TOPPAN FORMS

Annual Report 2012

Year ended March 31, 2012

DEDICATED TRANSMISSION

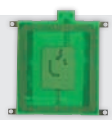
Transmitting Information to Facilitate Communication

Utilizing our accumulated technologies to transmit Toppan Forms into the future

Diversifying Operations in the Printing Business

In Toppan Forms' core printing business, we are expanding operations into the business process outsourcing (BPO) field in which we will assume responsibility for customer business processes that can be linked with our business forms and Data Print Services (DPS) services. At the same time, we are accelerating initiatives to expand our market share for business forms and DPS services.

Developing ICT Businesses



The Company is actively developing new businesses and services utilizing its refined information communications technology (ICT) platforms, which are the product of its exploits in fields including those related to the Internet, IC cards, and radio frequency identification (RFID). Through these efforts, we are striving to provide Web-based solutions that connect our DPS services to the Internet and RFID solutions that combine media products with various equipment and systems.

Expanding Operations in the Merchandise Segment

We are expanding the range of services and sales channels that utilize the Company's online sales system. In addition, we are developing distribution management solutions that utilize high-performance refrigerants, and are also pursuing the development of high-value-added products for environment-related fields. In these ways, Toppan Forms is endeavoring to develop and expand operations in new markets.

Strengthening Overseas Businesses

Looking to increase our presence in the Chinese market, we are strengthening our sales network in this market, which is centered on operating bases in Hong Kong, Beijing, and Shanghai. Meanwhile, leveraging our bases in Singapore and Thailand, we are working to expand operations into the surrounding markets. The Company is also enhancing its support structures for Japanese companies advancing into the Chinese and ASEAN markets.

Contents

About this Annual Report

This annual report has been published to serve as a communication tool to help the Company develop stronger trust-based relationships with its shareholders and other investors as well as all of its other stakeholders. The goal of this report is not only to disclose information regarding the Company's operating performance and management initiatives, but also to deepen the reader's understanding of the superior position that the Company has developed in the fields of printing, information management, and communication. Annual Report 2012 focuses on describing the business foundations that Toppan Forms has developed over the years and explaining the growth strategies the Company will implement going forward.

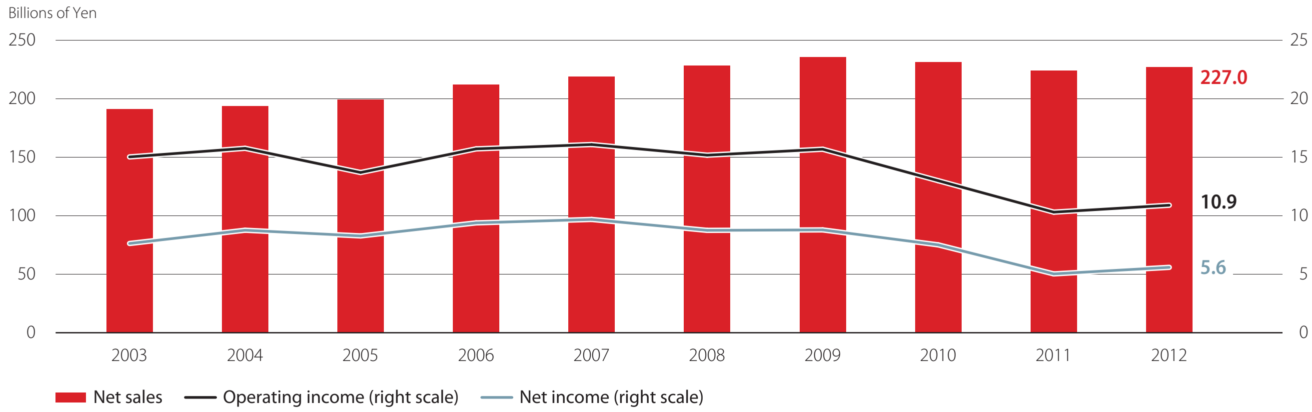
Forward-Looking Statements

Statements contained in this annual report that are not historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, performance, or achievements to differ materially from those anticipated in these statements.

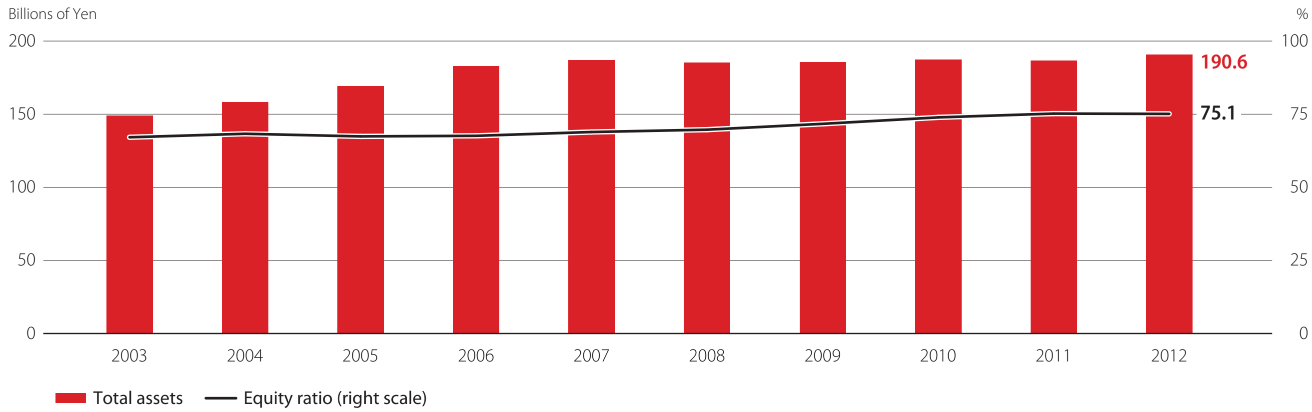
Consolidated Financial Highlights

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

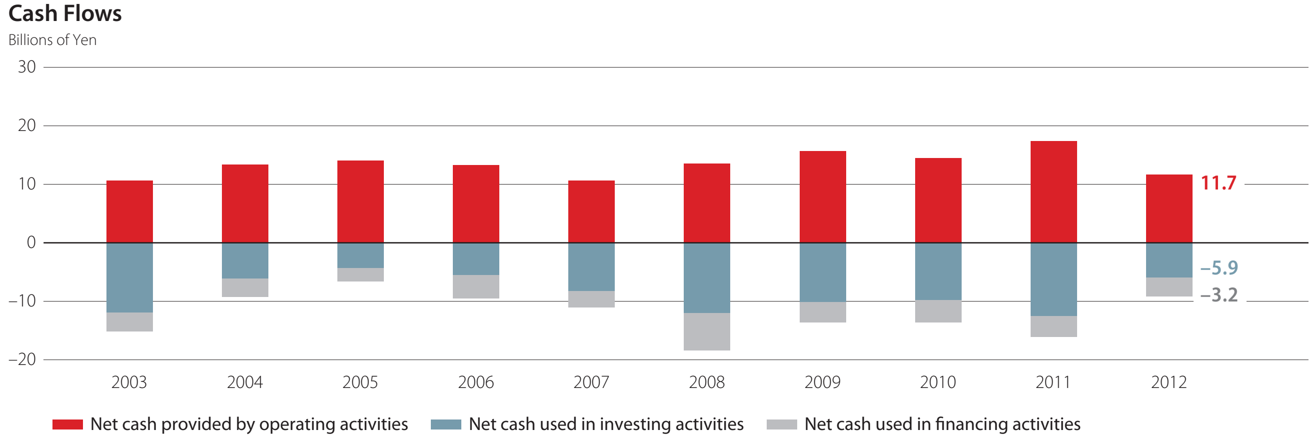
Financial Performance



Financial Position



Cash Flows



A Message from the President

We will improve corporate value by leveraging Toppan Forms' refined information technologies.

IN THE FISCAL YEAR ended March 31, 2012, the Japanese economy saw the gradual recovery of capital investment among companies in conjunction with the reconstruction effort following the Great East Japan Earthquake, which occurred on March 11, 2011. Regardless of this improvement though, the economy still proved to be in an unstable state as a result of such factors as a decline in exports due to the strong yen as well as the impacts of the severe flooding in Thailand seen in October 2011 and the depression of the global economy stemming from the financial crisis in Europe.

In the business form industry, where Toppan Forms operates its core business, demand was down due to widespread corporate cost reduction initiatives and the progression of the trend toward the digitalization of business forms. This situation was further compounded by pressure to reduce prices amidst intensifying competition, making for an exceptionally harsh operating environment.

Under these conditions, the Company continued to pursue a higher market share in its key markets by providing high-value-added products and services as a comprehensive information management solutions company. In this pursuit, we accelerated our efforts in the global market, aggressively conducting sales promotion activities targeting Japanese companies expanding into Asia. Meanwhile, we also focused on creating new businesses and services. As part of these efforts, we established a new subsidiary in December 2011 to manage the provision of our new electronic-money (e-money) payment platform that utilizes near field communication (NFC) technologies. In addition, with the aim of enhancing our ability to appropriately respond to changes in the market climate, we streamlined our distribution network and consolidated our production operations in the Tokyo metropolitan area into a single subsidiary, which was established in January 2012, and implemented other initiatives to reinforce our operating foundations.

As a result of these efforts, net sales in the fiscal year under review increased 1.2%, to ¥227.0 billion; operating income was up 5.8%, to ¥10.9 billion; and net income rose 11.1%, to ¥5.6 billion.

Looking ahead, we believe that the operating environment will continue to be both harsh and opaque. However, even in such an environment, we will not falter in our quest to improve corporate value. To this end, we will leverage Toppan Forms' refined information technologies to propose comprehensive communication solutions to customers and bolster systems for assuming responsibility for the various business processes related to these solutions. Further, working to strengthen the Company as a whole and improve performance, we will develop new businesses and services that capitalize on the Company's strengths and reform cost structures to solidify operating foundations. I hope we can continue to expect your support as we undertake these bold endeavors.

July 2012

Shu Sakurai
President and CEO

An Interview with the President

We will undertake dynamic transformations toward becoming a high-value-added company.

Q In the fiscal year ended March 31, 2012, the operating environment proved to be exceptionally harsh for a number of Japanese companies due to such factors as the lingering impact of the Great East Japan Earthquake. Regardless of this, Toppan Forms was able to achieve higher sales and income for the first time in three years. What do you feel contributed to this strong performance?

A The direct impact of the earthquake on our operations was limited, but we did suffer indirect effects due to the ensuing drop in corporate activities among customers and a lack of office supplies. For this reason, both sales and income were down during the first half of the year.

Over the full year though, we were able to achieve higher sales and income largely due to a 15.8% increase in DPS-related sales.

Q So you mean to say that the recovery in performance was primarily supported by DPS services. Can you please explain this a little further?

A Cross-media solution proposals, which combine paper and digital business forms, produced significant results, particularly with respect to financial institutions. Other factors contributing to the strong DPS performance included our increased presence in the custom-variable printing market thanks to the introduction of state-of-the-art high-speed digital printers, higher BPO sales, and a recovery in demand for direct mail for sales promotions.

As part of our growth strategies, we focused on Toppan Forms' unique BPO services, which have business forms and DPS services at their core. Also, demand for business continuity plans (BCPs) has been on the rise since the March 11 earthquake. I think it is the strong reputation we have established in fields such as these that enabled us to achieve this impressive performance in the fiscal year under review.

Q **What sort of initiatives do you plan to implement in this persistently unclear operating environment?**

A While the post-Great East Japan Earthquake reconstruction demand is a source of optimism with regard to the Japanese economy, there is still cause for concern in terms of the limited supply of electricity, rising price of crude oil, and issues related to employment in Japan. For these reasons, the unclear nature of the Japanese economy is expected to continue into the foreseeable future.

The business form industry will feel the effects of these economic circumstances and will also be affected by structural reforms stemming from the advancement of IT and network technologies, downward pressure on selling prices due to intensified competition, and the rising prices of electricity and paper. These factors will likely directly impact the Company's business results.

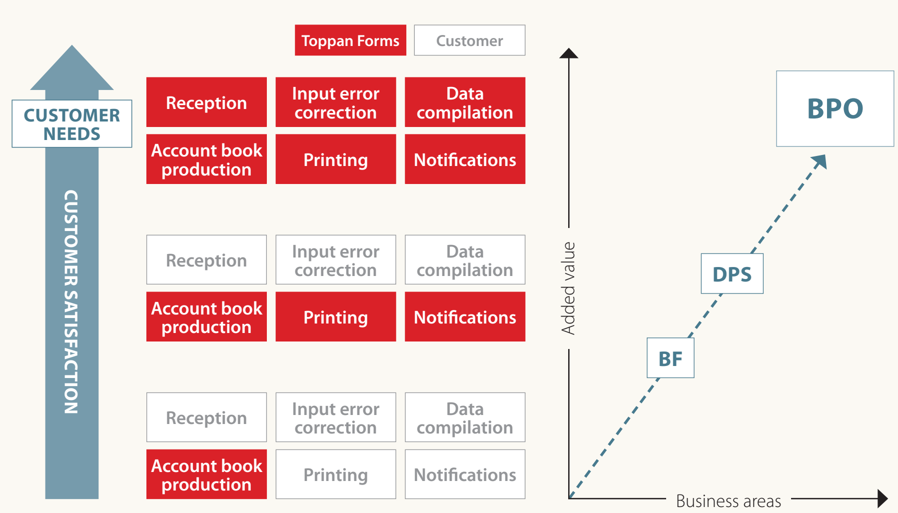
In this environment, the Toppan Forms Group will prioritize the progression of the management directives of advancing growth strategies and strengthening the management base. In advancing growth strategies, we will consolidate our operations into four areas—printing, ICT, merchandise, and overseas businesses—and strengthen operating foundations in these areas.

Q **What growth strategies will you implement for the printing business?**

A We will enhance our BPO systems for assuming responsibility for processes associated with business forms and DPS services, such as planning, design, marketing provisions, scanning, call center operation, and database management.

CLOSE UP Life Insurance Company (Back Office Processes)

Toppan Forms' BPO services offer customers total support for a wide range of troublesome and labor-intensive workflow processes. In designing and operating customer workflow processes through these services, we assume responsibility for various tasks including those related to sales promotion, undelivered mail processing, and opening and data compilation responses.



In regard to business forms, we will enhance our ability to make proposals utilizing universal design concepts, to make forms easier to understand, and other techniques geared toward improving the efficiency and effectiveness of customer communication efforts and business processes.

Further, we will expand the range of our business by developing applications for our line of custom-printed materials that utilize our digital printing technologies and variable data management expertise. At the same time, we will develop a lineup of highly competitive products focused on mailing products and delivery slips. In these ways, we will target higher market shares.

Q Please explain Toppan Forms' ICT businesses. Also, you established Toppan Forms Payment Service in December 2011. What was the motivation behind this move?

A Toppan Forms is advancing the development of new businesses and new services by leveraging its ICT platform in areas related to the Internet, IC cards, RFID, and NFC. We are aggressively pursuing the creation of businesses that take advantage of our strengths to provide information communication solutions that link the Company's DPS services to the Internet and RFID solutions that combine media products with various equipment and systems.

In addition, we aim to get the Thincacloud cloud e-money payment platform, which was created in cooperation with the Japanese branch of Hewlett-Packard Development utilizing NFC technologies, up and running as soon as possible so that it can be transformed into a new revenue source.

The establishment of Toppan Forms Payment Service was one step in this process. With this subsidiary, we aim to respond to the rising usage of e-money in Japan, and possibly expand these operations overseas in the future.

CLOSE UP Thincacloud E-Money Payment Platform

Previously, e-money payments required the use of expensive scanning terminals, which could only be used with specific brands of e-money. However, by using NFC technologies with state-of-the-art cloud technologies, Toppan Forms has succeeded in developing a platform that makes it possible for one terminal to process various different e-money brands.

■ For more information regarding Thincacloud, please refer to the "In Focus" special feature on page 10.

Q **What sort of initiatives will you implement in the merchandise business?**

A In the merchandise businesses, we are bolstering our lineup of high-value-added products in the distribution field, such as our temperature management systems that utilize high-performance refrigerants, as well as in the environmental field.

Further, we are enhancing our marketing and procurement capabilities, reinforcing our lineup of office supply products, and strengthening our Web-to-print and comprehensive order systems that utilize Toppan Forms' online sales system.

In regard to equipment, we are developing products that are differentiated from competitors in terms of price and function, such as mailing equipment and IT equipment for document management purposes. Leveraging this equipment lineup, we hope to enter into new markets.

CLOSE UP *MechaCool* High-Performance Refrigerant

MechaCool is a high-performance refrigerant that has earned a strong reputation for the environmental and cost-related benefits that stem for the fact that it may be reused several times. This characteristic sets it apart from dry ice, which undergoes sublimation. Our line of *MechaCool* products can maintain temperatures at a specific temperature ranging from 3°C to minus 30°C. The product line consists of eight different types, with set temperatures differing by increments of approximately five degrees within this range. This makes these products perfect for medical related transport, where temperature management of the highest accuracy is necessary. Toppan Forms has also developed a unique line of refrigerated containers that, when combined with *MechaCool* refrigerants, can maintain a set temperature for over 100 hours.

Q **How do you plan to expand overseas businesses?**

A Overseas, we are working to deepen relationships with existing customers in China and explore new markets in this country that address the needs of local customers. At the same time, we are advancing into ASEAN markets centered on our operations based in Thailand and Singapore.

To this end, we are constructing manufacturing and sales systems in these regions for our highly competitive DPS- and electronic media-related services. In this manner, we aim to respond to the rising awareness toward the social responsibility of protecting personal information.

We are also promoting sales to Japanese companies developing operations in the Chinese and

ASEAN markets focused on transportation, mail-order sales, and distant learning by strengthening support systems.

Further, we are progressively establishing a production network for IC cards and RFID products in which production is conducted in optimal locations. Overseas partners are included within this network. Through these efforts, we are accelerating business development in Asian markets.

