



CSR 2014

Toyo Seikan Group
CSR Report 2014

CORPORATE SOCIAL RESPONSIBILITY REPORT

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Open Up and Be Inspired

Toyo Seikan Group contributes to the solution of social issues through its business activities. All employees of the Group are aware of their social responsibility in daily operations and act accordingly.

Through these efforts, Toyo Seikan Group creates the values of "Open Up and Be Inspired", and aims to become a company that contributes to the development of a sustainable society.

Editorial Policy

Toyo Seikan Group, under the holding company system, promotes group management based on CSR management. This report was created with the aim of clearly communicating the CSR vision and activities of Toyo Seikan Group to its stakeholders.

The Group's basic stance on CSR is to have a sincere dialog with all its stakeholders and respond to them.

We would be happy to share your opinions and feedback.

For additional information not covered in this report, please view our website.

<http://www.tskg-hd.com/en/csr/>

Basic Report

Scope of the Report

Domestic and overseas group companies including Toyo Seikan Group Holdings, Ltd.

Period covered: April 1, 2013 to July 31, 2014

Numerical data: April 1, 2013 to March 31, 2014

Publication

October 2014

(Next publication scheduled for October 2015)

Reference Guideline

ISO26000 (Guidance on Social Responsibility)

See the following for detailed activities of our operating companies.

Toyo Seikan Co., Ltd.: Sustainability Report

<http://www.toyo-seikan.co.jp/e/eco/>

Toyo Kohan Co., Ltd.: CSR

<http://www.toyokohan.co.jp/en/csr/index.html>

Toyo Glass Co., Ltd.: Environment and Social Report

<http://www.toyo-glass.co.jp/environment/report.html>

Tokan Kogyo Co., Ltd.: Environment Report

http://www.tokan.co.jp/english/environment/environment_manage.html

Nippon Closures Co., Ltd.: Environment and Social Report

http://www.ncc-caps.co.jp/corporation/eco_report.html

Tokan Material Technology Co., Ltd.: Environment Report

<http://www.tomatec.co.jp/global/en/environment.html>

Toyo Aerosol Industry Co., Ltd.: On Environment

<http://www.toyoa.co.jp/environment/>

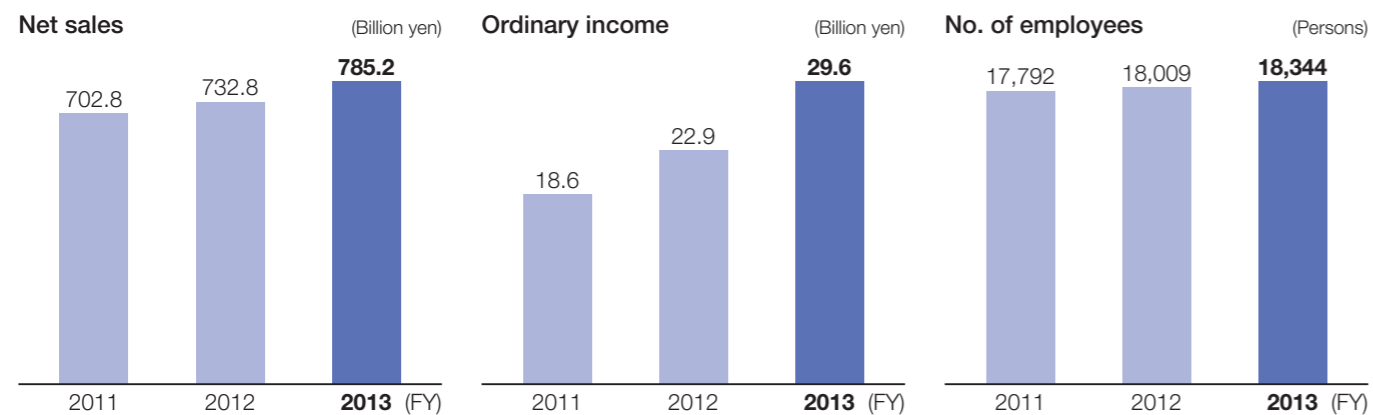
Table of Contents

Company Profile.....	4
Our Businesses.....	5
Toyo Seikan Group Companies.....	6
Message from President for Readers.....	8
Group News & Topics	10
Management.....	12
CSR Management of Toyo Seikan Group	
Corporate Governance	
Relationship with Stakeholders.....	15
Shareholders and Investors	
Local Societies	
Global Environment	

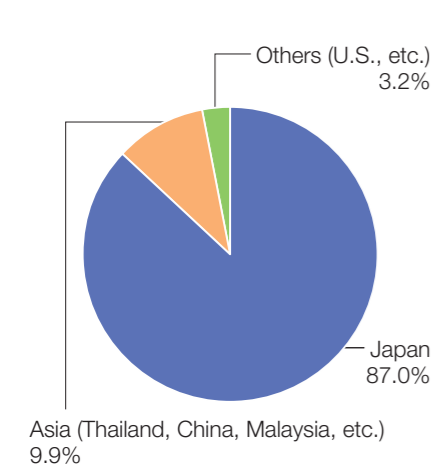
Toyo Seikan Group Holdings, Ltd.

Established	June 25, 1917
Representative	Takao Nakai, President and Representative Director
Capital	11,094,600,000 yen
Head Office	Osaki Forest Bldg., 2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo 141-8627 Japan
Number of Employees	392 (consolidated: 18,344) as of March 31, 2014
Business Segments	Packaging business, Steel plate related business, Functional materials related business, Real estate related business and other businesses

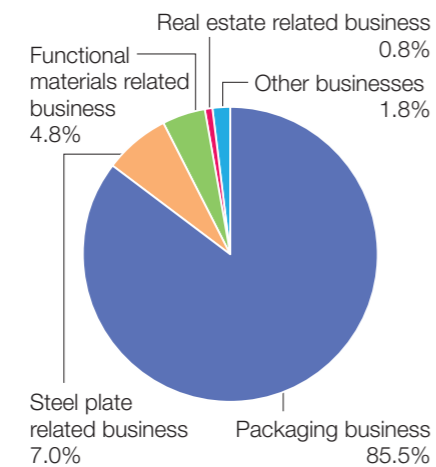
Financial Data (Consolidated)



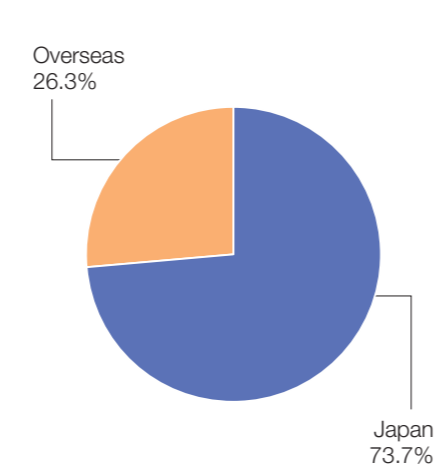
Net sales by region



Net sales by business segment



No. of employees by region



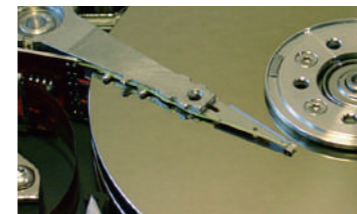
Packaging business

This segment primarily manufactures and sells various packaging containers to support people's daily lives such as metal cans, plastic containers, caps, bottles, paper containers and aerosol products.



