

NON-FINANCIAL STRATEGY

Strengthening of Human Capital



We will create a positive feedback loop that enhances corporate value by increasing human creativity through investment in human resources.

Kenji Miya, Executive Vice President

The key foundation and source of strength for the DNP Group in creating a better future is the presence of each employee. By allowing employees to take on challenges with confidence, we can develop their individual strengths. Through dialogue, we can combine these strengths, enabling us to continuously provide new value to society.

Building on this approach, we revamped various personnel systems over a three-year period starting in 2019. Since then, we have continued to actively invest in human resources by implementing initiatives such as the DNP version of "compensation and related policies that are more closely founded on a job-oriented perspective," a system that emphasizes career autonomy. These efforts support individual career development and challenges while also fostering a more positive organizational culture, which serves as the foundation for these initiatives.

In fiscal 2022, as a foundation for such efforts, the DNP Group formulated and publicly announced its Human Capital Policy, which represents the company's universal and fundamental approach to human resources. This policy aims to further reinforce and maximize our human capital based on a clear belief that respecting employees leads to the respected employees driving corporate growth and enhancing society alongside our desire for each individual to develop their strengths and grow further in their roles both within and outside the company.

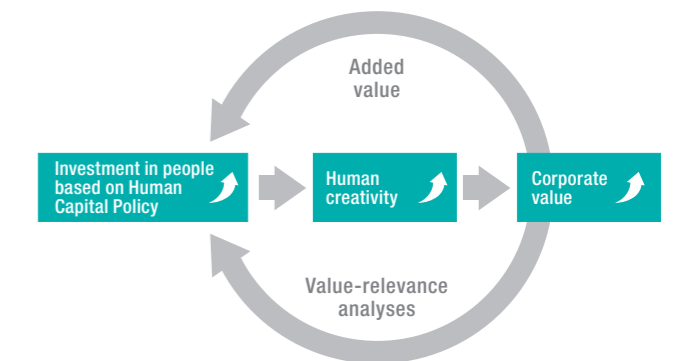
Based on our Human Capital Policy, we declared in the new Medium-term Management Plan starting in fiscal 2023, the establishment of a positive feedback loop in which investment in human resources contributes to enhancing corporate value, aiming to significantly elevate human

creativity (value-added productivity) on a global scale.

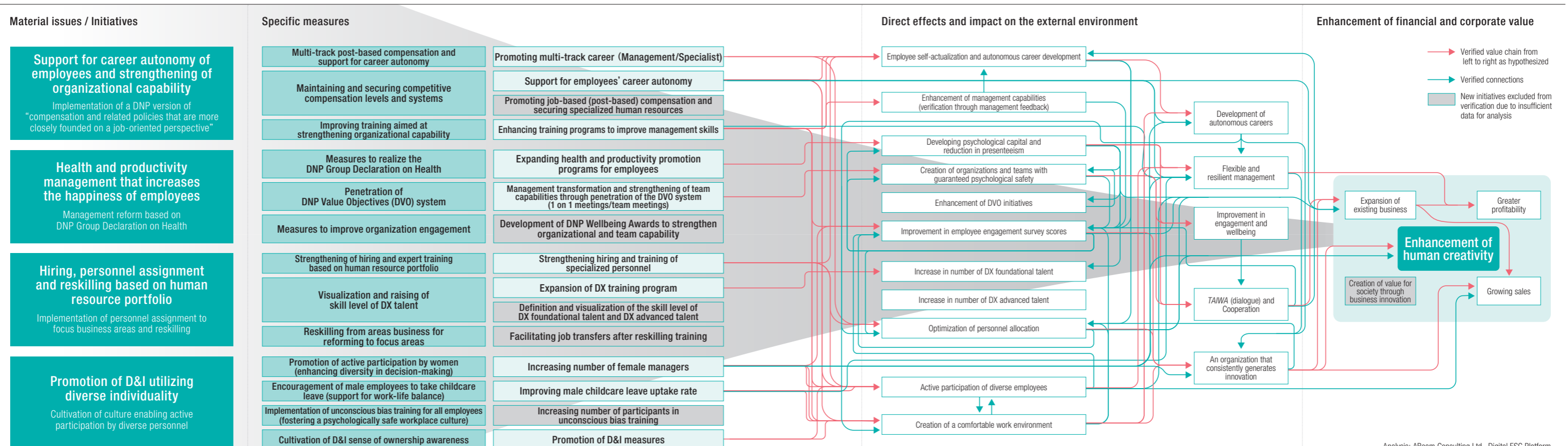
To achieve this, we have identified four material issues, each accompanied by specific measures that we are currently implementing. Furthermore, to ensure that these initiatives are linked to improvements in human creativity, financial value, and corporate value, we conduct DNP's unique value relevance analyses. These analyses enable us to examine and verify the relationship between each initiative aimed at strengthening human capital and corporate value, ultimately leading to further enhancements in effectiveness.

The DNP Group will continue to actively and consistently invest in human resources, enhancing human creativity to maximize value-added contributions through our business operations. This will create a positive feedback loop that redirects this added value back into further investments in people, thereby further developing our greatest strength: human capital.

Positive feedback loop of investment in human resources



The link between strengthening human capital and enhancing corporate value



Analysis: ABeam Consulting Ltd., Digital ESG Platform

Strengthening of Human Capital

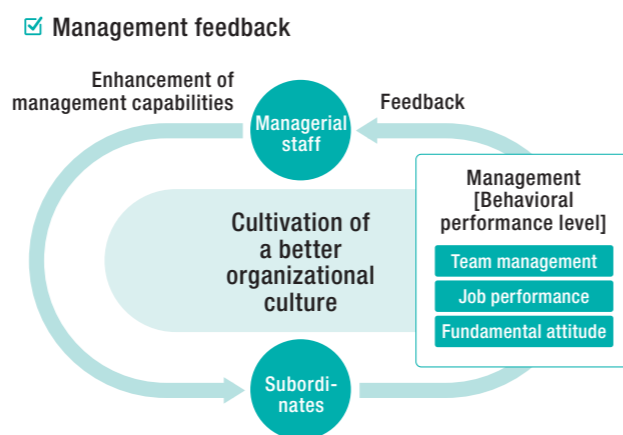
Implementation of a DNP version of “compensation and related policies that are more closely founded on a job-oriented perspective”

The DNP Group is implementing the DNP version of “compensation and related policies that are more closely founded on a job-oriented perspective” as one of the initiatives based on our Human Capital Policy. This unique hybrid system, which emphasizes career autonomy, leverages the benefits of both membership-based and job-based employment to support each employee’s autonomous career development and challenges.

Specifically, we have established a multi-track role classification system that enables the autonomous selection of management or specialist roles. This system places greater emphasis on grade classifications for managerial and specialist positions, as well as incorporating management feedback from subordinates for managerial roles.

For instance, through management feedback, we regularly visualize the management performance of managerial staff based on feedback from their subordinates. This process facilitates self-discovery of challenges for managers, leading to insights that contribute to the enhancement of management skills and the cultivation of a

better organizational culture. It also helps to instill the desired qualities of managerial staff throughout the entire DNP Group, including non-managerial employees.

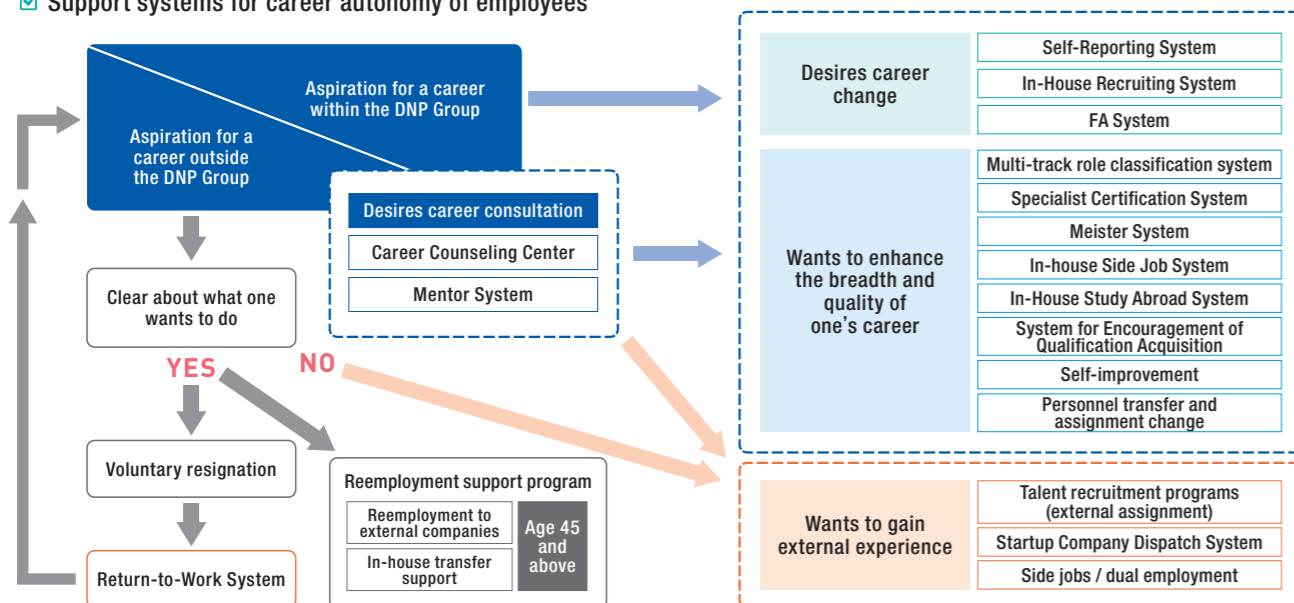


Support systems for career autonomy of employees

Through value relevance analyses, we examined the correlation between various systems that support career autonomy, and engagement. The results revealed that an increase in users of career support systems leads to improved engagement, which in turn contributes to enhanced productivity. As a result, we are working to strengthen initiatives and systems that support autonomous career development.

Specifically, we continue to enhance the In-House Recruiting System, which has been in place since 1996, placing significant emphasis on the proactive intentions of employees. For example, to allow employees to challenge themselves in unfamiliar roles, we launched talent recruitment programs with training in fiscal 2022. Additionally, for those seeking careers outside the DNP Group, we enable applications for assignments to external

Support systems for career autonomy of employees



companies, primarily focusing on suppliers, through these programs.

Moreover, we have revised the Self-Reporting System, which allows employees to share their mobility preferences and requests for changes in work themes as well as the means to achieve this with their managers. This revision enables employees to declare not only their short-term aspirations but also their mid- to long-term career visions. Additionally, starting in fiscal 2023, we have introduced a

system that permits employees to engage in side jobs or assignments at startup companies, where decision-making speed and management methods may differ significantly.

In the DNP Group, we will continue to enhance support for autonomous career development. As a prerequisite for this, we have decided to provide a career autonomy support payment within the base salary, enabling each employee to actively engage in their own career development with a sense of ownership.

Alignment of human resource strategy with business strategy

To align business strategy with human resource strategy, we will enhance the effectiveness of our investment in people and various human resource initiatives through value-relevance analyses. Moving forward, we will continue to implement various initiatives that contribute to the creation of corporate value through our business activities.

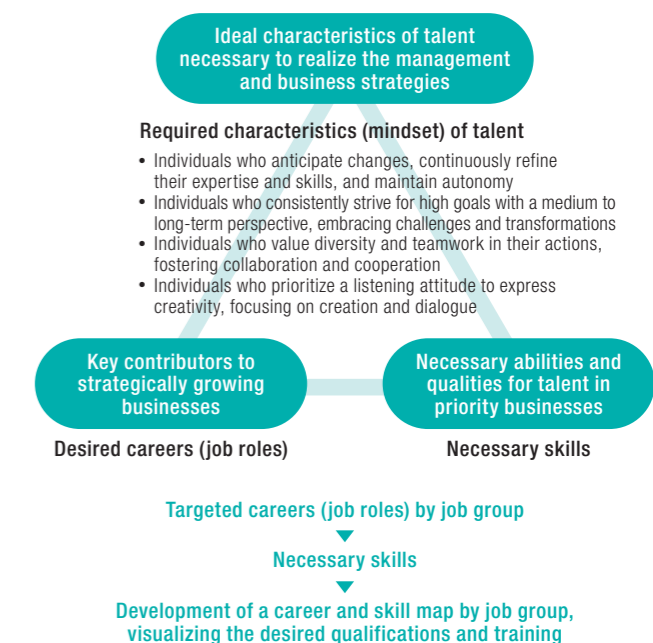
For example, in the current consideration of developing a career and skill map by job group, we will clarify the following three aspects:

- The ideal characteristics (mindset) of talent necessary to realize the management and business strategies
- The desired careers (job roles) as key contributors to strategically growing businesses
- The abilities and qualities (skills) required for talent involved in priority businesses

We will visualize the necessary talent profile, the target careers, and the required skills to effectively execute our management and business strategies.

To further strengthen human capital, which is a key strength of the DNP Group, we will continue to expand our investment in human resources and strategically and cohesively implement our human resource initiatives.

Alignment of human resource strategy with business strategy



Health and productivity management that increases the happiness of employees

Under our Human Capital Policy, the DNP Group Declaration on Health aims for health and productivity management that focuses not only on physical and mental health but also on fostering each individual’s psychological capital (a positive mindset) and building psychological safety (trust-based relationships) within the organization and teams.

For example, to further strengthen team capability and transform management, we are implementing the unique DNP Value Objectives (DVO) system and operating it in conjunction with 1 on 1 meetings and team meetings. This approach aims to enhance each individual’s challenges and the organization’s trust that supports them.

This fiscal year, we have defined DNP Wellbeing as a common goal for all DNP Group employees to create a vibrant workplace culture and reinforce organizational and team capabilities as a foundation for value creation. Specifically, we aim for both individuals and organizations to be in an

optimal state, not only focusing on fulfilling three key elements, namely physical and mental health and a safe and comfortable work environment as well as happiness (sense of challenge and trust). To expand this state across the DNP Group, we introduced the DNP Wellbeing Award this fiscal year, which received numerous applications.