CLOSE UP **Developing Businesses in the Chinese Market**

1. **Beijing**
   Beijing Toppan Forms Printing Co., Ltd.
   Location: Beijing
2. **Shanghai**
   Toppan Forms Information Systems (Shanghai) Ltd.
   Location: Shanghai
3. **Guangzhou, Shenzhen, Hong Kong, Macau**
   Toppan Forms (Hong Kong) Ltd.
   Location: Hong Kong
   Toppan Forms Card Technologies Ltd.
   Location: Hong Kong

Q **In what ways are you "strengthening the management base"? Is it safe to assume that profitability improvement measures will form the backbone of this endeavor?**

A We are targeting improved profitability by consolidating manufacturing bases and rationalizing distribution systems, as well as by reforming cost structures through such measures as the development of optimal production networks and the construction of an integrated DPS production system.

In January 2012, we established the subsidiary Toppan Forms Central Products. This new subsidiary enabled the Company to consolidate the management of business form and DPS production divisions. Also, by sharing our quality assurance systems, facilities, and technologies with this company, we will strengthen our manufacturing efforts.

However, we realize that improving profitability alone will not allow us to sufficiently strengthen the management base. For this reason, we are practicing management that also focuses on human resources cultivation and corporate social responsibility (CSR) in a balanced manner.

In regard to human resources cultivation, in addition to holding training camps for new employees, we systematically implement training programs for employees in various levels throughout the organization, including managers, and conduct management training courses to raise the future managers of the Company. These programs take place on an ongoing basis as we work to strengthen our organization.

As part of our CSR initiatives, and in recognition of our responsibility as a company that handles personal information, our information management systems are constantly undergoing improvement and enhancement with the aim of developing unshakable bonds of trust with our customers. In this pursuit, we are continually increasing the quality of our products and services while also implementing company-wide information security initiatives spearheaded by specialized committees.

Further, we are developing business continuity management systems (BCMSs) that cover the entire Company and have acquired certification under BS25999-2, an international standard for BCMSs, ahead of other companies in the industry. By expanding the range of these precautions, we hope to develop secure operating systems that will allow us to safely take responsibility for customers' business processes.

Toppan Forms realizes that environmental preservation is an issue that concerns the entire human race, and is taking steps to preserve biodiversity and address other environmental concerns. These include working to reduce the environmental impact of our operations through the installation of an environmental management system (EMS), as well as developing and providing environmentally friendly products.

Furthermore, Toppan Forms practices strict legal compliance, and is reinforcing its internal control systems while continuing to promote a high level of corporate ethics. To facilitate this endeavor, the Company has established an internal control system hinged on specialized monitoring bodies, and is continually enhancing this system.

Q **In closing, do you have anything you would like to say to Toppan Forms' shareholders?**

A Toppan Forms strives to create new corporate value as a comprehensive information management solutions company.

In order to develop and expand our business pursuant to this goal, we need to invest in R&D activities and in the rationalization of operations while also creating new businesses. For these reasons, I hope you will understand the present need to secure sound internal reserves.

However, I also would like to ask our shareholders to continue to support our business reform into the medium- to long-term; consequently, I intend to continue offering stable shareholder returns.

For the fiscal year ended March 31, 2012, we issued dividend payments totaling ¥25 per share, making for a consolidated dividend payout ratio of 49.6%.

In 2015, Toppan Forms will celebrate the 50th anniversary since its founding. In light of this monumental event, we have established the new policy of undertaking dynamic transformations toward becoming a high-value-added company. Acting in accordance with this policy, we will aggressively develop the Company into a stronger organization that can win out against any adversities the future may have in store for us.

In Focus

Communication, Imagination, Innovation

In June 2012, Toppan Forms began provision of Thincacloud, its new cloud payment platform that utilizes near field communication (NFC)[*1] technology.

This platform enables business operators to reduce costs by allowing them to process payments from various different electronic money (e-money) brands using a single terminal, whereas previously it was necessary to use a different terminal for each individual brand. For this reason, Thincacloud improves convenience from the perspectives of both business operators and e-money users in a variety of situations.

The following is a statement from Nobuyoshi Minami of Toppan Forms Payment Service Co., Ltd.[*2], who was involved in the Thincacloud development process.

Nobuyoshi Minami of Toppan Forms Payment Service Co., Ltd.

Innovations Created from the Perspective of Users

Today, it seems that payments can be conducted using e-money almost everywhere, in restaurants, in convenience stores, and even in supermarkets. However, there are presently a number of different brands of e-money, each requiring different terminals, which are often installed in a haphazard manner. In other words, there were serious issues regarding the convenience of e-money. Thinking from the perspective of e-money users, we felt that if any brand could be used easily at any store, it would make these services infinitely more convenient. This was the inspiration behind Thincacloud.

There were also a number of critical flaws in the business models of e-money providers. The specialized card readers placed in stores are done so at the expense of the provider as they attempt to expand their market share; and these card readers can be exceptionally expensive. The substantial costs such business models entail significantly constrict the profitability of these businesses.

In working to resolve these issues, it was first necessary that we uncover what the underlying problems were and what latent needs remained to be identified. As part of our quest for these answers, we conducted marketing surveys. I also personally questioned business operators that utilize e-money payment systems when the opportunity arose. Based on our findings, we developed various concrete proposals.

Strengths of Toppan Forms that Foster Innovation

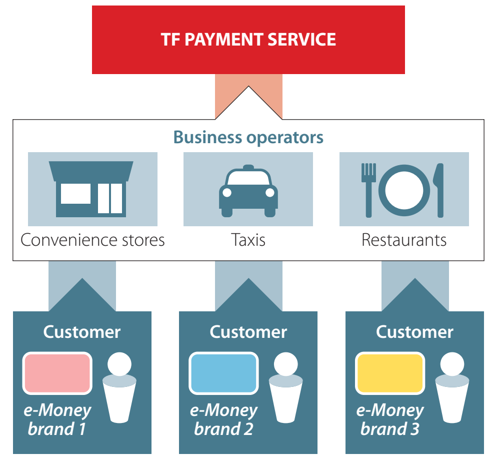
One of the biggest contributing factors to the successful introduction of Thincacloud was Toppan Forms' extensive customer base that consists of over 30,000 companies. Toppan Forms' mainstay Data Print Services (DPS) business involves the handling of vast quantities of personal information. For this reason, customer trust is absolutely essential to this business. Likewise, as e-money acts as a replacement for money, such ventures cannot be conducted without first proving reliability. Accordingly, it is clear that the strong bonds of trust Toppan Forms has forged in its DPS business, a business in which a large portion of sales comes from financial institutions, are an invaluable asset in the provision of e-money-related services. In this way, even as the mediums and services we provide change, the trust-based relationships we have built with customers over the years remain solid. The fact that we are able to offer the new Thincacloud service to customers to whom we have already proven ourselves has significantly smoothed the introduction process for this platform. In developing this platform, we started from zero in terms of existing in-house technological resources.

We thus had to borrow the expertise of various interested engineers, both inside and outside of the Company, and with the help of many associates, we were able to establish an integrated system for the planning, development, and operation of this platform over a period of roughly three years.

The biggest challenge we faced in launching this service was raising awareness. FeliCa[*3] and NFC technologies are commonly viewed as differing technologies with opposing standards; however, the base technologies used are the same, with the NFC technology being a more advanced standard of FeliCa. Unfortunately, this misunderstanding gave rise to confusion as to why we were developing technologies based on NFC rather than FeliCa, a misunderstanding that we had a great deal of trouble dispelling.

Luckily, there exist in any industry those customers that display an interest in new innovations and sophisticated technologies. Crossing paths with many such customers that understood the revolutionary nature of the Thincacloud service helped encourage us throughout this journey. Now that the service is off the ground, support is growing at a rate that we would have never imagined six years ago, when we were still sitting in front of the drawing board. We are constantly receiving various requests for this service from customers in Japan and overseas, and I am able to feel the high expectations customers hold in regard to Thincacloud on a daily basis.

Thincacloud Payment System



Future Development Looking Overseas

Thincacloud's technologies are gaining attention both in Japan as well as overseas. For example, Europe has a highly developed railway network. However, in order to use this network, passengers must purchase a paper ticket from a vending machine. If Thincacloud's technologies were to be adopted, it would be possible that passengers may be able to ride the train simply by allowing the ticket gate to scan their credit card.

Throughout history, currency has continued to evolve, starting with stones or shells, and then becoming paper bills. Today, e-money is becoming the norm. As the form of currency changes, so do methods of distribution. As this process changes how people act and how society functions, new business opportunities will appear. I am convinced that Thincacloud is a service with the potential of forming the underlying infrastructure on which such changes will occur.

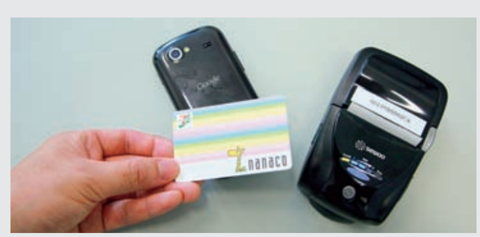
*1. NFC is the global standard for short- to long-distance wireless communications. It is used for purposes such as e-money payments and is also compatible with application development processes that do not rely on IC card standards as well as with different communications standards.

*2. Toppan Forms Payment Service Co., Ltd. was established in December 2011 to handle operations related to the Thincacloud cloud NFC payment platform.

*3. FeliCa is one technology standard for contactless IC cards. Many brands of e-money in Japan are based on this standard.

Thincacloud—A Revolutionary Cloud NFC Payment Platform

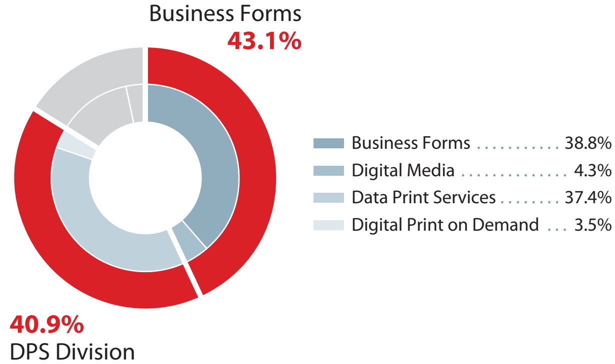
Thincacloud is a thin client system in which password processing is not conducted by the payment terminal, but rather on an online server. This enables one general-purpose terminal to process several different types of e-money. Using this system, e-money providers as well as retailers, sales companies, and other entities that conduct sales are able to introduce contactless IC card payment systems with a greatly reduced financial burden.

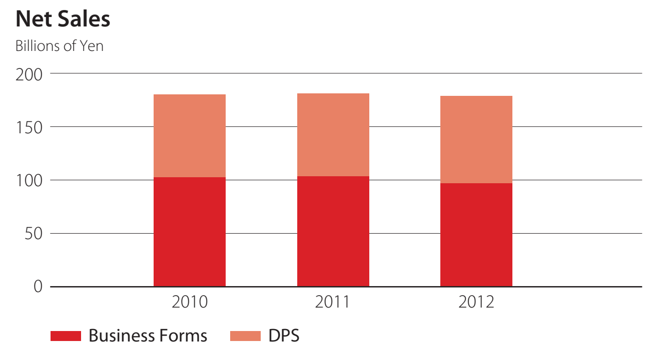


Review of Operations

Printing Business Segment

The Printing Business segment contains the Company's core business, which forms the technological base that has supported the Company's development up until the present. Its consists of Toppan Forms' industry leading Business Forms Division and Data Print Services (DPS) Division, both of which hold the top share in their respective market, and represents the Company's main revenue base. In fiscal 2012, sales in the Printing Business segment rose 2.6% year on year, to ¥178.8 billion, and accounted for 78.8% of consolidated net sales.

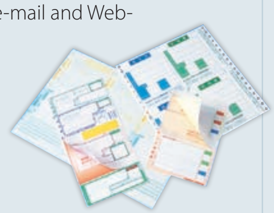




Products/Services

Business Forms Division

The Business Forms Division is divided into two major product categories—Business Forms, which uses paper business forms, and digital business forms, which centers on electronic documents, such as e-mail and Web-related services, and IC- and RFID-related products.



Main Products/Services

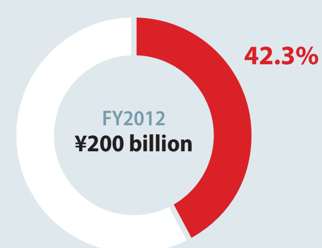
Business Forms

- Transport and delivery slips
- Mail-related forms
- *POSTEX* sealed postcard series
- Environment-friendly business forms

Digital Media

- Digital messaging services
- Web-related services
- IC tags, smart cards, and other RFID products

Market Scale/Toppan Forms' Share



BUSINESS FORMS

Data Print Services (DPS) Division

The DPS Division is an outsourcing business comprising the processing and printing of customer data, as well as envelope insertion and dispatching. From this base, we are continually expanding the range of services offered by this division.

Main Products/Services

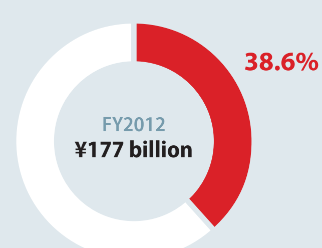
Data Print Services (DPS)

- Business mail for notifications
- Direct mail for sales promotions
- Business process outsourcing (BPO)

Digital Print on Demand (DOD)

- Personalized marketing tools
- Personalized educational materials

Market Scale/Toppan Forms' Share



DPS

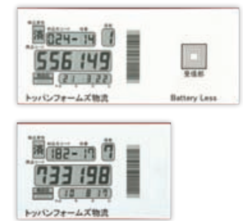
Initiatives in Fiscal 2012

Business Forms Division

In paper business forms, we are working to strengthen our ability to propose solutions for improving the efficiency and effectiveness of customer communication efforts and business processes. Through these efforts we hope to invigorate the market and create new demand. In the fiscal year under review, we placed particular focus on proposals that employed universal design concepts and techniques to improve the ability of business forms to properly communicate information. When we utilize such concepts to improve the business forms used by customers, enabling them to better communicate information to users, a subsequent decrease in input errors and inquiries is experienced, resulting in lower operating costs for the customer. Further, throughout the fiscal year under review, we aggressively addressed demand for various transport and delivery slips and other printed notifications, which was a product of corporate reorganizations and system changes.

In regard to digital business forms, such as products related to radio frequency identification (RFID) and near field communication (NFC) technologies, we are leveraging our ability to create unique media products utilizing Toppan Forms' printing technologies to establish a business model based on providing comprehensive solutions than combine software and services. In the fiscal year under review, we developed metal-compatible ultra-high-frequency (UHF) IC tags for use in hand carts that are used to deliver products and perform other duties. In addition, we established a new subsidiary to operate a business utilizing our payment platform that takes advantage of NFC technology, the global standard for short- to long-distance wireless communications.

UHF IC tags for hand cart management



Small battery-free electronic paper labels

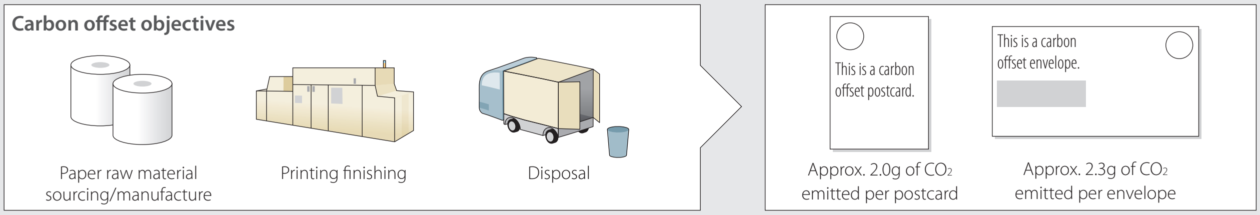
Data Print Services Division

In the DPS Division, we strive to enhance our systems for accepting business process outsourcing (BPO) orders. Toppan Forms' BPO services entail the Company taking responsibility for various customer business processes related to DPS services, including upstream processes such as planning, design, and developing marketing proposals, as well as downstream processes such as undeliverable mail processing, scanning, call center operation, and database management. In the fiscal year under review, we aggressively marketed cross-media solutions, which effectively combine both paper and digital media, to financial institutions and other organizations. We also expanded our presence in the variable printing market through the introduction of state-of-the-art high-speed digital printers.

Carbon offset mailing items that support post-earthquake reconstruction

Launch of Carbon Offset Mailing Products that Support Post-Earthquake Reconstruction

CO_2 is emitted in several stages throughout the life cycle of the envelopes and postcards used as notifications, including when the paper resources used to make them are collected and processed, when they are printed, and when they are disposed of after use. By offsetting the CO_2 emitted in the three prefectures in northern Japan that were heavily affected by the Great East Japan Earthquake, which occurred on March 11, 2011, using the J-VER* scheme, the Company successfully launched a service in which it provides the carbon offset labels that represent compliance with the standards defined by the Ministry of the Environment along with its mailing products in January 2012. This service contributes both to global warming prevention and post-earthquake reconstruction, while also improving the image of the sender of these mailing products and spreading awareness regarding carbon offsets.