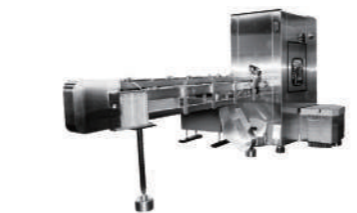
Steel plate related business

This segment primarily manufactures and sells various steel plate materials that play a key part in every phase of daily life, such as materials for cans, materials for electrical and electronic components, materials for automobile and industry machinery parts, construction materials and materials for household electronic appliances.



Functional materials related business

This segment primarily manufactures and sells materials with various functional properties, such as aluminum substrates for magnetic disks, functional films for optics, glost, micro-elements fertilizers, pigments and gel coats.



Machinery and equipment business

This segment primarily manufactures and sells machinery and equipment related with packaging containers, such as container manufacturing equipment and filling & seaming equipment.



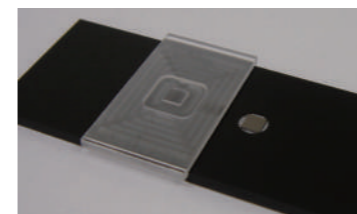
Logistics business

This segment engages in motor truck transportation business and warehousing business mainly for group companies.



Other businesses

In addition, the Group manufactures and sells hard alloys, machinery and appliances and raw material products for agriculture, sells petroleum products, and engages in non-life insurance agency business and real estate management business.



New businesses

By leveraging our core technologies, we are expanding into new business areas such as IT, energy, life science and nanotechnology.

● Toyo Seikan Group Holdings, Ltd.

Head Office
Corporate R&D Center
Ho Chi Minh City Representative Office (Vietnam)
Istanbul Liaison Office (Turkey)

● Toyo Seikan Co., Ltd.

Manufactures and sells various kinds of cans and containers and filling equipment

● Honshu Seikan Co., Ltd.

Manufactures and sells 18 liter cans, metal cans and general line cans

● Nippon National Seikan Co., Ltd.

Manufactures and sells beverage cans

● Ryukyu Seikan Kaisha, Ltd.

Manufactures and sells metal cans and plastic bottles

● PET Refine Technology Co., Ltd.

Recycles PET bottles

● Toyo Seihan Co., Ltd.

Manufactures printing plate for printing metal and film

● Fukuoka Packing Co., Ltd.

Manufactures and sells sealant for metal, plastic and glass containers

● TM Pack Co., Ltd.

Manufactures and sells beverage PET bottle products

● Toyo Food Equipment Co., Ltd.

Manufactures and sells canning machinery, bottling machinery, packaging machinery, and food processing machinery

● Toyo Mebius Co., Ltd.

Trucking, warehousing and others

■ Japan Bottled Water Co., Ltd.

Manufactures and sells containers and servers for bottled water

■ T&T Energetechno Co., Ltd.

Manufactures and sells packaging material mainly for lithium-ion secondary batteries

■ Lymphotec Inc.

Amplified Natural Killer Therapy support, pharmaceutical production

● Bangkok Can Manufacturing Co., Ltd. (Thailand)

Manufactures and sells 2-piece steel & aluminum cans and aluminum lids

● Next Can Innovation Co., Ltd. (Thailand)

Manufactures and sells 2-piece steel & aluminum cans

● Toyo Seikan (Thailand) Co., Ltd.

Manufactures and sells general plastic products; manufactures and sells beverage PET bottles and undertakes contract filling; a technical support center and administration of group companies

● Kanagata (Thailand) Co., Ltd.

Manufactures and sells molds for plastic products

● Global Eco-can Stock (Thailand) Co., Ltd.

Manufactures and sells resin-coated aluminum materials

● Toyo Mebius Logistics (Thailand) Co., Ltd.

Trucking business

● Malaysia Packaging Industry Berhad (Malaysia)

Manufactures and sells flexible packaging

● Toyo Seikan Guangzhou Co., Ltd. (China)

Sells cans, plastic containers and other packaging

● Tokan (Guangzhou) High Technology Containers Co., Ltd. (China)

Manufactures and sells 2-piece steel & aluminum cans

● Toyo Pack (Changshu) Co., Ltd. (China)

Manufactures and sells beverage PET bottles and undertakes contract filling

● Stolle Tokan Machinery (Shanghai) Co., Ltd. (China)

Manufactures and sells machines and tools for packaging container manufacturing and for canned & bottled products, and other machines and tools

● Can Machinery Holdings, Inc. (USA)

Holding Company

● Stolle Holdings, Inc. (USA)

Holding Company

● Stolle Machinery Company, LLC (USA)

Develops, manufactures and sells can and lid manufacturing machines and provides related services

● Stolle Europe Ltd. (U.K.)

Develops and sells can and lid manufacturing machines and provides related services

● Stolle Machinery do Brasil Industria e Comercio Equipamentos Ltda. (Brazil)

Manufactures and sells can and lid manufacturing machines and provides related services

● Stolle Asia Pacific Co., Ltd (Vietnam)

Sells can and lid manufacturing machines and provides related services

■ Asia Packaging Industries (Vietnam) Co., Ltd.

Manufactures and sells 2-piece aluminum cans

● Toyo Kohan Co., Ltd.

Manufactures and sells tin plates, thin plates, and surface-treated steel sheets

Manufactures and sells substrates for magnetic disks, functional films for optical applications

● Kohan Shoji Co., Ltd.

Sells steel sheets and their processed products

● Kohan Kogyo Co., Ltd.

Manufactures and sells steel bands, automatic binders, hard alloys and manufactures magnetic disk aluminum substrates

● KY Technology Co., Ltd.

Manufactures and sells building materials and logistics equipment

■ TOYO PAX Co., Ltd.

Manufactures and sells packing materials; cutting, verification and packing work

■ Kyodo Kaiun Co., Ltd.

Marine transport and harbor transport services, custom agent services

■ Kudamatsu Unyu Co., Ltd.

Land transport, harbor transport services, custom agent services, and warehousing

■ TOYO PARTNER Co., Ltd.

Services related to employee welfare facilities and others, staffing business, etc.

