

How DNP Works to Achieve Sustainable Development

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Compliance with Laws and Social Ethics

Rather than simply having each of our employees comply with laws and regulations in the execution of DNP's business activities, we believe that DNP can win society's trust by maintaining even higher ethical standards than those expected by society, and by consistently remaining fair and equitable as we help to maintain and develop orderly, free and competitive markets. In order to be able to act in ways that meet society's expectations, DNP works to instill corporate ethics throughout its corporate group.

Key Concepts Underpinning DNP's Approach to Corporate Ethics

DNP stresses the following concepts as we work to impart a broader and deeper awareness of corporate ethics: continuity, autonomy, positivity, and efficiency.

Framework and Systems for Promoting Corporate Ethics

DNP has established a "Corporate Ethics Committee," composed of corporate directors and executive officers in charge of the business units in our head office. This umbrella organization is charged with instilling and disseminating corporate ethics throughout the DNP Group. There is also a corporate ethics committee within each business unit and the administrative section of each Group company. Through these committees, the entire DNP Group works together from a variety of approaches to promote corporate ethics.

Systems for Promoting Absolute Corporate Ethics



1 Management-by-objectives evaluation system	In order to increase the awareness of each and every employee, we included corporate ethics as one of the self-assessment categories in our "management-by-objectives evaluation system" (evaluation-based compensation system).
2 Autonomous examination of rules and laws	Each business unit and Group company does its own examination and assessment according to a checklist prepared by the relevant section of the head office, and devises its own improvement measures as needed. We have been using this system since 1997, based on the idea that people should guard their own organization by themselves.
3 Compliance assessment system	In 2005 we adopted a system whereby the relevant section of the head office evaluates each business unit and Group company according to standards shared by the entire DNP Group. These evaluations are conducted regularly, twice a year.
4 Corporate ethics training	We believe that our corporate ethics initiatives will be more certain to succeed when each and every employee has a strong awareness and correct understanding of the issues involved. Therefore, we organize various occasions for education and training.
5 Open Door Room	We established the Open Door Room in 2002 as a way for employees to bring questions and reports related to corporate ethics. We established "DNP Group Open Door Room Operating Standards" to ensure that employees can consult and report without fear of repercussions.
6 Supplier Hotline	In 2009, we established our "Supplier Hotline" to give suppliers an avenue for providing information in the event that in their dealings with the DNP Group, they become aware of any illicit acts (or behavior that suggests the possibility of illicit action) on the part of an employee or someone else connected with DNP.

Product and Service Safety and Quality Assurance

As a manufacturer providing society with products and services, DNP is aware that its efforts to secure safety and quality are more important than any other concern. We strive to provide products and services that satisfy customers by envisioning various circumstances under which our products and services may be used and considering, from the user's viewpoint, what qualities are desired, what will be safe, and what will be easy to use. Based on our findings, we make improvements again and again.

Measures to Ensure Product Safety

Obviously, DNP must comply with publicly mandated product standards and legal regulations. Our corporate responsibilities are laid out in the DNP Group Product Safety Policy.

DNP has established product safety committees in its head office, in each business unit, and in each Group company. In addition, the DNP Group Product Safety Regulations describes the organizational frameworks and checklists to be used for product safety management. Each business unit and each Group company works to ensure the safety of the products it handles by implementing product safety management based on these regulations.

Because ensuring product safety is an ongoing task, we examine our product safety assurance methods and conduct risk assessments of our entire product lineup twice each year. Based on the results of these assessments, we may review our control systems or make product design changes or manufacturing process improvements in order to achieve an even higher degree of product safety.

Product Safety Policy

DNP Group products conform to required standards and legal regulations without fail, and our basic guideline requires that we meet our corporate social responsibilities by offering products which exceed customer needs and expectations for safety.

These Guidelines are known throughout the DNP Group, and product safety controls are thoroughly enforced.

The DNP Group shall engage in the following product safety efforts under the basic policy noted above:

1. Ensuring product safety is a priority issue.
2. Thorough product safety evaluations are conducted prior to new product sales.
3. We shall work to gather data from consumers and customers concerning safety.
4. In the event of a product accident occurrence, we shall seek to prevent recurrence by taking prompt and appropriate actions including gathering data, issuing notices both within and outside the company, product recalls, etc.

Initiatives Aimed at Ensuring Quality

DNP provides safe and reliable products and services that meet the world's highest standards for quality. In order to maintain and improve the quality of our products and services, DNP established the DNP Group Quality Policy.

Because DNP engages in a wide variety of businesses, we use different safety and quality assurance methods according to the types of products and services that we offer. In addition to promoting quality assurance activities that are appropriate for each business field, we carefully assess the needs of our customers and society and initiate Group-wide actions and employee education in order to maximize synergistic benefits.

Quality Policy

1. Based on the catchphrase, "P&I Solutions DNP," we combine printing technologies and information technologies to provide products and services of world-class quality that solve our customers' problems. By maintaining and improving the quality of our products and services, we gain our customers' trust.
2. We make it our mission to provide products and services that are safe to use and gentle on the environment. Through a variety of corporate activities, we aim to minimize the burden that we place on the environment.
3. We develop the world's most advanced manufacturing technologies and construct production systems that meet the world's highest standards for efficiency.
4. In order to meet these goals, all of our employees work together and engage in regular *taiwa*, both with each other and with people outside the Company. By "looking carefully, listening carefully, and thinking carefully," we intend to maintain and continuously improve the quality assurance systems that enable us to satisfy our customers on an ongoing basis.

Information Security

Information security and the protection of personal information have become more important than ever. DNP handles a large volume of personal information and other information assets. For us, proper management and protection of information assets are critical tasks that could even be called part of our social mission. Our management addresses information security as one of its top-priority concerns, and works to strengthen related systems and to educate employees.

Information Security and Personal Information Protection

It is obvious to us that we have a responsibility to protect personal information, data entrusted to us by corporate clients, and other information assets. We have established policies related to information security and personal information protection. We maintain strict and continuous control by strengthening related systems and educating employees, etc.

DNP Group's Basic Policy on Information Security

At the DNP Group, our management concept is to "contribute to the creation of an intellectually active, rich, 21st century society with emergent evolution." We have employed "P & I Solutions DNP" as our concept phrase for putting this management concept into practice. This means utilizing the range of both print technology and information technology that we have built up over the course of the years to offer solutions to the challenges facing our clients and general consumers, giving shape to the vision we have presented.

In an emergently evolving society, a communication environment with an advanced level of security that is safe and highly reliable is an indispensable element.