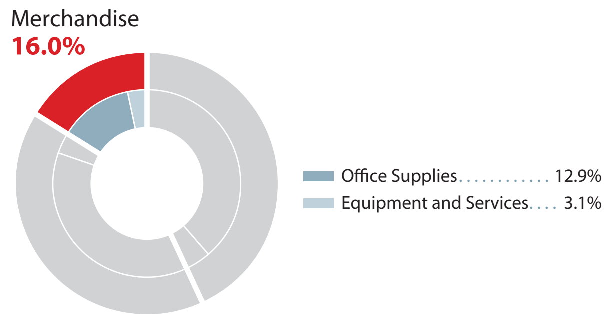


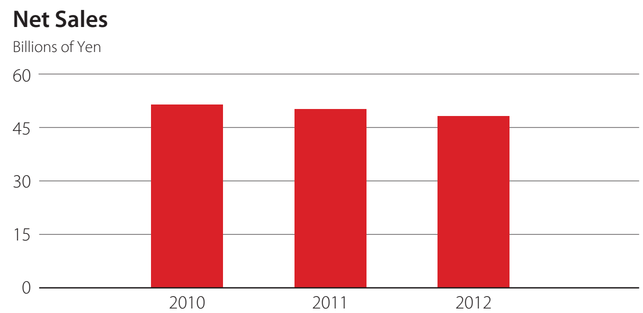
* Based on the Ministry of the Environment's "Carbon Offset VER (Verified Emission Reduction) Certification Standards Review Commission", J-VER is a scheme for measuring the amount of CO_2 emissions reduced or absorbed through voluntary greenhouse gas emission reduction or absorption projects conducted in Japan. J-VER credits can be utilized in carbon offset projects, or can be assigned monetary value and sold, allowing companies to use these credits to generate revenues.

Review of Operations

Merchandise Segment

In the Merchandise segment, we conduct the *O-tascarry* business, where we sell office automation (OA) and PC related products as well as office supplies and paper products, and manage an online sales system through which these can be purchased. In this segment, we also develop, manufacture, and sell form processors, which can process forms in various formats according to customer needs, and other office equipment to help rationalize the business processes of customers. In the fiscal year ended March 31, 2012, sales in the Merchandise segment declined 3.7% year on year, to ¥48.2 billion, and accounted for 21.2% of consolidated net sales.





Products/Services

The Merchandise segment provides a variety of services, from providing office supplies to the design, manufacture, sale, and maintenance of peripherals and related devices as an adjunct to the Business Forms Division.

Main Products/Services

Office Supplies

- IT-related equipment supplies
- Paper products

Equipment and Services

- Form processors
- System machines

PRESSLE LEADA sealer with detacher function

Initiatives in Fiscal 2012

In the Merchandise segment, we focused on improving our marketing and procurement capabilities, while also bolstering our lineup of office supplies. At the same, we also aimed to strengthen the comprehensive order system offered through the Company's *O-tascarry* online sales system. In the fiscal year under review, we promoted sales of environmentally friendly consumables, electricity saving products, and other office supplies, and continued to make proposals utilizing the *O-tascarry* system.

Further, we are developing products that are differentiated from competitors in terms of price and function, such as mailing equipment and IT equipment for document management purposes, while also pursuing the creation of products for distribution fields, such as distribution management solutions that utilize high-performance refrigerants, and high-value-added products for environment-related fields. In the fiscal year under review, we promoted sales of new printers compatible with delivery slips, addressed replacement demand for peripheral processing units for printers as well as large-scale card issuing machines, and targeted the acquisition of new mailing system orders. In addition, we launched a temperature-controlled traceability service in coordination with NEC Corporation of Japan. This revolutionary new high-value-added service utilizes *MechaCool*, a high-performance refrigerant, as well as sophisticated cloud technologies.

O-tascarry ordering system (Online version)

An office supply service that enables online management of inventories and orders of customized products

Corporate Governance

Toppan Forms places the establishment and maintenance of strong corporate governance systems, the systems through which all aspects of business operations are monitored and managed, among its top management priorities, as these systems are essential in improving both corporate value and shareholder value.

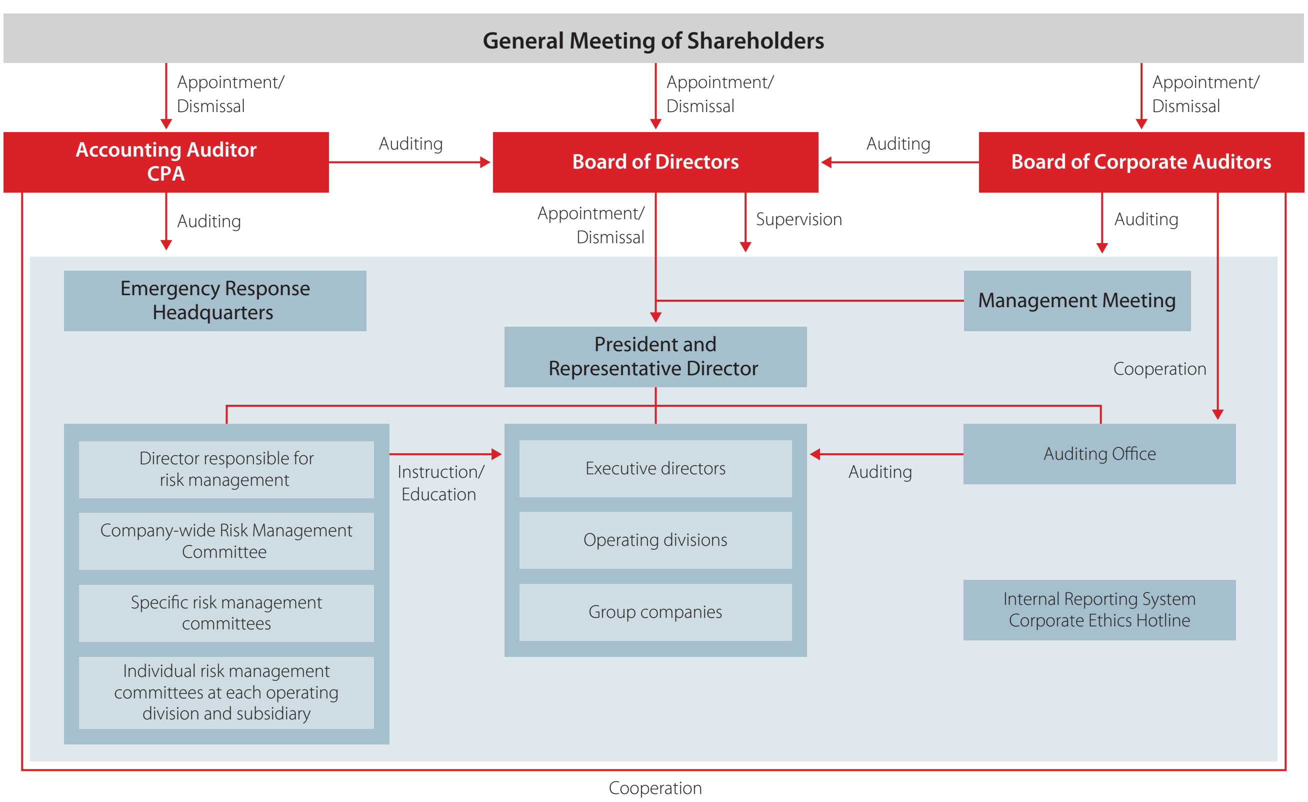
Corporate Governance Systems

The Company has established the Board of Corporate Auditors. While the Company has no outside directors, 4 of the 5 corporate auditors on the Board of Corporate Auditors are outside corporate auditors. Of these outside corporate auditors, 1 is full time. Guided by this auditor, the corporate auditors conduct thorough auditing activities, including attending meetings of the Board of Directors as well as other important meetings, auditing principal business sites and subsidiaries, and closely monitoring the administrative execution of directors. This system allows for the same degree of managerial monitoring as would be possible were outside directors present.

The Board of Directors consists of 13 directors. The Board of Directors makes important decisions relating to the Group's operations and also supervises administrative execution.

To ensure that directors can conduct their duties in an efficient manner, meetings of the Board of Directors are held on a monthly basis and on an extraordinary basis as necessary. Further, meetings of the Management Meeting, which deliberates on important management issues, and the Executive Committee, which discusses and shares information regarding business strategies, are held periodically. Through this system, the Company works to ensure that management decisions are made in an expedient manner and business operations are conducted efficiently.

Corporate Governance System



Compliance

In order to better incorporate compliance and corporate ethics into our business operations, the Company has developed the "Toppan Forms Group Action Guidelines," and it is working to disseminate knowledge and implementation of these guidelines throughout the Company.

With the goal of cultivating a compliance-based mindset in daily business operations, the Legal Department is spearheading many compliance-related training and education programs. Further, compliance promotion representatives and compliance promotion leaders have been posted at each business site to help support employees in practicing good compliance. We are also educating overseas Group companies with regard to the Toppan Forms Group Action Guidelines in order to further the dissemination of these guidelines.

Risk Management

The Company has developed a comprehensive risk management system. Risk management is primarily handled by five specific risk management committees that work under the Company-wide Risk Management Committee, which is chaired by the director responsible for risk management, to manage major risks throughout the Group. These committees are the Company-wide Information Security Committee, the BCM Promotion Committee, the Quality Committee, the Environmental Committee, and the Compliance Committee. Additionally, individual risk management committees have been established for each operating division and subsidiary. These organizations work together in conducting risk management activities.

Further, the Company has developed business continuity management systems (BCMSs) in order to ensure that it can quickly resume and continue operations in the event that a major disaster occurs. In 2009, we developed a business continuity plan (BCP). Later, in 2010, we became certified under BS25999-2, an international standard for BCMSs. We were the first company in the industry to acquire such a certification. The number of operating sites eligible for this certification grows with each coming year—the Company has currently acquired certification for 15 of its operating sites.

Information Security

The Data Print Services (DPS) business is one of the Company's core businesses. In this business, we are entrusted with sensitive information, including personal information, by our customers. We therefore realize that proper information management is not only necessary in order to maintain the trust of our customers, but also an important element of our responsibility toward society.

The Company has established the "Basic Principles for Information Security" and the "Personal Information Protection Policy." Moreover, we have developed the "Information Security Guideline" with the aim of reconciling the differing levels of information security awareness between different Group companies and operating divisions, and we are subsequently developing a uniform information security level throughout the Group. Through these efforts, we are developing information security systems that are best suited to Toppan Forms, the industry's leading company. We are also actively acquiring certifications from external organizations. Currently, three Group companies have received ISO27001 certification, while 11 Group companies have received PrivacyMark certification.

Board of Directors and Corporate Auditors

As of June 28, 2012

President and CEO
Shu Sakurai

Vice President
Kenji Nitta

Senior Managing Directors
Eiji Katoh
Toshiro Masuda

Managing Directors
Shungo Hiromura
Shigetaka Mori
Akira Kameyama

Directors
Naoki Adachi
Kenichi Fukushima
Hideyuki Ikeuchi
Toshiaki Kaneko
Mitsuyuki Hamada
Kouichi Sakata

Auditor
Kyouichi Hori *(fulltime)*

Outside Auditors
Kiyoshi Otsuka *(fulltime)*
Noriaki Kinoshita
Kunio Sakuma
Yukio Maeda

Consolidated Six-Year Financial Summary

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

Years ended March 31	Millions of yen 2007	2008	2009	2010	2011	2012	Thousands of U.S. dollars*1 2012
For the year:							
Net sales	¥219,197	¥228,565	¥235,895	¥231,617	¥224,305	**¥227,049**	**$2,762,484**
Operating income	16,088	15,178	15,687	12,997	10,308	**10,908**	**132,715**
Income before income taxes and minority interests	16,747	15,007	15,069	12,898	9,482	**10,511**	**127,895**
Net income	9,684	8,752	8,791	7,512	5,030	**5,590**	**68,018**
Depreciation and amortization	5,013	6,369	8,561	8,904	8,512	**8,566**	**104,217**
Capital expenditure	10,173	9,828	9,619	10,275	11,261	**5,596**	**68,082**
R&D expenditure	2,242	2,556	2,697	2,258	2,413	**2,269**	**27,610**
At year-end:							
Total assets	¥186,902	¥185,237	¥185,636	¥187,094	¥186,576	**¥190,550**	**$2,318,416**
Total shareholders' equity	125,285	127,888	133,894	138,631	140,886	**143,701**	**1,748,404**
Number of shares outstanding (thousands)	113,983	110,997	110,997	110,997	110,997	**110,997**	
Number of employees	6,483	6,641	7,357	7,529	7,598	**7,715**	
Cash flows:							
Net cash provided by operating activities	¥10,625	¥13,524	¥15,685	¥14,520	¥17,427	**¥11,670**	**$141,974**
Net cash used in investing activities	(8,247)	(11,948)	(10,110)	(9,783)	(12,504)	**(5,898)**	**(71,750)**
Net cash used in financing activities	(2,805)	(6,420)	(3,488)	(3,768)	(3,575)	**(3,242)**	**(39,450)**
Cash and cash equivalents at end of year	34,791	29,929	31,888	32,859	34,120	**36,610**	**445,435**

	Yen 2007	2008	2009	2010	2011	2012	U.S. dollars*1 2012
Per share data*2:							
Net income:							
Basic	¥ 84.98	¥ 77.24	¥ 79.20	¥ 67.68	¥ 45.32	**¥ 50.37**	**$ 0.61**
Diluted	84.94	–	–	–	–	**–**	**–**
Cash dividends	25.00	25.00	25.00	25.00	25.00	**25.00**	**0.30**
Shareholders' equity	1,129.46	1,162.99	1,199.04	1,245.62	1,263.23	**1,289.67**	**15.69**

	Percent 2007	2008	2009	2010	2011	2012
Ratios:						
Equity ratio	68.9%	69.7%	71.7%	73.9%	75.2%	**75.1%**
Return on net sales	4.4	3.8	3.7	3.2	2.2	**2.5**
Return on assets	5.2	4.7	4.7	4.0	2.7	**2.9**
Return on shareholders' equity	7.7	6.8	6.7	5.5	3.6	**3.9**

*1 U.S. dollar amounts have been converted from yen, for convenience only, at the rate of ¥82.19 = U.S.$1, the approximate exchange rate prevailing as at March 31, 2012.

*2 The computations of net income per share and shareholders' equity per share are based on the weighted-average number of common stock outstanding during each year. Treasury stocks held during each year are excluded. Cash dividends per share represent the actual amounts applicable to the earnings of the respective years.

Financial Review

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

Operating Environment

In fiscal 2012, ended March 31, 2012, the market for business forms grew increasingly harsh due to decreased demand as a result of the thorough cost-cutting measures implemented by companies and the advancement of the digitalization trend as well as due to the decline in selling prices, which was brought about by intensified competition.

Under these conditions, the Toppan Forms Group worked to expand its share of the market by providing high-value-added services as a comprehensive information management solutions company. At the same time, we are actively responding to demand in the global market, through means such as conducting sales promotion efforts targeting Japanese companies developing operations in Asia, while also working on developing new businesses and products. Further, we enhanced our management foundation by rationalizing distribution bases and established a new subsidiary into which we consolidated our production systems for the Tokyo metropolitan area.

Income and Expenses

In fiscal 2012, consolidated net sales increased 1.2% year on year, to ¥227.0 billion ($2,762 million).

Looking at segment sales, the Printing Business segment saw a 2.6% year-on-year increase in sales, to ¥178.8 billion ($2,176 million). In this segment, sales in the Business Forms Division were down 6.4%, to ¥97.1 billion ($1,181 million), largely due to the reduced demand following increased digitalization and thorough cost cutting by companies as well as lower selling prices as a result of intensified competition. Meanwhile, sales in the Data Print Services (DPS) Division rose 15.8%, to ¥81.8 billion ($995 million). One main factor behind this was the success of our efforts to market cross-media solutions, which effectively combine both paper and digital media, to financial institutions and other organizations. Other factors contributing to this rise in sales included our enhanced ability to respond to demand in the variable printing market due to the introduction of state-of-the-art high-speed digital printers, increased business process outsourcing (BPO) contracts, and recovered demand for direct mail for sales promotions.

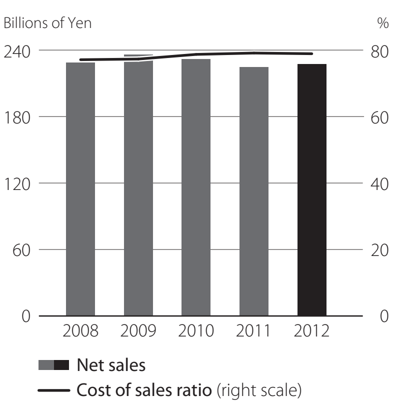
In the Merchandise segment, sales were down 3.7%, to ¥48.2 billion ($587 million). Sales of office supplies decreased following declines in sales prices as well as shortages of paper and other materials after the Great East Japan Earthquake, which occurred on March 11, 2011. Meanwhile, sales of equipment and services were up due to our efforts to expand sales of new printers that are compatible with delivery slips and the acquisition of new orders for mailing systems.

Cost of sales rose 1.1% year on year, to ¥179.2 billion ($2,181 million). However, general measures targeting improved efficiency and rationalization across the business led to the cost of sales ratio declining 0.2 percentage point, to 78.9%. As a result, gross profit increased 1.8%, to ¥47.8 billion ($582 million).

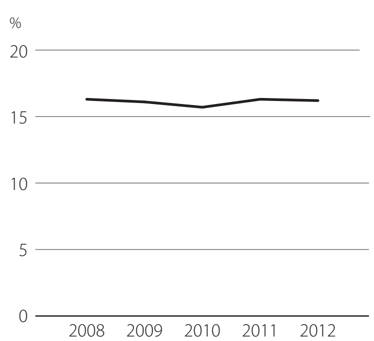
Selling, general and administrative (SG&A) expenses rose 0.7%, to ¥36.9 billion ($449 million). The SG&A expenses ratio was down 0.1 percentage point, to 16.2%. The factors mentioned above resulted in a 5.8% year-on-year increase in operating income, to ¥10.9 billion ($133 million). Subsequently, the operating income margin rose 0.2 percentage point, to 4.8%.

Other income and expenses in fiscal 2012 was a negative ¥0.4 billion ($5 million), compared with a negative ¥0.8 billion in fiscal

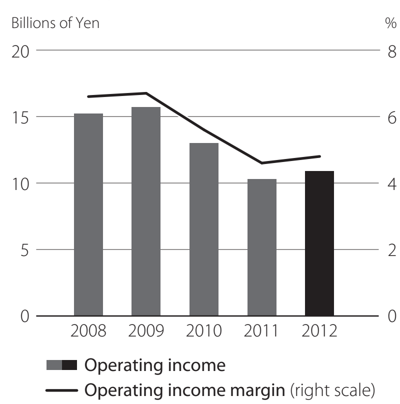
Net Sales and Cost of Sales Ratio



SG&A Expenses Ratio



Operating Income and Operating Income Margin



2011. As a result, income before income taxes and minority interests for fiscal 2012 grew 10.9%, to ¥10.5 billion ($128 million), and net income was up 11.1%, to ¥5.6 billion ($68 million).

