

TOPPAN FORMS

The Information **Solution** Company

ANNUAL REPORT 2009

Contents

- 1 Consolidated Financial Highlights
- 2 Our Business Fields
- 4 A Message to Shareholders and Investors
- 5 An Interview with the President
- 8 Special Report: The Potential of Information Solution
- 11 Toppan Forms at a Glance
- 12 Review of Operations
- 16 Corporate Governance
- 17 Consolidated Six-Year Financial Summary
- 18 Financial Review
- 20 Consolidated Financial Statements
- 25 Notes to Consolidated Financial Statements
- 37 Report of Independent Auditors
- 38 Principal Subsidiaries and Affiliates
- 39 Board of Directors
- 39 Investor Information

FORWARD-LOOKING STATEMENTS

Statements contained in this annual report that are not historical facts are forward-looking statements which 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.

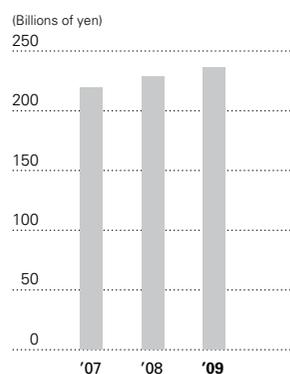
Consolidated Financial Highlights

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

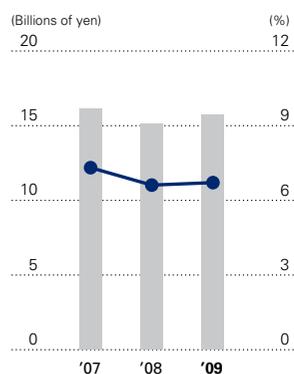
Years ended March 31	Millions of yen		Thousands of U.S. dollars (Note)	
	2007	2008	2009	2009
For the year:				
Net sales	¥219,197	¥228,565	¥235,895	\$2,401,460
Operating profit	16,088	15,178	15,687	159,701
Net income	9,684	8,752	8,791	89,497
At year-end:				
Total assets	¥186,902	¥185,237	¥185,636	\$1,889,807
Total shareholders' equity	125,285	127,888	133,894	1,363,062
Per share data (Yen, U.S. dollars):				
Net income:				
Basic	¥84.98	¥77.24	¥79.20	\$0.81
Diluted	84.94	77.24	79.20	0.81
Cash dividends	25.00	25.00	25.00	0.25
Key ratios (%):				
Operating profit margin	7.3	6.6	6.7	
ROE	7.7	6.8	6.7	
ROA	5.2	4.7	4.7	

Note: U.S. dollar amounts have been converted from yen, for convenience only, at the rate of ¥98.23=U.S.\$1, the approximate rate of exchange prevailing at March 31, 2009.

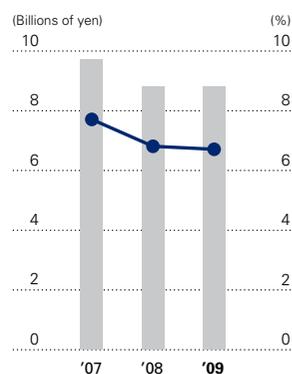
Net Sales



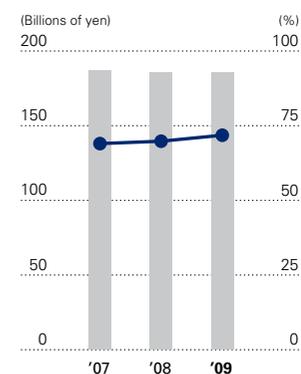
Operating Profit and Operating Profit Margin



Net Income and ROE



Total Assets and Equity Ratio



■ Operating profit (left scale)
● Operating profit margin (right scale)

■ Net income (left scale)
● ROE (right scale)

■ Total assets (left scale)
● Equity ratio (right scale)

Our Business Fields

While business forms remain the linchpin of the Toppan Forms Group's operations, it also works to provide a broad range of products, services and leading-edge solutions to satisfy customer needs. This approach has enabled Toppan Forms to expand the scope of its operations while simultaneously increasing its competitive advantage.

Business Forms Field

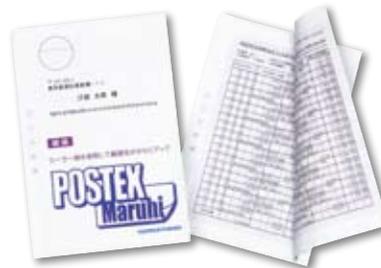
Introduction

"Business forms" is a generic term describing the printing or writing of information into a pre-printed format. As a pioneer in the business forms industry, Toppan Forms is bolstering the efficiency of business forms as communication tools.



Feature

Toppan Forms has been a major driver in the business forms market through its innovative products and services. For example, its *POSTEX* series of products, comprising a sheet of paper reduced to postcard size, was rapidly embraced by the financial and government sectors, which process large-volume notifications. The product's advantages include reduced postage rates compared to the letter rate, more than twice the printable area of a conventional postcard and higher levels of privacy. By applying its printing technologies and know-how, Toppan Forms has created an array of products and has evolved by combining products with value-adding services.



Trend toward
Value-Added
Services

Digitization

Information Solution Business

As Japan's leading company in business forms, and while maintaining business forms as its core operations, Toppan Forms is continuously striving to develop and improve products from a customer perspective. Toppan Forms has embraced the trend toward outsourcing as a key opportunity, as reflected in the successful development and growth of its Data Print Services (DPS) business. DPS leverages the Company's business forms technology by adding value through such services as data processing and dispatch.

Furthermore, Toppan Forms has integrated its know-how cultivated in printing and data processing with digital technologies to expand into new business fields that utilize its unique set of competitive strengths.

In this way, the competitive advantages built up through the evolutionary cycle of each business contributes to Toppan Forms' overall advancement and growth as an information management solution company.

Data Print Services Field

Introduction

DPS is a total outsourcing service whereby Toppan Forms takes delivery of customer information and other data from its clients, processes it in accordance with client specifications, prints it onto billing statements and other notifications using variable-data printing and inserts the forms into envelopes, which are sealed and sent.



Feature

Each step within our DPS business operations, from data processing to data management, is conducted in accordance with a rigorous security system. For our clients, the management of customer data is extremely sensitive because confidentiality must be guaranteed. Through undertaking such data management, we have accumulated considerable expertise in data handling—a competitive advantage that would be very difficult to emulate. At present, we are expanding the scope of notification-related services we offer, such as database entry of returned application forms and call center services.



New Business Field

Introduction

We are expanding the scope of our operations by leveraging know-how and technology relating to information processing—built up through our business forms and DPS operations. In doing so, we are working toward the convergence of paper and digital media. Through new communication media such as RFID, our goal is to contribute to making people's lives more comfortable.



TF RFID Studio

Feature

We have independently created proprietary technologies through synergies generated between our know-how in paper and new developments in communication media. For example, IC tag systems, which involved innovation in materials and information processing based on such variables as the user environment and the type of object the tags will be attached to, were developed through the meticulous combination of several different advanced technologies. As illustrated by this example, we are building highly competitive businesses in new fields by leveraging our competitive advantages in a range of existing business fields.



Omni-directional IC antenna

A Message to Shareholders and Investors



M. Akiyama

Masanori Akiyama
Chairman

Shu Sakurai

Shu Sakurai
President and CEO

In the fiscal year under review, ended March 31, 2009, the Japanese economy was rocked by the impact of a dramatic downturn in the global economy triggered by the ongoing financial crisis. Japanese companies suffered a severe falloff in earnings as raw material prices peaked in the first half of the fiscal year followed by the negative effects of a rapidly strengthening yen. Personal consumption also slumped, with the second half of the fiscal year exhibiting a particularly large decline in economic activity.

In the business forms industry, the operating environment deteriorated further as demand was handicapped by ongoing digitization and cost cutting among businesses. The impact of high paper prices also continued.

The Toppan Forms Group responded by becoming even more customer focused through offering tailor-made solutions closely in line with specific customer needs. In the Business Forms Field, we pursued the development of products that contribute to resource conservation and cost savings. In the Data Print Services Field, in addition to reinforcing quality assurance in the area of information protection, we expanded the range of services offered in the notification business and pursued the establishment of a consistent production system. In the New Business Field, we focused on IC-related businesses and increased our lineup of practical-level business applications. To further advance the digitization of information media, we embarked on the development of printing-based technology

for electronic device manufacturing. In addition to such measures undertaken within each business, to enhance our resilience in the face of a drastically changing operating environment, we worked strenuously to improve our overall business efficiency and rationalize our operations.

Consolidated net sales in fiscal 2009, ended March 31, 2009, amounted to ¥235.9 billion, an increase of 3.2% compared with the previous fiscal year. Operating profit rose 3.4%, to ¥15.7 billion, and net income increased 0.4%, to ¥8.8 billion. The year-end dividend was ¥12.5 per share.

In the fiscal year ending March 31, 2010, we expect demand for printing to decline and competition among industry participants to intensify as difficult market conditions persist. Even in this hostile business environment, the Toppan Forms Group is committed to the ongoing development and improvement of its products and services. We will work to enhance our capabilities for offering solutions that respond precisely to changes in the marketplace and pursue innovation in our manufacturing and logistics cost structures. Through these efforts, we are working to strengthen our corporate foundation and improve our operating performance.

We look forward to the continued support and understanding of our shareholders and investors as we seek to meet future challenges.

June 2009

An Interview with the President

■ Please outline the operating environment during the fiscal year ended March 31, 2009.



“Bold decision making was needed in response to the dramatic changes in the operating environment in the second half of the fiscal year.”

In the fiscal year under review, the Japanese economy was seriously affected by a sharp decline in exports in the second half of the period. Exports had been the primary driver of economic growth up to that point. This in turn led to a sudden slump in plant and equipment investment by businesses and a downward spiral in which personal consumption also floundered. In Toppan Forms’ business environment, the shift toward digitization and away from paper-based media is leading to reduced demand for business forms. On top of this underlying trend, we could not avoid rising costs owing to the impact of high paper prices. Such factors meant a continuation of challenging conditions.

In this environment, Toppan Forms recognized that, based on the close observation of client companies as they rapidly adapt to changing market conditions, bold decision making to identify and develop new business opportunities was essential.

■ How do you evaluate Toppan Forms’ operating performance during fiscal 2009?

“I think the increases in net sales and operating income that we achieved—despite a difficult operating environment—reflect a strong performance and show our success in identifying latent demand and bolstering the efficiency of our business operations.”

Despite the harsh operating conditions I outlined earlier, Toppan Forms successfully increased net sales and operating income. I think this reflects a strong performance. Our dedicated, steady efforts to identify latent demand and business opportunities bore fruit. For example, we worked strenuously to meet the needs of each client for revised business forms in response to changes to the Financial Instruments and Exchange Act. In addition, the entire Toppan Forms Group worked in concert to meet the needs of several very large-scale notification projects. One such project was the *Nenkin Tokubetubin* (Pension coverage special notice) conducted by the Social Insurance Agency, which involved sending individual notices to all pension recipients.

Furthermore, as paper prices rose, we pursued efficiency and rationalization across all our business operations, including steady measures to improve prices and reduce inventories.

■ Please explain Toppan Forms’ platform for sustained growth.

“We have accumulated numerous competitive advantages unique to Toppan Forms based on our printing technologies. We have also built an unrivaled level of commitment to our customers.”

Toppan Forms has at its core its original business focusing on business forms. By constantly anticipating the changing needs of each era, we have steadily expanded our business domain. Today, we also pursue business opportunities across a range of media by reexamining each of the roles fulfilled by information from a multitude of perspectives. The digitization of information media serves as a driver of this process.

For example, based on the printing technologies we have accumulated in the business forms sphere, we are expanding the DPS sphere by enhancing database handling and color image processing technologies. Further, by staying abreast of advances in electronic media, Internet and IC technologies,

we are aggressively utilizing such cutting-edge technologies as RFID and IC media as well as electronic paper. As the information revolution progresses, our ability to effectively combine printing and digital technologies has enabled us to generate new value, which goes far beyond the conventional printing sphere.

In this way, the expertise we have cultivated in printing along with our unique accumulation of technologies and knowledge—document management, data processing, database application technologies and others—has enabled us to create a platform to comprehensively meet the communication needs of clients. It is this platform that propels our growth and is the essence of our competitive advantage.

For over 40 years since it was established, Toppan Forms has pursued an unwavering commitment to its customer-driven approach. We work to precisely identify market needs and provide unique solutions that cannot be matched by our rivals. I believe that this corporate philosophy is also one of the underlying factors behind our successful growth.

■ Please explain your future growth strategy.

“By focusing on the expansion of outsourcing operations centering on the DPS business, we will strive to provide services that accurately meet the needs of each individual consumer.”

Japan’s declining birth rate, aging population and diversifying work patterns have resulted in a major shift in market needs. From the mass-market service models of the past, we have entered a new era in which solutions must be capable of meeting the individual needs of each consumer. To realize this type of service provision—finely tuned to accurately meet the needs of each individual consumer—we have positioned the DPS sphere as a key strategic area for future business development and expansion.