We have accumulated a great deal of expertise in information security utilizing the information assets entrusted to us from clients and general consumers as well as information assets of our own to provide our clients and general consumers with a diverse range of services. Through recognition of this expertise as a competitive edge as well as the continual, systematic enhancement of it, we hope to contribute to the development of a society with emergent evolution, perpetually expanding the business of our clients' and of our own. It is for these purposes that we set forth our basic policy on information security as follows:

Basis of Conduct

We will apply appropriate physical, electronic and human measures in order to protect information assets entrusted to us from clients and general consumers as well as information assets possessed by the DNP Group itself from leakage, tampering, inhibition of use, etc. due to accidents, crime and disasters. By boosting the worth of our business thus, we will gain the trust of society.

Legal & Social-Ethical Compliance

We will act in good faith to comply with information security-related laws and social ethics.

Self-Development & Awareness Campaigns

We will continually implement development, awareness and education related to this policy through ample recognition of the importance of information security.

Management System

In order to continually improve and implement information security-related activities, we will construct, in accordance with this policy, information security management systems in each department with clear recognition of authorities and responsibilities.

Personal Information Protection Policies

A variety of companies and organizations entrust DNP with personal information so that we can help them provide all types of services and products for consumers. In addition, we have developed various types of services and products that make effective use of personal information in businesses that DNP operates itself. Through these various businesses, we have become well aware of the importance of personal information and it is obvious to us that we are obligated to provide appropriate protection for such information.

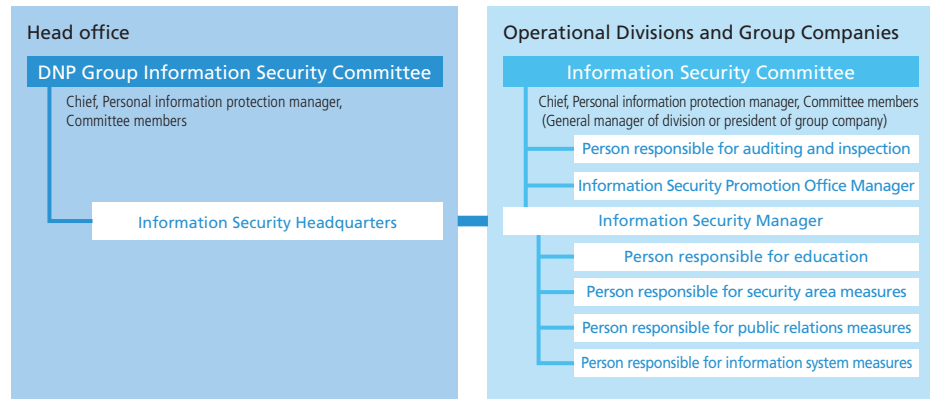
We will handle personal information appropriately, in line with DNP's Personal Information Protection Policies.

1. Strictly comply with laws, national government guidelines, and other regulations related to personal information protection; strive to protect personal data.
2. Take necessary and appropriate safety precautions to prevent leakage, loss or destruction of personal data. In the event that a problem should occur, take prompt measures to correct the situation.
3. Specify reasons for using personal information; acquire, use and provide personal information in fair and appropriate ways. Take measures to prevent personal information from being used for any purpose other than the specific purpose for which it was acquired.
4. Respond appropriately to a request for disclosure from someone whose own personal information is being held by the Company.
5. When the performance of services on behalf of a client company involves the handling of personal information, use the information only within the scope of the requested services.
6. Establish in-house regulations concerning the handling of personal information; build, maintain and continuously improve related systems.
7. Respond appropriately to complaints or questions from someone whose personal information is being held by the Company regarding DNP's handling of personal information or our systems for protecting personal information.

Information Security Management System

At DNP headquarters we established the DNP Group Information Security Committee, and under its auspices the Personal Information Protection Office. Together they inspect and guide DNP's business units and Group affiliates.

Framework for Promoting Information Security

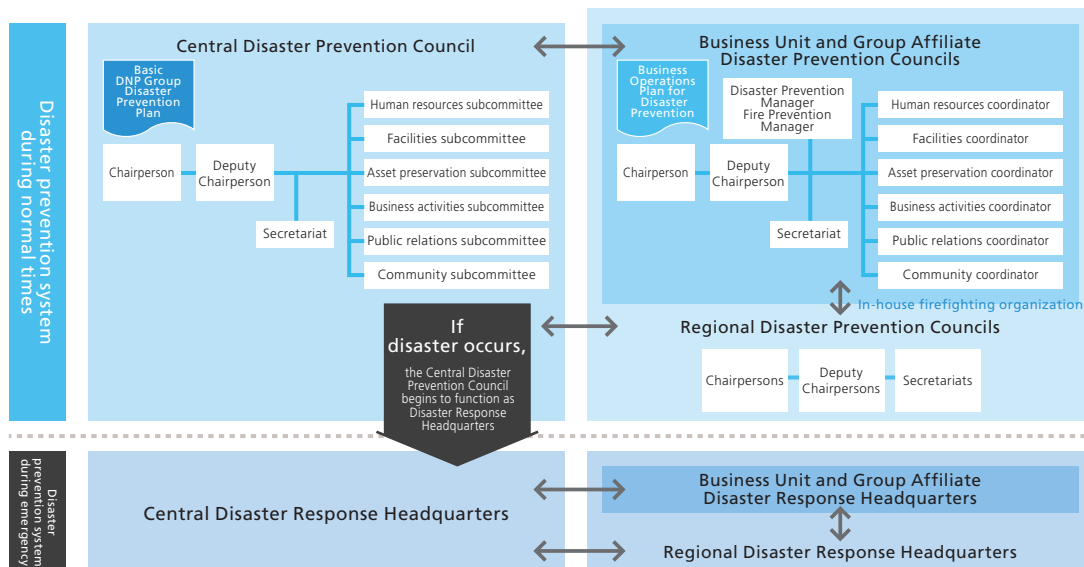


Business Continuity

In the event that an emergency situation should compromise the continuity of DNP's business operations, any interruption in our operations would affect not only DNP but our customers, suppliers, their employees and a variety of stakeholders. DNP has prepared a business continuity plan (BCP) in order to build a strong corporate structure that can continue operating under crisis conditions and quickly restore operations in the event of an interruption. In the course of our daily operations, we maintain a proper awareness of disaster risks and implement employee training and other measures aimed at enabling us to cope in extreme situations.

Disaster Prevention Systems that Prepare DNP for Unforeseeable Circumstances

We established the DNP Group Central Disaster Prevention Council to create and promote basic disaster prevention measures for the entire DNP Group. Each business unit and Group company has established its own disaster prevention council to promote measures that suit its own particular characteristics and requirements. We also established regional disaster councils to promote cooperative measures within each geographical region. Each of these councils has prepared plans and measures for coping with emergency situations. In the "DNP Group Basic Code for Disaster Response," we determined basic policies and systems for coping with disaster or other unforeseen circumstances. DNP implements disaster prevention measures aimed at securing the safety of employees and related parties, and at enabling a variety of stakeholders to feel at ease.



