

Results for Fiscal 2004

2005.5.31



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I. Management Policies

1. Fundamental Policies

Our corporate philosophy states: *Each of us shall reciprocate our customers' continued trust, create dedicated products by harnessing our vibrant knowledge and technology, and contribute to fulfilling lifestyles as a mainstay of information and culture.* Our fundamental management policy is to move ahead in unison with our customers and society.

Under Toppan Vision 21, which outlines our corporate structure and business fields, all employees share the same goal-orientation and values and continually take on the challenge of establishing new technologies and operations. The Vision establishes strict ethical principles to be followed and emphasizes respect for the environment and the importance of safety in all of our corporate activities. On that foundation, we are taking a steady approach to facing our most important medium to long-term issues: reforming our operational structure, improving our profitability, and bolstering the Group's comprehensive strengths. In reforming our organizational structure, we will strive to achieve continued growth by implementing separate operational strategies for the printing business and the new fields of business and by enhancing our competitive strengths. In working to improve our profitability, we will continue to reform our profit structure and implement thorough cost-cutting initiatives. At the same time, we will pursue investment projects that will

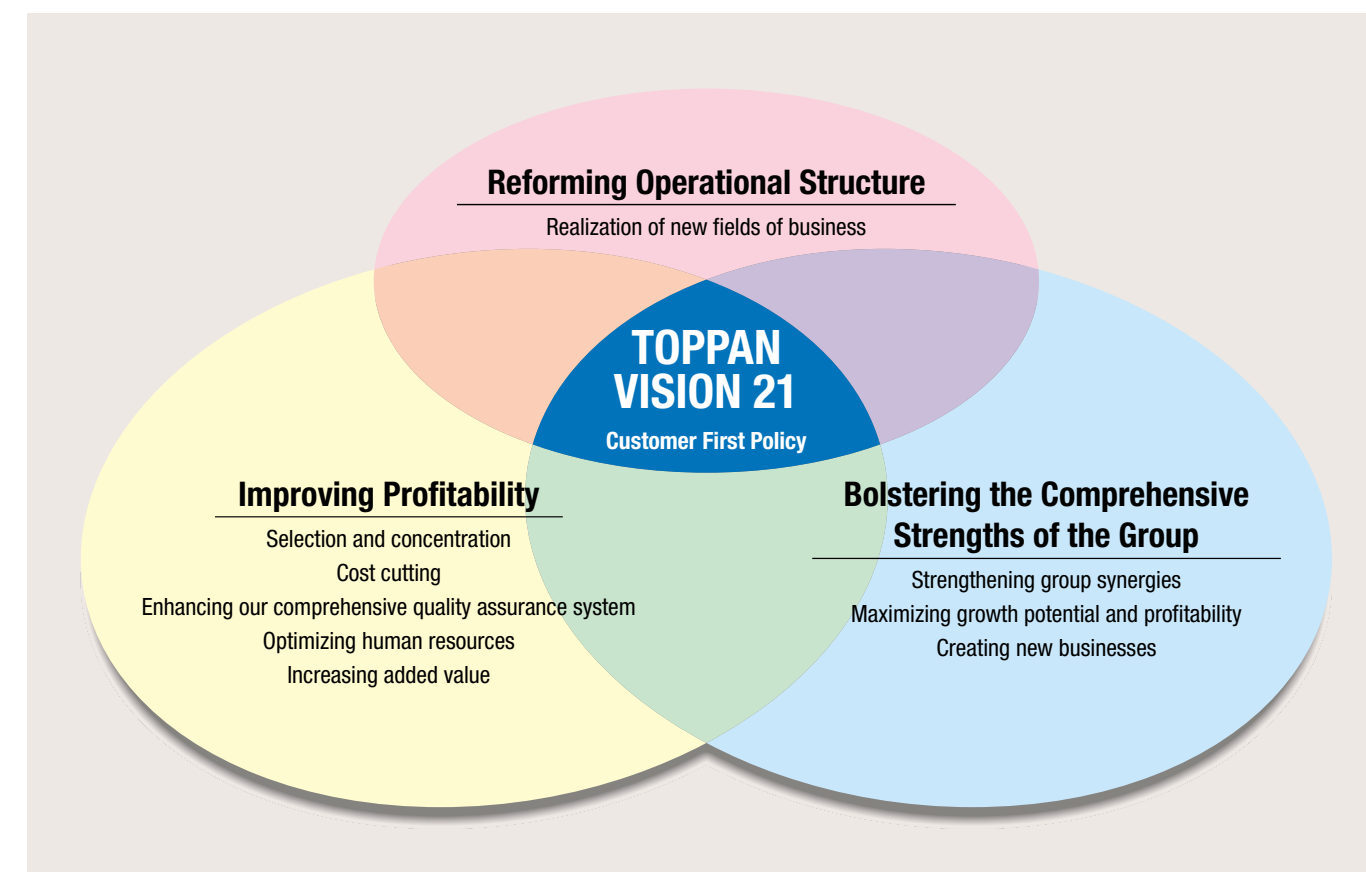
contribute to improved profitability in the short term as well as investments targeting the establishment of new fields of business over the medium to long term. In bolstering the Group's comprehensive strengths, we will reinforce the management foundation of each Group company, bolster operational alliances, and increase enterprise value on a groupwide basis.

