

Basic Policy on Corporate Governance of Toppan Printing Co., Ltd.

1. Purpose of Formulation of the Policy

We formulate the Basic Policy on Corporate Governance in order to clarify what we must do toward the realization of a better corporate governance to achieve sustainable growth and a medium- to long-term increase in corporate value of the Company, based on the full understanding of the aim and spirit of each of the principles of the Corporate Governance Code.

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Chapter 1 General Provisions

1. Objects

The objects of this Basic Policy are to provide the basic framework and views for corporate governance of Toppan Printing Co., Ltd. (the “Company”) and its Group and contribute to maximizing corporate value of the Group.

2. Business Principles and Conduct Guidelines

(1) Business Principles

We established “TOPPAN VISION 21,” consists of “Corporate Philosophy,” “Corporate Creed,” “Conduct Guidelines,” and “Business Fields” in June 2000 to express common values for each employee of the Company to act on and to share goals to be targeted. In line with the Vision, we implement corporate management that takes into consideration the creation of values for various stakeholders and strive to increase corporate value over the medium- to long-term.

(2) Conduct Guidelines

We establish and implement the Conduct Guidelines that serves as a guideline for conducts of the Group’s officers and employees. The Board of Directors of the Company is responsible for the formulation and revision of the Conduct Guidelines and verifies whether the Guidelines are widely implemented across the Group as necessary.

3. Basic Views on Corporate Governance

The Company’s basic views on corporate governance are as follows.

I Securing the Rights and Equal Treatment of Shareholders

We respect the rights of shareholders and secure the equal treatment of shareholders and strive to develop an environment in which shareholders can exercise their rights appropriately and effectively.

II Cooperation with Stakeholders

We view as stakeholders our shareholders, client companies other than shareholders, consumers, business partners, communities, and employees. We strive to appropriately cooperate with these stakeholders so as to achieve the Company’s sustainable growth and create corporate value over the medium- to long-term.

III Ensuring Appropriate Information Disclosure and Transparency

We appropriately make information disclosure in compliance with the relevant laws and regulations based on the Disclosure Policy of the Company. We also strive to actively provide information beyond such disclosure to ensure transparency.

IV Responsibilities of the Board of Directors, etc.

We make efforts for appropriate fulfillment of the roles and responsibilities of the Board of Directors to make transparent, fair and flexible decisions.

V Dialogue with Shareholders

We present the direction of our sustainable growth at results briefings and other appropriate occasions and work to engage in constructive dialogue with shareholders. We also strive to establish a system to promote constructive dialogue with shareholders and identify our shareholder ownership structure.

Chapter 2 Relationships with Shareholders

1. Securing Shareholder Rights at the General Meeting of Shareholders

Given the importance of rights of shareholders including minority shareholders, we shall strive to pay adequate attention not to virtually impede the exercise of their rights. Specifically, we take following measures.

(1) Provision of Information

We post information considered to facilitate the shareholders' appropriate decision-making at the General Meeting of Shareholders in the Notice of the General Meeting of Shareholders. We also provide such information in a timely manner on the Company's website, etc.

(2) Establishment of Environment to Ensure Smooth Exercise of Voting Rights

- (i) We send the Notice of the General Meeting of Shareholders approximately one week prior to the deadline required by the law. We also disclose the content of the Notice on the Company's website.
- (ii) We enable shareholders to exercise their voting rights via the Internet, etc. and bearing in mind the ratio of shares held by institutional and foreign shareholders, we participate in the Electronic Voting Platform for

institutional investors. We also disclose the English version of the Notice of the General Meeting of Shareholders on the Company's website.

- (iii) When institutional investors who hold shares in street name makes requests in advance to exercise voting rights at General Meeting of Shareholders, we consult with the trust bank and/or custodial institutions and respond appropriately

(3) Analysis of Opposing Votes at General Meeting of Shareholders

When a considerable number of votes have been cast against a proposal by the Company at the General Meeting of Shareholders, we analyze the reasons behind opposing votes and why many shareholders opposed and share the result of the analysis at the Board of Directors, etc.

