

Integrated Report 2023

TOPPAN

DIGITAL & SUSTAINABLE TRANSFORMATION



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Editorial Policy

This Integrated Report was prepared to reflect the opinions of institutional investors and other stakeholders voiced in discussions, and to report comprehensively on the Company's activities and growth strategies, including not only financial information but also ESG (Environmental, Social, and Governance) and other non-financial information. We hope that it will help readers to understand how the Company aims to solve social issues through corporate activities.

For more detailed information on the Company's financial position, please see the securities report (Japanese only).

Note: Names of products and services etc., in this report are trademarks or registered trademarks of the Company, the Group, or each company.

Scope and Boundary

Period covered: April 1, 2022 to March 31, 2023

(Also includes information about certain activities outside of this period)

Entities covered: Toppan Inc. and consolidated subsidiaries

(Also includes information about certain activities of Toppan Inc. on a non-consolidated basis)

Forward-Looking Statements

This report includes certain forward-looking statements. These statements are based on management's current expectations and are subject to change in certain circumstances. Actual results may differ due to changes in economic, business, competitive, technological, regulatory, and other factors.

Information Disclosure on the Company's Website

Toppan also provides information for investors and information on sustainability on its website. Please utilize this report in conjunction with the website.

Investors

<https://www.holdings.toppan.com/en/ir/>



Sustainability

<https://www.holdings.toppan.com/en/sustainability/>



TOPPAN's Purpose & Values

Transition to holding company structure

October 2023

TOPPAN transitioned to a holding company system.

Under TOPPAN Holdings Inc., the holding company, we established TOPPAN Inc., TOPPAN Edge Inc., and TOPPAN Digital Inc.

We will strive to strengthen Group governance, further advance business portfolio transformation on a Groupwide basis, and maximize synergies. In this way, we will aim to create new value and realize a sustainable society.



Purpose

Breathing life into culture, with technology and heart.

The TOPPAN Group has newly formulated TOPPAN's Purpose & Values. This Group philosophy comprises our Purpose and the Values that support it.

Going forward, TOPPAN's Purpose & Values will be a shared guide for the Group as we work together to exceed the expectations of society and realize further innovation. Together with stakeholders, we will aim for the realization of a sustainable society and increases in corporate value.

Values

Values

Integrity

Act with sincerity,
build relationships on trust

Passion

Be enthusiastic,
boldly take on challenges

Proactivity

Think ahead,
act with speed

Creativity

Be imaginative,
create new value

Consolidated Financial and Non-Financial

Toppan Inc. and Subsidiaries

Operating Results (Fiscal Year Ended March 31, 2023)

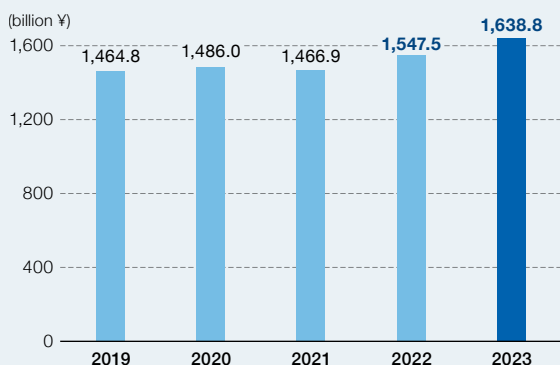
Net sales

Year on year **Up 5.5%** **¥1,638.8 billion**

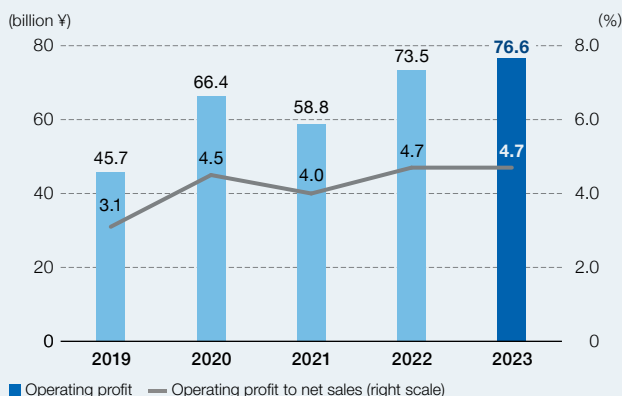
Operating profit

Year on year **Up 4.3%** **¥76.6 billion**

Net sales



Operating profit & operating profit to net sales



Cash dividends per share (DPS)

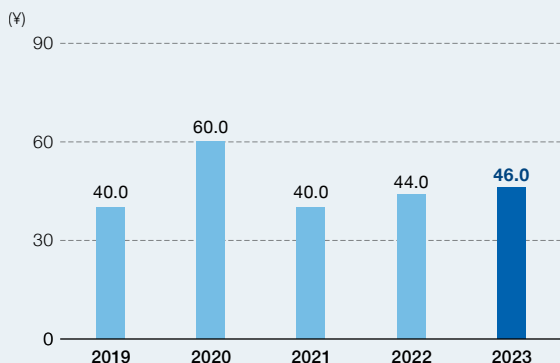
Year on year **Up ¥2.0** **¥46.00**

Earnings per share (basic)

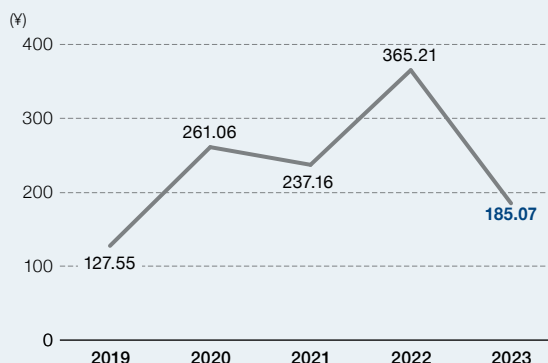
Year on year **Down 50.6%** **¥185.07**

- The end-of-term dividend was ¥24.00 per share.
- Including an interim dividend of ¥22.00 per share, total annual dividends were ¥46.00 per share.

Cash dividends per share (DPS)



Earnings per share (basic)



Financial Highlights

Financial Position (March 31, 2023)

Total assets

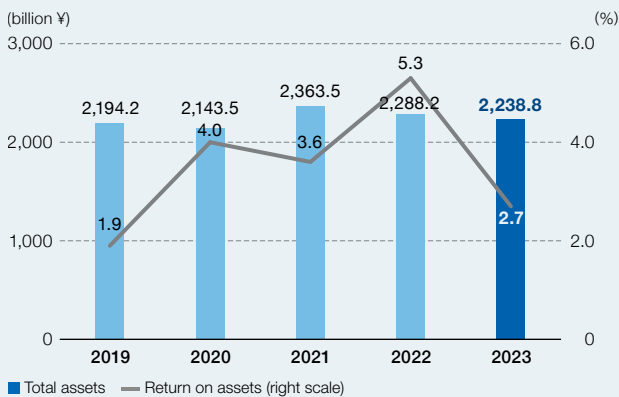
Year on year **Down 2.1%**
¥2,238.8 billion

Net assets

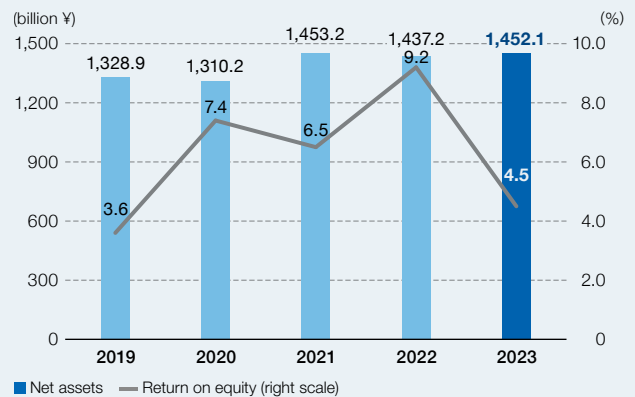
Year on year **Up 1.0%**
¥1,452.1 billion

- Major factors decreasing total assets included a decline of ¥131.9 billion in investment securities.
- Major factors decreasing liabilities included declines of ¥41.1 billion in deferred tax liabilities, ¥40.0 billion in current portion of bonds payable, and ¥16.6 billion in income taxes payable.
- Major factors increasing net assets included increases of ¥55.8 billion in non-controlling interests and ¥46.8 billion in retained earnings.

Total assets & return on assets



Net assets & return on equity



Return on assets (ROA)

Year on year **Down 2.6 points**
2.7%

Return on equity (ROE)

Year on year **Down 4.7 points**
4.5%

Equity ratio

Year on year **Down 0.5 points**
59.2%

Debt-equity ratio

Year on year **Down 1.2 points**
18.0%

Interest coverage ratio

Year on year **Up 8.7 points**
24.8

Cash and cash equivalents at end of period

Year on year **Up 8.0%**
¥447.6 billion

ESG Data

External directors on Board of Directors

(As of July 2023)
 3 of 9
33.3%

Female management and supervisory staff

(As of April 2023)
 Year on year **Up 89**
761

Employment of persons with disabilities

(As of June 2023)
 Year on year **Up 17**
357

Consolidated number of employees

(As of March 31, 2023)
 Year on year **Down 390**
53,946

GHG emissions (Scope 1+2)

(As of March 31, 2023)
 Year on year **Down 6.1%**
1,115 thousand t

GHG emissions (Scope 3)

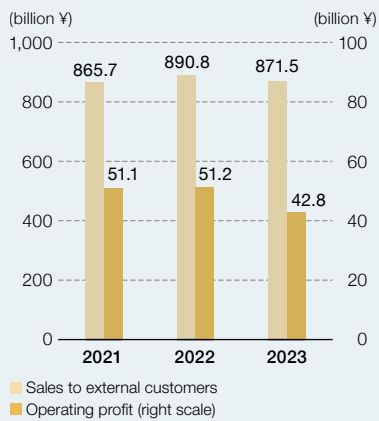
(As of March 31, 2023)
 Year on year **Up 1.6**
5,929 thousand tons

Segment Highlights



Sales to external customers & operating profit by segment

Information & Communication



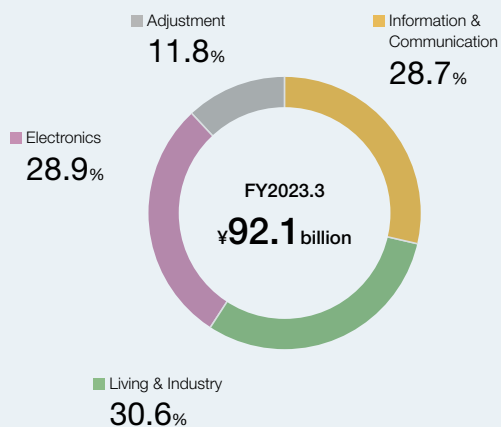
Living & Industry



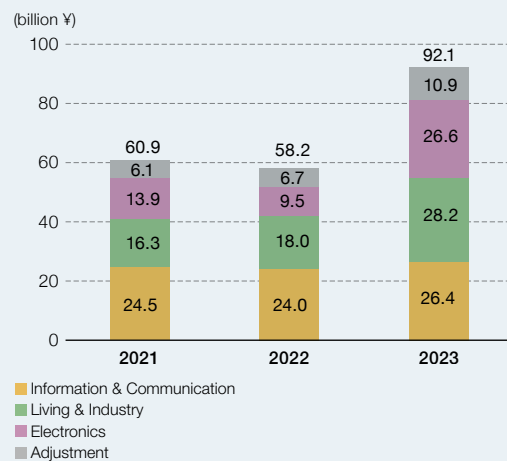
Electronics



Capital investment by segment



Capital investment



* The breakdown for each segment is based on the segment components for the fiscal year ended March 31, 2023.

Review of Operations by Business Segment

Information & Communication

The Information & Communication segment recorded a 1.8% year-on-year decrease in net sales, to ¥887.5 billion, and operating profit was down 16.3% year-on-year, to ¥42.8 billion.

Security

In the security business, results improved year-on-year, mainly due to growth in smart cards, despite a decline in business forms accompanying the digitization of forms.

Content & Marketing

In the content and marketing business, results improved year-on-year. Declines in paper media and sales promotion materials were offset by growth in game/trading cards, e-book related services provided by BookLive Co., Ltd., and online advertising and other digital marketing solutions.

Business Process Outsourcing (BPO)

In the BPO business, the Group sought to expand sales of a hybrid-BPO service combining digital technologies with operations. Nonetheless, sales declined after the Group posted sales from large projects in the previous fiscal year.

DX (Erhoeht-X™) Initiative

As part of the Erhoeht-X™ DX initiative, with a view to strengthening the operational structure for digital marketing, the Group established the Sapporo Engagement Center and formed a capital and business alliance with FUSION Co., Ltd., which has extensive know-how in the CRM domain. Moreover, the Group helps businesses and other organizations improve their operational efficiency through initiatives such as enhancing the functions of EngagePlus, a message delivery service provided by Toppan Forms Co., Ltd. (now TOPPAN Edge Inc.).

Living & Industry

The Living & Industry segment posted a 17.2% year-on-year increase in net sales, to ¥520.6 billion, and operating profit was down 17.6% year-on-year, to ¥23.5 billion.

Packaging

In the packaging business in Japan, results rose year-on-year due to an increase in demand, particularly for food packaging, and the expansion of sustainable packaging materials. Overseas sales increased, particularly in Indonesia, and contributions to sales were made by InterFlex, a US-based flexible packaging producer that the Company acquired in the previous fiscal year, and by Majend Makcs, a flexible packaging producer in Thailand that the Company acquired in May. Both in Japan and overseas, price revisions were made in response to rising raw materials and energy prices.

Décor Materials

In the décor materials business, sales in Japan rose year-on-year due to growth in sales of decorative surface materials with high-quality design and

advanced functionality. Overseas, demand was weak due to rapid inflation in Europe and rising mortgage rates in North America. Nonetheless, sales were up year-on-year due to growth in sales of decorative surface materials for furniture and other interior applications, price revisions, and foreign exchange effects.

Functional Products

Sales of functional products increased with the contribution of Toppan Speciality Films (formerly Max Speciality Films), a leading Indian film manufacturer that the Company made into a consolidated subsidiary in the previous fiscal year.

SX Initiatives

In its SX initiatives, the Company used GL BARRIER transparent films with world-class barrier performance in order to advance the development of environmentally friendly packaging materials, such as recyclable mono-material packaging materials and retortable pouches made of paper, which contribute to reducing plastic consumption and CO₂ emissions.

Electronics

The Electronics segment recorded a year-on-year increase of 15.3% in net sales, to ¥255.3 billion, and operating profit was up 60.6% year-on-year, to ¥48.2 billion.

Semiconductors

In the semiconductor business, sales of photomasks rose due to firm demand for semiconductors used for 5G, AI, and automobiles. In the business for FC-BGA substrates, which are high-density semiconductor package substrates, high-value-added large and multilayer products sold well, particularly for data centers and servers, due to their industry-leading quality and technology.

Displays

Sales of display-related products declined year-on-year, reflecting a fall in sales of anti-reflection films due to a decline in film demand for televisions and a decrease in sales of color filters due to the implementation of structural reforms.

New Business

With a view to creating new business, the Company implemented initiatives in preparation for the widespread adoption of IoT devices. These included developing e-Platch™, a system that takes advantage of the next-generation low-power wide-area (LPWA) ZETA protocol to improve the efficiency of the remote monitoring of environmental data and equipment maintenance operations at manufacturing plants and facilities, and achieving internationally recognized ISO/IEC 27017 cloud security certification. In addition, the Company was also the first in the world to develop a next-generation time-of-flight sensor capable of measuring distances of up to 30 meters, in anticipation of the widespread use of autonomous mobile robots in industry.

Business Domains and Products and Services

Toppan operates in three business domains: Information & Communication, Living & Industry, and Electronics. Drawing on its strengths in original printing technologies, Toppan pursues each of these businesses, providing comprehensive solutions to challenges faced by customers and society.

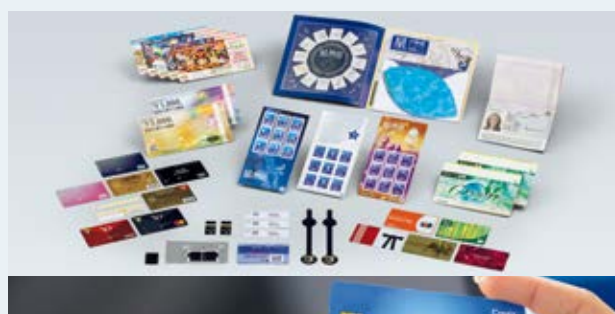
Information & Communication

* The breakdown for each segment is based on the segment components for the fiscal year ended March 31, 2023.

Providing customers who require smooth communication with solutions that enhance the value of information and deliver it effectively

Security

- Securities documents
- Business forms
- Data printing services (DPS)
- Smart cards, various types of other cards, and in-store instant smart card issuing services
- Gift card ASP services
- RFID tags and RFID solutions
- Anti-counterfeit devices
- Payment services



Content & Marketing

- Books, magazines, and supplements
- Textbooks
- E-books
- Flyers, catalogs, and pamphlets
- Promotional tools (POP materials, various gift items, premiums)
- Spatial design, event planning and implementation
- Digital content
- Digital marketing services



BPO

- Back-office operation services
- Customer contact operations (campaign offices, direct mail, contact centers, etc.)
- Operation support



Living & Industry

Providing a wide range of products and services throughout the world to create living environments that offer comfort and peace of mind

Packaging

- Flexible packaging
- Folding cartons
- Composite liquid containers
- Plastic molded goods
- Contract-based filling services



Décor Materials

- Decorative sheets
- Flooring materials
- Decorative panels
- Exterior products and materials
- Flame retardant products and materials



Functional Products & Energy

- Transparent barrier film
- Media and supplies for printers
- Electronics packaging materials
- Lithium-ion battery-related materials
- Precision processed and exterior decorated components



Electronics

Providing display-related and semiconductor-related products based on microfabrication technology

Semiconductors

- Photomasks
- LSI design services
- FC-BGA substrates
- Lead frames
- Etched products
- On-chip color filter arrays



Displays

- Color filters
- Anti-reflection films
- Small and medium-sized TFT-LCD panels
- Metal masks for OLEDs
- Copper touch sensors
- Light control film



History of Creating Value

Toppan was founded in 1900 with a view to taking advantage of the Erhöht relief printing method, a leading-edge technology of the day. Since then, the Toppan Group has continually addressed society's needs and developed its business operations by extending the applications of printing into a broad range of fields. Going forward, Toppan will continue rapidly identifying changes in society's needs, and we will aim to achieve sustained growth as a creator of social value in order to help resolve those needs around the world.

1900

1950

2000

Printing-related trends and demand

Printing products becoming important means of relaying various information

Circulations and mass production increasing

Production efficiency increasing through IT
Catering to need for diversified, small-lot manufacturing

Increasing demand for various printing products

Toppan's History

Business establishment / printing expansion

While Japan was in the process of industrializing, a number of companies that used new technologies to address new needs were established. Building on the Erhöht relief printing method, which was a leading-edge technology at the time, Toppan's founders identified business opportunities in such fields as securities printing and package printing.

Founded 1900
Toppan Printing Limited Partnership launched



Erhöht relief printing copperplate

1900
Folding cartons

1901
Commercial printing

1902
Securities printing

1907
Publication printing



1938
Flexible packaging



Diversifying, growing into an integrated printing company

1986
Completion of Toppan Technical Research Institute

Information & Communication

1955
Business forms

Planning and design division launched

1961
Service Center established (now the Toppan Idea Center)

1970
Computerized typesetting system developed and implemented



1983
IC chip card developed



Use of the internet, expansion of digital content business

1999
Started Bitway digital content distribution business

Living & Industry

1956
Décor materials

1976
EP-PAK multilayer laminate paper container for liquids developed

Environmentally friendly products developed

1986
GL FILM transparent barrier film developed



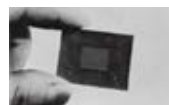
1996
Started sales of Cartocan® paper beverage containers



Electronics

Advanced into electronics business

1959
Masks for mesa transistor manufacturing developed



1971
Color stripe filter for image pick-up tubes developed



Sustainability

1991
Ecology Center established

1992
Toppan Printing Declaration on the Global Environment established

2020

Advancing the DX Business



2015

2016
Began full-scale operations at BPO Square Asaka

2019
Commenced provision of NAVINECT® digital transformation support solutions for manufacturing



2020
Established the DX Design Division

Expanding DX services

2021
Commenced provision of Hybrid-BPO™ for local authorities

2021
Acquired Face Technologies (Pty) Ltd., a systems integrator based in South Africa

2022
Developed MiraVerse®, a meta-verse service platform

2023
Established TOPPAN Edge Inc., TOPPAN Digital Inc.

DX

Creating new businesses

SX

Expanding global supply network for mono-materials

2021
Acquired InterFlex Group, a U.S.-based packaging manufacturer

2022
Made Max Speciality Films Limited, an India-based film manufacturer, a consolidated subsidiary

2023
In the Czech Republic, established a transparent barrier film production base scheduled to start operation at the end of 2024

Accelerating global development

2016
Completed construction of the Toppan USA Georgia Plant, a production base for transparent barrier films

2017
Strengthened flexible packaging business in ASEAN region

2019
Acquired Interprint GmbH, a European décor printing company



Creating new markets and businesses

2019
Developed mono-material barrier packaging



2019
Started mass production of LPWA ZETA communications modules

Decreasing demand for paper media
Advancing digital transformation

Expanding the digital business

2000
Formulated TOPPAN VISION 21

2001
Digital advertising flyer website Shufoo! launched



2011
Integrated e-bookstore BookLive! opened



2013
Toppan Group Data Center launched

Strengthened functional films and packaging business

2009
Completed construction of the Fukaya Plant, a production base for next-generation functional films

2014
Completed construction of the Gunma Central Plant, a production base for flexible packaging materials



2004
Commenced manufacture of large color filters

2005
Toppan Photomasks, Inc. established



2006
Joined the United Nations Global Compact

2009
The Toppan Group Declaration on the Global Environment established

2015
Health Management Declaration established

2019
Announced support for the TCFD

2019
Formulated TOPPAN SDGs STATEMENT

2021
Formulated Toppan Group Environmental Vision 2050

2021
Formulated the Toppan Group Human Rights Policy

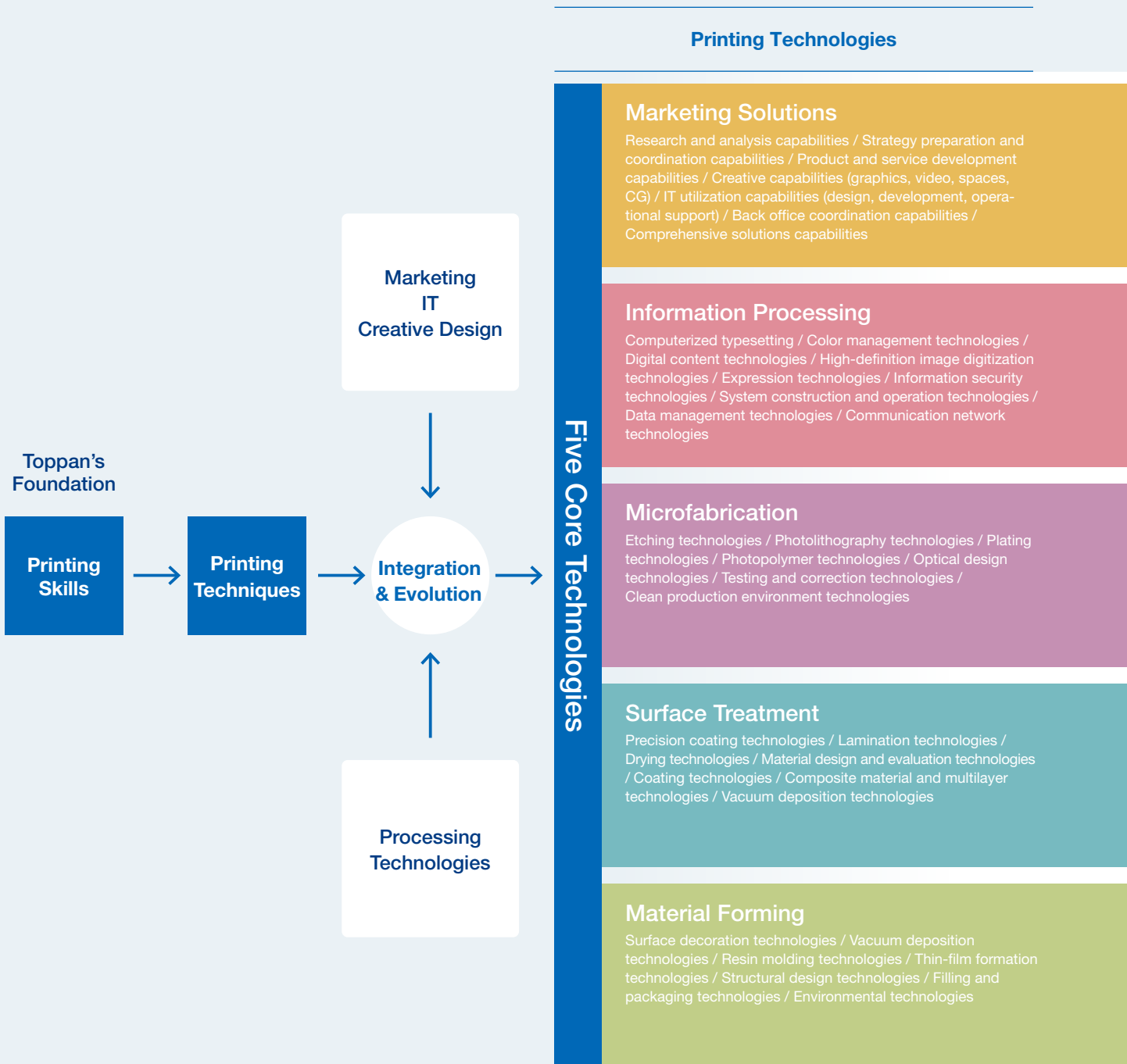
2022
Formulated the Toppan Group Sustainable Procurement Guidelines

Becoming a Social-Value-Creating Corporate Group

Printing Technologies That Produce Diverse Solutions

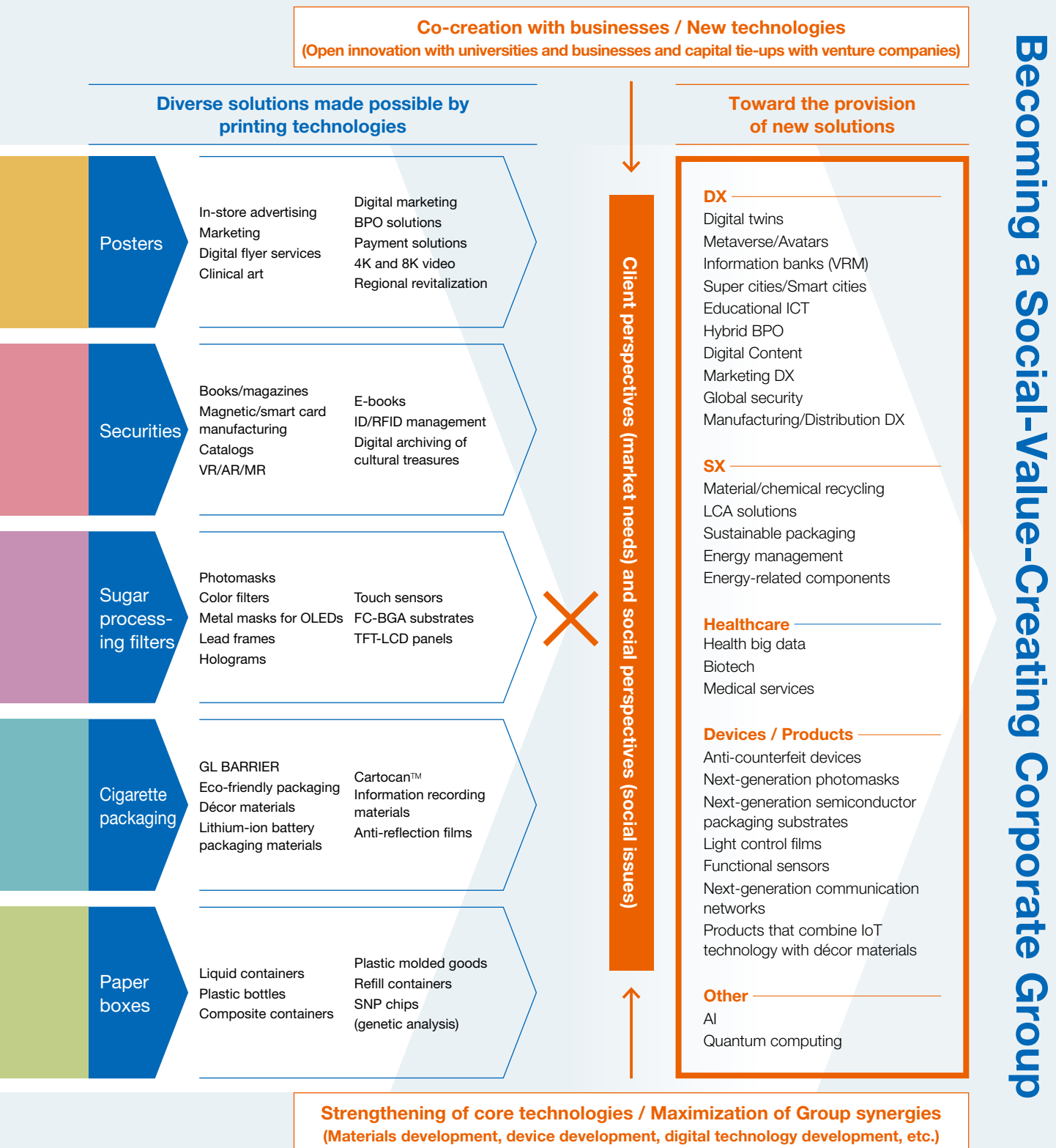
During our long history, printing skills—our starting point—became printing techniques. By further evolving these techniques through integration with diverse expertise and processing technologies, we have made printing technologies a proprietary resource.

Each of our five core technologies, **information processing**, **microfabrication**, **surface treatment**, **material forming**, and **marketing solutions**, has its own unique characteristics. Moreover, when they are combined in a multi-faceted manner they also have the power to produce diverse solutions.



Diverse Solutions

On a foundation of printing technologies, Toppan will continue to address client perspectives (market needs) and social perspectives (social issues). We will strive to create new forward-looking solutions while taking steps to strengthen our technologies, such as engaging in co-creation initiatives with other companies and leveraging Group synergies.



Value Creation Process

Business Environment

- Acceleration of digital shift, worldwide increase in environmental consciousness
- Global market expansion, geopolitical risk

Management Capital (Input)

As of March 31, 2023

Financial capital (consolidated)

- Growth investment
Cumulative plan for FY2022.3 to FY2024.3.
Approx. ¥274.0 billion
- Share capital
¥104.9 billion
- Total assets
¥2,238.8 billion

Human capital (consolidated)

- Number of employees
53,946
- Increasing people skilled in DX
4,000 people Groupwide

Manufacturing capital

- Main manufacturing bases
Domestic: Approx. 80 bases
Overseas: Approx. 70 bases
- Capital investment
¥92.1 billion

Intellectual capital

- Number of patents held
5,430
- Research and development expenditure
¥26.5 billion

Social capital

- Client base of approximately 20,000 companies
- Strong relationships with stakeholders

Natural capital

- Total energy consumption
20.885 TJ
- Total material input
1,742 thousand tons

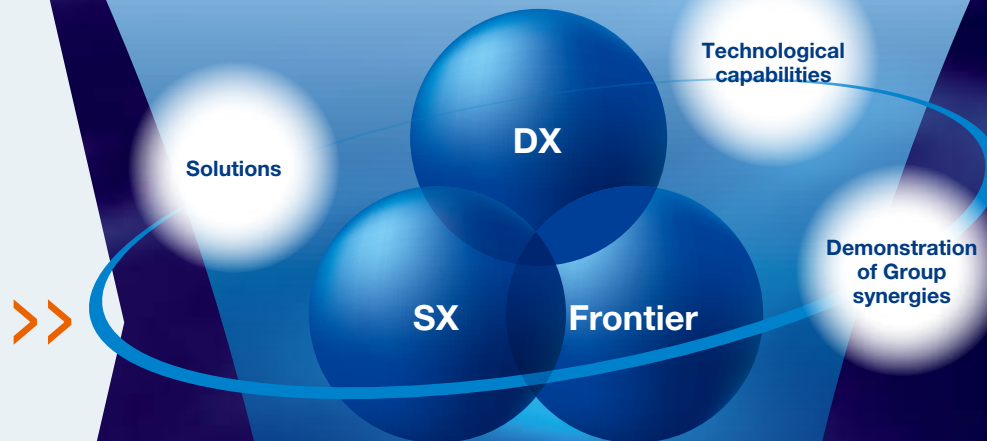
PURPOSE

Breathing life into culture, with technology and heart.

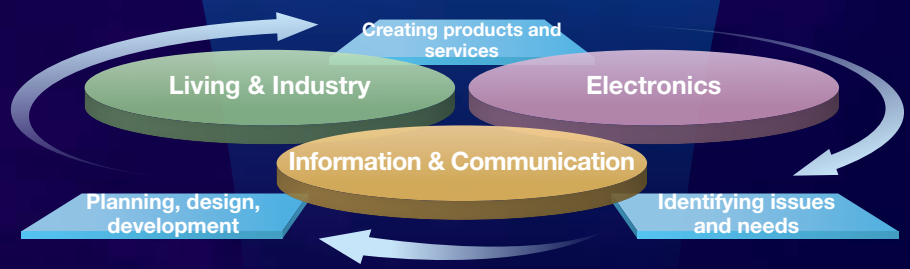
Social issue resolution

Customer network developed since our founding

Combination



Transforming the business portfolio



Materiality

- Business Materiality • Companywide Materiality

Foundation for Value Creation

- Human assets • Technologies • Sustainability management • Corporate governance

Values

- Integrity • Passion • Proactivity • Creativity

Major Products, Services, Etc.
(Output)

Erhoeht-X

- Hybrid-BPO
- Security business
- Marketing DX
- Digital content
- Manufacturing/Distribution DX

SX

- Packaging in Japan (flexible packaging materials)
- Overseas packaging
- Overseas décor materials

Frontier businesses

- Healthcare
- Metaverse
- Sensors

Financial and non-financial quantitative data

Results

- Net sales: **¥1,638.8 billion**
- Operating profit: **¥76.6 billion**
- ROE: **4.5%**
- Consolidated dividend payout ratio: **24.9%**
- CO₂ emissions:
 - Scope 1+2** **1,115kt**
 - Scope 3** **5,929kt**
- Final landfill waste disposal: **7,794t**
- Percentage of female managers: **12.2%**
(All Group entities consolidated for accounting purposes, including overseas)
- Engagement score: **70.6 points**

Value Created/Provided
(Outcome)

Digital & Sustainable Transformation

Becoming a leading provider of solutions to social issues worldwide through DX and SX

Maximize enterprise value

Social value

Environment

- Creating a circular economy
- Decarbonizing
- Preserving biodiversity
- Reducing water shortages

Communities

- Enhancing quality of life for communities
- Creating a safe society
- Contributing to culture

People

- Reducing food loss
- Creating educational environments
- Contributing to health through digital technologies

Economic value

Financial targets

- Net sales: **¥1,810.0 billion**
- Operating profit: **¥110.0 billion**
- ROE: **5.0%**
- Total payout ratio: **30%**

(During period of new Medium Term Plan: approximately 50%)
(Fiscal year ending March 31, 2026)

Interview with the President

We will pass on the DNA that has existed since our founding to the new TOPPAN and work to increase the presence of the Group in Japan and around the world.



Hideharu Maro

Representative Director
President & CEO

Q What is your view of the Group's results in the fiscal year ended March 31, 2023, which was the final year of the previous medium-term plan?



The economic environment included rising prices for raw materials and fuel, and inflation around the world. In this setting, we were able to bolster our foundation with a focus on the future while recording growth in net sales and operating profit.

In addition to the lengthening of the Ukraine situation and rising prices for raw materials and fuel, we continued to face an uncertain outlook, including global inflation. I think that we turned in a solid performance in this environment by achieving higher sales and profits, with gains in both net sales and operating profit.

In the Information & Communication segment, we have nurtured BPO as one of our business pillars. In BPO, certain special factors that existed up until the previous fiscal year, such as economic stimulus packages, have ended. However, we are advancing a shift toward continuous BPO projects that are not temporary. In addition, we have launched new businesses, such as metaverse initiatives based on our track record of a quarter century with TOPPAN VR, and they have already started to make a contribution to earnings.

In the Living & Industry segment, packaging was affected by higher costs for raw materials, and we could not avoid a decline in profits. On the other hand, in front-line sales we were resolute in price negotiations, and as a result the rate of price pass-through reached nearly 90% by the end of the fiscal year. In this way, we not only completed our short-term countermeasures but also put into motion a positive cycle regarding proper pricing, which had been a pending problem for many years.

