

TOPPAN

CSR REPORT 2015



Report on Corporate Social Responsibility Activities



Continuously contributing to fulfilling lifestyles as a mainstay of information and culture

All of us within the Toppan Group
will recognize the issues facing society and
work with stakeholders to find solutions.

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United Nations
Global Compact



The United Nations Global Compact is a voluntary policy initiative through which businesses and organizations enlist their participation in the establishment of a globally recognized practical framework under which every business and organization commits to the vision of sustainable development by implementing responsible, creative leadership initiatives and acting as a responsible member of society. Toppan participates in the United Nations Global Compact, supports the 10 principles of the Global Compact in the four areas of human rights, labour, environment, and anti-corruption, and implements these principles in its own corporate activities.

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.

CSR Report 2015

Toppan considers stakeholders' interests and reports its corporate social responsibility (CSR) activities in line with the seven core subjects set under ISO 26000, a globally recognized standard on social responsibility.

- Period Covered: This report mainly covers activities in fiscal 2014 (from April 2014 to March 2015), though information on prior and later years is also included in parts.
- Scope and Boundary: Toppan Printing Co., Ltd. ("the Company") and Group entities consolidated for accounting purposes. The information on personnel principally applies to personnel within Toppan Printing Co., Ltd., the parent company. The environmental performance data covers Toppan Printing Co., Ltd. and 17 domestic manufacturing subsidiaries.
- Publication Dates (English version)
Previous report: October 2014
Current report: November 2015
Next report: November 2016 (planned)
- Related Information
CSR information: <http://www.toppan.co.jp/english/csr.html>
*Including *CSR Report 2015: Detailed Data*
IR information: <http://www.toppan.co.jp/english/ir.html>
- Guidelines
This report was edited according to the Environmental Reporting Guidelines (fiscal year 2012 version) issued by the Ministry of the Environment of Japan. The report also presents information in line with General Standard Disclosures required by the G4 Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.
- Contact Information
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Toppan Printing Co., Ltd. (Tokyo, Japan)
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Group Business Outline

Group Profile

The Toppan Group comprises Toppan Printing Co., Ltd. ("the Company") and 175 related companies (151 subsidiaries and 24 affiliates) engaged in manifold businesses in three fields: Information & Communication, Living Environment, and Material Solutions.

Detailed information on related companies can be found in the financial statements posted on the Toppan website at: <http://www.toppan.co.jp/ir/material/report.html> (in Japanese)

Corporate Profile

Corporate name
Toppan Printing Co., Ltd.

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

Established
1900

**President &
Representative Director**
Shingo Kaneko

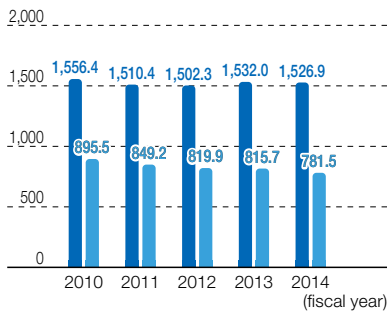
**Number of employees
(nonconsolidated)**
8,900 (as of the end of March 2015)

**Number of employees
(consolidated)**
48,999 (as of the end of March 2015)

Capital (nonconsolidated)
104.9 billion yen

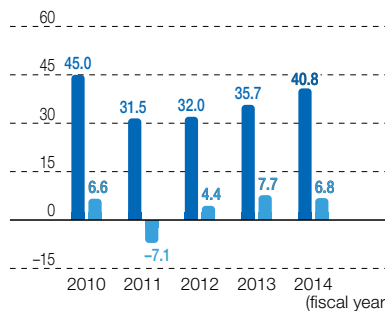
Net Sales

(billion yen) ■ Consolidated ■ Nonconsolidated



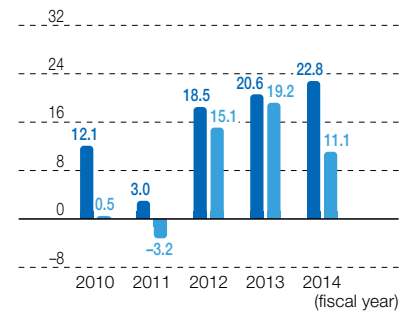
Operating Income

(billion yen) ■ Consolidated ■ Nonconsolidated



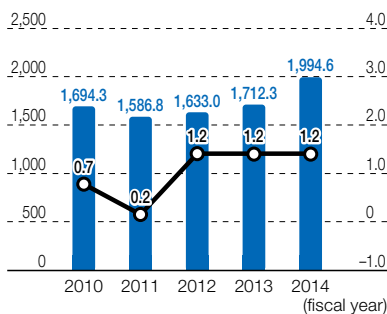
Net Income

(billion yen) ■ Consolidated ■ Nonconsolidated



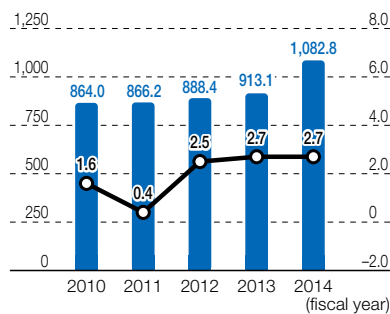
Total Assets & Return on Assets (ROA)

(billion yen) (%)



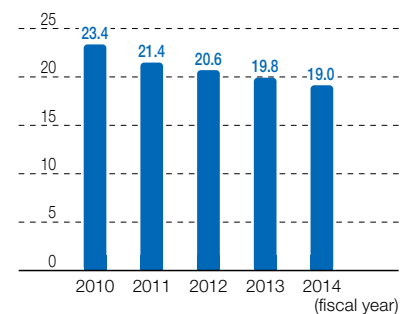
Net Assets & Return on Equity (ROE)

(billion yen) (%)



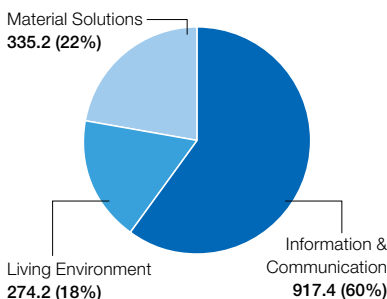
R&D Expenses

(billion yen)



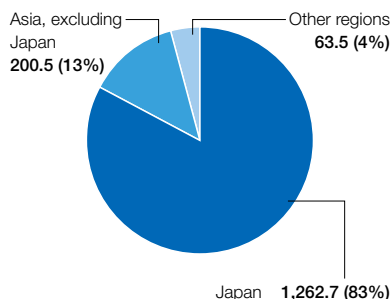
Net Sales by Business Field

(billion yen)



Net Sales by Region

(billion yen)



Business Fields

Information & Communication

Providing solutions to enhance the value of information and deliver it effectively to customers who require smooth communication.



Secure Business



Marketing



Content Business

Living Environment

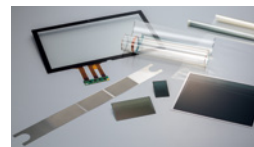
Providing a wide range of products and services to create living environments that offer comfort and peace of mind.



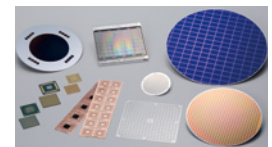
Packaging

Material Solutions

Using printing technologies to develop products related to displays, semiconductors, functional products, energy, and more.



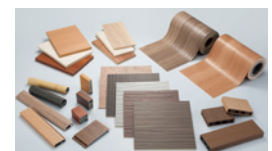
Display Related



Semiconductor Related



Functional Product & Energy Related



Interior Décor Materials

Business Fields Covered in this Report

From fiscal 2015, the Toppan Group reorganized its business fields into Information & Communication, Living & Industry (Packaging, Interior Décor Materials, Functional Product & Energy Related), and Electronics (Display Related, Semiconductor Related).

For consistency in presenting activities performed in fiscal 2014, the information presented in this report is arranged according to the former business fields: Information & Communication, Living Environment, and Material Solutions.

Business Fields in Fiscal 2014 (Covered in this Report)

Information & Communication

- Secure Business
- Marketing
- Content Business

Living Environment

- Packaging

Material Solutions

- Display Related
- Semiconductor Related
- Interior Décor Materials
- Functional Product and Energy Related



Business Fields from Fiscal 2015

Information & Communication

- Secure Business
- Marketing
- Content Business

Living & Industry

- Packaging
- Interior Décor Materials
- Functional Product & Energy Related

Electronics

- Display Related
- Semiconductor Related

Contributing to Fulfilling Lifestyles



The world economy gradually recovered in fiscal 2014 with support from the self-sustaining recovery of the U.S. economy. Sluggish economic trends in Russia and other resource-rich countries in the second half of the year portended an economic slowdown in Europe, a region with close economic ties with Russia. The outlook for the world economy grew more uncertain as a consequence.

The Japanese government's economic policy spurred moderate recovery at home, as reflected mainly in improved corporate earnings. Overall, however, Japan was beset with the same economic uncertainties facing the rest of the world, chiefly with ongoing increases in raw material prices and weak consumer spending after the consumption tax hike.

The maturing trend of paper-based printing businesses continued to constrain the market in the printing industry, while the expected growth of digital sectors such as online advertising fueled optimism.

We responded in fiscal 2014 by aggressively pursuing initiatives to take on our three management challenges: advancing our Group-wide structural reform, creating new businesses and new markets, and accelerating global business expansion. Net sales fell slightly, but our management efforts brought year-on-year increases in operating income, ordinary income, and net income.

To Create Business Opportunities for Faster Growth

Paradigm shifts are transforming the business environment in which the Toppan Group operates. I think of them as "three revolutions:" 1) the energy revolution, the shift from fossil resources to renewable energy; 2) the packaging revolution, the replacement of glass bottles and metal cans with new types of packaging across the globe; and 3) the information revolution, the switch from paper-based media to digital media such as the Internet and smartphones. All three of these revolutions compel us to move in new directions and innovate in critical ways. The transitions are often challenging, but they bring huge opportunities at the same time.

We will move full speed ahead in our work to drive the evolution of our printing technologies, tap new fields, and

propose comprehensive solutions for social issues of many kinds to create businesses that accelerate growth.

To Be a Company that Grows Steadily with Society

TOPPAN VISION 21 is positioned as the foundation for all of our corporate activities. This vision consists of a Corporate Structure (the Corporate Philosophy, Corporate Creed, and Conduct Guidelines defining the values and standards we should respect) and Business Fields based on the Corporate Structure. If we are to truly realize *TOPPAN VISION 21*, I am convinced that we will have to accomplish the three management challenges and fulfill our social responsibility as a corporation committed to solving social issues and driving our growth in step with all of society.

The United Nations Global Compact is an invaluable guideline for us as we undertake our journey towards this end. 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. I will continue espousing the United Nations Global Compact and shaping our corporate social responsibility (CSR) activities accordingly.

The Toppan Group incorporated the International Organization for Standardization (ISO) 26000 Guidance on Social Responsibility (international standard for organizations) into its CSR management practices in fiscal 2011. We have been pushing forward with CSR activities by piecing together a clear picture of the social issues we should help solve and the social responsibilities we should fulfill. The ISO 26000 standard condenses various social issues to address. Working towards solving these issues will bring us closer to implementing the United Nations Global Compact.

Towards a Sustainable Society

Among the social issues Toppan must help solve, those related to the environment are of particular urgency and importance. The United Nations Intergovernmental Panel on Climate Change (IPCC) predicts that the global average

temperature will increase by 4.8 degrees Celsius (°C) by 2100 if governments and corporations stick with the current approach to reducing greenhouse gas emissions.

In fiscal 2010 the Toppan Group set its medium-and-long-term target for fiscal 2020 of reducing CO₂ emissions by 11% compared to the fiscal 2008 level. In fiscal 2013 the Group surpassed this target by achieving a 16% reduction from fiscal 2008. In December 2014 the Group responded by raising the target to a 20% reduction of CO₂ emissions compared with fiscal 2008 and pressing on with its emission reduction initiatives. We will also continue offering client companies our eco-friendly packaging and information solutions to support them in their efforts to reduce CO₂ emissions.

I believe that social issues can be solved most effectively by developing human resources committed to solving them. We have developed a training program to foster a new generation of leaders who embrace the responsibility to address social issues of the day and take the initiative to search for solutions. The trainees in this program visit Minamisoma City, Fukushima Prefecture to gain firsthand experience of social challenges the city faces and deliberate ways to help solve those challenges by leveraging Toppan's resources. I expect the trainees who participate in this program to one day create new businesses by developing solutions to social issues of the day.

With Our Stakeholders

At Toppan we would like to continue disclosing information through this CSR report, one of our most valuable tools for communicating with our stakeholders. I am therefore eager to hear your candid opinions about this report.

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

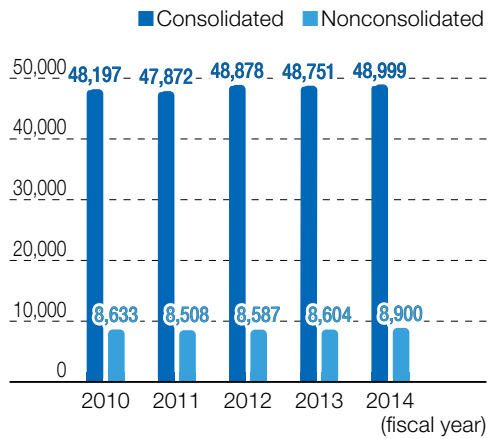
August 2015

Shingo Kaneko
President & Representative Director
Toppan Printing Co., Ltd.

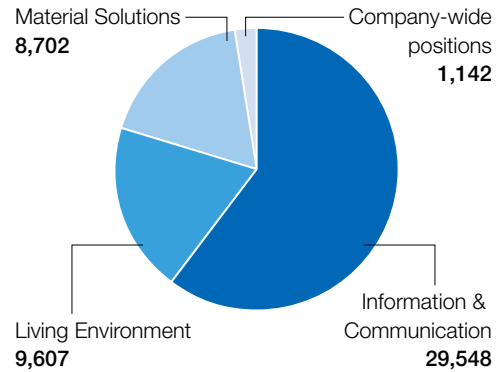


Employee Data

Number of Employees

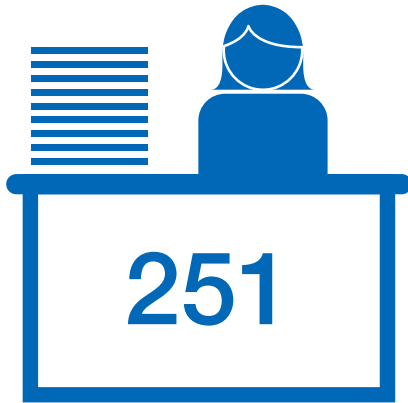


Number of Employees by Business Field (consolidated)

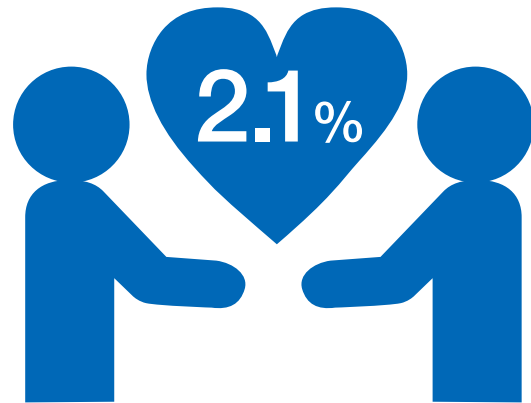


Note: The number of employees is the number of employees working in the Group. The number of non-regular employees for fiscal 2014 stood at 7,053 on a consolidated basis (the average number of employees throughout the fiscal year, including part-time workers but excluding dispatched staff).

Number of Female Managerial and Supervisory Staff (nonconsolidated)



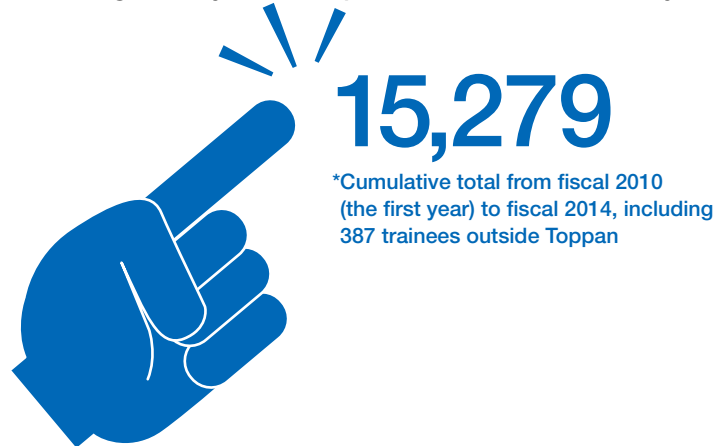
Percentage of Employees with Disabilities in the Total Workforce



Number of Employees Taking Childcare Leave (nonconsolidated)

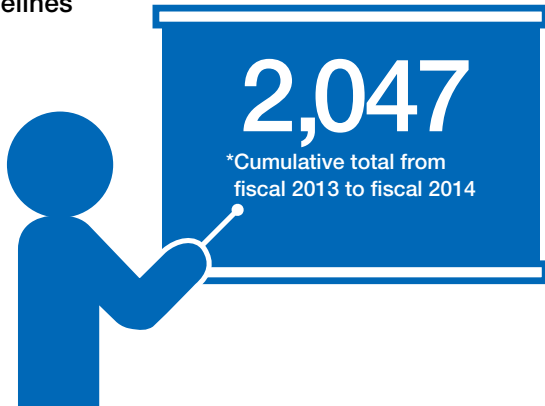


Number of Trainees Who Participated in Anzen Dojo, a Training Facility for Occupational Health and Safety

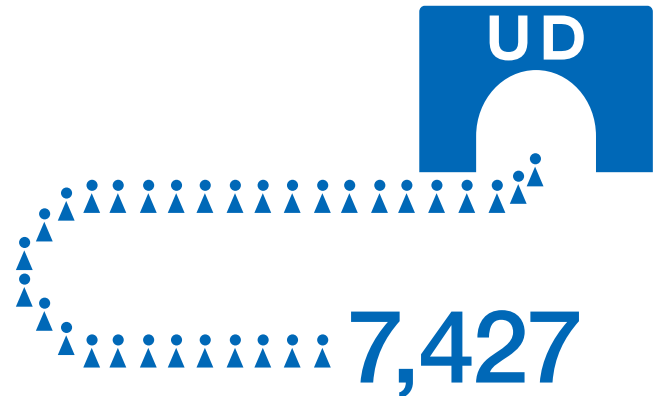


Social and Environmental Data

Number of Partner Companies that Participated in Briefing Sessions on the Group's CSR Procurement Guidelines



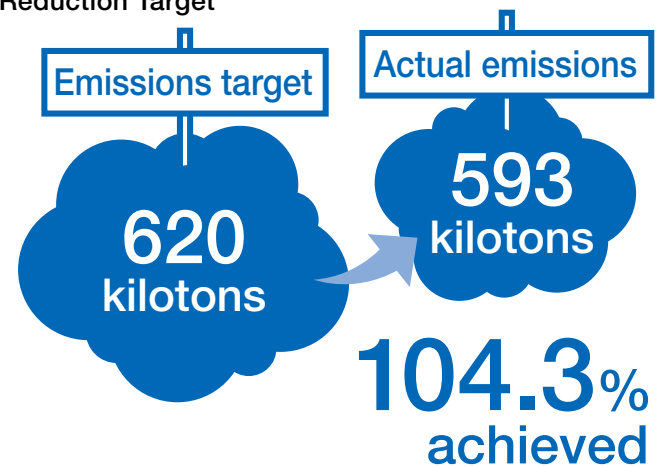
Number of Visitors for "Pleasant Form for Everyone – Universal Design Exhibition 2015 from Japan"



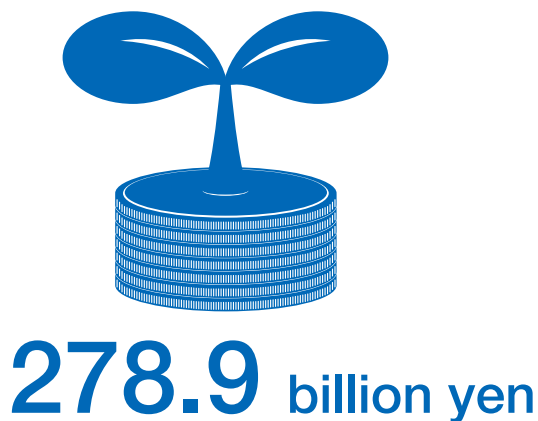
Number of Tightly Secured Areas Designated for the Handling of Personal Information



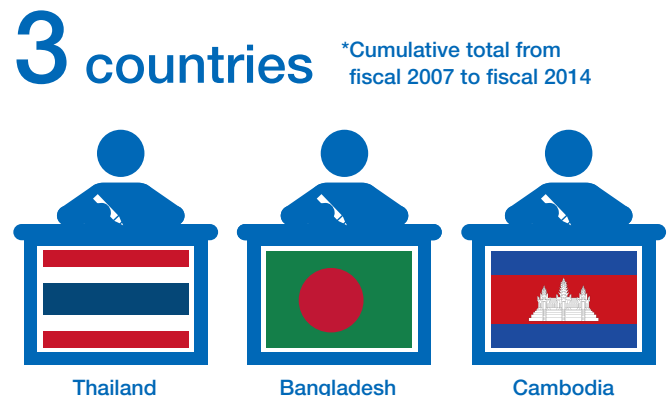
Achievement Rate for the CO₂ Emission Reduction Target



Sales of Environment-related Businesses



Number of Countries Where Toppan Has Supported Initiatives to Provide Literacy Education through the *Toppan Charity Concert* series



Toppan's Ideal "Corporate Structure"

TOPPAN VISION 21 sets forth the basic concept and direction for the ongoing growth of the Toppan Group in harmony with society and the global environment. The vision consists of a "Corporate Structure" and a set of "Business Fields."

