Management Message | The TOPPAN Group's Sustainability Initiatives

The TOPPAN Group'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, shareholders, and local communities, 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 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 and clarifying our aim to be a

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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

1900 2000 2023 Aiming to be a company that creates social value for a sustainable society Founding "A company is its people" TOPPAN VISION 21 Defined philosophical system in TOPPAN's Purpose & Values Respect for human beings the form of the Corporate Defined the Group's Structure and Business Fields purpose and values for sustainable growth Social responsibility as a corporate 2021 Digital & Sustainable Expansion of social citizen impact due to Transformation diversification of business Providing solutions to social issues and expansion of fields worldwide through DX and SX 2021 Set targets for TOPPAN Business Action for SDGs Became signatory to United Technology-oriented 2020 Set areas of focus for TOPPAN Business Nations Global Compact innovative DNA Action for SDGs Adopted ISO 26000 standards 2019 Published TOPPAN SDGs STATEMENT

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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 advanced 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 Group 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. Operations outside Japan account for 35% of sales revenue, and we have more than 150 subsidiaries overseas. This means it is imperative that 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 raise corporate 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 fulfilment 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.



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Promotion Structure for Sustainability Initiatives

Governance

To accelerate efforts focused on sustainability issues, the TOPPAN Group has established a Sustainability Promotion Committee 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.

1) Board of Directors and Sustainability Promotion Committee

The Board of Directors of TOPPAN Holdings 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.

2) TOPPAN Group ESG Management Promotion Committee

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 expand upon discussions on ESG and SDG-related themes within the Group, share issues to address, and coordinate to drive solutions.

3) SDGs Promotion Project and Corporate ESG Project

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

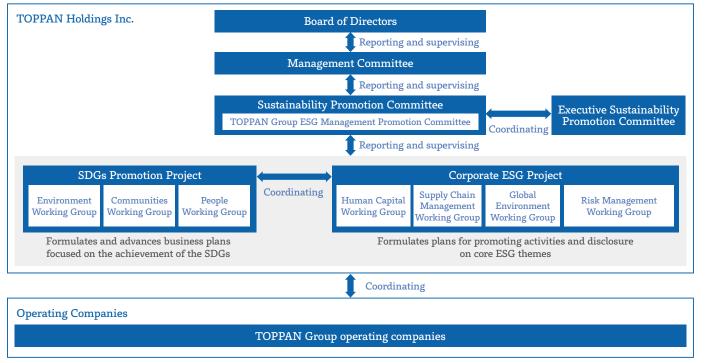
The SDGs Promotion Project primarily focuses on advancing sustainability initiatives in our business activities. It drives and monitors the progress of efforts for the themes of "Environment," "Communities," and "People," the three areas of focus set out under Business Materiality in TOPPAN Business Action for SDGs.

The Corporate ESG Project is mainly responsible for sustainability issues that relate to the entire TOPPAN Group. In fiscal 2023, we formed the Human Capital Working Group, Supply Chain Management (SCM) Working Group, Global Environment Working Group, and Risk Management Working Group, which undertake projects on specific themes.

4) Executive Sustainability Promotion Committee

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 to deliberate important matters.

TOPPAN Group Sustainability Promotion Structure



*as of the end of September 2024

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Risk Management

Risk management for sustainability-related issues in the TOPPAN Group is incorporated into a comprehensive risk management framework promoted in collaboration with the operating companies of the Group. Under the management of the Board of Directors of TOPPAN Holdings, 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.

*as of the end of September 2024

As part of efforts to reinforce the risk management framework, in October 2024 we plan to establish an independent committee to discuss risk management.

See the Risk Management section on page 141 >

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 the Compliance Department of the Legal Division. 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 the relevant departments of business divisions of Group companies under the supervision of the divisions responsible at TOPPAN Holdings. 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 2024 we have selected 19 significant risks. These include "risks related to climate change and loss of biodiversity," "securing human resources to support growth," "risks related to the supply chain," and "human rights risks."

See the Significant Risks for Fiscal 2024 on page 143 >

Once identified, significant risks are reported to and considered by the Sustainability Promotion Committee before being reported to the Board of Directors, where they are discussed before being put forward for resolution. Significant risks 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 framework.

Sustainability Promotion Committee

We convened the Sustainability Promotion Committee three times, the TOPPAN Group ESG Management Promotion Committee twice, and the Executive Sustainability Promotion Committee once in fiscal 2023.

