INTERVIEW Domestic Wholesale

Advancing Customer Value Through Banking–Securities Collaboration in a Transformative Era

Support for Customers' Large-Scale Corporate Actions

As Japanese companies expand globally, SMBC Group's Wholesale Business Unit has integrated banking and securities services in order respond to the complex management challenges faced by our customers. The following discussion features five SMBC Group professionals who played key roles in two major corporate actions carried out by TOPPAN Holdings Inc. (hereinafter referred to as "TOPPAN")—the acquisition of the Thermoformed & Flexibles Packaging business (TFP) of Sonoco Products Company, a large U.S.-based packaging company, and the IPO of TOPPAN's subsidiary, Tekscend Photomask Corp.—to share the story behind their collaboration and their outlook going forward.

(From left to right)

Kazuyuki Abe
TMT* Group, Corporate Finance Division, SMBC Nikko Securities Inc.
Mr. Abe's investment banking work includes M&A advisory, equity and debt financing support, and assistance with IPOs

Kazunori Kitsutaka
Strategic Corporate Banking Dept. Sumitomo Mitsui Banking Corporation (SMBC)
As a member of the M&A Finance Group, Mr. Kitsutaka partners with clients on financing structuring, leads arrangement work, prepares contractual documentation, and drives proposal development

Shuhei Kishi
Tokyo Corporate Banking Dept. I Sumitomo Mitsui Banking Corporation (SMBC)
Mr. Kishi is in charge of large-corporate accounts, mainly in the materials manufacturing industry

Sou Takamori
Global Markets Solution Dept. Sumitomo Mitsui Banking Corporation (SMBC)
As a member of the Structuring Group, Mr. Takamori is responsible for hedging currency and interest-rate risks linked to cross-border M&A and global bond offerings

Kyosuke Hosokawa
Corporate Advisory Dept. I Sumitomo Mitsui Banking Corporation (SMBC)
As a member of the TMT Group, Mr. Hosokawa focuses on M&A origination

** Telecom, Media, and Technology*

Kishi Although TOPPAN is a leading Japanese integrated printing company, its legacy printing business in decline, which has led the company to pursue a major transformation of its business portfolio. Since becoming responsible for handling TOPPAN's banking needs three years ago, I have made numerous visits to the company and held extensive discussions not only with their finance department but also with their corporate planning and business units. In collaboration with staff who oversee the company's overseas subsidiaries, we have created and refined a variety of hypothesis-based proposals. As a result, I believe we had built the kind of relationship where they would reach out to us first when it came time to carry out corporate actions.

Key Factors in the Acquisition of the TFP Business of Sonoco Products Company

Kishi For the acquisition, we faced three challenges at the same time—a short period of time to work with, the need for absolute confidentiality, and the large scope of the acquisition. This was the largest cross-border acquisition ever for TOPPAN, at approximately JPY 270 billion, and the period from when the company first approached us to when they signed the contract for the acquisition was only about one month.
Kitsutaka The initial point we had to address was whether the financing would be obtainable, and in parallel we needed to negotiate the contents of the commitment letter in line with the expectations on the sales side. Under those circumstances, Mr. Hosokawa's team analyzed the financial impact and the implications for TOPPAN's credit rating in advance, and their work gave us confidence that full senior financing would be feasible. This allowed us to propose a permanent financing plan at an early stage. After mapping out the considerations for both loan financing and prospective bond issuance, and coordinating with Mr. Takamori on the FX hedging strategy, we succeeded in proposing an integrated solution within one month.
Hosokawa Since TOPPAN is active in a variety of business fields, we needed to look at the acquisition from multiple

angles. We mobilized the full resources of the Corporate Advisory Division to analyze North American market trends, competitors' corporate actions, financial impact, and rating implications.

Takamori Cross-border M&A always involves foreign-exchange risk. This acquisition involved two main considerations. The first was the timing of the large foreign-currency funding together with the selection of hedging instruments, and the second was the management of post-acquisition foreign-exchange risk considering the currency composition of the permanent financing. We moved decisively, aligning our approach with the customer's policies and preferences while responding promptly to the acquisition structure and prevailing market conditions.

