confirm the progress they have made and issues encountered, and together with the advisor make proposals concerning future efforts to be made in their department.



View of the final meeting.



<http://www.dnp.co.jp/movie/100311/index.html>

Individual Response to Life Plans

We have established a Life Plan Consultation Office offering individualized consultation for every age group, so that our DNP Group employees can lead full lives at the company. For example, employees are assisted in revising insurance indemnities, such as life and medical, taking into consideration payments through social insurance guarantees and the company benefits package. This has resulted in a number of examples of employees saving money on their insurance premiums.

■ Well-Established Hiring of the Physically-Challenged

DNP respects the spirit of “normalization,” and is making progress in creating a pleasant work environment at all of our operations. Our hiring of the physically-challenged is premised upon them becoming long-term employees, and we hope for them to build experience and knowledge in exactly the same way as our able-bodied employees. The majority are indeed hired as full-timers. Working conditions and placement are also the same as for the able-bodied, except when particular considerations are necessary. Our physically-challenged employees work mainly in operations jobs or in sales staff support, where we seek to make them the right person in the right place according to the type and degree of physical challenge and aptitude.

Normalization: A way of thinking by which the goal is for the physically-challenged and the able-bodied to live in the same way without discrimination.

Example

Sign Language Seminars at workplaces employing the hearing-impaired



The fundamentals and application of sign language are taught annually, mainly at workplaces where the hearing-impaired are employed, with classes divided into beginner and intermediate levels and conducted for

six-month terms. People who have taken the courses make positive comments such as “Even if one’s signing ability is limited, it is very effective in providing an opening to communication.” Physically-challenged employees themselves have remarked that “It is really great that the people taking the course are trying to understand what it means to be physically-challenged,” suggesting that the course provides a good opportunity for developing mutual understanding about physical challenges and to get a sense of that experience. In addition to Tokyo, these seminars are held in Warabi, Kamifukuoka, and Akabane, and by June 2009 a cumulative total of 250 persons had participated.

Support for Next-Generation Childrearing

+ Related information

■ Kangaroo Club

We hold our “Kangaroo Club” return-to-work seminar for employees who have taken leave for childbirth or childcare and their partners. At the February 2010 meeting, senior employees conducted a panel discussion and group work, with the participation of 70 people from within and outside the company. In addition to female employees, male employees who had taken advantage of leave for childcare were also invited to be panelists, and examples were introduced of initiative taken in housework and childcare, as well as harmonizing childcare with work. The group work emphasized future careers and work habits, with discussions about “what we can do now, and what we must do.”

■ DNP Family Friendly Day

DNP has established “DNP Family Friendly Day” (“bring your child to work day”), when family members are invited to the workplace. These were held at 7 locations (including Group companies)- Ichigaya, Kuki, Shiraoka, Tsuruse, Sayama, Gotanda, and Osaka - during the period August 19~25, 2009, with a total of 66 families participating. Each location held its own special events, which were well-received. We intend to expand this program throughout the Group, so as to nurture interest in work among the next generation. It is our hope that this program will help foster communications between parents and children.



<http://www.dnp.co.jp/movie/090908/index.html>



Meeting the people where Father works

Employee Comment

Satoru Takuma

Manager, Sales Division, Ichigaya Publication Printing Operations

My family took part in a 2009 DNP Family Friendly Day. A result was that broadened my communication among the family, with my children in particular afterward talking about work more often with me.

By inviting my family to “our workplace,” of which I am proud, they were able to have some fun conversation with my colleagues. I always feel that I would like my family to become the number 1 fans of DNP. I hope that my children will want to work where Dad does when they grow up, and it would be wonderful if they were to follow as the second generation of our family at DNP.



Realizing a Pleasant and Energetic Workplace

Creating a Creative and Energetic Corporate Culture + Related information

■ Transformation of Workstyle

(= a transformation of work procedures)

Realization of the sustainable development of the DNP Group along with rich and rewarding lives for our employees, as well as a creative and energetic corporate culture, requires “a more highly efficient and productive, self-starting workstyle in which the desired role and desired results of each individual are met, so our people attain even fuller personal lives.”

At the same time, the business environment in which the DNP Group operates is changing greatly, and building a company with the resilience to support future growth requires the achievement of a “transformation of workstyle (= a transformation of work procedures),” which entails innovative changes from old workstyle, with all DNP Group employees “making a sweeping review of everything” and remaining conscious of the added value created through one’s own work.

● DNP Group Productive Time Resource Project

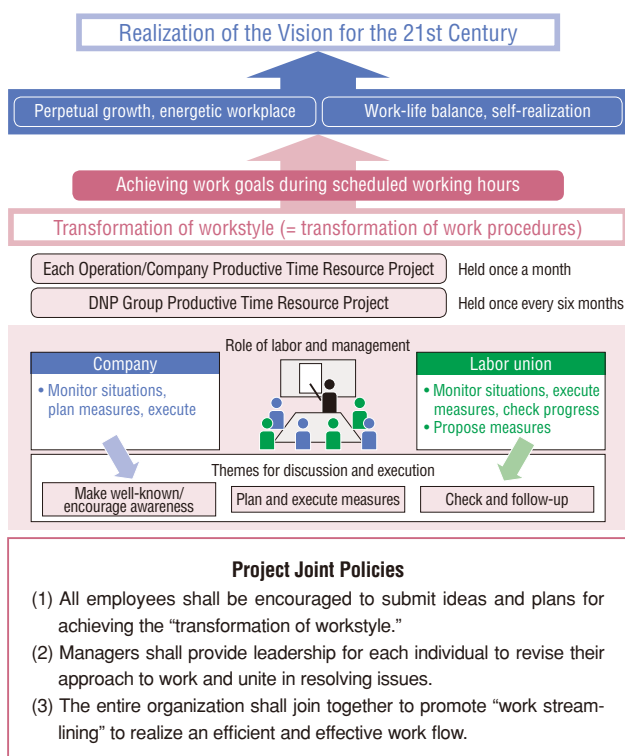
This project was developed by the DNP Group Labor-Management Committee with the goal of encouraging more effective use of time resources throughout the entire Group. A variety of

measures are being pursued under a three-year plan by which each employee is to examine his or her own way of working and work procedures. It has been launched as Group-level project for optimizing productivity and efficiency in all work functions corresponding to the flow of work and products.

■ The Achievement and Firm Establishment of a “Transformation”

By achieving a “transformation of workstyle” with each individual employee creating time resources for his or her own use, employees can sharpen their skills and sensitivity and enhance their personal lives. This can lead them to challenge new tasks and create new value, and at the same time help each to achieve a good work-life balance. We seek to firmly establish this “transformation” in the DNP Group corporate culture through these efforts in FY2010.

Conceptual diagram of the Project



Example

Workstyle commendation system encouraging personal growth



On every Monday since February 2010, all Operations Group staff have gathered at the Information Communication Operations for their “Morning Communications Meeting” to present “Transformation Awards” to employees from every line of work

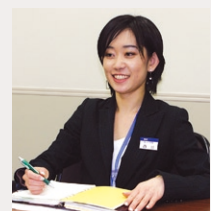
who have brought about a benefit by revising work flow or workstyle, or created time resources.

Employee Comment

Nozomi Nishitani

Sales Division, Information Communication Operations

I believe that the consciousness of every employee and the small day by day contributions they make toward promoting the “transformation of workstyle” constitute a great driving force in the Operations Group as a whole. Therefore, I devised the “Transformation Awards” for the younger staff at the “Morning Communications Meeting.” These are geared toward creating sustained growth at the Operations Group by helping each employee achieve a strong work-life balance and encouraging personal growth. Recipients of the award announce their efforts themselves at the “Morning Communications Meeting,” and by sharing the benefits of their efforts with all employees and increasing fellow-feeling among them I hope that we can create a forward-looking consciousness about “transformation” among even more of the staff.



* In April 2010, the Commercial Printing Operations became the Information Communication Operations

Work-life balance is difficult in the printing industry, which is an industry characterized by the idea that “every process is the final process.” After conducting interviews at 650 companies both within and outside Japan, as well as analyzing the financial data of 3,000 companies, I found that “Companies often considered to be the kind that would find it difficult to achieve work-life balance are the ones which correspondingly receive great benefits from taking the lead such efforts, and experience improved performance in the mid- to long-term.” In this regard, the DNP Group has enhanced

its systems for support of employees engaged in childcare and caregiving, by newly establishing a work from home system and caregiving leave, and in addition eliminating the number of times childcare leave can be taken. I believe that there is nothing more important to the printing industry, which produces goods so closely linked to daily living, than the feeling the consumer gets when handling those goods. I hope that DNP will continue to deepen its efforts with regard to diversity and next-generation childrearing from a management strategy perspective.



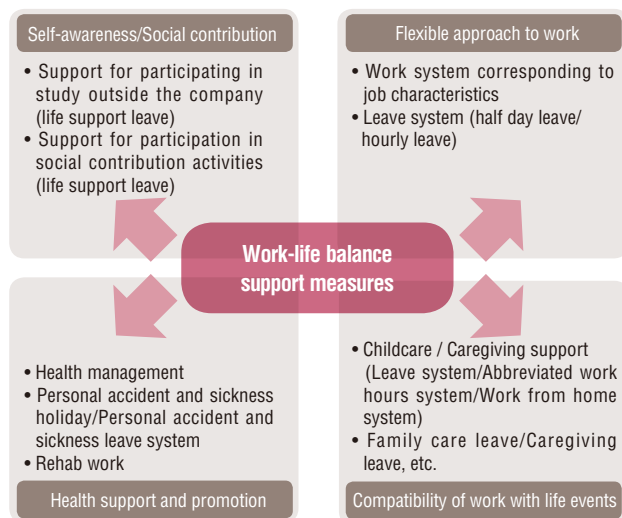
Work-Life Balance Support + Related information

We engage in a variety of measures at the DNP Group so that each of our employees can achieve a good work-life balance.

We revised our work-life balance support systems in April 2010, so that our internal systems would reflect the needs of the employees taken up by those efforts as well as the demands of society.

Work-life balance: A way of working in which each employee is motivated to focus on work and to create higher value than before, while at the same time leading a full life outside of work.

Work-life balance support system concept



Employee Comment

Miyuki Sakagami
Accounting Division

My son is currently in the second grade, so I am taking advantage of the Abbreviated Hours for Childrearing System. This system used to apply only to parents of first graders, so I was worried about how I would combine full-time work with looking after our home, but the available period was lengthened in response to demand from employees, so I was able to continue working. For me, having the time to be at home to greet my son when he shouts “I’m home!” and to hear about his school day is terribly important, so I am really grateful for this system. I also feel a lot of gratitude for the support I get from my colleagues.



Background and Special Features of the System Revision

After considering that an increasing number of people are using our childrearing-related systems, we conducted surveys of the people using these systems and interviewed managers with the goal of creating a more pleasant work environment, especially for people in the childrearing years. The results were reflected in the system. We sought to revise the system so as to create an environment in which male employees as well as females would find the systems easy to use.

We also believe that by using this revision of the childrearing-related systems as an opportunity to deepen understanding of these systems, we will be able to use these systems to create an environment in which it is easier for employees to make use of these systems.

We have also introduced a leave system that supports a more flexible approach to work and a leave system for volunteer activities, so as to help individuals achieve a good work-life balance in addition to engaging in childrearing and caregiving.

Main points in the revision of the work-life balance support system



1 Pushes through a “transformation of workstyle” through flexible paid leave

- It is possible to take paid leave in half day units (up to 12 annually) or hourly units (up to 5 work days)



2 Makes engaging in social contribution activities easy

- “Volunteer activities” added to grounds for life support leave



3 Supports returning to work after an illness

- Period applicable to rehabilitation leave system extended to 3 months
- Established a “return to work/post-return to work support period,” for more fine-tuned support



4 Makes it easier for males to take childrearing leave

- 5 of the childrearing leave days are paid
- Can be taken even the spouse does not work



5 Enhances support for balancing work and childrearing /caregiving

- The Abbreviated Hours for Childrearing System can be used from the third month of pregnancy through the 4th grade.
- Work from home system introduced.
- Newly established caregiving leave (from five days annually)
- Expanded family care leave to 10 days annually.
- Supplements for nursery and babysitter fees.

Creating Pleasant Workplaces that Increase Group Dynamism

Responding to the desires of our diverse individual employees, who are the source of the DNP Group's strength, and supporting their growth encourages the creation of value in new fields and the realization of energetic workplaces. Also, by building safe and healthy workplaces we can offer an environment in which our employees can work confidently.

Promoting Human Resources Development + Related information

Our Human Resources Development Vision has been established based upon the DNP Group 21st Century Vision (see P9). Our basic policy is for each of our employees to acquire knowledge and skills, so they can maximize their roles as self-starting individuals, and also so they can experience personal growth and self-realization. We are executing a variety of measures and establishing human resource development and personnel systems, as well as work environments, so as to realize this vision.

■ Two Organizations for Education and Training

DNP is moving forward with education and training by combining two kinds of organization, the Headquarters Training Department and the Operations/Group Company Education Committees.

● Headquarters Training Department

This organization focuses on all Group employees, mainly with the goal of basic knowledge and skill development. It conducts programs such as collective training, network learning, correspondence learning, etc.

● Education Committees

In cooperation with the Headquarters Training Department, the Education Committees in the Operations and Group companies create independent programs focusing on assigned employees and aiming to provide acquisition of more practical knowledge and specialized techniques. They conduct practical training, primarily OJT, as well as seminar participation, etc.

OJT (On-the-job Training): Employee education and training conducted through actual onsite work.

■ Focus on Basic Education during the Two Years after Joining the Company

The DNP Group considers the first two years after joining the company to be very important to building the foundation of our personnel in terms of being a citizen and a company employee, as well for creating a foundation for implementing the DNP Group Vision for the 21st Century. Therefore, we consider those two years to be the basic training period, and conduct our guidance and training with targets at two-months, one-year, and two-years after joining DNP.