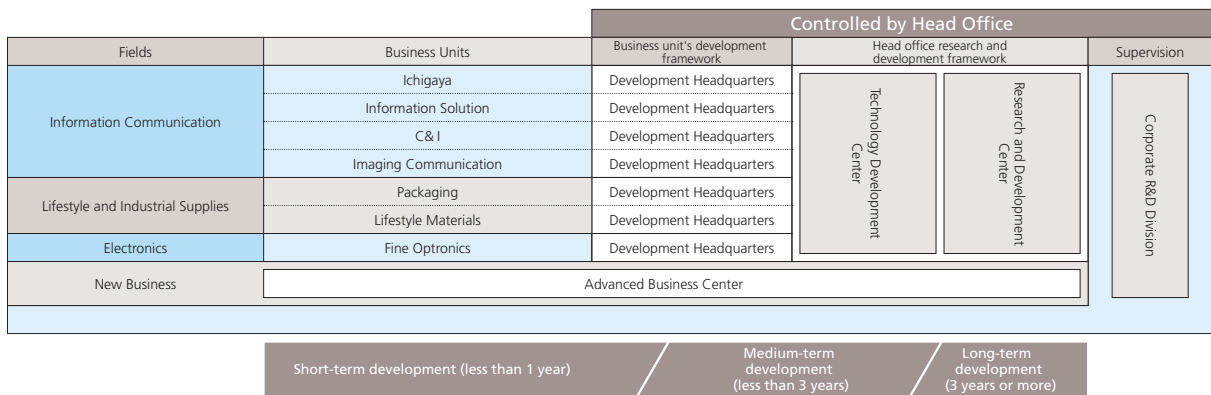
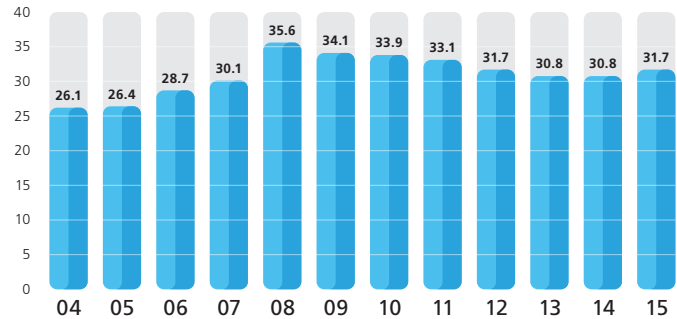
Research and Development

Research and Development Aimed at Business Creation

Research and development are extremely important for DNP as a company that has expanded its fields of business by developing new ways to apply printing and information technologies. In today's rapidly changing world, we need to look carefully at what is happening in society from a consumers' point of view, and be quick to discern existing problems and the technologies that are needed to solve them. We then accelerate development by actively pursuing alliances with other companies that have specialized strengths in addition to developing our own original technologies.

Research and Development Expenditures (consolidated)

(¥ billion)



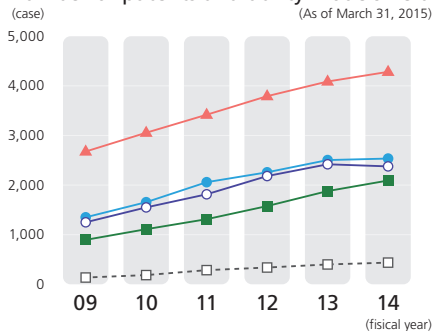
Intellectual Property Management

Intellectual Property Initiatives that Support Wide-Ranging Business Activities

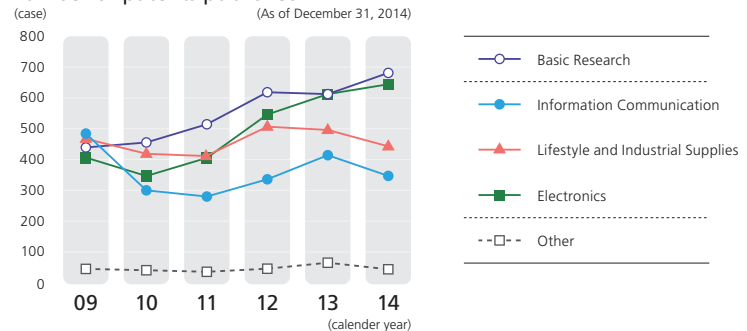
In our view, intellectual property initiatives provide the most basic underpinning for a wide range of business activities and are indispensable to the differentiation of DNP from competitors. Because the competitive standing of our intellectual property greatly affects DNP's business operations, DNP employs 17 (as of June 30, 2015) in-house patent attorneys who form a powerful team for pursuing intellectual property-related initiatives. As a result of this proactive stance, DNP had 2,232 laid-open patent applications published in the fiscal year ended March 2015, which is an extremely high number for any Japanese company.

