



Sustainability Report 2023



Breathing life into culture,
with technology and heart.

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Sustainability Report 2023

Approach to Sustainability Disclosures

The annual *Sustainability Report* is a source of diverse information on the TOPPAN Group's environmental, social, and governance (ESG) initiatives as a channel for transparent, timely, appropriate, and accessible disclosures to TOPPAN stakeholders of every type, from customers and shareholders to investors and business partners. We would like the report to enhance engagement with stakeholders by deepening their understanding of our sustainability approaches and initiatives around the world. The report is posted on the website of TOPPAN Holdings.

Editorial Policy

The issuance of the Japanese version of this report in October 2023 coincides with Toppan Inc.'s transition to a holding company structure. The issuing entity has accordingly been changed from Toppan Inc. to TOPPAN Holdings Inc. The reporting period and scope and boundary of reporting are shown below.

Period Covered

This report mainly covers activities in fiscal 2022 (from April 2022 to March 2023), though social, environmental, and governance information on prior and later years is also included.

Scope and Boundary

Toppan Inc. and its entities consolidated for accounting purposes. For details on the scope of the social and environmental performance data, see the "List of Indicators Assured by an Independent Assurance Provider" shown on

pages 158-159.

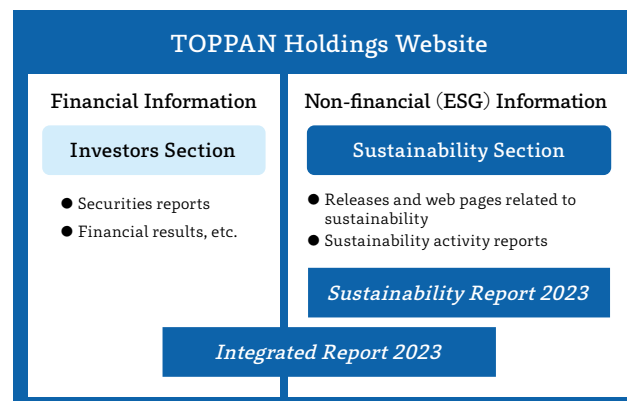
Publication Dates (English version)

Previous report, December 2022; Current report, December 2023; Next report, December 2024 (planned)

Guidelines Referenced

- International Organization for Standardization (ISO) 26000 standards
- Global Reporting Initiative (GRI) Standards: The standards we have referred to are listed in the "Global Reporting Initiative Content Index" on pages 161-164.
- Environmental Reporting Guidelines (fiscal year 2018 version) issued by the Ministry of the Environment of Japan
- Task Force on Climate-related Financial Disclosures (TCFD) working under the Financial Stability Board

Positioning of This Report



Group and Company Names

"The TOPPAN Group" or "TOPPAN" ("the Group")	<ul style="list-style-type: none"> • The collective name of the TOPPAN Group after transition to a holding company structure • Includes TOPPAN Holdings Inc. and the operating companies of TOPPAN Inc. (new entity), TOPPAN Edge Inc., TOPPAN Digital Inc., and other TOPPAN Group companies. • In reports on approaches, promotion frameworks, policies, systems, activity results, performance data, and so on, the activities conducted by Toppan Inc. (previous entity) are described as the activities of "TOPPAN" or of the "TOPPAN Group" if they cover the entire Group. <p><small>*We use "TOPPAN Group" and "TOPPAN" for convenience in this report, even though the "Period Covered" predates the Company's transition to a holding company structure.</small></p>
"Toppan Inc." ("the Company")	<ul style="list-style-type: none"> • Refers to the entity known as "Toppan Inc." before the transition to a holding company structure. • Expressed as "Toppan Inc." or "the former Toppan Inc." in this report to distinguish it from TOPPAN Inc. (with "TOPPAN" in all uppercase letters), one of the three operating companies established after the transition to a holding company structure. • Used when precise figures are required in the reporting of performance data, results, external submissions, etc.

Contact Information

ESG Communication Department, Public Relations Division, TOPPAN Holdings Inc. (Tokyo, Japan)
 Email: csr@toppan.co.jp

Note and Disclaimer on Future Outlooks

Statements on future matters are based on our assessments at the time of publication. Actual results may differ from forward-looking statements due to shifts in social trends and other factors.

*Total values of aggregate data presented in this report may not exactly match the sum totals of individual values, as decimals are rounded up or down.

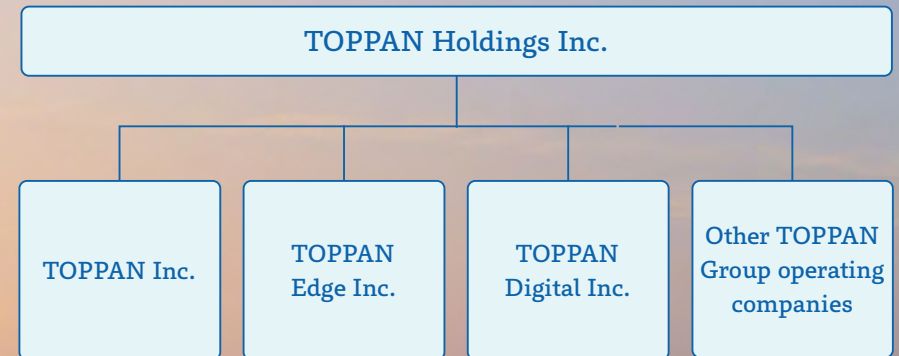
Transition to a Holding Company Structure

In October 2023, TOPPAN transitioned to a holding company structure.

We have established TOPPAN Inc., TOPPAN Edge Inc., and TOPPAN Digital Inc. under the holding company, TOPPAN Holdings Inc.

We are aiming to create new value and shape a sustainable society by strengthening governance, driving portfolio transformation, and maximizing synergies across the entire Group.

TOPPAN



Transition to a Holding Company Structure

Objective

The main objective of adopting a holding company structure is to maximize Group synergies by strengthening governance. TOPPAN Holdings Inc. will implement governance and reinforce collaboration with each operating company, and we will accelerate the generation of new value through cooperation and co-creation. Combining the various resources, businesses, and services of each company in the Group, we will expand in our growth fields of digital transformation (DX), sustainable

transformation (SX), and frontier business and further advance the transformation of our portfolio.

As we launch this new management structure, we have also clarified our Groupwide philosophy and vision by defining the TOPPAN Group's purpose. Moving forward, we will give concrete form to synergies and expand Groupwide initiatives.

Reorganization of the Group

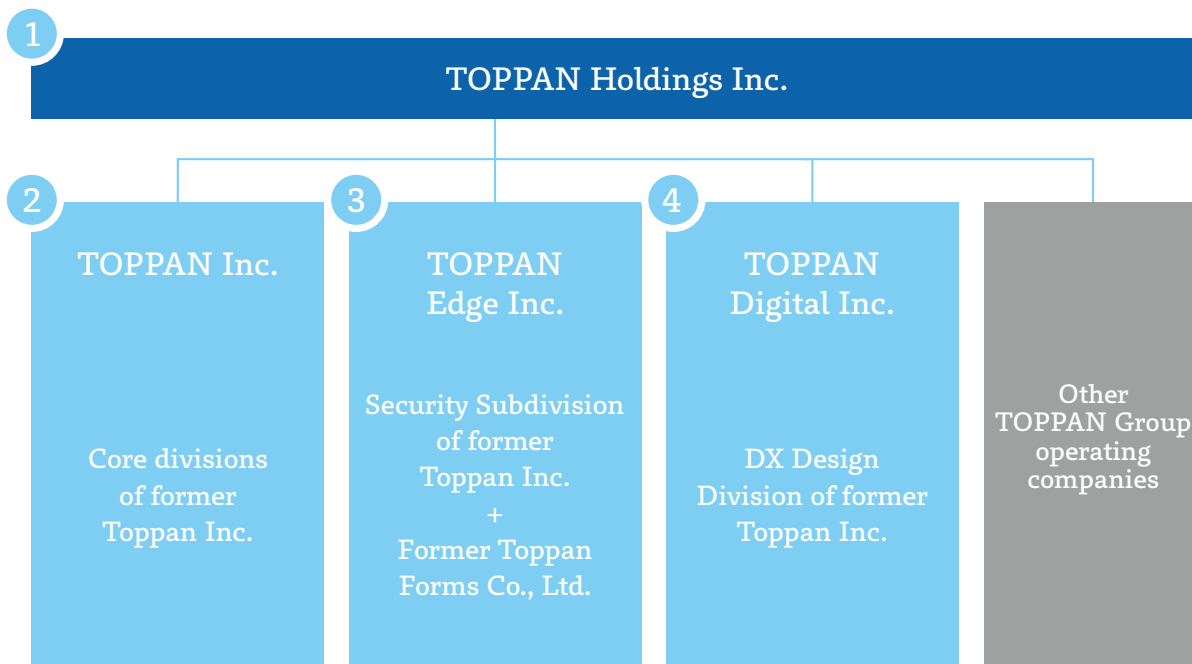
In November 2021, we announced that our basic policy was to transition to a holding company structure in October 2023 and

that we would start considering the reorganization of the Group.

In April 2023, we established TOPPAN Edge Inc. by integrating the former Toppan Inc.'s Security Subdivision with Toppan Forms Co., Ltd.

In October 2023, we transitioned to a holding company structure with TOPPAN Holdings Inc. as the holding company responsible for unified management of operating companies from the perspective of Groupwide optimization. In addition to TOPPAN Edge Inc., under the holding company we have established TOPPAN Inc., which is centered on the core divisions of the former Toppan Inc., and TOPPAN Digital Inc., which will lead efforts to drive the DX business across the TOPPAN Group.

Holding Company Structure



Roles of Each Company

- 1 TOPPAN Holdings Inc.** Established October 2023

Implementing unified management of the operating companies from the perspective of Groupwide optimization
- 2 TOPPAN Inc.** Established October 2023

Taking over the core divisions of the former Toppan Inc. **Information & Communication / Living & Industry / Electronics**
- 3 TOPPAN Edge Inc.** Established April 2023

Driving portfolio transformation in the information business **Security / BPO business**
- 4 TOPPAN Digital Inc.** Established October 2023

Driving DX business strategy across the Group **DX business development / IT infrastructure and governance**

The TOPPAN Group's Purpose & Values

To coincide with the transition to a holding company structure, we have formulated “TOPPAN's Purpose & Values,” a new Group philosophy comprising the “Purpose” and the “Values” of TOPPAN.

TOPPAN's Purpose & Values will be a philosophy shared by the entire TOPPAN Group from here on. The Group will come together to exceed the expectations of society, target further transformation, and work with all our stakeholders in aiming to create a sustainable society and enhance enterprise value.

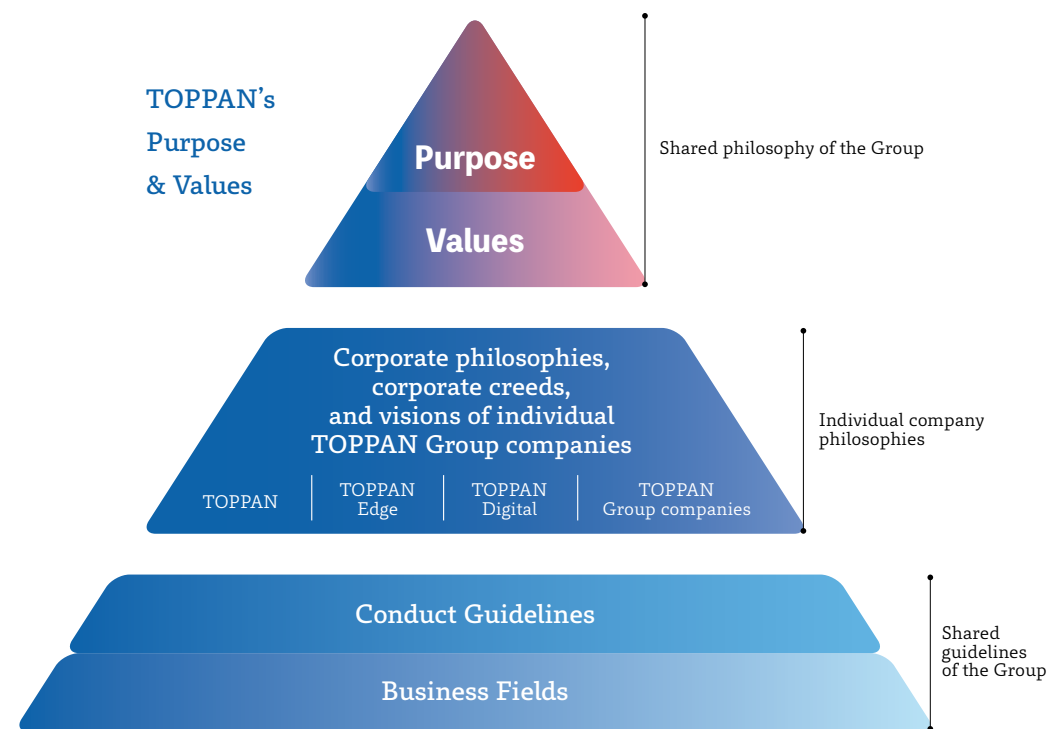
TOPPAN's Purpose & Values

Purpose

Breathing life into culture,
with technology and heart.

Values

<p style="text-align: center;">Integrity</p> <p style="text-align: center;">Act with sincerity, build relationships on trust.</p>	<p style="text-align: center;">Proactivity</p> <p style="text-align: center;">Think ahead, act with speed.</p>
<p style="text-align: center;">Passion</p> <p style="text-align: center;">Be enthusiastic, boldly take on challenges.</p>	<p style="text-align: center;">Creativity</p> <p style="text-align: center;">Be imaginative, create new value.</p>



“Breathing life into culture” expresses the vision of the society that TOPPAN wants to shape, while “technology and heart” are the unique means that we should focus on to facilitate a society in which diverse cultures can thrive.

We have established TOPPAN's Values as a set of values shared by the Group. Every employee should always adhere to and be mindful of the Values to achieve the Purpose.

Direction for the TOPPAN Group

Sustainability and TOPPAN's Purpose & Values

To shape a sustainable society, the TOPPAN Group has aimed to be a company that creates social value as it advances sustainability management. Coinciding with the transition to a holding company structure, we have further clarified the direction we will take by formulating TOPPAN's Purpose & Values, which set out the vision of the society we want to make a reality, the means to do so, and the values to be shared by the entire Group to achieve that. In formulating our Purpose & Values, we considered the future vision for the TOPPAN Group and the role we want to play. This reconfirmed that we want to contribute to solutions to social issues and, based on that, be a global company that leads the world. TOPPAN's Purpose & Values embody our commitment to coming together as a group to make the world a sustainable society.

The TOPPAN Group's Strengths and Business Model

The means by which the TOPPAN Group intends to enable a world in which diverse cultures thrive are "technology and heart." In other words, we believe that "technology" and "people" are TOPPAN's biggest strengths, and that employing them effectively to create and deliver new value will enable a rich society in which diverse cultures can thrive.

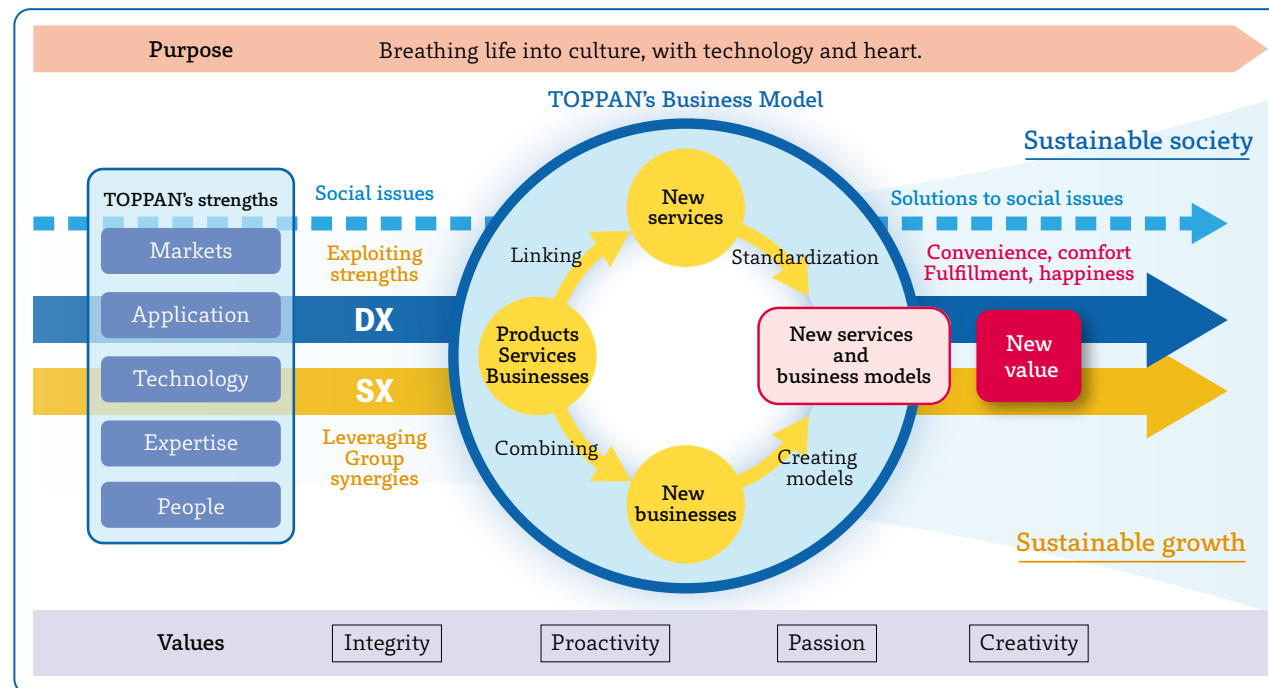
Over its long history, TOPPAN has refined "printing skills," based on which the business was founded, into "printing techniques," and then fused them with diverse knowledge, expertise, and processing technologies to establish a set of proprietary "printing technologies." By further combining, applying, and evolving these technologies, we have provided

society with products and services based on new technologies.

In developing and providing products and services, we have also been committed to addressing the needs of our customers and the challenges they face. Our earnest efforts have won the trust of customers and enabled us to expand our client base. Today, the TOPPAN Group has a wide range of customers covering the entire market, including businesses, financial institutions, educational institutions, and national and local government organizations. With so many points of contact and such extensive relationships with customers, we have been able

to accumulate broad-ranging know-how while responding promptly to their needs. Going forward, we believe we can accurately identify market trends even more promptly to propose, develop, and provide new services.

A business model that takes advantage of the TOPPAN Group's strengths is one that creates new value by combining technologies with other technologies, combining technologies with creative ideas and the ability to apply them, or using conceptual capabilities to fuse services or businesses together.



Digital & Sustainable Transformation

One of the challenges for companies advancing sustainability management is creating completely new value through innovation. In formulating its Medium Term Plan, TOPPAN has taken “Digital & Sustainable Transformation” as the key concept. The approach set out is to invest proactively in priority and growth fields to create new businesses while reassessing and changing the business itself and the portfolio, not just through an extension of the total solutions we have provided thus far, but by driving a transformation centered on DX and SX.

This is the approach to transformation that the entire TOPPAN Group should adopt as we accelerate efforts to push business globally. Without these initiatives, we believe it will be impossible to survive and achieve sustainable growth in a global society and economic environment expected to see increasing uncertainty going forward. Based on DX and SX, we intend to bring comfort, convenience, fulfillment, and happiness to society by evolving our business model and providing new value and new services.

Overview of the Medium Term Plan

In 2023 the TOPPAN Group announced a New Medium Term Plan and kicked off related initiatives. The new plan continues the key concept of “Digital & Sustainable Transformation” that was set out in the plan published in 2021.

The three priority measures of the plan are transforming the business portfolio, strengthening management foundations, and expanding ESG initiatives. Based on a medium- to long-term perspective, we have set target figures for the foundation building phase, result delivery phase, and sustainable growth phase, and will accelerate our efforts to transform the Company and create value.

Accomplishments in the Fiscal 2021 Medium Term Plan—Foundation Building Phase

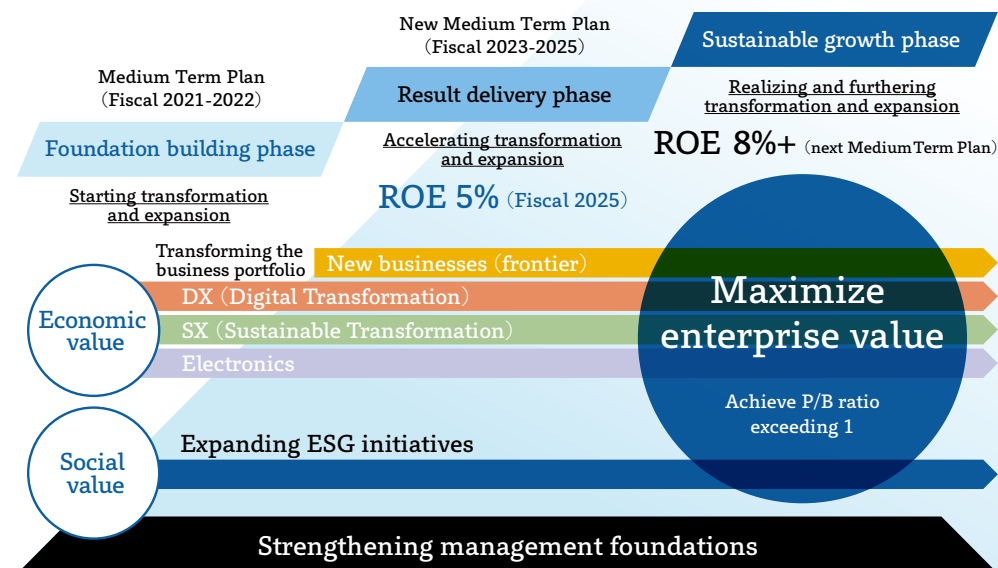
We believe that over the period of the Medium Term Plan that began in 2021 we have seen solid results in transforming the Company. These include expanding the scale of growth businesses and priority businesses through portfolio transformation, making Toppan Forms Co., Ltd. a wholly owned subsidiary, launching preparations to transition to a holding company structure as part of strengthening management foundations, enhancing R&D, and taking a range of action in relation to ESG practices. Nevertheless, challenges remain in terms of driving further efforts for sustainable growth focused on value creation. Areas to address include achieving higher profitability by establishing earnings models for growth businesses, generating Group synergies, and evolving sustainability management.

Positioning and Targets of the Result Delivery Phase in the New Medium Term Plan

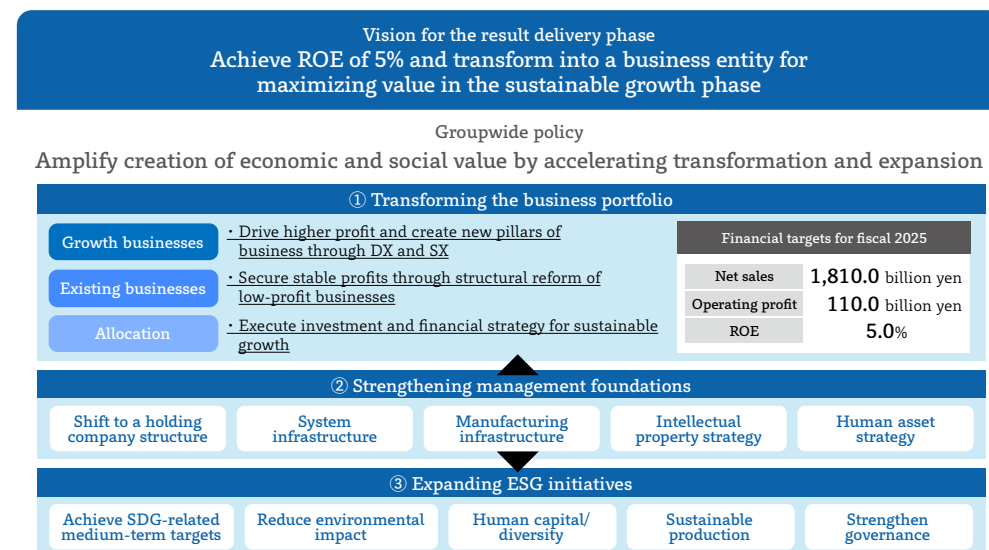
The New Medium Term Plan is the phase for “accelerating transformation and expansion.” To expedite efforts to maximize enterprise value, we will generate economic value by transforming our portfolio and social value by intensifying ESG initiatives. We aim to achieve an ROE of 5% in fiscal 2025, the final year, and an ROE of at least 8% and price-to-book ratio of more than 1 in the next Medium Term Plan.

For portfolio transformation, we will target higher profit and creation of new pillars of business in DX and SX as well as securing stable profits through structural reform of low-profit businesses. Our investment and financial strategies will focus on sustainable growth.

Medium Term Plan: Positioning of the Phases



Overall Picture of the Result Delivery Phase



The TOPPAN Brand Message

The TOPPAN Group is taking on the challenge of delivering solutions to social issues throughout the world.

The TOPPAN Brand Message expresses concisely the approach that the TOPPAN Group wants to take and the value it wants to provide to society. We launched a rebranding project in 2021 and, in addition to communicating an accurate picture of the TOPPAN Group to society and enhancing the profile and understanding of the TOPPAN brand, we aim to accelerate our reinvention as a company by transforming the culture of our organization and the way our employees think.

突破しよう。
今までの考え方を。
今までのやり方を。

深刻化するフードロス。
拡大する教育格差。
安全安心なまちづくり。
地球規模の環境問題を。
待ったなしの超高齢社会。
かけがえない文化財の保全。
これからのデジタルトランスフォーメーション。

無数の課題が広がる世界、
そのすべてをフィールドに。
未来のずっと先まで、突き抜けよう。

すべてを突破する。
TOPPA!!!
TOPPAN

Let's break away from conventional thinking and conventional approaches.

Reducing food waste.
Addressing educational inequality.
Creating safe communities.
Tackling global environmental problems.
Supporting super-aging societies.
Preserving cultural heritage.
Driving digital transformation.

With the world's countless challenges in our sights, let's push forward, far into the future.

Break through everything.
TOPPA!!!
TOPPAN

Management

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P. 28 Message from an External Director

To Our Stakeholders



Addressing Global Sustainability Challenges under a New Structure and a New Group Philosophy

Thank you to all our stakeholders for their continued support of the TOPPAN Group. Since I took over as president, we have driven transformation in various areas, but we are making a fresh start in 2023, meaning it is a major milestone in our more than 120-year history.

As has already been announced, on October 1, 2023, Toppan Inc. transitioned to a holding company structure, and a new incarnation of the TOPPAN Group was born. TOPPAN Holdings Inc. will be responsible for Groupwide management and governance while the operating companies under it will focus on advancing their respective businesses. Based on this, we aim to accelerate decision-making, enhance management

efficiency, transform the business portfolio, and maximize synergies.

Coinciding with the launch of the new structure, we have established a new Group philosophy, “TOPPAN’s Purpose & Values,” to align the trajectory and mindset of the entire Group. Every employee of the TOPPAN Group will engage in their work with the same values and approach and take on the challenge of delivering new solutions.

Since 2021, the TOPPAN Group has advanced its Medium Term Plan, which takes “Digital & Sustainable Transformation” as its key concept and targets profit expansion through reorganization of businesses and investment in growth fields. In May 2023, we published the New Medium Term Plan, which is positioned as the “result delivery phase.” As a period for accelerating transformation and expansion, we are stepping up efforts to create new value and achieve sustainable growth by

establishing earnings models and driving higher profits for growth businesses, generating synergies across the Group, and advancing sustainability management.

If we turn our eyes to the global situation, however, in the summer of 2023 we saw impacts on nature and industry caused by numerous heatwaves, wildfires, and heavy rain, and people’s lives have been affected by what is said to be unprecedentedly hot weather. The increased geopolitical and politico-economic risks brought by Russia’s prolonged invasion of Ukraine are affecting energy supplies and the entire resource supply chain, and the impact of rising prices caused by inflation has also been felt in Japan.

The TOPPAN Group has launched a new part of its journey amid these challenging and uncertain circumstances, but I sense the possibilities that lie ahead. Even during the economic stagnation of the prolonged COVID-19 pandemic, we were fortunately able to maintain our performance and grow. This is because the TOPPAN Group has unseen potential, and I believe in its underlying strength. Going forward, we will drive collaboration to create value by leveraging the strengths of each company in the Group and address global social issues through our innovation.

Driving Business Models That Leverage the TOPPAN Group’s Unique Strengths

TOPPAN VISION 21, which we established in 2000, may still be fresh in the minds of some of our stakeholders. Since then, we have indicated our intention to continue growing in harmony with society and the global environment and provided diverse products and services in the form of solutions that are both based on and apply our “printing technologies.”

However, it goes without saying that the business environment for our operations has changed dramatically in the last 20 or so years. On the one hand, we have seen the advance

of information technology and digitalization, the use of AI, and the emergence of giant global tech companies. On the other, companies are now expected to undertake initiatives to address a range of social issues, such as increasing climate change risk, human rights issues, and efforts to contribute to the achievement of the SDGs. We see these changes in a positive light as business opportunities. Accordingly, linking our business with social issues to create new value has become a major theme for us.

"Digital & Sustainable Transformation" has been the concept for our business since 2021. The main focus of these efforts is to move away from a business model based simply on taking orders to one in which DX and SX take center stage and we take advantage of the Group's strengths, make proactive investments in growth and priority fields, and aim to generate profits that drive sustainable growth.

I believe we have many strengths that give us a competitive edge. For example, our robust customer base means we engage with diverse industries and the market as whole, and we have also won the trust of customers through a conscientious support-based sales style. Other major advantages are the advanced technical capabilities stemming from being a technology-oriented company since our founding, our ability to apply those capabilities, and our specialist expertise.

When we refer to traversing the Group horizontally or vertically, we are talking about fusing and sharing resources flexibly in each business and between the operating companies, enhancing collaboration and coordination, and ensuring end-to-end management. We will drive these efforts aggressively under the new structure.

For example, one of our new businesses is the healthcare business. This will not be confined to providing data analysis services linking information from digital medical records, health checkups, and screenings, and leveraging that data for the design and development of healthcare systems, consulting

services, and prescription medicine delivery services. We will also be able to create completely new models by collaborating with businesses producing packages and packaging materials for medications or by combining efforts with businesses that produce sensors that record data on vital signs. By creating sophisticated, standardized solutions that facilitate platform-based services in these areas, we will be able to provide them to society as more profitable business models.

Shaping a Future Society Where Diverse Cultures Thrive

With its roots in the printing business, the TOPPAN Group is now evolving into a new entity after more than 120 years. The company name has changed from Toppan Printing to TOPPAN. In addition to the organizational transformation to a holding company structure and the business transformation of "Digital & Sustainable Transformation," the establishment of a new Group philosophy in the form of "TOPPAN's Purpose & Values" and the change of company name to TOPPAN mean that the TOPPAN Group is being reborn in every way.

The society that the new TOPPAN Group aspires to is a world in which diverse cultures can thrive, as advocated by TOPPAN's Purpose & Values.

Until now, we have engaged extensively with society through the medium of "printing," and been involved in delivering the richness essential to people's lives in the form of culture, education, and the arts. I believe that every employee of the TOPPAN Group, me included, is proud to have advanced a business that can contribute not just to fulfillment in material terms, but also to spiritual fulfillment. Over human history, the knowledge born out of printing and its contribution to the development of culture and civilization are immeasurable, but I would like to say something about the word "printing" now being removed from the company name.

I hope everyone understands that the word "printing" being removed does not mean that TOPPAN has lost the essence of its soul. When our founders, who were engineers at the Ministry of Finance's Printing Bureau, spun out the Company as a startup in 1900, they used the latest technology of the time—the Erhöht relief printing technique. They ventured out into the world with this technology, which is known as the Erhöht *toppan* technique in Japanese. This means that the word "toppan" does not just represent one of the core technologies of printing, but also embodies the soul of our founders. "Erhöht" is a German word that means "raised" or "elevated." I believe that the unchanging spirit and aspiration of the TOPPAN Group is to always aim high with "toppan" as the essence of our soul.

At the same time, in order for the TOPPAN Group to accomplish its transformation and help shape a sustainable society for the future, we must accelerate efforts bolstering programs to secure and develop the human assets who will be the driving force behind that transformation, and establish working styles and systems that further advance diversity.

In TOPPAN's Purpose & Values, the first of the values is "integrity." I believe this must be not only the integrity with which employees act in dealing with customers, but also the integrity with which a company acts in its interaction with society. We will continue to drive forward, aiming to be an entity that takes on the challenge of addressing diverse social issues with integrity and enjoys the respect of global society.

The ongoing understanding and support of all our stakeholders is greatly appreciated.

October 2023



Representative Director
President & CEO

TOPPAN's Sustainability Initiatives

Approach to Sustainability

Fundamental Spirit since Founding

Since its founding, the TOPPAN Group has based its business activities on the fundamental tenets of “respect for human beings” and “a company is its people” and contributed to society by supplying high-quality products and services to customers. Responding sincerely to our customers’ requests and providing satisfaction has enabled us to gain their trust and expand our customer base by continuing to do business with them.

Beginning life as a startup launched by a group of engineers, we always work with a spirit of enterprise to create new value by applying and evolving our “printing technologies” and by fusing and combining the various elements and strengths of our company to drive growth.

Through these activities, the TOPPAN Group strives to build good relationships with all our stakeholders, including customers and business partners, employees, investors, and shareholders, and to be a company that is trusted and respected by society.

Basic Concept for Sustainability Management Set Out in TOPPAN VISION 21

The TOPPAN Group has expanded its business domains by providing diverse products and services in a wide range of fields. When we marked the 100th anniversary of our founding in 2000, we established *TOPPAN VISION 21* and clarified our philosophical system in the form of the Corporate Structure and Business Fields. The Corporate Structure comprises the

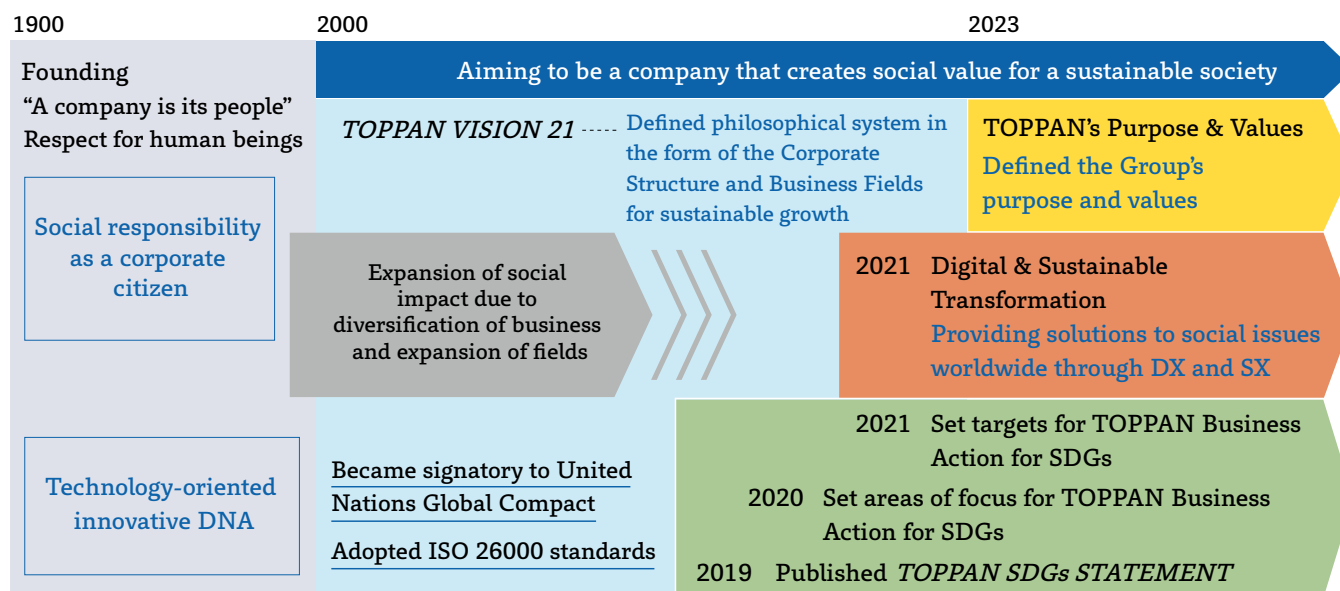
Corporate Philosophy, Corporate Creed, and Conduct Guidelines and clearly expresses our fundamental stance on sustainability management—aiming to be a company that creates social value to shape a sustainable society. At the same time, in terms of the Business Fields, we have indicated our intention to grow the business through the interaction between our Four Growth Fields and our Five Segments.

For the TOPPAN Group, expanding our business also means expanding the impact we have on society as a company. *TOPPAN VISION 21* was an important milestone in terms of reconfirming our corporate social responsibilities, taking action

to address social issues, and aiming to be a creator of social value.

The Corporate Philosophy, Corporate Creed, and Conduct Guidelines set out the values and approaches that the TOPPAN Group emphasizes, our vision for how employees should conduct themselves, and the direction for our business activities to take. They also clearly demonstrate our intention to address global issues, such as environmental conservation, human rights, and human assets, and to advance our business to help create a sustainable society.

The Evolution of Our Approach to Sustainability



Sustainability Management Focused on Global Goals

Following the establishment of *TOPPAN VISION 21*, we became a signatory to the United Nations Global Compact in 2006 to introduce more global concepts and guidelines. We support its Ten Principles in the four areas of Human Rights, Labour, Environment, and Anti-Corruption and have advance activities based on them. To further clarify guidelines across all sustainability-focused activities, we adopted the standards set out in ISO 26000 in 2011.

The *TOPPAN SDGs STATEMENT* was published in 2019 as a proactive response to global social issues. While focusing on contributing to achievement of the SDGs, we defined material issues for our business and for the Company as a whole and reconfirmed the importance of providing solutions to social issues through business. In “TOPPAN Business Action for SDGs,” which was devised in 2020, we identified specific areas of focus for Business Materiality, and in 2021 we set specific target figures and gave shape to activities to achieve them.

Providing Solutions to Social Issues Worldwide through DX and SX

The TOPPAN Group is driving globalization of its business. Roughly 30% of our sales revenue comes from operations outside Japan, and we have more than 150 overseas locations. This means it is imperative that as a company we are proactive in addressing such issues as human rights and the damage caused by climate change. We aim to make a sustainable global society a reality by incorporating perspectives on numerous social issues into our business and driving solutions by creating value through our business.

In the Medium Term Plan published in 2021, we set out the key concept of “Digital & Sustainable Transformation” to accelerate these activities across the entire Group and enhance

enterprise value by synchronizing business growth and sustainability. Based on DX and SX, we are transforming the business portfolio and concentrating resources on growth and priority fields. In order to drive that strategy emphatically across the Group, we adopted a holding company structure in October 2023. We will aim to create value by fusing the unique strengths of TOPPAN Group companies to generate synergies and work together with a greater sense of unity to deliver solutions to social issues.

The Essence of Our Approach to Sustainability in TOPPAN's Purpose & Values

With increasing uncertainty and geopolitical risk in global society and economies, we considered our Purpose & Values based on the questions of what kind of entity we should be and what kind of action we should take as a global company. By clarifying the common “purpose” and fundamental “values” to be shared across the TOPPAN Group as a new philosophy, we will foster a sense of unity and enhance our co-creation capabilities.

The Purpose & Values indicate the enduring role and position that the TOPPAN Group should fulfill in a sustainable society. The essence of our sustainability management is breathing the life of culture into society through our business activities and contributing to people's spiritual fulfillment, going beyond fulfillment simply in material terms. In global social and economic circumstances clouded by uncertainty, we will be consistent in advancing sustainability based on this universal approach.

Promotion Structure for Sustainability Initiatives

Governance

The TOPPAN Group's Sustainability Promotion Committee is chaired by the President & Representative Director of TOPPAN Holdings Inc. It is positioned as part of the corporate governance structure and responsible for advancing sustainability across the Group.

The Board of Directors of TOPPAN Holdings Inc. delegates the consideration and deliberation of sustainability-related issues for the TOPPAN Group to the Sustainability Promotion Committee. The specific activities and measures discussed at the Sustainability Promotion Committee are reported to the Board of Directors by the Management Committee, and the Board of Directors is responsible for overall decision-making on sustainability management. The Board of Directors continuously discusses, monitors, and supervises sustainability-related activities, target setting, and progress.

The TOPPAN Group ESG Management Promotion Committee is a body positioned within the Sustainability Promotion Committee. Its members are presidents and directors of TOPPAN Group operating companies, who coordinate on ESG and SDG-related issues within the Group.

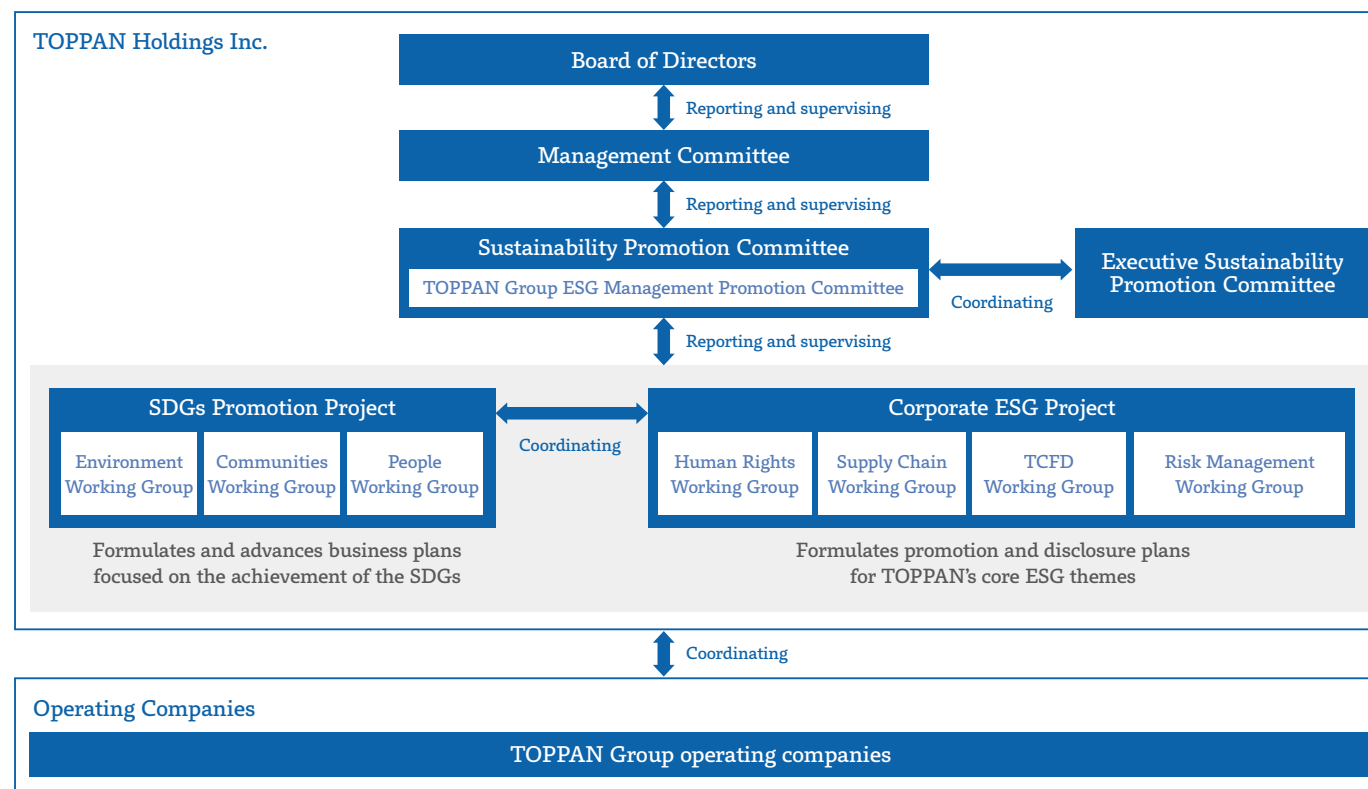
Under the Sustainability Promotion Committee, we have established the SDGs Promotion Project and the Corporate ESG Project, which are a cross-divisional bodies. These project teams address various individual themes while coordinating with each other.

The SDGs Promotion Project primarily focuses on advancing sustainability initiatives in our business activities as well as driving and monitoring the progress of activities in the areas of focus for contributing to the SDGs through business, which are set out in TOPPAN Business Action for SDGs.

The Corporate ESG Project is mainly responsible for sustainability issues that relate to the entire TOPPAN Group. In fiscal 2022, we formed the Human Rights Working Group, Supply Chain Working Group, TCFD Working Group, and Risk Management Working Group, which undertake projects on specific themes.

We have also established the Executive Sustainability Promotion Committee as a forum for discussing future sustainability issues. Directors and outside experts exchange opinions and coordinate with the Sustainability Promotion Committee on important matters.

TOPPAN Group Sustainability Promotion Structure



Risk Management

Risk management for sustainability-related issues in the TOPPAN Group is incorporated into a comprehensive risk management structure promoted in collaboration with the operating companies of the Group. Under the management of the Board of Directors of TOPPAN Holdings Inc., divisions responsible at the holding company, the relevant departments of operating companies, and the Risk Management Working Group work together and coordinate risk management efforts.

The Risk Management Working Group is part of the Corporate ESG Project under the Sustainability Promotion Committee. It is led by the Director in charge of Risk Management, composed of persons in charge of risk management in the relevant divisions, and administered by TOPPAN Holdings Inc. It conducts an annual risk assessment and designates as “significant risks” those that are deemed to have a significant impact on the management of the TOPPAN Group.

The identification of significant risks is based on the results of assessment by subsidiaries, Group companies, and the relevant departments of operating companies under the supervision of the divisions responsible at TOPPAN Holdings Inc. We also consider such factors as the probability of actualization in the medium to long term, frequency of occurrence, and level of impact. In addition to changes in the global social and economic environments in which the TOPPAN Group operates, when assessing significant risks, we also fully consider sustainability management perspectives encompassing various global risks. These include environmental problems prompted by climate change, increasingly sophisticated cyber-attacks accompanying the progress of digitalization, forced labor, and other human rights issues. In fiscal 2023 we have selected 25 risks, including climate change risk, securing human assets to support business growth, risks in procurement, and

human rights risk.

 See the Significant Risks and Countermeasures for Fiscal 2023 on page 139 >

Once identified, significant risks are reported to and considered by the Sustainability Promotion Committee before being reported to the Board of Directors. They are reassessed annually under the management of the Board.

To prevent potential significant and other risks from actually occurring, the divisions responsible at the holding company and the relevant departments of operating companies consider countermeasures and implement appropriate risk management aligned with business activities in Japan and overseas. Via the Director in charge of Risk Management, the Board of Directors receives regular reports from the divisions responsible on the status of responses to risks. When risks are actualized, we respond promptly in line with our crisis management structure.

Sustainability Promotion Committee

We convened the Sustainability Promotion Committee twice, the TOPPAN Group ESG Management Promotion Committee five times, and the Executive Sustainability Committee once in fiscal 2022.

The main activities and challenges to address going forward for each of the working groups under the Corporate ESG Project are as follows.

Human Rights Working Group

Main activities:

- Informed parties inside and outside the Group of the TOPPAN Group Human Rights Policy and conducted training for employees, including those at Group companies inside and

outside Japan.

- Conducted a human rights risk survey covering Group companies inside and outside Japan as an assessment of impact on human rights, the first step in human rights due diligence. (75 companies in Japan and 103 companies overseas)
- Performed analysis of human rights risk survey responses and provided feedback on the results of the assessment.

Challenges to address going forward:

- Promoting human rights risk mitigation and remediation and providing related information based on the results of the assessment.
- Expanding opportunities for direct dialogue with individual companies through on-site assessments.
- Confirming the status of wage payment when conducting the human rights survey.
- Facilitating continuous dialogue with external organizations and making use of external assessments.

 See the Human Rights section on page 54 >

Supply Chain Working Group

Main activities:

- Ensured that our business partners are fully aware of the TOPPAN Group Sustainable Procurement Guidelines by driving a PDCA cycle of planning and selecting target business partners, requesting questionnaire responses and written declarations of agreement, checking risks, and giving feedback and rectifying issues.
- After providing explanations to procurement staff in relevant departments, identified and selected target business partners, and requested and collected written declarations of agreement and questionnaire responses via briefing sessions.
- Conducted aggregation and analysis covering roughly 70% of business partners who responded.

Challenges to address going forward:

- Establishing, expanding the scope of, and enhancing the quality of the PDCA cycle for driving agreement with and full awareness of the TOPPAN Group Sustainable Procurement Guidelines.
- Concluding agreements stipulating observance of the TOPPAN Group Sustainable Procurement Guidelines with 90% of target business partners by fiscal 2025.

 See the Supply Chain Management section on page 66 >

TCFD Working Group


Main activities:

- Conducted scenario analysis for each company, including an additional 12 Group companies.
- Clarified potential impact on business at each Group company due to factors resulting from climate change, identified significant risks and opportunities, and considered countermeasures.

Challenges to address going forward:

- Enhancing disclosure in the securities report and other media.

- Expanding scope and analysis and evolving countermeasures.

 See the Climate Change Disclosure According to TCFD Recommendations on page 110 >


Risk Management Working Group

Main activities:

- Supplemented significant risks for fiscal 2022 and plans for countermeasures.
- Considered significant risks for fiscal 2023 and formulated plans for countermeasures.

Challenges to address going forward:

- Formulating plans that address changes in the external environment, such as changes in the business environment, global risks, information security, social problems, and environmental problems.

 See the Risk Management section on page 138 >

The SDGs Promotion Project monitors the progress of TOPPAN Business Action for SDGs, publishes results for each fiscal year, and assesses the feasibility of achievement of targets in the Medium Term Plan and consistency between activities and selected indicators. While keeping an eye on trends in society's sustainability-related needs and the progress of the TOPPAN Group's DX and SX businesses, the project team also continually considers its future activities and new themes.

Sustainability Challenges Going Forward

We aim to be a company that drives true sustainability by delivering solutions to global challenges, such as decarbonization, the establishment of a circular economy, and preservation of biodiversity. In addition to accelerating the activities of the ESG Project and the SDGs Promotion Project,

we will proactively address and consider new sustainability themes, including the Taskforce on Nature-related Financial Disclosures (TNFD).

Under the holding company structure, we will create frameworks to lead the entire Group in advancing sustainability management, facilitate activities at each Group company, and strengthen reciprocal collaboration.

We will drive sustainability management across the TOPPAN Group with an awareness of the importance of both activities and disclosure and take on the challenge of delivering solutions to global social issues through our business.

Sustainability Strategy

Approach to Providing Solutions to Social Issues through Business

Based on the key concept of “Digital & Sustainable Transformation,” the TOPPAN Group aims to help shape a sustainable society and enhance enterprise value as a leader in providing solutions to social issues worldwide through digital transformation (DX) and sustainable transformation (SX). In DX, we aim to transform society, our customers, and the business of the TOPPAN Group from a digital starting point, while in SX, we aim to address social issues through our business and drive management with a focus on sustainability. As part of these efforts, we are transforming our business portfolio, strengthening our management foundations, and expanding sustainability initiatives. Under the New Medium Term Plan that takes fiscal 2023 as its first year, we are

advancing a transformation to increase operating profit for growth businesses, including that of DX and SX businesses, to more than 50% of the total in the fiscal year ending March 2026. The planned breakdown of operating profit for growth businesses—DX (Erhoeht-X™), SX in Japan/overseas Living & Industry, and new businesses (frontier)—is shown below.

Growth Businesses and TOPPAN Business Action for SDGs

In terms of contributing to the SDGs, TOPPAN Business Action for SDGs, which sets out the areas of focus under the three Business Materiality themes of “Environment,” “Communities,” and “People,” has been incorporated into our Medium Term Plan, taking a long-term perspective to 2030. We will link this to business portfolio transformation and set target figures as indicators aligned with each growth business.

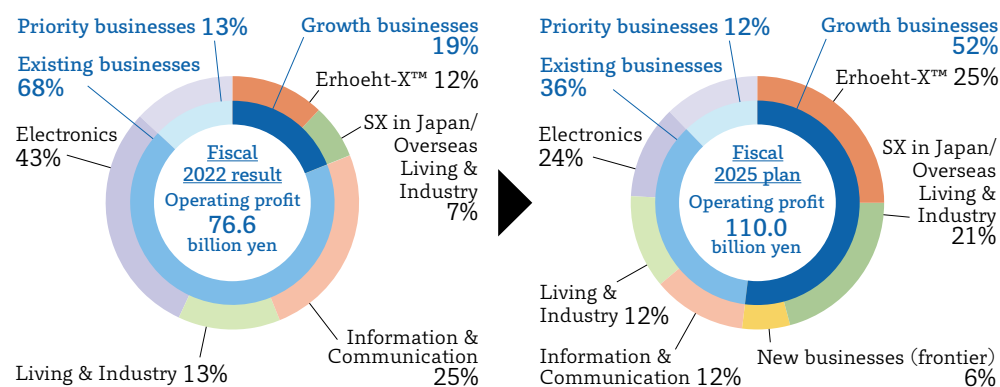
“Percentage of packaging sales accounted for by sustainable

packaging,” under the theme of Environment, is positioned as an indicator for “expanding eco-friendly products and solutions.” “Number of services enriching people’s lives (personal data platforms leveraging information banks/the metaverse),” under the theme of Communities, is an indicator for secure personal-data-related services in the DX business. And “number of services that contribute to health,” under the theme of People, is an indicator for solutions linked to extending healthy life expectancy in the area of new businesses.

We have also defined the themes of “environmentally friendly & sustainable production” and “employee health & job satisfaction” under Companywide Materiality as the foundation for supporting the Business Materiality themes.

We are driving this series of efforts across the Group in coordination with the key sustainability themes of climate change, human capital and diversity, human rights, and supply chains.

Breakdown of Operating Profit for Growth Businesses



*The denominator used for calculating percentages is operating profit before the deduction of adjustments.

Alignment of TOPPAN Business Action for SDGs with Growth Businesses

Environment Sustainable global environment	Communities Creation of safe, secure, enriched communities	People Empowerment and fulfillment of body and mind
Percentage of packaging sales accounted for by sustainable packaging ¹	Number of services enriching people's lives ² (Personal data platforms leveraging information banks/the metaverse)	Number of services that contribute to health ³
Fiscal 2022 result: 37%	Fiscal 2022 result: 4	Fiscal 2022 result: 15
Fiscal 2025 target: 50%	Fiscal 2025 target: 10	Fiscal 2025 target: 20
Fiscal 2030 target: 100%	Fiscal 2030 target: 20	Fiscal 2030 target: 30

*1 Refers to packaging products that contribute to CO₂ reduction, plastic volume reduction, or improved recyclability. Targets are for single fiscal years.

*2 Refers to services leveraging metaverse and information bank platforms that handle personal data securely. Targets are cumulative figures over the years leading up to the target year.

*3 Refers to services that provide added value in the healthcare field. Targets are cumulative figures over the years leading up to the target year.

Material Issues to Address

Selecting the Material Issues

To further accelerate our efforts to address social issues, in 2019 we defined the material issues on which to focus in our sustainability activities. We classify the selected issues into two categories: Business Materiality, issues of focus in our business activities, and Companywide Materiality, issues to address in Groupwide operations as a good corporate citizen.

Selection Criteria

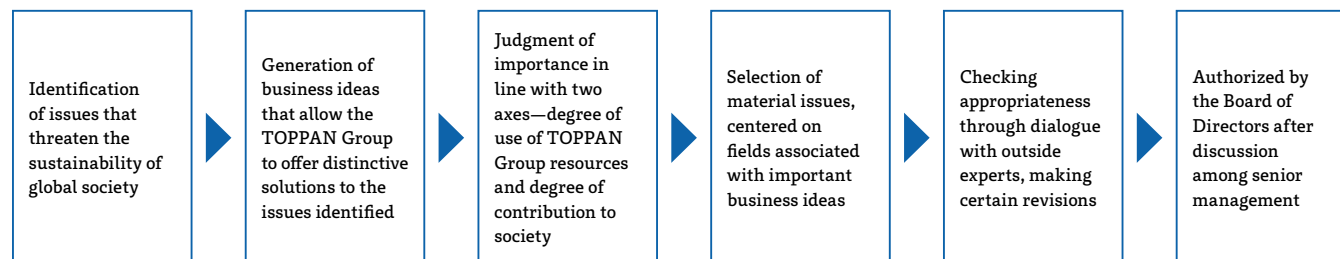
In selecting the material issues, we took as our starting point the Corporate Philosophy, Corporate Creed, and Conduct Guidelines presented in *TOPPAN VISION 21*. Along with the “markets & customers” and “technology & expertise” approaches encompassed within the Business Fields, we have also embraced the concepts underlying the SDGs, a set of long-term global development agendas. The selected material issues are pathways for contributing to achievement of the SDGs through the use of the TOPPAN Group’s technologies and expertise to create new value.

Selection Process

We selected the material issues based on the criteria described above by comprehensively assessing the corporate activities of the Group through discussions with relevant departments. The appropriateness of the selections was checked through dialogue with stakeholders and outside experts. Senior management reviewed the selections and finalized them with authorization from the Board of Directors.

The selections are being reviewed through a series of processes together with consideration of the Medium Term Plan.

Process for Selecting the Material Issues



Employee Evaluation

In the Business Division Performance Evaluation System, the TOPPAN Group has set the degree of achievement of greenhouse gas emission reduction targets as one evaluation item. This Business Division Performance Evaluation System is incorporated into evaluations that determine bonuses for business division employees, including executive officers and managers, who are responsible for the business division.

Materiality at the TOPPAN Group

	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 to address in Groupwide activities as a good corporate citizen)	Environmentally friendly & sustainable production	 
	Employee health & job satisfaction	  

Business Materiality and Companywide Materiality

We have classified the material issues into the two categories shown below to promote “fulfilling, sustainable living,” an ideal the Group is committed to realizing through its sustainability initiatives.



Business Materiality

- Environment (sustainable global environment)
- Communities (creation of safe, secure, enriched communities)
- People (empowerment and fulfillment of body and mind)

The three Business Materiality themes are guideposts for us to follow through the Group's efforts to realize “fulfilling, sustainable living.” Efforts focused on every theme link to the other themes to reinforce the sustainability activities.

Companywide Materiality

- Environmentally friendly & sustainable production
- Employee health & job satisfaction

As a solid foundation for business activities, the two Companywide Materiality themes provide a platform to support our initiatives focused on the three Business Materiality themes.

Initiatives and Accomplishments Related to Materiality

Initiatives Focused on Business Materiality

We formulated and announced “TOPPAN Business Action for SDGs” in 2020 to further accelerate initiatives focused on the Business Materiality themes. By backcasting from our vision for society in 2030, we have identified nine areas of focus where we can leverage our distinctive strengths and our unique technologies and expertise.

In 2021, we set targets for fiscal 2025 and fiscal 2030 in each of the nine areas of focus to clarify goal setting focused on the SDGs.

TOPPAN Business Action for SDGs: Nine areas of focus

TOPPAN Business Action for SDGs



Overview of TOPPAN Business Action for SDGs

Environment: sustainable global environment

Recognizing environmental problems including climate change and marine plastic pollution, the TOPPAN Group engages in development and provision of products and services by leveraging its expertise in environmentally conscious manufacturing and experience in marketing promotions and in collaborative projects with large numbers of partners. These efforts, along with new business creation, are designed to lead to resource circulation and greenhouse gas emission reductions in support of a sustainable global environment so that we can continue leading lives that are just as fulfilling in 2030 and beyond.

Communities: creation of safe, secure, enriched communities

Many social challenges will impact communities in the future, including those arising from security needs as a result of digitalization as well as population decline and increasing urbanization in Japan. With advanced digital and security technology as well as advances in VR and other media development, we offer safe and convenient services optimized for local regions to support the creation of safe, secure, and enriched communities.

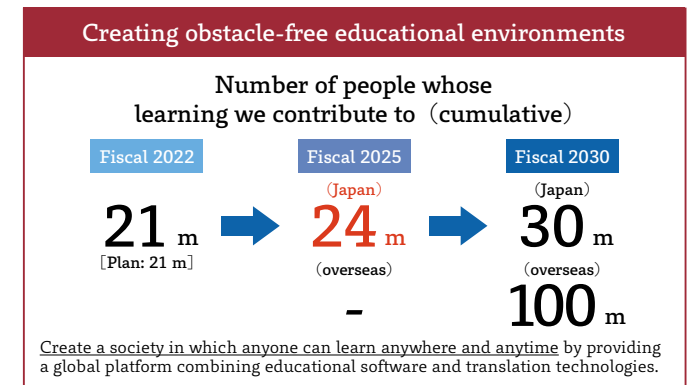
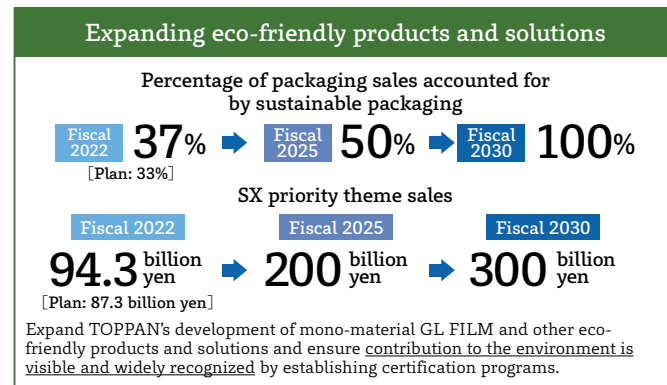
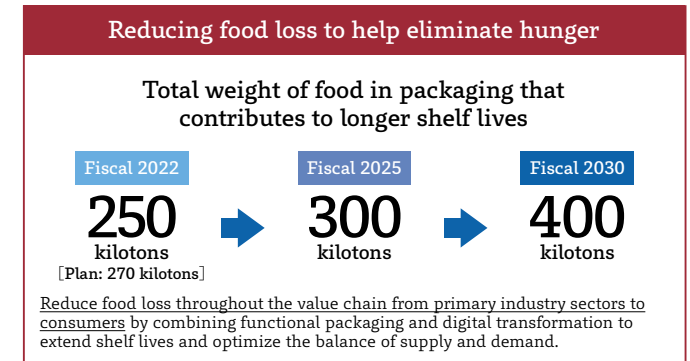
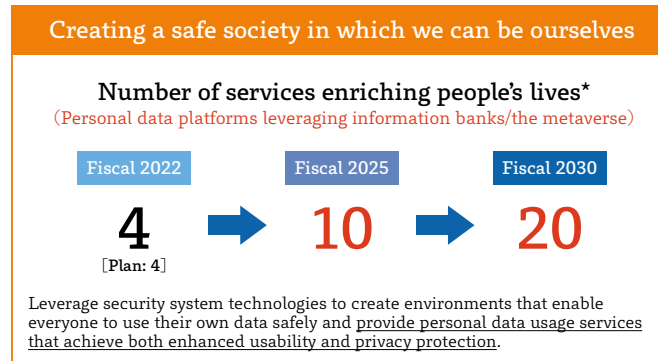
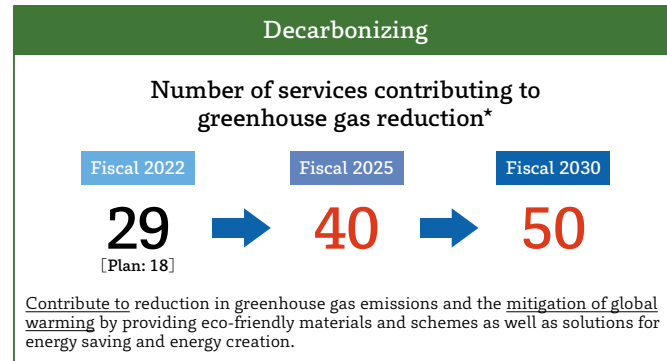
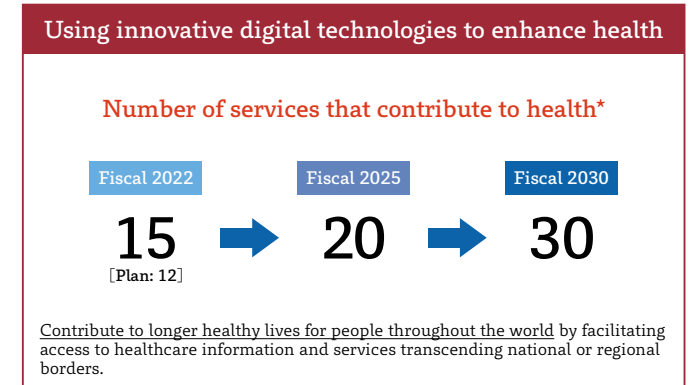
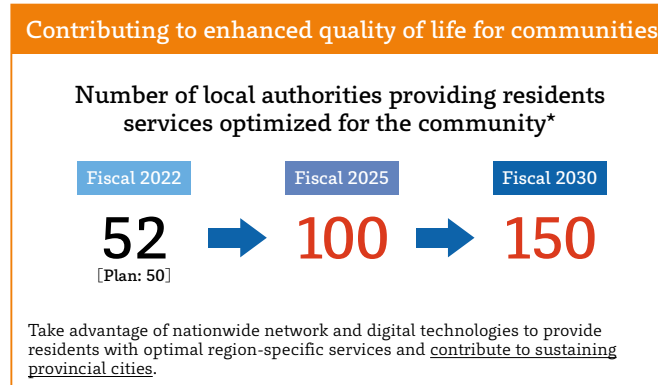
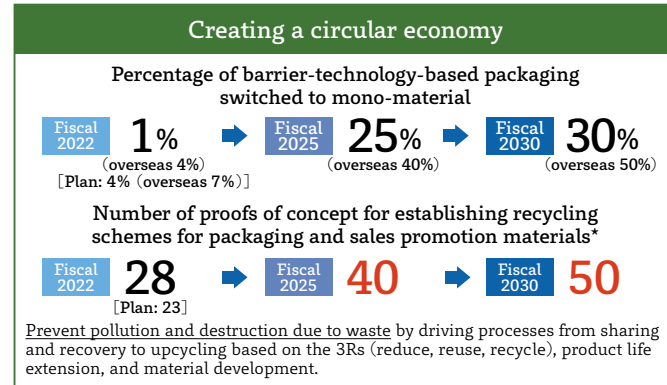
People: empowerment and fulfillment of body and mind

People are facing many issues today, including rising medical costs in developed countries with falling birth rates and aging societies, food shortages due to the growing world population, and challenges in educational environments due to ongoing social change. The TOPPAN Group is leveraging its strengths in development and manufacturing, including for healthcare-related services, functional packaging, and educational content, to provide services and products that support mental and physical fulfillment and systems for companies and other organizations to support the well-being of their people. These efforts contribute to empowering and fulfilling people in body and mind.