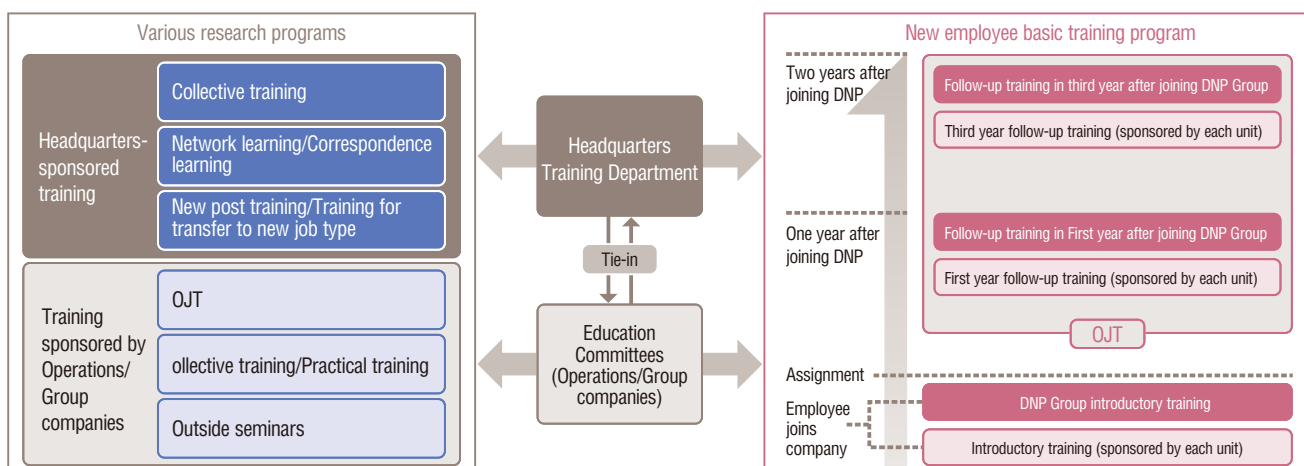
● Collective training

This is introductory training with post-first-year, and post-second-year follow-up training, conducted respectively by the Headquarters Training Department and the Operations/Group Company Education Committees. That conducted by the Headquarters Training Department is a high-requirement curriculum conducted jointly companywide, while the Operations/Group Company Education Committees create original programs with curricula directly connected to actual jobs.

● OJT

OJT is conducted for six months to two years after a new recruit is assigned to an operation. A coach from the operation to which the recruit was assigned conducts one-on-one training based on the "training targets/objectives sheet" and the "guidance/training category sheet," with the entire organization, especially superiors, providing support to the coach. Also, the coach engages in constant *TAIWA* with the recruit based on the "work reports" and "review sheets" regularly submitted by the recruit, and when necessary consults with the superiors and conducts further guidance and training.

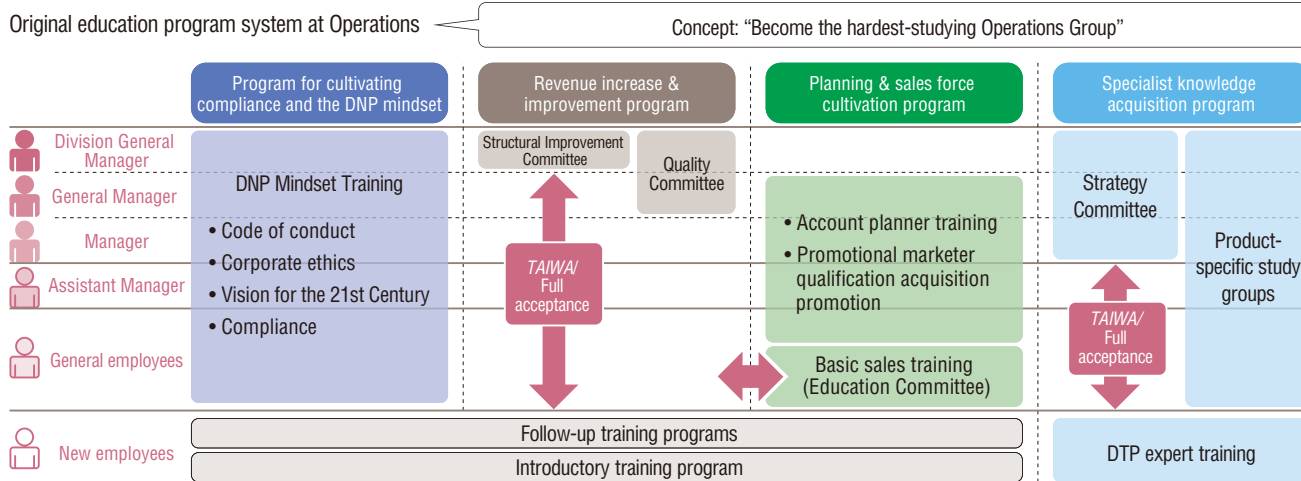
DNP Group Training Systems and Organizations



Example

Efforts of Information Communication Kansai Operations

*Changed name to Information Communication Operations from FY2010



With the appearance of diverse new media, especially the Internet, companies are being forced to innovate their business, and their communications strategies are changing. Information Communication Kansai Operations is constructing new business models in response to these societal changes, and we are also making efforts as an Operation to enhance our training systems for our personnel, because cultivating "human resources" who can support our new business models is a pressing issue.

Comments of a Director in charge of Operations

Akira Yokomizo
Director



Society is rapidly changing, and if companies can't respond to those changes they will cease to exist. Our Operations unit is no exception, and we cannot expect to grow if we don't shed our basic media-reliant business model. We are right at this moment in a time of transformation, which requires serious study on our part.

New "perceptions" are born through familiarity with a variety of areas, especially customers and the industry. Absent such perceptions, not only will we not know how we must change, but we will not know what to propose to customers. The reason we reformed our training system under the motto "Become the hardest-studying Operations Group" is because we aim to create a corporate culture with the will to transform ourselves.

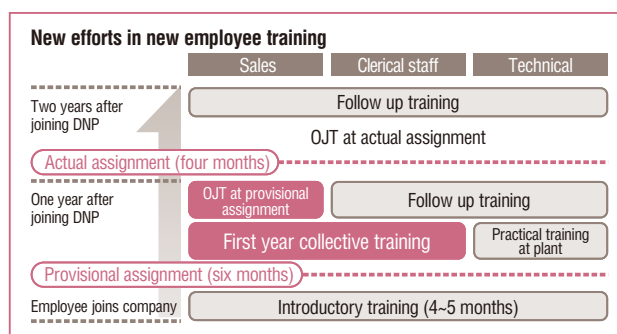
Also, our people are our assets, so our future depends on cultivating our "human resources." Therefore, no one is more important than our new recruits. We seek to broaden the perspectives of our new employees through the newly begun training program we began in FY2009. We want to cultivate personnel who will design a new world.



Original training programs at Operations

We have constructed 4 categories of original training program at our Operations so that all of our Operations Group employees will comply with laws and social ethics and exemplify openness, fairness, and the spirit of challenge. Of these, two- "Account planner training" and "Promotional marketer qualification acquisition promotion"- are conducted focused on the sales and planning units. They are characterized by the goal of cultivating personnel who can grasp the issues and needs of clients and propose comprehensive strategic consulting solutions.

New efforts in new employee training



Extension of period of actual assignment (Previous: Six months after introductory training → Four months in the second year)

During the period of extension, provisional assignment for OJT to different departments occurs during the first and second half. The new employee is expected to broaden his or her knowledge by gaining experience in different departments.

Twice-monthly collective training over the course of one year, sponsored by the Education Committee.

Conducted covering a broad curriculum, from basic knowledge about the DNP Group product line through practical training, with the goal of providing follow-up on OJT.

This training is fine-tuned based on customized "New employee training planning sheets" and "Training category requests" used by Operations, so as to cultivate human resources that will support us in the future.

Creating Pleasant Workplaces that Increase Group Dynamism

Worksite Safety

We overhauled our DNP Group Health & Safety Promotion System and Basic Regulations in FY2008, and enhanced the system by having the persons responsible at all units possessing research or production facilities take a six-month course in major risk and management measures in connection with the “1st Industrial Accident Prevention Basic Plan,” so as to achieve uniformity in such measures in the DNP Group.

Our three-year Basic Industrial Accident Prevention Plan begins anew in FY2009, with all units moving forward with their respective plans.

■ Moving Forward with the Three-Year Basic Industrial Accident Prevention Plan

The Operations Group, Group companies, and all worksites will establish promotion items and targets in line with the Plan, and conduct a progress evaluation and improvements each half-term. These activities will be conducted as a cycle over the first year. The DNP Group Health & Safety Liaison Conference will conduct an overall Group evaluation once every six months based upon the progress evaluations of each organization, and will analyze any causes of delays in progress and clarify issues including countermeasures, prioritizing them in its work.

Our goal henceforth is to improve health and safety standards by creating worksites where no risk is overlooked. One way to accomplish this is to strengthen Group ties through more active exchanges of ideas based on accident reports from each worksite.

Progress status of the three-year Basic Industrial Accident Prevention Plan

FY2009 results

- Generally on track for uniform Group-wide efforts under the three-year Basic Plan
- On track for achievement of the numerical target for frequency rate of accidents accompanied by lost worktime (61% of the 2008 rate by 2011), having achieved reduction to 82%
- Sharp reduction in ratio of machinery-related accidents as a result of progress in risk-reduction efforts based on risk assessments

FY2009 Trends	Main efforts in FY2010
<ul style="list-style-type: none"> • Sudden rise in accidents due to falls • High incidence of accidents caused by untrained persons • Increased severity of accidents involving older persons 	<ul style="list-style-type: none"> • Continuation of major risk countermeasures • Proceed with measures based on the newly-established “Guideline for preventing work accidents involving older employees” • Pedestrian traffic flow risk assessment • Make education based on danger experience simulation more widespread

Risk assessment: A series of procedures including specifying dangers and toxicity at the worksite, risk estimates, priority setting, and determination and recording of risk reduction measures.

Trends in Industrial Accident Occurrence Rate (accidents accompanied by lost worktime)

	DNP Group	Printing industry overall	All industries
2006	0.55	1.45	1.90
2007	0.47	1.52	1.83
2008	0.49	0.94	1.75
2009	0.40	1.18	1.62
2011	0.30 DNP Group target value		

Example

From the DNP Group Health and Safety Coordinators Conference

After the DNP Group Health & Safety Liaison Conference is held once every six months, in order that the findings are thoroughly shared throughout the Group, the DNP Group Health and Safety Coordinators Conference, made up of the persons responsible for effecting health and safety measures, is convened separately. 150 participants, including those who do so via teleconferencing, from 80 units nationwide attend to exchange ideas. Particular efforts and reference examples are showcased at each meeting, with the goal of developing these Group-wide.



Packaging Operations Group: Developing safety measures for all equipment

An explanation of the equipment safety measures extended to all Operations equipment was presented, and policies for similar accident prevention measures were confirmed.



Ichigaya Publication Printing Operations Group: Risk assessment progress

A proposal was made for a structure for risk registration, including risk sampling for each operation and notation in the operating procedures. This was recommended as a method for worksite risk control.

Example

Falling Accident Prevention Study Group



The primary cause of accidents by category nationwide is falling, and preventing falls is a major issue confronting our Group as well. In response, eight of our units participated in the Falling Accident Prevention Study Group convened by the Japan Industrial Safety and Health Association, which looked into strengthening countermeasures.

Stakeholder Opinion

Tadahiro Aochi, Chief Researcher, Business Risk Dept., Tokio Marine & Nichido Risk Consulting Co., Ltd.

We have been supporting the creation of the DNP Group's anti-disaster measures and business continuity management (BCM) since 2004. We have examined nearly all operational sites and given proposals for improvements from the standpoint of earthquake disaster prevention. A high volume of toxic solvent is used in the printing process, so DNP is an industrial leader in its fire prevention measures, in particular anti-static measures. The company has improved on its risk awareness concerning its once insufficient earthquake measures, and is moving quickly ahead with anti-seismic measures.

DNP has been making progress in establishing BCPs, such as that prepared in the event of an outbreak of a virulent influenza pandemic in 2009, maintaining close ties between the Central Disaster Prevention Council and each Operations unit. I give them high marks for calling on each Operations unit to appoint a BCP coordinator and engage in autonomous business continuity efforts. Henceforth, I would like to see DNP improve effectiveness through drills, and move forward with continuous improvements through measures such as self-checking and internal audits.



Promoting Health Maintenance Improvement Activities + Related information

DNP Group Health Maintenance Guideline spells out our health maintenance policies with the goal of improving the health maintenance of our employees and their families. From FY2009 on we have been engaged in continuous planned efforts, establishing targets, a promotion system, items to be promoted, etc., based upon the three-year DNP Group 1st Health Maintenance Improvement Basic Plan. Our focus is on individual employees, with particular emphasis on establishing structures for health maintenance improvement that meet their individual needs.

Main efforts in FY2009

Goal	Aim for "Awareness Promotion" among DNP Group employees, continuing to transform employee consciousness concerning health improvement.
DNP Group-wide events	<ul style="list-style-type: none"> • Health Challenge Campaign • Health-building event: Healthy-D • Walking event
Disease prevention continuous support measures	Promote measures against lifestyle diseases (such as metabolic syndrome) and heart health through tie-ins with company medical clinics nationwide and external treatment facilities.



Health Challenge Campaign pamphlet



Site of the "Healthy-D" health-building event

Creating a System for Preparedness for Unexpected Accident + Related information

Promoting Business Continuity Plans (BCPs)

Since 2005, the DNP Group has been engaged in establishing BCPs for large-scale earthquake risk for each of our main operational sites. The Ichigaya area is where our core functions, such as our Headquarters and main Operations, are concentrated, and we are currently strengthening plans to go into effect in the event a large-scale earthquake occurs directly under Tokyo.

We created a BCP in 2009 in response to the influenza outbreak in preparation for its possible spread throughout the company and the outbreak of an even stronger strain. We first set about creating BCPs for Headquarters and for our Packaging Division, which is responsible for supplying society with food and medical goods packaging. BCPs were completed for our other main Operations and Group companies by November.

BCPs (Business Continuity Plan): A plan by which a company guards against the stoppage of important work due to shortages caused by the occurrence of, for example, a large-scale natural disaster or influenza pandemic, and even if a work stoppage does occur provides for its restart as soon as possible. It is one management strategy for guarding against a reduction in enterprise value.

Influenza Pandemic Countermeasures

We established a Response Headquarters at the end of April 2009 based on our already existing Influenza Pandemic Countermeasure Network and Influenza Pandemic Basic Action Plan, which had already been created in response to the outbreak of bird flu, and conducted efforts throughout the company, including overseas. We always obtained the most recent data, and sought to inform our employees of decisions that had been made while looking into flexible responses. While the recent outbreak did not become a major problem, it was a valuable chance for us to be aware of the importance of daily health maintenance and risk management.



Walking event reception

Efforts as a Good Corporate Citizen

Just as it does in its business, the DNP Group is developing its social contributions from a variety of angles in way that is “Just Like DNP,” with the goal of contributing to the realization of a rich society and its sustainable growth.

The DNP Group's Social Contribution Activities

+ Related information

The DNP Group Code of Conduct requires “social contribution as a good corporate citizen,” insisting that as a beneficial corporate citizen we give back to society by seeking to resolve the various issues which confront it as well as make cultural contributions. In 2007, we established the DNP Group Social Contribution Policy and the Five Social Contribution Themes.

The DNP Group is advancing our “Just Like DNP” social contribution activities for a rich society and its sustainable growth.

Social Contribution Policy

<http://www.dnp.co.jp/csr/theme10.html>

The Five Social Contribution Themes



Environmental conservation

Maintaining a love for nature
(Category: Environmental conservation)



Contribution to local communities:

Maintaining a broad perspective
(Category: Contribution to local communities and the international community)



Next-generation childrearing

For next-generation development
(Categories: Academia, education, development of the next generation; development of the information society)



Arts and culture

For a society rich in culture
(Category: Promotion of the arts and culture)



Humanitarian aid

From the standpoint of humanity
(Category: Humanitarian aid and disaster relief)

■ Support for Social Contribution by Employees

Voluntary participation by our employees in social contribution activities not only benefits society, it also results in the employees' own personal growth as human beings and leads to self-realization. Therefore, the DNP Group supports such activities by our employees. We revised our system in 2009 so that employees could take leave to take part in volunteer activities (life support leave in place since April 2010).



