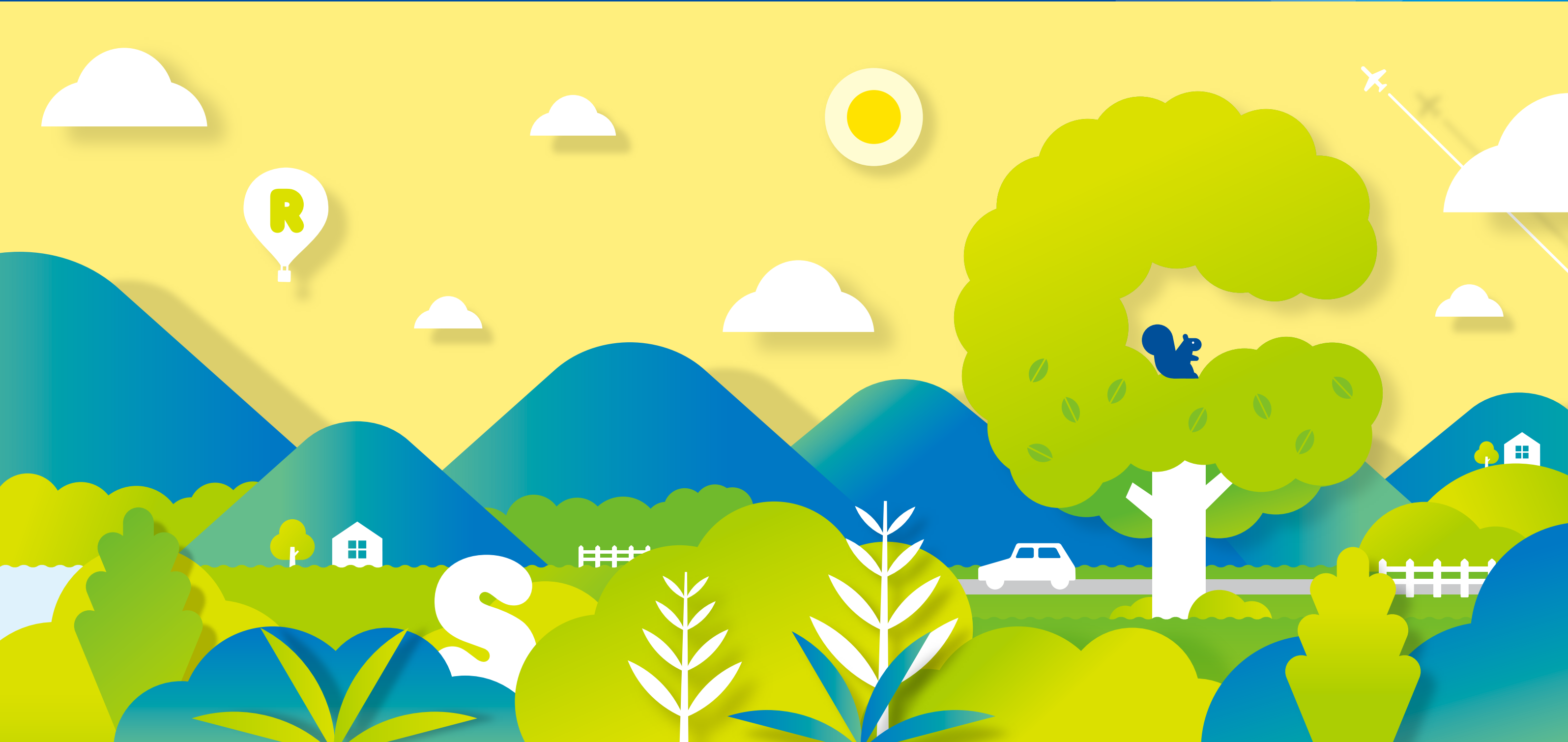


**Dai Nippon Printing Co., Ltd.**

CSR & Environmental / Product Liabilities Department  
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**DNP**

**CSR REPORT  
2016**



DNP Group CSR Report 2016

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About the Cover Design

Based on the concept of the DNP Group Vision 2015—“connecting individuals and society, and providing new value”—this design illustrates how DNP’s CSR coexists with all aspects of nature and contributes to the development of a sustainable society.



groovisions

Groovisions is a design studio established in 1993. It is active in a variety of areas, primarily graphics and motion graphics, but also music, publishing, products, interiors, fashion and the web. Groovision’s main works include stage visuals for Pizzicato Five, editorial design for the magazines *Kokoku Hihyo* and *Metro Min.*, motion graphics for Expo 2005 Aichi Japan, show window direction for Maison Hermès, and the 301st Ginza Graphic Gallery Exhibition.

Detailed information is provided in our Environmental Report.



DNP Group  
Environmental Report 2016 (PDF)  
<http://www.dnp.co.jp/eng/csr/>

Information Disclosure Philosophy / Editorial Policy

- ◆ DNP ensures accountability by properly disclosing information about its corporate activities.
  - ◆ Based on this approach, we use websites and various media to appropriately disseminate financial and non-financial information so that all of society can understand our company in a multi-faceted and integrated way.
  - ◆ Information relating to social responsibility is disclosed in our CSR Report, Environmental Report, and the CSR and Environment sections of our website.
  - ◆ This report describes the role DNP plays in society, from the perspective of business activities and associated processes.
- ◇ Period covered by this report:

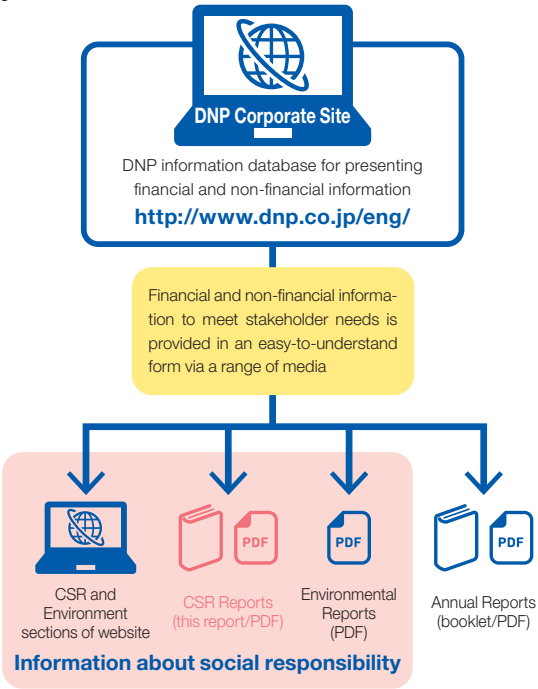
April 1, 2015 to March 31, 2016 (FY2015)

However, reporting is not confined to this period regarding some important matters.
- ◇ Scope of report:

All companies and divisions of the DNP Group

In this report, “DNP” indicates the DNP Group, as distinct from Dai Nippon Printing Co., Ltd. The designation “DNP Group” shall be used in contexts where we emphasize the Group as a whole.
- ◇ Issued:

June 2016 (Next scheduled issue: June 2017)



Survey on the DNP Group CSR Report 2016







Please let us know your opinions and impressions.

<http://www.dnp.co.jp/csr/enquete/> (Japanese only)

Corporate Profile (as of March 31, 2016)

Company Name:	Dai Nippon Printing Co., Ltd.	Number of Employees:	39,198 (Consolidated) 10,676 (Non-consolidated)
Head Office:	1-1, Ichigaya Kagacho 1-chome, Shinjuku-ku, Tokyo 162-8001, Japan Tel: +81-3-3266-2111	Group Companies:	Consolidated subsidiaries: 114 Equity-method affiliates: 15
Website:	<a href="http://www.dnp.co.jp/eng/">http://www.dnp.co.jp/eng/</a>	Financial Data: (FY ending March 2016)	
Established:	October 1876	Net Sales	¥1,455.9 billion (down 0.4% year-on-year)
Incorporated:	January 1894	Operating Income	¥45.4 billion (down 5.6% year-on-year)
Paid-in Capital:	¥114,464 million	Ordinary Income	¥52.6 billion (down 2.1% year-on-year)
		Net Income	¥33.5 billion (up 24.8% year-on-year)

Business Segments:

		Percentage of total sales		
Printing	Information Communication	56.2%		1 Magazines, books
	Lifestyle and Industrial Supplies	26.2%		2 Smart cards, magnetic cards
	Electronics	13.6%		3 Photobooks, dye-sublimation transfer media
Beverages	Beverages	4.0%		4 Packaging
				5 PET bottles and preforms (left of photo)
				6 Aseptic filling systems for PET bottles

# Top Message

## “Today’s Innovation is Tomorrow’s Basic”

I would like to express my sincere condolences for the victims of the Kumamoto earthquakes of April 2016, and heartfelt sympathies to all those affected by the disaster.

We are fortunate enough to report that the earthquakes had no major effects on the DNP Group. We quickly confirmed the safety of all our employees, and our plants in Fukuoka Prefecture suffered minimal damage and are operating normally. Since before the disaster, DNP has endeavored to become a disaster-resilient company, developing a Business Continuity Plan (BCP) in line with the characteristics of each business division to prepare for emergencies. Furthermore, we are taking these earthquakes as an opportunity to further enhance our ability to withstand natural disasters.

### Creating new value to address social challenges

When DNP was founded in 1876, our stated goal was to “Run a civilized business.” We intended to support civilization through business, by using letterpress printing, a cutting-edge technology at the time, and thus building a foundation for publishing and information dissemination essential to the modernization of Japan. This spirit of contributing to the development of society was indeed our founding philosophy. Since then, we have supported various types of social infrastructure by applying and expanding printing technologies—moving into fields such as packaging, decorative materials, securities, smart cards, electronics, information recording media and life sciences. Although the scale and content of our business have undergone significant changes, the legacy of our founding purpose remains intact in our current corporate philosophy of “connecting individuals and society, and providing new value.”

Society today is in the midst of major changes, rivaling the post-war period of turmoil, and facing a variety of issues. DNP’s aim is to contribute to the sustained development of society, by striving to resolve these social issues, create new

value, and achieve our own sustained growth. To that end, we feel it is important for our employees to independently and accurately grasp social issues and changes, and then rapidly produce solutions by combining the strengths the Group has available.

Products, services and systems arising from such thinking should eventually become everyday things, which are essential and indispensable to life, business and society. At DNP, we express this in our motto “Today’s Innovation is Tomorrow’s Basic,” and take concrete steps to make it a reality. Among those efforts, this report focuses on “functional films,” which contribute to harmonious coexistence between the earth and human beings, and “information security,” which is the foundation for a safe and secure advanced information society.

### Responding to challenges inside and outside Japan

In 2015, the international community reached two historic agreements concerning corporate conduct. First were the Sustainable Development Goals (SDGs). These were adopted by the UN General Assembly in September, and are international guidelines to eliminate human rights issues such as poverty, environmental concerns and other global problems so that sustainable development is realized by the year 2030. Second was the Paris Agreement on global warming, adopted in December at the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21). These adopted goals and agreements address urgent issues that cannot be solved without a total cooperative effort, involving not only government agencies, but everyone from private sector organizations to individuals.

We at DNP also hope to engage with these issues proactively and to fulfill our responsibilities. More specifically, with respect to human rights, the DNP Group Code of Conduct establishes that respecting human dignity is

of the utmost importance and that discriminatory speech and behavior will not be tolerated under any circumstances. We are making every effort to ensure that this policy is enforced throughout the Group. In 2015, we carried out a survey to determine whether any of our operations conducted at international business locations are having a negative impact on stakeholders. In terms of environmental issues, in 2014 we established long-term targets for 2030 to strengthen our reduction of greenhouse gas emissions. Also, due to the increasing importance of issues such as reducing water usage, we revised our management targets and initiated new efforts to meet them by the year 2020.

As a corporate citizen, DNP wants to broadly contribute to a better society. Our employees are continuing their local volunteer activities to support recovery from the Great East Japan Earthquake. In 2015 these activities included cleaning temporary housing and supporting the fishing industry in Ishinomaki. Also, in the wake of the recent Kumamoto earthquakes, our hearts have gone out to the affected areas and people; our employees are engaged in a variety of support activities to hasten recovery efforts.

In October 2016, DNP will mark the 140th anniversary of its founding. The trust and expectations of society, companies and consumers, built up over many years, are DNP’s precious asset and a major aspect of DNP’s value. Going forward, DNP will strive to be a company all the more trusted by society, by carrying on our founding purpose, and earnestly responding to the various issues and expectations of society.

President



Yoshitoshi Kitajima



# DNP’s History of Contributing to Society

DNP's history has always involved responding to the problems of consumers, companies and society. We confront social problems which arise due to changing times and issues that must be addressed to create the society of the future. To help solve these problems, we develop products and services that will soon become a familiar presence in our daily lives, something we take for granted—in other words, we create new value for the future. Moreover, we continue to evolve the DNP technologies created as we face these challenges. In this way we hope to contribute to future society.

## 1870

**1876**  
Founded Shueisha (the predecessor to DNP), began letterpress printing



## 1950

**1951**  
Began “expansion printing”

**1956**  
Created Project Planning Division  
Established an integrated system covering everything from planning, to printing and manufacturing

**1963**  
Established Hokkaido Coca-Cola Bottling Co., Ltd.



**1964-69**  
Established international representative offices in quick succession, including offices in New York and Frankfurt

## 1980

**1975**  
Began digital processing of image data

**1986**  
Opened Ginza Graphic Gallery (ggg), specializing in graphic arts



## 2000

**2001**  
Announced DNP Group Vision for the 21st Century



**2006**  
Opened the Louvre–DNP Museum Lab

**2014**  
Established DNP Kyoto Uzumasa Cultural Heritage Gallery

**2015**  
Announced DNP Group Vision 2015

### Information Communication

**1877**  
Printed a revised and translated edition of “Self-Help” written by Samuel Smiles  
Developed cardboard



**1898**  
Started printing securities

**1910**  
Completed initial development of DNP’s original “Shueitai” typeface



**1925**  
Printed the first edition of “King” magazine

**Unprecedented major bestseller**



**1955**  
Printed “Kojien,” one of the most authoritative dictionaries in Japan

**1956**  
Printed the weekly magazine “Shukan Shincho”



**Enhanced printing systems to allow publishing companies to issue weekly magazines**

**1965**  
Started mass-producing business forms

**1972**  
Began operating a computerized typesetting system (CTS)



**1973-74**  
Began full-scale production of magnetic bankbooks and cards



**1978**  
Developed large-size holograms



**1983**  
Developed smart cards



**Development of operating systems and applications for smart cards becomes a DNP strength**

**1984-85**  
Developed melt-type and dye-sublimation thermal transfer printing media (ink ribbons, etc.)

**1985**  
Developed an electronic dictionary on CD-ROM

**Japan’s first-ever CD-ROM software**

**1995**  
Launched “Media Galaxy” Internet service

**2000**  
Established Internet Data Center

**2001**  
Launched website “Book on Demand” for online marketing of published content

**2001**  
Developed SIM cards for mobile phones

**2005**  
Introduced PrintRush, self-service photo printing KIOSK

**2010**  
Introduced “honto” e-book sales service

**2013**  
Established DNP Kashiwa Data Center



**Highlight** **1997** Began marketing aseptic PET bottle filling system using preform supply method

### Preserving flavor and the environment

Drink containers used to be primarily glass bottles or cans. In 1982, a revision to the Food Sanitation Act allowed the use of PET bottles for soft drinks, and their convenience led to widespread use. Meanwhile, the 1980s were also a time when global environmental issues began to receive attention. In 1997, DNP began marketing an aseptic PET bottle filling system using the preform supply method as a response to environmental issues. This system employed an in-line molding system in which “preforms” (test tube shaped pre-formed PET bottles) were shipped to the beverage plant and formed directly on the line. Since bottles were delivered to the plant in preform condition, this represented a seven-fold improvement in transportation efficiency. Also, by reducing the weight of the bottle, the amount of raw material (derived from petroleum) was cut by 18%, and CO<sub>2</sub> discharged over the entire lifecycle of the product was 35% lower than conventional heat-resistant bottles. Furthermore, the contents were immediately cooled after rapid high-temperature sterilization, and this allowed for filling at room temperature, so there was less risk of destroying nutrients and flavor and aromas were kept longer. Such a system was not only environmentally friendly, but also offered benefits to consumers as well.