In the Electronics segment, following a series of restructuring initiatives, volatility has been minimized and we have started to develop the ability to secure profits in a manner that is less susceptible to market conditions. In the year ended March 2023, the yen depreciated, and the semiconductor business recorded favorable results. This segment is making a significant contribution to Companywide profits. In particular, growth in FC-BGA substrates will be an important part of the reinforcement of our foundation as we focus on the adoption of next-generation communications and growth in demand for high-speed servers.

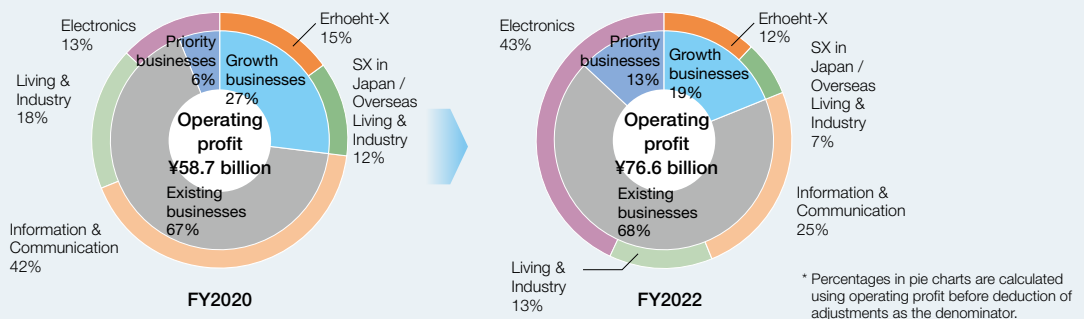
Through these types of initiatives, the probability of realizing our plan has increased, and in recent years operating profit has been steady at about ¥70.0 billion. In addition, we are recording steady growth in both net sales and operating profit. For example, in the fiscal year ended March 31, 2022, we achieved, one year ahead of schedule, the management targets in the previous medium-term plan (foundation building phase). In addition to this result, under the new medium-term plan that started in April 2023 (result delivery phase; hereinafter, the current medium-term plan), we will strengthen our technological advantages through further growth investment and work to link this to the delivery of specific results.

Q Under the new medium-term plan, what types of initiatives will the Company implement for business portfolio transformation?



We will work to significantly raise profitability, centered on two strategies. We will strive to increase profitability in DX and SX through combinations of internal resources, and we will expand the scale of new businesses (the frontier).

Business Portfolio Transformation



Looking at business portfolio transformation initiatives under the previous medium-term plan, in addition to the restructuring of existing businesses, we also reinforced and reorganized management resources. For example, in March 2022 we made listed subsidiary Toppan Forms a wholly owned subsidiary.

In comparison with the fiscal year ended March 31, 2021, in

the fiscal year ended March 31, 2023, the overall scale of operating profit increased. However, looking at the composition of operating profit, there was a decline in the share of growth businesses, such as DX (Erhoht-X), domestic SX, and overseas Living & Industry. This was attributable to clear factors, such as upfront investment to bolster the DX foundation,

the influence of higher raw materials prices on Living & Industry overall, and the influence of inflation on the overseas décor materials business. The absolute figure for operating profit combining growth businesses and semiconductor-related businesses (priority businesses) has actually grown.

However, we are not satisfied with the current speed of reforms. Under the current medium-term plan, we have set the following financial targets for the plan's final fiscal year, ending March 31, 2026. In comparison with the fiscal year ended March 31, 2023, we are targeting a 10.4% increase in net sales, to ¥1,810.0 billion; a 43.6% rise in operating profit, to ¥110.0 billion; and a gain of 1.8 points in ROE, to 5.0%, excluding special factors. This type of significant increase in profitability will not be possible simply by expanding the scale of existing businesses. Accordingly, we will need to pursue two strategies: (1) increase profitability in DX and SX through combinations of internal resources, and (2) expand the scale of new businesses (the frontier). Of these, the first will necessarily

entail restructuring, and for the second, the key will be to generate new themes and promptly scale up and monetize our main themes of focus.

The reason why generating multiple new themes is important is that there is a hit-and-miss element in new businesses, and one success requires a large number of new themes. Since I became president, we have increased the R&D budget by ¥10.0 billion, and going forward we will support the proliferation of seeds of growth for the future. Also, in regard to monetizing, we are encouraging independent, proactive R&D in which engineers themselves think of market exit strategies and make approaches to the markets.

These types of initiatives have already resulted in a number of promising businesses, centered on health care. During the period of the current medium-term plan, we intend to raise net sales from new businesses to five times the level in the fiscal year ended March 31, 2023 (¥50.0 billion), and to expand operating profit by ¥8.7 billion.

Q What is the thinking behind the reorganization initiatives, including the transition to a holding company, and the change in the Company's name?



Going forward, we will combine internal resources in an organic manner and work to achieve maximization of corporate value and worldwide group governance.

Integrated management of the three operating companies

Previously, the TOPPAN Group had a compartmentalized corporate structure and secured stable profits under the order-taking model. As we rolled out highly independent businesses in a wide range of fields, those businesses complemented each other, and we had been able to achieve stable dividends since our founding.

However, today companies are being called on to create higher added value. We live in an era in which rigorous questions are being asked about whether a company is generating sufficient profits through the efficient cycling of the capital received from shareholders, and whether they are able to create comprehensive value with consideration for ESG and the SDGs. Under the previous system, it was not only difficult to significantly increase profitability, it was also impossible to avoid lower corporate value under inefficient diversified management (the so-called conglomerate discount).

With consideration for this perspective on issues, in October 2023 the Group will transition to a holding company system. Under TOPPAN Holdings Inc., a holding company, there will be three operating companies. TOPPAN Inc., will take over the main divisions of Toppan Inc. TOPPAN Edge Inc. results from the integration of Toppan Forms and Toppan Inc.'s security division. TOPPAN Digital Inc. will advance the Groupwide DX business strategy. On this basis, we will advance integrated

group management while working to generate synergies.

As mentioned above, the aim of this reorganization is the combination of in-house resources. For example, looking at cases in which we are providing multiple products and services to a customer, such as business forms, sales-promotion-related tools, and packaging, in the past each unit approached different contacts at the customer separately. By adding new proposals that extend across businesses and are based on the analysis of big data, we will realize true total solutions for the first time. We will be able to break away from the cycle under which the provision of separate services is accompanied by price competition that leads to lower profits.

To date, the TOPPAN Group has cultivated vast technology and an excellent customer base. In order to effectively leverage this favorable position as an advantage, we will focus the entire Company on the fusion of resources in a manner that transcends organizational frameworks. On that basis, we will address markets as a unified TOPPAN Group. This is the major aim of the reorganization.

In the fiscal year ending March 31, 2023, the Group's overseas sales ratio surpassed 30%. In the face of calls for Group-based governance that extends across domestic and overseas operations, we felt that the timing was right for this reorganization.

From Toppan Printing to TOPPAN Holdings

In 2021, we changed the English version of the Company name from Toppan Printing Co., Ltd., to Toppan Inc. And now, accompanying our reorganization, we will remove the two

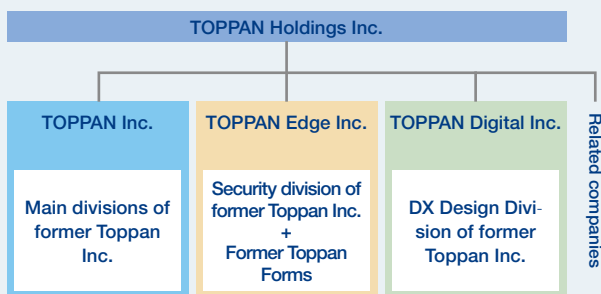
Japanese characters that mean "printing" from the Japanese company name as well.

There are likely some people who have mixed feelings



Transition to Holding Company Structure

Holding structure



Roles of the companies

- 1 **TOPPAN Holdings Inc.** Established October 2023
Integrated operation of operating companies from perspective of Groupwide optimization
- 2 **TOPPAN Inc.** Established October 2023
Taking over main divisions of Toppan Inc.
• Information/Living/Electronics businesses
- 3 **TOPPAN Edge Inc.** Established April 2023
Driving business portfolio transformation in information business
• Security/BPO businesses
- 4 **TOPPAN Digital Inc.** Established October 2023
Advancing Groupwide DX business strategy
• DX business development/IT infrastructure & governance

about changing the name that we have used for more than 120 years since our founding. However, there will be no change to the corporate DNA that we have inherited. The words “create dedicated products by harnessing our vibrant knowledge and technology” in our corporate philosophy make clear that we are the same TOPPAN. Our starting point was the Erhöht relief printing method, a leading-edge technology at the time of our founding. We have since expanded

into a wide range of business fields and made advancements in our proprietary printing technologies.

Looking 100 years ahead, in order to continue to be a leading company as a truly diversified enterprise, it will be necessary to highlight that our essential spirit remains unchanged. We will need to rigorously consider our approach to printing technologies and significantly transform our traditional business model, which was based on printing in a narrower sense.

Q What are the focus strategies for DX and SX in the new medium-term plan?



In DX, we will work to increase value added through the demand-creation model, and in SX we will pursue a three-pronged production network in Japan, the U.S., and Europe.

DX: Achieving a high level of growth by supporting the digital transformation of customers

In DX (Erhöht-X), in parallel with initiatives to strengthen our in-house management foundation (internal DX), we will strengthen initiatives in demand-creation businesses, which anticipate issues faced by customers and society. The point is that rather than starting to act after the receipt of an order, we

will take the initiative in the provision of services. Based on data from past projects, we will prepare a standardized service model in advance and provide services aligned with customer needs. This will make possible business operations with higher added value and productivity.

Under the current medium-term plan, we will place a special focus on three businesses — Hybrid-BPO, the security business, and marketing DX — and we will expand the workforce for these areas from the current level of 4,000 to 6,000. In this

way, we will aim to achieve net sales of ¥500.0 billion and an operating profit margin of 8% in the fiscal year ending March 31, 2026.

 >> [Please refer to pages 30 to 35](#)

SX: Toward a three-pronged GL BARRIER production network in Japan, the U.S., and Europe

In the packaging business, we have expanded our bases, principally in the U.S., Southeast Asia, and India. The trend toward a circular economy in Europe is presenting a large new market for our sustainable (SX) packaging materials.

In Europe, the introduction of new packaging regulations is currently under consideration. These regulations would mandate the reuse/recycling of packaging materials and the prohibition of excessive packaging. If these regulations are approved, in principle, a recyclable design will be mandatory for all packaging materials by January 2030. This movement is also spreading in Japan, and the introduction of SX packaging

materials into the market will likely gain pace.

With consideration for these trends, we will advance the supply of SX packaging materials utilizing mono-materials suitable for recycling, centered on GL BARRIER, an environmentally friendly transparent barrier film. To establish a three-pronged production network in Japan, the U.S., and Europe, we are currently advancing the establishment of a new base in the Czech Republic, with the objective of putting it into operation at the end of 2024.

 >> [Please refer to pages 36 to 39](#)

Q What is the Group's basic approach to its human asset strategy and the current status of initiatives?



We are working to secure and develop excellent personnel in Japan and overseas by strengthening alignment with our business portfolio transformation and reinforcing our employment branding.

It is the capabilities of human assets that determine the competitiveness of a company, and enhancing the performance of employees is an important management issue. The TOPPAN Group, through systematic education and training programs, is working to advance the development of capabilities in alignment with the careers of individual employees. We have introduced an original job-type-based personnel system for the selection of younger employees and for the provision of opportunities for active careers to senior employees. In addition, in the development of next-generation leaders, we are implementing training programs under the supervision of the president.

In regard to business portfolio transformation, we are focusing on the development of human assets in DX/SX growth businesses, especially data scientists. We are also actively utilizing external certification exams. Moreover, we have appointed personnel dedicated to hiring for DX positions, and are working to advance

human asset acquisition through a variety of routes. We are also taking steps to increase the flexibility of internal human assets, such as through the Reskilling Center.

As the largest group in the industry, TOPPAN is in a comparatively favorable position in regard to human asset acquisition. However, we expect hiring competition to intensify as we move into new business fields. The TV commercial that we have been running for the past two years highlights the Group's wide-ranging value creation and is functioning as an effective means of branding for our recruitment initiatives. Also, overseas, especially in Southeast Asia, the TOPPAN brand is spreading through joint ventures and tie-ups with strong local partners, and this has made it easier to secure excellent human assets. By developing and selecting local leaders under these circumstances, the local production for local consumption model will also inform our human asset strategy on a global basis.

Q What is your honest view of the current state of Board governance?



We significantly improved the effectiveness of the Board of Directors through governance reforms instituted in 2021. This has contributed to objectivity and transparency in management decision-making.

In June 2021, we reduced the number of Board members to nine, with one-third being independent external directors. In addition, we streamlined the agenda items that are presented to the Board. Through these governance reforms, I think that

discussions by the Board have been significantly enhanced, including the number and length of remarks. In the annual assessments of the effectiveness of the Board, we receive generally high evaluations.

The diverse opinions of the external directors, provided from specialized viewpoints, contribute substantially to the objectivity and transparency of management decision-making. In regard to the transition to a holding company, while agreeing with the transition, these directors asked a number of questions about the balance between the centralized power of the holding company and the delegation of authority. The TOPPAN

Group, while basically employing a centralized approach to governance, has a policy of having Company directors also serve as directors of operating companies in order to foster more flexible management decision-making and information sharing. Going forward, we will strive to identify further creative initiatives to facilitate sufficient supervision and advice by the external directors at meetings of the Board.

Q What direction will be taken by the new TOPPAN Group?



Through management that is balanced in all areas, we will aim to significantly increase ROE and strive to enhance the presence of the TOPPAN Group.

Under our medium- to long-term roadmap, we have set an ROE target of 5% for the fiscal year ending March 31, 2026, the final year of the current medium term plan. In addition, we have set a target of more than 8% for the next medium-term plan (sustainable growth phase). However, these are minimum figures. Subsequently, we will strive to achieve ROE of 10%.

Growth in overseas businesses is a major assumption for these targets. Business portfolio transformation is certainly an important theme, but it will be difficult to achieve this level of profitability simply by reorganizing our domestic businesses. In contrast with Japan, where there is a low birthrate and an aging society, there are larger growth opportunities overseas. Through optimal global growth strategies, such as for Europe, North America, Asia, and Africa, we will aim to raise the overseas sales ratio to 50% at an early stage. In this way, we will likely see the realization of a level of ROE that is suitable for a company on the Tokyo Stock Exchange Prime Market.

The reason why I focus on ROE is that it shows the optimal balance in corporate management. By recording a high level of profit in a stable manner while efficiently cycling capital, we should naturally see a price-to-book ratio of greater than 1. My philosophy calls for management that is balanced in every way. While providing sufficient return of profits to shareholders and investors, we will pay close attention to the well-being of all employees and focus the strengths of the TOPPAN Group on maximizing corporate value.

October 2023

Representative Director,
President & CEO



Message from the CFO

We will strive to contribute to the maximization of corporate value through sincere dialogue with capital markets and management based on a “commitment to keeping our word.”

Takashi Kurobe

Director
 Managing Executive Officer & CFO
 Finance & Accounting Division
 Overseeing Global GRC Division



Results in the Fiscal Year Ended March 31, 2023

In the fiscal year ended March 31, 2023, the Company concluded the previous medium-term plan (foundation building phase). Looking at our consolidated results, net sales were up 5.9% year on year, to ¥1,638.8 billion, and operating profit rose 4.3%, to ¥76.6 billion. We significantly exceeded our initial plan targets. Profit attributable to owners of parent declined 50.6%, to ¥60.9 billion. This was attributable to such factors as a difference from the previous year in gain on sales of strategic shareholdings, which will be discussed later in this section, as well as an impairment loss (delayed realization of acquisition synergies) due to COVID-19 and other impacts. Revenues and profits in our core operations recorded steady growth.

In sales, a decline in BPO relative to favorable performance in the previous year was covered by growth in marketing DX and the security business. Furthermore, our overseas sales ratio surpassed 30% due to the contributions of M&A initiatives in the packaging field and other factors. In the Electronics segment, strong semiconductor demand benefited photomask and FC-BGA operations, which made a significant contribution to Companywide profits.

Looking at profit, higher prices for petrochemical materials, paper, and energy had the effect of reducing profits by ¥6.1 billion. However, the rate of price pass-through has reached 90%. Accordingly, in the current fiscal year, ending March 31, 2024, the price pass-through will be reflected in results and we expect this to make a contribution to increasing profits.

Financial Strategy in the New Medium Term Plan

The Company commenced the new medium-term plan (result delivery phase) in April 2023. Under this plan, we will advance the following three financial strategies in accordance with our basic policy.

Strengthening investment for sustainable growth

Under the new medium-term plan, we will implement focused investment with an unprecedented sense of urgency. Over three years, we plan to generate operating cash flow of more than ¥400.0 billion and to allocate nearly all of that to growth investment. We will secure ¥100 billion for business investment targeting inorganic growth, such as through M&A initiatives. In addition, two-thirds of funds for capital investment (approximately ¥200 billion) will be allocated to growth businesses, such as DX and SX, and to initial stage businesses. We will implement investment with consideration for the investment efficiency of individual projects (ROIC).

Forecast for fiscal 2023 to 2025	
Cash in	Cash out
Operating cash flow* ¥400 billion plus	Growth investment Approx. ¥400 billion
Asset divestment ¥120 billion plus	Shareholder returns ¥140 billion plus
Cash on hand Approx. ¥260 billion	Additional returns
	Structural reform, etc.
	Business restructuring Consolidation of production bases Akihabara reconstruction Responding to legal amendments
Maintain sound financial position Make proactive investments to achieve medium- to long-term targets while ensuring appropriate cash on hand to maintain a sound financial position	
* Operating cash flow is calculated before the deduction of tax payments associated with asset divestment.	

Capital policy commitments	
<ul style="list-style-type: none"> Conduct ¥100 billion of share buybacks over three years Maintain total payout ratio of at least 30% and work to raise dividend level (Expecting total payout ratio of at least 50% for fiscal 2023 to 2025) As a minimum target, reduce strategic shareholdings to less than 15% as a percentage of consolidated net assets 	
Priority measures	
Growth investment	Make investments in M&A and other business investment as well as priority investments in initial stage and growth businesses
Structural reform, etc.	Business restructuring / Consolidation of production bases Restructure and consolidate folding carton, existing printing, and unprofitable businesses
	Use of land Drive effective use of idle assets in Itabashi, Asaka, Sagami-hara, etc.
	Akihabara reconstruction Consolidate dispersed bases in Tokyo at Akihabara as a hub for achieving Group synergies after transition to holding company structure and reduce costs through consolidation
	Other Introduce stock compensation plan for employees ¥60 billion for responding to subcontractor law based on Declaration of Partnership Building

Advancing structural reforms

Cash on hand of ¥260.0 billion will be used as funding for accelerating the structural reform of unprofitable businesses, such as the folding carton business and the existing printing business. In fields with low investment efficiency, we will consider not only reorganization and consolidation of locations but also downsizing and withdrawal. Furthermore, we will advance such measures as utilizing idle asset land and redeveloping the Akihabara site.

Accompanying the transition to a holding company, the former Toppan Inc. will be split into three companies, and accordingly we anticipate a temporary increase in system construction, administrative, and other expenses. On the other hand, a variety of business synergies within the Group are giving rise to initiatives in such areas as cross-selling and prevention of overlapping investments. Our plan is to absorb the above cost increases by maximizing these types of synergies (equivalent to ¥3 billion to ¥5 billion of operating profit in the final fiscal year of the plan) and by allocating management resources in an optimal manner.

Providing stable returns to shareholders

We have changed a portion of our shareholder return policy from the fiscal year ending March 31, 2024. Through stable dividends and flexible treasury stock purchases, we will return profits with the aim of maintaining a total payout ratio of at least 30%. During the period of the new medium-term plan, we expect shareholder returns to be more than ¥140.0 billion, including ¥100.0 billion in treasury stock purchases, with a total payout ratio of more than 50%. To fund this, we will utilize more than ¥120.0 billion from the sale of assets, including strategic shareholdings, as well as a portion of cash on hand.

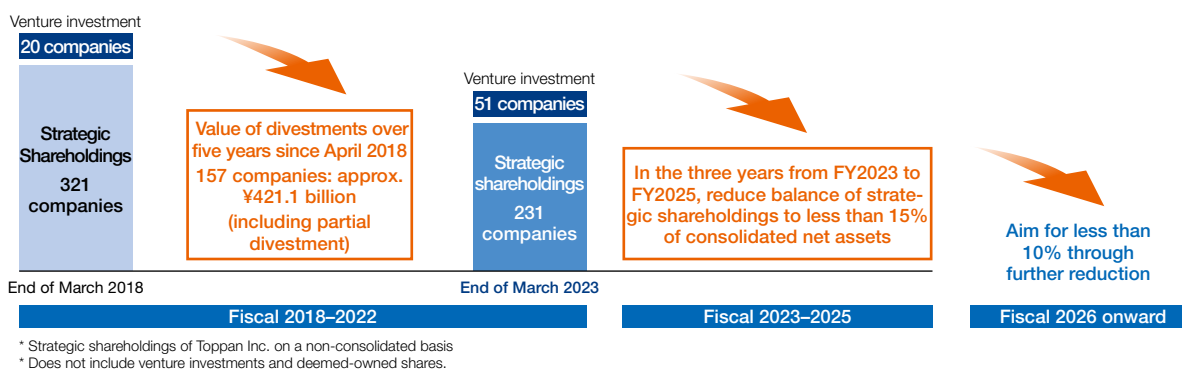
Through these initiatives, we will target sustainable growth and improvement in capital efficiency while controlling the equity ratio at the current level. We will aim to achieve an ROE of 5% in the final fiscal year of the plan.

Looking at per-share dividends for the fiscal year ended March 31, 2023, in light of results under the previous medium-term plan, we implemented a ¥2.00 increase, for an annual dividend of ¥46.00 per share (interim: ¥22.00, year-end: ¥24.00). In the fiscal year ending March 31, 2024, in accordance with the above policy, we are planning an annual dividend of ¥48.00 per share as well as up to ¥40.0 billion in treasury stock purchases (up to May 2024).

Policy for Reduction of Strategic Shareholdings

With the objective of maintaining long-term relationships with customers, the Company previously had a large number of strategic shareholdings. However, aiming to improve capital efficiency, since April 2018 we have accelerated initiatives to reform our balance sheet. Specifically, we have assessed the rationality of individual shareholdings and have worked to reduce the total amount of holdings. We have sold ¥421.1 billion in holdings, and the ratio of strategic shareholdings to consolidated net assets has been reduced to nearly 20%. Under the new medium-term plan, we will continue to implement sales, and we will strive to reduce this ratio to less than 15% during the period of the plan. Subsequently, we will aim to reduce it further, to less than 10%.

Changes in strategic shareholdings



Targeting the Maximization of Corporate Value

For some time, the Company’s stock price has stayed at a comparatively low level from the perspective of the future value of its businesses. In aiming to significantly increase ROE and achieve a price-to-book ratio of 1 at an early stage, it will be important to further raise profitability and capital efficiency and to implement active disclosure for capital markets.

Accordingly, from this fiscal year, we have implemented an IR-Day initiative. Officer-level executives, who have responsibility for businesses, explain the targets and growth strategies for each business and make external commitments. Through management based on a “commitment to keeping our word,” we will increase the effectiveness of initiatives and steadily implement measures in line with the plan while acknowledging the rigorous perspective of capital markets.

Overseas businesses account for the majority of our consolidated subsidiaries. In this setting, the TOPPAN Group is marking its second founding. From the perspectives of management that is conscious of the cost of capital and stock price and of global governance, risk, and compliance, we will strive to contribute to the establishment of a new TOPPAN that is focused on the next 100 years.

Overview of New Medium Term Plan (Result Delivery Phase)

Review of Previous Medium Term Plan

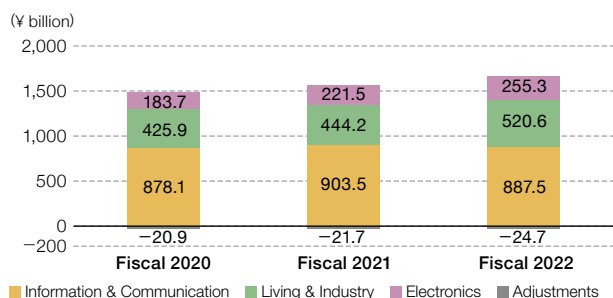
Under the previous Medium Term Plan (April 2021 to March 2023), which was the first phase (foundation building) of our medium to long term road map, we recorded steady growth in the overall scale of net sales and operating profit. In the fiscal year ended March 31, 2023, the final year of the plan, we recorded operating profit of ¥76.6 billion and ROE of 4.5% (3.2% excluding special factors, on a business basis), meaning we have landed at roughly the same level as the operating profit target of ¥77.0 billion announced on May 11, 2022. In the most recent two years, our operating profit base has been steady at around ¥70.0 billion. Overall, consolidated net sales and operating profit have recorded solid growth. For example, when we announced the Medium Term Plan, the initial fiscal 2022 target for operating profit was ¥67.0 billion. However, we achieved this target in fiscal 2021, one year ahead of schedule.

We also achieved a certain level of results with corporate transformation initiatives, including qualitative elements, such as strengthening our management foundations and expanding our ESG initiatives. On the other hand, we are targeting more sustainable growth and value creation, and we have positioned the acceleration of transformation, strengthening, and expansion as a further challenge. To address this challenge, the acceleration of transformation, strengthening, and expansion have been incorporated in the formulation of the new Medium Term Plan and are reflected in our three priority measures.

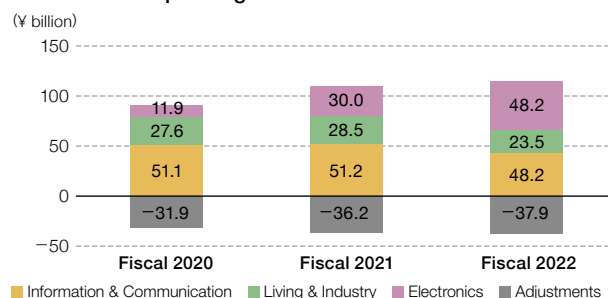
■ Improvement in Earning Capacity (Performance)

Consistent growth in top line of net sales and operating profit Scale of growth and priority businesses expanding but transformation still in progress

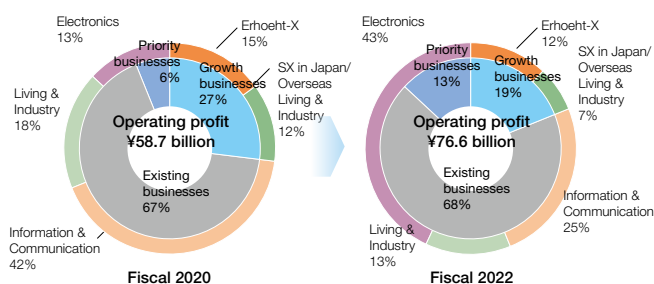
Consolidated Net Sales



Consolidated Operating Profit

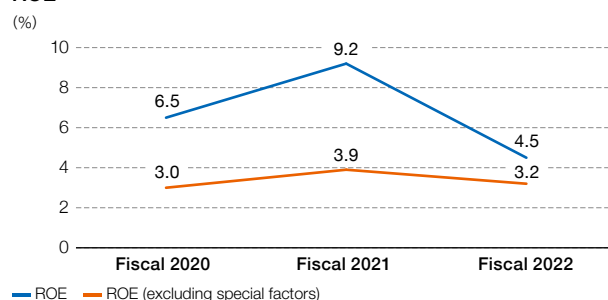


Business Portfolio Transformation



* Percentages in pie charts are calculated using operating profit before deduction of adjustments as the denominator.

ROE



■ Results & Challenges

Corporate transformation in the foundation building phase has produced a certain level of results Our Challenge is to further accelerate sustainable growth for value creation

Results

Transforming the business portfolio	<ul style="list-style-type: none"> Expanded scale of growth and priority businesses Implemented structural reform of existing businesses Toppan Forms made into a wholly owned subsidiary Photomask business carved out
Strengthening management foundations	<ul style="list-style-type: none"> Preparations launched for transition to holding company structure Ended use of legacy systems/developed new system infrastructure R&D for growth fields strengthened DX talent developed/enhanced
Expanding ESG initiatives	<ul style="list-style-type: none"> Established environmental vision, responded to TCFD Promoted diversity & inclusion, established Group human rights policy Established sustainable procurement guidelines Scaled down number of directors and reduced strategic shareholdings

Challenges

Accelerate speed of transforming, strengthening, and expanding	<ul style="list-style-type: none"> Drive shift to higher profits by establishing earnings model Develop infrastructure directly linked to generating Group synergies Evolve sustainability management by developing and putting into practice
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New Medium Term Plan and Three Priority Measures

The new Medium Term Plan (April 2023 to March 2026) corresponds to the result delivery phase of our medium to long term road map. For the next three years, “Digital & Sustainable Transformation” will continue to be the key concept for the TOPPAN Group. We will work to amplify the creation of economic and social value worldwide through DX*¹ and SX*² while accelerating transformation and expansion.

Specifically, with our investment and financial strategies focused on sustainable growth, we will implement three medium-term priority measures — transforming our business portfolio, strengthening our management foundations, and expanding our ESG initiatives.

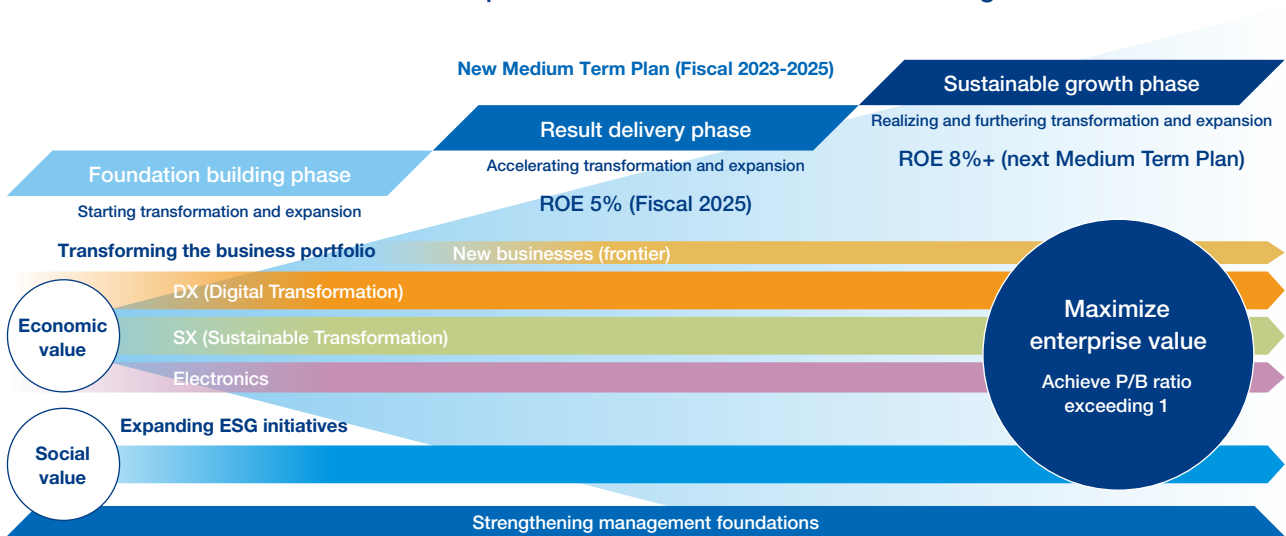
>> For investment and financial strategies, please refer to page 22.

*1. DX: Digital Transformation (leveraging digital approaches to transform society, customers’ businesses, and Toppan’s own businesses)

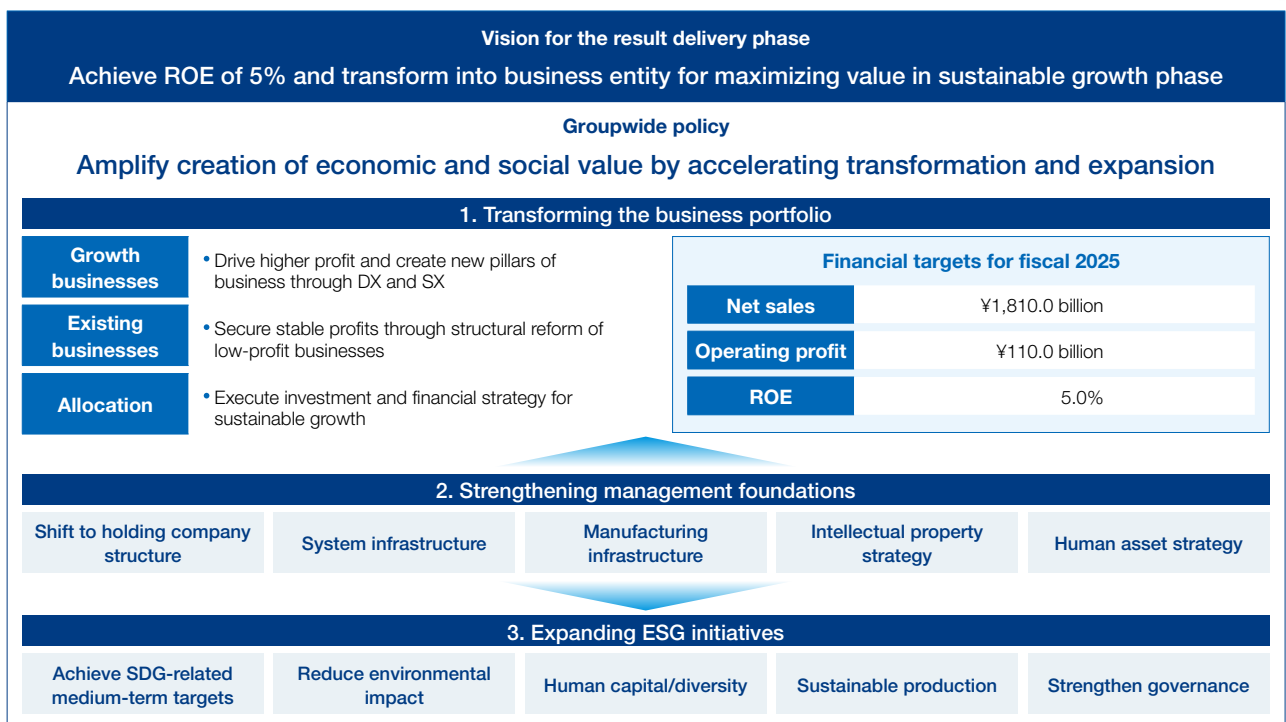
*2. SX: Sustainable Transformation (fostering transformation with the aims of resolving social issues through business activities and implementing management with a focus on sustainability)

■ Positioning of Result Delivery Phase

The result delivery phase is positioned as a period for “accelerating transformation and expansion,” and we will increase the speed of initiatives focused on maximizing value



■ Overall Picture for Result Delivery Phase



1 Transforming the Business Portfolio

We carefully evaluated the Group's businesses along two axes — attractiveness of market (growth potential) and business efficiency (ROIC). On that basis, we mapped our businesses into four domains: growth businesses, initial stage businesses (new businesses), businesses with stable profit, and businesses requiring review. In growth businesses, on the upper right of the chart, we will establish high-profit business models for Erhoeht-X (digital business, BPO, etc.) and pursue growth in business scale for domestic SX packaging and overseas Living & Industry operations. In addition, we will work to generate profits by increasing the scale of initial stage businesses, and will strive to shift these businesses to growth businesses.

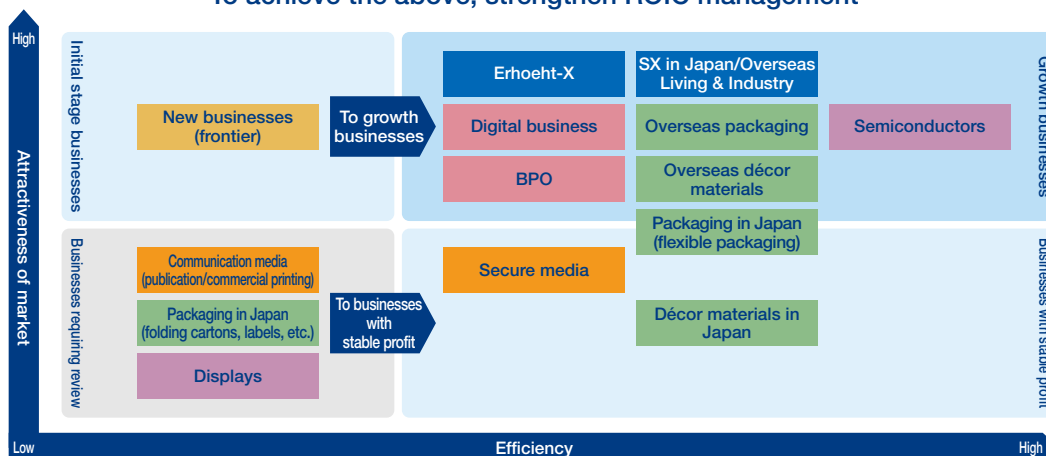
Moreover, we will implement structural reforms in existing businesses, including consideration of reducing our operational scale or withdrawing. We will strive to transition these operations into businesses with stable profitability.