Environmental conservation

Maintaining a love for nature

Conservation of the southernmost habitat of the Ehime iris, a Special Protected Species

Mihara Plant: DNP OptoMaterials, DNP Precision Devices

Numatanishi, Mihara City in Hiroshima Prefecture is where our Mihara Plant is located, and it is also where the southernmost habitat of the Ehime iris, an endangered Special Protected Species, is found. Employees of our Mihara Plant join forces with a local conservation group in conducting brush clearing in this habitat in March of every year. This is an important activity in that clearing away the dried grass allows the sun to warm the bulbs making it easier for the sprouts to poke out, helping to save the Ehime iris which blooms at the end of April.



Ehime iris



Clearing brush



Contribution to local
communities

Maintaining a broad perspective

Giving back to society through technology and know-how

DNP Digitalcom

We are developing our very own CSR project, called the "Hummingbird Drop Project," which is our way of passing back to society the technology and know-how we have developed through our business. One aspect of this is our cooperation in the Shinagawa Silver University set up for the residents of Shinagawa Ward in Tokyo (the location of DNP Digitalcom), which offers Internet-based courses to senior citizens. These courses were held a total of 20 times in the spring and fall, with 40 students ranging in age from 60- to 80-year-olds. DNP employees provided guidance in the students' learning how to safely make use of the Internet.



Internet course for senior citizens in Shinagawa Ward

Donating notebooks to primary school students in the neighborhoods around our Indonesia plants

DNP Indonesia

As part of the regional support efforts of the Karawang International Industrial City Tenant Association, of which DNP Indonesia is a member, every year primary school students from neighboring communities receive donations of DNP-made notebooks. About 30,000 were delivered to 7,000 students in 2009. The Association also brings in middle school students for plant tours, and provides scholarships to middle school students in its efforts to support education in local communities. They have also inaugurated a system whereby all tuition fees are paid for three years for students ambitious to learn but unable to afford to attend high school.



Donation ceremony



Primary school students with their notebooks in hand



Next-generation
childrearing

For next-generation development

DNP employees offer lectures about printing to university students

C&I Operations, DNP Art Communications

DNP employees are offering lectures about printing at Tokyo Kasei Gakuin University. The lessons meet 14 times including practical training, with "DTP" and "Archive theory" as subjects, covering information expression from paper media through the development of cross media. Excursions to the Louvre - DNP Museum Lab, which offers a new way of appreciating the art in the Louvre collection, and to the Shueitai Exhibition Hall, which exhibits historical valuable typefaces such as Shueitai, are also provided as extracurricular activities.



Lecture



Excursion to Shueitai Exhibition Hall

Efforts as a Good Corporate Citizen



For a society rich in culture

Arts and culture

DNP Group Cultural Activities + Related information

The DNP Group seeks use cultural activities to create mutual acceptance of diverse values and encourage more people to have vision and imagination. We believe that engaging with such people creates a “culture of *TAIWA*” which produces a synergistic effect, uncovering new perspectives and solutions.

Getting in touch with the artistic cultures of a variety of regions and periods gives one a feeling for diverse ideas and values, and is one of the most effective ways of understanding them. For example, the feelings experienced when one appreciates a work of art are shared with others who have done the same, and the gaining of unexpected perceptions cultivates a rich imagination and deepens the *TAIWA* between oneself and others.

The DNP Group seeks to encourage the spread of artistic culture under our motto of “Living side-by-side with our trade,” focusing on “promoting the advancement of graphic design,” “expanding opportunities to encounter art,” and “encouraging rich sensitivity in people.”

Promoting the advancement of graphic design

DNP opened the Ginza Graphic Gallery (ggg) in 1986 in Ginza, where our predecessor, Shueisha, was located. This gallery has since held more than 280 exhibitions, and received one million visitors. At the “ggg” we seek to stimulate imaginative richness in those viewing our exhibitions of graphic design, which is referred to as “a mirror of the age,” and to offer opportunities to get to know the spirited designers by presenting talks about their work.

We have also expanded our regional activities by opening the “ddd” Gallery in Osaka and the CCGA (Center for Contemporary Graphic Art) in Fukushima, while at the same time developing international exchange graphic design programs, mainly in Europe. We are also involved in archiving so as to pass on graphic design as a cultural asset for future generations. Management of these cultural facilities was transferred to the DNP Foundation for Cultural Promotion, established in 2008, which continues to expand on such efforts.

Graphic design galleries managed by the DNP Foundation for Cultural Promotion



283rd Exhibition at the ggg: “The Posters of Tanaka Ikkou”

DNP provides a variety of both graphic design and general art information. One way it does so is through exhibitions, but DNP employs the Web to this purpose as well. This helps make for a richer life for all of us, while at the same time offering a means to become aware of the new age and for opportunities to awaken consciousness of the issues that confront us. Design is a way of beautifully portraying a story, so in terms of imparting a richer sensitivity it shows what must be overcome and what must be

noticed. It also shows us how to do so, so in this sense, art is a compass pointing toward an unseen future. I would like to give kudos to DNP for continually providing this compass to society.



Expanding encounters with art

We opened the Louvre - DNP Museum Lab, a joint project with Louvre in France, in the DNP Gotanda building in 2006. In addition to displaying pieces from the Louvre collection, it provides a venue for new methods of art appreciation as well as opportunities for talks with Japanese and French staff.

In 2003, we opened the Maison des Musées de France (MMF) to increase encounters with art in daily lives. The MMF provides information about French art museums as well as selling art goods.

Also, our "artscape" Web magazine not only provides information about museums and exhibitions throughout Japan, but also gives a variety of perspectives and opinions from researchers and opinions in both Japanese and English.

Example Art appreciation system employed at the Louvre

The Louvre installed an art appreciation system developed and used at the Louvre - DNP Museum Lab for use in its "Venetian Masters" exhibition held in autumn 2009 and made it available to the public. The system simulates the experience of actually entering into the composition of the piece. It received high marks for deepening the understanding of visitors of the works of art.



Multimedia art appreciation system installed at the Louvre

Encouraging rich sensitivity in people

The primary actors in the emergently evolving society are individuals who understand a variety of values and respect a "culture of *TAIWA*." Our attempts to nurture such individuals through cultural activities start with our DNP Group employees. Developing more employees with that kind of rich sensitivity who can themselves engage in interaction with their surroundings and the community and relay/develop the concept of the "culture of *TAIWA*" provides the foundation for shaping the society over time and advancing the emergently evolving society.

We seek to encourage rich sensitivity in individuals and offer society opportunities and places for cultivating the "culture of *TAIWA*," as well as the "human resources" for driving it forward.

Example Broadcasting gallery talks

The ggg and the ddd offer gallery talks by exhibiting artists for both the general public and students. We consider talks by front-line designers and art directors to be very effective in cultivating the "culture of *TAIWA*," and in addition to broadcasting our gallery talks to universities and other educational institutions, we are also presenting them in-house via our teleconferencing system.



GINZA gallery talks broadcast to regional DNP sites
Upper left: Sendai/Lower left: Ichigaya/Upper right: Gotanda/Lower right: Nanba

In Europe, where the “fair trade” concept is widespread, it has become commonplace even for companies that do not engage in fair trade procurement or product development to make the switch to “fair trade” coffee and tea at their workplaces. In contrast, among the 20 developed countries in which “fair trade” certification labeling organizations are active, Japan has the lowest rate of acceptance. Nonetheless, DNP was one of the first to introduce “fair trade” coffee in its dining halls and for visitor reception in 2006. It

is likely the case that DNP was the first corporation in Japan to launch full-scale efforts in this regard. I am hopeful that DNP, as a pioneer in introducing “fair trade” coffee in Japan, will continue to expand this effort, and serve to influence a good many other corporations to follow DNP’s lead.



Humanitarian
aid

From the standpoint of humanity

Relief effort after the Haiti earthquake

DNP Group

In January 2010, a 7.0 magnitude earthquake struck the Republic of Haiti in the Caribbean, resulting in massive casualties including more than 230,000 dead. The DNP Group placed donation boxes at 51 of our sites nationwide from January 25 through February 10, and together with matching funds from the company we raised a total of ¥1,071,210 in donations. Employee donations also took the form of contributions from the Labor-Management Joint Fund and the labor union.

These donations were applied to the following relief efforts through the offices of the Japan Red Cross: 1) Health and medical; 2) Rescue supplies; 3) Water and sanitation; 4) Safety confirmation; 5) Reconstruction.



C&I Operations employee hands over funds to Director Mitsui of the Japan Red Cross



Donation boxes placed at 51 sites nationwide.

Upper left: Warabi/Lower left: Oji/Upper right: Akabane/Lower left: Izumizaki

Providing 100,000 cups of “fair trade” coffee

DNP Group

We have offered “fair trade” coffee in our Ichigaya and Gotanda employee cafes and for customer reception since 2006. “Fair trade” coffee has gradually been becoming better-known, and by FY2009 the amount consumed has reached 100,000 cups. Also, in May 2010 we approved the “Fair Trade Million Cup Campaign” sponsored by the non-profit organization Fairtrade Label Japan, and began participating in sales of “fair trade” products at our employee dining halls and stores.

We will continue to give our support to producers in developing countries by encouraging sales of “fair trade” products within the company and expanding knowledge about “fair trade” by providing information about it outside the company.



“Fair trade” coffee is offered at our reception areas.



Deserts made with “fair trade” coffee on offer at our dining hall during the campaign period.

Fair trade: The “fair trade” structure is an attempt to support producers in developing countries through stable and sustainable trading.



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Special Report: Realizing a Society in Symbiosis with Nature

The human race receives the blessings of an ecosystem which supports a diversity of life.

Yet, society still does not fully appreciate the importance of the ecosystem.

The DNP Group's operations are premised upon a rich global environment, and we are aware that our business depends on it.

Therefore, we seek to fulfill our responsibility to conserve the ecosystem and to help create a sustainable society.

Hills in Binh Dinh Province, Vietnam

DNP is conducting forestry operations through a joint venture with Oji Paper and Sojitz Corporation.

Biodiversity Declaration

DNP's fundamental philosophy: Realizing a society in symbiosis with nature

The United Nations declared 2010 to be the International Year of Biodiversity, and will hold the 10th Meeting of the Conference of the Parties to the Convention on Biological Diversity in Nagoya in October 2010.

The DNP Group enacted our DNP Group Biodiversity Declaration in March 2010 in response to the need to implement active efforts to build a society which cultivates biodiversity.

We pledge always to consider the impact our business has on biodiversity.

DNP Group Biodiversity Declaration

We, the DNP Group, based on our appreciation for nature's bounty and recognition that our business activities impact the environment, will help build a sustainable society by fulfilling our society responsibility to protect biodiversity.

1. We view protection of biodiversity as an essential issue to be considered in all of our business activities, including business planning, research, project planning, product development, design, production and sales.
2. We will evaluate, understand, and analyze how we affect biodiversity through such actions as using energy and water resources, procuring raw materials, and disposing of chemical substances.
3. In order to broaden our biodiversity protection activities, we will share our understanding of related issues with customers, supplies, local community members and other stakeholders, and promote cooperative action with them.
4. We will enhance understanding and awareness of biodiversity-related issues among all of our employees, and strive to make them more conscious of the importance of protecting biodiversity.

Enacted March 16, 2010, by the DNP Group Environmental Committee

I give the DNP Group high marks for making a strong declaration concerning upholding the preservation of biodiversity as an important issue in the drive to realize a society in symbiosis with nature. This is surely due to the DNP Group's self-awareness that their business has an especially strong connection to forestry resources, namely paper.

DNP also works to contribute to sustainable forest management by using paper from wood obtained through forest-thinning and offering the use of FSC-certified paper to customers. Con-

sidering the scale of the DNP Group's business, they have the potential to make a very great contribution in this area. One issue henceforth will likely be the extent to which, in terms of volume, these kinds of efforts can be expanded. I hope the PDCA cycle can be used for management based on numerical targets, and that as called for in the Declaration, the DNP Group will involve all facets of their business, as well as the broad range of stakeholders, including all employees and suppliers, in these efforts.



Forest Certified Paper + Related information

Promoting distribution and procurement of pulp and wood products from healthy forests

The DNP Group's procurement policies proceed from the standpoint that the important issue in paper use is not just using recycled paper, but how much we can contribute to sustainable forest management. We work not only to include this concept in product development, but also to gain the understanding of customers in these efforts. While it is already an aspect of our Green Purchasing, we are making efforts to encourage the use of paper from wood obtained through forest-thinning, beginning with the use of "Morino Chonai-Kai Forest Thinning Support Paper."

The DNP Group is making efforts to acquire FSC/CoC and PEFC/CoC certification and expand purchasing of products certified by them, and to actively propose to our customers that they use them. Also, we are making certain of compliance with certification standards in the manufacturing forest-certified printing products, with non-forest-certified pulp from FSC-mix products described instead as "managed pulp."

Development Plans for the "Ichigaya Forest"

Preparing a green zone and creating multi-functional spaces

DNP's predecessor, Shueisha, was founded in 1876, and ten years later constructed a plant in our current Ichigaya Kagacho location in Tokyo's Shinjuku Ward. During the 120 years since, this area has served as the stronghold of Japan's printing culture.

The DNP Group is taking the next step in our "P&I Solutions" business vision by carrying out our redevelopment plans for the surrounding area so as to expand our operations. These plans call for using this location to the fullest in concentrating the functions of our Planning & Development and Sales units and Headquarters here, while transferring the existing Ichigaya plant functions to more environmentally-friendly printing facilities. In addition, we are also constructing sports and cultural centers for the use of people in our local community.

These facilities will be surrounded by a large-scale green zone we are calling the "Ichigaya Forest," with a total area of 14,000 m², and a length of around 500 meters. The Ichigaya Forest will use the long configuration of the site to provide continuous greenery from east to west, with the trees along the roadway forming a buffer zone between our facilities and the neighborhood. The northern side of the site will mostly contain indigenous trees, with our goal being create a natural setting for enjoying seasonal scenery such as new spring leaves, autumn foliage, and falling leaves.

We are planning a variety of other functions for this area, such as creating "cool spot" for countering the "heat island phenomenon," placing the trees in such a way that retains visibility providing for safety and security, and by mixing a variety of tree species of differing heights so as to improve biodiversity. Our goal is to create spaces that contribute to the life of the community by providing a place for relaxation and interaction. We began action on this plan in 2009, and aim for completion by 2018.

