

TOPPAN

CSR REPORT 2012

Report on Corporate Social
Responsibility Activities



●Editorial Policy

Toppan is disclosing information in the hopes of encouraging dialogues on social and environmental activities with more people, especially people who have an interest or stake in Toppan's corporate social responsibility (CSR) activities. Toppan edits this CSR report in line with the seven core subjects set under ISO 26000, an international standard on social responsibility.

●Period Covered

This report mainly covers activities in fiscal 2011 (from April 2011 to March 2012), 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 scope of the environmental performance data is presented on page 36.

●Selecting the Information for this Report

In choosing the information to present in this CSR report, Toppan assessed 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: opinions gleaned from dialogues inside and outside the Company, questionnaire responses to CSR reports from inside and outside the Company, the content of various guidelines (such as the Environmental Reporting Guidelines [fiscal year 2007 version] from the Ministry of the Environment of Japan and the 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.

●Guidelines Observed

This report has been prepared in accordance with the Sustainability Reporting Guidelines 2006 at an application level B+ as defined by the GRI.

●Reliability

KPMG AZSA Sustainability Co., Ltd. provides independent assurance for this report. As a testament to the reliability of the sustainability information presented in the report, Toppan is authorized to attach the following mark. Any report bearing this mark 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

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

●CSR Report 2012: Detailed Data

A PDF file with detailed information on CSR activities is posted on the Toppan website.

●URLs for Relevant Information

- CSR information: <http://www.toppan.co.jp/english/csr/>
This site posts the "CSR Report 2012: Detailed Data," the latest information on ISO 14001 certification, the GRI content index, the CSR Procurement Guidelines, 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.
- IR information: <http://www.toppan.co.jp/english/ir/>
Details on corporate governance can be found at the following URLs.
Corporate governance reports: <http://www.tse.or.jp/listing/corpgov/> (in Japanese)
Financial statements: <http://info.edinet-fsa.go.jp/> (in Japanese)

●Publication Dates

Previous report: December 2011
Current report: October 2012
Next report: October 2013 (planned)

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

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



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Contributing to Fulfilling Lifestyles

The Great East Japan Earthquake is already a year and five months behind us. Yet our journey of reconstruction has only just begun. I would like once more to extend my sympathies to all of the people affected by the disaster and to express my strong hope that the disaster-stricken areas will be restored swiftly and without delay.

The Japanese economy was buffeted by myriad changes in fiscal 2011. On one level, Japan's industries were under immense pressure to cope with the power shortages and broken supply chains caused by the Great East Japan Earthquake and the nuclear accidents. On another level, the floods in Thailand caused widespread damage and the yen rose sharply in reaction to the economic disruption of the EU triggered by the financial crisis in Greece.

In the Toppan Group we expedited recovery at all of our three disaster-stricken plants, strove to save electricity, and supported reconstruction efforts in the affected areas through united, Group-wide action. We also started to restructure our business continuity plans (BCPs) into more

effective ones across the operational sites in Japan taking into account the lessons learned from the earthquake and its significant impacts in fiscal 2011.

To Be a Robust Group of Companies Trusted and Respected by Society

I believe that change will continue to pick up speed not only in the Japanese economy, but throughout all of the world. In today's tough environment, however, a company must develop steadily in step with all of society. I understand that the crucial challenge for us now is to use the printing technologies we have cultivated since our founding to help solve social issues and create a new engine that will allow us to grow steadily in step with the sustainable development of all of society. I will be advocating and tackling three management challenges for these purposes.

The first challenge is to advance our Group-wide structural reform in order to reorganize ourselves into a lean organization that can make profit by responding promptly to today's ever-changing markets. The second is to create new businesses and new markets by intensively devoting managerial resources to businesses with growth potential. The third is to accelerate global business expansion for swift operations by arranging business alliances and M&As and by restructuring our production sites and reinforcing our sales structures in the growing markets of emerging countries mainly in Asia.

TOPPAN VISION 21 is positioned as the foundation for all of our corporate activities. This vision consists of a Corporate Structure (the Corporate Philosophy, the Corporate Creed, and a set of Conduct Guidelines defining the values and standards we should respect) and five Business Fields based on the Corporate Structure.

To make *TOPPAN VISION 21* a reality, I am convinced that it will be vital for us to accomplish the three management challenges and fulfill our social responsibilities as a corporation. We will be developing socially and environmentally balanced corporate activities in parallel with operations in pursuit of economic profits. Through these efforts we would like to establish ourselves as a robust company group that is trusted and respected broadly by society.



To a New Stage of CSR Management

Toppan has been participating in the United Nations Global Compact and supporting the 10 principles of the Global Compact on human rights, labour, environment, and anti-corruption since September 2006.

For the fulfillment of our social responsibility, I will continue espousing the United Nations Global Compact as an invaluable guideline for shaping our corporate social responsibility (CSR) activities.

In November 2010, the International Organization for Standardization (ISO) issued its 26000 Guidance on Social Responsibility as an international standard for organizations. Multiple stakeholders took part in the formulation of ISO 26000 from the early stages. Governments, consumer groups, industries, labor unions, NGOs, and experts from more than 100 countries, many of them developing, were involved in the process. The standard condenses various social issues to be solved. From my perspective, it also serves as guidance for implementing the United Nations Global Compact.

We incorporated ISO 26000 in our CSR management practices in fiscal 2011 and have been pushing forward with our CSR activities by checking our initiatives and piecing together a clear picture of the social issues we should help solve and the social responsibilities we should fulfill.

Towards a Sustainable Society

Japan's demand-and-supply balance in energy has shifted dramatically since the Great East Japan Earthquake. On the demand side, Toppan, like Japan itself, must use energy more efficiently to carry out business operations. On the supply side, heightened expectations for renewable energy in Japan can expand business opportunities for Toppan, a provider of functional components for solar cells and lithium-ion batteries. In every scenario going forward, I recognize that the energy demand and supply will become an increasingly significant management challenge. I am also sure that it is important for us to sustainably use the materials on which we rely for our businesses. In this regard, we will consider forest environments when procuring paper and will advance the practical application of biomass plastics and other eco-friendly materials.

The impact of the Great East Japan Earthquake broke apart precious *kizuna*—tightly woven ties between people—and destroyed human communities that had been built up over many generations.

In July 2011, we launched the Book Wagon mobile libraries and plotted out their routes through 14 temporary housing areas for disaster victims in Sendai City, Miyagi Prefecture. The wagons served as venues for communication among residents through the lending out of books. We started this activity at the proposal of a young employee who envisioned mobile libraries as cozy places of refuge where displaced people could come together and take comfort. This employee hoped that the Book Wagons would become instruments of community reconstruction. By the end of March 2012, a cumulative total of about 5,000 residents had used the Book Wagons. Local governments and the like commended the activity.

We also established the Reconstruction Support Development Center in the Higashinohon Division of Toppan Printing Co., Ltd. in April 2012 as an organization to provide medium-and-long-term support for the disaster-stricken areas through Toppan businesses. Toppan will remain committed to the disaster-affected communities through this center and will keep up its support works to solve the various challenges confronting the communities.

With Our Stakeholders

From fiscal 2011 we began disclosing information on our CSR activities closely aligned with the seven core subjects addressed in ISO 26000. We would like to continue disclosing information through this CSR report, one of our most valuable tools for communicating with our stakeholders. I am eager to hear your candid opinions about this report.

We will keep up our work to contribute to the creation of fulfilling lifestyles in a sustainable world. We rely on your ongoing support and guidance.

July 2012

Shingo Kaneko

President & Representative Director
Toppan Printing Co., Ltd.



Group Business Outline

Corporate Profile

Corporate name Toppan Printing Co., Ltd.	Number of employees (nonconsolidated) 8,508 (as of the end of March 2012)
Head office 1, Kanda Izumi-cho, Chiyoda-ku, Tokyo 101-0024, Japan Phone +81-3-3835-5111	Number of employees (consolidated) 47,872 (as of the end of March 2012)
Established January 17, 1900	Capital (nonconsolidated) 104.9 billion yen
President & Representative Director Shingo Kaneko	

Group Profile

The Toppan Group comprises Toppan Printing Co., Ltd. and 194 related companies (165 subsidiaries and 29 affiliates) engaged in manifold businesses in three main fields: Information & Networks, Living Environment, and Electronics.

The positioning of Toppan and related companies in these fields is outlined on page 51.

Business Fields

Information & Networks



Securities and Cards



Commercial Printing



Publications Printing

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

Living Environment



Packaging



Functional Product and Energy Related



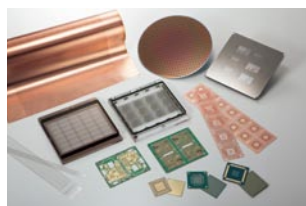
Interior Décor Materials

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

Electronics



Display Related



Semiconductor Related

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

Personal Service



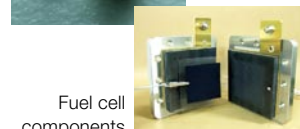
Shufoo!—an online mall for digital flyers (in Japanese)

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

Next-generation Products



Ball SAW sensors

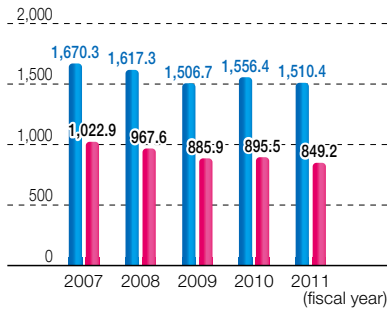


Fuel cell components

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

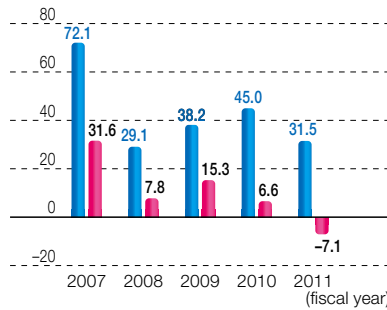
Net Sales

(billion yen) ■ Consolidated ■ Nonconsolidated



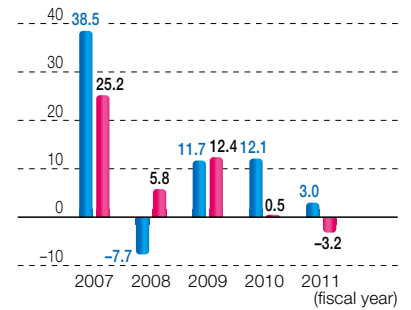
Operating Income or Loss

(billion yen) ■ Consolidated ■ Nonconsolidated



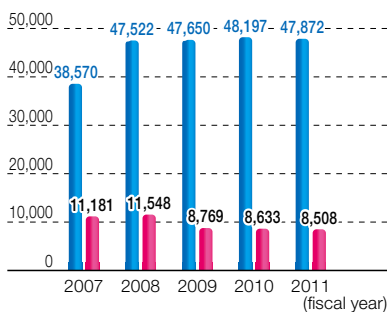
Net Income or Loss

(billion yen) ■ Consolidated ■ Nonconsolidated

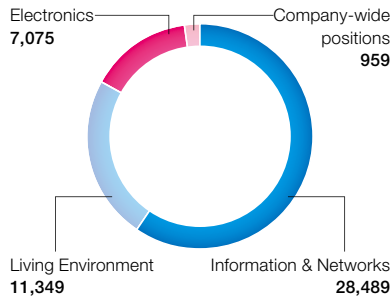


Number of Employees

■ Consolidated ■ Nonconsolidated

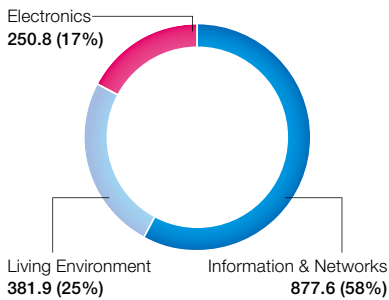


Number of Employees by Business Field (consolidated)



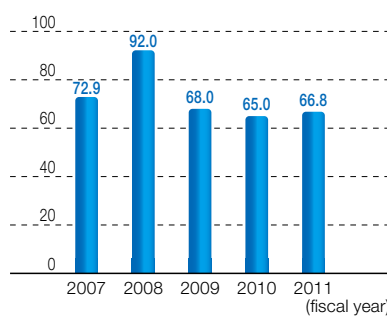
Net Sales by Business Field

(billion yen)



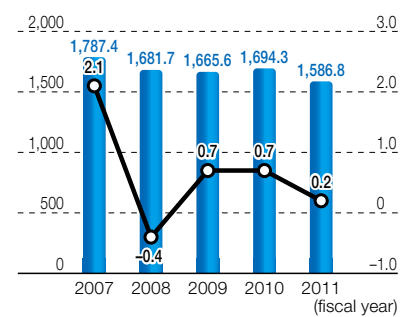
Capital Expenditure

(billion yen)



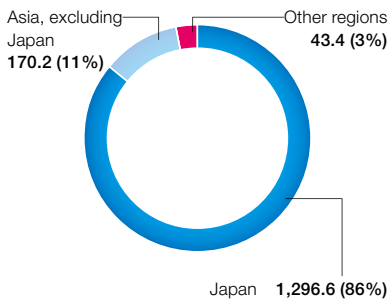
Total Assets & Return on Assets (ROA)

(billion yen) (%)



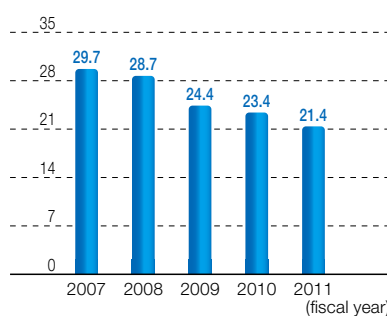
Net Sales by Region

(billion yen)



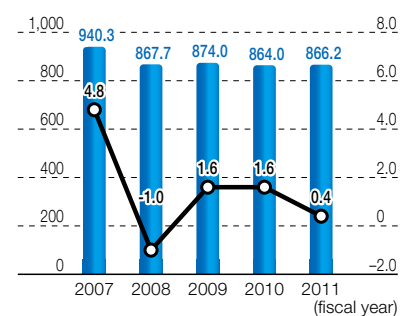
R&D Expenses

(billion yen)



Net Assets & Return on Equity (ROE)

(billion yen) (%)



Notes:

- Net sales do not include consumption taxes.
- The number of employees is the number of employees working at the Group. The number of non-regular employees for fiscal 2011 stood at 9,160 on a consolidated basis (the average number of employees throughout the fiscal year, including part-time workers but excluding temporary staff).



Special Report 1

Book Wagon – Mobile Libraries to Support the Creation of Communities

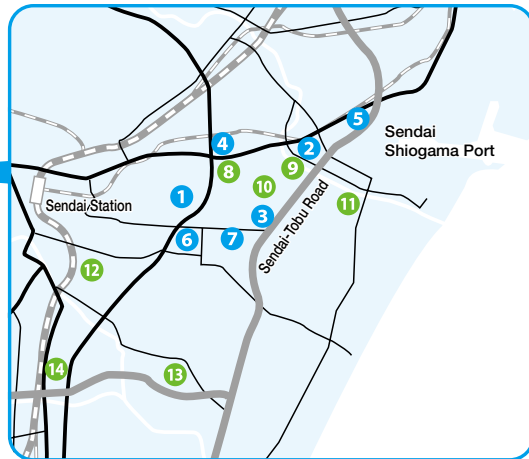
Toppan runs a core business related to information and communication.

This put Toppan in an ideal position to launch Book Wagon mobile libraries in the areas affected by the Great East Japan Earthquake over the post-disaster period from July 2011 to March 2012.

Each week the wagons did their rounds, lending out books and magazines to displaced disaster victims in temporary housing areas.

The Book Wagons were arranged proactively as means to provide mental support for victims at a time when great stresses were anticipated and to support the creation of new communities among the residents living in the temporary housing areas.

This special report describes the Book Wagons and related activities.



Temporary Housing Areas on the Book Wagon Routes



Book Wagon #1

- On Tuesdays
 - 1 Oroshimachi 5-chome Park
 - 2 Takasago 1-chome Park
- On Wednesdays
 - 3 Okada-Nishimachi Park
 - 4 Ogimachi 1-chome Park
- On Fridays
 - 5 Sendaiko Haigochi-6 Park
 - 6 Shichigo-Chuo Park
- On Saturdays
 - 7 Arai-Shogakkoyochi



Book Wagon #2

- On Tuesdays
 - 8 Ogimachi 4-chome Park
 - 9 Tsurumaki 1-chome-Higashi Park
- On Wednesdays
 - 10 Fukudamachi-Minami 1-chome Park
 - 11 Konan-Nishi Park
- On Fridays
 - 12 JR Minami-Koizumi Apartment
 - 13 Wakabayashi-Nippe Ground
- On Saturdays
 - 14 Asuto Nagamachi 38-gaiku

How Can Toppan Contribute to Disaster-stricken Areas?

Administrative bodies, NPOs, and private companies pledged commitments and started activities to support disaster victims soon after the Great East Japan Earthquake struck on March 11, 2011. Toppan discussed the types of support it could provide and considered how it could most benefit the disaster-affected areas on diverse levels.

Toppan focused on the types of support required to address the medium-and-long-term demands arising in the affected areas and activities in spheres where it could contribute the most. In the early discussions, a young employee submitted a plan to support the areas by deploying mobile libraries.

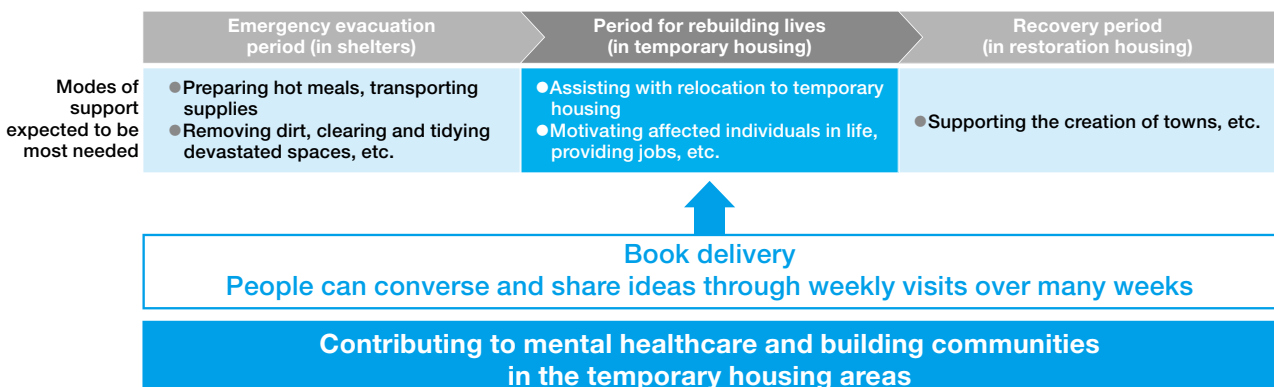
The plan was premised on the following prediction. Once relocated from the shelters to temporary housing, the victims would have to rebuild their lives while still enduring the pain and confusion of the disaster and evacuation. They would have to communicate and form relationships with new neighbors. At a time when both mutual support and mental healthcare were vital, books could provide comfort and encouragement. If the mobile library became a place where people could gather

and enjoy conversation and interchange, it would become a venue for community creation. Toppan is closely involved in books through its printing business and has longstanding relationships with many publishing companies. It also operates businesses related to community creation to help meet public challenges. Toppan found many reasons to plan and execute its mobile library project in the disaster-stricken areas.

Activity Results

Activity period	July 11, 2011 (Monday)–March 31, 2012 (Saturday)
Mobile library	2 vehicles
Travel route	14 temporary housing sites in Sendai City, Miyagi Prefecture
Number of on-site staff from the Toppan Group	123
Number of people who dropped by the Book Wagons	9,650
Number of people who took out books	5,123
Number of books lent out	17,105

Aims of the Book Wagons





Ceremony to mark the launch of the project on the first day of operation at the Company's operational site in Izumi Ward, Sendai City, Miyagi Prefecture. This was the base for Book Wagon operations, the point where project organizers and volunteers pooled their hearts on reconstruction assistance.



Special bookshelves put together to match the season and the visitors' interests. The selected themes were travel, Japan, self-reflection, connecting with others, and so on.

Towards Community-rooted Activities with All-hands Participation

Toppan set two principles in establishing the operating structure for the Book Wagons.

One was to make the wagons an activity in which all of the Toppan employees who wished to could take part. Many employees across the Company had already expressed the wish to contribute to the disaster-stricken areas. The Book Wagon planners responded to their wishes by encouraging employees within the Group to join in an all-hands activity. Their hope was to keep the concern for the victims and the spirit of support alive in as many Toppan people as possible. Employees had the opportunity to take part in either of two ways. One was to donate books they recommended to the mobile libraries. The other was to actually operate the libraries on site as mobile librarians. The Book Wagons were to be deployed into the field from July 2011, four months after the quake, about when the victims who had evacuated to the shelters would be settled in temporary housing. The planners began to request books that people thought would be most useful and comforting for the victims as the post-disaster period drew on. The mobile librarians were replaced every week to ensure that as many Toppan employees as possible could join in the operation.

The second principle was to root the activity in the communities themselves. The planners were determined to leave the communities with lasting records of the Book Wagon activities and the relationships the wagons helped to forge. Meanwhile, Toppan employees living outside the affected areas could only see news reports and had no means to fully understand real situation.

Toppan therefore invited the participation of Miyagi Sendai Kodomo-no-oka, a specified nonprofit corporation that provides support to communities and families raising children, mainly through the operation of children's centers in Sendai City, Miyagi Prefecture. Toppan also invited Dunamis Inc., an operator of student internship programs. Both organizations had already been involved in assistance for shelters and reconstruction through their own networks. Both provided the Book Wagon librarians with support-giving pointers during daily operations: the real feelings of the victims, the mental prepara-

tions that they, the support-providers, had to make, the best methods for communicating with the residents in temporary housing, and so on.

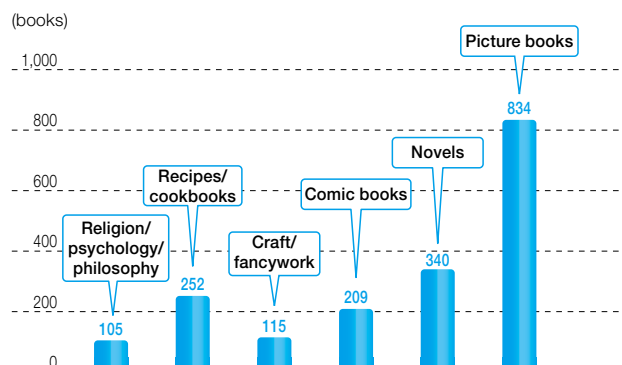
Actual Situation in the Field—Understood through Books

About 5,000 books were prepared for the Mobile Wagons. The books were donated by Toppan employees, Group companies, the publisher SHUEISHA Inc., and the 'Daishinsai-taisaku' Publisher's Committee, a support force formed by a large number of publishing company sponsors in response to the earthquake disaster. The Book Wagons also purchased a selection of the latest bestsellers from bookshops in Sendai City. The librarians operating the wagons came up with their own book classifications for the shelves in consideration of the sentiments and needs of the temporarily housed residents. They prepared shelves for books related to mental healthcare and life reconstruction. Special shelves were also set aside for books on seasonal topics.