Going forward, we will strengthen this type of ROIC-based portfolio management. In the fiscal year ending March 31, 2026, the final fiscal year of the Medium Term Plan, we will aim to have growth businesses account for more than half of our profit and to achieve operating profit of ¥110.0 billion, led by growth businesses.

>> For business strategies by segment, please refer to pages 30 to 47.

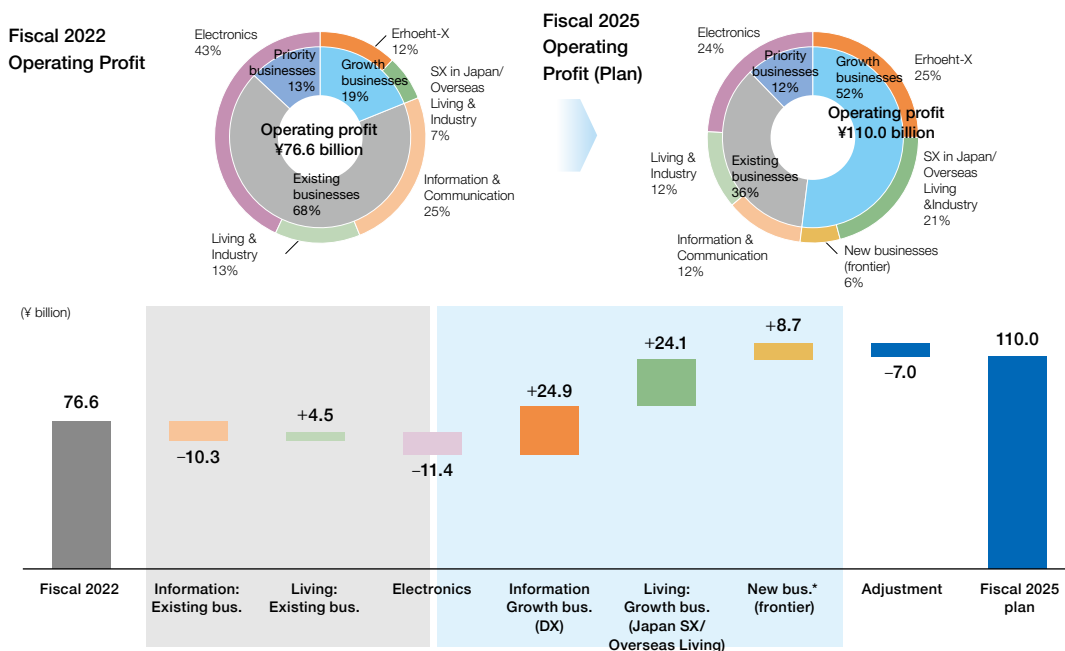
Transforming the Business Portfolio

Drive focus on and shift to growth businesses and transition businesses to stable profit
To achieve the above, strengthen ROIC management



Vision for Profit Expansion

Expand growth business to more than half of total and target operating profit of ¥110 billion in final year



*Sales and operating profit of new businesses are included in target figures of each segment.

② Strengthening Management Foundations

In October 2023, the TOPPAN Group transitioned to a holding company system. TOPPAN Inc. has taken over the main divisions of Toppan Inc. TOPPAN Edge Inc. resulted from the integration of the former Toppan Forms and Toppan Inc.'s security division. TOPPAN Digital Inc. has responsibility for advancing the Groupwide DX business strategy. The holding company, TOPPAN Holdings Inc., provides integrated management of these three operating companies. On this basis, we will strive to further leverage Group synergies, advance business models, and build a system that can provide high-value-added products and services that enhance customer satisfaction. At the same time, we will work to significantly strengthen governance.

In connection with the transition to a holding company, targeting the strengthening of management foundations from a Groupwide perspective, we will implement the following measures.

System infrastructure

Over three years we will invest more than ¥20.0 billion, including investment in the development of data usage infrastructure to support Erhoeht-X expansion and in the revamping of management infrastructure through a new core system. In this way, we will strengthen infrastructure from both offensive and defensive perspectives.

Manufacturing infrastructure

We will aim to reduce manufacturing costs by ¥20.0 billion per year by advancing the transition to smart factories at manufacturing bases nationwide and by fostering innovation in manufacturing.

Intellectual property strategy

We will build robust business models based on IP landscapes, and in addition, we will strengthen IP governance Groupwide and advance an IP strategy that contributes to competitive advantages.

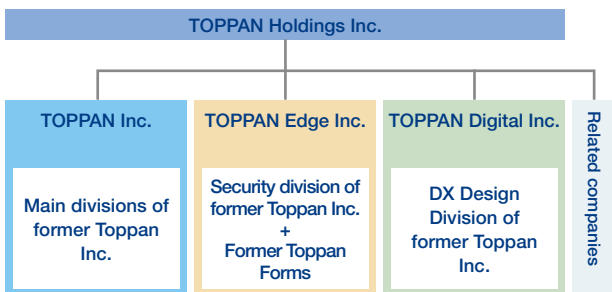
Human asset strategy

We will secure, leverage, and develop human assets to drive growth businesses. In parallel with initiatives to secure human assets with global experience, we will expand to a workforce of 6,000 people in Erhoeht-X related areas, and link business strategy and human asset strategy.

■ Transition to Holding Company Structure

Transition to holding company management structure in October 2023 to maximize Group synergies and strengthen Group governance

Holding structure

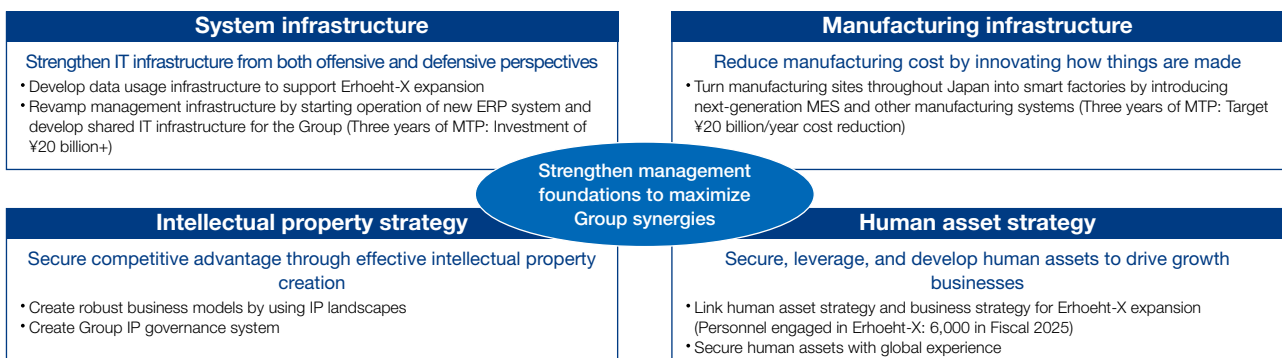


Roles of the companies

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• Information/Living/Electronics businesses
- 3 **TOPPAN Edge Inc.** Established April 2023
Driving business portfolio transformation in information business
• Security/BPO businesses
- 4 **TOPPAN Digital Inc.** Established October 2023
Advancing Groupwide DX business strategy
• DX business development/IT infrastructure & governance

■ Strengthening Management Foundations to Support Growth Strategy

Strengthen management foundations from a Groupwide perspective in preparation for transition to holding company structure



3 Expanding ESG Initiatives

Targeting the creation of social value, the TOPPAN Group has identified material issues for business-specific activities and Companywide activities. In business-specific activities, we are working to achieve SDG-related medium-term targets. In Companywide activities, we are promoting initiatives for environmental impact reduction, human capital and diversity, and sustainable production. In these ways, we are working to implement sustainability management.

In regard to the achievement of SDG-related medium-term targets, we have set medium-term targets (fiscal 2025 / fiscal 2030) in nine themes, and at this point the status of progress is generally favorable. Going forward, we will steadily advance initiatives in coordination with the Medium Term Plan while paying close attention to the most recent results and circumstances.

In addition, in regard to environmental impact reduction, in April 2023 we expanded the content of the TOPPAN Group Environmental Vision, and we have set medium-term targets (fiscal 2030, etc.) in four themes. In particular, in “contributing to decarbonization,” we aim to achieve net zero Scope 3 greenhouse gas emissions and we will take steps to address the 1.5 degrees Celsius threshold.* In addition, for each theme the targets have been revised upward.

* A scenario in which the increase in temperature is limited to 1.5°C in comparison with pre-industrial levels. From spring 2023, TOPPAN has set targets for Scope 1+2 and Scope 3 based on this, and expanded the scope of reductions (in terms of bases).

>> For sustainability management, please refer to pages 66 to 69.

Efforts Focused on Sustainability Management

Create social value by practicing sustainability management through business-specific and Companywide activities



Efforts to Reduce Environmental Impact



Efforts driven by specific business activities

Achieve SDG-related medium-term targets

Efforts driven by Companywide activities

- Environmental impact reduction
- Efforts focused on human capital and diversity
- Sustainable production

■ Efforts to Reduce Environmental Impact

Expansion of Toppan Group Environmental Vision 2050

Item	Vision	Medium-and-Long-Term Targets for Fiscal 2030
Contributing to Decarbonization	Aiming for net zero Scope 1, 2, and 3 greenhouse gas emissions	<ul style="list-style-type: none"> • Scope 1+2: Reduce by 54.6% compared to fiscal 2017 level (Renewable energy ratio of 6.5%) Fiscal 2025 target • Reduce by 33.6% compared to fiscal 2017 level • Scope 3: Reduce by 54.6% compared to fiscal 2017 level Fiscal 2025 target • Reduce by 33.6% compared to fiscal 2017 level
Preserving Biodiversity	Aiming for a society that coexists in harmony with nature, balancing conservation with socioeconomic activity	<ul style="list-style-type: none"> • 100% legal compliance in procurement of raw materials of paper • Contribute to the conservation of regions in which humans coexist with nature both inside and outside the Group, with an area equivalent to 10% of the area of manufacturing sites
Contributing to Resource Circulation	Aiming for zero waste emissions	<ul style="list-style-type: none"> • Final landfill waste disposal volume: Reduce by 60% compared to fiscal 2017 level • Waste plastic material recycling rate: Increase by 12% compared fiscal 2017 level
Optimal Water Use	Contributing to achieving optimal water use and improving water quality by preventing pollution	<ul style="list-style-type: none"> • Achieve water withdrawal reduction targets for at least 50% of sites with high water risk (water stress exceeding 40%) • Ensure no cases of action taken by authorities due to exceeding regulatory threshold values

■ Efforts Focused on Human Capital and Diversity

Item	Initiatives	Medium-term targets for fiscal 2025
Creating Human Asset Development Programs	Secure talent to support business portfolio transformation and implement diverse human asset development programs 	<ul style="list-style-type: none"> • Human assets engaged in Erhoeht-X: 6,000 • Rollout of measures for more human asset fluidity within the Group • Development of management talent
Promoting Diversity & Inclusion	Advance women's participation Provide support for balancing work with childcare or nursing care Implement efforts related to sexual diversity	<ul style="list-style-type: none"> • Percentage of female managers: 14.7%*1
Employee Well-being	Enhance employee job satisfaction Further advance promotion of health of employees and their families Enhance physical and mental condition of every employee	<ul style="list-style-type: none"> • Engagement score: Increase by 5 points compared to fiscal 2021*2 (Fiscal 2021 score: 69.8) • Health risk score: Improve by 6 points compared to fiscal 2021 (Fiscal 2021 score: 102) • Condition risk assessment: Improve by 4 points compared to fiscal 2021 (Fiscal 2021 score: 21.1)
Personnel System	Introduce unique Toppan job-type-based personnel system Design new system to align enterprise value enhancement and employee motivation	<ul style="list-style-type: none"> • Job-type-based personnel system introduced in fiscal 2022 • Consider stock compensation plan for employees

*1: Entire Toppan Group (including outside Japan)

*2: Consolidated Toppan Group companies in Japan

Management Targets in the New Medium Term Plan

Through the above initiatives, in terms of financial indicators we will aim for net sales of ¥1,810 billion, operating profit of ¥110 billion, and ROE of 5% on a business basis in the fiscal year ending March 31, 2026, the final year of the Medium Term Plan. We will strive to expand the creation of both economic value and social value, leading to the realization of ROE of more than 8% and a P/B ratio of more than 1 in the third phase (sustainable growth).

Management Target Figures (fiscal year ending March 31, 2024 to fiscal year ending March 31, 2026)

(million ¥)

	March 31, 2023 (results)	March 31, 2024 (plan)	March 31, 2026 (plan)
Net sales	1,638,833	1,645,000	1,810,000
Operating Profit	76,636	78,000	110,000
ROE (%)	4.5	3.3	5.0

Special Feature: Growth Strategies by Business in the New Medium Term Plan

Information & Communication

Accelerating the Shift to Erhoeht-X

Overall Picture and Positioning of Erhoeht-X

The Information & Communication segment contributed 53% of the Company's net sales in the fiscal year ended March 31, 2023. The sub-segments are the digital business and BPO, which are growth fields, as well as secure media and communication media, which are existing printing fields. Erhoeht-X is principally a concept for supporting the digital transformation of companies. In other words, we have an especially strong competitive edge in the digital business (Security, Marketing DX, Digital Content, Manufacturing/Distribution DX) and in the BPO business (Hybrid-BPO). These businesses are DX priority categories.

The basic strategy of the current Medium Term Plan is to realize a high level of growth by supporting the digital transformation of customers as a partner in value co-creation, centered on these five priority categories. In the fiscal year ending March 31, 2026, the final year of the plan, we plan to increase overall Information & Communication sales to ¥965.0 billion, from ¥887.5 billion in the fiscal year ended March 31, 2023, and to increase Information & Communication operating profit to ¥62.0 billion, from ¥42.8 billion in the fiscal year ended March 31, 2023.

For the digital business and BPO, we will aim to significantly increase scale and profitability by expanding priority categories and establishing cyclical business models. In the fiscal year ending March 31, 2026, we will strive to increase Erhoeht-X sales to ¥500.0 billion, from ¥280.0 billion in the fiscal year ended March 31, 2023; to raise the percentage of overall Information & Communication sales contributed by Erhoeht-X to 52% from 29% in the fiscal year ended March 31, 2023; and to expand the Erhoeht-X operating profit margin to approximately 8%, from approximately 5% in the fiscal year ended March 31, 2023.

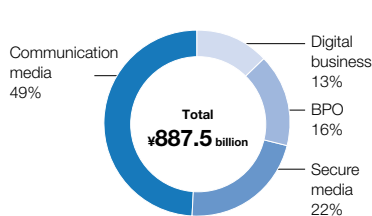
On the other hand, in the two existing printing fields, the theme will be maintaining and improving profitability through structural reforms. Going forward, we will continue to consolidate production bases in anticipation of the market outlook and will shift management resources to DX fields in a step-by-step manner.

FY2022 Information & Communication

Net sales: ¥887.5 billion, operating profit: ¥42.8 billion (operating margin: 4.8%)

		5 priority categories				
Growth businesses	Digital business	Erhoeht-X	Security	Marketing DX	Sales	¥116.7billion
			Digital content	Manufacturing / distribution DX	Operating margin	Approx. 4%
	BPO		Hybrid BPO		Sales	¥144.9 billion
			Operating margin	Approx. 10%		
Existing businesses	Secure media	Securities printing	Publication printing	Sales	¥197.5 billion	
		DPS (data printing services)	Textbooks	Operating margin	Approx. 6%	
	Communication media	Smart cards/tags	Commercial printing	Sales	¥428.3 billion	
		Overseas financial printing	Sales promotion	Operating margin	Approx. 3%	

FY2022 Sales

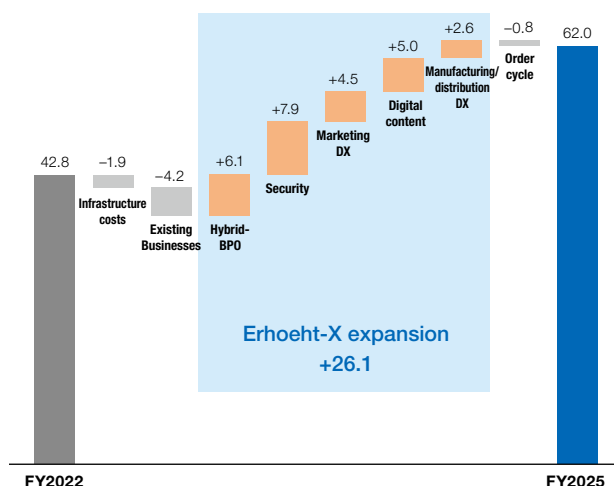


Operating profit ¥42.8 billion Operating margin 4.8%

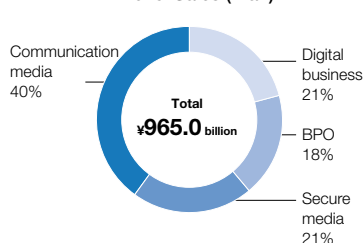
Category	Operating margin
Digital business	Approx. 4%
BPO	Approx. 10%
Secure media	Approx. 6%
Communication media	Approx. 3%
Erhoeht-X	Percentage of sales 29% Operating margin Approx. 5%

Changes in Operating Profit

(¥ billion)



FY2025 Sales (Plan)



Operating profit ¥62.0 billion Operating margin 6.4%

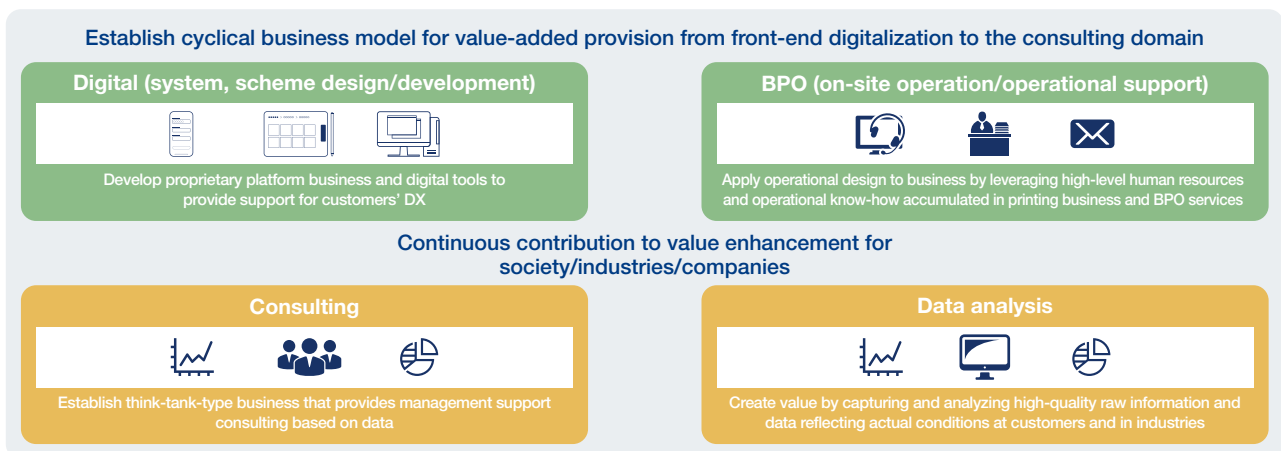
Category	Operating margin
Digital business	Approx. 8%
BPO	Approx. 12%
Secure media	Approx. 6%
Communication media	Approx. 4%
Erhoeht-X	Percentage of sales 52% Operating margin Approx. 8%

Priority categories	Market focus	Strategy	FY2022 sales (Operating margin)	FY2025 sales (Operating margin)	FY22⇒25 Profit change
Hybrid BPO	Finance Government Public infrastructure	<ul style="list-style-type: none"> Cater to needs for outsourcing of non-core operations, such as non-competitive areas for financial institutions and routine operations, of local governments Provide one stop services covering all operations from BPR* 	¥135.0 billion (Approx. 10%)	¥190.0 billion (Approx. 10%)	+¥6.1 billion
Security	Finance Government Global	<ul style="list-style-type: none"> Japan: Expand sales of digital services for information gathering/distribution/browsing, expand number of connected devices and number of payment transactions in payment services. Overseas: Expand business through collaboration within the Group in the areas of government ID, payment, and logistics IoT 	¥85.0 billion (Approx. 4%)	¥130.0 billion (Approx. 10%)	+¥7.9 billion
Marketing DX	Manufacturers Distribution Finance	<ul style="list-style-type: none"> In addition to client marketing support (online advertising, CRM), expand fields to transformation of sales and operations (sales process support/business process AI) 	¥20.0 billion (Approx. 6%)	¥70.0 billion (Approx. 9%)	+¥4.5 billion
Digital content	General companies/public sector Education Consumer	<ul style="list-style-type: none"> Expand business based on supply of digital content to growth fields (e-books, high definition video, VR, metaverse, educational ICT) 	¥40.0 billion (Approx. 8%)	¥70.0 billion (Approx. 10%)	+¥5.0 billion
Manufacturing/distribution DX	Manufacturers Distribution	<ul style="list-style-type: none"> Manufacturing DX: Expand sales of flexible and comprehensive NAVINECT Distribution DX: Provide PROMO CORE sales promotion support system enabling central management of information needed for retail sales promotion 	¥10.0 billion (Approx. 2%)	¥40.0 billion (Approx. 7%)	+¥2.6 billion
			Total Margin	¥280.0 billion Approx. 5%	¥500.0 billion Approx. 8%

* BPR: Business Process Reengineering

Erhoelt-X Business/Earnings Model

The aim of Erhoelt-X is to combine advanced digital technologies and high levels of operational know-how cultivated in various fields in order to establish cyclical business models based on analyzing data and harnessing it for consulting and other services. Under the current Medium Term Plan, we will work to further expand and monetize Erhoelt-X operations. To that end, while accelerating entry into principal service markets, we will leverage the data acquired through services to make proposals to customers for added value and increased efficiency.



Advancing DX Human Asset Management

To expand the number of people skilled in DX to 6,000 in the final fiscal year of the Medium Term Plan, we are advancing the development and acquisition of human assets while defining human asset requirements and skill levels.

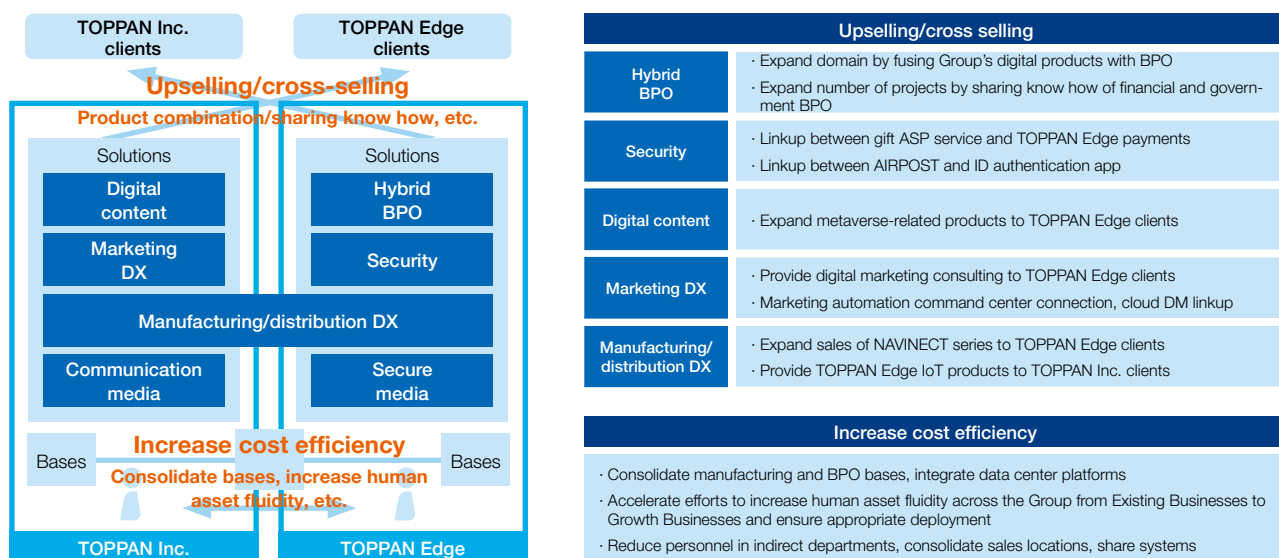
In human asset development, we have incorporated the acquisition of AWS (Amazon Web Services) certification into Companywide training, and in addition we have taken such steps as establishing the Reskilling Center for printing personnel. Also, in regard to securing human assets, we have established positions dedicated to hiring, driven forward external collaboration, and taken steps to identify local human assets in each region. In addition, we have introduced job grades specific to DX, which reflects our approach to job-type-based personnel management.

Integration Synergies with TOPPAN Edge Inc.

In April 2023, part of the security subdivision of TOPPAN Inc. was transferred to Toppan Forms Co., Ltd. The company name of Toppan Forms was changed, and TOPPAN Edge Inc. was established. The combination of the information management know-how of the former Toppan Forms and the total solutions provision capabilities of the security subdivision will contribute to the promotion of upselling and cross-selling and to increased cost efficiency. Going forward, we will accelerate initiatives targeting the maximization of synergies within TOPPAN Edge and within the Group, centered on the TOPPAN Inc. / TOPPAN Edge collaboration project launched in spring 2023.

■ Integration Synergies/Erhoeht-X

Generating synergies within TOPPAN Edge and between TOPPAN Inc. and TOPPAN Edge



Structural Reform of Two Existing Printing Fields

For the two existing printing fields, the outlook is for continued market contraction. In this environment, under the current Medium Term Plan, we will advance the following three initiatives to maintain profitability in existing businesses and to improve capital efficiency (ROIC).

First, we will continue to reduce costs by downsizing, consolidating, and sharing functions at manufacturing locations. In secure media, we will consolidate lines in securities printing and data printing services. In communication media, we will reduce the manufacturing area at three plants. In addition, we will promote joint procurement and joint shipping of components. Second, we will work to advance automation and systemization through a shift to smart factories. In this way, we will strive to increase productivity and quality. Third, we will shift resources to growth fields through the reassignment of bases and the reskilling of human assets.

① Hybrid-BPO Growth Strategy

Business Overview and Basic Strategy

Hybrid-BPO is a BPO service in which digital technologies and analog operations are integrated and standardized. The market for these services is large — approximately ¥2 trillion — and includes the finance, government, and quasi-public sectors. By rolling out these services in this market, we will aim to expand orders for continuous projects. This standardization will be essential for turning BPO into a business with a high level of stable profitability. In this way, in addition to enhancing labor-saving and automation in operations and reducing unit costs, we will also enable increases in utilization rates through the use of nationwide BPO bases. Next, this section explains our initiatives in two focus markets.

Priority Measures for the Financial Sector

In the financial sector, including the banking, insurance, securities, and card industries, we are starting to see results in continuous customer monitoring, such as efforts to counter money laundering, and in administration related to inheritance. Through the standardization and expansion of operations, we will aim to further increase these operations and to achieve 450 continuous BPO orders from 200 companies in the final fiscal year of the Medium Term Plan.

Priority Measures for the Government and Quasi-public Sectors

For local authorities, we will focus on services in the areas of operational analysis, operational standardization, and increased efficiency and labor-saving through digitalization. In the final fiscal year of the Medium Term Plan, we will aim for 170 continuous BPO orders from 70 local authorities.

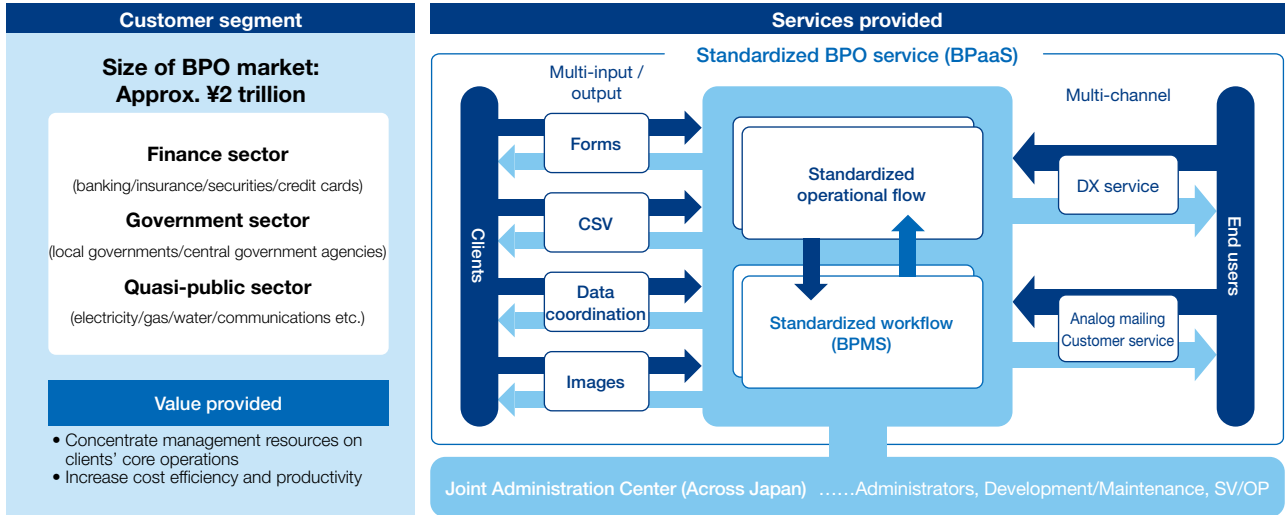
In the field of central government agencies, we will support initiatives related to implementation of core national policies. In addition, we will strengthen our design capabilities, with a focus on the full digitalization of government. In particular, we will work to establish an integrated production network through measures to address digital workflow and collaboration among bases nationwide.

In the quasi-public sector, we will promote the provision of end-to-end services aligned with customer needs, such as digital marketing, office operations, and distribution.

Through these types of measures, in the final fiscal year of the Medium Term Plan, we will work to expand Hybrid-BPO sales to ¥190.0 billion (operating profit margin of approximately 10%), from ¥135.0 billion in the fiscal year ended March 31, 2023.

■ Hybrid-BPO Service Model

Fuse digital technologies and analog operations to provide BPO services standardized for each industry and type of operation and drive higher profits through continuous order model



Toppan's competitive edge

- Track record accumulated in traditional businesses, such as printing, data printing, and securities manufacturing
 - Client base
 - Communication platform
 - Information security platform
- Production coordination between BPO bases throughout Japan and business process design capabilities matched to customer needs

Roadmap for expanding profit

FY2023	FY2024	FY2025
<ul style="list-style-type: none"> Establish shared structure Expand human asset training structure 	<ul style="list-style-type: none"> Achieve optimal placement of personnel Develop cloud based BPO-NW platform 	<ul style="list-style-type: none"> Expand BPO bases Advance practical use of AI technologies

■ Priority Measures for Hybrid BPO

Market focus ①	Market focus ②	
Finance sector (banking/insurance/securities/cards)	Local governments	Central government agencies
Local governments	Local governments	Central government agencies
Market size: ¥300 billion (FY2025)	Market size: ¥420 billion (FY2025)	Market size: ¥480 billion (FY2025)
<p>Priority measures</p> <ul style="list-style-type: none"> Provide seamless service from business process improvement proposals to subcontracting of operations Reduce costs and maintain quality by establishing shared administration center <p>Targets</p> <ul style="list-style-type: none"> Continuous client response (FATF) Inheritance administration Forex, tax, public funds Customer support 	<p>Priority measures</p> <ul style="list-style-type: none"> Provide government administration services by analyzing and standardizing operations through BPR and enhancing efficiency and saving manpower through digital solutions Advance business supporting regional governments' initiatives linked to central government policies <p>Targets</p> <ul style="list-style-type: none"> Internal operations of agencies Policy implementation in regions 	<p>Priority measures</p> <ul style="list-style-type: none"> Strengthen ability to handle complex end to end projects from research and pilot testing to nationwide rollout and provide BPO to support projects for implementation of core national policies (DX/SX, investment in people, etc.). Strengthen design capabilities in preparation for full digitalization of government, address digital workflow, and establish integrated production network by coordination between bases in Japan <p>Targets</p> <ul style="list-style-type: none"> Policy implementation projects Regular large scale auxiliary projects
<p>KPIs for finance FY2022 to 2025</p> <p>Continuous BPO client companies 70 ▶ 200</p> <p>Continuous BPO projects 150 ▶ 450</p>	<p>KPIs for government FY2022 to 2025</p> <p>Continuous BPO client organizations 15 ▶ 70</p> <p>Continuous BPO projects 30 ▶ 170</p>	<p>Quasi-public</p> <p>Market size: ¥800 billion (FY2025)</p> <p>Priority measures</p> <ul style="list-style-type: none"> Provide comprehensive services matched to clients' needs, such as digital marketing support, administration services, and logistics (contract logistics/3PL)

② Growth Strategy in the Security Business

In the security business, we are conducting a wide range of business operations in five fields — customer communication, business process management (BPM), IoT, payment services, and global security. This section provides an overview of our initiatives in two of these fields.

Customer Communication

(1) Information gathering service

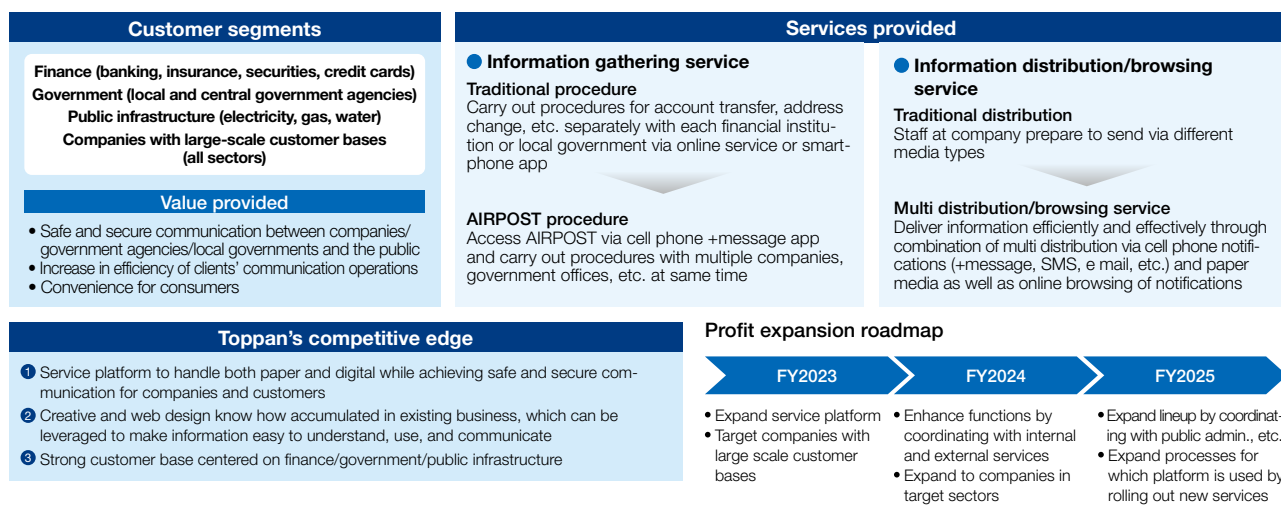
We provide AIRPOST, a platform that integrates procedures for bank account transfers and address changes. In this way, we are contributing to increased convenience for consumers and heightened operational efficiency for companies and other organizations. Aiming to make AIRPOST a de facto standard, under the current Medium Term Plan we will strive to achieve a 30% share in the banking field.

(2) Information distribution/browsing service

Through a multi-distribution/browsing service that combines paper media and the Internet, we are supporting efficient, effective information communication. Under the current Medium Term Plan, we will expand areas in which we offer the service and aim to introduce it at 1,000 companies to secure a market share of 25%.

Customer Communication Service Model

Rolling out original services to support safe and secure customer communication operations that are efficient for clients and convenient for consumers.



Global Security

(1) Government business / payment solutions

For administrative functions in emerging countries, we are providing passport and digital ID related solutions, and for financial institutions in Central and South America, we are offering solutions related to credit cards and cash cards. Under the current Medium Term Plan, we will further strengthen these initiatives, centered on Group collaboration and the handling of personal information.

(2) IoT Solutions

We are providing solutions for medical/pharmaceutical companies and manufacturers of industrial materials in various countries. These solutions are principally related to RFID tags. Under the current Medium Term Plan, we will focus on such fields as counterfeit prevention, opening detection, and temperature logging. We will expand these services from Asia to Japan, Europe, and North America.