Net income per share was ¥50.37 ($0.61), which was higher than the ¥45.32 recorded in the previous fiscal year. Return on shareholders' equity (ROE) rose from 3.6% in the previous fiscal year to 3.9%.

Dividend Policy

Toppan Forms encourages the medium- and long-term holding of Company stock by striving to maintain a consistent level of dividends while also taking into account operating performance and the dividend payout ratio. In fiscal 2012, the amount for year-end dividends was ¥25.00 per share ($0.30), while the consolidated dividend payout ratio was 49.6%.

Depreciation and Amortization / Capital Expenditure

Capital expenditure, primarily directed toward production facilities, decreased ¥5.7 billion year on year, to ¥5.6 billion ($68 million). Depreciation and amortization was ¥8.6 billion ($104 million), up ¥0.1 billion year on year.

Financial Position

At fiscal 2012 year-end, total current assets stood at ¥99.5 billion ($1,210 million), an increase of ¥8.1 billion compared with the previous fiscal year-end. Total current liabilities rose ¥1.3 billion, to ¥43.3 billion ($526 million). As a result, working capital increased ¥6.8 billion, to ¥56.2 billion ($684 million), while the current ratio rose 12.1 percentage points, to 229.9%.

Total net assets at the end of fiscal 2012 stood at ¥143.7 billion ($1,749 million), an increase of ¥3.0 billion compared with the previous fiscal year-end. This rise was mainly attributable to an increase in retained earnings. Total assets amounted to ¥190.6 billion ($2,318 million) at the end of the fiscal year, a ¥4.0 billion increase compared with the close of fiscal 2011. Consequently, the equity ratio decreased from 75.2% at the end of the previous fiscal year to 75.1%.

Cash Flows

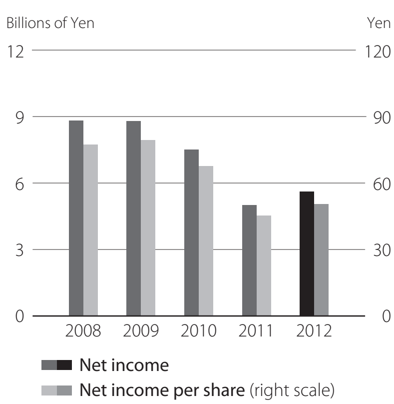
Net cash provided by operating activities during fiscal 2012 totaled ¥11.7 billion ($142 million), compared with ¥17.4 billion in the previous year. Major inflows included income before income taxes and minority interests of ¥10.5 billion ($128 million), depreciation and amortization of ¥8.6 billion ($104 million), and increase in notes and accounts payable–trade of ¥1.4 billion ($17 million). Major outflows included increase in notes and accounts receivable–trade of ¥6.9 billion ($84 million) and income taxes paid of ¥3.7 billion ($45 million).

Net cash used in investing activities amounted to ¥5.9 billion ($72 million), compared with ¥12.5 billion in the previous year. This was primarily the result of outflows in the form of purchase of property, plant and equipment totaling ¥5.9 billion ($72 million).

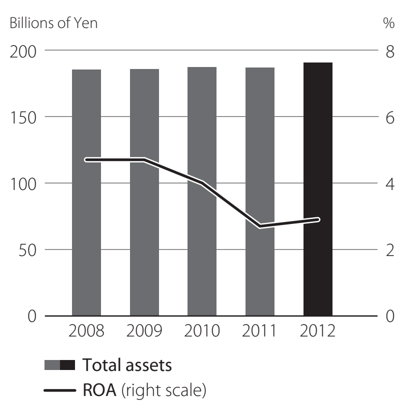
Net cash used in financing activities totaled ¥3.2 billion ($39 million), compared with ¥3.6 billion in the previous year. Major outflows included cash dividends paid of ¥2.8 billion ($34 million) and redemption of bonds of ¥0.2 billion ($2 million).

Cash and cash equivalents at the end of the fiscal year totaled ¥36.6 billion ($445 million), a ¥2.5 billion increase compared with the previous fiscal year-end.

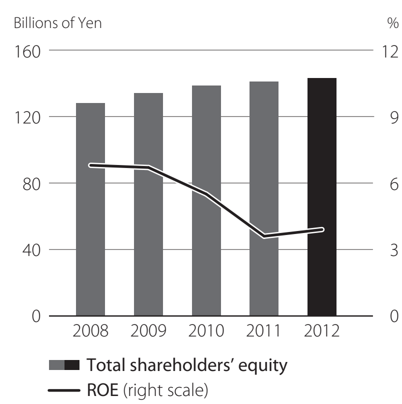
Net Income and Net Income Per Share



Total Assets and ROA



Total Shareholders' Equity and ROE



Consolidated Balance Sheets

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

March 31	Millions of yen 2011	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2012
Assets:			
Current assets -			
Cash and deposits (Notes 4 and 8)	¥ 31,698	**¥ 34,201**	**$ 416,124**
Notes and accounts receivable–trade (Notes 4 and 19)	40,323	**47,120**	**573,307**
Short-term investment securities (Notes 10 and 11)	2,431	**2,433**	**29,603**
Merchandise and finished goods	8,141	**8,071**	**98,195**
Work in process	971	**959**	**11,672**
Raw materials and supplies	2,214	**1,959**	**23,829**
Prepaid expenses	1,266	**1,330**	**16,177**
Deferred tax assets (Note 15)	2,061	**2,064**	**25,111**
Other current assets	2,539	**1,560**	**19,005**
Allowance for doubtful accounts	(335)	**(248)**	**(3,019)**
Total current assets	91,309	**99,449**	**1,210,004**
Noncurrent assets -			
Property, plant and equipment:			
Buildings and structures (Note 4)	57,098	**56,486**	**687,258**
Accumulated depreciation	(26,066)	**(27,201)**	**(330,956)**
Buildings and structures, net	31,032	**29,285**	**356,302**
Machinery, equipment and vehicles	73,161	**70,957**	**863,327**
Accumulated depreciation	(59,365)	**(59,572)**	**(724,813)**
Machinery, equipment and vehicles, net	13,796	**11,385**	**138,514**
Tools, furniture and fixtures	10,663	**10,243**	**124,621**
Accumulated depreciation	(8,584)	**(8,466)**	**(103,002)**
Tools, furniture and fixtures, net	2,079	**1,777**	**21,619**
Land (Note 4)	23,040	**22,627**	**275,305**
Lease assets	314	**288**	**3,500**
Accumulated depreciation	(239)	**(240)**	**(2,922)**
Lease assets, net	75	**48**	**578**
Construction in progress	119	**750**	**9,121**
Total property, plant and equipment	70,141	**65,872**	**801,439**
Intangible assets:			
Other	3,246	**3,486**	**42,418**
Total intangible assets	3,246	**3,486**	**42,418**
Investments and other assets:			
Investment securities (Notes 4 and 11)	13,259	**13,540**	**164,736**
Long-term loans receivable	96	**195**	**2,370**
Long-term prepaid expenses	278	**286**	**3,478**
Lease and guarantee deposits	2,213	**2,032**	**24,725**
Insurance funds	2,735	**2,863**	**34,837**
Deferred tax assets (Note 15)	2,773	**2,414**	**29,374**
Other assets	745	**765**	**9,316**
Allowance for doubtful accounts	(219)	**(352)**	**(4,281)**
Total investments and other assets	21,880	**21,743**	**264,555**
Total noncurrent assets	95,267	**91,101**	**1,108,412**
Total assets	¥186,576	**¥190,550**	**$2,318,416**

The accompanying notes are an integral part of these statements.

March 31	Millions of yen 2011	2012	Thousands of U.S. dollars (Note 1) 2012
Liabilities:			
Current liabilities -			
Notes and accounts payable–trade (Note 4)	¥ 26,096	**¥ 27,440**	**$ 333,866**
Short-term loans payable (Notes 4 and 22)	355	**299**	**3,635**
Current portion of long-term loans payable (Notes 4 and 21)	181	**51**	**626**
Current portion of bonds (Notes 4 and 21)	200	**–**	**–**
Lease obligations (Note 22)	38	**37**	**445**
Accrued expenses	3,503	**4,035**	**49,096**
Income taxes payable (Note 15)	1,730	**2,044**	**24,874**
Accrued consumption taxes	406	**941**	**11,445**
Provision for bonuses	4,034	**4,106**	**49,961**
Provision for directors' bonuses	56	**42**	**512**
Asset retirement obligations (Note 17)	28	**138**	**1,680**
Notes payable–facilities (Note 4)	1,741	**975**	**11,861**
Other current liabilities	3,547	**3,145**	**38,243**
Total current liabilities	41,915	**43,253**	**526,244**
Noncurrent liabilities -			
Long-term loans payable (Notes 4 and 22)	51	**–**	**–**
Lease obligations (Note 22)	61	**44**	**540**
Deferred tax liabilities (Note 15)	129	**125**	**1,524**
Provision for retirement benefits (Note 13)	2,804	**2,660**	**32,368**
Provision for directors' retirement benefits	158	**157**	**1,908**
Asset retirement obligations (Note 17)	710	**595**	**7,242**
Other noncurrent liabilities	15	**–**	**–**
Total noncurrent liabilities	3,928	**3,581**	**43,582**
Total liabilities	45,843	**46,834**	**569,826**
Net assets:			
Shareholders' equity -			
Capital stock			
Authorized: 400,000,000 shares			
Issued: 115,000,000 shares	11,750	**11,750**	**142,961**
Capital surplus	9,270	**9,270**	**112,787**
Retained earnings	124,782	**127,597**	**1,552,474**
Treasury stock (Note 7)			
(2011: 4,003,354 shares, 2012: 4,003,354 shares)	(4,916)	**(4,916)**	**(59,818)**
Total shareholders' equity	140,886	**143,701**	**1,748,404**
Accumulated other comprehensive income -			
Valuation difference on available-for-sale securities	63	**285**	**3,470**
Foreign currency translation adjustment	(735)	**(838)**	**(10,191)**
Total accumulated other comprehensive income	(672)	**(553)**	**(6,721)**
Subscription rights to shares -	47	**34**	**411**
Minority interests -	472	**534**	**6,496**
Total net assets	140,733	**143,716**	**1,748,590**
Total liabilities and net assets	¥186,576	**¥190,550**	**$2,318,416**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

Year ended March 31	Millions of yen 2011	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2012
Net sales (Note 18)	¥224,305	**¥227,049**	**$2,762,484**
Cost of sales (Note 5)	177,361	**179,246**	**2,180,874**
Gross profit	46,944	**47,803**	**581,610**
Selling, general and administrative expenses (Note 5)	36,636	**36,895**	**448,895**
Operating income	10,308	**10,908**	**132,715**
Non-operating income:			
Interest income	114	**109**	**1,326**
Dividends income	210	**191**	**2,320**
House rent income	68	**83**	**1,007**
Insurance return	30	**5**	**57**
Equity in earnings of affiliates	45	**15**	**183**
Technical support fee	253	**6**	**77**
Other	341	**379**	**4,614**
	1,061	**788**	**9,584**
Non-operating expenses:			
Interest expenses	22	**11**	**138**
Foreign exchange losses	153	**92**	**1,120**
Loss on insurance cancellation	45	**45**	**544**
Provision of allowance for doubtful accounts	50	**99**	**1,201**
Environmental conservation costs	36	**–**	**–**
Investment research costs	–	**84**	**1,017**
Other	51	**172**	**2,096**
	357	**503**	**6,116**
Ordinary income	11,012	**11,193**	**136,183**
Extraordinary income:			
Gain on sales of noncurrent assets (Note 5)	96	**70**	**851**
Gain on sales of investment securities	33	**104**	**1,263**
Gain on reversal of subscription rights to shares	11	**13**	**164**
Gain on allotment of stock	199	**–**	**–**
Gain on settlement of asset retirement obligations	165	**–**	**–**
Gain on liquidation of investment securities	–	**24**	**297**
Other	7	**6**	**72**
	511	**217**	**2,647**
Extraordinary loss:			
Loss on sales of noncurrent assets (Note 5)	2	**26**	**322**
Impairment loss (Note 5)	–	**148**	**1,799**
Loss on retirement of noncurrent assets (Note 5)	256	**424**	**5,165**
Loss on valuation of investment securities	664	**63**	**766**
Transfer cost for integration of the factory	218	**93**	**1,130**
Loss on adjustment for changes of accounting standard for asset retirement obligations	715	**–**	**–**
Loss on disposal of noncurrent assets (Note 5)	3	**116**	**1,414**
Other	183	**29**	**339**
	2,041	**899**	**10,935**
Income before income taxes and minority interests	9,482	**10,511**	**127,895**
Income taxes (Note 15)**:**			
- Current	4,280	**4,588**	**55,823**
- Deferred	148	**262**	**3,185**
	4,428	**4,850**	**59,008**
Income before minority interests	5,054	**5,661**	**68,887**
Minority interests in income (loss)	24	**71**	**869**
Net income	¥ 5,030	**¥ 5,590**	**$ 68,018**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

Year ended March 31	Millions of yen 2011	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2012
Income before minority interests	¥5,054	**¥5,661**	**$68,887**
Other comprehensive income			
Valuation difference on available-for-sale securities	(143)	**221**	**2,691**
Foreign currency translation adjustment	(122)	**(124)**	**(1,514)**
Share of other comprehensive income of associates accounted for using equity method	(42)	**22**	**266**
Total other comprehensive income (Note 6)	(307)	**119**	**1,443**
Comprehensive income	4,747	**5,780**	**70,330**
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent	4,729	**5,710**	**69,472**
Comprehensive income attributable to minority interests	18	**70**	**858**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

Year ended March 31	Millions of yen 2011	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2012
Statements of changes in net assets			
Shareholders' equity:			
Capital stock -			
Balance at the end of previous period	¥ 11,750	**¥ 11,750**	**$ 142,961**
Changes of items during the period			
Total changes of items during the period	–	**–**	**–**
Balance at the end of current period	11,750	**11,750**	**142,961**
Capital surplus -			
Legal capital surplus			
Balance at the end of previous period	9,270	**9,270**	**112,787**
Changes of items during the period			
Total changes of items during the period	–	**–**	**–**
Balance at the end of current period	9,270	**9,270**	**112,787**
Retained earnings -			
Balance at the end of previous period	122,527	**124,782**	**1,518,218**
Changes of items during the period			
Dividends from surplus	(2,775)	**(2,775)**	**(33,762)**
Net income	5,030	**5,590**	**68,018**
Total changes of items during the period	2,255	**2,815**	**34,256**
Balance at the end of current period	124,782	**127,597**	**1,552,474**
Treasury stock -			
Balance at the end of previous period	(4,916)	**(4,916)**	**(59,818)**
Changes of items during the period			
Total changes of items during the period	–	**–**	**–**
Balance at the end of current period	(4,916)	**(4,916)**	**(59,818)**
Total shareholders' equity -			
Balance at the end of previous period	138,631	**140,886**	**1,714,148**
Changes of items during the period			
Dividends from surplus	(2,775)	**(2,775)**	**(33,762)**
Net income	5,030	**5,590**	**68,018**
Total changes of items during the period	2,255	**2,815**	**34,256**
Balance at the end of current period	140,886	**143,701**	**1,748,404**
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities -			
Balance at the end of previous period	200	**63**	**769**
Changes of items during the period			
Net changes of items other than shareholders' equity	(137)	**222**	**2,701**
Total changes of items during the period	(137)	**222**	**2,701**
Balance at the end of current period	63	**285**	**3,470**
Foreign currency translation adjustment:			
Balance at the end of previous period	(571)	**(735)**	**(8,943)**
Changes of items during the period			
Net changes of items other than shareholders' equity	(164)	**(103)**	**(1,248)**
Total changes of items during the period	(164)	**(103)**	**(1,248)**
Balance at the end of current period	(735)	**(838)**	**(10,191)**
Total accumulated other comprehensive income:			
Balance at the end of previous period	(371)	**(672)**	**(8,174)**
Changes of items during the period			
Net changes of items other than shareholders' equity	(301)	**119**	**1,453**
Total changes of items during the period	(301)	**119**	**1,453**
Balance at the end of current period	(672)	**(553)**	**(6,721)**
Subscription rights to shares:			
Balance at the end of previous period	58	**47**	**575**
Changes of items during the period			
Net changes of items other than shareholders' equity	(11)	**(13)**	**(164)**
Total changes of items during the period	(11)	**(13)**	**(164)**
Balance at the end of current period	47	**34**	**411**
Minority interests:			
Balance at the end of previous period	463	**472**	**5,746**
Changes of items during the period			
Net changes of items other than shareholders' equity	9	**62**	**750**
Total changes of items during the period	9	**62**	**750**
Balance at the end of current period	472	**534**	**6,496**
Total net assets:			
Balance at the end of previous period	138,781	**140,733**	**1,712,295**
Changes of items during the period			
Dividends from surplus	(2,775)	**(2,775)**	**(33,762)**
Net income	5,030	**5,590**	**68,018**
Net changes of items during the period	(303)	**168**	**2,039**
Total changes of items during the period	1,952	**2,983**	**36,295**
Balance at the end of current period	¥140,733	**¥143,716**	**$1,748,590**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