In addition to these initiatives, we are continuing efforts such as the engagement survey, which visualizes issues and other factors in the organization and fosters dialogue to

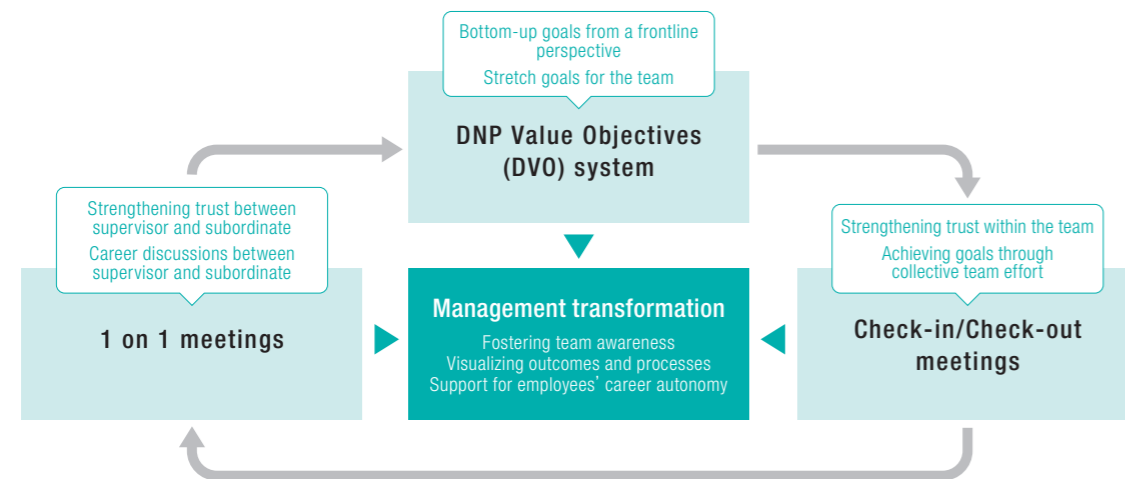


Strengthening of Human Capital

improve motivation. We are also enhancing wellbeing by creating communication areas in manufacturing workplaces. Furthermore, as part of our efforts to promote employee

health, we are addressing women-specific health issues and continuing various events such as health checkups and walking challenges.

Three initiatives and requirements for transforming management



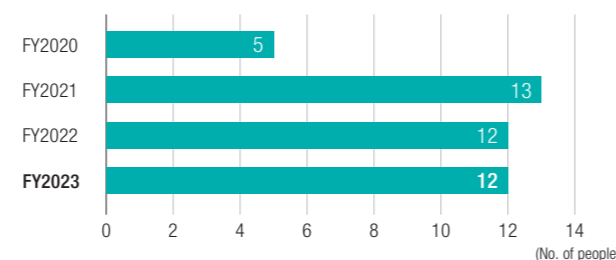
Strengthening of hiring and experts based on human resource portfolio

Since fiscal 2019, the DNP Group has developed a human resource portfolio that categorizes the talent truly required for each business into multiple types based on their roles, expertise and management abilities. In pursuit of our business strategies, we assess the adequacy of talent for each type and promote recruitment, development, and placement that emphasizes the qualitative aspects of our workforce.

When it comes to recruiting rare, specialized personnel, we do not just rely on internal development; we also actively seek external candidates for our team. Especially for highly skilled professionals, we have established systems such as offering competitive compensation packages for our professional staff. For example, we have already recruited physicians and other medical professionals in our medical &

healthcare businesses. Moving forward, we will continue to promote the recruitment of necessary talent using the most suitable methods and formats.

Hiring specialized personnel



Redeployment and reskilling of personnel from business for reforming to focus business areas

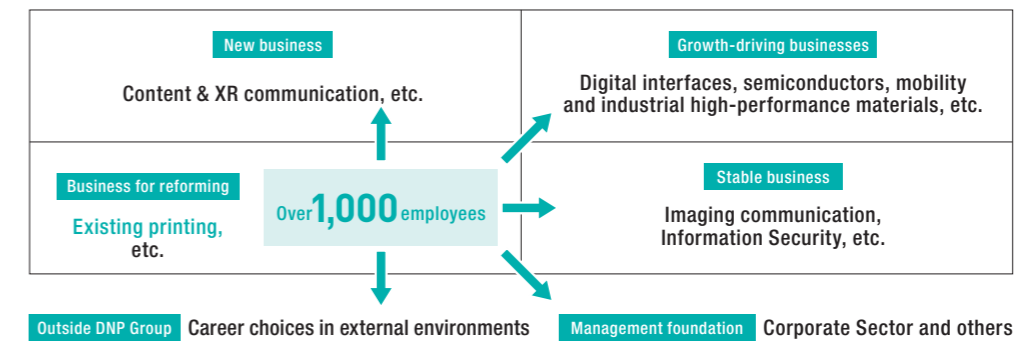
As the business environment undergoes rapid changes and we enter what is often referred to as the 100-year life era, the importance of reskilling is increasing more than ever. At DNP Group, we have also been working to build a strong business portfolio, and over the four-year period from fiscal 2020 to fiscal 2023, we reallocated and reskilled more than 1,000 employees from business for reforming to focus business areas, including those who opted for external careers. For those transitioning to significantly different roles, we provided group training sessions to help them acquire the fundamental knowledge and skills needed in their new positions, as well as to foster the right mindset.

We will continue to implement reassignments and reskilling from areas business for reforming to focus business areas as necessary in the future.



Image of the DNPweb (intranet) screen

Personnel redeployment overview (FY2020–FY2023)



Defining, visualizing and developing DX talent

DX talent

In the face of evolving industrial structures and societal shifts, we are committed to cultivating talent capable of actualizing DNP's DX initiative, "value creation through P&I innovation". We have defined DX talent in alignment with the Digital Skill Standard (DSS) established by the Ministry of Economy, Trade and Industry. We define DX foundational

talent as individuals who possess DX literacy and view DX as a personal responsibility, encompassing all employees of the DNP Group. DX advanced talent are specialized individuals who support the DX initiatives within their respective departments, and candidates for DX advanced talent are selected and developed from the pool of DX foundational talent at the departmental level. ICT talent is encompassed within DX advanced talent, and we will continue to strengthen this core group moving forward.



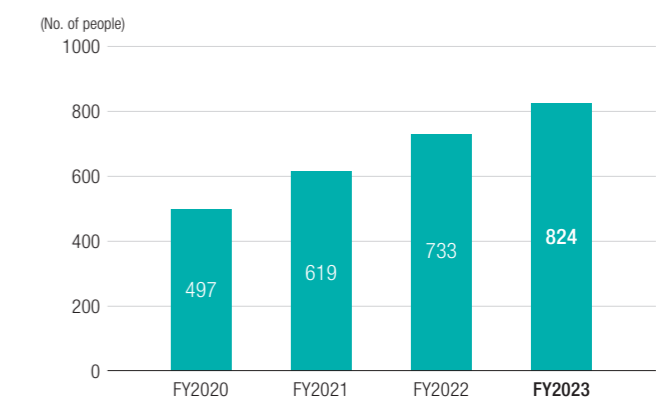
DX foundational talent

We conduct DX literacy level assessments to visualize current skill levels. Based on these results, we provide DX literacy education tailored to each individual's level through e-learning and in-house training programs to facilitate skill improvement. By the end of fiscal 2023, 24,408 individuals had completed the basic DX literacy e-learning course, and we aim for a target of 27,500 employees completing the course by the end of fiscal 2025.

DX advanced talent

We are building practical training programs aligned with business objectives to advance talent development. Among these, ICT talent are being developed to achieve a target of IT Skill Standard (ITSS) level 3 or higher, with 824 individuals reaching that level in fiscal 2023.

Number of individuals with IT Skill Standard level 3 or above (FY2020–2023)



* IT Skill Standard (ITSS) level 3 indicates a level of proficiency where one possesses applied knowledge and skills, can independently make judgments and carry out tasks related to their responsibilities.

Strengthening of Human Capital

Promotion of D&I utilizing diverse individuality

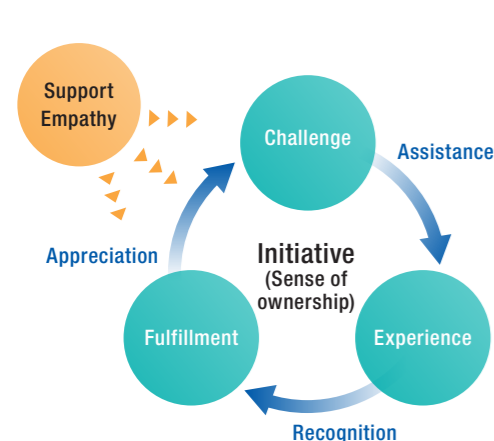
Inclusion Loop supporting employee challenges and creating new value

Based on our Human Capital Policy, we believe that promoting diversity and inclusion (D&I) by leveraging diverse individuals will significantly enhance human creativity. To achieve this, we have set a mid-term vision of creating a state where inclusion becomes second nature and are working on various initiatives to realize it. While awareness and understanding of this initiative among employees are progressing, there remains a disconnect in their direct experience in each workplace. To bridge this gap, we represent our efforts through an Inclusion Loop, which supports each employee's challenges and values their experiences, linking them to a sense of satisfaction and fostering a sense of ownership. As part of this effort, Diversity

Week (4th, held in February 2024), in which all employees participated, focused on the theme of "gratitude" as the driving force to turn this Inclusion Loop around. Various programs were implemented with the awareness that the theme of "gratitude" would provide psychological safety and stimulate dialogue in each workplace.

Additionally, among the eight items we believe are essential for realizing the state of inclusion becoming the norm, we have initiated unconscious bias training for approximately 30,000 DNP Group employees, including the president and officers, to encourage self-reflection on unconscious biases.

Illustration of the Inclusion Loop



Diverse individuals are inclusive of each other, and those around them support the challenges of individuals who take the initiative. We assess the results of these challenges as valuable experiences and, through open dialogue, connect them to a sense of fulfillment. This fosters a culture where inclusion becomes the norm, with individuals receiving recognition from their peers for their contributions and feeling motivated to embrace new challenges. These interconnected loops occur across various departments and, in unison, amplify the collective strength of All DNP.

Eight items

Respect for diversity (differences)	Control of unconscious biases	Career autonomy
Cultivate an empathetic culture	Inclusion becomes the norm	Foster a culture of psychological safety
Knowledge of All DNP	Recognize diverse work styles	Eliminate gender gaps

Initiatives aimed at achieving 30% female executive ratio in 2030

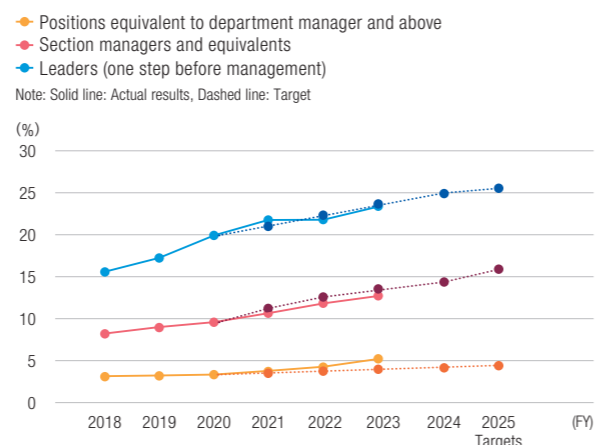
To ensure DNP's sustainable growth, we are committed to enhancing diversity in decision-making to facilitate better management decisions. As part of this effort, we focus on promoting women to senior management positions by developing female talent not only among management but also among younger and mid-career employees. This aims to continuously increase the proportion of women in decision-making roles by establishing a robust pipeline.

Starting from fiscal 2023, we have recognized this as a management challenge for the entire DNP Group and expanded the practical leadership training for leader-class females to our Group companies, with 285 participants enrolled. In the Sponsorship Program initiated in fiscal 2021, senior executives act as sponsors, providing growth opportunities for participants to enhance their perspectives and fostering their development. As a result, the number and ratio of individuals at the department manager level significantly exceeded our initial targets in fiscal 2023.

Furthermore, starting in fiscal 2024, all officers will take responsibility for directly engaging with the current situation and challenges in order to achieve the goal of having 30%

female executive representation in 2030. In conjunction with this, we will also work on fostering an inclusive organizational culture.

Ratio of females at each level



Promotion of global human resource strategy

The DNP Group conducts various businesses in 34 cities around the globe. Currently, overseas sales account for 23.6% of total revenue, and approximately 10% of employees are based outside Japan, with business operations steadily growing each year. However, up to this point, target customers and markets have been developed independently based on individual business strategies. Consequently, local subsidiaries and business divisions in different countries have had to implement their own human resource measures, resulting in a fragmented landscape of know-how and information. To transform this situation and support the growth of overseas businesses that drive the Group's growth, the Human Resources function in Japan has decided to consolidate know-how and information from various countries and regions and to strongly support global expansion. To facilitate this, we established a global people group within the Employee Relations Department of Personnel & Employee Relations Division. Through close communication with local subsidiaries, we recognize the following global human resource challenges for the DNP Group: (1) Development of candidates for expatriate positions, (2) Development of global personnel with

management capabilities, (3) Clarification of local human capital, (4) Strengthening of Head Office functions, (5) Compliance with international standards and information disclosure, (6) Verification of market competitiveness and standards, and (7) Risk management in such areas as labor laws, taxation, health and productivity management. In the three-year plan devised to address these challenges starting in fiscal 2023, we have identified three main pillars:

- (1) Visualization and management of talent
- (2) Establishment of human resource management infrastructure
- (3) Strengthening of risk management capabilities and system development

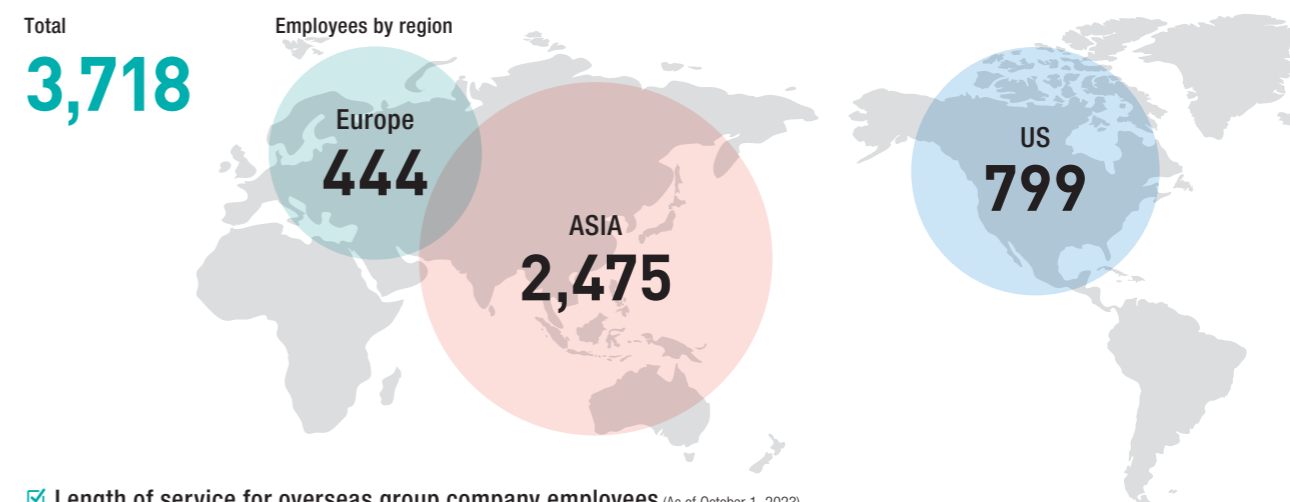
We are focusing on key measures for each pillar, setting KPIs for each initiative, and managing progress to ensure successful execution.