Selected Matters Discussed by Sustainability Promotion Committee

- Reports on activities of working groups in fiscal 2022
- Formulation of plans for working group activities in fiscal 2023 and reports on progress
- Discussion and selection of significant risks for fiscal 2024

 Workshops led by outside experts (Themes: risk management, sustainability management, etc.)

The main activities and challenges to address going forward for each of the projects are as follows.

Corporate ESG Project

1) Human Capital Working Group

Main activities:

- · Informed parties inside and outside the Group of the TOPPAN Group Human Rights Policy and continued to conduct training for employees, including those at Group companies inside and outside Japan.
- · Continued to conduct human rights due diligence on the TOPPAN Group (172 companies globally), focusing on human rights risks identified based on the TOPPAN Group Human Rights Policy.
- · Confirmed items where there is potential for negative impacts on human rights, conducted onsite assessments of eight companies in Japan and one overseas to ascertain the actual situation, and implemented improvement activities.
- · Analyzed responses to human rights risk surveys 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 assessments.
- · Expanding opportunities for direct dialogue with individual companies through onsite assessments.
- · Facilitating continuous dialogue with external organizations and making use of external assessments.

2) SCM Working Group

Main activities:

· Ensured that our business partners are fully aware of the





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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, 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.
- Aggregated questionnaire responses, checked risks, and gave feedback. Conducted onsite assessments of four business partners whose activities needed to be confirmed.

Challenges to address going forward:

- Continuing, 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 the end of fiscal 2025. (Concluded with 71% in fiscal 2023)
- 3) Global Environment Working Group

Main activities:

- Reexamined TCFD scenario analyses, updated financial impacts, and implemented measures to address transition risks and physical risks.
- Declared support for the TNFD's final recommendations (registered as an Early Adopter). Assessed the TOPPAN Group's nature-related issues (identified priority regions and assessed dependencies and impacts).

Challenges to address going forward:

- Identifying risks and opportunities, assessing financial impacts, and formulating and promoting countermeasures.
- · Enhancing disclosure in various media based on disclosure

aligned to TCFD and TNFD recommendations.

4) Risk Management Working Group

Main activities:

- Supplemented significant risks for fiscal 2023 and plans for countermeasures.
- Considered significant risks for fiscal 2024 and formulated plans for countermeasures.

Challenges to address going forward:

 Building a risk management framework that addresses changes in the external environment, such as shifts in the business environment, global risks, information security, social problems, and environmental problems.

SDGs Promotion Project

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 aligned to 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 Corporate ESG Project and the SDGs Promotion Project, we will proactively consider efforts for new sustainability themes, including our response to the TNFD.

Under the holding company structure, we will create frameworks to lead the entire Group in advancing sustainability

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management, facilitate activities at each Group company, and strengthen reciprocal collaboration.

We will continue to 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 corporate 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 half 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—is shown below.

Growth Businesses and TOPPAN Business Action for SDGs

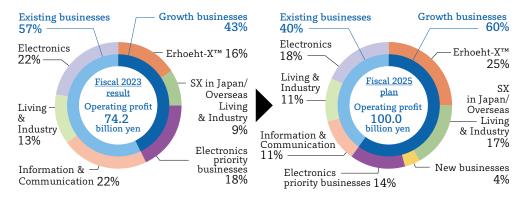
When we devised the *TOPPAN SDGs STATEMENT* in 2019, we took a long-term perspective to 2030 and set out material issues that the TOPPAN Group should focus on, grouping them into Business Materiality and Companywide Materiality. TOPPAN Business Action for SDGs, which sets out the areas of focus under the three Business Materiality themes of "Environment," "Communities," and "People," has been incorporated into our Medium Term Plan. We have linked 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" in the Living & Industry business. "Number of services enriching people's lives (use of platforms for the metaverse and web3 era)," 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 Percentage of packaging sales accounted for by sustainable packaging 1 Fiscal 2023 result: 46% Fiscal 2025 target: 50% Fiscal 2030 target: 100% *1 Refers to SX priority theme *2 Refers to ser

^{*1} Refers to SX priority theme packaging products, paperboard and paper packaging products, and mono-material flexible packaging products. Targets are for single fiscal years.

Communities Creation of safe, secure, enriched communities	People Empowerment and fulfillment of body and mind
Number of services enriching people's lives *2 (Use of platforms for the metaverse and web3 era)	Number of services that contribute to health ⁻³
Fiscal 2023 result: 24	Fiscal 2023 result: 26
Fiscal 2025 target: 50	Fiscal 2025 target: 35
Fiscal 2030 target: 65	Fiscal 2030 target: 50

^{*2} Refers to services using platforms for the metaverse and web3 era 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.



