Tax Governance

Basic Approach

Approach Policy

Toppan Inc. has established a Toppan Group Tax Policy that reaffirms the tax approaches the Company has taken to date, as a measure for reinforced governance throughout the entire Group.

The Toppan Group will bolster efforts to ensure tax compliance and continue to strive for sustainable growth and increased medium- to long-term corporate value by further strengthening tax governance and fulfilling its corporate social responsibility through appropriate tax payments.

Management Framework

Promotion framework

The head of the Finance & Accounting Division of Toppan Inc. is responsible for building and maintaining a tax management framework across the Toppan Group. The head office tax departments work together with accounting departments at Group companies around the world to identify and address challenges and risks related to tax. The tax departments duly consider the proper operation of the management framework based on the Toppan Group Tax Policy.

Toppan handles tax matters in a timely and appropriate manner in accordance with advice and guidance from external specialists whenever necessary.

Toppan Group Tax Policy

In accordance with the Toppan Group's Corporate Philosophy, Corporate Creed, and Conduct Guidelines, we, the Toppan Group, position sustainable growth and medium-to-long-term enhancement of corporate value as vitally important challenges for management.

To achieve them, we have formulated the following Toppan Group Tax Policy and will establish and implement a tax management framework covering the Toppan Group throughout the world.

1. Purpose

The Toppan Group has established the Toppan Group Tax Policy as a set of norms for making decisions on tax-related matters based on a fundamental 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 fulfilling obligations to pay taxes in an appropriate manner.

2. Basic Policy

1) Tax Compliance

We fulfill our corporate social responsibility by filing tax returns and paying taxes as appropriate when they are due in accordance with international rules and the tax-related laws and regulations of each country and region in which we conduct business.

We endeavor to maintain and enhance tax compliance by conducting training and ensuring that officers and employees of Toppan Group companies are kept fully informed of policies and other matters related to tax.

2) Tax Planning

In the consideration and operation of business activities, we implement effective tax planning in accordance with relevant laws and legislative principles. We endeavor to maximize consolidated cash flow and enhance corporate value through such measures as eliminating double taxation and making effective use of tax incentives.

We pay taxes as appropriate in the countries and regions in which we conduct business, take a basic approach of contributing to local communities, and do not engage in tax avoidance practices, which seek to excessively reduce tax payments.

3) Tax Risk

We give sufficient prior consideration to tax risk associated with business activities and aim to reduce tax risk based on advice and guidance from external specialists whenever necessary.

We strive to resolve uncertain tax positions promptly by seeking advice and guidance from external specialists or by consulting with the tax authorities in advance as necessary in the event of any doubt regarding the treatment or interpretation of tax matters.

4) Tax Governance

We establish and implement a global tax governance system to ensure that the companies of the Toppan Group comply with international rules and the tax-related laws and regulations of each country and region and file tax returns and pay taxes appropriately when required.

5) Transfer Pricing

We analyze the functions, assets, and risks of each of the parties for transactions between related parties based on the arm's length principle and endeavor to ensure that profits are allocated appropriately in accordance with level of contribution.

6) Relationship with Tax Authorities

We strive to build and maintain sound and proper relationships with tax authorities in the countries and the regions in which we conduct business and communicate with them in good faith by providing sincere and factual explanations.

If any issues are raised or any instructions are given by tax authorities, we clarify the cause of such issues, take appropriate action to rectify them or make improvements, and strive to prevent their recurrence.