

# TOPPAN

## CSR REPORT 2004

Report on Corporate Social  
Responsibility Activities

## What is Toppan's Social Responsibility?

What exactly is Corporate Social Responsibility (CSR)? This is a question with no easy answers. The size, values, and industry in which a company operates all have a bearing on its CSR.

For Toppan, the question becomes: What is the social responsibility of a leading company in the information communications industry? During fiscal 2003 Toppan reviewed its past activities and defined the roles it should play and social responsibilities it should fulfill in the future.

This *CSR Report 2004* provides an overview of Toppan's independent vision of social responsibility and current endeavors to fulfill this responsibility. The company welcomes the comments and views of readers.

## ■ To the Readers

This *CSR Report 2004* is a communication tool to disclose information to stakeholders and solicit their comments. The report was prepared with the following points in mind.

(Please refer to P. 79 for an explanation of the scope of the report and other details.)

### ● Readability

To identify the requirements of prospective readers, Toppan referred to a set of reporting guidelines issued by the Ministry of Economy, Trade and Industry in 2001 (*Environmental Reporting Guidelines 2001—With Focus on Stakeholders*). Clarity and readability were foremost considerations in planning out the organization of the material, layout, color schemes, typeface, and font sizes.

### ● Reliability

AZSA Sustainability Co., Ltd. (formerly the Environmental Management Department of Asahi & Co) has provided an annual independent review of Toppan reports on the environment and social responsibility from fiscal 2000 onward (starting with the 2001 report). This year, Toppan also sought the opinions of an authority in the CSR field and held a roundtable discussion with experts in several industries.

### ● Completeness and Materiality

The contents of this report were strictly chosen on the basis of Toppan's businesses, the following sets of guidelines, and feedback returned from surveys on socially responsible investment:

- *Environmental Reporting Guidelines (fiscal year 2003 version)* of the Ministry of the Environment
- *Environmental Performance Indicators for Businesses (fiscal 2002 version)* of the Ministry of the Environment
- *Environmental Accounting Guidelines (2002 version)* of the Ministry of the Environment
- *Sustainability Reporting Guidelines 2002* from the GRI (Global Reporting Initiative)

In addition to appearing in print once yearly, this report is available on the Toppan website, along with environmental performance data on each site, the latest information on ISO 14001 certification throughout the company, and other timely data. The Toppan website is regularly updated.

URL for CSR Report  
<http://www.toppan.co.jp/english/corporate/csr/index.html>

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## ■ Publication Dates

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## Toppan's Mission for Society

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Since the founding of the Toppan Printing Limited Partnership in 1900, its printing-based businesses have been closely tied with the development of Japan's information culture. Working in partnership with its customers, shareholders, business partners, local communities, and stakeholders in every field, Toppan has grown together with Japan.

When Gutenberg invented the printing press some 500 years ago, he created a medium to spread information and human emotions with an efficiency and speed previously unknown. With the birth of printing, people on different continents could see the same information at the very same time. Within a matter of decades, printing became a crucial medium for communication in the development of society and industry. Wherever there has been printing, culture has flourished.

Our company was founded by a group of printing engineers from the Printing Bureau of the former Finance Ministry who wanted to contribute broadly to society through printing technology. Nowadays, more than a century later, printing plays the same role in society and the company serves the very same purposes that its founders intended. The change has come in the technologies: with the rapid emergence of IT, digitalization, and new media, the techniques used to convey and express information through printing have evolved dramatically. The social mission of the Toppan Group of today is to convey information, foster culture, and contribute to fulfilling lifestyles through its printing-focused businesses. We envision a day when our products and services help all members of society lead rich and rewarding lives. The Toppan Group transmits information and culture that link people to people, people to companies, and companies to companies.

# Contributing to Fulfilling Lifestyles

## Keeping the Trust of Society

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To benefit society most, the Toppan Group must continue to earn the trust of the people around it. Economic goals must be aligned with a tremendous range of activities to conserve the environment, uphold human rights, and benefit society in other ways. We recognize that a voluntary commitment to defining a path to co-exist with society and the environment is indispensable.

In 2000, as Toppan reached the centenary of its founding, we defined our vision of the future in *Toppan Vision 21*. In the years to come, every activity that Toppan undertakes will be in some

way directed towards this vision. *Toppan Vision 21* is made up of a number of core components that interrelate in important ways. At the top of the hierarchy are the Corporate Structure and Business Fields. The former includes a Corporate Philosophy, a Corporate Creed, and a set of Conduct Guidelines that express our most important values and standards. The latter, the Business Fields, directly reflect the foregoing.

The Corporate Creed is a set of five fundamental principles based on the Toppan Corporate Philosophy. Each of these serves as a standard for the corporate activities that Toppan undertakes on a group-wide level.

When translated into action, the Corporate Creed places the utmost importance on the following:

1. Building a relationship of trust with customers.
2. Developing our business with a global perspective and reinforcing our strengths in marketing and technology.
3. Recognizing our social responsibilities as a corporate citizen, particularly in bettering the environment and upholding corporate ethics.
4. Creating a corporate atmosphere in which individual abilities are respected and leveraged as a strength for the whole team.
5. On the basis of the foregoing, striving to increase the value of our company, pursuing possibilities, and becoming a company that all of our shareholders and other stakeholders value.

In our ongoing efforts to clearly define our Corporate Social Responsibility (CSR), we have established a new framework for our corporate commitment by rethinking our activities from the past, particularly those closely shaped by our Corporate Philosophy and Corporate Creed. This framework will become even more important for the management of the company as we push ahead in our efforts to earn unqualified trust as a corporate citizen.

## The Six Major Themes of Toppan's CSR

Toppan has compiled a list of six overriding themes to guide its activities in the realms of economy, society, and the environment. Through this approach, the Toppan Group will be renewing its commitment to return greater rewards to stakeholders based on its Corporate Creed.

- **Corporate Governance:** We will perform our management activities rapidly and efficiently with a robust commitment to forming clear managerial strategies, strengthening our supervisory and auditing capabilities in corporate management, and improving the transparency of our managerial activities.
- **Compliance:** We will conduct our corporate activities in strict observance of corporate ethics and all applicable legislation and regulations. All employees will follow our corporate Conduct Guidelines with an unwavering sense of ethics and morality.

- **Improving Customer Satisfaction:** We will strive to see things from the customer's perspective. Through our work with knowledge and technology, we will devote ourselves to the creation of products that bind us to our customers in a relationship of trust based on responsibility, passion, and skill.
- **Respecting and Leveraging Human Assets:** Through our strict commitment to human asset development and respect for individuals, we will foster employees that continue to expand their abilities and meet their full potential. The people within the Toppan Group will share both their work and enjoyment within a corporate atmosphere that is gratifying and rewarding to inhabit.
- **Activities for Society and Culture:** As a leader in the information communications industry, we will develop activities to promote social and cultural progress. We will also work to create a rich cultural environment in partnership with local communities.
- **Commitment to the Environment:** Under the initiatives set forth in Toppan's Declaration on the Global Environment (1992), we will continue to alleviate the environmental burden of our operating activities by proposing, developing, and providing environmentally-friendly products and services that coexist in balance with our irreplaceable global environment.

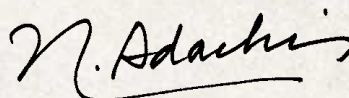
## On the Publication of This Report

To explain our commitment fully, this year we decided to publish this CSR Report in place of the environmental report that Toppan has been publishing annually since 1998. Through reading this report, we hope that a great many customers and others will come to understand and appreciate the activities of the Toppan Group.

The Toppan Group will continue to shape and reshape its activities to meet the priorities described above in an ongoing effort to build a Toppan that society recognizes as a true and worthy corporate citizen. The details of our progress will be fully reported in a document like this each year.

We hope to merit the unwavering support and guidance of our customers, stakeholders, and society as a whole in the coming years.

September 2004



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

## Toppan's History and Value System

Since its founding in 1900, Toppan has fostered the advancement of society with its printing-focused businesses. As Toppan reached its centenary at the turn of the millennium, it devised a new system of values to define its roles and contributions as one of Japan's leaders in information communications in the 21st century. We call these values *Toppan Vision 21*.

### Toppan's History

Toppan was founded in 1900 by a group of printing engineers from the former Finance Ministry who wanted to build an industry around the most advanced steel-based printing machine of the time, the Erhört Letterpress. The age was one of flourishing technology and industry. The Europeans of the day were flocking to the International Paris Exhibition, while Japan was steadily building up its modern industries in the aftermath of the Meiji Restoration.

Japan's printing industry of the early 20th century contributed to society in three significant ways. Firstly, printing was used to create banknotes, bonds and securities, important ingredients in the establishment of modern capitalism; secondly, it was used to publish newspapers, the medium for public discussion on the

progress of civilization; thirdly, it was used to publish translations, novels and magazines that enlightened the populace and encouraged the establishment of the modern state.

Over the 100 years since its beginnings, Toppan has expanded its operations and worked for the betterment of society in many new areas while maintaining its focus on printing. Toppan has continued to advance our information culture by printing books, magazines, pamphlets, calendars, food packages, wallpaper, and countless other items essential to daily life. In the field of electronics, Toppan enriches lifestyles by manufacturing products such as photo-masks and color filters.

In the second half of the 1990s, the information technology revolution gained momentum and accelerated the dismantling of borders between markets. With the increased diversification of information media and migration from analogue to digital technologies in the printing industry, the information processing technologies used in printing became highly sophisticated. The result was a flourish of new activity in the printing industry in the much broader context of information communications.

To continue growing and fulfilling its social responsibilities as a leader in the information communications industry in the 21st century, Toppan created *Toppan Vision 21*, a declaration of the company's vision, at its centenary in 2000.



The Erhört Letterpress—  
the origin of the company's  
name (letterpress = *Toppan*)



Head office and factory of  
the newly founded company  
(1900)



New and reprinted  
magazines from the postwar  
period (1945–1948)



Banknotes issued just  
after the war

### 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.

## Toppan's Ideas

The *Toppan Vision 21* declaration is based on Toppan's new Corporate Structure and Business Fields. The Corporate Structure, in turn, is made up of three elements: Toppan's Corporate Philosophy, its Corporate Creed, and its Conduct Guidelines. These elements specify the complete system of values and standards of the Toppan Group.

### Corporate Philosophy

The Corporate Philosophy underpins Toppan's corporate activities and defines its most important values and thinking. Each of the six lines of the Corporate Philosophy has the following meaning:

Toppan and all of its members shall:

- Share these values and bear the responsibility of upholding them.
- Nurture and develop a relationship of trust with customers.
- Continue and strengthen its operations through the ever more skillful use of *color* (the property crucial for creativity, detail, and faithful reproduction in printing), *knowledge* (marketing and planning), and *techniques* (technology).
- Take pride in its products and services and recognize their importance as creations for the customer.

- Recognize the universal role of printing as a medium for information and culture.
- Create fulfilling lifestyles within society by giving shape to the aspirations to communicate both on individual and corporate levels.

### Corporate Creed and Conduct Guidelines

The Corporate Creed expresses standards that Toppan applies to its activities. The Conduct Guidelines build on the Corporate Philosophy, elaborate the Corporate Creed, and express the behavioral norms for individual employees on the basis of compliance and corporate ethics.

Under no circumstances will any member of the Toppan Group engage in an operational activity that infringes the rules of society or poses any risk of environmental or social harm. Further, the group understands that any faltering in the development of its operational activities may make it difficult to guarantee a profitable return for society.

The Conduct Guidelines are to be closely observed by every employee if Toppan is to fulfill its social obligations as a corporate citizen. The strict enforcement of these guidelines will continue indefinitely.

## 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.

## Conduct Guidelines

### Chapter 1

#### Basic Principles

1. Respecting basic human rights
2. Maintaining public order and standards of decency
3. Complying with laws and ethics
4. Conducting fair business operations
5. Appropriate disclosure of information
6. Environmental and safety considerations

### Chapter 2

#### Outline of Conduct Guidelines

- Section 1 Building customer trust
- Section 2 Reforming operations
- Section 3 Fulfilling corporate responsibilities
- Section 4 Creating a positive work environment
- Section 5 Developing the Toppan Group

## Business Fields and Society

Toppan has developed a rich array of technologies to enable printing on diverse materials and to expand the applications of information communications in this new information age. Toppan strives to enrich society by disseminating its vibrant knowledge and technology.

### Expanding Fields of Business

Through ongoing research and development to meet customer needs, Toppan continues to conceive new products and services, to produce them with ever greater technical skill, and to market them with increasing efficiency. In parallel with its work to develop new printable metals, plastics, and other materials, Toppan is creating printing technologies for a growing range of electrical components, holograms, and other innovative applications. And with each new product Toppan develops, the services to accompany them have developed into new business activities. To take one example, the planning, special processing, and filling of food packaging have grown into important operations for the company.

Toppan's original businesses, the printing of cigarette papers and textbooks, have expanded into six business areas over the last 100 years: securities and cards, commercial printing, publications printing, packaging, industrial materials (building materials), and electronics.

### Restructuring Toppan's fields of business

*Toppan Vision 21* is a vision of Toppan positioned to thrive as it moves further into the 21st century in an environment of globalization, advancing information technology, evolving industry structures, environmental plight, diversifying lifestyles and value systems, and a dramatically changing business climate. Three strategies form the core of this vision.

- Establishing independence and originality
- Promoting software or service-based businesses
- Transformation into a global company

As a first step in forming *Toppan Vision 21*, Toppan has reconsidered its six main areas of business and allocated them into three new fields: Information & Networks, Living Environment, and Electronics. In addition, the company added Personal Services and Next-generation Products, as two entirely new fields to be expanded in the coming years. In all five of these newly defined fields, the company introduced the concepts of "soft" and "service-based" businesses to its range of operations and laid down plans to strengthen them. Personal Services consists of services that Toppan offers directly to individuals, while Next-generation Products refer to the development of functional industrial materials that link with the next generation. With the establishment of these five business fields, Toppan seeks to become a global leader in the information communications industry.

- Information & Networks: supporting the businesses of our customers with services to process, manage, and administer content such as images, text, and acoustics; and enabling the efficient creation of new value through the use of this content.
- Living Environment: providing products and services that contribute to comfortable lifestyles while meeting the needs of both individuals and society from environmental and other standpoints.

### Toppan's Business Fields





- Electronics: providing high-performance parts and electronics products and services in the fields of semiconductors and displays.
- Personal Services: providing valuable information, products, and services to individual users by leveraging our information technologies, digital and security technologies, and marketing skills.
- Next-generation Products: developing high-performance industrial materials for markets with large growth potential based on technologies such as coding and photo-lithography.

**Transformation into a global company**

Toppan has operated and staffed locally incorporated companies and representative offices in Asia, the Americas, Europe, and Oceania for many years. As a next step, the company plans to strengthen the functionality of this industrial network in ways that enable these overseas sites to interact more organically. Toppan is also actively pursuing information exchanges on the latest technologies by forming technology partnerships and joint operations with strong overseas enterprises. Toppan is leveraging its business activities in a globalizing market with plans to evolve into a global corporation that can surmount the barriers of country, language, and geographical distances as borders are dismantled in markets for technology, human assets, capital and other business resources.

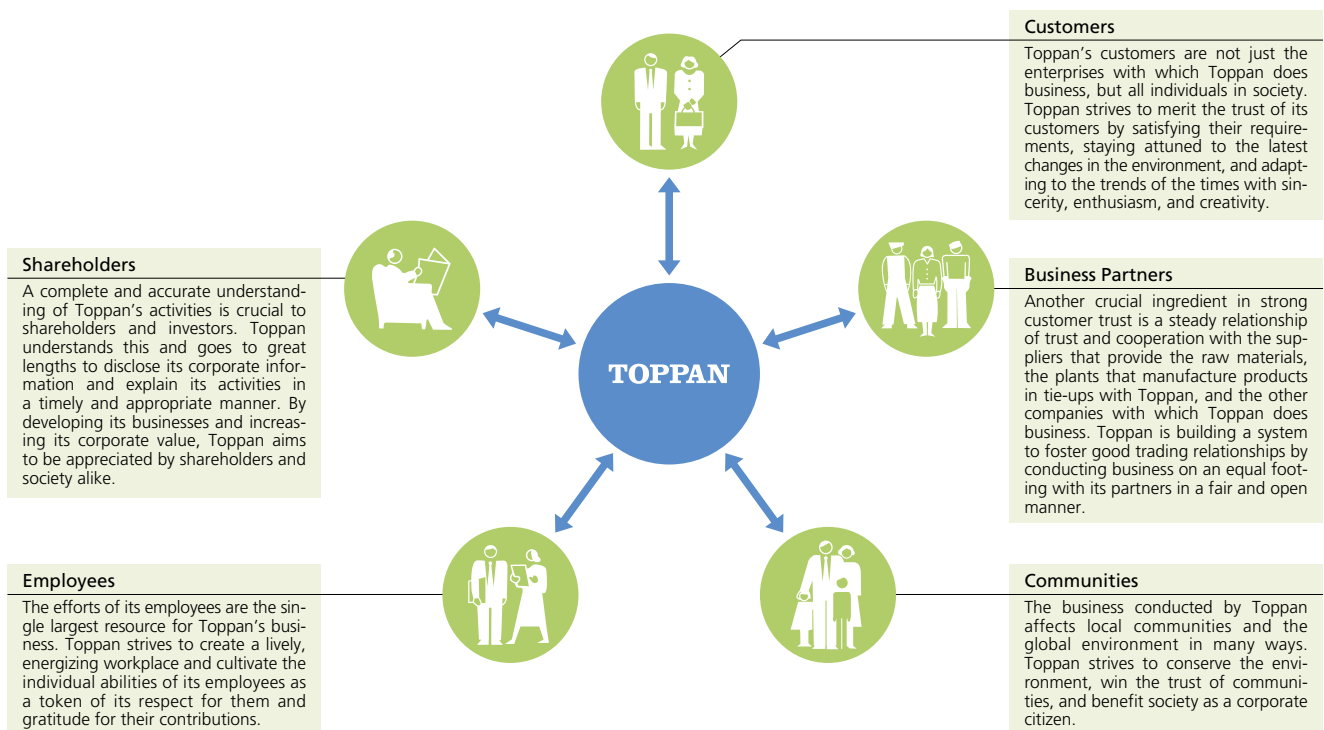
**The Relationship with Stakeholders**

Without strong ties to stakeholders, Toppan’s businesses would quickly cease. The company recognizes the importance of maintaining good communications and building closer relationships of trust with stakeholders. In a structured approach to these ends, Toppan has defined five categories of stakeholders upon whom its business activities deeply depend: customers, business partners, communities, employees, and shareholders.

**Giving shape to ideas: a company that realizes possibilities**

The Toppan of the 21st century serves a customer base of more than just companies: Toppan serves people, finds the possibilities in every customer’s ideas, and realizes them one by one. By opening up new worlds of possibility for customers, the company delights and surprises society itself. Internally, Toppan also strives to realize the ideas of its own employees and the possibilities they hold. This is a corporate stance that Toppan is already taking.

**Relationships between Toppan and Stakeholders**



## Corporate Governance and CSR Activities

Toppan's social responsibilities multiply as its business activities expand. In response, Toppan is pushing to strengthen its corporate governance system and completely rethink its relationship with society and the issues to be addressed. Toppan's system to promote CSR activities is rapidly evolving.

### Toppan Corporate Governance

A central part of Toppan's business strategy is to continuously develop, increase its corporate value, and win the approval of shareholders, customers, and ultimately, society as a whole. To succeed at this strategy, Toppan's management has embraced an extremely serious commitment to the strengthening of corporate governance.

Toppan has adopted an audit system in accordance with Japanese Commercial Law. The company has strengthened its corporate governance system by establishing an Internal Auditor's Office and Compliance Department to fortify its system of internal regulation. A corporate governance system must be compatible with the details of a company's business activities and scale. Toppan believes that it can most effectively align its corporate governance system compatibly with its businesses by imposing a regimen of internal audits.

### Board of Directors

Toppan's Board of Directors consists of 31 directors, including one outside director (as of the end of March 2004). Meetings of the Board of Directors are held regularly each month, and whenever pressing business requires action or deliberation. With regard to important business matters, the company applies a business deci-

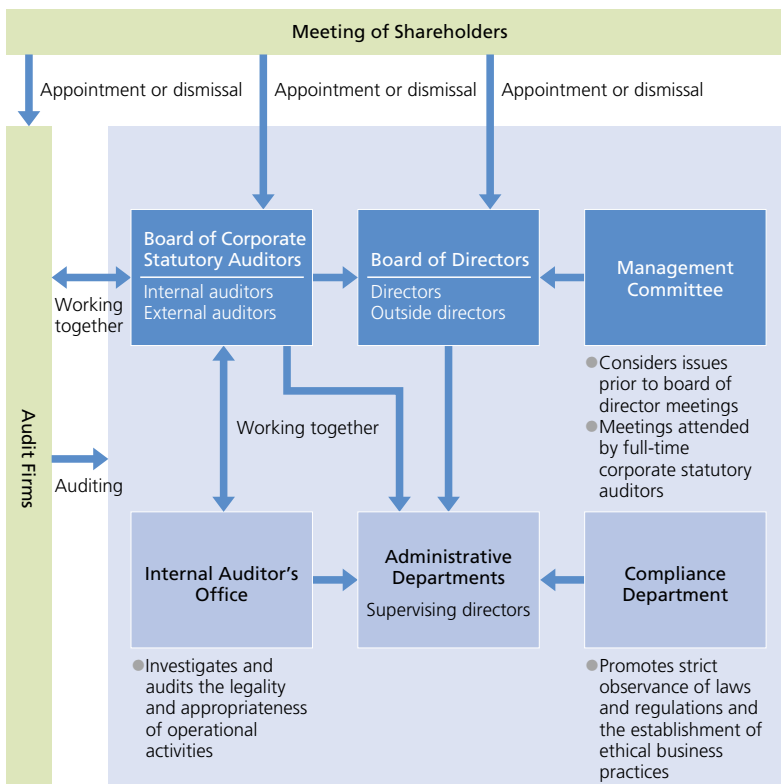
sion-making process that pursues efficiency via the work of a Management Committee made up of executives from the head office. In addition, Toppan has established a Center Head Committee made up of division chiefs and executives from the head office to directly implement activities and review them from various perspectives.

### Corporate Auditors and auditing firms

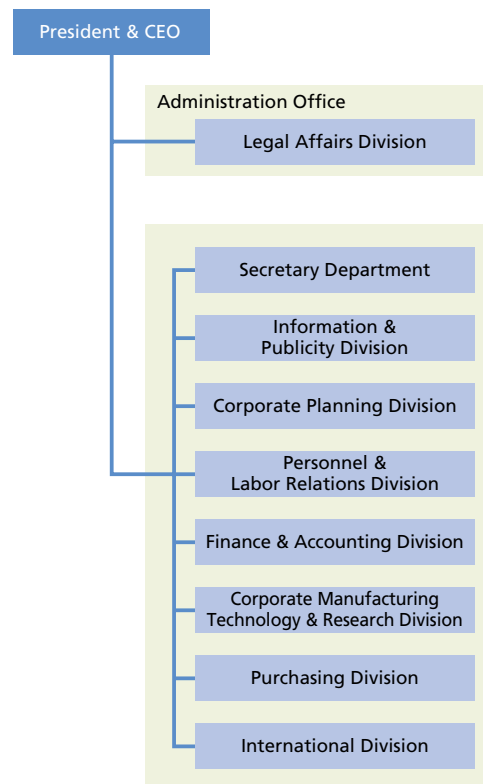
Toppan has adopted an audit system that requires regular inspections to assess whether all aspects of company operations are carried out smoothly and properly from a preventative perspective in accordance with the company's overall strategy and the legal compliance of all directors and departments. Two of the four Corporate Auditors appointed at Toppan are external. In addition to meetings of the Board of Corporate Statutory Auditors every three months, the meetings of the Board of Directors and meetings on the environment and other important issues are also attended by a corporate auditor. The Corporate Auditors are additionally responsible for inspecting plants and other operating sites, as well as auditing and appraising management.

The Corporate Auditors regularly receive advice from a financial auditor, KPMG AZSA & Co. (formerly Asahi & Co), on methods to improve company administration based on the results of financial audits.

### Toppan's Corporate Governance System



### Toppan's System for Promoting CSR



### System for Promoting CSR

To promote CSR on a wider scale, the President & CEO of Toppan is leading the move to develop activities through collaboration between related departments. The first step in this effort has been to begin emulating the Corporate Structure described in the *Toppan Vision 21* declaration, the conceptual framework that defines what CSR is for the company and enables further consideration of its meanings. Next, on the basis of this Corporate Structure, Toppan has reconsidered its commitment to every Toppan activity from a CSR perspective. Lastly, to enable greater efficiency and internal transparency regarding the company's commitments, the company has reviewed each of the current approaches from the perspectives of each of the related departments.

To further promote the environmental activities on which Toppan has long focused, Toppan set up an Ecology Center under the Corporate Manufacturing Technology & Research Division in 1991. In April 1992, Toppan established the Toppan Declaration on the Global Environment as its fundamental environmental philosophy. To realize these goals through action, the company embarked on environmental activities involving all employees.

Toppan's commitment to CSR will continue to grow in the future.

### Six Major Themes

To heighten the impact and effectiveness of its CSR activities in the future, Toppan has reviewed its social responsibilities and identified the important issues to be addressed. Toppan knows of many ways that its business activities contribute to society. In keeping with the provisions of its Corporate Philosophy, Corporate Creed, and Conduct Guidelines to enhance these contributions, the company has identified six issues that should be addressed: Corporate Governance, Compliance, Improving Customer Satisfaction, Respecting and Leveraging Human Assets, Activities for Society and Culture, and Commitment to the Environment.

Toppan has identified specific issues within each of these six topics and focused on their relative significance for the economy, society, and the environment—the three “bottom lines” that help the company verify the adequacy of each of the issues identified.

Through these commitments, Toppan will seek to maintain the sustainability of its business operations and pursue its goal of creating value. This is how Toppan aims to continue growing and earning the trust of society as a solid corporate citizen.

#### ■ Six Major Themes and Measures to Accomplish Them

Major Themes	Measures	Related Pages
Corporate Governance	<ul style="list-style-type: none"> <li>Strengthening audit and control functions</li> <li>Preparing a risk management system</li> <li>Increasing the transparency of management activities</li> </ul>	P. 10–
Compliance	<ul style="list-style-type: none"> <li>Education regarding the Conduct Guidelines and strict enforcement</li> <li>Information risk management</li> <li>Approach to the supply chain</li> </ul>	P. 24–
Improving Customer Satisfaction	<ul style="list-style-type: none"> <li>Strengthening quality assurance for products</li> <li>Research and development aimed at value creation</li> <li>Products and services developed with society in mind</li> </ul>	P. 30–
Respecting and Leveraging Human Assets	<ul style="list-style-type: none"> <li>Development and training of human assets</li> <li>Health and safety, health management</li> <li>Welfare system</li> </ul>	P. 36–
Activities for Society and Culture	<ul style="list-style-type: none"> <li>Advancement of printing culture and its traditions</li> <li>Sharing of impressions</li> <li>Tree planting activities</li> <li>Greater symbiosis with local areas</li> </ul>	P. 42–
Commitment to the Environment	<ul style="list-style-type: none"> <li>Environmental management activities</li> <li>Eco-protection activities</li> <li>Eco-creativity activities</li> <li>Environmental communication activities</li> </ul>	P. 47–

## Comprehensive Corporate Governance

Toppan is striving to meet its social responsibilities promptly and thoroughly by strengthening the auditing function of its business operations, maintaining a risk management system, and improving both the compliance and transparency of its corporate activities.

### Strengthened Auditing and Corporate Oversight Functions

#### Auditing by the Internal Auditor's Office

The Internal Auditor's Office assesses every site and plant in operation, principally through audits of management and operations. Management auditing is conducted to verify and evaluate compliance with business goals, the effectiveness of risk controls, and a variety of other management areas with an emphasis on process. Operational auditing confirms the status of compliance with laws and internal regulations, mechanisms to prevent improper activities, and the absence of outstanding problems with efficiency or accuracy in company operations. Proposals for improvement are issued when necessary. The audit results are reported to the President & CEO of Toppan and the directors in charge of the audited departments.

#### Thorough compliance

The Compliance Department, created in April 2003, spearheads Toppan's efforts to ensure compliance with laws and to firmly establish corporate ethics systems throughout the company. The department also takes charge of accurately determining the level of conformance with regulations on compliance and suggesting improvements. Systematic training and education based on the Conduct Guidelines are continuously provided to Toppan employees and Group companies. Toppan has also established the Toppan Helpline, an internal reporting system already proving effective as a reinforcement for the compliance function.

### Risk Management System

Companies nowadays are vulnerable to new types of crises as advances in information technology have ushered in a new wave of computer-related crimes, as well as issues to do with intellectual property rights and the ownership of technologies. The pressing concerns of the environment also continue to weigh more heavily nowadays, and the pressures of compliance demand the constant attention of management. As these issues grow in importance, the establishment of outstanding crisis management policies becomes all the more urgent.

From 1993, a newly established Company-wide Crisis Management Committee at Toppan began setting up a regimen of crisis management measures. Later, in 2002, the company launched a Crisis Management Project to correct inadequacies that it perceived in its crisis-prevention measures. Toppan is now reformulating a comprehensive risk management system that incorporates the functions of both crisis management and risk management.

#### Managing and understanding risks

In creating its comprehensive risk management system, Toppan began by identifying the most threatening risks to the company—the risks that require tight and absolute control. As shown in the chart below, Toppan has instituted a systematic method of risk management that allots the responsibility of risk response to specific departments based on the types of risks involved.

### ■ Risks to be Managed and the Divisions in Charge of Risk Response

	Risk to be managed	Division
Accidents involving products/ product liability	Accidents or complaints related to products	Corporate Manufacturing Technology & Research
Accidents or disasters related to company operations	Accidents related to a basic process	Business Innovation
	Accidents at the workplace, traffic accidents, other accidents involving employees	Personnel & Labor Relations
	Debt-related incidents	Finance & Accounting
	Legal problems with orders received	Legal Affairs
	Leakage of personal information or internal confidential information	Legal Affairs
	Leakage of personal information or internal confidential information through a computer network	E-business
	Damage to the company's computer system for customers due to cyber terror, illegal access, illegal usage, etc.	E-business
	Accidents or disasters related to fires or explosions	Corporate Manufacturing Technology & Research
Defamation, slander, or other criminal damages	Illegal activity related to the storage of solvents, management of hazardous chemicals, etc.	Corporate Manufacturing Technology & Research
	Damage to the company's internal computer system due to cyber terror, illegal access, illegal usage, or leakage of personal information or internal confidential information	Business Innovation
Natural disasters	Crimes against the company (threats, bribery, theft)	Personnel & Labor Relations
	Material losses or personal accidents sustained by customers or the company due to earthquakes, wind or water damage, lightning, etc.	Personnel & Labor Relations
Unlawful activities related to external contracts	Violations of Subcontract Act, illegal activity with suppliers	Corporate Planning
Infringement of intellectual property	Infringement of patents, trademarks, copyrights	Legal Affairs
Environmental problems	Violations of environmental laws or standards, illegal disposal of industrial waste	Corporate Manufacturing Technology & Research
Risks related to overseas operations	Accidents involving products, sexual harassment, environmental problems, fires, natural disasters, etc.	International
	Material or personal losses sustained by customers or the company due to international strife, terror, etc.	

**Improving the Transparency of Management**

Toppan is working to improve the transparency of its management activities in order to earn the ongoing the trust of society. Much of this effort focuses on the active disclosure of information. From its very beginnings, Toppan has actively created and distributed communication tools to satisfy the needs of its stakeholders and uphold its priority of communicating with society. With these tools, Toppan reliably fulfills its duty of explaining its operations with timely and appropriate information.

**Strengthening IR activities**

Many of the IR activities undertaken at Toppan focus on communication and information disclosure to shareholders. In keeping with its Basic IR Policy, Toppan uses its websites to ensure fairness and transparency in its disclosure of IR information. In April 2004, Toppan began providing a rich and easily accessible source of company information by launching a website devoted to IR activities.

Toppan has been announcing its financial results on a quarterly basis since fiscal 2003. Public meetings with institutional investors and analysts are also held in May and November to explain the company's interim and full year results. All documents distributed at the meetings are posted on the company website for the benefit of those unable to attend. Toppan also publishes a quarterly newsletter for shareholders, *Toppan Story*, and an annual report in English.



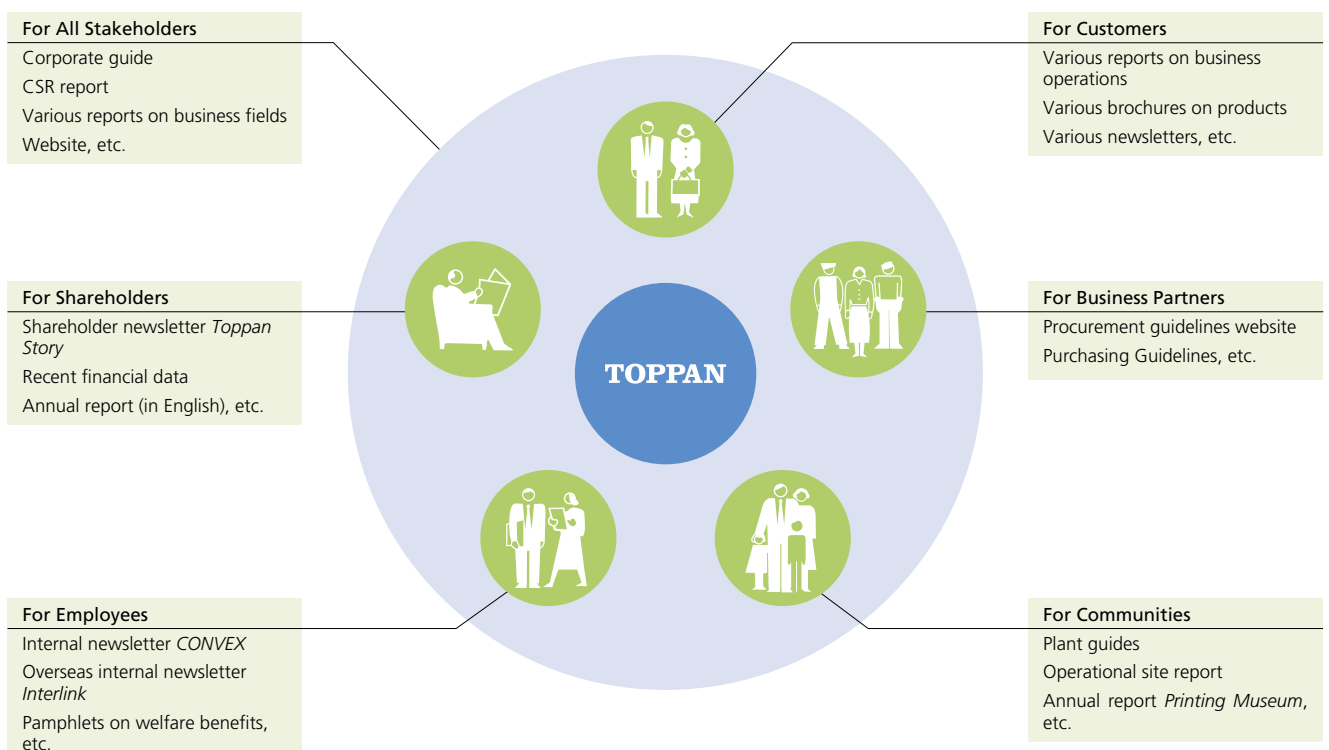
IR website  
[http://www.toppan.co.jp/ir\\*](http://www.toppan.co.jp/ir*)  
 \*Information also available in English:  
<http://www.toppan.co.jp/english/ir/index.html>

**■ Basic IR Policy**

**1. Standard for Information Disclosure**  
 Toppan complies fully with the Tokyo Stock Exchange's rules on timely disclosure. With regard to information not covered under the rules on timely disclosure, Toppan maintains a policy of actively and fairly disclosing all information of potential use to shareholders and investors in understanding Toppan's businesses. The principal channel for disclosure is the company website.

**2. Methods of Information Disclosure**  
 As stipulated under the Tokyo Stock Exchange's rules on timely disclosure, information required to be released will be posted on the TDnet network operated by the Exchange. All information released through TDnet will also be promptly posted on the company website.

**■ Toppan's Information Tools for Stakeholders**



### Topic 1

## CSR Communication Fair

**CSR is now becoming a key corporate issue. Many firms are publishing CSR reports and establishing CSR promotion departments, but by their own admission, the choice of appropriate CSR activities can often be confusing. As a leader in information technology, Toppan has helped clarify CSR to others in the industry by holding a CSR Communication Fair.**



Day 1: Speakers described the many benefits of CSR in raising corporate value. Their presentations covered many of the latest developments in Europe, the region most actively promoting CSR, and developments in socially responsible investing (SRI), another area of considerable interest for many companies.

Day 2: Audiences had the opportunity to review lifestyles and work habits as speakers discussed issues that influence the quality of work. Discussion topics ran the gamut from working environments for employees to the importance of the population problem in creating sustainable societies.



Day 3: The focus of discussions turned to environmental reports. Environment goo, an organization that operates a portal site relating to environmental issues, fielded questions from corporate managers in charge of producing these reports.



### Tackling CSR together

Toppan held a weeklong CSR Communication Fair from January 26 to January 30, 2004, at the PLAZA21 showroom on the 2nd floor of the Toppan Koishikawa Building. The goals of the event were to emphasize the importance of communication with stakeholders in the promotion of CSR activities and to convey this importance to as many people and companies as possible.

Seminar audiences had the opportunity to exchange frank opinions with representatives from NPOs, academics, and other experts on CSR heading up the seminar programs. As many as 11 programs were held under the five core themes that companies must address in promoting CSR: Management, Quality of Works,

Environmental Reports, Advertising and Public Relations, and Relationships.

Other events included an exhibition of CSR reports from inside and outside Japan, as well as a panel presentation entitled "The Concept and Function of CSR Communication from the Toppan Perspective." Many visitors expressed a growing interest in CSR issues and carefully read actual reports in a hands-on workshop.

### Raising the "receptiveness" of companies and reinforcing the trust of stakeholders

As companies strive to build trust with their stakeholders and raise their corporate value through communications, Toppan believes that they must embrace the opinions of their stakeholders. To improve their ability to do so—or what Toppan calls "receptiveness"—companies must distribute information through CSR communication and actively collect feedback from stakeholders with a full recognition of the value of stakeholder opinions and the intention to use them as a guideline for improvement.

The process is very similar to the PDCA (Plan-Do-Check-Action) management cycle used for environmental activities, but with

■ CSR Communication Fair Overview

Dates: January 26 (Mon.) – January 30 (Fri.), 2004  
 Organizer: Toppan Printing Co., Ltd.  
 Cooperating Organizations: Environment goo, *Nikkei Ecology*,  
 Nikkei Eco Management Forum  
 Site: Toppan Koishikawa Building, 2F PLAZA21

■ Theme of CSR Communication Fair

“CSR Communication = Creating a Network of Trust and Quality”

■ Main Programs of CSR Communication Fair

January 26 (Monday): Management

- CSR Progress in the EU  
 Latest information from the EU (presented by the KPMG Group)
- CSR & SRI  
 What do fund managers think about CSR?

• Employability

- CSR involves far more than just management mechanisms  
 The importance of raising the quality of the individual worker

January 29 (Thursday): Advertising and Public Relations

- Messages to Society through Public Service Announcements  
 The history and meaning of public service announcements  
 The power of their message. Distinctions from advertisements for products
- CC Tool Relationship and 2003 Report Analysis  
 The future of corporate public relations

January 27 (Tuesday): Quality of Works

- Nurturing the Next Generation and New Directions for Corporate Measures  
 The corporate responsibility to nurture the next generation
- Global Compact—Human Rights and Labor Practices  
 The corporate vision under the Global Compact  
 The difference between legal compliance and human rights problems

January 28 (Wednesday): Environmental Reports

- Feedback Meeting on the Environment goo Awards  
 The future of environmental communication through interactive media
- Environmental Report Symposium 2003  
 The Environment goo survey and its bearing on future environmental reports  
 \*The Wednesday program was organized by Environment goo

January 30 (Friday): Relationships

- Community Communication  
 The importance of community communication based on corporate-NPO collaborations
- Communication with Stakeholders  
 Open discussion  
 CSR communication means creating a network of trust and quality

4

Day 4: The theme shifted to advertising and public relations, two key aspects of CSR strategy. Ad creators led a discussion on communication methods that resonate with stakeholders.



Visitors to the 1st floor lobby of the Toppan Koishikawa Building perused panel displays on Toppan's CSR Initiatives and The Concept and Function of CSR Communication from the Toppan Perspective.

5

Day 5: Participants explored the ways that companies build relationships with stakeholders and the types of CSR communication that can raise trust to a higher level.



an important difference. In the “Check” component of the cycle, CSR places far greater importance on the tasks of disclosing information to stakeholders, receiving feedback, and making reforms.

Toppan intends to use the many opinions generated by the CSR Communication Fair as a resource to increase its knowledge and technology in the information communications industry. Meanwhile, Toppan will continuously support companies to raise their “receptiveness”—the single-most important quality for any enterprise seeking to develop its CSR communication activities, build a network of trust and quality with its shareholders, and enhance its corporate value through the CSR approach.

CSR booklet published

In July Toppan published *CSR Communication*, a booklet reporting the contents of the seminars at the CSR Communication Fair.

One of the goals of Toppan's CSR activities is to share the benefits of the fair with as many people as possible.



Title: CSR Communication  
 Published: July 15, 2004  
 Publisher: Toppan Printing Co., Ltd.  
 Binding: A5 size, 228 pages  
 Copies published: 3,000

Topic 2

### Award for Distinction as a Corporate Citizen from Bunkyo Ward

In January 2003, Bunkyo Ward of Tokyo conferred Toppan its Award for Distinction as a Corporate Citizen in recognition of the company's exemplary social contributions as a widely trusted partner in the local community.

The award was presented principally to honor Toppan for the social contributions of the Toppan Hall and the Printing Museum, Tokyo, two facilities located in the Toppan Koishikawa Building in Bunkyo Ward.

Through visits to the Printing Museum, a great many people in the community have learned about the role and significance of printing in the development of human civilization. The museum has been

highly praised for its comprehensive activities, particularly its hands-on learning workshops for elementary school students and others from Bunkyo Ward.

Toppan Hall, meanwhile, fosters interest in classical music and nurtures young talent in the community by hosting musical events. The Hall holds about 40 events each year, drawing interest from all over Japan and even overseas.

In keeping with its function as a venue for communication with the local community, the Toppan Koishikawa Building has abundant public space. Toppan is also working in cooperation with local citizens in Bunkyo Ward to support the "Fumi no Miyako—Ichiyo Monogatari"

project in honor of Ichiyo Higuchi, a local authoress from the Meiji Era.



Toppan President & CEO Adachi receiving a plaque and certificate from the Bunkyo Ward chief Kemuriyama

Topic 3

### Institution for Digitization of the Palace Museum Heritage

Toppan has joined hands with the Palace Museum, the largest national museum in China, in a project to preserve and circulate cultural artifacts using digital technologies. On October 23, 2003, the Palace Museum opened a new institution, the Institution for Digitization of the Palace Museum Heritage, and announced plans to present a large-scale virtual reality presentation entitled "The Palace VR: *The Forbidden City—the Emperor's Palace.*"

The institute will be engaging in the following activities in the coming years:

- Recording and storing three-dimensional measurements of the palace buildings and artifacts
- Visually rendering the palace buildings and artifacts

The institute will also be fostering expertise on the use of digital technology at the Palace Museum.



A VR reproduction of the Hall of Supreme Harmony as it stood in the 18th century  
© 2003 The Palace Museum Digital Institute



The Digital Institute completed on the palace grounds



High-definition VR theater with giant screen (4.2 × 13.5 m)



Topic 4

**GX Film Wins Kinoshita Award**

With the help of its advanced thin-film manufacturing and coating technologies, Toppan has developed an advanced GX film that forms a unique barrier layer over film substrates.

The environmentally-friendly GX film shields against moisture with the same outstanding effectiveness as aluminum foil, but requires less energy to incinerate. The non-metallic transparent materials composing the film make it possible to verify the contents of packages with the naked eye and perform content analyses with a metal detector. The film offers a highly stable packaging solution for food, household articles, pharmaceuticals, and electronic parts.

In recognition of the superior properties of GX film, the Japan Packaging Institute

conferred the film its 28th Kinoshita Award in the R&D Category in May 2004. Each year, the Kinoshita Award goes out to outstanding achievements in the world of packaging technology R&D, in memory of its namesake, Matasaburo Kinoshita, the late chairman of the association.



Highly functional GX film



Toppan receives an award for its GX film from the Japan Packaging Institute

Topic 5

**Reducing the Use of Toluene**

Toppan is promoting activities to reduce the use of toluene, a Class I designated chemical substance under the PRTR Law, by setting environmental targets for all the companies in the Group.