The Book Wagons did regular weekly rounds over the many months of operation following their inauguration on July 11, 2011. As weeks passed and new temporary housing structures were built, more and more residents dropped by the wagons.

The number of picture books lent out rose sharply in summertime, when children had their vacations from school. With the children came their parent homemakers, who took out

Types of Books Lent out (in a month; abstract)





Children perched themselves on cushions next to the Book Wagon and surrendered their imaginations to their favorite books.



Visitors chatted as they browsed the bookshelves. Some were already acquainted. Others got to know one another through their encounters at the wagons.

a great many cookbooks and magazines with recipes. One mother commented, "Since the quake my parents have been living with us under the same roof. Now I have to cook for my children and my parents." Another said, "Now I want to get as much fun out of cooking as I can." Cooking seemed to be a first step in rebuilding an ordinary life.

Books on fancywork, knitting, and travel started to get popular at the end of summer. Borrowers reported new resolutions: "I'm going to start knitting again;" "I want to take a journey through books." Their words and the sorts of books they took out seemed to reflect a growing motivation to get into the swing of their new lives.

Some book borrowers spoke with the mobile librarians about the novels and self-help books they took out. Their conversations revealed much about how they felt about living in an unfamiliar environment.

Contributing to Community Creation

The mobile librarians set up a tent called the Salon Space next to the Book Wagon. Residents could visit the space for chats over tea or to browse newspapers and magazines. Grounds surrounding the Salon Space were opened for recreational events arranged in cooperation with volunteers from Miyagi Sendai Kodomo-no-oka. The main events were a fancywork activity for women and activities for children such as origami, picture-story shows, and games such as tag.

The mobile librarians noted how the Book Wagons served as meeting points and motivators for interchange among residents. When residents meeting at the Salon Space exchanged names, some found that they were close neighbors and established ties. Others returned to meet new friends they had made there. Some residents who described themselves as reluctant to go out in general made it a point of visiting the Book Wagon when it parked nearby. Others who described themselves as new to the area and in want of friends struck up acquaintances with the librarians. Sendai residents living nearby also came by, drawn to the temporary housing areas because they were generally located in parks and other scenic locales. Most of these visitors were children and their moth-

ers. It will be wonderful if some of the interchanges between the temporarily housed and ordinary residents blossom into lasting friendships.

Most of the visitors to the Book Wagons overall were elderly women, mothers, and children. Concerned about the relatively low visit-rate by middle-aged and elderly men, the mobile librarians steadily acquired more magazines, special hobby-related books, and other content they hoped would appeal to males who had lost their jobs because of the quake.

In collaboration with companies and universities, Toppan also held special Salon Space events such as a workbook communication program, a book café, and the Art Salon, an art session for refreshing the mind through the creative work of painting. Toppan strove to provide opportunities to engender conversation and interchange among the residents in the affected areas through regular visits and extended-period operation over the nine months of the Book Wagon service.

What Toppan Got back from the Communities

Toppan was richly rewarded by the interest and kindness of residents in the communities. The mobile librarians were delighted by the small groups of children already waiting for the Book Wagons when they arrived. They were also touched by the words of gratitude residents gave to them and the gifts of cold tomatoes and cucumbers residents brought in the hot summer. The Book Wagon experience reawakened Toppan volunteers to the magnificence of books and gave them a chance to reflect. In daily meetings and reports, the mobile librarians often expressed their eagerness to continue aiding the disaster-stricken areas and their gratitude to the residents of the communities, especially those living in the temporary housing.

The Book Wagon activity gave many employees pause to realize how they could make precious contributions to society through works closely tied with Toppan's businesses. Toppan will keep up its efforts to contribute to the affected areas and the general public with the help of its conscientious and compassionate people.

*The Book Wagons resumed operations in collaboration with Tohoku Fukushi University, an Art Salon cooperator, in June 2012.



Special Report 2

Labor-Management Committee for the Creation of a Working Environment Amenable to Enhanced Job Satisfaction

Work-life balance, mental healthcare, and human resource development are examples of recent criteria for measuring the quality of the relationships between companies and their people. Toppan has striven to nurture employee job satisfaction by mutually cooperating and sincerely engaging in frank exchanges of views between the Labour Union and the Company.

Emphasizing Job Satisfaction

As the saying goes, “A company is its people.” If the employees derive no joy from work, the company will never grow. The personal development of employees will be stunted and the workplace will lack vibrancy.

Toppan understands the importance of workplace morale and takes steps to enhance employee job satisfaction. The Company has long pursued the creation of a friendlier working environment through the establishment and review of working systems and the implementation of in-house enlightenment activities. These measures, however, will only go so far in enhancing employee recognition of the value of the company and their jobs. Toppan has therefore positioned the enhancement of a work-friendly environment and true employee job satisfaction—the pride and pleasure of working at Toppan—as a major management goal.

Job satisfaction is an amalgam of diverse factors that tend to be seen in different ways by different people. Toppan promotes diverse initiatives to nurture a tangible job satisfaction that all of its people can share.

Committee for Enhanced Job Satisfaction

The committee for the creation of a working environment amenable to enhanced job satisfaction is a new structure for labor-management consultations established in meetings during the annual spring round of the collective labor bargaining of 2008.

Labor and management formed this committee in the shared belief that in today’s business climate of uncertain growth, the Company should pursue increased productivity by enhancing job satisfaction and heightening the motivation and pleasure employees find in work.

Since its founding, the committee has engaged in labor-management dialogues focused on issues at the workplace and measures to solve them. Several features of the committee set it apart from the other entities usually entrusted with labor-management consultations:

- All members are free to express their true hopes and intentions at the meetings, where labor and management meet on an equal footing.
- Members meet in small groups to maintain an atmosphere more conducive to frank and vigorous discussion.
- Measures are taken to encourage members to speak more freely.
- Once reaching consensus on initiatives, the committee consigns them to different bodies to deliberate concrete actions.

The committee for the creation of a working environment amenable to enhanced job satisfaction is a totally new structure for dialogues between labor and management. It transcends the boundaries and ideas of earlier labor-management consultations at Toppan and conventional labor-management consultations in Japan.

Actual Results from the Committee's Work

Labor and management have exchanged opinions on various topics in meetings of the committee for enhanced job satisfaction. A number of tangible actions have emerged from their discussions. In the summer of 2010, for example, labor and management cosponsored the Toppan Sports Festival at the Seibu Dome in Saitama Prefecture to help strengthen the Group's solidarity and enhance the health of employees and their families. Younger members of the Labour Union and the Company operated an event of their own making. As many as 4,400 people enjoyed the festival, an event that transcended the boundaries between Group companies and workplaces. Labor and management also worked together to prepare and fund Toppan's *Welfare Guidebook*, a single-volume compilation of information on the various welfare systems provided by the Company, the Labour Union, the Toppan Group Health Insurance Union, the Toppan Group Fraternal Benefit Society, and local and national governments for employees at different stages of their lives and careers. The *Welfare Guidebook* has been valued since its distribution to all employees in Japan. Of all the tasks to be performed by labor and management, the top priority goes to those related to safety and health. The committee formulated the Basic Policy on Health and Safety for the entire Group. Another initiative is the *Anzen Dojo*, a safety training facility outfitted to simulate occupational accidents such as the jamming of body parts in machines. A permanent facility has been established and touring facilities are operated in regional areas. Toppan has also taken steps to enrich in-

house mental healthcare systems. One prominent step was the creation of the Art Salon, a program in which employees and even union executives can unwind and create art. The committee examined a basic concept, framework, etc. for many issues, including the promotion of working hour reduction and an upgrading of basic working conditions in Group companies. Toppan will rely on the various opportunities the committee provides for initiating labor-management discussions on different issues.



Welfare Guidebooks (in Japanese)



Toppan Sports Festival



Art Salon



Anzen Dojo, a safety training facility

Communication between Labor and Management

Labor and management are partners: Strengthening labor-management communication

At Toppan, the Labour Union and the management of the Company have worked together to cope with wide-ranging issues in the belief that labor and management are partners. This is a fundamental philosophy clearly stated in the general principles of the collective labor agreement concluded between the Labour Union and the Company. Labor-management problems can be swiftly solved when the two parties meet in lively dialogs to exchange ideas from diverse viewpoints. The labor-management committee for the creation of a working environment amenable to enhanced job satisfaction was formed as a forum for this mode of exchange and has already produced many successful results. Toppan will strive to increase chances for face-to-face communication with union members and employees through recreational events cosponsored by labor and management and through labor-management consultation bodies such as the committee for the creation of a working environment amenable to enhanced job satisfaction.



Shinichi Okubo
Managing Director
Personnel & Labor Relations Division
Toppan Printing Co., Ltd.

Workplace activation for the happiness of employees and sound growth of Group companies

As a unified organization for the Group, Toppan Printing Labour Union is run by members from 12 Group companies, including Toppan Printing Co., Ltd. To mark the 60th anniversary of its founding, the Labour Union adopted its "One to One" slogan in 2006. Over the years the union has performed activities to make the workplaces and companies healthy and vibrant mainly through people-to-people links and communications. The labor-management committee for the creation of a working environment amenable to enhanced job satisfaction provides rich opportunities for labor and management to discuss wide-ranging issues earnestly, positively, and frankly. As I see it, deeper and more trusting relationships between labor and management and activated communications at the workplace can facilitate the happiness of employees and sound growth of Toppan Group companies.



Toshiyuki Tsurimoto
President
Toppan Printing Labour Union

Results in Fiscal 2011 and Future Measures

Seven Core Subjects	Action Points and Targets for Fiscal 2011	Main Measures in Fiscal 2011
Organizational governance	Developing CSR management based on ISO 26000	<ul style="list-style-type: none"> Promote an understanding of ISO 26000 and promote CSR activities in line with the seven core subjects
	Formulating business continuity plans (BCPs) across the Group and establishing structures for business continuity management (BCM)	<ul style="list-style-type: none"> Formulate BCPs, facilitate BCM, and implement BCP education and training in the primary domains of business Implement BCP education and training at the head office and Group companies
Human rights	Raising awareness of respect for basic human rights	<ul style="list-style-type: none"> Organize various educational training programs to nurture businesspeople guided by the concept of respect for people
	Providing an open environment and information for recruitment	<ul style="list-style-type: none"> Strengthen global recruiting activities
	Proactively appointing female employees to higher positions	<ul style="list-style-type: none"> Leverage female talent through positive action
	Working for equal opportunity in individual career development and helping employees pursue their own career paths	<ul style="list-style-type: none"> Continue using the Challenging Job System (for the self-determination of career paths) to appoint employees to the departments and divisions where they would like to work
	Supporting second careers for retired employees	<ul style="list-style-type: none"> Use the Senior Reemployment System as a tool for leveraging the expertise, knowledge, and experience of veteran employees
	Promoting employment of persons with disabilities	<ul style="list-style-type: none"> Diligently facilitate the hiring of persons with disabilities in cooperation with local public job-placement offices in Japan
Labour practices	Operating personnel treatment systems properly	<ul style="list-style-type: none"> Devise schemes to give employees more opportunities to take on career development challenges Consider and implement measures to sustain employee motivation and follow up on morale-related issues
	Supporting work-life balance 1) → Shortening total working hours	<ul style="list-style-type: none"> Begin imposing working-hour controls to limit overtime work to 60 hours a month Make maximum use of the multi-shift working system, the monthly/yearly flextime/irregular working schedules, the compensatory half-day off system, and the special shortened working hour system
	Supporting work-life balance 2) → Creating a working environment where employees can strike a balance between working and raising children	<ul style="list-style-type: none"> Continue convening labor-management committees for the creation of a working environment amenable to enhanced job satisfaction Keep every employee informed of childcare-leave-related systems, such as the extra childcare leave for mothers and fathers
	Creating a better working environment through partnerships between labor and management	<ul style="list-style-type: none"> Continue holding routine business councils and convening labor-management committees for the creation of a working environment amenable to enhanced job satisfaction Hold labor-management councils to coordinate working conditions at manufacturing subsidiaries after their consolidation within the Group
	Ensuring occupational safety and health	<ul style="list-style-type: none"> Upgrade safety education at Anzen Dojo; operate touring dojo facilities at operational sites across Japan Continue holding safety meetings at operational sites across Japan
	Reinforcing countermeasures against fires and disasters	<ul style="list-style-type: none"> Develop Group-wide countermeasures against large-scale disasters as initial actions under the BCPs Formulate initial actions to be taken in the event of an earthquake disaster Hold comprehensive disaster-preparedness drills and the like; stock up on emergency supplies for use during earthquake disasters
	Promoting healthcare and health enhancement	<ul style="list-style-type: none"> Offer healthcare guidance on the preemption of lifestyle-related diseases and prescribe lifestyle improvement programs for employees with health risks associated with metabolic syndrome, based on the results of medical examinations
	Arranging measures for mental healthcare	<ul style="list-style-type: none"> Continue operating Art Salon and conduct art sessions over a wider geographic area in Japan Provide opportunities for employees to consult with counselors over a wider geographic area in Japan
	Fostering self-reliant employees based on "conduct of high value," a key concept in human asset development	<ul style="list-style-type: none"> Enrich various measures to foster human assets, including rank-based and department-based training
	The environment	See page 37
Fair operating practices	Heightening awareness of laws, regulations, and the Conduct Guidelines	<ul style="list-style-type: none"> Expand the roles of the Conduct Guidelines Promotion Leaders Update tools to promote the Conduct Guidelines
	Complying with transaction-related laws	<ul style="list-style-type: none"> Organize training on compliance with the Antitrust Laws of Japan Ensure proper subcontract transactions; build proper relationships with partner companies
	Improving compliance in procurement operations	<ul style="list-style-type: none"> Improve compliance in procurement operations by asking 10 main business partners to report on their relationships with Toppan in a questionnaire survey
	Promoting CSR initiatives in the supply chain	<ul style="list-style-type: none"> Verify and reassess improvements at business partners who have received lower ratings in the questionnaire survey on the current status of their CSR activities (Give guidance to business partners whose improvements Toppan sees as inadequate; raise the levels of CSR initiatives throughout the entire supply chain)
Consumer issues	Ensuring consumer safety through the strict prevention of quality-related accidents	<ul style="list-style-type: none"> Continue performing regular audits and certification screenings of operational sites inside and outside the Company in the food packaging and filling/packing businesses to assess their conformity to the Quality Assurance Guidelines for Food Packaging Formulate a set of quality assurance guidelines for orders received for and the production of packaging products related to pharmaceuticals (including packaging for medicinal drugs and quasi drugs) and put the guidelines into effect on a trial basis Continue managing chemical substances in products based on a set of Green Procurement Standards at each division
	Developing eco-friendly products	<ul style="list-style-type: none"> Organize education for the persons in charge of reporting the carbon footprint of products (CFP) at operational sites in the Information & Networks and Living Environment fields Acquire Japanese CFP certification for the Company's printed materials
	Establishing an information security management structure towards the complete elimination of information-related accidents	<ul style="list-style-type: none"> Upgrade and disseminate management measures based on risk levels in operations entrusted to Toppan Revise the policies and rules in line with Group management Accelerate PDCA with a focus on priority measures at Group companies
Community involvement and development	Arranging social contribution programs to help solve social issues	<ul style="list-style-type: none"> Carry out medium-term recovery assistance measures for the areas stricken by the Great East Japan Earthquake Sponsor and organize the fifth series of <i>Toppan Charity Concerts</i>

Results in Fiscal 2011	Self Evaluation	Action Points, Targets, and Main Measures for Fiscal 2012
<ul style="list-style-type: none"> Deepened the understanding of ISO 26000 throughout Toppan via Company-wide basic education Convened regular CSR promotion department meetings to check the progress of activities and expedite the next stages 	A	<ul style="list-style-type: none"> Hold briefings with relevant departments to implement CSR management at Group companies in Japan
<ul style="list-style-type: none"> Formulated BCPs in three business fields and information system departments; facilitated BCM through education, training, etc. based on the formulated BCPs Formulated BCPs and implemented introductory training at the head office and Group companies 	A	<ul style="list-style-type: none"> Formulate BCPs throughout the divisions, main Group companies, etc.
<ul style="list-style-type: none"> Organized education through rank-based training, Company-wide basic education on CSR, training for Conduct Guidelines Promotion Leaders, and so on 	A	<ul style="list-style-type: none"> Continue organizing various educational training programs to nurture business-people guided by the concept of respect for people
<ul style="list-style-type: none"> Strengthened global recruiting activities and hired 5 non-Japanese persons at Toppan Printing in Japan (joined in April 2012) 	A	<ul style="list-style-type: none"> Strengthen global recruiting activities through various approaches, including the hiring of non-Japanese students studying in Japan
<ul style="list-style-type: none"> Attained a 4.6% ratio of females among managerial and supervisory staff (as of April 1, 2012) by proactively appointing female employees to higher positions and leveraging female talent 	A	<ul style="list-style-type: none"> Leverage female talent through positive action
<ul style="list-style-type: none"> Appointed 133 employees to other divisions through the system (as of April 1, 2012) 	A	<ul style="list-style-type: none"> Continue using the Challenging Job System with the aim of appointing 20% of employee applicants to the departments and divisions where they would like to work
<ul style="list-style-type: none"> Considered various strategies for developing job positions for veteran employees up to the age of 65 under the continuous employment system 	A	<ul style="list-style-type: none"> Use the Senior Reemployment System as a tool for leveraging the expertise, knowledge, and experience of veteran employees
<ul style="list-style-type: none"> Attained a 1.91% ratio of employees with disabilities in the total workforce (as of June 1, 2012) Developed job positions at workplaces to prepare for the hiring of employees with disabilities 	A	<ul style="list-style-type: none"> Diligently facilitate the hiring of persons with disabilities in cooperation with local public job-placement offices in Japan
<ul style="list-style-type: none"> Examined a system for career selection Reallocated human assets to construct business portfolios by accurately keeping track of employee performance and behavior 	A	<ul style="list-style-type: none"> Rearrange working conditions and personnel systems to enhance the Company's capacity to respond to environmental changes in business; introduce and examine new systems and schemes
<ul style="list-style-type: none"> Achieved further reductions of average hours of overtime worked per month, attaining an almost 20% decrease compared with the fiscal 2007 level Decided to adopt a new employment management system for closer supervision of employees' working conditions 	A	<ul style="list-style-type: none"> Make maximum use of various working systems, including the multi-shift working system Facilitate close supervision of working hours by adopting a new employment management system
<ul style="list-style-type: none"> Convened labor-management committees in July and December for the creation of a working environment amenable to enhanced job satisfaction Encouraged eligible employees to take childcare leave by informing them and their immediate superiors of the childcare-leave-related systems available 	A	<ul style="list-style-type: none"> Continue convening labor-management committees for the creation of a working environment amenable to enhanced job satisfaction Continue informing employees of various childcare-leave-related systems
<ul style="list-style-type: none"> Continued holding routine business councils and convening labor-management committees for the creation of a working environment amenable to enhanced job satisfaction Convened labor-management committees on wages as a step to coordinate working conditions at manufacturing subsidiaries after their consolidation within the Group; negotiated and agreed upon the retirement allowances at these subsidiaries 	A	<ul style="list-style-type: none"> Increase opportunities for opinion exchanges between labor and management, including various council meetings and tripartite conferences Modify clauses on debt in the Company's collective labor agreement and conclude individual collective labor agreements at manufacturing subsidiaries and affiliated companies Continue holding and gingering up recreational events jointly organized by labor and management
<ul style="list-style-type: none"> Enriched education content on fire- and disaster-preparedness at <i>Anzen Dojo</i>; had almost all employees participate in the touring <i>dojo</i> across Japan Held safety meetings at 9 operational sites across Japan 	A	<ul style="list-style-type: none"> Continue operating touring <i>Anzen Dojo</i> facilities at operational sites across Japan and begin operating the <i>dojo</i> at manufacturing subsidiaries Open the Safety and Monotsukuri Library
<ul style="list-style-type: none"> Installed satellite-based mobile phones and other emergency communication hardware at main operational sites across Japan; checked and replenished stockpiles of supplies Held large-scale earthquake disaster preparedness drills doubling as trial runs for the safety confirmation system 	B	<ul style="list-style-type: none"> Install Group-wide task force functions in Tokyo and the Kansai region in Japan Formulate initial actions at each operational site; prepare a management system at each division (comprehensive disaster-preparedness drills, installation of emergency communication hardware, full-scale operation of the safety confirmation system, stockpiling of supplies for use during earthquake disasters)
<ul style="list-style-type: none"> Asked industrial physicians and nurses to form and prescribe health improvement plans for employees with health risks associated with metabolic syndrome and to conduct follow-up monitoring 	B	<ul style="list-style-type: none"> Reduce the number of employees with health risks associated with metabolic syndrome through preventive measures against lifestyle-related diseases
<ul style="list-style-type: none"> Opened Art Salon at 11 operational sites across Japan (4 more sites than in fiscal 2010) and engaged 143 participants (35 more employees than in fiscal 2010) Increased the number of operational sites staffed with in-house counselors to 13 (7 more sites than in fiscal 2010) 	A	<ul style="list-style-type: none"> Give employees opportunities to take part in Art Salon or consult with counselors over a wider geographic area in Japan
<ul style="list-style-type: none"> Upgraded the existing programs and prepared the relevant environment and infrastructure 	A	<ul style="list-style-type: none"> Enhance employee skills in communication and networking and introduce practical programs to address business challenges
<ul style="list-style-type: none"> Organized Group-wide training for 542 Leaders in the first sessions and 508 Leaders in the second sessions Issued every employee a revised <i>Conduct Guidelines Casebook</i> 	A	<ul style="list-style-type: none"> Expand the roles of Leaders and reinforce the approach to prevent improper conduct Implement the <i>Conduct Guidelines</i> in overseas Group companies
<ul style="list-style-type: none"> Organized training on compliance with the Antitrust Laws of Japan for employees in the sales departments (2,802 trainees completed) Organized training on compliance with the Subcontract Law of Japan for employees in the production control departments of Toppan and Group companies (2,064 trainees) and interviewed with these departments to check how subcontract transactions were being handled 	A	<ul style="list-style-type: none"> Continue organizing training on compliance with the Subcontract Law of Japan for employees in the production control departments of Toppan and Group companies and continue interviews to check how subcontract transactions are being handled
<ul style="list-style-type: none"> Collected questionnaires from 13 business partners and analyzed operations performed at a cumulative total of 67 Toppan operational sites Analyzed the results to identify points requiring improvement in the procurement departments and instructed them to improve these points 	A	<ul style="list-style-type: none"> Continue assessing the status of compliance in the procurement departments by asking 10 main business partners to report their satisfaction with Toppan in a questionnaire survey
<ul style="list-style-type: none"> Reassessed 68 business partners (including main partners and some partners whose CSR activities were seen to be at a lower grade); interviewed business partners whose improvements Toppan found still to be inadequate, pointed out problems and other issues to be tackled, and informed them of their obligation to improve these points Held 4 briefing sessions on CSR for 283 business partners involved in production in the Information & Networks field 	B	<ul style="list-style-type: none"> Review the CSR Procurement Guidelines with an eye to ISO 26000 Establish operational rules accommodating global procurement
<ul style="list-style-type: none"> Held nationwide quality meetings of filling/packing plants in Japan to share with operational sites across the Group cases where quality improvements were achieved Carried out 32 audits at 25 operational sites inside and outside the Company, including food packaging and filling/packing plants Formulated and put into effect pharmaceutical affairs guidelines that were behind schedule and audited new partner companies in the Information & Networks field Revised Green Procurement Standards at each division to meet the requirements under Ver. 3.0 of the Toppan Group's Standards for the Management of Chemical Components of Raw Materials 	A	<ul style="list-style-type: none"> Continue product safety management activities in the food packaging and filling/packing businesses; audit the medical and drug packaging businesses Execute priority measures, including steps to prevent the admixture of different products and foreign substances in all types of packaging manufactured Continue managing chemical substances in products based on Green Procurement Standards at each division
<ul style="list-style-type: none"> Revised calculation denominators (per unit) for in-house CFP calculation tools and educated persons in charge at the divisions Acquired Japanese certification for the Company's printed materials: <i>Tips for Eco-business leaflet</i> (in Japanese) and this CSR report (Japanese-language version) Formulated application manuals for acquiring Japanese certification and educated persons in charge 	A	<ul style="list-style-type: none"> Establish and operate promotion structures to disseminate CFP reporting throughout the divisions Set the groundwork for smooth revisions of the CFP calculation method (shifting certification units from product-by-product units to a comprehensive unit covering the entire system)
<ul style="list-style-type: none"> Revised the installation and operational criteria governing the tightly secured areas designated for the handling of personal information and shifted to a qualification system for these areas Revised the related rules and verified the progress of priority measures at Group companies 	A	<ul style="list-style-type: none"> Instruct the tightly secured areas designated for the handling of personal information (48 sites) on the conformity to the new criteria and re-qualify them based on the new criteria Facilitate cooperation among Group companies to take countermeasures against IT risks (antivirus measures, related education)
<ul style="list-style-type: none"> Deployed the Book Wagon mobile libraries on regular rounds of 14 temporary housing areas for disaster victims in Sendai City, Miyagi Prefecture as mobile venues for communication among residents Sponsored the concerts for two days as scheduled and donated 2.24 million yen to the Asia-Pacific Cultural Centre for UNESCO 	A	<ul style="list-style-type: none"> Continue carrying out medium-term recovery assistance measures for the areas stricken by the Great East Japan Earthquake (continue the Book Wagon activities) Sponsor the sixth series of <i>Toppan Charity Concerts</i>

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

Toppan's CSR Activities

Toppan's Ideal "Corporate Structure"

TOPPAN VISION 21 sets forth the basic concept and directionality for the continual growth of the Group in harmony with society and the global environment.