### Lifestyle and Industrial Supplies

**1951**  
Fully entered the fields of paper containers and film packaging



**1952**  
Developed technology for printing decorative paper

**1961**  
Began printing directly onto steel plates

**1967**  
Began producing molded plastic containers

**1969**  
Began production of laminated tubes



**1958**  
Succeeded in producing prototypes of shadowmasks used in color televisions

**Opened the door to domestic production of color televisions**



**1959**  
Succeeded in producing prototypes of photomasks for semiconductor circuit boards

**Ultrafine technologies contribute to the miniaturization of electronic products**

**1976**  
Developed aseptic filling system for coffee whitener

**1976**  
Developed paper containers for liquids



**1964**  
Began manufacturing lead frames



**1983**  
Developed multi-layer barrier film

**1984**  
Began producing PET bottles

**1996**  
Developed technologies for manufacturing electrode plates of lithium-ion batteries

**Entry into the energy field**

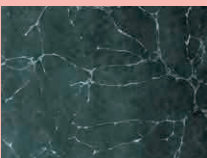
### Highlight

**1997**  
Began marketing aseptic PET bottle filling system using preform supply method

**1999**  
Commercialized soft packs for lithium-ion batteries

**2004**  
Succeeded in forming capillary blood vessel patterns

**Application of printing technologies to life sciences field**



**2007**  
Developed packaging for Japanese cuisine space foods



**2013**  
Established packaging plant in Vietnam

**2001**  
Began contract fabrication of Microelectromechanical Systems (MEMS)

**2001**  
Developed a flexible OLED display



**2011**  
Developed the world's thinnest (0.28 mm) printed circuit board

# DNP Creates New Value for the Future of People and Society

In 2015, we announced the DNP Group Vision 2015. Today, we carry on our legacy of “providing new value to society,” as set forth at our founding in the expression “Run a civilized business.” This is the foundation supporting all of the activities of DNP. At DNP, we have numerous assets, built up over the course of 140 years. On that groundwork, we have established the DNP Group Vision 2015 as a guidepost for value creation. Following that vision, we will create new value—things that everyone in society takes for granted and cannot do without.

2016

2015

## DNP Group Vision 2015

### Corporate Philosophy

The DNP Group connects individuals and society, and provides new value.

### Business Vision

Use P&I Innovations to expand business, primarily around four growth areas.

### Guiding Principles

TAIWA and Cooperation

## Future

### Creating New Value

We need to realize a sustainable society where people accept diversity. Many voices in society are calling for new approaches. They want to reduce impacts on the global environment, deepen communication while protecting vital information, and live comfortably in safe living spaces. We at DNP want to be one step ahead in providing effective solutions for these social needs.

Starting on page 9, we introduce examples of how we create new value.



“Today’s Innovation is Tomorrow’s Basic”

## Foundation for Creating New Value

### Assets

- Net assets: ¥1,063.2 billion
- Gross assets: ¥1,718.6 billion

### Human Resources

Employees: 39,198 (consolidated)  
(34,545 in Japan, 4,653 internationally)

### Intellectual Property

Japanese patents held: 11,858

### Manufacturing Sites and Sales Offices

- Manufacturing sites: 56 in Japan, 14 internationally
- Sales offices: 40 in Japan, 25 internationally

### Research and Development Facilities

- Research & Development Center
- Technology Development Center
- AB (Advanced Business) Center
- Development divisions for each business segment
- R&D budget: ¥31.8 billion (FY ending March 2016)

(as of March 31, 2016)



### Four Growth Areas

Knowledge and Communication



Food and Healthcare



Lifestyle and Mobility



Environment and Energy



## DNP Group Vision 2015

### Stakeholder Dialog

In the same way as last year, we held a stakeholder dialog in March 2016 with four reviewers from the CSR Review Forum-Japan (CRF)\*. Four directors and executives participated from DNP. The topic was the DNP Group Vision 2015. Through our business activities, we at DNP are working to solve social problems by providing new value, and the participants engaged in a lively exchange of views on issues relating to our goals.

(CRF provided suggestions and a third-party opinion on this report; see page 37.)



CRF: Last year you announced the DNP Group Vision 2015.

DNP: Yes. We further developed the previous DNP Group Vision for the 21st Century, and indicated our intent to contribute more actively to society.

CRF: For society, it is a welcome development that DNP has established its own focus areas, and declared its intent to actively create value. How did you decide on the four growth areas given in your Business Vision?

DNP: First, we considered what sort of social problems the world is facing. We looked at areas we can focus on to make the most of our strengths. In these areas, we will create new value to help solve social problems by leveraging DNP’s strengths in P&I (Printing & Information).

CRF: You have indicated these growth areas as sets of social issues where DNP can make a difference, and through engagement of which will contribute to the growth of your businesses. From an objective stand-

point, we believe these are valid areas.

DNP: Creation of new, previously unavailable value is not something we can do alone. Thus, we have established “TAIWA and Cooperation” as our Guiding Principles. In this way, we indicate our posture of collaborating with all sorts of people, both inside and outside of our company.

CRF: That is a wonderful approach. We believe your business activities will be improved by consistent dialog with stakeholders regarding all aspects of your business, including underlying processes and subsequent review. DNP’s main focus is B-to-B business, so we cannot really say DNP is familiar to consumers. However, precisely because it is such a company, it has the power to determine quality of life and change society. We expect DNP to contribute to society in its own unique way, thanks to its role in connecting companies and consumers.

\*The CSR Review Forum-Japan is a private, non-profit organization dedicated to the realization of a sustainable society. It is an alliance of citizen groups working to address social problems (including NGOs and consumer groups) as well as individual members of such organizations. Based on the ISO 26000 international standard for social responsibility, CRF offers CSR Review Programs for third-party review of corporate activities.





Special Feature 1

# Friendly to the Earth and People



## A Vision of the Future Realized with Functional Films

Achieving economic development while protecting the global environment is an issue facing not only Japan, but all countries throughout the world.

Functional films are one response developed by DNP to resolve this problem.

By evolving, developing and applying the various technologies cultivated by DNP, we have successfully realized needed functions, and created a diverse variety of functional films.

DNP's functional films are garnering attention as revolutionary products for conserving energy and resources.



### History of the Development of Functional Films

Development of functional films began with food packaging and has continually progressed for over 60 years. The products created over this long history have not only addressed environmental problems, but also achieved important milestones in other areas, such as lifestyle comfort and industrial supplies.

1951

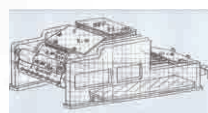
#### Packaging

Began printing on cellophane wrapping paper.



#### Lifestyle materials

Began development of decorative laminate for melamine board.



1969

#### Packaging

Began production of laminated tubes using film lamination technology.



1983

#### Industrial supplies

Began production of projection screens using technology for forming fine patterns on film surfaces and design technology employing light characteristics.



1984

#### Industrial supplies

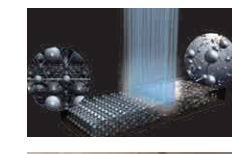
Began production of ink ribbons for dye-sublimation thermal transfer printers for printing digital images. This was achieved using technology for uniformly coating various functional materials onto films.



1998

#### Lifestyle materials

Began production of electron beam (EB) coating interior and exterior materials for housing. This was done using electron beam irradiation technology to instantly enhance the functionality of resins and coatings on films.



1998

#### Packaging

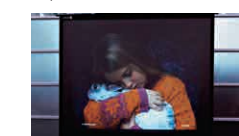
Developed transparent vapor-deposition Innovative Barrier Film (IB-Film) using technology for coating plastic film with materials vaporized in a vacuum. Began production for food and medical products.



2004

#### Industrial supplies

Began production of JETBLACK® front projection screens using optical design technology. These screens efficiently reflect projector light, while absorbing other light, enabling display of vivid images on par with LCD TVs.



2011

#### Packaging

Developed film using plant-derived materials, and began production of Biomatech PET with low environmental impact.



New value provided by functional films helps reduce environmental impact in many areas.

The functional films offered by DNP were created by applying original technologies evolved in our printing business to the development of functional materials. By applying these technologies—such as photolithography for forming fine patterns on metal, and coating technology for evenly applying inks—to film, we have realized functions for controlling things like light, heat, liquids, gases and electricity. The added value provided by such functions has been long sought after, as a way to address the major issue of conserving the environment—a problem that must be confronted if we wish to build a more prosperous society.

Today, DNP's functional films are at work in a wide variety of fields, as new materials helping to reduce environmental impact. One example is battery pouches, exterior material for lithium-ion batteries to seal in materials such as electrolytes. Previously, metal casings were used, but greater compactness and lower weight have been achieved by replacing these with laminated pouches made of water vapor-resistant multi-layer film. Reducing the weight of batteries for cars and other vehicles improves fuel efficiency, thereby helping to reduce energy consumption and CO<sub>2</sub> emissions. These films are also used in the batteries of smartphones and tablet devices, and have captured a high share of the world market. They are also used in various other areas, such as barrier films enabling food storage without

the use of aluminum foil, and carrier bags for storing liquid medications. The possibilities of functional films combining the core technologies of DNP will surely broaden even further in the future. DNP will continue to develop these films, so their value can help solve problems relating to the environment, and create a better tomorrow.



Masato Yamaguchi  
Senior Corporate Officer



# Coating, Laminating, Bonding— How DNP's Functional Films Work to Conserve Energy

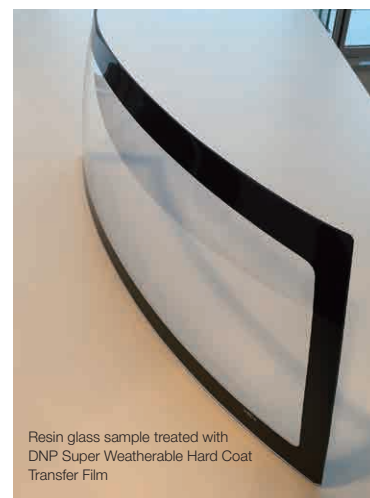
There are some materials, such as resin glass and carbon fiber reinforced plastic (CFRP), which have been underutilized due to problems with strength and cost, even though they have outstanding characteristics. DNP is pioneering new applications by combining functional films with these materials, and working to achieve practical applications to help protect the environment. We have also been developing film products that control heat and light without consuming energy, and seen favorable outcomes. Here, we give a brief overview of the future that can be realized with functional films, focusing in particular on energy and resource conservation.

## Weight reduction

Reducing the weight of vehicle bodies improves fuel efficiency, thereby reducing energy consumption and CO<sub>2</sub> emissions.

### Using DNP Super Weatherable Hard Coat Transfer Film for resin windows in automobiles helps reduce window weight by approximately 40%\*1

In recent years, automobile energy consumption and CO<sub>2</sub> emissions have increased as a result of the growing



Resin glass sample treated with DNP Super Weatherable Hard Coat Transfer Film

number of parts required to meet demands for enhanced functionality, safety features and compliance with environmental regulations. This has led to increased interest in switching from glass to resin as a material for windows and sunroofs. Although resin is approximately half the weight of glass and can help reduce vehicle weight, it has drawbacks of being

easily scratched and having low weather resistance. Simply transferring DNP Super Weatherable Hard Coat Transfer Film onto resin products improves surface wear resistance, and prevents deterioration due to ultraviolet light. Coating by transfer film is an original DNP technology with the benefit of greater simplicity and higher production yield than spray coating. It has already been introduced in some construction machinery applications, and is expected to be adopted in a wide range of vehicles including automobiles and trains.

\*1 March 2013 issue of JAMAGAZINE (Japan Automobile Manufacturers Association, Inc.)

### DNP adhesive film helps reduce weight by bonding carbon fiber reinforced plastic (CFRP) with dissimilar materials

CFRP is used in airplanes and racing cars because it is a resin with superior strength and one tenth the weight of aluminum. However, its high manufacturing cost is the barrier to adopting it in normal automobiles. Therefore, automobile manufacturers are working on weight reducing technology through combined use of CFRP with metal materials to lower the cost. DNP adhesive films play an important role in realizing this technology. Adhesive in film form bonds CFRP securely to metals such as aluminum. This eliminates the need for parts such as bolts and screws, and prevents protrusions that occur with liquid adhesive. In addition, bonding strength is increased using heat or ultraviolet light after materials are temporarily fixed or reattached, thus improving work efficiency and yield.

Various other applications are being investigated including alternatives for metal welding and emergency repairs for damaged concrete in structures such as bridges.



Bonding dissimilar materials such as aluminum and CFRP



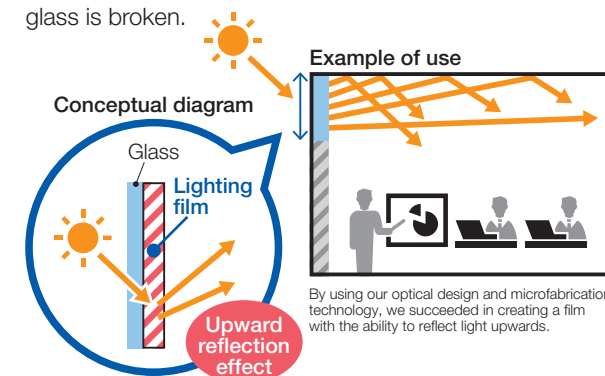
DNP lighting film (see page 12) application example

## Zero energy

Contributing to comfortable living and energy conservation through light and heat control.