Year ended March 31	Millions of yen 2011	Millions of yen 2012	Thousands of U.S. dollars (Note 1) 2012
Net cash provided by (used in) operating activities:			
Income before income taxes and minority interests	¥ 9,482	**¥10,511**	**$127,895**
Depreciation and amortization	8,512	**8,566**	**104,217**
Impairment loss	–	**148**	**1,799**
Loss on retirement of noncurrent assets	256	**424**	**5,165**
Loss (Gain) on sales of noncurrent assets	(93)	**(43)**	**(529)**
Loss on adjustment for changes of accounting standard for asset retirement obligations	715	**–**	**–**
Gain on allotment of stock	(199)	**–**	**–**
Gain on settlement of asset retirement obligations	(165)	**–**	**–**
Loss (Gain) on valuation of investment securities	664	**63**	**766**
Loss (Gain) on sales of investment securities	(33)	**(102)**	**(1,242)**
Increase (Decrease) in allowance for doubtful accounts	175	**52**	**634**
Increase (Decrease) in provision for retirement benefits	(86)	**(143)**	**(1,743)**
Increase (Decrease) in provision for directors' bonuses	(13)	**(14)**	**(164)**
Increase (Decrease) in provision for bonuses	(18)	**76**	**926**
Interest and dividends income	(324)	**(300)**	**(3,645)**
Interest expense	22	**11**	**138**
Gain on maturity of insurance contract	(30)	**(5)**	**(57)**
Equity in (earnings) losses of affiliates	(45)	**(15)**	**(183)**
Decrease (Increase) in notes and accounts receivable–trade	2,558	**(6,899)**	**(83,942)**
Decrease (Increase) in inventories	1,284	**299**	**3,638**
Increase (Decrease) in notes and accounts payable–trade	595	**1,423**	**17,309**
Increase (Decrease) in accrued consumption taxes	(338)	**863**	**10,499**
Other, net	(437)	**137**	**1,644**
Subtotal	22,482	**15,052**	**183,125**
Interest and dividends received	329	**304**	**3,702**
Interest expenses paid	(22)	**(11)**	**(137)**
Income taxes paid	(5,362)	**(3,675)**	**(44,716)**
Net cash provided by operating activities	17,427	**11,670**	**141,974**
Net cash provided by (used in) investing activities:			
Payments into time deposits	(151)	**(35)**	**(420)**
Proceeds from withdrawal of time deposits	379	**19**	**231**
Purchase of property, plant and equipment	(12,925)	**(5,920)**	**(72,028)**
Proceeds from sales of property, plant and equipment	226	**521**	**6,339**
Purchase of investment securities	(374)	**(744)**	**(9,052)**
Proceeds from sales and redemption of investment securities	121	**602**	**7,319**
Collection of loans receivable	8	**–**	**–**
Other payments	(1,105)	**(1,439)**	**(17,504)**
Other proceeds	1,317	**1,098**	**13,365**
Net cash used in investing activities	(12,504)	**(5,898)**	**(71,750)**
Net cash provided by (used in) financing activities:			
Net increase (decrease) in short-term loans payable	–	**(40)**	**(487)**
Repayments of finance lease obligations	(47)	**(39)**	**(473)**
Repayments of long-terms loans payable	(746)	**(181)**	**(2,205)**
Redemption of bonds	–	**(200)**	**(2,433)**
Cash dividends paid	(2,775)	**(2,775)**	**(33,762)**
Cash dividends paid to minority shareholders	(7)	**(7)**	**(90)**
Other, net	(0)	**–**	**–**
Net cash used in financing activities	(3,575)	**(3,242)**	**(39,450)**
Effect of exchange rate change on cash and cash equivalents	(87)	**(40)**	**(488)**
Net increase (decrease) in cash and cash equivalents	1,261	**2,490**	**30,286**
Cash and cash equivalents at beginning of year	32,859	**34,120**	**415,149**
Cash and cash equivalents at end of year (Note 8)	¥ 34,120	**¥36,610**	**$445,435**

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

1 Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been translated from the consolidated financial statements of TOPPAN FORMS CO., LTD. (the "Company") and its consolidated subsidiaries (the "companies") filed with the Director of the Kanto Local Finance Bureau in accordance with the Financial Instruments and Exchange Law of Japan and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and principally operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been calculated at the rate of ¥82.19 = U.S.$1, the approximate rate of exchange on March 31, 2012. Such translations should not be construed as representations that the Japanese yen amounts could have been or could be converted into U.S. dollars at that or any other rate.

In addition, certain reclassifications of previously reported amounts have been made to conform to the current year presentation.

2 Summary of Significant Accounting Policies

(1) Consolidation -

(a) Consolidated subsidiaries:

The consolidated financial statements include the accounts of the Company and all of its majority-owned subsidiaries (22 companies for the fiscal year ended March 31, 2012, and 21 companies for the fiscal year ended March 31, 2011). Significant subsidiaries are as follows:

- Toppan Forms Central Products Co., Ltd.
- Toppan Forms Tokai Co., Ltd.
- Toppan Forms Logistics and Services Co., Ltd.
- Toppan Forms Kansai Co., Ltd.
- Toppan Forms Nishinihon Co., Ltd.
- Toppan Forms (Sanyo) Co., Ltd.
- TOSCO CORPORATION
- Toppan Forms (Hong Kong) Ltd.
- Toppan Forms (S) Pte. Ltd.
- Toppan Forms Operation Co., Ltd.
- Techno Toppan Forms Co., Ltd.
- Toppan Forms Payment Service Co., Ltd.

Guangzhou Toppan Forms Co., Ltd. and Toppan Forms Payment Service Co., Ltd. were newly established in October and December 2011 respectively, and are included in the consolidated financial statements for the first time for the fiscal year ended March 31, 2012.

Toppan Forms Central Products Co., Ltd. was extracted from the Company and Toppan Forms Process Co., Ltd in January 2012, and is included in the consolidated financial statements for the fiscal year ended March 31, 2012.

TSA Co., Ltd. was liquidated in July 2011 and therefore is not included in the consolidated financial statements for the fiscal year ended March 31, 2012.

Toppan Forms Process Co., Ltd. was merged with the Company in March 2012, and therefore is not included in the consolidated financial statements for the fiscal year ended March 31, 2012.

(b) Equity-method associates:

Investments in all associates (6 associates for the fiscal year ended March 31, 2012, and 7 associates for the fiscal year ended March 31, 2011) where shareholdings are more than 20% and where the Company has significant influence over operations, finance and management, are accounted for using the equity method. The associate with the most significant impact on the results of the Company is Data Products Toppan Forms Ltd.

Following the sale of shares in Beijing Sandun Card Technology Co., Ltd. in December 2011, the entity is not included in equity-method accounted associates for the fiscal year ended March 31, 2012.

(c) Period end dates:

The period end date of T.F. Company Ltd. and 8 of its subsidiaries is December 31. The consolidated financial statements incorporate the accounts of these companies with adjustments for significant transactions with the Company and consolidated subsidiaries arising during the period from December 31 to March 31.

(2) Valuation methods for major assets -

(a) Securities:

Securities held by the Company and its consolidated subsidiaries are classified into two categories:

Held-to-maturity debt securities are stated at cost after accounting for any premium or discount on acquisition, which is amortized over the period to maturity.

Other securities for which market price or quotations are available are stated at fair value. Net unrealized gains and losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Other securities for which market quotations are unavailable are stated at cost. In addition, subscriptions to investment funds (not affiliate) that are included in other investment securities are accounted for by the equity method based on the most recent available financial information.

(b) Derivatives:

All derivatives are stated at fair value, with changes in fair value being included in net income for the period in which they arise, except for derivatives that are designated as "hedging instruments".

(c) Inventories:

Merchandise (supplies), raw materials and supplies are stated at the lower of cost or net realizable value determined by using the first-in, first-out method. Merchandise (machinery), finished goods and work-in-process are stated at the lower of cost or net realizable value determined by using the specific identification method.

(3) Depreciation and amortization of major assets -

(a) Property, plant and equipment (excluding lease assets):

The declining-balance method is principally adopted. The same standard as is stipulated in the Corporate Tax Law is applied to the useful economic lives and the residual values for accounting purposes. However, depreciation of buildings acquired by the Company and its domestic consolidated subsidiaries after April 1, 1998 is computed using the straight-line method in accordance with the Corporate Tax Law of Japan.

(b) Intangible assets (excluding lease assets):

Straight-line method is adopted. Software for in-house use is amortized based on the straight-line method over the expected useful economic life of 5 years.

(c) Lease assets:

Straight-line method is adopted over the lease term without residual value. In addition, finance lease transactions that do not transfer ownership prior to April 1, 2008 are accounted for in a manner similar to accounting for an ordinary rental transaction.

(d) Long-term prepaid expenses:

Straight-line method is adopted.

(4) Basis of provision -

(a) Allowance for doubtful accounts:

Allowance for doubtful accounts of the Company and its domestic consolidated subsidiaries is computed based on the past bad debt experience ratio for normal receivables, plus the estimated irrecoverable amount of doubtful receivables on an individual account basis.

(b) Provision for bonuses:

Provision for bonuses to employees is provided for in the amount of the expected bonus payments to be made at the end of the fiscal year.

Provision for bonuses to directors and corporate auditors are provided for in the estimated amounts that the Company will pay. The amount to be paid will be approved at the shareholders' meeting held subsequent to the end of the fiscal year.

(c) Provision for retirement benefits:

The Company and its domestic consolidated subsidiaries record their pension liabilities by deducting the value of the plan assets from the projected benefit obligation, and then adjusting for the actuarial difference.

The unrecognized prior service costs are being amortized on a straight-line basis primarily over fifteen years (the average remaining service period of employees when the unrecognized prior service costs are incurred).

The unrecognized actuarial differences are being amortized on a straight-line basis over fifteen years (the average remaining service period of employees when the differences are incurred) from the period following that in which they occurred.

The Company and its domestic consolidated subsidiaries record accrued severance indemnities costs for directors and corporate auditors based on internal regulations. The Company only abolished the severance indemnities for directors and corporate auditors upon the closure of its ordinary general meeting of shareholders held on June 29, 2006. According to the abolishment, the accrued severance indemnities for directors and corporate auditors, which was calculated and fixed based on the Company's internal rules and the period from their admission up to June 29, 2006, is included in "Provision for directors' retirement benefits" on the consolidated balance sheet.

(5) Recognition for construction contracts -

The percentage-of-completion method is adopted if the outcome of the construction activity is deemed certain during the course of the activity, otherwise the completed-contract method is adopted.

The percentage of completion at the end of the fiscal year is estimated based on the percentage of the cost incurred to the estimated total cost.

(6) Foreign currency translation -

The translation of assets and liabilities denominated in foreign currency at the end of the fiscal year is made at the period-end exchange rate. Exchange gains and losses resulting from foreign currency transactions and translation of assets and liabilities denominated in foreign currencies are included in the consolidated statement of income. All assets, liabilities, income and expense accounts of foreign subsidiaries and affiliates are translated using the prevailing exchange rates at the respective balance sheet dates. Foreign currency translation adjustments resulting from such procedures are recorded in the consolidated balance sheet as a separate component of net assets.

(7) Hedge accounting -

Gains and losses arising from changes in the fair value of derivatives designated as "hedging instruments" are deferred as an asset or liability, and included in net income in the same period during which the gains and losses on the hedged items or transactions are recognized.

Derivatives designated as hedging instruments by the Company are principally forward exchange contracts and interest rate swap contracts. The related hedged items are trade accounts receivable and payable, and long-term debts.

The Company has a policy of utilizing the above hedging instruments in order to reduce the Company's exposure to the risk of foreign currency exchange rate fluctuations and interest rate fluctuations. Thus, the Company's purchase of hedging instruments is limited to, at maximum, the amounts of the hedged items.

The Company evaluates the effectiveness of its hedging activities by reference to the accumulated gains or losses on the hedging instruments and the related items from the commencement of the hedges.

(8) Amortization of goodwill -

Goodwill is amortized equally over the relevant periods.

(9) Cash and cash equivalents -

Cash and cash equivalents include all highly liquid investments, generally with original maturities of three months or less, that are readily convertible to known amounts of cash and, thus, present an insignificant risk of changes in value.

(10) Consumption tax -

The consumption tax withheld upon sale and consumption tax paid by the Companies on their purchases of goods and services is not included in revenue or expense items, in the accompanying consolidated statement of income.

3 Adoption of the Accounting Standard for Accounting Changes and Error Corrections and its Implementation Guidance

"Accounting Standard for Accounting Changes and Error Corrections and its Implementation Guidance"(Accounting Standards Board of Japan (ASBJ) Statement No. 24, issued on December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, issued on December 4, 2009) have been adopted effective from the fiscal year ended March 31, 2012.

4 Notes to Consolidated Balance Sheets

(1) Investments in affiliates -

	Millions of yen		Thousands of U.S. dollars
	2011	**2012**	**2012**
Investment securities (shares)	¥1,079	**¥947**	**$11,527**

(2) Contingent liabilities -

The Company had the following contingent liabilities as of March 31, 2011 and 2012:

	Millions of yen		Thousands of U.S. dollars
Guarantee	2011	**2012**	**2012**
Employees housing loan	¥8	**¥6**	**$79**

(3) Details of collateral and secured liabilities -

(a) Collateral:

	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Buildings and structures	¥ 72	¥ 64	$ 774
Land	149	149	1,814
Total	¥221	¥213	$2,588

(b) Secured liabilities:

	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Current portion of long-term loans payable	¥129	¥22	$263
Current portion of bonds	200	–	–
Long-term loans payable	22	–	–
Total	¥351	¥22	$263

Maximum amount of flexible mortgage is ¥394 million and ¥274 million (US$3,334 thousand) for the fiscal years ended March 31, 2011 and 2012, respectively.

(4) Maturing notes on the end of year -

For the year ended March 31, 2012 the closing date of the fiscal period was a bank holiday. The Company and its domestic subsidiaries accounted for notes maturing on the final day based on the actual contractual clearance date. Amounts of such notes maturing at the end of the fiscal year are as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Notes receivable–trade	¥–	¥278	$3,387
Notes payable–trade	–	14	169
Notes payable–facilities	–	3	34
Total	¥–	¥295	$3,590

5 Notes to Consolidated Statements of Income

(1) Selling, general and administrative expenses -

The major components of "Selling, general and administrative expenses" are as follows:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2011	2012	2012
Delivery costs	¥ 5,759	¥ 6,118	$ 74,433
Salaries and bonuses	12,891	13,008	158,270
Pension costs	673	760	9,241
Provision for bonuses to employees	1,152	1,254	15,253
Provision for bonuses to directors and corporate auditors	43	29	348
Provision for retirement benefit of directors and corporate auditors	28	16	194
Depreciation	1,479	1,635	19,888
Rent expenses	1,791	1,735	21,114
Research and development expenditure	2,413	2,269	27,610

(2) Research and development expenditure -

Research and development expenditure, which is charged to the statement of income when incurred, and is included in selling, general and administrative expenses, amounted to ¥2,413 million and ¥2,269 million (US$27,610 thousand) for the fiscal years ended March 31, 2011 and 2012, respectively.

(3) The breakdown of gain on sales of noncurrent assets -

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2011	2012	2012
Land	¥88	¥65	$794
Buildings and structures	0	–	–
Machinery, equipment and vehicles	8	3	39
Tools, furniture and fixtures	0	2	18
	¥96	¥70	$851

(4) The breakdown of loss on sales of noncurrent assets -

Year ended March 31	Millions of yen 2011	Millions of yen 2012	Thousands of U.S. dollars 2012
Land	¥–	**¥ 9**	**$114**
Buildings and structures	1	**17**	**204**
Machinery, equipment and vehicles	0	**0**	**0**
Tools, furniture and fixtures	1	**0**	**4**
Software	0	**–**	**–**
	¥2	**¥26**	**$322**

(5) The breakdown of loss on retirement of noncurrent assets -

Year ended March 31	Millions of yen 2011	Millions of yen 2012	Thousands of U.S. dollars 2012
Buildings and structures	¥ 57	**¥132**	**$1,610**
Machinery, equipment and vehicles	154	**252**	**3,067**
Tools, furniture and fixtures	44	**35**	**431**
Software	1	**5**	**57**
Telephone subscription right	0	**–**	**–**
Long-term prepaid expenses	0	**–**	**–**
	¥256	**¥424**	**$5,165**

(6) Loss on disposal of noncurrent assets -

Loss on disposal of noncurrent assets are mainly Osaka factory demolition work expenses of ¥112 million (US$1,367 thousand) for the fiscal year ended March 31, 2012.

(7) Allowance for construction loss -

Provision of allowance for construction loss of ¥11 million and reversal of allowance for construction of ¥18 million (US$223 thousand) are included in the cost of sales for the fiscal years ended March 31, 2011 and 2012, respectively.

(8) Impairment loss -

The Company, as a general rule, categorizes operating assets by work site on an individual asset basis and is able to identify idle assets as being part of a particular group. In calculating recoverable amounts, as a general rule, the Company uses the net realizable value for idle assets and the value in use for other assets.
The book value of the following asset group was reduced to reminder price, and the write down of ¥148 million (US$1,799 thousand) recorded as impairment loss within extraordinary loss for the fiscal year ended March 31, 2012. The breakdown is buildings and structures ¥145 million (US$1,769 thousand), machinery, equipment and vehicles ¥2 million (US$20 thousand), and tools, furniture and fixtures ¥1 million (US$10 thousand).

Use	Category	Location
Unutilized assets	Buildings and structures Machinery, equipment and vehicles Tools, furniture and fixtures	Hino first factory Hino-shi, Tokyo

6 Notes to Statements of Comprehensive Income

"Other comprehensive income" comprises the following:

March 31, 2012	Millions of yen	Thousands of U.S. dollars
Valuation difference on available-for-sale securities		
Gains arising during the year	**¥356**	**$4,336**
Reclassification adjustments to profit or loss	**(41)**	**(502)**
Amount before income tax effect	**315**	**3,834**
Income tax effect	**(94)**	**(1,143)**
Valuation difference on available-for-sale securities	**221**	**2,691**
Foreign currency translation adjustment		
Gains arising during the year	**(124)**	**(1,514)**
Share of other comprehensive income of associates accounted for using equity method		
Gains arising during the year	**42**	**517**
Reclassification adjustments to profit or loss	**(20)**	**(251)**
Share of other comprehensive income of associates accounted for using equity method	**22**	**266**
Total other comprehensive income	**¥119**	**$1,443**

7 Notes to Consolidated Statements of Changes in Net Assets

The following are notes to the consolidated statement of changes in net assets as of March 31, 2011.