Business Materiality: Targets and Results (Activities and targets set out in TOPPAN Business Action for SDGs)

Items in red are those where indicators have been changed or target values revised upwards.

*Target figures marked with an asterisk are cumulative figures over the years leading up to the target year. (Other targets are for single fiscal years)



Companywide Materiality: Targets and Results

Environmentally Friendly & Sustainable Production

We engage in efforts throughout the value chain including the supply chain, based on the TOPPAN Group Environmental Vision 2050, which defines long-term efforts for global environmental issues aiming to realize a sustainable society,

and on the TOPPAN Group Medium-and-Long-Term Environmental Targets for Fiscal 2030.

[See the TOPPAN Group Environmental Vision 2050 on page 96 >](#)

[See the TOPPAN Group Medium-and-Long-Term Environmental Targets for Fiscal 2030 on page 96 >](#)

● Contributing to Decarbonization

We primarily contribute to decarbonization through rationalization of energy use and energy management, along with proactively using and promoting the widespread use of renewable energy, aiming to achieve net zero greenhouse gas (GHG) emissions for Scope 1+ 2 and Scope 3 emissions by fiscal 2050.

Metrics	Fiscal 2030 Targets	Fiscal 2022 Results
Scope 1 and 2 GHG emission reduction	Reduce by 54.6% compared to the fiscal 2017 level (Renewable energy ratio of 6.5%)	Reduced by 28.2% compared to the fiscal 2017 level (Renewable energy ratio of 1.2%)
Scope 3 GHG emission reduction	Reduce by 54.6% compared to the fiscal 2017 level	Reduced by 20% compared to the fiscal 2017 level

● Preserving Biodiversity

For the sustainable use of natural resources, we are working toward the targets of reducing threats to biodiversity and protecting 30% of the world's land and waters, aiming for co-existence with nature that both conserves the rich natural environment and enables social and economic activity.

Metrics	Fiscal 2030 Targets
Confirmation of legality of procurement of raw materials of paper	100%
Contribution to the conservation of regions in which humans coexist with nature both inside and outside the Group*	Equivalent to 10% of the area of manufacturing sites

*Based on the site area of the former Toppan Inc. and subsidiaries with manufacturing facilities

● Contributing to Resource Circulation

We position the formation of a circular economy as a critical challenge for management and aim for zero waste emissions by fiscal 2050 through reducing waste generated in business activities and reusing and recycling the waste that is generated.

Metrics	Fiscal 2030 Targets	Fiscal 2022 Results
Final landfill waste disposal*	Reduce by 60% compared to the fiscal 2017 level	Reduced by 10.8% compared to the fiscal 2017 level
Waste plastic material recycling rate	Increase by 12% compared to the fiscal 2017 level	Increase by 3.7% compared to the fiscal 2017 level

*Applies to waste derived from production

● Optimal Water Use

Safe water is a necessary resource in production activities and biodiversity conservation, and the TOPPAN Group engages in water conservation activities and wastewater pollution prevention activities at operational sites in areas experiencing high water stress to contribute to improved water quality by realizing optimal water use and preventing water pollution.

Metrics	Fiscal 2030 Targets
Number of sites with high water risk* at which water withdrawal reduction targets are achieved	50% or more
Cases of action taken by authorities due to exceeding regulatory threshold values	0

*Sites with water stress in excess of 40%

[Environmental Policy >](#)

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

Employee Health & Job Satisfaction

Looking to business portfolio transformation as a priority measure for the medium to long term, we are focusing on

driving the DX business, expanding the Living & Industry business overseas (SX business, global business development), and creating new businesses (frontier). Recognizing the recruitment and development of human assets to support this as

a critical challenge for management, we are investing in human assets to contribute to medium- to long-term value creation for the Group and implementing a range of human resource measures.

● Building a Human Asset Development Program

We are working on recruitment and development of human assets to support business portfolio transformation by implementing programs to develop diverse human assets and achieve intra-Group mobility of human assets. We are also implementing programs to develop management human assets who will lead us in the future.

Metric	Fiscal 2025 Target	Fiscal 2022 Result
Number of employees (human assets) engaged in Erhoeht-X™ ^{*1}	6,000	4,300

*1 The former Toppan Inc. and consolidated subsidiaries, including those overseas Erhoeht-X™ (erhoeht cross) is the concept for our Companywide efforts to support digital innovation of society and businesses and drive our own digital transformation.

● Promotion of Diversity & Inclusion

We place importance on diversity and inclusion that leverages our differences as drivers of change. We promote women's advancement in the workplace and efforts for gender diversity and implement measures to support employees balancing work with childcare or nursing care.

Elimination of Gender Disparities

Metric	Fiscal 2025 Target	Fiscal 2022 Result
Percentage of women in management ^{*2}	14.7%	12.2%

*2 The former Toppan Inc. and consolidated subsidiaries, including those overseas

Metrics	Fiscal 2030 Targets	Fiscal 2022 Results	
Percentages of male and female employees working as managers and supervisors ^{*3}	Eliminating gender disparities	Female 0.74 : Male 1.00	
Percentage of eligible male employees taking childcare leave ^{*4}	80.0%	72.9%	
10-year retention rate by gender ^{*5}	Eliminating gender disparities	Female 0.87 : Male 1.00	Fiscal 2011 hires Female 0.75 : Male 1.00
			Fiscal 2012 hires Female 0.86 : Male 1.00
			Fiscal 2013 hires Female 0.95 : Male 1.00

*3 At the former Toppan Inc., percentages of employees working as managers and supervisors, out of all current employees recruited as regular hires from 2004 to 2013 (as of March 31, 2023). Difference between proportions for female managers/supervisors and male managers/supervisors when value for male managers/supervisors is set as 1.00.

*4 At the former Toppan Inc., a percentage calculated by dividing the number of male employees who took childcare leave in fiscal 2022 by the total number of male employees with children born from April 2022 to March 2023 (The method for calculating this percentage is based on the applicable Japanese act requiring disclosure of the percentage.)

*5 At the former Toppan Inc., calculated the average 10-year retention rates by gender for regular hires from fiscal 2011 to fiscal 2013 (new graduates from technical colleges, universities, and graduate schools). Difference between rates for male and female employees when value for male employees is set as 1.00.

Support for Employees with Children

Metrics	Fiscal 2030 Targets	Fiscal 2022 Results
Participation rate in Hagukumi Art Salon ^{*6}	45.0%	15.2%
Attendance rate of managers in Hagukumi Seminar ^{*7}	100.0%	75.8%
Participation rate in Hagukumi Circle ^{*8}	10.0%	11.4%

*6, 7, 8 The former Toppan Inc. standalone

Diversity & Inclusion >

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

[To Our Stakeholders](#) | [TOPPAN's Sustainability Initiatives](#) | [Message from an External Director](#)

● Employee Well-being

To ensure human assets with diverse capabilities and careers, we have introduced an original job-based personnel system and design new programs that harmonize gains in corporate value and employee motivation. We also implement measures to promote the health of employees and their families and programs to improve the physical and mental condition of each employee.

Employee Engagement

Metrics	Fiscal 2025 Targets	Fiscal 2022 Results	Fiscal 2021 Results
Engagement score ⁹	Improve by 5 points compared to fiscal 2021	70.6 points	69.8 points
Health risk value ¹⁰	Improve by 6 points compared to fiscal 2021 (96 points)	101 points	102 points
Condition risk determination ¹¹	Improve by 4 points compared to fiscal 2021 (17.1 points)	22.6 points	21.1 points

*9, 10, 11 The former Toppan Inc. and consolidated subsidiaries in Japan

Prevention of Serious Illness

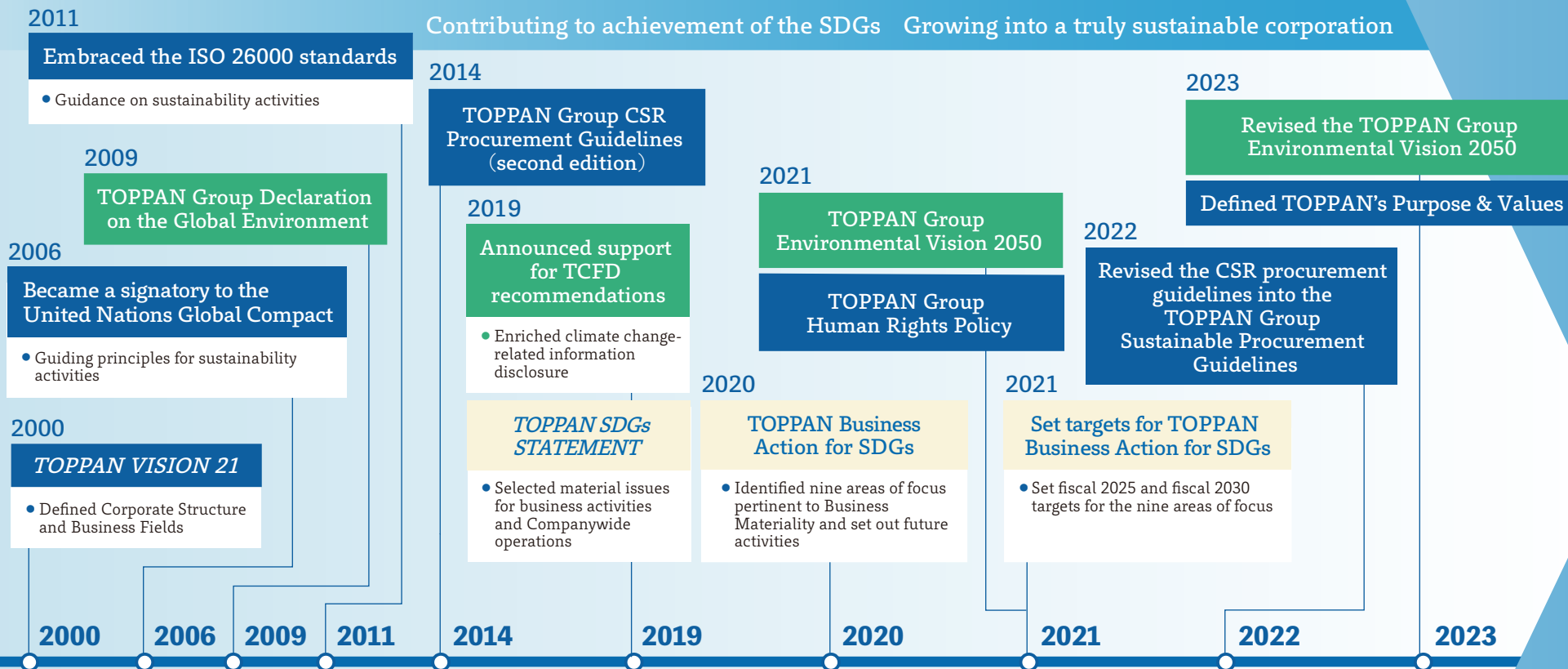
Metrics		Fiscal 2030 Targets	Fiscal 2022 Results	
Employees	Risk of serious illness ¹²	Obesity risk	20.0%	27.9%
		High blood pressure risk	8.0%	10.8%
		Diabetes risk	8.0%	10.9%
		Lipid risk	28.0%	30.1%
	Medical examinations ¹³	Gynecological screening rate	75.0%	78.4%
Families	Medical examinations ¹⁴	Family health checkup rate	95.0%	84.3%

*12, 13, 14 The former Toppan Inc. standalone

[Employee Health & Safety / Work-Life Balance](#) >

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

Progress in the TOPPAN Group's Sustainability Initiatives



A corporation that creates social value

A leading provider of solutions for social issues worldwide through DX and SX

Message from an External Director

The Direction for the TOPPAN Group's Sustainability Management Going Forward



Mieko Nakabayashi
External Director

Coherent Action Based on Global Collaboration

It is increasingly important for TOPPAN Group companies to work together on sustainability management. Investors are starting to demand effective ESG practices. Organizations composed of global institutional investors are changing their policies to focus on pressing companies to take concrete action. For example, international investors have launched the Climate Action 100+ (CA100+) initiative, which urges companies to accelerate decarbonization. More than 700 institutional investors participate, and there are also several funds focused on decarbonization. They will no doubt scrutinize not just verbal commitments, but also capital investment plans for decarbonization. Companies will need to demonstrate that their efforts are not just for show, so called greenwashing.

TOPPAN needs to see this as an opportunity, take the initiative in disclosing investment and other plans, and ensure policies are entrenched at entities overseas. From the perspective of governance, coordination between entities in Japan and overseas will be vital to ensure consistent sustainability management across the Group. It is not an easy mission, but with the transition to a holding company structure as the launchpad, there is value in taking on the challenge.

Developing Human Assets to Drive Solutions in a Turbulent World

Companies must continuously transform to survive and grow. Efforts to drive DX and SX under the key concept of “Digital & Sustainable Transformation” embody TOPPAN's awareness of this need. TOPPAN has committed not just to transforming its portfolio and raising enterprise value, but also to leading solutions to social issues on a global scale.

The G7 Hiroshima Summit this year was a focus of attention due to its importance, and “economic security” was on the agenda for the first time. Agreement was also reached on the need for rules for generative AI. Growth of the digital sector is rapid, and the issue is directly related to national security. Although pressure on Russia and China was said to be aimed not at decoupling but at risk mitigation, it appears Japanese and American semiconductors are flowing into Russia via China and other countries, contributing to the continuation of the war. Supply chain restructuring is a critical issue, including addressing the Global South.

In this turbulent situation, the TOPPAN Group must secure and develop global human assets while keeping an eye on the world order based on the rule of law. To contribute as a company that leads the world, human asset development targeting true diversity is required.

Contributing to Fulfillment and Happiness While Balancing Sustainability and Economic Activity

The world is at a historic watershed as it faces complex, interrelated issues, such as Russia's invasion of Ukraine and high inflation after the pandemic. This situation is known as VUCA (volatility, uncertainty, complexity, ambiguity), a concept that rapidly began to attract the business world's attention in the 2010s.

In a world of accelerating VUCA, the TOPPAN Group has devised its Purpose & Values and committed to management from a long-term perspective. Recent years have seen a backlash against the SDGs and a tendency to return to short-term thinking. However, financial statements are not enough to respond to capital markets wanting to know how resilient companies are over the long term. Long-term sustainability management could be rephrased as a company's ability to look ahead.

The TOPPAN Group needs to strike a balance between sustainability and economic activity, something filled with contradictions. It is important to build a consensus with stakeholders and civil society. Proactively disclosing non-financial information will be a driving force. The TOPPAN Group has a key role to play in enabling true fulfillment and happiness while demonstrating that they can go hand in hand with business.



Social

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P. 45 Diversity & Inclusion

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P. 60 Employee Health & Safety / Work-Life Balance

P. 66 Supply Chain Management

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Human Assets

Basic Approach

Approach

Mindful of how deeply we depend on our employees, we strive to foster employees who will one day go on to create new knowledge and skills. The TOPPAN Group has been nurturing working environments and a corporate culture ideal for the sustainable growth of individuals and TOPPAN as an organization that contributes to society.

We value our employees as human capital, that is, as precious “human assets.” We are convinced that maximizing the value of human assets will generate human-led innovation that drives our business growth.

The TOPPAN Group Human Rights Policy calls for appropriate personnel treatment based on individual work performance to motivate employees to perform to their full potential. We provide diverse personnel development programs as learning platforms where human assets can develop abilities suited to their individual jobs and careers.

Human Asset Development Programs

System

The Human Resource Development Center in the Personnel & Labor Relations Division coordinates with persons in charge of human asset development across departments throughout the Group to institute personnel training programs. These programs are organized systematically around TOPPAN UNIVERSITY, a platform that strives to foster leaders while supporting the skill and career enhancement of employees through basic and special programs, leader development programs, and personal empowerment programs. The center deploys the Human Resource Development Laboratory (HRDL) as an R&D base to study, research, and verify ideal programs for personnel innovation that inspire self-transformation and expand individual potential and abilities to create new value.

Annual employee questionnaires on personnel development measures have been organized at Toppan Inc. since fiscal 2012. Employees’ appetite for learning, evaluations of the measures currently practiced, and opinions on workplace support for learning have been collected and shared with all of the officers as important data to be used in the design of new development programs. Of 9,500 respondents in fiscal 2022 (RR 90.5%), 7,912 (83.3%) employees evaluated personnel measures as favorable.

Fostering Managerial Talent

Training, education

We are systematically nurturing human assets with the experience and competence necessary to occupy managerial positions with a view to sustaining and enhancing our organizational competitiveness.

A wide variety of programs have been arranged to foster and pool talent that will drive our business portfolio transformation. Seamless rank-based training programs are organized to nurture personnel with the qualities of future leaders, both male and female, across all age groups.

Through these systematic programs, we continue to develop human assets who are ready to succeed senior management. The fostered managerial talent will spearhead the reinforcement of a management structure that addresses business shifts and secures the sustainable development and management stability of the Group.

Systematic Human Asset Development Programs

Respect for human beings A core management principle since our foundation in 1900

Human asset development policy Mindful of how deeply we depend on our employees, we will foster human assets who will one day go on to create new knowledge and skills. We will nurture working environments and a corporate culture ideal for the sustainable growth of individuals and TOPPAN as an organization that contributes to society.

Approach to human asset development

- 1) Individual growth engenders our growth and individual competitiveness engenders our competitiveness.
- 2) Fostering self-directed individuals: We will foster self-directed human assets who take the initiative in value creation.
- 3) Creating excellent collective knowledge: We will nurture distinguished personnel who generate excellent collective knowledge that enhances decision-making and actions across the Group.

Ideal human assets and organization (Human assets to be fostered within the Group) A human asset who accurately understands and proactively practices the principles of our Purpose & Values and an organization that makes decisions and acts based on excellent collective knowledge.

Three key competencies **1** Communication skills **2** Enhanced sensitivity **3** High aspirations



Purpose, Structure & Training Policy

Purpose of establishment

Mindful of how deeply we depend on our employees, we will foster human assets who will one day go on to create new knowledge and skills. We will nurture working environments and a corporate culture ideal for the sustainable growth of individuals hand in hand with our growth as an organization that contributes to society.

Note: A virtual platform for engaging in personnel development and training programs fashioned in an accessible, university-style. Not a formal university within the Group.

Overall structure

Composition of Groupwide basic education, rank- & job-based training courses, selective leader development programs, and a personal empowerment platform supported by the infrastructure of the Kawaguchi and Yugawara Training Centers, TOPPAN VR Online Training Center, and Career Navigator (online portal providing comprehensive information on personnel development)

Training policy

- We will
- offer education to develop individuals who can contribute to corporate growth and the development of society at large;
 - provide quality training programs for motivated individuals;
 - arrange practical programs in alignment with actual job duties; and
 - respect and support the independence and personal empowerment of our human assets.

R&D at HRDL
Self-transformation & new-value creation

Neuroscience Research Group	Art Innovation Research Group	Sensitivity Research Group
Physiological Condition Research Group	SDGs Research Group (through Buddhist teachings)	Kanosei Art Project
Technology Research Group	Universe and Astronomy Research Group	Airin Blue Project
	Philosophy Research Group	



Rank- & job-based courses TOPPAN history; TOPPAN's Purpose & Values; Human rights training; Compliance; Information security; Safety, health, and fire protection; Mental healthcare

<p>Early career planning</p> <p>Trainer training system</p> <p>Groupwide compulsory training (e-learning programs)</p> <p>Career Navigator</p> <p>Internal webpages on human asset development</p> <p>Human Resource Development Laboratory (HRDL)</p> <p>TOPPAN VR Online Training Center</p>	<p>OJT</p> <p>Rotation system</p> <p>Challenging Job System</p> <p>Training on effective data utilization</p> <p>Executive business school</p>
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Personal empowerment

TOPPAN UNIVERSITY BUSINESS SCHOOL

Subscription-based training courses (Manabi-hodai "all-you-can-learn buffet" library)

Group training / E-learning programs / Assessment / External training program / Open seminars / Digital technology training

TOPPAN UNIVERSITY CHALLENGE SCHOOL

Correspondence-learning courses / E-learning programs

Liberal arts (general knowledge, sensitivity); Diversity; Skills for global businesses; various other subjects

Key themes

D&I programs	MOT & DX programs		
Career-development & job-transfer programs	Programs to enhance technological capabilities	Groupwide programs to strengthen digital knowledge foundations	Programs for encouraging employees to acquire digital technology certifications
ESG programs	Digital technology e-learning platform	Basic training on digital marketing	

(as of September 2023)

Fostering Human Assets Active in the DX Arena

System Training, education Activity results, performance data

We are enriching training platforms for digital knowledge and skills to expand the DX skills of human assets across positions and departments throughout the Group. We nurture an organizational culture that emphasizes continuous learning, in the recognition that constant self-improvement and deeper knowledge beyond the expectations of customers will be key in the digital era.

A learning platform for subscription-based training on digital technology has been developed to keep human assets constantly up to date on the latest digital knowledge necessary

for their individual jobs and career plans. We also provide employees with the opportunity to train for Microsoft Azure certifications, as well as a cloud-service training program to equip employees with the skills required for Amazon Web Services (AWS) certifications (run jointly with Amazon Web Services Inc., the world's most broadly adopted cloud platform provider). New courses to acquire data science certifications and learning programs on AI and deep learning were introduced in fiscal 2022 to further upgrade our digital education curriculum with a view to fostering personnel who will advance the digital transformation.

 [More details on the Data on DX Human Asset Development Programs \(See page 40\) >](#)

DX Training Based on Digital Literacy

Literacy Level	Training System			
	An assortment of programs for acquiring the knowledge and skills needed to perform the assigned jobs, empowerment programs for career development, and various other programs suited to individuals at different digital-literacy levels			
<ul style="list-style-type: none"> ● Supervisory A leader guiding other human assets ● Fluent A human asset with practical knowledge or experience ● General A human asset with basic general knowledge needed to develop the required skills ● Inexperienced Digitally challenged 	Groupwide compulsory courses	<p>Digital learning platform</p> <p>Acquire the latest high-quality digital knowledge and skills in a timely and necessary manner through department-based training and personal empowerment programs</p> <p><small>*Selectable from 7,300 courses on Udemy and 140 courses on Aidemy</small></p>	<p>Cloud course</p> <p>Microsoft Azure training programs and original TOPPAN training programs designed jointly with Amazon Web Services Inc. (AWS, the world's No.1 cloud platform provider) to convey essential knowledge for digital business and prepare employees to acquire AWS and Azure certifications</p> <ul style="list-style-type: none"> • AWS certification (introductory) • AWS certification (intermediate) • Microsoft Azure certifications 	<p>Licensing exams & specialist courses</p> <ul style="list-style-type: none"> • Digital marketing training • Data scientist certifications • Generalist certifications • DX business certifications

Fostering Human Assets Active in the SX Arena

System Training, education Activity results, performance data

Since 2013 we have been organizing training programs to foster human assets adept in sustainable transformation (SX) as members of a group of corporations that creates social value and contributes to a sustainable society through environmental, social, and governance (ESG) initiatives.

We continue to dispatch employees on fieldwork programs

in Fukushima Prefecture, an area affected by the Great East Japan (Tohoku) Earthquake. In total, 1,748 employees have visited Fukushima in nine separate years. We also run an ongoing Social Innovation Program and Kanosei Art Project (*kanosei* means “potential” in Japanese) to develop innovative businesses with a balanced approach to solving social issues and creating economic value. Our goal is for the human assets fostered in these initiatives to contribute to our social innovation businesses.

DX Human Asset Fostering Programs

Program	Launched in	Concept & Outline	Cumulative No. of Participants
Personnel dispatches to JICA-JOCV	2013	To foster human assets who will be able to lead Japanese society and the Japanese economy based on the objective viewpoints they have gained by comparing Japan's industrial, legal, and other systems with those in overseas countries where they have worked	17
A program for developing innovative businesses that take a balanced approach to solving social issues and creating economic value		A total of 1,748 employees (incl. 434 online participants) who have visited Fukushima since 2013	1,748
Social Innovation Program	2013		
“Advance—Shaping the Future”	2014	To create networks and drive the integrated strengths of the Group by encouraging employees to think and act independently and explore “what TOPPAN can do to solve social challenges”	867
Fieldwork program for managers in Fukushima	2015		481

Expanded Organizations and Work

We have established organizations that drive social innovation programs. The human assets fostered by those organizations contribute to the programs.



- Apr 2016 Social Business Center
- Jan 2018 Social Innovation Center
- Apr 2020 Social Innovation Subdivision
- Apr 2023 Social Innovation Center*
*Organizational change

Fostering Human Assets Active in the Global Arena

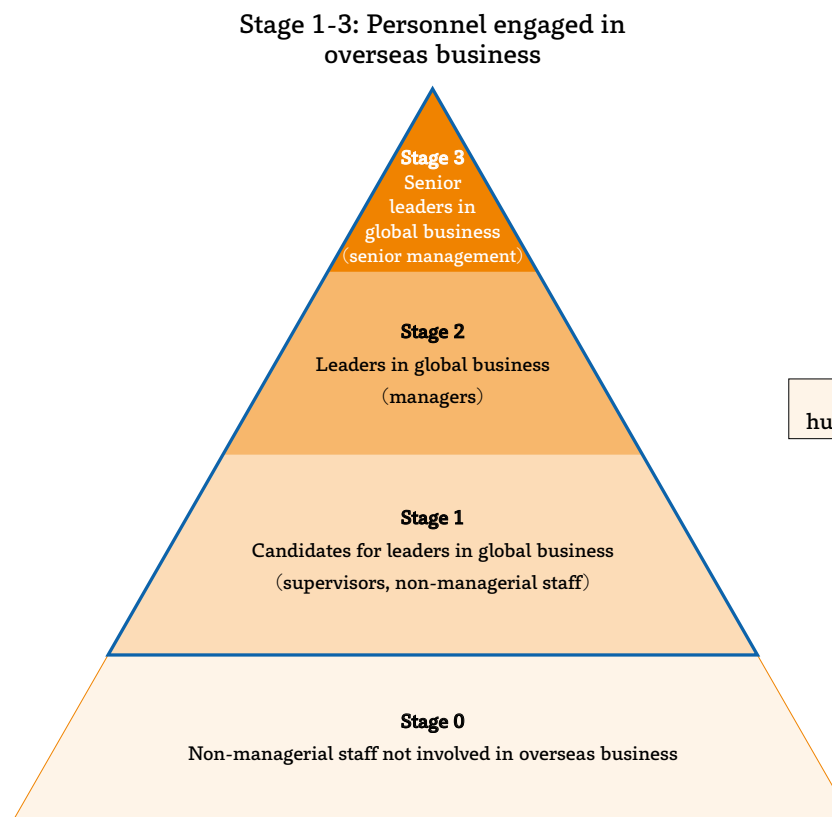
System Training, education

We have been hiring non-Japanese individuals and arranging frequent personnel exchanges between overseas Group companies as part of an overall effort to adapt to our more globalized business operations.

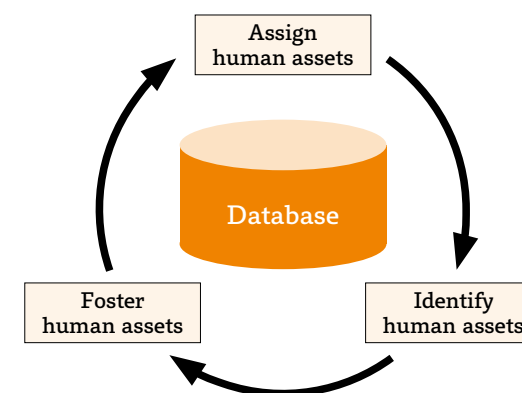
We believe that human assets can thrive in global business arenas when they are business literate and have the requisite business communication skills and overseas experience, along with advanced language skills and cross-cultural competencies. We work to visualize qualified personnel and formulate training plans to nurture them.

The annual language-proficiency assessment identifies the global business potential of the TOPPAN workforce and estimates how many personnel should be assigned to the international operations of the Group. Based on the assessment results, we are fostering global personnel through a human resource (HR) system that encourages employees to participate in various global business programs, acquire basic literacy and knowledge required for overseas business in fields such as accounting and finance, and gain experience outside of Japan via dispatch beyond borders.

Structure for Fostering Global Human Assets



Developing global human assets within the HR system



Research and Development at HRDL

Activity results, performance data

In April 2017 we launched the Human Resource Development Laboratory (HRDL), 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.

The HRDL applies interdisciplinary expert knowledge from outside of the Group to design original personnel development models that promote self-transformation and inspire individuals to fulfill and expand their potential and abilities. The research outputs are expected to spur TOPPAN's brand new value creation.

Our three-level approach to personnel development is shown in Figure 1. At the first level, we seek continuous improvement in training programs through a PDCA cycle. At the second, the training effectiveness and efficiency gained at the first level are maximized with human resource (HR) technology and various other technologies. At the third, we study, research, and verify ideal methods to stimulate human asset innovation.

In its work at the third level, the HRDL aims to produce an original personnel development model by applying the lab's advanced approaches to the existing training system at the first level.

The HRDL embraces sensibility and non-verbal dimensions by transcending the verbalized dimensions in which conventional training programs are organized (see Figure 2). We

believe that human assets can innovate and create new value when they are better able to recognize non-quantifiable cognitive attributes such as sensitivity and non-verbal understanding. We are forging ahead with medium- and long-term research and development projects in cooperation with outside experts.



Human Resource Development Laboratory

Systematic R&D at HRDL in 2023 (for innovative human asset development)

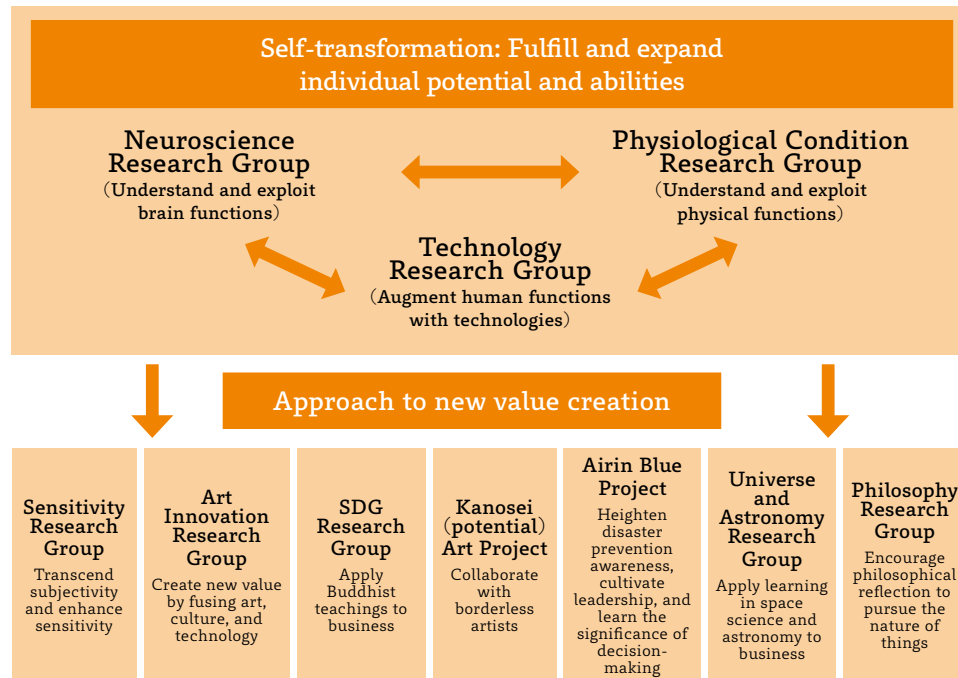


Figure 1: Three-level Approach to Human Asset Development

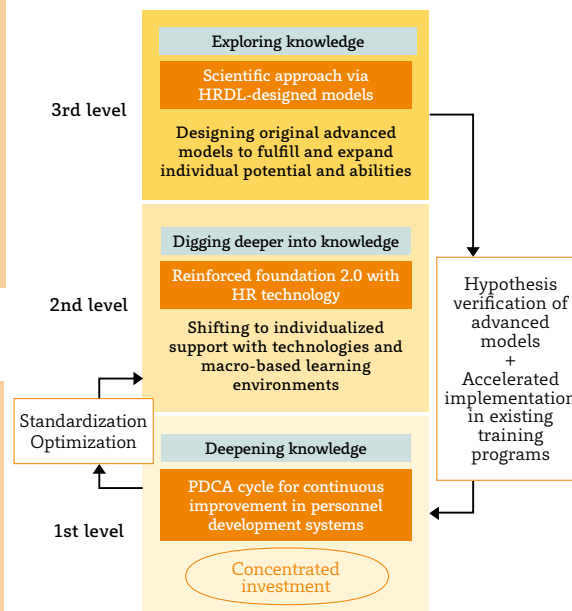
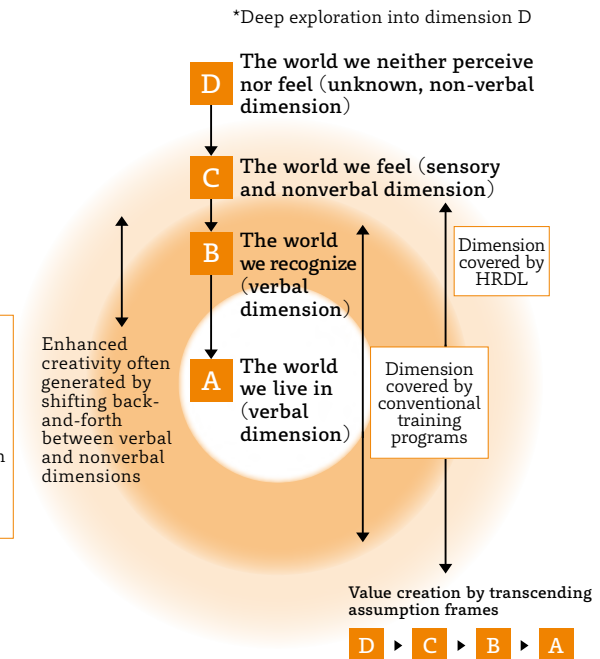


Figure 2: Dimensions Covered by HRDL



R&D Efforts at HRDL (1)

Neuroscience Research Group

We are collaborating with DANCING Einstein, Co., Ltd. to form a Neuroscience Research Group that studies ways to apply neuroscience knowledge to human asset development. The research group aims to develop the individual talents needed for accelerated corporate growth and the creation of a better society. Its forefront brain science programs seek to improve the performance and communication skills of human assets by shedding new light on the mechanisms of human learning, behavior, emotions, and thinking.

Some of the training sessions for new employees encompass specialized knowledge in the form of assessments based on neuroscience. When preparing to lecture new recruits, internal instructors learn how to model their lectures and lecture materials around the cognitive processes of the learners. This approach seeks to improve the recruits' understanding of the content they are learning in the training sessions.

The research group also uses neuroscience knowledge to unravel human emotions and memory systems and explore ways to encourage employees to meet the needs of their workplaces by taking on new challenges as action-ready personnel.



From the forefront brain science programs (upper right and bottom; in Japanese)

R&D Efforts at HRDL (2)

Physiological Condition Research Group

We are advancing health management as a means of maintaining and enhancing the health of human assets and enabling higher performance and work efficiency. We have adopted an innovative approach to personnel development by entering an advisory contract with Dr. Hideyuki Negoro, a lecturer of medicine at the Harvard Medical School and a visiting professor at the Sorbonne University School of Medicine. The Physiological Condition Research Group set up with Dr. Negoro has produced *Around-the-clock Tips for Better Performance*, a self-care video to help employees look after their own mental and physical health. Drawing from Dr. Negoro's expertise in healthcare, this easy-to-understand, animated video explains certain things that a businessperson can do in the course of a day to stay in better shape. The video demonstrates good living routines to follow in the morning, afternoon, and evening by describing basic mechanisms of the body, such as the clock genes and body clock.

We have also sought guidance from Dr. Negoro in the development of a smartphone app that monitors user wellness around-the-clock. Employees in many positions, from new hires to managers, use the app in rank-based training to keep track of daily behaviors such as sleep quality, steps taken, and meals eaten. The app is also social, with gamified features that get trainees to enhance their performance by competing to learn good habits.



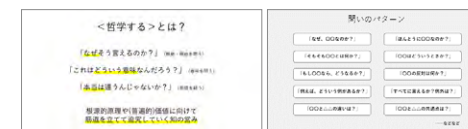
R&D Efforts at HRDL (3)

Philosophy Research Group

We launched a Philosophy Research Group in 2022 to accomplish three things: to explore ways to leverage philosophical viewpoints to devise personnel training programs; to encourage human assets to leverage philosophical knowledge and knowhow to contemplate the nature of things and to apply the wisdom gained to business scenarios; and to seek ways TOPPAN personnel can apply philosophical principles towards the creation of new services, solutions, and businesses. The knowledge and knowhow attained from philosophy have many implications for the business of the day. Human assets will become more adept in pursuing the nature of things by approaching challenges in business, in society, and in their own lives with insights learned from the latest philosophical principles.

The Philosophy Research Group has joined the Universe and Astronomy Research Group in a series of training sessions to help managers think from macrocosmic perspectives. The trainee managers learned how to question the world more deeply and capture the essence of things based on philosophical knowledge. The sessions sought to promote the acquisition of thinking skills needed for the attainment of balanced perspectives and a clear view of the actions expected of future CEO candidates.

Looking forward, the research group will be exploring the styles of personnel development TOPPAN envisions for the future from philosophical perspectives. Wide-ranging findings from other HRDL research groups will be integrated to create new value and further innovate the activities at the laboratory.



From a training session to learn philosophical views (in Japanese)

R&D Activities at HRDL

Program	Launched in	Concept & Outline	Results
Neuroscience Research Group	2017	<ul style="list-style-type: none"> A program to apply neuroscience knowledge to human asset development, established with DAnCing Einstein, Co., Ltd. Aims to develop individual talent necessary for corporate growth and the creation of a better society. 	<ul style="list-style-type: none"> Designed a forefront brain science program that seeks to improve employee performance and communication skills by shedding new light on the mechanisms of human learning, behavior, emotions, and thinking; opened the program to client companies for a fee to share the expertise with wider society. *Forefront brain science program: 388 participants (total for 16 terms), Forefront brain science program—advanced: 122 participants (total for 5 terms), Mindfulness & stress management program: 286 participants (total for 12 terms) Incorporated neuroscience knowledge into training sessions for new hires and personnel during their first three years of employment (attended by a total of 7,971 participants, as of July 2023). Studied clues on the actions to take in response to new challenges; summarized the findings in a video and art installation for employees.
Physiological Condition Research Group	2017	<ul style="list-style-type: none"> A program to provide human assets with accurate knowledge and skills for maintaining sound mental and physical health, designed with contracted advisor Dr. Hideyuki Negoro, a lecturer of medicine at the Harvard Medical School and a visiting professor at the Sorbonne University School of Medicine. The gains in mental and physical health achieved through the program will promote the health management of the Group by improving individual performance and enhancing work efficiency. 	<ul style="list-style-type: none"> Produced <i>Around-the-clock Tips for Better Performance</i> and <i>Breath Control & Tips for Optimal Sleep, Exercise, and Diet</i>, self-care videos designed to help all Toppan Inc. employees look after their own mental and physical health; a total of 17,503 views (as of July 2023). Teamed up with Dr. Negoro to develop a smartphone app that helps employees manage their own mental and physical health; used the app in rank-based training sessions for a total of 6,159 participants, from new hires to managers (as of July 2023). Developed the 3D Stress Check & Support, a comprehensive system for businesses that automatically prescribes tailored support for individuals based on the results of mental-health risk screenings.
Technology Research Group	2020	<ul style="list-style-type: none"> A program to nurture human assets who create new value by broadening their human functions through technology and expanding their individual potential and abilities. 	<ul style="list-style-type: none"> Developed a business-plan creation support system that compares and proposes business models using a combination of AI and financial expertise in 2021; incorporated the system into TOPPAN's in-house personnel training on frontier business creation in the same year.
Sensitivity Research Group	2018	<ul style="list-style-type: none"> A program that seeks to unleash creativity and link it with innovation by enhancing sensitivity, designed with external research institutions specialized in the human senses, primarily sound and scent. Researches spatial designs and develops sensitivity-enhancing programs to allow human assets to merge their human sensitivity into business. 	<ul style="list-style-type: none"> Held interactive employee workshops in which participants worked with non-verbal dimensions such as smell, color, physical expression, sensitivity engineering, perception, and hearing.
Art Innovation Research Group	2018	<ul style="list-style-type: none"> A program to create new value by fusing art, culture, and technology through an industry-university collaborative course established with Kyoto University. Seeks to formulate an innovative value-creation scheme that enhances the creativity of human assets by transcending their subjectivity through the logic of artists. 	<ul style="list-style-type: none"> Developed the Art Innovation Framework™, a thinking method that systematizes the logic of artists to spur the generation of new ideas in business; made an animated video on this framework. Arranged an Art Innovation Framework program for managers to transcend subjectivity and create new value; encouraged supervisors to leverage the framework to plan ideas at selective training programs for creating new businesses. Implemented business ideas born from Art Innovation Framework programs as prototypes to be verified on a small scale. Held internal seminars focused on the fusion of art, culture, and technology to create new value.
SDG Research Group	2019	<ul style="list-style-type: none"> A program designed with the Yoi-Otera Research Institute (<i>yoi otera</i> means “good temples” in Japanese) to develop an approach to human asset development that applies Buddhist principles to business scenarios. Incorporates Buddhist teachings into employee training to engender innovative ways of thinking about work in modern society, the value of a corporation, the concept of being oneself, etc. 	<ul style="list-style-type: none"> Produced <i>Buddhist Teachings in Business</i>, an animated video to be viewed across the Group. Organized online fieldwork programs to guide senior managers on virtual visits through the Zenko-ji temple in Nagano and Koyasan sacred mountain in Wakayama, Japan. The participants learned about the meaning and significance of work and the roles required of senior management with a thematic focus on the moral values of a corporation. Held internal seminars hosted by monks to present Buddhist principles applicable to business scenarios.
Kanosei Art Project	2018	<ul style="list-style-type: none"> A project to develop a business model that links a social benefit (the greater independence of persons with disabilities) with an economic benefit (earnings for the Group) using TOPPAN technologies that add value to the works of borderless artists, and to foster the next generation of leaders in the process. 	<ul style="list-style-type: none"> Continued to arrange training programs in which new and experienced employees explored ways to add value to the works of borderless artists (attended by more than 2,700 participants since 2018). Held offline and online exhibitions in temples in Kyoto from 2018 to 2021, attracting many visitors from around the world and increasing temple visits overall (e.g., by 1.4 times from fiscal 2017 to fiscal 2018). Selected 50 artworks to be shown at the 2023 exhibition based on in-house votes cast by 4,248 employees and officers in 2021. Won the Grand Mécénat Award for the project at the Japan Mécénat Awards 2022 organized by the Association for Corporate Support of the Arts of Japan.
Airin Blue Project	2019	<ul style="list-style-type: none"> A project to remind people of the value of life through the daily replenishment of flowers in bloom at the final resting place of Airi Sato, a child who perished in Ishinomaki, Miyagi Prefecture in the tsunami caused by the Tohoku Earthquake. The flowers signify the need for disaster preparedness and effective action when a disaster strikes, in honor of Airi's memory. 	<ul style="list-style-type: none"> Held an internal seminar on individual preparations to save lives; presented a lecture on the leadership required during disasters and disaster prevention activities.
Universe and Astronomy Research Group	2021	<ul style="list-style-type: none"> A program to encourage human assets to apply learning and findings from space science and astronomy to business scenarios for new value creation. Encourages employees to think on a macrocosmic scale: thinking broadly, taking in the big picture, and gaining deeper insights into the futures to which they aspire. 	<ul style="list-style-type: none"> Developed the Space Innovation Framework, a thinking method for new value creation. Worked with the Philosophy Research Group on the utilization of the Space Innovation Framework for manager training with a view to fostering thinking skills that generate balanced perspectives and actions; organized training for new division managers to reaffirm two qualities required in a leadership candidate: a broad, long-term viewpoint and the personal principles of a frontrunner. Held employee seminars on space science and culture.
Philosophy Research Group	2022	<ul style="list-style-type: none"> A program with three objectives: to explore ways to leverage philosophical viewpoints in the design of training programs for human asset development; to encourage human assets to apply the knowledge, knowhow, and inner wisdom (the ability to contemplate essences) learned from philosophy to business scenarios; and to seek ways TOPPAN personnel can apply philosophical principles towards the creation of new services, solutions, and businesses. 	<ul style="list-style-type: none"> Held training sessions for supervisors to foster inner wisdom (the ability to see the nature of things) and a clear understanding of a supervisor's roles as a member of the Group that creates social value. Held internal seminars on philosophical thinking for a deeper questioning of the world in the pursuit of the essence of things.

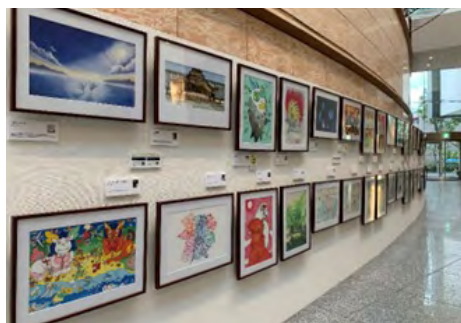
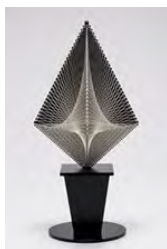
R&D Results at HRDL in 2022 (1)

Grand Mécénat Award 2022 for Kanosei Art Project

The Kanosei Art Project (*kanosei* means "possibility" in Japanese) was organized in fiscal 2018 as an activity that uses TOPPAN technologies to add value to the works of borderless artists. The project seeks to develop a business model that links solutions to social issues (the greater independence of persons with disabilities) with an economic benefit (earnings for the Group). The next generation of leaders at TOPPAN is expected to emerge in the process.

The project received the Grand Mécénat Award at the Japan Mécénat Awards 2022, an event sponsored by the Association for Corporate Support of the Arts of Japan. The association commended the Kanosei Art Project for developing a sustainable scheme that combines economic activities with solutions to social issues and innovating a personnel development function through employee participation in a pioneering business model.

We will work with various allies to sustain this project and stay on track as a social value creator.



R&D Results at HRDL in 2022 (2)

Innovation Frameworks with Art, Buddhism, and Space

The Human Resource Development Laboratory (HRDL) was established in 2017 as an R&D base committed to the study, research, and verification of ideal programs for personnel innovation. In 2020 the laboratory developed the Art Innovation Framework™, a thinking method that systematizes the logic of artists to spur the generation of new ideas in business. The research fields at HRDL are comprehensive, encompassing neuroscience, brain research, physiological condition analyses, space science, astronomy, and the teachings of Buddhism. Human assets experienced with self-transformation and expanded abilities through HRDL programs have already created various forms of new value.

The laboratory has recently developed two innovative frameworks with Buddhist principles and space science—a Buddhism Innovation Framework that seeks to achieve self-transformation with Buddhist insights and a Space Innovation Framework that pursues ways of thinking that encourage human assets to create new value by seeing things from a long-term,

universal perspective acquired from the findings of space science and astronomy. By combining these with its existing Art Innovation Framework, the laboratory has established a series of systematized thinking methods that drive personnel innovation through perceptive thinking in the realms of art, Buddhism, and space science/astronomy.

Advantages of the Buddhism Innovation Framework

- Recognize egoism and altruism
- Realize the meaning and significance of work
- Redefine ways of living

Advantages of the Space Innovation Framework

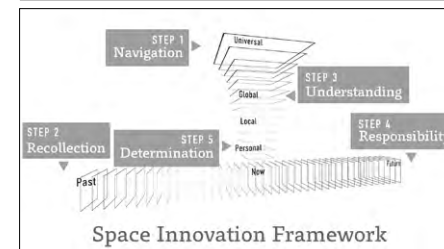
- Expanded thought
- Long-term thinking
- Firm determination

The trio of innovative frameworks will be applied to personnel training programs to enhance individual capabilities in creating new value and to develop prolific value creators within the Group. Now that personnel development programs encompass the new Buddhism and Space Innovation Frameworks, we are considering models to sell them commercially to external parties.

Modeling the logic of artists to apply the creative process to business



Art Innovation Framework™



TOPPAN VR Online Training Center

Activity results, performance data

We leverage VR and other forefront technologies for human asset development.

In 2021 we launched the TOPPAN VR Online Training Center as a global education platform that seamlessly connects digital and real spaces for coming generations. Employees from across the world think of it as an online station where they can gather and meet with a wide diversity of people from within and outside of the Group. We seek to integrate knowledge and produce innovations through this optimized VR training environment.

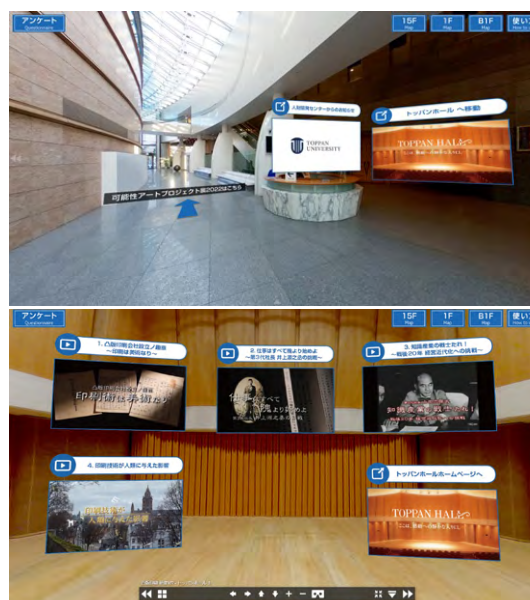
The training center operates two virtual venues. One is the VR Koishikawa Head Office Building, an online facility where visitors can experience virtual tours of Toppan Hall and the Printing Museum, Tokyo. The other is the VR Human Resource



Development Laboratory (HRDL), an online facsimile of the physical-world laboratory.

Employees can visit the virtual HRDL to check the research results from the lab's two projects and eight research groups and to learn the specialist knowledge of the HRDL researchers by viewing in-house seminar videos. One series of videos describes the art, Buddhism, and space frameworks adopted for personnel development based on research findings under the three innovation frameworks. Another prominent title is *Around-the-clock Tips for Better Performance*, an animated video to help human assets look after their own mental and physical health. The virtual laboratory also presents artworks from the Kanosei Art Project and outputs from training session participants produced by harnessing research group findings.

Real and VR learning infrastructures are now available at TOPPAN. Employees can tour our facilities remotely and catch up on the latest knowledge at any time and from any distance.



Training Programs with Digital Technology

Activity results, performance data

We have upgraded our online training programs by leveraging digital technology in ways that transcend the mere substitution of face-to-face training. In fiscal 2021 we launched the TOPPAN VR Online Training Center to provide new hires with virtual work experiences at web-based training sessions. A year later the center introduced training activities in the metaverse to facilitate virtual communication that feels more tangibly real. All new employees were invited to a Kawaguchi Plant VR Tour in the metaverse at the beginning of fiscal 2023. Participants experienced workplace hazards from an operator's point of view, as transmitted through standalone VR goggles. Embodied within realistic avatars of themselves, new hires shook hands with their virtual peers and gave high-fives in an experientially expanded communication space. The outcomes of the training have guided us towards more sophisticated uses of digital technology in other rank-based training programs.



Human Asset Development Initiatives

Activity results, performance data

Fiscal 2022 Data on Human Asset Development Programs (TOPPAN Group)

Program	Outline	No. of Participants (cumulative)
Rank-based programs	A set of programs for acquiring the knowledge, skills, and mindsets employees will need in their careers, mainly for new postings.	4,412
Leader development programs	A series of selective training programs to foster leaders of tomorrow, including a program for creating frontier businesses and a program for developing human assets active in global business arenas.	592
Personal empowerment programs	A series of self-initiated programs that give Groupwide employees the choice of what they learn. Three learning styles are available.	13,509
TOPPAN Business School	Diverse courses that cover wide-ranging subjects from basic knowledge and skills in business to advanced specialist skills. Offered in online-group and e-learning settings and in a course that dispatches trainees to business schools outside of the Group.	1,726
Manabi-hodai (all-you-can-learn buffet) e-learning library	A subscription-based program with 187 courses and no limits placed on the time or place of learning or how often the courses can be repeated.	8,773
Challenge School	Correspondence-learning courses for acquiring business knowledge and skills.	3,010
Groupwide basic education	E-learning programs to give every Group employee the opportunity to learn requisite business knowledge.	143,046
Human asset map for global business	An annual language-proficiency assessment to gauge foreign language competency at the Groupwide level and to count and rank the human assets with high aptitude for global business. The top-scorers will be fostered under an upcoming mid-to-long-term development plan as personnel expected to be indispensable for the global growth of the Group.	3,052
Selective training on global business	A program to equip employees with fundamental skills for global business such as linguistic aptitude, cross-cultural competency, and consensus building.	45
Trainee system	A system to deploy young employees to overseas affiliates for one year of language immersion and practical training in day-to-day business activities, primarily to enhance their linguistic aptitude and cross-cultural competency.	90 ¹
JICA Japan Overseas Cooperation Volunteers	A trainee system to dispatch Group employees to emerging and developing countries.	17 ¹
Short-term open programs at IMD	A program to send employees involved in international business to short-term open courses at the International Institute for Management Development (IMD; one of the world's top-ranked business schools) in Lausanne, Switzerland to acquire practical training in leadership, the tenacity required to follow through on projects to completion, and other capabilities required in global business.	19 ¹

¹Cumulative total since fiscal 2013

Data on DX Human Asset Development Programs (TOPPAN Group)

Program	Outline	No. of Participants in Fiscal 2022
DX basic training	An e-learning program for acquiring basic knowledge and essential skills for DX business.	8,889 ²
Training for acquiring AWS-certifications	A program focused on basic-level training for employees seeking to become AWS-certified cloud practitioners. Trainees come not only from the digital departments, but also the sales, planning, and technology departments, to acquire cloud knowledge and skills.	2,441 (total for fiscal 2021-2022) *AWS-certified employees: 1,527 (as of March 2023)
Udemy / AIdemy	A set of MOOCs with the latest digital training content for department-based training and personal empowerment training through online digital learning platforms.	1,531
Co-learning	A one-year, cross-departmental program to convey the latest knowledge and practical skills across the entire digital marketing field.	200

²DX basic training was launched in fiscal 2021.

Human Asset Development Expenditure (Toppan Inc.)

	Expenditure on Training, etc. per Employee
Fiscal 2018	67,383 yen
Fiscal 2019	64,654 yen
Fiscal 2020	53,637 yen
Fiscal 2021	56,070 yen
Fiscal 2022	64,937 yen

*Average training hours per employee taking part in human asset development programs in fiscal 2022 (incl. individual training held at the business divisions and divisions): 81.7 hours

Participants in Leader Development Programs

(Cumulative total for fiscal 2021-2022, TOPPAN Group)

Level	Program	Total (cumulative)
Management Class	Business innovation (intermediate/advanced)	320
	Management literacy (advanced)	403
	Management literacy (intermediate)	1,320
	Total	2,043
Supervisors	Business innovation (elementary)	894
	Management literacy (elementary)	699
	Total	1,593
General employees	Business innovation (basic)	2,507
	Total	2,507
Employees at all levels	Global leader development	230
	Total	230
Sum total		6,373

Information on Employees at Toppan Inc.

Activity results, performance data

No. of Employees (as of March 31) (Toppan Inc.)

		Directors	Total Employees	Management Class	Supervisors	Average Tenure	Average Age	Sum Total Employees	Part-time Workers	Dispatched Staff
Fiscal 2018	Male	18	7,974	2,282	1,891	15.4	44.0	9,993	233	249
	Female	1	2,019	89	319	9.0	35.5			
Fiscal 2019	Male	15	8,123	2,366	1,908	15.1	44.5	10,330	183	375
	Female	1	2,207	101	378	8.9	35.8			
Fiscal 2020	Male	14	8,294	2,449	1,879	14.9	44.8	10,730	133	436
	Female	2	2,436	109	419	8.7	35.9			
Fiscal 2021	Male	7	8,347	2,485	1,865	14.7	45.0	10,951	153	584
	Female	2	2,604	120	455	8.7	35.9			
Fiscal 2022	Male	7	8,190	2,511	1,793	15.3	45.3	10,899	113	639
	Female	2	2,709	149	522	8.9	36.1			

*The total number of employees includes the number of part-time workers who have shifted to indefinite-term employment.

*The average tenure: 20.8 years for male employees and 10.9 years for female employees, based on tallying periods of less than one year in month units, with the pre-retirement tenures of re-employed employees added.

Employees by Age-group (as of March 31) (Toppan Inc.)

	Sex	Age-group	Total Em- ployees	Manage- ment Class	Super- visors
Fiscal 2018	Male	1. Below 30 years old	971	0	0
		2. 30-50 years old	4,394	1,170	1,706
		3. Over 50 years old	2,609	1,112	185
	Female	1. Below 30 years old	687	0	0
		2. 30-50 years old	1,149	57	297
		3. Over 50 years old	183	32	22
Fiscal 2019	Male	1. Below 30 years old	987	0	0
		2. 30-50 years old	4,209	1,158	1,686
		3. Over 50 years old	2,927	1,208	222
	Female	1. Below 30 years old	770	0	0
		2. 30-50 years old	1,224	66	350
		3. Over 50 years old	213	35	28

	Sex	Age-group	Total Em- ployees	Manage- ment Class	Super- visors
Fiscal 2020	Male	1. Below 30 years old	1,051	0	0
		2. 30-50 years old	4,111	1,178	1,656
		3. Over 50 years old	3,132	1,271	223
	Female	1. Below 30 years old	873	0	0
		2. 30-50 years old	1,302	66	390
		3. Over 50 years old	261	43	29
Fiscal 2021	Male	1. Below 30 years old	1,105	0	0
		2. 30-50 years old	4,024	1,230	1,642
		3. Over 50 years old	3,218	1,255	223
	Female	1. Below 30 years old	966	0	0
		2. 30-50 years old	1,347	77	427
		3. Over 50 years old	291	43	28

	Sex	Age-group	Total Em- ployees	Manage- ment Class	Super- visors
Fiscal 2022	Male	1. Below 30 years old	1,080	0	0
		2. 30-50 years old	3,843	1,249	1,574
		3. Over 50 years old	3,267	1,262	219
	Female	1. Below 30 years old	1,007	0	0
		2. 30-50 years old	1,368	96	486
		3. Over 50 years old	334	53	36

No. of Recruits (Toppan Inc.)

		Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	
Regular recruitment of new graduates from universities and graduate schools	Sales, administration, etc.	Male	102	115	109	105	90	103
		Female	86	100	98	123	105	123
	Technical	Male	86	108	109	128	138	139
		Female	45	55	54	53	63	75
Regular recruitment of new graduates from high schools and colleges of technology	Male	6	4	5	3	6	10	
	Female	30	29	29	26	29	24	
Total no. of regular recruits (percentage of women) <input checked="" type="checkbox"/>		355 (45.4%)	411 (44.8%)	404 (44.8%)	438 (46.1%)	431 (45.7%)	474 (46.8%)	
Mid-career recruitment of experienced personnel (outside recruitment) <input checked="" type="checkbox"/>	Male	46	51	61	100	110	–	
	Female	13	17	36	42	46	–	

Reasons for Leaving (Toppan Inc.)

		Sex	Age-group	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Personal reasons*1	Male	1. Below 30 years old		70	94	44	89	104
		2. 30-50 years old		104	105	49	71	111
		3. Over 50 years old		39	57	42	57	63
	Female	1. Below 30 years old		50	50	25	58	90
		2. 30-50 years old		40	37	25	32	38
		3. Over 50 years old		2	4	4	9	10
Retirement*2	Male			124	180	174	247	1
	Female			8	5	0	17	4
Other	Male			90	90	92	92	107
	Female			3	6	6	10	12
Total	Male			427	526	401	556	386
	Female			103	102	60	126	154
Annual turnover rate				5.2%	5.9%	4.3%	6.1%	4.8%

*1 Eight female and 43 male employees who departed for personal reasons in fiscal 2022 took advantage of the Company's support system for employees who leave the Company to pursue new careers.

*2 The retirement age has been extended to 65 in some employment categories since fiscal 2022.

Three-year Retention Rates for Recruits (Toppan Inc.)

	Male	Female
Hired on April 1, 2020	223	181
Still with the Company as of April 1, 2023	187	164
Retention rates	83.9%	90.6%
Average for male and female employees	86.9%	
Percentage who leave the Company within three years	13.1%	

Announcing the Mid-career Hiring Rate

Toppan Inc. discloses the ratio of mid-career hires (both outside recruitment and indefinite-term employment of persons previously on fixed-term contracts) to the total number of regular employees in accordance with the Japanese Act on Comprehensive Promotion of Labor Measures, and of Employees, and Enrichment of Their Working Lives.

Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
22%	24%	29%	29%

Publication date: October 1, 2023

Information on Employees at the TOPPAN Group

No. of Employees (Japan Consolidated)

Sex	Directors	Total Employees	Management Class	Supervisors	Sum Total Employees
Male	371	27,769	5,318	5,442	35,049
Female	17	7,280	345	993	✓
Percentage of women	4.4%	20.8%	6.1%	15.4%	

No. of Employees (Overseas Consolidated)

Region	Sex	Directors	Total Employees	Management Class	Sum Total Employees
Asia (excluding Japan)	Male	146	8,845	972	14,548
	Female	11	5,703	409	
Europe	Male	46	1,414	176	1,944
	Female	9	530	72	
North America	Male	27	1,312	229	2,043
	Female	5	731	95	
Latin America	Male	0	88	8	104
	Female	0	16	5	
Middle East	Male	0	3	1	6
	Female	0	3	2	
Africa	Male	0	10	0	28
	Female	6	18	1	
Overseas consolidated	Male	219	11,672	1,386	18,673
	Female	31	7,001	584	

No. of Employees (Consolidated)

Sex	Directors	Total Employees	Management Class	Supervisors	Sum Total Employees
Male	590	39,441	6,704	5,442	53,722
Female	48	14,281	929	993	
Percentage of women	7.5%	26.6%	12.2%	15.4%	

Employees by Age-group (Japan Consolidated)

Sex	Age-group	Total Employees	Management Class	Supervisors
Male	1. Below 30 years old	3,829	1	5
	2. 30-50 years old	13,565	2,498	4,226
	3. Over 50 years old	10,373	2,819	1,211
Female	1. Below 30 years old	2,075	0	6
	2. 30-50 years old	3,540	207	834
	3. Over 50 years old	1,667	138	153

Employees by Age-group (Overseas Consolidated)

Region	Sex	Age-group	Total Employees	Management Class
Asia (excluding Japan)	Male	1. Below 30 years old	2,111	15
		2. 30-50 years old	5,177	702
		3. Over 50 years old	1,156	256
	Female	1. Below 30 years old	1,334	11
		2. 30-50 years old	2,909	310
		3. Over 50 years old	513	87
Europe	Male	1. Below 30 years old	185	2
		2. 30-50 years old	862	111
		3. Over 50 years old	367	63
	Female	1. Below 30 years old	122	7
		2. 30-50 years old	306	53
		3. Over 50 years old	102	12
North America	Male	1. Below 30 years old	181	6
		2. 30-50 years old	544	75
		3. Over 50 years old	587	148
	Female	1. Below 30 years old	85	1
		2. 30-50 years old	282	37
		3. Over 50 years old	364	57

Region	Sex	Age-group	Total Employees	Management Class
Latin America	Male	1. Below 30 years old	28	0
		2. 30-50 years old	54	8
		3. Over 50 years old	6	0
	Female	1. Below 30 years old	5	0
		2. 30-50 years old	10	4
		3. Over 50 years old	1	1
Middle East	Male	1. Below 30 years old	0	0
		2. 30-50 years old	2	0
		3. Over 50 years old	1	1
	Female	1. Below 30 years old	1	0
		2. 30-50 years old	1	1
		3. Over 50 years old	1	1
Africa	Male	1. Below 30 years old	2	0
		2. 30-50 years old	5	0
		3. Over 50 years old	3	0
	Female	1. Below 30 years old	1	0
		2. 30-50 years old	13	0
		3. Over 50 years old	4	1
Overseas consolidated	Male	1. Below 30 years old	2,507	23
		2. 30-50 years old	6,644	896
		3. Over 50 years old	2,120	468
	Female	1. Below 30 years old	1,548	19
		2. 30-50 years old	3,521	405
		3. Over 50 years old	985	159

Employees by Age-group (Consolidated Total)

Sex	Age-group	Total Employees	Management Class	Supervisors
Male	1. Below 30 years old	6,336	24	5
	2. 30-50 years old	20,209	3,394	4,226
	3. Over 50 years old	12,493	3,287	1,211
Female	1. Below 30 years old	3,623	19	6
	2. 30-50 years old	7,061	612	834
	3. Over 50 years old	2,652	297	153

No. of Recruits (Japan Consolidated)

Sex	New Graduates and Mid-career Recruitment
Male	1,044
Female	646

No. of Turnover (Japan Consolidated)

Sex	Total Resignations	Resignations for Personal Reasons
Male	1,378	864
Female	467	367

No. of Recruits (Overseas Consolidated)

Region	Sex	New Graduates and Mid-career Recruitment
Asia (excluding Japan)	Male	2,488
	Female	1,386
Europe	Male	167
	Female	85
North America	Male	335
	Female	159
Latin America	Male	17
	Female	1
Middle East	Male	1
	Female	2
Africa	Male	2
	Female	5
Overseas consolidated	Male	3,010
	Female	1,638

No. of Turnover (Overseas Consolidated)

Region	Sex	Total Resignations	Resignations for Personal Reasons
Asia (excluding Japan)	Male	1,774	1,216
	Female	1,222	825
Europe	Male	161	115
	Female	64	56
North America	Male	306	212
	Female	132	98
Latin America	Male	3	2
	Female	3	1
Middle East	Male	0	0
	Female	0	0
Africa	Male	2	1
	Female	0	0
Overseas consolidated	Male	2,246	1,546
	Female	1,421	980

No. of Recruits (Consolidated Total)

Sex	New Graduates and Mid-career Recruitment
Male	4,054
Female	2,284

No. of Turnover (Consolidated Total)

Sex	Total Resignations	Resignations for Personal Reasons
Male	3,624	2,410
Female	1,888	1,347

Diversity & Inclusion

Basic Approach

Approach

The TOPPAN Group positions diversity and inclusion (D&I) initiatives as an integral management strategy to further advance its progress as a group of corporations that creates social value.