^{*}Erhoeht.XTM ("erhoeht cross") is the concept for efforts across the TOPPAN Group to support the digitalization of society and companies and drive the digital transformation of the TOPPAN Group itself.

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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

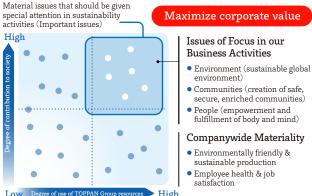
In selecting the material issues, we took as our starting point the Corporate Philosophy, Corporate Creed, and Conduct Guidelines presented in *TOPPAN VISION 21*. Along with the "markets & customers" and "technology & expertise" approaches encompassed within the Business Fields, we have also embraced 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. Measuring the level of importance along two axes—degree of contribution to society and degree of use of TOPPAN Group resources—we identify material issues in consideration of the mutual impacts of the Group and the environment and society (the impact

of environmental and social issues on the Group and the impact of our activities on the environment and society). The selected material issues are reviewed at least once every three years, along with the formulation of the Medium Term Plan.

Materiality Concept Material issues that should be



Process for Selecting the Material Issues

Identification of issues that threaten the sustainability of global society Consideration of business ideas that allow the TOPPAN Group to offer distinctive solutions to the issues identified

Judgment of importance in line with two axes—degree of use of TOPPAN Group resources and degree of contribution to society

Selection of material issues, centered on fields associated with important business ideas Checking appropriateness through dialogue with outside experts, making certain revisions

Authorized by the Board of Directors after discussion among senior management

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.



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Materiality at the TOPPAN Group

	Theme	Relationship with the SDGs
	Environment (sustainable global environment)	12 mans
Business Materiality (Issues of focus in the Group's business activities)	Communities (creation of safe, secure, enriched communities)	8 min min. 11 minutes. 16 minutes. 16 minutes. 16 minutes. 17 minutes. 18 minutes. 18 minutes. 19 minutes. 10 minutes. 10 minutes. 11 minutes. 11 minutes. 12 minutes. 13 minutes. 14 minutes. 15 minutes. 16 minutes. 17 minutes. 18 minutes. 18 minutes. 19 minutes. 10 minutes. 10 minutes. 10 minutes. 11 minutes. 11 minutes. 12 minutes. 13 minutes. 14 minutes. 15 minutes. 16 minutes. 17 minutes. 18 minutes. 18 minutes. 19 minutes. 10 minutes. 11 minutes. 12 minutes. 13 minutes. 14 minutes. 15 minutes. 16 minutes. 17 minutes. 18 min
	People (empowerment and fulfillment of body and mind)	3 mention 4 min 4 min 1 mi
Companywide Materiality (Issues to address in	Environmentally friendly & sustainable production	12 monators 13 data
Groupwide activities as a good corporate citizen)	Employee health & job satisfaction	3 1000 million 100

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 TOPPAN 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.



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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.

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.

TOPPAN Business Action for SDGs: Nine areas of focus

TOPPAN Business Action for SDGs



Risks and Opportunities in Material Issue Selection

In the material issue selection process, we consider both risks and opportunities before selecting material issues and promoting activities to address each issue.

Risk	Opportunity	Material Issue
Increased expenses due to resource depletion and waste regulations	Increased market competitiveness by development of recycling-oriented businesses	Creating a circular economy
Increased energy costs due to stricter environmental regulations	Increased market competitiveness by addressing GHG emission reductions	Decarbonizing
Products that are insufficiently environmentally friendly are removed from the market due to factors such as lack of customer demand	Increased market competitiveness by providing materials that comply with environmental laws and regulations	Expanding eco-friendly products and solutions
Sense of crisis over information leakage and growing social demand for data reliability	Increased market competitiveness of advanced security technologies for internet services	Creating a safe society in which we can be ourselves
Growing regional differences in administrative services due to the aging society and depopulation		
Loss of culture and cultural heritage including human lives, society and local communities due to regional conflicts and climate change	Increased understanding and interest in the history and traditions of our own country and other countries in the world	Showcasing and preserving culture
Food crisis caused by increased world population and increased waste due to food loss	Growing demand for food products with long shelf lives	Reducing food loss to help eliminate hunger
Depletion of human capital due to loss of educational opportunities	Growing need for educational environments that are easily accessible to everyone	Creating obstacle-free educational environments
Increased medical expenses due to aging society and widening medical care gap	Growing demand to alleviate a shortage of doctors and reform their workstyle	Contributing to health through innovative healthcare services