We vigorously pursue the primary objective of any notification service—the effective communication of information—by providing each individual with the information they actually seek. By developing information solution technology, the essence of notification service design, I believe we will be able to enhance our unique competitive advantages and further expand our business domain. Specifically, from the traditional DPS outsourcing sphere of printing, we extended our solutions to comprise printing, envelope insertion and sealing, and dispatch. From there, we have expanded our sphere of operations much further by offering document process outsourcing (DPO) services. DPO is a comprehensive solution starting from pre-project planning and consulting services to ensure the appropriate design of notifications, extending through such post-dispatch services as call center operations. While increasing our added value through such DPS ancillary services as planning, design, data analysis and consulting, we are also building our competitive advantage.

To accelerate this trend toward comprehensive solutions, we are overhauling our DPS production systems. With the aim of enhancing quality assurance and production efficiency, we are building a seamless DPS production system and will begin construction of a new factory during fiscal 2010. These moves are designed to create a “one-stop shop” capability for project orders,



including commercial printing orders. In this way, by striving to bolster our operations centering on the DPS sphere, even as the overall market growth rate remains low, we are reinforcing Toppan Forms' ability to secure profitability.

■ Please outline your security policies as an information management company.



“In addition to raising awareness regarding information security among all employees, we are strengthening our internal control system and implementing Group-wide measures to prevent information leaks.”

As we strive to achieve further growth in our DPS business, which requires the handling of personal data on behalf of clients, information security is a crucial management issue. With regard to the handling of confidential information, we have made it a priority to gain certification from an officially sanctioned third-party institution. As a result, in fiscal 2009, we received Group-wide certification from the Japan Information Processing Development Corporation (JIPDEC) under the PrivacyMark program. Through such measures, we are raising awareness regarding information security among all employees and managers. Further, access to confidential data is restricted through not only physical and technical measures but also through the strengthening of our internal control system, which stipulates strict internal rules and procedures. This includes the implementation of organizational and personnel-based security management measures such as the establishment of a specialist department to oversee information security. In this way, by building an unrivaled system of stringent information management, we are aggressively implementing Group-wide measures to prevent information leaks.

As a solution partner handling clients' customer data, we are strongly aware of the importance of—and our responsibilities toward—business continuity and rapid service recovery during times of disaster and other crises. For this reason, we are moving to reinforce our business continuity plan (BCP).

■ Do you have a final message for shareholders and investors?

“We are implementing a number of initiatives aimed at realizing sustainable growth.”

Toppan Forms aims to create value for customers by its customer-focused business philosophy, by further improving Company strengths, and by providing comprehensive information management solutions.

As a company handling paper-based products, we are striving to reinforce our capabilities for responding to environmental conservation issues. At the same time, we are providing clients with a broad range of information solutions that achieve even a higher level of customer satisfaction. Toward this goal, we are working to further strengthen our operating base in our core business field, nurture new earnings platforms, and regardless of the severe operating environment look to the future to push forward with strategic investment and operational structural reforms. These efforts are aimed at realizing sustained growth.

We look forward to the continued support of shareholders and investors in these endeavors.

The Potential of Information Solution

Since its founding, Toppan Forms has accumulated a wealth of know-how and technologies in the printing sphere. To this it has added state-of-the-art technologies in digital media and other fields as it has built an unrivaled position as an information management solution company. In the future, as well as bolstering its proprietary technology and know-how in printing and information processing, Toppan Forms will strive to identify latent market growth potential. By effectively seizing new business opportunities, the Toppan Forms Group will continue to offer optimal solutions that contribute to the enhancement of our clients' business operations.

Business Forms Field

Potential

Operational enhancement in the notification field

As consumer needs become more diverse, the importance of document design for effective communication is increasing. From the perspective of printed materials procurement, there is the need for cost reductions through the creation of an efficient supply chain.

Our Solution

Our market position—forged through our pioneering role in the business forms industry—is based on a high level of client trust and unrivaled experience and knowledge. This position provides many opportunities to make proposals to clients regarding business process improvement.

For example, we not only manage all operations relating to business forms—from ordering through inventory and delivery—but also provide form management services as a total solution covering such areas as format design and compatibility with electronic forms.

Furthermore, our web-based *O-tascarry* order management system for general office supplies, incorporating workflow functions, contributes to our clients' efforts to reduce costs and increase operational efficiency.



Data Print Services Field

Potential

Secure, value-adding outsourcing service

The strategic use of outsourcers is becoming increasingly important for businesses wanting to focus more strongly on securing a competitive advantage in their core businesses. However, in outsourcing operations related to information systems, few providers are able to offer both advanced information security and a meticulous level of service.

Our Solution

In Data Print Services (DPS) operations, we receive data from the client, including personal information held by clients. We then print the data using a specified format, such as a billing statement, and insert the printed material into envelopes, which are sealed and dispatched. Extending from this standard set of DPS operations, we also offer document process outsourcing (DPO) services. This is a comprehensive solution supporting all functions from notification design-related planning and consulting to such post-dispatch operations as call center services.

To protect client data using a sophisticated level of security and enable us to consistently undertake contracts for documents distributed by clients, we are planning the construction of a new large-scale DPS facility in Hachioji, in Tokyo's western suburbs.



Architect's rendering

Potential

Optimized, personalized information

In a mature consumer-driven society, communicating information that responds to the diverse needs of individual consumers is a fundamental way of increasing customer satisfaction. New information communication methods that fuse together an array of media are expected to facilitate the provision of information with heightened appeal to individual consumers.

Our Solution

Cypher View DM is a new type of cross-media tool that involves the use of a mobile-phone camera to read an embedded code in an image printed on a direct mail (DM) advertisement. The DM recipient's mobile-phone browser uses the code to access a website that has been personalized based on data relating to the recipient's individual attributes. By combining the strength of paper-based media for powerfully conveying a large amount of information in a single glance with the convenience of a mobile phone, *Cypher View DM* enables the provision of services in line with the user's particular level of interest.

As illustrated above, through the use of diverse media—which leverages the data handling technology cultivated in the DPS business—we are developing products and services that can effectively communicate the information which each individual genuinely seeks.



Cypher View DM

New Business Field

Potential

Application of next-generation communications

In manufacturing, logistics and distribution, the use of bar-codes is predominant during shipment and receipt inspections of finished products and materials. However, barcode scanning is very time consuming. Through the realization of a new type of network communications, it is hoped that the efficiency of such tasks can be greatly increased.

Our Solution

As an RFID system vendor, we have developed a UHF-Band RFID *Gate system*. When articles with attached IC tags pass through a gate, this system has the capability to manage goods by reading data from a large number of tags simultaneously in a short space of time. This has the potential to greatly enhance the efficiency of logistics and inventory management functions. We are not only developing data communications media but also pursuing the development of applications. These include applications that use UHF-Band IC tags and writers to manage goods across a broad range of settings, from articles stored outdoors to documents within an office.

We are working to build a structure capable of providing total solutions from product development to system architecture.



UHF-Band RFID Gate system

Potential

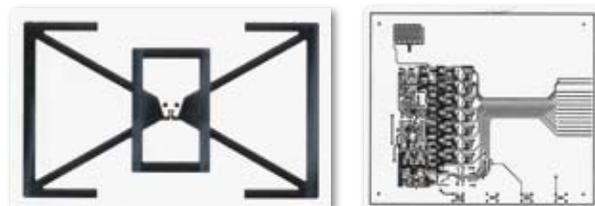
Development of next-generation electronic devices

As the application of electronics technology in data media advances, such issues as the price and restricted form factor of electronic devices hinder efforts to promote widespread adoption and develop creative applications. It is hoped that by utilizing printing technology, breakthroughs can be accomplished toward solving such issues.

Our Solution

We are pursuing basic research in the area of printed electronics, in which electronic circuits are formed using electrically conductive ink and printing technology. For example, in the past we developed *Silver ink* technology whereby silver wiring is burnt onto paper at a low temperature. This technology enables electronic circuits to be applied to such heat-sensitive materials as paper and film, thereby increasing the choice of printing media available. Consequently, this opens up a much wider range of applications for future product development.

Using such technology as a foundation, we are strengthening our proprietary capabilities for developing electronic devices. This in turn is increasing our competitive advantage in the printing industry, where digitization is rapidly advancing.

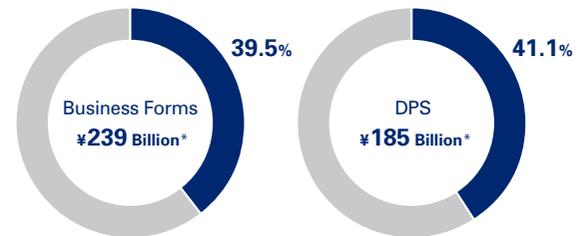


Silver ink technology

Toppan Forms at a Glance

The Toppan Forms Group is divided into two major business segments: the Printing Business segment, comprising Business Forms and Data Print Services (DPS), and the Merchandise segment, including office supplies. Each segment continues to evolve by challenging new areas, going beyond the borders of its existing business.

Market Scale and Our Share in Fiscal 2009



* Calculated by Toppan Forms Co., Ltd., from non-consolidated performance data of each business segment relative to the Japanese market

PRINTING BUSINESS

The Printing Business segment consistently leads the industry. The Business Forms Division and the Data Print Services (DPS) Division both have the top market share of their respective domestic markets. As the Toppan Forms Group's core business segment, these divisions provide an array of related products and services.

BUSINESS FORMS DIVISION

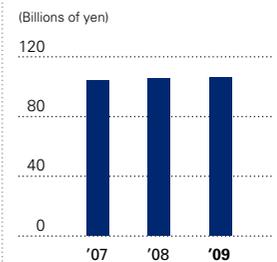
The Business Forms Division is divided into two fields—Business Forms and Digital Media. The latter field includes such electronic documents as e-mail and web-related services as well as IC and RFID products.



Main Products/Services

- BUSINESS FORMS:**
- Transport and delivery slips
 - Mail-related forms
 - POSTEX sealed postcard series
 - Environment-friendly business forms
- DIGITAL MEDIA:**
- E-mail-related services
 - Web-related services
 - IC tags, smart cards and other RFID products

Net Sales



DATA PRINT SERVICES (DPS) DIVISION

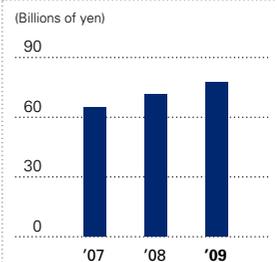
DPS is an outsourcing business comprising the processing of client data, printing, envelope insertion and dispatch. We have expanded the services offered to include marketing planning, call center and customer service operations, and campaign response measurement, as we strive to meet the increasingly diverse and sophisticated outsourcing needs of our clients.



Main Products/Services

- DATA PRINT SERVICES (DPS):**
- Business mail for notifications
 - DM for sales promotions
 - DPS for in-house use
 - Document process outsourcing
- DIGITAL PRINT ON DEMAND (DOD):**
- Personalized marketing tools
 - Personalized educational materials

Net Sales



MERCHANDISE

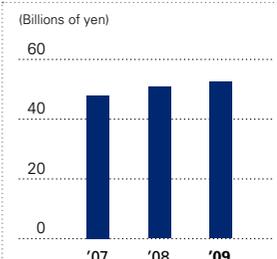
The Merchandise segment provides a variety of services, from stocking wired offices with office supplies, to the design, manufacture and sale of peripherals and related devices as an adjunct to the Business Forms Division.



Main Products/Services

- OFFICE SUPPLIES:**
- IT-related equipment supplies
 - Paper products
- EQUIPMENT AND SERVICES:**
- Forms processors and system machines
 - Dispatch of personnel

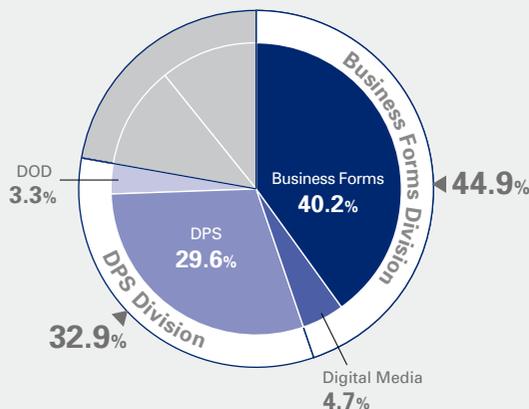
Net Sales



PRINTING BUSINESS SEGMENT

The Printing Business segment has underpinned corporate growth since Toppan Forms was established in 1955, and accounted for 77.8% of consolidated net sales in fiscal 2009. The Printing Business segment comprises the Business Forms Division, the central pillar of our revenue structure, and the Data Print Services (DPS) Division, the segment's growth driver for the future. In fiscal 2009, sales in the Printing Business segment rose 3.7% compared with the previous fiscal year, to ¥183.5 billion.