Example Sale of "Yoshi Paper"



From the top: Yoshi Paper products, harvesting work in Yoshihara

DNP Trading is selling "Yoshi Paper" made from reeds (yoshi) harvested from the Yodogawa-Udono Yoshihara area of Osaka as an environmentally conscious product. The reeds draw a lot of nitrogen and phosphorous from the soil and water, which improves the water quality. Nevertheless, if left as they are to dry out, the nitrogen and phosphorous returns to the river which negates the benefit. Therefore, the reeds are harvested, which contributes to environmental conservation. Also, a great many creatures reside in the Udono Yoshihara, and supporting the health of the Yoshihara by harvesting the reeds helps to protect the ecosystem.

In addition to selling the Yoshi Paper, DNP Trading employees also volunteer in the harvesting of the Udono Yoshihara reeds.

*Yoshi Paper is used in the end portion of the "DNP Group CSR Report 2010 Survey (Japanese version) ."



Perspective drawing of completed Ichigaya Forest

Environmental Controls through Management Systems

We are developing constant environmental controls based on practical environmental management systems that take business content, customer trends, and the situation at all DNP Group companies into account in establishing policies and targets.

DNP Group Environmental Action + Related information

As a manufacturer, the DNP Group is constantly considering how we can coexist with the global environment. We value the gifts of nature, and strive for coexistence with it so we can pass those gifts on to the next generation. Our efforts to do so are of primary importance to us now in the 21st Century, which is called the “Environmental Century.”

We do our best for the planet 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.”

■ Environmental Management Structure

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.

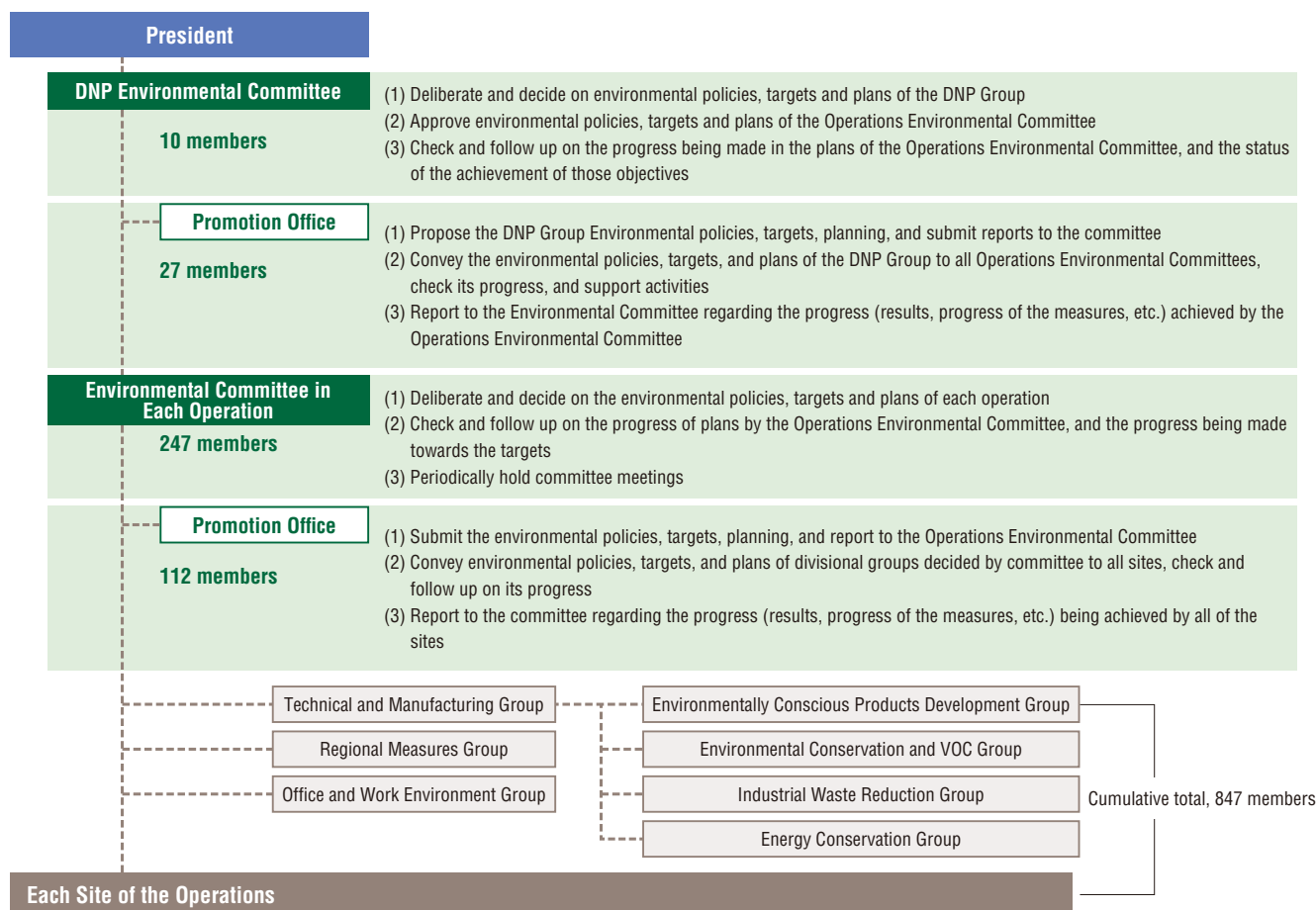
• DNP Group Environmental Committee

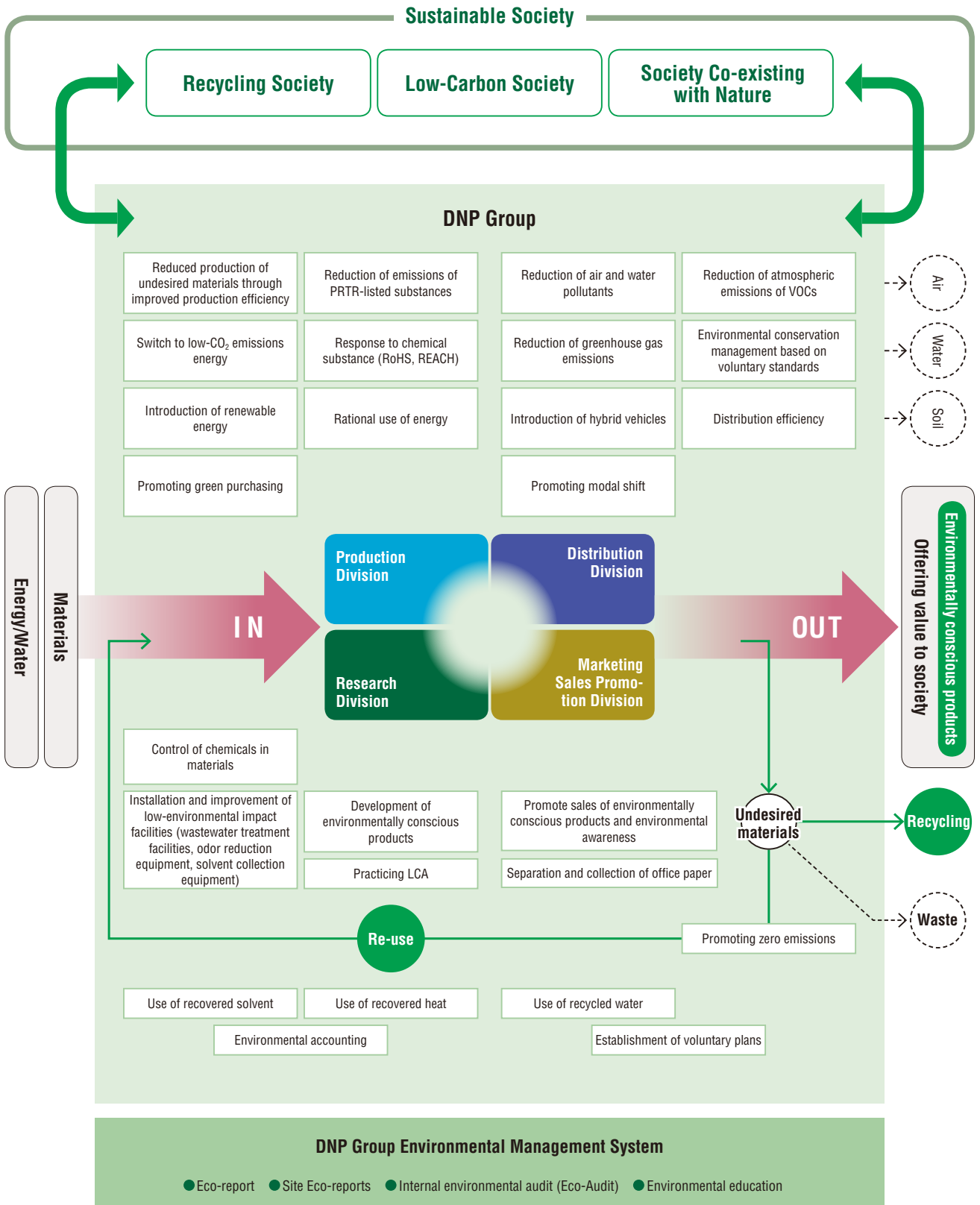
This is made up of the directors of the basic organizations at company headquarters, who are responsible for the environment. The Committee deliberates and makes decisions concerning the environmental policies, objectives and plans of the entire Group, and monitors the progress of the plans and the status of the achievement of those objectives.

• Operations Group Environmental Committees

The decisions made by the DNP Group Environmental Committee are developed by the Operations Group Environmental Committees after considering the special characteristics of the particular sphere of business.

DNP Group Environmental Management Structure





Environmental Controls through Management Systems

Environmental Management System Related information

The DNP Group created our own EMS (environmental management system) in 1993, prior to the publication of ISO14001. Our EMS uses the twin tools of eco-reports and site eco-reports, and executes the “Plan-Do-Check-Action” cycle every six months, setting the pace for the DNP Group environmental management efforts.

Eco-Audits

We began implementing “Eco-Audits” in 1996, so as to make our EMS 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 is referred to the DNP Group Environmental Committee for approval.

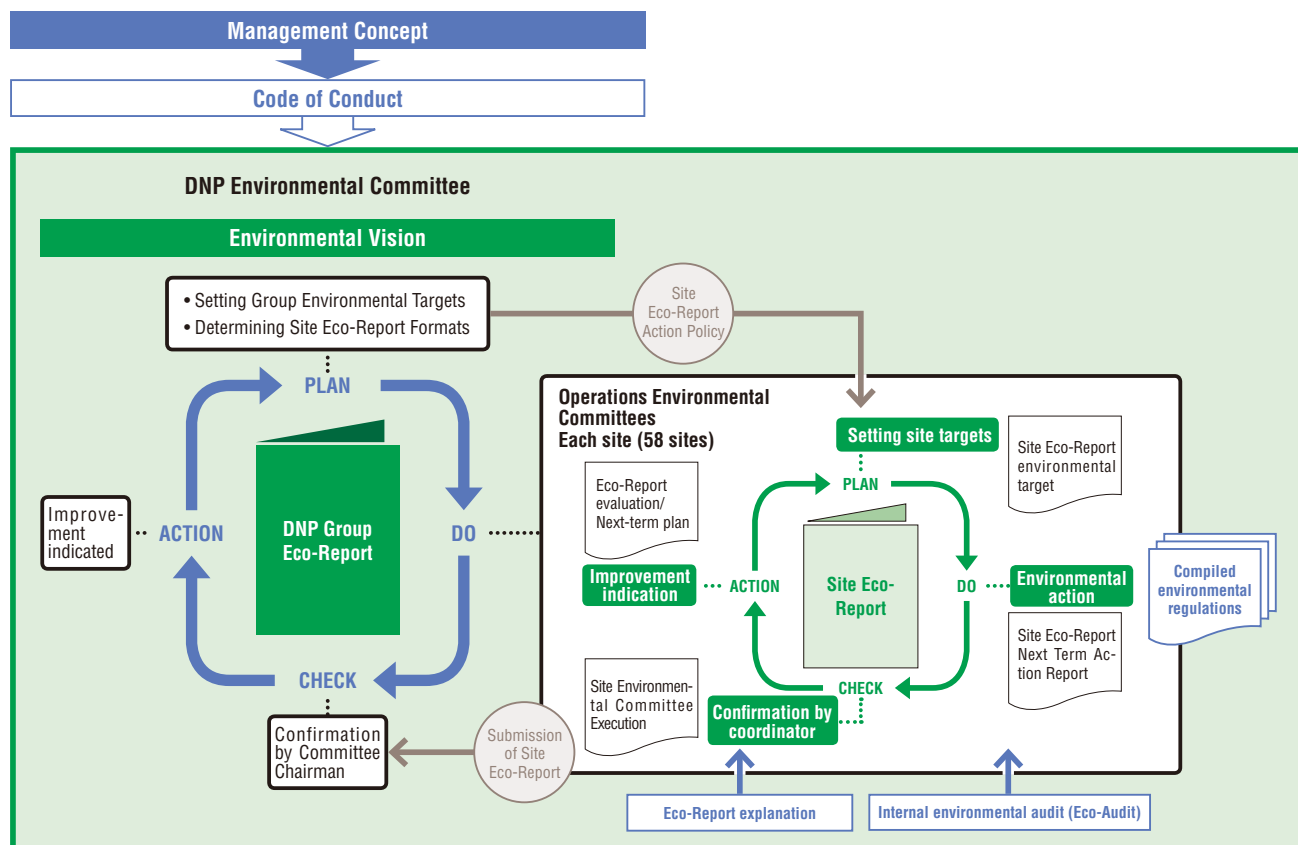
2009 Eco-Audit Performance

Number of sites audited: 62 sites	Cumulative auditor numbers: 124 persons
Number of attendees at sites: 493 persons	Cumulative auditing hours: 291 hours

While some “areas needing improvement” cited in the audits constituted infringement of the law, such as insufficient reporting at specific sites, we confirmed that the necessary improvement measures are being taken in each case.

The areas indicated as requiring improvement are under analysis and actions are being determined, with follow-up Eco-Audits scheduled for FY2010.

Outline of the DNP Group Environmental Management System



Environmental Risk Management + Related information

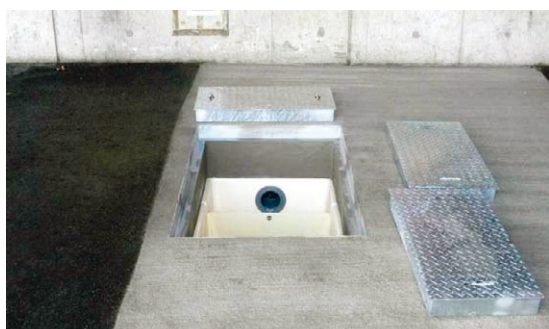
■ Environmental Conservation Measures

The DNP Group monitors trends in environmental regulations and publishes regular Eco-Reports, as well as conducting Eco-Audits, so as to ensure full compliance with all laws and regulations. Our compliance efforts also include establishment of 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.

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 emergency shut-off systems to prevent liquids from over-flowing and installed two-tier holding tanks for the prevention of accidents at plants handling chemicals. We also stock up on materials that can be used during emergencies and hold emergency response drills to ensure the proper response in the event of an occurrence.