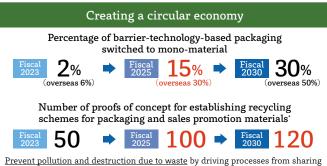


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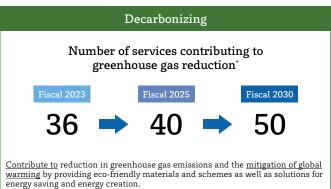
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Business Materiality: Targets and Results (Activities and targets set out in TOPPAN Business Action for SDGs)

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

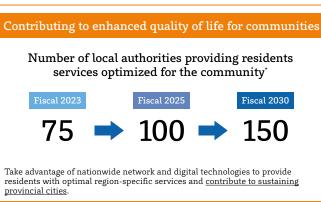


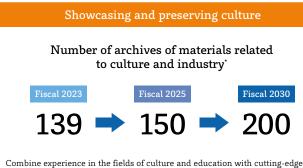


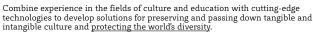








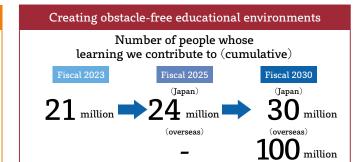






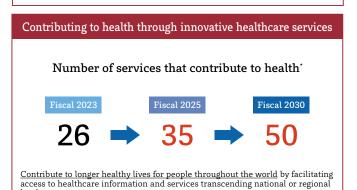
Reduce food loss throughout the value chain from primary industry sectors to

consumers by combining functional packaging and digital transformation to extend shelf lives and optimize the balance of supply and demand.



Create a society in which anyone can learn anywhere and anytime by providing

a global platform combining educational software and translation technologies.



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TOPIC Decarbonizing

Example Related to "Number of Services Contributing to Greenhouse Gas Reduction"

SmartLCA-CO₂[™]—Reducing the Workload for CO₂ Emission Volume Calculation with a Cloud-based Service Specifically for Packaging

To address the issue of climate change, more than 120 countries and regions have committed to the goal of carbon neutrality by 2050. To achieve this, it is becoming more important to monitor CO_2 emission volume by company and by product. A particularly pressing issue is ascertaining the Carbon Footprint of Products' (CFP) during product development and consistently driving efforts for decarbonization. The need for specialist knowledge for the calculation of carbon footprint, however, is presenting an obstacle to its implementation.

TOPPAN has harnessed experience in calculating the carbon footprint of its own packaging products over the years to develop SmartLCA-CO2™, a cloud-based service for calculating CO₂ emissions associated with packaging products. The system allows CO2 emission volume to be calculated simply by inputting information on the specifications of the packaging. It features robust computational logic underpinned by an extensive track record in performing calculations and is equipped with all the information required. To make the system easy for anyone to use, we have also minimized the number of items that need to be input, included information on emission intensity and other base units as standard, and added functions for coordinating with manufacturing subcontractors and suppliers. Calculated values can be used as indicators of the eco-friendliness of products, and the service envisages use as Scope 3 emission data or a component of CFP labelling. SmartLCA-CO2 is currently used by multiple customers, mainly in the distribution, retail, and food sectors. We hope to contribute to driving sustainability activities at customers by extending it throughout the packaging market, including industries such as the FMCG and pharmaceutical sectors.

*Carbon Footprint of Products is a scheme for quantifying CO₂-equivalent greenhouse gas emissions over the entire life cycle of products and services, from raw material procurement to disposal or recycling, and displaying the information clearly on the relevant products and services.



TOPIC Contributing to Enhanced Quality of Life for Communities

Example Related to "Number of Local Authorities Providing Residents Services Optimized for the Community"

Chiiki Pay™ Digital Regional Money Platform

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TOPPAN supports the digital transformation of local authorities with Chiiki Pay™. The "Vision for a Digital Garden City Nation" approved by the Japanese Cabinet in 2023 targets the use of digital technologies to resolve social issues faced by local authorities and revitalize regional economies and societies. TOPPAN is also driving further implementation of digital solutions.