The vision consists of a "Corporate Structure" and a set of "Business Fields." The Corporate Structure specifies ideals and important values and concepts for the Toppan Group.

The Group believes that endeavors to realize the Corporate Structure will support the sustainable development of Toppan and society as a whole.

Corporate Philosophy, Corporate Creed, and Conduct Guidelines

The Corporate Structure 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 operations of the Toppan Group.

Toppan established the Corporate Philosophy, the top-level concept underpinning all of Toppan's corporate activities, to promote Toppan's continual development as a socially valuable corporation. The Corporate Creed expresses the standards to be kept foremost in mind when performing business operations. Built on the Corporate Philosophy and Corporate Creed, the Conduct Guidelines set out the basic concepts and behavioral norms for Toppan employees both as businesspeople and as members of society.

Toppan's Ideal "Corporate Structure"

Corporate Philosophy

Each of us shall reciprocate our customers' continued trust, create dedicated products by harnessing our vibrant knowledge and technology, and contribute to a fulfilling lifestyle as a mainstay of information and culture.

Established in June 2000

TOPPAN VISION 21

http://www.toppan.co.jp/english/corporateinfo/vision/corp_image/rinen.html

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. Having high ethical standards and acting as a responsible member of society
3. Complying with laws and company rules and conducting fair business operations
4. Avoiding all links with antisocial groups
5. Striving to improve quality and providing creations that contribute to customer satisfaction
6. Recognizing the importance of information related to business and managing it appropriately
7. Proactively undertaking conservation of the global environment
8. Embracing change and taking on new challenges
9. Building trust from society through social contribution activities and appropriate disclosure of information
10. Bringing together individual strengths to fully exploit the integrated strength of the group

Established in June 2000; revised in November 2010

See page 29 for Chapter 2: Specific Conduct Guidelines.

CSR Activities

Corporate social responsibility (CSR) activities are prominent among Toppan's many endeavors to realize the ideal Corporate Structure the Group envisions. As measures seeking to incorporate social demands into business operations, the CSR activities are vital for Toppan's growth as a corporation in harmony with society and the global environment.

In designing concrete activities, Toppan closely refers to the ISO 26000 Guidance on Social Responsibility, an international standard formulated through the consensus of diverse stakeholders around the world. Various types of organizations and entities have engaged in the standard-making process. This standard therefore typifies demands from society at present.

ISO 26000 provides guidance on the principles of social responsibility—what it means and how it applies to organizations. Any type of organization of any size can use it. Unlike other standards on quality or environmental management, this guidance standard focuses on stakeholder opinions: no certification is granted by third-party organizations.

Toppan will promote CSR activities with this guidance in mind and disclose the results via this CSR report in line with the seven core subjects of social responsibility defined under ISO 26000.

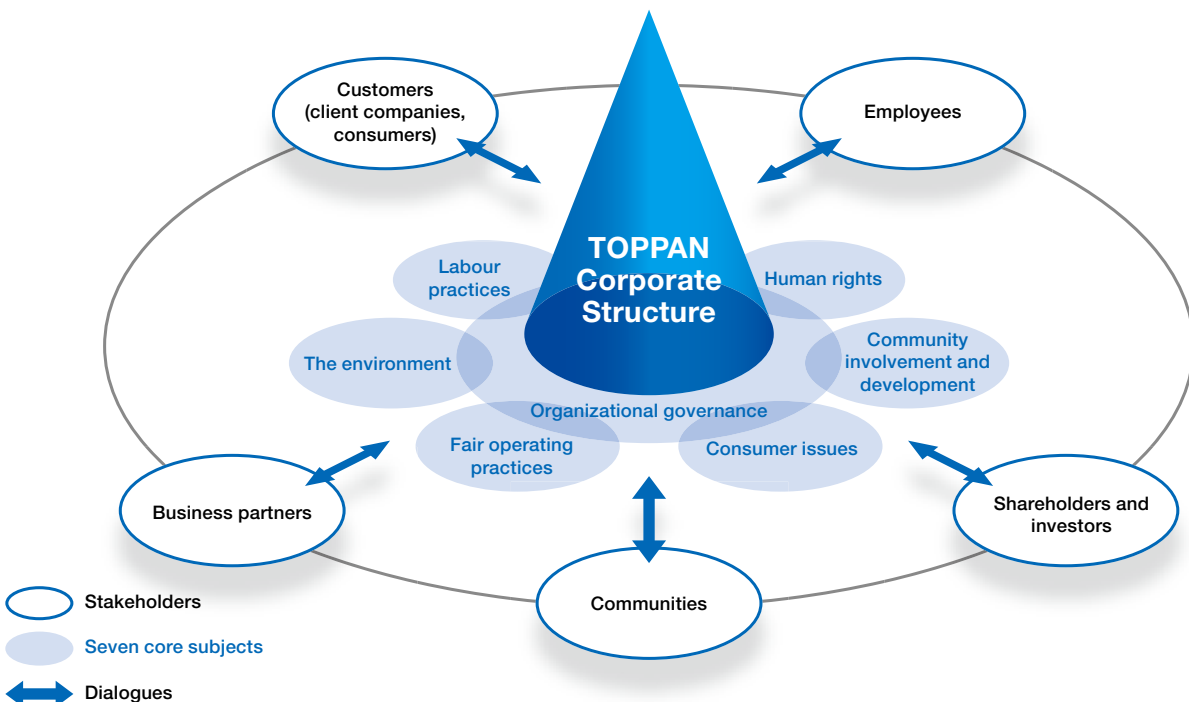
Dialogue with Stakeholders

Toppan has recognized categories of stakeholders who are either vital for its business operations or potentially impacted by them: customers (client companies, consumers), business partners, communities, shareholders/investors, and employees.








To shape CSR activities satisfactory to all stakeholders, Toppan attaches great importance to stakeholder dialogues and reflects stakeholder opinions in its activities.

Along with the regular dialogues with its stakeholders in the course of daily business, Toppan has been holding meetings with representatives from each stakeholder category and with experts and organizations deeply knowledgeable on social issues since fiscal 2004. In fiscal 2011, Toppan took part in the ISO 26000 Working Group organized by Global Compact Network Japan and carried on a dialogue with global NGOs on topics to do with the environment, human rights, community involvement, fair operating practices, and labour practices.

Toppan's Stakeholders and Seven Core Subjects



Initiatives at Toppan and Seven Core Subjects under ISO 26000

ISO 26000 Seven Core Subjects	Issues	For Details	Pages
Organizational governance 	Organizational governance	<ul style="list-style-type: none"> ● Corporate Governance ● CSR Initiatives ● Risk Management Structure ● Business Continuity Management 	P. 17–
Human rights 	Issue 1: Due diligence Issue 2: Human rights risk situations Issue 3: Avoidance of complicity Issue 4: Resolving grievances Issue 5: Discrimination and vulnerable groups Issue 6: Civil and political rights Issue 7: Economic, social and cultural rights Issue 8: Fundamental principles and rights at work	<ul style="list-style-type: none"> ● Respecting Basic Human Rights and Operating Hotlines ● Collective Labor Agreement ● Working for Equal Opportunity and Eliminating Discrimination 	P. 20–
Labour practices 	Issue 1: Employment and employment relationships Issue 2: Conditions of work and social protection Issue 3: Social dialogue Issue 4: Health and safety at work Issue 5: Human development and training in the workplace	<ul style="list-style-type: none"> ● Basic Concept of Human Assets ● Labor-Management Partnership ● Supporting Work-Life Balance ● Occupational Safety and Health / Healthcare and Health Enhancement / Fire- and Disaster-preparedness ● Measures for Mental Healthcare ● Developing and Fostering Human Assets 	P. 22–
The environment 	Issue 1: Prevention of pollution Issue 2: Sustainable resource use Issue 3: Climate change mitigation and adaptation Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	<ul style="list-style-type: none"> ● Toppan's Environmental Activities ● Environmental Targets and Results ● Toppan's Environmental Burden ● Environmental Management Activities ● Eco-protection Activities ● Eco-creativity Activities ● Environmental Communication Activities 	P. 36–
Fair operating practices 	Issue 1: Anti-corruption Issue 2: Responsible political involvement Issue 3: Fair competition Issue 4: Promoting social responsibility in the value chain Issue 5: Respect for property rights	<ul style="list-style-type: none"> ● Disseminating the Conduct Guidelines ● Toppan Group Helpline ● Implementing the Conduct Guidelines in Overseas Group Companies ● Compliance Education ● Promoting CSR Procurement 	P. 26–
Consumer issues 	Issue 1: Fair marketing, factual and unbiased information and fair contractual practices Issue 2: Protecting consumers' health and safety Issue 3: Sustainable consumption Issue 4: Consumer service, support, and complaint and dispute resolution Issue 5: Consumer data protection and privacy Issue 6: Access to essential services Issue 7: Education and awareness	<ul style="list-style-type: none"> ● Assuring Product Safety and Quality ● Challenges in Universal Design ● Protecting Personal Information ● Contributing to Sustainable Consumption 	P. 30–
Community involvement and development 	Issue 1: Community involvement Issue 2: Education and culture Issue 3: Employment creation and skills development Issue 4: Technology development and access Issue 5: Wealth and income creation Issue 6: Health Issue 7: Social investment	<ul style="list-style-type: none"> ● Community Contribution and Involvement ● Cooperating with International Communities to Address Social Issues 	P. 34–

Organizational Governance



- 1 Toppan has strengthened its governance structure through the establishment of a Management Audit Office, Compliance Department, and Ecology Center under the purview of a Board of Corporate Auditors according to the Companies Act of Japan.
- 2 Toppan develops governance aimed at maximizing the corporate value of the entire Group under the Related Company Administration Regulations.

Corporate Governance

Corporate governance provides the foundation for addressing the seven core subjects.

Toppan has strengthened its governance structure through the establishment of a Management Audit Office, Compliance Department, and Ecology Center under the purview of a Board of Corporate Auditors according to the Companies Act of Japan. Toppan develops governance aimed at maximizing the corporate value of the entire Group under the Related Company Administration Regulations prescribed for the advancement of fair management for the Group.

The Directors, Board of Directors, and Various Meetings

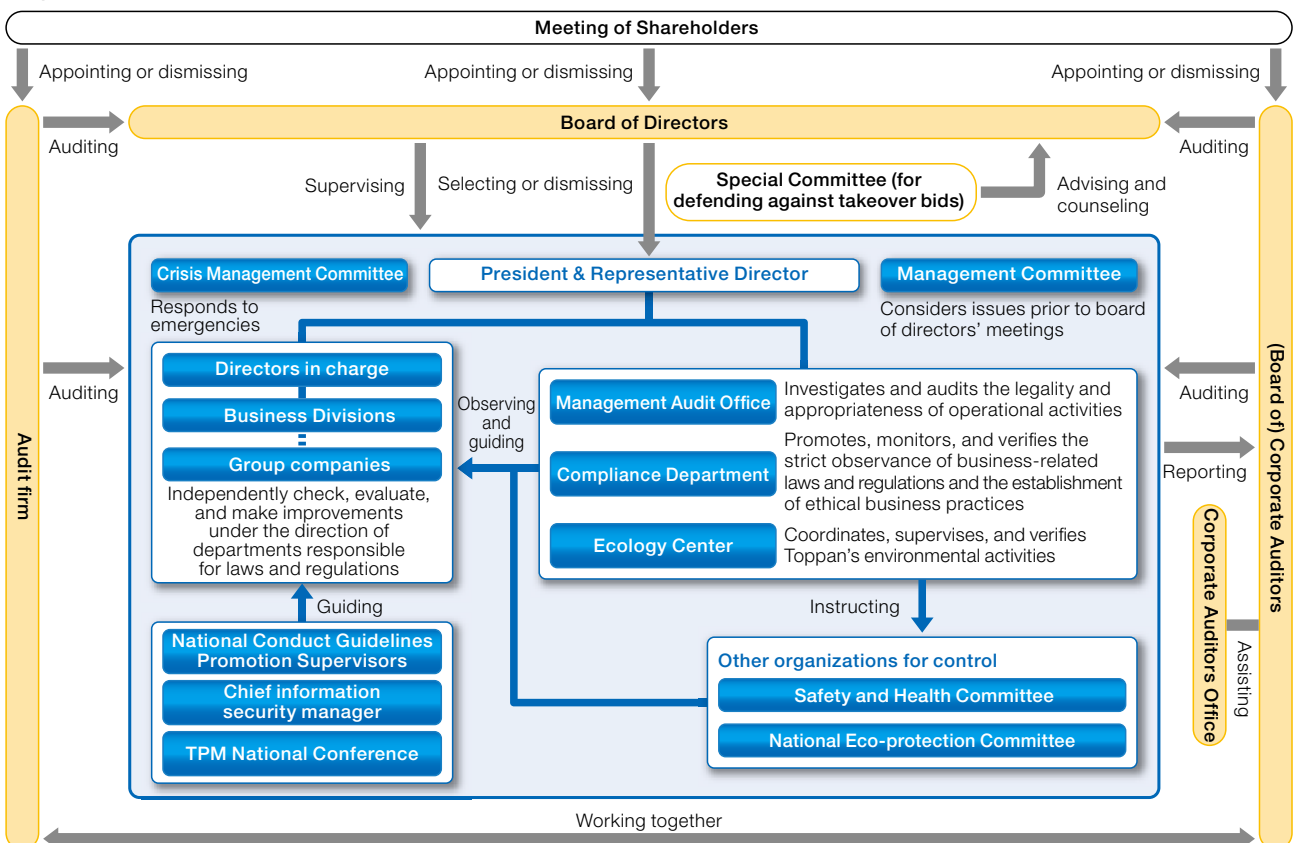
Toppan has 26 directors, including two outside directors, on its board (as of the end of March 2012). Board meetings are held monthly and whenever a pressing matter requires action or deliberation. Especially important management themes are deliberated beforehand by the Management Committee, a body made up of directors selected by the President & Representative Director. The goal is to lay weight on managerial efficiency in business decision making.

Corporate Auditors, Board of Corporate Auditors, and Audit Firm

As of the end of March 2012, Toppan has five corporate auditors, including three external auditors, of whom two are independent officers. Along with their own board meetings, the corporate auditors attend meetings of the Board of Directors and Management Committee and important meetings on risk management. They systematically carry out audits for operational sites and related companies in close cooperation with the audit firm and internal audit-related departments of the Company. Through these tasks, they audit and advise the Company from a preventive perspective to ensure the legality of the operations of the directors and departments and smooth and appropriate corporate management in line with company policies and regulations. They also regularly convene a board of corporate auditors of related companies to improve the effectiveness of the audits by the corporate auditors across the Group.

Toppan has had KPMG AZSA LLC verify the propriety of the Company's accounts through audits to enhance the reliability and transparency of the Company's financial information.

Corporate Governance Structure



Strengthening Audit Functions

The Management Audit Office is a body established independently from the business divisions. Working from legal and rational viewpoints, the office conducts fair and objective audits on the administrative and operational systems and practical status of the Company's management activities. The office provides feedback to the relevant departments on problems, proposes measures for improvement, and reports the audit results to the President & Representative Director, directors in charge of relevant departments, and corporate auditors. In fiscal 2011, the office carried out 28 management audits and operation audits. It also conducted maintenance and operational evaluations of internal controls over financial reporting for all business divisions and major subsidiaries.

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, organizes employee education on compliance with applicable laws, and implements internal audits on information security (→PP. 26, 32). The Ecology Center in the Manufacturing Management Division supervises environmental activities, conducts internal audits at operational sites, and monitors the progress of improvements (→P. 36).

CSR Promotion Structure



Remuneration to Directors and Corporate Auditors

In fiscal 2011, the total annual remuneration to directors was 1,089 million yen and the total annual remuneration to corporate auditors was 110 million yen. Please refer to the Status of Corporate Governance, etc. in the financial statements for details on the method used to determine remunerations and remuneration-related information.

CSR Initiatives

Promotion Mechanism

Under the President & Representative Director and the Director in charge of CSR, divisions of the head office work in collaboration with each other to promote CSR activities.

These directors and divisions devise action plans every year. They convene regular CSR promotion department meetings to report the progress of activities undertaken at each division, share relevant issues to be tackled, discuss ways to resolve these challenges, and share what they believe society expects from CSR initiatives in general. Under this mechanism, Toppan works to steadily disseminate the social responsibilities it seeks to meet across the Company and to perpetually upgrade its CSR activities.

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

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

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 address 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 in order to share information on a continuous basis and respond to risk practically.

Countermeasures against Disasters

Toppan has carried out comprehensive disaster-preparedness measures throughout its operational sites under a basic plan for countermeasures against disasters.

The foremost aims of the countermeasures against disasters at the Group are to ensure the safety of all Toppan employees and their families and to provide aid for affected people in general. A safety confirmation system composed of multiple communication channels such as email and mobile phone has been in place since 2011 as a tool to allow employees to immediately confirm their safety in the event of a wide-scale disaster such as an earthquake. All operational sites reserve stockpiles of food and other requisites for commuters who have no means to return to their homes. The Group has also been preparing procedures to minimize damages to business operations, preserve company assets, and provide assistance to customers and disaster-affected people and areas in cooperation with companies and residents in the community as a socially responsible corporation. In parallel with these disaster-preparedness measures, steps are also being taken to raise awareness of disaster-mitigation procedures among individual employees. Through the regular repetition of evacuation drills for all employees and other various drills in fire and disaster-preparedness, every employee will have the know-how to deal with emergency situations quickly and properly.



In-house BCM seminar by outside professionals



Large-scale earthquake simulation drill

Business Continuity Management

As a preparation for a possible operational shutdown in the aftermath of a large-scale earthquake, Toppan has been formulating business continuity plans (BCPs) designed to enable the resumption of business operations as rapidly as possible in a post-disaster environment. The Group applied BCPs at its main operational sites in the Tokyo metropolitan district in fiscal 2010. From fiscal 2011, Toppan has been laying down BCPs throughout the whole Group, including the head office departments and Group companies. Based on lessons learned from the Great East Japan Earthquake disaster, the Group has also begun surveying the suppliers' current levels of disaster preparedness as a preliminary step for building a stable supply chain.

As a basic precondition for business continuity, Toppan gives overriding priority to safety and the assurance of human life as a matter of course. In fiscal 2011, Toppan thoroughly revised the Group-wide basic plan for countermeasures against earthquake disasters in order to establish a structure conducive to prompt response from the first minutes of a disaster to the early resumption of operations.

The Group will accelerate its business continuity management (BCM) activities to give concrete form to the BCPs from fiscal 2012. Toppan will consistently improve the BCM activities by sequentially executing preliminary countermeasures, arranging education and training programs for employees, self-evaluating its actual practices, and implementing various other measures. Through these efforts, Toppan seeks to secure Group-wide competence for business continuity while coexisting with communities as a social benefactor.

Human Rights



- 1 Based on the concept of respect for people, Toppan is committed to respecting basic human rights inside and outside the Company and has prepared an environment and systems for this purpose.
- 2 Inside the Company, Toppan concludes a collective labor agreement, works for equal opportunity and the elimination of discrimination, and undertakes other relevant activities.

Respecting Basic Human Rights and Operating Hotlines

Respecting Basic Human Rights

Toppan operates business under the foundational concept of respect for people. To ensure this principal, the Conduct Guidelines call for respecting basic human rights (respecting personal qualities and individuality; prohibiting discrimination and harassment; prohibiting child labor and forced labor; and complying with laws [→P. 29]). Toppan has been carrying out education on basic human rights and harassment in rank-based training for employees to prevent harassment and other inappropriate actions from occurring.

To disseminate the concept of respect for people throughout the entire supply chain, Toppan sets forth an article on respecting basic human rights in the CSR Procurement Guidelines of the Group and requires Group companies and business partners to comply with this article.

Toppan has set up dual hotlines through which both employees and business partners can promptly report inappropriate actions.

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

Collective Labor Agreement

The Toppan Printing Labour Union and the management of the Company have concluded a collective labor agreement in order to stabilize labor-management relations, maintain and improve working conditions, and secure the corporate concord. The agreement sets forth a fundamental policy between labor and management, the rules governing union activities and labor-management negotiations, and employment conditions such as wages and working hours.

