

TOYO SEIKAN GROUP: TOTAL PACKAGING MANUFACTURER

# SOCIAL AND ENVIRONMENTAL REPORT 2009



# CONTENTS

03	A Message to Readers
05	Foundation and Progress of the Toyo Seikan Group
07	Packaging and Harmonization
08	Toyo Seikan Group
09	The Role of Packaging in Benefiting Society and the Environment
11	Environmental Technologies of the Tokyo Seikan Group
13	Toyo Seikan Topics in Fiscal 2008
15	Feature Article① Foundation of PET Refine Technology
16	Feature Article② Initiatives at Overseas Plants
17	Feature Article③ News from Plants of the Toyo Seikan Group
18	Social Report
	Toyo Seikan Group FY2008 fiscal highlights
19	Corporate Governance
21	Compliance
23	Risk Management
24	Initiatives for Reducing Information Security Risks
25	Customer Relationships - Bringing Safety and Security to the World
28	Relationship with Business Partners
29	Relationship with Employees
32	Relationship with Society - Aiming for a Responsible Corporate Role in Society
37	Overseas News: Overseas Business Development of TULC/External Evaluations and Commendations
38	Environmental Report
	Environmental Policies of the Toyo Seikan Group
39	Environmental Management
40	Operation of the ISO14001-compliant Integrated System
41	Initiatives to Prevent Global Warming
43	Initiatives for Waste Reduction and Recycling
44	LCA Initiatives
45	3R Initiatives
46	Substance Flow from an Environmental Point of View
47	FY2008 Environmental Activities Report
48	Environmental Targets for FY2009 and Beyond
49	Environmental Targets of Toyo Seikan Group
50	Third-Party Opinion

## Requirements of this Report

1.Scope:This report details the activities of Toyo Seikan Kaisha, Ltd. and summarizes the activities of both the Toyo Seikan Group as a whole and its individual Group companies.

2.Period:April 1, 2008, to March 31, 2009 (including some information for the period up to June 2009)

3.Areas:Society and environment

4.Date of issue:July 2009

5.Next issue:Scheduled for July 2010

6.Relevant department and contact address:Environment Department, Material Purchase & Environment Division,

Toyo Seikan Kaisha, Ltd. Saiwai Bldg., 1-3-1 Uchisaiwai-cho,

Chiyoda-ku, Tokyo 100-8522 Japan

Tel: 03-3508-2158, Fax: 03-3503-5418

Toyo Seikan Web site

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

This report has been created based on the "Guideline for Environmental Reporting 2007" of the Ministry of Environment and the "Sustainability Reporting Guidelines 2006" of GRI.

## Editing Policy for the "Social and Environmental Report 2009"

This report describes important matters for the Toyo Seikan Group, approaches to promoting them, and examples of activities, in an easy-to-understand way. The information contained in this report has been selected based on the results of questionnaire surveys conducted within and outside the Group companies and the many opinions collected at stakeholders' meetings and in-house reading groups. This report mainly summarizes the Group's relationship with society and the environment to serve as a tool for communications between the Group and parties related to the Group and provide opportunities for conversations with those who are not familiar with the Group.

Matters not described in this booklet will be disclosed on the Toyo Seikan Web pages (see Page 49 for a list of additional matters). The Web pages are scheduled to be available for viewing by the end of August 2009.

# Contributing to Society and the Environment through Our Packaging Technology

## Company Profile

Established : June 1917

President : Shunji Kaneko

Head Office : Saiwai Bldg., 1-3-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-8522 Japan

Capital : ¥11,094,600,000

Sales : ¥353,000,000,000 (FY2008)

Employees : 4,817 (as of March 2009)

Area of business : Manufacturing and sale of packages and containers made of metal, plastic and composite materials thereof, and sales and technical services for food-related machinery and packaging systems

The eight principal companies of the Toyo Seikan Group

The Toyo Seikan Group is a total packaging manufacturer.

① Toyo Seikan Kaisha, Ltd.

(Metal cans, PET bottles, and plastic containers)



⑤ Japan Crown Cork Co., Ltd.

(Metal and plastic caps)



② Toyo Kohan Co., Ltd.

(Tin, thin metal sheets, surface-treated steel sheets, and various functional materials)



⑥ Toyo Food Equipment Co., Ltd.

(Container production and canning and bottling machines)



③ Toyo Glass Co., Ltd.

(Glass bottles and glass-related products)



⑦ Toyo Aerosol Industry Co., Ltd.

(Filling of aerosol products)



④ Tokan Kogyo Co., Ltd.

(Paper cups and plastic containers)



⑧ Tokan Material Technology Co., Ltd.

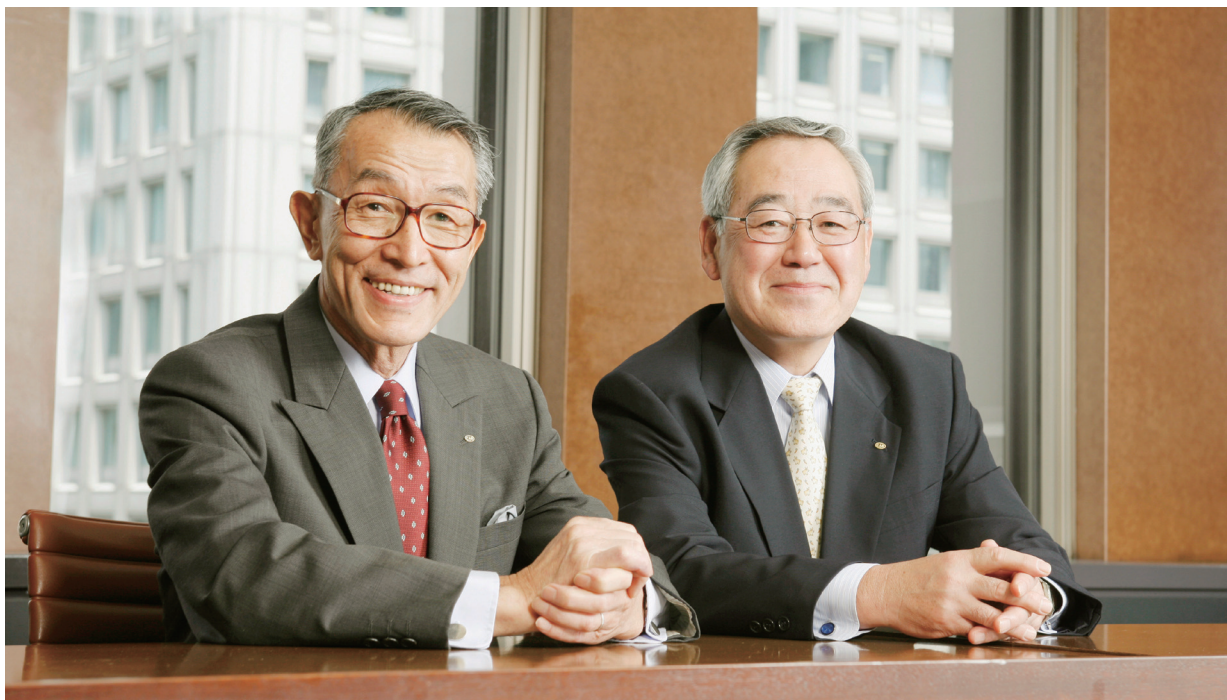
(Enamel and various glazes, coating materials for FRP, and plastic pigments)



# A Message to Readers

## Vision of the Toyo Seikan Group

The Toyo Seikan Group, through its business operations focused on packaging, strives to enhance safety and security, reduce environmental impacts, and offer ease-of-use and user satisfaction to help create an affluent, enjoyable, and sustainable society.



Chairman & Representative Director,  
Toyo Seikan Kaisha, Ltd.

President & Representative Director,  
Toyo Seikan Kaisha, Ltd.

A handwritten signature in black ink, reading "Hi Miki".

A handwritten signature in black ink, reading "S. Kaneko".

## Management Philosophy of Toyo Seikan

### Our Fundamental Principles

1. Our objective is to bring happiness to mankind.
2. Purpose of our business is not just to gain profit. Profit is a result of our hard work and not our main aim.
3. Each of us must incorporate a sense of service in our work. Exercise this sense collaboratively and strive to ensure the prosperity of our business partners in the same way as we would for ourselves.

### Work Rules for Our Employees

1. Toyo Seikan is a mutual packaging factory for all customers who require packaging. Our employees must be loyal to our customers we serve.
2. Our products must be better in quality, lower in price and must be supplied more quickly than those of other companies. We should not think that we are just selling our products, but we must rather think that we are sending off our beloved children that we raised with our utmost care.
3. To be satisfied with only a small success is to take a step backwards. Our first duty must be at all times to work without losing our youthful vitality and courage.

### Five Action Guidelines

- (1) Our corporate management philosophy, ever since the company's foundation in 1917, has remained a strong focal point of Toyo Seikan.
- (2) Concentrate on the core of our business: packaging.
- (3) Always place customers first.
- (4) Keep our internal organization simple.
- (5) Individual efforts must continue to further improve quality and productivity.

### Unwavering philosophy since our foundation

Through our work of sustaining life with packaging, connecting manufacturers and users, and appealing to people through packaging, we hope to make the most of our “Packaging and Nurturing” technology to contribute to society and the happiness of humankind. Starting out in the business of manufacturing cans for canned food, we have always felt a great responsibility for the safety and hygiene of our products. At the time of our foundation, we already knew that winning the public’s trust and fulfilling our corporate responsibilities were the most important elements for our sustainable growth. Companies can survive only if they are accepted and trusted by society, so we are determined to integrate corporate governance, a system to ensure proper management of the company, into our business operations and provide active information disclosure and management accountability to all stakeholders. Our operations have continually changed over the years. However, the core company policies remain unchanged: we aim to contribute to the benefit of humankind. The objective of our business is not just to make a profit; rather, we pursue the prosperity of society as a whole. In all our work, we consider the good of society and people first, and always strive to be a pioneer of the times. These dreams and ambitions have been handed down through the generations in our company.

### Business environment of the Toyo Seikan Group

We pursue a solution business that places utmost importance on the precious global environment in all processes of production of goods, filling and packaging, distribution, consumption, and reclamation and recycling. Since its early days, Toyo Seikan was involved in reclamation and recycling of resources through the electrolysis business in which tin was separated and reclaimed from soldered cans. As part of our efforts to continuously improve environmental management, we have established the “Toyo Seikan Group Eco

Action Plan 2010” consisting of three stages: Environmental Vision, Environmental Targets, and Action Plan. This plan sets quantitative targets in the fields of products, production activities, procurement, logistics, and sales activities, as well as resource recycling, communications, and environmental management, all of which are used in comprehensive initiatives.

We are also pursuing processes for reclamation and recycling of PET bottles as part of our social responsibilities. In October 2008, PET Refine Technology Co., Ltd. was founded. This company will use an epoch-making recycling technology for realizing a “PET-Bottle to PET-Bottle recycling system,” enabling repeated use of PET bottles, which represents one of our important business strategies.

### Disseminating Japanese manufacturing technologies throughout the world

At present, we are focusing on our international operations so that people overseas can enjoy our products, systems, and services. In Thailand, where we have been doing business for 40 years, nine affiliated companies are currently in operation. We firmly believe our reliable manufacturing technologies and conscientious services in Japan would be useful to society in other countries as well. We have long handled various materials including metal, plastic, paper, and glass and have accumulated proprietary development technologies in various fields for production, finishing, processing, decoration, sealing and sterilization, etc. We intend to make the most of these core technologies to expand our business in new growth fields such as IT, energy, life science, and environment.

A decade or two from now, the scope of our business will likely to be much larger than at present. Whatever the type of operation, we intend to continue earning the public’s trust and fulfilling our corporate responsibilities, in an effort to bring happiness to people around the world.

# History and Evolution of Packaging

## Paper packaging



Period devoted to the establishment of conservation stability

In France, Nicolas Appert invented the principle of canning, which initiated the evolution of the current generation of airtight containers.

Period devoted to the pursuit of usability

Period devoted to





# Packaging and Nurturing

The Toyo Seikan Group contributes to society and the environment with its packaging technologies.

## Packaging Sustains Life.

Thousands of years ago, intelligent humans evolved to the point of using fire to make tools from stone and wood. Tools served to sustain life through farming and hunting. Later, earthenware, chinaware, and glassware were used to carry water, preserve food, and make wine and liquor. Since the age of our ancestors, packaging has been closely related to people's lifestyles and has sustained their life.

## Packaging Connects Manufacturers and Users.

Packaging connects producers and consumers.

Products made with meticulous care are delivered to users without being damaged.

## Packaging Appeals to People.

Since ancient times, people have strived to create beautiful containers by decorating them with patterns, applying colors, and drawing pictures on them.

Packaging itself must not only show the contents precisely to convey the necessary information to consumers but must also be attractive and eye-catching to make a good impression.

# Toyo Seikan Group

The Toyo Seikan Group carries out business activities directed mainly at the production and sale of various forms of packaging, including metal cans, plastic containers, glass bottles, paper products and caps as well as the production and sale of thin metal sheets, various materials, machinery, and aerosol filling.

## List of Affiliated Companies of Toyo Seikan Kaisha, Ltd. (74 in total)

\* Names against a blue background represent the eight principal companies. Underlined names represent consolidated companies. (As of March 31, 2009)

\* Honshu Seikan and Daito Seikan were merged as of April 1, 2009 with the former as the surviving company. Shikoku Seikan was dissolved as of March 31, 2009.

### Toyo Seikan

- Honshu Seikan ●Nippon National Seikan
- Shikoku Seikan ●Ryukyu Seikan
- TOYO Mebius Co., Ltd. ●Saiwai Shoji Co., Ltd.
- Token Kyoei ●Bangkok Can Manufacturing Co., Ltd.
- Toyo Seihan ●Daito Seikan ●Toyo Denkai
- Malaysia Packaging Industry Berhad
- Well Pack Innovation Co., Ltd.
- Toyo Pack International Co., Ltd.
- Crown Seal Public Co., Ltd.
- Kanagata(Thailand)Co., Ltd.
- 広州東罐商貿有限公司
- Toyo Seikan Technical & Administration Service Center(Asia)Co., Ltd.
- 東罐(広州)高科技容器有限公司
- Next Can Innovation Co., Ltd.
- PET Refine Technology Co., Ltd.
- Fukuoka Packing
- Asia Packaging Industries(Vietnam)Co., Ltd.
- 重慶聯合製罐有限公司

### Toyo Kohan

- Kohan Shoji ●Kohan Kogyo ●KY Technology
- TOYO-MEMORY TECHNOLOGY SDN.BHD.
- TOYO PAX ●Toyo Partner
- Kyodo Kaiun ●Kudamatsu Unyu

### Toyo Glass

- Toyo-Sasaki Glass ●Toyo Glass Machinery
- Shimada Special Glass ●Shimada Glass
- Tohoku Keisha

### ●Toyo Glass Machinery Singapore (Pte) Ltd.

- Tosho ●Toyo Glass Butsuryu
- Toyo Glass Mold Thailand Co., Ltd.
- Kyoei Keisha ●鳳陽慶功鋁業有限公司
- 鳳陽華衆玻璃有限公司

### Token Kogyo

- Nippon Token Package ●Token Kosan
- Toyo Unicon ●Ueda Insatsu Shiko ●Shosando
- Sunnab ●Token Logitech Co., Ltd.
- 東罐(常熟)高科技容器有限公司
- Taiyo Plastic Corp. of the Philippines
- Shida Shiko ●Takeuchi hi-pack
- Senri Transration Inc. ●T.K.G. Corporation

### Japan Crown Cork

- Shinsankyobuturyu Inc.

### Toyo Food Equipment

- Honma Tekkojo

### Toyo Aerosol Industry

- Toyo Filling International Co., Ltd.

### Token Material Technology

- 多瑪得(上海)精細化工有限公司
- 多瑪得(廈門)精細化工有限公司
- 日龍發展有限公司
- 太星發展有限公司
- TOMATEC America, Inc.
- First Clarion Enterprise Inc.
- Mikawa Ceramics

# The Role of Packaging in Benefiting Society and the Environment

WHAT IF

NO PACKAGING  
EXISTED?

Can you imagine  
what would happen?

## Packages and containers as a System for Reducing Environmental Impact

---

“In the end, packages and containers are thrown away as garbage.  
Aren't they wasteful and bad for the global environment?”

Do you think of packages and containers in this way?

Maybe they are too commonplace in our daily lives to be seen in their true colors but, in reality, packages and containers and packaging systems are actually functioning very effectively as an environmentally friendly “environmental impact reduction system”.