### DNP lighting film reduces power consumption and creates comfortable spaces by making effective use of natural light

Recent advances in research on circadian rhythms of organisms have drawn attention to the effect of daylight cycles on health and work efficiency. By simply affixing lighting film developed by DNP to window glass, the internal structure of the film effectively reflects sunlight coming through windows onto the ceiling and other areas, diffusing it to brighten up entire rooms. When used on north-facing windows with poor sunlight exposure, the interior brightness of a room was doubled,\*2 and power required for lighting (electricity bill) was reduced by 13%.\*3 This lighting film has already been commercialized and is being introduced in facilities such as homes, offices, stores and hospitals. Following a trial installation at a bank branch, survey results showed that 87% of customers felt the space was brighter and more comfortable.\*4 DNP lighting film helps realize a brighter, more affluent life with its various functions, including reducing ultraviolet light by 99% and preventing shattering when glass is broken.



\*2 According to DNP testing: Maximum value from measurements taken between 9:00 a.m. and 6:00 p.m. on June 5, 2015

\*3 According to DNP testing: Measurements taken between 9:00 a.m. and 6:00 p.m. on July 21, 2014

\*4 According to DNP testing

## Future Visions

### Expanding the possibilities for functional films into areas beyond environmental conservation



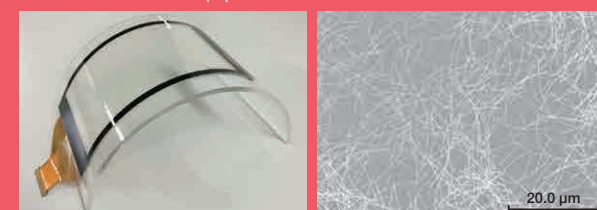
We commercialized DNP Agri Film by applying film deposition and laminating technologies. This film has high reflectivity and superior moisture retention. Its durability and resistance to soiling encourage the long-term growth of crops. Productivity of conventional soil cultivation is approaching its limit due to global warming, explosive population growth, severe water contamination and soil pollution caused by agricultural chemicals. Hydroponics is attracting interest as an alternative farming method, and DNP Agri Film is garnering increased attention in this field because it enables efficient management of light and water, which is essential for hydroponics.



Experiment in Chiba Prefecture



Touch panels such as those in smartphones use transparent conductive film for touch sensor wiring. Due to its outstanding conductivity and high light transmittance, DNP's silver nanowire film enables low-cost realization of larger screens, bendability and flexibility—characteristics difficult to achieve with today's mainstream ITO (indium tin oxide) film. This opens the possibilities for further evolution of electronic equipment.

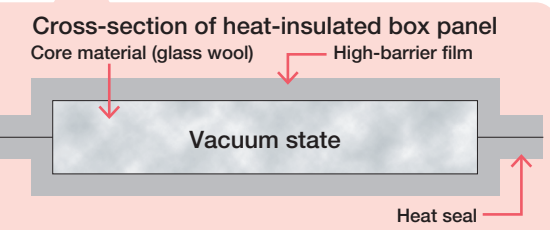


Semi-circular acrylic base with silver nanowire film (R = 75 mm)

Magnified image of silver nanowire (Magnification: 2,000x)



DNP multi-functional heat-insulated box



include mixed shipping of refrigerated items with non-refrigerated items, storage in warehouses and other unrefrigerated locations, and use as simple refrigerators.

“Today’s  
Innovation is  
Tomorrow’s  
Basic”



# Providing Cutting-Edge Information Security as a Top Professional in Protection of Information

The proliferation of the Internet and evolution of IT have brought tremendous changes to society while realizing more convenient and affluent living. On the other hand, there is an increased risk of corporate and personal information leaks. When there is a leak of critical information held by a company, the consequences can be immeasurable. In recent years, companies have had to adopt high-level security measures due to the increasing prevalence of critical information leaks. Causes of these incidents include cyber-attacks from external sources, loss of information due to inadequate internal management, and exploitation of information by malicious individuals.

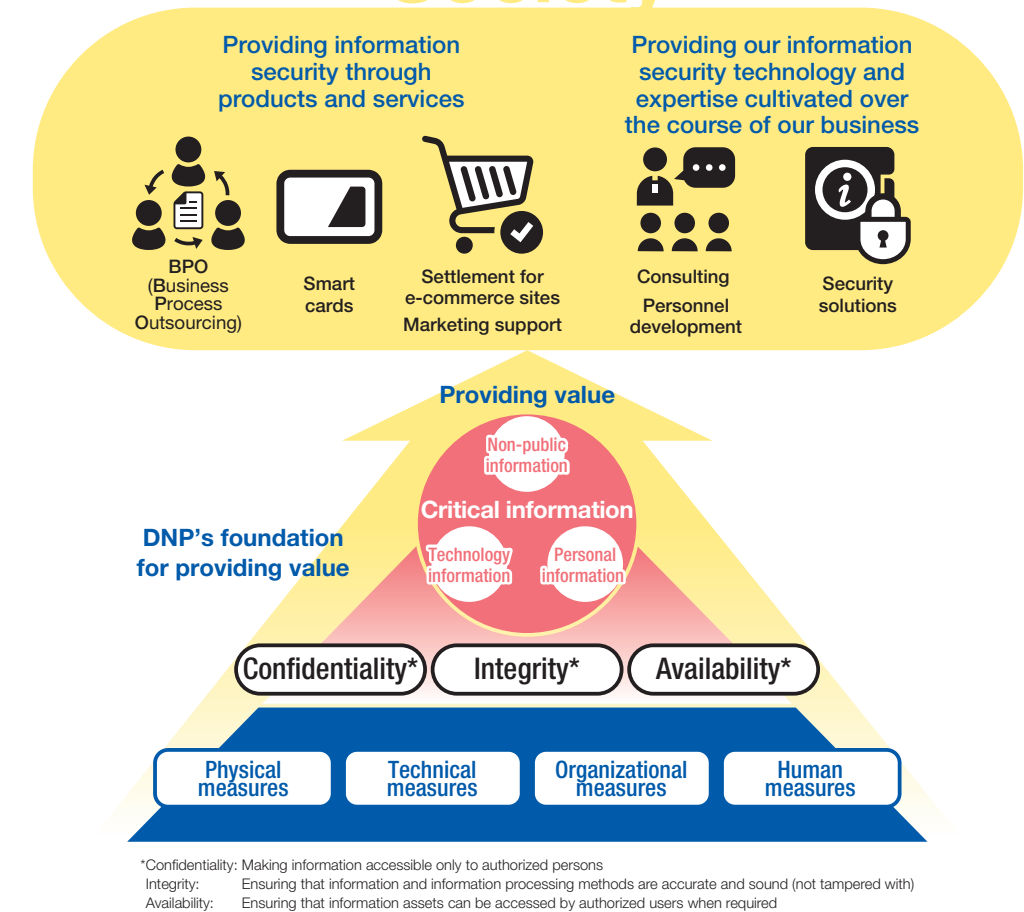
At DNP, we believe “Tomorrow’s Basic” is a society with a rich communication environment free from these problems, and which maintains a high level of security for safety and peace of mind.

Since our founding, we have always properly handled information entrusted to us by our clients. The technology and expertise that we have accumulated over our 140-year history have enabled us to create a robust security foundation as a “top professional in protection of information.” By building on this base, we will provide proprietary information security solutions that are useful to society.



## Society

“Today’s Innovation is Tomorrow’s Basic”



## Our information security is based on highly practical solutions cultivated through our printing business.

For 140 years since our founding in 1876, we have strictly managed information entrusted to us by our customers, properly handling it with the greatest care. We handle all sorts of critical information, ranging from non-public information, such as the content of pre-publication books and magazines, photographs of new products, and technical information pertaining to semiconductor manufacturing, to personal information needed to process various statements from financial institutions. We have therefore established a total security management system incorporating physical security at our plants, workflow design, in-house regulations and employee training. These continued efforts over our long history have led to an accumulation of technology, experience and expertise and are a well-established part of our corporate culture. All products and services we provide for companies and consumers include the added value of safety and security of the information entrusted to us. Information security is the very foundation of our business.

DNP provides information security systems and expertise cultivated through our printing business as highly practical solutions for companies and consumers. These solutions cover a wide range of measures to protect companies against incidents

such as information leaks from cyber-attacks. They include everything from physical measures, to technical, organizational and human measures. DNP's information security services go beyond just providing software and systems. We also undertake information-related management for client companies through BPO in cases where it is difficult for them to set up their own security system.

As a pioneer in the information security business, we will continue to focus efforts on building a safe and secure foundation for our highly information-oriented society.



Sakae Hikita  
Senior Executive Corporate Officer



## BPO

# Higher Operational Efficiency and Greater Safety and Security in Coping with Large-Scale Social Systems

## Supporting corporate growth with robust information security

In order for companies to increase their profits and grow, they must do more than just offer beneficial products and services to society. It is also essential to optimize work, and boost operational efficiency. Meanwhile, in the context of clerical processing, protection of huge amounts of personal information and other critical data is becoming increasingly important in all fields. Business Process Outsourcing (BPO) was developed to realize both greater operational efficiency and information security under these social conditions. In BPO, a company outsources its business processes to a reliable company with specialized technology, expertise, and experience.

Since DNP's founding, we have safely and reliably processed and managed important information entrusted to us by our corporate clients, including books, catalogs, coupons, securities, business forms, and smart cards. Since the 1980s, busi-

ness form BPO needs have been growing, primarily in the financial industry. DNP has evolved a BPO business providing total support—from analysis of client operational issues to development of optimal operational structures and systems, and planning, design and operation of the best operational processes. In this way, we are contributing to corporate growth and the realization of a safe and secure society.

## “My Number”-compliant support services made possible by DNP's trustworthiness and track record

Japan's “My Number” social security and tax number system became fully operational in January 2016. The DNP My Number Web Collection Service allows individuals to report their number to employers, financial institutions and other parties simply by taking a smartphone picture of their Individual Number Notification Card or Individual Number Card. Since there is no need to mail the application form, the system relieves the burden on individuals and company staff, prevents delays in processing due to data entry mistakes, and reduces mailing costs. Data is protected through high-level encryption during network communication and server storage. We also provide broad support for corporate My Number compliance through total security services combining BPO support for form-based My Number collection, consultation on handling specific personal information, and training of staff in charge. DNP's track record, based on relationships of trust with our customers, is what makes our wide-ranging BPO business possible. As a result, our clients outsource their operations that only DNP can handle. For example, an insurance company outsourced clerical processing of notices and return mail for 8 million insurance policyholders to inform them of the company's demutualization, and about 90 financial institutions have outsourced receipt of NISA applications to us.

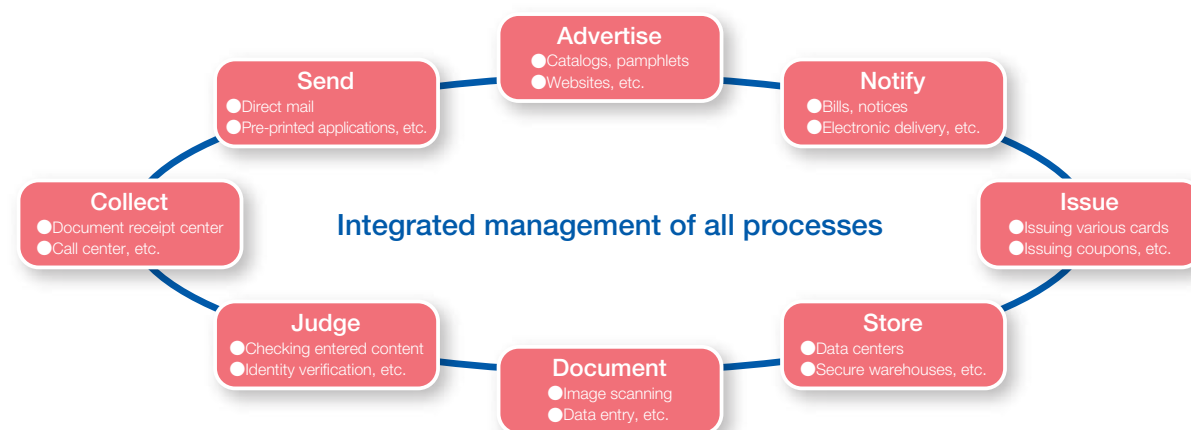


Users launch the web application from a smartphone, and take a photo of the social security and tax number card (or provisional notification card) (conceptual illustration)



DNP Kamiya Solution Center, our BPO facility (Tokyo)

### DNP's BPO support areas



## Cyber security

# Supporting the Development of Personnel Capable of Handling Cyber-Attacks Based on the Concept of an Incident-Ready Society

## Providing information security that is always up-to-date



As a top vendor of smart cards, we have established technology for properly managing corporate and personal information

Companies today are facing ever greater risk of cyber-attacks such as leaks of personal information and data destruction/tampering. The Basic Act on Cybersecurity was enacted in 2014, and Cybersecurity Management Guidelines were released at the end of 2015.

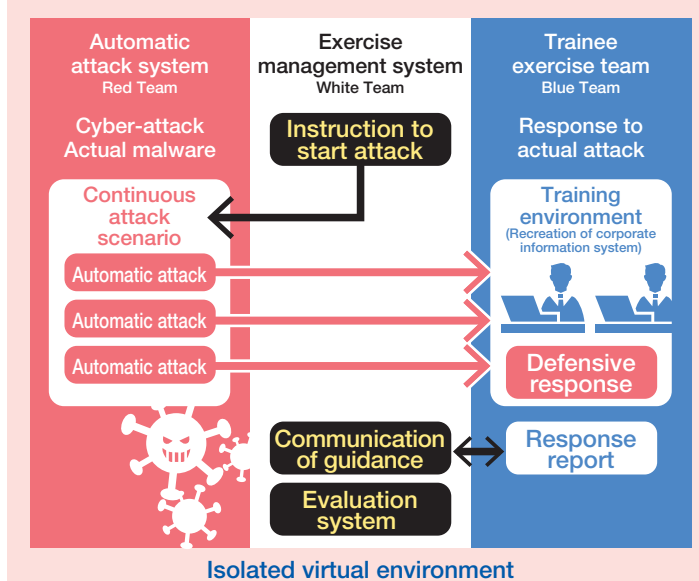
Developing safe and secure information security measures is a major issue affecting not only corporate management, but also social infrastructure. As a printing company, DNP has long handled the critical information of corporate clients. Through that process, we have accumulated experience and expertise, and always established an information security structure that satisfied the needs of the times. In our smart card business, which started in the 1980s, everything was developed in-house, from IC chip design to OS and encryption programs. Such DNP technologies have a track record of going on to become industry standards, enabling compatible use of cash cards between different banks. Even before viruses and hackers became a hot topic, DNP was hard at work ensuring information security.