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

Corporate Structure

The Corporate Structure is made up of three elements: Toppan's Corporate Philosophy, the Corporate Creed, and the Conduct Guidelines.

The Corporate Philosophy specifies ideals and the most important values and concepts for the Group. The Corporate Creed expresses the standards to be kept foremost in mind when performing business operations. The Conduct Guidelines set out the basic concepts and behavioral norms for Toppan employees both as businesspeople and as members of society.

CSR Activities

Corporate social responsibility (CSR) activities are prominent among Toppan's many endeavors to realize the ideal Corporate Structure the Group envisions. The United Nations Global Compact is an invaluable guideline for the Group as it undertakes CSR activities. Toppan also keeps close track of ISO 26000 Guidance on Social Responsibility, an international standard for organizations. ISO 26000 encourages organizations to address its seven core subjects—organizational governance, human rights, labour practices, the environment, fair operating practices, consumer issues, and community involvement and development—and emphasizes stakeholder engagement.

Dialogues with Stakeholders

Toppan has identified 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.

Stakeholder opinions learned in the course of daily operations are reflected in the Group's CSR initiatives. Toppan has also been taking part in the Global Compact Network Japan. In fiscal 2014 the Company entered dialogues with experts and NGOs within the network to discuss various topics pertaining to human rights, the supply chain, and other related areas.

In another phase of dialogue, the Group listened to the opinions of experts when selecting upcoming important topics based on the principles of "materiality."

Selecting Material Topics

In fiscal 2014 Toppan selected a number of topics expected to become more material from here on. By assessing CSR-relevant topics according to two criteria, the "influence on stakeholder assessments and decisions" and "Toppan's economic, environmental, and social impacts," the Group identified the following as topics expected to become more material: human rights, human resource development and diversity, the environment, promoting social responsibility in the value chain, and privacy (personal information protection).

The Toppan Group will advance measures relevant to the identified topics and review the material topics as necessary.

Selection Steps

1 Classifying detailed issues and identifying relevant topics

Toppan classified detailed social issues featured in the ISO 26000 and G4 GRI Sustainability Reporting Guidelines and identified the topics considered relevant to the Group.



2 Prioritizing topics

Toppan prioritized topics after assessing each for its "influence on stakeholder assessments and decisions" and connections with "Toppan's economic, environmental, and social impacts."

- Assessment points for the "influence on stakeholder assessments and decisions"
 - Issues raised during stakeholder dialogues
 - Criteria for socially responsible investing (SRI)
 - Approaches by benchmark companies
- Assessment points for "Toppan's economic, environmental, and social impacts"
 - Relevance to the management challenges
 - Relevance to the Corporate Structure
 - Progress of Toppan's CSR activities



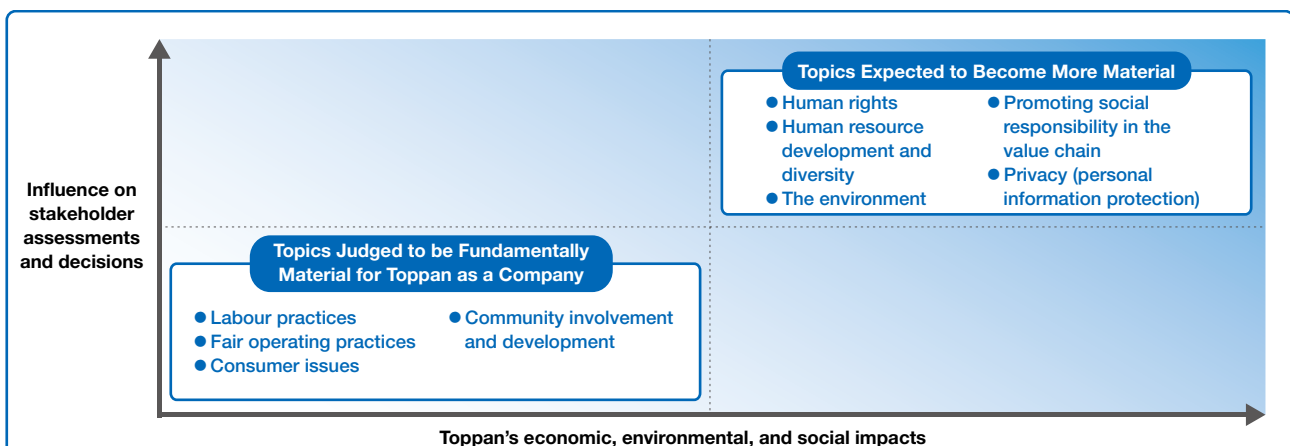
3 Opinions from outside Toppan

Toppan engaged outside experts in dialogues and listened to their opinions on Toppan's selection of material topics.

Toppan's Ideal "Corporate Structure"

Corporate Philosophy	Corporate Creed	Conduct Guidelines
<p>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.</p> <p>Established in June 2000</p> <p>TOPPAN VISION 21 http://www.toppan.co.jp/english/corporateinfo/vision/corp_image/rinen.html</p>	<p>To build our customers' trust through sincerity, enthusiasm, and creativity in all our corporate endeavors.</p> <p>To strive for total innovation from a global perspective by conducting marketing and technological development rich in originality.</p> <p>To conduct fair and open business operations while acknowledging our social responsibilities and aspiring for harmony with our global environment.</p> <p>To create a positive working environment by maximizing our individual talents and strengths as a team.</p> <p>To enhance our corporate standing and promote the continual development of the Toppan Group through the exploration of new possibilities.</p> <p>Established in June 2000</p>	<p>Chapter 1: Basic Principles</p> <ol style="list-style-type: none"> 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 <p>Established in June 2000; revised in November 2010 See page 33 for Chapter 2: Specific Conduct Guidelines.</p>

Topics Expected to Become More Material



Helping to Mitigate Global Warming through Business Activities

The advance of global warming creates various risks, including rising sea levels, damage to ecosystems, decreased food production, and climate extremes such as heat waves, heavy rainfalls, and floods.

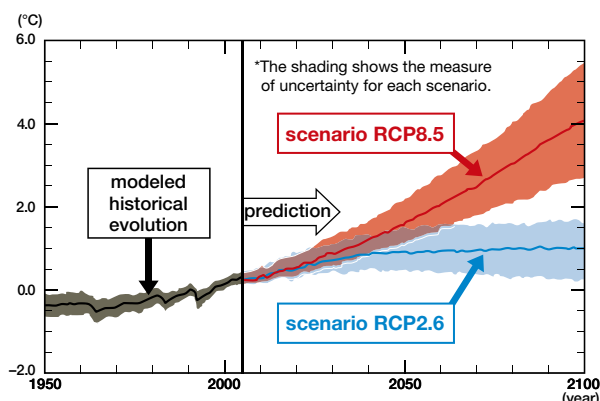
Toppan works to reduce carbon dioxide (CO₂) emissions, cited as a principal cause of global warming, by considering the environment in its corporate activities and diffusing environmentally friendly products and services.

Global Warming, an Urgent Issue for the Whole World

The United Nations Intergovernmental Panel on Climate Change (IPCC) released its Fifth Assessment Report (AR5) in a series of installments from September 2013 to October 2014. AR5 concludes that the “warming of the climate system is unequivocal.” Without policies for reducing greenhouse gas (GHG) emissions, the report predicts that the average global temperature will increase by up to 4.8 degrees Celsius (°C) by 2100.

In April 2015 the Japanese government announced a plan targeting a 26% reduction of GHG emissions by 2030, compared to the 2013 level. Towards the end of 2015, delegates from around the world will convene at COP21 (the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change) with the aim of reaching a new legally binding, universal agreement on the global climate.

Global Average Surface Temperature Change from 1950 to 2100



Created based on Figure SPM.7 (a) from the IPCC AR5 WG1 report

Representative Concentration Pathway (RCP) Scenarios

- Representative concentration scenarios for GHGs.
- Four scenarios: RCP2.6, RCP4.5, RCP6.0, and RCP8.5. In RCPs with smaller numbers, more aggressive measures are taken to mitigate temperature increase.
- Scenario RCP8.5 is a business-as-usual approach where only the current climate policies are adopted. The global mean surface temperature from 2081 to

2100 is likely to increase by 2.6°C to 4.8°C over the 1986-2005 average.

- Scenario RCP2.6 assumes that the most extensive mitigation measures possible are adopted. The prospective global mean temperature is unlikely to increase by more than 2°C.

Foundation for Toppan’s Initiatives to Help Mitigate Global Warming

In 1992 Toppan promulgated Toppan’s Declaration on the Global Environment, a basic philosophy for environmental conservation activities. In 2009 the Group revised the declaration into The Toppan Group Declaration on the Global Environment, stating: “as responsible members of international society, we who work within the Toppan Group strive

to realize a sustainable society.”

Toppan refers to its activities to minimize environmental burden associated with corporate operations as “Eco-protection Activities.” The Group enacted its Bylaw on Global Warming Mitigation to augment energy-saving and other efforts to mitigate global warming.

Reducing CO₂ Emissions Associated with Business Activities

Among all types of environmental impact associated with the business activities of the Toppan Group, the most significant impact is on global warming. The Group has set high goals and takes steps to minimize CO₂ emissions associated with its operations.

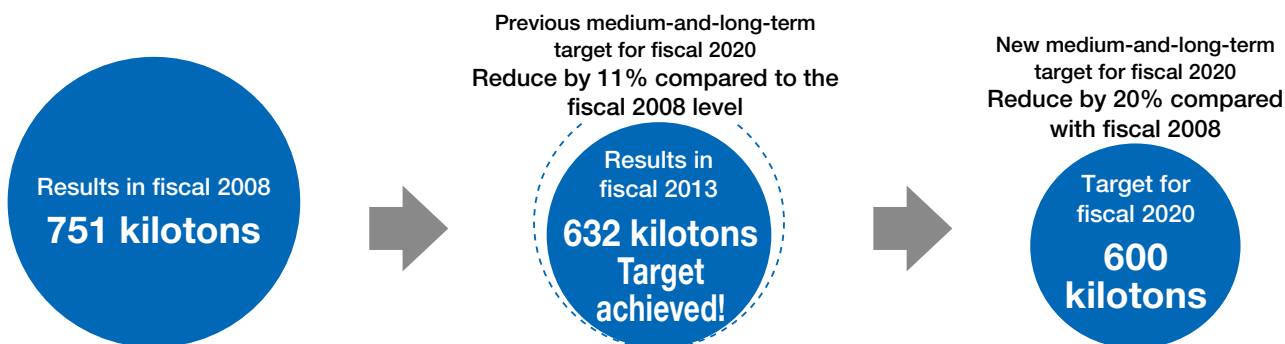
Establishing a New Target for CO₂ Emissions

Since fiscal 2010 the Toppan Group had implemented measures to attain its medium-and-long-term environmental target of reducing CO₂ emissions by 11% by fiscal 2020, compared to the fiscal 2008 level. The Group exceeded this target by recording CO₂ emissions of 632 kilotons, a 16% reduction from the fiscal 2008 level, in fiscal 2013,

seven years earlier than the deadline set.

In December 2014 the Group therefore set a new goal of reducing CO₂ emissions by 20% compared with fiscal 2008. Toppan will continue improving productivity and introducing more energy-saving facilities to achieve this higher goal.

CO₂ Emissions: Results and Target Values



Main Measures for Reducing CO₂ Emissions



Solar panels capable of generating approx.150 kW of electricity installed on the roofs of Fukaya Plant and Toppan Technical Research Institute



Cogeneration system introduced in Gunma Central Plant following its launch into full-fledged operation in May 2015



Switching from mercury-vapor lamps and fluorescent lights to LED lights. All of the fluorescent lights used at the head office have been replaced by LED lights.



Toppan employees planting trees at Umi-no-Mori sea forest in Tokyo to assist a social project to reduce CO₂ emissions

Toppan's Efforts Highly Rated by CDP

CDP*¹, a not-for-profit organization operated jointly by global institutional investors, requests information on environmental strategies and data on greenhouse gas (GHG) emissions from selected companies subject to FTSE*² indices. After analyzing and assessing their responses, CDP discloses the results to global investors.

Toppan Printing Co., Ltd. was selected as a company subject to the CDP Japan 500 program and won the top ranking ("A") for its efforts to reduce GHG emissions and mitigate climate change risk. Toppan is also listed in the CDP Climate Performance Leadership Index (CPLI).

*1 CDP: An international not-for-profit organization headquartered in London. CDP operates a global disclosure system through which companies and cities measure, report, manage, and share vital environmental information.

*2 FTSE: A global leader in financial indexing owned by the London Stock Exchange Group. FTSE creates and manages indices of equities, bonds, and other financial instruments. Investors from around the world use the various indices provided by FTSE.



CDP Japan 500 Climate Change Report 2014 (left) and CPLI logo (above)

Promoting Widespread Use of Products and Services that Help to Reduce CO₂ Emissions

Toppan develops an array of products, services, and systems designed to help reduce CO₂ emissions throughout all of society.

Packaging Initiatives

● Biomass-based Plastic “BIOAXX” Series

Biomass-based plastic made from plant-derived raw materials is drawing attention for two environmental advantages: low carbon emissions and zero dependence on oil. Since 1991, Toppan has been developing packaging materials using biomass-based plastics and commercializing sundry products such as paper cups and laminated packaging material using biomass-based polyethylene films.

CO₂ emissions from incineration reduced by about **40%**^{*1}



*1 Specifically, laminated packaging materials for refill bags with a polyethylene ratio of 75% by weight and a biomass ratio of 40%.

● Mechanically Recycled PET Film

A mechanically recycled PET film is a film of recycled resin fabricated from used PET bottles by cleaning and crushing, melting at high temperature, decompression, filtration, and other treatments. This film is composed of more recycled resin than almost any other recycled PET film ever made: 80%. Safety-wise, it satisfies performance levels required for use in food packaging.

Mechanically recycled PET film can also be further processed into aluminum-deposition, transparent high-barrier, and other films.

CO₂ emissions reduced by about **24%** compared with conventional petroleum-based PET films^{*2}



*2 CO₂ emissions associated with conventional petroleum-based PET films are quantified based on the standard database of the Japan Environmental Management Association for Industry (JEMA) CFP Communication Program. CO₂ emissions associated with mechanically recycled PET films are quantified based on primary data.

● Packaging Made from Lumber Harvested from Forest-thinning Operations

Appropriate thinning promotes a sounder forest cycle and conditions forests to better absorb CO₂. The Toppan Group manufactures paper-based products such as Cartocan and Eco Flat Cup using domestic lumber, including lumber harvested from forest-thinning operations.

The Group also manufactures paper products for client companies using lumber harvested from thinning operations in “company forests,” forests conserved and maintained by the clients themselves. Products produced from company forests serve as living proof of the eco-conscious approaches of client companies.

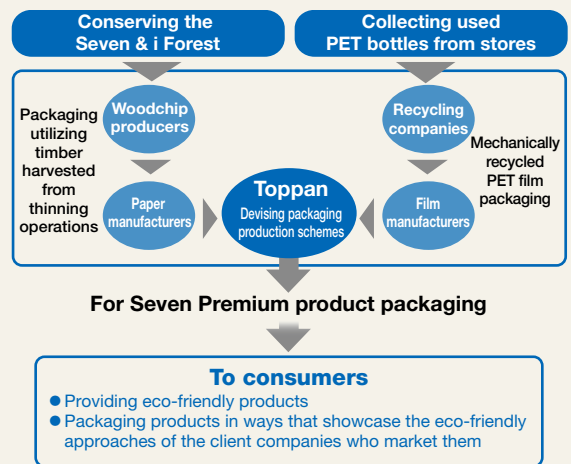


Packaging Initiatives at Seven & i Holdings Co., Ltd.

Seven & i Holdings Co., Ltd. works with the Seven-Eleven Foundation to promote its Seven & i Forest conservation project. Seven & i Holdings markets Seven Premium private brand drinks, soups, and other products packaged in paper-based containers partly composed of timber harvested from thinning operations in the Seven & i Forest.

Seven & i Holdings also uses PET films mechanically recycled from used PET bottles collected from its stores to produce refill pouches for body wash.

Toppan has devised an across-supply-chain cooperation scheme for packaging production and supports Seven & i Holdings in its work to develop eco-friendly private brand products.



Initiatives in the Information & Communication Field (Energy Solutions)

Efforts by households to reduce CO₂ emissions are no less essential than efforts by governments and businesses.

To lower CO₂ emissions effectively, every household needs to use energy wisely and avoid wasteful consumption. Governments and electricity providers can encourage smart energy consumption in households by taking three steps in combination: monitoring electricity and other energy usage by households, quantifying household efforts to reduce energy consumption and the actual reductions achieved, and granting incentives accordingly.

These steps have been difficult so far, as energy consumption is influenced by multiple factors such as lifestyle, family structure, and housing performance.

The Energy Information Creative Value System (VIENES) is a next-generation recommendation system developed by Toppan using its information processing and marketing know-how. VIENES predicts electricity usage and everyday activities based on household electricity-consumption logs and provides timely information that incentivizes consumers to use energy in better and more efficient ways.

Toppan has already deployed VIENES in three initiatives sponsored by the Ministry of the Environment (MOE) of Japan: the Project to Verify Home-eco Diagnosis (UCHI EKO SHINDAN) held in fiscal 2011, the Research to Enhance the Benefits of Using HEMS, and the Establish-

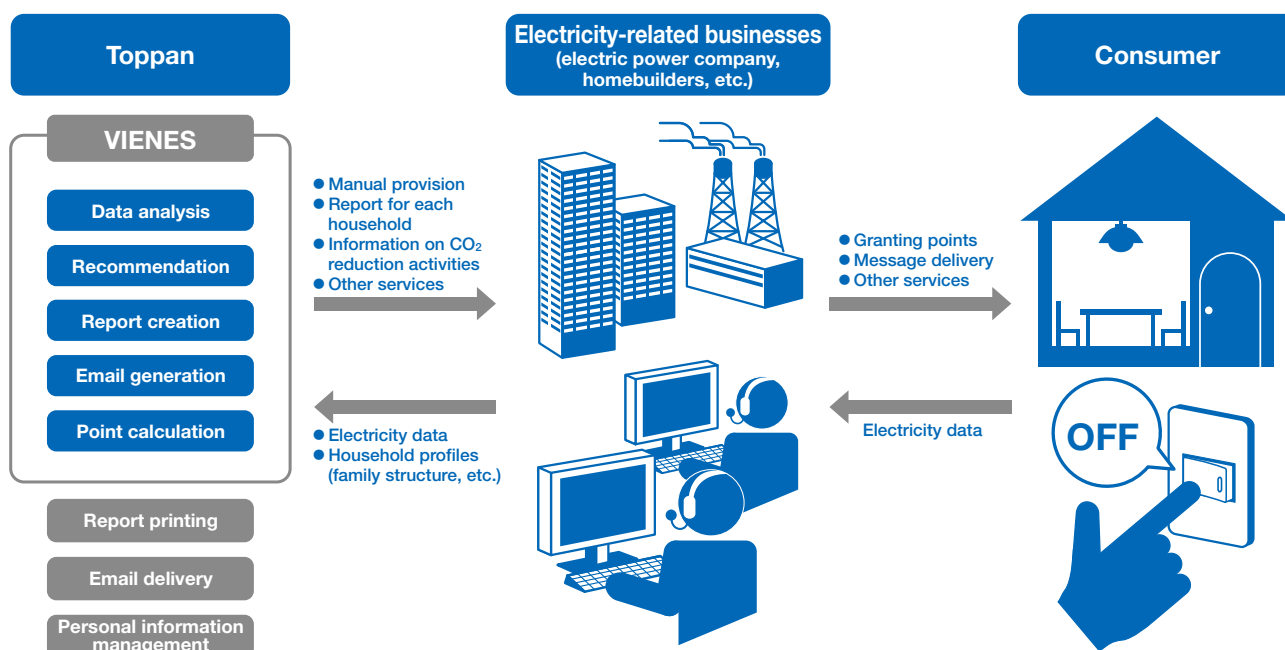
ment of a System to Reward CO₂-Reduction Points Using HEMS Data. In the latter two projects, Toppan created a system to quantify home-based efforts to reduce CO₂ emissions and convert them into points. This system is now integrated into the *Manual for Evaluating CO₂ Reduction Activities Using HEMS Data*.