We are also implementing aggressive activities in the area of corporate social responsibility (CSR). To reinforce our commitment to ethical business practices, we have built an in-house auditing system comprising the Compliance Department and the Management Audit Office. Externally, audits are performed by certified public accountants. In regard to the environment, we will continue to implement energy-saving measures to help prevent global warming, and steadily take steps to lessen the environmental burden of our operational activities, such as pollution prevention, waste reduction, and zero emissions initiatives. In social and cultural activities, our activities will center on the Printing Museum, Tokyo and Toppan Hall.

Through the implementation of these measures, we will strive to expand our operational fields, create new sources of profit, and ensure that the Toppan Group records steady growth and is highly regarded and trusted not only by its shareholders and customers but also by society.

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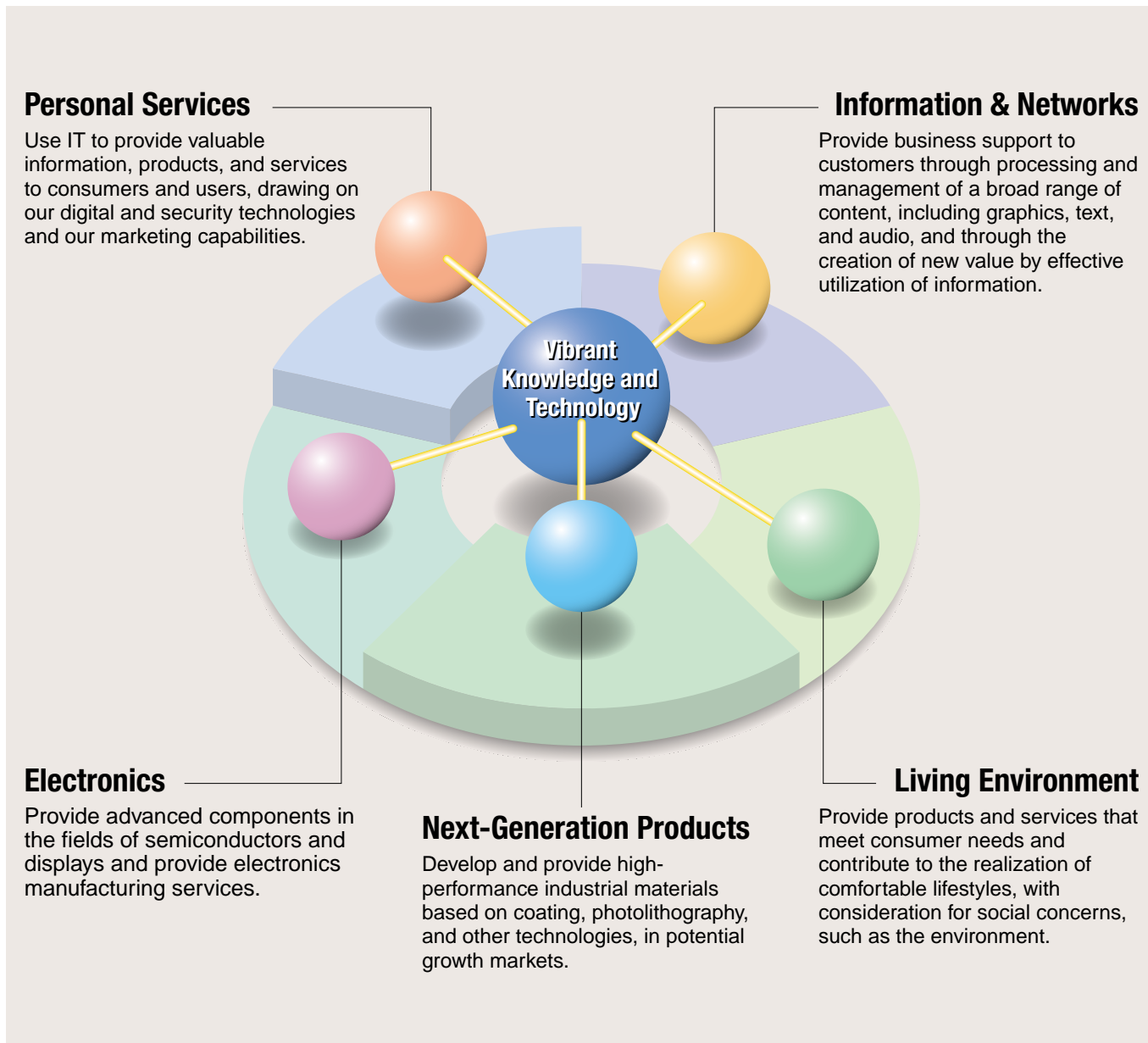


2. Reforming Our Operational Structure

To strengthen our position as a leading information and communications company and achieve continued growth, we will create new value in our established printing operations while also developing new businesses, thereby increasing our competitive advantage.

In photomasks for semiconductor production, we will build a global supply system on the foundation of our advanced technical development capabilities. We have acquired all of the stock of DuPont Photomasks, Inc., and renamed the wholly owned subsidiary Toppan Photomasks, Inc. In addition, in response to rapid progress in miniaturization, we will work together with IBM Corporation to jointly develop 45-nanometer photomasks. Through these activities, we will further strengthen our

competitiveness. In color filters for displays, we will reinforce our leading market share with the start of full-fledged mass production on the sixth-generation line at a subsidiary in Taiwan. Moreover, we will contribute to further expansion of the market for FC screens through full-fledged mass production at a U.S. subsidiary. Demand for high-quality low-reflective film is also growing, so we will expand production at our new plant and aggressively work to boost sales. In the Living Environment field, we will bolster our operations by merging the Industrial Materials Division and Toppan Cosmo, Inc. and unifying our planning, production, and sales functions.