Through these activities, we will continue to maximize human creativity on a global scale.

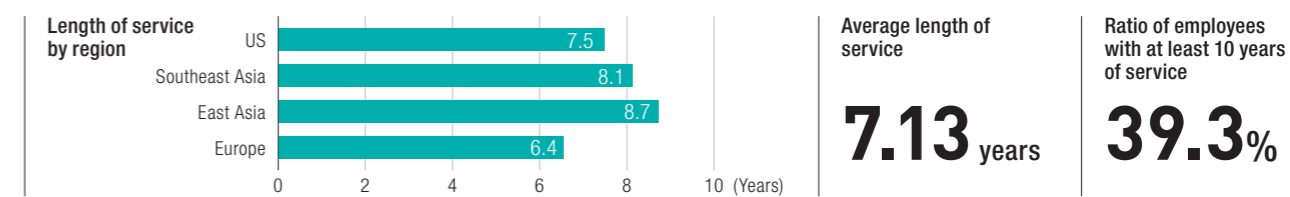
Three pillars and key initiatives

Strategy	Key Initiatives
Visualization and management of talent	<ul style="list-style-type: none"> • Visualization of human capital information • Establishing a systematic approach to strategic expatriate assignment based on business needs
Establishment of human resource management infrastructure	<ul style="list-style-type: none"> • Establishing human resource data governance • Creating competitive mobility policies
Strengthening of risk management capabilities and system development	<ul style="list-style-type: none"> • Identifying the roles of global human resource functions and establishing governance structures while building networks with local functions • Establishing market competitiveness assessment functions in compensation and enhancing risk management capabilities • Centralizing process management operations and promoting outsourcing

Our workforce at a glance for overseas group companies



Length of service for overseas group company employees (As of October 1, 2023)



Strengthening of Human Capital

Unique Indicators

Data coverage *1 DNP (parent alone) *2 DNP Group in Japan *3 DNP Group in overseas

Support for career autonomy of employees and strengthening of organizational capability

Indicator	Description	Value
Management feedback/Stress check correlation coefficient <small>[Figure 1]*2</small>	Indicators measuring the correlation between the degree of management exhibited by managers and individual stress levels and organizational engagement	Management feedback × Stress check: -0.4573 Management feedback × Engagement survey: 0.4153
Management feedback/Engagement survey correlation coefficient		
Number and growth rate of chief specialists and principal specialists <small>[Figure 2]*2</small>	Indicator showing how employees with expertise link their careers to the strengths of the business	FY2023 Chief specialist: 41 Principal specialists: 167 Total: 208 Growth rate compared with FY2021: 80%
Internal recruitment: Number of applicants <small>[Figure 3]*2</small>	Indicator representing a culture where employees actively choose their careers	Number of applicants in FY2023: 368
Number of cross-boundary learners <small>[Figure 4]*2</small> <small>(Internal side jobs, external side jobs/dual employment, startup company assignments, and number of users of the inter-departmental cross-boundary coaching system)</small>	Indicator aimed at creating innovation across departments and the company	Total number of cross-boundary learners (internal side jobs, external side jobs/dual employment, startup company assignments, inter-departmental cross-boundary coaching system users): 696

Figure 1: Management feedback (overall score) × Stress check (overall health risk)

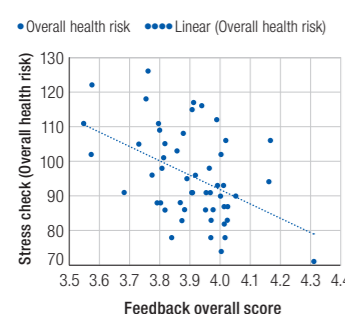


Figure 2: Chief and principal specialists growth rate

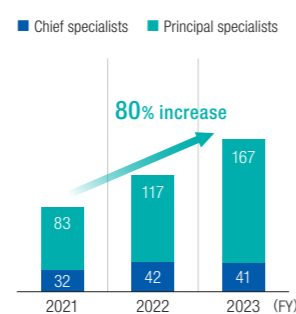


Figure 3: Internal recruitment: Number of applicants

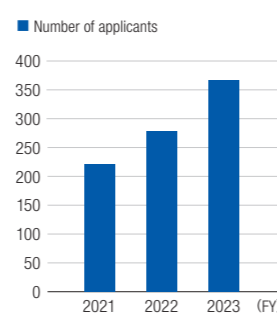


Figure 4: Number of cross-boundary learners

Program name	Start (FY)	Total number of users
Internal side jobs	2021	117
External side jobs/dual employment	2019	161
Startup company assignments	2023	7
Inter-departmental cross-boundary coaching	2021	411
Total number of cross-boundary learners		696

Health and productivity management that increases the happiness of employees

Indicator	Description	Value
Status of improvement in (1) psychological capital and (2) psychological safety <small>[Figure 5]*2</small>	1. Indicator representing the status of employees' psychological capital 2. Indicator representing the status of organizational psychological safety	1. Psychological capital: Average percentage of respondents answering "Yes" to questions on Hope, Efficacy, Resilience, and Optimism (4-point scale) FY2021 comparison: 27.8% improvement 2. Psychological safety: Average percentage of respondents answering "Yes" to questions on Ease of Communication, Mutual Support, Challenge, and Respect for Individuals (4-point scale) FY2021 comparison: 20.0% improvement
Growth rate in Challenge indicator from the engagement survey <small>[Figure 6]*2</small>	Indicator representing the level of employees' willingness to take on challenges and the organization's support for such challenges	June 2021 comparison: 12.1% improvement
Implementation rate and satisfaction of 1-on-1 and team meetings in DVO system <small>[Figure 7]*1</small>	Indicator representing activities aimed at enhancing individual strengths and team effectiveness through the DVO system	2022 2023 • Implementation rate/ Satisfaction level for 1on1 meetings 43% / 47% 57% / 53% • Implementation rate /Initiative level for team meetings 47% / 46% 58% / 55%
Number of proposals for DNP Wellbeing Awards and number of volunteer judges *2	Indicator representing proactive efforts toward improving DNP wellbeing	FY2024 proposals: 168 Number of volunteer judges: 1,189 (FY2023 comparison: Proposal increase rate: 32.2% Volunteer judge increase rate: 14.7%)

Figure 5: Status of improvement in (1) psychological capital and (2) psychological safety

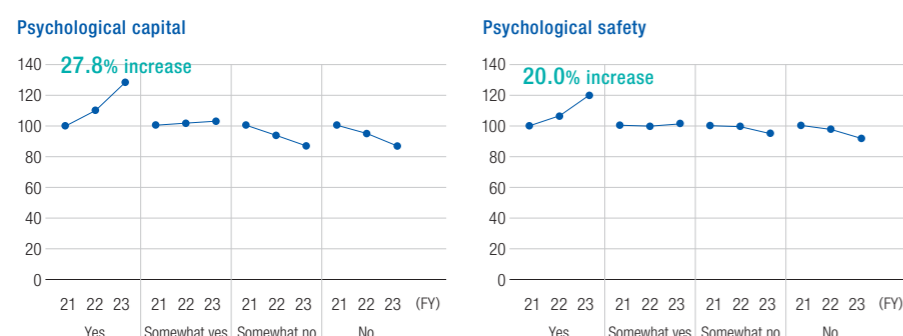
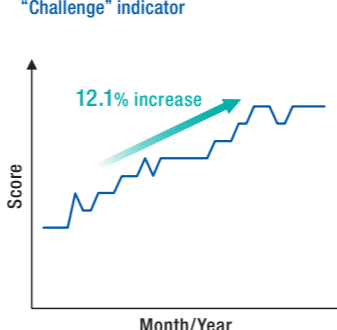
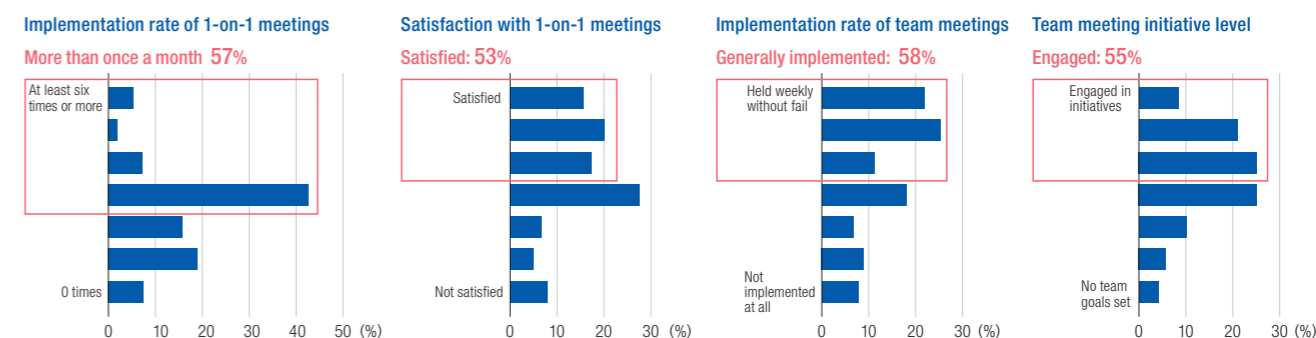


Figure 6: Engagement survey "Challenge" indicator



Note: The percentages for both psychological capital and psychological safety are calculated based on the data from FY2021 set to 100.

Figure 7: Implementation rate and satisfaction of 1-on-1 and team meetings in DVO system



Hiring, personnel assignment and reskilling based on human resource portfolio

Indicator	Description	Value
Number of highly specialized talent hires <small>[Figure 8]*2</small> <small>(Number of professional staff hired + Number of external side job workers accepted)</small>	Indicator showing the hiring status of talent in focus businesses, including mid-career hiring and acceptance of side job workers	Number of highly specialized talent hires: 24 Number of external side job workers accepted: 12
Basic education for DX literacy: Course planning and completion rate *2	Indicator showing the number of individuals who have completed basic education for DX literacy and the degree of achievement against the target value	Completion target by March 31, 2026: 27,500 individuals As of March 31, 2024: 24,408 individuals completed, with a completion rate of 88.8%

Promotion of D&I utilizing diverse individuality

Indicator	Description	Value
4th Diversity Week: Number of participants *2	Number of participants for keynote speech	Approx. 14,000
Unconscious bias training: Completion rate by level <small>[Figure 9]*2</small>	Indicator measuring the achievement toward a state where inclusion has become second nature	Completion rates: DNP president and executives, DNP Group company presidents: 99% Division heads and general managers: 96% Department managers: 92%
Promotion status of women who completed the Sponsorship Program <small>[Figure 10]*1</small>	Indicator assessing the formation of a pipeline for promoting women	Percentage at department manager and above: 90%

Promotion of global human resource and labor strategy

Indicator	Description	Value
Ratio of female managers in overseas subsidiaries <small>[Figure 11]*3</small>	Indicator showing the organization's gender diversity and the promotion of women's leadership	28%
Number of key positions in overseas subsidiaries *3	Value indicating the number of positions directly related to executing business strategies and maintaining competitive advantage	98 positions

Figure 8: Number of highly specialized personnel hired

Category	Cumulative total
Number of highly specialized personnel hired	24
Number of external part-time workers accepted	12
Total	36

Figure 9: Unconscious bias training FY2023 completion status

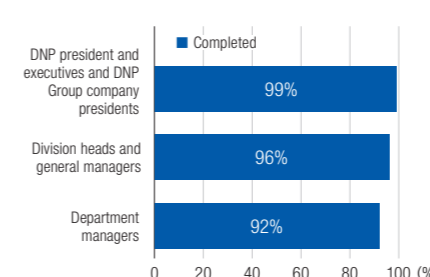


Figure 10: Promotion status of women three years after completing the Sponsorship Program

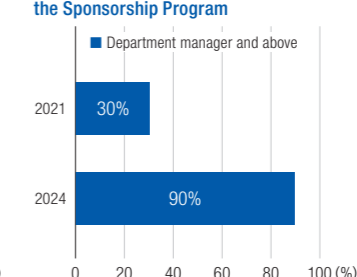
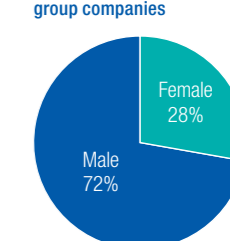
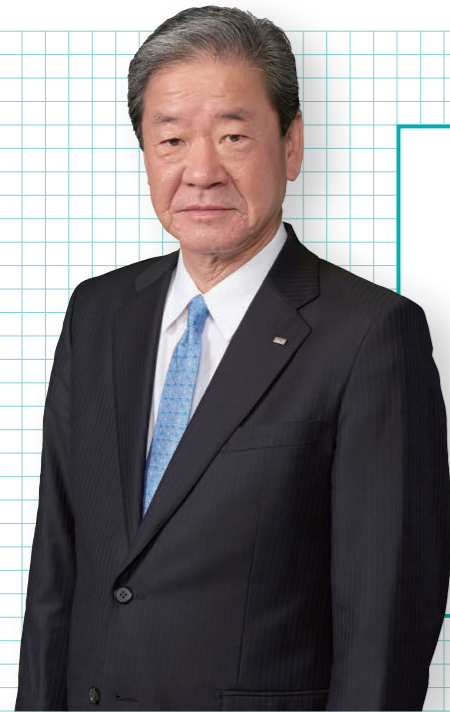


Figure 11: Ratio of female managers in overseas group companies



Note: The indicators for comparability are partially documented on page 102.

Strengthening Intellectual Capital



Combining strengths in P&I and collaboration with partners to bolster our business portfolio from the perspective of intellectual capital

Masato Yamaguchi, Executive Vice President

DNP enhances its intellectual capital by transforming and deepening the unique strengths in Printing & Information (P&I) cultivated for many years and reinforcing its collaboration with external partners to increase the number

of globally competitive products it provides and ensure continued growth. To this end, our R&D activities range widely from the creation of new businesses and the development of new

products to the development of production technologies. These activities are the driving force behind our business activities.