As a fundamental policy between labor and management, Article 1 of the collective labor agreement, the General Principles, stipulates that the Company and union shall contribute to society through business operations and collectively work for the benefit of the Company and long-term stability of employees' livelihood. Labor and management both uphold these as common goals. Article 2 of the agreement specifies that the Company shall respect the union's rights to organize and collectively bargain and act. It clearly states that the union has all the rights established by law. The effective period of the collective labor agreement is two years. When neither the union nor the Company indicates its intention to revise or terminate the agreement at least thirty days before its expiration, the agreement will remain in effect for no more than another six months after the expiration date.

Initiatives for Respecting Basic Human Rights

Participating in the United Nations Global Compact

Toppan participates in the global policy initiative and respects basic human rights in a proactive manner with other business participants.

Respect for people

A universal concept highly valued by Toppan

Establishing and disseminating the Conduct Guidelines (→PP. 26, 29)

Toppan specifies respect for basic human rights in the Conduct Guidelines—its listing of behavioral norms for employees—and disseminates this principle across the Group.

Working for equal opportunity and eliminating discrimination

Toppan respects personal qualities and individuality, and hires and treats employees without discrimination of any kind.

Organizing training and education

Toppan organizes training sessions for new employees to educate them about respect for basic human rights in easy-to-understand lessons.

Promoting CSR procurement (→P. 28)

Toppan cites respect for basic human rights as a guiding principle in the CSR Procurement Guidelines and requires business partners to comply with the guidelines.

Operating hotlines (→PP. 26, 28)

Toppan operates dual hotlines through which both employees and business partners can report inappropriate actions.

Contributing to society (→P. 34)

Toppan supports people's livelihood through educational cooperation in developing countries and the donation and supply of money and goods throughout the world.

Working for Equal Opportunity and Eliminating Discrimination

Positive Action

Toppan has promoted positive action aiming at the creation of new services and businesses. To better respond to customer and social needs, the Company needs to develop new products and services from feminine perspectives. Toppan employs 176 female managerial and supervisory staff (as of April 2012).

Self-determination on the Career Path / Second Careers

Toppan has established the Challenging Job System, a program to encourage employees to consider their own work experiences, official qualifications, and the departments and divisions to which they would like to be transferred. Employees think carefully about their own medium-to-long-term career development and the skill-enhancement plans necessary to move them on track. The system cultivates a problem-solving, can-do mindset that kicks in when employees reach the new positions to which they aspire. For retired employees in their second careers in company life, the system offers working options matched to their career aspirations and the knowledge, experience, and skills they have acquired through long years of service. Seventy of 80 employees who retired in fiscal 2011 were reemployed and now remain with the Company.

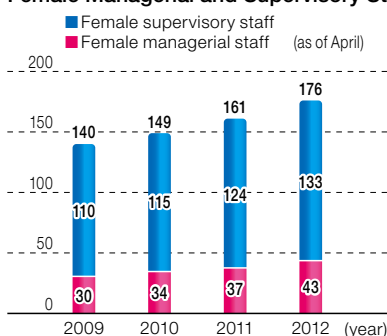
Employment of Persons with Disabilities

Toppan promotes the hiring of persons with disabilities mainly via Tokyo Metropolitan Government (T.M.G.) Prepress Toppan Co., Ltd., a special subsidiary that employs persons with disabilities. As of June 1, 2012, persons with disabilities accounted for 1.91% 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 three forms: regular hiring of new graduates from universities and high schools; mid-career hiring of experienced personnel year round; and hiring of persons with disabilities year round. To hire new graduates from universities, Toppan conducts screenings in seven geographical areas across Japan. The Company also sets by-job-type screenings in Japan and recruits global personnel. All candidates screened are given the chance to choose in accordance with their own aspirations and vocational aptitudes. Before the screenings, Toppan determines the talent requirements based on the results of employee consciousness surveys and a review of the behavioral characteristics of outstanding achievers in the Company. During the screening, Toppan tries to estimate if the recruits have suitable competencies and potential. The Company also runs internship programs to boost student awareness about work. A cumulative total of about 2,000 students participated in workshops, practical training sessions, and online training courses in fiscal 2011.

Female Managerial and Supervisory Staff



Employment of Persons with Disabilities

	2010	2011	2012
Employees	183	199	196
Percentage of total workforce*	1.89%	1.97%	1.91%

*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.

Number of Recruits

		Fiscal 2010	Fiscal 2011	Fiscal 2012	
Regular recruitment of new university graduates and post-graduates	Sales, administration, etc.	Male	57	51	60
		Female	20	23	24
	Technical	Male	56	83	105
		Female	21	22	26
New graduates from high schools and National Colleges of Technology	Male	0	3	0	
	Female	9	13	11	
Total number of regular recruits (percent female)		163 (30.7%)	195 (29.7%)	226 (27.0%)	
Mid-career recruitment of experienced personnel		18	5	—	

Labor Practices



- 1 Toppan recognizes how deeply it depends on employees and encourages them to work vigorously and earnestly with strong motivation.
- 2 Toppan establishes labor-management relationships in which labor and management stand on equal footing and trust and respect each other.
- 3 Toppan has established a Health, Safety & Fire Safety Promotion Department at the head office to reinforce safety management.

Basic Concept of Human Assets

Toppan values its employees as precious company assets (“human assets”) and recognizes how deeply 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 are vigorous, earnest, and have 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, and treatment. To do so, Toppan places high priority on communication in a spirit of mutual trust, career progress in the directions in which employees envision, clearly defined rewards and penalties, and the establishment of an open and fair environment. Toppan reinforced its functions to control human resource development throughout the Group in fiscal 2011. Toppan will develop the Group further by fostering more talented individuals who can create new businesses and markets.

Labor-Management Partnership

As partners with shared ideals, Toppan’s labor union and management have trust in each other and respect for each other’s positions. The two parties work on various issues together on an equal footing and hold events of various sorts, including recreational activities for employees. In the summer of 2010, for example, they cosponsored the Toppan Sports Festival at the Seibu Dome in Saitama Prefecture, an event attended by 4,400 participants, including employees from Group companies in the Tokyo metropolitan area and their families. At each operational site every year, labor and management organize sports meets of various kinds and invite employees’ families to recreational activities.

Business councils are convened as Company-wide and operational site forums to discuss wide-ranging managerial issues. Several types of special committees to deliberate individual issues are also convened. Standing committees meet to discuss issues such as working hour reductions, wages, welfare, and safety and health. Likewise, individual committees meet when necessary to discuss specially designated subjects, such as the creation of a working environment amenable to enhanced job satisfaction. Toppan has adopted a union shop system. In principle, all non-managerial employees belong to the labor union as members.

Number of Employees (as of March 31)

		Directors	Management Class	Supervisors	Total Employees	Average Tenure	Average Age	Sum Total Employees	Part-time Workers	Temporary Staff
Fiscal 2009	Male	27	1,670	1,853	7,672	14.4	40.0	8,769	541	144
	Female	1	30	104	1,097	8.5	31.5			
Fiscal 2010	Male	26	1,686	1,800	7,512	14.4	40.7	8,633	647	47
	Female	0	33	114	1,121	8.7	32.2			
Fiscal 2011	Male	26	1,687	1,749	7,363	14.9	41.3	8,508	730	68
	Female	0	39	121	1,145	9.2	32.8			

Reasons for Leaving*1

	Fiscal 2009	Fiscal 2010	Fiscal 2011
Personal reasons	110 (40)	116 (38)	131 (48)
Retirement	118 (0)	89 (0)	80 (1)
Requested by the company	0 (0)	0 (0)	0 (0)
Other	50 (4)	60 (2)	84 (1)
Total	278 (44)	265 (40)	295 (50)
Turnover rate	3.1%	3.0%	3.4%

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

Average Annual Salary

	Fiscal 2009	Fiscal 2010	Fiscal 2011
Total	6,442,189 yen	6,680,897 yen	6,397,624 yen

Annual Paid Leave Used

	Fiscal 2009	Fiscal 2010	Fiscal 2011
Average paid leave used (days)	7.7	7.8	8.2
Average ratio*2	40.8%	40.7%	42.4%

*2 Average ratio = average paid leave used / average paid leave granted

Employees Taking Maternity or Childcare Leave

	Fiscal 2009	Fiscal 2010	Fiscal 2011
Employees taking maternity leave	45	72	58
Employees taking childcare leave*3	72 (0)	94 (1)	114 (2)

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

Supporting Work-Life Balance

■ Efforts to Shorten Working Hours

Excessive overtime is a longstanding issue for Toppan. Every operational site has examined and implemented measures to control the numbers of hours worked. For the time being, however, characteristics of the printing industry and other factors still prevent the Company from achieving fundamental solutions. In October 2008, Toppan launched a Company-wide effort to eradicate extended overtime work as a means of achieving better work-life balance and maintaining employee health.

Senior management, managers, and employees jointly undertake initiatives to improve operating effectiveness by reviewing the ways individuals work and the ways management administrates; to equalize overtime hours by adjusting operations within the departments; and to introduce new working systems such as flextime and irregular working schedules.

At the ongoing business councils and labor-management committees, senior management and labor exchange opinions and deliberate on measures to further shorten overtime working hours and to comply with the revised Labor Standards Act of Japan. They also analyze the actual overtime practices and review the use of the newly introduced working systems.

As a result of these initiatives, the number of employees who worked long hours was reduced by 95% in fiscal 2011 compared with fiscal 2007, the year before the measures were introduced. The average hours of overtime worked also decreased by almost 20%.

■ Efforts to Foster the Next Generation

Toppan has striven 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 in place since fiscal 2006. As of April 2012, twenty resigning employees have registered for future rehiring.

Toppan has made institutional improvements for the childcare leave system, as well. For parents, for example, the Company has extended the period of childcare leave up to the first March 31 after the employee's child reaches the age of 12 months, a point in time beyond the requirements of the applicable law in Japan. This change eases difficulties parents face in Japan, where entry to daycare services is often impossible midway through the year. Meanwhile, the eligibility period for reduced working hours for employees with childcare responsibilities is set to continue up to the end of the child's third year of elementary school (again surpassing legal requirements in Japan), even in cases where the employee's spouse has time to devote to childcare. A staggered working-hour system for expectant mothers and childrearing parents has also been introduced. Toppan will continue enriching measures to foster the next generation and improve work-life balance for employees.

Main 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 the days are granted). Employees are eligible to use their stock leave for therapeutic treatments for themselves or their dependents, healthcare or nursing care for their families, or recovery work in the aftermath of unexpected disasters.
Childcare Leave	Both mothers and fathers are eligible for fulltime childcare leave consecutively up until the first March 31 after their child reaches the age of 12 months (thirteen male employees have taken childcare leave so far, on a cumulative basis). Employees on leave receive 10% of their regular salaries from the Company (until their child reaches the age of 18 months) 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) or select a flextime or irregular working schedule 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 elementary 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 nursing care. The Toppan Group Fraternal Benefit Society pays a 30,000-yen subsidy per month as assistance during the nursing care leave. The Company subsidizes certain nursing care costs and provides nursing care-related information.
Leave for Child Healthcare	Employees can take up to 10 days of leave a year, regardless of the number of children they are raising. These days can be taken in half-day allotments when necessary.
Volunteer Leave	In principle, employees can take 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 his or her 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 a 5,000-yen limit per 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 childrearing magazine <i>Baby and Mommy</i> and runs a consultation office for employees with questions about the health of the body and mind.

Occupational Safety and Health / Healthcare and Health Enhancement / Fire- and Disaster-preparedness

Labor and management at Toppan have integrally propelled activities to enhance occupational safety and health. The Safety and Health Committee of each operational site plays a central role in these activities with the goal of completely eliminating occupational accidents. Toppan formulated the Basic Policy on Health and Safety in June 2010. Months later, in October of the same year, labor and management strictly affirmed that safety should take top priority in business operations and clarified the actions to be carried out by all operational sites towards the complete elimination of accidents. Toppan also established the Health, Safety & Fire Safety Promotion Department, a body at the head office dedicated to supporting safety and health promotion activities at all operational sites. These efforts have gradually reduced the number of occupational accidents.

In parallel, Toppan has opened the *Anzen Dojo*, a safety training facility, in Kawaguchi, Saitama Prefecture. This facility serves as a safety education resource equipped with fire- and disaster-preparedness goods and specialized hardware developed to simulate accidents involving fire, explosions, and the jamming of body parts in machines. These goods and simulators have been presented year around and steadily enriched since their establishment in August 2010. In fiscal 2011, Toppan demonstrated a new danger simulator specially designed for regional sites throughout Japan to enhance the safety awareness of individual employees of the Group. Moving forward, Toppan

Occupational Safety and Health

	2009	2010	2011
Deaths from occupational accidents	0	0	0
Frequency rate*1	0.09	0.00	0.10
Severity rate*2	0.003	0.00	0.004

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

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



Danger simulator at Anzen Dojo

will introduce full-fledged risk assessment activities for accident prevention across the Group. All operational sites will work in concert to completely eliminate occupational accidents.

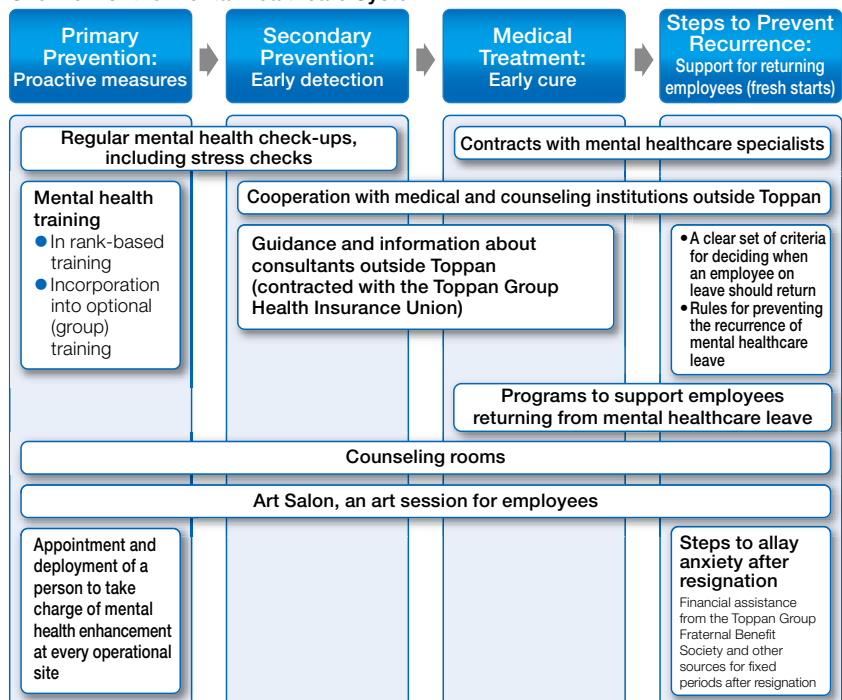
Measures for Mental Healthcare

Labor and management regard the maintenance of employee health as a shared mission vital for the corporate activities at Toppan and have regularly met to exchange frank views on mental healthcare measures.

Based on the opinions exchanged, several rules have been appended to the employment regulations to help the Company provide a working environment to which employees can more readily return from mental healthcare leave. These rules define 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. To prevent mental illness or promptly detect and cure it, Toppan also holds regular mental health check-ups for all employees and arranges mental healthcare training for employees of every rank from recruits to managerial staff.

In a project conducted with a Group company called Institute of the Formative Art Co., Ltd., Toppan also operates Art Salon, an art session to refresh employee minds and bodies through the creative work of painting. Sessions are held at operational sites across Japan, delighting many of the employees who take part. Employees are also encouraged to freely consult with counselors in counseling rooms in all regions where Toppan sites operate. As a further assurance, Toppan

Overview of the Mental Healthcare System



has concluded advisory agreements with mental healthcare specialists to secure a ready source of instruction and advice from professional viewpoints.

Developing and Fostering Human Assets

■ Concept of Human Asset Development and Fostering

Mindful of how deeply it depends on employees, Toppan fosters ambitious, noble, and virtuous human assets. Toppan would like to contribute to society as a whole as a corporation blessed with excellent human assets. Rank-based training brings the Company closer to achieving this by helping employees understand and appreciate the roles and responsibilities of each rank. The Company also provides a wide variety of training programs to encourage employees to systematically gain the “abilities and skills” required by each workplace.

To offer customers and society enhanced values rooted in its pool of ingenious human assets, Toppan arranges networking programs for its female employees and cross-industry social events for all of its employees as means for opening up channels for new networks and facilitating communication.

■ Various Education Systems

The head office organizes various education programs. Along with rank-based and department-based training, the office enriches selective training courses planned out to foster leaders of tomorrow.

The Toppan Business School, meanwhile, offers self-development training for employees via optional courses (lectures) and

correspondence learning courses (the Challenge School). A cumulative total of 10,651 employees participated in fiscal 2011.

Employees also have ready access to basic, Company-wide education via Toppan’s e-learning system year round. A cumulative total of 135,423 employees took part in fiscal 2011.

In December 2011, Toppan established a new training center in Yugawara, Kanagawa Prefecture. The Company also renovated its existing training center in Kawaguchi, Saitama Prefecture to augment its functions for nurturing talents who will go on to shape tomorrow.

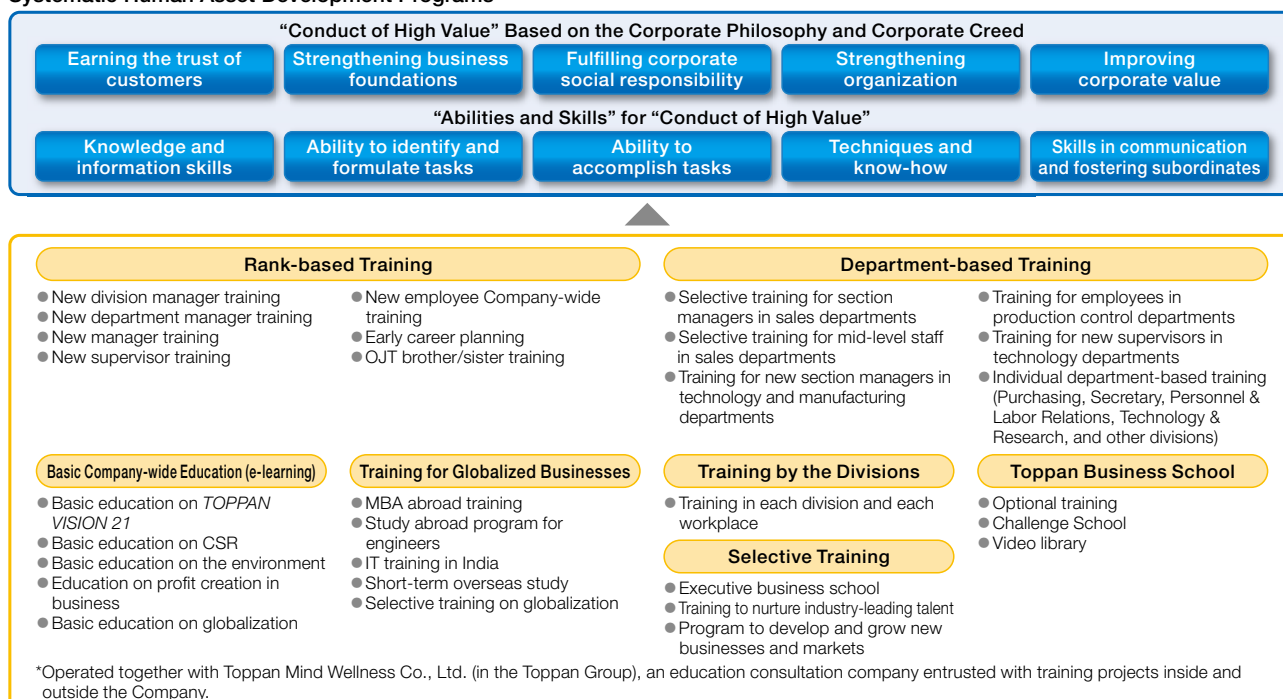
■ Fostering New Employees

Toppan regards the first three years after recruitment as a Company-wide fosterage period for new employees (the “early career planning” period). To encourage new employees to pursue career ideals they themselves affirm, Toppan organizes Company-wide training and on-the-job training (OJT) with help from the new employees’ immediate superiors, the “Brothers” or “Sisters.”

■ Fostering Human Assets Active in Global Businesses

Toppan has set up an assortment of systems to support overseas study for human assets who can play active roles in global businesses. The selective training on globalization supported 136 candidates for overseas assignments in fiscal 2011. The Company also launched a trainee system in the course of the year to provide employees practical training in day-to-day business activities overseas in fiscal 2011.

Systematic Human Asset Development Programs



Fair Operating Practices



- 1 Toppan issued a fully revised edition of the *Conduct Guidelines Casebook*.
- 2 Toppan organized education on compliance with the Antitrust Laws and Subcontract Law of Japan.
- 3 Toppan continued with business partner dialogues and surveys to promote CSR procurement.

Disseminating the Conduct Guidelines

In June of the year 2000, the centennial of Toppan Printing Co., Ltd., Toppan established the Conduct Guidelines, a set of normal standards of behavior based on the Corporate Philosophy and the spirit of compliance with laws and regulations. In November 2010, Toppan completely revised the Conduct Guidelines as a set of common principles that all Group companies around the world are required to observe for the assurance of total Group-wide compliance.

Conduct Guidelines Promotion Leader System

Toppan operates a Conduct Guidelines Promotion Leader system. In this system, every Group operational site assigns a Conduct Guidelines Promotion Supervisor (the “Supervisor”) and Leaders (the “Leaders”) for disseminating the Conduct Guidelines and ensuring full guideline compliance. Supervisors and Leaders implement ongoing activities directly connected with their daily business operations. Seven hundred and nine Leaders were deployed across the Group in fiscal 2011, including 57 females (8% of the Leaders). A cumulative total of 4,503 employees have worked as Leaders since the system was launched in 2004. Toppan will continue with measures to deploy many more Leaders and to resolutely foster and assign more female Leaders.

Dissemination Activities by Conduct Guidelines Promotion Leaders

The Leaders formulate action plans tailored to the details of business operations and situations, staff compositions, and other individual factors at the workplaces where the Leaders serve. They organize read-throughs of the Conduct Guidelines and facilitate discussion using concrete cases to enhance compliance awareness among their colleagues.