Without a packaging system, various foodstuffs sent from producing regions would deteriorate and many of them would be unfit for consumption before they reached the consumer.

Packages and containers prevent the loss of many resources.

Foodstuffs are packaged in producing regions and unnecessary foodstuff residues and components are kept out of consuming regions. Such an arrangement enhances the efficiency of transportation, significantly reducing the amount of fuel consumed by trucks, railroads and airplanes and minimizing the amount of energy involved in physical distribution. The amount of space needed for storage is also reduced.

## Best way ahead for packaging manufacturers

---

Is there a truly eco-friendly system that can be realized while still ensuring safety and security? How can the amount of materials used in containers be reduced? What can be done to promote a recycling system for used packaging? How can packaging and containers be made more convenient and easier to use?

Those of us who are engaged in the production of packaging are committed to continuing our efforts to further reduce the environmental impact in the pursuit of a sustainable society.

# Environmental Technologies of the Toyo Seikan Group



## Technologies for reducing the amount of materials used

-  Toyo Seikan Kaisha, Ltd.
-  Toyo Glass Co., Ltd.
-  Tokan Kogyo Co., Ltd.
-  Japan Crown Cork Co., Ltd.

## Thinner and lighter

All our packages are studied day and night to find out how to make them using fewer materials without compromising their usability.

1. Light PET bottle "ULB": **From 50g to 35g (2L)**
2. Ultralight PET bottle "VALUE": **The world's lightest, 19.5g (2L)**
3. Hyperlight glass bottle: **From 470g to 266g (945ml; under development)**
4. Milk cap made with a reduced amount of materials: **35% lighter**
5. Collapsible bottle made with a reduced amount of materials



## Technologies for reusing packages


-  Toyo Glass Co., Ltd.

## Development of returnable bottles

Glass bottles can be washed and reused repeatedly. They help conserve resources and energy. "Resin-coated returnable bottles" are a novel type of returnable bottles that are surface-coated with resin to prolong their useful life.



## Technologies for using waste as resources

-  Toyo Seikan Kaisha, Ltd.
-  Tokan Kogyo Co., Ltd.
-  Japan Crown Cork Co., Ltd.

## Recycling of packages

Toyo Seikan, a manufacturer of packages, is also making positive efforts to recycle packages.

### Development of easy-to-recycle packages

Our lineup of original easy-to-recycle packages includes easy-to-remove caps, collapsible bottles, and easy-to-separate packages.



### Recycling of PET bottles

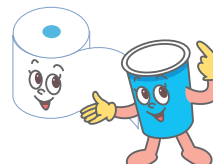
We established PET Refine Technology Co., Ltd. in October 2008 in order to start operations for recycling reclaimed PET bottles into new ones (see Page 15).



PET Refine Technology Co., Ltd.

### Recycling of paper cups

We installed reclamation boxes to assist in recycling activities for paper cups. Collected paper cups will be used as resources for recycling into toilet paper and other products (see Page 17).



Cans, PET bottles, paper cups, and glass bottles — these are things that people see and use every day. The Toyo Seikan Group is a leading manufacturer of these packages. We manufacture these products while paying close attention to recycling and placing the utmost importance on environment-friendliness. This section describes the 3R (Reduce, Reuse, Recycle) of the Group companies and our technologies that contribute to reducing CO<sub>2</sub> emissions.

## Market penetration of Eco-Cans with lower environmental impact

 Toyo Seikan Kaisha, Ltd.  
 Toyo Kohan Co., Ltd.

## Environmentally-friendly Eco-Can, TULC

TULC is an environment-friendly Eco-Can that is manufactured with lower CO<sub>2</sub> emissions and without requiring any water due to improvements in materials and manufacturing processes. Since the start of production in 1991, TULC cans continue to penetrate the market with a wide range of applications.



## Transfer of technologies to the energy sector

 Toyo Seikan Kaisha, Ltd.  
 Toyo Kohan Co., Ltd.

## New approach to the energy sector

The technologies that have been developed for handling metal and plastic are now used in the research and development of alternative energy sources to replace oil.

Top: Dye-sensitized solar cells for improved affordability  
 Bottom: "Mirror Coat K," a highly reflective metal sheet that can direct sunlight into a room



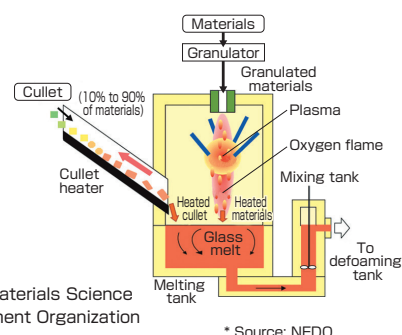
## Innovative initiatives towards energy conservation

 Toyo Glass Co., Ltd.

## New melting technology to achieve significant energy conservation in manufacturing glass bottles

In-flight glass melting, a technology apparently never developed in the past 150 years in the glass industry, was a joint effort between Toyo Seikan, Asahi Glass, NGF, Tokyo Institute of Technology, and NIMS under commission from the Ministry of Economy, Trade and Industry through NEDO. This new technology, in which glass materials pass directly through a high-temperature combustion furnace and melt in about 0.5 seconds, significantly shortens the melting time, which used to take more than a day, and significantly reduces the energy required for melting.

\* NGF: New Gas Forum    \* NIMS: National Institute for Materials Science  
 \* NEDO: New Energy and Industrial Technology Development Organization



# Toyo Seikan Topics in Fiscal 2008

## 1. News Related to Business Activities

### Debut of Toyo Mebius

The three logistics companies, Toyo Unso, Tokan Unyu, and Tokan Unso-Soko, each of which used to carry out physical distribution for the Toyo Seikan Group, were merged into Toyo Mebius Co., Ltd. as of October 1, 2008. It is hoped that the logistics functions of the Group will be integrated to construct an optimal logistics system allowing the Group companies to share logistics strategies (see Page 28).



### Foundation of PET Refine Technology

In order to establish a solution company group with an emphasis on the environment, Toyo Seikan founded PET Refine Technology Co., Ltd. as of October 10, 2008 and acquired the PET bottle recycling business from PET Rebirth Co., Ltd. This is the only recycling company in Japan that realizes a PET-Bottle to PET-Bottle recycling system, thus playing an important role in realizing "cradle-to-cradle" recycling (see Page 15).



### Construction of the Shiga Plant of Toyo Seikan

Construction of the Shiga Plant (temporary name), intended to improve the profitability of the metal can packaging business, is under way in Higashi-Omi in Shiga prefecture. It is scheduled for completion in the fall of 2009.



Completion drawing of the Shiga Plant (artist's rendering)

### Decision to move the head office functions of Toyo Seikan

Toyo Seikan decided to construct an office building at the old site of the Tokyo Plant (Higashi-Gotanda, Shinagawa-ku, Tokyo) and move the head office functions to this building. The construction of an office building and relocation of the head office functions is intended to promote more effective use of assets and improvement of operational efficiency.

## 2. Environmental Minister's Award for 3R and Environmental Report Award

### Outstanding Performance Award – Minister's Awards for Promotion of 3R in Packaging

Toyo Seikan's environment-friendly product, TULC, won the Outstanding Performance Award of the 2008 Environmental Minister's Awards for Promotion of 3R in Packaging. This award was given for the reduced product weight of the globally environment-friendly "Vacuum Lightweight TULC 190-gram Can."



On the left: Mr. Abe, then director of the Kanto Regional Kanto Office, Ministry of the Environment  
On the right: Mr. Aoyagi, group leader of the Metal Container Development Department, Technology & Packaging Development Division, Toyo Seikan Kaisha, Ltd.

### Outstanding Performance Award – Environmental Report Awards

In the 12th Environmental Report Awards and Sustainability Awards co-sponsored by Toyo Keizai Inc. and the Green Reporting Forum, Toyo Seikan received the Outstanding Performance Award for its Environmental and Social Reports 2008 issued in July 2008. It was given to us for the first time, in appreciation of the easy-to-understand manner of reporting the particulars of a packaging manufacturer.



Award presentation ceremony

### 3. Participation in a Carbon Footprint Trial Project

In June 2008, the Ministry of Economy, Trade and Industry established the "Carbon Footprint (CFP) System Practical Use and Diffusion Study Group." Toyo Seikan participated in this Group, cooperating in basic rulemaking and a trial project.

In the CFP system, each product carries information on CO<sub>2</sub> emissions throughout its life cycle from the mining of resources to disposal or recycling.

Although no value is shown for the package itself because the CFP requires indication of the value for a final product, Toyo Seikan calculated the CO<sub>2</sub> emission amounts for metal cans and supplied the data to Kagome and Sapporo Breweries in this trial project.

In FY2009, we will collaborate with other companies in the packaging industry towards establishing specific calculation rules for individual packages.



An exhibit of the Toyo Seikan Group at Eco-Products 2008

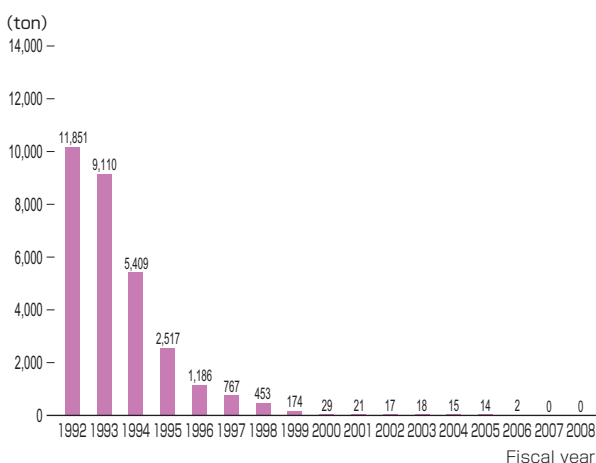
### 4. Achievement of Zero Landfill Emissions for Two Consecutive Years

All waste from Toyo Seikan plants is recycled, resulting in achievement of zero landfill emissions. The emissions had been significantly reduced to about 30 tons by FY2000 and, due to further improvement in waste separation, zero emissions were achieved in FY2007.

Even though zero emissions commonly means a

recycling rate over 99% or 99.5%, Toyo Seikan has achieved true zero emissions.

### Transition of Toyo Seikan's landfill weight



### 5. New System in Development for Liquid Food Pouches

#### Product development using a new unified system to realize easier-to-use and safer products

The technological capabilities of the Toyo Seikan Group were brought together to build a new unified system. Through collaboration with Group companies, Toyo Seikan was able to propose a total solution system for all processes including product design, spout fitting, filling, sterilization, and packing. Due to the review of product design and development of new equipment, this new system ensures airtightness and safety required for pouch products with its filling equipment and retort sterilization system, allowing Toyo Seikan to provide easier-to-use and safer liquid food pouches and production systems.



A product developed using this unified system  
"Pouch with a snap-off spout"

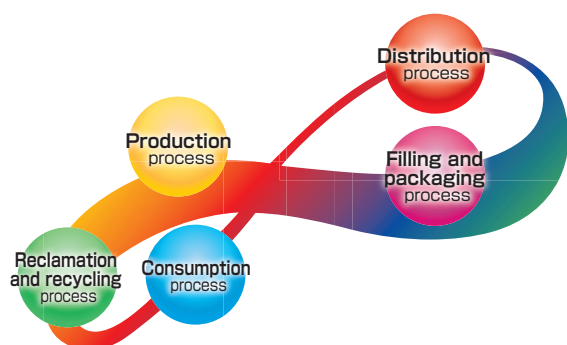


## Actively Working on Recycling as a Total Packaging Manufacturer

Toyo Seikan founded PET Refine Technology Co., Ltd. (PRT) to realize cradle-to-cradle recycling, i.e., recycling of PET bottles into PET bottles, in accordance with the corporate philosophy of constructing a recycling-based society. Through the application of chemical recycling technology, PRT is capable of recycling used PET bottles into resin for PET bottles, eliminating potential disposal or incineration.

### Completing a Möbius Strip

The Toyo Seikan Group uses a Möbius strip as the symbol mark for a recycling-based society. The foundation of PRT enables recycling of used PET bottles into the same product again in the same way as for steel cans, aluminum cans, and glass bottles, finally completing the full circle of recycling.

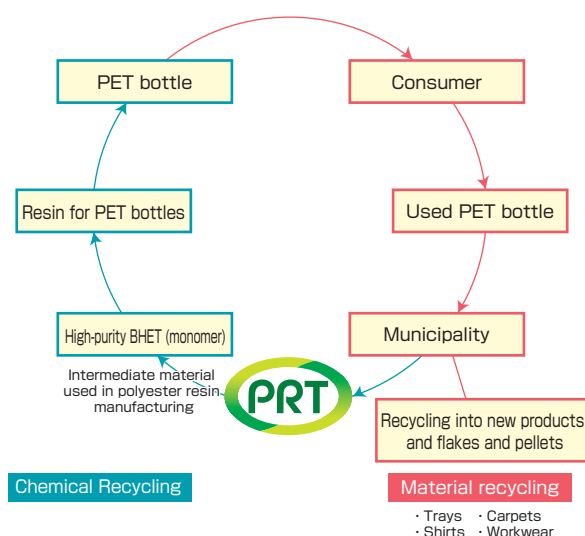


### PET-Bottle to PET-Bottle recycling system

Conventionally, most PET bottles are recycled into fabric and sheet products and few into PET bottles for drinks. PRT's Chemical Recycling System uses a chemical approach to decompose PET resin at the molecular level and manufacture PET resin with the same purity as a new material. Being subject to strict quality control, this PET resin is problem-free

in terms of safety and therefore can be used as a recycled material in PET bottles for drinks.

### Circle of recycling (Chemical recycling)



### Scale of operations

PRT has a resin production capacity of 23,000 tons per year, equivalent to about 4% of the total amount of resin used for bottles in Japan.

The company works hard to achieve stable production and improved efficiency so that this resin can be supplied to as many customers as possible as a material for PET bottles for drinks.



Area of business: Manufacturing and sales of two- and three-piece cans and stay-on tab lid  
 Products: Beverage & Food cans  
 Number of employees: 467 including 379 full-time and 88 temporary workers  
 (As of the end of September 2008)

### Outline of BCM

Bangkok Can Manufacturing (BCM), a member of the Toyo Seikan Group, manufactures metal cans in the suburbs of Thailand.

Thailand, which is exhibiting remarkable economic growth, has seen a rise in environmental awareness year by year. Recognizing the extreme importance of environmental considerations at overseas plants, BCM uses the same level of environment-friendly equipment as in Japan, such as wastewater treatment facilities, effluent gas combustion systems, and cogeneration equipment.

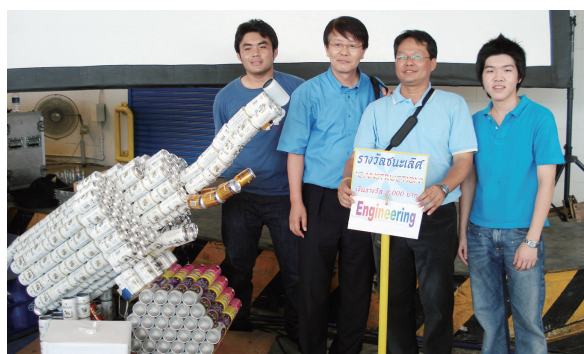
### Reduction of CO<sub>2</sub> with the Installation of a TULC Line

In May 2006, BCM acquired ISO14001 certification and actively carries out related activities, including those for raising the environmental awareness of employees.

In 2007, BCM installed a manufacturing system for the TULC eco-friendly product of Toyo Seikan. This system operates with high energy efficiency to reduce CO<sub>2</sub> emissions. Operation using this system has been approved by the Japanese government as a small-scale CDM\* project, and the company is working to obtain approval from the Thai government and the United Nations.

### Holding Environmental Competition Events between Company Sections

One of the activities for raising the environmental awareness of employees is competitions between company sections. "Can-struction" Contests and Gardening Contests are intended to encourage reduction of environmental impacts.



Entries in "Can-struction" Contests



Entries in Gardening Contest

\* CDM is the abbreviation for Clean Development Mechanism. This is a system in which an advanced country provides technical assistance and financial aid to a developing country where a project that results in reduced emission of greenhouse gases and other effects will be carried out in collaboration with the developing country, and the advanced country can acquire all or part of the reduced emissions as its own emission credit.

