

TOPPAN

CSR REPORT 2009

Report on Corporate Social
Responsibility Activities



Questionnaire enclosed at the back: Please let us know your opinions

We welcome feedback from readers. Stakeholder opinions are used to enhance the understandability and relevance of our corporate social responsibility (CSR) initiatives and information disclosure for both stakeholders and the people inside Toppan. We encourage you to take a few minutes to answer the questionnaire enclosed at the back of the report.

●Editorial Policy

Toppan is disclosing information in the hopes of encouraging dialogue on social and environmental activities with more people, especially people who have an interest in Toppan's CSR activities.

●Period Covered

This report mainly covers activities in fiscal 2008 (April 2008 to March 2009), though information on prior and later years is also included in parts.

●Scope and Boundary of this Report

In principle, this report covers the social and environmental activities of Toppan Printing Co., Ltd. ("the Company") and Group entities consolidated for accounting purposes. Most of the information on personnel applies to personnel within Toppan Printing Co., Ltd., the parent company. The boundary of environmental performance data and environmental accounting is presented on P. 52. Sixty-two domestic sites and 22 overseas sites are ISO 14001 certified.

●Selecting the Information for this Report

In selecting the information to present in this CSR report, Toppan assesses the "materiality" of the information for society and the Company itself.

To assess whether information can be considered material for society, Toppan holds in-house discussions on the following points: independent reviews and third-party opinions, questionnaire responses to CSR reports from inside and outside the Company, other opinions gleaned from dialogues inside and outside the Company, the content of various guidelines (such as the Environmental Reporting Guidelines [fiscal 2007 version] from the Ministry of the Environment of Japan and the GRI Sustainability Reporting Guidelines 2006 from the Global Reporting Initiative [GRI]), questionnaire items from third-party organizations, and CSR-related information from media and news agencies.

●Reliability

KPMG AZSA Sustainability Co., Ltd. provides external assurance for this report. As a testament to the reliability of the sustainability information in this report, Toppan is authorized to attach the following mark. This means that the report meets the standards for sustainability report assurance and registration established by The Japanese Association of Assurance Organizations for Sustainability Information (<http://www.j-sus.org/>).



●Eye-friendliness and Readability

In line with Toppan's in-house guidelines, this report considers eye-friendliness and readability. It also incorporates universal-design displays for as many people as possible regardless of individual differences in color perception. Upon entrustment by Toppan, the Color Universal Design Organization (CUDO), a nonprofit organization, has reviewed and certified this report for its universal design.

URL for CSR Report: <http://www.toppan.co.jp/english/csr/csrreport.html>

This site posts the latest information on ISO 14001 certification, data on the Global Reporting Initiative (GRI) content index, and other forms of CSR information. If erroneous entries or misprints are found after CSR reports are issued, the related information will be shown here.

Details on corporate governance can be found at the following URLs.

- Corporate governance reports: <http://www.tse.or.jp/tseHpFront/HPCGDS0701E.do?method=init&callJorEFlg=1> (in Japanese)
- Financial statements: <http://info.edinet-fsa.go.jp/> (in Japanese)

Terms Used in this Report

- CSR: Corporate social responsibility
- Stakeholder: A person (or interested party) who has a direct or indirect relationship with a corporation, such as a customer, employee, shareholder/investor, or business partner. A community or society as a whole can also be a stakeholder.
- Stakeholder dialogue: Dialogue and exchange of views with stakeholders
- Corporate governance: Framework for the governance of corporate activities
- Compliance: Observance of laws, regulations, and corporate ethics
- PDCA: A sequence of four procedures—Plan, Do, Check, and Act

Cover

Toppan expresses its commitment to communicate with society in the three primary colors of printing: blue for sincerity, red for enthusiasm, and yellow for creativity. Toppan takes a sincere, enthusiastic, and creative approach in communication to fulfill the expectations of all of its stakeholders, from customers and employees to shareholders/investors, business partners, communities, and society at large.



The cover of this report is printed on ALUGLAS®, a high-brightness sheet with a metallic shine, from Toppan Prosprint Co., Ltd. ALUGLAS® comes in many types, including Silver, Gold, Hologram, and Pearl, each designed in consideration of the environment. The Pearl series, a highly recyclable type, is chosen for this report.

Publication Dates

Previous report: November 2008
Current report: October 2009
Next report: October 2010 (planned)

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Contributing to Fulfilling Lifestyles

The Toppan Group seeks to serve society as a trustworthy, respected, and robust corporation that contributes to the realization of a sustainable world.

To Be a Trustworthy, Respected, and Robust Corporation

The subprime loan crisis in the United States has triggered economic downturns all over the world. The current worldwide recession has stirred chaos in the global economy, causing great damage to many companies in many countries.

Toppan has not been spared. While we have striven to create new businesses, accelerate global business operations, and increase profitability through structural reforms and cost reductions, business results have worsened. Toppan recorded a loss at the end of fiscal 2008, the first ever reported since its listing in 1949.



The Toppan Group is now orchestrating full-fledged measures for the early recovery of its business performance. I feel that it is exactly in such a situation that we must press on firmly with our corporate responsibility initiatives.

Sustainable development and the sustainable growth of a company are mutually dependent; neither can exist without the other. It is therefore vital, for us at Toppan, to fulfill our own corporate social responsibilities towards sustainable development and the sustainable growth of the Company. In our ongoing drive to fulfill our corporate social responsibilities globally, we have been participating in the United Nations Global Compact and supporting its 10 principles since September 2006.

I have always urged employees to work together to build up a company that is trusted and respected by society and remains strong based on this foundation of trust. It is now the time, I am convinced, to grasp the significance of this slogan and move into action.

Towards a Sustainable Society

We position *TOPPAN VISION 21* as the foundation for all of our corporate activities.

TOPPAN VISION 21 consists of a Corporate Structure (the Corporate Philosophy, the Corporate Creed, and a set of Conduct Guidelines defining the Group's important values and standards) and five Business Fields based on the Corporate Structure.

In my view, the goal of Toppan's corporate social responsibility is to realize the Corporate Structure. All of the people working in the Group must accurately understand their responsibilities to society and to stakeholders, and endeavor to fulfill those responsibilities in their daily business operations. Our progress in this direction is certain to help Toppan contribute to the creation of a sustainable society.

Reviewing Environmental Management

In 2008, the concerted action of international society to mitigate global warming moved into a new phase. Global leaders met to discuss the environment at the Hokkaido Toyako Summit in Japan, and the first commitment period

of the Kyoto Protocol was commenced across the globe.

Toppan established the Ecology Center in 1991 at the head office to implement Company-wide environmental conservation activities on a full scale. Through intensive reviews from a managerial viewpoint, however, we have discovered various inconsistencies and inefficiencies in our environmental activity.

To respond, we launched what we call the Pro-Green Activities in fiscal 2008, a series of environmental measures to spread augmented cost-reduction and morale-improving effects onto our corporate operations. Plant managers across Japan have been appointed to run and oversee the activities, while directors have promoted their own measures to position environmental considerations as stable and familiar elements of employee operations at Toppan. We will advance the activities by setting numerical targets on specific measures and conducting audits and reviews repeatedly.

Photovoltaic power generation, meanwhile, has been drawing recent attention as a leading environmentally friendly power source using green energy.

Solar cell back sheets from Toppan are fabricated based on a vacuum deposition process for highly functional barrier films, a technology acquired in the Living Environment field. In April 2009, we completed the construction of one of Japan's largest-scale manufacturing facilities for next-generation back sheets for solar cells (in Fukaya City, Saitama). The cells fabricated with the back sheets output from this new plant each year will have an annual power generation capacity of more than 2 gigawatts.

Just as a car must have wheels, our environment management must have environmental conservation activities and systems in place for the development and production of environmentally friendly products. And just as the wheels of a car must rotate in synchronicity, so too must the components of our environmental management.

The Toppan Group strengthened the organizational functions of the Ecology Center to reinforce its environmental management in fiscal 2008. The Group also reviewed Toppan's Declaration on the Global Environment and established The Toppan Group Declaration on the Global Environment, in April 2009. We have reaffirmed our determination to accelerate environmental activities across Group companies on every level.

Towards Awareness and Solutions for Broader Social Issues

Another important initiative for fulfilling Toppan's social responsibility, as I see it, is to recognize broader social issues and provide products and services to help resolve them in parallel with issues to do with the environment.

To cite an instance, our microfabrication and coating technologies have been applied to develop single nucleotide polymorphism (SNP) chips for genotype analysis. An SNP chip can easily detect a gene signature from a single drop of a patient's blood. These chips will play a vital role in realizing optimal therapies for individual patients through personalized medicine. The benefits from this will be multifold, beginning with reductions in the incidences of excessive dosing and adverse drug effects. Over time, the ever-rising expenses for medical care will be better contained.

In a contest held based on the principles of the Corporate Philosophy in fiscal 2008, the Company encouraged employees to submit business proposals for the resolution of broader social issues. We hope to enhance employee awareness of social issues throughout the Company and begin developing employee ideas into new businesses with socially redeeming values for the future.

Working with Our Stakeholders

Corporate social responsibility is a responsibility to all corporate stakeholders. Stakeholders will seldom be satisfied with a company's CSR activities, no matter how thoroughgoing or extensive, unless the activities are designed to respond to the needs of stakeholders and society at large. It is no exaggeration to report that we begin every effort to fulfill our CSR by listening sincerely to the voices of the stakeholders—their suggestions, opinions, expectations, and desires.

For better focus and refinement in our dialogues with stakeholders, we began convening the CSR Promotion Study Group in an annual meeting to observe and evaluate our CSR activities on a fixed-point basis, starting from fiscal 2007. The suggestions, opinions, and advice offered in the second meeting, held in February 2009, will be used to improve the PDCA cycle to drive our CSR management in the future.

Henceforth, Toppan will be promoting information disclosure on CSR activities as a fundamental approach for communication with stakeholders. We are eager to hear your candid opinions in this regard.

The Toppan Group will maintain its work to serve society as a trustworthy, respected, and robust corporation committed to the creation of rich and fulfilling lifestyles in a sustainable world. We rely on your ongoing support and guidance in the future.

July 2009

Naoki Adachi
President & CEO
Toppan Printing Co., Ltd.



Group Business Outline

Toppan has developed its activities through the integrated strength of the Group in five fields of business: Information & Networks, Living Environment, Electronics, Personal Service, and Next-generation Products. Toppan's business activities in all of these fields have been expanded with printing technology at the core.

Corporate Profile

Corporate name

Toppan Printing Co., Ltd.

Head office

1, Kanda Izumi-cho, Chiyoda-ku,
Tokyo 101-0024 Japan
Phone +81-3-3835-5111

Established

January 17, 1900

President & CEO

Naoki Adachi

Number of employees (Nonconsolidated)

11,548 (as of the end of March 2009)

Number of employees (Consolidated)

47,522 (as of the end of March 2009)

Capital (Nonconsolidated)

104.9 billion yen

Group Profile

The Toppan Group comprises Toppan Printing Co., Ltd. and 219 related companies (195 subsidiaries and 24 affiliates) engaged in manifold businesses in three main fields: Information & Networks, Living Environment, and Electronics.

On page 5 you will find an outline of the positioning of Toppan and its related companies in these fields.

(The business divisions in the Business Fields on page 4 are presented under the new corporate structure adopted from April 2009.)

Business Fields

Information & Networks

Providing solutions to increase the value of information and effectively deliver information for clients who require smooth communication



● Securities and Cards



● Commercial Printing



● Publications Printing

Living Environment

Providing customers around the world with products and services optimal for creating fulfilling lifestyles in fields such as medicine, food, and housing



● Packaging



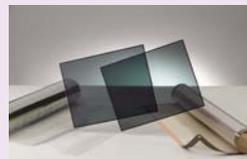
● High-performance Components



● Industrial Materials

Electronics

Working with leading-edge technologies to provide electronic components with strong potential to be adopted as de facto standards



● For Displays



● For Semiconductors

Personal Service

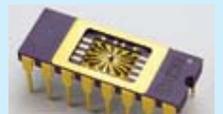
Providing customers with Toppan's original brand of innovative information services and devices to enrich the links between people and goods



● Mapion, Internet-based map information service (in Japanese)

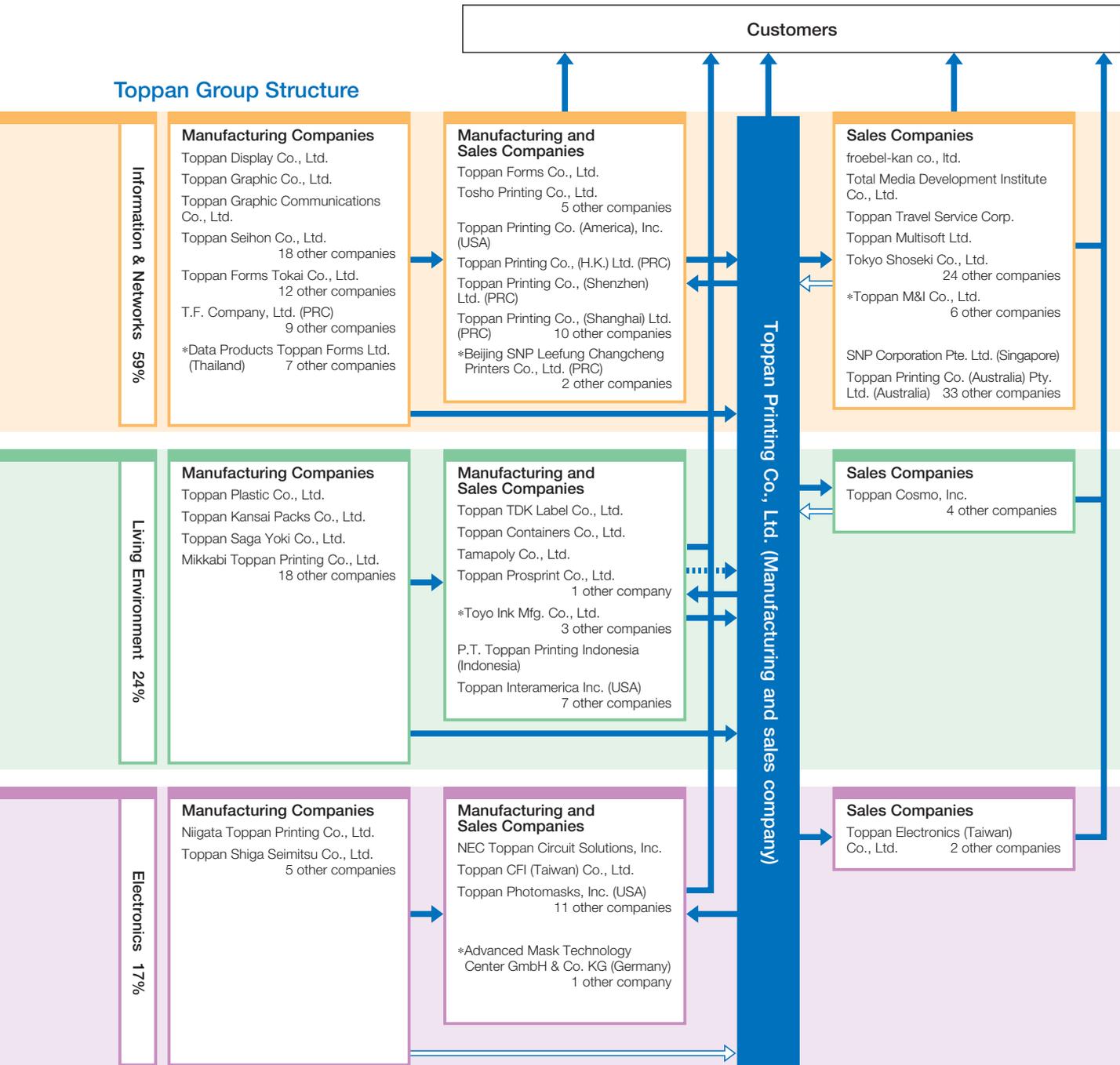
Next-generation Products

Providing high-performance industrial materials with links to the next generation by developing fields of business with growth potential



● Hydrogen sensor

Toppan Group Structure



Notes:

- No symbol: subsidiary—195 companies *: affiliates—24 companies (as of the end of March 2009)
- Toppan Group's business activities are usually divided into five fields. Here, however, they are divided into three fields based on the current sizes of the businesses and other factors.
- The composition ratios given under each business field are percentages of overall sales contributed. (The Net Sales by Business Field are shown on P. 7.)
- Among Toppan's subsidiaries, Toppan Forms Co., Ltd. and Tosho Printing Co., Ltd. are listed on the first section of the Tokyo Stock Exchange.
- Toppan Printing Co., Ltd. completed the procedures to acquire SNP Corporation Pte. Ltd. of Singapore in September 2008. Toppan Printing's voting interest in SNP Corporation is 100%. Consequently, SNP Corporation Pte. Ltd. became a consolidated subsidiary of Toppan Printing Co., Ltd.
- Toppan operational sites span across 21 countries and regions, including Japan.

■Boundary of this Report

- In principle, this report covers the social and environmental activities of Toppan Printing Co., Ltd. and Group entities consolidated for accounting purposes.
- Most of the information on personnel applies to personnel within Toppan Printing Co., Ltd.
- The boundaries of environmental performance data and environmental accounting are presented on P. 52.
- Sixty-two domestic sites and 22 overseas sites are ISO 14001 certified.



Outline of Consolidated Operating Performance

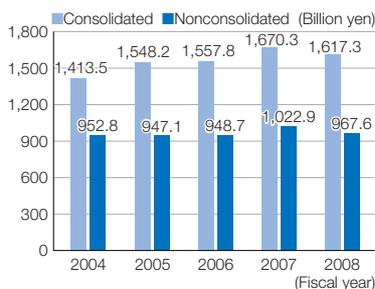
The Japanese economy faced an extremely severe situation in fiscal 2008. The vast slowdown of the world economy originating from the U.S. had an extreme impact on real economic activities in Japan. Corporate profits rapidly shrank, resulting in a spread of production and employment adjustments and a precipitous decline in stock markets. In the printing industry, the prices of paper and raw materials rose markedly as a side effect of the sharply higher prices of crude oil. Toppan and other printing companies were forced to operate in an unforgiving business environment marked by cuts in corporate advertising expenditure, sluggish personal consumption, and significant stagnation in the electronics-related market in the second-half of the fiscal year.

In the time intervening, the Toppan

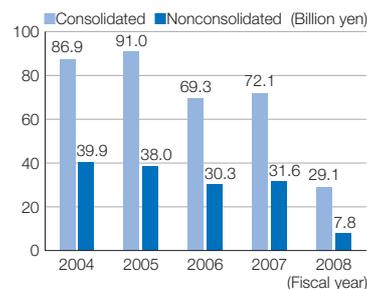
Group has pressed forward full-fledged efforts based on the Corporate Structure and five Business Fields for the 21st century, as defined in *TOPPAN VISION 21*. In the Information & Networks field, the Group has provided market-oriented, high-added-value solutions for a broad range of customers. In the Living Environment field, it has stepped up the development and sales of products responsive to the growing demands for safety and eco-friendliness. In the Electronics field, it has striven to enhance competitiveness through technology development and optimized production site arrangements globally. And in the Information & Networks field, it has integrated its sales departments and worked to reduce costs and improve quality. Yet with the worldwide recession stemming from the subprime loan crisis in the U.S., Toppan's operating performance was hit especially hard in the second-half of the fiscal year.

Consequently, consolidated net sales decreased to 1,617.3 billion yen in fiscal 2008 (a 3.2% decline from the previous year), while consolidated operating income decreased to 29.1 billion yen (a 59.5% decline from the previous year). As a result, Toppan weathered a consolidated net loss of 7.7 billion yen (versus a consolidated net income of 38.5 billion yen in the previous year), principally due to the inclusion of a loss from valuation of marketable securities and investment securities and an impairment loss of long-lived assets due to underperforming operations at Toppan Photomasks, Inc., a company hard hit by the deepening slump in semiconductors.

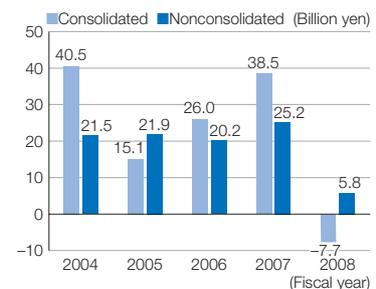
Net Sales



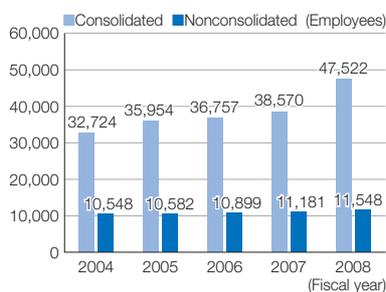
Operating Income



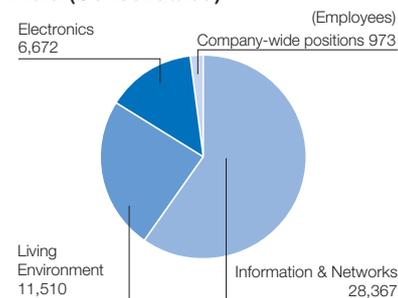
Net Income or Loss



Number of Employees



Number of Employees by Business Field (Consolidated)



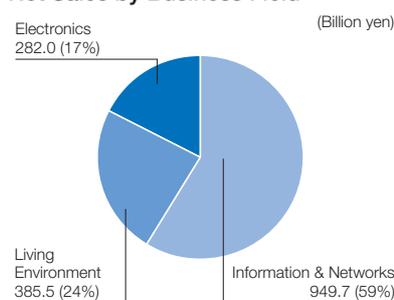
Key Financial Data (Consolidated)

	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008
Net sales (million yen)	1,413,580	1,548,208	1,557,876	1,670,351	1,617,341
Operating income (million yen)	86,938	91,085	69,376	72,153	29,186
Net income or loss (million yen)	40,574	15,148	26,067	38,523	-7,730
Total assets (million yen)	1,483,477	1,727,636	1,837,719	1,787,408	1,681,745
Net assets (million yen)	768,245	803,678	918,002	940,303	867,738
Interest-bearing debt (million yen)	205,008	304,736	359,631	290,324	343,546
Capital expenditures (million yen)	86,625	119,221	133,722	72,911	92,022
R&D expenses (million yen)	22,255	27,593	29,132	29,732	28,791
Current income taxes (million yen)	22,154	34,073	32,354	16,214	13,291
Share price—high (yen)	1,380	1,648	1,645	1,396	1,230
Share price—low (yen)	1,002	1,050	1,161	965	523
Net income or loss per share (Basic) (yen)	60.09	22.13	39.58	58.63	-11.87
Net income per share (Diluted) (yen)	59.94	22.02	39.40	58.49	—
Shareholders' equity per share (yen)	1,154.21	1,216.04	1,222.27	1,223.41	1,148.00
Dividends per share (yen)	19.00	20.00	20.00	22.00	22.00
Return on assets (ROA; %)	2.8	0.9	1.5	2.1	-0.4
Return on equity (ROE; %)	5.4	1.9	3.2	4.8	-1.0
Cash and cash equivalents at end of period (million yen)	168,804	206,974	240,596	224,315	236,196
Number of employees	32,724	35,954	36,757	38,570	47,522

Notes:

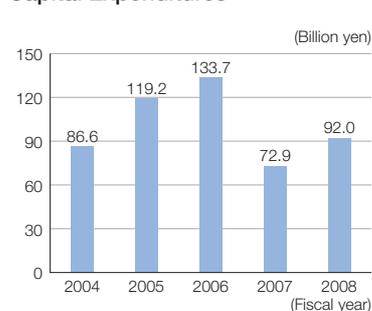
- Net sales do not include consumption taxes.
- The number of employees is the number of employees working at the Company. The number of non-regular employees for fiscal 2008 stood at 6,912 on consolidated basis and 1,270 on a nonconsolidated basis (the average number of employees throughout the fiscal year, including part-time workers but excluding temporary staff).
- The net income per share (diluted) for fiscal 2008 is not included in the above table. This amount turns out to be a net loss per share in spite of the dilutive shares issued.
- Net assets have been calculated based on the "Accounting Standard for the Presentation of Net Assets in the Balance Sheet" and the "Guidance on the Accounting Standard for the Presentation of Net Assets in the Balance Sheet" since fiscal 2006.
- High and low share prices are prices on the first section of the Tokyo Stock Exchange.

Net Sales by Business Field

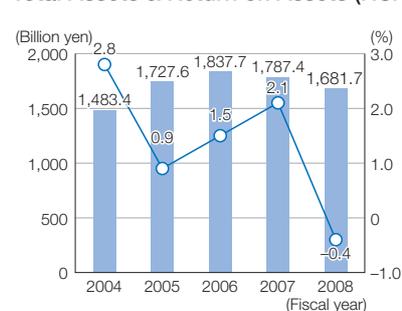


Note: Here, sales are divided into three business fields based on the sizes of the businesses and other factors.

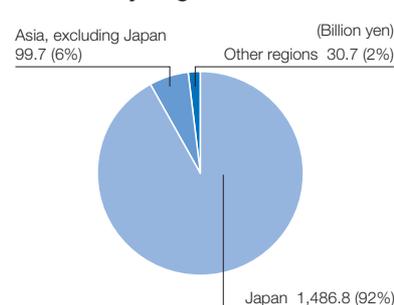
Capital Expenditures



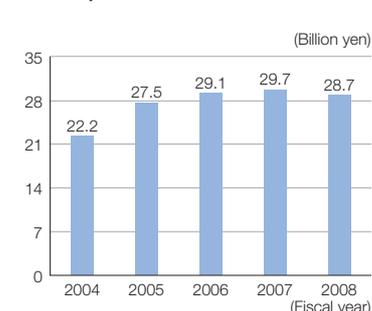
Total Assets & Return on Assets (ROA)



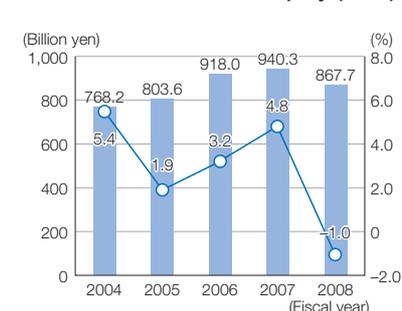
Net Sales by Region



R&D Expenses



Net Assets & Return on Equity (ROE)





Special
Report
1

Towards the Realization of Personalized Medicine

Genotype Analysis System with SNP Chips

The ageing population, dwindling birthrate, and spread of obesity and lifestyle-related diseases have drawn increasing attention to the fields of health and medicine in Japan. Globally, the Millennium Development Goals targeted for achievement by 2015 through the combined efforts of international societies include various goals in public health, such as the prevention of the spread of HIV/AIDS, malaria, and other epidemics. Toppan imaginatively uses the technologies it has acquired through printing to develop businesses in support of health, one of the most important foundations for humankind and society.

Personalized Medicine and Toppan

When patients undergo personalized medicine, they receive optimal individualized therapies suitable for their own physical characteristics. A genotype screening of a patient with leading-edge analytical technologies before prescription of medication will enable a doctor to assess whether a drug will have a favorable or adverse effect on the patient and prescribe an appropriate drug at the optimal dose.

If adopted widely, personalized medicine will help to minimize the administration of drug regimens likely to be less efficacious or to have side effects. This, in turn, will help prevent and alleviate pain and physical burdens for patients and limit healthcare expenditures through enhancements in the efficiency of medical care.

Since 2003, researchers running the BioBank Japan Project on the implementation of personalized medicine have been laying the groundwork for the realization of personalized medicine in Japan. This project team has already collected DNAs, blood serum, and clinical data from some 300,000 subjects with 47 types of disease. With these samples and data, the team has been carrying out studies to identify how individual genetic differences correlate with drug efficacy, side effects, and disease.

Since 1999, Toppan has been establishing a set of new research themes with the aim of launching businesses in the life sciences, a field of growing importance for society. Based on the themes, the Company has worked together with RIKEN, Japan and other entities to develop a genotype

analysis system with single nucleotide polymorphism (SNP)* chips for medical application. Toppan, RIKEN, and RIKEN Venture Capital Co., Ltd. jointly founded a new company called RIKEN GENESIS CO., LTD. in October 2007. Researchers at RIKEN GENESIS seek to realize the practical use of personalized medicine by providing genotype analysis services on a contract basis and marketing compact genotype analysis systems and chips applicable to patient examinations at hospitals and other healthcare facilities.

Millennium Development Goals

<http://www.undp.org/mdg/>

BioBank Japan Project on the implementation of personalized medicine

<http://www.biobankjp.org/> (in Japanese)

RIKEN Center for Genomic Medicine at the RIKEN Yokohama Institute

<http://www.src.riken.jp/english/index.html>

RIKEN GENESIS CO., LTD.

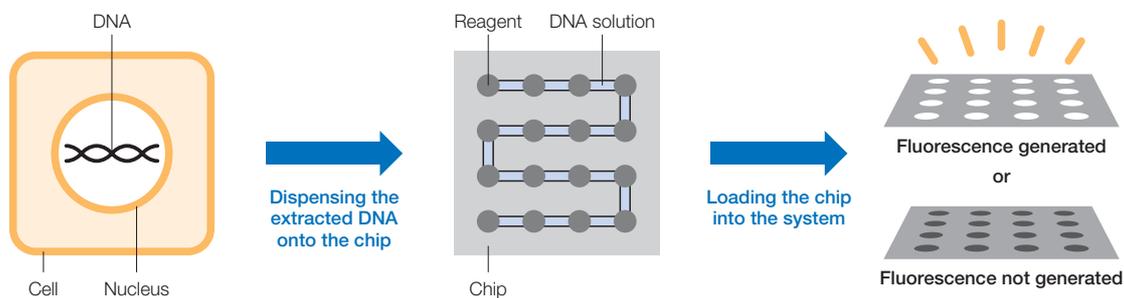
<http://www.rikengenesi.jp/en/index.html>

Genotype Analysis System with SNP Chips for Medical Application

With the genotype analysis system, a single SNP chip can determine a patient's genotype from a drop of the patient's blood in only an hour.

The procedure works as follows. A blood sample is collected from the patient. DNA is extracted from a blood cell in the sample, and a solution containing the extracted DNA is dispensed onto an SNP chip pre-coated with dots of

Analysis Procedure with an SNP Chip



dried reagent. The reagent on the chip can amplify a tiny strand of DNA on a massive scale and generate fluorescence when particular types of SNPs are applied. Based on the presence or absence of fluorescence activation via reaction with the reagent, the system can accurately predict differences in the patient's response to a particular drug, in terms of efficacy and side effects.

Various Toppan technologies acquired through printing are used to fabricate the chip, including techniques in micro-fabrication, surface treatment, formation, and coating. With these technologies, Toppan has formed a precision chip on which a tiny amount of DNA correctly reacts to the reagent and onto which the reagent can be coated with extreme accuracy.

Clinical Studies in Thailand

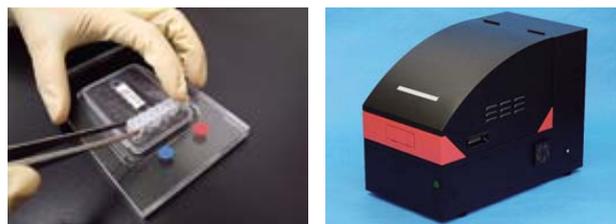
The estimated number of HIV carriers stood at 33 million worldwide in 2007. An estimated 2.5 million people were newly infected, and 2 million or so died from AIDS. Though the growth of HIV carriers shows signs of slowing, tremendous numbers of people are still being newly infected. HIV/AIDS will remain a devastating social problem until drug makers develop medicines capable of completely curing AIDS after symptoms appear.

The HIV epidemic in Thailand spread relatively early in Asia and reached a serious stage in around 1990. Preventive activities by the Thai government to abort the epidemic have been effective, and the number of newly infected people has been decreasing. Yet even with the progress against the disease, an estimated 580 thousand people in Thailand were HIV carriers in 2005.

Toppan provides genotype analysis systems with SNP chips for studies on dosing strategies for anti-HIV drugs in Thailand. Tests are to be conducted to predict side effects of Nevirapine, a globally prescribed antiretroviral agent effective in postponing the onset of AIDS and preventing mother-

to-child transmission of HIV. Nevirapine is relatively moderate in price, but patients treated with the drug can have side effects such as drug rashes. Mahidol University in Thailand and RIKEN in Japan have been conducting a study to determine the risk of drug rash before giving a patient Nevirapine.

Toppan will continuously provide its genotype analysis systems for various other research purposes besides that just mentioned. Applying the study results to practical use, Toppan will strive to upgrade its genotype analysis system in order to achieve broader medical application and more extensive benefits.



SNP chip (left) and genotype analysis system with SNP chips (right)



Laboratory in Ramathibodi Hospital, a facility attached to Mahidol University in Thailand

***SNP:** The individual variations from person to person at birth derive from differences in the estimated 3 billion base pairs in the genome sequence. A single nucleotide polymorphism (SNP) is a site in the genome sequence where a single nucleotide varies from person to person. Differences in SNPs cause individual variations, including variations in drug sensitivity and disease susceptibility. By examining these differences, physicians can tailor drug regimens and therapies to individual patients.



Special Report
2

Energizing the Mind through the Power of Art

Clinical Art

The human mind is sometimes unconsciously exhausted by our busy lives, relationships with others, and gaps between ideals and reality. More and more people of every age are overwhelmed by stress. Some lose confidence and are finding themselves trapped in negative mindsets; others close their hearts. And patients with dementia and their families suffer from heavy burdens. The fostering of creativity and compassion in children today is important for the society of the future. In fiscal 2008, the Toppan Group launched a new endeavor by enlisting a company that uses the power of art to help resolve various issues facing society.

Clinical Art

“Clinical art” is a type of art therapy that seeks to stir the senses and activate the right brain through creative activities such as painting and carving. Its purposes include the prevention of dementia, the cultivation of acute sensitivity, and the refreshing of tired minds. The Institute of the Formative Art Co., Ltd. in the Toppan Group operates a business using clinical art in Japan.

The Institute of the Formative Art began exploring the field of art therapy in the 1990s. Since 1998, it has researched and developed curricula as a member of the art therapy study group at the Kansei Fukushi Research Center at Tohoku Fukushi University. One of its main activities is to train clinical art instructors called “clinical artists” with specialized knowledge and the high-quality skills necessary for working in welfare and education. Some 150 clinical artists are now engaged in clinical art across Japan. As of the end of March 2009, two thousand people had completed training courses for clinical artists in Tokyo and other cities in Japan. Eight local governments and 11 medical corporations and healthcare facilities for the elderly have introduced clinical art therapy to prevent and remedy dementia among the elderly.

In addition to the training courses for clinical artists, the Institute operates original programs for children. Foremost among them are the Da Vinci Class to foster creativity in children (from two to twelve years old) and several pro-

grams to leverage the potential of art for the cultivation of aesthetic sensitivity, environmental awareness, and human compassion in daycare centers, kindergartens, and elementary schools.

The Institute has developed more than 400 types of clinical art curricula so far.

About the Curricula

Anyone can paint a picture. But how many people see painting as their forte? Every curriculum developed at the Institute is designed to encourage the participants to concentrate on the creation process and experience a sense of accomplishment and inspiration when they complete their artworks. The motto for clinical artists is “Touch, listen, and praise, but never judge.”

The first step of the curriculum is to help participants feel the essence of the subjects of their pictures or formative artworks with their five senses. If the theme is rain, for example, they listen to the sound of falling rain. When the theme is a fruit, they taste the fruit, smell it, and hold it in their hands to feel the texture and weight.

The next steps are to create a representation of what they have just experienced by selecting and combining colors and materials into actual forms. When starting a picture, the participant is asked not to draw an outline, but to paint the background or spread the paint out in patterns that approach his or her mental picture. Through this



nuanced process of creation, anyone can create an excellent work of art with an individual worldview. The process activates the right brain by recruiting the five senses to work actively.

Every finished creation is an outstanding, highly individual artwork. In the last step, clinical artists praise the good elements of each work, without evaluating the skill of execution. When participants receive the praise, positive feelings such as joy, willingness, confidence, and self-affirmation are awakened in their hearts and delightful memories are formed.

In fiscal 2008, Komatsu Elementary School in Kasukabe City in Saitama, Japan adopted this program for a period of integrated learning. The pupils experienced a clinical art curriculum first, then became supporters of clinical art for the elderly in the local community. The program has been ongoing since fiscal 2006. By cultivating children's individual sensibilities, the program encourages children to praise each other's works as a matter of course. It can also bring lively smiles to the faces of elderly participants. The program has been highly evaluated for its positive effects in both welfare education and the fostering of future generations.

Towards Fiscal 2009

Since November 2008, the Institute has been running a collaborative study with Tokyo University of the Arts. The purpose is to develop curricula with which to refresh the minds of working people and help them discover entirely new viewpoints and ideas. Toppan Group employees have participated in a test program as part of the study. The Institute will fully apply the curricula developed in this collaborative study to operate art salons and art-for-mental-healthcare business as a means of promoting mental health among working people.

With rising awareness of each person's need to make a social contribution, an increasingly wide variety of people are learning and experiencing clinical art. The Institute will continue to use the power of art to contribute to society in the future.

Example of a Curriculum: Bird of Paradise Flower (*Strelitziaceae*)



To stir the senses

With a roller spread out paints with colors imagined to be found in a tropical region. Imagining and choosing colors stimulates and sensitizes the mind.



To activate the right brain

Mark out the shape of the background. Focusing on the shape of the background activates the right brain.



To finish the work

Once the senses are sharpened, watch the *Strelitziaceae* carefully and paint in the details of the flower. The process "further" activates senses and helps the participants create works that give them great joy.

CSR Activity Topics 2008–2009

Topic 01

Electronic-paper Signage for Emergency Communication Support

Toppan participated in a field test for a local emergency communication support system now being developed by the Kanto Bureau of Telecommunications, a division of the Ministry of Internal Affairs and Communications of Japan. The chief function of this system is to transmit emergency information within disaster-stricken areas via radio. At a field test conducted around Ikebukuro Station in Tokyo on January 23, 2009, Toppan provided digital signage, an electronic-paper display device, to post the emergency information.

Electronic-paper signage has features of high viewability even under sunshine, ultra-low power consumption*, and screen display retention after power shutoff. The signage holds promise as an emergency display medium for conveying information within disaster-stricken areas. Its chief advantage is the ability to retain the latest information displayed on the screen before power shutoff: when a disaster cuts off the power, the information stays on display.