Once the electric power market for ordinary households is liberalized in April 2016, this manual is likely to become a useful resource for electricity-related businesses that plan to introduce points, coupons, or similar services to reward the energy-saving efforts of households.

Toppan also participated in two initiatives organized by the Ministry of Economy, Trade and Industry (METI) of Japan: the Kitakyushu Smart Community Creation Project and the Large-scale HEMS Information Infrastructure Development Project. Toppan's new marketing approach in the energy market tailors communications to consumer attributes and behavior by linking household electricity-consumption logs with individuals' purchasing behavior and profile data.

Toppan will continue to contribute to the reduction of CO₂ emissions by visualizing electricity consumption and creating schemes that benefit both consumers and electricity-related businesses.

Scheme for Low-carbon Lifestyles



Accomplishments of Toppan Projects

	Projects Overseen by MOE	Projects Overseen by METI
Fiscal 2011	Project to Verify, Measure & Survey the Effects of Home-eco Diagnosis (KATEI EKO SHINDAN) (aka, Project to Verify Home-eco Diagnosis [UCHI EKO SHINDAN])	
Fiscal 2012	Research to Enhance the Benefits of Using HEMS	Kitakyushu Smart Community Creation Project
Fiscal 2013	Establishment of a System to Reward CO ₂ -Reduction Points Using HEMS Data	
Fiscal 2014		
Fiscal 2015	Creation and publication of a <i>Manual for Evaluating CO₂ Reduction Activities Using HEMS Data</i>	Large-scale HEMS Information Infrastructure Development Project

Fostering Human Resources Committed to Solving Social Issues

The Toppan Group strives to be a company respected and valued by society by imbuing its employees with a sense of responsibility to address social issues of the day and take the initiative to search for solutions. Training in a region seriously affected by the Great East Japan Earthquake of March 2011 is one of many Toppan programs geared to this objective.



Facing up to the reality of the Great East Japan Earthquake on the coast of Odaka Ward, Minamisoma City

To Solve Social Issues

The Toppan Group aims to be a company respected and valued by society by tackling social issues in the course of daily operations. In keeping with this vision, the Group develops businesses that can both solve social issues and create economic benefits. In human resource development, the Group provides training programs designed to imbue employees with a sense of social responsibility and a drive to address social issues of the day and take the initiative to search for solutions.

In “Advance—Shaping the Future,” a training program launched in 2014, participants visit Minamisoma City, Fukushima Prefecture to gain firsthand experience of the social challenges the city faces and to find ways to solve those challenges by leveraging the resources of the Toppan Group. If these trainees are to be cultivated as leaders of tomorrow, they must be given opportunities that will enhance their commitment to problem-solving and strengthen their initiative to think and act on their own. Local counterparts

have shown their support for this training program and provided considerable assistance.

Two-day Training in Minamisoma City, Fukushima Prefecture

Eighteen trainees from Group companies across Japan take part in each course of the “Advance” program. Before beginning, the trainees are asked to study the status of reconstruction and other current conditions in the area. The two-day training consists of lectures, site visits, group work, group presentations, and an overnight stay at a farm *minshuku* (Japanese-style inn).

● Lectures and Site Visits

The lectures are given by local officials, city council members, people running businesses, and other members of the community engaged in reconstruction. The talks cover not only the impacts of the Great East Japan Earthquake on Minamisoma City, but also renewable energy, future



Local citizens presenting their thoughts and explaining reconstruction efforts



A bicycle parking lot left just as it was the day the earthquake hit. The scene seems to be frozen in time. (Visit to Odaka Ward)

community development, and the speakers' thoughts on reconstruction. Between lectures the trainees are taken on site visits to give them further firsthand experience of the city today. They visit the Fukushima coastline and the Minamisoma Solar Agripark (→P.17), a solar-powered farm with an important role in developing human resources for reconstruction.

● Group Work and Presentations

The trainees hold repeated group discussions to delve more deeply into the issues raised during the lectures and site visits.

The Toppan Group companies where the trainees work are involved in wide-ranging businesses such as printing, publishing, childcare, electronic publishing, mapping information, and travel services. The trainees brainstorm diverse ideas on business solutions for the challenges faced by Minamisoma City by bringing together the strengths of their respective companies.

The trainees present business plans in teams and then discuss and refine them.

● Stay at a Farm *Minshuku* Inn

The overnight *minshuku* stay is an especially valuable activity in the program. The whole group meets with local residents to hear first-hand accounts of matters such as the reputational damage to local produce while sharing a dinner prepared with local ingredients.

The Initiative to Take Continuous Action

At the end of the two days the trainees carefully reflect on their training and share their future goals for action. Every trainee pushes further ahead at his or her own initiative to achieve the goals he or she sets.

The Toppan Group will continue organizing this type of training and maintain its commitment to social issues by fostering a new generation of leaders who take the initiative to find solutions.



Trainees further their learning through presentations and Q&A sessions



Discussion running late into the night at the farm *minshuku*, the accommodation for the trainees

Feedback from Trainees

I've actually interacted with people working on new approaches. I learned first-hand how they created value and developed their businesses. The experience was direct, not some theory explained in a book.

I was greatly influenced by the positive words and energy of the people committed to reconstruction. They convinced me that our company should also be able to contribute.

I contemplated what we could do and contribute with our corporate resources under a particular set of circumstances. I'm certain that this experience will have a tangible impact on my career going forward.

People are dedicating their lives to rebuild their community in the face of great odds. Their lectures were earnest and a privilege to hear. I came to reconsider what I myself should do and what my approach should be.

I used to build a wall between the challenges we face as a society or community and the projects we work on in the company. In the training I learned how services we devise as a company can be repurposed to at least partly fix real-world problems. As part of a large organization, I began to hold myself responsible for proposing ideas and solving social issues at my own initiative. I also came to see how others expect the same from me.

The lecturers presented energetic, outstanding accounts of how they were reconstructing Minamisoma City from different standpoints. By hearing and discussing their efforts, I witnessed the power of constructive, positive thinking while absorbing a great deal of practical information about the current status of Minamisoma City.

Minamisoma Solar Agripark: A Field for Training

Minamisoma Solar Agripark consists of a solar power plant and solar-powered vegetable plants. The park is also designed as a training ground, complete with a work experience zone for visitors and a facility for lectures and workshops called the Center House. The energy and vegetables produced in the agripark earn revenue, while visitors of all ages come to the park to learn.

Selected as an eco-future city after the Great East Japan Earthquake, Minamisoma City searched for concrete plans to realize the eco-future city concept. At the same time, entrepreneurs wanted to foster local youth active throughout the lengthy process of recon-

struction. The public and private sectors have therefore been working together to establish this Minamisoma Solar Agripark.

The park has been a place for interaction between many generations since its opening in April 2013. A thousand elementary and junior high school students come to the park every year for “experiential learning” classes in their standard school curricula, as well as high school students, college students, and adults.

As a place for people to gather, the park also serves as a networking venue for civil servants and business-people working to reconstruct the community.

Facilities and Experience at Minamisoma Solar Agripark



Orientation in an “experiential learning” program



Explanation of solar panel inspection



Vegetable plant behind children



Center House

Minamisoma Solar Agripark website
<http://minamisoma-solaragripark.com/english/>

Programs for Fostering Human Resources to Reconstruct Fukushima

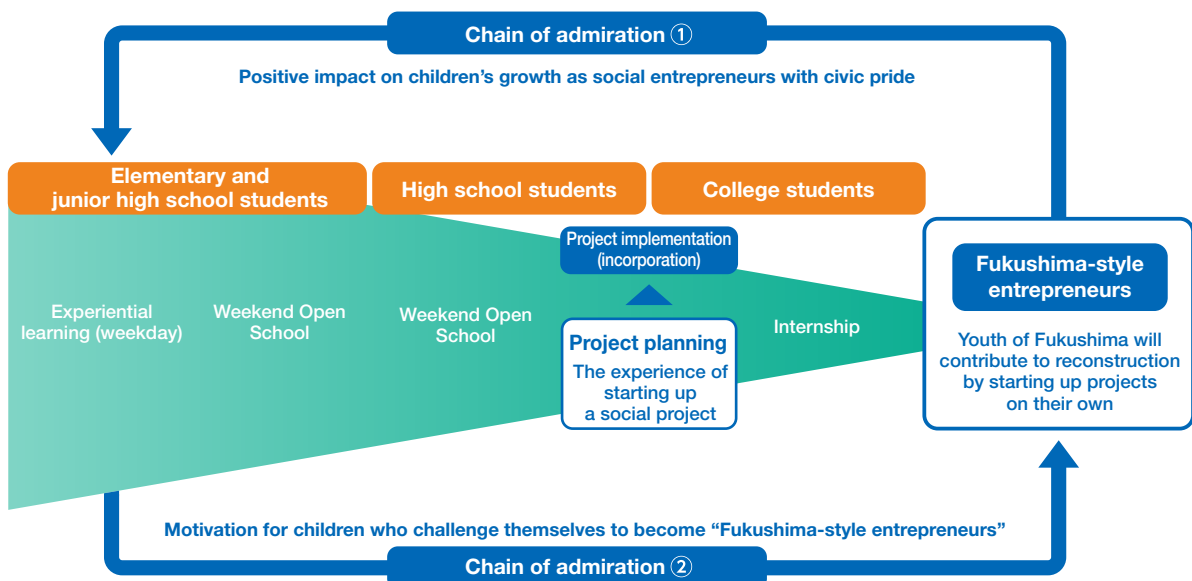
- The “experiential learning” program is part of the “integrated study” curricula for elementary and junior high schools to foster the ability of children to think, present, and act on their own initiative.
- The Weekend Open School for elementary and junior high school students teaches communication, *monozukuri* (the Japanese spirit of craftsmanship in manufacturing), and other skills and know-how children rely on to shape their own actions.
- The Weekend Open School for high school students trains “Fukushima-style entrepreneurs” through the planning and implementation of projects that help solve social issues.
- Children will admire the “Fukushima-style entrepreneurs” and take steps to become entrepreneurs themselves. This “chain of admiration” will drive the reconstruction of Fukushima and engender civic pride in the locals.



Open School for high school students



First project launched with high school students: Fukushima *Taberu* (eating) Newsletter from High School Students



CSR Activity Digest 2014








Results in Fiscal 2014 and Future Measures in Line with the Seven Core Subjects under ISO 26000

Seven Core Subjects	Issues	Action Points and Targets for Fiscal 2014	Main Measures in Fiscal 2014
Organizational governance		Developing CSR management based on ISO 26000	<ul style="list-style-type: none"> Implement e-learning-based, Company-wide basic education on CSR management at more Group companies
		Facilitating business continuity management (BCM) activities	<ul style="list-style-type: none"> Organize various BCM drills Install task force functions across the Group Develop education programs on BCM and business continuity plans (BCPs) and have more employees engage in BCM and BCPs
Human rights		Heightening awareness of the importance of respecting basic human rights	<ul style="list-style-type: none"> Continue organizing various training sessions 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"> Promote the hiring of human resources suited to careers in a global business environment (including international students learning in Japan)
		Proactively appointing female employees to higher positions	<ul style="list-style-type: none"> Promote positive action to appoint more female employees to higher positions, leverage female talent, and create working environments where employees can strike a balance between working and raising children
		Working for equal opportunity in individual career development and helping employees pursue their own career paths	<ul style="list-style-type: none"> Use the Challenging Job System proactively to appoint at least 20% of employee applicants to the departments or divisions where they would like to work
		Supporting second careers for retired employees	<ul style="list-style-type: none"> Promote systems to support second careers for retired employees and offer working options well suited to the motivation of more experienced employees
		Promoting the employment of persons with disabilities	<ul style="list-style-type: none"> Diligently facilitate the hiring of persons with disabilities by sharing information with local job-placement offices across Japan
Labour practices	Issue 2: Conditions of work and social protection	Supporting work-life balance 1) ⇒ Shortening total working hours	<ul style="list-style-type: none"> Facilitate appropriate supervision of working hours using the working management system Implement measures based on labor-management discussions on ways to encourage employees to take leave, including the creation of more accommodating workplace environments
		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 holding the Hagukumi (nurturing) Seminar and Hagukumi Art Salon; organize these activities in more areas in Japan Launch Hagukumi Circle, a network of employees balancing work and childcare
	Issue 3: Social dialogue	Creating a better working environment through partnerships between labor and management	<ul style="list-style-type: none"> Increase opportunities for opinion exchanges between labor and management, including division tripartite conferences, business councils at individual divisions, and labor-management committees for the creation of a working environment amenable to enhanced job satisfaction Continue holding and gingering up recreational events jointly organized by labor and management
	Issue 4: Health and safety at work	Ensuring occupational health and safety and reinforcing countermeasures against fires	<ul style="list-style-type: none"> Promote safety activities across operational sites based on the analysis of workplace safety awareness surveys Establish <i>Anzen Dojo</i> safety training facilities in the Kyushu and Kansai areas and begin receiving visitors to the new facilities from corporations outside the Company Complete the switch from cleansing agents previously used at offset printing workplaces to new agents not restricted under the Ordinance on Prevention of Organic Solvent Poisoning ("Organic Solvent Ordinance") in Japan
		Reinforcing countermeasures against disasters	<ul style="list-style-type: none"> Organize startup drills for alternate functions of the Company-wide task force in Kansai, Japan Continue organizing first response drills in Akihabara; hold assembling drills for the task force crew
		Promoting healthcare and health enhancement	<ul style="list-style-type: none"> Improve the medical check-up ratio by intensively encouraging insured employees and their dependents to come in for regular medical check-ups and check-ups for the prevention of lifestyle-related diseases, respectively Cooperate with the Toppan Group Health Insurance Union to formulate and implement a Data Health Plan
		Arranging measures for mental healthcare	<ul style="list-style-type: none"> Continue operating the Art Salon Quantitatively ascertain the status of mental health in the workforce
	Issue 5: Human development and training in the workplace	Developing and fostering human assets* *Toppan values its employees as precious "human assets."	<ul style="list-style-type: none"> Upgrade learning support programs via various channels such as the Toppan Business School; expand learning opportunities and enrich learning content Dispatch employees outside the Company to strengthen the fosterage of human assets with skills and motivations advantageous in a global business environment
	The environment	See page 40	
	Fair operating practices		Heightening awareness of laws, regulations, and the Conduct Guidelines
Issue 3: Fair competition		Complying with transaction-related laws and regulations	<ul style="list-style-type: none"> Ensure proper subcontract transactions and build proper relationships with business partners
Issue 4: Promoting social responsibility in the value chain		Promoting CSR initiatives in the supply chain	<ul style="list-style-type: none"> Apply the Toppan Group CSR Procurement Guidelines to business partners working with Toppan Group companies
Consumer issues	Issue 2: Protecting consumers' health and safety	Ensuring consumer safety through the strict prevention of quality-related accidents	<ul style="list-style-type: none"> Prepare a manual for applying failure mode and effective analysis (FMEA, a step-by-step approach for analyzing possible points of malfunction or failure) to product development and manufacturing processes and provide guidance on FMEA in general; establish standards for applying risk assessment procedures and help operational sites use the standards Renew the Quality Assurance Guidelines for Food Packaging; establish a set of guidelines for food defense and carry out audits based on the established guidelines Establish auditing standards for primary food filling/packing plants; help the plants use the standards during their internal audits
	Issue 3: Sustainable consumption	Evaluating environmental impact	<ul style="list-style-type: none"> Apply for carbon footprint of products (CFP) registration for 6 products Organize CFP education for employees in sales departments
	Issue 5: Consumer data protection and privacy	Establishing an information security management structure towards the complete elimination of information-related accidents	<ul style="list-style-type: none"> Comply with the various modifications to the laws, regulations, and standards related to personal information Organize education for all employees on the proper handling of personal information and confidential information and carry out internal audits for all departments across Japan
Community involvement and development		Arranging social contribution programs to help solve social issues	<ul style="list-style-type: none"> Hold the 8th series of <i>Toppan Charity Concerts</i> Consider new social contribution programs to support literacy and other educational initiatives