Intellectual Property by Segment

Number of patents and utility models held

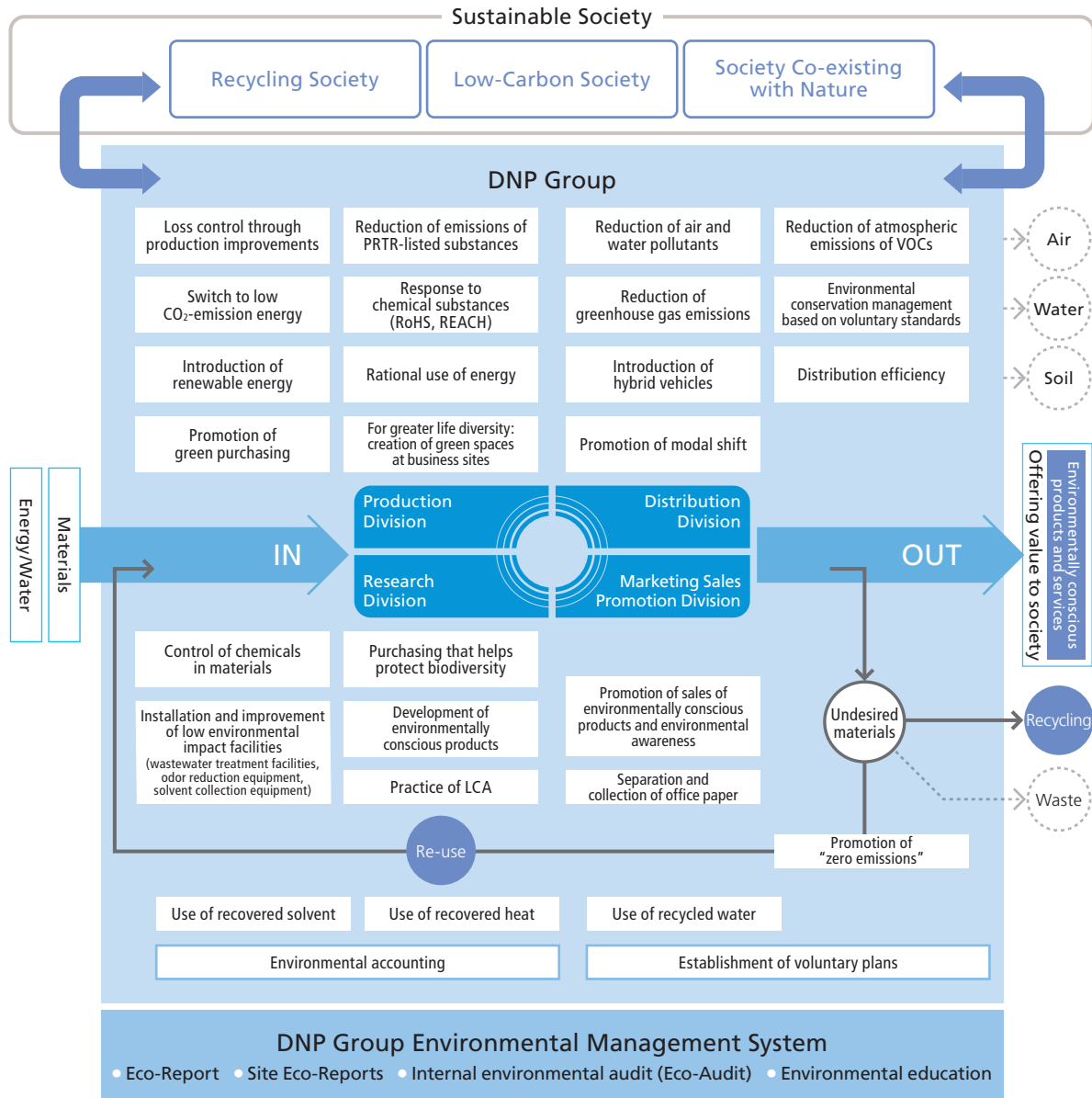


Number of patents published



Environmental Conservation and a Sustainable Future

As a manufacturer, DNP always considers how to coexist with the Earth's environment. The most urgent problem facing humanity in the 21st century (sometimes called "the environment century") is how to coexist with nature and preserve its gifts so that we can maintain an inhabitable planet to pass on to the next generation. One of the values set forth in the DNP Group Code of Conduct is to help realize a sustainable society so that we can bequeath an abundant Earth to future generations. The entire DNP Group is working to achieve that goal, for example by preventing global warming, protecting biodiversity, and using resources efficiently.

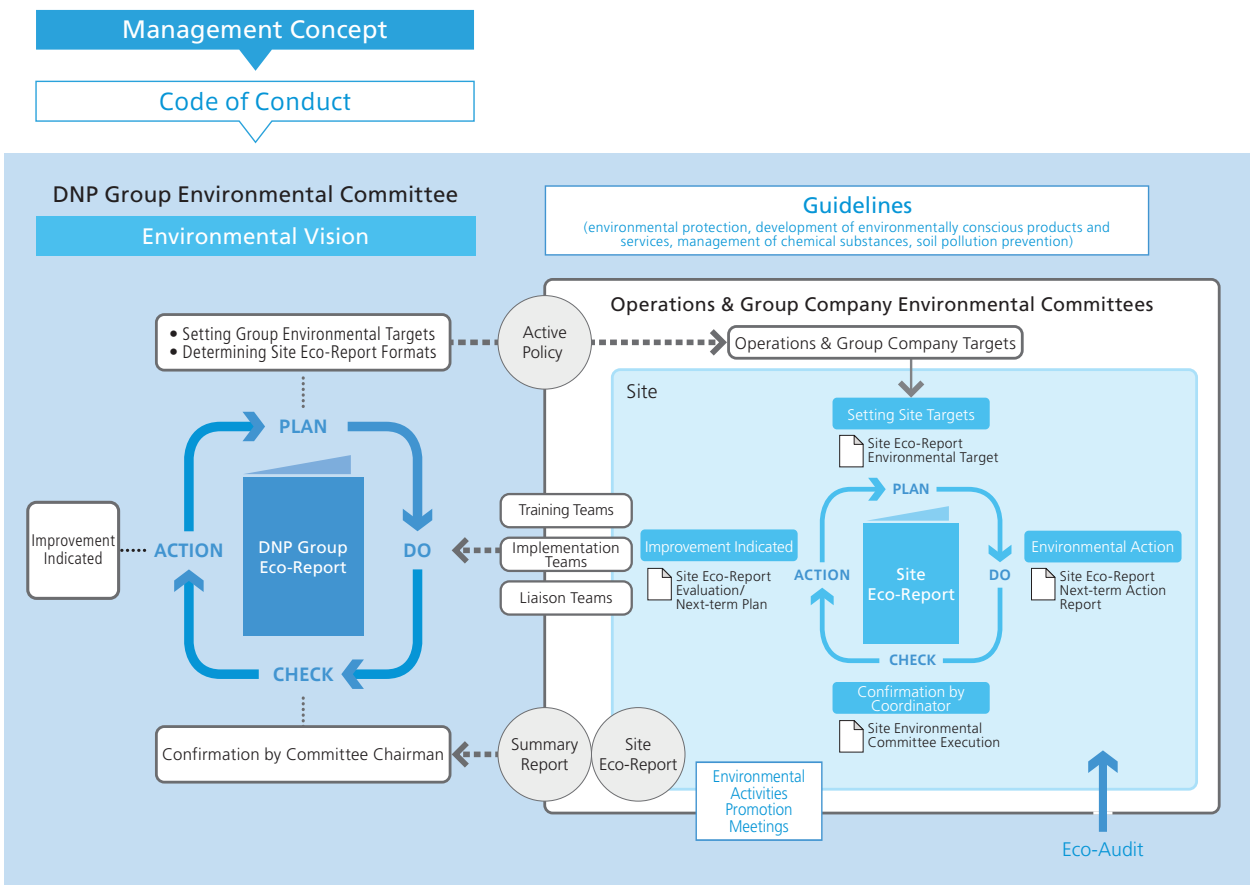


Environmental Management System

In 1972, DNP became the first Japanese printing company to establish a special section charged with addressing environmental issues. Now called the Environmental Safety Department, it initiated antipollution measures and *taiva* (dialogue) with residents of local communities. Since 1990, DNP has also concentrated on addressing global environmental issues. We created our own environmental management system (EMS) in 1993, before the 1996 publication of international standards for environmental management systems (ISO14001). Our EMS is the basis for the environmental management activities that we perform every six months in the form of "Plan-Do-Check-Action" cycles.