As an active electronic-paper signage provider, Toppan has been operating a machikomi (town communication) service using electronic-paper signage as an advertising medium at subway stations in Sendai City in Miyagi, Japan. Toppan will further develop its signage technology by examining the strengths and weaknesses of the system for disaster preparedness, as revealed by the Ikebukuro field test.



Left: Large-size electronic-paper signage at Toshima Post Office
Right: Electronic-paper signage mounted on a bus stop sign at Higashi Ikebukuro 2-chome

***Ultra-low power consumption:** The former, a post office sign, consumes about 24 watts. The latter, a bus stop sign, consumes about 9 watts.

Topic 02

Showing VR Productions at an Exhibition in Paris

Convinced that virtual reality (VR)^{*1} technology has great potential as a visual medium for the exhibition of cultural assets, Toppan has created numerous VR productions of cultural assets using color management and other printing-related technologies. Based on its experience in VR production, the Company has created VR reproductions of Kinkaku-ji and Ginkaku-ji, two of the most historically important Japanese temples in Kyoto (formally known as Rokuon-ji and Jisho-ji). From October to December 2008, the Petit Palais museum in Paris used the latest ultra-high-definition 4K^{*2} projectors to display these VR reproductions at “Art Treasures from Shokokuji, Kinkakuji and Ginkakuji temple,” an exhibition to commemorate 150 years of exchange between France and Japan and 50 years of friendship between Paris and Kyoto. The beautiful, immersive ultrahigh-definition images on the large screen convey the lifelike experience of actually standing on the temple grounds. They also enable views not possible at the sites themselves.



Kinkaku-ji



Kyoko-chi (mirror pond) seen from the rooftop

*1 **Virtual Reality (VR)** allows viewers to move freely within computer-generated 3D graphic images and experience a sense of actually occupying 3D space.

*2 **4K** is a format advocated by Digital Cinema Initiatives, LLC (DCI), a digital cinema standardization organization led by seven leading U.S. motion picture companies. It has a resolution of 8.85 million pixels (4,096 × 2,160 pixels; 4K × 2K), more than four times that of full hi-vision.

Topic 03

Awards for Environmental Initiatives at Toppan Plants in Japan

Toyama Plant of NEC Toppan Circuit Solutions, Inc. (TNCSi)

In fiscal 2008, the Director General of the Chubu Bureau of Economy, Trade and Industry awarded the Toyama Plant of TNCSi for a series of energy-saving measures judged to be outstanding among subscribed projects carried out in the Chubu (central) region in Japan. The plant's adoption of a new humidity-control system received high praise. Compared to conventional systems, this system consumes less energy for the control of room humidity. It works via a two-step process: extract heat dissipated from existing plant equipment to warm up air, then humidify the warmed air with spraying machinery.

Kannabe Toppan Co., Ltd. (the current Fukuyama Plant of Toppan Nishinohon Printing & Processing Co., Ltd.)

In fiscal 2008, Kannabe Toppan Co., Ltd. received an Outstanding Energy-Efficient Factory Award from the Director General of the Chugoku Bureau of Economy, Trade and Industry of Japan. Kannabe Toppan's success in reducing energy consumption per unit of production volume by 5-10% year-on-year was highly commended. Its measures have included a monthly energy-saving committee, a switchover to highly efficient lighting apparatus, and the introduction of a "free cooling" system that works with outside air in wintertime.

Niigata Plant in the Electronics Division (the current Niigata Plant of Toppan Electronics Products Co., Ltd.)

The Niigata Plant in the Electronics Division received the Excellent prize at the PRTR* Awards 2008 in Japan. The PRTR Awards were established to recognize companies for outstanding achievements in the management of chemical substances at factories and in risk communication with local governments and residents. The plant was highly commended for its progress in chemical substance management in accordance with its own set of well-defined policies that go beyond the environmental management policies across the Company. In setting the management policies, the plant carefully considered the properties of the region hosting the plant and the features of the products the plant manufactures. The plant was also commended for its many years of dialogue with neighboring residents.

*The Pollution Release and Transfer Register (PRTR) system requires the confirmation, summary, and disclosure of data on the release and transfer of diverse chemical substances deemed to be potential environmental pollutants. The data required include information on the amounts of chemicals released, the sources from which chemicals are released, and the amounts of chemicals transferred outside business premises as waste.

Topic 04

Newly Constructing One of Japan's Largest-scale Plants for Next-generation Back Sheets for Solar Cells

In April 2009, Toppan completed the construction of the Fukaya Plant in Fukaya City in Saitama, a new manufacturing site for next-generation functional films. The Company will build up production lines at the plant for the manufacture of a wide variety of functional films to keep up with the brisk market demand.

Earlier, in July 2008, Toppan signed a technology transfer and license agreement for a polyvinyl fluoride coating technology with E.I. du Pont de Nemours and Company (DuPont) of the United States. Tedlar® Film, a material for solar cell back sheets developed by DuPont more than 25 years ago, has been rated highly for its outstanding weather resistance. The Fukaya Plant will mainly produce next-generation back sheets for solar cells based on the further amalgamation of the material technology of Tedlar® Film and the processing technology of Toppan. Using materials supplied by DuPont for Tedlar® Films, an integrated mass production line for finished back sheet products will be constructed.

Toppan aims to expand its share of the global market by supplying a broad range of back sheets tailored to diverse specifications required for applications such as solar cells for large-scale photovoltaic power plants and solar panels for ordinary houses.



External view of the Fukaya Plant, a future manufacturing site for solar cell back sheets

Topic 05

Leaking Solvent at the Itabashi Plant of Toppan Printing Co., Ltd.

Toppan Printing Co., Ltd. has promoted routine implementation of environmental measures to ensure thorough safety management at every operational site. Regretfully, however, these precautions failed to prevent a toluene leak from an underground tank of printing solvent at the Itabashi Plant (Itabashi Ward, Tokyo) on June 12, 2009.

Toppan sincerely apologizes for the anxiety caused to surrounding neighborhoods.

As an emergency measure, this underground tank has already been emptied and decommissioned. The following columns report the actual incident and details, including the results of a subsequent investigation.

From now on, Toppan will take vigorous steps in good faith to protect the safety of local residents and conserve the environment surrounding the plant by strictly preventing the diffusion and recurrent leakage of solvent.

■Details and Causes of the Leakage

Approximately 4,500 liters of toluene, a solvent for printing, leaked from an underground tank at the Itabashi Plant on June 12, 2009. The source of the leak was a steel-plate tank with a capacity of 13,500 liters, buried about four meters below the surface of the ground.

The Company will identify the causes of the leak through a detailed investigation in the near future. Preliminary inspections suggest that cracks may have formed at the bottom of the tank during a regular maintenance operation.

■Detection and Countermeasures

The liquid level of an underground tank rapidly fell during a regular maintenance operation on June 12, 2009. The tank concerned was decommissioned and a different tank was used to supply solvent for manufacturing. The following measures have been taken so far.

- Both the interior and exterior of the underground tank were inspected to estimate leakage conditions, and the leakage of solvent from the underground tank was confirmed.
- The leakage was reported to Shimura Fire Station of the Tokyo Fire Department, which conducted an onsite investigation and instructed the plant on specific countermeasures in the coming days.
- A boring investigation around the underground tank has been commenced to examine the impact on the soil, etc. surrounding the tank.
- The leakage was also reported to Shimura Police Station, Itabashi City Office, and Tokyo Metropolitan Government to receive guidance on future measures.

■Future Measures

Toppan will take the following measures in good faith based on consultation with local authorities to protect the safety and environment of the plant and local communities.

- The diffusion and recurrent leakage of solvent will be prevented to ensure the safety of local residents.
- The cause will be ascertained by an investigation to be conducted in collaboration with independent organizations, and appropriate responses will be taken according to the investigation results.
- Details will be reported to local residents whenever necessary.

Toppan will carry out the following specific measures without delay.

Specific measures:

- 1) Enclosure of the leakage area through the burial of steel sheet piles to prevent the solvent from diffusing
- 2) Suction of the solvent from the soil via newly installed pumping wells
- 3) Removal of the underground tank that contained the solvent
- 4) Excavation and removal of the soil surrounding the underground tank concerned, and backfill with good soil
- 5) Inspection of the soil, water, and air in the area

CSR Management

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Basic Approach to CSR

Toppan devotes itself to the fulfillment of its social responsibilities based on *TOPPAN VISION 21*, the foundation of all Group business activities.

Towards Sustainable Development

When Toppan was founded in 1900, Japan was rapidly building up its modern industries in the aftermath of the Meiji Restoration.

The printing industry was contributing to society in three important areas: 1) the printing of banknotes, bonds, and securities, crucial instruments for the establishment of modern capitalism; 2) the publication of newspapers, a medium for public discussion to stimulate the progress of civilization; and 3) the publication of translations, novels, and magazines to enlighten the public and encourage the establishment of a modern state.

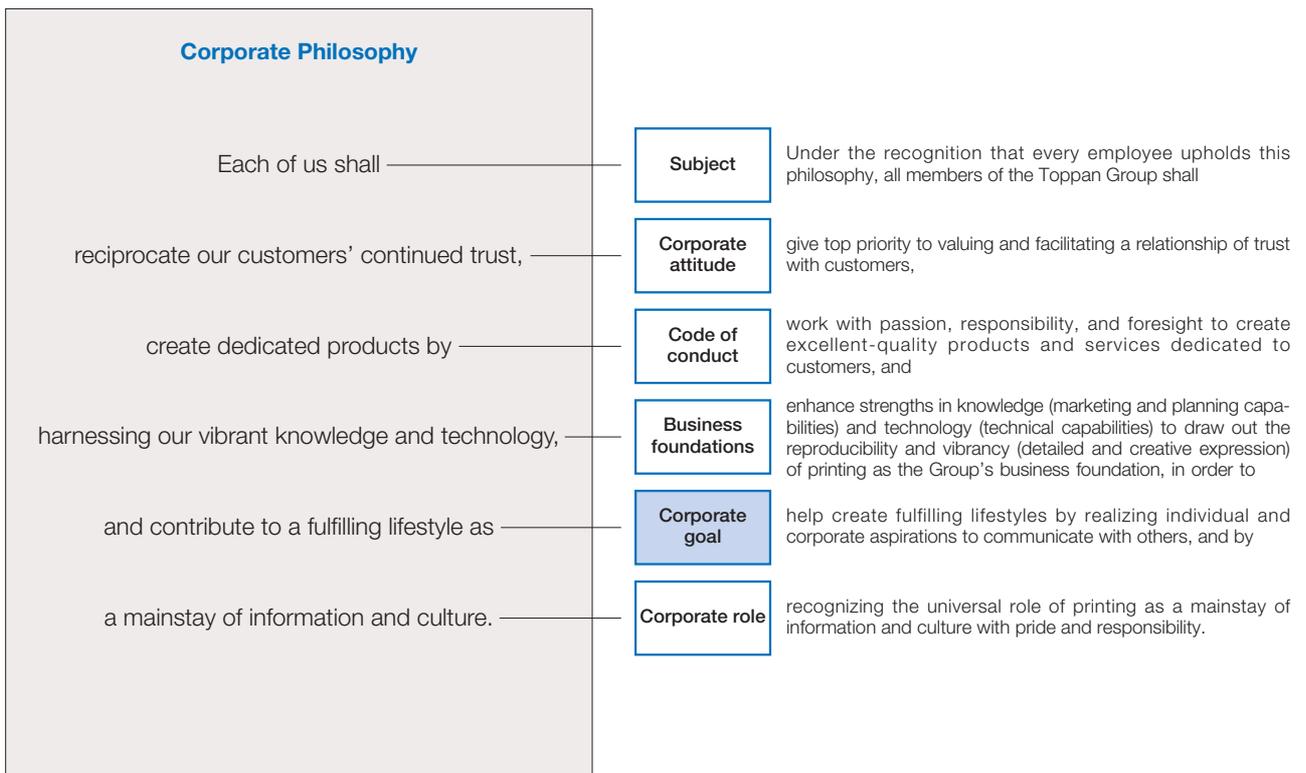
Toppan began in the last century as a provider of printing services to support the establishment of modern Japan. Today it has grown into a multifaceted

enterprise with myriad businesses centered around core printing technologies, such as IT and electronics. Toppan supports the development of information culture and the creation of fulfilling lifestyles in many ways.

Toppan has grown steadily amid the drastic changes that have taken place worldwide in the more than 100 years since its founding. These changes continue to pose threats to the earth and humankind in the 21st century. The world must contend with poverty, abuses of human rights, environmental destruction, and health problems. In Japan, meanwhile, birthrates are declining and the population is ageing.

Toppan believes it has a responsibility to help solve these problems in cooperation with all of its stakeholders through business operations conducted under its founding Corporate Philosophy of

contributing "to a fulfilling lifestyle as a mainstay of information and culture." The Company contributes as an essential corporate citizen with an active commitment to realizing sustainable development for itself and society.



Established in June 2000

■ Toppan's Social Responsibility: Realizing an Ideal "Corporate Structure"

TOPPAN VISION 21 expresses the basic concept and directionality of the activities undertaken by Toppan to grow in harmony with society and the global environment.

TOPPAN VISION 21 consists of the "Corporate Structure" and "Business Fields." The Corporate Structure, meanwhile, is made up of three elements: Toppan's Corporate Philosophy, the Corporate Creed, and the Conduct Guidelines. These elements specify a complete set of values, standards, and guidelines for the business operations of the Toppan Group. The Group will fulfill its social responsibilities by realizing this Corporate Structure.

The Toppan Group regularly enlightens its employees on the basic tenets

of *TOPPAN VISION 21* and the Corporate Structure through communication in workplaces, training sessions, and various tools.

Corporate Philosophy

The Corporate Philosophy is the top-level concept that underpins Toppan's corporate activities and defines its most important values and thoughts.

Corporate Creed and Conduct Guidelines

The Corporate Creed expresses the standards that the Toppan Group applies to its corporate activities.

Built on the Corporate Philosophy and Corporate Creed, the Conduct Guidelines express the behavioral norms based on every employee's compliance with laws, regulations, and corporate ethics.

Under no circumstances will any mem-

ber of the Toppan Group engage in a business operation that infringes the rules of society or poses any risk of environmental or social harm. The Group also understands that any failure to maintain its high standards for business operations may make it difficult to guarantee reasonable returns and benefits for society.

The Conduct Guidelines specify items that every employee in the Toppan Group should closely observe.

The Group reviews its Conduct Guidelines every year in the conviction that the guidelines must evolve over time to rationally adapt to the various changes underway in corporate and social environments.

Corporate Creed

To build our customers' trust through sincerity, enthusiasm, and creativity in all our corporate endeavors.

To strive for total innovation from a global perspective by conducting marketing and technological development rich in originality.

To conduct fair and open business operations while acknowledging our social responsibilities and aspiring for harmony with our global environment.

To create a positive working environment by maximizing our individual talents and strengths as a team.

To enhance our corporate standing and promote the continual development of the Toppan Group through the exploration of new possibilities.

Established in June 2000

Conduct Guidelines

Chapter 1: Basic Principles

1. Respecting basic human rights
2. Maintaining public order and standards of decency
3. Complying with laws and ethics
4. Conducting fair business operations
5. Striving to improve quality
6. Appropriate management and disclosure of information
7. Environmental and safety considerations

Chapter 2: Specific Conduct Guidelines

Section 1: Building customer trust

Section 2: Reforming operations

Section 3: Fulfilling corporate responsibilities

Section 4: Creating a positive work environment

Section 5: Developing the Toppan Group

Established in June 2000; revised in April 2006

For more detailed information on the Conduct Guidelines, please see P. 30.

■ Toppan's Relationships with Stakeholders

For Toppan to operate businesses and stay viable as a corporation, it must build strong ties with various stakeholders. The Company has defined five categories of stakeholders vital for its business activities: customers, business partners, communities, employees, and shareholders/investors. Toppan strives to build closer relationships of trust with its stakeholders in these categories by thoroughly disclosing information and engaging stakeholders in dialogue.

In addition to the companies with which Toppan does business, end users and other members of society are Toppan customers. The Company understands its responsibilities to society at large and is determined to promote initiatives for the fulfillment of these responsibilities.

Communication with Stakeholders

Stakeholder dialogues are a very effective way to regularly grasp social needs. Toppan promotes and upgrades its CSR activities by incorporating stakeholder dialogues into the PDCA cycle.

Toppan held special dialogue sessions with key stakeholder representatives in fiscal 2004 and 2006, in addition to the regular dialogues it carried out in the course of business. From 2005 to 2007, the Company invited an external expert into annual in-house meetings of CSR promotion members to review its annual CSR activities.

The CSR Promotion Study Group, a body established in fiscal 2007, seeks to improve the PDCA cycle of Toppan's CSR activities using the knowledge gained through stakeholder dialogues outside the Company. In principle, the

study group meets at the end of each fiscal year to unify the channels of dialogue with external stakeholders. The second meeting was held in fiscal 2008 (→P. 22).

Toppan's Relationships with Stakeholders and Communication Tools

● For All Stakeholders

- ◎ Corporate Guide
- CSR Report
- Various guides for individual divisions
- Financial statements
- Quarterly business reports
- Website, etc.

● For Shareholders and Investors

Toppan strives to improve its corporate value through sustainable business development on the basis of stable dividends. The Company makes itself fully accountable by promptly and appropriately disclosing corporate information to ensure that shareholders and investors completely and accurately understand the Company's business activities.

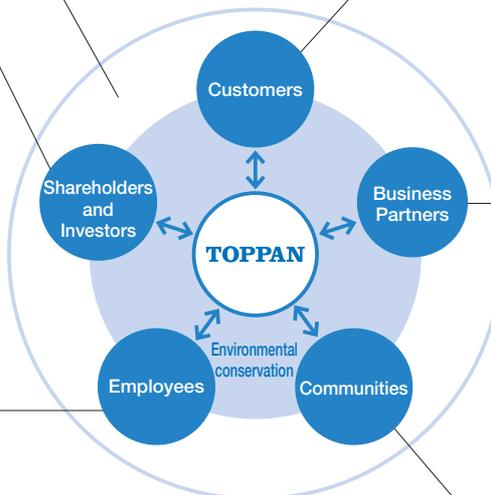
- ◎ Shareholder newsletter *Toppan Story*
- Business reports
- Annual Report
- Corporate governance reports, etc.

● For Employees (including part-time workers and temporary staff)

Toppan strives to provide comfortable workplaces where diverse employees can work to their full potential—a working environment where the dignity and lives of all employees are respected. The Company offers satisfying jobs to fulfill employees and tangibly contribute to the goals of the corporation.

- ◎ In-house newsletter *CONVEX* and Web *CONVEX*
- Overseas in-house newsletter *Interlink*
- Various pamphlets on welfare benefits, etc.

(◎: Tools for communication)



● For Customers

Toppan's customers are not just the companies with which Toppan does business. Just about every person in society is a Toppan customer, in some way or another. The Company strives to always merit the trust of customers with sincerity, enthusiasm, and creativity by satisfying customer requirements through Total Quality Assurance throughout the entire product life cycle, from planning and manufacturing to use and disposal.

- ◎ Various reports on business operations
- Various reports on products and services
- Various newsletters, etc.

● For Business Partners

Another crucial element in strong customer trust is steady relationships of trust and cooperation with business partners. Toppan does business on an equal footing with its partner companies in a fair and open manner as a matter of course. The Company strives to meet the expectations of customers and society with regard to its social responsibilities by promoting CSR procurement in cooperation with business partners.

- ◎ CSR Procurement Guidelines on the Toppan website, etc.

● For Communities

Toppan relates with communities and society through its business operations. The Company strives to win the trust of communities by contributing to society as a mainstay of information and culture.

- ◎ Plant guides
- Site Eco Report
- Annual report *Printing Museum*, etc.

Specific Concept of CSR Activities

The purpose of Toppan's CSR activities is to realize the sustainable development of society and the Company. To achieve this, Toppan must be a trustworthy, respected corporation for stakeholders of every kind. A company without this policy cannot expect to succeed in addressing social issues and needs through the creation of added-value businesses over the years.

Toppan has therefore set out material topics for its activities by combining its policy towards the balanced development of society, the economy, and the environment with a conviction that the realization of an optimally organized Corporate Structure will help the Company fulfill its social responsibilities. Toppan announced its support for the

United Nations Global Compact as an active participant in 2006. By disseminating the principles of the Global Compact across the Company, Toppan promotes CSR activities in consideration of the roles it is to play as a member of international society.

CSR Material Topics

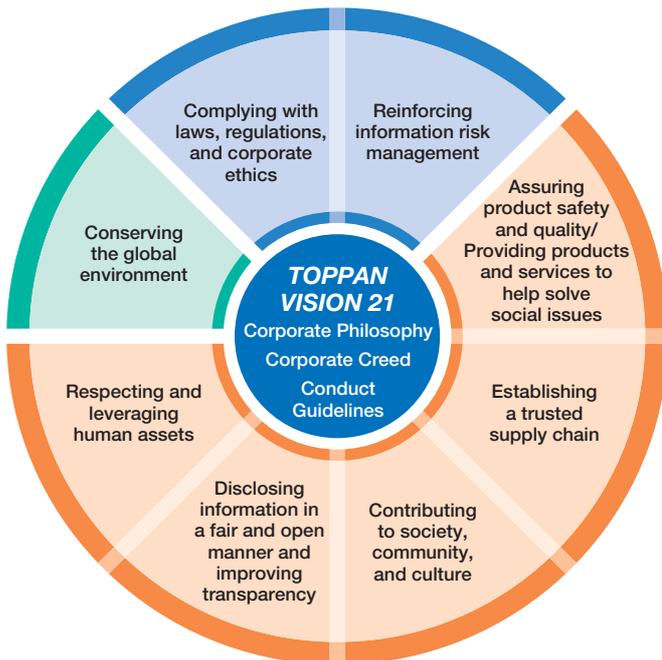
Toppan sets action points and goals for each material topic to be addressed through CSR activities and reviews the topics yearly by assessing the levels of achievement. The Company established eight topics in fiscal 2008 and has advanced its CSR initiatives ever since.

CSR Promotion Structure

The President & CEO and the Director in charge of CSR are leading a move to develop CSR activities through collabora-

tion with the relevant management divisions of the head office and the CSR Promotion Department of the Legal Affairs Division, the department undertaking administrative operation. These parties regularly convene a CSR promotion department meeting to assess the progress of each action point and discuss ways to resolve related challenges.

CSR Material Topics Based on the Corporate Structure and Stakeholders



The United Nations Global Compact sets forth 10 principles in the four areas of human rights, labour standards, environment, and anti-corruption. Toppan supports and implements the 10 principles as a socially responsible corporation.

Toppan's CSR Promotion Structure



Results for Fiscal 2008 and Future Measures

Toppan carries out various CSR activities based on the action points established for each of the eight material topics and reviews them annually. The next two pages summarize Toppan's activities and achievements in fiscal 2008 and its main measures planned out for fiscal 2009.

Stakeholders	Topics	Action Points	Targets	
All stakeholders	Complying with laws, regulations, and corporate ethics	Heightening awareness of laws, regulations, and the Conduct Guidelines through compliance promotion activities	—	
	Reinforcing information risk management	Establishing an information security management structure towards the complete elimination of information-related accidents	—	
	Conserving the global environment	(See PP. 54–56 for the results of the environment activities and future measures to promote them)	—	
Customers	Assuring product safety and quality/Providing products and services to help solve social issues	Ensuring product safety	Preventing accidents relevant to the Product Liability (PL) Law and the revised Consumer Product Safety Law of Japan	
		Quality assurance and enhancement	Enhancing customer satisfaction (analyzing the degree of customer satisfaction and applying the results to business operations under the ISO 9001 QMS) and preventing serious quality-related accidents concerning the performance and functions of products	
		Providing products and services to help solve social issues	Launching energy-related businesses for the future	
			Expanding businesses in the life sciences	
Business partners	Establishing a trusted supply chain	Performing business deals strictly compliant with the CSR Procurement Standards	Adapting to the aging society	
			Disseminating the CSR Procurement Standards to all of Toppan's business partners in Japan and encouraging these business partners to implement the standards	
			Establishing a management and assurance system for chemical substances	
Communities	Contributing to society, community, and culture	Social contributions	Enriching programs to address social issues	
			Community contributions	Expanding opportunities to communicate with local communities and making contributions suitable for local needs
			Cultural contributions	Contributing to society through the provision of high-quality information, endeavoring to elevate the roles of printing and related industries, striving to establish the study of printing culture, contributing to the communities surrounding the operational sites, and supporting educational institutions
Shareholders and investors	Disclosing information in a fair and open manner and improving transparency	Enhancing IR activities	Improving accessibility to Company information disclosed in a timely manner	
Employees	Respecting and leveraging human assets	Realizing a safe and secure working environment	Operating personnel treatment systems appropriately	
			Respecting basic human rights	
			Ensuring occupational safety and health	
			Reinforcing countermeasures against fires and disasters	
			Promoting healthcare and health enhancement	
		Leveraging diverse human assets	Supporting work-life balance by 1) shortening total working hours	
			Supporting work-life balance by 2) creating workplaces where employees can strike a balance between working and raising children	
			Creating a better working environment through partnerships between labor and management	
			Providing an open environment for recruitment	
			Supporting individual career development	
Developing and fostering human assets	Promoting positive action			
	Supporting second careers for retired employees			
	Promoting employment of persons with disabilities			
	Securing the propriety of contract- and temporary-worker-related operations			
Fostering highly motivated employees based on "conduct of high value"				

Main Activities and Achievements in Fiscal 2008	Self Evaluation	Main Measures in Fiscal 2009	For Details
<ul style="list-style-type: none"> Established Conduct Guidelines Promotion Leader systems at all Group companies in Japan Introduced Conduct Guidelines for subsidiaries in Thailand and Indonesia Checked compliance and organized employee education on the Subcontract Law of Japan (30 times; 2,369 participants) 	A	<ul style="list-style-type: none"> Fostering Conduct Guidelines Promotion Leaders who can design and implement dissemination activities by themselves Introducing Conduct Guidelines for subsidiaries in the U.S.A. 	PP. 26-27
<ul style="list-style-type: none"> Carried out head office audits primarily to check the control status of human error in the handling of important information Acquired ISO/IEC 27001 certification in three operations and expanded the certification boundaries of two operations Conducted questionnaire surveys to assess secular changes in the levels of information security management 	A	<ul style="list-style-type: none"> Revising the <i>Information Security Management Guidebook</i> and issuing and using the <i>Close Calls on the Job</i> booklets Promoting the acquisition of ISO/IEC 27001 certification for areas under tight security Reinforcing the management of confidential operations and the handling of printed securities materials 	PP. 28-29
—	—	—	PP. 52-76
<ul style="list-style-type: none"> Established a system based on the Product Safety Management Guidelines under the ISO 9001-series QMS, but failed to check compliance with the guidelines through audits 	C	<ul style="list-style-type: none"> Checking actual conditions in the establishment and operation of the system through audits 	
<ul style="list-style-type: none"> Continued product quality education using standardized in-house textbooks for the sales departments and spread the effort across Group companies in Japan Carried out internal audits on the operation status of the ISO 9001-series QMS for almost all domestic sites Promoted the granting of permissions to entitle clients to use Company patents; organized training sessions to educate the planning departments on the prevention of patent infringements 	B	<ul style="list-style-type: none"> Continuing to organize product quality education using standardized in-house textbooks for the sales departments Assembling a database of quality-related information for the prevention of quality-related accidents Selecting operational sites to be audited intensively based on product-quality conditions and improving the effectiveness of the QMSs at the sites Promoting permissions that entitle clients to use patents held by the Company; respecting the intellectual properties held by other companies 	PP. 32-33
<ul style="list-style-type: none"> Upgraded the performance of a non-platinum catalyst used in the inking process for the prototype development of fuel cell components 	B	<ul style="list-style-type: none"> Developing a new material and low-cost, high-efficiency manufacturing technologies for fuel cells 	PP. 34-35
<ul style="list-style-type: none"> Evaluated the performance of a genotype analysis system with SNP chips at cooperative medical institutions 	A	<ul style="list-style-type: none"> Providing SNP chips and genotype analysis systems to support studies on HIV treatment 	PP. 8-9
<ul style="list-style-type: none"> Researched a method for the development of products to accommodate persons with weak or age-impaired vision 	B	<ul style="list-style-type: none"> Researching and developing intuitive designs and incorporating the designs into new products 	P. 35
<ul style="list-style-type: none"> Produced and exhibited four new virtual reality (VR) reproductions of cultural assets, including the sculpture of Ashura (screened at an exhibition held in Tokyo, "National Treasure ASHURA and Masterpieces from Kohfukuji"); a total of 21 VR productions have been created to date Promoted the rental and secondary use of VR productions as a business 	A	<ul style="list-style-type: none"> Exhibiting existing VR productions on tours and producing and exhibiting five new works Continuing to promote the use of VR productions as a business 	P. 12
<ul style="list-style-type: none"> Held briefings and conducted surveys to assess the current status of about 1,000 business partners working with the planning and sales promotion departments Started interviews with some business partners 	A	<ul style="list-style-type: none"> Continuing to disseminate the Company's CSR procurement initiatives to new and existing business partners Continuing to interview business partners 	
<ul style="list-style-type: none"> Established an internal system to enhance the effectiveness of the management of chemical substances in products at business partners (based on Toppan's QMS) 	B	<ul style="list-style-type: none"> Collecting certification for the non-usage of chemical substances prohibited by the Company, and auditing to confirm the non-usage 	PP. 36-37
<ul style="list-style-type: none"> Planned a series of case presentations, study meetings, etc. to be held in cooperation with business partners (postponed due to current problems in the business environment surrounding the Company) 	B	<ul style="list-style-type: none"> Installing and smoothly operating the Supplier Hotline 	
<ul style="list-style-type: none"> Collaborated in the Campaign to Deliver Picture Books and donated about 200 picture books to children in three Southeast Asian countries and refugee camps 	B	<ul style="list-style-type: none"> Planning and organizing a new type of employee-participatory social-contribution program to support solutions for the social issues declared in the Millennium Development Goals 	PP. 40-41
<ul style="list-style-type: none"> Continued extensive community contributions through environmental beautification activities, plant tours, hands-on training sessions, etc. 	A	<ul style="list-style-type: none"> Continuing to organize various community contributions in tune with local needs at operational sites across Japan 	
<ul style="list-style-type: none"> <Printing Museum, Tokyo> Held <i>1950s Japan: The Blossoming of the Graphic Designer</i>, a temporary exhibition that attracted a higher-than-average number of visitors for school and company training Held summer vacation workshops, attracting more than 1,000 participants through intensive announcements <Toppan Hall> Sponsored 35 concerts, organized special performances to discover and foster talented young musicians from around the world, and rented the hall out to local music colleges and elementary schools 	A	<ul style="list-style-type: none"> <Printing Museum, Tokyo> Holding an exhibition entitled <i>Textbooks That Supported Modern Education in Japan—Textbooks from the Toshio Bunko and Printing Museum Collections</i> Enriching community contributions in collaboration with the Bunkyo Academy Foundation and cultural facilities in Bunkyo Ward, Tokyo <Toppan Hall> Continuing to sponsor concerts, organize special performances for the discovery and fosterage of talented young musicians, and rent out the hall 	PP. 38-39
<ul style="list-style-type: none"> Added new content to the IR website and redesigned the English version of the site Posted timely topic content for the <i>Annual Report</i> and <i>Toppan Story</i>, a newsletter for shareholders 	A	<ul style="list-style-type: none"> Participating in conferences for foreign institutional investors Intensifying individual consultations with and visits to institutional investors 	P. 50
<ul style="list-style-type: none"> Activated organizations and individuals through appropriate operation of personnel treatment systems based on the competence and achievements of individual employees 	A	<ul style="list-style-type: none"> Continuing to operate the existing personnel treatment systems and examining actual operational conditions to find and consider necessary revisions for the systems 	P. 42
<ul style="list-style-type: none"> Enlightened employees on basic human rights through rank-based training and follow-up training for younger employees 	A	<ul style="list-style-type: none"> Continuing to enlighten employees on basic human rights through rank-based training sessions 	
<ul style="list-style-type: none"> Compiled a database of information on occupational accidents and accelerated the process for grasping the details on how the accidents occurred 	A	<ul style="list-style-type: none"> Undertaking TPM activities led by the Safety and Health Committee to eliminate occupational accidents; using the database on occupational accidents to prevent recurrence 	
<ul style="list-style-type: none"> Formulated a complete set of countermeasures against large-scale disasters, including the reservation of stockpiles 	A	<ul style="list-style-type: none"> Implementing countermeasures against large-scale disasters throughout the Company 	
<ul style="list-style-type: none"> Arranged medical checkups and healthcare guidance and education in cooperation with clinics 	A	<ul style="list-style-type: none"> Offering healthcare guidance for employees in need of lifestyle improvements (calorie-control diet plans, actions to preempt lifestyle-related health problem) 	PP. 43-45
<ul style="list-style-type: none"> Took steps to manage overtime work throughout the Company; substantially decreased the number of employees working overtime for long hours and the average hours of overtime worked in the second-half of fiscal 2008 (compared with the same period a year earlier) 	A	<ul style="list-style-type: none"> Eradicating extended overtime through a review of the ways individuals work, strengthened management of overtime working hours by managerial staff, and the continuation of the various types of working systems already in place; encouraging employees to take various forms of leave 	
<ul style="list-style-type: none"> Convened labor-management committees five times to help create a working environment amenable to enhanced job satisfaction Started to operate the staggered work-hour system for childrearing Resolved to introduce a staggered work-hour system for expectant mothers 	A	<ul style="list-style-type: none"> Reviewing labor contracts and employment regulations based on the trends in relevant laws and regulations Creating a working environment where male employees can take childcare leave more easily Continuing to convene labor-management committees in order to help create a working environment amenable to enhanced job satisfaction 	
<ul style="list-style-type: none"> Held various labor-management meetings on diverse themes such as job-satisfaction enhancement and mental healthcare, in addition to the routine business councils 	A	<ul style="list-style-type: none"> Holding labor-management meetings to review schemes for regular salary revisions, discuss the Company's responses to the revised the Labor Standards Act of Japan (to be enforced from April 2010), and deliberate various other themes 	
<ul style="list-style-type: none"> Ran online training courses and other types of internship programs to provide students with expanded opportunities to experience actual work Appointed 17 non-regular employees to regular positions 	A	<ul style="list-style-type: none"> Expanding communication activities for recruitment and public relations for hiring in Japanese cities other than Tokyo 	
<ul style="list-style-type: none"> Developed the learning management system (LMS) to support individual career development 	B	<ul style="list-style-type: none"> Launching the learning management system (LMS) and using it effectively 	
<ul style="list-style-type: none"> Attained a 3.31% ratio of female managerial and supervisory staff (as of April 1, 2009) 	A	<ul style="list-style-type: none"> Promoting the appointment of female employees to managerial and supervisory positions through positive action 	PP. 46-47
<ul style="list-style-type: none"> Reemployed 83 retired employees under the Senior Reemployment System (equivalent to 60% of the employees who retired this fiscal year) 	A	<ul style="list-style-type: none"> Passing on the experiences and specialized knowledge of veteran employees to younger employees via the Senior Reemployment System 	
<ul style="list-style-type: none"> Attained a 1.93% ratio of employees with disabilities in the total workforce (as of the end of March 2009) 	A	<ul style="list-style-type: none"> Maintaining the 1.8% ratio of employees with disabilities in the total workforce, as designated by the relevant law in Japan 	
<ul style="list-style-type: none"> Held briefings to respond to laws and regulations related to non-regular employees, including the legislation responsible for Japan's "problem 2009" (the three-year-limitation for temporary workers dispatched to companies in manufacturing industries) 	A	<ul style="list-style-type: none"> Holding training sessions and conducting internal audits in the general affairs departments to cope with Japan's "problem 2009" 	
<ul style="list-style-type: none"> Rotated employees into different regions, job categories, and product specialties (including 411 managerial staff rotations) 	A	<ul style="list-style-type: none"> Shifting from personnel rotation among different job categories to personnel rotation centering on age and rank 	PP. 48-49

Evaluation criteria: S, Results achieved far surpass targets; A, Targets achieved; B, Activities fully carried out, but targets unachieved; C, Activities insufficient

Stakeholder Dialogue

Toppan seeks CSR initiatives satisfactory to all stakeholders through planning and assessment based on dialogues with society.

■ The CSR Promotion Study Group

Toppan values dialogues with society and draws great benefits from views on ways to promote CSR activities. In fiscal 2008, the Company convened the second CSR Promotion Study Group, a meeting launched in fiscal 2007 to discuss how to develop more compelling initiatives for both society and the Company itself.

Outline of the Second CSR Promotion Study Group

■ Date

From 13:30 to 16:30 on February 23 (Mon), 2009

■ Participants

Stakeholders: Five experts (see below)

Facilitator: Mr. Fumitake Sakamoto from Witan Associates Limited.

Toppan: Mr. Shingo Kaneko, Senior Managing Director, head of the Corporate Planning Division, and Director in charge of CSR; Mr. Tsuneaki Hagiwara, Senior General Manager of the Legal Affairs Division, the division in charge of CSR promotion; and 15 more persons from the divisions of the head office

Themes of the Second CSR Promotion Study Group

To seek out expert views on issues on which to focus in future CSR promotion, and to explore action points that Toppan expects to become more relevant for society and the Company (see the bottom-right chart), in consideration of recent economic conditions and subsequent changes in society.

Major Opinions from Stakeholders

1. Enhancing Corporate Competitiveness through CSR Activities

In entering a recessionary phase, companies should strive to improve their profits while attempting to circumvent additional crises. New businesses can evolve from services or activities designed to solve problems facing society. And society itself needs these businesses. Specifically, CSR procurement can prevent risks from rising in the supply chain and improve the sustainability profile of material procurement. Supporting work-life balance and leveraging diverse human resources, meanwhile, can improve productivity.



Mr. Yukio Okubo
General Manager, Works Institute, Recruit Co., Ltd.

Founded the Works Institute, installed as General Manager there in 1999. Specializes in human resource management, labor policies, and career issues.



Mr. Toshihiko Goto
Chair, Environmental Auditing Research Group

Plays an active part in overall CSR topics focused on the environment as a member of the Board of Japan, Global Compact Japan Network.



Ms. Mizue Tsukushi
President & CEO, The Good Bankers Co., Ltd.

Takes charge of investment advisory, planning and development, and research services for financial products categorized as socially responsible investments (SRI).



Mr. Toshihiko Fujii
Consulting Fellow, Research Institute of Economy, Trade and Industry, Incorporated Administrative Agency (IAA)

Took charge of lobbying against EU and product-related environmental regulations as a member of the Ministry of Trade and Industry (the current Ministry of Economy, Trade and Industry) of Japan. Specializes in European CSR.