For fiscal 2003, the company set the goal of reducing atmospheric emissions of toluene by 40% compared to the emission level of fiscal 2002. The actual result was a 38.8% reduction, or a 98% achievement rate. The goal would have been easily achieved had it not been for delays in approvals for the installation of waste gas processing equipment in certain plants. As a result, operation of the equipment had to be postponed to fiscal 2004.

While Toppan fell about 1% short of reaching the target, the reduction of more than 2,000 tons of toluene emissions represents a major achievement in reducing an environmental burden. The expanded use of non-toluene ink and the introduction of new toluene emission processing equipment contributed greatly

to this effort. These measures, in combination with the improved processing efficiency of the installed equipment, led to far better emission control.

For fiscal 2004, Toppan targets a reduction in atmospheric toluene emissions of around 1,500 tons from the fiscal 2003 level. To help achieve this target, waste gas processing equipment will be installed at four more plants.

Toppan plans to sustain these efforts over the medium and long term. Starting from fiscal 2003, the company has tar-

geted a 90% reduction in atmospheric toluene emissions compared to the fiscal 2001 level by the end of fiscal 2005. Toppan will strive to meet all of its targets by developing more new technologies, introducing more equipment, and promoting new activities to reduce environmental burden.



Non-toluene ink



Waste gas processing equipment installed at the Gunma plant

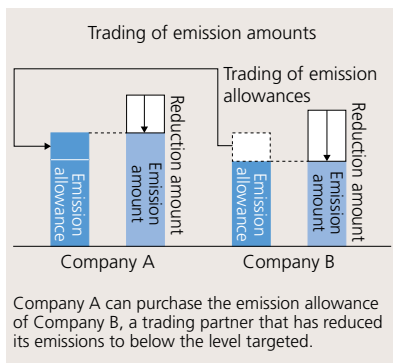
Topic 6

## Trading Greenhouse Gas Emissions

### Trading greenhouse gas emissions: a trial business

Reducing the emissions of greenhouse gases requires significant financial resources. When acting individually, companies face limits in the scope of emission-control activities they can pursue. To surmount this problem, some enterprises have taken up the practice of trading emission allowances. Through the mechanisms of market economics, companies in various industries pool their efforts to meet the emission targets collectively with minimal economic sacrifice on an individual basis. Companies have also teamed up with the Japanese Ministry of the Environment to form a trial business for the trading of greenhouse gas emissions through fiscal 2003 and 2004. Toppan is taking part in this trial.

#### ■ An Overview of Trading in Greenhouse Gas Emissions



#### ■ Sources of Greenhouse Gas Emissions: Examples

Source	Emitted greenhouse gas					
	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>
Fuel oil usage (gas, heavy oil, kerosene, gasoline, etc.)	○					
Electricity usage	○					
Home generator usage		○	○			
Dryer usage		○	○			
Use of household appliances (stove, kettle, etc.)		○	○			
Driving car		○	○			
Wastewater processing to prevent water pollution		○	○			
Incineration of industrial waste	○	○	○			
Use of air-conditioner and refrigerator				○		
Use of transformer equipment with SF <sub>6</sub>						○
Use of cleanser containing PFCs					○	

Note: CO<sub>2</sub> emissions from the use of electric power are not direct emissions at the place of use, but indirect emissions caused by fuel consumption in electricity generation.

The 54 companies taking part in the trial business include 31 companies with individually set emissions targets for greenhouse gases, 11 companies undertaking in-house emission-control projects, and 12 companies working to verify emission amounts, monitor emission reductions, and trade the emissions. Project participants are developing optimal methods to calculate emission levels, verify emissions directly, trade emission allowances, and confirm the status of targets.

#### Overview of the trial business

To survey the emission sources for the six greenhouse gases stipulated in the Kyoto Protocol, Toppan investigated five plants engaged in Toppan's Information & Networks, Living Environment, and Electronics businesses. Of the 64 emission sources tested, the survey found that its emission research was applicable to 26. The largest emission sources were confirmed to be related to fuel oil and electricity usage, and nearly all of the greenhouse gas emitted was carbon dioxide.

Through its participation in the trial business, Toppan has mastered the basic methods to calculate the levels of greenhouse gases discharged from its facilities. From this point forward, Toppan is ready to begin the trading of emission allowances. Toppan failed to meet the strict emission targets set under the trial business—targets stricter than actual conditions—but it compensated for the surplus by emission trading.

ness—targets stricter than actual conditions—but it compensated for the surplus by emission trading.

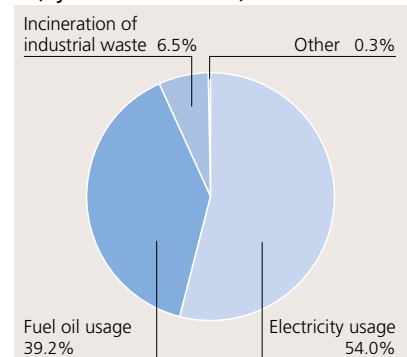
#### Future measures

The trial business to trade emissions has already demonstrated the value of greenhouse gas reduction as an economic investment that provides further incentive to implement energy-saving measures. Toppan will be incorporating the trading mechanism in its overall strategy for the ongoing reduction of greenhouse gas emissions. The government/industry collaboration in trading emissions and reducing greenhouse gases has provided a learning opportunity that will lead to the development of better emission-control systems in the future. Toppan researchers will be studying all the issues arising from the current project, as well as new issues.

#### ■ Overall Greenhouse Gas Emissions (by Gas Type)

Greenhouse gas		% of total
Carbon dioxide	CO <sub>2</sub>	99.6%
Methane	CH <sub>4</sub>	0.21%
Nitrogen dioxide	N <sub>2</sub> O	0.17%
Hydrofluorocarbons	HFCs	below 0.1%
Perfluorocarbons	PFCs	below 0.1%
Sulphur hexafluoride	SF <sub>6</sub>	below 0.1%

#### ■ Greenhouse Gas Emission Ratio (by Emission Source)



Note: Covers the five plants surveyed for trial business.



Roundtable Discussion

## What We Expect from CSR

On July 27, 2004, five speakers from the CSR Communication Fair were invited to the Toppan Koishikawa Building for a roundtable discussion on public expectations of Toppan's CSR efforts. After a tour of the Printing Museum and PLAZA21 showroom, Hideto Kawakita opened the discussion as moderator. The participants expressed many valuable opinions from their various standpoints.

### CSR is something created by each company

**Hideto Kawakita:** To start off this roundtable discussion, I would like to hear your views on the exact meaning of CSR. Mr. Shibusawa, what do you think?

**Ken Shibusawa:** The standardization of CSR has recently been an issue of considerable debate. Some are even asking whether social responsibility should be incorporated into ISO and other standards. This push to standardize is basically coming out of the West, and most Japanese companies oppose it. While I certainly see the need for standardized CSR and SRI, I think the current efforts are fraught with dangers. Two companies working in entirely different fields cannot be expected

to fulfill a common CSR standard. Too many different conditions apply.

Each person, each company, should establish its own framework of social responsibility. That's the opinion I think Japanese companies should voice on this issue.

**Masayasu Ishida:** I agree completely. Take corporate governance as an example. Some Japanese companies use a committees system while others conduct audits. It would be unfair to pressure the latter to switch to the committees system as a standardized form for CSR. That would be a great mistake.

This doesn't mean that companies should have an easy time of it. Every corporation must carefully arrange its own CSR issues, its own CSR concepts, and

independently select the measures it needs to take. We can't dismiss standardization unless we meet our corporate responsibilities in the ways best for us.

**Kawakita:** Mr. Kumon, can we hear your perspective as an executive in charge of CSR?

**Masato Kumon:** At my company we've been having detailed discussions on what CSR actually is. The reports, GRI guidelines, and other standards are certainly useful benchmarks, but we often encounter items that don't apply to our company or to what we do. We also spend a lot of time trying to decide which of our activities can be considered "CSR activities." It would be helpful to have specific examples of what CSR means for companies in different industries.

I would like to see Toppan clearly articulate what CSR means to Toppan.

**Tsutomu Iijima:** To create something original, a first and vital step is to find out what hasn't yet been recognized. Our company is taking that step now. We're asking: What haven't we yet identified?

**Kawakita:** I think of the contents of a CSR report as a corporate philosophy. A company's corporate philosophy and declarations summarize its social responsibilities. If a company defines its original position in its philosophy, the most important point is the actual effort to live by that philosophy. This is especially true in the areas of compliance and the environment: every company must choose a level of commitment, describe it in its conduct guidelines, and follow through. I try to learn the concrete measures companies take to fulfill their corporate declarations.

This is one reason why I value Toppan's CSR report so highly. It derives its major themes from the contents of Toppan's Corporate Philosophy, Corporate Creed, and Conduct Guidelines.

**Ishida:** Thank you.

**Inform readers of results rather than systems**

**Kawakita:** Ms. Furuya, what items do you think should be included in a CSR report?

**Yukiko Furuya:** CSR reports should focus on the issues being addressed, the measures being taken to address them, the objective disclosure of information, and the advantages and disadvantages of those measures. It's important that people don't perceive CSR as a kind of PR tool.

**Ishida:** We have tried hard to fill Toppan's *Environmental Reports* with just that kind of content. With our *CSR Report* we'll need to go even further.

**Kawakita:** The CSR reports should inform readers of results rather than systems. People would find it tedious to read through long descriptions of the various systems and policies put into effect. People want to know what the company is actually accomplishing with its various systems and policies.

I'd like to see the company do more in the areas of personnel and corporate ethics. All too often Toppan's explanations of its PDCA cycle end at the P (planning) stage. PDCA shouldn't be touted as a kind of "theme"; it should be a process

companies are embarrassed to skip. For departments that administer operations that go beyond products and systems, it's insufficient to profess P without pressing ahead to the stages of D (do), C (check), and A (action). I'd like to see more effort in these areas.

**Ishida:** And we hope to make more effort.  
**Kawakita:** I think it's helpful to write about mistakes, as well. Companies sometimes fail at what they attempt due to insufficient effort or poor understanding. A company that frankly discloses its failures but reaffirms its commitment to succeed in the future will gain people's trust. That's something easy to understand in a report.

**Instilling the corporate philosophy in every individual**

**Shibusawa:** I often ask myself, who is the corporation? When people talk about CSR, sometimes they're just reciting the words. How deeply do employees actually consider the "social responsibility" of their corporation? I don't want to see "CSR" become just another slogan trumpeted by the CEOs.

**Ishida:** The employees of a corporation should be universally aware of their cor-



**Ken Shibusawa**

CEO and founder of Shibusawa & Co., offering consulting services on alternative investments. Previously with JP Morgan, Goldman Sachs, and Moore Capital Management. Director of Keizai Doyukai and Director of Shibusawa Eiichi Memorial Foundation. A frequent writer and lecturer.



**Yukiko Furuya**

Representative of the Compliance Management Research Group in the East Japan Branch of the Nippon Association of Consumer Specialists. Began consulting on CS management and compliance management in 1997.



**Hideto Kawakita**

CEO of IIHOE: International Institute for Human, Organization and the Earth. Formally worked as international recruiting officer, as secretary for Diet members, Chief Representative of Operation Raleigh Japan. Founded IIHOE in 1994, to support nonprofit management and corporate environmental/social management.

porate philosophy. If they're not, their management has failed.

**Iijima:** The corporate philosophy, social responsibility, and so forth are more than just individual topics for in-house seminars. Every employee must understand the importance of these issues as expressions of corporate value that protect the way they live and even give them pride. If this awareness can be instilled, then the corporate philosophy takes on a life of its own.

This isn't about memorizing the corporate values, but living them. CSR shouldn't be taught directly, but incorporated in a system of active study for the employees. Management and study should be enjoyable from the outset, and the contents should be well considered. Courses outside of the company, courses for employees when they're on their own, are ideal.

**Ishida:** You've talked about "enjoyable study." This year at Toppan we've instituted an e-learning course to study the Conduct Guidelines, or the company's CSR.

### Together with stakeholders

**Iijima:** A skillful facilitator is very helpful in instilling a corporate philosophy throughout the ranks of a company. Facilitators don't have to be employees. A good approach would be to hold stakeholders meetings and create the CSR report in collaboration with stakeholders.

Most companies have tried to address CSR management from within the scope of corporate governance. This approach is far too narrow. When you consider CSR activities from the viewpoint of the whole of society, the most important point is to create activities that everyone can do. A CSR report functions as one index of this.

First, we need to design a model study program based on careful considerations of the learning content we need. Next, we have to consider the scheduling, the venue, and the ways we can apply the program to people.

**Kumon:** What mechanisms does Toppan apply to absorb the opinions of its consumers and stakeholders? It must be challenging for a company with a B2B structure and customers with overlapping interests. Do concerns about Toppan's position make this difficult?

**Ishida:** This is a very serious issue for Toppan. You're right that our business is set up as a B2B structure. But we have to understand the situation of C, the consumer, to maintain trust in developing our business with other businesses.

And as a printing company we must respond carefully to CSR issues that involve the end user—the consumer—and we must directly bear the burden of our social responsibility.

With this in mind, we completely understand the importance of creating a structure in which we can obtain feedback from consumers.

**Furuya:** The "customer first" principle no longer sets companies apart. So many companies nowadays tout "customer first" as a public relations slogan. I'd like to see more specific management mechanisms and measures that meet standards. Slogans alone don't build trust.

### Who is the CSR report for?

**Shibusawa:** Who are the CSR reports for? Many companies seem to use them for public relations, but I wonder about their audiences. Are they for investors? End consumers?



**Tsutomu Iijima**

President of CO-WORKS. Environmental strategist and planner. Worked as a development adviser to Matsushita Electric Works, Ltd., Nissan Motor Co., Ltd. and other companies in different industries. Participated in environmental development and design for basic framework policies on regional development projects.



**Masato Kumon**

Executive General Manager of the Environmental Affairs Department of Suntory, Ltd. Responsible for promoting the environmental conservation activities of the Suntory Group, including the education of the next generation on water source cultivation and other environmental measures. Actively serves as a council member in the Global Reporting Initiative Japan and as a supporter of several other industrial organizations.



**Masayasu Ishida**

Senior Managing Director of Toppan Printing Co., Ltd., in charge of Information & Publicity and Legal Affairs divisions. Formerly worked in the Secretary Department, in the International Business Law Center, and as President of Toppan Co., Ltd., President of Toppan Hall Co., Ltd., and President of Toppan Character Production Co., Ltd. Currently manages CSR promotion activities.

**Ishida:** We produce our *Environmental Report* for a wide segment of society, including all Toppan's stakeholders. For our *CSR Report* and other major publications, we take a more focused approach, reconsidering our purposes and carefully defining target readerships. Should we distribute our annual report exclusively to investors? Should we write up our financial results exclusively for the analysts? Toppan has assessed the current situation and is now making a new start.

**Shibusawa:** If I gave last year's *Environmental Report* to my wife, an average consumer, she wouldn't be able to understand it. The contents are too specialized.

Wouldn't it be better, after you've done all these good things, to write up the report in simpler terms that everyone can understand? Today, for example, we toured the Printing Museum and corporate showroom. The clearly presented displays showed me how interesting the printing industry really is.

**Ishida:** Up until recently, Toppan developed its business under a B2B structure. We're now placing more of an emphasis on C with plans to widen the scope of our B2C business in the future. To do so we need to think much more about the average consumer.

**Kumon:** Now that you've evolved from the *Environmental Report* to the *CSR Report* and adopted the triple-bottom-line approach, you have so much material to cover. With everything included, the

report could easily surpass 100 pages.

**Ishida:** That's actually happened. The *CSR Report* for 2004 is about 100 pages.

**Kumon:** There's a limit to what the average consumer can absorb. It will be difficult to make the report both comprehensive and readable.

### A report worthy of Toppan

**Kumon:** Back in the showroom we saw an exhibit on on-demand printing and single-copy books. What would it be like to create an on-demand CSR report tailored for the target reader? A service like that would give Toppan the chance to show off its advanced capabilities and worthiness as a corporate citizen.

**Ishida:** That's an interesting idea.

**Iijima:** I just visited an exhibit on the dawn of printing in Japan at the Printing Museum. It gave me a sense that printing can be used to bring more fairness to society as an equitable form of communication. It also seemed to be a good representation of CSR at Toppan—a representation I couldn't easily find before. The exhibit also gave me a powerful sense of the visions that the very first printers had, hundreds of years ago. If you can somehow express those same visions in your *CSR Report*, I think readers will easily grasp Toppan's CSR.

The tumultuous expansion of the printing industry is important, and the challenge to enter new areas is appealing. But more important for Toppan's CSR are the roots of Toppan's business, technological innovation in printing, and the establishment of fair and equitable communication in society.

### Complete protection of consumers

**Kawakita:** I'd now like to turn the discussion to the specific CSR activities expected of Toppan. Ms. Furuya?

**Furuya:** How does Toppan realize the "customer first" principle?

Toppan needs concrete policies, guidelines, or standards in this area. Your Conduct Guidelines state that the company will respect "the rights and interests of others," but you make no mention of "consumer rights." The Basic Consumer Protection Law was passed in 1968, and the Basic Consumer Law revised this year makes direct mention of the "rights of consumers" for the first time ever in this country. Consumers have become important.

Corporations like to think in terms of "customer needs" instead of "customer rights," a concept that strikes them as slightly aggressive. But however you phrase it, the thinking is changing.

**Kawakita:** Mr. Kumon, what do you think?

**Kumon:** Above all else, it's about safety and trust. Besides packaging materials, our company frequently asks Toppan to manufacture custom products in small lots. Internal and external regulations apply to the raw materials for these products, as well. I'd like to see greater traceability of foreign procurement. When Toppan holds product campaigns, I want to see the company take scrupulous care in protecting personal information and information on customers.

**Ishida:** Of course these are all very important issues to Toppan. Personal information should never be leaked; materials should never be untraceable. As a company that provides products and services in food, apparel and housing industries, Toppan places special emphasis on food safety and the security of personal information.

Unless a company has been Privacy Mark certified, it won't be entrusted with



the business of handling personal information. And that's not all. We've reached an era in which transactions begin with companies taking technical, systematic and consistent measures to meet their responsibilities.

When a company considers introducing a new technology, it has to incorporate a mechanism for foresight in its business model. Take the introduction of RFID tags for the traceability of food as an example. Before introducing the technology, Toppan must anticipate its effects on the market many years into the future.

**Iijima:** I'd like to hear more comprehensive communication on Toppan's efforts to guarantee safety for all of its customers. This process of guaranteeing safety for individuals hasn't been widely discussed in Japan. As I'm given to understand, the process begins with the guarantee of bodily safety, which in turn leads to the assurance of freedom of thought, which in turn leads to freedom of action. Complete bodily safety creates a trust that enables a person to think freely, and the ability to think freely enables a person to act freely. In the case of the consumer, freedom of action leads to consumer activity.

With regard to food products, some sort of project that allows all of the stakeholders to confirm the assurance of safety would help people understand.

**Kawakita:** There are also issues of security with newly developed technologies, universal design, and so on. Some new technologies are harder to use but give the consumer the satisfaction of being safe and secure. How closely should we consider security when developing a new technology? Can the security itself provide amenity? Does the security itself allow consumers to use products free from worry, just as they do with universal design products?

**Ishida:** Our preparations for storing personal information are a good example of how we develop security for a new technology. When we work out systems to

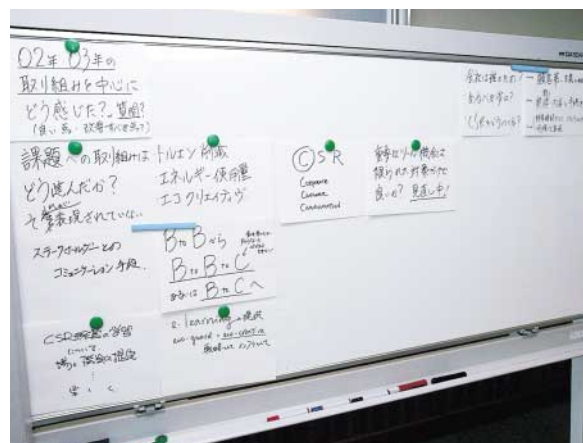
store information, we try to build as much trust as possible. We gain part of that trust by developing technologies that guard against inadvertent leaks. We also create many rules to ensure that the procedures taken complement the security provided by the technology. There are also official certifications that further complement our efforts, as well as in-house rules that apply exclusively to Toppan.

We also realize that top management needs a sharp awareness of the issues it seeks to instill through the ranks of the company through in-house training. At Toppan we send our top executives around the country to witness the activities of all of our plants firsthand and share their own knowledge on quality issues with the workforce of 30,000 men and women in the Toppan Group.

**Social contributions are a social responsibility**

**Furuya:** A few points on consumer education. We talked before about e-learning, but I don't see how this relates to the consumer outside the company. Educating consumers through e-learning would be an outstanding social contribution. Providing know-how and information to consumers would be one type of CSR activity.

For me, CSR in a word is "symbiosis." Take the environment as an example. All of us are responsible for the environment, companies and consumers alike. But consumers lack the know-how and information to help form environmental measures. If companies were to provide this know-how, consumers could fulfill their responsibility in collaboration with companies. This is another type of CSR Toppan should consider.



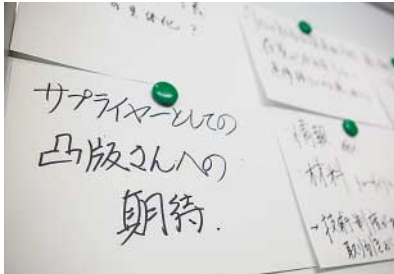
Toppan is doing a great deal to enlighten the public on the company's role in society. Even so, I don't think consumers have a clear picture of how Toppan's businesses work. This is probably significant in terms of your management strategy, too.

**Kawakita:** This brings us to the topic of social contribution. Mr. Kumon, what can you tell us about social contribution from your perspective as an executive of a company that operates a major concert hall?

**Kumon:** Now we're in the process of changing our corporate slogan to "Living with water. Suntory." This is a declaration of the entire Suntory Group. We actively support organizations in both water and forestry fields and undertake our own programs to cultivate water resources. Naturally there's an element of self interest here, as well. We have very good reason to invest considerable management resources in the conservation of our biggest resource, water.

Having declared our commitment to conserving forests and cultivating water resources as a routine part of our business, we consider these activities not just a social contribution, but a social responsibility of the entire Suntory Group. That's our current thinking. But if society sees these activities as a social contribution, of course that's fine with us.

As I'm sure you know at Toppan, a commitment to forestry-related activities



makes much more sense. Cultivating timber resources isn't just a social contribution, but a responsibility to society.

### Taking the challenge to a global level

**Kawakita:** I'd like to finish off this roundtable discussion with a few comments on the concept of CSR. Many companies have been taking an interest in CSR, but

it seems the concept is often only taken halfway. To go further, we need a solid on the concept. So let me recap.

To reach the first level of CSR, companies must "respond to requests" and follow guidelines. To reach the second level, the "commendable" level, companies must broaden their CSR approach to include not just consolidated subsidiaries in Japan, but overseas subsidiaries and marketing affiliates. To reach the third level, the "excellent level," companies must provide depth.

While a good many companies have striven to reach the "commendable" and "excellent" levels on the environmental front, regrettably few have done so with activities focused on human resources and compliance. In these areas, it would seem, companies are satisfied merely to

meet their legal obligations. For a corporation to reach the "excellent" level worldwide, it must go to great lengths to achieve universal good in many areas. Just to give one example, its senior management must actively encourage its employees to use their welfare benefits. I hope to see Toppan provide depth and aspire to reach the "excellent" level worldwide.

### Conclusion

I'd like to thank the participants of this roundtable discussion for their valuable opinions on the concept of CSR as it applies to Toppan. Our company will be deeply considering the views expressed here today as it promotes its CSR activities in the future.

Through its focus on its core business of printing, Toppan has advanced the development of information and culture. Our corporate mission is to facilitate the dissemination and exchange of information and ideas as the nurturer of a fulfilling society. To achieve this mission we must continue to pursue efficient management and symbiosis with society and the environment under the guidance of our many stakeholders.

The content and design of our approach to CSR activities have been set down in our Corporate Philosophy, Corporate Creed, and Conduct Guidelines. To promote CSR activities effectively, Toppan understands the importance of satisfying the ground rules.

The opinions from the roundtable participants will be of great value as we design our future CSR activities. Here is a

brief recap of the views expressed.

To start off the discussion, Mr. Shibusawa pointed out that CSR is not an issue that can end in the top ranks of company management. Toppan posts its CSR in company-wide bulletins and takes many other steps to instill the concepts of CSR in all of its people. In the future, Toppan plans to create an educational venue where employees can study CSR in greater depth.

Ms. Furuya discussed the rights of consumers. The protection of consumer rights is part of our basic thinking, along with society and the environment. Toppan will continue to do everything within its power to maintain safety and trust in its products.

Mr. Iijima explained the notion of guaranteeing safety of individuals. The ideal of "living together with society" can be accomplished through fairness in communicating with society, and Toppan will continue to pursue this ideal through its CSR measures.

Mr. Kumon explained the difference between social contributions and social responsibility. Toppan will take this view

into earnest consideration as it forms its future CSR activities.

Finally, Mr. Kawakita, the moderator of the discussion, pointed out that the objective of a CSR report is not to explain systems, but to explain results. As we compile our *CSR Report* we will not only explain our results, but also report on the progress and process of verification of our CSR activities.

I would like to sincerely thank everyone for attending this roundtable discussion and sharing their opinions with Toppan.

Masayasu Ishida





# Social Report

The Corporate Creed is a clearly defined specification of the form Toppan should assume as a social enterprise. This section describes four activities Toppan is undertaking to meet its social responsibilities and put the Corporate Creed into action—Compliance, Improving Customer Satisfaction, Respecting and Leveraging Human Assets, and Activities for Society and Culture.

Compliance	P. 24	Information management measures and initiatives for thorough compliance with laws and corporate ethics
Improving Customer Satisfaction	P. 30	Product development activities and mechanisms to guarantee the quality, safety, and functionality of products and services
Respecting and Leveraging Human Assets	P. 36	Policies to nurture and effectively use human assets, and measures to create a safe and pleasant work environment
Activities for Society and Culture	P. 42	Social and cultural contributions that reflect Toppan's business activities and Corporate Philosophy



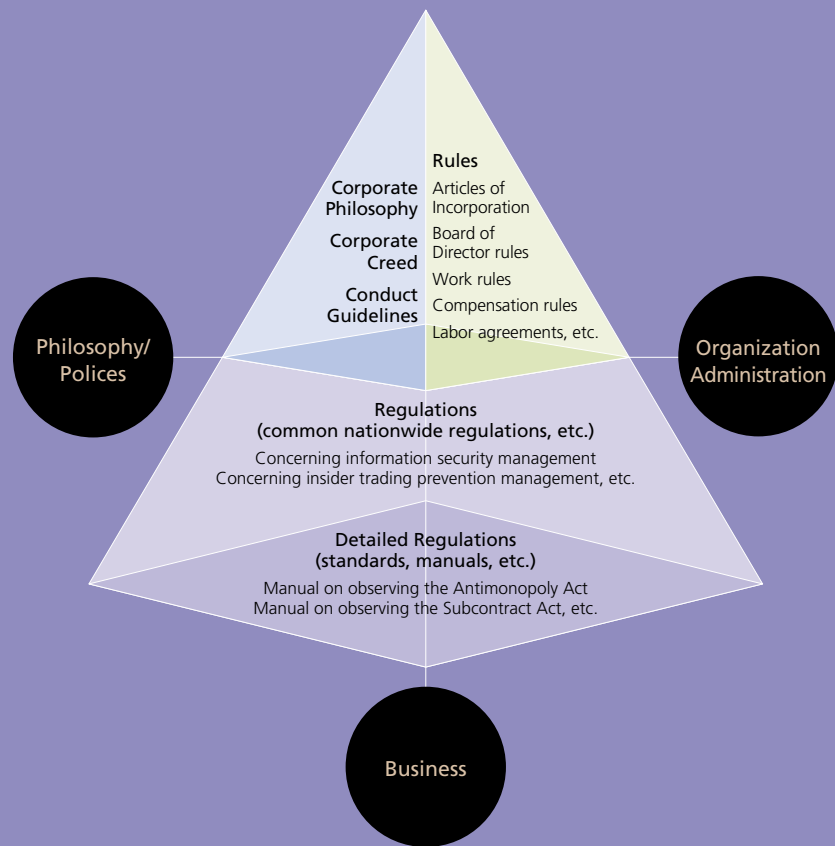
# Compliance

Toppan has set down rules and established firm positions to ensure that its employees, management, and business partners abide by laws and social standards in the day-to-day conduct of business.

## Basic Stance on Compliance

To Toppan, compliance means more than simple compliance with the law. Compliance requires that management and employees observe all legal standards, social standards, and internal corporate rules in their actions as individuals and citizens. In short, Toppan sees compliance as faithful adherence to the company's Conduct Guidelines.

Toppan and its employees never engage in actions that contravene the Conduct Guidelines. If ever requested to act improperly or illegally in the course of business, Toppan responds with an emphatic "No." With these Conduct Guidelines, Toppan is building a company trusted by society.



## Conduct Guidelines

### Chapter 2 Outline of Conduct Guidelines

#### Section 1 Building customer trust

1. Doing our best for the customer
2. Maintaining customer trust
3. Appropriate management of customer property
4. Protecting information about customers
5. Appropriate management of information on our customers' clientele

#### Section 2 Reforming operations

1. Acting in accordance with international rules
2. Striving to improve knowledge, skills, and technology
3. Fulfillment of work responsibilities
4. Protecting confidential corporate information
5. Securing and utilizing intellectual property
6. Respecting the rights and interests of others



#### Section 3 Fulfilling corporate responsibilities

1. Compliance with antitrust laws
2. Fair treatment among support companies
3. Unlawful acts against corporate competitors
4. Non-solicitation or provision for personal gain or rebate
5. Prohibition of bribery
6. Appropriate entertainment practices
7. Prohibition of illegal political contributions and donations
8. Prohibition of providing unjust benefits
9. Prohibition to support antisocial activities
10. Prohibition of insider trading
11. Prohibition of unlawful export transactions
12. Prohibition of child labor
13. Curtailment and reduction of environmental impact
14. Promotion of environmentally friendly activities

#### Section 4 Creating a positive work environment

1. Striving for a lively and vibrant workplace
2. Striving for a safe and clean workplace
3. Following company rules
4. Protecting corporate property
5. Avoiding conflicts of corporate interests
6. Prevention of discriminatory practices
7. Prevention of sexual harassment
8. Prohibition of private activities
9. Appropriate use of the Internet
10. Appropriate management of information and records
11. Prevention of participation in illegal conduct, false reports, and concealment
12. Protection of identity or person who reports misconduct

#### Section 5 Developing the Toppan Group

1. Taking pride in the Toppan brand
2. Developing the Toppan brand
3. Strengthening cooperation between group companies
4. Appropriate disclosure of information
5. Appropriate relationship with shareholders

## Awareness and Thorough Implementation of Conduct Guidelines

For a company to fulfill its social responsibility, every one of its employees must fully comply with corporate ethics in the areas in which it does business. Toppan continually reviews its guidelines for corporate ethics—the Conduct Guidelines—and endeavors to instill them universally throughout its workforce.

### Establishing a System for Legal Compliance

In April 2003, Toppan established a Compliance Department within its Legal Affairs Division as an instrument to promote compliance with laws and corporate ethics. In addition to ensuring universal compliance with the Conduct Guidelines, the Compliance Department manages shareholder meetings and other stock-related matters, guarantees information security, and oversees employee education on laws and regulations. As the main promoter of CSR activities within the company, this section reviews social responsibility measures undertaken in earlier years, reshapes them to fit the current definitions of CSR and issues facing the company, and launches them anew to further advance CSR.

### The Role of Conduct Guidelines

As a code of conduct based on the Corporate Philosophy and Corporate Creed, the Conduct Guidelines ensure that the employees of Toppan universally respect the law and corporate ethics in their day-to-day actions. The scope of the Conduct Guidelines covers all of Toppan’s business activities. The company is also considering measures to promote compliance with the Corporate Guidelines among all employees of the Group.

### Revision of Conduct Guidelines

While the Corporate Philosophy and Corporate Creed encompass universal values, the Conduct Guidelines must be continuously reshaped to fit the latest changes in the business environment. In July 2003, three years after introducing its Conduct Guidelines, Toppan added a series of new provisions to strengthen compliance and align the guidelines more closely with the Corporate Philosophy and Corporate Creed.

Following revision, the guidelines were published in a booklet and distributed to all company employees. Toppan also held seminars for about 2,200 managers at all 21 of the company’s operational sites.

Henceforth the Conduct Guidelines will be reviewed once a year.

### A Structure to Promote the Conduct Guidelines

#### Conduct Guidelines Promotion Leaders

In establishing its structure to promote the observance of laws and corporate ethics, Toppan has carefully endeavored to ingrain its Conduct Guidelines into the daily work environment. In 2004, the company newly appointed a “Promotion Leader” at every operational site to supervise the promotion of the Conduct Guidelines.

In their capacity as champions of ethical awareness at Toppan workplaces, these Promotion Leaders will draw attention to guideline-related issues and launch various strategies to raise awareness. A higher awareness of the Conduct Guidelines throughout the company ranks will foster a clearer understanding of Toppan’s position on ethical issues.

#### Toppan Helpline

To earn the ongoing trust of society, Toppan must quickly identify any illegal activity related to its business and respond with action. The Toppan Helpline and the Toppan Internal Reporting System established in August 2003 are important new

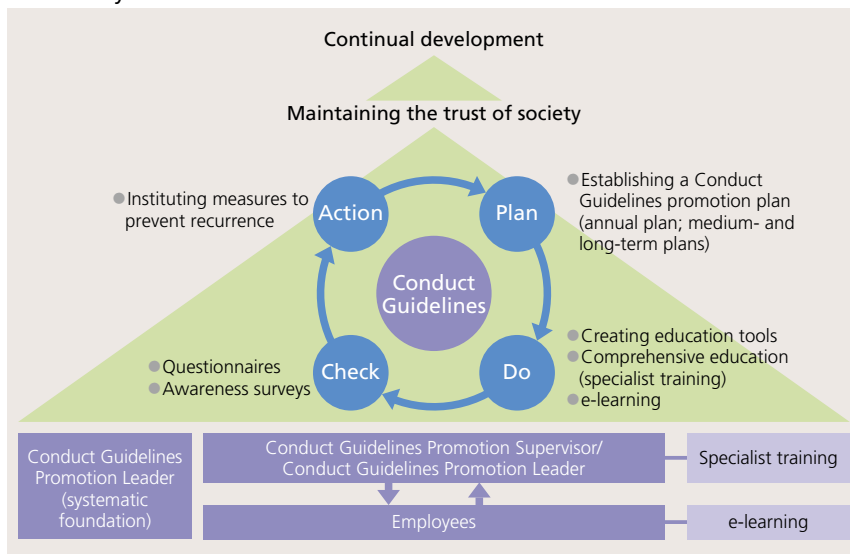
mechanisms to respond to possible violations of the law. The Toppan Helpline is open not only to regular employees, but contract employees and temporary workers as well. Employees can also report questionable activity using a dedicated e-mail address set up for that purpose.

Toppan strictly safeguards the privacy of persons reporting questionable activity. As the Conduct Guidelines state, whistle-blowers have every protection of the company.

#### Company-wide education

As another step towards the realization of *Toppan Vision 21*, Toppan holds basic compliance training for employees with a focus on instilling the Conduct Guidelines. The training is provided at all stages of an employee’s career based on rank. Some is incorporated into the company’s routine education for newly appointed supervisors and managers; some is provided periodically to address important themes such as information security and recent revisions of laws.

### Summary of Conduct Guidelines Promotion Activities



# Information Risk Management

Toppan has established an Information Security Management Committee, a Personal Information Management Committee, and Information Management Policy to improve the management of information security laterally across the company. Toppan also introduced a system for the auditing of information security in 2003, with plans to expand the system for complete coverage of the company in the future.

## Obligations in the Information Communications Industry

As part of the information communications industry, Toppan appreciates the extreme importance of information management for securing customer trust. Information leaks, theft, and loss are just some of the risks associated with this industry. To manage customer information and internal confidential information safely and properly, the company adheres to an ongoing management cycle of establishing information-management policies, laying down rules, educating the workforce, auditing operations, and reviewing management policies and processes on a regular basis.

## Stance on Information Management

Toppan has publicly released its Information Management Policy (Information Security Policy) for employees and other interested parties to peruse. The scope of Toppan's risk management system has been considerably expanded through the establishment of a new system of rules on information management and the procurement of the ISMS (Information Security Management System) and Privacy Mark certifications. When changes in the business environment require, Toppan reviews and revises all aspects of its information risk management system, including the relevant policies and rules.

## Instituting a management structure and developing it laterally

The Information Security Management Committee and Personal Information Management Committee have been established as decision-making bodies to deliberate policies, rules, and other major issues laterally across the company. The committees meet regularly twice a year and on an as-needed basis to ensure the effective sharing and thorough management of information.

## A unified management stance

Toppan is establishing a unified system for information risk management that reduces the burden on individual departments by eliminating procedural redundancies in the information-security protocols for the protection of personal information, for compliance with the Privacy Mark standards, and for Toppan's web-related business. The company has also introduced a daily routine for the handling of information management to raise the level of security and thereby streamline the auditing function.

## Information Security

### Information security policy

In April 2001, Toppan instituted its Information Management Policy as a comprehensive revision and improvement of the Rules on the Management of Confidential Information established in May 1991.

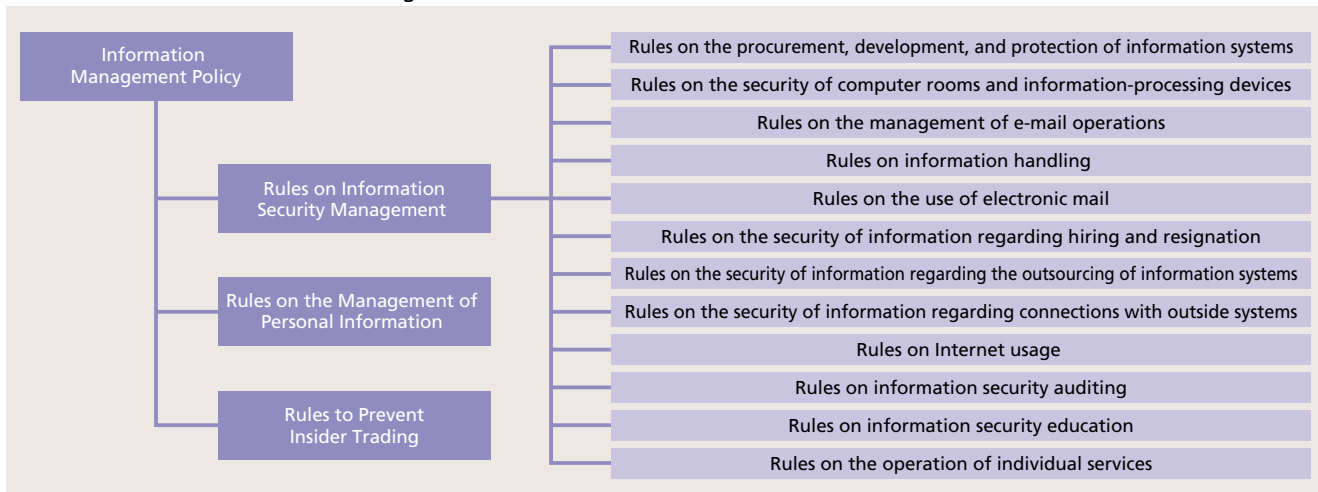
#### Information Management Policy

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.

### Systemization of rules on information security

Rules on information security have been established in layers. The current structure is made up of eight company-wide rules (including the Rules on Information Handling) and four rules applied to specific businesses. In addition, every operational site has established an independent set of rules to raise the level of security management.

## Rules on Internal Information Management



### Obtaining and maintaining ISMS certification for information security management

In December 2001, Toppan's TOPICA website hosting environment was conferred the very first ISMS certification to be awarded in the Japanese printing industry. Among the Group companies, Toppan Forms Co., Ltd. obtained the certification for two of its data centers in February 2003. Toppan and its affiliates will continue to reinforce their information security systems.

### Regular auditing of information security

In December 2003, Toppan began a series of information security audits mainly at its head office using an auditing manual and checklist as tools. From the second half of fiscal 2004, the company and its head office plan to begin independent auditing of all operational sites in a concerted effort to further improve the security of information management.

### Awareness and understanding through e-learning

Toppan has also developed its own e-learning program to educate employees on information security online. Since the company-wide launch in July 2004, the program has been closely monitored using surveys, tests and other tools to gauge the level of employee awareness. The information collected is used to revise the learning materials and operation methods.



Screenshot: e-learning in action (in Japanese)

## Protecting Personal Information

### Personal information protection policy

In February 1999, the Information Security Management Committee laid down the following information security policy.

#### ■ The Personal information protection Policy of Toppan Printing Co., Ltd.

1. We hold great respect for the dignity of the individual and shall fully comply with our internal rules, all relevant laws, and the principles of social order as we endeavor to protect the personal information entrusted to our company.
2. We are acutely aware of the risks that threaten the personal information entrusted to our company and shall take all reasonable measures to protect it from wrongful access, loss, destruction, manipulation, leakage, and all other forms of damage.
3. We shall only collect personal information for the purposes of the company's business, excluding all information not required for the company's business. The collection, use, and disclosure of personal information by our company shall be fair and appropriate at all times.
4. When customers entrust our company with personal information, our thorough information management will secure their confidence that the information is fully protected.
5. We shall create an internal corporate system to protect personal information, operate this system effectively, and reform it as needed.

### Obtaining and maintaining Privacy Mark certification for the management of personal information

In 2000, Toppan's Securities Printing Division became the first business in the Japanese printing industry to attain Privacy Mark certification. The certification has since been awarded to Toppan's Commercial Printing Division (certified in 2001), ten operational sites of Toppan Forms Co., Ltd. (June 2001 onward), and Toppan NSW Co., Ltd. (February 2004).

In July 2003, a faulty adhesive used in a batch of return envelopes for credit card application forms resulted in a loss of documents containing personal customer information at post offices. The design of return envelopes usually has no bearing on the handling, processing, and storage of personal information. In this case, however, it had a very important bearing. The incident prompted a thorough re-evaluation of the way personal information is handled at Toppan, with a focus on employee education and measures to prevent a recurrence.

After this incident, Toppan began launching measures to obtain Privacy Mark certification universally throughout the company. The Nishinohon and Chubu Divisions applied for the certification in March and July of 2004, and all of the other Toppan divisions are expected to follow suit by the end of the year.



### Personal information management in web businesses: results of three surveys

Companies face a growing risk of information leakage from networks, especially through websites. Between November 2002 and September 2003, Toppan conducted three company-wide caravans and surveys on the guidelines for handling personal information for web business as a way to instill awareness among employees and confirm the status of compliance. Each of the surveys focused on a major policy: the conclusion of contracts with subcontracting partners (first survey), the confirmation of website safety using checklists (second survey), and the documentation of work histories (third survey).

According to the results of the third survey, the average implementation of Toppan's major policies, including the conclusion of contracts and safety confirmation using checklists, rose considerably. Toppan is now preparing for an audit of the company's personal information management system from the second half of fiscal 2004. Preparations include ongoing work, current initiatives, and the development of new auditing manuals and checklists based on the know-how so far collected.

## Measures on the Supply Chain

A great many business partners and suppliers collaborate with Toppan to ensure that business and trade are conducted fairly over the entire supply chain. In 2003, Toppan held an Outside Creator Training course with business partners and revised its Procurement Guidelines from a CSR perspective.

### Relationship with Suppliers

Toppan must build trusting relationships and cooperative systems with its raw materials suppliers and other business partners to carry out its businesses. One strategy Toppan uses to build this trust is to form a comprehensive perspective on fair and equitable trade from the supplier's position.

Toppan also believes that CSR must apply to the entire supply chain if the company is to be trusted by its customers. A CSR failure on the part of just one company can do tremendous harm. Just one bad link in the supply chain will result in a loss of trust among customers and society.

To prevent this from happening, the supply chain itself runs in parallel with a chain of CSR assurance. Toppan actively fulfills its CSR responsibilities with the first-tier suppliers with whom it trades directly. The first-tier suppliers, in turn, do the same with the second-tier suppliers, and the process continues down the supply chain.

### Fair Outsourcing

#### Compliance with Subcontract Act

Toppan depends on the support of a great many companies—trusted partners with whom business must be conducted with high transparency. Among the regulations governing subcontracting operations, Toppan takes particular care to comply with the Act against Delays in Payment of Subcontract Fees, etc. to Subcontractors (Subcontract Act).