3. Improving Our Profitability

Toppan will work to thoroughly strengthen its management foundation. We will provide customers with optimal solutions based on an accurate understanding of market changes, and at the same time, we will strive to steadily establish new fields of business that will become sources of profits in the future. With a continued focus on enhancing our profit structure, we will work on a group-wide basis towards building a corporate organization that can generate increased profits even in a low-growth business environment.

Profit Structure Reforms

- **In Information & Network**, we will continue working to reorganize and integrate our printing, prepress, and planning divisions, streamline our organization, and increase production efficiency to enhance profitability.
- **In Living Environment**, with health and environmental issues the focus of increasing attention, we will aggressively develop and launch original products and services that meet society's needs in such areas as safety and quality. At the same time, we will restructure our paper container operations. In these ways, we will bolster our competitive strength in the marketplace.
- **In Electronics**, to develop advanced products and establish mass production technologies, we will utilize tie-ups and cooperative ventures with leading companies and implement well-timed capital investment. With the start-up of Toppan Photomasks, Inc., we have established a global production system for photomasks. Through a range of joint

development activities with semiconductor manufacturers, we will enhance our ability to supply leading-edge products that meet advanced customer needs, thereby bolstering our competitiveness. In LCD color filters, we will increase our profitability with the full utilization of the Mie plant and the full-fledged operation of the sixth-generation production line at a subsidiary in Taiwan.

- **In capital investment**, we will emphasize a balance between investment projects that will contribute to improved profitability in the short term and those targeting new fields of business over the medium to long term. Our plans call for capital investment of ¥115 billion on a consolidated basis in the fiscal year ending March 2006.

Continued Implementation and Reinforcement of Cost Reduction Initiatives

- **By reorganizing production bases** by product and region, we will improve production efficiency, reduce indirect expenses, and work to reduce costs. We will also continue to aggressively rationalize low profit operations in an effort to enhance profitability, and we will consider withdrawing from business fields if necessary.
- **In the procurement of raw materials**, we will work to reduce costs by adopting a competitive procurement strategy. We will also work to reduce costs by acquiring high-quality materials at low prices through centralized buying.

4. Bolstering the Group's Comprehensive Strengths

We will endeavor to enhance the Group's comprehensive strengths by reinforcing the management foundation of each Group company and facilitating a cross-linked system of mutual support.

While exploiting the full potential of the technologies and know-

how of each group company, we will promote effective use of production facilities and work to use our comprehensive strengths to provide products and services and increase profitability.

II. Consolidated Highlights

1 Statement of Income Data

	March 2003		March 2004		March 2005		March 2006 (Estimated)	
	%	change to previous year	%	change to previous year	%	change to previous year	%	change to previous year
Net sales	100.0	-3.4	100.0	3.7	100.0	9.0	100.0	6.1
	1,251,605	▲44,590	1,297,357	45,752	1,413,580	116,223	1,500,000	86,420
Operating income	4.1	-19.9	4.8	21.1	6.2	40.3	6.0	3.5
	51,168	▲12,679	61,956	10,788	86,938	24,982	90,000	3,062
Ordinary income	4.1	-20.2	4.8	22.2	6.2	42.4	6.1	4.2
	50,739	▲12,857	62,016	11,277	88,301	26,285	92,000	3,699
Net income	2.3	4.6	2.4	7.2	2.9	29.9	1.2	-55.6
	29,125	1,278	31,229	2,104	40,574	9,345	18,000	▲22,574

Segment	Net sales	Operating income	March 2003		March 2004		March 2005		March 2006 (Estimated)			
			%	change to previous year	%	change to previous year	%	change to previous year	%	change to previous year		
Information & Networks	749,040	6.0	-5.1	▲40,010	749,944	6.6	0.1	904	782,676	7.1	4.4	32,732
	44,886	4.8	-14.9	▲7,837	49,386	10.0	4,500	6.3	48,936	5.6	-0.9	▲450
Living Environment	357,290	3.6	-2.2	▲8,006	359,753	4.2	0.7	2,463	385,000	5.3	7.0	25,247
	12,774	11.5	1,317	15,144	18.6	2,370	4.5	17,268	14.0	2,124	5.3	21,000
Electronics	182,785	6.5	3.8	6,636	229,387	39.5	25.5	46,602	291,113	9.2	26.9	61,726
	11,818	6.5	-31.5	▲5,433	16,490	13.7	39,821	141.5	23,331	9.2	32,800	-17.6
Elimination	▲37,509	▲18,310	▲3,209	▲41,728	▲4,219	▲19,088	▲45,210	▲3,482	▲50,800	▲1,612	▲20,700	▲5,590
	▲18,310	▲725	▲19,065	▲755	▲19,088	▲23	▲20,700	▲1,612				