Ms. Mariko Mikami
Journalist; Visiting Associate Professor, Institute of Innovation Management, Graduate School of Shinshu University

Plays an active role in national newspapers, business journals, television, and other global media as a scholar and reporter on themes such as organization, accounting, finance, M&As, and industry-creation.



Mr. Fumitake Sakamoto
Facilitator
Senior Consultant, Witan Associates Limited.

Consults on PR and CSR activities for corporations and provides management assistance for NPOs.

2. Improving Fairness in Personnel Policies

In Europe, the birthplace of corporate social responsibility (CSR), companies must provide in-house education to help employees acquire the levels of competence necessary to qualify them for recruitment to new positions if they are made redundant. If the regular employees in a company receive better in-house training than the non-regular employees, the company must level the inequity through CSR activities.

When a company drives globalization, it should treat its employees fairly all over the world.

3. Enhancing a Company's Sensitivity to Society

As entities, companies should persistently carry out their businesses while helping resolve social problems. Amid the drastic changes now surrounding companies, better foresight of the coming social responsibilities to be fulfilled and more proactive approaches to implementing initiatives to address them will reliably strengthen competitiveness and garner support from the public. Thus, companies should work steadily to enhance their sensitivities to social trends and public opinion.

4. Bringing Innovative Changes into Reality

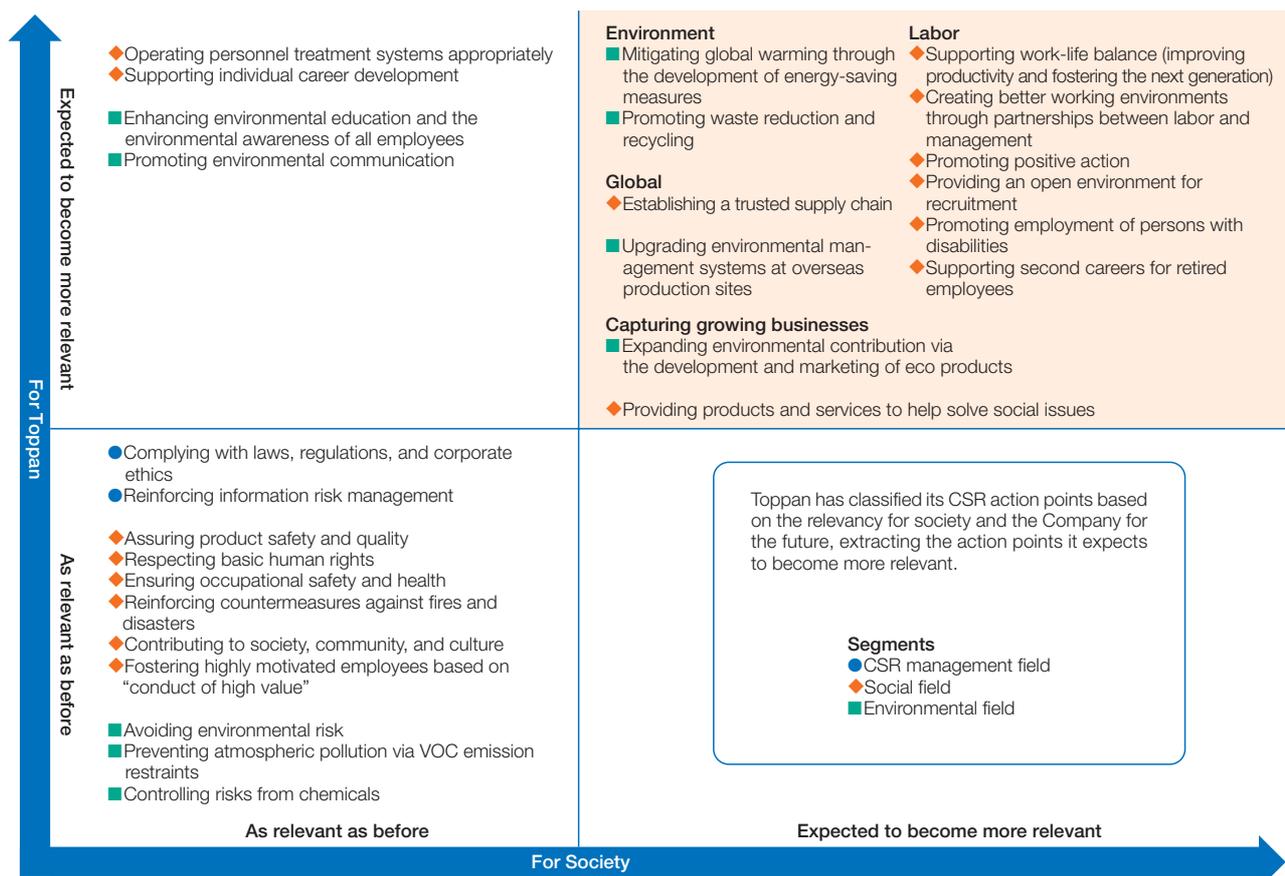
International society has agreed on the benefits to be gained by halving CO₂ emissions by 2050. The years in which to achieve this ambition are few. If we fail to act at once, we can never hope to succeed.

Eco businesses have entered an era to be redefined. Global warming, drought, and other ecological crises are predicted scientifically. Based on the ecological predictions, companies should model new competitive businesses with prospects for strong quantifiable benefits for society in concrete forms.

Responding to the Opinions Obtained

To prepare for the study group meeting, Toppan chose a new set of action points that it expects to become more relevant for society and the Company. From fiscal 2009, Toppan will take the opinions of the study group to heart and deepen its focus on the action points that it expects to become more relevant.

Action Points that Toppan Expects to Become More Relevant for Society and the Company



Corporate Governance

Toppan is reinforcing corporate governance by strengthening its auditing and supervisory functions and improving the transparency of its corporate management.

Corporate Governance

Toppan is equipped with a Board of Corporate Auditors under the Company Law of Japan and has strengthened its governance system by establishing a Management Audit Office, Compliance Department, and Ecology Center.

The Company advances its corporate management under the Related Company Administration Regulations prescribed to ensure the propriety of operations within the Toppan Group.

The Directors, Board of Directors, and Various Meetings

Toppan has 29 directors on its board (as of the end of March 2009). Board meetings are held monthly and whenever a pressing matter requires action or deliberation.

Especially important management themes are deliberated beforehand in the Management Committee made up of directors selected by the President & CEO. The goal is to lay weight on managerial efficiency in business judgment. Directors from the head office and other directors acting as division chiefs come to these meetings to discuss and examine measures and policies directly related to the Company's businesses from various perspectives.

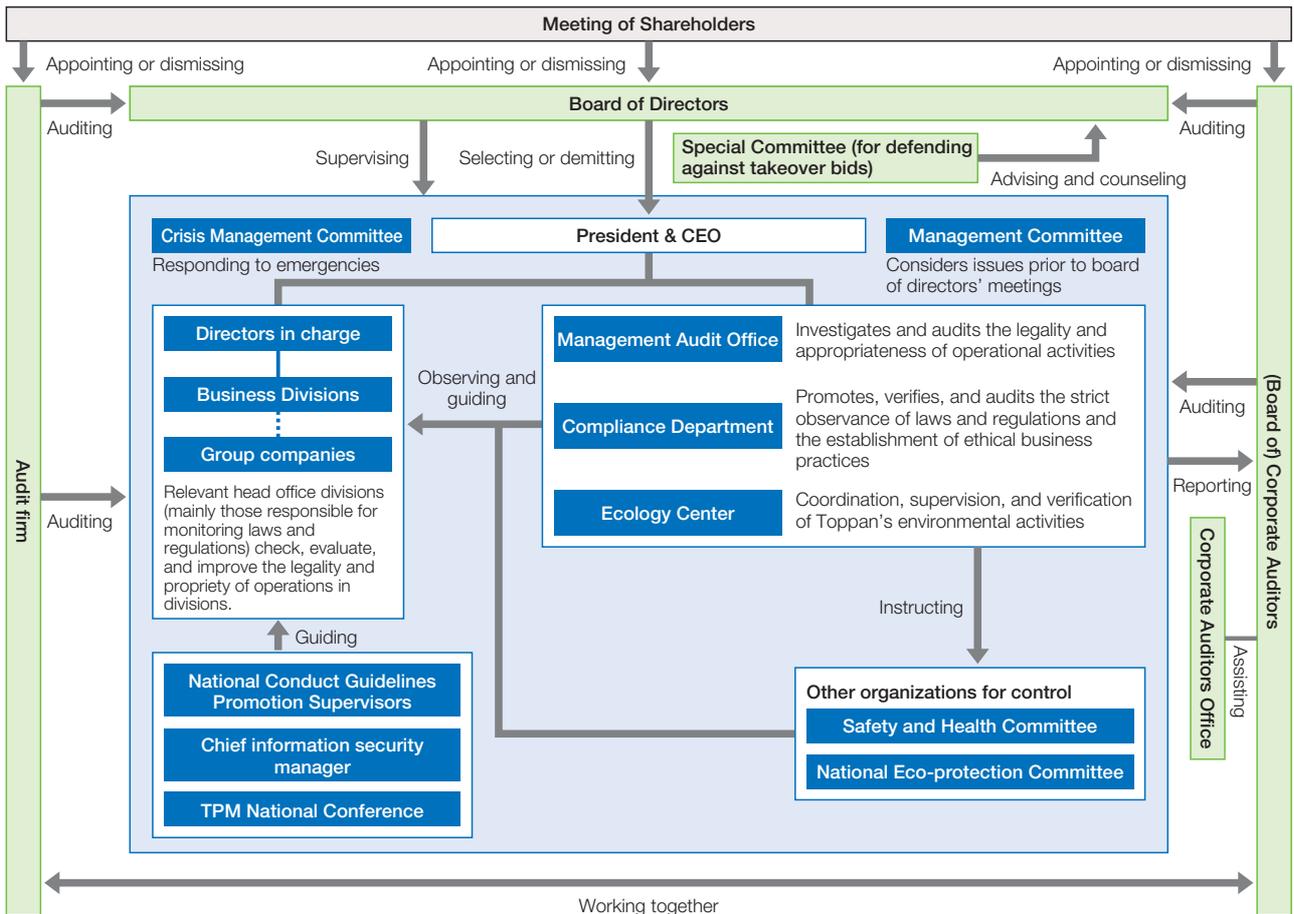
Corporate Auditors, Board of Corporate Auditors, and Audit Firm

Three of the five corporate auditors are external (as of the end of March 2009). The corporate auditors regularly hold board meetings, attend meetings of the Board of Directors and Management

Committee, and carry out audits for operational sites. They audit and advise the Company from a preventive perspective to ensure the legality and effectiveness of the operations of the directors and departments and smooth and appropriate corporate management in line with company policies and regulations.

Toppan strives to audit effectively through the cooperative efforts of the Board of Corporate Auditors, the audit firm KPMG AZSA & Co., and internal audit-related departments in the Company (notably, the Management Audit Office). The Board of Corporate Auditors of the Toppan Group also regularly meets to improve the effectiveness of the audits by the corporate auditors on a Group-wide basis. Toppan has had KPMG AZSA verify the propriety of the

Toppan's Corporate Governance Structure



Company's accounts through audits to enhance the reliability and transparency of the Company's financial information.

Remuneration to Directors and Corporate Auditors

Remuneration to directors is determined at the Board of Directors by the endorsement of the Meeting of Shareholders. The amounts remunerated are set based on considerations of the performance, responsible roles, and fulfillment of the operational targets of each director. In fiscal 2008, the total annual remuneration to directors was 1,207 million yen* and the total annual remuneration to corporate auditors was 108 million yen.

*Including the remuneration paid to three directors who worked at the Company on April 1, 2008 and retired after the completion of the ordinary general meeting of shareholders in June 2008.

Strengthening Audit Functions

The Management Audit Office established independently from the operating departments fairly and objectively audits all of the corporate management systems and business operations from the viewpoints of legality and rationality.

The office provides feedback to the

relevant departments on the problems pointed out by the audits, proposes measures for improvement when necessary, and reports the audit results to the President & CEO, directors in charge of relevant departments, and the corporate auditors whenever necessary.

In fiscal 2008, the office conducted operational evaluations of internal control for all of Company divisions and subsidiaries around the world. It also carried out regular management audits and operation audits for nine departments.

The Compliance Department in the Legal Affairs Division spearheads the Company's initiatives to ensure the strict observance of laws and regulations and to firmly establish ethical business practices. The department facilitates the complete awareness of the Conduct Guidelines and organizes employee education on compliance with existing laws and regulations. It also implements internal audits on information security (→PP. 26–29).

The Ecology Center in the Corporate Manufacturing, Technology & Research Division supervises the Company's environmental activities by conducting internal audits at each operational site and

monitoring the progress of improvements (→P. 52).

Risk Management Structure

Toppan manages risk comprehensively to avoid risk and minimize the losses incurred when events at risk occur.

The Rules on Risk Management have been established to resolve matters regarding risk avoidance and the minimization of loss when an event at risk occurs. In accordance with these rules, the Company has set up a risk management structure under which the responsibilities for risk management are allotted to specific divisions in the head office based on the types of risk involved. Under this structure, the directors in charge of each relevant division are responsible for taking measures to prevent, avoid, and correct each type of risk. Toppan reviews risks to be managed once a year and examines countermeasures to be taken in line with the rules. The Company also holds a regular Risk Management Liaison Meeting for the persons in charge of risk management in the head office divisions to share information on a continuous basis and respond to risk practically.

Risk to Be Managed and the Relevant Head Office Divisions in Charge

	Risk to Be Managed	Division in Charge
Accidents involving products or product liability	Accidents or complaints related to products	Corporate Manufacturing, Technology & Research
	Accidents related to main systems	Business System
Accidents or disasters related to company operations	Occupational accidents, traffic accidents, and other accidents involving employees	Personnel & Labor Relations
	Incidents related to notes or accounts receivable	Finance & Accounting
	Legal problems with orders received	Legal Affairs
	Leakage of personal information or internal confidential information	Legal Affairs
	Accidents or disasters related to fires or explosions	Corporate Manufacturing, Technology & Research
	Illegal activity related to the storage of solvents, management of dangerous chemicals, etc.	Corporate Manufacturing, Technology & Research
Defamation, slander, and other criminal damages	Damage to the company's internal computer system due to cyber terrorism, illegal access or use of company information, and leakage of personal information or internal information	Business System
	Crimes against the company (threats, kidnapping, robbery)	Personnel & Labor Relations
Relationship with antisocial organizations	Unreasonable demands from antisocial organizations, transactions conducted between business partners and antisocial organizations	Legal Affairs
Natural disasters	Material losses or personal accidents suffered by customers or the company due to earthquakes, wind or water damage, lightning, etc.	Personnel & Labor Relations
Risk in business management	Shareholder derivative lawsuits, hostile takeovers	Legal Affairs
Unlawful activities related to external contracts	Violations of the Subcontract Law of Japan, illegal transactions with business partners	Corporate Manufacturing, Technology & Research
Infringement of intellectual property	Infringements of patents, trademarks, copyrights	Legal Affairs
Environmental problems	Violations of environmental laws or standards, illegal disposal of industrial waste	Corporate Manufacturing, Technology & Research
Risk in overseas business activities	Product accidents, environmental problems, fires or natural disasters, damage to human or physical resources caused by international conflicts or terrorism, etc.	Corporate Planning

Compliance Promotion Activities

The Toppan Group thoroughly implements its Conduct Guidelines to ensure full compliance with laws, regulations, and corporate ethics at all times.

Disseminating the Conduct Guidelines

The Conduct Guidelines consist of seven Basic Principles and 43 Specific Conduct Guidelines (→P. 30) to express the behavioral norms by which every employee at the Toppan Group complies with laws, regulations, and corporate ethics.

Conduct Guidelines Promotion Leaders

Toppan has introduced a Conduct Guidelines Promotion Leader system to disseminate the Conduct Guidelines in the workplace and ensure full compliance with the guidelines. Under this system, a team of Conduct Guidelines Promotion Supervisors (the “Supervisors”) and Leaders (the “Leaders”) has been deployed in all operational sites, including the Group production companies. In total, 626 Leaders are now operating across Japan. A cumulative total of 2,445 employees have worked as Leaders since the commencement of the system in 2004. In keeping with the principle of one-year terms, Toppan reelected Leaders in fiscal 2008 to ensure that more employees would have the opportunity to serve as Leaders. Most of newly

elected Leaders were department supervisors. While the current ratio of female Leaders is 4.3% (27 Leaders), the Company will maintain its assertive efforts to increase this rate with the aim of fostering more female Leaders.

From fiscal 2008, the system has been implemented throughout all Group companies in Japan, with semiannual specialist training sessions for Leaders held jointly with the Group companies.

Dissemination Activities by Conduct Guidelines Promotion Leaders

The Leaders have formulated an optimal dissemination plan and devoted themselves to develop activities based on the plan. In setting the plan, they have tailored the details to business operations, staff compositions, and working environments at their relevant workplaces.

The National Meeting of Conduct Guidelines Promotion Supervisors is held each October to share and discuss the various outstanding dissemination activities in the operational sites across Japan.

Using Tools to Promote the Conduct Guidelines

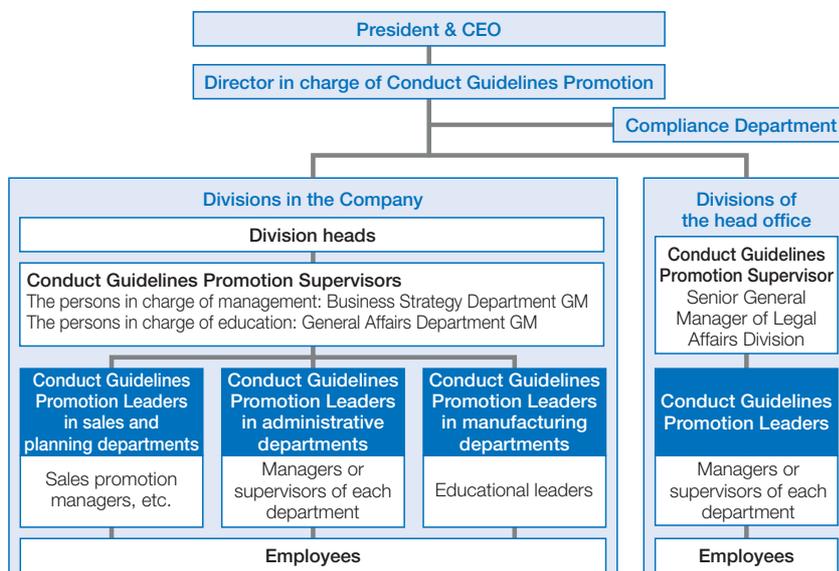
Toppan gives every employee a *Conduct*

Guidelines Casebook, a Q&A style casebook describing actual situations that can arise in daily work. The Leaders use the casebook to disseminate information and the Company uses it to provide rank-based education on compliance.

The Conduct Guideline Notifications posted on the Company intranet heighten employee awareness on the latest important issues to do with conduct in the workplace. The notifications issued in fiscal 2008 provided news and information on topics such as insider trading, transactions under the Sub-contract Law of Japan, information leakages, collusion and cartel, driving under the influence of alcohol, and the use of illegal drugs.

In fiscal 2008, Toppan also prepared a *Conduct Guideline Handbook*, a collection of actual cases to illustrate the seven Basic Principles of the Conduct Guidelines in a brief, easy-to-understand style. From fiscal 2009, the Leaders at the workplaces will begin to use this handbook as a tool for directing pervasive measures for the stimulation of a deepened understanding of the guidelines among all Company employees.

Structure to Promote the Conduct Guidelines



Training for the Conduct Guidelines Promotion Leaders



Conduct Guidelines Casebook (left) and Conduct Guideline Handbook (both in Japanese)

Operating the Toppan Helpline

The Toppan Helpline, the Company's internal reporting system established in 2003, complies with the Whistleblower Protection Act enforced in Japan from April 2006. When a legal violation or injustice is discovered, it is to be reported to superiors for deliberation. When an employee's superiors fail to settle a problem, the employee is encouraged to call the Helpline to report the matter with his or her real name. In fiscal 2008, the Helpline was renamed the Toppan Group Helpline and expanded to cover all Group companies. It is kept open for use by all directors and employees of the Group, including temporary staff and part-time workers.

In fiscal 2008, the Helpline was used in four cases involving power harassment, the improper use of company expenses, and other inappropriate actions. All four cases were strictly investigated and properly handled to prevent recurrence.

Promoting Compliance in Overseas Group Companies

To promote compliance in overseas Group companies, the Toppan Group introduced Conduct Guidelines for subsidiaries in Beijing and Shanghai in fiscal 2006 and in Taiwan in fiscal 2007.

In fiscal 2008, the Group introduced Conduct Guidelines for subsidiaries in Thailand and Indonesia and launched initiatives to disseminate the guidelines. The Eastern Asian subsidiaries organized specialist training for the Conduct Guidelines Promotion Leaders to further facilitate the guidelines.

Compliance Education

Toppan has held specialist training series for Conduct Guidelines Promotion Leaders for several years. Two of the series were held in Japan in fiscal 2008. In the first, 655 Leaders were trained in 31 sessions across the country, from August to October 2008. In the second, 561 Leaders were trained in 27 sessions, from February to March 2009.

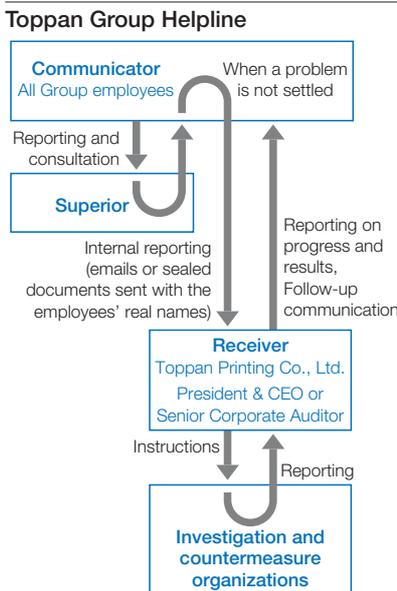
Toppan also implemented an ongoing series of compliance education in rank-based training sessions for new employees and newly appointed supervisors and managerial staff.

Education on Compliance with the Subcontract Law of Japan

To attain full compliance with the relevant laws and regulations in transactions with subcontractors, Toppan held 30 educational and verification sessions on compliance with the Subcontract Law throughout Japan in fiscal 2008. The sessions were conducted mainly for the production management departments and planning and sales promotion departments. About 2,400 employees took part.

Briefing on Compliance

In fiscal 2008, Toppan was not involved in any violations of laws or regulations with major impacts on society. The Company received no criminal punishments, administrative penalties, or administrative guidance.



Training for the Conduct Guidelines Promotion Leaders in China



Tools for promoting the Conduct Guidelines used in Thailand and Indonesia

Information Risk Management

To secure customer trust and assurance:

The Company has striven to prevent any form of information leakage, from unauthorized data extraction to human error.

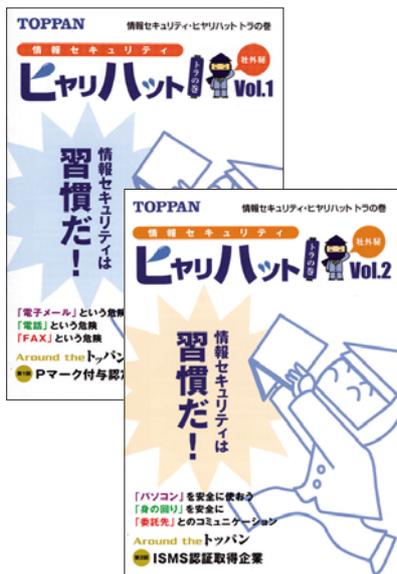
Preventing Unauthorized Information Extraction and Human Error

As a company operating in the information communication industry, Toppan handles a great deal of personal information and other types of data entrusted by customers. Ensuring information security and preventing information leakage are vital to the advancement of Toppan's businesses.

In May 2008, the Company rechecked all the areas under tight security designated for the handling of personal information and reviewed the risk levels and management measures in each area.

Toppan also reviews its in-house rules on the handling of printed securities materials and confidential operations to standardize them whenever needed.

To minimize human errors and other operational mishaps at the workplace, Toppan issued *Close Calls on the Job, Vol. 1* and *Vol. 2*, in-house booklets describing problems that can potentially result from operational mishaps. The goal is to facilitate a thorough awareness of the rules to be observed by employees in daily operations.



Close Calls on the Job, Vol. 1 and Vol. 2
(in Japanese)

Reinforcing Management under ISO/IEC 27001 and Promoting ISO/IEC 27001 Certification

Following the full-scale revision of in-house rules and bylaws in fiscal 2007 based on ISO/IEC 27001, the global standard for information security management systems (ISMS), Toppan has comprehensively promoted certification acquisition for operations in sites in the Electronics field and in areas under tight security designated for the handling of personal information across the Company.

In fiscal 2008, three operations were newly certified and the boundaries of two operations were expanded.

Certified operational sites evaluate possible risks after sorting out all information assets, including intermediate products resulting from the information-handling processes. These sites then adopt countermeasures suitable for each risk level from among the management measures specified in the appendix of the ISO/IEC 27001 standard. The adopted measures are reviewed on a regular basis to support necessary and sufficient reinforcement.

ISO/IEC 27001 Certification

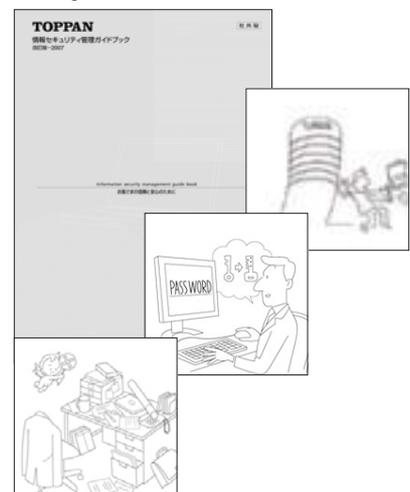
- **Information and Communication Division**
 - TOPICA (December 2001)
 - Asaka Securities Printing Plant, Toppan Communication Products Co., Ltd.—Information and Communication Manufacturing Subdivision (June 2006)
 - IT Development Department, Toppan Idea Center; Contents Division, Toppan Graphic Communications Co., Ltd. (July 2008)
 - Takino Securities Printing Plant, Toppan Communication Products Co., Ltd.—Information and Communication Manufacturing Subdivision (November 2008)
- **Electronics Division**
 - Photomask departments, Semiconductor Related Subdivision (January 2008)
- **Toppan Multisoft Ltd.**
 - Data Center (February 2008)
- **Mapion Co., Ltd.** (August 2008)

Strengthening Information Management Foundations through Human Asset Development

Toppan treats human asset development as its most crucial initiative for tightening information security management.

In fiscal 2008, the Company added a host of illustrations to its *Information Security Management Guidebook* to bolster information security management by all employees, including temporary staff. A total of 84 briefings on the revised guidebook were held across Japan, chiefly to inform employees of the familiar rules on management for the handling of manuscripts and artworks, regular password changes, and other routines. After the briefings, the employees were tested to assess their understanding of the rules.

Toppan fosters in-house proponents of information security by holding training sessions for employees who seek qualification to serve as internal assistant auditors responsible for auditing the ISMS. The sessions have been held three times a year since fiscal 2007 (in September, October, and December in fiscal 2008). Internally qualified employees are encouraged to acquire higher qualification as ISMS assistant auditors. There are now 91 ISMS-qualified staff working at Toppan, including applicants who have passed the training session.



Information Security Management Guidebook
(in Japanese)

■ Enhancing the Effectiveness of Internal Audits

In fiscal 2008, Toppan reviewed the internal audit mechanisms to maintain and improve its information management system on an ongoing basis. Based on this review, the Company established an internal audit system centering on the following four procedures.

Preliminary Survey of Actual Conditions for All Employees

Prior to internal audits, the Company surveyed the entire Toppan workforce (21,307 employees in total, including temporary staff) on the actual status of compliance with 46 familiar rules (e.g., the restriction against removing PCs from the workplace). The department trends clarified through survey results have been used as basic data for internal audits.

Directive Audits by the Head Office

The Information Security Management Promotion Committee conducted exhaustive questionnaires and onsite interviews with information security managers and

relevant staff in divisions. The whole process took one to two days per audit.

Internal Audits in Divisions

Each division conducted an advisory internal audit according to a standard checklist of 182 items for the 325 Company departments and the Group production companies.

Audits on the Processes for Handling Personal Information

The Company audited all of the processes for handling personal information. The audits were conducted from a quality-control perspective to impose the appropriate procedures for preventing information-related accidents.

■ Reinforcing Quality Control of Websites

Toppan installed a security-check tool on a test basis for constructing and operating risk-free websites. The tool proved to be effective for correcting glitches that went undetected by other means. In fiscal 2009, the Company will deploy the tool in full-scale operation.

■ Reinforcing Cooperation within the Group

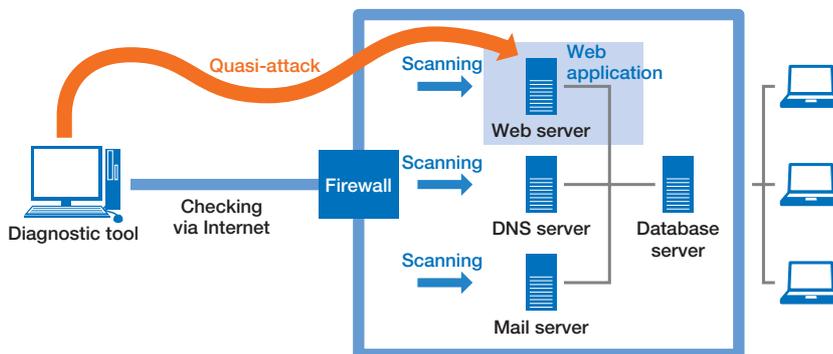
The Toppan Group holds a quarterly Information Security Promotion Meeting for Related Companies to reinforce the information management systems at domestic Group companies by checking the progress of the various measures in place. In fiscal 2008, Toppan held three ISMS introductory training sessions with internal lecturers and several sessions to individually respond to the demands from Group companies.

■ Participating in the Rating Business

I. S. Rating Co., Ltd., a rating company specialized in information security in Japan, was founded in May 2008. Toppan participated as a member of the study group assigned to prepare for the foundation of this company from the very beginning. Toppan also underwent a trial review by the company in October 2008.

To honor the trust of customers, Toppan will strive to establish a more stringent, publicly laudable management system for the prevention of information-related accidents.

Security Level Checks for Web Applications



Activities in Fiscal 2008

- **Meetings of Information Security Managers:**
May 2008, February 2009
- **Regular meetings of the Information Security Management Promotion Committee:** weekly
- **Information Security Promotion Meetings for Related Companies:** April, July, and October 2008, January 2009
- **Various surveys**
 - Audit on the handling of personal information: from April 2008 to February 2009
 - Survey of actual conditions in Web-related businesses: quarterly; May, August, and November 2008, February 2009
 - Survey of actual conditions in all areas under tight security: May 2008
 - Report on the results of monitoring of all areas under tight security: monthly
- **Education**
 - Regular training for information security: from July to October 2008
 - Internal auditor training: from September to October 2008
 - Training for personnel handling Web-related businesses: from September to October 2008
 - Training for ISMS internal auditor qualification: September, October, and December 2008
- **Issuance of Close Calls on the Job booklets:**
October 2008, April 2009
- **Other**
 - Undergoing a review via a trial version of the indication evaluation organized by a rating company specialized in information security: October 2008

Conduct Guidelines and Information Management Policy

Conduct Guidelines

Chapter 1: Basic Principles

1. Respecting basic human rights

We will act in a way that our individual talents and abilities can be demonstrated to their maximum potential based on the concept of respect for people. We will respect basic human rights and in every regard work to ensure the dignity of individuals.

2. Maintaining public order and standards of decency

We will always be aware of our involvement with society, act with good sense, and never act in a way that disturbs public order or that defies common sense. We will sufficiently consider the effects of our operations on society and not act in a way that goes against public order and standards of decency.

3. Complying with laws and ethics

We will conduct ourselves in a way that complies with the laws and ethics in society. We will comply with overseas and domestic laws, regulations, commercial practices, government notifications, and operational and industrial standards applicable to our corporate endeavors. Compliance with these laws and regulations forms the minimum standard of society's rules and we will uphold them without fail. In addition, we will act with a high sense of ethical and moral awareness in carrying out our operations. Even in situations when legal issues do not arise, we still cannot allow humanitarian, moral, or ethical problems to develop.

4. Conducting fair business operations

We will conduct all foreign and domestic operations in a fair manner. As an upstanding corporate citizen, we will be aware of our social responsibilities and carry out sound operations that will not damage our reputation in society.

5. Striving to improve quality

With regards to the "dedicated products" that we provide to customers, we will strive to improve quality based on the concept of "Total Quality Assurance," not just in the direct manufacturing and quality management sections but throughout the entire Company, including sections related to sales, research, and administration.

6. Appropriate management and disclosure of information

Fully recognizing the importance of information, all employees will undertake its appropriate management. Even if it affects us adversely, we will not conceal information but actively undertake its appropriate disclosure and increase the transparency of our operations.

7. Environmental and safety considerations

We will carry out operations in harmony with the global environment. We will protect the precious environment bequeathed to us by nature and perform corporate operations that strive for reduced use of limited resources and facilitate recycling.

Furthermore, we will conduct safe production activities, ensure product safety, and aim to facilitate a healthy and secure society to live in.

Chapter 2: Specific Conduct Guidelines

Section 1: Building customer trust

1. Doing our best for the customer
2. Maintaining customer trust
3. Appropriate management of customer property
4. Protecting information about customers
5. Appropriate handling of personal information
6. Protecting confidential corporate information

Section 2: Reforming operations

1. Complying with international rules and respecting the culture and commercial practices of overseas countries
2. Striving to improve knowledge, skills, and technology
3. Fulfillment of work responsibilities
4. Securing and utilizing intellectual property
5. Respecting the rights and interests of others
6. Striving to improve the current situation and targeting new possibilities

Section 3: Fulfilling corporate responsibilities

1. Compliance with antitrust laws
2. Prohibition of unlawful practices in dealings with support companies
3. Prohibition of unlawful acts against corporate competitors
4. Prohibition of receipt or provision for personal gain or rebate
5. Prohibition of bribery
6. Prohibition of inappropriate entertainment practices
7. Prohibition of illegal political contributions and donations
8. Prohibition of providing unjust benefits
9. Prohibition of support for antisocial activities
10. Prohibition of insider trading
11. Prohibition of unlawful import and export transactions
12. Prohibition of child labor and forced labor
13. Curtailment and reduction of environmental impact
14. Promotion of environmentally friendly activities

Section 4: Creating a positive work environment

1. Striving for a lively and vibrant workplace
2. Striving for a safe and clean workplace
3. Following Company rules
4. Protecting corporate property
5. Avoiding conflicts of corporate interests
6. Prevention of discriminatory practices
7. Prevention of sexual harassment and power harassment
8. Prohibition of private activities
9. Appropriate use of the Internet
10. Appropriate management of information and records
11. Prevention of tacit approval, false reporting, and concealment of illegal conduct
12. Prevention of retaliation against a person who reports misconduct

Section 5: Developing the Toppan Group

1. Taking pride in the Toppan brand
2. Developing the Toppan brand
3. Strengthening cooperation between Group companies
4. Appropriate disclosure of information
5. Promoting communication with shareholders and investors

Established in June 2000 Revised in April 2006

Information Management Policy

1. Employees shall comply with all internal rules on information management and manage information appropriately in full observance of the law and social order.
2. Employees shall collect information for appropriate purposes using appropriate methods.
3. Employees shall recognize the value of information as an asset and use information safely and efficiently for the stated purpose of use.
4. Employees shall safely manage information handled on behalf of customers to secure customer trust.
5. To ensure the appropriate management of information at all times, the Company and its employees shall improve its information management system based on periodic reviews of social circumstances, technology trends, and the latest revisions in information systems.

Established on April 1, 2001

Social Report

For Customers

Assuring Product Safety and Quality — 32

Providing Products and
Services to Help Solve Social Issues — 34

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With Communities

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Realizing a Safe and Secure Working
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Developing and Fostering Human Assets — 48

With Shareholders and Investors

Increasing Transparency and
Distributing Profits Appropriately — 50

Assuring Product Safety and Quality

Toppan ensures the safety and quality of every product through a commitment to Total Quality Assurance in every process.

Total Quality Assurance

Every customer who has a product manufactured at a Toppan plant prescribes a precise specification, and every specification requires a separate approach to quality assurance.

To build a product of satisfactory quality for a customer, Toppan must have more than just an accurate grasp of its customer's needs. The Company must know the unspoken demands that even the customer cannot see. Once all of the needs and demands are known, the Company must incorporate them seamlessly into the design of the final product.

Quality assurance for products at Toppan is a concern for every department, not only the departments directly responsible for production. The departments involved in marketing, R&D, planning, design, sales, and delivery all contribute to absolute quality. This is why Toppan describes quality assurance in production as a total activity ("Total Quality Assurance") with top priority for business management.

Assuring Product Safety and Quality

The following departments take com-

prehensive activities throughout the processes to deliver wholly safe products that meet the specified requirements.

Activities in the Sales and Planning Departments

As active contributors to every process, from the submission of product plans to final delivery, the sales and planning departments at Toppan keep the relevant departments informed of the exact customer requirements in terms of quality, cost, and delivery (QCD). Their participation and guidance redoubles the assurance of high quality.

The 10 Toppan textbooks for sales departments cover a wide range of topics necessary for the creation of safe products in compliance with the Product Liability (PL) Law of Japan. Every sales department in every division uses the textbooks for employee education and case studies.

