

TOPPAN

CSR REPORT 2011

Report on Corporate Social
Responsibility Activities



●Editorial Policy

Toppan is disclosing information in the hopes of encouraging dialogues on social and environmental activities with more people, especially people who have an interest or stake in Toppan's corporate social responsibility (CSR) activities. From this year, the Company has begun to edit the CSR report in line with the seven core subjects set under ISO 26000, a guidance standard on social responsibility. Detailed information such as environmental data is posted on the Toppan website.

●Period Covered

This report mainly covers activities in fiscal 2010 (from April 2010 to March 2011), though information on prior and later years is also included in parts.

●Scope and Boundary of this Report

In principle, this report covers the social and environmental activities of Toppan Printing Co., Ltd. ("the Company") and Group entities consolidated for accounting purposes. Most of the information on personnel applies to personnel within Toppan Printing Co., Ltd., the parent company. The scope of the environmental performance data is presented on P. 32.

●Selecting the Information for this Report

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

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

●Guidelines Observed

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

●Reliability

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



●Eye-friendliness and Readability

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

●URLs for Relevant Information

- CSR information: <http://www.toppan.co.jp/english/csr/>

This site posts details on CSR activities (CSR Report 2011: Detailed Data), the latest information on ISO 14001 certification, the GRI content index, the CSR Procurement Guidelines, and other forms of CSR information. If erroneous entries or misprints are found after CSR reports are issued, the related information will be shown here.

- IR information: <http://www.toppan.co.jp/english/ir/>

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

- Corporate governance reports: <http://www.tse.or.jp/listing/corpgov/> (in Japanese)
- Financial statements: <http://info.edinet-fsa.go.jp/> (in Japanese)

●Publication Dates

Previous report: October 2010

Current report: December 2011

Next report: October 2012 (planned)

●Contact Information

CSR Promotion Department, Legal Affairs Division, Toppan Printing Co., Ltd. (Tokyo, Japan)

Email: csr@toppan.co.jp

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

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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



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Contributing to Fulfilling Lifestyles

To begin, allow me to offer my deepest condolences to the families and friends of those who perished in the Great East Japan Earthquake of March 2011. I also would like to extend my sympathies to all people affected by the disaster, and to express my strong hopes for restoration without delay.

The buildings and facilities of the Toppan Group were damaged at three plants: one in Sendai, Miyagi Prefecture, one in Ishinomaki, Miyagi Prefecture, and one in Mito, Ibaraki Prefecture. Production had to be suspended at these plants for safety verification and restoration. While normal operations are currently restored at almost all buildings and facilities, our business results have been considerably affected. Reduced shipments from disaster-affected raw material suppliers in the printing industry forced us to cut production, and restraint in sales promotion activities resulted in declines in orders received.

We are building a more robust supply system by restructuring our business continuity plans (BCPs) into more effective ones based on lessons learned from this earthquake disaster. The severe economic environment is likely to persist for some time to come in Japan. All employees of the Toppan Group will work together to surmount the difficulties.

To Be a Robust Group of Companies Trusted and Respected by 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, the Corporate Creed, and a set of Conduct Guidelines defining the values and standards we should respect) and five Business Fields based on the Corporate Structure.

I will be taking three measures to make *TOPPAN VISION 21* a reality. The first measure is to advance our Group-wide structural reform by reorganizing our manufacturing and planning departments in pursuit of enhanced productivity and reduced costs and by promoting business operations that respond to customer needs more promptly and accurately. The second is to create new businesses and new markets by intensively devoting managerial resources to growth fields expected to become important sources of

profit in the future. The third is to accelerate global business expansion with an eye to alliances and M&As with good-standing companies in the growing markets of emerging countries mainly in Asia.

In creating new businesses and markets, we will focus on solar cell back sheets, lithium-ion battery-related components, and other clean energy systems by applying the technologies we have acquired in the printing business. This will lead to the implementation of CSR activities in our primary lines of business.

To enhance compliance with laws and regulations, we reviewed and extensively revised the Conduct Guidelines, an integral part of our Corporate Structure, in November 2010. Toppan has implemented the revised Conduct Guidelines into all Group companies in and outside Japan to further improve compliance across the Group.

Through these efforts, we are able to develop socially and environmentally balanced corporate activities in parallel with operations in pursuit of economic profits. We would like to press ahead as a robust group of companies that is trusted and respected broadly by society.

Towards a Sustainable Society

Fiscal 2010 was the final year for the completion of the Medium- and Long-term Environmental Targets we set in fiscal 2001. For the mitigation of global warming, we targeted a reduction of CO₂ emissions per unit of sales by 10% by fiscal 2010, compared to the fiscal 2000 level, and undertook wide-ranging energy-saving measures. As it turned out, CO₂ emissions per unit of sales in fiscal 2010 actually increased by 10.6% compared with fiscal 2000. Changing economic conditions and business expansion during the decade caused us to miss this target by a significant margin. Last fiscal year we formulated new medium-and-long-term targets to be pursued from fiscal 2011 to 2020. The calculation basis for the target on CO₂ emissions has been shifted from emissions per unit of sales to total emissions. The target set for fiscal 2020 is a total reduction of CO₂ emissions by 11% compared with fiscal 2008. We at the Toppan Group will work together with positive intent to strengthen our efforts to attain this target.

The Printing Museum, Tokyo and Toppan Hall, facilities

established in 2000 as projects to mark Toppan's 100th anniversary, celebrated their 10th anniversary in 2010. Over their first decade, these facilities have welcomed about 730,000 visitors on a cumulative basis. The Printing Museum received a Printing Culture Promotion Award in the Mécénat Grand Prize category at the Japan Mécénat Awards 2010 in recognition of the social significance of its activities to popularize printing culture and to collect and conserve precious print-related technologies and materials that have been vanishing in today's rapidly changing printing world. In addition to researching and disseminating information on printing culture, the museum organizes activities placing importance on communication with neighboring communities. Since opening in 2000, it has supported a number of programs for extracurricular study, work experience education, and integrated learning by elementary and junior high school students in Bunkyo Ward, Tokyo. Besides these projects at schools, the museum holds courses as part of a lifelong learning program for community members hosted by Bunkyo Ward. It will continue these collaborative activities in educational fields for the community in the years to come.

To a New Stage of CSR Management

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

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

In November 2010, ISO 26000 was issued as an international standard on social responsibility for organizations. Many developing countries took part in the formulation of ISO 26000 from the early stages, along with multiple stakeholders such as consumers, governments, industries, labor unions, NGOs, and experts. The standard condenses various social issues to be solved. From my perspective, it can also serve as an instrument for implementing the United Nations Global Compact. We will incorporate ISO 26000 in our CSR management, reconsider our CSR initiatives, and push forward with activities after ascertaining a clearer picture of the social issues we should solve and

the social responsibilities we should fulfill. As a first step in this direction, we have closely aligned this CSR report, a valuable social communication tool, with the seven core subjects addressed in ISO 26000. I am eager to hear your candid opinions about this report.

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

September 2011



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

A stylized, handwritten signature in black ink that reads "S Kaneko".

Group Business Outline

Corporate Profile

Corporate name
Toppan Printing Co., Ltd.

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

Established
January 17, 1900

President & Representative Director
Shingo Kaneko

Number of employees (nonconsolidated)
8,633 (as of the end of March 2011)

Number of employees (consolidated)
48,197 (as of the end of March 2011)

Capital (nonconsolidated)
104.9 billion yen

Group Profile

The Toppan Group comprises Toppan Printing Co., Ltd. and 191 related companies (163 subsidiaries and 28 affiliates) engaged in manifold businesses in three main fields: Information & Networks, Living Environment, and Electronics.

The positioning of Toppan and related companies in these fields is outlined on P. 49.

Business Fields

Information & Networks



Securities and Cards



Commercial Printing



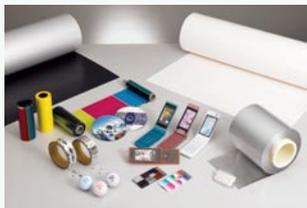
Publications Printing

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

Living Environment



Packaging



Functional Product and Energy Related



Industrial Materials

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

Electronics



Display Related



Semiconductor Related

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

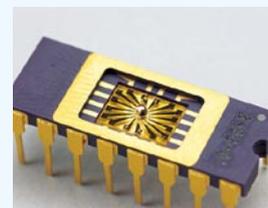
Personal Service



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

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

Next-generation Products

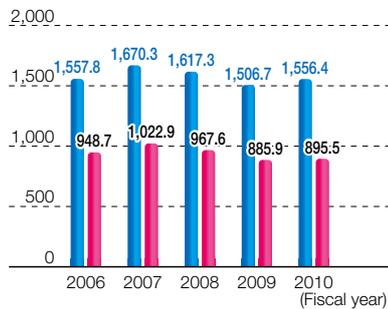


Hydrogen sensor

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

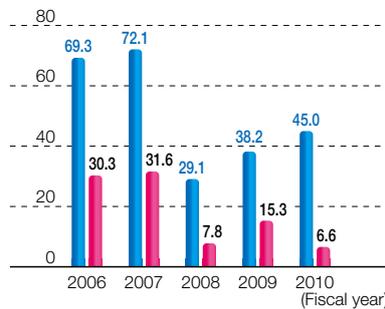
Net Sales

(Billion yen) ■ Consolidated ■ Nonconsolidated



Operating Income

(Billion yen) ■ Consolidated ■ Nonconsolidated



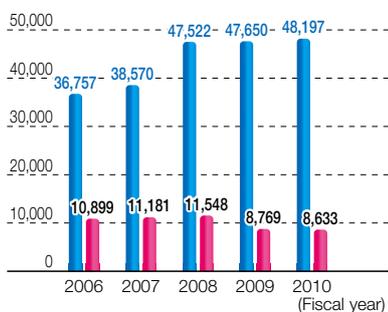
Net Income or Loss

(Billion yen) ■ Consolidated ■ Nonconsolidated



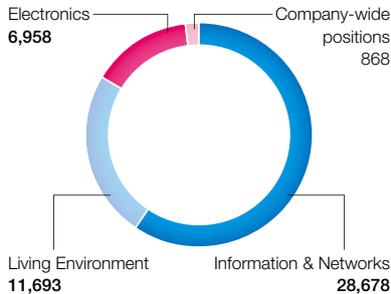
Number of Employees

(Employees) ■ Consolidated ■ Nonconsolidated



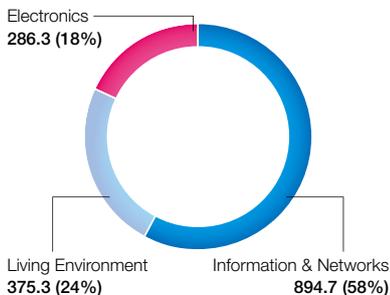
Number of Employees by Business Field (Consolidated)

(Employees)



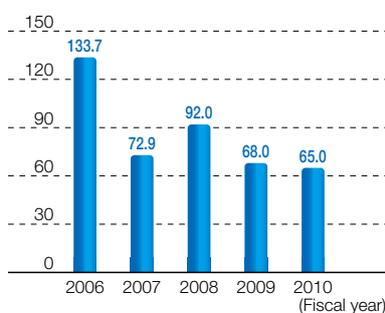
Net Sales by Business Field

(Billion yen)



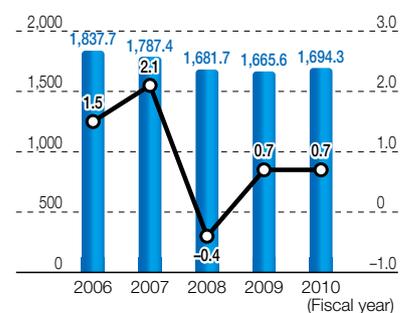
Capital Expenditure

(Billion yen)



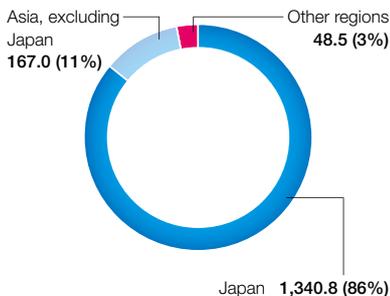
Total Assets & Return on Assets (ROA)

(Billion yen) (%)



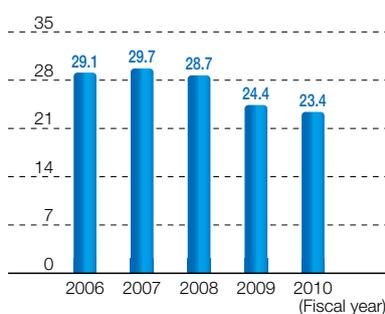
Net Sales by Region

(Billion yen)



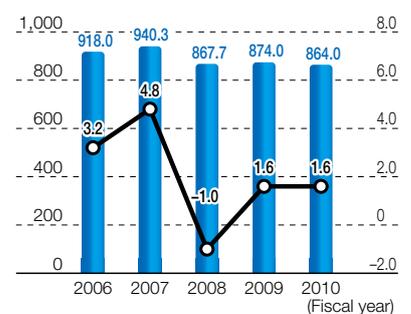
R&D Expenses

(Billion yen)



Net Assets & Return on Equity (ROE)

(Billion yen) (%)



Notes:

- Net sales do not include consumption taxes.
- The number of employees is the number of employees working at the Group. The number of non-regular employees for fiscal 2010 stood at 9,215 on a consolidated basis (the average number of employees throughout the fiscal year, including part-time workers but excluding temporary staff).

School play every other year!!

2ねんに1どの
かくげいかい!!



かくげいかいはどうぐをつくるよ
やくをえんじて、うたもうたうよ
とってもたのしいよ!!

金 富 八 景

Swimming class is really good fun at
Kanatomi Elementary School!

かなとみしょうがっこうの
プールは、とてもたのしいよ!



かなとみしょうは、
そとにプールがあって、
とてもおもしろいよ!!

金 富 八 景
金富小学校開校100周年



Picture postcards created by fifth graders in a special class called "Let's present first graders with picture postcards showing good and fun things about our school" (see the opposite page).

Special Report Community Involvement and Cooperation

Collaborative Activities in Educational Fields

Toppan, a company running dozens of operational sites across Japan, wishes to fulfill its responsibility as a member of the community where each operational site operates, through devoted involvement and cooperation with the community. This special report describes how Toppan contributes to educational programs for today's children, a generation that soon will be sustaining and enriching local industries and communities.



いろんながくねんと
なかよくなれるよ!



たてわりはんでは、いろんながくねん
といっしょにあそんだり、きゅう
しよくをたべたりするよ!

金 富 八 景

You can pal up with the kids
in different grades!

うんどうかいは
すごくもりあがるよ!



たまいでたまがはいると
うれしいよ!
ほかにもたのしいことがあるよ!

金 富 八 景

We're pumped up for an athletic meet!

ともだちたくさん
つくれるよ!!



たいせつなそんざいのともだちと、
まいにちたのしくべんきょうを
すればどんなことでもできるよ!!

金 富 八 景

You can make a lot of friends!!

Collaborative Learning Project with Kanatomi Elementary School

Bunkyo Ward's Kanatomi Elementary School is located in Tokyo near the Toppan Koishikawa Building, the building to which the Printing Museum and Toppan Hall, a symphonic concert hall, are annexed.

A good many publishing- and printing-related companies based in Bunkyo Ward give the neighborhoods a tone of their own. Toppan has been supporting learning programs at Kanatomi Elementary School since 2001, the year following the completion of the Toppan Koishikawa Building.

Students gain a deeper understanding of local industries by attending classes organized by the museum curators at their schools and by taking part in tours and printing workshops held at the Printing Museum. Toppan also encourages students to learn printing-related knowledge and technologies for the creation of various communication tools.

One of Toppan's chief goals in designing these programs is to spark the interest of children in local industries such as publishing and printing. When these children grow, their interest may attract them to the very same industries as valuable human resources.

Grade-appropriate Classes

● For second graders: Adventure of discovery: let's explore town (one-hour program)

Staying at school, the students learn about the Printing Museum in detail and gain hands-on experience in the fundamentals of printing by making mini-calendars with stamps.

● For fourth graders: Let's print together with friends (two-hour program).

Touring the museum, the students study printing history, the roles of printing, and techniques such as letterpress printing with type. After the tour, they set their own names in type and print them on postcards.

● For fifth graders: Let's present first graders with picture postcards showing good and fun things about our school (ten-hour program)

The fifth graders study ideas and methods for communication via printing from various printed materials such as magazines, books, leaflets, and posters. By reviewing actual works in print, they examine the most effective ways to visually deliver messages and information. Which is more appropriate, pictures or letters? What colors attract the most attention? What words or phrases will people keep close to their hearts? (And so on.)

In the next stage they gather as a group to discuss the messages and pictures for their own postcards and work out the layouts and designs. Finally, they set their messages in type and print them with a letterpress printing press.

The picture postcards the fifth graders prepare in this class are presented to new first graders at an entrance ceremony and posted on a bulletin board at school. The cards

show new students various fun things about the school. This puts the newcomers at ease on their first day, a time of mingled hopes and concerns.

Exploiting the Features of the Printing Industry for Communities

Toppan has been hosting this project for a decade now. The young children who took part in the first year are already about to join the working world. Some of the graduates still greet the museum curators with hellos around town.

Toppan organizes sundry programs apart from this project. The Company holds a printing workshop for neighborhood children and the general public during summer vacation; supports regional studies by college students; and gives volunteer sightseeing guides registered in Bunkyo Ward opportunities to learn about the mechanisms of printing and the role of printing as a local industry.

Toppan's operational sites will contribute to the development of the communities, making best use of the features of the printing industry.



Printing House, a printing workshop in the Printing Museum, organizes tours and hands-on programs for general visitors, along with the printing classes for students.

Offering a Valuable Experience for Elementary School Students

Printing Class at Kanatomi Elementary School

I teach a printing class at Kanatomi Elementary School. When I ask the fifth graders, "Is there a printing company in your neighborhood?" they cheerfully wave their hands in the affirmative. Printing has a well-established presence as a local industry in Tokyo. Publishers, printers, and printing agencies are clustered together in many neighborhoods of Bunkyo Ward, where the Toppan Koishikawa Building is located. I tell the fifth graders that Kanatomi Elementary School and the Printing Museum are both in an area strongly related to publishing and printing.

During the class I explain that the task of printing is to give out information. Then I have the students discuss what techniques they can apply to accomplish this task. A PC or printer will never convey the experience of actually picking up pieces of type, setting them, and printing manually, page by page, with a letterpress printing press.

The Printing Museum will continue to contribute to the community through educational programs designed to convey the role and fun of printing.

Shotaro Kawai

Curator
Printing Museum

See "Community Involvement and Development" on page 30 for details about other activities for communities.