2 Segment Result

	Net sales	Operating income	March 2005									
			former half of the fiscal year		latter half of the fiscal year		total of the fiscal year					
			%	change to previous year	%	change to previous year	%	change to previous year				
Information & Networks	376,675	5.8	4.5	16,079	406,001	6.6	4.3	16,653	782,676	6.3	4.4	32,732
	21,942	5.8	-2.8	▲642	26,994	0.7	192	48,936	-0.9	▲450		
Living Environment	191,208	4.3	7.2	12,895	193,792	4.7	6.8	12,352	385,000	4.5	7.0	25,247
	8,156	4.3	10.3	761	9,112	17.6	1,363	17,268	14.0	2,124		
Electronics	152,399	15.3	51.3	51,654	138,714	11.9	7.8	10,072	291,113	13.7	26.9	61,726
	23,253	15.3	653.6	20,168	16,568	23.6	3,163	39,821	141.5	23,331		
Elimination	▲21,275	▲10,071	▲1,596	▲23,935	▲1,886	▲19,088	▲45,210	▲3,482	▲50,800	▲1,612	▲20,700	▲5,590
	▲10,071	▲489	▲9,017	466	▲19,088	▲23						
Consolidated	699,006	6.2	12.7	79,030	714,574	6.1	5.5	37,193	1,413,580	6.2	9.0	116,223
	43,280	6.2	84.3	19,797	43,658	13.5	6.2	86,938	40.3	24,982		
	45,494	6.5	85.9	21,027	42,807	6.0	14.0	5,258	6.2	88,301	42.4	26,285
	19,472	2.8	61.7	7,428	21,102	10.0	2.9	40,574	29.9	9,345		

Results in the fiscal year ended March 2005

In the Information & Networks field, the securities and cards segment was stimulated by a new law regulating the handling of personal information that was fully enforced from April 2005. We worked aggressively to boost sales of all security related products accordingly. Demand for IC cards remained solid as a result of the ongoing switchover from magnetic cards and as a result of orders for transportation-related IC cards. Moreover,

sales of card-related devices rose significantly. In commercial printing, we strove to address demand for promotional materials for sales campaigns and store sales amid an upturn in corporate advertising budgets. As a result, sales of POP materials, catalogs, flyers, and pamphlets remained steady. In publications printing, the publishing market expanded slightly, with support from certain books. We sought to capture orders for new magazines by

leveraging differentiated technology—centered on digitization technologies—and by implementing a strategic approach based on coordination among respective divisions. We also worked to meet demand for best-seller books. Overall, Sales in this segment increased. In business forms, which are handled by a consolidated subsidiary, demand declined due to streamlining and rationalization of corporate information systems. This resulted in a decline in business forms printing from the previous year. Nonetheless, data print services (DPS) recorded a strong performance.

In the Living Environment field, the packaging segment recorded lower sales of general-use paper containers, while environment friendly products, such as Cartocan and GL film, and plastic products, such as PET (polyethylene terephthalate) bottles, registered increased sales. In industrial materials, sales of the environment friendly Toppan Ecosheet and original brand 101 Series products were brisk, as were sales of polyethylene and the other film operations of a consolidated subsidiary. We assumed control of the operations of three printing subsidiaries of Japan

Tobacco, Inc. and included them in our scope of consolidation. In Electronics, we made progress with advanced 90-nanometer and 65-nanometer products in the semiconductor market, which was supported by strong demand for digital consumer goods, PCs and other such products. Our photomask operations, including those of a subsidiary in Taiwan, recorded strong performances. With favorable markets for such products as LCD TVs, notebook PCs, and PC monitors, demand for LCD panels rose. We achieved a sharp increase in sales of LCD color filters thanks to increased production at our Mie Plant and a Taiwanese subsidiary. Buoyed by strong demand in North American markets, sales of screens for rear projection TVs remained strong.

As a result, we recorded consolidated net sales of ¥1,413.5 billion (an increase of 9.0% on the previous year); ¥86.9 billion in operating income (an increase of 40.3%); ¥88.3 billion in ordinary income (an increase of 42.4%); and ¥40.5 billion in net income (an increase of 29.9%).

3 Segment Estimated

	Net sales	Operating income	2006 (Estimated)									
			former half of the fiscal year		latter half of the fiscal year		total of the fiscal year					
			%	change to previous year	%	change to previous year	%	change to previous year				
Information & Networks	389,000	6.7	3.3	12,325	411,000	7.5	1.2	4,999	800,000	7.1	4.4	32,732
	26,200	6.7	19.4	4,258	30,700	13.7	3,706	56,900	16.3	7,964		
Living Environment	198,000	4.9	3.6	6,792	198,000	5.7	2.2	4,208	396,000	5.3	7.0	25,247
	9,700	4.9	18.9	1,544	11,300	24.0	2,188	21,000	21.6	3,732		
Electronics	163,600	10.5	7.3	11,201	191,200	8.2	37.8	52,486	354,800	9.2	26.9	61,726
	17,200	10.5	-26.0	▲6,053	15,600	-5.8	▲968	32,800	-17.6	▲7,021		
Elimination	▲24,600	▲9,400	▲3,325	▲26,200	▲2,265	▲50,800	▲3,482	▲50,800	▲1,612	▲20,700	▲5,590	
	▲9,400	671	▲11,300	▲2,283	▲20,700	▲1,612						
Consolidated	726,000	6.0	3.9	26,994	774,000	6.0	8.3	59,426	1,500,000	6.1	9.0	116,223
	43,700	6.0	1.0	420	46,300	6.1	2,642	90,000	3.5	3,062		
	46,000	6.3	1.1	506	46,000	5.9	3,193	92,000	4.2	3,699		
	▲5,000	-0.7	-125.7	▲24,472	23,000	3.0	1,898	18,000	-55.6	▲22,574		

4 Operational Plan for Year Ending March 2006

Based on Toppan Vision 21, which outlines our corporate structure in the 21st century, we are moving ahead with operations using our IT and marketing capabilities while undertaking technological development that anticipates emerging market needs. By displaying Toppan's unique comprehensive strengths, we will work to maintain the trust of our customers and achieve further expansion in our operations.