Sales by Division



BUSINESS FORMS DIVISION

The Business Forms Division is classified into two major product categories—Business Forms, which uses paper media, and Digital Media, which centers on e-business products and IC-related products. An overview of each category's products and performance is as follows.

Business Forms

Business forms sales accounted for 40.2% of net sales in the period under review. Business forms are the foundation on which we have developed other business areas, providing us with the technology and the know-how in the operational flow of a wide range of client businesses. Main products include the *POSTEX* sealed postcard series and a variety of distribution-related and other business forms, envelopes, catalogs, pamphlets and cards. IC cards are classified under Digital Media.

Sales in the Business Forms category edged down compared with the previous fiscal year, declining 2.2%, to ¥94.9 billion. We worked toward increasing long-term contracts and creating a steady flow of future orders by focusing on the Form Management Services operations, through which we oversee the entire business forms production process, including order placement, shipping and warehousing. However, these efforts took place in a severe operating environment, as the business forms market contracted as businesses continued to shift toward digitization. In addition, demand was handicapped by a general trend toward cost cutting, while a spike in crude oil prices triggered rises in paper prices.

Representative Products



Single-sheet *EX-Forms* for pressure-sensitive adhesion can be printed on with high-speed laser or thermal printers.



Pamph-Direct is a simplified, eco-friendly packaging system for catalogs and pamphlets, using 10% of the packaging materials traditionally used.



Rewritable sheets display and erase colors at temperatures approximately 30°C lower than previous products.

In product development and improvement, we developed *Pamph-Direct*, a simplified packaging system for catalogs and pamphlets, which enables shipment using approximately 10% of the packaging materials used in conventional systems. We also developed *Rewritable sheets* that can display and erase colors at temperatures approximately 30°C lower than previous products. These products exemplify our efforts to develop products to precisely meet market needs through cost reduction and resource conservation.

Digital Media

Toppan Forms sees changes in market structure created by the IT revolution as an important opportunity, identifying Digital Media as a primary driver of future business growth. We have moved quickly to expand our business repertoire and establish ourselves as a dominant company in digital media by promoting collaboration across divisions and business segments, while at the same time utilizing strategic external alliances. Sales in the Digital Media category in fiscal 2009 increased 32.3%, to ¥11.1 billion.

In e-businesses, as an indicator of the strategic direction we are taking, we are working strenuously to promote our Cross-Media Marketing Solution business that combines the best of electronic and paper media strategies. Our ASP (Application Service Provider) service *smart arrow* is a good example. In fiscal 2009, we developed a new cross-media communication service combining direct mail with the web. The newly launched service boasts extremely high-quality design characteristics and superior customer appeal.

In IC-related business, we provide RFID products, such as smart cards and RFID tags, a variety of systems that utilize IC products and RFID-related equipment, and card-issuing services. Smart cards are utilized across a wide range of applications, including logistics and inventory control. Through our opening of a specialist research center, TF RFID Studio, which replicates the specific operating environment for a customer's RFID system, we can conduct field trials and provide other support services for customers' adoption of RFID systems. In fiscal 2009, we bolstered our *Latica* product line of UHF-Band IC tags, launching a new card that is thin and flexible while also boasting superior durability. We plan to further expand our product lineup in this area by developing products for a diverse array of applications and in a variety of forms, closely responding to market needs. Including Japan, Toppan Forms' UHF-Band IC tag products have received certification from EPCglobal, the international organization responsible for electronic tag standards.

DATA PRINT SERVICES (DPS) DIVISION

DPS is a comprehensive outsourcing service. Toppan Forms takes variable data entrusted to us by our customers, compiles and processes it, then prints it on business forms with high-speed printers. As part of the bundled DPS service, we then insert the forms into envelopes, seal the envelopes and mail them. Digital print on demand (DOD) utilizes our digital printer technology in the field of variable graphics data printing. In fiscal 2009, the division's sales rose 8.5%, to ¥77.6 billion. The DPS Division's sales accounted for 32.9% of consolidated net sales.



Latica-mold soft type is an IC tag made from flexible material that is designed to be unaffected by the article to which it is attached.



IC label for contrast-medium syringes are used in diagnostic imaging, such as computed tomography (CT) scans, to deliver contrast-medium (dye) through pre-filled syringes.



Smart arrow is a simple ordering system utilizing the Internet that enables clients to create and order personalized DM and e-mail communications.

Data Print Services (DPS)

The business environment for DPS services continued to be difficult, as competition for new contracts intensified and promotion materials-related demand declined accompanying the rapid economic slowdown from the second half of the fiscal year. However, overall demand grew as we worked strenuously to respond to changes to the Financial Instruments and Exchange Act and aimed to take the perspective of the customer to enhance our accountability in areas such as notifications, terms and conditions, and application forms. Also, we increasingly utilized personal marketing methods that aim to cater to the individual needs of consumers, based on preferences and age group. Specifically, we went beyond conventional printing and dispatch by strengthening our Document Process Outsourcing business. This is a comprehensive solution covering all stages relating to a customer's notification operations, from pre-production planning to post-distribution operational functions. We are striving to achieve even greater levels of service differentiation and added value in this business. On the other hand, we worked to reduce costs for large-volume notification printing by omitting the printing of formats in advance and instead utilizing the latest high-speed digital printers for formatting and direct data output.

To further enhance quality assurance relating to the protection of personal data, we have independently developed inspection equipment and worked to maintain an integrated production system. As part of our commitment to data protection, all companies within the Toppan Forms Group collectively receive third-party certification under

the PrivacyMark program, where as in the past it was acquired on an individual company basis. In this way, we are further reinforcing our information security system across all facets of our business. Thanks to these efforts, we achieved an increase in the volume of general notifications handled, including those from government agencies and financial institutions. The print outsourcing business also performed strongly, and personalized full-color direct mail services contributed to sales. As a result, sales in the DPS category climbed 8.4%, to ¥69.7 billion.

Digital Print on Demand (DOD)

Digital print on demand (DOD) is a system of high-speed programmable color printing of variable digital graphics data. This technology can be used in such applications as the generation of personalized direct mail materials and other services to create highly effective communications tailored to the needs of individual recipients. As can be seen from the rapid emergence of "transpromo communications"—a combination of transaction and promotional documents whereby invoices and account statements carry advertising and promotional material—DOD may be utilized as an extremely precise marketing tool. Leveraging such technologies, we are focusing on the "one-to-one" capabilities opened up by DOD by developing marketing tools that fit the needs of our clients and achieve a high level of appeal for end-recipients.

In fiscal 2009, thanks to a robust performance by on-demand printing services for sales promotion materials, sales in the DOD category grew 8.7%, to ¥7.8 billion.

Representative Products



The DOD range of full-color variably printed products is widely used for financial advice notes, graphs, advertisements and other purposes.



Digital Full-Color POSTEX can be variably printed with text and graphics for highly personalized direct mail campaigns.

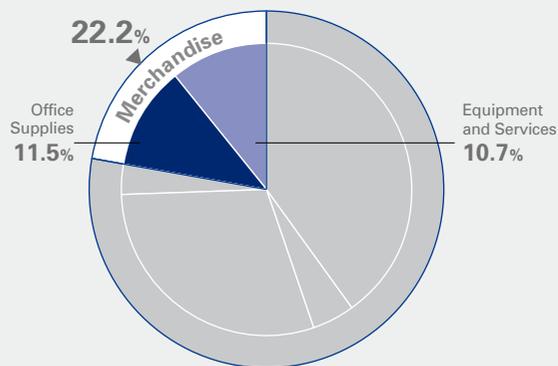


Happitouch uses variable printing of pictorialized lettering to create individualized message cards.

MERCHANDISE SEGMENT

This segment comprises Office Supplies and Equipment and Services, which complement our printing business. The Merchandise segment posted net sales of ¥52.4 billion, up 1.4%, and accounted for 22.2% of consolidated net sales in fiscal 2009.

Sales by Division



Office Supplies

This business comprises printed business forms and the innovative *O-tascarry* ordering system, a highly competitive, value-added management system for general office supplies, which allows client companies to rationalize overall costs and raise operational efficiency. In the fiscal year under review, we focused on providing products and services with an ecological theme. As part of this,

we worked aggressively to expand sales of environment-friendly printer supplies and marketed a static electricity prevention agent designed to improve the level of comfort within the office environment.

The success of these efforts contributed to a 1.5% increase in sales in the Office Supplies category, to ¥27.1 billion.

Equipment and Services

Customers of Toppan Forms can rely on a total support system that combines sales of business forms with the design, manufacture, and sale of peripheral and related equipment. By allying our resources with the services of other Toppan Group companies, we can offer customers comprehensive solutions encompassing equipment servicing and maintenance.

In our equipment business, we market such peripheral equipment as sealers, which process printed business forms into envelope or postcard form for mailing. In card-related products, we sell ID card color printers and systems for issuing membership cards and rewriteable cards.

In our services business, we offer a personnel dispatch program in which specialist staff work on-site with clients to assist with the operation, maintenance and development of their information systems. Alternatively, we can provide clients with one-stop, comprehensive management and operation services for their computer systems.

In fiscal 2009, sales of equipment edged up only slightly because of a trend toward curbing capital investment, but sales of services were solid due to the capturing of demand for systems integration and for other areas. As a result, sales in the Equipment and Services category increased 1.2%, to ¥25.3 billion.



O-tascarry is an office supply service that enables online ordering of many products, including customized business forms.



Kaitekisui, developed based on technology to prevent static electricity during printing, reduces static electricity within office environments to increase the level of comfort.



PressleDuo sealer with detacher function (above) and Toppan Forms' leading detacher, the *acero208* (below)

Corporate Governance

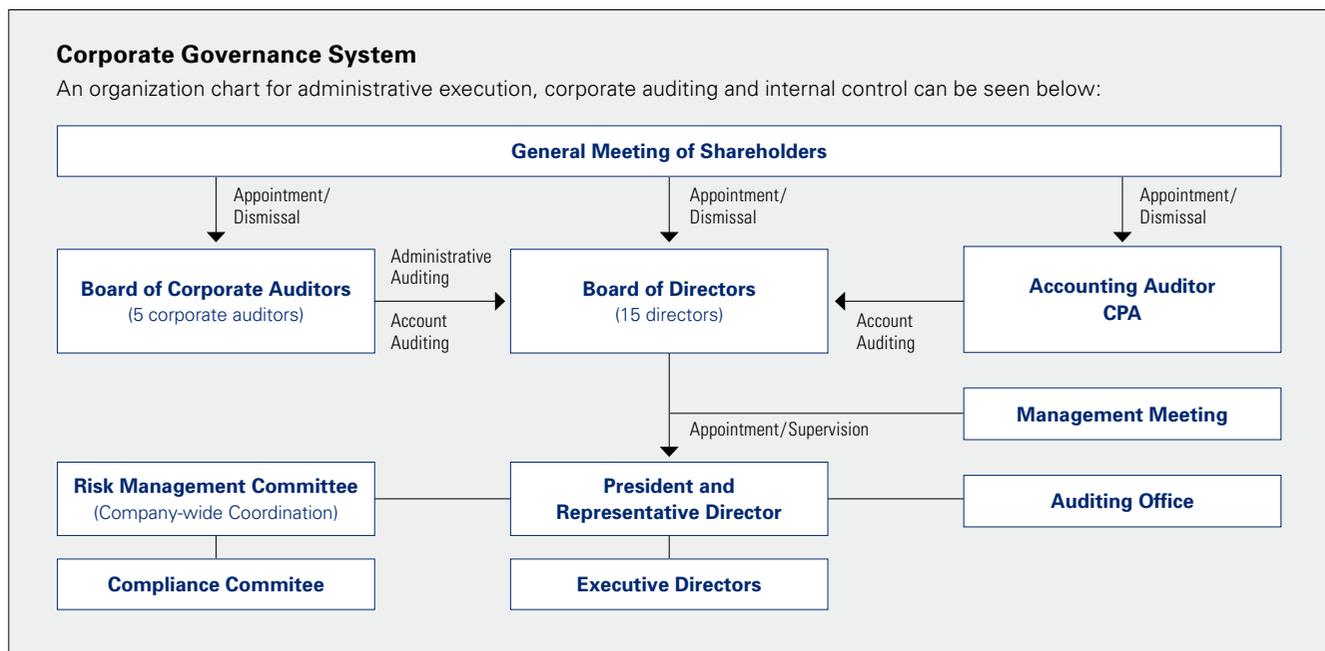
With the need for effective corporate governance systems a focus of attention, Toppan Forms has placed the highest priority on the establishment of a fair, shareholder-centered management system.

Based on this fundamental policy, we have promoted rapid, fair decision making in an attempt to reinforce the supervisory function of the Board of Directors and promote more efficient management. Outside corporate auditors have been appointed to the Board of Corporate Auditors, which conducts strict auditing of the administrative execution of directors.

Moreover, to ensure rigorous risk management we are establishing an internal control system, while also strengthening our compliance system. For risk management, we have set up a dedicated division and also created the Risk Management Committee, which supervises this function horizontally across the company. For compliance, we have formulated the "Toppan Forms Group Company-wide Action Guidelines" and are working to disseminate them throughout the company. Through these initiatives, we aim to be a company trusted by our customers, shareholders and society at large.