Results for Fiscal 2010 and Future Measures

| Stakeholders | Topics | Action Points | Targets |
|---------------------------------------|---|---|--|
| All stakeholders | Complying with laws, regulations, and corporate ethics | Heightening awareness of laws, regulations, and the Conduct Guidelines through compliance promotion activities | — |
| | Reinforcing information risk management | Establishing an information security management structure towards the complete elimination of information-related accidents | — |
| | Formulating business continuity plans (BCPs) and facilitating business continuity management (BCM) | Formulating effective, optimal BCPs across the Group to enhance corporate value | • Selecting model businesses for BCPs and formulating BCPs individually |
| | Conserving the global environment | (See PP. 33-35 for the results of environmental activities and future measures) | — |
| Customers | Assuring product safety and quality; providing products and services to help solve social issues | Ensuring product safety | • Preventing accidents relevant to the Product Liability Act and the revised Consumer Product Safety Act of Japan |
| | | Securing quality assurance and enhancement | • Enhancing customer satisfaction (analyzing the degree of customer satisfaction under the ISO 9001 QMSs and applying the results to business operations) • Preventing serious quality-related accidents concerning the performance and functions of products |
| | | Providing products and services to help solve social issues | • Embarking on energy-related businesses • Expanding businesses in the life sciences |
| | | | • Helping to realize a society where a diversity of people can enjoy fulfilling lifestyles (spreading universal designs) • Passing down cultural assets as virtual reality (VR) reproductions |
| Business partners | Establishing a trusted supply chain | Promoting CSR procurement centered around communication with suppliers | • Facilitating closer communication with business partners |
| | | Enhancing chemical substance management through strengthened cooperation with suppliers | • Informing business partners of the Standards for the Chemical Components of Raw Materials (Ver. 2.0) designated by Toppan |
| Communities | Contributing to society, community, and culture | Social contributions | • Continually arranging social contribution programs to help solve social issues |
| | | Community contributions | • Expanding opportunities to communicate with communities and making contributions responsive to community needs |
| | | Cultural contributions | • Contributing to society through the provision of high-quality information and elevating the roles of printing and related industries • Strengthening cooperation with communities and cultural facilities across the world • Contributing to communities and supporting educational institutions |
| Shareholders and investors | Disclosing information in a fair and open manner and improving transparency | IR activities | • Enhancing IR activities |
| Employees | Respecting and leveraging human assets | Merit-based personnel policies | • Operating personnel treatment systems properly |
| | | Realizing a safe and secure working environment | • Respecting basic human rights • Ensuring occupational safety and health • Reinforcing countermeasures against fires and disasters • Promoting healthcare and health enhancement |
| | | | • Supporting work-life balance by 1) shortening total working hours • Supporting work-life balance by 2) creating a working environment where employees can strike a balance between working and raising children |
| | | | • Creating a better working environment through partnerships between labor and management |
| | | | • Proactively appointing female employees to higher positions • Supporting second careers for retired employees |
| | | Leveraging diverse human assets | • Promoting employment of persons with disabilities • Providing an open environment and information for recruitment • Supporting individual career development |
| Developing and fostering human assets | • Fostering self-reliant employees based on "conduct of high value," a key concept in human asset development | | |

| Main Activities and Achievements in Fiscal 2010 | Self Evaluation | Main Measures in Fiscal 2011 |
|---|-----------------|---|
| <ul style="list-style-type: none"> Extensively revised the Conduct Guidelines on November 1 Held 26 briefing sessions on compliance with the Subcontract Law of Japan for employees in the planning and ordering departments (1,135 trainees) Arranged an e-learning-based educational program on compliance with the Subcontract Law of Japan for employees in the sales departments (2,950 trainees) Reinforced management at manufacturing departments to eliminate vulnerabilities Carried out audits on the handling of personal information and system asset audits from a quality control viewpoint Conducted a questionnaire survey on the actual conditions of information handling (about 20,000 respondents) and face-to-face group training (283 sessions across Japan) | A | <ul style="list-style-type: none"> Redesign tools to promote the Conduct Guidelines; implement the Conduct Guidelines in overseas Group subsidiaries Ensure proper subcontract transactions; build proper relationships with partner companies |
| <ul style="list-style-type: none"> Organized BCP-related education and an earthquake disaster drill (in February) | A | <ul style="list-style-type: none"> Reconstruct the BCPs and facilitate BCM at key divisions, etc. |
| <ul style="list-style-type: none"> Revised the rules on product safety and informed all divisions of the revisions Organized education on product safety at five regional divisions in Japan | B | <ul style="list-style-type: none"> Continue certification screenings of partner companies in the food container and filling/packing businesses by operational sites, and also perform regular audits Strictly manage chemical substances in products |
| <ul style="list-style-type: none"> Made ranking evaluations of operational sites through QMS internal audits and provided feedback via audit reports Proposed improvements using a corrective action check sheet in QMS internal audits | A | <ul style="list-style-type: none"> Carry out follow-up audits to prevent any recurrence of serious quality-related accidents that occurred in fiscal 2010 |
| <ul style="list-style-type: none"> Prototyped a practical-sized electrolyte membrane with a catalytic layer for fuel cells and evaluated its performance | B | <ul style="list-style-type: none"> Continue to prototype a practical-sized CCM and evaluate its performance |
| <ul style="list-style-type: none"> Proved the diagnosability of somatic cell mutagenesis and the parsability of prostate cancer through a collaborative study with medical institutes run by universities and other entities around the world | A | <ul style="list-style-type: none"> Conduct experimental studies at medical institutes and companies around the world and consider developing overseas businesses |
| <ul style="list-style-type: none"> Supported an international conference held by the International Association for Universal Design (IAUD) from October 31 to November 3 and helped to put universal design into widespread use | A | <ul style="list-style-type: none"> Incorporate color universal design into Toppan's annual and CSR reports |
| <ul style="list-style-type: none"> Created and screened <i>Todayji-temple—The world of the Great Buddha and Kumamotojo: Unraveling the mystery of the invincible castle</i>, two new virtual reality (VR) productions Presented Toppan VR productions to 1.64 million viewers (a cumulative total of 7.11 million viewers since fiscal 2000) | A | <ul style="list-style-type: none"> Develop next-generation flagship VR content independently Create VR content jointly with the Tokyo National Museum |
| <ul style="list-style-type: none"> Monitored compliance in procurement operations at Toppan by having 19 major business partners complete a questionnaire; issued instructions for improvements to Company procurement departments that received lower survey ratings Expanded the boundaries of CSR procurement initiatives (to cover 192 business partners involved in the provision of equipment for the Group) | A | <ul style="list-style-type: none"> Continue monitoring compliance in procurement operations at Toppan Verify and reassess improvements at business partners who have received lower ratings in the questionnaire survey on the current status of their CSR activities |
| <ul style="list-style-type: none"> Organized training on CSR procurement for about 340 business partners at seven operational sites in the Living Environment field and gave briefings on the need to manage chemical substances in products | A | <ul style="list-style-type: none"> Hold briefings for business partners in the Information & Networks field to fully inform them of the details of chemical substance management in products |
| <ul style="list-style-type: none"> Held the <i>Toppan Charity Concerts</i>, shortening the original two-day program to one day because of the Great East Japan Earthquake | B | <ul style="list-style-type: none"> Carry out medium-and-long-term recovery assistance measures for the areas stricken by the Great East Japan Earthquake |
| <ul style="list-style-type: none"> Extended community contributions at operational sites through environmental beautification activities, blood donation drives, plant tours, hands-on training sessions, disaster- and crime-prevention activities, etc. | A | <ul style="list-style-type: none"> Maintain various contributions responsive to community needs at operational sites across Japan |
| <ul style="list-style-type: none"> Received a Printing Culture Promotion Award in the Mécénat Grand Prize category at the Japan Mécénat Awards 2010 Welcomed the 300,000th visitor to set foot in the Printing Museum over the decade since the museum was opened (cumulative total) | A | <ul style="list-style-type: none"> Create original content and broadly disseminate information Reinforce educational and promotional activities and press ahead with cultural alliances |
| <ul style="list-style-type: none"> Sponsored or co-sponsored 31 concerts and held six special performances to discover and foster talented young musicians; welcomed the 410,000th audience member to visit Toppan Hall over the decade since the hall was opened (cumulative total) | B | <ul style="list-style-type: none"> Continue to sponsor more special performances for the discovery and fosterage of talented young musicians Allow elementary schools in Tokyo's Bunkyo and Chiyoda Wards to use the hall |
| <ul style="list-style-type: none"> Redesigned <i>Toppan Story</i>, a shareholder newsletter, to enrich both the quality and quantity of its content Held more than 200 individual consultations with institutional investors and analysts | A | <ul style="list-style-type: none"> Facilitate communication with capital markets by announcing medium-and-long-term management strategies |
| <ul style="list-style-type: none"> Considered comprehensive personnel policies covering every stage of employment from hiring to retiring | A | <ul style="list-style-type: none"> Continue to examine the Company's comprehensive personnel policies Consider personnel treatment systems with an eye to leveraging the abilities and skills of human assets throughout the Group |
| <ul style="list-style-type: none"> Launched labor management training for managerial staff (325 participants) | A | <ul style="list-style-type: none"> Organize education on the concept of respect for people in rank-based training, Company-wide basic education, and so on |
| <ul style="list-style-type: none"> Formulated the Company-wide Basic Policy on Safety and Health; issued the declaration on safety by the President & Representative Director at the business council Opened <i>Anzen Dojo</i>, a safety training facility, at the Kawaguchi Training Center in August; held 122 safety training sessions by the end of March 2011 (2,830 participants) | A | <ul style="list-style-type: none"> Promote measures to attain strict safety concerning equipment operation; expand <i>Anzen Dojo</i> at the Kawaguchi Training Center; enrich safety-related education content Run <i>Anzen Dojo</i> at operational sites across Japan; continue to hold safety and health meetings |
| <ul style="list-style-type: none"> Effectively used emergency stockpiles (water and food) after the Great East Japan Earthquake struck | B | <ul style="list-style-type: none"> Take countermeasures against large-scale disasters across the Group as initial BCP actions |
| <ul style="list-style-type: none"> Increased the rate of employees examined in the regular health checkups to 100% | A | <ul style="list-style-type: none"> Offer systematic healthcare guidance for employees in need of lifestyle improvements (actions to preempt lifestyle-related health problems, etc.) |
| <ul style="list-style-type: none"> Duplicated last year's progress in decreasing the number of employees working long hours through various initiatives such as strict working-hour control by managerial staff, the operation of various working systems, and measures determined by labor-management committees at divisions to shorten working hours | A | <ul style="list-style-type: none"> Impose managerial working-hour controls to limit overtime work to 60 hours a month Consider structuring a new working management system to realize more appropriate control of working hours |
| <ul style="list-style-type: none"> Reviewed and extended the childcare-leave systems to enable employees to use the systems longer. With the extension, the revised systems remain in effect until an employee's child finishes the third year of elementary school, regardless of the employee's gender (for more flexible working styles during the period of childrearing) Held the Parent-child Art Workshop in Summer Vacation at an in-house facility to enhance family communication for employees and their families | A | <ul style="list-style-type: none"> Keep every employee informed of childcare-leave-related systems Continue to hold the Parent-child Art Workshop |
| <ul style="list-style-type: none"> Reached a labor-management agreement on the promotion of Company-wide safety and health activities to eliminate occupational accidents, at labor-management committees for the creation of a working environment amenable to enhanced job satisfaction Held a recreational sports event for employees and their families jointly arranged by labor and management on September 5 (4,400 participants) | A | <ul style="list-style-type: none"> Continue to hold routine business councils and convene labor-management committees for the creation of a working environment amenable to enhanced job satisfaction Ginger up recreational events jointly held by labor and management |
| <ul style="list-style-type: none"> Attained a 4.4% ratio of females among managerial and supervisory staff (as of April 1, 2011) | A | <ul style="list-style-type: none"> Leverage female talent through positive action |
| <ul style="list-style-type: none"> Reemployed 66 retired employees as senior workers or part-timers | A | <ul style="list-style-type: none"> Maintain the Senior Reemployment System as a tool for leveraging the experience and specialized knowledge of veteran employees |
| <ul style="list-style-type: none"> Facilitated information sharing with local public job-placement offices in Japan to diligently hire persons with disabilities; attained a 1.97% ratio of employees with disabilities in the total workforce (as of June 1, 2011) | A | <ul style="list-style-type: none"> Diligently facilitate the hiring of persons with disabilities in cooperation with local public job-placement offices in Japan Maintain a 1.8% ratio of employees with disabilities in the total workforce, as designated by the applicable law in Japan |
| <ul style="list-style-type: none"> Welcomed about 2,700 students on a cumulative basis to internship programs with workshops, practical training sessions, and online training courses | A | <ul style="list-style-type: none"> Participate in joint company orientation sessions and seminars in universities and colleges; increase opportunities to meet students via OB and OG recruiters Strengthen public relations for global and Group recruiting activities |
| <ul style="list-style-type: none"> Expanded report items in the Challenging Job System (for self-determination on the career path) | A | <ul style="list-style-type: none"> Maintain the Challenging Job System and leverage it for the appointment of employees |
| <ul style="list-style-type: none"> Rolled out various measures further across the Group and strove to improve the quality of Group-wide human assets | A | <ul style="list-style-type: none"> Establish and upgrade various programs and infrastructures, and deploy them across the Group |

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

Toppan's CSR Activities

Toppan's Ideal "Corporate Structure"

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

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

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

Corporate Philosophy, Corporate Creed, and Conduct Guidelines

The Corporate Structure is made up of three elements: Toppan's Corporate Philosophy, the Corporate Creed, and the Conduct Guidelines. These elements specify a complete set of values, standards, and guidelines for the operations of the Toppan Group.

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

Toppan's Ideal "Corporate Structure"

Corporate Philosophy

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

Established in June 2000

TOPPAN VISION 21

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

Corporate Creed

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

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

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

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

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

Established in June 2000

Conduct Guidelines

Chapter 1: Basic Principles

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

Established in June 2000; revised in November 2010

See page 25 for Chapter 2: Specific Conduct Guidelines.

Dialogue with Stakeholders

Toppan has links with various stakeholders when conducting its corporate activities. The Company has defined five categories of stakeholders who are either vital for its business operations or potentially impacted by them: customers (client companies, consumers), business partners, communities, shareholders/investors, and employees.

To realize its ideal “Corporate Structure,” Toppan must continually engage stakeholders in dialogue and reflect their opinions in the shaping of corporate activities satisfactory to all stakeholders.

Stakeholder dialogues are a very effective way to grasp social needs. Toppan has promoted and upgraded its CSR activities by incorporating stakeholder dialogues into the PDCA cycle. In addition to regular dialogues with the five categories of stakeholders in the course of daily business, Toppan holds meetings with representatives from each stakeholder category and with experts and organizations deeply knowledgeable on social issues. These meetings began in fiscal 2004 and have continued into fiscal 2010, reaping valuable ideas on ways to facilitate Toppan’s CSR activities.

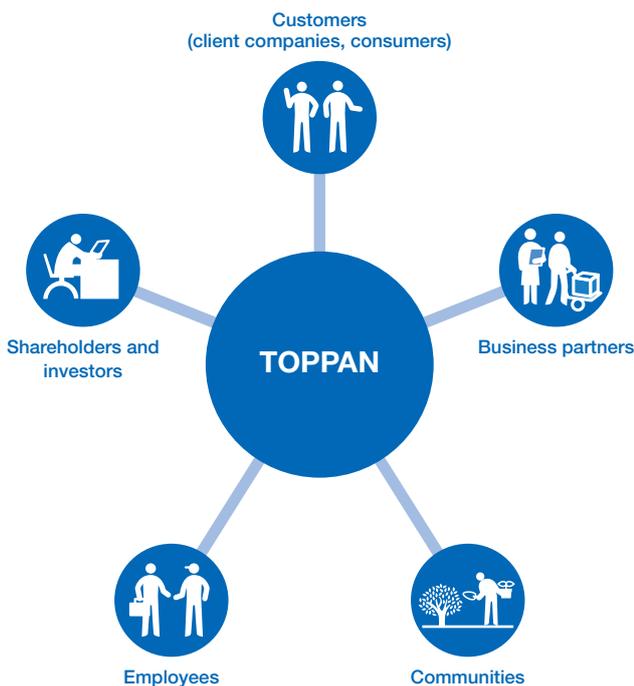
Commitment to ISO 26000

ISO 26000 Guidance on Social Responsibility was issued in November 2010. This standard provides guidance on the principles of social responsibility—what it means and how it applies to organizations. Any type of organization of any size can use it. Unlike other standards on quality or environmental management, this standard focuses on stakeholder opinions: no certification is granted by third-party organizations.

ISO 26000 has been formulated through the consensus of various stakeholders. Governments and various types of organizations and entities from all over the world engage in the standard-making process. This standard therefore typifies social demands. As such, Toppan believes that sincerely responding to these demands will be vital for Toppan’s efforts to realize the Corporate Structure.

As a first step to accommodating ISO 26000, Toppan has edited this CSR report to summarize CSR activities undertaken in fiscal 2010 in line with the seven core subjects of social responsibility defined under the standard. In fiscal 2011, Toppan will crosscheck with ISO 26000 to identify how the Company can best upgrade its CSR activities.

Toppan’s Stakeholders



Seven Core Subjects



Source: Chart from the ISO 26000 English/Japanese bilingual version (Japanese Standards Association), with partial revisions

Initiatives at Toppan and Seven Core Subjects under ISO 26000

| ISO 26000 Seven Core Subjects | Issues | For Details | Pages |
|---|--|---|--------|
| Organizational governance  | Organizational governance | <ul style="list-style-type: none"> • Corporate Governance • CSR Initiatives • Risk Management Structure • Business Continuity Management (BCM) | P. 13– |
| Human rights  | Issue 1: Due diligence Issue 2: Human rights risk situations Issue 3: Avoidance of complicity Issue 4: Resolving grievances Issue 5: Discrimination and vulnerable groups Issue 6: Civil and political rights Issue 7: Economic, social and cultural rights Issue 8: Fundamental principles and rights at work | <ul style="list-style-type: none"> • Respecting Basic Human Rights and Setting Up a Reporting System • Collective Labor Agreement • Working for Equal Opportunity and Eliminating Discrimination | P. 16– |
| Labour practices  | Issue 1: Employment and employment relationships Issue 2: Conditions of work and social protection Issue 3: Social dialogue Issue 4: Health and safety at work Issue 5: Human development and training in the workplace | <ul style="list-style-type: none"> • Basic Concept of Human Assets • Labor-Management Partnership • Supporting Work-Life Balance • Occupational Safety and Health / Healthcare and Health Enhancement • Measures for Mental Healthcare • Developing and Fostering Human Assets | P. 18– |
| The environment  | Issue 1: Prevention of pollution Issue 2: Sustainable resource use Issue 3: Climate change mitigation and adaptation Issue 4: Protection of the environment, biodiversity and restoration of natural habitats | <ul style="list-style-type: none"> • Toppan's Environmental Activities • Environmental Targets and Results (for the Medium-and-long-term and Fiscal 2010) • New Medium-and-long-term Environmental Targets and Environmental Targets for Fiscal 2011 • Toppan's Environmental Burden • Environmental Management Activities • Eco-protection Activities • Eco-creativity Activities • Environmental Communication Activities | P. 32– |
| Fair operating practices  | Issue 1: Anti-corruption Issue 2: Responsible political involvement Issue 3: Fair competition Issue 4: Promoting social responsibility in the value chain Issue 5: Respect for property rights | <ul style="list-style-type: none"> • Disseminating the Conduct Guidelines • Toppan Group Helpline • Implementing the Conduct Guidelines in Overseas Group Companies • Compliance Education • Education on Compliance with the Subcontract Law of Japan • Promoting CSR Procurement • Conduct Guidelines and Information Management Policy | P. 22– |
| Consumer issues  | Issue 1: Fair marketing, factual and unbiased information and fair contractual practices Issue 2: Protecting consumers' health and safety Issue 3: Sustainable consumption Issue 4: Consumer service, support, and complaint and dispute resolution Issue 5: Consumer data protection and privacy Issue 6: Access to essential services Issue 7: Education and awareness | <ul style="list-style-type: none"> • Assuring Product Safety and Quality • Challenges in Universal Design • Protecting Personal Information • Contributing to Sustainable Consumption | P. 26– |
| 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"> • Assistance for the Areas Distressed by the Great East Japan Earthquake • Community Contribution and Involvement | P. 30– |

Organizational Governance



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

Corporate Governance

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

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

The Directors, Board of Directors, and Various Meetings

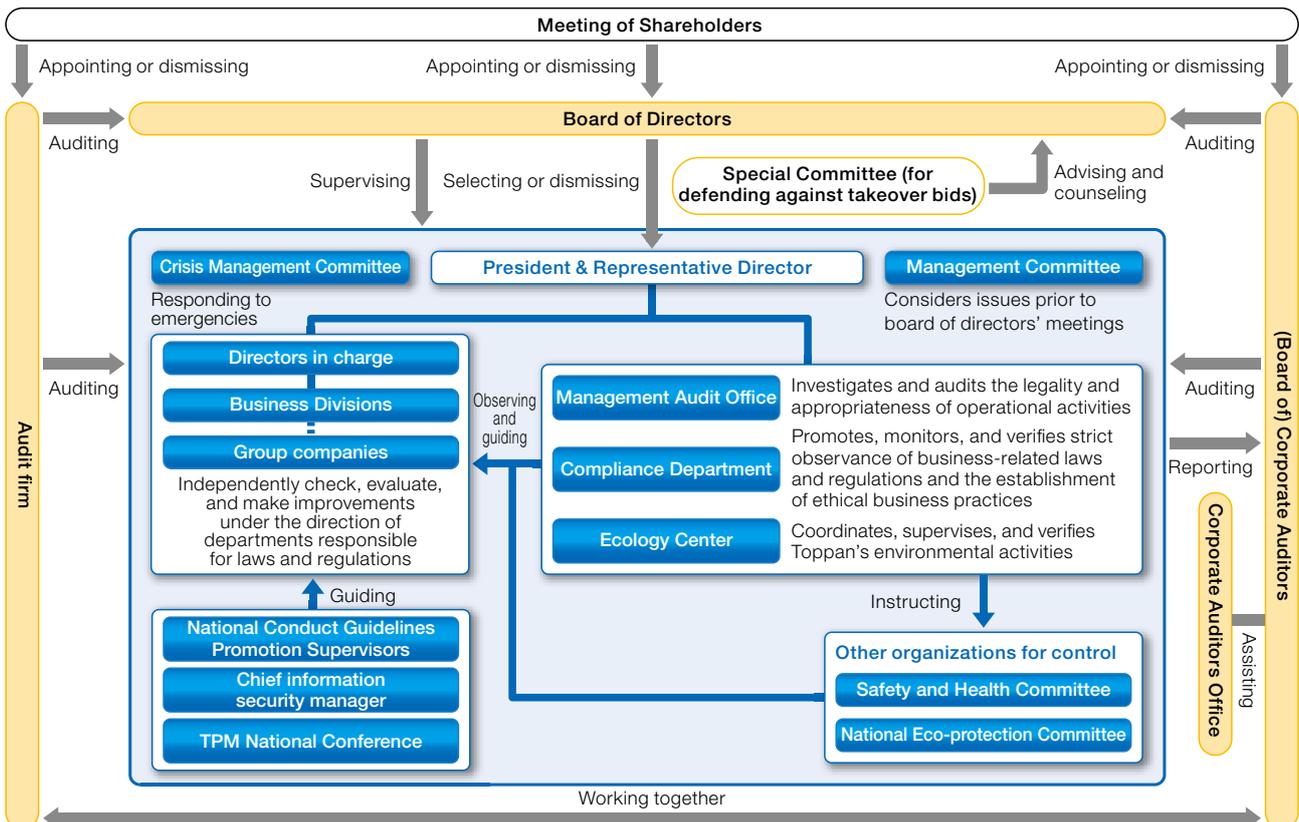
Toppan has 26 directors, including two outside directors, on its board (as of the end of March 2011). Board meetings are held monthly and whenever a pressing matter requires action or deliberation. Especially important management themes are deliberated beforehand by the Management Committee, a body made up of directors selected by the President & Representative Director. The goal is to lay weight on managerial efficiency in business decision making.