Our IC tag operations, for example, which cover all business fields, aim to exploit our original IC chips and the know-how gained by participating in a range of verification and testing activities in order to provide optimal solutions that are tailored to specific markets and applications.

Information & Networks

Although the domestic economic conditions are improving and spending on advertising seems to be on the up again after its slump, publications markets are expected to remain sluggish. Market conditions remain uncertain.

- **In Securities and Cards**, significant market growth is expected to continue for security related business, and we will move aggressively to meet demand by continuing to provide comprehensive solutions utilizing IC cards and other products. Following the full enactment of the new law regulating the handling of personal information, we will offer comprehensive support services, including consultation, on the protection of personal information. At the same time, we intend to develop outsourcing services that provide solutions for highly secure information processing, management, and administration. In IC tag operations, we will continue to aggressively develop the market. In doing so, we will use the know-how we acquired by conducting verification and testing and by handling orders along with the Group's comprehensive strengths to develop such applications as distribution efficiency enhancement and brand protection.
- **In Commercial Printing**, we will provide comprehensive solutions to accurately meet the specific needs of customers. In doing so, we will draw upon our planning skills, founded on our expertise in customer communications; our production capabilities, which fully exploit digital technology; our ability to develop solutions; and our flexible production capabilities, such as Net Publishing Service, which enable catalogs to be produced according to individual customer requirements.
- **In Publications Printing**, we will strive to increase our share of existing markets. We will continue to rationalize the production operations in the Information & Networks field as well as those of the overall company, and in marketing we will bolster our planning proposal capabilities and work to secure orders for new magazines and best-seller books.
- **In Business Forms**, we will promote our data print services (DPS), which combine print media and secure-environment information processing technologies, and work to meet customer needs.

Living Environment

New living environment related markets are expected to expand due to such factors as increased health consciousness and growing demands for safety and quality. In response, the Toppan Group will strengthen its presence in growth markets by expanding product lineups and sales of environment

friendly and highly functional products. Given that significant growth in new housing starts and rapid expansion of the existing market are unlikely, we will implement new sales expansion initiatives targeting hotels, offices, and other commercial premises.

- **In Packaging**, there is growing demand for simpler packaging and packaging materials with increased functionality. The Japan Packaging Institute showed its high evaluation of the functionality of our transparent GX film, which features exceptional moisture-barrier properties, by endorsing the product with the Kinoshita Award (Packaging Technology Award). We will continue cultivating demand in such markets as medicine and pharmaceuticals by taking advantage of the barrier functions and environment friendly properties of GX films and GL films.
- **At the new plant that we constructed in Shanghai**, we will begin production of retort packaging using GL film and aggressively work to expand sales in China. In the future, we will consider having other business operations or group companies utilize this base.
- **In Industrial Materials**, we will separate our Industrial Materials Division and merge it with Toppan Cosmo, Inc. As a result, we will unify planning, production, and sales. We will build an operational system that meets customer needs by making effective use of management resources and by combining the Industrial Materials Division's production technology and product development capabilities with Toppan Cosmo's marketing network and sheet material development capabilities at the secondary processing and subsequent stages. In sales, we will develop environment friendly film with added functionality and highly decorative paper, and thereby continue to aggressively implement marketing activities in domestic and overseas markets. In addition, we will establish a brand image in the industrial materials industry based on the "101 Series" brand of products. That lineup includes "Coordination Floor" materials, which use decorative sheets, and "NaturArt" decorative interior finishing materials, which combine natural wood with advanced printing technologies. At the same time, we will further expand our product lineup and develop new markets.

Electronics (Semiconductor related)

We expect market conditions to remain uncertain in the first half of the fiscal year but to gradually improve in the second half. In photomask operations, we will conduct carefully timed R&D and capital investment in line with market demand and technical trends in response to the next-

generation technology initiatives of semiconductor manufacturers.

- **In photomask operations**, including Toppan Photomasks, Inc., we have become the largest photomask manufacturer in the world. In technical development, we will accelerate the development of products meeting more advanced and complex needs by allocating development among bases. In the production area, we will also build the optimal production system by drawing on mutual synergies among production bases.
- **In advanced products**, we will move forward aggressively with the 90-nanometer photomasks that we already mass-produce and the 65-nanometer photomasks required for products currently being developed by semiconductor manufacturers. Moreover, we will continue joint developments with IBM Corporation for the next-generation 45-nanometer products.

(Display related)

Conditions in the market for LCD displays were difficult due to inventory adjustments and price declines, but over the medium to long term the market will continue to expand as a result of capital investment by LCD panel manufacturers. In LCD color filter operations, we will meet market needs with timely capacity expansion and our technical development capabilities.