Results in Fiscal 2014	Self Evaluation	Action Points, Targets, and Main Measures for Fiscal 2015
<ul style="list-style-type: none"> Deepened the understanding of ISO 26000 in the workforce through e-learning-based, Company-wide basic education for Toppan and Group company employees 	A	<ul style="list-style-type: none"> Introduce and disseminate a CSR award system to energize CSR activities
<ul style="list-style-type: none"> Organized BCM simulations, BCM drills to start up and operate task forces, and various other BCM drills at main sites throughout Japan Revised the Basic Plan for Countermeasures against Earthquake Disasters in July; organized simulations for the operation of task forces across the Group in September and October Arranged e-learning-based BCM training programs from September to October 	A	<ul style="list-style-type: none"> Help the head office and Company divisions institute BCM activities (by reviewing and developing BCM procedures, systems, etc.) Organize various BCM drills (BCM simulations, BCM drills to start up and operate task forces, and other drills) Implement measures to secure the stable supply chain required for effective BCM
<ul style="list-style-type: none"> Organized education focused on respect for people via training for Conduct Guidelines Promotion Leaders, basic Group-wide training on CSR (for 20,739 employees at the Company and Group companies), and other relevant training programs 	A	<ul style="list-style-type: none"> Heighten employee awareness about diversity by supporting sports for physically and intellectually challenged persons
<ul style="list-style-type: none"> Hired 40 people with attributes for global business (overseas learning experience, foreign nationality, etc.), including 9 non-Japanese recruits to work in sales, administration, and technical job categories 	A	<ul style="list-style-type: none"> Provide an open environment for recruitment and hire diverse human resources
<ul style="list-style-type: none"> Attained a 6.0% ratio of females among managerial and supervisory staff (as of April 1, 2015) 	A	<ul style="list-style-type: none"> Promote positive action to appoint more female employees to higher positions, leverage female talent, and create working environments where employees can strike a balance between working and raising children; take steps in the workplace to enhance employee understanding about a healthy balance between work and parenting
<ul style="list-style-type: none"> Appointed 239 employee applicants (18.2% of all applicants) to the departments or divisions where they wished to work (as of April 2015) 	A	<ul style="list-style-type: none"> Use the Challenging Job System proactively and analyze the details of the career development plans applied to the system to aid effective career development
<ul style="list-style-type: none"> Reviewed benefits and took other steps to improve the treatment of experienced employees within the Company 	A	<ul style="list-style-type: none"> Promote systems to support second careers for retired employees and offer working options to maintain the motivation of more experienced employees
<ul style="list-style-type: none"> Attained a 2.10% ratio of employees with disabilities in the total workforce (as of June 1, 2015) Appointed employees with disabilities to sections that had not previously hired employees with disabilities and developed new job positions for them 	A	<ul style="list-style-type: none"> Diligently facilitate the hiring of persons with disabilities by sharing information with local public job-placement offices across Japan Arrange internship programs to offer work-experience opportunities for students enrolled in special schools to support the disabled
<ul style="list-style-type: none"> Have managers supervise subordinates' working hours with greater precision by checking and approving their tasks without delays Introduced a third day of leave for family celebrations for employees at the head office; held briefing sessions for managers to encourage employees to take leave 	A	<ul style="list-style-type: none"> Shorten and appropriately supervise working hours by reviewing how individuals work, adopting working systems suited to the requirements of each job, applying the working management system, and taking other relevant measures Deliberate measures to encourage employees to take leave based on labor-management discussions and the actual working conditions at each operational site
<ul style="list-style-type: none"> Held the Hagukumi Seminar in January 2015 (with 102 participants) and Hagukumi Art Salon in 2 sites in Japan Operated the Hagukumi Circle in 2 sites in Japan 	A	<ul style="list-style-type: none"> Carry out measures to encourage male employees to take childcare leave Enrich measures to help employees balance their work and nursing care at home
<ul style="list-style-type: none"> Held various meetings such as the division tripartite conferences, labor-management committees for the creation of a working environment amenable to enhanced job satisfaction, and a labor-management meeting of the Safety and Health Committee with an expanded membership inclusive of delegates from labor and management from manufacturing subsidiaries Was forced to cancel the actual event due to rain but established a partnership to hold the TOPPAN SPORTS FESTIVAL, another Company-wide sports event jointly organized by labor and management 	A	<ul style="list-style-type: none"> Continue increasing Company-wide and division-based opportunities for deliberations and opinion-exchanges between labor and management on work environment policies, including labor-management committees for the creation of a working environment amenable to enhanced job satisfaction Have labor and management jointly organize a large-scale, Company-wide recreational event (to be held at an indoor facility in September)
<ul style="list-style-type: none"> Improved safety awareness among employees by upgrading the safety of machines and equipment and organizing rank- and job-based safety education; reduced the number of occupational accidents by 23% compared to fiscal 2010 Began receiving visitors from corporations and organizations outside the Company to let them experience the <i>dojo</i> facilities at the Kawaguchi Plant in Saitama Prefecture (305 visitors from 33 companies) Completed the switch from cleansing agents for oil-based ink for offset printing to new agents not restricted under the Organic Solvent Ordinance of Japan 	B	<ul style="list-style-type: none"> Promote safety activities via a 2nd survey on workplace safety awareness Introduce a new danger simulator; use the <i>Anzen Dojo</i> facilities established in the Kyushu and Kansai areas; launch a 2nd <i>dojo</i> facility tour in Japan Comply with the new Japanese government ordinance for risk assessments on chemical substances, starting from June 1, 2016
<ul style="list-style-type: none"> Organized drills for alternate functions of the Company-wide task force in the Kansai area Organized a comprehensive disaster-preparedness drill in Akihabara on March 11, 2015 (drill for custodians to call in status reports on their buildings, emergency communication drill using the safety confirmation system, distribution of stockpiled supplies, drill on cardiopulmonary resuscitation (CPR) and the use of automated external defibrillators [AEDs]) 	A	<ul style="list-style-type: none"> Organize coordination drills linking operational sites across Japan Share information about stockpiled emergency supplies and management ledgers for supplies at operational sites in Japan; establish a rule requiring the regular maintenance of emergency supplies
<ul style="list-style-type: none"> Attained a 98.0% ratio of medical check-ups for the prevention of lifestyle-related diseases for insured employees and a 62.0% ratio for the dependents of employees Administered a treatment program for 23 diabetic employees to prevent the advance of the disease in a model project set up under the Data Health Plan formulated by the Toppan Group Health Insurance Union 	A	<ul style="list-style-type: none"> Improve the percentage of insured employees and their dependents who undergo check-ups for the prevention of lifestyle-related diseases Carry out the Data Health Plan formulated by the Toppan Group Health Insurance Union
<ul style="list-style-type: none"> Operated the Art Salon at 19 regional sites across Japan (2 more sites than in fiscal 2013) Mandated managers at operational sites across Japan to report mental illness at their workplaces at the National General Affairs Department GM Meeting 	A	<ul style="list-style-type: none"> Arrange mental healthcare measures for employees on overseas assignments Review regular mental health check-ups in accordance with the revised Industrial Safety and Health Act of Japan
<ul style="list-style-type: none"> Arranged a firsthand training program in Minamisoma City, Fukushima Prefecture to encourage employees to stay informed about social issues and take the initiative to address them Dispatched employees to the International Institute for Management Development (IMD) in Switzerland; deployed more employees overseas under the trainee system on a cumulative total basis 	A	<ul style="list-style-type: none"> Enrich diversity promotion programs to create new value Continue fostering human assets with skills and motivations advantageous in a global business environment with a view to boosting the Company's strengths in global businesses
<ul style="list-style-type: none"> Held 80 training sessions for 1,161 Leaders from Toppan and Group companies Educated employees on the prohibition of bribery and kickbacks in dealings with foreign public officials at the training sessions for the Conduct Guidelines Promotion Leaders 	B	<ul style="list-style-type: none"> Reinforce measures to prevent improper conduct by upgrading the training programs for the Conduct Guidelines Promotion Leaders Implement the Conduct Guidelines in overseas Group companies
<ul style="list-style-type: none"> Held training sessions on compliance with the Subcontract Law of Japan for 1,558 employees mainly in production control departments at Group companies Interviewed employees at 26 sites in Japan to confirm their observance of the law 	A	<ul style="list-style-type: none"> Continue organizing training on compliance with the Subcontract Law of Japan for Toppan and Group company employees and continue interviews to check how subcontract transactions are being handled
<ul style="list-style-type: none"> Held briefing sessions on the second version of Toppan Group CSR Procurement Guidelines; sent out questionnaires to 2,047 business partners working with Toppan's planning, procurement, and production control departments 	A	<ul style="list-style-type: none"> Conclude basic sale and purchase agreements with business partners stipulating the observance of the Toppan Group CSR Procurement Guidelines
<ul style="list-style-type: none"> Provided guidance on FMEA procedures to 3 departments in the Living Environment field Established a set of Guidelines for Food Defense Ver. 1; assessed conformance to the guidelines at drink production and filling/packing plants and provided guidance accordingly Established standards for accreditation audits for primary food filling/packing plants; carried out accreditation audits for 5 plants 	A	<ul style="list-style-type: none"> Apply FMEA to businesses in the Electronics field as an initial step in Toppan's approach to mitigating quality-related risks Revise the checklist for accreditation audits for primary food filling/packing plants Conduct audits on food defense measures at primary food filling/packing plants and provide guidance for improvement
<ul style="list-style-type: none"> Gained CFP registration for 14 products (8 Group products and 6 products outside the Group) Held CFP training sessions for employees in sales departments in May; fostered 3 employees for engagement in CFP quantification 	S	<ul style="list-style-type: none"> Develop and use a calculator for CFP quantification Organize CFP training courses and seminars for employees in sales departments to target increased CFP orders
<ul style="list-style-type: none"> Complied with the revisions to the METI* guidelines for the Act on the Protection of Personal Information of Japan *Ministry of Economy, Trade and Industry Held training sessions on awareness of invisible security threats for all employees across Japan (361 sessions) Surveyed information security practices for 12,852 employees using PCs 	A	<ul style="list-style-type: none"> Support and follow up a plan to improve the security level of tightly secured areas designated for the handling of personal information Organize education for all employees on the proper handling of personal information and confidential information and carry out internal audits for all departments across Japan
<ul style="list-style-type: none"> Held the concerts for two days as scheduled and donated 2.19 million yen to the Asia-Pacific Cultural Centre for UNESCO Was presented with a proposal for a new social contribution project from an NGO but was unable to realize the project because of budgetary considerations 	B	<ul style="list-style-type: none"> Hold the 9th 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

Initiatives at Toppan and the Seven Core Subjects under 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. 21–
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 ● Collective Labor Agreement ● Working for Equal Opportunity and Eliminating Discrimination 	P. 24–
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 Approach Regarding Human Assets ● Labor-Management Partnership ● Supporting Work-Life Balance ● Occupational Health and Safety ● Measures for Mental Healthcare ● Developing and Fostering Human Assets 	P. 26–
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 Management Activities ● Toppan's Environmental Burden and Environmental Impact ● Eco-protection Activities ● Eco-creativity Activities ● Environmental Communication Activities 	P. 40–
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 ● Compliance Education ● Promoting CSR Procurement 	P. 30–
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 ● Protecting Consumers by Safeguarding their Personal Information ● Universal Design Initiatives ● Contributing to Sustainable Consumption 	P. 34–
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 Involvement and Development ● Cooperating with International Communities to Address Social Issue 	P. 38–

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 implements 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 under ISO 26000.

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 implements 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.

Directors, Board of Directors, and Various Meetings

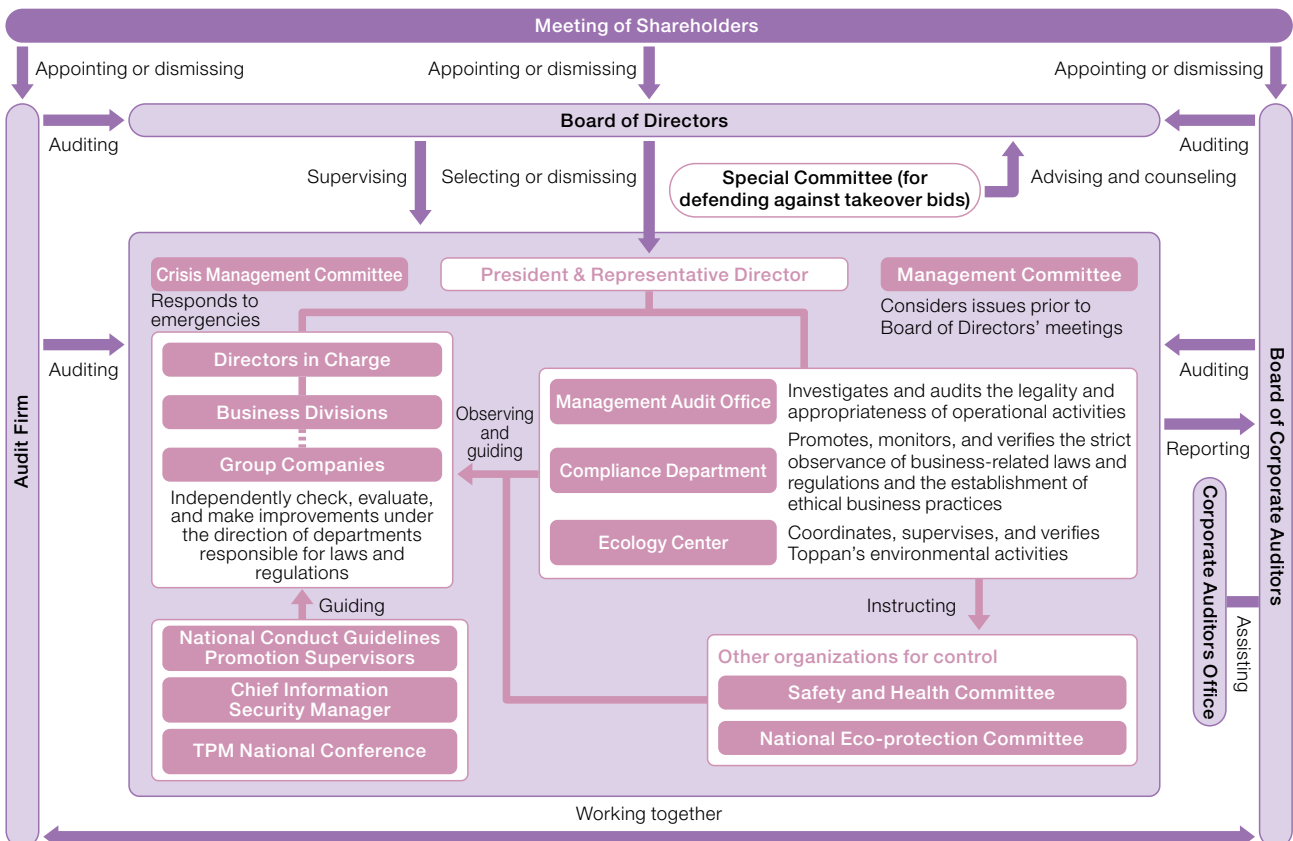
Toppan has 26 directors, including two outside directors, on its board (as of the end of March 2015). Board meetings are held monthly and whenever a pressing matter requires action or deliberation. Especially important matters are deliberated beforehand by the Management Committee, a body made up of 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 2015, 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 Group 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 from related companies to improve the effectiveness of the audits by 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 of the Company. 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. The office carried out 31 management and operation audits in fiscal 2014. It also conducted maintenance and operational evaluations of internal controls over financial reporting for all business divisions and main 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. 30, 34). The Ecology Center in the Manufacturing Management Division supervises environmental activities, conducts internal audits at operational sites, and monitors the progress of improvements (→P. 40).

■ Remuneration to Directors and Corporate Auditors

In fiscal 2014, the total annual remuneration to directors was 1,140 million yen and the total annual remuneration to corporate auditors was 115 million yen. Please refer to the section on corporate governance, etc. in the securities report (in Japanese) 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, the divisions of the head office work in collaboration with each other to promote CSR activities.

Each division confirms the materiality of its action points in line with the seven core subjects set under ISO 26000. The divisions devise action plans and carry out measures based on shared information about the issues they are addressing and the progress they are making. The head office divisions also coordinate and share information with Group companies to advance Group-wide CSR initiatives.

Every year Toppan organizes training sessions on CSR management for new employees (306 participants in fiscal 2014) and e-learning-based basic education programs for employees at the Company and main Group companies (20,739 participants in fiscal 2014).

Risk Management Structure

Toppan manages risk comprehensively to avoid risk and minimize the losses incurred when an event at risk of occurring actually occurs.

The Rules on Risk Management have been established to address matters regarding risk avoidance and the minimization of loss when a potentially damaging event 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.

Business Continuity Management

To prepare for the possible occurrence of a wide-scale disaster, Toppan institutes business continuity management (BCM) activities under the Basic Plan for Countermeasures against Earthquake Disasters. These activities aim to minimize damage to the Group and maintain a steady supply of products and services to customers.

To enhance Group-wide competence for business continuity, Toppan repeats various BCM drills such as operation drills for the task forces to be established during a wide-scale disaster. Toppan also holds training sessions for new employees (306 participants in fiscal 2014) and arranges e-learning-based, Group-wide basic education courses (22,060 participants in fiscal 2014) to disseminate BCM awareness throughout the workforce of the whole Group.

The lessons learned from the Great East Japan Earthquake disaster have left Toppan with a solid understanding of the stable supply chain required for effective BCM. In fiscal 2014 the Group expanded the boundary of companies subject to BCM assessments from material suppliers to cover subcontractors and service providers. This expanded coverage represents an advance in the Group's BCM cooperation with business partners.

The Toppan Group seeks to coexist with communities as a social benefactor through ongoing BCM activities.

CSR Promotion Structure



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 computer systems (ICT Management Div.)
	Occupational accidents, traffic accidents, or other accidents involving employees (Personnel & Labor Relations Div.)
	Incidents related to notes or accounts receivable (Finance & Accounting Div.)
	Legal problems with orders received (Legal Affairs Div.)
Defamation, slander, or other criminal damages	Leakage of personal information, internal confidential information, etc. (Legal Affairs Div.)
	Accidents or disasters related to fires or explosions (Manufacturing Management Div.)
	Illegal activities related to the storage of solvents, management of dangerous chemicals, etc. (Manufacturing Management Div.)
Relationships with antisocial organizations	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 Management Div.)
Natural disasters	Acts of violence against the company (threats, kidnapping, robbery) (Personnel & Labor Relations Div.)
Risk in business management	Unreasonable demands from antisocial organizations, transactions conducted between business partners and antisocial organizations (Legal Affairs Div.)
Unlawful activities related to external contracts	Material losses or personal accidents suffered by customers or the company due to earthquakes, wind or water damage, lightning, etc. (Personnel & Labor Relations Div.)
Infringements of intellectual property rights	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.)



Task-force operation drill (Sagamihara Plant)



BCM textbooks for Group-wide education (in Japanese)



Comprehensive disaster-preparedness drill (Akihabara)

Countermeasures against Disasters

The Toppan Group takes comprehensive disaster-preparedness measures across all of its operational sites under the Basic Plan for Countermeasures against Disasters. The basic plan specifies what Toppan employees must do: 1) to take safety-first actions based on the concept of respect for people; 2) to fulfill social responsibilities by maintaining steady supplies of products and services society calls for most; 3) to cooperate with governments and communities to minimize damage and provide aid for affected people.

All Group sites conduct disaster drills and employee firefighting training sessions. They also operate their own communication systems and organize communication drills to promptly confirm the safety of employees and their families when disasters strike. The head office site in Akihabara and other main Group sites organize regular comprehensive disaster-preparedness drills to reconfirm the actions to be taken during actual wide-scale disasters: the initial damage assessment and safety confirmation, the evacuation procedures, the employees' journeys back home from the workplace on foot, and the distribution of stockpiled supplies. Toppan Group sites also continue stockpiling water, food, and emergency supplies to support local communities and commuters who have no means to return to their homes.

The regular repetition of these drills will keep Toppan employees on alert and provide them with the know-how necessary for dealing with emergency situations quickly and properly.

Human Rights



- 1 Based on the concept of respect for people, Toppan is committed to respecting basic human rights inside and outside the Group.
- 2 Toppan participates in global policy initiatives such as the United Nations Global Compact and engages in dialogues on human rights.
- 3 Toppan continued offering a greater range of positions for intellectually disabled employees in fiscal 2014.

Respecting Basic Human Rights

Toppan operates business under the foundational concept of respect for people. The Conduct Guidelines, which set out behavioral norms for Toppan personnel, call for respecting basic human rights (respecting personal qualities and individuality; prohibiting discrimination and harassment; prohibiting child labor and forced labor; and so on [→P. 33]). Based on The Toppan Group Declaration on the Global Environment and the Basic Policy on Biodiversity, Toppan promotes environmental conservation initiatives to avoid negative impacts on the lives of people living near its operational sites (→P. 40).

The Group has been carrying out education on human rights in rank-based training for employees to prevent issues from arising. To disseminate initiatives for respecting human rights throughout the entire supply chain, Toppan sets forth an article on respecting basic human rights in the Toppan Group CSR Procurement Guidelines and asks business partners to comply with this article (→P. 32).

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

Collective Labor Agreement

The Toppan Printing Labour Union and the Company's management 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 the employees' livelihood. Labor and management both uphold this policy as a common goal. Article 2 of the agreement clearly states that the union has all the rights established by law, specifying that the Company shall respect the union's rights to organize and collectively bargain and act.

The Toppan Printing Labour Union is run by members from 10 Toppan Group companies. The union and the Company have concluded an agreement to impose a uniform set of liability-related clauses (rules governing union activities and labor-management negotiations) on all 10 Group companies.

Working for Equal Opportunity and Eliminating Discrimination

Toppan pursues diversity management to innovate and create value by engaging diverse human resources and nurturing

their competence to its full potential. In fiscal 2013 Toppan Printing Co., Ltd. became one of the "Diversity Management Selection 100," a group of companies selected by the Ministry of Economy, Trade and Industry of Japan for their outstanding efforts to promote diversity.

Positive Action

Toppan promotes positive action to bring out the full potential of individual employees and assign them to more diverse positions regardless of gender. The Company continues to create positive working environments and appoint female employees to managerial positions based on their skills and motivation.

In-house Staff Recruitment / Self-determination on the Career Path / Second Careers

Toppan has established the Challenging Job System, a self-directed program to encourage employees to report their work experience, official qualifications, medium-to-long-term career development plans, and the departments and divisions to which they would like to be transferred. The combined effects of the Challenging Job System and an in-house staff recruitment system nourish a problem-solving, can-do mindset to facilitate the placement of the right person in the right position across the Company. For retired employees in their second careers in company life, Toppan offers working options well suited to their knowledge, experience, skills, and motivation. Seventy-two of 86 employees who retired in fiscal 2014 were reemployed and now remain with the Company.

Employment of Persons with Disabilities

Toppan promotes the hiring of persons with disabilities in collaboration with a special subsidiary, Tokyo Metropolitan Government (T.M.G.) Prepress Toppan Co., Ltd. The Company offers a greater range of positions for intellectually disabled employees, including positions in document digitalization and various other clerical jobs.

Providing an Open Environment for Recruitment

Toppan hires diverse persons of both genders and of many nationalities, ages, and levels of physical and mental ability through three recruitment channels: the regular hiring of new graduates from universities and high schools, mid-career hiring of experienced personnel, and hiring of persons with disabilities. The Company offers employment opportunities for recruits to choose in accordance with their own aspirations and vocational aptitudes through a host of job-specific screenings in Japan and recruitment of global personnel all over the world. Toppan takes part in forums around the world to make contact with more human resources suited to careers in a global business environment. In fiscal 2014 the Company ran open application-based internship programs for 162 students in the summer and business-proposal planning sessions in the winter.

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.

Respect for people

A universal concept highly valued by Toppan

Establishing and disseminating the Conduct Guidelines (→see PP. 30, 33)

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 carries out education on human rights in rank-based training.

Promoting CSR procurement (→ P. 32)

Toppan cites respect for basic human rights as a guiding principle in its CSR procurement guidelines and asks business partners to comply with the guidelines.

Operating hotlines (→ PP. 30, 32)

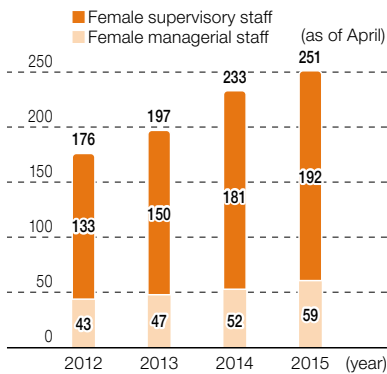
Toppan operates dual hotlines through which both employees and business partners can report inappropriate actions.

Contributing to society (→ P. 38)

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

In fiscal 2014 Toppan participated in working groups on human rights education and due diligence for human rights organized by the Global Compact Network Japan. The Company gathered information and held opinion exchanges with other members on respect for basic human rights.

Female Managerial and Supervisory Staff



Number of Recruits

		Fiscal 2013	Fiscal 2014	Fiscal 2015	
Regular recruitment of new university graduates and post-graduates	Sales, administration, etc.	Male	80	69	88
		Female	39	42	50
	Technical	Male	70	94	102
		Female	30	33	40
Regular recruitment of new graduates from high schools and colleges of technology		Male	4	1	5
		Female	14	11	21
Total number of regular recruits (percent female)		237 (35.0%)	250 (34.4%)	306 (36.3%)	
Mid-career recruitment of experienced personnel	Male	18	19	—	
	Female	11	10	—	

Employment of Persons with Disabilities

	2013	2014	2015
Employees	221	247	247
Percentage of total workforce*	2.13%	2.09%	2.10%

*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.

Toppan Becomes One of the Diversity Management Selection 100

In fiscal 2013 Toppan became one of the "Diversity Management Selection 100," a group of companies selected by the Ministry of Economy, Trade and Industry of Japan. The ministry aims to broaden the foundations of human resource diversity by selecting and recognizing the companies of the Diversity Management Selection 100 for their track records in innovation through the engagement of diverse human resources. Toppan's efforts to promote diversity have been extensive. The ministry gave high marks to the Company's initiatives to harness the unique capabilities and perspectives of women employees, especially in the areas of product and service development.



