Value Creation Model Aiming for the Sustainable Growth of the Group and Society

The Toyo Ink Group began implementing its SIC-II medium-term management plan in 2021 to reflect our recognition of global issues and an understanding of the Group's strengths. This plan was established under our Corporate Policy, a timeless and invariant pillar, with the goals of ensuring the sustainable growth of the Group and society and providing the value described in Scientific Innovation Chain 2027 (SIC27), our long-term corporate vision. As a company that contributes to a new era through the enrichment of life and culture, we will continue working to create new value in the priority areas of development laid out in SIC-II.

Social and environmental issues

- Climate change / global warming
- Popularization of renewable energy
- Marine plastic pollution
- Resource depletion and geopolitical difficulties in procuring
- Global population growth
- Evolution of transportation infrastructure
- Medical issues due to the aging of the population
- Outbreak and epidemic of emerging infectious diseases, etc.

INPUT

Capital Sources of Value Creation

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Financial Capital
A sound financial base that emphasizes the balance between investment and shareholder returns

Manufactured Capital
A manufacturing platform that serves as the foundation for the enrichment of life and culture

Human Capital
Diverse human resources and good employee engagement to support value creation

Intellectual Capital
Technology infrastructure and systems to drive the creation and expansion of new businesses

Social and Relationship Capital
Network for promoting local production for local consumption and sound supply chain

Natural Capital
Global environment and resources supporting sustainability of the Group and society

Strengths that Form the Basis for Value Creation

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Unique Core Technologies and Growth Potential
Unique and advanced technical capabilities relating to synthesis, dispersion, coating, coating film structure control, etc., for colorants and polymers

Co-creation with customers
Value creation capabilities that match market needs, through co-creation with customers with whom we have cultivated robust cooperative relationships

SIC27 — Long-term Corporate Vision

SIC-I FY2018 — 2020
SIC-II FY2021 — 2023
SIC-III FY2024 — 2026

SIC-II — Medium-term Management Plan

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A company that contributes to a new era through the enrichment of life and culture

Basic Policy 1 Improve the profitability of businesses

Basic Policy 2 Create more priority areas of development

Basic Policy 3 Enhance the value of management resources for sustainable growth (change of the corporate structure)

Five material issues for realize sustainable growth

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Material Issue 1	Provide value that exceeds customer expectations and contribute to society
Material Issue 2	Co-exist in harmony with the environment through innovative technologies
Material Issue 3	Co-exist and co-prosper with the supply chain and fulfill the trust of stakeholders
Material Issue 4	Value employees and pursue their happiness and job satisfaction
Material Issue 5	Build a solid base that underpins trust

Governance supporting sustainable growth

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• Corporate Governance • Risk Management • Compliance

Corporate Philosophy, Corporate Policy, Guiding Principles

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OUTPUT

Business Segments

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Colorants and Functional Materials Business
Pigments, pigment dispersions, high functional pigments, pastes for color filter, color resist, color masterbatches, functional masterbatches, functional compounds, paints for data recording materials, carbon dispersions, inkjet inks, etc.

Polymers and Coatings Business
Pressure sensitive adhesives, laminating adhesives, hot-melt adhesives, adhesive tapes, functional film materials for electronics, marking films, can coatings, resins, hard coating materials, medical products, natural extracts, etc.

Packaging Materials Business
Gravure inks, flexographic inks, gravure printing systems, gravure and flexographic plate making, etc.

Printing and Information Business
Offset inks, newspaper inks, metal decorative inks, UV curing inks, offset printing materials, printing inspection equipment, screen inks, etc.

Three priority areas of development that will be a focus

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SUST Sustainability Science Area

- **Eco-conscious packages** Biomass / recycling
- **EV / new energy** Materials for lithium ion batteries

COMM Communication Science Area

- **IoT / sensors** Optical control materials
- **5G / semiconductor** Low dielectric materials / functional films

LIFE Life Science Area

- **Medical** Transdermal patches
- **Digital printings** Inkjet inks

12 of the SDGs that are closely related to the Toyo Ink Group's business activities

OUTCOME

The value provided by the Toyo Ink Group

For a Vibrant World

This represents our contribution towards realizing a world where all consumers, living beings, and the global environment share vibrant lives.

A recycling society that co-exists in harmony with the global environment
Environmental Value

A society where people can live comfortably, healthily and safely
Lifestyle Value

Sustainability Vision "TSV2050/2030"

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1. Providing products and services that realize a sustainable society
2. Reducing the environmental impact of manufacturing
3. Building a foundation for trust