Our research and development policy involves envisioning a “better future” that we aim to create, using it as a starting point to strengthen our unique technologies, and ultimately driving the development and delivery of new products and services toward the realization of future scenarios. Under our FY2023-2025 Medium-term Management Plan, we promote the “creation of new businesses and enhancement of technological strengths,” the “global rollout of technological strengths,” the “strengthening of stable businesses and cultural reform” and the “sophistication of DX infrastructure.” We have continued to allocate an annual budget of more than 30 billion yen for our research and development investments and this has increased in accordance with our business growth strategies.

For example, the role of digital transformation (DX), including generative AI, will undoubtedly continue to grow. The use of digital technologies and enhancing their productivity are important issues for society. Semiconductors are key to this and we put significant effort into semiconductor research and development, positioning it as a priority area.

Our primary focus is on these areas as we strive to combine a variety of intellectual capital more effectively, speeding up the development and commercialization of products and services.

In addition, we will step up collaboration between industry, government and academia through open innovation in Japan and overseas, strategically promoting the acquisition

of technology and the development of businesses. In the context of the increasing global demand for reducing environmental impact and enhancing well-being, our marketing, R&D and business expansion efforts are also increasingly directed overseas. We will foster an organizational culture that actively brings together strengths, such as our intellectual property, including the patents we have obtained to date, both inside and outside the company. Through this approach, we seek to create new value in both existing and new businesses. To this end, we have established a forum for dialogue and interaction across the company to sow the seeds of new businesses.

In recent years, we have been vigorously promoting DX to both drive business growth and foster innovation in productivity. For DNP, DX is positioned as the fusion of hybrid strengths of complete opposites, such as analog and digital technologies, real and virtual realities and manufacturing and services. This approach enables us to build a unique business model and generate new value. In alignment with this DX strategy, we have been creating new businesses, transforming existing businesses, moving forward with dramatic productivity improvements and promoting internal information infrastructure innovations. In particular, we concentrate on expanding resources for value creation through DX, including the development of in-house DX talent, the recruitment of necessary external experts and collaboration with partner companies.

Our business divisions, R&D divisions and intellectual property divisions form a triad, integrating their efforts to create a better future by consistently embracing change and enhancing synergy within All DNP to generate new value.

☑ The link between strengthening intellectual capital and enhancing corporate value

Basic strategy for strengthening intellectual capital

Creation of new businesses and enhancement of technological strengths

Build business portfolio from future scenarios

Global rollout of technological strengths

Refinement and acceleration of global rollout of DNP's unique technology and products

Strengthening of stable businesses and cultural reform

Creation of new value through All-DNP spirit

Sophistication of DX infrastructure

Achievement of data driven management and reinforcement of the infrastructure for it

Specific non-financial activities

Creation of new businesses in focus business areas capturing megatrends and business opportunities

Strengthening of DNP's unique technology

Acquisition and strengthening of technology through open innovation

Acceleration of global expansion centered on Life & Healthcare

Strengthening of stable business and development of new products through aggregation of knowledge by All DNP

Optimization of R&D mechanisms and systems

Fostering culture creating new value

Advance modernization and globalization to strengthen digital ICT infrastructure

Advance visualization and deeper analysis of data management infrastructure, and continuously update infrastructure

Research into the needs of existing customers

Research on and analysis of market trends

Patent strategy

Cooperation with academia

Encouragement of open innovation

Strengthening of overseas R&D systems

Value creation activities through cooperation between business divisions

Utilization of in-house events such as the introduction of new technologies

Setting of clear R&D goals

Construction of short-, medium- and long-term R&D systems

Effective utilization of R&D funding

Development of a culture of taking on challenges

Promotion of diversity and inclusion

Expansion of the use of data management infrastructure
Democratization of data and deepening and expansion of data utilization

Securing and development of ICT and DX talent

Encouragement of citizen development

Direct effects of non-financial activities

Identification of market needs

Identification of important issues

Moving ahead of competitors in terms of patent applications

Advancement of alliance agreements and license acquisitions

Reinforcing of cooperation with and investment in outside companies and startups

Increase in the number of overseas partners

Increase in the number of new cross-functional themes

Identification of priority themes

Enhancement of the efficiency of our R&D activities

Increase in the number of people with go-getter attitudes

Improvement of the accuracy of data analysis and discussion

Streamlining of work and acceleration of decision making

Creation of new R&D themes

Improvement of DNP's unique technological strengths

Rolling out of existing technologies

Indirect changes and impact within and outside the company

Earning of the trust of business partners and clients

Establishment of barriers to entry

Cooperation with strong partners and gaining new partners

Enhancement of our strengths as a global corporate brand

Early entry into markets and entry into new markets

Securing of a competitive edge

Enhancement of customer satisfaction and increase of retention rate

Financial and corporate value

Expansion of existing business

Creation of value for society through business innovation

Increase of our strength in P&I and cooperation with partners

Greater profitability

Growing sales

Strengthening Intellectual Capital

Creation of new businesses and enhancement of technological strengths

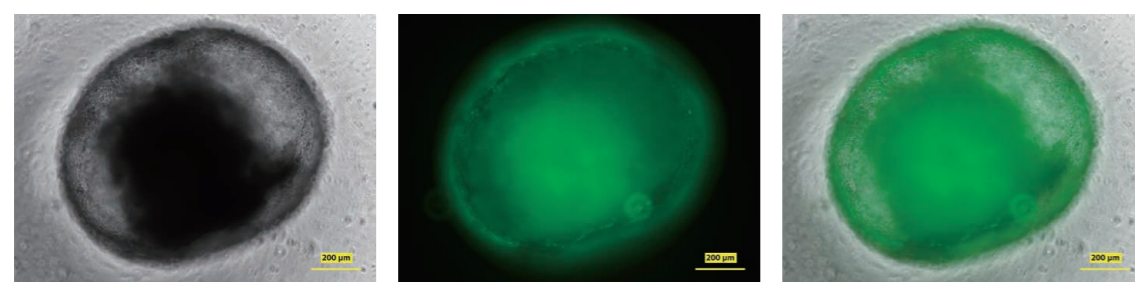
Creation of new businesses in focus business areas capturing megatrends and business opportunities

DNP promotes the reform of its business structure and pursues the generation of more profits from its business activities through concentrated investments in focus business areas. We also strengthen our cooperation with partners that have strengths different from those of DNP as we advance strategies for obtaining the no. 1 position in many different businesses.

In the medical & healthcare business, CMIC CMO Co., Ltd., for example, became a consolidated subsidiary in May 2023. In June of the same year, we joined the CMIC Group to engage in consistent manufacturing from API to formulation and the development of value-added pharmaceuticals, among other activities.

DNP has also been working on the research and development of efficient cell cultures. In 2017, it became the

first company in the world to successfully grow miniature intestinal organoids from human embryonic stem cells (ES cells) and iPS cells (induced pluripotent stem cells) in a test tube in collaboration with the National Center for Child Health and Development. Currently we are selling the miniature intestinal organoids on a trial basis. In June 2024, we teamed up with NEXEL Co., Ltd., a Korean biotechnology company specializing in iPS cells, to commence technical collaboration in the area of cardiomyocyte cultures derived from human iPS cells. Through this collaboration, we will seek to develop a method for manufacturing large quantities of high-quality cells for use in the research and development of new drugs, and a microphysiological system (MPS) simulating human organs on a chip.



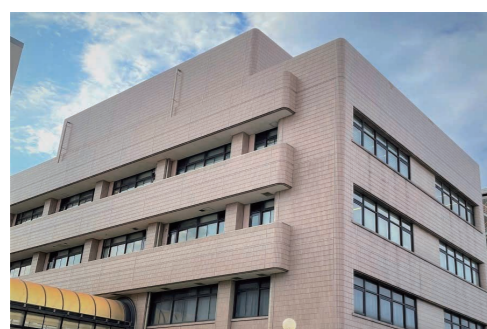
① Miniature intestinal organoid
② Reagent applied to the intestine surface
③ The miniature intestinal organoid absorbs the reagent

Strengthening of DNP's unique technology

DNP has applied its printing technology, the core of the company's technological strengths, in many different areas including electronics and has sought to expand its business. Aside from being a pioneer in these areas, we are differentiating our businesses and strengthening our proprietary technologies. An example of this is DNP's strategic acquisition of intellectual property.

In April 2024, DNP made UBE Scientific Analysis Laboratory, Inc. (USAL) a consolidated subsidiary. As a member of the UBE Group, USAL analyzes organic, inorganic and macromolecular compounds. DNP strives to strengthen its intellectual capital for

purposes such as the creation of new value and the strategic securing of intellectual property through the cultivation of technologies to support high value-added business development and the combination of different technologies. USAL's strengths are in the analysis and evaluation that is necessary for product development and it possesses advanced analysis technologies, equipment and specialists. Through the collaboration with this subsidiary, we will promote new product development and strengthen our portfolio from an intellectual property perspective.



UBE Ube Laboratory's new building (Ube City, Yamaguchi) partly used by USAL



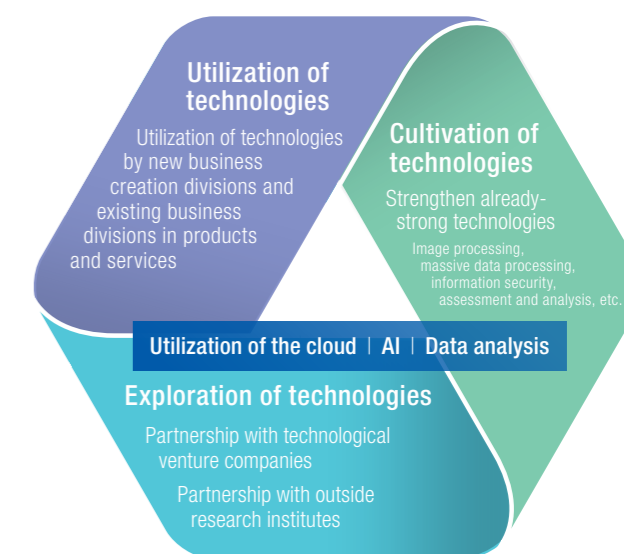
An example of measurement work

Basic policies and structures for technologies and R&D

For DNP, which has expanded its business domains by applying and developing technologies cultivated in the printing process, strengthening technology and R&D is a crucial management issue. We will always take the consumer's point of view as we accurately understand environmental, social and economic issues, and create optimal solutions.

DNP will further evolve and deepen the already-strong technologies that we have cultivated to handle, in a safe and secure manner, important information entrusted to us by companies, organizations and consumers, and will also accelerate development by promoting collaboration with various partners, including venture companies, start-ups, universities and research institutions, and by exploring new technologies. Also, we will combine our internal and external technological strengths to solve various problems and create new value that excites people.

R&D is important for this. To increase the efficiency of R&D, we will actively introduce machine learning and generative AI. Materials informatics (MI) has already been introduced in the design of materials which is a part of our R&D efforts.



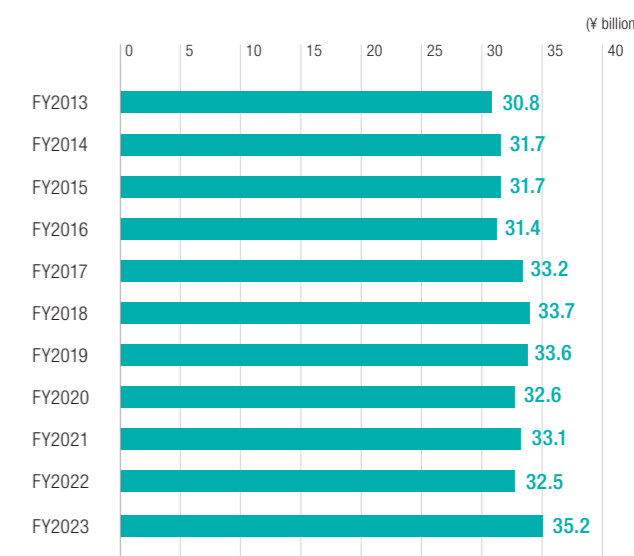
Technologies and R&D structures

DNP's technology and R&D divisions are developing proprietary technologies to solve diverse issues in a wide range of business fields, with a focus on the three segments of Smart Communication, Life & Healthcare and Electronics. We are building and operating robust structures that create new value in existing and new businesses by promoting the combining of technologies and collaboration with external partners.