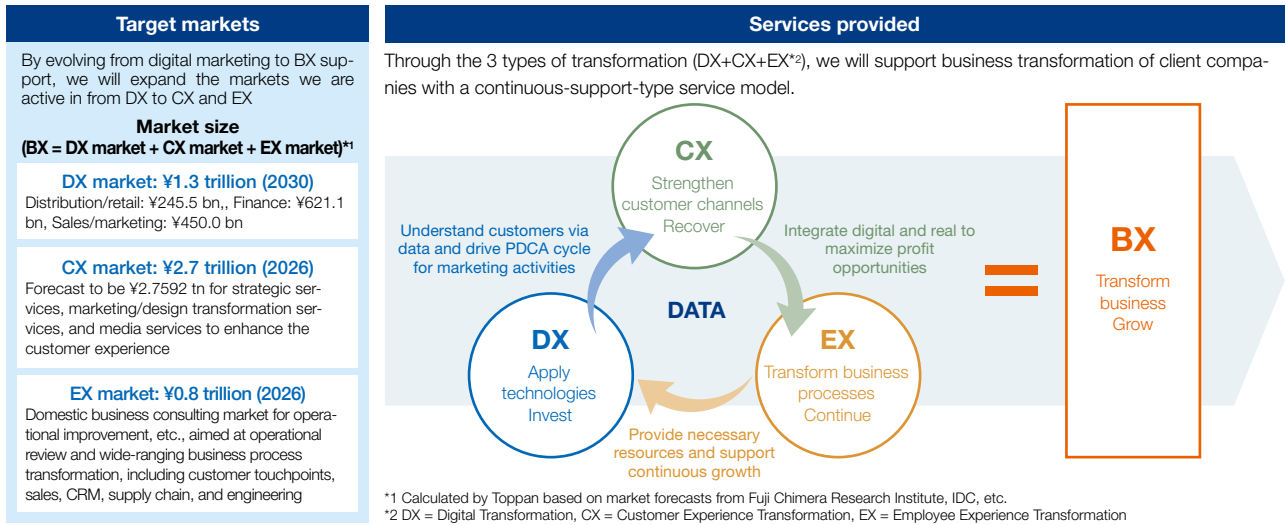
Through these types of measures, in the final fiscal year of the Medium Term Plan, we intend to expand security business sales to ¥130.0 billion, from ¥85.0 billion in the fiscal year ended March 31, 2023, and the security business operating profit margin to approximately 10%, from approximately 4% in the fiscal year ended March 31, 2023.

③ Growth Strategy in Marketing DX

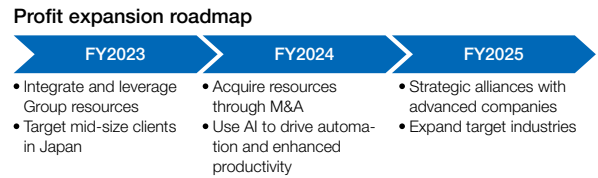
Business Overview and Basic Strategy

In marketing DX, TOPPAN is taking a full-scale approach to rolling out BX (business transformation) support operations, with a focus on corporate management issues. BX is a concept that integrates DX, CX (customer experience transformation), and EX (employee experience transformation). The scale of the BX market is estimated to be ¥4.8 trillion. In this promising market, targeting domestic companies with annual sales of ¥100.0 billion to ¥1 trillion, TOPPAN will design optimal support services and work to expand support-type, continuous business. Going forward, we will also take such steps as integrating resources, making new acquisitions through M&A initiatives, increasing process efficiency through AI, and strategically collaborating with advanced companies.

This business takes as its entry point development support for DX investment that will form the foundation for transformation. We strengthen CX to turn that investment into results and expand profit opportunities, and we offer EX support that provides the resources needed to operate businesses.



- Toppan's competitive edge (barriers to entry)**
- Expertise in solutions to companies' marketing challenges and specialist personnel to implement
 - Know-how for managing and operating personal information and other customer data securely and adding value to data
 - Business process design and construction know how
 - Extensive client network with track record dating back to before age of DX



Priority Measures for Marketing DX

We are identifying transformation needs by industry, such as retail, manufacturing, contract services, content, and infrastructure. We propose integrated scenarios for DX, CX, and EX; design the ideal support service matched to the client's transformation status; and support them to address challenges that are changing.

Through these types of measures, in the final fiscal year of the Medium Term Plan, we will aim to expand Marketing DX sales to ¥70.0 billion, from ¥20.0 billion in the fiscal year ended March 31, 2023, and to increase the Marketing DX operating profit margin to approximately 9%, from approximately 6% in the fiscal year ended March 31, 2023.

	Retail BX (Distribution/retail)	Manufacturer BX (Manufacturers and manufacturers' mail order)	Contract service BX (Insurance / finance / automobile / residential)	Content BX (Publishing / entertainment / gaming)	Infrastructure BX (Electricity & gas / rail / quasi-public)	
CX Strengthen customer channels	Expand profit opportunities by strengthening apps and online stores	Expand customer experience opportunities, such as metaverse, D2C, and OMO stores	Create online order creation channels and strengthen marketing	Expand D2C and profits by using content and rights	Develop customer journey toward upselling and cross-selling	Channel transformation support (design / operation) <ul style="list-style-type: none"> • Online order creation support • Support from e-commerce to fulfillment • OMO enhancement support • Contact enhancement support
DX Apply technologies	Develop retail media integrating measures to attract customers, promote sales in stores, and drive repeat visits	Develop CDP to understand customers and redefine market segments	Develop sales DX platform by consolidating sales data	Provide ID management platform for fan business	Develop CRM platform to maximize LTV	Platform transformation support (development/implementation) <ul style="list-style-type: none"> • Data platform implementation • Media platform implementation • CMS implementation • CRM platform implementation
EX Transform business processes	Strengthen manufacturer initiatives through merchandizing taking advantage of ideal timing	Product development and feedback to initiatives based on data usage support	Design support based on permanent presence and support for enhancing operational efficiency	Provide cost conscious SaaS-based operational structure	Provide and develop resources for implementation of customer success	Business process implementation support (development/support) <ul style="list-style-type: none"> • Business AI shift support • Reskilling support • Operational resource provision • Customer success support
Achievable goals for each industry	Develop retail media and expand sales channels	Develop brand experience by strengthening direct engagement with customers	Drive direct product development and enhance online sales channels	Strengthen rights business using reader IDs	Maximize customer LTV by integrating data assets	

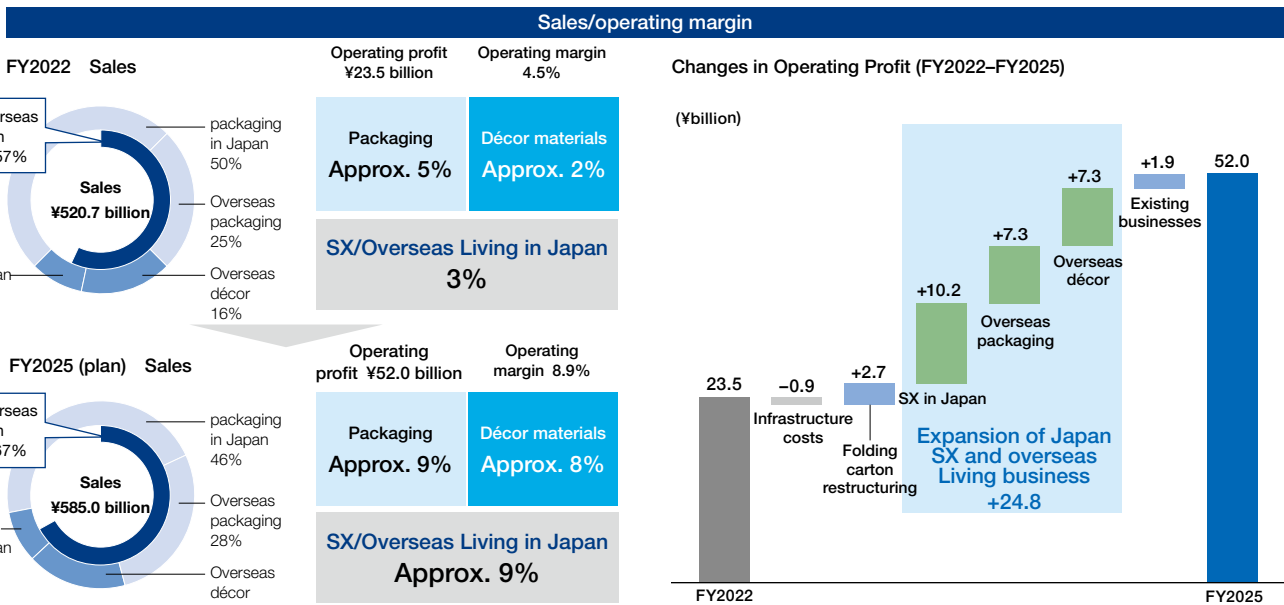
Living & Industry

Targeting the Global Market with GL BARRIER and SX

Living & Industry: Overall Picture and Medium-Term Strategy

The Living & Industry Segment consists of the field of packaging, such as GL BARRIER, a transparent barrier film with a leading share of the global market, and the field of décor materials, such as décor sheets for walls, floors, and fixtures. The segment conducts a wide range of business operations in growth markets in Japan and overseas. In the fiscal year ended March 31, 2023, the segment recorded net sales of ¥520.6 billion (31% of Companywide sales) and operating profit of ¥23.5 billion, for an operating profit margin of 4.5%.

Under the current Medium Term Plan, we will work from regional and environmental perspectives, with a focus on three businesses – sustainable (SX) packaging in Japan; overseas packaging, including SX packaging; and overseas décor materials. We plan to increase total sales in these three businesses to 67% of the Living & Industry segment’s sales (57% in the fiscal year ended March 31, 2023), and for overseas sales to account for 46% of total segment sales (41% in the fiscal year ended March 31, 2023). In addition, we will work to increase total operating profit for the three businesses to ¥24.8 billion, or nearly 90% of segment operating profit.



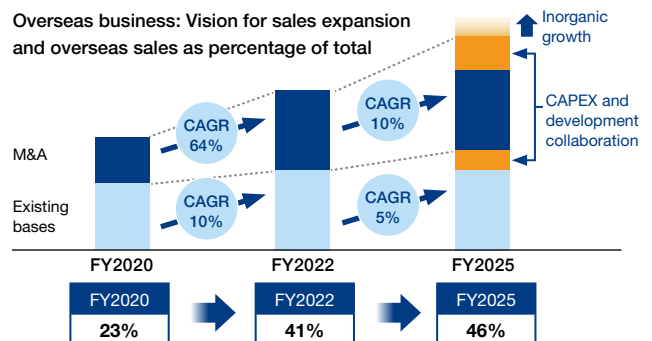
Developing a Global Platform

In overseas business, we expect the markets to continue to expand steadily in Europe, the Americas, and the Asia-Pacific region. In addition, environmental needs are increasing, centered on Europe, and this trend is expected to extend to the Americas and Asia as well, including for décor materials.

In light of this market environment, until now we have been developing a business foundation by aggressively pursuing M&A in growth regions and entering markets.

Going forward, we will expand production capacity at existing bases, strengthen development collaboration among regions, and leverage domestic technical resources. In addition, we are planning to establish new manufacturing bases. We will strive to respond to market growth and environmental needs, increase overseas sales to 46% of total segment sales, and expand earnings. Moreover, targeting further business growth, we will continue to consider alliances and M&A initiatives.

Global Living & Industry Network



Focus Product for the Packaging Business: GL BARRIER

GL BARRIER was launched in 1986 and is currently utilized around the world as a global standard. It has a leading share of the transparent barrier film market, at about 40%. GL BARRIER has excellent features. Its barrier performance is on a par with that of aluminum, and because it does not use metal, it is microwavable.

In addition, in comparison with aluminum, it also has advantages in terms of the environment and sustainability. It facilitates reduced CO₂ emission volumes and contributes to reductions in food loss by extending the shelf life of food.

Due to these advantages, GL BARRIER is utilized as packaging or as a component in many different industries and for a range of contents. For the supply system, we have manufacturing bases in Japan and overseas, and we are implementing BCP and providing a stable supply on a worldwide basis.

Multiple outstanding functions

High barrier

- Oxygen and moisture vapor barrier to rival aluminum
- Stable performance not dependent on temperature and humidity

Transparent

- Showcase product by showing content
- Assurance of content visibility

Metal-free

- Microwavable
- Inspection by metal detectors possible

Film structure

- Barrier coating layer
- Transparent vapor-deposited layer
- Base film (PET, etc.)

Used for wide variety of applications

In addition to a variety of packaging materials for items such as food, personal care, and pharmaceutical goods, GL BARRIER is used for an array of applications such as electronic components, industrial materials, and décor materials.

Eco friendliness/sustainability

Switch from aluminum-based packaging enables a reduction in CO₂ emission volume

* Because the CO₂ emission volume from the manufacture of GL BARRIER is lower than for aluminum packaging and structure can be streamlined because the barrier layer also functions as the printing layer.

Outstanding barrier performance extends shelf life of content
→ Contributing to reducing food loss
(E.g.) Using GL BARRIER for the packaging of sliced bread extends the shelf life by 7 times from 3 days to 21 days (product from Doroquia Holatheta)

Global supply network

With a manufacturing network of four plants in the three locations of Japan, Europe, and the U.S.A., Toppan can provide high grade service based on global supply and sales capabilities.

Growth Scenario in the Packaging Business

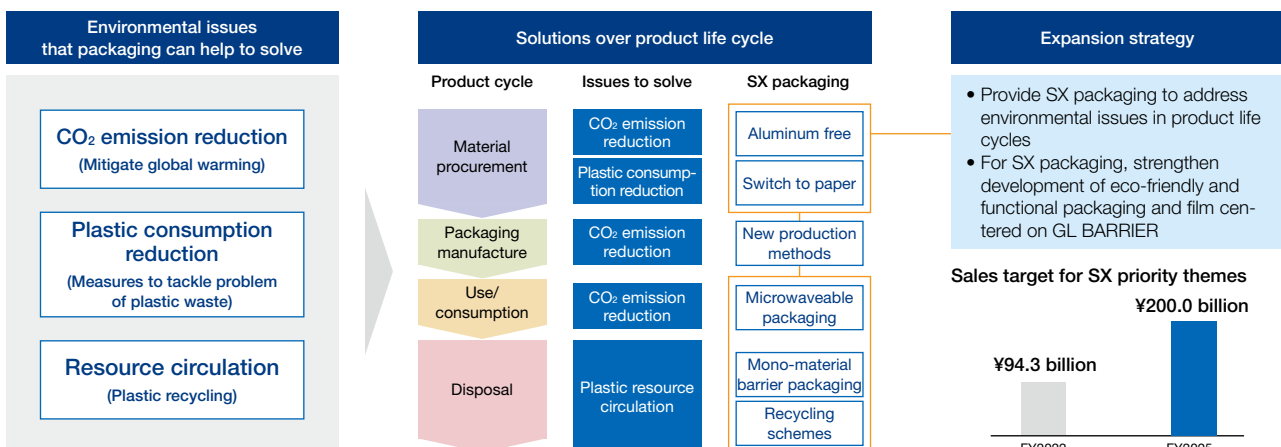
The development and provision of SX packaging will play a central role in growth in the packaging business. In Japan and overseas, these initiatives will be centered on GL BARRIER, which has competitive advantages.

Targeting the resolution of environmental issues in the market, such as reducing CO₂ emissions and implementing resource circulation, over the entire product cycle, from material procurement to disposal, we will strengthen development of optimal SX packaging and provide products and services linked to the resolution of issues.

We are aiming for SX packaging sales of ¥200.0 billion in fiscal 2025, double the level in fiscal 2022.

■ Growth Scenario in the Packaging Business

Contributing to solutions to environmental issues through business expansion based on development and provision of flexible packaging and film SX packaging centered on GL BARRIER



Special Feature: Growth Strategies by Business in the New Medium Term Plan

Overseas Packaging: Expanding Geographically and Vertically

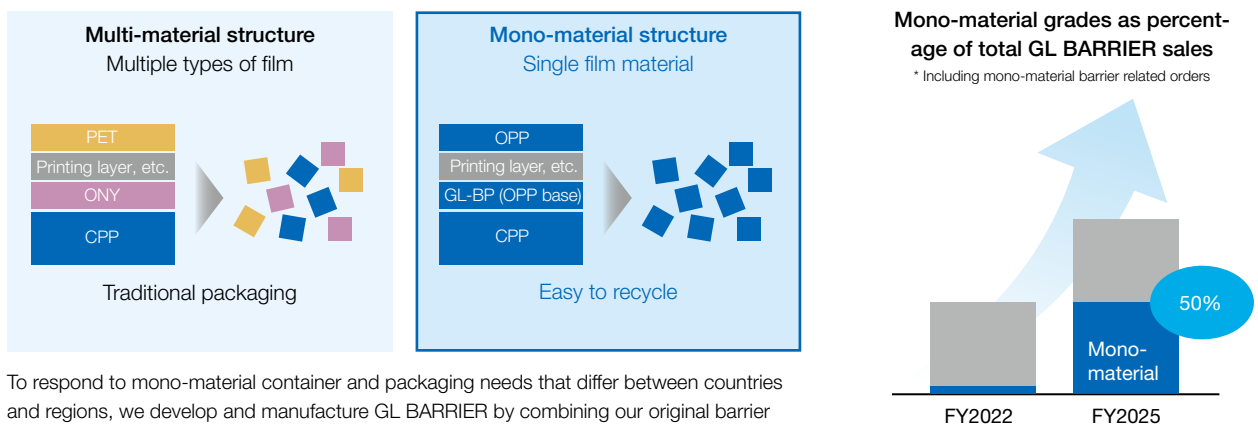
In developed nations, such as in Europe, there are growing needs for our SX packaging, which addresses the trend toward environmentally friendly mono-material packaging. In addition, in emerging nations in the Asia-Pacific region, where economic growth is notable, rapid expansion in demand is being registered for flexible packaging materials overall.

We have established bases through recent proactive M&A initiatives, and we have built a global platform that extends from materials to converting. With consideration for these results, under the current Medium Term Plan we will simultaneously advance geographical expansion through further expansion of bases and collaboration among regions, and vertical expansion for an end-to-end supply chain. Specifically, through the following initiatives, we will aim for an increase of ¥7.3 billion in overseas packaging operating profit during the period of the Medium Term Plan.

Europe/North America strategy		ASEAN/India strategy	
Market environment	Increase in SX packaging demand due to increased environmental consciousness of consumers	Market environment	Increase in population and consumption brings high economic growth but also increase in environmental challenges
Toppan's approach	<p>Step 1 Local production of barrier film with competitive edge</p> <p>Step 2 SX packaging business expansion with eye on business alliances and M&A</p>	Toppan's approach	<p>Step 1 Expand business by bolstering production capacity</p> <p>Step 2 Leverage SX packaging to cater to leading customers</p>
Expansion strategy (Foundation building)	<ul style="list-style-type: none"> Strengthen European and North American packaging supply network with acquisition of InterFlex Group (2021) Expand SX packaging business with eye on business alliances or M&A with locally headquartered global packaging manufacturers 	Expansion strategy (Foundation building)	<ul style="list-style-type: none"> Make Toppan Speciality Films a subsidiary (2022) Expand business by acquiring Majend Makcs (2022)
	<p>↓</p> <p>(Medium to long term)</p> <ul style="list-style-type: none"> Establish local production for local consumption capabilities in Europe by constructing new barrier film base (Toppan Packaging Czech due to launch operations in late 2024) Strengthen SX packaging development to respond to eco-friendly packaging demand expanding from European market 		<p>↓</p> <p>(Medium to long term)</p> <ul style="list-style-type: none"> Expand production scale with launch of new plant in Indonesia (scheduled for 2025) Develop SX packaging targeting leading brand owners working to make packaging materials more eco friendly

Development of Barrier Film for Mono-Material Packaging

Traditional flexible packaging has a structure consisting of layers of multiple materials. The multiple film materials have to be separated for recycling, making it extremely difficult to recycle. To make more readily recyclable packaging, it is necessary to develop mono-material packaging that is composed of a single material. We worked to realize that objective in order to address needs by region and application, and we succeeded in developing a full lineup of GL BARRIER products using the main types of base material. Global companies have extremely high needs for recyclable packaging, and we have received a large number of specific inquiries. We expect mono-material grades to account for 50% of total GL BARRIER sales in fiscal 2025.



To respond to mono-material container and packaging needs that differ between countries and regions, we develop and manufacture GL BARRIER by combining our original barrier technologies using PET, PE, and PP base films.

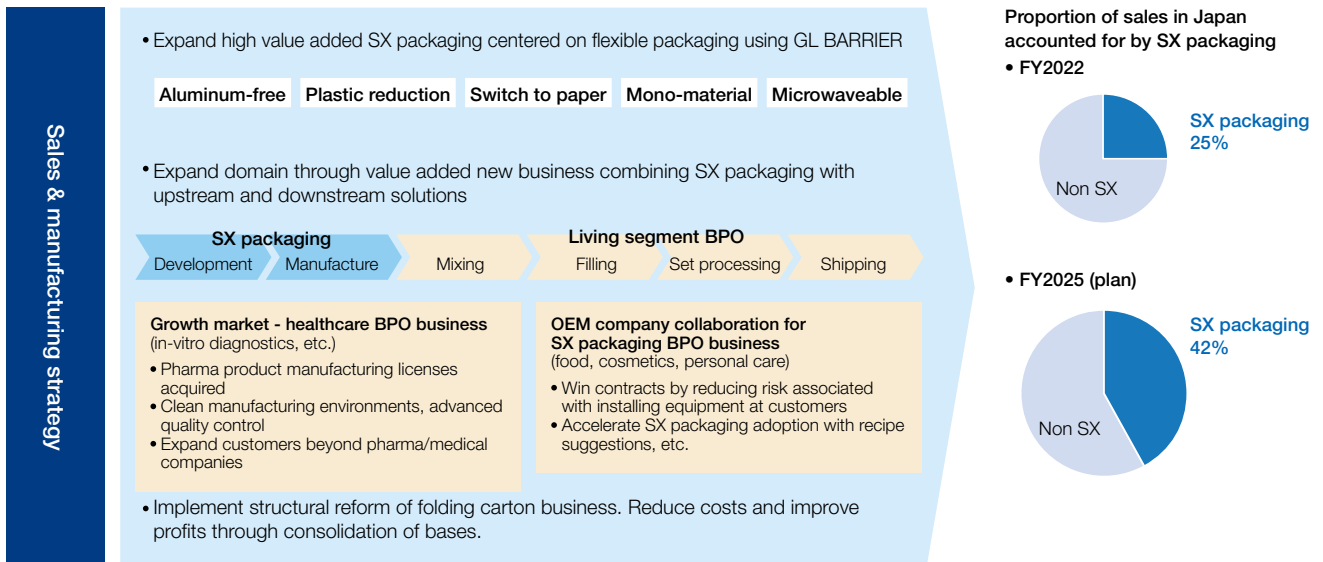
Domestic Packaging: Increasing Value Added through SX

In packaging in Japan, we are implementing the following measures.

- Expanding high-value-added SX packaging materials, such as flexible packaging materials using GL BARRIER
- Expanding our business domain through new businesses combining SX packaging materials with upstream and downstream solutions

In the final fiscal year of the Medium Term Plan, we plan to increase the percentage of sales in Japan accounted for by SX packaging materials to 42%, from 25% in the fiscal year ended March 31, 2023.

In addition, in the folding carton businesses, we will implement structural reforms and reorganize manufacturing bases in order to improve earnings in existing businesses.



Growth Scenario for Overseas Décor Materials

Market conditions are currently affected by inflation and the situation in Ukraine. However, there is strong demand for décor materials with high-quality design, advanced functionality, and eco-friendliness. Accordingly, there is a basic trend of growth in the market. Under the current Medium Term Plan, we anticipate growth of ¥7.3 billion in operating profit due to the following measures.

- Expanding sales of high-value-added products in Europe and the Americas (developing and rolling out new décor sheet products in collaboration with Interprint, of Germany)
- In emerging nation markets, strengthening production system for existing core products (local production for local consumption)
- Utilizing domestic resources to develop SX products and expand sales worldwide
- Promoting structural reforms through collaboration among bases in each area (cost reductions, production in optimal locations)

Medium-term business strategy

Centered on Interprint, strengthen collaboration between bases, including Japan, to establish network for production in optimal locations

- 1 Target advanced nation markets with multiple product types and high-value-add**
 - Germany: Launch film business by using production and evaluation technologies from Japan
 - Poland: Develop and sell high-value-added décor sheets for furniture by establishing coating technologies with support from the Toppan Technical Research Institute
- 2 Target emerging nation markets by strengthening production network for existing core products**
 - Centered on décor sheets, bolster equipment and establish network enabling local production for local consumption (China, Vietnam, Turkey, India, etc.)
- 3 Use technical development resources from Japan effectively to expand sales of sustainable products**
 - Leverage technologies from Japan to develop and expand sales of non-PVC films, recycled/biomass film sheets, etc., in line with the market's environmental needs
- 4 Strengthen structural reform and drive production in optimal locations through collaboration between bases in each area**
 - Reduce costs across the Group by leveraging global purchasing and procurement functions
 - Drive production in optimal locations (production in region of delivery) by transferring production between bases

Electronics

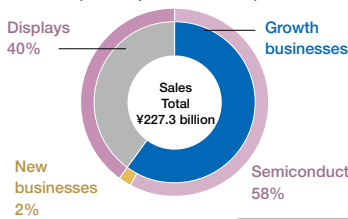
Maximizing Business Value through Key Devices and Next-Generation Technologies

Electronics: Overall Picture and Medium-Term Strategy

The Electronics segment has strengths in sales, development, and manufacturing networks with close connections to customers. The segment is implementing global business activities in the semiconductor and display related fields. In the fiscal year ended March 31, 2023, the segment recorded net sales of ¥255.4 billion (15% of Companywide sales), operating profit of ¥48.2 billion, and an operating profit margin of 18.9%. However, excluding foreign exchange impact and one-time impact factors, such as semiconductor price increases, the segment's results corresponded to net sales of ¥227.3 billion, operating profit of ¥34.3 billion, and an operating profit margin of 15.1%.

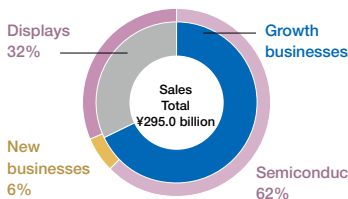
Under the current Medium Term Plan, we will supply key devices, centered on semiconductor-related products, and create new businesses that leverage fundamental technologies. In this way, we will aim to expand profits, and in the fiscal year ending March 31, 2026, the final year of the Medium Term Plan, we will strive to achieve segment net sales of ¥295.0 billion, and operating profit of ¥41.0 billion.

FY2022 (excl. special factors)



Operating profit (operating margin)
 Total: ¥34.3 billion (15.1%)
 Semiconductors: Approx. 24%
 Displays: Approx. 3%

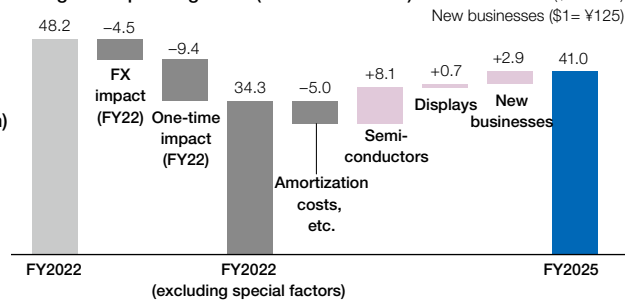
FY2025 (plan)



Operating profit (operating margin)
 Total: ¥41.0 billion (13.9%)
 Semiconductors: Approx. 19%
 Displays: Approx. 4%
 New businesses: Approx. 16%

Sales / Operating profit		
(¥ billion)	Sales	Operating profit
Result	255.3	48.2
FX impact	-13.5	-4.5
One-time impact	-14.5	-9.4
Result (excl. special factors)	227.3	34.3

Changes in Operating Profit (FY2022⇒FY2025)



Growth Scenario in the Semiconductor Business

FC-BGA substrates: Expanding and Advancing Technical Strategies and Capacities

Accompanying the rapid increase in data traffic, we expect the FC-BGA market to continue to record high growth and the level of technical demand to become more advanced. As a technical strategy focused on these trends, we will leverage advantages — such as outstanding imposition efficiency with the industry's largest panel size and 56 GHz high-speed transmission line forming technology — to address the trends for larger substrates with more layers and high-speed transmission. We will draw on clean environments that are at the industry's highest level and on our original NAVINECT® manufacturing DX support solution. In addition, we will continue to implement technical development in collaboration with leading customers in the U.S. Moreover, to lessen the manufacturing burden on production lines, we will implement systematic investment and double production capacity during the period of the Medium Term Plan.

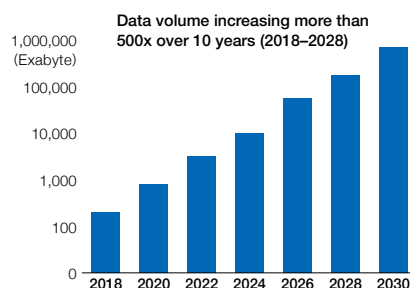
■ Semiconductors: FC-BGA Business Strategy

With expansion of data traffic, market is growing centered on next-generation demand.

Market trends

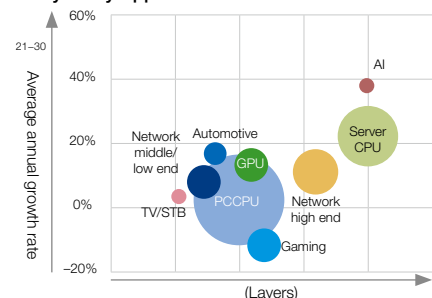
- FC-BGA market will continue to grow at high rate (FY2022-2027: CAGR approx. 10%)
- Market driven by demand for server CPUs for data centers, AI, network switches, etc.

Data Traffic Volume



Source: Estimates based on materials from external research companies





FC-BGA Substrate Growth Rate and Number of Layers by Application



Source: Estimates based on materials from external research companies

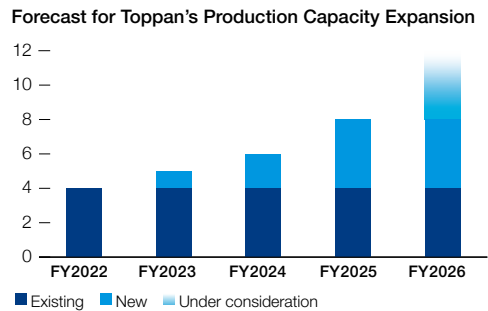
■ Semiconductors: FC-BGA Business Strategy

Drive toward sustainable growth by leveraging capacity and technology strategy that responds to expanding market

Toppan's competitive edge and technology strategy	
<ul style="list-style-type: none"> Differentiate from competitors by working with leading U.S. customers to refine high-speed transmission line formation technology and photoelectric conversion element mounting technology 	
Larger substrates with more layers	<ul style="list-style-type: none"> Outstanding imposition efficiency with industry's largest panel size Technical capabilities for large, multi-layer high-end substrates Extensive track record with 2.5D substrates 
High speed transmission	<ul style="list-style-type: none"> 56GHz high-speed transmission line forming technology Handling of Co-PKG optics 
+	
Outstanding quality concept	<ul style="list-style-type: none"> Industry best-in-class clean environments Outstanding manufacturing platform based on NAVINECT* 
+	
Development	<ul style="list-style-type: none"> Continuous technical development coordinated with leading U.S. customers 

* NAVINECT: Service to support digital transformation (DX) of manufacturing

Manufacturing strategy
<ul style="list-style-type: none"> Manufacturing burden for larger substrates is considerable, so capacity needs to be increased Consistently meet demand from growing market by making systematic investments <p>-FY2023: Launch mass production on new line -FY2026: Plan to launch mass production on additional line</p> <p>Toward double production capacity in FY2025</p>



■ Photomasks: Establishing a Global, Stable Supply System

With a focus on diversifying demand in regions of Asia, North America, and Europe, as well as accelerating miniaturization and high-definition trends, we will build and expand a stable supply system.

In technology and manufacturing, we will work to maximize production capacity through collaboration among global bases. In sales, we will work to expand business based on long-term contracts and alliances with promising customers. We will steadily expand our production capacity and share in growth fields, and propose optimal supply structure and pricing in consideration of the photomask supply/demand balance.

As a medium- to long-term strategy, we will focus on development and mass production of EUV photomasks. We will accelerate consideration of production line establishment while advancing joint development with partners.

■ Semiconductors: Photomask Market Environment

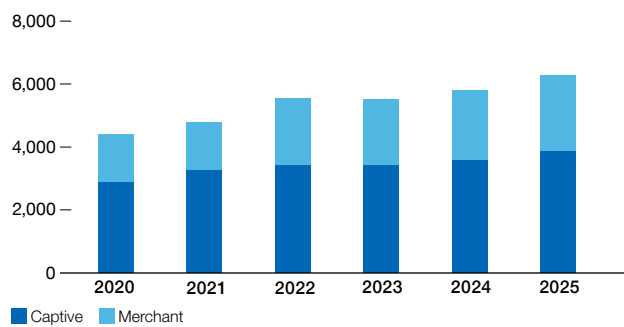
Analysis of environment

Market trends

- Restructuring of the supply chain is taking place in the semiconductor industry due to increased geopolitical risks
- Increase in semiconductor fabs due to support for the industry in each country; market is expanding worldwide
- Photomask markets for both captive mask production and merchant manufacture are expanding; demand is forecast to exceed supply

Photomask Market

(Billion yen)



Source: Estimates based on materials from external research companies

Toppan's competitive edge

- ✓ **Top share of merchant mask market**
 - Extensive track record and stable customer base
- ✓ **Only mask manufacturer with global production network**
 - Local supply in Asia, North America, and Europe
 - Comprehensive backup from other sites
- ✓ **Mask development and production capabilities based on proprietary technology strategy**
 - Won support from multiple customers in area of leading-edge masks

Semiconductors: Photomask Business Strategy

Technology/ manufacturing strategy	<p>Maximize production capacity through collaboration between global bases</p> <ul style="list-style-type: none"> • Further enhance efficiency of production coordination between sites by creating new common worldwide platform for production control and manufacturing design • Expand production qualification at multiple sites to enhance supply network coordinating all 8 sites handling technology nodes from existing to leading-edge
Sales strategy	<p>Expand business in growth fields</p> <ul style="list-style-type: none"> • Expand production capacity and share through capital investment based on long term contracts and alliances with promising customers • Propose optimal supply structure and pricing in consideration of mask supply/demand balance (geopolitical risk, new mask demand from increase in foundries without captive mask shops, etc.)
Medium- to long- term strategy	<p>Develop and move to mass production of EUV masks</p> <p><small>*EUV mask: A next-generation photolithography technology that uses extreme ultraviolet light (13.56 nm) with short wavelengths and enables exposure of fine patterns</small></p> <ul style="list-style-type: none"> • Drive EUV mask development based on joint development contracts with partners • Accelerate consideration of introduction of multi beam writers and construction of EUV mask mass production line

Contribute to growing markets as a leading company by stabilizing and expanding supply capabilities for responding to diversifying demand in regions of Asia, North America, and Europe, as well as demand for EUV generation miniaturization and high definition

Display Business

Growth Scenario in the Display Business

Small to medium-size TFT-LCDs: Advancing structural reforms and differentiation strategy

The small to medium-size TFT-LCD market environment is expected to be robust, centered on automotive and industrial equipment applications. Our Blanview series has superior outdoor visibility and low power consumption. As a result, it can achieve optimal specifications for a variety of applications over long periods of time outdoors or indoors. This is a major competitive edge.

In technology and manufacturing, we have achieved results with a series of structural reforms, such as consolidation of bases and improvement in process quality at Giantplus Technology, a subsidiary in Taiwan. Under the current Medium Term Plan, we will accelerate initiatives to secure more-stable earnings, shift to fabless for pre-processing, and consolidate production at Giantplus Technology. In these ways, we will work to further strengthen cost competitiveness. Moreover, in sales, we will advance our differentiation strategy in the automotive, industrial equipment, aviation, and defense fields, and we will leverage ultra-low power consumption to create demand related to a decarbonized society. Furthermore, as new businesses, we will aim to create next-generation products and services, such as light control film and sensor solutions, and we will aim to expand sales of these products to 6% of total Electronics segment sales during the period of the Medium Term Plan.