## Developing training programs to minimize damage

Cyber-attacks targeting corporations are evolving day by day, and becoming more clever and sophisticated. No matter how robust the defensive tools adopted, there is no guarantee of 100% prevention. Going forward, in an incident-ready society we will need to devise information security from the perspective of how to respond in the unlikely event of a security breach. It is crucial to develop a security system which minimizes damage by quickly detecting any network infiltration and identifying the scope of its effects. To achieve this, personnel must be trained so that they can respond flexibly to unanticipated cyber-attacks. In the fall of 2015, DNP began offering the training system TAME Range from Israel Aerospace

Industries (IAI), a firm with world-class cyber security technology.

### TAME Range, conceptual diagram of practical exercises



In March 2016, we established the Cyber Knowledge Academy, where trainees can undergo the TAME Range training program. The exercises involve actual hands-on practice. A typical corporate information system is recreated in a virtual environment, and actual malware is allowed to infiltrate the system. Then a four-person team attempts to respond to the attack. The purpose of these exercises is to help trainees master ways of thinking about responding to incidents so that they can appropriately handle unfamiliar attacks.

For cyber-attacks that cannot be completely prevented simply by hardening defense, we build a secure foundation by training human resources based on the assumption that breaches will always occur. DNP offers highly practical solutions to companies based on the new concept of an incident-ready society.



Practical exercise at Cyber Knowledge Academy

Three Corporate Responsibilities  
—Aiming to maintain the trust of our stakeholders and society—

DNP aims to maintain the trust of its stakeholders and society through the firm fulfillment of its  
Three Corporate Responsibilities: Value Creation, Integrity in Conduct, and Transparency (Accountability).

DNP Group Vision 2015 / Code of Conduct

As preconditions for faithfully fulfilling our Three Responsibilities, we have established the DNP Group Vision 2015, the foundation of our business activities, and the DNP Group Code of Conduct, setting forth the conduct with integrity that all employees must adhere to. The Group Vision comprises the three elements of Corporate Philosophy, Business Vision, and Guiding Principles, showing our commitment to society, to drive the creation of significant value that contributes to solving the challenges faced by society.

DNP Group Vision 2015  
Corporate Philosophy

The DNP Group connects individuals and society, and provides new value.

Business Vision

Use P&I Innovations to expand business, primarily around four growth areas.

Guiding Principles

TAIWA and Cooperation

DNP Group Code of Conduct

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

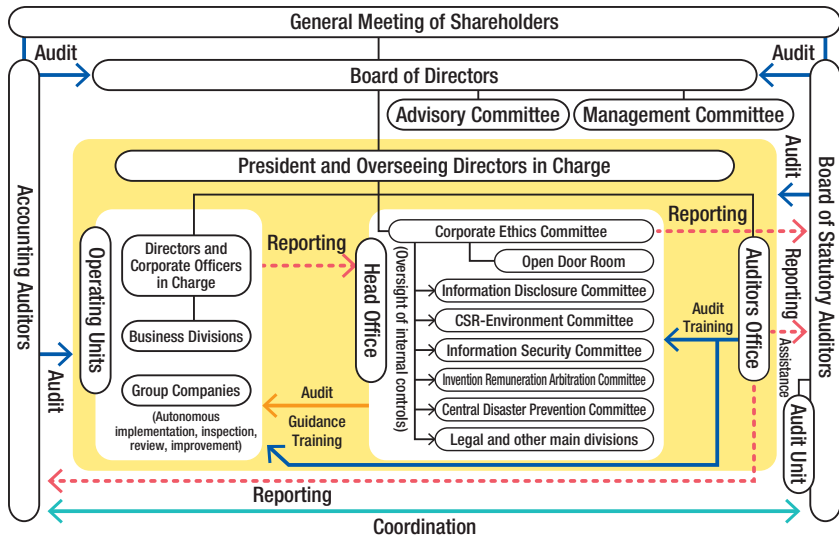
International Standards

Our modern business is carried out through markets and supply chains that straddle the globe. We believe it therefore naturally behooves us to carry out our business activities in conformance with international standards. In July 2006, DNP announced its endorsement of the United Nation's Global Compact. We will continue to uphold the Compact's 10 principles regarding human rights, labor, the environment, and anti-corruption, and seek to reflect the spirit of the Compact in all areas of Group management. We are also a member of the Global Compact Network Japan, a local network of enterprises that support the Global Compact, and are undertaking to coordinate with other members. Furthermore, we review our activities in light of the ISO 26000 international guidelines on social responsibility, and respect the ideals represented by pertinent international treaties and agreements.



Corporate Governance and Internal Controls System

DNP regards enhancement of corporate governance as an important management theme—essential to becoming an enterprise which contributes to sustainable development of society, improves its own corporate value, and is trusted by all of its stakeholders. We are working to enhance corporate governance in a comprehensive fashion by building and operating a structure for management decision-making, executing operations, and oversight and auditing of such activities, and by providing training and education for employees.



1 Three Corporate Responsibilities  
Value Creation



The first and most fundamental responsibility of a corporation to society is "providing new value to society." We must make a connection between the offering of products and services necessary to the sustainable development of society and the growth of the company. DNP will continue to provide high value which contributes to the solution of social problems through our Business Vision.

2 Three Corporate Responsibilities  
Integrity in Conduct



The second responsibility is "practicing 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 or laws are broken during the value creation process. Therefore, DNP seeks to fulfill this responsibility by ensuring that all employees always conduct business with integrity in accordance with the DNP Group Code of Conduct.

3 Three Corporate Responsibilities  
Transparency  
(Accountability)



Finally, the third vital corporate responsibility is "being a company that is accountable and highly transparent." DNP achieves accountability by encouraging all employees, during the course of their regular duties, to engage in TAIWA with stakeholders, listen to their opinions, and provide correct information themselves.



# CSR Activities at DNP

## Establishing Principal Themes

—Continually promoting high-priority activities—

DNP has established 11 Principal Themes to be promoted in our CSR activities.

In establishing the Principal Themes, we consider DNP's management policies, the nature and scope of our business, and other relevant factors. We then identify issues for consistent, focused action, and carry out a multi-faceted examination of their importance and priority. At the same time, we establish the Principal Themes for our CSR activities through comprehensive analysis from a social perspective. Our reference points here include relevant international treaties and agreements, centering on the 10 principles of the UN Global Compact and ISO 26000 international guidelines for social responsibility; social challenges regarded as important for socially responsible investing (SRI); and stakeholder opinion. DNP establishes targets relating to each of its Principal Themes, and works through the PDCA (Plan-Do-Check-Action) cycle every year, checking and evaluating our achievements, and setting targets for the following fiscal year. This helps us to continually improve our CSR activities.

Starting on page 21, we provide an overview of activities in FY2015 (Apr. '15–Mar. '16) for each Principle Theme. A detailed CSR Management Report (targets and results) is provided starting on page 31.







## Respect for Human Dignity and Diversity

The DNP Group Code of Conduct establishes that respecting human dignity is of the utmost importance and that discriminatory speech and behavior will not be tolerated whatsoever—not only by employees, but in any aspect of our business activities. We are making every effort to ensure that this policy is enforced throughout the Group.

Number of international business locations where human rights risk surveys were conducted

# 22

companies

April 2015–March 2016

### TARGETS & RESULTS

Mid-Range Target	Offer workstyle innovation to enable DNP to respond swiftly and flexibly to changing social environments, and implement measures to improve job satisfaction for every employee so as to generate popular momentum toward creating an invigorated, high-performance company.
FY2015 (Apr. '15–Mar. '16) Targets	<ul style="list-style-type: none"><li>● Continue activities in each organization based on plans to realize workstyle innovation.</li><li>● Continue progress survey of workstyle innovation; carry out improvements based on the results.</li></ul>
FY2015 Results	<ul style="list-style-type: none"><li>● Continued activities in each organization based on plans to realize workstyle innovation. Labor and management monitored progress twice through the Productive Time Resources Project.</li><li>● Conducted progress survey of workstyle innovation. Job satisfaction improved over previous time. Failed to achieve average overtime targets.</li></ul>
FY2016 Targets	<ul style="list-style-type: none"><li>● Continue activities in each organization based on plans to realize workstyle innovation.</li><li>● Continue progress survey of workstyle innovation; carry out improvements based on the results.</li></ul>

### CLOSE UP

#### Workstyle Innovation—Efforts by Tohoku Region, Packaging Department

To realize DNP's Corporate Philosophy, "connecting individuals and society, and providing new value," it is important that each employee is aware of the purpose of their work and strives for a workstyle that generates maximum value in a limited amount of time. Therefore, DNP is promoting company-wide workstyle innovation as an effort to review the way we work and think about work.

In the Tohoku regional operations of our packaging department, sales activities frequently cross prefectural boundaries and mountainous areas, and the issues we have faced there have included long travel time and difficulties sharing information within the department. The following actions were taken to resolve these issues and enable employees to work efficiently and effectively.

- Using thin client PCs (effective use of waiting time)
- Scheduling departmental meetings at regular times, and sharing folders and schedules via network (enhanced information sharing)
- Mutually confirming and supporting taking paid holidays
- Enforcing the practice of leaving work on time, and allowing employees to visit clients directly from home, and go home directly from clients without returning to the office

As a result of these efforts, employees are able to take paid holidays in a planned fashion; people in charge of sales have less clerical work after returning to the office; and employees have more time to prepare proposals for customers.

### TARGETS & RESULTS

Mid-Range Target	Review and develop management structure in line with trends in international human rights standards; in accordance with that review, take various opportunities to promote understanding and compliance with such standards on the part of employees and suppliers.
FY2015 (Apr. '15–Mar. '16) Targets	Administer survey to grasp the situation at major international business locations and consider risk mitigation measures.
FY2015 Results	Conducted human rights risk surveys at all 22 international Group companies. Considered risk mitigation measures based on the results.
FY2016 Targets	<ul style="list-style-type: none"><li>● Continue to ascertain human rights risks in our business activities.</li><li>● Consider and implement risk mitigation measures based on analysis of the human rights risk survey results.</li></ul>

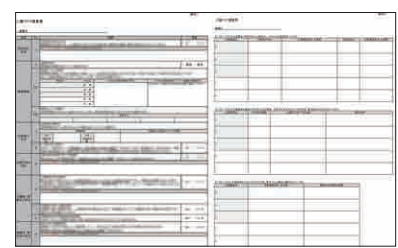
### CLOSE UP

#### Conducting human rights risk surveys at international business locations

Concern over the impact of business on human rights has been growing rapidly in recent years. The DNP Group Code of Conduct establishes that respecting human dignity is of the utmost importance and that discriminatory speech and behavior will not be tolerated whatsoever—not only by employees, but in any aspect of our business activities. We are making every effort to ensure that this policy is enforced throughout the Group. As part of our human rights due diligence, we have been conducting surveys since 2014 to identify and understand human rights risks in our business activities. In 2014, we conducted interview surveys of departments actively engaged in international expansion, and starting in 2015, we expanded the scope of these efforts, conducting written surveys at all of our 22 consolidated Group companies outside Japan.

These surveys cover: business outlines, employee conditions, situations in countries/communities of operation, conditions regarding consumers/clients, and suppliers/subcontractors, the raw material situation and other items.

Survey results to date indicate no serious human rights risks. We plan to conduct further analysis of the results and consider risk mitigation measures based on the survey results.



Human rights risk survey sheet



## Realization of a Safe and Vibrant Workplace

Checking progress of plans to realize workstyle innovation

# 2

times/year

At DNP, we believe that in order for a company to provide useful new value to society, above all else it is important that its employees have an environment where they can work in safety and comfort, with a high level of job satisfaction, and a relaxed, enthusiastic attitude. The source of our Group's strength is the individual employees in our diverse workforce. We are working to increase their motivation, so they can better demonstrate their abilities.





## Ensuring the Safety and Quality of Our Products and Services

At DNP, we believe it is our responsibility as a manufacturing company to prioritize safety and quality above all else. The basic approach in DNP's safety and quality efforts is to first imagine the situation where the product or service is used, then, taking the consumer's perspective, we consider: What is the required quality? What is the best approach for safety? What is easy to use? In this way, we repeatedly make improvements.

# 46

## meetings

April 2015–March 2016

Number of inter-departmental Frontline Practices Committee meetings (domestic and international)

### TARGETS & RESULTS

Mid-Range Target	Hold cross-sectional activity involving all DNP employees and departments worldwide to maintain and enhance production quality so as to create products with the world's highest levels of quality and safety.
FY2015 Targets (Apr. '15–Mar. '16)	<ul style="list-style-type: none"> <li>Continue Product Safety Innovation Practices Committee meetings; check and improve operational flow. Improve management at each process stage (planning, design, and manufacturing) and prevent product-related accidents.</li> <li>Improve product quality management through meetings of the inter-departmental Joint Manufacturing Frontline Practices Committee.</li> </ul>
FY2015 Results	<ul style="list-style-type: none"> <li>Considered and improved operational flow through Product Safety Innovation Practices Committee (two meetings). Reviewed and implemented educational content and plans for the purpose of raising product safety awareness in planning, design and manufacturing departments.</li> <li>Held inter-departmental Frontline Practices Committee meetings (46 meetings). By improving equipment and work, promoted measures such as quantification of manufacturing conditions, standardization of work procedures and improvement of the level of quality control in order to reduce quality costs and prevent quality incidents.</li> </ul>
FY2016 Targets	<ul style="list-style-type: none"> <li>Continue Product Safety Innovation Practices Committee meetings; check and improve operational flow. Enhance product safety management at international manufacturing sites and prevent product accidents.</li> <li>Improve product quality management through meetings of the inter-departmental Frontline Practices Committee.</li> <li>Strengthen efforts from the development stage to improve quality and safety in new businesses.</li> </ul>

### CLOSE UP

#### Strengthening worldwide cross-sectional activities

At DNP, we promote inter-departmental activities so that we can provide products and services with safety and quality.

In terms of specific efforts, we are continuing to hold Frontline Practices Committee meetings (Product Innovation Practices Committee meetings) to apply industrial engineering (IE) techniques to manufacturing processes. These meetings are a cooperative effort between each manufacturing site and the head office, and have led to company-wide improvements, owing to staff from other departments participating in addition to staff from each relevant department. Since 2012, we have expanded these efforts to our international business locations. To equalize quality levels inside and outside Japan—and raise them even higher—we carried out quality improvement efforts in 2015 at international manufacturing sites where engineers from Japan conducted Frontline Practices Committee meetings and other efforts together with local employees.

