



Dai Nippon Printing Co., Ltd.

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URL: <https://www.dnp.co.jp/eng/>

June 12, 2024

To our shareholders

Company Name:	Dai Nippon Printing Co., Ltd.
Name of Representative:	Yoshinari Kitajima, President
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### Supplementary explanation to 3rd Item on the agenda for the 130th Ordinary General Meeting of Shareholders

We offer our heartfelt thanks to our shareholders for their support over the years.

With regard to the 3rd item (“Election of a Director”) on the agenda of the 130th Ordinary General Meeting of Shareholders of the Company scheduled to be held on June 27, 2024, proxy advisory company Institutional Shareholder Services Inc. (ISS) has issued a statement endorsing the shareholder proposal. Accordingly, the Company provides the following supplementary explanation in relation to this item.

Shareholders are requested to review this supplementary explanation, which is intended to facilitate their understanding of the situation.

#### Our View

Comment on the reasons for ISS’s recent public endorsement of the shareholder proposal

- First, there is no clear explanation of the reason given by ISS for endorsing the proposal, which hinges on whether the seventy-year hereditary control of the Kitajima family is an issue that has had a negative impact on the DNP of today.
- Moreover, the statement that the proposal will bring a new perspective to a Board of Directors that has been under the continuous hereditary control of the Kitajima family for the past seventy years does not appear as one of the reasons to elect the candidate in the shareholder proposal submitted by Monex Activist Mother Fund, and is ISS’s own opinion.
- The ISS report states the opinion that the effectiveness of the advisory nomination committee of the Company is questionable, but it does not provide specific reasons or bases for this opinion. Therefore, it can be said that this is ISS’s own point of view.

DNP’s thoughts on these points are as set out below, and the Company believes that the reasons given for ISS’s recent endorsement do not constitute adequate grounds for approving the shareholder proposal.

- With regard to the current president, DNP has nominated him as candidate for Director based on a comprehensive assessment of the skills that DNP considers important for pursuing sustainable growth, as well as his character, experience, track record, insights, and other factors. He has been elected by winning the approval of many shareholders, and his service in management has already generated results.
- The election of other Directors is also based on a comprehensive assessment of character, experience, track record, insights, and other factors. DNP does not believe that the argument that a simple increase in the number of Outside Directors by one person will result in new perspectives constitutes sufficient grounds for electing the candidate.
- Even before the Tokyo Stock Exchange requested improvements in the management of listed companies at the end of March 2023, DNP had taken action before many of its peers by announcing a long-term vision that broke with tradition to offer new perspectives.  
The Medium-term Management Plan that is currently underway is based on the DNP Group Vision that the current president played a central role in formulating in 2015, when he was still vice president. The Company is in the process of realizing that vision, and achieved results that surpassed forecasts in FY2023.
- The Board of Directors comprises internal Directors from various backgrounds and Independent Outside Directors who make up one-third of the whole, and meetings of the Board of Directors are invariably characterized by lively discussion.
- Furthermore, an evaluation of the effectiveness of the Board of Directors is conducted every year, with the results being used to make incremental improvements to the functionality of the Board of Directors as a whole, and to strengthen the supervisory function.
- Moreover, the candidate for Independent Outside Director proposed by the Company, Mr. Nobuhiko Sugiura, possesses deep insights and wide-ranging practical experience in such areas as finance, capital markets, the corporate governance code, and business investment, which the Company judges will introduce new perspectives to the Board of Directors.

For the above reasons, the Company emphatically opposes the endorsement expressed by ISS.

End

\*Reference materials:

[May 13, 2024 “Notice of the Opinion of the Board of Directors in Relation to Shareholder Proposal”](#)