Chiiki Pay is a platform that enables local authorities and other organizations to operate their own payment services'. It goes beyond simple region-specific currencies' to facilitate the digitalization of various projects to stimulate local economies, such as the provision of premium vouchers and digital benefit payments. Using Chiiki Pay to issue benefits or subsidies can also enhance convenience for users by expediting payment. A cumulative total of 45 local authorities have introduced the service as of fiscal 2023, and we have received very positive feedback from them regarding the system's stability and reliability. We aim to have the system adopted by a cumulative total of 85 local authorities across Japan in fiscal 2025.

cal authorities across Japan in fiscal 2025. Stimulating Regional Consumption by Charging with Spare Change at Home

Kami, a city in Japan's Kochi Prefecture, introduced Chiiki Pay in 2021 in response to falling consumption due to a declining and ageing population. When trying to encourage purchasing and consumption within the city using a regional currency called "kamica," the city government experienced challenges in getting the currency firmly entrenched among members of the community. TOPPAN therefore proposed pilot testing a scheme that enabled people to charge their kamica balances with coins. Originally it was only possible to top up

balances with paper currency, but the aim was to get money moving within the region and consequently stimulate the economy by making it possible for people to charge cards or apps with spare change in piggy banks and at home.

After a two-day trial in collaboration with the city government and commercial association, more than 800,000 coins had been used to charge kamica balances for a total of 7.86 million yen. As a result, TOPPAN is preparing to add charging with coins as a standard optional service from fiscal 2025.



- *1 An electronic payment service that enables cashless payment.
- *2 A currency for use within a specific region. Limiting the area in which the currency can be used is expected to revitalize economies and communities within the region.



Promotional content: "Exclusive electronic money for Kami, Kochi Prefecture. Two-days only! Charge with coins!"

Management Message | The TOPPAN Group's Sustainability Initiatives

TOPIC Creating Obstacle-free Educational Environments

Example Related to "Number of People Whose Learning We Contribute To (cumulative)"

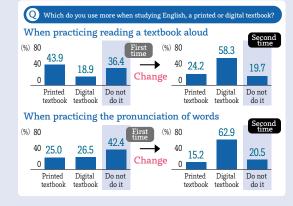
Providing Every Child with Effective Learning through the Digital Textbook Business

The GIGA School Project¹ promoted by Japan's Ministry of Education, Culture, Sports, Science and Technology is close to achieving its goal of establishing networks and providing electronic devices to every student at elementary and junior high schools throughout Japan. Digital English textbooks are being used extensively from fiscal 2024.

In addition to optimal selection of materials and instruction matched to each individual, digital textbooks are expected to reduce the workload for teachers. Functions such as zooming in and screen reading can also be useful for people who have previously had difficulty using printed textbooks. Survey results have confirmed that digital textbooks can help address various issues and positively impact academic performance.

The TOPPAN Group has been in the textbook business for more than 100 years. With a leading share of the Japanese market and links to schools and educational boards, we are developing products matched to social trends and educational needs. One example is EduHub⁻², a textbook portal integrating platforms operated by various publishers.

The scope of educational DX and the number of subjects

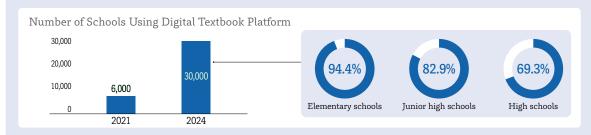


covered are expected to expand. The TOPPAN Group will harness its strengths to increase services and address social issues.

- *1 GIGA School Project: A project proposed by Japan's Ministry of Education, Culture, Sports, Science and Technology in 2019. It aims to provide a digital device to every school student in Japan and ensure high-speed, high-capacity communication networks.
- *2 EduHub aims to facilitate educational DX by integrating various services into a single portal using digital textbooks to expand the possibilities of learning.

⊕ EduHub (in Japanese) >

https://eduh.jp/



TOPIC

Contributing to Health through Innovative Healthcare Services

Example Related to "Number of Services that Contribute to Health"

Contributing to Sustainable Healthcare by Supporting Changing Work Styles for Doctors with DICTOR™

Doctors' work styles have been changing in Japan in recent years as part of an effort to create a sustainable healthcare system that ensures the quality and safety of medical care. To shorten working hours, some tasks are being shifted to or shared with other healthcare professionals. One of these tasks is obtaining informed consent from patients. Explanatory videos have been introduced to enhance the efficiency of the process, but it is difficult to handle on a case-by-case basis for individual healthcare professionals or patients and the videos are expensive to produce.

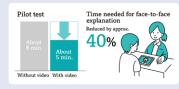
TOPPAN and Hokkaido University Hospital have therefore collaborated to develop DICTOR™, a service that supports informed consent. The DICTOR service has been made available to medical institutions throughout Japan since July 2024. Healthcare professionals register their voice and face in advance and then input the explanation in text form. A video with a digital clone of the healthcare professional is then generated. Development of the service leveraged TOPPAN's expertise in avatar generation technology*, customer management, system construction, and secure management of

databases for IDs and other data. We were able to confirm positive impacts at multiple medical facilities, indicating the service is potentially useful for facilitating task shifting and sharing. For example, when the videos generated were shown to patients before a face-to-face explanation, the time required for the face-to-face explanation was shorter than it had been before DICTOR was introduced and the level of understanding was greater.

