

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