Activities in the R&D Departments

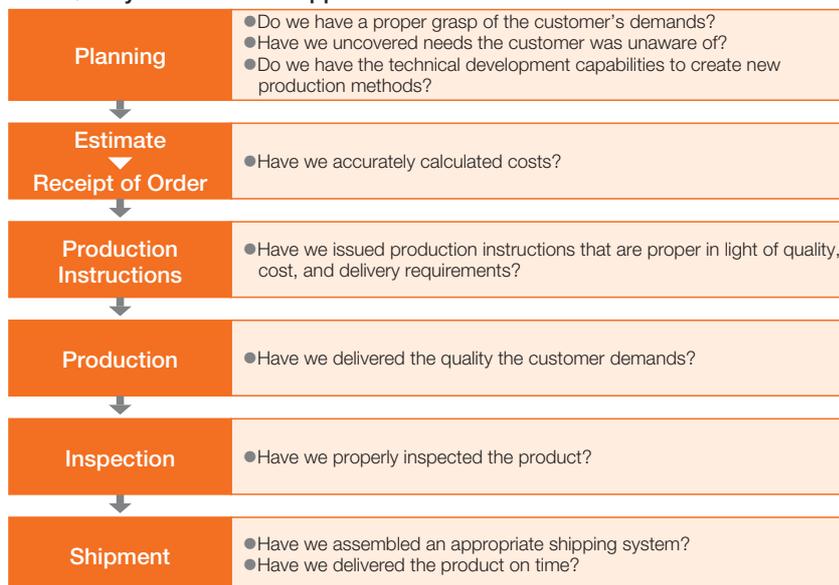
The Technical Research Institute has established guidelines on research results for the development of products in consideration of safety and the environment. Based on these guidelines, the institute

researches and develops safe products in accordance with related laws and regulations, including the PL Law. The product safety considerations cover all R&D processes, from the first stages of research up to the design reviews for the commercialization of the research results.

Activities in the Technology and Production Departments

Toppan has established a unique quality assurance system in the technology and production departments responsible for manufacturing products that meet the quality requirements of customers. Once the technology departments define the ideal production conditions, the production departments refine the conditions towards the complete elimination of production defects through Total Productive Maintenance (TPM) and other management techniques. Finally, the Company standardizes the refined production conditions as rules to be maintained under the ISO 9001 quality management system (QMS) and audits the departments to confirm that the rules are enforced throughout the Company.

Total Quality Assurance in Toppan's Business Activities



Quality Assurance for Intellectual Property

Quality assurance for intellectual property is a crucial matter for Toppan, an enterprise that works with creativity and inventive ideas in all business processes, from planning to shipment, in every department.

Toppan is eager to file patents to protect its intellectual properties, especially the technologies and business models the Company derives from its most ingenious, inventive concepts. At the same time, the Company takes careful steps to avoid any infringement of the copyrights, trademarks, and other intellectual property rights held by other companies. This is essential to protect customer companies from the risk of trouble or inconvenience in the course of business.

As one measure to avoid unintended infringements, the planning departments instruct employees and business partners on copyrights and explain actual cases.

Improving the Effectiveness of QMS through Audits and Expansions in the Boundary of ISO 9001

One operational site acquired the ISO 9001 certification in fiscal 2008, bringing the total number of certified sites at Toppan to 39. Once the operational sites are certified, external auditors revisit the sites for routine surveillance audits once a year and reassessments for renewal once every three years. To confirm whether ISO 9001 is appropriately and effectively put into practice, the head office carried out 35 audits at 31 operational sites, in addition to the routine internal audits carried out at all Toppan sites, in fiscal 2008. In addition, 24 internal auditor training sessions were held to improve the quality of the internal audits. These activities continue to improve the effectiveness of Toppan's quality management system.

The latest information on ISO certification is available at <http://www.toppan.co.jp/english/csr/iso.html>.

Adopting a Certified Approval System for Manufacturing in Food-related Businesses

The head office audits primarily seek to verify whether the points improved through TPM activities and defect prevention measures are properly standardized as rules, whether the standardized rules are accurately observed, and whether there are possibilities for further improvement.

In food filling and packaging, a business that requires exacting quality assurance for safety and sanitation, the audits cover not only in-house plants, but all operational sites, including those of partner companies. Toppan has adopted a certified approval system to ensure that operational sites can manufacture only after receiving the required ratings based on audit results.

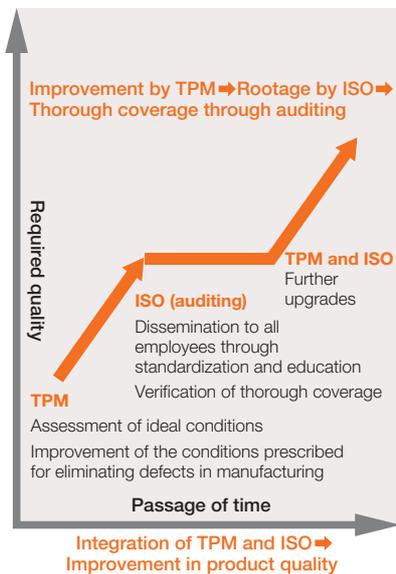
In fiscal 2008, the Packaging Division continued to collaborate with the head office in a series of audits to verify that all operational sites had responsible quality assurance practices in place.

Managing Chemical Substances in Products

Manufacturers all around the world are pressed to more strictly manage the chemical substances contained in their products. In fiscal 2006, Toppan established a set of guidelines and began reviewing in-house quality assurance rules and systems for the management of chemical substances in products. In fiscal 2007, the Company conducted internal audits on chemical substance management mainly at plants in the Electronics and Living Environment fields.

Since fiscal 2008, all of the plants at Toppan have been incorporating chemical substance management systems into their quality or environmental management systems. Every division forms its own plan to integrate the systems based on the specific requirements for its products and customers. The Company will advance the integration process to enhance the effectiveness of chemical substance management in fiscal 2009.

Quality Assurance Cycle in Manufacturing Departments



Audits on Food Container and Filling/Packing Business

Audit Points

- Agreement with customers
- Quality assurance system
- Management of equipment and inspection devices
- Management of safety and sanitation
- Steps to prevent the admixture of different products
- Steps to prevent the admixture of foreign substances
- Steps to prevent the outflow of defective products
- Steps to prevent contamination
- Traceability
- Security
- Education and training
- Maintenance of systems and frameworks

Operational Sites Audited

- Food containers
- 9 operational sites at divisions and production subsidiaries
- Filling/packing business
- 5 operational sites at production subsidiaries
 - 17 operational sites at production business partners

Complying with the Revised Consumer Product Safety Law of Japan

Toppan established a basic stance and guidelines on product safety management and disseminated them among employees to prepare for the enforcement of the Product Liability (PL) Law of Japan. To accommodate the revisions of the Consumer Product Safety Law in Japan in May 2007, the Company reviewed its stance and guidelines for reinforced product safety management as a step to complete its internal control.

In fiscal 2008, the head office informed every division of the details of the revision, provided instructions, and ensured that product safety management met the requirements of quality assurance in conformity with ISO 9001.

Providing Products and Services to Help Solve Social Issues

Toppan uses the various technologies it has acquired in printing to develop products and services responsive to social issues and needs.

Developing Technologies to Help Solve Social Issues

The Technical Research Institute plays a central role in exploring untapped areas of science by thinking freely and pushing forward with R&D projects on new products designed to respond to the anticipated needs of the future market. Product development efforts at Toppan are guided by analysis to grasp the latest trends in the market and customers. The Company has developed a good number of high-performance, systemized products with enhanced environmental benefits and high added value.

In the field of production technology, the Company seeks to improve quality, shorten lead times, and reduce costs by automating lines, saving labor and energy, and modifying processes for production.

Next-generation Products Developed by Technologies Derived from Printing

Advances in technologies—surface-treatment technology, microfabrication technology based on prepress technology, and technologies acquired in printing—have led to the development of

next-generation products such as full-color organic Electro Luminescent (EL) displays, medical chips for analysis, and components for fuel cells.

Industry-Government-Academia Alliance

Toppan closely collaborates with various external research institutes in technological development in Japan. In addition to engaging in national collaborative projects (including contract research sponsored by the New Energy and Industrial Technology Development Organization), Toppan researchers collaborate with many universities (including the University of Tokyo, the Tokyo Institute of Technology, and Tohoku University).

Toppan is also an active participant in technical cooperation projects with companies around the world to develop products, systems, and services that address social needs and help solve broader social issues in various fields.

Developing Product Components for Reduced Carbon Dioxide Emissions

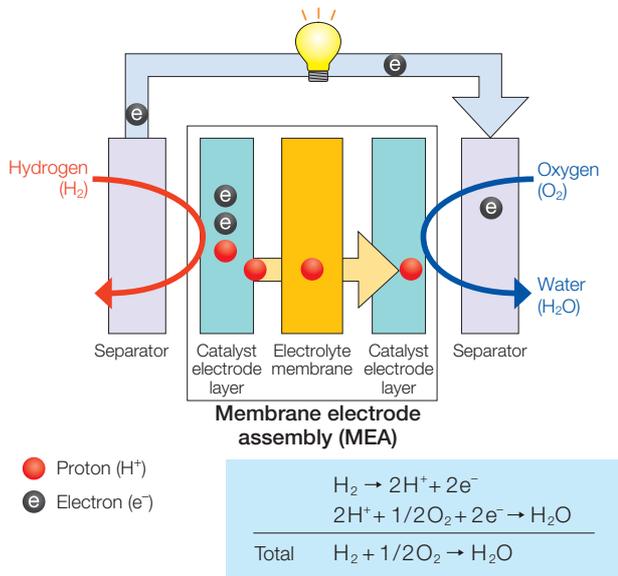
By combining technologies for large-area microfabrication and surface treatment, Toppan is making progress in the development of components for fuel cells and other products that contribute to the reduction of CO₂ emissions.

Membrane Electrode Assembly (MEA) for the Fuel Cell

A fuel cell generates electricity through a reaction between hydrogen and oxygen. Two features of this generating system make the fuel cell an ideal source of next-generation energy with low environmental burden: the reaction generates power more efficiently than existing generating systems, and it emits no CO₂ whatsoever during power generation. The only by-product discharged is water.

Toppan is developing a membrane electrode assembly (MEA) and a separator, two core components of fuel cells. The MEA consists of a catalyst layer and electrolyte membrane for optimal power-generation efficiency and durability. The fuel cell system requires a smooth flow

Membrane Electrode Assembly (MEA) for the Fuel Cell



Membrane electrode assembly (the sheet shown at the center of the photo)

of hydrogen, oxygen, electrons, and water in the catalyst layer to increase the power-generation efficiency. Toppan is working to obtain this ideal MEA condition with proprietary inking, coating, and laminating technologies.

In fiscal 2008, Toppan made some headway in upgrading the performance of a non-platinum catalyst used in the inking process. In fiscal 2009, the Company will continue to develop a new material for fuel cells as a participant in projects run jointly by industry, government, and academia. It will also seek to build up low-cost and high-efficiency production technologies by further refining its own coating and laminating technologies.

Toppan will explore possible new applications for fuel cells in renewed relationships with automakers and the manufacturers of fixed fuel cells.

Challenges in Universal Design

As Toppan sees it, universal design (UD) is a corporate social responsibility for every company in the information communication industry. Toppan strives to create fulfilling lifestyles by creating and building products and services customized to users in the various theaters of communication between client companies and their own customers.

Deepening the Awareness of UD in Society

The Comfortable Design Exhibit and Universal Design in Printing Exhibit were held at the Toppan Koishikawa Building in Tokyo to encourage shared thinking and deeper awareness about UD for Toppan and its customers. The exhibits introduced strategic UD concepts and a wide variety of UD practices.

UD Efforts at Toppan Departments

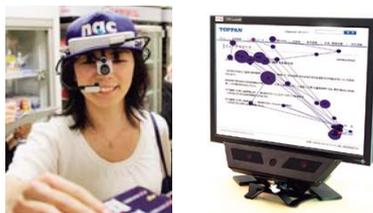
Toppan researchers, mainly from the packaging departments, began studying the color perception of the elderly in 1998. A decade later, in fiscal 2008, the Company took out a patent on the color

conversion device, a technology jointly developed with Katsunori Okajima (Associate Professor, Yokohama National University in Japan), an expert in vision science. Toppan continues to develop easily recognizable designs for the elderly and people with weakness in color perception.

The Company concentrates intensive resources on the development of products and services from consumer viewpoints based on the results of user surveys on the various environments in which its products and services are expected to be used. The packaging departments are pressing ahead with their projects to plan and develop more intuitive packaging materials with enhanced user friendliness. Departments in the Information & Networks field, meanwhile, are gearing up their work to plan and develop pamphlets that are easier to read, search, and understand for readers. As more of these pamphlets are produced, more orders come in. These efforts will be continued in the future.



UD paper containers



Eye-tracking camera for analyzing consumer gaze behavior



UD flexible packaging materials and plastic containers

Establishing a Trusted Supply Chain

Under its CSR Procurement Guidelines, the Toppan Group implements CSR initiatives throughout the entire supply chain in collaboration with business partners.

■ Promoting CSR Procurement

The Toppan Group has established a set of CSR Procurement Guidelines to promote CSR procurement in collaboration with business partners involved in the provision of raw materials and equipment and the production and processing of products for the Group.

These guidelines consist of the Basic Procurement Policy and the CSR Procurement Standards. The Basic Procurement Policy is a conceptual framework to be closely observed by every employee involved in procurement operations. The policy states the following six principles.

- Fairness and propriety
- Compliance
- Information security
- Environmental consideration
- Pursuit of quality, cost, and delivery (QCD)
- Promotion and development of CSR

To deepen employee understanding of the Basic Procurement Policy, the Group incorporates the Conduct Guidelines, the Purchasing Rules, and the Sub-contract Law Compliance Manual in education and training.

The CSR Procurement Standards stipulate the requirements to be satisfied by every business partner. At the same time, all employees in the Toppan Group are required to adhere to the standards. In collaborating with business partners, the Group implements CSR initiatives throughout the entire supply chain with the aim of corporate value enhancement for every counterpart.

■ Boundary and Breadth of the CSR Procurement Standards

The CSR Procurement Standards require the close consideration of basic human rights, public order, information management, the environment, QCD, and social contributions in the course of all business activities at the Toppan Group. The 20 standards categorized into the eight separate areas covered by the CSR Procurement Standards conform with Toppan's Conduct Guidelines and the CSR terms established by the Japan Electronics and Information Technology Industries Association (JEITA). The Group asks its business partners not only to seek cost performance, but also to pay attention to soci-

ety and the environment.

As a basis for business, the Toppan Group recognizes that every business partner must have a full understanding of the purposes of CSR procurement at the Group, must comply fully with the Group's CSR Procurement Standards when dealing with Toppan or Group companies, and must fully cooperate in the implementation of CSR initiatives. The business partners of the Group include raw material manufacturers, trading companies, sales agencies, companies entrusted with production and processing, companies specialized in planning and design, and providers of services and labor.

■ Complying with the CSR Procurement Standards and Advancing CSR Initiatives Interactively

The boundary of business partners asked to cooperate with the efforts of the Toppan Group to advance CSR procurement was expanded to include planning and designing companies in fiscal 2008. In total, 902 companies participated in the briefing on the Group's CSR initiatives.

Toppan Group CSR Procurement Guidelines (revised from the Procurement Guidelines in May 2007)

Basic Procurement Policy

- We impartially offer opportunities to all suppliers.
- We comply with all domestic and overseas legislation and perform fair business dealings based on corporate ethics.
- We strictly control the information obtained through our procurement activities.

- We give full consideration to impacts on the environment.
- We pursue QCD (Quality, Cost, Delivery) in order to meet the needs of the market.
- We implement CSR initiatives throughout the entire supply chain.

CSR Procurement Standards

1. Basic human rights
 - (1) The company respects basic human rights.
 - (2) The company does not carry out unjust discrimination in the treatment and employment of employees.
2. Public order, compliance with laws, fair business activities
 - (3) The company does not carry out inappropriate profit sharing or receipts.
 - (4) The company does not have dealings with any antisocial individual or group.
 - (5) The company complies with laws, regulations, and government notices applicable to business activities, such as company laws, antitrust laws, subcontracting laws, labor-related legislation, and environment-related legislation.
 - (6) The company complies with laws protecting those who disclose information in the public interest, and it protects the rights of those who report internally.
 - (7) The company complies with legislation related to exports and with the laws of the countries and regions in which it operates.
 - (8) The company does not allow child labor or forced labor.
 - (9) The company does not infringe intellectual property rights such as patents, copyrights, and trademarks.
3. Management and disclosure of information
 - (10) The company carries out appropriate management of confidential information and personal information obtained through its dealings.
4. The environment and safety
 - (11) The company strives to make timely and appropriate disclosure of information relating to matters such as the details of business activities, quality, and product safety.
 - (12) The company strives to use raw materials and components with a low impact on the environment.
 - (13) The company strives to devise processes with a low impact on the environment for manufacturing and processing.
 - (14) The company carries out appropriate management of chemical substances specified by Toppan.
 - (15) The company carries out appropriate disposal of industrial waste.
 - (16) The company strives to prevent work-related accidents and create a safe and clean workplace, and also works to ensure the safety of employees in an emergency.
5. Improving quality
 - (17) The company meets the standards for quality required by Toppan and strives to improve quality.
6. Appropriate pricing
 - (18) The company provides products or services at a price that is competitive in the market.
7. Stable supply
 - (19) The company meets stipulated delivery dates and supplies items safely and reliably.
8. Social contributions
 - (20) The company engages in contributions to society.

The business partners willing to observe the Group's rules of CSR procurement submit a memorandum of cooperation and report the current status of their CSR activities in a questionnaire.

The Toppan Group collects and analyzes questionnaire results and provides feedback evaluations to the relevant business partners whenever necessary.

The Group has also begun to visit business partners to conduct onsite checks and exchange views on CSR initiatives based on the results of its evaluations of the survey response forms. Through this approach, the Group seeks to enhance the level of CSR activities interactively with its business partners.

The Supplier Hotline, a portal for receiving reports from business partners, has been installed since July 1, 2009. The hotline serves as another channel for the steady improvement of communication with business partners.

The Group's CSR Procurement Guidelines are posted on the Toppan website, together with an email link for inquiries.

Assisting Business Partners in the Management of Chemical Substances

Among the CSR Procurement Standards in place, the standards governing the management of chemical substances harmful to humans are extremely important.

Toppan manages chemical substances in collaboration with business partners by establishing a set of Company-wide Standards for the Chemical Components of Raw Materials, based on the 24 groups of substances designated by the Japan Green Procurement Survey Standardization Initiative (JGPSSI).

Each of the common Company-wide standards is supplemented by separate standards set for businesses that require management systems for specific product types, such as electronic components, bank and credit cards, and packaging for food and medical supplies.

In fiscal 2008, Toppan established a management system based on its QMS in order to enhance the effectiveness of chemical substance management at its business partners.

Promoting Green Procurement and Green Purchasing

One important factor in building a sustainable society is to purchase environmentally friendly products preferentially. In conformance with the Green Standards for Offset Printing Services established by The Japan Federation of Printing Industries (JFPI), Toppan introduced a "green procurement" system in April 2002 and revised it in March 2006. In fiscal 2008, Toppan's conformance ratio for ink was 95.8%. For paper products, the Law on Promoting Green Purchasing of Japan and the Green Purchasing Network (GPN)'s purchasing standards in the Japanese market were revised in February and April 2009, respectively, to cope with the emergence of recycled paper products with fraudulent labeling on their used paper content. To keep up with these revisions, Toppan is considering how the Company should revise its in-house standards accordingly.

For its office operations, meanwhile, Toppan adopted a Basic Policy of Green Purchasing in January 1999. Under this basic policy, the Company selects products that meet in-house "green purchasing" standards and purchases them on an ongoing basis.

Green Purchasing Network (GPN)

A nationwide network founded in 1996 to promote green purchasing in Japan. As of March 11, 2009, the network comprised 2,929 organizations (2,393 companies, 264 government institutions, and 272 private organizations). The network announced its Purchasing Guidelines for Offset Printing Services (GPN-GL14) in December 2001.



Interview with a business partner



CSR Procurement Guidelines
<http://www.toppan.co.jp/english/csr/policy.html>

Cultural Contributions

Adhering to its identity “as a mainstay of information and culture” under the Corporate Philosophy, Toppan draws from its specialist knowledge in printing to operate cultural facilities and organize cultural activities.

■As a Mainstay of Information and Culture

Ever since its invention, printing has contributed to the development of culture and art through the conveyance of information. The information conveyed through printing can amaze and leave deep impressions. Activities to contribute to culture help Toppan live up to its identity “as a mainstay of information and culture” under the Corporate Philosophy.

The Toppan Hall and Printing Museum, the Company's main cultural facilities, are venues for a host of cultural activities sponsored and organized by Toppan. Both are annexed to the Toppan Koishikawa Building in Tokyo.

Group companies such as Tokyo Shoseki Co., Ltd. (a publisher of school textbooks) and froebel-kan co., Ltd. (a publisher of children's and picture books) have also been contributing culturally. Toppan is eager to contribute to the growth of not only the Group, but the printing industry as a whole.

■Activities to Contribute to Culture

Printing Museum

The Printing Museum, Tokyo pursues activities towards the establishment of a new academia, the study of printing culture, to cultivate learning on the cultural dimensions of printing itself. More than 260,000 people have visited the museum to date.

The public can visit the General Exhibition Zone in the Main Exhibition Room year round, as well as temporary exhibitions held several times annually. The museum also includes a Printing Workshop, VR (Virtual Reality) Theater, specialized library, and museum shop. A permanent installation in the General Exhibition Zone presents an easy-to-understand history of printing over a timeline spanning five ages, from the birth of printing to the present. The Printing Workshop, a space for education and training, has been used by over 150 institutions and organizations, including companies, technical colleges, and elementary schools.

The museum held two temporary exhibitions in the Main Exhibition Room in fiscal 2008: *1950s Japan: The Blossoming of the Graphic Designer* and *The Birth of a Million Seller: Magazines as media in the Meiji-Taisho era*.

soming of the Graphic Designer and *The Birth of a Million Seller: Magazines as media in the Meiji-Taisho era*.

1950s Japan: The Blossoming of the Graphic Designer featured 500 graphic design works and related production content for books, booklets, posters, newspaper and magazine advertisements, wrapping paper and packaging, and more. The exhibit attempted to trace the patterns of development of Japanese graphic design in the 1950s, a decade when the foundations of postwar design were being laid. *The Birth of a Million Seller: Magazines as media in the Meiji-Taisho era* traced the history of magazines in Japan over three periods. Visitors learned how magazines rapidly evolved as a medium to support the lifestyles of the general public.

The P&P Gallery adjacent to the Printing Museum presents temporary standalone exhibitions on themes mainly to do with printing techniques, designs, and books. Several exhibitions were organized in fiscal 2008, including *GRAPHIC TRIAL 2008; How Pop-Up Books are Created; Born in Bulgaria—Using the Cyrillic Alphabet in Posters;* and *World Book Design 2007–08*.



1950s Japan: The Blossoming of the Graphic Designer



The Birth of a Million Seller: Magazines as media in the Meiji-Taisho era

Local Community Activities Conducted by the Printing Museum

The Printing Museum engages in a broad range of community activities as a cultural facility operating in Bunkyo Ward, Tokyo. The museum is especially active in collaborative projects with local educational institutions.

Since its opening in 2000, the museum has supported a number of programs for extracurricular study, career experience education, and integrated learning by elementary and junior high school students in Bunkyo Ward. Its main effort in this area has been a collaborative learning project with Kanatomi Elementary School. The museum has organized various learning programs since the launch of the project in 2001. In fiscal 2008, it educated fourth- and fifth-graders on the history and mechanisms of printing. In October 2008, the school sent the museum a letter of appreciation to commemorate their eight years of collaborative activities.

In addition to supporting learning projects at schools, the museum has been contributing to lifelong learning programs for residents in Bunkyo Ward. Since 2007, it has held the Bunkyo Academic lecture series, a lifelong learning program for local residents hosted by Bunkyo Ward, in collaboration with the Bunkyo Academy Foundation. Four lectures on the theme of “Learning printing culture” were presented in fiscal 2008.



Bunkyo Academic lecture series

Toppan Hall

Toppan Hall is a 408-seat symphonic concert hall opened in 2000. Designed as a venue for a shared “moving of the heart,” the hall is known for the redolent, acoustical warmth of its wood materials.

Performances of many genres have been held at the hall, from recitals by world-famous musicians to *Lunchtime Concerts* (six times a year; admission free) and *Espoir series*, events held to discover and foster talented young musicians. Thirty-five concerts were organized in fiscal 2008, including special programs such as the publicly acclaimed *Song Series—Gedichte und Musik* and *Olivier Messiaen’s 100th Birth Anniversary Series—Messiaen: Quatuor pour la Fin du Temps*. Toppan Hall is also lent out for the Music Competition of Japan and local music colleges and elementary schools. More than 330,000 people have visited the hall to date.



Song Series—Gedichte und Musik: Christoph Prégardien



Concert by the Tokyo College of Music String Orchestra

Supporting and Sustaining Education Culture

Toppan works with The Mainichi Newspapers Co., Ltd. and the Japan School Library Association as a cosponsor of the Central Contest for Book Report Drawings, an annual contest to encourage students to express their impressions of books by drawing. The judges of the 20th competition in 2008 received 555,385 picture entries from 7,354 schools.

Tokyo Shoseki Co., Ltd. opened The Textbook Library, Japan’s first repository of school textbooks, back in 1936. This library now houses about 140,000 volumes, from historical literature in the Edo Period to modern textbooks. The entire collection can be browsed at no charge.

The Toshi Education Award was established in 1984 with the aim of contributing to education. The library commends excellent essays on teaching from among submissions from educational professionals across Japan every year. The essays are compiled in a collection and distributed to teachers around the country to help propagate excellent teaching methods.



Central Contest for Book Report Drawings



Exhibition room at The Textbook Library

Contributing to Society through Music

In 1959, Froebel-Kan Co., Ltd., a publisher of children’s and picture books, organized a boys choir, a relatively rare thing in Japan, as a social and cultural project. By the time the Froebel Boys Choir celebrated its 50th anniversary in 2009, as many as 1,000 boys had passed through its ranks. About 80 young vocalists, from three-year-olds to junior high school students, are now members. The choir makes very kinds of appearances, including television performances and commercials.

True to its corporate philosophy, “to develop character through education and culture,” Tokyo Shoseki Co., Ltd. has been a joint sponsor of Japan’s Nursery Rhyme Culture Award, an event hosted by the Association of Children’s Song Writers in Japan, since 2002. The sponsors celebrate the Children’s Song Day on July 1 of every year by bestowing the award on an individual or group of individuals in Japan who have helped to spread children’s songs. Through this award, they hope to pass along the nursery rhyme culture of Japan to coming generations.



Commendation ceremony for Japan’s Nursery Rhyme Culture Award



Froebel Boys Choir

Social Contributions/Community Contributions

Wherever Toppan operates around the globe, its operational sites undertake activities to facilitate harmony with the people in communities and societies.

■ *Toppan Charity Concerts*

The *Toppan Charity Concerts* have been held in Japan since fiscal 2007 as events to address social issues of global relevance.

The concerts are organized to help raise child literacy rates across the world. After deducting honorariums for the performers, the ticket revenue from the concerts is donated to the Office of the United Nations High Commissioner for Refugees (UNHCR) via "Japan for UNHCR," an NPO acting as the official recipient for the office in Japan. The donations are used to fund education for child refugees.

The Company sponsored the second series of *Toppan Charity Concerts* on March 6 and 7, 2009. The high turnout over the two days enabled Toppan to donate 2,465,000 yen in total.



Ai Okumura on violin, Takehiko Yamada on piano



Izumi Tatenno (left) and Ayumi Hirahara (right) on piano

■ *Harmony with Local Communities*

Harmony with local communities is an important CSR theme for the Toppan Group, a coalition of companies that operate businesses throughout many regions across the globe.

In Japan, Toppan harmonizes with communities through various important community contribution activities. The Company beautifies the environment around its plants, organizes plant tours and hands-on training sessions, establishes cooperative structures for natural disaster response, and opens site facilities for local residents.

■ *Blood Drives and Activities for Clean-up and Beautification of the Environment*

Toppan develops blood donation drives and activities for local clean-up and beautification on a regular and ongoing basis to contribute to local communities. Thousands of Toppan employees participate each year.

An accumulated total of 14,749 Toppan employees took part in environmental clean-up and beautification activ-

ities at 30 operational sites in fiscal 2008. In addition, a cumulative total of 2,829 employees donated blood at 32 operational sites.

■ *Plant Tours, Hands-on Training Sessions, and Job-hunting Support Programs*

Toppan holds briefings and meetings to report and discuss environmental efforts at its plants with residents from surrounding communities. As measures for the fosterage of the next generation, the Company offers plant tours for elementary and junior high school students and support programs for young job-hunters.

For elementary and junior high school students, its plants host tours and show videos introducing production systems and processes for printed materials. By making requests, students can actually take part in production processes under strictly controlled safety conditions.

To support young job-hunters, Toppan provides hands-on plant training and lectures on the basics of printing and marketing. One of the core purposes of the support programs is to deepen the stu-

■ *Collaborating in the "Campaign to Deliver Picture Books" and Picture Book Bazaar*

On November 9, 2008, a group of Toppan employees held a social contribution event at the Toppan Koishikawa Building in Tokyo by inviting other employees, employee families, local residents, and members of organizations for the support of persons with physical or mental challenges.

After a mini-concert, participants in the event took part in the Campaign to Deliver Picture Books organized by the Shanti Volunteer Association (SVA). Working with picture books published in Japan, they pasted over Japanese text with sticker print-outs of the same text translated into Southeast Asian languages.

Through this simple approach, they prepared about 200 picture books for children in countries with limited opportunities to read. The books were sent to children in Laos, Cambodia, and other Southeast Asian countries.

Eleven organizations, including several dedicated to the support of the physically or mentally challenged, held a bazaar during the campaign.



dents' understanding of the business world and the rules they will be expected to observe as new members of business society. The Company also organizes plant tours and hands-on training sessions for students from schools for the handicapped and the deaf (Japan has schools for all types of handicapped persons, including schools exclusively for the blind and deaf). As a safety precaution, these students are always accompanied by Toppan employees fluent in sign language.

Through these programs, Toppan welcomed 1,668 people to plant tours and hands-on training sessions at 27 operational sites in fiscal 2008.

Cooperation with Local Communities in Natural Disasters

Cooperative support in neighborhoods is vital for effective disaster response.

The head office in Chiyoda Ward, Tokyo enters agreements for mutual support in disaster-relief activities with neighboring companies and nursing homes for the elderly. The purpose of these agreements is to minimize disaster damage through cooperative support in firefighting, rescue, and first-aid

activities when disasters strike. The activities at the head office in fiscal 2008 included a joint evacuation drill in neighborhoods. In addition, the Honjo office in Sumida Ward, Tokyo negotiated with local neighborhood associations on an arrangement for offering temporary shelter for residents. At the Shiga Plant, meanwhile, eight employees registered in a local fire brigade

Initiatives Overseas

The basic policy for community contributions overseas is to carry out community-based activities in full consideration of local laws, customs, and cultures. The operational sites around the world make charitable donations and hold plant tours, in addition to organizing volunteer activities, blood donation drives, and cleanups around the plants. The sites also engage in various activities in collaboration with NGOs and NPOs in their regions, including support activities for local events and participation in meetings aimed at promoting understanding of different cultures.

Initiatives in Asia

Under a program called "A plan to make

dreams come true," Toppan CFI (Taiwan) Co., Ltd. has been supporting children from single-mother families and other households in need of economic aid. Toppan CFI (Taiwan) donated play equipment to families in March 2008 and sent 146 books for first-graders to the Tainan Municipal Library in April 2009.

P.T. Toppan Printing Indonesia invites children from nearby orphanages to visit its operational site. The children take meals together with employees and receive donations and commemorative gifts such as stationery and bags. P.T. Toppan Printing Indonesia has been continuing these activities as an annual regular event.

Initiatives in the U.S. and Europe

Toppan Printing Co. (America), Inc. organized several activities over fiscal 2008, including student grants, tree planting, and donations to the American Cancer Society. On one special occasion, Toppan Printing Co. (America) donated funds to girls scheduled to undergo organ transplants in the U.S. Its New Jersey Plant made food donations to the disadvantaged via the local Franklin Township Food Bank.

Activities for Contributing to Local Communities in Fiscal 2008

	Operational Sites	Participants
Environmental cleanup and beautification activities	30	14,749
Blood donation drives	32	2,829
Plant tours and hands-on training sessions	27	1,668



Joint evacuation drill under a mutual-support agreement



Children receiving donations (Toppan CFI [Taiwan])



Cleanup around a plant



Welcoming children to an operational site (P.T. Toppan Printing Indonesia)

Merit-based Personnel Policies

Toppan values its employees as important assets (“human assets”).

The Company develops personnel policies to encourage highly motivated, vigorous, and earnest efforts.

Basic Concept of Human Assets

Toppan values its employees as precious company assets (“human assets”) and recognizes how much it depends on them. From this perspective, the Company supports the motivated, vigorous, and earnest work of the Toppan workforce. The Company keenly understands the importance of the motivation to take on new challenges, the drive to work vigorously with a healthy body and mind, and earnest commitment to follow through on tasks to completion. When employees work vigorously, earnestly, and with strong motivation, Toppan is convinced that they show their true abilities to the full. Toppan strives to improve the abilities and draw out the organizational powers of every employee through the stages of hiring, appointment, training, leveraging, and treatment. To do so, the Company places high priority on communication between superiors and subordinates in a spirit of mutual trust, employee progress towards goals with well-defined visions, the formulation of a personnel system for the strict and appropriate enforcement of rewards and

penalties, and the establishment of an open and fair environment.

Basic Thinking on Personnel Policies

Toppan recognizes that it can build the trust and respect of society, customers, and other stakeholders by encouraging all of its employees to pursue the realization of *TOPPAN VISION 21* through “conduct of high value.” In keeping with this conviction, the Company’s personnel policies for hiring, appointment, training, leveraging, and treatment are all based on “conduct of high value” and “abilities and skills.” The term “conduct of high value” describes the concrete employee actions that go into the realization of the Corporate Philosophy and Corporate Creed. “Abilities and skills,” meanwhile, are indispensable to the practice of valuable conduct. A basic framework for abilities and skills is set for each job type and department.

Operating the Personnel System Properly in Cooperation with the Labor Union

The labor union surveys non-managerial staff with questionnaires to gauge how

thoroughly the Company informs them of the evaluation criteria it uses to set annual salaries and bonuses. The questionnaire assesses: 1) the alignment of job goals and the degrees to which the goals are achieved; 2) the status of opinion exchanges with superiors on issues to be solved or improved in the future; and 3) the degree to which employees are satisfied with their feedback interviews. The questionnaire results are reported to management and used for comprehending and reviewing the operation of the personnel system. This approach helps management develop and operate the personnel system effectively in cooperation with employees at all times.

Employee Data

As of March 31 each fiscal year. The number of temporary staff members for fiscal 2006 and 2007 is the average number from January to March.

		Directors	Management Class	Supervisors	Total Employees	Average Tenure	Average Age	Sum Total Employees	Part-time Workers	Temporary Staff
Fiscal 2006	Male	30	1,796	2,173	9,964	15.8	39.0	10,899	1,163	1,851
	Female	1	15	69	935	9.4	31.6			
Fiscal 2007	Male	29	1,840	2,205	10,180	15.5	39.1	11,181	1,273	2,039
	Female	1	21	89	1,001	9.2	31.6			
Fiscal 2008	Male	28	1,836	2,244	10,437	15.3	39.2	11,548	1,208	1,666
	Female	1	26	108	1,111	9.0	31.7			

Number of Recruits*1		Fiscal 2007	Fiscal 2008	Fiscal 2009	
Regular recruitment of new university graduates and post-graduates	Sales, administration, etc.	Male	178	132	136
		Female	66	75	72
	Technical	Male	170	146	150
		Female	36	31	36
New graduates from high schools and National Colleges of Technology	Male	151	156	155	
	Female	25	17	24	
Total number of regular recruits (percent female)		626 (20.3%)	557 (22.1%)	573 (23.2%)	
Mid-career recruitment of experienced personnel		77	61	—	

*1 Part of the data for fiscal 2008 is restated from the data disclosed in the fiscal 2008 report. The data for fiscal 2009 includes the number of employees now working at subsidiaries that were spun off on April 1, 2009.

Reasons for Leaving*2	Fiscal 2006	Fiscal 2007	Fiscal 2008
Personal reasons	320 (86)	348 (77)	249 (41)
Retirement	117 (0)	150 (2)	144 (3)
Requested by the company	0 (0)	0 (0)	0 (0)
Accession to directorship	3 (0)	6 (0)	2 (0)
Total	440 (86)	504 (79)	395 (44)
Turnover rate	3.9%	4.4%	3.4%

*2 The number of female employees who left the company is shown in parentheses.

Average Annual Salary	Fiscal 2006	Fiscal 2007	Fiscal 2008
Total	6,751,069 yen	6,699,674 yen	6,561,080 yen

Realizing a Safe and Secure Working Environment

Toppan goes to great lengths to provide a safe and secure working environment.

Safety and security are prerequisites for improving productivity and fulfilling the Company's most fundamental responsibilities to employees.

■ Respecting Basic Human Rights

The Conduct Guidelines call for the assurance of the dignity of individuals under all circumstances, and no invidious discrimination on the basis of race, ethnicity, nationality, religion, gender, or physical characteristics. To raise esteem for basic human rights, including the prevention of sexual and power harassment, Toppan has been promoting awareness-raising activities in rank-based training for employees. Some 1,020 employees participated in fiscal 2008.

To resolve and prevent troubles with sexual harassment, inappropriate employee conduct is reprimanded under employment regulations based on the Basic Policy on Sexual Harassment at the Workplace established in 1999. Sexual harassment counselors are also deployed.

No instances of child labor or forced labor have ever occurred in the Company.

■ Occupational Safety and Health

Toppan makes every effort to eliminate occupational accidents through the work

Occupational Safety and Health

	Deaths from Occupational Accidents	Frequency Rate*3	Severity Rate*4
2006	0	0.16	0.02
2007	0	0.39	0.01
2008	0	0.19	0.001

*3 Number of occupational accidents requiring employee leave, per million working hours (reflects the frequency of occupational accidents)

*4 Number of workdays lost as a consequence of occupational accidents, per thousand working hours (reflects the severity of occupational accidents)

Countermeasures against Pandemic Influenza

Toppan has prepared a manual on health-control measures to prevent the infection and spread of pandemic influenza using information gathered from relevant authorities. In accordance with this manual, the Company has been stockpiling masks and other necessary articles; encouraging employees to take up preventive practices such as gargling and hand washing; restricting business trips; establishing a routine for sterilization with ethyl alcohol before entry into the Company's premises; and taking various other countermeasures.

of the Safety and Health Committee. This committee regularly organizes safety education and establishes safeguards as a body planned and operated by labor and management. Safety and Health Subcommittees are set up in the manufacturing departments to bolster the total productive maintenance (TPM) activities within the departments. These subcommittees seek to secure safety through a set of all-hands safety improvement activities designed to enable every employee to apply his or her full-fledged abilities without fear of injury.