*MetaClone™ Avatar: A service for the automated generation of photorealistic 3D avatars in a short time from a picture of someone's face. Combining AI and 3D reconstruction technology makes it possible to provide avatars matched to a range of uses.



DICTOR™ user interface for doctors



Results of second pilot test. Extract from press release. (in Japanese) https://www.holdings.toppan.com/ja/news/2024/07/newsrelease240717_1.html

Management Message | The TOPPAN Group's Sustainability Initiatives

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 91 →
- See the TOPPAN Group Medium-and-Long-Term Environmental Targets for Fiscal 2030 on page 91 >

Contributing to Decarbonization

We contribute to decarbonization primarily 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 2022 Results	Fiscal 2023 Results	Fiscal 2030 Targets
Scope 1 and 2 GHG emission reduction (compared to the fiscal 2017 level)	Reduced by 28.2% (Renewable energy ratio of 1.2%)	Reduced by 32.7% (Renewable energy ratio of 2.5%)	Reduce by 54.6% (Renewable energy ratio of 25%)
Scope 3 GHG emission reduction (compared to the fiscal 2017 level)	Reduced by 13.3%	Reduced by 17.3%	Reduce by 54.6%

Preserving Biodiversity

For the sustainable use of natural resources, we are working towards 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 2022 Results	Fiscal 2023 Results	Fiscal 2030 Targets
Confirmation of legality of procurement of raw materials of paper	100%*1	100%*1	100% in fiscal 2025
Percentage of site area conserved as regions in which humans coexist with nature 2	4%	4%	10%

^{*1} TOPPAN Inc.

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 2022	Fiscal 2023	Fiscal 2030
	Results	Results	Targets
Final landfill waste disposal (compared to the fiscal 2017 level)	Reduced by	Reduced by	Reduce by
	15.6%	43.4%	60%
Waste plastic material recycling rate (compared to the fiscal 2017 level)	Decreased	Decreased	Increase
	by 7%pt.	by 6%pt.	by 9%pt.

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 2022 Results	Fiscal 2023 Results	Fiscal 2030 Targets
Number of sites with high water risk (seven sites) 1 at which water withdrawal reduction targets are achieved	-	0% (0 sites)*2	50% or more (4 sites)
Cases of action taken by authorities due to exceeding regulatory threshold values	-	0	0

^{*1} Sites with water stress in excess of 40%

⊕ Environmental Policy >

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



Sustainability Report 2024

^{*2} Based on the site area of TOPPAN Inc. and subsidiaries with manufacturing facilities

^{*2} Risk assessment method currently under review

Management **Environment** (E) Governance (G) Recognition / Assurance Contents Introduction Social (S)

Management Message | The TOPPAN Group's Sustainability Initiatives

TOPIC

Contributing to Decarbonization

Example Related to "Scope 1 and 2 GHG Emission Reduction"

Harnessing an Internal Carbon Pricing System to Drive Investment in Decarbonization

The TOPPAN Group is addressing climate change and other global environmental issues by advancing activities based on the net zero targets for Scope 1, 2, and 3 GHG emissions in the TOPPAN Group Environmental Vision 2050.

To further accelerate activities, we introduced an internal carbon pricing system' (ICP) in fiscal 2023. Towards the achievement of the Environmental Vision, the Group is focusing efforts on reduction activities centered on energy-saving measures and the procurement of low-carbon and renewable energy². As we do this, we believe that we will be able to more appropriately implement priority investments in measures that are highly effective in reducing CO2 by using ICP in decision-making on low-carbon investment and countermeasures from a long-term perspective.

In fiscal 2023, we installed solar power generation equipment at the Nagoya Plant of TOPPAN Inc. and the Mikkabi Plant of Toppan Packaging Products Co., Ltd. Both were put into operation in February, and we expect to be able to reduce CO₂ emissions by using the energy generated within the plants.