In April 2015, we revised our DNP Group Product Safety Regulations in order to strengthen our worldwide management structure with regard to product safety. It is important that employees working at every location understand the significance of their activities and make active efforts. We are therefore distributing educational tools for international employees and using them for training at all of our locations.

### TARGETS & RESULTS

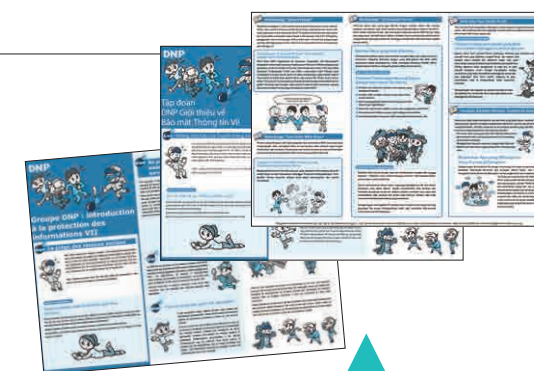
Mid-Range Target	To respond to globalization, we will apply our information security management protocol to every country in which we operate in accordance with local rules and regulations.
FY2015 Targets (Apr. '15–Mar. '16)	Establish Information Security Committees for international Group companies and begin security management.
FY2015 Results	Established Information Security Committees at seven international Group companies.
FY2016 Targets	Expand educational tools to cover various languages and provide training aimed at promoting information security management at international Group companies.

### CLOSE UP

#### Strengthening our global structure by establishing Information Security Committees at international Group companies

DNP is strengthening its management structure and providing employee training so we can properly protect information assets of corporate clients and DNP itself. To promote these activities, we previously established Information Security Committees in each department and Group company at domestic locations. Information Security Committees are management structures that operate under the supervision of a Committee Chairman and a Personal Information Management Administrator (both positions are held by organization heads). They appoint supervisors and inspection supervisors for each issue, such as training and computer measures. Due to recent trends toward globalization of business activities, we took steps in 2015 to strengthen our worldwide efforts, establishing Information Security Committees at seven of our international Group companies and starting to operate them at our international business locations. Also, to enhance employee education under this system, we published the

2015 edition of the booklet *Introduction to Information Security VII* (see photo) in nine languages for use as an educational tool. Going forward, we will continue to develop a globally integrated information security management system, centered on the Head Office Information Security Committee as the supervisory organization, and we will protect the various information assets we possess, both domestically and internationally. In this way we will strive to be a company with global credibility.



## Ensuring Information Security

Ensuring information security and protecting personal information have become increasingly important. At DNP, we handle a large volume of personal information and other information assets. Therefore for us, managing and protecting information assets is a critical theme, indeed our social mission. DNP has prioritized information security as one of our most important management issues, and we are working to strengthen our structures and train our employees.

International Group companies where Information Security Committees have been established

# 7

## companies

- Tien Wah Press (Pte.) Ltd. Singapore
- TWP Sdn. Bhd. Malaysia
- DNP Imagingcomm Asia Sdn. Bhd. Malaysia
- DNP Imagingcomm America Corporation USA
- DNP Imagingcomm Europe B.V. Netherlands
- DNP Photo Imaging Europe SAS France
- DNP Photomask Europe S.p.A. Italy





## Promoting Social Responsibility through the Supply Chain

At DNP, we are working with our suppliers throughout the supply chain to improve compatibility with social expectations. These efforts will be meaningless if we deviate from social norms in processes such as raw material procurement or manufacturing. We carry out various types of management with the aim of realizing both high value creation and high compliance awareness.

Number of companies surveyed for CSR Procurement Criteria compliance

# About 1,200

April 2015–March 2016

### TARGETS & RESULTS

Mid-Range Target	Both DNP and our suppliers understand the importance of CSR and act with integrity and in accordance with the CSR Procurement Criteria in order to improve compatibility with social expectations across the whole supply chain and maintain the trust of the community.
FY2015 Targets (Apr. '15–Mar. '16)	Incorporate the latest social problems in the CSR Procurement Criteria compliance survey and administer on a regular basis. Provide information to suppliers to eliminate gaps between domestic and international criteria.
FY2015 Results	<b>CSR Procurement Criteria compliance survey</b> Revised items on human rights, anti-corruption, and other principles, and conducted regular surveys of suppliers.
FY2016 Targets	<ul style="list-style-type: none"><li>● Improve effectiveness of CSR Procurement Criteria</li></ul> <p>[Domestic: Suppliers]</p> <ul style="list-style-type: none"><li>• Improve response rate for compliance survey.</li><li>• Carry out TAIWA with main suppliers to investigate the content of the awareness survey and compliance survey of the applicable companies.</li></ul> <p>[Domestic: Manufacturing subcontractors]</p> <ul style="list-style-type: none"><li>• Expand applicability, and provide feedback.</li></ul> <p>[International]</p> <ul style="list-style-type: none"><li>• Review the progress surveys and the criteria to bring the content in line with international trends.</li></ul>

### CLOSE UP

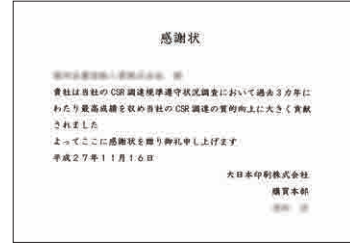
#### Selecting first-rate suppliers based on the CSR Procurement Criteria compliance survey

To resolve the various issues which hinder the sustained development of society, it is crucial for everyone involved in the entire supply chain to share values and work collaboratively.

In March 2006, DNP established DNP Group CSR Procurement Criteria, and every year since then we have conducted a CSR Procurement Criteria compliance survey. To further strengthen this collaborative effort, we selected first-rate suppliers in 2015 based on the results of the survey.

In making these selections, we established rules for supplier commendations, such as “having a maximum score (100 points) for three years running in evaluation under the CSR Procurement Criteria compliance survey” and “having no incidents of corporate misconduct in the last few years.”

Selection was carried out in accordance with these rules, and as a result about 30 companies were chosen as first-rate suppliers for 2015. We sent letters of appreciation to all of our first-rate suppliers, thanking them for their cooperation thus far with DNP's CSR procurement efforts, and reaffirming a mutual commitment to further improvements in level in the future.



### TARGETS & RESULTS

Mid- to Long-Range Target	For the entire DNP Group, including international companies: <ul style="list-style-type: none"><li>● Reduce greenhouse gas emissions by 10% worldwide compared to FY2005 by FY2020.</li><li>● Reduce greenhouse gas emissions by 20% worldwide compared to FY2005 by FY2030.</li></ul>
FY2015 Results	[Reference value] FY2005 emissions: <b>1,120,000 tons</b>
	FY2015 emissions: <b>989,000 tons</b> (12% decrease over FY2005/06)

### CLOSE UP

Our efforts to address climate change have secured “A List” top evaluation for the second year running from the international evaluation organization CDP\*

CDP focuses on companies listed on stock exchanges throughout the world, evaluating their efforts to address the problem of climate change—such as reduction in greenhouse gas emissions—and their information disclosure in this regard. CDP evaluates a company's level of action regarding climate change mitigation and adaptation on a 6-level scale from A to E, and information disclosure with scores ranging from 0 to 100 points. In 2015, 115 companies throughout the world (8 companies from Japan) were selected for the A List, and one of those companies was DNP. DNP also received a high score of 97 for information disclosure.

In 1993, DNP set up its own environmental management system. Since then, we have set targets in areas such as reduction of greenhouse gas emissions and effective utilization of resources, and made continuous, active efforts. We have set long-term goals for reduction of greenhouse gas emissions, and are actively working to promote reduction, calculating domestic and international greenhouse gas emissions (Scope 3) not only at the internal manufacturing stage but throughout our entire supply chain.



\*CDP: A non-profit international organization based in the UK which carries out environmental evaluations



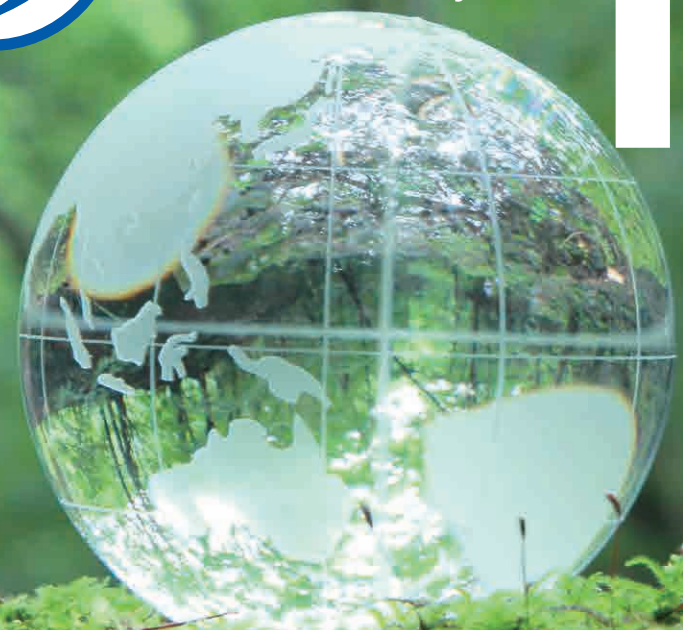
## Environmental Conservation and the Realization of a Sustainable Society

# 12%

Greenhouse gas emissions reduction

(Compared to FY2005; Scope 1 + 2)

DNP receives the benefits of nature in all of its business activities, from raw material procurement to manufacturing and waste disposal. Therefore, we are making a Group-wide effort in our environmental activities, always bearing in mind coexistence with the global environment, and aiming to help build a sustainable society.







## Social Contribution as a Good Corporate Citizen

At DNP, we will contribute broadly to the realization of a better society, by effectively utilizing our management assets (such as human resources, knowledge, technology and facilities), and striving for collaboration and cooperation between labor, management and outside organizations. In addition, we support the social contribution activities of employees as a way of promoting each employee's self-realization and growth as a human being.

Employee-participation programs

14 programs

April 2015–March 2016

### TARGETS & RESULTS

Mid-Range Target	Promote the five activity themes* of the DNP Social Contribution Activities Policy <b>Goals through FY2019/20</b> ◆ DNP-specific programs: Employee participation rate of 2.5% (1,000 people) (end of FY2015: 1.67%)
FY2015 (Apr. '15–Mar. '16) Targets	Enhance employee-participation programs to promote changes in employee awareness (target: 200 employee participants).
FY2015 Results	Planned 14 employee-participation programs, and a total of 131 employees participated.
FY2016 Targets	● Enhance employee-participation programs to promote changes in employee awareness. • Number of participants: 200 in single fiscal year, cumulative total of 350 from FY2015 • Continue expanding employee-participation programs to locations throughout Japan.

\*Environmental conservation, communities, nurturing the next generation, art and culture, humanitarian aid

### CLOSE UP

#### Held educational program on art appreciation using ICT\* at Kasuga Elementary School in Tsukuba

Since 2010, DNP has held DNP Educational Programs to exploit our unique technology and expertise as a printing company, and contribute to the “life skills” education that is increasingly stressed in school education. Focusing on elementary schools in the areas around DNP locations, we have held classes at more than 30 schools throughout Japan, selecting class content from subjects such as science and art to suit the needs of each school. In February 2016, we held a class on “art appreciation of the future,” using ICT instructional materials under development by DNP. The class was held for 206 fifth-graders at Kasuga Elementary School, a municipal school in the city of Tsukuba, Ibaraki. This school is making pioneering efforts such as becoming a designated research school for various ICT education programs, such as the Ministry of Education, Culture, Sports, Science and Technology’s “Program to Promote Problem-Solving Education using ICT” (2014). For this class, 14 employee volunteers worked as teachers and assistant teachers. By using devices to recognize movement, a projector, tablet devices and other aids, the students had the opportunity to appreciate art in new ways, experiencing what it is like to be in a picture, and viewing detailed enlargements of artworks which cannot usually be seen. Using the best features of digital instructional materials brought out the rich imaginative powers of the children.



\*ICT: Information and Communications Technology

### TARGETS & RESULTS

Mid-Range Target	Enhance corporate transparency and reinforce DNP's position as a company trusted by the public by providing stakeholders with the timely, appropriate information they need.
FY2015 (Apr. '15–Mar. '16) Targets	Continue systematization and enhanced communication of a range of information relating to corporate activities. Conduct optimal information dissemination and appropriately reflect input from society and consumers, to respond to the needs and expectations of domestic and international stakeholders.
FY2015 Results	Promoted information disclosure using various corporate communication tools (booklets, websites, etc.), responding to questionnaires from outside the company, and other techniques. As a result DNP was selected as a component stock of six globally authoritative socially responsible investment indices.
FY2016 Targets	Raise information disclosure to the level demanded by society, compare current status with level to be achieved, and ascertain issues.

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM



\*1 SRI: Socially responsible investment  
\*2 DJSI World: Developed jointly by S&P Dow Jones Indices (US) and RobecoSAM (Switzerland)  
FTSE4Good: Developed by FTSE Russell, a firm wholly owned by the London Stock Exchange  
\*3 ESG: Environmental, social, governance

### CLOSE UP

#### Consistently selected for the global SRI\*1 indices DJSI World and FTSE4Good\*2

In the world's stock markets, there is a growing trend toward investing in companies making efforts in the areas of ESG\*3 and social responsibility. When investors choose such companies, they refer to socially responsible investment (SRI) indices. Among the many SRI indices, the Dow Jones Sustainability Indices (DJSI World) and FTSE4Good Global Index are regarded as authoritative worldwide, and DNP has been selected for the former 11 years in a row, and for the latter 15 years in a row. DJSI World evaluates about 2,500 companies throughout the world for sustainability, in terms of economics, the environment and society. From these, 317 companies (20 in Japan) have been selected. For FTSE4Good, 801 companies (176 in Japan) meeting ESG evaluation criteria have been selected from about 2,500 companies worldwide. (As of the end of 2015) These selections are made based on public information such as CSR reports and websites, as well as independent investigations. Being selected for an index indicates a high evaluation of information disclosure as well as performance. Aside from the above, DNP has been selected for the ETHIBEL Investment Register, MSCI Global Sustainability Indexes, the Morningstar Socially Responsible Investment Stock Index, and the CDP's The Climate A List 2015.



## Proper Disclosure of Information

For DNP to achieve sustainable growth together with society, we feel it is essential to build trusting relationships with our stakeholders. To ensure that all stakeholders understand and empathize with the nature of our business and our activities, we properly disclose information in a timely fashion, and provide accountability through TAIWA.