Corporate Auditors, Board of Corporate Auditors, and Audit Firm

As of the end of March 2011, Toppan has four corporate auditors, including two external auditors, of whom one is an independent director. Along with board meetings, the corporate auditors attend meetings of the Board of Directors and Management Committee and important meetings on the environment. They systematically carry out audits for operational sites and related companies in close cooperation with the audit firm and internal audit-related departments in the Company. Through these tasks, they audit and advise the Company from a preventive perspective to ensure the legality of the operations of the directors and departments and smooth and appropriate corporate management in line with company policies and regulations. They also regularly convene a board of corporate auditors of related companies to improve the effectiveness of the audits by the corporate auditors across the Group.

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

Corporate Governance Structure



Strengthening Audit Functions

The Management Audit Office is a body established independently from the business divisions. Working from legal and rational viewpoints, the office conducts fair and objective audits on the administrative and operational systems and practical status of the Company's management activities. The office provides feedback to the relevant departments on problems, proposes measures for improvement, and reports the audit results to the President & Representative Director, directors in charge of relevant departments, and corporate auditors. In fiscal 2010, the office carried out 32 management audits and operation audits. It also conducted maintenance and operational evaluations of internal controls over financial reporting for all Company divisions and major subsidiaries.

The Compliance Department in the Legal Affairs Division spearheads the Company's initiatives to ensure the strict observance of laws and regulations and to firmly establish ethical business practices. The department facilitates the complete awareness of the Conduct Guidelines, organizes employee education on compliance with applicable laws, and implements internal audits on information security (→PP. 22, 28). The Ecology Center in the Manufacturing & Technology Division supervises environmental activities by conducting internal audits at operational sites and monitoring the progress of improvements (→P. 32).

Remuneration to Directors and Corporate Auditors

In fiscal 2010, the total annual remuneration to directors was 1,088 million yen and the total annual remuneration to corporate auditors was 124 million yen. Please refer to the Status of Corporate Governance, etc. in the financial statements for details on the method used to determine remunerations and other remuneration-related information.

CSR Initiatives

Structure

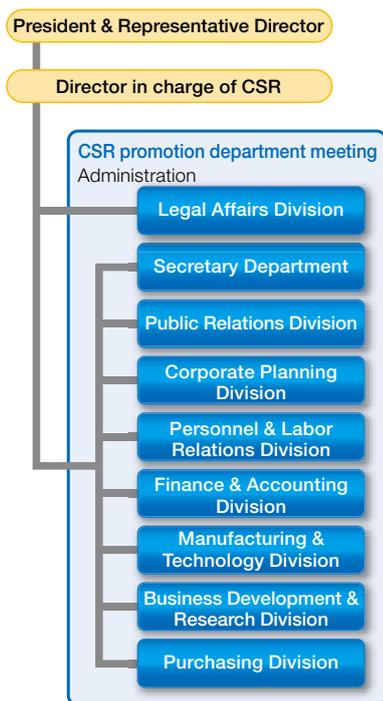
Under the President & Representative Director and the Director in charge of CSR, the CSR management divisions of the head office work in collaboration with each other to promote CSR activities. These divisions convene regular CSR promotion department meetings to assess the progress of their activities and discuss ways to resolve related challenges.

Material Topics

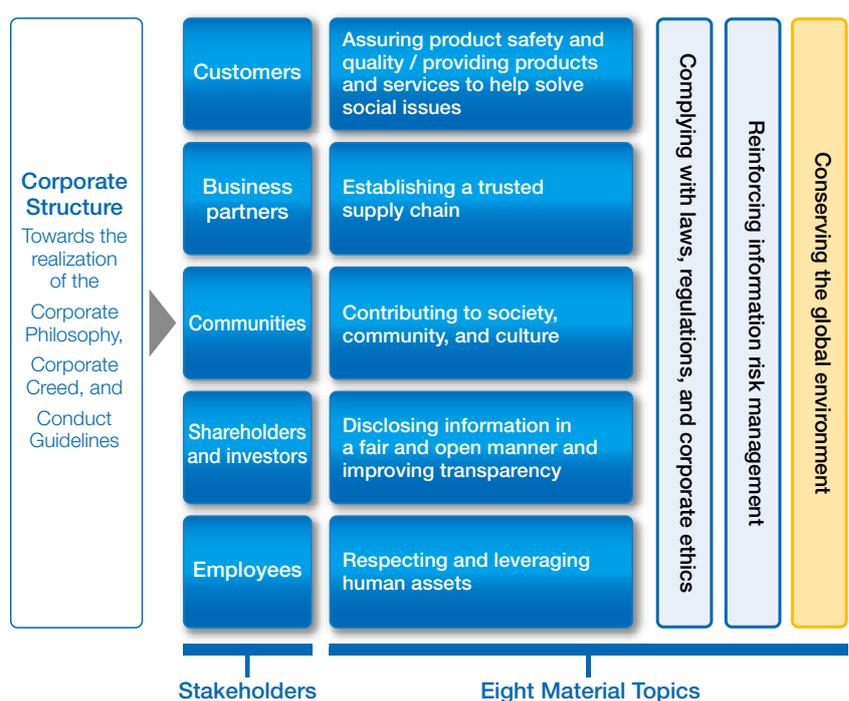
To help realize the Corporate Structure, Toppan has sought out stakeholder views and established eight material topics to address through CSR activities. Action points and goals are set for every material topic, and achievement levels are confirmed in order to review every goal and action (→P. 8).

After fiscal 2011, Toppan will review the existing topics and identify new areas on which to focus in light of the seven core subjects set under ISO 26000.

CSR Promotion Structure



Material Topics



Risk Management Structure

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

The Rules on Risk Management have been established to resolve matters regarding risk avoidance and the minimization of loss when an event at risk of occurring actually 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 (BCM)

Earthquakes are more frequent in Japan than in almost every other country in the world. To prepare for a possible operational shutdown in the aftermath of a large-scale earthquake, Toppan has been consolidating a structure to resume business operations as rapidly as possible in a post-disaster environment. In fiscal 2010, the Group began to formulate business continuity plans (BCPs) on a full-scale basis. Starting with the Tokyo metropolitan district, Toppan is laying down BCPs for the business fields of Information & Networks, Living Environment, and Electronics, as well as for the departments handling information systems.

After the Great East Japan Earthquake

Toppan was beset with various difficulties, including damage at several plants, when the Great East Japan Earthquake struck. The Group has managed to solve these difficulties in the post-quake period. To secure business sustainability, the lessons learned from the disaster will be fully reflected in the BCPs the Group designs. Toppan will construct a Group-wide business continuity management structure through the swift implementation of BCPs across the Group and the ongoing review and improvement of those plans.

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

Countermeasures against Disasters

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

The foremost aims of the countermeasures against disasters at the Group are to ensure the safety of all Toppan employees and their families and to provide aid for affected people in general. A safety confirmation system composed of multiple communication channels such as email and mobile phone has been in place since 2011 as a tool to allow employees to immediately confirm their safety in the event of a wide-scale disaster such as an earthquake. All operational sites reserve stockpiles of food and other requisites for commuters who have no means to return to their homes. The Group has also been preparing procedures to minimize damages to business operations, preserve company assets, and provide assistance to customers and disaster-affected people and areas in cooperation with companies and residents in the community as a socially responsible corporation. In parallel with these disaster-preparedness measures, measures are also being taken to raise awareness of disaster-mitigation procedures among individual employees. Through the regular repetition of evacuation drills and other various drills in fire- and disaster-preparedness, every employee will have the know-how to deal 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 Company and has prepared an environment and systems for this purpose.
- ② Inside the Company, Toppan concludes a collective labor agreement and promotes policies for equal opportunity and measures to eliminate discrimination.

Respecting Basic Human Rights and Setting Up a Reporting System

Toppan places great value on the concept of respect for people. This is a universal value for the Company. The Conduct Guidelines call for the recognition of the diverse values of individuals and respect for individuality. The guidelines prohibit any violation of basic human rights through discrimination based on race, ethnicity, nationality, religion, gender, age, physical characteristics, or any other attribute.

Toppan has been promoting awareness-raising activities in rank-based training for employees to raise esteem for basic human rights. One such activity is to protect the working environment from the influences of sexual and power harassment and another is to develop prompt solutions for any harassment that may occur.

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

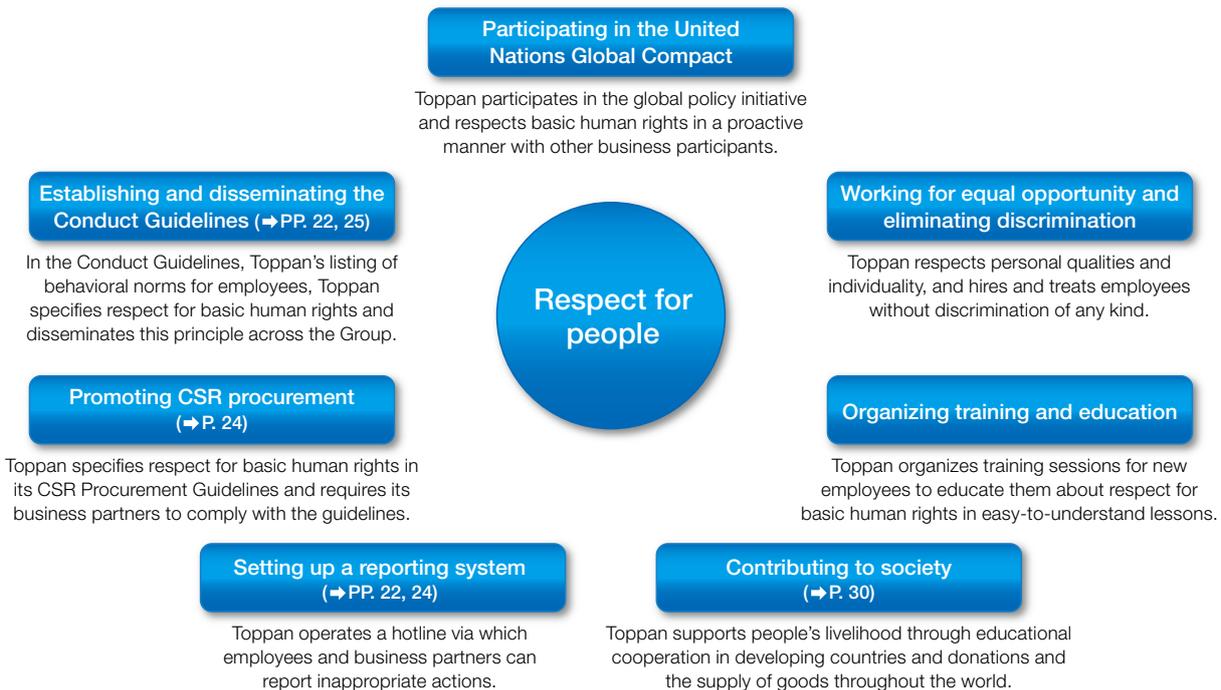
No instances of child, forced, or compulsory labor have ever occurred in the Company.

Collective Labor Agreement

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

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

Initiatives for Respecting Basic Human Rights



Working for Equal Opportunity and Eliminating Discrimination

Positive Action

Toppan has promoted positive action aiming at the creation of new services and businesses. To better respond to customer and social needs, the Company needs to develop new products and services from feminine perspectives. Toppan has 161 female managerial and supervisory staff (as of April 2011).

Self-determination on the Career Path / Second Careers

Toppan has established the Challenging Job System, a program to encourage employees to consider their own work experiences, official qualifications, and the departments and divisions to which they would like to be transferred. Employees think carefully about their own medium-to-long-term career development and the skill-enhancement plans necessary to move them on track. The system cultivates a problem-solving, can-do mindset that kicks in when employees reach the new positions to which they aspire. For retired employees in their second careers in company life, the system offers working options matched to their career aspirations and the knowledge, experience, and skills they have acquired through long years of service. Seventy-eight of 89 employees who retired in fiscal 2010 were reemployed and now remain with the Company.

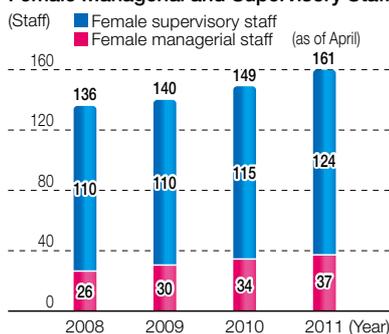
Employment of Persons with Disabilities

Toppan promotes the hiring of persons with disabilities mainly via Tokyo Metropolitan Government (T.M.G.) Prepress Toppan Co., Ltd., a special subsidiary that employs persons with disabilities. As of June 1, 2011, persons with disabilities accounted for 1.97% of the total workforce at Toppan.

Providing an Open Environment for Recruitment

Toppan offers various employment opportunities for persons of both genders and persons of many nationalities, ages, and levels of physical ability. Recruitment takes mainly three forms: regular hiring of new graduates from universities and high schools; mid-career hiring of experienced personnel year round; and hiring of persons with disabilities year round. To hire new graduates from universities, Toppan conducts screenings in seven geographical areas across Japan. The Company also sets by-job-type screenings in Japan and recruitment screenings outside of Japan. All graduates screened are given the chance to choose in accordance with their own aspirations and vocational aptitudes. Before the screenings, Toppan determines the talent requirements based on the results of employee consciousness surveys and a review of the behavioral characteristics of outstanding achievers in the Company. During the screening, Toppan tries to estimate if the recruits have suitable competencies and potentialities. The Company also runs internship programs to boost student awareness about work. A cumulative total of about 2,700 students participated in workshops, practical training sessions, and online training courses in fiscal 2010.

Female Managerial and Supervisory Staff



Employment of Persons with Disabilities

| | 2009 | 2010 | 2011 |
|--|-------|-------|-------|
| Employees | 160 | 183 | 199 |
| Percentage of total workforce ² | 1.90% | 1.89% | 1.97% |

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

Number of Recruits^{*1}

| | | Fiscal 2009 | Fiscal 2010 | Fiscal 2011 | |
|---|-----------------------------|----------------|----------------|----------------|----|
| Regular recruitment of new university graduates and post-graduates | Sales, administration, etc. | Male | 136 | 57 | 51 |
| | | Female | 72 | 20 | 23 |
| | Technical | Male | 150 | 56 | 83 |
| | | Female | 36 | 21 | 22 |
| New graduates from high schools and National Colleges of Technology | Male | 155 | 0 | 3 | |
| | Female | 24 | 9 | 13 | |
| Total number of regular recruits (percent female) | | 573 (23.0%) | 163 (30.7%) | 195 (29.7%) | |
| Mid-career recruitment of experienced personnel | | 13 | 18 | — | |

^{*1} The number of employees presented for fiscal 2009 includes employees who are now working at subsidiaries that were spun off on April 1, 2009.

Labor Practices



- 1 Toppan recognizes how deeply it depends on employees and encourages them to work vigorously and earnestly with strong motivation.
- 2 Toppan establishes labor-management relationships in which labor and management stand on equal footing and trust and respect each other.
- 3 Toppan has been implementing initiatives to support better work-life balance and has substantially decreased the average hours of overtime worked.

Basic Concept of Human Assets

Toppan values its employees as precious company assets (“human assets”) and recognizes how deeply it depends on them. From this perspective, the Company supports the motivated, vigorous, and earnest work of the Toppan workforce. The Company keenly understands the importance of the motivation to take on new challenges, the drive to work vigorously with a healthy body and mind, and earnest commitment to follow through on tasks to completion. When employees are vigorous, earnest, and have strong motivation, Toppan is convinced that they show their true abilities to the full.

Toppan strives to improve the abilities and draw out the organizational powers of every employee through the stages of hiring, appointment, training, and treatment. To do so, it places high priority on communication in a spirit of mutual trust, career progress in the directions in which employees envision, clearly defined rewards and penalties, and the establishment of an open and fair environment. At the beginning of fiscal 2011, Toppan reinforced its function to control human resource development throughout the Group. The Company plans to develop the Group further by fostering more people who can create new businesses and markets.

Labor-Management Partnership

As partners in shared ideals, Toppan’s labor union and management have trust in each other and respect for each other’s positions. The two parties work on various issues together on an equal footing and hold events of various sorts, including recreational activities for employees. Placing safety and health activities as a top priority for both labor and management in fiscal 2010, Toppan opened *Anzen Dojo*, a safety training facility outfitted to simulate occupational accidents for enhanced safety awareness. Labor and management cosponsored Toppan Sports Festival 2010 at the Seibu Dome in Saitama Prefecture and welcomed 4,400 participants, including the employees and their families from Group companies in the Tokyo metropolitan area.

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

Number of Employees (as of March 31)

A spin-off of subsidiaries on April 1, 2009 substantially altered the number of employees.

| | | Directors | Management Class | Supervisors | Total Employees | Average Tenure | Average Age | Sum Total Employees | Part-time Workers | Temporary Staff |
|-------------|--------|-----------|------------------|-------------|-----------------|----------------|-------------|---------------------|-------------------|-----------------|
| Fiscal 2008 | Male | 28 | 1,836 | 2,244 | 10,437 | 15.3 | 39.2 | 11,548 | 1,208 | 1,666 |
| | Female | 1 | 26 | 108 | 1,111 | 9.0 | 31.7 | | | |
| Fiscal 2009 | Male | 27 | 1,670 | 1,853 | 7,672 | 14.4 | 40.0 | 8,769 | 541 | 144 |
| | Female | 1 | 30 | 104 | 1,097 | 8.5 | 31.5 | | | |
| Fiscal 2010 | Male | 26 | 1,686 | 1,800 | 7,512 | 14.4 | 40.7 | 8,633 | 647 | 47 |
| | Female | 0 | 33 | 114 | 1,121 | 8.7 | 32.2 | | | |

Reasons for Leaving*1

| | Fiscal 2008 | Fiscal 2009 | Fiscal 2010 |
|--------------------------|-----------------|-----------------|-----------------|
| Personal reasons | 218 (40) | 110 (40) | 116 (38) |
| Retirement | 144 (3) | 118 (0) | 89 (0) |
| Requested by the company | 0 (0) | 0 (0) | 0 (0) |
| Other | 33 (1) | 50 (4) | 60 (2) |
| Total | 395 (44) | 278 (44) | 265 (40) |
| Turnover rate | 3.4% | 3.1% | 3.0% |

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

Average Annual Salary

| | Fiscal 2008 | Fiscal 2009 | Fiscal 2010 |
|--------------|----------------------|----------------------|----------------------|
| Total | 6,561,080 yen | 6,442,189 yen | 6,680,897 yen |

Annual Paid Leave Used

| | Fiscal 2008 | Fiscal 2009 | Fiscal 2010 |
|--------------------------------|-------------|-------------|-------------|
| Average paid leave used (days) | 8.1 | 7.7 | 7.8 |
| Average ratio*2 | 43.5% | 40.8% | 40.7% |

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

Employees Taking Maternity or Childcare Leave

| | Fiscal 2008 | Fiscal 2009 | Fiscal 2010 |
|------------------------------------|-------------|-------------|-------------|
| Employees taking maternity leave | 42 | 45 | 72 |
| Employees taking childcare leave*3 | 74 (2) | 72 (0) | 94 (1) |

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

Supporting Work-Life Balance

■ Efforts to Shorten Working Hours

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

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

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

As a result of these initiatives, the number of employees who worked long hours was reduced by about 95% in fiscal 2010 compared with fiscal 2007, the year before the measures were introduced. The average hours of overtime worked also decreased by more than 15%.