Labor Practices



- 1 Toppan understands how deeply it depends on its human assets and provides various supports to enable employees to work vigorously and earnestly with strong motivation.
- 2 Toppan's labor union and management engage in dialogues at business councils and various committees.
- 3 Toppan is creating a working environment where employees can achieve better work-life balance.

Basic Approach Regarding Human Assets

Toppan values its employees as precious "human assets" and understands 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 an earnest commitment to follow through on tasks to completion. When employees are vigorous, earnest, and have strong motivation, Toppan is convinced that their true abilities come through in full force.

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. Together they have been working on various issues on an equal footing. Business councils are convened as Company-wide and operational site forums to discuss wide-ranging managerial issues. Several special committees are also convened to deliberate pertinent issues of the day. Standing committees meet to discuss longstanding issues such as working hour reductions, wages, and health and safety. Individual labor-management committees meet when necessary to discuss specially designated subjects such as the creation of a working environment amenable to enhanced job satisfaction.

In October 2014 labor and management introduced a new personnel system in creative departments to better reward employees with higher expertise.

Toppan has adopted a union shop system. In principle, all non-managerial employees belong to the labor union as members.

Supporting Work-Life Balance

Efforts to Shorten Working Hours

Toppan has been instituting measures to shorten working hours as a means of achieving better work-life balance and maintaining employee health.

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

At the ongoing business councils and labor-management committees, labor and management exchange opinions and deliberate measures to further shorten overtime working-hours and 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.

Labor and management at each operational site have been discussing approaches to create more accommodating workplace environments that encourage employees to take leave. The measures they have devised and implemented are tailored to the actual working conditions at their sites.

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, reduced working hours, higher family allowances for dependents, and employee benefits of other forms. Under the rehiring system introduced in 2006 for employees who resign from the Company to deliver and bring up children, 20 resigning employees have registered for future rehiring and three employees have been rehired, as of April 2015.

Toppan has also made improvements for its childcare leave system. 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 households where the employee's spouse has time to devote to childcare. Child healthcare leave was extended in fiscal 2014 to enable employees to take leave up to the end of the child's third year of elementary school. Among the 10 days of leave a year, five days can be taken as paid leave. From fiscal 2015 the Company has started paying a full salary for the first five days of childcare leave taken, in order to encourage male employees to use the childcare leave system.

In addition, Toppan has been gradually enhancing the "Hagukumi (nurturing) Program" since fiscal 2012. This program supports the well being of employee parents by providing therapeutic activities for parents on childcare leave, activities to share the know-how necessary for maintaining good balance between working and raising children, and activities to give employees in various positions opportunities to learn about and consider the importance of work-family balance.

Number of Personnel (as of March 31)

		Directors	Management Class	Supervisors	Total Employees	Average Tenure	Average Age	Sum Total Employees	Part-time Workers	Dispatched Staff
Fiscal 2012	Male	25	1,769	1,790	7,417	15.0	41.8	8,587	708	75
	Female	0	41	133	1,170	9.6	33.3			
Fiscal 2013	Male	26	1,822	1,779	7,395	15.3	42.2	8,604	705	71
	Female	0	47	148	1,209	9.9	33.6			
Fiscal 2014	Male	26	1,933	1,826	7,586	15.1	42.6	8,900	681	112
	Female	0	52	180	1,314	9.8	34.0			

Reasons for Leaving*1

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Personal reasons	180 (53)	188 (52)	204 (48)*2
Retirement	69 (2)	88 (1)	86 (5)
Requested by the company	0 (0)	0 (0)	0 (0)
Other	83 (4)	90 (3)	83 (0)
Total	332 (59)	366 (56)	373 (53)
Turnover rate	3.7%	4.1%	4.1%

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

*2 Thirty-six men and two women took advantage of Toppan's support system for employees pursuing second careers.

Average Annual Salary

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Average Annual Salary	6,414,340 yen	6,711,582 yen	6,647,468 yen

Annual Paid Leave Used

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Average paid leave used (days)	8.1	8.0	8.3
Average ratio*3	41.9%	41.7%	43.3%

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

Employees Taking Maternity or Childcare Leave

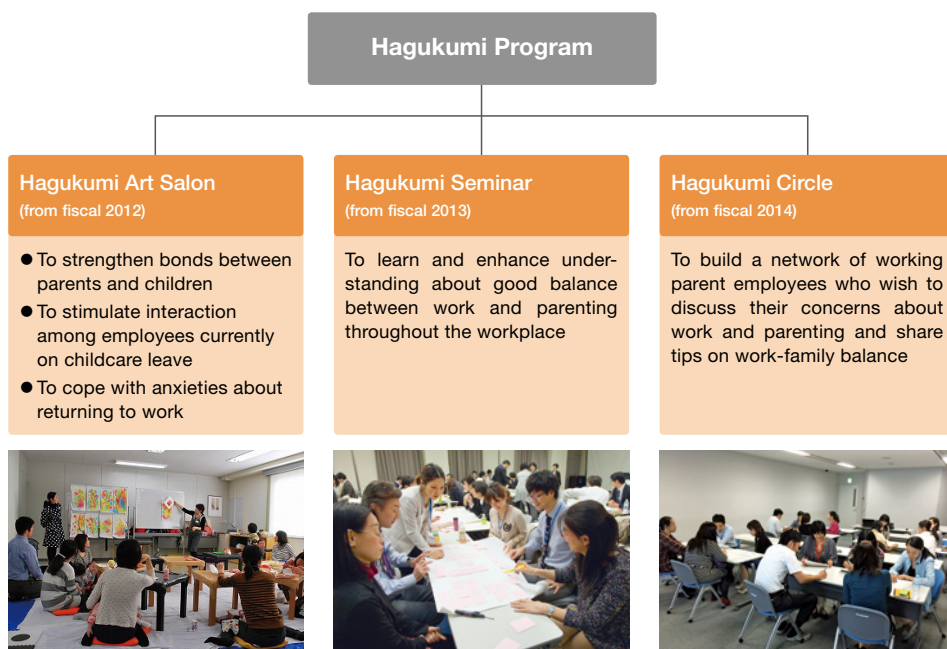
	Fiscal 2012	Fiscal 2013	Fiscal 2014
Employees taking maternity leave	68	76	81
Employees taking childcare leave*4	114 (3)	124 (4)	136 (3)

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

Main Leave Systems and Family Benefits

- Stock leave
- Childcare leave
- Rehiring of employees who leave the Company to deliver and bring up children
- Nursing care leave
- Leave for child healthcare
- Volunteer leave
- Staggered work-hours
- Dependent family allowance
- Partial subsidization of babysitter expenses
- Other systems

Hagukumi (nurturing) Program



Detailed info on main leave systems is shown in the *CSR Report 2015: Detailed Data* posted on the Toppan website at: <http://www.toppan.co.jp/english/csr/csreport.html>.

Occupational Health and Safety

Back in 2010, Toppan formulated a Basic Policy on Health and Safety based on a “safety first” theme. Since then the Company has upgraded the intrinsic safety of machines and equipment, organized legal and regulatory compliance training mainly for foremen at operational sites, and undertaken various initiatives such as safety promotion and risk assessment activities led by safety promotion leaders. Through these efforts, the number of occupational accidents has been gradually reduced overall.

However, the number of falls and collisions involving older employees has increased in the last few years. Toppan has responded by renovating workshop conditions to better accommodate older employees and studying a fall-prevention project in the workplace advocated by the Ministry of Health, Labour and Welfare of Japan. The Company has also been offering new training programs to encourage older employees to be aware of their own physical conditions, along with other sensory-based safety training sessions. Efforts are also underway to comply with a new government ordinance in Japan that will mandate companies to conduct risk assessments on chemical substances, starting from June 1, 2016.

A growing number of persons outside of the Company are submitting applications to visit and experience the *Anzen Dojo*, Toppan’s safety training facility. Toppan will continue opening the *dojo* to trainees from outside the Company.

Measures for Mental Healthcare

Labor and management implement various measures to maintain the health of the employees, a keystone for all of Toppan’s corporate activities. Several rules have been included in the employment regulations to enable employees to 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. Rank-based training is offered to prevent mental illness or to promptly detect and treat mental illness if it develops. The Company also opens counseling rooms, distributes handbooks to managerial and supervisory staff, concludes advisory agreements with mental healthcare specialists, and undertakes various other measures. In fiscal 2014 the Company began reviewing regular mental health check-ups and establishing a new structure based on the stress check system introduced under the revised Industrial Safety and Health Act of Japan.

Toppan and a Group company called Institute of the Formative Art Co., Ltd. jointly operate Art Salon, a workshop to refresh employee minds and bodies through the creative work of painting. Art Salon sessions are held all around Japan. Toppan and the institute also hold the Summer Holiday Art Salon for Parents and Children, an art-making workshop for employees and their families.

Developing and Fostering Human Assets

■ Concept of Human Asset Development and Fostering

Mindful of how deeply it depends on employees, Toppan fosters human assets with ambition and integrity. Toppan would like to contribute to society as a corporation blessed with human assets with excellent communication skills and heightened awareness and sensibilities. The Company has set up a human asset development platform called the Toppan University. This in-house virtual university supports life-long learning, skill improvement, and career enhancement while striving to foster top leaders.

■ Various Education Systems

Along with rank-based and department-based training, the head office organizes selective training courses planned out to foster leaders of tomorrow. For new employees, Toppan regards the first three years after recruitment as a development period. To help new employees acquire necessary skills, Toppan organizes Company-wide training and on-the-job training (OJT) with assistance from the immediate superiors of new employees.

Meanwhile, the Toppan Business School (group training) and the Challenge School (correspondence learning courses) offer self-development training for employees. A cumulative total of 9,771 people trained in these schools in fiscal 2014. Employees also have ready access to basic, Company-wide education via the e-learning system. A cumulative total of 107,245 people took part in e-learning programs in fiscal 2014.

■ Fostering Human Assets for Global Business

Toppan has been operating a trainee system to provide employees with practical training in day-to-day business activities overseas since fiscal 2011. Fifty-three employees have been deployed as trainees under the system, as of the end of fiscal 2014. Six of them worked as Japan Overseas Cooperation Volunteers for the Japan International Cooperation Agency (JICA).

The selective training on globalization launched in fiscal 2010 has supported a cumulative total of 521 candidates for overseas assignments so far. Nine employees in the advanced-learning course for the selective training have attended short-term open programs at International Institute for Management Development (IMD) in Lausanne, Switzerland, one of the world’s top-ranked business schools, since fiscal 2012.

■ Strengthening the Environment to Develop Human Assets

Toppan has established training centers in Kawaguchi, Saitama Prefecture and Yugawara, Kanagawa Prefecture to nurture individuals who will shape Toppan’s future. These centers are venues for various training sessions and interaction between Toppan personnel. The Company runs an intranet to help employees enhance their abilities and skills online. Employees visit the intranet to read posts on human asset development programs and review the records on their own training.

Occupational Health and Safety

	2012	2013	2014
Deaths from occupational accidents	0	0	0
Frequency rate*1	0.05	0.20	0.05
Severity rate*2	0.000	0.002	0.000

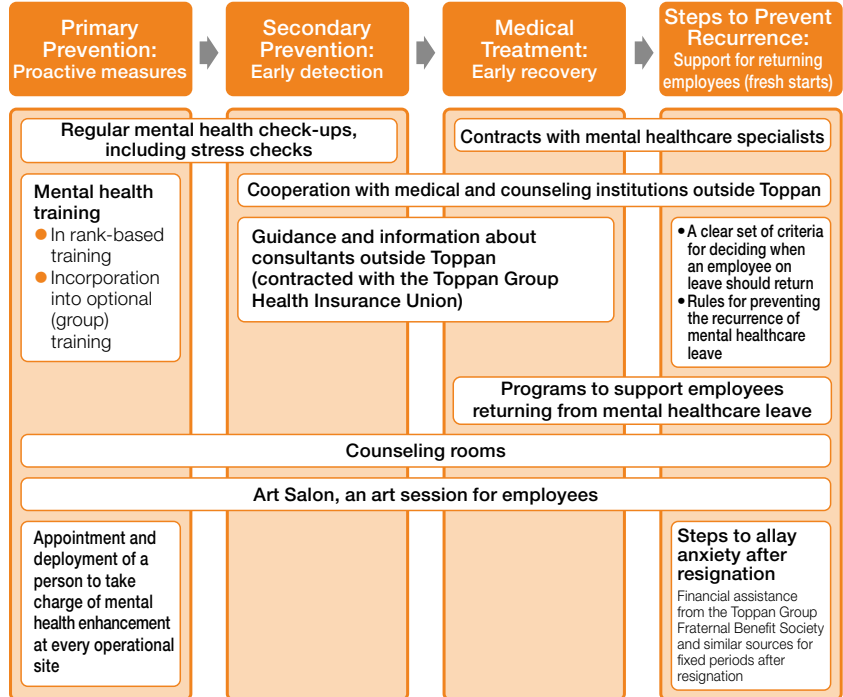
*1 Number of occupational accidents requiring employee leave, per million cumulative actual working hours (reflects the frequency of occupational accidents)

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

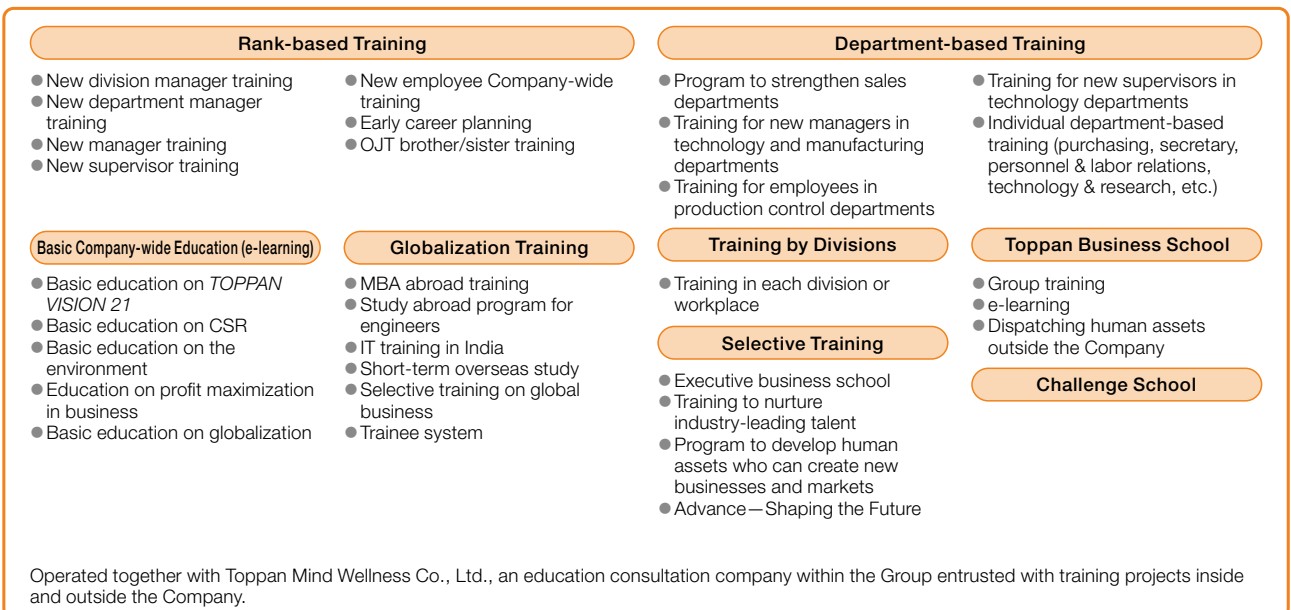
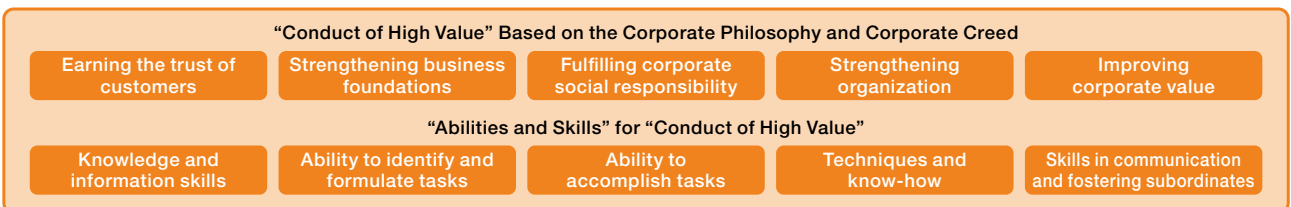


Anzen Dojo

Overview of the Mental Healthcare System



Systematic Human Asset Development Programs



Operated together with Toppan Mind Wellness Co., Ltd., an education consultation company within the Group entrusted with training projects inside and outside the Company.

Fair Operating Practices



- 1 Toppan organized training on compliance with the Subcontract Law of Japan.
- 2 Toppan educated employees and audited operations to prevent improper export and import transactions.
- 3 Toppan has been monitoring the supply chain to ensure that paper suppliers legally obtain the lumber they use as a raw material for paper production.

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 legal compliance (→P. 33). 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 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 seventy-six Leaders were deployed across the Group in fiscal 2014, including 64 women (8.2% of the Leaders). A cumulative total of 6,827 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 the Conduct Guidelines Promotion Leaders

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

At the Meeting of Conduct Guidelines Promotion Supervisors held each October, Supervisors from operational sites throughout Japan report their activities and discuss and share outstanding cases and measures.

■ Tools to Promote the Conduct Guidelines

Toppan gives every employee a *Conduct Guidelines Casebook*, a Q&A style casebook describing actual situations that can arise in daily work. The Company uses the casebook for rank-based education and the Leaders use it to disseminate the guidelines at their workplaces. Toppan also posts regular Conduct Guideline Notifications on topics relevant to the guidelines in order to heighten employee awareness and call attention to compliance-related issues. The notifications posted in fiscal 2014 covered topics such as quasi-legal drugs, unlawful conduct, the leakage of personal information, and the unauthorized removal of confidential information from the workplace.

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. If the employee’s superior fails to resolve the problem, the employee is encouraged to call the Toppan Group Helpline, the Group’s internal reporting system. The helpline is kept open for use by all Group employees, including dispatched staff and part-time workers.

In fiscal 2014 the helpline was used in one case of power harassment. This case was thoroughly investigated and properly handled, and necessary countermeasures were taken to prevent recurrence.

Compliance Education

■ Training for Conduct Guidelines Promotion Leaders

As in previous years, Toppan held group training for Conduct Guidelines Promotion Leaders in fiscal 2014. The training was scheduled in two phases. In the first, 598 Leaders were trained in 42 sessions across Japan from May to August 2014. In the second, 563 Leaders were trained in 38 sessions from November 2014 to March 2015.

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

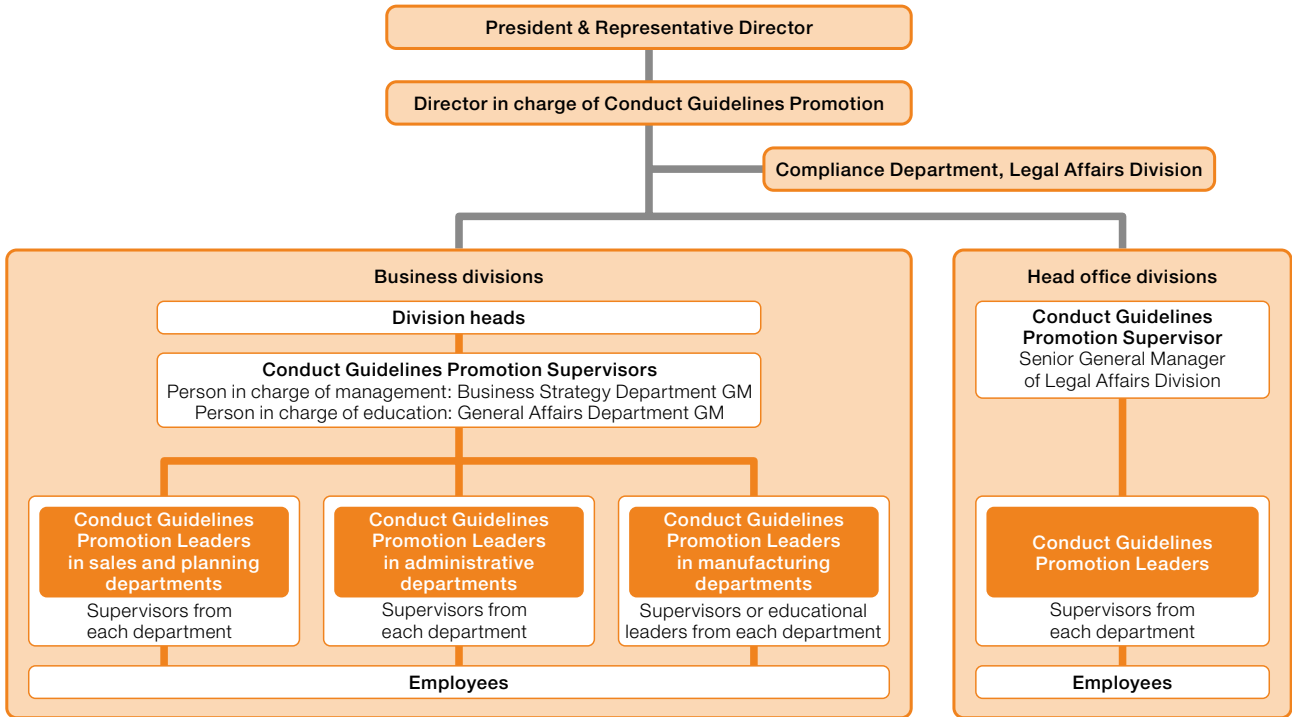
■ Education on Compliance with Transaction-related Laws and Regulations

Toppan regularly organizes transaction-related training and checks and audits how business transactions are being handled in Japan. Both measures are key to preventing improper export and import transactions and ensuring compliance with the Subcontract Law. In fiscal 2014 a total of 108 employees participated in group sessions focused on export controls under the Foreign Exchange and Foreign Trade Act; 1,558 employees were trained on compliance with the Subcontract Law; and as many as 7,491 employees took a course on export controls via the e-learning system.