(4) Delegation of Certain Powers of General Meeting of Shareholders to the Board of Directors

When proposing to shareholders that certain powers of General Meeting of Shareholders be delegated to the Board of Directors, we examine whether such delegation is appropriate upon consideration of corporate governance roles and responsibilities of the Board of Directors.

(5) Strategies for Capital Policy

- (i) We maintain such level of our shareholders' equity that allows us to make flexible growth investments and take risks related to business activities in order to contribute to increasing corporate value over the medium- to long-term.

We also establish robust financial foundations that allow stable capital procurement regardless of changes in the business environment.

- (ii) We return profits to shareholders based on an overall consideration of factors such as our consolidated financial results for each period, dividend payout ratio, condition of cash on hand, internal reserves and future investment plans.

Regarding dividends from surplus, we basically pay dividends twice a year (interim dividend and year-end dividend). Specifically, we are committed to raising dividend levels while aiming for a consolidated dividend payout ratio of 30% or higher.

(6) Shares Held for Strategic Reasons

(i) Policy

We hold shares of other companies for strategic reasons when we judge such holdings to be necessary for contribution to increasing our corporate value over the medium- to long-term or as part of our management strategies such as strengthening business relationships and alliances.

With regard to stocks that have become less purposeful or significant to hold, we will try to reduce these stocks by selling them or through other means.

(ii) Review of Continued Holding

For shares we hold for strategic reasons, we conduct comprehensive review for each stock from the perspectives of both business operations and its value as an investment asset, taking into account factors such as whether the purpose of holding the stock is appropriate or whether benefits and risks associated with holding the stock are commensurate with the cost of shareholdings based on our internal management rules, and regularly examine the rationale of such holding each year at the Board of Directors and review whether we should continue to hold such shares.

(iii) Exercise of Voting Rights on Shares Held for Strategic Reasons

With regard to the voting rights of shares held for strategic reasons, we exercise them appropriately based on a comprehensive consideration of their influence on our business operations and the situation of the company whose shares we hold. We particularly conduct a detailed review when we exercise the voting rights if the subject company falls under either of the following cases:

- There was a material legal or regulatory violation during the fiscal year
- The company is judged to have links with an antisocial group.
- The business results of the company worsened significantly.

(7) Response to Large-scale Purchase

The Company takes appropriate measures against a large-scale purchase within the scopes of the Financial Instruments Exchange Act, the Companies Act, and other laws and regulations. These measures include requirements to a large-scale purchaser so that the Company can ensure the provision of sufficient information necessary for shareholders to make an appropriate decision, as well as sufficient time for the Board of Directors to state and disclose its opinion on the matter and

for shareholders to deliberate it.

To ensure the objectivity and transparency when the Board of Directors states or discloses its opinion on the matter, the Special Committee consisting of External Directors and External Auditors with independence has been established. The Board of Directors shall ask for opinions from the Committee, as well as respect the Committee's advice to the maximum extent.

(8) Related Party Transactions

For conflicting interest transactions, we specify the maximum transaction amount for each transaction counterpart and review the appropriateness of the transaction amount, etc. at the Management Committee in advance. Then we deliberate at a Board of Directors meeting and resolve appropriately at the meeting.

We also conduct an ex-post review of the conflicting interest transactions effected during the fiscal year at the closing of such fiscal year.

2. Dialogue with Shareholders

We promote constructive dialogue with shareholders under the following system. We also strive to establish a system to promote constructive dialogue with shareholders.

(1) A Person in Charge of Dialogue with Shareholders in General

Director in charge of IR Department is responsible for supervising dialogue with shareholders in general and realizing constructive dialogue with shareholders.

(2) Cooperation among the Company's Relevant Departments that Support Dialogue

We actively engage in dialogue with shareholders and investors while the Company's relevant departments that support such dialogue cooperate closely with one another.

(3) Dialogue Aside from Individual Consultations

Aside from individual consultations, we take the following measures, depending on the categories of shareholders and investors.

(i) Briefings for Institutional Investors

We regularly hold briefings to explain our financial results, management policy and other matters for our institutional investors.

(ii) Briefings for Individual Shareholders

We regularly conduct measures for individual shareholders to understand our business activities and initiatives.