Toppan's competitive edge

Optimal specifications for various applications, combining outdoor visibility with low power consumption for use over long periods in any conditions

- High visibility and display quality ensured both indoors and outdoors, with minimal difference in display quality between different environments
- Low power consumption achieved by controlling transmitted light from backlight and incident light from external sources

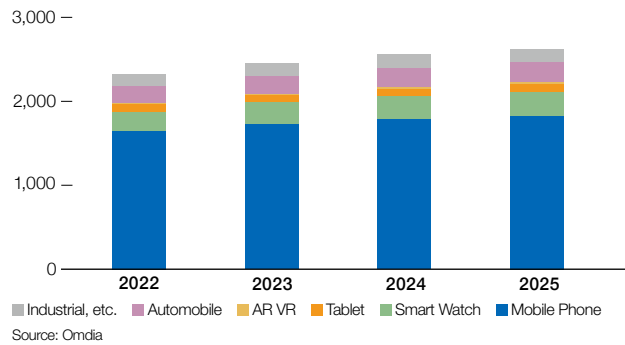
Technology/ manufacturing strategy	<p>Secure stable profits by accelerating structural reform of TFT business</p> <ul style="list-style-type: none"> • Enhance productivity by consolidating Giantplus Technology's bases, improving process quality, and reducing loss associated with utilization (up to FY2022) • Going forward, further strengthen cost competitiveness by shifting to fabless for Ortus pre-processing and consolidating production at Giantplus Technology (up to FY2025)
Sales strategy	<p>Differentiation strategy centered on Blanview series enhancement</p> <ul style="list-style-type: none"> • Focus on automotive (four-wheel, two-wheel, construction/agricultural machinery), industrial equipment (factory automation/measurement/healthcare), and air/defense fields • Exploit ultra-low power consumption performance to create demand related to decarbonized society

■ Displays: Small to Medium-size TFT-LCD Business Strategy

Market trends

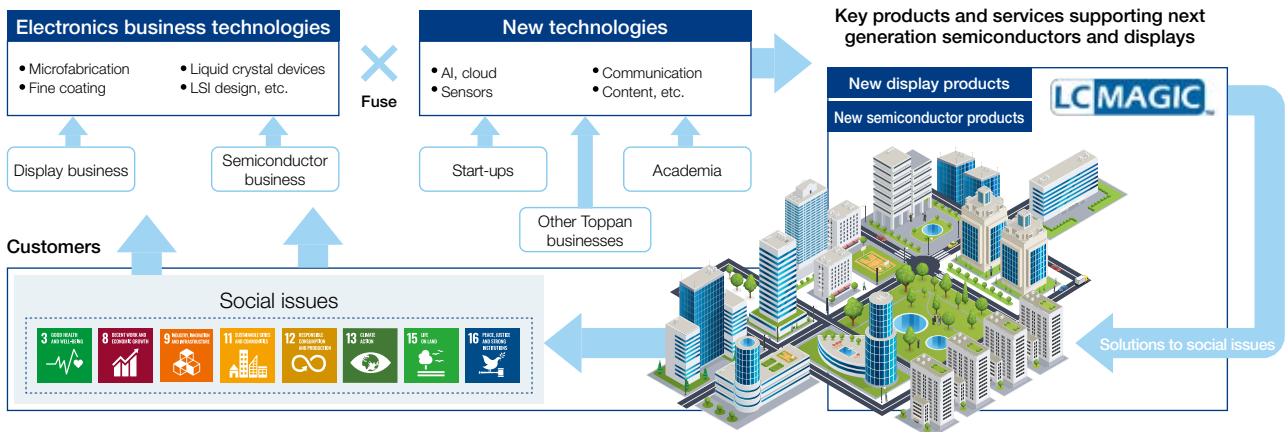
• The small to medium-size TFT-LCD market is forecast to be robust, centered on automotive and industrial equipment applications

Small to Medium-size TFT Market Forecast
(Million units / Year)



New Businesses

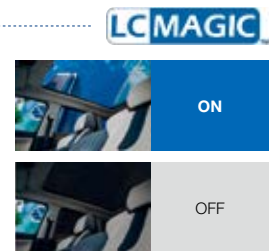
We will draw on TOPPAN technologies, centered on technologies that we have cultivated in the Electronics business. We will fuse these technologies with new technologies from inside and outside the Group. In this way, we will create key products and services that will be pillars of the next-generation semiconductor and display businesses.



LC MAGIC™

TOPPAN developed LC-MAGIC™ as smart glass and light control film products that use electricity to switch from transparent to milky white.

In the mobility field, this can extend cruising range and make vehicles lighter. In addition, an important issue in making next-generation vehicles will be increasing the comfort of car interiors. There has therefore been an increase in demand for technologies that integrate sunroofs and windows with the interior design, without using motors or moving parts. Accordingly, we developed the new Normal Black grade of LC MAGIC™. This new grade enables bright, open spaces when power is on and ensures privacy by blocking light when power is off.



TOF Sensor Solutions

The 3D sensor market is expanding due to equipment automation, and demand for ToF sensors is increasing because they are compact and high-definition. With our original ToF sensor and camera systems, our achievements include ranges of more than 20 meters and outdoor imaging. Going forward, we will advance initiatives in the fields of robots and XR.



e-Platch Smart Inspection Support Service

Demand for enhanced efficiency in inspection work is increasing due to the trend of environmental conservation activities and a decrease in the working population. In this setting, e-Platch makes it possible to visualize diverse indicators, such as temperature/humidity, pressure, flow volume, water quality, and sound, and an original app enables central management. In regard to network coverage, it is possible to provide communication infrastructure with no blind spots due to the use of ZETA communication. In addition, retrofitting is possible, and the ZETABOX data conversion device and magnetic sensors enable remote inspection in which existing measurement instruments can be used.



New Business Development

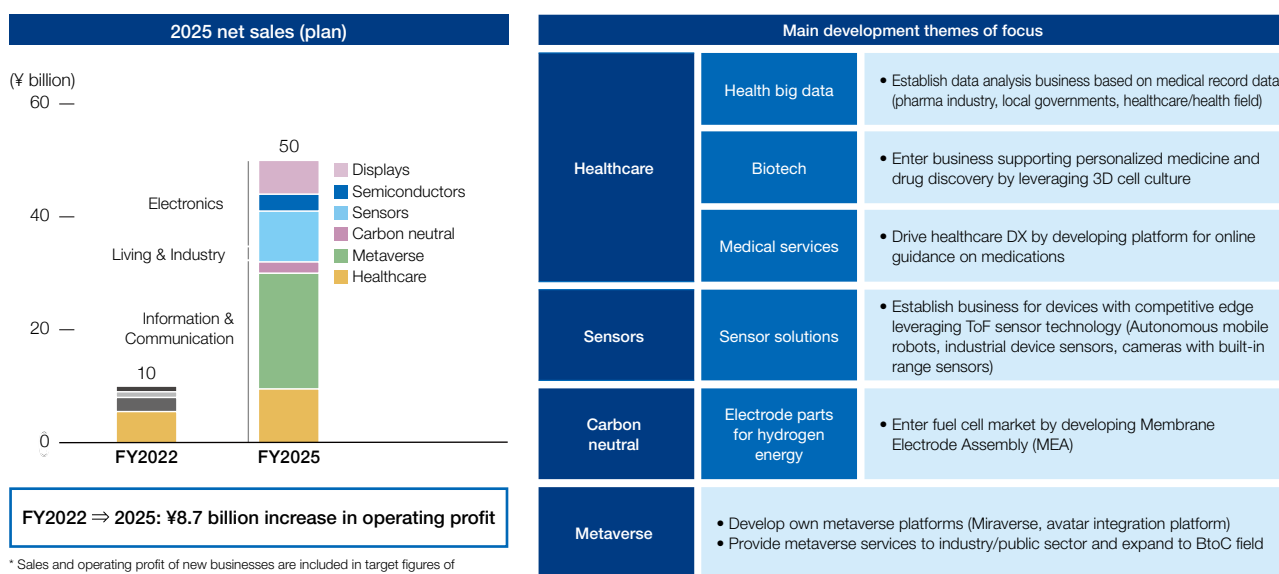
Monetizing Main Themes and Accelerating the Planting of Seeds for the Future

Business Development: Overall Picture and Development Themes

Under the current Medium Term Plan, we have established four main development themes — healthcare, sensors, carbon neutral, and the metaverse. We are working to monetize these themes by promptly scaling them up. In addition, we are striving to generate multiple new themes that will become seeds of growth for the future. In these ways, we are taking steps to drive business development. In the fiscal year ending March 31, 2026, the final year of the plan, we are aiming to achieve sales of ¥50.0 billion from new businesses, as well as an ¥8.7 billion increase in operating profit in comparison with the fiscal year ended March 31, 2023.

New Businesses: Business Strategy

Monetize by promptly scaling up main themes of focus and drive business development generating multiple new themes that will become seeds of growth for the future



Metaverse Business

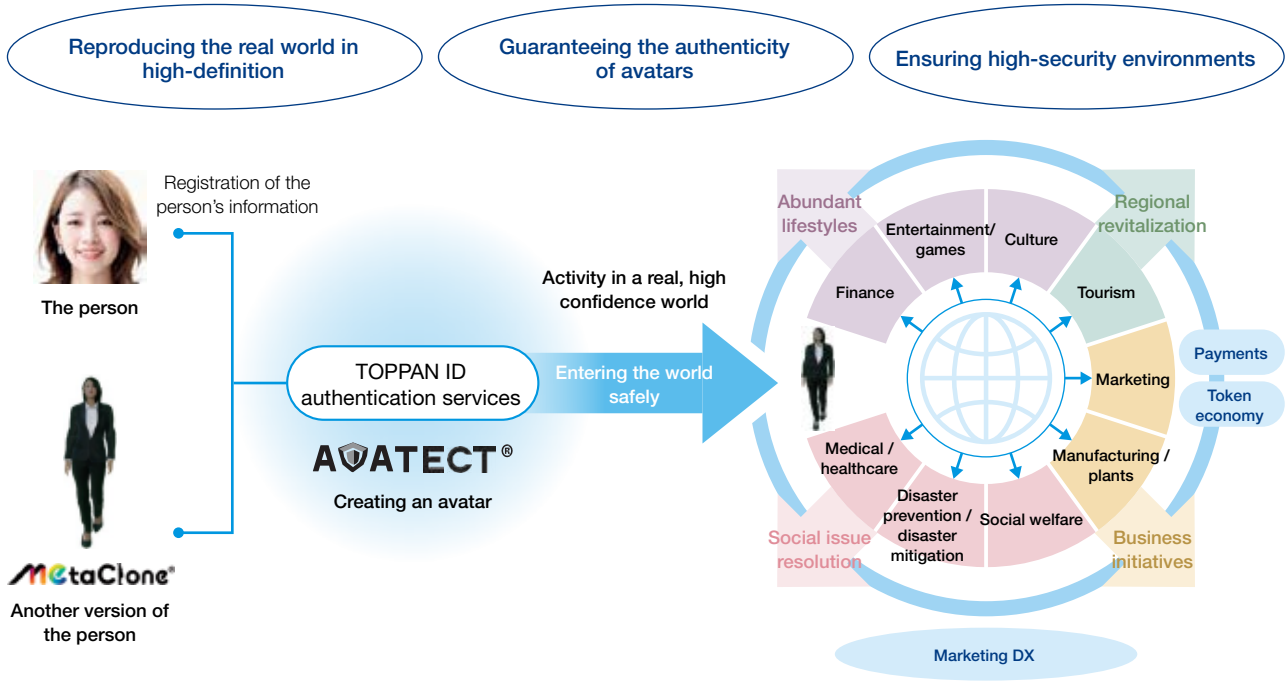
The use of the metaverse is increasing and becoming more widespread, centered on the areas of gaming and entertainment. However, the scope of its use in business is also expanding rapidly due to the evolution of information and communications technologies.

We are leveraging our accumulated color management, image processing, XR, and security technologies to build and provide secure, safe digital spaces that reproduce the real world in high-definition, guarantee the authenticity of avatars, and ensure high-security environments. In regard to these efforts, we are in a competitive position.

We are already starting to see results in such areas as residential spaces and museums. Going forward, we will provide this metaverse platform to more companies and organizations. In this way, we will strive to grow the metaverse business to net sales of more than ¥20.0 billion in the fiscal year ending March 31, 2026.

The Metaverse that TOPPAN is Aiming For

Leveraging our accumulated XR technologies and security technologies, we will build and provide secure, safe digital spaces and implement business initiatives that are seamlessly linked with real spaces.



Metaverse Focus Strategies

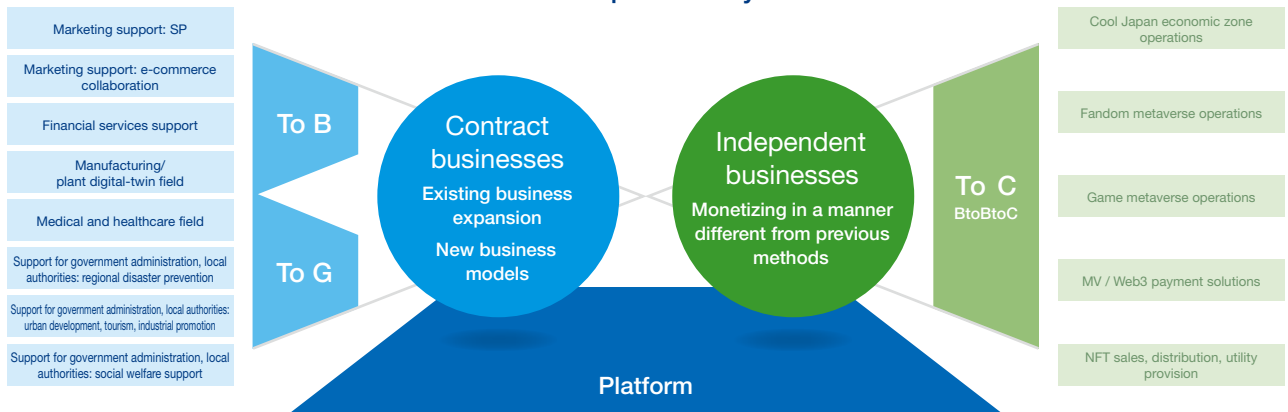
In the metaverse business, we have focus strategies in two areas: contract businesses, which are an extension of the information and communications field, and independent businesses, which realize monetization in a manner that is different from previous methods.

In contract businesses, which target B-to-B operations (companies) and B-to-G operations (local authorities, central government offices, etc.), we will provide new value by offering support for administrative processes and marketing.

In independent businesses, we will target the B-to-C market, which is expected to record growth. We will provide experience value in the metaverse, such as communication and payments.

Metaverse Focus Strategies

Expanding business in both the service layer and the platform layer



Healthcare Business

The environment for the healthcare business is changing significantly as Japan approaches a super-aging society.

To address social issues in the healthcare field, such as extension of healthy life expectancy, we will aim to drive growth in countermeasures to pre-symptomatic disease and personalized medicine through support for cause analysis and the use of new technologies.

■ 3D Cell Culture Business

Initiatives for Personalized Cancer Treatment

In recent years, especially in the field of cancer, a focus of attention has been personalized medicine, which is provided in line with the characteristics and features of each patient's illness. For example, in conventional anticancer drug treatment, there was a need to test multiple drugs until the best drug was found. This put a burden on patients, and substantial time was required. In contrast, the utilization of cell culture technology to measure the efficacy of multiple anticancer agents in vitro at the same time contributes significantly to reducing the burden on patients and increasing the efficiency of treatment.

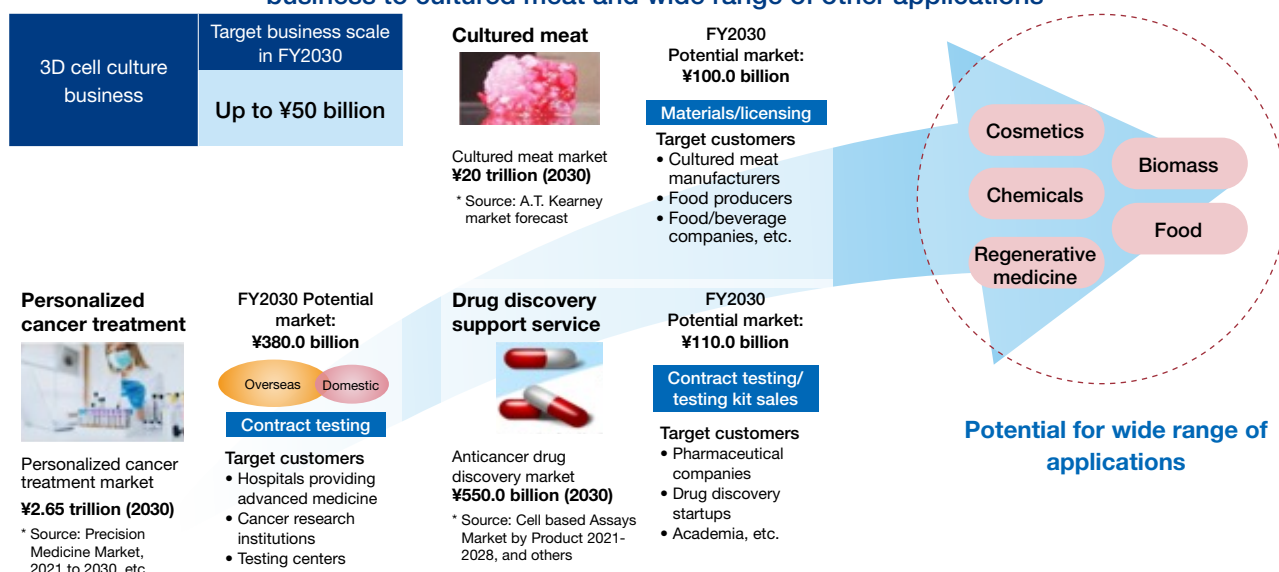
TOPPAN launched a project in 2016 in collaboration with the Japanese Foundation for Cancer Research (JFCR) and Osaka University's Graduate School of Engineering. Together with Osaka University, we jointly developed invivoiD® 3D cell culture technology, and together with JFCR we implemented joint research into anticancer drug efficacy estimation using invivoiD®. In the first half of 2023, we started clinical research to confirm efficacy estimation performance for human subjects. Based on the fundamental research conducted to date, we anticipate good results in line with those obtained in tests with mice.

In regard to the commercialization of personalized cancer treatment, we are aiming for contract testing services. Going forward, we will receive cancer tissue and drugs from hospitals and other facilities, make 3D cells, and evaluate drugs. On that basis, we will provide reports and strive to fill a useful role in patient treatment. From this fiscal year, we have launched the process of prompt commercialization simultaneously in Japan and the U.S. We expect to receive pharmaceutical approval first in the U.S. and will feed the know-how gained back to operations in Japan..

We are also considering the application of invivoiD® to anticancer drug discovery support services, and outside the field of medicine, we have started to apply invivoiD® in the field of cultured meat.

Going forward, we will work to expand our operations in the fields of contract testing services for personalized cancer treatment, anticancer drug discovery support services, and cultured meat. We will aim for 3D cell culture business sales of approximately ¥50.0 billion in fiscal 2030.

- Pilot test technology and launch business in personalized cancer treatment field, where challenges faced by clients are clear, advance drug discovery support service in phases, and aim to expand business to cultured meat and wide range of other applications



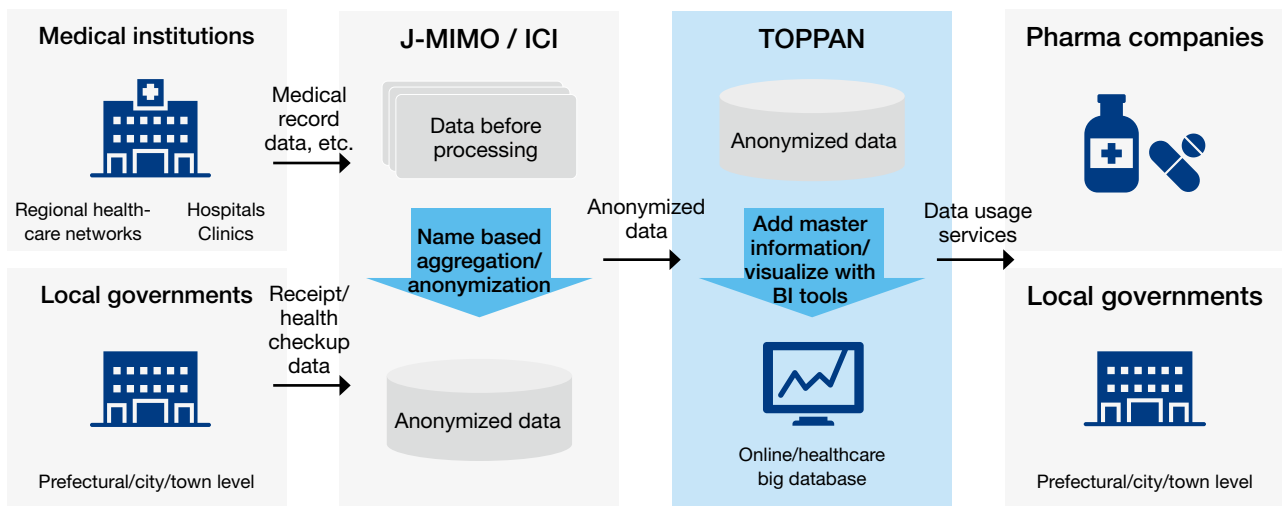
■ Health Big Data Business

Japan's Next Generation Medical Infrastructure Act, which took effect in 2018, enables accredited businesses to collect pre-anonymization healthcare data via the opt-out mechanism (prior consent unnecessary). This has made possible the integration of digital medical record data with data on health checkups and medical receipts, as well as the tracking of data in chronological order for individuals. TOPPAN has taken steps to address the Next Generation Medical Infrastructure Act from an early stage. In 2019, we entered into a capital and business alliance with ICI, which is an accredited contractor of the Japan Medical Association Medical Information Management Organization (J-MIMO; accredited business). We subsequently made ICI into a subsidiary.

Looking at our business model for these operations, we will collect medical institution/local government data on which J-MIMO/ICI have performed name-based aggregation and anonymization. We will analyze and visualize the data in line with users' needs and provide services. At this point, we expect the users to be pharmaceutical companies and local governments.

In April 2023, we released DATuM IDEA, a medical data analysis tool, to pharmaceutical companies. This tool enables tracking of side effects and treatment outcomes after a pharmaceutical is launched and contributes to enhancing the quality and safety of drugs and to increasing administrative efficiency. In addition, for local governments, we will combine AI-based illness prediction and recommendation services for specified annual health checkups under our BPO operations. In fiscal 2030, we are envisioning a target market of ¥81.0 billion (pharmaceutical companies: ¥68.0 billion; local governments: ¥13.0 billion), and a potential market of ¥100.0 billion (clinical trial related). We anticipate sales in the range of ¥20.0 billion to ¥30.0 billion.

Business model



Message from an External Director



Continuing to provide straightforward suggestions so that commonplace risks in the corporate culture are not overlooked

Mieko Nakabayashi
External Director

Corporate Governance at the Toppan Group

Looked at from an objective viewpoint, the TOPPAN Group takes a sincere and serious approach to corporate governance. I believe that the Group's steady pursuit of improvements and reforms is worthy of praise. It has been three years since I became an external director in 2020. Over that period, the Group has continued striving to work in an appropriate manner in a range of areas. These include the adequacy of materials provided, discussions at meetings of the Board, and detailed reports regarding misconduct and other matters, as well as sharing information and fostering mutual understanding at meetings of the TOPPAN Group ESG Management Promotion Committee. (This committee, which is under the

Sustainability Promotion Committee, is a venue for promoting awareness of issues through SDG theme sharing and collaboration among TOPPAN Group company presidents and directors in charge of ESG at each company.)

Nevertheless, many challenges remain, and going forward the Group's ability to address new governance issues will likely be tested by the transition to a holding company. As an independent external director, I will continue to offer straightforward opinions from a variety of perspectives — international, the front lines of politics and economics, crisis management, and academic. In this way, I will strive to see that commonplace risks in the corporate culture are not overlooked.

Evaluation of the Fiscal Year Ended March 31, 2023, and Global Initiatives

Reviewing results by business and geographical segment in the fiscal year ended March 31, 2023, notable achievements included higher profits in digital-related businesses and the overseas packaging business. On the other hand, looking at the details, it is clear that in the Information & Communication segment a decline in large-scale projects had an especially significant effect. These circumstances give rise to questions about sustainability, and accordingly the Group needs to move quickly to commence structural reviews. In the Living & Industry segment, there is cause for concern about the divergence between overseas and domestic operations in regard to sales and operating profit. If issues such as higher raw materials prices continue over the long term, significant revisions will likely be necessary. Overseas business is highly important for the Electronics segment, where the composition of sales is 22% domestic and 78% overseas. The segment's results in Asia were surpassed by those in the North American market, which has the highest profit margins and is also influenced by exchange rates.

On a Groupwide basis, domestic businesses contributed 67% of sales and overseas businesses contributed 33% in the fiscal year ended March 31, 2023. TOPPAN's strategy is to further increase the overseas sales ratio and capture growth around the world. In recent years, the Group has been actively implementing M&A initiatives. However, in some instances ways of doing things overseas are different than in Japan, and there were cases in which the Group's follow-up was insufficient. Nevertheless, I have to say that it is essential for the Group to continue to advance globalization while accumulating experience and building up a solid track record. In globalizing operations, an approach of not taking any risks at all ends up becoming a risk itself, and thorough analysis of global circumstances is essential.

The Global Governance Division was established in April 2019. This division is calling for sustained growth through globalization with proactive and defensive aspects. Going forward, I would like to see the Global Governance Division fulfill a role as a cross-sectional unit traversing departments

responsible for the various aspects of governance so that the Group can implement strategies aligned with international

circumstances and respond quickly to the regulations and practices of each country.

Human Asset Strategy with a Focus on Global Initiatives

TOPPAN aims to support the realization of a sustainable society and growth in its corporate value by supporting the resolution of social issues around the world through DX and SX initiatives. To achieve those objectives, the Group will need to secure and develop suitable human assets. In addition to continuing its regular recruitment initiatives, TOPPAN should not only implement recruitment activities year-round and conduct internal development initiatives but also take steps to utilize non-Japanese human assets. Currently, the field of human assets is undergoing further globalization and diversification.

For TOPPAN's global initiatives, to ensure the permeation of common governance practices on a Groupwide basis, it will be necessary to increase the number of employees who can conduct business not only in Japanese but also in English and other languages. Also, when people are focused entirely on their immediate work tasks, there is a tendency for them to postpone the monitoring of global circumstances, which are

changing at a rapid pace. Looking at the internal development of human assets, I think that it would be a good idea to introduce a framework for on-the-job training that leverages TOPPAN's distinctive strengths.

TOPPAN's internal newsletter included a report about an employee survey. In regard to the Company's image, in Japan there were many responses indicating a feeling that the corporate culture valued passive thinking, cautious action, and steady approaches, while, ideally, the employees would like to see an innovative culture that facilitates initiatives to address changes in society. However, overseas 60.9% of the employees surveyed answered that TOPPAN is currently innovative. It is possible that the approaches of people's supervisors are reflected in this difference. I think that breaking down the boundaries between domestic and overseas business units is also necessary for the internal development of human assets.

TOPPAN's Group Philosophy and Expectations for Reorganization

It is important for companies to clarify their purpose and focus on the future management environment. On that basis, they should demonstrate their long-term vision, which outlines the direction they need to take, as well as their strategies. In an era of significant change, the transition to TOPPAN Holdings is an excellent opportunity to demonstrate that approach. I think that the Company should leverage this opportunity to tell the story of its dynamic future. This will also be indispensable in

gaining the confidence of investors over the long term. Further discussion is also needed regarding the division of roles between the holding company and the operating companies and the approach to the sharing of information. I would like to see this significant organizational change be positioned as an opportunity, and to see all employees sharing TOPPAN's Purpose & Values and working with increased motivation.

Directors and Audit & Supervisory Board Members

As of June 29, 2023

Directors



Shingo Kaneko

Chairman & Representative Director

1973 Joined Toppan
2003 Director, Head of Commercial Printing Subdivision, Commercial Printing Division
2006 Managing Director, Head of Corporate Planning Division and Overseeing Management Audit Office and Business Innovation Division
2008 Senior Managing Director, Head of Corporate Planning Division and Overseeing Management Audit Office, Public Relations Division, Business Innovation Division, and Legal Affairs Division
2009 Representative Executive Vice President, Overseeing Sales, Management Audit Office, Public Relations Division, Corporate Planning Division, Cultural Project Division, Personnel & Labor Relations Division, and International Division
2010 President & Representative Director
2019 Chairman & Representative Director



Hideharu Maro

President & Representative Director

1979 Joined Toppan
2009 Director, Deputy Head of Kansai Division
2012 Managing Director, Head of International Division
2016 Senior Managing Director, Head of Corporate Planning Division and Overseeing Educational ICT Business Development Division
2018 Executive Vice President & Representative Director, Overseeing Corporate Planning Division, Business Development & Research Division, Manufacturing Management Division, and Information & Communication Technology Management Division
2019 President & Representative Director



Kazunori Sakai

Executive Vice President & Representative Director

1985 Joined Toppan
2014 Director, Head of Chubu Division
2018 Director & Managing Executive Officer, Head of Corporate Planning Division
2021 Director & Senior Managing Executive Officer, Overseeing Corporate Planning Division, Global Governance Division, Information Security Division, Digital Innovation Division, Education Business Development Division, and Sports Business Development Office
2022 Director & Senior Managing Executive Officer, Overseeing Corporate Planning Office, Global Business Division, Information Security Division, Digital Innovation Division, and Education Business Development Division
2023 Executive Vice President & Representative Director, Overseeing Corporate Planning Division, Group Management Strategy Office, Global Business Division, Information Security Division, Digital Innovation Division, and Education Business Development Division



Masanori Saito

Director & Senior Managing Executive Officer

1983 Joined Toppan
2015 Director, General Manager, Kansai Information & Communication Subdivision, Nishinohon Division
2016 Senior Executive Officer, General Manager, Kansai Information & Communication Subdivision, Nishinohon Division
2018 Managing Executive Officer, Assistant General Manager, Nishinohon Division
2019 Director & Managing Executive Officer, Nishinohon Division
2021 Senior Managing Executive Officer, Information & Communication Division; Overseeing Expo/IR Promotion Office and DX Design Division
2023 Director & Senior Managing Executive Officer, Information & Communication Division, Overseeing Expo/IR Promotion Office and DX Design Division

External Directors



Yoshinobu Noma

External Director

1991 Joined Mitsubishi Bank, Ltd.
1999 Joined Kodansha Ltd. as Director
2003 Managing Director, Kodansha Ltd.
2004 Executive Vice President, Kodansha Ltd.
2010 External Director, Toppan (to present)
2011 Representative Director and President, Kodansha Ltd. (to present)



Ryoko Toyama

External Director

1998 Associate, Japan Advanced Institute of Science and Technology
2001 Associate Professor, Japan Advanced Institute of Science and Technology
2008 Visiting Professor, Japan Advanced Institute of Science and Technology (to present)
Professor, Chuo Graduate School of Strategic Management (to present)
2016 External Director, Toppan (to present)



Mieko Nakabayashi

External Director

1993 Aide, United States Senate Committee on the Budget (U.S. public official/Republican Party)
2002 Researcher, Research Institute of Economy, Trade and Industry (RIETI)
2006 Associate Professor, Faculty of Management, Atomi University
2007 Member, Fiscal System Council, Ministry of Finance
2009 Member of the House of Representatives
2013 Associate Professor, Center for International Education, Waseda University
2015 Director, Society of Global Business
2017 Professor, School of Social Sciences, Faculty of Social Sciences, Waseda University
2018 Distinguished Fellow, The Maureen and Mike Mansfield Foundation (to present)
2020 External Director, Toppan (to present)
2021 President, Society of Global Business (to present)
2022 Professor, Center for International Education, Waseda University (to present)

Audit & Supervisory Board Members



Takashi Kurobe

Director & Managing Executive Officer

1986 Joined Toppan
 2017 Executive Officer, Head of Accounting Department, Consolidated Accounting Department, and Financial Planning Department, Finance & Accounting Division
 2018 Director & Executive Officer, Head of Finance & Accounting Division
 2021 Director & Managing Executive Officer, Head of Finance & Accounting Division
 2022 Director & Managing Executive Officer, Head of Finance & Accounting Division and Overseeing Global Governance Division
 2023 Director & Managing Executive Officer, Finance & Accounting Division, Overseeing Global GRC Division



Hideki Soeda

Director

1984 Joined TOPPAN MOORE CO., LTD.
 2014 Executive Officer; Deputy General Manager, Tokyo Subdivision, Sales Management Division, Toppan Forms Co., Ltd.
 2017 Director; General Manager, Corporate Headquarters Subdivision, Sales Management Division, Toppan Forms Co., Ltd.
 2018 Director; General Manager, Global Business Subdivision, Toppan Forms Co., Ltd.
 2019 Managing Director; General Manager, Digital Innovation Division, Toppan Forms Co., Ltd.
 2020 Managing Director; General Manager, Planning and Sales Promotion Management Division, Toppan Forms Co., Ltd.
 2022 President & Representative Director, Toppan Forms Co., Ltd.
 2023 President & Representative Director, TOPPAN Edge Inc.
 2023 Director, Toppan Inc.



Masatoshi Hagiwara

Senior Audit & Supervisory Board Member

1982 Joined Toppan Bureau of Engraving Co., Ltd.
 1985 Joined Toppan
 2004 General Manager, General Affairs Department, Packaging Division
 2007 Managing Director, Toppan Human Information Services Co., Ltd.
 2011 General Manager, Personnel Department, Personnel & Labor Relations Division, Toppan
 2018 Executive Officer, Personnel Department, Personnel & Labor Relations Division
 2021 Managing Executive Officer, Personnel Department, Personnel & Labor Relations Division
 2022 Senior Corporate Advisor, Overseeing Personnel Department, Personnel & Labor Relations Division
 2022 Senior Audit & Supervisory Board Member



Itaru Kubozono

Audit & Supervisory Board Member

1991 Joined Toppan
 2012 General Manager, Accounting Department, Finance & Accounting Division
 2015 General Manager, Finance Department, Finance & Accounting Division
 2018 General Manager, Accounting Department, Living & Industry Division
 2019 General Manager, Finance & Accounting Division
 2019 Audit & Supervisory Board Member

* Corporate name changed to Toppan Forms Co., Ltd. in 1997

External Audit & Supervisory Board Members



Keiko Kakiuchi

External Audit & Supervisory Board Member

1998 Registered as attorney
 Joined Miyahara Suda & Ishikawa Law Firm
 2003 Joined Kasahara Law Office
 2012 Established Ryowa Sogo Law Office
 2016 External Audit & Supervisory Board Member, Toppan (to present)



Haruo Kasama

External Audit & Supervisory Board Member

1974 Appointed as Public Prosecutor
 2009 Superintending Prosecutor, Hiroshima High Public Prosecutors Office
 2010 Superintending Prosecutor, Tokyo High Public Prosecutors Office
 Prosecutor General
 2012 Retired from Public Prosecutors Office
 2018 External Audit & Supervisory Board Member, Toppan (to present)



Teruhiko Kawato

External Audit & Supervisory Board Member

1976 Secretary, Board of Audit of Japan
 2008 Director General, 3rd Bureau, Board of Audit of Japan
 2010 Secretary General, Board of Audit of Japan
 2013 Commissioner, Board of Audit of Japan
 2013 President, Board of Audit of Japan
 2018 Retired from Board of Audit of Japan
 2018 Advisor, Board of Audit of Japan (to present)
 2022 External Audit & Supervisory Board Member, Toppan (to present)

Note: External directors Ryoko Toyama and Mieko Nakabayashi and external audit & supervisory board members Keiko Kakiuchi, Haruo Kasama, and Teruhiko Kawato are designated as independent officers because it is deemed that adequate independence from the Company's Board of Directors is ensured on account of there being no risk of conflicts of interest with general shareholders due to the fact that they do not receive monetary amounts or other assets from the Company other than officers' compensation and that they are not major shareholders of the Company or responsible for the execution of the operations of major business partners. Further, external director Yoshinobu Noma is the representative director and president of Kodansha Ltd., which contracts the Company to perform printing processing and other operations. In light of the Independence Standards for External Officers of Toppan Inc., established by the Company, and the criteria stipulated by the Tokyo Stock Exchange, the Company has confirmed that the appointment of Mr. Noma as an independent director would not be an issue. Sales from Kodansha Ltd. in the past three fiscal years accounted for less than 0.5% of the Group's consolidated net sales.