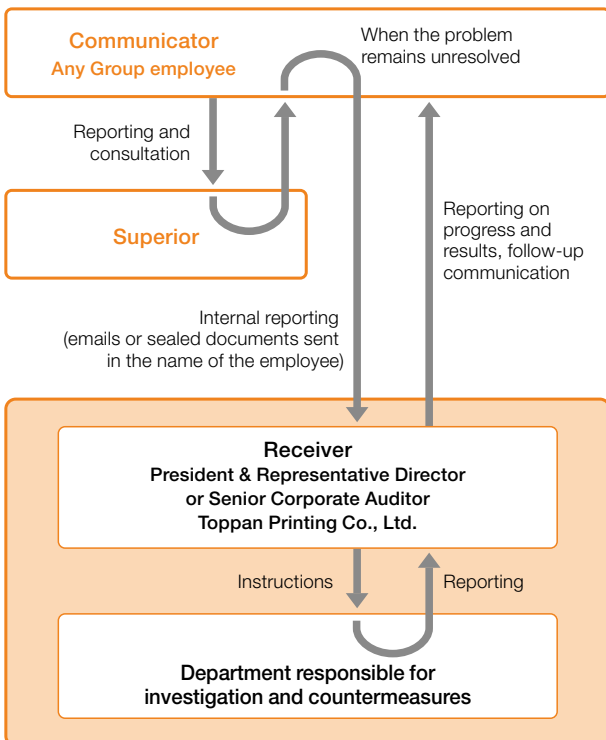
■ Briefing on Compliance

Toppan was not involved in any serious accidents or violations of laws or regulations in the course of business in fiscal 2014.

Structure to Promote the Conduct Guidelines



Toppan Group Helpline



Conduct Guidelines Casebook (in Japanese)

Approach to Intellectual Property

Protection and management of intellectual property is a crucial issue for Toppan, a group of companies operating in the three fields of Information & Communication, Living Environment, and Material Solutions. The Group 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.

Apart from in-house special training, Toppan also holds regular training sessions for employees within the Group and from business partners. Participants in these sessions acquire basic knowledge of laws on intellectual property rights by reviewing case histories in design work and other operations involving intellectual property issues within the Group.

Promoting CSR Procurement

The Toppan Group implements CSR initiatives in cooperation and collaboration with business partners throughout the entire supply chain. The Toppan Group 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 Toppan employee involved in procurement operations, and the CSR Procurement Standards, a set of requirements to be satisfied by every business partner. In January 2014 the Group revised them into guidelines stipulating human rights, labor, the environment, and anti-corruption, the four issues globally emphasized in CSR initiatives. By fiscal 2014 Toppan had held briefing sessions with questionnaires for 2,047 business partners.

Turning to the environment, the Toppan Group promotes CSR procurement in line with specific standards such as the Standards for the Management of Chemical Components of Raw Materials and the Paper Procurement Guidelines for the Sustainable Use of Forest Resources.

■ Verifying the Legality of Lumber as Paper Material

Toppan promotes the sustainable use of forest resources by monitoring paper suppliers (business partners) to ensure that the lumber they use for paper production is legally obtained. Toppan surveyed 34 sites of 29 business partners around the world in fiscal 2014 and confirmed that all of the procured lumber was obtained legally. Toppan provided the results from these surveys to the Forest Program, an initiative to collect information on corporate practices concerning the sustainable use of forests and timber products conducted by CDP, an organization through which companies can disclose their environmental information to global investors.

■ Promoting Compliance in Procurement Departments

The Toppan Group regularly checks whether its procurement departments operate properly in accordance with the Basic Procurement Policy in their transactions with business partners. The Group asked 17 business partners to fill out questionnaires in fiscal 2014 and used the results to improve compliance in procurement operations. The Group has also set up the Supplier Hotline, a portal for receiving reports from business partners, on its website.

*http://www.toppan.co.jp/english/corporateinfo/our_suggestion/supplier_hotline.html

Toppan Group CSR Procurement Guidelines

Basic Procurement Policy

- We fairly and impartially offer opportunities to all business partners and potential business partners.
- We comply with domestic and overseas laws and regulations and conduct fair business transactions based on corporate ethics.
- We strictly control the information obtained through procurement activities.
- We work to conserve the environment and reduce impact on the environment.
- We pursue QCD (Quality, Cost, Delivery) in order to meet the needs of the market.
- We work to foster mutual cooperation and build relationships of trust with business partners.
- We promote CSR initiatives throughout the entire supply chain.

CSR Procurement Standards

1. Basic Procurement Standards
 - 1) Maintenance and improvement of quality
 - 2) Appropriate pricing
 - 3) Stable supply
 - 4) Product safety
 - 5) Management of information
 - 6) Compliance with laws and social norms
 - 7) Fair business activities
 - 8) Protection of and respect for intellectual property rights
 - 9) Protection of people reporting improper conduct
 - 10) Disclosure of information
2. Procurement Standards Concerning Human Rights, Labor, the Environment, and Anti-Corruption
 - 1) Human Rights
Business partners should respect the human rights of all people related to their business activities. They should also ensure that their activities do not infringe human rights directly or indirectly.
 - 2) Labor
 - (1) Prohibition of forced labor
 - (2) Prohibition of child labor
 - (3) Non-discrimination
 - (4) Prohibition of harassment
 - (5) Respect for workers' rights
 - (6) Ensuring occupational health and safety
 - (7) The payment of appropriate wages
 - (8) Management of appropriate working hours
 - (9) Consideration for job security and fulfillment of the obligations of an employer
 - 3) The Environment
Business partners should comply with local environment-related laws and regulations and work to prevent pollution of the atmosphere, water, and soil. They should also continuously measure and assess the use and discharge of resources and work to reduce impacts on the environment.
 - 4) Anti-Corruption
Business partners should prohibit and prevent conduct such as bribery, corruption, inappropriate provision or receipt of profits, extortion, and misappropriation.

Conduct Guidelines, Chapter 2 (see “Chapter 1: Basic Principles of the Conduct Guidelines” on page 9.)

Chapter 2: Specific Conduct Guidelines

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 on April 1, 2001 Revised on August 1, 2011

Consumer Issues



- 1 Toppan continues to bolster food defense.
- 2 The exhibition of Toppan's universal design initiatives welcomed 7,427 visitors on a cumulative basis.
- 3 Toppan launched a service combining CFP disclosure with carbon offsets.

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 shipment 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 a Basic Stance on Product Safety Management and Basic Guidelines on Product Safety Management to secure the safety management of the products it manufactures. Every Toppan site continues improving its quality management system (ISO 9001) to bolster product safety management. One hundred and thirty-five employees took part in training sessions for internal auditors in fiscal 2014.

Certified Approval System for the Production of 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 undergoing audits with checklists in conformance with the Quality Assurance Guidelines for Food Packaging. Toppan audited packaging operations for 13 sites inside and outside the Company in fiscal 2014.

Reinforcing Food Defense

The Toppan Group has intensified steps to ensure food safety by preventing contamination of food during packaging production processes. In recent years the Group has also been reinforcing food defense by eliminating hazards that can be deliberately exploited to contaminate food products using toxins or other harmful substances. The Group continues to tighten its food defense regime by refining incoming security checks, installing more security cameras to monitor food processing operations, deepening communication between management and employees, strengthening food defense training, and taking other relevant measures.

Controlling Chemical Substances in Products

The Toppan Group intensively promotes product safety management in all production processes from raw 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 Group has established its own set of Green Procurement Standards attuned to the features of products manufactured at plants across the business fields. The Group controls chemical substances in products throughout the entire supply chain.

Protecting Consumers by Safeguarding their Personal Information

The Toppan Group protects the rights and interests of consumers by conducting thorough qualification audits based on stringent security criteria to prevent the improper internal use of personal information in its tightly secured areas. The Group works to acquire information security management system (ISMS) certifications in order to propose business plans that will enable client companies to use personal data in safer and securer ways.

Monitoring the Handling of Personal Information

The Toppan Group has built an operational structure using a software monitoring system to detect every action that may entail the release of personal information in tightly secured areas (sending mail, writing to storage media, printing out, changing filenames, etc.). Monitoring supervisors confirm whether these actions are properly executed and report the results to the head office each month.

The Group also prevents internal misconduct by monitoring the comings and goings of employees through entryways and exits, by controlling employee access rights and belongings, and by managing computer interfacing or read/write operations using smartphones or other storage media and devices.

Protecting Personal Information against Cyber Attacks

Japan has seen a rising incidence of password list attacks targeting network services and distributed denial of service (DDoS) attacks, simultaneous connection requests via multiple personal computers.

Two specialized organizations are in place at Toppan to enhance ICT security measures and provide updates on software vulnerability and other security information throughout the Group: TOPPAN-CERT (computer emergency response team) and the anti-virus task force.

Completing Internal Training

Self-justifying excuses—like "No one will know," "No big deal," "Just a little," or "It couldn't be helped"—can often signal a looming danger of misconduct. Toppan reminds all of its employees to be vigilant whenever they find themselves having thoughts like these.

Employees receiving internal compliance training learn about the employment regulations and the unfortunate outcomes of actual cases of internal misconduct documented in Japan. In addition to providing knowledge, Toppan prevents internal misconduct by arranging face-to-face group training to heighten employee awareness on security dangers.

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 Filling/Packing Businesses

Audit Points

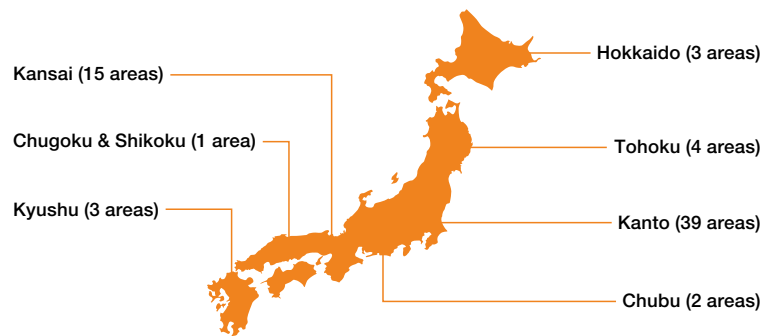
- Agreement with client companies
- Quality assurance system
- Management of equipment and inspection devices
- Management of safety and sanitation
- Steps to prevent the admixture of different products
- Steps to prevent the admixture of foreign substances
- Steps to prevent the outflow of defective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

Operational Sites Audited

Food filling/packing businesses

- 5 sites run by manufacturing subsidiaries
- 8 sites run by production business partners

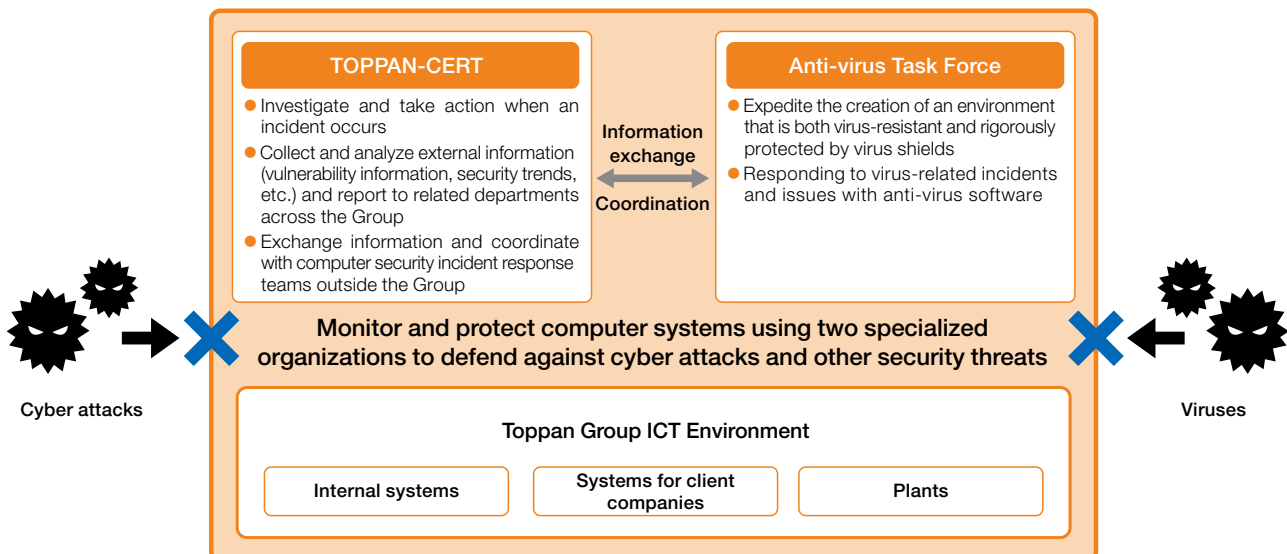
Number of Domestic Sites with Tightly Secured Areas Designated for the Handling of Personal Information (as of March 31, 2015)



Tightly Secured Areas at Toppan Group Companies with ISO/IEC 27001 Certification (as of March 31, 2015)

- Team 1, IT Service Department, ICT Solution Center, Information & Communication Division, Toppan Printing Co., Ltd.; TOPICA Creation Team, Engineering Department, ICT Infrastructure Technology Center, ICT Management Division, Toppan Printing Co., Ltd.
- Information & Communication Division, Toppan Printing Co., Ltd.; ICT Infrastructure Technology Center, ICT Management Division, Toppan Printing Co., Ltd.; Toppan Communication Products Co., Ltd.; Toppan Joho Kako Co., Ltd.
- Kyushu, Chugoku & Shikoku Team and ISMS Promotion Committee, Information Security Management, Nishinohon Division, Toppan Printing Co., Ltd.
- Higashinohon Division, Toppan Printing Co., Ltd.
- Takino Plant, Toppan Communication Products Co., Ltd.; Takino Manufacturing Department, Toppan Joho Kako Co., Ltd.; Production Technology Team, Technology, Kansai Information & Communication Subdivision, Toppan Printing Co., Ltd.

Protecting Personal Information against Cyber Attacks



Universal Design Initiatives

Universal design (UD) is one of the primary corporate social responsibilities for Toppan, a group of companies that strive to realize fulfilling lifestyles enunciated in the Corporate Philosophy. The Group has been designing and producing attractive, easy-to-use packaging and communication tools for as many people as possible.

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

<http://www.toppan.co.jp/ud/> (in Japanese)

Examples of UD Initiatives

Over the period from March 3 to May 24, 2015, a cumulative total of 7,427 visitors came to see "Pleasant Form for Everyone—Universal Design Exhibition 2015 from Japan," an exhibition held at the P&P Gallery of the Printing Museum, Tokyo in the Toppan Koishikawa Building. The idea was to introduce works of universal design (UD) created for people of every kind. Toppan explored problem-solving methods from UD perspectives to address social challenges facing Japan such as wide-scale disaster preparedness; the unprecedented declines in birthrates and "super-aging" of populations; and the internationalization of Japan and ubiquitous barrier-free designs in Japanese cities as Tokyo approaches 2020.

A "look, touch, and feel" approach was taken in the planning for the various display spaces set up. Visitors to the "Everyday Headaches" space could directly experience various inconveniences that non-universal designs cause in everyday life. Some of the "headaches" introduced were visual in nature. Others were caused by language, lateral orientation (left-versus-right), or the sizing of design elements. The "Pleasant Forms for Everyone" space introduced five categories of UD products and services developed by various companies and organizations: "Anyone Can Use," "Worry Free," "Choice Built-in," "Matched to Me," and "Any Time or Situation." The "Pleasant Forms to Come" space encouraged visitors to think about UD in Japan's near future by showcasing UD technologies expected to satisfy emerging needs of tomorrow.

Contributing to Sustainable Consumption

Toppan markets environmentally friendly products and services designed to contribute to sustainable consumption. By participating in a framework to communicate environmental information to consumers, the Group strives to make sustainable lifestyles popular through the enrichment of environmental information in society and heightened awareness among consumers.

Popularizing Carbon Offsetting Using CFP Data

The carbon footprint of products (CFP) is a method to quantify CO₂-equivalent greenhouse gas (GHG) emissions associated with a product or service throughout its entire life cycle, from raw-material procurement to disposal and recycling. The CFPs are expressed as single numbers anyone can understand.

Carbon offsetting is a method to partially or completely "offset" difficult-to-reduce GHG emissions with equivalent credits—GHG-emission reduction values and/or GHG absorption values—earned elsewhere.

In fiscal 2009 Toppan participated in a CFP pilot program operated by the Ministry of Economy, Trade and Industry of Japan. Since then Toppan has operated a system to swiftly disclose highly reliable CFP data for the printed materials produced by the Group. Toppan was one of the first private-sector companies in Japan to acquire the CFP system certification under the CFP Communication Program, a Japanese CFP scheme undertaken by the Japan Environmental Management Association for Industry (JEMAI). This certification allows Toppan to reduce the time and costs required for CFP procedures. A Toppan-made calendar, meanwhile, became Japan's first calendar to acquire Carbon Offset certification using CFP data, in fiscal 2013. These achievements have enriched the Group's CFP initiatives for its printed materials.

In fiscal 2014 Toppan launched a one-stop service for client companies covering the stages from CFP quantification to carbon offsetting. This service provides a simple procedure to enable client companies to label CFP data on their printed materials in less time and at lower cost and to offset GHG emissions associated with the entire life cycle of printed materials.

Toppan will encourage client companies to use this service as a means of disseminating environmental information to society at large.

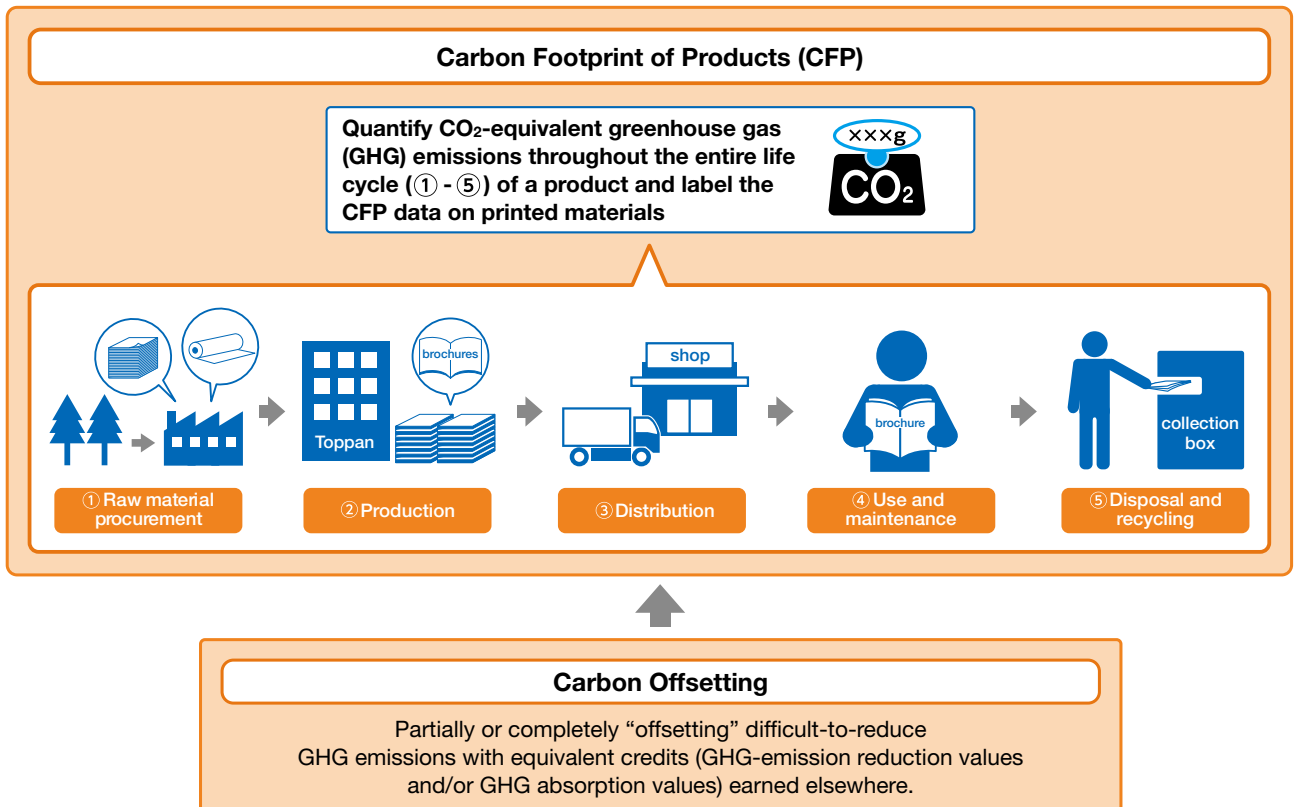
Toppan's Seven Principles on Universal Design

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



Pleasant Form for Everyone—Universal Design Exhibition 2015 from Japan

Framework for CFP and Carbon Offsetting



Community Involvement and Development



- 1 A Toppan production site under construction in Georgia, U.S.A. received an Economic Development Award.
- 2 Toppan Group domestic and overseas sites have been engaging in diverse community contribution activities.
- 3 Toppan held the 8th *Toppan Charity Concert* series to help enhance literacy in developing countries.