CORPORATE GOVERNANCE STRUCTURE AND ENHANCEMENT OF INTERNAL CONTROL SYSTEM

- Toppan Forms uses the corporate auditor system.
- The Company has fifteen directors. There are five corporate auditors, three of whom are outside corporate auditors and three of whom, including one outside corporate auditor, are full-time.
- The Board of Directors meets once a month, makes decisions on important issues and supervises administrative execution.
- The Management Meeting is held once a month, prior to the Board of Directors meeting, and issues to be raised at the Board of Directors meeting are considered and decided upon.
- At the Board of Directors' meeting held on May 26, 2006, the "fundamental policy regarding the establishment of an internal control system" was decided. On March 22, 2007, and March 21, 2008, some adjustments were made in order to improve the effectiveness of the compliance system. We will work to maintain and continually improve all our management processes in order to ensure that our business practice meets appropriate standards.



Consolidated Six-Year Financial Summary

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

Years ended March 31	Millions of yen						Thousands of U.S. dollars (Note1)	
	2004	2005	2006	2007	2008	2009	2009	
For the year:								
Net sales	¥193,985	¥199,173	¥212,327	¥219,197	¥228,565	¥235,895	\$2,401,460	
Operating income	15,766	13,696	15,717	16,088	15,178	15,687	159,701	
Income before income taxes and minority interests	15,812	14,448	16,241	16,747	15,007	15,069	153,407	
Net income	8,763	8,276	9,392	9,684	8,752	8,791	89,497	
Depreciation and amortization	5,033	4,936	4,835	5,013	6,369	8,561	87,150	
Capital expenditure	9,025	3,296	5,851	10,173	9,828	9,619	97,928	
R&D expenditure	2,264	2,106	2,174	2,242	2,556	2,697	27,451	
At year-end:								
Total assets	¥158,077	¥169,070	¥182,705	¥186,902	¥185,237	¥185,636	\$1,889,807	
Total shareholders' equity	107,964	113,985	118,432	125,285	127,888	133,894	1,363,062	
Number of shares outstanding (thousands)	114,232	114,084	113,925	113,983	110,997	110,997		
Number of employees	6,115	6,074	6,224	6,483	6,641	7,357		
Cash flows:								
Net cash provided by operating activities	¥13,351	¥14,049	¥13,319	¥10,625	¥13,524	¥15,685	\$159,672	
Net cash used in investing activities	(6,080)	(4,294)	(5,458)	(8,247)	(11,948)	(10,110)	(102,923)	
Net cash used in financing activities	(3,188)	(2,270)	(4,074)	(2,805)	(6,420)	(3,488)	(35,506)	
Cash and cash equivalents at end of year	23,908	31,392	35,206	34,791	29,929	31,888	324,627	

Per share data (Note 2):	Yen					U.S. dollars (Note1)	
Net income:							
Basic	¥ 75.60	¥ 71.44	¥ 81.42	¥ 84.98	¥ 77.24	¥ 79.20	\$ 0.81
Diluted	–	71.44	81.39	84.94	–	–	–
Cash dividends	23.00	23.00	24.00	25.00	25.00	25.00	0.25
Shareholders' equity	944.05	998.05	1,082.39	1,129.46	1,162.99	1,199.04	12.21

Ratios:	Percent					
Equity ratio	68.3%	67.4%	67.6%	68.9%	69.7%	71.7%
Return on net sales	4.5	4.2	4.4	4.4	3.8	3.7
Return on assets	5.5	4.9	5.1	5.2	4.7	4.7
Return on shareholders' equity	8.4	7.5	7.9	7.7	6.8	6.7

Notes: 1. U.S. dollar amounts have been converted from yen, for convenience only, at the rate of ¥98.23=U.S.\$1, as at March 31, 2009.

2. The computations of net income per share and shareholders' equity per share are based on the weighted-average number of shares of common stock outstanding during each year. Treasury stock 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

Market Environment

In fiscal 2009, ended March 31, 2009, the market environment for the business forms industry remained harsh. In addition to steep fluctuations in the prices of various raw materials, the earnings environment for Japanese companies was adversely affected by a rapid appreciation in the value of the yen. Personal consumption also suffered a slump as the economic recession further deepened.

Income and Expenses

In fiscal 2009, consolidated net sales rose 3.2% compared with the previous fiscal year, to ¥235.9 billion (\$2,401 million). Sales in the Printing Business segment increased 3.7%, to ¥183.5 billion (\$1,868 million). Looking at product categories within the Printing Business segment, the volume of demand for business forms declined, owing to increased IT reliance and cost cutting by businesses, but this was offset by robust demand for forms revised in line with regulatory system changes and increased sales relating to IC cards for personal identification. As a result, sales in the Business Forms Division recorded a modest 0.5% rise, to ¥106.0 billion (\$1,079 million).

Sales in the Data Print Services (DPS) Division grew 8.5%, to ¥77.6 billion (\$790 million), buoyed by a volume increase for notification forms in the financial and public sectors stemming from legal amendments and regulatory system changes, as well as strong sales relating to sales promotion campaign outsourcing, personalized full-color direct mail printing and print-on-demand services.

In the Merchandise segment, sales of office supply products grew slightly as we focused on expanding sales of

environment-friendly office supply products and other ecologically conscious products and services. In the area of office equipment, although we strove to increase sales of high-volume mail inserter machines, the impact of many businesses curbing plant and equipment investment meant that we were only able to achieve a modest increase in office equipment sales. As a result, the Merchandise segment recorded 1.4% growth in sales, to ¥52.4 billion (\$533 million).

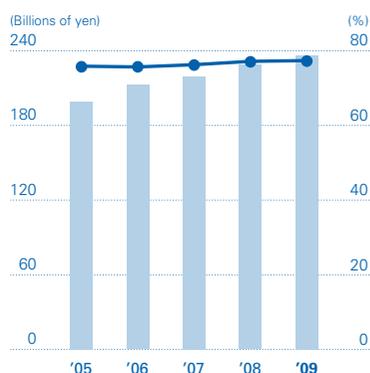
Cost of sales grew 3.4%, to ¥182.3 billion (\$1,856 million), partly owing to the impact of paper price rises, but was offset to a certain extent by general measures targeting improved efficiency and rationalization across the business. The cost of sales ratio rose 0.2 percentage point, to 77.3%. As a result, gross profit grew 2.4% compared with the previous fiscal year, to ¥53.6 billion (\$546 million).

Selling, general and administrative (SG&A) expenses rose 2.0%, to ¥37.9 billion (\$386 million). Effective personnel rationalization measures contributed to a 0.2 percentage point decline in the SG&A ratio, to 16.1%.

Consequently, operating income increased 3.4%, to ¥15.7 billion (\$160 million), and the operating income margin edged up to 6.7%.

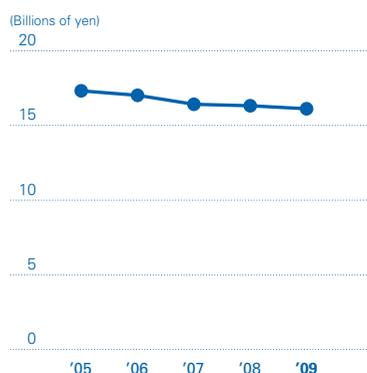
Non-operating income was up ¥0.4 billion, to ¥1.6 billion, and non-operating expenses rose ¥0.2 billion, to ¥0.4 billion. Accompanying lower stock prices stemming from the financial market crisis, valuation losses on investment securities and others were ¥1.5 billion. As a result, income before income taxes and minority interests increased 0.4%, to ¥15.1 billion (\$153 million), and net income rose 0.4%, to ¥8.8 billion (\$89.5 million).

Net Sales and Cost of Sales Ratio

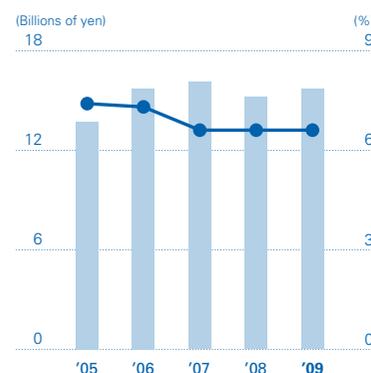


■ Net sales (left scale)
● Cost of sales ratio (right scale)

SG&A Ratio



Operating income and Operating income Margin



■ Operating income (left scale)
● Operating income margin (right scale)

Net income per share amounted to ¥79.20 (\$0.81), a rise compared with ¥77.24 recorded in the previous fiscal year. Return on equity (ROE) was 6.7% in fiscal 2009 compared with 6.8% in the previous period, and return on assets (ROA) remained steady at 4.7%.

Dividend Policy

Toppan Forms places a high priority on returning profits to shareholders. While retaining sufficient reserves to fund growth, we encourage 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 2009, the interim and year-end dividends were both ¥12.50 per share, making total cash dividends applicable to the period ¥25.00 per share. Dividends remained at the same level as the previous fiscal year. The consolidated dividend payout ratio was 31.6% in fiscal 2009.

Depreciation and Amortization/Capital Expenditures

Capital expenditures, primarily directed toward the expansion of production facilities, decreased ¥0.3 billion, to ¥9.6 billion (\$97.9 million). Depreciation and amortization was ¥8.6 billion (\$87.1 million), compared with ¥6.4 billion in fiscal 2008.

Financial Position

At fiscal 2009 year-end, total current assets stood at ¥94.5 billion (\$962 million), an increase of ¥1.1 billion compared with the previous fiscal year-end. Total current liabilities declined ¥5.2 billion, to ¥47.8 billion (\$486 million). As a result, working capital increased ¥6.3 billion, to ¥46.7

billion (\$475 million), and the current ratio rose 21.5 percentage points, to 197.7%.

Total shareholders' equity at the end of fiscal 2009 stood at ¥133.9 billion (\$1,360 million), an increase of ¥4.3 billion compared with the previous fiscal year-end. This rise was mainly attributable to an increase in retained earnings. Total assets amounted to ¥185.6 billion (\$1,890 million) at the end of the period under review, a ¥0.4 billion increase compared with the close of fiscal 2008. Consequently, the equity ratio increased from 69.7% at the end of the previous fiscal year, to 71.7%.

Cash Flows

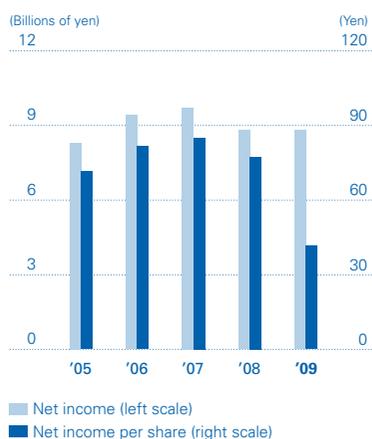
Net cash provided by operating activities during fiscal 2009 totaled ¥15.7 billion (\$160 million), compared with ¥13.5 billion in the previous year. Major items within this figure included income before income taxes and minority interests of ¥15.1 billion (\$153 million) and depreciation and amortization of ¥8.6 billion (\$87.1 million), and income taxes paid totaling ¥5.9 billion (\$60.5 million).

Net cash used in investing activities amounted to ¥10.1 billion (\$103 million), compared with ¥11.9 billion in the previous period. The main item was purchase of property, plant and equipment of ¥10.7 billion (\$108.5 million).

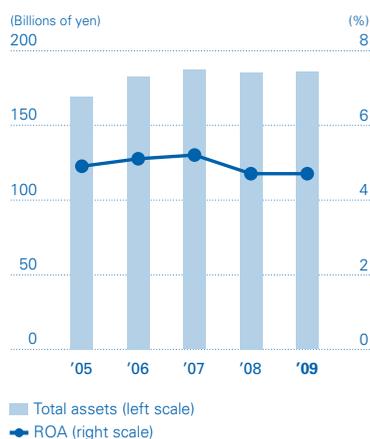
Net cash used in financing activities totaled ¥3.5 billion (\$35.5 million), compared with ¥6.4 billion in the previous year. The largest item was cash dividends paid amounting to ¥2.8 billion (\$28.2 million).

Cash and cash equivalents at end of year totaled ¥31.9 billion (\$325 million), a ¥2.0 billion increase compared with the previous year-end.