In March 2004, however, Toppan received a warning from the Fair Trade Commission that a part of its subcontracting dealings were illegal. The company acted swiftly to reform the areas of noncompliance and prevent recurrence. Soon afterwards, following the revision of Subcontract Act in April 2004, Toppan conducted a thorough awareness campaign on the main points of the revised law. Over the span of several months, around 2,240 Toppan employees in charge of subcontracting attended 22 seminars across Japan.

Toppan also published a Subcontract Act Compliance Manual with detailed descriptions of the sections of the law that have a strong bearing on the company's business. The manual was distributed to all concerned employees,

including those at Group companies. These measures are helping to build strong trading relationships between Toppan and its business partners.

#### Basic trade contract

Toppan is concluding basic trade contracts with its longstanding partners in business as another means to preserve fairness in its dealings. Each contract clearly lays out the basic items for trade and the rights and obligations of both Toppan and its partners. The objectives are to prevent problems in trade and support highly transparent business for both parties.

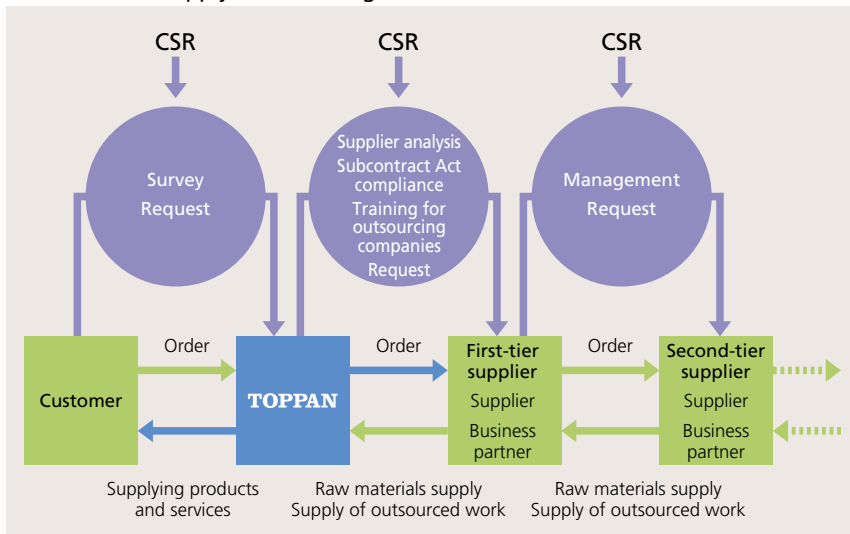
In April 2003, Toppan revised the contract to include more items on legal compliance and the protection of personal information protection from a CSR standpoint. As of this writing, the new contract has been concluded with about 12,000 companies. The mutual respect for this basic trade contract will ensure the fairness of business.

#### Outside creator training

Toppan outsources design and other types of work to a great many outside creators. In doing so, the company takes care to prevent the infringement of intellectual property rights by screening the work of outside creators as thoroughly as it screens work created in-house. If an outside creator infringes the copyrights of a third party, Toppan's holds itself directly accountable to the end customers inconvenienced by the infringement.

From September 2003, outside creators were invited to a joint study campaign to learn about intellectual property rights and other issues with Toppan employees in charge of outsourcing. Altogether, about 500 participants attended 18 sessions. Toppan will continue holding awareness campaigns on new themes of social importance in an effort to maintain fair outsourcing based on the mutual enlightenment of both Toppan and outside creators.

### Overview of Supply Chain Management Based on CSR



## Fair Procurement Activities

### Basic Procurement Policy and Supplier Selection Standards

Each year, Toppan's purchasing department purchases some 260 billion yen worth of materials and equipment from about 3,400 suppliers. Printing paper, ink, metals, glass, and petrochemical products are procured in vast quantities, as are printing machines and an abundance of other production equipment. As an extension of the Conduct Guidelines, Toppan has set down a set of Purchasing Rules to ensure that it fulfills its social responsibilities in the field of procurement.

In addition, all employees involved in procurement activities are trained in areas such as fair trade, legal compliance, confidentiality, and environmental approaches in an effort to support supply chain compliance.

As a premise to conducting business with suppliers, partners that do business with Toppan must meet Toppan's stan-

dards in the areas of legal compliance, confidentiality, and the environment. To this end, Toppan has publicly released a set of Procurement Guidelines based on its Basic Procurement Policy and Supplier Selection Standards. By understanding and cooperating with these guidelines, Toppan's suppliers fulfill their social responsibilities as partners.



Basic Procurement Policy website  
[http://www.toppan.co.jp/aboutus/tech\\_info/policy/index.html](http://www.toppan.co.jp/aboutus/tech_info/policy/index.html) (in Japanese)

### Supplier Analysis

Toppan evaluates supplier candidates based on the Basic Procurement Policy and Supplier Selection Standards. Besides the crucial factors of cost, quality, and delivery, the social responsibility measures of candidates are duly considered in the evaluation process. In the case of major suppliers, this evaluation is regularly repeated through a process Toppan refers to as Supplier Analysis. The results of the analysis promote improvements in quality, cost reductions, and shorter delivery schedules, enabling Toppan to meet the demands of its customers while continually improving its cooperation with suppliers fulfilling social responsibilities.

### Conducting Fair Trade

Toppan provides an internal elective training program on legal basics for employees in charge of sales, planning, and promotion activities. The training aids the employees in carrying out fair and prompt business dealings, as well as responding appropriately to customers with questions about transactions. The same program is provided at Group companies.

The main training topics include the basics of intellectual property rights, legal knowledge needed for contracts, the Antimonopoly Law and its role in supporting fair trade in the company, the Act against Delays in Payment of Subcontract Proceeds, etc. to Subcontractors, and the Act against Unjustifiable Premiums and Misleading Representations. Actual cases within the company and recent court decisions are reviewed using easy-to-understand teaching methods and student exercises. By nurturing a workforce well versed in fair trade issues and recent legal cases, this ongoing legal training program will be encouraging fair trade in the company for years to come.

#### Procurement Guidelines

##### Basic Procurement Policy

- Toppan will provide procurement opportunities in a fair manner to suppliers that meet its Supplier Selection Standards.
- Toppan will conduct its procurement activities fairly in keeping with the principles of fair trade and in full compliance with both domestic and international laws.
- Toppan will strictly manage Information acquired in the course of procurement and make every reasonable effort to maintain confidentiality.
- Toppan will make every effort, in conducting its procurement activities, to protect and preserve resources and the environment.

##### Supplier Selection Standards

Toppan provides fair and equal business opportunities to suppliers that meet the following standards. Once suppliers are selected, Toppan continually assesses their performance based on its original selection standards in a cooperative effort to realize an even better trading relationship.

Legal Compliance	Fulfills social responsibilities and complies with both domestic and international law
Quality	Meets Toppan's standards and provides stable quality
Price	Offers products at prices equal to or lower than those of competitors
Supply	Meets Toppan's delivery requests and provides a stable supply of products
Toppan reviews the performance and management stance of its suppliers by evaluating the following items.	
Management Foundation	Maintains a sound corporate financial base
Technical Ability	Actively improves conventional technologies and develops new products and technology
Information Supply Ability	Provides necessary and effective information in a timely and appropriate manner
Confidentiality	Strictly manages information acquired through trade and maintains confidentiality
Concern for Environment	Conducts business with sufficient concern for resource protection and environmental preservation
CSR Measures	Takes CSR measures and discloses them

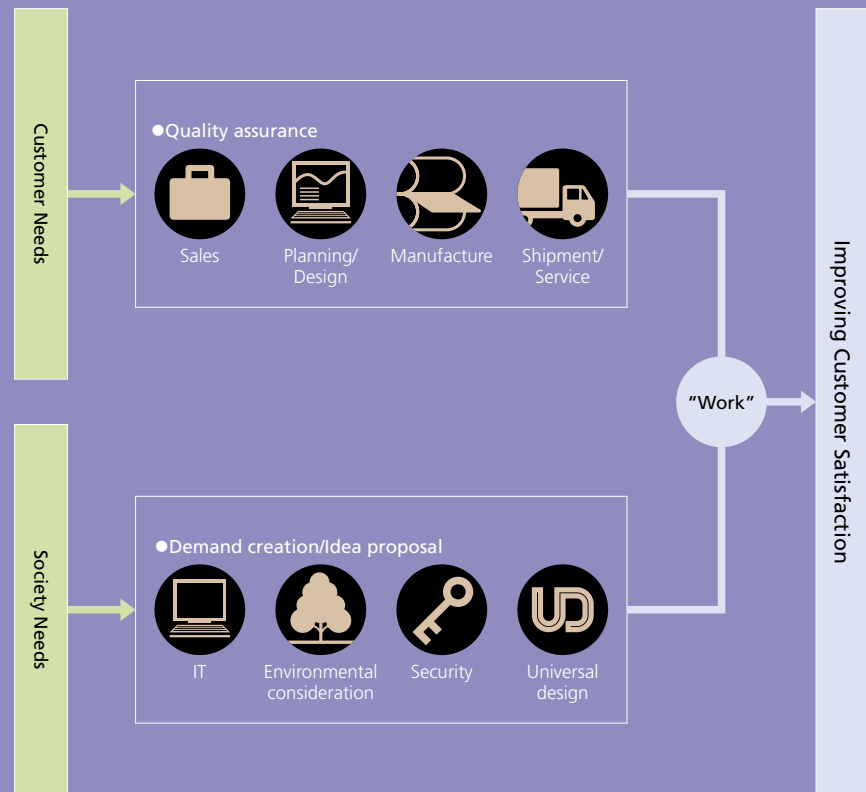
# Improving Customer Satisfaction

Toppan believes in the concept of Complete Quality Assurance—the total guarantee of quality in every operation, from research and development to planning, design, manufacture, sales, and service. In keeping with this approach, Toppan seeks to satisfy its customers as a company that *creates new demand* and *proposes new ideas* while considering society and sustainability.

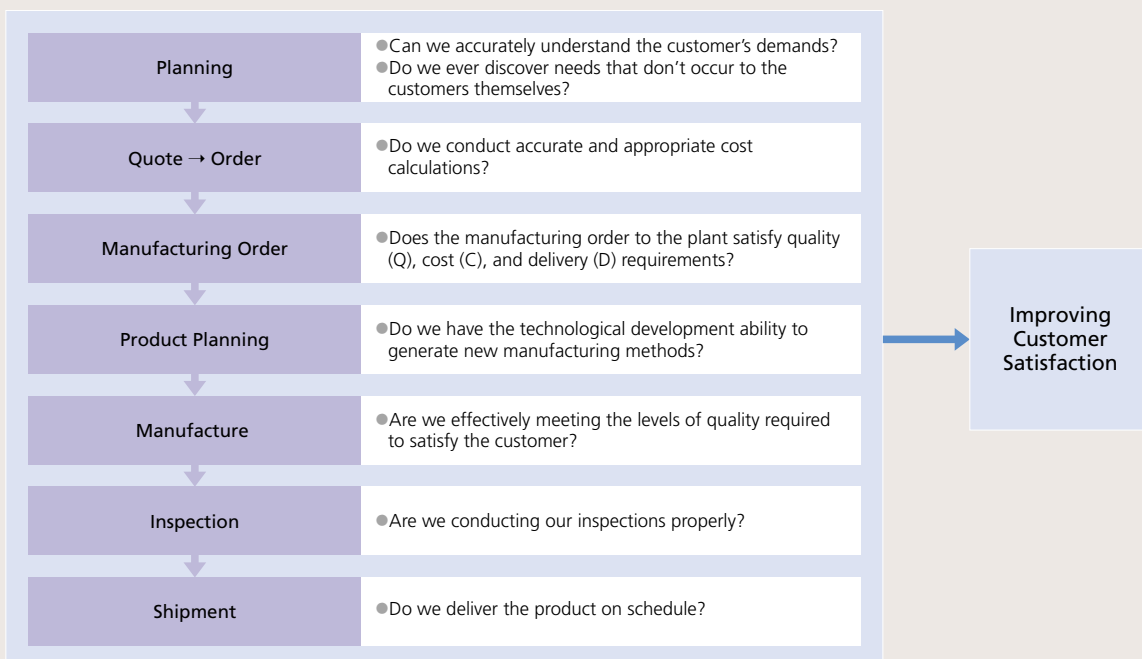
## Customer Satisfaction at Toppan

For companies that gain the bulk of their business from customer orders, the highest achievement is to satisfy customers by meeting their demands with good products at good prices. For Toppan, a B2B supplier, the goals are slightly different. As declared in its Corporate Philosophy, Toppan defines a “good product” as “a product created with dedication.”

A “work” can be a service created through investment of passion and ideas or some form of software created through an investment of intelligence and skill. With this in mind, Toppan encourages customers to apply their marketing expertise by cooperating in product development, and innovates technologies by harnessing their technological development strengths. As mentioned before, Toppan’s uses these approaches to “Create New Demand” and “Propose New Ideas” that benefit both society and the future.



## Quality Assurance in Toppan’s Business Activities





## Strengthening Quality Assurance

Toppan strives to deliver trusted products of the highest quality to its customers on a consistent basis.

To do this, the company is promoting a set of unique TPM activities that consolidate the latest approaches to zero loss in production systems, quality management, process reform, and quality assurance.

### Quality Assurance at Toppan

To build a deeply trusting relationship with customers, a company must provide superior products and services that the customer can trust. The very existence of a company hinges on "Complete Quality Assurance"—a failsafe system to ensure the prompt delivery of secure and functional products at a fair price.

The manufacturing and quality assurance departments are by no means the only parts of Toppan involved in quality assurance. In fact, the efforts are shared by many departments, with all employees cooperating as a team to firmly establish Complete Quality Assurance.

### TPM Promotion

In a company-wide bid to return to the roots of product creation, all of Toppan's departments are collaborating in TPM. TPM—Total Productive Maintenance—is a proprietary system that targets zero production loss through a fusion of quality management, IE (Industrial Engineering), and ISO 9000s standards. TPM dramatically improves production efficiency through modifications in equipment and human resources. With those improvements Toppan can reform its corporate structure and improve its competitiveness in quality, cost, and delivery. The

system is now deployed in all of Toppan's plants. Successful results will require the synergistic energies of all departments, including manufacturing, development, and management, as well as all employees, from top management down through the company ranks.

Of the 40 domestic plants operated by Toppan and its affiliates\* in fiscal 2003, 29 have been conferred the TPM Award by the Japan Institute of Plant Maintenance. In addition, four of those 29 plants have received the Award for Excellence in Consistent TPM Commitment as a commendation for their further progress in plant maintenance.

Note: Subsidiaries that receive management guidance from Toppan Printing Co., Ltd.

### ISO 9000s certification

Toppan was among the first companies in the Japanese printing industry to begin working towards the ISO 9000s certification. Quality management has been built up gradually, and the management systems in use at the certified sites have been introduced laterally to as many other operational sites across the company as possible.

In the near future, Toppan plans to earn the certification at all of its operational sites. The sites now in the process of establishing the necessary systems will be certified in fiscal 2005 at the latest. Other sites, those that have yet to obtain

certification, are soon to follow along the same track.

The latest information on certification of operational sites is available on the company website.

■ ISO 9000s certification status information  
[http://www.toppan.co.jp/aboutus/tech\\_info/iso/](http://www.toppan.co.jp/aboutus/tech_info/iso/)  
 (in Japanese)

### IE activities

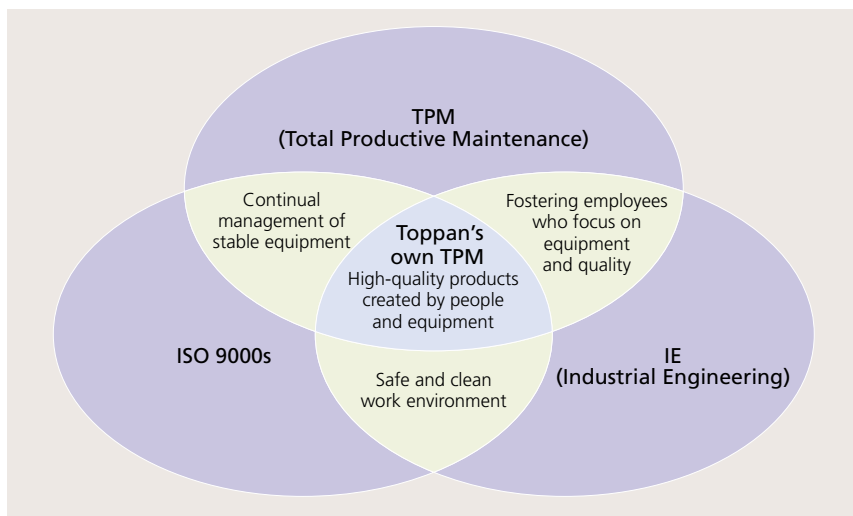
IE activities use technical solutions to improve productivity. More efficient production systems are achieved through the elimination of redundant and inefficient practices in the areas of human resources, equipment, and information. As part of its TPM effort, Toppan is promoting IE to establish a firm regime of efficiency at all of its workplaces. Mechanisms to manage the flow of goods make up an important part of the effort, as do quality assurance methods such as the ISO standards and efficient work procedures to keep costs down.

### Activities in the Food Business

As a major packager of foods, Toppan handles two very important steps in the assurance of food safety: preventing the adherence of foreign matter to the containers that it produces, and preventing foreign matter from entering supplier-provided ingredients when food products are being packaged.

Special audits are conducted to ensure the preventative control of foreign matter at all of Toppan's food packaging and container manufacturing plants, as well as the plants of business partners. Rigorous controls are applied to prevent contamination from bacteria and foreign matter such as insects, metal particles from manufacturing equipment, and debris from employees and their clothing.

### ■ Quality Assurance at Toppan



## Creating Value through Research and Development

As an avid proponent of the “customer first” principle, Toppan offers a host of high added-value products, systems and services geared to meet future needs. To accomplish this, the company continually works to strengthen ties outside the company while advancing independent research on cutting-edge ideas.

### Basic Stance on Research and Development

Working through its Technical Research Institute, Toppan takes an ambitious and free-thinking approach to research in uncharted fields and the development of new products geared to meet future needs. Product development begins with joint surveys by the R&D, sales, and sales promotion departments to determine the latest market trends and customer needs. Efforts to enhance performance and create new product systems culminate in the development of next generation products with high value added and environmentally-friendly features. In the field of production technology, manufacturing departments cooperate in developing automated and labor-saving production line technologies while reforming the manufacturing process. These efforts have led to cost reduction, shorter delivery times, and higher quality.

All of these initiatives depend on strong cooperation within the company and with partners outside the company. Toppan collaborates in research projects with government research bodies such as the New Energy and Industrial Technology Development Organization, as well as laboratories in universities such as the University of Tokyo, Tokyo Institute of Technology, Tohoku University, Yamagata University, and Hiroshima University. Outside Japan, Toppan is now involved in projects with the Massachusetts Institute of Technology and Oxford University.

Toppan harnesses the benefits of its technologies for society by actively collab-

orating in technical tie-ups and technology export programs inside and outside the country.

### Progress in Electronics Technology

#### Basic technology for liquid crystal displays

Toppan holds a large share of the market for color filters used in liquid crystal displays for thin-screen televisions and personal computers. To meet the market demand for higher quality, larger, and more reasonably priced filters, Toppan has developed a slit application method to make the application process for the color resistors more efficient.

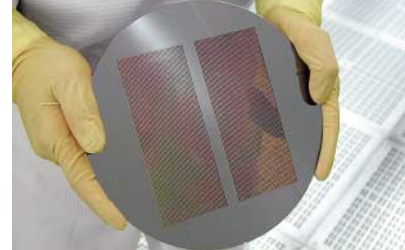
Other new developments include a permeable screen and the application of a low-cost and high quality micro-display method for rear-projection television screens with fine pitch and high contrast.

#### Research and development of semiconductor materials

In the field of semiconductors, the rapid miniaturization of circuit patterns and other elements requires the constant development of more precise patterning technologies. Toppan has successfully developed photomasks and stencil masks for the fabrication of circuit patterns for state-of-the-art semiconductor products in the 65-nm and lower range (one nanometer is one billionth of a meter). These advances will contribute to the further miniaturization of devices such as household electronic appliances.

Toppan has also been making head-

way in the technologies used to incorporate resistors, capacitors, and other passive parts into the substrates of smaller cellular phones and other devices.



Semiconductor photomask

### New Media

#### Electronic paper

Electronic paper is a completely new form of reflective display that combines the virtues of electronic displays and paper. Toppan teamed up with E Ink Corporation of the U.S. to develop a frontplate laminate, a key part of the electronic paper display. Later, in April 2004, Sony Corporation adopted the frontplate laminate for its *e-Book reader*, a move that positioned Toppan as the world’s first printing company to mass-produce electronic paper.



*e-Book reader* from Sony Corporation

#### 25GB paper disc

Toppan and Sony Corporation have invented a 25GB paper disc, a read-only recording medium composed of more than 51% paper. The large capacity of these discs reduces the material usage per unit of stored information. The discs can also be cut with scissors when no longer needed, providing an advantage from the standpoint of information security. Commercial development of these discs is now underway.

### ■ Main Examples of Technology Export

Optigraphics Corp. (Texas).....	Three-dimensional printing technology
Siam Toppan Packaging Co., Ltd. (Samutprakarn, Thailand) .....	Paper container manufacturing technology
Telstra Corp. Limited (Melbourne) .....	Prepaid card manufacturing technology
Blue Ridge Paper Products, Inc. (Virginia).....	Large-sized stopper manufacturing technology for paper containers for liquids
Weaver Popcorn Co., Inc. (Indiana).....	Technology for microwavable packaging materials
Balzars Process Systems GmbH (Alzenau, Germany) .....	Technology for a membrane-forming process
Allied Material Technology Corp. (Taipei) .....	Liquid crystal color filter manufacturing technology
Avery Dennison Corporation (California) .....	Manufacturing technology for low-resistance conductive membranes



25GB paper disc

## Forging into New Fields

### DNA biochips

In recent years, the medical industry has started to make use of cellular-level biotechnology, the foremost example being DNA technology. Toppan is meeting the challenge with research and development into biotech applications for its technologies in the printing, electronics, and packaging fields.

As one example, Toppan is conducting joint R&D with a U.S. firm on a DNA analysis chip that searches for the causes of disease. DNA analysis using the new chip will provide physicians with a more detailed understanding of drug effects on individual patients. The company expects the technology to lead to rapid advances in patient-tailored drug regimens administered with optimal safety and efficacy.

### Other measures

In other fields, Toppan is collaborating with universities and manufacturers to find potential applications for new generations of IC tags and similar devices that can be attached to goods as sensors. Toppan researchers are also studying energy-related technologies and effective ways to harness power from sunlight and other natural sources.

## Virtual Reality

Virtual reality (VR) is already being applied for military simulations and aircraft pilot training, as well as industrial design and other areas. Toppan began developing VR applications to digitally preserve artworks and other cultural assets in fields such as education. In 1997, the company launched research on a new VR creation and expression technology capable of creating virtual duplicates of cultural artifacts with the extreme accuracy and resolution to be expected from one of the world's top printing companies. The new technology has already been used to create VR representations of the Sistine Chapel, Toshodai-ji temple, Nijo-jo Castle, and the Forbidden City Palace.

### Joint development of scalable VR

When VR technology and networking technology eventually fuse, the applications of VR are expected to multiply. Before this becomes possible, however, a good many technological roadblocks will have to be cleared.

Toppan and others are now overcoming some of the challenges. In fiscal 2001, the company commenced joint research on scalable VR with the National Institute of Information and Communications Technology, the University of Tokyo, and Tsukuba University. This project will soon move past elemental research into the networking of actual VR content.

### VR applications at museums

In 2003, Toppan tested its scalable VR technology in a virtual exhibit on Mayan Civilization at the National Science Museum, Tokyo. In one part of the exhibit, virtual artifacts from ancient Mayan Civilization were projected onto a large-screen VR display that created a sense of intimacy between audience and artifact. Close by, visitors interfaced with a series of networked PCVR terminals with interactive displays of lifelike environments from the days of the Mayans.



VR presentation during the Mayan Civilization exhibit  
 Creator and copyright: National Institute of Information and Communications Technology  
 Cooperation: Honduran Institute of Anthropology and History

### Applications for school study

Scalable VR is also being used for educational testing. In one testing environment for students in elementary school, large-screen presentations were combined with specialized terminals for individual study groups in the same room. The combination of two VR environments in a single area encouraged study groups working separately to observe each other's activities and absorb information peripherally through a new channel. The result was a rich form of learning distinct from that provided in conventional educational programs using VR technology.

### Future research goals

VR research will provide applications in a great many fields besides education. Entertainment and social welfare are just two areas with nearly limitless possibilities. All of society will benefit from the rich and intelligent living environments to be created with VR technologies.

Based on its current CG and VR technologies, Toppan plans to research and develop a next-generation "expression technology" that can be used to convey information. The foundations of this technology will be developed in the near future through active collaborations with the University of Tokyo, Tsukuba University, Waseda University, and other research institutions strong in basic technology.

## Products and Services that Reflect Social Concerns

Toppan is creating products and services that contribute to society, particularly in the fields of security technology and universal design.

### Secure Communication

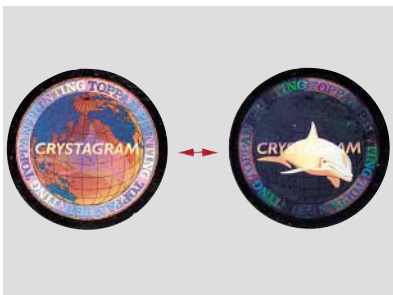
Toppan's printing business got its start in the printing of securities, an operation that requires sophisticated anti-counterfeiting technology. Now, many decades later, counterfeiting and the illegal use of securities have grown into major social problems. Clients require ever higher levels of security, demanding the development of ever more robust security technologies.

Toppan has always been active in developing new anti-counterfeiting technologies. These technologies, together with new forms of highly secure printing, are crucial at the Toppan plants responsible for the printing of securities and cards. The technologies are also flexible enough for application in other areas in the securities business besides printing.

### Brand protection

Products distributed outside of Japan are frequent targets of brand counterfeiting. To neutralize this danger, Toppan provides various industries with anti-counterfeiting technologies based on holographic technologies and other strategies.

Toppan's robust security technologies combine sophisticated techniques in papermaking, plate-making, printing, and processing that are highly resistant to fraudulent reproduction, even as counterfeiting technology itself advances. Toppan also continues to develop compound security methods that combine technologies easily recognized by consumers along with hidden technologies difficult for counterfeiters to detect.



Crystagram hologram

### Passport business

Since 1996, Toppan has been providing the U.S. and other countries with passport-issuing machines and holograms to prevent forgery and manipulation. These products have won renown for their superb forge-proof technologies, and many clients appreciate the added security of having all phases of production—from the development and manufacture of equipment and ink to the design of holograms and plate-making and printing—performed exclusively in-house at Toppan.

As passports adopt more IC technologies and visas adopt RFID, the integration of Toppan technology will lead to further improvements in security for both individuals and nations.

### Information management operation business

The outsourcing of operations to third-party firms is now accepted as an effective way to enhance management efficiency. For a company that handles and processes important information for other companies, however, secure outsourcing is only feasible with strict information management. Toppan solves this issue by providing clients with *Cert@id*, an affordable and user-friendly outsourcing service secured by Public Key Infrastructure (PKI) encryption. This is just one of Toppan's many total support solutions now simplifying life for the customer.

### IC card business

Society, corporations, and individuals have suffered huge losses from card-related crimes such as forgery, manipulation, and identify theft. To meet the growing demand for security, a new generation of IC cards is spreading through the market. Toppan developed its first IC card ahead of competitors as far back as 1983. As a leader in the field, the company has proposed a succession of businesses based on this technology in the years since.

With the inauguration of the Basic Resident Registers Network System in Japan, Toppan has endeavored to streamline resident services and simplify operations by developing and manufacturing

basic resident cards. This is one way that Toppan is providing comprehensive support for the independent use of IC cards and other applications.

### Total Solutions Using IC Tags

People think of IC tags as an enabling technology working at the core of society in the future. While this is certainly true, IC tags have the potential to contribute in many other ways, as well. The attachment of IC tags to manufactured goods, for example, makes the goods easier to recycle and separate at disposal. IC tags are already employed in the pedestrian ITS systems installed in cities to help the visually challenged navigate their way around public spaces.

Thanks to its strengths in the development of leading technologies and applications, Toppan is now able to provide total IC tag solutions with its *Tjunction* and *TesStar* tags developed in-house. The IC tags of the future will be built into the infrastructure of the society as cohesive tools that strengthen the ties between companies and consumers and align the economic and environmental goals of communities and corporations. Toppan plans to accelerate the development of IC tags outside the company by taking part in various governmental tests.



TesStar IC tag and reader

## Universal Design

Amidst rising concern over the “graying” of society and the infrastructural barriers restricting the socially disadvantaged in Japan, Toppan launched its ongoing Universal Design Project in April 2001, well in advance of similar projects organized by other companies. Toppan practices universal design to maximize its benefits as a discipline that identifies barriers in conventional designs and provides alternative designs suitable for use by all.

The company has laid down six principles based on the universal design concept and promotes measures to incorporate universal design more extensively in its products, spaces, environments, services, and information-delivery methods.

### ■ Toppan’s Six 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, oral, 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.

### Creating color change models to reflect aging

In the years leading up to 2001, Toppan affiliate Toyo Ink Mfg. Co., Ltd. teamed up with Katsunori Okajima, Assistant Professor of the National Defense Academy (currently at Yokohama National University), to research changes in color vision with aging. Scientists used to believe that the crystal lens of the eye yellows with age and ultimately bathes the visual fields of elderly people in a faint yellow hue. However, according to recent research by Toppan and Professor Okajima, elderly subjects with healthy eyes suffer no yellowing, but rather a difficulty in perceiving blues and other colors under low-brightness conditions. The results of this research are now being used in the universal design of packaging

and printed matter, as well as in consulting work.



The picture changes with age: a comparison of views seen from young (upper photo) and elderly eyes (lower photo)

### Universal design of packaging

Toppan uses its Universal Design Diagnostic System for Packaging (PAT.P) to formulate new proposals. The system is a tool to create optimal packaging from the user’s perspective by diagnosing the use and handling of packages during the phases of the “package life cycle” from the purchase of the packaged product to the use, storage, and disposal of the package. Toppan also provides independently developed packaging.



UD SELECTION standing pouch

### Promoting the wider acceptance of universal design

Toppan introduced its activities to promote universal design as a printing company at its well-received “Idea” exhibition on universal design held in September–October 2001. Later, the company set up a universal design page on the Toppan website to publicize its the measures outside the company. An interactive “packaging clinic” was added to the page in April 2004.



Toppan universal design website  
<http://www.toppan.co.jp/ud/index.html>  
 (in Japanese)



Universal design packaging clinic website  
<http://www.toppan.co.jp/ud/clinic/index.html>  
 (in Japanese)

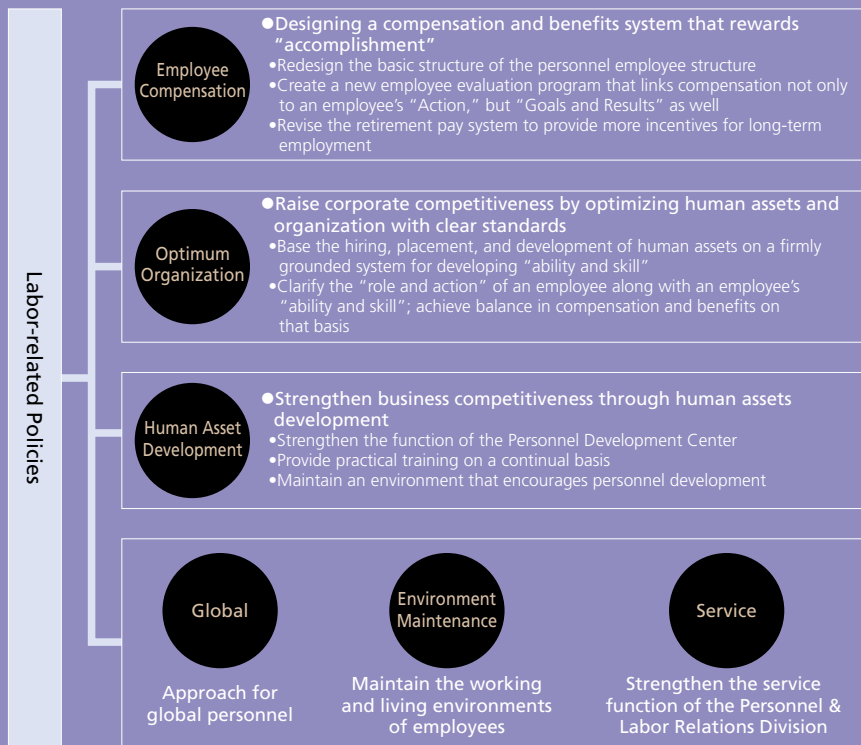
# Respecting and Leveraging Human Assets

Toppan employees regard themselves as “human assets”—a pool of people who keep constant sight of their goals, solve problems, and take the initiative to act independently without awaiting instructions from others. Toppan’s core structure relies on its people as its most precious asset. The optimal system for respecting and leveraging human assets requires a safe and healthy work environment, thorough management of employee health, and comprehensive systems for employee compensation, benefits, and welfare.

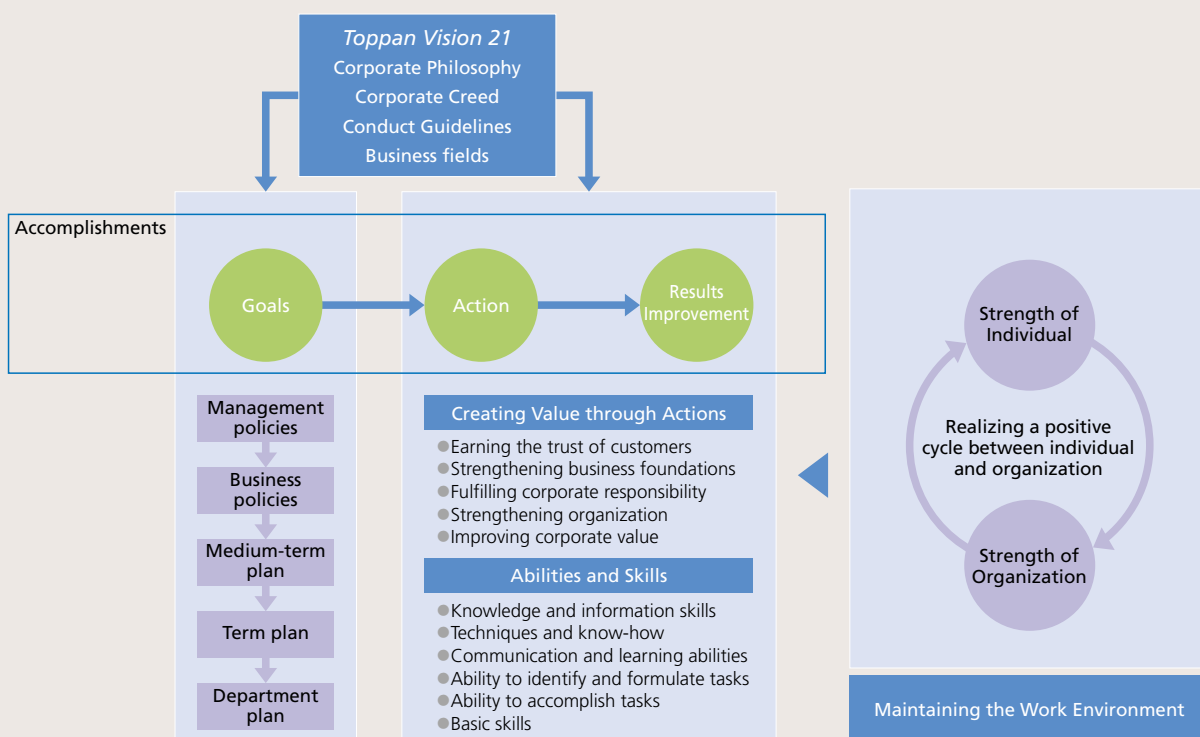
## Basic Thinking on Human Assets

The skills and abilities required for the various job categories at Toppan are carefully systemized, and policies are in place to nurture important human assets. Human development at Toppan is a process closely tied with the company’s extended personnel system. As soon as employees join the company they are given ample opportunities to improve their abilities and skills—opportunities extending far beyond mere training and education.

Toppan also recognizes the importance of ensuring a safe and pleasant work environment and continuously reviewing its systems for employee compensation, benefits, and welfare.



## ■ Toppan Vision 21 and the Human Assets Education Cycle



## Training and Developing Human Assets

Human assets at Toppan are developed over a multi-staged process linking hiring, assignment, training, utilization, and treatment. In each stage, Toppan implements a new set of policies tailored to maintain and nurture its human assets to the maximum benefit for all. The aim is to enhance the abilities and skills of employees while improving the results of the company.

### Basic Thinking on Human Assets Development

The tremendous forces of globalization, the “graying” of society, and rapid technological progress continue to reshape the environment in which companies do business. A properly functioning company (organization), meanwhile, is an aggregation of employees (individuals) who create an environment in which improved individual abilities improve the results of the organization, and vice versa. To attain this condition, a good company works actively to enhance the individual skills and abilities of its employees, while good employees strive to bring value to themselves and to the company as human assets. The company must maintain an environment to make this possible through various management systems.

At Toppan, the human assets who bring value to the company are the most precious assets of all. From hiring to the later stages of assignment, training, development, and compensation, Toppan takes steps to maintain a workplace environment that instills employees with a deep and eager commitment to work.

#### Creating Value through Actions for Toppan

- Earning the trust of customers
- Strengthening business foundations
- Fulfilling corporate responsibility
- Strengthening organization
- Improving corporate value

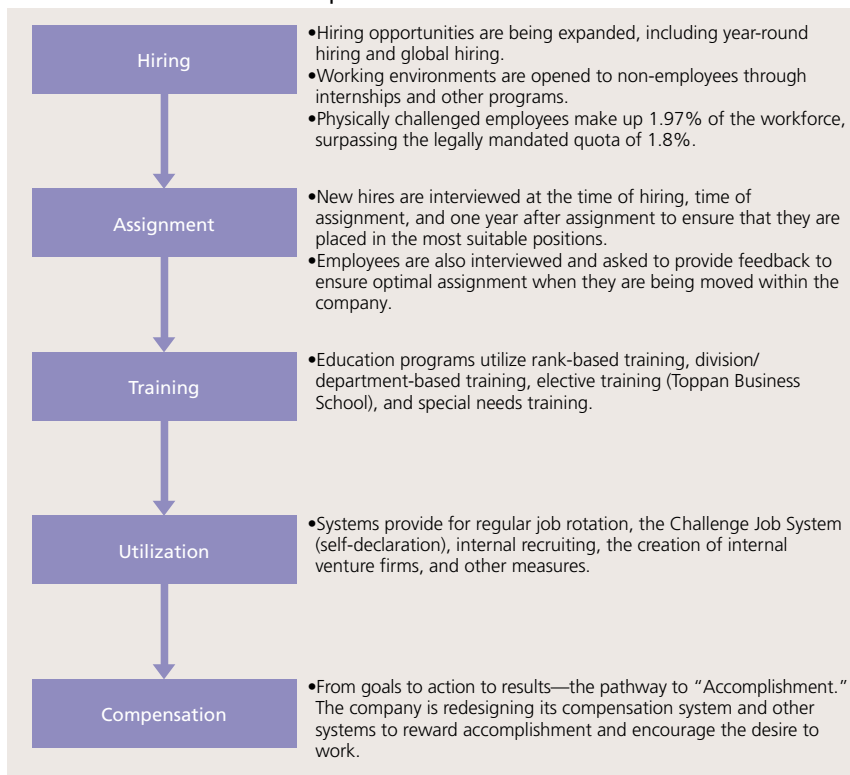
#### Abilities and Skills Toppan Needs

- Knowledge and information skills
- Techniques and know-how
- Communication and learning abilities
- Ability to identify and formulate tasks
- Ability to accomplish tasks
- Basic skills

### Reformulating the employee compensation and benefits system

Toppan is designing a new system for compensation and benefits that encourages greater productivity. “Accomplishments,” as Toppan defines them, are the “goals” and “actions” that ultimately improve the company results. These goals and actions are concrete manifestations of the Corporate Philosophy, Corporate Creed, Conduct Guidelines and Business Fields laid out in the *Toppan Vision 21* statement.

### Flow of Human Asset Development and Measures



### Hiring

Toppan offers employment opportunities in spring, autumn, and also at other times of the year. The largest influx of new employees comes during the hiring season in April.

#### Internships

Toppan introduced an internship system in fiscal 2001 to give students a taste of real working environments. Each year the company hires from 120 to 150 students to work as temporary interns in the research and development, planning and design, and other departments (about 20 to 25 interns per department). Toppan also holds business seminars for people who miss the opportunity to serve as interns.

#### Employment for the physically challenged

Toppan began hiring people with physical challenges early on through Tokyo Metropolitan Prepress Toppan Co., Ltd. a third-sector business mandated by the Tokyo Metropolitan Government as a special

subsidiary for the physically challenged. As a result, physically challenged employees make up 1.97% of Toppan’s workforce, surpassing the legal quota.

### Measures for Personnel Assignment

Candidates for employment at Toppan are interviewed at least three times before the company makes a hiring decision, with most of the interviews taking place during the regular hiring. Employees are encouraged to discuss their placement in the company on a formal basis three times: once during the actual hiring, once during the initial training after entering the company, and once after the employee is assigned to a division.

After the first year of employment, new hires are interviewed once more to determine whether they are suitably placed in their current divisions. If the employees and company are both satisfied, the placements are formally decided.

## Measures to Nurture Human Assets

Toppa supports its endeavors to train human assets with systems that nurture "skilled and able" employees who can "create value through actions." One such system, a series of human assets development programs, has been established to clearly show the skills and abilities that employees can acquire. These programs are divided into rank-based training, department-based training, elective-based training at the Toppa Business School, and training for special needs.



Toppa Business School Guide

Rank-based education teaches employees to "create value through actions" with an enlightened awareness of their roles, responsibilities, and obligations to the organization. Toppa's department-based and election training programs focus on practical abilities and skills.

### Human Assets Development Committee

Formerly, each division at Toppa conducted its own human assets development to strengthen its competitiveness. The Toppa of today is building its strengths comprehensively through the enhanced functions of its Head Office Ability Development Department.

The management structure overseeing human assets development has also been significantly changed. Functions formerly placed under the exclusive control of personnel departments are now managed by the Human Assets Development Committee, a relatively new entity made up of representatives from each department.

This new system ensures that Toppa's training programs respond to the immediate needs of each department.

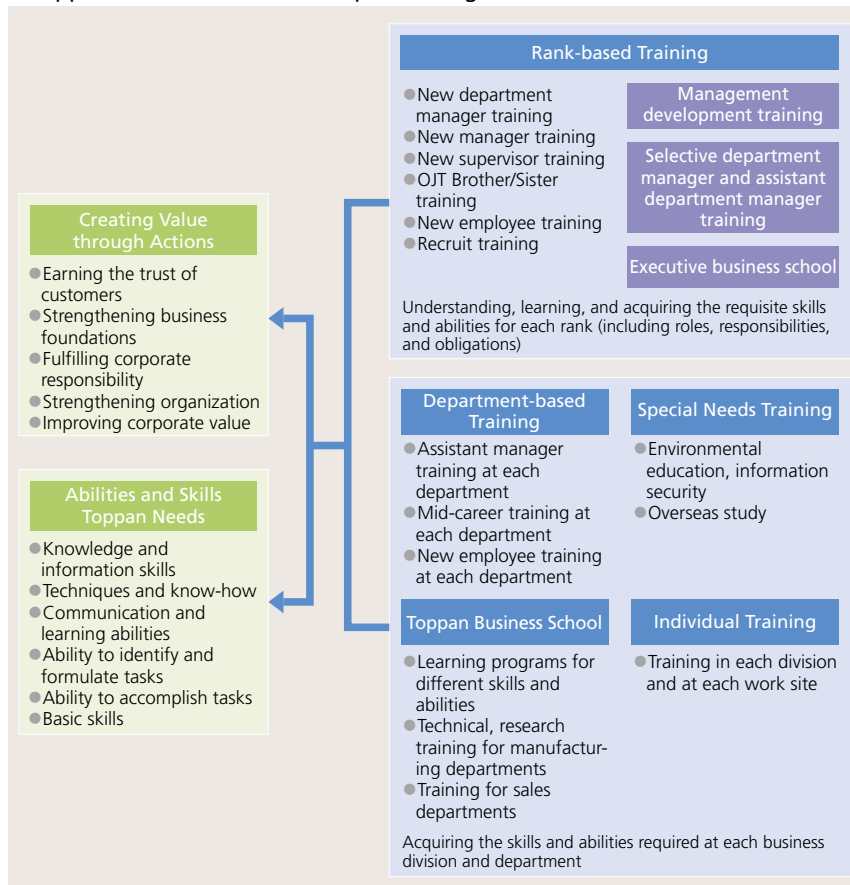
### An environment for human assets development

In July 2004, the newly established Toppa Training Center commenced operations as an employee training base geared for intensive and integrated training. The center is annexed with a lodging wing and located conveniently near Tokyo at the head office plant of Toppa Graphic Co., Ltd. in Kawaguchi City, Saitama Prefecture. Toppa expects that the inauguration of this new facility will expand and enhance human asset activities across the entire Toppa Group.