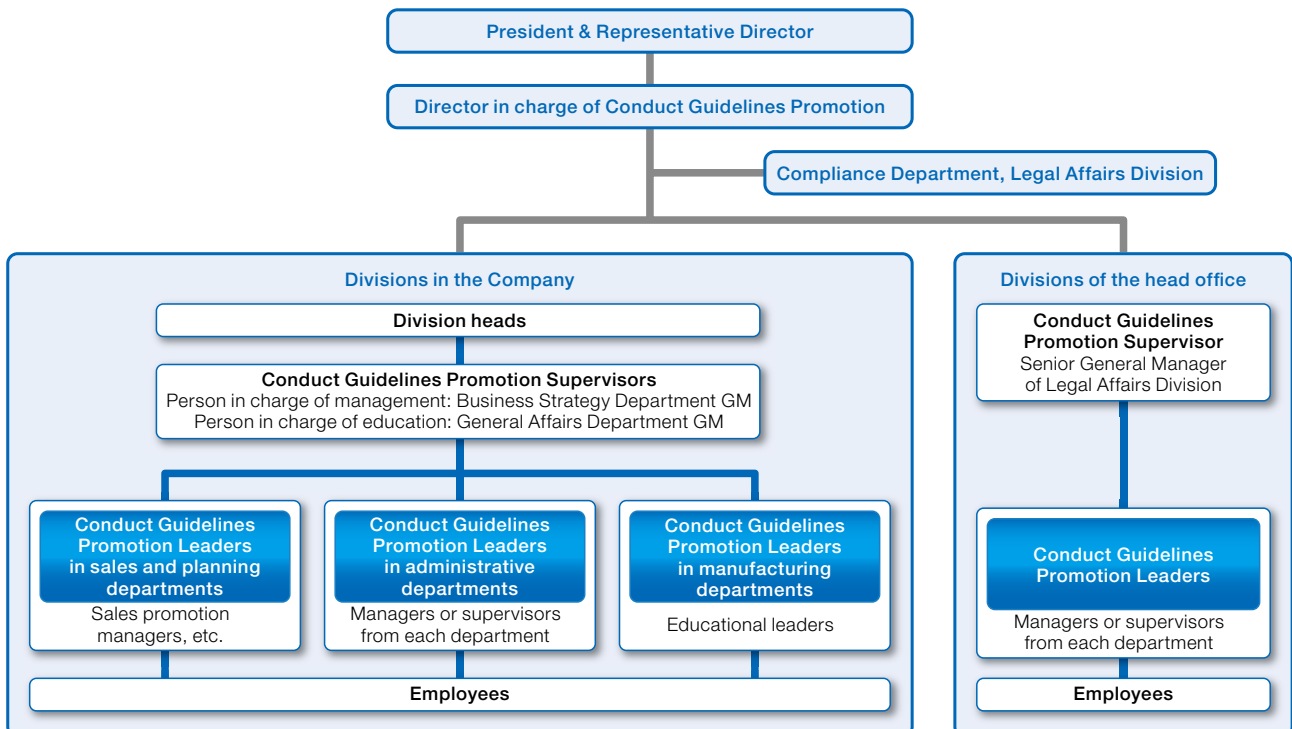
Tools to Promote the Conduct Guidelines

Toppan posts regular Conduct Guideline Notifications with topics relative to the guidelines. The notifications published in fiscal 2011 offered advice on thorough information security, the elimination of improper conduct, the assurance of proper subcontract transactions, and other working tasks. Toppan also issued every employee in Japan a completely updated edition of the *Conduct Guidelines Casebook* with revised descriptions of the actual situations that can arise in daily work. The Leaders make good use of the casebook and notifications to disseminate the guidelines at their workplaces.

Toppan Group Helpline

When an employee discovers a legal violation or improper conduct somewhere in the Toppan Group, he or she is to report it to his/her superior for deliberation, in principle. When the employee’s superior fails to settle the problem, the employee is encour-

Structure to Promote the Conduct Guidelines



aged to call the Toppan Group Helpline, the Group's internal reporting system. The helpline is kept open for use by all Group employees, including temporary staff and part-time workers.

The helpline was used in seven cases in fiscal 2011. The incidents reported involved power and sexual harassment and other inappropriate actions. All seven cases were strictly investigated and properly handled, and necessary countermeasures were taken to prevent recurrence.

Implementing the Conduct Guidelines in Overseas Group Companies

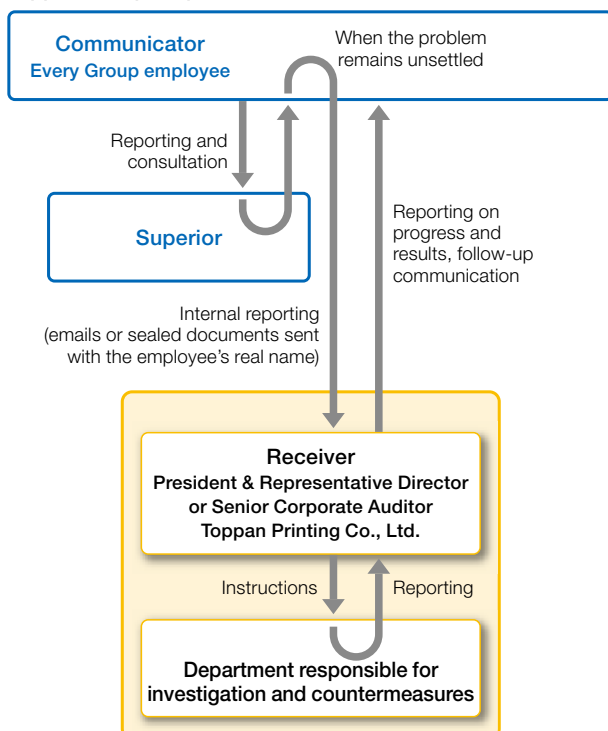
The Toppan Group revised Conduct Guidelines for Eastern Asia based on the Group-wide Conduct Guidelines and held briefing sessions on revisions in this region in fiscal 2011. The Group will provide ongoing compliance education in the region and steadily implement guidelines in other countries and regions overseas.

Compliance Education

Training for Conduct Guidelines Promotion Leaders

As in the previous years, Toppan held the group training for Conduct Guidelines Promotion Leaders in fiscal 2011. The training was scheduled in two phases. In the first, 542 Leaders were trained in 36 sessions across Japan from May to September 2011. In the second, 508 Leaders were trained in 32 sessions from November 2011 to March 2012.

Toppan Group Helpline



In these sessions, Toppan devises ways to enhance the effectiveness of training through activities such as group discussions using case methods describing actual incidents and accidents.

Education on Compliance with Transaction-related Laws

Toppan has organized regular education on compliance with the Antitrust Laws and the Subcontract Law of Japan, fundamental laws for proper transactions. In fiscal 2011, the Company carried out an e-learning-based program for employees in every domestic sales department focused on compliance with the provisions of the Antitrust Laws related to the prohibition of collusion and cartels. As many as 2,802 employees took the course.

To attain full compliance with laws governing transactions with subcontractors, Toppan held 29 sessions on compliance with the Subcontract Law for 1,287 employees in the production control departments of domestic Group companies from October 2011. In a separate effort, Toppan checked how subcontract transactions were being handled in 36 sections across Japan.

Briefing on Compliance

Toppan was not involved in any serious accidents or violations of laws or regulations in the course of business in fiscal 2011.



Conduct Guidelines Casebook (in Japanese)

Approach to Intellectual Property

Protection and management of intellectual property is a crucial issue for Toppan, a company engaged in planning and development in the diverse business fields of Information & Networks, Living Environment, Electronics, Personal Service, and Next-generation Products. The Company devotes strict attention to measures to prevent the infringement of copyrights, trademarks, and other intellectual property rights of third parties while obtaining patents for its own technologies and business models.

As one measure, Toppan regularly holds training sessions for business partners of the planning departments, in addition to sessions for employees. Participants in these sessions acquire basic knowledge of laws on intellectual property rights by reviewing actual cases involving troubles in design work and the like.

Promoting CSR Procurement

The Toppan Group implements CSR initiatives in cooperation and collaboration with business partners throughout the entire supply chain.

The CSR Procurement Guidelines are a set of principles the Group observes to drive this endeavor. These guidelines consist of the Basic Procurement Policy, a conceptual framework to be closely observed by every employee involved in procurement operations, and the CSR Procurement Standards, a set of requirements to be satisfied by every business partner.

Complying with the CSR Procurement Standards

The Toppan Group launched its CSR procurement initiative in fiscal 2007. Since then, every business partner willing to cooperate with the initiative has submitted a memorandum of cooperation and reported the current status of its CSR activities in a questionnaire.

Toppan compiles the information filled out in the memorandums and questionnaires into a Business Partner Database. This database serves as a valuable information resource for Toppan and its business partners as they work to establish a supply chain trusted by society.

In fiscal 2011, Toppan reassessed 68 suppliers on the activities they reported in the questionnaires and visited some of these suppliers to interview them face to face.

The Group also held briefing sessions for 283 business partners involved in production. The briefings were designed to renew the awareness of business partners and encourage them to fully implement measures on important CSR-related issues such as waste control, occupational safety, and the management of personal and confidential information.

Promoting Compliance in Procurement Departments

The Toppan Group has established the Supplier Hotline, a portal for receiving reports from business partners, on its website. The Group regularly conducts Business Partner Monitoring, a questionnaire-type system for surveying business partner satisfaction with Toppan.

In fiscal 2011 the Group asked 13 business partners to fill out the questionnaires. Toppan analyzed the results and devised countermeasures for issues that came to light in the surveys.

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.

Conduct Guidelines and Information Management Policy

Conduct Guidelines

Here are the specific conduct guidelines presented after Chapter 1 of the Conduct Guidelines (described on page 14).

Chapter 2: Specific Conduct Guidelines

Chapter 2 defines the specific conduct practices that we should undertake based on the Basic Principles provided in Chapter 1.

Basic Principle 1: Respecting basic human rights

1. Recognizing the diverse values of individuals and respecting personal qualities and individuality
2. Prohibition of discrimination of any kind
3. Prohibition of sexual and power harassment

Basic Principle 2: Having high ethical standards and acting as a responsible member of society

In the conduct of business

1. Acting with pride as a member of the Toppan Group
2. Prohibition of tacit approval of illegal conduct and rule violations
3. Respect for foreign cultures and customs

In our private lives

4. Prohibition of conduct that causes distress to other people
5. Prohibition of drink-driving
6. Prohibition of the possession and use of illegal drugs
7. Prohibition of gambling

Basic Principle 3: Complying with laws and company rules and conducting fair business operations

Legal compliance

1. Prohibition of collusion and cartels
2. Prohibition of improper conduct in dealings with business partner companies
3. Prohibition of improper conduct against competitors
4. Prohibition of false transactions
5. Respecting business partners' standpoints and building appropriate relationships with customers
6. Prohibition of bribery and inappropriate entertainment practices
7. Prohibition of illegal political contributions or donations
8. Prohibition of insider trading
9. Prohibition of illicit import and export transactions
10. Prohibition of child labor and forced labor
11. Compliance with international rules and local laws in overseas business

Compliance with company rules

12. Maintaining discipline and order in the workplace
13. Prohibition of other work without the company's permission
14. Prohibition of conduct that causes a conflict of interests with the company
15. Prohibition of receipt or provision for personal gain or rebate
16. Appropriate management of assets entrusted to the company by customers
17. Appropriate management and use of company assets
18. Prohibition of prejudicial treatment of persons that have reported problems via the appropriate procedure
19. Fulfilling duties with integrity
20. Reporting promptly and appropriately

Basic Principle 4: Avoiding all links with antisocial groups

1. Prohibition of any dealings with antisocial groups
2. Prohibition of involvement in antisocial activities
3. Prohibition of provision of unjust benefits

Basic Principle 5: Striving to improve quality and providing creations that contribute to customer satisfaction

1. Making our best efforts for the customer and building a relationship of trust
2. Striving to improve quality in every process
3. Fully ensuring the safety and security of products and services
4. Prohibition of the infringement of the intellectual property rights of others

Basic Principle 6: Recognizing the importance of information related to business and managing it appropriately

1. Protecting information regarding customers
2. Protecting the company's confidential information
3. Appropriate handling of personal information
4. Striving for the appropriate management of information and records

Basic Principle 7: Proactively undertaking conservation of the global environment

1. Striving to reduce the environmental burden of business activities
2. Promoting businesses with consideration for the environment

Basic Principle 8: Embracing change and taking on new challenges

1. Making proposals that embrace change to customers
2. Advancing technical development that meets the needs of customers
3. Having an awareness of problems and striving to improve the status quo
4. Striving to enhance one's knowledge, skills and techniques
5. Securing and using intellectual property

Basic Principle 9: Building trust from society through social contribution activities and appropriate disclosure of information

1. Proactively participating in the company's activities to contribute to society and local communities
2. Contributing to the development and passing on of skills and culture
3. Disclosing information appropriately and enhancing the transparency of business activities

Basic Principle 10: Bringing together individual strengths to fully exploit the integrated strength of the group

1. Striving to create a lively and vibrant workplace
2. Striving to create a safe and clean workplace
3. Taking pride in the Toppan Brand and striving to cultivate it
4. Group companies working together to maximize integrated strength

Established in June 2000 Revised in November 2010

Toppan Group Basic Policy on Information Security

As a group of companies operating in the information communication industry, each of us at the Toppan Group carries out Group-wide information security management in the recognition that the management of information necessary for business is a significant managerial challenge for us as a means to reciprocate our customers' trust and promote the ongoing growth of the Toppan Group.

1. We manage information necessary for our business appropriately in observance of our in-house rules, the law, and the principles of social order.
2. We collect information for appropriate purposes using appropriate methods.
3. We safely manage the information entrusted to us by customers in order to reciprocate our customers' trust.
4. We are deeply aware of the risks to the information assets we handle, such as illegal access, loss, damage, falsification/manipulation, and leakage of information, and take necessary and reasonable safety measures against these risks. We deal with and rectify any problems that occur promptly and in an appropriate manner.
5. We establish, operate, maintain, and continuously improve information security management systems.

Established: April 1, 2001 Latest revision: August 1, 2011

Consumer Issues



- 1 Toppan has been decisively fostering human assets responsible for product safety management.
- 2 Toppan has made steady progress in its universal design (UD) initiatives.
- 3 Toppan has reinforced the management of operations involving the handling of personal information.

Assuring Product Safety and Quality

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 quality. This is why Toppan describes quality assurance in production as a total activity ("Total Quality Assurance") and strives to improve product quality and manage product safety.

Product Safety

Toppan has established its Basic Stance on Product Safety Management and Basic Guidelines on Product Safety Management to secure the safety of the products Toppan manufactures. The latter provides guidelines for the following measures: namely, the establishment of a structure to secure product safety by identifying and evaluating the risk of improper use or other product-related mishaps and complying with laws and regulations relevant to products manufactured by each division; information collection and provision and actual measures in the case of product-related accidents or problems; and product recall procedures.

To support product safety management, Toppan strives to improve product quality on an ongoing basis. Every operational site has acquired the ISO 9001 certification for its quality management system (QMS) and works to update it. Three hundred and twenty-five employees took part in Toppan's training sessions for internal auditors at operational sites in fiscal 2011.

Certified Approval System for Manufacturing in Food Packaging

Food packaging requires exacting quality assurance for safety and sanitation. Toppan has adopted a certified approval system to ensure that the operational sites of Toppan and partner companies can manufacture containers and packages only after receiving the required ratings in the audits. The audits are conducted based on the Quality Assurance Guidelines for Food Packaging using a checklist. Toppan carried out 32 audits at 25 operational sites inside and outside the Company in fiscal 2011.

Management of Chemical Substances in Products

Toppan intensively promotes product safety management in all manufacturing processes, from material procurement to product shipment, by controlling various chemical substances whose use is prohibited or restricted. While adhering to green procurement standards prescribed by client companies, the Company has established a set of Green Procurement Standards attuned to the features of products manufactured by every division in the business fields of Electronics, Living Environment, and Information & Networks. Toppan manages chemical substances in products throughout the whole supply chain.

Basic Stance on Product Safety Management

We promote product safety management throughout the Group by securing safety and improving the quality of our products based on the Basic Principles of Conduct Guidelines and the principles of corporate social responsibility as a protector of user safety and health.

Audits for the Food Container and Filling/Packing Businesses

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 manufacturing subsidiaries
- Filling/packing business
 - 5 operational sites at manufacturing subsidiaries
 - 11 operational sites at production business partners



Operational site audit



Training session for internal auditors

Challenges in Universal Design

Universal design (UD) is one of the prime corporate social responsibilities for Toppan, a company that designs and produces packaging and communication tools consumers see and use every day. Toppan strives to help realize the fulfilling lifestyles enunciated in the Corporate Philosophy by producing attractive, easier-to-use products and services suitable for users in various scenes of life.

Toppan Declaration on Universal Design and Toppan's Seven Principles on Universal Design

UD plays an increasingly important role worldwide, especially in Japan, as societies are reshaped by trends such as declining birthrates, the ageing of the population, and enhanced social ethics and a stronger emphasis on comfort and sensory values among consumers.

In keeping with the Toppan Declaration on Universal Design and Toppan's Principles on Universal Design, the Company promotes UD initiatives that assign greater weight to sensory values and customization while emphasizing functions such as understandability and usability.

Examples of Universal Design

One of Toppan's packaging departments joined in a project to redesign the package for CHARMY Crysta Powder, a dishwasher detergent manufactured by Lion Corporation. A new CHARMY package developed based on usability verifications in a simulated kitchen won the Technical Packaging Award in the 35th Kinoshita Prize sponsored by the Japan Packaging Institute. The departments have also started a consulting service on next-generation UD. Besides giving advice on existing UD development methods, the consultants running the service help client companies develop designs through analytical surveys of the appeal points of products and verify design effects through eye-tracking research and other advanced techniques.

Departments in the Information & Networks field, on the other hand, have adopted a UD commitment to developing easier-to-understand, user-friendly designs in order to help client companies communicate with their customers smoothly and accurately. The departments have also adopted a UD commitment to offering the employees of client companies easier-to-understand, easier-to-use designs that lead to streamlined business operations. As information increasingly migrates from paper to display screens in today's ever-more paperless society, Toppan facilitates UD on display screens as well as in pamphlets and application forms on paper.

Toppan Declaration on Universal Design

The starting point of our Universal Design is the provision of dedicated products and services realized through compassionate consideration of users.

By engaging in repeated dialogues with people from all walks of life and consistently incorporating the ideas of each person, we will create dedicated products that are comfortable, easier-to-use, and environment- and human-friendly.

As a corporation extensively involved in human life, we will help realize a society with a high appreciation of diversity through approaches to Universal Design.

Established in April 2010

Toppan's Seven Principles on Universal Design

1. Design products and services that are more responsive to people with different physical abilities and perceptions.
2. Facilitate communication using multiple channels for communication, including visual, aural, and tactile channels.
3. Make products easier to use by making them easier to understand.
4. Make products that are easier to move, easier to approach, and require less strength (remove the physical burdens).
5. Design products that are safe to use procedurally, functionally, structurally, materially, and environmentally.
6. Provide products at a reasonable price and in the amounts required by society.
7. Engage in design that appeals to the senses with consideration for comfort, enjoyment, and beauty.

Established in 2001 Revised in April 2010



CHARMY Crysta Powder
©Lion Corporation

Protecting Personal Information

Toppan handles a great deal of personal information in the course of arranging and sending direct mail, issuing and processing cards, and conducting campaign secretariat affairs and web-related operations. All personal information entrusted to the Company is treated with the utmost care to ensure the safety and security of Toppan's customers and the enhanced quality of Toppan services.

Reinforcing the Management of Operations Involving the Handling of Personal Information

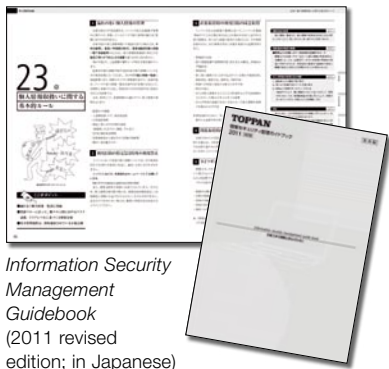
Toppan implemented the following measures for more stringent control over personal information handling in fiscal 2011.

● Introducing a Group-wide Personal Information Management System

Toppan has structured a new system to control all operations involving the handling of personal information with a centralized numbering code across Japan. In this system, no department is allowed to conduct any operation using information outside the scope of its control. Orders are only issued to the registered partner companies to which the operations have been consigned.

● Improving the Operation of Tightly Secured Areas Designated for the Handling of Personal Information

Toppan reviewed the management rules it established in 2007 for the governance of tightly secured areas. These rules required adjustment to cope with rising IT risks and the diversifying types of personal information entrusted to the Company.



Information Security Management Guidebook (2011 revised edition; in Japanese)



Entry and exit gates at tightly secured areas designated for the handling of personal information

After the review, Toppan introduced a qualification system for tightly secured areas.

● Introducing an Assignee Registration System for Secure Delivery

Toppan reviewed its security criteria for the consignment of secure delivery of personal information, cash vouchers, and other important information or tangible assets. A total of 16 partner companies are currently registered as assignees.

● Establishing the Toppan Group Basic Policy on Information Security

Toppan revised its Information Management Policy into a Group-wide policy to strengthen coordination on information security across the Group. Toppan will standardize rules to be shared throughout the entire Group.

■ Making Activities Ongoing

Toppan conducted quality-oriented audits on personal information handling for 28 relevant operations in fiscal 2011.

The Company also arranged 301 face-to-face lectures for all employees across Japan to heighten their awareness on the handling of personal information.

In addition to issuing the *Information Security Management Guidebook* (2011 revised edition), an educational booklet for read-throughs at the workplace, Toppan surveyed actual day-to-day practices for the handling of personal information to confirm how strictly the relevant rules were being followed. The Company collected 21,869 responses in fiscal 2011 and analyzed the data to clarify department trends. The survey results were used for the internal audits.

Activities in Fiscal 2011

Meetings of Information Security Managers:

May 2011, March 2012

Various surveys

- Survey of tightly secured areas designated for the handling of personal information: from May to August 2011
- Audits on partner companies registered as assignees for secure delivery: from April 2011 to February 2012
- Audits on the handling of personal information: from April 2011 to February 2012
- System asset audits: from September to November 2011
- Survey of the actual conditions of information security management: August 2011

Education

- Regular training for information security: from June to December 2011
- Issuance of the *Information Security Management Guidebook* (2011 revised edition) booklet: October 2011

Toppan Group Companies with PrivacyMark Accreditation (as of June 10, 2012)

- Toppan Printing Co., Ltd.
- Toppan Communication Products Co., Ltd.
- Toppan Graphic Communications Co., Ltd.
- Toppan Joho Kako Co., Ltd.
- Toppan System Solutions Co., Ltd.
- Toppan Editorial Communications Co., Ltd.
- Toppan Logistics Co., Ltd.
- Toppan Proprint Co., Ltd.
- Bitway Co., Ltd.
- Toppan Travel Service Corp.
- Toppan Forms Co., Ltd.
- Toppan Forms Central Products Co., Ltd.
- Toppan Forms Operation Co., Ltd.
- Toppan Forms Kansai Co., Ltd.
- Toppan Forms Services Co., Ltd.
- Toppan Forms Tokai Co., Ltd.
- Toppan Forms Nishinohon Co., Ltd.
- Toppan Forms Process Co., Ltd.
- Toppan Forms (Sanyo) Co., Ltd.
- Toppan Forms (Hokkaido) Co., Ltd.
- TOSCO CORPORATION
- Tosho Printing Co., Ltd.
- Tokyo Shoseki Co., Ltd.
- Tokyo Logistics Co., Ltd.
- Livretech Co., Ltd.
- EduFront Learning Research Co., Ltd.
- Froebel-Kan Co., Ltd.