Community Contribution and Involvement

The Toppan Group has supported the communities in which it operates by addressing local issues and contributing to sustainable local development. Its domestic and overseas sites have engaged in contribution activities forged through dialogues with neighboring communities. Their dialogue is sustained through manifold activities, including involvement in organizations that bring together the opinions of community members.

Dialogues with Communities

Toppan sites participate in the activities of local resident associations and other community organizations. The sites have shaped business activities and community contribution activities by referring to the opinions sounded out from their communities. Meetings and conferences are also held at the sites to inform neighborhoods of production operations and environmental initiatives, to answer questions from community members, and to elicit opinions.

In fiscal 2014 an operational site in Kawaguchi City, Saitama Prefecture invited 47 visitors from neighboring communities into its premises. Visitors met with Toppan personnel to hear reports on the environmental efforts and products manufactured at the plant in an enriching exchange.

Fostering Future Generations and Contributing to Education

Many operational sites at the Toppan Group organize programs to foster the children and young people who one day will be sustaining society and communities. Japanese sites arrange plant tours, work experience, internships, and other similar activities.

An operational site in Niiza City, Saitama Prefecture worked with local high schools to organize an elective class on business administration for third-year students. Personnel from the site apprised visiting students of leadership at Toppan workplaces and introduced the site's environmental efforts in product manufacturing. Another operational site in Kashiwa City, Chiba Prefecture held plant tours and arranged work experience for elementary and middle school students and other community members.

Cooperating with Communities for Cultural Development and Fire- and Disaster-preparedness

Toppan engages in proactive disaster-preparedness activities and activities to pass on local traditional culture to coming generations in the communities neighboring its operational sites.

An operational site in Taito City, Tokyo serves its community by disseminating local culture and traditions. Every June the site sets up an exhibit of portable shrines that will be paraded through the streets by local revelers in an annual festival.

Employees at an operational site in Itabashi City, Tokyo join fire-response squads that take part in year-round local events, special patrols in festival seasons and year-end and new-year periods, fire- and disaster-preparedness education for their community, fire-fighting equipment inspections, an annual fire-pump operation competition for firefighters, and so on.

Initiatives at Overseas Sites

In fiscal 2014 a Toppan production site under construction in Georgia, U.S.A. received the Economic Development Award from a community development conference in Atlanta in recognition of its contributions to the local economy. Each year this award is conferred on exemplary individuals, companies, and organizations whose projects support regional goals and initiatives from a broad perspective.

A Toppan site in Shanghai dispatched personnel to lecture on design and management in economics and business administration classes at local high schools. Another site in Shanghai continuously supports the development of local villages by procuring materials preferentially from suppliers in the villages, employing local persons, supplying goods to the villages, and contributing to the community in other ways.

Cooperating with International Communities to Address Social Issues

Toppan announced its participation in the United Nations Global Compact in September 2006 and pledged support for its principles. Convinced anew that cooperative solutions to global issues are vital for its community contribution activities, the Company launched the *Toppan Charity Concert* series in the next year, fiscal 2007. This series aims to support global initiatives to raise literacy rates in developing countries. Literacy is the ability to read, write, and calculate with proficiency sufficient to function well in daily life.

The first two of the eight Millennium Development Goals (MDGs) seek to eradicate extreme poverty and hunger and achieve universal primary education. To realize the MDGs, a set of common goals of the international community, Toppan regards literacy as an essential skill enabling people in developing countries to stand on their own feet. The annual concert series is a fundraising mechanism to support literacy.

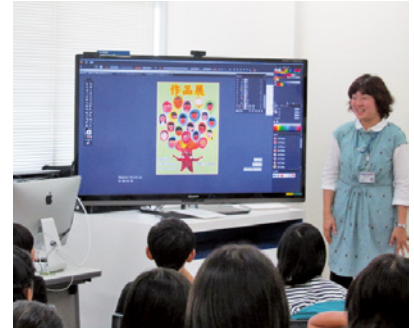
Toppan held the 8th *Toppan Charity Concert* series in fiscal 2014 and donated 2,192,500 yen to the Asia-Pacific Cultural Centre for UNESCO (ACCU). The funds are now being used for literacy education and classes on maternal and child health for mothers raising young children in Cambodia. In a side program linked to the concerts, Toppan invited staff from the Cambodian Women's Development Agency (CWDA) to Japan. CWDA is working on various projects in Cambodia in conjunction with the ACCU. Toppan employees met with CWDA staff at get-togethers and opinion exchanges on projects during their visit.



Plant tour for high school students (Saitama)



Work experience for middle school students (Chiba)



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



Plant tour for elementary and middle school students (Hokkaido)



Cleanup around the site (Saga)



Local village support (Shanghai)

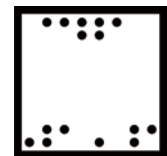


Lecture on design (Shanghai)



Literacy education in Cambodia ©ACCU

NGO personnel working on literacy education in Cambodia visited Japan. A video of the visit is available.



1. Download the "AReader" app from the App Store or Google Play Store (free).

*Update your "AReader" app if you have already installed it.

*If you are using an Android OS device in PRC, download the app at: <http://areader.toppan.com.cn/app/>.

2. Open the app and scan the AR marker above to see the video.



Toppan Charity Concert (Yu Kosuge, pianist)



Toppan Charity Concert (Michiko Hayashi, mezzo-soprano vocalist)

The Environment



- 1 The Toppan Group established a new medium-and-long-term environmental target seeking a 20% reduction of CO₂ emissions by fiscal 2020 (compared with the fiscal 2008 level) after attaining its original 11%-reduction target seven years earlier than the deadline set.
- 2 The Group calculated its entire value chain greenhouse gas emissions (scope 3 emissions) and identified which activity categories represent larger sources of emission.

Toppan's Environmental Activities

Four Environmental Activity Areas

The Toppan Group promotes environmental initiatives based on The Toppan Group Declaration on the Global Environment, a basic philosophy for the environmental conservation activities of the Group.

Toppan's environmental activities are divided into four areas—Environmental Management, Eco-protection, Eco-creativity, and Environmental Communication. The Group enacted a set of five bylaws to strengthen the Eco-protection Activities performed to minimize environmental burden associated with the Group's corporate operations: 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. The Toppan Group has taken steps to conserve the global environment in each of the 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

Environmental Management Activities

Operating Environmental Management Systems

The Toppan Group operates established environmental management systems based on its environmental management rules.

Sixty Group sites in Japan undertake environmental activities to achieve the targets set under the Eco-protection Activity Plan. The Ecology Center collects environmental performance data as the organization responsible for supervising the Group's environmental activities. The center then evaluates and

verifies the data and reports the results to the Board of Directors and other management bodies. Points of improvement for the continuous upgrading of environmental management are proposed and implemented throughout the entire Group.

The 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. Toppan underwent management system audits for 46 systems and carried out internal environmental audits at 60 sites in fiscal 2014. Necessary procedures were taken to correct the deficiencies pointed out during the audits.

Improving Environmental Literacy

The Toppan Group implements various measures to improve the environmental literacy of its employees based on social trends related to the environment, priority topics for year-by-year environmental activities, and other environment-related issues.

In fiscal 2014 Toppan held sessions for rank-based training, optional training, and internal auditor training, along with Group-wide e-learning-based training. Ongoing group training in rank-based education is arranged in conjunction with e-learning programs focused on chemical substance management for employees in manufacturing and technology departments and Eco-creativity Activities for employees in sales departments.

Calculating Scope 3 Emissions

More and more businesses around the world nowadays are quantifying and managing their value chain greenhouse gas (GHG) emissions associated with all stages of operation from raw material procurement to the distribution and disposal of products (scope 3), in addition to direct emissions (scope 1) and indirect emissions associated with purchased electricity and steam consumption (scope 2).

The Toppan Group calculated its scope 3 emissions in fiscal 2014 to identify the categories of corporate activity that represented larger sources of GHG emissions and to establish priority targets in its emission reduction strategy. This calculation showed that raw material consumption in categories such as category 1 (manufacturing of products purchased by Toppan), categories 4 and 9 (transportation and distribution of products purchased and sold by Toppan), and category 12 (end-of-life treatment of products sold by Toppan) collectively accounted for the largest share of Toppan's GHG emissions.

The Group will continue monitoring and evaluating GHG emissions across its value chain and work to reduce environmental burden incurred throughout the life cycle and production process of every product.

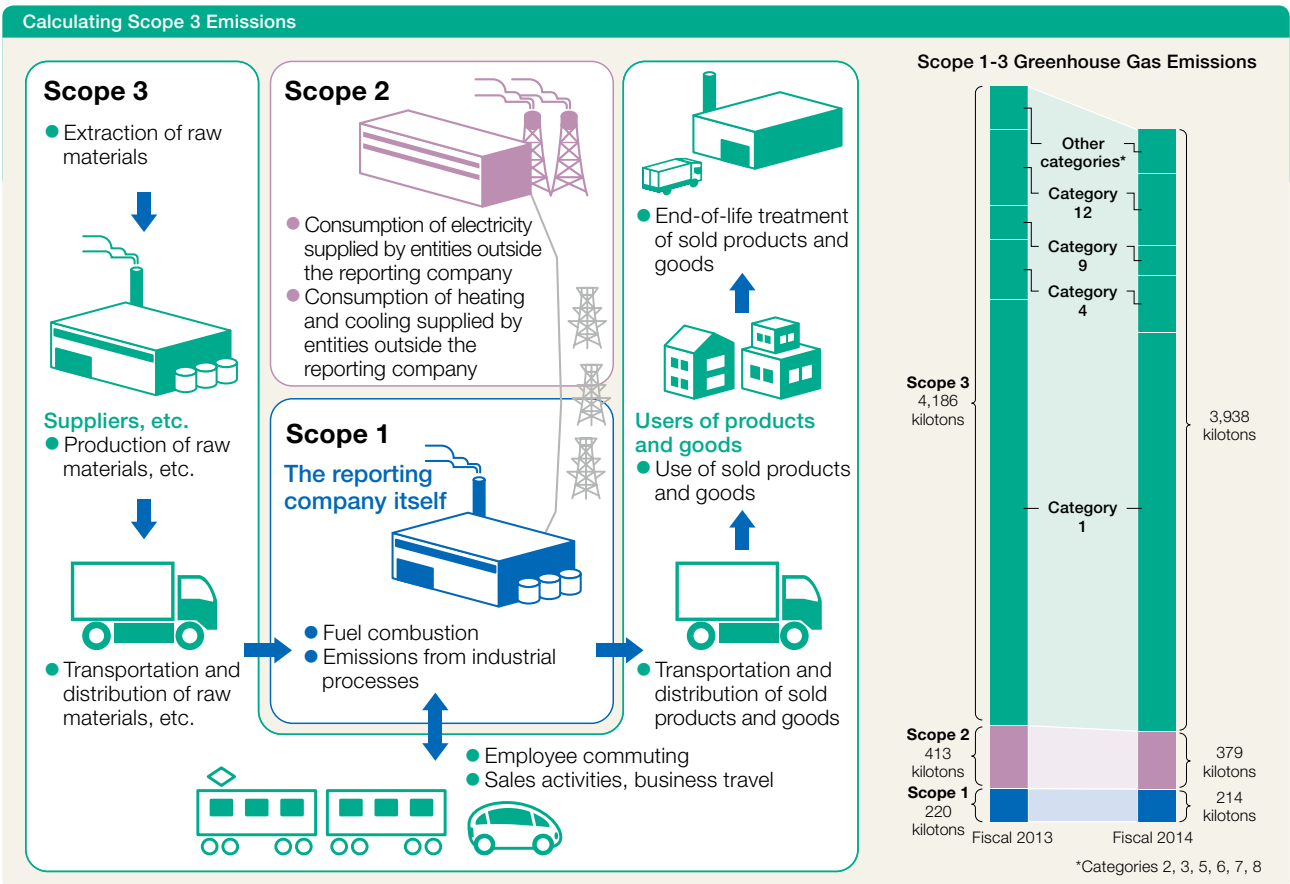
Medium-and-long-term Environmental Targets for Fiscal 2020

1. Mitigation of global warming <ul style="list-style-type: none"> Reduce CO₂ emissions by 20% compared to the fiscal 2008 level (751 kilotons) → 600 kilotons: -151 kilotons) 	2. Action for building a recycling-oriented society <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Reduce VOC emissions into the atmosphere by 70% compared to the fiscal 2008 level (7,326 tons) → 2,198 tons: -5,128 tons)
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Values, Results, and Evaluation of Environmental Targets for Fiscal 2014 and Environmental Target Values for Fiscal 2015

Environmental Targets		Management Indicators	Fiscal 2014				Environmental Target Values for Fiscal 2015
			Target Values	Results	Achievement Rates	Evaluation	
1. Mitigation of global warming	● Reduce CO ₂ emissions	● CO ₂ emissions	620 kilotons	593 kilotons	104.3%	A	613 kilotons
		● CO ₂ emissions per unit of sales	0.70 tons/million yen	0.72 tons/million yen	97.1%	B	0.70 tons/million yen
2. Action for building a recycling-oriented society	● Reduce final landfill waste disposal	● Final landfill waste disposal	375 tons	373 tons	100.5%	A	240 tons
3. Conservation of the atmospheric environment	● Reduce VOC emissions into the atmosphere	● VOC emissions into the atmosphere	4,527 tons	3,935 tons	113.1%	S	4,000 tons

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: 200 - (values actually achieved / target values) × 100 [%]



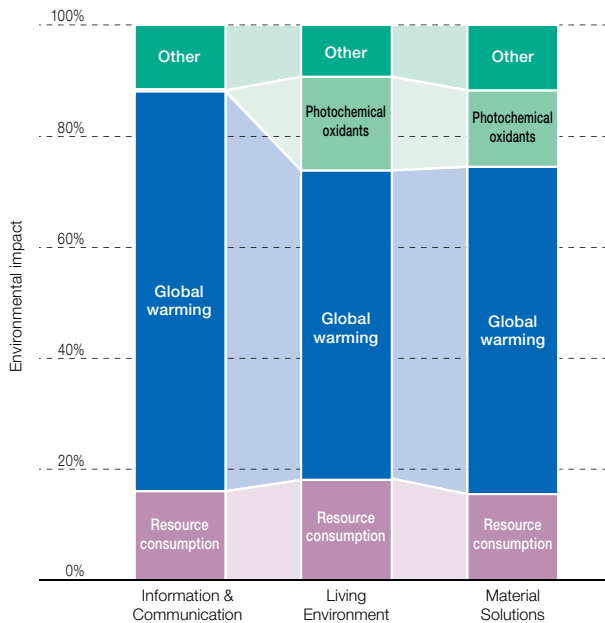
Toppan's Environmental Burden and Environmental Impact

The Toppan Group applies the LIME* life-cycle assessment method to consolidate INPUT and OUTPUT data on environmental burden associated with business activities into a single index of environmental impact.

This assessment provides a holistic view of the environmental impact of all business activities at the Group and serves as a benchmark for establishing medium-and-long-term environmental targets and checking the effectiveness of environmental measures. Toppan has managed to reduce its environmental impact every year. In fiscal 2014 the Group attained a 36% reduction compared to the fiscal 2006 level.

*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. Damage derived from impact categories is quantified for each part of the environment to be protected (e.g., human health, biodiversity). Once the damage is quantified, the environmental impacts of multiple factors are integrated into a single index.

Types of Environmental Impact by Business Field



Note: Every business field shows comparatively high global warming effects from energy consumption for electricity used for power and air-conditioning and for natural gas used for heat sources. The Living Environment and Material Solutions fields show significant impacts from photochemical oxidants, pollutants formed by reactions between sunlight and VOCs released into the atmosphere. The Toppan Group includes these indicators among medium-and-long-term environmental targets and has taken steps to reduce environmental impacts of these types.

Eco-protection Activities

Mitigating Global Warming and Saving Energy

The Toppan Group has been reducing the total emissions of carbon dioxide (CO₂) to help mitigate global warming.

In fiscal 2014 Toppan continued controlling maximum power consumption by companies throughout the Group in Japan using a nationwide demand-monitoring system for checking peak power demand in summer and winter. The electricity consumption data compiled for each site via this system enables the Group to continuously review power contracts and encourage energy-saving efforts on a site-by-site basis.

In April 2014 the Group completed the Gunma Central Plant, a production site for cutting-edge packaging materials. A cogeneration system for in-house power generation, waste heat utilization, and other energy-saving functions at the plant enables more efficient energy use.

Toppan also continued replacing older utility facilities with high-efficiency alternatives, installing heat insulators for equipment, and painting heat-shield coatings on folded-plate roofs and other buildings. As new measures to reduce the unnecessary or nonessential use of electricity, the Group has redressed demand-and-supply imbalances and suspended the use of any equipment that stays running continuously during vacations.

As a result of these efforts, CO₂ emissions in fiscal 2014 were reduced to 593 kilotons, below the targeted limit of 620 kilotons for the year.

Improving Transport Efficiency in Logistics

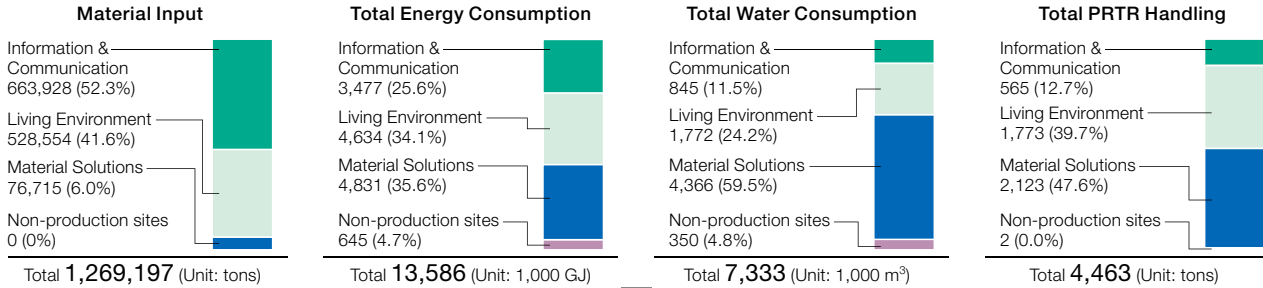
Toppan Logistics Co., Ltd., the logistics specialist for the Toppan Group, is working with shippers from Toppan Group companies to reduce the energy consumption per unit of transport volume by company vehicles and the total volume of CO₂ emissions from transport.

Energy consumption per unit of transport volume in fiscal 2014 was 57.5 kL/million ton-kilometers, a 1.2% reduction from fiscal 2013. The targeted year-by-year reduction of 1% prescribed by the Act on the Rational Use of Energy of Japan was therefore attained. CO₂ emissions were 34,805 tons, or 0.2% lower than the fiscal 2013 level.

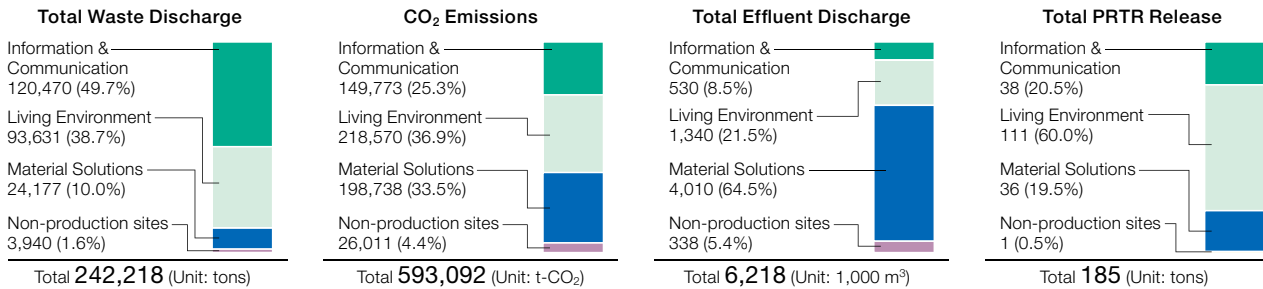
Toppan Logistics will work to accomplish the targets for fiscal 2015 by optimizing transportation conditions and further improving transportation efficiency.