Sales division/field	Business unit (Development headquarters)	Controlled by Head Office	
		Head office research and development framework	Supervision
Smart Communication	Publishing and Media Services	Technology Development Center Research and Business Development Center Advanced Business Center	R&D and Engineering Management Division
	Information Innovation		
	Imaging Communication		
Life & Healthcare	Life Design (Packaging)	Technology Development Center Research and Business Development Center Advanced Business Center	R&D and Engineering Management Division
	Living Spaces		
	Mobility		
	High-performance Materials		
Electronics	Fine Devices	Technology Development Center Research and Business Development Center Advanced Business Center	R&D and Engineering Management Division
	Optoelectronics		
New businesses field		Technology Development Center Research and Business Development Center Advanced Business Center	R&D and Engineering Management Division
Short-term development			
		Medium- and long-term development	

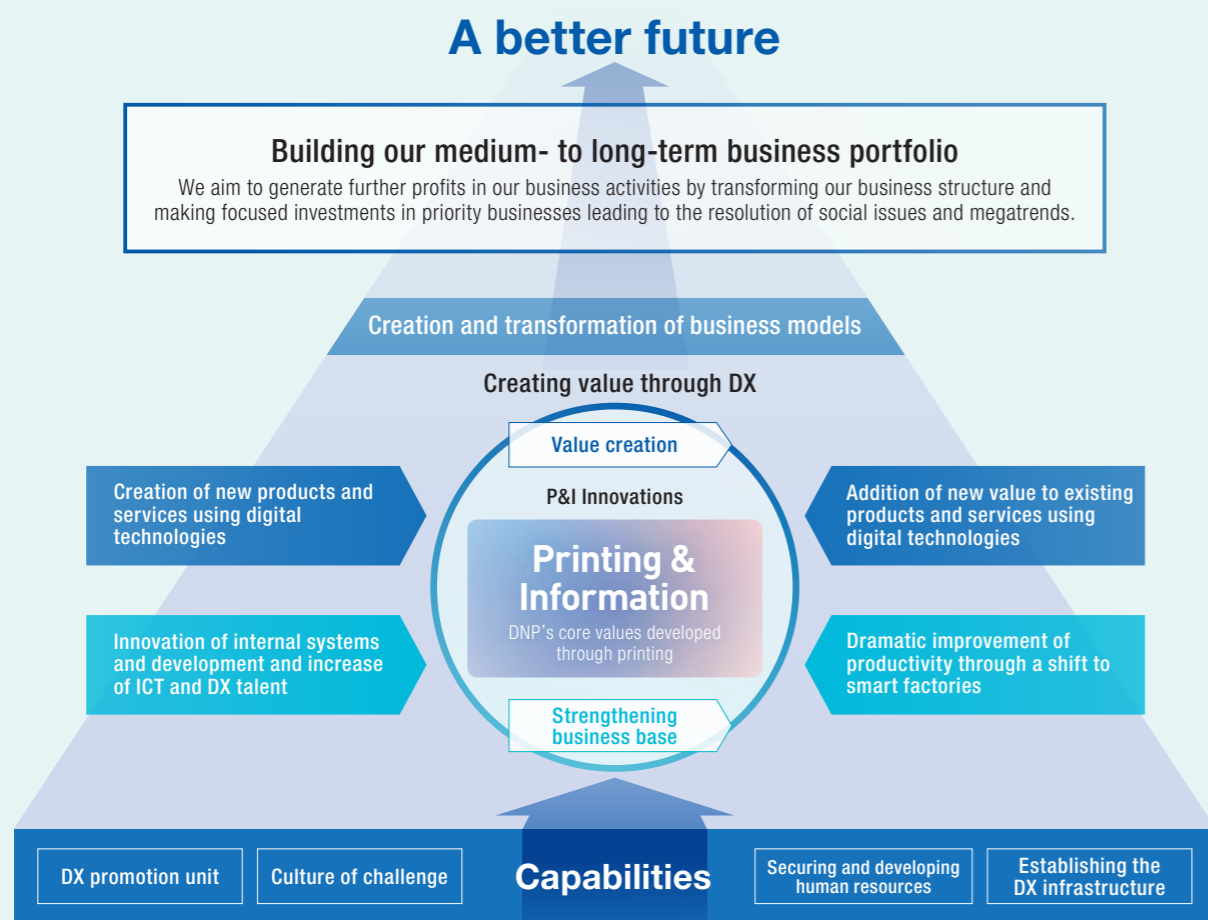
Technology and R&D Expenditures

DNP continues to invest over 30 billion yen annually in technology and R&D, with the amount reaching 35.2 billion yen in the fiscal year ended March 31, 2024, and 36 billion yen planned for the current fiscal year ending March 31, 2025. In recent years, in order to solve increasingly diverse and complex problems and create a better future for ourselves, we have been increasing the expenditures of the R&D department at our headquarters based on the All DNP concept, which combines the strengths of the entire Group.



Value Creation through Digital Transformation (DX)

DNP positions DX as “value creation through P&I Innovations,” combining digital technologies with our business strengths of All DNP. Leveraging the hybrid strengths of P&I (Printing and Information) incorporating opposites such as analog and digital technologies, real and virtual design, and products and services, we will create and transform business models based on our medium- to long-term business portfolio strategy, and offer these technologies and services as new value to a sustainable society.



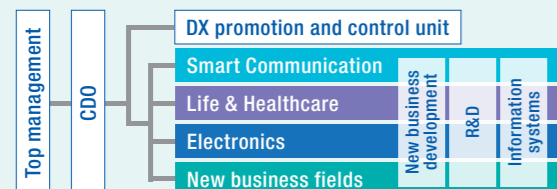
We are driving value creation through DX, with strategies based on both creating value and strengthening our business base. To establish many different businesses, we leverage the information processing technologies we have accumulated through our printing processes, particularly including core technologies in areas such as media conversion, image processing and recognition, information security and the optimization of business processes.

Capability enhancement

We will engage in complex and continuous activities using the comprehensive strengths of All DNP—leveraging our organization, corporate culture, human resources and DX infrastructure as synergistic capabilities.

DX promotion unit

The Chief Digital Officer (CDO) appointed by the President supervises company-wide activities relating to DX. We have established a full-time DX promotion and control unit at the head office and, in cooperation with individual business segments and other divisions in charge of new business development, R&D and information systems, we are implementing a range of measures across the entire Group to promote digital transformation.



Development of DX talent

We develop human resources capable of building businesses by utilizing digital technologies and data leveraging the domain knowledge they have acquired through their work. Led by our operational divisions, our operational transformation is under way using generative AI in an environment in which approximately 30,000 DNP Group employees are able to use generative AI. We seek to enhance knowledge and skills through DX literacy and education in the area of design thinking, and to foster a mindset of taking on challenges through our ideathon and hackathon. To enable the improvement of specialists for the promotion of DX, we have established the ICT professional system, encourage the acquisition of DX-related qualifications and provide highly specialized and practical education in the areas of agile development, cloud computing and AI and data science. Furthermore, we develop human resources to support specialists.

Promoting open innovation

To solve social issues and create new value, industry, government and academia co-creation and collaboration is necessary, in addition to in-house efforts. We accelerate the provision of new value using the P&I LAB to innovate based on conversations with customers and partners using diverse knowledge and perspectives, and using DNP INNOVATION PORT to promote co-creation with startups and emerging companies, among other initiatives.

Creation of new products and services using digital technologies

Creating new experiences and economic zones in the metaverse

High-quality expression techniques and the ability to process large quantities of information, which we acquired through printing processes, are cultivated and transformed into highly detailed 3D technology for enhancing the value of experiences in XR spaces. We will create new experiences and economic zones where you can move between real and virtual worlds without being separated by age, gender, nationality or any other attribute.



A virtual space for children who are not attending school or who need Japanese language instruction

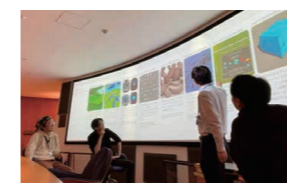


Metaverse Government Office

Using generative AI to create new value with partners

We advance co-creation with outside partners to create new value using DNP's unique strengths and external connections and to explore the potential of generative AI.

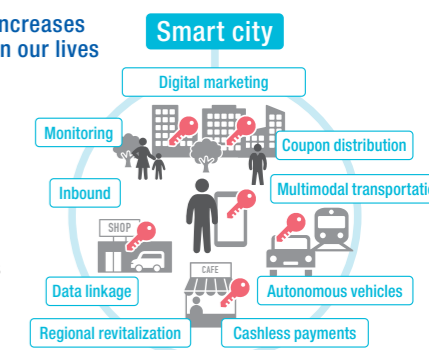
We have increased the sophistication of our technology for recognizing the structure of a document, which we acquired via the secondary use of printed data, enabling us to develop our unique data formatting technology which dramatically increases the accuracy of generative AI responses. We will roll out solutions leveraging our knowledge in, for example, the processing and formatting of different documents.



Addition of new value to existing products and services using digital technologies

Use of a digital key increases safety and security in our lives

Using our authentication and security technologies, we offer smartphone-based key functions instead of conventional physical keys to live safe, secure and fulfilling lives in an information society. This is a realization of the smart city concept balancing security and convenience.



Offering new value connected to photography

By adding services to our manufacturing of thermal transfer printing media that we supply to printer manufacturers, we are shifting to a consumer-oriented business model.

Using our expertise in printing, we are rolling out many different portrait services in Japan and globally, including services for ID photos, My Number Card applications, employee ID cards and profile images for online meeting and business chat applications.



"Ki-Re-i" ID photo printing machines

Innovation of internal systems and development and increase of ICT and DX talent

Achieving data-driven management and reinforcing its infrastructure

The environment surrounding businesses and the needs of customers are growing more diverse and complicated and they are becoming hard to predict. Taking this as an opportunity, we facilitate quick managerial decision making using data.

Amid the progress in digitalization, we build data management infrastructure for centralizing the accumulation, analysis and visualization of enormous amounts of information. The democratization of data expands the scope of its use for the visualization of investment plans, salespeople's demand forecasts and the reinforcement of supplier relationships.

We are increasing the sophistication of our DX infrastructure in combination with modernization, globalization and the improvement of employees' digital proficiency using AI and technology.



Our data management infrastructure targets

Indicators	End of FY2025 target	End of FY2023 results
Number of users	10,000	6,504
Number of data analysts	1,000	405
Number of reports analyzed and visualized	1,800	671

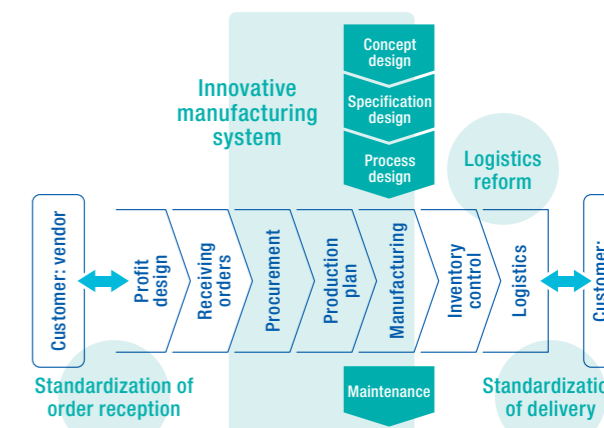
Accelerating value creation with no-code development

Realizing ideas and initiatives at an early stage accelerates the creation of new products and services and corporate transformation. Actively utilizing no-code development tools, we have established a new operational process where people who are inexperienced in programming can put forward and even implement ideas by themselves. This accomplishment has been praised and has resulted in DNP winning the Excellence Prize at the 2nd No Code Promotion Association Awards.

Dramatic improvement of productivity through a shift to smart factories

Using digital twins to optimize production and strengthen supply chain management

To address the labor shortage resulting from the decline in the working population, we are working on the transition to smart factories. Utilizing data to transform experienced engineers' tacit knowledge into explicit knowledge, in addition to the utilization of manufacturing data, we seek to transform the design and operation of production lines. Digital twins simulating factories in virtual spaces dramatically optimize production lines. We will establish a cycle of acquiring data from production lines, accumulating data, analyzing data using AI and applying the insights we gain on the production line. We will continue to implement the transition to smart factories.



In addition to simply making factories smarter, we expand the sophisticated use of data throughout our supply chains to comprehensively address issues in 2024, such as logistics, natural disaster and infectious disease risks, to move toward carbon neutrality, and to institute numerous other initiatives. We will achieve many positive outcomes, such as increasing the flexibility of our production plans and shortening the time before a product can be brought to market. Moreover, we will actively contribute to the resolution of social issues through energy saving, resource recycling, product recycling and other activities.

Initiatives for Environment

For a society that realizes a balance between economic growth and the global environment

The DNP Group continuously strives to enable the co-existence of our business activities and the global environment, includes environmental conservation and the realization of a sustainable society in its Code of Conduct and regards addressing environmental issues—including climate change—as one of its key management challenges. With strong requirements to reduce the negative impacts on the global environment, in recent years in particular, we are engaging in activities with a focus on the environment throughout our entire supply chain. Having formulated the DNP Group Environmental Vision 2050 in March 2020, DNP is accelerating specific initiatives while achieving medium-term targets toward the realization of a decarbonized society, a recycling-oriented society and a society in harmony

with nature. Additionally, we are working to systematically understand the internal and external impact of the initiatives and their relationship to the improvement of financial and corporate value to enable activities to be more effective.

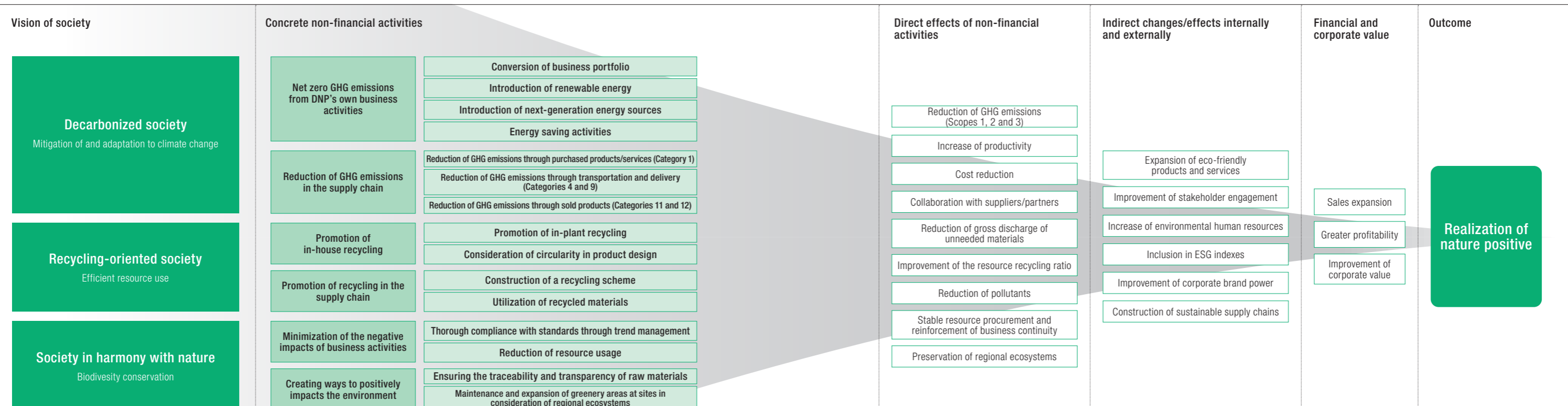
As a result of proactive environmental activities, the fiscal 2023 targets for all of the environmental indicators were achieved. In particular, we are concentrating on reducing greenhouse gas (GHG) emissions, and we expect to achieve our fiscal 2030 targets ahead of schedule. In April 2024, we updated our environmental targets so that they are more aggressive. We will further promote environmental conservation and the reduction of negative environmental impacts to realize a nature-positive value chain.

✓ New environmental targets

Theme	Updated medium-term targets Target year: FY2030	Previous medium-term targets Target year: FY2025 (FY2030 for GHG)
Reduction of GHG emissions*	46.2% reduction of GHG emissions compared to FY2019 (1.06 million tons → 0.57 million tons)	40% reduction of GHG emissions compared to FY2015 (1.2 million tons → 0.72 million tons)
Improvement of the resource recycling ratio	Achieve 70% resource recycling ratio of all unneeded material	Improvement by 5 points compared to FY2015 (51.7% → 56.7%)
Reduction of water usage	30% reduction of per-unit water usage compared to FY2019 (6.71 m ³ /million yen → 4.70 m ³ /million yen)	35% reduction of per-unit water usage compared to FY2015 (8.82 m ³ /million yen → 5.73 m ³ /million yen)
Expansion of sales of eco-friendly products and services	Expand Super Eco-Products share of total sales to 30%	Expand Super Eco-Products share of total sales to 10%

*The target for reduction of GHG emissions is "4.2% reduction per year compared to the base year" in accordance with the "1.5°C target (a target for limiting the temperature increase since the Industrial Revolution to within 1.5°C)," which is the target set in the Paris Agreement. Additionally, figures in the benchmark fiscal year were reviewed in consideration of factors such as organizational and structural changes due to M&A activities and other matters.