(4) Feedback of Dialogue Contents to the Management

We establish a system to compile views and requests submitted from institutional investors and individual shareholders through the occasions such as (2) and (3) above and regularly report them to Director in charge of IR Department and other Directors concerned.

(5) Control of Insider Information

When we engage in dialogue with shareholders and investors, we strive to control information appropriately in accordance with regulations concerning insider trading prevention management and pay close attention to prevent insider trading.

3. Identification of Shareholder Composition

We analyze our shareholder composition and report its state to the Board of Directors as necessary. We also conduct a regular survey to identify beneficial shareholders other than nominee shareholders.

Chapter 3 Cooperation with Stakeholders

1. Sustainability

The Company established TOPPAN VISION 21 as the basic conceptual framework and guide for activities targeting continuous growth in harmony with society and the global environment. We believe that by striving to achieve the Corporate Structure described in TOPPAN VISION 21, we contribute to sustainable growth for both the Company and society as a whole.

For our specific activities for sustainability, we use the United Nations Global Compact as principles and determine materiality or priority issues that the Company will address to achieve the Sustainable Development Goals (SDGs).

We also reflect each stakeholder's views that we obtained on our activities for sustainability and take appropriate measures, aiming to address social issues in a voluntary and active manner.

2. Promotion of Diversity & Inclusion

We place the concept of respect for human beings, whereby we respect each person

as an individual, as the most fundamental value underpinning business activities. We promote “diversity & inclusion,” a notion that new value will be created and sustainable growth will be supported by accepting diverse human resources (diversity) regardless of their race, ethnicity, nationality, religion, gender, age, physical characteristics, values or any other factors.

3. Whistle-blowing System

We established the Toppan Group Helpline in accordance with the Whistle-blowing Rules and established a system for officers and employees, etc. of the Toppan Group to make internal reports (whistle-blowing) via the Toppan Group Helpline in which the Compliance Committee, the designated law firm or Full-time Corporate Auditor serves as a point of contact.

A whistle-blower will not be unfairly treated because of his/her report but be protected from any reprisals or discrimination against the act of whistle-blowing when the report is deemed to be sincere based on objective and reasonable grounds.

4. Corporate Pension (Asset Owner)

Corporate pension fund is an organization independent of its parent corporation. In managing its assets, we shall assign personnel with knowledge and qualification necessary for asset management to the pension fund and take into account stability and soundness through measures such as having the pension fund select a contract financial institution or fund pursuant to the Basic Policy on Asset Management, receiving reports from the contract financial institution on the status of asset management on a regular basis and receiving advice from third-party external experts as necessary.

We shall also establish an Asset Management Committee comprised of representatives from the financial division and the personnel division, which periodically reviews asset management policies, examines contract financial institutions and funds and confirms the outlook of management environment as well as management performance. These results will be reported via fund newsletters or on the fund’s website.

In addition, each employee assigned to the pension fund shall participate in training sessions provided by the Pension Fund Association, external seminars, etc., and strive to pursue self-improvement in order to further enhance their knowledge and skills necessary for pension services including asset management.

Chapter 4 Information Disclosure

In accordance with the Disclosure Policy, the Company discloses information in line with the Timely Disclosure Rules stipulated by the Tokyo Stock Exchange. With regard to information that is not required by the Timely Disclosure Rules, such as management base/business strategy plans, we also proactively and fairly disclose via the Company's website information that is useful in enabling shareholders and investors to understand the Company.

We disclose such information in English to the extent that it is reasonable.

Chapter 5 Corporate Governance Structure

1. Governance Structure of Toppan Group

We have employed the Board of Corporate Auditors.

As an organization entrusted by shareholders, the Board of Directors strives to achieve sustainable growth and a medium- to long-term increase in corporate value of the Company, and monitors important managerial decision-making and execution of duties by each Director.

The Board of Corporate Auditors is composed of Corporate Auditors and a majority of Independent Auditors, and audits execution of duties by Directors from a position independent from management.

In addition, we set up the Nomination and Remuneration Advisory Committee in order to enhance the objectivity and transparency of personnel affairs and remuneration of Directors.