■ Efforts to Foster the Next Generation

Toppan has striven to create a working environment in which employees can achieve better work-life balance. It does so by providing systems for childcare and nursing care leave, for reduced working hours, and for a higher family allowance for dependents. A rehiring system for employees who resign from the Company to deliver and bring up children has been in place since fiscal 2006. Now, in the fifth year of system operation, 17 resigning employees have registered for future rehiring. Toppan has made other institutional improvements, as well. For example, the eligibility period for reduced working hours for employees with childcare responsibilities is now extended to the end of the child's third year of elementary school, a point in time beyond the requirements of the applicable law in Japan. A staggered working-hour system for expectant mothers and childrearing parents has also been introduced.

In fiscal 2010, Toppan extended the period of childcare leave up until the first March 31 after the employee's child reaches the age of 12 months. This change satisfies the requirements of the revised "Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" of Japan. It also addresses difficulties that parents face in Japan, where entry to daycare services is often impossible midway through the year. With a new extension of the Company's systems for reduced working hours and other childcare supports, these systems now remain in effect up until an employee's child finishes the third year of elementary school, even in cases where the employee's spouse has time to devote to childcare.

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

| | |
|---|---|
| Stock Leave | Employees can accumulate up to 50 days of annual paid leave (exercisable within two years from the date they are granted). Employees are eligible to use their stock leave for treatments for themselves or their dependents, healthcare for their families, or recovery from unexpected disasters. |
| Childcare Leave | Both mothers and fathers are eligible for fulltime childcare leave consecutively up until the first March 31 after their child reaches the age of 12 months (Eleven male employees have taken childcare leave so far, on a cumulative basis). Employees on leave receive 10% of their regular salaries from the Company (until their child reaches the age of 18 months) and subsidies of 30,000 yen a month from the Toppan Group Fraternal Benefit Society. They can also work for shorter hours (maximum reduction of two hours per day) or select a flextime or irregular working schedule from the date of their return to the job until their child completes the third year of elementary school. The Company subsidizes certain childcare costs and provides childcare-related information through a consultation office. |
| Rehiring of Employees who Leave the Company to Raise Children | Rehiring is guaranteed for an employee who resigns to deliver and raise a child, provided that the employee has worked for Toppan for more than three consecutive years up to the date of resignation. A resigned employee who meets these conditions will remain eligible for rehiring until May 1 of the year when the child enters elementary school. |
| Nursing Care Leave | Employees are entitled to take leave for nursing care. The maximum consecutive leave and maximum reduction in a working day are one year and two hours, respectively, for every family member requiring the nursing care. The Toppan Group Fraternal Benefit Society pays a 30,000-yen subsidy per month as assistance during the nursing care leave. The Company subsidizes certain nursing care costs and provides nursing care-related information. |
| Leave for Child Healthcare | Employees can take up to 10 days of leave a year, regardless of the number of children they are raising. These days can be taken in half-day allotments when necessary. |
| Volunteer Leave | In principle, employees can take volunteer leave to engage in socially beneficial activities for a maximum of one year. Employees on volunteer leave receive an allowance. |
| Staggered Work-hours | An employee can adjust daily working hours upward or downward by up to one hour to avoid rush-hour commutes during pregnancy and by up to two hours for childcare (until his or her child completes the third year of elementary school). |
| Dependent Family Allowance | The Company pays every employee with children a monthly allowance of 20,000 yen for each child. This allowance is discontinued on the first April 1 to arrive after the child's 18th birthday. (No limit for the number of children is applied.) |
| Partial Subsidization of Babysitter Expenses | The Toppan Group Fraternal Benefit Society subsidizes 50% of babysitter expenses (up to a 5,000-yen limit per day) for up to 90 days a year. |
| Other Systems | The Toppan Group Health Insurance Union offers a supplementary allowance in addition to a lump-sum allowance for childbearing and childrearing. It also provides one-year free subscriptions to the monthly childrearing magazine <i>Baby and Mommy</i> and runs a consultation office for employees with questions about the health of the body and mind. |

Occupational Safety and Health / Healthcare and Health Enhancement

Labor and management at Toppan have integrally propelled activities to enhance occupational safety and health. The Safety and Health Committee of each operational site plays a central role in these activities with the goal of completely eliminating occupational accidents. While occupational accidents have yet to be completely eliminated, these efforts have reduced both the frequency and severity rates to low levels.

Toppan formulated the Company-wide Basic Policy on Safety and Health in June 2010. These policies strictly affirm that business operations should place top priority on safety and clearly spell out the actions all operational sites should carry out. The Company is working to enhance the safety awareness of individual employees by organizing education throughout the operational sites. Danger simulation programs are also arranged using specialized hardware to simulate accidents involving fire, explosion, and the jamming of body parts in machines. In parallel, Toppan established the Health and Safety Promotion Department at the head office in October 2010. This department supports the safety and health promotion activities at all operational sites, quickly and proactively provides necessary information, and implements various safety and health measures across the Company. All operational sites in the Company work in a concerted manner to completely eliminate occupational accidents.

Occupational Safety and Health

| | 2008 | 2009 | 2010 |
|------------------------------------|-------|-------|------|
| Deaths from occupational accidents | 0 | 0 | 0 |
| Frequency rate*1 | 0.19 | 0.09 | 0.00 |
| Severity rate*2 | 0.001 | 0.003 | 0.00 |

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

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



Danger simulator at Anzen Dojo

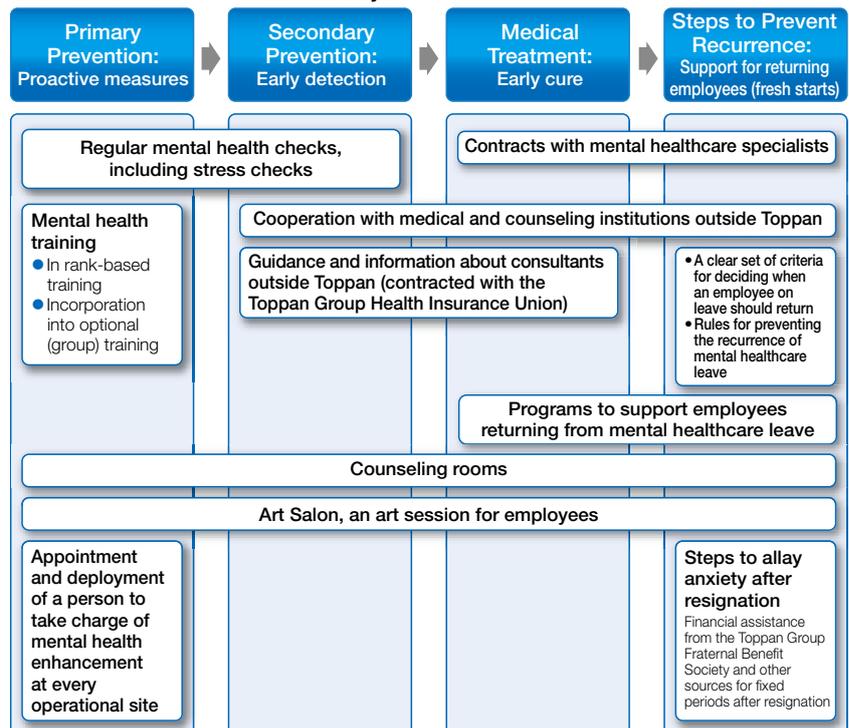
Measures for Mental Healthcare

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

In fiscal 2008, several rules were appended to the employment regulations to help the Company provide a working environment to which employees can more readily return from mental healthcare leave. These rules define a clear set of criteria for deciding when an employee should return to work, measures to prevent the recurrence of leave, and programs to support employees once they return to work. Toppan also holds regular mental health checks for all employees to prevent and promptly care for mental problems.

In a fiscal 2009 project conducted with the Institute of the Formative Art Co., Ltd. within the Toppan Group, the Company introduced Art Salon, an art session to refresh employee minds and bodies through the creative work of painting. Sessions have been held at operational sites across Japan from fiscal 2010 onward, delighting many of the employees who have taken part. Employees are also encouraged to freely consult with counselors in counseling rooms in all regions where Toppan sites operate. In addition, the Company has concluded advisory agreements with mental healthcare specialists to secure a ready source of instruction and advice from professional viewpoints.

Overview of the Mental Healthcare System



Developing and Fostering Human Assets

■ Concept of Human Asset Development and Fostering

Toppan's rank-based training helps employees understand the roles and responsibilities of each rank and appreciate and practice "conduct of high value." The Company offers a wide variety of training programs to encourage employees to acquire the "abilities and skills" required by each workplace. Information on individuals and organizations is consolidated into a database as basic data used at each workplace for the sustainable growth of the business.

Toppan rotates employees systematically to foster human assets, help employees advance in their careers, and optimize personnel positioning across the Group.

■ Organizing Rank-based Training and Various Education Systems

A cumulative total of 2,380 employees participated in rank-based training held by the head office in fiscal 2010. The head office welcomes Group company employees to the sessions. In addition to the department-based training planned out by the relevant divisions of the head office, divisional training is provided to equip employees with practical skills essential for performing tasks in each business field.

The Toppan Business School, meanwhile, offered self-development training to a cumulative total of 10,171 employees in fiscal 2010. The programs at the school are customizable to employee career designs with optional (group) courses

and the Challenge School (correspondence learning courses). Employees also have ready access to basic, Company-wide education via Toppan's e-learning system.

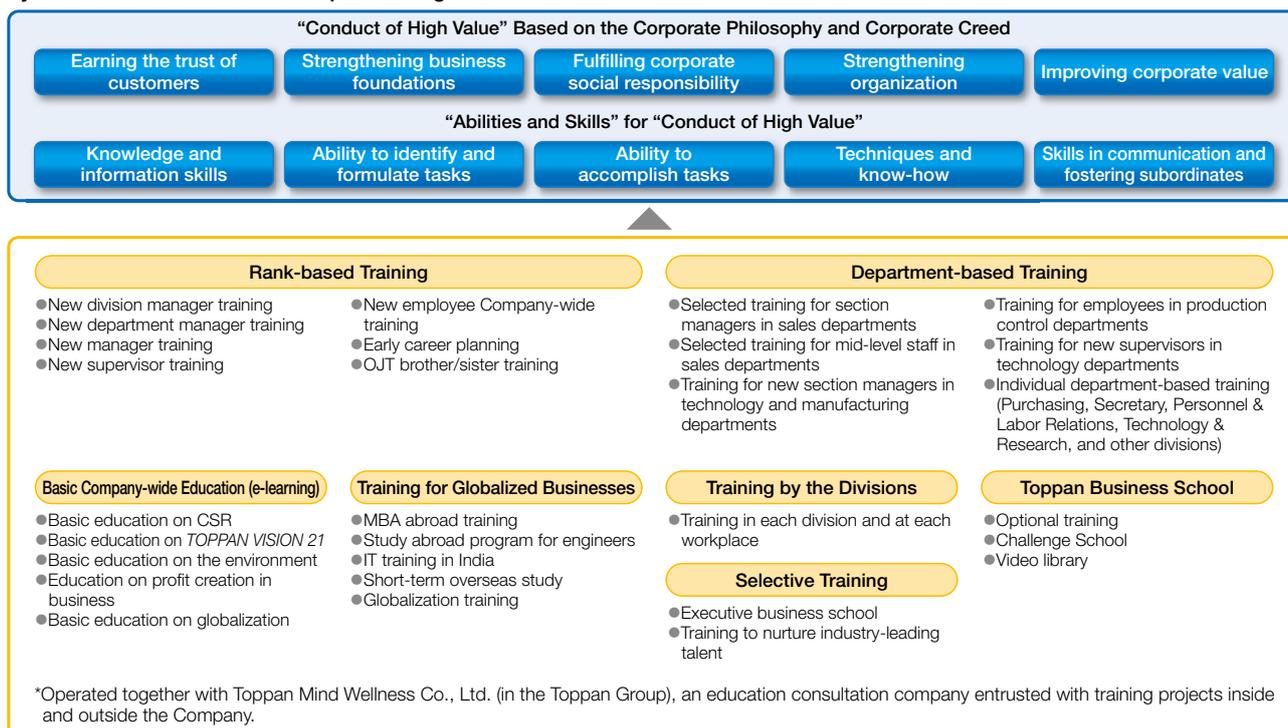
■ Fostering New Employees

Toppan regards the first three years after recruitment as the fosterage period for new employees and establishes an early career planning system to help new employees learn about themselves and achieve individually affirmed career ideals. A senior associate in the employee's workplace is appointed as a "Brother" or "Sister" responsible for training and fostering new employees mainly through on-the-job training (OJT). With help from the employee's immediate superior, the Brother or Sister prepares a "design sheet for ability and skill development" and regularly checks the employee's progress.

■ Fostering Human Assets Active in Global Businesses

Toppan has set up an assortment of systems to support overseas study for human assets who can play active roles in global businesses. The Company's globalization training course has supported a cumulative total of 151 candidates for overseas assignments as trainees from the launch of the program in 1996 up to the first half of fiscal 2010. To expand this training, the Company opened the course to all who wanted to apply in the second half of fiscal 2010 and invited a broader range of employees to participate. As a result, 52 employees completed the new training course in the first year.

Systematic Human Asset Development Programs



Fair Operating Practices



- 1 Toppan revised the Conduct Guidelines in the 10th year after their establishment.
- 2 Toppan organized education on compliance with the Subcontract Law of Japan and checked how subcontract transactions were being handled.
- 3 Toppan expanded the boundaries of its CSR procurement initiatives.

Disseminating the Conduct Guidelines

In June of 2000, the year of its 100th anniversary, Toppan established the Conduct Guidelines to express the behavioral norms by which every employee in the Group should comply with laws, regulations, and corporate ethics. Toppan revised the Conduct Guidelines in 2010, the 10th year of their existence, to position them as a cornerstone for the further development of the Group.

The revised guidelines are designed to be shared by all Group companies around the world as an instrument for the assurance of full compliance.

Conduct Guidelines Promotion Leader System

Toppan has introduced a Conduct Guidelines Promotion Leader system to disseminate the Conduct Guidelines in the workplace and ensure full compliance with them. Conduct Guidelines Promotion Supervisors (the “Supervisors”) and Leaders (the “Leaders”) are deployed at every Toppan operational site, including the manufacturing subsidiaries. The current tally for Leaders across the Group stands at 751. Seven point five percent of these Leaders (56 in total) are female, and Toppan will resolutely continue to increase this rate by fostering more female Leaders. A cumulative total of 3,794 employees have worked as Leaders since the system was launched in 2004.

Dissemination Activities by Conduct Guidelines Promotion Leaders

The Leaders formulate plans to disseminate the Conduct Guidelines and devote themselves to developing activities based on the plan. Their plans are tailored to the details of business operations, staff compositions, and other individual factors at the workplaces where the Leaders serve.

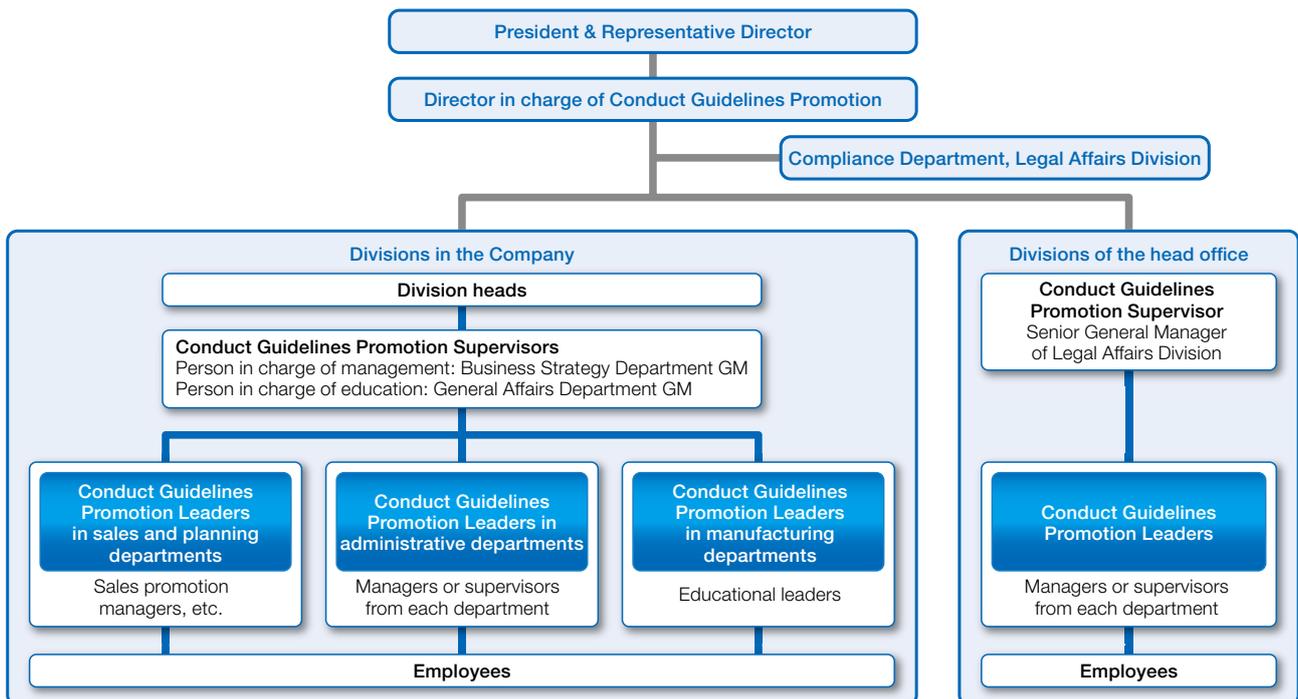
Tools to Promote the Conduct Guidelines

Toppan gives every employee a *Conduct Guidelines Casebook*, a Q&A style casebook describing actual situations that can arise in daily work. The Leaders make good use of the casebook to disseminate the guidelines and the Company uses it in rank-based compliance education. The Conduct Guideline Notifications posted on the Company intranet heighten employee awareness and call attention to compliance-related issues. The notifications published in fiscal 2010 provided information on topics such as information leakage, health and safety, quality problems, and improper conduct.

Toppan Group Helpline

The Toppan Group Helpline, the Group’s internal reporting system set up in 2003, complies with the Whistleblower Protection Act enforced in Japan from April 2006. The Helpline was extended to cover all Group companies in 2008. When an employee discovers a legal violation or improper conduct, he or she is to report it to his/her superiors for deliberation. When the employee’s superiors fail to settle the problem, the

Structure to Promote the Conduct Guidelines



employee is encouraged to call the Helpline to report the matter with his or her real name. The Helpline is kept open for use by all directors and employees, including temporary staff and part-time workers.

The Helpline was used in five cases in fiscal 2010. The incidents reported involved sexual and power harassment and other inappropriate actions. All five cases were strictly investigated and properly handled, and necessary countermeasures were taken to prevent recurrence.

Implementing the Conduct Guidelines in Overseas Group Companies

By fiscal 2009, the Toppan Group had introduced and disseminated the Conduct Guidelines at Group companies in eastern Asia. In fiscal 2010, the Group began to revise the guidelines already implemented in these companies, based on revised Conduct Guidelines designed to be shared by the entire Group. As soon as these revisions are completed, the Group holds briefing sessions in every country and region to ensure full compliance at these overseas Group companies.

Compliance Education

Compliance Education

As in the previous fiscal year, Toppan held the semi-annual specialist training series for Conduct Guidelines Promotion Leaders in fiscal 2010. The series were scheduled in two phases. In the first, 575 Leaders were trained in 33 sessions

across Japan, from May to September 2010. In the second, 520 Leaders were trained in 31 sessions, from November 2010 to February 2011.

Toppan also held ongoing compliance education in various rank-based programs, including a training course for new employees.

Education on Compliance with the Subcontract Law of Japan

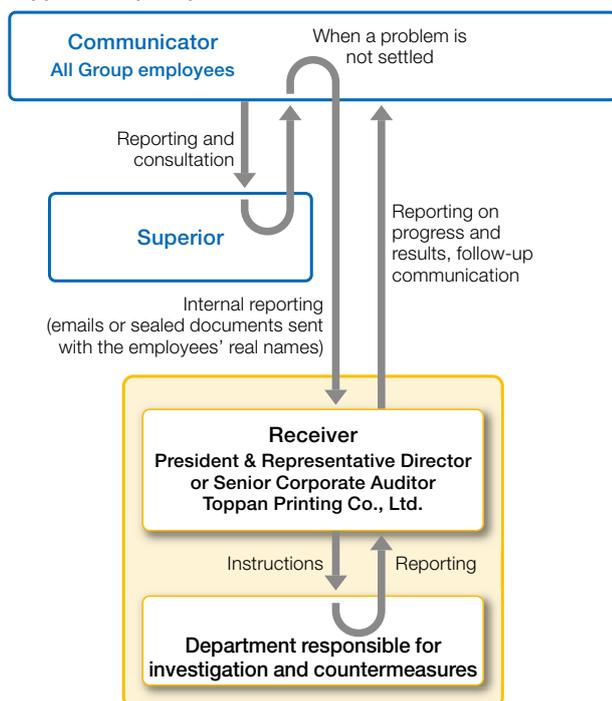
Toppan has organized education on compliance with the Subcontract Law of Japan to attain full compliance with the law in transactions with subcontractors. In fiscal 2010, 26 sessions mainly for employees in the planning and sales promotion departments and manufacturing subsidiaries were held in Japan from October 2010, with 1,135 participants. In a separate effort, the Company checked how subcontract transactions were being handled in 47 sections throughout the country.