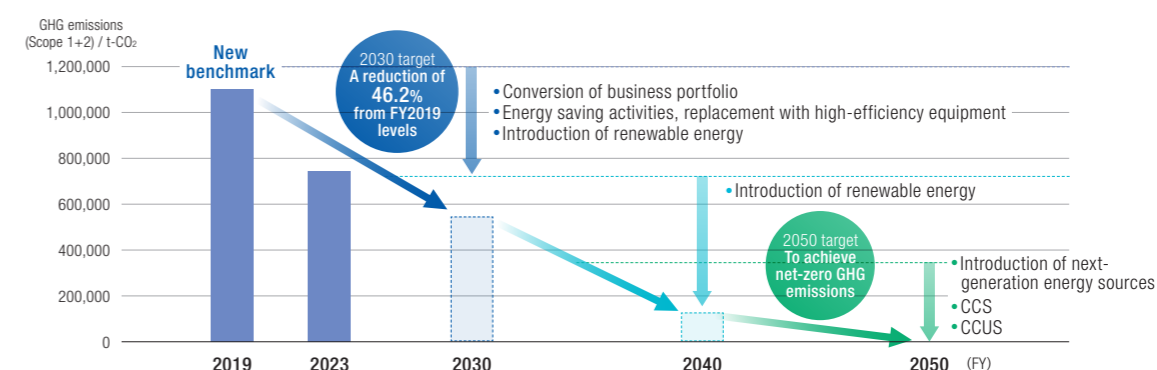
✓ The link between environmental initiatives and enhancing corporate value



Updating the roadmap for achieving carbon neutrality by 2050

We included a roadmap for achieving net zero GHG emissions in connection with our business activities at our sites by 2050 for the realization of decarbonized society in the DNP Group Environmental Vision 2050. Following the revision of our GHG emissions reduction targets, we revised this roadmap to be in line with the 1.5°C target, an international standard. To achieve this challenging target, we will continue to promote the introduction of renewable energy and energy-saving equipment.

✓ Roadmap for achieving carbon neutrality by 2050



Accelerating the introduction of renewable energy

DNP is introducing renewable sources of energy at its sites. The Mihara East Plant (Hiroshima Prefecture) of DNP Fine Optronics Co., Ltd. began to use renewable electricity in 2023. In 2024, the DNP Ichigaya Takajo-machi Building and DNP Ichigaya Sanaicho Building (Tokyo) and the Izumizaki Plant (Fukushima Prefecture) of DNP Technopack Co., Ltd. will begin to use renewable electricity and the DNP Ichigaya Kagacho Building (the head office, Tokyo) will do so in 2025.

Promoting the introduction of energy saving equipment

DNP uses internal carbon pricing (ICP) to ensure that equipment that significantly reduces energy usage is prioritized when making equipment investment decisions. In April 2024, we raised the internal carbon price from 3000 yen per ton to 20,000 yen per ton to increase the importance of carbon emissions in decisions regarding the selection and introduction of equipment.

Initiatives for Environment

For the realization of the DNP Group Environmental Vision 2050



The negative environmental impacts of human activities are international issues that have recently been drawing attention. This has increased the demand for responses to complex environmental issues. In this situation, the importance of the roles to be played by companies is always increasing.

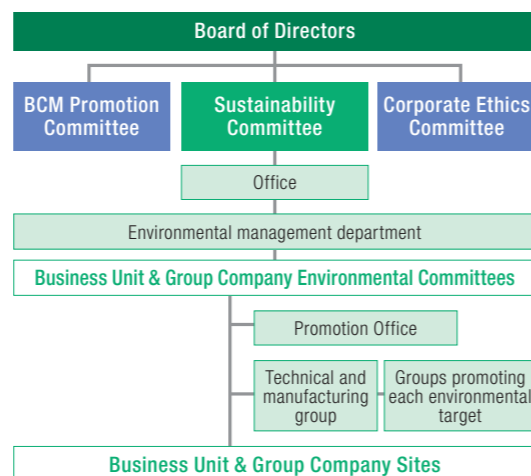
To realize the DNP Group Environmental Vision 2050, DNP is promoting initiatives to address environmental issues. We have also adopted the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) regarding the assessment of the impacts of business activities on the natural environment and the enhancement of environmental initiatives. We have disclosed information within the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) and will work to enhance the quality and quantity of the information it discloses in accordance with the TNFD Recommendations to ensure its dialog with stakeholders is more in depth.

Governance

DNP regards addressing environmental issues as one of its key management challenges. In March 2022, DNP reorganized the Sustainability Committee headed by the president in order to enhance environmental, social and economic sustainability and further drive DNP's sustainable growth and enhanced functionality. By coordinating with the BCM Promotion Committee, which ensures the safety of employees and maintains production activities in the event of a natural disaster or other emergency, and the Corporate Ethics Committee, which aims to raise employees' compliance awareness and reduce risks, the Sustainability Committee has established a flexible and robust governance system that covers company-wide risks.

The Sustainability Committee meets regularly, four times a year, and at other times as necessary for the purposes of managing medium to long-term management risks relating to sustainability, identifying business opportunities and reflecting them in management strategies; and delivers reports and makes recommendations to the Board of Directors. The Board of Directors receives reports and recommendations on matters discussed and resolved by the Sustainability Committee, and deliberates and supervises policies and action plans, etc., for responding to risks and

opportunities relating to sustainability. Strategies and policies on environmental issues determined by the Committee are addressed by the DNP Group as a whole, in coordination with the Business Unit & Group Company Environmental Committees.



Risk management

DNP engages in integrated risk management to minimize the negative impacts (risks) of variable factors and expand their positive impacts (opportunities) based on a flexible and resilient governance system.

Environmental, social and economic risks and opportunities are identified, evaluated and managed by the Sustainability Committee at least once a year. We prioritize activities and set targets based on factors such as business plans, financial effects, stakeholder concerns, impacts on the

environment and society and likelihood of occurrence, and reflect them in our management strategies. For risks with a particularly high level of importance or priority, we select a risk management department and reflect the risks in business strategies and plans after discussions by the Management Committee, with each organizational unit playing a central role in responding to them. For opportunities, we manage priority themes throughout DNP and link them to strategic business development.

Strategy

We utilized multiple scenarios published by international institutions (see page 68) to identify risks related to environmental issues and consider strategies for addressing these risks. We are analyzing the input and output of the manufacturing processes at our business sites that have material dependencies and impacts on natural capital within DNP's value chain.

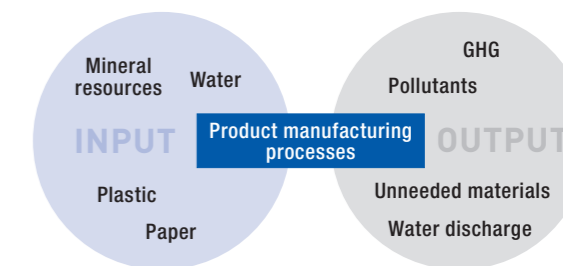
Using original scenarios developed from this information,

we identified environmental risks and opportunities and evaluated the qualitative and quantitative financial effects of the identified risks and opportunities and the periods of time during which we would be affected. We will continue to develop our scenario analyses and increase the resilience of our business activities against predicted environmental risks using published analysis tools and the TNFD's guidance.

Dependencies and impacts

DNP understands the manufacturing processes of its main products rely on natural capital such as paper (forest resources), water, mineral resources and plastic (oil resources) in particular. For instance, we depend on forest resources for the paper that is used as raw material for magazines, books and pamphlets and on water through its direct use in the manufacturing processes of pharmaceutical products and semiconductor-related components or its indirect use in papermaking processes. Our battery pouches for lithium-ion batteries and packaging materials use mineral resources and plastic as raw materials. Moreover, through our product manufacturing processes, we emit GHG, VOC, SOx and NOx into the air, water discharge and pollutants into water and dispose of unneeded materials including plastic. We regard these as causes of negative environmental impacts.

* For more environmental data, see DNP Group Environmental Report 2024.



Main natural capitals	Our main products and services
Paper	Magazines, books, pamphlets, packaging materials
Water	Pharmaceutical products, semiconductor-related components
Mineral resources	Packaging materials, battery pouches for lithium-ion batteries
Plastic	Smart cards, packaging materials, decorative surface materials for interior and exterior

Response to environmental risks

Transition risks

Transition risks include the likeliness of the increase in the use of renewable energy, the introduction of emissions trading (cap and trade) and the introduction of a carbon tax, etc., due to the tightening of regulations on GHG emissions. We expect this to increase operating costs. In response to this, DNP is transforming its business portfolio based on negative environmental impacts and added value. Under the DNP Group Environmental Vision 2050, we are striving to achieve net-zero GHG emissions from business activities at our establishments by 2050. We have set medium-term targets for 2030 and are improving our energy conservation activities, replacing existing equipment with higher-efficiency equipment using internal carbon pricing and proactively introducing renewable energy.

As the world is discussing tighter regulation and international treaties of plastic, we believe that the transition to a circular economy will accelerate. We at DNP we engage in material recycling through the promotion of mono-material products and waste segregation, while also establishing chemical recycling technologies in collaboration with partner companies, focusing on the resource recycling of plastic, the material whose recycling ratio is the lowest.

The related laws and regulations may become tighter due to water resource depletion and water pollution becoming more serious. DNP works to ensure it effectively uses water resources through efforts such as the reductions of water consumption, the promotion of cyclic use by reviewing and optimizing manufacturing processes and the utilization of rainwater. In addition, DNP's self-imposed criteria for the management of all environmental preservation items (air, water discharge, offensive odor, noise and vibration) are stricter than laws and regulations to ensure that environmental risk factors are controlled by reducing pollutants and appropriately managing chemicals.

While sustainability is emphasized throughout the supply

chain, DNP is strengthening its supplier engagement based on the DNP Group Sustainable Procurement Guidelines in anticipation of a requirement to ensure environmental and human rights due diligence (DD) is conducted throughout supply chains (see pages 72-73). To realize zero deforestation, we are ensuring the traceability of raw materials and examining their legitimacy based on the DNP Group Guidelines for Procurement of Paper for Printing and Converting in our paper procurement which has material dependencies and impacts on ecosystems.

Physical risks

Short-term acute risks as physical risks are assumed to be frequent and aggravated damage from torrential rains and forest fires, which may cause the suspension of operations or the realization of risks in the supply chain, etc. Medium- and long-term chronic risks are predicted to be the possibility of costs increasing and operations being interrupted due to the rise in average temperatures, change of supply and demand of water and the loss of biodiversity. In preparation for these risks, we have organized a system for managing business continuity. The severity of water risks in particular differs by region or country, so we assessed them for each region where our manufacturing sites are located, including overseas sites, using the World Resources Institute (WRI)'s Aqueduct, the Water Footprint Assessment Tool and reports on climate change published by the Intergovernmental Panel on Climate Change (IPCC), identifying four sites in Southeast Asia as sites with high water risks. To respond to these risks, our equipment-investment-based disaster control measures include the installation of equipment to be used as emergency power sources, raised the floors of warehouses and other facilities, installed water control barriers and moved facilities. We have also been working to enhance our supply chain management by building production systems at multiple plants, diversifying suppliers, etc.

Initiatives for Environment

Reference scenarios used in our scenario analysis

Type	Example reference scenario
1.5 °C Scenario	Net Zero Emissions by 2050 Scenario (NZE) The NZE 2050 Scenario is one of the climate change scenarios published by the International Energy Agency (IEA). In order to create a decarbonized society and ensure energy security, it envisions the strengthening of ambitious and coordinated policies, the introduction of low-carbon technologies, and the creation of markets. It is a scenario in which carbon neutrality is achieved by 2050, and the average temperature increase is limited to 1.5° C.
4 °C Scenario	SSP5-8.5 Scenario The SSP5-8.5 Scenario is one of the climate change scenarios presented by the Intergovernmental Panel on Climate Change (IPCC) in its Sixth Assessment Report. It is a scenario in which GHG emissions increase significantly due to fossil fuel-dependent social development, with the average temperature increasing by over 4° C by 2100, which will have a significant impact on ecosystems and human activities.