We value our employees as precious “human assets” and understand how deeply we depend on them. Various initiatives have been implemented to promote rewarding working conditions based on the foundational concept of “respect for human beings.” We will continue to adhere to D&I principles that harness differences among our diverse human assets as drivers of innovation. We will further develop workplace diversity by encouraging employees to acknowledge and respect each other’s personal qualities and values so as to better exert and enhance their diverse abilities.

In order to cultivate a D&I mindset, we will facilitate constant dialogue and nurture heightened awareness and sensibilities that ensure mutual respect. We are consistently developing psychologically safe workplaces where every person can speak and act with dignity, free from inhibition or restraint.

TOPPAN Group Diversity and Inclusion Policy

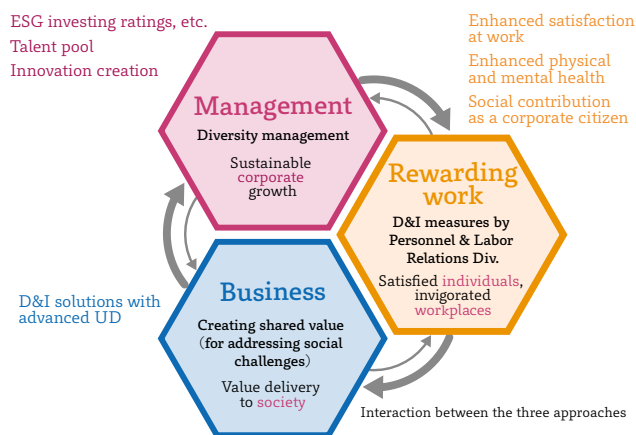
We will evolve into a social value creator that designs information and living by developing psychologically safe workplaces where every person’s sensibilities are nurtured, individual differences are recognized and respected, and diversity is harnessed to drive innovation.

TOPPAN Group’s vision for diversity and inclusion

A group of corporations that creates social value



Diversity and inclusion through three approaches: Management, Rewarding work, Business

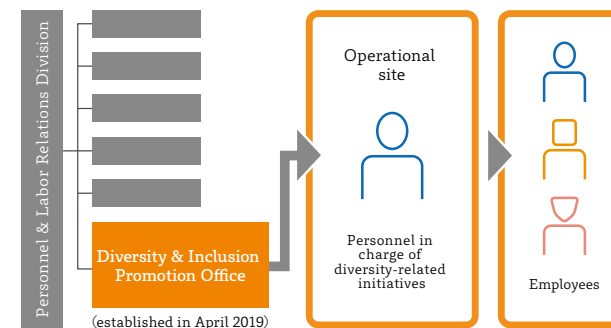


Promotion Framework

Promotion framework

A Diversity & Inclusion Promotion Office was established at Toppan Inc. in April 2019 based on a management strategy to evolve and accelerate site-based diversity initiatives into Groupwide endeavors.

The Diversity & Inclusion Promotion Office is responsible for formulating the overall diversity plan and developing general measures while personnel in charge of diversity at each operational site implement specific programs attuned to their workplaces. These personnel provide consultations for site members and share and address issues identified with the office to further heighten diversity awareness throughout the workplace across the Group.



Support Systems for Employees with Children

We have striven to create a working environment in which employees can achieve better work-life balance.

Various programs have been developed at Toppan Inc. to provide childcare and nursing care leave, reduced working hours, higher family allowances for dependents, and other employee benefits. The support systems in place for employees

with children, for example, have been continuously expanded and enriched. In October 2022, the Company introduced leave for newborn care for both mothers and fathers in line with the amended Child and Family Care Leave Act of Japan. This system allows employees to take leave flexibly, regardless of their gender or length of service.



Toppan Inc. has also been running the Hagukumi (nurturing) Program since fiscal 2012. This program supports

the wellbeing of employee parents by providing therapeutic activities for parents on childcare leave, activities to share the know-how necessary for maintaining good balance between working and raising children, and activities to give employees in various positions opportunities to learn about and consider the importance of work-family balance. The Hagukumi Program received the Minister of State for Gender Equality Award at the Kids Design Award 2016 in Japan.


Main Systems for Supporting Employees with Children (Toppan Inc.)

Before Childbirth	<ul style="list-style-type: none"> Rehiring system for employees who leave the Company to deliver and bring up children Time-off due to pregnancy-related morning sickness 	<ul style="list-style-type: none"> Leave for hospital visit Leave for medical checkup Staggered working hours Specified fertility treatment subsidy
After Childbirth	<ul style="list-style-type: none"> Childcare leave Monetary gift on childbirth 	<ul style="list-style-type: none"> Childcare leave allowance Childcare leave grant
During Childrearing	<ul style="list-style-type: none"> Preferential childcare measures (e.g., reduced and staggered working hours; flextime or irregular working schedule in one-month allotments) Days-off for child healthcare 	<ul style="list-style-type: none"> Days-off for childcare Dependent family allowance Subsidy for babysitter and home-caregiver expenses
Other	<ul style="list-style-type: none"> Stock leave (employees are eligible to use their stock leave [accumulated unused annual-paid-leave] for child healthcare and fertility treatment) 	

Percentage of Eligible Employees Taking Childcare Leave (Toppan Inc.)

	Male			Female		
	Employees with a Newborn Child	Employees Taking Childcare Leave	Take-up Rate	Employees with a Newborn Child	Employees Taking Childcare Leave	Take-up Rate
Fiscal 2018	248	196	79.0%	74	74	100.0%
Fiscal 2019	238	189	79.4%	91	90	98.9%
Fiscal 2020	236	168	71.2%	83	83	100.0%
Fiscal 2021	234	154	65.8%	89	87	97.8%
Fiscal 2022	207	151	72.9% 	81	80	98.8% 

*For male employees, the percentage is calculated by dividing the number of persons who took childcare leave during the fiscal year by the total number of persons with children born during the year. For female employees, the percentage is calculated by dividing the number of persons with a child born who also took childcare leave during the fiscal year by the total number of persons with children born during the year. (The method for calculating the percentage has been revised in accordance with the applicable Japanese act requiring disclosure of the percentage, enforced from 2022. The percentages prior to fiscal 2021 were adjusted based on the revised calculation method.)

*Every indicator assured by an independent assurance provider is marked with an assurance stamp .

Hagukumi (nurturing) Program

A scheme to support the wellbeing of employee parents

Hagukumi Program

- To provide therapeutic activities for parents on childcare leave
- To share the know-how necessary for maintaining good balance between working and raising children
- To give employees in various positions opportunities to learn about and consider the importance of work-family balance

Hagukumi Art Salon

(from fiscal 2012)

- To strengthen bonds between parents and children
- To stimulate interaction among employees currently on childcare leave
- To alleviate anxieties about returning to work



Hagukumi Seminar

(from fiscal 2013)

To learn and enhance understanding about good balance between work and parenting throughout the workplace



Hagukumi Circle

(from fiscal 2014)

To build a network of parent employees who wish to discuss their concerns about work and parenting and share ideas and tips on work-family balance

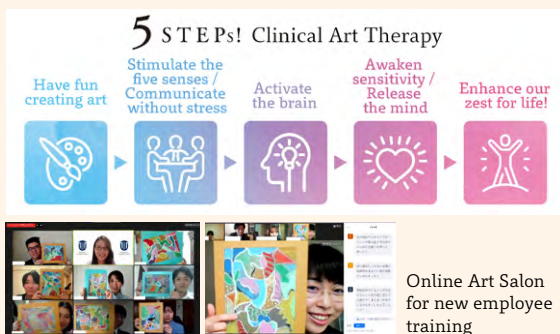


The clinical art therapy sessions at the Hagukumi Art Salon have been planned and operated jointly with The Institute of the Formative Art Co., Ltd., a TOPPAN Group company.

The Institute of the Formative Art Co., Ltd.

The Institute of the Formative Art Co., Ltd., a Group company, uses an original “clinical art therapy” methodology to contribute to society through art. The institute helps communities slow the onset of frailty in older adults, prevent and mitigate dementia symptoms, relieve occupational stress, and promote sensitivity education for children. Its clinical-art therapy programs bring joy to participants, regardless of age, gender, nationality, illness, or disability. Its art creation sessions activate the brain, release the mind, nurture a self-affirming mindset, and inspire creativity.

TOPPAN offers clinical art therapy for new hires, supports Group employees returning from childcare leave, and facilitates communication and mental hygiene. When human assets can discover, recognize, and accept the goodness of all individuals, they are better able to see things from different perspectives, understand diversity, and engage proactively in workplace communication.



<https://www.zoukei.co.jp/>
The Institute of the Formative Art Co., Ltd. (in Japanese) >

Systems for Good Work-Care Balance

Toppan Inc.'s labor union and management have systems to help employees maintain good balance between work and care at home by creating an environment where employees can

concentrate on work without worrying about caring for their families. After reviewing the results of employee questionnaires on nursing care, the Company relaxed the eligibility requirements for nursing-care-related systems, designed ways to flexibly adjust working hours for care, enhanced financial support, and provided more information on work-care balance. The Company also allows care-giving employees to commute by Shinkansen bullet train in certain cases. Employees have been able to take nursing care leave in one-hour allotments (using the same system applied for child healthcare days-off) since fiscal 2019.

Toppan Inc. continues providing information on good work-care balance through its internal website and NPO seminars and conducting other activities to allay concerns and raise awareness on the issues faced by employees who provide care for their families.

Seminars for Supporting Care at Home

Toppan Inc.'s operational sites in Tokyo have been holding seminars to help employees maintain a good balance between work and care at home, starting from fiscal 2016. Outside experts from a nursing-care consultation service are invited to lead seminar courses. After the guest lecturer presents general knowledge on nursing care and tips for achieving good work-care balance, participants are briefed on the Company's internal websites and support systems for employees with families in need of care (e.g., nursing care leave and reduced working hours).

The in-person seminars formerly held in the Kansai, Chubu, and Kyushu regions went online in fiscal 2021 to reach more domestic employees. TOPPAN strives to secure working environments where employees can fully concentrate on work without worrying about caring for their families.

Four Approaches in the Systems for Good Work-Care Balance (Toppan Inc.)

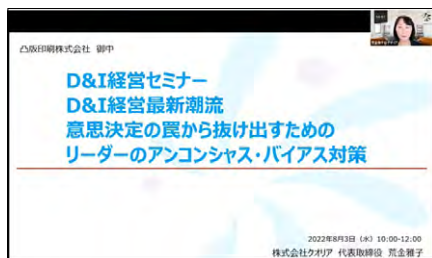
<p>Eligibility Requirements for Nursing-care-related Systems</p>	<p>When an employee family member is in need of care or support that meets one of the following conditions:</p> <ul style="list-style-type: none"> • “In need of long-term care” as specified in the Child and Family Care Leave Act of Japan • “In need of long-term care” as specified in the Long-term Care Insurance System of Japan • “In need of support” as specified in the Long-term Care Insurance System of Japan
<p>Ways to More Flexibly Adjust Working Hours for Care</p>	<ul style="list-style-type: none"> • Nursing care leave • Reduced working hours for nursing care (reduced working hours, flexible work schedules, reduced number of prescribed working days per week) *Nursing care leave and reduced working hours for nursing care can be taken in installments. *Employees are allowed to switch between the two systems. • Leave for nursing care (entitlement for one-hour-based allotments, as necessary) • Commuting by Shinkansen bullet train for family care reasons
<p>Financial Support during Nursing Care Leave</p>	<ul style="list-style-type: none"> • Allowance for nursing care leave (40% of the employee's average wage) • Entitlement for paid leave for nursing care
<p>Provision of Information on Work-Care Balance</p>	<ul style="list-style-type: none"> • Launch of an internal website to provide information on work-care balance This site provides employees with general knowledge about work-care balance and information on support systems available at the Company, public nursing-care-related systems, and so on. • Launch of a nursing-care consultation desk run by outside experts The Company commissions an external professional body to offer unlimited, free-of-charge nursing-care consultation to employees. Employees can also use fee-based agency services such as watch-over visits or administrative services handled on their behalf by dedicated staff at care facilities and hospitals.

Empowering Women

Approach Activity results, performance data

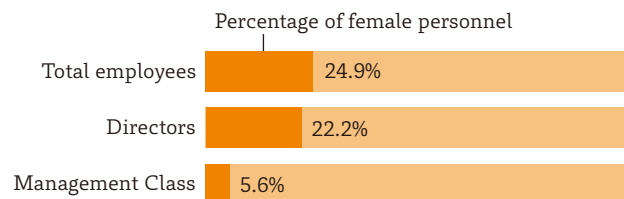
We promote female empowerment under the basic concept that every employee can continue to work, enjoy good health, and play active roles according to their abilities, regardless of gender. We are committed to positive action to ensure gender-equal treatment in promotion to managerial positions based on individual abilities through work style reforms, work-life support systems, and various other improvements in the working environment. Tailored training and seminars on diversity & inclusion (D&I) reflecting diverse employee perspectives have also been developed to raise awareness about unconscious gender biases throughout the workplace. In total, 183 and 578 female employees at Toppan Inc. hold management positions and supervisory positions, respectively, as of April 2023. With these appointments, women now make up a 14.4% of all managerial and supervisory staff.

The management strategy at TOPPAN prioritizes D&I issues encompassing female empowerment, with a view to infusing an inclusive mindset that will transform our corporate culture. Senior managers gained a deeper understanding of D&I principles at a diversity & inclusion management seminar held in the first half of fiscal 2022. Later in the same year, they tried to devise concrete initiatives to transform employee behaviors in a workshop on unconscious gender biases.

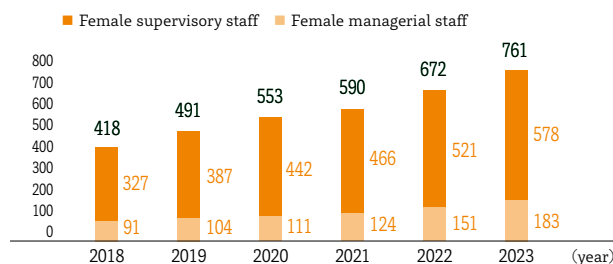


From the diversity & inclusion management seminar (in Japanese)

Fiscal 2022 Rank-based Percentages of Female Personnel (Toppan Inc.)



No. of Female Managerial and Supervisory Staff (as of April) (Toppan Inc.)



Recognition for Empowering Female Employees

Toppan Inc. acquired the 2nd grade Eruboshi mark (lower right) on March 1, 2021.

Eruboshi (“L Star” in Japanese; L stands for “lady, labor, and laudable”) is a certification system aligned with the Japanese Act on the Promotion of Female Participation and Career Advancement in the Workplace. Eruboshi marks are issued to companies that meet specific criteria for excellence in female participation and advancement in the workplace.



More details on Toppan Inc.'s Common Employer's Action Plan (second term; in Japanese) based on the Japanese Act on the Promotion of Female Participation and Career Advancement in the Workplace >

https://www.holdings.toppan.com/assets/ja/pdf/sustainability/women_act_plan_02.pdf

Initiatives for Gender and Sexual Diversity

Approach System Activity results, performance data

We have implemented various initiatives to enhance awareness about gender and sexual diversity (SOGI* and LGBTQ**) with a view to achieving an inclusive working environment comfortable for everyone. We have held Groupwide LGBTQ seminars since 2018 and partially revised our systems for the treatment of matters related to employee marriages and spousal relations in July 2020 to support diverse employee lifestyles. Employees with same-sex and/or common-law partners are now granted leave for celebration and condolence and receive allowances, wedding gifts, and other benefits. All Group employees are required to take training programs on basic diversity knowledge, harassment prevention, and gender and sexual diversity. We have also been promoting TOPPAN ALLY***, an initiative that encourages employees to express their alliance with LGBTQ individuals and nurture inclusive workplaces where everyone feels at ease through the concerted actions of Group employees.

*Sexual orientation and gender identity

**Lesbian, gay, bisexual, transgender, and queer or questioning persons

***Allies are persons who understand and empathize with the diversity of sexual orientation and gender identity and are guided by awareness of workplace diversity in their actions to ensure that everyone feels at ease in their working environment.

“Gold” Recognition in the PRIDE Index

Toppan Inc. was bestowed a “Gold” ranking in the PRIDE Index 2022, an index formed to evaluate corporate efforts towards the achievement of LGBTQ-inclusive workplaces.

More details on Recognition for ESG (see page 157) >



Employing Persons with Disabilities

Activity results, performance data

We actively hire persons with disabilities to develop workplaces that accommodate all abilities. Model cases at offices and plants have been shared with all of the Group sites to create more job categories in which persons with disabilities are empowered to work in the ways best suited to their various abilities. We are collaborating with our special subsidiary T.M.G. Challenged Plus Toppan Co., Ltd. to develop new job categories and design measures to encourage them to continue working. The TOPPAN Group's employee athletes also participate in international para-sports competitions.

Employment of Persons with Disabilities (Toppan Inc.)

	2019	2020	2021	2022	2023
Employees	312	325	339	338	357
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.

Working with T.M.G. Challenged Plus Toppan

Office support work:

“Friendly Staff” teams at our operational sites are composed of employees with disabilities. They provide office support with tasks such as the input of data, digitalization of hard copy documents, internal mail delivery, and the sorting of items to be distributed to Group employees. Their job categories have been increased to encompass office sanitization and cleaning since 2021.

Their support has improved work efficiency at offices and

plants and enhanced employee awareness of workplace diversity. Friendly Staff currently perform office support work at seven Group sites, as of March 2023. We will continue assigning them to more operational sites across Japan.



Handmade papermaking business:

The Friendly Staff at “kamisuki labo” use their handicraft skills to make paper from the waste by-products generated in the processing of Cartocans and EP-PAK liquid containers at our folding-carton plants. The lab seeks to manufacture value-added products while providing Group employees and clients with opportunities to make paper and paper products by hand. The workshop will give them an enhanced understanding of material recycling and the ways in which people with disabilities can be rewardingly engaged.

Stationery, gift envelopes, and more products made from handcrafted paper are used within the Group and sold at the Printing Museum, Tokyo.

The kamisuki labo began working with client organizations to hold offsite handmade papermaking workshops as eco-education programs, in 2022.



Diversity Training

Training, education | Activity results, performance data

We hold various training sessions on diversity online. In personal empowerment programs, for example, female employees and managerial staff can flexibly choose and participate in courses that best fit their needs and interests.

Diversity programs are also organized in rank-based training sessions, including several sessions for new employees. In parallel, e-learning-based diversity and inclusion (D&I) programs have been arranged for all employees since fiscal 2019.

In addition to holding D&I training for managerial staff and seminars on D&I management for Group officers, we nurture diversity mindsets across Group workplaces by asking employees at general affairs departments to participate in workshops to learn about the issues faced by LGBTQ persons and persons with disabilities.

Diversity Training Programs

Course for female employees on confidence building and gender bias
Course to secure psychologically safe workplaces for enhanced team strength
Training in authentic communication
Practical course on inclusive leadership
Course to learn about diversity through gender-positive actions
Practical course to explore diverse ways of working
Course to promote diversity through LGBT inclusion
Course to foster barrier-free thinking for a universal society
Course on adult developmental disabilities that all of us must understand
Course on unconscious biases
Basic course to enhance resilience
Basic course on anger management

(fiscal 2022)

Universal Design

Approach

The TOPPAN Group pursues diversity and inclusion (D&I) through three approaches: management, rewarding work, and business. For business, we have been producing an array of universal design (UD) products and services by embracing UD principles and practices.

TOPPAN's Six Principles on Universal Design were formulated in 2001, two years after the launch of our UD packaging consulting service. The core aim of the principles has been to guide the development of products and services that value diversity throughout our business fields. In 2010 we announced the TOPPAN Declaration on Universal Design, revised the six principles into TOPPAN's Seven Principles on Universal Design, and formulated a set of Guidelines for Universal Design to be applied to communication design and packaging under the seven principles. In 2020 our UD businesses were consolidated into "D&I solution," an enterprise that continues to provide a widening scope of services.



TOPPAN Declaration on Universal Design

The starting point of our Universal Design is the provision of dedicated products and services realized through compassionate consideration of users.

By engaging in repeated dialogues with people from all walks of life and consistently incorporating the ideas of each person, we will create dedicated products that are comfortable, easier-to-use, and environment- and human-friendly.

As a corporation extensively involved in human life, we will help realize a society with a high appreciation of diversity through approaches to Universal Design.

Established in April 2010

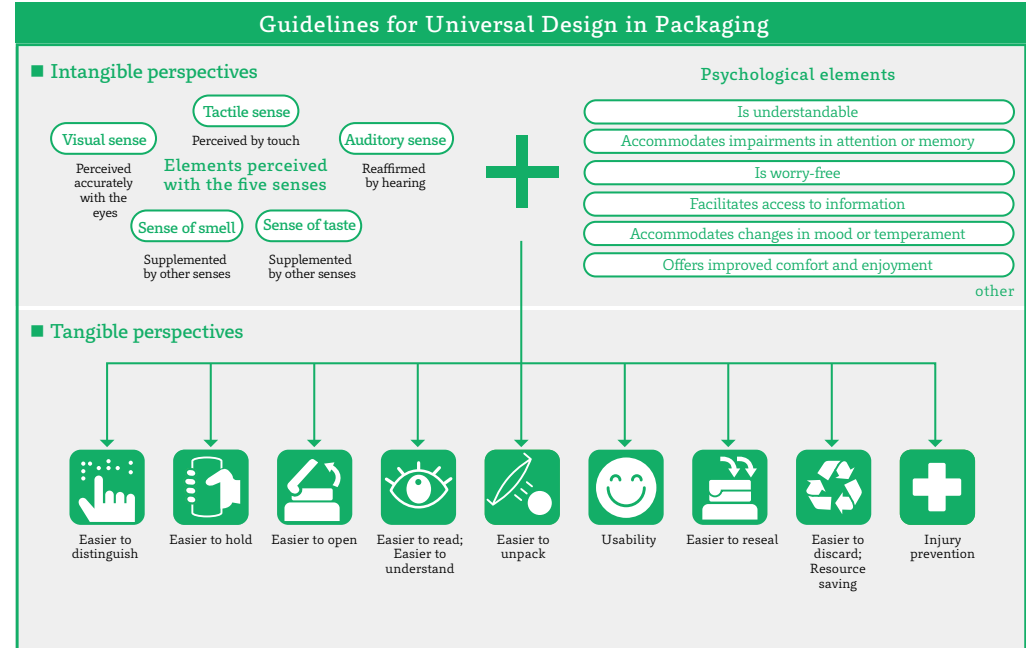
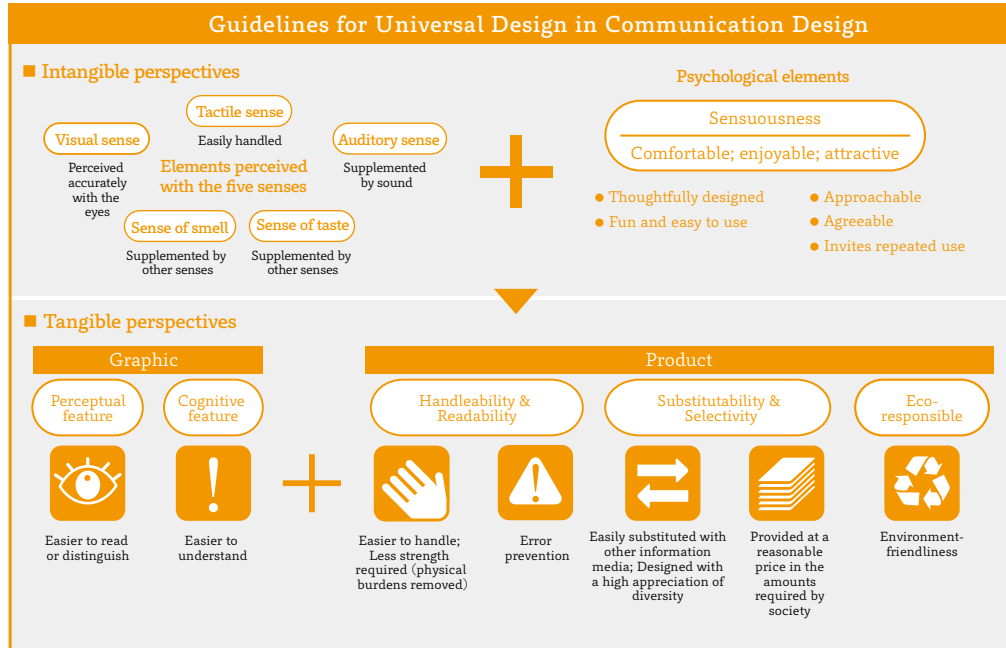
TOPPAN's Seven Principles on Universal Design

1. Design products and services that are more responsive to people with different physical abilities and perceptions.
2. Facilitate communication using multiple channels for communication, including visual, aural, and tactile channels.
3. Make products easier to use by making them easier to understand.
4. Make products that are easier to move, easier to approach, and require less strength (remove the physical burdens).
5. Design products that are safe to use procedurally, functionally, structurally, materially, and environmentally.
6. Provide products at a reasonable price and in the amounts required by society.
7. Engage in design that appeals to the senses with consideration for comfort, enjoyment, and beauty.

Established in 2001
Revised in April 2010

TOPPAN's Guidelines for Universal Design

We have been developing products and services based on our Guidelines for Universal Design in communication design and packaging.



Communication Design

VoiceBiz® UCDisplay

Multilingual Communication with a Transparent Display



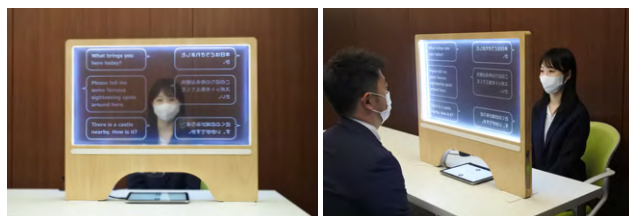
Conventional machine-based translation services tend to draw the user's eyes to the user's device, away from the person communicating with the user in a foreign language. With VoiceBiz® UCDisplay, the user sees translation results through a transparent display while looking into the other person's face. The result is natural conversation.

Twelve languages are currently supported by the UCDisplay. Beyond translation, the machine facilitates communication with persons with hearing and speech disabilities by supporting keyboard input and displaying closed caption transcripts of conversations in real time.

The service was favorably accepted in field trials held at tourist information centers and railway stations in Japan from January to the end of March 2023. We are now working to further commercialize the technology by addressing areas for improvement observed during the trials.

The Vision 2025 plan announced by the Tokyo Metropolitan Government lists the VoiceBiz UCDisplay as one of the technologies that will be enhancing universal communication.

We are developing the service into a point of contact for society that will make communication difficulties disappear.



Digital Twin World Trip®

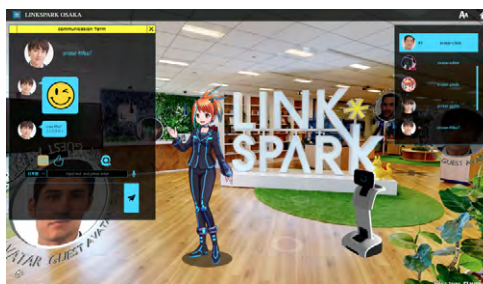
A Metaverse Service Mirroring Distant Places in Real Time



Digital Twin World Trip® is a remote experience-based service that enables users to move back and forth between virtual and real worlds using digital twin*. The service combines a photorealistic virtual space replicating an actual place with a system allowing real-time streaming of what cannot be reproduced in the virtual space alone. Users in remote locations can visit the photorealistic virtual space anytime they want and move freely about the space as true-to-life avatars.

A field trial at LINKSPARK Osaka, a co-creation space operated by Nippon Telegraph and Telephone West Corporation, has been underway since April 2023.

*Digital twin: A technology or concept that copies the real world in cyberspace. The term "twin" describes the ultra-real quality of a virtual space mirroring the details of the real world. Unlike virtual reality, which tends to be "alternate" or imagined, a digital twin reproduces real-world events in virtual space in real time.



DentatsuClinic®

Universal Info Design for Enhanced Communication



DentatsuClinic® is a total solution for enhancing the understandability of corporate messages. The solution covers all aspects of a message, from visual elements such as the font, font

size, and color schemes to things like the page structure, the appropriateness of the text expressions and information stated, and the user's affinity with the corporate branding. DentatsuClinic helps both the receivers and senders of information.

🌐 Related site (in Japanese) >

<https://solution.toppn.co.jp/creative/service/dentatsuclinic.html>

When it goes into effect in April 2024, the amended Act for Eliminating Discrimination against Persons with Disabilities will require businesses in Japan to provide reasonable accommodations for persons with disabilities. The Ministry of Economy, Trade and Industry announced a neurodiversity plan in April 2022. Diversity in cognitive characteristics has been an issue capturing wider notice, and interest in communication design embracing gender and sexual diversity has been growing year by year. The solutions from DentatsuClinic are wide-ranging, extending well beyond the visual aspects of information design to cover comprehensive know-how in easing information delivery to diverse people. DentatsuClinic assesses published media, offers advice and suggestions for creative professionals, prepares production guidelines, and proposes training sessions within businesses.



Packaging Design

Convenient Paper Container for Oil

People- & Earth-friendly Packaging



EP-PAK is a paper-based cooking-oil container with a drip-resistant cap that adjusts the poured volume to suit the use. Toppan Inc. received the “improvement award” for the development of this cap at the 47th Kinoshita Prize sponsored by the Japan Packaging Institute. The ‘hold here!’ mark and grooves embossed on the sides make the container easy to hold. The container can be easily collapsed along the folding lines once empty, reducing the waste volume by almost half. Compared to conventional plastic bottles with the same capacity, this eco-friendly container cuts plastic use by over 60%. The EP-PAK-GL container made with GL BARRIER, an ultrathin film with world-class barrier performance, extends the best-before date of the cooking oil contained inside.



Barrier-free Packaging for Pharmaceuticals

An Inclusive Package for Everyone



A user-friendly package with visual and tactile cues for medication use. Guided by intuitive tactile cues, anyone (from persons with visual impairments to persons from different cultures) can easily understand and open the package from the front and quickly reclose it after the tablet is dispensed. Large-font printing inside clearly displays the usage and dosage information. An Accessible Code (QR code) gives users access to the same information in audio formats in multiple languages. The debossing provides a tactile indication of where the information is printed.



Front-opening design



Re-closable



Smart Deli Bag

Pouch for Easy Cooking



The Jo-deki Smart Deli Bag™ is a zippered pouch that allows users to mix ingredients of their choosing into handmade-style meals. *Jo-deki* means “excellent for microwave steaming” in Japanese. A GL BARRIER film makes the bag microwavable, for safe and convenient cooking without fire or kitchenware. Anyone can use the pouch to prepare a tasty meal, with no tedious cleanup after eating. Microwave cooking is an eco-friendly method that reduces CO₂ emissions and water consumption compared to stovetop simmering or boiling.



Human Rights

Basic Approach

Approach Policy

The TOPPAN Group regards human rights as a paramount principle guiding its business activities and sustainability initiatives.

We continue to operate our business under the foundational tenet of “respect for human beings.” A TOPPAN Group Human Rights Policy based on this tenet was formulated in October 2021. Respect for human beings, or more specifically respect for human rights, is required as the first behavioral norm set under the TOPPAN Group Conduct Guidelines. Basic Principle 1 of the guidelines includes protecting individual dignity, prohibiting discrimination and harassment, prohibiting child labor and forced labor, and promoting diversity and inclusion.

We have also been taking measures to avoid human rights violations that might adversely affect the lives of people living near Group sites in the course of business. Our environmental conservation initiatives, for example, are promoted based on the TOPPAN Group Declaration on the Global Environment and the Basic Policy on Biodiversity.

Supporting Human Rights Principles under the UN Global Compact

We have been participating in the United Nations Global Compact and therefore supporting its six principles of human rights and labour since 2006.

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



Formulating the TOPPAN Group Human Rights Policy

From our very beginnings, we have leveraged our printing technologies to provide solutions to wide-ranging social issues in an unstinting effort to transcend the boundaries of the printing business by responding to the needs of people and of the times. The underlying tenet for these endeavors is respect for human beings. The TOPPAN Group Human Rights Policy is an expression of our commitment to respecting human rights across the Group’s operations as we grow as a creator of social value.

The Structure of the TOPPAN Group Human Rights Policy

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

Approach to Individual Issues

- Child Labor, Forced Labor, and Human Trafficking
- Discrimination and Harassment
- Diversity & Inclusion
- Right to Collective Bargaining and Freedom of Association
- Occupational Safety and Health
- Right to Privacy

[More details on the TOPPAN Group Human Rights Policy >](#)

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

Promotion Framework

Promotion framework

We have established a Groupwide framework for promoting human rights initiatives led by the Corporate ESG Project, a cross-divisional team driving sustainability activities under the Sustainability Promotion Committee chaired by the President & Representative Director. The Board of Directors supervises key human rights efforts, while the head of the Personnel & Labor Relations Division oversees their implementation. The Personnel & Labor Relations Division, Manufacturing Management Division, and Legal Division steer day-to-day human rights activities in collaboration with related departments throughout the Group.

Human Rights Due Diligence

Approach System

TOPPAN supports the United Nations Guiding Principles on Business and Human Rights and recognizes the need for due diligence to ensure human rights. We have clarified and evaluated human rights risks in the printing industry and identified five risks specific to us, in accordance with the TOPPAN Group Human Rights Policy formulated in October 2021.

In fiscal 2022 we assessed our stakeholders with a focus on the five risks identified. A written assessment analyzed the human rights risks at 75 Group companies in Japan and 103 Group companies overseas. Onsite assessments were conducted to investigate the actual human rights situations in one Japan-based company and one company overseas, and both companies were provided with feedback on issues with higher risk potential and proposals on risk mitigation and corrective measures. Informed of the assessment results, the Sustainability Promotion

Committee deliberated future initiatives.

TOPPAN continued to participate in the Human Rights Due Diligence Working Group and the Human Rights Education Working Group organized by the Global Compact Network

Japan, in fiscal 2022. We have gained a comprehensive view of the human rights issues faced in Japanese and international societies and the initiatives launched by companies at the forefront of human rights efforts.

Identifying Human Rights Risks in the Printing Industry

Human Rights Issue	TOPPAN Employees	Supply Chain	Customers	Users	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

*We have categorized human rights issues by prioritizing human rights risks as they relate to the characteristics of our businesses, competitor trends, and international human rights standards. Five core human rights risks facing us have been identified through the process: the four risks shown above in red and “human rights governance across the Group” (not shown in the list).

Results of Human Rights Due Diligence

Fiscal 2022 Human Rights Risk Assessment at the TOPPAN Group

	Japan	Overseas			
Assessment targets	75 companies	103 companies			
Assessment period	July to December 2022	September 2022 to March 2023			
Assessment method	Assessment using a human rights risk questionnaire				
Assessment content	4 categories, 22 sections, 151 questions				
	1. Basic Information	2. Human Rights Due Diligence System	3. Addressing Human Rights Issues	4. Management	*Red Flag (🚩) is used to clarify significant risk factors and the non-implementation of risk mitigation measures for five areas of core ILO labor standards (forced labor, child labor, discrimination, freedom of association and right to collective bargaining, and occupational health and safety) and the five human rights issues identified by TOPPAN (forced labor and human trafficking, discrimination, inhumane treatment, right to privacy, Groupwide human rights governance).
	1A. Company basic information	2A. Due diligence system 🚩	3A. Forced labor and human trafficking 🚩	4A. Stakeholder engagement	
	1B. Business related information	2B. Dissemination of human rights policy	3B. Child labor 🚩	4B. Internal reporting channels	
	1C. Employee information	2C. Performance of human rights related training	3C. Appropriate work hour management	4C. External grievance mechanism	
	1D. Contractor information		3D. Payment of an appropriate wage	4D. Supply chain management	
	1E. Certifications and participation in initiatives		3E. Prohibition of discrimination 🚩		
			3F. Prohibition of inhumane treatment 🚩		
			3G. Freedom of association and the right to collective bargaining 🚩		
			3H. Right abuses in local communities		
		3I. Ensuring safe and healthy workplaces for all employees 🚩			
		3J. Privacy 🚩			
Result (Overall evaluation)	• Significant risks that require an urgent response were not found.	• Significant risks that require an urgent response were not found.			
Result (Human rights promotion framework)	• Risk of insufficient management framework for human rights including externally. • Risk of insufficient human rights training.	• Risk of insufficient management framework for human rights including externally. • Risk of insufficient human rights training.			
Result (Addressing human rights issues)	• Risk of insufficient external disclosure of declaration of conduct for fair employment screenings. • Risk of insufficient occupational health and safety management. • Multiple incidents of harassment and so on in the last three years have been confirmed, but appropriate measures including disciplinary measures taken at the time of occurrence were confirmed.	• Risk of insufficient occupational health and safety management. • Risk of insufficient efforts to mitigate infringements on the rights of local residents and others. • Due to the nature of the business, many companies obtain and handle customers' personal information and are at risk of violating the right to privacy. However, it was also confirmed that comprehensive risk mitigation measures are being implemented.			
Result (Management)	• Risk of insufficient communication with external stakeholders. • Risk of not informing Business Partners of TOPPAN Group policies and not conducting human rights risk assessments.	• Risk of insufficient communication with external stakeholders. • Risk of insufficient establishment of external grievance mechanism. • Risk of not informing Business Partners of TOPPAN Group policies and not conducting human rights risk assessments.			

Follow-up Assessments

A detailed analysis of the results of human-rights risk assessments has revealed no significant risks requiring urgent actions and no violations of local laws or regulations or international norms. Several issues that could lead to negative impacts on human rights were found, however, at seven companies in Japan and seven companies overseas. The following countermeasures were implemented at one company in Japan and one overseas company in fiscal 2022. We will continue to address the identified issues in fiscal 2023.

	Japan	Overseas
No. of sites	1 company	1 company
Assessment timing	November 2022	March 2023
Method	Onsite assessment, etc.	Assessment via teleconference, etc.
Concerns	1) Insufficient establishment of a management framework for leave-taking 2) Lack of uniform standards for some allowances	1) Deficiencies in calculating allowances 2) Risk of wording in some rules restricting employees' freedom of conduct outside of working hours
Mitigation and corrective measures	1) Guidance to establish a management framework for leave-taking 2) Guidance to pay allowances using the same standards, in keeping with government guidelines on equal pay for equal work	1) Guidance to examine and implement measures to prevent recurrences and to promptly pay allowances 2) Guidance to examine the necessity of the applicable rules

Grievance Mechanism

Upon detecting a negative human rights impact caused or contributed to by our business activities, we will work to remedy the issue through appropriate means. If the negative impact is found to be directly linked to our corporate activities through business relationships, we will work with the relevant stakeholders to fulfill our role in remediation.

The TOPPAN Group Helpline has been established as an internal reporting system to be used by Group employees when an infringement of human rights is suspected or discovered. We also operate a Supplier Hotline open to business partners for the anonymous reporting of related matters.

- More details on the TOPPAN Group Helpline (see page 147) >
- More details on the Supplier Hotline (see page 69) >

Human Rights Training and Harassment Prevention

Activity results, performance data Training, education

We organize diverse forms of human rights training for human assets based on a fundamental ethos of respect for human beings.

While new managers and supervisors have been routinely trained on human rights issues focused on harassment prevention, a new program for the prevention of workplace harassment covers employees under an agreement on harassment prevention reached with the Toppan Printing Labour Union in April 2020. Personnel & labor relations departments at Toppan Inc. and Group companies in Japan have set up consultation desks to manage workplace harassment. The departments train counselors on methods to prevent harassment and strictly deal with every case. If any form of harassment comes to light, the departments will investigate the case appropriately, mainly through interviews with

the parties involved, and strive to resolve the matter promptly through measures such as corrective or disciplinary actions against the persons responsible.

The Conduct Guidelines Promotion Leaders also present case studies on human rights issues as a means of disseminating the Conduct Guidelines at their assigned workplaces and enhancing the understanding of human rights across the Group.

In fiscal 2022 we informed employees at Group companies of the TOPPAN Group Human Rights Policy and organized training on human rights issues recently faced in society. Based on the results of human-rights risk assessments carried out in fiscal 2022, we conducted training for employees of Toppan Inc. and selected Group companies to further their understanding of human rights risks.

Labor Rights

Approach System Activity results, performance data

Labor-Management Initiatives for Human Rights

We undertake various measures for labor-related human rights based on a basic policy arising from an agreement reached through consultation with the labor union and other stakeholders.

The agreement promotes stable labor-management relations, maintains and improves working conditions, and secures the corporate concord by establishing a fundamental approach between labor and management, the rules governing union activities and labor-management negotiations, and employment conditions pertaining to wages, working hours, etc.

Developing Appropriate Working Conditions

We convene labor-management committees every month to

review the actual working hours of employees and discuss measures to regulate them at each Group site. The committees check and take steps to ameliorate cases of long working hours occurring either chronically or over extended periods. The measures for reducing overtime work range from direct communications, such as the sending of alerts to employees and their superiors through our work management system, to environmental adjustments, such as scheduled shutdowns for PCs and office lighting.

We also strive to adapt to the “new normal” in the post-pandemic world and develop appropriate working conditions that support the autonomy of individual employees on all fronts. Smart work and remote work systems have been introduced throughout the Group, along with smart devices that can be used in the same ways inside and outside of office environments.

Securing Occupational Safety and Health

Safety masters, safety personnel, employees in charge of engineering and safety, and other safety experts have been deployed to operational sites across Japan under the safety promotion structure of the Group. We organize safety training for all Group employees, both regular and contract hires, as prescribed by the Basic Policy on Safety, Health, and Fire Protection, a policy that prioritizes safety over all other considerations. Training content is extensive, including safety programs mainly for forepersons as well as enhancement of intrinsic safety for machines and equipment through risk assessment. *Anzen Dojo* safety-training facilities outfitted to simulate and alert employees to workplace hazards are operated at seven Group sites around the world. A cumulative total of 38,712 persons have received *dojo* training since the facilities opened, as part of an ongoing effort to refine Groupwide safety promotion activities for the prevention of occupational

accidents. We also work with industrial physicians and the TOPPAN Group Health Insurance Union to drive primary prevention activities aimed at securing workplaces to be free of mental health problems.

Pursuing Diversity and Inclusion

We position diversity and inclusion initiatives as critical management strategies to further advance our progress as a group of corporations that create social value. Constant dialogue and heightened awareness have been facilitated to ensure mutual respect and create psychologically safe workplaces where every person can speak and act with dignity and without inhibition. We provide employees with support systems to balance their work with childcare and nursing care burdens, promote the employment of people with disabilities, and take positive action to assure gender-equal treatment. These measures have led to increases in the percentage of persons with disabilities in the workforce and the number of female managers and supervisors.

We also implement various LGBTQ initiatives to incentivize every employee to create inclusive environments in which all persons can feel at ease. In addition to holding LGBTQ seminars open to employees across the Group, the TOPPAN ALLY initiative has been organized to encourage employees to express their alliance with LGBTQ individuals. A system has also been introduced to extend the benefits granted to employee spouses to same-sex and/or common-law partners.

Arranging Self-directed Career- and Skill-enhancement Programs

Toppan Inc. operates an annual Challenging Job System, a self-directed program to encourage all regular employees to consider their own career aspirations and develop skill-

enhancement plans. The Company expects this system to enhance the autonomy and independence of employees and to nourish a problem-solving, can-do mindset. By assigning human assets to positions suited to their individual motivations and qualifications, the system optimizes personnel positioning across the Company to energize each organization and reinforce Toppan Inc. as a whole.


The system also gives employees periodic opportunities to exchange opinions with superiors on their career- and skill-enhancement plans. The structured approach to career planning helps employees design their own career paths and develop necessary competencies on their own initiative.

The Company has also been running an in-house staff recruitment system to provide every employee with an equal opportunity for skill enhancement.

Paying Appropriate Wages

We pay appropriate wages to Group employees by considering the local living costs and observing the minimum wages set under the laws and regulations of each country or region. In addition to providing the monetary remuneration and welfare and benefits legally required, we offer non-monetary support such as programs for enhanced job satisfaction, self-actualization, and career development. The average annual salary at Toppan Inc. was 7.06 million yen in fiscal 2022. The Company's remuneration system for determining employee wages is based on the individual's capabilities and roles and imposes no differential standards based on gender. Remuneration is also determined uniformly across the Group companies in Japan based on similar criteria. We have adopted an original job-based personnel treatment system since fiscal 2022 as a remuneration structure that enables diverse human assets to work vigorously in wide-ranging business fields.

Gender Pay Gap at the TOPPAN Group

Applicable Companies	Wage Disparity between Male and Female Employees (Average Female Wage / Average Male Wage)		
	All Employees	Regular Employees	Part-time and Contract Employees
Toppan Inc. 	66.6%	65.4%	62.5%
Toppan Inc. and consolidated subsidiaries in Japan	61.1%	72.3%	56.2%
Consolidated subsidiaries in Asia (excluding Japan)	82.5%	87.4%	97.6%
Consolidated subsidiaries in North America	85.7%	86.4%	82.8%
Consolidated subsidiaries in Europe	86.7%	90.4%	38.1%
Toppan Inc. and consolidated subsidiaries worldwide	65.1%	73.7%	59.5%

*Calculated based on the provisions of the Japanese Act on the Promotion of Female Participation and Career Advancement in the Workplace (Act no. 64 of 2015). The calculation method applied to overseas subsidiaries conforms to the standards presented in the act.

**"Wages" include wages, salaries, allowances, and any other payments (whatever they are called) paid by the employer to workers as compensation for their labor.

*The totals for "Toppan Inc. and consolidated subsidiaries worldwide" are tabulated from the weighted averages reported by Toppan Inc. and overseas subsidiaries. Those for overseas subsidiaries have been converted into Japanese yen using the rate as of March 31, 2023.

*The "Wage Disparity between Male and Female Employees" is calculated for the business year at each company, which may differ from the business year of Toppan Inc.

Average Annual Salary (Toppan Inc.)

	Average Annual Salary
Fiscal 2018	6,644,621 yen
Fiscal 2019	6,811,464 yen
Fiscal 2020	6,775,518 yen
Fiscal 2021	7,001,363 yen
Fiscal 2022	7,060,291 yen

Starting Salary at Toppan Inc.

The starting salary of new university graduates hired on April 1, 2023 was 222,500 yen (1,390 yen per hour) uniformly throughout Japan.

Starting Salary of New University Graduates (Toppan Inc.)

	Starting Salary
April 2019	209,000 yen
April 2020	211,000 yen
April 2021	213,000 yen
April 2022	214,500 yen
April 2023	222,500 yen

Providing an Open Recruitment Environment

Toppan Inc. recruits university and high school graduates, mid-career personnel, and persons with disabilities regardless of nationality, gender, age, or disability. The Company hires diverse human assets by delivering information on working at Toppan Inc. to a broad range of people through company presentations, websites, and other media.

Personnel who interview applicants receive a recruitment manual and training on fair selection practices. Questions

deemed to be inappropriate in an interview setting are listed in the manual to ensure that the interviewers avoid any topics that could constitute employment discrimination. The Company also takes comprehensive steps to protect applicants' human rights in recruitment. The interviewers, for example, are required to sign written pledges regarding the handling of personal information.

Properly Operating Technical Internship Programs

Head office personnel collaborate with local general affairs staff in a fact-finding survey conducted to assess human rights risks for foreign technical interns working at Group sites across Japan. They employed Toppan Inc.'s original check sheets to verify the actual living and working conditions for the interns and whether the internship programs were being run in accordance with the requirements stipulated by the Ministry of Health, Labour and Welfare of Japan. We confirmed that technical internship programs were introduced at seven of the plants operated by our three manufacturing subsidiaries in Japan.

The survey also confirmed the following: that the employment contracts concluded with foreign interns were explained in either their native languages or in languages that they could understand, that there were no cases of unpaid wages or long overtime hours worked, that appropriate wages were paid in accordance with the hours worked, and that the living conditions provided to the interns were comparable to those provided to TOPPAN employees.

Employee Health & Safety / Work-Life Balance

Basic Approach

Approach

We value our employees as precious “human assets” and understand how deeply we depend on them. We are convinced that human assets perform to their full potential when they are vigorous, earnest, and driven.

Rewarding working conditions and healthcare and safety initiatives to support motivated, vigorous, and earnest work have been jointly promoted by Toppan Inc., the Toppan Printing Labour Union (“the labor union”), and the TOPPAN Group Health Insurance Union (“the health insurance union”).

For employee health and safety in particular, we have undertaken various activities based on the Health Management Declaration (established in 2015; revised in 2019) and the Basic Policy on Safety, Health, and Fire Protection (updated in April 2020 from the Basic Policy on Health and Safety formulated in 2010).

The Health Management Declaration clarifies health management policies for maintaining and enhancing the health of Group employees. From a viewpoint of “health and productivity management^{®*},” this declaration visualizes and reorganizes health promotion measures and action plans organized by the Group and the health insurance union. Two aims are pursued. The first is to further promote the health of employees and their families through various approaches, such as measures to support work-life balance. The second is to contribute to society through healthcare businesses that support health promotion activities undertaken in communities.

The Basic Policy on Safety, Health, and Fire Protection, meanwhile, enunciates a “safety first” principle as a top priority

for the entire workforce, including both regular and contract employees, towards the complete elimination of occupational accidents. We maintain our efforts to eliminate occupational accidents all year round.

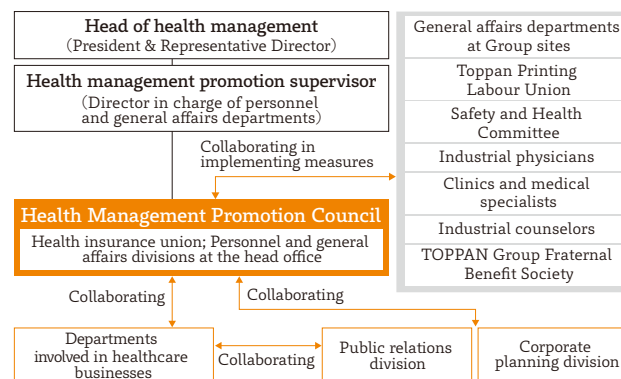
*The term “health and productivity management[®]” is a registered trademark of the Workshop for the Management of Health on Company and Employee of Japan.

Promotion Framework

Promotion framework

The Personnel & Labor Relations Division coordinates with general affairs departments in business divisions across the Group to implement various measures on labor matters in consultation with the labor union. The division also spearheads the development of employee healthcare and safety initiatives in cooperation with the labor union, the health insurance union, and general affairs departments in business divisions throughout the Group.

Structure for Health Management Promotion



Labor-Management Partnership at Toppan Inc.

Toppan Inc.'s labor union and management respect each other's positions as partners with shared ideals. They have been working together on various issues on an equal footing. Business councils are convened as cross-divisional and operational-site-based forums to discuss wide ranging managerial issues. Several special committees are also convened to deliberate pertinent issues of the day. Standing committees meet to discuss issues such as working hour reductions, wages, and safety and health. Individual labor-management committees meet whenever necessary to discuss specially designated subjects, such as the creation of a working environment amenable to enhanced job satisfaction.

The Company has adopted a union shop system. In principle, all non-managerial employees belong to the labor union as members.

*6,975 union members out of Toppan Inc.'s total workforce of 10,899 employees

Health Management

We have formulated a structure for promoting “health and productivity management[®]” by establishing a Health Management Promotion Council at Toppan Inc. The President & Representative Director oversees the council as the head of health management. Representatives from across Group sites and the health insurance union meet to establish key targets and key performance indicator (KPI) benchmarks for employee healthcare initiatives. The council members discuss, implement, verify, and improve various healthcare measures to achieve the targets and benchmarks.

[More details on the Health Management Declaration \(in Japanese\) >](#)

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

[More details on the Basic Policy on Safety, Health, and Fire Protection \(in Japanese\) >](#)

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

Occupational Safety and Health

Approach Activity results, performance data

Safety masters, safety personnel, employees in charge of engineering and safety, and other safety experts have been deployed to operational sites across Japan under the safety promotion structure of the Group. We organize comprehensive safety training for all Group employees, both regular and contract hires, in accordance with the Basic Policy on Safety, Health, and Fire Protection. The training takes many forms, from safety programs mainly for forepersons to risk assessment courses to enhance the intrinsic safety of machines and equipment.

Anzen Dojo

Anzen Dojo safety-training facilities outfitted to simulate and alert employees to workplace hazards have been operating at the Kawaguchi Plant in Saitama Prefecture, Takino Plant in Hyogo Prefecture, and Fukuoka Plant in Fukuoka Prefecture for years. More recently, new domestic *dojos* have been established at the Gunma Central Plant in Gunma Prefecture (in fiscal 2020) and the Shiga Plant in Shiga Prefecture (in fiscal 2021). *Dojo* facilities were also set up at two overseas Group sites in fiscal 2017, one in China and another in Thailand. We will continue to refine Groupwide safety promotion activities to prevent occupational accidents, with support from the five *dojos* across

Japan and two *dojos* overseas.

Companies and organizations outside of TOPPAN come to train at the domestic *dojo* facilities. While most train at the Kawaguchi *dojo*, inquiries on the use of *dojos* at the other four plants are also welcome.

The Kawaguchi *dojo* is equipped with a virtual reality (VR) simulator to train employees and guests in the handling of workplace hazards. The *dojo* also uses mechanical simulators to familiarize trainees with the dangers of dust explosions and exposure to hazardous chemicals.

[More details on our Anzen Dojo initiatives \(in Japanese\) >](#)

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



Operating Anzen Dojos Overseas

Two *Anzen Dojo* facilities were recently opened at Group sites outside of Japan: one at Siam Toppan Packaging Co., Ltd. in Thailand in October 2017; another at Toppan Leefung Packaging & Printing (Dongguan) Co., Ltd. in China in January 2018.

These overseas facilities leverage our expertise on safety training cultivated at similar *dojos* in Japan. Both facilities are equipped with safety-related displays and hazard simulators optimally selected for the working conditions at their sites. We foster onsite safety masters for overseas Group companies and regularly hold safety sessions for frontline operators according to the same operational scheme applied in Japan. *Anzen Dojo* tours with hazard simulators were conducted to ensure employee awareness of potential dangers in the workplace at

four Group sites in the U.S. (May 2019), sites operated by Giantplus Technology Co., Ltd. (November 2019), and several Group sites in Indonesia and Thailand (May 2020).

On a cumulative basis, 38,712 Group employees and visitors from around the world have taken safety training since the *dojo* facilities opened. The number of trainees from companies and organizations outside of the Group has been limited to about 200 per year since fiscal 2020, mainly as a consequence of site closures during the COVID-19 pandemic. Notwithstanding the fiscal 2020 slowdown, a cumulative total of 6,363 visitors from 880 entities have been trained at the *dojo* facilities since they were launched.

We have also been using VR technologies to produce hazard simulation content since 2019. In total, 22,678 Group employees have been trained on simulated workplace hazards in *Anzen Dojo* VR tours organized at 55 operational sites across Japan. The innovations adopted at the *dojos* for remote hazard simulation training during the COVID-19 pandemic have heightened the safety awareness of Group employees overall.



[Press release: Toppan Inc. Produces New Anzen Dojo VR™ Content \(in Japanese\) >](#)

https://www.holdings.toppan.com/ja/news/2023/05/newsrelease230516_1.html

Anzen Dojos Opened

Domestic Group Sites

- Fiscal 2010 Kawaguchi Plant (Kawaguchi, Saitama)
- Fiscal 2015 Takino Plant (Kato, Hyogo)
- Fiscal 2015 Fukuoka Plant (Koga, Fukuoka)
- Fiscal 2020 Gunma Central Plant (Ora, Gunma)
- Fiscal 2021 Shiga Plant (Higashiomi, Shiga)

Overseas Group Sites

- Fiscal 2017 Siam Toppan Packaging Co., Ltd. (Thailand)
- Fiscal 2017 Toppan Leefung Packaging & Printing (Dongguan) Co., Ltd. (PRC)

Topic

Good Risk Sense Awards for 2023

On July 15, 2023, Toppan Inc. won a *Chemical Daily* Award and Risk Sensitivity Study Group Award at the FY2023 Good Risk Sense Award ceremony sponsored by the Risk Sensitivity Study Group of Japan. Toppan Inc. was selected in recognition of the outstanding performance of *Anzen Dojo* and other safety initiatives in heightening safety awareness and reducing the risk of occupational accidents.



*The Risk Sensitivity Study Group of Japan was established by the Japan Society for Safety Engineering, a body set up under the Science Council of Japan. It monitors corporate safety activities, assesses their efforts, and commends outstanding initiatives to make them visible to other companies across Japan.

Heightening Employee Safety Awareness

A Safety Project has been formed at Toppan Inc. with members from the Personnel & Labor Relations Division and the Manufacturing Management Division. Project members regularly visit Group sites to monitor their safety activities and carry out onsite patrols with a view to reducing the risk of occupational accidents at production sites across the Group.

The annual group training conducted at *Anzen Dojo* and other safety facilities for Japan-wide safety masters has been shifted to a web-based format to safeguard against COVID-19. Safety education and efforts to standardize safer work procedures have also been organized online in various forms for personnel at production departments throughout the Group.

Web-based efforts include remote safety audits, basic training sessions for safety masters and employees in charge of safety across Japan, and subcommittees where site personnel discuss safety measures for their production processes. In parallel with the remote initiatives launched during the COVID-19 period, we have begun holding onsite, in-person safety meetings and training sessions in conjunction with onsite inspections across Group sites.

Data on Occupational Accidents

Under the “safety first” principle, we are creating safe, secure workplaces towards the elimination of occupational accidents throughout the entire Group.

Occupational Accidents

		2018	2019	2020	2021	2022
Deaths from occupational accidents <input checked="" type="checkbox"/>	Toppan Inc.	0	0	0	0	1
	Toppan Inc. and some of its subsidiaries*3	0	0	0	0	1
Frequency rate ^{*1} <input checked="" type="checkbox"/>	Toppan Inc.	0.048	0.144	0.095	0.046	0.092
	Toppan Inc. and some of its subsidiaries*3	0.210	0.342	0.238	0.444	0.340
Severity rate ^{*2} <input checked="" type="checkbox"/>	Toppan Inc.	0.001	0.003	0.001	0.001	0.345
	Toppan Inc. and some of its subsidiaries*3	0.008	0.007	0.004	0.014	0.169

2022	Deaths from Occupational Accidents	Frequency Rate ^{*1}	Severity Rate ^{*2}
Toppan Inc. <input checked="" type="checkbox"/>	1	0.092	0.345
Some of its subsidiaries*3 <input checked="" type="checkbox"/>	0	0.552	0.018
Subtotal	1	0.340	0.169
Domestic related companies*4 <input checked="" type="checkbox"/>	0	0.533	0.018
Overseas affiliates*5	0	2.762	0.037
Total	1	1.238	0.089

*Period covered: January 1–December 31

*1 Number of occupational accidents requiring employee leave, per million cumulative actual working hours (reflects the frequency of occupational accidents)

*2 Number of workdays lost as a consequence of occupational accidents, per thousand cumulative actual working hours (reflects the severity of occupational accidents)

*3 Entities covered: 30 domestic subsidiaries under the control of either Toppan Inc. or its business divisions

*4 Entities covered: 30 domestic related companies

*5 Entities covered: 90 overseas affiliates

Measures for Mental Healthcare

Approach Promotion framework

Activity results, performance data

We work with industrial physicians and the TOPPAN Group Health Insurance Union to undertake various measures for the prevention of mental health problems at the workplace. The measures broadly cover “primary, secondary, and tertiary prevention” strategies, as well as prevention-focused approaches (“fundamental prevention”) to improving communication skills and enhancing physical and mental health through better sleep.

We develop in-house training programs and training materials attuned to our internal mental healthcare needs by making extensive use of diverse knowledge and expertise from outside of the Group. Training programs embrace theories and methods such as cognitive behavior therapy, clinical art therapy (via the Art Salon workshop), the five factors & stress (FFS) theory, and Adler’s theories of individual psychology, as well as front-line findings on physical and mental condition. Our training also takes many forms, such as training for new employees, rank-based training, division-based training, workshops at workplaces, and training for candidates for overseas assignments. Emerging challenges such as harassment prevention and special care for remote working are also addressed in our training regime.

In the case of unavoidable absences from work because of mental health problems, we carefully check and care for individual employees on leave to support their recovery step by step by having them concentrate on medical treatment, preparing them for a return to work, confirming their readiness to return to work, and extending supports for them. Careful, deliberative support helps employees maintain good balance between work and medical treatment and take steps to avoid any exacerbation or recurrence of mental burdens.

Developing 3D Stress Check & Support

We have analyzed extensive data from employee stress-checks and from specialists overseeing mental health problems at the workplace. The risk factors for mental illness identified so far include not only typical excessive stress, but also physical and mental conditions linked to unhealthy lifestyles and major changes in personal and working environments.

Based on these findings, we have developed our own 3D Stress Check & Support system that offers detailed risk assessments with an original algorithm and automatically

prescribes tailored forms of mental hygiene support, such as video coaching programs that employees in need can access without surrendering personally identifiable information. Stress checks are also arranged two times yearly for graduates who have been hired in the last 24 months. These checks attest to our redoubled mental healthcare efforts for new hires.

Meanwhile, feedback on the group analyses performed using data from the 3D Stress Check & Support system is relayed to managerial staff to guide their efforts towards workplace improvements across the Group.

Overview of Mental Healthcare Activities

	Self-care	Line Care (by managers and supervisors)	Care Using Resources within Group sites	Care Using Resources outside of Group sites	
Fundamental Prevention	<ul style="list-style-type: none"> Enhanced physical and mental condition <ul style="list-style-type: none"> New employee training and training for employees hired in the last 24 and 36 months Original video materials Heightened awareness of the importance of good sleep 	<ul style="list-style-type: none"> Improved communication skills <ul style="list-style-type: none"> Rank-based training Workshop on FFS theory Harassment prevention <ul style="list-style-type: none"> Various training programs 		<ul style="list-style-type: none"> In-house counseling support <ul style="list-style-type: none"> Adler’s theories of individual psychology Cognitive behavior therapy Healthcare promotion plan 	<ul style="list-style-type: none"> Online counseling by the health insurance union Employee assistance programs (EAPs) for personnel assigned overseas
Primary Prevention	<ul style="list-style-type: none"> Good physical and mental condition Guidance on addressing environmental changes 	<ul style="list-style-type: none"> Improved workplace environments through group analysis 	<ul style="list-style-type: none"> Interviews by physicians 		
	<ul style="list-style-type: none"> Training before overseas assignment 	<ul style="list-style-type: none"> (Other training programs organized by Group sites) 			
Secondary Prevention		<ul style="list-style-type: none"> Enhanced early-response capability based on caseness 			
		<ul style="list-style-type: none"> Interviews, etc. through the coordination of supervisors, general affairs departments, industrial physicians, and the health insurance union 			
Tertiary Prevention	<ul style="list-style-type: none"> “Return-to-work steps 2022” campaign to shorten the duration of absence and prevent the recurrence or exacerbation of mental burdens 				
			<ul style="list-style-type: none"> Absentee care under the H-ARM-ONY program 		

Work Styles at Toppan Inc.

Approach System Activity results, performance data

Labor representatives and management at Toppan Inc. have been engaged in a vigorous dialogue since 2019 to devise approaches to achieving flexible work styles. A remote work system was adopted on October 1, 2020, after the completion of a series of teleworking trials. This new system covers working arrangements of three types: working from home, working from satellite offices, and mobile working. The Company has also abolished the regulation requiring that core working-times be set for employees under the smart work system introduced in 2018. In parallel, its discretionary work system has been expanded to achieve full-time working from home. To spur innovation, the Company has revised existing working arrangements and introduced new systems to align with a new-normal work style suitable for the post-COVID-19 world.

Beyond these work system improvements, employees continue to receive training that encourages and equips them to establish their own work styles within the new-normal environment. Employees learn to set individual goals, commit themselves to completing incremental tasks towards their goals, and strive to actively collaborate with diverse people inside and outside of the TOPPAN Group.

Supporting Work-Life Balance

At the ongoing business councils and labor-management committees to support work-life balance, Toppan Inc.'s labor representatives and management exchange opinions and deliberate measures to further shorten overtime working-hours and comply with the revised Labor Standards Act of Japan. They have also been analyzing actual overtime practices, reviewing the use of recently adopted working systems, and examining the introduction of new systems.

Labor and management at each operational site also discuss approaches to creating more accommodating workplace environments that encourage employees to take leave. The measures they have devised and implemented are tailored to the actual working conditions at their sites. The target paid leave set by the Company is at least 10 days per year per employee. Employees who have worked for the Company for 30 consecutive years are honored with a reward for long service, along with a period of leave.

Annual Paid Leave Used (Toppan Inc.)

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Average paid leave used (days)	10.3	11.1	10.3	10.5	11.9
Average ratio*	54.9%	60.6%	55.2%	57.0%	64.6%

*Average ratio = average paid leave used / average paid leave granted

Achieving a Good Work-Life Balance

Various systems and measures are in place at Toppan Inc. to balance work and life for employees and their families: worksite cafeterias and sports facilities, dormitories for single employees, and resort facilities at offsite locations; a system to encourage property accumulation through savings and financing; asset-building support through stock ownership and various types of collective insurance; enhanced support systems to maintain good work-care balance for employees with children and nursing care responsibilities; sick leave and extended leave; retirement benefits and corporate pension; and enriched systems for living support. The TOPPAN Group Fraternal Benefit Society, meanwhile, runs welfare programs for leisure, health promotion, and life design support. To assist diverse employee lifestyles, the Company's spouse-related systems were revised to accommodate same-sex partners and common-law

marriage on July 1, 2020. They are now granted leave for celebration and condolence and receive allowances, wedding gifts, and other benefits.

Announcing a Common Employer's Action Plan

Toppan Inc. has been publishing its common employer's action plan based on the Japanese Act on Advancement of Measures to Support Raising Next-Generation Children.