Toppan also launched an e-learning-based educational program for sales departments on compliance with the law in November 2010. In total, 2,950 employees took part in fiscal 2010.

Briefing on Compliance

Toppan was not involved in any violations of laws or regulations with major impacts on society in fiscal 2010. The Company received no criminal punishments, administrative penalties, or administrative guidance.

Toppan Group Helpline



Approach to Intellectual Property

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

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

Promoting CSR Procurement

The Toppan Group implements CSR initiatives in cooperation with business partners throughout the entire supply chain to enhance corporate value for every counterpart. Towards this end, the Group has established a set of CSR Procurement Guidelines.

These guidelines consist of the Basic Procurement Policy and the CSR Procurement Standards. The Basic Procurement Policy is a conceptual framework to be closely observed by every Toppan employee involved in procurement operations. The CSR Procurement Standards stipulate the requirements to be satisfied by every business partner. At the same time, all employees in the Toppan Group are required to adhere to the standards.

Complying with the CSR Procurement Standards and Enhancing CSR Interactively

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

Toppan compiles the information written up in the memorandums and questionnaires into a Business Partner Database.

This database serves as a valuable information resource for establishing a trusted supply chain between Toppan and its business partners.

In fiscal 2010, Toppan expanded the boundaries of its CSR procurement initiatives and collected memorandums and questionnaires from 192 major business partners involved in the provision of equipment for the Group.

The Group also held briefing sessions at seven operational sites for about 340 business partners involved in the production. The briefings were designed to deepen the understanding of the business partners and encourage them to fully implement measures addressing issues such as occupational safety and the management of waste, chemical substances, and information security.

Promoting Compliance in Procurement Departments

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

In fiscal 2010, the Group asked 19 business partners to fill in the questionnaire. Toppan analyzed the results and devised countermeasures for issues that came to light in the surveys.

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

Basic Procurement Policy

- We impartially offer opportunities to all suppliers.
- We comply with all domestic and overseas legislation and perform fair business dealings based on corporate ethics.
- We strictly control the information obtained through our procurement activities.
- We give full consideration to impacts on the environment.
- We pursue QCD (Quality, Cost, Delivery) in order to meet the needs of the market.
- We implement CSR initiatives throughout the entire supply chain.

CSR Procurement Standards

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

Conduct Guidelines and Information Management Policy

Conduct Guidelines

Here are the specific conduct guidelines presented after Chapter 1 of the Conduct Guidelines (described on page 10).

Chapter 2: Specific Conduct Guidelines

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

Basic Principle 1: Respecting basic human rights

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

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

In the conduct of business

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

In our private lives

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

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

Legal compliance

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

Compliance with company rules

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

Basic Principle 4: Avoiding all links with antisocial groups

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

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

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

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

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

Basic Principle 7: Proactively undertaking conservation of the global environment

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

Basic Principle 8: Embracing change and taking on new challenges

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

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

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

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

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

Established in June 2000 Revised in November 2010

Information Management Policy

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

Established on April 1, 2001

Consumer Issues



- 1 Toppan has been proactively fostering human assets responsible for product safety management.
- 2 Toppan has redesigned its universal design (UD) initiatives.
- 3 Toppan handles personal information with the utmost care to guarantee security.

Assuring Product Safety and Quality

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

Product Safety

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

To support product safety management, Toppan strives to improve product quality on an ongoing basis. Every operational site has acquired the ISO 9001 certification for its quality management system (QMS) and works to update it. In fiscal 2010, a total of 255 employees took part in Toppan's training sessions for internal auditors at operational sites.

Certified Approval System for Manufacturing in Food Packaging

Food packaging requires exacting quality assurance for safety and sanitation. Toppan has adopted a certified approval system to ensure that the operational sites of Toppan and partner companies can manufacture containers and packages only after receiving the required ratings in the audits. The audits are conducted based on the Quality Assurance Guidelines for Food Packaging using a checklist. In fiscal 2010, Toppan carried out 34 audits at operational sites inside and outside the Company.

Management of Chemical Substances in Products

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

Basic Stance on Product Safety Management

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

Audits for the Food Container and Filling/Packing Businesses

Audit Points

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

Operational Sites Audited

- Food containers
 - 12 operational sites at divisions and manufacturing subsidiaries
- Filling/packing business
 - 5 operational sites at manufacturing subsidiaries
 - 16 operational sites at production business partners



Operational site audit



Training session for internal auditors

Challenges in Universal Design

As Toppan sees it, universal design is a corporate social responsibility for every company. Toppan strives to realize the fulfilling lifestyles enunciated in its Corporate Philosophy by producing attractive, easier-to-use products and services suitable for users in various scenes of life.

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

The roles of universal design (UD) have been growing in importance in parallel with social trends such as enhanced social ethics among consumers, a shift towards consumption with an emphasis on comfort and sensory values, and declining birthrates and population ageing.

In April 2010, Toppan established the Toppan Declaration on Universal Design, a statement of the Company's purpose and stance in the creation of universal designs, and revised Toppan's Principles on Universal Design (first enacted in 2001).

Based on the declaration and principles, Toppan has redesigned its UD initiatives to assign greater weight to sensory values and customization while maintaining emphasis on functions such as understandability and usability.

Examples of Universal Design

In parallel with their work to develop packaging materials with higher understandability and usability, packaging departments are now pressing ahead in the planning and development of materials with enhanced comfort. One example has been the commercialization of a sound-making package.

Departments in the Information & Networks field, meanwhile, are gearing up their work to plan and develop attractive printed materials with higher readability and understandability. Recent examples of their development efforts include easily assembled point-of-purchase (POP) displays for enhanced work efficiency and easier-to-understand application forms that prevent incomplete or erroneous entries.

Toppan has also been offering various survey and analysis services to help users resolve their problems scientifically. These activities put momentum behind Toppan's drive for user collaboration in universal designs through the solicitation of widespread user participation in the development of UD products and services.

Toppan Declaration on Universal Design

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

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

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

Established in April 2010

Toppan's Seven Principles on Universal Design

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

Established in 2001 Revised in April 2010



Eco-POP display (2009 product)



Sound-making package



International conference held by the International Association for Universal Design (IAUD)

Protecting Personal Information

Toppan handles a great deal of personal information entrusted to the Company by customers, in the course of arranging and sending direct mail, issuing and processing cards, and conducting campaign secretariat affairs and web-related operations. Toppan treats all personal information with the utmost care in the belief that the trust and confidence of customers hinge on Toppan's responsible management of the information entrusted by customers.

Reinforcing Management at Manufacturing Departments

Toppan recognizes the risk of personal information leaks in every business operation. In response, the Company has launched a special cross-sectional project to eliminate vulnerabilities in the procedures of hardware management, software development and installation, and service operation and maintenance.

● Shoring up Vulnerabilities in Production Systems in the Information & Networks Field

The Company has sequentially upgraded systems for managing non-functional requirements such as multiplexing, data backup, and maintenance in an effort to eradicate potential weakness in the hardware and networks used to handle personal information.

● Building a Diagnostic System for Detecting Website Vulnerabilities

Toppan has built a new diagnostic system to enable specialty departments to detect website vulnerabilities and prevent personal information leaks caused by illegal attacks. With this system, the Company has started to review its existing website systems and perform pre-launch diagnoses of new projects entrusted to the Company.

● Shoring up Vulnerabilities in Operational Processes

Among operations involving the use of personal information, Toppan has laid down a set of guidelines applicable to the production of mail magazines and important goods to be posted, in an effort to prevent operational accidents. The guidelines have been disseminated across the Company.



Information Security Management Guidebook (2010 additional edition); in Japanese)



Close Calls on the Job, Vol. 4 (on potential mistakes and mishaps at production sites and in the handling of manuscripts and artwork; in Japanese)

Conducting Audits on Personal Information Handling and System Assets

Toppan conducts various special audits independently from the internal audits carried out within divisions. These audits include a technical-oriented audit on servers essential to production, and a quality-oriented audit to prevent accidents by assuring the propriety of procedures in all operational processes involving the handling of personal information.

Continuing Actual Condition Surveys and Face-to-face Group Education

The prevention of personal information leakage depends on not only established information-protection systems, but also a high level of employee awareness. To maintain this awareness, Toppan takes strident steps to disseminate the related rules to all employees and encourage vigilant mindsets.

● Surveying Actual Conditions to Confirm that Rules are Being Followed

Toppan sends out anonymous questionnaires to assess how information and devices are handled in actual practice on a day-to-day basis. In fiscal 2010, the Company collected 20,074 responses and analyzed the data to clarify department trends. The survey results are used for the internal audits and as an informational tool for improving practices.

● Arranging Face-to-face Group Education to Enhance Awareness

Toppan considers group education in a face-to-face lecture style to be the most effective approach to encourage heightened awareness in employees. In fiscal 2010, the Company held 283 briefing sessions in this style across Japan.

● Issuing Educational Booklets for Read-throughs at the Workplace

In addition to group education in a face-to-face setting, Toppan also publishes educational booklets with details on relevant issues employees can check whenever necessary.

Two such publications were issued in fiscal 2010: the *Information Security Management Guidebook* (2010 additional edition) and *Close Calls on the Job, Vol. 4*.

Activities in Fiscal 2010

● Meetings of Information Security Managers: May 2010, March 2011

● Projects for reinforced management at manufacturing departments: from April 2010 to February 2011; once a month

Various surveys

● Audits on the handling of personal information: from April 2010 to February 2011

● System asset audits: from September to November 2010

● Survey of the actual conditions of information security management: August 2010

Education

● Regular training for information security: from June to December 2010

● Internal auditor training: from October to November 2010

● Issuance of *Information Security Management Guidebook* (2010 additional edition) booklet: June 2010

● Issuance of *Close Calls on the Job, Vol. 4* booklet: September 2010

Contributing to Sustainable Consumption

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

Toppan Material Wood from Toppan Cosmo, Inc. is a recycled industrial material, a molded compound of waste plastic and powdered waste wood discharged from plants and construction sites. This industrial material is made almost exclusively from recycled waste and can be recycled again after use.

Toppan also manufactures and sells electronic paper. Uniquely, electronic paper saves the image on the display even when the power is turned off. This reduces power consumption, as the display works without constant power. Better still, electronic paper can be used to display different images again and again. Thanks to these features, electronic paper is expected to be used for sundry industrial applications such as inventory tags, electronic labels, and displays for home electric appliances, in addition to consumer application in e-book terminals.

Toppan will strengthen its efforts to develop more sustainable, environmentally friendly products.



Toppan Material Wood



Products using electronic paper

*In April 2011, Toppan Printing Co., Ltd. agreed to collaborate in an electronic paper project with Chi Lin Technology Co., Ltd., a core company of the Chi Mei Group in Taiwan.

Reporting Carbon Footprint

A carbon footprint is a measure of CO₂ emissions associated with a product or service. It is a single number anyone can understand. Within the framework of carbon footprint reporting, an individual consumer is expected to switch to more eco-friendly products as a purchaser.

Toppan has been participating in the Carbon Footprint Pilot Program undertaken by the Ministry of Economy, Trade and Industry of Japan. The Company has collaborated with the ministry in the formulation of Product Category Rules (PCRs) for publication and commercial printed materials (intermediate goods), containers and packaging, and printed materials for advertisement and business. Toppan established an in-house structure responsive to the calculation requirements under the PCRs and trained persons in charge from fiscal 2008 to 2010. In fiscal 2011, the Company is applying for approval to put the carbon footprint label on its pamphlets and the Japanese version of this CSR report (637 g-CO₂ emitted per copy).

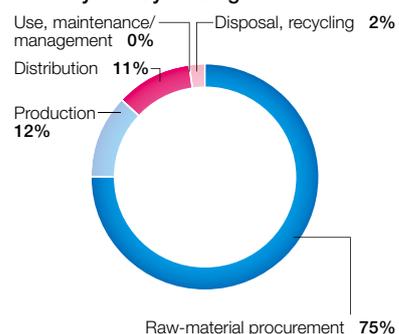
Data on manufacturing processes collected for carbon footprint calculations will help Toppan visualize its energy consumption and thereby implement more effective activities to save energy and reduce CO₂ emissions. Meanwhile, paper accounts for a large part of the CO₂ emissions associated with the manufacturing of printed products. Toppan is therefore seeking productivity enhancements to reduce the amounts of paper wasted.

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

| Raw-material procurement | |
|-----------------------------------|---|
| Paper, ink, CTP plates, etc. | 7,155 kg-CO ₂ |
| Production | |
| Prepress, printing, binding, etc. | 1,143 kg-CO ₂ |
| Distribution | |
| Transport, etc. | 1,098 kg-CO ₂ |
| Use, maintenance/management | |
| Reading, etc. | 0 kg-CO ₂ |
| Disposal, recycling | |
| Transport, treatment, etc. | 161 kg-CO ₂ |
| ↓ | |
| Total | Emitted 9,557 kg-CO₂ in total (637 g-CO₂ per copy) |

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

Ratio by Life Cycle Stage



Community Involvement and Development



- ① The entire Toppan Group has assisted the areas distressed by the Great East Japan Earthquake.
- ② The Group supports educational programs for children in the communities where Toppan operational sites are located.
- ③ The Group eagerly cooperates with and participates in community organizations.

Assistance for the Areas Distressed by the Great East Japan Earthquake

The Tohoku-Pacific Ocean Earthquake of March 11, 2011 caused unparalleled damage to eastern Japan. The Toppan Group promptly supported the people in the disaster-stricken areas.

In addition to money contributions, the Group donated many thousands of school textbooks, picture books, sketch-books, and puzzles to make up for shortages in affected schools and towns. It also donated LCD TVs to the evacuation centers for disaster victims established in Saitama Prefecture.

The Higashinihon Division of Toppan Printing Co., Ltd. in Izumi Ward of Sendai, Miyagi Prefecture called upon like-minded employees to take part in volunteer activities such as dirt removal and cleanup in Ishinomaki and surrounding areas on weekends.

The Toppan Group will offer medium-and-long-term assistance for the distressed areas. Employees of the Group operate the Book Wagons, mobile libraries traveling around areas with temporary housing for disaster victims. The employees will also continue to collect in-house contributions, and the management at these companies match the contributions with the companies' own funds.

Book Wagon: <http://bookwagon.jp/> (in Japanese)

Community Contribution and Involvement

Supporting Educational Programs for Elementary School Students in Nagoya

The Chubu Division of Toppan Printing Co., Ltd. in Nagoya, Aichi Prefecture produced learning materials for career education in collaboration with Nagoya City Hirata Elementary School and a nonprofit organization called the Crossover Education Network, "Everyone is a Hero."

This social contribution project is the fruit of the combined enthusiasm of the NPO and Toppan employees, crystallized with various concepts on social contribution brainstormed by young employees.

To attain its purpose of cultivating human resources of the future, these learning materials describe real-life working scenes that enlighten children on job satisfaction and the importance of hard work. Toppan first asked teachers about the learning content they wished to convey to their classes, then provided related information on products manufactured at Toppan plants, detailed descriptions of jobs in sales, production, and other operations, and the mindsets and viewpoints of employees working in these operations.

In fiscal 2011, the Company will begin collaborating with Nagoya City Ukino Elementary School in a project to offer learning programs for students of all ages, from first grade to sixth.



Volunteer activities in the areas distressed by the Great East Japan Earthquake



Book Wagon



Learning materials for career education in collaboration with Hirata Elementary School in Nagoya

Toppan Group Relief Activities for the Great East Japan Earthquake (excerpted)

All Group companies: Operate the Book Wagons, mobile libraries traveling around areas with temporary housing for disaster victims; have prepared and distributed calendars in partnership with Japan Graphic Designers Association Inc.

Toppan Printing Co., Ltd.: Provides information delivery capacity to stores in the disaster-stricken areas via the service of Shufoo!, an online mall for digital flyers.

Toyo Ink SC Holdings Co., Ltd.: Has made donations.

Tosho Printing Co., Ltd.: Has donated everyday commodities to the affected areas.

Tokyo Shoseki Co., Ltd.: Has replaced about 220,000 school textbooks lost in the disaster.

Toppan Forms Co., Ltd.: Has donated proceeds from the sale of creative works.

Toppan TDK Label Co., Ltd.: Has produced "Ganbappe (hang in there), Fukushima!" stickers as a rallying cheer for Fukushima Prefecture, where the company's plant is located.

froebel-kan co., ltd.: Plans to donate 1% of the sales proceeds from the picture books and storybooks it publishes and releases from April to December 2011.

Bitway Co., Ltd.: Has donated funds raised through Handy Comic, a mobile phone website.

Mapiion Co., Ltd.: Donates proceeds from the sale of charity avatars for a mobile phone game, matched by funds from the company.

Institute of the Formative Art Co., Ltd.: Has distributed 2,000 sets of stationery to people staying in evacuation centers and disaster-affected students (via Tohoku Fukushi University).

Toppan Leefung Pte. Ltd. (overseas subsidiary): Has donated contributions from employees matched in equal amounts with company funds.

See <http://www.toppan.co.jp/oshirase/oshirase20110627.html> (in Japanese) for further details on the relief activities.

Participating in and Communicating with Community Organizations

Toppa runs many offices and plants across Japan. All of them engage in residents' associations and other community organizations in order to hold dialogues and sound out the needs of members of the communities.

In fiscal 2010, Toppa cosponsored local events at the request of the communities, took part in local fire-response squads, and provided meeting venues for the events held by residents' associations.

Supporting Educational Programs and Job Hunting

Toppa organizes tours and internships at operational sites across Japan to nurture human resources and provide work experience opportunities to students.

In fiscal 2010, Toppa plants in Sendai, Niigata, Itabashi, Fukuoka, and many other locations welcomed students from elementary and other schools for plant tours. The Kashiwa and Shiga Plants gave students the chance to actually experience work at the plants.

To foster awareness about work, the Toyama, Kumamoto, and Takino Plants offered internships and held plant tours for high school students about to enter the business world.

Helping Developing Nations Raise Literacy Rates

In fiscal 2010, Toppa sponsored the fourth series of *Toppa Charity Concerts*, annual concerts to help raise literacy rates across the world. On March 10 in 2011, violinist Rina Matsuda gave a recital. Toppa brought in approximately one million yen in donations for the Asia-Pacific Cultural Centre for UNESCO (ACCU).

ACCU uses these funds for educational assistance to improve the literacy of females, especially child-rearing mothers, in developing nations in Asia. Functional literacy helps mothers better protect the health and safety of their families and sets them on track to having their own children receive literacy education.

Contributing to Communities at Overseas Operational Sites

Toppa's overseas operational sites in China, Thailand, the U.S., Australia, and other locations also support their communities. The operational site in Thailand gave scholarships and stationery to elementary school students living in the vicinity of the industrial complex. An operational site in China contributed to local environmental improvement through seacoast cleanup and afforestation projects in and around villages along the mountains.



Work experience program (Kashiwa Plant)



Toppan Charity Concert



Tree-planting program (Toppan Leefung Pte. Ltd. in Hong Kong)



Work experience program (Shiga Plant)



Donation to a local elementary school (Siam Toppan Packaging Co., Ltd. in Thailand)

Toppan's Environmental Activities



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

Overview of Environmental Activities

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

coming decade and concrete targets are set for each current fiscal year based on individual environmental objectives. This methodical approach to goal setting enables Toppan to clarify the activities to be taken and the criteria for assessing achievements (→PP. 33–35 for the environmental targets).