Kitsutaka Furthermore, since the acquisition target was the business of a U.S.-based company, in addition to financing proposals, we also provided an early proposal suggesting the establishment of a post-acquisition cash management system. We expected many financial institutions to approach TOPPAN with proposals once the acquisition became public information, so I believe that our ability to quickly deliver a comprehensive solution was what ultimately led to the successful outcome.

Tekscend Photomask IPO

Abe Tekscend Photomask was established in April 2022 when TOPPAN's semiconductor photomask business was spun off. SMBC Nikko Securities was selected as the lead underwriter to support the IPO, working side-by-side with the team for over three full years from the project's inception until the company was listed on October 16, 2025. In particular, while supporting the establishment of the governance and internal control systems required of a listed company and handling the securities-firm and TSE examinations, we later focused on developing the equity story for investors and providing marketing support. Although the IPO process is typically led by the securities company involved, our ability to coordinate appropriately and broadly with the bank was highly valued, enabling us to support the listing as lead manager.

Kishi Even for IPOs, close coordination with various stakeholders is indispensable. Since roughly 90% of Tekscend Photomask's revenue comes from overseas, it was necessary from the early stages of the listing preparation to organize the capital structures of its foreign subsidiaries and to establish a framework for managing foreign-exchange risk. By coordinating closely with Mr. Takamori's team from early on, we provided end-to-end support, from formulating the hedging policy and preparing the relevant internal rules to executing the actual hedges and verifying their effectiveness after the listing.

Takamori Around the time of the listing, the foreign-exchange market experienced substantial volatility, making FX risk impossible to ignore. To support Tekscend Photomask as a company preparing for an IPO, it was essential to be able to respond to questions from external parties from every angle, so we stayed closely involved all the way to providing post-listing follow-ups, including verifying the effectiveness of the hedges.

Abe We have continued to provide support after the listing. In practice, what we usually do is support everything by integrating our banking and securities services, from helping hold earnings briefings and handling IR for investors in Japan and overseas to working with the company on future growth strategies and new business development, and even arranging the associated financing.

Enhancing the Strengths of Banking-Securities Collaboration to Expand Global Market Share

Hosokawa I think the main reason why these initiatives all came together so well was our commitment to really understanding the overall picture.

In our day-to-day interactions, we always start by identifying the value we can bring, and then we go further by understanding the client's decision-making process and even their inner culture. Approaching our proposals that way allows us to be seen not just as a provider of financial solutions, but as a true strategic partner.

Abe From a securities perspective, having deep, sector-specific expertise as a foundation means that the moment we learn about a client's needs, we are able to immediately visualize a proposal and coordinate with the banking team on the spot. That initial speed, combined with the quality of the proposal, is what separates us from the competition. Looking ahead, the establishment of our joint venture with Jefferies will significantly broaden our access to global information and products, and we intend to use that expanded capability to further grow our share in the corporate client business.

Kitsutaka To strengthen our banking-securities collaboration, we've been steadily building real, face-to-face relationships, by, for example, holding regular study sessions and welcoming trainees from SMBC Nikko Securities, so that we have a foundation where we can work together seamlessly without any obstacles in the way. We have a strong track record in large-scale cross-border M&A, experience that we will continually leverage to address the diverse challenges our clients bring to us.

Takamori The ability to quickly grasp key issues and collaborate from early on isn't a skill that can be acquired overnight. In addition to possessing specialized market knowledge, I think it is necessary to closely coordinate with each relevant section on a daily basis to put forward proposals with a clear grasp of the client's financial situation and how the entire deal is structured.

Kishi Despite that, we can't allow ourselves to be satisfied with our current status. Aiming to be No.1 in Japan means we have to keep honing our capabilities to compete on a global level. By promoting banking–securities collaboration across the SMBC Group worldwide, we will continue strengthening the framework that supports our clients.