Holding tank replacement (two-tier construction, anti-leak sensors installed)



Grease trap

■ 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 FY2009, we also implemented the updating of tank equipment, leak inspections, and levee building so as to prevent soil contamination.

■ PCB Storage

PCBs are currently in storage at 25 sites, with a total of 214 condensers and 11 transformers, for a total of 225. The PCBs are contained in electric equipment that was used in substation facilities formerly used in our plants. The PCBs are stored in special containers in special storage rooms at each site, and are managed under the strictest of conditions in accordance with applicable regulations to ensure prevention of leakage or loss. It will gradually be disposed of as required by law according to the disposal plans for each region.

■ Status of Legal Compliance

While we make all efforts to comply with environmental laws and regulations, over the past three years we have experienced four incidents in which water quality standards for wastewater were exceeded. 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.

The authorities conducted a water quality test in FY2009, and informed us that pollution levels exceeded their standards. We have been working to comply with the standards by installing kitchen grease traps, etc.

An outflow of ink from a site also occurred due to a flow meter malfunction, and we have instituted recurrence prevention measures such as strengthening our observation system.

Grease trap: This is a device for temporarily holding raw sewage, grease, and other pollutants contained in effluent from kitchens after separating and collecting it, thereby preventing discharge into the sewer. Work kitchens are required to be outfitted with grease traps (Construction Ministry Notice No. 1597)

Environmental Controls through Management Systems

Current Status of Environmental Impact

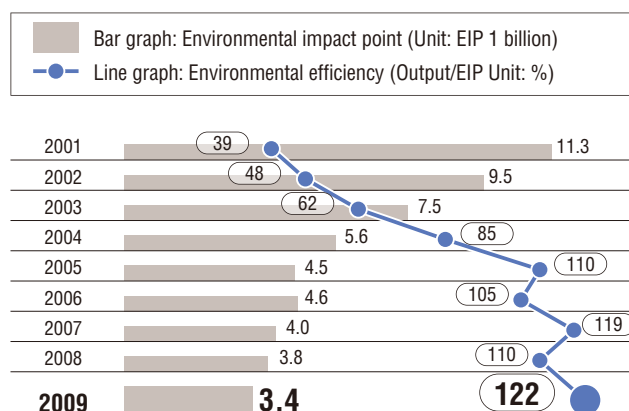
The DNP Group manufactures a variety of different products closely related to the everyday lives of consumers, with main materials such as paper, film, plastic, metal (iron, aluminum, etc.) and ink, as well as electronics.

- **Information Communications Segment:** Mainly manufactures magazines and other printed material through offset printing, uses a great amount of paper.
- **Lifestyle and Industrial Supplies Segment:** 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.
- **Electronics Segment:** Uses and discharges a great amount of water in proportion to the rest of the Group in manufacturing color filters and lead frames through its etching and photolithography technologies.

DNP Group Environmental Efficiency

The DNP Group has evaluated our environmental efficiency by using JEPIX. We improved our environmental efficiency in FY2009 by reducing greenhouse gas emissions, VOC emissions, and landfill waste from FY2008 levels.

Environmental efficiency trend



JEPIX (Environmental Policy Priorities Index for Japan): This is a single-index environmental evaluation system developed in Japan, which measures general environmental impact levels according to a single "EIP" (environmental impact point) index. The JEPIX Forum, in which DNP participates, was established in 2003 for the implementation of JEPIX methods, as part of the MEXT 21st Century COE Program Committee (International Christian University).

Main materials (Unit: 1,000 tons)

	2008	2009	
Paper	2,031.7	1,855.6	(8.7% decrease)
Film	126.5	121.7	(3.8% decrease)
Plastic	87.8	93.1	(6.0% increase)
Metal	48.5	43.5	(10.3% decrease)
Ink	53.4	51.0	(4.5% decrease)
Others	139.3	117.7	(15.5% decrease)

Percentage distribution by individual segment for paper (Unit: %)

2008	77	11	12
	a	b	c
2009	77	11	12

Main secondary materials (Unit: 1,000 tons)

	2008	2009	
Solvent	23.2	21.2	(8.6% decrease)
Acid and alkaline	19.9	14.8	(25.6% decrease)

Percentage distribution by individual segment for solvent (Unit: %)

2008	1	90	9
	a	b	d
2009		90	10

Utilities

	2008	2009	
Electricity (million kWh)	1,392.7	1,356.7	(2.6% decrease)
City gas (million m ³)	127.6	115.7	(9.3% decrease)
LNG (million kg)	11.1	13.8	(24.3% decrease)
LPG (million kg)	9.9	6.8	(31.3% decrease)
Fuel oil (kl)	6.1	3.2	(47.5% decrease)
Steam (TJ)	390	436	(11.5% decrease)
Kerosene (kl)	850	710	(16.5% decrease)
Water (million m ³)	15.9	16.1	(1.3% decrease)

Percentage distribution by individual segment for water (Unit: %)

2008	8	15	65	12
	a	b	c	d
2009	7	13	68	12

INPUT

Product Manufacturing Process

a
Information Communication

Books and periodicals, commercial printing, business forms

b
Lifestyle and Industrial Supplies

Packaging, decorative materials, industrial supplies

c
Electronics

Displays, electronic devices

d
BC (Brother Companies)

Ink, beverages, etc

OUTPUT

Current Status of Recycling in the DNP Group

	2008	2009
Recycled solvent (1,000 tons)	5.3	4.8
Usage ratio *1	1.23	1.22
Recycled acid and alkaline (1,000 tons)	6.0	3.4
Usage ratio	1.30	1.24
Recycled water (million m ³)	527.5	530.6
Usage ratio	33.2	34.0
Vapor generated from waste heat recovery (tons)	183,100	178,700

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

*2 GHG: Greenhouse Gases

*3 Water discharge channels to which the Water Pollution Control Act applies.

Emissions into the air

	2008	2009	
GHG*2 emissions (1,000 tons-CO ₂)	912	896	(1.8% decrease)
NOx emissions (tons)	735	673	(8.4% decrease)
SOx emissions (tons)	16	12	(25% decrease)
Atmospheric emissions of VOCs (tons)	10,570	9,011	(14.7% decrease)

Percentage distribution by individual segment for GHG emission amounts (Unit: %)

2008	22	36	32	10
	a	b	c	d
2009	22	34	34	10

Emissions into bodies of water

	2008	2009	
Water discharged (million m ³)	13.1	13.6	(3.8% increase)
COD*3 emissions(tons)	45.4	51.4	(13.2% increase)
Nitrogen*3 emissions (tons)	13.2	16.2	(22.7% increase)
Phosphoric*3 emissions (tons)	0.7	1.7	(143% increase)

Percentage distribution by each segment for water discharge (Unit: %)

2008	6	13	70	11
	a	b	c	d
2009	5	12	72	11

Undesired materials generated (Unit: 1,000 tons)

	2008	2009	
Total amount of undesired materials	410.6	375.7	(8.5% decrease)
Waste emissions	70.6	62.7	(11.2% decrease)
Landfill waste amount	5.5	4.2	(23.6% decrease)

Percentage distribution by individual segment for undesired materials (Unit: %)

2008	44	26	19	11
	a	b	c	d
2009	44	27	17	12

Chart: Targets and Results

Topic	Reference page	Targets through 2010
Global warming prevention	P 65 - 66	To reduce GHG emissions by 10% from the 2005 level (fiscal 2020).
		To reduce per unit CO ₂ emissions by 15% from the 1990 level (fiscal 2010).
Reduction of environmental impact incurred during transport	P 67	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.
VOC	P 68	To reduce emissions of VOCs by 70% compared to 2002 by fiscal 2010.
Reduction of industrial waste	P 69	To reduce per unit waste emissions (waste emissions/production) by 50% from the 2000 level (fiscal 2010).
		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 (fiscal 2010).
		To achieve a 98% recycling ratio (recycled amount/total amount of undesired material generation) in the disposing of main raw materials (fiscal 2010).
		To achieve zero emissions for the entire DNP Group (fiscal 2010).
Development and sales of environmentally conscious products	P 71 - 72	To increase the level each year by 10% (over the previous year), and achieve 300 billion yen (fiscal 2010).
Green purchasing	P 74	To increase the rate of the products purchased according to the green purchasing standards of DNP, to 40% (fiscal 2010).
		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).
Environmental conservation	P 60	To keep the maximum concentration of air emissions subject to emissions regulations at 70% of the required standard or less.
		To keep the maximum concentration of wastewater discharges subject to wastewater regulations at 70% of the required standard or less.
		To keep the maximum concentration of odors at our site perimeters at 70% of the required standard or less.
		To keep the maximum level of noise at our site perimeters at 95% of the required standard or less.
		To keep the maximum level of vibration at our site perimeters at 95% of the required standard or less.
Office environment	P 70	To increase the rate of the fractional recovery of waste paper to 70% of that for general waste.
Environmental management system	P 59	To perform Eco-Audits at all sites.

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

2009 results		Evaluation
Emissions in 2005: 1.066 million tons	15.9% decrease from that in 2005	◎
Emissions in 2009: 0.896 million tons		
Per unit in 1990: 252 tons/100 million yen	2.0% decrease from that in 1990	△
Per unit in 2009: 247 tons/100 million yen		
Per unit in 2006: 2.15 kl/100 million yen	23.2% decrease from that in 2006	◎
Per unit in 2009: 1.65 kl/100 million yen		
Emissions in 2002: 21,312 tons	57.7% decrease from that in 2002	△
Emissions in 2009: 9,011 tons		
Per unit in 2000: 0.312 tons/million yen	51.6% decrease from that in 2000	◎
Per unit in 2009: 0.151 tons/million yen		
Generation rate of undesired materials in 2000: 17.7%	22.6% decrease from that in 2000	△
Generation rate of undesired materials in 2009: 13.7%		
Recycling rate in 2008 paper 99.8%, plastic 95.9%, metal 99.3%, glass 65.1%		○
Recycling rate in 2009 paper 99.8%, plastic 96.4%, metal 99.3%, glass 61.6%		
Landfill waste rate in 2008: 1.3%		△
Landfill waste rate in 2009: 1.1%		
Sales of 308.1 billion yen in 2008	1.3% increase over that in 2008	○
Sales of 312.1 billion yen in 2009		
42.5% green purchasing rate for materials in 2008		○
41.5% green purchasing rate for materials in 2009		
48.2% green purchasing rate for materials in 2008		◎
51.2% green purchasing rate for materials in 2009		
95% achievement rate of targets for 2009 (voluntary target)		○
96% achievement rate of targets for 2009 (voluntary target)		○
93% achievement rate of targets for 2009 (voluntary target)		○
73% achievement rate of targets for 2009 (voluntary target)		△
100% achievement rate of targets for 2009 (voluntary target)		○
84.8% rate wastepaper separation in 2009		◎
Eco-Audits conducted at all sites in 2009		○

Achieving a Low-Carbon Society

People throughout the world are using knowledge and effort in applying measures against global warming, so as to protect our irreplaceable Earth. We at the DNP Group are taking this up as a vital issue in all aspects of our business, including planning, design, purchasing, production, and distribution, so as to reduce greenhouse gas emissions.

Greenhouse Gas Emissions Reduction

Greenhouse Gas Emissions Volume and Per-unit CO₂ Emissions

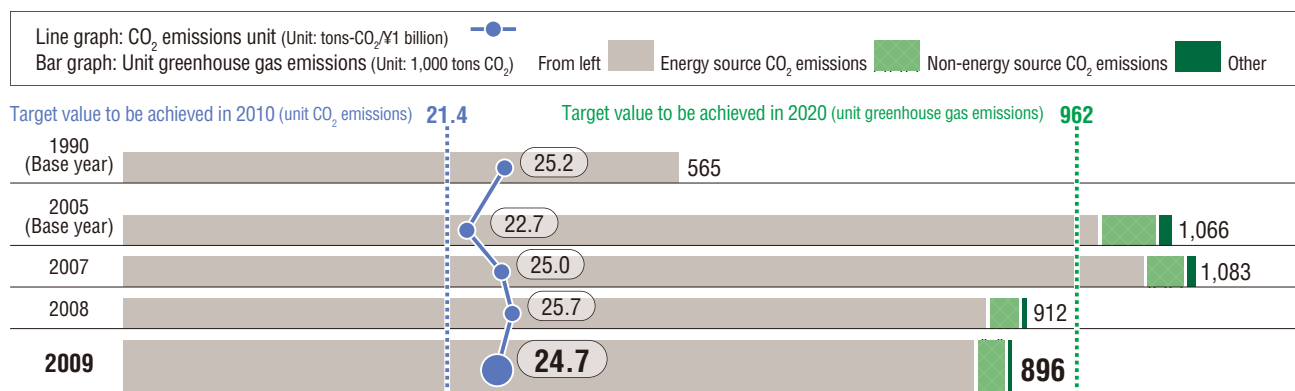
The DNP Group's overall greenhouse gas emissions in FY2009 were 896,000 tons. This breaks down as follows: energy source CO₂ emissions, 865,000 tons; non-energy source CO₂ emissions 27,000 tons; methane converted to CO₂ emissions equivalent, 30 tons; N₂O emissions, 630 tons. There were no emissions of SF₆, HFCs or PFCs. Also, transport-related emissions were 3,200 tons.

Per-unit CO₂ emissions amounted to 24.7 tons-CO₂/billion

yen, a 2.0% improvement over fiscal 1990.

Our main efforts to reduce CO₂ emissions included conserving energy used for air conditioning and power, switching to low emissions fuels, improving production line operations, efficient co-generation, etc. In FY2010, we will continue our aggressive efforts to limit greenhouse gas emissions by continuing with the switch to low CO₂ emission fuels, introducing energy-saving equipment such as inverters, and improving production efficiency.

Unit greenhouse gas and CO₂ emissions



Greenhouse gas emissions volume: Electricity use, fuel use/combustion, burning of waste at plants, atmospheric emissions of HFC/PFC/SF₆ at 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 29, 2007; Ministry of the Environment and Ministry of Economy, Trade and Industry). The coefficients used for FY2009 calculations use the values contained in the "Act on Promotion Global Warming Countermeasures" (March 31, 2010). Coefficients used for conversion of emissions due to electricity for FY2008 and FY2009 are according to FY2008 values (after adjustment) published by the Ministry of the Environment on December 28, 2009; for other years those published in the environmental reports of the electric companies are used, with all emissions volumes converted to CO₂. 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 base year greenhouse gas emissions due to the change in our aggregate accounting range resulting from M&A.

Per-unit CO₂ emissions: This is direct CO₂ 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.

Example Efforts that Information Communication Operations Akabane Plant



In February 2010, the Akabane Plant received the Kanto Bureau of Economy, Trade and Industry "Energy Management In Business Superiority Award." The award recognizes the updating of the inefficient absorption-type chiller with the latest high-efficient electrically-powered model, which enabled the construction of a system that can respond flexibly to thermal load fluctuations, conserving energy and reducing costs.