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

The Toppan Group Declaration on the Global Environment

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

Basic Principles

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

Established in April 1992
Revised in April 2009

Environmental management activities

Activities for systematically managing environmental initiatives

Eco-protection Activities

Activities to minimize CO₂, waste, chemical substances, and other environmental burdens associated with corporate operations

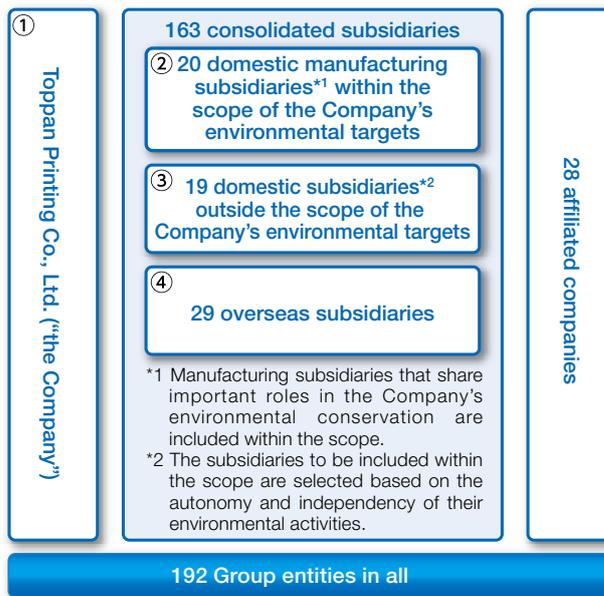
Eco-creativity Activities

Activities to proactively promote the development, assessment, and sales of environmentally friendly products and technical services

Environmental communication activities

Activities for sharing environmental awareness with stakeholders

Scope of Environmental Performance Data



Scope

- PP. 33–35 Environmental targets: 21 companies (①, ②)
P. 36 "Major Environmental Burdens by Business Field in Japan (INPUT/OUTPUT data):" 21 companies (①, ②)
P. 37 "Ratio of Domestic and Overseas Environmental Burdens:" 69 companies (①–④)
Domestic (within the scope of the environmental targets): 21 companies (①, ②)
Domestic (outside the scope of the environmental targets): 19 companies (③)
Overseas: 29 companies (④)
"Environmental Impact and Environmental Efficiency:" 21 companies (①, ②)
"Environmental Impacts by Business Field:" 21 companies (①, ②)
PP. 40–42 All the charts: 21 companies (①, ②), but;
"Improving Transport Efficiency in Logistics" on P. 40: Toppan Logistics Co., Ltd. only
P. 45 Total sales of the environment-related businesses: 8 companies (①, Toppan Forms Co., Ltd., Toppan TDK Label Co., Ltd., Tamapoly Co., Ltd., Tokyo Shoseki Co., Ltd., Tosho Printing Co., Ltd., Toppan Cosmo, Inc., and froebel-kan co., ltd.)

Environmental Targets and Results (for the Medium-and-long-term and Fiscal 2010)



- 1 Toppan's carbon dioxide (CO₂) emissions per unit of sales increased by 11% compared to the fiscal 2000 level.
- 2 Toppan reduced final landfill waste disposal by 97% compared to the fiscal 2000 level.
- 3 Toppan reduced volatile organic compound (VOC) emissions into the atmosphere by 81% compared to the fiscal 2000 level.

Evaluating Achievement of the Medium-and-long-term Environmental Targets

As the medium-and-long-term environmental targets were scheduled to be achieved by fiscal 2010, Toppan evaluated the results for the last decade based on the results for fiscal 2010. The Company has achieved eight targets out of the 12 medium-and-long-term targets over the period from fiscal 2001 to fiscal 2010.

The Company has succeeded in recording an 81% reduction in VOC emissions into the atmosphere compared to the fiscal 2000 level, significantly surpassing the targeted reduction of 70% (→P. 34).

Meanwhile, Toppan's CO₂ emissions per unit of sales have taken an upward turn. The effects of energy-saving activities have not been sufficient to offset the factors that push CO₂ emissions up.

In addition, Toppan has not attained three of the waste-related targets set under the medium-and-long-term targets—for example, those that relate to the expansion of material recycling and the increase of the number of certified zero-emission sites—though it has come closer to reaching the targets. Progress in waste reduction was held back by the declining

trend in the portion of highly recyclable paper among the total waste discharged, along with the lower recycling volume of non-industrial waste, the main waste discharged at Toppan offices. The Company will continue to promote waste reduction and recycling through the strict separation of waste.

Evaluating Achievement of the Environmental Targets for Fiscal 2010

During the last fiscal year, Toppan undertook various activities to achieve the 15 environmental targets set for fiscal 2010. Nine of the targets were reached.

The Company has reduced final landfill waste disposal by 31% compared with fiscal 2009, substantially surpassing the 16% reduction targeted for the year.

Toppan has also established an in-house structure to conduct life cycle assessments (LCAs) and calculate carbon footprints (CFPs) in line with the growing expectations of society (→P. 34).

Toppan's CO₂ emissions per unit of sales, meanwhile, increased by 0.1% compared with the previous year. The Company will institute every measure necessary to reduce CO₂ emissions further into the future.

| Environmental Objectives and Medium-and-long-term Environmental Targets | Results | Evaluation | Environmental Targets for Fiscal 2010 | Results | Evaluation | For Details |
|---|--|------------|---|-------------------|------------|-------------|
| 1. Mitigation of global warming through the development of energy-saving measures | | | | | | |
| Reduce CO ₂ emissions per unit of sales by 10% by fiscal 2010 (compared to the fiscal 2000 level) | Increased by 11% | B | Reduce by 1% compared to the fiscal 2009 level | Increased by 0.1% | B | P. 40 |
| 2. Promotion of waste reduction and recycling | | | | | | |
| Reduce waste discharge per unit of production value by 25% by fiscal 2010 (compared to the fiscal 2000 level) | Reduced by 24% | B | Reduce by 7% compared to the fiscal 2009 level | Reduced by 6% | B | P. 41 |
| Expand the material recycling of waste*1 | The material recycling rate decreased by 2 points compared with fiscal 2008; the expansion target was not achieved | B | Material recycling rate: 94% | 92% | B | |
| Reduce final landfill waste disposal*2 by 95%*3 by fiscal 2010 (compared to the fiscal 2000 level) | Reduced by 97% | S | Reduce by 16% compared to the fiscal 2009 level | Reduced by 31% | S | |
| Efficiently use the industrial waste materials generated in the manufacturing stage and have all domestic sites certified as zero-emission sites*4 by fiscal 2010 | 51 sites out of 58 domestic sites | B | 51 domestic sites | 51 domestic sites | A | |

*1 Established in fiscal 2007; calculation method revised in fiscal 2008

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

*3 Target revised (because the medium-and-long-term target at the time, a 90% reduction compared with the fiscal 2000 level, was achieved in fiscal 2006)

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

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

| Environmental Objectives and Medium-and-long-term Environmental Targets | Results | Evaluation | Environmental Targets for Fiscal 2010 | Results | Evaluation | For Details |
|--|--|------------|---|---|------------|----------------|
| 3. Prevention of atmospheric pollution via VOC emission restraints | | | | | | |
| Reduce VOC emissions into the atmosphere by 70% by fiscal 2010 (compared to the fiscal 2000 level) | Reduced by 81% | S | Reduce by 30% compared to the fiscal 2009 level | Reduced by 35% | A | P. 42 |
| 4. Control of risks from chemicals | | | | | | |
| Reduce the handling of chemical substances designated under the PRTR law*5, *6 | Reduced by 20% compared with fiscal 2006*7 | A | Ascertain the handling amount of chemical substances newly designated under the PRTR law | <ul style="list-style-type: none"> ● Ascertained the handling amount ● Complied with the revisions of the "Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof" and the "Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc." of Japan | A | P. 42 |
| 5. Environmental contribution via the development and marketing of eco products | | | | | | |
| Promote the sales of environmentally friendly products | Total sales of registered environmentally friendly products increased by 271% compared with fiscal 2000 | A | <ul style="list-style-type: none"> ● Review the criteria for environmentally friendly products ● Examine designs for an LCIA*8 method | <ul style="list-style-type: none"> ● Considered new criteria ● Conducted product LCAs | B | P. 45 |
| Reinforce efforts to develop, manufacture, and assess environmentally friendly products | The total number of registered environmentally friendly products increased by 140% compared with fiscal 2000 | A | <ul style="list-style-type: none"> ● Establish an in-house structure for reporting Toppan's "carbon footprints (CFPs)" ● Promote conservation and the sustainable use of biodiversity | <ul style="list-style-type: none"> ● Took measures to meet the requirements for calculating CFPs ● Conducted traceability surveys on raw materials used by paper manufacturers | A | P. 29 P. 44 |
| 6. Promotion of environmental communication | —*9 | — | Provide information through exhibitions, lectures, and other presentations | Exhibited at TOKYO PACK 2010 and Eco-Products 2010 | A | P. 46 |
| 7. Avoidance of environmental risk | | | | | | |
| Establish and observe appropriate in-house management guidelines that embrace regulatory controls | Built an audit system | A | Observe in-house management guidelines at the Group production sites | Conducted internal environmental audits to confirm the observance of the reference values established under the in-house management guidelines | A | P. 38 |
| Reduce the risk of soil contamination | Monitored and remedied soil contamination | A | Monitor the operational sites, including the vacant lots of reconditioned sites | Investigated, inspected, and repaired buried equipment | A | P. 43 |
| Maintain adequate communication with stakeholders | Shifted from an <i>Environmental Report</i> to a <i>CSR Report</i> | A | Publish a <i>CSR Report</i> (in Japanese) in August; expand the number of operational sites that issue <i>Site Eco Reports</i> to 38 domestic sites (30 reports in total) | Issued a <i>CSR Report</i> (in Japanese) in August; issued <i>Site Eco Reports</i> at 37 domestic sites (29 reports in total) | B | P. 46 |
| 8. Enhancement of environmental education and the environmental awareness of all employees | — | — | <ul style="list-style-type: none"> ● Conduct environmental education on a regular basis (new employee and optional training) and an as-needed basis ● Conduct environmental education via e-learning | <ul style="list-style-type: none"> ● Conducted in April and June ● Conducted in October | A | P. 39 |
| 9. Upgrading of environmental management systems at our overseas production sites | — | — | <ul style="list-style-type: none"> ● Conduct internal environmental audits at overseas production sites: Eastern Asia ● Observe local regulatory standards and collect monthly environment-related data | Conducted internal environmental audits at seven sites in PRC | B | P. 39 |

*5 PRTR is an acronym for Pollutant Release and Transfer Register; chemical substances designated under the PRTR law refer to chemical substances designated under the "Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof" of Japan.

*6 Established in fiscal 2007

*7 Based on formerly designated chemical substances

*8 Life Cycle Impact Assessment (LCIA)

*9 The mark "—" indicates that no medium-and-long-term target was set under the relevant environmental objective (only the target for fiscal 2010 was set).

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

New Medium-and-long-term Environmental Targets and Environmental Targets for Fiscal 2011



- 1 Toppan has established medium-and-long-term environmental targets for fiscal 2020 on CO₂ emissions, final landfill waste disposal, and VOC emissions into the atmosphere.
- 2 Toppan has shifted the CO₂ emission target from a per-unit-of-sales basis to a total-emission basis.

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

To move closer to the realization of the goals of The Toppan Group Declaration on the Global Environment, Toppan has established a new set of medium-and-long-term environmental targets for fiscal 2020 based on achievements under the former medium-and-long-term targets (→PP. 33–34). The Company has set a total-emission target for mitigation of global warming and determined to boost efficiency in energy use. In view of the current conditions facing society, Toppan assumes that the mitigation of global warming is a material issue for the global community.

Taking environmental impacts specific to the printing industry into account, Toppan has also set two new targets to promote the building of a recycling-oriented society and conservation of the atmospheric environment. These two targets are specified as items in the voluntary action plan of the Japan Federation of Printing Industries (JFPI).

Establishing Environmental Targets for Fiscal 2011

Fiscal 2011 is the first year in Toppan's journey to attain the goals of the new medium-and-long-term targets. Toppan has established 11 targets for the year, with three related to the above-mentioned medium-and-long-term targets and eight set under in-house environmental management rules and bylaws.

The focus for the Company in fiscal 2011 will be to prevent environmental risk. Specifically, every operational site will seek to preempt risk by reviewing how it sets its own control standards. Toppan will also go ahead with biodiversity conservation initiatives for paper procurement and land use.

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

1. Mitigation of global warming (Target for fiscal 2020)

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

2. Action for building a recycling-oriented society (Target for fiscal 2020)

- 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 (Target for fiscal 2020)

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

Environmental Targets for Fiscal 2011

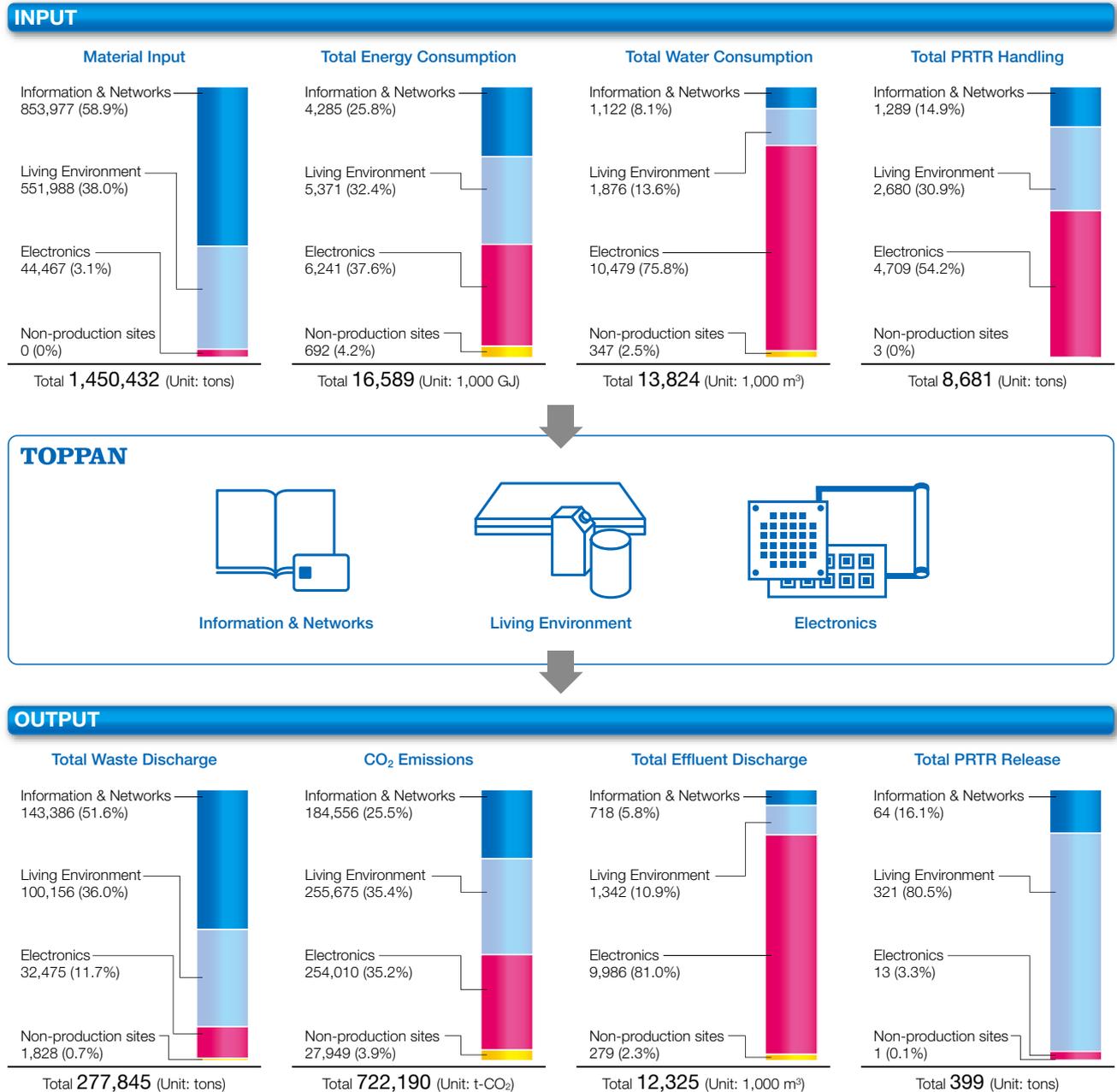
| Environmental Targets | Management Indicators | Target Values |
|---|--|------------------------------------|
| 1. Mitigation of global warming ● Reduce CO ₂ emissions | ● CO ₂ emissions | 740 kilotons |
| 2. Action for building a recycling-oriented society ● Reduce final landfill waste disposal | ● Final landfill waste disposal | 639 tons |
| 3. Conservation of the atmospheric environment ● Reduce VOC emissions into the atmosphere | ● VOC emissions into the atmosphere | 5,500 tons |
| 4. Waste reduction ● Reduce waste generation per unit of production value ● Improve material recycling rate | ● Waste generation per unit of production value ● Material recycling rate | 0.656 tons/million yen 92.7% |
| 5. Chemical substance management | ● Handling amount of chemical substances designated under the PRTR law | 9,236 tons |
| 6. Initiatives to conserve biodiversity ● Paper procurement; conservation at operational sites | ● Usage rate of certified paper and recycled paper; land use assessment ● Operational sites for biodiversity conservation | Continuous improvement One site |
| 7. Environmental contribution through products ● Develop and expand the sales of environmentally friendly products | ● Sales of environmentally friendly products (Cartocan, etc.) | 230 billion yen |
| 8. Facilitation of environmental communication ● Maintain adequate communication | ● Issuance rate for <i>Site Eco Reports</i> | 95% |
| 9. Prevention of environmental risk ● Establish and observe new in-house control standards | ● Rate of establishment of new in-house control standards | 100% |
| 10. Enrichment of environmental education | ● Participation rate in e-learning-based programs | 100% |
| 11. Environmental conservation at overseas production sites | ● Establishment of in-house standards | In-house standards to be examined |

Toppan's Environmental Burden



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

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



- Paper used in Information & Networks and Living Environment accounts for 81% of material input and 74% of total waste discharge at the Company, while water consumption and effluent discharge in Electronics account for 76% of total water consumption and 81% of total effluent discharge.
- "Waste" in this report includes industrial waste of no value and materials of value sold or transferred as resources, both generated from business activities.
- Total energy consumption, i.e., the quantity of electricity and fuels consumed, is about the same in each business field.

Note: Energy consumption associated with fuel consumption is calculated using the conversion factor specified in the year 2000 amendment of the Law Concerning the Rational Use of Energy of Japan. The calorific value of the primary energy input associated with electricity consumption is calculated uniformly as 0.00983 GJ/kWh. Some of the material inputs are calculated from estimated values based on production values.

Environmental Burden and Environmental Impact

Every operational site at Toppan aggregates its environmental burden via data on INPUT (materials and energy used) and data on OUTPUT (materials discharged as a result of production), then assesses its impacts from various environmental standpoints. Toppan establishes environmental targets and priorities in activities based on the results of these assessments and verifies the results of the environmental activities. Toppan classifies its environmental burden data (on domestic Group entities within the scope of the Company's environmental targets) into the three business fields of Information & Networks, Living Environment, and Electronics. The assessments of environmental burden by business field are shown on the opposite page. Activities in Information & Networks and Living Environment account for 97% of material input at the Company. Paper accounts for 81% of the material input and 74% of the total waste discharge. Water consumption in Electronics, meanwhile, accounts for 76% of the total water consumption and 81% of the total effluent discharge, making up a significant portion of the total.

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

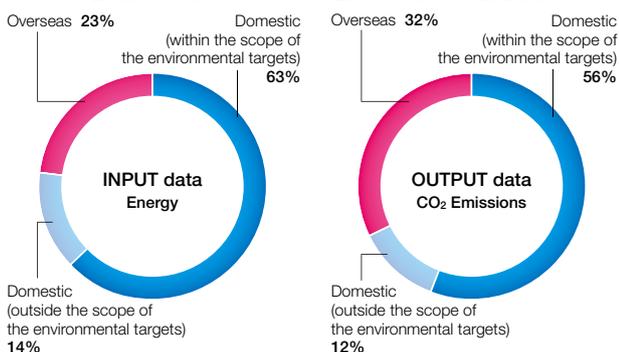
of Toppan's overseas environmental burden is expected to rise as the Company accelerates its global operations. Toppan will continue to control environmental burden overseas as strictly as it does in Japan.

LIME for Assessing Environmental Impact

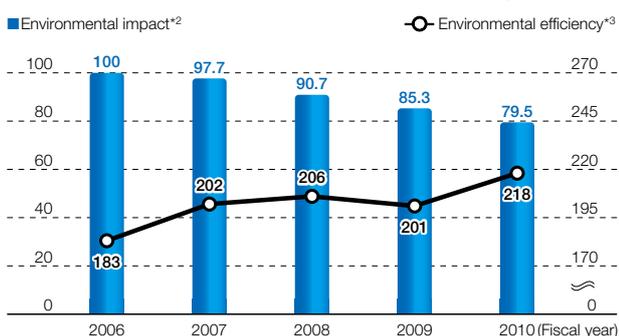
LIME*1 is a method for producing an environmental impact index. Multiple factors with impacts on the environment, including resources (such as paper) and energies (such as electricity) input into operations and waste and VOCs output from manufacturing, are weighted based on scientific and statistical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

To comprehend and reduce the integrated environmental impact of its operations, Toppan regularly discloses the environmental impact of its business operations and its environmental efficiency (net sales per unit of environmental impact). In fiscal 2010, the Company lowered its environmental impact by 20% compared to the fiscal 2006 level. This reduction was attained by the reduction of VOC emissions through the installation of solvent treatment equipment in the Living Environment field and reduced energy consumption in the fields of Information & Networks and Electronics.