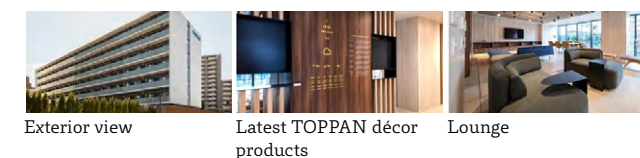
The common employer's action plan aims to develop a working environment that supports balanced work and family life for employees with young children. Employers are expected to design a plan primarily to arrange varied working conditions for diverse employees, including those not raising children.

More details on Toppan Inc.'s Common Employer's Action Plan (sixth term; in Japanese) based on the Japanese Act on Advancement of Measures to Support Raising Next-Generation Children >

https://www.holdings.toppan.com/assets/ja/pdf/sustainability/toppan202303_actionplans6.pdf

Housing for Single Employees

We are updating our housing for single employees to improve work-life balance by shortening commutes to our main Group sites and providing a secure, comfortable living environment. TOPPAN Heights Higashi Jujo in northern Tokyo is equipped with our newest décor products designed for comfortable living in a next-generation residential environment. As added amenities, a soundproofed theater room and common lounge facilitate communication among residents.



Main Leave Systems and Family Benefits

Leave Systems, Family Benefits, and Work-Life/Next-generation Support Measures (Toppan Inc.)

Stock Leave	If annual paid leave is left unused for two years after it is granted, up to 50 days of the leave can be accumulated as stock leave. Employees are eligible to use their stock leave for reasons such as medical treatment for themselves or their spouses, healthcare or nursing care for their families, fertility treatment, recovery-work in the aftermath of unexpected disasters, or the closure of their children's schools or the like because of infectious diseases, natural disasters, or other serious incidents. (To be taken in half-day allotments, as necessary.)
Childcare Leave	Both mothers and fathers are eligible for fulltime childcare leave taken consecutively until their child reaches the age of two years. The first five days of childcare leave can be taken as paid leave. From the sixth day, employees on leave receive 15% of their regular salaries from the Company (until their child reaches the age of two years) and subsidies of 1,000 yen a day from the TOPPAN Group Fraternal Benefit Society. They can also work for shorter hours (maximum reduction of two hours per day) or select a flextime or irregular working schedule from the date of their return to the job until their child completes the fourth year of elementary school. The Company subsidizes certain childcare costs and provides childcare-related information through a consultation desk. A leave system for newborn care has been introduced from October 2022 in line with the amended Child and Family Care Leave Act of Japan. Regardless of gender or length of service, an employee can take up to four consecutive weeks (28 days) of leave within the first eight weeks from the date the child is born or is expected to be delivered, whichever is later. The 28 days allotted can also be split into two periods, if desired.
Rehiring of Employees who Leave the Company to Raise Children	Rehiring is guaranteed for an employee who resigns to deliver and raise a child, provided that the employee has worked for the Company for more than three consecutive years up to the date of resignation. A resigned employee who meets this condition will remain eligible for rehiring until May 1 of the year when the child enters elementary school.
Nursing Care Leave	Employees are entitled to take leave for nursing care. For every family member requiring care, an employee is entitled to one year of consecutive or aggregated leave and up to three years of other work-hour adjustments such as staggered working hours or two-hour working day reductions. The TOPPAN Group Fraternal Benefit Society pays a 1,000-yen subsidy per day during the leave. The Company offers nursing care-related information and contracts external consultants to provide guidance.
Leave for Child Healthcare	Employees can take up to 10 days of leave a year, regardless of the number of children they are raising. (To be taken in half-day or one-hour allotments, as necessary.)
Volunteer Leave	Employees can take volunteer leave to engage in socially beneficial activities for up to one year. Employees on volunteer leave receive an allowance.
Staggered Work-hours	An employee can adjust daily working hours upward or downward by one hour to avoid rush-hour commutes during pregnancy and by two hours for childcare (until their child completes the fourth year of elementary school).
Dependent Family Allowance	For employees with children, the Company pays a monthly allowance of 20,000 yen for each child. This allowance is discontinued on the first April 1 to arrive after the child's 20th birthday. (No limit for the number of children is applied.)
Partial Subsidization of Babysitter Expenses	The TOPPAN Group Fraternal Benefit Society subsidizes 50% of babysitter expenses (up to 5,000 yen per day) for up to 90 days a year.
Guidance on Finding Kindergartens and Daycare	Specialists provide knowledge and skills to parent employees seeking kindergartens and daycare for their children, as practical guidance to help them return to work from childcare leave more seamlessly.
Other	The TOPPAN Group Health Insurance Union covers standard medical costs for childbirth. The union also sends parent employees a complimentary childrearing magazine.

TOPPAN Job-based Personnel System

We are reforming our personnel systems to better reward human assets who have diverse skills and career backgrounds. Among its various aims, the reform seeks to promote support for the skill and career development of employees, the assignment of important roles to younger employees, the development of a scheme enabling veteran employees to demonstrate their

accumulated skills, and the creation of a working environment where every person can take on new challenges.

We have restructured our personnel system from one that grades employees uniformly by position into one that grades them more granularly by incorporating job-specific elements. This new job-based system eliminates the seniority approach by abolishing the criterion of tenure, expressed as years in individual positions, from the evaluation metrics. The revision

in the basic grading system for personnel treatment facilitates the promotion of human assets with diverse skills and career backgrounds. We have also added four new personnel evaluation metrics—"the creation of a sustainable society," "diversity," "respect for human rights," and "social value creation"—in the hopes of guiding human assets through the processes of behavioral innovation and personal growth towards enhanced organizational performance.

Second-job and Side-business Arrangements

We allow employees to engage in second jobs or side businesses, as a basic rule, unless they are in any way unable to avoid prolonged work or fulfill their duties of security, confidentiality, non-competition, or good faith in their work at TOPPAN.

Fifty-two employees used these arrangements at Toppan Inc. in fiscal 2022 (36 employees in fiscal 2021).

Office Environments Designed for Diverse Work Styles

Our office environments have been adapted to a diversity of new and flexible work styles that drive innovation. Along with shared offices in-house, we have opened "Atte," an office where people generate innovation by augmenting the value of face-to-face meetings. We have also set up ICT KOBŌ™ studios across Japan* as bases that reinforce our system development departments, the driving forces behind our DX business. Nationwide studios will encourage human assets to choose diverse ways of working, create new businesses through interactions with local people and companies, and activate communities through increased local employment.

*In addition to our existing studios in Nagano and Okinawa Prefectures, two studios opened in Fukuoka and Hiroshima Prefectures in 2022 and one opened in Hokkaido Prefecture in May 2023.

Supply Chain Management

Basic Approach

Approach

TOPPAN promotes sustainable procurement throughout the supply chain in cooperation with suppliers and subcontractors (“business partners”) to fulfill the Group’s social responsibilities and support a sustainable society. We also seek to enhance corporate value for ourselves as well as our business partners through sustainable procurement endeavors.

A revised set of TOPPAN Group Sustainable Procurement Guidelines issued in January 2022 will be shared throughout the supply chain. The revisions are a response to the growing demand in society for supply-chain management practices that address human rights, better ensure occupational safety and health, preserve the environment, and attain various other sustainability targets. We will accelerate sustainable procurement with business partners through a cycle of operations, audits, and refinement.

Under a Declaration of Partnership Building released by Toppan Inc. in September 2022, we will be working with business partners to fulfill our corporate social responsibilities on both sides through supply-chain-wide initiatives that help develop a sustainable society. We strive for co-prosperity with business partners by maintaining good business practices and supporting our partners with advice on their business continuity planning (BCP) activities.

The Sustainable Procurement Guidelines

The TOPPAN Group Sustainable Procurement Guidelines consist of the Basic Procurement Policy, a basic framework to be

observed by every department responsible for procurement or involved in operations linked to products and services, and the Sustainable Procurement Standards, which are to be satisfied by our business partners.

The Sustainable Procurement Standards comprise nine sections: “legal compliance and respect for internationally recognized standards,” “human rights and labor,” “health and safety,” “environment,” “fair business and ethics,” “quality and safety,” “information security,” “business continuity planning,” and “establishing a management system.”

Based on the TOPPAN Group Human Rights Policy, the Annex to the TOPPAN Group Declaration on the Global Environment, and the Declaration of Partnership Building, our procurement departments engage in BCP activities, implement human rights and environmental conservation initiatives in the supply chain, and take a proactive approach to the sustainable


use of natural resources to avoid or minimize impacts on biodiversity in the global environment.

 More details on the TOPPAN Group Sustainable Procurement Guidelines >


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

 More details on the TOPPAN Group Human Rights Policy >

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

 More details on the Annex to 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_AnnexV1.pdf

 More details on the Declaration of Partnership Building (in Japanese) >

<https://www.holdings.toppan.com/assets/ja/pdf/our-corporate-approach/toppan's-partnership.pdf>

The Structure of the TOPPAN Group Sustainable Procurement Guidelines

Basic Procurement Policy

This is a basic policy that applies to all workers involved in procurement activities at the TOPPAN Group.

We fairly and impartially offer opportunities to all Business Partners and potential Business Partners.

We comply with domestic and overseas laws and regulations and conduct fair business transactions based on corporate ethics.

We strictly control the information obtained through procurement activities.

We work to conserve the environment and reduce impact on the environment.

We pursue QCD (Quality, Cost, Delivery) in order to meet the needs of the market.

We work to foster mutual cooperation and build relationships of trust with Business Partners.

We promote sustainable procurement throughout the entire supply chain.

Sustainable Procurement Standards

These are sections that set out requirements for suppliers and subcontractors*.

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

Subcontractors are referred to as “Business Partners” in these guidelines.

Promotion Framework

Promotion framework

Sustainable procurement is a Groupwide initiative undertaken not just by procurement departments, but by every department that handles products and services. The Manufacturing Management Division works with related departments across Group sites to implement sustainable procurement in close cooperation with business partners throughout our procurement operations around the world.

Supply Chain Management Structure



(as of March 2023)

Departments that Work with Business Partners

Departments	Key Business Categories
Production control	OEMs
Purchasing	Suppliers
Planning	Subcontractors
General affairs	Temporary staffing agencies

Selecting Key Business Partners

Following is our evaluation approach to selecting key business partners, including both new companies and current partner companies.

Business partners engaged in ongoing business with TOPPAN are divided into four key categories: OEMs, suppliers, subcontractors, and temporary staffing agencies. Their ESG risks are assessed in subcategories of business. For each of the four key categories, partners who account for 90% of our procurement in a given transaction item by monetary value or those who have country-specific or business-specific ESG risks are designated as “key business partners.”

Approach to Selecting Key Business Partners



Group Policies and Measures for Sustainable Procurement

Group Policy	Policy (details)	Risks Identified by the Evaluation	KPI Benchmark or Management Metric or Standard	Business Partners Covered
TOPPAN Group Human Rights Policy	Human rights initiatives	Forced labor, harassment, or other human rights issues in the supply chain	Dissemination of the human rights policy and confirmation of compliance	Key business partners*
TOPPAN Group Sustainable Procurement Guidelines	Basic Procurement Policy	Compliance violations (violations of subcontract law, etc.); acts contrary to accepted social ethics	Compliance training in procurement departments	Related departments within the Group
			Training on the Sustainable Procurement Guidelines in procurement departments	Related departments within the Group
			Monitoring on compliance in procurement departments and the assessment of monitoring results	Key business partners*
	Sustainable Procurement Standards	Quality-related incidents, environmental incidents, legal violations, insufficiencies in raw material supply, or other incidents in the supply chain that can develop into issues in wider society	Number and percentage of business partners (meeting the Group's sales criterion) that have signed cooperation agreements, basic transaction agreements, and basic sale & purchase agreements stipulating the observance of the TOPPAN Group Sustainable Procurement Guidelines	Key business partners*
Declaration of Partnership Building	Continuation of business operations with business partners in the event of a disaster	Supply disruption of materials, components, or equipment caused by earthquakes, storms, floods, or other natural disasters	Enhancement of the business continuity competencies of business partners (through questionnaires and workshops on BCP)	Key business partners*
	Observance of good business practices with business partners	Damage to social credibility arising from failures to rectify business practices concerning pricing methods, payment terms, work style reform, intellectual property usage, the sharing of expenses for mold management, etc.	Training on good business practices (training on transaction-related legislation and the Declaration of Partnership Building)	Related departments within the Group
Annex to the TOPPAN Group Declaration on the Global Environment	Control of chemical substances in products	Reduced product safety resulting from the admixture of hazardous substances into raw materials	Dissemination of the TOPPAN Group Standards for the Management of Chemical Components of Raw Materials	Key business partners*
	Proactive approach to the sustainable use of natural resources by avoiding or minimizing impacts on biodiversity	Suspension of operations at paper manufacturers resulting from interruptions in the supply of lumber derived from forest resources (the main material of paper) that are considered to have significant impact on biodiversity	Verification of the legality of lumber to promote the sustainable use of forest resources for paper production	All paper manufacturers in the supply chain
		Supply stoppage of printing paper and suspensions of printing operations	Dissemination of the Paper Procurement Guidelines for the Sustainable Use of Forest Resources	Key business partners*

*Key business partners are those who engage in ongoing business with the Group and either account for 90% of supply by monetary value or have country-specific or business-specific ESG risks in any of the four business categories (OEMs, suppliers, subcontractors, and temporary staffing agencies).

Sustainable Procurement Initiatives

Approach

Applying the Sustainable Procurement Guidelines

We began implementing the following measures in fiscal 2022 to apply the TOPPAN Group Sustainable Procurement Guidelines throughout the entire supply chain, in cooperation with key business partners.

- Hold briefing sessions on the procurement guidelines
- Conclude cooperation agreements, basic transaction agreements, and basic sale & purchase agreements (stipulating the observance of the procurement guidelines)
- Ask business partners to fill out self-assessment questionnaires on the Sustainable Procurement Standards and encourage them to rectify the issues they have identified
- Confirm the BCP steps business partners are taking to address wide-scale disasters

We have also established the Standards for the Management of Chemical Components of Raw Materials, a set of standards to control chemical components throughout the entire supply chain.

More details on the TOPPAN Group Standards for the Management of Chemical Components of Raw Materials >

<https://www.holdings.toppan.com/assets/en/pdf/about-us/our-corporate-approach/chemical-components-of-raw-materials-v4.8en.pdf>

Advocating the Basic Procurement Policy (Fair transactions by procurement departments)

Sustainable procurement practices should be built upon trust between business partners and us. We have set up a Supplier Hotline to enhance transparency and fairness in transactions

and deepen relationships of trust with business partners. The hotline is open for use by all of our partners.

We have also sent business partners questionnaires to monitor whether our procurement departments operate properly in accordance with the Basic Procurement Policy in their transactions with the partners.

More details on the Supplier Hotline >

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

Conserving Biodiversity

We promote the sustainable use of natural resources based on the Annex to the TOPPAN Group Declaration on the Global Environment. To govern the procurement of raw materials, we have formulated a set of paper procurement guidelines to advance the sustainable use of paper, a resource representing 70% of our material input.

To assure the sustainable use of forest resources, we cooperate with paper manufacturers in the supply chain to confirm that the lumber they use for paper production is legally obtained.

More details on the Annex to the TOPPAN Group Declaration on the Global Environment >

https://www.holdings.toppan.com/assets/en/pdf/sustainability/The_Toppa_Group_Declaration_on_the_Global_Environment_AnnexV1.pdf

More details on the TOPPAN Group Paper Procurement Guidelines for the Sustainable Use of Forest Resources (second edition) (in Japanese) >

https://www.holdings.toppan.com/library/japanese/about-us/files/sustainability/2014/proc2014_06.pdf

Main Activities and Results

Activity results, performance data

Selecting Key Business Partners

For wider dissemination of the sustainability initiatives throughout the supply chain, we select key business partners and ask them to observe the TOPPAN Group Sustainable Procurement Guidelines.

For the sustainable use of forest resources, we survey key paper manufacturers to confirm the legality of the lumber used in their paper production lines.

No. of Key Business Partners

Item	Fiscal 2022	
	No. of Companies	Proportion of Total Procurement by Monetary Value
No. of key business partners	2,998	93%
Key tier 2 suppliers (paper manufacturers)	10	—
Total no. of companies	3,008	—

Concluding Agreements with Business Partners

We have been promoting sustainable procurement throughout the entire supply chain by encouraging business partners to conclude cooperation agreements, basic transaction agreements, and basic sale & purchase agreements stipulating the observance of the TOPPAN Group Sustainable Procurement Guidelines. Our goal is to conclude agreements with 90% of key partners by no later than fiscal 2025. We also ask business partners to fill out self-assessment questionnaires and have them assess and boost their own ESG efforts based on the guidelines.

Turning to the environment, we advance sustainable procurement in line with specific standards such as the Standards for the Management of Chemical Components of Raw Materials and the Paper Procurement Guidelines for the Sustainable Use of Forest Resources.

No. of Partners with Cooperation, Basic Transaction, or Basic Sale & Purchase Agreements

		Fiscal 2022
Target		2,998
Actual		1,807
Rate of conclusion of agreements		60%
Breakdown by business category	OEMs	646
	Suppliers	723
	Subcontractors	420
	Temporary staffing agencies	18

*Briefings on the sustainable procurement guidelines provided to 1,807 partners

No. of Partners Performing Self-assessments

		Fiscal 2022
Target		2,998
Actual		1,807
Percentage of responses received		60%
Breakdown by business category	OEMs	646
	Suppliers	723
	Subcontractors	420
	Temporary staffing agencies	18

Agreements to Be Signed

We encourage business partners to enter into cooperation agreements, basic transaction agreements, and basic sale & purchase agreements stipulating the observance of the TOPPAN

Group Sustainable Procurement Guidelines and the modalities of corporate social responsibility the guidelines prescribe.

Ex. 1: Cooperation Agreement text (excerpt)

The company understands the intent of sustainable procurement, and in transactions with TOPPAN Group companies, shall observe sustainable procurement standards and shall comply with said procurement standards or equivalent company standards.

Ex. 2: Basic Transaction Agreement (excerpt)

Article 41.
Legal Compliance and Promotion of Corporate Social Responsibility

Through procurement, manufacturing, sales, disposal, and all other business activities, the company shall observe the Sustainable Procurement Guidelines, and shall request its own business partners to comply with said guidelines or with equivalent guidelines established by the company.

Requesting Self-assessments

The questionnaire guides business partners through self-assessments of their own environmental, social, and governance (ESG) activities and outputs results that can be used to refine their ESG initiatives in cooperation with TOPPAN.

BCP Survey Results

	Fiscal 2020			Fiscal 2021			Fiscal 2022		
	Tier 1 Suppliers	Tier 2 Suppliers	Total	Tier 1 Suppliers	Tier 2 Suppliers	Total	Tier 1 Suppliers	Tier 2 Suppliers	Total
Survey results	48	115	163	63	122	185	25	223	248
No. of companies participating in workshops	13	4	17	14	6	20	7	73	80
No. of companies participating in workshops whose survey evaluation improved	2	1	3	2	1	3	2	9	11
No. of companies participating in workshops whose survey evaluation improved (cumulative total)	4	8	12	6	9	15	8	18	26

Questionnaire Themes (excerpt)

- International certifications obtained / Policies and rules formulated
- | | |
|--|-------------------------------------|
| 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 | |

Enhancing BCP Competencies

Business partners need to prepare procedures in advance to ensure that production can be promptly resumed when a wide-scale natural disaster or other emergency affects their operations. The Declaration of Partnership Building released from Toppan Inc. in September 2022 voices our support for business continuity planning (BCP) at business partners to secure the continuity of their businesses in the event of a disaster. We survey the BCP steps taken by key business partners and hold BCP workshops with them.

Out of the 248 partners surveyed, 80 participated in online workshops and discussed BCP matters in fiscal 2022.

Procurement Guideline Training within the Group

The TOPPAN Group Sustainable Procurement Guidelines apply to every department linked to goods and services used in Group operations. Training on the guidelines is organized for employees in every department concerned.

The Declaration of Partnership Building, issued by Toppan Inc. in September 2022, pledges our ongoing commitment to the building of close relationships and the observance of good business practices with business partners.

We hold training sessions on transaction-related legislation and on the Declaration of Partnership Building at the procurement departments to remind personnel of their obligation to practice the following commitment set forth in the Basic Procurement Policy: “We comply with domestic and overseas laws and regulations and conduct fair business transactions based on corporate ethics.”

Training on the Sustainable Procurement Guidelines within the Group

Training Result		Fiscal 2021	Fiscal 2022	Cumulative Total (persons)
Breakdown	Production control	327	653	980
	Purchasing	168	302	470
	Planning	—	1,019	1,019
	General affairs	—	155	155
Total no. of participants		495	2,129	2,624

Training on the Declaration of Partnership Building and Transaction-related Legislation

Training Result	Fiscal 2020	Fiscal 2021	Fiscal 2022
No. of participants: production control	2,592	777	2,644

Monitoring Compliance in Procurement Departments

We regularly ask key business partners to fill out questionnaires on their transactions with us. With the questionnaire results, we monitor whether our procurement departments operate properly in accordance with the Basic Procurement Policy. Information gleaned from the responses of 10 partners in fiscal 2022 led to improvements in compliance in our procurement operations.

Monitoring Results


	Fiscal 2020	Fiscal 2021	Fiscal 2022
No. of responding companies	17	10	10
Cumulative no. of companies	151	161	171

Verifying the Legality of Lumber for Paper Production

The Annex to the TOPPAN Group Declaration on the Global Environment, issued in March 2022, stipulates that we will take a proactive approach to the sustainable use of natural resources by avoiding or minimizing the impact on biodiversity when procuring raw materials. As a major procurer of paper, a resource representing 70% of our material input, we promote the sustainable use of forest resources by surveying the legality of lumber, the main material of paper.

We monitor paper manufacturers to verify that the lumber

used for their products (representing more than 90% of our total paper purchases by monetary value) is obtained through legal channels. In a survey of 16 sites of 10 business partners around the world in fiscal 2022, we confirmed that all of the lumber procured from them was obtained legally. In yen terms, these 16 partner sites supplied 97.4% of the paper we used in fiscal 2022.

 More details on the Annex to 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_AnnexV1.pdf

Survey Results on the Legality of Lumber for Paper Production (Paper suppliers representing over 90% of our paper purchases)

	Fiscal 2020	Fiscal 2021	Fiscal 2022
Paper suppliers surveyed*	13	13	10
Purchase value basis	90.0%	91.8%	97.4%
Percentage of lumber sources verified as legal	100%	100%	100%

*Paper suppliers subject to a higher risk of noncompliance over the most recent three-year period

Research and Development

Basic Approach

Approach

In the more than 120 years since our foundation, TOPPAN has evolved our original specialization of printing techniques into the art of printing. Technical advances in printing, coupled with the fusion of varied knowledge and expertise with processing technologies, have enabled us to systemize “printing technologies” of our own. Five core technologies now drive our business: Information Processing, Microfabrication, Surface Treatment, Material Forming, and Marketing Solutions. These five technologies and the distinct benefits they offer are combined into the new solutions we offer.

By strengthening core technologies to maximize synergies within the Group, we continue to generate new value for society through co-creation with clients, universities, and startups. We will continue deepening and expanding our unique technologies to develop new businesses that provide solutions to global social challenges and transform our business portfolio.

Research and Development Structure

Promotion framework

We advance research and development activities centered on our core technologies from a market-oriented perspective. The R&D Strategy Office and Business Development Division work together with technology development departments at business divisions across the Group. The R&D Strategy Office seeks to build a cross-departmental technical administration infrastructure, while the Business Development Division engages in research, new business development, and strategic investment to create new businesses as a disruptive innovator.

We also strategically build and use intellectual property, generate R&D synergies within the Group, and collaborate creatively with clients and external research institutions to advance our R&D activities. In these ways, we deliver new value to address today’s shifting society and global environment.

TOPPAN Technical Research Institute

Promotion framework

Our central research facility, the TOPPAN Technical Research Institute (est. in 1986 in Sugito, Saitama Prefecture, Japan) promotes research integration, interdisciplinary research exchanges and technological development, and cross-border Groupwide research collaborations. Its primary focuses are fundamental research to usher in next-generation technologies and the development of highly original, competitive products. The institute also utilizes its advanced expertise to provide technical support to TOPPAN business divisions.

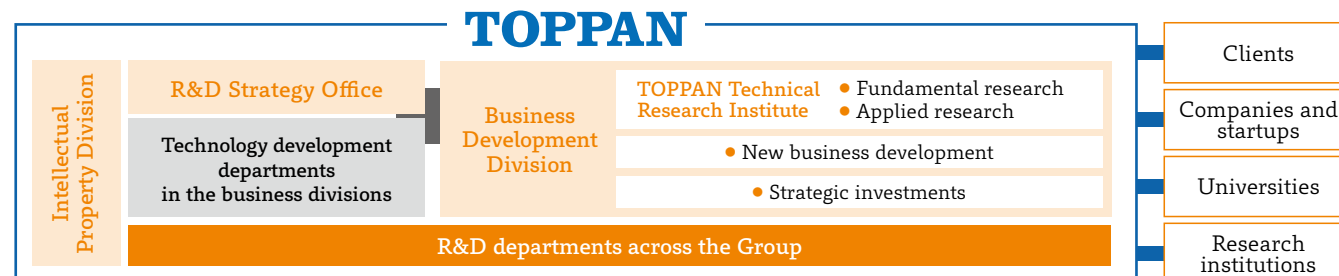
In a move into R&D frontiers, the institute has developed invivoid®, a 3D cell culture technology applying proprietary biomaterials, in a joint venture with Professor Michiya Matsusaki from the Graduate School of Engineering at Osaka University. In March 2023, Osaka University joined with Toppan Inc. and three other companies to form the “Consortium for Future Innovation by Cultured Meat,” an alliance to promote the social adoption of cultured meat through three approaches: the application of 3D bioprinting technology, the formation of an integrated value chain from production to distribution, and contributions to the development of laws and regulations in cooperation with government agencies and businesses. The consortium seeks to pioneer edible cultured meat by enhancing consumer understanding of cultured meat through informative events such as the upcoming exhibition at Expo 2025 Osaka, Kansai, Japan.

Consortium logo



培養肉未来創造
コンソーシアム
Consortium for Future Innovation by Cultured Meat

Research and Development Structure



New Business Creation Themes

Policy

We have been creating new businesses that address social and industrial issues by leveraging business models and technologies that give us a competitive edge. Healthcare and energy solutions are examples of our frontier businesses pursued on a priority basis.

One notable venture we are committed to is the capital and business alliance formed in 2019 with ICI Inc., a certified enterprise that can be trusted to handle anonymized medical data under the Next Generation Medical Infrastructure Act (“Act”) of Japan. The core aim of this alliance is the distribution of medical big data collected from hospitals, clinics, local governments, nursing care facilities, and other medical

institutions across Japan for use in research and development in healthcare, medicine, and welfare fields. The alliance also pursues the realization of long healthy life spans and inclusive communities. We made ICI a consolidated subsidiary in January 2023 to further strengthen the allied initiatives.

DATuM IDEA, a medical-information delivery service, is the latest achievement stemming from our efforts focused on the use of medical big data. DATuM IDEA has been developed in collaboration with the Japan Medical Association Medical Information Management Organization (J-MIMO), a certified organization under the Act.

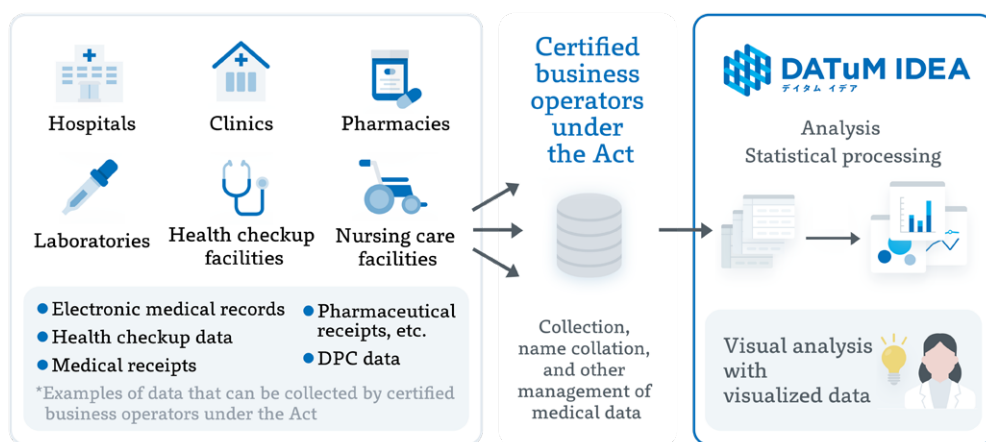
In March 2023 we held a seminar on the usage of medical information on the DATuM IDEA platform to promote the broad use of real-world data originating from medical institutions.

Strategic Investments

Policy Activity results, performance data

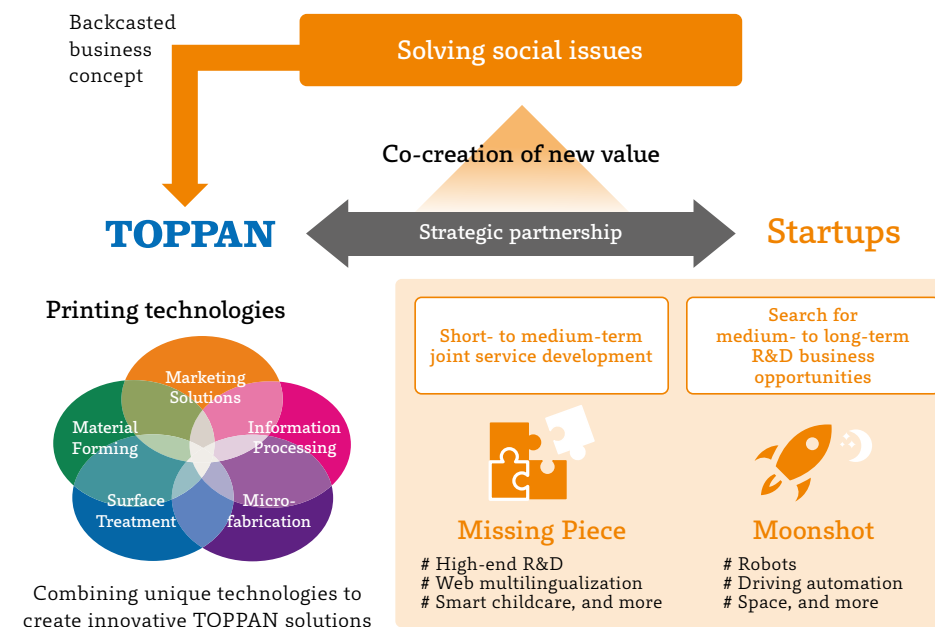
The creation of new businesses and markets has been identified as one of our main challenges for medium-term management. We have been developing new businesses for the dynamic growth of the Group by making small-scale investments in growth fields such as digital transformation (DX) business, cutting-edge technologies, and ESG initiatives. We have formed capital and business alliances with some 60 startups around the world since July of 2016. We are generating new value for society by combining the advanced technologies and business models of startups with the planning and technical capabilities throughout the Group, from both short-term and medium- to long-term perspectives.

Overview of the DATuM IDEA Service



Taken from <https://datumidea.jp/> (in Japanese)

Collaboration with Startups



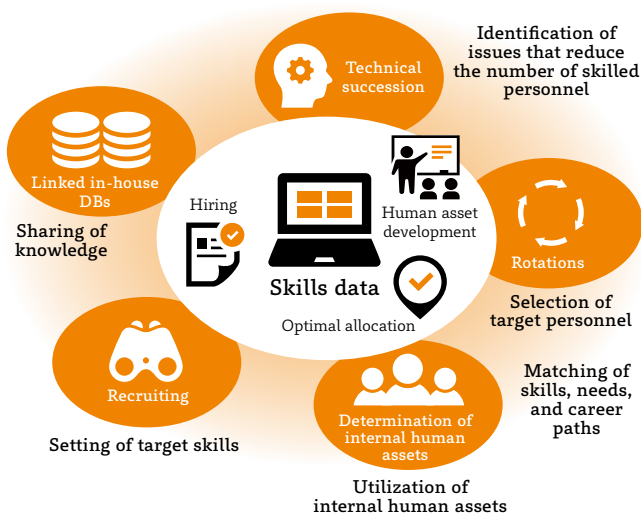
Visualizing Technical Skills

Policy

We strive for technological enhancements through the strategic utilization of our human capital. From fiscal 2020 onward, for example, we have been surveying human assets in technology departments across the Group to rate their technical skills.

The surveys are structured by subdividing our five core technologies into elemental technologies of several types, from currently trending technologies to practical technologies applied to our products and services. The experience and skills of individual employees in each of these elemental technologies are consolidated into a skill map that can be used to formulate policies for strengthening technical capabilities through the training, hiring, and optimal allocation of human assets.

Overview of Skill Map Utilization



R&D Investments

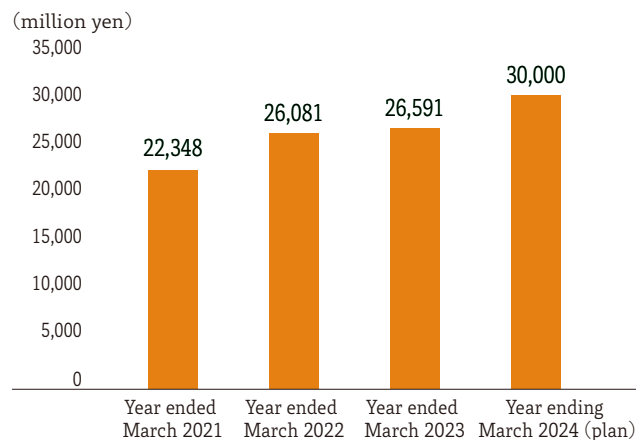
Policy Activity results, performance data

We advance research and development to create new businesses with a view to transforming our business portfolio. We have defined key fields in which to invest R&D resources on a priority basis, starting from fiscal 2021. Fiscal 2021-2022 and fiscal 2023-2025 are positioned as the “foundation building phase” and “result delivery phase,” respectively.

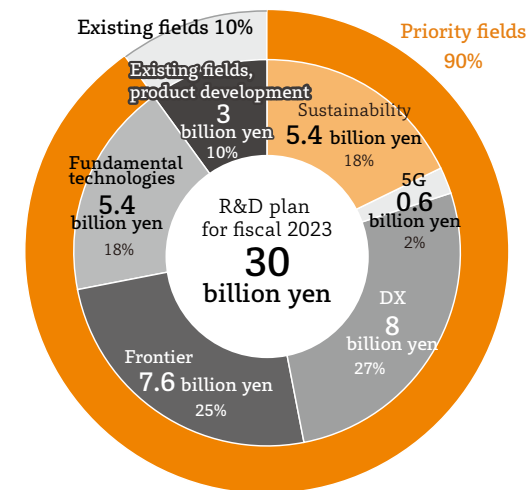
We have been planting seeds to achieve results in fiscal 2023 and beyond by increasing our R&D budgets to fund technological enhancements and the faster creation of new businesses. The bulk of the R&D funding is spent in key investment fields to address social issues and follow technological trends (shown in the table on the right), and the establishment of foundations such as technological platforms that support our efforts in the key fields.

Key Investment Fields	
Sustainability	Mono-material compositions, switch to paper materials, recycling/upcycling technologies, biodegradable materials, etc.
5G	Next-generation FC-BGA substrates, 5G antennas, electromagnetic wave control/absorption sheets, molds for AR glasses, sensor technology, etc.
DX	Communication business, solutions for local government administration, digital platform business, BPO, IoT technology, smart city initiatives & community planning, etc.
Frontier	Metaverse-related business, healthcare business, fuel cell components, energy business, genome editing, robotics, agribusiness, etc.
Fundamental technologies	Materials/analysis technologies, strengthened foundation for service quality improvement, converting technology, microfabrication technology, etching technology, intellectual properties, AI/data analysis platforms, etc.

R&D Expenditure



Fiscal 2023 Breakdown of R&D Investment Fields



Intellectual Property

Basic Approach

Approach

The TOPPAN Group sees intellectual property (IP) as a core source of competitiveness in business. We follow an IP strategy that secures competitive advantages in markets.

Based on an IP strategy aligned with our business and R&D plans, we will further link IP activities with R&D and market-oriented activities to acquire intellectual property rights for the products and services generated from our integrated efforts. Intensified IP initiatives will ensure that we have the IP capabilities needed to bolster the business portfolio transformation and business management of the Group.

TOPPAN Group Basic Policy on Intellectual Property

1. We develop proactive intellectual property initiatives from a global perspective based on an intellectual property strategy that further aligns our market-oriented stance and R&D activities by positioning intellectual property and intangible assets as important management resources to generate competitiveness in business.
2. We strategically use the intellectual property we have created to enhance corporate value and attain sustainable growth through the execution of Group management, higher business profits, and effective solutions for social issues.
3. We respect the intellectual property rights of others and take appropriate proactive/preemptive measures to avoid rights infringements when operating our businesses.
4. We comply with the laws and regulations pertinent to intellectual property rights across the world and exercise our legitimate rights appropriately when any of our intellectual property rights is infringed by a third party.
5. We appropriately and accurately use the trademarks we hold to enhance our brand value.

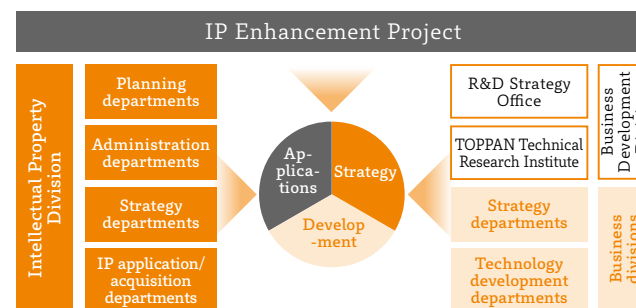
Intellectual Property Structure

Promotion framework

We have launched a project to enhance our IP capabilities by integrating business, R&D, and IP strategies across the Group. Project participants discussed the ideal structure for the future and concluded that the IP function must be strengthened, leading to the establishment of an Intellectual Property Division spun out from the Legal Affairs & Intellectual Property Division in April 2022.

Meanwhile, IP strategy departments newly set up in the business divisions are coordinating with the strategy departments in the Intellectual Property Division to build the foundation for advancing IP initiatives at TOPPAN.

IP and technical managers from the business divisions direct the IP enhancement project to comprehensively take charge of activities focused on IP issues throughout the Group.



IP Management Initiatives

Activity results, performance data

Foundations for Patent Portfolio Management

We maintain an accurate picture of our intellectual property portfolio by classifying all of the patents we hold in products, services, and technologies in accordance with a set of in-house criteria. Efforts are also underway to quantify the value of the patents held by assessing them with a set of in-house indicators in combination with external indicators conventionally used.

These activities, applied together, form foundations for managing our patent portfolio in ways optimal for the ongoing transformation of the business portfolio of the TOPPAN Group.

IP Management for DX and SX Businesses

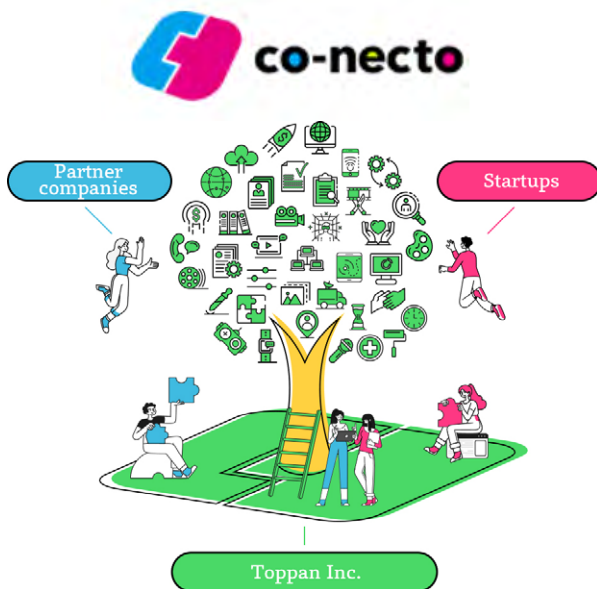
The Medium Term Plan sets a goal of growing us into a leading provider of solutions for social issues through DX and SX initiatives. As such, we will continue to examine the patents we hold in DX and SX businesses and enrich our DX/SX patent portfolio in line with the Medium Term Plan.

Driving Open Innovation

We have been implementing an open innovation program called “co-necto” since 2017. The program solicits outstanding business ideas mainly from startups and advances those ideas with our management resources to co-create a new business.

A co-necto venture starts with field trials aiming at co-creation by three parties: the TOPPAN Group, a startup, and a local partner company. The field trials explore the best market to fit a new service, product, or solution springing from the collaboration of three parties. Eighty-six startups entered this program and three field trials were performed in fiscal 2022.

We support the ventures from an IP perspective by conducting simple IP due diligence before the field trial implementation.



Global IP Initiatives

TOPPAN has acquired intellectual property rights by filing applications in about 40 countries and regions throughout the world. Our direct connections with patent offices in major countries back up our global Group operations.

We will further increase IP applications in countries with important markets for our business and in countries where we operate our major production sites. The applications will be focused on security solutions, packaging, and décor materials, the three business segments targeted for expansion in the Medium Term Plan.

Protecting Designs and Brands

We recognize that patents to protect proprietary technologies and property rights to protect designs and brands are essential to ensuring the uniqueness and high competitiveness of the businesses developed under the TOPPAN brand. And recognizing the importance of designs and trademarks, we work

Design and Brand Protection



IP mix for a DX business

Service name registered as a trademark (Trademark Registration No. 6191774)

GUI registered as an image-based design (Design Registration No. 1683628)

A patented technology that links factory devices with a web application (Patent No. 6981566)

to register and protect design and brand rights for our products and services.

Another focus is brand protection through the appropriate filing of trademark applications for services in DX business, especially for Erhoeht-X™, the brand symbolizing our DX expansion.

Turning to trademarks in SX business, we deliver services under S-VALUE®, a brand that offers fulfilling, comfortable lifestyles in a sustainable society.

In addition to the designs for packaging and other products and services, we have also filed applications for image-based designs for the graphical user interfaces (GUIs) often used for our DX services, based on the extended set of design categories to be protected under the amended Design Act of Japan.

Through these IP applications, we strive to use design and trademark rights and patents in ways amenable to securing a mix of intellectual property rights that bring us a competitive edge in business.

Intellectual Property Strategy

Approach

We aim to establish a framework that enables the business departments to formulate and implement their own IP strategies in line with the business plan of the Group. The following measures have been taken to form this framework: IP analysis to determine the direction of technology development based on hypothetical business plans (e.g., a clear understanding of positioning); construction of an IP portfolio linked to technology development aiming at gaining business advantages; planning and execution of IP strategies for clearing obstacles posed by the intellectual properties of competitors.

Strategy, technology, and IP departments formulate a Groupwide IP strategy by jointly preparing an original IP strategy sheet. The business departments have been using this sheet to identify TOPPAN's strengths in the businesses they handle by reviewing market environments, technological trends, and the intellectual property rights held by the Group and competitors. Once our strengths are confirmed, we search for the optimal approaches to applying for and acquiring IP throughout our business.

IP Training and Talent Development

Training, education

The Intellectual Property Division leads the implementation of Groupwide IP training programs. The division releases news on intellectual property at regular intervals and arranges e-learning and group-training programs tailored to each employee's experience and duties. We continue to enhance the IP knowledge of individual human assets, along with their abilities to effectively use that knowledge.

Personnel at the Intellectual Property Division also provide IP support through all the stages from invention consultation to IP application, to any investee companies that need IP resources.

The division personnel further enhance customer trust by visiting SME business partners across Japan to hold onsite IP training on topics such as patents and trademarks.

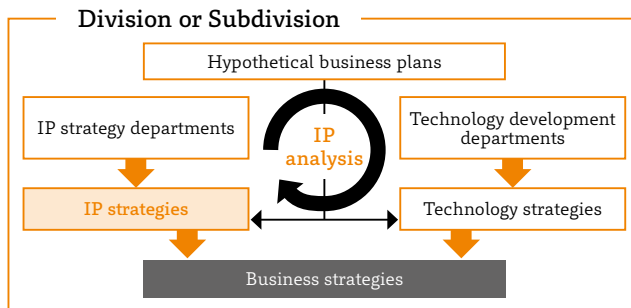
Commendation

Activity results, performance data

FY 2022 Intellectual Property Achievement Award

Toppan Inc. won an award from the Commissioner of the Japan Patent Office (JPO) at the Intellectual Property Achievement Awards organized by the Japanese Ministry of Economy, Trade and Industry (METI) and JPO in fiscal 2022. METI and JPO recognized Toppan Inc. as a corporation that effectively utilizes intellectual property rights, especially patents.

We will advance IP activities under a comprehensive strategy closely linked to our business and R&D strategies to enhance the corporate value of TOPPAN through the transformation of our business portfolio.

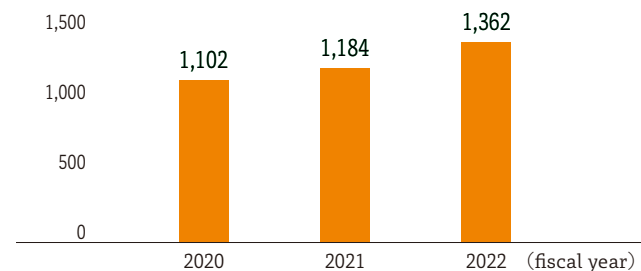


Acquisition of Intellectual Property Rights (Toppan Inc.)

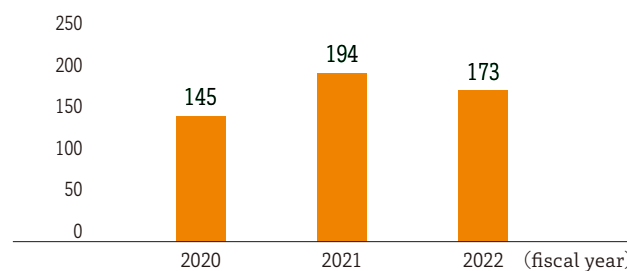
Activity results, performance data

*The number of applications, etc. may increase or decrease when we change our in-house aggregation methods.

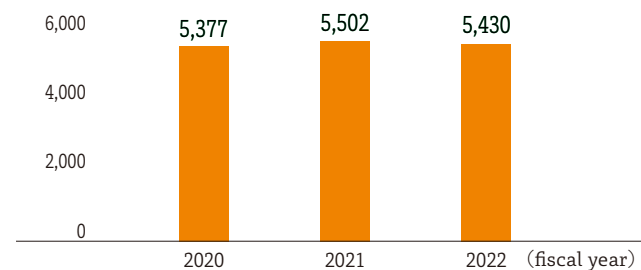
No. of Patent Applications (Japan)



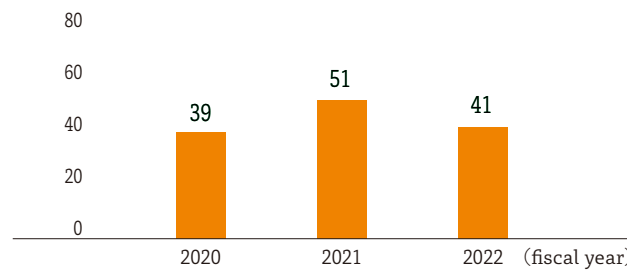
No. of Overseas IP Applications (PCT)



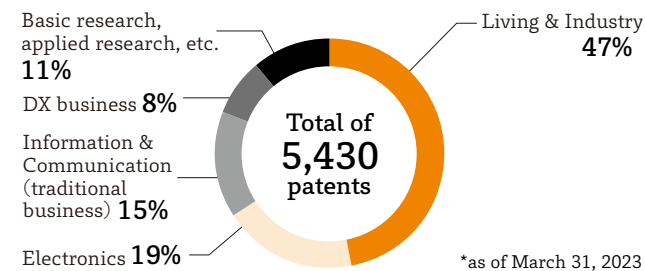
No. of Patents Held (Japan)



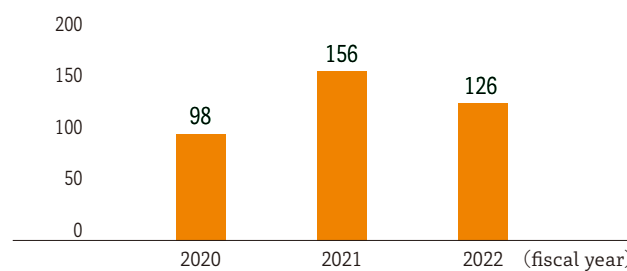
No. of Design Applications (Japan)



Portfolio of Patents Held by Business Field (Japan)



No. of Trademark Applications (Japan)



Total Quality Assurance

Basic Approach

Approach

Quality assurance for products at the TOPPAN Group is a concern for every department, not only the departments directly responsible for production. Departments involved in marketing, R&D, planning, design, sales, and shipment all contribute to quality. This is why we describe quality assurance as a total activity (“total quality assurance”) and strive to improve product quality and manage product safety throughout the Group.

For the maintenance and improvement of product quality, we have established a Basic Stance on Product Safety Management and a set of Basic Guidelines on Product Safety Management to securely manage the safety of the products we produce.

Basic Stance on Product Safety Management

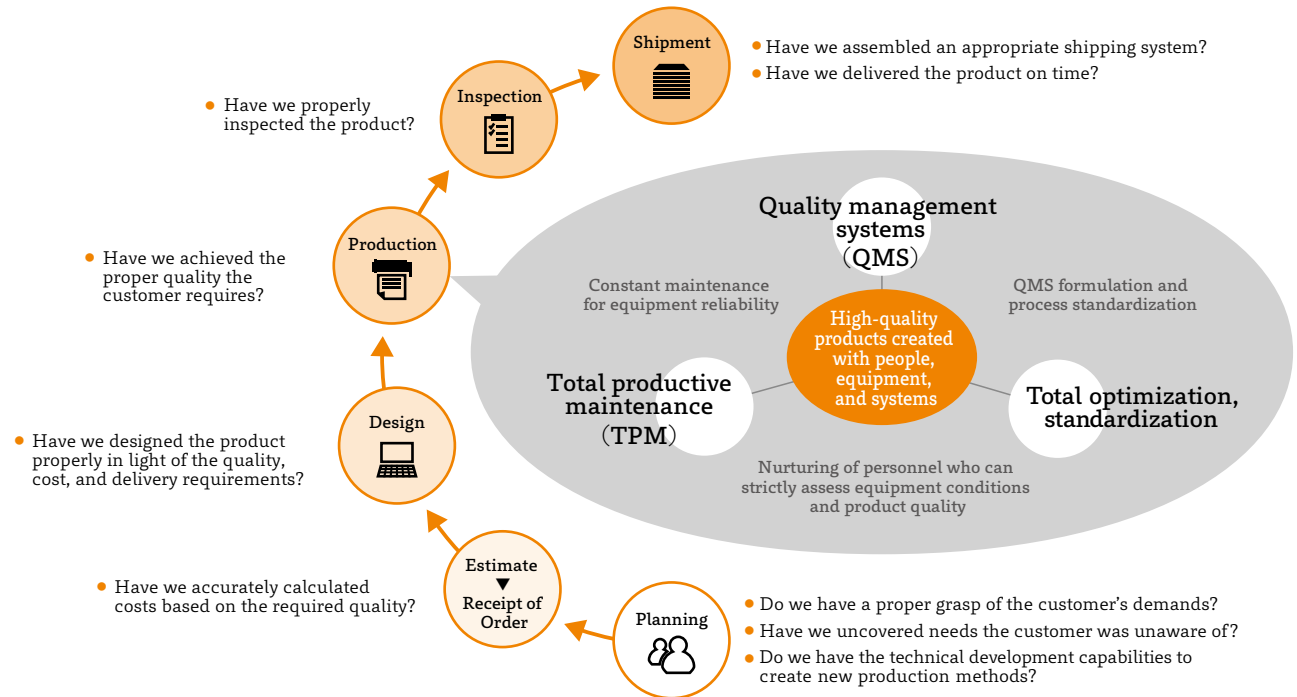
We promote product safety management throughout the Group by securing safety and improving the quality of our products based on the Basic Principles of Conduct Guidelines and the principles of corporate social responsibility as a protector of user* safety and health.

*User: Includes both customer companies and end-user consumers.

More details on the Basic Stance on Product Safety Management and the Basic Guidelines on Product Safety Management >

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

TOPPAN's Total Quality Assurance in Business Activities




Promotion Framework

Promotion framework System

Business divisions across the Group have established ISO-9001-compliant quality management systems (QMS) to sustain product safety management. They strive to constantly improve their QMS to assure the quality of their products.

The Quality Assurance Center in the Manufacturing Management Division holds annual seminars on ISO 9001 for business division personnel and annual training sessions to develop internal auditors, to improve the effectiveness of QMS operated throughout the Group.

 More details on our ISO 9001 accreditation and certification (in Japanese) >

<https://www.holdings.toppan.com/ja/about-us/our-corporate-approach/iso/iso9001.html>

The quality assurance department in each business division handles customer complaints and claims regarding our products. When a serious product-related incident occurs, we set up an emergency taskforce in line with our rules on risk management to rapidly and properly handle the issue, giving the top priority to user safety. We have also formulated rules on corrective actions for claims from customers in accordance with ISO 9001. Based on these rules, the quality assurance departments determine fundamental causes, take optimal countermeasures, and prevent recurrence through the standardization of corrective actions.

The Quality Assurance Center compiles monthly data on customer claims and cases of product quality loss from business divisions across the Group and monitors the progress of improvement activities. For serious product-related incidents, the center checks the validity of recurrence-prevention measures and the status of efforts to sustain those measures. We have also adopted a production approval system to accredit TOPPAN sites

and partner companies as entities qualified to engage in the manufacture of food containers/packages and healthcare products according to the exacting quality-assurance levels required for safety and sanitation.

Activity Results

Activity results, performance data

Enhancing Quality Management Systems

We have established the Basic Stance on Product Safety Management and the Basic Guidelines on Product Safety Management to assure safety management for the products we manufacture.

All Group sites work to continuously improve the effectiveness of the quality management systems (QMS) they have formulated under ISO 9001 to sustain product safety management. Training seminars to develop QMS internal auditors are held at every business division across the Group.

In fiscal 2022, a total of 265 seminar participants learned how to effectively use internal audits to detect potential defects in a QMS. The Quality Assurance Center assesses the effectiveness of the QMS at each Group site and provides guidance to shore up the weaknesses identified in their QMS processes.

Quality management assessments were held at 43 sites within the Group in fiscal 2022.

Accreditation System for Food Packaging and Healthcare Products

Food packaging requires exacting quality assurance for safety and sanitation. We have adopted a production approval system to ensure that the production sites of TOPPAN and business

partners can manufacture containers and packages only after undergoing audits with checklists in conformance with the Quality Assurance Guidelines for Food Packaging. Accreditation audits for packaging operations were carried out at 13 sites inside and outside of the Group in fiscal 2022. The accreditation system for approving production via audits has also been applied to the healthcare business. Accreditation audits were conducted at nine sites inside and outside of the Group in fiscal 2022.

Audits for Food Filling / Packing and Healthcare Businesses

Audit Points

- Agreements with client companies
- Quality assurance systems
- Design of products and services
- Management of equipment and inspection devices
- Management of safety and sanitation
- Steps to prevent the admixture of different products
- Steps to safeguard against insect infestations
- Steps to prevent the admixture of foreign substances
- Steps to prevent the outflow of defective products
- Steps to prevent contamination
- Traceability
- Food defense
- Education and training
- Maintenance of systems and frameworks for product safety and quality

Operational Sites Audited

Tier 1 food filling/packing businesses

- 5 sites run by manufacturing subsidiaries
- 8 sites run by production business partners

Healthcare businesses

- 5 sites run by manufacturing subsidiaries
- 4 sites run by production business partners

Engagement

Basic Approach

Approach

The TOPPAN Group assigns great value to the appropriate disclosure of corporate information to promote stakeholder engagement. We are communicating our views, listening to stakeholder opinions, and engaging in earnest dialogues to reach a mutual understanding with stakeholders. These communication practices enable us to follow the shifting demands of society and incorporate the diverse expectations and needs of stakeholders in the planning of our corporate activities. Through this approach, we would like to maintain our present status as a group of companies that upholds the trust of society.

We are also committed to enhancing relationships with overseas stakeholders through rapidly globalizing operations that provide various solutions to social issues around the world. We will bolster Groupwide initiatives to upgrade stakeholder engagement with careful attention to legal compliance and diverse cultures in the countries and regions where we do business. We will help achieve a sustainable society by building, maintaining, and enhancing cooperative relationships with stakeholders of all kinds.

Activity Results

Activity results, performance data

Communicating with Customers

From our very first day in business, we have been working to

secure the trust and satisfaction of customers by developing and providing excellent products and services that meet the requirements of customers. We are improving product quality and securing product safety throughout the entire supply chain by conducting “total quality assurance” activities that cover all of our business processes.

We are also improving, upgrading, and developing products and services by promptly identifying the diverse and sophisticated needs of customers. To renovate products and services, we keep constant track of customer satisfaction and harness customer feedback. Our CS surveys comprehensively assess the quality of our products and services by checking operations from technological development to sales promotion across the Group. The survey results are delivered to the responsible departments and used to refine product quality towards improved service provision and enhanced customer satisfaction.

Customer Satisfaction (Secure Media)

(Total of “satisfied” and “somewhat satisfied”)



*The survey items are rated on a 5-point evaluation scale: “satisfied,” “somewhat satisfied,” “neutral,” “somewhat dissatisfied,” and “dissatisfied.”

Boosting Mutual Trust with Business Partners

We are continuously enhancing communication with suppliers and subcontractors (“business partners”) in the conviction that cooperative and trusting relationships are critical for the promotion of sustainable procurement.

The TOPPAN Group Sustainable Procurement Guidelines, revised in January 2022, have been shared throughout the supply chain. In a cycle of guideline-compliant transactions, performance audits, and practice improvements, we engage in ongoing dialogues with business partners to deepen mutual understanding. Our Supplier Hotline is open for use by all partners. The hotline strengthens our efforts to enhance transparency and fairness in transactions and boost relationships of trust. We also ask partners to fill out questionnaires to monitor whether our procurement departments operate properly in accordance with the Basic Procurement Policy under the TOPPAN Group Sustainable Procurement Guidelines (see page 71).

The Declaration of Partnership Building, issued in September 2022, clarifies priority themes for solidifying cooperation and co-prosperity with our partners and cultivating partnerships based on good business practices.

[More details on the Declaration of Partnership Building \(in Japanese\)](#) >

<https://www.holdings.toppan.com/assets/ja/pdf/our-corporate-approach/toppan's-partnership.pdf>

Labor-Management Approach to “Respect for Human Beings”

We understand how deeply we depend on our human assets. The working environments we have been developing are designed to help employees accomplish their tasks vigorously, earnestly, and with strong motivation. We organize various site-based initiatives primarily for employee health and job satisfaction through collaborations with the labor union, the health insurance union, and other related organizations. In-house club activities and various events such as health awareness campaigns and labor-management recreation events have been held to facilitate communication and build a sense of unity throughout the Group.



Club activity



Health awareness campaign

Surveying Employee Engagement

We have selected “employee health & job satisfaction” as a Materiality theme to drive our growth as a creator of social value, the goal of our sustainability management.

We see increased employee engagement as a key underpinning for achieving our management strategy. The integrated strengths of the Group will be further improved when employees find their work rewarding, feel fulfilled, and work proactively.

We launched an annual employee engagement survey in fiscal 2021. The fiscal 2022 survey analyzed the responses of 21,074 employees at Toppan Inc. and 23 Group companies to assess the expectation-perception gaps in their experiences working within their organizations (16 areas surveyed; see the

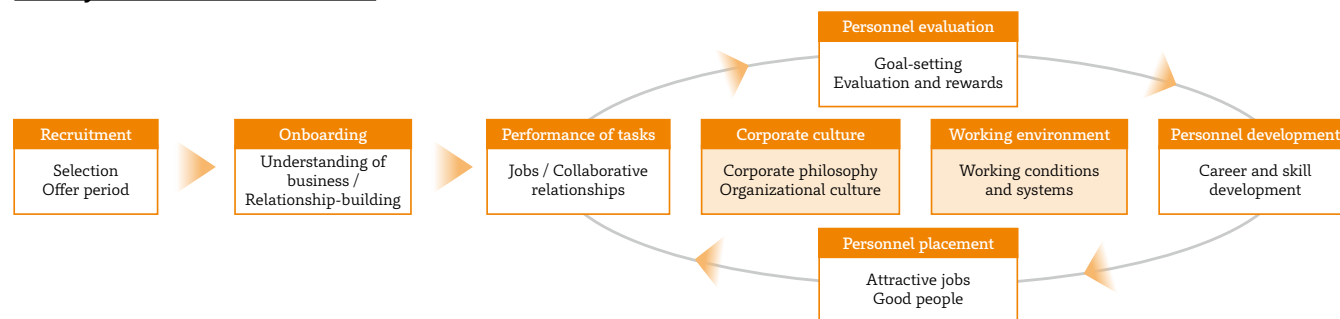
diagram below). The surveys will identify factors that enhance or hinder employee engagement, in order to deliberate and implement measures that will reliably enhance employee engagement and to verify the effectiveness of those measures.

Senior management and section managers act together to solve organizational issues based on the feedback from employees revealed through the survey.

Engagement Survey Summary for Fiscal 2022

Employees Covered	21,074 employees, from Toppan Inc. and 23 Group companies
No. of Respondents (RR)	19,511 (92.6%)
Dates	From January 16 to February 20, 2023
Total No. of Questions	Performance of tasks, personnel evaluation, personnel development, personnel placement, working environment, corporate culture 108 questions in 12 areas under 6 themes *4 areas under 2 themes (“recruitment” and “onboarding”) were added for the fiscal 2022 hires, bringing the total up to 133 questions.
Aggregated Index (EX score)	TOPPAN Group: 70.6 (0.8 pt. increase compared with fiscal 2021) Medium-term target for fiscal 2025 under the Medium Term Plan: Increase in the engagement score by 5 pt. compared with fiscal 2021 *Reference index: Japanese manufacturing industry average of 69.9 *This index is a metric for assessing organizational conditions. The value is higher when expectations and perceptions are both high and the gap between them is small. (With EXintelligence service from HRBrain, Inc.)

Survey Overview and Themes



TOPPAN eSports Festival 2021

In January 2021, we held the first TOPPAN eSports Festival, an online labor-management event organized as a substitute for the traditional non-virtual sporting events we have held previously.

All 50,000 Group employees and their families were welcome to participate from around the world. Teams placing first in preliminary rounds came together to show off their skills in eSports competitions. Side events such as an art workshop and quiz contest held in tandem online allowed a wider range of participants to join in.

The next event will be held in 2024.



Communicating with Shareholders and Investors

We value long-term relationships of trust with shareholders and investors and provide corporate information as a basis for investment decisions in a timely, fair, and constant manner. Our voluntary disclosures exceeding institutional requirements bring a clear picture to investors and promote deeper understanding of our business operations.

We also engage in dialogues with investors (through some 200 interviews every year) and brief financial analysts and institutional investors in quarterly earnings calls. We consent to requests for individual interviews, participate in numerous conferences sponsored by securities firms, and meet with institutional investors to explain our performance and strategies and glean how the market views us. We also discuss ESG matters with investors to further cultivate mutual understanding and reflect their comments and views into TOPPAN's management.

Through a cycle of disclosure, dialogue, and feedback to management, we pursue the sustainable growth of the Group and the medium-to-long-term enhancement of our corporate value.

Stakeholder Engagement

Stakeholder Engagement: Themes and Activities

Customers

Developing and supplying safe, secure products and services

- Maintaining and improving the quality of products and services under the guidance of Japan-wide conferences of quality assurance departments
- Protecting personal information through strict information security management
- Offering universal design (UD) products and services; supporting client companies in their work to improve the design of their products and services from UD perspectives
- Delivering value to the everyday lives of consumers with our online services; continuously improving the services

Creating opportunities to sound out opinions on products and services

- Performing day-to-day sales activities
- Inviting customers to spaces where our products are displayed and seminars
- Holding and participating in exhibitions

Nurturing collaborative innovation to create social value

- Engaging in industry-academia-government pilot projects, etc.
- Running open innovation programs
- Advocating digital transformation using the Erhoht-X™ service
- Offering environmentally friendly products and services
- Operating PLAZA21, a showroom for presenting examples of social value creation based on printing technology
- Operating NIPPON GALLERY TABIDO MARUNOUCHI, a tourism-themed space for the collaborative revitalization of regions throughout Japan as major travel destinations
- Operating "L·IF·E," a showroom that inspires visions of fulfilling lifestyles in the future
- Operating WAO, a co-working space for supporting open innovation

Business Partners*

Promoting sustainable procurement

- Cooperating with business partners based on the TOPPAN Group Sustainable Procurement Guidelines
- Setting up the Supplier Hotline as a portal for receiving reports from business partners
- Assessing human rights risks
- Controlling chemical components of products
- Arranging self-assessment questionnaires and holding workshops on business continuity planning for business partners
- Verifying the legality of lumber as a paper material

Providing fair and equal business opportunities

- Concluding basic sale & purchase agreements with business partners
- Asking business partners to fill out questionnaires to evaluate their transactions with our procurement personnel

Employees

Supporting the empowerment of diverse human assets

- Formulating a policy to promote diversity and inclusion in the workplace; obtaining commitments from top management
- Implementing programs to pursue diversity management, raise awareness of unconscious biases, etc.
- Designing various working arrangements for flexible working styles
- Operating systems for in-house staff recruitment and employee self-determination on the career path

Sharing wide-ranging information within the Group

- Sending out executive messages
- Issuing the *CONVEX, CONVEX Online*, and *CONVEX International* (in-house newsletters)
- Surveying employees on wide-ranging topics
- Convening a TOPPAN Group Human Resource Development Committee and sharing personnel development information across the Group

Facilitating labor-management partnership

- Convening Group- and site-based business councils
- Convening special committees to discuss pertinent issues of the day
- Holding labor-management events
- Holding labor-management committees for enhanced job satisfaction

Providing information on occupational safety and health; implementing measures for mental healthcare

- Developing safety promotion systems (e.g., building an information-sharing network linking Group sites throughout the world; standardizing safety measures)
- Operating *Anzen Dojo* safety training facilities; delivering and sharing information on *dojo* initiatives (e.g., conducting *dojo* tours with hazard simulators at domestic and overseas sites; organizing safety training; posting regular newsletters on safety; etc.)
- Offering the 3D Stress Check & Support service
- Setting up counseling services
- Arranging a program to determine when employees on mental healthcare leave can return to work, as a safeguard to prevent the recurrence of mental illnesses

Addressing human rights issues

- Setting up the TOPPAN Group Helpline
- Assessing human rights risks

Shareholders and Investors

Disclosing information on our financial position; briefing shareholders and investors on our business activities and plans

- Holding shareholder meetings
- Briefing shareholders and investors on financial results
- Arranging meetings and briefings for institutional investors on financial performance
- Issuing the *Integrated Reports* and *TOPPAN Story* newsletters
- Posting IR information on the TOPPAN corporate website
- Answering questionnaires from environmental, social, and governance rating agencies
- Holding TOPPAN IR-Day

Communities

Sounding out opinions and requests

- Setting up a portal for receiving and handling inquiries

Supporting the arts and culture

- Operating the Printing Museum, Tokyo
- Operating Toppan Hall
- Holding the Graphic Trial exhibitions

Conserving community environments

- Regularly beautifying and cleaning up the surroundings of operational sites
- Organizing events to learn about biodiversity

Popularizing para-sports

- Organizing hands-on para-sports events; delivering para-sports information via our *SPORTRAIT* website (in Japanese)

Communicating with the community

- Holding plant tours
- Welcoming community members to in-house events

Collaborating with NGOs and NPOs

- Holding the *TOPPAN Charity Concert* series to support literacy improvement
- Organizing the Kanosei Art Project to support persons with disabilities
- Organizing the "Mirai Ne! (for a better-tomorrow)" projects to support SDG education

National and Local Governments

Preparing for disasters

- Participating in anti-disaster and fire-safety campaigns in the community

Stimulating communities

- Supporting governments through business operations
- Participating in community festivals and events

Supplying information for solving social issues and promoting public policies

- Holding lectures, etc. on the environment and community design
- Answering questionnaires and surveys carried out by governments (e.g., government statistics)
- Organizing and participating in events to present our technologies, etc. to public offices and municipalities

*Suppliers and subcontractors

Social Contribution Activities


Basic Approach

Approach

“Breathing life into culture, with technology and heart,” the “Purpose” under the Group philosophy, avows our commitment to supporting society and people’s lives through business. The TOPPAN Group addresses social issues through extensive engagement with the greater community by delivering wide-ranging goods and services.

