To Our Stakeholders



Accelerating Sustainability Initiatives on a Global Scale across the Group

I would like to express my sincere gratitude to our stakeholders for their ongoing support.

Toppan has accelerated sustainability initiatives since I took over as president. Societies and economies have been impacted significantly in recent years by natural disasters and a prolonged pandemic. The geopolitical risk associated with the situation in Ukraine has also increased, and the resulting energy crisis, raw material price hikes, and inflation are negatively affecting people's lives and the performance of businesses.

In uncertain and unpredictable times, it is even more important for companies to take the initiative in addressing environmental problems accompanying climate change and human rights issues in supply chains. It is not sufficient to simply pursue profits as in the past. We are living in a chaotic world, which is why we must clarify what we can do now and integrate that with business to drive solutions.

Toppan is a global company with 30% of its sales outside Japan, more than 150 overseas locations, and employees, customers, and suppliers throughout the world. To fulfill our responsibilities and mission, we devised the *TOPPAN SDGs STATEMENT* in 2019, setting out material issues under the themes of Business Materiality and Companywide Materiality. Initiatives focused on specific targets are based on TOPPAN Business Action for SDGs to further incorporate and integrate the Sustainable Development Goals into our business activities. We have also declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), based on which we have analyzed climate change risks and opportunities, considered countermeasures, and disclosed

information.

However, in a world of upheaval and increasing uncertainty, we need to accurately identify changes ahead and transform our business with urgency. We must expand in global markets to achieve sustainable growth.

It is imperative that we expand sustainability initiatives in Japan to the rest of the world to promptly address risks and social issues on a global scale. If we fail to do so, we cannot expect to see growth or be trusted by society in the future.

Generating Value for Society through Technology and Co-creation

As announced in the Medium Term Plan, we are transforming our business and putting in place foundations for future growth. We are actively investing in growth businesses as we aim for 50% of total profit in the fiscal year ending March 2026 to come from our priority businesses of digital transformation (DX), Living & Industry overseas, and new (frontier) business.

With growing global demand for sustainable solutions, in the Living & Industry business overseas we are leveraging GL BARRIER, a material offering world-class barrier performance, and undertaking M&A to expand globally with a focus on sustainable packaging. In fiscal 2021 we increased revenue through M&A and by expanding flexible packaging sales, particularly in Southeast Asia.

The key concept for the Medium Term Plan is Digital & Sustainable Transformation, or DX and SX. We will leverage DX and SX to become a leader in providing solutions to social issues globally. In the DX business, we fuse digital technologies and advanced operational know-how for Erhoeht-X® ("erhoeht cross"), a hybrid DX business centered on leveraging data. One example is a platform spanning supply chains to reduce loss through manufacturing and logistics DX. In SX, GL BARRIER underpins our push to reduce food loss by extending shelf lives and our efforts to lower CO_2 emissions across packaging life cycles.

Toppan was launched by engineers who left the Ministry of Finance's Printing Bureau to start their own business in 1900. It is a technology-focused company that has driven the evolution and application of "printing technologies." We deliver new value and solutions by combining the needs of the market and society with our five core technologies of Marketing Solutions, Information Processing, Microfabrication, Surface Treatment, and Material Forming. We have the know-how to make things and the operational expertise to run things and create entire schemes. Toppan's greatest strength is fusing these diverse technologies and elements to create new products and services with clients and stakeholders. Taking full advantage of this will be key to being a leader in tackling global social issues.

Pushing for a Sustainable Future

Toppan has contributed to society and culture by providing diverse products and services, meeting customers' needs, and supporting social infrastructure. As a result, we serve roughly 20,000 companies. This customer base, the know-how acquired through our networks, and, above all, the relationships developed with customers are dividends of the tireless efforts of our predecessors and the hard work, diligence, and integrity of our employees today. As I mentioned, however, in a drastically changing global business environment, we must not be bound by conventional ways of thinking and doing things.

Toppan has always driven the evolution of its "printing technologies" and retained the innovative DNA that has provided solutions to all kinds of social issues. I hope our employees, inheriting this DNA, take on even greater challenges.

In October 2021 we established the Toppan Group Human Rights Policy, addressing issues such as forced labor and respect for diversity. It also relates strongly to employees' job satisfaction and fulfilling their potential, and consequently to the growth of the business.

I firmly believe that the most important management resource determining the path and growth of a company is its "human assets." We are advancing various measures to develop and effectively deploy human assets with skills necessary for digitalization and globalization. These include hiring new talent, enhancing reskilling programs, and shifting personnel to new areas of growth. We will also transform personnel systems, by for example introducing treatment based on job type, and accelerate efforts focused on diversity and inclusion.

The concept of "well-being" is receiving considerable attention. Businesses are expected to enhance not just what they provide but also fulfillment of the heart and mind. By providing value in tangible and intangible ways, Toppan has been extensively involved in society, supported information and culture, and contributed to fulfilling living. There are not many companies like us. I feel pride and responsibility in leading Toppan and will make every effort to ensure happiness for our employees, fulfilling lives for people everywhere, and a sustainable society for the future.

The support of all our stakeholders is greatly appreciated.