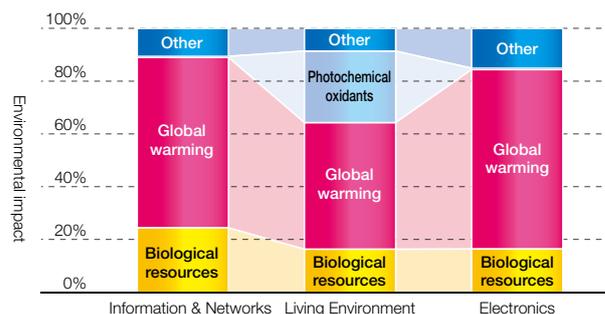
Ratio of Domestic and Overseas Environmental Burdens



Environmental Impact and Environmental Efficiency



Environmental Impacts by Business Field



- In Living Environment, the chart shows a significant impact from photochemical oxidants, pollutants formed by reactions between sunlight and VOCs released into the atmosphere. This underlines the importance of installing solvent treatment equipment.
- In Electronics, the chart shows a high impact of energy consumption on global warming. This underlines the importance of energy saving in clean rooms and other facilities with high energy-loads.

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

*2 The value in fiscal 2006 = 100 (baseline)

*3 Net sales / environmental impact

Environmental Management Activities



- 1 Toppan operates an established environmental management system (EMS) at every operational site and continues to upgrade these systems.
- 2 Toppan conducted internal environmental audits at 57 domestic sites and seven overseas sites.

Structure to Promote Environmental Management Activities

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

Features of Toppan's Environmental Management Systems

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

The Eco-protection Promotion Committees check the progress of the activities every month to ensure that any newly

arising problems are resolved as quickly as possible.

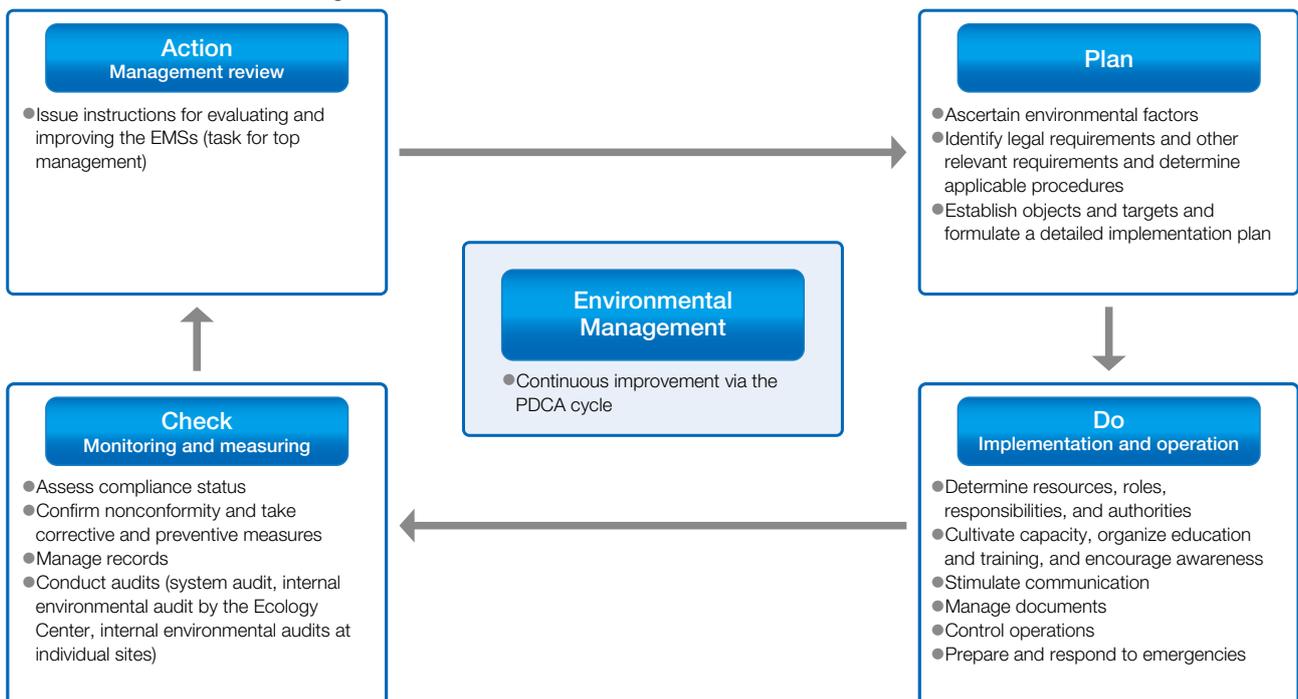
Every operational site sends the Ecology Center reports on major environmental performance data periodically. Results on energy are sent monthly, for example, while those on waste are sent every half-year. Toppan prepares an effective system for evaluating achievement of its environmental targets and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

Environmental Audit System

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

At the internal audits by the Ecology Center, internally certified environmental auditors and assistant auditors appointed to oversee the environmental management system (EMS) inspect and evaluate the status of the EMSs, compliance with environment-related laws, regulations, and in-house standards, environmental impact on water and the atmosphere, and daily control of energy and waste at all of the operational sites audited. Every site audited prepares a Plan for the Improvement of Specified Issues (Improvement Plan) pointed out during its audit and works to correct the deficiencies. At sites where the Ecology Center deems it to be necessary, the auditors conduct an additional Review of the Internal Environ-

Overview of Environmental Management



mental Audit to assess the progress towards the required improvements.

Results of Fiscal 2010 Internal Audits

The internal environmental auditors identified 596 issues in need of improvement at 57 domestic sites in fiscal 2010. To correct the deficiencies pointed out, each operational site follows an Improvement Plan with a detailed list of required improvements and target dates for completion. Toppan has confirmed the progress of improvement measures on 28 issues at two operational sites through the Reviews of the Internal Environmental Audit. The progress and effects of countermeasures against the remaining 568 specified issues are to be reviewed during the internal environmental audits for fiscal 2011.

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

Seven sites in China were reviewed for local environmental audits in fiscal 2010. The audits identified 43 issues in need of improvement. The overseas production sites have followed the example of the domestic sites by taking necessary procedures to achieve better operational conditions under improvement plans.

Environmental Education

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

In fiscal 2010, the Company arranged e-learning programs covering the impacts of environmental accidents and methods of accident prevention.

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

Meanwhile, the correspondence learning Challenge School offers 14 courses related to the environment.

Toppan uses these education activities as opportunities to enhance the environmental knowledge and awareness of employees, and maintain and improve the level of the Company's environmental activities on a continuous basis.



Internal environmental audit interview



Internal environmental audit inspection



"Introduction to environment-related laws," presented by Toppan personnel

Fiscal 2010 Results of Environmental Education

| Education or Training | Number of Trainees |
|---|--------------------|
| New employee training: General environmental education (introductory level) | 159 |
| Training for newly appointed managers: General environmental education (intermediate level) | 180 |
| E-learning: Basic education on the environment | 22,976 |
| Toppan Business School | 34 |
| Challenge School: 14 courses related to the environment | 93 |
| Internal environmental auditor training program | 113 |

Eco-protection Activities



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

Mitigating Global Warming

In consideration of social conditions today, Toppan has shifted its target on CO₂ emission control from a per-unit-of-sales basis to a total-emission basis in fiscal 2011. This target will guide Toppan's future efforts to reduce the emissions of CO₂ and other greenhouse gases.

Developing Energy-saving Activities

Toppan extensively reviewed equipment operation in fiscal 2010, continuing initiatives adopted in the previous fiscal year. Prominent adjustments were a suspension of unnecessary air-conditioning, fans, and pumps, reductions in the number of operated machines, and a review of preset baselines for temperature, pressure, and other conditions. Despite these efforts, CO₂ emissions per unit of sales in fiscal 2010 increased by 0.1% compared with fiscal 2009, missing the targeted reduction of 1% for the year. (When rounded off, the fiscal 2010 result stands at 0.74 t-CO₂/million yen, more or less unchanged from fiscal 2009 [see the chart below]). Toppan will reinforce its energy-saving activities to reliably accomplish the targets.

In fiscal 2011, the Company will streamline equipment operations to reduce loss and waste as a means of further reducing CO₂ emissions. Efforts will also be taken to replace

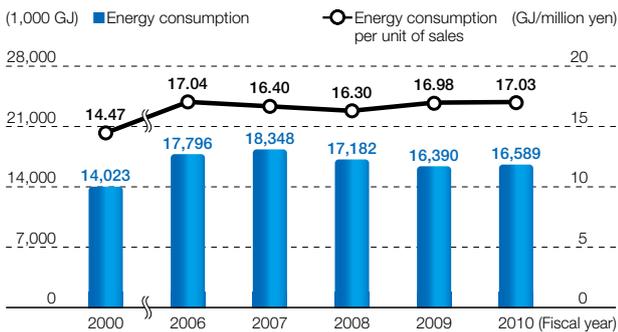
existing air conditioners, refrigerating machines, boilers, and other machines with high-efficiency alternatives, and to install more LED lights, light-blocking window films, heat-shield coatings, and equipment for renewable energy generation such as solar panels.

Improving Transport Efficiency in Logistics

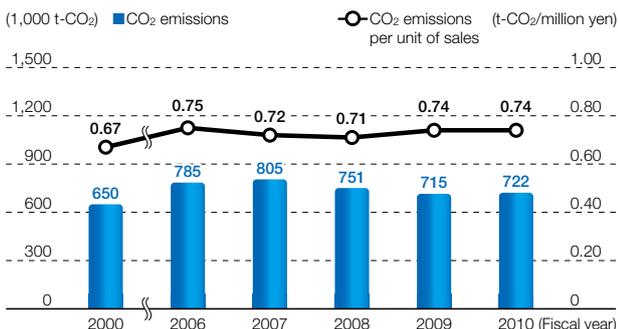
Toppan Logistics Co., Ltd., the logistics specialist for the Toppan Group, is reducing the energy consumption per unit of transport volume by company vehicles and the volume of CO₂ emitted from these vehicles in a coordinated effort with its shippers, Toppan Group companies.

Energy consumption per unit of transport volume in fiscal 2010 was 65.1 kL/million ton-kilometers, a 1.4% reduction compared with fiscal 2009 (exceeding the targeted reduction of 1% for the year). CO₂ emissions were 33,419 tons, or 0.04% lower than the fiscal 2009 level. Key factors behind this success were the promotion of modal shifts, the reduced use of air transportation, and enhancements in transportation efficiency by truck through adjustments of load capacities, numbers of shipments, and truck sizes. In fiscal 2011, Toppan Logistics will improve transportation efficiency by further optimizing conditions.

Energy Consumption



CO₂ Emissions



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

CO₂ emissions are calculated by the method specified in the Guidelines for Calculating Greenhouse Gas Emissions from Businesses (2003) from the Ministry of the Environment (MOE) of Japan. The CO₂ emissions associated with electricity consumption, however, are calculated uniformly as 0.378 t-CO₂/MWh.

CO₂ emissions in fiscal 2010 amounted to 725,612 t-CO₂ when calculated by another MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on March 31, 2010).

Building a Recycling-oriented Society

In an ongoing drive to use limited resources more effectively, operational sites at Toppan have striven to reduce the discharge of waste and other types of environmental burden, press ahead with recycling, and conduct appropriate waste treatment. As a result of these efforts, the Ecology Center of the head office has certified and registered 51 sites as “zero-emission sites*1” out of 58 domestic sites in total.

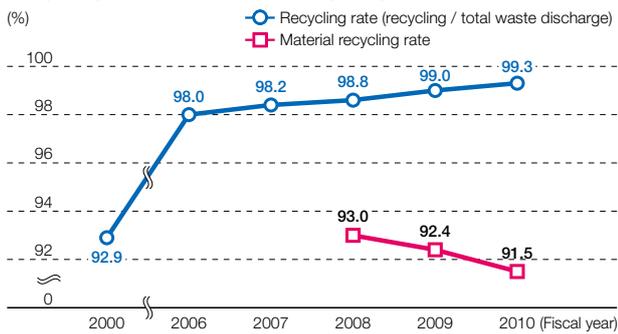
Reducing and Recycling Waste

Waste paper derived from operational sites primarily in the Information & Networks and Living Environment fields makes up the largest portion (74%) of the total waste discharged at

Toppan sites. This is followed by waste plastics from plants in the Living Environment field and waste acids and alkalis such as waste etchant from plants in the Electronics field. Toppan has worked to increase the recycling rate for waste plastics by separating refuse and processing composite plastic into RPF*3 and to reduce the discharge of waste acids and alkalis by applying internal chemical treatments.

The Company intends to reduce the discharge of non-industrial waste through more intensified waste separation at offices and other non-production sites. It also seeks to optimize waste treatment by searching for new external recycling partners and sharing information via in-house systems.

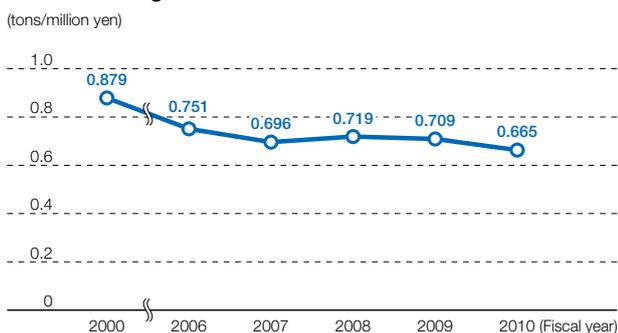
Recycling Rate and Material Recycling Rate*2



Total Waste Discharge and Final Landfill Waste Disposal



Waste Discharge Per Unit of Production Value



Fiscal 2010 Results of Waste Discharge and Recycling

| Type of Waste | Waste discharged (tons) | Ratio | Recycling Rate | Primary Reusage |
|---------------|-------------------------|-------|----------------|------------------------|
| Waste paper | 204,527 | 73.6% | 99.8% | Recycled paper |
| Waste plastic | 26,619 | 9.6% | 98.8% | Plastic materials, RPF |
| Waste acid | 13,940 | 5.0% | 99.3% | Neutralizer |
| Waste oil | 7,841 | 2.8% | 99.1% | Recycled oil, fuel |
| Sludge | 7,524 | 2.7% | 97.9% | Roadbed materials |
| Waste alkali | 6,639 | 2.4% | 97.1% | Neutralizer |
| Waste metal | 5,346 | 1.9% | 97.2% | Metal materials |
| Wood waste | 2,269 | 0.8% | 98.5% | Chip, paper materials |
| Cinder | 1,749 | 0.6% | 76.1% | Roadbed materials |
| Other | 691 | 0.3% | 77.7% | — |
| Glass chip | 567 | 0.2% | 93.5% | Glass materials |
| Food waste | 133 | 0.1% | 99.0% | Feed |
| Total | 277,845 | 100% | 99.3%*4 | — |

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

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

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

*4 Recycling rate versus total waste discharge at Toppan

Preventing Pollution

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

Preventing Atmospheric Pollution and Protecting the Ozone Layer

To prevent atmospheric pollution, Toppan controls boilers and other equipment responsible for smoke and soot by switching fuels and managing operations under appropriate combustion conditions. In fiscal 2010, the Company installed VOC effluent-gas treatment equipment at facilities subject to the requirements stipulated under the Air Pollution Control Law of Japan. As a result, VOC emissions into the atmosphere in fiscal 2010 were reduced by 35% compared with fiscal 2009. The Company will continue to thoroughly control atmospheric pollutants in the coming years.

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

Preventing Water and Soil Pollution

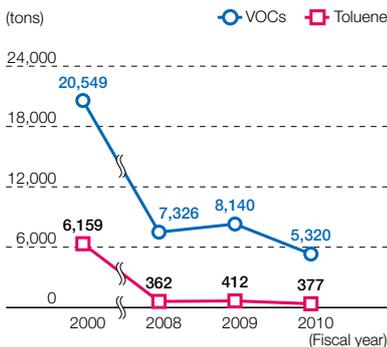
To prevent water pollution, Toppan has installed wastewater treatment facilities designed to cope with specific conditions of water consumption and pollutants at individual plants. Wastewater recycling systems have been introduced at plants in the Electronics field that discharge effluents in significant amounts. By recovering and reusing wastewater via these systems, the plants have been reducing the levels of water consumption and effluent discharge.

For the prevention of soil pollution, Toppan has surrounded storage facilities for chemical solvents with barriers to halt the leakage and outflow of fluids. The Company also regularly inspects tanks, pipes, and other relevant equipment to prevent soil pollution from fluid leakage.

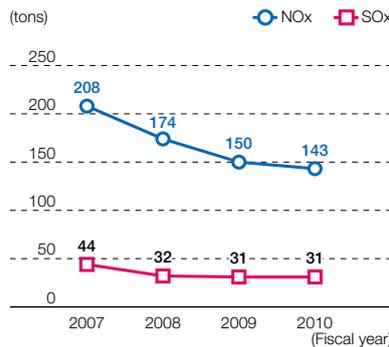
Controlling Chemical Substances

Under the revised Pollutant Release and Transfer Register (PRTR) law of Japan enforced from 2009, the number of designated chemical substances to be reported increased from 354 to 462. In its calculation of the fiscal 2010 results, Toppan quantified the data of chemical substances designated under the revised law. The figure for fiscal 2010 in the chart below shows a year-on-year reduction in the total release of the formerly designated chemical substances into the atmosphere and water and soil environments. Toppan will pursue consistent reductions in the release of chemical substances designated under the PRTR law in the years to come.

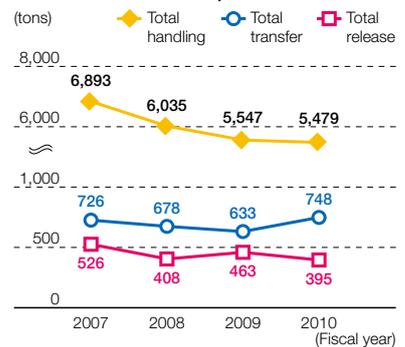
VOC and Toluene Emissions into the Atmosphere*1



NOx and SOx*2 Emissions*3



Chemical Substances Designated under the PRTR Law (Formerly Designated Chemical Substances)*4, *6



Fiscal 2010 Results of Chemical Substances Designated under the PRTR Law (Currently Designated Chemical Substances)*5, *6

| | |
|-----------------------|-------|
| Total handling (tons) | 8,681 |
| Total transfer (tons) | 3,119 |
| Total release (tons) | 399 |

*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).

*2 NOx: Nitrogen oxides; SOx: Sulfur oxides

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

*4 Calculated based on data on the handling, release, and transfer of chemical substances formerly designated under the PRTR law at each operational site (fiscal 2010 results are reference values).

*5 Calculated based on data on chemical substances designated under the revised PRTR law at each operational site.

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

Approach to Environmental Compliance

■ Compliance with Regulatory Standards in Fiscal 2010

Four production sites in Japan recorded odor levels exceeding the regulatory standards set under the Offensive Odor Control Law. Seven production sites, meanwhile, recorded excessive water temperatures or excessive levels of BOD, n-hexane extractable material, and suspended solids relative to the regulatory standards set for water contaminants under the Water Pollution Control Law and Sewerage Law. Toppan immediately took corrective measures for every case, including steps to revise the control methods for equipment. After implementing these corrective measures, the Company reviewed control procedures and took necessary actions to ensure that recurrences are reliably prevented.

Regarding the pollution of soil and groundwater environments, Toppan has taken the countermeasures shown in the table below and has continuously monitored groundwater since the measures were completed.

■ Communication with Surrounding Communities

Communities around Toppan's plants filed nine complaints and inquiries at seven domestic sites in fiscal 2010, indicating that many stakeholders were inconvenienced. The complaints mainly had to do with noise and foul odors. While most of the noise-related problems were promptly solved, the Company has had to continuously implement measures for the remediation of odor-related problems at two operational sites.

To mitigate noise, Toppan has suspended the use of facilities and equipment responsible for noise and reviewed checklists for preventing equipment malfunctions. To mitigate odors, the Company has reviewed methods for operating and controlling effluent-gas treatment equipment and deodorizing equipment, and has properly managed the routine operation of the same. The Company has also stepped up comprehensive routine inspections and other measures to prevent the recurrence of odor- and noise-related problems.

Toppan will continue to engage in environmental management through dedicated communications with residents in surrounding communities.

■ Emergency Responses

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

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

Purification of Soil and Groundwater Pollution

| Operational Site | Detail | Progress in Fiscal 2010 |
|--|--|--|
| Asaka Plant (Niiza City, Saitama) | Groundwater pollution by VOCs (Voluntary investigation of well water on the plant premises) | Continuously monitored |
| Toppan Electronics, Inc. (TEI) Miramar Plant (San Diego County, California, USA) | Soil pollution by heavy metals (lead, etc.) and VOCs | Remediation work completed |
| Itabashi Plant (Itabashi Ward, Tokyo) | Groundwater pollution by hexavalent chromium and toluene | Groundwater pumped and purified; continuously monitored |

Soil Pollution at Kansai Division in Ebie

In advance of groundbreaking, Toppan Printing Co., Ltd. conducted a soil investigation required by applicable laws and regulations at the site where it plans to construct the Ebie Plant (tentative name) in Osaka. The Company detected hexavalent chromium and lead at levels in excess of the regulatory standards in a part of the surface-layer ground. The relevant local authority received Toppan's report on the data in October 2010.