Skill Matrix of Directors and Audit & Supervisory Board Members

As of June 29, 2023

Directors

Name	Position	Number of years in office*	Number of shares of Company stock held (as of the end of May 2023)	Main experience and specialty					
				Corporate management	Finance / Accounting	Sales / Marketing	Internationality	Personnel / Labor relations	
Shingo Kaneko	Chairman & Representative Director	20	125,485	●		●			
Hideharu Maro	President & Representative Director	14	73,504	●		●	●		
Kazunori Sakai	Executive Vice President & Representative Director	4	29,552	●		●	●	●	
Masanori Saito	Director Senior Managing Executive Officer	—	25,619	●		●			
Takashi Kurobe	Director Managing Executive Officer	5	17,532	●	●		●		
Hideki Soeda	Director	—	4,333	●		●			
Yoshinobu Noma	Director (External)	13	34,543	●	●	●			
Ryoko Toyama	Director (External)	7	0	●		●	●		
Mieko Nakabayashi	Director (External)	3	0		●		●		

* As director

Audit & Supervisory Board Members

Name	Position	Number of years in office	Number of shares of Company stock held (as of the end of May 2023)	Main experience and specialty					
				Corporate management	Finance / Accounting	Sales / Marketing	Internationality	Personnel / Labor relations	
Masatoshi Hagiwara	Senior Audit & Supervisory Board Member	1	10,361	●					●
Itaru Kubozono	Audit & Supervisory Board Member	4	6,084	●	●				
Keiko Kakiuchi	Audit & Supervisory Board Member (External)	7	0						
Haruo Kasama	Audit & Supervisory Board Member (External)	5	0						
Teruhiko Kawato	Audit & Supervisory Board Member (External)	1	0		●				

* Senior audit & supervisory board member Masatoshi Hagiwara and external audit & supervisory board member Teruhiko Kawato attended all 14 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Board that were held after they took office on June 29, 2022.

The Company first identifies the expertise, experience, knowledge and other qualities that the Board of Directors as a whole should possess in order to enhance the corporate value of the Group. On that basis, the Company then selects suitable candidates who possess these qualities and who, as directors, will be able to fulfill fiduciary responsibilities to shareholders. The selection of suitable candidates is made without regard to age, gender, or nationality.

	Environmental / Social	Legal affairs / Risk management	Digital / IT	Manufacturing	Knowledge of other companies	Member of Advisory Committee for Nomination and Remuneration	Independent officer	Attendance at meetings of the Board of Directors (FY2022)		Attendance at meetings of the Audit & Supervisory Board (FY2022)	
								Number of times attended	Number of times meetings held	Number of times attended	Number of times meetings held
	●		●		●	●		18		—	
			●	●		●		18	18	—	
		●	●					18		—	
			●					—	— (Appointed June 29, 2023)	—	
								18	18	—	—
			●					—	— (Appointed June 29, 2023)	—	
					●	●	●	17		—	
					●	●	●	18	18	—	
	●	●				●	●	17		—	

	Environmental / Social	Legal affairs / Risk management	Digital / IT	Manufacturing	Knowledge of other companies	Member of Advisory Committee for Nomination and Remuneration	Independent officer	Attendance at meetings of the Board of Directors (FY2022)		Attendance at meetings of the Audit & Supervisory Board (FY2022)	
								Number of times attended	Number of times meetings held	Number of times attended	Number of times meetings held
								14*	14* (Appointed June 29, 2022)	13*	13* (Appointed June 29, 2022)
								18		16	
	●	●			●	●	●	18	18	16	16
	●	●			●		●	18		16	
	●	●					●	14*	14* (Appointed June 29, 2022)	13*	13* (Appointed June 29, 2022)

Corporate Governance

Basic Approach

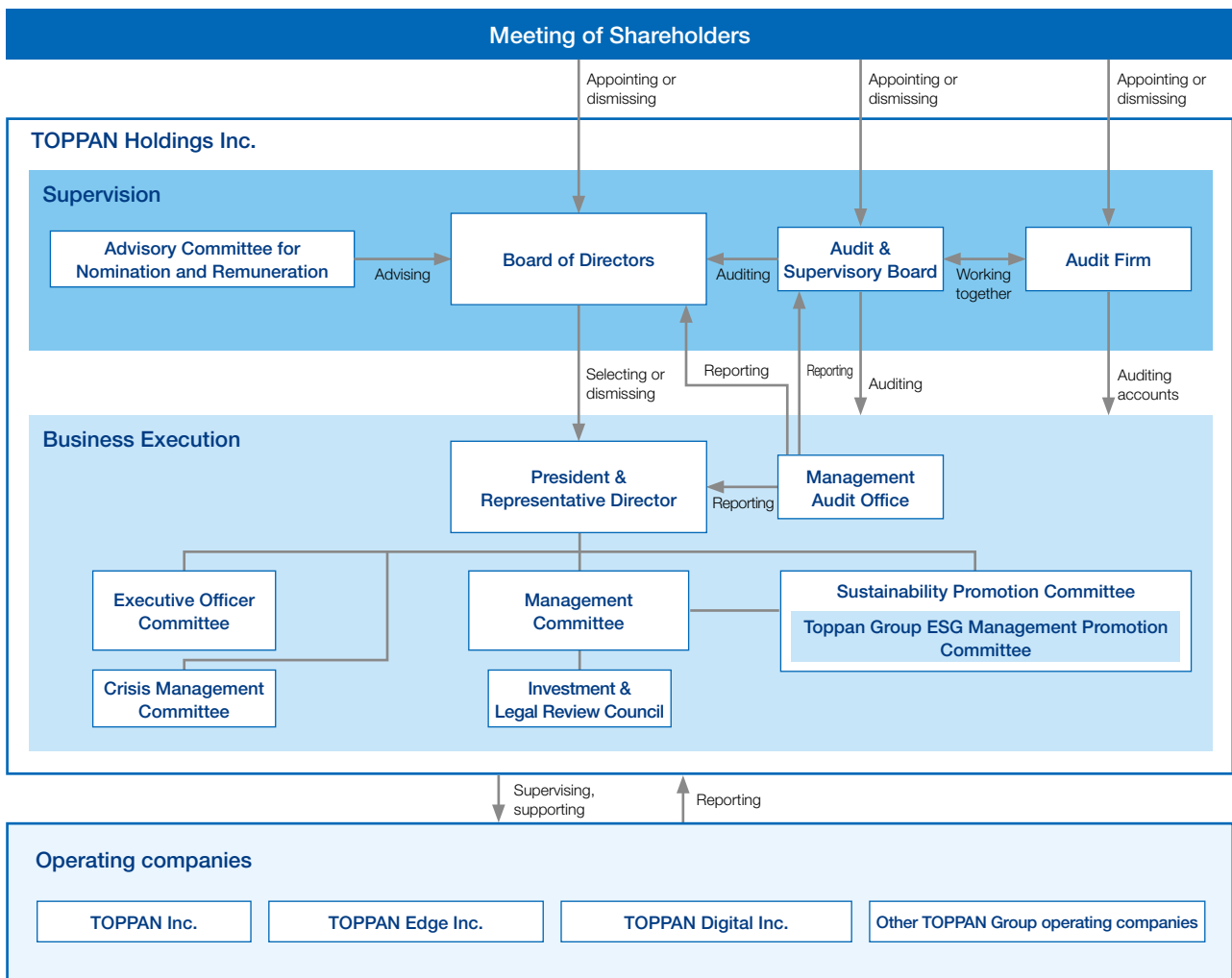
Reinforced corporate governance serves as an integral foundation to achieve sustainable growth and medium- to long-term increases in the corporate value of the TOPPAN Group. TOPPAN has formulated the Basic Policy on Corporate Governance to clarify the basic approach and framework of its corporate governance based on a full understanding of the principles and aims of the Corporate Governance Code.

With consideration for efforts related to the SDGs and diversity, TOPPAN partially revised the policy in

June 2023 to further enhance corporate governance.

In accordance with the Related Company Administration Regulations, which were formulated to advance fair Group management, we implement consolidated management while engaging in collaboration within the Group. TOPPAN will promote governance aimed at maximizing the value of the entire Group through this approach.

TOPPAN Holdings Inc. Corporate Governance Structure (As of October 1, 2023)



Promotion Structure (Toppan Inc.)

The Company employs an Audit & Supervisory Board system. As a body that assumes management responsibility on behalf of shareholders, the Board of Directors sustains the Company's growth and enhances medium-to-long-term corporate value while making important decisions on business management and supervising directors' execution of duties. Audit & supervisory board members and the Audit & Supervisory Board, of which a majority of the members are independent external audit & supervisory board members, supervise directors' execution of duties from a position that is independent of business management. Further, to heighten the objectivity and transparency of personnel matters and compensation related to directors, the Company has established an Advisory Committee for Nomination and Remuneration of Directors. The Company has also adopted an executive officer system to further clarify the authority and responsibilities of

officers who execute duties. Based on the Related Company Administration Regulations, which serve to promote fair management practices internally, Toppan will conduct business management through mutual collaboration within the Group and implement governance aimed at maximizing the value of the entire Group.

With a view to realizing better corporate governance that contributes to our sustained growth and enhances corporate value over the medium to long term, we established the Basic Policy on Corporate Governance of Toppan Inc. at a meeting of the Board of Directors convened on November 26, 2015. In establishing this policy, we gave due consideration to the intention and spirit of the principles of Japan's Corporate Governance Code. Part of this policy was revised at a meeting of the Board of Directors on June 22, 2023.



Corporate Governance Policy

https://www.holdings.toppan.com/library/english/ir/files/pdf/2023/corporate_governance_policy_en.pdf

■ Directors, Board of Directors, and Various Meetings

The Company's Articles of Incorporation stipulate that the Company shall have not more than 15 directors, and that resolutions for appointment of directors shall be adopted by a majority of the votes of the shareholders present, with shareholders who hold one-third or more of the voting rights of the shareholders entitled to vote present.

As of June 29, 2023, the Board of Directors comprises nine directors, including three external directors. Based on a resolution of the Board of Directors on April 27, 2016, Toppan introduced an executive officer system with a view to establishing a flexible business management system able to respond rapidly and precisely to changes in business conditions and to clarifying further the authority and responsibilities of officers who execute duties. In addition to executive officers who serve concurrently as directors, there are 35 executive officers who do not serve concurrently as directors.

In principle, ordinary meetings of the Board of Directors are held once per month and decisions are made in accordance with the Regulations of the Board of Directors. The Board receives reports from directors and supervises business execution. With consideration for the urgency of matters, in addition to ordinary meetings the Board holds extraordinary meetings as required. In the fiscal year ended March 31, 2023, the Board of Directors convened 18 times.

In the fiscal year ended March 31, 2023, the Board of Directors held discussions regarding various issues related to

Group management, priority issues for major businesses, and important matters related to business execution. In the fiscal year under review, active discussions were held regarding the transition to a holding company planned for October 2023 and the new medium-term plan, for which the fiscal year ending March 31, 2024 is the first year. In addition, to address issues related to sustainability, which is of increasing concern to stakeholders, discussions are held by the Sustainability Promotion Committee, which was voluntarily established, and decisions about important indicators are made by resolution of the Board of Directors. In these ways, the Group is working to strengthen its sustainability-related initiatives.

The Board also makes decisions about matters determined by laws, regulations, and the Articles of Incorporation. Furthermore, the Board receives reports about matters determined by laws and regulations and about the status of execution of important duties, and supervises business execution in a strict and fair manner. Comprising directors and others appointed by the President & Representative Director, the Management Committee conducts preliminary deliberation of matters that will be presented to the Board of Directors. In addition, the Committee makes certain decisions and makes management judgments in a manner that reflects an awareness of management efficiency. In the fiscal year ended March 31, 2023, the Management Committee convened 23 times.

■ Audit & Supervisory Board Members and Audit & Supervisory Board

The Company has five audit & supervisory board members (two internal, three external). One of the audit & supervisory board members is a woman, and accordingly the percentage of women on the Audit & Supervisory Board is 20%.

In accordance with the audit standards determined by the

Audit & Supervisory Board, audit & supervisory board members attend important meetings, such as meetings of the Board of Directors, the Management Committee, and the Investment & Legal Review Council, as well as divisional executive meetings held by business divisions, and other meetings.

Corporate Governance

In addition, audit & supervisory board members exchange opinions with the representative directors, receive reports from directors and others regarding the status of execution of their duties, view important documents, such as those related to approvals, and request business reports from consolidated subsidiaries. Through these and other methods, the audit & supervisory board members conduct audits and supervise and audit management.

Full-time audit & supervisory board members attend executive meetings in Japan and overseas and also conduct site visits and interviews at research facilities, plants, sales offices, and other facilities. In these ways, the full-time audit & supervisory board members have worked to ascertain the status of business execution. In the fiscal year ended March 31, 2023, in addition to site visits, other initiatives included the implementation of remote auditing using the internet. To monitor the status of Group governance and to confirm the operational status of internal control, regular meetings involving audit & supervisory boards from Group companies are held, and information and opinions are exchanged.

In principle, the Audit & Supervisory Board meets once per month, and extraordinary meetings are held as required. The

Audit & Supervisory Board determines matters such as audit plans and division of duties, and receives reports from audit & supervisory board members regarding the status and results of the implementation of audits. In addition, the Audit & Supervisory Board receives reports from directors, executive officers, internal audit sections, and the audit firm regarding the status of execution of duties, and requests explanations as required. In the fiscal year ended March 31, 2023, the Audit & Supervisory Board met 16 times. In the fiscal year under review, the Audit & Supervisory Board conducted audits centered on the following priority audit items.

- Status of progress in focus businesses, such as DX, SX, and BPO
- Audits of subsidiaries, interviews with CEOs of overseas subsidiaries
- Confirmation of the status of initiatives through attendance at the Toppan Group ESG Management Promotion Committee
- Reports related to internal control regarding financial reporting
- Confirmation of the status of the establishment and operation of a timely disclosure system, and other matters.

Details of Audit & Supervisory Board decisions, reports, and discussions

Decisions: 10 items	Appointment of audit firm; Audit & Supervisory Board audit reports; audit & supervisory board member audit policies, audit plans, and division of duties; approval of audit compensation for the audit firm; comprehensive approval list accompanying revision of IESBA code of ethics; etc.
Reports: 51 items	Reports on explanation of circumstances for focus businesses (DX, SX, BPO, etc.); initiatives related to the transition to a holding company; status of information security; status of compliance; status of activities of full-time audit & supervisory board members; etc.
Discussions: 7 items	Process for evaluation of the reappointment/non-reappointment of audit firm; policies for the handling of the ordinary general meeting of shareholders; allocation of compensation for audit & supervisory board members; etc.

Internal Auditing

To increase the soundness of management, the Company has established the Management Audit Office, which is independent from business departments. The office conducts audits at operational sites and plants, including those of consolidated subsidiaries, centered on management audits and operations audits. As of March 31, 2023, the Management Audit Office had 22 people engaged in audits. Management audits verify and evaluate consistency with management targets and whether necessary and sufficient risk control is being

implemented, with an emphasis on processes. Operations audits verify and evaluate compliance with laws, regulations, and Company rules; mechanisms for the prevention of misconduct; and whether there are issues with efficiency or accuracy. Recommendations for improvement are made when needed. In addition, the results of these audits are reported directly to the representative directors, the Board of Directors, the Audit & Supervisory Board, directors of Group companies, etc.

■ External Directors and External Audit & Supervisory Board Members

We believe that appointing external directors and external audit & supervisory board members with a high degree of independence from the Board of Directors is important for sound governance. In accordance with this approach, from the perspective of strengthening the supervisory function of the Board of Directors, we aim to ensure that the three external directors and the three external audit & supervisory board members we appoint are sufficiently independent of the Board of Directors. To this end, the Company confirms that they do not receive monetary amounts or other assets from the Company other than compensation as officers, are not responsible for the execution of the operations of major business partners, and are not major shareholders of the Company.

With respect to assessments of independence, we clarified standards for assessing the independence of external directors and external audit & supervisory board members by establishing the Independence Standards for External Officers of Toppan Inc. through a resolution of the Board of Directors on November 26, 2015. The Company bases assessments of the

independence of external directors and external audit & supervisory board members on these standards and the standards of the Tokyo Stock Exchange. Details of our standards are available on our website.

External directors Yoshinobu Noma, Ryoko Toyama, and Mieko Nakabayashi and external audit & supervisory board members Keiko Kakiuchi, Haruo Kasama, and Teruhiko Kawato are independent officers pursuant to the standards of the Tokyo Stock Exchange.

In addition, we have established a system to support external officers. External directors exchange information and opinions with other directors as required, and the president's office provides external directors with information from inside and outside the Company. External audit & supervisory board members receive internal and external information from other audit & supervisory board members and their dedicated personnel, as required, and exchange information and opinions with other audit & supervisory board members.



Corporate Governance Policy

<https://www.toppan.com/en/ir/governance/governance-policy.html>

Evaluation of the Board of Directors

To ensure the Board of Directors executes its duties appropriately and effectively, the Company's Basic Policy on Corporate Governance calls for an annual analysis and evaluation of the effectiveness of the Board of Directors and for the disclosure of a summary of the results.

To guarantee objectivity in the implementation of analysis and evaluation, from fiscal 2022, the design of the survey and the analysis and evaluation have been conducted by an external institution. An overview of the results of the survey implemented in March 2023 is as follows.

1 Analysis/Evaluation Method

All nine directors and five audit & supervisory board members were surveyed and provided responses. The survey covered confirmation of matters considered to be important for the Board to effectively fulfill its roles and duties, such as the

composition and administration of the Board and discussions regarding strategies. Other topics included governance systems expected by markets, the involvement of the Board in sustainability-related issues, etc.

2 Summary of Analysis/Evaluation Results

The results of the analysis and evaluation included a high evaluation for such matters as the conduct of constructive discussions by the Board with the participation of an appropriate proportion of independent external directors, and the Board's involvement with sustainability-related initiatives. The Board was evaluated as functioning effectively.

On the other hand, targeting further enhancement of effectiveness, with consideration for the transition to a holding company that the Company is planning for October 2023, it was

recognized that there is a need to hold discussions regarding the role of the Board and to implement creative management initiatives in such areas as the selection of agenda items.

In addition, with the Company advancing globalization as it targets sustained growth, it was recognized that it would be useful to strengthen the monitoring of the Groupwide risk management system.

With consideration for the recognition of these issues, the Group will strive to further increase the Board's effectiveness.

Succession Planning

With consideration for the management philosophy and management strategy, the Board of Directors has positioned the selection of the chief executive officer and other executives, including representative directors, and the development of their successors, to be important decisions for the sustainable

growth of the Group and for enhancement of corporate value over the medium to long term. The Board has formulated and is implementing a succession plan, which has the following objectives.

Objectives of Succession Planning

- Maintaining and enhancing organizational competitiveness by systematically developing personnel assigned to important posts (posts requiring people with considerable experience and capabilities)
- By pooling leadership candidates, implementing rapid human resource allocation that can accommodate changes in the business environment
- Rapidly appointing successors when important posts are unfilled due to unforeseen circumstances
- Enhancing the awareness of current senior management regarding the development of successors
- Giving concrete shape to the formulation and implementation of succession plans as called for by the Corporate Governance Code and making those plans a part of initiatives to strengthen governance

Through these initiatives, we will work to achieve sustainable company growth and management stability.

Remuneration of Officers

■ Advisory Committee for Nomination and Remuneration of Directors

A resolution of the Board of Directors on May 26, 2016, established the Advisory Committee for Nomination and Remuneration of Directors. Through this committee, the Company aims to further enhance the transparency and objectivity of decision-making processes regarding the nomination and remuneration of directors. Furthermore, external directors meeting the requirements of the Independence Standards for External Officers must make up a majority of the committee. This number must be higher than the number of members who are internal directors or internal audit & supervisory board members. In addition, external audit & supervisory board members

who meet the Independence Standards for External Officers can also be included. The committee comprised two internal directors, three independent external directors, and one independent external audit & supervisory board member as of June 29, 2023. The role of this advisory committee is to examine proposals relating to the nomination and remuneration of directors, including representative directors, and to provide recommendations that the Board of Directors or persons entrusted by the Board of Directors should refer to when deciding on these proposals.

(1) Matters related to policy on determining the amount of and calculation method for the remuneration of officers

(Overall)

The Company's remuneration of officers comprises fixed compensation and performance-linked bonuses, both of which are monetary amounts, as well as restricted-stock compensation, which is non-monetary compensation. The policy for determining remuneration of officers is decided by resolution of the Board of Directors. Meanwhile, the Board of Directors has passed a resolution entrusting the President & Representative Director with respect to the individual remuneration of respective directors. With reference to this resolution, the President & Representative Director determines individual remuneration. The Board determined that the most logical and appropriate practice is to have the President & Representative Director,

who supervises all aspects of Company management, evaluate the performance and competence of directors and decide their individual remuneration.

A resolution of the 175th Ordinary General Meeting of Shareholders, convened on June 29, 2021, set an annual limit of ¥1.4 billion for the total remuneration of directors, including a limit of ¥100 million for external directors. The total remuneration of directors to which this resolution refers does not include their employee salaries. At the time of the resolution there were nine directors, of whom three were external directors. In addition to the above, in regard to the amount of restricted stock compensation for directors, excluding external directors, in accordance with a resolution of the 173rd Ordinary General Meeting of Shareholders, convened on June 27, 2019, the total amount of monetary compensation credits paid under this system shall be up to ¥300 million per year. (However, this does not include the employee salary portion of

directors concurrently serving as employees.) At the time of the resolution, there were 13 directors (excluding external directors). A resolution of the 164th Ordinary General Meeting of Shareholders, convened on June 29, 2010, set an annual limit of ¥180 million for the total remuneration of audit & supervisory board members. At the time of the resolution, there were five audit & supervisory board members.

The fixed compensation, performance-linked bonuses, and restricted-stock compensation are determined within the limits set by these resolutions. In regard to the proportion of each type of compensation for directors, excluding external directors, the standard is 7:2:1 for fixed compensation, performance-linked bonuses, and restricted-stock compensation, and decisions are made with comprehensive consideration of such factors as levels of compensation at other companies, in line with roles and responsibilities. The compensation of external directors, who are responsible for the supervisory function, is limited to fixed compensation, taking into account their duties. The Advisory Committee for Nomination and Remuneration of Directors examines the policy for determining remuneration and individual remuneration and submits a recommendation to the President & Representative Director. The President & Representative Director determines remuneration based on due consideration of the advisory committee's recommendations.

(Fixed compensation)

The Company establishes standard compensation for each position in light of each director's influence on the Group's business management and the scope of responsibilities. Based on this standard compensation, fixed compensation is revised each fiscal year. Under this system, even among directors holding the same level positions, it is possible to revise fixed compensation to a certain extent to reflect the achievements or the degree of contribution to business management of respective individuals in the previous fiscal year. The remuneration of audit & supervisory board members is determined through consultation among audit & supervisory board members and is within total remuneration determined by a resolution of the general meeting of shareholders.

(Performance-linked compensation)

In terms of performance-linked bonuses, the Company has established a system that uses certain indicators to link compensation to the business performance of each fiscal year, in order to increase short-term performance and corporate value. The evaluation indicator primarily used is year-on-year percentage growth in consolidated operating profit. To appropriately reflect individual directors' degrees of contribution to business performance, comprehensive consideration from the perspective of investment efficiency is also given to such factors as levels of achievement of targets in the TOPPAN SDGs STATEMENT and of targets for the consolidated operating profit of each business segment.

(Restricted-stock compensation system)

In regard to restricted-stock compensation, the system allocates restricted stock to the Company's directors other than the external directors (hereinafter, "eligible directors"), with the aim of providing further incentive to strive for sustained enhancement of corporate value and driving greater sharing of value with shareholders.

The eligible directors pay all the monetary compensation credits received under the system (fixed amount by position) in the form of contribution in kind and in return receive shares of the Company's common stock through issuance or disposal by the Company.

The limit on the total number of the shares of common stock to be newly issued or disposed of by the Company under the system is 300,000 shares per year. The amount per share to be paid by the eligible directors shall be determined by the Board of Directors, based on the closing price of the Company's shares of common stock at the Tokyo Stock Exchange on the business day immediately preceding the day when such resolutions are made by the Board of Directors regarding issuance or disposal (if there is no trading on the immediately preceding business day, the closing price of the immediately preceding trading day), within a range that is not particularly advantageous to the eligible directors receiving the shares of common stock.

The issuance or disposal of the shares of common stock of the Company under the system is conditional upon the Company and each eligible director that is to receive the payment of the restricted-stock compensation entering into an agreement on the allotment of restricted stock that includes the following terms; (i) that the eligible director shall not transfer to a third party, collateralize, or otherwise dispose of the Company's shares of common stock that have been issued or disposed of under the system during a given period of time, and (ii) that the Company shall automatically acquire the shares without consideration if certain events occur.

Under the system, in addition to the eligible directors, the Company also pays, based on resolutions of its Board of Directors, similar restricted-stock compensation to the Company's executive officers who do not serve concurrently as directors and newly issues or disposes of the Company's shares of common stock.

(2) Total remuneration provided by the submitting company in each officer classification, total remuneration by type, and number of officers receiving remuneration

Officer classification	Total remuneration (¥ million)	Total remuneration by type (¥ million)			Number of officers receiving remuneration
		Fixed compensation	Performance-linked compensation	Restricted-stock compensation	
Directors (excluding external directors)	591	455	89	46	6
Audit & supervisory board members (excluding external audit & supervisory board members)	61	61	—	—	3
External directors and audit & supervisory board members	80	80	—	—	7

(3) Total consolidated remuneration received from the submitting company by officer

Name	Total consolidated remuneration (¥ million)	Officer classification	Company classification	Consolidated remuneration by type (¥ million)			
				Fixed compensation	Performance-linked compensation	Restricted-stock compensation	Retirement benefit
Shingo Kaneko	205	Director	Toppan Inc.	156	27	12	—
		Director	Tamapoly Co., Ltd.	7	2	—	—
Hideharu Maro	188	Director	Toppan Inc	149	27	12	—

Note: Only officers receiving total consolidated compensation of ¥100 million or more have been included.

Shareholdings

■ Classification of Investment Shares

The Company classifies shares that are held exclusively for the purpose of receiving profits through changes in share prices or from dividends related to shares as investment shares held for

the purpose of pure investment and classifies other shares as investment shares held for purposes other than pure investment.

■ Investment Shares Held for Purposes Other than Pure Investment

Details of policy, method of verifying rationale, and verification by the Board of Directors of the appropriateness of holding specific stocks

The Company's basic policy is to strategically hold shares that are deemed necessary for contributing to the enhancement of corporate value over the medium to long term or for strengthening business relationships and business collaboration as part of management strategy. In accordance with this policy,

the Company re-examines the rationale of continuing to hold shares in light of comprehensive analysis from the perspectives of business management and of value as investment assets — which includes consideration of whether the purpose of holding each stock is appropriate as well as whether the attendant holding benefits and risks are commensurate with the shareholding cost based on internal regulations — and in light of annual verification of holding rationale by the Board of

Directors. Through disposal and other measures, the Company reduces holdings of stocks deemed to be no longer relevant or meaningful in light of the aforementioned considerations.

At the end of March 2023, the amount of holdings of shares held for purposes other than pure investment and deemed-owned shares was ¥293,529 million (total of amount on balance sheet

for shares held for purposes other than pure investment of ¥282,815 million and deemed-owned shares of ¥10,714 million). Of this total, the amount of holdings, excluding co-creation investment in 51 venture companies of ¥3,549 million (amount on balance sheet), was ¥289,980 million, or 19.97% of consolidated net assets of ¥1,452,169 million.

Number of Stocks and Amounts on Balance Sheet

	Number of stocks	Total on balance sheet (¥ million)
Unlisted shares	160	22,056
Stocks other than unlisted shares	122	260,759

Stocks for Which Number of Shares Increased in the Fiscal Year under Review

	Number of stocks	Total acquisition cost incurred due to the increase in the number of shares (¥ million)	Reason for increase in the number of shares held
Unlisted shares	11	1,694	Maintenance and strengthening of business relationship and business collaboration
Stocks other than unlisted shares	15	168	Maintenance and strengthening of business relationship and business collaboration

Stocks for Which Number of Shares Decreased in the Fiscal Year under Review

	Number of stocks	Total value of divestment related to the decrease in the number of shares held (¥ million)
Unlisted shares	3	36
Stocks other than unlisted shares	42	67,526

Compliance

■ Basic Approach

Legal compliance in business operations is an indispensable prerequisite for every corporation to fulfill its responsibilities to society. Global business initiatives are accelerating, and compliance-related risks are increasing. In this setting, Toppan believes that it is extremely important for all employees working at the Company to take a thorough approach to compliance.

In 2000, Toppan established the Conduct Guidelines, which set forth standards for behavior based on principles of legal compliance and the Corporate Philosophy. In 2010, we revised the guidelines into the Toppan Group Conduct Guidelines and

expanded the scope of their application to include all Group companies in Japan and overseas. In addition, the 2021 revision incorporates an SDGs perspective, including the achievement of a sustainable society, personnel diversity, and a rewarding work environment. By taking a thorough approach to the conduct guidelines, we are aiming to help shape a sustainable society. In accordance with the Toppan Group Conduct Guidelines, we are working to further enhance compliance on a Groupwide basis.



Toppan Group Conduct Guidelines

<https://www.toppan.com/en/about-us/philosophy/conduct-guidelines.html>

■ Promotion Framework

The Company has established the Toppan Group Conduct Guidelines, which set out basic compliance regulations. We are working to secure legal compliance in employees' execution of duties by ensuring that all employees are informed about these guidelines.

To facilitate these efforts, the Company has established the Compliance Department in the Legal Division at the head office. This department coordinates with the legal departments of Group companies and works to ensure

Groupwide compliance with laws and regulations and sound corporate ethics.

In addition, to foster the dissemination of the conduct guidelines at each workplace, the Company and its subsidiaries have introduced the Conduct Guidelines Promotion Leader system. Under the director in charge of Conduct Guidelines Promotion, in workplaces, the Conduct Guidelines Promotion Leaders are striving to disseminate and promote observance of the guidelines in daily operations.

■ Internal Reporting System

When a person at Toppan discovers a legal violation or improper conduct somewhere in the Group, they are to report it to their superior for deliberation as a basic rule. If their superior fails to resolve the problem, the person is encouraged to call the Toppan Group Helpline, the Group's internal reporting system. The helpline is open for use by all officers and employees (including dispatched staff and part-time workers) at Group companies (excluding listed corporations). By implementing strict compliance and promptly identifying and properly dealing with legal violations and improper acts, the Company is handling compliance in an appropriate manner.

To establish an environment in which this system is easier to use, in 2019, we revised the rules on internal reporting by adding a clause stipulating the establishment of three portals to receive reports: a "corporate portal" and "audit & supervisory board member portal" operated in-house, and an "external portal" operated by legal consultants. The three portals were opened for use on April 1, 2020.

Also, in May 2022, we implemented a revision in accordance with the Amended Whistleblower Protection Act, which took effect in June 2022.

■ Addressing Tax Compliance

In accordance with a basic approach of building relationships of trust with stakeholders, contributing to society, and enhancing corporate value by complying with the tax-related laws and regulations of each country and region and appropriately fulfilling its tax payment obligations, in March 2021, Toppan established the Toppan Group Tax Policy as a standard for making decisions about taxes.

Toppan will bolster efforts to ensure tax compliance and will strengthen tax-related corporate governance. In this way,

Toppan will fulfill its corporate social responsibility through the appropriate payment of taxes and will strive for sustainable growth and increased medium-to-long-term corporate value.



Toppan Group Tax Policy

<https://www.toppan.com/en/about-us/our-corporate-approach/tax-policy.html>

>> For further information, please refer to Sustainability Report 2023.

Information Security

Basic Approach

Against a background of increasingly sophisticated IT and rapid digitalization, the threat of cyber-attacks has increased. This involves more than just leaks of information assets, including confidential information and personal information. It threatens the continuity of business operations.

Aiming to be a leading provider of solutions to global social issues, Toppan believes that the appropriate and secure management of information necessary for business will justify the

trust of its customers and lead to ongoing business growth. The Company recognizes that information security management is an important management issue.

Based on this approach, the Company has formulated the Toppan Group Basic Policy on Information Security, and in accordance with this policy comprehensive information security is implemented across the Group.



Toppan Group Basic Policy on Information Security

<https://www.toppan.com/en/sustainability/social/security.html>

Promotion Framework

The Group has established the Information Security Division. The division addresses governance and implements technical responses. In addition, the division establishes Groupwide specialist teams to handle cyber-attacks. The division has overall responsibility for Group companies and advances information security management while collaborating with outside organizations.

In addition, the director in charge of the Information Security Division also serves as the chief information security officer (CISO). Information security managers have been appointed in Group companies, and they work to ensure the safety of their organizations according to instructions issued by the Information Security Division.

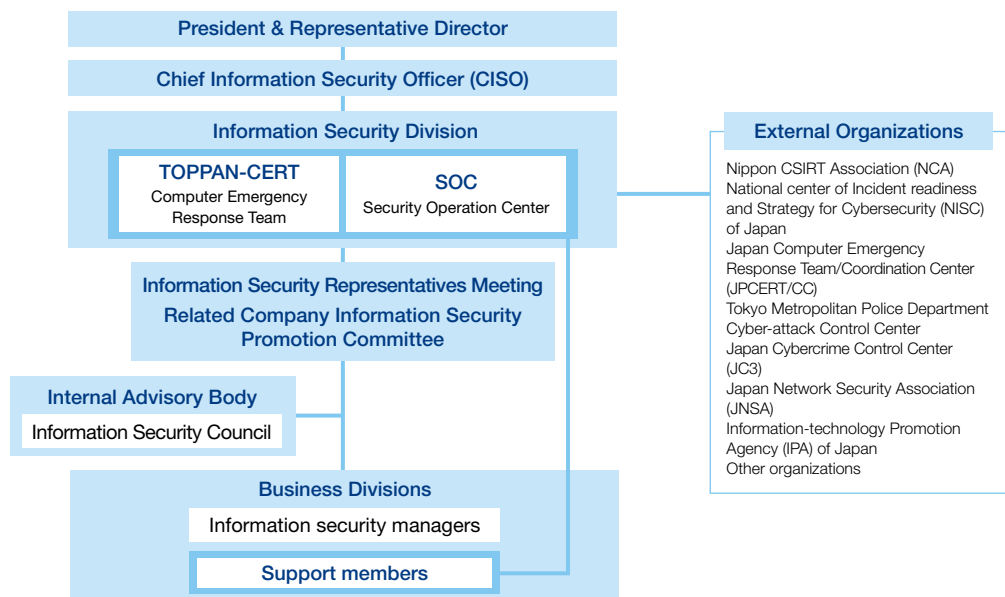
Information Security Management

Under the chief information security officer, the Information Security Division formulates overall information security plans and establishes and reviews rules and regulations. In addition, it convenes regular meetings with staff from Group companies to share the details of information security policies and measures to be implemented. The Information Security Division also carries out regular audits of Group companies to

check the quality of their information security management and recommend corrective measures or improvements.

The results of these activities are regularly reported to the chief information security officer. In addition, we have established a structure to ensure appropriate reporting and a prompt response when a security incident arises.

Information Security Promotion Structure



Risk Management

■ Basic Approach

The risks faced by corporations are diversifying and becoming more complex. These risks include changes in political and economic circumstances, environmental problems associated with climate change, increasingly sophisticated cyberattacks due to the progress of digitalization, and human rights issues, such as forced labor.

Toppan conducts business on a global basis, and from the perspective of implementing management strategies and business operations, the Company considers it extremely important to precisely understand and appropriately manage these

risks, as well as to prevent them from arising.

Toppan identifies significant risks through a risk assessment conducted once a year. In addition, the Company establishes countermeasures to prevent risks from arising. When a risk actually does arise, Toppan immediately collects information and takes comprehensive and strategic countermeasures through the Group's risk management structure in order to minimize losses, ensure business continuity, and maintain the trust of society.

■ Promotion Framework

In making decisions about significant risks, which are risks that could exert a significant adverse impact on management, consideration is given to the results of risk assessments conducted by business divisions and Group companies, as well as to such factors as social conditions and the possibility of risks arising from a medium-to-long-term viewpoint. Discussions are held by the Risk Management Working Group, which is a corporate ESG project established under the Sustainability Promotion Committee, and decisions are made with the approval of the committee. (Please refer to the Sustainability Promotion Structure on page 67.)

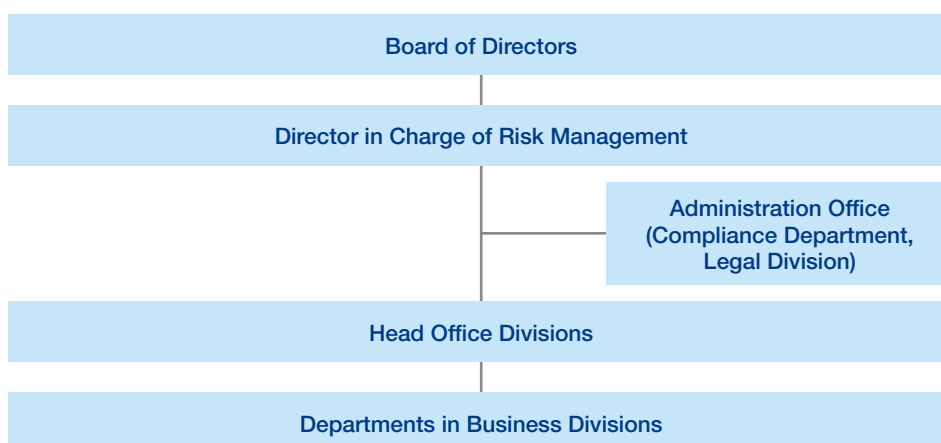
Under the risk management promotion structure, specific head office divisions are assigned responsibility for each type of risk, and relevant departments lead efforts to formulate response plans and implement thorough risk management. In addition, the status of those measures is periodically reported

to the Board of Directors by the director in charge of risk management.