## Initiative Taken by the Kawasaki Plant of Toyo Seikan

### Promotion of packages for reducing product weight



Taketoshi Hase,  
Environment Management  
Representative

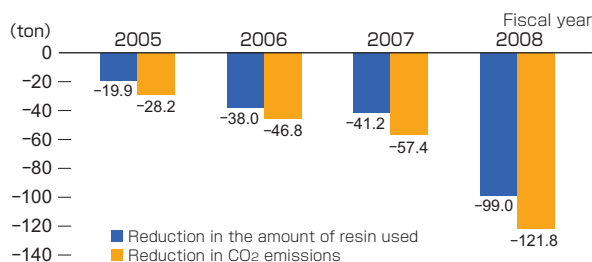
The Kawasaki Plant manufactures plastic bottles and caps. We are presently promoting the use of product-weight reduction packages in order to reduce the environmental impacts. A product-weight reduction package is unaltered from its original form

but has a reduced package weight (amount of resin used). To prevent the reduction in resin from impairing the functionality of the package, we must first confirm that there are no suitability problems in relation to the contents, package strength, and other elements and then establish the specifications through consultation with the customer through related departments before bringing the package to the market. The Kawasaki Plant is concentrating on this series of processes.

In 2005, we started working on reducing the weight of three products as an annual target and thereafter built up the effects of reduction in the amount of resin used. As cumulative values since 2005, we achieved a 198-ton reduction in the amount of materials used and a 254-ton reduction in CO<sub>2</sub> emissions. The reduction in CO<sub>2</sub> emissions was calculated based on the assumption of reduced CO<sub>2</sub> emissions from resin production by resin manufacturers.

It is becoming increasingly difficult to reduce the weight of recent products because many of them are designed in pursuit of optimal specifications from the outset. However, we intend to continue this unique initiative of the Kawasaki Plant in the future.

### Effect of reducing product weight



## Initiative Taken by Tokan Kogyo

Tokan Kogyo, a member of the Toyo Seikan Group, manufactures and sells paper cups, paper packages, plastic cups, and plastic packages.

### Activities for recycling paper cups

In 2006, 50 reclamation boxes for used paper cups developed by Tokan Kogyo were placed at Saitama Stadium 2002, the largest exclusive soccer stadium in Japan. The used paper cups collected from these boxes are recycled into toilet paper.

At present, reclamation boxes are in full-scale use at the Shimizu S-Pulse's Outsourcing Stadium Nihondaira (Nihondaira Stadium) and, as for baseball stadiums, Yokohama Stadium, Yahoo Dome (Fukuoka), and Chiba Marine Stadium. Furthermore, reclamation boxes are used on a trial basis at Kyocera Dome (Osaka) and Seibu Dome.

In the future, we will continue this test through free-of-charge supply of paper cup reclamation boxes to promote reclamation and recycling of paper cups at stadiums and other venues.

### How paper cups are reclaimed at Saitama Stadium



### An improved-type paper reclamation box presently in use

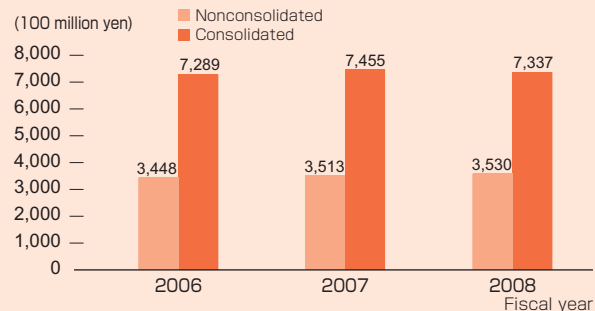


# Social Report

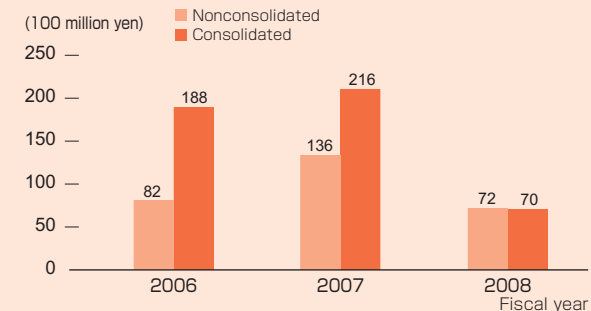
- 19 Corporate Governance
- 21 Compliance
- 23 Risk Management
- 24 Initiatives for Reducing Information Security Risks
- 25 Customer Relationships - Bringing Safety and Security to the World
- 28 Relationship with Business Partners
- 29 Relationship with Employees
- 32 Relationship with Society - Aiming for a Responsible Corporate Role in Society
- 37 Overseas News: Overseas Business Development of TULC/  
External Evaluations and Commendations

## Toyo Seikan Group FY2008 fiscal highlights

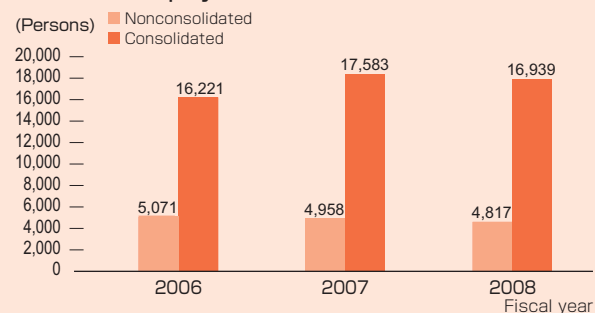
### Sales



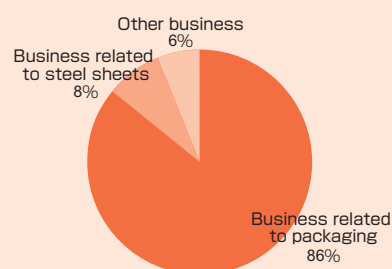
### Ordinary profit



### Number of employees



### Segments by business type (sales)



# Corporate Governance

## Corporate Governance

The Toyo Seikan Group considers that the enhancement of corporate governance is the most important issue in its business management and is continuously working towards this goal in order to contribute to society through corporate activities while still maximizing corporate value and continuing new development and evolution based on the fundamental philosophy that it has adhered to since its foundation.

### Management system

Toyo Seikan has adopted a management system involving a Board of Corporate Auditors, and each auditor supervises the business duties executed by the directors and oversees the company's management. At present, the Board of Directors is composed of thirteen board members, including three external directors.

The term of office for directors is fixed at one year to allow directors to take on definite management roles and to produce a flexible structure that can respond quickly to changes in the business environment. The Board of Corporate Auditors is composed of five auditors, including three external auditors.

### Strategy planning and business execution through management meetings

The company has adopted an Executive Officer

system with the aim of clearly distinguishing the management's decision-making and supervisory functions from those of its business operations. "Management meetings" involve the Chairman, president, senior executive officers, executive officers, heads of the respective divisions, and the chief of Toyo Seikan Group Corporate R&D, and are held to promote swift strategic decisions at the management level.

### Adoption of a "seven-division system"

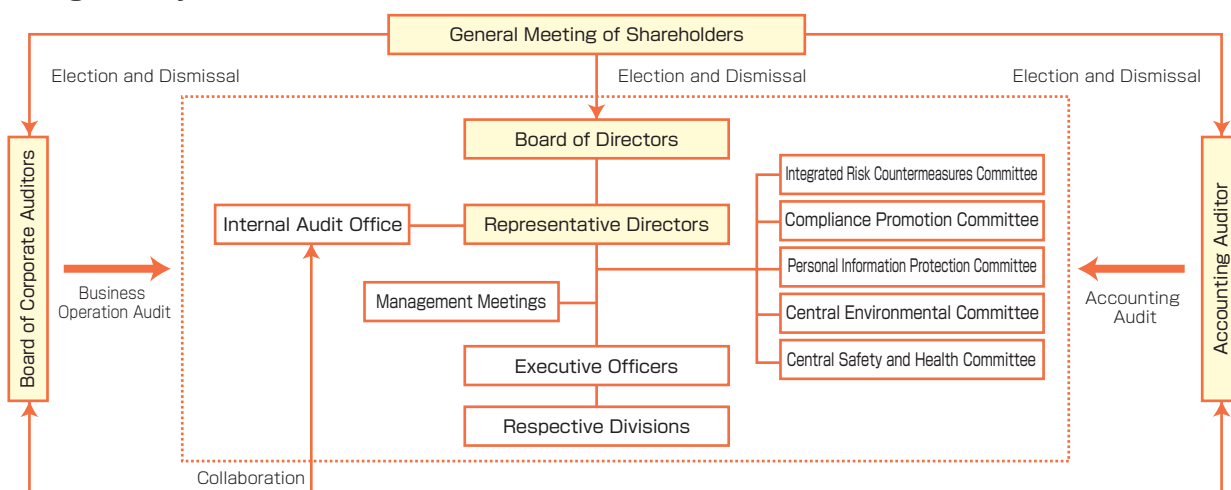
The company has adopted a "seven-division system" that comprises a Corporate Planning Division, International Operations Division, Corporate Administration Division, Sales & Marketing Division, Material Purchasing & Environment Division, Production & Operations Division, and a Technology & Packaging Development Division.

In addition, at three of the divisions (Sales & Marketing, Production & Operations, and Technology & Packaging Development), a "Division Office" has been established to formulate operational strategies at the division level and to encourage communication between divisions.

### Internal audit system through the Internal Audit Office

The Internal Audit Office, under the direct control of the president, has been established to strengthen the internal auditing system in order to ensure maximum management efficiency and thorough oversight of all business activities, as well as

## Management System



compliance with all rules and regulations.

### Execution status of corporate governance

In FY2008, the Board of Directors met twelve times to discuss and make decisions on important agenda regarding statutory items and business administration, and to oversee the conditions of the business operations. The company also held other meetings, including 36 Management Meetings and those of other important committees, such as Integrated Risk Management, Compliance Promotion, Information Management Committee, Central Environment, and Central Safety and Health, in an effort to ensure the sound execution of corporate governance.

### Group Company Business Administration Regulations

The Group Company Business Administration Regulations were established in July 2007 to pursue the overall optimization of the Toyo Seikan Group and provide business administration and support to the Group companies, while still respecting their own individual administrative initiatives, in order to ensure efficiency, soundness and transparency in the business administration of the entire Toyo Seikan Group.

### Executing CSR-based management

The Toyo Seikan Group considers the "promotion of CSR-based management" throughout the entire

Group to be at the heart of its business plans. In other words, the establishment and execution of all the business strategies is based on the concept of "CSR-based management."

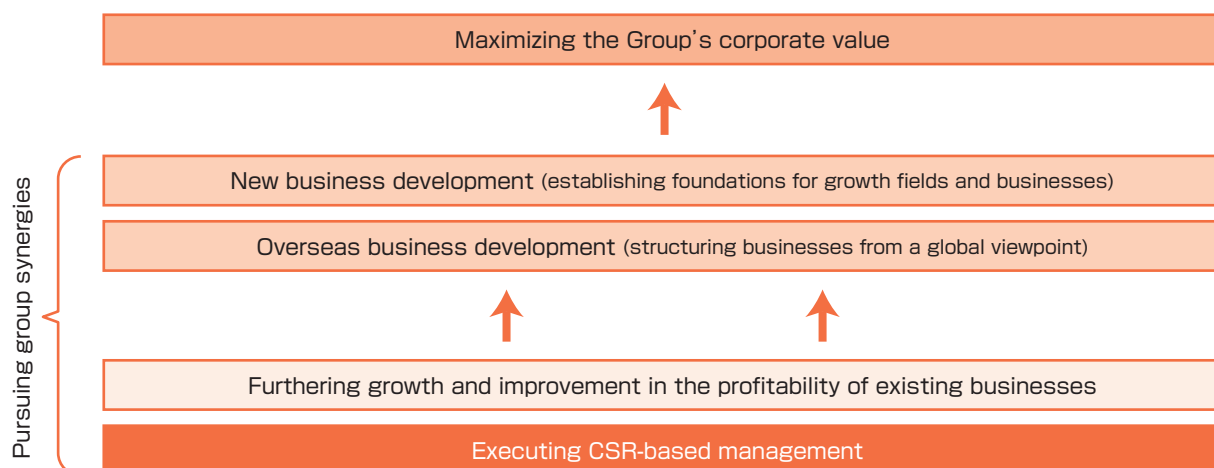
### CSR-based management, from a global point of view

The Toyo Seikan Group, including 74 companies with wide-ranging business and management styles, has consistently focused on the packaging business throughout its history, directed towards the welfare of mankind. Recently, the Group expanded its business into Thailand, China, Vietnam, the Philippines, and Malaysia and has established 27 overseas subsidiaries with a growing number of new stakeholders, including local employees.

The Toyo Seikan Group, in an effort to carry out fair business activities and contribute to the development of other countries and regions, is determined to observe all relevant laws and regulations, respect the cultures and customs, and foster relations based on mutual trust in these countries.

In the future, the Group will work towards the establishment of corporate codes of conduct that can serve as the basis of judgment criteria applicable throughout the world.

### Group mid-term business planning



# Compliance

## Compliance Promotion Activities of the Toyo Seikan Group

Compliance is a social responsibility that every company must fulfill. The Toyo Seikan Group is working to instill compliance awareness among executives and employees to ensure that everyone will always take the right course of action and that fair and proper corporate activities are carried out at all times.

### Toyo Seikan Group Compliance Promotion Committee

<b>Chairman</b>	President of Toyo Seikan
<b>Members</b>	Presidents of the group companies Toyo Kohan, Kohan Kogyo Toyo Glass, Toyo-Sasaki Glass, Toyo Glass Machinery, Tokan Kogyo, Nippon Tokan Package, Japan Crown Cork, Toyo Aerosol Industry, Toyo Food Equipment, Tokan Material Technology, Honshu Seikan, Nippon National Seikan, Ryukyu Seikan, TOYO Mebius Saiwai Trading, Tokan Kyoei, Fukuoka Packing, Toyo Seihan, Toyo Denkai, PET Refine Technology
<b>Observer</b>	Standing statutory auditor of Toyo Seikan
<b>Chief of secretariat</b>	Chairman of the Toyo Seikan Compliance Promotion Committee

The Toyo Seikan Group Compliance Promotion Committee meets once every year to determine the compliance activity policies for the entire Group, discuss any problems related to activities, and exchange information. The fifth meeting was held on March 13, 2009 to determine the Group's FY2009 compliance activity policies as follows:

1. Building systems for promoting CSR (Corporate Social Responsibility)-based management
2. Promoting the construction of an internal control system based on the Corporation Law
3. Ensuring the reliability of financial statements based on the Financial Instruments and Exchange Law
4. Working on compliance risk management
5. Reinforcing hotlines for consultation on compliance



The Toyo Seikan Group Compliance Promotion Committee

### Revision of the Corporate Code of Conduct

The Corporate Code of Conduct is a set of guidelines to help determine appropriate actions to be taken by the company, each department, and each executive and employee in order to carry out fair corporate activities at all times.

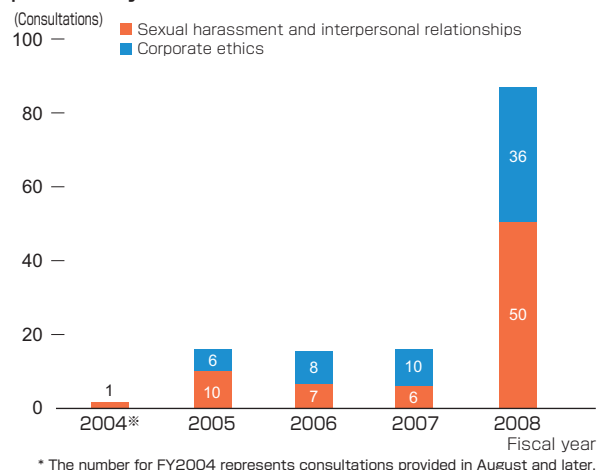
Based on Toyo Seikan's Corporate Code of Conduct, each of the Group companies has created and distributed a Corporate Code of Conduct appropriate for its own business and management style, management concepts, and corporate culture. The Corporate Code of Conduct is revised when required to ensure compliance with the latest laws and regulations by, for example, adding or deleting relevant laws and regulations, correcting names, and adding in-house rules and important notices. The revised Corporate Code of Conduct is distributed to all employees, who are kept aware of it by such activities as periodic read-throughs at each business unit.