● TOYO-MEMORY TECHNOLOGY SDN.BHD. (Malaysia)

Manufactures and sells aluminum substrates for magnetic disks

■ TOYO KOHAN SHANGHAI CO., LTD. (China)

Sells steel sheet related products, hard materials, and automatic binders and provides related services

■ Hunan TOYO-LEED Material Science & Technology Co., Ltd. (China)

Conducts research, development, manufacturing and sales of surface treated substrates such as steel sheets, aluminum, copper, and stainless steel and any and all business activities ancillary to the above

■ TOYO KOHAN Jiangsu Co., Ltd. (China)

Manufactures laminated steel sheet for cans

■ Kohan Kogyo Korea Co., Ltd. (Korea)

Manufactures and sells automatic binding devices and hard alloys, and provides related services

■ Tosyalı Toyo Steel CO. INC. (Turkey)

Manufactures and sells cold rolled steel sheets and surface-treated steel sheets (construction of surface-treated steel sheet plant is in progress)

● Toyo Glass Co., Ltd.

Manufactures and sells glass bottles

● Toyo Sasaki Glass Co., Ltd.

Manufactures and sells glassware

● Toyo Glass Machinery Co., Ltd.

Manufactures and sells molds for glass and plastic bottles, and glass bottle manufacturing machinery

● Toyo Glass Logistics Co.,Ltd

Trucking business, various yard operation contracting

● Tohoku Keisha Co., Ltd.

Manufactures and sells silica sand

● Tosho Co., Ltd.

Sells glass products

● Toyo Glass Mold (Thailand) Co., Ltd.

Manufactures and sells molds for glass products

● Tokan Kogyo Co., Ltd.

Manufactures and sells paper cups and general plastic products

● Nippon Tokan Package Co., Ltd.

Manufactures and sells cardboard products and paperware

● Toyo Unicon Co., Ltd.

Manufactures and sells corrugated plastic products

● Tokan Kosan Co., Ltd.

Manufactures and sells films for agriculture

● Tokan Takayama Co., Ltd.

Manufactures and sells paper container and lid products

● Tokan Logitech Co., Ltd.

Trucking and warehousing

● Shosando Co., Ltd.

Manufactures and sells paper cups, pasteboard and spoons

● DAC Co., Ltd.

Plans and sells paper and plastic container products

● Sunnap Co., Ltd.

Sells paper cups, plates and napkins

■ Takeuchi Hi-Pack Co., Ltd.

Manufactures and sells cardboard products and paperware

■ SENRI TRANSPORTATION Inc.

Trucking business

■ Shida Shiko Co., Ltd.

Manufactures and sells corrugated plastic products

● Tokan (Changshu) High Technology Containers Co., Ltd. (China)

Manufactures and sells plastic products

● TAIYO PLASTIC CORPORATION OF THE PHILIPPINES (Philippines)

Manufactures and sells plastic products

● T.K.G. CORPORATION (Philippines)

Land leasing

● Nippon Closures Co., Ltd.

Manufactures and sells metal and plastic closures

● Shin-Sankyo-Pd.

Trucking business

● Crown Seal Public Co., Ltd. (Thailand)

Manufactures and sells metal & plastic caps and crown caps

● Riguan Closure (Changshu) Co., Ltd. (China)

Manufactures and sells plastic caps for beverage PET bottles

■ NCC Europe GmbH (Germany)

Manufactures and sells caps for beverages

● Tokan Material Technology Co., Ltd.

Manufactures and sells frit products, pigments and gel coat

● TOMATEC (Shanghai) Fine Materials Co., Ltd. (China)

Manufactures and sells inorganic pigments (Complex Inorganic Color Pigment)

● TOMATEC (XIAMEN) FINE MATERIAL CO., LTD. (China)

Manufactures and sells frit for enamel, tiling and ceramics, glaze and glass filler for synthetic marble

● Sun Dragon Development Limited (China)

Holding company of TOMATEC (XIAMEN) FINE MATERIAL CO., LTD. (China)

● Sunny Star Development Limited (China)

Sole export agent of TOMATEC (XIAMEN) FINE MATERIAL CO., LTD.

● TOMATEC America, Inc. (USA)

Imports and sells inorganic pigments, frits, etc.

● PT. TOMATEC INDONESIA (Indonesia)

Manufactures and sells frits and pigments

● Toyo Aerosol Industry Co., Ltd.

Contract manufacturing and sales of aerosol and general aseptic filling products

● Toyo Filling International Co., Ltd. (Thailand)

Contract manufacturing and sales of aerosol products

■ Toyo & Deutsche Aerosol GmbH (Germany)

Manufactures and sells aerosol products

● Tokan Shoji Co., Ltd.

Sells steel materials for can making

● Tokan Kyohei Kaisha, Ltd.

Offers insurance products, real estate rental management services, and tourism services

Message from President for Readers



Mission to be inherited

In 2013 Toyo Seikan Group transferred to a holding company system and on June 26, 2014, I, Takao Nakai was appointed President succeeding former President Shunji Kaneko.

I believe Toyo Seikan has respectable corporate mission that has been passed down since its foundation, that is, “the company’s goal is to contribute to the happiness of mankind through packaging technologies”. Each Group company has its outstanding business philosophy, but I believe eternal pursuit of this mission is where essential CSR of the Group starts. Assuming this mission, I will strive to maximize our corporate value together with our stakeholders.

Becoming a globally reliable company in various business areas

Japan’s economy in 2013 saw positive signs of recovery in the financial economy and export industry due to continued higher stock prices and yen’s depreciation. In addition, we saw gradual economic recovery on the back of successful bid for the 2020 Olympics in Tokyo. On the other hand, the business conditions of the markets in which the Group operates are extremely harsh because of a rise in energy and raw material costs and intensified competition in Japan and abroad.

In April 2013, we formulated “Growing 2022”, the Group’s mid-to-long term vision for growth, and set “Growing into a global company that develops peripheral businesses centered on packaging operations” as our future vision for the next decade. The third Medium-term Management Plan (FY2013 -FY2015) started for such achievement.

In FY2013, we could achieve the first year target under the Group’s third Medium-term Management Plan due to factors including robust sales at overseas companies and solid sales of functional materials such as aluminum

substrates for magnetic disks. In the packaging business, our operating companies have developed and supplied highly value-added products such as PET bottles with superior gas barrier function, easy-to-open corned beef containers and caps, glass bottles with superior printing property, thermal insulation embossed paper cups, and “DUAL”, an aerosol container for hair dye. As part of active investment strategies, we have also advanced into Europe for the first time, following ASEAN, China, and the U.S., and paved the way for increasing the overseas sales ratio to 15% in 2015, the third year of the Plan.

For new businesses focused on life science, “GENOGATE”, our genetic testing system to detect fungi was launched to the market and is used by hygiene management service companies.

While accelerating collaboration across the Group and improving the profitability in existing businesses, we will strategically invest even more in overseas businesses and new businesses with high growth potential.

In 2013, we formulated the “Group CSR Basic Policy” together with the Group’s third “Medium-term Management Plan”. Under the Policy, a CSR promotion framework at each Group company was identified and some activities were implemented to raise employees’ CSR awareness. We aim to establish a globally trusted Toyo Seikan Group brand while building a solid CSR promotion framework for the Group.