Training center with lodging wing

## ■ Toppa's Human Assets Development Programs



## Measures to Leverage Human Assets

The optimal environment for using human assets at Toppa is partly the outcome of the company's system for appropriate job rotation on an as-needed basis.

In 2002, Toppa introduced a system to dynamically rotate highly capable employees among different business divisions. The objective of this "phase rotation" system is to train a new breed of highly versatile employees capable of handling various tasks outside of their home divisions. This effort is expected to aid in the establishment of a comprehensive order-receiving system that can better respond to the company's demands.

At manufacturing facilities, job rotation helps employees gain work experience in all the various manufacturing processes. The promotion of multi-skilled employees benefits both productivity and the employees themselves.

Human assets training in other work environments at Toppa adopts a goal-



based approach and encourages employees to take advantage of a growing range of work experiences.

**Challenge Job System**

To encourage the optimal use of human assets, Toppan invites employees to declare the positions they want. Under its Challenge Job System introduced in fiscal 2003, Toppan interviews and surveys employees in the sales, technical, and administration departments and provides them with tools to help them form their own careers. Information gleaned from the employee surveys is used for the planning of job rotations.

**Providing various employment opportunities**

Toppan introduced its Senior Employee System and Specialist Employee System early on as mechanisms to improve its use of human assets.

Under the Senior Employee System, veteran employees past the retirement age of 60 are reemployed as senior employees in departments that have a need.

Under the Specialist Employee System, Toppan hires employees with highly specialized knowledge on a contract basis for fixed periods of time. The benefits of specialist employees are determined based on a combination of work abilities and results.

**Mobile use of human assets**

Toppan Human Information Services Co., Ltd.—THIS—is a personnel subsidiary dedicated to the management of personnel information from Toppan and affiliates, as well as payroll and other personnel-related tasks. THIS also manages a personnel dispatch service to help Group employees find new positions. This new operation, the rapid dispatch of required personnel to Toppan work sites, is leading to the establishment of a mobile system of human assets management.

**Internal Venture System**

In fiscal 2001, Toppan launched an Internal Venture System to support the creation of next-generation businesses and encourage employees with entrepreneurial drive. By the end of fiscal 2003,

employees had submitted 40 proposals for new ventures. Of these proposals, one has been adopted as an internal product, two have been turned into internal businesses, and a fourth has evolved into a new subsidiary, Toppan Character Production Co., Ltd.

**Use of female employees**

Toppan recognizes its utilization of female employees as an important issue in the development of human assets. Currently, as many as 40 women occupy top managerial and supervisory positions within Toppan. As existing systems are refined, the company will be introducing new mechanisms and considering more active forms of preferment for female employees.

**Holiday/Working Systems**

To encourage employees to take time off, Toppan is implementing a Memorial Holiday System that recognizes anniversaries and other important days. In fiscal 2003, the ratio of paid holidays taken to overall paid holidays granted was 38.2%.

**Working systems**

Toppan introduced flexible working hours in 1988 to accommodate the company's special requirements as an extended-hours business. The R&D department and several other departments have since adopted "Super Flex," a new working system with no fixed times for starting and ending work.

Workers at the manufacturing departments at plants and other sites work late-night shifts and use various other

work-shift schemes to suit the scheduling demands of their tasks. Monthly working hours are determined in advance by a Manufacturing Committee made up of representatives from management and labor. All working schedules are rigorously controlled.

Employees in sales and production management departments sometimes need to work long hours to respond to the demands of customers. Among its various steps to cope with this issue, Toppan has appointed a special committee of representatives from management and labor for the express purpose of shortening working hours.

**Labor-management Relations**

Toppan has established a Management Conference as a forum for discussion between labor and management, as well as a number of specialized committees to discuss the compensation system, working hours, welfare benefits, and other issues.

On October 1, 2001, independent labor unions for the Hokkaido, Tohoku, and Nishinihon Divisions merged with the Toppan Labor Union (Parent company only) to create a single nationwide union.

**Long-term Holiday and Work Leave Systems**

<b>Stock Holiday</b>	Under normal circumstances, paid holidays left unused for two years are no longer valid. However, Toppan's employees can accumulate up to 50 days of paid leave for recuperation from an illness, the care of an ailing spouse, nursing, or recovery from an unexpected crisis.
<b>Childcare Leave</b>	Toppan grants parents an extended childcare leave for up to one year (up to a child's first birthday), with the choice of working a shortened workday upon their return to work. Forty-eight Toppan employees took advantage of the system in fiscal 2003, including one male.
<b>Nursing Leave</b>	Employees with ailing relatives can take optional nursing leave for up to one year, or opt to shorten their workday by as much as two hours.
<b>Volunteer Leave</b>	Under special circumstances, employees working for socially redeeming causes are permitted to take up to one year of volunteer leave with partial compensation. Employees used this system to participate in overseas youth activities in fiscal 2003.

## Health and Safety, Health Management, Welfare

Toppan goes to great lengths to provide safe work environments in which employees can function comfortably and securely. Employees and their families can also expect outstanding health and welfare benefits through the ongoing efforts of the Toppan Group Health Insurance Society and Toppan Group Welfare Organization.

### Health and Safety

#### Health and Safety Committee

The Health and Safety Committee discusses the issues of labor safety, health, and accident prevention at the workplace. Once a month, labor and management come together to review hazardous operations and hazardous work sites in an effort to improve the work environment based on internal standards and the stipulations of the Industrial Safety and Health Law.

Toppan's factories and plants also convene independent committees to discuss specific aspects of their working environments and measures to meet legal requirements.

#### Fire and disaster prevention

Toppan takes a vigilant stance against fires and disasters. Flammable materials are handled with extreme care, electrical machinery and production equipment are closely inspected on a daily basis, and fire drills are carried out several times a year to boost preparedness. In the event of an actual emergency, Toppan Security

Service Co., Ltd. responds together with fire response squads to ensure optimal disaster control at each operational site.

The fire-response squads take part in a competition sponsored by local fire departments and regularly win championships and other honors during exercise competitions.



Competition for fire-response squads

#### Labor accident status

In fiscal 2003, Toppan employees were involved in nine labor accidents that resulted in injuries requiring time off from work. On a company-wide basis, this translated into a frequency rate of 0.30 and severity rate of 0.01. The company will press forward with its endeavors to eliminate accidents and improve labor safety.

### Health Management

#### Regular health and lifestyle illness checkups

All Toppan employees undergo regular health checkups once a year as part of the health management program (twice a year for employees handling organic solvents). Employees under 35 years old undergo general checkups, and those 35 and older undergo a comprehensive screening for lifestyle-related diseases. Thorough efforts by site managers to promote the health examinations led to 100% participation in fiscal 2003.

Toppan and its health insurance society also subsidize health examinations for employees' spouses aged 35 years or above.

#### Mental health

Toppan recognizes that mental health is as important as physical health. With this in mind, the company provides a free consultation service with employees via telephone and the website in cooperation with the Toppan Group Health Insurance Society. The system allows employees to

### ■ Toppan Group Health Insurance Society

The Toppan Group Health Insurance Society, one of the oldest organizations of its type in Japan, was formed in 1926 after the enactment of the Health Insurance Law. The association now serves about 80,000 members, including 37,000 employees from the Toppan Group and 43,000 dependents.

The principal function of the association is to improve the health of employ-

ees and their families through activities to promote health and prevent illness. As side benefits of these efforts, the

association reduces healthcare costs for employees, funds its own operation, and enhances productivity for Toppan.



Association newsletter HOKEN

### ■ Main Activities of Toppan Group Health Insurance Society

<b>Medical treatment facilities</b>	Directly operates 60 medical treatment offices nationwide to provide regular checkups and screenings for lifestyle-related diseases for employees.
<b>Supports health promotion efforts at operational sites</b>	Supports health promotion activities at operational sites to achieve a healthy working atmosphere.
<b>Supports family health</b>	Subsidizes and supports sports events and medical exams to improve the QOL of the insured and their dependents.
<b>Develops health solutions</b>	Supports comprehensive activities to promote health at operational sites by collecting and analyzing health data.
<b>Health public relations</b>	Expands knowledge on health-related issues through public relations activities, with a focus on the newsletter HOKEN and the Association website.
<b>Home treatment support</b>	Supports programs for elderly members covered under the association's medical care plan and their families. The association cooperates with 50 other health associations in sponsoring a nursing education program that seeks to raise awareness about nursing insurance and encourage participation. As of this writing, 3,721 participants have taken part in 35 sessions held in major cities across Japan.
<b>Recreation facilities</b>	Directs the operation of four recreation facilities and membership contracts with 31 others to promote employee health and leisure.

freely consult on relationship problems, childcare concerns, difficulties in nursing their elderly relatives, and any other issues that may be troubling them.

**Preventing secondhand smoke**

As a company that relies heavily on the use of organic solvents at its operational sites, Toppan has long established separate smoking areas at its plants and factories to ensure safety. And with the enactment of the Health Promotion Law in May 2003, more stringent measures to separate smoking areas are now being imposed at the head office and all other operational sites. Henceforth Toppan will be adopting a zero tolerance policy towards secondhand smoke.

**Other health promotion activities**

Toppan works with the health insurance society to plan and hold health promotion lectures and other events at each operational site. The company also appoints "Health-up Leaders" to provide information, train employees on a regular basis,

and nurture health promotion managers at the workplace.



Training for Health-up Leaders

**Welfare**

Toppan operates a number of systems to provide welfare benefits to employees. The Toppan Group Welfare Organization, in turn, offers welfare programs for the benefit of employees and their families.

All Toppan employees are free to use sports centers and recreation facilities either operated directly or contracted by the company. In the area of social insurance, all systems required have been fully

established. In other areas, Toppan offers employees various forms of financial support while contributing to the Toppan Group Employees Shareholding Association, Toppan Group Insurance and other benefit systems.



Tennis tournament on the grounds of the Technical Research Institute

**Toppan Group Welfare Organization**

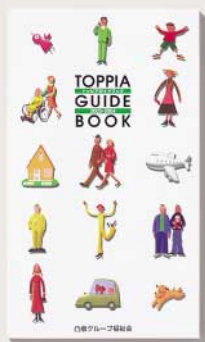
In keeping with its philosophy of "cooperative creation," Toppan and its employees have created the Toppan Group Welfare Organization, another source of welfare benefits offered in addition to the standard benefit packages provided by the company itself. Founded in April 1996, the organization operates

on the philosophy of mutual aid between the members and their families, supporting programs to stabilize life and enrich the lifestyles of members of every age.

Benefits include compensation payments, loans, and other forms of financial support, as well as services to promote

the health and enrich the lifestyles of members and their families. The organization is particularly active in "life design" activities for members.

In the future, the organization plans to put more effort into life stage support and add to the compensation and loan benefits being offered.



Toppan Group Welfare Organization guidebook TOPPIA GUIDE BOOK

**Life Design Support Programs**

<b>Life plan support system</b>	Holds life planning seminars for employees aged 53 and over and their spouses.
<b>Study support system</b>	Creates tie-ups with culture schools and partially subsidizes school fees for employees and their families.
<b>Housing introduction system</b>	Offers discount prices to employees purchasing, moving, or rebuilding their homes.
<b>Second life support system</b>	Offers various information for retirees to promise employees healthy and happy retirements.
<b>Post-retirement medical aid system</b>	A savings plan to encourage employees to save more once they reach the age of 50 and build up adequate cash reserves to fund necessary medical care during their early years of retirement (up to the age of 70). The welfare organization contributes a part of the medical aid savings on behalf of employees who switch to the post-retirement medical aid system.
<b>Good living support system</b>	A consultation system to provide timely advice to employees on everyday life issues such as marriage, housing, the law, taxes, nursing, funerals, and ceremonies.

# Activities for Society and Culture

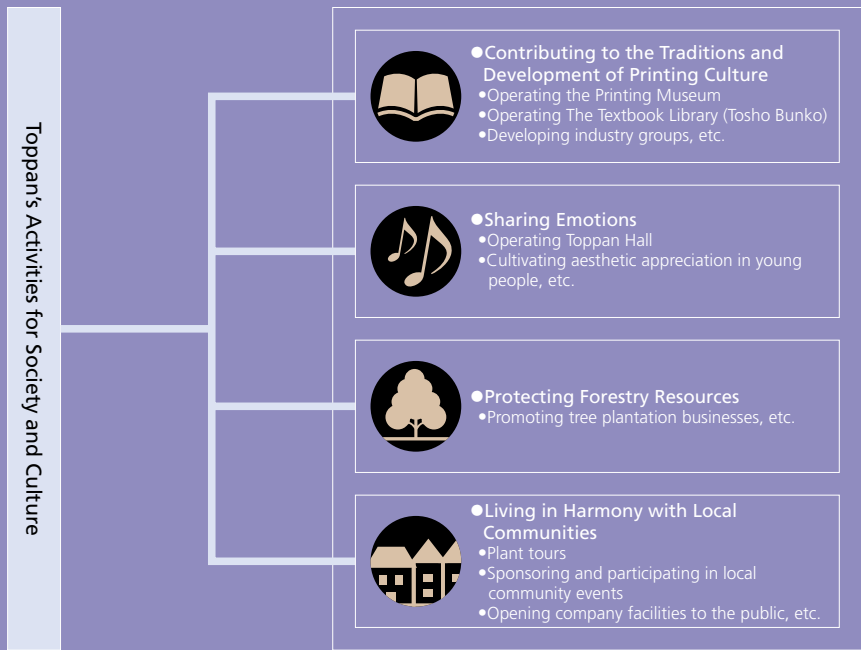
Many of Toppan's social and cultural activities contribute to a fulfilling lifestyle. Besides operating cultural facilities such as the Printing Museum and Toppan Hall, the company supports various cultural events and promotes cultural activities in local communities. As one of the world's largest printing companies, Toppan actively fulfills its social responsibility to protect forests.

## Basic Thinking on Activities for Society and Culture

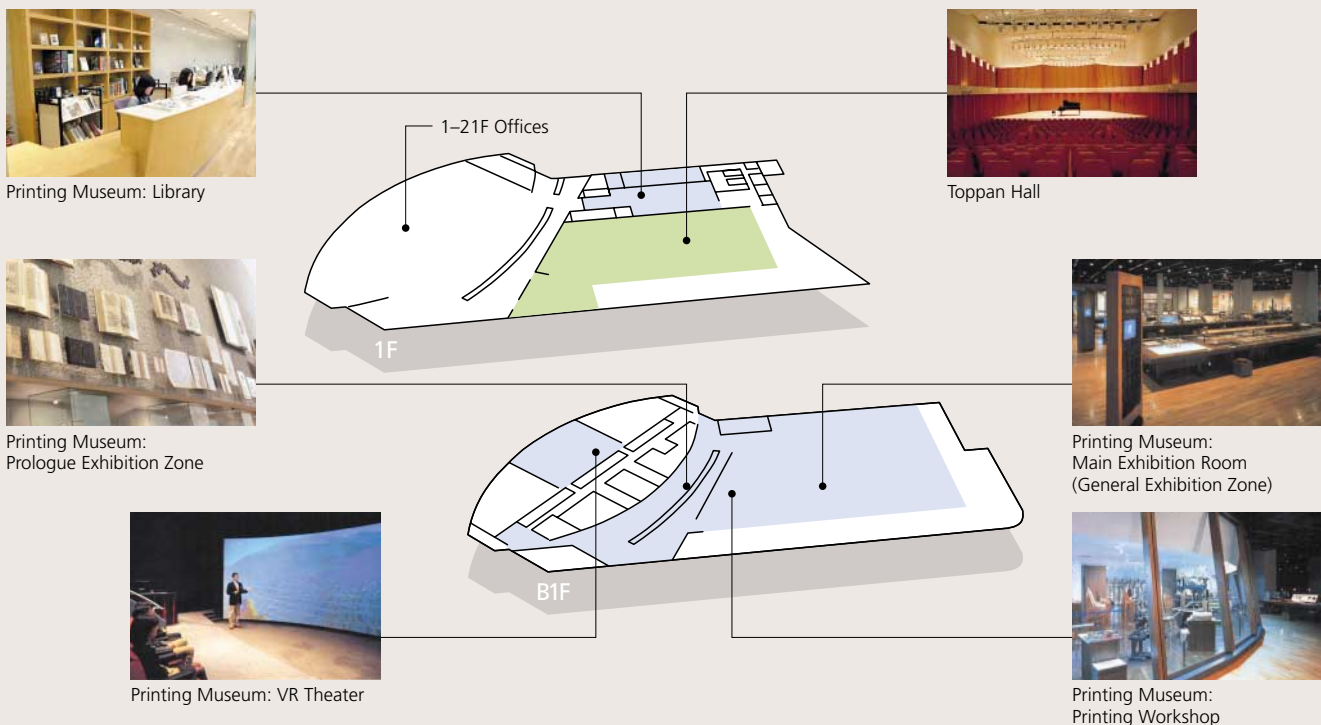
The Corporate Philosophy exhorts the company "to contribute to a fulfilling lifestyle as a mainstay of information and culture." Social and cultural activities are some of the most important measures the company takes.

The Toppan Koishikawa Building is the hub of culture at Toppan Printing Co., Ltd. The many cultural activities held there in the Printing Museum and Toppan Hall typify the company's efforts to interact with local communities and share its facilities. These endeavors receive high praise from society.

As a major consumer of paper, Toppan fully appreciates its social mission to protect forests. To fulfill this mission, Toppan actively undertakes numerous forestry protection activities.



## Cultural Facilities in the Toppan Koishikawa Building



## Contributing to the Traditions and Development of Printing Culture

Toppan was founded to make printing technology useful for all of society and continues to expand its businesses based on this principle. As one of the largest printing companies in the world, Toppan is entrusted with the social mission of disseminating the culture of printing and supporting the progress of the printing industry.

### Printing Museum

In October 2000, Toppan opened the Printing Museum, Tokyo as a way of sharing the historical significance of printing and the tremendous contributions of printing to the development of human civilization. The public can visit the General Exhibition Zone in the Main Exhibitions Room year round, as well as Temporary Exhibitions held several times annually. The museum also includes the Printing Workshop, VR Theater, specialized library, and museum shop. The library contains books and magazines on printing and printing-related fields, with a document search corner and reading room. By the end of the third year of operation in September 2003, more than 100,000 visitors had visited the museum.

### General study for students

Local elementary and middle schools use the Museum Printing Workshop for new learning programs (general study), while companies use it as a venue for training classes on printing. Starting from 2001, a year before the general study program began, the Kanatomi Elementary School in Bunkyo Ward, Tokyo commenced a series of hands-on learning programs at the workshop for its students. The programs offer classes on the history and technology of printing, as well as socio-cultural topics such as the role of poster art. Students are encouraged to experience the entire printing process, from the first stage of creative conception to the choosing of paper and inks, ink preparation, and the printing itself.

All told, more than 150 companies, specialist schools, and other organizations make use of the workshop.

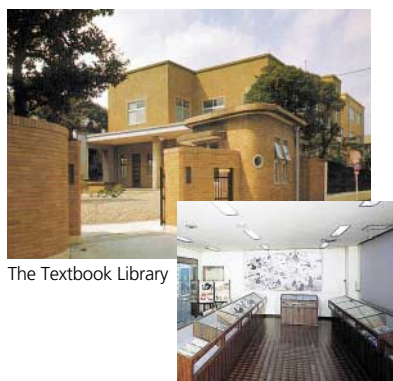


General study program for Kanatomi Elementary School in Bunkyo Ward, Tokyo

### Preserving Textbooks for Posterity

The Textbook Library, an institution opened by Tokyo Shoseki Co., Ltd. in 1936, now houses about 150,000 textbooks, the largest collection in Japan. Every variety of textbook is represented, from the very newest editions to antique teaching materials from the public district schools and private temple schools of the Edo Period. Researchers, students, and the general public are all free to browse the collections. No admission is charged.

The Textbook Library also undertakes activities to support progress in education, including the annual Tosho Education Award commenced in 1984. Every year, the library selects the best essay on teaching from among many outstanding submissions and honors the author at the award ceremony. The winning essay, together with the other submissions, are published in an annual collection for the teaching community. The library also cosponsors the Nursery Rhyme Culture Award with The Association of Children's Song Writers in Japan to nurture the tradition of nursery rhymes.



The Textbook Library

### The Development of the Printing Industry

As an industry leader, Toppan has always striven to modernize the printing industry and promote information culture in Japan. Toppan Chairman & Representative Director Hiromichi Fujita has spearheaded efforts to develop the industry through his activities as the chairman of the Japan Federation of Printing Industries\*<sup>1</sup> as a keynote speaker at the 2001 World Print Congress\*<sup>2</sup> (since 1995) and as a co-chairman of the 2002 COM-PRINT\*<sup>3</sup> conference.

The decision to hold the 1st World Printing Technicians Conference\*<sup>4</sup> of September 2003 in Japan was based on a proposal by Chairman Fujita. Printing technicians gathered from around the world to forge a vision of the printing industry in the 21st century from a global viewpoint. The conference encouraged a free exchange of ideas, along with the opportunity to showcase the tremendous potential of the Japanese printing industry to the rest of the world.



1st World Printing Technicians Conference

\*1 Japan Federation of Printing Industries  
Founded in 1985 by 10 printing companies as a vehicle to raise the printing industry to a higher level and improve lifestyle culture. The federation undertakes various activities to address the mission and tasks of the industry as a creator of information value in the 21st century.

\*2 World Print Congress (WPC)  
Jointly organized by printing federations from around the world every four years to address issues directly facing the industry and discuss the important topics to do with marketing, technology, and management in the 21st century. The next congress will be held in South Africa in January 2005.

\*3 COMPRINT  
In keeping with its name, a hybrid of "Communication" and "Print," this international conference addresses the status and outlook of the communications industry with a focus on printing and the debate of strategic policies. The meeting was merged into the WPC after 2002.

\*4 World Printing Technicians Conference (WPTC)  
A conference proposed by Toppan Chairman Hiromichi Fujita at the 7th World Print Congress in Beijing in 2001. As Chairman Fujita proposed, the WPTC serves as a forum for technical discussion among the world printing industry on three fronts: 1) further implementation of IT, 2) more aggressive action to solve environmental problems, and 3) the standardization of printing technology.

## Sharing Emotions

As a leader in the information communications industry, Toppan believes that the communications of the future must have the power to stir human emotion. This makes Toppan's support for music and the visual arts all the more crucial.

### Toppan Hall

Among the many arts that stir human emotion, music is one of the most ubiquitous and beloved. Toppan Hall is a meeting place where classical musicians come together with the audience to share emotion. Toppan opened the hall in 2000 to commemorate its 100th anniversary. Today it serves as a kind of cultural retreat: a place for soothing refuge in the highly advanced and often chaotic information society of the present.

#### A hall opened to the public

Since its opening, Toppan Hall has hosted some 40 events a year. The concerts contribute to the local community, nurture young artists, and spread the appreciation of classical music among younger fans. The Toppan Hall impresarios support up-and-coming young musicians at the free Lunchtime Concerts and similar events. More than 140,000 people have now attended performances in the hall. Thousands among them have praised the outstanding acoustic design, as have the many artists from Japan and the rest of the world who have performed there. The hall has also garnered attention outside of Japan for its superb acoustics during performances of chamber music.



Toppan Hall



Lunchtime Concert

The hall has been constructed with a barrier-free design, including wheelchair-accessible areas.



Barrier-free design

### Co-sponsoring the Book Report Drawing Contest

Since 1989, Toppan has assisted The Mainichi Newspapers Co., Ltd. and Japan School Library Association as a co-sponsor of their annual drawing contest to encourage youths to express their impressions of books through drawing. The contest accepts submissions from students in the lower and higher grades of elementary school, middle school, and high school. About 430,000 submissions from more than 7,000 schools were received for the 15th contest in 2003. The young creators of the prize-winning drawings are conferred the Toppan Printing Co., Ltd. Award, a reproduction of a famous painting printed using Toppan's new Primagraphie technology.

The top 12 submissions from the winners of the Excellence Awards are reprinted in a calendar distributed free of charge to schools and other institutions nationwide.



The 15th Book Report Drawing Contest



Calendar of award-winning submissions for the Book Report Drawing Contest

### Choral Groups

In 1959, Froebel-Kan Co., Ltd. organized the Froebel Boys Choir to foster young men with refined sensibilities in a country where boys choirs were relatively rare. Since its founding, as many as 1,000 boys have passed through its distinguished ranks. The choir now has about 80 young vocalists, ranging from 3-year-olds to second-year students in middle school.

The boys give one annual performance, as well as special concerts, recitals in prefectural culture centers, and studio recitals for TV commercials. Concert audiences praise them lavishly.



Froebel Boys Choir

## Tree Planting and Harmony with Local Communities

As a major consumer of paper, Toppan works vigilantly to protect and nurture forests through direct and indirect initiatives. In addition, all of Toppan's operational sites in Japan are involved in communication activities with their local communities.

### Tree-planting Businesses

#### Funding for GPFL in Australia

In 1997, Oji Paper Co., Ltd. and Nissho Iwai Corp. (now Sojitz Corp.) jointly formed the Green Triangle Plantation Forest Company of Australia Pty. Ltd. (GPFL), a tree-planting business focused on the production of hardwood chip in the State of Victoria, Australia (The Hokkaido Electric Power Co., Inc. joined the joint-venture in the year 2000). With more than 5,990 hectares of new forest already planted as of the end of 2003, the company continues to make good progress towards its target plantation of 10,000 hectares by 2006. From 2007, the venture will begin felling trees and replanting saplings to maintain the plantation.

From 2001, Toppan also began participating in a project to develop methods to monitor the amounts of CO<sub>2</sub> absorbed by forests, in cooperation with the National Institute for Environmental Studies, Mitsubishi Research Institute, Inc., and Oji Paper Co., Ltd. GPFL contributes to this project by providing a research field for data measurement in Australia.

#### Investment in PPT of Australia

In fiscal 2004, Toppan plans on taking a capital stake in Plantation Platform of Tasmania Pty. Ltd. (PPT), a plantation business in the State of Tasmania, Australia. PPT was founded in 1999 as a joint venture of Daio Paper Corporation and seven other Japanese companies seeking to establish a hardwood plantation in north-east Tasmania in collaboration with the Tasmanian Forestry Commission. The venture aims to plant 7,500 hectares of trees by the end of 2014. The first 2,000 hectares were planted between 2000 and 2003.

#### Japan Overseas Plantation Center for Pulpwood

In fiscal 1999, Toppan became a supporting member of the Japan Overseas Plantation Center for Pulpwood, an organization promoting sound economic development and environmental preservation in local communities around the world. The center actively surveys and researches commercial tree plantations overseas.

### Harmony with Local Communities

All of Toppan's operational sites organize activities to deepen their ties with the local communities in which they operate. Most of the sites invite neighbors from the community to take on-site tours, and many hold annual beer festivals in July or August. Others organize get-togethers between employees and neighbors to nurture friendships. These and other activities have made the sites popular destinations for local people seeking relaxation and recreation. Needless to say, the men and women of Toppan also take part in community events outside the company.

#### Public space at the Toppan Koishikawa Building

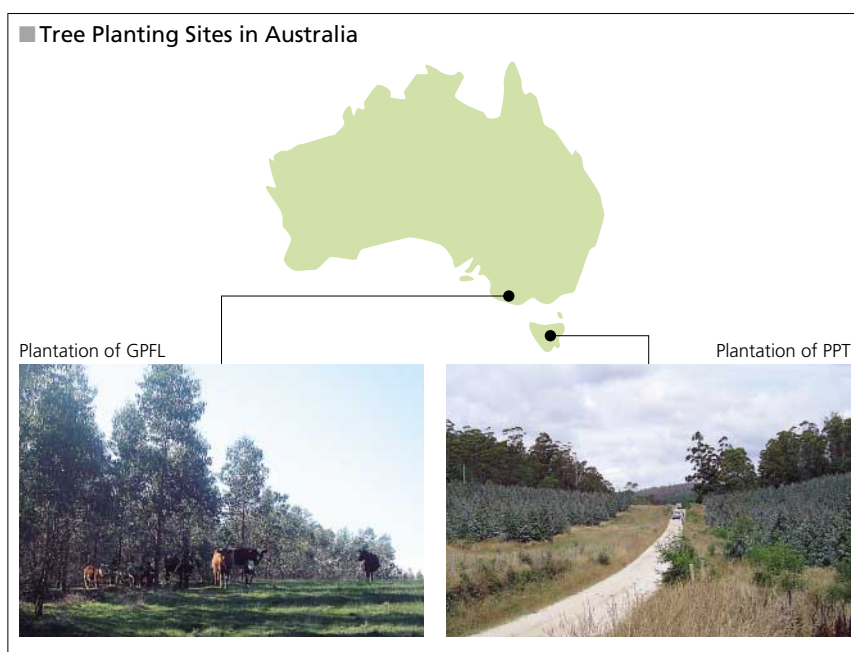
The Toppan Koishikawa Building (Bunkyo Ward, Tokyo), completed in May 2000, features an approximately 3,000 m<sup>2</sup> expanse of "public green space" lushly planted with some 5,500 trees and shrubs. Employees and the public are encouraged to visit.



Public space at the Toppan Koishikawa Building

#### Multipurpose facilities and gymnasiums open to the public

The gymnasium at the Itabashi plant (Itabashi Ward, Tokyo) and multipurpose facility "Yuai Fraternity Plaza" at Toppan's Asaka plant (Niiza City, Saitama Prefecture) are open to the local communities as well as Toppan employees. The facilities are used to host local sports events, rehearsals for musical ensembles (including employee groups), and other functions that require community spaces of these types and are much appreciated.



Instilling the Corporate Philosophy with the CONVEX Newsletter

Toppan uses an internal newsletter as another medium to encourage the fulfillment of CSR.

Bringing the Corporate Philosophy Closer to Employees

The corporate philosophy *Toppan Vision 21* is the embodiment of Toppan's most important values and the future directions of Toppan's businesses. Beginning from October 2001, Toppan's newsletter CONVEX has been running "Think! *Toppan Vision 21* is for Everybody!", a special feature on the Corporate Philosophy. The aim is to encourage employees to live the philosophy with a profound understanding of its purposes and beneficiaries.

Guest contributors—employees from different divisions, positions, work types, ranks, and genders—write out what Toppan calls "My Mission" statements, detailed descriptions of how they infuse the Corporate Philosophy into their own work. Over the past two and a half years, CONVEX has published the My Mission statements of 175 employees. The authors of the statements strengthen their own resolutions by committing them to paper, while readers discover how the corporate mission extends into the day-to-day activities of every type of employee within the company.

Feature Articles on CSR

CONVEX runs feature articles on CSR topics in the hope of deepening the involvement of the Toppan workforce in CSR activities. In the October 2003 issue, for example, readers learned about the Toppan Helpline and the importance of compliance in an article on "Expanding the Conduct Guidelines." Later, in the March 2004 issue, readers were updated on the latest news from the Compliance Department and special reports from the authorities on compliance in an 8-page feature article on "Understanding Corporate Social Responsibility and Toppan's Measures." Toppan will continue using its internal communications tools to bring CSR closer to its employees.

**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.

**MY MISSION**

\_\_\_\_\_, shall  
reciprocate the continued trust of \_\_\_\_\_,  
create dedicated \_\_\_\_\_ by  
harnessing \_\_\_\_\_,  
and contribute to a fulfilling lifestyle  
as a member of Toppan,  
a mainstay of information and culture.  
"Work" for me

\_\_\_\_\_

Important parts of the Corporate Philosophy are left blank so that employees can apply the statement to their own working situations and ponder their roles more deeply.



**MY MISSION**

私、は、  
常に お客様と会社 の信頼にこたえ  
熱い思いと正義感 をもとに  
ここをこめた「美と感動」のある企画や仕組みを提案し  
情報・文化の担い手として  
ふれあい豊かに暮らしに貢献します

**私にとっての「作品」**  
私の作品づくりのテーマは、「Something New」  
お客様のマーケット拡大に、販促活動のお手伝いによって貢献  
するのが私の仕事ですが、できる限り「トッパンで、こんなことでき  
るの!」と、感動や驚きのある新しい企画や仕組みを提案してい  
たいと思います。



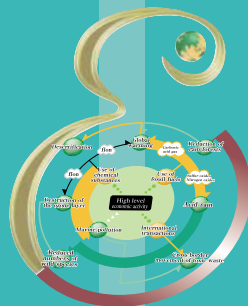
CONVEX newsletters (in Japanese)



# Environmental Report

Living in harmony with the environment is clearly stated as one of the goals of the Corporate Creed. A Declaration on the Global Environment has been made, and specific measures to meet the company's environmental responsibilities are being carried out in the four fields of Environmental Management, Eco-protection, Eco-creativity, and Environmental Communication Activities.

Toppan's Environmental Vision	P. 48	An overview of the environmental impacts of business activities, Toppan's environmental action plan based on the Declaration on the Global Environment, and major results
Environmental Management Activities	P. 54	The systems forming the foundation of all environmental activities, and the organizational creation of environmental measures
Eco-protection Activities	P. 58	Activities to reduce environmental burdens at plants, offices, and logistics departments
Eco-creativity Activities	P. 64	Environmentally-friendly products, technologies, and services to contribute to the realization of a recycling-oriented society
Environmental Communication Activities	P. 70	Communications activities creating relationships among a wide range of interested parties both inside and outside the company



# Toppan's Environmental Vision

Toppan has set forth a Declaration on the Global Environment on the basis of its Corporate Philosophy and Corporate Creed. The declaration forms the foundation of the Environmental Action Plan, the company's framework for the promotion of specific environmental activities from fiscal 2004 onward.

## Toppan's Environmental Burden and Environmental Impact

To effectively reduce the burden it places on the environment, a company must accurately understand the impacts imposed by all of its processes and operations. Toppan compiles an Eco-balance sheet on the input (use of materials, energy, etc.) and output (emissions created by production) of every production plant, and the sites themselves conduct multifaceted environmental assessments. Environmental targets are set based on the results, priority activities are decided, and the results of activities are verified.

As a company operating highly diverse businesses, Toppan impacts the environment in a variety of ways. To track these impacts accurately, the company compiles and analyzes data separately in its three core businesses of Information & Networks, Living Environment, and Electronics.

### Input/Output Data

#### INPUT

Energy	
Total energy consumption (1,000 GJ)	18,423
Electric energy (1,000 GJ)	13,544
Fossil fuel energy (1,000 GJ)	4,879

#### Water

Water consumption (1,000 m <sup>3</sup> )	14,698
Industrial-use water (1,000 m <sup>3</sup> )	1,418
Municipal water (1,000 m <sup>3</sup> )	3,145
Groundwater (1,000 m <sup>3</sup> )	10,135
(Utilization of rainwater) (1,000 m <sup>3</sup> )	15
(Utilization of water circulated on premises) (1,000 m <sup>3</sup> )	787

#### Main raw materials

Paper, plastic film (1,000 tons)	1,645
Ink (1,000 tons)	32
Solvents (1,000 tons)	18



#### OUTPUT

Atmosphere	
CO <sub>2</sub> emission (t-CO <sub>2</sub> )	853,359
Emission of substances destructive to the ozone layer (ODP-t)	5
NOx emission (tons)	224
SOx emission (tons)	67
Emission of dioxins (g-TEQ)	0.013

Water system and soil	
Total water discharge (1,000 m <sup>3</sup> )	12,011
Public water system (1,000 m <sup>3</sup> )	8,721
Sewage system (1,000 m <sup>3</sup> )	3,290
Underground penetration (1,000 m <sup>3</sup> )	62
On-site evaporation (1,000 m <sup>3</sup> )	2,099
BOD discharge (tons)	245
COD discharge (tons)	125
Nitrogen discharge (tons)	44
Phosphorous discharge (tons)	3

Waste	
Waste discharge (tons)	464,038
Recycling (tons)	449,304
Final landfill waste (tons)	14,734

Notes: \*The input and output data cover the Toppan Group (see P. 78). Besides the three core businesses, data from non-manufacturing sites are also included in Toppan's total.  
\*Main raw materials values from overseas subsidiaries and independent subsidiaries are partially excluded.

## Information & Networks

Operations in the Information & Networks are based on information technology and include commercial printing, publications printing, and the securities and card businesses. The main business activity is offset printing, and the main equipment used for this operation is the offset rotary press.

On the input side, the large-scale consumption of paper indirectly impacts the environment by depleting resources through the felling of forests. In the book-binding operations after printing, waste paper is generated as an output when the paper is cut to form books.

In terms of energy, power motors and ink drying machines consume large amounts of electricity and gas as inputs and discharge gas emissions as an output.

### Information & Networks

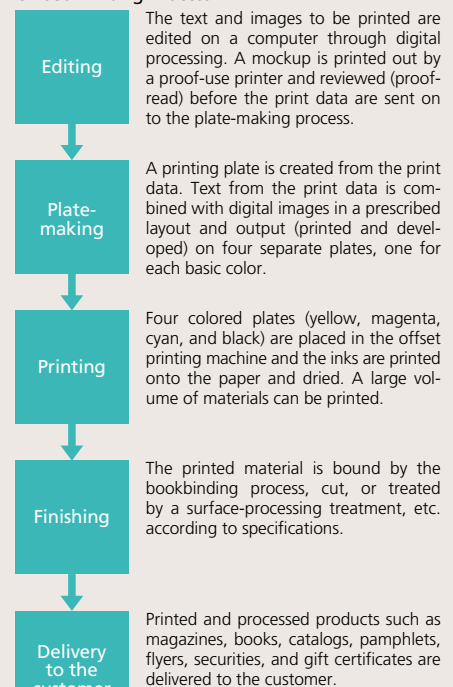
#### INPUT

Energy	
Total energy consumption (1,000 GJ)	6,699
Water	
Water consumption (1,000 m <sup>3</sup> )	2,237

#### OUTPUT

Atmosphere	
CO <sub>2</sub> emission (t-CO <sub>2</sub> )	315,782
Emission of substances destructive to the ozone layer (ODP-t)	3
NOx emission (tons)	102
SOx emission (tons)	1
Emission of dioxins (g-TEQ)	0.009
Water system and soil	
Total water discharge (1,000 m <sup>3</sup> )	1,673
Underground penetration (1,000 m <sup>3</sup> )	12
On-site evaporation (1,000 m <sup>3</sup> )	522
BOD discharge (tons)	130
COD discharge (tons)	21
Nitrogen discharge (tons)	8
Phosphorous discharge (tons)	1
Waste	
Total waste discharge (tons)	224,643
Recycling (tons)	222,229
Final landfill waste (tons)	2,413

#### Offset Printing Process



### Living Environment

Operations in the Living Environment field include packaging and the manufacture of materials for industrial use. The business itself is focused on the development of products that can contribute to more comfortable lifestyles. A major area of operations in this field is gravure printing, a process mainly involving the coating of printing plates with copper and chrome plating. While the water discharge from the plating process can be easily rendered harmless, the liquid discharge from the maintenance equipment and the sludge produced after the wastewater treatment both burden the environment. In the printing that follows, the ink is diluted by organic solvents, printed on paper, and dried by vaporation using hot air. The heat energy needed for the drying is an input; the gas emissions from drying are an output.

Paper and plastic are also consumed and discharged during these operations.

#### Living Environment

INPUT	
<b>Energy</b>	
Total energy consumption (1,000 GJ)	5,181
<b>Water</b>	
Water consumption (1,000 m <sup>3</sup> )	2,064

↓

OUTPUT	
<b>Atmosphere</b>	
CO <sub>2</sub> emission (t-CO <sub>2</sub> )	262,015
Emission of substances destructive to the ozone layer (ODP-t)	2
NOx emission (tons)	86
SOx emission (tons)	49
Emission of dioxins (g-TEQ)	0.004
<b>Water system and soil</b>	
Total water discharge (1,000 m <sup>3</sup> )	1,530
Underground penetration (1,000 m <sup>3</sup> )	44
On-site evaporation (1,000 m <sup>3</sup> )	395
BOD discharge (tons)	20
COD discharge (tons)	20
Nitrogen discharge (tons)	10
Phosphorous discharge (tons)	1
<b>Waste</b>	
Total waste discharge (tons)	174,075
Recycling (tons)	169,073
Final landfill waste (tons)	5,002

#### Gravure Printing Process

**Editing**  
The text and images to be printed are edited on a computer through digital processing. A mockup is printed out by a proof-use printer and reviewed (proof-read) before the print data are sent on to the plate-making process.

**Plate-making**  
A printing plate is created from the print data by corrosion or engraving. Text from the print data is combined with digital images in a prescribed layout and output (printed and developed) on separate plates, one for each color.

**Printing**  
Once the color plates are placed in the printing machine, inks of four different colors are layered on top of one another, printed onto films or paper, and dried. A large volume of materials can be printed.

**Finishing**  
The printed films or papers are either combined with other films and processed, or treated by surface-processing treatment to add strength and required properties. In the final stage, the printed matter is cut, stamped, and processed as required to meet the specifications of the end product.

**Delivery to the customer**  
The printed and processed products include films and paper for various types of packaging products, containers, wall-papers, and cosmetic sheet metal used as building materials.

### Electronics

In the Electronics field, Toppan supports the IT industry by producing parts for semiconductors and displays. The company designs and manufactures a host of electronic components and devices, including photomasks used in the manufacture of semiconductors, LSI (large-scale integrated circuit) package-related products, color filters for liquid crystal displays, and printed wiring boards for various electronic units. Production facilities for these precision products require extremely clean environments. Among the inputs is the consumption of energy for air-conditioning to maintain the plant humidity and temperature at a fixed level.

Among the outputs, the discharge of chemicals for processing and the wastewater generated from repeated washings account for most of the environmental burden in the Electronics business.

#### Electronics

INPUT	
<b>Energy</b>	
Total energy consumption (1,000 GJ)	5,819
<b>Water</b>	
Water consumption (1,000 m <sup>3</sup> )	10,062

↓

OUTPUT	
<b>Atmosphere</b>	
CO <sub>2</sub> emission (t-CO <sub>2</sub> )	245,185
Emission of substances destructive to the ozone layer (ODP-t)	0
NOx emission (tons)	31
SOx emission (tons)	17
Emission of dioxins (g-TEQ)	0.000
<b>Water system and soil</b>	
Total water discharge (1,000 m <sup>3</sup> )	8,518
Underground penetration (1,000 m <sup>3</sup> )	5
On-site evaporation (1,000 m <sup>3</sup> )	1,128
BOD discharge (tons)	86
COD discharge (tons)	80
Nitrogen discharge (tons)	22
Phosphorous discharge (tons)	1
<b>Waste</b>	
Total waste discharge (tons)	62,152
Recycling (tons)	54,933
Final landfill waste (tons)	7,219

#### Color Filter Production

**Formation of the black matrix**  
A black matrix made of a low-reflection chrome or resin is formed on a glass substrate (the black matrix improves the display contrast, making it easier to read).

**Resist deposition**  
Color resist is applied to the substrate.

**Low-pressure drying**  
The color resist is dried.

**Exposure**  
A part of the pattern is exposed and insolubilized.

**Development**  
All film is removed except the exposed pattern.

**Baking**  
The remaining pattern is baked and attached to the substrate. (The five steps from resist deposition to baking are repeated for each RGB three color).

**Formation of transparent electrodes**  
Transparent electrodes are formed.

**Formation of photo spacer**  
A transparent photo spacer is formed to improve the uniformity of the liquid crystal layer, if necessary.

# Environmental Targets under the Declaration on the Global Environment

Based on its Environmental Action Plan, Toppan specifies a concrete action to realize the goals of its Declaration on the Global Environment. The company has also reviewed and established Medium-term Environmental Targets, Long-term Environmental Targets, and Environmental Targets for the current fiscal year.

## Declaration on the Global Environment

In 1991, Toppan established the Ecology Center and assigned it the role of overseeing environmental activities. The following April, the company laid out the Toppan Declaration on the Global Environment, a comprehensive environmental philosophy appended with explanations of methods to be used to translate that philosophy into action. Since then, the declaration has guided the efforts of all employees of the Group as they work together to advance Toppan's environmental activities under the leadership

of the Ecology Center.

In September 2000, areas of the Toppan Declaration on the Global Environment were revised to reflect reformed management policies. The Environmental Action Plan is reviewed on a regular basis, and the Environmental Targets are treated as an index of Toppan's environmental management as the company forges ahead with its ongoing reforms.

The Toppan Declaration on the Global Environment will be completely revised whenever social attitudes on the global environment undergo a significant change. The Company's environmental activities will be continuously improved on every front.