Also, the plant entered into a "natural" (environmentally-friendly) energy agreement with an energy supplier, so as to cover some of the electrical power used in production processes with natural energy as part of our global warming prevention efforts.

Employee Comment

Hiroshi Fujimoto
Manager, Technical Division
Information Communication
Operations



Our Information Communication Operations employ the offset printing method, mainly producing catalogs, fliers, direct mail ads, etc. We have been using city gas for these processes, but we have uncovered losses by employing energy visualization, leading us to take measures such as updating with efficient equipment and taking action to conserve energy.

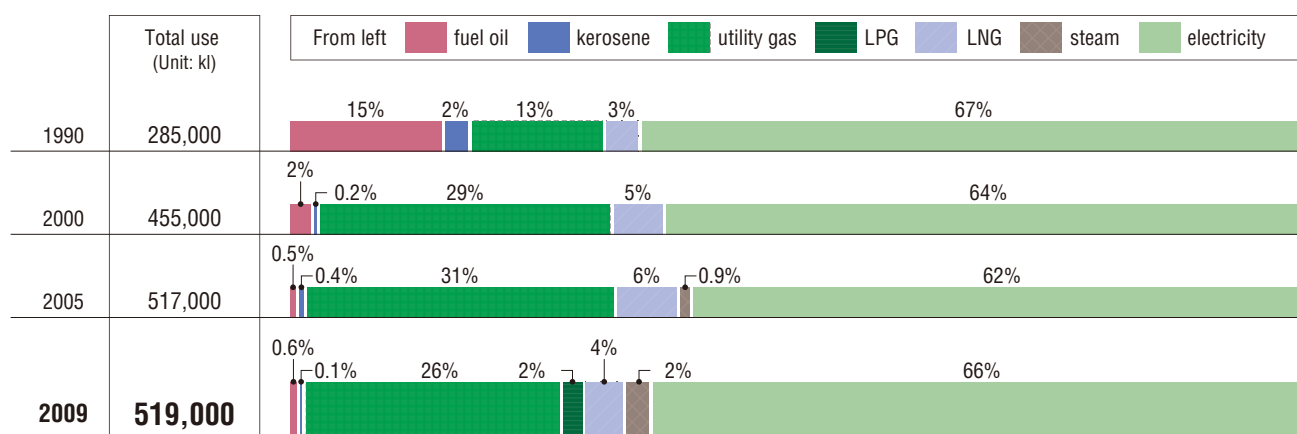
* In April 2010, the Commercial Printing Operations became the Information Communication Operations.

Switching to Low CO₂ Emissions Fuels

The DNP Group is making progress in the switch to low-CO₂ emissions fuels so as to reduce emissions of greenhouse gases such as CO₂. We have been making the switch from diesel,

kerosene, and similar high-CO₂ emissions petroleum fuels into low-CO₂ emissions utility gas and LPG (liquefied petroleum gas) since 1990, and plan to continue to do so.

Changes in fuel composition



Example Efforts at the DNP IMS Shiga Plant



Gas meter

Our Shiga Plant, where we mostly produce thermal transfer ink ribbons, is located on the SE shore of Lake Biwa, in a beautiful natural environment surrounded by the Suzuka and Shigaraki Kogen mountains. In December 2009, we made the switch from A-grade fuel oil to city gas as one aspect of our anti-warming measures. We calculate that this enables an annual CO₂ emissions reduction of about 600 tons. Also, the switch to gas cuts our emissions of sulfur oxides, a cause of acid rain, to zero, and so contributes to protection of the natural environment. We will continue to engage in efforts to prevent global warming by eliminating waste and conserving energy.

Employee comment

Hiroyasu Shinde
Technical Division, DNP IMS
Shiga Plant



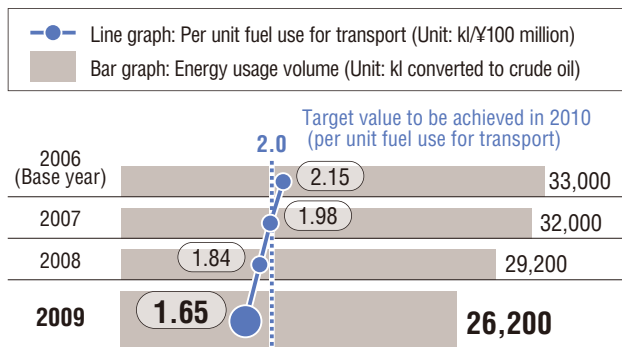
I joined the DNP Group as an employee of the Shiga Plant in December 2007. We knew about the DNP Group's plans to reduce CO₂ emissions, and about the global warming problem, so we took up the rapid switch to low-CO₂ fuels as our mission and worked hard to get it done ahead of schedule. We will continue to work to reduce CO₂ emissions by conserving energy throughout our Shiga Plant.

Achieving a Low-Carbon Society

Efforts in Transport

In FY2009, the Group's overall transport volume was 392 million ton-kilometers. 26,200 kiloliters of energy (converted to crude oil) was used in shipping, with CO₂ emissions of 65,800 tons. Per unit fuel use for transport (amount of fuel used/sales) was 1.65 kiloliters/JPY100 million, a reduction of 10.3% over FY2008.

Energy usage volume and per unit fuel use for transport



Example Efforts at DNP Logistics



Digital meter-installed vehicles

We handle most of the DNP Group's logistical needs, and are conducting our business in an environmentally-conscious way. We are engaged in a variety of CO₂ emissions reduction efforts, such as a modal shift to rail transport, improved fuel conservation by installing digital tachometers, the idling-stop campaign, and the optimization of transport routes through the use of automatic transport vehicle support systems. We have set a goal for this term of a 10% reduction in comparison to the same term last year. Also, we have been gradually switching to hybrids for our sales fleet, strengthening our anti-global warming measures which focus on reducing greenhouse gases.

Employee Comment

Tomoatsu Hirabe

General Manager, Planning Division, DNP Logistics

As the DNP Group's distribution unit, we are engaged in energy conservation from a transportation standpoint. While we of course seek to reduce CO₂ emissions, we are also working aggressively to reduce the packaging materials we use in distribution work, such as stretch film and wood pallets, as well as by using packaging made of recycled materials. We will continue to make shipping more efficient.



Example Efforts at the Gotanda Building

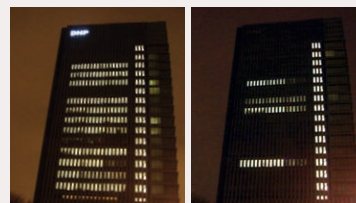
Our company's "total showroom" was opened in September 2006 as our Solutions Business base. This environmentally-friendly building was designed with energy conservation in mind, with sunlight-load reducing electronic blinds, a glass-aluminum composite exterior, a nighttime electricity use-reducing heat accumulation system, human sensor-controlled lighting, and high-efficiency electronic fixtures contributing to reduced CO₂ emissions thanks reduced power usage.

Employee Comment

Kazuo Tanaka

Officer, DNP Facility Services

We participated in the WWF "Earth Hour 2010," which was intended to highlight the importance of preventing global warming through daily power saving and energy conservation efforts, by switching off the Gotanda Building's exterior signage for a day. This effort serves as an appeal to our stakeholders to engage in anti-global warming efforts, and to breed new desire for environmental conservation efforts on our part as a member of the DNP Group.



Left, lights on; right, lights out

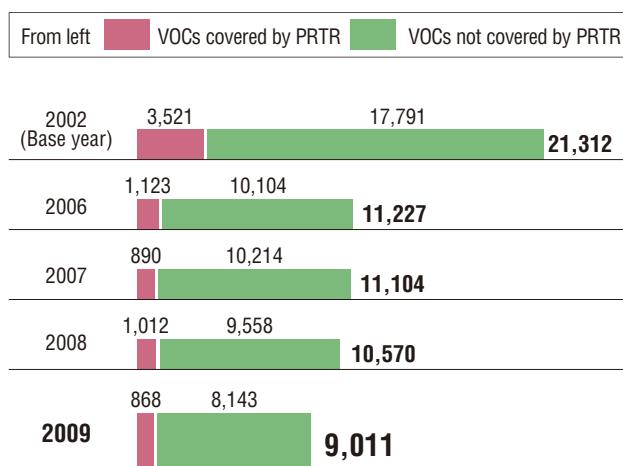
Efforts to Reduce Environmental Pollutants

As a manufacturer we are constantly thinking about how to coexist with the global environment. We avoid polluting the global environment, and work hard for environmental conservation and environmental pollutant reduction, so as to pass on a beautiful planet to the generations that follow.

Reducing VOC Emissions

Inks, solvents, and adhesives used in the printing process contain toluene and other VOCs (Volatile Organic Chemicals). The DNP Group's anti-VOC measures not only seek to regulate concentrations as required under the Air Pollution Control Act, 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 FY2009 in a 57.7% reduction, to 9,011 tons, in comparison with 2002 (the base year).

Trend in atmospheric emissions of VOCs (Unit: tons)



Reducing Air Pollutants + Related information

The Air Pollution Control Act regulates 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). 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.

Reducing Water Pollutants + Related information

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 continued to conduct measures in FY2009, such as changing out the filtration membranes and absorbent materials in wastewater processing equipment, improving the wastewater treatment in the kitchens, and reducing the organic materials in rain runoff, but there was an increase in COD, nitrogen, and phosphorous.

■ COD: Chemical Oxygen Demand

List of PRTR-Regulated Chemicals

+ Related information

Major atmospheric pollutants: Measures and results

Substance name	Use/Source	Measure(s)	Results
Dichloromethane	Printing process cleanser	Switch to water-based cleaners	94% reduction from FY2001 volume (53 tons) FY2009 atmospheric emissions volume: 3.2 tons
Dioxins	Burning of waste	Total elimination of small furnaces, for which burning control is difficult	6 large-scale furnaces currently in operation (responsive to 2002 regulations) FY2009 atmospheric emissions volume: 1.2 mg-TEQ
Hydrochlorofluorocarbons: HDCF-141b (1,1-dichloro-1-fluoro-ethane)	Use in cleansers	Switch to substitutes	Reduction of 42.9% since FY2008 FY2009 atmospheric emissions volume: 2.8 tons
Sulfur oxides (SOx)	Burning of fuel oil and kerosene containing sulfur	Elimination of boilers	Reduction of 25% since FY2008 FY2009 atmospheric emissions volume: 12 tons *Calculated using more accurate methods than those used in FY2008
Nitrous oxides (NOx)	Burning of fuels	Installation of low-NOx burners	Reduction of 8.4% since FY2008 FY2009 atmospheric emissions volume: 673 tons

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.

Use of Recycled Resources + Related information

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 be used without waste, and that resources be used effectively by re-using to the greatest extent possible any undesired materials that are produced.

We use waste per unit of production (waste emissions (**E** + **F**)/production volume) and the undesired materials production ratio (volume of undesired materials/materials input volume) as productivity indicators, and incorporate it in “Production 21”. Waste per unit of production in FY2009 was 0.151t, which represents an improvement over 0.169t in FY2008. This is mostly

due the reduction of waste volume due to value extraction. At the same time, the undesired materials production ratio was 13.7% due to the switch to small lots and other factors, which is worse than the 13.4% in FY2008.

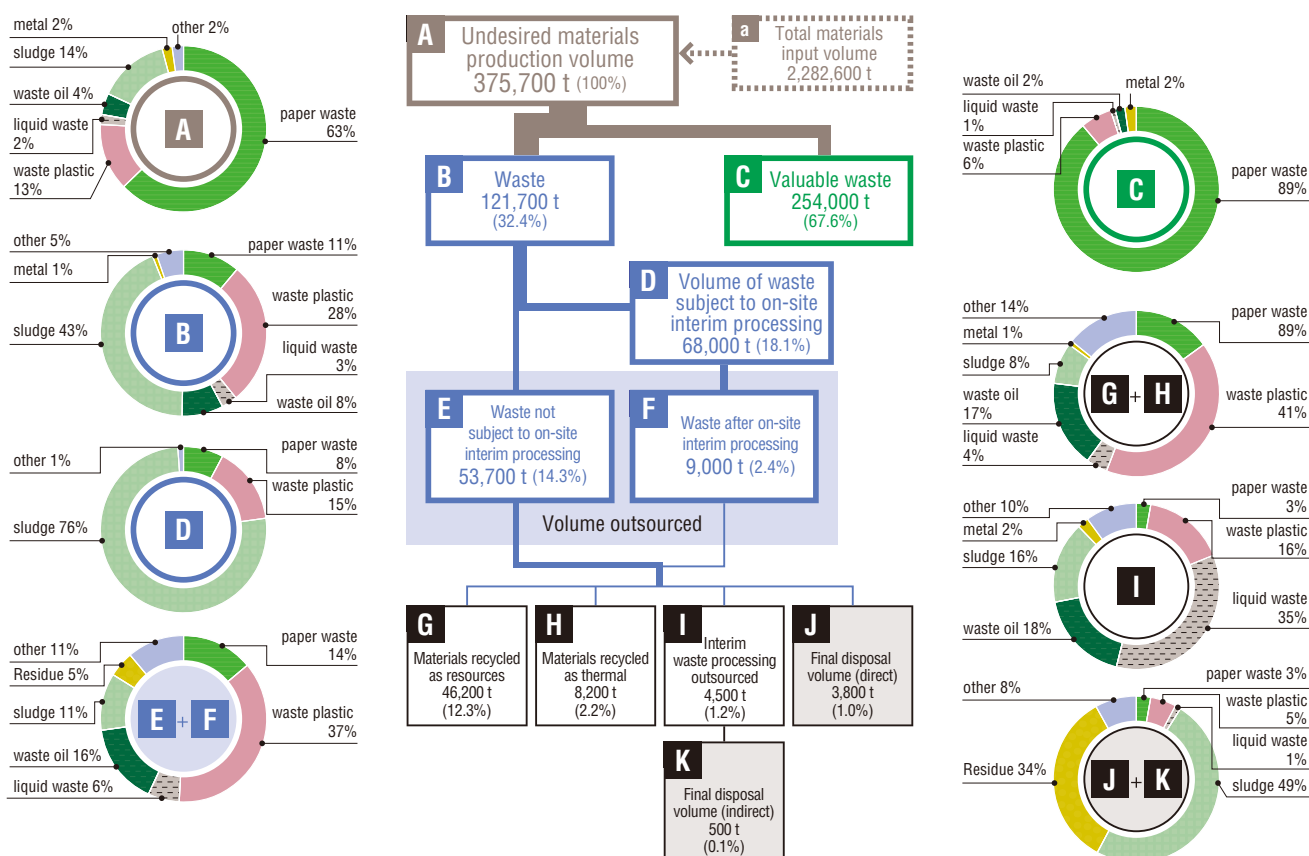
We use the recycling rate as the indicator for undesired materials reuse promotion, with the goal being zero emissions. Zero emissions means efforts to bring the landfill waste amount (**J** + **K**)/undesired materials production volume (**A**) to 0.5% or less, and while the rate for the Group overall is 1.1%, 45 out of 58 sites have achieved zero emissions. We have also achieved a recycling rate of 99.2%, despite low rates for waste plastic (96.4%) and glass waste (61.6%).

