

Business Continuity (BC)

Significance of Initiatives

Business continuity (BC) refers to efforts to maintain crucial operations deemed a priority or to resume them within a target recovery time using business continuity strategies, even in unexpected situations such as major earthquakes and other natural disasters, infectious disease outbreaks, terrorism, serious accidents, supply chain disruptions, or sudden changes in the business environment. A business continuity plan (BCP) organizes responses to crisis situations in a systematic manner. The entire process of BC measures and initiatives is defined as business continuity management (BCM).

We have established an implementation system (administration office) to prepare for disasters and an emergency response system (taskforce) to coordinate recovery activities during disasters. Promoting BC has multifaceted benefits, such as raising employee disaster awareness and strengthening customer trust. In the event of a disaster, it becomes possible to mitigate damage and minimize interruptions. We believe that promoting BC fosters a disaster-resilient culture and strengthens management foundations.

Positioning within the TOPPAN Group

Efforts made to anticipate and manage risks before they occur are “risk management.” Within this, “disaster prevention and mitigation” aims to protect employee safety and company assets. Efforts to minimize the impact of risks that have already occurred are “crisis management.” BC is included in “crisis management,” but risk analysis and consideration of

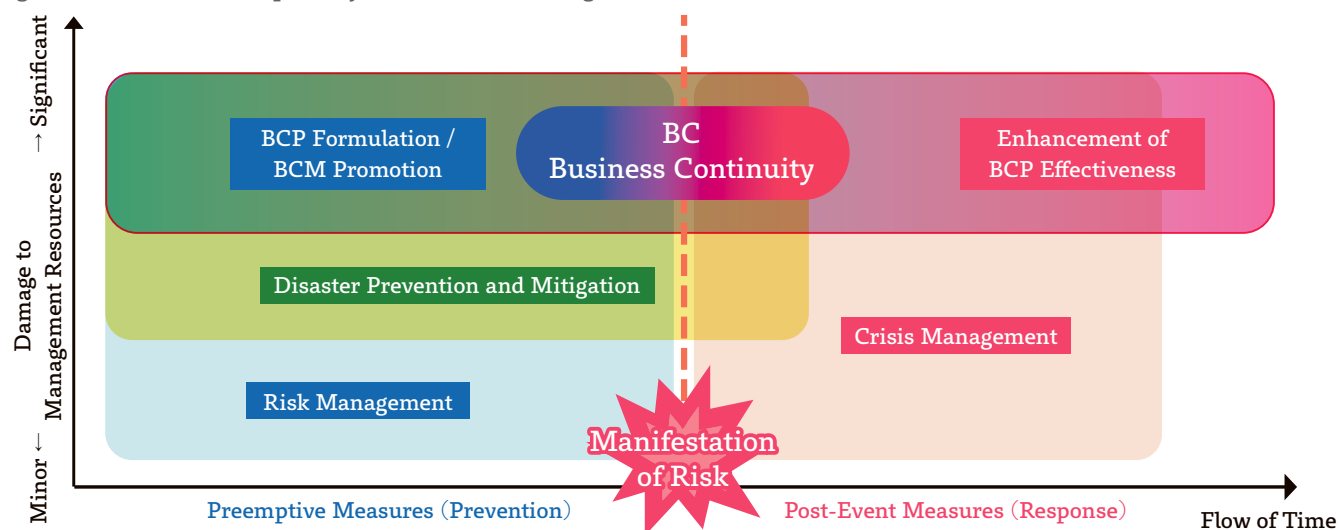
countermeasures when formulating BCPs fall under risk management. BC can be described as a consistent initiative, from prevention to incident response.

Within the Group, BC risks to be considered are defined as those that can cause significant damage to management resources* and seriously affect business continuity (Figure 1). Disaster management requires multifaceted consideration and preemptive countermeasures. If consideration begins only after a disaster occurs, the response may be delayed. It is vital to formulate a BCP during normal times and improve its effectiveness through training.

BC's role is to contribute to Groupwide risk management by preparing for large-scale natural disasters (such as earthquakes and typhoons) and to establish taskforces and

handle Groupwide crisis management when disasters occurs. For natural disasters, efforts for “disaster prevention and mitigation” to protect employees' safety are essential. To achieve business continuity, measures to strengthen the supply chain and prevent production stoppages are also required. When extensive damage occurs, such as suspension of operations at multiple locations, each business division allocates management resources necessary for recovery to high-priority businesses, and restoration proceeds according to procedures defined in the BCP to minimize confusion. BC efforts are coordinated closely with “disaster prevention and mitigation” efforts and play a complementary role by bridging routine risk management and crisis management after disasters occur.

Figure 1. Risk Areas Anticipated by BC and Efforts During Normal Times



*Management Resources: Employees, buildings, facilities, funds, information, etc.

Promotion Framework

Administration offices at operating companies promote BC tailored to their businesses. The TOPPAN Holdings Legal Division's BCP promotion team is the central point for coordinating the various administration offices and builds a Groupwide BC promotion structure during normal times (Figure 2). The team focuses on BC promotion at TOPPAN Holdings to maintain the Group's central functions during large-scale natural disasters and support affected operating companies, as well as providing support for training and other key initiatives enabling the efforts of operating companies.