Furthermore, we have employed the executive officer system in order to clarify authority and responsibilities as a person in charge of business execution.

In addition, we cooperate within the Group and implement consolidated management under the Related Company Administration Regulations prescribed for the advancement of fair management for the Group. Thus the Company develops governance aimed at maximizing the value of the entire Group.

2. Directors and the Board of Directors

(1) Roles and Responsibilities of the Board of Directors

As an organization entrusted by shareholders, the Board of Directors makes decisions from the perspective of protection of the interests of the Company and common interests of shareholders in accordance with the Companies Act and the Regulations of the Board of Directors.

The Board of Directors monitors the state of each Director's execution of its

duties.

(2) Scope of Delegation of Power to Directors

Each Director of the Company other than its External Directors executes business operations based on the delegation of power by the Board of Directors. The Scope of such delegation is determined, depending on the Director's position and duties in charge, the level of importance of the matter and the amount that he/she is authorized to approve in accordance with the Regulations of the Management Committee and Regulations for Document Approval.

(3) Composition of the Board of Directors

As candidates for Directors, we elect appropriate persons who have expertise and experience and knowledge as businessperson, which can contribute to the increase in corporate value of the Group and are able to fulfill fiduciary responsibilities to shareholders as Director regardless of their ages, genders and nationalities.

With regard to the scale of the Board of Directors, a structure with a necessary and sufficient number of Directors shall be built so that each Director may engage in management responsibly.

(4) Operations of the Board of Directors

The Board of Directors operates its meetings in accordance with the following policy.

- (i) The Secretariat of the Board of Directors distributes materials for a Board of Directors meeting prior to the meeting date.
- (ii) The Secretariat of the Board of Directors briefs Directors who will attend the meeting in advance if required.
- (iii) The Secretariat of the Board of Directors determines the schedule of Board of Directors meetings for the current year and anticipated agenda items in advance and notifies Directors and Corporate Auditors of such information.
- (iv) The Board of Directors determines the number of agenda items and frequency of the meetings appropriately in accordance with the Board of Directors Agenda Standard and ensures sufficient time for its deliberations.

(5) Evaluation of the Board of Directors

We establish a system as follows to ensure the appropriateness and

effectiveness of the execution of business operations by the Board of Directors.

- (i) The Board of Corporate Auditors conducts a review of the state of execution of the duties by each Director and verifies the state of execution of his/her duties based on his/her obligations and the basic policy on our internal control system.
- (ii) The Board of Directors receives a report on the review above from Corporate Auditors and verifies the state of execution of the business operations by each Director.
- (iii) The Board of Directors discloses the summary of the results of its verification above.

(6) Election, Dismissal, etc. of Directors

- (i) As candidates for Directors, the Board of Directors shall elect appropriate persons who have expertise and experience, knowledge, etc. as businessperson, which are required to increase corporate value of the Group and are able to fulfill fiduciary responsibilities to shareholders as Director regardless of their ages, genders and nationalities. The Board of Directors deliberates carefully and determines candidates for Directors in accordance with such policy.
- (ii) The Board of Directors makes a Director the subject of a proposal for dismissal when it is considered difficult for the Director to perform his/her duties as a Director, including cases where the Director committed a significant violation of laws and regulations, the Company's Articles of Incorporation and/or other internal regulations, there was a wrongful/unjust conduct or other conducts suspected to be an act of disloyalty to the Company or there were other conducts unbecoming a Director.
- (iii) In order to ensure the objectivity and transparency in determining the proposal for election of candidates for Directors and dismissal of Directors, the Board of Directors determines the proposals for candidates for Directors and dismissal of Directors respecting the deliberation on candidates and results thereof at the Nomination and Remuneration Advisory Committee to the utmost extent.
- (iv) When we propose individual candidates for Directors and Corporate Auditors and when we propose dismissal of Directors and Corporate Auditors, we disclose the reason of such election and dismissal via the Company's website, etc.
- (v) We disclose the significant concurrent positions of each Director and

Corporate Auditor with other listed companies in our Business Report, the Reference Documents for the General Meeting of Shareholders, etc.