Environmental risks

Type	Effects on financial affairs, etc. of DNP						
	Scenarios	Scenario drivers	Risks	Period of effects	Level of effects	Likelihood	
Physical risks	Acute risks	Increase in wind and flood damage from heavy rainfall, flooding, landslides, forest fires, etc.	Suspension of operations in the event of a disaster	<ul style="list-style-type: none"> Decreased profit due to delayed or suspended manufacturing Increased cost of disaster control measures (Disaster control measures for production facilities and sites, development of production systems in multiple locations, etc.) 	Short term	Medium	High
			Supply chain risks	<ul style="list-style-type: none"> Decreased profit due to delayed manufacturing and shipping Increased cost of purchasing raw materials and interruption of supply 	Short term	Medium	High
	Chronic risks	Increase in temperature and long-term heat waves	Hindrance to operations due to average temperature increases	<ul style="list-style-type: none"> Decreased revenue due to delayed or suspended manufacturing Increased safety and health measure costs for DNP employees 	Medium term	Medium	High
			Pandemic caused by novel pathogens	<ul style="list-style-type: none"> Increased energy expenses Increased capital expenditures 	Medium term	Medium	High
		Increase in flood damage in rivers and other areas	Increase in costs due to growing demand for cooling	<ul style="list-style-type: none"> Decreased profit due to delayed or suspended manufacturing Increased cost of disaster control measures (Disaster control measures for production facilities and sites, development of production systems in multiple sites, etc.) 	Medium term	Medium	High
			Suspension of operations in sites susceptible to flooding such as river basins	<ul style="list-style-type: none"> Decreased profit due to delayed manufacturing and shipping Increased cost of purchasing raw materials and interruption of supply 	Medium to Long term	Medium	High
Transition risks	Policy	Accelerating biodiversity loss	Disruption of supply chains due to the depletion of natural resources	<ul style="list-style-type: none"> Decreased profit due to delayed manufacturing and shipping Increased cost of purchasing raw materials and interruption of supply 	Short term	Medium	High
		Loss of water resources caused by drought	Disruption of operations due to insufficient fresh water supply	<ul style="list-style-type: none"> Decreased profit due to delayed manufacturing Development of production systems in multiple sites 	Short term	Medium	High
			Supply chain risks	<ul style="list-style-type: none"> Decreased profit due to delayed manufacturing and shipping Increased cost of purchasing raw materials and interruption of supply 	Short term	Medium	High
		Transition to a decarbonized society	Obligation to raise emission reduction targets	<ul style="list-style-type: none"> Increased capital expenditures Systematic capital expenditures based on internal carbon pricing (ICP) 	Medium term	Medium	High
			Mandatory introduction of renewable energy	<ul style="list-style-type: none"> Increased capital investment for the introduction of renewable energy Increased expenses for purchasing Non-Fossil Certificate Estimate for additional expenses as of 2030 due to the tightening of GHG emissions regulations to limit the temperature increase to 1.5°C level: Approx. 600 million yen/year 	Medium term	Low	High
			Introduction of an emissions trading system	<ul style="list-style-type: none"> Increase in expenses for purchasing emissions rights Estimated additional expenses as of 2030 due to the tightening of GHG emissions regulations to limit the temperature increase to 1.5°C level: Approx. 400 to 800 million yen/year 	Medium term	Low	Medium
	Introduction of a carbon tax		<ul style="list-style-type: none"> Increase in operating cost due to imposition of a carbon tax on GHG emissions Estimate for expenses as of 2030, assuming 140 US dollars/t-CO₂ of carbon tax using the scenario of the International Energy Agency (IEA): approx. 14.4 billion yen/year 	Long term	Medium - High	Low	
	Market	Transition to nature-positive economy	Acceleration of the carbon neutrality of the supply chain	<ul style="list-style-type: none"> Increased demand from major clients, etc., for the reduction of emissions Business contracts impacted Suppliers passing on the prices of raw materials 	Short to Medium term	Medium - High	High
			Toughening of emissions reporting obligations	<ul style="list-style-type: none"> Tougher rules on accurate tracking of emissions Increase in media for disclosing emissions data 	Short term	-	High
		Transition to a circular economy	Tightening of regulations on chemical management	<ul style="list-style-type: none"> Thorough chemical management Switching to alternative materials 	Short to Medium term	Medium	Medium
			Obligation to implement environmental due diligence	<ul style="list-style-type: none"> Stricter supply chain management Stricter raw material traceability measures Shortage of human resources with technical knowledge 	Short term	Medium	High
		Changes in customer behavior	Reduction in products and services that are not eco-friendly	<ul style="list-style-type: none"> Stricter raw material traceability regulations Increased cost due to higher prices of recycled materials Design review of existing products Exclusion from the market 	Short to Medium term	Medium	Medium
<ul style="list-style-type: none"> Loss of markets and decreased profit due to insufficient action to reduce negative environmental impacts Switching to alternative materials Increased procurement costs Reorganization of business portfolio 				Medium term	High	Medium	
Reputational	Technology	Transition to eco-friendly technology	Accelerating technological innovation to achieve nature positive	<ul style="list-style-type: none"> Increased investment in the development of new technologies Loss of markets due to delays in development and decreased profit Reorganization of business portfolio 	Medium term	Medium - High	Medium
		Increase in concerns of stakeholders	Worsening of the corporate image	<ul style="list-style-type: none"> Loss of markets due to insufficient action to reduce negative environmental impacts and decreased profit due to reduced transactions Outflow of human resources Increase in hiring costs Reorganization of business portfolio Decline in stock price and exclusion from investments 	Short to Medium term	High	Medium

We assessed risks and opportunities in light of business plans based on scenarios established from the following viewpoints: Level of effects on stakeholders and business, period of effects, and likelihood. [Period of effects] Short term: 0-5 years, medium term: 5-15 years, long term: 15 years or more [Level of effects]: High: approx. 10 billion yen, Medium: 1 to 10 billion yen, Low: less than 1 billion yen [Likelihood] Probability of impact: High > medium > low

Business opportunity creation

DNP believes that its social and economic orientation for integrated actions to realize nature positive will enable growth in the demand and markets for eco-friendly products and services. We also believe that we must continue to transition to and promote the development of related technologies. In response to such changes, we are working to create value by enhancing alliances with numerous external partners by leveraging its strengths in P&I (printing and information). Specifically, we have set five focus businesses, including the mobility and industrial high-performance materials businesses, under our Medium-term Management Plan, in view of their profitability and market growth potential. In addition to products that contribute to the creation of a decarbonized society, such as clean energy-related materials, components and products such as battery pouches for lithium-ion batteries, we also expect to see the growth of services such as security solutions for the sharing economy these focus businesses operate within. We are also driving sales of eco-friendly packaging, which offers both environmental conservation and convenience, and rolling out a certified system to calculate life cycle CO₂, which contributes to decarbonization across the entire supply chain by calculating CO₂ emissions in the lifecycle of our products and services. To adapt to manifesting environmental risks, we contribute to

building a society that balances economic growth and environmental sustainability by expanding the use of functional films, such as wood-grain design film antennas for the 5G-sub 6 waveband that support information distribution amid communication diversification, and by providing products and services based on our proprietary converting technologies, including multifunctional insulation boxes that enable prolonged logistics operations at low and constant temperatures. To strengthen these businesses, we are intensively investing management resources and implementing strategic investments.

As a part of our biodiversity conservation activities, DNP concentrates on the creation of greenery areas on company premises to connect the surroundings of business sites to living creatures. Our activities include the conservation of endangered species leveraging the advantages of the company's properties where there is less risk of feeding damage caused by natural predators and alien species and the creation of greenery areas in harmony with regional ecosystems. Using these activities at on-premises greenery areas in communication with diverse stakeholders including local communities, we promote engagement activities with the goal of constructing a nature-positive value chain.

Environmental opportunities

Type	Effects on financial affairs, etc. of DNP								
	Scenarios	Scenario drivers	Opportunities	Period of effects	Level of effects	Likelihood			
Business performance	Market	Changes in customer behavior	Increased demand for eco-friendly products and services	<ul style="list-style-type: none"> Promotion of the development and expansion of markets for eco-friendly products and services Aim for 30% percentage of gross sales from sales of Super Eco-Products by FY2030 Secure an advantage by calculating CO₂ emissions from products' entire lifecycle, developing the calculation business Enable the market for recycled materials, biomass materials and paper, etc., to grow as switching to existing plastic products 	Short to Medium term	High	High		
				Transition to a circular economy	Traceability information distribution	<ul style="list-style-type: none"> Expansion of the markets for information security products and services Securing the superiority of products and services through the establishment of the traceability of raw material traceability Increased efficiency of business with a foundation linked to supply chain data 	Short to Medium term	Medium	Medium
	Capital flow and financing	Transition to a decarbonized society	Changes in financial markets	Introduction of an emissions trading system	<ul style="list-style-type: none"> Gain on sale of emissions rights due to reduction of emissions 	Medium term	Low	High	
					Expansion of impact investment in environmental issues	<ul style="list-style-type: none"> Funding through the issuance of green bonds 	Medium to Long term	Low	Low
	Resource efficiency	Changes in customer behavior	Avoidance and mitigation of negative environmental impacts	Increased demand for eco-friendly products and services	<ul style="list-style-type: none"> Enable the market for recycled materials, biomass materials and paper, etc., to grow as switching to existing plastic products 	Short to Medium term	High	High	
					Efficient use of natural capital	<ul style="list-style-type: none"> Increased demand for products and services whose benefits include the reduced use of natural capital (aseptic filling systems for PET plastic bottles, etc.) Increased demand for products and services whose benefits include the avoidance of the use of natural capital (promotion of the digitization of books, switching from paper to electronic books, etc.) 	Short to Medium term	High	High
		Products and services	Transition to eco-friendly technologies	Acceleration of technological innovation for nature positive	Increased demand for renewable energy	<ul style="list-style-type: none"> Market acquisition and increase in license revenue through the early development of eco-friendly products and services The promotion of development for the use of next-generation fuels such as hydrogen and ammonia Increased demand due to the widespread popularization of EVs (wireless chargers, battery pouches for lithium-ion batteries, mobility-related materials and films for use as coating alternatives, etc.) Aim for 100 billion yen in overall sales of battery pouches for lithium-ion batteries by 2025 Widespread adoption of low-carbon product technologies accompanying growing demand for semiconductors (nanoprint lithography, etc.) Increase in demand for products (flexible LED sheet, etc.) that contribute to the safe and stable supply of food by avoiding external impacts 	Short to Medium term	High	High
						<ul style="list-style-type: none"> Growth of sales of products related to solar power generation 	Short to Medium term	Medium	High
	Reputational capital	Changes in stakeholder awareness	Transition to a decarbonized society	Increased demand for renewable energy	<ul style="list-style-type: none"> Increased demand for products and services supporting changes in lifestyles (the metaverse, remote medicine/education, etc.) 	Short to Medium term	Medium	Medium	
					<ul style="list-style-type: none"> Growth of sales for products utilizing functional films to control light and temperature 	Short to Medium term	Medium	High	
	Sustainable performance	Sustainable natural resources	Transition to a nature-positive economy	Increased demand for the quantitative evaluation of the negative environmental impacts of activities in the supply chain	<ul style="list-style-type: none"> Growth of sales in the medical & healthcare businesses (pharmaceutical support business, regenerative medicine, etc.) 	Short to Medium term	High	High	
					<ul style="list-style-type: none"> Increased information disclosure and improvement of engagement Securing advantages and human resources as a company leading the way in sustainability Improvement of investor valuation 	Short to Medium term	High	Medium	
Ecosystem protection, restoration and regeneration		Promotion of the Kunming-Montreal Global Biodiversity Framework	Realization of the 30by30 target	<ul style="list-style-type: none"> Corporate greening activities (engagement activities at Ichigaya no mori (Ichigaya Forest), Shinjuku, Tokyo) Investment in planting businesses and financial support for thinning for forest conservation 	<ul style="list-style-type: none"> Appealing to a proactive corporate stance toward reducing emissions 	Medium term	Low	Medium	
					<ul style="list-style-type: none"> The promotion of development for the use of next-generation fuels such as hydrogen and ammonia 	Short to Medium term	Medium	High	

Initiatives for Environment

Metrics and targets

DNP has established a 2030 medium-term target as it moves toward the achievement of carbon neutrality by 2050. Due to proactive GHG emissions reduction efforts, the actual results for fiscal 2023 exceeded the plan, and in April 2024, we updated the target to a more challenging one. We will continue to accelerate activities to reduce GHG emissions by 46.2% compared to fiscal 2019 by 2030 in accordance with the 1.5 °C target, which is an international standard. To be specific, we are promoting the introduction of highly efficient equipment that utilizes internal carbon pricing (20,000 yen/t-CO₂) and the use of renewable energy. Scope 3 emissions are over 80% of the GHG emissions from DNP's entire supply chain. To control them, we are investigating the status of our suppliers' targets for controlling and reducing their GHG emissions and also collaborating with them regarding the use of alternatives and the reduction of GHG emissions for each product.

To establish a recycling-oriented society, we are moving forward with the efficient use of resources, aiming to achieve a resource recycling ratio of 70% for all unneeded materials

coming from our business activities during fiscal 2030. We are increasing our material and chemical recycling especially for plastic, which has the lowest resource recycling ratio. DNP set the new target of reducing per-unit water usage by 30% from the level in fiscal 2019 by 2030, and we will optimize the usage of water in manufacturing processes by divisions that require large amounts of water for processes such as electronics-related processes, reduce water waste and promote the efficient use of water.

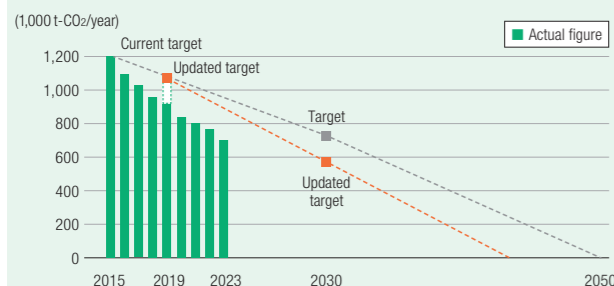
Super Eco-Products are excellent eco-friendly products and services as designated by DNP's original certification system that contribute to the reduction of the negative environmental impacts of products and services and the expansion of business opportunities based on products and services. The ratio of Super Eco-Products sales to gross sales has grown steadily. We will increase the number of products and services that are able to contribute to the realization of nature positive by significantly raising the 2030 target ratio of Super Eco-Products sales to gross sales from 10% to 30%.

Four metrics and new targets for fiscal 2030

GHG emissions

46.2% reduction of GHG emissions (Scope 1 and 2) compared to FY2019

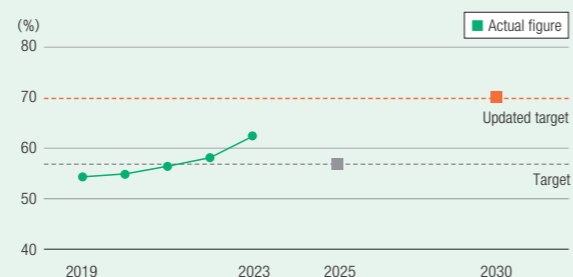
We will contribute to the realization of carbon neutrality by reducing GHG emissions through the transformation of our portfolio, the continued promotion of energy-saving activities and the introduction of renewable energy.



Resource recycling ratio

Achieve 70% resource recycling ratio

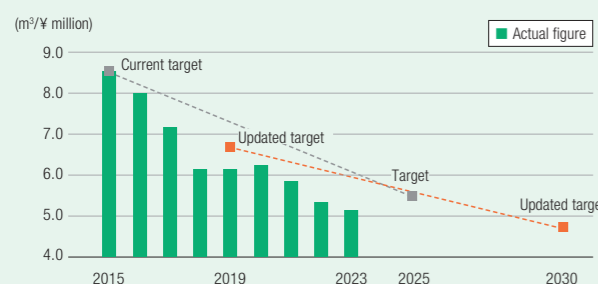
We will focus on the establishment of a plastic recycling scheme and improve the resource recycling ratio for the effective use of resources.



Per-unit water usage

30% reduction of per-unit water usage compared to FY2019

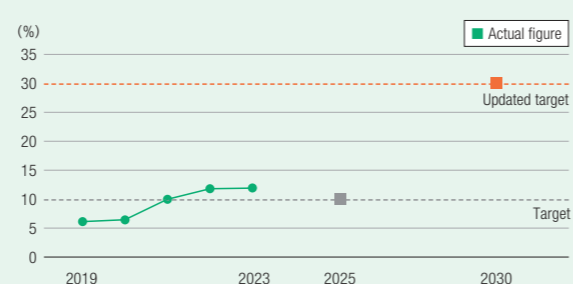
We will promote the efficient use of water mainly by the business divisions using large amounts of water. We will promote activities in consideration of regional risks.



