Value Creation Model

The Group works to provide value through products and services created through its business activities, with the aim of sustainable growth of the Group and society as shown in "Sustainable Growth." In addition to recognizing and understanding various social and environmental issues on a global scale, we will continue our business model of co-creating ways to contribute to solving these issues together with customers by demonstrating the Group's technological capabilities, and spiral up the flow of value creation as a lifestyle and culture creation company that contributes to a new era.

Social and environmental issues

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

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

SIC-II — Medium-term Management Plan (FY2021 – 2023)

▶▶▶P.13、29

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)

Basic underlying business model

New product development that leads to problem solving

Technologies × Co-creation

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

Strengths that Form the Basis for Value Creation

▶▶▶P.25、27

Material issues for realize sustainable growth

▶▶▶P.39

Growth		Sustainability	
Material Issue 1 Provide value that exceeds customer expectations and contribute to society	**Material Issue 2** Co-exist in harmony with the nvironment 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

OUTPUT

Four global 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
Area of environmental harmony and energy contributing to the realization of a sustainable society

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

COMM — Communication Science Area
Area of digital devices supporting the 5G and IoT society

- **IoT / Sensors** Optical control materials
- **5G / Semiconductor** Low dielectric materials / Functional films

LIFE — Life Science Area
Area of medicine and sensitivity that enriches people's lives and makes them healthier

- **Medical** Transdermal patches / Biocompatible materials
- **Digital printings** Inkjet inks

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

Contributing to problem solving with the power of materials

- Reduction of greenhouse gas emissions during use
- Higher efficiency in power generation, transmission, and storage
- Active use of biodegradable raw materials
- Local production for local consumption, shifting away from fossil resources
- Procurement of raw materials that are not complicit in human rights violations
- Improving QOL for nursing care and medical treatment sites
- Support for drug discovery and medical research, etc.