Overview of Solar Power Generation Equipment

Site	Scale/Area	Projected Annual CO ₂ Emission Reduction
Mikkabi Plant, Toppan Packaging Products Co., Ltd. (Hamamatsu, Shizuoka Prefecture)	985 m²	-103 t-CO2e
Nagoya Plant, Chubu Division, TOPPAN Inc. (Nagoya, Aichi Prefecture)	430 m ²	-42 t-CO2e





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Nagoya Plant

Mikkabi Plant

TOPIC

Preserving Biodiversity

Example Related to "Percentage of Site Area Conserved as Regions in which Humans Coexist with Nature"

Contributing to Achievement of the 30by30 Targets through Nationally Certified Sustainably Managed Natural Site

Efforts focused on the 30by30 target are essential for achieving a nature-positive society that stems loss of biodiversity and enables its recovery. In Japan, the formulation of OECMs² is being advanced, and in October 2023 the Ministry of the Environment recognized the TOPPAN Group's first Nationally Certified Sustainably Managed Natural Site. Areas in which efforts to preserve biodiversity are undertaken by the private sector are certified by the Japanese government and registered as OECMs on a global database. The TOPPAN Group has obtained certification for a green space including a biotope within the grounds of the TOPPAN Technical Research Institute (Sugito, Saitama Prefecture, Japan).

The biotope aims to be a waterside environment in which the Aquatica lateralis firefly (designated as a near threatened species by Saitama Prefecture'3) can naturally thrive, and we are conducting activities to nurture and preserve near threatened species on the Ministry of the Environment's Red List as well as rare local plant species brought from the waters of the Edo River. The space was certified in recognition of maintenance and conservation of grass environments inhabited by rare species.

With one of our of Medium-and-Long-Term Environmental Targets for Fiscal 2030 being to

"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*4," the TOPPAN Group will continue to drive the preservation of native species and rare plant species at its operational sites and surrounding areas and work to conserve green spaces in which large numbers of living organisms can thrive.



View of the biotope from above

- *1 Target of protecting or conserving at least 30% of Japan's land and sea areas as healthy ecosystems by 2030 *2 Acronym of Other Effective area-based Conservation Measures
- *3 From Saitama Prefecture Red Data Book: Animals 2018 (fourth
- *4 Based on the site area of TOPPAN Inc. and subsidiaries with manufacturing facilities



Byasa alcinous butterfly photographed in the green space



^{*1} Internal carbon pricing: A mechanism by which businesses set and use carbon pricing internally to drive lowcarbon investment and related measures. Companies quantify climate change risk by assigning a cost to each ton of CO2 emissions based on their own criteria. Using internal carbon pricing as a benchmark for investment decisions makes it possible to accelerate investment in low-carbon equipment and energy saving to contribute to a decarbonized society.

^{*2} See the Transition Plan for Carbon Neutrality by 2050 on page 92

Management Message | The TOPPAN Group's Sustainability Initiatives

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. 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 2022 Result	Fiscal 2023 Result	Fiscal 2030 Target
Number of employees (human assets) engaged in Erhoeht-X™	4,300	5,223	6,000

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 2022 Result	Fiscal 2023 Result	Fiscal 2025 Target
Percentage of women in management	12.2%	12.3%	14.7%

^{*}Entire TOPPAN Group, including overseas

Metrics	Fiscal	2022 Results	Fiscal 2023 Results		Fiscal 2030 Targets
Ratio of male and female employees working as managers and supervisors*1	Female 0.74 : Male 1.00		Female 0.74 : Male 1.00 Female 0.81 : Male 1.00		Eliminating gender disparities
Percentage of eligible male employees taking childcare leave ²		72.9%	8	88.6% <mark>✓</mark>	80.0%
10-year retention rate	Female 0.87 : Male 1.00	Fiscal 2011 hires Female 0.75 : Male 1.00	Female 1.00 : Male 1.00	Fiscal 2012 hires Female 0.86 : Male 1.00	Eliminating gender disparities
		Fiscal 2012 hires Female 0.86 : Male 1.00		Fiscal 2013 hires Female 0.95 : Male 1.00	
	1.00	Fiscal 2013 hires Female 0.95 : Male 1.00	1.00	Fiscal 2014 hires Female 1.24 : Male 1.00	

^{*1} At TOPPAN Inc., percentages of employees working as managers and supervisors, out of all current employees recruited as regular hires from 2005 to 2014 (as of March 31, 2024). Difference between proportions for female managers/supervisors and male managers/supervisors when value for male managers/supervisors is set as 1.00.

Support for Employees with Children

Metrics	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2030 Targets
Participation rate in Hagukumi Art Salon*	15.2%	13.6%	45.0%
Attendance rate of managers in Hagukumi Seminar*	75.8%	75.1%	100%
Participation rate in Hagukumi Circle*	11.4%	9.3%	10.0%

^{*}TOPPAN Inc. standalone

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





^{*2} At TOPPAN Inc., a percentage calculated by dividing the number of male employees who took childcare leave in fiscal 2023 by the total number of male employees with children born from April 2023 to March 2024. (The method for calculating this percentage is based on the applicable Japanese act requiring disclosure of the percentage.)