Ratio of Super Eco-Products sales to gross sales

Achieve 30% ratio of Super Eco-Products sales to gross sales

We will contribute to the formation of a sustainable society by providing DNP products whose negative environmental impacts throughout their entire lifecycle are low to markets.



*GHG emissions and per-unit water usage intensity BMs are reviewed following M&A activities or the revision of laws.

Eco-friendly products and services

DNP has established ten guidelines for developing eco-friendly products and services from the perspective of reducing the negative environmental impacts of the products and services throughout their lifecycle, and we are working from the development stage to create eco-friendly products and services. We have identified products and services that are exceptionally eco-friendly as Super Eco-Products, evaluating the negative environmental impact reduction initiatives throughout the entire lifecycle of the products and services, and we use the ratio of Super Eco-Products sales to gross sales as an indicator. We are also working to quantify the negative environmental impacts of products and services through lifecycle assessments (LCAs) to contribute to the realization of a sustainable society through our products and services.

Guidelines for developing eco-friendly products and services

<p>Reduction of environmental pollutants</p> <p>Elimination of ozone layer-damaging substances, heavy metals and organic chlorine compounds and prevention of the release of nitrous oxides and other substances into the environment.</p>	<p>Resource and energy conservation</p> <p>Reduce the use of metals and fossil fuels. Promote energy-conserving products and systems.</p>	<p>Sustainable resource harvesting</p> <p>Utilize natural resources in a sustainable way.</p>	<p>Long-term usability</p> <p>Consider the ease of repair and parts replacement, length of maintenance and repair service and the expandability of functionality.</p>	<p>Reusability</p> <p>For product parts, considerations regarding disassembly, cleaning and refilling and the establishment of a collection and reuse system that is easy for the purchaser to use.</p>
<p>Recyclability</p> <p>Consideration is given to recyclability through the use of easily recyclable materials, designs that facilitate the separation, disassembly and sorting of individual materials, and the creation of collection and recycling systems that are easy for purchasers to use.</p>	<p>Use of recycled materials</p> <p>Use as many collected and recycled materials and parts as possible.</p>	<p>Ease of treatment and disposal</p> <p>Attempt to place as little burden as possible on incinerator facilities and landfill sites.</p>	<p>Increasing the visibility of negative environmental impacts and taking biodiversity into consideration</p> <p>Increasing the visibility of any impact that should be reduced and aiming to protect biodiversity.</p>	<p>Supporting and promoting environmental education and awareness</p> <p>Contributing to a sustainable society</p>

Ichigaya no mori (Ichigaya Forest), a new forest created in an urban area

DNP is engaged in urban redevelopment in the Ichigaya district of Shinjuku, Tokyo, home to its head office, as a base for new value creation. As part of these activities, we are growing Ichigaya no mori (Ichigaya Forest) to create a new forest in an urban area. Imagining the wooded area of Musashino which was once in that area, we have created a diverse, natural forest with a mix of deciduous broadleaf trees and evergreens, covering approximately one-third of the site area (15,000 m²). We will continue to grow Ichigaya no mori as a whole and move forward with urban development while ensuring better communication with community members.

Obtained certification as "Nationally Certified Sustainably Managed Natural Sites" by Japan's Ministry of the Environment

The Ichigaya no Mori site was selected as "Nationally Certified Sustainably Managed Natural Sites" by Japan's Ministry of the Environment (MOE) in October 2023. This is the initiative by the MOE for achieving the 30by30 target.*1 MOE certifies areas where biodiversity conservation efforts are being made as "Nationally Certified Sustainably Managed Natural Sites" and the certified areas are registered in an international database as OECMs.*2

Winning of the Minister of Land, Infrastructure, Transport and Tourism Award in the 43rd Urban Greening Prize

Ichigaya no mori won the Minister of Land, Infrastructure, Transport and Tourism Award in the 43rd Urban Greening Prize hosted by the Organization for Landscape and Urban Green Infrastructure in October 2023. Our efforts were rated highly for creating a forest of varieties native to the region, greening with fertile soil on artificial ground, and the structure of active maintenance and management by employees.



*1 30by30: A global goal adopted at the 15th Conference of the Parties to the United Nations Biodiversity Conference (COP15) to protect and conserve at least 30% of land and sea areas in a healthy state by 2030
 *2 Other Effective area-based Conservation Measures (OECMs): Areas that are achieving conservation through private initiatives or areas where management whose goal is not conservation consequently contributes to the protection of the natural environment

Enhancing Risk Management Throughout the

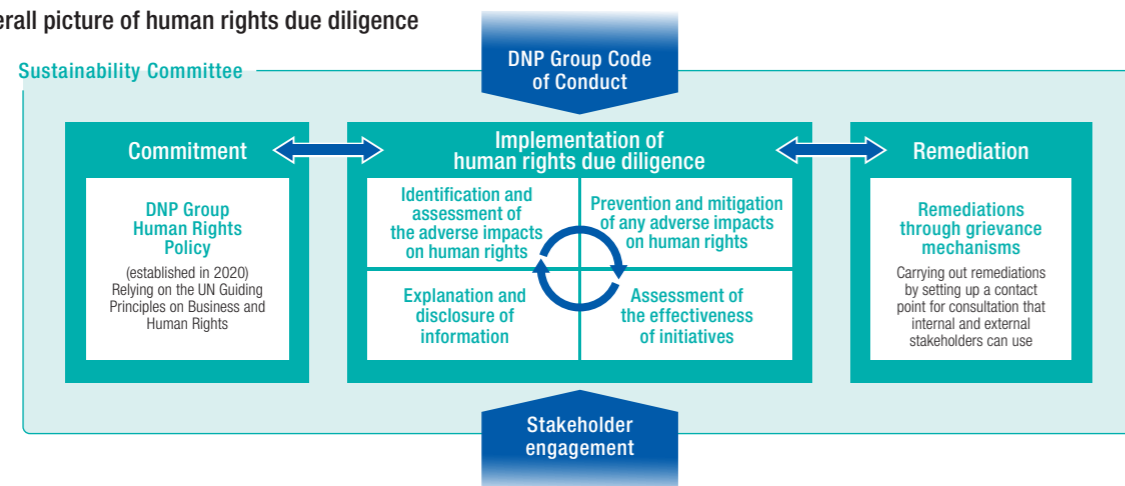
Supply Chain

To connect individuals and society and provide new value, DNP believes that it is important to act sincerely in accordance with the ethics of society and to observe laws and regulations. We analyze the significance of each issue from DNP's perspective based on the DNP Group Code of Conduct and from social perspectives including the perspective of international norms. We have established critical themes including Fair Operating Practices, Human Rights and Labor, Environment, Responsible Procurement, Product Safety

and Quality, Information Security, Corporate Citizenship in our work to enhance risk management throughout the supply chain. As supply chains have become global, and the world as a whole values respect for human rights in corporate activities in particular, DNP will focus on the enhancement of its human rights due diligence structures, systems and measures based on international norms and also cooperate more closely with diverse stakeholders in the supply chain.

Initiatives for human rights

☑ Overall picture of human rights due diligence



Human rights due diligence

Respect for human dignity and diversity is a component of the DNP Group Code of Conduct. At DNP we respect for the diversity of each individual's unique culture, nationality, beliefs, race, ethnic group, language, religion, gender, age, or ideas. To realize a society where people mutually respect each other, one of the "four societies" whose establishment is targeted for the creation of a "better future," in March 2024, DNP identified materiality as the creation of a place where all the people can play an active role by deepening mutual understanding and recognition.

Aiming to realize a society where human rights are respected, DNP established the DNP Group Human Rights Policy in March 2020, and is

promoting human rights due diligence in line with the UN Guiding Principles on Business and Human Rights. Recognizing that its business activities influence the human rights of all stakeholders, including DNP's suppliers and the communities it operates within, in addition to its employees, DNP implements many different measures to prevent or mitigate any adverse human rights impacts its activities may have. Additionally, to secure access to the remediations that are required when doing human rights due diligence activities, DNP is increasing the effectiveness of its contact point that is used by stakeholders and promoting dialogue with stakeholders.

Initiatives to address human rights issues in the supply chain

DNP recognizes that human rights issues in the supply chain are some of the potential human rights risks caused by business activities. This is why DNP has established the DNP Group CSR Procurement Guidelines*1 which stipulate matters that both DNP and its suppliers should observe, such as matters related to human rights and labor and occupational safety and health. To increase the effectiveness of the guidelines, we continuously conduct a written survey for suppliers who are deemed important in terms of the scale of transactions or business continuity and/or interview these suppliers to examine their compliance and address issues. Additionally, to understand the reality of human rights

issues in the supply chain, we also examined suppliers' human rights management policies, structures and systems and suppliers' involvement in countries or regions where there are concerns regarding the employment of forced labor or conflict. Based on the results of these efforts, we assessed human rights risks and identified no serious human rights violations. We are continuing to cooperate with some suppliers with weak management of human rights via investigations to ensure that they enhance their human rights management.

*1 Revised into the DNP Group Sustainable Procurement Guidelines in July 2024.

Initiatives for responsible minerals procurement

DNP strives to ensure its procurement of the mineral resources that are indispensable in its business activities, amid concerns of the possible serious human rights risks.

In fiscal 2023, we implemented due diligence for tin, tantalum, tungsten, gold, cobalt and mica using the Responsible Minerals Initiative (RMI)'s*2 Responsible Minerals Assurance Process (RMAP).*3 We identified 393 smelters/refiners providing these six minerals and confirmed that 255 of them were RMAP Conformant smelters/refiners. Regarding the raw materials from smelters/refiners that are not conformant certified, we reiterated our request for suppliers to use minerals from RMAP Conformant smelters/refiners and again recommended that smelters/refiners not yet audited for RMAP certification undergo the process.

Additionally, DNP is enhancing its due diligence regarding aluminum, a raw material used in the battery pouches for lithium-ion batteries that is one of its mainstay products. Since fiscal 2022, DNP has increased the transparency of its supply chain through continued engagement with

suppliers. If there are any items where there are concerns regarding risks as a result of our stakeholders' risk assessments of the supply chain, we ask suppliers to conduct additional investigations and mitigate and remediate risks. Moreover, to ensure that procurement is in compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, we perform site inspections which include the examination of records and documents and promote initiatives throughout the supply chain. In fiscal 2024 and beyond, we will continue to strengthen our response to human rights risks in our supply chain.

*2 RMI: An organization that spearheads the responsible procurement of minerals. More than 500 companies/organizations from around the world are members.

*3 RMAP: A program that verifies compliance with responsible minerals procurement in conjunction with the management system and procurement practices of smelters and refineries based on the evaluations of independent third parties.

Initiatives across the entire supply chain

Upstream	DNP	Downstream
<p>DNP's action policy and details of initiatives</p> <ul style="list-style-type: none"> Promoting responsible procurement Securing traceability Strengthening information security 	<p>DNP's action policy and details of initiatives</p> <ul style="list-style-type: none"> Respecting human rights Supporting the successful careers of diverse human resources Promoting occupational safety and health 	<p>DNP's action policy and details of initiatives</p> <ul style="list-style-type: none"> Promoting social contribution activities Thoroughly ensuring corporate ethics and compliance Thoroughly ensuring AI ethics Strengthening information security Ensuring the safety and quality of our products and services Reducing negative environmental impacts of business activities
<p>Initiatives in cooperation with stakeholders (main activities and results in FY2023)</p>		
<p>Initiatives in cooperation with suppliers, outsourcing contractors and others</p> <ul style="list-style-type: none"> Suppliers cooperating in responsible procurement activities: 274 Suppliers participating in engagement activities: 22 Supplier surveys based on CSR Procurement Guidelines Average score: 81 (fiscal 2030 target: 90 or higher) Supplier survey on responsible minerals procurement Smelters/refiners that are Conformant certified in the Responsible Minerals Assurance Process (RMAP) audit: 255 Procurement papers conforming to DNP Group Guidelines for Procurement of Paper for Printing and Converting Ratio of key suppliers that have obtained the conformance certificate: 98% 	<p>Initiatives for employees</p> <ul style="list-style-type: none"> Trainees who have taken the Business and Human Rights course: Approx. 22,600 persons Improving the ratio of female managers: 9.4% (up 1.0 point YoY, DNP non-consolidated) Improving the percentage of males taking childcare leave: 98.7% (up 15.1 point YoY, DNP non-consolidated) Improving the ratio of employees with disabilities: 2.9% (up 0.3 point YoY)* Improving the ratio of annual paid leave taken: 55.6% (up 2.3 point YoY, DNP non-consolidated) Reduction in frequency rate of lost workday injuries: 0.24% (down 0.06 point YoY) <p><small>* Total including DNP non-consolidated and special subsidiaries</small></p>	<p>Initiatives in cooperation with employees and local communities</p> <ul style="list-style-type: none"> Social contribution activity programs conducted: 189, external participants: 1,707 Local dish menu items at company cafeterias including a donation* total of dishes: 44,110, amount of donations: 2,200,000 JPY/year <p><small>* Including emergency support menu items for victims of the Noto Peninsula Earthquake</small></p> <p>Initiatives in cooperation with employees</p> <ul style="list-style-type: none"> Ratio of Autonomous Corporate Ethics Training conducted: 100% (105 organizations) Participation rate of information security education and training: 100% (44,000 persons) Percentage of newly developed products undergoing product safety and risk assessment: 100% (513 products) Percentage of quality system inspections carried out: 100% (51 units and companies) Reduction of GHG emissions (Scope 1 and 2) 38.0% reduction compared to FY2015 levels Improvement in resource recycling ratio improved from 51.7% in FY2015 to 62.4%
		<p>Initiatives for corporate customers/users</p> <ul style="list-style-type: none"> Number of serious accidents caused by our products and services: 0 accident Ratio of Super Eco-Products in total sales: 12.0% Expanding the scope of the GHG emissions information provided for each product <p>Engagement with shareholders/investors</p> <ul style="list-style-type: none"> Enhancement of various briefings (e.g., Financial results briefings and Sustainability briefings) Individual IR meetings: About 170, SR meetings: 15 Continued selection as a component of all the Environment, Social and Governance (ESG) investment indexes adopted by Japan's Government Pension Investment Fund (GPIF).