Furthermore, activities are regularly reported to the Sustainability Promotion Committee. This committee, in collaboration with the Toppan Group ESG Management Promotion Committee, in which independent external directors participate, conducts discussions regarding risk management with consideration for independent, objective viewpoints.

Toppan has designated 25 significant risks in fiscal 2023. The responsible head office divisions spearhead efforts to formulate and manage countermeasure plans for significant risks. In addition, the status of measures to address significant risks is periodically reported to the Board of Directors by the director in charge of risk management.

Risk Management Structure



Significant Risks (Fiscal 2023)

1. Human injury or physical damage caused by earthquakes, storms, flooding, other natural disasters, or infectious diseases	14. Information security risks (cyberattacks, leakage of information)
2. Climate change risk >> For further information, please refer to Climate Change and the TCFD on page 71.	15. Risks associated with IT system outages (production lines, digital services, etc.)
3. Risks associated with market environment changes	16. Risks associated with product quality
4. Risks associated with strategic partnerships, investments, and acquisitions	17. Risks associated with procurement
5. Risks associated with R&D	18. Risks of pollution and leakage of hazardous substances
6. Securing human resources to support growth	19. Risks associated with waste
7. Securing financing	20. Human rights risks
8. Risks associated with control of the Group	21. Fires and occupational accidents
9. Intense market competition and price competition	22. Risks associated with labor issues (violations of labor-related laws, labor disputes, etc.)
10. Non-performing or long-term retained inventory assets due to inadequate asset management	23. Infringement of patents, copyrights, and other intellectual property rights
11. Incidents related to receivables (bad debt, customer bankruptcy, etc.)	24. Misconduct (serious improper conduct or inappropriate actions, etc.) and compliance violations (bid-rigging, bribery, other legal or regulatory violations)
12. Fluctuations in current value of marketable securities	25. Risks associated with overseas business (other matters not included above, such as regulatory violations, geopolitical risks, lawsuits, labor disputes, or issues to do with international taxation)
13. Fluctuations in foreign exchange rates	

>> [For information about measures to address significant risks, please see the securities report for the fiscal year ended March 31, 2023 \(pages 27 to 36\) \(Japanese only\)](#)

Sustainability Management

Basic Approach

Since its founding in 1900, the Group has provided products and services leveraging a variety of technologies and know-how derived from the starting point of printing. In this way, we have conducted business activities that contribute to the resolution of issues faced by stakeholders and society.

Today, there are widespread problems on a global scale. Environmental issues are becoming more severe, including frequent natural disasters accompanying climate change and damage to the natural environment, and there are growing human rights risks and geopolitical risks. Companies are facing an era in which it is difficult to forecast the future.

The TOPPAN Group recognizes that business has an effect on society, and we work to fulfill our responsibilities as a company. In addition, we are advancing sustainability management with the aim of increasing corporate value as we strive to resolve social issues through business activities.

In addition, TOPPAN undertakes sustainability activities in

accordance with the principles of the United Nations Global Compact and the guidelines of the ISO 26000 Guidance on Social Responsibility, a globally recognized standard for organizations. The United Nations Sustainable Development Goals (SDGs) have also been incorporated into the Group's sustainability activity targets.

In November 2019, we formulated and announced the TOPPAN SDGs STATEMENT, which states how the Company aims to strengthen SDG initiatives and integrate them with management.

The statement specifies how SDG initiatives will become an engine for TOPPAN's evolution as a company that creates social value, and it identifies the material issues that are the focus of special attention.

Going forward, the Company will advance initiatives targeting these material issues, which have been positioned at the center of TOPPAN's sustainability activities.

Development of Our Approach to Sustainability



Information on Sustainability at Toppan

Detailed information about Toppan's sustainability activities is provided in the Sustainability section of the Company's website (<https://www.holdings.toppan.com/en/sustainability/>) and through the following tools.

Sustainability Report

This provides a comprehensive range of information about sustainability at Toppan, including our approach and systems as well as the results of our initiatives.

<https://www.holdings.toppan.com/en/sustainability/sustainability-report.html>



TOPPAN SDGs STATEMENT

This introduces the SDG-related material issues Toppan has selected, the thinking that underlies their selection, and the story for achieving the corresponding goals.

https://www.holdings.toppan.com/assets/en/pdf/sustainability/toppan_sdgs_statement.pdf

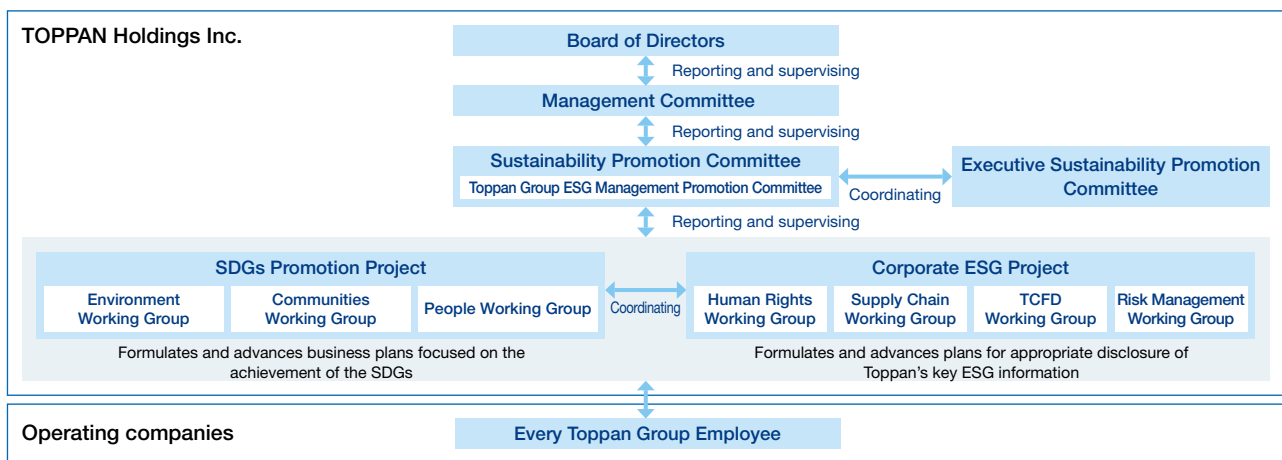


Sustainability Promotion Structure

To drive the Group’s sustainability activities, TOPPAN has established the Sustainability Promotion Committee, which is chaired by the President & Representative Director. This committee, which is positioned within the corporate governance system, is responsible for Groupwide sustainability promotion.

We have established the SDGs Promotion Project, the Corporate ESG Project, and various working groups under the Sustainability Promotion Committee. Through this structure, we are formulating plans and advancing activities. The details of these initiatives are discussed by the Sustainability Promotion Committee and reports are made to the Board of Directors through the Management Committee.

In fiscal 2022, we established the Human Rights Working Group, Supply Chain Working Group, TCFD Working Group, and Risk Management Working Group, and we advanced projects for each theme. In addition, as a venue for the exchange of opinions regarding future sustainability issues, we have established the Executive Sustainability Promotion Committee. The activities of this committee include exchanges of opinions between external experts and the Company’s directors. For important issues, the committee holds discussions in collaboration with the Sustainability Promotion Committee.



Material Issues

Toppan has selected material issues that will be given special attention in the Company’s sustainability activities. The issues have been grouped under “Business Materiality,” to be addressed on a priority basis through our business activities, and “Companywide Materiality,” to be addressed through Companywide activities focused on being a good corporate citizen.

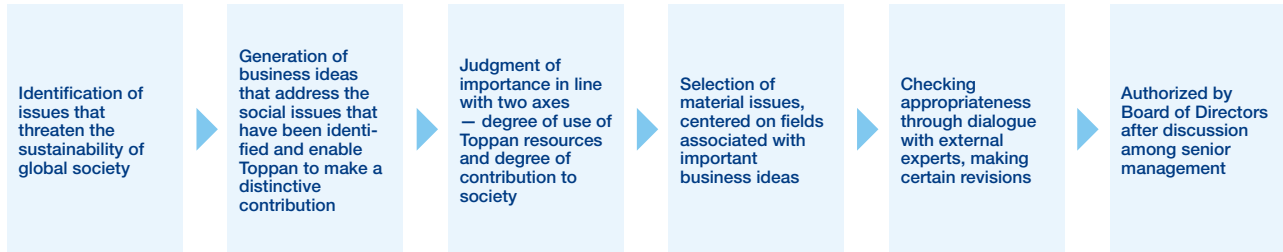
Currently, Toppan is advancing sustainability activities strategically in each part of the business, centered on these material issues. We will implement initiatives to further our aim of being a company that creates social value and contributes to fulfilling living.

Material Issues

	Theme	Relationship with the SDGs
Business Materiality (Issues of focus in the Group’s business activities)	Environment (sustainable global environment)	
	Communities (creation of safe, secure, enriched communities)	
	People (empowerment and fulfillment of body and mind)	
Companywide Materiality (Issues addressed in Groupwide activities as a good corporate citizen)	Environmentally friendly & sustainable production	
	Employee health & job satisfaction	

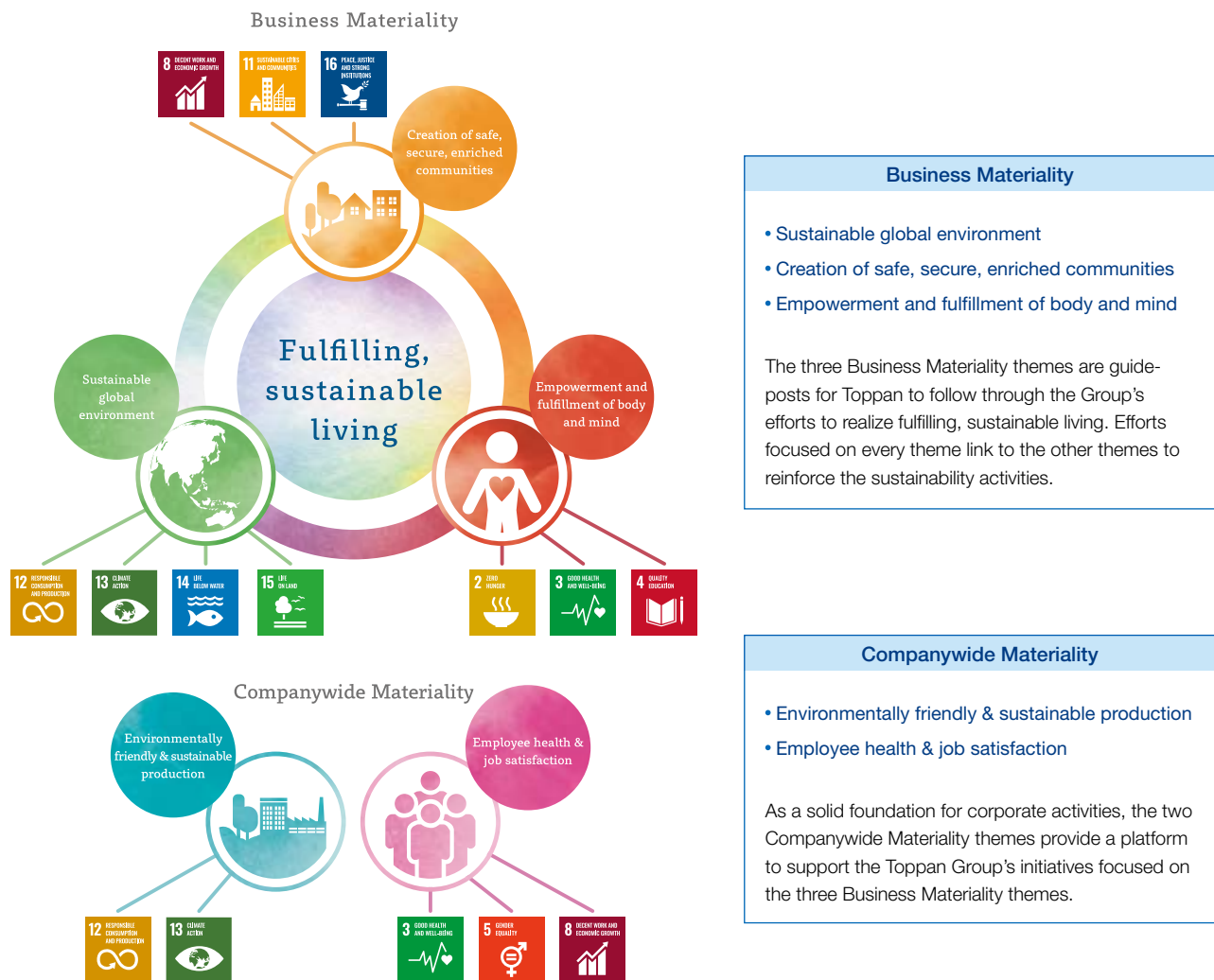
Material Issue Selection Process

Toppan selected the material issues by comprehensively assessing corporate activities through discussions with relevant departments across the Company. The appropriateness of the selections was checked through dialogue with stakeholders and external experts. Senior management thereupon reviewed the selections and finalized them with authorization from the Board of Directors.



Relationship between Business Materiality and Companywide Materiality

To promote fulfilling, sustainable living, an ideal the Group is committed to realizing through its sustainability initiatives, Toppan has classified the material issues into two categories: “Companywide Materiality” (two themes) and “Business Materiality” (three themes).



TOPPAN Business Action for SDGs

In November 2020, Toppan formulated and announced TOPPAN Business Action for SDGs in order to further accelerate initiatives for the Business Materiality set out in the TOPPAN SDGs STATEMENT.

In the SDGs Promotion Project, implemented by the Sustainability Promotion Committee, repeated discussions were held among senior management and business

departments. For Business Materiality, nine areas of focus were identified, centered on fields in which Toppan can leverage its unique technologies, know-how, and strengths. This process used a backcasting approach based on expectations for society in 2030. Going forward, we will implement measures to realize “fulfilling, sustainable living” while providing reports on the progress of initiatives.



Details and Targets of TOPPAN Business Action for SDGs

Environment Sustainable global environment	Communities Creation of safe, secure, enriched communities	People Empowerment and fulfillment of body and mind																											
Creating a circular economy	Contributing to enhanced quality of life for communities	Using innovative digital technologies to enhance health																											
<p>Percentage of barrier-technology-based packaging switched to mono-material</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>1% (Overseas 4%) (Plan: 4% (overseas 7%))</td><td>25% (Overseas 40%)</td><td>30% (Overseas 50%)</td></tr> </table> <p>Number of proofs of concept for establishing recycling schemes for packaging and sales promotion materials*</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>28 (Plan: 23)</td><td>40</td><td>50</td></tr> </table> <p>Prevent pollution and destruction due to waste by driving processes from sharing and recovery to upcycling based on the 3Ps (reduce, reuse, recycle), product life extension, and material development.</p>	FY2022	FY2025	FY2030	1% (Overseas 4%) (Plan: 4% (overseas 7%))	25% (Overseas 40%)	30% (Overseas 50%)	FY2022	FY2025	FY2030	28 (Plan: 23)	40	50	<p>Number of local authorities providing residents services optimized for the community*</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>52 (Plan: 50)</td><td>100</td><td>150</td></tr> </table> <p>Take advantage of nationwide network and digital technologies to provide residents with optimal region-specific services and contribute to sustaining provincial cities.</p>	FY2022	FY2025	FY2030	52 (Plan: 50)	100	150	<p>Number of services that contribute to health*</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>15 (Plan: 12)</td><td>20</td><td>30</td></tr> </table> <p>Contribute to longer healthy lives for people throughout the world by facilitating access to healthcare information and services transcending national or regional borders.</p>	FY2022	FY2025	FY2030	15 (Plan: 12)	20	30			
FY2022	FY2025	FY2030																											
1% (Overseas 4%) (Plan: 4% (overseas 7%))	25% (Overseas 40%)	30% (Overseas 50%)																											
FY2022	FY2025	FY2030																											
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FY2022	FY2025	FY2030																											
52 (Plan: 50)	100	150																											
FY2022	FY2025	FY2030																											
15 (Plan: 12)	20	30																											
Decarbonizing	Creating a safe society in which we can be ourselves	Reducing food loss to help eliminate hunger																											
<p>Number of services contributing to greenhouse gas reduction*</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>29 (Plan: 18)</td><td>40</td><td>50</td></tr> </table> <p>Contribute to reduction in greenhouse gas emissions and the mitigation of global warming by providing eco-friendly materials and schemes as well as solutions for energy saving and energy creation.</p>	FY2022	FY2025	FY2030	29 (Plan: 18)	40	50	<p>Number of services enriching people's lives* (Personal data platforms leveraging information banks/the metaverse)</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>4 (Plan: 4)</td><td>10</td><td>20</td></tr> </table> <p>Leverage security system technologies to create environments that enable everyone to use their own data safely and provide personal data usage services that achieve both enhanced usability and privacy protection.</p>	FY2022	FY2025	FY2030	4 (Plan: 4)	10	20	<p>Total weight of food in packaging that contributes to longer shelf lives</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>250k tons (Plan: 270k tons)</td><td>300k tons</td><td>400k tons</td></tr> </table> <p>Reduce food loss throughout the value chain from primary industry sectors to consumers by combining functional packaging and digital transformation to extend shelf lives and optimize the balance of supply and demand.</p>	FY2022	FY2025	FY2030	250k tons (Plan: 270k tons)	300k tons	400k tons									
FY2022	FY2025	FY2030																											
29 (Plan: 18)	40	50																											
FY2022	FY2025	FY2030																											
4 (Plan: 4)	10	20																											
FY2022	FY2025	FY2030																											
250k tons (Plan: 270k tons)	300k tons	400k tons																											
Expanding eco-friendly products and solutions	Showcasing and preserving culture	Creating obstacle-free educational environments																											
<p>Percentage of packaging sales accounted for by sustainable packaging</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>37% (Plan: 33%)</td><td>50%</td><td>100%</td></tr> </table> <p>SX priority theme sales</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>¥94.3 bn</td><td>¥200 bn</td><td>¥300 bn</td></tr> <tr><td>(Plan: ¥87.3 bn)</td><td></td><td></td></tr> </table> <p>Expand Toppan's development of mono-material GL FILM and other eco-friendly products and solutions and ensure contribution to the environment is visible and widely recognized by establishing certification programs.</p>	FY2022	FY2025	FY2030	37% (Plan: 33%)	50%	100%	FY2022	FY2025	FY2030	¥94.3 bn	¥200 bn	¥300 bn	(Plan: ¥87.3 bn)			<p>Number of archives of materials related to culture and industry*</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>130 (Plan: 118)</td><td>150</td><td>200</td></tr> </table> <p>Combine experience in the fields of culture and education with cutting-edge technologies to develop solutions for preserving and passing down tangible and intangible culture and protecting the world's diversity.</p>	FY2022	FY2025	FY2030	130 (Plan: 118)	150	200	<p>Number of people whose learning we contribute to (Japan)</p> <table border="1"> <tr><th>FY2022</th><th>FY2025</th><th>FY2030</th></tr> <tr><td>21m (Plan: 21m)</td><td>(Japan) 24m (Overseas) –</td><td>(Japan) 30m (Overseas) 100m</td></tr> </table> <p>Create a society in which anyone can learn anywhere and anytime by providing a global platform combining educational software and translation technologies.</p>	FY2022	FY2025	FY2030	21m (Plan: 21m)	(Japan) 24m (Overseas) –	(Japan) 30m (Overseas) 100m
FY2022	FY2025	FY2030																											
37% (Plan: 33%)	50%	100%																											
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FY2022	FY2025	FY2030																											
21m (Plan: 21m)	(Japan) 24m (Overseas) –	(Japan) 30m (Overseas) 100m																											

* year (other targets are for single fiscal years)

Environmental Conservation

Conservation of the Global Environment

■ Basic Approach

In the 1990s, as concern over environmental conservation grew worldwide, society began looking to companies to play a much larger role in tackling environmental issues. Toppan thus restructured its existing environmental conservation frameworks and established the Ecology Center in 1991. In 1992, Toppan formulated the Toppan Printing Declaration on the Global Environment, which set out our basic philosophy on environmental conservation activities. With a view to realizing a sustainable society in which all forms of life can exist, in April 2009 the Group revised this declaration to create the Toppan

Group Declaration on the Global Environment, our basic philosophy for Groupwide activities.

In November 2019, we formulated the TOPPAN SDGs STATEMENT, once again declaring our proactive approach to addressing environmental issues. In addition, in January 2021, we formulated and announced the Toppan Group Environmental Vision 2050. In accordance with this basic philosophy and these targets, Toppan is aggressively conducting activities that consider environmental conservation.



The Toppan Group Declaration on the Global Environment

https://www.holdings.toppan.com/assets/en/pdf/sustainability/The_Toppan_Group_Declaration_on_the_Global_Environment.pdf

■ Environmental Targets

Toppan Group Environmental Vision 2050

In January 2021, Toppan formulated and announced the Toppan Group Environmental Vision 2050, which sets out long-term initiatives addressing global environmental issues.

Under the Toppan Group Environmental Vision 2050, we are aiming to implement long-term, sustained initiatives to

address environmental problems, such as climate change and marine plastic debris. In April 2023, we expanded the vision with the addition of new themes — net zero Scope 3 greenhouse gas emissions and preserving biodiversity.

Toppan Group Environmental Vision 2050			
As a member of international society, the Toppan Group aims to enable “fulfilling, sustainable living” by contributing to decarbonization, preserving biodiversity, resource circulation, and the optimal use of water through forward-looking activities with consideration for preservation of the global environment.			
<p>① Contributing to Decarbonization</p> <p>Aiming for net zero Scope 1, 2, and 3 greenhouse gas emissions.</p>	<p>② Preserving Biodiversity</p> <p>Aiming for a society that coexists in harmony with nature, balancing conservation with socioeconomic activity.</p>	<p>③ Contributing to Resource Circulation</p> <p>Aiming for zero waste emissions.</p>	<p>④ Optimal Water Use</p> <p>Contributing to achieving optimal water use and improving water quality by preventing pollution.</p>

Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030

Based on the Toppan Group Environmental Vision 2050, we have also revised the Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030.

In “contributing to decarbonization,” we made upward revisions to our reduction targets for Scope 1 and 2 and Scope 3

greenhouse gas emissions in line with the 1.5 degrees Celsius threshold, a common global target. In addition, we established new targets related to preserving biodiversity and optimal water use.

Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030	
<p>① Contributing to Decarbonization</p> <p>Reduce Scope 1 and 2 greenhouse gas emissions by 54.6% compared to the fiscal 2017 level. (Renewable energy ratio of 6.5%)</p> <p>Reduce Scope 3 greenhouse gas emissions by 54.6% compared to the fiscal 2017 level.</p>	<p>③ Contributing to Resource Circulation</p> <p>Reduce final landfill waste disposal by 60%*2 compared to the fiscal 2017 level.</p> <p>Increase waste plastic material recycling rate by 12 percentage points compared to the fiscal 2017 level.</p>
<p>② Preserving Biodiversity</p> <p>100% confirmation of legality in procurement of raw materials of paper.</p> <p>Contribute to the conservation of regions in which humans coexist with nature both inside and outside the Group, with an area equivalent to 10% of the area of manufacturing sites.*1</p>	<p>④ Optimal Water Use</p> <p>Achieve water withdrawal reduction targets for at least 50% of sites with high water risk (water stress exceeding 40%).</p> <p>Ensure no cases of action taken by authorities due to exceeding regulatory threshold values.</p> <p>*1: Set based on the area of sites of Toppan Inc. and subsidiaries with manufacturing equipment. *2: Waste derived from production activities.</p>

Note: Categorization of greenhouse gas emissions

Scope 1: Direct emissions from owned or controlled sources
 Scope 2: Indirect emissions from the generation of purchased energy
 Scope 3: Indirect emissions excluding those in Scope 2

>> For further information, please refer to Sustainability Report 2023.

Climate Change and the TCFD

■ Basic Approach

In accordance with the Toppan Group Declaration on the Global Environment, Toppan has been aggressively conducting activities that consider environmental conservation. In particular, the Toppan Group conducts business worldwide, and we recognize the scale of the impact of climate change on the Group. We consider climate change to be an important issue in sustainability management. In 2019, we announced our

support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board. In 2020, we commenced scenario analysis based on the recommendations. We disclose the financial impact related to climate change, and our responses, in accordance with TCFD recommendations.

■ Governance

Board of Directors' Oversight of Climate-Related Risks and Opportunities

(1) Organizational initiatives and the responsibilities of the Board of Directors

In the Medium Term Plan, Toppan has announced "expanding ESG initiatives" as one of its priority measures for the medium to long term, and the Company is strengthening governance related to ESG, including climate change. The Board of Directors recognizes climate change as an important issue in management strategy, and consideration is given to climate change risks and opportunities in investment that targets business growth.

As for specific initiatives that address ESG issues, through the Management Committee the Board of Directors receives reports regarding the details of actions that have been considered and discussed by the Sustainability Promotion Committee. The Board discusses, monitors, and supervises target setting and progress.

(2) Receipt of reports by the Board of Directors regarding climate-related issues — process and frequency

Each year in April, the Board receives and approves reports regarding GHG emission results for the previous fiscal year under the Toppan Group Environmental Vision's Medium-and-Long-Term Environmental Targets, and reports regarding single-year GHG emission targets for the current fiscal year.

On a quarterly basis, the Board receives reports regarding

the assessment and status of climate-related issues. In addition, the Board implements comprehensive decision-making with regard to such matters as management strategy, taking climate-related issues into account. As for nonscheduled reports, in the event that new regulations, systems, or the like pertaining to climate-related issues are announced, through the Sustainability Promotion Committee, the Board receives reports regarding evaluations and responses from related internal departments. Based on these, the Board then discusses and decides on responses.

Management's Role in Assessing and Managing Climate-Related Risks and Opportunities

The Board of Directors has assigned responsibility for climate-related issues to the Sustainability Promotion Committee (Chair: President & Representative Director). The committee coordinates climate-related issue assessments and countermeasures while cooperating with the TCFD Working Group, the Risk Management Working Group, and the SDGs Promotion Project, which are under the committee.

Through the Management Committee, the Board of Directors receives reports from the Sustainability Promotion Committee regarding the assessment and status of climate-related issues as well as target management. In addition, it implements comprehensive decision-making with regard to such matters as management strategy, taking climate-related issues into account.

Governance Structure for Addressing Climate Change and Other ESG Issues



■ Risk Management

Organization's Processes for Identifying and Assessing Climate-Related Risks

The TCFD Working Group is responsible for the identification and assessment of climate-related risks. Climate-related risks are identified in terms of several risk types in relation to TOPPAN's business activities and the products and services provided. Specifically, these risk types are existing regulations, new regulations, technologies, legislation, markets, reputation, and rapid and gradual physical change. For the entire value chain, including upstream and downstream, from R&D to procurement, production, and product supply, the TCFD Working Group ascertains potential risks and opportunities associated with each of the risk types that have been identified. These are assessed on time frames of short term (within 1 year), medium term (2 to 3 years), and long term (4 to more than 30 years).

How Processes for Identifying, Assessing, and Managing Climate-Related Risks Are Integrated into the Organization's Overall Risk Management

The management of risks related to the TOPPAN Group's ESG issues, including climate change, is handled with close

cooperation between departments in charge and the Risk Management Working Group, under the management of the Board of Directors. The Risk Management Working Group conducts a risk assessment once per year, and risks that could have a major influence on Group management are identified as "significant risks."

The identification of "significant risks" reflects consideration for such factors as the results of assessments at the holding company and Group companies and, from a medium to long term viewpoint, the potential for risks to arise, their frequency, and their severity. In addition to changes in the global social and economic environments in which the Group conducts business, significant risks are also considered from the perspective of the promotion of sustainability management, including environmental issues accompanying climate change. Climate change risks were identified as one of the Group's significant risks for fiscal 2023.

Significant risks are reported to and considered by the Sustainability Promotion Committee, and the Board of Directors receives reports and supervises management. On that basis, the Group's significant risks are revised each year.

>> Please refer to Significant Risks (Fiscal Year Ending March 31, 2023) on page 65.

■ Strategy

Climate-Related Risks and Opportunities the Organization Has Identified Over the Short, Medium, and Long Term

(1) Review status for risks and opportunities in the organization's time frames (short-, medium-, and long-term perspectives)

The time frames are as follows: short-term, within 1 year; medium-term, 2 to 3 years; and long-term, 4 to more than 30 years. They are coordinated with business action plans, which are the fiscal-year plans, medium-term plans, and long-term vision. Assessments of climate-related risks and opportunities are conducted by related departments.

(2) Processes used to determine which risks and opportunities could have a material financial impact on the organization

In implementing the scenario analysis, the TOPPAN Group established the TCFD Working Group under the Sustainability Promotion Committee, identified risks and opportunities related to climate change, assessed the financial impacts, and considered measures based on those assessments.

In considering business opportunities in fiscal 2022, scenario analysis consideration was coordinated with the medium-term plans of each business department, financial impacts were assessed, and countermeasures were considered. In this analysis, the Company utilized two scenarios: the 1.5°C and 4°C scenarios. In addition to operations in Japan, overseas bases of Toppan Inc. were included. The entire supply chain was considered, including R&D, procurement, production, and product supply. Long-term forecasts up to 2050 were considered.

(3) Climate-related issues with a large financial impact
Under the 1.5°C scenario, we reconfirmed that there are risks of increased costs accompanying the introduction of a carbon tax and higher prices for purchased energy, and that there are opportunities for increased sales of low-carbon-emission products and services, based on changes in consumer consciousness, and for gains in corporate value.

Under the 4°C scenario, increased wind and flood damage resulting from higher atmospheric temperatures could lead to such risks as stoppages at major plants. However, Toppan is advancing countermeasures, such as BCP formulation.

Resilience of the Organization's Strategy, Taking into Consideration Different Climate-Related Scenarios

The following scenarios were used in scenario analysis. For the 1.5°C scenario, the IEA's World Energy Outlook 2021, Net Zero Emissions by 2050 Scenario was used. For the 4°C scenario, the IEA's Stated Policies Scenario (STEPS), the Announced Pledges Scenario (APS), and the Representative Concentration Pathways Scenario in the IPCC's Sixth Assessment Report were used. The period covered was 2030 to 2050. As a result of the scenario analysis, transition risks include increased operational costs against a background of expansion of carbon pricing systems targeting the realization of carbon neutrality worldwide. In addition, physical risks include halts in production due to water damage, such as flooding, at production sites, and increases in expenses for restoration.

Impact of Selected Climate-Related Issues on Business Strategy

Scenario	Change in social trends	Risks and opportunities	Time frame	Financial impact	Principal countermeasures /business and services that will become opportunities	
Transition risks and opportunities*1	Introduction of / increase in carbon tax	Cost increases due to imposition of carbon tax, emission credit trading	Medium term	Medium increase ¥9.6 billion from fiscal 2021	Implement Scope 1 + 2 GHG emission reduction activities in the Medium-and-Long-Term Environmental Targets for Fiscal 2030, focused on the Toppan Group Environmental Vision 2050; monitor systems, renewable energy technologies, etc., from long-term viewpoint	
	Increase in renewable energy ratio	Increase in operational costs due to rise in purchased energy prices	Medium term	Small to medium	Implement Scope 1 + 2 GHG emission reduction activities in the Medium-and-Long-Term Environmental Targets for Fiscal 2030, focused on the Toppan Group Environmental Vision 2050; monitor systems, renewable energy technologies, etc., from long-term viewpoint	
		Expansion of green-energy-related markets	Long term	Medium	Strengthen production/sales of battery packaging materials for EVs, enter renewable-energy-related businesses	
	Strengthening of regulations for fossil-fuel-derived plastic	Expansion of needs for recycling of plastic from packaging and materials	Medium term	Large	Establish new recycling schemes; develop and bolster sales of recyclable products, such as mono-material packaging	SX
	Strengthening of forest protection	Expansion of opportunities for the use of pulp from forest thinning and FSC-certified paper	Short term	Small	Promote use of Cartocan™, FSC-certified related products (paper products, etc.)	SX
	Increase in raw materials prices	Increase in procurement costs for film, paper, etc.	Medium term	Large	Research suppliers and develop new suppliers, research/consider alternatives, monitor systems/markets from long-term perspective	
	Changes in customer preferences, increase in requests for measures to address climate change	Decline in existing paper media accompanying digital shift	Medium term	Medium	Accelerate initiatives for business portfolio transformation, a priority measure in the Medium Term Plan	
		Increase in customer needs for reducing GHG emissions across the entire supply chain	Short term	Large	Strengthen resources for Erhoeht-X business, such as manufacturing DX support (NAVINECT, etc.) and Hybrid-BPO	DX
Increase in demand for environmentally friendly products	Decrease in demand for carbon-emitting products, such as disposable plastic products	Medium term	Small to medium	Accelerate initiatives for business portfolio transformation, a priority measure in the Medium Term Plan		
	Increase in demand for low-carbon products, reduced-plastic products	Short term	Large	Strengthen development/sales of ethical sales promotion products, sustainable packaging	SX	
Physical 4°C scenario	Increasing severity of acute, extreme weather conditions	Increase in risk of halt in operations at plants due to flooding / water damage	Medium term	Large	Continue to consider alternative production plans for the long term, periodically gather information about and take steps to address technology to prevent flooding	
		External discharge of chemical substances due to flooding	Medium term	Small	Consider the possibility of leakage of chemical substances, formulate and implement countermeasures	
		Expansion of next-generation communications market due to growth in remote monitoring needs	Medium term	Medium	Create communications-related products, such as products that use ZETA, and metaverse-related products	DX
	Changes in rainfall and weather patterns	Water usage restrictions	Long term	Small	Consider alternative production plans to address water use restrictions; from a long-term viewpoint, assess water usage and stress by region	
	Increase in temperature	Increase in needs related to food loss / hygiene	Long term	Small to medium	Strengthen development and sales of functional barrier packaging, strengthen development of food loss countermeasure solutions	SX

■ Risk ■ Opportunity

*1 Transition risks/opportunities: For 1.5°C and 4°C scenarios, evaluation based on IEA's World Energy Outlook 2021, Net Zero Emissions by 2050 Scenario (NZE), Stated Policies Scenario (STEPS), and Announced Pledges Scenario (APS)

*2 Physical risks and opportunities: For 1.5°C and 4°C scenarios, evaluation based on RCPs used by IPCC (1.5°C: RCP1.9, RCP2.6; 4°C: RCP8.5, RCP7.0)

DX SX Products and services related to Digital & Sustainable Transformation (DX and SX), the key concept of the Medium Term Plan

Moreover, countermeasures include working to reduce Scope 1 and 2 and Scope 3 greenhouse gas emissions through such means as introducing renewable energy in a step-by-step manner, as well as strengthening disaster preparedness measures. In addition, in regard to the reduction of greenhouse gas emissions, we are formulating a transition plan

for carbon neutrality in 2050. Furthermore, aiming to create business opportunities, we will advance the development of DX solution services that contribute to the reduction of greenhouse gas emissions in the supply chain and expand the lineup of sustainable packaging that offers improved recyclability and contributes to reducing food loss.

■ Climate-Related Metrics Used by the Organization

Risks and Opportunities in Line with Its Strategy and Risk Management Process

For climate-related risks, we have established the following as indicators: scope 1 and 2, and 3 greenhouse gas emissions; renewable energy ratio; final landfill waste disposal; waste plastic material recycling rate; and optimal water use.

For climate-related opportunities, we have established the following indicators for business contribution to addressing social issues, including climate change: percentage of operating profit contributed by DX, SX, and frontier businesses; number of services contributing to greenhouse gas reductions; in TOPPAN Business Action for SDGs.

Scope 1, Scope 2, and Scope 3 Greenhouse Gas (GHG) Emissions

In fiscal 2022, for the Toppan Group as a whole, scope 1 and 2 emissions were 1,115 kt, and scope 3 emissions were 5,929 kt. In comparison with targeted emissions for the fiscal year, the target for scope 1 and 2 emissions was achieved, but the target for scope 3 emissions was not achieved. Scope 1, 2, and 3 emissions are calculated in accordance with the GHG Protocol methodology, and have been assured by an independent assurance provider.

Toppan Group Environmental Vision 2050

Please refer to page 70.

Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030

Please refer to page 70.

Medium Term Plan and Vision for the Medium to Long Term:

Composition of Operating Profit

Please refer to page 16.

TOPPAN Business Action for SDGs

Business Materiality: Environment: Sustainable global environment

Please refer to page 69.