### Shared use of external consultation hotlines by Group companies

Two external consultation hotlines, the Sexual Harassment and Interpersonal Relations Hotline and the Toyo Seikan Group Corporate Ethics Hotline,

have been set up to respond promptly and properly to problems and concerns encountered in everyday life and are used jointly by all Group companies. In April 2008, they were reformed into hotlines that can also deal with problems of interpersonal relationships in the workplace and started handling anonymous consultations and calls from employees' family members, resulting in an increase in the number of consultations in FY2008.

#### Transition in the number of consultations provided by the hotlines



#### Questionnaire survey on compliance

In July 2008, Toyo Seikan conducted a questionnaire survey on employee awareness of compliance (5,154 employees in total). The results will be published in the in-house journal and will also be analyzed in detail by the Compliance Promotion Committee in order to be reflected in promotion activities.

#### Compliance training activities

##### Legal affairs seminar for new directors and executive officers in the Group

In July 2008, Mr. Kantaro Toyoizumi, an attorney with the Kawamura Law Office, was invited to the seminar to deliver a lecture on the roles and responsibilities of directors and executive officers and the importance of compliance management.

##### CSR seminar

In October 2008, Mr. Hiroji Tanaka of the Business Ethics Research Center was invited to deliver a

lecture entitled "The role of executives from the viewpoint of CSR management: Changing the company with CSR."



Mr. Hiroji Tanaka, Senior Researcher, Business Ethics Research Center

#### Compliance promotion month

In 2007, in order to raise awareness of compliance as an immediate problem, the Group designated every October as "Compliance Promotion Month," during which all staff at each workplace are encouraged to reassess their words and actions or operating procedures in light of the Corporate Code of Conduct for all Group companies.

In October 2008, Toyo Seikan conducted the following activities:

- Plant tour by the chairman of the Compliance Promotion Committee
- Submission of a "Written Oath for Ethical and Legal Compliance" (by general managers, plant managers and managers)
- Compliance slogan competition
- Compliance quiz contest
- Monthly activities in each department (read-through of the Corporate Code of Conduct and its guidelines, workshop on how to use the consultation hotlines, etc.)

In the future, close collaboration with the Group companies will be pursued in an effort to maintain and improve compliance activities.

# Risk Management

## Risk Management Organizations

In accordance with the basic policies for internal control as specified in the Corporation Law, Toyo Seikan established the Basic Rules for Risk Management and the Basic Rules for Emergency Response and formed the Integrated Risk Countermeasures Committee in order to carry out systematic risk management activities throughout the company.

### Risk management activities

At Toyo Seikan, seven critical risks have been identified by corporate resolution and are addressed through risk management activities conducted by each primary control department and committee, working in collaboration across organizational boundaries. In FY2008, the following activities were conducted:

- ① Compliance risks
  - Identifying and assessing risks
  - Selecting the primary control departments and deciding the countermeasures for risks
- ② Quality risks
  - Reviewing the Comprehensive Product Safety Promotion Guidelines and the procedures for preventing the occurrence and outflow of defective products
- ③ Environmental risks
  - Constructing an environmental risk assessment system
  - Company-wide standardization of check points and methods used for confirming compliance with environment-related laws and regulations
- ④ Information security risks
  - Identifying the information assets of each department
  - Establishing information management rules and specific management criteria and forming an information management committee
- ⑤ Natural disaster and accident risks
  - Conducting a survey to estimate potential damage from a large earthquake and establishing prerequisites

- Assessing the impact on the operations of each department and selecting high-priority operations
- Examining the draft outline of a business operation continuation plan (such as a crisis management system, division of roles, and required activities)

#### ⑥ Debt collection risks

- Keeping track of the credit standing of business partners
- Creating and revising debt management procedures and informing relevant personnel of the handling methods

#### ⑦ National risks

- Identifying and assessing national risks
- Planning and implementing measures against new strains of influenza (for employees stationed overseas and their families and employees who travel overseas on business trips)

## Integrated Risk Management Committee

In March 2009, the 3rd Integrated Risk Management Committee met to check the management activity status for various risks and establish the risk management activity policies and plans for FY2009.



### <Major activity policies and plans for FY2009>

- Building a risk management system for various risks (PDCA cycle)
- Creating an emergency response manual to be used in a crisis

# Initiatives for Reducing Information Security Risks

## Information Security Risks

Toyo Seikan recognizes that information security risks may arise in corporate activities and so each employee properly manages information owned by the company in an effort to reduce information security risks such as theft and leakage of information.

### Formation of the Information Management Committee

In April 2009, the Information Management Committee was formed to manage company-owned information systematically. For the sake of comprehensive information management, the former Personal Information Protection Committee was absorbed into this new committee, for which the President appoints the Director of the Corporate Administration Division as the chairperson and its activities will be carried out under the control of this chairperson in the future.

Whereas the Information Management Committee is responsible for informing employees about the rules on information management and quickly performing troubleshooting, the daily management is carried out by department managers on their own responsibility. The Internal Audit Office assesses the activity

status and reports the audit results to the President.

### Establishment of Information Management Rules

In accordance with the creation of the Information Management Committee, Information Management Rules have also been established and activities for informing employees about the Rules are under way. The information owned by each department is classified into four levels (Levels 1 through 4) according to the confidentiality level and the importance of contents and, for each level, the rules for display and storage, disposal, and duplication are specified and managed.

- Level 4: The leakage of this information would cause serious trouble for our business partners and relevant parties within the company, resulting in loss of credibility, and would have a significant impact on the business.
- Level 3: The leakage of this information would cause confusion or misunderstanding for our business partners and relevant departments and would have an impact on the business.
- Level 2: The leakage of this information would have a relatively small impact on the business.
- Level 1: The leakage of this information, being public domain information, would have no impact on the business.

### Outline of information management system



# Customer Relationships – Bringing Safety and Security to the World

## Delivering Products with Warmest Wishes

Toyo Seikan delivers a wide range of packages including those for food, beverages, and other daily necessities to customers.

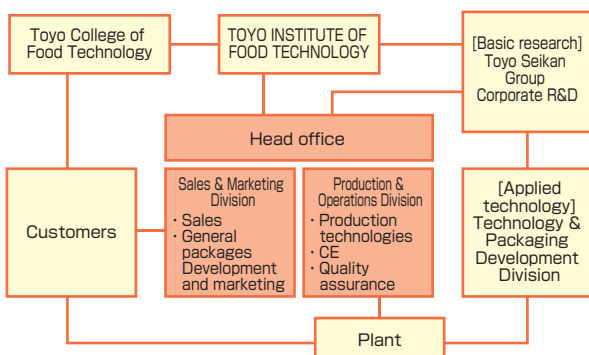
We are confident that our customers can safely and securely enjoy our products manufactured using long-accumulated experience, skills, and know-how that have been further improved to meet the needs of today.

Presently, our technologies are recognized around the world.

## Sensitive response to social changes

Recently, there has been a succession of threats to food safety both within and outside Japan. The safety and security of food in the past never attracted so much public attention. This seems to have resulted from changes in the social environment including those related to globalization. Toyo Seikan, keeping up with these social changes, pursues the manufacture of excellent packages by bringing together the technologies of Corporate R&D, TOYO INSTITUTE OF FOOD TECHNOLOGY, [Applied technology] Technology & Packaging Development Division, etc. in consideration of safety and the environment to ensure safe use of these products for our customers.

## Connection to relevant departments in the manufacture of packages



## Pursuit of safety and security

Toyo Seikan is working to supply the world with safe packages that can be used with security.

Toyo Seikan established the Comprehensive Product Safety Promotion Guidelines to check the safety of products in accordance with the Product Liability Law in an effort to maintain and improve product safety.

Packages must be made with full recognition of customer needs. To achieve this objective, it is essential to have an uninterrupted, consistent system for ensuring quality that includes the acquisition of materials required for packaging through to the customer delivery of final products filled with contents.

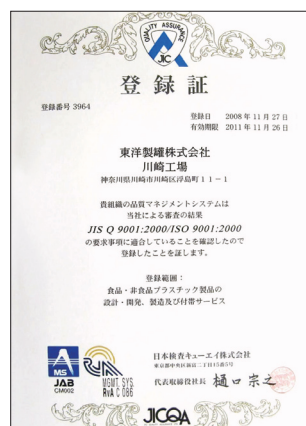
A traceability system has been established so that each of the cans or packages that consumers use can be traced through its history of manufacturing and distribution and its quality and product management status.

Toyo Seikan uses an ISO9001-compliant quality management system in an effort to maintain and improve product quality that matches customer needs in an ever-changing market environment.

## List of ISO9001-certified plants

Chitose Plant	Saitama Plant	Shizuoka Plant	Hiroshima Plant
Sendai Plant	Kawasaki Plant	Ibaraki Plant	Kiyama Plant
Ishioka Plant	Yokohama Plant	Osaka Plant	

## Quality management system certificate



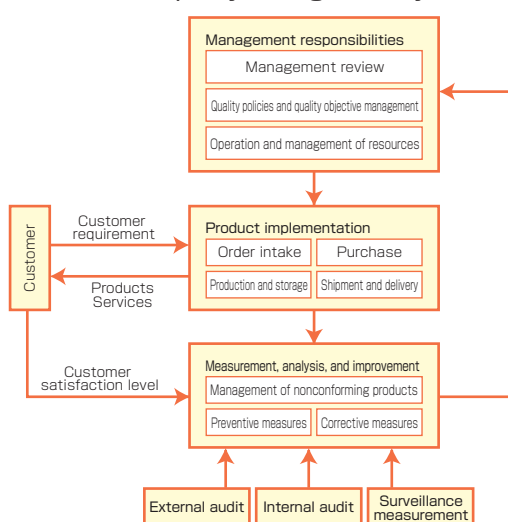
## Working on Quality Assurance from the Viewpoint of Customers

In response to customers' recent growing concerns about safety and security, corporate initiatives for quality management are more important than ever.

We are continuing our activities in this regard based on the declared policy of “Delivering high-quality products that will win customer loyalty.”

Our product manufacturing activities including the selection of packages, improvements made on the manufacturing floor, and support provided to affiliated companies are always carried out in a trustworthy manner reflecting the customers’ viewpoint.

#### Outline of our quality management system

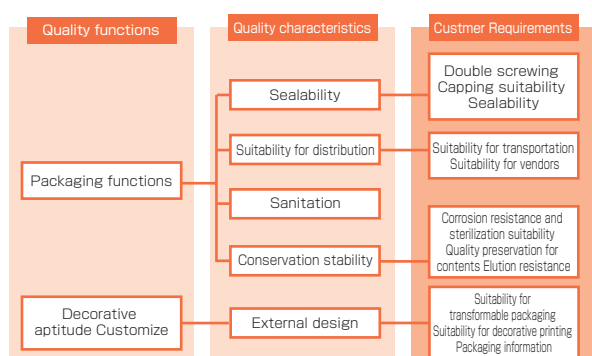


#### Selection of Packages

A wide range of quality characteristics are required at all stages including production, marketing, and consumption in order that the packaging can fulfill its required functions.

Toyo Seikan recognizes customer needs as the quality functions or quality characteristics required of packages in order to select the raw materials and

#### Quality functions and principal quality characteristics required by customers



forms of packages and define the most appropriate package specifications.

#### From the Manufacturing Floor

Packages must be appropriate for their purpose and content. Various inspections and measurements are conducted in the package production processes and on the completed packages in terms of dimensions, appearance, and performance.

This process of inspections and measurements to check that packages are made in accordance with the specifications will ensure the quality of the packages.



In an effort to improve safety and security, we have recently introduced a latest-model inspection machine that can conduct 100% inspection of packages to find any problem in any package. All products including food and drug packages are manufactured at hygienically controlled plants. We carry out 5S activities (seiri, seiton, seiketsu, seiso, and shitsuke: organization, neatness, cleanliness, cleaning, and discipline) in order to comply with the customer-first principle in safety and security and carry out trustworthy manufacturing.

At the plants, we take care to promote continuous maintenance and improvement of the manufacturing environment for these packages, manufacturing management through inspections and measurements, and risk prevention activities, etc.

## Quality Improvement Support for Affiliated Companies

The Toyo Seikan Group companies and more than 80 affiliated companies operate as strategic partners of Toyo Seikan to provide various packages with the CAN mark to the world. The affiliated companies constitute the driving force of the “trustworthy CAN mark.”

For the affiliated companies that are contracted to manufacture Toyo Seikan products, we have established a system for providing appropriate instructions in accordance with indexes used to determine if certain criteria have been met from the viewpoint of QCD (quality, cost, and delivery). This system, which allows us to determine the advantages and disadvantages of affiliated companies and identify the instruction points to be given to them at quality meetings, enables maintenance and management at a certain quality level.

This system is also adopted when a new affiliated

company joins our Group.

Recently, packages are increasingly being purchased from overseas Group companies. These indexes are proving useful when technical support is given to such affiliated companies.

### Example of indexes

外注先・購入先 年次格付評価表									
評価実施時期 年 月 日									
担当工場 S C M									
【評点は、1～5の5段階】									
コメント欄（必要に応じて使用）		品質部門		課長		係長		評価者	
協力会社名（事業場単位）									
評価項目		自己診断シートB（既存協力会社用）		記入日 2019年 月 日		記入者		評価者	
		評価項目		評点		コメント			
品質部門	品質向上・改善活動	5	5	5	5	5	5	5	5
	5Sの定着度	5	5	5	5	5	5	5	5
	防虫・防霉	5	5	5	5	5	5	5	5
	従業員教育	5	5	5	5	5	5	5	5
	日常業務の能力度（品質）	5	5	5	5	5	5	5	5
	検査員の管理	5	5	5	5	5	5	5	5
	生産設備の保全	5	5	5	5	5	5	5	5
	安全管理の徹底	5	5	5	5	5	5	5	5
	品質管理の徹底	5	5	5	5	5	5	5	5
	品質管理の徹底	5	5	5	5	5	5	5	5

### Column①

## CAN mark of Toyo Seikan

The cans manufactured by Toyo Seikan bear the logo shown on the right. This logo, referred to as the CAN mark, is the proof of reliability of Toyo Seikan.



Toyo Seikan used to focused on the sale of empty cans for canning and at the sometime pursued art print cans by importing and installing a Fuchs & Lang rotary press at the Osaka Plant in place of a conventional lithographic press. This was the first rotary press for tinplate printing in Japan. This high-performance rotary press delivered far better printing results than before. Therefore, we needed to devise a logo that would help distinguish our cans at a glance from those of our competitors. Mr. Yoshisuke Shindo, general manager of the Engineering Department at the time, took up his pen and designed the CAN mark by himself. “We must grow,” he said, “beyond our narrow mentality of selling our art cans only in Japan. We will sell them everywhere in the world. A kanji or kana logo will be recognized only in Japan or China. An English logo is better because it will be understood worldwide. We will make wonderful Toyo Seikan art print cans that will be popular everywhere.” This was the birth of the CAN mark of Toyo Seikan.

An excerpt from the “50-Year History of Toyo Seikan”



# Relationship with Employees

## Support for Improvement of Individual Worker's Abilities through Respect for Their Individuality

The employees who work for the company play a key role in its corporate activities. Toyo Seikan pursues the development of a safe, hygienic and dynamic workplace by respecting the human rights and individuality of its employees.

At Toyo Seikan, we are committed to creating a workplace in which a high standard of ethics is upheld and human rights and individuality is respected in order to fully utilize our employees' abilities and individuality.

As part of our efforts in this regard, a new personnel evaluation system was adopted in January 2009, showing the criteria for actions and roles more specifically in order to realize the description of personnel required by the company. Furthermore, the personal interview system for feedback provides opportunities for employees and their superiors to consult with each other. A personal interview is defined as a time for deepening mutual understanding between an employee and his/her superior and encouraging the growth of the employee.

In recent years, Toyo Seikan has actively expanded overseas and so the number of expatriate personnel has increased. To foster personnel who are capable of working in a global environment, we are reinforcing employee education through language training programs and overseas assignment of young engineers.