In order to further boost the effectiveness of our EMS, in 1996 we began conducting Eco-Audits. If an audit reveals the need for corrective action, the DNP Group Environmental Committee sends a written request to the relevant operational base and receives a written response. Through activities such as Eco-Audits and regular publication of "Eco-Reports," DNP keeps its business activities in line with relevant legal regulations and DNP Group policies. We have also established and do our best to strictly observe our own voluntary standards (for air quality, water quality, noise, vibration, and odor generation), and voluntary guidelines (for chemical substance management and soil contamination measures), which exceed legal requirements.

Outline of the DNP Group Environmental Management System



Brand Management

DNP as a Corporate Brand

As a result of DNP's business activities over the past 140 years or so, corporate clients and consumers have come to view the DNP corporate brand as representing "reliability and high expectations" backed by DNP's considerable technological strengths and numerous achievements.

Recently we determined four growth areas that we intend to develop not only in Japan, but globally, both "B to B" (business to business) and "B to C" (business to consumer). By making maximum use of the "DNP" brand in the various situations in which we promote these businesses, we expect to increase both our businesses' value and the DNP brand value.

In order to improve communication with consumers and gain consumers' understanding of DNP, in 2012 we introduced the "DNPenguin" as our corporate symbol. By effectively incorporating the DNPenguin into advertising through newspapers, television, DNP websites and other media, we strive to boost the appeal of the "DNP" brand.

Corporate Brand "DNP"

DNP

Examples of DNP's B to C businesses



"honto"
hybrid bookstore network



Household budget-tracking
application "Receipt!"



Photobook compilation service
"DreamPages Plus"



Self-service printing systems
"PrintRush"

Promoting a corporate image advertising campaign featuring a friendly mascot



DNP's corporate mascot that we call "DNPenguin" (dee en penguin), which introduces DNP's products, services, and corporate activities in easy-to-understand terms. Besides using this character in newspaper and television advertising, DNPenguin will introduce "DNP Topics" on our website, and will amuse consumers through original products like DNPenguin wallpaper.

Future Initiatives

In order to gain support from corporate clients and consumers and continue growing even further, DNP will base its activities on the following "brand policies":

- Actively present the DNP corporate brand and enhance brand value along with business value.
- Construct categories of products and services that are easy for corporate clients and consumers to understand.
- Promote communication that makes use of the DNPenguin.

Corporate Governance

“DNP” refers to Dai Nippon Printing Co., Ltd. in this section.

1 Corporate Governance

Fundamental Philosophy

DNP has established a management concept of contributing to the emergently evolving society of the 21st century. As an emergently evolving corporation of the 21st century, we recognize that we will only be able to increase our competitiveness in the future if we fulfill our corporate social responsibilities and win the trust of shareholders, customers, consumers, employees and other stakeholders. Toward this end, we regard the enhancement of corporate governance as a top management priority. In addition to establishing and operating systems that enable precise managerial decision-making and prompt and appropriate execution of the decisions we make, we conduct thorough training and education in order to improve each employee's awareness of compliance issues and strive to improve our overall corporate governance.

Progress on Corporate Governance Measures

(1) Corporate governance structure

DNP's organization is designed to allow directors with specialized expertise and experience in a wide range of business fields to participate in management decisions, to take responsibility and authority as they execute their work, and to supervise the work of other directors. Independent outside directors also participate in decision-making in order to facilitate prompt and precise management decisions and smooth execution of those decisions, and to further strengthen proper supervisory functions. Corporate officers named by the Board of Directors execute the decisions made by the Board of Directors, and have the responsibility and authority to decide upon and carry out those matters delegated by the Board. Working in close communication with the directors and in close proximity to the workplace, their function is to ensure that the views of those on the front lines are reflected in management.

In order to nimbly construct optimal management systems for responding to changes in the business environment, and to further clarify management responsibility for each fiscal year, we set the term of office for directors at one year.

The Board of Directors consists of 18 directors including two independent outside directors. In principle, the Board meets once a month. Based on the Company's Board of Directors Regulations, the directors ensure that meetings are appropriately run and supervise each other in day-to-day operations. The directors and corporate officers hold executive committee meetings twice a month to exchange information that is helpful for efficient decision making. To speed up the Company's activities and make

them more efficient, DNP has also established a Management Committee consisting of directors at the senior managing director level and above. The committee meets once a month, in principle, to review and discuss management policies, strategies, and important business matters.

DNP has in place a Board of Statutory Auditors that consists of five auditors, including one auditor with considerable knowledge of finance and accounting and three outside auditors. In accordance with auditors' prescribed audit criteria and responsibilities, the statutory auditors conduct audits of the directors' management of day-to-day operations and, as necessary, seek information from the directors and employees regarding business operations.

We believe that by adopting this type of corporate governance structure, we ensure that the Board of Directors can make appropriate decisions efficiently.

(2) Internal controls and auditor's auditing

In order to maintain a structure that allows for precise management decision-making, appropriate and prompt execution of business, and inspection and monitoring of these functions, the Corporate Ethics Committee, as the body in charge of internal control, inspects and guides DNP's operating units according to the DNP Group's Basic Compliance Management Regulations, and regularly reports to auditors regarding management conditions. In addition, the Auditing Department (consisting of 13 employees) ensures the propriety of operations by conducting accounting and operational audits based on internal audit regulations and by providing progress reports to the statutory auditors and the accounting auditor.

The statutory auditors hold regular meetings of the Board of Statutory Auditors, work with other statutory auditors to perform their audit duties, and closely cooperate with the accounting auditors by receiving from them an explanation of the audit plan at the start of the fiscal year, assessing audit operations during the fiscal year as appropriate, and receiving a report of audit results at the end of the fiscal year.

The names of the certified public accountants who performed the accounting audits, the audit firms they are employed by, and their assistants in the audit work are as follows:

- **Certified public accountants who performed the accounting audits**
 - Senior partners and managing partners
Jun Sasayama, Hirofumi Nikaido,
Tsuguhiro Tsukakoshi, Yurika Kimura
- **Audit firm**
 - Meiji Audit Corporation
- **Number of accounting audit assistants**
 - 17 certified public accountants, 3 others