Contributing to Sustainable Consumption

Toppan produces a host of environmentally friendly products designed to contribute to a sustainable society.

In the field of cylindrical paper containers, Toppan has been collaborating with Nestlé Japan Ltd. on the development of NESCAFÉ Eco & System Pack, a paper-based container for instant coffee. This eco-friendly container is made with Forest Stewardship Council (FSC®)-certified paper as a raw material. In March 2012, NESCAFÉ Eco & System Pack was redesigned into a more environmentally friendly aluminum-free container composed of significantly less plastic than ever before.

In the field of flexible packaging materials, Toppan has developed the world's first packaging film made of biomass polyethylene. The plant-derived material for this film reduces fossil resource consumption compared with petroleum films. When this film is used for packaging, the CO₂ absorbed by the raw material during its cultivation as a plant offsets the CO₂ emitted during incineration of the film at the time of disposal.

Toppan will endeavor to develop more eco-friendly products in the future.

Reporting the Carbon Footprints of Products

The carbon footprint of products (CFP) is a measure of CO₂ emissions associated with products or services. It is a single number anyone can understand. Within the framework of CFP reporting, it is anticipated that individual consumers will voluntarily choose more eco-friendly products.

Toppan was a participant in the CFP Pilot Program operated by the Ministry of Economy, Trade and Industry of Japan until the project was discontinued in fiscal 2011. The Company collaborated with the ministry in the formulation of Product Category Rules (PCRs) for publication and commercial printed materials (intermediate goods), for containers and packaging, and for printed materials for advertisement and business. Toppan has applied for CFP certification for its pamphlets and for the Japanese version of this CSR report (760 g-CO₂ emitted per copy) since fiscal 2011. Toppan will participate in the CFP Communication Program, a Japanese CFP scheme undertaken by the Japan Environmental Management Association for Industry (JEMAI).

Meanwhile, data on manufacturing processes collected for CFP calculations will help Toppan visualize its energy consumption and implement more effective activities for saving energy and reducing CO₂ emissions. Toppan is seeking productivity enhancements to reduce the amounts of wasted paper in particular, as paper accounts for a large part of the CO₂ emissions associated with the manufacturing of printed products.



NESCAFÉ Eco & System Pack: Key points of new structure



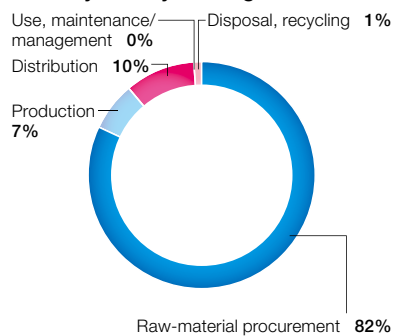
Standing pouch for refills made of biomass polyethylene

CO₂ Emissions Associated with the Manufacturing of the Japanese Version of the CSR Report (15,000 copies)

Raw-material procurement	
Paper, ink, CTP plates, etc.	9,240 kg-CO ₂
Production	
Prepress, printing, binding, etc.	849 kg-CO ₂
Distribution	
Transport, etc.	1,146 kg-CO ₂
Use, maintenance/management	
Reading, etc.	0 kg-CO ₂
Disposal, recycling	
Transport, treatment, etc.	171 kg-CO ₂
↓	
Emitted 11,406 kg-CO₂ in total (760 g-CO₂ per copy)	

*This calculation covers the printed version in Japanese only. The PDF, digital catalogue, and English-language versions are excluded from the calculation.

Ratio by Life Cycle Stage



Community Involvement and Development



- 1 The Toppan Group has supported the areas distressed by the Great East Japan Earthquake and Thailand Flood.
- 2 The Group has striven to improve industrial safety and health and to build up cooperative structures at a time of disaster in the communities where its operational sites are located.
- 3 The Group has carried on with activities to help raise literacy rates across the world.

Community Contribution and Involvement

Toppan's domestic and overseas operational sites have helped their own communities solve local issues and have contributed to sustainable local development as community members.

Every operational site has been involved in neighborhood associations and other community organizations that bring together the opinions of members in the communities. The sites sound out community demands and issues through dialogue and organize activities effective in addressing these issues.

Assisting the Areas Distressed by the Great East Japan Earthquake

In fiscal 2011, all Toppan Group companies in Japan rendered ongoing assistance to the people living in the areas distressed by the Great East Japan Earthquake. In Sendai City, Miyagi Prefecture, for example, volunteers from all of the Group companies helped operate the Book Wagons, mobile libraries deployed on regular rounds of temporary housing areas for disaster victims (→PP. 6–9).

The operational site in Sendai City worked with the Ishinomaki Volunteer Center to remove dirt and debris mainly in the disaster-ravaged coastal districts of Ishinomaki City. On a cumulative basis, 193 employees took part in activities on 16 separate occasions from May to November 2011. Toppan will organize similar activities in fiscal 2012.

Other operational sites distant from the disaster-stricken areas held charity events, served produce shipped in from

the affected areas at their worksite cafeterias, and supported disaster relief efforts by donating portions of the sales proceeds paid into specially installed vending machines.

Improving Industrial Safety and Health

All operational sites in Japan have endeavored to improve industrial safety and health in their own communities. The operational site in Fukuoka City, Fukuoka Prefecture, for example, has engaged in activities sponsored by a Labor Standards Association in Fukuoka Prefecture. In joint work with a local Labor Standards Inspection Office, the site has carried out educational activities and gone on safety and health patrols in and around companies across the region, including companies outside the Group. The Toppan Group has helped deepen cooperative relationships between companies in the same region and improve industrial safety and health in the communities.

Community Cleanup and Beautification

The Toppan Group has organized activities to clean and beautify the environment around its operational sites as one of its most basic community contributions. The operational site in Itami City, Hyogo Prefecture received an official letter of appreciation from the Mayor of Itami City for continuously dispatching employees to carry out intensive community beautification activities such as the cleaning of commuting routes, river cleanups with neighboring residents, and the clearing of waterways adjacent to the site.



Charity event (Koishikawa, Tokyo)



Letter of appreciation for environmental beautification achievements (Itami, Hyogo)



Class for elementary school students invited to the site (Nagoya, Aichi)



Book donation (Toyama)



Evacuation drill for neighboring residents (Numazu, Shizuoka)

Fostering the Coming Generations and Contributing to Education

Operational sites in Japan have held plant tours, organized classes in cooperation with schools, arranged work experience and internship programs, and taken part in activities of many sorts to foster the children, students, and other young people who one day will be sustaining society.

The operational site in Nagoya City, Aichi Prefecture planned and gave integrated learning classes in collaboration with a local elementary school and NPO. The site applied Toppan know-how in the classes. In one class on the environment, students learned about environmentally friendly products from Toppan. In another class, students were instructed on communication and composed graduation songs with a thanksgiving theme. The operational site in Toyama City, Toyama Prefecture has been donating children's picture books, illustrated reference books, and the like to a local library and nursery schools via a local administrative institution since 2003.

Building up Cooperative Structures at a Time of Disaster

Group companies in Japan have responded to requests from surrounding communities by advancing their efforts to build up mutual cooperative structures for evacuation in disaster conditions and to open up their facilities for community use. Responding to a request from a local organization on resident evacuation in the event of a large-scale tsunami emergency, the operational site in Numazu City, Shizuoka Prefecture had

neighboring residents evacuate to building roofs at the site in a special disaster drill.

Initiatives at Overseas Operational Sites

The operational sites in Asia, Europe, and the United States have also striven to support their communities. Toppan sites in China have contributed to their communities through charity activities, environmental beautification works, job creation, and local material procurement. The Toppan site in Thailand assisted residents and employees affected by the widespread flooding of 2011. A site in the US has been involved in local Special Olympics games through both donation and volunteer activities.

Cooperating with International Communities to Address Social Issues

Starting from fiscal 2008, Toppan has participated in worldwide activities to enhance literacy (the abilities to read, write, and calculate with adequate proficiency to function well in daily life), a living skill essential for escaping poverty and enjoying a healthier, more culturally enriched existence.

As in the previous years, Toppan sponsored the *Toppan Charity Concert* series in fiscal 2011 and donated about two million yen in concert proceeds to the Asia-Pacific Cultural Centre for UNESCO (ACCU). The funds donated this year will be used for literacy education and classes on maternal and child health for mothers raising young children in Cambodia.



Toppan Charity Concert
(Maki Mori, a soprano)



Toppan Charity Concert
(The JADE, a vocal quartet)



Literacy education in Cambodia ©ACCU



Seashore cleanup (Toppan Leefung in Hong Kong)



Provision of supplies for flood victims (Siam Toppan Packaging Co., Ltd. in Thailand)

Toppan's Environmental Activities



- ① Toppan proactively promotes environmental initiatives based on The Toppan Group Declaration on the Global Environment.
- ② Toppan operates environmental activities in four areas: environmental management, Eco-protection, Eco-creativity, and environmental communication.

Overview of Environmental Activities

Toppan established the Ecology Center in 1991 and promulgated Toppan's Declaration on the Global Environment, a basic philosophy for environmental conservation activities, in 1992. Toppan has promoted environmental initiatives based on the declaration ever since. In April 2009, the Company revised 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 desire to help realize a sustainable society by taking a more assertive approach to the conservation of the global environment. Toppan specifies environmental objectives for the realization of the goals of the Declaration on the Global Environment. Medium-and-long-term environmental targets are set for the

coming decade and concrete targets are set for each current fiscal year based on individual environmental objectives. This methodical approach to goal setting enables Toppan to clarify the activities to be taken and the criteria for assessing achievements (→page 37 for the environmental targets).

Toppan's environmental activities are divided into four areas—environmental management, Eco-protection, Eco-creativity, and environmental communication. To intensify the Eco-protection Activities, Toppan enacted a set of five bylaws: the Bylaw on Global Warming Mitigation, the Bylaw on the Building of a Recycling-oriented Society, the Bylaw on Chemical Substance Management, the Bylaw on Pollution Control, and the Bylaw on Biodiversity. Toppan has taken steps to conserve the global environment in each of four activity areas based on the five bylaws.

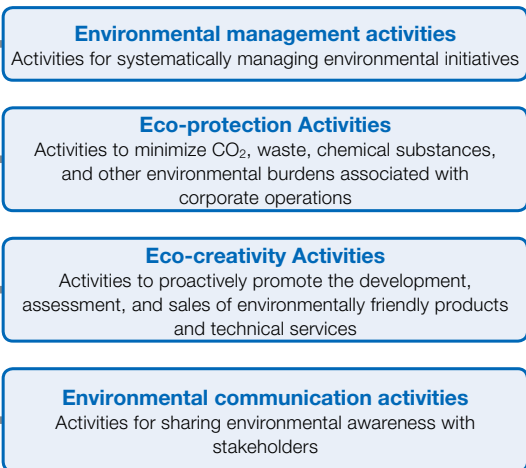
The Toppan Group Declaration on the Global Environment

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.

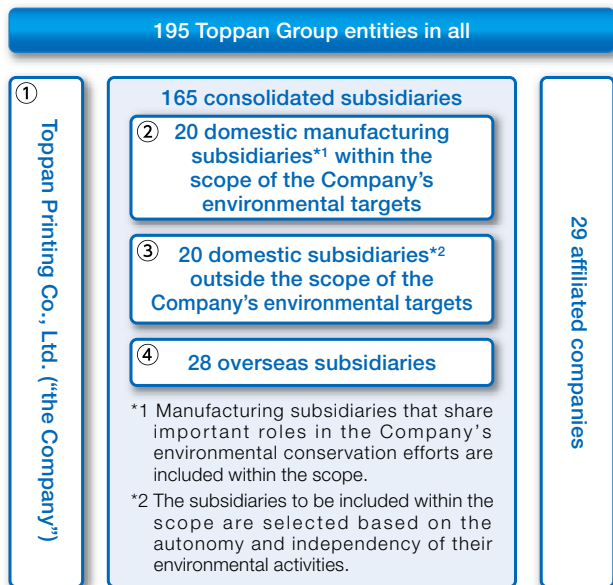
Basic Principles

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



Scope of Environmental Performance Data



Scope

- P. 37 Environmental targets: 21 companies (①, ②)
 - P. 38 "Major Environmental Burdens by Business Field in Japan (INPUT/OUTPUT data):" 21 companies (①, ②)
 - P. 39 "Ratios of Domestic and Overseas Environmental Burdens:" 69 companies (①-④)
 - Domestic (within the scope of the environmental targets): 21 companies (①, ②)
 - Domestic (outside the scope of the environmental targets): 20 companies (③)
 - Overseas: 28 companies (④)
 - "Environmental Impact and Environmental Efficiency:" 21 companies (①, ②)
 - "Types of Environmental Impact by Business Field:" 21 companies (①, ②)
 - PP. 42-44 All the charts: 21 companies (①, ②), but; "Improving Transport Efficiency in Logistics" on P. 42: Toppan Logistics Co., Ltd. only
 - P. 47 Total sales of the environment-related businesses: 8 companies (①, Toppan Forms Co., Ltd., Toppan TDK Label Co., Ltd., Tamapoly Co., Ltd., Tokyo Shoseki Co., Ltd., Tosho Printing Co., Ltd., Toppan Cosmo, Inc., and Froebel-Kan Co., Ltd.)
- Data on overseas subsidiaries is posted on the Toppan website.

Environmental Targets and Results



- 1 Toppan reduced carbon dioxide (CO₂) emissions by 4% compared to the fiscal 2010 level.
- 2 Toppan reduced final landfill waste disposal by 2% compared to the fiscal 2010 level.
- 3 Toppan reduced volatile organic compound (VOC) emissions into the atmosphere by 7% compared to the fiscal 2010 level.

Evaluating Achievement of the Environmental Targets for Fiscal 2011

Based on The Toppan Group Declaration on the Global Environment, Toppan sets medium-and-long-term environmental targets and concrete targets for each current fiscal year. Toppan achieved nine out of 14 environmental targets set for fiscal 2011.

Establishing Environmental Targets for Fiscal 2012

Toppan has established a set of environmental targets for fiscal 2012 based on the achievement rates for the environmental targets for fiscal 2011 and other relevant factors.

Toppan will continue pressing ahead with its initiatives to attain the medium-and-long-term environmental targets.

Medium-and-long-term Environmental Targets for Fiscal 2020

1. Mitigation of global warming

- Reduce CO₂ emissions by 11% compared to the fiscal 2008 level (751 kilotons → 669 kilotons: -82 kilotons)

2. Action for building a recycling-oriented society

- Reduce final landfill waste disposal by 87% compared to the fiscal 2008 level (1,584 tons → 206 tons: -1,378 tons)

3. Conservation of the atmospheric environment

- Reduce VOC emissions into the atmosphere by 70% compared to the fiscal 2008 level (7,326 tons → 2,198 tons: -5,128 tons)

Results and Evaluation of Environmental Targets for Fiscal 2011 and Environmental Targets for Fiscal 2012

Environmental Targets	Management Indicators	Fiscal 2011				Environmental Targets (Values) for Fiscal 2012	For Details
		Target Values	Results	Achievement Rates	Evaluation		
1. Mitigation of global warming ● Reduce CO ₂ emissions	● CO ₂ emissions ● CO ₂ emissions per unit of sales	740 kilotons —	695 kilotons —	106.1% —	S —	739 kilotons 0.72 tons/ million yen	P. 42
2. Action for building a recycling-oriented society ● Reduce final landfill waste disposal ● Reduce waste generation per unit of production value*1	● Final landfill waste disposal ● Waste generation per unit of production value	639 tons 0.656 tons/ million yen	633 tons 0.659 tons/ million yen	101.0% 99.5%	A B	475 tons 0.653 tons/ million yen	P. 43
3. Conservation of the atmospheric environment ● Reduce VOC emissions into the atmosphere	● VOC emissions into the atmosphere	5,500 tons	4,885 tons	111.2%	S	5,250 tons	P. 44
4. Waste reduction ● Control waste generation	● Material recycling rate	92.7%	91.5%	98.7%	B	92.4%	P. 43
5. Chemical substance management ● Reduce the handling amount of chemical substances designated under the PRTR law	● Handling amount of chemical substances designated under the PRTR law	9,236 tons	7,203 tons	122.0%	S	8,643 tons	P. 44
6. Initiatives to conserve biodiversity ● Promote conservation during paper procurement and at operational sites	● Usage rate of certified paper and recycled paper ● Operational sites for biodiversity conservation ● Operational sites for land-use assessment	Continuous increase 1 site Continuous increase	Established a set of paper procurement guidelines Considered at 1 site 5 sites	— — —	A A A	Continuous increase — 2 sites	P. 46
7. Environmental contribution through products ● Develop and expand the sales of environmentally friendly products	● Total sales of environmentally friendly products (Cartocan, etc.)	230 billion yen	241.1 billion yen	104.8%	A	240 billion yen	P. 47
8. Facilitation of environmental communication ● Maintain adequate communication	● Issuance rate for <i>Site Eco Reports</i> *2	95%	93%	—	B	100%	P. 48
9. Prevention of environmental risk ● Establish and observe new in-house control standards	● Rate of establishment of new in-house control standards	100%	63%	—	C	100%	P. 45
10. Enrichment of environmental education	● Rate of course completion in e-learning-based programs	100%	99%	—	B	100%	—
11. Environmental conservation at overseas production sites	● Establishment of in-house standards	Checks on the in-house standard values	Checked the in-house standard values	—	A	Trial assessment using the in-house standard values	—

Evaluation criteria: S, Results achieved far surpass the targets (achievement rate [%] ≥ 105); A, Targets achieved (100 ≤ achievement rate [%] < 105); B, Activities fully carried out, but targets unachieved (70 ≤ achievement rate [%] < 100); C, Activities insufficient (achievement rate [%] < 70)

Achievement rates: For environmental targets #1, 2, 3, 5: 200 - (values actually achieved / target values) × 100 [%]; for environmental targets #4, 7: (values actually achieved / target values) × 100 [%]

*1 This item was included in environmental target #4 "waste reduction" for fiscal 2011. This year it is included in environmental target

#2 "action for building a recycling-oriented society" for conformance with the ordering of the fiscal 2012 targets.

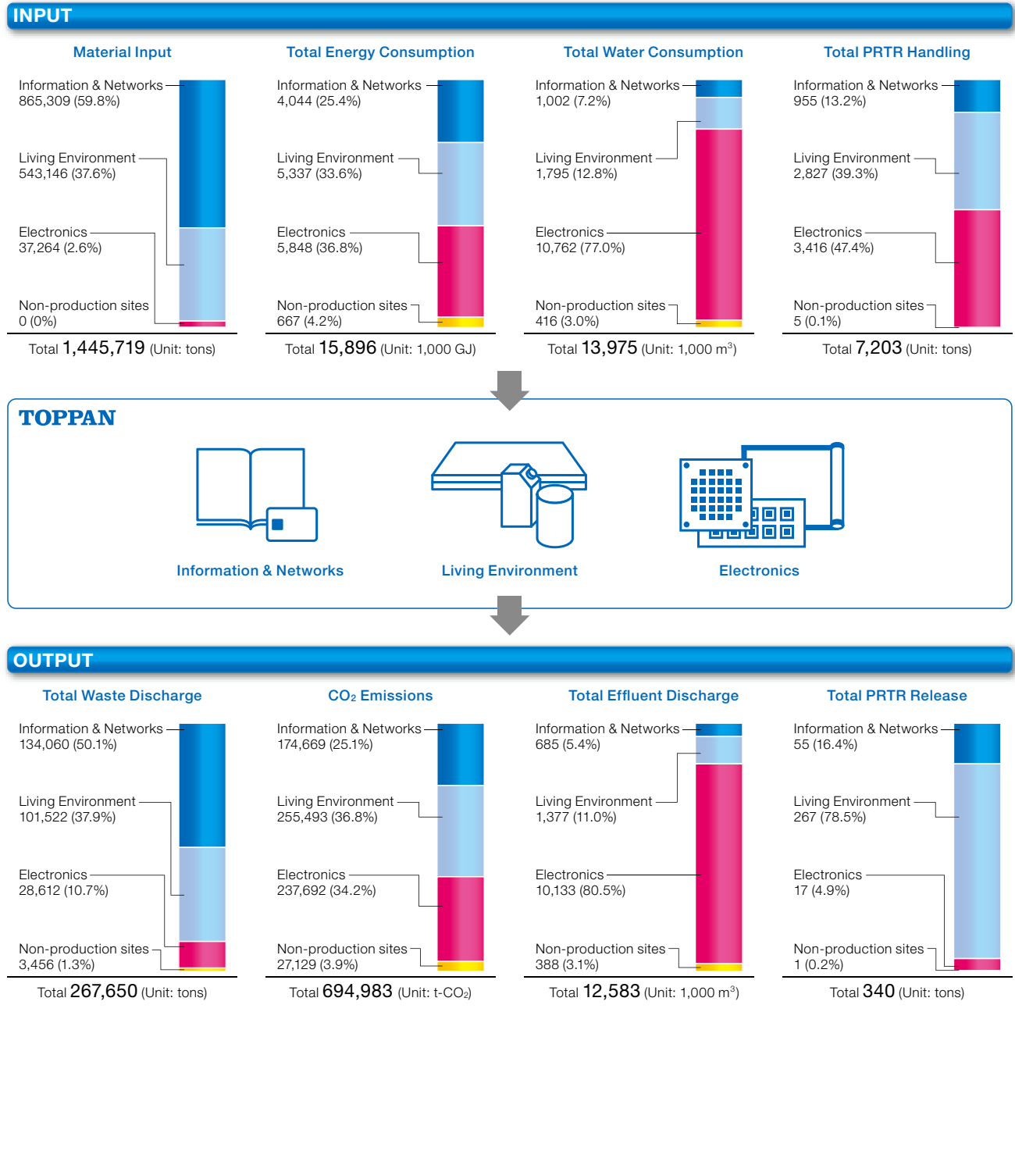
*2 Toppan independently determines which operational sites are required to issue *Site Eco Reports*.

Toppan's Environmental Burden



- 1 As one step in reducing environmental burden, Toppan assesses the environmental impact of its overall business activities.
- 2 Paper accounts for the greater portion of material input and total waste discharge at Toppan, while activities in the Electronics field account for the greater portion of water consumption and effluent discharge.

Major Environmental Burdens by Business Field in Japan (INPUT/OUTPUT data)



Note: Energy consumption associated with fuel consumption is calculated using the conversion factor specified in the year 2000 amendment of the Act on the Rational Use of Energy of Japan. 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.

- "Waste" in this report includes industrial waste of no value and materials of value sold or transferred as resources (both generated in association with business activities).
- Total energy consumption is the quantity of electricity and fuels consumed.

