

## Executive Message

# Contributing to Fulfilling Lifestyles

First of all, let me express my condolences and heartfelt sympathies to the victims and those who lost friends or loved ones as a result of the Kumamoto Earthquake in central Kyushu in April of 2016. My thoughts are with everyone who has been affected by the loss of life and property damage in the quake. We are all praying for swift reconstruction and recovery in the affected regions.

Turning to the economy, the U.S. recovered steadily enough in fiscal 2015 to depart from its zero-interest-rate policy. Recovery trends also gradually spread in Europe, but the economies turned downward in Russia, China, and other emerging countries that had been leading the global economy.

The fiscal 2015 outlook in Japan remained uncertain, clouded by factors such as the diminishing effects of the government's economic policy, downside risks from the slowdown in Asian emerging countries, collapsing oil prices, and volatile financial and capital markets.

While the growth of digital sectors such as online advertising and e-books expanded, the shrinking trend of paper-based printing businesses and the fall in unit sales prices continued to constrain markets in the printing industry.

Net sales of the Toppan Group fell slightly in fiscal 2015, though operating income, ordinary income, and net income all increased year-on-year in spite of the challenging conditions described above. We credit these results to our aggressive initiatives to take on Toppan's three management challenges: advancing our Group-wide structural reform, creating new businesses and new markets, and accelerating global business expansion.

## Towards a "New Age for Printing"

Three industrial revolutions have transformed manufacturing industries in the last several hundred years: the invention of the steam engine in the late 18th century, the adoption of electricity in the early 20th century, and the information revolution from the late 1960s. Now we are poised to enter a fourth industrial revolution driven by Industrie 4.0 and the Industrial Internet using the Internet of Things (IoT).

Big opportunities come whenever societies enter phases of major change across industries and national borders. I am leading the Toppan workforce on an endeavor to embark on the development of a new era, a "new age for printing." We can use the printing technologies we have built up since our foundation and equip ourselves with

information to bring out the boundless expertise of our employees. With this technology and information we aim to solve the challenges of our client companies with ever-higher effectiveness and evolve into a group of companies that provides total solutions to help overcome challenges facing our societies and planet.

## Being a Company that Grows Steadily with Society

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

As an invaluable guideline to fulfill our social responsibility, Toppan has been participating in the United Nations Global Compact and supporting its 10 principles on human rights, labour, environment, and anti-corruption since September 2006. I will continue espousing the United Nations Global Compact and directing our corporate social responsibility (CSR) activities accordingly.

We incorporated the International Organization for Standardization (ISO) 26000 Guidance on Social Responsibility (international standard for organizations) into our CSR management practices in fiscal 2011. We have been pushing forward with CSR activities by piecing together a clear picture of the social issues we should help solve and the social responsibilities we should fulfill. The ISO 26000 standard condenses various social issues to address. Our measures to tackle these issues correspond directly to the requirements of the United Nations Global Compact.

## Solving Diverse Social Challenges

I value our employees as precious "human assets" of the Toppan Group and understand how deeply the Group depends on them. The key challenges for me as the top manager are to safeguard the health of employees and their families and enable them to perform at their very best. The Group Health Management Declaration established in October 2015 has two goals: to further enhance the health of employees and their families and to contribute to society by supporting public health-promotion initiatives through

health-related businesses.

Working in cooperation primarily with our health insurance union, we have launched a series of measures to enhance the health of employees and their families. We also support local government-led health-promotion activities by leveraging our solutions in customer relationship management (CRM), business process outsourcing (BPO), and so on.

We are now accelerating diversity management efforts in the hope of actualizing a growth strategy focused on employee diversity. To disseminate this policy to society at large, we initiated our para-sports support activities in 2015. We launched a website highlighting the virtues of para-sports with a view to popularizing and heightening awareness of para-sports and drawing spectators to the venues. We have also held hands-on events to give employees opportunities to learn more about para-sports and appreciate their value.

In September 2015 the United Nations published a set of Sustainable Development Goals (SDGs), a series of targets for social issues for the international community to commit to solving. Literacy inextricably links to the end of poverty and hunger, healthy lives, gender equality, and other SDGs. The Toppan Group has embarked on literacy improvement activities as a fast-track strategy for progressing towards the SDGs. Since fiscal 2007 we have been holding the *Toppan Charity Concert* series, a fundraising mechanism to support literacy in developing countries in Asia through the Asia-Pacific Cultural Centre for UNESCO (ACCU). We have supported classes on literacy and maternal and child health for expectant mothers and mothers raising young children. In fiscal 2015 Toppan discussed the challenges encountered in the literacy classes with the ACCU and a Cambodian NGO working on the initiative. We considered how best to operate and support the literacy classes under the initiative going forward.

### With Our Stakeholders

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

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



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**Shingo Kaneko**  
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Toppan Printing Co., Ltd.