11 years in a row  
Number of years included in DJSI World global socially responsible investment index

15 years in a row  
Number of years included in FTSE4Good global socially responsible investment index





## Compliance with the Law and Social Ethics

# 22

## companies

Number of international business locations that have carried out risk analysis and evaluation

In carrying out its business activities, we at DNP believe we can earn the trust of society by having a mindset that is always fair and impartial, and contributing to the maintenance and development of orderly, free, competitive markets. We are working to inculcate and firmly establish corporate ethics throughout our Group with the aim of being a trusted company.

● DNP international business location

### TARGETS & RESULTS

Mid-Range Target	Disseminate and inculcate DNP's corporate ethics, and enhance the effectiveness of internal controls and risk management.
FY2015 Targets (Apr. '15-Mar. '16)	<ul style="list-style-type: none"><li>● Continue to implement Autonomous Corporate Ethics Training and similar efforts.</li><li>● Analyze and evaluate risks at all international DNP locations; respond to risks in coordination between international locations and headquarters departments.</li><li>● Under the direction of the Head Office Corporate Ethics Committee, further promote efforts by each organization, and enhance and strengthen internal controls within the Group.</li></ul>
FY2015 Results	<ul style="list-style-type: none"><li>● Conducted Autonomous Corporate Ethics Training at each organization (121 sessions). Also carried out level-based and other types of training.</li><li>● Analyzed the results of risk self-evaluation at international locations. Responded to risks with the supervising department for each risk taking the central role, and collaborating with the Head Office's Global Strategic Business Planning and Control Division as well as international Group companies.</li><li>● Top management of each organization autonomously checked improvement of issues relating to internal controls, and strengthened management.</li></ul>
FY2016 Targets	<ul style="list-style-type: none"><li>● Continue to implement Autonomous Corporate Ethics Training and similar efforts.</li><li>● Analyze and evaluate risks at all international DNP locations; respond to risks in coordination between international locations and headquarters departments.</li><li>• Taking evaluation results into account, respond to risks with the supervising department for each risk taking the central role, and collaborating with the Head Office's international oversight divisions as well as international Group companies.</li><li>• Continue efforts to enhance the content of risk self-evaluation, and make it more specific.</li><li>• Formulate and disseminate Group basic policies and compliance items for addressing bribery risk.</li><li>● Under the direction of the Head Office Corporate Ethics Committee, further promote efforts by each organization, and enhance and strengthen internal controls within the Group.</li></ul>

### CLOSE UP

#### Strengthening education for employees at international business locations

At DNP, we are making a company-wide effort based on our mid-range target of "disseminating and inculcating DNP's corporate ethics, and enhancing the effectiveness of internal controls and risk management." We are strengthening our internal controls structure by having each organization of existing domestic locations continue Autonomous Corporate Ethics Training, and by having new locations which recently joined the Group carry out activities to disseminate and inculcate corporate ethics. At international business locations, we have been strengthening efforts since 2014 to respond to the recent globalization of the market and issues affecting our business. In 2014, risk self-evaluations were conducted at these locations, taking into account the objective views of experts. In 2015, we analyzed the results of those evaluations, and promoted risk countermeasures. One part of that was strengthening education of employees engaged in international business activities. As one example, we prepared a document entitled Precautions on Compliance with Competition Law in the International Business Activities of the DNP Group, summarizing the characteristics of competition law and precautions relating to business activities. This was used to alert and train employees in this area. Risks in business activities vary in each region overseas. Going forward, we will continue to promote responses suited to the risks in each region, education of employees and similar efforts.

### TARGETS & RESULTS

Mid-Range Target	Strengthen the DNP Group's ability to withstand natural disasters ◆ Strengthen each workplace's ability to withstand natural disasters based on the Disaster Response Work Plans and Business Continuity Plan. ◆ Strengthen disaster defense measures in Ichigaya to protect DNP's central functions.
FY2015 Targets (Apr. '15-Mar. '16)	Promote concrete, practical risk mitigation activities based on plans formulated by each organization and worksite.
FY2015 Results	In our Ichigaya, Tokyo redevelopment project, completed the DNP Ichigaya Kagacho Building, incorporating a state-of-the-art disaster prevention system to protect our central functions. Enhanced disaster defense system, including measures for workers unable to return home.
FY2016 Targets	Broaden perspective to include community contribution, and realize further improvements in the Ichigaya site's disaster response capabilities.

### CLOSE UP

#### Strengthening protection of central functions in terms of both hard and soft aspects

Since 2010, DNP has been engaged in redevelopment of the Ichigaya, Tokyo area where the DNP head office is located, to make it a stronghold for creating new value. In 2015, we completed the DNP Ichigaya Kagacho Building with 25 floors above ground and 4 floors below (photo at left). This building incorporates a state-of-the-art disaster prevention system, ensuring its ability to carry out central functions for the entire DNP Group, even in the event of a large-scale earthquake. The building has a seismically isolated structure, and the walls and floors have built-in dampers for controlling shaking. Power is secured using emergency generators and cogeneration devices, and a smart grid system is employed for efficiently utilizing and sharing heat sources and power through the Ichigaya site. Food, drinking water, and other supplies are stockpiled in disaster response storerooms, and the building is prepared for use as a short-term shelter. Also, to improve the capabilities of on-site employees to deal with a disaster, a large-scale disaster preparedness drill was held on March 2016, and about 3,500 employees suspended all of their work to participate. Based on the scenario of a fire starting from the lower floors, they carried out the proper sequence of steps—discovery, reporting and initial firefighting—and all 25 floors of the building were evacuated via the stairs.

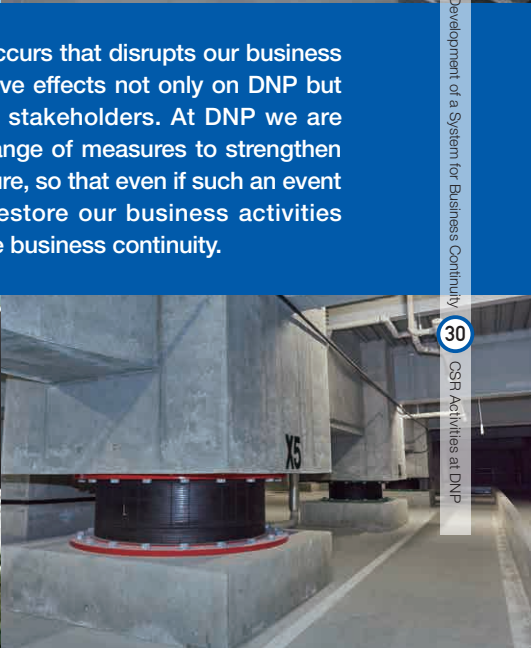


#### Development of a System for Business Continuity

## Strengthening Disaster Resilience

If an emergency occurs that disrupts our business activities, it will have effects not only on DNP but on all our various stakeholders. At DNP we are taking a diverse range of measures to strengthen our corporate culture, so that even if such an event occurs, we can restore our business activities quickly, and ensure business continuity.

Adoption of state-of-the-art disaster prevention system





FY2015 (Apr. '15–Mar. '16) CSR Management Report

Evaluation Targets

○ Target achieved or making steady progress toward target  
△ Efforts to be continued into the next fiscal year as target not yet achieved   × Efforts insufficient

	CSR Theme	Mid-Range Target	FY2015 (Apr. '15–Mar. '16)		Evaluation	FY2016 (Apr. '16–Mar. '17)	
			Annual Targets	Results		Annual Targets	
Responsibility #1	Contributing to the Development of Society	<b>[Realizing our Group Vision]</b> Develop and implement strategies to continue to promote the Corporate Philosophy, Business Vision and Guiding Principles in our DNP Group Vision 2015.	<ul style="list-style-type: none"><li>● Practice the PDCA cycle through action programs and ensure follow-up in order to provide products and services to address the challenges facing society and realize tomorrow's basic, centering on the growth areas.</li><li>● Enhance <i>TAIWA</i> and collaboration with clients and business partners in order to accurately ascertain social problems and needs. And, provide employee training and other activities so that the DNP workforce is geared toward making a real contribution to society.</li></ul>	<ul style="list-style-type: none"><li>● Promoted semi-annual action program follow up in all departments.</li><li>● Revised Vision and conducted in-house presentations on the changes. Also conducted business strategy training (13 times) and promoted workforce development activities.</li></ul>	○	<ul style="list-style-type: none"><li>● Promote company-wide dissemination and implementation of P&amp;I Innovations with the aim of "providing new value."</li><li>● Promote development and support of company-wide systems and structures to accelerate realization of our Group Vision.</li></ul>	
		<b>[Progress in relation to growth strategy]</b> Develop capability for an early grasp of issues for people and society, create products and services to provide new value, and contribute to social development.	<p>Develop products and businesses aimed at achieving DNP's growth strategy.</p> <ul style="list-style-type: none"><li>● Knowledge and communication Support cultural development and develop new products and services to promote communication with consumers.</li><li>● Food and healthcare Contribute to development of agriculture-related products and services, advancement of medicine, and consumer health maintenance.</li><li>● Lifestyles and mobility Develop new products and services contributing to comfortable living and a smart society.</li><li>● Environment and energy Develop new products and services that promote respect for the environment and energy/resource conservation.</li></ul>	<ul style="list-style-type: none"><li>● Knowledge and communication<ul style="list-style-type: none"><li>· Developed and provided an identification photo booth for taking photos easily—from portrait photos to photos for "My Number Card" applications.</li><li>· Established academy for training and educating security personnel to handle cyber attacks.</li><li>· Developed a system for inbound travelers to translate information printed on packages into a foreign language and display it in 3D on a smartphone.</li></ul></li><li>● Food and healthcare<ul style="list-style-type: none"><li>· Developed an agricultural film that encourages crop growth by promoting photosynthesis through reflection of light.</li><li>· Started a health check service in collaboration with drug stores for self-checking of blood samples, blood pressure and body composition.</li></ul><small>Note: Adopted as part of the Ministry of Economy, Trade and Industry's Project for Promoting Industry Development for Extending Healthy Life Expectancy of FY2015. Collaborative effort with Kitakyushu City.</small></li><li>● Lifestyles and mobility<ul style="list-style-type: none"><li>· Developed a lighting film that brightens interiors by enabling effective sunlight reflection and diffusion.</li><li>· Developed a transfer film that improves weather resistance and other properties of resin glass when transferred onto it.</li></ul></li><li>● Environment and energy<ul style="list-style-type: none"><li>· Developed an aseptic filling system for PET bottles that can reduce water use by 90%.</li></ul></li></ul>	○	<p>Promote development of products and businesses to realize our growth strategy.</p> <ul style="list-style-type: none"><li>● Knowledge and communication Support cultural development, promote communication with consumers and develop new products and services to provide valuable information safely and securely in the optimal form.</li><li>● Food and healthcare Develop new products and services to facilitate safe and high-quality life as well as lifelong health maintenance in an aging society.</li><li>● Lifestyles and mobility Contribute to achieving comfortable personal spaces and a smart society adapted to the diversifying values of consumers.</li><li>● Environment and energy Develop new products and services that aim to realize a sustainable society and promote respect for the environment and energy/ resource conservation.</li></ul>	
			<b>(Previously: Principal Theme "Realization of a 'Universal Society'")*</b> <ul style="list-style-type: none"><li>● Bolster development of products and services that meet universal design (UD) standards. Promote internal and external collaboration to strengthen UD development platform. Further promote color universal design (CUD) management system certification.</li><li>● Strengthen platform for promoting universal design Share universal design-related knowledge throughout the company. Recommend acquisition of external certification; invite specialists to conduct in-house seminars.</li><li>● Strengthen external dissemination of CUD-related information Strengthen external CUD dissemination through seminars and other measures.</li></ul>	<ul style="list-style-type: none"><li>● Cooperated with the NPO Jitsuken in researching Universal Design Certification for Actual Users. Acquired very first certification for Universal Design Tested for Use by the Elderly.</li><li>● Promoted acquisition of outside qualification "Universal Design Coordinator" (Approx. 300 employees in total passed Level 2, Level Pre-2 and Level 3 combined)</li><li>● Provided education to disseminate the concept of Universal Design through related training programs: "Design Psychology Training," "Color Universal Design (CUD) Premium Seminar" for non-employees (two times), and the "Assembly for the CUD Supporting Members" (two times).</li><li>● Won the 39th Kinoshita Prize in Packaging Technology for designing a haptic sensor-based system to help move toward the development of UD-compliant packaging.</li></ul>	○		
		Establish an organization conducive to overseas expansion.	<ul style="list-style-type: none"><li>● Promotion of the building of an organizational structure based on our international strategy.</li></ul>	<ul style="list-style-type: none"><li>● Stationed representatives in Vietnam, unconnected with our existing business, to build organizational structure to contribute to the economic development of Asia.</li></ul>	○	<ul style="list-style-type: none"><li>● Promote building an organizational structure based on our international strategy.</li></ul>	
Responsibility #2	Respect for Human Dignity and Diversity	Review and develop management structure in line with trends in international human rights standards; in accordance with that review, take various opportunities to promote understanding and compliance with such standards on the part of employees and suppliers.	<ul style="list-style-type: none"><li>● Administer survey to grasp the situation at major international business locations and consider risk mitigation measures.</li><li>● Conduct level-based group training, with particular focus on risk associated with human rights issues.</li></ul>	<ul style="list-style-type: none"><li>● Conducted human rights risk surveys at all 22 international Group companies. Considered risk mitigation measures based on the results.</li><li>● Conducted level-based group training (29 times), with particular focus on risk associated with human rights issues.</li></ul>	○	<ul style="list-style-type: none"><li>● Continue to ascertain human rights risks in our business activities.</li><li>● Consider and implement risk mitigation measures based on analysis of the human rights risk survey results.</li><li>● In activities such as level-based group training, place particular focus on risk associated with human rights issues.</li></ul>	
		Encourage diversity in employment <ul style="list-style-type: none"><li>◆ Greater participation by women</li><li>◆ Employment for persons with disabilities</li><li>◆ Greater participation by contracted employees and senior staff</li><li>◆ Employment of non-Japanese citizens</li></ul>	<ul style="list-style-type: none"><li>● Continue efforts to nurture female leadership.</li><li>● Achieve an employment rate of 2% for persons with disabilities though such measures as development of job categories and normalization training.</li></ul>	<ul style="list-style-type: none"><li>● Continued ongoing mentoring of female employees by 79 female mentors. Trained 16 additional mentors in mentor training program.</li><li>● Established a diversity promotion project team and formulated an action plan based on the Act to Advance Women's Success in Their Working Life.</li><li>● Implemented career development support training for subordinates targeting superiors of female mentors.</li><li>● Established new sign language classes in the Yokohama area and later in the Osaka area. Failed to achieve employment rate targets for persons with disabilities.</li></ul>	△	<ul style="list-style-type: none"><li>● Implement measures in accordance with action plan based on the Act to Advance Women's Success in Their Working Life.</li><li>● Achieve an employment rate of 2% for persons with disabilities though such measures as development of job categories and normalization training.</li></ul>	
		Enhance development of a workforce able to make a contribution to the global community.	<ul style="list-style-type: none"><li>● Continue employee training in cross-cultural understanding and respect for diversity. Continue personnel development at international business locations. Disseminate and promote our global training system.</li></ul>	<ul style="list-style-type: none"><li>● Enhanced and strengthened programs such as basic cross-cultural understanding seminars for junior employees and global workforce development for upper-management employees.</li><li>● Promoted dissemination and use of the global training system to enable younger employees to gain international experience. Dispatched four employees to North America and Southeast Asia.</li></ul>	○	<ul style="list-style-type: none"><li>● Continue employee training in cross-cultural understanding and respect for diversity. Continue personnel development at international business locations. Disseminate and promote our global training system.</li></ul>	
		Support fairtrade policies to help producers in developing nations improve their lives.	<ul style="list-style-type: none"><li>● Strengthen dissemination of information to support improved awareness and promotion of fairtrade. Implement new efforts through external collaboration.</li></ul>	<ul style="list-style-type: none"><li>● Planned and conducted Fairtrade Month Campaign in collaboration with other companies to raise employee awareness.</li><li>● Jointly held a stakeholder meeting with the NPO Fairtrade Label Japan.</li><li>● Strengthened dissemination of information through talks at outside seminars, and articles featured in web magazines and seven regional newspapers.</li></ul>	○	<ul style="list-style-type: none"><li>● Expand locations within DNP where fairtrade-certified products are used in order to raise awareness within the company.</li><li>● Strengthen collaboration with outside partners, and make new efforts.</li></ul>	
	Realization of a Safe and Vibrant Workplace	Cultivate the personnel necessary to undertake the fulfillment of our Corporate Philosophy.	<ul style="list-style-type: none"><li>● Implement goal management and evaluation system and align organizational and individual goals.</li><li>● Reform organizational strength reinforcement training to realize each department's vision. Systematize departmental education, and provide support for educational program development.</li></ul>	<ul style="list-style-type: none"><li>● Conducted general training relating to goal setting and evaluation; held workshops on a department basis.</li><li>● Reviewed training content for upper management to enable trainees to recognize functions and roles that each individual should fulfill.</li></ul>	○	<ul style="list-style-type: none"><li>● Implement a goal management and evaluation system and align organizational and individual goals.</li></ul>	
		Offer workstyle innovation to enable DNP to respond swiftly and flexibly to changing social environments, and implement measures to improve job satisfaction for every employee so as to generate popular momentum toward creating an invigorated, high-performance company.	<ul style="list-style-type: none"><li>● Continue activities in each organization based on plans to realize workstyle innovation.</li><li>● Continue progress survey of workstyle innovation; carry out improvements based on the results.</li><li>● Promote work-life balance measures.</li><li>● Consider revision of nursing care-related systems. Maintain policies to promote balance of work and nursing care responsibilities, and participation by male employees in child rearing.</li></ul>	<ul style="list-style-type: none"><li>● Continued activities in each organization based on plans to realize workstyle innovation. Labor and management monitored progress twice through the Productive Time Resources Project.</li><li>● Conducted progress survey of workstyle innovation. Job satisfaction improved over previous time. Failed to achieve average overtime targets.</li><li>● Reviewed nursing care-related systems and considered measures. Continued holding regular seminars and distributing pamphlets. Held new meetings in places such as regional areas. Took measures such as holding seminars to promote participation by male employees in child rearing.</li></ul>	○	<ul style="list-style-type: none"><li>● Continue activities in each organization based on plans to realize workstyle innovation.</li><li>● Continue progress survey of workstyle innovation; carry out improvements based on the results.</li><li>● Consider revision of nursing care-related systems. Maintain policies to promote balance of work and nursing care responsibilities, and participation by male employees in child rearing.</li></ul>	