## Environmental Action Plan and Environmental Targets

Based on its Environmental Action Plan, Toppan specifies concrete policies for all of its businesses to achieve the targets of the Declaration on the Global Environment. The Environmental Action Plan specifies Medium- and Long-term Environmental Targets and Environmental Targets for the current fiscal year. The Declaration on the Global Environment provides the company with a road map for expanding its environmental activities and encouraging employees to take an active role.

### Toppan's Environmental Action Plan

Toppan Declaration on the Global Environment	Activities	Medium- and Long-term Environmental Targets
1. Each of our employees recognizes the importance of global environmental issues and endeavors to conserve the global environment.	Employee education & development	•Enhance employee awareness on environmental issues and promote corporate-wide activities to preserve the environment
	Social contributions	•Participate voluntarily in social activities and actively contribute to the cause of environmental conservation
2. We actively promote energy/resource conservation and recycling as means of conserving the global environment.	Energy/resource conservation	•Raise the environmental burden improvement ratio (net sales/CO <sub>2</sub> emissions) by 20% (over the level in fiscal 2000)
	Reduction of greenhouse gases	
3. We abide by the law and social order, striving to prevent environmental pollution.	Sorting waste & recycling	•Reduce final landfill waste disposal by 90% by fiscal 2010 (from the level in fiscal 2000) •Realize zero-emissions target in all domestic operational sites by fiscal 2010 through the effective use of industrial waste generated in production
	Prevention of environmental pollution	•Comply with in-house control standards that embody the legal regulations •Communicate appropriately with stakeholders
4. Through our business operations, we actively support our customers' activities to conserve the global environment.	Management of chemicals	•Reduce VOC atmospheric emissions by 90% by fiscal 2005 (from the level in fiscal 2001) (for the 12 sites emitting large amounts of VOC) •Reduce toluene atmospheric emissions by 90% by fiscal 2005 (from the level in fiscal 2001) (for the 12 operational sites emitting large amounts of toluene) •Realize zero-emission of dichloromethane by the end of fiscal 2005
	Commitment to Eco-creativity Activities	•Expand proposals on environmentally-friendly printing technologies, products, and services •Expand environmental communication activities
5. In our research, we endeavor to develop products and technologies that help conserve the global environment.	Planning, research, and development of environmentally-friendly products and technologies	•Participate in and operate the Green Standard Guideline for the Printing Industry •Develop environmentally-friendly products and disclose environmental information
6. We implement corporate activities designed to further global conservation in the context of an international society.	Conservation of the global environment at overseas operational sites	•Comply with local regulations, international conventions, etc. •Establish environment management systems in overseas production plants

\*Partially applicable to overseas subsidiaries. Not applicable to independent subsidiaries.

The company considers one fiscal year as one cycle for its environmental activities and reviews its environmental activities within that time frame. Once the Ecology Center collects records on the activities for the year, the Chief Environmental Manager evaluates the results, reviews the Medium- and Long-term Environmental Targets, and sets up specific Environmental Targets for the following fiscal year.

### Evaluation and Review of Toppan's Progress in Achieving Its Targets

Toppan laid out a total of 20 environmental targets for fiscal 2003 and undertook various programs and activities to attain them. As of the end of the year, 11 of the targets were reached and nine have not yet been achieved.

The Environmental Action Plan for fiscal 2004 has been reconsidered based on the level of achievement of the fiscal 2003 targets. Specifically, two medium- and long-term environmental targets were reformulated and one target was newly established, completing a set of 17

Medium- and Long-term Environmental Targets and 20 Environmental Targets to pursue throughout the year.

As an added mechanism to realize the sustainable development of its business through environmental management, Toppan has introduced an Environmental Efficiency Index to measure its progress towards this goal from this fiscal year. Verifications of environmental efficiency will be based on yearly changes in results. The environmental burden improvement index will help Toppan set its environmental targets by clarifying the progress of environmental management.

Evaluation criteria S: Achievements significantly above target A: Target fully accomplished B: Tackled actively, but did not achieve target C: Insufficient effort

Environmental targets for fiscal 2003	Evaluation	Environmental targets for fiscal 2004
•Educate 5,000 employees via the e-learning system	B	•Educate some 5,600 employees for basic environmental education via the e-learning system
•Continue funding of forestation activities and participation in forest protection fund	A	•Continue funding forestation activities and participation in the forest protection fund
•Basic unit of sales to energy consumption: Maintain fiscal 2000 levels *Review Medium- and Long-term Environmental Targets by December 2003 (internal amount → sales amount)	B	•Raise the company's environmental burden improvement ratio (net sales/CO <sub>2</sub> emissions) by 9% over the level in fiscal 2003 *Reduce the basic unit of internal production at plants by 5% from the level in fiscal 2003
•CO <sub>2</sub> emissions: Maintain fiscal 2000 levels → measures by energy-saving activities and fuel replacement *Review Medium- and Long-term Environmental Targets by December 2003 (absolute figure → basic unit)	B	
•Final landfill waste disposal: 10% reduction from the level in fiscal 2002	S	•Reduce by 10% (from the level in fiscal 2003)
•Increase the number of zero-emission sites recognized to 20	B	•Increase the number of zero-emission sites recognized to 20
•Comply with and review in-house control standards in all operational sites → checked by in-house environmental audit	A	•Comply with and review of in-house control standards in all operational sites
•Plants publishing site reports: Expand to 9	A	•Plants publishing site reports: Expand to 12
—	—	•Atmospheric emissions of VOC: Reduce by 80% (from the level in fiscal 2001)
•Atmospheric emissions of toluene: Reduce by 40% (from the level in fiscal 2002)	B	•Atmospheric emissions of toluene: Reduce by 45% (from the level in fiscal 2003)
•Atmospheric emissions of dichloromethane: Reduce by 10% (from the level in fiscal 2002)	S	•Atmospheric emissions of dichloromethane: Reduce by 40% (from the level in fiscal 2003)
•Sales from Environmental Business: Increase to 53.5 billion yen (10% over the level in fiscal 2002)	B	•Sales from Environmental Business: Increase to 57.0 billion yen (10% over the level in fiscal 2003)
•Sales from Environmental Activities: Increase to 115.0 billion yen (10% over the level in fiscal 2002)	S	•Sales from Environmental Activities: Increase to 136.0 billion yen (10% over the level in fiscal 2003)
•Promote environmental communication by participating in Eco-Products 2003	A	•Promote environmental communication by participating in Eco-Products 2004
•Deploy recycling systems for <i>Cartocan</i> (paper-based beverage containers) in plants located in Tokyo region	A	•Deploy recycling systems for <i>Cartocan</i> (paper-based beverage containers) in 15 plants in Japan
•Relevance ratio to Toppan's Green Procurement Standard: Increase by 5 points (over the ratio in fiscal 2002)	B	•Relevance ratio to Toppan's Green Procurement Standard: Increase by 5 points (over the ratio in fiscal 2003)
•Develop an LCA evaluation for environmentally-friendly products in three business fields (Information & Networks, Living Environment, Electronics)	B	•Improve LCA education and develop the LCA evaluation of environmentally-friendly products in the Information & Networks, Living Environment, and Electronics businesses
•Register 3 more environmentally-friendly products (total: 60 products)	S	•Register 3 more environmentally-friendly products (total: 73 products)
•Conduct in-house environmental audits in 3 plants in Asia and 2 plants in the U.S.	B	•Conduct in-house environmental audits in 3 plants in Asia and 2 plants in the U.S.
•Comply with local regulatory standards, prepare monthly reports on environment-related information	A	•Comply with local regulatory standards and prepare monthly reports on environment-related information
•Introduce and operate environmental management systems at 11 overseas production plants	A	•Introduce and operate environmental management systems at 11 overseas production plants

## Environmental Achievements in Fiscal 2003

Toppan set a total of 20 Environmental Targets for fiscal 2003 and undertook various programs to attain them. This section describes and evaluates the company's achievements and activities for this year.

### Major Achievements

#### Major achievements in Eco-protection

Reducing final landfill waste disposal  
Thanks to the promotion of zero-emissions, the company was able to reduce final landfill waste disposal by 25.4% compared to the previous fiscal year. This well exceeded the targeted reduction.

#### Reducing atmospheric emissions of dichloromethane

Dichloromethane is used at printing plants mainly as a cleanser. Efforts by the company to switch to other cleansers led to a 23.0% reduction in the atmospheric emissions of dichloromethane in fiscal 2003 compared with the previous fiscal year. This well exceeded the targeted reduction.

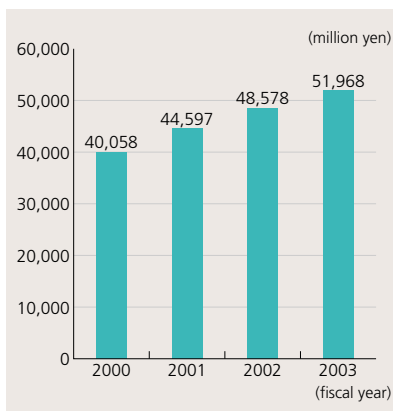
#### Major achievements in Eco-creativity

Promotion of Environmental Business  
Sales from environmental activities in fiscal 2003 jumped by 18.1% to 123.5 billion yen year on year, well exceeding the targeted increase of 10%. This success can be mainly credited to expanded orders of printed matter made from environmentally-friendly raw materials.

#### Wider lineup of environmentally-friendly products

Toppan introduced 13 new environmentally-friendly products in fiscal 2003, far surpassing its target of three. As of March 2004, Toppan had 70 environmentally-friendly products on the market.

#### ■ Sales of Environmentally-friendly Products



### Major Issues

#### Major Issues in Environmental Management

Environmental education via e-learning  
Toppan provides environmental education to its employees via an e-learning system. The company fell slightly short of training a targeted 5,000 employees under the program during fiscal 2003 (4,878 employees trained). A follow-through will be conducted in fiscal 2004 for the 406 employees who did not complete the training.

Some 5,500 have completed the training over the past two years, and the company plans to educate another 5,600 in fiscal 2004 alone.

#### Major Issues in Eco-protection

Energy usage  
Toppan adopted widespread energy-efficiency measures in an attempt to maintain its basic unit of energy usage at the fiscal 2000 level. Despite these efforts, the result was a 14.9% increase in fiscal 2003, mainly due to the opening of new production plants and renovation of existing facilities. With the rise in the basic unit of energy usage, emissions of CO<sub>2</sub> also increased by 6.5% compared with the fiscal 2000 level.

In fiscal 2004, Toppan will be bolstering its energy management system in order to improve energy efficiency and ensure conformance with the company's energy-efficiency standards when new facilities are introduced.

#### Zero-emission sites

Operational sites with a recycling rate of 98% or above are candidates for zero-emission certification. Of the 23 candidates for fiscal 2003, 17 satisfied the zero-emission criteria in the categories of recycling maintenance and reformed sorting standards.

In fiscal 2004, the 29 sites that achieved recycling rates of 98% or better in fiscal 2003 will be subjected to internal environmental audits as part of the certification review.

#### Atmospheric emissions of toluene

The 38.8% reduction in toluene emissions in fiscal 2003 was below target, but toluene emissions fell by more than 2,000 tons.

In fiscal 2004, the installation of new gas-emission-processing equipment at four plants is expected to reduce toluene emissions by about 1,500 tons and meet the targeted 45% reduction from the level in fiscal 2003.

#### Major Issues Concerning Eco-creativity

##### Environmental Business

Toppan fell short of its target of a 10% increase in sales in Environmental Businesses over the previous fiscal year. Results were nonetheless favorable: increased orders for environmentally-friendly products boosted sales by 7.0%, to 52.0 billion yen.

Toppan aims to meet its goal of a 10% year-on-year increase in fiscal 2004 by speeding up the development of environmentally-friendly products.

Toppan Green Procurement Standard  
These procurement standards are being applied to offset printing operations. The compliance ratio for paper rose by 4.4% in fiscal 2003, short of the 5-point increase targeted for the year. As the compliance ratio for ink is already high (94.2%), the company is aiming to maintain this rate.

Toppan hopes to achieve a 5-point improvement in the compliance ratio in fiscal 2004 by pressing ahead with its current activities and promoting environmentally-friendly printing services.

#### Promoting Life Cycle Assessment (LCA)

The LCA method was used to assess interior housing materials in the Living Environment field and LCD color filters in the Electronics field. No assessments have yet been completed in the Information & Networks field.

In fiscal 2004, Toppan plans to complete an LCA in the Information & Networks field and expand the number of products covered in all of its assessments.

## Environmental Accounting

Toppan introduced environmental accounting in fiscal 1998 as a tool for effective decision-making in environmental management. The company began to include overseas subsidiaries in its environmental accounting from fiscal 2001 in order to expand the scope of the accounting and disclose more detailed information to stakeholders.

### Results for Fiscal 2003

#### Environmental conservation cost

Compared to the previous fiscal year, the aggregated results for fiscal 2003 show an investment increase of 2,769 million yen and an expense increase of 570 million yen.

A major part of the increased investment was used to fund the introduction of wastewater processing equipment at newly completed production plants in the Electronics field. Toppan also outlaid new investments to install processing equipment for gas emissions from the printing-

and-drying processes in the Living Environment field.

The increase in environment conservation expenses in fiscal 2003 mainly stems from the introduction of environmental conservation equipment over the past several years. At the same time, comprehensive measures to separate waste generated from production processes have dramatically cut the expenses associated with waste processing and boosted the recycling ratio.

#### Economic benefit and environmental conservation effect

The economic benefit of environmental

business was as high as 544 million yen (+7.3%) in fiscal 2003, thanks chiefly to increased sales of environmentally-friendly products.

The environmental conservation effects for the year were dramatic. Emissions of dioxins were reduced by 94% from fiscal 2003, down to 0.19 g-TEQ, through the remodeling and shutdown of Toppan Group incinerators. Emissions of NOx and SOx were reduced by 45 tons and 15 tons, respectively. Toppan's efforts to reduce the emissions of these substances will continue in the future.

### ■ Toppan Group's Environmental Accounting for Fiscal 2003

#### Environmental Conservation Cost

(unit: millions of yen)

Item	Description of major contents	Current term		Change (current term-previous term)	
		Investment	Expenses	Investment	Expenses
(1) Total internal cost		5,113	9,609	2,638	777
1. Pollution prevention cost	Cost for pollution prevention, such as atmospheric pollution prevention	3,629	4,018	1,931	774
2. Global environmental conservation cost	Cost for global environmental conservation, such as global warming prevention	708	624	493	88
3. Waste treatment and recycling cost	Cost for adequate treatment and recycling of waste materials	775	4,967	213	▲86
(2) Upstream/downstream cost	Cost for green procurement, containers/packages recycling, etc.	—	453	—	20
(3) Administration cost	Cost for obtaining certification for environmental management systems, maintenance, tree-planting at sites, etc.	229	875	156	▲52
(4) R&D cost	Cost for research and development of environmentally-friendly products, etc.	132	767	▲24	▲119
(5) Social activity cost	Cost for donations, support, etc. for environmental conservation organizations, etc.	—	9	—	▲1
(6) Environmental damage remediation cost	Cost for restoring damage such as soil pollution, and others	—	0	—	▲54
Total		5,474	11,712	2,769	570
Total investment for the period covered		85,108		1,796	

#### Economic Benefit

(unit: millions of yen)

Item	Description of major contents	Current term	Change (current term-previous term)
(1) Energy-saving	Reduced amount related to energy-saving	26	▲80
(2) Sales of commodities	Sales amount of the waste from plants	1,782	269
(3) Environmental business	Profit amount related to sales of environmentally-friendly products	7,991	544
(4) Subsidies	Subsidies related to environmental countermeasures	4	4

Notes : \*Entities covered: Toppan Group (see P. 78)

\*Period covered: April 2003 to March 2004 (January 2003 to December 2003 for overseas subsidiaries)

\*Total values may not match, as decimals were rounded up or down.

\*The "▲" symbol denoting a negative value indicates an increase from the previous year.

#### Environmental Conservation Effect

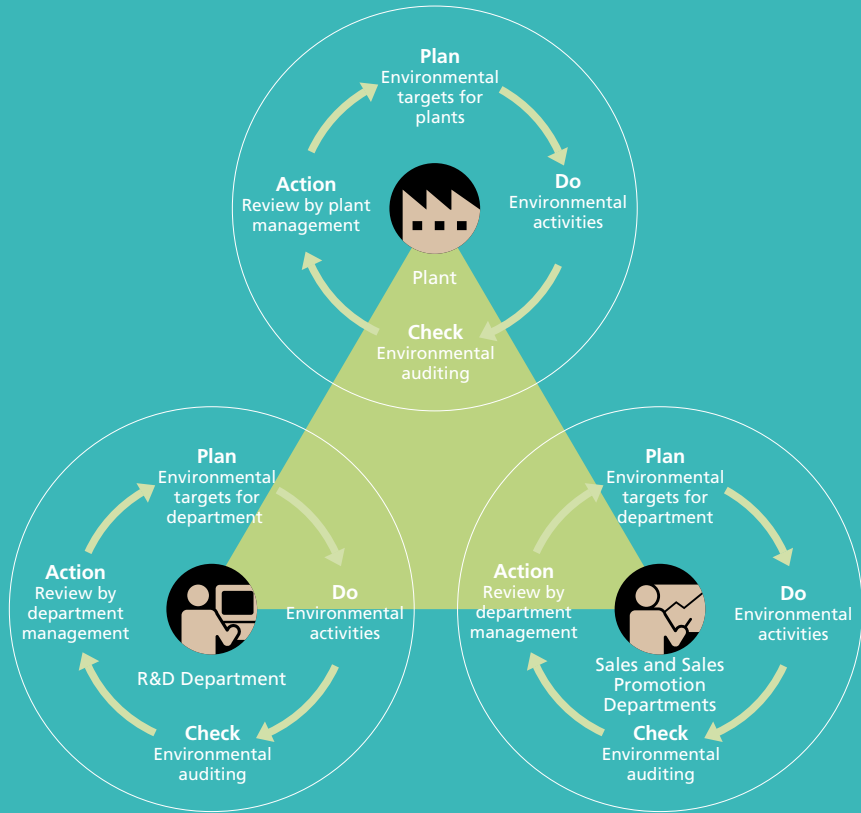
Item	Description of major contents	Reduction	Environmental burden for fiscal 2003
Energy	Total energy consumption (1,000 GJ)	▲975	18,423
Water	Water consumption (1,000 m <sup>3</sup> )	▲571	14,698
Atmosphere	CO <sub>2</sub> emission (1,000 t-CO <sub>2</sub> )	▲35	853
	Emission of substances destructive to the ozone layer (ODP-t)	0.55	4.63
	NOx emission (tons)	45	224
	SOx emission (tons)	15	67
Water system and soil	Emission of dioxins (g-TEQ)	0.19	0.013
	Total water discharge (1,000 m <sup>3</sup> )	▲708	12,011
	Underground penetration (water) (1,000 m <sup>3</sup> )	▲10	62
	On-site evaporation (water) (1,000 m <sup>3</sup> )	▲325	2,099
	Discharge of water-polluting substances (tons)	▲71	417
Waste	Total generation (1,000 tons)	▲56	464

# Environmental Management Activities

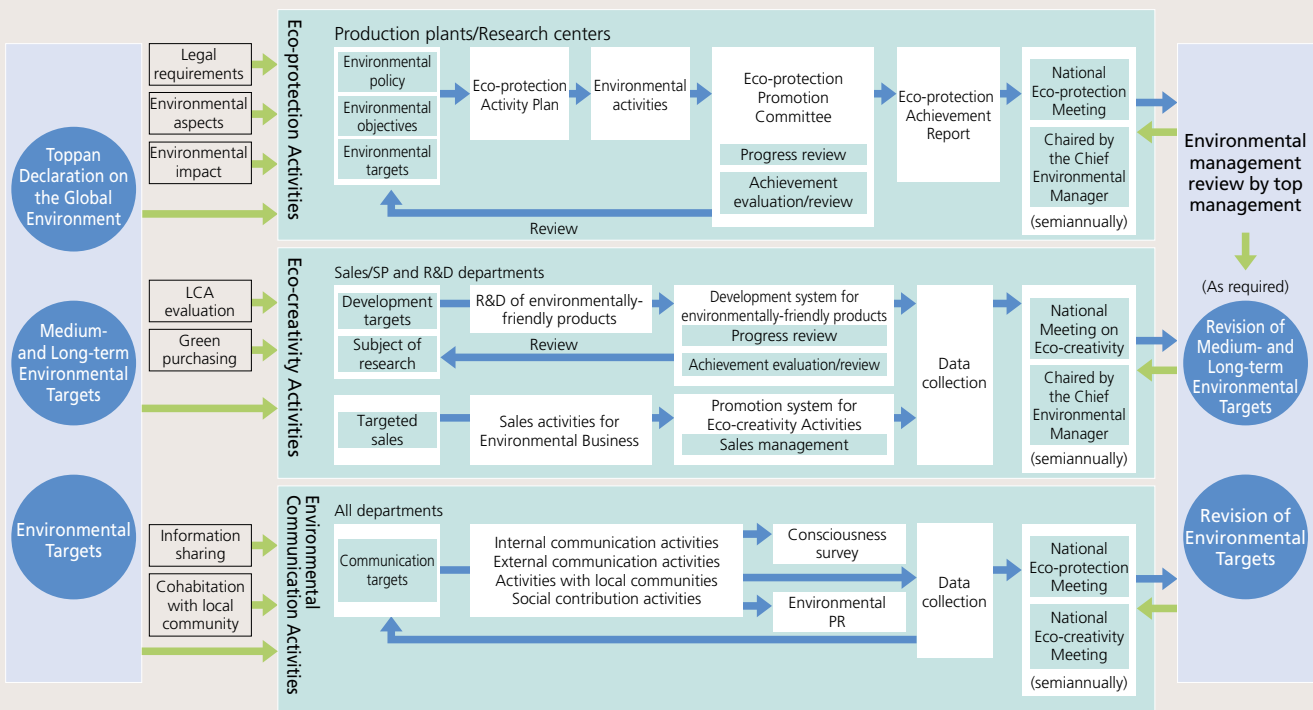
Toppan has created an environmental management system to enhance the efficiency of its environmental activities and promote the use of the PDCA cycle as an underpinning to environmental action. This section gives a detailed overview of Toppan's environmental management system.

## Summary of the Environmental Management System

Toppan's environmental management relies on the operation of an established management system that covers the sales, sales promotion, and R&D departments in addition to the actual production plants. At one level, executives conduct ongoing environmental management reviews to ensure that the PDCA cycle, a core part of this system, continues to improve the efficiency of environmental measures. Meanwhile, data on the actual results of environmental measures are collected by the Ecology Center in the head office, evaluated and verified by the Chief Environmental Manager, and reported to top management. After further reviews, the improvements to the system are promoted throughout the entire company.



## Overview of Environmental Management





## Environmental Management Structure and Promotion System

Toppan is building up an ISO 14001-based environmental management system as a framework for its Eco-protection and Eco-creativity Activities. The company also started the Toppan Group Environmental Meeting in fiscal 2003 to reinforce the environmental management structure of the Toppan Group.

### Environmental Management Structure

#### Features of Toppan's environmental management

In every Toppan production plant, R&D department, sales department, and sales promotion department inside and outside of Japan, the company has set up an environmental management system under the control and leadership of the President & CEO and the Chief Environmental Manager. The Ecology Center, a part of the Corporate Manufacturing, Technology & Research Division at the head office, is directly responsible for operating the system. The center works to instill the environmental policies and environmental targets among the employees of the various divisions and production plants, as well as to convey environmental information from the divisions and production plants back to top management.

The internal Eco-protection Promotion System and internal Eco-creativity Promotion System have been established to move the Eco-protection and Eco-creativity Activities at Toppan efficiently forward. These systems are advancing various environmental activities under the direction of the Ecology Center.

#### Reinforcing the comprehensive strength of the Group

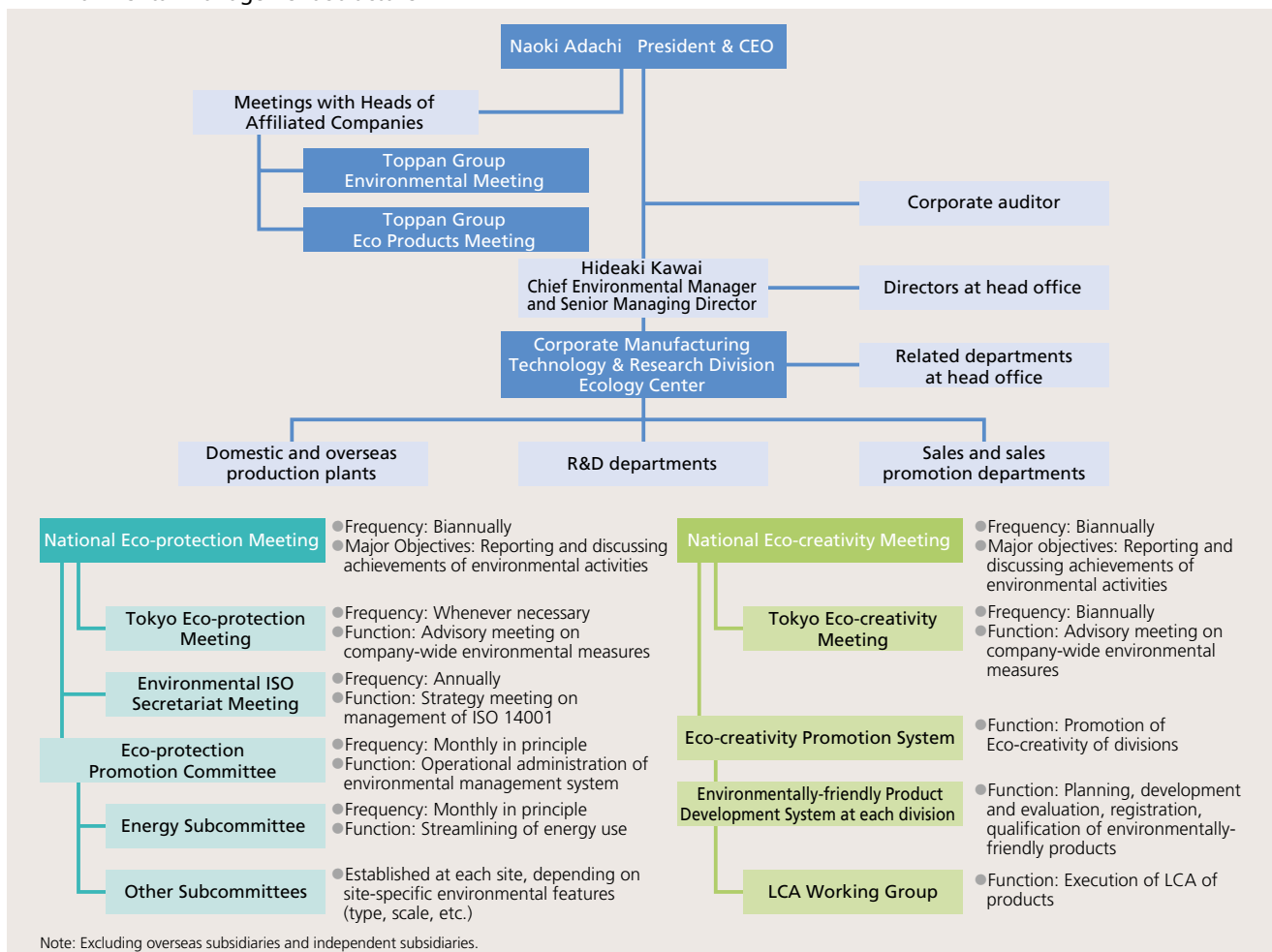
Toppan reviewed its environmental management structure as a corporate group and organized the Toppan Group Environmental Meeting in June 2003 under the auspices of the Meeting with Heads of Affiliated Companies. The executives heading Toppan's affiliated companies gather semiannually at this meeting to discuss their shared environmental issues and develop measures to harness their comprehensive strengths.

### Systems to Promote Environmental Activities

Many of Toppan's Eco-protection Activities are launched independently at the plant level. Toppan plants convene their own Eco-protection Promotion Committees, each with its own subcommittees to address specific issues. The company's strong focus on energy-saving activities has led to a considerable strengthening and review of the Energy Subcommittees since the beginning of fiscal 2003.

With regard to Toppan's Eco-creativity Activities, each division has established an Eco-creativity Promotion System to develop environmentally-friendly products and environmental support businesses.

#### Environmental Management Structure



## Environmental Management System

**Toppan's environmental management system proposes environmental activities at each production plant. In addition, Toppan promotes comprehensive in-house environmental auditing covering all operational sites of the company. In fiscal 2003, six domestic and two overseas production plants were awarded ISO 14001 certification.**

### Toppan's Environmental Management System

Toppan's environmental management system is uniquely structured. At every operational site, the company's PDCA Cycle concept is put into practice irrespective of ISO 14001 certification. Forty-eight production plants and two research centers in Japan are pressing ahead with their environmental activities to achieve the targets set under the Eco-protection Activities Plan.

Once each year, management confirms and reviews the company's environmental activities to ensure their continual improvement. The basic data collected in the review help Toppan formulate its Environmental Policy, Environmental Objectives, and Targets for the following year.

### Status for obtaining ISO 14001 certification

The 22 operational sites awarded ISO 14001 certification by the end of fiscal 2003 included nine sites in the Information & Networks business, nine sites in the Living Environment business, and four sites in the Electronics business. With the new ISO certifications in fiscal 2003, the number of Toppan employees (including subsidiaries engaged in production activity) working under ISO 14001 certification reached about 15,000.

Among the Toppan Group companies, Toppan Forms Co., Ltd. has obtained two certifications, one at its Fussa plant and one at its R&D Center. Outside of Japan, Toppan Chunghwa Electronics Co., Ltd., and Toppan Printing Co., (Shenzhen) Ltd. obtained the certification in fiscal 2003. This brings the tally up to five certified production plants overseas.



In-house environmental audit hearing

### In-house Environmental Audit System

Toppan's in-house environmental audit system follows a two-stage screening process: a document audit and an on-site audit. The in-house environmental audit team consists of provisional auditors of the Environmental Management System and internal environmental auditors. This team begins by inspecting and evaluating the structural status of systems, the compliance with environment-related rules and regulations, and the compliance with in-house standards at all the operational sites audited. Next, the team compiles the In-house Environmental Audit Reports, a report specifying any necessary improvements pointed out during the audit, and submits it to the director in charge. The in-house environmental audits are reviewed within the same fiscal year in order to raise the level of compliance for the following fiscal year.

In fiscal 2003, the in-house environmental audit team audited 50 operational sites in Japan and compiled a list of 390 areas in need of improvement. To correct these deficiencies, each operational site is now following an Improvement Plan that lists the required improvements and schedules deadlines for completion. Toppan has confirmed the progress of

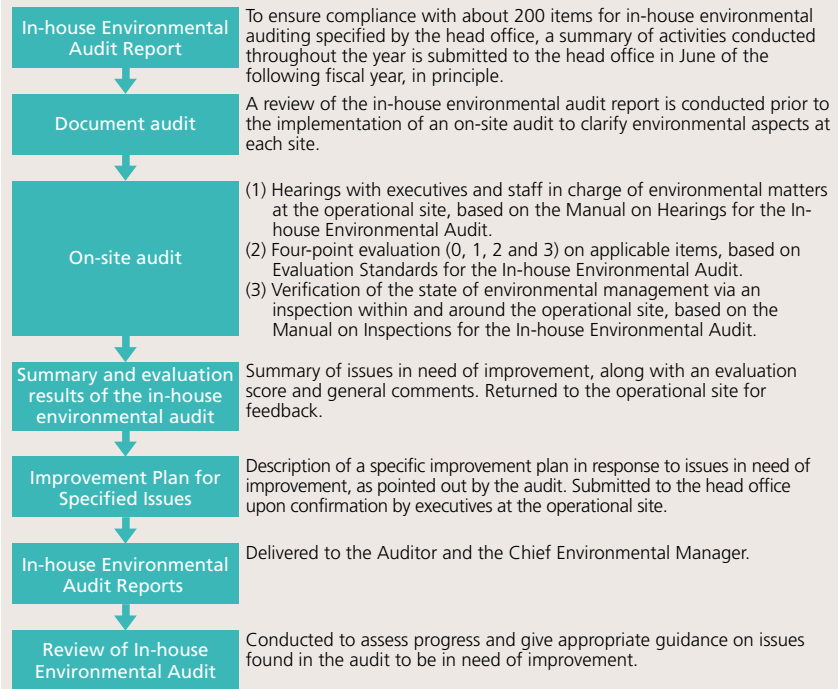
improvement measures on 121 items at 11 operational sites through an in-house environmental audit review.

Local hearings and inspections are carried out every other year at overseas production plants in the Americas and Asia. In fiscal 2003, local environmental auditing was carried out at three production plants in Asia. The company examined the status of environmental management and operations with respect to: 1) the understanding, operation, and confirmation of compliance with local environment-related laws and regulations; 2) the environmental impact on atmosphere and water; and 3) the daily control of waste materials. The inspection identified 23 items requiring further improvement. To improve the operational conditions, the overseas plants have used the same procedures employed under the Improvement Plan for domestic plants.



In-house environmental audit inspection

### Review of the In-house Environmental Audit



## Environmental Education, Environmental Compliance, and Emergency Response

Toppan provides a comprehensive curriculum on environmental education to maintain and improve the scope and quality of its environmental activities. The curriculum focuses closely on environment compliance, i.e., compliance with all laws and regulations related to the environment. The company also provides emergency training and carries out drills to ensure that its workforce can cope with accidents that threaten the environment.

### Environmental Education

To maintain and improve the quality and scope of its environmental activities, Toppan believes that its employees need to reach a new level of awareness. For this purpose, the company provides a systematic range of educational opportunities to raise the environmental consciousness of its entire workforce, from new recruits to top managers.

Toppan provides its recruits with various environmental education opportunities to enlighten them on the relationships between the printing industry and environment. Regular employees and newly appointed supervisors can also learn about specialized environmental issues by taking elective training programs or the supervisor's training course. At the site level, employees receive environmental training focused on the environmental burden of the specific production activities in which they engage. This training also encompasses countermeasures to deal with environmental burden undertaken by the company to heighten the environmental consciousness of the Toppan workforce. Each educational program is reviewed on a regular basis. In fiscal 2004, the elective education program will be opening a course to improve the skills of internal ISO 14001 auditors.

### e-learning

Mindful of the importance of enhancing education across the entire company, Toppan introduced an e-learning system supported by web-based training in fiscal 2002. This system offers educational opportunities for all employees without any constraints on time or place, and the network platform supports two-way communications for Q&A and other forms of dialog-based learning. Thanks to this system, employees can learn environmental issues effectively within a short time.

Some 5,500 employees have been educated through the e-learning system in the past two years, and the company plans to educate another 5,600 by the same method in fiscal 2004.

Toppan will continue to review and strengthen its environmental education

program by constantly reviewing its environmental education system.

### Approach to Environmental Compliance

#### Compliance with environment-related laws and regulations

Toppan's production plants comply with all environmental laws, regulations and agreements set by national and local governments. The plants also comply with Toppan's anti-pollution guidelines, which are usually stricter than those set by government.

The compliance status at domestic operational sites is reported to the head office in Eco-protection Achievement Reports every April. Overseas operation sites, meanwhile, submit Monthly Overseas Operational Site Reports, and compliance at both domestic and overseas sites is confirmed by in-house environmental audits.

In a fiscal 2003 review of compliance status, all of Toppan's Japanese production plants were found to be fully compliant with the standards on atmospheric emissions.

The biological oxygen demand (BOD) of wastewater from two sites exceeded the legal limit, but corrective measures quickly brought these levels back within the standard.

The environmental standards for soil were exceeded in two cases in fiscal 2001, one case in fiscal 2002, and one case in fiscal 2003. Toppan is now dealing with the problem by soil remediation (excavation and backfilling), and further remediation and surveys will be conducted in fiscal 2004.

Toppan received administrative notifications for exceeding the noise standards twice in fiscal 2002. Both cases were caused by malfunctions in outdoor facilities. Toppan immediately installed noise-insulation materials and reported the improved status to the relevant local governments. No administrative notifications were issued for noise in fiscal 2003.

No lawsuits, penalties, or civil fines were filed or imposed in fiscal 2003.

### Response to Stakeholder Requests

The communities around Toppan's plants filed a total of 40 complaints and inquiries in fiscal 2003, inconveniencing many stakeholders. The complaints dealt mainly with noise and odors, two forms of urban pollution. While most of the problems were promptly solved, several require further efforts. Toppan will continue to make capital investments in efforts to improve facilities and deepen communication with local residents.

### Emergency Response

Chemical solvents are handled and used on a daily basis at each operational site. Some types of accidents that occur during handling and use pose the risk of soil and water pollution, particularly those that occur when the solvent is being transferred from tank trucks to tanks. Toppan is now installing pollution-preventive devices and preparing oil fences, sandbags, and other measures to prevent the outflow of solvents in the event of leaks or similar accidents at sites susceptible to environment impact.

Periodic drills are carried out to prepare the workforce for emergency action. The procedural manuals are also regularly evaluated and updated to ensure that they remain effective for actual emergencies.



Leakage monitoring well at base of solvent tank

# Eco-protection Activities

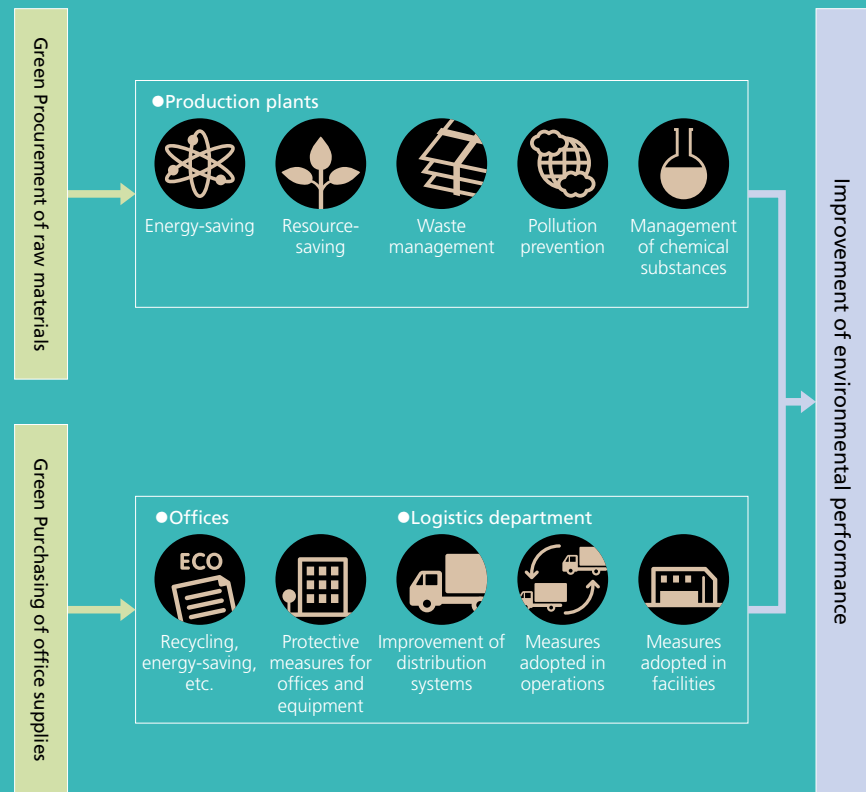
The efforts at Toppan to reduce the environmental burden of business activities are called Eco-protection Activities. At every logistics department, every plant, and every office, the people of Toppan aspire to conserve the global environment and foster a recycling-oriented society.

## Overview of Eco-protection Activities

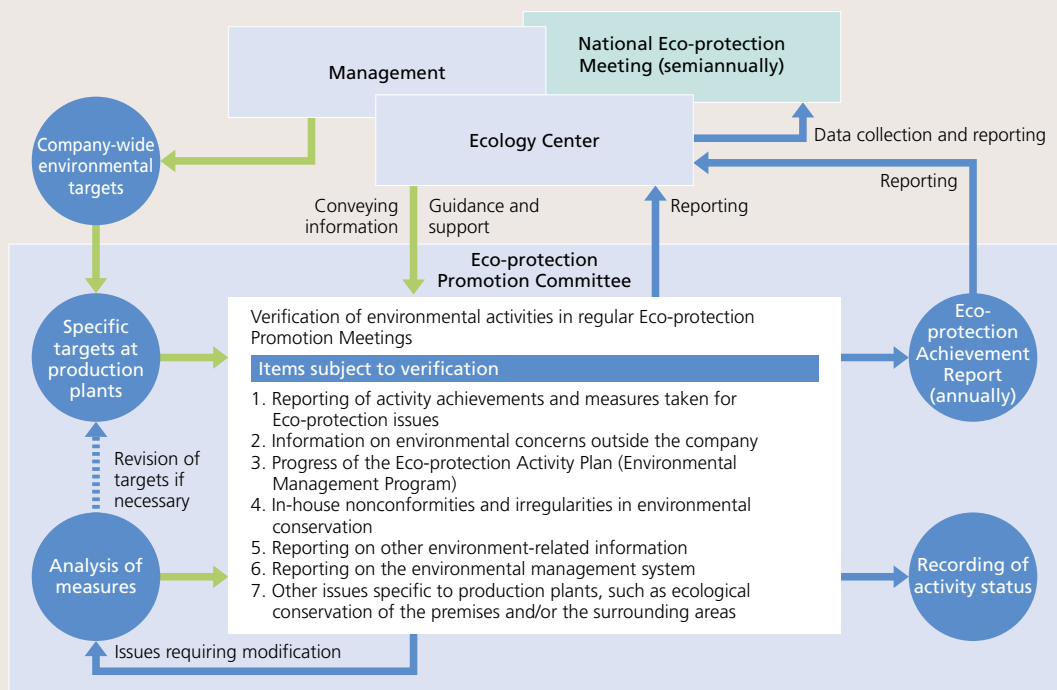
To reduce the environmental burden generated by production activities, every Toppan production plant has set up its own Eco-protection Promotion Committee in conformity with the company's Eco-protection Committee Operational Policies to reduce the environmental burden at the site level.

Every office at Toppan conducts Green Purchasing and active Office Eco-protection measures focused on recycling and energy-saving. Many office sites have also introduced systems to effectively use rainwater.

Toppan Logistics Co., Ltd., the logistics specialist in the Group, promotes eco-driving by encouraging the introduction of low-emission vehicles and other environmentally-friendly practices in the transportation operations of the Group.



## Activities of the Eco-protection Promotion Committee



## Energy-saving and Prevention of Global Warming

Toppan's use of energy and emissions of CO<sub>2</sub> both increased in fiscal 2003. Fortunately, however, improvements in Toppan's energy management system during the year are certain to strengthen the company's ability to implement energy-saving policies and analyze the causes of fluctuations in energy usage. Efforts to advance Toppan's reform activities and build up the foundations of its management system will continue.

### Energy-saving Activities

#### Basic policy on energy-saving activities

Toppan is constantly striving toward more effective ways to use energy in an effort to reduce greenhouse gas emissions, including CO<sub>2</sub> (carbon dioxide) emissions. Toppan has established the following medium- and long-term environmental targets:

- By fiscal 2010, Toppan seeks to increase its environmental burden improvement index (sales/CO<sub>2</sub> emissions) by 20% relative to the level in fiscal 2000.

This targeted reduction is tied to Japan's target for reduced CO<sub>2</sub> emissions under the Kyoto Protocol. The company also set targets for each fiscal year based on the medium- and long-term targets. To meet Toppan's overall targets for the year, every production facility sets individual targets per basic unit of production value and per basic unit of production volume.

In fiscal 2003, Toppan reviewed its management system for the rationalization of energy use. As first steps to reinforce its rationalization efforts, the company has overhauled its Energy Management Policy, appointed personnel to handle energy management at each production plant, and scheduled regular meetings of the Energy Subcommittee, a newly formed committee overseeing the Energy-



Energy-saving inspection at site



Energy-saving review

saving Activities. Equipment management activities are also being reviewed at each production plant to ensure compliance with the Energy-saving Law. Part of this effort includes the Energy-saving Review, a specialized review to identify and correct any problems.

Environmental management at Toppan is implemented through ISO protocols and measures to cut costs and render other improvements through total productivity maintenance (TPM). In the same way, Toppan's energy-saving activities will be implemented through the application of the PDCA cycle by the Energy Subcommittee for continual reform.

#### Fiscal 2003 achievements

Toppan set the following targets for energy consumption and CO<sub>2</sub> emissions in fiscal 2003:

- Basic unit of sales to energy consumption: Maintain the fiscal 2000 level
- CO<sub>2</sub> emissions: Maintain the fiscal 2000 level

Actual results for the year fell short of targets:

- Basic unit of sales to energy consumption: 14.9% increase compared to the level in fiscal 2000
- CO<sub>2</sub> emissions: 6.5% increase compared to the level in fiscal 2000

Difficult business conditions limited the growth of sales for Toppan in fiscal 2003. The company responded by opening new plants to provide new products and services. The inputs consumed and outputs generated in the construction of these plants heavily impacted the company's

environmental results for the year. Midway through the year, however, the completion of plant construction substantially reduced the environmental burden, and in the last six months of fiscal 2003, Toppan improved its index and cleared the fiscal 2000 level.