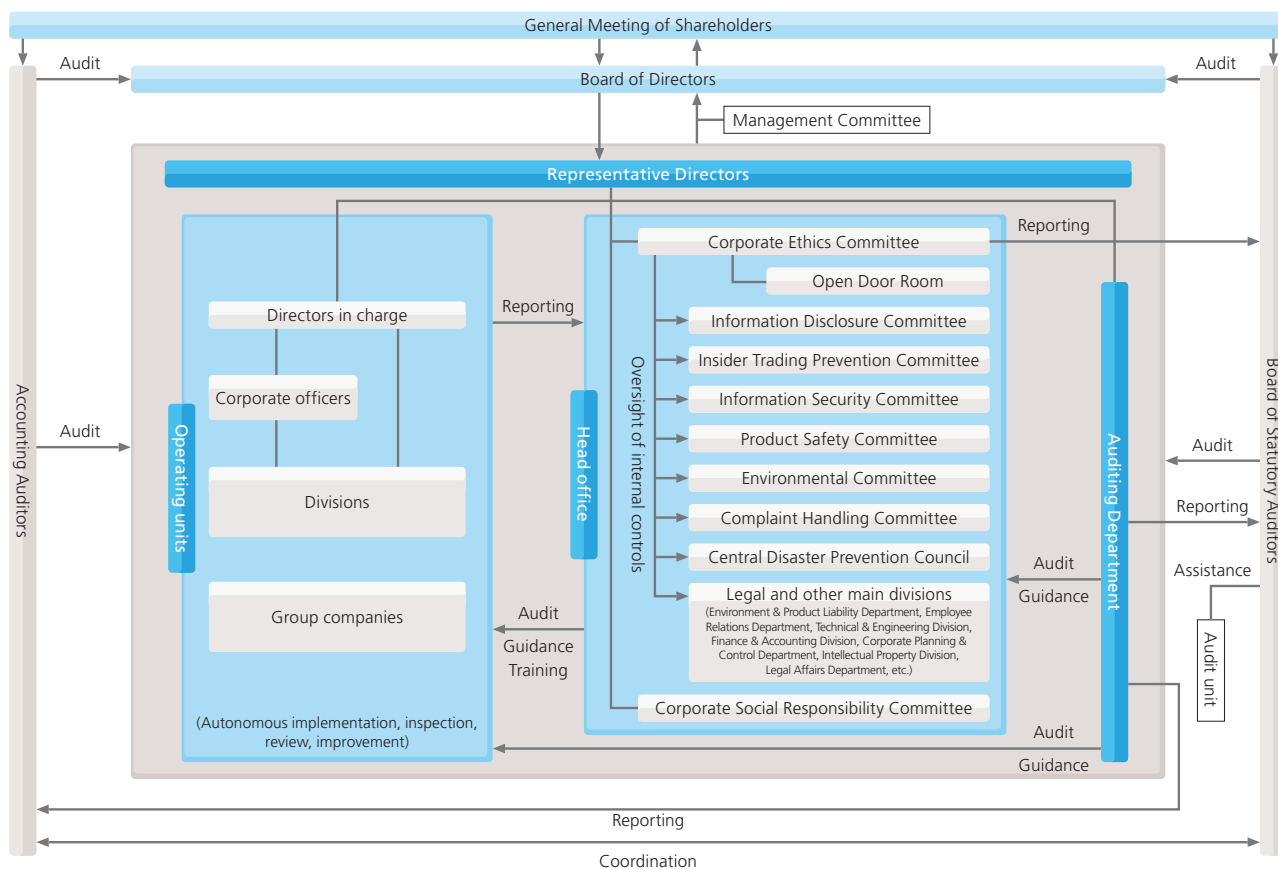
(3) Development of a risk management structure

To manage risks related to compliance, information security, the environment, disasters, product safety, insider trading and export management, the Corporate Ethics Committee, other special committees, and other head office divisions develop rules and conduct training as part of risk-related preemptive efforts, and respond promptly to avert or minimize losses to the DNP Group. When new risks arise, we promptly appoint specific divisions and directors to take responsibility for responding.

(4) Progress on other corporate governance measures

DNP set down the DNP Group Code of Conduct for employees to follow, so as to contribute to the prosperity and steady development of society, promote fair and appropriate corporate activity, protect the environment, contribute to society, and establish a free and lively corporate culture. In addition to stating that DNP does not do business with antisocial elements, the Code states that DNP, as an emergently evolving company, will fulfill its corporate social responsibilities to society, respect shareholders, customers, consumers, employees and other stakeholders, and act in ways that earn trust.

(5) DNP's corporate governance structure



(6) Interests between DNP and its outside directors and outside statutory auditors

DNP has two outside directors and three outside statutory auditors. Outside directors and statutory auditors do not have any particular personal relationships, capital relationships, transactional relationships, or other interests with DNP. The role of outside directors is to supervise inside directors and contribute to improving the transparency and accountability of the Board of Directors by providing management advice based on their judgment. The role of outside statutory auditors is to enhance the propriety of accounting and operational audits and to supervise management.

DNP does not have any standards of independence for appointing outside directors and outside statutory auditors, but to avoid conflicts of interest with general shareholders, it references the standards of independence for independent officers as stipulated by financial instruments exchanges. DNP has also established the following insignificance criteria related to the attributes of independent officers determined to pose no risk of influencing the voting decisions of shareholders.

- Transactions worth less than 2% of DNP's annual sales during the most recent fiscal year.
- Donations of less than the greater of either an annual average during the previous three years of ¥10 million or 2% of the total annual revenues of the donation recipient.

Outside director Tadao Tsukada is designated as an independent officer, and we believe he can provide useful advice to DNP's management based on a deep knowledge and wealth of experience related mainly to mechanical engineering and play a role in supervising management from an objective standpoint. Mr. Tsukada owns 2,000 shares of DNP stock.

Outside director Tsukasa Miyajima is designated as an independent officer, and we believe he can provide useful advice to DNP's management based on a deep knowledge and wealth of experience related mainly to jurisprudence and play a role in supervising management from an objective standpoint.

Outside statutory auditor Shin-ichi Ikeda is designated as an independent officer and can help bolster auditing based on a broad knowledge gained from business experience at other companies. Mr. Ikeda owns 2,000 shares of DNP stock.

Outside statutory auditor Makoto Matsuura is designated as an independent officer and can help bolster auditing based on his legal expertise as an attorney.

Outside statutory auditor Kuniaki Nomura can help bolster auditing based on his legal expertise as an attorney.

DNP and its outside directors and outside statutory auditors have concluded agreements that limit the directors' and auditors' liability for damages within the parameters set forth in Article 423, Paragraph 1 of Japan's Companies Act, so long as they execute their duties in good faith and without serious negligence.

(7) Number of directors

DNP's Articles of Incorporation specify that the number of regular members on the Board of Directors shall be no more than 20.

(8) Requirements for shareholder approval of director nominees

DNP's Articles of Incorporation specify that the approval of director nominees requires the attendance of at least one third of shareholders with voting rights and a majority of the votes of these shareholders, and does not depend on cumulative votes.

(9) Matters to be resolved at the meeting of shareholders that can be resolved by the Board of Directors

1) Share buybacks

DNP's Articles of Incorporation specify that the Company may buy back its shares in the open market, in accordance with Article 165, Paragraph 1 of Japan's Companies Act, upon approval by the Board of Directors, in accordance with Article 165, Paragraph 2 of Japan's Companies Act, to allow the Company to use capital more efficiently and implement a flexible capital structure policy in response to changes in business conditions.