(7) Remuneration to Directors

In order to ensure the objectivity and transparency in the decision on remuneration to Directors, the Board of Directors determines remuneration to Directors respecting the deliberation and results thereof of the Nomination and Remuneration Advisory Committee on the appropriateness of remuneration and other items to the utmost extent.

The remuneration to Directors is determined by making adjustments to the standard remuneration for each position in accordance with the level of contribution to business management based on certain criteria. Total remuneration to Directors is within a range determined by a resolution of the General Meeting of Shareholders.

Moreover, we introduce a long-term business performance-based remuneration system by way of the means such as paying a portion of the monthly remuneration of Full-time Directors in the form of restricted stock and provide sound incentives for the management to aim for our sustainable growth.

(8) External Directors

(i) Roles and Responsibilities of External Directors

We work to increase corporate value through the fulfillment of the following roles and responsibilities of Independent Directors and other External Directors.

- Exchange views and consult with Directors on important matters regarding management and express their views and comments, using their extensive experience and wide knowledge.
- Oversee the Company's management by making important decisions at the Board of Directors.

(ii) Roles and Responsibilities of Independent Directors

Independent Directors monitor conflicts of interest between the Company and the management, controlling shareholders, etc. from an independent standpoint and reflect shareholders' and stakeholders' views appropriately on the Board of Directors.

If required, they share information with External Auditors and exchange views with them and shall strive to develop a system to ensure the cooperation

with the Board of Directors and Board of Corporate Auditors.

(iii) Election of Independent Directors

The Board of Directors elects two or more candidates for Independent Directors. When it elects such candidates, it judges the independence of Independent Directors in accordance with “Independence Standards for External Officers of Toppan Printing Co., Ltd.” in the Appendix.

3. Representative Director

(1) Election

In order to ensure the objectivity and transparency of procedures for electing a Representative Director, the Nomination and Remuneration Advisory Committee takes sufficient time to deliberate whether a candidate has qualities suitable for becoming a Representative Director and submits a report to the Board of Directors. The Board of Directors finally determines a Representative Director respecting the report on the deliberation at the Nomination and Remuneration Advisory Committee to the utmost extent.

(2) Dismissal

The Board of Directors dismisses a Representative Director from his/her position as a Representative Director when it is considered difficult for the Representative Director to perform his/her duties as a Representative Director, including cases where the Representative Director committed a significant violation of laws and regulations, the Company’s Articles of Incorporation and/or other internal regulations, there was a wrongful/unjust conduct or other conducts suspected to be an act of disloyalty to the Company, there was a conduct that was considered to have significantly impaired corporate value or there were other conducts unbecoming a Representative Director.

In addition, in order to ensure the objectivity and transparency in the dismissal of a Representative Director, the Board of Directors determines the dismissal of the Representative Director respecting the deliberation on dismissal and results thereof at the Nomination and Remuneration Advisory Committee to the utmost extent.

(3) Development of Successors

The Board of Directors strives to ensure the development of the

management's successors by, for instance, continuing to implement an educational program to develop future leaders to ensure the retention of human resources in every generation, who have talents required as next-generation leaders.

4. Corporate Auditors and the Board of Corporate Auditors

(1) Roles and Responsibilities of Corporate Auditors and the Board of Corporate Auditors

As an independent organization entrusted by shareholders, Corporate Auditors are responsible for exercising their power in an active and positive manner, expressing their appropriate views at Board of Directors meetings or to the Company's management and auditing the execution of the duties by Directors in order to ensure the Company's sound and sustainable growth and establish a high quality corporate governance structure that meets social trust in the Company.

The Board of Corporate Auditors also determines preparation of audit reports, electing and dismissing Full-time Corporate Auditors as well as audit policy, methods to review the state of business and assets of the Company and other matters regarding the execution of Corporate Auditors' duties.

(2) Composition of the Board of Corporate Auditors

In electing candidates for Corporate Auditors, the Board of Corporate Auditors elects candidates for Corporate Auditors in accordance with the policy set by the Board of Directors upon examining carefully whether he/she is qualified as Corporate Auditor taking into account whether a candidate is able to serve through the entire term, is independent from people who execute business operations, and can maintain a fair and impartial stance. In electing them, the Board of Corporate Auditors must elect candidates for highly independent External Auditors and Full-time Corporate Auditors to realize highly effective audits.

