

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.

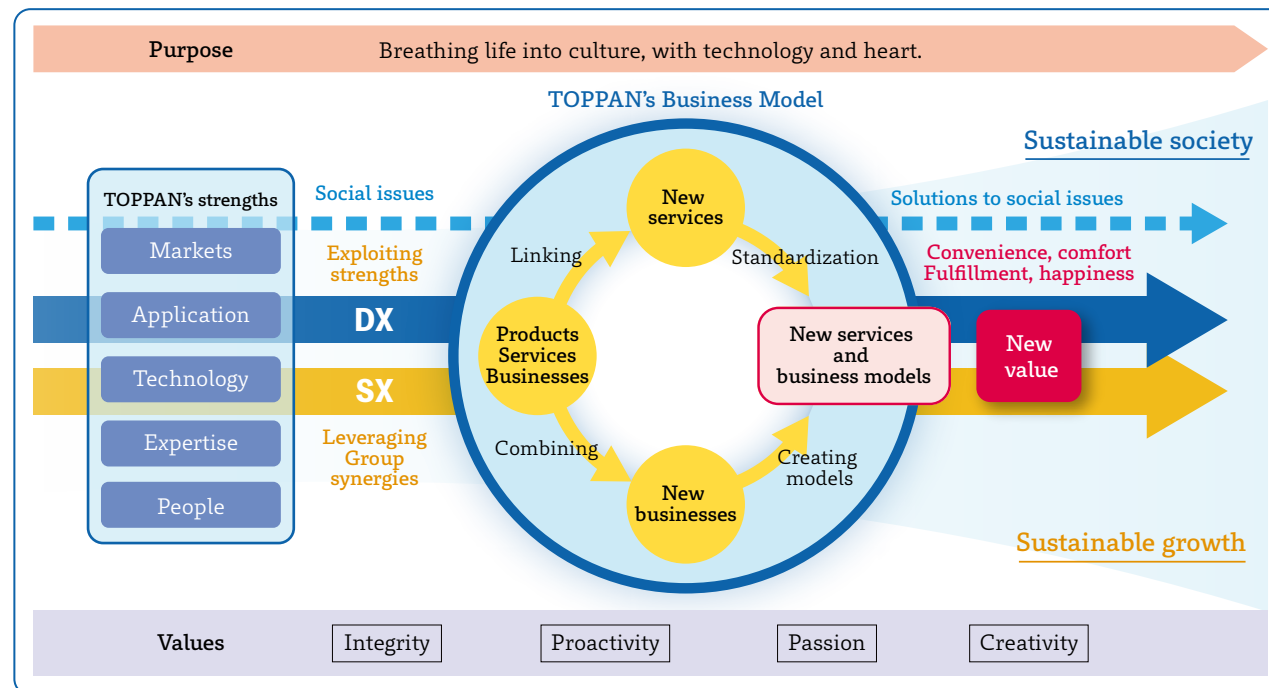
Over its long history, TOPPAN has refined "printing skills," based on which the business was founded, into "printing techniques," and then fused them with diverse knowledge, expertise, and processing technologies to establish a set of proprietary "printing technologies." By further combining, applying,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

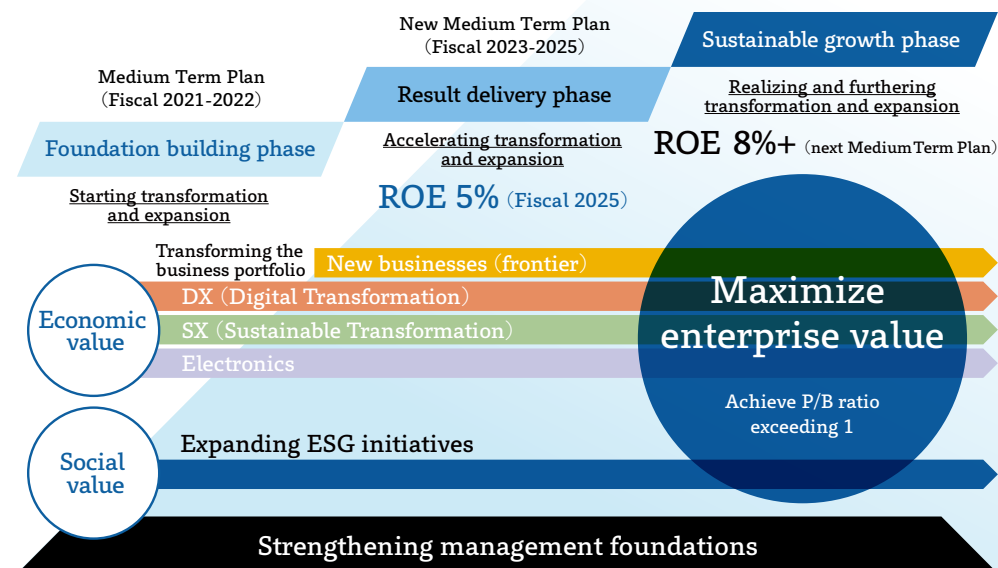
We believe that over the period of the Medium Term Plan that began in 2021 we have seen solid results in transforming the Company. These include expanding the scale of growth businesses and priority businesses through portfolio transformation, making Toppan Forms Co., Ltd. a wholly owned subsidiary, 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