Whenever an accident occurs, employees throughout the Toppan Group receive information on the details and causes of the problem. Each operational site uses the information to plan out customized countermeasures to ensure that similar accidents will never recur on its premises.

The technology departments, meanwhile, lead Company-wide efforts to identify and understand all of the potential causes of occupational accidents before installing equipment. Proactive safety checks and improvements are essential steps for preventing accidents.

■ Healthcare and Health Enhancement

Toppan arranges regular medical check-ups and screenings for lifestyle-related diseases in order to maintain and enhance the health of employees by preventing and promptly detecting health problems. The Company has been implementing a Lifestyle Improvement Support Service and other measures. Employees in need of lifestyle improvements are offered guidance on preemptive actions they can take to stave off health problems.

In response to the Japanese medical institutional reforms of April 2008, the Company has established a new system to take countermeasures against metabolic syndrome, in cooperation with the Toppan Group Health Insurance Union and 59 clinics across Japan. Toppan also provides employees with opportunities to enhance their physical and mental wellbeing in various ways. In one program, for example, membership is subsidized for any of the 500 fitness clubs contracted by the Toppan Group Fraternal Benefit Society throughout Japan.

Countermeasures against Disasters

Under the basic plan for countermeasures against disasters, Toppan has implemented comprehensive disaster-preparedness measures in alliance with Toppan Security Service Co., Ltd. Since fiscal 2007, the Company has been holding disaster-preparedness drills in conjunction with an emergency life-saving drill that includes training sessions on the use of Automated External Defibrillators (AEDs). The Company's fire-response squads have also participated in Self-defense Fire Training Competitions held by local fire departments.

In the meantime, an evacuation drill has been held in the head office to rehearse for the eventuality of a large-scale inland earthquake in Tokyo. This drill includes simulations of the steps to be taken to establish a disaster-countermeasure office. In fiscal 2008, the Company checked the initial actions to be taken primarily by its own fire-response squads when an actual disaster strikes, with the aim of reducing the time required to identify personnel under disaster conditions.

To alleviate earthquake damage preemptively, Toppan has been working steadily

since fiscal 2005 to install a system to receive the Earthquake Early Warnings issued by the Japan Meteorological Agency.

Measures to reserve stockpiles for disasters have also been taken. As part of this effort, Toppan is cooperating with the Japanese Consumers' Co-operative Union in a project to install vending machines that will dispense food, beverages, and goods for free during power failures caused by disasters.



Training session on AED operation

Measures for Mental Healthcare

The number of patients with mental illnesses in Japan has been increasing year by year. The maintenance and enhancement of the mental health of employees have become important issues for Toppan.

The Company has been enriching measures to cope with this issue with an emphasis on prevention and early detection. Various mental healthcare training sessions have been arranged and a person has been appointed at each operational site to take charge of mental health enhancement.

Toppan considers its work to maintain employee health—a vital component of its corporate activities—as a common task to be shared by labor and management. These two parts of the Company exchange their frank views on mental healthcare measures on a repeated basis through channels such as the business councils, the committees formed to help create a working environment amenable to enhanced job satisfaction, and the special committees

formed to promote mental healthcare. Since October 2008, several rules have been appended to the employment regulations to help the Company provide a working environment to which employees can more readily return after extended periods of mental healthcare leave. These rules include a clear set of criteria for deciding when an employee should return to work, measures to prevent the recurrence of leave, and programs to support employees once they return to work. Toppan has enhanced its mechanisms to prevent and promptly provide care for mental problems by holding mental health checkups and introducing new programs, including an art session for employees to refresh their minds and bodies through art. The Company has also concluded advisory agreements with medical specialists in the regions in which it operates to secure a ready source of advice and instruction from professional viewpoints.

A workforce of employees healthy in mind and body with thriving potential and skills to contribute to the masthead is essential for the development of

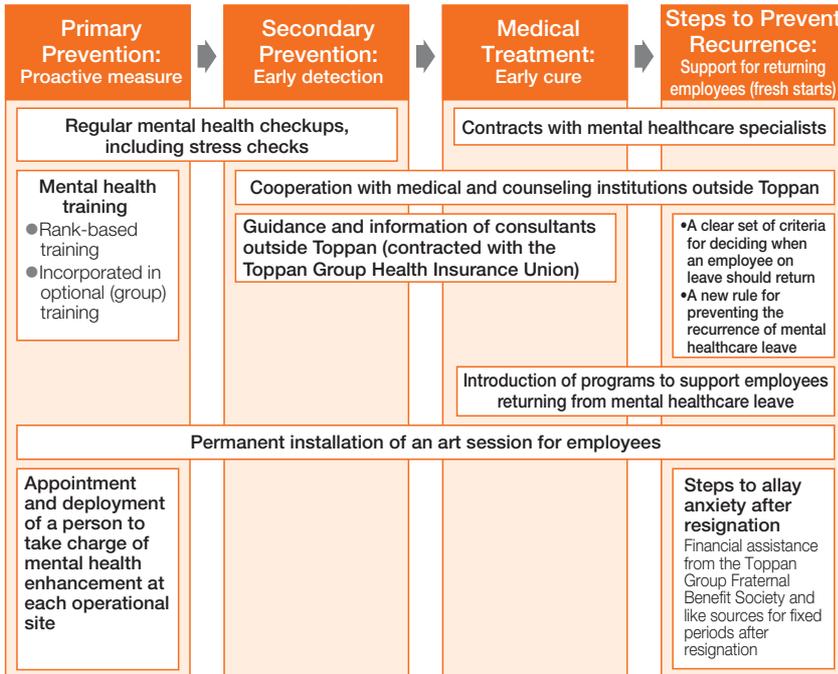
the Company. Toppan will continue its endeavors to maintain employee health and support the recovery of employees who are forced to take leave for reasons of health.

Supporting Work-Life Balance Efforts to Shorten Total Working Hours

Excessive overtime is a longstanding issue for Toppan. Labor and management have jointly examined the actual overtime practices at each operational site and responded with measures to control the numbers of hours worked. For the time being, however, the characteristics of the printing industry still stand in the way of fundamental solutions. In October 2008, Toppan launched a Company-wide effort to eradicate extended overtime work as a top-priority issue for compliance with labor-related laws and regulations, the support for work-life balance, and the maintenance of employee health above all.

Senior management seeks to bring Toppan closer to its ultimate goal of eradicating extended overtime by collaborating with managers and employees

Overview of Mental Healthcare System



Annual Paid Holidays Used

	Average Paid Holidays Used	Average Ratio*1
Fiscal 2006	7.8	41.2%
Fiscal 2007	7.7	41.4%
Fiscal 2008	8.1	43.5%

*1 Average ratio = average paid holidays used / average paid holidays granted

Employees Taking Maternity or Childcare Leave

	Employees Taking Maternity Leave	Employees Taking Childcare Leave*2
Fiscal 2006	40	58 (1)
Fiscal 2007	37	63 (2)
Fiscal 2008	42	74 (2)

*2 The number of male employees who took childcare leave is shown in parentheses.

in implementing measures to improve operating effectiveness by reviewing the ways individuals work and the ways management administrates, equalize overtime hours by adjusting operations within the departments, and introduce new working systems such as flex-time and off-hour working schedules on a trial basis.

As a result of these measures, the number of employees who worked long hours due to extra work on holidays and extended overtime late into the night was reduced by about 90% over the six-month period from October 2008 to March 2009, compared with the same period a year earlier. The average hours of overtime worked decreased by around 20%.

Fundamental solutions to excessive overtime will require constant and ceaseless attention. Toppan will tackle the issue with its full energies over the years to come.

Efforts to Foster the Next Generation

In addition to making efforts to shorten total working hours, Toppan has striven

for years to create a working environment in which employees can achieve better work-life balance. It does so by providing systems for childcare and nursing care leave, for reduced working hours, and for a higher family allowance for dependents.

A rehiring system for employees who resign from the Company to deliver and bring up children has been established since fiscal 2006. Now, in the third year of system operation, 12 resigning employees have registered for future rehiring. The coverage of the system for reduced working hours for employees who need to care for a child has also been extended. A schedule reduction of up to two hours a day was originally offered to a parent until his or her child reached the age of three; now it is available until the child completes the third year of elementary school. A staggered work-hour system for childrearing has been put in place during fiscal 2008. In fiscal 2009, Toppan introduced another institutional improvement by granting staggered work-hours for expectant mothers to help them avoid rush-hour commutes.

Toppan will continue to implement various measures to provide employees with working environments for better work-life balance.

■ Labor-Management Partnership

In keeping with the perception that labor and management are partners in shared ideals, the Company management and the labor union trust and respect each other's positions. The two parties work on various issues together on an equal footing and hold events of different sorts, including recreational activities for employees.

Business councils are convened as forums on Company-wide and operational site bases to discuss wide-ranging managerial issues. Committees to deliberate individual issues are also convened, including standing committees to discuss working hour reductions, wages, welfare, and safety and health, and special committees to tackle topical issues facing the Company.

Toppan has introduced a union shop system. In principle, all non-managerial employees are members of the labor union.

Main Holiday and Leave Systems / Measures to Support Work-Life Balance and Foster the Next Generation

Stock Leave	Employees can accumulate up to 50 days of annual paid leave (exercisable within two years from the date they are granted). Employees are eligible to use their stock leave when they or their dependents require treatment or nursing, or for recovery from unexpected disasters.
Childcare Leave	Both mothers and fathers are eligible for fulltime childcare leave consecutively until their child reaches the age of 18 months (10 male employees have taken childcare leave so far, on a cumulative basis). Employees on leave receive 10% of their regular salaries from the Company and subsidies of 30,000 yen a month from the Toppan Group Fraternal Benefit Society. They can also work for shorter hours (maximum reduction of two hours per day, in principle) from the date of their return to the job until their child completes the third year of elementary school. The Company subsidizes certain childcare costs and provides childcare-related information through a consultation office.
Rehiring of Employees who Leave the Company to Raise Children	Rehiring is guaranteed for an employee who resigns to deliver and raise a child, provided that the employee has worked for Toppan for more than three consecutive years up to the date of resignation. A resigned employee who meets these conditions will remain eligible for rehiring until May 1 of the year when the child enters primary school.
Nursing Care Leave	Employees are entitled to take leave for nursing care. The maximum consecutive leave and maximum reduction in a working day are one year and two hours, respectively, for every family member requiring the nursing care. The Toppan Group Fraternal Benefit Society pays a 30,000-yen subsidy per month as compensation during the nursing care leave. The Company subsidizes certain nursing care costs and provides nursing care-related information.
Healthcare Leave	Employees can take up to 10 days of leave a year. These days can also be taken in half-day allotments when necessary.
Volunteer Leave	In principle, employees can take a volunteer leave to engage in socially beneficial activities for a maximum of one year. Employees on volunteer leave receive an allowance.
Staggered Work-hours	An employee can adjust daily working hours upward or downward by up to one hour to avoid rush-hour commutes during pregnancy, and by up to two hours for childcare (until the child completes the third year of elementary school).
Dependent Family Allowance	The Company pays every employee with children a monthly allowance of 20,000 yen for each child. This allowance is discontinued on the first April 1 to arrive after the child's 18th birthday. (No limit for the number of children is applied.)
Partial Subsidization of Babysitter Expenses	The Toppan Group Fraternal Benefit Society subsidizes 50% of babysitter expenses, up to 5,000 yen a day, for up to 90 days a year.
Other Systems	The Toppan Group Health Insurance Union offers a supplementary allowance in addition to a lump-sum allowance for childbearing and childrearing. It also provides one-year free subscriptions to the monthly childcare magazine <i>Baby and Mommy</i> and runs a consultation office for employees with questions about the health of the body and mind.

Leveraging Diverse Human Assets

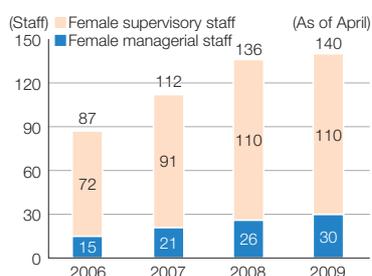
Toppan leverages an array of human assets in pursuit of diversity*1 in order to provide broad and equal opportunities and draw from the diverse “integrated strength” of its people.

■ Leveraging Female Talent More Shrewdly

Toppan has promoted positive action to leverage female talent for creating new value. To better respond to customer and social needs, the Company must develop new products and services from feminine perspectives.

Toppan proactively appoints female employees to managerial and supervisory positions. Those efforts have increased the number of female managerial and supervisory staff to 140, or to 3.31% of the total number of managers and supervisors (as of April 1, 2009). This trend is an encouragement for female employees and tends to activate energy in the workplace overall. In parallel with its vigorous attempts to promote managerial advancement for women, Toppan has upgraded and expanded various systems to create working environments in which female employees can take full advantage of their capacities at work as businesswomen and at home as mothers. The Company will maintain its efforts to build workplace environments in which female employees can contribute more energetically and freely.

Female Managerial and Supervisory Staff



*1 Diversity: “Diversity is a ‘strategy of utilizing a variety of human resources.’ Avoiding the hitherto established standards within firms and society and taking into consideration the values and concepts of various attributes (gender, age, nationalities, etc.), this is a strategy which responds to the changes in business environment in a rapid and smooth manner to achieve firm growth and individual happiness.” (*Regression to the Origin—The Directions of Diversity Management* from Japan Federation of Employers’ Associations: May 2002)

■ Supporting Second Careers

To support second careers in company life, Toppan offers diverse options for second-career employees by developing suitable work categories. The Company builds up a structure to use the knowledge, experience, techniques, and skills that employees acquire through long years of work.

Toppan operates a Senior Reemployment System to offer retired employees extended tenure at the Company on a post-retirement basis until they reach the age of 65. Eighty-six of 144 employees who retired in fiscal 2008 were reemployed in the same year and now remain with the Company.

■ Ongoing Success in the Employment of Persons with Disabilities

In 1993, Toppan founded Tokyo Metropolitan Government (T.M.G.) Prepress Toppan Co., Ltd., a special subsidiary that employs persons with disabilities. Since then, Toppan’s ongoing measures to promote the hiring of persons with disabilities have been handled mainly via this company. As of June 1, 2009, persons with disabilities accounted

for 1.90% of the total workforce at Toppan.

■ Providing an Open Environment for Recruitment

Toppan offers various employment opportunities for persons of both genders and persons of many nationalities, ages, and levels of physical ability. Recruitment takes mainly two forms: hiring of new graduates from universities and high schools every April, and mid-career hiring of experienced personnel year round.

Prior to recruitment screening, Toppan determines the forms of talent it actually requires based on the results of employee consciousness surveys and a review of the behavioral characteristics of outstanding achievers and performers. In screening candidate recruits, the Company tries to estimate if their competencies and potentialities are suitable. Recruitment screenings are conducted in seven venues in Japan to provide a more open environment for hiring. The Company has also run various internship programs to boost student awareness about work, including practical training sessions, lectures, workshops,

Employees with Disabilities

	Employees	Percentage of Total Workforce*2
2007	146	1.84%
2008	151	1.83%
2009	160	1.90%

*2 The percentage is calculated based on the total number of regular employees (as of June 1) as a denominator. The total number was presented in the Disabled Persons Employment Report in accordance with Article 8 of the Law for Employment Promotion, etc. of the Disabled of Japan.



T.M.G. Prepress Toppan Co., Ltd.

and online training courses. A cumulative total of 1,244 interns have participated in these programs during fiscal 2008.

Toppan hired 61 experienced personnel in fiscal 2008. These persons come to the Company with a rich variety of experience and skills suitable for the pursuit of Toppan's business strategies.

Systems for Self-determination on the Career Path

Toppan is establishing an ideal working environment for employees who are eager to create their own careers. The Company offers employees various opportunities to take on new challenges through the Challenging Job System, in-house staff recruitment system, and overseas study support system.

In the Challenging Job System, employees consider their own medium-to-long-term career aspirations, develop skill-enhancement plans, and cultivate a problem-solving, can-do mindset. Employees voluntarily report their own work experiences, official qualifications, language abilities, and the names of the departments and divisions to which they would like to be transferred. Before sub-

mitting voluntarily reports, they have the opportunity to exchange opinions with superiors in interview settings and personally make comments and requests with regard to Company-wide affairs and their own career plans.

Internal Venture System

The Internal Venture System was established in January 2001 to discover human assets abounding in entrepreneurial spirit, cultivate a problem-solving, can-do mindset in employees, and create next-generation businesses. Fifty-six projects have been proposed under the system so far. This has led to the founding of one company (Toppan Character Production Co., Ltd.), the initiation of two in-house businesses, and the adoption of one proposal into a company project. The in-house awards to commend projects with excellent outcomes enhance employee motivation and increase the likelihood that the projects awarded will be able to continue their businesses in the future.

Maintaining Employment

Even within the severe business environment of fiscal 2008, Toppan has continued its efforts to maintain employment and leverage human assets through personnel relocation, work-sharing, and other work arrangements for both regular and non-regular employees. Believing that "a company is its people," Toppan will never cease its extensive work to activate human assets.

Properly Leveraging Non-regular Employees

Part-time workers, temporary staff, contract workers, and various other categories of non-regular employee engage in operations for Toppan. Whenever needed, the Company verifies whether individual contract details and related laws and regulations are faithfully observed in their employment. It also appoints non-regular staff to regular positions, depending on their competence and willingness. Seventeen persons became regular employees under Toppan's system for the hiring of experienced personnel in fiscal 2008.

Joint Company Orientation Session for the Toppan Group

The Toppan Group organized a joint company orientation session to give students the opportunity to understand the integrated strength of the Group. A cumulative total of 350 students participated. Each of the nine Group companies that took part in the session presented participants with a description of its business and its attractive points. The sessions awakened the interest of the students and convinced many of them to apply for recruitment screening at these companies.



Internship

Toppan's internship program provides students with opportunities to experience work as it really is. Participants gain insight into work at Toppan through lectures on marketing theory and printing techniques, as well as experience in planning. The program also gives interns the chance to actually experience a day's work by accompanying staff in the sales and planning departments. When interns complete the program, they leave with a palpable understanding of the work experience at Toppan.



TOPPAN CAFÉ

The TOPPAN CAFÉ is not a company orientation session per se. It can be better described as a series of roundtable meetings where students meet with Toppan employees to discuss and share their concerns and difficulties as job hunters. The purpose is to ease the common anxieties and troubles of newcomers to the labor market. Some 412 students took part in the meetings in fiscal 2008.



Developing and Fostering Human Assets

Human assets are developed and fostered at Toppan based on the two concepts—“conduct of high value” and “abilities and skills”—to develop individuals and the Company as a whole.

■ Concept of Human Asset Development and Fosterage

Toppan’s rank-based training helps employees understand the roles and responsibilities of each rank and appreciate and practice conduct of high value. The Company offers a wide variety of training programs systematically to encourage employees to acquire the abilities and skills required by each division, department, and workplace. In rank- and department-based training sessions, employees draw up the curricula and act as facilitators or trainers to lead and train others in styles closely attuned to actual business situations.

Toppan also places emphasis on training to activate communications between superiors and subordinates, between senior associates and new employees, and so on. The curriculum for the rank-based training is designed to equip trainees with skills in asserting themselves and facilitating and coaching others, as required for their ranks. Various other lectures are scheduled in the optional training sessions.

Organizing Rank-based Training and Supporting Self-development

A cumulative total of 3,000 employees

participated in rank-based training sessions sponsored by the head office in fiscal 2008. The head office welcomes employees of related companies to the sessions. In department-based training, the relevant divisions of the head office plan out curricula to resolve the problems faced by each department. The divisional training sessions equip employees with practical skills essential for performing tasks.

The Toppan Business School, meanwhile, offered self-development training to a cumulative total of 10,900 employees in fiscal 2008. The programs at the school are customizable to employee career designs with optional (group) courses, the Challenge School (correspondence learning courses), and the video library. The video collection at the library is useful for holding small group activities on themes at specific workplaces. A total of 352 videos were lent out in fiscal 2008.

Human resource development leaders from the departments gather at regular meetings to maximize the effects of training by sharing information on the content and purposes of the training sessions organized by the departments.

Organizing E-learning-based Programs and Specialist Training

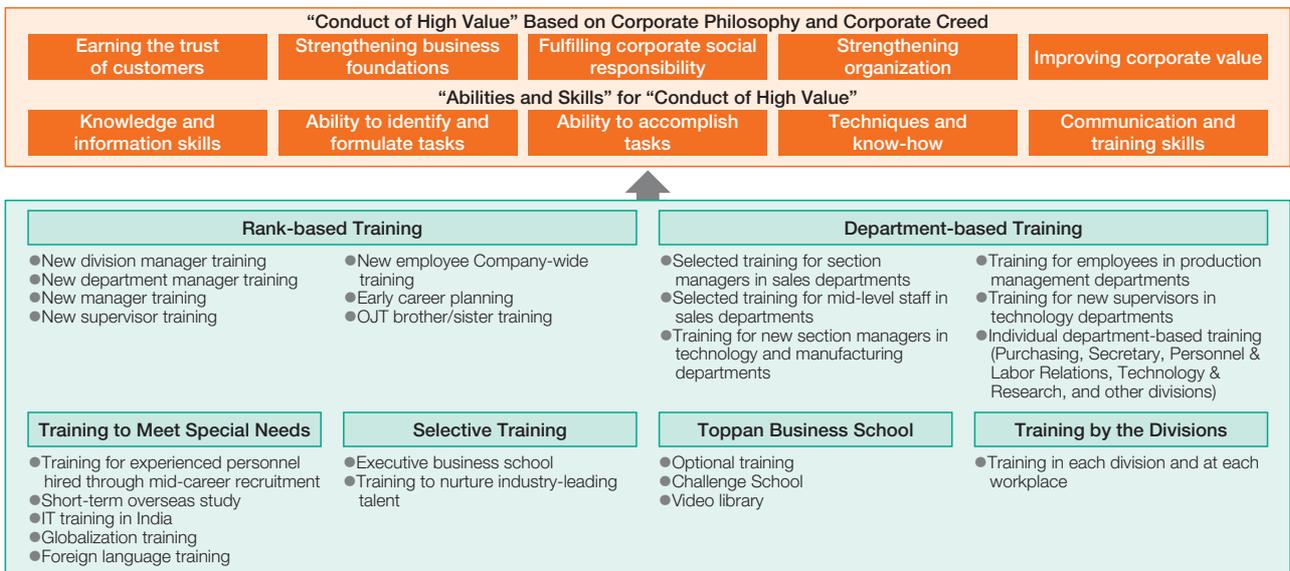
Toppan offers e-learning-based educational programs on CSR activity promotion, personal information protection, introductory information on sales operations, and *TOPPAN VISION 21*. The course on CSR activity promotion has been conducted as a part of Toppan’s rank-based training.

The Company also encourages personnel in the design, prepress, and sales departments to acquire certifications by enrolling in preparatory courses for DTP experts certified by the Japan Association of Graphic Arts Technology (JAGAT) and for Promotional Marketers certified by the Japan POP Promotion Institute Inc. Some 174 employees acquired the DTP expert certification in fiscal 2008.

Coordinating Development and Fosterage

Toppan develops personnel rotation to promote individual career advancement and organizational strength enhancement. Every employee must be capable of handling a wide range of operations to fulfill the two Company-wide priority themes: integrated strength enhance-

Toppan’s Human Asset Development Program



ment and Total Quality Assurance. The Company rotates employees systematically and frequently into different regions, job categories, and product specialties to give individuals experiences in various operations throughout their career paths. In the first two years after hiring, some new employees are rotated between divisions in Tokyo and other major cities in Japan. The experience of work in other parts of the Company fosters human assets who can develop solutions by leveraging Toppan's integrated strength.

Assigning and Fostering New Employees

Employees hired mainly through regular recruitment are interviewed on at least three occasions before assignment: at their recruitment, during orientation just after they enter the Company, and shortly after they are assigned. At each interview they have the opportunity to express their wishes for posting and to confer with their supervisors on the divisions most suitable for their career plans. Employees also have the chance to meet with supervisors one year after assignment to discuss whether they are well positioned in their current workplaces. After this interview, the Company formally determines the division or department to which the employee should be assigned.

Personnel Rotation*1

	Employees Transferred	Percentage of Total Workforce
Fiscal 2006	301	2.8%
Fiscal 2007	595	5.3%
Fiscal 2008	556	4.8%

*1 Only includes rotations among different divisions to develop human assets for integrated strength enhancement and Total Quality Assurance.

Retention Rate for Recruits (Percentage of fiscal 2006 hires still working at Toppan)

	Male	Female
Hired on April 1, 2006	500	113
Still with Toppan as of April 1, 2009	440	102
Retention rate	88%	90%
Average totals for males and females	88%	
Percentage who leave the Company before working three years	12%	

Toppan regards the first three years after recruitment as the fosterage period for new employees and establishes an early career planning system to help new employees achieve individually affirmed career ideals. A senior associate in the employee's workplace is appointed as a "Brother" or "Sister" responsible for training and fostering new employees mainly through on-the-job training (OJT). The employee, the employee's immediate superior, and the Brother or Sister prepare an action plan "design sheet for ability and skill development" and regularly check the employee's accomplishments. The training sessions for Brothers and Sisters—trainers of new employees—are also held across the Company to improve the level of the fosterage system.

People-to-People Exchange with the Overseas Subsidiaries

Toppan temporarily assigns employees to posts in overseas Group companies as a means of promoting people-to-people exchange among Group companies. The Company also accepts employees from overseas Group companies as trainees through its education and skill training systems. Nine personnel from Siam Toppan Packaging Co., Ltd. in Thailand received education and skill training in fiscal 2008.

Results in Human Asset Development

	Funds Spent on Training per Employee	Usage Rate of Toppan Training Center*2
Fiscal 2006	37,900 yen	51.5%
Fiscal 2007	41,300 yen	66.4%
Fiscal 2008	35,325 yen	59.2%

*2 The usage rate is calculated by dividing the number of days it was actually used (including use by subsidiaries and affiliated companies) by the number of days the facility was available.

Fostering Human Assets Active in Global Businesses

Toppan highly values its system to support overseas study for the fosterage of human assets who can play active roles in global businesses. Employees have the opportunity to participate in the following specialist training programs: the MBA abroad program to foster experts in business management, the study abroad program for engineers to foster technical human assets and build overseas networks, IT training in India for in-house IT specialists, and the support system for short-term overseas training to foster human assets in the sales and planning departments.

Toppan's globalization training is a set of individualized courses to help candidates for overseas assignments and employees from departments involved in overseas businesses acquire basic skills for working internationally (such as cross-cultural communication, proposing and presenting in other languages, facilitating and managing conferences, and negotiating and persuading overseas businesspeople). All of the 130 employees who have participated since the launch of the training in 1996 have worked in overseas Group companies or departments involved in overseas businesses.



Trainees from Siam Toppan Packaging receiving education and skill training



Globalization training

Increasing Transparency and Distributing Profits Appropriately

Toppan works to continuously enhance corporate value and establish long-term, stable relationships with shareholders through fair and open disclosure of its management activities and appropriate profit distribution.

Increasing the Transparency of Management Activities

Adhering to its investor relations (IR) motto of fair and open disclosure of management activities, Toppan thoroughly discloses information through various communication tools for each stakeholder (→P. 18).

Disclosing IR Information

Under the in-house Basic Policy on IR, Toppan has built an exclusive IR website to ensure fairness, transparency, and promptness in its disclosure of IR information. Toppan has been announcing its financial results quarterly via the Company's website and *Toppan Story*, a newsletter for shareholders. Public meetings with top management have also been held to explain the Company's second-quarter and full-year results. All documents distributed at these meetings are posted on the Company's IR website.

Stock Ownership and Shareholder Profile

As of the end of March 2009, the total number of outstanding common stock was 699,412,481 shares and the total number of shareholders was 44,547. Financial institutions, individual investors, foreign companies, and other companies make up 41.46%, 24.89%, 18.18%, and 14.47% of the shareholders, respectively. The principal shareholders are listed below.

Dividend Policy

Toppan seeks to improve its dividend payout with a consolidated dividend payout ratio of 30% or more as a guide based on comprehensive consideration of the consolidated financial performance of each fiscal year, the dividend payout ratio, and internal reserves. Through this approach, it strives to provide stable profit returns to its valued shareholders and realize sustainable growth of the Company.

Sufficient reserves will be allotted to capital investment and research and development for expanding business fields with growth potential, with the objective of enhancing corporate value.

The Company will also allocate retained funds to increase investment efficiency from a long-term perspective.

Toppan believes that its policy on profit distribution will help to enhance its corporate structure and increase future profitability, and thereby enable the Company to return profits to its shareholders.

The annual dividend per share at the end of fiscal 2008 was 22.00 yen.

Meeting of Shareholders

A total of 233 shareholders participated in the ordinary general meeting held in June 2009. Toppan has established a system that allows shareholders who choose not to attend the meeting to exercise their voting rights online or in writing.

Basic Policy on IR

1. Information Disclosure Standards

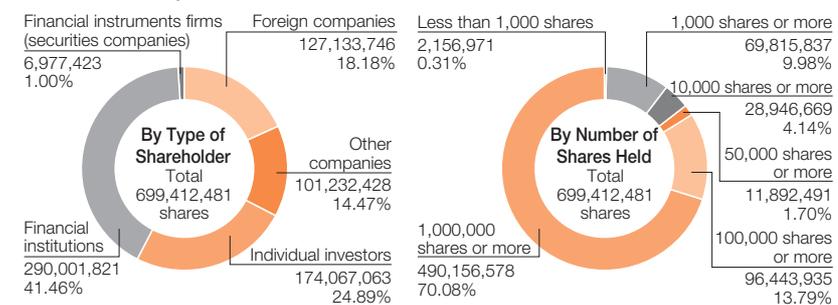
Toppan discloses all information required under the Rules on Timely Disclosure established by the Tokyo Stock Exchange. It also uses its website in a positive and fair manner to disclose useful information not required by the rules, in order to help shareholders and investors fully understand the Company.

2. Information Disclosure Methods

Information applicable to the Rules on Timely Disclosure is disclosed on the Timely Disclosure network (TDnet) provided by Tokyo Stock Exchange under the rules. Information disclosed on TDnet is posted on the Company's website as soon as possible.

The Company's website does not include all of the information disclosed by the Company and may include expressions different from the expressions used in other sources.

Stock Ownership Profile



Principal Shareholders	Number of Shares Held (1,000 shares)	Percentage of Total Number of Shares Issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	38,309	5.48
Japan Trustee Services Bank, Ltd. (Trust Account)	33,025	4.72
Nippon Life Insurance Company	32,648	4.67
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	31,884	4.56
NATS CUMCO	25,445	3.64
The Dai-ichi Mutual Life Insurance Company	22,886	3.27
The Bank of Tokyo-Mitsubishi UFJ	15,628	2.23
Sumitomo Mitsui Banking Corporation	15,628	2.23
Employees' Stock Club	14,012	2.00
Kodansha Ltd.	13,077	1.87

Note: As of March 31, 2009. The 54,327,000 shares of treasury stock are included in the "Individual investors" category of the graph "By Type of Shareholder" and in the "1,000,000 shares or more" category of the graph "By Number of Shares Held." These shares are excluded from the above table "Principal Shareholders."

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Toppan's Environmental Activities

Toppan reinforces its Group-wide approach to preserve the global environment based on The Toppan Group Declaration on the Global Environment, a new philosophy revised from Toppan's Declaration on the Global Environment.

■ The Toppan Group Declaration on the Global Environment

With the growing awareness of environmental conservation throughout the world in the 1990s, the scope of environmental issues to be tackled by companies grew significantly. Toppan reorganized its previous structure for environmental conservation by establishing the Ecology Center in 1991 and promulgating Toppan's Declaration on the Global Environment, a basic philosophy for environmental conservation activities, in 1992. The Company has promoted environmental conservation initiatives ever since.

In April 2009, Toppan took an important step to help realize a sustainable world in which every form of life can coexist into the future by revising Toppan's Declaration on the Global Environment into The Toppan Group Declaration on the Global Environment, a new basic philosophy for environmental activities for the entire Group. The revised declaration reflects Toppan's more assertive approach to the preservation of the global environment.

The Toppan Group Declaration on the Global Environment

As responsible members of international society, we who work within the Toppan Group strive to realize a sustainable society through forward looking corporate activities with consideration for the conservation of the global environment.

Basic Principles

1. We observe all laws, regulations and in-company rules relating to the environment.
2. For the future of the Earth, we strive for the effective utilization of limited resources and the reduction of all types of environmental burden.
3. With foresight, we promote the development and widespread use of products that show consideration for the environment, and contribute to the environmental activities of customers.
4. We engage in communication related to the environment with a wide range of peoples both inside and outside the company, and strive for mutual understanding.
5. We also take a proactive approach to environmental conservation in corporate activities in international society.

Established in April 1992
Revised in April 2009

■ Overview of Environmental Activities

Toppan's environmental activities are divided into four main areas, all centered around The Toppan Group Declaration on the Global Environment, Toppan's basic environmental philosophy.

First are the environmental management activities for systematically managing environmental initiatives such as the construction of the environmental management system (EMS). Second are the Eco-protection Activities to reduce the environmental burden associated with corporate activities as much as possible. Third are the Eco-creativity Activities to proactively promote the development, assessment, and sales of environmentally friendly products and technical services. Fourth are the environmental communication activities for sharing awareness of environmental conservation with stakeholders through dialogue with local communities and educational programs inside and outside the Group.

■ Environmental Burden and Environmental Impact

The first step in reducing environmental burden is to ascertain the environmental impact of the Company's overall business activities. Toppan aggregates data on the balance of materials at each production site based on INPUT (materials and energy used)/OUTPUT (materials discharged as a result of production) and then assesses the impacts of sites from various environmental standpoints. The Company establishes environmental targets based on the results of these assessments to clarify the priorities and verify the results of its environmental activities.

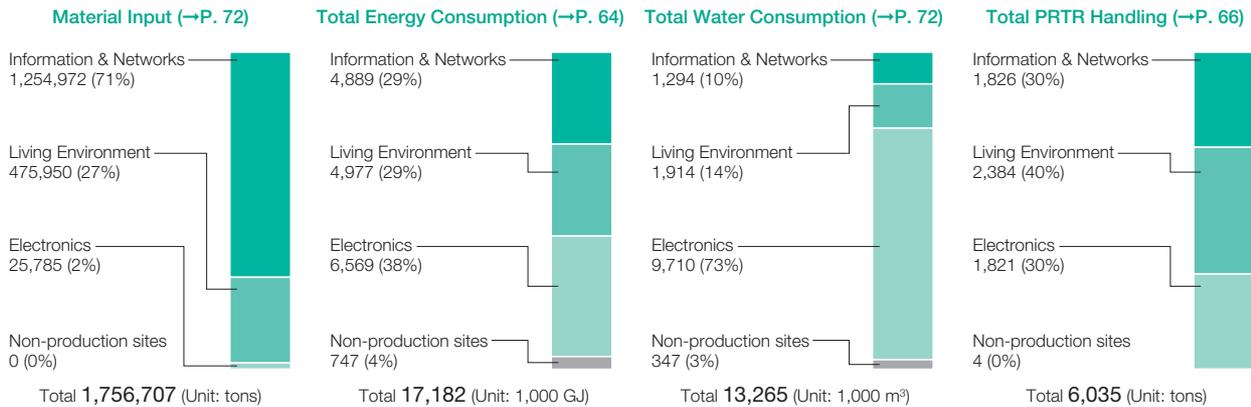
As a company engaged in diverse business fields, Toppan imposes environmental impacts in various forms. To evaluate the extent and variation of its environmental burden rationally, the Company aggregates and ascertains its environmental data independently in its three main business fields: Information & Networks, Living Environment, and Electronics (→P. 53).

Boundaries of Environmental Performance Data and Environmental Accounting

- First, Toppan selected subsidiaries that share important roles in the environmental conservation activities of Toppan Printing Co., Ltd. and the Toppan Group, from among the Group entities consolidated for accounting purposes. Next, the Company decided which of the subsidiaries selected were to be included within the boundary, based on the autonomy and independency of their environmental activities. Toppan Forms Co., Ltd., Toppan TDK Label Co., Ltd., Toppan Logistics Co., Ltd., Tamapoly Co., Ltd., Tokyo Metropolitan Government (T.M.G.) Prepress Toppan Co., Ltd., Tokyo Shoseki Co., Ltd., Tosho Printing Co., Ltd., Hino Offset Printing Co., Ltd., and overseas subsidiaries are not included, in principle. The entities covered differ, however, for the following types of data.
- P. 57 Capital Investment for Environmental Conservation, Environmental Conservation Benefit → Entities covered: All domestic and overseas subsidiaries with important roles in the environmental conservation activities of the Toppan Group
- P. 67 Approach to Logistics → Entity covered: Toppan Logistics Co., Ltd.
- P. 69 Entities covered: Toppan Printing Co., Ltd., Toppan Forms Co., Ltd., Toppan TDK Label Co., Ltd., Tamapoly Co., Ltd., Tokyo Shoseki Co., Ltd., Tosho Printing Co., Ltd., Toppan Cosmo, Inc., and froebelkan co., ltd.
- P. 72 Environmental INPUT/OUTPUT Data by Business Field → Entities covered (other than material data): All domestic and overseas Group companies with important roles in the environmental conservation activities of the Toppan Group

Major Environmental Burdens in the Business Fields (INPUT/OUTPUT data)

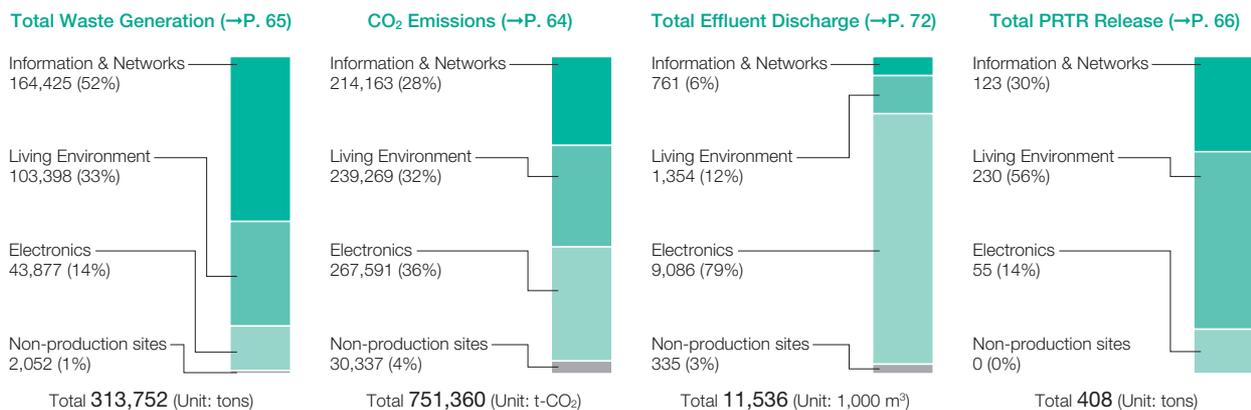
INPUT



TOPPAN



OUTPUT



- Papers used in Information & Networks and Living Environment account for 86% of material input and 73% of total waste generation, while water consumption and effluent discharge in Electronics account for 73% and 79%, respectively.
- Two types of waste are covered in this report: industrial waste of no value, and materials of value sold or transferred as resources. Both types are generated by or connected with business activities.
- Total waste generation in Electronics exceeds material input due to the inclusion of waste liquid (waste acid and alkali).
- Total energy consumption, i.e., the quantity of electricity and fuels consumed, is about the same in each business field.