Production output: This shows the output from our business activities, and uses the added value amount.

Volume of undesired materials: The volume of undesired materials, which excludes undesired materials originating as primary raw materials not used by the Electronics Segment and DNP Data Techno.

Recycling rate: Ratio of effective use through the processing of undesired materials originating as primary raw materials [(**C** + **G** + **H**)/ **A**]; however, the amount of paper and plastic for which volume has been reduced through intermediary use in on-site processing equipment (heat recovery furnaces) (**D** - **F**) is added.

Diagram: Breakdown of undesired materials production volume

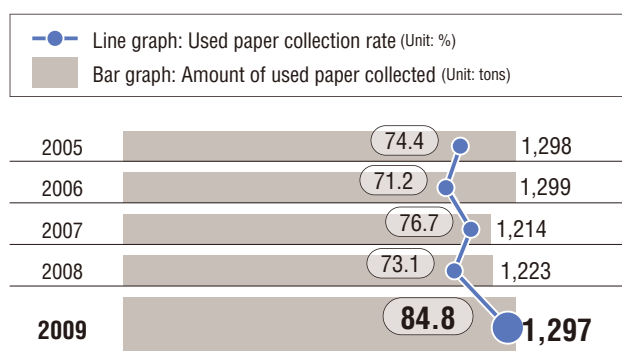


Office Paper Recycling

We make serious efforts to separate and collect paper discarded from offices. Our rate of office paper recycling was 84.8% in FY2009, 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 collection for some time. Data was gathered at 32 sites in FY2009.

Paper Collection Trends



Employee Comment

Masahiro Koori

Assistant Manager, Manufacturing Division
DNP Fine Electronics



We acquired ISO 14001 certification in March 2004 at the Kamifukuoka Plant, where we manufacture photomasks and lead frames, and achieved "zero emissions." Nonetheless, ferric chloride effluent and sludge from our etching process make up about 90% of our waste emissions, and reducing this is a major issue confronting us. We placed a coordinator responsible for reducing these emissions in the manufacturing unit three years ago, and strong efforts were pushed through. In the ferric chloride effluent there are two kinds of base materials processed in etching, copper and iron, but by thorough separation during emission we are able to extract the copper for value. Since April 2009, we have increased the number of buyers for this, and by extracting value from all of the copper-base ferric chloride effluent we have greatly reduced our waste emissions. As a result, we have achieved a 34% improvement in per unit emissions volume in comparison to FY2008.

Henceforth, we will continue to try to extract value from the iron-based ferric chloride effluent, and work to reduce sludge emissions, with the goal of achieving more efficient resource use together with cost reduction.

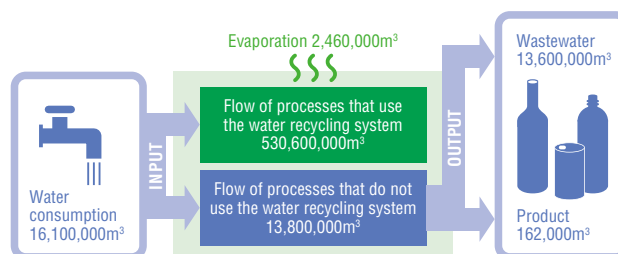
Use of Recycled Water

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. The majority of our plants save water by using a closed system for repeatedly using water rather than discharging it. We used 530.6 million m³ of recycled water in FY2009. Our water usage ratio was 33-fold.

We are also making effective use of rainwater in our office buildings and other areas. We used 10,200 m³ of rainwater in FY2009 for toilet flushing and watering our grounds.

Recycled water: The total volume of water that flows through the heat exchange or cleaning equipment in our closed-cycle system in one year.

Water Input-Output

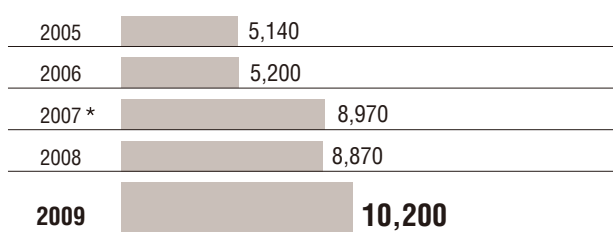


* Hokkaido Coca-Cola Bottling and DNP Fine Chemical use it in products.

Trends in recycled water use (Unit: 1,000m³)



Transition of the amount of rainwater used (Unit: m³)



* The Gotanda Building also began using rainwater in FY2007.

Building a Recycling Society

■ Development and Sales of Environmentally Conscious Products

The DNP Group created the Environmentally-Conscious products Development Guidelines to direct from the design stage the creation of environmentally-conscious products, so as to reduce the environmental impact of our products throughout the lifecycle.

Our sales of environmentally-conscious products reached

¥312.1 billion in FY2009 (¥308.1 billion in FY2008). Sales of optical film for displays and printed materials using non-petroleum-based inks increased.

Lifecycle: This covers every aspect of the lifetime of a product or service, from the point where the material resources that go into its manufacture are extracted from the Earth through production, distribution, use and finally to when any waste is returned to the Earth.

Environmentally Conscious Product Development Guidelines

① Reduction of environmental pollutants

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

② Resource and energy conservation

Reduce the use of metals and fossil fuels, Energy-conserving products and systems.

③ Sustainable harvesting of resources

Utilize natural resources in a sustainable way.

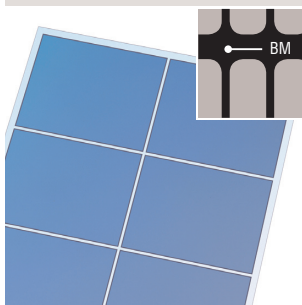
④ Long-term usability

Consider the ease of repair and parts replacement, length of maintenance and repair service, and the expandability of functions.

Example

BM Color Filters

These are color filters using a black matrix(BM) made of resin instead of metal. Development of this product has resulted in reduced environmental impact and cost.



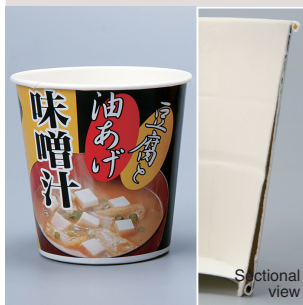
Elbow Pouch

Our Elbow Pouch is a refill-use pouch with improved opening and pouring features. It is useful in saving bottle resources, and post-refilling volume is reduced.



HI-CUP

This is an insulated two-layer cup made up of the cup itself and a sleeve. Post-use volume is reduced, and it can employ recycled paper.

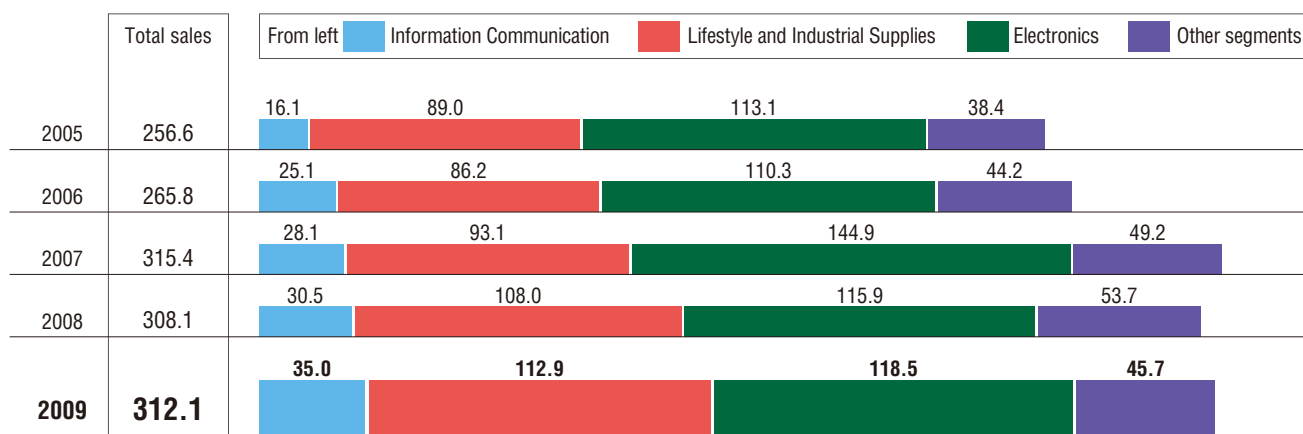


Safmalle

Safmalle is our line of olefin-based decorative sheets for construction or decorative use, which meet the need for "healthy," "hygienic," and "safe" living space creation.



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



⑤ Reusability

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



Peel-off Shipping Labels

These are shipping labels that are easily peeled off of packing paper or cardboard. The labels are one-ply, saving paper, and they make the recycling of cardboard and other packaging easy because they peel off cleanly.



⑥ Recyclability

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



Environmentally Conscious Calendars

These calendars are made with recycled paper and low environmental impact ink. No metal or plastic need be removed post-use, because neither is used in their production.



⑦ Use of recycled materials, etc.

Use as many collected and recycled materials and parts as possible.



Magazines and Pamphlets Using Recycled Paper

These are printed materials that use composites of used paper, such as used magazines and newspapers. Not only do they require fewer paper resources, but the use of low environmental impact soy ink and non-VOC ink is increasing.



⑧ Ease of treatment and disposal

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



IB (Innovative Barrier) Film

This packaging-use clear cling film which cuts dioxin use because it is non-PVC. It is widely used in the packaging of food, toiletries, or daily items requiring a barrier.



Building a Recycling Society

Development of Products Using Life Cycle Assessment

Society has in recent years come to demand that companies clearly show how they are reducing environmental impact. DNP has introduced LCA (Life Cycle Assessment), which evaluates the kinds and degree of environmental impact of a single product over its entire lifecycle, and seeks ways to make improvements. The LCA system has been incorporated into product development.

Carbon Footprint + Related information

DNP participated in the establishment of PCRs (Product Category Rules) for publishing/commercial printing, packaging, etc., and in looking into verification schemes within METI's Carbon Footprint System. We have also been preparing and gathering production data and conducting training of coordina-

tors in-house, and establishing a system for calculation that matches METI's demands.

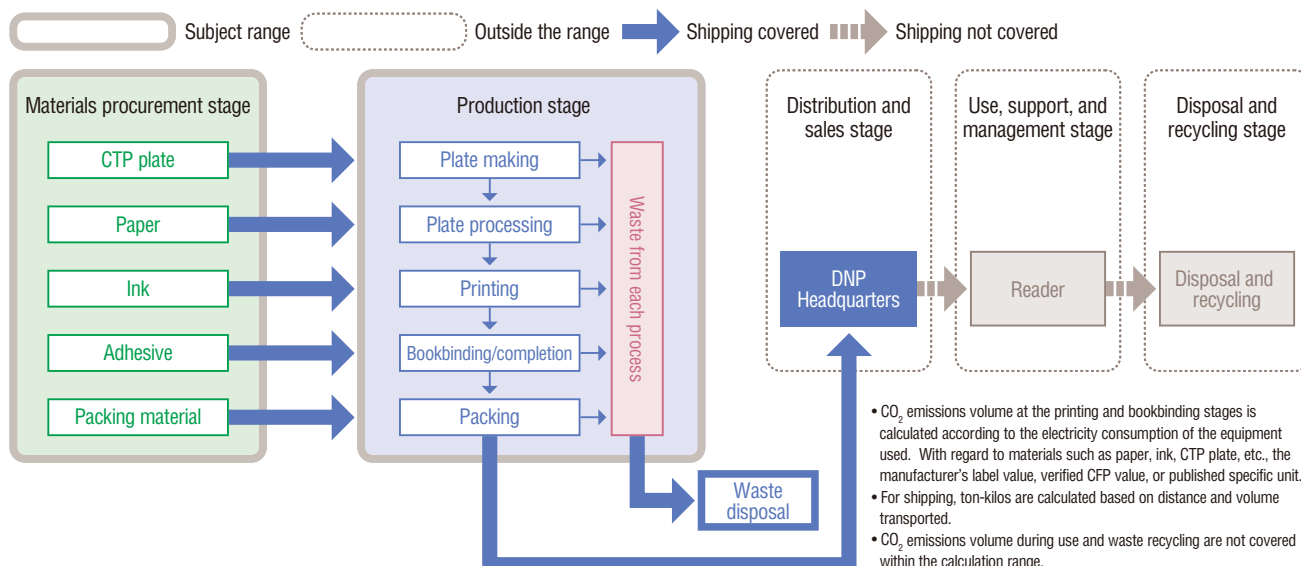


LCA/CFP Research Seminar

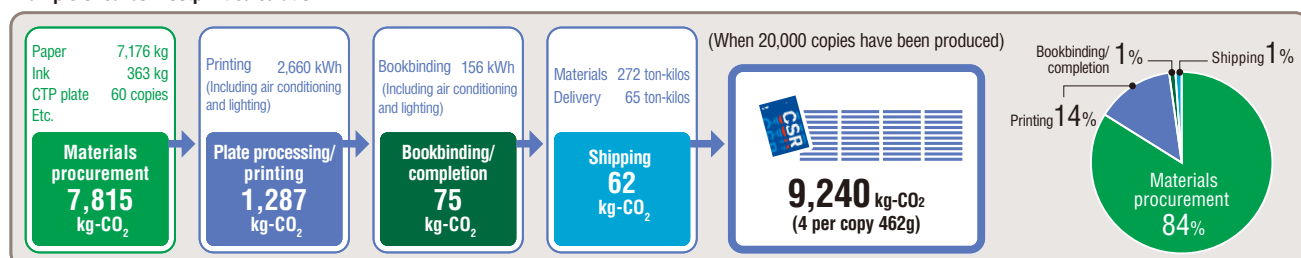
Life-Cycle Assessment (LCA): This is a method for quantitatively ascertaining and evaluating the environmental impact of a product over its entire lifetime, from resource extraction through distribution, consumption, and disposal through recycling.

Carbon Footprint (CFP): The CFP expresses as CO₂ volume the total emissions of greenhouse gases of a product or service over its entire lifecycle. By labeling the product (visualization), a business can demonstrate its anti-global warming measures to consumers, who can then make product or service choices which take CO₂ emissions volume into consideration. Calculation of the CFP employs the LCA methodology.

Example: Lifecycle of printed materials calculation of carbon footprint



Example of carbon footprint calculation



*Green electricity used in printing and bookbinding (2,816 kWh)

Providing Environmental Information

Related information

Environmental Label Certification

We have acquired Environmental Labeling Certification, such as Eco-Mark, CoC certification, EPD, etc., and are working to expand the sale of products with this labeling. This is one method of providing accurate information about our products (goods and services) to consumers through the items we sell, packaging, advertising, etc.

Environmental Labeling: This is broadly divided into three types: Type 1, such as Eco-Mark (third party certification); Type 2, in which a company itself makes the declaration (self-declaration); and Type 3, in which environmental information is provided on the label, such as the Eco-Leaf (environmental information labeling), with each having specifications under ISO or JIS.