### Description of personnel required by the company

- Personnel who are highly capable of identifying problems, i.e., tracking down essential problems in business operations from a broad perspective
- Personnel who address the identified problems on their own initiative
- Personnel who inspire the involvement of their subordinates, superiors, and colleagues and promote problem solving by making the most of the combined power as a team
- Personnel who are able to conclude negotiations with varied stakeholders within and outside the company and deliver results
- Personnel with the enthusiasm to persevere until results are achieved

## Benefit systems

Systems	Description	Usage status
Half-day paid holiday system	Ten out of all the annual paid holidays (20 half-days) can be taken as paid half-day holidays.	Used 7,435 times in FY2008
Unused paid holiday carry-over system	Each employee can carry over up to 30 unused paid holidays that have not yet expired, in addition to the regular paid holidays. These unused paid holidays can be used if the employee cannot work for 7 calendar days or longer due to personal injury or sickness or must care for a family member or wants to carry out volunteer activities.	Used by 36 employees (561 days in total) in FY2008
Parental leave system	Employees who are raising children under the age of one can take parental leave upon application. Employees who are raising children younger than school age can reduce their working hours (by two hours per day at the maximum) or change their hours upon application.	Used by 47 employees in FY2008
Family-care leave system	Employees who have a dependent family member in need of nursing care can take a total of 365 days of family-care leave or reduce or change their working hours upon application.	Not used in FY2008
Company houses and dormitories	All the business units in Japan own company houses and dormitories to supply low-rent housing to employees.	Accommodating 1,011 employees as of the end of March 2009
Housing loan system	The company loans funds to employees at a low interest rate to help them purchase a house.	Used by 2 employees in FY2008
Loan system	Employees who need to cover an expense due to sickness or other unforeseen circumstances of their own or their dependent family members can obtain a loan (three million yen at the maximum) from the company at no interest for one year upon application.	Used by 5 employees in FY2008
Employee commendation system	Employees who show remarkable ingenuity and/or make excellent learning efforts in relation to their job are given a company-wide commendation once a year.	16 cases in FY2008
Long-service employee commendation system	<25 years of service>Travel coupons worth 70,000 yen or a pair of deluxe watches <Retirement age>Travel coupons worth 50,000 to 400,000 yen depending on the length of service	Commendation in FY2008 (Commendation for 25 years of service)/79 employees (Commendation at retirement age) 145 employees

## Employment of disabled persons

The disabled person employment rate is 2.04% (as of March 1, 2009), thereby complying with the legal employment rate. In the future, disabled person employment will be systematically promoted, every year. The Osaka Plant is collaborating with the local special support school (formerly called a school for handicapped children) to receive students for hands-on training starting in their first year of senior high school and provide them with a two-week training segment twice in their third year, encouraging their job applications. Through this training, we confirm the trainees' willingness to work for us, identify the capability, suitability, and personality of each trainee, and develop an environment in which they can display their ability to the fullest by, for example, creating an easy-to-understand work procedure as required.



Thus, we are building a workplace where all the employees can work together without anxiety.

### Career improvement support

An incentive system is available to encourage employees to acquire official certifications and licenses related to business operations through their own initiative and thus improve the level of operations. This system offers a financial incentive to those who have acquired official certifications and licenses designated by the company in order to assist the career development of employees.

#### Official Certification Incentive System

Designated certifications: 57  
FY2008 applicants: 79

### Education and training system

Human resources are important assets for any company. Toyo Seikan provides many educational opportunities in order to develop workers who are innovative, flexible and highly creative. The education system, based on the premise that employees are primarily responsible for their own development, consists of three principal types: education for each layer of employment, education for each function, and support for self-development. As a manufacturer, Toyo Seikan naturally gives high priority to manufacturing training. In 2005, the Technical Education Center was constructed and training equipment was installed. At this Center, next-generation engineers receive

knowledge-oriented training and experience-based training by actually using machinery.

A program has also been established to provide support for employees who wish to develop further skills and abilities, on their own initiative. Those who have completed correspondence courses are reimbursed the total amount of the course fees. This program was used by 2,648 participants in FY2008.

Layer	Training for each layer	Education for each function	Common				
Management layer	Legal training for new board members	Special training at each department (such as STEP education on manufacturing)	Assistance in correspondence courses	Support for TOEIC testing	Dispatch of employees to external training courses and seminars	Foreign language training	Official Certification Incentive System
Administrator layer	Toyo Seikan Group Business College (TSGBC)						
Supervisor layer	New Section chief training						
	New subsection chief training						
Mid-level employee layer	Workplace leader training course						
	Manufacturing Department Problem-solving training						
	Research and development and management sales departments Logical thinking						
	Mid-level employee training						
New recruit layer	New recruit training						
	University graduate collective training at head office						
	University graduate correspondence courses and taking of tests TOEIC, Business Law 3rd grade, and Bookkeeping 3rd						
	Senior high school and technical college graduates Workplace OJT	University graduates Workplace visiting training					
	Senior high school and technical college graduates Correspondence course						
	Classroom education	Plant visiting training					
	Correspondence courses for prospective employees, currently at university taking of tests TOEIC						

### Column②

## Experience with the Official Certification Incentive System



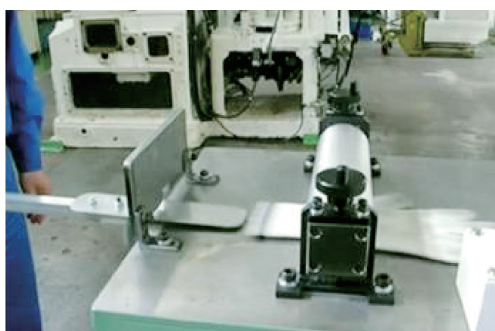
Satoshi Harada, office of Internal Audit, Head Office

In 2003, when I was engaged in the planning, design, and development of an information system, I passed the Professional Engineer Test (Information Engineering). Later, I learned about patent attorneys in the course of acquiring a patent for the system that I designed and developed, and decided to take the Patent Attorney Examination, successfully passing it in 2007. While studying for these tests, I learned to make effective use of my time during the commute to work and on holidays. To allocate considerable time to study, however, I seldom went out during holidays and stayed at home alone studying during summer vacation, letting my wife and children go to the movies without me. I think I was able to acquire these certifications because my family supported me in this way and I am really grateful to them. In my current position at the Internal Audit Office, I carry out the daily audit operations making the most of the knowledge acquired through my studies.

## Safe and Comfortable Workplace

### Safety activities

Toyo Seikan conducts not only risk assessment as specified in the Industrial Safety and Health Law but also “question-posing safety patrols” as a unique form of safety activity improved from ordinary safety patrols. These safety patrols, unlike conventional patrols based on 5S elements, are conducted using techniques of fixed-point observation of the work and procedures and dialog with workers in order to identify potential accident triggers and prevent their occurrence. In particular, countermeasures against “pinched” and “caught” accidents are important safety activities. There are several types of these particular hazard simulators custom-made by the Education Center, which are used for periodical simulator training to raise the safety awareness of employees.



Hazard simulators

### Health activities

In FY2008, health activities were conducted in accordance with the following policies.

- 1) Provision of mental health education: At each plant, training activities such as stress management education are conducted. A total of three industrial physicians specializing in mental health are under contract with the company. Nursing personnel permanently stationed at each plant are actively acquiring the special “Industrial Counselor” certificate related to mental health, with 11 of the nursing personnel already certified. The industrial physicians, nursing personnel, and Control Department collaborate to maintain the support system for employees.
- 2) Implementation of specific health examinations and specific health guidance programs
- 3) Decrease in the number of employees working long hours, and enhancement of health management
- 4) Enhanced health management for employees stationed abroad: Overseas expansion has resulted in more employees being stationed or staying for a long time at affiliated companies in Southeast Asia and other parts of the world. To help expatriate employees and their families live without anxiety, we have established a health management system consisting mainly of nursing personnel to provide various preventive vaccinations, health checkups before, during, and after overseas assignments, and health consultations.

### Safety performance in FY2008: April 1, 2008 to March 31, 2009

Plant	Frequency rate	Severity rate	Number of days without accidents as of the end of March 2009
Chitose Plant	2.61	0.037	201
Sendai Plant	0	0	1,721
Ishioka Plant	0	0	1,668
Kuki Plant	0	0	700
Saitama Plant	0.998	0.019	270
Kawasaki Plant	0	0	2,765
Yokohama Plant	0	0	583
Shimizu Plant	0	0	3,076
Shizuoka Plant	0	0	3,373
Toyohashi Plant	1.72	0.033	54
Takatsuki Plant	0	0	1,195
Ibaraki Plant	0	0	979
Osaka Plant	0	0	903
Hiroshima Plant	0	0	945
Kiyama Plant	0	0	903
Technology & Packaging Development Division	0	0	5,068

\* The values for the head office, consisting only of clerical departments, are excluded from the population parameters.

\* The “frequency rate” is the number of casualties resulting from industrial accidents per one million actual man-hours, which indicates the frequency of accident occurrence.

$$\text{Frequency rate} = \frac{\text{Number of casualties resulting from industrial accidents}}{\text{Total number of man-hours}} \times 1,000,000$$

\* The “severity rate” is the number of work days lost per one million actual man-hours, which indicates the severity of accidents.

$$\text{Severity rate} = \frac{\text{Number of work days lost due to casualties in industrial accidents}}{\text{Total number of man-hours}} \times 1,000$$

\* As criteria, the number of days without accidents is counted from the next day after the latest accident accompanied by lost worktime.

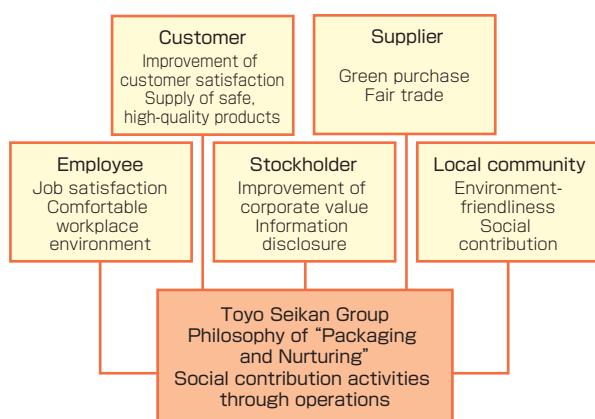
# Relationship with Society - Aiming for a Responsible Corporate Role in Society

The Toyo Seikan Group is constantly pursuing sincere and transparent disclosure of information and open communications at all stages of business activities.

## Reinforcing Communications with Customers

The Toyo Seikan Group provides opportunities for discussions with various stakeholders, with whom a wide range of departments have established a relationship based on mutual trust from their respective positions. We are determined to maximize the corporate value of the entire Group through timely information disclosure and communications.

### Correlation between stakeholders



### Disclosure of Investor Relations (IR)\* Information

Toyo Seikan has strived to enhance investor relations (IR) since FY2008. Both a booklet for stockholders and an "Investors' Guide," a report for international investors, were created to increase the communication opportunities. Furthermore, Toyo Seikan's Web pages carry "IR information" to supply required information in a timely manner.

\* Investor relations (IR): Public relations for investors. IR refers to activities carried out by a company to help investors and people in general acquire a better understanding of the company in order to enhance the corporate image and to inform financial and securities organizations and investors.

## Pursuit of collaborative communication

The Web site of Toyo Seikan has been completely rebuilt. To provide opportunities for communications with various stakeholders, the new Web site provides a wealth of technical information about our products, with changes made to the layout and a search function added to facilitate access to desired information.



## Environmental and Social Report 2008

The FY2008 edition is the tenth issue of this report, which describes the vision, corporate activities, and environmental protection initiatives to help customers understand the activities of Toyo Seikan and the Toyo Seikan Group. In the future, questionnaires, Web pages, and other means will be used to communicate with customers. The opinions and comments that we receive will be used as feedback on our corporate activities.



## Entry in Exhibitions

In FY2008, the Toyo Seikan Group submitted entries to two exhibitions: "Tokyo Pack 2008" and "Eco-Products 2008." With the focus on various environment protection initiatives, we were able to inform various stakeholders about the excellent technologies of the Toyo Seikan Group.

### Tokyo Pack 2008

The largest packaging exhibition in the Asian region, Tokyo Pack 2008, was held on October 7 to 11. Based on the theme "Power Solution: Powers of Development and Solution," six of the Toyo Seikan Group companies (Toyo Seikan, Toyo Kohan, Toyo Glass, Tokan Kogyo, Japan Crown Cork, and Nippon Tokan Package) made a joint presentation.



### Eco-Products 2008

In FY2008, the Toyo Seikan Group submitted an entry to Eco-Products 2008, the largest environmental exhibition in Japan. With easy-to-understand poster displays, presentations and enjoyable events such as quiz shows, our booth received more than 5,000 visitors during the three days from December 11 to 13.



## Stakeholders' Meetings

Toyo Seikan holds stakeholders' meetings to provide opportunities for communications.

In FY2009, a fourth meeting was held in collaboration with the Japan Council on the UN Decade of Education for Sustainable Development (ESD-J), where opinions were exchanged on the expectations for and collaboration with Toyo Seikan from the viewpoint of ESD-J.

### 2009 Toyo Seikan Stakeholders' Meeting

Date & time : 14:00 to 17:00 on Wednesday, May 20, 2009  
P l a c e : Head office of Toyo Seikan Kaisha, Ltd.  
Members : Coordinator, Ms. Chisato Murakami, Secretariat Chief, ESD-J

#### From ESD-J

Michiko Itoh, Technical Specialist,  
Toyama National College of Technology  
Hiroyuki Hirata, Member, Environmental Partnership Council  
Ikuo Sugimoto, Director, ESD-J and President, Citizens Environmental Foundation  
Masakazu Sasaki, Secretariat Member in charge of Corporate Collaboration and Training, ESD-J

#### From Toyo Seikan

Corporate Planning Department: Kakiuchi, Manager  
General Affairs Department: Koezuka  
Personnel Department: Ueno, Manager  
Marketing Department: Yoshihara, Manager; Funahashi, Manager; Hagi, and Morimura  
Environment Department: Miyazawa, General Manager; Masaki, Manager; Komatsu, Manager; and Aoyagi



Since this was the first time for Toyo Seikan employees and NPO members to meet each other, Toyo Seikan explained their initiatives while the NPOs explained their activities to help understand each other's activities. The NPO members, which are seeking to improve education, provided useful ideas for determining the roles and activity goals expected of us, a packaging company.

We will review the ideas exchanged and select initiatives to focus on, which will be further examined in collaboration with ESD-J.

### Holding the Environmental Report Discussion Meeting

In March 2009, Toyo Seikan held a meeting to consider improvements to the environmental report. We received frank opinions from ten participants from various head office departments. Since reports from other companies were also presented and compared with that of Toyo Seikan, the problems and tasks facing us became much clearer. All these opinions will be reflected in the reports issued from FY2009.

In the future, we intend to prepare a report that better reflects the opinions of the staff at large and the answers to a questionnaire included in the report.



The principal opinions made at the meeting (excerpt):

- The report should include the process leading up to a result, not just the result.
- Is it possible to include information on the overseas activities of the Toyo Seikan Group?
- A personal touch could be added to the report by including the names and photographs of collaborators.
- We could add more columns and make better use of blank space.
- Round fonts and designs could be used to give the report a friendlier appearance.

### Community Cleanup Activities

Each of the plants of the Toyo Seikan Group is actively participating in community cleanup activities in order to contribute to the development of an aesthetically pleasing and comfortable town. Regular cleanup activities are conducted around the periphery of each plant, as well as collaborative activities involving neighborhood residents and other companies, thereby assisting in the development of a better community. Furthermore, all plants actively participate in the cleanup campaigns conducted in their respective communities.

- Participation in joint cleanup activities in the industrial area
- Clean-up of the Miho Masaki Coast
- Participation in the Mikawa Bay Akemi Area zero-garbage campaign
- Participation in Sendai Harbor volunteer cleanup activities
- Participation in the campaign for eliminating empty cans and other scattered garbage
- Participation in the Tsurumi cleanup campaign
- Cleanup of the Tama River dry riverbed, etc.



## Environmental Education

### Environment-related education at plants

As part of the ISO14001 environment management activities, the Toyo Seikan Group regularly provides general education and special education opportunities to all employees at each plant, aimed at sharing expert knowledge and skills. In addition, each plant actively gives presentations outside the company. For example, the Chitose Plant of Toyo Seikan explained the company's principles concerning the environment and environment-friendly packages at an informal technical gathering held at the Chitose Institute of Science and Technology.



Nakazato, Plant Manager of the Chitose Plant of Toyo Seikan

### Environmental seminars at the head office of Toyo Seikan

Starting in 2000, an annual environmental seminar has been held at the head office, as part of the environmental education program, featuring an invited guest speaker from outside the company. In the seminar held in June 2009, there were about 90 participants from the Toyo Seikan Group. The lecture was well received because the speaker discussed "Corporate Waste and the Formation of a Recycling-Based Society," which is a serious issue for enterprises, and because the use of familiar examples such as PET Refine Technology (see Page 15), a new member of the Toyo Seikan Group, made the lecture easy to understand. These helpful seminars will continue next year and beyond.