Note: The calorific value of the primary energy input associated with electricity consumption is calculated uniformly as 0.00983 GJ/kWh. Some of the material inputs are calculated from estimated values based on production values.

Environmental Targets and Results for Fiscal 2008

Toppan establishes Medium- and Long-term Environmental Targets and various concrete targets for every current fiscal year in order to promote environmental activities in which every employee participates towards the realization of the goals of the Declaration on the Global Environment.

■ Setting Environmental Targets

Toppan specifies environmental objectives for the realization of the goals of the Declaration on the Global Environment, the basic philosophy governing Toppan's overall environmental activities in every business field. The Medium- and Long-term Environmental Targets and concrete targets for every current fiscal year are set under the individual environmental objectives to clarify the activities to be taken and the criteria for assessing achievements. Based on the

objectives and targets, Toppan promotes environmental activities with participation from every employee.

The Company reviews its environmental activities once every fiscal year (ending March 31). Based on the evaluation of achievements towards the environmental targets for the current fiscal year, the Medium- and Long-term Environmental Targets are reviewed and the targets for the following fiscal year are set.

■ Evaluating Progress towards the Environmental Targets

In fiscal 2008, Toppan undertook various activities to achieve the 16 environmental targets set for the year. Eleven of the targets were reached and five were not.

The Company has succeeded in achieving its annual targets for an improved material recycling rate, an expanded number of certified zero-emission sites, and reduced handling of chemical substances designated under the PRTR law.

Environmental Targets and Results for Fiscal 2008

Environmental Objectives	Medium- and Long-term Environmental Targets
1. Mitigation of global warming through the development of energy-saving measures	Reduce CO ₂ emissions per unit of sales by 10% by fiscal 2010 (compared to the fiscal 2000 level)
2. Promotion of waste reduction and recycling	Reduce waste generation per unit of production value by 25% by fiscal 2010 (compared to the fiscal 2000 level)
	Expand the material recycling of waste
	Reduce final landfill waste disposal*1 by 95% by fiscal 2010 (compared to the fiscal 2000 level)
3. Prevention of atmospheric pollution via VOC emission restraints	Efficiently use the industrial waste materials generated in the manufacturing stage and have all domestic sites certified as zero-emission sites*2 by fiscal 2010
	Reduce VOC emissions into the atmosphere by 70%*3 by fiscal 2010 (compared to the fiscal 2000 level)
4. Control of risks from chemicals	Reduce the handling of chemical substances designated under the PRTR law
5. Environmental contribution via the development and marketing of eco products	Promote the sales of environmentally friendly products
	Reinforce efforts to develop, manufacture, and assess environmentally friendly products
6. Promotion of environmental communication	—
7. Avoidance of environmental risk	Establish and observe appropriate in-house management guidelines that embrace regulatory controls
	Reduce the risk of soil contamination
	Maintain adequate communication with stakeholders
8. Enhancement of environmental education and the environmental awareness of all employees	—
9. Upgrading of environmental management systems at our overseas production sites	—

*1 Final landfill waste disposal: Direct landfill disposal + landfill disposal of residues from intermediate treatment

*2 Zero-emission site: Operational site with a recycling rate of 98% or over (subject to approval by the Ecology Center)

*3 Target in the industry: 41% reduction by fiscal 2010 (compared to the fiscal 2000 level)

*4 The material recycling was redefined in fiscal 2008. Accordingly, the target rate has been changed from 85% to 92%.

*5 The target number is revised in accordance with the consolidation of operational sites through site reorganization.

However, Toppan fell short of achieving its targeted reductions of CO₂ emissions per unit of sales, waste generation per unit of production value, final landfill waste disposal, and VOC emissions into the atmosphere. Among the obstacles to target achievement, the most significant was Toppan's decreased production volume in the second-half of the fiscal year.

■ Reviewing Environmental Targets

Toppan established environmental targets for fiscal 2009 based on evaluations of the progress towards the achievement of the targets set for fiscal 2008 (→P. 56). In fiscal 2009, the Company is planning out environmental activities towards the same number of targets in fiscal 2008: 15 medium- and long-term targets and 16 targets for the current fiscal year.

The Company intends to continue to help mitigate global warming through the

development of energy-saving measures, to further reduce its environmental burden through the promotion of waste reduction and recycling, and to control risks from chemicals through the prevention of atmospheric pollution via VOC emission restraints and the reduced handling of chemical substances designated under the PRTR law.

Toppan will carefully consider setting new targets beyond fiscal 2011 in tune with the environmental trends in industry.

Environmental Targets for Fiscal 2008	Results and Status for Fiscal 2008	Evaluation	For Details
CO ₂ emissions per unit of sales: Reduce by 5% compared to the fiscal 2007 level	CO ₂ emissions per unit of sales: Reduced by 0.9% compared to the fiscal 2007 level	B	P. 64
Waste generation per unit of production value: Reduce by 5% compared to the fiscal 2007 level	Waste generation per unit of production value: Increased by 3.2% compared to the fiscal 2007 level	B	P. 65
Material recycling rate: 92%*4	Material recycling rate: 93%*4	A	
Final landfill waste disposal: Reduce by 15% compared to the fiscal 2007 level	Final landfill waste disposal: Reduced by 14.2% compared to the fiscal 2007 level	B	
Expand the number of certified zero-emission sites: To 40 sites (out of 58 domestic sites in total)	Expand the number of certified zero-emission sites: Increased to 43 sites (out of 58 domestic sites in total)	A	
VOC emissions into the atmosphere: Reduce by 10% compared to the fiscal 2007 level	VOC emissions into the atmosphere: Reduced by 6.7% compared to the fiscal 2007 level	B	P. 66
Handling of chemical substances designated under the PRTR law: Reduce by 5% compared to the fiscal 2007 level	Handling of chemical substances designated under the PRTR law: Reduced by 12.4% compared to the fiscal 2007 level	S	
<ul style="list-style-type: none"> •Review the criteria for environmentally friendly products •Maintain sales at the fiscal 2007 level 	<ul style="list-style-type: none"> •Reviewed to revise Toppan's 14 Environmental Points and reset the life cycle stages •Increased sales in environment-related business year over year 	A	P. 68
<ul style="list-style-type: none"> •Promote FSC certification •Apply LCI in conjunction with the Packaging Division 	<ul style="list-style-type: none"> •Examined the management system for production processes at the Hokkaido Division to prepare for FSC certification at the site •Carried out LC-CO₂ assessment on the Cartocan 	B	
Provide information through exhibitions, lectures, and other presentations	Exhibited at Eco-Products 2008 (held on December 11–13, 2008)	A	PP. 62–63
Observe in-house management guidelines at all operational sites and review them as necessary	Assessed the observance of in-house management guidelines at 58 domestic sites through internal environmental audits	A	P. 60
Monitor the operational sites, including the vacant lots of reconditioned sites	Monitored the sites on an ongoing basis	A	P. 61
Expand the number of operational sites that issue <i>Site Eco Reports</i> : To 33 domestic sites (25 reports in total)*5	Expand the number of operational sites that issue <i>Site Eco Reports</i> : Increased to 33 domestic sites (25 reports in total)	A	P. 63
<ul style="list-style-type: none"> •Conduct new employee education •Review environmental education materials 	<ul style="list-style-type: none"> •Conducted environmental education via Company-wide training •Reviewed and revised the content of e-learning-based programs 	A	P. 61
Conduct internal environmental audits at overseas production sites: Eastern Asia	•Conducted audits at eight sites in Eastern Asia in February, July, November, and December	A	P. 62
Collect monthly records on conformance with local regulatory standards and environment-related data	Periodically reported data on environment-related issues via monthly overseas site reports	A	

Evaluation criteria: S, Results achieved far surpass targets; A, Targets achieved; B, Activities fully carried out, but targets unachieved; C, Activities insufficient

Environmental Targets for Fiscal 2009

Environmental Objectives and Medium- and Long-term Environmental Targets	Environmental Targets for Fiscal 2009	Details on Specific Measures
1. Mitigation of global warming through the development of energy-saving measures		
Reduce CO ₂ emissions per unit of sales by 10% by fiscal 2010 (compared to the fiscal 2000 level)	CO ₂ emissions per unit of sales: Reduce by 5% compared to the fiscal 2008 level	<ul style="list-style-type: none"> Promote energy-saving measures through the reinforced activities of the Energy Subcommittees (energy-saving reviews, etc.) Apply measures across the Company via shared information on energy saving (meetings of personnel in charge of energy saving, etc.) Implement energy-loss control measures for older equipment (load measurements, etc.) Promote large-scale energy-saving measures (fuel switchover, reduced loads for air-conditioning control in clean rooms)
2. Promotion of waste reduction and recycling		
<ul style="list-style-type: none"> Reduce waste generation per unit of production value by 25% by fiscal 2010 (compared to the fiscal 2000 level) 	Waste generation per unit of production value: Reduce by 5% compared to the fiscal 2008 level	<ul style="list-style-type: none"> Reduce material input and improve yield rates
Expand the material recycling of waste	Material recycling rate: 94%	<ul style="list-style-type: none"> Share information within the Toppan Group to seek external recycling partners Monitor recycling processes through onsite inspections for contractors
Reduce final landfill waste disposal*1 by 95% by fiscal 2010 (compared to the fiscal 2000 level)	Final landfill waste disposal: Reduce by 15% compared to the fiscal 2008 level	<ul style="list-style-type: none"> Examine recycling processing technologies and processing contractors
Efficiently use the industrial waste materials generated in the manufacturing stage and have all domestic sites certified as zero-emission sites*2 by fiscal 2010	Expand the number of certified zero-emission sites: To 45 sites (out of 56 domestic sites in total)	<ul style="list-style-type: none"> Encourage the operational sites to separate wastes for conditioning as valuable resources and provide the sites with waste management guidance
3. Prevention of atmospheric pollution via VOC emission restraints		
Reduce VOC emissions into the atmosphere by 70%*3 by fiscal 2010 (compared to the fiscal 2000 level)	VOC emissions into the atmosphere: Reduce by 10% compared to the fiscal 2008 level	<ul style="list-style-type: none"> Introduce equipment for recovering solvents (installation, verification, test-base operation) Take measures to cope with the expiration of the grace period stipulated under the Air Pollution Control Law of Japan (equipment installation at seven plants subject to the expiration of the grace period)
4. Control of risks from chemicals		
Reduce the handling of chemical substances designated under the PRTR law	Handling of chemical substances designated under the PRTR law: Reduce by 5% compared to the fiscal 2008 level	<ul style="list-style-type: none"> Reduce the handling of materials containing designated chemical substances and shift to alternative materials with low content of the same substances Comply with the revisions of the Law Concerning the Examination and Regulation of Manufacture of Chemical Substances Control and the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemicals and Promoting Improvements in their Management of Japan (compliance with the revised MSDS)
5. Environmental contribution via the development and marketing of eco products		
Promote the sales of environmentally friendly products	<ul style="list-style-type: none"> Review the criteria for environmentally friendly products Examine designs for an LCIA method 	<ul style="list-style-type: none"> Examine, issue, and implement the revised criteria Design a method via a development project (result checks, judgment for next steps)
Reinforce efforts to develop, manufacture, and assess environmentally friendly products	<ul style="list-style-type: none"> Establish an in-house structure to calculate and label Toppan's "carbon footprint" Comply with the guidelines developed under the Convention on Biological Diversity 	<ul style="list-style-type: none"> Organize structure in each division, launch the "carbon footprint" system, and support actual operations for the divisions Examine and establish in-house guidelines in response to the governmental guidelines issued
6. Promotion of environmental communication		
	Provide information through exhibitions, lectures, and other presentations	<ul style="list-style-type: none"> Exhibit at Eco-Products 2009 and take part in environmental forums, etc.
7. Avoidance of environmental risk		
Establish and observe appropriate in-house management guidelines that embrace regulatory controls	Observe in-house management guidelines at all operational sites and review them as necessary	<ul style="list-style-type: none"> Conduct internal environmental audits at 58 domestic sites to confirm the validity and observance of the reference values established under the in-house management guidelines
Reduce the risk of soil contamination	Monitor the operational sites, including the vacant lots of reconditioned sites	<ul style="list-style-type: none"> Regularly monitor groundwater and VOCs and report the results to governmental organizations
Maintain adequate communication with stakeholders	Publish a <i>CSR Report</i> in July (in Japanese); expand the number of operational sites that issue <i>Site Eco Reports</i> : To 36 domestic sites (27 reports in total)	<ul style="list-style-type: none"> Issue a <i>CSR Report</i> and <i>Site Eco Reports</i>
8. Enhancement of environmental education and the environmental awareness of all employees		
	<ul style="list-style-type: none"> Conduct new employee education Conduct environmental education via e-learning 	<ul style="list-style-type: none"> Conduct environmental education via Company-wide training Conduct environmental education after revising the content of the e-learning-based programs
9. Upgrading of environmental management systems at our overseas production sites		
	Conduct internal environmental audits at overseas production sites: Southeast Asia and the U.S.A.	<ul style="list-style-type: none"> Conduct audits at two sites in Southeast Asia and two sites the U.S.A.
	Collect monthly records on conformance with local regulatory standards and environment-related data	<ul style="list-style-type: none"> Periodically report data on environment-related issues via monthly overseas site reports

*1 Final landfill waste disposal: Direct landfill disposal + landfill disposal of residues from intermediate treatment

*2 Zero-emission site: Operational site with a recycling rate of 98% or over (subject to approval by the Ecology Center)

*3 Target in the industry: 41% reduction by fiscal 2010 (compared to the fiscal 2000 level)

Environmental Investment and Conservation Benefit

Toppan promotes more effective environmental conservation activities by fully monitoring its capital investment for environmental conservation and the environmental conservation benefits obtained.

Capital Investment for Environmental Conservation

Toppan has been keeping an environmental account since fiscal 1998 as a tool to calculate the cost effectiveness of its investment in environmental conservation. Since fiscal 2005, the Company has focused solely on capital investment for environmental conservation and the environmental conservation benefits obtained. This is expected to improve the accuracy of assessments and verifications of cost effectiveness by excluding reliance on estimates insofar as possible.

Toppan invested 1,354 million yen in environmental conservation in fiscal 2008, 57% less than it invested the year before. This reduction is the result of considerable investments in fiscal 2007 to install equipment to recycle waste, take measures to conserve water used in wastewater treatment equipment, and undertake improvement work to mitigate odor from printing machines.

The major capital investments for fiscal 2008 have been used to pay for the installation of effluent gas treatment equipment for organic solvent gases and waste treatment equipment for improved

efficiency in waste paper treatment at production sites in the Living Environment field, and the replacement of compressors for saving energy at production sites in the Information & Networks field.

Other capital investments have been expended to fund energy-saving improvements by installing inverters onto air conditioning machines, adopting highly efficient chillers and LED lights, and switching over to brighter lights without increasing energy consumption. Toppan has also invested resources to create green spaces for beautification.

Capital investment for environmental conservation includes investments in equipment improvement work for noise reduction and deodorization in response to administrative guidance and complaints and inquiries from neighboring residents.



Effluent gas treatment equipment (Fukuoka Plant)



Waste treatment equipment (Miyagi Plant, Toppan Containers Co., Ltd.)



Compressor (Toppan Graphic Co., Ltd.)

Capital Investment for Environmental Conservation (Million yen)

Item	Major Contents	Fiscal 2008	Increase/Decrease from Fiscal 2007	Total Sum for the Last Five Years
1. Investment in equipment to prevent pollution	Investment in equipment to prevent atmospheric and other forms of pollution	840	33	10,958
2. Investment in equipment to conserve the global environment	Investment in equipment to conserve the global environment such as by mitigating global warming	326	137	1,414
3. Investment in equipment to circulate resources	Investment in equipment for the adequate treatment and recycling of waste materials	164	-1,997	5,316
4. Investment in equipment for management activities	Investment in equipment to monitor and measure environmental burdens and plant trees at operational sites	24	15	166
Total		1,354	-1,812	17,854

Environmental Conservation Benefit

Item	Major Contents	Increase/Decrease	Fiscal 2008
Energy	Total energy consumption (1,000 GJ)	2,194	26,020
Water	Water consumption (1,000 m ³)	-295	17,609
Atmosphere	CO ₂ emission (1,000 t-CO ₂)	123	1,228
	Emission of ozone-depleting substances (ODP-t)	0.3	1.0
	NOx emission (tons)	-10	221
	SOx emission (tons)	-19	37
	Emission of dioxins (mg-TEQ)	-106	9
Water and soil environments	Total effluent discharge (1,000 m ³)	-31	15,371
	Underground penetration (1,000 m ³)	17	55
	Onsite evaporation (1,000 m ³)	-45	1,989
	BOD (tons)	-7	56
	COD (tons)	-1	25
Waste	Total generation (1,000 tons)	7	448

Notes: Period covered: Last fiscal year for each company or subsidiary
See P. 66 for details on the conservation benefit gained from the reduction in PRTR release.

Environmental Management Structure

Toppan has established an environmental management system based on its PDCA cycle in order to promote two types of activities: Eco-protection Activities to reduce the environmental burden associated with corporate activities, and Eco-creativity Activities to develop, assess, and market environmentally friendly products and technical services.

Environmental Management

Toppan's environmental management relies on the operation of an established environmental management system (EMS) based on the Company's environmental management rules. The PDCA cycle is a core part of the EMS and vital for the continuous improvement of the efficiency of the system. To ensure the effectiveness of the PDCA cycle, top management conducts ongoing environmental management reviews. The environmental performance data are regularly collected by the Ecology Center, and the Director in charge of the Center verifies and evaluates the data and reports evaluation results to the Board of Directors and other management bodies. Improvements to the EMS are proposed and implemented throughout the entire Company.

Features of Toppan's Environmental Management System

Toppan's EMS is uniquely managed. The PDCA cycle is put into practice at every operational site, irrespective of the ISO 14001 certification. Fifty-six domestic production sites and two research facilities have been pressing ahead with their environmental activities to achieve the targets set under the Eco-protection Activity Plan.

Every month, the Eco-protection Promotion Committees check the progress of the activities to ensure that any newly arising problems are resolved as quickly as possible. Every operational site sends the Ecology Center reports on major environmental performance data, such as results on energy and waste, either monthly or every half-year. Toppan prepares an effective system for evaluating progress towards its environmental targets and reviewing the targets whenever necessary.

ISO 14001 Certification

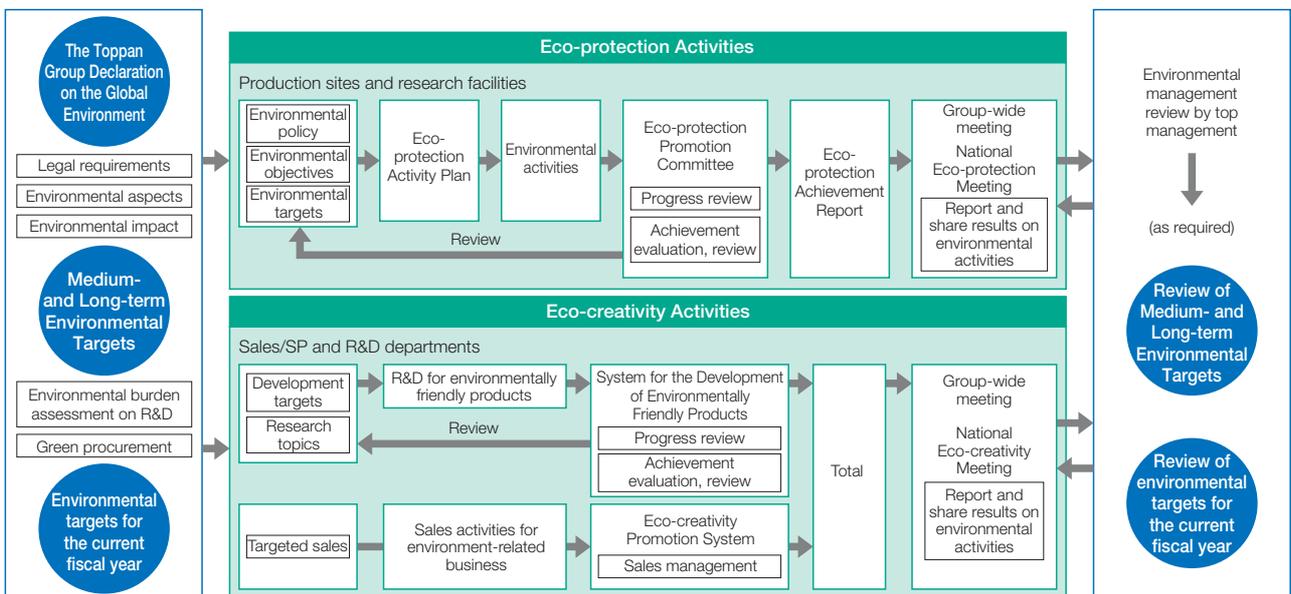
Eighty-four sites (65 systems) in the Toppan Group were ISO 14001 certified as of the end of March 2009. Four systems acquired the certification in fiscal 2008: Fukuoka Plant Manufacturing Department 1, Toppan Techno Co., Ltd., SNP Leefung Printers Ltd., and SNP Leefung Packaging & Printing Co., Ltd.

Two domestic sites are establishing systems to prepare for the certification. Toppan is working towards the certification of the remaining five major sites by fiscal 2012.

Promotion Structure for Environmental Activities

The Board of Directors is positioned as the highest decision-making body in Toppan's promotion structure for environmental activities. The Ecology Center supervises environmental activities undertaken at the divisions and Group companies under its Director, the officer responsible for the Company's environment-related matters. Every division and

Overview of Environmental Management



Group company has its own Environmental Management Officers in relevant departments. These officers head the environmental activities carried out at their departments in collaboration with the Eco-protection Promotion Committees, the bodies responsible for the actual implementation of the activities.

Toppan has established two in-house systems to promote the Eco-protection and Eco-creativity Activities: the Eco-protection Promotion System and the Eco-creativity Promotion System. Under these systems, the Company advances various environmental measures with guidance from the Ecology Center.

Operational sites convene their own Eco-protection Promotion Committees,

and subcommittees set up under the committees plan out activities to address specific environmental issues. The Energy Subcommittees in these sites have continued to pursue energy-saving activities.

With regard to Toppan's Eco-creativity Activities, all of the divisions have their own Eco-creativity Officers to develop environmentally friendly products and environmental support businesses.

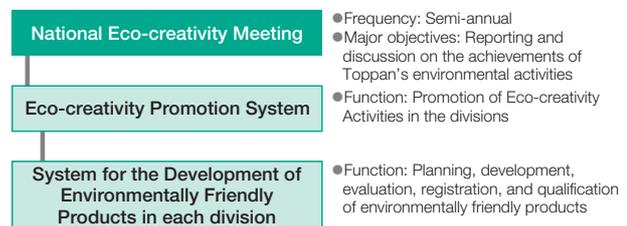
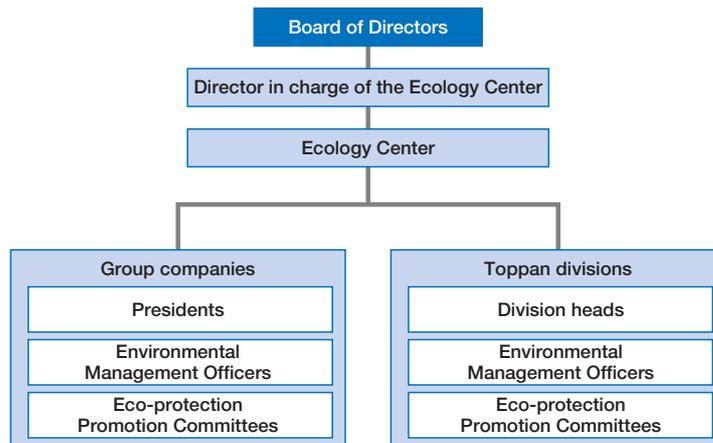
Reinforcing the Integrated Strength of the Group

As a Group-wide environmental management initiative, Toppan organizes a semi-annual Toppan Group Environmental Meeting under the auspices of the Meetings with the Heads of Related

Companies. Based on shared information on environmental issues and the progress towards the environmental targets of each company, Toppan reinforces its environmental risk management and spreads measures supported by the integrated strength of the Group throughout the workplaces in the Group companies.

The Company intends to further improve the level of environmental management through internal environmental audits in the years to come.

Environmental Management Structure



Environmental Management Activities

Toppan fully implements the PDCA cycle through internal environmental audits and environmental management systems established at its operational sites. The Company also works towards total environmental compliance, that is, the upholding of all environmental laws and regulations.

Internal Environmental Audit System

Toppan's internal environmental audit system follows a two-stage screening process: a document audit and an onsite audit. The internal environmental audit team consists of assistant auditors to oversee the environmental management system (EMS), in addition to the internally certified environmental auditors. The team begins by inspecting and evaluating the status of the EMSs and compliance with environment-related laws, regulations, and in-house standards at all of the operational sites audited. To correct the deficiencies associated with the "issues in need of improvement" pointed out during the audits, the team requires each site to submit a Plan for the Improvement of Specified Issues (Improvement Plan). Later, the team conducts a Review of the Internal Environmental Audit to assess the progress towards the required improvements.

Results of the Fiscal 2008 Audit

The internal environmental audit team

identified 594 issues in need of improvement at 58 domestic sites in fiscal 2008. To correct the deficiencies pointed out, each operational site follows an Improvement Plan with a detailed list of required improvements and deadlines for completion. Toppan has confirmed the progress of improvement measures on 72 issues at nine operational sites through internal environmental audit reviews. The progress and results of the remaining 522 specified issues are to be reviewed during the internal environmental audits for fiscal 2009.

Onsite hearings and inspections are carried out every other year, in principle, at overseas production sites. Eight sites in Eastern Asia were inspected for local environmental audits in fiscal 2008. The inspections identified 103 issues in need of improvement. The priorities in the inspections were the implementation and operation of the EMSs and compliance with local environment-related laws, regulations, and ordinances. Other points included the environmental impacts on water and the atmosphere, and the regular control of energy and

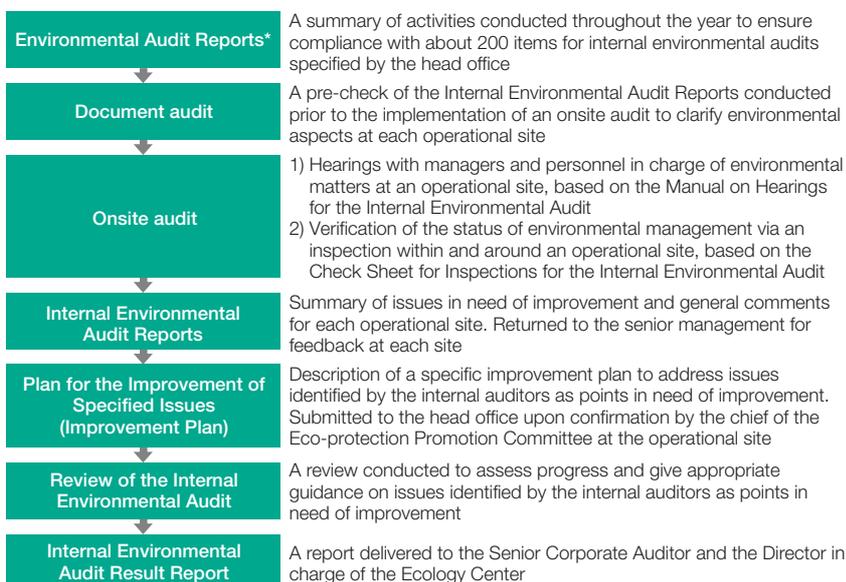
waste. The overseas sites have followed the example of the domestic sites by taking necessary procedures to achieve better operational conditions under the Improvement Plan.

Approach to Environmental Compliance

Toppan's production sites endeavor to prevent environmental pollution by complying with established standards for in-house control, standards that generally tend to be stricter than the national and local regulatory standards. Through this approach, the production sites seek to eliminate all failures in complying with the environmental laws, regulations, ordinances, and agreements set by the national and local governments where the sites operate.

The compliance status at every domestic site is reported to the head office via the Eco-protection Achievement Reports every April. Overseas sites, meanwhile, submit monthly overseas site reports. The reports from both domestic and overseas sites are to be assessed by internal environmental audits.

Internal Environmental Audit System



*The operational sites that have already acquired the ISO 14001 certification report their activities in the management review document.



Internal environmental audit hearing



Internal environmental audit inspection

Compliance in Fiscal 2008

Two production sites in Japan recorded levels of odor exceeding the regulatory standards set under the Offensive Odor Control Law. Five production sites, meanwhile, recorded levels of BOD, COD, and normal hexane exceeding the regulatory standards set for water contaminants under the Water Pollution Control Law and Sewerage Law. The Company immediately took corrective measures for every case, including steps to revise the control methods for equipment. It strives to reliably prevent recurrence by reviewing control procedures as well.

Toppan also received complaints of foul odor, a problem caused by insufficient control of effluent gas treatment equipment at several sites. The problem was resolved by immediate corrective measures at each site, and full reports on the incidents were presented to the relevant authorities.

Regarding the pollution of soil and groundwater environments, the Company has taken soil remediation measures (shown below) and continues to

monitor groundwater. The case involving soil and groundwater pollution with hexavalent chromium at the Itabashi Plant in Itabashi Ward, Tokyo was arbitrated by the Pollution Examination Commissioner of Tokyo Metropolitan Government in April 2009.

Emergency Responses

At every production site, chemical solvents are conveyed to the sites in tank trucks and transferred to storage tanks on the premises on a daily basis. Leakage accidents during the operations pose the risk of soil and water pollution.

Toppan has therefore prepared oil absorbents, sandbags, and other necessary safeguards to prevent the outflow of solvents in the event of an emergency or accident during production operations. Emergency-preparedness drills have also been held regularly. The Company formulates procedures to prevent and mitigate environmental pollution during emergencies. The effectiveness of the procedures is verified and defective points are corrected during the drills.

Environmental Education

Toppan provides environmental education through comprehensive e-learning-based programs for all employees. It also organizes specialized training sessions for employees of every rank, including new employees and newly appointed managers.

Optional training courses at the Toppan Business School include seminars on ISO 14001 and sessions to foster internal environmental auditors and enhance their skills. Personnel from the Ecology Center lecture trainees in seminars and sessions held regularly throughout the year.

Toppan uses this education as an opportunity to raise the environmental awareness of employees and maintain and improve the level of the Company's environmental activities on a continuous basis (→P. 74).

Purification of Soil and Underground Water Pollution Monitored by Voluntary Investigation

Operational Site	Location	Detail	Progress in Fiscal 2008
Nagoya Plant	Nishi Ward, Nagoya City, Aichi	Soil pollution by hexavalent chromium (Detected by a voluntary investigation during disposal into underground pits)	Remediation work is completed; groundwater is being continuously monitored
Shiga Plant	Higashi-omi City, Shiga	Soil pollution by hexavalent chromium (Detected by a voluntary investigation of areas where substances of concern were formerly used)	Remediation work is completed; groundwater is being continuously monitored
Asaka Plant	Niiza City, Saitama	Groundwater pollution by VOCs (Detected by a voluntary investigation of well water on the plant premises)	Groundwater is being continuously monitored
Toppan Electronics, Inc. (TEI) Miramar Plant	San Diego County, California, USA	Soil pollution by heavy metals (lead, etc.) and VOCs	Remediation work is completed; VOC concentrations are now being monitored
Itabashi Plant	Itabashi Ward, Tokyo	Groundwater pollution by hexavalent chromium (Detected by a voluntary investigation of well water on the plant premises)	Deliberated for arbitration by the Pollution Examination Commissioner of Tokyo Metropolitan Government (arbitrated in April 2009)



Internal environmental auditor training by Toppan personnel



Emergency-preparedness drill to cope with a solvent leakage

Environmental Communication Activities

Toppan strives to share environmental conservation awareness with stakeholders through activities to harmonize with local communities and enhance knowledge on environmental issues inside and outside the Group.

Major In-house Communication Activities

Environmental Meeting

Toppan has held a National Eco-protection Meeting in Japan to report and discuss environmental activities twice a year since 1992. Meeting participants report environmental performance data across the Company and by business field, while describing the actual measures taken at the operational sites to promote similar actions throughout the Company. Every operational site convenes an Eco-protection Promotion Committee every month, in principle, in accordance with its environmental management system to share the information on daily activities to reduce environmental burden at the site. These are part of a multiple-layer meeting regime throughout Toppan to maximize the sharing and dissemination of environmental awareness and information on environmental issues and solutions.

Environment Month

The Ministry of the Environment of Japan advocates "Environment Month" in June to promulgate environmental actions in Japan. Toppan undertakes a number of

activities each June as an opportunity to deepen employee awareness of the environment, create comfortable and environmentally friendly workplaces, and maintain and enhance positive relationships with local communities.

An environmental slogan coined by a Toppan employee is posted at each operational site in Environment Month to improve environmental awareness among employees. In fiscal 2008, Toppan joined in the GPN 5 Million Mass-action Project, a campaign by the Green Purchasing Network (GPN) of Japan to promote mass action for green purchasing.

Energy-Saving Month

To bolster energy-saving endeavors, Toppan continues to take part in activities for Energy-Saving Month, an event advocated by the Ministry of Economy, Trade and Industry of Japan, in summer and winter. The Company also joins in Japan's national initiative Team Minus 6%* and encourages its employees to wear light clothing in the summer (known in Japan as "Cool Biz") and heavy clothing in the winter ("Warm Biz").

*The name "Team Minus 6%" refers to Japan's greenhouse-gas-emission reduction target of 6% under the Kyoto Protocol.

Environmental Slogan

Every June, in Environment Month, Toppan solicits environmental slogans from employees, selects the most outstanding of all the entries submitted, and posts it at every operational site. From among the 6,600 entries submitted in fiscal 2008, the Company selected one as the most outstanding, two as outstanding, and five as notable.

The Toppan Group's environmental slogan for fiscal 2008 was "Eco-activities Start Simply: The Small Step from Thinking to Action."



President's Ecology Awards

Toppan has incorporated Ecology Awards in its biannual lineup of President's Awards to encourage the environmental efforts of employees by commending excellent environmental activities. Employees who have achieved or contributed in the following ways are nominated as candidates to receive the award: those who significantly contribute to in-house environmental conservation activities; those who serve as role models through their successes in promoting ingenious innovations for improvement; those who contribute substantially to the development of environmentally friendly technologies or products that win patents or utility model rights. A project team received an Ecology Award in fiscal 2008 for its work in developing and commencing the manufacture of paper composite containers.

The paper composite container, a combination of a paper cup and plastic rim, can be used as a paper-based alternative to a plastic container. The team developed the paper composite container by successfully applying the same proprietary technique Toppan uses for

Chewing Gum Container Made Mostly from Paper in Combination with a Plastic Rim

A container developed based on the same proprietary technique used to manufacture Toppan's Cartocan paper-based beverage container. The raw material for the paper component is lumber chip harvested from forest thinning, a process crucial for sound forest management and forests with improved CO₂ absorption efficiency. This is an environmentally friendly container designed to help mitigate global warming.



National Eco-protection Meeting held in Japan



Eco-protection Promotion Committee

the formulation of Cartocan. Team members from the sales, production, and development departments were also highly rated for their coordinated efforts to swiftly launch the manufacture of this new product.

■ Disclosing Environmental Information

Communicating with Local Communities

The communities around Toppan's plants filed 29 complaints and inquiries (five of them new) at 14 domestic sites in fiscal 2008, indicating that many stakeholders were inconvenienced. The complaints dealt mainly with noise and odors. While most of the problems were promptly solved, the Company has been implementing intensive measures for the remediation of odor-related problems at two operational sites.

To mitigate noise, Toppan has taken sound-insulating measures such as the installation of soundproof walls. To mitigate odors, the Company has revised methods for the operation and control of effluent gas treatment equipment and deodorizing equipment in order to properly manage routine operations. Through

routine inspections, the Company has stepped up its measures to prevent the recurrence of odor- and noise-related problems.

Toppan will continue to engage in environmental management through more detailed and comprehensive communications with residents in surrounding communities.

Issuing Site Eco Reports

Toppan's ISO 14001-certified sites have been issuing *Site Eco Reports* on their environmental activities since fiscal 2000. As periodic communications directed towards local municipalities and residents in surrounding communities, 25 reports were issued at 33 domestic sites in fiscal 2008.

When issuing reports, operational sites fully consider the understandability and readability based on Toppan's in-house Guidelines for Creating Environmental Reports for Operational Sites.

Organizing and Participating in Seminars and Environment-related Exhibitions

Toppan wants the public outside the Company to understand its environmental efforts. The Company dispatches lecturers to seminars held by various organizations, participates in environment-related exhibitions, and organizes environment-related programs of its own. Toppan's environmentally friendly products are on permanent display at PLAZA21 in the Toppan Koishikawa Building in Tokyo, a communication venue set up to present case examples of the integrated strength of the Group.

Major Environmental Events in Japan in Fiscal 2008

2008	
June	2008 Integrated Exhibition of the Environment in celebration of the Hokkaido Toyako Summit
August	Surprise! 100 Eco Ideas
September	Environmental communication seminar at PLAZA21
October	TOKYO PACK 2008
December	Eco-Products 2008
2009	
March	Eco Workshops opened at PLAZA21 in a tie-up with the P&P Gallery



Site tour

2008 Integrated Exhibition of the Environment in celebration of the Hokkaido Toyako Summit

Toppan displayed Cartocans and other environmentally friendly products and services at the 2008 Integrated Exhibition of the Environment to celebrate the Hokkaido Toyako Summit held in Japan in June 2008. The Company also supported the Hokkaido Toyako Summit Preparation Council by providing a special series of 10,000 Cartocans designed exclusively for the Summit. Cartocan is a paper-based beverage container designed to help foster sound forests.