\*"Realization of a 'Universal Society'" was integrated into "Contributing to the development of society" because it is a precondition when considering contribution to society.

	CSR Theme	Mid-Range Target	FY2015 (Apr. '15–Mar. '16)		Evaluation	FY2016 (Apr. '16–Mar. '17)
			Annual Targets	Results		
Responsibility #2	Realization of a Safe and Vibrant Workplace	Carry on the creation of workplace environments where employees can work with peace of mind, free from health hazards. This will be achieved based on plans to prevent work-related accidents and promote/maintain health.	<ul style="list-style-type: none"><li>● Promote new measures for health and safety education and health management/guidance; strengthen facility safety measures to eliminate machine-related accidents; strengthen management of chemical substances; improve working environment through risk assessment.</li><li>● Continue unified management of health information; implement mental health measures; implement systematic health education.</li></ul>	<ul style="list-style-type: none"><li>● Promoted information-sharing relating to health and safety, enhanced education content, improved health and safety instruction, promoted efforts to eliminate machine-related accidents, etc. Held new conferences to promote safety activities, provided machine safety education for production technology managers and formulated safety standards for in-house equipment. Also, promoted preparation for mandatory risk assessment of chemical substances. Note: Number of work accidents: down 3% from last year (lowest ever), lost time work accident occurrence rate: 0.31 (worse than last year).</li><li>● Introduced centralized health data management to four more workplaces. Conducted stress surveys for entire Group.</li><li>● Promoted mental health measures based on data including the results of last fiscal year's organization analysis.</li><li>● Formulated plan to carry out testing of model business for health education.</li></ul>	△	<ul style="list-style-type: none"><li>● Make elimination of machine-related accidents a top priority, promote risk assessment and facility safety measures based on safety standards for in-house equipment, and strengthen education/guidance.</li><li>● Promote mental health measures based on the results of organization analysis of the FY2015 survey.</li><li>● Implement testing of model business for health education.</li></ul>
	Ensuring the Safety and Quality of Our Products and Services	Hold cross-sectional activity involving all DNP employees and departments worldwide to maintain and enhance production quality so as to create products with the world's highest levels of quality and safety.	<ul style="list-style-type: none"><li>● Continue Product Safety Innovation Practices Committee meetings; check and improve operational flow. Improve management at each process stage (planning, design, and manufacturing) and prevent product-related accidents.</li><li>● Improve product quality management through meetings of the inter-departmental Joint Manufacturing Frontline Practices Committee.</li></ul>	<ul style="list-style-type: none"><li>● Considered and improved operational flow through Product Safety Innovation Practices Committee (two meetings). Reviewed and implemented educational content and plans for the purpose of raising product safety awareness in planning, design and manufacturing departments.</li><li>● Held inter-departmental Frontline Practices Committee meetings (46 meetings). By improving equipment and work, promoted measures such as quantification of manufacturing conditions, standardization of work procedures and improvement of the level of quality control in order to reduce quality costs and prevent quality incidents.</li></ul>	○	<ul style="list-style-type: none"><li>● Continue Product Safety Innovation Practices Committee meetings; check and improve operational flow. Enhance product safety management at international manufacturing sites and prevent product accidents.</li><li>● Improve product quality management through meetings of the inter-departmental Joint Manufacturing Frontline Practices Committee.</li><li>● Strengthen efforts from the development stage to improve quality and safety in new businesses.</li></ul>
	Ensuring Information Security	Revamp office environments and cut back on the use of paper* <sup>1</sup> in order to achieve both strong information security and efficient, highly productive work.  <small>*1 Reduce paper usage by making the environment conducive to electronic communication and data storage.</small>	<ul style="list-style-type: none"><li>● Continue introduction of thin client PC terminals to make it possible to conduct business securely anywhere, internally and externally.</li><li>● Improve document digitization processes by applying PDCA cycle. As part of this effort, continue introduction of SSFC-based (Shared Security Formats Cooperation)*<sup>2</sup> printing management systems.</li></ul> <small>*2 System linking various kinds of security-related equipment using smart cards.</small>	<ul style="list-style-type: none"><li>● Promoted adoption of thin client PCs (cumulative total of 3,697 terminals).</li><li>● Promoted introduction of SSFC-based printing management systems (cumulative total of 301 systems).</li></ul>	○	<ul style="list-style-type: none"><li>● Continue introduction of thin client PCs to make it possible to conduct business securely anywhere, inside or outside of the company.</li><li>● Improve document digitization processes by applying PDCA cycle. As part of this effort, continue introduction of SSFC-based printing management systems.</li><li>● Set up an encryption environment for confidential digital documents as a measure to improve information security.</li></ul>
		To respond to globalization, we will apply our information security management protocol to every country in which we operate in accordance with local rules and regulations.	<ul style="list-style-type: none"><li>● Establish Information Security Committees for international Group companies and begin security management.</li></ul>	<ul style="list-style-type: none"><li>● Established Information Security Committees at seven international Group companies.</li></ul>	○	<ul style="list-style-type: none"><li>● Expand educational tools to cover various languages and provide training aimed at promoting information security management at international Group companies.</li></ul>
		Recognize network security risks and take proper measures.	—	—	○	<ul style="list-style-type: none"><li>● Propagate network security measures and raise level of education about these measures.</li></ul>
	Promoting Social Responsibility through the Supply Chain	Both DNP and our suppliers understand the importance of CSR and act with integrity and in accordance with the CSR Procurement Criteria in order to improve compatibility with social expectations across the whole supply chain and maintain the trust of the community.	<ul style="list-style-type: none"><li>● Conduct and announce results of supplier survey relating to conflict minerals.</li><li>● Incorporate the latest social problems in the CSR Procurement Criteria compliance survey and administer on a regular basis. Provide information to suppliers to eliminate gaps between domestic and international criteria.</li><li>● Carry out Group Guidelines for Procurement of Paper for Printing and Converting survey. Based on the results, hold discussions with principal suppliers.</li><li>● Expand the number of applicable suppliers for all departments; continue surveys and presentations. Promote understanding and action on the part of applicable suppliers with respect to the environment and human rights.</li><li>● To promote the establishment of CSR activities for new subcontractors, apply continuous influence through selected themes.</li></ul>	<ul style="list-style-type: none"><li>● Conducted and announced results of supplier survey relating to conflict minerals.</li></ul> <p><b>CSR Procurement Criteria compliance survey</b></p> <ul style="list-style-type: none"><li>● Revised items on human rights, anti-corruption, and other principles, and conducted regular surveys of suppliers.</li><li>● Implemented surveys while expanding the range of subject manufacturing subcontractors.</li><li>● Took action to promote awareness of information security among manufacturing subcontractors subject to the survey.</li></ul> <p><b>Group Guidelines for Procurement of Paper for Printing and Converting survey</b></p> <ul style="list-style-type: none"><li>● Revised survey items for more appropriate evaluation, and conducted the survey. Obtained feedback through interviews with six main supplier companies.</li></ul>	○	<ul style="list-style-type: none"><li>● Conduct and announce results of supplier survey relating to conflict minerals.</li><li>● Improve effectiveness of CSR Procurement Criteria [Domestic: Suppliers]<ul style="list-style-type: none"><li>· Improve response rate for compliance survey.</li><li>· Carry out <i>TAIWA</i> with main suppliers to investigate the content of the awareness survey and compliance survey of the applicable companies.</li></ul> [Domestic: Manufacturing subcontractors]<ul style="list-style-type: none"><li>· Expand applicability, and provide feedback.</li></ul> [International]<ul style="list-style-type: none"><li>· Review the progress surveys and the criteria to bring the content in line with international trends.</li></ul></li><li>● Improve effectiveness of Group Guidelines for Procurement of Paper for Printing and Converting<ul style="list-style-type: none"><li>· Revise the survey content in light of social trends and conduct regular surveys. Conduct <i>TAIWA</i> with key suppliers and international NGOs based on the results.</li></ul></li></ul>
Responsibility #3	Social Contribution as a Good Corporate Citizen	Promote the five activity themes* of the DNP Social Contribution Activity Policy <b>Goals through FY2019 (Apr. '19–Mar. '20)</b> ◆ DNP-specific programs: Employee participation rate of 2.5% (1,000 people) (end of FY2015: 1.67%) ◆ Department-specific programs: Group-wide implementation rate of 100% (currently 67%)	<ul style="list-style-type: none"><li>● Based on a system for compiling and sharing activity results, carry out internal dialog with non-implementing managers.</li><li>● Enhance employee-participation programs to promote changes in employee awareness (employee participants: 200).</li></ul> <small>*Environmental conservation, communities, nurturing the next generation, art and culture, humanitarian aid</small>	<ul style="list-style-type: none"><li>● Failed to achieve targets for developing a system to compile and share activity results, and for internal dialog.</li><li>● Planned 14 employee-participation programs, and a total of 131 employees participated.</li></ul>	△	<ul style="list-style-type: none"><li>● Consider a system for compiling and sharing group activity results, and conduct a survey on the results.</li><li>● Enhance employee-participation programs to promote changes in employee awareness.<ul style="list-style-type: none"><li>· Number of participants: 200 in single fiscal year, cumulative total of 350 from FY2015</li><li>· Continue expanding employee-participation programs to locations throughout Japan.</li></ul></li></ul>
	Proper Disclosure of Information	Enhance corporate transparency and reinforce DNP's position as a company trusted by the public by providing stakeholders with the timely, appropriate information they need.	<ul style="list-style-type: none"><li>● Continue systematization and enhanced communication of a range of information relating to corporate activities. Conduct optimal information dissemination and appropriately reflect input from society and consumers, to respond to the needs and expectations of domestic and international stakeholders.</li></ul>	<ul style="list-style-type: none"><li>● Promoted information disclosure using various corporate communication tools (booklets, websites, etc.), responding to questionnaires from outside the company, and other techniques. As a result DNP was selected as a component stock of six globally authoritative socially responsible investment indices.</li><li>● Received Excellence Awards at the Environmental Communication Awards Competition for two consecutive years in recognition of our efforts to improve the reliability and transparency of information disclosure.</li><li>● Fully implemented confidential information management to further appropriate information disclosure under the oversight of the Information Disclosure Committee. Worked to prevent inconsistent disclosure through close information sharing with supervising departments.</li></ul>	○	<ul style="list-style-type: none"><li>● Raise information disclosure to the level demanded by society, compare current status with level to be achieved, and ascertain issues.</li></ul>