Environmental Burden and Environmental Impact

Every operational site at Toppan aggregates its environmental burden via data on INPUT (materials and energy used) and data on OUTPUT (materials discharged as a result of production), then assesses its impacts from various environmental standpoints. Toppan establishes environmental targets and priorities in activities based on the results of these assessments and verifies the results of the environmental activities. Toppan classifies its environmental burden data (on domestic Group entities within the scope of the Company's environmental targets) into the three business fields of Information & Networks, Living Environment, and Electronics. The assessments of environmental burden by business field are shown on the opposite page. Activities in Information & Networks and Living Environment account for 97% of material input at the Company. Paper accounts for 82% of the total material input and 74% of the total waste discharge. Activities in Electronics, meanwhile, account for 77% of the total water consumption and 81% of the total effluent discharge, making up significant portions of the totals.

The environmental burden associated with domestic activities is more significant than that associated with overseas activities, as shown in the chart below. Henceforth, the ratio

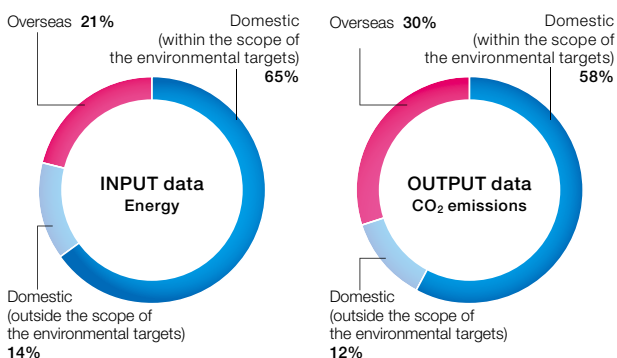
of Toppan's overseas environmental burden is expected to rise as the Company accelerates its global operations. Toppan will continue controlling environmental burdens overseas as strictly as it does in Japan.

LIME for Assessing Environmental Impact

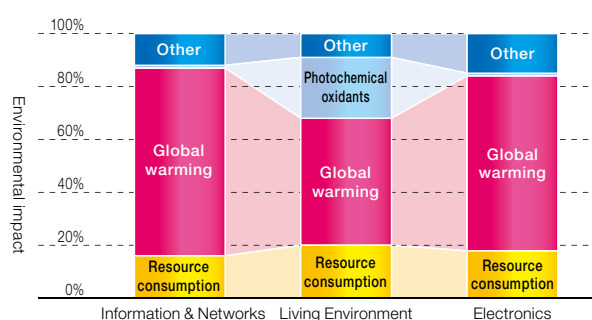
LIME*1 is a method for producing an environmental impact index. Multiple factors with impacts on the environment, including resources (such as paper) and energy (such as electricity) input into business activities and waste and VOCs output from manufacturing, are weighted based on scientific and statistical findings and integrated into a single index of environmental impact.

Toppan regularly discloses the environmental impact and the environmental efficiency (net sales per unit of environmental impact) of its business activities in order to better comprehend and reduce the integrated environmental impact of its activities. In fiscal 2011 the Company lowered its environmental impact by 22% compared to the fiscal 2006 level. This reduction was attained by a reduction of VOC emissions through the appropriate control of solvent treatment equipment in the Living Environment field and reduced energy consumption in the fields of Electronics and Information & Networks.

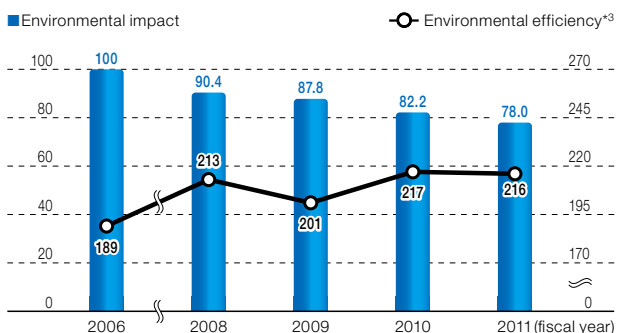
Ratios of Domestic and Overseas Environmental Burdens



Types of Environmental Impact by Business Field



Environmental Impact and Environmental Efficiency*2



*In Living Environment, the chart shows a significant impact from photochemical oxidants, pollutants formed by reactions between sunlight and VOCs released into the atmosphere. This demonstrates how environmental impact can be effectively reduced through the appropriate control of solvent treatment equipment.

*In Electronics, the chart shows a high impact of energy consumption on global warming. This underlines the importance of energy saving in clean rooms and other facilities with high energy-loads.

*1 Life-cycle Impact assessment Method based on Endpoint modeling (LIME): A version of the damage-oriented environmental impact assessment method adjusted for application in Japan based on the environmental background domestically. Damages derived from impact categories are quantified for each part of the environment to be protected (e.g., human health, biodiversity). Once the damages are quantified, the environmental impacts of multiple factors are integrated into a single index.

*2 The value in fiscal 2006 = 100 (baseline); Recalculated by excluding non-production sites.

*3 Net sales / environmental impact

Environmental Management Activities



- 1 Toppan operates an established environmental management system at every operational site and continues upgrading these systems.
- 2 Toppan conducted internal environmental audits at 62 domestic sites and eight overseas sites.

Structure to Promote Environmental Management Activities

Toppan's environmental management relies on the operation of established environmental management systems (EMSs) based on the Company's environmental management rules. The Company continues upgrading these systems by practicing the plan-do-check-act (PDCA) cycle. To ensure the effectiveness of the PDCA cycle, top management conducts ongoing environmental management reviews. The Ecology Center regularly collects environmental performance data. Each time it does, the Director in charge of the Center evaluates and verifies the data and reports the evaluation and verification results to the Board of Directors and other management bodies. Improvements to the EMSs are proposed and implemented throughout the entire Company.

Features of Toppan's Environmental Management Systems

Toppan's EMSs are uniquely managed. The PDCA cycle is put into practice at every operational site, irrespective of the ISO 14001 certification. Sixty-three domestic sites have been pressing ahead with their environmental activities to achieve the targets set under the Eco-protection Activity Plan.

The Eco-protection Promotion Committees check the

progress of the activities every month to ensure that any newly arising problems are resolved as quickly as possible.

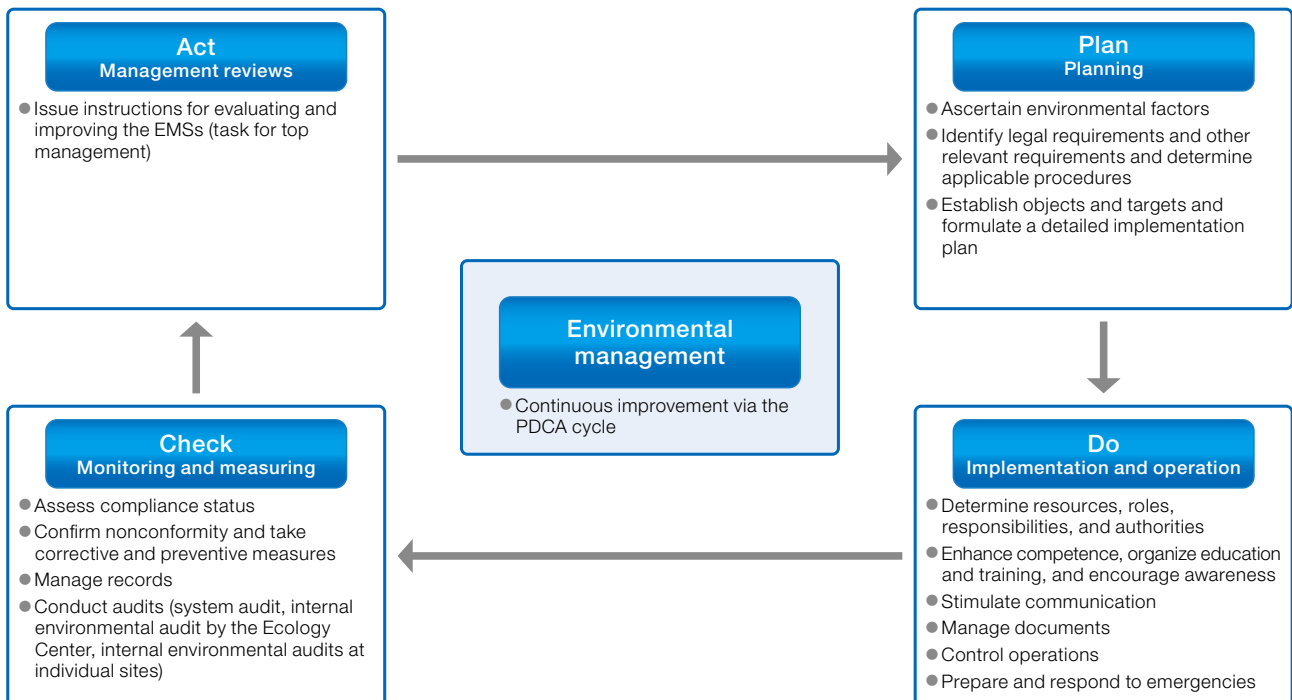
Every operational site sends the Ecology Center reports on major environmental performance data periodically. Results on energy are sent monthly, for example, while those on waste are sent every half-year. Toppan prepares an effective system for evaluating the achievement of its environmental targets and reviewing the targets whenever necessary.

Environmental Audit System

Toppan's environmental audit follows a three-stage screening process: a management system audit by an ISO 14001 registrar, an internal audit by the Ecology Center, and another internal audit at the individual site.

In the internal audits by the Ecology Center, internally certified environmental auditors and assistant auditors appointed to oversee the environmental management system (EMS) inspect and evaluate the status of the EMS, compliance with environment-related laws, regulations, and in-house standards, environmental impact on water and the atmosphere, and daily control of energy and waste at every operational site audited. Once a site is audited, it prepares a Plan for the Improvement of Specified Issues pointed out during the audit (Improvement Plan) and works to correct the deficiencies. At sites where the

Overview of Environmental Management



Ecology Center deems it to be necessary, the auditors conduct an additional Review of the Internal Environmental Audit to assess the progress towards the required improvements.

■ Results of Fiscal 2011 Internal Audits

The internal environmental auditors identified 623 issues in need of improvement at 62 domestic sites in fiscal 2011. To correct the deficiencies pointed out, each operational site follows an Improvement Plan with a detailed list of improvement measures and target dates for completion. Among these specified issues, Toppan has confirmed the progress of improvement measures on 56 issues at four operational sites through the Reviews of the Internal Environmental Audit. The progress and effects of countermeasures against the remaining 567 specified issues are to be reviewed during the internal environmental audits for fiscal 2012.

Onsite interviews and inspections are also carried out for overseas production sites every other year, in principle.

Six sites in China and two sites in Southeast Asia underwent local environmental audits in fiscal 2011. The audits identified 99 issues in need of improvement. The overseas production sites have followed the example set by the domestic sites by taking necessary procedures to achieve better operational conditions under the Improvement Plans.

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.

In fiscal 2011 the Company arranged e-learning-based programs covering in-house environmental rules, including The Toppan Group Declaration on the Global Environment.

Personnel from the Ecology Center lecture trainees in sessions of the optional courses at the Toppan Business School held each year. Lecture topics include an introduction to environment-related laws, an introduction to ISO 14001, and methods to enhance the skills of internal ISO 14001 auditors presented in a seminar form.

Meanwhile, the correspondence learning Challenge School offers 19 courses related to the environment.

Toppan uses these education activities as opportunities to enhance the environmental knowledge and awareness of employees and to continuously maintain and improve the quality of the Company’s environmental activities.



Internal environmental audit interview



Internal environmental audit inspection



“Introduction to environment-related laws,” presented by Toppan personnel

Fiscal 2011 Results of Environmental Education

Education or Training	Number of Trainees
New employee training: General environmental education (introductory level)	192
E-learning: Basic education on the environment	22,691
Toppan Business School	22
Challenge School: 19 courses related to the environment	114
Internal environmental auditor training program	154

Eco-protection Activities



- 1 Toppan defines its Eco-protection Activities as activities to minimize the environmental burden associated with corporate operations.
- 2 Toppan undertakes initiatives aimed at mitigating global warming, building a recycling-oriented society, preventing pollution, controlling chemical substances, and conserving biodiversity.

Mitigating Global Warming and Saving Energy

Developing Energy-saving Activities

Toppan has shifted its target on CO₂ emission control from a per-unit-of-sales basis to a total-emission basis in order to better control the emissions of CO₂ and other greenhouse gases. Under the renewed target, the Company has reshaped its energy-saving initiatives from fiscal 2011.

Toppan engaged in diverse activities to cope with the power shortage in East Japan in the summer of 2011 after the Great East Japan Earthquake. LED lights, heat-shield coatings, and heat-shield window films were introduced, along with a number of energy-saving practices that have been in place for years (such as the turning out of unnecessary lights, reviews of preset temperatures for air-conditioners, and the installation of “green curtains” [→P. 48]). On the manufacturing front, the Company shifted production to other areas in Japan and adjusted working hours as a means of controlling the peak power demand.

Through these efforts, CO₂ emissions in fiscal 2011 were reduced to 695 kilotons, below the target of 740 kilotons for the year. Toppan will reinforce its energy-saving activities to reliably accomplish its medium-and-long-term environmental target in the years to come.

To reduce loss and waste, Toppan will take extensive steps to streamline equipment operations in fiscal 2012 by further upgrading energy control systems. The Company will also make efforts to replace existing air conditioners, refrigerating machines, boilers, and other machines with high-efficiency alternatives, to install more LED lights and other energy efficient devices, and to use more renewable energies such as solar power.

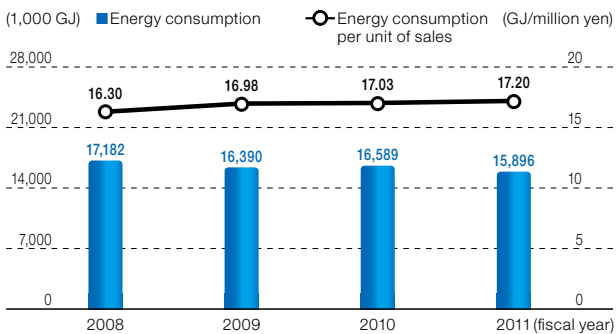
Improving Transport Efficiency in Logistics

Toppan Logistics Co., Ltd., the logistics specialist for the Toppan Group, is reducing the energy consumption per unit of transport volume by company vehicles and the volume of CO₂ emissions in a coordinated effort with its shippers, Toppan Group companies.

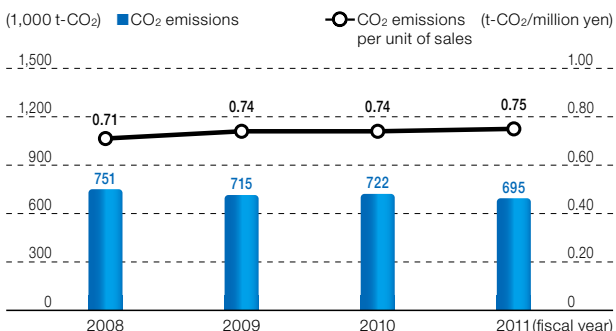
Energy consumption per unit of transport volume in fiscal 2011 was 64.9 kL/million ton-kilometers, which was 0.2% less than the fiscal 2010 level and short of the 1% target for the year. CO₂ emissions were 35,221 tons, or 5.4% higher than the fiscal 2010 level.

Toppan Logistics will further improve transportation efficiency by optimizing transportation conditions in fiscal 2012 in an effort to accomplish the targets for the year.

Energy Consumption



CO₂ Emissions



Note: Energy consumption associated with fuel consumption is calculated using the conversion factor specified in the year 2000 amendment of the Act on the Rational Use of Energy of Japan. The primary energy input associated with electricity consumption is calculated uniformly as 0.00983 GJ/kWh.

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. The CO₂ emissions associated with electricity consumption, however, are calculated uniformly as 0.378 t-CO₂/MWh.

CO₂ emissions in fiscal 2011 amounted to 697,124 t-CO₂ when calculated using the effective emission factor from another MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on March 31, 2010).

Building a Recycling-oriented Society

In a drive to use limited resources more effectively, Toppan has striven to reduce the discharge of waste and other types of environmental burden, press ahead with recycling, and conduct appropriate waste treatment.

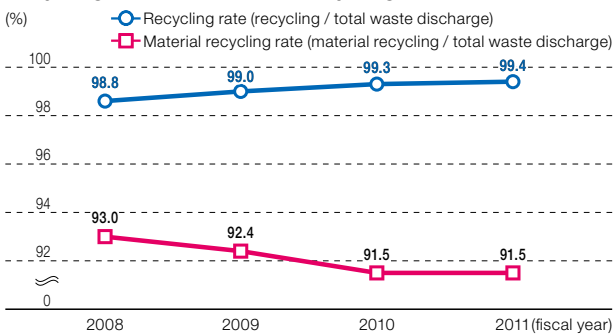
Reducing and Recycling Waste

Waste paper derived from operational sites primarily in the Information & Networks and Living Environment fields makes up the largest portion (74%) of the total waste discharged at Toppan sites. This is followed by waste plastics from plants in the Living Environment field and waste acids and alkalis such as waste etchant from plants in the Electronics field.

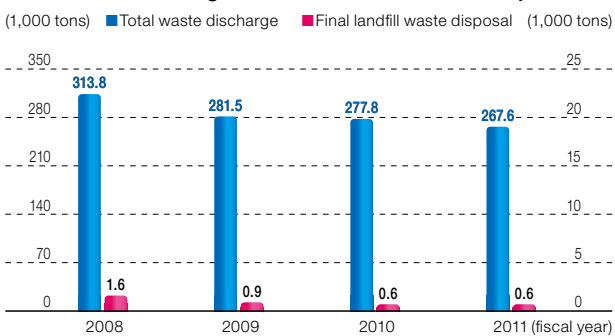
Toppan has worked to increase the material recycling rate*1 for waste plastics by separating refuse and processing composite plastic into pellets and has endeavored to reduce the discharge of waste acids and alkalis by applying internal chemical treatments.

Moving forward, the Company will intensify the control of waste discharged from offices and other non-production sites. Effective from fiscal 2012, Toppan has established more detailed criteria for approving “zero-emission sites.” Under the former criterion, an operational site qualified as a zero-emission site if it had a recycling rate of 98% or over. By setting higher targets for fiscal 2012 onwards, the Company will strengthen its efforts related to waste discharge reduction and recycling.

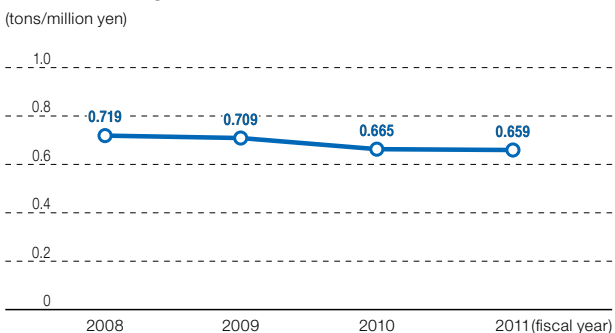
Recycling Rate and Material Recycling Rate



Total Waste Discharge and Final Landfill Waste Disposal



Waste Discharge Per Unit of Production Value



Fiscal 2011 Results of Waste Discharge and Recycling

Type of Waste	Waste Discharged (tons)	Ratio	Recycling Rate	Primary Reusage
Waste paper	197,060	73.5%	99.9%	Recycled paper
Waste plastic	27,032	10.1%	99.1%	Plastic materials, RPF*2
Waste acid	11,941	4.5%	99.2%	Neutralizer
Waste oil	7,274	2.7%	99.5%	Recycled oil, fuel
Sludge	7,113	2.7%	97.9%	Roadbed materials
Waste alkali	5,571	2.1%	97.9%	Neutralizer
Waste metal	5,566	2.1%	99.8%	Metal materials
Wood waste	2,794	1.0%	99.9%	Chip, paper materials
Cinder	1,832	0.7%	80.0%	Roadbed materials
Other	781	0.3%	76.6%	—
Glass chip	482	0.2%	94.9%	Glass materials
Food waste	204	0.1%	82.2%	Feed
Total	267,650	100.0%	99.4%	—

*1 Material recycling: Defined by Toppan as “the reuse of waste as raw materials” (refers to recycling methods other than thermal recycling)

*2 Refuse Paper & Plastic Fuel (RPF): Solid fuel primarily made from refuse paper and plastic waste

Preventing Pollution

Every Toppan site ascertains actual conditions by measuring its environmental burden. The Eco-protection Promotion Committee at each site sets in-house control standards at levels more stringent than the regulatory standards require. By complying with these standards, Toppan sites work to reduce environmental burden and prevent pollution at the sites.

Preventing Atmospheric Pollution and Protecting the Ozone Layer

To prevent atmospheric pollution, Toppan controls boilers and other equipment responsible for smoke and soot by switching fuels and managing operations under appropriate combustion conditions. In fiscal 2011 the Company continued enhancing efficiency in effluent-gas treatment by precisely controlling the treatment equipment and replacing existing equipment with high-efficiency alternatives at facilities subject to the requirements stipulated under the Air Pollution Control Law of Japan. As a result, VOC and toluene emissions into the atmosphere in fiscal 2011 were both reduced compared with the fiscal 2010 levels. Toppan will keep on thoroughly controlling atmospheric pollutants in the coming years.

For ozone-layer protection, all equipment that uses specified chlorofluorocarbons at Toppan plants is controlled in conformance with the applicable laws and regulations.

Preventing Water and Soil Pollution

To prevent water pollution, Toppan has installed wastewater treatment facilities designed to cope with specific water consumption and pollutant conditions at individual plants.

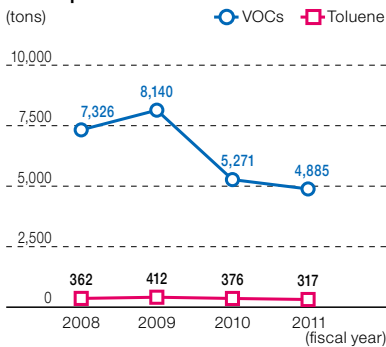
Wastewater recycling systems have been introduced at Electronics plants that discharge effluents in significant amounts. By recovering and reusing wastewater via these systems, the plants have been reducing the levels of water consumption and effluent discharge.

Regarding soil pollution, Toppan has been taking preventive measures based on the regulatory regime for facility structures and methods for the prevention of groundwater pollution stipulated by the revised Water Pollution Control Law of Japan.

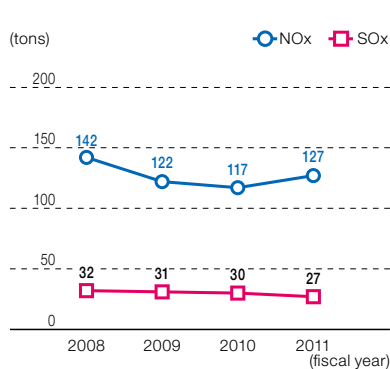
Controlling Chemical Substances

In fiscal 2011, Toppan continued reinforcing the control of chemical substances designated under the Pollutant Release and Transfer Register (PRTR) law of Japan and reducing the amounts of these substances handled. Total handling, release, and transfer were all decreased from the fiscal 2010 levels through the use of alternative substances, refinements of usage methods, and the implementation of other control measures. Toppan will strive to consistently reinforce the control of chemical substances.