Eco-Products 2008

Toppan exhibited total environmental solutions from the Toppan Group in cooperation with six Group companies (Tokyo Shoseki Co., Ltd., Tosho Printing Co., Ltd., Toppan Forms Co., Ltd., Toppan Cosmo, Inc., Toppan TDK Label Co., Ltd., and froebelkan co., ltd.) at the Eco-Products 2008 held in Japan in December 2008. Toppan's catchphrase for the event was: "Connecting, delivering, spreading, and communicating."



Site Eco Reports (in Japanese)

Mitigating Global Warming and Saving Energy

Toppan is pushing ahead with efforts to mitigate global warming, one of the most pressing environmental issues facing the planet, mainly through energy-saving measures to reduce carbon dioxide emissions.

Energy-saving Activities

Toppan engages in energy-saving activities to reduce the emissions of carbon dioxide (CO₂) and other greenhouse gasses. To work towards the Kyoto Protocol targets for reduced greenhouse gas emissions, Toppan has established a Medium- and Long-term Environmental Target: to reduce CO₂ emissions per unit of sales by 10% by fiscal 2010, compared to the fiscal 2000 level. The Company also sets a yearly target to accomplish the medium- and long-term target. To meet the Company's target for the year, every production site sets individual targets for emissions per unit of production value and emissions per unit of production volume by product type.

CO₂ emissions per unit of sales in fiscal 2008 were reduced by only 0.9% compared to fiscal 2007, falling short of the targeted reduction of 5%. Though extensive energy-saving measures were taken, a substantial decrease in orders received in the second-half of the fiscal year prevented Toppan from reaching the targeted reduction. Compared to the fiscal 2000 level, CO₂ emissions per unit

of sales in fiscal 2008 resulted in a 6.3% increase. Toppan will take more intensive energy-saving initiatives, mainly through operational enhancements of equipment and devices.

Details of the Company's Efforts

Towards reduced energy consumption, Toppan made a focused effort to prevent leaks of compressed air from production equipment in fiscal 2008. Leak countermeasures were strengthened via two approaches: conducting energy-saving reviews to check actual conditions and clarify points to be improved, and duplicating effective measures already deployed at certain sites for application elsewhere in the Company. Toppan developed other energy-saving initiatives through seminars held with outside experts, air leak checks with detectors, and ongoing fuel-switchover promotion.

The Company has also been gradually adopting LED lighting for indoor use and installing solar panels as a green-energy solution for outdoor lighting. In summer months, operational sites across Japan install "green curtains" over build-

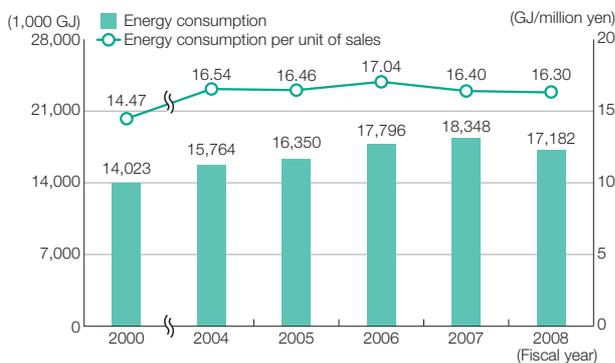
ings, a natural source of shade to help limit the rises in indoor temperatures.

In recognition of these unflagging energy-saving efforts, two Toppan sites were conferred awards from governmental organizations in fiscal 2008 (→P. 13).

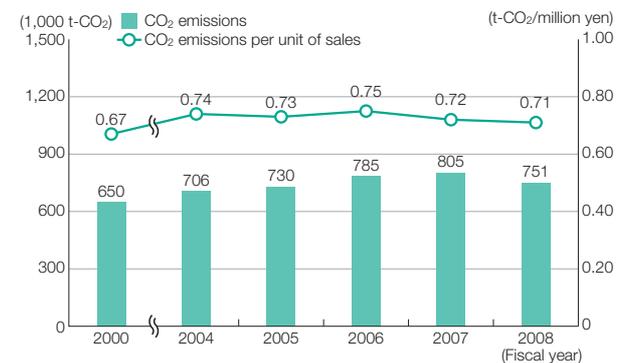


A "green curtain" composed of bitter melons

Energy Consumption



CO₂ Emissions



Note: CO₂ emissions are calculated by the method specified in the Guidelines for Calculating Greenhouse Gas Emissions from Businesses (2003) from the Ministry of the Environment (MOE) of Japan. When calculated by another MOE method specified in the Manual on Calculating and Reporting Greenhouse Gas Emissions (2007), CO₂ emissions in fiscal 2008 amounted to 819,391 t-CO₂. The calorific value of the primary energy input associated with electricity consumption is calculated uniformly as 0.00983 GJ/kWh. The Company does not use the fiscal 1990 CO₂ emissions as the base year value, as problems with the measurement accuracy and expansions and revisions in the boundary of data would make a retroactive calculation highly contingent on elaborate estimates. The energy type ratio and other detailed data are shown on P. 75.

Resource Circulation

Toppan controls waste generation and recycles waste materials in aiming to achieve zero emissions at all domestic sites.

Waste Reduction Activity

Waste paper derived primarily from operational sites in the Information & Networks and Living Environment fields comprises 73% of the total waste generated at the Toppan sites. Waste plastics from plants in the Living Environment field and waste acids such as waste etchant from plants in the Electronics field also make up substantial portions of the total waste generated.

Toppan has established a medium- and long-term target of reducing final landfill waste disposal by 95% by fiscal 2010, compared to the fiscal 2000 level. In fiscal 2008, Toppan reduced final landfill waste disposal by 14.2% relative to the fiscal 2007 level. While this fell slightly short of the 15% target set for the year, final landfill waste disposal has been reduced by 93.4% from the fiscal 2000 level. The Company will remain active in recycling waste to attain the medium- and long-term target.

The waste generation per unit of production value in fiscal 2008 increased by 3.2% relative to the fiscal 2007 level, falling behind the targeted reduction of 5% year-on-year. This result was mainly

attributable to the substantial decline in orders received in the second-half of the fiscal year. As of the end of fiscal 2008, the medium- and long-term reduction stood at 18.2%, compared to the fiscal 2000 level. The reduction targeted by fiscal 2010 is 25%, so efforts to accomplish the medium- and long-term targets will clearly have to be reinforced.

The Company will accelerate its efforts for the control of waste generation and the recycling of waste in the years to come.

Targeting Zero Emissions and Recycling Waste

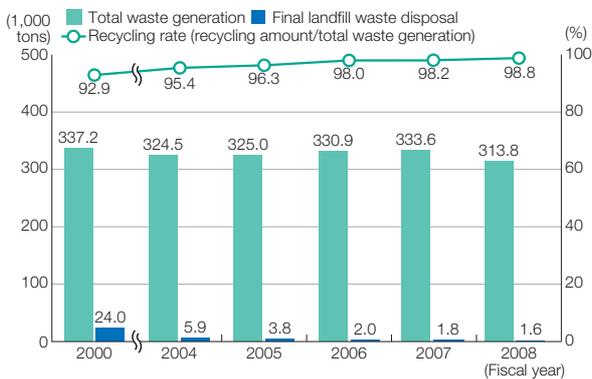
Toppan began certifying “zero-emission sites” in fiscal 2001. The recycling rate has great influence on the degree to which the Company can expect to achieve its zero-emission targets. Toppan, therefore, defines zero-emission sites as operational sites with recycling rates of 98% or over and zero-emission approval by the Ecology Center in the head office. The center certified and registered 43 sites out of the total of 58 domestic sites in fiscal 2008 (→P. 75).

Toppan recorded a 93% material

recycling rate* in fiscal 2008, meeting the 92% target set. Two important tasks towards the further improvement of the material recycling rate will be to use waste more effectively at operational sites and to discuss material recycling with industrial waste treatment companies. Toppan pursues the maximum reuse of the waste generated from every process throughout business operations, with the target of having all domestic sites certified as zero-emission sites by fiscal 2010.

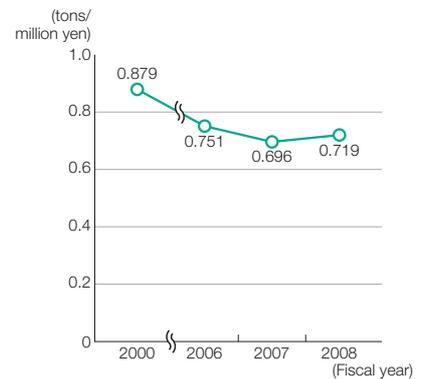
*Material recycling was redefined in fiscal 2008. Accordingly, the target rate has been changed from 85% to 92%.

Total Waste Generation, Final Landfill Waste Disposal, and Recycling Rate



Note: Final landfill waste disposal is direct landfill disposal plus landfill disposal of residues from intermediate treatment. It includes the residues discharged from recycling processes.

Waste Generation Per Unit of Production Value



Pollution Prevention and Chemical Substance Management and Reduction

Toppan is working to reduce its environmental burden and prevent pollution by complying with in-house control standards even more stringent than the legal requirements. The Company continued its efforts to reduce the handling of chemical substances, especially the handling of toluene, in fiscal 2008.

Preventing Pollution

Every production site gleans an accurate picture of the handling of chemical substances and identifies its own environmental burden. Based on the results, the Eco-protection Promotion Committee at every site sets in-house control standards even more stringent than the legal requirements. By complying with these standards, Toppan production sites work vigorously to reduce their environmental burdens and prevent pollution.

Preventing Atmospheric Pollution and Protecting the Ozone Layer

To prevent atmospheric pollution, Toppan controls boilers and other sources of smoke and soot by switching fuels and managing operations under appropriate combustion conditions. The Company has also introduced VOC effluent gas treatment equipment for the thorough control of atmospheric pollutants. VOC emissions into the atmosphere in fiscal 2008 were reduced by 6.7% compared to fiscal 2007, falling short of the 10% target set for the year. Efforts to reduce emissions were hindered by increases in the handling of cleaning solvents and in malfunctions of

VOC effluent gas treatment equipment.

For ozone-layer protection, all equipment that uses designated chlorofluorocarbons at Toppan plants is controlled in conformance with the relevant laws and regulations. The step-by-step replacement of this equipment is now being considered.

Preventing Water and Soil Pollution

To prevent pollution in the water environment, Toppan manages wastewater at its plants by installing wastewater treatment facilities designed to ameliorate specific production processes. Wastewater recycling systems are installed at production sites with intensive water consumption in the Electronics field. These systems enable the sites to recover and reuse wastewater and reduce the levels of water consumption and effluent discharge.

The Company's principal concern in managing its chemical solution storage tanks is to prevent the leakage of fluids. Walls have been constructed around the storage tanks and Toppan personnel regularly inspect the tanks and piping to detect flaws before soil pollution occurs.

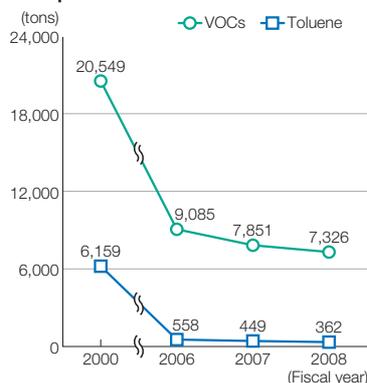
Managing Chemical Substances

Toppan works to reduce the handling of chemical substances designated under the PRTR law.

The handling of these substances was reduced by 12.4% in fiscal 2008, surpassing the targeted reduction of 5% year over year. The total release and total transfer were also decreased by 22.3% and 6.6%, respectively, compared to the fiscal 2007 levels. Toppan's switchover to toluene-free or low-toluene-content inks and cleaning solvents was the largest contributor to these results by far, accounting for 50.0% of the reduction in handling, 90.9% of the reduction in total release, and 88.2% of the reduction in total transfer.

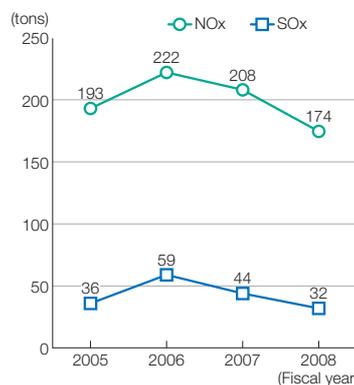
Toppan will press forward in material switchover to further reduce the handling of chemical substances designated under the PRTR law (→P. 76).

VOC and Toluene Emissions into the Atmosphere



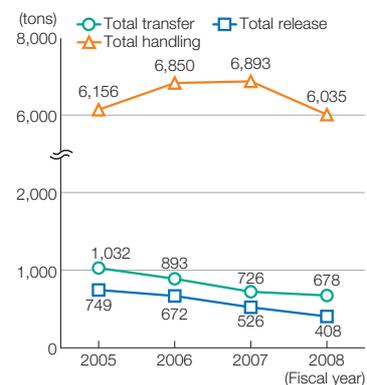
Note: Emissions into the atmosphere are calculated in conformance with the standards established by the Japan Federation of Printing Industries (JFPI) and the Japan Electronics and Information Technology Industries Association (JEITA). The data for fiscal 2007 and earlier have been restated based on the revised methods for calculation.

NOx and SOx Emissions



Note: Calculated based on the Environmental Reporting Guidelines (fiscal 2007 version) and the Environmental Activities Evaluation Program (April 2002) issued by the Ministry of the Environment of Japan.

Chemical Substances Designated under the PRTR Law



Note: Calculated based on data on the handling, release, and transfer of chemical substances designated under the PRTR law at each operational site. Dioxins are excluded due to a difference in the counting unit.

Approach to Logistics

Toppan Logistics Co., Ltd., the logistics specialist for the Toppan Group, secures safe transportation and organizes environmental conservation activities to reduce CO₂ emissions in transportation and stimulate waste reduction and recycling.

Reducing CO₂ Emissions in Transportation

Complying with the Revised Energy Saving Law of Japan

Under the revised Energy Saving Law of Japan, Toppan is classified as a “designated shipper” and required to reduce energy consumption per unit of transport volume by an average of 1% a year. Toppan Logistics Co., Ltd. is conducting energy-saving activities together with Toppan to meet this mandatory target. Measures to conserve energy consumption at Toppan Logistics during fiscal 2008 included an upsizing of company-owned trucks via a switchover to vehicles with maximum load capacities of 8 tons or more, an increase in the load efficiency of trucks via the adoption of mixed cargo containers, and the promotion of a modal shift to rail transport for applicable products. As a result of these measures, Toppan Logistics reduced energy consumption per unit of transport volume by 4.3% compared with fiscal 2007, surpassing the targeted reduction of 3% for the year.

In fiscal 2009, Toppan Logistics will continue to pursue reductions of CO₂ emissions by rationalizing transport

methods and introducing measures for improved transport efficiency.

Promoting the Green Management-certified Initiatives

Toppan Logistics proactively implements eco-driving and inspects and maintains vehicles according to in-house standards as it works to promote the Green Management-certified initiatives applicable mainly to company-owned vehicles.

In pursuit of enhanced eco-driving effects, Toppan Logistics sets new checkpoints to control driving practices harmful to the environment, such as warming-up-in-idle, quick braking, jack-rabbit starting, driving at inappropriate speeds, and idling during extended stops. A system to keep track of actual driving conditions supports the efforts of Toppan Logistics to improve vehicle mileage on an ongoing basis.

Reinforcing Environmental Management

Toppan Logistics operates an ISO 14001-certified environmental management system (EMS) mainly at the Kawaguchi site, its major logistics base, to effectively promote environmental

conservation activities. The boundary of the EMS has been extended to cover other sites, including the Niiza site in fiscal 2008.

Ongoing reinforcements in environmental management will allow Toppan Logistics to continue reducing and recycling wastes while strictly complying with environment-related laws and regulations such as the Waste Disposal and Public Cleaning Law and the Law Concerning Special Measures for Total Emission Reduction of Nitrogen Oxides from Automobiles in Specified Areas of Japan.

Securing Safe Transportation

Toppan Logistics operates a safety management system to improve the safety of company-owned-vehicle transport operations according to the requirements under the comprehensive law on driving transport safety enforced in Japan from 2006.

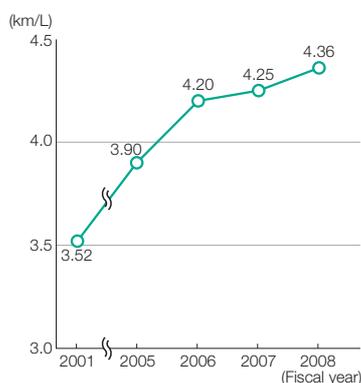
In fiscal 2008, Toppan Logistics implemented safe transportation measures at the Numazu and Niiza sites on a top-priority basis. These two sites were newly included in the consolidation boundaries of Toppan Logistics Co., Ltd. for the year.

Fiscal 2008 Results

- Promotion of modal shifts
Ton-kilometers of freight: 11% increase compared to the fiscal 2007 level
- Mileage of company-owned vehicles
23.9% improvement compared to the fiscal 2001 level
- Environmental management system (EMS)
Extended the boundary to cover the Niiza site; ISO 14001 renewal completed
- Waste recycling
Recycling rate: 92.9%* (1.8-point increase compared to the fiscal 2007 level)
- Safety management system
Zero serious accidents
- Promotion of eco-driving
Held joint seminars for drivers from the company and its partner companies

*The method for calculating the recycling rate has been changed.

Mileage of Company-owned Vehicles



Eco-driving lecture (discussion during a danger awareness drill)



Eco-driving lecture (vehicle maintenance)

Developing and Assessing Environmentally Friendly Products

Toppan develops environmentally friendly products based on ISO-14021-compliant in-house criteria while applying ISO-14040-compliant LCA methods to quantify the environmental burden of its products.

Basic Thinking on Environmentally Friendly Products

Toppan develops environmentally friendly products in accordance with its own set of criteria established in closer consideration of the social demand for products and services from the divisions and Toppan's 14 Environmental Points based on ISO 14021. The Ecology Center assesses newly developed products in order to certify and register those that meet all of the criteria for "environmentally friendly products." In response to the increased environmental awareness in society, the number of newly registered environmentally friendly products increased to 14 in fiscal 2008, exceeding the number registered in the previous fiscal year. Toppan will review the criteria for its environmentally friendly products by elaborating the Environmental Points in ways conducive to new perspectives.

The Company has developed 94 environmentally friendly products so far (as of the end of August 2009) (→P. 73).



Ultra-thin DM is a direct-mailing brochure made from an ultra-thin paper of a type commonly used for dictionaries and similar publications. The ultra-thin paper reduces paper consumption, and the use of a paste-binding agent as an alternative to stitching wire improves recyclability.



The material for the black matrix (BM) of the color filter for LCD TVs is changed from chrome to resin. The widths between the matrices are reduced to attain the same brightness with less electric power.



Toppan Material Wood is a recycled industrial material made entirely from waste wood and waste plastic. This industrial material can be re-crushed and recycled time and time again, with no change in its original form or function.

Environment-related Business

In fiscal 2008, Toppan worked to boost the sales of its environmentally friendly products, began to review its in-house criteria for registering environmentally friendly products, and began to reinforce its Eco-creativity Promotion System.

The chief objectives of the criteria review for environmentally friendly products were to revise Toppan's Environmental Points and reset the stages of the product life cycle in ways conducive to biological diversity and other new approaches for conserving the environment.

To respond to the growing interest of customers in the environmental efficiency of products, all of the divisions have reinforced the Eco-creativity Promotion System by appointing more Eco-creativity Officers.

Group companies are also considering means to conserve the global environment as they conduct their corporate activities. Each company assertively develops, produces, and markets eco-friendly products in line with its own Eco-product Standards carefully formulated

Toppan's 14 Environmental Points and Environmental Considerations

Life Cycle Stage	ISO 14021 Environmental Labeling Type II	Toppan's 14 Environmental Points for Environmentally Friendly Products	Toppan's Standards	
Products and distribution		1. Use of safe materials	Toppan will not use substances banned by industrial organizations or substances that could potentially contaminate products manufactured at the Company with environmental hormones.	
	Recycling rate	2. Use of recycled materials	Toppan will not produce products from recycled materials that could potentially contain environmental hormones or substances banned by industrial organizations.	
	Resource reduction		3. Resource-saving	The consumption of resources is reduced during the materials production and logistics processes.
			4. Reduced energy consumption in production	The consumption of energy and water is reduced during the production and logistics processes.
	Recovered energy	5. Use of recovered energy	Products are produced with surplus energy or energy recovered from waste materials.	
	Reduced solid waste	6. Reduced solid waste	The generation of solid waste is reduced through modifications of the production process, product design, and packaging. (Byproducts reused in processes are not included in this category.)	
Use	Energy-saving	7. Energy-saving	Energy consumption is reduced during product operation.	
		8. Reduced release of chemical substances	Products release the lowest possible levels of chemical substances.	
	Long-life products	9. Long product life	Product lifetimes are extended by improving durability and adopting scalable designs.	
After use	Reusable/refillable	10. Reusability	Products can be reused or refilled for uses related to the purposes for which they were originally intended, or for other purposes of the Company. Systems and infrastructures are provided for collection and reuse.	
	Recyclable	11. Recyclability	Systems and facilities are provided for product recycling. Recyclable parts are indicated as such.	
		12. Suitability for disposal	The materials used discharge the lowest possible levels of harmful gases during incineration. Landfill waste is carefully treated to prevent all forms of soil contamination.	
	Easy detachment design	13. Easy separation and disassembly	Product designs enable easy separation and disassembly. The parts and materials used support product recycling.	
	Degradability	14. Biodegradability	The biodegradable and photodegradable materials used in the products break down naturally and are assimilated back into the environment.	

in consideration of the demands from society and the features of its products and services.

The boundary of sales in the environment-related business was extended from Toppan Printing Co., Ltd. (nonconsolidated) to cover Group companies (consolidated) in fiscal 2008. As a result, total sales of the environment-related business of the entire Group stood at 256.8 billion yen.

In pursuit of improved and uniform environmental efficiency for products and services, the Toppan Group will examine a way to standardize the criteria for environmentally friendly products on a Group-wide basis.

■ Establishing an Evaluation Method Well Suited to Printed Products

Toppan began to develop an original method for evaluating environmentally friendly products in fiscal 2008. Drawing from the LCA concept, this method is especially well suited to items in print.

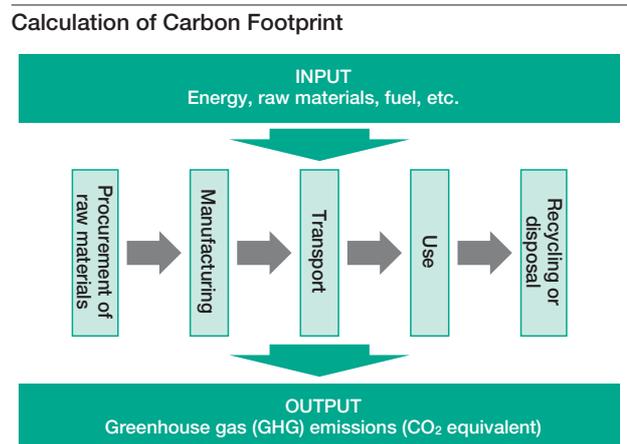
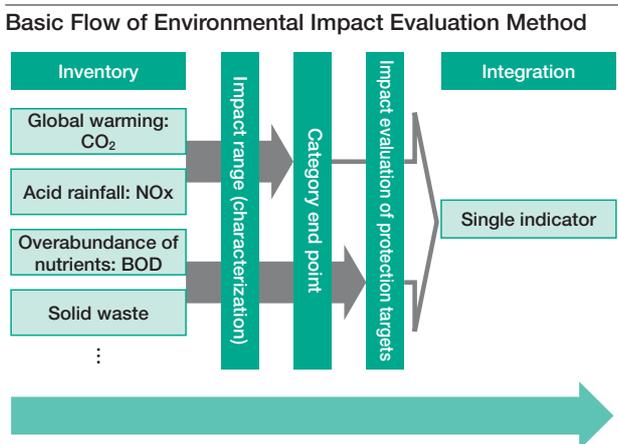
In essence, it is a quantitative evaluation of the environmental friendliness of a product with respect to inventories such as global warming mitigation and biodiversity conservation, based on Toppan's 14 Environmental Points throughout the product life cycle. When the evaluation is complete, the results are to be integrated and disclosed as a single indicator.

Toppan has enlisted the cooperation of Norihiro Itsubo, an Associate Professor from Tokyo City University, to develop a new environmental impact evaluation method suitable for printing products classified as nondurable goods. Through coming development efforts over the next two years, the Company seeks to establish a method for products in the Living Environment field, with plans for full-scale introduction in fiscal 2010.

■ Calculating and labeling Carbon Footprint

To help mitigate global warming, the Ministry of Economy, Trade and Industry (METI) of Japan issued the Guidelines on the Carbon Footprint System (Guidelines) and the Standards for Establishing Product Category Rules (PCRs). The Guidelines specify the basic rules on "carbon footprint" for calculation and labeling on CO₂ emissions derived from products and services. METI will draw up PCRs for each product and begin requiring businesses to label information on the CO₂ emissions on their products.

Toppan is preparing for the establishment of a structure to respond to the calculation and labeling requirements for each of its products under the PCRs. For printed products, CO₂ emissions are derived primarily from raw materials. The Company will therefore develop products that use fewer raw materials, beginning with containers and packaging.



Environmentally Friendly Printing Services

Toppan considers environmental conservation for every stage of printed material production, from raw material selection, design, and plate-making to printing and processing.

GPN Purchasing Guidelines for Offset Printing Services

As a member of the Green Purchasing Network (GPN) of Japan (→P. 37), Toppan tries to minimize the environmental impact of printing and provides printing services based on the Purchasing Guidelines for Offset Printing Services. The Company offers environmentally friendly technologies and materials for every step of the printing process, from the selection of designated inks and papers to surface treatment and binding. Many local governments and companies involved in green purchasing activities have adopted these services.

Production and Plate-making

Toppan saves natural resources and energy by excluding filming and development processes through the full digitalization of every stage, from production of the original manuscript and artwork to plate-making.

Using Environmentally Friendly Inks

The new soybean-oil ink developed by Toppan contains virtually no aromatic hydrocarbon, an organic compound harmful to both the human body and the earth's atmosphere. The Company has also commercialized a recycled vegetable-oil ink made from used soybean oil collected from school cafeterias, restaurants, and other sources.

Toppan is spreading the use of environmentally friendly inks by printing with vegetable oil inks designated by the Japan Printing Ink Makers Association (JPIMA). All products printed with these inks bear the special "VEGETABLE OIL INK" mark from the JPIMA.

Providing Environmentally Friendly Paper

The selection of printing paper contributes greatly to the conservation of forest resources. Toppan's environmentally friendly paper lineup includes tree-free paper, FSC-certified paper, and paper made with pulp from forest-thinning operations.

Waterless Printing System

The waterless printing system repels ink with a layer of silicon instead of a layer of water. This eliminates the use and discharge of dampening water, an industrial chemical with an organic solvent isopropyl alcohol (IPA) component.

Recyclable Methods for Bookbinding and Processing

Fragmentation-resistant hot-melt is an adhesive suitable for use on paper to be recycled. Besides offering strong cohesion, it can be completely removed from printed materials without fragmenting during recycling. Toppan has also developed methods for bookbinding and processing to confer outstanding recyclability. With Eco-binding, for example, printed materials can be bound without the stitching wire used in saddle stitching.

Recyclable Printed Materials

The Japan Federation of Printing Industries (JFPI) issued the "Guidelines for recyclable print productions" in March 2009 to increase the paper-to-paper recycling rate in cooperation with relevant industries. The JFPI classifies papers, inks, and processed materials based on the component properties that inhibit recycling. Once the classification is complete, recyclability of a printed material is clarified by combining the various component properties that inhibit recycling.

The usage rate of waste paper for printed materials for publication and other purposes is currently limited to about 30%. Some printing materials degrade the quality of recycled paper or cause problems in the processes to produce them. To enhance the usage rate, it will be necessary to improve the recyclability of the printed materials themselves.

Toppan will endeavor to generalize recyclable printing in cooperation with client companies and business partners.

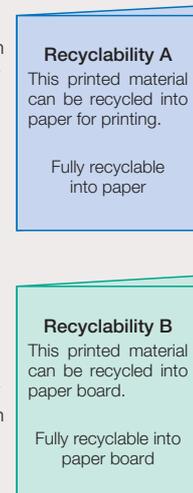
Source: "Guidelines for recyclable print productions" issued by The Japan Federation of Printing Industries and the Paper Recycling Promotion Center in Japan in March 2009

Printing Materials (papers, inks, and processing materials)

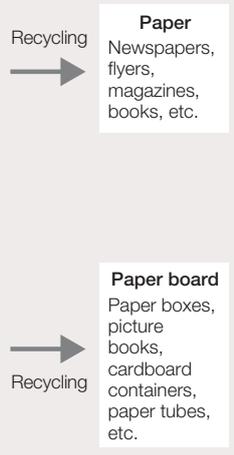
Ranking of waste paper recyclability

- Rank A**
For paper: ○ For paper board: ○
Does not inhibit recycling into paper and paper board.
- Rank B**
For paper: × For paper board: ○
Inhibits recycling into paper, but not recycling into paper board.
- Rank C**
For paper: × For paper board: ×
Inhibits recycling into paper and paper board.
- Rank D**
For paper: × For paper board: ×
Cannot be recycled into paper or paper board: interspersed trace materials cannot be removed.

Recyclable Printed Materials



Intended Purpose of Recycled Paper (paper, paper board)



Conserving Biodiversity

In procuring materials and making proposals to customers, Toppan considers biodiversity and the environment of locations in which it procures raw materials.

■ Cartocan

Measures taken for the sound nurturing and maintenance of forest resources help to provide habitats for diverse species. The Forestry Agency of Japan advocates KIZUKAI-UNDOH (Wood Products Utilization Campaign), a campaign to encourage forest maintenance in Japan by promoting the use of domestic lumber, including lumber harvested from forest-thinning operations.

As a supporter of KIZUKAI-UNDOH, Toppan contributes to the sound nurturing and maintenance of the country's forest resources by preferentially adopting domestic lumber for the production of its paper-based beverage container, Cartocan.

To extend the benefits of Cartocan, Toppan established a system for the recycling of empty Cartocans into ECO-GREEN toilet paper in January 2002. ECO-GREEN is made from about 50% used Cartocans. Toppan purchased 2,753 cases (60 rolls per case) of ECO-GREEN in fiscal 2008.

■ Pallets Made with Lumber Harvested from Forest-thinning Operations

Since 2007, the Takino Commercial Printing Plant has participated in the Presents from the Forest—Eco-Friendly Pallet Project operated by FoE Japan, an international environmental NGO.

The purpose of this project is to effectively use logs that are too short or too thin to be processed into products by conventional means. The processing of these logs into a commodity enables forest people and companies in the forest industry to supplement their incomes. Many Toppan sites adopt pallets made with lumber harvested from forest-thinning operations with support from pallet manufacturers and logging and processing companies.

■ FSC CoC Certification

In May 2002, Toppan became the first company to acquire the Forest Stewardship Council (FSC) Chain of Custody (CoC) certification in the field of commercial printing in Japan. The Company

subsequently acquired the CoC certification in the fields of securities printing and publications printing.

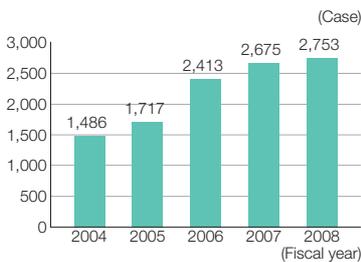
■ Tree-planting Programs

Toppan has been investing and participating in two projects in Australia: the GPFL*1 tree-planting venture to produce hardwood chip, a raw material for paper, in Victoria, and the PPT's*2 hardwood planting program in Tasmania.

To help conserve the environment and biodiversity in these afforested areas, Toppan has acquired a third-party forest management certification together with relevant companies and seeks to establish a system to improve the traceability of wood products. The Company has also been participating in a joint research project to develop methods for monitoring CO₂ absorption in forests.

And since fiscal 1999, Toppan has been collaborating in research on plantation methods as a supporting member of the Japan Overseas Plantation Center for Pulpwood.

ECO-GREEN Purchasing



Using pallets made with lumber harvested from forest-thinning operations



Purchasing FSC certified products helps to promote responsible forest management worldwide.

SA-COC-001196
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The FSC forest management certification system is a framework to approve responsible forest management under the principles and standards established by the Forest Stewardship Council. The FSC Chain of Custody (CoC) certification can only be granted to comprehensive management systems that effectively ensure that products are made of materials from well-managed forests, controlled sources and recycled wood or fiber.



Tree planting by GPFL (upper) and PPT (lower)

*1 Green Triangle Plantation Forest Company of Australia Pty. Ltd.

*2 Plantation Platform of Tasmania Pty. Ltd.

Environmental INPUT/OUTPUT Data by Business Field

■ Combined Results by Business Field

Category	Chief Component	Electronics	Information & Networks	Living Environment	Non-production Sites	Total	
INPUT	Material	Total input (tons)	25,785	1,254,972	475,950	0	1,756,707
		Paper (tons)	38	1,226,404	285,164	0	1,511,606
		Plastic (tons)	2,943	2,690	142,823	0	148,456
		Glass (tons)	7,513	1	2	0	7,516
		Ink, solvent (tons)	12,465	22,623	36,591	0	71,679
		Other (tons)	2,826	3,254	11,370	0	17,450
	Energy	Total energy consumption (1,000 GJ)	10,631	8,327	6,250	812	26,020
		Electricity consumption (1,000 GJ)	9,336	5,946	4,571	663	20,516
		Fuel consumption (1,000 GJ)	1,295	2,381	1,679	149	5,504
	Water	Water consumption (1,000 m ³)	11,544	3,585	2,124	356	17,609
		Industrial water (1,000 m ³)	1,765	976	526	0	3,267
		Municipal water (1,000 m ³)	376	1,284	781	356	2,797
		Groundwater (1,000 m ³)	9,403	1,325	817	0	11,545
		Use of rainwater (1,000 m ³)	2	37	0	16	55
		Use of water circulated on premises (1,000 m ³)	27,247	0	30	0	27,277
Chemical substance	Handling of chemical substances designated under the PRTR law (tons)	1,821	1,831	2,454	4	6,110	
OUTPUT	Atmosphere	CO ₂ emission (t-CO ₂)	456,739	403,813	334,338	33,565	1,228,455
		Emission of ozone-depleting substances (ODP-kg)	0	892	93	0	985
		NOx emission (kg)	35,144	91,891	90,193	3,640	220,868
		SOx emission (kg)	16,073	294	20,334	1	36,702
		Emission of dioxins (mg-TEQ)	0	5	4	0	9
		Release of chemical substances designated under the PRTR law (tons)	55	126	240	0	421
	Water and soil environments	Total effluent discharge (1,000 m ³)	10,650	2,915	1,462	344	15,371
		Public water system (1,000 m ³)	8,654	1,176	895	0	10,725
		Sewage system (1,000 m ³)	1,996	1,739	567	344	4,646
		Underground penetration (1,000 m ³)	1	10	44	0	55
Onsite evaporation (1,000 m ³)		813	625	505	46	1,989	
BOD (kg)		49,511	1,271	4,796	0	55,578	
COD (kg)		16,542	5,289	3,243	0	25,074	
Nitrogen discharge (kg)		16,670	1,331	5,937	0	23,938	
Phosphorous discharge (kg)		710	159	657	0	1,526	
Release of chemical substances designated under the PRTR law (kg)		391	0	96	0	487	
Waste	Total generation (tons)	49,468	269,719	124,428	4,260	447,875	
	Recycled (tons)	45,157	265,810	119,560	3,730	434,257	
	Final landfill waste disposal (tons)	1,879	2,210	2,691	30	6,810	

Note: CO₂ emissions are calculated by the method specified in the Guidelines for Calculating Greenhouse Gas Emissions from Businesses (2003) from the Ministry of the Environment of Japan. The calorific value of the primary energy input associated with electricity consumption is calculated uniformly as 0.00983 GJ/kWh. The data for overseas sites, however, are calculated based on other definitions.