In electing candidates for External Auditors, we judge the independence of External Auditors in accordance with "Independence Standards for External Officers of Toppan Printing Co., Ltd." in the Appendix.

(3) Operations of the Board of Corporate Auditors

The Board of Corporate Auditors holds regular meetings. It determines the dates of the meetings for the year in advance upon considering the meeting dates

of the Board of Directors, each Corporate Auditor's availability, etc. It also holds extraordinary meetings if required. The Board of Corporate Auditors shares information with External Directors and exchanges views with them if required.

The Board of Corporate Auditors deliberates based on each Corporate Auditor's report and produces its audit opinion.

5. Establishment of Optional Advisory Committee

We set up the Nomination and Remuneration Advisory Committee that serves to ensure the objectivity and transparency of the Company's management by deliberating on the nomination and remuneration of Directors and other matters at the requests from the Board of Directors. The members of this Committee must include external officers who meet the Company's "Independence Standards for External Officers."

6. Accounting Auditor

(1) Audit by the Board of Corporate Auditors

In accordance with the Corporate Auditors' Audit Standard, the Board of Corporate Auditors audits whether the Accounting Auditor maintains a fair and impartial stance and independent standpoint and conducts appropriate audits as a professional in order to ensure the appropriateness and reliability of accounting audits of the Company.

(2) Ensuring an Appropriate Auditing System

In order to ensure that the Accounting Auditor performs its duties appropriately, the Board of Corporate Auditors is notified from the Accounting Auditor on the following items and accordingly demands the Accounting Auditor to explain whether the Accounting Auditor complies with the quality control standard required for its appropriate conduct of accounting audits and verifies it.

- (i) Matters regarding independence and other matters regarding the compliance with the laws, regulations and rules on audits.
- (ii) Matters regarding the policy on the conclusion and renewal of the contracts on audits, services equivalent to overseeing and their related services.
- (iii) Other matters regarding a system to ensure that the Accounting Auditor performs its duties appropriately.

(3) Audit Plan

In order to conduct efficient audits, the Board of Corporate Auditors consults and exchanges opinions with the Accounting Auditor, Management Audit Office and the Company's other departments that are responsible for monitoring functions in the internal control system (collectively called "internal audit departments") and determines the subjects, method and timing of the audits appropriately and prepares the audit plan.

(4) Ensuring the Accounting Auditor's access to the senior management

When there is a request from the Accounting Auditor, the Board of Corporate Auditors strives to provide the Accounting Auditor with an opportunity to have access to the Company's senior management such as interviews with them.

(5) Cooperation with Internal Audit Departments

Corporate Auditors and the Accounting Auditor strive to maintain close cooperation with internal audit departments and conduct organized and efficient audits.

(6) A Response System on Discovery of Material Facts

When Corporate Auditors receive a report, etc. from the Accounting Auditor that there is any misconduct or any material fact that breaches laws and regulations or the Company's Articles of Incorporation in connection with the Director's execution of duties, Corporate Auditors, upon deliberation at a Board of Corporate Auditors meeting, conduct required investigations and take required measures such as provision of advice or recommendations to the Director.

(7) Responsibility of the Board of Directors

The Board of Directors, considering the roles of the Accounting Auditor and the importance of their audits, strives to ensure sufficient time for the Accounting Auditor to conduct high quality audits while maintaining the above response system for the Board of Corporate Auditors.

7. Support Structure for External Directors and Corporate Auditors

We set up the Corporate Auditors Office as an organization that assists Corporate Auditors' operations so that they may fully fulfill their roles. We also appoint full-time staff for the Office to assist Corporate Auditors.

We set up the Secretary Office as an organization that assists External Directors'

operations so that they may fully fulfill their roles and assist External Directors' duties.