(1) Shares issued -

Share type	Previous fiscal year-end (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Fiscal year-end (Thousand shares)
Common stock	115,000	–	–	115,000

(2) Treasury stock -

Share type	Previous fiscal year-end (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Fiscal year-end (Thousand shares)
Common stock	4,003	–	–	4,003

(3) Subscription rights to shares and own subscription rights to shares -

Classification	Description of subscription rights to shares	Type of shares to be issued by the exercise of subscription rights to shares	Number of shares issued by the exercise of subscription rights to shares (Thousand shares)				Balance as of fiscal year-end (Millions of yen)
			Previous fiscal year-end	Increase	Decrease	Fiscal year-end	
The Company	Subscription rights to shares as stock options	–	–	–	–	–	47

(4) Matters related to dividends -

(a) Amount of dividends paid:

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Date of record	Effective date
Ordinary general meeting of shareholders held on June 29, 2010	Common stock	1,387	12.5	March 31, 2010	June 30, 2010
Meeting of directors held on October 29, 2010	Common stock	1,387	12.5	September 30, 2010	December 10, 2010

(b) Schedule of dividends:

The following shows those dividends with date of record in the fiscal year ended March 31, 2011, for which the effective date is in the following consolidated fiscal year.

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Fiscal resource of dividends	Dividend per share (Yen)	Date of record	Effective date
Ordinary general meeting of shareholders held on June 29, 2011	Common stock	1,387	Retained earnings	12.5	March 31, 2011	June 30, 2011

The following are notes to the consolidated statement of changes in net assets as of March 31, 2012.

(1) Shares issued -

Share type	Previous fiscal year-end (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Fiscal year-end (Thousand shares)
Common stock	115,000	–	–	115,000

(2) Treasury stock -

Share type	Previous fiscal year-end (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Fiscal year-end (Thousand shares)
Common stock	4,003	–	–	4,003

(3) Subscription rights to shares and own subscription rights to shares -

Classification	Description of subscription rights to shares	Type of shares to be issued by the exercise of subscription rights to shares	Number of shares issued by the exercise of subscription rights to shares (Thousand shares)				Balance as of fiscal year-end	
			Previous fiscal year-end	Increase	Decrease	Fiscal year-end	Millions of yen	Thousands of U.S. dollars
The Company	Subscription rights to shares as stock options	–	–	–	–	–	34	411

(4) Matters related to dividends -

(a) Amount of dividends paid:

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Date of record	Effective date
Ordinary general meeting of shareholders held on June 29, 2011	Common stock	1,387	12.5	March 31, 2011	June 30, 2011
Meeting of directors held on October 28, 2011	Common stock	1,387	12.5	September 30, 2011	December 9, 2011

Resolution	Type of stock	Total amount of dividends (Thousands of U.S. dollars)	Dividend per share (U.S. dollars)	Date of record	Effective date
Ordinary general meeting of shareholders held on June 29, 2011	Common stock	16,881	0.15	March 31, 2011	June 30, 2011
Meeting of directors held on October 28, 2011	Common stock	16,881	0.15	September 30, 2011	December 9, 2011

(b) Schedule of dividends:

The following shows those dividends with date of record in the fiscal year ended March 31, 2012, for which the effective date is in the following consolidated fiscal year.

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Fiscal resource of dividends	Dividend per share (Yen)	Date of record	Effective date
Ordinary general meeting of shareholders held on June 28, 2012	Common stock	1,387	Retained earnings	12.5	March 31, 2012	June 29, 2012

Resolution	Type of stock	Total amount of dividends (Thousands of U.S. dollars)	Fiscal resource of dividends	Dividend per share (U.S. dollars)	Date of record	Effective date
Ordinary general meeting of shareholders held on June 28, 2012	Common stock	16,881	Retained earnings	0.15	March 31, 2012	June 29, 2012

8 Notes to Consolidated Statements of Cash Flows

"Cash and cash equivalents" comprise the following:

	Millions of yen		Thousands of U.S. dollars
March 31	2011	**2012**	**2012**
Cash and time deposits with original maturity of three months or less	¥31,698	**¥34,201**	**$416,124**
Less: Time deposits with original maturities of more than three months	(9)	**(24)**	**(292)**
Short-term investment securities	2,431	**2,433**	**29,603**
	¥34,120	**¥36,610**	**$445,435**

9 Finance Leases

(1) Finance lease transaction (lessee) -

Finance leases other than those which transfer ownership of property, plant and equipment to lessees are utilized. Lease assets consist mainly of production assets (Machinery, equipment and vehicles) used in the printing business. Finance lease transactions that do not transfer ownership prior to April 1, 2008 are accounted for in a manner similar to accounting for ordinary rental transactions. The details are as follows:

(a) Acquisition costs of leased assets under finance leases -

	Millions of yen		
March 31, 2011	Acquisition cost	Accumulated depreciation	Net book value
Property, plant and equipment			
Machinery, equipment and vehicles	¥3,596	¥3,233	¥363
Tools, furniture and fixtures	1,221	1,157	64
	4,817	4,390	427
Intangible assets			
Other	185	148	37
Total	¥5,002	¥4,538	¥464

	Millions of yen		
March 31, 2012	Acquisition cost	Accumulated depreciation	Net book value
Property, plant and equipment			
Machinery, equipment and vehicles	**¥2,684**	**¥2,557**	**¥127**
Tools, furniture and fixtures	**146**	**140**	**6**
	2,830	**2,697**	**133**
Intangible assets			
Other	**73**	**64**	**9**
Total	**¥2,903**	**¥2,761**	**¥142**

March 31, 2012	Thousands of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Net book value
Property, plant and equipment			
Machinery, equipment and vehicles	**$32,659**	**$31,109**	**$1,550**
Tools, furniture and fixtures	**1,774**	**1,704**	**70**
	34,433	**32,813**	**1,620**
Intangible assets			
Other	**892**	**783**	**109**
Total	**$35,325**	**$33,596**	**$1,729**

(b) Future lease payments under finance leases -

March 31	Millions of yen		Thousands of U.S. dollars
	2011	**2012**	**2012**
Due within one year	¥578	**¥385**	**$4,689**
Due after one year	194	**56**	**677**
	¥772	**¥441**	**$5,366**

(c) Lease payments and amounts representing depreciation and interest -

March 31	Millions of yen		Thousands of U.S. dollars
	2011	**2012**	**2012**
Lease payments	¥1,273	**¥801**	**$9,744**
Amount representing depreciation	608	**335**	**4,078**
Amount representing interest	274	**23**	**275**

(d) Calculation method depreciation and interest -

(i) Depreciation of property, plant and equipment -
Accumulated depreciation is computed by the declining-balance method at rates based on the period of those finance leases with a remaining value of 10% of total lease payments.

(ii) Depreciation of intangible assets -
Accumulated depreciation is computed by the straight-line method based on the period of those finance leases with no residual value.

(iii) Calculation of interest expense -
Interest expense is calculated as the difference between total lease payments and the acquisition cost of leased property, and is allocated to relevant accounting periods based on the interest method.

(2) Operating lease transaction (lessee) -

Minimum lease payments under non-cancellable operating lease for the fiscal years ended March 31, 2011 and 2012 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2011	**2012**	**2012**
Due within one year	¥371	**¥ 256**	**$ 3,112**
Due after one year	606	**1,219**	**14,835**
Total minimum lease payments	¥977	**¥1,475**	**$17,947**

10 Financial Instruments

(1) Matters related to the status of financial instruments -

(a) Policies on the use of financial instruments:

Seeking to ensure the long-term stability of funds required to implement capital investment plans related to its printing and merchandising businesses, the Company raises funds as necessary through such measures as bank borrowings and by issuing corporate bonds. The Company invests temporary surpluses in highly secure financial assets and does not engage in speculative investment. The Company employs derivative transactions only to hedge against the market risks described below, and does not conduct such trades for speculative purposes.

(b) Content of financial instruments and their supposed risks:

Cash and deposits involve the risk that the depository institution will default and become unable to repay the deposits. Short-term investment securities involve the risk of default by an issuing institution or financial brokerage firm, resulting in damage to principal, as well as the risk of a substantial decline in fair value as a result of changes in the market environment. Such claimable assets as accounts receivable, notes receivable, loans receivable, and other collectibles, as well as such financial assets as lease and guarantee deposits, involve the risk of counterparties becoming unable to discharge their settlement duties due to worsening management conditions or insolvency. Borrowings from financial institutions on which the Company has guaranteed obligations or provided a soft letter of management support involve the risk that a breach of contract with the guaranteed party by the Company's consolidated companies could harm the Company's joint guarantees and social credibility. Derivative contracts involve the risk of non-performance due to default and other factors. Derivative contracts also involve the risk of substantial declines in market value owing to changes in the market environment resulting from foreign exchange rate and interest rate fluctuations, as well as the risk of substantial increases in obligations. Financial obligations on notes and accounts payable involve the risk of double payment owing to the transfer of obligations to a business partner, as well as the risk of being unable to avoid the effects of activities by antisocial elements.

Loans payable involve the risk of a downturn in operating performance or a downgrade to the Company's credit rating that conflicts with financial covenants, which could result in the attachment of collateral and the risk of being unable to sustain the existing conditions of financial agreements. Regarding bonds payable issued by the Company, the risk exists that, owing to substantial changes in the market environment, the Company may be compelled to issue corporate bonds with extremely unfavorable conditions. Also, future interest rate increases could cause the Company's obligations on loans payable and bonds payable to increase. Loans payable and other financial obligations also involve the risk that, as the result of a downturn in operating performance or a downgrade to the Company's credit rating, the Company's liquidity could fall to a level that renders it unable to fulfill its payment obligations. A portion of the Company's financial assets, such as cash and deposits, and certain financial obligations are denominated in foreign currencies as a result of the Group's efforts to expand its operations overseas. Consequently, exchange rate fluctuations could cause its asset values to decline or the cost of its obligations to increase. Cash, foreign currency collateral securities and notes receivable, equity securities and assets underlying marketable securities involve the risk that the Company may be unable to file recovery claims as a result of theft, loss or fire.

(c) Risk management system related to financial instruments:

(i) Management of credit risk (the risk that a customer will default on its transactional obligations)
The Company manages its various claimable assets, such as accounts receivable and notes receivable, according to separately formulated receivables management regulations, with the aim of securing its receivables and boosting its capital efficiency. Specific details regarding management are provided in the Company's customer information management regulations.
In accordance with the provision for "credit management" in Article 2 of the Company's customer information management regulations, on a monthly basis the Company determines the total fair value of its loans receivable, other receivables and other guaranteed obligations, confirming the credit status of customer and collection delays to confirm recoverability.
To lower its counterparty risk, the Company conducts derivative transactions only with highly rated financial institutions.

(ii) Management of market risk (the risk of foreign currency exchange and interest rate fluctuations)
The Company invests funds in accordance with separately formulated financial management regulations and financial management regulation implementation schedule to minimize risks related to capital, interest, liquidity and fund settlement.
On a quarterly basis, the Company determines the fair value of its holdings of marketable securities and the financial status of their issuers (corporate business partners) and reviews the status of its holdings on a regular basis.
The Company engages in derivative transactions only for the purpose of hedging risk, and does not conduct such transactions for speculative purposes.
The risk of hedged financial instruments and its management are described separately in the financial management regulation implementation schedule.
The Company seeks to avoid risk on hedged items by managing risks according to these guidelines.

(iii) Management of liquidity risk related to fund procurement (the risk of being unable to make payments on their due dates)
In accordance with its financial management regulations and financial management regulation implementation schedule, the Company formulates asset budget plans in line with its medium-term plans, reports on investments and performance at monthly investment meetings, and manages ongoing cash flow.
The Company conducts medium- to long-term cash planning and raises funds as necessary by issuing corporate bonds or through bank loans to ensure the availability of appropriate levels of cash and raise capital efficiency.
The Company has formulated financial management regulations, supplementary schedules and affiliated company management regulations with regard to the raising of funds through the issuance of corporate bonds and borrowings, and procedures for selecting financial institutions must follow these regulations.
By employing management methods that comply with its financial management regulations and supplementary schedules, the Company is able to determine accurately the total book values of cash and deposits, receivables and payables, and conducts cash planning accordingly to insulate itself from liquidity risk.

(d) Supplementary explanation regarding the fair value of financial instruments:

With regard to the fair value of financial instruments, in addition to basing fair value on market value, the fair value of financial instruments that have no available market value is determined by using a rational method of calculation. However, as variables are inherent in these value calculations, the resulting values may differ if different assumptions are used. Also, in the note entitled "Derivative Financial Instruments," market risk related to derivative financial instruments is not included within their contract amounts.

(2) Matters related to the fair value of financial instruments -

The following are certain information relating to the aggregated book carrying amount and fair value of financial instruments as of March 31, 2011 and 2012.

Financial instruments that have no readily available fair values are not included in the information below.

	Millions of yen		
March 31, 2011	Book carrying amount	Fair value	Unrealized gains (losses)
Assets:			
(i) Cash and deposits	¥31,698	¥31,698	¥ –
(ii) Notes and accounts receivable-trade	40,323	40,323	–
(iii) Short-term investment securities and investment securities	13,977	13,464	(513)
(iv) Long-term loans receivable	96	–	–
- Allowance for doubtful accounts(*)	96	–	–
	0	0	
(v) Lease and guarantee deposits	2,213	2,213	–
Total	¥88,211	¥87,698	¥(513)
Liabilities:			
(i) Notes and accounts payable-trade	¥26,096	¥26,096	¥ –
(ii) Short-term loans payable	355	355	–
(iii) Current portion of long-term loans payable	181	181	–
(iv) Current portion of bonds	200	200	–
(v) Long-term loans payable	51	53	(2)
Total	¥26,883	¥26,885	¥ (2)

(*) Allowances for doubtful accounts on long-term loans receivable have been omitted.

	Millions of yen		
March 31, 2012	Book carrying amount	Fair value	Unrealized gains (losses)
Assets:			
(i) Cash and deposits	**¥34,201**	**¥34,201**	**¥ –**
(ii) Notes and accounts receivable-trade	**47,120**	**47,120**	**–**
(iii) Short-term investment securities and investment securities	**14,471**	**14,009**	**(462)**
(iv) Long-term loans receivable	**195**	**–**	**–**
- Allowance for doubtful accounts(*)	**195**	**–**	**–**
	0	**0**	
(v) Lease and guarantee deposits	**2,032**	**2,032**	**–**
Total	**¥97,824**	**¥97,362**	**¥(462)**
Liabilities:			
(i) Notes and accounts payable–trade	**¥27,440**	**¥27,440**	**¥ –**
(ii) Short-term loans payable	**299**	**299**	**–**
(iii) Current portion of long-term loans payable	**51**	**51**	**–**
Total	**¥27,790**	**¥27,790**	**¥ –**

	Thousands of U.S. dollars		
March 31, 2012	Book carrying amount	Fair value	Unrealized gains (losses)
Assets:			
(i) Cash and deposits	**$ 416,124**	**$ 416,124**	**$ –**
(ii) Notes and accounts receivable-trade	**573,307**	**573,307**	**–**
(iii) Short-term investment securities and investment securities	**176,070**	**170,446**	**(5,624)**
(iv) Long-term loans receivable	**2,370**	**–**	**–**
- Allowance for doubtful accounts(*)	**2,370**	**–**	**–**
	0	**0**	
(v) Lease and guarantee deposits	**24,725**	**24,725**	**–**
Total	**$1,190,226**	**$1,184,602**	**$(5,624)**
Liabilities:			
(i) Notes and accounts payable-trade	**$ 333,866**	**$ 333,866**	**$ –**
(ii) Short-term loans payable	**3,635**	**3,635**	**–**
(iii) Current portion of long-term loans payable	**626**	**626**	**–**
Total	**$ 338,127**	**$ 338,127**	**$ –**

(*) Allowances for doubtful accounts on long-term loans receivable have been omitted.

(a) Matters related to calculating the fair value of financial instruments and marketable securities:

Assets

(i) Cash and deposits and (ii) notes and accounts receivable–trade
As these instruments are settled within the short term and their fair values and book values are similar, their book values are assumed as their fair values.

(iii) Short-term investment securities and investment securities
The fair values of equity securities are determined by their prices on stock exchanges. The fair value of bonds is determined according to prices indicated on bond exchanges or the values indicated by the financial institutions handling these transactions.

(iv) Long-term loans receivable
For long-term loans receivable with floating interest rates, in the short term these interest rates reflect market interest rates, and their fair values are similar to their fair values. Therefore, their book value is assumed as their fair value. Such loans with fixed interest rates are categorized according to loan type, credit status and term, and future cash flows are discounted to their present value by adding to the Japanese government bond yield an appropriate rate as indicated by their credit spread.

(v) Lease and guarantee deposits
The fair value of lease and guarantee deposits is similar to the figure determined by subtracting from their balance sheet book value the corresponding allowance for doubtful accounts, so this figure is taken as their fair value.

Liabilities

(i) Notes and accounts payable–trade, (ii) short-term loans payable, (iii) current portion of long-term loans payable and (iv) current portion of bonds
As these instruments are settled within the short term and their fair values and book values are similar, their book values are assumed as their fair values.

(v) Long-term loans payable
For long-term loans payable, fair value is determined by discounting to their present value the total amount of principal and interest by applying the assumed interest rate on loans of the same type.

(b) Financial instruments for which fair value is not readily determinable:

	Book carrying amount		
	Millions of yen		Thousands of U.S. dollars
March 31	2011	2012	2012
Non-listed equity securities	¥1,713	**¥1,502**	**$18,269**

These instruments are not included in (iii) short-term investment securities and investment securities, as they have no market value, and their fair value is not readily determinable.