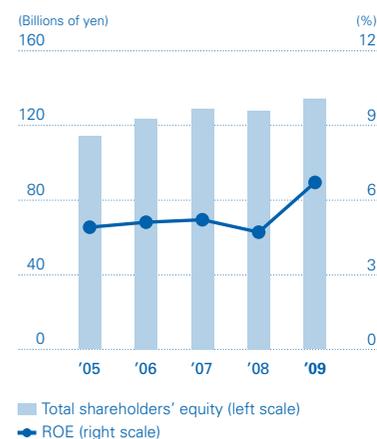
Net Income and Net Income per Share



Total Assets and ROA



Total Shareholders' Equity and ROE



Consolidated Balance Sheet

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

March 31	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2009	2009
Assets:			
Current assets -			
Cash and deposits (Notes 4 and 7)	¥ 27,860	¥ 29,697	\$ 302,326
Notes and accounts receivable, trade (Note 15)	43,343	43,798	445,871
Short-term investment securities (Notes 7 and 9)	2,434	2,426	24,700
Merchandise and finished goods	10,778	10,074	102,558
Work in process	996	1,103	11,228
Raw materials and supplies	2,822	2,379	24,222
Prepaid expenses	1,150	1,233	12,555
Deferred tax assets (Note 13)	2,016	2,222	22,619
Other current assets	2,114	1,738	17,681
Allowance for doubtful accounts	(157)	(200)	(2,041)
Total current assets	93,356	94,470	961,719
Noncurrent assets -			
Property, plant and equipment:			
Buildings and structures (Note 4)	46,477	48,999	498,823
Accumulated depreciation	(21,138)	(23,775)	(242,031)
Buildings and structures, net	25,339	25,224	256,792
Machinery, equipment and vehicles	68,274	71,522	728,107
Accumulated depreciation	(51,447)	(54,467)	(554,488)
Machinery, equipment and vehicles, net	16,827	17,055	173,619
Tools, furniture and fixtures	11,025	11,891	121,055
Accumulated depreciation	(9,220)	(9,810)	(99,869)
Tools, furniture and fixtures, net	1,805	2,081	21,186
Land (Note 4)	20,794	21,639	220,291
Lease assets	-	23	236
Accumulated depreciation	-	(4)	(45)
Lease assets, net	-	19	191
Construction in progress	1,561	988	10,055
Total property, plant and equipment	66,326	67,006	682,134
Intangible assets:			
Other	2,243	2,646	26,938
Total intangible assets	2,243	2,646	26,938
Investments and other assets:			
Investment securities (Notes 4 and 9)	13,897	12,001	122,171
Long-term loans receivable	139	85	860
Long-term prepaid expenses	487	483	4,916
Lease and guarantee deposits	2,421	2,475	25,199
Insurance funds	4,534	3,322	33,816
Deferred tax assets (Note 13)	1,014	2,515	25,606
Other assets	892	770	7,846
Allowance for doubtful accounts	(72)	(137)	(1,398)
Total investments and other assets	23,312	21,514	219,016
Total noncurrent assets	91,881	91,166	928,088
Total assets	¥188,237	¥185,636	\$1,889,807

The accompanying notes are an integral part of these statements.

March 31	Millions of yen		Thousands of U.S. dollars (Note1)
	2008	2009	2009
Liabilities:			
Current liabilities -			
Notes and accounts payable-trade	¥ 33,809	¥ 28,008	\$ 285,126
Short-term loans payable (Notes 4 and 18)	526	456	4,641
Current portion of long-term loans payable (Notes 4 and 18)	–	826	8,406
Lease obligations (Note 18)	–	58	592
Income taxes payable (Note 13)	2,645	3,415	34,769
Accrued consumption taxes	457	875	8,908
Accrued expenses	3,581	3,658	37,237
Provision for bonuses	3,968	4,088	41,617
Provision for directors' bonuses	68	88	891
Notes payable-facilities	2,607	1,799	18,309
Other current liabilities	5,314	4,514	45,967
Total current liabilities	52,975	47,785	486,463
Noncurrent liabilities -			
Bonds payable (Notes 4 and 17)	–	200	2,036
Long-term loans payable (Notes 4 and 18)	100	979	9,962
Lease obligations (Note 18)	–	94	954
Deferred tax liabilities (Note 13)	174	158	1,604
Provision for retirement benefits (Note 11)	1,953	2,354	23,964
Provision for directors' retirement benefits	599	396	4,027
Other noncurrent liabilities	173	46	482
Total noncurrent liabilities	2,999	4,227	43,029
Total Liabilities	55,974	52,012	529,492
Net Assets:			
Shareholders' equity -			
Capital stock			
Authorized: 400,000,000 shares			
Issued: 115,000,000 shares	11,750	11,750	119,617
Capital surplus	9,270	9,270	94,370
Retained earnings	111,784	117,790	1,199,123
Treasury stock (Note 6)	(4,916)	(4,916)	(50,048)
(2008: 4,003,154 shares, 2009: 4,003,162 shares)			
Total shareholders' equity	127,888	133,894	1,363,062
Valuation and translation adjustments -			
Valuation difference on available-for-sale securities	1,214	(155)	(1,577)
Foreign currency translation adjustment	(14)	(650)	(6,613)
Total valuation and translation adjustments	1,200	(805)	(8,190)
Subscription rights to shares -	71	81	825
Minority interests -	104	454	4,618
Total net assets	129,263	133,624	1,360,315
Total liabilities and net assets	¥188,237	¥185,636	\$1,889,807

The accompanying notes are an integral part of these statements.

Consolidated Statement of Income

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

Year ended March 31	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2009	2009
Net sales (Note 15)	¥228,565	¥235,895	\$2,401,460
Cost of sales	176,199	182,267	1,855,515
Gross profit	52,366	53,628	545,945
Selling, general and administrative expenses (Note 5)	37,188	37,941	386,244
Operating income	15,178	15,687	159,701
Non-operating income:			
Interest income	148	143	1,455
Dividends income	151	362	3,689
Insurance return	30	151	1,533
Equity in earnings of affiliates	112	46	470
Technical support fee	324	336	3,425
Amortization of negative goodwill	19	92	940
Other	373	465	4,736
	1,157	1,595	16,248
Non-operating expenses:			
Interest expenses	(37)	(42)	(423)
Foreign exchange losses	(88)	(197)	(2,007)
Loss on valuation of inventories	(36)	–	–
Loss on insurance cancellation	–	(125)	(1,276)
Other	(30)	(31)	(325)
	(191)	(395)	(4,031)
Ordinary income	16,144	16,887	171,918
Extraordinary income:			
Gain on sales of noncurrent assets	21	1	9
Gain on sales of investment securities	54	1	7
Compensation income	–	819	8,337
	75	821	8,353
Extraordinary loss:			
Loss on sales of noncurrent assets	(7)	(0)	(2)
Loss on retirement of noncurrent assets	(144)	(133)	(1,352)
Loss on sales of investment securities	(9)	(26)	(263)
Loss on valuation of investment securities	(977)	(1,455)	(14,817)
Loss on valuation of inventories	–	(146)	(1,484)
Loss on liquidation of business	–	(868)	(8,835)
Other	(75)	(11)	(111)
	(1,212)	(2,639)	(26,864)
Income before income taxes and minority interests	15,007	15,069	153,407
Income taxes (Note 13):			
- Current	6,148	6,640	67,598
- Deferred	100	(352)	(3,586)
	6,248	6,288	64,012
Minority interests in income (loss)	7	(10)	(102)
Net income	¥ 8,752	¥ 8,791	\$ 89,497

The accompanying notes are an integral part of these statements.

Consolidated Statement of Changes in Net Assets

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

Year ended March 31	Millions of yen		Thousands of U.S. dollars (Note1)
	2008	2009	2009
Statements of changes in net assets			
Shareholders' equity:			
Capital stock -			
Balance at the end of previous period	¥ 11,750	¥ 11,750	\$ 119,617
Changes of items during the period	-	-	-
Total changes of items during the period	-	-	-
Balance at the end of current period	11,750	11,750	119,617
Capital surplus -			
Legal capital surplus			
Balance at the end of previous period	9,270	9,270	94,370
Changes of items during the period	-	-	-
Total changes of items during the period	-	-	-
Balance at the end of current period	9,270	9,270	94,370
Retained earnings -			
Balance at the end of previous period	105,945	111,784	1,137,985
Effect of changes in accounting policies applied to foreign subsidiaries	-	(11)	(110)
Changes of items during the period			
Dividends from surplus	(2,906)	(2,774)	(28,249)
Net income	8,752	8,791	89,497
Disposal of treasury stock	(7)	-	-
Total changes of items during the period	5,839	6,017	61,248
Balance at the end of current period	111,784	117,790	1,199,123
Treasury stock -			
Balance at the end of previous period	(1,680)	(4,916)	(50,048)
Changes of items during the period			
Purchase of treasury stock	(3,259)	(0)	(0)
Disposal of treasury stock	27	-	-
Increase of consolidated subsidiaries-treasury stock	(4)	-	-
Total changes of items during the period	(3,236)	(0)	(0)
Balance at the end of current period	(4,916)	(4,916)	(50,048)
Total shareholders' equity -			
Balance at the end of previous period	125,284	127,888	1,301,924
Effect of changes in accounting policies applied to foreign subsidiaries	-	(11)	(110)
Changes of items during the period			
Dividends from surplus	(2,906)	(2,774)	(28,249)
Net income	8,752	8,791	89,497
Purchase of treasury stock	(3,259)	(0)	(0)
Disposal of treasury stock	20	-	-
Increase of consolidated subsidiaries-treasury stock	(4)	-	-
Total changes of items during the period	2,603	6,017	61,248
Balance at the end of current period	127,888	133,894	1,363,062
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities -			
Balance at the end of previous period	3,541	1,214	12,357
Changes of items during the period			
Net changes of items other than shareholders' equity	(2,327)	(1,369)	(13,934)
Total changes of items during the period	(2,327)	(1,369)	(13,934)
Balance at the end of current period	1,214	(155)	(1,577)
Deferred gains or losses on hedges:			
Changes of items during the period			
Revaluation reserve for land:			
Changes of items during the period			
Foreign currency translation adjustment:			
Balance at the end of previous period	(86)	(14)	(139)
Changes of items during the period			
Net changes of items other than shareholders' equity	72	(636)	(6,474)
Total changes of items during the period	72	(636)	(6,474)
Balance at the end of current period	(14)	(650)	(6,613)
Total valuation and translation adjustments:			
Balance at the end of previous period	3,455	1,200	12,218
Changes of items during the period			
Net changes of items other than shareholders' equity	(2,254)	(2,005)	(20,408)
Total changes of items during the period	(2,254)	(2,005)	(20,408)
Balance at the end of current period	1,200	(805)	(8,190)
Subscription rights to shares:			
Balance at the end of previous period	32	71	725
Changes of items during the period			
Net changes of items other than shareholders' equity	39	10	100
Total changes of items during the period	39	10	100
Balance at the end of current period	71	81	825
Minority interests:			
Balance at the end of previous period	104	104	1,056
Changes of items during the period			
Net changes of items other than shareholders' equity	(0)	350	3,562
Total changes of items during the period	(0)	350	3,562
Balance at the end of current period	104	454	4,618
Total net assets:			
Balance at the end of previous period	128,875	129,263	1,315,923
Effect of changes in accounting policies applied to foreign subsidiaries	-	(11)	(110)
Changes of items during the period			
Dividends from surplus	(2,906)	(2,774)	(28,249)
Net income	8,752	8,791	89,497
Purchase of treasury stock	(3,258)	(0)	(0)
Disposal of treasury stock	20	-	-
Increase of consolidated subsidiaries-treasury stock	(4)	-	-
Net changes of items during the period	(2,216)	(1,645)	(16,746)
Total changes of items during the period	388	4,372	44,502
Balance at the end of current period	¥129,263	¥133,624	\$1,360,315

The accompanying notes are an integral part of these statements.