Prof. Eiji Hosoda, Faculty of Economics, Keio University



## Activities in Recycling Organizations

Toyo Seikan, as a total packaging manufacturer, was actively involved in recycling long before the Containers and Packaging Recycling Law was enacted in 1997.

Since its foundation, Toyo Seikan has participated in recycling organizations dealing with various types of packaging and continues to submit proposals to administrative bodies and general consumers through various associations. The company participates in exhibitions as a member of these associations and conducts a wide range of recycling education activities.

### Participation in recycling organizations

Organization name	Posts
Japan Steel Can Recycling Association	Vice-chairman, director, executive member
Japan Aluminum Can Recycling Association	Vice-chairman, planning member
PET Bottle Council	President, director, member of committees
Council for PET Bottle Recycling	President, director, member of committees
Plastic Packaging Recycling Council	Planning and steering member
The Japan Containers and Packaging Recycling Association	Director, PET bottle business member, plastic package business member

## Social Contribution Activities

The Toyo Seikan Group, extending its basic policy of contributing to society with packaging technology, conducts social contribution activities outside its main line of business.

### Toyo Kohan

On November 8, 2008, the fourth “Toyo Kohan Community Exchange Day” was held at the Kudamatsu Plant of Toyo Kohan. The event received some 4,000 visitors, many of them in families with children, who enjoyed plant tours, open-air stalls, bazaars, and stage events. A “Coupons for Cans” campaign was conducted to give away one coupon for the open-air stalls in exchange for five empty cans and successfully reclaimed about 10,000 cans.



### Japan Crown Cork

The Okayama Plant of Japan Crown Cork participates in the “Okayama Forest for Cohabitation” and the “Beautiful Forestation Campaign,” two of several events held by the Okayama prefectural government in order to help prevent global warming. In the FY2008 Okayama Forest for Cohabitation event, plant participants experienced full-scale logging operations using chain saws.



### Toyo Seikan

The Kiyama Plant of Toyo Seikan collaborated in greening activities to create a safe promenade in harmony with nature in the FY2008 Saga Green Fund Subsidized Project and planted young cherry trees along the Akimitsu River Breakwater Road on the eastern side of the First Plant. Plant employees are hoping to see the trees grow quickly so that cherry blossoms can be enjoyed in addition to the greenery.

## Column③

### Rooftop Gardening at the Toyo Seikan Head Office Building

The head office of Toyo Seikan is in the Saiwai Building in Chiyoda-ku, Tokyo. In November 2008, a garden was created on the roof of the building. The project had long been postponed because the effective area was too small due to the outdoor units for air conditioners and window cleaning machines. It was finally decided to create the rooftop garden to help alleviate, even if only a little, the heat island phenomenon.



# Overseas News: Overseas Business Development of TULC

## Overseas Marketing of Environment-Friendly Products

Toyo Seikan's TULC metal can is manufactured with significantly reduced CO<sub>2</sub> emissions and zero water consumption / waste. The company intends to expand the use of this superior technology in the global market to help preserve the global environment.

TULC is particularly suitable for Asia, Africa, and other parts of the world where water shortages are a serious problem.

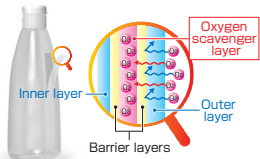


In FY2007, the first TULC line outside Japan was introduced in Thailand (Bangkok Can Manufacturing). At present, Toyo Seikan is building a second line in Thailand (Next Can Innovation) and planning to introduce another in China (Guangzhou).



Next Can Innovation building under construction

## External Evaluations and Commendations

The products of Toyo Seikan have won the following contest awards:

Award	Product and description	Photograph	Host
18th Aoki Katashi Award for New Technology	<b>Multi BLOCK (Multi-layered olefin container with oxygen scavenger):</b> A bottle with the conventional oxygen barrier function of a multi-layered plastic container plus an oxygen scavenger function for incoming oxygen from outside the bottle, thus extending the best-before date.		Japan Society of Polymer Processing
2008 Japan Packaging Contest Japan Star Award (Green Japan Center Director's Award)	<b>Universal Lightweight Bottle (ULB), PET bottle for aseptic filling system:</b> PET bottle for drinks, significantly lighter but just as strong as a conventional two-liter bottle, easy to use, and easily collapsible for reduced weight. The neck with a circular cross-section makes it easy to carry the bottle and pour the contents. This product was entered in the 2008 World Star Contest held by the World Packaging Organization (WPO) and won the World Star Award, becoming a double-winner, in Japan and in the world.		Japan Packaging Institute
2008 World Star Contest World Star Award			WPO:World Packaging Organization
2008 Japan Packaging Contest Packaging Technology Award (Proper Packaging Award)	<b>GT-CAP (Degassing cap for aerosol cans):</b> A cap with a function for releasing the remaining gas from a used aerosol product for safe disposal (The award was jointly received by Toyo Seikan and Goto Kanagata Kogyosha.)		Japan Packaging Institute

# Environmental Report

39	Environmental Management
40	Operation of the ISO14001-compliant Integrated System
41	Initiatives to Prevent Global Warming
43	Initiatives for Waste Reduction and Recycling
44	LCA Initiatives
45	3R Initiatives
46	Substance Flow from an Environmental Point of View
47	FY2008 Environmental Activities Report
48	Environmental Targets for FY2009 and Beyond
49	Environmental Targets of Toyo Seikan Group

## Environmental Policies of the Toyo Seikan Group

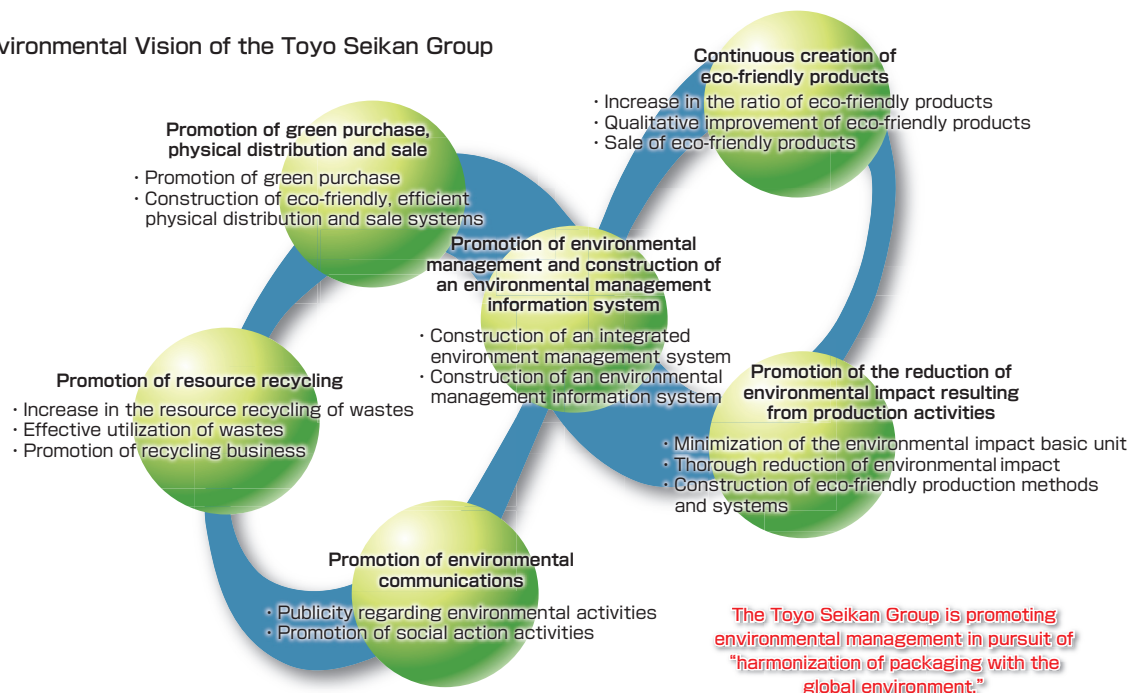
Each of the Toyo Seikan Group companies establishes environmental policies and acts in accordance with the following basic philosophy.

### Toyo Seikan Group Environmental Policies (Established in August 2002)

The Toyo Seikan Group clearly recognizes that protection and substantial improvement of the global environment are the most important challenges facing the human race and is committed to contributing to the betterment of human life and culture while considering the environment in all aspects of its corporate activities.

# Environmental Management

## Environmental Vision of the Toyo Seikan Group



## Promotion of group environmental management

In July 2002, the Toyo Seikan Group Environmental Committee was organized to promote group environmental management.

Since its foundation, the committee has been meeting twice a year to discuss issues related to environmental management and manage the progress of the activities of the entire group.

## Pursuit of the Group Environmental Vision

The Group is pursuing a management goal directed towards "harmonization of packaging and the global environment" by working on the promotion of environmental management through the participation of all members.

To carry out environment management activities, the Group formulated an Environmental Vision in May 2004, consisting of the following six items:

- I. Ongoing creation of eco-friendly products
- II. Promotion of the reduction of environmental impact resulting from production activities
- III. Greener purchase, distribution and sale
- IV. Promotion of resource recycling
- V. Promotion of environmental communications
- VI. Promotion of environmental management and construction of an information system for environmental management

In February 2006, the "Toyo Seikan Group Eco Action Plan 2010" (summarizing environmental targets and action plans up to 2010) was established to help realize this Environmental Vision. All the Group companies will pursue the realization of this Environmental Vision by FY2010 by supporting activities based on this action plan in order to achieve its targets.

# Operation of the ISO14001-compliant Integrated System

## Environment Management Organization

Toyo Seikan has established an environment management organization that promptly implements the environmental policies formulated by the top management in response to various environment-related problems. There are two committees under the control of the president: the Central Environmental Committee and the Plant Environmental Committee, each headed by their respective committee chairperson. This organization ensures that information flows smoothly from top management to executing department and vice versa.

## Construction and Operation of the ISO14001-compliant Company-wide Integrated System

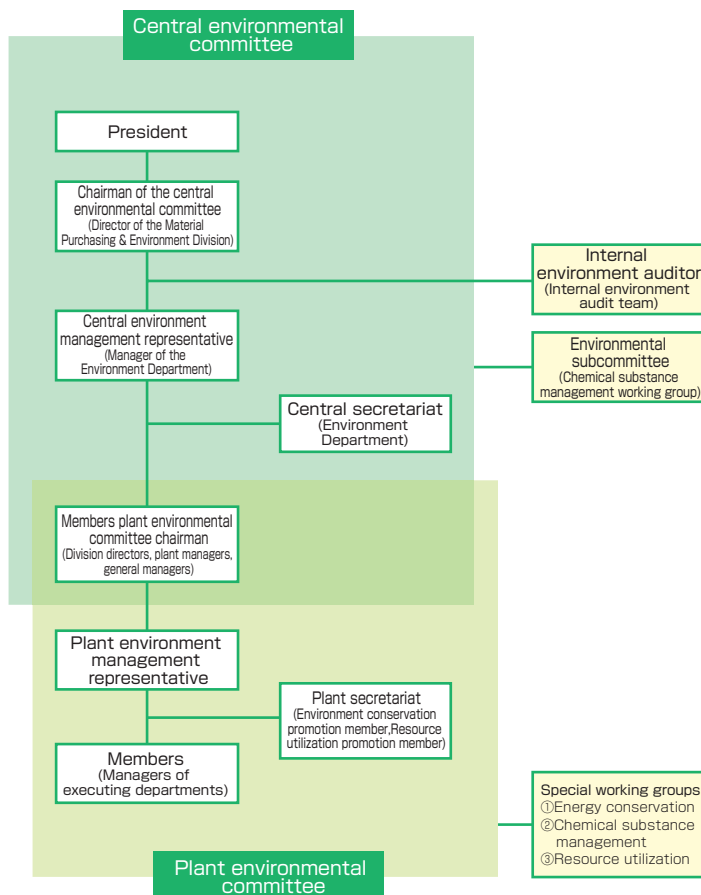
### Company-wide integrated system

Toyo Seikan operates an environment management system to ensure that environmental activities are continuously improved as part of its activities. Starting with the Saitama Plant in 1999, the Toyo Seikan plants acquired external ISO14001 certification one by one and, by the end of November 2005, the plant-based certification acquisition was completed but for a few exceptions.

In FY2007, the company unified the systems to establish a company-wide integrated system to carry out activities in a more integrated manner. This system integration has had the following effects:

- ① The monthly meeting of the

Environmental management organization chart



Central Environmental Committee facilitates communications between the central organization and the plants.

- ② Sharing of information about initiatives taken at one plant allows all the other plants to unify their activities and upgrade their levels.
- ③ Since a mutual internal audit is conducted between plants, it can also provide a different viewpoint, which may lead to the discovery of new problems and awareness of others' good points.

In 2009, Corporate R&D joined the integrated system. Now that

the policies for environmental measures can be incorporated in the basic research stage of new products, Toyo Seikan will continue to improve its environmental management.

### Support to immediate subsidiaries

Toyo Seikan is committed to supporting its immediate subsidiaries. In December 2008, the Hyogo Plant of Honshu Seikan acquired ISO14001 certification.

# Initiatives to Prevent Global Warming

## CO<sub>2</sub> emissions during the production process

### Carbon dioxide emissions during the production process

The Toyo Seikan Group defines its carbon dioxide emissions as the total amount of carbon dioxide resulting from the use of electric power, carbon dioxide accompanying the burning of fuels, carbon dioxide generated from the burning of solvents included in materials, and the manufacture of raw materials. Total CO<sub>2</sub> emissions for the Toyo Seikan Group in FY2008 were 1,527,000 tons, approximately equal to the FY2007 level. On the one hand, the amount of energy used for production decreased due to energy conservation efforts undertaken by the Group companies and a drop in demand due to the economic downturn. On the other hand, there was an increase in the primary unit of CO<sub>2</sub> emissions from the power companies. Consequently, emissions remained approximately equal to the FY2007 level. In FY2008, Toyo Seikan emitted 638,000 tons of CO<sub>2</sub>, an increase of 27,000 tons compared to the FY2007 level. This was due to an increase in emissions resulting from power consumption that accounts for 78% of total emissions because there was an increase in the primary unit of CO<sub>2</sub> emissions

from the power companies. Activities for reducing CO<sub>2</sub> emissions are progressing satisfactorily. If the same primary unit as in the previous year were used for calculation, the emission level would be 584,000 tons, showing a decrease.

### FY2010 reduction target for carbon dioxide emissions

Toyo Seikan Group:-13%, compared to the FY1990 level

Toyo Seikan:-6%, compared to the FY1990 level

### Reduction initiatives undertaken by Toyo Seikan

Toyo Seikan is working towards a carbon dioxide emission reduction target of "6%, compared to the

FY1990 level, by FY2010." Toyo Seikan is working toward this target through the concerted efforts of the head office and plants.

Measures being implemented by the head office departments:

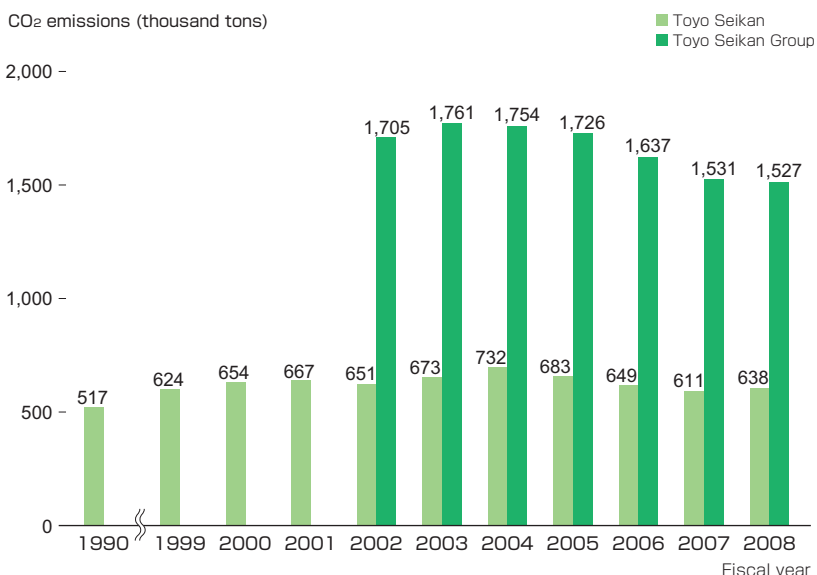
- ①Promotion of eco projects (energy conservation for equipment)
- ②Consolidation and restructuring of production lines
- ③New technology development

Measures being implemented by the plants:

- ①Promotion of reduction of CO<sub>2</sub> emissions based on the ISO14001-compliant company-wide integrated system

## Transition of CO<sub>2</sub> emissions

CO<sub>2</sub> emissions (thousand tons)



## CO<sub>2</sub> emissions from the logistics department

The FY2008 level of CO<sub>2</sub> emissions from the logistics department of Toyo Seikan was 53,000 tons, 94% of the FY2007 level (target: 88%) and 85% of the FY1999 level (target: 80%), marking a decrease although not achieving the target. The traffic volume decreased by 7% from the previous fiscal year because of decreased inventories and consequently increased opportunities for transporting products directly to the place of demand without storing them at stock points. Since the production system was enhanced to ensure production at a plant closer to the place of demand, there was a further decrease in long-distance transportation and the total transportation distance decreased by 10% from the previous year.