(c) Redemption schedule for monetary assets and the expected maturity values of marketable securities:

	Millions of yen			
March 31, 2011	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years
Cash and deposits	¥31,698	¥ –	¥ –	¥ –
Notes and accounts receivable-trade	40,161	162	–	–
Short-term investment securities and investment securities				
-Held-to-maturity debt securities (Corporate bonds)	–	708	1,650	2,000
-Other securities that have maturity dates (Others)	–	126	271	351
Long-term loans receivable	–	96	–	–
Total	¥71,859	¥1,092	¥1,921	¥2,351

	Millions of yen			
March 31, 2012	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years
Cash and deposits	**¥34,201**	**¥ –**	**¥ –**	**¥ –**
Notes and accounts receivable-trade	**47,042**	**78**	**–**	**–**
Short-term investment securities and investment securities				
-Held-to-maturity debt securities (Corporate bonds)	**350**	**1,005**	**1,550**	**2,000**
-Other securities that have maturity dates (Others)	**–**	**181**	**241**	**300**
Long-term loans receivable	**–**	**195**	**–**	**–**
Total	**¥81,593**	**¥1,459**	**¥1,791**	**¥2,300**

	Thousands of U.S. dollars			
March 31, 2012	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years
Cash and deposits	**$416,124**	**$ –**	**$ –**	**$ –**
Notes and accounts receivable-trade	**572,362**	**945**	**–**	**–**
Short-term investment securities and investment securities				
-Held-to-maturity debt securities (Corporate bonds)	**4,258**	**12,230**	**18,859**	**24,334**
-Other securities that have maturity dates (Others)	**–**	**2,203**	**2,935**	**3,650**
Long-term loans receivable	**–**	**2,370**	**–**	**–**
Total	**$992,744**	**$17,748**	**$21,794**	**$27,984**

11 Marketable and Investment Securities

The following are certain information relating to the aggregate book carrying amount and fair value of securities as of March 31, 2011 and 2012.

(1) "Held-to-maturity debt securities" whose market price or quotations are available -

March 31, 2011	Millions of yen Book carrying amount	Fair value	Unrealized gains (losses)
Other securities whose market price or quotation exceeds their book carrying amount on the consolidated balance sheet			
(i) Government bonds, municipal bonds, etc.	¥ –	¥ –	¥ –
(ii) Corporate bonds	1,150	1,160	10
(iii) Other	–	–	–
	1,150	1,160	10
Other securities whose market price or quotations does not exceed their book carrying amount on the consolidated balance sheet			
(i) Government bonds, municipal bonds, etc.	–	–	–
(ii) Corporate bonds	3,208	2,685	(523)
(iii) Other	–	–	–
	3,208	2,685	(523)
Total	¥4,358	¥3,845	¥(513)

March 31, 2012	Millions of yen Book carrying amount	Fair value	Unrealized gains (losses)
Other securities whose market price or quotation exceeds their book carrying amount on the consolidated balance sheet			
(i) Government bonds, municipal bonds, etc.	**¥ –**	**¥ –**	**¥ –**
(ii) Corporate bonds	**600**	**603**	**3**
(iii) Other	**–**	**–**	**–**
	600	**603**	**3**
Other securities whose market price or quotation does not exceed their book carrying amount on the consolidated balance sheet			
(i) Government bonds, municipal bonds, etc.	**–**	**–**	**–**
(ii) Corporate bonds	**4,305**	**3,840**	**(465)**
(iii) Other	**–**	**–**	**–**
	4,305	**3,840**	**(465)**
Total	**¥4,905**	**¥4,443**	**¥(462)**

March 31, 2012	Thousands of U.S. dollars Book carrying amount	Fair value	Unrealized gains (losses)
Other securities whose market price or quotation exceeds their book carrying amount on the consolidated balance sheet			
(i) Government bonds, municipal bonds, etc.	**$ –**	**$ –**	**$ –**
(ii) Corporate bonds	**7,300**	**7,339**	**39**
(iii) Other	**–**	**–**	**–**
	7,300	**7,339**	**39**
Other securities whose market price or quotation does not exceed their book carrying amount on the consolidated balance sheet			
(i) Government bonds, municipal bonds, etc.	**–**	**–**	**–**
(ii) Corporate bonds	**52,381**	**46,718**	**(5,663)**
(iii) Other	**–**	**–**	**–**
	52,381	**46,718**	**(5,663)**
Total	**$59,681**	**$54,057**	**$(5,624)**

(2) "Other securities" whose market price or quotations are available -

March 31, 2011	Millions of yen Market value (= Book carrying amount)	Acquisition cost	Unrealized gains (losses)
Other securities whose market price or quotation exceeds their book carrying amount on the consolidated balance sheet			
(i) Share stocks	¥2,077	¥ 1,646	¥ 431
(ii) Bond certificates	–	–	–
(iii) Other	–	–	–
	2,077	1,646	431
Other securities whose market price or quotations do not exceeds their book carrying amount on the consolidated balance sheet			
(i) Share stocks	3,737	6,525	(2,788)
(ii) Bond certificates	–	–	–
(iii) Other	3,805	4,229	(424)
	7,542	10,754	(3,212)
Total	¥9,619	¥12,400	¥(2,781)

March 31, 2012	Millions of yen Market value (= Book carrying amount)	Acquisition cost	Unrealized gains (losses)
Other securities whose market price or quotation exceeds their book carrying amount on the consolidated balance sheet			
(i) Share stocks	**¥2,617**	**¥ 2,182**	**¥ 435**
(ii) Bond certificates	**–**	**–**	**–**
(iii) Other	**9**	**8**	**1**
	2,626	**2,190**	**436**
Other securities whose market price or quotation does not exceed their book carrying amount on the consolidated balance sheet			
(i) Share stocks	**3,296**	**5,681**	**(2,385)**
(ii) Bond certificate	**–**	**–**	**–**
(iii) Other	**3,644**	**3,887**	**(243)**
	6,940	**9,568**	**(2,628)**
Total	**¥9,566**	**¥11,758**	**¥(2,192)**

March 31, 2012	Thousands of U.S. dollars Market value (= Book carrying amount)	Acquisition cost	Unrealized gains (losses)
Other securities whose market price or quotation exceeds their book carrying amount on the consolidated balance sheet			
(i) Share stocks	**$ 31,844**	**$ 26,547**	**$ 5,297**
(ii) Bond certificates	**–**	**–**	**–**
(iii) Other	**104**	**96**	**8**
	31,948	**26,643**	**5,305**
Other securities whose market price or quotation does not exceed their book carrying amount on the consolidated balance sheet			
(i) Share stocks	**40,100**	**69,124**	**(29,024)**
(ii) Bond certificates	**–**	**–**	**–**
(iii) Other	**44,341**	**47,299**	**(2,958)**
	84,441	**116,423**	**(31,982)**
Total	**$116,389**	**$143,066**	**$(26,677)**

Investments held in unlisted stocks with acquisition book value of ¥1,713 million and ¥554 million (US$6,741 thousand) as at March 31, 2011 and 2012, respectively are not included in the above disclosures of fair value since no quoted market prices are available meaning that ascertaining fair values is considered to be extremely difficult.

(3) "Other securities" sold in the current fiscal year -

March 31, 2011	Millions of yen Proceeds from sales of "Other securities"	Gain on sales of "Other securities"	Loss on sales of "Other securities"
(i) Share stocks	¥79	¥32	¥ 0
(ii) Other	15	–	–
Total	¥94	¥32	¥ 0

March 31, 2012	Millions of yen Proceeds from sales of "Other securities"	 Gain on sales of "Other securities"	 Loss on sales of "Other securities"
(i) Share stocks	**¥297**	**¥ 81**	**¥(1)**
(ii) Other	**174**	**21**	**–**
Total	**¥471**	**¥102**	**¥(1)**

March 31, 2012	Thousands of U.S. dollars Proceeds from sales of "Other securities"	 Gain on sales of "Other securities"	 Loss on sales of "Other securities"
(i) Share stocks	**$3,623**	**$ 989**	**$(17)**
(ii) Other	**2,119**	**257**	**–**
Total	**$5,742**	**$1,246**	**$(17)**

(4) "Loss on valuation of investment securities" -

The Company recognized impairment loss on other securities of ¥663 million and other of ¥1 million for the fiscal year ended March 31, 2011 and other securities of ¥63 million (US$766 thousand) for the fiscal year ended March 31, 2012.

12 Derivative Financial Instruments

The Company and certain consolidated foreign subsidiaries utilize derivative financial instruments selectively, to hedge foreign currency exchange risk and floating interest exchange risk.

As of March 31, 2011 and 2012, there was no contract outstanding for derivatives.

13 Pension and Severance Plans

(1) Outline of pension and severance plans -

The Company and certain domestic consolidated subsidiaries have entered into agreements with insurance companies and trust banking corporations for contributory funded defined benefit pension plans or non-contributory plans to cover employee pensions. Overseas subsidiaries do not have defined benefit pension plans.

(2) Pension liabilities for employees -

	Millions of yen 2011	 **2012**	Thousands of U.S. dollars **2012**
(1) Projected benefit obligation	¥(30,398)	**¥(30,329)**	**$(369,012)**
(2) Plan assets at fair value	22,242	**22,722**	**276,458**
(3) Unfunded benefit obligation (1) + (2)	(8,156)	**(7,607)**	**(92,554)**
(4) Unrecognized actuarial gains/(losses)	8,871	**8,118**	**98,770**
(5) Unrecognized prior service costs	(3,519)	**(3,171)**	**(38,584)**
(6) Provision for retirement benefit (3) + (4) + (5)	¥ (2,804)	**¥ (2,660)**	**$ (32,368)**

The Company contributed certain marketable equity securities in 2001 to the employee retirement benefit trust as plan assets, the fair value of which amounted to ¥1,356 million and ¥1,372 million (US$16,693 thousand) as of March 31, 2011 and 2012, respectively.

(3) Components of the net periodic pension cost –

	Millions of yen 2011	 **2012**	Thousands of U.S. dollars **2012**
(1) Service costs	¥1,534	**¥1,557**	**$19,185**
(2) Interest costs	556	**565**	**6,870**
(3) Expected return on plan assets	(607)	**(606)**	**(7,370)**
(4) Expense for actuarial losses	804	**872**	**10,612**
(5) Amortization of prior service costs	(348)	**(348)**	**(4,231)**
(6) Net periodic pension cost (1) + (2) + (3) + (4) + (5)	¥1,939	**¥2,060**	**$25,066**

(4) The basis of calculation of retirement benefit obligations -

(a) Method of attributing the projected benefits to periods of service: Straight-line basis is adopted.

(b) Discount rate:

	2011	**2012**
Discount rate	1.9%	**1.9%**

(c) Expected return on plan assets:

	2011	**2012**
Expected return on plan assets	2.9%	**2.9%**

(d) Amortization of unrecognized prior service costs: Straight-line over 15 years is adopted.

(e) Amortization of unrecognized actuarial gain/loss: Straight-line over 15 years is adopted.

14 Stock Options

(1) Extraordinary gain by right unused -

	Millions of yen		Thousands of U.S. dollars
	2011	**2012**	**2012**
Gain on reversal of subscription rights to shares	¥11	**¥13**	**$164**

(2) The number of common shares to be granted for stock options -

	The date of ordinary shareholders' meeting	Number of common shares granted (Shares)	Exercise price per share (Exact yen/ U.S. dollars)	Exercise periods
Stock options to purchase newly issued shares	June 29, 2005	211,000	¥1,308/$15.91	From July 1, 2006 to June 30, 2011
	June 28, 2006	212,000	¥1,734/$21.09	From July 1, 2007 to June 30, 2012
	June 29, 2007	245,000	¥1,527/$18.57	From July 1, 2008 to June 30, 2013
		668,000		

(3) The summary of the number of stock options -

The date of ordinary shareholders' meeting	29-Jun-05	28-Jun-06	29-Jun-07
Exercise price per share (exact yen/ U.S. dollars)	¥1,308/ $15.91	¥1,734/ $21.09	¥1,527/ $18.57
Number of stock options as of March 31, 2011 (1)	95,000	120,000	148,000
Decrease on the exercise of stock options (2)	–	–	–
Decrease on the lapse of stock options (3)	(95,000)	(36,000)	(40,000)
Number of stock options as of March 31, 2012 (4) = (1) + (2) + (3)	–	84,000	108,000
Exercise periods	From July 1, 2006 to June 30, 2011	From July 1, 2007 to June 30, 2012	From July 1, 2008 to June 30, 2013

15 Income Taxes

(1) The significant components of deferred tax assets and liabilities -

	Millions of yen		Thousands of U.S. dollars
	2011	**2012**	**2012**
Deferred tax assets:			
Provision for bonuses	¥1,612	**¥1,533**	**$18,658**
Enterprise tax	170	**220**	**2,674**
Depreciation	60	**56**	**679**
Provision for retirement benefits	1,483	**1,246**	**15,162**
Provision for directors' retirement benefits	64	**58**	**710**
Allowance for doubtful accounts	103	**132**	**1,610**
Unrealized loss on investment securities	784	**516**	**6,280**
Unrealized loss on golf club membership	209	**173**	**2,100**
Asset retirement obligations	217	**184**	**2,242**
Net operating loss carry forward of subsidiaries	223	**260**	**3,163**
Impairment loss	165	**167**	**2,035**
Other	532	**618**	**7,493**
Sub total of deferred tax assets	5,622	**5,163**	**62,806**
Valuation allowance	(690)	**(530)**	**(6,445)**
Deferred tax assets total	4,932	**4,633**	**56,361**
Deferred tax liabilities:			
Undistributed earnings of foreign subsidiaries	(54)	**(21)**	**(251)**
Valuation difference on available-for-sale securities	(56)	**(150)**	**(1,820)**
Depreciation	(66)	**(66)**	**(802)**
Other	(51)	**(43)**	**(527)**
Deferred tax liabilities total	(227)	**(280)**	**(3,400)**
Deferred tax assets, net (*)	¥4,705	**¥4,353**	**$52,961**

(*) Deferred tax assets are stated net in the following accounts of the consolidated balance sheets.

	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Current assets - deferred tax assets:	¥2,061	¥2,064	$25,111
Long-term assets - deferred tax assets:	2,773	2,414	29,374
Long-term liabilities - deferred tax liabilities:	(129)	(125)	(1,524)
Deferred tax assets, net	¥4,705	¥4,353	$52,961

(2) The reconciliation between the statutory tax and the Company's effective tax rate -

	2011	2012
Statutory tax rate	40.70%	40.70%
Non-deductible expenses	2.42	2.08
Non-taxable dividend income	(0.40)	(0.31)
Per capita portion of resident tax	0.97	0.86
Tax credit for research and development	(2.11)	(1.37)
Change in valuation allowance	4.81	(0.71)
Future reduction of the enterprise tax rate	–	4.43
Other	0.31	0.46
Effective tax rate	46.70%	46.14%

(3) Adjustment of deferred tax assets and liabilities following the change in the statutory tax rates -

"Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" and "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" were promulgated on December 2, 2011, and with this, the statutory tax rates used to calculate deferred tax assets and liabilities (that are expected to reverse on or after April 1, 2012) were changed from 40.7% for the previous fiscal year to 38.0% for expected reversals between April 1, 2012 through March 31, 2015, and 35.6% for those reversing on or after April 1, 2015. As a result, deferred tax assets (net of deferred tax liabilities) decreased ¥466 million (US$5,669 thousand), while income taxes-deferred and gain on securities recorded in this fiscal year increased ¥487 million (US$5,929 thousand) and ¥21 million (US$261 thousand), respectively.

16 Business Combination

Consolidated fiscal year (From April 1, 2011 to March 31, 2012)
Dealings under common control

(1) Transaction under common control -

(a) Outline of business combination

(i) Names of the acquiring and acquired companies and business activities:
Newly incorporated acquired company: Toppan Forms Central Products Co., Ltd. (the "TFCP")
Acquiring company: Toppan Forms Co., Ltd. (the "Company")
Combined activities are all business of Takiyama factory, Fussa factory, Kawamoto factory, Tatsumi factory and Niigata factory of the Company.
Acquiring company: Toppan Forms Process Co., Ltd. (the "TFP")
Combined activities are all business processing of business forms in TFP.

(ii) Date of the business combination: January 4, 2012

(iii) Legal form of the business combination
Incorporation-type company split, with the Company and TFP splitting stock holding in the newly incorporated acquired company TFCP.

(iv) Name after combination: Toppan Forms Central Products Co., Ltd.

(v) Outline of the dealings including purpose
The core business of the Company consists of business forms related commercial activities and data print service enterprises, such as direct mail printing. The Company has decided to target improvement of production efficiency and strengthening of cost competitiveness by promoting the rationalization of print manufacturing operations in Tokyo metropolitan areas, and centralization of the chain of command to increase robustness of the quality assurance system. The Company and its subsidiary TFP together established TFCP by an incorporation-type company split, in order to allow management to be agile, and improve the speed of the decision making process in order to maximize opportunities in the domestic market.

(b) Outline of implement account process
Based on "Business Combinations and related matters" (ASBJ Statement No. 21, issued on December 26, 2008) and "Guideline for Accounting Standard for Business Combinations Business Separations" (Accounting Standards Implementation Guideline No. 10, issued on December 26, 2008) the business combination was treated as a transaction under common control.

(2) Absorption-type merger -

(a) Outline of business combination

(i) Name of the acquired company and business contents:
Acquiring company: Toppan Forms Co., Ltd. (the "Company")
Acquired company: Toppan Forms Process Co., Ltd. (the "TFP")
TFP had previously transferred all of its commercial operations to TFCP such that there were no ongoing business activities being carried out by TFP as of the date of the business combination.

(ii) Date of the business combination: March 14, 2012

(iii) Legal method for business combination
Absorption-type merger with TFP as acquired company and the Company as the acquiring company.