- **In LCD color filters**, we aggressively developed products for the growing LCD TV market. We intend to continue exploiting differentiated technologies that offer such benefits as wide viewing angles and color characteristics to develop an extensive range of products reflecting customer needs. In color filters for PCs, we will bolster sales efforts, concentrating on lineups that draw on our strengths, such as products for large monitors that utilize LCD TV color filter technology and high-resolution products. The market for color filters for small- and medium-sized screens has seen a proliferation of high-definition color products in overseas markets. We aim to provide even higher value add by taking advantage of semi-transparent color filter technologies.
- **In the anti-reflection display film segment**, there is strong demand for displays with increased visibility specifications. We will meet this demand with existing and newly established production lines at our Satte and Shiga plants and with the construction of a second plant at Shiga to boost overall capacity. We will also actively develop films combining anti-reflection (LR function) and anti-glare (AG function) properties. We aim to provide a broad response to demand not just for LCD TVs but also for plasma TVs.
- **In the segment of screens for rear projection TVs**,

demand for the MD-type rear projection TVs that offer outstanding picture quality is growing rapidly. We will increase production of our FC screens for high-resolution rear projection TVs by starting operations at a second plant in Poway to respond to the strong demand in North American markets.

- **In April 2004**, Dainippon Printing Co., Ltd. filed a lawsuit alleging that our FC screens infringed upon its patent, however the Japan Patent Office invalidated its patent. Our product claims are upheld, and we will therefore continue to aggressively sell FC screens in the future.
- **Due to the sophistication and functionality of our FC screens**, including the 98 um pitch high resolution and high contrast, and to our results in sales, the contribution made by these screens to the MD rear projection screen industry has been highly evaluated. In April, we received an award for the advanced display of the year in the components and materials category.

Personal Services

In an environment marked by an increasing prevalence of households with broadband Internet access and increasing use of cellular phones, we will work aggressively to expand our presence in content distribution, which is expected to see significant continued growth.

- **In Bitway content distribution operations**, customers can utilize content on a variety of terminals, such as PCs and cell phones. We will work to increase customer satisfaction in this area with the provision of services designed from a consumer viewpoint. In the future, we will add new channels, such as leading portal sites, expand direct sales sites, undertake large-scale introductions of video content and comic content suitable for the broadband environment, and bolster our customer support system, thereby aggressively promoting comprehensive content distribution.
- **In Mapion Internet Map Search Services**, we will continue working to grow operations by expanding ASP (Active Server Pages) services for companies, such as CustomMapion, expanding the iMapion i-mode public site service and other services to all cell phone carriers, and improving services. We will also enhance the level of services through public testing of a Mapion-based next-generation map information system.

Next-Generation Products

The Toppan Group is devoting resources to the development of new products for the purpose of creating new fields of business.

- We have made progress with the development of hydrogen sensors with the production of test samples. Hydrogen sensors are an essential part of fuel cells and the subject of increasing attention as environment friendly energy technology. Fuel cells, which do not need to be charged, are very convenient, but their use of hydrogen as a fuel presents the danger of explosion. To avoid that danger, a sensor that signals hydrogen leakage is needed, thus we are working to commercialize hydrogen sensors.
- In the biotechnology market, we are pursuing joint development with a US venture company targeting the commercialization of DNA chips. Joint development of

SNP chips for the purpose of contributing to the realization of so-called "customized medicines" is under way with RIKEN, an independent administrative institution, and Shimadzu Corporation.

- We are also conducting joint research for the purpose of developing technologies that will contribute to the realization of "customized medicines" with the Institute of Medical Science at the University of Tokyo and Shimadzu Corporation. Through these efforts, we are targeting the development of clinical diagnostic methods using new DNA chips and new bio-markers.

5 Total Assets and Shareholders' Equity

	March 2003 millions of yen	March 2004 millions of yen	March 2005 millions of yen	March 2006 (Estimated) millions of yen
Information & Networks	576,586	581,247	598,824	602,600
Living Environment	263,922	270,807	298,260	304,200
Electronics	265,246	276,582	354,194	416,300
Elimination	211,698	332,668	232,198	233,200
Total assets	1,317,454	1,461,305	1,483,477	1,556,300
Shareholders' equity	715,438	740,481	768,245	772,400
Cash and cash equivalents	123,184	204,742	182,059	150,000
Debt with interest	136,294	239,209	205,008	234,700

6 Capital Expenditures and Depreciation

	March 2003 millions of yen	March 2004 millions of yen	March 2005 millions of yen	March 2006 (Estimated) millions of yen
Information & Networks	24,081	19,802	12,444	22,400
Living Environment	12,284	13,573	20,457	16,800
Electronics	38,183	48,335	47,313	69,300
Elimination	8,762	3,397	6,409	6,500
Capital expenditures	83,312	85,108	86,625	115,000
Information & Networks	23,946	22,915	21,288	22,200
Living Environment	13,517	12,996	13,181	13,500
Electronics	25,369	26,663	32,100	40,600
Elimination	2,871	3,130	2,692	3,700
Depreciation	65,704	65,706	69,262	80,000

7 Cash Flows

	March 2003 millions of yen	March 2004 millions of yen	March 2005 millions of yen	March 2006 (Estimated) millions of yen
Cash flows from operating activities	97,902	92,331	111,624	130,900
Cash flows from investing activities	▲108,336	▲78,710	▲90,068	▲156,000
Cash flows from financing activities	▲23,422	82,718	▲54,860	6,000
Cash and cash equivalents at end of year	107,214	202,149	168,804	149,700

