

# Tax Governance

## Basic Approach

In performing Group operations, TOPPAN understands the importance of acting appropriately with integrity and high ethical standards in conformance with applicable laws, regulations, in-house rules, social norms, and other codes of conduct.

Our tax approaches have been affirmed in the TOPPAN Group Tax Policy. We firmly meet a core social responsibility by fulfilling tax obligations in compliance with the legislation and intent of the tax regimes of the countries and regions where we operate.

TOPPAN is 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.

## Governance Structure

The construction and operation of our tax management system is the responsibility of the officer in charge of the Finance & Accounting Division at TOPPAN Holdings. The tax team in the Finance & Accounting Division supervises this framework based on the tax policy of the entire TOPPAN Group. They also work with the accounting departments at Group companies to address tax-related challenges and risks. For overseas subsidiaries, we established tax-related items in the Operating Guidelines for Overseas Subsidiaries and are implementing them globally. We are also intensifying our Groupwide management framework, handling tax matters appropriately by requesting advice and guidance from external tax specialists whenever necessary.

When making decisions on matters such as investments, we take tax issues and risk assessments into consideration,

and important matters are approved by the Board of Directors. With such decision-making, audit & supervisory board members express their opinions to the Board of Directors in an appropriate manner, and supervise the execution of duties by directors.

As part of Companywide risk management and in accordance with the rules on risk management, the TOPPAN Group has established systems for reporting to the Risk Management Committee, the Board of Directors, and the Audit & Supervisory Board through the GRC Division (the

division responsible for overseeing risk) and the Risk Management Implementation Committee. Under such a structure, tax risk is positioned as an important business and management risk, and risk management procedures are carried out according to the rules on risk management. In addition, tax filings and tax risks are regularly reported to the Management Committee and the Board of Directors by tax departments in the Finance & Accounting Division, and the Board of Directors has established a system for ensuring the appropriate supervision of tax risks.

### 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.

#### 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.

#### 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.

#### 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.