(iv) Name after combination: Toppan Forms Co., Ltd.

(v) Outline of the dealings containing the purpose of dealings
The Company in collaboration with TFP incorporated TFCP on January 4, 2012, in order to strengthen production efficiency and improve cost competitiveness. As part of this transaction, TFP transferred all of its commercial operations to TFCP such that there were no ongoing business activities being carried out by TFP as of the date of the business combination. As a result, the Company resolved to absorb TFP through restructuring of the Group.

(b) Outline of implement account process
Based on "Business Combinations and related matters" (ASBJ Statement No. 21, issued on December 26, 2008) and "Guideline for Accounting Standard for Business Combinations Business Separations" (Accounting Standards Implementation Guideline No. 10, issued on December 26, 2008) the business combination was treated as a transaction under common control. As a result of the implementation of these standards, there is no impact on the consolidated financial statements.

17 Asset Retirement Obligations

(1) Overview of asset retirement obligations

Asset retirement obligations of the Company are mainly statutory obligations with regard to the removal of property, plant and equipment in connection with real estate leasing agreements to restore them to their original condition.

(2) Method of calculating asset retirement obligations

Asset retirement obligations are calculated using the estimated useful life of assets and related yield on Japanese government bonds.

(3) Change in total asset retirement obligations during the consolidated fiscal year under review

	Millions of yen		Thousands of U.S. dollars
	2011	**2012**	**2012**
Balance at beginning of year	¥ 926	**¥738**	**$8,987**
Increase due to purchases of property, plant and equipment	–	**8**	**99**
Changes due to fulfillment of asset retirement obligations	(19)	**(108)**	**(1,317)**
Changes arising from gain on settlement of asset retirement obligations	(180)	**–**	**–**
Increase due to changes in estimates	–	**86**	**1,040**
Increases in other items	11	**9**	**113**
Balance at year-end	¥ 738	**¥733**	**$8,922**

18 Segment Information

(1) Outline of reporting segments -

The Company's reporting segments are composed of those individual business units for which separate financial information is available—which are used by members of the Board of Directors when making decisions regarding the allocation of management resources, or when evaluating operating performance—allowing them to be examined periodically.

The Company has planning departments in place at its headquarters to make overall planning by product and service.

The Company has separated its reporting segments on the basis of products and services into two reporting segments: printing business and merchandise business.

Printing business is centered on printing of business forms and data printing services. Merchandise business is centered on sales of supplies and equipment related to the printing business, business information operating services and other.

(2) Methods of calculating sales, income or losses, assets, liabilities and other items by reporting segment -

Accounting policies and procedures followed by reporting segments are in principal same as those indicated in "Note 2. Summary of Significant Accounting Policies". Income or losses of reporting segments are based on operating income.

(3) Information related to amounts of sales, income or losses, assets, liabilities and other items for individual reporting segments -

Segment information for the year ended March 31, 2011 is as follows:

	Millions of yen				
March 31, 2011	Printing business	Merchandise business	Total	Adjustment (*1)	Consolidated (*2)
Net sales:					
Outside customers	¥174,235	¥50,070	¥224,305	¥ –	¥224,305
Inter-segment	584	1,426	2,010	(2,010)	–
Total	174,819	51,496	226,315	(2,010)	224,305
Segment profits	9,014	2,644	11,658	(1,350)	10,308
Segment assets	¥137,646	¥15,789	¥153,435	¥33,141	¥186,576
Other:					
Depreciation	¥ 8,292	¥ 193	¥ 8,485	¥ 27	¥ 8,512
Amortization of goodwill	0	–	0	–	0
Increase of "Property, plant and equipment" and "Intangible assets"	11,241	20	11,261	–	11,261

*1 Adjustment to segment profits of negative ¥1,350 million includes corporate level expenses that are not allocated to individual reporting segments. Such expenses comprise mainly non-segment specific general and administrative expenses. Adjustment to segment assets includes corporate level assets of ¥33,141 million, which consist principally of surplus investment funds (term deposits and demand deposits) and long-term investment funds (such as marketable securities) that are non-segment specific.

*2 Segment profit is reconciled to the operating income in the consolidated statement of income.

Segment information for the year ended March 31, 2012 is as follows:

	Millions of yen				
March 31, 2012	Printing business	Merchandise business	Total	Adjustment (*1)	Consolidated (*2)
Net sales:					
Outside customers	¥178,838	¥48,211	¥227,049	¥ –	¥227,049
Inter-segment	690	1,211	1,901	(1,901)	–
Total	179,528	49,422	228,950	(1,901)	227,049
Segment profits	10,677	1,805	12,482	(1,574)	10,908
Segment assets	¥136,985	¥16,158	¥153,143	¥37,407	¥190,550
Other:					
Depreciation	¥ 8,344	¥ 197	¥ 8,541	¥ 25	¥ 8,566
Impairment loss	148	–	148	–	148
Increase of "Property, plant and equipment" and "Intangible assets"	5,585	11	5,596	–	5,596

	Thousands of U.S. dollars				
March 31, 2012	Printing business	Merchandise business	Total	Adjustment (*1)	Consolidated (*2)
Net sales:					
Outside customers	$2,175,905	$586,579	$2,762,484	$ –	$2,762,484
Inter-segment	8,395	14,739	23,134	(23,134)	–
Total	2,184,300	601,318	2,785,618	(23,134)	2,762,484
Segment profits	129,909	21,963	151,872	(19,157)	132,715
Segment assets	$1,666,685	$196,597	$1,863,282	$455,134	$2,318,416
Other:					
Depreciation	$ 101,526	$ 2,395	$ 103,921	$ 296	$ 104,217
Impairment loss	1,799	–	1,799	–	1,799
Increase of "Property, plant and equipment" and "Intangible assets"	67,952	130	68,082	–	68,082

*1 Adjustment to segment profits of negative ¥1,574 million (US$19,157 thousand) includes corporate level expenses that are not allocated to individual reporting segments. Such expenses comprise mainly non-segment specific general and administrative expenses. Adjustment to segment assets include corporate level assets of ¥37,407 million (US$455,134 thousand), which consist principally of surplus investment funds (term deposits and demand deposits) and long-term investment funds (such as marketable securities) that are non-segment specific.

*2 Segment profit is reconciled to the operating income in the consolidated statement of income.

(4) Related information-

(a) Products and service:
Information of each product and service is presented (3) above.

(b) Geographic region:

(i) Sales
Information of sales is not presented since sales to customers located in Japan exceed 90% of net sales in the consolidated statements of income.

(ii) Property, plant and equipment
Information of property, plant and equipment is not presented since property, plant and equipment located in Japan exceed 90% of property, plant and equipment in the consolidated balance sheets.

(c) Main customers:
Information of main customers is not presented since no individual customer is more than 10% of net sales in the consolidated statements of income.

(5) Impairment loss on assets by reportable segment -

Information of impairment loss on assets by reportable segment for the year ended March 31, 2011 is not applicable, and for the year ended March 31, 2012 is presented (3) above.

(6) Amortization of goodwill and unamortized balance by reportable segment -

"Amortization of goodwill and unamortized balance by reportable segment" for the year ended March 31, 2011 is as follows:

	Millions of yen				
March 31, 2011	Printing business	Merchandise business	Subtotal	Elimination/ Corporate	Total
Amortization	¥0	¥–	¥0	¥–	¥0
Balance at year-end	–	–	–	–	–

"Amortization of goodwill and unamortized balance by reportable segment" for the year ended March 31, 2012 is not applicable.

(7) Gain on negative goodwill by reportable segment -

Not applicable.

19 Related Party Transactions

There are several related party transactions, including sales to Toppan Printing Co., Ltd., which owns 60.7% of the common stock of the Company. The transactions were made at arm's-length prices that are considered to be equivalent to market prices.

Sales to Toppan Printing Co., Ltd. for the fiscal years ended March 31, 2011 and 2012 amounted to ¥10,663 million and ¥10,236 million (U.S.$124,542 thousand), respectively. The balance of accounts receivable from Toppan Printing Co., Ltd. as of March 31, 2011 and 2012 amounted to ¥3,510 million and ¥3,013 million (U.S.$36,664 thousand), respectively.

20 Earnings per Share Information

The computation of net income per share is based on the weighted-average number of common shares outstanding during each fiscal year. Treasury stocks held during these fiscal years are excluded.

	Yen		U.S. dollars
March 31	2011	**2012**	**2012**
Net assets per share	¥1,263.23	**¥1,289.67**	**$15.69**
Net income per share	45.32	**50.37**	**0.61**
Diluted net income per share	–	**–**	**–**

As the Company had no diluted securities as at March 31, 2011 and 2012, the Company does not disclose amounts of diluted net income per share for the years ended March 31, 2011 and 2012.

Basic net income per share

	Millions of yen		Thousands of U.S. dollars
March 31	2011	**2012**	**2012**
Net income	**¥ 5,030**	**¥ 5,590**	**$68,018**
Net income not available to common shareholders	**–**	**–**	**–**
Net income available to common shareholders	**5,030**	**5,590**	**68,018**
Weighted-average number of shares outstanding (thousand shares)	**110,997**	**110,997**	**–**

21 Schedule of Bonds

			Beginning balance		Ending balance				
Company	Type of bond	Date of issuance	Millions of yen	Thousands of U.S. dollars	Millions of yen	Thousands of U.S. dollars	Interest rate	Collateral	Date of maturity
TOSCO CORPORATION	The 7th unsecured bond	May 26, 2008	200	2,433	–	–	1.8	–	May 25, 2011
Total			200	2,433	–	–			

22 Schedule of Borrowings

	Millions of yen		Thousands of U.S. dollars		
	2011	2012	2012	Average interest rate (%)	Due date of payment
Short-term loans payable	¥355	**¥299**	**$3,635**	1.20	–
Current portion of long-term loans payable	181	**51**	**626**	2.17	–
Lease obligations	38	**37**	**445**	–	–
Long-term loans payable (without current portion)	51	**–**	**–**	–	
Lease obligations (without current portion)	61	**44**	**540**	–	From 2013 to 2017
	¥686	**¥431**	**$5,246**		

(1) "Average interest rate" presents the weighted-average interest rate against the term-end balance of borrowings.
(2) As interest included in lease payment is allocated on the straight-line method to each fiscal year, average interest rate of lease obligation is omitted.
(3) The projected repayment amount of long-term debt (excluding debt scheduled to be repaid within one year) within five years after the consolidated balance sheet date (i.e. March 31, 2012) are as follows:

	Over one year and not exceeding two years	Over two years and not exceeding three years	Over three years and not exceeding four years	Over four years and not exceeding five years	Over one year and not exceeding two years	Over two years and not exceeding three years	Over three years and not exceeding four years	Over four years and not exceeding five years
	Millions of yen				Thousands of U.S. dollars			
Lease obligations	¥20	¥13	¥8	¥3	$242	$158	$103	$37

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Independent Auditor's Report

To the Board of Directors
of TOPPAN FORMS CO., LTD.

We have audited the accompanying consolidated balance sheet of TOPPAN FORMS CO., LTD. ("the Company") and its consolidated subsidiaries as of March 31, 2012, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statements audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2012, and its financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2012 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

PricewaterhouseCoopers Aarata

June 28, 2012

PricewaterhouseCoopers Aarata
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Corporate Information

As of March 31, 2012

Company Name

TOPPAN FORMS CO.,LTD.

Head Office

1-7-3 Higashi Shimbashi,
Minato-ku, Tokyo Japan, 105-8311

Founded

May 1955

Number of Employees

7,715 (Consolidated)
1,830 (Non-Consolidated)

Corporate Website

www.toppan-f.co.jp/english/

Contact

Public Relations Department
Phone: 81-3-6253-5730
Fax: 81-3-6253-5619

Principal Subsidiaries and Affiliates

As of March 31, 2012

Name	Country	Main business	Issued capital (Thousands)	Equity held by the Company (%)
Toppan Forms Central Products Co., Ltd.	Japan	Manufacture of business forms	¥100,000	100.0
Toppan Forms Tokai Co., Ltd.	Japan	Manufacture of business forms	¥100,000	100.0
Toppan Forms Operation Co., Ltd.	Japan	Operation and administration of computers	¥100,000	100.0
Techno Toppan Forms Co., Ltd.	Japan	Sale, maintenance, and repair of office equipment	¥100,000	100.0
Toppan Forms Logistics and Services Co., Ltd.	Japan	Delivery and keeping consignment of products	¥ 50,000	100.0
Toppan Forms Kansai Co., Ltd.	Japan	Distribution, delivery, and storage services Manufacture of business forms	¥ 50,000	100.0
Toppan Forms Nishinihon Co., Ltd.	Japan	Distribution, delivery, and storage services Manufacture of business forms	¥ 30,000	100.0
Toppan Forms (Sanyo) Co., Ltd.	Japan	Manufacture of business forms	¥ 50,000	100.0
TOSCO CORPORATION	Japan	Capital alliance and business tie up	¥213,000	69.7
Toppan Forms Payment Service Co., Ltd.	Japan	Provision of Internet-based information and payment processing services	¥300,000	100.0
Toppan Forms (Hong Kong) Ltd.	Hong Kong	Manufacture of business forms Sale of plastic cards, computer supplies, DPS, and office automation machines	HK$ 94,000	100.0*1
Toppan Forms (S) Pte. Ltd.	Singapore	Manufacture and sale of business forms, DPS, Sale of machines for processing business forms	$ 1,226	100.0*2

Total number of subsidiaries: 22
Total number of affiliates: 6

*1 Indirectly owned through T.F. Company Ltd.
*2 52.3 percent directly owned by the Company and 47.7 percent indirectly owned through T.F. Company Ltd.

Investor Information

As of March 31, 2012

Stock Listing

Tokyo Stock Exchange

Stock Code

7862

Capital Stock

Authorized: 400,000,000 shares

Issued: 115,000,000 shares

Stock Transaction Unit

100 shares

Independent Certified Public Accountant

PricewaterhouseCoopers Aarata

(Member Firm of PricewaterhouseCoopers LLP)

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation

Number of Shareholders

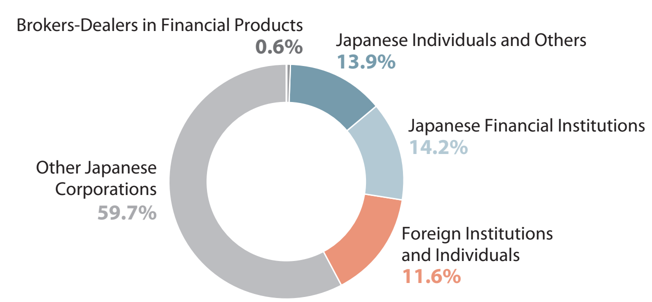
10,340

Major Shareholders

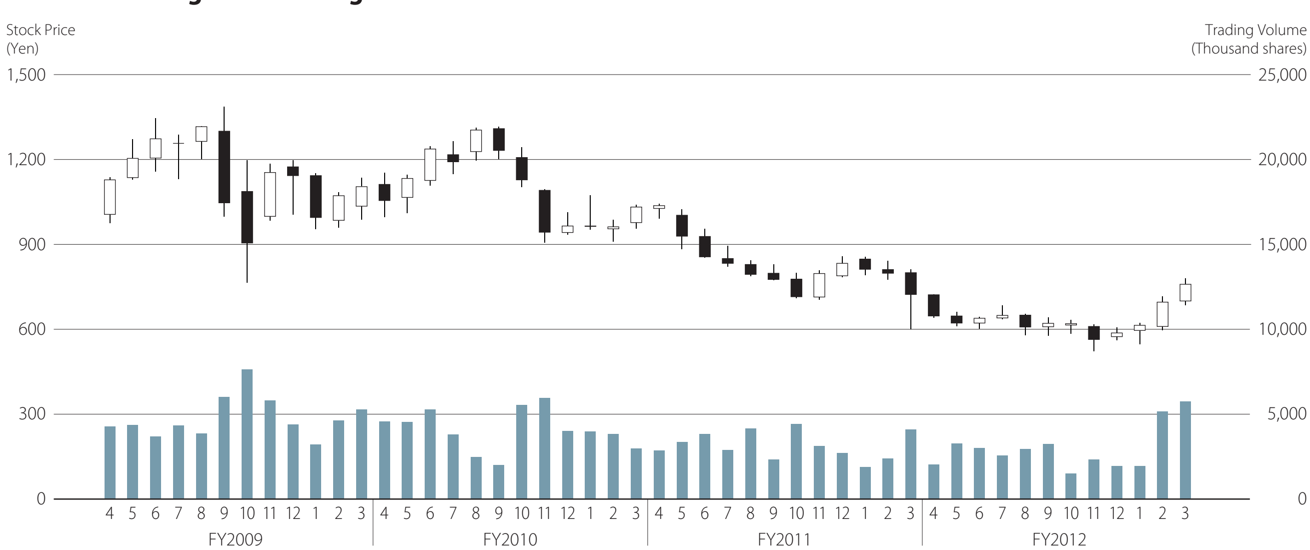
Name	Number of shares held (Thousands)	Percentage of share ownership (%)
TOPPAN PRINTING CO., LTD.	67,419	60.7
Japan Trustee Services Bank, Ltd.	6,973	6.3
Trust & Custody Services Bank, Ltd.	2,971	2.7
The Master Trust Bank of Japan, Ltd.	2,671	2.4
Toppan Forms Employees Shareholding Association	2,512	2.3
Goldman Sachs International	1,863	1.7
Northern Trust Company (AVFC) Ryu S tax Exempted Pension Funds	946	0.9
The Dai-ichi Life Insurance Company, Ltd.	836	0.8
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension	668	0.6
State Street Bank and Trust Company 505225	585	0.5

Note: Figures in the table above do not include the 4,003 thousand shares of treasury stock held by the Company on March 31, 2012. These shares were also excluded when calculating percentage of share ownership.

Shareholdings by Type of Shareholder



Stock Price Range and Trading Volume



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