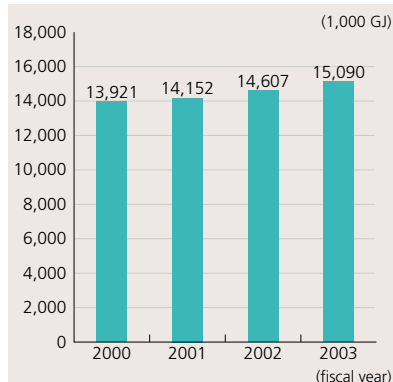
#### Approach to reducing greenhouse gas emissions

The Kyoto Mechanisms are a set of three mechanisms designed to help countries meet their greenhouse gas reduction targets under the Kyoto Protocol: joint implementation, clean development, and emissions trading.

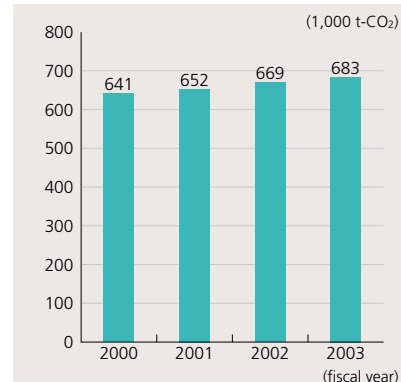
Toppan embarked on the use of the Kyoto Mechanisms by participating in a government trial project on the trading of greenhouse gas emissions between fiscal 2003 and 2004. Toppan has studied and exchanged opinions on the project in cooperation with the Ministry of the Environment and other participating companies with a view towards eventual implementation. The trading of greenhouse gas emissions will allow trading between companies that have failed to meet their targets and companies that have reduced their emissions beyond their targets.

Judging from the outlook on national energy policies, Japan cannot be sure of achieving the Kyoto Protocol targets. From fiscal 2004, Toppan will introduce various measures to reduce greenhouse gas emissions.

#### Energy Consumption



#### CO<sub>2</sub> Emissions



Note: Excluding certain overseas subsidiaries and independent subsidiaries. For calculating energy consumption and CO<sub>2</sub> emissions, the company referred to the Ministry of the Environment's Guidelines for Greenhouse Gas Emissions Calculations from Businesses.

## Managing Waste

Through its skillful management of waste materials, Toppan has reduced its final landfill waste disposal amount by 25.4% compared to the previous fiscal year and increased the number of zero-emission sites to 17. Toppan will continue to actively promote the reuse of waste as a recycled resource.

### Waste Reduction Activity

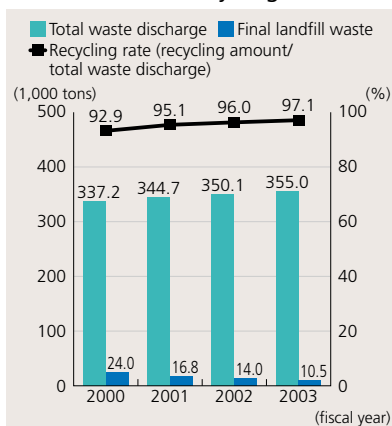
Waste paper, a waste product derived primarily from Toppan's Information & Networks and Living Environment fields, comprises 66.1% of the total waste discharged from Toppan's operational sites. Waste acids (such as waste etchant from plants in the Electronics field) and waste plastics (from plants in the Living Environment field) also make up substantial portions of the total waste discharge.

As an incentive for improved waste management performance, the company has set a target to reduce its final landfill disposal (direct landfill disposal amount + landfill disposal amount of residues from intermediate treatment) by 90% in fiscal 2010, relative to the level in fiscal 2000. In fiscal 2003, company-wide efforts to thoroughly sort and recycle wastes led to a 25.4% reduction in final landfill disposal relative to the fiscal 2002 level. This far surpassed the 10% reduction targeted for the year.



Sorted waste collection areas at Toppan Electronics Fuji Co., Ltd.

### Total Waste Discharge and Final Landfill Waste/Recycling Rate



Note: Past data have been adjusted based on a revision of the scope of coverage.

### Development of Zero-emissions Target

In a move to standardize its approach to waste reduction, Toppan launched activities to achieve zero-emission targets at a number of plants selected as "zero-emission models" in 1999. Based on the results achieved at these model plants, Toppan began certifying "zero-emission plants" in November 2001.

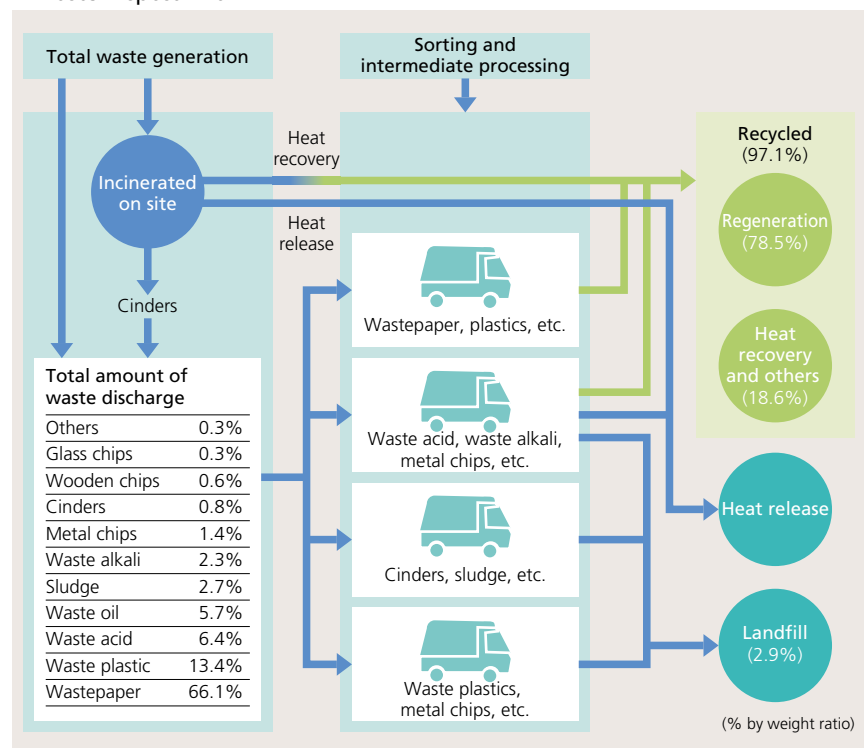
Toppan encountered obstacles in achieving its zero-emission targets when external factors beyond the company's control began dictating the regeneration-and-reuse rate (recycling rate). As a solution, Toppan reviewed its certification criteria and redefined zero-emission plants as plants with a regeneration-and-reuse rate of 98% or more. The Ecology Center in the head office certified 17 sites on the basis of these new criteria at the Toppan National Eco-protection Meeting held in November 2003.

### Reuse of Waste as Recycled Resources

Two important tasks in the work towards zero-emission efforts are to use wastes more effectively in-house and to develop recycling through external communication. Toppan is committed to reusing the waste from each process throughout the company.

In fiscal 2003, Toppan reused 7,086 tons of waste solvent and harnessed the heat from the incineration of 13,660 tons of waste collected in-house. The company consigns the recycling of acids to third parties and distributes the recycled acid to suppliers. In fiscal 2003, 7,775 tons of acid was recycled and put back into circulation.

### Waste Disposal Flow



## Pollution Prevention and Chemical Substance Management

Toppan is working to reduce its burden on the environment and prevent pollution by complying with legal regulations and establishing more stringent control standards of its own. Based on the PRTR Law, Toppan is actively promoting the management of chemical substances.

### Pollution Prevention Activities

Toppan is now developing activities to prevent pollution and minimize the environmental burden of its production activities. Through these efforts, the company will acquire an accurate picture of the actual state of the various environmental burdens at each operational site. The company is working actively to reduce its burden on the environment and prevent pollution by complying with in-house control standards (established by the Eco-protection Promotion Committee for each operational site) even more stringent than the legal regulations.

#### Preventing atmospheric pollution and protecting the ozone layer

To prevent atmospheric pollution, Toppan controls smoke-producing facilities such as boilers and incinerators by switching fuels and managing operations under appropriate combustion conditions. At the same time, the company has introduced waste gas processing equipment for the thorough control of atmospheric pollution prevention.

Substantial progress has been achieved in ozone protection. In March 1994, Toppan abolished the use of specific CFCs (chlorofluorocarbons) and 1,1,1-trichloroethane, two ozone-depleting substances mainly used in cleaning processes. Toppan regularly updates and replaces the remaining refrigerating machines that still use CFCs throughout the company (two units abolished in fiscal 2003, 15 units currently in use). Another solid achievement in ozone-protection for fiscal 2003 was a 28% reduction in the emissions of HCFCs (hydrochlorofluorocarbons), a family of CFC-substitutes used in cleaning processes.



Waste gas combustion facility at Sendai plant

#### Preventing water pollution

Toppan reduces water pollution at its plants by installing wastewater treatment facilities designed to ameliorate the environmental burden imposed by specific production processes.

In December 2003, the company introduced a fully closed wastewater treatment system at a plant newly commissioned to fabricate color filters in Mie Prefecture (Seki Town, Suzuka County). The system recycles 2,500 m<sup>3</sup> of wastewater per day, reducing the overall amount of wastewater discharged and ensuring the efficient use of water resources. The Mie plant also operates monitoring devices 24-hours a day to ensure that BOD (biological oxygen demand) and COD (chemical oxygen demand) levels never rise above the acceptable ceilings established by the company and the local municipality. The daily pollution levels of COD, nitrogen, and phosphorous are reported to Seki Town once a month.



Wastewater recycling facilities at Mie plant

#### Preventing soil pollution

Toppan's principal safety concern in managing its chemical solution storage tanks is to prevent the leakage of fluids. Walls have been constructed around the storage tanks, and workers regularly inspect the tanks and piping to detect cracks and other flaws before soil pollution can occur.

### Managing Chemical Substances

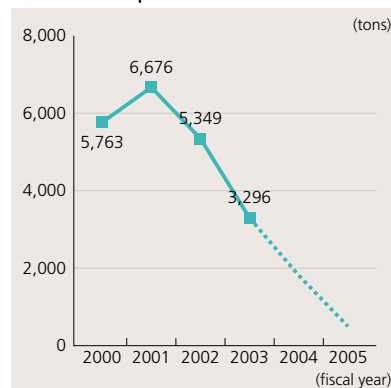
Toppan has managed its chemical substances in conformity with the PRTR Law since the law went into force in July 2000. Management systematically studies the status of chemical usage and explores the feasibility of introducing alternatives to improve compliance with environmental targets.

#### Achievements in fiscal 2003

The atmospheric emissions of 11 of the 21 specified chemical substances monitored by the company in fiscal 2003 declined from their levels the year before. Emissions of toluene and dichloromethane, two substances subject to environmental targets, plunged by 38% and 23%, respectively. Emissions of seven of the substances discharged into waterways were reduced. Three of them were almost completely eliminated.

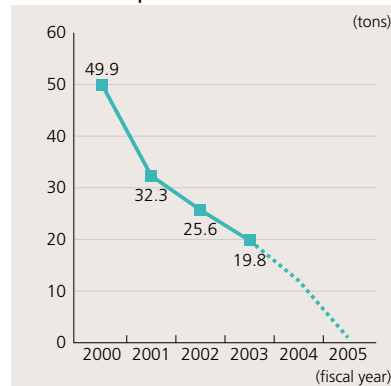
Toppan will continue its planning for ongoing reductions in the use and emission of the chemical substances specified by the PRTR.

#### Toluene Emission into the atmosphere



Note: Covers operational sites that handle at least 1.0 ton annually.

#### Dichloromethane Emission into the atmosphere



Note: Covers all sites with data on handling.

## Office Eco-protection Activities

As the name suggests, the "Office Eco-protection Activities" are the recycling, energy-saving, and resource-saving measures undertaken at Toppan's offices. Office Eco-protection starts with environmental awareness among office people. Toppan offices have also been practicing Green Procurement since fiscal 2002.

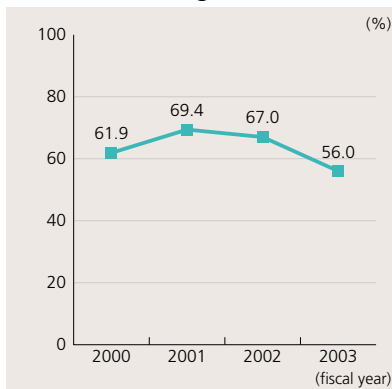
### Office Eco-protection

The amount of scrap paper recycled at offices increased in fiscal 2003, but the recycling rate actually declined to 56.0%, reverting back to pre-fiscal 2002 levels. This sharp drop was mainly due to a major restructuring operation that required the incineration of many tons of documents to protect confidential information.

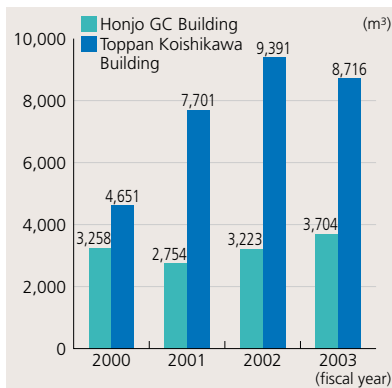


Paper sorting station in Hiroshima Sales Building

### Waste Paper Recycling Rate in Office Buildings



### Utilization of Rainwater



### Green Purchasing

If Toppan is to contribute meaningfully to the achievement of a recycling-oriented society, the company believes that as a purchaser it must place priority on environmentally-friendly products. Management established its Basic Policy on Green Purchasing in January 1999 and promptly initiated Green Purchasing throughout the corporation. Under the Green Purchasing policy, Toppan continually selects and purchases products that meet its in-house Green Purchasing standards, especially in the designated product categories of office paper, copiers and printers, personal computers, stationery, office supplies, and toilet paper.

#### In-house Green Purchasing Standards and Achievements

Designated products	Purchase standards	Rate achieved	
		Fiscal 2002	Fiscal 2003
Office paper	Must be made of 70% or more recycled paper, with a white-sheen of 80% or less.	98.6%	98.3%
Copiers and printers	Must have an automatic sleep or shutdown function after remaining idle for a specified period.	97.9%	90.8%
Personal computers	Must have a fully incorporated automatic sleep or shutdown function after remaining idle for a specified period, with limited electricity consumption in sleep mode.	100.0%	100.0%
Toilet paper	Must be made of 100% recycled paper, with a white-sheen of 80% or less.	100.0%	100.0%
Stationery and office supplies	Must bear an appropriate certification (Eco-Mark, Green Mark, etc.) or classification as an environmentally-friendly product in the manufacturer's catalog.	86.6%	92.6%

#### Toppan's Green Procurement Standard

##### Paper

	Level 1	Level 2	Remarks
1. Use of recycled paper	Must be made of 100% recycled paper	Must be made of at least 70% recycled paper	Tree-free paper and paper made from tree-thinnings are included in the calculated percentage of recycled paper
2. Consideration of white-sheen	Must be approximately 70% or less (up to + 4%)	Must be approximately 80% or less (up to + 4%)	Excluding high quality colored paper and special paper
3. Consideration of coating	Must be 12 g/m <sup>2</sup> or less (8 g/m <sup>2</sup> max. for one side)	Must be 30 g/m <sup>2</sup> or less (17 g/m <sup>2</sup> max. for one side)	

##### Offset printing ink\*

	Level 1	Level 2	Remarks
1. Non-use of substances harmful to human body	Must conform to the NL (Negative List) designated by the Japan Printing Ink Manufacturers' Association		
2. Non-use of chlorinated resin	Must not include chlorinated resin		
3. Consideration of PRTR-designated substances	Consideration of PRTR-designated substances	Must identify the PRTR-designated substances used (MSDS to be prepared)	
4. Limitation of VOC (Volatile Organic Compound) emission	The proportion of petroleum solvent is 15% or less (except for rotary press ink)	Must be aroma-free ink, soy ink, or recycled vegetable oil ink	

\*Note: Excluding gold, silver and pearl inks.



## Efforts in Logistics

Toppan Logistics Co., Ltd. handles the distribution and logistics of the Toppan Group. The main environmental challenge in logistics is to reduce the environmental burden caused by transportation. Among other activities, this Group is actively introducing low-emission vehicles, eco-driving, and management systems.

### Issues and Efforts in Distribution Departments

The logistics departments of the Toppan Group are undertaking and developing various activities to reduce atmospheric pollutants, including CO<sub>2</sub>, NO<sub>x</sub>, and PM emitted from company trucks.

### Utilizing the environmental management system

The efforts by Toppan Logistics Co., Ltd. to reduce atmospheric pollutants and protect the environment center on the operation of its environmental management system.

The Kawaguchi site earned ISO 14001 certification in October 2002 and the Nishigaoka area is preparing to obtain this certification in fiscal 2005. The transportation departments obtained the Green Management certification from the EcoMo Foundation in October 2004.

### CO<sub>2</sub> reduction results

The Toppan Group continuously operates its Environmentally Balanced Logistics Management system in order to further reduce CO<sub>2</sub> reduction.

As an initial goal for fiscal 2010, the Group targets a 10% reduction of CO<sub>2</sub> by unit energy consumption compared to the fiscal 2002 level. Consumption in fiscal 2003 dropped by 4% year on year. As specific measures to cut CO<sub>2</sub> emissions, the Group is reducing the number of vehicles, shortening transport distances, and adopting alternative transport energies.

Consolidated shipments of different types of goods from multiple production plants in a certain area have markedly reduced the number of vehicles used. The Group is also shortening transport distances by running daily transport simulations to determine the most efficient routes.

### Improving fuel efficiency

The Toppan Group targets a 20% improvement in fuel efficiency over the fiscal 2001 level. An improvement of 13.3% was obtained in fiscal 2003.

Eco-drive activities remain the focus of the Group's efforts in fiscal 2004. The Group is now building on its success with its own vehicles by promoting lateral eco-drive activities at 10 cooperating transport companies. Each of these companies will set its own targets and use its own methods for management. From fiscal 2005, the program will be adopting standardized methodologies and gradually expanded to other transport companies.

#### Measures for Improving Fuel Efficiency

1. Hold eco-drive seminars (semiannually)
2. Hold training sessions (semiannually)  
Trainees drive the test course before and after training by a professional driver. Upon completion of the second driving trial, they compare data on their driving performance before and after the training to learn how they improved (Effect Realization Training)
3. Driving monitoring (daily)  
The actual driving techniques being used are determined from tachograph analysis of idling stops, sudden braking, sudden acceleration, etc.
4. Feedback on problem areas (as needed)  
Instructors meet with drivers and coach them on the techniques they need to improve
5. Disclosure of achievements (monthly)  
Improvements in fuel efficiency are posted monthly for individual drivers (Achievement Confirmation)
6. Roll-call chart (daily)



Eco-drive seminar



Eco-drive road training

### Introducing low-emission vehicles

Vehicles owned by Toppan Logistics Co., Ltd. are being converted to low-emission vehicles (adapted to the standards of eight municipalities surrounding Tokyo) throughout the company. The introduction rate in fiscal 2003 was 100%, including CNG (compressed natural gas) vehicles.

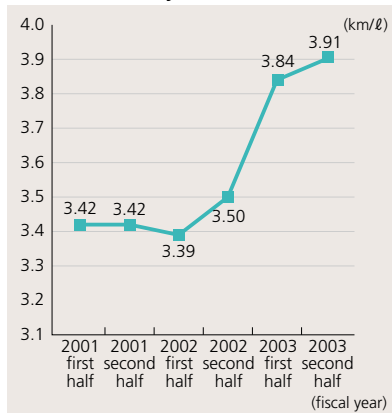


Low-emission vehicle



CNG vehicle mark

### Fuel Efficiency



### Waste reduction

The main types of waste generated in the logistics departments are wastes used in the transport of goods and office-related scrap paper. The Kawaguchi site has achieved 100% recycling of its waste and is making headway towards its goal of converting most of its waste into commodities. In fiscal 2003, the amount of waste converted into commodities rose by 75.7% over the fiscal 2002 level.

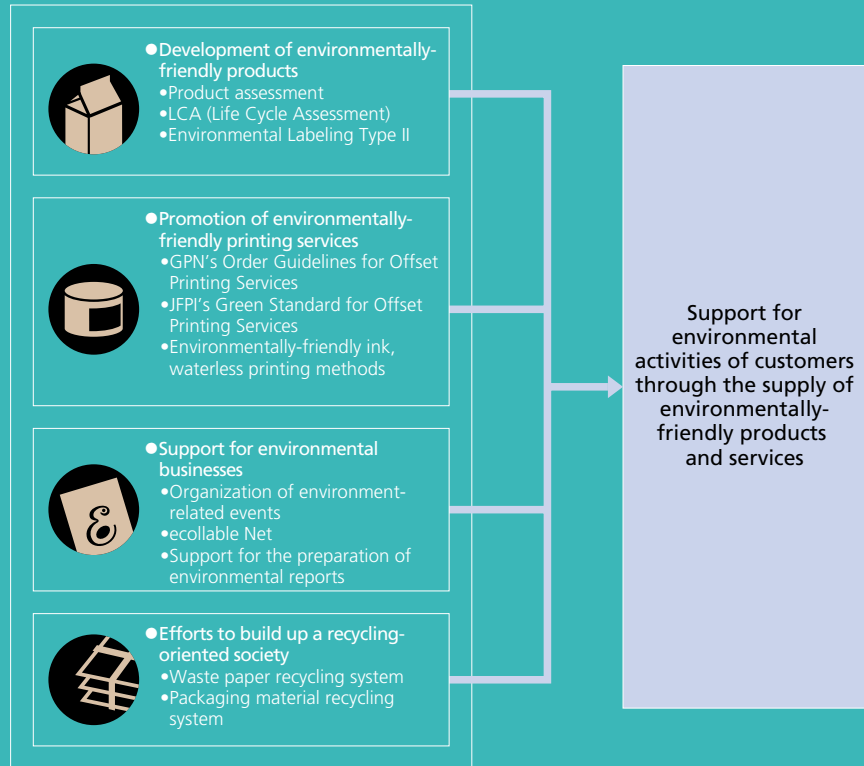
# Eco-creativity Activities

Toppan's "Eco-creativity Activities" are an array of environmental businesses that provide environmentally-friendly products, technologies, and services. The product life cycle from production to disposal is classified into 14 steps, each with its own environmentally-friendly features.

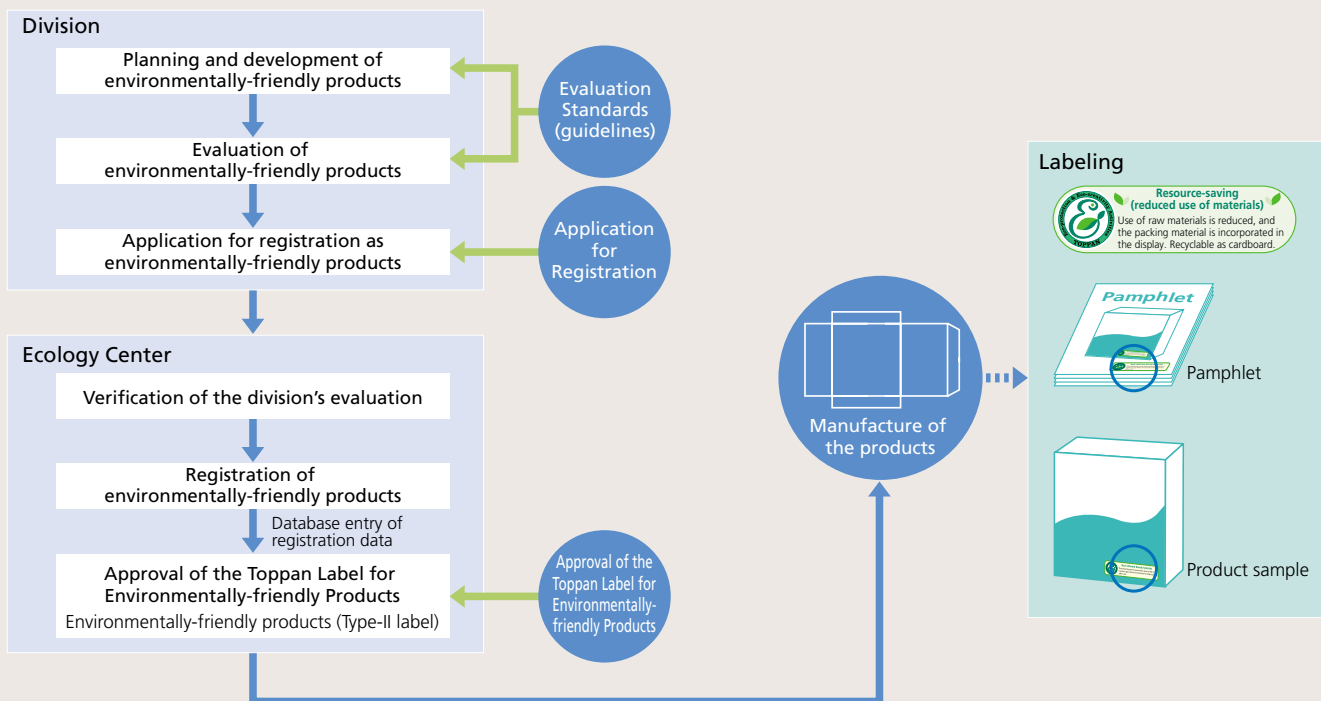
## Overview of Eco-creativity Activities

The Environmental Business (Eco-business) at Toppan is designed to help create a recycling-oriented society through the supply of environmentally-friendly products, technologies, and services based on environmentally-friendly business activities conducted by the company globally. Each division actively promotes this business by undertaking what Toppan calls Eco-creativity Activities.

Eco-creativity Activities are broadly categorized into two different areas. The first covers research and development of environmentally-friendly products. Product developers begin by preparing Evaluation Standards (guidelines) that take full account of product lifecycles. The second area encompasses environmental support businesses to support environmental initiatives in collaboration with customers, NPOs, and other organizations.



## Environmentally-friendly Product Management Flow



## Development of Environmentally-friendly Products

Toppan has established an original set of evaluation standards based on the concepts of the ISO 14021 self-declaration labeling system for planning and development. The products developed on the basis of these standards have been highly praised in the market.

### Toppan's Basic Thinking on Environmentally-friendly Products

#### 14 Environmental Claims for planning and development

Toppan plans and develops its environmentally-friendly products in accordance with the environmentally-friendly product management flow described on P. 64.

The design and development procedures conform with a set of 14 Environmental Claims in the Evaluation Standards (guidelines) developed independently by Toppan based on ISO 14021 standards. Each division carries out its own evaluation, and the Ecology Center performs a final inspection to ascertain whether the developed products meet all the criteria for registration as environmentally-friendly products. Only products that pass the final inspection can be registered as environmentally-friendly products.

In addition to adding environmental labels to clarify the features of its environmentally-friendly products, Toppan has publicly disclosed its 14 Environmental Claims to ensure accountability. Seventy environmentally-friendly products were registered as of the end of March 2004.

#### Toppan's 14 Environmental Claims and Environmental Features

Life Cycle Stage	ISO 14021 Environmental Labeling Type II	Toppan's 14 Environmental Claims for its Environmentally-friendly Products	Toppan's Standards
Production and distribution		1. Use of safe materials	The company will not use substances banned by industry organizations or substances that may result in the contamination of any of the materials used in the company's products with environmental hormones.
	Recycling rate	2. Use of recycled materials	Toppan will not produce products from recycled materials that do or may contain environmental hormones or substances banned by industry organizations.
	Resource reduction	3. Resource-saving	The consumption of resources is reduced during the materials production and logistics processes.
		4. Reduced energy consumption in production (newly set from fiscal 2004)	The consumption of energy and water is reduced during the production and logistics processes.
	Recovered energy	5. Use of recovered energy	Products are manufactured with surplus energy or energy recovered from waste materials.
	Reduced solid waste	6. Reduced solid waste	The generation of solid waste is reduced through modifications of the production process, product design, and packaging. (By-products reused in processes are not included in this category.)
Use	Energy-saving	7. Energy-saving	Energy consumption is reduced during product operation.
		8. Reduced release of chemical substances	The products release the lowest possible levels of chemical substances.
	Long-life products	9. Long product life	Product lifetimes are extended by improving durability and adopting scalable designs.
After use	Reusable/ Refillable	10. Reusability	The products can be reused or refilled for their original or related purposes. Systems and infrastructures are provided for collection and reuse.
	Recyclable	11. Recyclability	Systems and facilities are provided for product recycling. Recyclable parts are indicated as such.
		12. Suitability for disposal	The materials used discharge the lowest possible levels of harmful gas during incineration. Landfill waste is carefully treated to prevent all forms of soil pollution.
	Easy detachment design	13. Easy separation and disassembly	Product designs enable easy separation and disassembly. The parts and materials used support product recycling.
	Separability	14. Biodegradability	The biodegradable or photodegradable materials contained in the products break down naturally and are assimilated back into the environment.



Recycled materials

Recycled vegetable-oil ink



Long-life

Rewritable paper and printer



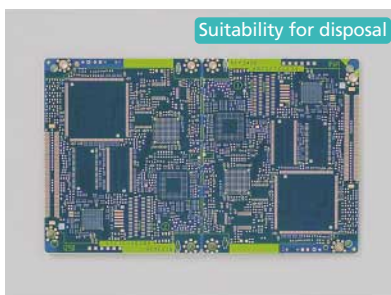
Safe materials Suitability for disposal

PURE ALL (kitchen cabinets)



Resource-saving

Eco Pack Stand (round type)



Suitability for disposal

Low-halogen printed wiring board



Resource-saving

Double-wall barrier cups

# Evaluation of Environmentally-friendly Products

Toppan's environmentally-friendly products are evaluated quantitatively by life cycle assessment (LCA) in accordance with ISO 14040 standards.

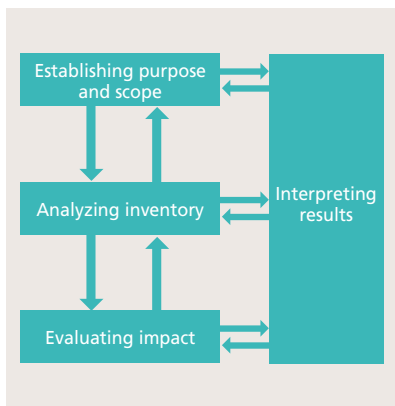
## Toppan's LCA Activities

### Quantitative evaluation based on ISO 14040

Every good company takes steps to understand the impact of its products on the global environment. Toppan does so quantitatively by performing environmental evaluations utilizing LCA in compliance with ISO 14040.

Toppan performed two major LCAs in fiscal 2003. The first was performed to calculate the waste processing burden in the life cycles of *Ecofoil* products, a family of interior housing materials in the Living Environment field. The second was performed in the Electronics field to quantify the CO<sub>2</sub> emissions throughout the life cycles of the color filters used in LCD displays. No LCAs have yet been completed in the Information & Networks field, but the process is continuing and the company is preparing to expand the assessments to other products.

### LCA Standards Sheet



LCA data and report

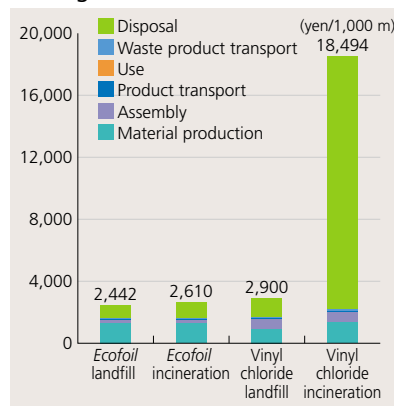
### Quantitative evaluation using LIME

Toppan is now researching a method to quantitatively evaluate the environmental impact of its products using the Japanese version of LIME (Life-cycle Impact assessment Method based on Endpoint modeling) developed under the national LCA project. Though LIME is still less familiar than LCA, it makes the environmental burden easier to grasp by expressing it as a pecuniary sum (yen).

In fiscal 2003, Toppan used LIME to calculate the environmental impacts of vinyl chloride sheets and non-vinyl chloride sheets (*Toppan Ecofoil*) for housing interiors. The calculations covered two different methods of disposal: landfill waste disposal and incineration. In both cases, *Ecofoil* was confirmed to have a lighter impact on the environment than the conventional vinyl chloride sheets. The calculations also revealed that the incineration of the vinyl chloride sheets has an extremely high impact on the environment.

Toppan has been conducting LIME for other environmentally-friendly products, as well.

### Comparison of Disposal Methods Using LIME

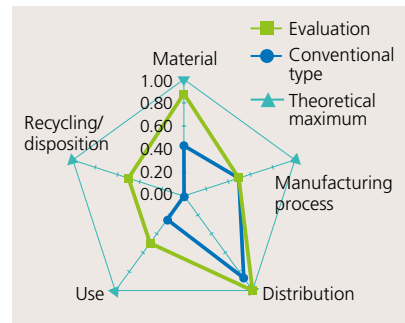


Toppan Ecofoil (door material)

## Product Assessment

### Control and evaluation of environmental impact

Toppan had developed its own method to evaluate the environmental burden of its catalogs and POP displays qualitatively using radar charts.



## Efforts by Toppan Group Companies

### Products based on original standards

Toppan Group companies are also working to achieve a sustainable society through productive activities that conserve the global environment. Each Group company is committed to the development of environmentally-friendly products based on original standards in its field of operation.



Suitability for disposal

Easily detachable label from Toppan Label Co., Ltd.



Recycled materials

Nursery Woody Chair from Froebel-Kan Co., Ltd.

## Promoting Environmentally-friendly Printing Services

Toppan provides its environmentally-friendly printing services to respond to the demands of society.

Every process is approached from an environmentally-friendly stance, from the initial design and selection of environmental inks and papers to the latter stages of printing, binding, and processing.

### Introducing GPN's Order Guidelines for Offset Printing Services

#### Environmentally-friendly from paper to production

As a member of the Green Purchasing Network (GPN), Toppan minimizes the environmental impact of printing and provides printing services based on the Guidelines for Ordering Offset Printing Services. The company applies environmentally-friendly technologies at every step in the process, from the selection of designated inks and papers to surface processing, binding, and packaging. Many local governments and companies involved in green purchasing activities have adopted these services.



#### ■ Green Purchasing Network (GPN)

A nationwide network founded in 1996 to promote Green Purchasing. As of July 1, 2004, membership totaled 2,803 organizations, including 2,184 companies, 356 administrative organizations, and 263 private organizations. The network announced its Order Guidelines for Offset Printing Services (GPN-GL14) in December 2001.

### Examples of Cutting-edge Environmentally-friendly Printing Services

#### Design and plate-making

Toppan's "Perfect Digital Process" employs the most sophisticated plate-making and printing techniques in the industry. This relatively new technology takes conventional DTP (desktop publishing) to the next level in terms of saving resources and labor.

#### Toppan's Advanced Technology

- Color Management System (CMS): A computer-based color management technology for printing
- Digital photography technology: A photographic technology that requires no film
- DDCP (Direct Digital Color Proof): A color proof technology that generates far less film at the plate-making stage
- CTP (Computer to Plate): A plate technology that sends digital data directly to the printing plate

#### Using environmentally-friendly inks

Toppan has developed a soybean oil ink that contains virtually no aromatics, a class of organic compound thought to be harmful to both life and the atmosphere. The company has also commercialized a recycled vegetable oil ink made from used soybean oil collected from school cafeterias, restaurants and other such sources.

#### Toppan's environmentally-friendly paper

Printing paper is a commodity made from forest resources. Three types of printing paper in use today help conserve forest resources: recycled paper, tree-free paper, and paper made from tree-thinnings.

#### Waterless printing system

In lieu of water, the waterless printing system uses a silicone layer that repels ink. This eliminates the need for dampening water containing IPA (isopropyl alcohol), an organic solvent, and the resulting discharge of liquid waste.



#### Environmental-friendly bookbinding and finishing processes

Fragmentation-resistant hot-melt is an adhesive suitable for use on paper to be recycled. Besides offering strong cohesion, it can be completely removed from printed materials without fragmenting during recycling. Toppan has also developed Eco-binding and other bookbinding and manufacturing processes that confer outstanding recyclability to bound printed materials by eliminating the use of stitching (wire).

### ■ Environmental Considerations in Producing this Report

Toppan actively applies various environmentally-friendly technologies and methods in the printing of the *Toppan CSR Report*. The printing of this year's main section on 100% recycled paper markedly expanded Toppan's experience in collecting used paper from the market. The Data Report is made exclusively from paper made from 10% tree-thinnings and 90% recycled paper collected from the market. The use of paper made from tree-thinnings nurtures the forests of Japan.

#### ■ Environmental Considerations in the *Toppan CSR Report 2004*

Process	Specific measures	Environmental consideration
Photography	Use of digital photography whenever possible	Elimination of filming and development processes (photographs used in data form)
Design and editing	Digital processes by DTP	Reduction of mid-process materials
Plate-making	Plate-making by CTP	Elimination of films for plate-making
Printing	Sheet-fed press waterless printing	Reduction of IPA use Elimination of waste fluids
Paper	Cover: 70% recycled paper, 30% non-chlorine bleached pulp paper Main section: 100% recycled paper Data Report: Printing paper made 10% tree thinnings and 90% recycled paper	Forest resource-saving and encouragement of forest nurturing
Ink	Recycled vegetable oil ink made for waterless printing	Resource-saving, use of recycled materials
Bookbinding and finishing	Fragmentation-resistant Hot-Melt (EVA-base)	Improved recycling efficiency

## Environmental Support Business

The Eco-Workshop, the ecollable Net, and Toppan's services to support the preparation of CSR and environmental reports provide rich solutions for customers seeking to expand their own environment activities. Toppan bases its customer solutions on its extensive experience in communicating with customers over the years.

### Eco-Workshop

In Toppan's unique Eco-Workshops for children, 12 artists renowned for their use of natural and recycled materials teach lessons on nature and the environment through craft-making each year. At Eco-Products 2003, visitors learned how to create Christmas ornaments from scrap poster paper at the Toppan Booth (instructor: Eriko Teranishi).

In the Eco-Workshops held so far in shopping centers and event halls, participants have learned how to create stone art paintings, "objet" art from driftwood, and sculptures using recyclable milk cartons. The workshops are popular among whole families as enjoyable "eco events."



Making Christmas ornaments

### Support in Preparing CSR/ Environmental Reports

In the late 1990s, the environmental report emerged as an important communication tool to promote dialog on the environment between companies and stakeholders. The number of companies publishing such reports has since been steadily growing. From around 2003, many companies began replacing their environmental reports with reports on Corporate Social Responsibility (CSR), expanding the scope of coverage from the environment to social and economic issues. This evolution stems naturally from the globalization of business and the emergence of economic, social, and environmental issues that require new relationships among companies and stakeholders, including all entities in the supply chain.

Toppan has built up a wealth of experience in five years of running its environmental-report support business. Recent research on CSR trends and guidelines has been especially useful to Toppan in its work to assist companies creating their own CSR reports.

### ecollable Net

Toppan's ecollable Net is a network-based environmental monitoring system designed to bridge the gaps separating businesses, administrative departments, and Green Consumers (consumers who take an interest in environmental activities) by soliciting the latter to respond to polls on the web. The ecollable Net was developed in collaboration with Chubu Recycle, an environmental NPO that continues to work with Toppan in the operation of the network.

The support and approval from Green Consumers help Toppan achieve balanced growth in its environmental activities.



ecollable Net website  
<http://ecollable.eal.or.jp/> (in Japanese)

### Spreading the Circle! FSC-certified Products

Toppan's Commercial Printing Division was awarded the Chain of Custody (CoC) certification by the Forest Stewardship Council (FSC), an international environmental NGO, in May 2002. This was the first such authorization awarded in the printing business sector in Japan. The Commercial Printing Division was also awarded the FSC certification in wooden processing in February 2003. With this certification, Toppan is authorized to affix the FSC logo on both printed matter (paper) and a variety of products made entirely of wood, including POP displays, display stands, and novelty items. More and more companies are adopting FSC-certified paper for their corporate communications tools, especially environmental reports.

Among processed wood products, Toppan has completed testing of display stands for exhibition booths and established a system for taking orders from customers.

Toppan will be widening this circle of FSC-certified products once its sales activities are fully underway.

\*FSC Forest Certification System  
 A certification system for well-managed forests based on the 10 principles and standards of forestry management set down by the Forest Stewardship Council. Wood processing and wood manufacturing sites have also adopted systems to separately manage wood materials from FSC-certified forests and indicate the amounts of FSC-certified materials contained in their final products. This FSC CoC (Chain of Custody) certification gives assurance that FSC-certified products are made at well-managed manufacturing sites. The age of forest "traceability" has finally arrived.



FSC-certified display stand

## Efforts to Create a Recycling-oriented Society

Toppan is fully aware of the importance of taking the initiative in reducing, reusing, and recycling to achieve a sustainable society, and undertakes a host of activities in these areas.

### Cartocan Recycling

#### In-house paper recycling

Toppan understands the importance of reducing waste by converting used products into materials for new products. The Packaging Division developed a recycling system to manufacture toilet paper from used *Cartocans* in January of 2002. The company engages in production and filling operations for *Cartocan*, one of its main packaging products.

The *Cartocan* recycling system salvages the paper from unwashed *Cartocans* and re-commercializes the recycled material. *ECO-GREEN*, an environmentally-friendly toilet paper, is made from about 50% used *Cartocans*. Toppan purchased 1,473 cases (60 rolls a case) of *ECO-GREEN* in fiscal 2003, making it the nation's largest user of the product.

### Establishment of a Printed Material Recycling System

#### Recycling printed materials into original printing paper

Recycling must be earnestly adopted in every part of life before a truly recycling-oriented society can be achieved. Toppan has been promoting a self-completing recycling system for printed materials that encourages activities conducive to resource conservation.

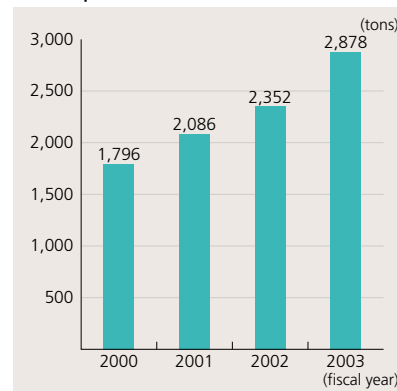
Yet this is a system that can only bear fruit if the paper manufacturers share Toppan's goal of creating a recycling-oriented society. Discarded printed materials recovered from consumers by paper manufacturers are recycled into Toppan's original printing paper and redelivered to consumers in the form of new printed materials.

The company has promoted the collection of catalogs and is now studying whether it can promote the collection of other printed materials in other businesses as well.

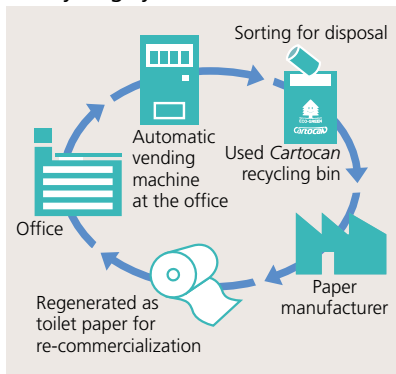
#### Activities in the Chubu region

The Chubu Division of Toppan is presently operating the printed material recycling system in collaboration with the Tokai Co-op Consumers' Co-operative Federation, along with its member co-ops: Meikin Coop, Co-op Gifu, Mikawa Citizens' Co-op, and Co-op Mie. During fiscal 2003, the system recovered 2,878 tons of used paper, an approximately 22% increase over the previous fiscal year.