	CSR Theme	Mid-Range Target	FY2015 (Apr. '15–Mar. '16)		Evaluation	FY2016 (Apr. '16–Mar. '17)
			Annual Targets	Results		Annual Targets
Foundations of the Three Corporate Responsibilities	Compliance with the Law and Social Ethics	Disseminate and inculcate DNP's corporate ethics, and enhance the effectiveness of internal controls and risk management.	<ul style="list-style-type: none"><li>● Continue to implement Autonomous Corporate Ethics Training and similar efforts.</li><li>● Analyze and evaluate risks at all international DNP locations; respond to risks in coordination between international locations and headquarters departments.</li><li>● Under the direction of the Head Office Corporate Ethics Committee, further promote efforts by each organization, and enhance and strengthen internal controls within the Group.</li></ul>	<ul style="list-style-type: none"><li>● Conducted Autonomous Corporate Ethics Training in each organization (121 times). Also carried out level-based training and other types of training.</li><li>● Analyzed the results of risk self-evaluation at international business sites. Responded to risks with the supervising department for each risk taking the central role, and collaborating with the Head Office's international oversight divisions, as well as international Group companies.</li><li>● Top management of each organization autonomously checked improvement of issues relating to internal controls, and strengthened management.</li></ul>	○	<ul style="list-style-type: none"><li>● Continue to implement Autonomous Corporate Ethics Training and similar efforts.</li><li>● Analyze and evaluate risks at all international DNP locations; respond to risks in coordination between international locations and headquarters departments.</li><li>· Taking evaluation results into account, respond to risks with the supervising department for each risk taking the central role, and collaborating with the Head Office's international oversight divisions as well as international Group companies.</li><li>· Continue efforts to enhance the content of risk self-evaluation, and make it more specific.</li><li>· Formulate and disseminate Group basic policies and compliance items for addressing bribery risk.</li><li>● Under the direction of the Head Office Corporate Ethics Committee, further promote efforts by each organization, and enhance and strengthen internal controls within the Group.</li></ul>
	Development of a System for Business Continuity	Strengthen the DNP Group's ability to withstand natural disasters <ul style="list-style-type: none"><li>◆ Strengthen each workplace's ability to withstand natural disasters based on the Disaster Response Work Plans and Business Continuity Plan.</li><li>◆ Strengthen disaster defense measures in Ichigaya to protect DNP's central functions.</li><li>◆ Establish a wide-area joint support framework for disaster situations.</li><li>◆ Strengthen disaster damage reduction measures for information systems.</li></ul>	<ul style="list-style-type: none"><li>● Promote concrete, practical risk mitigation activities based on plans formulated by each organization and worksite.</li><li>● Complete implementation of redundant flat internal network; introduce FMC* progressively.</li><li>● Promote implementation of redundant structure for key systems at DNP Kashiwa Data Center and DNP's core site at Ichigaya, Tokyo; strengthen backup structure.</li><li>● Through disaster response conferences among sites of the wide-area response network, develop and enhance total disaster response capability.</li></ul> <p>* An extension telephone service using mobile phones that enables calling with in-house extensions while out of the office.</p>	<ul style="list-style-type: none"><li>● Conducted voluntary inspections for each organization and workplace. Based on the inspections, reviewed Disaster Response Work Plans and Business Continuity Plan.</li><li>● In our Ichigaya, Tokyo redevelopment project, completed the DNP Ichigaya Kagacho Building, incorporating a state-of-the-art disaster prevention system to protect our central functions. Enhanced disaster defense system, including measures for workers unable to return home.</li><li>● Completed implementation of redundant flat internal network. Approximately 7,000 employees started using FMC.</li><li>● Completed switchover of in-house system infrastructure to DNP Kashiwa Data Center. Established backup infrastructure at Ichigaya, Tokyo to complete two-location data storage system. Also strengthened backup structure for operational continuity system in case of a disaster.</li><li>● Continued holding meetings of the Central Disaster Prevention Committee among sites of the wide-area response network.</li></ul>	○	<ul style="list-style-type: none"><li>● Promote concrete and practical risk mitigation activities based on disaster management plans at each workplace that take area risks into account.</li><li>● Broaden perspective to include community contribution, and realize further improvements in the Ichigaya site's disaster response capabilities.</li><li>● Through disaster response conferences among sites of the wide-area response network, develop and enhance total disaster response capability.</li><li>● Expand use of FMC service.</li><li>● Consider introducing IT service to enable employees to work from home during large-scale disasters.</li><li>● Strengthen Ichigaya, Tokyo's backup structure for use as system backup for plants.</li></ul>

FY2015 (Apr. '15–Mar. '16) Environmental Activity Annual Targets and Results

	CSR Theme	Environmental Theme	Annual Targets	Results		Evalu-ation	Targets through FY2020 (Apr. '20–Mar. '21)
Responsibility #2 Environmental Conservation and the Realization of a Sustainable Society		Global warming prevention	Reduce greenhouse gas emissions by 10% worldwide compared to FY2005 by FY2020.	FY2005 emissions: 1.120 million tons FY2015 emissions: 0.989 million tons	11.7% decrease over FY2005	◎	Reduce greenhouse gas emissions by 10% worldwide compared to FY2005.
		Reduction of environmental impact incurred during transport	Reduce per-unit fuel use for transport (amount of fuel used/sales) by 1% per annum and 10% by FY2020 compared to FY2010.	FY2010 per-unit: 1.61 kl/100 million yen FY2015 per-unit: 1.50 kl/100 million yen	6.8% decrease over FY2010	○	Reduce per-unit fuel use for transport by 1% per annum and 10% compared to FY2010.
		VOCs (Volatile Organic Compounds)	Reduce emissions of all VOCs (except for methane) by 20% compared to FY2010 by FY2015.	FY2010 emissions: 6,729 tons FY2015 emissions: 4,581 tons	31.9% decrease over FY2010	◎	Reduce emissions of all VOCs except for methane by 35% compared to FY2010.
			Comply with local laws and regulations and introduce technology and other measures to reduce, as much as practical, VOC emissions at our international business sites.	Began operation of VOC recovery equipment at PT DNP Indonesia's Karawang Plant		○	Comply with local laws and regulations and introduce technology and other measures to reduce, as much as practical, VOC emissions at our international business sites.
		Reduction of industrial waste	Reduce per-unit waste emissions (waste emissions/production) by 15% worldwide from FY2010 by FY2015.	FY2010 per-unit: 0.424 tons/10 million yen FY2015 per-unit: 0.354 tons/10 million yen	17% decrease over FY2010	◎	Reduce per-unit waste emissions (waste emissions/production) by 20% worldwide from FY2010.
			Achieve zero emissions for the entire DNP Group by FY2015.	FY2014 landfill waste rate: 0.06% FY2015 landfill waste rate: 0.06%	Maintained zero emissions	◎	Maintain zero emissions at all DNP Group sites in Japan.
		Reduction of water usage	Reduce per-unit water use by 1% worldwide by FY2015.	FY2014 per-unit use: 9.4 m³/million yen FY2015 per-unit use: 8.5 m³/million yen	9.6% decrease over FY2014	◎	Reduce per-unit water use by 25% over FY2010 worldwide.
		Development and sales of environmentally conscious products and services	Development and sales of environmentally conscious products and services to achieve 400 billion yen by FY2015.	FY2014 total sales: 478.8 billion yen FY2015 total sales: 570.8 billion yen	19.2% increase over FY2014	◎	Development and sales of environmentally conscious products and services to achieve 600 billion yen.
		Green purchasing	Increase the rate of products purchased according to the DNP green purchasing standards to 50% by FY2015.	FY2014 green purchasing ratio, raw materials: 48.2% FY2015 green purchasing ratio, raw materials: 46.5%	1.7 point decrease over FY2014	△	Emphasize procurement of raw materials, and aim for purchasing rate of 100% for products compliant with Group Guidelines for Procurement of Paper for Printing and Converting.
			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 85% by FY2015.	FY2014 green purchasing ratio, processed materials: 77.5% FY2015 green purchasing ratio, processed materials: 84.7%	7.2 point increase over FY2014	○	
		Environmental conservation	Maintain the maximum concentration of air emissions subject to emissions regulations at 70% of the required standard or less.	FY2015 target (company standard) achievement rate: 96%		○	Maintain the maximum concentrations at 70% of the required standards or less
			Maintain the maximum concentration of water emissions subject to emissions regulations at 70% of the required standard or less.	FY2015 target (company standard) achievement rate: 99%		○	
			Maintain the maximum concentration of odors at our site perimeters at 70% of the required standard or less.	FY2015 target (company standard) achievement rate: 97%		○	
			Maintain the maximum level of noise at our site perimeters at 70% of the required standard or less.	FY2015 target (company standard) achievement rate: 98%		○	
			Maintain the maximum level of vibration at our site perimeters at 70% of the required standard or less.	FY2015 target (company standard) achievement rate: 100%		◎	
		Office environment	Increase the rate of the fractional recovery of waste paper to more than 70% of that for general waste.	FY2015 recovery of waste paper: 83.5%		◎	Increase the rate of the fractional recovery of waste paper to more than 70% of that for general waste.



## Third-Party Opinion

### CSR Review Forum Japan



Tomohiko Yamaguchi  
Joint Representative,  
CSR Review Forum Japan



Kaori Kuroda  
Executive Director,  
CSO Network Japan



Yukiko Furutani  
Representative,  
Consumer Conference for Sustainability



Yanyan Li  
Professor,  
Department of Sociology, Faculty of  
Letters, Komazawa University

In March 2016, we engaged in dialog (page 8) with representatives from Dai Nippon Printing (DNP). The following summarizes the points we feel are important, and our views of the CSR Report we received later.

#### 1. DNP Group Vision 2015 (pages 7–8)

We talked with representatives from DNP about the DNP Group Vision 2015 (“the Vision”).

The Vision is more than the name would suggest, and it functions as the basic philosophy of DNP. We were told that the Vision was created as a sort of declaration. While DNP had previously been a company which created things at customer request, going forward they want to be a company which goes out into society on its own initiative, and makes its own decisions by listening to the opinions of people.

If many B-to-B companies go out into society and engage in dialog with stakeholders, employees will gain a broader perspective—thus laying the groundwork for creating the products and services needed by society. We hope that DNP becomes a leader of this trend.

From our side, we want DNP to work hard to disseminate the true meaning of the Vision to all their employees. We also want to stress the need to develop a framework for promoting contact between individual employees and society, and to examine approaches such as a personnel evaluation system to support such a framework.

#### 2. Four Growth Areas (page 8)

The four areas covered by the Vision are basic human needs—areas where knowledge and technology previously cultivated by DNP are at work.

Our proposal to DNP is that they have a large-scale discussion within the company on how to make their objectives a reality.

The company-wide aim is to contribute in these four areas, but we feel that perhaps genuine action will begin only when all companies and employees across the entire Group discuss what to do in their own departments, and what they should each do as individuals.

As the discussion continues, it should become possible—through *TAIWA* with consumers, schools, government, customers, suppliers and other involved parties—to see the relationships between stakeholders in the four areas and DNP, and discover what DNP should do.

#### 3. DNP and Social Challenges

In this report, the president indicates DNP’s intention to contribute to the Sustainable Development Goals (SDGs).

Most of the social issues DNP is dealing with at present fall under the heading of improving the daily life and environment of people who already have a social base and economic power.

On the other hand, most of the items indicated by the SDGs aim to solve the

problems of people who lack both a social base and economic power. There is a considerable distance between these two approaches.

For our part, we expect DNP to conduct its business while incorporating the philosophy behind the SDGs of “leaving no one behind,” and to work hard so that more people can enjoy the benefits of its business. In the future, when developing businesses to address the latter issues, we would like DNP to engage in concrete *TAIWA* with socially vulnerable people, the UN, governments of involved countries, and NGOs/NPOs.

#### 4. Looking at the CSR Report

The first half reports on solution of social problems through business, and the second half reports on progress in CSR management. Overall, we feel this is an outstanding report. In particular, we believe that indicating the current conditions while taking history into account is a good technique for expressing the consistency and continuity of a company’s stance.

In the first half, both sides are explained—social problems and their solutions—by focusing on products exemplifying the direction of the entire company. In this material, we would like DNP to adopt an objective viewpoint which considers whether social problems will actually be solved, and whether efforts to achieve solutions might face any challenges.

It is commonly thought that the ability to take a relative view of oneself is the key to realizing good “knowledge and communication,” and a CSR report is a good barometer of whether or not a company is able to do this. We would like DNP to continue making efforts from this perspective.

The second half shows that DNP is properly observing the basic policy of applying PDCA to CSR. The frank description, without sugar-coating, of what has been achieved and what has failed, will, we believe, be widely praised.

While keeping this same basic format, we hope that from the next fiscal year DNP will deepen disclosure for each Principal Theme.

For example, in the area of human rights, an in-house written survey was administered to 22 of DNP’s consolidated group companies outside Japan. This survey examined the human rights situation of key stakeholders, including employees, local communities, consumers and suppliers. We have high regard for the solid execution of this survey. This is an area where invisible issues are often found lurking in various situations. Next time, based on the results of this survey, we would like DNP to more narrowly focus the survey scope, investigate more closely through direct interaction with stakeholders where needed, take action if any people need help or relief, and disclose the details of that process.

## A Message from the CSR-Environment Committee Chairman



Satoru Inoue  
CSR-Environment Committee Chairman,  
Managing Director

Since our founding in 1876, we at the DNP Group have expanded with the intention of contributing to society through our business. We have broadly met the expectations of society by confronting the social challenges of each era, and creating products and services to help solve them.

At present, the environmental problems and other challenges faced by the international community pose a substantial difficulty to solve—so much so that some say human society itself is in crisis. To solve these problems people from all walks of life must combine their wisdom. We too wish to contribute to the solution of these issues by acting on our own initiative and creating new value. We expressed this resolve in the DNP Group Vision 2015 set forth in 2015.

As a third-party opinion regarding these efforts by DNP, we have received valuable comments from those at the CSR Review Forum Japan. Once again, I would like to express our gratitude. Regarding the DNP Group Vision 2015, they

expressed their view that achievement of the Vision will be a welcome development for society, and their hope that DNP will help lead society. They also suggested that, to make the Vision a reality, it is crucial for DNP to look at society from many different perspectives, and continue further with the process of in-house discussion.

In this DNP Group CSR Report 2016, we have looked back at the history of DNP since its founding—the path it has taken together with society—and provided an overview, incorporating the latest examples, of efforts to achieve the Vision, and our directions for the future.

To move our business activities forward, we believe it is necessary, as a precondition, to have a foundation of management which takes into account society and the environment. In the second half of this report, we introduced some of these efforts, and by continually strengthening management, we will strive to be a company that can contribute to society.

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