After due consultation with the regulating authority, Toppan went on to investigate groundwater contamination and to measure the depth and horizontal distribution of soil pollution. The additional investigations verified the absence of groundwater contamination and precisely quantified the extent of soil pollution. Before beginning construction, Toppan excavated and removed contaminated soil and took other antipollution measures according to the countermeasure plan submitted to the authority.



Emergency-preparedness drill to cope with a hypothetical leakage scenario



Inspection of effluent-gas treatment equipment



Promoting the Conservation of Biodiversity

■ Verifying the Legality of Paper Materials

To consider biodiversity in paper procurement, Toppan uses paper made with lumber derived from responsibly managed forests. In fiscal 2010, the Company carried out traceability surveys for 60 paper manufacturers around the world on the use of wood chip and pulp as raw materials for paper. These surveys proved the legality of the paper materials. Toppan will conduct the same surveys every year and strive to enhance the accuracy of traceability further.

■ Expanding Forest-certified Fields

Toppan has engaged in green purchasing and green procurement via various approaches, including the use of paper types produced by sustainability-conscious processes, such as recycled paper, forest-certified paper, and paper made with pulp from forest-thinning operations. Regarding the forest management certification scheme in particular, Toppan became the first company in Japan to acquire the Forest Stewardship Council (FSC™) Chain of Custody (COC*) certification in the field of commercial printing (certified in May 2002). More recently, Toppan acquired FSC COC certifications in securities printing, publications printing, and décor materials, as well. In March 2011, the Sagamihara Plant acquired COC certifications in the field of containers and packaging from the FSC and the Programme for the Endorsement of Forest Certification Schemes (PEFC*). The Company will endeavor to expand the sales of printed materials using these types of certified paper.

■ Actively Utilizing Lumber Harvested from Forest-thinning Operations

Toppan encourages the conservation of forests in Japan by actively utilizing lumber harvested from forest-thinning operations. Thinning is a process to keep spaces between trees by clearing out poorly grown trees. The ecological benefits of the thinning operation help to nurture sound forests and conserve biodiversity.

Cartocan, Toppan's paper-based beverage container, is produced from pulp using more than 30% domestic lumber, including lumber harvested from forest-thinning operations. Toppan is authorized to display the forest-thinning product logo on its Cartocan and has been contributing to the sound maintenance of forest resources in Japan.

Since 2007, the Takino Plant has endorsed a pallet project operated by FoE Japan, an international environmental NGO. Many of the pallets used at the plant are made with lumber harvested from forest-thinning operations.

■ Promoting Pro-Green Activities

Since fiscal 2008, Toppan operational sites across Japan have promoted Pro-Green Activities, a series of solutions and improvements in response to environmental challenges, as a means of augmenting improvements throughout the Company. Initiatives have been launched in fiscal 2011 to promote activities for the consideration of biodiversity as a common goal for all of the operational sites, including activities to encourage biodiversity consciousness in land use.

Joining in a Hands-on Satoyama Event

Toppan employees and their families took part in an event called the "Exciting Projects for Kids: Spring potato harvest and work & play with bamboo in Miwa *satoyama*"* in Kanagawa Prefecture, Japan. Participants enjoyed close contact with nature under the guidance of the event host, the Environmental NPO "SHU," a specified nonprofit corporation. The event enhanced awareness of the great significance of nature.



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



Cartocan



Logo for forest-thinning products

A logo designated by the National Federation of Cooperative Associations for Forest Owners under the guidance of the Forest Agency and Ministry of Agriculture, Forestry and Fisheries in Japan. The logo is displayed on products developed with the sundry aims of spreading awareness and wider proliferation of forest-thinning operations, promoting the use of lumber harvested from forest-thinning operations, and offering consumers a wider choice of eco-options.



The mark of responsible forestry

Forest Stewardship Council™ (FSC) forest management certification

A scheme for approving responsible forest management under the principles and standards established by the FSC™.



Programme for the Endorsement of Forest Certification Schemes (PEFC) forest certification

A forest certification scheme covering the world's largest certified forest area, managed by the PEFC council (international headquarters based in Switzerland).

*Chain of Custody (COC) certification: A scheme for approving comprehensive product management to effectively prevent the admixture of pulpwood from responsibly managed forests with pulpwood from non-controlled sources during any part of the production process from manufacturing to distribution.

Eco-creativity Activities



- ① Toppan has registered a total of 103 environmentally friendly products.
- ② Toppan has assessed the environmental impact of products based on LIME.

Developing and Certifying Environmentally Friendly Products

Toppan develops eco-friendly products in accordance with Toppan's 14 Environmental Points based on ISO 14021 and each division's own set of criteria. Newly developed products meeting the criteria are certified and registered as "environmentally friendly products." Three products were registered in fiscal 2010, bringing the total up to 103 as of the end of March 2011. Toppan will press on with environmental conservation activities through the development and sales of environmentally friendly products.

Environment-related Businesses at Group Companies

The companies of the Toppan Group, like Toppan itself, have forged ahead with corporate activities geared to conserving the global environment. Each company develops, produces, and markets eco-friendly products in line with its own Eco-product Standards formulated in consideration of products, services, and social demands. The total sales of products satisfying the criteria of individual Group companies and Toppan itself in environment-related businesses stood at 239.4 billion yen in fiscal 2010.

Life Cycle Assessment of Products

From fiscal 2008, Toppan has been making environmental impact assessments based on LIME*1 under the guidance of Mr. Norihiro Itsubo, Associate Professor of Tokyo City University. LIME quantitatively assesses the environmental impact associated with activities for producing individual products. The Company aims to formulate a model in which a comprehensive environmental impact assessment of production activities (→P. 37) and a life cycle assessment*2 (LCA) of products can be made.

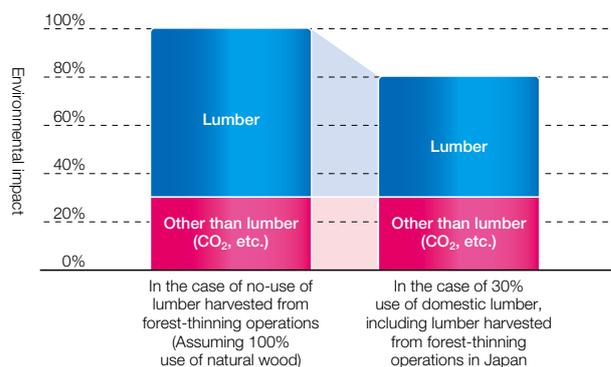
In fiscal 2010, Toppan assessed two of its environmentally friendly products: Cartocan, a paper-based beverage container and KAMICARD, a paper-based IC card. The assessment of Cartocan indicated that lumber, a raw material of paper, accounted for the larger portion of the environmental impact of the product and that the use of lumber harvested from forest-thinning operations reduced the impact by about 20% versus the impact in the case of no use (shown in the chart below).

In fiscal 2011, the Company will expand the scope of assessment to cover containers, packages, publications, and commercial printed materials in order to establish a method by which to quantitatively assess the environmental impact of Toppan's environmentally friendly products.

Toppan's 14 Environmental Points and Environmental Considerations

| Life Cycle Stage | ISO 14021 Environmental Labeling Type II | Toppan's 14 Environmental Points for Environmentally Friendly Products |
|-----------------------------|--|--|
| Production and distribution | | 1. Use of safe materials |
| | Recycling rate | 2. Use of recycled materials |
| | Resource reduction | 3. Resource-saving |
| | | 4. Reduced energy consumption in production |
| | Recovered energy | 5. Use of recovered energy |
| | Reduced solid waste | 6. Reduced solid waste |
| Use | Energy-saving | 7. Energy-saving |
| | | 8. Reduced release of chemical substances |
| | Long-life products | 9. Long product life |
| After use | Reusable/refillable | 10. Reusability |
| | Recyclable | 11. Recyclability |
| | | 12. Suitability for disposal |
| | Easy detachment design | 13. Easy separation and disassembly |
| | Degradability | 14. Biodegradability |

LCA of Cartocan based on LIME



*1 LIME: See P. 37 for details.

*2 Life Cycle Assessment (LCA): An assessment method for quantifying resources input to a product and emissions and discharges associated with the product, at all stages of the product life cycle, from raw material procurement through to manufacturing, distribution, use, disposal, and recycling.

Environmental Communication Activities



- ① Toppan sites in Japan issue *Site Eco Reports* to facilitate communication with stakeholders.
- ② Toppan presented its eco-friendly products at Tokyo International Packaging Exhibition 2010 (TOKYO PACK 2010) and Eco-Products 2010.
- ③ The Higashinihon Division received an Outstanding Energy-Efficient Factory Award 2010 from the Director General of the Tohoku Bureau of Economy, Trade and Industry of Japan.

Communication outside the Company

■ Issuing *Site Eco Reports*

Toppan's ISO 14001-certified sites in Japan have been issuing *Site Eco Reports* to disclose environmental burden data and the details of their environmental activities since fiscal 2000. As periodic communications directed towards local municipalities and residents in surrounding communities, 29 reports from 37 sites were issued in fiscal 2010.

■ Meeting Residents to Report Environmental Activities

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

In a meeting held to report its environmental activities in August 2010, the plant passed out copies of the *Site Eco Report* to participant residents and presented products manufactured at the plant and examples of environmental efforts, including works to install environment-oriented equipment. The plant intends to foster dedicated communication with residents from surrounding communities by continuing these activities in the years ahead.

■ Presenting at Various Exhibitions

In fiscal 2010, Toppan exhibited at TOKYO PACK 2010 held at Tokyo Big Sight. At Eco-Products 2010, the Company presented eco-friendly products in an exhibit entitled "Tuning into the voice of society—eco-Monozukuri at Toppan."

■ Major Environment-related Awards

The Higashinihon Division of Toppan Printing Co., Ltd. received an Outstanding Energy-Efficient Factory Award 2010 from the Director General of the Tohoku Bureau of Economy, Trade and Industry of Japan. The award was conferred in recognition of the division's various energy-saving activities, including, prominently, the application of inverter control for air-conditioner fans and fuel saving through the installation of heat exchangers for the exhaust air of drying devices.

As an outstanding role model for energy-saving management in a factory setting, the division will intensify its energy-saving efforts by focusing on efficiency improvements for equipment with high power loads, applying outstanding energy-saving measures throughout the division, reducing energy consumption per unit of production value through productivity enhancements, and undertaking various other measures.



Site Eco Reports (in Japanese)



TOKYO PACK 2010



Commendation ceremony for the Award from the Director General of the Tohoku Bureau of Economy, Trade and Industry of Japan



Meeting to report environmental activities



Eco-Products 2010

Independent Assurance

The conclusions of our assurance engagement are stated in our Independent Assurance Report. The following summarizes improvements from the previous year and recommendations for further improvements, as identified in the course of our assurance procedures.

Toppan has downsized its CSR report by about 30 pages from last year's edition, mainly by posting detailed supplementary data on its website. By rearranging the report to align with the seven core subjects addressed in ISO 26000, we believe the Company has enhanced the readability of the report without sacrificing the quantity of data or level of conformance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

Reliability of the data disclosed in the report was also improved through various developments, most notably, the

strengthened head office control over environmental performance data from overseas subsidiaries.

There are still limits, however, in the disclosure of environmental and personnel indicators. These data generally cover only Toppan Printing Co., Ltd. and several domestic subsidiaries. Now that the Company has developed business operations globally, it seems that we can no longer overlook its overseas subsidiaries. We assume that henceforth, stakeholders and society at large will increasingly require Toppan to disclose performance data covering all domestic and overseas consolidated subsidiaries, along with the Company itself.

KPMG AZSA Sustainability Co., Ltd.
(KPMG AZSA & Co. group)

Shinichiro Akasaka

Indicators in this Report Assured by an Independent Assurance Provider

| Pages | Indicators Assured by an Independent Assurance Provider | |
|-------|--|--|
| 17 | Human Rights | Number of Recruits; Female Managerial and Supervisory Staff; Employment of Persons with Disabilities |
| 18 | Labor Practices | Number of Employees; Reasons for Leaving; Average Annual Salary; Annual Paid Leave Used; Employees Taking Maternity or Childcare Leave |
| 19 | | Rate of decrease in the average hours of overtime worked (in fiscal 2007, fiscal 2010); number of employees who have resigned from the Company and registered to join the rehiring system for employees who resign from the Company for the delivery and upbringing of children |
| 20 | | Occupational Safety and Health |
| 21 | | Number of employees who participated in rank-based training sessions; number of employees who participated in the Toppan Business School; number of employees who participated in the globalization-training course |
| 22 | Fair Operating Practices | Number of Conduct Guidelines Promotion Leaders; ratio of female Leaders |
| 23 | | Number of employees who participated in the specialist training series for Conduct Guidelines Promotion Leaders; number of employees who participated in the e-learning-based education program on compliance with the Subcontract Law of Japan |
| 24 | | Number of companies that submitted memorandums of cooperation and reported the current status of their CSR activities in questionnaires, in cooperation with the Toppan Group's CSR procurement initiatives |
| 26 | Consumer Issues | Number of employees who participated in training sessions for internal auditors; results of the audits conducted using a quality audit checklist |
| 33 | Environmental Targets and Results (for the Medium-and-long-term and Fiscal 2010) | Results of the progress towards the medium-and-long-term environmental targets for fiscal 2010; results of the progress towards the environmental targets for fiscal 2010 |
| 34 | | *Only the numerical results are assured. |
| 36 | Toppan's Environmental Burden | Major Environmental Burdens by Business Field in Japan (INPUT/OUTPUT data) |
| 37 | | Ratio of Domestic and Overseas Environmental Burdens; Environmental Impact and Environmental Efficiency |
| 39 | Environmental Management Activities | Number of internal environmental audits conducted; Fiscal 2010 Results of Environmental Education |
| 40 | Eco-protection Activities | Energy Consumption; CO ₂ Emissions; energy consumption per unit of transport volume and CO ₂ emissions in logistics |
| 41 | | Recycling Rate and Material Recycling Rate; Total Waste Discharge and Final Landfill Waste Disposal; Waste Discharge Per Unit of Production Value; Fiscal 2010 Results of Waste Discharge and Recycling; total number of registered zero-emission sites |
| 42 | | VOC and Toluene Emissions into the Atmosphere; NO _x and SO _x Emissions; Chemical Substances Designated under the PRTR Law (Formerly Designated Chemical Substances); Fiscal 2010 Results of Chemical Substances Designated under the PRTR Law (Currently Designated Chemical Substances) |
| 43 | | Compliance with Regulatory Standards in Fiscal 2010; number of complaints and inquiries from communities around Toppan's plants; Purification of Soil and Groundwater Pollution |
| 44 | | Number of companies subject to Toppan's traceability surveys |
| 45 | Eco-creativity Activities | Number of newly registered environmentally friendly products; total sales of environment-related businesses |

Some data in the CSR Report 2011: Detailed Data (on the Toppan website) are also assured by the assurance provider.

Level of Conformance with the GRI Sustainability Reporting Guidelines 2006

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

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

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

*Sector supplement in final version

Independent Assurance Report



Independent Assurance Report

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

Purpose and Scope

We were engaged by Toppan Printing Co., Ltd. (the "Company") to provide limited assurance on its CSR Report 2011 (the "Report") for the fiscal year ended March 31, 2011. The purpose of our assurance engagement was to express our conclusion, based on our assurance procedures, on whether:

- the environmental and social performance indicators and environmental accounting indicators listed in the table on page 47 (the "Indicators") for the period from April 1, 2010 to March 31, 2011 included in the Report are prepared, in all material respects, in accordance with the Company's reporting criteria;
- all the material sustainability information defined by the Japanese Association of Assurance Organizations for Sustainability Information ("J-SUS") is included in the Report; and
- the Company's self-declaration on the Global Reporting Initiative ("the GRI") application level (B+) conforms to the application level criteria stipulated by the GRI.

The content of the Report is the responsibility of the Company's management. Our responsibility is to carry out a limited assurance engagement and to express our conclusion based on the work performed.

Criteria

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

Procedures Performed

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

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

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

Conclusion

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

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

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

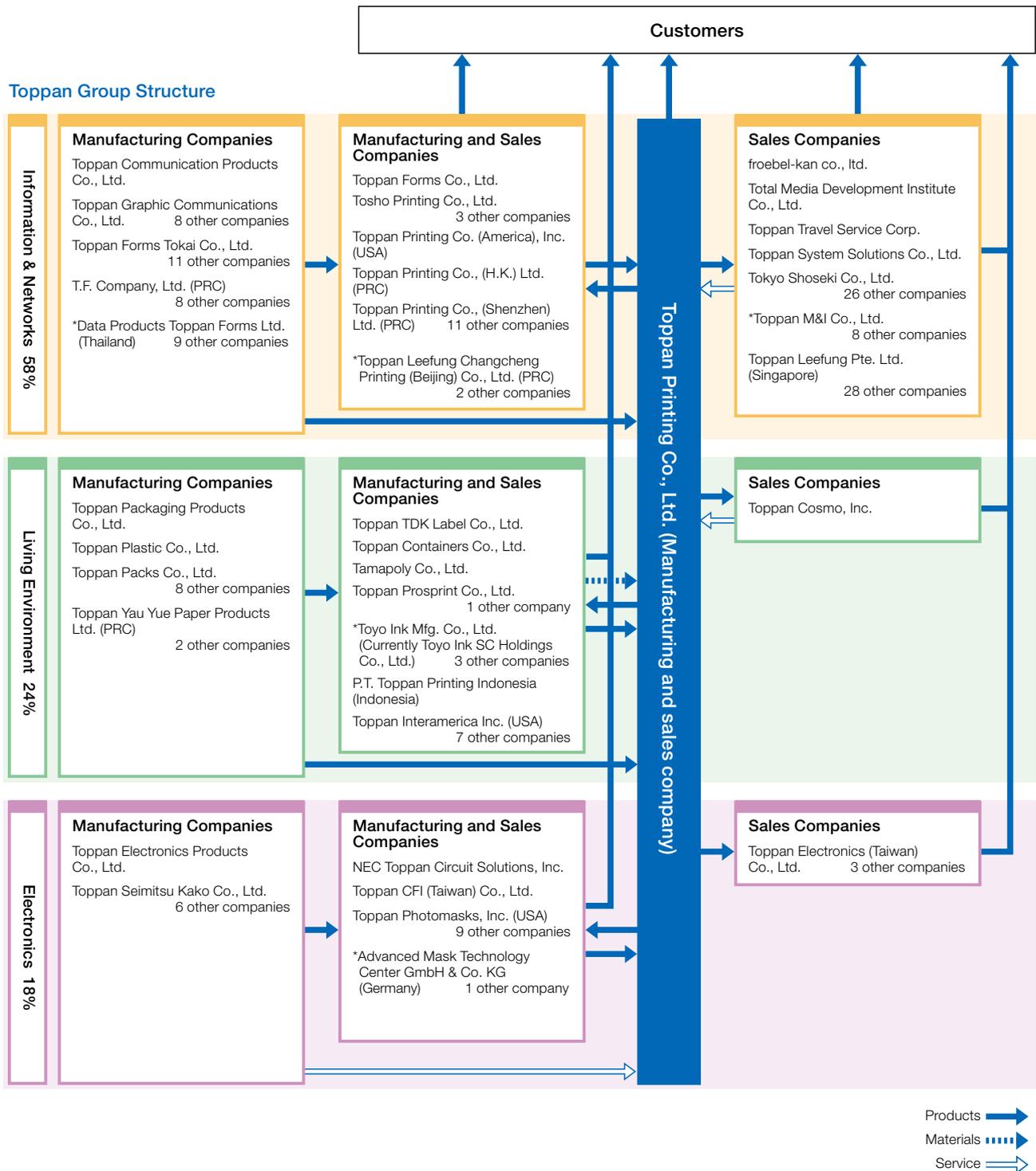
KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

November 18, 2011

Group Business Structure



Notes:

- No symbol: subsidiary—163 companies * : affiliates—28 companies (as of the end of March 2011)
- Toppan Group's business activities are usually divided into five fields. Here, however, they are divided into three fields based on the current sizes of the businesses and other factors.
- The composition ratios given under each business field are percentages of overall sales contributed. ("Net Sales by Business Field" are shown on P. 5.)
- Toppan Forms Co., Ltd., Tosho Printing Co., Ltd., and Toyo Ink Mfg. Co., Ltd. (currently Toyo Ink SC Holdings Co., Ltd.) are listed on the first section of the Tokyo Stock Exchange.
- Toppan operational sites span 15 countries and regions, including Japan.

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