Checklist-based activity assessments of major operating companies provide feedback via graphs showing achievement levels by item at each site. Issues are shared with each administration office, and opinions on countermeasures are exchanged. For high-flood-risk locations, guidance is provided on timeline creation, on-site training for water blocking measures, and desktop training for flood response. Instructions are tailored to each site to ensure optimal responses aligned to surrounding environments, differences in elevation within premises, and the condition of drainage equipment. The BCP promotion team is also raising awareness of BC through meetings where administration offices exchange information and opinions, providing information via internal portal sites, and supporting workshops for business partners led by the Production Division. From this fiscal year, we will provide even closer support for BCPs at overseas subsidiaries.



Initiatives during Normal Times

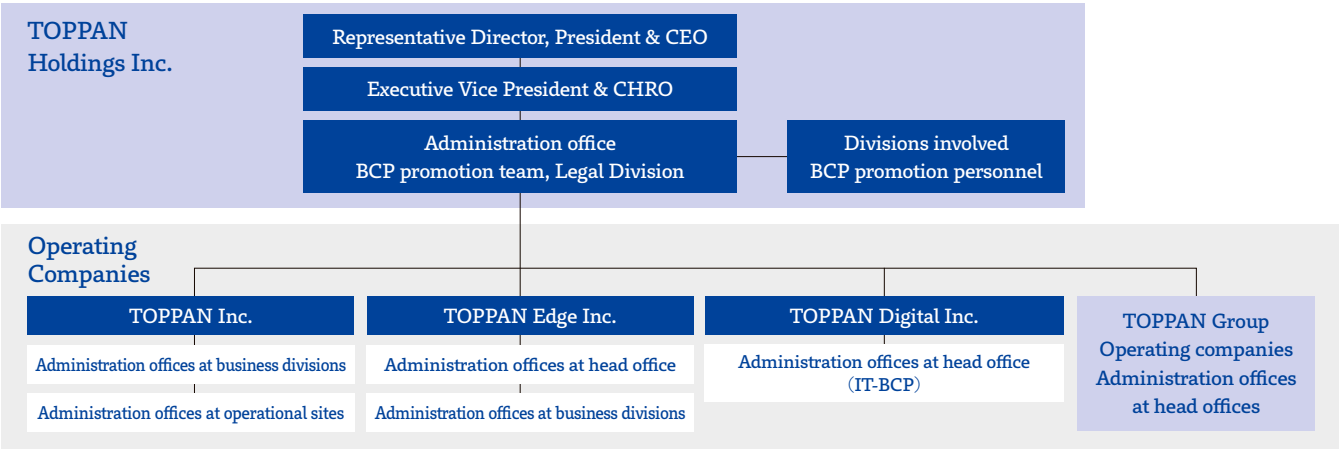
The TOPPAN Holdings BCP promotion team leads initiatives to strengthen disaster-response capabilities. For example, assuming a scenario where multiple sites are affected simultaneously by large earthquakes or floods, we are formulating a BCP defining disaster-response procedures, conducting drills to confirm initial response and situation awareness, providing infrastructure for Groupwide taskforce (command center) activities, and offering online training to taskforce personnel. The Production Division also hosts workshops for business partners to strengthen supply chains, emphasizing the importance and key points of BCPs.



Administration offices at each business division of TOPPAN Inc. promote BC in line with the nature of each business, coordinating with relevant sites. BCP reviews cover reassessment of critical businesses, target recovery times, and risk reevaluation. Initial response training is also held at manufacturing sites and staff are trained to improve effectiveness. TOPPAN Edge has obtained third-party BCMS certification for its card, DPS, and security businesses, which handle customer data. TOPPAN Digital has an IT-BCP to restore services rapidly and minimize impact on customers and end users in the event of large-scale disruptions.



Figure 2. TOPPAN Group's BC Promotion Framework



Qualified emergency damage assessment engineers from affiliated companies provide training on quick assessments of building damage. This includes classroom learning on building structures, exterior inspections, and internal confirmation points, as well as practical exercises on checks for building tilting. Participants also patrol buildings and identify locations where visual inspections are possible.

At high-flood-risk sites, we conduct timeline creation (response procedure) drills, desktop training on checking weather/river conditions and making response decisions, and hands-on training on water blocking measures for entrances and other areas with flood risk. Sites subject to flood countermeasures are selected based on anticipated flooding, site elevation, surrounding environment, and other considerations.



Building assessment training (classroom)



Building assessment training (practical)



On-site training on water blocking measures



Water disaster response desktop exercise

Actions Taken during Actual Disasters

If a disaster occurs, a taskforce is established at the affected site and at the headquarters and business divisions of the relevant operating company. The BCP is activated in two

phases, “initial response start” and “taskforce launch,” with decision criteria defined for each. If damage is widespread and significant, seriously impacting the entire Group, a Groupwide taskforce is set up at TOPPAN Holdings as the highest decision-making body for recovery activities.

The main roles of the Groupwide taskforce are to maintain the Group’s headquarters functions and support the recovery of affected sites. The organizational structure consists mainly of the head of the taskforce and their deputies, executive officers of TOPPAN Holdings and TOPPAN Inc., and 11 Groupwide response teams for practical operations (Figure 3). Damage information from operating companies is collated and shared at the Groupwide taskforce, then classified and recorded by each response team according to their area of responsibility. The Groupwide teams then address individual issues according to their urgency and importance.

After the initial response, operating companies begin recovery for critical businesses (products and services) as per the BCP. The Groupwide taskforce consolidates requests from operating companies and supports resource allocation. Its command center is equipped with necessary supplies and emergency power sources for use during power outages. If the Koishikawa Head Office Building in Tokyo is affected, systems are in place to establish an alternative headquarters in Japan’s Kansai region.



Storage batteries

Solar panels

Smartphone charging stations

Figure 3. Disaster Response Structure of the TOPPAN Group