Recognizing the strong links between our business and society, we work to fulfill our responsibilities as a good corporate citizen and foster mutual understanding through interaction and dialogues with local communities. We believe that the building of relationships of trust and mutual growth with communities are essential for a sustainable society.

Our community involvement has been strengthened through social contribution activities across the entire global Group. We support donations, the arts and culture, and education and participate in diverse initiatives such as environmental conservation and volunteer activities that address the needs of communities.

 [More details on the Conduct Guidelines >](#)

<https://www.holdings.toppa.com/en/group/conduct-guidelines.html>

Activity Policy

Policy

Activity Policy

1. To focus on global and local social issues and engage in activities that contribute to the achievement of the SDGs, which are worldwide goals for sustainability.
2. To engage in activities to protect the global environment, communicate information, foster culture, and “breathe life into culture.”
3. To proactively support the social contribution activities of employees.
4. To make effective use of the TOPPAN Group’s management resources.

Activity Guidelines

Activities should:

1. be implementable on a continuous basis;
2. generate public benefit;
3. be voluntarily selected;
4. have an association with the TOPPAN Group’s business;
5. be something that employees support;
6. not be motivated by an intent to advertise or promote; and
7. be undertaken with a consciousness of objectives and outcomes.

Activity Themes

1. The Environment: Conservation and nurturing of community environments
 - 1) Holding events on environmental conservation, biodiversity, etc.
 - 2) Organizing beautification and cleanup activities around plants and operational sites
 - 3) Holding meetings with community members to report environmental initiatives
 - 4) Teaching environmental classes at neighboring schools, etc.
2. Education: Initiatives sustained by the TOPPAN Group’s resources
 - 1) Holding offsite classes for schools
 - 2) Holding plant tours for children and students
 - 3) Organizing SDG-related programs, workshops, etc.
 - 4) Holding practical training and work experience sessions for students
 - 5) Arranging educational programs to improve literacy, reading comprehension, and creative skills
3. Culture: Sports promotion and support for the arts and culture for the community
 - 1) Supporting the arts and culture
 - 2) Promoting printing culture
 - 3) Promoting borderless art and para-sports
 - 4) Participating in, cooperating with, and cosponsoring community festivals, sports and other events, etc.
4. Community: Initiatives conducted with community groups, NPOs, NGOs, etc.
 - 1) Donating cash, books, goods, etc. to various institutions and organizations (hospitals, schools, facilities for the elderly, etc.)
 - 2) Holding events and providing scholarships to support people

- with disabilities
- 3) Participating in and cooperating with anti-disaster and fire-safety campaigns in the community
- 4) Participating in and cooperating with safety promotion activities and traffic safety campaigns in the community
- 5) Participating in and cooperating with beautification and cleanup activities organized by the community
- 6) Opening site premises and facilities and providing water resources, etc. to community members
- 7) Organizing blood donation drives

1. The Environment: Conservation and Nurturing of Community Environments

Activity results, performance data

Biodiversity-learning Events

We collaborate with community groups and environmental NPOs to organize nature workshops and other events where people can learn about biodiversity.

We have refrained from holding our nature workshops in person, however, since the breakout of the COVID-19 pandemic in early 2020. As an alternative, one biodiversity-learning workshop was arranged online to discover the secrets of familiar creatures in fiscal 2022.

In March 2023 we also provided support for a pre-inaugural event held in advance of the opening of the Umi-no-Mori Park, as a member of the Tokyo Sea Forest Club led by the Bureau of Port and Harbor, Tokyo Metropolitan Government. TOPPAN personnel assisted with event operations and handed out paper files made by T.M.G. Challenged Plus Toppan Co., Ltd. to event hosts and participants. Employees, employee families, and growing numbers of stakeholders are taking part in these online

and in-person events to explore biodiversity in native and non-native ecosystems. We expect our nature events to motivate participants to conserve the environment in their communities.

Activities in Fiscal 2022

- Online biodiversity-learning workshop—“Secrets of familiar creatures. Ask anything!”

Date: September 25, 2022

Participants: 20 people from 17 employee families

Collaborator: Ecosystem Conservation Society–Saitama, Japan

Nature experts from the Ecosystem Conservation Society–Saitama named and introduced the creatures (insects, plants, animals,



etc.) shown in 17 photographs posted online in advance by Group employees and their families. Participants sent in questions to learn more about diversity. For example:

- “The fish I’m feeding is supposed to be a killifish but looks like something else. How can I tell?”
- “I found this grasshopper in a plant. What’s this type called?”
- “We found this grasshopper on our doorstep. My kids and I disagree on what type of grasshopper it is. Can you identify the subspecies?”

- TMG Umi-no-Mori Park pre-opening event

Dates: March 4 - 26, 2023 (9 days on Sat., Sun. and holidays)

Collaborators: Environmental NPO “SHU” and member companies of the Tokyo Sea Forest Club

As a member of the Tokyo Sea Forest Club, we have been supporting a tree-planting project initiated by the club to transform a former landfill site in the Tokyo Bay

into a beautiful forest on the sea. Visitors to the nine-day pre-inaugural event took part in various hands-on activities to learn about the Sea Forest initiative and the environment and history of the Umi-no-Mori Park. A total of 3,168 visitors came to the park.



Environmental Improvement around Group Sites

Employees at operational sites across Japan regularly clean up the communities around them.



Sendai Plant



Asaka Plant



Honjo Site



TOPPAN Technical Research Institute



Mikkabi Plant



Matsusaka Plant



Takino Plant



Kameyama Plant



Tamana Plant



Saga Plant



Kumamoto Plant

2. Education: Initiatives Sustained by TOPPAN Resources

Activity results, performance data

“Mirai Ne!” for a Good Future for Everyone

We have been organizing “Mirai Ne! (for a better tomorrow),” a series of projects to motivate people to think about things that will be good for the future. Mirai Ne! develops learning and hands-on programs by linking companies with educational sites to introduce various corporate sustainability initiatives in fun ways.

We have been co-creating diverse Mirai Ne! arenas hand in hand with government offices and businesses across Japan. The Mirai Ne! projects include collaborative fairs at commercial facilities for consumers, onsite classes at schools, and the hosting of a YouTube channel (owned media) as a learning window to the public.



Activities in Fiscal 2022

● “Mirai Ne! Channel” on YouTube

A channel to inspire a sustainable future in people, from children to the elderly. Teaming up with companies to co-create initiatives for a better tomorrow.



“Mirai Ne! Meeting #1”: Talk & seminar with corporate managers and university students

In cooperation with: Kokuyo Co., Ltd. and The Japan Research Institute, Limited



“Carbon Neutral Classroom #1: What's carbon neutral?”

In cooperation with: Atsugi City, Kanagawa Prefecture, Japan and The Japan Research Institute, Limited



Local brand showroom: “Mirai Ne! Jobs”

In cooperation with: Kansai Bureau of Economy, Trade and Industry of Japan

● “Mirai Ne! Fair” for SDGs & foods

A collaborative SDG- & food-focused market held at Kitchen & Market LUCUA OSAKA. The Mirai Ne! mascot performed fun demos to introduce fair-goers to sustainable products and initiatives from participating companies.



In cooperation with: Izumiya & Hankyu Oasis Co., Ltd.

TOPPAN Charity Concerts

We have been holding our annual *TOPPAN Charity Concert* series since 2008 as a social engagement activity that supports global community initiatives to raise literacy rates in developing countries. In 2022, we organized the 14th *TOPPAN Charity Concert*. The ticket revenue from the concerts has been donated to the Asia-Pacific Cultural Centre for UNESCO (ACCU) to fund SMILE Asia, a project that supports literacy education for Cambodian women, especially mothers who are raising young children or have children on the way. We aim to grow the total amount donated from 31,908,088 yen (total as of fiscal 2022) to 35 million yen by fiscal 2025.



More details on the *TOPPAN Charity Concerts* (in Japanese) >

<https://www.holdings.toppa.com/ja/sustainability/charityconcert/>

Activities in Fiscal 2022

● 14th *TOPPAN Charity Concert*

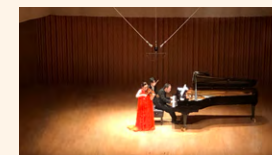
Date: Nov 22, 2022

Venue: Toppan Hall

Performers: Teiko Maehashi (violin)

Kazumasa Matsumoto (piano)

Donation: 2,216,337 yen



3. Culture: Sports Promotion and Support for the Arts and Culture for the Community

Activity results, performance data

Printing Museum, Tokyo

The Printing Museum, Tokyo was established in 2000 to mark the 100th anniversary of the founding of TOPPAN. Over the last two decades, the museum has collected and researched materials related to printing culture, held exhibitions and events focused on printing, and organized a host of educational activities (such as classes and lectures on “printing culture studies”). Workshop instructors at the Printing House introduce visitors to the traditional craft of letterpress printing and get them to explore printing culture. The museum revamped its basement floor Exhibition Room and several other museum facilities in 2020, its 20th anniversary year.



Signing an MOU with the Gutenberg Museum (Mainz, Germany)



Printing Museum, Tokyo >

<https://www.printing-museum.org/en/>

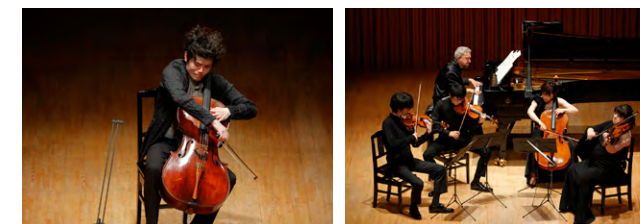
Activities in Fiscal 2022

- **Temporary exhibitions**
 - MAP and PRINTING
 - Graphic Trial 2022—Change
 - Exhibition on Books: Learn about paper books more closely and deeply
 - Modern Japan Package 2022
 - World Book Design 2021-22
- **Classes, lectures, workshops, etc. across Japan**
 - Offsite class at Shizuoka University of Art and Culture
 - Practical training on museum operation at Meiji University
 - Online and face-to-face classes at Kanatomi Elementary School, Bunkyo, Tokyo
 - Work-study program at Hongodai Junior High School, Bunkyo
 - Lecture and workshop at the “Orb: On the Movements of the Earth” exhibition held at the TeNQ Space Museum in Tokyo Dome City
 - The 3rd conference on printing culture studies “Life and printmaking: Enduring Japanese traditions in Nagasaki, Toyama, and Tochigi prefectures” (held online and in person)
 - A cooperative program conducted with the National Institutes for the Humanities of Japan to develop liberal arts communicators
- **Four activities under a comprehensive collaborative agreement concluded with Jissen Women's University, Japan**
- **Mainzer Impuls, a joint project with the Gutenberg Museum to register the art of letterpress printing as a UNESCO Memory of the World**
- **An MOU signed for cooperation with the Gutenberg Museum**

Toppan Hall

Toppan Hall is a symphonic concert venue that opened concurrently with the Printing Museum, Tokyo in 2000 to commemorate the 100th anniversary of our founding. The concerts held at the hall promote the arts and culture under the Group philosophy of “Breathing life into culture, with technology and heart.” The Suntory Foundation for the Arts bestowed Toppan Hall with the 47th Suntory Music Award in 2016 to commend its seminal programs, mainly recitals organized by Toppan Hall itself as an outstanding contributor to the development of musical culture in Japan. The performances at the hall have also attracted notice throughout Europe and influenced the European chamber music scene.

With the gradual easing of COVID-19 restrictions in fiscal 2022, the hall held performances at nearly its former pace. Music-loving audiences came throughout the year to hear outstanding performances by top artists from abroad and young Japanese musicians who honed their skills during the COVID-19 period.



TOPPAN HALL

Toppan Hall >

<https://www.toppanhall.com/en/>

Activities in Fiscal 2022

- 2021/2022 season performances

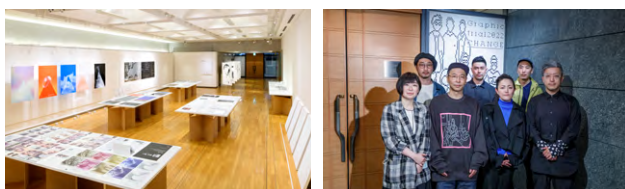
<https://www.toppanhall.com/en/concert/lineup/2122.html>

- 2022/2023 season performances

<https://www.toppanhall.com/en/concert/lineup/2223.html>

Graphic Trial

We promote printing culture and support graphic designers through Graphic Trial, an exhibition that explores relationships between graphic design and the art of printing in search of new forms of expression. Artists at the forefront of graphic design experiment with different offset-printing techniques every year to create posters for the exhibition. Graphic Trial is held at the multipurpose P&P Gallery in the Printing Museum, Tokyo.



More details on the Graphic Trial (in Japanese) >

<https://www.toppan.com/ja/joho/gainfo/graphictrial/brand/>

Activities in Fiscal 2022

- Graphic Trial 2022 “Change”—Exploring the Possibilities of Graphic Design through Offset Printing

Dates: April 23 - July 24, 2022

Artists:

Koji Iyama (art director, graphic designer at iyamadesign inc.)

Goo Choki Par (design unit)

Aya Kodama (art director, designer at BULLET Inc.)

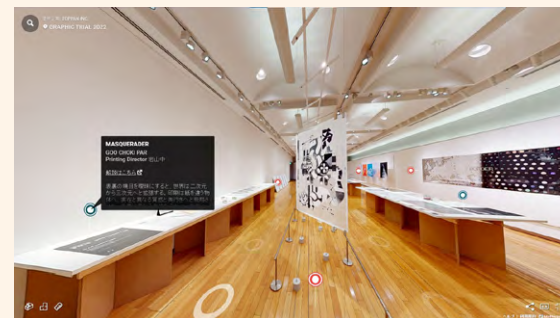
Ryoji Tanaka (web designer at Semitransparent Design)

Yuko Masunaga (security designer at Toppan Inc.)

Related site

<https://www.printing-museum.org/en/collection/exhibition/g20220423.php>

As a safeguard against the spread of infectious disease, we also organized an online exhibition of all of the posters shown at the physical P&P Gallery exhibition. The audio guide narrator was Kaoru Kasai, a creator who presented work at the 2019 exhibition.



Central Contest for Book Report Drawings

We continue to work with the Japan School Library Association and The Mainichi Newspapers Co., Ltd. as a cosponsor of the Central Contest for Book Report Drawings, an annual contest that cultivates the reading and creative skills of children by encouraging them to express their impressions of books by drawing. Apart from cosponsoring, we have been organizing various support activities such as student tours of the Printing Museum, Tokyo. In another program, prize-winning students have been presented with replicas of famous Japanese-style paintings produced with TOPPAN printing technology.

Activities in Fiscal 2022

- 34th Central Contest for Book Report Drawings

Areas: 38 prefectures around Japan (excluding Yamaguchi Prefecture and the 8 prefectures of the Kyushu region)

Pictures: 672,567 entries from 6,138 schools

Related site (in Japanese)

<http://www.dokusyokansoubun.jp/kansouga/>



Kanosei Art Project

We have been collaborating with the Support Center DREAM and the Borderless Art Organisation as co-organizers of the Kanosei Art Project (*kanosei* means “potential” in Japanese) since 2018. The project seeks to add value to the works of borderless artists and to develop a model that supports both business and the independence of persons with disabilities. The next generation of leaders is expected to emerge in the process.

Borderless artworks are now converted into high-definition image data using our original processing technology. Digital artworks are exhibited and sold to the public as Primagraphy® works and used for the development of sales promotion tools and other items for businesses. Copyright royalties from Primagraphy works have been returned to the borderless artists and the organizations that support them.

Activities in Fiscal 2022

We held our first exhibition in a metaverse gallery, in tandem with online exhibitions featuring framed Primagraphy works and VR experiences. The metaverse exhibition is an innovative style of museum that links visitors to true-to-life avatars who can freely move about the room and chat. We applied the metaverse gallery to new employee training in order to facilitate communication among participants. Commercial usage of borderless artworks has also been diversified. Companies have picked up the works to produce novelty goods and decorate temporary fencing at construction sites. Cumulative royalties from the borderless artworks totaled approximately 9.3 million yen as of March 31, 2023.

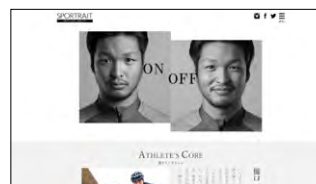
The Kanosei Art Project received the Grand Mécénat Award, the highest recognition of corporate activities for supporting the arts and culture, at the Japan Mécénat Awards 2022 sponsored by the Association for Corporate Support of the Arts of Japan.



Para-Sports Popularization

We promote para-sports as a supporter of the Japanese Para-Sports Association (JPSA). An employee athlete program*, for example, has been introduced at Toppan Inc. to hire and support para-sports athletes and other sporting specialists. We also provide para-sports information through our *SPORTTRAIT* website and hold hands-on para-sports events for Group employees across Japan.

*Employee athlete program: Established in 2014 as a mechanism for promoting sports and supporting employee athletes who participate in international tournaments and competitions. Toppan Inc. currently employs five athletes (including two para-sports athletes).



Our para-sports information website *SPORTTRAIT* (in Japanese) >

<https://sporttrait-web.com/>

Activities in Fiscal 2022

- Employee para-athlete Takashi Sanada organized a clinic for wheelchair tennis

Takashi Sanada, a wheelchair tennis player at Toppan Inc., led efforts to organize a clinic specialized in

fostering the next generation of para-athletes. Sanada and six Japanese professional players who hold top global rankings in wheelchair tennis came to the clinic to coach. Participants received direct guidance and advice from the iconic players in the clinic while TOPPAN employees provided operational support. We are eager to see professional players emerge from our clinic in the future.



“This is MECENAT 2023” Certification

Toppan Inc. has been certified as a “This is MECENAT* 2023” contributor and granted the Mécénat Mark (shown below), in recognition of the following efforts. The Association for Corporate Support of the Arts of Japan commends outstanding activities (for supporting the arts and culture to enrich society) undertaken by corporations and corporate foundations in Japan.

- Educational activities at the Printing Museum, Tokyo
- Graphic Trial 2023 “Feel” exhibition
- *TOPPAN Charity Concert* series
- Kanosei Art Project



*A movement founded in 2014 to highlight diverse corporate support for the arts and culture and demonstrate the social significance and presence of the arts and culture across Japan.

4. Community: Initiatives Conducted with Community Groups, NPOs, NGOs, etc. (Community Contribution Activities in Japan)

Activity results, performance data

Community Cleanups around Group Sites

We cooperate with community members and various organizations in activities to beautify and clean up local public spaces such as beaches, riversides, and parks.



Ocean cleanup campaign in Hokkaido (Sapporo Plant)



Cleanup activity in Shiga (Shiga Plant)



Project to plant flowers along the Arakawa River (Sakado Plant)



Preservation of the *katakuri* (fawn lily) community in Kami-akashio, Nagano (DX Design Division)

Traffic Safety Campaigns

We participate in various traffic safety campaigns in the community. Group site members pitch in as road and crossing guards for pedestrians and cyclists, and we provide guidance on traffic rules and etiquette.



Kumamoto Plant

Blood Donation Drives across the Group

Blood donation drives are held at Group sites in collaboration with Red Cross blood centers.



Sapporo Plant



Kumamoto Plant



Takamatsu Plant

Onsite Classes and Exhibitions at Neighboring Schools

We hold onsite classes and exhibitions at neighboring schools to give students an overview of our businesses and the products and services we offer.



Kochi Technical High School, Kochi (Kochi Plant)



Ohnodaichuo Elementary School, Sagamihara, Kanagawa (Sagamihara Plant)

Occupational Safety Campaign for Neighboring Companies

We arrange hands-on *Anzen Dojo* safety programs for neighboring companies as part of our occupational safety campaign.



Takino Plant

System Development Base under Community Partnership

We opened ICT KÔBÔ™ HAKODATE on May 2023 in Hokkaido Prefecture, based on a comprehensive partnership agreement on collaborative community planning with Hakodate City. The studio functions as a base for our system development departments.



ICT KÔBÔ™ HAKODATE in Hokkaido (DX Design Division)

Site Facilities and Stockpiles for the Community

Group sites open their tennis courts and parking areas, distribute emergency stockpiles of food, and arrange other disaster relief for the members of their communities.



Garden court opened to the community (Sagamihara Plant)

Cooperation with Community Events

Group employees participate in and cooperate with festivals and various other events in the community.

Internship Programs for Local Students

We are accepting young interns from local high schools to encourage students to understand their own vocational aptitudes and shape their views of work.

Major Community Contribution Activities at Overseas Sites (Fiscal 2022) (Relevant country or region in brackets)

Activity results, performance data

Siam Toppan Packaging Co., Ltd. (Thailand)

Scholarships for Outstanding Students

Awarded scholarships to 10 outstanding students with financial challenges to support their studies through an original scholarship program now in its eighth year.

The company also provided grants for students undergoing advanced vocational training programs and for people with disabilities.



Stretching Sessions for Employees

Invited Thai-style massage specialists from the Samut Prakan Institute of Commerce and Technology to hold hands-on stretching sessions. The sessions vitalized employees at work and kept them attuned to their own health conditions.



PT. Indonesia Toppan Printing (Indonesia)

Donation for Orphans

Donating eight million Indonesian Rupiah a year to Yayasan Al-Ikhlas, an orphanage in Tibitung, Bekasi Prefecture.



Donation for Eid al-Adha Festival

Donated ritual cows and goats to the community for the Eid al-Adha 2023 festival.



Toppan Speciality Films Private Limited (India)

Save Girl Child

Congratulated newborn girls and their mothers with silver ornaments, clothing, and toys to promote gender equality and discourage sex-selective abortions in society.



VIRSA Project

Participated in the VIRSA Project, an initiative to provide comprehensive educational support on culture at schools for low-income families in Punjab Province.



InterFlex Group (U.S.A.)

Charitable Organization Support

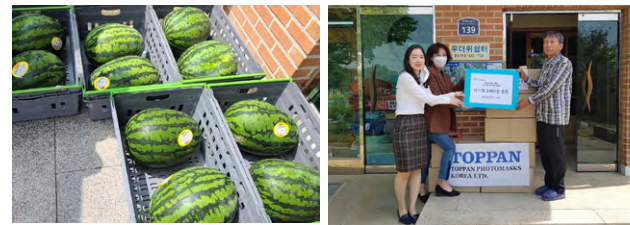
Supporting various organizations in North Carolina and Wisconsin, the two bases of the company operations in North America. InterFlex's charitable efforts include support for low-income families, sponsorship of a charity golf tournament for cerebral palsy research, and monetary donations to provide free dinners to the underprivileged. Employees also organize charity events such as the Toy Drive, Back to School Drive, and Food Drive.



Toppan Photomasks Korea Ltd. (Korea)

Sustained Ties with a Senior Center

The Icheon plant (Icheon City, Gyeonggi Province) has been interacting with the senior care center adjacent to the plant for more than nine years. Employees presented the seniors with facemasks and fruit baskets in the summer of 2022. Regular visits and ongoing support help maintain close ties with the greater community.



Discussing Community Contribution with the Mayor of Icheon City

Employees met with Icheon Mayor Kim Kyung-hee and city officials to discuss stable employment, business continuity, and other aspects of contributing to the community.



Toppan Chunghwa Electronics Co., Ltd. (Taiwan)

Regular Weed Removal

Removing weeds in and around the Taoyuan plant according to schedule, to prevent pest infestations and clogged drains.



Charity Sale at 25th-anniversary Event

As part of the company's 25th-anniversary event, employees took part in a large-scale charity sale held at the Hsinchu office by an organization supporting people with disabilities.





Environment

P. 95 Environmental Policy

P. 101 Environmental Management

P. 105 Contributing to Decarbonization

P. 110 Climate Change Disclosure According to TCFD Recommendations

P. 116 Biodiversity

P. 119 Building of a Recycling-oriented Society

P. 122 Control of Chemical Substances

P. 124 Pollution Control

P. 126 Environmental Data

Environmental Policy

Basic Approach

Approach Policy

With growing awareness of environmental conservation throughout the world in the 1990s, the scope of environmental issues to be tackled by businesses grew significantly. TOPPAN reorganized its structure for environmental conservation by establishing the Ecology Center in 1991 and formulating a Declaration on the Global Environment, a basic philosophy for environmental conservation activities, in 1992.

In April 2009 we revised this declaration into the TOPPAN Group Declaration on the Global Environment, an environmental action philosophy for the entire Group. The revised declaration reflects our commitment to realizing a sustainable society where all living things can coexist into the future.

The Annex to the TOPPAN Group Declaration on the Global Environment released in March 2022 presents requirements and recommendations for legal observance and decarbonization (approach to climate change), atmospheric pollution prevention, optimal water use, resource circulation, hazardous substance control, management of chemical substances in products, natural resources, and biodiversity. We are intensifying environmental activities based on this annex.

We are considering the entire lifecycle of products and services from production and transportation/distribution to end-of-life treatment. All entities and facilities in the value chain are covered, from suppliers, service providers, and contractors to other major business partners (e.g., licensees, joint venture partners, subcontracting partners, due diligence providers, and partners in M&A).

The TOPPAN Group Declaration on the Global Environment

As responsible members of international society, we who work within the TOPPAN Group strive to realize a sustainable society through forward looking corporate activities with consideration for the conservation of the global environment.

Basic Principles

1. We observe all laws, regulations and in-company rules relating to the environment.
2. For the future of the Earth, we strive for the effective utilization of limited resources and the reduction of all types of environmental burden.
3. With foresight, we promote the development and widespread use of products that show consideration for the environment, and contribute to the environmental activities of customers.
4. We engage in communication related to the environment with a wide range of peoples both inside and outside the company, and strive for mutual understanding.
5. We also take a proactive approach to environmental conservation in corporate activities in international society.

Formulated in April 1992

Revised in October 2023

 More details on the Annex to the TOPPAN Group Declaration on the Global Environment >

https://www.holdings.toppan.com/assets/en/pdf/sustainability/The_Toppa_Group_Declaration_on_the_Global_Environment_AnnexV1.pdf

Environmental Targets

Policy Activity results, performance data

TOPPAN Group Environmental Vision 2050

We have pledged our ongoing commitment to solving environmental issues throughout the supply chain in cooperation with the communities we work with around the world. To accelerate Group initiatives for a sustainable society that supports all forms of life in the global ecosystem of tomorrow, we have revised the TOPPAN Group Environmental Vision 2050 ("Vision 2050") by adding two themes: preserving biodiversity and aiming for net zero Scope 3 greenhouse gas emissions. Vision 2050 is a long-term policy established in 2021 to address global environmental issues.

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

In tandem with the updated Vision 2050, we have revised the TOPPAN Group Medium-and-Long-Term Environmental Targets for Fiscal 2030 ("fiscal 2030 goals"), a set of targets in alignment with the timeline set for the SDGs. Stricter reduction targets for Scope 1 & 2 and Scope 3 greenhouse gas (GHG) emissions have been set to meet the global 1.5°C goal. We have also tightened the reduction target for final landfill waste disposal and introduced new targets for preserving biodiversity and optimal water usage.

Updated Points in Vision 2050 and the Fiscal 2030 Goals

1. Contributing to Decarbonization

In Vision 2050 we pledge our commitment to achieving net zero Scope 3 GHG emissions, along with our original net zero target for Scope 1 & 2 emissions. The updated fiscal 2030 goals, meanwhile, include stricter reduction targets to keep Scope 1 & 2 and Scope 3 GHG emissions within the 1.5°C rise limit over the average temperature before the industrial revolution, as estimated from historical records. The boundary of reduction targets has been expanded to Group sites that were not covered when the fiscal 2030 goals were formulated in 2021.

2. Preserving Biodiversity

A new biodiversity preservation theme has been added to Vision 2050 to reinforce our commitment to pursuing nature-positive outcomes and creating a society that lives in symbiosis with nature. The fiscal 2030 goals include a raw material procurement target for paper production throughout the supply chain and a target for the conservation of symbiotic communities where people and nature thrive. Toppan Inc. has deepened its involvement in biodiversity preservation by becoming a qualified member of the 30by30 Alliance for Biodiversity, a platform launched by the Ministry of the Environment and a number of public, industrial, and private organizations in Japan.

3. Contributing to Resource Circulation

The fiscal 2030 goals include a revised reduction target for final landfill waste disposal in line with the expanded reduction target boundary.

4. Optimal Water Use

The fiscal 2030 goals introduce targets based on the results of water risk assessments at individual Group sites across the world. Water risks in the river basins around individual sites have been evaluated with Aqueduct* and other tools. These

evaluations, combined with onsite surveys conducted mainly by questionnaire, have allowed us to set reduction targets for water use at sites found to be subject to higher water risks.

*Aqueduct: A tool for evaluating water risks developed by the World Resources Institute (WRI)

TOPPAN Group Environmental Vision 2050

As a member of international society, the TOPPAN Group aims to enable “fulfilling, sustainable living” by contributing to decarbonization, preservation of biodiversity, resource circulation, and the optimal use of water through forward-looking activities with consideration for preservation of the global environment.

1. Contributing to Decarbonization

Aiming for net zero Scope 1 & 2 and Scope 3 greenhouse gas emissions.

2. Preserving Biodiversity

Aiming for a society that coexists in harmony with nature, balancing conservation with socioeconomic activity.

3. Contributing to Resource Circulation

Aiming for zero waste emissions.

4. Optimal Water Use

Contributing to achieving optimal water use and improving water quality by preventing pollution.

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

1. Contributing to Decarbonization

Reduce Scope 1 & 2 greenhouse gas emissions by 54.6% (by 847 kt-CO₂e) compared to the fiscal 2017 level (1,552 kt-CO₂e). (Renewable energy ratio of 6.5%)

Reduce Scope 3 greenhouse gas emissions by 54.6% (by 4,021 kt-CO₂e) compared to the fiscal 2017 level (7,365 kt-CO₂e).

2. Preserving Biodiversity

Confirm 100% legality 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, covering an area equivalent to 10% of the area of manufacturing sites.

3. Contributing to Resource Circulation

Reduce final landfill waste disposal by 60% (by 5,296 t) compared to the fiscal 2017 level (8,739 t).

Increase waste plastic material recycling rate by 12% (to 65%) compared to the fiscal 2017 level (53%).

4. Optimal Water Use

Achieve water withdrawal reduction targets for at least 50% of sites (4 out of 7 sites) with high water risk (water stress exceeding 40%).

Ensure no cases of action taken by authorities due to exceeding regulatory threshold values.

Transition Plan for Carbon Neutrality by 2050

Scope 1 & 2 Greenhouse Gas Emissions

By 2030, Scope 1 & 2 greenhouse gas (GHG) emissions will be reduced primarily through energy efficiency measures and the preferential adoption of low-carbon power and renewable energy sources.

From 2030, we will switch fuel sources and increase the use of decarbonized fuel.

By current estimates, approximately 10% of the GHG emissions resulting from our operations in fiscal 2017 will still

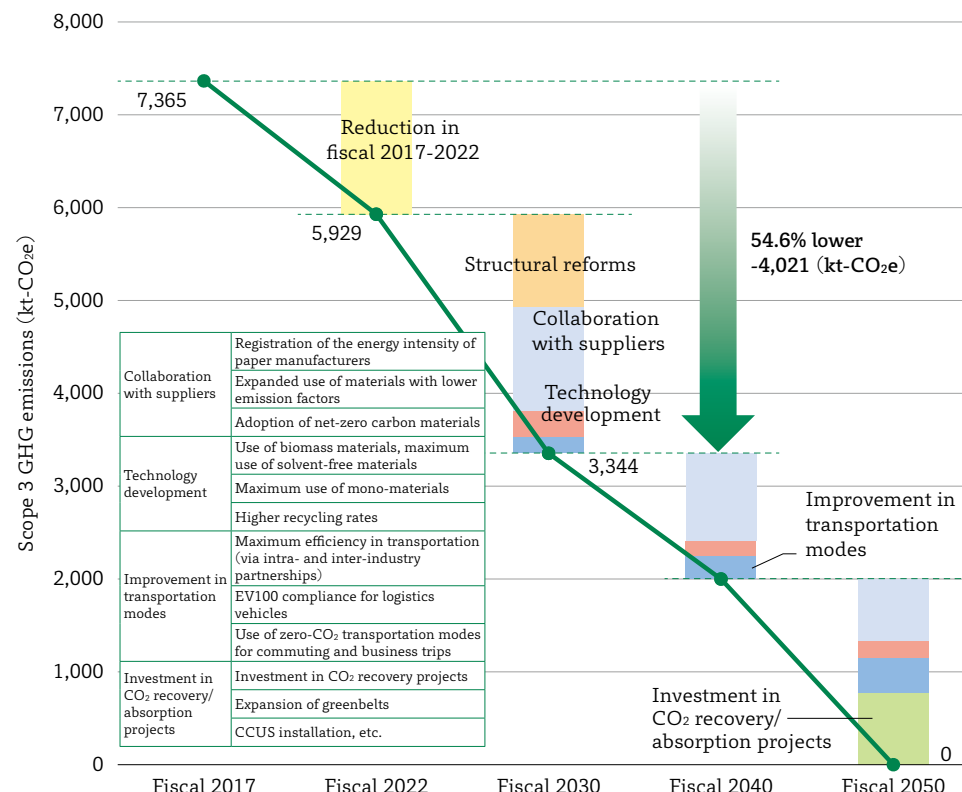
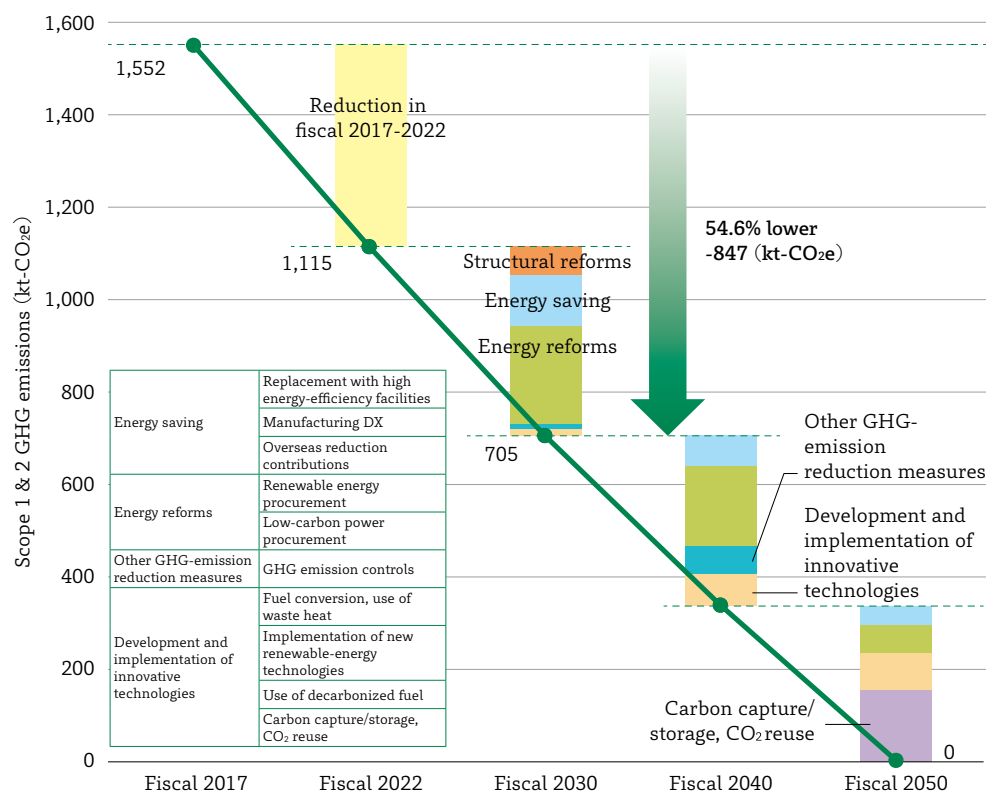
be emitted in 2050. These emissions will be absorbed using carbon capture/storage technologies, CO₂ reuse technologies, and other carbon neutrality measures deployed to achieve net zero emissions by 2050.

Scope 3 Greenhouse Gas Emissions

By 2030, we will further adopt low-carbon materials and switch from paper to digital data through the digital transformation (DX).

From 2030, we will adopt low-carbon logistics companies outside of the Group and shift from fossil fuels to electricity to power vehicles owned by logistics companies within the Group.

By current estimates, approximately 10% of the GHG emissions resulting from our operations in fiscal 2017 will still be emitted in 2050. We will absorb these emissions by investing in CO₂ recovery projects and expanding greenbelts to achieve net zero emissions by 2050.



Single-year Environmental Targets

The Ecology Center aggregates annual environmental performance data related to the various goals set in the TOPPAN Group Medium-and-Long-Term Environmental Targets for Fiscal 2030, reports results to the Board of Directors, sets single-

year targets, and develops measures for the current year with authorization from the Board of Directors. Site-specific targets set in line with the Groupwide targets are treated as key performance indicators for managing the progress of environmental conservation activities carried out at individual sites.

Environmental Targets for Fiscal 2023

	Performance Target	Performance Indicator	Target Value for Fiscal 2023
1) Contributing to decarbonization	Reduce CO ₂ emissions	Scope 1 & 2 greenhouse gas emissions	1,109 kt-CO ₂ e
		Scope 3 greenhouse gas emissions	6,041 kt-CO ₂ e
2) Preserving Biodiversity	Prevent illegal deforestation	Confirm the legality of raw materials procured for paper production	100%
	Contribute to a society that coexists in harmony with nature	Area of land in which humans coexist in harmony with nature	Increase by 1% relative to the total area of manufacturing sites
3) Contributing to resource circulation	Reduce final landfill waste disposal	Final landfill waste disposal	7,704 t
	Circulate resources	Waste plastic material recycling rate	57.3%
4) Optimal water use	Reduce water withdrawal in regions with higher water risk	No. of sites in these regions that implement water-saving measures	4 sites
	Prevent water pollution	No. of cases of action being taken by authorities in response to levels exceeding regulatory standards	0

Environment-related Data

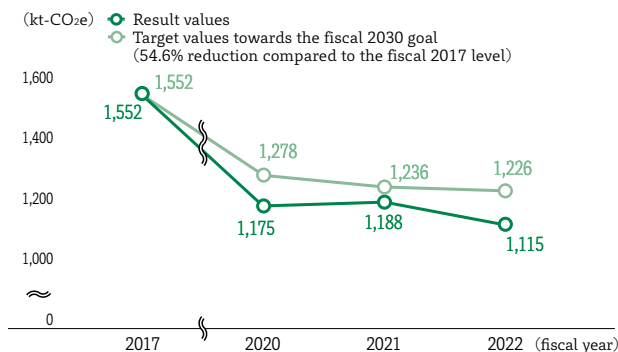
Activity results, performance data

TOPPAN Group Medium-and-Long-Term Environmental Targets for Fiscal 2030 (Fiscal 2022 Results)

We have been undertaking environmental conservation activities to ensure that the entire Group attains the target values set for fiscal 2030. The values from fiscal 2017 are set as baselines.

Scope 1 & 2 Greenhouse Gas Emissions ✔

In fiscal 2022 we achieved our single-year Scope 1 & 2 greenhouse gas (GHG)-emission reduction target towards the fiscal 2030 goal (under the Science Based Targets initiative [SBTi] 1.5°C scenario).



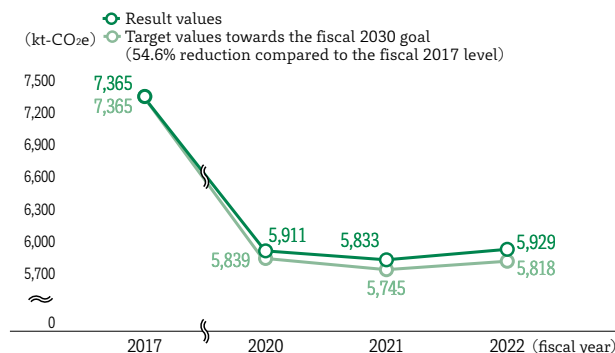
*For Scope 1 & 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the adjusted emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, GHG emissions associated with electricity consumption at overseas sites are calculated using country-specific conversion factors published by the International Energy Agency (IEA).

GHG emissions associated with fuel consumption, excluding electricity consumption, are calculated globally by the MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers.

*The fiscal 2017 result is adjusted based on the revised medium-and-long-term environmental target (see page 96). (The result before the revision was 1,373 kt-CO₂e.)

Scope 3 Greenhouse Gas Emissions ✔

In fiscal 2022 we failed to attain our single-year Scope 3 GHG-emission reduction target towards the fiscal 2030 goal (under the SBTi 1.5°C scenario).



*Methods for calculating the Scope 3 GHG emissions are presented on page 107.

*The fiscal 2017 result is adjusted based on the revised medium-and-long-term environmental target (see page 96). (The result before the revision was 6,122 kt-CO₂e.)

Renewable-derived Energy: Amount and Ratio

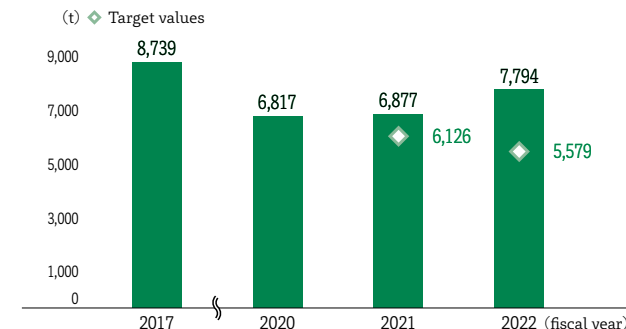
Fiscal Year	Renewable-derived Energy (GWh/year)	Ratio (%)
2021	11.10	0.67
2022	20.22	1.19

*Renewable-derived energy (electricity derived from renewable energy sources) is the renewable energy procured from electricity retailers plus the total energy generated at renewable energy power facilities (for solar power and hydro power) installed at Group sites.

*The ratio of renewable-derived energy is the percentage of electricity derived from renewable energy sources out of our overall power consumption.

Final Landfill Waste Disposal ✔

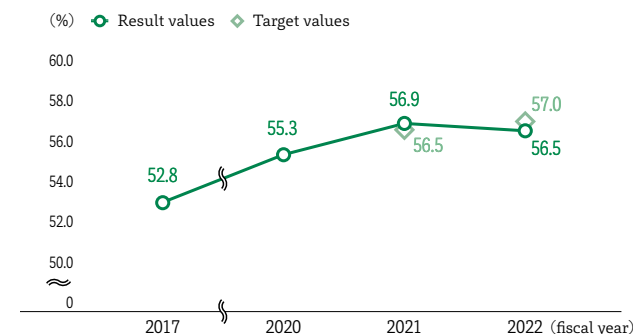
Efforts have been underway since fiscal 2021 to attain the single-year targets set in line with the fiscal 2030 goal. Our reduction target was not attained in fiscal 2022.



*The fiscal 2017 result is adjusted based on the revised medium-and-long-term environmental target (see page 96). (The result before the revision was 7,407 t.)

Waste Plastic Material Recycling Rate

Efforts have been underway since fiscal 2021 to attain the single-year targets set in line with the fiscal 2030 goal. Our recycling-rate target was not attained in fiscal 2022.



Assessing Environmental Impact

Approach Activity results, performance data

We apply the “Life-cycle Impact assessment Method based on Endpoint modeling (LIME)” to assess the degree to which our initiatives for achieving environmental targets have reduced our total environmental impact. This life cycle assessment allows the Group to consolidate INPUT and OUTPUT data on the environmental burden associated with business activities into a single index of environmental impact. The LIME provides us with a quantitative view of how environmental impact is changing from the base year.

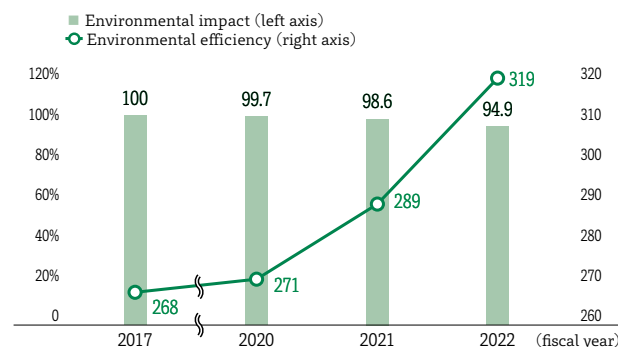
Quantifying Environmental Impact based on LIME

We apply the LIME method to quantify the total environmental impact across the Group, setting the base year value to 100.

With LIME 3, we attained a 5.1% reduction in environmental impact and a 19% enhancement in environmental efficiency in fiscal 2022, compared with the baseline values in fiscal 2017 (the base year in the LIME 3 calculation).

LIME 3 Assessment across the Group

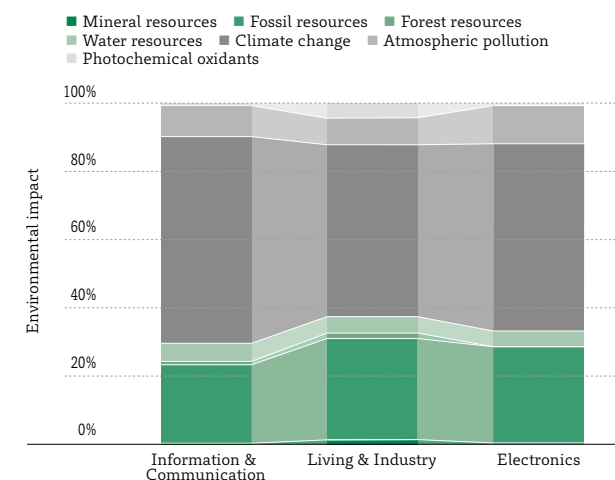
Environmental Impact and Environmental Efficiency



*1 The value in fiscal 2017 = 100 (baseline); calculated with nonproduction sites excluded

*2 Environmental efficiency = net sales / environmental impact
We have been reducing our climate change-related impact, a large component of the Group’s overall environmental impact, primarily through two channels: energy-saving and other eco initiatives that reduce energy consumption, and high-efficiency production and material recycling methods that reduce resource consumption.

Types of Environmental Impact by Business Field



*Our environmental impact cannot be expressed in uniform terms or units, as the materials and product types handled by the Group differ among the business fields. We therefore assess the environmental impact associated with key items for each business field.

Environmental Management

Promotion Framework

Approach Promotion framework

Promotion Framework

The Board of Directors is the highest-level body responsible for our environmental management. The Board appoints a director to head the Ecology Center, an organization that oversees our environmental conservation initiatives by supervising, evaluating, and verifying environmental activities undertaken throughout the Group and reporting the verification results to the Board of Directors.

We have established an environmental conservation framework in which the heads of the business divisions, Group companies, and operational sites are responsible for the environmental efforts of their organizations. These heads appoint Environmental Management Officers to steer the actual implementation of conservation activities carried out at their sites and collaborate with them to propel environmental initiatives throughout the business divisions.

To accelerate the initiatives, the environmental officers have set up Eco-protection Promotion Committees, bodies composed of persons relevant to the environment across the departments. The committees promote environmental conservation activities and manage their progress. For advanced environmental measures, the committees have convened multiple subcommittees to formulate necessary responses to specific environmental issues. Energy Subcommittees, for example, pursue energy-saving efforts to contribute to decarbonization.

Addressing Climate Change Risks

We have set up a TCFD* Working Group composed of personnel from related divisions under the Sustainability Promotion Committee to address the risks and opportunities presented by climate change. The working group employs scenario analyses to identify significant risks and opportunities brought by climate change and to evaluate mainly the financial impacts on the Group.

We will also further advance global-warming mitigation initiatives focused on climate change and decarbonization in cooperation with various industry groups that are working towards the Paris Agreement goals.

*Task Force on Climate-related Financial Disclosures working under the Financial Stability Board

TOPPAN Group's Environmental Management Structure



Environmental Management Systems

Promotion framework System

We have established environmental management systems (EMSs) based on ISO 14001.

A PDCA cycle of planning, support and operation, performance evaluation, and improvement serves as a core part of the ISO 14001-based EMSs to ensure ongoing improvement in environmental management.

Group sites maintain their EMSs through management system audits by ISO 14001 registrars, internal environmental audits (of legal compliance) by the Ecology Center, and other internal environmental audits at individual sites.

- ISO 14001 certification: 94 sites (out of 172 Group sites), as of March 31, 2023

*The Ecology Center supervises and assesses environmental conservation activities implemented at the remaining 78 sites.

The Ecology Center aggregates environmental performance data as the organization responsible for overseeing environmental conservation activities across the Group. The aggregation results are assured by KPMG AZSA Sustainability Co., Ltd. (an independent assurance provider) and reported to the Board of Directors (for details, see the “List of Indicators Assured by an Independent Assurance Provider” on pages 158-159). The center discloses the verified performance data via the TOPPAN corporate website and other communication channels.

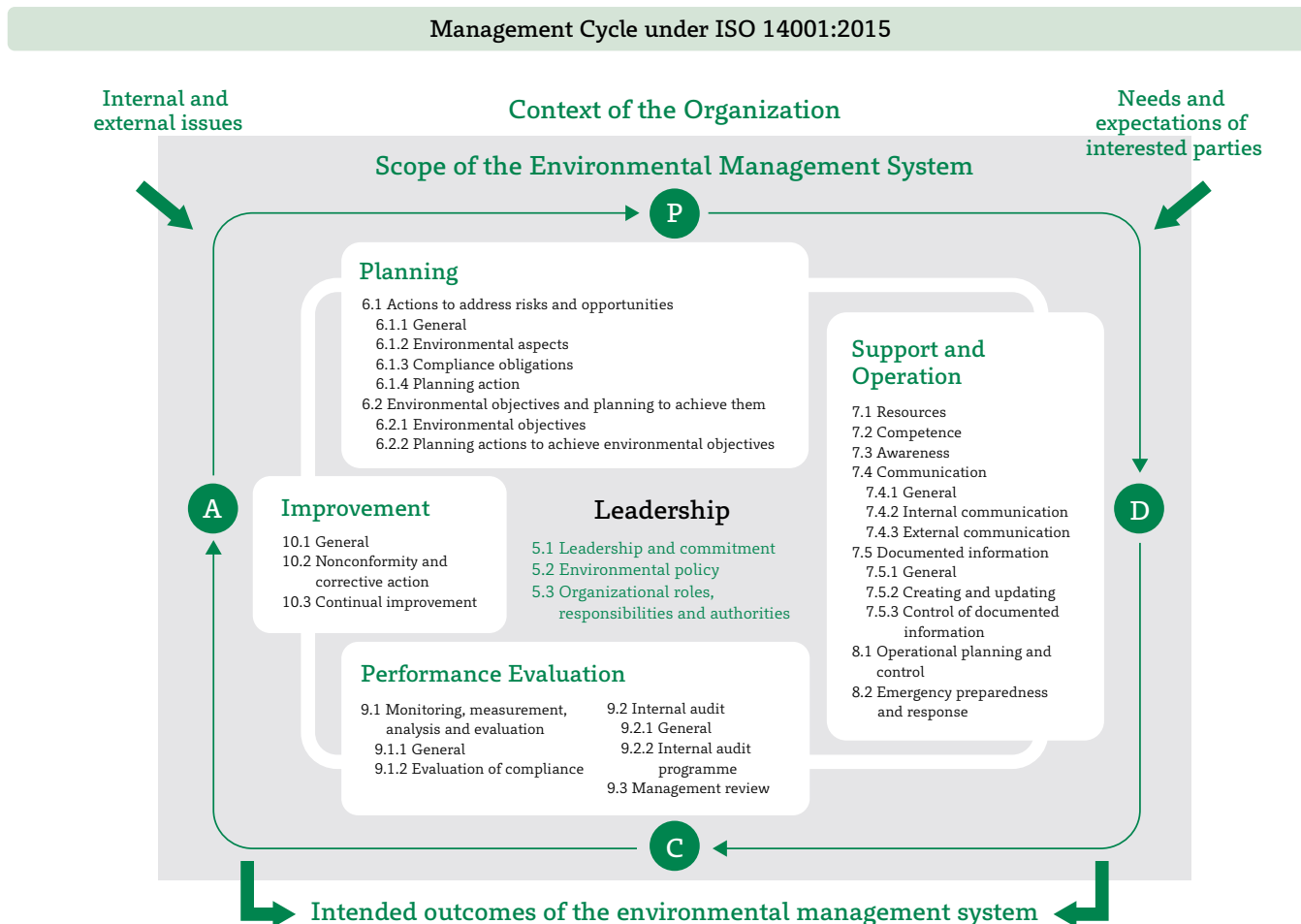
For environmental targets, in particular, the Ecology Center decides a set of site-specific, single-year targets based on the Groupwide targets and develops current-year measures with

authorization from the Board of Directors. These site-specific targets are treated as key performance indicators for managing the progress of environmental conservation activities carried out at individual sites. The Ecology Center also manages the monitoring of soil and groundwater pollution, ascertains the results, and discloses the details.

[More details on our ISO 14001 EMS certification \(in Japanese\) >](https://www.holdings.toppan.com/ja/about-us/our-corporate-approach/iso/iso14001.html)
<https://www.holdings.toppan.com/ja/about-us/our-corporate-approach/iso/iso14001.html>

[More details on the Independent Assurance Report \(see page 160\) >](#)

[More details on the monitoring of soil and groundwater pollution in the Group \(see page 125\) >](#)



Environmental Education

Various measures are implemented to improve the environmental literacy of employees based on recent social concerns on the environment, priority topics for year-by-year environmental activities, and other environment-related issues.

We have been holding sessions for rank-based training, optional training, and internal auditor training. E-learning programs are also provided online for Group employees. The rank-based training includes both group-style sessions and e-learning courses.

Results of Environmental Education (Fiscal 2022)

Training	No. of Trainees
New employee training: General environmental education	445
E-learning course on TOPPAN's sustainability initiatives	21,412
E-learning course for personnel in charge of the environment in fiscal 2022	518
TOPPAN Challenge School (15 courses)	52
TOPPAN Business School (7 courses)	2,667
Internal environmental auditor training program	125

Environmental Communication

We develop Environmental Communication Activities to share environmental conservation awareness with stakeholders through community involvement initiatives and environmental education for Group employees and individuals outside of the Group. Among the diverse activities organized, we have been engaging in projects with entities from industry, government, academia, and civil society, disclosing environmental performance data on the TOPPAN website, publishing *Site Eco Reports* for surrounding communities and local governments, holding neighborhood meetings to report our environmental efforts, and participating in eco exhibitions and consortiums.

Environmental Incentives for Employees

Our Eco-protection Awards System incentivizes employees to engage in activities that address climate change. The system provides financial incentives for actions that bring us closer to meeting our reduction targets for greenhouse gas emissions and other environmental impacts.

ISO 14001 Certification (56 systems at 94 sites, as of March 31, 2023)

ISO 14001 Certification Obtained at Toppan Inc. and Domestic Subsidiaries

Operational Site (Division or Subsidiary)	Registrar	Registration Date
Electronics Division	JQA	July 1998
Environmental Design Subdivision [Kashiwa Plant and Satte Plant of Toppan Decor Products Inc.] (Living & Industry Division)	GCC	March 2000
Tokyo-based sites (Information & Communication Manufacturing Subdivision)	SAI GLOBAL	February 2002
Fukusaki Plant [including Fukusaki Plant of Toppan Plastic Co., Ltd.] (Toppan Packaging Products Co., Ltd.)	JQA	July 2002
Takino Site	JQA	October 2002
Azusawa Site, Atago Site, Kawaguchi Site, Sagamihara Site, Numazu Site (Toppan Logistics Co., Ltd.)	GCC	October 2002
Gunma Central Plant (Toppan Packaging Products Co., Ltd.)	JQA	July 2003
Mito Plant (Toppan Prosprint Co., Ltd.)	GCC	January 2004
Fukuyama Plant (Toppan Communication Products Co., Ltd.)	GCC	October 2004
Higashinohon Subdivision	GCC	March 2005
TOPPAN Technical Research Institute	JQA	May 2005
Sapporo Plant, Chitose Plant (Hokkaido Subdivision)	GCC	June 2005
Satte Plant (Toppan Plastic Co., Ltd.)	SAI GLOBAL	December 2006
Ranzan Plant, Kyushu Plant (Toppan Packaging Service Co., Ltd.)	JQA	February 2007
Sagamihara Plant (Toppan Packaging Products Co., Ltd.)	SAI GLOBAL	March 2007
Kyushu Subdivision (Nishinohon Division)	GCC	October 2008
Head office, Kansai branch (Toppan Techno Co., Ltd.)	SAI GLOBAL	March 2009
Sodegaura Beverage Plant (Toppan Packaging Service Co., Ltd.)	SAI GLOBAL	April 2009
Fukaya Plant (Toppan Packaging Products Co., Ltd.)	GCC	March 2010
Chubu Division	JQA	December 2010
Kochi Plant (Toppan Electronics Products Co., Ltd.)	BUREAU VERITAS	February 2008
Head office, Saitama Plant (Livretch Co., Ltd.)	JCQA	July 2001
Fukushima Plant [including Takino Plant, Sagamihara Plant] (Toppan Infomedia Co., Ltd.)	JUSE	November 2001
Central Research Center (Toppan Forms Co., Ltd.)	JQA	March 2004
Toppan Forms Tokai Co., Ltd.	JQA	August 2004
Toppan Forms Kansai Co., Ltd.	JQA	April 2007
Toppan Forms Nishinohon Co., Ltd.	JQA	January 2005
Toppan Forms Central Products Co., Ltd.	JQA	September 2011
Tosho Printing Co., Ltd.	Intertek	May 2003
Gunma Plant (Tamapoly Co., Ltd.)	JQA	February 2011
Sanda Plant (Tamapoly Co., Ltd.)	JQA	January 2012
Tochigi Plant (Tamapoly Co., Ltd.)	JQA	August 2017

ISO 14001 Certification Obtained at Overseas Subsidiaries

Group Company (Operational Site)	Registrar	Registration Date
Toppan Photomasks, Inc. (Round Rock Site)	LRQA	November 2001
Toppan Photomasks France S.A.S.	LRQA	October 2000
Toppan Chunghwa Electronics Co., Ltd.	SGS	October 2003
Toppan SMIC Electronics (Shanghai) Co., Ltd.	SGS	February 2007
Toppan Leefung Packaging (Shanghai) Co., Ltd.	NQA	July 2008
Toppan Leefung Changcheng Printing (Beijing) Co., Ltd.	ZDHY	November 2009
Toppan Excel (Dongguan) Packaging and Printing Co., Ltd.	ZYC	May 2009
Toppan Yau Yue Packaging (Dongguan) Co., Ltd.	Intertek	May 2016
Toppan Win Label Printing (Dongguan) Co., Ltd.	CQC	November 2012
Toppan Leefung Packaging & Printing (Dongguan) Co., Ltd.	HKQAA	March 2009
PT. Indonesia Toppan Printing	LRQA	November 2004
Toppan Photomasks Korea Ltd.	LRQA	February 2005
Toppan Photomasks Co., Ltd. (Shanghai)		
Ortustech (Malaysia) Sdn. Bhd.	BUREAU VERITAS	September 2014
Toppan Security Systems Pte. Ltd.	TUV	August 2010
Giantplus Technology Co., Ltd. (Bade Plant [T 1])	SGS	January 2008
Giantplus Technology Co., Ltd. (Bade Plant [T 2])	SGS	May 2018
Giantplus Technology Co., Ltd. (Headquarters)	SGS	January 2005
Giantplus Technology Co., Ltd. (Hsinchu Plant)	SGS	March 2013
Kunshan Giantplus Optronics Display Technology Co., Ltd.	SGS	June 2012
Siam Toppan Packaging Co., Ltd.	TUV	April 2002
Gravity Group IND. LLC	URS	February 2015
Toppan Speciality Films Private Ltd.	BSI	May 2009
Interflex Scotland Ltd.	BSI	December 2004

Contributing to Decarbonization

Basic Approach

Approach Policy

The TOPPAN Group has formulated the following basic policies to contribute to decarbonization.

Global climate change has huge impacts on corporate activities and the lives of people around the world. Recognizing this burden, we position contributions to decarbonization as a critical challenge for management. Based on the TOPPAN Group Declaration on the Global Environment, every person in the Group is firmly committed to the creation of a sustainable society and strives to address climate change as a responsible member of the international community.

Energy control and the rational use of energy are our prime approaches to achieving a decarbonized economy. We will also continue to adopt renewable energy sources on a preferential basis and encourage the broad use of renewables across society.

Activities

Activity results, performance data

Reducing Greenhouse Gas Emissions

We have been reducing total emissions of carbon dioxide (CO₂) and other greenhouse gases (GHGs) to help decarbonize society. To reduce Scope 1 GHG emissions (direct emissions from industrial processes or fuels consumed at the Group), we are systematically replacing utility facilities operated for extended periods with high-efficiency alternatives. Systems are also installed to abate high-global-warming-potential (GWP) gases emitted from semiconductor production processes, and high-

GWP gases are switched to lower-GWP alternatives.

To reduce Scope 2 GHG emissions (indirect emissions associated with the consumption of electricity, heating, or cooling purchased or acquired by the Group), we are scaling down power consumption through energy-efficiency measures and the adoption of renewables such as solar panels. Electricity contracts with lower CO₂ emission factors are also being considered.

We are introducing an internal carbon pricing (ICP) system that will be applied to capital investments from fiscal 2023 onwards. This will allow us to scale up the installation of energy efficient, renewable-energy-driven facilities.

Toppan Logistics Co., Ltd., the logistics specialist for the Group, is working with Group company shippers to optimize transportation conditions and further enhance transportation efficiency. These companies are pooling their efforts to reduce the energy consumption per unit of transport volume by company vehicles and the total volume of CO₂ emissions from transport.

As a member of the Japan Federation of Printing Industries (JFPI), Toppan Inc. has driven industry-wide efforts to spawn decarbonization measures, chiefly through its involvement in JFPI activities to address climate change and promote low carbonization. The JFPI's Working Group for Voluntary Action Plans on the Environment (under the Environmental Management Task Force of the Global Environment Committee) has made particularly strong industry-wide decarbonization contributions by implementing VOC-emission reduction measures and various other activities targeting the realization of a low-carbon, circular economy.

Topic

Achieving the Fiscal 2030 Goals

We have made further headway in our shift to renewable energy sources under the TOPPAN Group Medium-and-Long-Term Environmental Targets for Fiscal 2030. In March 2023 we installed solar-power generation equipment on the rooftop of the B building at the Satte Plant of Toppan Decor Products Inc. in Saitama Prefecture, the core producer of décor products within the Group. The power generated by the equipment is consumed on the site premises, prospectively reducing CO₂ emissions from plant operations by 282 t-CO₂ a year.



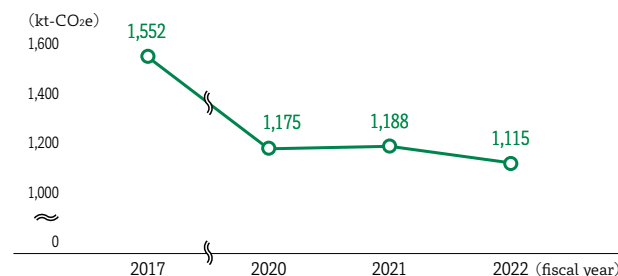
Roof of B building, Satte Plant of Toppan Decor Products

Data on Greenhouse Gas Emissions

Activity results, performance data

Greenhouse Gas Emissions

Scope 1 & 2 Greenhouse Gas Emissions (subject to the Group medium-and-long-term environmental targets)

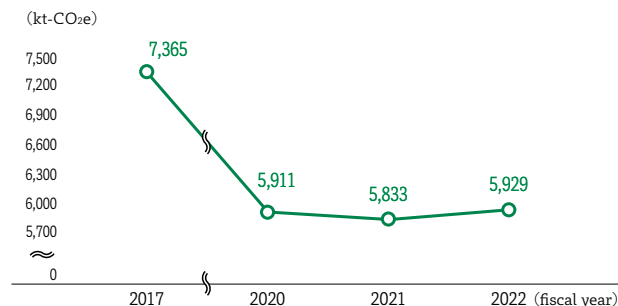


*For Scope 1 & 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the adjusted emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, GHG emissions associated with electricity consumption at overseas sites are calculated using country-specific conversion factors published by the International Energy Agency (IEA).