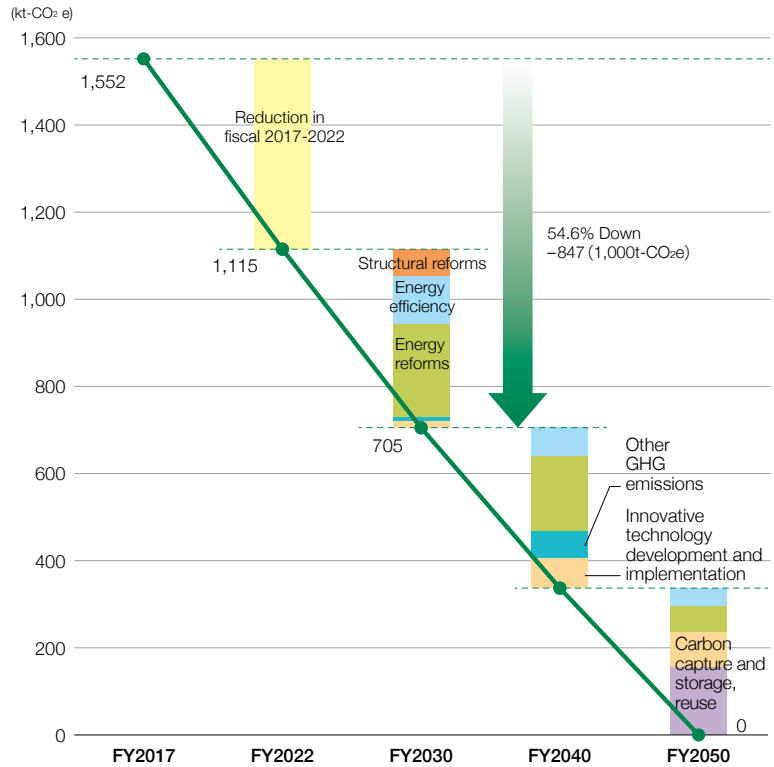
Transition Plan for Carbon Neutrality in 2050

Scope 1 and 2

- By 2030, we will implement reductions, centered on energy-saving measures, and advance procurement of low-carbon electricity and renewable energy.
- After 2030, we will also advance fuel conversion and the use of carbon-free fuels.
- In 2050, we forecast greenhouse gas emissions to be at about 10% of the level in fiscal 2017. We will aim to offset these emissions with CO₂ storage technology, CO₂ reuse, etc. In this way, we will aim for net zero.

Energy saving	Increasing use of high-energy-saving equipment
	Manufacturing DX
	Contribution of reductions overseas
Energy reform	Procurement of renewable energy
	Procurement of low-carbon electricity
Reductions in other greenhouse gas emissions	Management of greenhouse gas emissions
Development/introduction of innovative technologies	Fuel conversion / use of waste heat
	Introduction of renewable energy technologies
	Use of carbon-free fuels
	CO ₂ storage, reuse

Scope 1 + 2 Greenhouse gas emissions

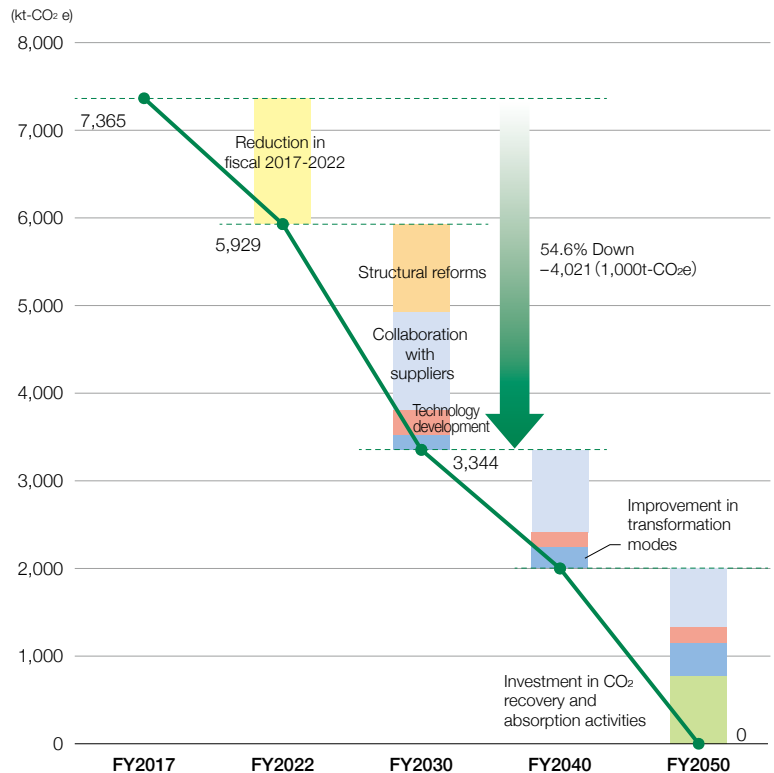


Scope 3

- By 2030, through the promotion of DX, we will advance the transition from paper to digital data and actively utilize low-carbon materials.
- After 2030, we will advance the transition to electric vehicles for Group logistics companies and the utilization of low-carbon logistics companies.
- In 2050, we forecast greenhouse gas emissions to be at about 10% of the level in fiscal 2017. We will aim to offset these emissions through investment in CO₂ recovery businesses and expansion of green spaces. In this way, we will aim for net zero.

Collaboration with suppliers	Registration of paper manufacturer basic unit
	Increased use of low-emission-factor materials
	Use of net zero carbon materials
Technology development	Use of bio materials / maximum use of solvent-less
	Maximum use of mono-materials
	Increased recycling efficiency
Improvement of transport/movement methods	Maximization of transport efficiency (collaboration inside and outside of the industry)
	Addressing EV100 for transport vehicles
	Use of zero CO ₂ mobility for commuting and business trips
Investment in CO ₂ recovery/absorption	Investment in CO ₂ recovery
	Expansion of green spaces
	Introduction of CCUS, etc.

Scope 3 Greenhouse Gas Emissions



Social Initiatives

Human Assets

Basic Approach

Mindful of how deeply it depends on its employees, TOPPAN aims to contribute to sustainable growth and to society. We are striving to establish a working environment and corporate culture that enable employees and the Company to grow, and aiming to foster employees who will one day create new knowledge and skills.

The TOPPAN Group values its employees as precious assets, in other words, as human capital. We are convinced that maximizing the value of human assets will generate human-led innovation that drives the business growth of the Group. Through various personnel initiatives, we are working to invest in human assets and to secure the people who will support our business development. In addition, as stated in the TOPPAN Group Human Rights Policy, we provide appropriate treatment in accordance with each individual employee's work performance and strive to ensure that all individuals are able to demonstrate their capabilities to the full in their

respective workplaces. Aiming to develop capabilities in line with duties and careers, we are implementing a variety of human asset development programs.

Furthermore, the Human Resource Development Laboratory is a base for TOPPAN's R&D related to original personnel development. As this laboratory, we operate multiple research groups, such as the Neuroscience Research Group and the Physiological Condition Research Group. In this way, we are working to implement next-generation human asset development programs that encourage self-transformation for employees and promote new value creation that leverages TOPPAN's strengths.

Human Asset Development Expenditure

	Expenditure on Training, etc., per Employee (Yen)
FY2020	53,637
FY2021	56,070
FY2022	64,937

Development of Digital Human Assets

We are nurturing an organizational culture that emphasizes continuous learning as we aim to enable reskilling of employees across all positions and departments to accelerate DX.

Specifically, we have defined skill levels for DX and are enhancing learning and qualification programs in accordance

with necessary knowledge and skills for each position to drive the development of human assets who will advance the digital transformation.

Level definition	Education system			
<ul style="list-style-type: none"> Professional level Development of leaders who will provide guidance to team members Basic level People with business experience who have working level knowledge Literacy level Human resources who have basic knowledge regarding appropriate skills General level: (do not have literacy) 	Required training for all employees	Digital education platforms <ul style="list-style-type: none"> Udemy 7,300 courses Aidemy 140 courses Independent learning possible from the above platforms.	Cloud courses <ul style="list-style-type: none"> Introductory AWS Intermediate AWS Microsoft Azure 	Certification examinations, specialized courses <ul style="list-style-type: none"> Digital marketing education Data scientist certificate Generalist certificate DX business certificate

Fostering Human Assets Active in the SX Area

TOPPAN develops training programs to foster human assets adept in sustainable transformation (SX), so that they can take the lead in contributing to the realization of a sustainable

society. Specific initiatives include the Social Innovation Program, the Advance — Shaping the Future program, and fieldwork for managers.

SX Human Resource Development Programs

Programs for the creation of next-generation, innovative businesses employing a balanced approach to solving social issues and creating corporate economic value			1,748 people
Cumulative total number of employees that have visited Fukushima since 2013: 1,748 people (including 434 visiting online)			
Social Innovation Program	2013	Developing creative thinking abilities for the creation of innovative, next-generation, businesses that employ a balanced approach to solving social issues and creating corporate economic value	430 people
Advance — Shaping the Future	2014	Encouraging participants to think about what the TOPPAN Group can do, and thereby building networks and demonstrating the integrated strengths of the Group by cultivating the ability to think and act independently	867 people
Fukushima fieldwork for managers	2015		481 people

■ Developing Global Human Assets

Toppan has been hiring non-Japanese employees and frequently arranging personnel exchanges between overseas Group companies to adapt to a more globalized business environment.

We consider human resources who can thrive in global business settings to be those who have a combination of business communication skills, including linguistic aptitude and cross-cultural competency; business literacy, and overseas experience. On that basis, we are working to be able to better visualize the status of our workforce and to formulate development plans. In addition, we implement annual assessments of

English communication skills. The results are used to identify the Companywide level of English-language competence, identify how many of the Company's employees can thrive in global business settings, and implement personnel investment and allocation. Furthermore, the development programs that we offer include hiring non-Japanese employees, an overseas trainee system to provide employees with practical training in day-to-day business activities at overseas subsidiaries, a selective training course on globalization to support candidates for overseas assignments, and a program to send employees to courses at international business schools.

■ Fostering Next-Generation Leaders and People Skilled in New Business Development

We have a variety of rank-based human resources development programs to help employees acquire the knowledge, skills, and mindsets that they will need as next-generation leaders and as future creators of new businesses. These include President Maro's innovation program, in which participants study the mindsets and action-taking approach of leaders; next-generation executive training programs, which aim to

increase management literacy and to develop human resources who can realize increases in corporate value from a front-line perspective; and programs to nurture human resources as future creators of new businesses, which aim to systematically study frameworks for new business creation and to strengthen in-house entrepreneurship.

■ Unique TOPPAN Job-Type-Based Personnel System

The TOPPAN Group has introduced a unique TOPPAN job-type-based personnel system. The aims of this initiative include appropriate systems for human resources with diverse capabilities and careers, skill enhancement and career formation for employees, selection of younger employees, active careers for senior employees, and providing environments that enable employees to take on challenges. This initiative involved rebuilding the previous function job-grade system, which was standardized for all job types,

to create a job-grade system that incorporates elements by job group. Also, from the perspective of eliminating the seniority system, we removed the years of service in each grade. Through the revision of the job-grade system, which is the basis of personnel systems, we are aiming to promote the utilization of human resources with diverse capabilities and careers and to enhance overall organizational performance.

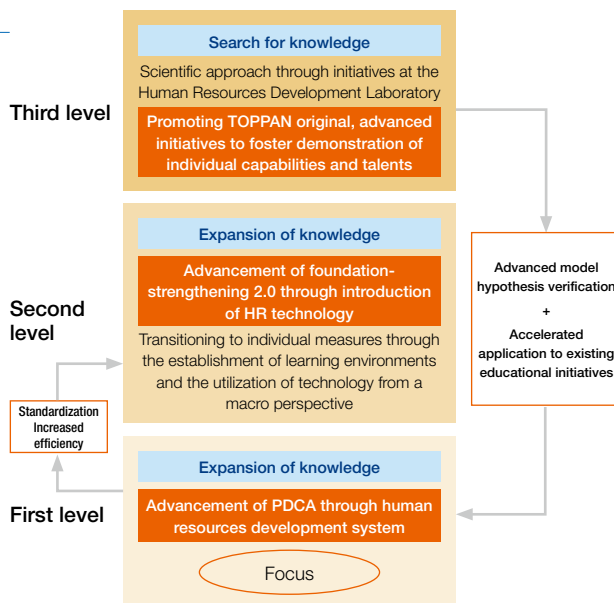
■ Activities at the Human Resource Development Laboratory

In April 2017, Toppan launched the Human Resource Development Laboratory, an R&D base to study, research, and verify ideal programs for personnel innovation. The fields of interest range from neuroscience and brain research to physiological condition analyses and business support technologies.

In educational settings, we are applying the knowledge of outside experts in a variety of fields. In this way, we are working to give concrete shape to TOPPAN Group original personnel development models and inspire individuals to demonstrate and expand their potential. In addition, these activities are intended to support the realization of new value creation that leverages TOPPAN's strengths. Our approach to human resources development is divided into three levels. The first level involves repeated improvements to the program through the PDCA cycle. In the second level, we maximize the first-level effects and efficiency through the utilization of technology, such as HR technology. In the third level, we investigate, research, and verify the optimal form of next-generation human resources development.

Insights gained by the Neuroscience Research Group are applied in a program that aims to enhance performance and communication skills by understanding mechanisms for human learning, behavior, emotions, and thinking. The cumulative total of course participants is 8,767.

Three-level approach to human resources development



Diversity and Inclusion

Basic Approach

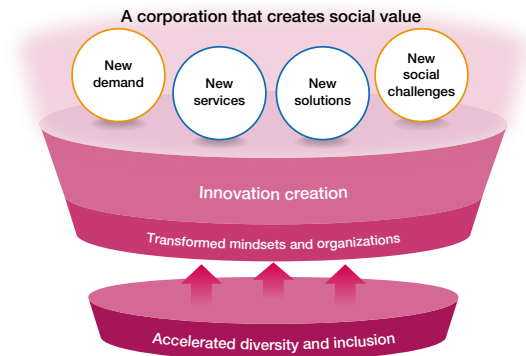
Toppan positions diversity and inclusion (D&I) initiatives as an important management strategy. The Company values its employees as precious “human assets” and understands how deeply it depends on them. Under the foundational concept of respect for human beings, the Group has been undertaking various measures to promote positive working conditions. Toppan promotes diversity by encouraging employees to acknowledge and respect each other’s personal qualities and values so as to better utilize and enhance their diverse abilities. In this way, Toppan strives to develop D&I initiatives that harness differences among its diverse human assets as drivers of innovation.

Toppan Diversity and Inclusion Promotion Policy

We will evolve into a social value creator that designs information and living by developing psychologically safe workplaces where every person’s sensibilities are nurtured, individual differences are recognized and respected, and diversity is harnessed to drive innovation.

To that end, Toppan facilitates ongoing dialogue and nurtures heightened awareness and sensibilities that ensure mutual respect. The Company is working to create psychologically safe workplaces where every person can speak and act without inhibition or restraint.

Toppan’s Vision for Diversity and Inclusion

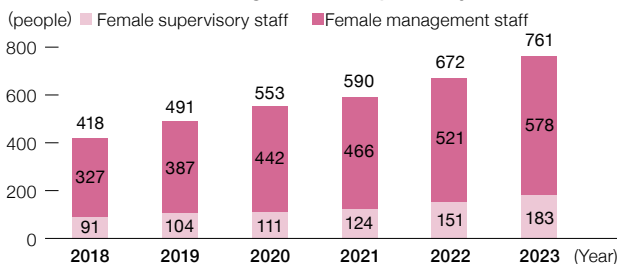


Promoting Active Careers for Women / Positive Action

We work to promote active careers for women, with a basic concept of enabling everyone to continue working in a healthy manner and enjoy active careers in accordance with their capabilities. Furthermore, we are taking positive action to proactively appoint female employees to managerial positions in accordance with their abilities and motivation. As of April 2023, Toppan had appointed 183 female employees to

managerial positions and 578 female employees to supervisory positions. With these appointments, Toppan has attained a 14.4% ratio of women among managerial and supervisory staff. In addition, we are actively implementing initiatives related to gender and sexual diversity (SOGI, LGBTQ) and measures to promote the employment of persons with disabilities.

Number of Female Managerial and Supervisory Staff



Employment of Persons with Disabilities (As of June 1, 2023)

	2019	2020	2021	2022	2023
Employees	312 people	325 people	339 people	338 people	357 people
Percentage of total workforce*	2.29%	2.31%	2.39%	2.43%	2.53%

* The percentage is calculated based on the total number of regular employees (as of June 1) as a denominator. The total number was presented in the Disabled Persons Employment Report in accordance with Article 8 of the Japanese Law for Employment Promotion, etc., of the Disabled.

Support for Balancing work with Childcare or Nursing Care

We have taken steps to create working environments in which employees in diverse circumstances can achieve work-life balance. We are implementing a variety of programs, such as

childcare and nursing care leave, reduced working hours, and higher family allowances for dependents.

Human Rights

■ Basic Approach

The Toppan Group regards human rights as a paramount principle in engaging in business activities and sustainability initiatives. The Group operates business under the foundational concept of respect for human beings. In October 2021, we formulated the Toppan Group Human Rights Policy in accordance with this concept. The Toppan Group Conduct Guidelines, which stipulate behavioral norms, call for respect for human rights, including protecting individual dignity, prohibiting discrimination and harassment, prohibiting child labor and forced labor, and promoting diversity and inclusion. Toppan promotes environmental conservation initiatives based on the Toppan Group Declaration on the Global Environment and the Basic Policy on Biodiversity. We advance measures to avoid human rights violations whereby our operations adversely affect people's lives.

Main Points of the Toppan Group Human Rights Policy

- | | |
|--|---|
| 1. Our Approach to Human Rights | 5. Human Rights Due Diligence |
| 2. Scope of Application | 6. Stakeholder Engagement |
| 3. Compliance with Applicable Laws and Regulations | 7. Remedy |
| 4. Responsibility to Respect Human Rights | 8. Education and Training |
| | 9. Management Responsibility for Human Rights |
| | 10. Information Disclosure |

Approach to Individual Issues

- | | |
|--|---|
| <ul style="list-style-type: none"> • Child Labor, Forced Labor, and Human Trafficking • Discrimination and Harassment • Diversity and Inclusion | <ul style="list-style-type: none"> • Right to Collective Bargaining and Freedom of Association • Occupational Safety and Health • Right to Privacy |
|--|---|



Toppan Group Human Rights Policy

<https://www.holdings.toppan.com/en/about-us/our-corporate-approach/human-rights-policy.html>

■ Promotion Framework

Toppan has established a framework for promoting human rights efforts across the Group led by the Corporate ESG Project, a cross-divisional team driving sustainability activities under the Sustainability Promotion Committee, which is chaired by the President & Representative Director.

The Board of Directors supervises our human rights efforts

and the manager in charge of the Personnel & Labor Relations Division is responsible for their implementation. Day-to-day efforts related to human rights are led by the Personnel & Labor Relations Division, the Manufacturing Management Division, and the Legal Division, in collaboration with related departments throughout the Group.

■ Human Rights Due Diligence

Toppan supports the United Nations Guiding Principles on Business and Human Rights and recognizes the importance of human rights due diligence. We formulated the Toppan Group Human Rights Policy in October 2021. We have analyzed and assessed human rights risks in our industry and identified five specific human rights risks.

In fiscal 2022, we implemented assessment and interviews with the Toppan Group and its stakeholders, centered on

the five risks identified. For Group companies, we conducted a document-based assessment and analysis of 75 companies in Japan and 103 companies overseas. In addition, we implemented assessment through on-site interviews at one company in Japan and one company overseas. Furthermore, we provided feedback and examples of improvement measures for items that could become human rights risks. In these ways, we advanced initiatives to reduce human rights risks.

Human Rights Issues and Identification of Human Rights Risks at Toppan

In consideration of the characteristics of Toppan's business, competitor trends, and international human rights standards, we have organized and evaluated human rights issues based on an assessment of the level of importance of human rights risks. As result, we have identified five human rights risks. These are the four highlighted in the table below — "forced labor/human trafficking," "discrimination," "inhumane treatment," and "right to privacy" — as well as "human rights governance across the Group."

Human rights issue	Toppan employees	Supply chain	Customers	Users	Local communities
Forced labor / Human trafficking	Medium	High	—	—	—
Child labor	Low	Low	—	—	—
Discrimination	High	High	—	—	—
Inhumane treatment	Medium	High	—	—	—
Freedom of association / Right to collective bargaining	Low	High	—	—	—
Working hours	Low	High	—	—	—
Wages	Low	High	—	—	—
Right to privacy	High	High	High	High	—
Ethical / responsible marketing	—	—	Low	Low	—
Freedom of expression	—	—	High	Medium	—
AI and human rights	—	—	Low	Low	—
Product safety and quality	—	—	Low	Low	—
Health of local residents	—	—	—	—	Medium
Sanitation of soil, water, etc.	—	—	—	—	Medium
Rights of indigenous peoples	—	—	—	—	Low

Health and Safety / Work–Life Balance

■ Basic Approach

Toppan values its employees as precious “human assets.” In other words, based on an appreciation of how deeply we depend on employees, we emphasize the importance of each employee being motivated, energetic, and earnest so that they can fully realize their potential. In accordance with this approach, Toppan has formulated the Health Management Declaration and the Basic Policy on Safety, Health, and Fire Protection, and we are implementing a variety of initiatives.

We established the Health Management Declaration with the aim of maintaining and enhancing the health of Group employees by adopting a health and productivity management approach. Specifically, the declaration visualizes, reorganizes, and systematizes measures and action plans conducted by the Group and the Toppan Group Health Insurance Union and

clarifies health management policies. The declaration has two main focuses. The first is to enhance the health of employees and their families through a range of measures, including support for work-life balance. The second focus is on benefiting society through health-related businesses that help members of the public improve their health. We established the Basic Policy on Safety, Health, and Fire Protection primarily to eliminate occupational accidents by ensuring that all permanent employees, contract employees, and other employees understand that safety takes precedence over everything else. In accordance with this policy, we are taking measures to eliminate occupational accidents.



Health Management Declaration (in Japanese)

<https://www.holdings.toppan.com/ja/about-us/our-corporate-approach/health-manage-declaration.html>

Basic Policy on Safety, Health, and Fire Protection (in Japanese)

<https://www.holdings.toppan.com/ja/about-us/our-corporate-approach/safety-policy.html>

■ Promoting Work Style Reforms / Work–Life Balance

Targeting the realization of flexible work styles, Toppan held repeated labor-management discussions from 2019, and in October 2020 we introduced a remote work system that includes three working arrangements: working from home, working from satellite offices, and mobile working. We eliminated core times from the smart work system, which was introduced in 2018, and to foster innovation, we made it possible to work from home full-time through the discretionary work system. In these ways, we introduced or revised work systems that accommodate new-normal work styles and are suitable for the post-COVID-19 period.

In addition to system-related initiatives, we are also aggressively advancing work style reforms, such as implementing

employee education to firmly establish new-normal work styles.

To promote work-life balance, at business councils and labor-management committees, opinions are exchanged and discussions are held regarding measures to further shorten overtime working-hours and comply with the revised Labor Standards Act of Japan. In addition, actual overtime practices are analyzed, the use of recently adopted work systems is reviewed, and the introduction of new systems is examined. Furthermore, we are working to enhance work-life balance for employees and their families through a variety of initiatives.

■ Employee Well-being

Toppan gives the highest priority to employee health and job satisfaction. Various site-based initiatives are implemented by labor-management committees and the Toppan Group Health Insurance Union. Through these initiatives, we are working to facilitate communication and build a sense of unity throughout the Toppan Group.

In addition, from fiscal 2021, we have introduced a survey to track the status of employee engagement. Including Group companies, the survey was implemented for 21,000 people at 24 companies. In accordance with the employee feedback that was clarified through this survey, management will collaborate with worksites and promote action to resolve organizational issues.

Selected for the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)

In a continuation from the previous year, Toppan was selected by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi (Japan Health Conference) for the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500).

The program recognizes enterprises of various sizes that perform outstandingly in employee healthcare initiatives from a management perspective. Companies are assessed for their engagement in initiatives to address healthcare-related issues in communities and to practice the health-promotion measures recommended by the Nippon Kenko Kaigi. This was the sixth consecutive time the Company was selected.



Supply Chain Management

Basic Approach

Toppan aims to fulfill its corporate social responsibilities and to contribute to the sustainable growth of society. Accordingly, we believe that it is important to implement sustainable procurement initiatives throughout the supply chain.

Up to this point, we have worked together with suppliers and subcontractors to advance activities aligned with the Toppan Group CSR Procurement Guidelines. In recent years, there has been an increase in concerns and demands regarding corporate social responsibilities in such areas as human rights, occupational safety and health, and the environment. We recognize that there are calls for specific, wide-ranging responses in the area of supply chain management.

With consideration for these social demands and trends, in January 2022 we added new content to our previous guidelines and revised them to establish the Toppan Group Sustainable Procurement Guidelines. These guidelines consist of the Basic Procurement Policy and the Sustainable Procurement Standards. The Basic Procurement Policy is a conceptual framework to be closely observed not just by units that play central roles in procurement but by all units that procure products and services in their business activities. The Sustainable Procurement Standards are a set of requirements that must be met by suppliers and subcontractors. In procurement departments, in accordance with the Sustainable Procurement Standards as well as the Toppan Group Human Rights Policy, the Toppan Group Declaration on the Global Environment, and the Basic Policy on Biodiversity, we are promoting initiatives in the areas of respect for human rights and environmental conservation activities.

In fiscal 2022, we conducted a risk assessment addressing such factors as country risk, industry risk, and survey initiatives related to sustainability for suppliers and subcontractors. After

analysis, we started the PDCA cycle for the due diligence process, which involves collaboration in the implementation of initiatives to reduce and rectify risks. In addition, other measures that we implemented include holding briefing sessions on the Sustainable Procurement Guidelines, implementing self-assessments with questionnaires on the observance of the procurement guidelines, concluding cooperation agreements for the procurement guidelines, and checking efforts to safeguard business continuity.

Going forward, we will work to promote awareness of these guidelines throughout the supply chain. In addition, through a cycle of application, auditing, and correction, we will further accelerate initiatives in the area of sustainable procurement in cooperation with suppliers and subcontractors. Furthermore, through these initiatives, we will aim to enhance the corporate value of both Toppan and its suppliers and subcontractors.

Main Points of the Toppan Group Sustainable Procurement Guidelines

Basic Procurement Policy

Basic policy that applies to all workers involved in procurement activities at the Toppan Group.

Sustainable Procurement Standards

Requirements and recommendations for suppliers and subcontractors

- | | |
|--|-------------------------------------|
| 1. Legal Compliance and Respect for Internationally Recognized Standards | 6. Quality and Safety |
| 2. Human Rights and Labor | 7. Information Security |
| 3. Health and Safety | 8. Business Continuity Planning |
| 4. Environment | 9. Establishing a Management System |
| 5. Fair Business and Ethics | |



Toppan Group Sustainable Procurement Guidelines

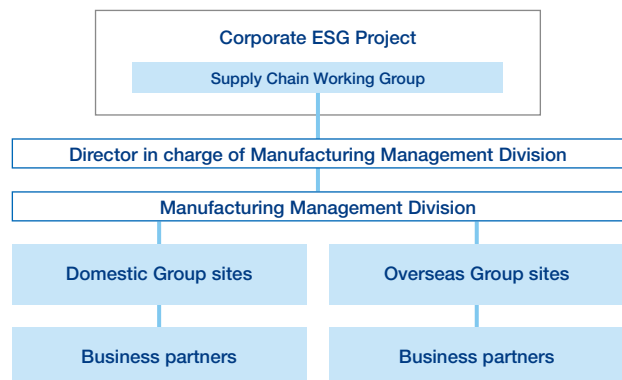
<https://www.holdings.toppan.com/en/about-us/our-corporate-approach/guideline-policy.html>


Promotion Framework

Personnel at the Purchasing & Cost Management Center in the head office Manufacturing Management Division and other procurement departments play a central role in sustainable procurement initiatives. They work in close cooperation with suppliers and subcontractors to advance a range of measures.

Promotion Framework

(as of march 2023)





For financial information, please see the separate financial report.

Company & Stock Information

As of March 31, 2023

Head Office

1-3-3, Suido, Bunkyo-ku, Tokyo 112-8531, Japan
Phone: 03-3835-5111

Established

January 17, 1900

Capital

¥104,986,430,314

Number of Employees (Consolidated)

53,946

Fiscal Year-End

March 31

Ordinary General Meeting of Shareholders

Held in June

Dates of Record for Shareholders

Ordinary general meeting of shareholders,
year-end dividends: March 31

Payment of interim dividends: September 30

Note: Other dates announced as necessary.

Public Notices

Notices are provided on the Company's website
(<https://www.holdings.toppan.com/en/>)

Note: If, due to unavoidable circumstances, notices cannot be provided on the website, they will be published in government gazettes.

Independent Public Accountants

KPMG AZSA LLC

Tokyo, Japan

Principal Shareholders

Name	Number of shares held (thousands)	Percentage of total (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	50,398	15.35
Custody Bank of Japan, Ltd. (Trust Account)	17,597	5.36
Nippon Life Insurance Company	15,002	4.57
Toyo Ink SC Holdings Co., Ltd.	9,492	2.89
The Dai-ichi Mutual Life Insurance Company	8,239	2.51
Employee Stock Club	6,798	2.07
Kodansha Ltd.	6,710	2.04
Toppan Supplier Stock Club	5,999	1.83
STATE STREET BANK WEST CLIENT-TREATY 505234	4,575	1.39
SSBTC CLIENT OMNIBUS ACCOUNT	4,309	1.31

Note 1: Shares of treasury stock are excluded from the above list of principal shareholders.

Note 2: The percentage of total is calculated using the number of shares resulting from the subtraction of the number of shares of treasury stock from the total number of shares issued.

Transfer Agent/

Special Account Administration Authority

Mitsubishi UFJ Trust and Banking Corporation

Contact Information

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Department

P.O. Box #29 Shin-Tokyo Post Office

Tokyo 137-8081, Japan

Toll Free: 0120-232-711

Interactive Voice Response: 0120-244-479 (24 hours)

Note: Requests for the necessary forms for notification of change of address, bank account details for depositing dividends, as well as forms for stock succession procedures are received 24 hours a day.

Common Stock

- Authorized
1,350,000,000 shares
- Outstanding
349,706,240 shares

Financial Instruments and Exchange Listings

Tokyo Stock Exchange (Prime Market)

American Depositary Receipt (ADR)

Rate: 2 ADR = 1 stock

Exchange: OTC (over-the-counter)

Symbol: TOPPY

U.S. securities code: 890747306

Depository bank: J.P. Morgan Chase Bank, N.A.

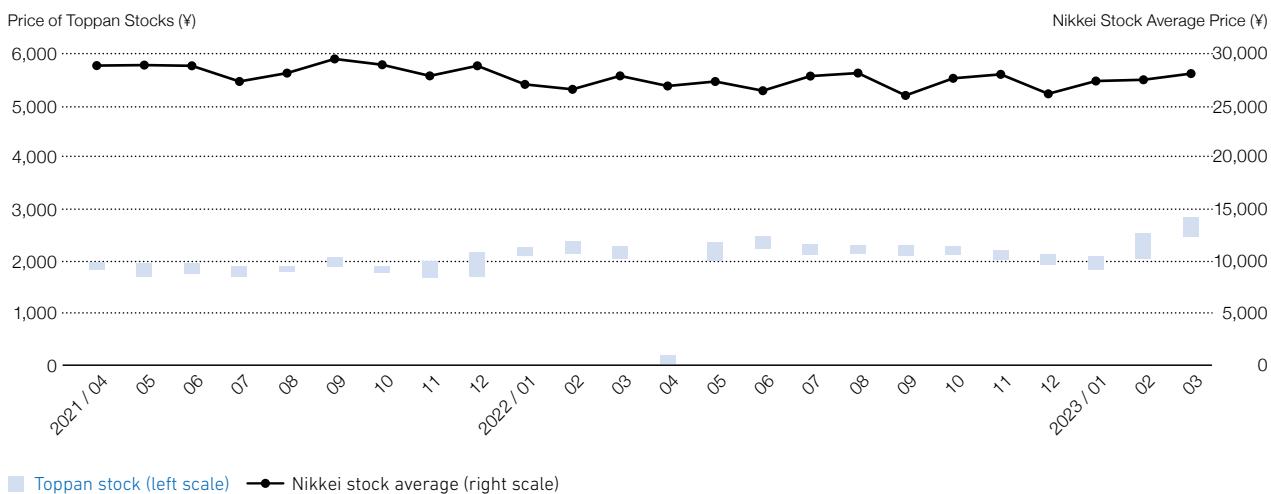
383 Madison Avenue, Floor 11

New York, NY 10179, U.S.A.

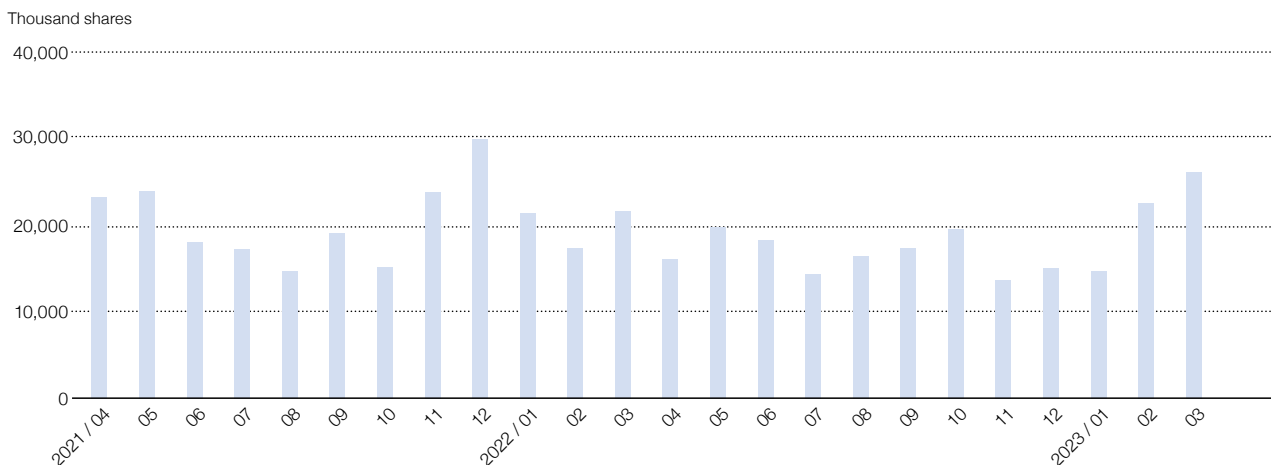
Tokyo Stock Exchange Code

7911

STOCK PRICE RANGE (Tokyo Stock Exchange)

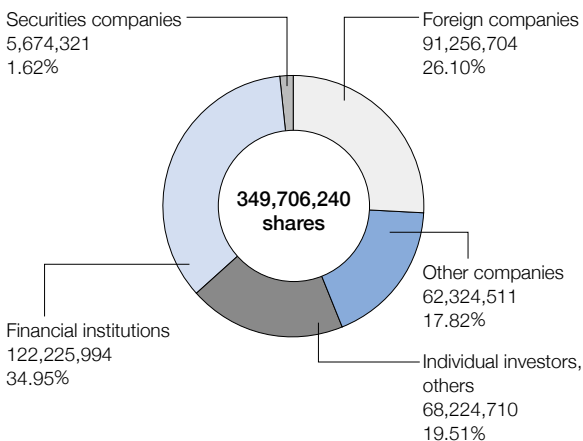


TRADING VOLUME

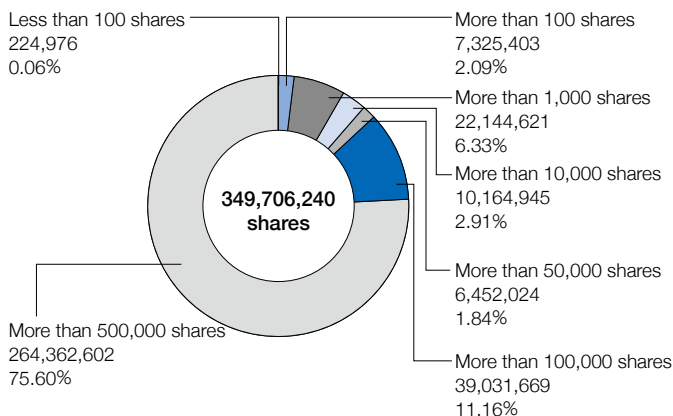


STOCK OWNERSHIP PROFILE

By type of shareholder



By number of shares held



Note: The 21,399 thousand shares of treasury stock are included in the "Individual investors, others" category of the graph "By type of shareholder" and in the "More than 500,000 shares" category of the graph "By number of shares held."