Consolidated Statement of Cash Flows

Toppan Forms Co., Ltd. and Consolidated Subsidiaries

Year ended March 31	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2009	2009
Net cash provided by (used in) operating activities:			
Income before income taxes and minority interests	¥15,007	¥15,069	\$153,407
Depreciation and amortization	6,369	8,561	87,150
(Decrease) Increase in allowance for doubtful accounts	(24)	132	1,343
Amortization of negative goodwill	(19)	(92)	(940)
Interest and dividends income	(299)	(505)	(5,143)
Interest expense	37	42	423
Gain on maturity of insurance contract	(30)	(151)	(1,533)
Equity in (earnings) losses of affiliates	(112)	(46)	(470)
Loss (gain) on valuation of investment securities	977	1,455	14,817
Loss (gain) on sales of investment securities	(45)	25	256
Loss (gain) on sales of noncurrent assets	(14)	(1)	(8)
Loss on retirement of noncurrent assets	144	133	1,352
Increase in provision for bonuses	343	87	887
Decrease in provision for retirement benefits	(644)	(221)	(2,245)
Increase in provision for directors' bonuses	8	20	202
(Increase) Decrease in notes and account receivable-trade	(426)	829	8,442
(Increase) Decrease in inventories	(907)	1,143	11,636
Decrease in notes and accounts payable-trade	(688)	(5,625)	(57,268)
Increase in accrued consumption taxes	44	396	4,028
Other, net	24	(105)	(1,061)
Sub total	19,745	21,146	215,275
Interest and dividends received	272	527	5,362
Interest expenses paid	(37)	(41)	(428)
Income taxes paid	(6,456)	(5,947)	(60,537)
Net cash provided by operating activities	13,524	15,685	159,672
Net cash provided by (used in) investing activities:			
Payments into time deposits	(853)	(194)	(1,978)
Proceeds from withdrawal of time deposits	475	474	4,826
Proceeds from sales of short-term investment securities	-	17	169
Purchase of property, plant and equipment	(9,237)	(10,654)	(108,463)
Proceeds from sales of property, plant and equipment	101	27	275
Purchase of investment securities	(2,042)	(2,324)	(23,664)
Proceeds from sales and redemption of investment securities	280	324	3,296
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	59	584	5,948
Payments of loans receivable	(7)	-	-
Collection of loans receivable	6	207	2,104
Other payments	(1,713)	(1,390)	(14,140)
Other proceeds	983	2,819	28,704
Net cash used in investing activities	(11,948)	(10,110)	(102,923)
Net cash provided by (used in) financing activities:			
Net increase (decrease) in short-term loans payable	(213)	(224)	(2,280)
Repayments of finance lease obligations	(55)	(60)	(608)
Proceeds from long-term loans payable	100	150	1,527
Repayments of long-term loans payable	(100)	(477)	(4,857)
Redemption of bonds	-	(100)	(1,018)
Purchase of treasury stock	(3,259)	(0)	(1)
Proceeds from sales of treasury stock	20	-	-
Cash dividends paid	(2,907)	(2,775)	(28,249)
Cash dividends paid to minority shareholders	(6)	(2)	(20)
Net cash used in financing activities	(6,420)	(3,488)	(35,506)
Effect of exchange rate change on cash and cash equivalents	(18)	(128)	(1,294)
Net (decrease) increase in cash and cash equivalents	(4,862)	1,959	19,949
Cash and cash equivalents at beginning of year	34,791	29,929	304,678
Cash and cash equivalents at end of year (Note 7)	¥29,929	¥31,888	\$324,627

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 subsidiaries 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 ¥98.23 = U.S.\$1, the approximate rate of exchange on March 31, 2009. 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.

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 (24 companies). Significant subsidiaries are as follows;

- Toppan Forms Tokai Co., Ltd.
- Toppan Forms Process Co., Ltd.
- Toppan Forms Logistics and Services Co., Ltd.
- Toppan Forms Kansai Co., Ltd.
- Toppan Forms Nishinohon Co., Ltd.
- Toppan Forms (Sanyo) Co., Ltd.
- KCF Co., Ltd.
- Toppan Forms (Hong Kong) Ltd.
- Toppan Forms (S) Pte. Ltd.
- Toppan Forms Operation Co., Ltd.
- Techno Toppan Forms Co., Ltd.

As the Company acquired 100% of the issued shares of KCF Co., Ltd. in September 2007, it is included in the consolidated financial statements for the fiscal year ended March 31, 2008.

As TFE Information Technology, Inc. was liquidated in July 2007, it is excluded from the consolidated financial statements for the fiscal year ended March 31, 2008.

The Company acquired 69.65% of the issued shares of TOSCO CORPORATION in October 2008. TOSCO CORPORATION and TSA Co., Ltd, wholly owned subsidiary of TOSCO CORPORATION are included in the consolidated financial statements for the fiscal year ended March 31, 2009.

(b) Equity-method affiliates:

Investments in all affiliated companies (6 affiliates) where shareholdings are more than 20% and where the Company has significant influence over operations, finance and management, are accounted for by the equity method. The main affiliate is Data Products Toppan Forms Ltd.

As Global Card Technology Co., Ltd. was liquidated in May 2008, it is excluded from the equity-method affiliates for the fiscal year ended March 31, 2009.

(c) Period end dates:

The period end date of T.F. Company Ltd. and 7 of its subsidiaries is December 31. The consolidated financial statements incorporate the accounts of these companies with adjustments for significant transactions 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 three categories:

Trading securities are stated at fair value, with changes in fair value being included in net income for the period in which they arise.

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 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.

The Company shortened the term of depreciation of digital printing press from 10 years to 4 years for the year ended March 31, 2009. This shortening resulted from the re-evaluation of the economic life of a digital printing press, taking the opportunity arising from the amendment to the Corporate Tax Law of Japan in 2008.

As a result, operating income, ordinary income and income before income taxes and minority interests for the fiscal year ended March 31, 2009 decreased by ¥1,055 million (US\$10,741 thousand) compared with what would have been reported under the previous accounting policy.

(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 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.

Notes to Consolidated Financial Statements

(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 which 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) Pension and severance plans:

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 following period in which they occur.

Most overseas subsidiaries have defined contribution retirement plans which are available to all employees.

In prior years, the Company and its domestic consolidated subsidiaries had 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) Foreign currency translation -

The translation of assets and liabilities denominated in foreign currency at the year-end 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 current 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.

(6) 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.

(7) 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 and cost or expense items, in the accompanying consolidated statement of income.

(8) Valuation method for assets and liabilities of subsidiaries -

Assets and liabilities of subsidiaries are measured at fair value when consolidated.

(9) Amortization of goodwill and negative goodwill -

Goodwill and negative goodwill is amortized equally over the relevant periods.

(10) Cash and cash equivalents -

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

3 Accounting Changes:

(1) Depreciation of property, plant and equipment -

In accordance with the amendment of the Corporate Tax Law of Japan in 2007, the Company and its domestic consolidated subsidiaries changed the depreciation method of property and equipment acquired on or after April 1, 2007 to the method based on the amended Corporate Tax Law of Japan. As a result, operating income and income before income taxes for the fiscal year ended March 31, 2008 decreased by ¥161 million (US\$1,607 thousand) compared with what would have been reported under the previous accounting policy.

In accordance with the amendment of the Corporate Tax Law of Japan in 2007, the Company and its domestic consolidated subsidiaries now depreciate the difference between 5% of the acquisition cost and the nominal residual value of tangible fixed assets acquired on or before March 31, 2007. From the fiscal year following the fiscal year that a tangible fixed asset is depreciated to the previously allowable 5% limit using a method based on the Corporate Tax Law of Japan, this difference is depreciated evenly over 5 years and included in depreciation and amortization. As a result, operating profit and income before income taxes for the fiscal year ended March 31, 2008 decreased by ¥347 million (US\$3,463 thousand) compared with what would have been reported under the previous method.

(2) Accounting standard for measurement of inventories -

Merchandise (supplies), raw materials and supplies are stated at cost determined by the first-in, first-out method and merchandise (machinery), finished goods and work-in-process are stated at cost determined by the specific identification method. "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan Statement No. 9, issued on July 5, 2006) has been adopted effective from the fiscal year ended March 31, 2009. Due to the adoption of this new accounting standard, 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. As a result, operating income, ordinary income for the fiscal year ended March 31, 2009 decreased by ¥35 million (US\$356 thousand) and income before income taxes and minority interests are decreased by ¥180 million (US\$1,832 thousand) compared with what would have been reported under the previous accounting policy.

(3) Lease transactions -

In prior years, leases that do not transfer ownership of the assets at the end of the lease term are accounted for as operating leases

by the Company and domestic subsidiaries. "Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan Statement No. 13 revised on March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan Statement No. 16 revised on March 30, 2007) have been adopted effective from the fiscal year ended March 31, 2009.

Due to the adoption of this new accounting standard, leases that do not transfer ownership of the assets at the end of the lease term are accounted for in a similar manner with ordinary purchase transactions and finance lease transactions that do not transfer ownership prior to the initial year of application are accounted for in a manner similar to accounting for ordinary rental transaction. As a result, this implementation had no major effect on operating income, ordinary income and income before income taxes and minority interests.

(4) Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements -

"Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No. 18, issued on May 17, 2006) has been adopted effective from the fiscal year ended March 31, 2009. Any necessary adjustment required on adoption of this new accounting standard is recorded in the course of the consolidation process. The effect of the adoption amounting to ¥ 11 million (US\$ 110 thousand) was directly charged to the opening retained earnings. This implementation had no effect on operating income, ordinary income and income before income taxes and minority interests for the year ended March 31, 2009.

4 Notes to Consolidated Balance Sheet:

(1) Investments in unconsolidated subsidiaries and affiliates are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Investment securities (shares)	¥1,304	¥986	\$10,047

(2) Contingent liabilities -

The Company had the following contingent liabilities as of March 31, 2008 and 2009:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Guarantee			
Employees housing loan	¥14	¥11	\$122

(3) Details of collateral and secured liabilities -

(a) Collateral:

	Millions of yen		Thousands of U.S. dollars
	2009		2009
Cash and deposits	¥ 24	\$ 244	
Buildings and structures	81	832	
Land	149	1,517	
Total	¥254	\$2,593	

(b) Secured liabilities:

	Millions of yen		Thousands of U.S. dollars
	2009		2009
Short-term loans payable	¥ 100	\$ 1,018	
Current portion of long-term loans payable	586	5,970	
Long-term loans payable	598	6,097	
Bonds payable	200	2,036	
Total	¥1,485	\$15,121	

Maximum amount of flexible mortgage is ¥468 million (US\$4,764 thousand).

5 Notes to Consolidated Statement of Income:

(1) Selling, general and administrative expenses -

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

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Delivery costs	¥ 5,762	¥ 5,642	\$ 57,438
Salaries and bonuses	12,606	13,035	132,695
Pension costs	221	449	4,568
Provisions for bonuses to employees	1,319	1,230	12,523
Provisions for bonuses to directors and corporate auditors	67	119	1,208
Provisions for retirement benefit of directors and corporate auditors	18	25	256
Depreciation	1,135	1,284	13,075
Rent expenses	2,712	2,278	23,192
Research and development expenditure	¥ 2,557	¥ 2,697	\$ 27,451

Notes to Consolidated Financial Statements

(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 ¥2,557 million and ¥2,697 million (\$27,451 thousand) for the fiscal years ended March 31, 2008 and 2009, respectively.

(3) The breakdown of gain on sales of noncurrent assets is as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars	
	2008	2009	2008	2009
Buildings and structures	¥ -	¥0	\$ 0	\$ 0
Machinery, equipment and vehicles	21	1	10	10
Tools, furniture and fixtures	0	0	0	0
	¥21	¥1	\$10	\$10

(4) The breakdown of loss on sales of noncurrent assets is as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars	
	2008	2009	2008	2009
Machinery, equipment and vehicles	¥3	¥0	\$1	\$1
Tools, furniture and fixtures	4	0	0	0
Telephone subscription right	-	0	1	1
	¥7	¥0	\$2	\$2

(5) The breakdown of loss on retirement of noncurrent assets is as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars	
	2008	2009	2008	2009
Buildings and structures	¥ 82	¥ 5	\$ 50	\$ 50
Machinery, equipment and vehicles	49	109	1,108	1,108
Tools, furniture and fixtures	12	19	194	194
Software	0	0	0	0
Telephone subscription right	0	-	-	-
	¥144	¥133	\$1,352	\$1,352

(6) Loss on valuation of inventories -

The inventory balance is stated net of the amounts written off to state the balance at net realizable value as of the year ended March 31, 2009. The write-downs are recorded as a cost of sale of ¥35 million (US\$356 thousand) for the fiscal year ended March 31, 2009.

6 Notes to Consolidated Statement of Changes in Net Assets:

The following are notes to the consolidated statement of changes in net assets as of March 31, 2008.

(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	1,016	3,002	16	4,003

(3) Matters related to dividends -

a) Amount of dividends paid

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, 2007	Common stock	1,481	Retained earnings	13.0	March 31, 2007	June 29, 2007
Meeting of directors held on October 26, 2007	Common stock	1,424	Retained earnings	12.5	September 30, 2007	December 10, 2007

b) Of the dividends for which the date of record is in the fiscal year ended March 31, 2008, those dividends with effective date in the following consolidated fiscal year is as follows.

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 July 27, 2008	Common stock	1,387	Retained earnings	12.5	March 31, 2008	July 30, 2008

The following are notes to the consolidated statement of changes in net assets as of March 31, 2009.

(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	0	—	4,003

(3) Matters related to dividends -

(a) Amount of dividends paid

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 27, 2008	Common stock	1,387	Retained earnings	12.5	March 31, 2008	June 30, 2008
Meeting of directors held on October 31, 2008	Common stock	1,387	Retained earnings	12.5	September 30, 2008	December 10, 2008

Resolution	Type of stock	Total amount of dividends (Thousand 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 27, 2008	Common stock	14,125	Retained earnings	0.13	March 31, 2008	June 29, 2008
Meeting of directors held on October 31, 2008	Common stock	14,125	Retained earnings	0.13	September 30, 2008	December 10, 2008

(b) Of the dividends for which the date of record is in the fiscal year ended March 31, 2009, those dividends with effective date in the following consolidated fiscal year are as follows.