^{*3} At TOPPAN Inc., calculated the average 10-year retention rates by gender for regular hires from fiscal 2012 to fiscal 2014 (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.

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Management Message | The TOPPAN Group's Sustainability Initiatives

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 2022 Results	Fiscal 2023 Results	Fiscal 2025 Targets
Engagement score* (compared to fiscal 2021)	0.8-point improvement	0.3-point improvement	5.0-point improvement
Health risk value* (compared to fiscal 2021)	1.0-point improvement	1.0-point improvement	6.0-point improvement
Condition risk determination* (compared to fiscal 2021)	1.5-point worsening	2.2-point improvement	4.0-point improvement

^{*}Consolidated TOPPAN Group companies in Japan

Prevention of Serious Illness

Metrics		Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2030 Targets	
Employees	Risk of serious illness	Obesity risk	27.9%	28.0%	20.0%
		High blood pressure risk	10.8%	10.8%	8.0%
		Diabetes risk	10.9%	10.3%	8.0%
		Lipid risk	30.1%	28.7%	28.0%
	Medical examinations*	Gynecological screening rate	78.4%	78.7%	75.0%
Families	Medical examinations*	Family health checkup rate	84.3%	83.5%	95.0%

^{*}TOPPAN Inc. standalone

Employee Health & Safety / Work-Life Balance >

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

TOPIC

Building a Human Asset Development Program

Example Related to "Number of Employees Engaged in Erhoeht-X™"

Developing DX Human Assets to Drive the Growth Business of Erhoeht-X™

To expand the Erhoeht- X^{TM} business, the TOPPAN Group has set a target in its Medium Term Plan to develop 6,000 people as DX human assets by fiscal 2025. As part of those efforts, we are driving acquisition of Amazon Web Services (AWS) certification. In fiscal 2023, we also held AWS certification training and exams as part of training for new recruits (of which 276 passed), pushing the number of qualified personnel within the Group to more than 2,000. We are putting in place environments that enable employees to acquire the necessary skills themselves by using methods such as online learning platforms and content that uses VR goggles to spark interest in DX, cultivate a desire to learn, and enhance job satisfaction.

*A qualification that demonstrates that an individual possesses knowledge and skills related to AWS, a cloud service used globally.

See the Fostering Human Assets Active in the DX Arena on page 34 >



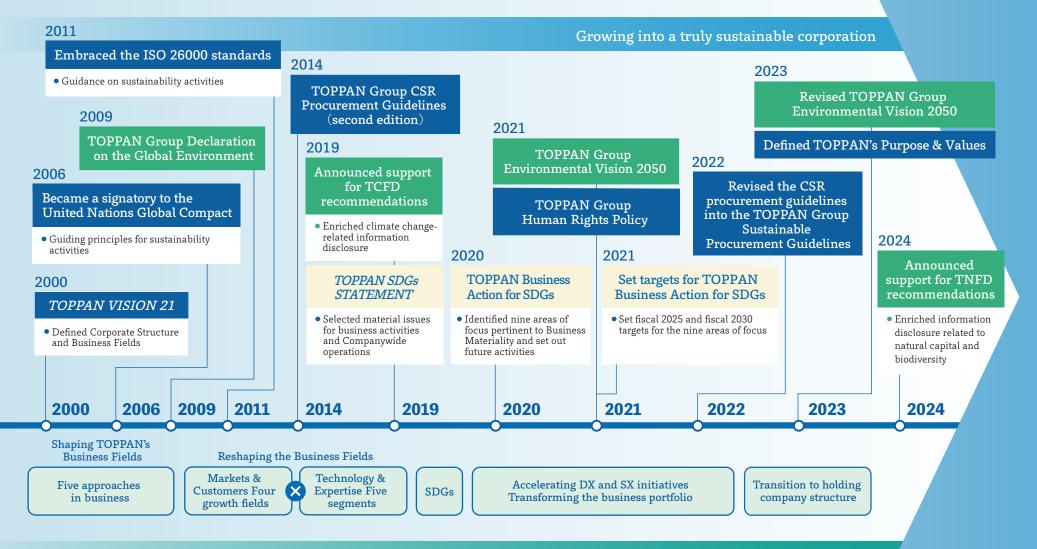




corporation that creates social value

Progress in the TOPPAN Group's Sustainability Initiatives

Introduction



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