Solving social issues through business activities

Toyo Seikan Group contributed to improve people’s daily life by sharing the role of social infrastructure to support their living through its products, systems and services. As part of such efforts, we pursued businesses to tackle social issues such as implementing recycling campaigns against can littering issue in the 1970s, and developing/launching our proprietary and ecological “TULC” cans in 1990s which do not use



water in the can forming process. “TULC” continues to evolve further. In recent years, we started “PET bottle to PET bottle” business for recycling. There are many more global social issues we must address for human happiness, such as ensuring environmental sustainability, preventing human rights violations, eradicating global hunger and preventing corruption. Toyo Seikan Group will solve social issues through its business activities leveraging our accumulated technology and expertise, and continue to grow with the society.

We ask for the continued support and guidance of all our stakeholders.

中井隆夫

Takao Nakai
President and Representative Director
Toyo Seikan Group Holdings, Ltd.

Expanding Toyo Seikan Group's brand globally

In 2014, Toyo Seikan Group established its first production base in Europe and expanding its business area from ASEAN and China into Europe and U.S.

NCC Europe GmbH (Germany)

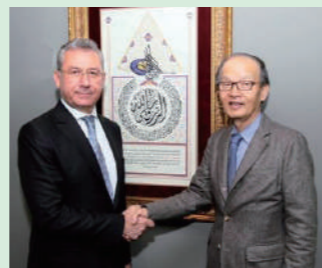
On January 15, 2014, we established a joint venture to manufacture and sell beverage caps in Freistaat Thüringen, Germany. We will locally produce Maxi-P bottle caps in Europe where bottled beverages are the main stream.



Maxi-P

Construction of a new plant for Tosyali Toyo Steel CO. INC. (Turkey)

The Group decided to construct a manufacturing plant for surface-treated steel sheet in Turkey with strong economic growth, by forming a joint venture between Tosyali Holding and Toyo Kohan. The plant is scheduled for operation in 2016. Toyo Kohan has its main production base in Kudamatsu City, Yamaguchi Prefecture, and will further promote overseas businesses leveraging the new plant in Turkey as a foothold for globally expanding the steel plate related business.



Left: President Tosyali of Tosyali Holding
Right: Chairman Tanaka of Toyo Kohan

Establishment of Toyo & Deutsche Aerosol GmbH (Germany)

In April 2014, a joint venture to contract fill aerosol products was established in the suburbs of Munich, Germany. The company will manufacture and sell DUAL, a new double-structured aerosol container that can discharge two contents simultaneously with one push for the Europe and U.S. markets where aerosol products are consumed about ten times more than in Japan.



Full view of the plant

DUAL

PT Indonesia Caps and Closures (Indonesia)

In August 2014, we established this joint venture to manufacture and sell plastic caps in Bekasi, West Java, Indonesia. We aim to contribute to the development of the beverage market in Indonesia whose market size is expanding rapidly in recent years.



New plant of PT. TOMATEC INDONESIA (Indonesia)

In March 2014, a subsidiary of Tokan Material Technology completed its new plant in East Java, Indonesia. It manufactures and sells frit used as the raw material for enameled products and pigments for plastic and paint.



Full view of the plant

FY2013 Award Winning Products of Toyo Seikan Group

The containers and packaging products developed by the Toyo Seikan Group companies have received high evaluations both inside and outside Japan. Among the award winning products in FY2013, we find many products with the aim of improving ease of use, or further reducing the environmental burden.

A year has passed since our transition to the holding company system. We will promote collaboration among Group companies to achieve higher synergies and continue developing packaging containers that meet customer needs more than ever.

*See our website to view the award winning products.

- World Star Contest - Worldstar Award
- Japan Packaging Contest- Japan Star Prize
- Kinoshita Award (Improvement and Rationalization Category)
"Corned beef in long shelf life plastic cup"
Recipient: Toyo Seikan Co., Ltd.
Joint award with Meidi-Ya Co., Ltd and Forica Foods Co., Ltd.



The award winning product is a container that emulated the form of traditional canned corned beef, but comes with new features. It utilizes a film lid that can be opened safely and easily without a can opener. It can also be conveniently heated in microwave ovens. It is made of a material with low oxygen permeability and has a four-layer structure to provide high light shielding property, enabling the freshness date of three years similar to a can product. Toyo Seikan Group Holdings, Ltd. which designed the cup, also received the Award for Good Design.

Japan packaging contest award winning products

Accessible Design Packaging Award
Easy-to-squeeze bottle
Tokan Kogyo

(Joint award with Kewpie Corporation)
The opening and shoulder parts were made thinner using a concave shoulder shape that is easy to squeeze to the last.



Beverage Packing Award
Partition formed with a single touch

Nippon Tokan Package
(Joint award with S-surf Co., Ltd.)
We developed a cardboard partition that can be easily set up to hold five bottles.



Products awarded in overseas competitions

PARIS AEROSOL & DISPENSING 8th AWARD (France)

DUAL - Toyo Aerosol Industry
The first aerosol system in the world that can discharge two different contents at the same time.



Award trophy DUAL

iF Design Award (Germany)
YONEJU CONFITURE - Toyo Seikan Group Holdings

A glass container by Toyo Glass awarded for its stylish nestable design.



Description of Awards

- [Japan Packaging Contest]** Sponsored by the Japan Packaging Institute, recognizing excellent product lines from design to logistics
- [Worldstar Awards]** Sponsored by the World Packaging Organization, Exhibition qualification in the World Star contest is given to the prize winning product in the Japan Packaging Contest
- [Kinoshita Award]** Sponsored by the Japan Packaging Institute, recognizing (1) R&D of packaging, (2) improvement and rationalization of packaging and (3) noteworthy accomplishment in creating new packaging fields
- [Good Design Award]** Sponsored by the Japan Institute of Design Promotion, recognizing formulations or activities by humans such as industrial products and business models regardless of whether tangible or intangible
- [PARIS AEROSOL & DISPENSING 8th AWARD]** Sponsored by ORIEX COMMUNICATION and an award for innovation in aerosol technology and development of discharge system packaging
- [iF Design Award]** Sponsored by Industry Forum Design Hannover (iF), one of the world-class design awards Each year selects an excellent industrial product targeting the whole world

CSR Management of Toyo Seikan Group

Toyo Seikan Group has contributed to the society through its business operations focused on packaging. Under the Group's CSR management vision of "Continue contributing to the happiness and prosperity of mankind through faithful and fair business activities", we will establish a globally trusted Toyo Seikan Group brand while facing with all stakeholders sincerely.