GHG emissions associated with fuel consumption, excluding electricity consumption, are calculated globally by the MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers.

*The fiscal 2017 result is adjusted based on the revised medium-and-long-term environmental target (see page 96). (The result before the revision was 1,373 kt-CO₂e.)

Scope 3 Greenhouse Gas Emissions (subject to the Group medium-and-long-term environmental targets)



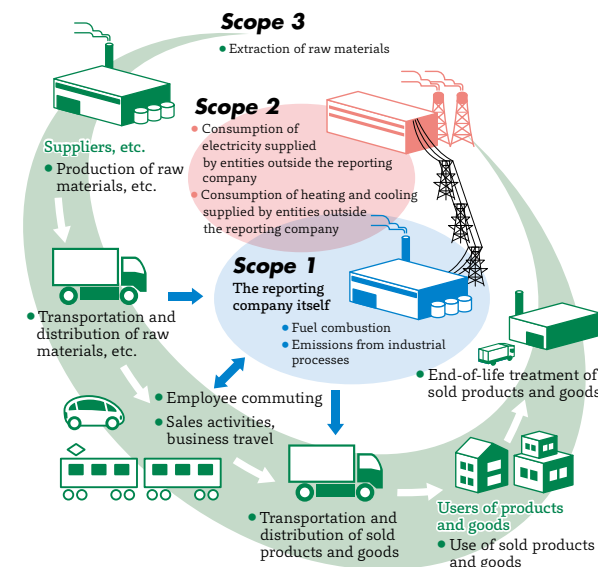
*Methods for calculating the Scope 3 GHG emissions are presented on page 107.

*The fiscal 2017 result is adjusted based on the revised medium-and-long-term environmental target (see page 96). (The result before the revision was 6,122 kt-CO₂e.)

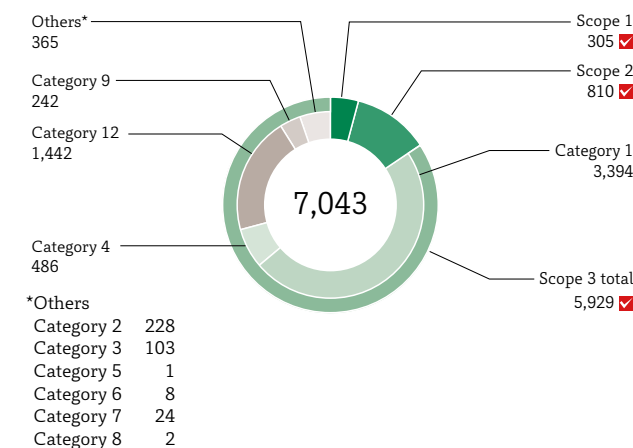
Scope 1, 2, 3 Greenhouse Gas Emissions

Based on the fiscal 2022 results, we calculated Groupwide Scope 3 greenhouse gas (GHG) emissions (indirect emissions not included in Scope 2, associated with business operations throughout the entire value chain of the Group) to identify the categories of corporate activity that emitted more GHGs and to establish priority targets in our GHG-emission reduction strategy. This calculation showed that several categories related to raw material consumption collectively accounted for the largest share of our GHG emissions, primarily: category 1 (manufacturing of products purchased by the Group), categories 4 and 9 (transportation and distribution of products purchased and sold by the Group), and category 12 (end-of-life treatment of products sold by the Group).

Calculating Scope 3 Greenhouse Gas Emissions



Scope 1, 2, 3 Greenhouse Gas Emissions (kt-CO₂e)



Details of the Scope 1, 2, and 3 Categories

Emissions Types	
Direct emissions (Scope 1)	Direct emissions from industrial processes or fuels consumed at the reporting company
Indirect emissions (Scope 2)	Indirect emissions associated with the consumption of electricity, heating, or cooling purchased or acquired by the reporting company

- For Scope 1 & 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the adjusted emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, GHG emissions associated with electricity consumption at overseas sites are calculated using country-specific conversion factors published by the International Energy Agency (IEA).
- GHG emissions associated with fuel consumption, excluding electricity consumption, are calculated globally by the MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers.

Indirect Emissions Not Included in Scope 2 (Scope 3)			Calculation Methods	
			Activity Quantity	Basic Unit from
Category 1	Purchased goods and services	Emissions associated with activities up to the point of the production of raw materials, components, goods, sales-related materials, or the like purchased or acquired by the reporting company	Materials purchased or acquired (by weight)	CFP-DB ²
Category 2	Capital goods	Emissions that occur during the construction or production of capital goods purchased or acquired by the reporting company	Capital investments by business field	MOE-DB ¹
Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Emissions associated with the procurement of fuels supplied by entities outside the reporting company or fuels necessary for the generation, etc. of electricity, heating, cooling, etc. consumed by the reporting company	1. Electricity and steam consumption 2. Fuel consumption	1. MOE-DB ¹ 2. CFP-DB ²
Category 4	Upstream transportation and distribution	Emissions associated with logistics up to the point of the arrival of incoming raw materials, components, goods, sales-related materials, or the like purchased or acquired by the reporting company; transportation and distribution of products sold by the reporting company	1. Freight ton-kilometers as a designated shipper classified under the Energy Saving Act of Japan 2. Estimated freight ton-kilometers of procurement logistics	1. Energy Saving Act of Japan 2. CFP-DB ²
Category 5	Waste generated in operations	Emissions associated with the transportation and treatment of waste generated at the reporting company	Waste discharge by type	MOE-DB ¹
Category 6	Business travel	Emissions associated with business travel by employees	Business travel expenses by transport mode	MOE-DB ¹
Category 7	Employee commuting	Emissions associated with the commuting of employees between their homes and worksites	Commuter fares or petrol costs	MOE-DB ¹
Category 8	Upstream leased assets	Emissions associated with the operation of assets leased by the reporting company (lessee), excluding Scope 1 and Scope 2 emissions	Electricity and gas consumed at tenant premises	Emission factors by business
Category 9	Downstream transportation and distribution	Emissions associated with the transportation, storage, loading, or retailing of sold products after delivery to customers	Estimated freight ton-kilometers by product	CFP-DB ²
Category 10	Processing of sold products	Emissions associated with the processing of sold intermediate products by downstream companies	Excluded from calculation because there are no scenarios or units that apply universally to the TOPPAN Group's diversified products	
Category 11	Use of sold products	Emissions associated with the end use of sold products by users (consumers, downstream companies)	Not applicable	
Category 12	End-of-life treatment of sold products	Emissions associated with the transportation and treatment of sold products at the end of their life by users (consumers, downstream companies)	Waste disposal by product (estimated)	CFP-DB ²
Category 13	Downstream leased assets	Emissions associated with the operation of assets owned by the reporting company (lessor)	Not applicable	
Category 14	Franchises	Emissions from franchise members	Not applicable	
Category 15	Investments	Emissions related to the operation of investments	Excluded from calculation	

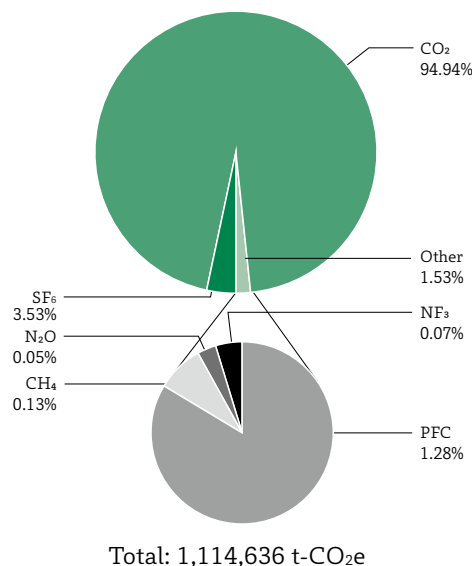
Notes

- We calculate our Scope 3 GHG emissions for categories 1-9 and 12.
- The calculation boundary covers Groupwide GHG emissions associated with Toppan Inc. and Group entities consolidated for accounting purposes.
- For "freight ton-kilometers as a designated shipper classified under the Energy Saving Act of Japan" in category 4, "business travel" in category 6, and "employee commuting" in category 7, we have estimated total values across the calculation boundary in terms of the proportion of production volume or employee numbers based on the values counted for organizations whose activities are quantifiable.

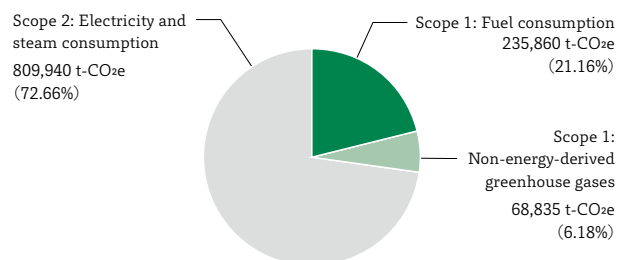
*1 MOE-DB: Emission unit database for calculating the greenhouse gas emissions, etc. of organizations throughout the entire supply chain (ver. 2.5) issued by the Ministry of the Environment of Japan

*2 CFP-DB: Standard database (ver. 1.01) of the Japan Environmental Management Association for Industry (JEMAI) Carbon Footprint of Products (CFP) Communication Program

Percentages of Greenhouse Gas Emissions by Type (in tons of CO₂ equivalent) ✓



Percentages of Greenhouse Gas Emissions by Source (in tons of CO₂ equivalent) ✓



Notes • For Scope 1 & 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the adjusted emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, GHG emissions associated with electricity consumption at overseas sites are calculated using country-specific conversion factors published by the International Energy Agency (IEA).

GHG emissions associated with fuel consumption, excluding electricity consumption, are calculated globally by the MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers.

• Fiscal 2022 GHG emissions from domestic sites (including Group company sites) and overseas sites are based on calculations of energy-derived CO₂ emissions and non-energy-derived GHG emissions (namely, CO₂, CH₄, N₂O, HFC, PFC, SF₆, and NF₃ emissions associated with dry etching, dry ice consumed, waste burned in incinerators, combusted refuse-derived fuel, and fuel consumed in cogeneration systems). GHG emissions accounting for 0.01% or more of total emissions from these sites in CO₂-equivalent values are included.

Values, Results, and Evaluation of Environmental Targets for Fiscal 2022

	Performance Target	Performance Indicator	Fiscal 2022			
			Target Value	Result	Achievement Rate	Evaluation
Contributing to decarbonization	Reduce CO ₂ emissions	Scope 1 & 2 greenhouse gas emissions	1,117 kt-CO ₂ e	1,115 kt-CO ₂ e ✓	100.2%	A
		Scope 3 greenhouse gas emissions	5,651 kt-CO ₂ e	5,929 kt-CO ₂ e ✓	95.1%	B

Evaluation criteria

S: Results achieved far surpass the targets (achievement rate [%] ≥ 105)

A: Targets achieved (100 ≤ achievement rate [%] < 105)

B: Activities fully carried out, but targets unachieved (70 ≤ achievement rate [%] < 100)

C: Activities insufficient (achievement rate [%] < 70)

Achievement rate: 200 - (values actually achieved / target values) x 100 [%]

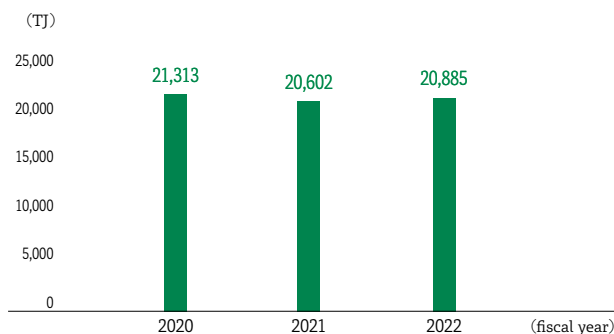
Associated Data

Activity results, performance data

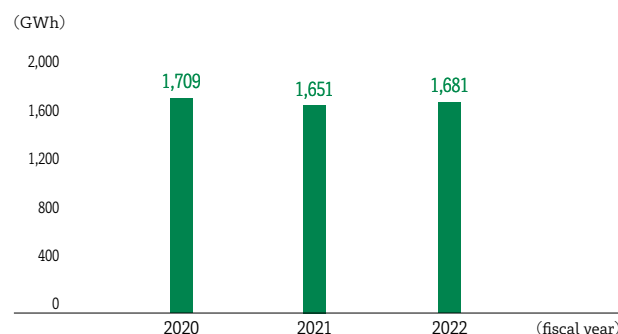
Energy Consumption

We evaluate and disclose Groupwide performance data, including that from overseas Group subsidiaries.

Energy Consumption ✔

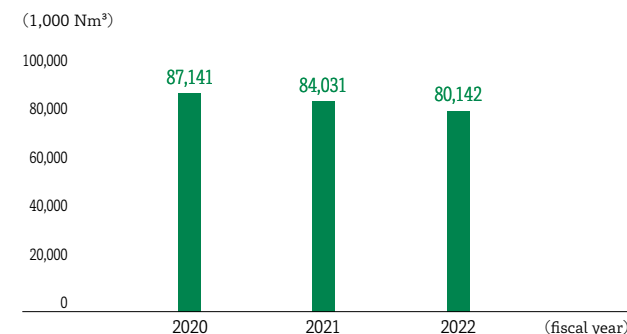


Electricity Consumption

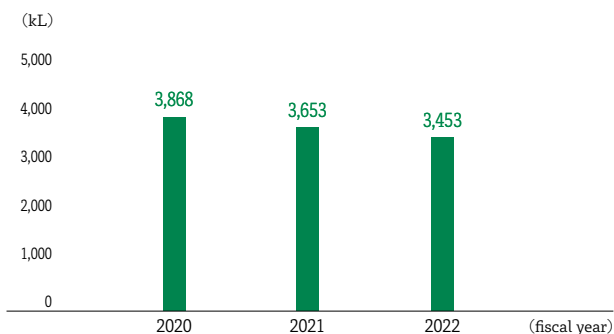


*We consume electricity derived from renewable energy sources, in addition to the electricity shown above.

Natural Gas Consumption



Kerosene Consumption



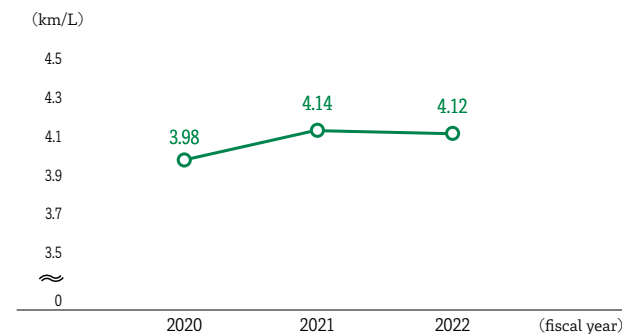
Renewable-derived Energy: Amount and Ratio

Fiscal Year	Renewable-derived Energy (GWh/year)	Ratio (%)
2021	11.10	0.67
2022	20.22	1.19

*Renewable-derived energy (electricity derived from renewable energy sources) is the renewable energy procured from electricity retailers plus the total energy generated at renewable energy power facilities (solar power and hydro power) installed at Group sites.

*The ratio of renewable-derived energy is the percentage of electricity derived from renewable energy sources out of our overall power consumption.

Fuel Efficiency of Outsourced Cargo Vehicles



Climate Change Disclosure According to TCFD Recommendations

Basic Approach

Approach

As a Group that conducts business worldwide, 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), an entity established by the Financial Stability Board. In 2020 we commenced a scenario analysis based on the recommendations. We continue to disclose the financial impact related to climate change and our responses to the same, in accordance with the TCFD recommendations.

Back in 1992 we formulated a Declaration on the Global Environment to establish a basic Groupwide philosophy on environmental conservation. In April 2009 we revised this declaration into the TOPPAN Group Declaration on the Global Environment, a basic philosophy focused on more proactive approaches to Groupwide conservation activities.

In November 2019 we established the *TOPPAN SDGs STATEMENT*, a pledge to our commitment to integrating the SDGs into management. The statement describes the “fulfilling, sustainable living” that we want to make possible through our SDG efforts and identifies environmental issues, including those associated with climate change, to be addressed through Groupwide activities and specific business activities.

1. Governance

Promotion framework

a) Board of Directors' Oversight on Climate-related Risks and Opportunities

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

Under the key concept of “Digital & Sustainable Transformation,” the Medium Term Plan (fiscal 2021-2022 and fiscal 2023-2025) defines “expanding ESG initiatives” as a priority measure for the medium to long term. We are strengthening efforts related to environmental, social, and governance (ESG) issues, including climate change.

The Board of Directors recognizes climate change as an important issue in management strategy and considers climate change risks and opportunities when plotting out investments for business growth (including business portfolio transformation centered on DX and SX for addressing social issues).

As for specific initiatives that address climate change and other ESG issues, the Board of Directors receives reports from the Management Committee 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 greenhouse gas (GHG) emission results for the previous fiscal year under the TOPPAN Group Environmental

Vision's Medium-and-Long-Term Environmental Targets, as well as 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. The Board also 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, the Board receives reports from the Sustainability Promotion Committee regarding evaluations and responses from related internal departments. Based on these, the Board then discusses and decides on responses.

b) Management's Role in Assessing and Managing Climate-related Risks and Opportunities

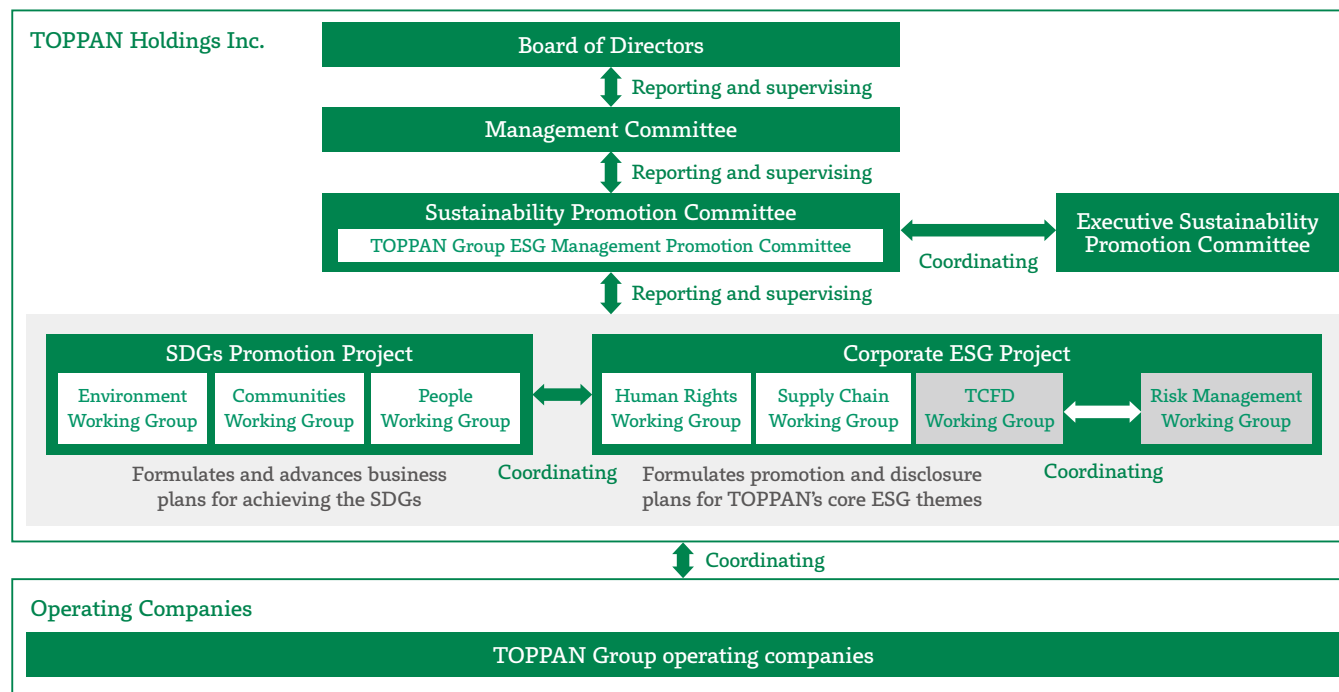
The Board of Directors has assigned responsibility for climate-related issues to the Sustainability Promotion Committee (chaired by the President & Representative Director) and supervises the activities undertaken by the committee.

The TCFD Working Group set up under the committee leads Groupwide efforts to address climate-related issues. The group members consist of personnel from responsible divisions and the business departments of Group companies.

The working group coordinates assessments and countermeasures on climate-related issues in cooperation with the Risk Management Working Group and the SDGs Promotion Project.

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. The Board also 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



2. Risk Management

Promotion framework

a) The Organization's Processes for Identifying and Assessing Climate-related Risks

The TCFD Working Group is responsible for identifying and assessing climate-related risks. The risks identified are categorized into the following types in relation to the Group businesses we operate and the products and services we provide: technology risk, market risk, reputation risk, legislation risk, risks related to existing and new regulations, and risks related to rapid or gradual physical changes. The working group then identifies potential risks and opportunities associated with each risk type, both upstream and downstream, throughout the entire value chain from R&D to procurement, production, and product supply. The impacts are assessed over the short term (within one year), medium term (two to three years), and long term (four to more than 30 years).

b) The Organization's Processes for Managing Climate Change Risks

The TCFD Working Group is responsible for formulating and advancing plans to address climate-related risks based on the results of impact assessments factoring in financial impacts. The assessment results and plans are reported to the Sustainability Promotion Committee and evaluated in a committee review. Based on reports from the committee, the Board of Directors manages climate change risks and supervises the risk management process.


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

We have established a comprehensive risk management structure that covers risks related to climate change and other ESG issues. The divisions in charge and the Risk Management Working Group (led by the Director in charge of Risk Management, attended by persons in charge of risk management at the responsible divisions, and administered by the Compliance Department in the Legal Division) work together to control individual risks under the supervision of the Board of Directors.

The Risk Management Working Group performs risk assessments once yearly and identifies the risks that can exert severe adverse impacts on Group management as “significant risks” for the year.

When designating the significant risks, the working group considers the results of Groupwide risk assessments, the likelihood that risks will arise over the medium to long term, and the frequency and severity of the risks if they do. The working group also carefully reviews the social and environmental shifts in the regions where we do business overseas and the matters pertinent to our sustainability management, such as environmental issues associated with climate change. “Climate change risks” were designated as significant risks for TOPPAN for the year fiscal 2023.

Once identified, the significant risks are reported to the Sustainability Promotion Committee and evaluated in a committee review. The Board of Directors receives reports from the committee and supervises the finalization of annual risk review.

 See the Risk Management section on page 138 >

3. Strategy

Promotion framework

a) 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 for risks and opportunities are as follows: short term, within one year; medium term, two to three years; and long term, four to more than 30 years. The scheduling is coordinated with our business action plans, that is, the fiscal-year plans, medium-term plans, and long-term vision. Climate-related risks and opportunities are assessed by related departments.

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

The TCFD Working Group set up under the Sustainability Promotion Committee is tasked with implementing the scenario analysis. Personnel from related divisions and Group companies participate in the working group to identify significant risks and opportunities related to climate change, assess the financial impacts, and consider measures based on those assessments.

Business strategy personnel from related divisions and Group companies gathered in fiscal 2022 to formulate a scenario analysis coordinated with the medium-term plans of individual Group companies. We have assessed financial impacts and considered countermeasures with a focus on concrete businesses.

Two pathways were examined in the scenario analysis: 1.5°C and 4°C scenarios with long-term forecasts up to 2050. Operations in Japanese and overseas sites have been considered throughout the value chain, from R&D to procurement,

production, and product supply.

3) Climate-related issues with a large financial impact

In 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. Given the expected shifts in consumer preferences, moreover, there are opportunities for increased sales of low-carbon-emission products and services and for gains in corporate value.

In the 4°C scenario, we confirmed that increased wind and flood damage resulting from higher atmospheric temperatures could lead to such risks as stoppages at major Group plants. We continue to consider alternative production plans to manage these risks over the long term while periodically gathering information on flood-prevention technologies and taking steps to introduce them.

b) Impacts of Climate-related Risks and Opportunities on the Organization's Business, Strategy, and Financial Planning

1) Impact of identified climate-related issues on business strategy

Time frames: short term, within 1 year; medium term, 2 to 3 years; long term, 4 to more than 30 years
 Financial impact: small, less than 1 billion yen; medium, 1 billion yen to 10 billion yen; large, more than 10 billion yen

Scenario	Risk Type	Shifts in Social Trends	Risks and Opportunities	Time Frame	Financial Impact	Principal Measures / Potential Businesses and Services
Transition risks and opportunities*1	Existing regulations (carbon tax, carbon emission policies)	Introduction of / increase in carbon tax	Cost increases due to the introduction of emission-credit trading and a carbon tax on fossil-fuel-derived CO ₂ emissions	Medium term	Medium Increase of 9.6 billion yen from fiscal 2021	Implement Scope 1 & 2 GHG emission reduction activities towards the Medium-and-Long-Term Environmental Targets for Fiscal 2030 in order to achieve the TOPPAN Group Environmental Vision 2050; monitor systems, renewable energy technologies, etc. from a long-term viewpoint
		Increase in renewable energy ratio	Increase in operational costs due to rises in purchased energy prices	Medium term	Small to medium	Implement Scope 1 & 2 GHG emission reduction activities towards the Medium-and-Long-Term Environmental Targets for Fiscal 2030 in order to achieve the TOPPAN Group Environmental Vision 2050; monitor systems, renewable energy technologies, etc. from a long-term viewpoint
			Expanded markets for green energy	Long term	Medium	Strengthen the development/sales of battery packaging materials for EVs; enter renewable-energy businesses
	New regulations	Tightened regulations on fossil-fuel-derived plastics	Expanded needs for the recycling of plastics from packaging and materials	Medium term	Large	Establish new recycling schemes; strengthen the development/sales of recyclable products, such as mono-material packaging SX
		Enhanced forest protection	Expanded use of pulp from forest-thinning operations and FSC-certified paper	Short term	Small	Promote the use of paper-based Cartocan and FSC-certified products (paper products, etc.) SX
	Market	Increase in raw materials prices	Increase in procurement costs for films, paper, etc.	Medium term	Large	Check existing suppliers and find new suppliers; research/consider alternative products; monitor systems/markets from a long-term perspective
		Reinforced GHG-emission reductions at client companies	Decline in existing paper media accompanying the 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	Enhance resources for the Erhoent-X™ business, such as manufacturing DX support (NAVINECT, etc.) and Hybrid BPO services 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/reduced-plastic products		Short term	Large	Strengthen the development/sales of ethical sales-promotion products and sustainable packaging SX	
Physical risks and opportunities*2	Acute	Increasing severity of acute, extreme weather conditions	Increased risk of plant shutdowns due to flooding / water damage	Medium term	Large	Continue to consider alternative production plans over the long term; periodically gather flood information and take steps to address flooding-prevention technology
			Outflow of chemical substances due to flooding / water damage	Medium term	Small	Consider the possibility of chemical leakage and formulate/implement countermeasures
		Expanded markets for next-generation communications due to growth in remote monitoring needs	Medium term	Medium	Create communications-related businesses, such as ZETA-based solutions, and metaverse-related businesses DX	
	Chronic	Changes in rainfall and weather patterns	Water usage restrictions	Long term	Small	Consider alternative production plans to address water usage restrictions; assess water usage and water stress by region, from a long-term viewpoint
		Temperature rise	Increase in needs associated with food loss / hygiene	Long term	Small to medium	Strengthen the development/sales of functional barrier packaging; strengthen the development of food-loss solutions SX

Risk Opportunity

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

*1 Transition risks and opportunities: Assessed in the 1.5° C and 4° C scenarios based on the Net Zero Emissions by 2050 (NZE) scenario, the Announced Pledges Scenario (APS), and the Stated Policies Scenario (STEPS) presented in the World Energy Outlook 2021 (WEO 2021) from the International Energy Agency (IEA).

*2 Physical risks and opportunities: Assessed in the 1.5° C and 4° C scenarios based on the Representative Concentration Pathways (RCPs), greenhouse gas concentration trajectories adopted by the Intergovernmental Panel on Climate Change (IPCC) (RCP 1.9 and RCP 2.6 for the 1.5° C scenario, RCP 7.0 and RCP 8.5 for the 4° C scenario).

2) The Organization’s consideration of impact on business and strategy

To contribute further to the Net Zero society targeted by the TOPPAN Group Environmental Vision 2050, we are advancing a business portfolio transformation centered on digital and sustainable transformation under the Medium Term Plan. Between fiscal 2023 and 2025 we will invest approximately 300 billion yen in DX and SX businesses, including M&A and business investments in growth areas as well as capital investments in growth businesses and businesses in their initial phases.

c) Resilience of the Organization’s Strategy in Consideration of Different Climate-related Scenarios

Qualitative and quantitative analyses were conducted under three scenarios (the Net Zero Emissions by 2050 [NZE] scenario, the Stated Policies Scenario [STEPS], and the Announced Pledges Scenario [APS]) presented in the World Energy Outlook 2021 (WEO 2021) issued by the International Energy Agency (IEA) and under multiple trajectories plotted out under the Representative Concentration Pathways (RCPs) presented in the Sixth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC). The scenarios and trajectories analyzed covered the period from 2030 to 2050.

Scenarios

	1.5°C	4°C
Transition scenario	IEA NZE 2050	IEA STEPS or APS
Physical scenarios	RCP 1.9 RCP 2.6	RCP 7.0 RCP 8.5

Adaptation Plan for Transition Risks and Physical Risks

Scenario analyses have identified transition risks TOPPAN faces, including the expanded adoption of carbon pricing systems worldwide that increases operational costs for carbon

neutrality. Physical risks include halts in production due to water damage from flooding at production sites and higher expenses for restoration. We are addressing these risks by reinforcing disaster-preparedness measures and reducing Scope 1 & 2 and Scope 3 greenhouse gas (GHG) emissions through the stepwise introduction of renewable energy. A new transition plan in place will neutralize Scope 1 & 2 and Scope 3 GHG emissions by 2050. Energy-efficient activities and facilities will be intensified under an internal carbon pricing (ICP) system that steps up our low-carbon investments and long-term carbon neutrality measures.

We will also be expanding business opportunities by linking forecasted shifts with the “Digital & Sustainable Transformation” of our business portfolio. We will develop more DX solutions to reduce GHG emissions across the supply chain and create new forms of sustainable packaging that improve recyclability and mitigate food loss.

Our ongoing scenario analyses will enhance our forecasting accuracy. We will stay resilient to an uncertain future by further integrating analysis results into management strategies.

See the Transition Plan for Carbon Neutrality by 2050 on page 97 >

ICP System Overview

Internal carbon price	130 US dollars/t-CO ₂ (at the time of introduction)
Scope and method	We will apply an internal carbon price to CO ₂ emission increases or decreases brought about by capital investments and will preferentially invest in measures with higher CO ₂ -reduction effects.
Pricing covered	Capital investments that increase or decrease CO ₂ emissions

*Internal Carbon Pricing (ICP): A carbon price internally set and used by a company to promote low-carbon investments and measures. Companies can quantify climate change risks by virtually fixing the cost per ton of CO₂ emissions according to their own criteria. ICP can be considered a useful investment criterion for companies that seek to accelerate their investments in low-carbon facilities and energy-efficient measures towards achieving a decarbonized society.

4. Metrics and Targets

Policy

a) Metrics Used by the Organization to Assess Climate-related Risks and Opportunities in Line with Its Strategy and Risk Management Process

Our climate-risk indicators are Scope 1 & 2 and Scope 3 GHG emissions and the ratio of renewable energy out of total power consumption.

Our indicators for climate-related opportunities, meanwhile, assess how far a business mitigates climate change and helps solve social issues: percentage of operating profit contributed by DX/SX/frontier businesses and no. of services contributing to GHG-emission reductions under the TOPPAN Business Action for SDGs.

Apart from financial metrics, we look at progress towards GHG-emission reduction to determine performance-linked bonuses for directors. This additional metric defines the responsibilities of management in addressing climate risks.

b) Scope 1 & 2 and Scope 3 Greenhouse Gas Emissions

Scope 1 & 2 GHG emissions were 1,115 kt-CO₂e and Scope 3 GHG emissions were 5,929 kt-CO₂e for the Group as a whole, in fiscal 2022. While the Scope 1 & 2 emission target was achieved for the fiscal year, the Scope 3 emission target was not. Scope 1, 2, and 3 emissions have been calculated based on the GHG Protocol methodology and assured by an independent assurance provider.

c) The Organization’s Targets for Management of Climate-related Risks and Opportunities and Progress against Targets

Our targets for managing climate-related risks and opportunities are included among the TOPPAN Group Medium-and-Long-

Term Environmental Targets for Fiscal 2030 set towards achieving the carbon-neutrality goal cited in the TOPPAN Group Environmental Vision 2050. They are also included in the Medium Term Plan, and in the TOPPAN Business Action for SDGs, which defines the areas of focus for our measures to address the SDGs.

For Scope 1 & 2 greenhouse gas (GHG) emissions, a 28.2% reduction compared to the fiscal 2017 level was achieved in fiscal 2022. We will continue monitoring the current status and take consistent measures to work towards target achievement. For Scope 1 GHG emissions, such measures include the systematic replacement of utility facilities used for long periods with high-efficiency alternatives, the installment of systems that abate high-global-warming-potential (GWP) gases emitted from semiconductor production processes, and a switchover from those high-GWP gases to lower-GWP alternatives. The measures to reduce Scope 2 GHG emissions include safeguards to ensure that continuously operated equipment is shut down during long vacation periods.

For Scope 3 GHG emissions, a 20% reduction compared to the fiscal 2017 level was attained in fiscal 2022. We will work with suppliers to reduce GHG emissions throughout the entire supply chain pursuant to the requirements for the “contribution to decarbonization” stated in the TOPPAN Group Sustainable Procurement Guidelines.

The growing DX, SX, and frontier businesses represented 19% of the total operating profit in fiscal 2022. Our business portfolio transformation has achieved dependable results through revenues earned in growth businesses generated from our efforts to address climate change and other social challenges. We will further enhance profits in growth businesses and intensify synergies within the Group to capture the opportunities related to climate change.

The number of services contributing to GHG emission reductions was 29 in fiscal 2022. Our core packaging business

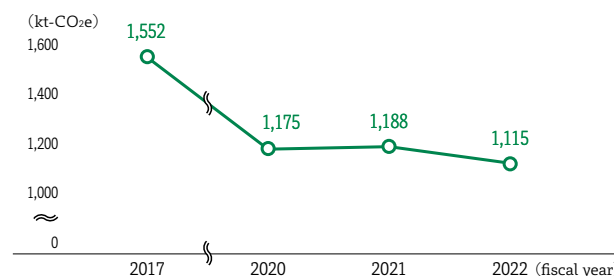
developed multiple new products with advanced materials such as biomass and recycled materials as alternatives to petrochemical-derived materials, in fiscal 2022. We will boost our drive to develop materials and packaging that contribute to GHG emission reductions and will expand our lineup of

products and services in emerging markets (e.g., energy conversion devices essential for a hydrogen society).

📄 See the TOPPAN Group Environmental Vision 2050 on page 96 >

📄 See the TOPPAN Group Medium-and-Long-Term Environmental Targets for Fiscal 2030 on page 96 >

Scope 1 & 2 Greenhouse Gas Emissions
(subject to the Group medium-and-long-term environmental targets) ✓

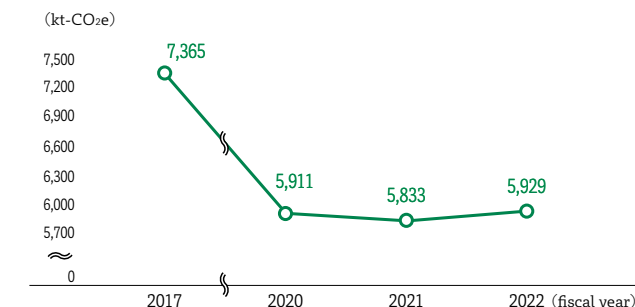


*For Scope 1 and 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the adjusted emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, GHG emissions associated with electricity consumption at overseas sites are calculated using country-specific conversion factors published by the International Energy Agency (IEA).

GHG emissions associated with fuel consumption, excluding electricity consumption, are calculated globally by the MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers.

*The fiscal 2017 result is adjusted based on the revised medium-and-long-term environmental target (see page 96). (The result before the revision was 1,373 kt-CO₂e.)

Scope 3 Greenhouse Gas Emissions
(subject to the Group medium-and-long-term environmental targets) ✓

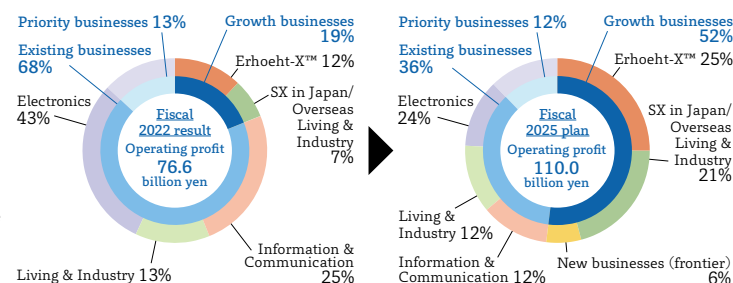


*Methods for calculating the Scope 3 GHG emissions are presented on page 107.

*The fiscal 2017 result is adjusted based on the revised medium-and-long-term environmental target (see page 96). (The result before the revision was 6,122 kt-CO₂e.)

Breakdown of Operating Profit for Growth Businesses

*The denominator used for calculating percentages is operating profit before the deduction of adjustments.



TOPPAN Business Action for SDGs

No. of Services Contributing to GHG Emission Reduction*

Fiscal 2022 result: 29
Fiscal 2025 target: 40
Fiscal 2030 target: 50

*Services that provide value primarily in terms of GHG emission reductions. Target values are cumulative totals leading up to the target year.

📄 See the “Activities and targets set out in TOPPAN Business Action for SDGs” on page 23 >

*Every indicator assured by an independent assurance provider is marked with an assurance stamp ✓.

Biodiversity

Basic Approach

Approach

The TOPPAN Group positions the conservation of biodiversity as a critical challenge for management. As a guide to drive conservation initiatives, we established a Basic Policy on Biodiversity in April 2010. A set of Paper Procurement Guidelines for the Sustainable Use of Forest Resources was also established in September 2011 to avoid or minimize the impacts on biodiversity during raw material procurement operations. For intensified biodiversity efforts, we undertake community activities to conserve local environments through preventative and adaptive approaches that take long-term perspectives. These activities focus on cooperation with community members and various other stakeholders with links to biodiversity. We believe that biodiversity conservation and the sustainable use of biodiverse resources help to enhance environmental security and decarbonize society.

Required Actions

Policy

Actions required for biodiversity conservation throughout the Group are as shown above right.

Required Actions

1. Sustainable raw material procurement
 - 1) Sustainable paper procurement
 - 2) Thorough paper recycling
 - 3) Green purchasing
2. Consideration of land-use
 - 1) Use of site green space
 - 2) Conservation and restoration of site neighborhoods
3. Pro-biodiversity products and services

Activities

Activity results, performance data

Sustainable Raw Material Procurement

- 1) Sustainable paper procurement

The TOPPAN Group Sustainable Procurement Guidelines (version 3) set out requirements and recommendations for forest conservation. The guidelines state the following: “When using resources derived from forests, oceans, or living organisms, etc., Business Partners should avoid the use of resources that have been illegally extracted, cultivated, or traded. Business Partners are also expected to take resource conservation into consideration when using raw materials, including from the perspective of controlling deforestation and forest degradation.” We survey the legality of lumber as a

raw material for paper production, as a means of promoting the sustainable use of forest resources (see page 71).

- 2) Thorough paper recycling

We believe that maximum paper resource circulation discourages the new use of forest resources. Paper materials that have not been processed into products are thoroughly recycled.

Cartocans (our paper-based beverage containers) used within Group sites are collected and processed into toilet paper for use in our offices and plants.
- 3) Green purchasing

We have been engaging in green purchasing for paper products based on our in-house standards for stationery and office goods. Various measures are applied to avoid the purchase of virgin wood-pulp products, such as the preferential purchasing of paper products composed of higher ratios of recycled pulp.

ECO-GREEN (Cartocan-recycled toilet paper) Purchasing

	No. of Cases
Fiscal 2022	2,400

Note: ECO-GREEN is a toilet paper composed of about 50% used Cartocan (paper-based beverage container) paper.

Green Purchasing of Stationery and Office Goods

	Level of Fulfillment
Fiscal 2022	74.5%

Consideration of Land-use

1) Use of site green space

Our land-use practices support biodiversity in green spaces across the Group sites. To bolster biodiversity efforts, we have received third-party certification from the Association for Business Innovation in harmony with Nature and Community (ABINC)* for two sites (as of March 31, 2023) and applied land-use self-assessments using the ABINC's Land Use Score Card. The TOPPAN Technical Research Institute (an ABINC-certified site in Saitama Prefecture) has reproduced a living space for plants native to the Edo River waterfronts and banks in the Kanto Plain. This nature space has been created in the water-cycle biotope within the site premises, with help from the Ecosystem Conservation Society-Saitama.

In April 2022 Toppan Inc. became a qualified member of the 30by30 Alliance for Biodiversity, a multi-stakeholder platform formed by several Japanese organizations backed by the Ministry of the Environment (MOE). In fiscal 2022 the MOE designated the biotope as an "appropriate" OECM** area where biodiversity is conserved. In September 2023 the MOE upgraded the designation from "appropriate" to "certified" under its trial OECM-certification scheme.

Group personnel also take steps to preserve native species and rare plants within their premises. They conserve green spaces for habitats for assorted creatures through green initiatives, such as nest boxes for birds and greenbelts to grow host plants for butterfly larvae.

*A certification program for evaluating and accrediting biodiversity-friendly initiatives to be planned and managed in line with the principles stated in the Guidelines for Sustainable Business Site Management® using the Land Use Score Card. The guidelines and score card were established by the Japan Business Initiative for Biodiversity (JBIB).

**OECMs: Other effective area-based conservation measures

2) Conservation and restoration of site neighborhoods

TOPPAN employees and families take part in biodiversity

conservation activities organized by environmental NPOs and local governments. Many of the activities focus on the cleanup of rivers and natural surroundings in site neighborhoods. With the cancellation of conventional group-style activities during the COVID-19 lockdowns in fiscal 2022, Group sites across Japan invited nature experts to lead online "creature consultation" events where kids could experience and learn about nature and diversity.

We have also been cooperating with a project to plant flowers along the Arakawa River flowing through the Kanto Plain, with support from the Kanto Regional Development Bureau of the Ministry of Land, Infrastructure and Transport of Japan. In July 2022 Sakado Plant members in Saitama Prefecture began setting planters to preserve agrimony and motherwort, native species grown in the Arakawa basin. Motherwort seeds were collected in July 2023. Seedlings of the two species will be planted in their original habitat, the Mitsumata-numa Biotope extending from Kawajima town to Ageo and Kawagoe cities.

The Satte and Kashiwa Plants (Toppan Decor Products Inc.) in Saitama and Chiba Prefectures began protecting ginseng, a native plant grown around the Edo River. Personnel from the two plants collected ginseng plants from the riverbanks at the request of the Ecosystem Conservation Society-Saitama, to salvage their lineage in advance of an embankment project along the river terrace. The plants will be replanted from fiscal 2027, once the construction is complete and the lawns are cured.



Motherwort growing at the Sakado Plant



Agrimony seedlings



Collecting plants in the Edo River terrace

Ginseng plant



Receiving seedlings at the Kashiwa Plant



Curing ginseng plants

Pro-biodiversity Products and Services

We promote the sound nurturing of forests and strive to develop products and services that alleviate the overuse of forest resources.

1) Nurturing sound forests—Forest-thinning paper product

The paper-based Cartocan beverage container exemplifies our ongoing product development efforts to make preferential use of paper made partially from lumber harvested from forest-thinning operations performed to encourage a sounder forest cycle.



2) Alleviating overuse—Recycled composite décor materials

Toppan Material Wood is a composite wood substitute that can be molded for use in various types of décor. It is produced by mixing waste plastics of no value with powdered waste wood from factories and construction sites.



Associated Data

Activity results, performance data

Forest Management Certification

FSC® and PEFC Certification (as of May 19, 2023)

FSC: Forest Stewardship Council

PEFC: Programme for the Endorsement of Forest Certification Schemes

Operational Site (Division or Group Company)	Country	FSC	PEFC
Information & Communication Division (Toppan Inc.)	Japan	✓	
Environmental Design Subdivision (Living & Industry Division, Toppan Inc.)	Japan	✓	
Toppan Cosmo, Inc.	Japan	✓	
Satte Plant (Toppan Decor Products Inc.)	Japan	✓	
Chubu Site (Environmental Design Subdivision, Living & Industry Division, Toppan Inc.)	Japan	✓	
Nishinohon Site (Environmental Design Subdivision, Living & Industry Division, Toppan Inc.)	Japan	✓	
Takamatsu Office (Environmental Design Subdivision, Living & Industry Division, Toppan Inc.)	Japan	✓	
TOPPAN Edge Inc.	Japan	✓	✓
Takiyama Plant (Toppan Forms Central Products Co., Ltd.)	Japan	✓	
Fussa Plant (Toppan Forms Central Products Co., Ltd.)	Japan	✓	
Niigata Plant (Toppan Forms Central Products Co., Ltd.)	Japan	✓	
Takino Plant (Toppan Communication Products Co., Ltd.)	Japan	✓	
Nagoya Center (Toppan Forms Tokai Co., Ltd.)	Japan	✓	
Fukuroi Plant (Toppan Forms Tokai Co., Ltd.)	Japan	✓	
Osaka Sakurai Plant (Toppan Forms Kansai Co., Ltd.)	Japan	✓	
Hiroshima Plant (Toppan Forms Kansai Co., Ltd.)	Japan	✓	
Kyushu Plant (Toppan Forms Nishinohon Co., Ltd.)	Japan	✓	
Toppan Infomedia Co., Ltd.	Japan	✓	
Living & Industry Division (Toppan Inc.)	Japan	✓	✓
Kansai Living & Industry Subdivision (Nishinohon Division, Toppan Inc.)	Japan	✓	
Chubu Division (Toppan Inc.)	Japan	✓	
Mito Plant (Toppan Prospring Co., Ltd.)	Japan	✓	
Higashinohon Subdivision (Higashinohon Division, Toppan Inc.)	Japan	✓	
Hokkaido Subdivision (Higashinohon Division, Toppan Inc.)	Japan	✓	
Kyushu Subdivision (Nishinohon Division, Toppan Inc.)	Japan	✓	
Chugoku & Shikoku Subdivision (Nishinohon Division, Toppan Inc.)	Japan	✓	
Tosho Printing Co., Ltd.	Japan	✓	✓
Livretch Co., Ltd.	Japan	✓	

Operational Site (Group Company)	Country or Region	FSC	PEFC
Pennsylvania Plant (Toppan Interamerica Inc.)	USA	✓	
Toppan Interamerica Inc.	USA	✓	
INTERPRINT, Inc.	USA	✓	
INTERPRINT do Brasil Indústria de Papéis Decorativos Ltda.	Brazil	✓	
Toppan Europe GmbH	Germany	✓	
INTERPRINT GmbH	Germany	✓	
INTERPRINT Polska Sp. z o.o.	Poland	✓	
IP Decor Spain, S.A.U.	Spain	✓	✓
Barcelona Office (Toppan Europe GmbH)	Spain	✓	
London Office (Toppan Europe GmbH)	UK	✓	
Toppan Leefung Packaging & Printing (Dongguan) Co., Ltd.	PRC	✓	✓
Toppan Leefung Advertising (Shanghai) Co., Ltd.	PRC	✓	
Toppan Leefung Printing Limited	PRC	✓	✓
Toppan Leefung Changcheng Printing (Beijing) Co., Ltd.	PRC	✓	
Toppan Win Label Printing (Dongguan) Co., Ltd.	PRC	✓	
Toppan Win Label Company Limited	Hong Kong	✓	
Toppan Excel (Dongguan) Packaging & Printing Company Limited	PRC	✓	
Toppan Excel (Hong Kong) Company Limited	Hong Kong	✓	
Toppan Yau Yue Paper Products Limited	Hong Kong	✓	
Toppan Forms (Hong Kong) Ltd.	PRC	✓	
Toppan Merrill Limited	Hong Kong	✓	
TOPPAN Merrill LLC (New Jersey)	USA	✓	
INTERPRINT Decor (Malaysia) Sdn. Bhd.	Malaysia	✓	
Toppan Security Printing Pte. Ltd.	Singapore	✓	
Siam Toppan Packaging Co., Ltd.	Thailand	✓	
InterFlex Group	UK	✓	
Toppan (Shanghai) Management Co., Ltd.	PRC	✓	

Building of a Recycling-oriented Society

Basic Approach

Approach

The TOPPAN Group has formulated a set of priority policies towards the building of a recycling-oriented society as a critical challenge for management. We process industrial waste and waste materials in line with the following priorities: 1) First priority is given to reductions of the discharge of industrial waste and waste materials generated in association with business activities; 2) Second priority is given to the reuse or recycling of industrial waste and waste materials discharged in spite of the reduction efforts; and 3) Third priority is given to the application of appropriate treatment methods to industrial waste and waste materials not reused or recycled.

The order of priority may be revised if another order of priority is deemed to be more effective for reducing environmental burden.

Activities

Activity results, performance data

In a drive to use limited resources more effectively, we work to reduce the discharge of waste, increase the recycling rate, and apply appropriate waste treatment methods based on the TOPPAN Group Declaration on the Global Environment.

Waste paper derived from operational sites primarily in the Information & Communication and Living & Industry fields makes up the largest portion (63%) of the total waste discharged at Group sites. The next largest portions are waste plastics derived from plants in the Living & Industry field (18%) and

waste acid from the Electronics field. We have striven to increase the material recycling rate by processing waste paper into recycled paper, separating waste plastics and processing composite plastics into pellets, and recycling by other methods. Waste acid, meanwhile, has been treated in-house to lower volumes for disposal. For the hazardous waste regulated under Annex VIII (List A) of the Basel Convention, the total discharge has been confirmed and intensive efforts have been made to reduce discharge and appropriately manage and treat the waste. The list on the next page shows the results and targets for the discharge, discharge-reduction, and recycling of plastic

industrial waste, including waste from plastics used in products. These are the primary measures we have taken to promote plastic circulation in compliance with the Plastic Resource Circulation Act enforced in Japan in April 2022. For the sustainable use of water, a limited resource, individual Group sites assess water risks, reduce the levels of water used and control the quality of effluents discharged into water systems.

We will continue to strive for the effective use of limited resources by reducing overall waste discharge and intensifying material recycling.

Discharge and Treatment of Hazardous and Non-hazardous Waste

Fiscal Year		2020	2021	2022
Total waste discharge (t)		322,110	315,512	297,211
Hazardous waste (t)	Discharge	29,978	29,699	25,953
	Material recycling	24,662	25,078	19,954
	Thermal recovery	3,596	3,349	3,370
	Simple incineration	298	305	1,106
	Landfill disposal	1,364	917	1,522
	Other	58	50	0
Non-hazardous waste (t)	Discharge	292,132	285,813	271,258
	Material recycling	248,060	240,011	231,767
	Thermal recovery	37,824	38,462	31,433
	Simple incineration	175	1,072	1,785
	Landfill disposal	5,452	5,960	6,272
	Other	620	309	0

Plastic Circulation Targets Based on Japanese Legislation*

	Company Name	Fiscal 2022 Discharge (t)	Fiscal 2022 Reduction/Recycling Target	Fiscal 2022 Result (Year-over-year)	Evaluation (Unachieved: ×, Achieved: ○)	Fiscal 2023 Reduction/Recycling Target
High-volume waste dischargers	Toppan Packaging Products Co., Ltd.	13,325	Increase the material recycling rate by 1.8% year over year	-0.3%	×	Increase the material recycling rate by 2.3% year over year
	Tamapoly Co., Ltd.	1,622	Reduce roll-film rewinding loss to below the previous year's level	Loss ratio: -0.1%	○	Increase the material recycling rate by 2.3% year over year
	Toppan Decor Products Inc.	1,380	Increase the material recycling rate by 1.8% year over year	+6%	○	Increase the material recycling rate by 2.3% year over year
	Toppan Communication Products Co., Ltd.	903	Increase the material recycling rate by 1.8% year over year	-14.9%	×	Increase the material recycling rate by 2.3% year over year
	Toppan Inc.	883	Increase the material recycling rate by 1.8% year over year	+15.9%	○	Increase the material recycling rate by 2.3% year over year
	Toppan Infomedia Co., Ltd.	547	Increase the material recycling rate by 1.8% year over year	-1.0%	×	Increase the material recycling rate by 2.3% year over year
	Toppan Plastic Co., Ltd.	474	Increase the material recycling rate by 1.8% year over year	-6.5%	×	Increase the material recycling rate by 2.3% year over year
	Toppan TOMOEGAWA Optical Films Co., Ltd.	411	Increase the material recycling rate by 1.8% year over year	+7.8%	○	Increase the material recycling rate by 2.3% year over year
	Toppan Packaging Service Co., Ltd.	276	Increase the material recycling rate by 1.8% year over year	-59.6%	×	Increase the material recycling rate by 2.3% year over year
Waste dischargers	Toppan Electronics Products Co., Ltd.	104	Increase the material recycling rate by 1.8% year over year	-3.5%	×	Increase the material recycling rate by 2.3% year over year
	Toppan Techno Co., Ltd.	74	–	–	–	–
	Toppan Logistics Co., Ltd.	20	–	–	–	–
	Toppan Prosprint Co., Ltd.	20	–	–	–	–
	Toppan Media Printech Tokyo Co., Ltd.	9	–	–	–	–
	Kansai Bottling Co., Ltd.	6	–	–	–	–
	Toppan Cosmo, Inc.	0.4	–	–	–	–
	Toppan Graphic Communications Co., Ltd.	0.1	–	–	–	–

*Targets for the discharge, discharge-reduction, recycling of plastic industrial waste (including plastics used in products), and other plastic circulation measures based on the Plastic Resource Circulation Act of Japan

Values, Results, and Evaluation of Environmental Targets for Fiscal 2022

	Performance Target	Performance Indicator	Fiscal 2022			
			Target Value	Result	Achievement Rate	Evaluation
Contributing to resource circulation	Reduce final landfill waste disposal	Final landfill waste disposal	5,579 t	7,794 t	60.3%	C
	Circulate resources	Waste plastic material recycling rate	57.0%	56.5%	99.1%	B
Optimal water use	Set quantitative targets based on regional risks		Targets established			

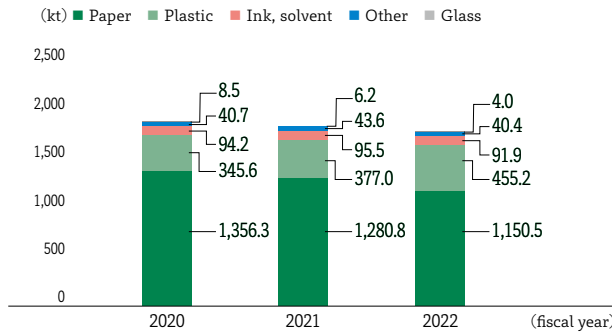
Evaluation criteria: S) Results achieved far surpass the targets (achievement rate [%] \geq 105); A) Targets achieved (100 \leq achievement rate [%] < 105); B) Activities fully carried out, but targets unachieved (70 \leq achievement rate [%] < 100); C) Activities insufficient (achievement rate [%] < 70) Achievement rate: 200 – (values actually achieved / target values) x 100 [%]

Associated Data

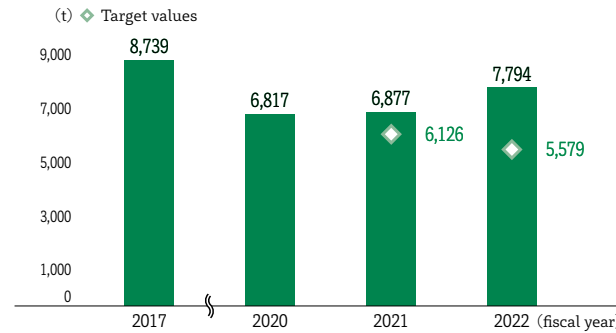
Activity results, performance data

We evaluate and disclose Groupwide performance data, including that from overseas Group subsidiaries.

Material Input ✔

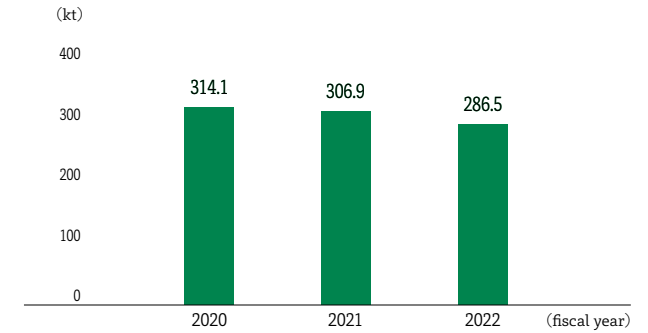


Final Landfill Waste Disposal ✔

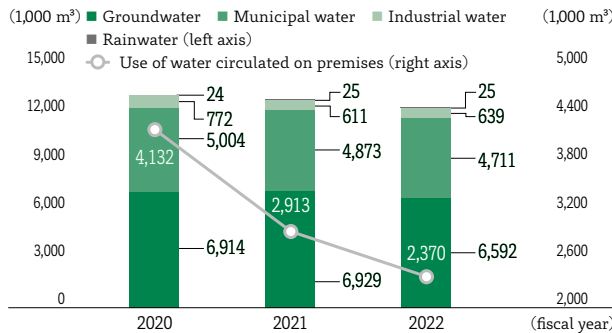


*The fiscal 2017 result is adjusted based on the revised medium-and-long-term environmental target (see page 96). (The result before the revision was 7,407 t.)

Waste Recycling ✔

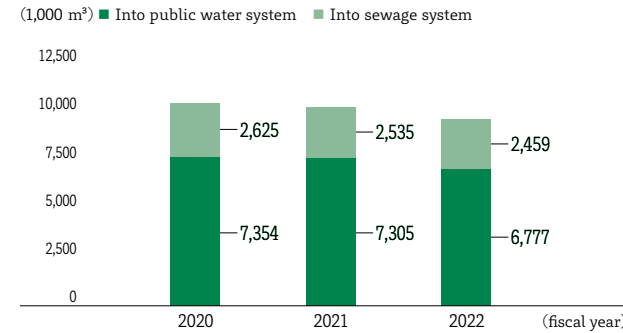


Water Withdrawal ✔



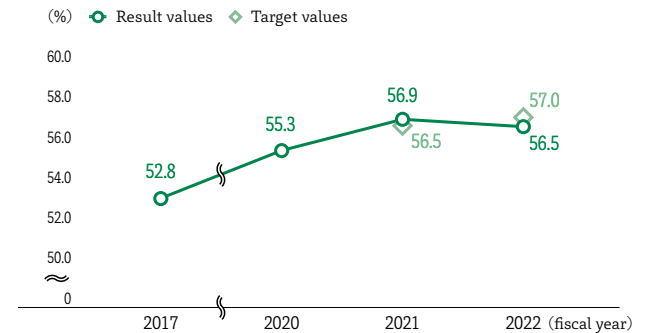
*Withdrawal at two Group sites in Russia is excluded from the fiscal 2022 result.

Effluent Discharge ✔



*Discharge at two Group sites in Russia is excluded from the fiscal 2022 result.

Waste Plastic Material Recycling Rate



Control of Chemical Substances

Basic Approach

Approach

The TOPPAN Group has formulated the following basic policies on chemical substance control.

We refrain from the use of hazardous chemical substances as a basic rule. We may, however, resort to the use of hazardous substances when their use is legally permitted and no alternate technologies are available. Even when these latter conditions apply, we properly control the substances and take steps to reduce their usage or replace them with substitutes.

Every chemical substance used within our business operations is monitored. We seek to eliminate obstacles to environmental conservation in advance by constantly improving the substance control methods we have voluntarily set as a business operator.

Activities

Activity results, performance data

We strive to reduce the use of chemical substances in order to mitigate their impacts on the environment. By determining substances and applications for reduction on a priority basis, we have been reducing their use and replacing them with safer substitutes. A set of Standards for the Management of Chemical Components of Raw Materials has been established to govern the substances and materials we purchase. These standards list chemical substances whose usage is banned or restricted as raw materials in conformance with international and Japanese laws and regulations on chemicals. The list is regularly reviewed to assure chemical management, and every supplier is asked to control the substances listed.

Toppan Inc. has also listed particularly hazardous chemicals as “high-risk chemicals” sorted out from the chemical substances designated under the Pollutant Release and Transfer Register (PRTR) law of Japan. The Company prohibits the use of products that contain listed chemicals as a basic rule. This list is reviewed every year. Group production sites have been properly controlling chemical substances in parallel, according to their management procedures.

For VOC emissions into the atmosphere, adequate treatment is applied before release to ensure that the emission volumes and concentrations are controlled at proper levels. Increasing efforts are also made to reduce the use of VOCs.

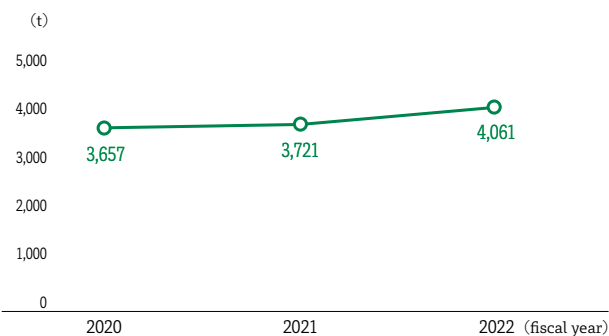
 More details on the TOPPAN Group Standards for the Management of Chemical Components of Raw Materials (ver. 4.8) >

<https://www.holdings.toppan.com/assets/en/pdf/about-us/our-corporate-approach/chemical-components-of-raw-materials-v4.8en.pdf>

Associated Data

Activity results, performance data

VOC Emissions into the Atmosphere (Domestic sites, including Group company sites) ✔



Chemical Substances Designated under the PRTR Law of Japan (Domestic sites, including Group company sites)

(Unit: kg/year)

PRTR No.	Chemical Substance	Handled	Released (1 + 2 + 3)	Released			Total Transferred
				1. Atmosphere	2. Water	3. Soil	
20	2-aminoethanol	62,863	653	0	653	0	26,879
44	Indium and its compounds	1,387	0	0	0	0	2
53	Ethylbenzene	12,000	206	206	0	0	441
71	Ferric chloride	2,121,289	0	0	0	0	2,074,205
76	Epsilon-caprolactam	2,108	0	0	0	0	272
80	Xylene	46,246	378	378	0	0	447
87	Chromium and chromium (III) compounds	20,742	9	0	9	0	14,084
88	Chromium (VI) compounds	11,621	0	0	0	0	1,356
151	1,3-dioxolane	18,785	188	188	0	0	3,103
213	N,N-dimethylacetamide	3,773	340	340	0	0	604
243	Dioxins (mg-TEQ)	1,095	11	11	0	0	1,084
245	Thiourea	2,100	2	0	2	0	2,098
272	Copper salts (water-soluble, except complex salts)	312,935	41	0	40	0	94,410
296	1,2,4-trimethylbenzene	80,370	2,766	2,766	0	0	6,636
297	1,3,5-trimethylbenzene	9,019	553	553	0	0	1,519
300	Toluene	630,503	40,267	40,267	0	0	57,793
308	Nickel	11,248	0	0	0	0	0
309	Nickel compounds	6,711	4	0	4	0	3,943
374	Hydrogen fluoride and its water-soluble salts	7,341	350	10	341	0	5,503
392	n-Hexane	1,328	13	13	0	0	219
411	Formaldehyde	12,128	23	23	0	0	1,646
412	Manganese and its compounds	2,964	173	0	173	0	2,042
438	Methylnaphthalene	14,281	71	71	0	0	0
448	Methylenebis (4,1-phenylene) diisocyanate	35,694	0	0	0	0	0
	Total	3,427,435	46,040	44,816	1,224	0	2,297,201

Notes

- Period covered: April 1, 2022–March 31, 2023
- Operational sites covered: Sites that handle more than 1.0 ton of Class I designated chemical substances per year (or specified Class I designated chemical substances in excess of 0.5 tons per year)
- The total transfer is the sum of transfers into waste and sewage systems.

Pollution Control

Basic Approach

Approach

The TOPPAN Group has formulated the following basic policies on pollution control. We position the control of pollution as a critical challenge for management and place utmost priority on environmental conservation initiatives to attain zero pollution. In the event that we cause environmental pollution of any form, we will immediately publish the incident, disclose information, and work relentlessly to address the case while taking necessary actions to reliably prevent recurrences. Recurrence-prevention measures for similar operations will be implemented throughout the Group. Proactive environmental conservation activities will enable us to detect any signs of pollution and swiftly correct the problem at its source.

Approach to Environmental Compliance

Activity results, performance data

Preventing Pollution

The Eco-protection Promotion Committee at each Group site in Japan sets in-house control standards that are more stringent than the applicable regulatory standards. We work to reduce environmental impact and prevent pollution by observing these in-house standards.

To prevent atmospheric pollution, we control boilers and other plant facilities emitting air pollutants by managing operations under appropriate combustion conditions. The

efficiency of effluent gas treatment has been enhanced through the reuse of recovered organic solvents and appropriate control of combustion equipment in plant facilities subject to requirements under the Air Pollution Control Act.

To prevent water pollution, we have installed wastewater treatment facilities designed to correspond to specific water use and pollutant conditions at individual sites. Wastewater recycling systems have also been installed at Electronics plants that discharge effluents in significant amounts. By recovering and reusing wastewater via these systems, the plants have been working to reduce the levels of water withdrawal and effluent discharge.

Plant facilities subject to the Water Pollution Control Law are checked in compliance with the regulatory standards for structures. Every facility, including those not subject to the law, is monitored to prevent soil and groundwater pollution caused by the leakage of chemicals and other liquids. Any equipment or component with undue wear has been replaced.


Organizing Pollution Control Training

We arrange three types of training programs on pollution control: general education for every employee at individual Group sites; specific operational training for every employee engaged in operations that cause or can cause significant impacts on the environment; and emergency drills to prevent the spread of damage when a potential emergency occurs.