Regarding a modal shift, on the

other hand, opportunities to use marine transportation are gradually declining trend because long-distance transportation has decreased. Meanwhile, railway transportation is not particularly advantageous even in terms of cost due to the need to secure transportation quotas, constraints on transportation equipment, and terminal transportation using trucks. In the future, we must improve the efficiency of transportation using trucks.

Toyo Seikan was appointed as a Designated Sender due to the Revised Law Concerning the Rational Use of Energy in FY2007 and therefore submits regular reports on the amount of energy used and yearly plans for energy reduction.

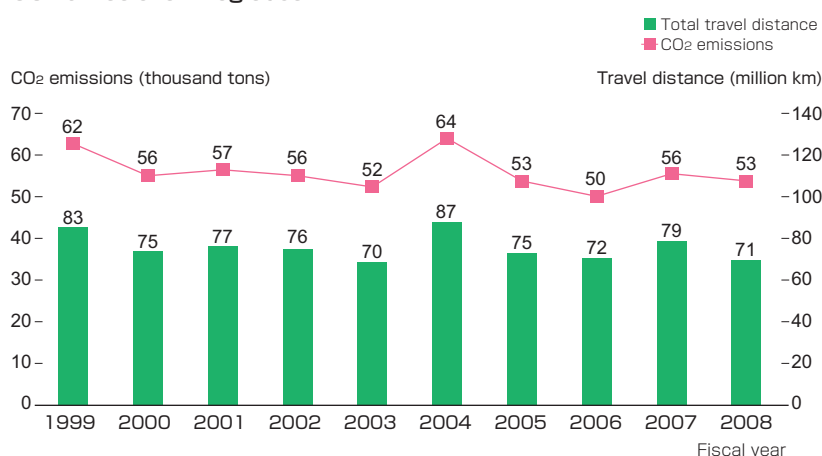
### Main measures implemented by the logistics department to reduce CO<sub>2</sub> emissions

We will continue to implement and enhance the following measures

to reduce CO<sub>2</sub> emissions:

1. Reduction of inventories to decrease the storage amount outside the company and increase the opportunities for direct transportation.
2. Construction of a production system with optimized production opportunities through a demand-supply system and improved production capacity so that production will be carried out at a plant closer to the place of demand.
3. Utilization of a truck dispatch support system, whether long-distance or short-distance transportation is needed, to promote round-trip use of trucks and reduce empty-truck journeys.
4. Other means of long-distance transportation will be promoted (with lower carbon dioxide emissions than trucks).

## CO<sub>2</sub> emissions in logistics



# Initiatives for Waste Reduction and Recycling

## The Toyo Seikan Group

### Recycling of waste

In FY2008, the total amount of waste including valuables discharged by the Toyo Seikan Group amounted to 293,000 tons, a decrease of 9% from the previous year. The recycled resource amount was 283,000 tons, while the remaining 10,000 tons were finally disposed of in landfills and by simple incineration, a significant reduction of 7% compared to the FY2007 level.

The recycling percentage (recycling amount divided by total discharge amount  $\times 100$ ) was 96.6%, an improvement of 0.1% from the FY2007 level.

### Material recycling percentage

The Toyo Seikan Group classifies waste materials into two types: "valuables" which are sold for a set price, and "wastes" which are of no value and which the

company may actually have to pay to dispose of. Nearly 100% of the recycled valuables are sent to material recycling.

On the other hand, part of the recycled wastes are sent to thermal recycling, although steps are currently being taken to convert these wastes into a form suitable for material recycling. The FY2008 material recycling percentage (the material recycling amount divided by the total discharge amount  $\times 100$ ) was 95.3%, marking an improvement by 0.2 percentage points, compared to the previous year's level.

## Toyo Seikan

### Zero emissions for two consecutive years

In FY2008, all waste and valuables discharged from the Toyo Seikan plants were recycled, achieving zero emissions for two consecutive years.

### Waste discharge amount

In FY2008, the total discharge amount including valuables (excluding metal scrap wastes) was 26,304 tons, a 9% reduction from the previous year. Of this, the waste discharge amount was 6,964 tons, an 8.2% reduction from the previous year.

Among the total waste, 87.8% was sent for material recycling. Steps are currently being taken to convert the remaining waste sent to thermal recycling into a form suitable for material recycling.

### Reduction in the thermal recycling amount

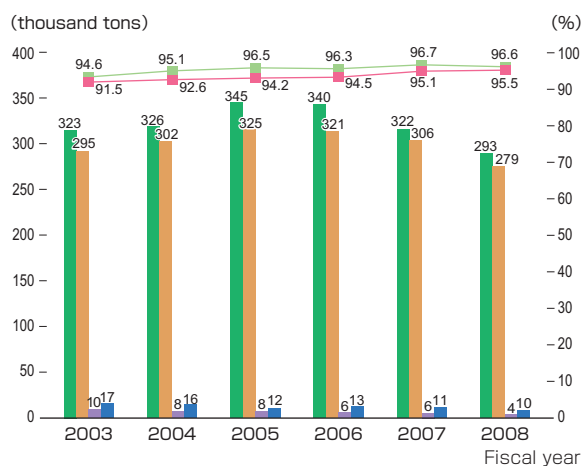
The amount of conversion to material recycling is confirmed using the amount of reduction in thermal recycling.

In FY2008, the thermal recycling amount was 846 tons, a significant reduction of 24.7% from the FY2007 level.

## Waste amount results

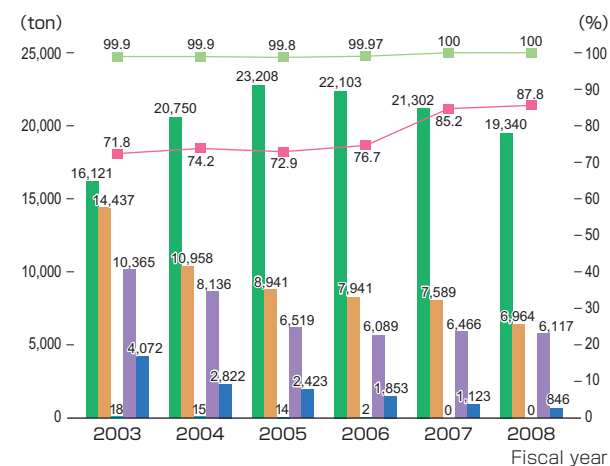
### Toyo Seikan Group

■ Recycled resource amount ■ Material recycling amount ■ Thermal recycling amount  
■ Final disposal amount ■ Recycling percentage ■ Material recycling percentage



### Toyo Seikan

■ Valuables (t) ■ Recycled weight (t) ■ Landfill amount (t) ■ Material recycling amount (t)  
■ Thermal recycling amount (t) ■ Recycling percentage (%) ■ Material recycling percentage (%)



# LCA Initiatives

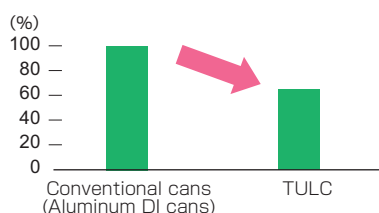
## Utilization of LCA

Toyo Seikan conducts Life Cycle Assessment (LCA) to identify and reduce the environmental impact of products.

## History of LCA

In 1969, LCA was used for the first time in the United States. Toyo Seikan began studying LCA in the 1970s. Starting in 1986, we applied LCA to our development operations and have subsequently developed TULC and other products using LCA. The development of TULC started with a detailed survey on the environmental impact in the manufacturing process for conventional cans (DI cans) in order to identify possible improvements. Using a combination of "film laminate" and "dry forming," we were able to significantly reduce the environmental impact.

Energy consumption reduction rate in the can manufacturing process

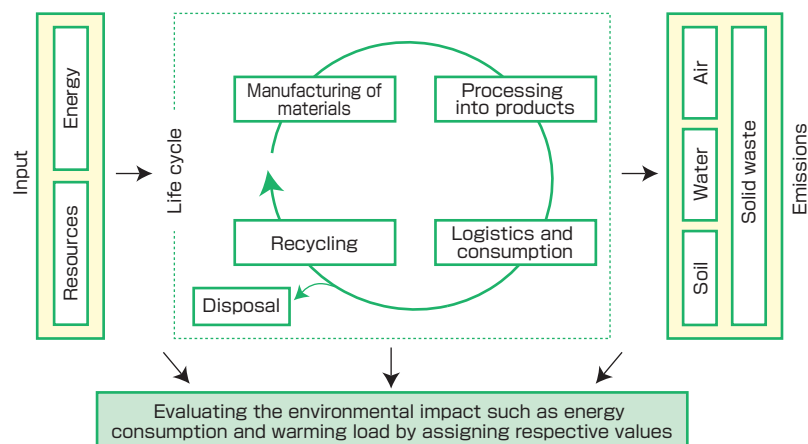


\* This graph shows only the data from the manufacturing process, which has been extracted from the results of evaluation using the LCA technique.

TULC, the first metal can certified with an Eco Leaf Environmental Label

In the case of products bearing an Eco Leaf Environmental Label, the environmental impact

Conceptual diagram of Life Cycle Assessment



\* Life Cycle Assessment (LCA) is a technique used to identify the environmental impact of a product throughout its life cycle by assigning respective values. The life cycle includes the collection of resources used for the product, manufacture of materials from the resources, manufacture of the product, logistics and consumption, and recycling or disposal processes.

throughout the product life cycle are calculated using the LCA technique and the results are made public via a Web site or other means. The calculation results are verified by the Japan Environmental Management Association for Industry (JEMAI). The TULC series to which LCA was applied from the development stage is the first metal can certified with an Eco Leaf. At present, 22 models in the TULC series have been certified and the relevant environmental information has been published on the Web site of JEMAI.

URL of JEMAI site for information disclosure:  
[http://www.jemai.or.jp/ecoleaf/prodbycmp\\_companyobj68.cfm](http://www.jemai.or.jp/ecoleaf/prodbycmp_companyobj68.cfm)



## Expansion of LCA Initiatives

### Participation in the carbon footprint system

"Carbon footprint" refers to the total amount of greenhouse gas

emitted throughout the lifetime of a product and is printed on the product package. Toyo Seikan participated in the "Study Group for Developing and Promoting the Carbon Footprint System" established by the Ministry of Economy, Trade and Industry in June 2008 and exhibited trial product samples at Eco-Products 2008 held in December 2008. Toyo Seikan will encourage use of this system in future.

### Initiatives carried out by the Group

The Toyo Seikan Group organized the LCA Study Group in FY1997. The group was renamed as the LCA Work Group in FY2002, with eight of the Group companies currently serving as members. In the future, the Group will continue collaboration to expand the use of LCA.

# 3R Initiatives

## Corporate voluntary plans

The 3R Promotion Organization Liaison Conference, which was established by eight recycling organizations involved in packaging, has established a corporate voluntary plan to promote the 3R (Reduce, Reuse, Recycle). As a member of four of these eight recycling organizations (a member of seven as the Toyo Seikan Group), Toyo Seikan actively carries out 3R promotion activities in addition to its own voluntary plans.

## Initiatives for Reduce

Of all the 3R, "Reduce" should be given the highest priority. Toyo Seikan has been working for many years to reduce the packaging weight in order to conserve resources. The change in weight of steel cans is shown in the graph below. This change is mainly due to reducing the weight of the TULC flagship container, the effect of which gradually manifested itself in FY2008. The reduction target is 2% by weight from the FY2004 level by FY2010. Further efforts will be made to achieve

this target by switching to lighter packages.

## Initiatives for Recycle

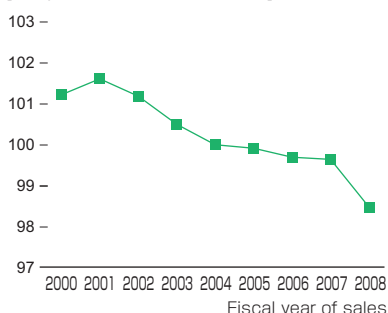
Toyo Seikan intends to provide the necessary support to ensure that all containers delivered to consumers, and subsequently emptied, are then recycled into new products. The company actively participates in the recycling organizations related to the packages that it manufactures, achieving the recycling status in Japan in FY2007 as shown in the figure below.

## Conceptual diagram of 3R



## Weight transition for vacuum steel drink cans

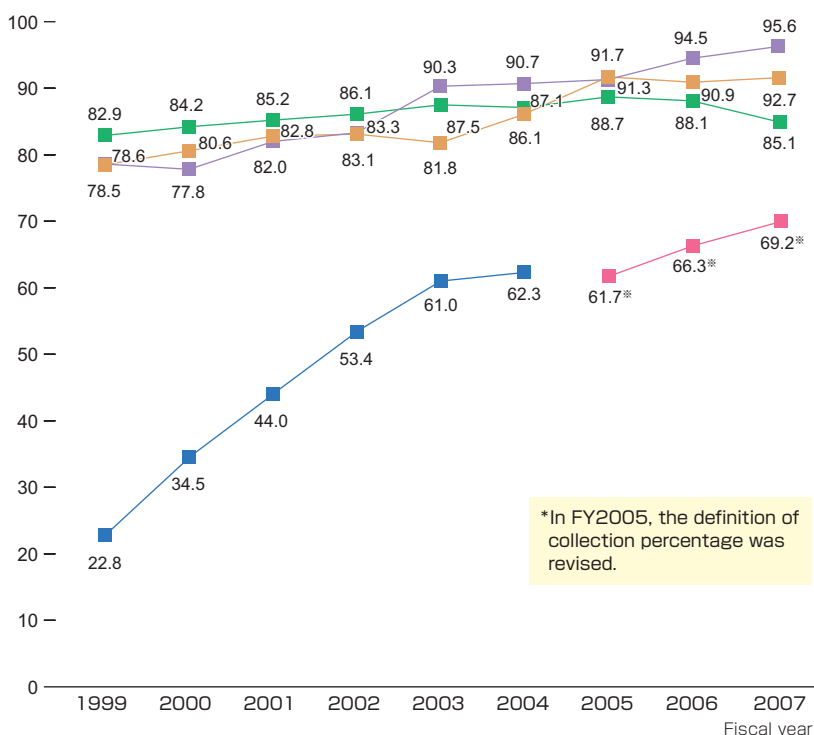
Weight percentage (%)  
[compared to the FY2004 level]



## Current recycling status for different types of packaging in Japan (source: Industry groups' data)

■ Steel cans ■ Aluminum cans ■ PET bottles (previous collection percentage)  
■ PET bottles (new collection percentage) ■ Glass bottle (cullet utilization percentage)

Recycling percentage (%)