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 July 26, 2009	Common stock	1,387	Retained earnings	12.5	March 31, 2009	July 29, 2009

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 July 26, 2009	Common stock	14,125	Retained earnings	0.13	March 31, 2009	July 29, 2009

7 Notes to Consolidated Statement of Cash Flow:

(1) Cash and cash equivalents -

“Cash and cash equivalents” comprise the following:

March 31	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Cash and time deposits with original maturity of three months or less	¥27,860	¥29,697	\$302,326
Less: Time deposits with original maturities of more than three months	(365)	(235)	(2,399)
Short-term investment securities	2,434	2,426	24,700
	¥29,929	¥31,888	\$324,627

8 Finance Leases:

(1) Finance lease transaction (lessee) -

Finance leases other than those which transfer ownership of properties to lessees

(a) Content of lease assets:

Property, plant and equipment

Mainly production machine (Machinery, equipment and vehicles) for Printing business.

(b) Depreciation method:

Please refer to (3) Depreciation and amortization of major assets (c) lease assets.

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 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Machinery, equipment and vehicles	¥6,024	¥5,711	\$58,141
Tools, furniture and fixtures	4,239	3,302	33,618
Other assets	286	273	2,782
Accumulated depreciation	(6,900)	(7,194)	(73,238)
Total	¥3,649	¥2,092	\$21,303

Notes to Consolidated Financial Statements

(b) Future lease payments under finance leases are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Due within one year	¥1,777	¥1,520	\$15,474
Due after one year	3,511	1,909	19,432
	¥5,288	¥3,429	\$34,906

(c) Lease payments and amounts representing depreciation and interest are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Lease payments	¥2,245	¥1,887	\$19,209
Amount representing depreciation	¥2,224	¥1,561	\$15,896
Amount representing interest	¥ 166	¥ 114	\$ 1,163

(2) Minimum lease payments under non-cancellable operating leases are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Due within one year	¥ 527	¥ 505	\$ 5,141
Due after one year	1,752	1,350	13,745
Total minimum lease payments	¥2,279	¥1,855	\$18,886

9 Marketable and Investment Securities:

The following is certain information relating to the aggregate book carrying amount and market value of securities as of March 31, 2008.

(1) "Trading securities"

Not applicable.

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

Not applicable.

(3) "Other securities" whose market price or quotations are available.

March 31, 2008	Millions of yen		
	Acquisition cost	Market value (= Book carrying amount)	Unrealized gains (losses)
Other securities whose market price or quotations exceed their book carrying amount on the consolidated balance sheet			
① Share stocks	¥3,082	¥5,647	¥2,565
② Others	61	62	1
	3,143	5,709	2,566
Other securities whose market price or quotations do not exceed their book carrying amount on the consolidated balance sheet			
① Share stocks	1,486	1,295	(191)
② Others	1,307	1,070	(237)
	2,793	2,365	(428)
Total	¥5,936	¥8,074	¥2,138

(4) "Other securities" sold in the current fiscal year.

March 31, 2008	Millions of yen
Proceeds from sales of "Other securities"	¥1,209
Gain on sales of "Other securities"	33
Loss on sales of "Other securities"	9

(5) Securities whose market price or quotations are not available.

March 31, 2008	Millions of yen
	Book carrying amount
Held-to-maturity debt securities	
① Government bonds, Municipal bonds, etc.	¥ 10
② Non-listed overseas bonds	2,100
③ Others	8
Other securities	
① Share stocks not listed on the market	¥2,401
② Others	2,434
	¥6,953

(6) Redemption schedule for "Other securities" that have maturity dates, and "Held-to-maturity debt securities".

March 31, 2008	Millions of yen			
	Due 2009	Due 2010~2013	Due 2014~2018	Due after 2019
1. Bonds				
① Government bonds, Municipal bonds, etc.	¥ -	¥10	¥ -	¥ -
② Corporate bonds	-	-	8	2,100
③ Others	-	-	-	-
2. Others				
① Mutual funds	261	5	85	351
	¥261	¥15	¥93	¥2,451

The following is certain information relating to the aggregate book carrying amount and market value of securities as of March 31, 2009.

(1) "Trading securities"

Not applicable.

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

Not applicable.

(3) "Other securities" whose market price or quotations are available.

March 31, 2009	Millions of yen		
	Acquisition cost	Market value (= Book carrying amount)	Unrealized gains (losses)
Other securities whose market price or quotations exceed their book carrying amount on the consolidated balance sheet			
① Share stocks	¥1,593	¥2,198	¥ 605
② Others	24	24	0
	1,617	2,222	605
Other securities whose market price or quotations do not exceed their book carrying amount on the consolidated balance sheet			
① Share stocks	2,688	2,172	(516)
② Others	1,131	831	(300)
	3,818	3,002	(816)
Total	¥5,435	¥5,224	¥(211)

March 31, 2009	Thousands of U.S. dollars		
	Acquisition cost	Market value (= Book carrying amount)	Unrealized gains (losses)
Other securities whose market price or quotations exceed their book carrying amount on the consolidated balance sheet			
① Share stocks	\$16,212	\$22,367	\$ 6,155
② Others	244	249	5
	16,456	22,616	6,160
Other securities whose market price or quotations do not exceed their book carrying amount on the consolidated balance sheet			
① Share stocks	27,360	22,111	(5,249)
② Others	11,518	8,462	(3,056)
	38,878	30,573	(8,305)
Total	\$55,334	\$53,189	\$(2,145)

(4) "Other securities" sold in the current fiscal year.

March 31, 2009	Millions of yen	Thousands of U.S. dollars
	Proceeds from sales of "Other securities"	¥323
Gain on sales of "Other securities"	1	7
Loss on sales of "Other securities"	(26)	(262)

(5) Securities whose market price or quotations are not available.

March 31, 2009	Thousands of U.S. dollars	
	Millions of yen	Book carrying amount
Held-to-maturity debt securities		
① Government bonds, Municipal bonds, etc.	¥ -	\$ -
② Non-listed overseas bonds	3,100	31,559
③ Others	8	76
Other securities		
① Share stocks not listed on the market	¥2,682	\$27,301
② Others	2,426	24,700
	¥8,216	\$83,636

Notes to Consolidated Financial Statements

(6) Redemption schedule for "Other securities" that have maturity dates, and "Held-to-maturity debt securities".

March 31, 2009	Millions of yen			
	Due 2010	Due 2011~2014	Due 2015~2019	Due after 2020
1. Bonds				
① Government bonds, Municipal bonds, etc.	¥ -	¥ -	¥ -	¥ -
② Corporate bonds	-	-	8	3,100
③ Others	-	-	-	-
2. Others				
① Mutual funds	5	2	423	322
	¥ 5	¥ 2	¥ 431	¥ 3,422

March 31, 2009	Thousands of U.S. dollars			
	Due 2010	Due 2011~2014	Due 2015~2019	Due after 2020
1. Bonds				
① Government bonds, Municipal bonds, etc.	\$ -	\$ -	\$ -	\$ -
② Corporate bonds	-	-	76	31,599
③ Others	-	-	-	-
2. Others				
① Mutual funds	50	25	4,309	3,280
	\$ 50	\$ 25	\$ 4,385	\$ 34,839

10 Derivative Financial Instruments:

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

As of March 31, 2008 and 2009, there was no contract outstanding for derivatives.

11 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. The Company

and 8 domestic consolidated subsidiaries transferred the defined benefit tax qualified pension plans to contributory funded defined benefit pension plans. Overseas subsidiaries do not have defined benefit pension plans.

The pension liabilities for employees as of March 31, 2008 and 2009 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
(1) Projected benefit obligation	¥26,421	¥27,533	\$280,291
(2) Plan assets at fair value	25,223	20,295	206,604
(3) Unfunded benefit obligation (1) - (2)	1,198	7,238	73,687
(4) Unrecognized actuarial gains/(losses)	(3,801)	(9,098)	(92,626)
(5) Unrecognized prior service costs	4,556	4,214	42,903
(6) Provision for retirement benefit (3) + (4) + (5)	¥ 1,953	¥ 2,354	\$ 23,964

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 ¥1,441 million and ¥1,038 million (\$10,565 thousand) as of March 31, 2008 and 2009, respectively.

The components of the net periodic pension cost for the fiscal years ended March 31, 2008 and 2009 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
(1) Service costs	¥1,238	¥1,265	\$12,880
(2) Interest costs	662	658	6,702
(3) Expected return on plan assets	974	832	8,466
(4) Expense for actuarial losses	65	383	3,901
(5) Amortization of prior service costs	(348)	(347)	(3,540)
(6) Net periodic pension cost (1) + (2) - (3) + (4) + (5)	¥ 643	¥ 1,127	\$ 11,477

The assumptions used as of March 31, 2008 and 2009 were as follows:

	2008	2009
(1) Discount rate	2.5%	2.5%
(2) Expected return on plan assets	3.5%	3.5%
(3) Method of attributing the projected benefits to periods of service	Straight-line basis	Straight-line basis
(4) Amortization of unrecognized prior service costs	Straight-line over 15 years	Straight-line over 15 years
(5) Amortization of unrecognized actuarial gain/loss	Straight-line over 15 years	Straight-line over 15 years

12 Stock Options:

The following are the number of common shares to be granted for stock options as of March 31, 2008.

	The date of ordinary shareholders' meeting	Number of common shares granted (shares)	Exercise price per share (exact yen)	Exercise periods
I. Stock option to purchase treasury stocks	June 28, 2001	145,000	2,200	From July 1, 2002 to June 30, 2007
II. Stock options to purchase newly issued shares	June 27, 2002	151,000	2,131	From July 1, 2003 to June 30, 2008
	June 27, 2003	157,000	1,255	From July 1, 2004 to June 30, 2009
	June 29, 2004	182,000	1,575	From July 1, 2005 to June 30, 2010
	June 29, 2005	211,000	1,308	From July 1, 2006 to June 30, 2011
	June 28, 2006	212,000	1,734	From July 1, 2007 to June 30, 2012
	June 28, 2007	245,000	1,527	From July 1, 2008 to June 30, 2013
		1,303,000		

The summary of the number of stock options is as follows.

The date of ordinary shareholders' meeting	28-Jun-01	27-Jun-02	27-Jun-03	29-Jun-04	29-Jun-05	28-Jun-06	29-Jun-07	Total
Exercise price per share (exact yen)	2,200	2,131	1,255	1,575	1,308	1,734	1,527	
Number of stock options (1)	1,450	1,510	1,570	1,820	2,110	2,120	2,450	13,030
Decrease on the exercise of stock options (2)	–	–	(943)	(270)	(250)	–	–	(1,573)
Decrease on the lapse of stock options (3)	(1,450)	(820)	(80)	(300)	(150)	(50)	–	(2,850)
Number of stock options as of March 31, 2007 (4) = (1) + (2) + (3)	–	690	547	1,250	1,600	2,070	2,450	8,607
Exercise periods	From July 1, 2002 to June 30, 2007	From July 1, 2003 to June 30, 2008	From July 1, 2004 to June 30, 2009	From July 1, 2005 to June 30, 2010	From July 1, 2006 to June 30, 2011	From July 1, 2007 to June 30, 2012	From July 1, 2008 to June 30, 2013	

Valuation method of stock option is as follows:

(1) Valuation method for stock option

Black–Scholes model

(2) Basic information for valuation for the stock option granted for the year ended March 31, 2008

Volatility	Estimated period for exercise	Estimated dividend	Interest rate
21.73%	3 years and 6 months (the half of effective period of stock option)	¥25.0 / per share	1.23% (based on Japanese Government bonds)

The following are the number of common shares to be granted for stock options as of March 31, 2009.

	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 27, 2002	151,000	¥2,131 / \$21.27	From July 1, 2003 to June 30, 2008
	June 27, 2003	157,000	¥1,255 / \$12.53	From July 1, 2004 to June 30, 2009
	June 29, 2004	182,000	¥1,575 / \$15.72	From July 1, 2005 to June 30, 2010
	June 29, 2005	211,000	¥1,308 / \$13.06	From July 1, 2006 to June 30, 2011
	June 28, 2006	212,000	¥1,734 / \$17.31	From July 1, 2007 to June 30, 2012
	June 29, 2007	245,000	¥1,527 / \$15.24	From July 1, 2008 to June 30, 2013
		1,158,000		

The summary of the number of stock options is as follows.