Handling Inquiries and Complaints

We receive environmental inquiries and complaints via

“Inquiries,” a contact window for persons seeking information on corporate activities, on the TOPPAN corporate website. The Ecology Center receives reports on these inquiries and complaints from the Public Relations Division and responds to them as the organization overseeing environmental conservation activities across the Group.

 For inquiries on our corporate activities >

<https://www.holdings.toppan.com/en/contact-us/privacy-corporate.html>

Fiscal 2022 Results

We have used our in-house environmental database for Group sites across Japan to identify any possibility that the limits stipulated under laws, ordinances, agreements, or other applicable regulations are or will be surpassed. Preventive measures against unduly high risks have been taken to ensure that none of the regulatory limits are breached.

Despite these steps, one case of excessive air pollution by VOCs was recorded at one production site and a total of four cases of excessive water contamination were recorded at four sites (two cases of BOD at two sites, one case of n-Hex at one site, and one case of BOD, n-Hex, and SS originating from the same cause at one site), relative to the standards set under laws, ordinances, agreements, or other applicable regulations, in fiscal 2022. Corrective measures were taken immediately in all five of the cases, including steps to inspect the plant facilities and revise the methods for facility control. Other actions to reliably prevent recurrences have been taken since the implementation of these corrective measures, including the establishment of a new set of standardized control procedures. No problems with

the levels of water use or effluent discharge have been identified.

As a preventive action against environmental pollution, we also review drills for coping with potential emergencies and accidents during production operations, whenever necessary.

No complaints were filed from the communities around our plants in fiscal 2022.

We will continue enhancing the quality of our environmental management through earnest dialogue with the members of the surrounding communities.

Fiscal 2022	Excessive Levels relative to Applicable Legal Standards	Complaints
Cases	5 (4 cases involving water contaminants [BOD: 2; n-Hex: 1; BOD, n-Hex, SS: 1]; 1 case involving air pollution by VOCs)	0

No. of Internal Environmental Audits and Issues in Need of Improvement (Fiscal 2022)

Domestic Sites Audited	54
Issues in Need of Improvement Identified at Domestic Sites	32
Domestic Sites Reviewed	3

Remediating Soil and Groundwater Pollution

Activity results, performance data

Purifying Soil and Groundwater Pollution

Operational Site	Detail	Current Progress
Itabashi Plant (Itabashi, Tokyo)	Groundwater pollution by hexavalent chromium and toluene	Continuously monitored
Niigata Plant (Shibata, Niigata)	Soil pollution by fluorine and fluorine compounds	Continuously monitored

Remediating Soil Pollution for Redevelopment under Regulations

The Soil Contamination Countermeasures Act of Japan requires remediation work or other countermeasures in the event that a soil investigation detects soil contamination at a site during construction or demolition work of a certain scale (including soil contamination by natural sources in the environment). Our site reconstruction projects are occasionally subject to these legal demands. We therefore conduct soil investigations in accordance with the act and take necessary countermeasures whenever soil contamination is detected at Group sites.

No remediation work or other countermeasures under the act were performed in fiscal 2022.

Environmental Data

Environmental Performance Data —

Activity results, performance data

Major Types of Environmental Burden (Groupwide: covering Group companies around the world) ✔

Category		Chief Component	Environmental Burden (Groupwide)
INPUT	Material (t)	Total input	1,742,064
		Paper	1,150,528
		Ink, solvent	91,897
		Plastic	455,205
		Glass	4,000
		Other	40,433
		Energy (TJ)*1	Total consumption
	Fuel		4,399
	Electricity, steam		16,485
	Water (1,000 m ³)*7	Total withdrawal	11,967
		Industrial water	639
		Municipal water	4,711
		Groundwater	6,592
		Rainwater used	25
		Use of water circulated on premises	2,370
	Chemical substances (t)*2	Handling of chemical substances designated under the PRTR law	3,427

Category		Chief Component	Environmental Burden (Groupwide)
OUTPUT	Atmosphere	CO ₂ emission (t-CO ₂)*3	1,114,636
		Scope 1	304,695
		Scope 2	809,940
		Release of chemical substances designated under the PRTR law (t)*2	45
		VOC emission into the atmosphere (t)*2, *4	4,061
		Water and soil environments*7	Total effluent discharge (1,000 m ³)
	Into public water system		6,777
	Into sewage system*6		2,459
	BOD (kg)		29,757
	COD (kg)		1,240
	Nitrogen discharge (kg)		22,573
	Phosphorous discharge (kg)		8,627
	Waste (t)	Release of chemical substances designated under the PRTR law (t)*2	1
		Total discharge*5	297,211
		Recycled	286,524
Final landfill disposal		7,794	

*1 Energy consumption associated with fuel and electricity consumption is calculated using the conversion factor specified in the Act on the Rational Use of Energy of Japan.

*2 The PRTR data and VOC emissions only cover domestic sites, including Group sites.

*3 CO₂ emissions are calculated using the adjusted emission factor according to the method specified in the Guidelines for Calculating Greenhouse Gas Emissions from Businesses issued by the Ministry of the Environment (MOE) of Japan.

CO₂ emissions associated with electricity consumption at overseas Group sites, however, are calculated based on the latest conversion factors published by the International Energy Agency (IEA). Scope 1 greenhouse gas emissions include CO₂ emissions derived from combustibles burned in incinerators.

*4 Emissions into the atmosphere are calculated based on the standards established by the Japan Federation of Printing Industries (JFPI) and the VOC emission inventory issued by the MOE of Japan.

*5 The total discharge of waste includes industrial waste of no value and waste materials of value sold or transferred as resources (both generated in association with business activities).

*6 Includes 10,291 m³ of spring water from the premises of the Akihabara Sales Building.

*7 Excludes withdrawal and discharge at two Group sites in Russia.

Environmental Accounting

Activity results, performance data

Capital Investment for Environmental Conservation

(million yen)

Item	Major Content	Fiscal 2022	Increase/ Decrease from Fiscal 2021	Average for the Last Five Years
1	Investment in equipment to prevent pollution (Including equipment to prevent water pollution)	826 (259)	235 (160)	1,096 (441)
2	Investment in equipment to conserve the global environment	1,438	-76	1,322
3	Investment in equipment to circulate resources (Including equipment to use rainwater and reduce water consumption)	69 (0)	-99 (-7)	145 (2)
4	Investment in equipment to carry out environmental management activities (Including equipment to monitor and measure environmental burden, plant trees at operational sites, and implement other environmental measures)	83	68	24
Total		2,416	128	2,587

Environmental Conservation Benefit

Item	Major Content	Fiscal 2022	Increase/ Decrease from Fiscal 2021
Energy	Total energy consumption (TJ)	20,885	283
Water	Water withdrawal (1,000 m ³)	11,967	-471
Atmosphere	CO ₂ emission (kt-CO ₂)	1,115	-73
	Emission of dioxins (mg-TEQ)	11	4
Water and soil environments	Total effluent discharge (1,000 m ³)	9,235	-605
	BOD (t)	30	4
	COD (t)	1	-51
Waste	Total discharge (kt)	297	-18

Environmentally Friendly Products (98 products as of May 2023)

Activity results, performance data

Business Field	Product	Standard Categories
Information & Communication	Ecothrough Card	Suitability for disposal
	Bulky Waste Processing Sticker	Resource saving (reduced use of materials)
	Eco Pack (life-size POP display)	Resource saving (reduced use of materials)
	Paper Desk Calendar	Use of recycled materials
	Ecology Calendar	Use of recycled materials
	Non-vinyl Chloride Lenticular Lens	Suitability for disposal
	Eco Pack Multipanel	Reusability
	Eco Floor Sticker	Suitability for disposal
	Eco Pack End Panel	Resource saving
	Eco Pack Stand (round type)	Resource saving
	Disk Tottokun Series	Resource saving, prolonged product life, recyclability, suitability for disposal
	Ultra-thin DM (brochures, etc.)	Resource saving, reduced energy consumption in production, recyclability
	Eco Pack Multipanel Mini	Reusability, prolonged product life, recyclability, easy separation and disassembly
	Multicube POP	Reusability, prolonged product life, recyclability, easy separation and disassembly
	Green Bankbook	Recyclability, suitability for disposal
	KAMICARD®	Biodegradability, use of safe materials, resource saving, recyclability
	KAMI-RFID CARD	Recyclability, use of safe materials, resource saving, easy separation and disassembly
Printed materials with environmental logos	Reduced use of chemical substances, reduced use of hazardous substances, use of recycled materials, use of sustainable resources, use of renewable energy, carbon offsetting, labeling with environmental logos	
Electronics	Flip chip ball grid array [FC-BGA] substrate (halogen free)	Suitability for disposal
	Color filter (resin black matrix [BM])	Use of safe materials, energy saving, reduced release of chemical substances, suitability for disposal
	Palladium pre-plated leadframe	Use of safe materials, reduced release of chemical substances, suitability for disposal
	Flip chip ball grid array [FC-BGA] substrate (lead free)	Use of safe materials, reduced release of chemical substances, suitability for disposal
Living & Industry	Toppan Ecowall	Reduced release of chemical substances, use of safe materials, suitability for disposal
	TOPPAN ECO SHEET	Reduced release of chemical substances, extension of product life
	GL BARRIER (Exceptional*)	Use of sustainable resources, resource-saving efforts
	Stand-up Pouch	Resource-saving efforts
	Bottled Pouch	Resource-saving efforts
	Plastic container made from recycled materials	Use of recycled materials

Business Field	Product	Standard Categories
Living & Industry	TT Paper Can	Use of sustainable resources
	Ecotainer	Recycling, improvement in transport efficiency
	TL-PAK	Recycling, improvement in transport efficiency
	EP-PAK (EP-GL)	Improvement in transport efficiency, recycling
	EP-PAK (Al)	Improvement in transport efficiency
	Stand-up Laminated Tube	Resource-saving efforts
	Recyclen Cap	Recycling
	AP Carton	Improvement in transport efficiency
	Micro Flute	Resource-saving efforts, recycling
	TP-Tray	Recycling, use of sustainable resources
	Corrugated Board Cushioning Material	Recycling
	AD-Case	Resource-saving efforts
	Cartocan (Exceptional*)	Use of sustainable resources, recycling, visualization of environmental burden
	GL-C Bottle	Resource-saving efforts
	Jar Plus	Resource-saving efforts, recycling
	GL FILM Lined Paper Cup	Use of sustainable resources
	Double-wall Barrier Paper Cup	Resource-saving efforts
	Fluorine-free oil-repellent paper	Recycling
	In-mold Barrier Cup	Extension of product life, improvement in transport efficiency
	Easy Peel-off Thermo-Label	Recycling
	Eco Band	Reusability
	Paper carton with tamper-evident closure	Resource-saving efforts
	Clear UV-blocking Film	Use of sustainable resources
	BIOAXX (molding product)	Use of sustainable resources
	EL-Case	Resource-saving efforts, recycling
	Paper cup made from pulp from forest-thinning operations	Use of sustainable resources
	Cylindrical paper-composite container for refill	Use of sustainable resources
	High-resistance Flexible Pouch	Resource-saving efforts, improvement in transport efficiency
	BIOAXX (label)	Use of sustainable resources
	Aluminum-free Lid Material	Use of sustainable resources
Multi-layer Blow Tube	Resource-saving efforts	
Steam-release Packaging	Reduced environmental burden during use	
Air Hold Pouch	Resource-saving efforts	

Business Field	Product	Standard Categories
Living & Industry	BIOAXX (flexible packaging material)	Use of sustainable resources, resource saving, environmentally friendly disposal, visualization of environmental burden
	Square-bottomed Gazette Pouch	Improvement in transport efficiency, resource saving, environmentally friendly disposal
	Flexible packaging material using recycled materials	Use of recycled materials, procurement of materials with lower environmental burden, reduced energy consumption in production, environmentally friendly disposal, visualization of environmental burden
	Printed Decorative Paper (Coated Paper)	Reduced use of chemical substances, reduced use of hazardous substances
	Printed Decorative Paper (Coated Paper, FSC-certified)	Use of sustainable resources, reduced use of chemical substances, reduced use of hazardous substances
	Printed Decor Paper for HPL/LPL (Saturated Grade Paper)	Reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances
	Printed Decor Paper for HPL/LPL (Saturated Grade Paper, FSC-certified)	Use of sustainable resources, reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances
	Transfer paper for padded floors	Reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances
	Lower-VOC wallpaper (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances
	SnapFit	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, extension of product life
	101 Coordination Floor REPREA eco (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, extension of product life, labeling with environmental logos
	Sosogi Jozu	Resource saving, improvement in transport efficiency, environmentally friendly disposal
	Preform for PET bottles	Improvement in transport efficiency, visualization of environmental burden
	FORMANO	Reduced use of chemical substances, reduced use of hazardous substances, environmentally friendly disposal, reduced release of chemical substances, extension of product life
	FORTINA	Reduced use of chemical substances, reduced use of hazardous substances, environmentally friendly disposal, reduced release of chemical substances, extension of product life
	TOPPAN MATERIAL WOOD (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, use of recycled materials, environmentally friendly disposal, reduced release of chemical substances, extension of product life
	Smart Deli Bag	Reduced environmental burden during use
	Plastic UV ink container	Use of recycled materials, use of sustainable resources, improvement in transport efficiency, recycling
	Forest-certified-paper packaging	Use of sustainable resources, labeling with environmental logos
	Biodegradable plastic products	Use of biodegradable materials
Cardboard with shrink wrap packaging	Resource saving, reduced energy consumption in production, improvement in transport efficiency, recycling	
Emergency magnesium air battery	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, extension of product life, reduced environmental burden during use, recycling, environmentally friendly disposal	

Business Field	Product	Standard Categories
Living & Industry	FINE FEEL (101 Materium)	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, extension of product life, environmentally friendly disposal
	EP-PAK Fold & Tear/Easy Removal Cap (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, improvement in transport efficiency, recycling, environmentally friendly disposal, labeling with environmental logos
	BIOAXX flexible packaging material (Eco Mark certified) (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, use of sustainable resources, environmentally friendly disposal, visualization of environmental burden, labeling with environmental logos
	Flexible packaging material using recycled materials (Eco Mark certified) (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, use of recycled materials, resource saving, reduced energy consumption in production, environmentally friendly disposal, visualization of environmental burden, labeling with environmental logos
	CNF Eco Flat Cup™	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, use of sustainable resources, extension of product life, environmentally friendly disposal
	Itadaki Pouch™	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, environmentally friendly disposal
	Itadaki Pillow	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, environmentally friendly disposal
	KaruTech	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, environmentally friendly disposal
	Pitatto Paper Tray™	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, use of sustainable resources, environmentally friendly disposal
	Mono-Material Barrier Packaging	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, extension of product life, recycling, environmentally friendly disposal
	Microwavable Paper Tray™	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, use of sustainable resources, extension of product life, environmentally friendly disposal
	MAPKA® packaging**	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, environmentally friendly disposal
	CUBE PAK®	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, use of sustainable resources, environmentally friendly disposal
	Tube-Pouch™	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, extension of product life, environmentally friendly disposal, visualization of environmental burden
	ECOLUSTER™ packaging	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, reduced energy consumption in production, environmentally friendly disposal, visualization of environmental burden

*Exceptional environmentally friendly product

**MAPKA® is a registered trademark of Eco Research Institute Ltd. of Japan.

Green Procurement and Green Purchasing

Activity results, performance data

JFPI Green Procurement Standards for Paper and Level of Fulfillment

Green Principle	Level 1	Level 2	Fiscal 2022 Result*
1. Using recycled paper or paper made with fewer forest resources (excluding covers for brochures)	Paper composed of at least 60% recycled pulp plus forest-certified pulp for the remaining portion, or with an overall rating of more than 80 points	Paper composed of at least 20% recycled pulp or forest-certified paper, tree-free paper, paper made with pulp from forest-thinning operations, or tissue paper	6.2%
2. Reducing component properties obstructive to waste paper recycling	Non-usage of printing materials with waste paper recyclability rankings of B, C, or D	Non-usage of printing materials with waste paper recyclability rankings of C or D	
3. Procuring from manufacturers proactively engaged in paper recycling	Procurement from manufacturers who proactively use waste paper as a raw material for recycled paper		

Note: Result under the Green Standards for Offset Printing Services (April 1, 2017 amendment) of the Japan Federation of Printing Industries (JFPI)

*Level 1 or 2 paper used (kg) / offset paper purchased (kg)

JFPI Green Procurement Standards for Ink and Level of Fulfillment

Green Principle	Level 1	Level 2	Fiscal 2022 Result*
1. Avoiding the use of substances harmful to the human body	Conformance with the NL regulations of the Japan Printing Ink Makers Association		90.6%
2. Considering chemical substances designated under the PRTR law of Japan	Non-usage of substances designated under the PRTR law	Identification of substances designated under the PRTR law (via SDSs)	
3. Controlling VOC emissions (for offset ink, excluding heat-set ink for web press)	Non-VOC ink or UV ink	Vegetable oil ink, soybean oil ink, or "ig" ink (labeling with Ink Green Mark)	
4. Using sustainable resources (for heat-set ink for web press)	Vegetable oil ink, soybean oil ink, or "ig" ink (labeling with Ink Green Mark)		
5. Reducing component properties obstructive to waste paper recycling	Non-usage of printing materials with waste paper recyclability rankings of B, C, or D	Non-usage of printing materials with waste paper recyclability rankings of C or D	

Note: Result under the JFPI Green Standards for Offset Printing Services (April 1, 2017 amendment)

*Level 1 or 2 ink used (kg) / offset ink purchased (kg)

In-house Green Purchasing Standards and Levels of Fulfillment

Product	Standard	Fiscal 2022 Result
Copy machines and printers	Configured to automatically revert to low-power mode or off mode	92.9%
Stationery and office goods	Products listed in eco-friendly product catalogues of manufacturers	74.5%

Participating in the Green Purchasing Network

Activity results, performance data

The Green Purchasing Network (GPN) of Japan was established in 1996 as a loose-knit network of businesses, civilian organizations, government agencies, and other entities proactively engaged in green purchasing practices. GPN is convinced that green purchasing plays a critical role in the formulation of a market for eco-products on a scale sufficient to facilitate eco-product development. GPN believes that green purchasing will contribute significantly to the realization of a sustainable society.

As a GPN member, Toppan Inc. provides printing services based on the GPN Ordering Guidelines for Printing Services.

 Green Purchasing Network (in Japanese) >

<https://www.gpn.jp/english/index.html>



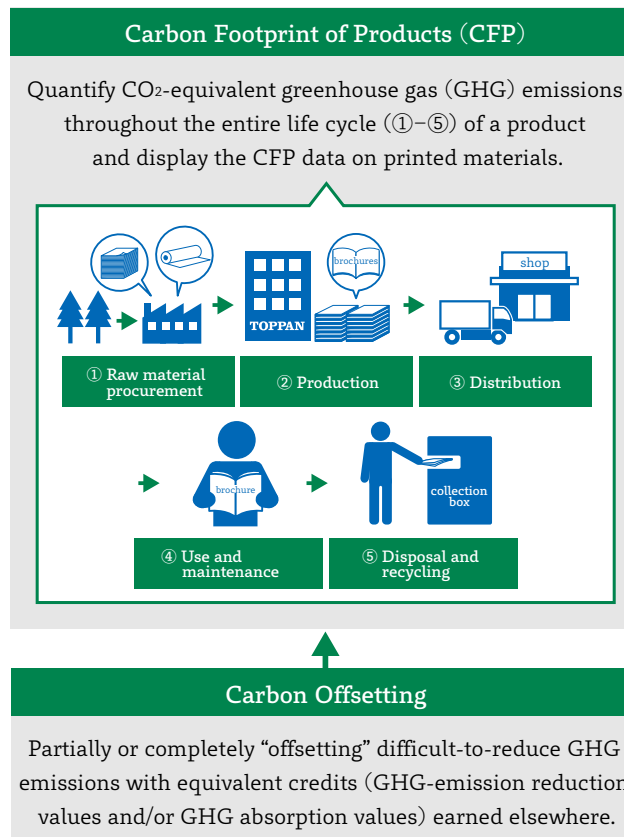
CFP and Carbon Offsetting Initiatives

Activity results, performance data

Toppan Inc. has been visualizing CO₂ emissions associated with printed materials and events through CFP* and carbon offsetting initiatives. Its one-stop service for client companies covers every step from CFP quantification to carbon-offset certification. This procedure has also been applied to the Company's own products and events. CFP quantifications were conducted for 13 products, services, and events in Japan in fiscal 2022.

*“Carbon footprint of products (CFP),” a project advocated by the Japanese Ministry of Economy, Trade and Industry

Framework for CFP and Carbon Offsetting



Topic

Obtaining CFP Certification at Siam Toppan Packaging

Siam Toppan Packaging Co., Ltd. in Thailand manufactures folding cartons primarily with offset printing technology. Its folding cartons are indirectly exported to markets worldwide, including Europe and the U.S.

Extensive measures for the environment have been adopted at the company, including the installation of solar panels at plant buildings. Siam Toppan Packaging obtained “CFP (Carbon footprint of products)” certification for one of its products (photo 3) on February 28, 2023. The company became the first Thai-based producer of folding cartons using offset printing processes to receive this certification (photos 1, 2).

In its work towards CFP certification for the entity as a whole, the company seeks to visualize CO₂ emissions throughout the entire manufacturing processes. Siam Toppan Packaging is convinced that demand for CFP certification will grow among existing and potential customers across various industries.



Photo 1: CFP certification ceremony



Photo 2: CFP certificate



Photo 3: Product with CFP certification



Governance

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Corporate Governance

Basic Approach

Approach

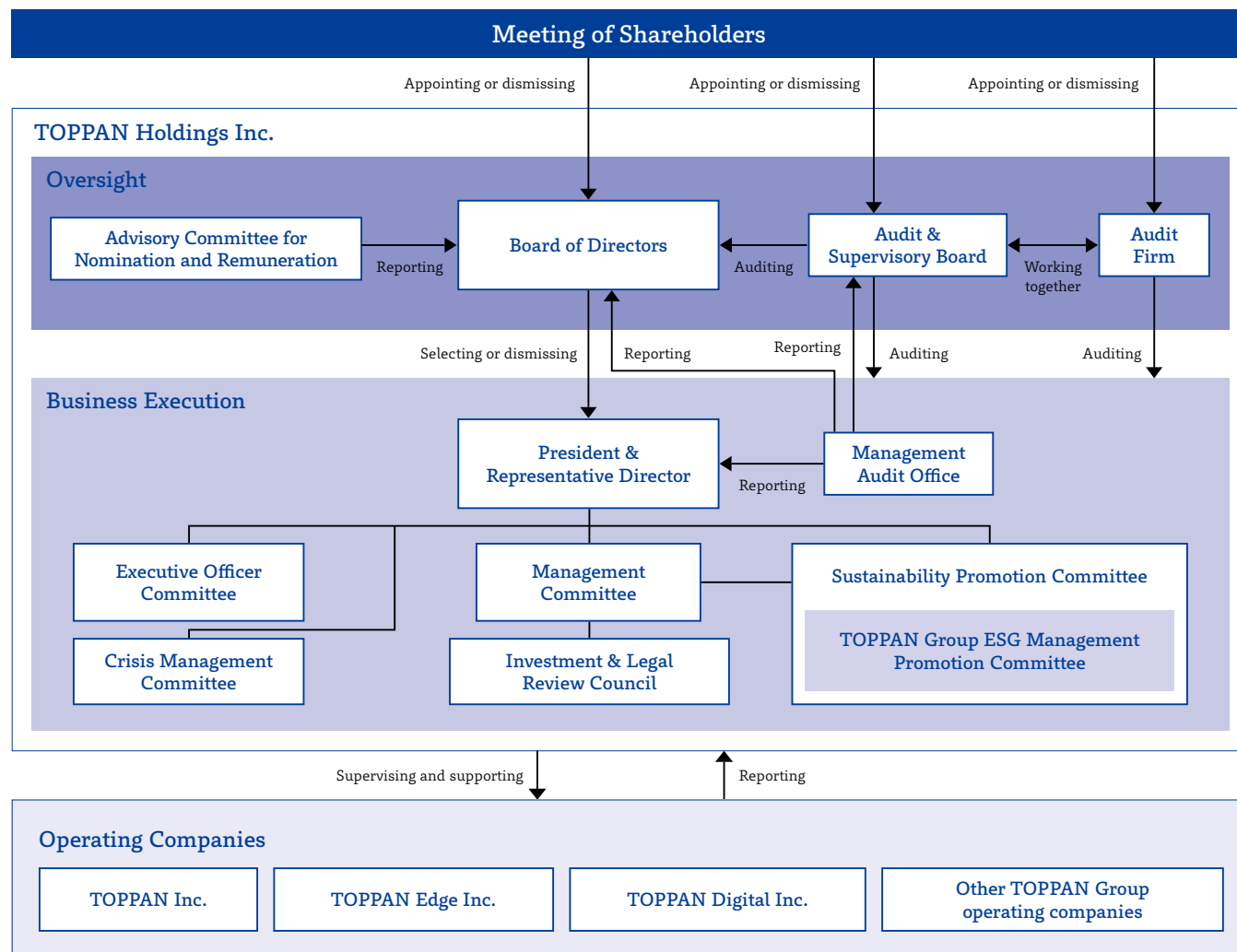
Reinforced corporate governance serves as an integral foundation to achieve sustainable growth and medium-to-long-term increases in our corporate value. We have formulated a Basic Policy on Corporate Governance to clarify our framework for corporate governance and basic governance approach based on a full understanding of the principles and aims of the Corporate Governance Code established by the Tokyo Stock Exchange (TSE). The basic policy was partially revised in June 2023 to further enhance corporate governance within the TOPPAN Group based on our efforts focused on diversity & inclusion and the SDGs.

We consolidate management under the Related Company Administration Regulations prescribed for the advancement of fair management within the Group. We promote governance aimed at maximizing the value of the entire Group through this approach.

More details on the Basic Policy on Corporate Governance >

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

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



Promotion Framework at Toppan Inc.

(as of June 29, 2023)

Promotion framework

The governance structure of Toppan Inc. employs an Audit & Supervisory Board. As a body entrusted by shareholders, the Board of Directors strives to achieve sustainable growth and a medium-to-long-term increase in corporate value while making important managerial decisions and overseeing the execution of directors' duties.

An Audit & Supervisory Board composed of a majority of independent external members audits the execution of duties by directors from a position independent from management. An Advisory Committee for Nomination and Remuneration of directors has also been set up to enhance the objectivity and transparency of personnel affairs and remuneration of directors. The Company has adopted an executive officer system to clarify the authority and responsibilities of those in charge of business execution.

Management is consolidated under the Related Company Administration Regulations prescribed for fair management within the Group. The Company promotes governance aimed at maximizing the value of the entire Group.

The Basic Policy on Corporate Governance of Toppan Inc. formally adopted by the Board of Directors on November 26, 2015 clarifies the Company's approach to reinforcing corporate governance in ways that contribute to sustainable growth and medium-to-long-term enhancement of corporate value, based on the principles and aims of the Tokyo Stock Exchange's Corporate Governance Code. The basic policy was partially revised by the Board on June 22, 2023.

Directors, Board of Directors, and Various Meetings

The Articles of Incorporation of Toppan Inc. stipulate that the

directors shall number no more than 15 and that resolutions for the appointment of directors shall be adopted by a majority of the votes of attending shareholders who hold one-third or more of the voting rights of the shareholders authorized to vote.

The Board of Directors comprises six internal directors and three independent external directors (as of June 29, 2023). Based on a resolution adopted by the Board on April 27, 2016, the Company introduced an executive officer system to establish a flexible management framework that responds rapidly and precisely to shifts in the business environment. This system also aims to further clarify the authority and responsibilities of officers who execute duties. In addition to the executive officers concurrently serving as directors, another 35 executive officers not serving as directors are now engaged.

Ordinary Board meetings are basically held monthly to make decisions in accordance with the Regulations of the Board of Directors, receive reports from directors, and supervise their business execution. Besides ordinary meetings, the Board holds extraordinary meetings as required when urgent matters arise. Eighteen Board meetings were held in fiscal 2022.

In fiscal 2022 the Board discussed various Group management issues, priority issues in core businesses, and matters related to important business execution. Two key topics were the transition to a holding company structure planned for October 2023 and the New Medium Term Plan taking effect from fiscal 2023. To enhance commitment to sustainability, a separately established Sustainability Promotion Committee discusses relevant issues while the Board makes resolutions on key indicators for sustainability initiatives. The Board also deliberates resolutions on matters stipulated by laws and regulations and the Articles of Incorporation, receives reports on legislative matters and the execution of important businesses, and strictly supervises the execution of officers' duties.

Especially important managerial matters to be presented to the Board are deliberated beforehand by the Management

Committee, a body made up of directors and several other officers nominated by the President & Representative Director. The committee makes certain decisions by prioritizing managerial efficiency in business decision-making. Twenty-three committee meetings were held in fiscal 2022.

Audit & Supervisory Board and Board Members

Toppan Inc. has five audit & supervisory board members, including three independent external members. Based on the audit standards set by the Audit & Supervisory Board, audit & supervisory board members attend meetings of the Board of Directors, the Management Committee, the Investment & Legal Review Council, and other important meetings. They also attend executive and other business-division-based meetings. They exchange opinions with representative directors, receive reports from directors and officers on the execution of their duties, view approval and other important documents, and request business reports from consolidated subsidiaries. Through audits conducted mainly by those methods, the audit & supervisory board members oversee and audit management.

Full-time audit & supervisory board members, meanwhile, examine the execution of domestic and overseas businesses by attending business-division executive meetings and visiting research facilities, plants, and sales offices to interview Group personnel. In fiscal 2022 they arranged a series of remote audits, along with their routine site visits. Regular meetings of audit & supervisory boards from Group companies are also convened for the exchange of information and opinions on Group governance and the operational status of management, primarily internal control.

Audit & supervisory board meetings are basically held monthly and extraordinary meetings are held whenever necessary. The Audit & Supervisory Board determines audit plans and the division of audit duties, receives audit reports

from board members, asks directors, executive officers, internal auditors, and audit firms to report on the execution of their duties, and requests explanations on reports as needed. Sixteen board meetings were held in fiscal 2022.

The priority audit matters in fiscal 2022 are listed below.

- Growth of focused businesses such as DX, SX, and BPO
- Audits of subsidiaries and interviews with CEOs of overseas subsidiaries
- Progress of initiatives promoted by the TOPPAN Group ESG Management Promotion Committee (progress confirmed by attending the committee meetings)
- Reports on internal control over financial reporting
- Development and operation of a timely disclosure system

Internal Audits

Toppan Inc. has established a Management Audit Office independently from its business departments to enhance the soundness of management. The office audits the management and operations of operational sites and plants, including those of consolidated subsidiaries.

Twenty-two personnel in the office engage in audits, as of March 31, 2023. In the management audits, they verify and evaluate the consistency of management processes with management goals and confirm whether necessary-and-sufficient risk control is implemented. In the operation audits, they verify and evaluate the mechanisms for the prevention of misconduct and for compliance with relevant laws, regulations, and in-house rules. They also confirm whether business operations are carried out efficiently and accurately. Based on the operation audit results, the office makes recommendations for improvement whenever necessary. The results of the management and operation audits are reported directly to representative directors, the Board of Directors, the Audit & Supervisory Board, and the relevant directors in Group companies.

Composition, Authority, and Role of the Advisory Committee

Toppan Inc. established an Advisory Committee for Nomination and Remuneration of directors, pursuant to a resolution of the Board of Directors on May 26, 2016. This committee seeks to further enhance the transparency and objectivity of decisions and decision-making processes related to the nomination and remuneration of directors. The committee includes external directors who meet the Independence Standards for External Officers and who outnumber the total number of internal directors and audit & supervisory board members serving beside them. As of June 29, 2023, the advisory committee consists of the following members.

Shingo Kaneko	Chairman & Representative Director
Hideharu Maro	President & Representative Director
Yoshinobu Noma	Director (external)
Ryoko Toyama	Director (external)
Mieko Nakabayashi	Director (external)
Keiko Kakiuchi	Audit & Supervisory Board Member (external)

The advisory committee deliberates on the Company's drafts for the nomination and remuneration of directors, submits reports to the President & Representative Director, and discusses the following matters.

- 1) The nomination and dismissal of directors
- 2) Remuneration and the like for individual directors
- 3) Basic policies, rules, standards, etc. necessary for the deliberation of 1) and 2)
- 4) Other matters the Board of Directors has asked it to deliberate

The committee convened for meetings twice in fiscal 2022. It discussed the composition of the directors and audit &

supervisory board members after June 2022 by reviewing personal histories of the candidates and the reasons for their selection. Remuneration amounts for officers were also reviewed by referring primarily to performance evaluations of the businesses they have overseen.

External Directors

The appointment of external directors and audit & supervisory board members with a high degree of independence from the Board of Directors is critical for sound governance. From this viewpoint, three external directors and three external audit & supervisory board members who are sufficiently independent from the Board are appointed. Toppan Inc. has confirmed that none of the external directors or audit & supervisory board members are major shareholders or stakeholders of the Company, receive monetary amounts or other assets from the Company apart from their remuneration as officers, or bear any responsibility for the execution of the operations of any of the Company's major business partners.

The Company clarified its standards for assessing the independence of external directors and audit & supervisory board members by establishing a set of Independence Standards for External Officers through a resolution of the Board of Directors on November 26, 2015. The Company assesses independence based on these standards, in addition to the standards of the Tokyo Stock Exchange (TSE). Details on the independence standards are available on the corporate website. The Company's 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 TSE standards.

A support system for external officers has also been established. The external directors exchange information and

opinions with other directors, as required, while the president's office provides them with necessary information from both inside and outside of the Company. The external audit & supervisory board members receive internal and external information from other audit & supervisory board members and dedicated personnel working under them, as required, and share information and exchange opinions with other members.

Overall Balance of the Board of Directors

Toppan Inc. selects Board candidates who have experience and insight as businesspeople, have expertise that enhances the corporate value of the Group, and are able to fulfill their fiduciary responsibilities to shareholders as directors. Diversity factors such as their ages, genders, and nationalities are also considered. The number of directors serving on the Board is necessary and sufficient to form a structure that makes each director responsible for corporate management. A matrix listing the skills of the respective directors is shown on the right.

Concurrent Executive Positions in Other Companies

The concurrent executive positions held in other listed companies by directors and audit & supervisory board members are presented in business reports, reference documents for shareholder meetings, etc.

Directors and Audit & Supervisory Board Members at Toppan Inc. (as of June 29, 2023)

Directors: 9 (7 men, 2 women)

Audit & supervisory board members: 5 (4 men, 1 woman)

Name	Current Position	Independence	First Year*	Tenure in Years*	Attendance at Board of Directors Meetings (Fiscal 2022)	No. of Company Shares Held (thousands)	Expertise / Experience									
							Corporate Management	Finance/Accounting	Sales/Marketing	Internationality	Personnel/Labor Relations	Environmental/Social	Legal Affairs/Risk Management	Digital/IT	Manufacturing	Knowledge of Other Companies
Shingo Kaneko	Chairman & Representative Director		2003	20	18/18	125	●		●			●		●		●
Hideharu Maro	President & Representative Director		2009	14	18/18	73	●		●	●				●	●	
Kazunori Sakai	Executive Vice President & Representative Director		2019	4	18/18	29	●		●	●	●		●	●		
Masanori Saito	Director & Senior Managing Executive Officer		2023	–	Assumed office on June 29, 2023	25	●		●					●		
Takashi Kurobe	Director & Managing Executive Officer		2018	5	18/18	17	●	●		●						
Hideki Soeda	Director		2023	–	Assumed office on June 29, 2023	4	●		●					●		
Yoshinobu Noma	Director (external)	✓	2010	13	17/18	34	●	●	●							●
Ryoko Toyama	Director (external)	✓	2016	7	18/18	–	●		●	●						●
Mieko Nakabayashi	Director (external)	✓	2020	3	17/18	–		●		●		●	●			
Masatoshi Hagiwara	Senior Audit & Supervisory Board Member		2022	1	14/14	10	●				●					
Itaru Kubozono	Audit & Supervisory Board Member		2019	4	18/18	6	●	●								
Keiko Kakiuchi	Audit & Supervisory Board Member (external)	✓	2016	7	18/18	–						●	●			●
Haruo Kasama	Audit & Supervisory Board Member (external)	✓	2018	5	18/18	–						●	●			●
Teruhiko Kawato	Audit & Supervisory Board Member (external)	✓	2022	1	14/14	–		●				●	●			

*As a director or an audit & supervisory board member

Average tenure in years	6
Percentage of female officers	21.43%
Average attendance rate	99.16%

The composition of the Board of Directors and Audit & Supervisory Board of TOPPAN Holdings Inc. is the same as that of Toppan Inc. after the annual general meeting of shareholders held on June 29, 2023.

 New Management Structure after the Transition to a Holding Company Structure (in Japanese) >

https://www.holdings.toppan.com/ja/news/2023/06/newsrelease230629_1.html

Remuneration Paid to Directors and Audit & Supervisory Board Members at Toppan Inc. (as of June 29, 2023)

Please see the section covering corporate governance in the securities report (in Japanese) for details on the method used to determine remunerations and other remuneration-related information.

[More details on the 177th securities report \(in Japanese\) >](https://ssl4.eir-parts.net/doc/7911/yuho_pdf/S100R83D/00.pdf)
https://ssl4.eir-parts.net/doc/7911/yuho_pdf/S100R83D/00.pdf

Administration of the Board of Directors at Toppan Inc. (as of June 29, 2023)

Evaluating the Effectiveness of the Board of Directors

To ensure that the Board of Directors executes duties appropriately and effectively, the Basic Policy on Corporate Governance calls for an annual analysis and evaluation of the effectiveness of the Board and the disclosure of a summary of results. Toppan Inc. surveyed, analyzed, and evaluated the effectiveness of the Board in March 2023. A summary of the results follows below. Starting from fiscal 2022, the Company has been asking an external organization to design, analyze, and evaluate the questionnaire in order to secure objectivity in the analysis and evaluation.

1. Evaluation method

The Company surveyed and received responses from all nine directors and five audit & supervisory board members to verify issues that are deemed to be significant to the Board of Directors in its work to fulfill its roles and responsibilities. The issues

verified include the composition and operation of the Board and the process of deliberating on corporate strategies. The survey also checked the governance structure expected in the current market environment and the involvement of the Board in sustainability initiatives.

2. Summary of evaluation results

As a result of the analysis and evaluation, the Board of Directors was judged to be functioning effectively. The positive rating was mainly based on the appropriate ratio of independent external directors participating in discussions and the readiness of the Board to address sustainability issues.

The analysis, on the other hand, determined that the effectiveness of the Board would need to improve in the lead-up to the transition to a holding company structure planned for October 2023. The Board would have to deliberate on the roles it should play during the transition period and design an effective method for selecting its agenda. Meanwhile, enhanced monitoring of the Groupwide risk management structure was confirmed to be an effective means to further globalize Group operations towards sustainable growth.

The Board strives to enhance the effectiveness of its function based on these reviews.

Training for Directors and Audit & Supervisory Board Members

Toppan Inc. has systematically organized regular training for directors on the approaches to be taken in addressing managerial issues. The directors hone their management skills through frank dialogue. New director candidates also receive training focused on managerial issues, financial knowledge, the legal responsibilities of directors, and related rules and regulations. Audit & supervisory board members, meanwhile, are working to understand the characteristics of the business

and expand their auditing functions by gathering information and visiting operational sites and participating in training courses held by external organizations.

Succession Planning

Based on the management philosophy and management strategy, the Board of Directors judges that the selection of the President & Representative Director, executives, and other senior managers and the strategies to be adopted for successor development are integral decisions for the sustainable growth of the Group and medium-to-long term enhancement of corporate value. The Board has been implementing a succession plan with the following objectives.

Objectives of succession planning:

- Maintaining and enhancing organizational competitiveness by systematically developing human assets assigned to important posts (posts requiring personnel with considerable experience and abilities)
- Pooling leadership candidates to swiftly allocate human assets who can address shifts in the business environment
- Promptly appointing successors when important posts are vacated due to unforeseen circumstances
- Enhancing the awareness of senior managers regarding the development of successors
- Formulating and implementing concrete succession plans in alignment with TSE's Corporate Governance Code, and integrating those plans with the Company's initiatives to strengthen governance

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

Risk Management

Basic Approach

Approach

Risks surrounding corporations continue to diversify and grow more complex. The most pressing risks include global shifts in political and economic landscapes, environmental shifts brought by climate change, the growing sophistication of cyber-attacks with the advance of digital transformation, and human rights issues such as forced labor.

As a group of companies engaged in manifold businesses, the TOPPAN Group views accurate detection, appropriate management, and steady prevention of these impending risks as one of its principal management challenges. In keeping with this viewpoint, we identify a set of “significant risks” affecting us through annual risk assessments and take steps to prevent their occurrence.

When a significant risk actually arises, we immediately collect the necessary information and take comprehensive and strategic countermeasures under our risk management structure to minimize losses, ensure business continuity, and maintain the trust of society.

Promotion Framework

Promotion framework

We manage individual risks specific to organizations such as business divisions, subsidiaries, and Group companies.

Risks associated with diverse businesses are assessed every year. The frequency and severity of possible risks are evaluated, and countermeasures are formulated based on the results. Midway through each fiscal year, we monitor the progress of mitigation measures designed at the beginning of the year.

Among the risks identified, we define those that can exert severe adverse impacts on management as “significant risks.” Working as part of the Corporate ESG Project, the Risk Management Working Group (led by the Director in charge of Risk Management; attended by persons in charge of risk management at the responsible head office divisions; and administrated by the Compliance Department in the Legal Division) set under the Sustainability Promotion Committee (chaired by the President & Representative Director) reviews the results of risk assessments performed by relevant business divisions, subsidiaries, and Group companies. The working group also considers social conditions, the possibility of risks arising over the medium to long term, and various other risk-related circumstances surrounding the TOPPAN Group. Based on the review results, a significant risk designation for the current year is finalized with authorization from the Sustainability Promotion Committee.

The Risk Management Working Group regularly reports activity results to the Sustainability Promotion Committee. The committee members discuss risk management independently and objectively, in cooperation with the TOPPAN Group ESG

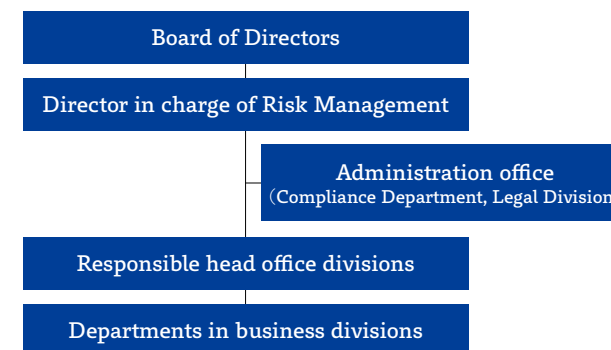
Management Promotion Committee, which includes independent external directors.

Under the leadership of the Director in charge of Risk Management, the working group manages risks from a position independent from the business divisions within the Group.

[See the Promotion Structure for Sustainability Initiatives on page 16 for details >](#)

We designated 25 significant risks in fiscal 2023. The responsible head office divisions spearhead Groupwide efforts to plan countermeasures against these risks and implement comprehensive measures to control them (see page 139). The Director in charge of Risk Management regularly reports the outcomes of those measures to the Board of Directors.

Risk Management Structure



Significant Risks and Countermeasures for Fiscal 2023

	Significant Risks	Main Initiatives
1	Human injury or damage to physical assets caused by infectious diseases or earthquakes, storms, floods, or other natural disasters	See pages 141-143 >
2	Climate change risks	See pages 110-115 >
3	Risks associated with market shifts ● When failing to implement sufficient measures to address market shifts such as globalizing social trends, innovations in information technology, progress in digital networking, and the growing expectations for a sustainable society	● Transform the business portfolio centered on the Group's three growth businesses: DX business, SX in Japan/overseas Living & Industry business, and new businesses (frontier)
4	Risks associated with strategic partnerships, investments, or acquisitions ● When failing to continue partnerships or gain expected results	● Enhance due diligence efforts, intensify monitoring activities, devise improvement plans, and so on
5	Risks associated with research and development ● When progress is halted by delays in commercialization, launches, etc.	● Prevent delays by monitoring progress, judging step-up timing, and identifying risks
6	Securing human resources to sustain business growth	See pages 30-44 >
7	Securing financing	● Diversify financing methods and time spans ● Maintain and solidify a sound financial position ● Review financial plans
8	Risks associated with control of the Group	● Manage and control under the Related Company Administration Regulations ● Disseminate the TOPPAN Group Conduct Guidelines as basic compliance standards
9	Intense market and price competition ● Declining prices or a loss of product or service competitiveness due to fiercer competition in prices or product development	● Devote resources to and reinforce development capabilities in DX business ● Advance BX, develop Hybrid-BPO™ services, and develop mono-material-based sustainable packaging materials and promote their growing share in the global market
10	Non-performing or long-term retained inventory assets, etc. due to inadequate asset management	● Improve the stock turnover ratio by promoting sales interdepartmentally ● Regularly check asset quality and monitor inventory management
11	Incidents related to receivables (bad debt, customer bankruptcy, etc.)	● Set credit limits and review credit periodically based on in-house credit management standards ● Take credit protection measures in response to credit uncertainties or credit collection delays
12	Fluctuations in the current value of marketable securities	● Periodically review strategic shareholdings and ascertain the financial condition, etc. of issuing companies
13	Fluctuations in foreign exchange rates	● Formulate a set of risk management guidelines ● Use hedging instruments such as foreign exchange contracts
14	Information security risks (cyber-attacks, information leakage)	See pages 148-153 >
15	Risks associated with IT system shutdowns (production lines, digital services, etc.)	● Formulate a set of guidelines for the construction of core IT systems ● Confirm the extent of impact on business, ascertain priorities and procedures for restoration, and organize training
16	Product quality risks ● Outflow of unsafe products to the market ● Self-imposed product recalls	See pages 79-80 >
17	Procurement risks ● Accidents, disasters, or bankruptcies affecting business partners, human rights incidents or violations of environmental regulations committed by business partners, or supply stoppages, significant supply shortages, delayed delivery, soaring prices for energy or raw materials, etc. caused by geopolitical disruptions, etc.	See pages 66-71 >
18	Risks associated with the leakage of toxic substances or environmental pollutants	See pages 122-125 >
19	Risks associated with waste ● Unauthorized dumping, inappropriate disposal, etc. by waste-disposal service vendors	See pages 119-121 >
20	Human rights risks	See pages 54-59 >
21	Fires or occupational accidents	See pages 60-62, 141-143 >
22	Risks associated with labor issues (violations of labor-related laws, labor disputes, etc.)	See pages 54-62 >
23	Infringements of patents, copyrights, or other intellectual property rights ● Risk of being seen to have infringed the intellectual property rights of other parties; risk of being drawn into lawsuits; risk of being unable to prevent the unauthorized use of the Group's intellectual properties; etc.	● Regularly survey the intellectual property rights of other parties in Japan and overseas and follow up on the survey results ● Construct a strong intellectual property rights portfolio by obtaining rights in accordance with individual countries and regions where we do business
24	Misconduct (serious improper conduct or inappropriate actions, etc.) or compliance violations (collusion, bribery, or other legal or regulatory violations)	See pages 144-147 >
25	Overseas business risks (other matters not included in the paragraphs above, such as regulatory violations, geopolitical risks, lawsuits, labor disputes, or issues to do with international taxation)	● Clarify an ideal Group management approach, build optimal governance structures/systems and operate them with overseas Group subsidiaries ● Develop governance structures through internal and financial audits ● Assess risks in the business environment using tools provided by third-party institutions, etc.

*For details, see the securities report (in Japanese) at: https://ssl4.eir-parts.net/doc/7911/yuho_pdf/S100R83D/00.pdf

Risk Management Structure

In accordance with the Rules on Risk Management, we have set up a risk management structure under which the responsibilities for risk management are allotted to specific divisions in the head office based on the types of risk involved.

When a risk actually arises somewhere in the Group, the responsible head office division coordinates with relevant business divisions to minimize the negative impacts on business and reports to the Board of Directors if the incident is severe. When emergency response actions are needed, the President & Representative Director or the Executive Vice President & Representative Director is responsible for forming an emergency taskforce to properly handle the issue. The taskforce is composed of directors in charge of the relevant head office divisions, audit & supervisory board members, legal consultants, and other outside experts.

Risk Management Liaison Meeting

All of the personnel in charge of risk management in the head office divisions assemble on a regular basis to share information at the Risk Management Liaison Meeting. When a risk actually arises, the responsible persons from relevant head office divisions convene an extraordinary meeting to take necessary actions and develop preventive measures.

Fostering Risk Awareness

Training, education

Our internal website posts a set of Rules on Risk Management along with a list of risks facing the Group, details on the division-specific structures set up to address individual risks, and various other risk management materials. This site is constantly updated to keep Group employees apprised of the latest risk-related information.

Based on the division-specific risk management structure, the responsible head office divisions spearhead Groupwide efforts to organize regular training and audits to foster employee awareness of the risks to be addressed. The impending risks facing us include information and cyber security incidents, natural disasters, infectious disease outbreaks, occupational accidents, environmental issues, and compliance violations.

The TOPPAN Group ESG Management Promotion Committee is a forum where officers from Group companies share and pool their experience to deepen their understanding of ESG and SDG issues. Experts from outside of the Group present risk management lectures for the committee members. The external directors on the committee also provide additional information and draw senior managers into discussions.

We will continue to hold annual risk management seminars and workshops at the committee.

BCP / BCM

The Significance of Business Continuity Planning

Approach

The TOPPAN Group provides client companies with an array of products and services in Information & Communication, Living & Industry, Electronics, and frontier businesses. We recognize that the business continuity planning (BCP) initiative is a critical defensive measure to ensure the safety of employees and minimize business disruptions when a disaster strikes.

During normal times, Groupwide business continuity management (BCM) activities have the advantage of making us accountable to stakeholders for crisis management, heightening employee awareness on disaster preparedness and crisis management, and fostering a corporate culture that robustly responds to disasters.

We continue to implement BCP/BCM initiatives so that we can be trusted by society as a group of corporations that endure disasters resiliently. We are enhancing business continuity capabilities and maintain greater customer confidence in our supply responsibilities.

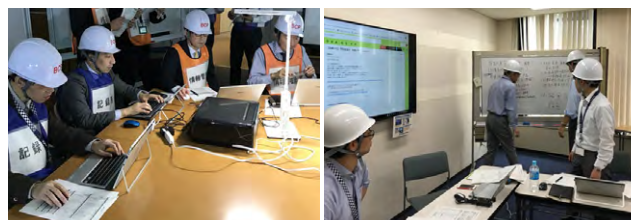
*Business continuity planning (BCP) clarifies a set of policy, framework, and procedures necessary to prevent any interruption of key business operations in the event of a sudden crisis such as a natural disaster or accident. The BCP initiative also aims to restore normal business operations in the shortest possible time when business interruptions cannot be prevented. Business continuity management (BCM), meanwhile, refers to various management activities undertaken at normal times to secure business continuity, such as BCP activities.

Promotion Framework

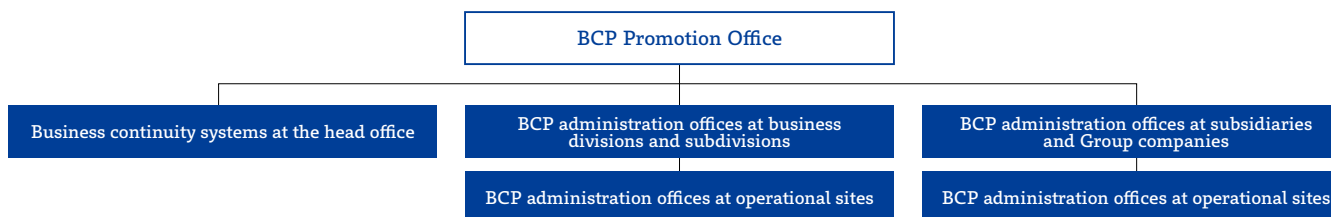
Promotion framework

Our BCP initiative began in December 2010. Following the Great East Japan Earthquake of March 2011, we established a BCP Promotion Office in the head office Legal Division to accelerate Groupwide planning efforts. The promotion office has been overseeing BCM activities across the Group as a responsible body.

BCP administration offices at the business divisions and subdivisions, main subsidiaries, and Group companies spearhead the implementation of BCM activities at their sites in alignment with their businesses. Our operational sites in the Security business have also obtained business continuity management system (ISO 22301) certification to secure the trust of customers.



TOPPAN Group BCP Promotion Structure



Disaster Preparedness

Activity results, performance data

Training and drills are provided at each operational site to give all personnel a fuller understanding of their roles and to prepare all taskforce members to perform their duties when a disaster strikes. Trainees mainly learn about recovery flow, the roles of the response units, and how information-sharing tools are used. Drill participants also learn initial disaster relief procedures such as taskforce formulation, information gathering, and the actions to be taken to confirm the safety of site members. We continuously update an array of disaster countermeasure plans that specify approaches to disaster recovery response, along with action-procedure sheets that outline the actions each response unit should take.

The BCP Promotion Office, meanwhile, conducts assessments and interviews using a check sheet on the BCP activities underway at each site to increase the level of activities throughout the Group. Interviewers share the points to be improved with site personnel and discuss countermeasures based on the results of reviews of the previous year's efforts.

We also hold liaison meetings with personnel from the BCP administration offices, organize BCP workshops for suppliers to reinforce our supply chains, and enhance employee readiness

by posting disaster-mitigation information on our corporate and internal websites.

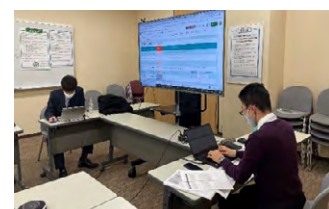
Training and Drills

Remote work environments have been established throughout the Group to mitigate the spread of COVID-19. The group-style drills and training sessions formerly held in person have now shifted online to allow wider participation from diverse locations. In the damage-assessment training for buildings, for example, online instructors teach participants how to conduct structural assessments by presenting them with previously compiled drawings and photos of structural-assessment points. Online BCP lectures and workshops are also held for suppliers.



Text for structural assessment training (in Japanese)

Drills are conducted by organizing taskforces over networks and confirming the coordinated disaster-recovery actions of a senior taskforce linked to a set of affiliated site-based taskforces. In the drill shown here, facilitators instruct each taskforce member to engage in appropriate recovery activities within an evolving disaster scenario. Remote participants assigned to play task-specific roles from their homes and workplaces respond to the advice, information, and inquiries prepared by the information-sharing personnel.

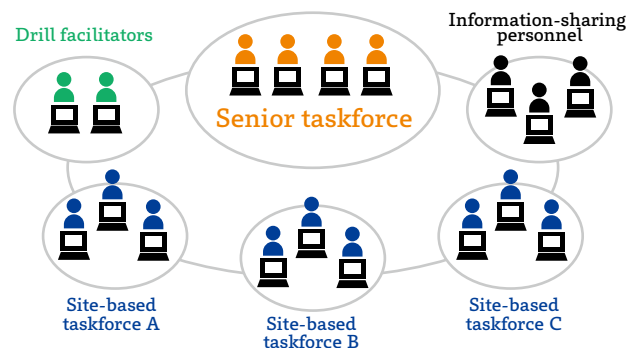


Drill facilitators



Screenshots of a drill underway (in Japanese)

Coordinated Actions in Remote Training



We may choose to convert our practice-based training and drills back to a group-style offline format as societies around the world continue to relax their measures against COVID-19.

Regular Meeting

Personnel from the BCP administration offices at the business divisions and at related companies convene for quarterly and semiannual liaison meetings, respectively, to exchange views and share information. Currently, liaison meetings are held at 10 major manufacturing companies within the Group.

The administration offices at divisions in Tokyo also hold meetings to discuss specific BCP issues and themes, whenever necessary.

Posting Disaster-mitigation Information

Our ability to practice optimal BCP hinges on our success in

minimizing disaster damage incurred by human assets. The BCP Promotion Office operates two websites: one to heighten employee disaster-preparedness and one to deliver disaster-mitigation information. The first, “Bosai no Kokoroe (understanding disaster-preparedness),” provides safety tips and information that employees and their families can reach by clicking a banner on the bottom of the main page of the TOPPAN corporate website.



“Bosai no Kokoroe” website (in Japanese) >

<https://www.holdings.toppa.com/ja/bousai/>

The second is an internal BCP website accessed from the portal run by our Legal Division and Intellectual Property Division on the information page in our in-house portal. Employees visiting the site can find the Group’s plans for disaster countermeasures, content focused on disaster mitigation such as in-house learning materials, procedures for setting up safety verification systems, and manuals on emergency equipment prepared in-house.



BCP website (for internal use only; in Japanese)

Actions Taken during Actual Disasters

Activity results, performance data

In the event of a disaster, taskforces will be set up at operational sites in the affected region, along with taskforces at the responsible business divisions and subdivisions, subsidiaries, and Group companies across Japan. These task forces will work under a Groupwide taskforce to be established at Toppan Inc. in Tokyo. The Groupwide taskforce will consist of directors in charge of taskforces and several Groupwide response units led by taskforce managers, all working under the taskforce head, deputy, and assistant to the head. The Basic Plan for Countermeasures against Disasters stipulates the criteria for establishing a Groupwide taskforce. We have already prepared an alternate framework in the Kansai region for forming a substitute Groupwide taskforce, as a contingency for a disaster affecting the Koishikawa Building in Tokyo.

If an actual disaster occurs, the affected sites will confirm the safety of employees, provide emergency relief, and initiate other necessary actions on a top-priority basis. Concurrently, the Groupwide taskforce will build a system to support the

operational sites affected by the disaster and begin assessing the damage to Group operations. Once the extent of damage is confirmed, the taskforce will design a recovery plan according to the Group's business continuity strategy. If recovery will be difficult to achieve on schedule, the taskforce will consider alternate production at other Group plants or external affiliates. The pertinent departments will coordinate their recovery efforts while the taskforce allots resources to individual recovery projects according to priority-guided decisions by management.

Once the recovery is complete throughout the Group, the Groupwide taskforce will dissolve and the BCP Promotion Office will compile activity logs. Issues identified during recovery processes will be shared with the BCP administration offices and taskforce members across the Group and reflected in future recovery operations through document revisions.

Preparing for Complex Disasters

Policy

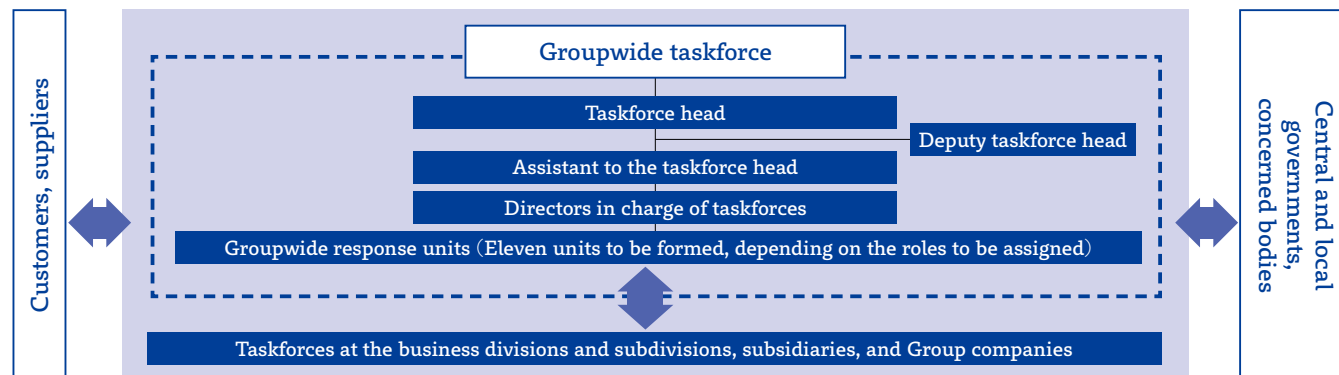
Japan faces various risks. COVID-19 persists; wide-scale floods occur throughout the country every year; large quakes (five or

higher on the Japanese seismic intensity scale) often strike across the archipelago. Seismologists estimate that giant earthquakes (scale-7 or above) are almost certain to strike in the coming decades. Two types of quake will be especially catastrophic: a temblor striking directly beneath the Tokyo metropolitan area and a mega-quake on the Nankai ocean-floor trench off the coast spreading from Shizuoka to Kyushu. A complex disaster is very likely to result.

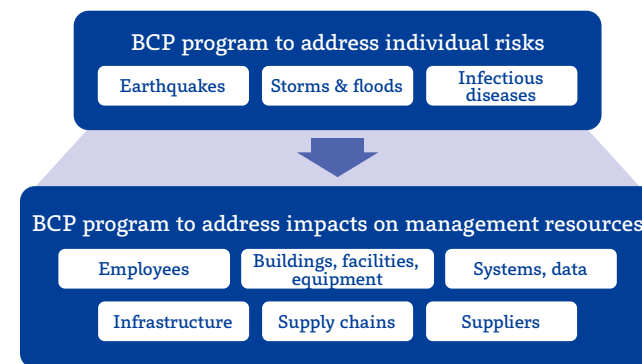
Floods and droughts caused by climate change are also occurring at growing frequency outside of Japan, with damage from large hurricane landfalls and wildfires caused by heat waves being reported every year. Heightened geopolitical risks on the economy have compounded the impacts of natural disasters and created diversifying risks for companies.

In light of the growing risks we face, TOPPAN has revised the criteria for setting up its Groupwide taskforce, shifting from a focus on earthquake damage to the disaster impacts on management resources. We are developing an all-hazards BCP program that focuses more on minimizing the consequences of disasters than on limiting the scope of the disasters to be addressed.

The Disaster Response Structure in the TOPPAN Group



Key Map in the All-hazards BCP Program



Strict Compliance

Basic Approach

Approach

Legal compliance in business operations is an indispensable condition that every corporation must satisfy to fulfill its responsibilities to society. The TOPPAN Group firmly believes that every person working in the Group must fully recognize the importance of compliance, make proper judgments, and act with integrity under high ethical standards by respecting laws, regulations, in-house rules, social norms, and other standards of conduct.

Risks related to compliance increase as we globalize our business and intensify our operations beyond borders.

In 2000 we established a set of Conduct Guidelines based on the Corporate Philosophy and Corporate Creed. The guidelines were, and continue to be, a collection of fundamental provisions that set out the basic concepts and behavioral norms for employees to follow in accordance with corporate ethics and the principles of legal compliance. Ten years later, in response to shifts in business environments and social conditions, we completely revised the guidelines into the TOPPAN Group Conduct Guidelines, a set of principles that all Group companies around the world are required to observe. A second full-fledged revision of the guidelines took place in April 2021, based on a comprehensive review conducted in 2020. The latest Basic Principles in the guidelines call upon Group employees “(to) achieve a sustainable society” and strive for “personnel diversity,” a “rewarding work environment,” and other sustainability requirements. The latest guidelines will guide accelerated efforts to address the material issues propounded in the *TOPPAN SDGs STATEMENT*, and observance of them will

help shape a sustainable society.

[More details on the TOPPAN Group Conduct Guidelines >](#)

<https://www.holdings.toppan.com/en/group/conduct-guidelines.html>

Compliance Promotion Structure

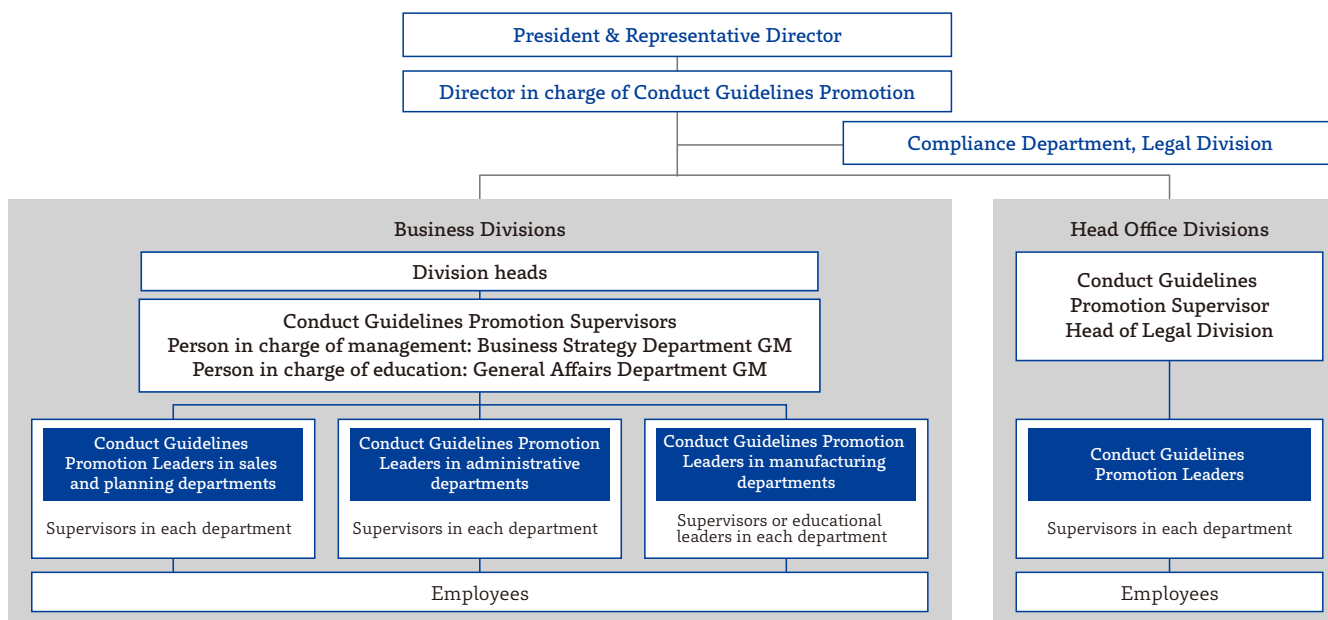
Promotion framework

The TOPPAN Group Conduct Guidelines have been formed as a set of basic rules to be fully observed by employees to ensure

the legality of the execution of job duties. The Compliance Department set up under the Legal Division coordinates with the legal departments and other related sections of our subsidiaries to secure legal compliance and establish corporate ethics across the Group. A Conduct Guidelines Promotion Leader (“Leader”) system supports guideline compliance in workplaces in the Group. Leaders appointed under the system work to enforce guideline compliance in daily operations under the Director in charge of Conduct Guidelines Promotion.