Green Procurement and Green Purchasing

■ Toppan's Green Procurement Standards (Offset Ink*)

*Not applicable to gold, silver, and pearl ink

	Level 1	Level 2	Fiscal 2006	Fiscal 2007	Fiscal 2008
1. Avoiding the use of materials harmful to the human body	Conforms to the NL restrictions of the Association of Japan Printing Ink Manufacturers		89.1%	86.2%	95.8%
2. Avoiding the use of substances known to generate hazardous substances	Non-usage of chloride-based resins				
3. Considering chemical substances designated under the PRTR law	Non-usage of substances designated under the PRTR law	Identification of substances designated under the PRTR law (preparing for MSDS)			
4. Controlling VOC emissions	VOC content below 1% (non-VOC ink): Excluding ink for web press	VOC content below 15% (low-VOC ink) or soybean-oil ink			

■ In-house Green Purchasing Standards and Level of Fulfillment

Product	Purchasing Standard	Fiscal 2006	Fiscal 2007	Fiscal 2008
Copy machines and printers	Configured to automatically revert to low-power mode or off mode when not used for a specific period of time	96.4%	94.5%	100%
PCs	Configured to automatically revert to low-power mode or off mode when not used for a specific period of time, and to maintain low energy consumption when in low-power mode	100%	100%	100%
Stationery and office goods	Products endorsed with environment-friendly qualifications such as the Eco Mark or Green Mark; products listed in the eco-friendly product catalogues of manufacturers	95.8%	99.0%	94.6%

Environmentally Friendly Products

■ List of Environmentally Friendly Products (as of the end of August 2009)

Business Field	Product	Environmental Point
Securities and Cards	Ecothrough card	Suitability for disposal
	Paper IC Card	Use of recycled materials
	Bulky Waste Processing Sticker	Resource-saving (reduced use of materials)
	Card for ETC	Suitability for disposal
	Rewritable Paper	Long product life
Commercial Printing	Ultra-thin DM	Resource-saving
	Eco Pack (life-size POP display)	Resource-saving (reduced use of materials)
	Paper Desk Calendar	Use of recycled materials
	Ecology Calendar	Use of recycled materials
	Eco POP	Use of recycled materials, suitability for disposal, energy-saving
	Cerap	Suitability for disposal
	Eco Pack Stand	Resource-saving
	Eco Pack Multipanel	Reusability
	Eco Floor Sticker	Suitability for disposal
	Eco Pack End Panel	Resource-saving
	Eco Pack Stand, Round-type	Resource-saving
	EPOP	Use of safe materials
	Eco Pack Multipanel Mini	Reusability
Multicube POP	Reusability	
Publications Printing	Recycled vegetable-Oil Ink	Use of recycled materials
	Polyurethane Reactive Hot-Melt	Easy separation and easy disassembly
	Non-Vinyl Chloride Lenticular Lens	Suitability for disposal
	Disk Tottokun Series	Recyclability
Electronics	Halogen-free printed wiring board	Suitability for disposal
	Anti-reflection film	Use of safe materials
	Color filter (resin black matrix [BM])	Use of safe materials
	Palladium-plated leadframe	Use of safe materials
	Lead-free solder coated printed wiring board	Use of safe materials
Packaging	GL Family	Suitability for disposal
	Standing pouch for refill	Resource-saving (reduced use of materials)
	Bottled Pouch	Resource-saving (reduced use of materials)
	Plastic Container Made from Recycled Materials	Use of recycled materials
	Ecogloss (environmentally-friendly gloss finishing)	Resource-saving (reduced use of exhaustible materials), use of recycled materials
	Recording Media Packaging	Resource-saving (reduced use of exhaustible materials)
	TT Paper Can	Easy separation and disassembly
	Neovert	Use of recycled materials
	Ecotainer	Resource-saving (reduced use of exhaustible resources)
	TL-PAK	Resource-saving (reduced use of exhaustible resources)
	EP-PAK (EP-GL)	Resource-saving (reduced energy usage in logistics)
	EP-PAK (Al)	Resource-saving (reduced energy usage in logistics)
	Stand-up Laminated Tube	Resource-saving (reduced use of materials)
Recyclen Cap	Easy separation and disassembly	
AP Cartons	Resource-saving (reduced use of energy in logistics)	
Micro-Flute	Resource-saving (reduced use of energy in logistics)	
TP-Tray	Recyclability	
Corrugated Absorber	Recyclability	
AD-Case	Resource-saving (reduced use of materials)	

Business Field	Product	Environmental Point
Packaging	Cartocan	Recyclability
	Paper Cup Made from Recycled Paper	Use of recycled materials
	Cup made from Tree-Free paper	Resource-saving (use of byproducts)
	Biodegradable Package	Biodegradability
	Cylindrical Paper Cartridges	Resource-saving (reduced use of energy in logistics)
	Coated Barrier Film	Suitability for disposal
	GL-C Bottle	Resource-saving
	GX film	Resource-saving
	Jar Plus	Resource-saving
	Tray All	Easy separation and disassembly
	GL Film Lined Paper Cup	Resource-saving
	Double-Wall Barrier Cup	Resource-saving
	Oil-Proof Paper	Use of safe materials
	Functional Coated Paper	Recyclability
	In-Mold Barrier Cup	Resource-saving
	Tamper-Evident Recyclen Cap	Easy separation and disassembly
	Easy peel-off thermo-cap for PET bottles	Easy separation and disassembly
	Ecoband	Resource-saving
	Water-based Cold Seal	Reduced release of chemical substances
	Biodegradable Plant Pot	Biodegradability
	Barrier Cup (NSP Process)	Resource-saving
	Plastic Clip	Recyclability
	Notchless Easy-cut Container (AL type)	Resource-saving (reduced energy expended in manufacturing)
	Recycled PET Clear Case	Recyclability
	ALUGLAS	Suitability for disposal
	Stripping and heat-sensitive label for glass bottles	Easy separation and disassembly
	Food container made from heat-resistant paper	Resource-saving
	Paper carton with temper evident closure	Resource-saving
	One-piece occlusion-preventive plug for TL-PAKs	Resource-saving
	Sealed paper tray	Resource-saving
	Flexible packaging material using paper	Resource-saving
	Clear UV-Blocking Film	Suitability for disposal
	Injection-molded articles of biomass-plastics	Resource-saving
	EL-Case	Easy separation and disassembly
	Oil-proof paper for fluorine-free cardboard	Use of safe materials
	Paper cup made from pulp from forest-thinning	Resource-saving
	GL-compliant back sheet for solar cells	Suitability for disposal, long product life
	Paper composite container	Resource-saving, recyclability
	Pouch-type fragrance container	Resource-saving, recyclability
	Resource-saving Cartocan (rectangular type)	Resource-saving, recyclability
Packaging materials using low-migration type adhesives	Reduced release of chemical substances, use of safe materials	
Delayed-tack label for glass bottles (film type)	Easy separation and disassembly, resource-saving	
Cylindrical paper-complex container	Resource-saving	
High Resistance Flexible Pouch	Resource-saving	
Folding Pouch (for refilling)	Easy separation and disassembly	
In-mold Decorated Components	Reduced release of chemical substances	
Aluminum-free Dead-fold Lid Material	Suitability for disposal	

ISO 14001 Certification (65 systems, 84 operational sites as of April 1, 2009)

■ Toppan Printing Co., Ltd. and Production Subsidiaries

Division/Operational Site	Registrar	Registration Date
Shiga Plants (Electronics Division/Semiconductor Solutions Division)	JQA	Jul. 1998
Electronics Division (Kumamoto Plant)	JQA	Nov. 1998
Toppan Cosmo, Inc. (Kashiwa Plant/Satte Plant, Toppan Decor Products Inc.)	JQA	Mar. 2000
Electronics Division (Niigata Plant) and NEC Toppan Circuit Solutions, Inc. (Niigata Plant)	JQA	Apr. 2000
Sakado Site	JQA	Oct. 2000
Information and Communication Division (Ranzan Plant)	JQA	Nov. 2000
Packaging Division (Akihabara Office)	JQA	Mar. 2001
Itabashi Site (including Toppan Seihon Co., Ltd.)	JQA	Feb. 2002
Fukusaki Site (including Wakayama Plant, Toppan Plastic Co., Ltd.)	JQA	Jul. 2002
Toppan Graphic Co., Ltd.	JQA	Aug. 2002
Takino Plants (Information and Communication Division/Packaging Division)	JQA	Oct. 2002
Gunma Site (including Tatebayashi Plant)	JQA	Jul. 2003
Asaka Plants (Information and Communication Division/Semiconductor Solutions Division)	JQA	Dec. 2003
Toppan Electronics Fuji Co., Ltd.	JQA	Jun. 2004
West Chugoku & Shikoku Subdivision (Hiroshima Office/Kannabe Toppan Co., Ltd.)	JQA	Oct. 2004
Kansai Division (Commercial Printing Subdivision/Securities Printing Subdivision/Packaging Subdivision/East Chugoku & Shikoku Subdivision)	JQA	Nov. 2004
Tohoku Division	JQA	Mar. 2005
Technical Research Institute	JQA	May 2005
Hokkaido Division (Sapporo Plant/Chitose Plant)	JSA	Jun. 2005
Electronics Division (Mie Plant I)	JQA	Jan. 2006
Toppan Plastic Co., Ltd. (Koshigaya Plant/Kawaguchi Plant/Sagamihara Plant)	SAI GLOBAL	Dec. 2006
Toppan Packaging Service Co., Ltd. (Ranzan Plant/Kyushu Plant)	JQA	Feb. 2007
Packaging Division (Sagamihara Plant)	SAI GLOBAL	Mar. 2007
Toppan Saga Yoki Co., Ltd.	SAI GLOBAL	Nov. 2007
Nishinohon Division (Fukuoka Plant Manufacturing Department 1)	SAI GLOBAL	Oct. 2008

Note: The names of divisions and operational sites accord with those mentioned in the review report issued in fiscal 2008 by the registrars.

Environmental Education

■ Fiscal 2008 Results

Education or Training	Content	Number of Trainees
New employee training	General environmental education (introductory level)	395
Training for newly appointed managers	General environmental education (intermediate level)	200
E-learning	Environmental issues involving corporations and Toppan Group activities	0 (Sum total: 20,123)
Optional training	Introduction to ISO 14001	23
	Introduction to environment-related laws	23
	Seminar to enhance the skills of ISO 14001 internal auditors	39
Challenge School	Six courses related to the environment	19
Internal environmental auditor training	Internal environmental auditor training program	140

■ Domestic Group Companies

Group Company/Operational Site	Registrar	Registration Date
NEC Toppan Circuit Solutions, Inc. (Toyama Plant)	JQA	Jan. 1997
Total Media Development Institute Co., Ltd.	JSA	Mar. 2001
Toppan Forms Co., Ltd. (Hino Plant)	JQA	Jun. 2001
Tokyo Shoseki Co., Ltd. (Head office and plants)	JCQA	Jul. 2001
Toppan TDK Label Co., Ltd. (Fukushima Plant/Takino Plant)	JQA	Nov. 2001
Toppan Logistics Co., Ltd. (Nishigaoka Site, including the Kawaguchi transport department)	JQA	Oct. 2002
Toppan Prosprint Co., Ltd. (Mito Plant)	JSA	Jan. 2004
Toppan Forms Co., Ltd. (Fussa Plant)	JQA	Feb. 2004
Toppan Forms Co., Ltd. (R&D Center)	JQA	Mar. 2004
Toppan Containers Co., Ltd. (Saitama Plant/Miyagi Plant/Sano Plant)	JQA	Apr. 2004
Toppan Forms Tokai Co., Ltd. (Nagoya Plant)	JQA	Aug. 2004
Toppan Forms Kansai Co., Ltd. (Osaka Plant)	JQA	Dec. 2004
Toppan Forms Nishinohon Co., Ltd. (Kyushu Plant)	JQA	Jan. 2005
Toppan TDK Label Co., Ltd. (Sagamihara Plant/Kita Plant/Nishi Plant/Nishi Warehouse)	JCQA	Jan. 2005
Toppan Prosprint Co., Ltd. (Koto Plant)	JQA	Mar. 2005
Hino Offset Printing Co., Ltd.	JSA	Nov. 2005
Toppan Forms Kansai Co., Ltd. (Settsu Plant)	JQA	Mar. 2006
Toppan Forms Co., Ltd. (Kawamoto Plant)	JQA	Aug. 2006
Toppan Forms Kansai Co., Ltd. (Kobe Plant)	JQA	Sep. 2006
Toppan Techno Co., Ltd. (Head office/Kansai branch/Atsugi site)	SAI GLOBAL	Mar. 2009

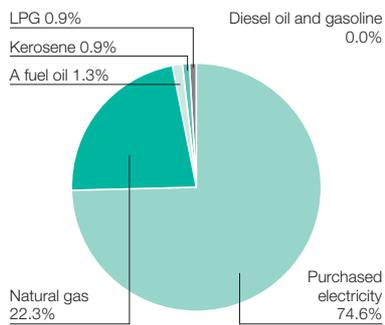
■ Overseas Subsidiaries

Group Company	Registrar	Registration Date
Toppan Photomasks France SAS	LRQA	Oct. 2000
Toppan Photomasks, Inc. (Santa Clara/Round Rock)	LRQA	Nov. 2001
Siam Toppan Packaging Co., Ltd.	MASCI	Apr. 2002
Toppan Printing Co., (H.K.) Ltd.	DNV	May 2002
Toppan Printing Co. (America), Inc.	DNV	Dec. 2002
Toppan Chunghwa Electronics Co., Ltd.	SGS	Oct. 2003
Toppan Printing Co., (Shenzhen) Ltd.	SSCC	Dec. 2003
Toppan Photomasks Germany GmbH	LRQA	Oct. 2004
Toppan CFI (Taiwan) Co., Ltd.	SGS	Nov. 2004
P.T. Toppan Printing Indonesia	LRQA	Nov. 2004
Toppan Photomasks Singapore Pte. Ltd.	LRQA	Feb. 2005
Toppan Photomasks Korea Ltd.	LRQA	Feb. 2005
Toppan Photomasks Co., Ltd., Shanghai	LRQA	Feb. 2005
Toppan Printing Co., (Shanghai) Ltd.	CEC	Feb. 2006
Toppan SMIC Electronics (Shanghai) Co., Ltd.	BSI	Feb. 2007
SNP Leefung Printers (Shanghai) Co. Ltd.	CCCI	Apr. 2007
SNP Yau Yue (Shenzhen) Paper Products Co., Ltd.	SGS	Nov. 2007
Shanghai Toppan Printing Co., Ltd.	NQA	Jul. 2008
SNP Leefung Packaging & Printing (Dongguan) Co., Ltd. (Packaging Division)	MIC	Jan. 2009
SNP Leefung Printers Ltd. (Export Division—book printing) [SNP Leefung Packaging & Printing (Dongguan) Co., Ltd. (Export Division—book printing)]	CNAS	Mar. 2009

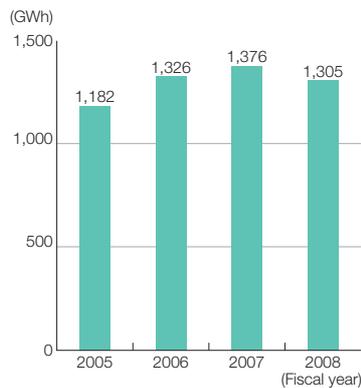
Note: The company names accord with those mentioned in the registration certificate.

Energy Type Ratio and Consumption

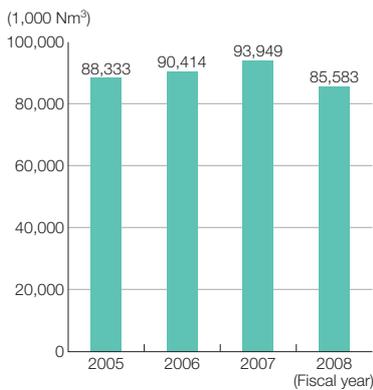
Ratio by Energy Type for Fiscal 2008
(in terms of calorific value)



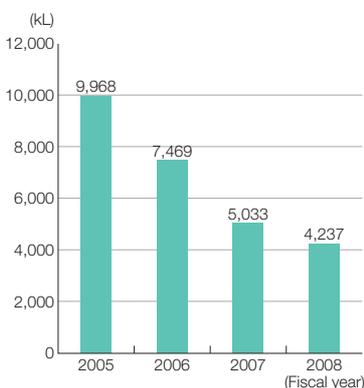
Electricity Consumption



Natural Gas Consumption



Kerosene Consumption



Note: The calorific value of the primary energy input associated with electricity consumption is calculated uniformly as 0.00983 GJ/kWh.

Promotion of Waste Reduction and Recycling (43 plants certified in December 2008)

Zero-emission Sites (TZERO-08)

Operational Site	Generation (tons)	Recycled (tons)	Recycling Rate
Information and Communication Division (Asaka Securities Printing Plant)	4,069.8	4,066.1	99.91%
Information and Communication Division (Ranzan Plant)	1,051.6	1,050.4	99.89%
Semiconductor Solutions Division (Asaka Site)	392.5	383.2	97.63%
Electronics Division (Mie Plant I)	5,638.2	5,637.9	99.99%
Electronics Division (Kumamoto Plant)	11,166.1	11,097.5	99.39%
Toppan Electronics Fuji Co., Ltd.	180.5	179.3	99.34%
NEC Toppan Circuit Solutions, Inc. (Toyama Plant)	4,238.3	4,237.1	99.97%
Electronics Division (Satte Plant)	2,612.8	2,612.8	100.00%
Electronics Division (Shiga Plant)	1,993.4	1,993.4	100.00%
Information and Communication Division (Itabashi Site)	16,514.4	16,446.5	99.59%
Information and Communication Division (Asaka Site)	11,121.0	11,094.6	99.76%
Sakado Site	27,063.3	27,054.2	99.97%
Toppan Graphic Co., Ltd.	44,962.8	44,962.8	100.00%
Toppan Seihon Co., Ltd.	30,901.4	30,721.6	99.42%
Packaging Division (Sagamihara Plant)	21,182.6	21,126.2	99.73%
Toppan Containers Co., Ltd. (Saitama Plant)	8,941.1	8,824.2	98.69%
Toppan Containers Co., Ltd. (Sano Plant)	4,144.8	4,121.3	99.43%
Toppan Containers Co., Ltd. (Miyagi Plant)	3,589.5	3,589.5	100.00%
Toppan Containers Co., Ltd. (Kumagaya Site)	264.6	264.6	100.00%
Toppan Plastic Co., Ltd. (Koshigaya Plant)	499.6	499.1	99.90%
Toppan Plastic Co., Ltd. (Sagamihara Plant)	121.0	121.0	100.00%
Toppan Packaging Service Co., Ltd. (Ranzan Plant)	500.9	498.6	99.54%
Toppan Packaging Service Co., Ltd. (Kyushu Plant)	228.4	228.4	100.00%
Toppan Decor Products Inc. (Kashiwa Plant)	3,571.2	3,571.2	100.00%
Toppan Decor Products Inc. (Satte Plant)	5,012.8	5,012.8	100.00%
Packaging Division (Itami Plant)	10,556.5	10,436.7	98.87%
Toppan Harima Products Co., Ltd.	639.5	636.3	99.50%
Information and Communication Division (Takino Commercial Printing Plant)	11,993.5	11,993.5	100.00%
Packaging Division (Takino Packaging Plant)	4,888.2	4,885.0	99.93%
Information and Communication Division (Takino Securities Printing Plant)	1,200.2	1,200.2	100.00%
Information and Communication Division (Nagoya Plant)	5,290.9	5,269.6	99.60%
Packaging Division (Matsuzaka Plant)	2,485.4	2,465.5	99.20%
Mikkabi Toppan Printing Co., Ltd.	3,244.0	3,236.4	99.77%
Nishinohon Division (Fukuoka Plant Manufacturing Department 1)	5,391.8	5,296.2	98.23%
Nishinohon Division (Fukuoka Plant Manufacturing Department 2)	6,005.5	5,967.5	99.37%
Toppan Saga Yoki Co., Ltd.	229.1	227.7	99.41%
Kumamoto Toppan Co., Ltd.	6,210.3	6,210.3	100.00%
Kannabe Toppan Co., Ltd.	4,099.0	4,018.2	98.03%
Tohoku Division (Sendai Plant)	4,293.9	4,232.1	98.56%
Hokkaido Division (Sapporo Plant)	2,746.3	2,746.1	99.99%
Toppan Prosprint Co., Ltd. (Mito Plant)	3,891.4	3,889.7	99.96%
Toppan Prosprint Co., Ltd. (Koto Plant)	1,713.1	1,710.4	99.84%
Fukuren Co., Ltd.	58.2	58.2	100.00%

Notes: •Two criteria were set for certifying operational sites as zero-emission sites in December 2008. 1) For first-time certification, a site is required to have attained a recycling rate of 98% or over in fiscal 2007. 2) For ongoing certification, a site is required to have attained an average recycling rate of 98% or over during fiscal 2006-2007. •The performance data above are the results for fiscal 2007. Though its recycling rate has been confirmed to fall below 98%, the Asaka Site in the Semiconductor Solutions Division is certified as a zero-emission site. This site retains the designation because it underwent an assessment for ongoing certification and maintained an average recycling rate of over 98% during fiscal 2006-2007.

Pollution Prevention and Chemical Substance Management and Reduction

■ PRTR Results for Fiscal 2008

(Unit: kg/year)

PRTR No.	Chemical Substance	Handle	Release	Release			Total Transfer
				1. Atmosphere	2. Water	3. Soil	
16	2-amino ethanol	52,525	0	0	0	0	13,128
24	Linear alkylbenzenesulfonate and chlorides	2,379	0	0	0	0	809
30	Bisphenol A type epoxy resin (liquid)	1,953	0	0	0	0	586
40	Ethyl benzene	29,069	4,643	4,643	0	0	912
45	Ethylene glycol monomethyl ether	6,056	297	297	0	0	949
46	Ethylene diamine	5,842	0	0	0	0	5,782
61	ε-caprolactam	5,080	0	0	0	0	813
63	Xylene	65,877	6,980	6,980	0	0	970
64	Silver and water-soluble compounds	1,441	0	0	0	0	0
68	Chrome and trivalent chromium compounds	21,477	7	0	6	0	5,965
69	Hexavalent chromium compounds	18,206	0	0	0	0	897
108	Inorganic cyanogens compounds	3,706	0	0	0	0	112
132	1,1-dichloro-1-fluoroethane (HCFC-141b)	1,847	1,847	1,847	0	0	0
179	Dioxins	545 (mg-TEQ)	4 (mg-TEQ)	4 (mg-TEQ)	0	0	541 (mg-TEQ)
207	Copper salts (water-soluble, except complex salts)	1,340,171	411	0	411	0	221,894
218	1,3,5-tris(2, 3-epoxypropyl)-1,3,5-triazine-2,4,6 (1H,3H,5H)-trione	7,290	0	0	0	0	2,174
224	1,3,5-tri-methyl benzene	6,392	1,060	1,060	0	0	5,011
227	Toluene	4,252,337	392,670	392,670	0	0	357,996
231	Nickel	97,020	0	0	0	0	0
232	Nickel compounds	55,922	22	0	22	0	52,666
299	Benzene	8,245	0	0	0	0	0
304	Boron and its compounds	1,781	32	0	32	0	2
309	Poly (oxyethylene) nonylphenyl ether	2,194	439	439	0	0	1,712
310	Formaldehyde	39,278	60	60	0	0	0
311	Manganese and its compounds	8,928	16	0	16	0	6,011
	Total	6,035,016	408,483	407,996	487	0	678,389

Notes: Period covered: April 1, 2008–March 31, 2009

Substances designated: The 25 substances shown above

Operational sites covered: Sites that handle more than 1.0 ton of Class I designated chemical substances per year. (Or specified Class I designated chemical substances in excess of 0.5 tons per year.)

The total transfer is the sum of transfers into waste and sewage systems.

Atmospheric Emissions

■ Ratio of Greenhouse Gas Emissions by Type (in tons of CO₂ equivalent)(Unit: ratio: % total: t-CO₂)

Fiscal Year	CO ₂	CH ₄	N ₂ O	Total
2005	99.92	—	0.08	730,356
2006	99.93	—	0.07	785,562
2007	99.93	—	0.07	805,109
2008	99.93	—	0.07	751,901

■ Ratio of Greenhouse Gas Emissions by Source (in tons of CO₂ equivalent)(Unit: ratio: % total: t-CO₂)

Fiscal Year	Electricity Use	Fuel Use	Waste Incineration	Total
2005	61	35	4	730,356
2006	64	31	4	785,562
2007	65	32	4	805,109
2008	66	31	4	751,901

Note: Calculated by the method specified in the Guidelines for Calculating Greenhouse Gas Emissions from Businesses (2003) from the Ministry of the Environment of Japan.

Waste Generation and Recycling by Type

■ Fiscal 2008 Results

Type of Waste	Generation (tons)	Ratio	Recycling Rate	Primary Reusage
Waste paper	229,264	73.1%	99.8%	Recycled paper
Waste plastic	26,738	8.5%	99.0%	RPF, plastic materials
Waste acid	15,908	5.1%	93.6%	Neutralizer
Waste alkali	13,631	4.3%	95.8%	Neutralizer
Waste oil	9,150	2.9%	97.2%	Recycled oil, fuel
Sludge	9,150	2.9%	94.5%	Roadbed materials
Metal chip	4,804	1.5%	99.5%	Metal materials
Wooden chip	1,931	0.6%	99.0%	Chip, paper materials
Cinder	1,856	0.6%	69.0%	Roadbed materials
Glass chip	554	0.2%	99.3%	Glass materials
Other	766	0.3%	77.5%	—
Total	313,752	100.0%	98.8%	—

Third-party Opinion

The high quality of Toppan's *CSR Report* has been maintained. The report ranks among the top in Japan, especially in terms of the breadth of information included. Much is to be learned from the information reported on the new management systems formed and the achievements of the activities conducted in relation to the environment and to business partners. Yet within the field of CSR in general, the reports prepared by Japanese companies have been of only middling quality. Japanese society, meanwhile, senses the growing importance of a host of new issues, particularly global warming and the need for stable employment amid the rising bifurcation of its labor market due to the increased hiring of non-regular employees. Noting these current trends, I hope that Toppan will further step up its CSR initiatives and improve the level of information disclosure.

PDCA Review This report includes a fairly detailed PDCA review of CSR activities ("Results for Fiscal 2008 and Future Measures" on PP. 20–21), a keystone for any CSR report. But from now on, I think it will be necessary to rearrange this review. The number of organizing activities carried out in accordance with the number planned has yet to earn an "A" rating in the Company's self-evaluation. Toppan must select its activities based on their materiality for the Company. Does the activity really address an important social issue? What responsibilities does the Company burden as it implements measures to solve the issue? A host of questions are to be answered for the selection. A detailed description of each activity should be included in the relevant section of the report.

Special Reports Toppan selected two topics. The first is the development of a

genotype analysis system for personalized medicine, a potential solution for various social issues, particularly in developing countries. The second is a clinical art therapy to energize the mind through the power of art. Both special reports bring new images of Toppan to light.

Negative Information The report accurately describes an accident involving the leakage of printing solvent, a problem that occurred about a month before the report was issued.

Stakeholders The report shows the framework of Toppan's relationships with major stakeholders. For new steps into the future, Toppan should design new modes of communication. The report, meanwhile, should include descriptions on relationships with more diverse entities, such as research institutions and national and local governments, among its stakeholders. I also expect the Company to expand communications with the CSR Promotion Study Group, a body of experts it set up in 2008.

Product Life Cycle I think it would be better if the report included details on the status of complaints about the quality and safety of products after sales. I would also like to learn more about the measures taken to respond to the complaints and improve the Company products.

Employment and Labor I highly evaluate the information on non-regular employees and expenditures for employee training and other human resource development programs. On the other hand, the report fails to provide an explanation of the decrease in the number of temporary staff. The specific descriptions of Toppan's measures to reduce the long hours worked by its employees show that the Company has kept up diligent efforts throughout the year. Toppan should consider present-

ing the numerical changes in total working hours in future reports. Diversity in human resources, meanwhile, is becoming an issue of increasing relevance in Japanese society. Though Toppan has been promoting positive actions, the number of female managerial staff is largely unchanged. Strengthened measures to leverage female talent are necessary. One way to take a great leap forward for diversity would be to form an exclusive promotion structure, something akin to a "Diversity Promotion Department."

Environment The report indicates the accomplishments in PRTR-related activities. CO₂ emissions have also been steadily reduced, both as a total amount and as an amount per unit of sales. From now, however, Toppan should set and achieve even higher targets for the reduction of CO₂ emissions. We all foresee the importance of introducing renewable energy in the future. Companies should take the initiative to develop systems to use renewable natural energy while demanding financial support or administrative backing from the government. They should do so both individually and collectively. Toppan can consider following the example of other companies in building an eco factory. One intriguing plan would be to build a manufacturing plant for solar-cell-related products that itself runs on photovoltaic power. I expect Toppan to establish medium- and long-term targets for marked improvement in its CSR activities to come.

Yoshiki Midorikawa

Director, Green Consumer Research Group
Co-chair, The Valdez Society

緑川芳樹



Profile

Mr. Midorikawa worked for many years in the Kanagawa prefectural government in Japan, mainly in labor and consumer administration. After retiring from the prefectural service, he served as Executive Officer of the Kanagawa Prefecture Small and Medium Business Management Association. Mr. Midorikawa's NGO/NPO achievements include the founding of the Green Consumer Research Group in 1991 and participation in The Valdez Society, a body that researches and proposes concepts and solutions related to corporate environmental responsibilities through collaboration between citizens and companies (Mr. Midorikawa joined in 1991). He has authored several books in Japanese, including *CSR Practice Methods with Visible Effects* (co-authored), *CSR Management* (co-authored), and *Green Consumer Shopping Guide* (co-authored).

External Assurance

The conclusion of our assurance engagement is stated in our Independent Assurance Report. The following summarizes improvements from the previous year and issues remaining, as identified in the course of our assurance process.

The "Environmental INPUT/OUTPUT Data by Business Field" on page 72 includes data on Toppan Photomasks, Inc. and its subsidiaries, entities that were not included in the boundary before. The table also covers data in a timely manner on the second-half of the fiscal year for SNP Corporation Pte. Ltd. and its subsidiaries, entities acquired by Toppan as consolidated subsidiaries upon the completion of acquisition procedures in September 2008. The boundary for consolidated financial statements and that for environmental performance data have thus become more consistent, allowing users to compare and analyze information more easily. On the other hand, the boundaries for environmental performance and personnel data on other pages remain relatively limited. The disclosure of performance data on a consolidated accounting basis is becoming a commonplace practice in CSR reporting. In light of this, we expect Toppan to consider expanding the boundary in upcoming reports.

Toppan has improved the overall accuracy in the collection of environmental performance data. Its internal data check procedures, however, can still be improved. Each operational site could, for example, carry out consistency checks between different performance indicators before reporting the data to the head office, and the head office could then verify the con-

sistency and completeness of the reported data by performing comparative analyses in order to improve the accuracy in data collection.

In reporting social performance indicators, Toppan discloses actual results for the topics that it considers material, based on opinions collected from the meeting of the CSR Promotion Study Group and other stakeholder dialogue channels. The Company also shows quantitative data wherever possible. Toppan is expected to examine the possibility of setting quantitative targets in the future.



Kazuhiko Saito
Senior Manager
KPMG AZSA Sustainability Co., Ltd.
(KPMG AZSA & Co. group)

Level of Compliance with GRI Sustainability Reporting Guidelines 2006

Global Reporting Initiative (GRI) is a nonprofit organization established to formulate international guidelines for sustainability reporting. Entities of every type can use these guidelines in their work to create their own sustainability reports. GRI prepares Sustainability Reporting Guidelines in collaboration with various stakeholders. The first edition of the guidelines was issued in 2000; the third (G3 Guidelines), in 2006.

Toppan understands that intensive stakeholder engagement was required to produce the guidelines. For this reason, the Company treats the guidelines as an important reference for understanding the types of information readers want to know.

The G3 Guidelines require reporting organizations to declare the levels to which they have applied the guidelines. This ensures that the reporting organi-

zations will identify their current levels of improvement, and helps readers easily understand the extent to which a report complies with the guidelines.

This report is rated B+ among the levels defined in the G3 Guidelines.



Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach disclosed for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.	Report Externally Assured	Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.	Report Externally Assured	Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Report Externally Assured

*Sector supplement in final version

*Please access <http://www.toppan.co.jp/english/csr/> for the GRI content index.



Independent Assurance Report

To the Board of Directors of Toppan Printing Co., Ltd.,

1. Purpose and Scope of our Review

We have been engaged by Toppan Printing Co., Ltd. ("the Company") to perform limited assurance procedures on the Company's CSR Report 2009 ("the Report") for the fiscal year ended March 31, 2009. The purpose of our assurance engagement was to express our conclusion, based on our assurance procedures, on whether:

- the environmental and social performance indicators and the environmental accounting indicators ("the Indicators") for the period from April 1, 2008 to March 31, 2009 included in the Report are fairly generated, aggregated and reported, in all material respects, in accordance with the Company's reporting standards;
- all the material sustainability information defined by the Japanese Association of Assurance Organizations for Sustainability Information ("J-SUS") is included in the Report; and
- the Company's self-declaration on the Global Reporting Initiative ("the GRI") application level conforms to the application level criteria stipulated by the GRI.

The content of the Report is the responsibility of the Company's management. Our responsibility is to express our conclusion to the Company, based on our independent assurance engagement.

2. Criteria

The Company applies its own reporting standards, derived, among others, from Environmental Reporting Guidelines 2007 of the Ministry of the Environment, and Sustainability Reporting Guidelines 2006 of the GRI. We used these standards as the criteria for evaluating the Indicators. A major part of the Company's reporting standards is described in the Report.

3. Procedures Performed

We conducted our engagement in accordance with the Practical Guidelines of Sustainability Information Assurance (revised February 2008) issued by J-SUS. We have performed the following review procedures:

- Interviewed the Company's responsible personnel to obtain an understanding of the Company's policy for the preparation of the Report.
- Reviewed the Company's reporting standards.
- Obtained an understanding of the systems used to generate, aggregate and report the Indicators, and of the internal controls at corporate and site level.
- Performed an analytical review of the Indicators aggregated at corporate level.
- Examined, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting standards, and also recalculated the Indicators.
- Made an on-site inspection of the Company's domestic facility.
- Assessed whether all the material sustainability information defined by J-SUS is included in the Report.
- Evaluated the Company's self-declared GRI application level against the application level criteria.
- Evaluated the overall statement in which the Indicators are expressed.

4. Conclusion

Based on our review, nothing has come to our attention that causes us to believe that:

- the Indicators in the Report are not fairly generated, aggregated and reported, in all material respects, in accordance with the Company's reporting standards;
- all the material sustainability information defined by J-SUS is not included in the Report; and
- the Company's self-declaration on the GRI application level does not conform to the application level criteria.

5. Independence

We have no conflict of interest relationships with the Company that are specified in the Code of Ethics of J-SUS.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
September 30, 2009

Company Reaction to the Third-party Opinion and External Assurance

For this *CSR Report 2009*, Toppan has again received a third-party opinion from Mr. Yoshiki Midorikawa (director of the Green Consumer Research Group and co-chair of The Valdez Society) and external assurance from KPMG AZSA Sustainability Co., Ltd. The Company would like to thank both for the concrete and stimulating opinions they have developed over their many years of involvement in the publication of the reports. Following is a brief summary of the issues to be addressed at Toppan and directionalities for the future.

As CSR initiatives become more common, companies must select and focus more intensively on the fields that seem to be material for both society and themselves. Toppan selected its material topics in fiscal 2008. The Company will push ahead CSR activities based on those topics and disclose information in an easier-to-understand way through ongoing examinations to set more effective target values and determine

how to evaluate the progress towards the targets.

The boundary of the report is a matter associated with the expansion of business areas. Toppan advocates "accelerating toward globalization" as an issue on which to focus. In fiscal 2008, Toppan established the International Division as the spearhead of this endeavor. Toppan's expansion in the growing Chinese market is handled by the Company's existing local production sites and the operational sites of SNP Corporation Pte. Ltd., a subsidiary acquired in fiscal 2008. Toppan will steadily continue its CSR initiatives and expand the reporting boundary in the years to come.

On the environmental front, Mr. Midorikawa proposes that Toppan undertake actions for the mitigation of global warming, including measures to introduce renewable energy. KPMG AZSA Sustainability Co., Ltd., on the other hand, points out the need for more accurate

performance data. Toppan commenced its Pro-Green Activities in fiscal 2008 for the thorough review and advancement of its environmental management. Through these activities, the Company seeks once more to measure its environmental burden and the effectiveness of its actions in precise detail. Toppan will also perform environmental activities to contribute to the simultaneous pursuit of global environmental conservation and the continuance of business.

The worsening economic conditions in fiscal 2008 shed light on various problems and possible crises in the global environment and world societies, including Japanese society. Communication with stakeholders is essential for an accurate understanding of social issues and an objective evaluation of CSR initiatives. The CSR report is a vital tool for this communication. Toppan will therefore reexamine the shaping of the CSR report in careful consideration of the opinions it has obtained.

Questionnaire enclosed here: Please let us know your opinions

We welcome feedback from readers. Stakeholder opinions are used to enhance the understandability and relevancy of our corporate social responsibility (CSR) initiatives and information disclosure for both stakeholders and the people inside Toppan. We encourage you to take a few minutes to answer the questionnaire enclosed here.

Questionnaire on Toppan's CSR Initiatives and CSR Report 2009

Thank you for reading Toppan's CSR Report 2009. We would appreciate it if you could answer the following questions and fax the completed questionnaire to the fax number on the right. All feedback received will be helpful for us as we develop future CSR initiatives and CSR reports.

CSR Promotion Department,
Legal Affairs Division, Toppan Printing Co., Ltd.
FAX: +81-3-3835-1447

Q1. From what viewpoint did you read this report?

- | | | |
|---|--|---|
| <input type="checkbox"/> Customer | <input type="checkbox"/> Customer (in charge of CSR) | <input type="checkbox"/> Customer (consumer) |
| <input type="checkbox"/> Business partner | <input type="checkbox"/> Business partner (in charge of CSR) | <input type="checkbox"/> Shareholder/Investor |
| <input type="checkbox"/> Member of a community near a Toppan operational site | <input type="checkbox"/> Governmental organization, government-related institution | <input type="checkbox"/> NPO/NGO (CSR, environment) |
| <input type="checkbox"/> Employee/Member of employee's family | <input type="checkbox"/> Other () | <input type="checkbox"/> Media <input type="checkbox"/> Student |

Q2. How did you find the Toppan CSR Report 2009?

- Received it from Toppan Toppan website From a Toppan employee Newspaper
 Magazine Other ()

Q3. Please enter numbers of the topics that, in your opinion, fit the ratings in tables A and B (up to five each).

1. Special Report 1: Genotype Analysis System with SNP Chips (P. 8) 2. Special Report 2: Clinical Art (P. 10)
 3. Compliance Promotion Activities (P. 26) 4. Information Risk Management (P. 28)
 5. Assuring Product Safety and Quality (P. 32) 6. Providing Products and Services to Help Solve Social Issues (P. 34)
 7. Establishing a Trusted Supply Chain (P. 36) 8. Cultural Contributions (P. 38)
 9. Social Contributions/Community Contributions (P. 40) 10. Merit-based Personnel Policies (P. 42)
 11. Realizing a Safe and Secure Working Environment (P. 43) 12. Leveraging Diverse Human Assets (P. 46)
 13. Developing and Fostering Human Assets (P. 48) 14. Increasing Transparency and Distributing Profits Appropriately (P. 50)
 15. Environmental Management Activities (P. 60) 16. Environmental Communication Activities (P. 62)
 17. Mitigating Global Warming and Saving Energy (P. 64) 18. Resource Circulation (P. 65)
 19. Pollution Prevention and Chemical Substance Management and Reduction (P. 66) 20. Approach to Logistics (P. 67)
 21. Developing and Assessing Environmentally Friendly Products (P. 68)
 22. Environmentally Friendly Printing Services (P. 70) 23. Conserving Biodiversity (P. 71)

A. On the content and quality of activities

1. Excellent					
2. More effort required					
3. Poor					

B. On the content and quality of the information provided

1. Excellent					
2. Room for improvement					
3. Poor					

Q4. Are there any social issues that you think Toppan should address more actively in the future?

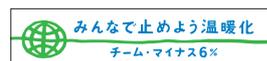
(For example: environmental actions; efforts to adapt to the declining birthrate and aging population; support to developing and impoverished countries; fair business activities; respect for basic human rights; consideration for workers; safety and security for consumers; consideration, cooperation, and support for the communities surrounding the operational sites; etc.)

Thank you very much for your cooperation.

(We do not request any personal information that can be used to identify you as an individual.)



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