Management vision of Toyo Seikan Group

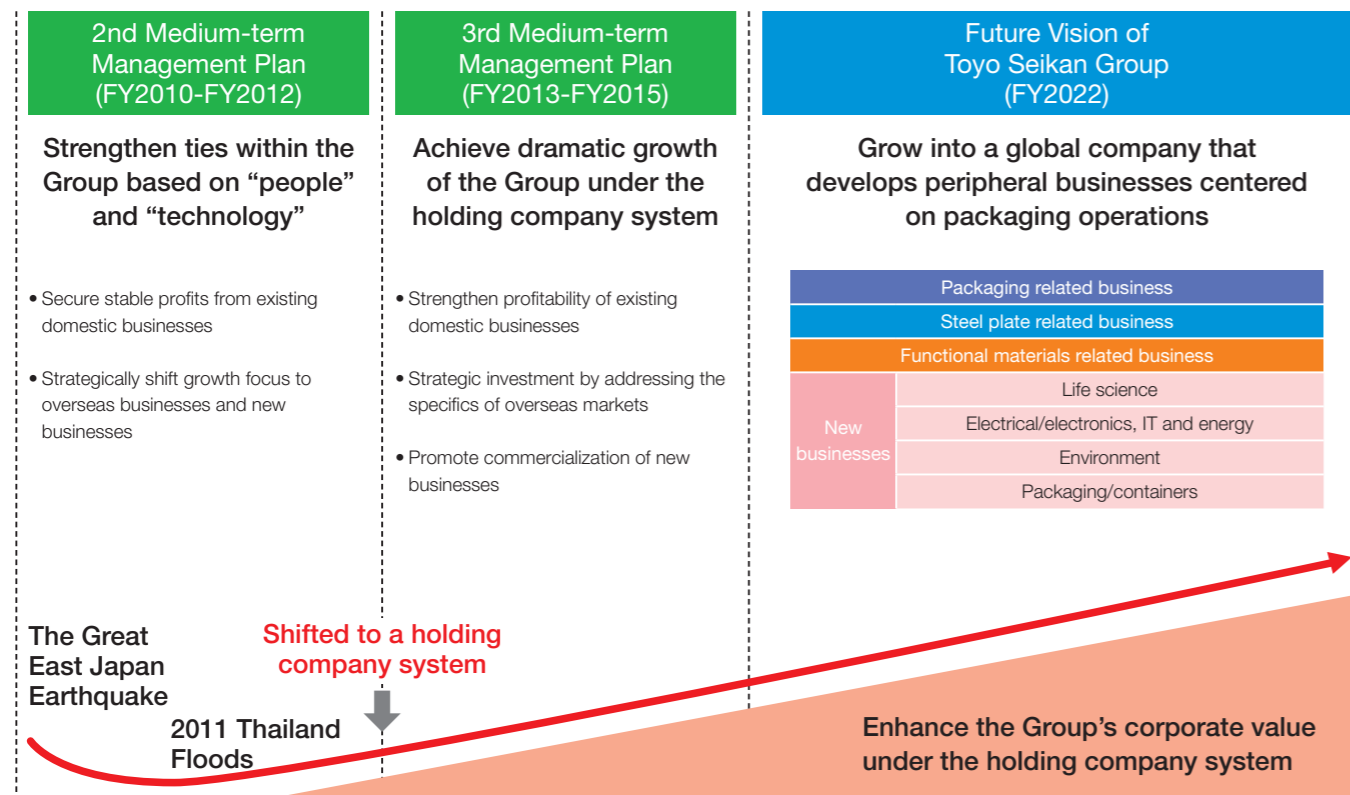


We target becoming a corporate group of packaging professionals contributing to the happiness and prosperity of mankind through "packaging technology"

1. We are committed to pursue infinite possibilities of packaging containers that act as intermediaries between production and consumption
2. We establish a group of solution companies focusing more on the environment over the cycle of "production, filling & packaging, distribution, consumption and collection & recycling"
3. We strive to become a technology-driven company unrivaled by other companies

Toyo Seikan Group vision for medium-to-long term growth

We formulated "Growing 2022", the vision for growth in the next 10 years and started the third "Medium-term Management Plan" for FY2013- FY2015 towards its achievement.



Our basic philosophy

In 1933, our founder Mr. Tatsunosuke Takasaki, documented the founding principles as basic philosophy in the handbook named "The Mission of Toyo Seikan", and distributed it to shareholders, employees, and industry participants. Since then, the Toyo Seikan Group has fulfilled its mission based on such basic philosophy. The Group's essential CSR spirit is found there.

1. Our mission is to contribute to the happiness of people.
2. Profit is a byproduct of our business efforts and not our main goal.
3. We will work with a sense of service, promote such commitment in the company and strive to ensure the prosperity of our business partners as well as the company.

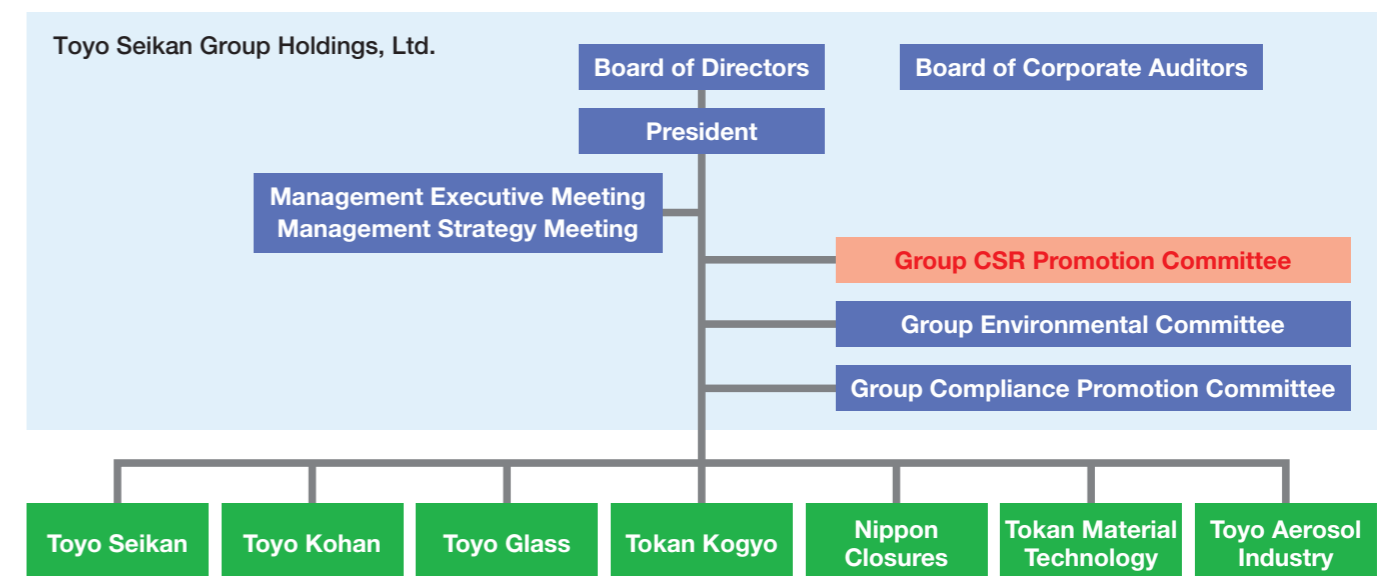
Basic CSR policy of the Group

Toyo Seikan Group defines CSR as a commitment to contribute to the happiness and prosperity of mankind through sincere and fair business activities. All employees of the Group understand its CSR initiatives and respond to all stakeholders.