Specifically, the Director in charge of Conduct Guidelines Promotion (Executive Vice President & Representative Director)

Structure to Promote the Conduct Guidelines



heads the Leader system and supervises compliance promotion activities. The Leaders appointed at workplaces arrange training programs at their sites and report locally arising questions and consultations to the Director in charge of Conduct Guidelines Promotion via administration offices.

Disciplinary provisions in our employment rules, meanwhile, stipulate disciplinary actions for serious violations of laws, regulations, the Conduct Guidelines, and other in-house rules. Our personnel performance evaluations and evaluations for bonuses and annual salary revisions also weight criteria focused on legal compliance, corporate ethics, and environmental protection, to better ensure that our social obligations are optimally fulfilled.

Conduct Guidelines Promotion Leaders

Seven hundred and seventeen Leaders were newly deployed across the Group in fiscal 2022, including 124 women (17.3% of the Leaders). A cumulative total of 12,562 employees have worked as Leaders since the system was launched in fiscal 2004.

	No. of Newly Deployed Leaders	No. of Female Leaders Deployed (percentage)	Cumulative Total No. of Leaders
Fiscal 2019	688	87 (12.6%)	10,420
Fiscal 2020	712	98 (13.8%)	11,132
Fiscal 2021	713	115 (16.1%)	11,845
Fiscal 2022	717	124 (17.3%)	12,562

Compliance Training

Training, education

Group training sessions for Conduct Guidelines Promotion Leaders (“Leaders”) are organized every year. We devise ways to

enhance the effectiveness of training sessions through activities such as group discussions using case methods describing actual incidents. Thirty-eight online training sessions for 1,150 Leaders were held across the Group in Japan in fiscal 2022.

Employees who wish to get a better understanding of the Conduct Guidelines can read through the *Conduct Guidelines Casebook*, which is especially useful for employees who have doubts or wish to receive guidance on handling daily operations. We reviewed and revised the *Casebook* on April 1, 2022.

The latest casebook responds to shifts in social conditions, legislative amendments, and other circumstances surrounding the Group by consolidating and modifying cases presented in the earlier edition while adding new cases associated with emerging risks in general or in our recent business operations. The Compliance Department in the Legal Division, meanwhile, posts monthly *Conduct Guideline Notifications* on topics relevant to the guidelines at workplaces to ensure strict compliance under the Leaders. We have also been holding seminars, producing posters, and implementing other compliance promotion activities to secure full observance of the guidelines among Group employees.

We have applied the TOPPAN Group Conduct Guidelines to overseas subsidiaries and held briefing sessions to disseminate the guidelines and promote strict compliance globally.

Main Revisions in the *Conduct Guidelines Casebook*

● Cases involving human rights

Added human rights cases to alert employees to potential problems involving privacy invasion (one of the six forms of “abuse of authority” designated by the Japanese Ministry of Health, Labour and Welfare), child labor, forced labor, and other global human-rights abuses.

● Cases involving anti-collusion measures

Added bid-rigging cases to present key points on proper bidding, as we are winning more contracts for public work projects.

● Cases involving sustainable procurement

Added cases involving sustainable procurement focused on transactions with suppliers and subcontractors, as society requires us to fulfill our corporate responsibilities throughout the entire supply chain.

● Cases involving quality

Added cases involving falsified quality results linked to products and services, as conspicuous instances are emerging. Clearly indicated that falsified quality results can incite claims of contract violation and damage our social credibility.

● Cases involving diversity & inclusion

Added cases that deepen employee understanding of diversity and inclusion in the workplace in accordance with “promoting diversity and inclusion,” a basic principle added to our Conduct Guidelines in the 2021 revisions.

● Cases involving intellectual property rights

Substantially revised the existing cases involving intellectual property in order to cover trademark rights, design rights, and the steps we are taking to file more patent applications for technologies and business models with a view to “securing and using intellectual property” as stated in the Conduct Guidelines.

● Cases involving BCP

Added cases involving earthquake preparations and actions to be taken when a quake strikes, in order to minimize damage to our business activities in the event of an earthquake striking directly beneath the Tokyo metropolitan area or occurring on the Nankai Trough, an ocean-floor trench off the coast spreading from Shizuoka to Kyushu, Japan.

● Cases involving cyber security

Called attention to the risk of business email compromise

(BEC) and required employees to use a “suspicious-email report form” on our internal website to report fraudulent email messages as soon as they are detected. These safeguards have high priority, as a surge of BEC incidents and other cyber-attacks against corporations have been causing considerable damage.

Compliance in Fiscal 2022

We have not been involved in any serious incidents or violations of laws or regulations in the course of business in fiscal 2022.

Anti-Corruption Initiatives

Policy **Activity results, performance data**

We have been undertaking various anti-corruption initiatives in conformance with the anti-corruption principles set out by the United Nations Global Compact. The TOPPAN Group Conduct Guidelines affirm wide-ranging principles on corruption prevention, such as the “prohibition of bribery and inappropriate entertainment practices,” “prohibition of receipt or provision for personal gain or rebate,” “prohibition of illegal political contributions or donations,” and “prohibition of collusion and cartels.”

To better combat bribery, we established a set of anti-bribery rules and guidelines in March 2017 and formulated an anti-bribery framework led by the Director in charge of the Legal Division as the chief anti-bribery manager. For more intensive anti-bribery control, we launched a system requiring pre-authorization for the offering of any entertainment or gifts to a public official or the like. An FAQ describing specific cases of bribery was issued in April 2018 to further heighten employee awareness and call strict attention to compliance-related issues. As a basic rule, employees are prohibited from making “small

facilitation payments” (payments to facilitate or expedite routine governmental services such as visa issuance or customs clearance) to public officials.

Illegal contributions and funding provision are also comprehensively prohibited throughout the Group. Any form of association or contact with anti-social forces, for example, is clearly prohibited in the TOPPAN Group Conduct Guidelines and the Guidelines on Dealing with Anti-social Forces. No cases of inappropriate entertainment or gifts to public officials or the like were identified in fiscal 2022.

In training sessions organized each year for candidates for overseas assignments, trainees learn reinforced strategies to combat bribery in the commercial and public sectors and become familiar with the pre-authorization system. Twenty-six employees attended six sessions in Japan in fiscal 2022.

We have also been formulating anti-bribery rules for overseas affiliates across the Group. Rules of this type were established at Group affiliates in Shanghai, China in fiscal 2021. Briefing sessions were held for Shanghai-based employees in fiscal 2022.

We continue to win more contracts with national and local governments. To ensure proper compliance and conduct, we held a series of training sessions on antimonopoly legislation in fiscal 2022. A total of 1,597 persons, primarily from related companies, attended the sessions.

Political Contributions and Other Expenditures

(million yen)

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Lobbying activities	0	0	0	0
Expenditures for political activities and payments to political groups	7.9	7.7	7.6	7.8
Expenditures to industry groups and others	21.3	21.5	21.9	22.0
Other (expenditures related to proposed voting legislation and national referendums)	0	0	0	0
Total	29.2	29.2	29.5	29.9

Training for Compliance with Transaction-related Legislation

Policy **Training, education**

To observe major transaction-related laws and regulations, we have been promoting compliance with the Subcontract Law of Japan and comprehensively preventing improper import and export transactions.

In fiscal 2022, a total of 2,644 employees from departments that customarily conduct transactions with subcontractors were trained on compliance with the subcontract law, and 10,336 employees took an e-learning course on export controls under the Foreign Exchange and Foreign Trade Act of Japan. We also audited compliance with the subcontract law in 62 departments and the observance of export controls in 35 departments.

The audits in fiscal 2022 confirmed conformance with these laws across the Group. No serious legal violations or cases of misconduct were identified, and no problems or incidents occurred in transactions with subcontractors or import or export transactions.

Internal Reporting System

System Activity results, performance data

When a person discovers a legal violation or improper conduct somewhere in the Group, the person is to report it to their superior for deliberation as a basic rule. If the problem is not resolved by their own department, the person is encouraged to call the TOPPAN Group Helpline, our 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). This system allows us to ensure strict compliance with the TOPPAN Group Conduct Guidelines by promptly identifying and properly dealing with legal violations and misconduct.

We revised the rules on reporting in November 2019 to encourage Group personnel to call the helpline by lowering the threshold for use. The revised rules stipulate 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 receiver has thus been changed from the President & Representative Director or Senior Audit & Supervisory Board Member to the three portals that have been in operation since April 1, 2020. The President & Representative Director currently serves as the chief manager of the helpline.

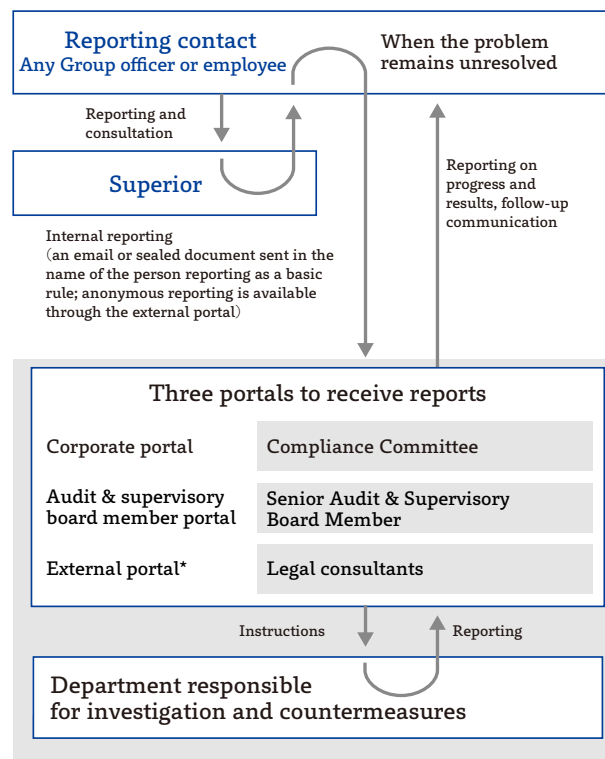
Our internal website, meanwhile, posts topics on the intent of the reporting system, system outlines, and precautions regarding calls placed to the helpline, along with other helpline information. We also hold rank-based training, training for new employees, and other types of training to inform Group personnel about the system.

Reporting rules were further revised in May 2022 to ensure compliance with the amended Whistleblower Protection Act enacted in Japan in June 2022.

Number of Internal Reports

The TOPPAN Group Helpline was used in 17 cases in fiscal 2022. No serious legal violations or cases of misconduct were reported. Twelve of the helpline reports were on harassment. In the remaining five cases, the reporting contact called for improvements in work processing. Every case was properly handled and followed up with necessary countermeasures to prevent recurrence.

TOPPAN Group Helpline



(as of October 1, 2023)

*The Compliance Committee investigates issues reported to the external portal and considers and formulates measures, etc. to handle them.

Information Security

Basic Approach

Approach Policy

We control information security and cyber security across the Group in the recognition that the appropriate and safe management of information and systems necessary for our business is a significant managerial challenge for TOPPAN as we grow as a leader in providing solutions to global social issues.

The threat of cyber-attacks has been mounting with the advancement of the IoT and rapid digital transformation. These attacks can result in the leakage of information assets, including personal information or confidential information, and endanger business continuity per se.

In keeping with the TOPPAN Group Basic Policy on Information Security and the Personal Information Protection Policy, we apply secure technologies and rigorous control in operations throughout the Group to reciprocate the trust of customers and society and drive a digital transformation that enhances our corporate value. We have been introducing various systems and tools to counter cyber-attacks and reinforcing safeguards across the tightly secured areas designated for the handling of personal information throughout Japan.

More details on the TOPPAN Group Basic Policy on Information Security >

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

More details on the Personal Information Protection Policy >

<https://www.holdings.toppan.com/en/privacy.html>

TOPPAN Group Basic Policy on Information Security

As a group of companies operating in the information communication industry, each of us at the TOPPAN Group carries out Groupwide information security management in the recognition that the management of information necessary for business is a significant managerial challenge for us as a means to reciprocate our customers' trust and promote the ongoing growth of the TOPPAN Group.

1. We manage information necessary for our business appropriately in observance of our in-house rules, the law, and the principles of social order.
2. We collect information for appropriate purposes using appropriate methods.
3. We safely manage the information entrusted to us by customers in order to reciprocate our customers' trust.
4. We are deeply aware of the risks to the information assets we handle, such as illegal access, loss, damage, falsification/manipulation, and leakage of information, and take necessary and reasonable safety measures against these risks. We deal with and rectify any problems that occur promptly and in an appropriate manner.
5. We establish, operate, maintain, and continuously improve information security management systems.

Established on April 1, 2001
Revised on June 27, 2019

Hideharu Maro
President & Representative Director
Toppan Inc.

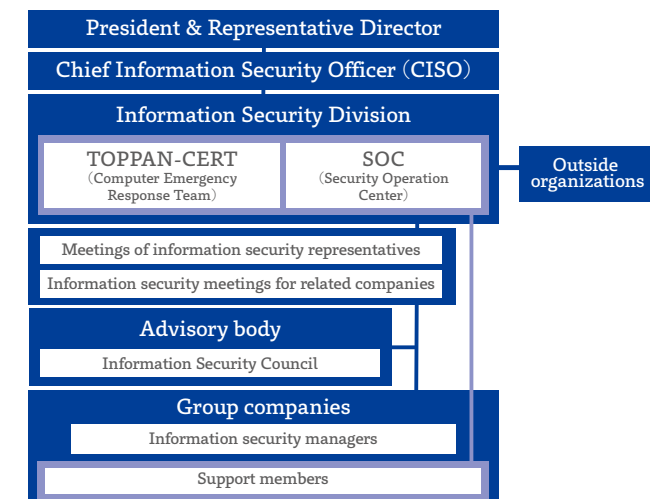
Promotion Framework

Promotion framework

The Director in charge of the Information Security Division has been appointed as the Chief Information Security Officer (CISO) of the Group. The Information Security Division practices information security governance on the technical front, while cross-functional specialist teams control cyber security by overseeing Group companies in cooperation with outside expert organizations.

In parallel, information security managers in Group companies work to manage the safety of their organizations according to the instructions issued by the Information Security Division.

Organizational Structure for Information Security Management



Information Security Management Structure

Promotion framework

Information Security Management

Under the Chief Information Security Officer (CISO), the Information Security Division formulates a Groupwide information security plan, sets up rules and regulations, and disseminates and reviews them. The division convenes regular meetings with members from Group companies to share the details of our information security policies and measures underway.

The Information Security Division also carries out regular audits of Group companies to check the quality of their security control and recommend corrective measures as necessary.

The results of these activities are regularly reported to the CISO. When a security incident arises, the division promptly initiates a response to the incident and reports the present status to the CISO, as required.

Arranging Remote Working Environments

We have reviewed our information security rules for remote working and formulated standards for the use of communication tools to ensure safe working environments outside of the office. A system has been introduced to enable employees to promptly report suspicious incoming emails and virus-infection incidents while working from remote locations.

Remote approaches have also been adopted for internal audits and audits of various other types to confirm information security management throughout the Group.

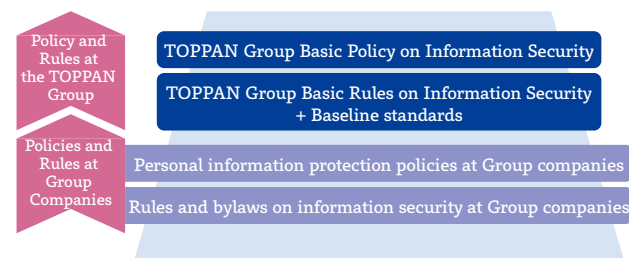
Enhancing Security Governance

Our rules on information security governance have been

established based on the ISO/IEC 27000 standard for information security management systems (ISMS) and comply with the JIS Q 15000 standard for personal information protection management systems (PMS).

We strive to enhance security governance throughout the global Group by better responding to emerging requirements in areas such as cyber security, the use of data, the IoT, and globalization. We are upgrading the quality of security control at Group companies by assessing the levels of control once a year with a set of baseline standards for evaluating conformance with the TOPPAN Group Basic Rules on Information Security. Improvement plans in place at Group companies, as well as their implementation, are duly monitored.

Information Security Policies and Rules



Complying with Laws and Regulations

Activity results, performance data

We comply with laws and regulations related to privacy, confidentiality, and the protection of personal information not only in Japan, but in all of the countries where Group companies operate.

Japan's Amended Act on Personal Information Protection

Our rules on information security management related to the handling of personal information have been revised to ensure compliance with the amended Act on the Protection of Personal Information enforced in Japan in April 2022. We have also set up procedures for handling personal information and anonymously processed information, notifying individuals when their information is provided to third parties outside of Japan, and submitting incident reports whenever necessary. The procedures are closely modeled after the guidelines announced by the Personal Information Protection Commission of Japan.

Overseas Legislation on Privacy and Personal Information

With the growing awareness of the importance of privacy and personal information, laws and regulations to protect them have been introduced around the world. We are taking appropriate measures to comply with these laws and regulations by collecting information and conducting surveys on the relevant legislation in the countries and regions where Group companies do business.

PrivacyMark Accreditation and ISMS Certification in Japan

Information security systems within domestic Group companies have received PrivacyMark accreditation and information security management system (ISMS) certification.

We are formulating in-house rules, building environments, and training personnel in charge of information security to secure the handling of important information received from customers, personal or otherwise.

Japan's Individual Identification Number System

New requirements for security control measures have been added to our in-house standards for tightly secured areas in accordance with the guidelines for the proper handling of specific personal information issued by the Japanese government's Personal Information Protection Commission. These security measures cover operations involving specific personal information, such as the handling of individual identification numbers under Japan's Social Security and Tax Number System and the collection of those numbers on behalf of our client companies.

Rooms dedicated to the handling of these personal identification numbers have been set up, and a special team carries out accreditation audits on operations performed therein.

Protecting Personal Information and Confidential Information

Activity results, performance data

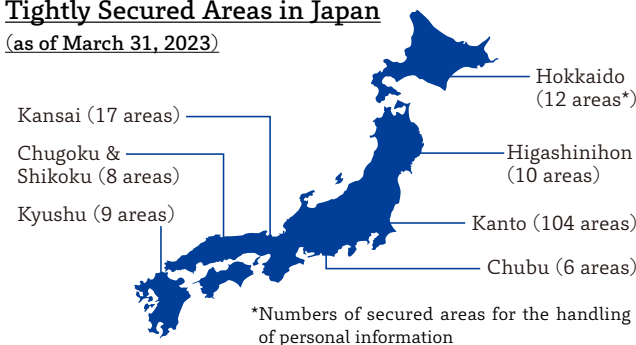
Setting up Tightly Secured Areas

Our operations involving the use of confidential materials are conducted exclusively within workplaces that are tightly secured by access controls and other security measures in a closed network environment, in order to minimize the risk of fraudulent acts and other forms of misconduct inside of the Group and the risk of unauthorized access from outside of the Group. Strictly controlled operations include the handling of personal information (e.g., individual identification numbers under Japan's Social Security and Tax Number System) and the production and handling of security printing products with monetary value.

We found no instances of unauthorized information removal or other personal information-related incidents in fiscal 2022. Strict efforts to maintain our record of zero-incidents across the Group will continue.

Tightly Secured Areas in Japan

(as of March 31, 2023)



Controlling the Tightly Secured Areas

We constantly upgrade security levels for the handling of personal information and confidential information through regular internal audits and day-to-day operational checks based on the rules for managing the tightly secured areas within the Group. The key security management measures are described below.

Operational management inspection through internal audits: Dedicated auditors regularly inspect the installation, management, and operation of tightly secured areas. The findings of inspections are assessed and accredited to maintain and further enhance operational management levels across the Group.

Access control: Each tightly secured area is protected by technical safeguards to prevent unauthorized persons from entering. The safeguards consist mainly of personal

authentication measures and controls to inhibit the entry of two or more persons at the same time.

Lockers and secure storage compartments for personal belongings are provided outside of the areas, as persons entering are not allowed to bring in cameras, cell phones, smartphones, or other devices that record or communicate images, videos, audio, or any other form of data.

Area control: Surveillance cameras eliminate blind spots in the tightly secured areas and monitor any unauthorized removal or transport of data.

Device control: As a basic rule, we prohibit employees from connecting any external storage media to devices used within the tightly secured areas. We also deploy a two-factor authentication login system requiring the submission of an ID, a password, and one or more additional factors for entry into a secured area.

Our monitoring center operates a log management system to carry out operational log analysis. Whenever a potentially

fraudulent log is detected in the stored data, the center immediately notifies the relevant management personnel for verification.



Surveillance camera



Access control

Controlling Security across the Supply Chain

Some of our operations that involve the handling of personal information and confidential information are entrusted to Group and partner companies. We also rely on the cloud services of external companies in the execution of some of our business operations.

We mitigate supply chain risks by checking the safety of cloud services and deploying a system to certify business partners who take appropriate security measures. The control levels required of business partners to satisfy the security standards under our certification system depend on the types of information and operations entrusted to them.

Managing Information Assets in Internal Operations

Information assets handled in internal operations are classified by confidentiality. Our rules governing storage, removal, disclosure, etc. ensure the safe handling of information assets in line with their classifications.

Countering Cyber-attacks

Activity results, performance data

Cyber-attacks pose especially significant security risks to the Group. We have been implementing various measures to mitigate them.

Protecting PCs and Servers with the EDR Application

In fiscal 2019 we began installing Endpoint Detection and Response (EDR), an application that detects suspicious software behaviors in PCs and servers. The EDR application is now installed in PCs used for administrative work, terminals used onsite in production settings, and on the Apple computers and network servers running across the Group. The combined use of the application with data such as network logs further solidifies our information security system to ensure prompt detection and defensive action against sophisticated malware whenever a threat emerges.

Using a CASB Service to Mitigate Cloud-usage Risks

The growing usage of cloud services is driving up the amount of important information handled by cloud-based applications. Since fiscal 2020 we have been using a Cloud Access Security Broker (CASB) service that visualizes and controls computer usage in cloud environments. CASB enhances the safety of cloud-service usage by identifying risks associated with individual cloud services and detecting and restricting cloud usage subject to unduly high risk.

Implementing Threat Intelligence and OSINT Activities

We continue to implement threat intelligence, third-party evaluations, and Open Source Intelligence (OSINT) activities to uncover signs of cyber-attacks against the Group and detect vulnerabilities visible to outside parties early on. We strive to mitigate cyber-attack risks by addressing weaknesses detected within the Group before attacks can occur.

We are enhancing cyber security throughout the supply chain. Business partners entrusted with operations involving the handling of personal and confidential information have been subject to our vulnerability-detection measures since fiscal 2022.

Upgrading Website Vulnerability Assessments

Weaknesses in our web applications have been assessed to counter cyber-attacks targeting website vulnerabilities. An automatic vulnerability detection system is now installed to periodically check the network and address vulnerabilities that become apparent from day to day. This monitoring system works synergistically with various external vulnerability-detection services to further solidify our web-based services and reinforce our ability to provide clients with more tightly secured services.

In fiscal 2022 we began organizing vulnerability training

sessions for employees not only in the development departments, but also the sales and sales-promotion departments, to ensure website security from the planning and design stages.

Formulating Guidelines to Address Cyber Emergencies

Cyber threats have been escalating across borders. Their unprecedented malice and technical cunning can result in instant and severe damage in all directions. In many instances, the conventional methods used against cyber-attacks are useless.

We have formulated a set of guidelines that summarize our basic approach, preparations, and action flows to address serious information security incidents caused by cyber-attacks and other destructive acts. We are constantly strengthening our responsiveness to cyber emergencies on the assumption that unforeseen incidents can always happen.

Countering Email Attacks

Cyber-threats continue to grow with the return of the malicious botnet Emotet and the rising frequency of fraudulent emails and business email compromise (BEC) crimes, where a cyber-criminal sends an email that appears to come from a familiar business acquaintance with the intent of stealing money or specific information. In fiscal 2022 we added another tool to combat these threats by introducing an advanced service that screens incoming emails with help from AI analysis and machine learning algorithms. This service blocks a high percentage of targeted email attempts to steal money, exploit information, or compromise networks in other ways. We will continue shoring up our systems to resist email attacks throughout the Group by providing this screening service to more of our Group companies from fiscal 2023 onward.

Enhancing the Capabilities of TOPPAN-CERT

TOPPAN-CERT is a specialized cyber response team made up of specialists from across the Group. In December 2022 the team participated in a series of collaborative cross-sector drills organized by the Nippon CSIRT Association (NCA) and the National center of Incident readiness and Strategy for Cybersecurity (NISC). CERT members took the lead in responding to simulated cyber-attacks targeting the TOPPAN Group. Response procedures during the drills were reviewed to pinpoint weaknesses in our counter capabilities and clarify the improvements that can best enhance the handling of a cyber-attack.

Sharing Information on Cyber Security Preparedness

We hold quarterly cyber-security information-sharing sessions for personnel involved in information security management to heighten the understanding of cyber security preparedness within and outside of the Group.

Acquiring Third-party Certification

Activity results, performance data

Toppan Inc. and Group companies have acquired ISO/IEC 27001 certification for information security management systems (ISMS), PrivacyMark accreditations under Japanese Industrial Standards (JIS) Q 15001:2017 for personal information protection management systems (PMS), and other third-party certifications, as shown in the following tables (as of June 30, 2023).

ISMS Certification (ISO/IEC 27001) for Information Security Management Systems

Information & Communication Division (Toppan Inc.); Business Platform Department (Digital Innovation Division, Toppan Inc.); Technical Department (Integration Business Center, DX Design Division, Toppan Inc.); Toppan Communication Products Co., Ltd.; Toppan Graphic Communications Co., Ltd.; TGS Inc.; TB Next Communications Co., Ltd.	IC06J0151
TOPPAN Group Kansai Business Center (TOPPAN Edge Inc.)	JQA-IM0137
Toppan Infomedia Co., Ltd.	JUSE-IR-404
Asaka Plant and Shiga Plant (Toppan Inc.); Semiconductor photomask operations (Asaka Plant and Shiga Plant, Toppan Electronics Products Co., Ltd.); Design, development, commissioned manufacture, and management of products related to semiconductors (Toppan Technical Design Center Co., Ltd.)	IS 530416
ONE COMPATH Co., Ltd.	IS 533218
Kyushu, Chugoku & Shikoku Team and ISMS Promotion Committee (Information Security Management, Nishinohon Division, Toppan Inc.)	I308
Kansai Production Department (Toppan Graphic Communications Co., Ltd.)	IC13J0361
Higashinohon Division (Toppan Inc.)	IS 606897
Takino Plant (Toppan Communication Products Co., Ltd.); Takino Information & Communication Production Engineering Team (Kansai Technology, Kansai Subdivision, Toppan Inc.)	IC14J0376
Secure BPO Team (Chubu Division, Toppan Inc.); Chubu Production Department (Toppan Graphic Communications Co., Ltd.); Nagoya Plant (Toppan Communication Products Co., Ltd.)	IC17J0444
One undisclosed entity	

ISMS Certification (ISO/IEC 27017) for Cloud Security Management

Team 3 (Development Department I, ICT Development Center, DX Design Division, Toppan Inc.)	SC22J0025
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PrivacyMark Accreditations (JIS Q 15001:2017)

Toppan Inc.	10190891
Toppan Communication Products Co., Ltd.	24000216
Toppan Graphic Communications Co., Ltd.	10190298
Toppan Editorial Communications Co., Ltd.	24000308
Toppan Logistics Co., Ltd.	10450006
Toppan Travel Service Corp.	10450093
TOPPAN Edge Inc.	10190934
Toppan Forms Central Products Co., Ltd.	24000366
Toppan Forms Tokai Co., Ltd.	24000204
Toppan Forms Kansai Co., Ltd.	24000101
Toppan Forms Nishinohon Co., Ltd.	18860028
TOPPAN Edge IT Solutions Inc.	10820089
TOPPAN Edge Services Inc.	10450002
Toppan Forms (Hokkaido) Co., Ltd.	10190307
TOSCO Corp.	11820447
J-SCube Inc.	10860018
Tosho Printing Co., Ltd.	24000032
Tokyo Shoseki Co., Ltd.	10190966
Livrettech Co., Ltd.	10190035
Tokyo Logistics Co., Ltd.	10860071
EduFront Learning Research Co., Ltd.	10861827
Froebel-Kan Co., Ltd.	24000369
BookLive Co., Ltd.	28000007
T.M.G. Challenged Plus Toppan Co., Ltd.	24000419
ONE COMPATH Co., Ltd.	24000445
Toppan Cosmo, Inc.	24000449
UNIWORX Co., Ltd.	21004696
Kirihara Shoten K.K.	24000459
TB Next Communications Co., Ltd.	24000464

Information Security Training

Training, education

Our extensive training and self-assessment initiatives are grounded in the belief that solidified human assets reinforce our information security management structure.

Training Employees throughout the Group

Annual training is organized to improve the security capabilities of all Group employees. In fiscal 2022 we established a program entitled, “Surfing on the changing currents: Groupwide counter-attack on information security threats in cyber and physical worlds.” The training covers comprehensive topics, from cyber-attack preparedness and daily security practices to business-division-specific risks and compliance with Japan’s amended Act on the Protection of Personal Information.

Organizing Security Training for Plant Engineers

We launched a program called the “technical-guard training school” in fiscal 2021. This program aims to achieve manufacturing DX with solidly secured production sites. Trainees learn the requirements of the safeguards deployed to protect manufacturing equipment during the processes from installation planning to disposal. Twenty employees completed the program in fiscal 2022.

Alerting Senior Management to Cyber Emergencies

Our senior management takes part in drills twice a year to rehearse the actions to take in the event of a severe cyber-attack. The drills are designed to better equip them with the leadership skills essential to control cyber emergencies.

After each drill we evaluate the results and identify

challenges for senior managers in order to fortify their control capabilities during cyber emergencies.

Implementing Groupwide Self-assessment

We are asking all Group employees to check their daily security practices. Our Groupwide self-assessment initiative aims to heighten awareness on information security management by encouraging employees to reflect on their own behaviors. Self-assessment results are delivered to each department to enable the department managers to initiate improvement measures at their workplaces.

Several questions were added to the fiscal 2022 questionnaire to remind employees accustomed to remote working of the appropriate procedures for the handling of media and documents that contain confidential information. The questions are continuously updated to reinforce individual security readiness in the latest working environments.

Developing a Security Training Platform

TOPPAN Security Awareness Training (TSAT) has been formulated as a security-training platform since fiscal 2022. TSAT allows employees to repeat the steps of drill, evaluation, and training. Human asset solidification through this efficient platform reinforces cyber-attack resistance throughout the Group.

Holding Drills to Address Virus-infected Emails

We hold suspicious email reporting drills twice a year. To prepare for the drills, users of Group email addresses (about 25,000 persons in total) are requested to add a shortcut link or icon that can be quickly clicked on their standing screens to report suspicious messages they have received or already opened. In fiscal 2022 overseas subsidiary employees were

asked to participate in the drills in parallel with employees from domestic subsidiaries and affiliated companies, expanding the coverage to about 50,000 persons in total.

The training was demanding. Our cyber security team sent out a fraudulent email to employees without pre-warning. Some employees clicked a URL link to a fraudulent website, failing to recognize it was fake.

Providing DOJO Training for Cyber Security Specialists

We have founded Armoris Co., Ltd., a company specialized in providing client companies and public-sector entities with programs to nurture cyber security specialists, as well as services geared to improving the security levels of their organizations. Armoris operates a series of practical personnel-training programs, including DOJO, DOJO Lite, DOJO Shot, and DOJO CORE.

The training programs at the DOJO are tailored to individual skills through methods suited to long-term, continual practices. DOJO Lite and DOJO Shot, meanwhile, arrange case examples and case studies examining the latest cyber security themes. DOJO CORE provides practical simulation drills on responding to actual incidents. Armoris strives to enhance the security capabilities of individuals and organizations throughout Japan, including the TOPPAN Group, through the DOJO programs.



Overview of Armoris's DOJO service (in Japanese)

Tax Governance

Basic Approach

Approach Policy

In performing Group operations, we understand the importance of acting appropriately with integrity and high ethical standards in conformance with applicable laws, regulations, in-house rules, social norms, and other requirements.

Our tax approaches have been affirmed in the TOPPAN Group Tax Policy. We firmly meet a core social corporate responsibility by fulfilling tax obligations under the tax regimes of the countries and regions where we operate.

We are striving for sustainable growth and enhanced medium- to long-term corporate value by adopting a solid Groupwide tax-management framework that secures tax compliance and controls tax-related risks.

Management Framework

Promotion framework

The head of the Finance & Accounting Division of TOPPAN Holdings Inc. is responsible for operating a Groupwide tax management framework. Tax departments in the Finance & Accounting Division supervise this framework based on our tax policy and duly manage operations. They also work with the accounting departments at Group companies to address tax-related challenges and risks.

We are intensifying our Groupwide management framework by handling tax matters appropriately 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.

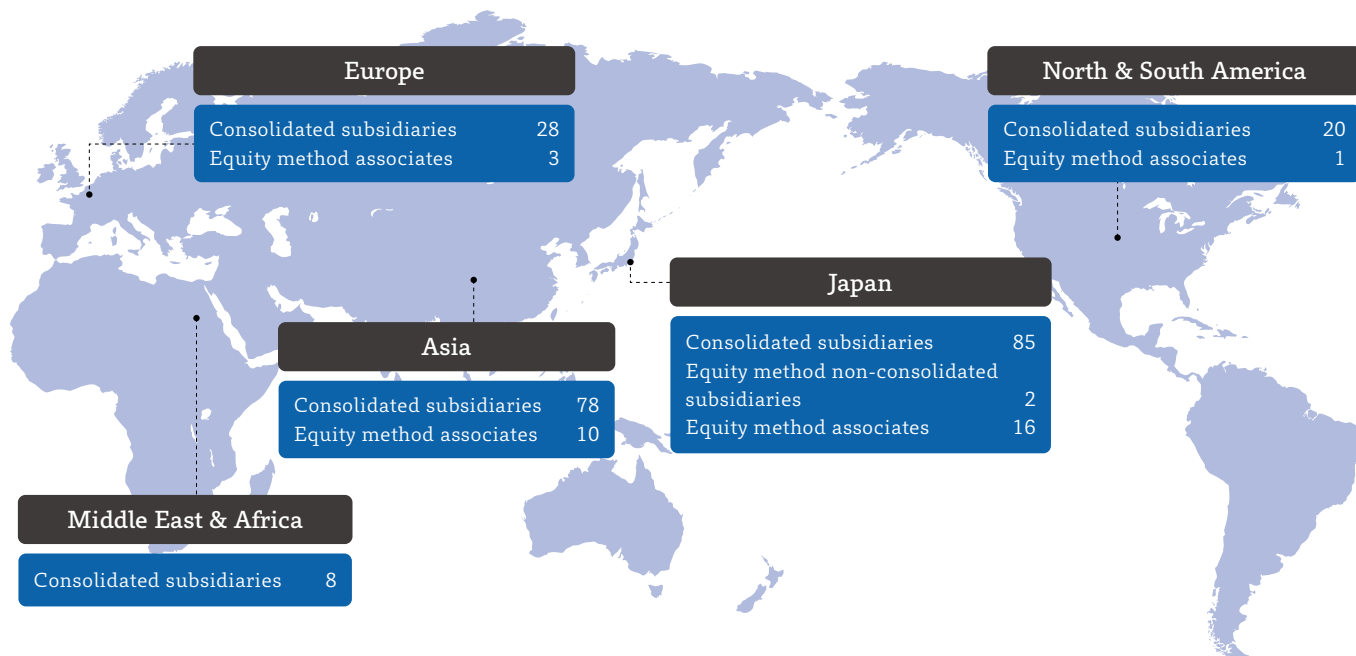
TOPPAN Group Business Outline

The TOPPAN Group is made up of domestic and overseas Group companies engaged in manifold businesses across the world in the fields of Information & Communication, Living & Industry, and Electronics.

Corporate Profile (as of March 31, 2023)

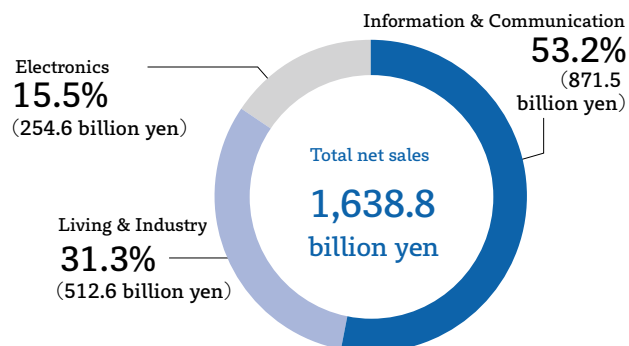
Corporate name Toppan Inc.	Head office 1-3-3, Suido, Bunkyo-ku, Tokyo 112-8531, Japan Phone: +81-3-3835-5111
President & Representative Director Hideharu Maro	No. of employees 53,946
Established January 17, 1900	No. of consolidated subsidiaries 219
Capital 104,986 million yen	No. of equity method non-consolidated subsidiaries 2
Net sales 1,638,833 million yen	No. of equity method associates 30

No. of Operational Sites by Region



Business Composition

(Breakdown by net sales, Year ended March 2023)



*Net sales are sales to external customers.

Business by Segment

Information & Communication

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

- Security
- Marketing
- Content

Living & Industry

Providing a wide range of products and services globally to create living environments that offer comfort and peace of mind.

- Packaging
- Functional Products & Energy
- Décor Materials

Electronics

Providing products related to displays and semiconductors developed based on core microfabrication technologies.

- Displays
- Semiconductors

Recognition (as of October 2023)

Inclusion in ESG Investing Indexes

CDP Supplier Engagement Leader CDP Climate Change “A-” (A minus)

Toppan Inc. was named a Supplier Engagement Leader for the second consecutive year in 2022. The “Leader” designation is one of the highest Supplier Engagement Ratings (SERs) assessed by CDP. Toppan Inc. also has an “A-” rating in the climate change category.



MSCI Japan Empowering Women Index (WIN)

An ESG investment index provided by MSCI Inc. of the U.S. The index is composed of companies recognized for their excellence in gender diversity in the workplace based on various gender-equality metrics, including the percentages of women among new hires and management. Toppan Inc. was listed on the index in 2023, as it was in the previous year.

2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

<http://info.msci.com/1/36252/2017-06-27/kj5n9b>

FTSE4Good Index Series

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

The FTSE4Good Index Series is a group of ESG investment indexes developed by FTSE Russell of the U.K. Toppan Inc. has been listed on the FTSE4Good Index Series, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index for several consecutive years.



Sompo Sustainability Index

Established by Sompo Asset Management Co., Ltd. of Japan as an investment index composed of around 300 companies with records of outstanding performance in ESG metrics. The companies listed on the index make up the long-term investment portfolio managed by Sompo Sustainable Asset Management. As of fiscal 2022, Toppan Inc. has been listed on the Sompo Sustainability Index for 12 years running.



S&P/JPX Carbon Efficient Index

The S&P Dow Jones and Tokyo Stock Exchange (TSE) jointly recognize Japanese companies with a sound record of disclosing environmental information and achieving a high level of carbon efficiency (low carbon emissions per unit of sales).



Morningstar Japan ex-REIT Gender Diversity Tilt Index

An index from Morningstar, Inc. of the U.S., composed of companies highly evaluated for their corporate commitment to gender diversity in the workplace. The index divides companies in the Japanese market into five groups based on their gender equality scores. Toppan Inc. has the highest ranking, Group 1.



Recognition for ESG

EcoVadis

A France-based ratings platform that evaluates corporate efforts for sustainability in the supply chain based on four themes: the environment, labor and human rights, ethics, and sustainable procurement. Toppan Inc. has been awarded the Silver medal, a recognition granted to companies rated in the top quartile of entities assessed, for consecutive years.

DX Stock 2023

Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly introduced the Digital Transformation Stocks (DX Stocks) in 2015. Companies are selected for the DX Stock designation by exhibiting outstanding strategic uses of digital technologies that contribute to management reforms and efficiency and profitability enhancements. Toppan Inc. was included in this selection for the third consecutive year in fiscal 2023.



2023 Health & Productivity Management Organization “White 500”

METI has established a Certified Health & Productivity Management Organization Recognition Program in Japan to recognize enterprises of various sizes that exhibit outstanding performance in employee healthcare initiatives from a management perspective. Under this program, 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 (Japan Health Conference). Toppan Inc. was named a health and productivity management organization for the seventh consecutive year in fiscal 2023.



Eruboshi Marks

Eruboshi (“L Star” in Japanese; L stands for “lady, labor, and laudable”) is a certification system aligned with the Japanese Act on the Promotion of Female Participation and Career Advancement in the Workplace. Eruboshi marks are issued to companies that meet the specific criteria for excellence in female success in the workplace and other gender equality metrics. Toppan Inc. acquired the 2nd grade mark (shown on the right) on March 1, 2021.



PRIDE Index 2022

The PRIDE Index was developed in 2016 by “work with Pride (wwP),” a Japan-based organization of volunteers who promote LGBTQ-friendly workplaces where everyone can work with pride. wwP evaluates corporate efforts to create LGBTQ-inclusive workplaces with the PRIDE Index. Toppan Inc. became a “Gold” winner in fiscal 2022, achieving the highest designation for the second consecutive year.




List of Indicators Assured by an Independent Assurance Provider

The following sustainability performance indicators in this report (*Sustainability Report 2023 PDF*) are assured by KPMG AZSA Sustainability Co., Ltd., an independent assurance provider.

Performance Indicators Assured by an Independent Assurance Provider and Scope of the Performance Data

- ① Toppan Inc.
- ② 13 domestic subsidiaries with production facilities, under the control of Toppan Inc. or its business divisions
- ③ 21 domestic Group companies
- ④ 37 overseas subsidiaries of Toppan Inc.
- ⑤ 5 overseas Group subsidiaries
- 77 companies and subsidiaries in total**

Every indicator assured by an independent assurance provider on the preceding pages is marked with an assurance stamp .

Page	Category		Performance Data	Assurance	Entities	Scope	
P. 25	Companywide Materiality: Targets and Results	Elimination of Gender Disparities	Percentage of eligible male employees taking childcare leave	○	1	1	
P. 41, P. 43			10-year retention rate by gender	○	1	1	
P. 42	Human Assets	Information on employees	No. of employees	○	86	*1	
P. 46			Total no. of regular recruits (percentage of women); mid-career recruitment of experienced personnel by gender	○	1	1	
P. 48	Diversity & Inclusion	Support Systems for Employees with Children	Percentage of Eligible Employees Taking Childcare Leave	○	1	1	
P. 58		Empowering Women	Rank-based percentages of female personnel	○	1	1	
P. 62	Human Rights	Labor Rights	No. of Female Managerial and Supervisory Staff	○	1	1	
P. 62	Employee Health & Safety / Work-Life Balance	Labor Rights	Gender pay gap	○	1	1	
P. 62	Employee Health & Safety / Work-Life Balance	Data on Occupational Accidents	Deaths from occupational accidents; Frequency rate; Severity rate	○	61	*2	
P. 99	Environmental Policy	TOPPAN Group Medium-and-Long-Term Environmental Targets for Fiscal 2030	Scope 1 & 2 greenhouse gas (GHG) emissions; Scope 3 GHG emissions	○	219	*3	
P. 100			Renewable-derived Energy: Amount and Ratio	–	77	1 - 5	
P. 103			Final Landfill Waste Disposal	○	77	1 - 5	
P. 104			Waste Plastic Material Recycling Rate	–	77	1 - 5	
P. 104	Environmental Management	Environmental Management Systems	Quantifying Environmental Impact based on LIME	–	77	1 - 5	
P. 106			Environmental Impact and Environmental Efficiency	–	77	1 - 5	
P. 106	Contributing to Decarbonization	Greenhouse Gas Emissions	Types of Environmental Impact by Business Field	–	77	1, 2	
P. 108			Results of Environmental Education	–	14	1, 2	
P. 108	Greenhouse gas emissions	Greenhouse gas emissions	ISO 14001 environmental management system certification	–	77	1 - 5	
P. 106			Greenhouse Gas Emissions	Scope 1 & 2 greenhouse gas (GHG) emissions; Scope 3 GHG emissions	○	219	*3
P. 108			Scope 1, 2, 3 Greenhouse Gas Emissions	Scope 1, 2, 3 Greenhouse Gas Emissions	○	219	*3
P. 108			Percentages of Greenhouse Gas Emissions by Type (in tons of CO ₂ equivalent)	Percentages of Greenhouse Gas Emissions by Type (in tons of CO ₂ equivalent)	○	219	*3
P. 108	Greenhouse gas emissions	Greenhouse gas emissions	Percentages of Greenhouse Gas Emissions by Source (in tons of CO ₂ equivalent)	○	219	*3	
P. 108			Values and results of environmental targets for fiscal 2022	Values and results of environmental targets for fiscal 2022	○	77	1 - 5
P. 108	Greenhouse gas emissions	Greenhouse gas emissions	Values and evaluation of environmental targets for fiscal 2022	–	77	1 - 5	
P. 108			Values and evaluation of environmental targets for fiscal 2022	Values and evaluation of environmental targets for fiscal 2022	–	77	1 - 5

Page	Category		Performance Data	Assurance	Entities	Scope
P. 109	Contributing to Decarbonization	Energy Consumption	Energy consumption	○	77	1 - 5
			Consumption of electricity, natural gas, and kerosene	–	77	1 - 5
			Renewable-derived Energy: Amount and Ratio	–	77	1 - 5
			Fuel Efficiency of Outsourced Cargo Vehicles	–	1	Toppan Logistics Co., Ltd.
P. 116	Biodiversity	Forest Management Certification	ECO-GREEN purchasing	–	14	1, 2
P. 118			FSC® and PEFC Certification	–	77	1 - 5
P. 119	Building of a Recycling-oriented Society		Discharge and Treatment of Hazardous and Non-hazardous Waste	–	77	1 - 5
P. 120			Results and evaluation of plastic waste discharge based on the Japanese legislation on plastic circulation ⁵	–	17	1, 2 + 4
			Fiscal 2022 environmental target and result for final landfill waste disposal	○	77	1 - 5
			Fiscal 2022 environmental target and result for the waste plastic material recycling rate	–	77	1 - 5
			Achievement rates and evaluation for the fiscal 2022 environmental targets and results	–	77	1 - 5
			Material Input	○	77	1 - 5
P. 121			Final Landfill Waste Disposal; Waste Recycling	○	77	1 - 5
			Waste Plastic Material Recycling Rate	–	77	1 - 5
			Water Withdrawal; Effluent Discharge	○	75	1 - 5
P. 123			Control of Chemical Substances		VOC Emissions into the Atmosphere	○
	Chemical Substances Designated under the PRTR Law of Japan	–			35	1 - 3
P. 124	Pollution Control		Approach to Environmental Compliance	–	19	1 - 3
P. 125			No. of Internal Environmental Audits and Issues in Need of Improvement	–	15	1 - 3
			Remedying Soil and Groundwater Pollution	–	19	1 - 3
P. 126	Environmental Data	Environmental Performance Data	Major Types of Environmental Burden (Groupwide: covering Group companies around the world)	○	77	1 - 5 ⁴
P. 127		Environmental Accounting	Capital Investment for Environmental Conservation	–	75	1 - 5
			Environmental Conservation Benefit	–	77	1 - 5
PP. 128-129		Environmentally Friendly Products		–	14	1, 2
P. 130		Green Procurement and Green Purchasing	JFPI Green Procurement Standards for Paper and Level of Fulfillment	–	10 suppliers	–
			JFPI Green Procurement Standards for Ink and Level of Fulfillment	–	3 suppliers	–
	In-house Green Purchasing Standards and Levels of Fulfillment		–	14	1, 2	

*1 85 domestic subsidiaries under the control either of Toppan Inc. or its business divisions

*2 30 domestic subsidiaries under the control of either Toppan Inc. or its business divisions, and 30 domestic related companies within the Group

*3 All Group entities consolidated for accounting purposes

*4 CO₂ emissions are calculated for 219 companies.

Water withdrawal and effluent discharge into water and soil environments (excluding the release of chemical substances designated under the PRTR law) are calculated for 75 companies.

PRTR data and VOC emissions into the atmosphere are calculated for 35 companies.

*5 Results and evaluation of the discharge of plastic industrial waste (including plastics used in products) and the plastic circulation measures based on the Plastic Resource Circulation Act of Japan

Independent Assurance Report

Independent Assurance Report

To the Representative Director President & CEO of TOPPAN Holdings Inc.

We were engaged by TOPPAN Holdings Inc. (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with (the “Indicators”) for the period from April 1, 2022 to March 31, 2023, except for the number of female managerial and supervisory staff and the total number of regular recruits (percentage of women), which are as of April 1, 2023, included in its Sustainability Report 2023 (the “Report”) for the fiscal year ended March 31, 2023.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company's reporting criteria”), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.

- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting the Fukaya Plant of Toppan Packaging Products Co., Ltd. selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

/s/ Kazuhiko Saito
Kazuhiko Saito, Partner, Representative Director
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
December 15, 2023

Notes to the Reader of Independent Assurance Report:
This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

Global Reporting Initiative Content Index

The *Sustainability Report 2023* has been prepared by referring to the Global Reporting Initiative (GRI) Standards.

GRI 2: General Disclosures 2021		
2-1	Organizational details	P. 155: TOPPAN Group Business Outline
2-2	Entities included in the organization's sustainability reporting	P. 03: Editorial Policy
2-3	Reporting period, frequency and contact point	P. 03: Editorial Policy
2-4	Restatements of information	P. 23: Business Materiality: Targets and Results P. 99: TOPPAN Group Medium- and Long-Term Environmental Targets for Fiscal 2030 (Fiscal 2022 Results) P. 106: Greenhouse Gas Emissions PP. 114-115: c) The Organization's Targets for Management of Climate-related Risks and Opportunities and Progress against Targets P. 121: Associated Data
2-5	External assurance	PP. 158-159: List of Indicators Assured by an Independent Assurance Provider P. 160: Independent Assurance Report
2-6	Activities, value chain and other business relationships	P. 67: Selecting Key Business Partners P. 69: Selecting Key Business Partners P. 155: TOPPAN Group Business Outline
2-7	Employees	PP. 41-42: Information on Employees at Toppan Inc. PP. 43-44: Information on Employees at the TOPPAN Group
2-8	Workers who are not employees	P. 41: Information on Employees at Toppan Inc.
2-9	Governance structure and composition	PP. 133-136: Corporate Governance P. 136: Directors and Audit & Supervisory Board Members at Toppan Inc.
2-10	Nomination and selection of the highest governance body	P. 135: Composition, Authority, and Role of the Advisory Committee
2-11	Chair of the highest governance body	—
2-12	Role of the highest governance body in overseeing the management of impacts	PP. 16-18: Promotion Structure for Sustainability Initiatives PP. 134-135: Promotion Framework at Toppan Inc.

GRI 2: General Disclosures 2021		
2-13	Delegation of responsibility for managing impacts	PP. 16-18: Promotion Structure for Sustainability Initiatives
2-14	Role of the highest governance body in sustainability reporting	—
2-15	Conflicts of interest	—
2-16	Communication of critical concerns	P. 17: Risk Management P. 135: Internal Audits PP. 138-140: Promotion Framework
2-17	Collective knowledge of the highest governance body	PP. 16-18: Promotion Structure for Sustainability Initiatives
2-18	Evaluation of the performance of the highest governance body	P. 137: Evaluating the Effectiveness of the Board of Directors
2-19	Remuneration policies	—
2-20	Process to determine remuneration	P. 135: Composition, Authority, and Role of the Advisory Committee P. 137: Remuneration Paid to Directors and Audit & Supervisory Board Members at Toppan Inc.
2-21	Annual total compensation ratio	—
2-22	Statement on sustainable development strategy	PP. 12-13: To Our Stakeholders P. 28: Message from an External Director
2-23	Policy commitments	P. 06: The TOPPAN Group's Purpose & Values P. 54: Basic Approach P. 66: Basic Approach
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2-25	Processes to remediate negative impacts	PP. 55-57: Promotion Framework; Human Rights Due Diligence PP. 69-71: Sustainable Procurement Initiatives PP. 124-125: Approach to Environmental Compliance P. 147: Internal Reporting System

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2-27	Compliance with laws and regulations	PP. 124-125: Fiscal 2022 Results P. 146: Compliance in Fiscal 2022
2-28	Membership associations	P. 105: Reducing Greenhouse Gas Emissions
2-29	Approach to stakeholder engagement	PP. 81-84: Engagement
2-30	Collective bargaining agreements	P. 57: Human Rights Training and Harassment Prevention P. 60: Labor-Management Partnership at Toppan Inc.

GRI 3: Material Topics 2021		
3-1	Process to determine material topics	P. 20: Material Issues to Address
3-2	List of material topics	P. 21: Materiality at the TOPPAN Group
3-3	Management of material topics	P. 22: Initiatives and Accomplishments Related to Materiality P. 23: Business Materiality: Targets and Results PP. 24-26: Companywide Materiality: Targets and Results

GRI 201: Economic Performance 2016		
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201-1	Direct economic value generated and distributed	P. 155: TOPPAN Group Business Outline
201-2	Financial implications and other risks and opportunities due to climate change	PP. 110-115: Climate Change Disclosure According to TCFD Recommendations P. 127: Environmental Accounting
201-3	Defined benefit plan obligations and other retirement plans	—
201-4	Financial assistance received from government	—

GRI 202: Market Presence 2016		
	Management approach disclosures	—
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	—
GRI 203: Indirect Economic Impacts 2016		
	Management approach disclosures	—
203-1	Infrastructure investments and services supported	P. 23: Business Materiality: Targets and Results P. 73: New Business Creation Themes P. 91: System Development Base under Community Partnership
203-2	Significant indirect economic impacts	—
GRI 204: Procurement Practices 2016		
	Management approach disclosures	PP. 66-71: Supply Chain Management
204-1	Proportion of spending on local suppliers	—
GRI 205: Anti-corruption 2016		
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205-1	Operations assessed for risks related to corruption	P. 146: Anti-Corruption Initiatives
205-2	Communication and training about anti-corruption policies and procedures	P. 145: Compliance Training P. 146: Anti-Corruption Initiatives
205-3	Confirmed incidents of corruption and actions taken	—
GRI 206: Anti-competitive Behavior 2016		
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206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—
GRI 207: Tax 2019		
	Management approach disclosures	P. 154: Tax Governance
207-1	Approach to tax	P. 154: Tax Governance
207-2	Tax governance, control, and risk management	P. 154: Tax Governance
207-3	Stakeholder engagement and management of concerns related to tax	—
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GRI 301: Materials 2016		
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301-1	Materials used by weight or volume	P. 121: Material Input P. 126: Environmental Performance Data
301-2	Recycled input materials used	—
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GRI 302: Energy 2016		
	Management approach disclosures	PP. 95-100: Environmental Policy PP. 101-104: Environmental Management PP. 105-109: Contributing to Decarbonization PP. 110-115: Climate Change Disclosure According to TCFD Recommendations
302-1	Energy consumption within the organization	P. 99: Renewable-derived Energy: Amount and Ratio PP. 106-107: Scope 1, 2, 3 Greenhouse Gas Emissions P. 109: Energy Consumption P. 126: Environmental Performance Data
302-2	Energy consumption outside of the organization	PP. 106-107: Scope 1, 2, 3 Greenhouse Gas Emissions
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302-4	Reduction of energy consumption	P. 109: Energy Consumption
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GRI 303: Water and Effluents 2018		
	Management approach disclosures	P. 24: Companywide Materiality: Targets and Results PP. 95-100: Environmental Policy PP. 101-104: Environmental Management PP. 110-115: Climate Change Disclosure According to TCFD Recommendations PP. 119-120: Building of a Recycling-oriented Society PP. 124-125: Pollution Control
303-1	Interactions with water as a shared resource	PP. 119-120: Building of a Recycling-oriented Society PP. 124-125: Pollution Control
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303-3	Water withdrawal	P. 121: Water Withdrawal P. 126: Environmental Performance Data

303-4	Water discharge	P. 121: Effluent Discharge P. 126: Environmental Performance Data
303-5	Water consumption	—
GRI 304: Biodiversity 2016		
	Management approach disclosures	P. 24: Companywide Materiality: Targets and Results P. 69: Conserving Biodiversity PP. 95-100: Environmental Policy PP. 101-104: Environmental Management PP. 116-118: Biodiversity
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	P. 117: Consideration of Land-use
304-2	Significant impacts of activities, products, and services on biodiversity	P. 69: Conserving Biodiversity PP. 116-118: Biodiversity
304-3	Habitats protected or restored	P. 117: Consideration of Land-use
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions 2016		
	Management approach disclosures	P. 24: Companywide Materiality: Targets and Results PP. 95-100: Environmental Policy PP. 101-104: Environmental Management PP. 105-109: Contributing to Decarbonization PP. 110-115: Climate Change Disclosure According to TCFD Recommendations PP. 124-125: Pollution Control
305-1	Direct (Scope 1) GHG emissions	P. 24: Companywide Materiality: Targets and Results P. 99: Scope 1 & 2 Greenhouse Gas Emissions P. 106: Greenhouse Gas Emissions; Scope 1, 2, 3 Greenhouse Gas Emissions P. 108: Values, Results, and Evaluation of Environmental Targets for Fiscal 2022 P. 115: Scope 1 & 2 Greenhouse Gas Emissions P. 126: Environmental Performance Data
305-2	Energy indirect (Scope 2) GHG emissions	P. 24: Companywide Materiality: Targets and Results P. 99: Scope 1 & 2 Greenhouse Gas Emissions P. 106: Greenhouse Gas Emissions; Scope 1, 2, 3 Greenhouse Gas Emissions P. 108: Values, Results, and Evaluation of Environmental Targets for Fiscal 2022 P. 115: Scope 1 & 2 Greenhouse Gas Emissions P. 126: Environmental Performance Data

305-3	Other indirect (Scope 3) GHG emissions	P. 24: Companywide Materiality: Targets and Results P. 99: Scope 3 Greenhouse Gas Emissions P. 106: Greenhouse Gas Emissions; Scope 1, 2, 3 Greenhouse Gas Emissions P. 108: Values, Results, and Evaluation of Environmental Targets for Fiscal 2022 P. 115: Scope 3 Greenhouse Gas Emissions
305-4	GHG emissions intensity	PP. 106-107: Scope 1, 2, 3 Greenhouse Gas Emissions
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305-6	Emissions of ozone-depleting substances (ODS)	P. 108: Percentages of Greenhouse Gas Emissions by Type
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P. 108: Percentages of Greenhouse Gas Emissions by Type P. 126: Environmental Performance Data
GRI 306: Waste 2020		
	Management approach disclosures	P. 24: Companywide Materiality: Targets and Results PP. 95-100: Environmental Policy PP. 101-104: Environmental Management PP. 119-121: Building of a Recycling-oriented Society
306-1	Waste generation and significant waste-related impacts	PP. 119-121: Building of a Recycling-oriented Society
306-2	Management of significant waste-related impacts	PP. 95-96: Environmental Targets PP. 101-104: Environmental Management P. 119: Building of a Recycling-oriented Society
306-3	Waste generated	P. 119: Discharge and Treatment of Hazardous and Non-hazardous Waste P. 126: Environmental Performance Data
306-4	Waste diverted from disposal	P. 24: Companywide Materiality: Targets and Results P. 99: Waste Plastic Material Recycling Rate P. 119: Discharge and Treatment of Hazardous and Non-hazardous Waste P. 126: Environmental Performance Data

306-5	Waste directed to disposal	P. 24: Companywide Materiality: Targets and Results P. 99: Final Landfill Waste Disposal P. 119: Discharge and Treatment of Hazardous and Non-hazardous Waste P. 126: Environmental Performance Data
GRI 307: Environmental Compliance 2016		
	Management approach disclosures	PP. 95-100: Environmental Policy PP. 101-104: Environmental Management PP. 110-112: Climate Change Disclosure According to TCFD Recommendations PP. 144-147: Strict Compliance
307-1	Non-compliance with environmental laws and regulations	PP. 124-125: Pollution Control P. 146: Compliance in Fiscal 2022
GRI 308: Supplier Environmental Assessment 2016		
	Management approach disclosures	PP. 66-71: Supply Chain Management
308-1	New suppliers that were screened using environmental criteria	PP. 69-71: Main Activities and Results
308-2	Negative environmental impacts in the supply chain and actions taken	PP. 69-71: Main Activities and Results

GRI 401: Employment 2016		
	Management approach disclosures	PP. 54-59: Human Rights
401-1	New employee hires and employee turnover	P. 42: Information on Employees at Toppan Inc. P. 44: Information on Employees at the TOPPAN Group
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P. 56: Follow-up Assessments
401-3	Parental leave	P. 25: Companywide Materiality: Targets and Results P. 46: Support Systems for Employees with Children P. 65: Main Leave Systems and Family Benefits
GRI 402: Labor/Management Relations 2016		
	Management approach disclosures	P. 57: Labor Rights P. 60: Labor-Management Partnership at Toppan Inc. P. 64: Work Styles at Toppan Inc. P. 82: Labor-Management Approach to "Respect for Human Beings"
402-1	Minimum notice periods regarding operational changes	—

GRI 403: Occupational Health and Safety 2018		
	Management approach disclosures	PP. 54-59: Human Rights PP. 60-63: Employee Health & Safety / Work-Life Balance
403-1	Occupational health and safety management system	PP. 57-58: Securing Occupational Safety and Health P. 60: Promotion Framework
403-2	Hazard identification, risk assessment, and incident investigation	P. 56: Results of Human Rights Due Diligence P. 62: Data on Occupational Accidents
403-3	Occupational health services	P. 63: Measures for Mental Healthcare
403-4	Worker participation, consultation, and communication on occupational health and safety	PP. 60-62: Occupational Safety and Health P. 63: Measures for Mental Healthcare
403-5	Worker training on occupational health and safety	PP. 57-58: Securing Occupational Safety and Health PP. 61-62: Occupational Safety and Health P. 63: Measures for Mental Healthcare
403-6	Promotion of worker health	P. 26: Companywide Materiality: Targets and Results PP. 60-61: Health Management P. 63: Measures for Mental Healthcare
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	PP. 66-71: Supply Chain Management
403-8	Workers covered by an occupational health and safety management system	PP. 57-58: Securing Occupational Safety and Health
403-9	Work-related injuries	P. 62: Data on Occupational Accidents
403-10	Work-related ill health	P. 26: Companywide Materiality: Targets and Results P. 63: Measures for Mental Healthcare
GRI 404: Training and Education 2016		
	Management approach disclosures	PP. 30-40: Human Assets
404-1	Average hours of training per year per employee	P. 40: Human Asset Development Initiatives
404-2	Programs for upgrading employee skills and transition assistance programs	PP. 30-40: Human Assets
404-3	Percentage of employees receiving regular performance and career development reviews	—

GRI 405: Diversity and Equal Opportunity 2016		
	Management approach disclosures	P. 25: Companywide Materiality: Targets and Results PP. 45-49: Diversity & Inclusion PP. 57-59: Labor Rights
405-1	Diversity of governance bodies and employees	P. 41: Information on Employees at Toppan Inc. P. 43: Information on Employees at the TOPPAN Group P. 136: Directors and Audit & Supervisory Board Members at Toppan Inc.
405-2	Ratio of basic salary and remuneration of women to men	PP. 58-59: Paying Appropriate Wages
GRI 406: Non-discrimination 2016		
	Management approach disclosures	PP. 54-59: Human Rights
406-1	Incidents of discrimination and corrective actions taken	P. 56: Follow-up Assessments
GRI 407: Freedom of Association and Collective Bargaining 2016		
	Management approach disclosures	PP. 54-59: Human Rights
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—
GRI 408: Child Labor 2016		
	Management approach disclosures	PP. 54-59: Human Rights
408-1	Operations and suppliers at significant risk for incidents of child labor	—
GRI 409: Forced or Compulsory Labor 2016		
	Management approach disclosures	PP. 54-59: Human Rights
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—
GRI 410: Security Practices 2016		
	Management approach disclosures	—
410-1	Security personnel trained in human rights policies or procedures	—
GRI 411: Rights of Indigenous Peoples 2016		
	Management approach disclosures	—
411-1	Incidents of violations involving rights of indigenous peoples	—

GRI 412: Human Rights Assessment 2016		
	Management approach disclosures	PP. 54-59: Human Rights
412-1	Operations that have been subject to human rights reviews or impact assessments	PP. 55-56: Human Rights Due Diligence
412-2	Employee training on human rights policies or procedures	P. 49: Diversity Training P. 57: Human Rights Training and Harassment Prevention
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	PP. 67-71: Supply Chain Management
GRI 413: Local Communities 2016		
	Management approach disclosures	PP. 85-86: Social Contribution Activities
413-1	Operations with local community engagement, impact assessments, and development programs	PP. 86-93: Social Contribution Activities
413-2	Operations with significant actual and potential negative impacts on local communities	—
GRI 414: Supplier Social Assessment 2016		
	Management approach disclosures	PP. 66-71: Supply Chain Management
414-1	New suppliers that were screened using social criteria	PP. 69-71: Main Activities and Results
414-2	Negative social impacts in the supply chain and actions taken	PP. 69-71: Main Activities and Results
GRI 415: Public Policy 2016		
	Management approach disclosures	P. 146: Anti-Corruption Initiatives
415-1	Political contributions	P. 146: Anti-Corruption Initiatives
GRI 416: Customer Health and Safety 2016		
	Management approach disclosures	PP. 50-53: Universal Design PP. 79-80: Total Quality Assurance
416-1	Assessment of the health and safety impacts of product and service categories	PP. 50-53: Universal Design PP. 79-80: Total Quality Assurance
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
GRI 417: Marketing and Labeling 2016		
	Management approach disclosures	PP. 50-53: Universal Design PP. 79-80: Total Quality Assurance
417-1	Requirements for product and service information and labeling	PP. 50-51: Universal Design P. 131: CFP and Carbon Offsetting Initiatives
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A
417-3	Incidents of non-compliance concerning marketing communications	N/A

GRI 418: Customer Privacy 2016		
	Management approach disclosures	PP. 148-153: Information Security
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A
GRI 419: Socioeconomic Compliance 2016		
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419-1	Non-compliance with laws and regulations in the social and economic area	P. 146: Compliance in Fiscal 2022

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