2) Exemption of directors from liability

DNP's Articles of Incorporation specify that directors (including former directors) may, by a resolution of the Board of Directors, in accordance with Article 426, Paragraph 1 of Japan's Companies Act, be exempted from liabilities in Article 423, Paragraph 1 of Japan's Companies Act so that the directors can sufficiently carry out their expected responsibilities.

3) Exemption of auditors from liability

DNP's Articles of Incorporation specify that statutory auditors (including former statutory auditors) may, by a resolution of the Board of Directors, in accordance with Article 426, Paragraph 1 of Japan's Companies Act, be exempted from liabilities in Article 423, Paragraph 1 of Japan's Companies Act so that the statutory auditors can sufficiently carry out their expected responsibilities.

4) Interim dividend

DNP's Articles of Incorporation specify that the Company may, by a resolution of the Board of Directors, pay a monetary dividend stipulated in Article 454, Paragraph 5 of Japan's Companies Act to shareholders of record as of September 30 of each year and shareholders with actual stock certificates, so that profits can be flexibly passed on to shareholders.

(10) Requirements for shareholder approval of special resolutions

DNP's Articles of Incorporation specify that the approval of special resolutions stipulated in Article 309, Paragraph 2 of

Japan's Companies Act requires the attendance of at least one third of shareholders with voting rights and at least two thirds of the votes of these shareholders, so that the shareholders' meetings can run smoothly.

Compensation Paid to Directors and Statutory Auditors

(1) Total compensation paid by DNP, by category of director/statutory auditor, total compensation by type, and the number of directors and statutory auditors covered

Category of director/ statutory auditor	Total compensation (¥ million)	Total compensation by type (¥ million)		Number of directors and statutory auditors covered
		Base compensation	Bonus	
Directors (excluding outside directors)	1,258	1,110	148	20
Statutory auditors (excluding outside auditors)	79	79	—	2
Outside directors and auditors	100	100	—	5

Notes: 1. Bonuses are provisions for bonuses for directors and statutory auditors for the fiscal year.
2. There were 16 internal directors, two internal statutory auditors and five outside directors as of the end of the fiscal year.

(2) Company directors and total compensation

Name (director type)	Total compensation (¥ million)	Company	Total compensation by type (¥ million)	
			Base compensation	Bonus
Yoshitoshi Kitajima (Director)	323	Dai Nippon Printing Co., Ltd.	298	24
Koichi Takanami (Director)	129	Dai Nippon Printing Co., Ltd.	115	13
Masayoshi Yamada (Director)	129	Dai Nippon Printing Co., Ltd.	115	13

Notes: 1. Total compensation is shown only for those with compensation of at least 100 million yen.
2. Bonuses of Dai Nippon Printing Co., Ltd. are the amounts expected to be paid as bonuses for the current fiscal year.

(3) Policies regarding the determination of compensation for directors and statutory auditors

Compensation for directors is calculated within the limits on directors' compensation approved by shareholders at a general meeting, reviewed and discussed by the Management Committee, and deliberated and decided on by the Board of Directors.

Compensation for each director is determined based on a broad range of factors, including the operations they are in charge of, their responsibilities, achievements, and contributions.

Compensation for statutory auditors is calculated within the limits on statutory auditors' compensation, and the compensation of each statutory auditor is determined based on discussions with the statutory auditor.

Stockholdings

(1) Stocks held for reasons other than for pure investment purposes

No. of stocks: 393

Total on the balance sheet: 341,594 million yen

(2) Holding category, company name, number of shares, amount recorded on the balance sheet, and holding purpose of stocks held for reasons other than for pure investment purposes

(Previous fiscal year)

Stocks held for reasons other than pure investment purposes

Company name	Number of shares	Amount recorded on balance sheet (¥ million)	Holding purpose
The Dai-ichi Life Insurance Co., Ltd.	6,606,600	9,909	Enhance business relationship
NuFlare Technology, Inc.	1,000,000	6,820	Strengthen business alliance
Taisho Pharmaceutical Holdings Co., Ltd.	692,700	5,756	Enhance business relationship
Mizuho Financial Group, Inc.	27,134,319	5,535	Enhance business relationship
Asahi Group Holdings, Ltd.	1,860,029	5,373	Enhance business relationship
Terumo Corporation	1,101,000	4,961	Enhance business relationship
Ezaki Glico Co., Ltd.	3,226,766	4,410	Enhance business relationship
NISSIN FOODS HOLDINGS CO., LTD.	898,711	4,183	Enhance business relationship
YAMATO HOLDINGS CO., LTD.	1,660,600	3,693	Enhance business relationship
YAKULT HONSHA CO., LTD.	701,000	3,631	Enhance business relationship
Aica Kogyo Co., Ltd.	1,293,743	2,974	Enhance business relationship
Hulic Co., Ltd.	2,040,000	2,884	Enhance business relationship
Toyo Suisan Kaisha, Ltd.	794,980	2,738	Enhance business relationship
CALBEE, Inc.	1,032,800	2,508	Enhance business relationship
TOSHIBA CORPORATION	4,547,000	1,987	Strengthen business alliance
NSK Ltd.	1,814,000	1,926	Strengthen business alliance
Lion Corporation	3,140,665	1,918	Enhance business relationship
FUJIFILM Holdings Corporation	685,965	1,900	Enhance business relationship
Meiji Holdings Co., Ltd.	282,200	1,837	Enhance business relationship
Daikin Industries, Ltd.	300,000	1,734	Enhance business relationship
Mitsubishi Chemical Holdings Corporation	3,598,790	1,543	Strengthen business alliance
Sapporo Holdings Limited	3,796,388	1,541	Enhance business relationship
Mitsubishi Electric Corporation	1,300,000	1,510	Enhance business relationship
Eidai Co., Ltd.	2,237,000	1,386	Enhance business relationship
Mitsubishi UFJ Financial Group, Inc.	2,399,760	1,360	Enhance business relationship
Senshukai Co., Ltd.	1,509,663	1,271	Enhance business relationship
SMK Corporation	3,200,000	1,244	Enhance business relationship
Hakuhodo DY Holdings Inc.	1,720,000	1,238	Enhance business relationship
ROHM Co., Ltd.	268,366	1,235	Enhance business relationship
Shiseido Co., Ltd.	677,619	1,230	Enhance business relationship

Stocks held in trust or other legal entity while retaining voting rights or voting instruction rights

Company name	Number of shares	Amount recorded on balance sheet (¥ million)	Holding purpose
Terumo Corporation	1,930,500	8,698	Hold voting instruction rights for shares in retirement benefit trust
TV Asahi Corporation	4,030,000	7,536	Hold voting instruction rights for shares in retirement benefit trust
Astellas Pharma Inc.	913,770	5,592	Hold voting instruction rights for shares in retirement benefit trust
Japan Tobacco Inc.	1,000,000	3,240	Hold voting instruction rights for shares in retirement benefit trust

Note: Specified stocks and stocks held in trust with voting rights are not added together when selecting stocks with the largest amounts as recorded in the balance sheet.