8. Policy for Refinement and Improvement of Directors and Corporate Auditors

(1) Refinement and Improvement of Directors

We establish a system to refine and improve Directors by regularly implementing training programs for officers with a theme of how to respond to the Company's management issues and exchanging frank views in the programs. We also implement training programs for new candidates for Directors focusing on lectures on the Director's legal responsibility, financial knowledge, the Company's management issues, various rules and regulations related to Directors.

(2) Refinement and Improvement of Corporate Auditors

Corporate Auditors must improve their auditing function as well as understand the characteristics of the Company's business through the training and collection of information at external organizations and visits to Company's operational sites.

Chapter 6 Formulation, Revision and Abolition

The formulation, revision and abolition of this Basic Policy are subject to resolutions by the Board of Directors.

Formulated on November 26, 2015

Revised on May 25, 2017

Revised on December 13, 2018

Revised on March 12, 2020

Independence Standards for External Officers of Toppan Printing Co., Ltd.

The Board of Directors or Board of Corporate Auditors of the Company may judge that a specific External Director or External Auditor (“External Officers”) is “independent,” only when he/she falls under none of the following items and he/she is independent from and neutral to the management of the Company.

1. Either of the following persons or its relative (meaning either of spouses, relative within the second degree of kinship or relative who lives with such person; the same shall apply hereinafter)
 - (1) A person who currently serves or has served for the past ten years as Executive Director, etc. (meaning either of Executive Director, Executive Officer, Manager and any other employee; the same shall apply hereinafter) of the Company or its subsidiaries (collectively the “Group”) (provided that, if a person was either of Director (excluding Executive Director), Corporate Auditor or Accounting Advisor (if Accounting Advisor is a corporation, its employee who is responsible for the duties; the same shall apply hereinafter) during any time of the past ten years, the period above is replaced by “for the ten years prior to the date when such person took office”)
 - (2) Either of a legal professional, accounting professional (certified public accountant, certified public tax accountant, etc.) or any other consultant, who receives remuneration exceeding 10 million yen (excluding remuneration as officer of the Company) as an individual from the Group for either one year of the most recent three fiscal years
 - (3) Current major shareholder of the Company (meaning a shareholder who holds 10% or more of the total voting rights of the Company; the same shall apply hereinafter)

2. A person who currently serves or has served for the past ten years as either of Executive Director, etc., Corporate Auditor, Accounting Advisor or directors and other officers who execute business operations of either of the following corporations or organizations or; relative of such person.
 - (1) Business Partners
 - (i) A person whose major business partner is the Group (and to which the Group

paid consideration for any product or service at the amount of not less than 2% of consolidated net sales of the person for the most recent fiscal year), or its parent company or subsidiary.

(ii) A person who is the Group's major business partner (and from which the Group received consideration for any product or service at the amount of not less than 2% of consolidated net sales of the Group for the most recent fiscal year), or its parent company or subsidiary.

(iii) Our business partner that is either of a law firm, audit firm, tax accountant firm, consulting firm or any other professional advisory firm to which remuneration paid by the Group for either one year of the most recent three fiscal years amounted to not less than 2% of the total revenues of such business partner.

(iv) Lender or its parent company or subsidiary from which the Group borrowed in the amount not less than 2% of the consolidated total assets of the Company at the end of the most recent fiscal year.

(2) Cross-shareholdings

As of the date when we judge independence, a company or any other corporation, which is a major shareholder of the Company or its parent company or subsidiary or; company where the Company is its major shareholder.

(3) Recipients of the Company's Donations

Recipient that received the average annual donations exceeding 10 million yen from the Group for the most recent three fiscal years and; the donations from the Group exceeds 2% of the total revenues of such recipient corporation or any other organization.

(4) Accounting Auditor

Audit firm that currently serves or has served for the most recent three fiscal years as the Accounting Auditor of the Group.

(5) Concurrent Position

A company or its parent company or subsidiary where Executive Director, etc. of the Company serves as External Director.

3. Others

Even when a person falls under either of the above item 1 or 2, in the case that the Company judges that such person is qualified as External Officer with independent status of in the light of the personality, knowledge, etc., of such person, the Company may appoint such person as External Officer with independent status by explaining to the public the reason why the Company believes he/she satisfies the requirements as External Officer under the Companies Act and he/she is qualified as External Officer with independent status.