8 Research and Development Expenses

Research and development Expenses	20,252	21,302	22,255	23,000

9 Number of Employees

Number of employees	33,292	32,178	32,724	34,500

10 Management Index

	March 2003	March 2004	March 2005	March 2006 (Estimated)
Number of issued stocks (Thousands)	678,921	669,990	665,185	665,185
Net income per share (¥)	42.29	45.57	60.09	27.06
Shareholders' equity per share (¥)	1,053.22	1,104.62	1,154.21	1,161.18
Ordinary income to total assets (%)	3.8	4.5	6.0	6.1
Return on assets (%)	2.2	2.2	2.8	1.2
Return on shareholders' equity (%)	4.1	4.3	5.4	2.3
Shareholders' equity ratio (%)	54.3	50.7	51.8	49.6
Current ratio (%)	154.5	160.4	168.3	156.1

III. Non-consolidated Highlights

1 Statement of Income Data

	March 2003		March 2004		March 2005		March 2006 (Estimated)	
	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen
Net sales	100.0	911,721	100.0	914,612	100.0	952,822	100.0	962,500
		change to previous year		change to previous year		change to previous year		change to previous year
		%		%		%		%
		millions of yen		millions of yen		millions of yen		millions of yen
Operating income	3.4	31,000	3.3	30,022	4.2	39,931	3.8	37,000
Ordinary income	3.8	34,413	3.8	34,881	5.2	49,514	4.7	45,500
Net income	2.3	21,424	2.1	18,962	2.3	21,567	2.4	23,500

2 Sales by Business Fields

	March 2003		March 2004		March 2005		March 2006 (Estimated)	
	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen
Securities & Cards	4.1	1,972	1.8	826	8.5	3,837	6.3	3,070
Commercial Printing	6.5	20,598	2.2	6,498	3.7	11,189	3.3	10,295
Publications Printing	6.4	11,332	2.3	3,818	0.4	703	0.5	807
Information & Networks (Total)	6.3	33,904	0.4	1,855	3.1	15,729	2.7	14,171
Packaging	5.9	12,673	0.3	619	0.9	1,783	1.2	2,366
Industrial Materials	0.3	97	4.4	1,634	2.3	800	73.9	26,580
Living Environment (Total)	5.1	12,771	0.9	2,252	0.4	983	10.3	24,215
Electronics	1.1	1,825	2.0	3,290	13.8	23,462	10.2	19,724
Total	5.1	48,499	0.3	2,891	4.2	38,210	1.0	9,678

March 2005

	former half of the fiscal year		latter half of the fiscal year		total of the fiscal year	
	%	millions of yen	%	millions of yen	%	millions of yen
Net sales	100.0	475,033	100.0	477,789	100.0	952,822
Operating income	3.9	18,329	4.5	21,602	4.2	39,931
Ordinary income	4.9	23,154	5.5	26,360	5.2	49,514
Net income	1.2	5,861	3.3	15,706	2.3	21,567

March 2006 Estimated

	former half of the fiscal year		latter half of the fiscal year		total of the fiscal year	
	%	millions of yen	%	millions of yen	%	millions of yen
Net sales	100.0	475,500	100.0	487,000	100.0	962,500
Operating income	4.4	21,000	3.3	16,000	3.8	37,000
Ordinary income	5.5	26,000	4.0	19,500	4.7	45,500
Net income	2.8	13,500	2.1	10,000	2.4	23,500

March 2005

	former half of the fiscal year		latter half of the fiscal year		total of the fiscal year	
	%	millions of yen	%	millions of yen	%	millions of yen
Securities & Cards	3.3	737	13.5	3,100	8.5	3,837
Commercial Printing	6.5	9,244	1.2	1,945	3.7	11,189
Publications Printing	1.1	875	-0.2	172	0.4	703
Information & Networks (Total)	4.5	10,856	1.8	4,873	3.1	15,729
Packaging	-0.2	170	-1.6	1,613	-0.9	1,783
Industrial Materials	0.7	129	3.8	671	2.3	800
Living Environment (Total)	-0.0	42	-0.8	941	-0.4	983
Electronics	29.9	23,337	0.1	125	13.8	23,462
Total	7.7	34,151	0.9	4,059	4.2	38,210

March 2006 Estimated

	former half of the fiscal year		latter half of the fiscal year		total of the fiscal year	
	%	millions of yen	%	millions of yen	%	millions of yen
Securities & Cards	7.1	1,615	5.6	1,455	6.3	3,070
Commercial Printing	3.8	5,731	2.8	4,564	3.3	10,295
Publications Printing	0.5	372	0.5	435	0.5	807
Information & Networks (Total)	3.0	7,717	2.4	6,454	2.7	14,171
Packaging	0.3	312	2.1	2,054	1.2	2,366
Industrial Materials	-49.4	8,705	-97.3	17,875	-73.9	26,580
Living Environment (Total)	-7.0	8,393	-13.6	15,822	-10.3	24,215
Electronics	1.1	1,144	20.2	18,580	10.2	19,724
Total	0.1	467	1.9	9,211	1.0	9,678

3 Total Assets and Shareholders' Equity

	March 2003	March 2004	March 2005	March 2006 (Estimated)
	millions of yen	millions of yen	millions of yen	millions of yen
Total assets	1,088,404	1,219,473	1,189,508	1,214,846
Shareholders' equity	664,471	679,114	685,870	695,846
Cash and cash equivalents	81,914	161,753	76,136	71,144
Debt with interest	116,152	216,006	183,224	180,000