The date of ordinary shareholders' meeting	27-Jun-02	27-Jun-03	29-Jun-04	29-Jun-05	28-Jun-06	29-Jun-07	Total
Exercise price per share (exact yen/U.S. dollars)	¥2,131 / \$21.27	¥1,255 / \$12.53	¥1,575 / \$15.72	¥1,308 / \$13.06	¥1,734 / \$17.31	¥1,527 / \$15.24	
Number of stock options (1)	1,510	1,570	1,820	2,110	2,120	2,450	11,580
Decrease on the exercise of stock options (2)	–	(943)	(270)	(360)	–	–	(1,573)
Decrease on the lapse of stock options (3)	(820)	(80)	(300)	(150)	(50)	–	(1,400)
Number of stock options as of March 31, 2007 (4) = (1) + (2) + (3)	690	547	1,250	1,600	2,070	2,450	8,607
Exercise periods	From July 1, 2003 to June 30, 2008	From July 1, 2004 to June 30, 2009	From July 1, 2005 to June 30, 2010	From July 1, 2006 to June 30, 2011	From July 1, 2007 to June 30, 2012	From July 1, 2008 to June 30, 2013	

Notes to Consolidated Financial Statements

13 Income Taxes:

The significant components of deferred tax assets and liabilities for the fiscal years ended March 31, 2008 and 2009 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Deferred tax assets:			
Provision for bonuses	¥ 1,460	¥1,625	\$16,547
Enterprise tax	258	326	3,315
Depreciation	50	59	597
Provision for directors' retirement benefits	252	161	1,639
Provision for retirement benefits	1,121	1,294	13,177
Allowance for doubtful accounts	87	88	891
Unrealized loss on golf club membership	182	205	2,085
Unrealized loss on investment securities	233	564	5,742
Valuation difference on available-for-sale securities	–	103	1,047
Others	355	586	5,976
Sub total of deferred tax assets	3,998	5,011	51,016
Valuation allowance	–	(222)	(2,257)
Deferred tax assets total	3,998	4,789	48,759
Deferred tax liabilities:			
Undistributed earnings of foreign subsidiaries	(157)	(51)	(518)
Valuation difference on available-for-sale securities	(833)	–	–
Depreciation	(86)	(97)	(991)
Others	(65)	(62)	(629)
Deferred tax liabilities total	(1,141)	(210)	(2,138)
Deferred tax assets, net (*)	¥ 2,857	¥4,579	\$46,621

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

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Current assets—deferred tax assets:	¥2,016	¥2,222	\$22,619
Long-term assets—deferred tax assets:	1,015	2,515	25,606
Long-term liabilities—deferred tax liabilities:	(174)	(158)	(1,604)
Deferred tax assets, net	¥2,857	¥4,579	\$46,621

Disclosure of the reconciliation between the statutory effective tax rate and the effective corporate income tax rate is required if the difference of these two rates is more than 5% of the statutory tax rate. The Company did not disclose such reconciliations as the difference was less than 5% for the fiscal years ended March 31, 2008 and 2009.

14 Segment Information:

(1) Segments by industry -

March 31, 2008	Millions of yen				
	Printing business	Merchandise businesses	Total	Elimination/ Corporate	Consolidated
I. Net sales:					
(1) Outside customers	¥176,897	¥51,668	¥228,565	¥ –	¥228,565
(2) Inter-segment	466	1,578	2,044	(2,044)	–
Total	177,363	53,246	230,609	(2,044)	228,565
Operating expenses	162,142	51,605	213,747	(359)	213,388
Operating income	¥ 15,221	¥ 1,641	¥ 16,862	¥(1,685)	¥ 15,177
II. Assets, depreciation and capital expenditure:					
Assets	¥131,270	¥18,277	¥149,547	¥35,691	¥185,237
Depreciation	6,221	134	6,355	14	6,369
Capital expenditure	9,820	9	9,828	–	9,828

	Millions of yen				
March 31, 2009	Printing business	Merchandise business	Total	Elimination/Corporate	Consolidated
I. Net sales:					
(1) Outside customers	¥183,519	¥52,376	¥235,895	¥ –	¥235,895
(2) Inter-segment	470	1,522	1,992	(1,992)	–
Total	183,989	53,898	237,887	(1,992)	235,895
Operating expenses	169,358	51,547	220,905	(696)	220,209
Operating income	¥ 14,631	¥ 2,351	¥ 16,982	¥ (1,295)	¥ 15,687
II. Assets, depreciation and capital expenditure:					
Assets	¥135,144	¥17,706	¥152,850	¥32,786	¥185,636
Depreciation	8,387	156	8,543	18	8,561
Capital expenditure	9,592	28	9,620	–	9,620

	Thousands of U.S. dollars				
March 31, 2009	Printing business	Merchandise businesses	Total	Elimination/Corporate	Consolidated
I. Net sales:					
(1) Outside customers	\$1,868,263	\$533,197	\$2,401,460	\$ –	\$2,401,460
(2) Inter-segment	4,780	15,490	20,270	(20,270)	–
Total	1,873,043	548,687	2,421,730	(20,270)	2,401,460
Operating expenses	1,724,094	524,754	2,248,848	(7,088)	2,241,760
Operating income	\$ 148,949	\$ 23,933	\$ 172,882	\$ (13,181)	\$ 159,701
II. Assets, depreciation and capital expenditure:					
Assets	\$1,375,794	\$180,255	\$1,556,049	\$ 333,758	\$1,889,807
Depreciation	85,382	1,583	86,965	184	87,149
Capital expenditure	97,648	280	97,928	–	97,928

Note:

(a) Segment information by business activity is determined by considering the product line, the product market, and the management control of the business.

(b) The main products of each business segment are as follows:

i) Printing business: Printing of business forms and data printing services.

ii) Merchandise business: Sales of supplies and equipment related to the printing business, business information operating services and other.

(c) Corporate expenses mainly include administrative expenses of the Company.

(d) "Assets" mainly include short-term deposits and long-term investments of the Company.

(e) Accounting changes

Depreciation of property, plant equipment

The Company changed accounting policies relating to the depreciation method of property and equipments for the year ended March 31, 2008. As a result, operating expenses on printing business increased for ¥492 million and on merchandise business increased for ¥14 million and operating income decreased same amount, respectively.

Accounting standard for measurement of inventories

"Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan Statement No. 9, issued on July 5, 2006) has been adopted effective from the fiscal year ended March 31, 2009. As a result, operating expenses on printing business increased for ¥15 million (US\$155 thousand) and on merchandise business increased for ¥20 million (US\$203 thousand) and operating income decreased same amount, respectively.

Change in the depreciation term of property, plant and equipment

The Company shortened the term of depreciation of digital printing press from 10 years to 4 years for the year ended March 31, 2009.

This shortening is resulted from the revaluation of economic life of digital printing press, taking the opportunity of the amendment of the Corporate Tax Law of Japan in 2008. As a result, operating expense of printing business increased for ¥1,055 million (US\$10,741 thousand) and operating income decreases the same amount.

(2) Geographic areas -

Geographic information on consolidated subsidiaries located in countries or regions outside of Japan is not presented since the sales and assets of the Company and its consolidated subsidiaries located in Japan exceed 90% of consolidated sales in total and consolidated assets in total.

15 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 and rental expenses for Mr. Fukuda, who is the chairman of the board of directors. 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, 2008 and 2009 amounted to ¥8,182 million and ¥8,580 million (\$87,348 thousand), respectively. The balance of accounts receivable from Toppan Printing Co., Ltd. as of March 31, 2008 and 2009 amounted to ¥2,858 million and ¥2,230 million (\$22,699 thousand), respectively.

"Accounting Standard for Related Party Disclosures" (Accounting Standards Board of Japan Statement No. 11, issued on October 17, 2006) and "Guideline on Accounting Standard for Related Party Disclosures" (Accounting Standards Implementation Guideline No. 13, issued on October 17, 2006) have been adopted effective for the fiscal year ended March 31, 2009.

On adoption of this new accounting standard, director of the parent company and director of major subsidiaries are additionally defined as related parties. For the year ended March 31, 2009, no additional disclosure is required for the Company.

Notes to Consolidated Financial Statements

16 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.

March 31	Yen		U.S. dollars (Note 1)
	2008	2009	2009
Net assets per share	¥1,162.99	¥1,199.04	\$12.21
Net income per share	77.24	79.20	0.81
Diluted net income per share	—	—	—

Basic net income per share

March 31	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2009	2009
Net income	¥ 8,752	¥ 8,791	\$89,497
Net income not available to common shareholders	—	—	—
Net income available to common shareholders	8,752	8,791	89,797
Weighted-average number of shares outstanding (thousand shares)	113,311	110,997	—

17 Schedule of Bonds:

Company	Type of bond	Date of issuance	Beginning balance		Ending balance		Interest rate	Collateral	Date of maturity
			Millions of yen	Thousands of U.S. dollars	Millions of yen	Thousands of U.S. dollars			
TOSCO CORPORATION	The 7th unsecured bond	May 26, 2008	—	—	200	2,036	1.8	—	May 25, 2011
Total			—	—	200	2,036			

As in October 2008 the Company acquired 69.65% of the issued shares of TOSCO CORPORATION which is included in the consolidated financial statements for the fiscal year ended March 31, 2009, the beginning balance is not applicable.

18 Schedule of Borrowings:

	Millions of yen		Thousands of U.S. dollars		Average interest rate (%)	Due date of payment
	2008	2009	2009	2009		
Short-term loans payable	¥526	¥ 455	\$ 4,641		1.61	—
Current portion of long-term loans payable	—	826	8,406		1.81	—
Lease obligations	—	58	592		—	—
Long-term loans payable (without current portion)	100	979	9,962		1.87	From 2010 to 2013
Lease obligations (without current portion)	—	94	954		—	—
Other	—	—	—		—	—
	¥626	¥2,412	\$24,555			

(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, 2009) is 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			
Long-term loans payable	700	231	47	—	7,124	2,355	483	—
Lease obligations	38	26	24	5	391	268	244	51

Report of Independent Auditors

June 26, 2009

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 subsidiaries as of March 31, 2009, and the related consolidated statements of income, changes in net assets and cash flows for the year then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company’s management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries as of March 31, 2009, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 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

Principal Subsidiaries and Affiliates

(As of March 31, 2009)

Name	Country	Main business	Issued capital (Thousands)	Equity held by the Company (%)
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
Toppan Forms Process Co., Ltd.	Japan	Processing of business forms and DPS operations	¥ 100,000	100.0
Techno Toppan Forms Co., Ltd.	Japan	Sale, maintenance, and repair of office equipment	¥ 100,000	100.0
Toppan Forms Kansai Co., Ltd.	Japan	Distribution, delivery, and storage services Manufacture of business forms	¥ 50,000	100.0
Toppan Forms Nishinohon 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
T.F. Company Ltd.	Hong Kong	Holding company	HK\$ 40,000	100.0
Toppan Forms (Hong Kong) Ltd.	Hong Kong	Manufacture and sale of business forms Sale of plastic cards, computer supplies, DPS, and office automation machines	HK\$ 35,000	100.0 ^{*1}
Toppan Forms Card Technologies Ltd.	Hong Kong	Manufacture and sale of plastic cards Sale of card-related products	HK\$ 2,000	100.0 ^{*2}
Toppan Forms (S) Pte. Ltd.	Singapore	Manufacture and sale of business forms, DPS, Sale of machines for processing business forms	S\$ 1,226	100.0 ^{*3}

Total number of subsidiaries: 24

Total number of affiliates: 6

*1 Indirectly owned through T.F. Company Ltd.

*2 30.0 percent directly owned by the Company and 70.0 percent indirectly owned through T.F. Company Ltd.

*3 52.3 percent directly owned by the Company and 47.7 percent indirectly owned through T.F. Company Ltd.

Board of Directors

(As of June 30, 2009)

CHAIRMAN

Masanori Akiyama

PRESIDENT AND CEO

Shu Sakurai

VICE PRESIDENT

Hirohito Okada

SENIOR MANAGING DIRECTORS

Kenji Nitta

MANAGING DIRECTORS

Takayoshi Otsubo

Keiichi Utaka

Eiji Katoh

Kenji Tamada

DIRECTORS

Naoki Adachi

Shigetaka Mori

Shuji Sekioka

Takashi Nishishimura

Akira Kameyama

Jiro Kurobane

Kenichi Fukushima

CORPORATE AUDITORS

Akihiro Nagata (full-time)

Kenji Osanai (full-time)

Takashi Sawada (full-time)

Kunio Sakuma

Takeshi Toyama

Investor Information

(As of March 31, 2009)

STOCK LISTING

Tokyo Stock Exchange

COMMON STOCK

Authorized: 400,000,000 shares

Issued: 115,000,000 shares

STOCK CODE

7862

STOCK TRANSACTION UNIT

100 shares

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

PricewaterhouseCoopers Aarata

(Member Firm of PricewaterhouseCoopers LLP)

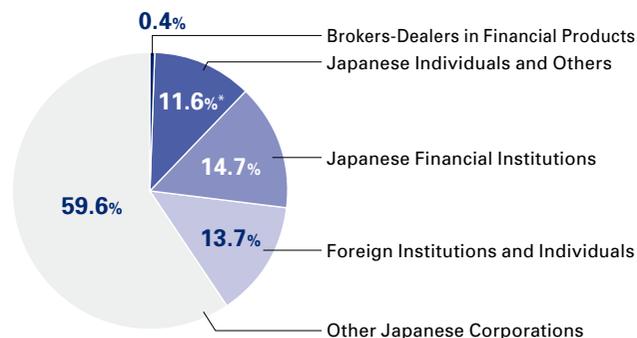
TRANSFER AGENT

Mitsubishi UFJ Trust and Banking Corporation

NUMBER OF SHAREHOLDERS

9,633

Shareholdings by Type of Shareholder



* Included in Japanese Individuals and Others is 3.5% being treasury stock.

TOPPAN FORMS CO.,LTD.

1-7-3 Higashi Shimbashi,
Minato-ku, Tokyo 105-8311, Japan
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<http://www.toppa-f.co.jp>