Reference information: "Environmental Database" of the Central Environment Council of the Ministry of the Environment

Main certification acquisition results

Eco-Mark (Type 1 environmental label)

This environmental label is attached to products recognized as having low environmental impact throughout their lifecycle, from "production" through "disposal," and as being useful to environmental conservation.

Acquired for mugs made of recycled plastic

CoC Certification

CoC (chain of custody)

This is a certificate of control throughout each stage of processing and distribution, by which wood products and materials (including paper products) taken from FSC-certified forests contain a fixed percentage or greater of certified material, and have no wood products or materials derived from illegally harvested sources mixed in.

Acquired by a total of 19 units

EPD (Type 3 label)

EPD is an environmental declaration program developed by Sweden's Environmental Management Committee for the disclosure of life cycle assessment data (environmental impact across a product's lifetime) reviewed by a third party.

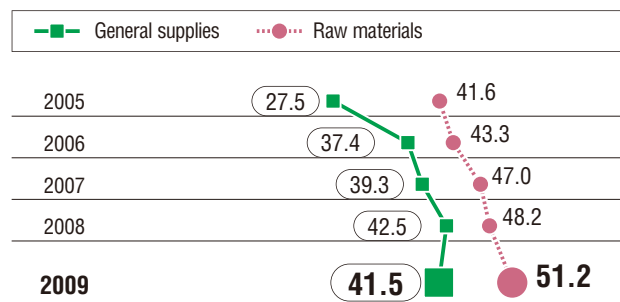
DNP has acquired this for fused thermal transfer materials and dye-sublimation transfer materials.

Environmentally Conscious Materials Procurement

Promoting Green Purchasing

We engage in Green Purchasing in selecting and buying parts, materials, provisions and equipment, and office supplies that cause the least possible environmental impact from the upstream production processes on, so as to reduce the environmental impact of DNP's products. We also give priority in materials and equipment purchasing to suppliers that take an aggressive approach to environmental conservation.

Purchasing rate for environmentally conscious products (Unit: %)



* Data for 37 sites under the direction of the DNP Purchasing Division are included in the aggregate calculation.

Management of Chemical Substances in Product Materials

As part of DNP's efforts to improve product safety, in response to laws and regulations such as the RoHS Directive and REACH Regulations adopted by the EU, as well as client demand, we monitor and manages chemicals contained in the materials we purchase.

In 2004, we conducted a study of the amounts of chemicals contained in materials we purchase from suppliers and used the results in creating 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.

RoHS Directive: Directive on the restriction of the use of certain hazardous substances in computers, communications equipment, home electronics, and other electrical and electronic equipment.

REACH Regulations: Regulations requiring the registration of chemical substances made and used in the EU.

Activities at Overseas Bases

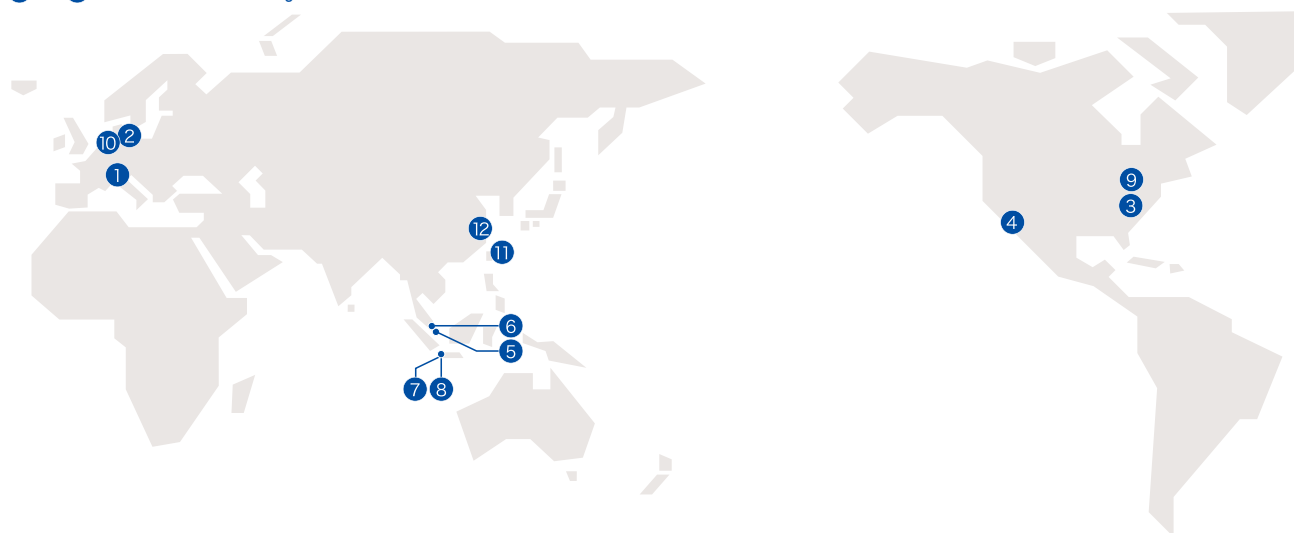
We operate our Management System and Overseas Surveillance at our overseas bases as well, engaging in activities for achieving targets and enhancing environmental management.

Efforts at Overseas Sites

We implemented the Eco-Report System (P59) at our overseas sites as well beginning in 2005. We will continue to work to enhance our environmental management. Our Headquarters Promotion Office also visits all overseas manufacturing sites and offices, checking on the environmental management situation and giving guidance through our Overseas Surveillance program.

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.

① — ⑫ Overseas Manufacturing Sites



Environmental impact status at overseas production sites	①—⑥ tabulated between April 2009 and March 2010 ⑦—⑫ tabulated between January 2009 and December 2009	CO ₂ emissions (Unit: CO ₂ tons)	Final amount of waste disposals (Unit: tons)	VOC emissions (Unit: tons)
① DNP Photomask Europe S.p.A. (Agrate)	Manufacturing photomasks	5,860	36	less than 1 ton
② DNP Denmark A/S (Carlsund)	Manufacturing projection television screens	710	0	less than 1 ton
③ DNP IMS America Corporation (Concorde)	Manufacturing information media supplies	2,170	313	less than 1 ton
④ DNP Electronics America, LLC (Chula Vista)	Manufacturing projection television screens	690	2	less than 1 ton
⑤ Tien Wah Press (Pte.) Ltd. (Singapore)	Offset printing and binding	9,850	288	98
⑥ Tien Wah Press (Pte.) Ltd. (Johor Bahru)	Offset printing and binding	5,130	0	95
⑦ DNP Indonesia (Progadon)	Gravure printing and offset printing	17,820	1,528	2,520
⑧ DNP Indonesia (Karawang)	Gravure printing and offset printing	20,770	479	4,149

*CO₂ emissions volume is calculated using coefficients from the GHG Protocol and the US Department of Energy.

Data for ⑨ DNP IMS America Corporation (Pittsburgh), ⑩ DNP IMS Netherlands B.V. (Amsterdam), ⑪ DNP Photomask Technology Taiwan Co., Ltd. (Hsinchu), and ⑫ DNP Plastic Molding (Shanghai) Co., Ltd. (Shanghai) are not included because they are new sites.

Independent Review Report Comments by an Independent Institution

(Third-party review: Ernst & Young ShinNihon Sustainability Institute Co., Ltd.)

Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

Independent assurance report

16 June 2010

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"), on the Company's key environmental performance indicators. These comprise the material environmental information¹ of the Company and its major subsidiaries for the year ended 31 March 2010, that were reported in the DNP Group CSR Report 2010 (the "Report"). The assurance procedures are with respect to whether the key environmental performance indicators have been measured and calculated accurately and whether material information has been fully disclosed in accordance with the reporting standards for sustainability reports².

The preparation of the Report is the responsibility of the Company's management. Our responsibility is to express an independent opinion on the Key Environmental Performance Indicators.

2. Outline of the assurance procedures performed

We have performed limited assurance procedures³ 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.

3. Conclusion

Based on the assurance procedures performed, nothing has come to our attention that causes us to believe that the Key Environment Performance Indicators have not been measured and calculated accurately in accordance with the reporting standards of sustainability reports, or material information has not been disclosed in accordance with the 2009 Sustainability Reporting Assurance and Registration Criteria, in all material respects.

4. Independence

Our assurance is compliant with the Ethics Regulations of J-SUS and there is no financial interest between the Company and us.

Akihiro Nakagome
Representative Director
Ernst & Young ShinNihon Sustainability Institute Co., Ltd.

¹ The scope of material environmental information is stipulated in the 2009 Sustainability Reporting Assurance and Registration Criteria of the Japanese Association of Assurance Organizations for Sustainability Information (J-SUS).

² The reporting standards refer to the 2007 Environmental Reporting Guidelines of Japan's Ministry of the Environment, the 2006 Sustainability Reporting Guidelines of the Global Reporting Initiative, and the 2009 Sustainability Reporting Assurance and Registration Criteria of J-SUS in the context of specifying the material subject to disclosure.

³ We have mainly reviewed and assessed the Company's procedures for the collection and aggregation of data, performed analytical procedures, as well as recalculated and reconciled them with the corroborating evidence on the quantitative sustainability information on a test basis. In addition, we have mainly made inquiries and reviewed related records to verify the qualitative information.



On site audit
Mihara Plant, DNP Opto-Materials



On site audit
Izumizaki Plant, DNP Technopak



On site audit
DNP Hokkaido



On site audit
Mihara Plant, DNP Precision Devices



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 Environment Act, leaves office in 1993. Establishes the Research Institute for the Environment and Society in the same year, of which he is currently President. Serves concurrently as Chairman of the Japan Association of the Environment and Society for the 21st Century (formerly, Association for the Study of the Environment and Society in the 21st Century). Major published works include *Thoughts About The Environment* (2010, PRESIDENT Inc.); *The Power of the Environment to Create Wealth* (2005, Goma Shobo); *The Power of the Environment* (2003, Goma Shobo); *The Environmental Century* (2001, The Mainichi Newspapers); *Conditions for Creating the Recycling Society* (1998, Nikkan Kogyo Shimbun), *The Environment and the Future of Culture* (1996, PRESIDENT Inc.).

To me, just how to go about getting a handle on and describing the DNP Group's CSR is a fascinating subject. After all, DNP is a venerable company about to greet its 135th year, which is trusted by society and holds contribution to society as its core business concept. As I read this ambitious report and again attempt to describe my take on it, it occurs to me that CSR is about building thorough systems that provide for each employee to have a clear understanding of their responsibilities to society, so that they will make unceasing efforts to maintain society's trust.

As President Yoshitoshi Kitajima describes it in this year's report, the three responsibilities are "value creation," "Integrity in Conduct," and "Transparency (accountability)," while the Code of Conduct for fulfilling these responsibilities consists of 10 items, including "contributing to the development of society," "social contribution as a good corporate citizen," and "compliance with the law and social ethics." The company then follows up on these objectives by setting clear annual targets for them, and assigning itself a "pass or fail" grade depending on the degree of achievement. A look at this "report card" shows what the DNP Group considers important and where it is making efforts. The five principles representing the guidelines for the conduct of each employee in executing these responsibilities are "TAI/WA," "independent and collaborative mind-set," "challenge," "integrity," and "responsibility."

This report not only describes the concepts or approaches behind the company's actions, but also describes the systems and technical aspects. One such fascinating example from this year's report is the adoption of the SSFC card system. By using the SSFC system, a single IC-format employee ID can manage employee room entry/exit control, document control, PC logins, and dining hall or vending machine payment. This provides for a breakthrough security system that does away with the old system that required the use of a number of cards by consolidating all the functions onto one. While DNP of course uses this system in-house, it is also gaining broad acceptance of this system outside the company.

While I have always had the sense that the DNP Group takes good care of its employees, reading this report has left me with an even deeper impression of their caring attitude. One especially notable example is the mentoring program experienced senior staff they have started to ease the concerns and worries of employees, especially women, about the burdens of childbirth, childrearing, nursing care, etc. I am looking forward to finding out the results of this program. The DNP Group has shown warm consideration for its employees in the past through its "Kangaroo Club" and programs for the physically-challenged, and along with those efforts this new one will get a lot of attention.

The DNP Group makes efforts not only for its own people, but for people outside the company as well. For example, while the status of a variety of social contribution and cultural efforts are described in this report, the DNP Group has also initiated a new effort to build a relationship of trust with its large, medium, and small suppliers through the "Supplier Hotline." The Hotline is aimed at helping resolve any issues that might occur between DNP employees and the company's outside suppliers, and serves as a means to improve trust in business relationships. Other efforts during the past year that demonstrate DNP's kind attitude to those outside the company include the donations made through the efforts of the company, the labor union, and the employees to the Red Cross for victims of the Haiti earthquake.

The DNP Group's CSR Reports always include details about the company's environmental conservation efforts, but this time such efforts take a particularly noteworthy form in describing the DNP Group's "Biodiversity Declaration," made in anticipation of the International Convention on Biological Diversity (COP10) in Nagoya in October 2010. The Declaration is a concrete expression of DNP's fundamental philosophy of realizing a society in symbiosis with nature. Japanese companies, especially manufacturers, have not so far engaged in the kind of conscious efforts about biodiversity as they have in their global warming measures, but DNP is taking some important first steps through solid efforts such as promoting the use of Forest-Certified and "Yoshi" paper. In terms of its medium- to long-term efforts, DNP is redeveloping its birthplace, the Ichigaya area, which of course means the construction of its Headquarters skyscraper and concentration of its company buildings there, but the company is also giving consideration to the general public in the spaces that those efforts will free up. This includes the construction of sports and cultural facilities for community use, as well as the planned creation of the "Ichigaya Forest" green zone. Establishing the Ichigaya Forest represents a desire to contribute to preserving biodiversity in midst of a great city.

The DNP Group is also continuing to take active environmental conservation measures of the traditional kind, and their achievements in this area are noted in the list of results for past year. Nonetheless, as I pointed out in regard to the 2009 edition, DNP must try to make more of an effort in regard to broadly cutting CO₂ emissions. While I don't understand why, although for the past couple of years there have continued to be policy steps taken both domestically and internationally for financial reasons regarding global warming, climate change itself is still occurring at a rapid pace. A strong company such as DNP must engage with this issue aggressively and with foresight, in anticipation of a major strengthening of regulations in the not-too-distant future.

- This report has been designed in consideration of the environment and Color Universal Design.



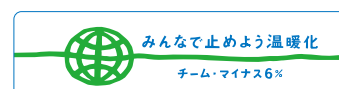
Green Power: We have started using Green Power (1 million kWh annually). The printing of this report was powered by "natural" energy (2,816kWh).



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Dai Nippon Printing Co., Ltd.

Corporate Social Responsibility Office

1-1, Ichigaya Kagacho 1-chome, Shinjuku-ku, Tokyo 162-8001, Japan

Tel: +81-3-3266-2111

Fax: +81-3-5225-8083

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

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