■ Catalog Recovery at the Tokai Co-op

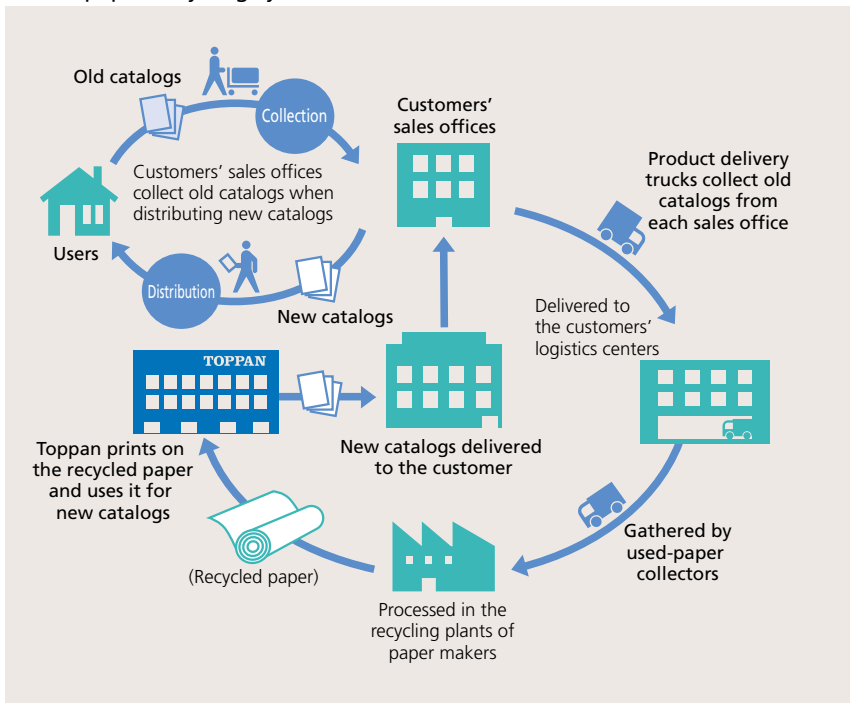


#### ■ Recycling System



Cartocans and ECO-GREEN

#### ■ Used-paper Recycling System



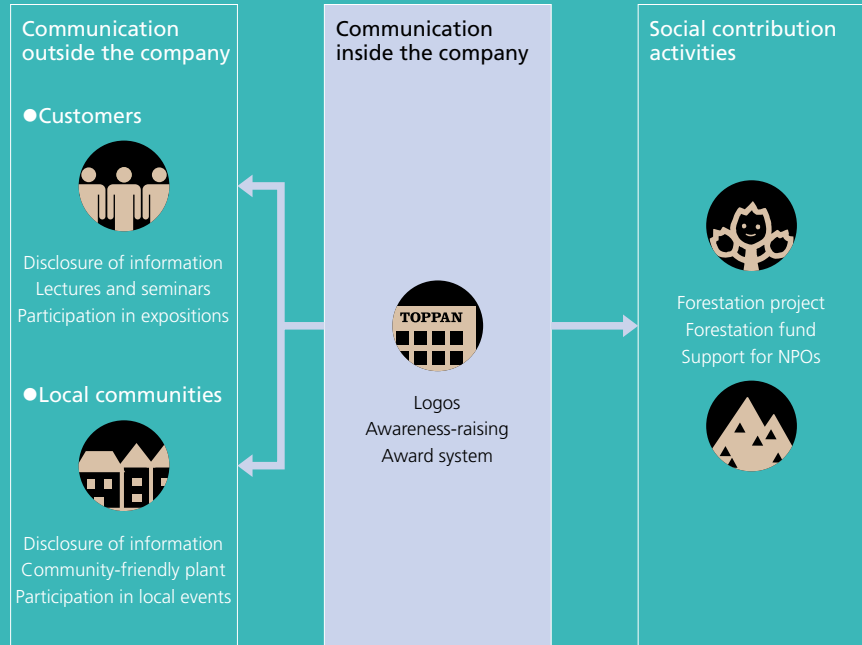
# Environmental Communication Activities

To add substance to its environmental activities, Toppan must develop an awareness of environmental practices not only among its employees, but also among the many people outside the company with whom it does business. Toppan's communication activities are geared to raise environmental awareness both inside and outside the company and stimulate environmental communication activities at a variety of levels in the wider community.

## Overview of Environmental Communication Activities

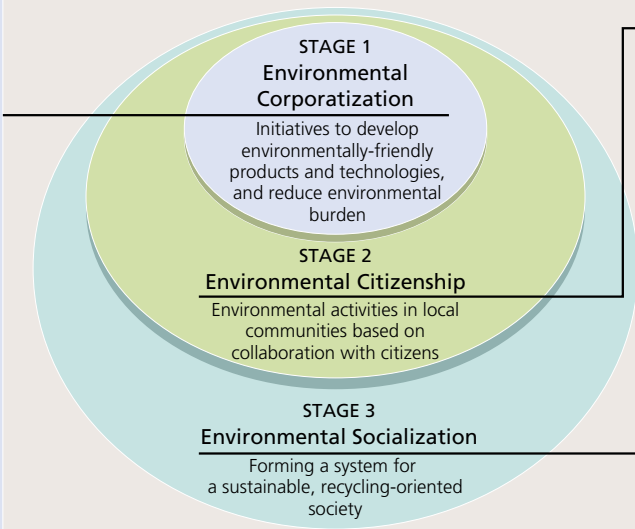
Environmental Communication Activities play a major role in Toppan's environmental management. Desired results hinge on close cooperation within the company, as well as active collaboration between Group companies. Assuredly, however, the effects of Toppan's environmental communication must extend far beyond the Group. As a responsible corporate citizen, Toppan uses its activities to forge a unified commitment towards the building of a sustainable, recycling-oriented society among citizens, industry, government, and academia.

A great many of Toppan's communication activities are conceived as drivers for environmental management.



## Categories of Environmental Communication Activity

- Established Toppan Declaration on the Global Environment
- Established the Ecology Center
- Structure and operation of the environmental management system
- Environmental accounting, environmental education, environmental compliance
- Eco-protection Activities at production sites
- Office Eco-protection Activities
- Introduced low-emission vehicles; promoted eco-driving
- Developed Toppan Environmentally-friendly Products
- Evaluated products based on LCA and prior product assessments
- Promoted environmentally-friendly printing service
- Promoted a support business for preparing environmental reports
- Adopted Toppan's Environmental Logo
- Introduced the Toppan Environmental Link
- Established the President's Ecology Awards



- Issued the *Environmental Report* and *Site Reports*
- Environmental declaration through the Toppan Label for Environmentally-friendly Products
- Production Phase for Environmental Communication
- Risk communication
- Activities for symbiosis with local communities
- Ecosystem-saving activities

- Exhibitions at Eco-Products 2003
- Operated the Environmental monitoring system, ecollable Net
- Operated the Tokai Co-op catalog recycling system
- Operated the *Cartocan* recycling system
- Donated to the Forest Fund (forest-saving and environmental education funds)
- Invested in a joint forestation venture in Australia



## Communication Inside the Company

The information-sharing system on the Toppan intranet raises employee awareness of environmental issues and the environmental philosophy of the company. The President's Ecology Awards recognize outstanding environmental activities.

### Adoption of Toppan's Environmental Logo

#### Environmental awareness of every employee

Every employee within Toppan must share an awareness of environmental issues if the company is to fully understand its own impacts and promote comprehensive environmental activities. The Toppan environmental logo adopted in 1999 is now printed on in-house publications, business cards, stationery, and other materials to remind employees of the constant need for environmental action.

#### ■ Toppan's Environmental Logo



Toppan aspires to devote increasing attention to the global environment through its Eco-protection and Eco-creativity Activities. The Environmental Logo expresses both the Corporate Philosophy and Conduct Guidelines. Toppan's environmental efforts and actions are symbolized as a seed that will germinate and grow. The stalk shooting out of the seed symbolizes the "E" of ecology, and its two leaves represent Toppan's Eco-protection and Eco-creativity Activities.

### Principal In-house Communication Activities

#### Earth Month and energy-saving months

Three months of the year have been accorded environmental themes to mobilize the involvement of the entire Toppan workforce: June is "Earth Month"; February and August are "energy-saving months."

To prepare for the various activities conducted during Earth Month, Toppan selects environmental slogans submitted by Group members in a company-sponsored contest. The No. 1 slogan is printed on posters and distributed for display throughout the month. The creators of the winning slogans receive cash prizes, as well. In the fiscal 2004 contest, Toppan chose eight winning slogans from among 4,392 submissions sent in: the No. 1 slo-

gan for the month, two outstanding slogans, and five exemplary slogans.

During energy-saving month, each operational site posts inspirational posters and slogans to promote energy-saving activities. When the month comes to an end, each site publishes details of its energy-saving measures in activity reports distributed throughout the entire company.



Poster for Earth Month

#### Toppan Environmental Link

The Toppan Environmental Link website was set up on the in-house intranet in May 2001 as a channel for sharing environmental information and raising employee awareness on the environment. Links to environmental information and data on environmentally-friendly products inside and outside the company are provided.

Toppan began reviewing the system in fiscal 2003 and has provided interactive input to stimulate in-house communication activities.



Toppan Environmental Link (in Japanese)

#### Environmental Meetings of the Toppan Group

Toppan holds regular environmental meetings with Group companies to ensure a common approach to environmental issues. The largest of the meetings are the National Eco-Protection Meeting and National Eco-creativity Meeting. Others include the Tokyo Eco-protection Meeting, Tokyo Eco-creativity Meeting, Environmental ISO Secretariat Meeting, Energy Subcommittee, and Toppan Group Environmental Meeting. Participating members from the Group share information, collaboratively develop effective activities,

and launch new Group-wide initiatives to improve environmental performance.

#### Eco-creativity Hearing

The Eco-creativity Hearing was formed in fiscal 2003 as a venue to share information on Eco-creativity Activities. The Ecology Center holds the hearing with each division on a rotating basis to disseminate important and useful information throughout the company. The hearing is expected to stimulate Eco-creativity Activities by enabling prompt support in each division and the lateral expansion of the most effective activities throughout the company.

#### President's Ecology Awards

Toppan newly incorporated the Ecology Awards in its biannual lineup of President's Awards as a strategy to stimulate the environmental efforts of employees. The award recognizes individuals or groups of employees who make distinguished contributions to environmental conservation. Some employees are awarded for proposing innovative environmental reforms that lead to tangible benefits in other areas of the company. Others are honored for taking out patents or developing utility models and other inventions that advance environmental conservation technologies and products.

Ecology Awards have been conferred in recognition of a cost-cutting program based on the introduction of solid fuel production (RPF) and an effort to enhance the Toppan brand image by assuring that Toppan became the first company in the printing industry to earn FSC-CoC certification. Toppan's environmental activities progressed considerably in fiscal 2003, but none stood out sufficiently to merit an Ecology Award for the year. The momentum behind Toppan's environmental efforts is nonetheless mounting.

## Communication Outside the Company

Toppan actively discloses its environmental information through its *Environmental Report*, *Site Reports*, the Toppan Label for Environmentally-friendly Products, and other means. The company is also participating in seminars and exhibitions on environmental themes and developing new systems for risk communication in accordance with the PRTR Law.

### Environmental Information Disclosure

#### Ongoing publication of the *Environmental Report*

Toppan has been disclosing environment-related information in its *Environmental Report* since 1998. The same report has also been available in English since 2000. Both the Japanese and English versions are posted on the company website.

The *Environmental Report 2003* received the Excellence Award at the 7th Environmental Report Awards held by Toyo Keizai Inc. in recognition of its superior disclosure of information.



*Environmental Report 2003* conferred the Excellence Award at the 7th Environmental Report Awards

■ URL for previous *Environmental Reports*  
<http://www.toppan.co.jp/english/corporate/environmental/index.html>

■ URL for *CSR Report*  
<http://www.toppan.co.jp/english/corporate/csr/index.html>

#### Issuance of *Site Reports*

Since fiscal 2000, Toppan's ISO 14001-certified operational sites have been issuing *Site Reports*, periodic communications directed to municipalities and residents in surrounding areas.

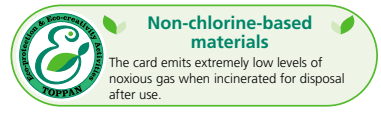
■ Contact address for *Site Reports*  
[eco@toppan.co.jp](mailto:eco@toppan.co.jp)

#### Adoption of the Toppan Label for Environmentally-friendly Products

In fiscal 2000, the company began applying its Label for Environmentally-friendly Products to all products that meet Toppan's in-house standards for environmental friendliness. These labels explain the company's environmental efforts in plain language.

By the end of March 2004, as many as 70 products were internally qualified to bear the Toppan Label for Environmentally-friendly Products.

■ Toppan Label for Environmentally-friendly Products



#### Seminars

To promote a fuller understanding of the environmental efforts outside the company, Toppan participates in a great many lectures and seminars, including its own programs and the seminars and conferences of trade and industrial organizations.

#### Environment-related exhibitions

Toppan is a frequent sponsor of environmental trade fairs, as well as an active participant.

In July 2004, the company held the Communication & Environmental Exhibition at its PLAZA 21 KANSAI showroom in Osaka. The exhibition was divided into two parts: the "Nature and Environment" pavilion focusing on the global environment, and the "Living Environment" showcasing people-friendly products. Visitors learned about Toppan's many environmental initiatives, near-term environmental trends within the company, and the comprehensive strengths of the Toppan Group in this field.

#### Risk communication policy

Until recently, Toppan had each of its sites respond to inquiries from local residents. The newly enforced PRTR law requires companies to account for the environmental impacts imposed by their business activities more transparently. Toppan now meets this requirement in two ways: firstly, through environmental assessments to elucidate the current status of its environmental activities; secondly, through reviews of its risk-communication methods to keep people outside of the company informed.

Toppan will continue to inform people in local communities through the disclosures in its *Site Reports* and events such as its environmental seminars.



Environmental seminar for local residents

#### ■ Exhibiting at Eco-Products 2003

Toppan was an exhibitor at Eco-Products 2003 in December 2003. Four major companies within the Group—Toppan Forms Co., Ltd., Toppan Label Co., Ltd., Froebel-Kan Co., Ltd., and Tokyo Shoseki Co., Ltd.—exhibited their own environmentally friendly products and explained Toppan's Group-wide environmental approach to interested visitors.

The Toppan booth, known then as "Eco House," showcased three "lifestyle scenes,"—a kitchen, study, and living room furnished with Toppan's environmentally-friendly products and constructed from Toppan's environmentally-friendly materials. The company also hosted a number of environmental events at a mini "Eco Plaza" in the exhibition hall.



**Cartocan Drink Containers—a Gift from the Forest**

**Toppan seeks to create fully recyclable products made from environmentally-friendly materials—in other words, products friendly to the environment in every way.**

**Association to Promote Forest-friendly Paper Beverage Containers**

In April 2004, Toppan joined with 30 companies from the beverage, paper, and other industries to form the Association to Promote Forest-friendly Paper Beverage Containers. The association works to conserve Japan’s environment by expanding both the demand for, and supply of, *Cartocan* paper drink containers.

Toppan’s *Cartocan* is an eco-friendly container composed of more than 30% paper materials from Japanese forests, including tree-thinnings and waste timber. The sale of containers made from these materials helps secure the funds needed to maintain forestry domestically. Wide adoption of the *Cartocan* is seen as one way to nurture the forests of Japan.

The association also supports awareness campaigns for the wider usage of paper drink containers through tie-ups between the Forestry Agency and related organizations and companies. The association will be actively collecting and disseminating information for its campaigns and promoting support businesses to expand demand and supply.

**Tree-thinning Product Mark**

*Cartocan* is now authorized to bear the tree-thinning product mark, an eco-friendly mark that broadens awareness on tree-thinnings, encourages their use, and helps consumers make the best environmental choices.

*Cartocans* are made mostly from paper materials. At first thought, the use of paper materials for containers may seem to conflict with the goal of nurturing forests. However, the wider use of timber, a raw material for paper-based containers, brings in the funds needed to support a sound and smooth cycle of planting, nurturing, and felling in Japanese forests. Most of the timber resources consumed in Japan are procured at low prices from forests overseas. Without more funds flowing into the Japanese lumber industry, a sound cycle of forest management will be impossible to achieve.



*Cartocan's tree-thinning product mark*

*Cartocan*, a product made from wood biomass resources such as tree-thinnings and waste wood, is the only drink container in Japan to display the tree-thinning product mark.

**Cartocan Recycling**

Like paper milk cartons, *Cartocans* are made of high quality paper, a constituent that makes them highly recyclable. They also can be collected and combusted as a thermal resource.

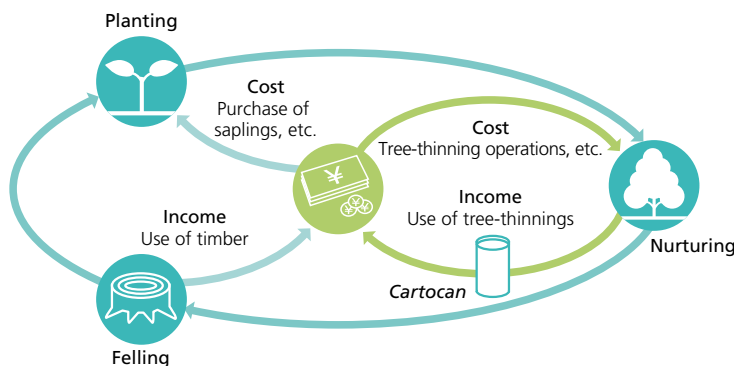
**Material recycling**

- Home route: After use as a drink container, consumers rinse the pack thoroughly, cut it open, allow it to dry, and drop it off at a collection point at a supermarket or local government office.
- Business route: Working in collaboration with drink producers and recycled paper manufacturers, Toppan has established a model recycling system for the Kanto region.

**Thermal recycling**

- Thermal incineration: The heat generated during incineration is collected and reused as an energy source for room or water heating. Incineration of *Cartocans* produces only about 2.2% ash by weight.
- Solid fuel: Waste paper left over from the production of *Cartocans* is turned into solid fuel for heating, electricity generation, and other uses. The Sagami-hara plant commenced operations as a solid fuel pilot plant in April 1999.

**■ Cartocan’s Place in the Wood Production Cycle**



The *Cartocan* also combats the greenhouse effect. The use of Japanese tree-thinnings and waste wood preserves and nurtures Japan’s forests. When forests expand over a wider area, they absorb greater volumes of CO<sub>2</sub>, the principal manmade source of global warming.

## Independent Review

**AZSA Sustainability Co., Ltd., an independent auditing firm, was commissioned to review the CSR Report 2004 to help Toppan improve its clarity, accessibility, and relevance for readers.**

In 2000, Toppan proclaimed its *Toppan Vision 21* statement, a detailed vision of the Toppan of the future. The embodiment of this vision is laid out in the *CSR Report* in the form of the Corporate Philosophy, Corporate Creed, and Conduct Guidelines. Toppan's frequent pledges to reciprocate the trust of its customers and fulfill its social responsibility as a good corporate citizen express the gist of this vision. Toppan continues to recognize the importance of the links between its businesses and society.

A string of corporate abuses in recent years has stirred an unprecedented interest in corporate social responsibility among stakeholders and society. Toppan has responded by aligning its many activities with the principles of its Corporate Philosophy and outlining the details of its activities in the *CSR Report 2004*.

AZSA Sustainability Co., Ltd. (formerly the Environmental Management Department of Asahi & Co) has provided an independent review of Toppan's environmental reports since the 2001 issue. Over each of the past four years, AZSA has rated Toppan highly for its cooperation with AZSA's review and commitment to sincerely disclose the details and results of its environmental conservation activities.

The scope of the report covers an immense network of some 100 operating

sites inside and outside of Japan. To maintain uniform standards throughout this network, Toppan has developed a set of common environmental performance indexes, environmental accounting indexes, easy-to-use guidelines, and procedural handbooks on data-collection (with examples using data from actual sites) for use in both the in-house auditing of sites worldwide and the specialized auditing of sites to collect information to be disclosed in the *Environmental Report*. These materials and the in-house audits by Toppan have been very helpful for AZSA in developing its review procedures and reviewing the sites that it cannot visit physically.

The Air Pollution Control Law of Japan requires companies to disclose a designated set of regulated atmospheric pollutants from certain types of facilities. The disclosure efforts by Toppan go well beyond meeting this legal requirement. Each year, the company calculates and discloses the emissions of SOx, NOx, and all major atmospheric pollutants.

Turning to the subject of soil pollution, Toppan targets a 90% reduction in the generation of final landfill waste by 2010 in comparison with the fiscal 2000 level. The Company includes landfill waste generated both directly and via intermediate processes (e.g., via recycling) in its calcu-

lations. This strict approach in the measurement of environmental burden is also reflected in Toppan's data calculations in environmental accounting. When budgeting for environmental activities, Toppan earmarks the environmental conservation ratio and strictly defines a range of maintenance costs for environmental conservation facilities and their maintenance.

The *CSR Report* published from this year combines all of the content previously issued in its *Environmental Reports* with detailed explanations of Toppan's other activities as a corporate citizen. The *CSR Report* includes in-depth explanations of the approaches and policies that led to its creation, as well as general descriptions of Toppan's CSR activities in every business field. The goal is to comprehensively disclose information and inform readers of Toppan's policies and systems.



Review at Asaka plants

### Independent Review Procedure

Planning	<ul style="list-style-type: none"> <li>● Discussion and planning</li> </ul>	A hearing to review improvements from the previous year; examination of methods and scope of aggregation; determination of the schedule and the sites to be reviewed
Implementation	<ul style="list-style-type: none"> <li>● Top management interview</li> </ul>	The President & CEO gives his Executive Message in the <i>CSR Report 2004</i> ; Toppan's basic thinking on Corporate Social Responsibility (CSR) is confirmed; the evolution of the <i>Environmental Report</i> into the <i>CSR Report</i> is fully described
	<ul style="list-style-type: none"> <li>● Examination at head office Toppan Printing Co., Ltd. (Nonconsolidated) and Group companies in and outside Japan</li> </ul>	A hearing on data-collection methods, including internal rules; examination of analytical methods and evidence (with questions and answers); examination of the calculation accuracy and appropriateness of methods; examination of consistency among data (including descriptions)
	<ul style="list-style-type: none"> <li>● One-site review</li> </ul>	Asaka plants/Securities Printing Division/Commercial Printing Division/Electronics Division/Tamapoly Co., Ltd.
Final review of the script	<ul style="list-style-type: none"> <li>● Review at head office</li> </ul>	Confirm data on the entire Group and perform a final check on the <i>CSR Report</i> content
Internal review at AZSA Sustainability Co., Ltd.	<ul style="list-style-type: none"> <li>● Internal review meetings</li> </ul>	Before submitting the independent review, AZSA reviewers uninvolved in the Toppan review examine the review procedure, examine the review results, and draw up their conclusions about the <i>CSR Report 2004</i>
Submitting the Independent Review Report	<ul style="list-style-type: none"> <li>● Submission of the Independent Review Report</li> </ul>	The independent reviewer submits the Independent Review Report to Toppan
Meeting the examiner	<ul style="list-style-type: none"> <li>● Briefing on the findings in the independent review</li> </ul>	The independent reviewer reports the findings of the review to Toppan

As the very first *CSR Report* from Toppan, this year's report takes a more comprehensive form than it will in the future. From 2005 onward, the content will be much more selectively focused on the most important issues facing the company. Many of reports will cover activities at the site level, with news about the people who actually put the company's policies into action. Toppan may also add overviews of economic performance in terms of the relationship between the direct and indirect economic actions of the company and stakeholders, as suggested in the GRI guidelines.

In the past, Toppan has relied exclusively on reader surveys and independent reviews to collect feedback on its reports. From this year the company has also held roundtable discussions to sample third-party opinions from experts and others. These external views should help the company improve its reports yearly.

**Maho Yao**

Manager  
AZSA Sustainability Co., Ltd.



Independent Review Report on the "CSR Report 2004"

To the Board of Directors of Toppan Printing CO., LTD.

1. Purpose and Scope of our Review

We have reviewed the "CSR Report 2004" (the "CSR Report") of Toppan Printing CO., LTD. (the "Company") for the year ended March 31, 2004. The CSR Report is the responsibility of the Company's management. Our responsibility is to independently report the results of our review, which consists of performing certain procedures as described below in relation to the collection, compilation and calculation of the social and environmental performance indicators and environmental accounting indicators for the year ended March 31, 2004 included in the CSR Report (collectively the "Indicators"). As this is the fourth year of our review, any indicators for years prior to the year ended March 31, 2001 were not subject to these procedures. Our work does not constitute an audit or examination. We therefore do not express an opinion on the accuracy or completeness of the Indicators or databases used to compile the information or the representations made by the Company in the CSR Report.

2. Procedures Performed

We have performed the following review procedures agreed to by the Company's management;

- 1) Obtained the social and environmental information supporting the Indicators for the purpose of understanding the processes and the procedures of the Company for collecting the data information used to compile the CSR Report.
- 2) With respect to the Indicators, tested their quantitative accuracy and compared them with the supporting data compiled by the Company, on a test basis at the Company's head office and other sites we visited, which were Asaka factories, Securities Printing Division, Commercial Printing Division, Electronics Division and Tamapoly Co., Ltd.

We believe that the procedures performed provide a reasonable basis for the following.

3. Results of the Procedures Performed

As a result of the procedures performed, we are not aware of any material modifications that should be made to the social and environmental performance indicators, or the environmental accounting indicators for the year ended March 31, 2004 included in the CSR Report in order for them to comply with the Company's policies and procedures for gathering and reporting such information.

*AZSA Sustainability Co., Ltd.*  
AZSA Sustainability Co., Ltd.

Tokyo, Japan  
September 6, 2004

■ **Toppan's Response**

Toppan began publishing the *Environmental Report* in 1998. A few years later, just after the publication of the *Environmental Report 2001*, Asahi & Co (currently AZSA Sustainability Co., Ltd.) began an independent review of the environmental performance and environmental accounting indices used to quantify the results of Toppan's environmental activities.

AZSA Sustainability Co., Ltd. has also reviewed this first *CSR Report*.

With this year's *CSR Report*, Toppan sought to combine the environmental content covered in its earlier *Environmental Reports* with a complete overview of the company's social activities in non-

environmental areas as well. The CSR activities now underway are a realization of *Toppan Vision 21*, the statement on the shape of the company in the future. The disclosure of these activities gives our stakeholders a fuller picture of Toppan as a corporate citizen.

On the environmental front, the Toppan Declaration on the Global Environment is the basis on which the company sets independent standards for measuring environmental burden and disclosing its results—standards that go well beyond those required by law. Toppan will continue to strictly manage these activities and strengthen the roles of its overall CSR

activities in its business operations.

Going forward, Toppan aims to serve society as an ideal corporate citizen by establishing an independent approach to CSR, actively undertaking measures to fulfill its social responsibilities, and disclosing those efforts in this report. As always, the issues pointed out in the independent review will be reflected in the planning of future activities.

## Third-party Opinion

### A new horizon for Japanese-style CSR

Amidst the current CSR boom, many companies are proudly proclaiming their commitment to "social responsibility" and turning out reports on their CSR endeavors. A close reading of these reports is probably the best way to appraise their actual resolve. In reading the *CSR Report 2004*, I was once again impressed by the remarkable resolve of Toppan in this new realm of CSR.

How can we distinguish between a company with a strong resolve and a company without one? Here I can suggest three points check.

First, what reasons does the company cite for taking an interest in CSR? If the company explains that CSR is crucial for its survival or investor recognition, its motivations are likely to be focused inward, on its own interests. A company with resolve and a clear corporate philosophy meets its social responsibilities without having to be reminded. Within a company truly committed to the social good, words like "responsibility" and "obligation" evolve into words like "principle" and "mission." The Corporate Philosophy introduced at the beginning of the *CSR Report 2004* and the frequent use of the word "mission" throughout its pages convey the company's resolve.

The second point is how the company defines "social responsibility." Does the

company spend more time describing measures that "do no harm," or measures that "contribute to society" and "do good"? Social responsibility tends to be defined narrowly by terms such as "legal compliance," "corporate ethics," "human rights," and "environmental protection." The *CSR Report 2004* frames "social responsibility" in a more positive light. The ultimate purpose of CSR activities for Toppan is to "create a fulfilling society."

The third point is how the company actually realizes its "social contributions." Back during the philanthropy boom, companies set aside shares of their profits to sponsor cultural activities. While certainly helpful to society, their efforts represented just one of many forms of "social contribution." A company wholly committed to social contribution will do so through its business activities; through the very products and services that it provides to society. The notion that this should begin with Japanese-style management is reiterated throughout this report. The same notion sits at the heart of Toppan's Corporate Philosophy and the tenet that Toppan employees "create dedicated products." Under the ideal form of Japanese-style management, employees pour their hearts into the products they create.

This report reflects Toppan's commit-

ment to take the lead and evolve into a major benefactor of society. This step advances CSR to an unprecedented level. Toppan has created a Japanese-style CSR destined to gain strong recognition in the world's capital markets.

Behind this advancement are the "human assets" of Toppan. The people of Toppan are the company's truest creation and its ultimate "social contribution."

August 2004



Professor,  
Tama University  
Graduate School  
President,  
Thinktank SophiaBank

**Hiroshi Tasaka**

Took his doctorate from The University of Tokyo in 1981. Awarded a Doctor of Engineering. Fellow of The Japan Research Institute, Limited. Professor at Tama University Graduate School. President of The Thinktank SophiaBank. President of The Japan Social Entrepreneur Forum (JSEF). Outside director and advisor to companies in the fields of information, logistics, finance, education, and environment.

#### ■ Toppan's Response

Hiroshi Tasaka, a professor at the Tama University Graduate School and President & CEO of The Thinktank SophiaBank, Limited, has provided valuable feedback on the *CSR Report 2004*.

CSR has seen something of a boom among companies these days. As a leader in the printing industry, Toppan makes its mission "to facilitate the dissemination and exchange of information and ideas as the nurturer of a fulfilling society. To fulfill this mission, the company serves society by "creating dedicated products." The

basic policy behind the promotion of CSR activities is to realize this Corporate Philosophy.

Professor Tasaka pointed out three signs of a company's resolve to fulfill CSR, namely awareness of social responsibility, making positive contributions, and contributing through business activities. Toppan makes these an essential part of its CSR measures as it works to become a true benefactor of society.

Professor Tasaka also touched on the importance of human assets, describing

them as the ultimate creation and contribution to society. Toppan holds precisely this view. As the creators of Toppan's independent CSR initiatives, the employees of Toppan must be driven by a strong desire to carry out CSR. Toppan also fully understands that the success of its CSR hinges on a positive working environment for its employees.

Toppan would like to sincerely thank Professor Tasaka for offering his constructive opinions on this *CSR Report*.

# Data Report

Toppan's Corporate Creed asserts that the company will undertake fair and open corporate activities. This Data Report presents the internal standards and quantitative data compiled based on reporting guidelines issued by the Ministry of the Environment and GRI and corporate social responsibility questionnaires produced by a number of research organizations.

Basic Reporting Data	P. 78	Corporate profile, the scope of the report, and other basic details on the reporting process
Social Performance Data	P. 80	Data on the economic and social aspects of the report, including data on finances, ethics, and personnel
Environmental Management Data	P. 84	Detailed information on environmental management, environmental accounting, and other management systems
Eco-protection Data	P. 86	Information on environmental performance, including data on various environmental burdens
Eco-creativity Data/ Environmental Communication Data	P. 90	Status of environmental communication activities and environmentally-friendly products
GRI Guidelines Reference Index	P. 92	Chart showing conformity with GRI (Global Reporting Initiative) <i>Sustainability Reporting Guidelines 2002</i>

## Basic Reporting Data

### 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 & CEO	Naoki Adachi
Number of employees (Nonconsolidated)	11,512 (end of March 2004)
Number of employees (Consolidated)	32,178 (end of March 2004)
Capital (Nonconsolidated)	104.9 billion yen

### Group Profile

The Toppan Group comprises Toppan Printing Co., Ltd. and 143 related companies (122 subsidiaries and 21 affiliates) engaged in a wide scope of businesses in the three fields of Information & Networks, Living Environment, and Electronics.

The position of Toppan and its affiliated companies with respect to these business fields is outlined below.

### ■ Toppan Group Structure

Toppan Printing Co., Ltd.	
<b>Information &amp; Networks</b>	
Manufacturing Companies	
Toppan Display Co., Ltd.	
Toppan Graphic Co., Ltd.	
Toppan Graphic Communications Co., Ltd.	16 other companies
* Hino Offset Printing Co., Ltd.	2 other companies
Hamamatsu Toppan Forms Co., Ltd.	10 other companies
T. F. Company, Ltd.	7 other companies
* Korea Toppan Forms Co., Ltd.	8 other companies
Manufacturing and Sales Companies	
Toppan Forms Co., Ltd.	2 other companies
* Tosho Printing Co., Ltd.	
* Tokyo Magnetic Printing Co., Ltd.	
Toppan Printing Co. (America), Inc.	
Toppan Printing Co., (H. K.) Ltd.	
Toppan Printing Co., (Shenzhen) Ltd.	
Toppan Printing Co., (Shanghai) Ltd.	3 other companies
Sales Companies	
Froebel-Kan Co., Ltd.	
Total Media Development Institute Co., Ltd.	
Toppan Travel Service Co., Ltd.	
Toppan Multisoft Ltd.	16 other companies
* Toppan M & I Co., Ltd.	
* Tokyo Shoseki Co., Ltd.	2 other companies
Toppan Printing Co. (Australia) Pty. Ltd.	1 other company
<b>Living Environment</b>	
Manufacturing Companies	
Toppan Plastic Co., Ltd.	
Toppan Kansai Packs Co., Ltd.	19 other companies
Tama Processing Co., Ltd.	3 other companies
Manufacturing and Sales Companies	
Toppan Label Co., Ltd.	
Toppan Containers Co., Ltd.	
Tamapoly Co., Ltd.	
* Toyo Ink Mfg. Co., Ltd.	2 other companies
P. T. Toppan Sampoerna Indonesia	
Toppan Interamerica Inc.	5 other companies
Sales Companies	
Toppan Cosmo, Inc.	1 other company
<b>Electronics</b>	
Manufacturing Companies	
Niigata Toppan Printing Co., Ltd.	
Toppan Shiga Seimitsu Co., Ltd.	4 other companies
Manufacturing and Sales Companies	
NEC Toppan Circuit Solutions, Inc.	
Toppan CFI (Taiwan) Co., Ltd.	3 other companies
Sales Companies	
Toppan Electronics (Taiwan) Co., Ltd.	3 other companies

Notes: •No symbol: subsidiary—122 companies; \*(asterisk): affiliate—21 companies (March 31, 2004)

•While Toppan's business operations activities are divided into five fields, only three main categories are adopted for consolidated environmental accounting. This decision was made on the basis of the scale of sales.

•Among Toppan's subsidiaries, Toppan Forms Co., Ltd. is listed on the First Section of the Tokyo Stock Exchange.



## Scope of the Report

The scope of the environmental performance data and environmental accounting is determined based on the importance of each subsidiary in the field of environmental conservation. The main financial data cover consolidated subsidiaries. In principle, personnel-related data cover only Toppan Printing Co., Ltd.

### ■ Locations of Production Plants

(plants of Toppan Printing Co., Ltd. and its affiliates\*1)

\*1 Subsidiaries that receive management guidance from Toppan Printing Co., Ltd.

Plant	Location	Plant	Location	Plant	Location
Sapporo plant	Hokkaido	Matsuzaka plant	Mie	NEC Toppan Circuit Solutions, Inc.	Niigata
Chitose plant	Hokkaido	Shiga plant	Shiga	Toppan Printing Communications Co., Ltd.	Saitama
Sendai plant	Miyagi	Kansai plant (Commercial Printing) (Osaka)	Osaka	Toppan Graphic Co., Ltd.	Saitama
Gunma plant	Gunma	Kansai plant (Commercial Printing) (Takino)	Hyogo	Toppan Plastic Co., Ltd.	Saitama
Kashiwa plant	Chiba	Takino plant (Securities)	Hyogo	Toppan Packaging Service Co., Ltd.	Saitama, Chiba
Satte plant	Saitama	Takino plant (Packaging)	Hyogo	Toppan Seihon Co., Ltd.	Tokyo
Ranzan plant	Saitama	Fukusaki plant	Hyogo	Toppan Electronics Fuji, Co., Ltd.	Shizuoka
Asaka plant (Securities)	Saitama	Itami plant	Hyogo	Mikkabi Toppan Printing Co., Ltd.	Shizuoka
Asaka plant (Commercial Printing)	Saitama	Fukuoka plant No.1	Fukuoka	Osaka Toppan Display Co., Ltd.	Osaka
Asaka plant (Electronics)	Saitama	Fukuoka plant No.2	Fukuoka	Toppan Harima Products Co., Ltd.	Hyogo
Itabashi plant	Tokyo	Kumamoto plant	Kumamoto	Kannabe Toppan Co., Ltd.	Hiroshima
Sagamihara plant	Kanagawa			Toppan Saga Yoki Co., Ltd.	Saga
Niigata plant	Niigata			Kumamoto Toppan Co., Ltd.	Kumamoto
Nagoya plant	Aichi				

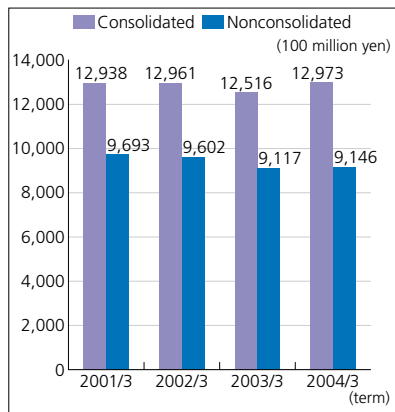
### ■ Overseas Production Plants (plants of overseas subsidiaries)

Plant	Location	Plant	Location	Plant	Location
Toppan Printing Co., (Shanghai) Ltd.	Shanghai	Siam Toppan Packaging Co., Ltd.	Samutprakarn, Thailand	Toppan Chunghwa Electronics Co., Ltd.	Taiwan
Toppan Printing Co., (Shenzhen) Ltd.	Shenzhen	Toppan Printing Co. (America), Inc.	New Jersey	Toppan PAP (Taiwan) Co., Ltd.	Taiwan
Toppan Printing Co., (H. K.) Ltd.	Hong Kong	Toppan Interamerica Inc.	Georgia	Toppan CFI (Taiwan) Co., Ltd.	Taiwan
P. T. Toppan Sampoerna Indonesia	Jawa Barat, Indonesia	Toppan Optical Products, Inc.	California		

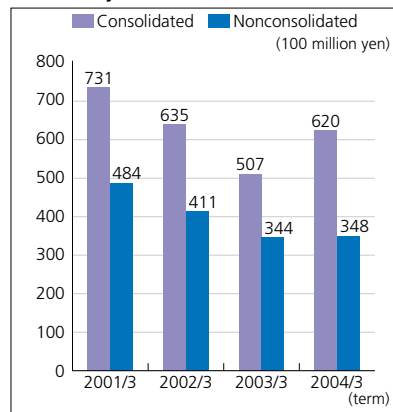
# Social Performance Data

## Main Financial Data

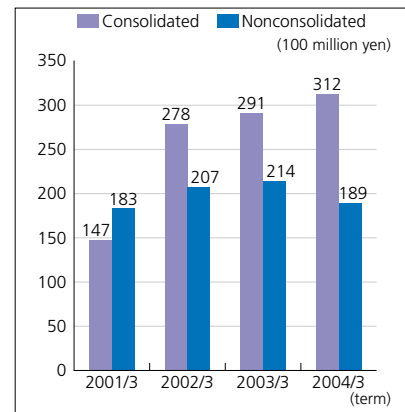
### Sales



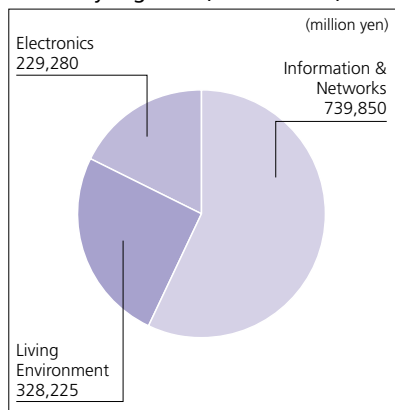
### Ordinary Income



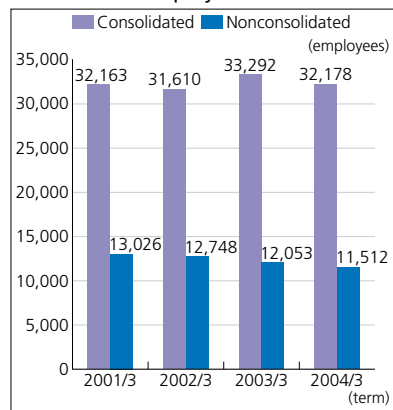
### Net Income



### Sales by Segment (consolidated)



### Number of Employees



## Hiring and Employment

### Number of Employees

	Number of employees	Average tenure	Turnover rate
Fiscal 2002 as of end of March 2003	12,053 (8.1% women)	15.5 years	3.7%
Fiscal 2003 as of end of March 2004	11,512 (7.9% women)	15.5 years	3.6%

### Employees by Type

	Executives	Management class (assistant manager and above, including contract employees)	Supervisor (supervisory, including contract employees)	Temporary, part-time
Fiscal 2002 as of end of March 2003	29	1,977	2,465	782
		(0.8% women)		
Fiscal 2003 as of end of March 2004	31	1,897	2,334	849
		(1.0% women)		

### Recruits (regular hiring, including the hiring of new graduates)

	Sales, administration	Technical	% women
Fiscal 2002	105	120	23.1%
Fiscal 2003	105	120	23.6%

## Human Asset Development

### Supporting employees in career planning

Toppan provides its employees with the opportunity to declare their career plans and the types of work they want to perform. A number of career paths are offered. Career development and career training programs are also established under the company's career planning system. Employees are free to access information on skill development and self-awareness.

### Educational opportunities to support independent study

The Toppan Business School provides elective group training in some 60 courses, distance learning through the Toppan Challenge School, and a video library. The company covers half of the program fees for employees enrolled at The Toppan Challenge School and supports independent study.

### Results and Plans in Human Asset Development

	Fiscal 2003	Fiscal 2004
Funds spent on training per employee	29,000 yen	45,000 yen (estimated)
Average training days per employee	0.89 day	—

(Results for fiscal 2002 were not compiled for either of the above)

### Personnel evaluation system

Salary revisions, bonuses, and promotions are decided through a merit review process. Employees and superiors discuss the results of the merit reviews and future goals in feedback interviews.

### Respecting and Supporting Human Assets

#### ■ Policy on providing equal employment opportunities and eliminating discrimination

The policy on providing equal employment opportunities and eliminating discrimination is clearly set down in writing and disclosed publicly. The policy applies to the entire Group, including foreign and domestic subsidiaries.

Special items: respect for human rights; compliance with laws and ethical standards; prohibition of child labor; prohibition of discrimination on the basis of ethnicity, race, nationality, gender, physical circumstances, or other reasons; prohibition of sexual harassment.

#### ■ Employment of women

Toppan sets specific quantitative targets for the employment of women at an annual forum devoted to this issue. A sexual harassment consultation office has also been established.

### Work Holiday and Leave Systems

#### ■ Maternity leave

Both contract and part-time employees can take up to six weeks of leave before childbirth and another eight weeks after.

#### ■ Childcare leave

Regular, full-time employees can take up to 12 months of childcare leave. In fiscal 2003, one male employee also used the system. Employees receive a small portion (10%) of their regular salary during the leave. Employees can also apply to shorten or extend the leave.

Toppan subsidizes some childcare costs and provides information through its consultation office. Employees can consult with the company to discuss their career plans before they return to work.

#### ■ Nursing care leave

Regular, full-time employees can take up to 12 months of nursing care leave. Leave can be taken once per family member needing care. The company subsidizes some nursing costs and provides information through its consultation office.

#### ■ Emergency care leave

Employees can take up to five days of unpaid leave a year.

#### ■ Other systems

Reduced working hour systems are available to support childcare and nursing. All employees can take advantage of the flextime work system and the company's "refresh holiday" system.

#### ■ Status of Work Holiday and Leave Systems

	Fiscal 2002	Fiscal 2003
Average ratio of annual paid holiday used	38.6%	38.2%
Employees using the maternity leave system	32	35
Employees using the childcare leave system	37	48

### Workplace Health and Safety

General health and safety managers are appointed to take responsibility for health and safety. Their responsibilities are clearly set forth in the health and safety rules of each operational site. The Health and Safety Committee plans education for the workforce as needed, including training for new recruits.

Clear goals are set for each operational site, and health managers and industrial health staff conduct regular checks to confirm the existence of safeguards at hazardous areas and risk points. Toppan regularly monitors and collects information on labor accidents.

