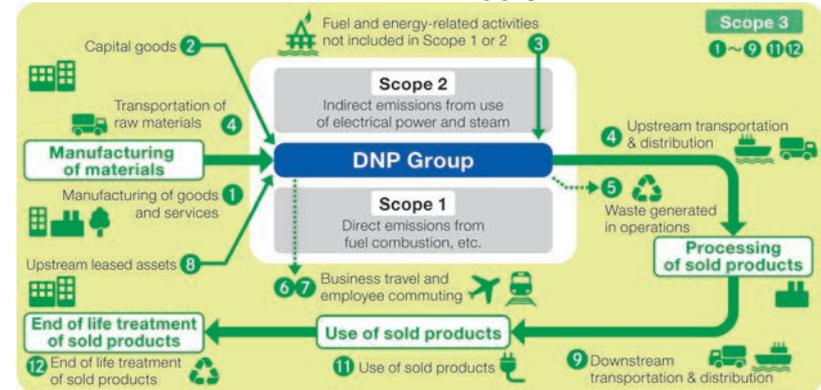


## Companies' approach

□ Background and purpose of accounting

- Because reducing greenhouse gas emissions throughout the supply chain is becoming a societal and business requirement, we have conducted a Scope 3 accounting to implement reduction countermeasures throughout our supply chain in order to improve our emissions management. To enable these efforts for emissions reduction, keeping track of and understanding GHG emissions across our business activities will be key and essential, and therefore our supply chain emissions accounting should be based on the DNP Group as a whole, including not only domestic but also overseas activities.
- We are aiming for more efficient reduction measures by clarifying the phases with the largest potentials for reduction.
- We have undertaken the task of supply chain emissions accounting also for those emissions from activities at our key sites overseas in order to respond quickly to inquiries regarding our environmental impacts from our major customers operating their businesses worldwide.

A general picture of GHG emissions management across the entire supply chain



□ Utilization of accounting results

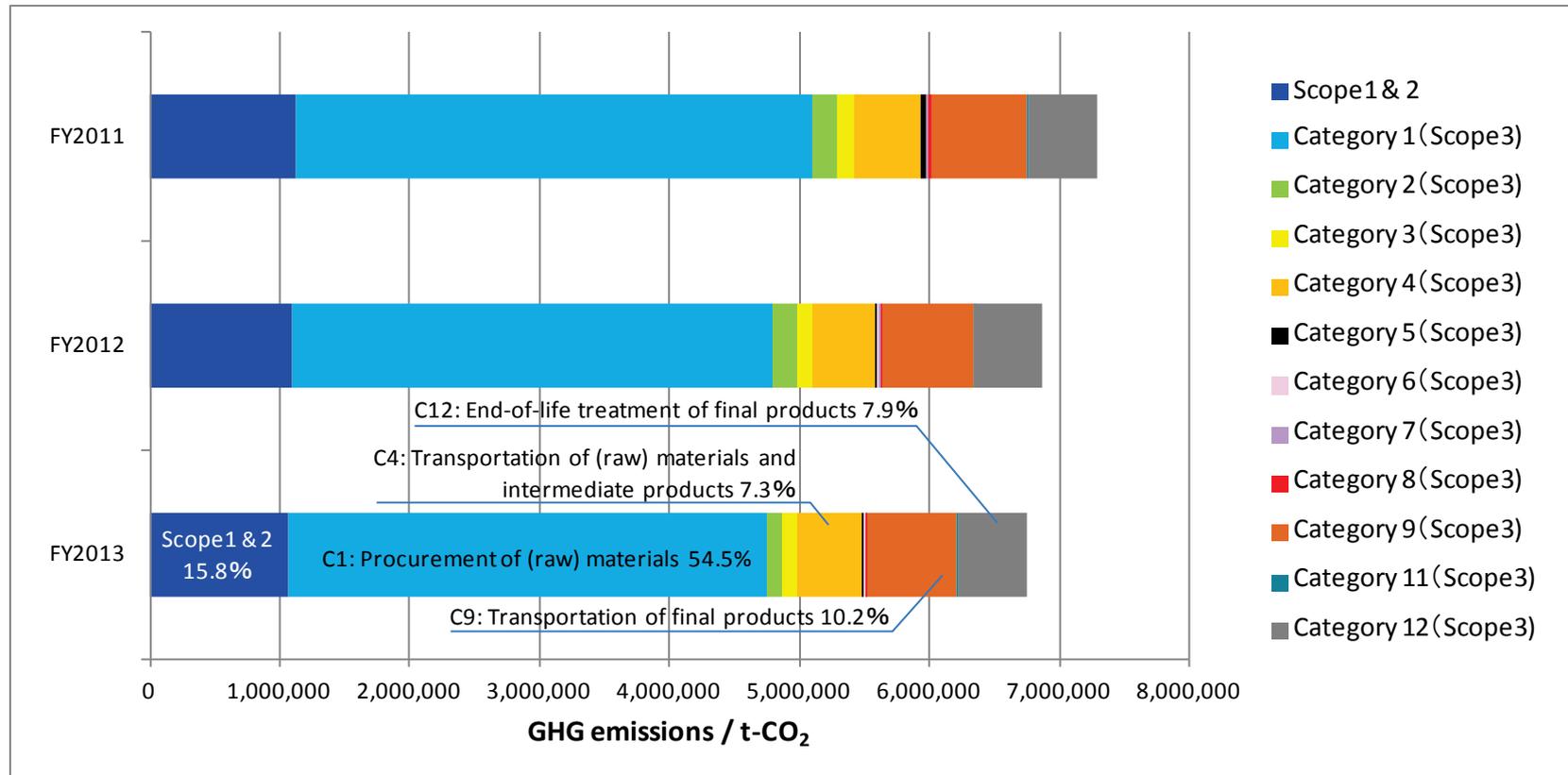
- By establishing certain accounting methods for the DNP Group's overall emissions across the entire supply chain, including overseas business and production sites, we will be able to confirm the quantitative changes in emissions over time. In addition, we will be able to clarify the problems in data accuracy and thereby improve it.
- With respect to handling a wide range of products, we will be able to learn accounting methods for emissions for the entire supply chain, and will aim to create a database for volume data, etc.
- By gradually refining our emissions data for the entire supply chain for our overall corporate activities, we will be able to collect (carbon footprint) data by product group, customer, and individual product, so that we will be able to cope with customer requests which are likely to increase in the future.