All stakeholders	We will respect basic human rights and diversity of all people, communicate faithfully and act with such awareness.
Customers	We will provide safe and secure products, system and services to ensure customer reliability.
Business partners	We will conduct impartial, fair and transparent business activities always with good ethics.
Shareholders and Investors	We will strive to enhance corporate value, and manage and disclose information appropriately.
Employees	We will create a safe, hygiene and vibrant workplace.
Local societies	We will co-exist harmoniously with local societies and promote interaction with local communities.
Global environment	We will actively strive to preserve the global environment and improve environmental quality.

Group CSR Promotion Framework

Group CSR Promotion Committee was established to supervise overall CSR activities of Toyo Seikan Group. The Committee is chaired by the President of Toyo Seikan Group Holdings, Ltd. and comprises of their senior executives and the Presidents of all business companies as committee members.



Corporate Governance

We are striving to enhance corporate governance to conduct faithful and fair business.

Concept of corporate governance

Toyo Seikan Group Holdings, Ltd., based on the fundamental spirit since its foundation, places the enhancement of corporate governance as management priority to improve the corporate value and continue new development and progress further while contributing to society through its business activities.

Corporate governance system

The Board of Directors of Toyo Seikan consists of eight directors, including three outside directors. Board of Directors generally meets once a month, holds extraordinary meetings when necessary, and make decisions on important management issues. The term of office for Directors is one year in order to clarify their management responsibilities, and to build a flexible management system that can immediately respond to changes in the management environment.

Furthermore, we introduced corporate auditor system and each Corporate Auditor supervises the business duties executed by the Directors and oversees the Company's management. The Board of Corporate Auditors consists of five Corporate Auditors, including three Outside Corporate Auditors. Board of Corporate Auditors generally meets once a month, and holds extraordinary meetings when necessary.

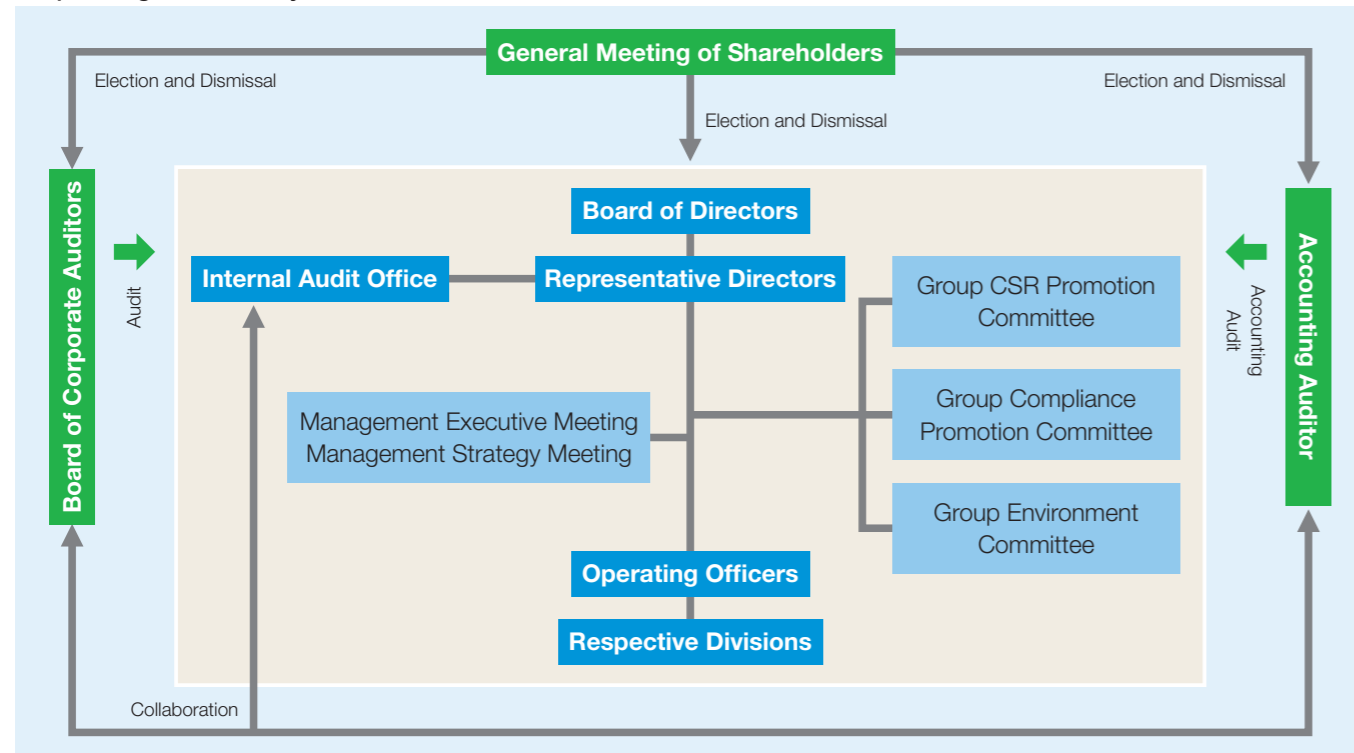
Strategic planning and execution by the Management Strategy Meetings

The Company has implemented the Executive Officer/ Operating Officer system with the aim of clearly distinguishing the management's decision-making and supervisory functions from those of the business operations. To appropriately and promptly establish basic management guidelines, determine various measures to be taken and aggressively promote management activities, "Management Strategy Meeting" is held once a month which comprises full-time Directors, CFO, CTO, Senior Executive Officers and Executive Officers. Furthermore, "Management Executive Meeting" is in principle, held twice a month and attended by full-time Directors, CFO, CTO, Senior Executive Officers, the Presidents of core business operating companies and the Presidents of quasi-core business operating companies.

Internal audit

To ensure that business activity fully complies with laws and regulations and to improve management efficiency, the internal Audit Office is placed under the direct supervision of the President as an internal auditing department. We aim to improve the internal control function by periodically auditing the development and management of the internal control system at all Toyo Seikan Group companies.

Corporate governance system



Shareholders and Investors

We strive to enhance corporate value, and manage and disclose information appropriately.

Information disclosure policy

Toyo Seikan Group Holdings, Ltd. strives to gain confidence from shareholders and investors by disclosing timely and appropriate information based on its Disclosure Policy.

Disclosure Policy

Basic Policy
Toyo Seikan Group Holdings, Ltd. (hereafter, the Company) fully understands that the timely and appropriate disclosure of corporate information to shareholders and investors forms the basis of a sound securities market. The Company will also issue corporate information in a timely, fair and accurate manner through active communications with its shareholders and investors, with the aim of gaining their confidence and appropriate evaluation of the Company.

