

Contributing to Fulfilling Lifestyles

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

To Be a Trustworthy, Respected, and Robust Corporation

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

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



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

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

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

Towards a Sustainable Society

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

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

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

Reviewing Environmental Management

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

of the Kyoto Protocol was commenced across the globe.

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

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

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

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

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

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

Towards Awareness and Solutions for Broader Social Issues

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

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

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

Working with Our Stakeholders

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

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

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

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

July 2009

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