	Companies' approach
<p>□ <b>Benefits of accounting</b></p>	<ul style="list-style-type: none"> <li>• Through the above usage methods, we will be able to clarify reduction potential, refine accounting methods, and cope with customer requests for disclosing data.</li> </ul>
<p>□ <b>Internal system for accounting</b></p>	<ul style="list-style-type: none"> <li>• Data is collected from the relevant departments and divisions across the company, and calculated by the Environmental Department.</li> <li>• The data is collected from the following departments: Procurement (Categories 1 and 4), Accounting (Categories 2 and 8), Environmental (Categories 3, 4 and 5), Labor (Categories 6 and 7), and Administration (Categories 9, 11 and 12).</li> </ul>
<p>□ <b>Efforts to reduce supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>• We are making efforts to reduce emissions by promoting "green" procurement, development and sales of environmentally friendly products, and using more efficient means of transportation as a cargo owner.</li> <li>• In particular, for Category 1 emissions from the "procurement of materials," which represent more than 50% of our total GHG emissions, we will be looking to reduce these emissions as a priority target area.</li> </ul>
<p>□ <b>Issues in supply chain emissions accounting</b></p>	<ul style="list-style-type: none"> <li>• Because many Dai Nippon Printing products are intermediate goods, it is difficult to account for our emissions from the fabrication and use (Categories 10 and 11) of those products we have sold downstream. (For the purpose of our FY2013 accounting, only emissions from the domestic use of PET bottle preforms (i.e. energy used to cool products made into PET bottles and sold as drinks) were accounted for.)</li> <li>• With respect to the processing and use of other parts, either their part of the overall weight of the finished product is small or no energy is used in processing and use, so these were not included.</li> </ul>

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Materials procurement amount (in both weight and value terms) (The priority should be weight over value)</li> </ul>	<ul style="list-style-type: none"> <li>CFP Basic, and other available DBs</li> <li>3EID (Use CFP before 3EID)</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>Amount of money needed to purchase land/buildings and machinery</li> </ul>	<ul style="list-style-type: none"> <li>3EID</li> </ul>
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Fuel, electricity and steam energy usage</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB*</li> <li>CFP Basic DB (for overseas)</li> </ul>
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> <li>Cargo owner shipments (ton-km) and estimated supplier shipments (ton-km) (*) (* Scenarios should be set up for load capacity, load percentage and shipment distances to estimate the ton-km based on purchased weight. For items for which purchased weight is not know, the unit price per weight for known items should be used to estimate the purchase amount from the weight.)</li> </ul>	<ul style="list-style-type: none"> <li>CFP Basic DB</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>Weight of waste by type and disposal method</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB*</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>Estimated travel expenses for business trips and nearby travel (*), nearby transportation expenses paid, days spent in accommodations (* Set up scenarios for typical travel routes by means of transportation, and calculate from the number of times used.)</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB*</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>Commuting expenses paid by means of transportation</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor DB*</li> </ul>
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> <li>Building and machinery lease payments</li> </ul>	<ul style="list-style-type: none"> <li>3EID</li> </ul>
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> <li>Estimated shipment ton-km (*), sales volume and sales prices by type for six types of products, including paper printed products. (* Set up scenario for each type of accounting subject based on the CFP system PCR.)</li> </ul>	<ul style="list-style-type: none"> <li>CFP Basic DB</li> </ul>
Category 10: Processing of sold products	<ul style="list-style-type: none"> <li>Not accounted for because the sold products were not processed or because their percentage of the final product was very small.</li> </ul>	
Category 11: Use of sold products	<ul style="list-style-type: none"> <li>Estimated electric power used domestically to refrigerate drinks in PET bottles. (* Estimated based on PCR.)</li> </ul>	<ul style="list-style-type: none"> <li>CFP Basic DB</li> </ul>
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Amount of waste discharged, by disposal method, for six types of products including paper printed products. (* Estimated based on PCR.)</li> </ul>	<ul style="list-style-type: none"> <li>CFP Basic , and other available DBs</li> </ul>
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	
Category 14: Franchises		
Category 15: Investments		

## Accounting results

- DNP Group's GHG emissions profile across the entire supply chain, including key sites overseas



(\*) Boundaries extended to include our domestic sites (excluding Hokkaido Coca-Cola Bottling Co., Ltd. and bookstore chains) and key overseas sites (PT DNP Indonesia; DNP IMS America Corporation; and Tien Wah Press (Pte.) Ltd.).