IR activities

The Company actively discloses corporate information in forms such as releases containing information on financial position and results.

The Company also holds financial results briefings for the mass media and analysts as well as one-on-one meetings with domestic and overseas institutional investors as part of its efforts to gain their understanding of the Group's corporate value.

Main Activities in FY2013

Target group	IR activities
Mass Media Analysts Domestic Institutional Investors	<ul style="list-style-type: none"> Financial Settlements Briefings (Mid-term and Year-end) Individual IR Meetings
Overseas Institutional Investors	<ul style="list-style-type: none"> Individual IR Meetings Participation in conferences held by securities companies Publication of Investor's Guide
Shareholders	<ul style="list-style-type: none"> Publication of Reports (Mid-term and Year-end)



IR conference

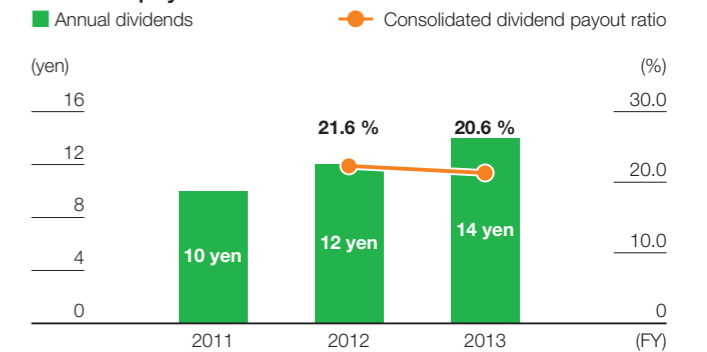
Shareholder return policy

By improving business performance of the Toyo Seikan Group, the Company has been continuing its efforts to steadily increase returns to shareholders and share profits.

The Company's policy on returns to shareholders or distribution of earnings to shareholders is as follows:

- (1) Pay dividends to its shareholders in a stable and sustainable manner, based on a consolidated payout ratio of 20% or higher
- (2) Apply retained earnings, in a positive and flexible manner, to growing areas such as overseas business and new business from the medium and long-term perspectives
- (3) Flexibly purchase treasury shares in response to stock market conditions and financial circumstances.

Dividend payments



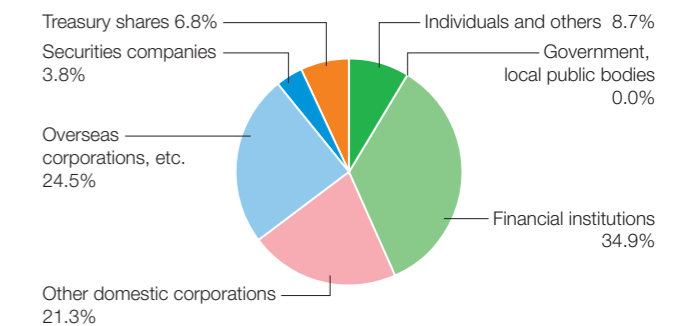
*Consolidated dividend payout ratio is not recorded due to posting consolidated net loss in FY2011

Shares

(As of March 31, 2014)

No. of shares authorized to be issued: 450,000,000
No. of shares issued: 217,775,067
No. of shares per unit: 100
No. of shareholders: 6,727
Listed on the first section of the Tokyo Stock Exchange (Stock code: 5901)

Shareholder composition



Local Societies

We will co-exist harmoniously with local societies and promote interaction with local communities.

The entire Toyo Seikan Group interacts with everyone in local communities as a member of those communities. Leveraging the features of group companies, we will start CSR activities from what we can do.

Participation in exhibitions

Toyo Seikan Group participated in Japan's largest environmental exhibition "Eco-Products 2013" held from December 12 to 14, 2013. We ran a booth showing eco-products made by group companies, explained about the forming process of containers and their recycling process after use, and held a craft workshop using packaging containers. Approximately 10,000 people visited the booth.



Cooperating in learning activities at a nearby school

Toyo Seikan Headquarter cooperated in a class called "Let's go and discover what you can see from a high place" which was part of social studies program for third-year students of Hino Gakuen, a nearby unified elementary and junior high school in Shinagawa Ward. Students were invited to the 15th floor conference room of Osaki Forest Building.



Kudamatsu Plant Open Day

Toyo Kohan Co., Ltd. Kudamatsu Plant held an Open Day on October 19, 2013. Approximately 3,000 people, including people in the neighboring areas and employees' families, visited the plant. They enjoyed various activities such as a plant tour, the product showroom, a science workshop, a children's playground, and vendor stalls.



Recycle Design Forum

Toyo Glass Co., Ltd. participated in the "Recycle Design Forum 2013" which was held at the Yokohama City Osanbashi Hall on October 27, 2013. The event attracted many families because illustrated diaries of elementary school students on environmental issues were displayed, in addition to booths of companies and other organizations. Toyo Glass ran a booth showing the "3 Rs" of glass bottles including lightweight and ecological bottles. It was a good opportunity for parents and their children to understand Toyo Glass's environmental initiatives for glass bottles.



Paper cup collection activities

Tokan Kogyo Co., Ltd. conducts paper cup collection activities at venues, such as event halls and stadiums, where paper cups are used. The collected paper cups are recycled as toilet paper.



Plant tour

Komaki Plant of Nippon Closures Co., Ltd. held a plant tour on May 23, 2013. It was held as part of educational activities by the Komaki City senior citizens association. Over 20 people participated in the event to visit the plant/facility and were given explanation on the products.



Initiatives by overseas Group companies

Supporting the Prostheses Foundation of Thailand

Bangkok Can Manufacturing (BCM) carries out volunteer activities in support of the Prostheses Foundation of Thailand. They collect discarded aluminum (tabs, caps, etc.) and donate the aluminum to the Foundation to manufacture prostheses. Acting as an aluminum collection center, BCM receives aluminum from various organizations, including corporations and schools. In 2013, a total of 30,348 kg of aluminum was collected (a single prosthesis requires approximately 1 kg of aluminum). In 2012, BCM's continuous volunteer activities were honored with an award from Princess Sirindhorn of the Kingdom of Thailand, who acts as the representative of the Foundation.



Members of the Bicycle Association, who delivered 1,049 kg of aluminum in a single day



President Yamada receiving the award from Princess Sirindhorn

Clean-up activities in local areas

All Toyo Seikan Group's offices and plants carry out clean-up activities in the local areas surrounding their offices and plants. From time to time, they contribute to regional clean-up in cooperation with other corporations and local residents.



Osaki Forest Bldg., Local Community Environmental Clean-up Activities (Toyo Seikan Group Holdings, Toyo Seikan, Toyo Glass, Tokan Kogyo, Nippon Closures, Nippon Tokan Package, Honshu Seikan, Toyo Aerosol Industry, Tokan Shoji, Tokan Kyoei)



Toyo Seikan
Hiroshima Plant
Nuta River Clean Campaign



Toyo Kohan
Kudamatsu Plant
Clean-up activities in the surrounding area



Tokan Material
Technology Co., Ltd.
Headquarters,
Osaka Plant
Yodogawa river
clean-up activities

Global Environment

We will actively strive to preserve the global environment and improve environmental quality.