IV. Toppan Group Overview

4 Capital Expenditures and Depreciation

	March 2003 millions of yen	March 2004 millions of yen	March 2005 millions of yen	March 2006 (Estimated) millions of yen
Capital expenditures	49,561	50,637	41,796	57,000
Depreciation	50,861	47,556	47,233	47,500

5 Research and Development Expenses

	March 2003	March 2004	March 2005	March 2006 (Estimated)
Research and development expenses	17,792	18,796	19,811	20,000

6 Number of Employees

	March 2003	March 2004	March 2005	March 2006 (Estimated)
Number of employees	12,053	11,512	10,548	10,814

7 Management Index

	March 2003	March 2004	March 2005	March 2006 (Estimated)
Number of issued stocks (Thousands)	680,815	671,893	667,091	667,091
Net income per share (¥)	31.25	27.72	31.96	35.23
Shareholders' equity per share (¥)	975.80	1,010.52	1,027.88	1,043.10
Ordinary income to total assets (%)	3.1	3.0	4.1	3.8
Return on assets (%)	1.9	1.6	1.8	2.0
Return on shareholders' equity (%)	3.2	2.8	3.2	3.4

	March 2003	March 2004	March 2005	March 2006 (Estimated)
Shareholders' equity ratio (%)	61.0	55.7	57.7	57.3
Current ratio (%)	149.9	155.5	146.6	140.9

Note 1: The number of shares issued does not include treasury stock.

8 Dividend

	March 2003	March 2004	March 2005	March 2006 (Estimated)
Dividends per share (¥)	16.0	17.0	19.0	19.0
Dividend ratio (%)	51.2	61.3	59.4	53.9

Information & Networks	Toppan Printing Co., Ltd. Securities and Cards Commercial Printing Publications Printing
	<ul style="list-style-type: none"> Toppan Forms Co., Ltd. Tosho Printing Co., Ltd. Tokyo Magnetic Printing Co., Ltd. Hino Offset Printing Co., Ltd.
	<ul style="list-style-type: none"> Froebel-Kan Co., Ltd. Total Media Development Institute Co., Ltd. Toppan Travel Service Corp. Toppan Multisoft Ltd. Tokyo Shoseki Co., Ltd. Toppan M&I Ltd.
	<ul style="list-style-type: none"> Toppan Printing Co. (America), Inc. Toppan Printing Co. (H.K.) Ltd. Toppan Printing Co., (Shenzhen) Ltd. Toppan Printing Co., (Shanghai) Ltd. Toppan Printing Co. (Australia) Pty. Ltd.
	Total: 90 companies

Living Environment	Toppan Printing Co., Ltd. Packaging Industrial Materials
	<ul style="list-style-type: none"> Toppan Label Co., Ltd. Tamapoly Co., Ltd.
	<ul style="list-style-type: none"> Toppan Cosmo, Inc. Toppan Logistics Co., Ltd. Toyo Ink Mfg. Co., Ltd.
	<ul style="list-style-type: none"> PT Toppan Sampoerna Indonesia Siam Toppan Packaging Co., Ltd. Toppan Interamerica Inc.
	Total: 39 companies

Electronics	Toppan Printing Co., Ltd. Electronics
	<ul style="list-style-type: none"> Toppan Technical Design Center Co., Ltd. NEC Toppan Circuit Solutions Co., Ltd.
	<ul style="list-style-type: none"> Toppan Chunghwa Electronics Co., Ltd Toppan Electronics (Taiwan) Co., Ltd Toppan CFI (Taiwan) Co., Ltd.
	Total: 18 companies
	Total: 147 companies (as of March 31, 2005)

Note 1: No mark indicates subsidiaries: 126 companies

● Mark indicates affiliates: 21 companies
(Major companies are listed.)

Note 2: Those companies providing products and services in Personal Services and Next-Generation Products are included in the three segments above.

Overview of Major Subsidiaries

Toppan Forms Co., Ltd.

President and Representative Director, Masanori Akiyama
Paid-in capital: ¥11,750 million Millions of yen

	Year ended March 2004	Year ended March 2005
Net sales	193,984	199,173
Ordinary income	16,361	14,551
Net income	8,762	8,276

Toppan Label Co., Ltd.

President and Representative Director, Kouji Sato
Paid-in capital: ¥1,000 million Millions of yen

	Year ended March 2004	Year ended March 2005
Net sales	16,084	18,517
Ordinary income	757	1,236
Net income	407	716

Toppan Cosmo, Inc.

President and Representative Director, Tatsuo Takizawa
Paid-in capital: ¥1,000 million Millions of yen

	Year ended March 2004	Year ended March 2005
Net sales	71,540	74,241
Ordinary income	913	1,339
Net income	496	745

Tamapoly Co., Ltd.

President and Representative Director, Yasuo Matsuki
Paid-in capital: ¥472 million Millions of yen

	Year ended March 2004	Year ended March 2005
Net sales	15,663	17,132
Ordinary income	1,154	1,433
Net income	647	690

Forebel-Kan Co., Ltd.

President and Representative Director, Mamoru Kitabayashi
Paid-in capital: ¥50 million Millions of yen

	Year ended March 2004	Year ended March 2005
Net sales	11,836	11,686
Ordinary income	708	326
Net income	506	174