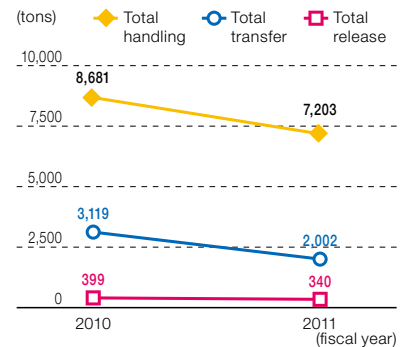
VOC and Toluene Emissions into the Atmosphere*1



NOx and SOx2 Emissions*3**



Chemical Substances Designated under the PRTR Law*4



*1 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 2010 have been adjusted based on revised methods for calculation.

*2 NOx: Nitrogen oxides; SOx: Sulfur oxides

*3 Facilities subject to the calculation of NOx and SOx emissions are limited to those responsible for smoke and soot specified under the Air Pollution Control Law of Japan. The data for fiscal 2010 and earlier are therefore adjusted.

*4 Dioxins are excluded because of a difference in the counting unit.

Approach to Environmental Compliance

■ Compliance with Regulatory Standards in Fiscal 2011

In Japan, one production site recorded VOC emission levels exceeding the regulatory standards set under the Air Pollution Control Law and two sites recorded odor levels exceeding the limits set under the Offensive Odor Control Law. Four production sites, meanwhile, recorded excessive levels of BOD, n-hexane extractable material, and hydrogen-ion concentration relative to the regulatory standards set for water contaminants under the Water Pollution Control Law and Sewerage Law. Regarding noise, nine production sites exceeded regulatory standards set under the Noise Regulation Law. (Toppan is devising countermeasures, including investigations into the sources to determine whether the noise is Toppan's responsibility or the responsibility of others.) The Company took immediate corrective measures for every case, including steps to revise the control methods for equipment. Since implementing these corrective measures, Toppan has reviewed control procedures and taken necessary actions to reliably prevent recurrences. In fiscal 2011, each plant set in-house standards or reviewed existing standards in an effort to ensure that none of the regulatory standards would be exceeded.

Regarding the pollution of soil and groundwater environments, Toppan has taken the countermeasures shown in the table below.

Purification of Soil and Groundwater Pollution

Operational Site	Detail	Current Progress*
Niigata Plant (Shibata City, Niigata)	Soil pollution by fluorine and its compounds	Remediation work completed
Asaka Plant (Niiza City, Saitama)	Groundwater pollution by VOCs (Voluntary investigation of well water on the plant premises)	Continuously monitored
Itabashi Plant (Itabashi Ward, Tokyo)	Groundwater pollution by hexavalent chromium and toluene	Groundwater pumped and purified; continuously monitored
Itabashi Plant Minami 1 bldg. (Itabashi Ward, Tokyo)	Soil pollution by hexavalent chromium and lead	Remediation work ongoing
Ebie Plant (Osaka City, Osaka)	Soil pollution by hexavalent chromium and lead	Remediation work ongoing

*As of June 2012

■ Communication with Surrounding Communities

Communities around Toppan's plants filed 13 complaints and inquiries at nine domestic sites in fiscal 2011, indicating that many stakeholders were inconvenienced. Many of the complaints and inquiries concerned noise. Toppan has reviewed the control of facilities and equipment responsible for noise and either installed isolators or assessed plans to install them. Further, the Company has stepped up routine inspections and other measures to prevent the recurrence of noise-related problems. Toppan will continue engaging in environmental management through dedicated communications with residents in surrounding communities.

■ Emergency Responses

Tank trucks convey chemical solvents into the plant premises every day and transfer the solvents to storage tanks. 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 environmental pollution during emergencies. The effectiveness of the procedures is verified during the drills and defective points are reviewed.



Replacement of effluent-gas treatment equipment



Emergency-preparedness drill to cope with a hypothetical leakage scenario

Promoting the Conservation of Biodiversity

■ Establishing a Set of Paper Procurement Guidelines

The Toppan Group established the Paper Procurement Guidelines for the Sustainable Use of Forest Resources in September 2011. These guidelines stipulate that the Group must verify the legality of the lumber, pulp, and other materials for paper it procures and take steps to increase the use of paper types produced by processes more supportive of the sustainability of forest resources, such as recycled paper, forest-certified paper, and paper made with pulp from forest-thinning operations. Under these guidelines, Toppan sales departments will recommend and offer their customers paper produced with a higher awareness of biodiversity conservation.

■ Actively Utilizing Lumber Harvested from Forest-thinning Operations

Toppan encourages the conservation of forests in Japan by actively utilizing lumber harvested from forest-thinning operations. Thinning is a process to keep spaces between trees by clearing out poorly grown trees. The ecological benefits of the thinning operation help to nurture sound forests and conserve biodiversity. Cartocan, Toppan's paper-based beverage container, is produced from pulp using more than 30% domestic lumber, including lumber harvested from forest-thinning operations. Toppan is authorized to display the forest-thinning product logo on its Cartocan.

■ Improving Land-use Practices at Operational Sites

In an effort to facilitate land-use practices supportive of biodi-

versity, the Technical Research Institute and four other operational sites applied a land-use assessment method* to monitor organisms within their premises and to assess the degree to which their land-use methods contributed to biodiversity. Toppan will examine how to implement conservation plans, including planting designs that coexist harmoniously with the ecological systems surrounding operational sites and the installation of biotope spaces within the site premises.

*Based on a set of Guidelines for Sustainable Business Site Management® established by Japan Business Initiative for Biodiversity (JBIB)

■ Promoting the Conservation of Forests in Japan

Among the various forest conservation activities Toppan engages in domestically, the employees of the Sakai Plant in Osaka continue participating in the "Volunteer Tree-planting Program for Symbiotic Forests," a tree-planting activity sponsored by the nonprofit organization GREEN BAY OSAKA.

■ Joining in Hands-on Education on Forestry

Employees and their families took part in the "Expedition to Explore Living Creatures in Tokyo's Umi-no-mori (Sea Forest)," the "Big Autumn Harvest Festival in Miwa Satoyama*," and other events sponsored by an environmental NPO called "SHU." Toppan will carry on more hands-on educational programs to provide opportunities for communion with forest environments and will duplicate these programs at more sites across Japan.

*Satoyama: A richly biodiverse habitat within a landscape carefully managed by humans for mixed uses such as forestry, rice paddies, reservoirs, grasslands, and so on.



Cartocan



Green space at an operational site (Technical Research Institute)



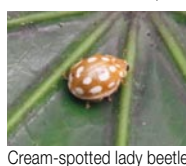
Expedition to Explore Living Creatures in Tokyo's Umi-no-mori (Sea Forest)



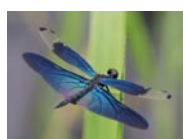
Logo for forest-thinning products

A logo designated by the National Federation of Cooperative Associations for Forest Owners under the guidance of the Forest Agency and Ministry of Agriculture,

Forestry and Fisheries of Japan. The logo is displayed on products developed with the sundry aims of spreading awareness and wider proliferation of forest-thinning operations, promoting the use of lumber harvested from forest-thinning operations, and offering consumers a wider range of eco-options.



Cream-spotted lady beetle



Blue dragonfly



Silver-washed fritillary



Black freshwater snails

Creatures found in Toppan's operational sites



Big Autumn Harvest Festival in Miwa Satoyama

Eco-creativity Activities



- ① Toppan has registered a total of 105 environmentally friendly products.
- ② Toppan has assessed the environmental impact of products based on LIME.

Developing and Certifying Environmentally Friendly Products

Toppan develops eco-friendly products in accordance with Toppan's 14 Environmental Points based on ISO 14021 and each division's own set of criteria. Newly developed products meeting the criteria are certified and registered as "environmentally friendly products." Two products were registered in fiscal 2011, bringing the total up to 105 as of the end of March 2012. Toppan will press on with environmental conservation activities through the development and sales of environmentally friendly products.

Environment-related Businesses at Group Companies

The companies of the Toppan Group, like Toppan itself, have forged ahead with corporate activities geared to conserving the global environment. Each company develops, produces, and markets eco-friendly products in line with its own Eco-product Standards formulated in consideration of products, services, and social demands. The total sales of environmentally friendly products satisfying the criteria of individual Group companies and Toppan itself in environment-related businesses stood at 241.1 billion yen in fiscal 2011.

Life Cycle Assessment of Products

From fiscal 2008, Toppan has been making environmental impact assessments based on LIME*1 under the guidance of Mr. Norihiro Itsubo, Associate Professor of Tokyo City University. LIME quantitatively assesses the environmental impact associated with activities for producing individual products. The Company aims to formulate a model for comprehensively assessing the environmental impact of production activities (→P. 39) and performing life cycle assessments*2 (LCAs) for Toppan products.

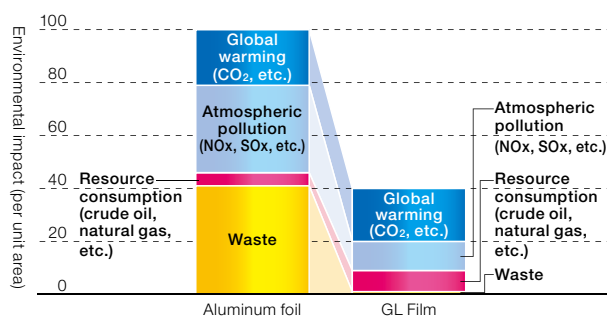
In fiscal 2011 Toppan carried out a comparative assessment between GL Film and aluminum foil and reported the results at a meeting of the Institute of Life Cycle Assessment, Japan. GL Film is an environmentally friendly alumina deposition PET film manufactured by Toppan. The film holds an advantage over ordinary aluminum foil by virtue of its lower consumption of aluminum, a metal resource. The comparative assessment proved that GL Film has a 61% lower environmental impact than aluminum foil over the stages from material collection to film manufacture.

Toppan will apply LCAs to its environmentally friendly designs for developing and modifying products.

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
Production and distribution		1. Use of safe materials
	Recycling rate	2. Use of recycled materials
	Resource reduction	3. Resource-saving
		4. Reduced energy consumption in production
	Recovered energy	5. Use of recovered energy
	Reduced solid waste	6. Reduced solid waste
Use	Energy-saving	7. Energy-saving
		8. Reduced release of chemical substances
	Long-life products	9. Long product life
After use	Reusable/refillable	10. Reusability
	Recyclable	11. Recyclability
		12. Suitability for disposal
	Easy detachment design	13. Easy separation and disassembly
	Degradability	14. Biodegradability

LCA of GL Film*3



*1 LIME: See page 39 for details.

*2 Life cycle assessment (LCA): An assessment method for quantifying resources input and the environmental burden output at all stages of the product life cycle, from raw material procurement through to manufacturing, distribution, use, disposal, and recycling

*3 The environmental impact of aluminum foil = 100 (baseline). The assessment covers life cycle stages from material collection to film manufacture.

Environmental Communication Activities



- ① Toppan sites in Japan issue *Site Eco Reports* to facilitate communication with stakeholders.
- ② Toppan presented its eco-friendly products at Eco-Products 2011.

Communication outside the Company

■ Issuing *Site Eco Reports*

Toppan's ISO 14001-certified sites in Japan have been issuing *Site Eco Reports* to disclose environmental burden data and the details of their environmental activities since fiscal 2000. As periodic communications directed towards local municipalities and residents in surrounding communities, 26 reports from 33 sites were issued in fiscal 2011.

■ Meeting Residents to Report Environmental Activities

The Kawaguchi Plant in Saitama Prefecture invites residents from surrounding communities every year to brief them on its environmental efforts and take them on plant tours.

In a briefing held on August 26, 2011, the plant presented products manufactured at the plant and examples of its environmental efforts, including works to install environment-oriented equipment.

■ Presenting at Various Exhibitions

Toppan exhibited and presented existing and newly developed eco-friendly products at the Eco-Products 2011 event at Tokyo Big Sight.

■ Major Environment-related Awards

The Itabashi Plant won the grand prize in the group category at the Itabashi Green Curtain Contest held by Itabashi City, Tokyo. The plant was awarded for building an approximately 70-meter-wide, 3-to-4-meter-high "green curtain" composed of bitter melon plants. This grand green curtain for fiscal 2011 was twice the size of the curtain the plant built in fiscal 2010.

One of the employees at the Niigata Plant of Toppan Electronics Products Co., Ltd. was selected by an environmental conservation association in Kaetsu, a region in the north of Niigata Prefecture, as the fiscal 2011 recipient of the association's award for individuals who have made distinguished environmental contributions. The association selected this employee as an award winner in recognition of his dedicated environmental conservation initiatives to reduce the release of chemical substances designated under the PRTR law, upgrade risk control, and foster communication with residents from surrounding communities.

Toppan will help realize a sustainable society by pressing ahead with its energy saving measures and various other environmental conservation activities in the years ahead.



Site Eco Reports (in Japanese)



Eco-Products 2011



Award for individuals from an environmental conservation association in Kaetsu, Niigata



Meeting to report environmental activities (Kawaguchi Plant, Saitama)



Itabashi Green Curtain Contest (Itabashi Plant, Tokyo)

Independent Assurance

Toppan began aggregating some of its environmental performance indicators using a new information system introduced in fiscal 2011. There were no major problems, even though 2011 was the first year the system was used. We believe that this new system has enabled Toppan to compile data more effectively. Henceforth, system implementation will make it easier for the Company to analyze rising and falling performance values based on comparisons with earlier data. Toppan plans to incorporate other major environmental performance indicators into the system step by step. We expect the coming incorporation will streamline data aggregation and further improve accuracy.

There are still limits, however, in the disclosure of personnel-related indicators, which generally cover only Toppan Printing Co., Ltd. We must call attention to this restriction on disclosure as a continuous challenge for the Company to address. Given that the Company's employees account for less than 20% of Group employees on a consolidated basis, we believe that Toppan needs to expand the scope and boundary of data disclosure—incrementally if necessary—through discussion with Group companies and relevant departments at the Company in the years ahead.

Shinichiro Akasaka
KPMG AZSA Sustainability Co., Ltd.

Indicators in this Report Assured by an Independent Assurance Provider

Pages	Indicators Assured by an Independent Assurance Provider	
21	Human Rights	Number of Recruits; Female Managerial and Supervisory Staff; Employment of Persons with Disabilities; number of retired employees; number of reemployed employees
22	Labor Practices	Number of Employees; Reasons for Leaving; Average Annual Salary; Annual Paid Leave Used; Employees Taking Maternity or Childcare Leave
23		Rates of decrease in the average hours of overtime worked (in fiscal 2007, fiscal 2011); number of employees who have resigned from the Company and registered to join the rehiring system for employees who resign from the Company for the delivery and upbringing of children
24		Occupational Safety and Health
25		Number of employees who participated in the Toppan Business School; number of employees who participated in basic, Company-wide education (via e-learning programs); number of employees who participated in selective training on globalization
26	Fair Operating Practices	Number of Conduct Guidelines Promotion Leaders; ratio of female Leaders
27		Number of employees who participated in training sessions for Conduct Guidelines Promotion Leaders; number of employees who participated in the e-learning-based education program on compliance with the Antitrust Laws of Japan
28		Number of companies reassessed by Toppan in relation to the Group's CSR procurement initiatives; number of companies that participated in briefing sessions on the Group's CSR procurement initiatives
30	Consumer Issues	Number of employees who participated in training sessions for internal auditors; results of the audits conducted using the quality audit checklist
37	Environmental Targets and Results	Results of the progress towards the environmental targets for fiscal 2011 *Only the numerical results are assured.
38	Toppan's Environmental Burden	Major Environmental Burdens by Business Field in Japan (INPUT/OUTPUT data)
39		Ratios of Domestic and Overseas Environmental Burdens
41	Environmental Management Activities	Number of internal environmental audits conducted; Fiscal 2011 Results of Environmental Education
42	Eco-protection Activities	Energy Consumption; CO ₂ Emissions; energy consumption per unit of transport volume and CO ₂ emissions in logistics
43		Recycling Rate and Material Recycling Rate; Total Waste Discharge and Final Landfill Waste Disposal; Waste Discharge Per Unit of Production Value; Fiscal 2011 Results of Waste Discharge and Recycling
44		VOC and Toluene Emissions into the Atmosphere; NOx and SOx Emissions; Chemical Substances Designated under the PRTR Law
45		Compliance with Regulatory Standards in Fiscal 2011; number of complaints and inquiries from communities around Toppan's plants; Purification of Soil and Groundwater Pollution
47	Eco-creativity Activities	Number of newly registered environmentally friendly products; total sales of environmentally friendly products at Group companies and Toppan itself

Some data in the "CSR Report 2012: Detailed Data" posted on the Toppan website are also assured by the assurance provider.

Level of Conformance with the GRI Sustainability Reporting Guidelines 2006

This report is at an application level B+ as defined by the GRI Sustainability Reporting Guidelines 2006 (G3 Guidelines).

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

Report Application Level	C	C+	B	B+	A	A+
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	Report 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

Independent Assurance Report



Independent Assurance Report

To the President and Representative Director of Toppan Printing Co., Ltd.

Purpose and Scope

We were engaged by Toppan Printing Co., Ltd. (the "Company") to provide limited assurance on its CSR Report 2012 and CSR Report 2012: Detailed Data posted on its website (the "Report") for the fiscal year ended March 31, 2012. 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 environmental accounting indicators listed in the table on page 49 for the period from April 1, 2011 to March 31, 2012 included in the Report (the "Indicators") are prepared, in all material respects, in accordance with the Company's reporting criteria;
- 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 (B+) 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 carry out a limited assurance engagement and to express our conclusion based on the work performed.

Criteria

The Company applies its own reporting criteria as described in the Report. These are derived, among others, from the Sustainability Reporting Guidelines 2006 of the GRI and Environmental Reporting Guidelines of Japan's Ministry of the Environment. We used these criteria to evaluate the Indicators. For the completeness of material sustainability information, we used the 'Criteria for Granting a Sustainability Report Assurance and Registration Symbol' of J-SUS. For the GRI application level, we used the criteria stipulated by the GRI.

Procedures Performed

We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines of Sustainability Information Assurance' of J-SUS.

The limited assurance engagement on the Report consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviews with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report.
- Reviews of the Company's reporting criteria.
- Inquiries about the design of the systems and methods used to collect and process the Indicators.
- Analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also a recalculation of the Indicators.
- Visit to the Shiga Plant of Toppan Electronics Products Co., Ltd. selected on the basis of a risk analysis.
- Assessment of whether or not all the material sustainability information defined by J-SUS is included in the Report.
- Evaluating the Company's self-declared GRI application level against the application level criteria.
- Evaluating the overall statement in which the Indicators are expressed.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that:

- the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report;
- 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.

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

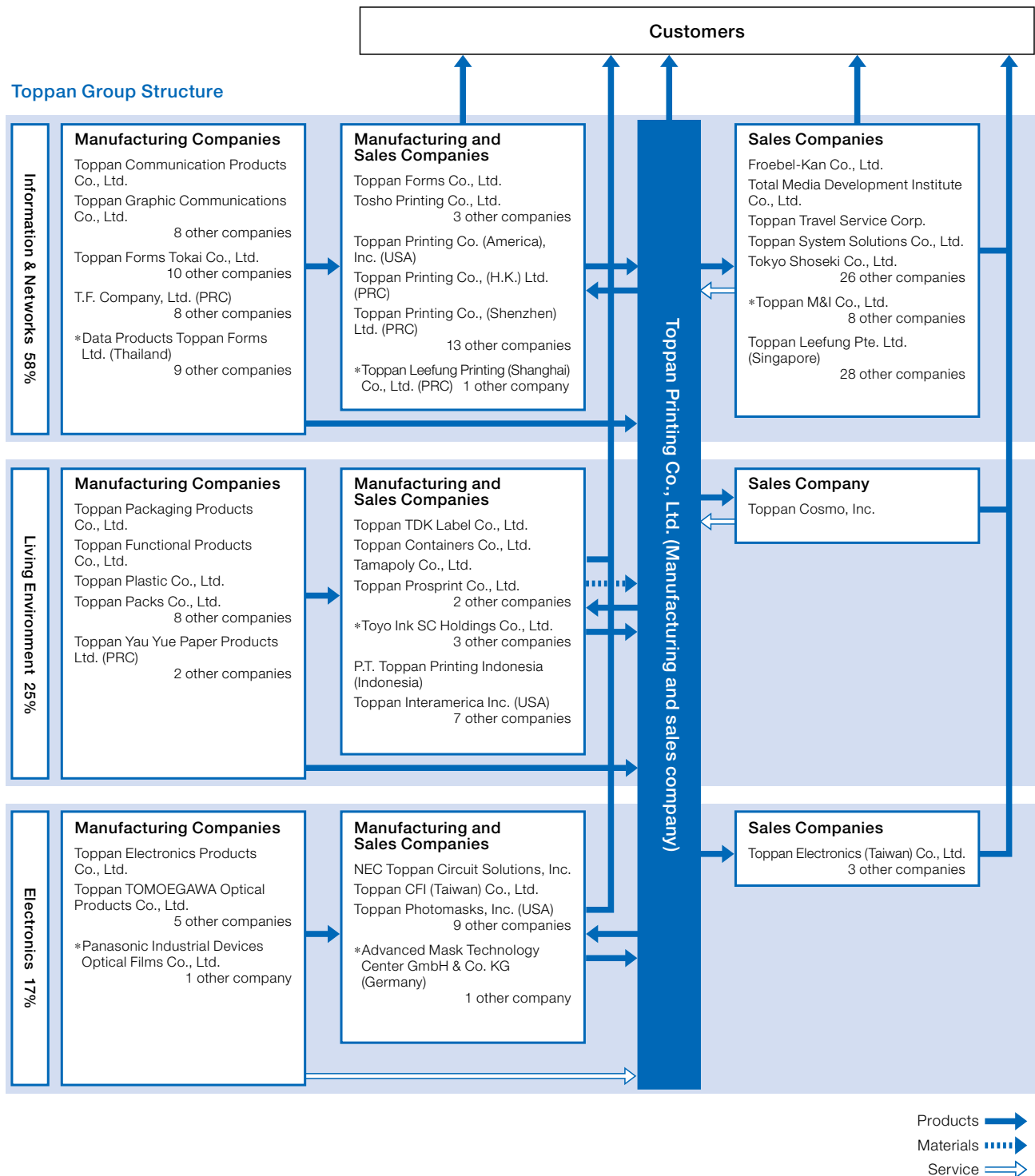
KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

September 20, 2012

Group Business Structure



Notes:

- No symbol: subsidiary—165 companies * : affiliates—29 companies (as of the end of March 2012)
- 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 net sales contributed. ("Net Sales by Business Field" are shown on page 5.)
- Toppan Forms Co., Ltd., Tosho Printing Co., Ltd., and Toyo Ink SC Holdings Co., Ltd. are listed on the first section of the Tokyo Stock Exchange.
- Toppan operational sites span 15 countries and regions, including Japan.



This report incorporates eye-friendly displays as a consideration for as many different types of people as possible, regardless of individual differences in color perception. Monitors from the Color Universal Design Organization (CUVO), a nonprofit organization, have reviewed and certified this report for its universal design.