Environmental Promotion System

Toyo Seikan Group Environmental Policies

Toyo Seikan Group established its Group Environmental Policies in 2002. All Group companies conduct their businesses in accordance with its basic philosophy.

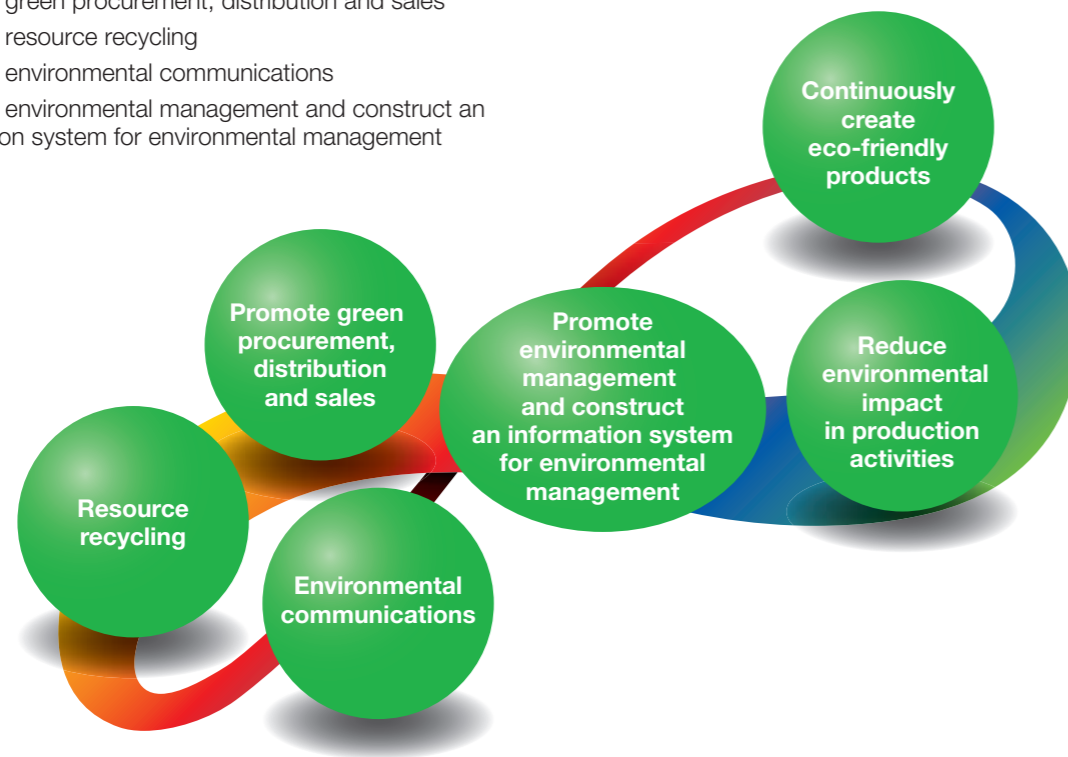
Basic Philosophy

All Toyo Seikan Group companies are keenly aware that preservation of the global environment and qualitative improvement of the global environment are the most important issues facing all humanity. We strive to ensure that all aspects of our business are environmentally friendly and sustainable, and contribute to the improvement of human life and culture.

Group Environmental Vision

Toyo Seikan Group established the Group Environmental Vision comprising six key priorities in May 2004 to facilitate environmental management. All Group companies strive for “harmony between packaging and the global environment” in their procurement, manufacturing, logistics, consumption, disposal, and recycling activities as well as in the entire supply chain. We will promote environmental management through the participation of all our employees.

- I. Continuously create eco-friendly products
- II. Promote reduction of environmental impact resulting from production activities
- III. Promote green procurement, distribution and sales
- IV. Promote resource recycling
- V. Promote environmental communications
- VI. Promote environmental management and construct an information system for environmental management



Eco Action Plan 2015

Toyo Seikan Group companies focus on achieving their targets based on the Eco Action Plan which sets forth specific environmental targets and mid-term action plans for achieving the Group's Environmental Vision.

Eco Action Plan 2015

Since 2006, Toyo Seikan Group has formulated its Eco Action Plan, which lists mid-term goals for the next five years.

Under the Eco Action Plan 2015 established in FY2011, group-wide efforts are implemented to realize environmental management by expanding the scope to cover all domestic Group companies.

FY2013 Activity Report

The results of FY2013 activities are shown in the table below.

Four of the nine items were achieved while five remain unachieved.

FY2013 activity results under Eco Action Plan 2015

Environmental Vision	Specific items and environmental targets	FY2013			FY2015 Target		
		Target	Results	Assessment			
Promote reduction of environmental impact resulting from business activities	Reduce primary unit of energy consumption	6.7% reduction	9.3% reduction	Achieved by promoting energy-saving activities	★★★★	8.5% reduction	
	Reduce CO ₂ emissions (vs. FY1990)	19% reduction	4% reduction	Implemented renewal for restructuring of production system, planned high efficiency equipments. But target unachieved due to increases in production and increases in power CO ₂ emission unit.	★	20% reduction	
	Reduce primary unit of material input	2.5% reduction	4.6% reduction	Achieved through lightweighting, etc.	★★★★	3.3% reduction	
	Promote waste reduction and zero emissions	(1) Reduce the quantity of landfill waste	47% reduction	19% reduction	Unachieved due to higher production of various materials although wastes were thoroughly separated and recycling method was reviewed	★	48% reduction
		(2) Increase the number of zero emission sites (recycling rate of 99% or higher)	85 sites	126 sites	Achieved by promoting recycling	★★★★	133 sites
	Chemical compounds management	(1) Reduce the primary unit of emissions and transportation for those chemicals designated in the PRTR Law	10% reduction	6% increase	Emissions and travel increased due to higher production of various materials	★	12% reduction
(2) Reduce the quantity of emissions and transportation of toluene, xylene and other organic solvents		13% reduction	2% increase	Emissions and travel increased due to higher production despite shifting further to water-based, solventless paints and adhesives	★	16% reduction	
Promote green procurement, distribution and sales	Reduce the primary unit for CO ₂ emissions in the distribution process	7% reduction	10% reduction	Achieved due to more efficient assignment of vehicles	★★★★	9% reduction	
Promote resource recycling	Increase the material recycling rate	94%	93%	We aimed to achieve better quality recycling by strictly separating wastes and reviewing the recycling methods, however, this was unachieved due to increased production of various materials.	★★★	94%	

Assessment index: ★★★★★ Achieved ★★★★★ Partially unachieved ★ Initiative insufficient
 Target: All sites of domestic Group companies

Base year: FY2009