Major Types of Environmental Burden by Business Field in Japan (INPUT/OUTPUT data)

INPUT

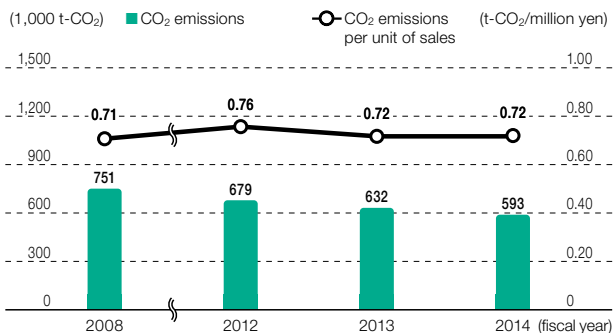


OUTPUT



- Notes:
- 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 waste 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.
 - Total values may not exactly match the sum totals of individual values, as decimals are rounded up or down.

CO₂ Emissions



Note: CO₂ emissions are calculated by the method specified in the Guidelines for Calculating Greenhouse Gas Emissions from Businesses (2003) issued by 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 2014 amounted to 752,220 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 April 30, 2015).



Gunma Central Plant



Roof coated with heat-shield painting (Fukuoka Plant)

■ Building a Recycling-oriented Society

In a drive to use limited resources more effectively, the Toppan Group works to reduce the discharge of waste, increase the recycling rate, and apply appropriate waste treatment methods.

Waste paper derived from operational sites primarily in the Information & Communication and Living Environment fields makes up the largest portion (75.5%) of the total waste discharged at Group sites. This is followed by waste plastics from plants in the Living Environment field and sludge from the Material Solutions field. The Group has striven to increase the material recycling rate by processing waste paper into recycled paper, by separating waste plastics and processing composite plastics into pellets, and by implementing other recycling methods. Sludge, meanwhile, has been reduced in-house to smaller volumes for disposal.

The Fukusaki Plant in Hyogo Prefecture has begun material recycling by processing cinder generated from incinerators for reuse as cement material. The Gunma Plant suspended the use of incinerators in August 2014 and substantially reduced the discharge of cinder and particles. These measures reduced the final landfill waste disposal in fiscal 2014 to 373 tons.

The Toppan Group will continue reducing waste discharge and promoting material recycling.

■ Preventing Pollution

The Eco-protection Promotion Committee at each Group site in Japan sets in-house control standards more stringently than the regulatory standards require. By complying with these standards, the Toppan Group works to reduce environmental burden and prevent pollution.

To prevent atmospheric pollution, the Group controls boilers and other plant facilities responsible for air pollutants by managing operations under appropriate combustion conditions. In fiscal 2014 the Group continued enhancing the efficiency of effluent-gas treatment by precisely controlling plant facilities subject to the requirements stipulated under the Air Pollution Control Act of Japan. VOC and toluene emissions into the atmosphere in fiscal 2014 were both reduced compared with the fiscal 2013 levels.

To prevent water pollution, the Group has installed wastewater treatment facilities designed to cope with specific water consumption and pollutant conditions at individual sites. Wastewater recycling systems have also been installed at Material Solutions plants that discharge effluents in significant amounts. By recovering and reusing wastewater via these systems, the plants have been working to reduce the levels of water consumption and effluent discharge.

The Toppan Group also took steps to prevent the leakage of chemicals and other liquids from plant facilities subject to the requirements stipulated under the revised Water Pollution Control Law of Japan. The Group will strive to prevent groundwater pollution by checking facilities and taking other preventive measures on a continuous basis in line with the law.

■ Controlling Chemical Substances

The Toppan Group has striven to reduce the consumption of chemical substances to mitigate the impacts of these substances on the environment. The Group continues reducing the consumption of chemical substances designated under the Pollutant Release and Transfer Register (PRTR) law of Japan and introducing safer substitutes by setting priorities in terms of both the type and range of application. These measures helped the Group reduce the amount of chemical substances handled under the designation of the PRTR law by 15.3% compared to the amount handled in fiscal 2013.

Group production sites have also been appropriately managing chemical substances based on established control procedures.

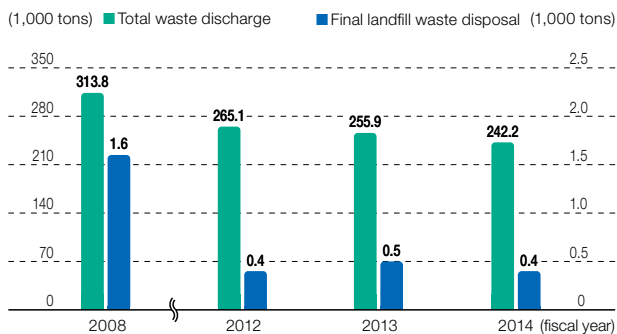
■ Approach to Environmental Compliance

In fiscal 2014, Toppan used its in-house environmental database to identify possible risks of exceeding any of the limits stipulated under regulatory standards for Group sites in Japan. Preventive measures against higher risks were taken to ensure that none of the regulatory limits were breached.

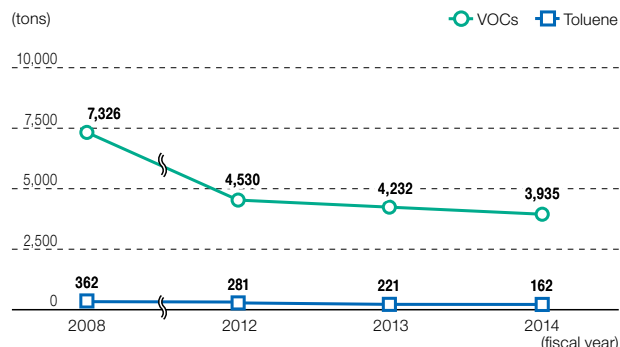
Despite these steps, one production site recorded excessive levels of odor and three sites recorded excessive levels of pH, BOD, or other water contaminants relative to standards set under laws, ordinances, agreements, or other applicable regulations. The Toppan Group has taken immediate corrective measures for every case, including steps to inspect facilities and revise the methods for facility control. Since implementing these corrective measures, the Group has reviewed control procedures and taken necessary actions to reliably prevent recurrences. As a preventive action against environmental pollution, the Group holds regular drills to cope with potential emergencies and accidents during production operations. Emergency-preparedness procedures are reviewed whenever the results of the drills call for them.

Communities around Toppan plants filed 11 complaints or inquiries at seven sites in fiscal 2014. Three of them involved inconveniences to community residents related to odor and the other eight involved noise. The Group has responded by replacing deodorizing materials and upgrading sound-insulation equipment and reviewing the operational rules for plant facilities. To prevent the recurrence of problems, the Group has also been instituting a stricter regime for maintaining and inspecting facilities that generate odor and noise. The Toppan Group will continue enhancing the quality of environmental management through earnest dialogue with residents in surrounding communities.

Total Waste Discharge and Final Landfill Waste Disposal

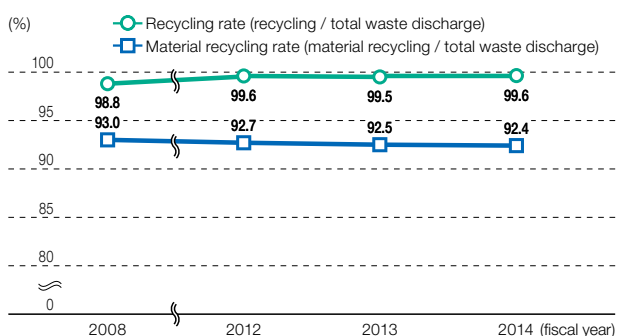


VOC and Toluene Emissions into the Atmosphere*1

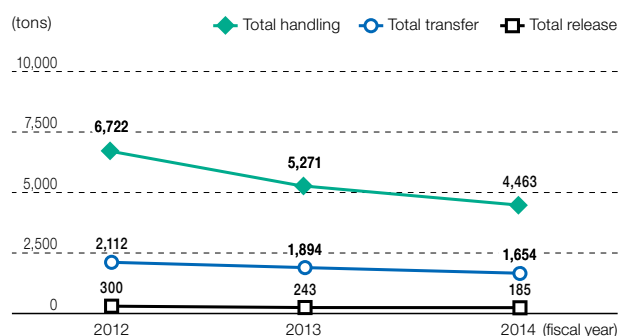


*1 Emissions into the atmosphere are calculated in conformance with the standards established by the Japan Federation of Printing Industries (JFPI) and the Japan Electronics and Information Technology Industries Association (JEITA).

Recycling Rate and Material Recycling Rate



Chemical Substances Designated under the PRTR Law*2



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

Purification of Soil and Groundwater Pollution

Operational Site	Detail	Current Progress*3
Itabashi Plant (Itabashi City, Tokyo)	Groundwater pollution by hexavalent chromium and toluene	Continuously monitored
Niigata Plant (Shibata City, Niigata)	Soil pollution by fluorine and fluorine compounds	Continuously monitored
Toppan Technical Research Institute (Kita-Katsushika District, Saitama)	Soil pollution by fluorine and fluorine compounds	Continuously monitored

Remediation of Soil Pollution for Redevelopment to Comply with Applicable Laws, Regulations, and Ordinances

Operational Site	Chemical Substances Subject to Remediation	Remediation Measures	Current Progress*3
Numazu Plant (Numazu City, Shizuoka)	Hexavalent chromium; lead; fluorine and fluorine compounds	Excavation and removal	Remediation completed
Akihabara Sales Building (Taito City, Tokyo)	Lead and lead compounds	Excavation and removal	Remediation completed
Nishigaoka Plant (Kita City, Tokyo)	Hexavalent chromium; lead; selenium and selenium compounds	Excavation and removal	Remediation completed
Kawaguchi Plant (Kawaguchi City, Saitama)	Lead; fluorine; cyanide and cyanide compounds	Excavation and removal	Remediation still underway
Ebie Site (Osaka City, Osaka)	Hexavalent chromium; lead and lead compounds	Excavation and removal	Remediation still underway

*3 As of March 2015

■ Promoting the Conservation of Biodiversity

● Biodiversity Conservation at Operational Sites

The Fukaya Plant in Saitama Prefecture has promoted biodiversity conservation within its premises in collaboration with the Environmental NPO “SHU” since fiscal 2012. The NPO and plant worked together in the 5th phase of their wildlife-support project, “Paradise for Wild Birds,” in the summer of 2014. In the “Path Clearing” activity, participants mowed undergrowth and laid logs from trees that had collapsed under heavy snowfalls along pathways. In the “Bud Hunt,” they searched for seedlings of acorns and other fruits and discovered rare flora species that appeared to have been nurtured in the area through the effects of the program. In the winter, participants collaborated in the 6th phase to clean up and make over birdhouses installed in the area. Varied Tits and Japanese Tits were still nesting in about 80% of the birdhouses, providing a wonderful exhibition of bird nests in their natural state.

● Acquiring a Certification for Business Facilities Engaging in Conservation of Biodiversity

The Fukaya Plant in Saitama Prefecture has become the first factory to acquire certification for Business Facilities Engaging in Conservation of Biodiversity. The Association for Business Innovation in harmony with Nature and Community (ABINC) grants this certification to factories, office buildings, commercial facilities, apartments, and other facilities engaging in biodiversity conservation in Japan. ABINC’s independent-evaluation and verification is based on a set of Guidelines for Sustainable Business Sites and the Land Use Score Card established by the Japan Business Initiative for Biodiversity (JBIB).

Since fiscal 2010, a cumulative total of 17 operational sites at the Toppan Group have applied a JBIB land-use assessment method to self-evaluate the degree to which their land use contributes to biodiversity at the sites.

● Biodiversity Conservation outside Operational Sites

The Toppan Group continues conserving forest resources throughout Japan. In fiscal 2014 Toppan employees took part in a workshop for thinning Japanese cypress and other evergreen needle-leaved trees in the “Ranzan Community Forest” neighboring the Ranzan Plant in Saitama Prefecture. Participants teamed up to perform logging activities of all kinds, from hewing-down and pruning to bucking, chopping, and crushing for the fashioning of woodchip souvenirs. At Umi-no-Mori sea forest in Tokyo, another team of employees continued their activities to plant saplings of native species that tolerate salty wind and bear blossoms and fruits attractive to birds. The Umi-no-Mori is a living example of a recycling-oriented zone where planting activities are transforming a waste island into a beautiful forest. Employees have also been maintaining bamboo thickets in countryside woods in Katano City, Osaka Prefecture.

Eco-creativity Activities

■ Developing and Approving Environmentally Friendly Products

In fiscal 2013 Toppan established the Toppan Standards for Environmentally Friendly Products, a set of criteria covering five stages of the product life cycle. A total of 94 products were registered as “environmentally friendly products” as of the end of March 2015.

Toppan has approved and registered “exceptional environmentally friendly products” that are recognized as eco-friendly by third-party organizations or that have undergone life cycle assessment for quantification of environmental burden across the life cycle.

■ Environment-related Businesses at Group Companies

Like Toppan itself, the companies of the Toppan Group develop, produce, and market eco-friendly products in line with standards they formulate themselves in consideration of social demands.

The total sales of environment-related businesses—including, most notably, sales of environmentally friendly products satisfying the in-house criteria of the Toppan Group—were 278.9 billion yen in fiscal 2014.

Environmental Communication Activities

■ Presenting at Eco-Products 2014

At the Eco-Products 2014 fair in December 2014, Toppan presented its environmental proposals based on four themes: a low-carbon society, a recycling-oriented society, a society where nature and humans coexist, and next-generation education. The booth displays exhibited the eco-friendly “Carto-can,” “one-stop services from CFP quantification to carbon offsetting,” free educational app “Manabi Get!,” and more. These products and services are examples of Toppan endeavors realized through collaboration with client companies, organizations, governments, and other entities in development, sales, and operation. Staff from companies collaborating with Toppan publicly discussed viable strategies for creating new society-wide eco-schemes.

■ Issuing Site Eco Reports

Toppan’s ISO 14001-certified sites in Japan issue *Site Eco Reports* directed towards local municipalities and residents in surrounding communities. Thirty-five reports from 47 sites were issued in fiscal 2014.



Spotting seedlings in Paradise for Wild Birds (Fukaya Plant)



Cleaning up and making over birdhouses in Paradise for Wild Birds (Fukaya Plant)



Planting trees at Umi-no-Mori sea forest in Tokyo



Maintaining bamboo thickets in Katano City, Osaka Prefecture



Eco-Products 2014



Eco-Products 2014

Toppan Standards for Environmentally Friendly Products

Life Cycle Stage	Toppan Standards for Environmentally Friendly Products	
	Large Categories	Small Categories
Raw material procurement	Reduced use of hazardous substances	Reduced use of hazardous substances and volatile solvents (excluding banned substances)
	Use of recycled materials	Use of waste paper Use of recycled plastics
	Use of materials with lower environmental burden	Reduced consumption of energy and water
	Resource-saving efforts	Reduced use of materials in production
	Use of sustainable resources	Use of lumber from forest-thinning operations, use of forest-certified paper, use of tree-free paper Alternatives to petroleum-based materials and mineral resources Effective use of biomass resources
Production	Reduced energy consumption in production	Reduced energy consumption through changes in product design and production processes (excluding reduction through changes in equipment)
	Use of recyclable energy	Use of green electricity
	Implementation of carbon offsets	Same as left
	Reduced water consumption in production	Reduced water consumption through changes in product design and production processes (excluding reduction through changes in equipment)
	Reduced generation of waste in production	Waste reduction (excluding reuse of waste inside plants)
Distribution	Improvement in transport efficiency Optimization of transportation	Product design for improved loading ratio Selection of more environmentally friendly transportation
	Reduced release of chemical substances during use	Reduction of chemical substances potentially released from products
Use	Extension of product life	Prolonged product life through improvement in durability and enhancement of functions
	Reduced environmental burden during use	Reduced consumption of energy and water during use
	Disposal & recycling	Reuse
Recycling		Improvement in recyclability Easy separation and disassembly for recycling Recyclability through existing recycling routes (excluding waste paper collection routes)
Environmentally friendly disposal		Reduced emissions of hazardous gases during disposal
Use of biodegradable materials		Use of recyclable materials that can be degraded and returned to nature (biodegradability, photodegradability, etc.)
Proof of environmental friendliness	Visualization of environmental burden	Carbon footprint of products (CFP), life-cycle assessment (LCA), water footprint (WFP)
	Labeling with environmental logos	Examples: Eco Mark, Forest Thinning Mark, etc.

Independent Assurance

The *CSR Report 2015* clearly presents material CSR issues for the Toppan Group and its stakeholders by describing the process used to identify and prioritize the issues expected to become more material for the Toppan Group and its stakeholders. The Toppan Group develops a wide range of CSR activities in its various relationships with stakeholders. We believe that Toppan's efforts to identify its material issues will help the Group improve its CSR activities in the future and disclose information more focused on material issues.

Toppan's material issues include not only environmental issues, but also social issues such as human rights and human resource development. Environmental performance data is dis-

closed on a global, consolidated basis in the *CSR Report 2015: Detailed Data*. For data on social performance, the boundaries of reporting are limited to Toppan Printing Co., Ltd. alone. Once the material issues are defined, Toppan will be required to determine where the Group's impacts occur and identify specific issues that need to be addressed in the Group's CSR initiatives. We recommend that the Toppan Group review the boundaries of reporting during the process.

Tomonori Yoshida
KPMG AZSA Sustainability Co., Ltd.

Indicators in this Report Assured by an Independent Assurance Provider

Pages	Indicators Assured by an Independent Assurance Provider	
Human Rights	24	Number of retired employees; number of reemployed employees
	25	Number of female managerial and supervisory staff
		Number of employees with disabilities; percentage of employees with disabilities Number of Recruits
Labor Practices	26	Number of employees who registered to join the rehiring system for employees who resign from the Company to deliver and bring up children; number of employees who have been reemployed
	27	Number of Employees
		Reasons for Leaving
		Average Annual Salary
		Annual Paid Leave Used Employees Taking Maternity or Childcare Leave
	28	Number of employees who participated in the Toppan Business School and Challenge School
		Number of employees who participated in basic, Company-wide education (via e-learning programs)
Number of employees who were deployed overseas under the trainee system to acquire practical training in overseas business Number of employees who participated in selective training on global business		
29	Occupational Health and Safety	
Fair Operating Practices	30	Number of Conduct Guidelines Promotion Leaders; ratio of female Leaders
		Number of employees who participated in training sessions for Conduct Guidelines Promotion Leaders
		Number of employees who participated in training sessions on compliance with the Subcontract Law of Japan Number of employees who participated in training in group sessions or via the e-learning system on export controls under the Foreign Exchange and Foreign Trade Act of Japan
	32	Number of business partners surveyed to verify the legality of lumber used for paper production
Consumer Issues	34	Number of employees who participated in training sessions for internal auditors Results of audits conducted based on the Quality Assurance Guidelines for Food Packaging using the quality audit checklist
The Environment	41	Environmental target values and results for fiscal 2014 Scope 1-3 Greenhouse Gas Emissions
	43	Major Types of Environmental Burden by Business Field in Japan (INPUT/OUTPUT data) CO ₂ Emissions
	44	Number of production sites that recorded odor or water-contaminant levels exceeding applicable regulatory standards
		Number of complaints and inquiries from communities around Toppan sites
	45	Total Waste Discharge and Final Landfill Waste Disposal
		Recycling Rate and Material Recycling Rate
		VOC and Toluene Emissions into the Atmosphere
		Chemical Substances Designated under the PRTR Law Purification of Soil and Groundwater Pollution
	46	Number of approved and registered environmentally friendly products
		Total sales of environment-related businesses

Some data in the *CSR Report 2015: Detailed Data* posted on the Toppan website are also assured by the assurance provider.



Toppan is authorized to attach the mark on the left as a testament to the reliability of the sustainability information presented in the report. Any report bearing this mark meets the Sustainability Reporting Assurance and Registration Criteria established by The Japanese Association of Assurance Organizations for Sustainability Information.

Independent Assurance Report



Independent Assurance Report

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

We were engaged by Toppan Printing Co., Ltd (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators and environmental accounting indicators listed in the table on page 48 for the period from April 1, 2014 to March 31, 2015 (the "Indicators") included in its CSR Report 2015 and CSR Report 2015: Detailed Data, disclosed on the Company's website (altogether the "Report") for the fiscal year ended March 31, 2015, and the completeness of material sustainability information in the Report.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report, and for including the material sustainability information defined in the 'Sustainability Reporting Assurance and Registration Criteria' of the Japanese Association of Assurance Organizations for Sustainability Information ("J-SUS") in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have 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', 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of J-SUS. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing 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 recalculating the Indicators.
- Visiting to the Sagami-hara Plant of Toppan Packaging Products Co., Ltd. selected on the basis of a risk analysis.
- Assessing whether or not all the material sustainability information defined by J-SUS is included in the Report.
- 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, and all the material sustainability information defined by J-SUS is not included in the Report. .

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

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Tokyo, Japan

October 23, 2015