	Fiscal 2002	Fiscal 2003
Deaths from work accidents	0	0
Frequency rate*1	0.55%	0.30%
Severity rate*2	0.02%	0.01%

\*1 Frequency rate: number of employees injured in labor accidents per 1 million working hours (reflects the frequency of labor accidents)

\*2 Severity rate: number of workdays lost per 1,000 working hours (reflects the severity of labor accidents)

## Information Risk Management

### ■ Privacy Mark Certification

Company	Operational site	Date obtained/applied for	Certification type
Toppan Printing Co., Ltd.	Securities Printing Division	March 2000 (obtained)	A190005 (03)
	Commercial Printing Division	May 2001 (obtained)	A190018 (02)
	Nishinohon Division	March 2004 (applied for)	—
	Chubu Division	July 2004 (applied for)	—
Toppan Forms Co., Ltd.	General Production Division	June 2001 (obtained)	A190019 (02)
	IMS Business Division	July 2003 (obtained)	A190050 (01)
	Kansai Business Division	November 2002 (obtained)	A190027 (01)
	Chubu Business Division	April 2003 (obtained)	A190039 (01)
	Nishinohon Business Division	April 2003 (obtained)	A190040 (01)
Toppan Forms Operation Co., Ltd.		August 2002 (obtained)	A820089 (01)
Toppan Forms Logistics and Services Co., Ltd.		August 2002 (obtained)	A450002 (01)
Toppan Forms Services (Kansai) Co., Ltd.	Entire company	August 2002 (obtained)	A190028 (01)
Toppan Forms Process Co., Ltd.	Entire company	June 2003 (obtained)	A190047 (01)
Toppan Forms (Hamamatsu) Co., Ltd.	Shizuoka plant No. 2	August 2002 (obtained)	A190029 (01)
Toppan NSW Co., Ltd.		February 2004 (obtained)	A820186 (01)

(as of September 2004)

### ■ ISMS Certification

Company	Operational site	Date obtained	Certification type
Toppan Printing Co., Ltd.	E-business Division (TOPICA service)	June 2002 (Ver. 1.0)	CR-I0001
Toppan Forms Co., Ltd.	Tokyo Data Center	February 2003 (Ver. 1.0)	JQA-IM0049
	Kansai Business Division, Kansai Data Center	January 2004 (Ver. 1.0)	JQA-IM0137

## Strengthening Quality Assurance

### ■ Basic Stance on Product Safety Management

<p><b>1. Basic philosophy on product safety management</b></p> <p>Toppan prevents product-related accidents and protects the health and safety of the users of its products through the following steps:</p> <ul style="list-style-type: none"> <li>• Recognize the importance of product safety.</li> <li>• Promote measures to improve Toppan's product safety management.</li> <li>• Contribute to society through Toppan's product safety management.</li> </ul> <p><b>2. Guidelines on product safety management</b></p> <ol style="list-style-type: none"> <li>1. The entire company and all of its departments individually recognize the importance of product safety and carry out safety management from their own standpoints.</li> <li>2. Efforts to manage the safety of products are automatically incorporated into TQC, TPM, ISO and other activities to strengthen quality management and quality assurance while improving the nature of the activities.</li> <li>3. In regard to the maintenance of product quality and other systems, the company acts efficiently and effectively by incorporating the ISO 9000 series and other approaches to quality assurance.</li> <li>4. The head office and all of the company's divisions cooperate in building consistent quality assurance measures. The head office assumes responsibility for comprehensive measures (basic approach to product safety, collection of information on specific cases, establishment and implementation of corporate-wide policies on product management, external affairs, etc.) and the divisions assume responsibility for specific measures (design standards for each product, etc.).</li> </ol>	<ol style="list-style-type: none"> <li>5. The head office and all of the company's divisions actively collect information on the Product Liability Law. The head office disseminates information to the divisions as a central information source.</li> <li>6. Prevention of product-related accidents is a fundamental corporate policy. Toppan closely adheres to this policy throughout all stages of operation, starting from development and design, in all if its work with affiliates, business partners, customers, and others.</li> <li>7. Quality assurance activities are carried out from the user's viewpoint as the company strives to prevent the production of defective products.</li> <li>8. The company cooperates actively and sincerely with the product safety management activities of customers as part of its social responsibility.</li> <li>9. The company responds appropriately and sincerely to the opinions, complaints, and requests from users in its capacity as a "protector of the user."</li> <li>10. The company creates an overall quality assurance structure through cooperative activities between the existing Crisis Management Committee and Confidential Information Management Committee.</li> </ol>
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■ ISO 9001 Certification within the Toppan Group

Division	Operational site	Registrar	Registration date (Revision date)
Electronics Division	Asaka plant, Shiga plant	JQA	1993.11 (2003. 6)
Interior Decor Materials Division	Kashiwa plant, Satte plant	JQA	1994.12 (2001.12)
Optronics Division		JQA	1995. 3 (2003. 4)
Electronics Division	Kumamoto plant	JQA	1995. 4 (2003.11)
Packaging Division, Kansai Division	Takino packaging plant, Fukusaki plant, Itami plant	JQA	1995. 4 (2003.10)
Chubu Division	Matsuzaka plant, Mikkabi Toppan Printing, Nagoya plant	JQA	1997. 7 (2003.10)
Information & Publications Division	Compact Disk Manufacturing Department	JQA	1998. 6 (2002. 9)
Nishinohon Division, Kyushu Division	Fukuoka plant No. 2, Securities Department	JQA	1999. 3 (2003. 7)
Hokkaido Division		JQA	2000.11 (2003.11)
Securities Printing Division	Asaka plant (Securities), Ranzan plant, Kansai Securities Printing Division, Takino plant (Securities), Securities Printing R&D Department	JQA	2002. 4 (2003.10)
Electronics Division, Display Department	Shiga plant No. 2, Niigata plant, Mie plant	JQA	2002. 6
	Kyoto sales office, Yaesu sales office	JQA	2002. 6
Nishinohon Division, Kyushu Division	Amagi plant	JQA	2004. 6
Group company	Operational site	Registrar	Registration date (Revision date)
Toppan Graphic Communications Co., Ltd.		QCB JAPAN	2004. 3
Toppan Electronics Fuji Co., Ltd.		JQA	1993.12 (2003. 5)
NEC Toppan Circuit Solutions, Inc.		Reliability Center for Electronic Components of Japan	1993. 4 (2003.12)
Kumamoto Toppan Co., Ltd.		JQA	1997.11 (2003.11)
Toppan Plastic Co., Ltd., Kansai Branch	Fukusaki plant, Wakayama Manufacturing Department	JQA	2001.10 (2003.12)
Toppan Prosprint Co., Ltd.	Mito plant	JQA	2001.11 (2004. 4)
Toppan Technical Design Center Co., Ltd.		JQA	2003. 1
Toppan Display Co., Ltd.		Quality Certification Bureau Inc.	2004. 2
Overseas subsidiary		Registrar	Registration date (Revision date)
Toppan Printing Co., (Shenzhen) Ltd.		SQCC	1995.11 (2001.10)
Toppan Printing Co. (America), Inc.		DNV	2000. 7
Toppan Printing Co., (Shanghai) Ltd.		TÜV Anlagentechnik GmbH	2001. 9
Toppan Chunghwa Electronics Co., Ltd.		RWTUV	2002. 5
Toppan Printing Co., (H. K.) Ltd.		DNV	2002. 5
P. T. Toppan Sampoerna Indonesia		LRQA	2002. 9
Toppan CFI (Taiwan) Co., Ltd.		SGS	2003.12

# Environmental Management Data

## Organizational Structure

### ■ Toppan Group Environmental Meeting

Toyo Ink Mfg. Co., Ltd.
Tosho Printing Co., Ltd.
Tokyo Shoseki Printing Co., Ltd.
Toppan Forms Co., Ltd.
Tokyo Magnetic Printing Co., Ltd.
Toppan Label Co., Ltd.
Toppan Logistics Co., Ltd.
Tamapoly Co., Ltd.
NEC Toppan Circuit Solutions, Inc.
Toppan Printing Co., Ltd.
10 companies overall

### ■ Toppan Group Eco-products Meeting

Toyo Ink Mfg. Co., Ltd.
Tosho Printing Co., Ltd.
Tokyo Shoseki Printing Co., Ltd.
Toppan Forms Co., Ltd.
Toppan Cosmo, Inc.
Toppan Label Co., Ltd.
Tokyo Magnetic Printing Co., Ltd.
Total Media Development Institute Co., Ltd.
Toppan Logistics Co., Ltd.
Toppan Multisoft Ltd.
Tamapoly Co., Ltd.
Froebel-Kan Co., Ltd.
NEC Toppan Circuit Solutions, Inc.
Toppan Printing Co., Ltd.
14 companies overall

### ■ Eco-creativity Promotion System

Securities Printing Division	Eco-creativity Project
Commercial Printing Division	Commercial Printing Eco-Project
Kansai Commercial Printing Sub-division	Eco-creativity Promotion Committee
Electronics Division	Eco-creativity Promotion (Electronics)
Information & Publications Division	Eco-promotion Project
Packaging Division	Package and Environment 2000 Project
Interior Decor Materials Division	Eco-creativity Promotion Committee
Optronics Division	Eco-creativity Promotion Committee
Chubu Division	Chubu Eco-Project
Nishinohon Division	Nishinohon Eco-creativity Committee
Tohoku Division	Tohoku Eco-creativity Project
Hokkaido Division	Eco-creativity Committee
E-business Division	Eco-creativity Promotion Project
Technical Research Institute	Research Institute Eco-creativity Promotion Committee

### ■ Verification of Environmental Activities in Eco-protection Promotion Meetings

- Reporting of activity achievements and measures taken for Eco-protection issues
  - Results in waste disposal and recycling
  - Results in energy saving
  - Status of observance of in-house standards on atmosphere, water, and others
- Information on environmental concerns outside the company
  - Information on the establishment and revision of environment-related laws and regulations
  - Information on contractors for industrial waste disposal consignment
  - Guidelines, requests, and information from government administrations, including local municipalities
  - Complaints, requests, and feedback from local residents and others
- Progress of the Eco-protection Activity Plan (Environmental Management Program)
- In-house nonconformities and irregularities in environmental conservation
  - Reporting on troubleshooting analyses and recommendations on improvement plans (correction or prevention) for cases in question
  - Disseminating information on problems common to different departments
- Reporting on other environment-related information
  - Adopting or changing the use of chemical substances
  - Changing or newly installing production processes and facilities
- Reporting on the environmental management system
  - Content of in-house environmental auditing
  - Content of internal environmental auditing
- Other issues specific to the production plant, such as ecological conservation of the premises and/or the surrounding areas

### ■ Registered In-house Environmental Auditors

Position	Personnel
Managers	151
Supervisors	109
Employees	68
Total	328

(as of June 30, 2004)

### ■ Major Environment-related Laws Involving the Printing Industry in Japan

Basic Stance and Rules P. 48-P. 57
The Basic Environment Law
Law for Promotion of Nature Restoration
The Basic Law for Establishing the Recycling-Based Society
Legislation to Implement a Basic Law on Energy Policy
Law Concerning Increasing the Desire for Environmental Conservation and Promoting Environmental Education
Law Concerning the Promotion of Environmentally Conscious Activities of Specified Businesses through the Promotion of the Provision of Environmental Information
Eco-protection Fields P. 58-P. 63
Air Pollution Control Law
Water Pollution Control Law
Sewerage Law
Septic Tank Law
Law Concerning Special Measures for Conservation of the Environment of the Seto Inland Sea
Soil Contamination Countermeasures Law
Offensive Odor Control Law
Noise Regulation Law
Vibration Regulation Law
Industrial Water Law
Law Concerning the Rational Use of Energy
Law Concerning the Promotion of the Development and Introduction of Alternative Energy
Law Concerning the Promotion of the Use of New Energy
Waste Disposal and Public Cleaning Law
Law for the Control of Export, Import, and Others of Specified Hazardous Wastes and Other Wastes
Construction Materials Recycling Act
Law Concerning Special Measures against PCB waste
Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in their Management
Law Concerning Special Measures against Dioxins
Law Concerning Special Measures for Total Emission Reduction of Nitrogen Oxides from Automobiles in Specified Areas
Law Concerning the Protection of the Ozone Layer through the Control of Specified Substances and Other Measures
Law Concerning the Promotion of the Measures to Cope with Global Warming
Factory Location Law
Landscape Law
City Planning Law
Urban Green Law
Law Concerning the Improvement of Pollution Prevention Systems in Specific Factories
Eco-creativity Fields P. 64-P. 69
Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities
Law for the Promotion of Effective Utilization of Recyclable Resources
Law for the Promotion of Sorted Collection and Recycling of Containers and Packaging
Law for the Conservation of Endangered Species of Wild Fauna and Flora

■ ISO 14001 Certification

Division	Operational site	Main product	Registrar	Registration date (Revision date)
Electronics Division	Shiga plant	Electronics products	JQA	1998. 7
Electronics Division	Kumamoto plant	Electronics products	JQA	1998.11 (2001.12)
Interior Decor Materials Division	Satte plant/Kashiwa plant	Wallpapers, decorative paper/film for furniture, decorative sheets	JQA	2000. 3 (2000.6)
Electronics Division	Niigata plant, and NEC Toppan Circuit Solutions, Inc. Niigata plant	Electronics products	JQA	2000. 4 (2002.10)
Commercial Printing Division	Toppan Printing Communications Co., Ltd.	Books, magazines, catalogs	JQA	2000.10 (2002.12)
Securities Printing Division	Ranzan plant	Credit cards, IC cards	JQA	2000.11
Packaging Division	Akihabara office/ Ebie office	Planning, development, design, sales, prepress of packages	JQA	2001. 3
Information & Publications Division	Itabashi plant/ Toppan Seihon Co., Ltd.	Books, magazines	JQA	2002. 2
Packaging Division	Fukusaki plant	Soft packaging materials, paper cups, plastic products	JQA	2002. 7
Information & Publications Division	Toppan Graphic Co., Ltd. Kawaguchi plant/Oji plant	Books, magazines	JQA	2002. 8 (2004.7)
Commercial Printing Division/Securities Printing Division/ Packaging Division	Takino plant	Commercial printed materials, securities, paper containers for liquids	JQA	2002.10
Packaging Division	Gunma plant	Soft packaging materials	JQA	2003. 7
Securities Printing Division/Commercial Printing Division/ Electronics Division	Asaka plant	Securities, commercial printed materials, electronics products	JQA	2003.12
Electronics Division	Toppan Electronics Fuji Co., Ltd.	Electronics products	JQA	2004. 6

Group company	Operational site	Main product	Registrar	Registration date (Revision date)
Total Media Development Institute Co., Ltd.	Entire company	Consulting for museums and related facilities	JSA	2001. 3 (2002.4)
Toppan Forms Co., Ltd.	Hino plant	Business forms	JQA	2001. 6
Toppan Label Co., Ltd.	Fukushima plant	Self-sealing labels	JQA	2001.11
Toppan Logistics Co., Ltd.	Kawaguchi site	Storage and transportation of products	JQA	2002.10 (2003.10)
Toppan Forms Co., Ltd.	Fussa plant	Business forms	JQA	2004. 2
Toppan Forms Co., Ltd.	R&D Center	R&D	JQA	2004. 3
Toppan Containers Co., Ltd.	Saitama plant/ Miyagi plant	Cardboard and cardboard boxes	JQA	2004. 4

Overseas subsidiary	Main product	Registrar	Registration date
Siam Toppan Packaging Co., Ltd.	Paper cartons and fine cardboard	MASCI	2002. 4
Toppan Printing Co., (H. K.) Ltd.	Books, magazines, commercial printed matter	DNV	2002. 5
Toppan Printing Co. (America), Inc.	Commercial printed matter	DNV	2002.12
Toppan Chunghwa Electronics Co., Ltd.	Electronics parts	SGS	2003.10
Toppan Printing Co., (Shenzhen) Ltd.	Books, paper containers, cards	SSCC	2003.12

(26 systems/35 sites as of July 31, 2004)

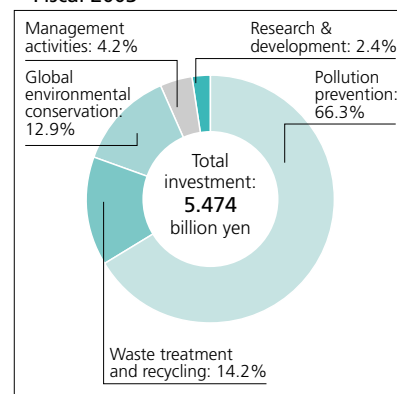
■ Number of Issues Highlighted under ISO 14001 (Fiscal 2003)

Item	Contents	Number of issues highlighted
Minor nonconformance	Partial conformance with the standard	14
Point for observation	Efforts may be required for full conformity with the standard	152
Excellent point	Notable achievement through actions performed in the field of environmental management	17

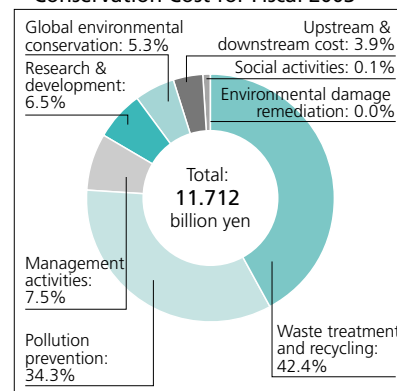
Note: Excluding certain overseas subsidiaries and independent subsidiaries.

Environmental Accounting

■ Breakdown of Environmental Conservation Investment for Fiscal 2003



■ Breakdown of Environmental Conservation Cost for Fiscal 2003



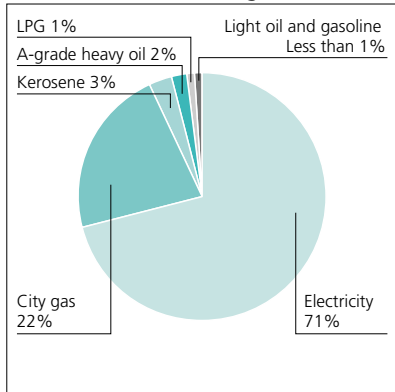
■ Calculation Standards for Environmental Accounting for Fiscal 2003

- Reference guidelines  
Ministry of the Environment *Environmental Accounting Guidelines* (2002 version)
- Calculation standards for environmental conservation cost
  - Investment: Based on the prices of the environmental protection facilities obtained in fiscal 2002.
  - Cost: Depreciation of environmental protection facilities (according to ordinary accounting), operational costs (including electricity, fuel and repairs), and other maintenance costs.
  - Composite cost: For more detailed information related to environmental works, the percentage related to environmental conservation is defined in the in-house guidelines for aggregation.
- Calculation standards for economic benefit  
The economic benefit (effect on business) is based solely on the actual effect and does not include surmised effects.
  - Energy-saving: energy savings (converted to annual amount) × unit price
  - Environmental business: sales of environmentally-friendly products × profit margin
- Calculation standards for environmental conservation effect  
The environmental conservation effect is a value calculated by comparing the amount of business activities quantified during a stable period (a period with average fluctuation in business) with the amount quantified during the targeted period.

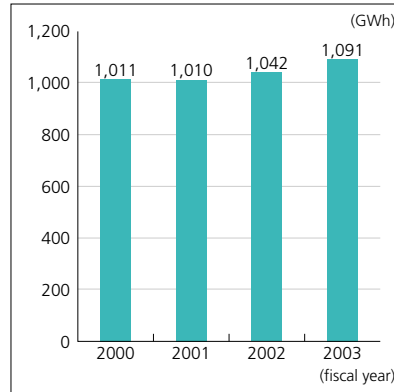
# Eco-protection Data

## Energy Type Ratio and Consumption (excluding certain overseas subsidiaries and independent subsidiaries)

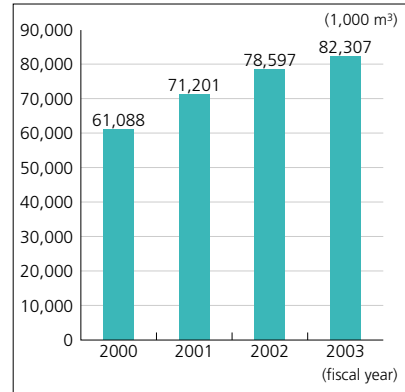
■ Energy Used by Type for Fiscal 2003 (converted into heating values)



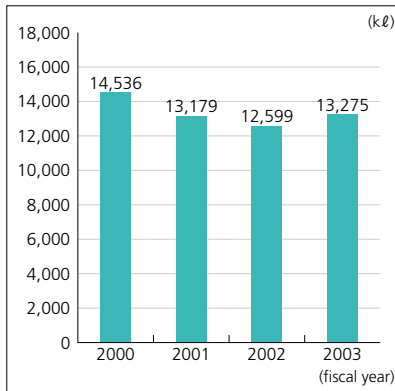
■ Electricity Consumption



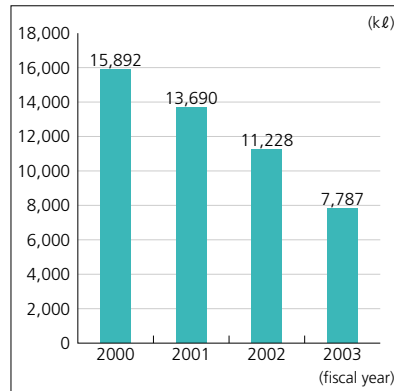
■ City Gas Consumption



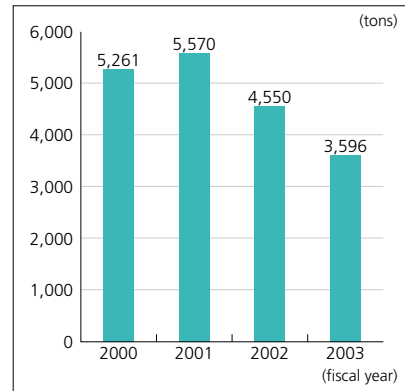
■ Kerosene Consumption



■ A-grade Heavy Oil Consumption



■ LPG Consumption



## Managing Waste

■ Plants Certified for Zero-emissions

(certified in November of 2003)

Plant	Total waste generated (tons) Fiscal 2002	Total recycled waste (tons) Fiscal 2002	Recycling ratio (%) Fiscal 2002
Asaka plant (Commercial Printing)	12,562.9	12,426.1	98.91
Toppan Printing Communications Co., Ltd.	24,358.5	24,305.3	99.78
Kumamoto plant (Electronics)	17,531.1	17,236.7	98.32
Itabashi plant (Publications Printing)	18,593.2	18,361.4	98.75
Toppan Graphic Co., Ltd.	50,206.3	50,133.5	99.85
Toppan Seihon Co., Ltd.	32,823.1	32,688.9	99.59
Oji plant (Toppan Graphic Co., Ltd.)	3,806.0	3,793.6	99.67
Sano plant (Toppan Containers Co., Ltd.)	3,306.8	3,295.0	99.64
San-ei Shiki Ltd.	254.7	254.4	99.90
Sagamihara plant (Packaging)	23,306.6	22,908.4	98.29
Sodegaura beverage plant (Toppan Packaging Service Co., Ltd.)	652.9	643.8	98.61
Sagamihara plant (Toppan Plastics Co., Ltd.)	110.0	110.0	100.00
Oyodo plant (Osaka Toppan Display Co., Ltd.)	4,098.2	4,086.0	99.70
Itami plant (Packaging)	9,311.8	9,275.0	99.61
Kansai commercial printing plant (Takino site) (Commercial Printing)	10,048.9	9,952.6	99.04
Takino packaging plant (Packaging)	3,927.0	3,923.6	99.91
Fukuoka plant No. 2 (Nishinihon)	5,440.0	5,360.0	98.53



## Prevention of Pollution and Management of Chemical Substances

## ■ Summary of PRTR Investigation Results at Toppan Fiscal 2003

(unit: kg/year)

PRTR No.	Chemical substances	Released amount	Released amount			Transferred amount in sewerage system	Transferred amount for disposal
			1. Atmosphere	2. Water	3. Soil		
1	Zinc compounds (water-soluble)	11	0	11	0	0	1,792
16	2-aminoethanol	0	0	0	0	373	692
24	n-alkylbenzenesulfonic acid and its salts	0	0	0	0	0	12,394
40	Ethylbenzene	60,377	60,377	0	0	0	13,174
43	Ethylene glycol	0	0	0	0	0	28
44	Ethylene glycol monoethyl ether	350	350	0	0	0	1,282
46	Ethylenediamine	0	0	0	0	0	1,104
63	Xylene	75,012	75,012	0	0	0	15,147
64	Silver and its water-soluble compounds	0	0	0	0	0	0
68	Chromium and chromium (III) compounds	49	0	49	0	6	20,183
69	Chromium (VI) compounds	0	0	0	0	5	4,914
108	Inorganic cyanide compounds	0	0	0	0	0	101
132	1,1-dichloro-1-fluoroethane (HCFC-141b)	17,378	17,378	0	0	0	4,448
145	Dichloromethane	18,090	18,090	0	0	0	4,658
172	N,N-dimethylformamide	0	0	0	0	0	31,000
179	Dioxins	—	(10.3 mg)	(0.062 mg)	—	—	(1,339.8 mg)
207	Copper salts (water-soluble)	338	0	338	0	288	305,563
224	1,3,5-trimethylbenzene	4,305	4,305	0	0	0	7,002
227	Toluene	3,295,938	3,295,938	0	0	218	1,878,396
230	Lead and its compounds	17	0	17	0	0	1,239
231	Nickel	0	0	0	0	0	80
232	Nickel compounds	85	0	85	0	0	806,084
254	Hydroquinone	57	57	0	0	1,641	12,159
270	Di-n-butyl phthalate	0	0	0	0	0	89
272	Bis (2-ethylhexyl) phthalate	0	0	0	0	0	1,207
304	Boron and its compounds	210	0	210	0	0	2,342
309	Poly (oxyethylene) = nonylphenyl ether	6,565	6,565	0	0	0	3,091
310	Formaldehyde	119	119	0	0	0	262
311	Manganese and its compounds	459	0	459	0	0	9,914
313	Maleic anhydride	0	0	0	0	0	0

Notes: \*Period of computation: April 1, 2003 to March 31, 2004.

\*Subjects of notification: 30 substances above.

\*Operational sites covered: Operational sites that handle 1.0 t/year or more of specified class I designated chemical substances annually (and 0.5 t/year or more of class I designated chemical substances). Excluding certain overseas subsidiaries and independent subsidiaries.

\*The amount transported out from the operational sites as wastes (including inverse onerous contract and charge-free recycling) is accounted for as a transferred amount for disposal.

## Atmospheric Emissions (excluding certain overseas subsidiaries and independent subsidiaries)

## ■ Ratio of Greenhouse Gases

(unit: ratio: % total: t-CO<sub>2</sub>)

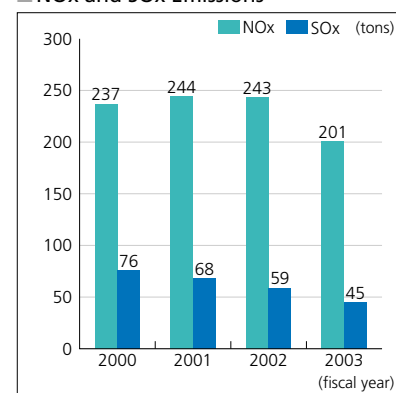
Fiscal year	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	Total
2000	99.89	0.00	0.11	641,227
2001	99.89	0.00	0.11	652,256
2002	99.90	0.00	0.10	668,964
2003	99.91	0.00	0.09	682,959

Note: Ratio by CO<sub>2</sub> conversion

## ■ Breakdown of Greenhouse Gas Emissions by Source

(unit: ratio: % total: t-CO<sub>2</sub>)

Fiscal year	Electricity use	Fuel use	Waste incineration	Total
2000	60	35	5	641,227
2001	59	36	5	652,256
2002	59	36	5	668,964
2003	60	35	5	682,959

Note: Ratio by CO<sub>2</sub> conversion■ NO<sub>x</sub> and SO<sub>x</sub> Emissions

## Input/Output Data by Site

### INPUT

Site		Overall	Sapporo	Sendai	Gunma	TPC*1	Ranzan	Asaka plants	
Location			Sapporo City, Hokkaido	Sendai City, Miyagi	Ora County, Gunma	Sakado City, Saitama	Hiki County, Saitama	Niiza City, Saitama	
Main product			Catalogs	Catalogs, packaging	Packaging	Books, catalogs	Securities	Securities, catalogs, electronic parts	
Energy	Total energy consumption (1,000 GJ)	18,423	94	194	687	864	157	1,098	
	Electric energy (1,000 GJ)	13,544	69	139	500	558	90	858	
	Fossil fuel energy (1,000 GJ)	4,879	25	55	187	306	67	240	
Water	Water consumption (1,000 m <sup>3</sup> )	14,698	14	37	559	169	38	782	
	Industrial-use water (1,000 m <sup>3</sup> )	1,418	—	11	243	—	—	—	
	Municipal water (1,000 m <sup>3</sup> )	3,145	7	26	108	169	38	26	
	Groundwater (1,000 m <sup>3</sup> )	10,135	7	—	208	—	—	756	
	(Utilization of rainwater) (1,000 m <sup>3</sup> )	15	—	—	—	—	2	—	
	(Utilization of water circulated on premises) (1,000 m <sup>3</sup> )	787	—	—	34	—	—	—	

### OUTPUT

Atmosphere	CO <sub>2</sub> emission (t-CO <sub>2</sub> )	853,359	3,943	8,174	45,373	37,133	7,458	45,525	
	Emission of substances destructive to the ozone layer (ODP-t)	5	—	0	0	0	0	1	
	NOx emission (tons)	224	1	2	25	8	11	17	
	SOx emission (tons)	67	0	—	7	—	0	0	
	Emission of dioxins (g-TEQ)	0.013	—	—	0.002	—	—	0.002	
Water system and soil	Total water discharge (1,000 m <sup>3</sup> )	12,011	10	27	463	66	17	543	
	Public water system (1,000 m <sup>3</sup> )	8,721	—	—	463	—	—	7	
	Sewage system (1,000 m <sup>3</sup> )	3,290	10	27	—	66	17	536	
	Underground penetration (1,000 m <sup>3</sup> )	62	—	—	—	—	—	16	
	On-site evaporation (1,000 m <sup>3</sup> )	2,099	3	9	95	103	23	224	
	BOD discharge (tons)	245	—	2	5	10	—	50	
	COD discharge (tons)	125	—	—	—	—	—	—	
	Nitrogen discharge (tons)	44	—	—	8	—	—	11	
	Phosphorous discharge (tons)	3	—	—	0	—	—	1	
Waste	Waste discharge (tons)	464,038	2,440	3,883	6,186	25,254	446	16,187	
	Recycling (tons)	449,304	2,428	3,370	5,687	25,253	320	16,093	
	Final waste landfill (tons)	14,734	12	513	499	0	126	94	

\*1 TPC: Toppan Printing Communications Co., Ltd.

\*2 On April 1, 2004, the Itabashi plant became Toppan Printing Itabashi Co., Ltd.

Note: Items marked "—" are not covered under the laws and ordinances governing the site. A zero indicates a negligible measured value (close to zero). Fifteen major sites in Japan are included.

	Satte	Kashiwa	Itabashi*2	Nagoya	Shiga	Fukusaki	Takino plants	Fukuoka No. 1	Kumamoto	Others 75 sites
	Satte City, Saitama	Kashiwa City, Chiba	Itabashi Ward, Tokyo	Nagoya City, Aichi	Yokaichi City, Shiga	Kanzaki County, Hyogo	Kato County, Hyogo	Koga City, Fukuoka	Tamana City, Kumamoto	
	Wallpaper, optical parts	Decorative papers for building interiors	Books	Catalogs	Electronic parts	Packaging	Securities, catalogs, packaging	Packaging	Electronic parts	
	465	493	1,145	162	1,086	536	524	338	689	9,891
	282	232	485	118	941	497	430	165	550	7,630
	183	261	660	44	145	39	94	173	139	2,261
	98	223	405	80	1,930	148	47	72	1,875	8,221
	—	—	338	—	—	130	—	—	—	696
	98	21	67	—	27	18	47	16	—	2,477
	—	202	—	80	1,903	—	—	56	1,875	5,048
	—	—	—	—	—	—	—	—	—	13
	—	—	—	—	341	—	—	—	—	413

	20,797	23,599	52,506	7,133	46,058	36,948	22,394	15,247	30,487	450,584
	—	—	1	—	—	0	0	—	—	3
	7	6	34	1	9	13	4	6	2	78
	0	2	—	0	0	3	0	0	17	38
	—	—	—	0.005	—	0.001	—	—	—	0.003
	37	147	342	72	1,567	125	28	57	1,833	6,677
	37	110	—	72	1,567	125	4	31	1,833	4,472
	—	37	342	—	—	—	24	26	—	2,205
	—	—	—	—	—	—	—	0	—	46
	61	76	63	8	363	23	15	15	42	976
	0	3	46	1	10	1	—	—	8	109
	0	—	—	2	13	1	—	—	—	109
	0	1	—	1	5	—	—	—	11	7
	0	0	—	0	0	—	—	—	0	2
	4,767	4,011	18,096	4,164	8,549	6,208	15,721	4,858	17,620	325,649
	4,222	3,605	18,085	4,137	6,709	5,093	15,615	3,777	17,410	317,500
	545	406	11	27	1,840	1,115	106	1,081	210	8,150

## Eco-creativity Data/Environmental Communication Data

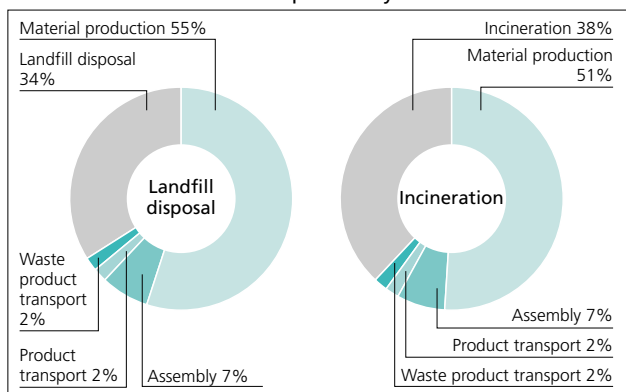
### Development of Environmentally-friendly Products

#### ■ List of Environmentally-friendly Products (as of end of March 2004)

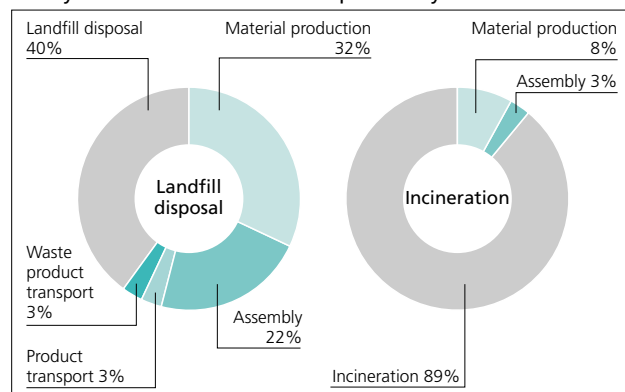
Business field	Toppan's environmentally-friendly product	Main environmental claims	Business field	Toppan's environmentally-friendly product	Main environmental claims
Securities Printing	Ecothrough Card	Suitability for disposal	Packaging	TT Paper Can	Easy separation and disassembly
	Paper IC Card	Use of recycled materials		Neovert	Use of recycled materials
	BE Card	Biodegradability		Ecotainer	Resource-saving (reduced use of exhaustible resources)
	Eco Holosticker	Biodegradability		TL-PAK	Resource-saving (reduced use of exhaustible resources)
	Bulky Waste Processing Sticker	Resource-saving (reduced amount of materials used)		EP-PAK (EP-GL)	Resource-saving (reduced energy usage in logistics)
	Recycleco Gift Card	Use of recycled materials		EP-PAK (AI)	Resource-saving (reduced energy usage in logistics)
	Card for ETC	Suitability for disposal		Stand up Laminated Tube	Resource-saving (reduced amount of materials used)
	Hanshin Expressway Public Corporation Mutlipass	Use of recycled materials		Recyclen Cap	Easy separation and disassembly
Rewritable Paper	Long-life products	AP Cartons		Resource-saving (reduced energy usage in logistics)	
Commercial Printing	Toppan Green Paper 100	Use of recycled materials		Micro-Flute	Resource-saving (reduced energy usage in logistics)
	Toppan Green Paper Bagasu	Use of recycled materials		TP-Tray	Recyclability
	Eco Pack (life-size POP display)	Resource-saving (reduced amount of materials used)		Corrugated Absorber	Recyclability
	Aiba Environmentally-friendly Exhibit System	Reusability		AD-Case	Resource-saving (reduced amount of materials used)
	Paper Desk Calendar	Use of recycled materials		Cartocan	Recyclability
	Ecology Calendar	Use of recycled materials		Paper Cup made from recycled paper	Use of recycled materials
	Eco POP	Use of recycled materials, Suitability for disposal, Energy-saving		Cup made from Tree Free paper	Resource-saving (use of by-products)
	Eco Pack Stand	Resource-saving		Biodegradable Package	Biodegradability
	Eco Pack Multipanel	Reusability		Cylindrical Paper Containers	Resource-saving (reduced energy usage in logistics)
	Eco Floor Sticker	Suitability for disposal		Coated Barrier Film	Suitability for disposal
	Cerap	Suitability for disposal		GL-C Bottle	Resource-saving
	Eco Pack End Panel	Resource-saving		GX Film	Resource-saving
	Eco Pack Stand, Round-type	Resource-saving		Jar Plus	Resource-saving
Publications Printing	Recycled Vegetable-Oil Ink	Use of recycled materials		Tray All	Easy separation and disassembly
	Polyurethane Reactive-Hot Melt	Easy separation and disassembly	GI Film Lined Paper Cup	Resource-saving	
	Non-Vinyl Chloride Lenticular Lens	Suitability for disposal	Double-Wall Barrier Cup	Resource-saving	
Electronics	Low-halogen Printed-wiring board	Suitability for disposal	Oil-Proof Paper	Use of safe materials, Suitability for disposal	
			Functional Coated Paper	Recyclability	
Interior Decor Materials	Toppan Ecowall	Reduced release of chemical substances	In-Mold Barrier Cup	Resource-saving	
	Toppan Ecofoil	Reduced release of chemical substances	Tamper Evident Recyclen Cap	Easy separation and disassembly	
	Functional Ecofoil (Airfeel, Mirrafeel, Purefeel)	Suitability for disposal			
	NaturArt	Reduced release of chemical substances	Optronics	Lenticular Screen	Resource-saving, Use of safe materials
	Coordination Floor	Reduced release of chemical substances, Long-life products		Antireflection Film	Resource-saving
	PURE ALL	Use of safe materials, Suitability for disposal			
Packaging	GL Family	Suitability for disposal			
	Standing Pouch for Refill	Resource-saving (reduced amount of materials used)			
	Bottled Pouch	Resource-saving (reduced amount of materials used)			
	Thin-Wall Bottle	Resource-saving (reduced amount of materials used)			
	Plastic Container made from Recycled Materials	Use of recycled materials			
	Ecogloss (environmentally friendly gloss finishing)	Resource-saving (reduced use of exhaustible resources), Use of recycled materials			
	Recording Media Packaging	Resource-saving (reduced use of exhaustible resources)			

Experimental LIME Data

■ Ecofoil Outside Cost Comparison by Process



■ Vinyl Sheet Outside Cost Comparison by Process



Environmental Communication

■ Prizewinning Slogans in Fiscal 2004

No. 1 Slogan	
"Save energy your way. Cool down the overheated Earth"	Seiji Yanagisawa (Securities Printing Division)
Outstanding Slogans	
"Foster an environmental culture. Leave a pleasant Earth for the future"	Hiroshi Ueno (Toppan Containers Co., Ltd.)
"Making products means making the environment: An Eco company that supports the Earth"	Yasumitsu Araki (Information & Publications)
Exemplary Slogans	
"Recycle more. Keep the Earth natural for the future"	Nobuaki Nishioka (Packaging Division, Kansai Division)
"Understanding is not enough. Compliance with environmental rules produces new value"	Hiroaki Toyama (Kansai Commercial Printing Sub-division)
"Each person who makes an environmental improvement is a champion of the Earth"	Minoru Hatano (Toppan Hokkaido Insatsukako Co., Ltd.)
"A will to protect the environment and the knowledge to nurture it: A little effort goes a long way"	Kazuki Yoshino (Packaging Division, Manufacturing and Technology Division)
"Conserve electricity, save energy, and recycle: It all goes together. One day, one ecology."	Taichi Sato (NEC Toppan Circuit Solutions, Inc.)

■ President's Awards (Ecology Awards)

Fiscal year	Title
1999	<ul style="list-style-type: none"> <li>The planning, creation, production, and sales of Toppan brand paper <i>TOPPAN GREEN PAPER 100</i></li> <li>Introduction of environmental accounting and publishing of <i>Environmental Report</i></li> </ul>
2000	<ul style="list-style-type: none"> <li>Enhancement of the company's environmental brand image through the holding of the environmental communication exhibition</li> <li>Development of environmentally-friendly <i>Ecogloss</i> products</li> <li>Lowering costs through the introduction of solid fuel production (RPF)</li> <li>Introduction and stable operation of new wastewater processing system during the move of Toppan Gravure Prepress Co., Ltd.</li> </ul>
2001	<ul style="list-style-type: none"> <li>Enhancement of environmental management through the publication of <i>Environmental Report 2001</i></li> </ul>
2002	<ul style="list-style-type: none"> <li>Introduction of an environmentally-friendly gravure printing system at the Matsuzaka plant</li> <li>Enhancement of the company's environmental brand image by the acquisition of the printing industry's first Chain of Custody (CoC) certification from the Forest Stewardship Council (FSC)</li> </ul>
2003	<ul style="list-style-type: none"> <li>No awards presented</li> </ul>

■ Main Awards Received for Toppan's Environmental Conservation Activities

Awards	
July 1991	Minister of International Trade and Industry's Award for Plants Distinguished in Greening Activities—Fukusaki plant
February 1992	Director's Award, Kanto Bureau of International Trade and Industry for Plants Distinguished in Energy Management—Itabashi plant
February 1995	Encouragement Award, Saitama Prefecture Global Environmental Awards—Toppan Graphic Co., Ltd.
April 1996	Fuji Sankei Group Award, the 5th Global Environment Awards
February 1999	The Highest Award, Chairman's Awards, Committee on the Rationalization of Energy Consumption in the Kanto Region—Toppan head office, Akihabara
December 2001	The Excellence Award at the 5th Environmental Report Awards 2001
March 2003	Kanagawa Prefecture Pollution Prevention Service Award (Sagamihara plant)
May 2004	Excellence Award at the 7th Environmental Report Awards

■ Toppan's Participation in Environment-related Organizations

Organization	Organization
Green Marketing Association	Network for Sustainability Communication
WWF (the World Wide Fund for Nature) Japan	Collect-and-Use Recycling Association
Nikkei BP Eco Management Forum	Environmental Management and Communication Study Group
Green Purchasing Network	Special Project on Eco-Efficiency and Eco-Design
UNU Zero Emissions Forum	Japan for Sustainability
Global Reporting Initiative Forum Japan	Japan LCA Forum
Society for Chemical Risk	

■ Number of Environmental Reports Published

Fiscal year	(copies)					
	1999	2000	2001	2002	2003	2004 (planned)
Japanese	20,000	20,000	20,000	15,000	15,000	15,000
English	—	2,000	5,000	3,000	3,000	3,000

Note: Became the CSR Report from 2004.

■ Number of Site Reports Published

Fiscal year	(operational sites)				
	2000	2001	2002	2003	2004 (planned)
	2	5	7	9	12

# GRI Guidelines Reference Index

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1.2. P. 2–3	Customers		Employment	
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	EC2. —		LA2. P. 80	
<b>Profile</b>	Suppliers		Labor/Management Relations	
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Note: The above reference index indicates pages containing information relating to required items under the GRI guidelines. These references are not to be construed as guarantee that the information is based on the guidelines.



**TOPPAN PRINTING CO.,LTD.**  
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# Questionnaire on the *CSR Report 2004*

Thank you for reading Toppan's *CSR Report 2004*. We would appreciate it if you could answer the following questions and fax the completed questionnaire to the number below.  
All feedback received will be helpful in the production of the next *CSR Report*.

Compliance Department, Legal Affairs Division, Toppan Printing Co., Ltd.

## FAX +81-3-3835-1447

### Q1. What did you think about the readability of the *CSR Report*?

Toppan's stance on social responsibility  Easy to understand  Average  Hard to understand  Very hard to understand  
Descriptions of Toppan's activities  Easy to understand  Average  Hard to understand  Very hard to understand

### Q2. What was your impression of the contents of the report?

Very comprehensive  Comprehensive  Somewhat inadequate  Completely inadequate

### Q3. Which of the following topics in the *CSR Report* made a strong impression? (Please circle all that apply.)

1. Executive Message  2. Business Activities and Social Responsibility  3. Topics 2003  
 4. Roundtable Discussion: What We Expect from CSR  5. Compliance  6. Improving Customer Satisfaction  
 7. Respecting and Leveraging Human Assets  8. Activities for Society and Culture  9. Toppan's Environmental Vision  
 10. Environmental Management Activities  11. Eco-protection Activities  12. Eco-creativity Activities  
 13. Environmental Communication Activities  14. Other ( )

### Q4. How do you rate Toppan's social responsibility efforts? Please tell us the reason for your rating.

Excellent  Good  Average  Mediocre  Poor

Reason(s):

### Q5. Please let us know what other kinds of information you would like to see in this report.

Do you have any other ideas on ways to improve the report?

### Q6. From what perspective did you read this *CSR Report*?

As a CSR specialist  As a corporate employee in charge of CSR activities  As a civil servant in public administration  
 As a shareholder or investor  As a student  As a journalist  
 As a resident living near Toppan facility  As a member of an environmental NPO, etc.  Other ( )

### Q7. How did you first learn about this *CSR Report*?

Toppan's website  Newspaper  Magazine  Toppan sales representative  Friend or acquaintance  Other ( )

### Q8. Did you have any other impressions or opinions about this report? Please let us know.

Thank you very much for your cooperation. Please tell us about yourself.

Name		Address	
Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	Age	Telephone number	E-mail address
Occupation/Company name			Dept./Title