(Current fiscal year)

Stocks held for reasons other than pure investment purposes

Company name	Number of shares	Amount recorded on balance sheet (¥ million)	Holding purpose
Recruit Holdings Co., Ltd.	37,700,000	141,375	Enhance business relationship
The Dai-ichi Life Insurance Co., Ltd.	6,606,600	11,531	Enhance business relationship
Ezaki Glico Co., Ltd.	1,614,101	7,844	Enhance business relationship
Asahi Group Holdings, Ltd.	1,860,029	7,093	Enhance business relationship
Terumo Corporation	2,202,000	6,980	Enhance business relationship
Taisho Pharmaceutical Holdings Co., Ltd.	692,700	6,192	Enhance business relationship
YAKULT HONSHA CO., LTD.	701,000	5,867	Enhance business relationship
Mizuho Financial Group, Inc.	27,134,319	5,728	Enhance business relationship
CALBEE, Inc.	1,032,800	5,391	Enhance business relationship
NISSIN FOODS HOLDINGS CO., LTD.	898,711	5,311	Enhance business relationship
YAMATO HOLDINGS CO., LTD.	1,660,600	4,603	Enhance business relationship
Meiji Holdings Co., Ltd.	282,200	4,134	Enhance business relationship
Aica Kogyo Co., Ltd.	1,293,743	3,622	Enhance business relationship
Toyo Suisan Kaisha, Ltd.	794,980	3,362	Enhance business relationship
NSK Ltd.	1,814,000	3,189	Strengthen business alliance
FUJIFILM Holdings Corporation	685,965	2,933	Enhance business relationship
NuFlare Technology, Inc.	500,000	2,670	Strengthen business alliance
Mitsubishi Chemical Holdings Corporation	3,598,790	2,514	Strengthen business alliance
Daikin Industries, Ltd.	300,000	2,413	Enhance business relationship
Lion Corporation	3,140,665	2,298	Enhance business relationship
TOSHIBA CORPORATION	4,547,000	2,292	Strengthen business alliance
ROHM Co., Ltd.	268,893	2,212	Enhance business relationship
Hakuhodo DY Holdings Inc.	1,720,000	2,199	Enhance business relationship
Mitsubishi Electric Corporation	1,300,000	1,857	Enhance business relationship
Sapporo Holdings Limited	3,796,388	1,807	Enhance business relationship
Mitsubishi UFJ Financial Group, Inc.	2,399,760	1,784	Enhance business relationship
SMK Corporation	3,200,000	1,667	Enhance business relationship
Ajinomoto Co., Inc.	630,931	1,662	Enhance business relationship
Tosoh Corporation	2,609,000	1,581	Strengthen business alliance
Isetan Mitsukoshi Holdings Ltd.	783,600	1,557	Enhance business relationship
KUBOTA Corporation	774,000	1,472	Enhance business relationship
Shiseido Co., Ltd.	677,619	1,445	Enhance business relationship
Hulic Co., Ltd.	1,040,000	1,405	Enhance business relationship
Kobayashi Pharmaceutical Co., Ltd.	156,445	1,345	Enhance business relationship
Kikkoman Corporation	350,940	1,338	Enhance business relationship
Senshukai Co., Ltd.	1,511,663	1,315	Enhance business relationship
MORINAGA & CO., LTD.	2,965,000	1,251	Enhance business relationship
NIPPON STEEL & SUMITOMO METAL CORPORATION	3,905,768	1,181	Strengthen business alliance
KDDI Corporation	142,200	1,160	Enhance business relationship

Stocks held in trust or other legal entity while retaining voting rights or voting instruction rights

Company name	Number of shares	Amount recorded on balance sheet (¥ million)	Holding purpose
Terumo Corporation	3,861,000	12,239	Hold voting instruction rights for shares in retirement benefit trust
Astellas Pharma Inc.	4,568,850	8,989	Hold voting instruction rights for shares in retirement benefit trust
TV Asahi Holdings Corporation	4,030,000	8,080	Hold voting instruction rights for shares in retirement benefit trust
Japan Tobacco Inc.	1,000,000	3,800	Hold voting instruction rights for shares in retirement benefit trust

Note: Specified stocks and stocks held in trust with voting rights are not added together when selecting stocks with the largest amounts as recorded in the balance sheet.

(3) Stocks held for pure investment purposes

None

2 Compensation Paid to Accounting Auditors

(1) Compensation paid to accounting auditors

	Previous fiscal year		Current fiscal year	
	Compensation for audit certification (¥ million)	Compensation for other services (¥ million)	Compensation for audit certification (¥ million)	Compensation for other services (¥ million)
Dai Nippon Printing Co., Ltd.	92	—	96	—
Consolidated subsidiaries	121	—	127	—
Total	213	—	223	—

(2) Other material compensation details

None

(3) Compensation paid to accounting auditors for services other than audit work provided to DNP

None

(4) Determination of compensation for audit services

DNP's compensation for audit services is determined based on a variety of factors, including the number of expected days for the audit and the company size.

Board of Directors, Statutory Auditors and Corporate Officers

(As of June 26, 2015)

President

Yoshitoshi Kitajima

Executive Vice Presidents

Koichi Takanami

Masayoshi Yamada

Yoshinari Kitajima

Senior Managing Directors

Mitsuhiko Hakii

Masahiko Wada

Tetsuji Morino

Tokuji Kanda

Managing Directors

Kunikazu Akishige

Motoharu Kitajima

Masaki Tsukada

Sakae Hikita

Fujio Yamazaki

Takashi Saito

Kouichi Hashimoto

Satoru Inoue

Directors

Tadao Tsukada*

Tsukasa Miyajima*

Standing Statutory Auditors

Kazunari Tanaka

Naoki Hoshino

Shin-ichi Ikeda*

Statutory Auditors

Makoto Matsuura*

Kuniaki Nomura*

Senior Corporate Officers

Shigemi Furuya

Ryuji Minemura

Masato Koike

Masato Yamaguchi

Morihiro Muramoto

Kenji Miya

Toshiki Sugimoto

Corporate Officers

Kiyotaka Nakagawa

Naohiko Sugimoto

Shuichi Kobayashi

Kazuhiko Takada

Ryota Chiba

Nobuyuki Asaba

Mitsuru Tsuchiya

Hirofumi Hashimoto

Kazuhiko Sugita

Masafumi Kuroyanagi

*Outside directors or auditors



Yoshinari Kitajima

Koichi Takanami

Yoshitoshi Kitajima

Masayoshi Yamada