# Substance Flow from an Environmental Point of View

## 2008 substance flow of the Toyo Seikan Group

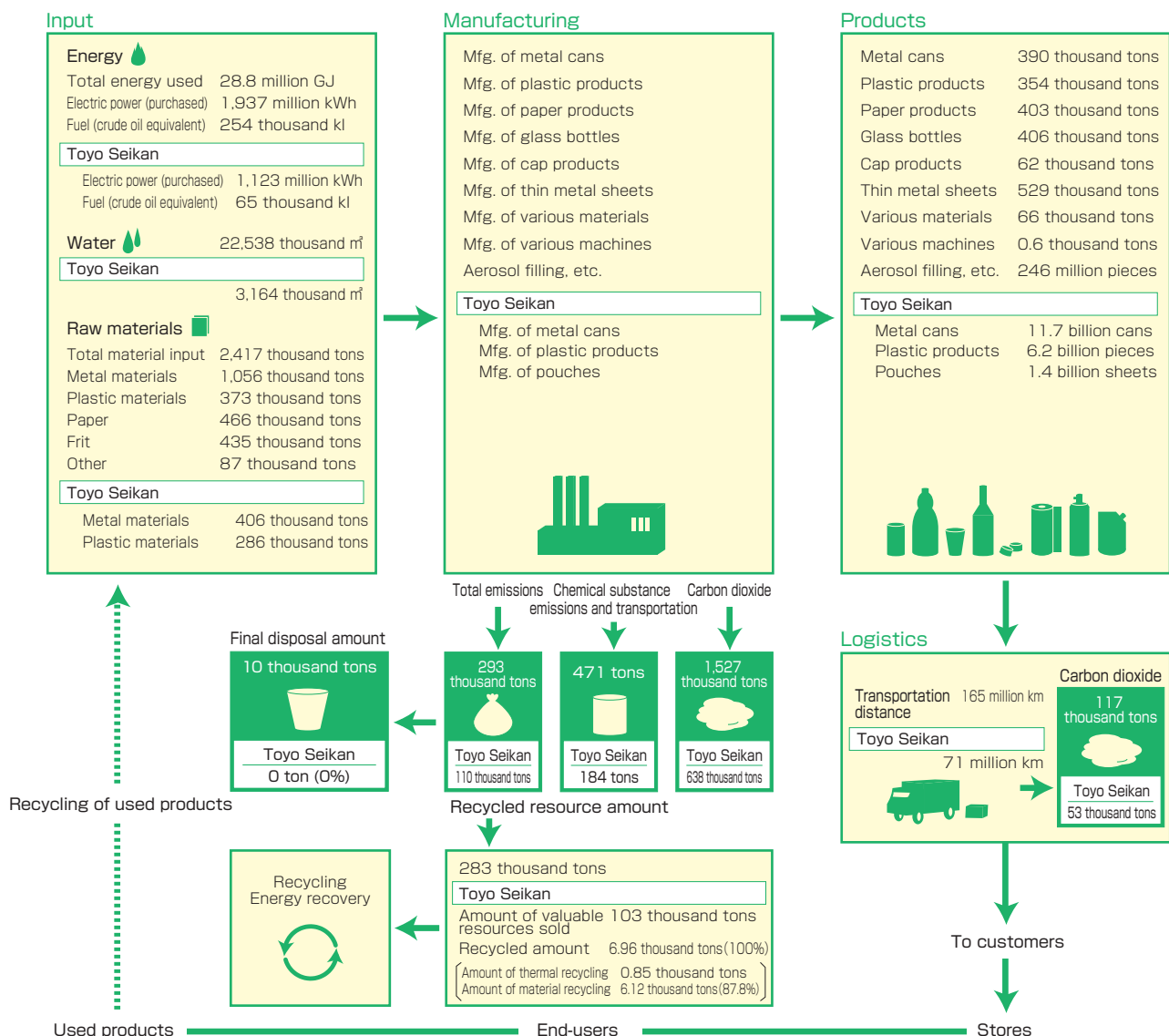
The Toyo Seikan Group manufactures packaging and containers such as metal cans, plastic products (e.g., PET and general bottles, film products, cups and tubes and resin cups), paper products (e.g., paper cups, paper packing products and

corrugated boxes), glass bottles, and caps. The Group also manufactures thin metal sheet products used as material for containers (e.g., surface-treated steel sheets and laminate metal sheets), machines, and various materials (e.g., frit products, inorganic pigments, thermosetting resins and functional materials) and performs aerosol filling and other

operations.

Toyo Seikan mainly manufactures various metal cans (such as TULC, DI cans, welded cans) and plastic products (such as PET bottles, general bottles and pouches). The material flow of the business activities conducted in FY2008 is shown in the following figure:

FY2008 material flow of the Toyo Seikan Group and Toyo Seikan



\* Scope of this data: Production bases of the Toyo Seikan Group

# FY2008 Environmental Activities Report

## FY2008 Environmental Activities Report

All the plants of Toyo Seikan are working together to achieve environmental targets using the ISO14001-compliant integrated system. In FY2008, reduction of the primary unit of material usage was added as a new activity to increase the focus on energy and resource conservation. Consequently, the targets for the priority issues, the reduction of the primary unit of material usage and the reduction of CO<sub>2</sub> emissions, have been achieved. Although the targets for several issues have not been achieved, progress is proceeding smoothly.

### Results of FY2008 activities of Toyo Seikan

Evaluation indicator ★★★ Achievement of the target ★★ Improvement from the previous year despite non-achievement of the target ★ Requires additional effort \* Reference year: 2005

Field	Item	FY2008 target	FY2008 result	Evaluation
Production activities	1. Reduction of energy consumption (primary unit per production)	9% reduction compared to the reference year level	12% reduction compared to the reference year level	★★★
	2. Reduction of carbon dioxide emissions	Production activities	11.5% reduction compared to the reference year level	★★★
		Logistics department	7% reduction compared to the reference year level	★★
	3. Reduction of total waste discharge	25% reduction compared to the reference year level	22% reduction compared to the reference year level	★★
	4. Reduction of thermal recycling of waste	52% reduction compared to the reference year level	65% reduction compared to the reference year level	★★★
	5. Reduction of emissions and transportation of chemicals designated in the PRTR Law	18% reduction compared to the reference year level	20% reduction compared to the reference year level	★★★
	6. Reduction of VOC emissions	15% reduction compared to the reference year level	16% reduction compared to the reference year level	★★★
Product development	7. Reduction of the primary unit of material usage	1% reduction compared to the reference year level	1% reduction compared to the reference year level	★★★
	8. Sales promotion and development of eco-friendly products	Sales promotion for TULC and E-RP Promotion of package weight reduction	Promoted as planned	★★★
Environment management	9. Introduction of an environment management system	3 plants	2 plants	★★
	10. Promotion of environment risk management	Setup and operation of environment risk management	Completed	★★
	11. Promotion of chemical substance management	Setup and operation of chemical substance management	Completed	★★
	12. Improvement of the green purchase ratio	95%	Unable to evaluate due to effects from the waste paper percentage hoax scandal	—
	13. Reduction of copy paper purchase	21% reduction compared to the reference year level	26% reduction compared to the reference year level	★★★
	14. Promotion of container recycling activities	Positive activities in industry groups	Promoted as planned	★★★
	15. Utilization of LCA	Establishment of an LCA-based evaluation method and its application to operations	Evaluation of various products Introduction in the Development Department Carbon Footprint trial project	★★★
Environment communications	16. Enhancement of environmental communications	Positive participation in exhibitions and academic conferences	Entry in exhibitions Holding of stakeholders' meetings	★★
	17. Issue of environmental reports	Issuing of environmental reports and site reports	Issuing of Environmental and Social Reports 2008 Issuing of a site report at all plants	★★★

# Environmental Targets for FY2009 and Beyond

## Environmental Targets for FY2009 and Beyond

In FY2009, Toyo Seikan added Corporate R&D to the ISO14001-compliant company-wide integrated system to enhance its activities. In the future, activities will focus on energy conservation, a priority issue, and environmental risk management and environmental communications. The FY2010 and FY2011 targets for reduced CO<sub>2</sub> emissions have been established based on the long-term target committed to in FY2005: 6% reduction compared to the FY1990 level by FY2010. All the plants of Toyo Seikan will work together to achieve these targets.

### Toyo Seikan environmental targets for FY2009 and beyond

\* Reference year: 2005

Field	Item	FY2009 target	FY2010 target	FY2011 target
Production activities	1. Reduction of energy consumption (primary unit per production)	13% reduction compared to the reference year level	15% reduction compared to the reference year level	16.5% reduction compared to the reference year level
	2. Reduction of carbon dioxide emissions	Production activities	8% reduction compared to the reference year level	12% reduction compared to the reference year level
		Logistics department	15% reduction compared to the reference year level	16% reduction compared to the reference year level
	3. Reduction of total waste discharge	25% reduction compared to the reference year level	27% reduction compared to the reference year level	28% reduction compared to the reference year level
	4. Reduction of thermal recycling of waste	81% reduction compared to the reference year level	85% reduction compared to the reference year level	85.5% reduction compared to the reference year level
	5. Reduction of emissions and transportation of chemicals designated in the PRTR Law	22% reduction compared to the reference year level	24% reduction compared to the reference year level	25% reduction compared to the reference year level
	6. Reduction of VOC emissions	25% reduction compared to the reference year level	25.5% reduction compared to the reference year level	26% reduction compared to the reference year level
Product development	7. Reduction of the primary unit of material usage	1.5% reduction compared to the reference year level	2% reduction compared to the reference year level	2.5% reduction compared to the reference year level
	8. Sales promotion and development of eco-friendly products	Development and sales promotion of lightweight and energy-conserved packages		
Environment management	9. Introduction of an environment management system (immediate subsidiaries)	2 plants	One plant	Further expansion
	10. Promotion of environment risk management	Operation of an environmental risk management system and establishment of an environmental risk management technique		
	11. Promotion of chemical substance management	Operation of a general chemical management system		
	12. Improvement of the green purchase ratio	Examination of target values	Activities towards achieving new target values	
	13. Reduction of copy paper purchase	27% reduction compared to the reference year level	27.5% reduction compared to the reference year level	28% reduction compared to the reference year level
	14. Promotion of container recycling activities	Positive activities in industry groups		
	15. Utilization of LCA	Introduction to development operations, construction of databases, support to affiliated companies, and use of Carbon Footprints		
Environment communications	16. Enhancement of environmental communications	Active supply of environmental information, entry in exhibitions, and holding of stakeholders' meetings		
	17. Issue of environmental reports	Issuing of environmental reports and site reports		

# Environmental Targets of Toyo Seikan Group

## Eco Action Plan 2010

The Toyo Seikan Group has established the “Toyo Seikan Group Eco Action Plan 2010,” summarizing the environmental targets and action plans required in order to realize the Group Environmental Vision. The Group companies are working towards the achievement of these targets.

### List of targets for FY2010 and results in FY2008

Environmental Vision	Specific items and environmental targets	Numerical targets		
		FY2008 plan	FY2008 result	FY2010 target
1) Ongoing creation of eco-friendly products	a. Quantitative enlargement and qualitative improvement of eco-friendly products	—	—	—
	b. Promotion of sales of eco-friendly products	—	—	—
2) Promotion of the reduction of environmental impact resulting from production activities	a. Promotion of reduction of the primary unit of energy consumption	-2%, compared to the reference year level	-9%, compared to the reference year level	-15%, compared to the reference year level
	b. Promotion of reduction of carbon dioxide emissions	-7%, compared to the FY1990 level	-9%, compared to the FY1990 level	-13%, compared to the FY1990 level
	c. Promotion of reduction of the primary unit of material input	-2%, compared to the reference year level	-9%, compared to the reference year level	-4%, compared to the reference year level
	d. Promotion of reduction of wastes and zero emissions	-15%, compared to the reference year level	-23%, compared to the reference year level	-19%, compared to the reference year level
	① Reducing the quantity of wastes produced			
	② Increasing the number of zero-emission sites (with a recycling rate of 99% or higher)	58 sites	57 sites	65 sites
	e. Chemical compounds management			
	① Reducing the primary unit of emissions and transportation for those chemicals designated in the PRTR Law	-33%, compared to the reference year level	-35%, compared to the reference year level	-43%, compared to the reference year level
	② Reducing the quantity of emissions and transportation of toluene, xylene and other organic solvents	-26%, compared to the reference year level	-43%, compared to the reference year level	-42%, compared to the reference year level
3) Greener purchase, distribution and sale	a. Promotion of green purchasing for stationery, etc.	91%	Definition under review due to the waste paper forgery problem	
	b. Promotion of reduction of the primary unit of carbon dioxide emissions in the product logistics process	-4%, compared to the reference year level	-5%, compared to the reference year level	-11%, compared to the reference year level
4) Promotion of resource recycling	a. Improvement of the material recycling percentage	95.8%	96.1%	96.1%
	b. Promotion of recycling business	—	—	—
5) Promotion of environmental communications	a. Promotion of environmental communications	—	—	—
6) Promotion of environmental management and construction of an information system for environmental management	a. Expansion of environmental management and promotion of the environmental management system	—	—	—
	b. Promotion of the construction and operation of effective environmental management information systems	—	—	—

\* The reference values are the average values from FY2002 to 2004.

\* Values in red are targets to be achieved by FY2010.

## Editor's Note

The Toyo Seikan Group publishes a report every year as part of corporate accountability and as its responsibility to society. Reflecting the current emphasis on corporate social responsibility (CSR), the FY2009 report is entitled the “Social and Environmental Report,” with emphasis on the social perspective. For this 11th issue of the report, we went back to the starting point and asked ourselves, “What is the purpose of this report?” and “Who are the readers?” We put the top management’s message in the center of the report’s structure, used relationships with various stakeholders as the readers’ viewpoints, and placed importance on overseas operations, environmental management, and product quality and safety. To prevent a broader scope from making the booklet too large, the report was published in two media, this booklet and our Web pages. We will continue making improvements that allow the Group to report a larger number of items and thus disclose information to all stakeholders.

It took longer than usual to acquire and verify the information in this issue because the social perspective is beyond the scope of the environmental department. From next year, we will examine a new approach for creating the report such as a cross-departmental editing organization in order to efficiently acquire activity information from the entire Group. Lastly, we would like to thank the people in various Group companies including overseas subsidiaries, plants, and departments who provided us with valuable assistance. Due to their input, we were able to successfully publish this report.

Editor in charge of Social and Environmental Reports, Environment Department, Toyo Seikan Kaisha, Ltd.

# Third-Party Opinion

Professor, Graduate School of Economics  
Kobe University

Masanobu Ishikawa



The Social and Environmental Report 2009 of the Toyo Seikan Group has significantly changed in structure to help readers' understanding and increase the amount of information provided in conjunction with the Group's Web site. This attempt is largely successful. There are two major changes made in the structure: (1) Detailed data is removed from the report and disclosed on the Web site and (2) the social report has been enhanced by allocating twice as many pages to it as in the FY2008 issue. In accordance with these changes, the report has been renamed as the Social and Environmental Report.

Like last year's issue, the current report provides abundant information in a clear layout using graphs and flow charts. The figure entitled the Foundation and Progress of the Toyo Seikan Group, which is led by Toyo Seikan Kaisha Ltd., shows contributions made by Toyo Seikan to packaging technologies, which is actually the history of the packing technology in Japan. This figure defines the current period as one devoted to the evolution of new techniques for global environment conservation and shows the results of recent technological development, which are characterized by direct and indirect reduction of environmental impact such as weight reduction and energy conservation. In accordance, pages have been added for the environmental technologies of the Toyo Seikan Group that briefly describe such technologies of the entire Group.

The Social Report section emphasizes communications with stakeholders and clearly summarizes the relationship of the Toyo Seikan Group with society. Since these pages carry quantitative information such as the number of consultations provided by the hotlines and data pertaining to on-the-job accidents and injuries, I hope that the PDCA cycle will work properly based on the feedback to this reported information.

The cover page of the Social Report shows fiscal highlights such as the sales, ordinary profit, number of employees, and sales by business segment. The data shows that the sales per employee have improved for both Toyo Seikan itself and the Group in FY2008, compared to the FY2007 level, which seems to be largely due to a decrease in the number of employees. In view of the significance as a Social Report, it would be better to show the transition of added value.

The section on the trial projects dealing with the subject of Carbon Footprints explains that this data on the packaging is supplied to users. Since packaging and logistics are important elements in reducing Carbon Footprints of consumer goods on a short-term basis, the inventory data for packaging is exceedingly important. This is an important social contribution based on the results of past research and development on LCA. Readers learn that the environmental policies have been clearly defined and that activities conducted in accordance with these policies have achieved satisfactory results. The report states that, in FY2008, the targets were made more ambitious, based on the results of FY2007. Compared with the FY2008 report, however, the targets for CO<sub>2</sub> emissions resulting from production activities and total waste discharge have been lowered. This change may have been influenced by the worsening of the primary unit of CO<sub>2</sub> emissions of the bulk power system, but stating a reason for this would give readers a better understanding. Although the CO<sub>2</sub> emissions ratio to sales for both Toyo Seikan itself and the Group is calculated to be somewhat on the rise, it is significantly influenced by an increase of the primary unit of CO<sub>2</sub> emissions of the bulk power system. Without this increase, they are actually improved.

I hope that Toyo Seikan will further contribute to building a sustainable society as a leading company in the packaging industry.

### About items not included in this booklet

The following information items not included in this booklet will be disclosed in the environmental information section of the Toyo Seikan Web site at:

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

- |  |   |  |
|--|---|--|
| ○Green procurement and purchase                          | ○Environmental risk management                | ○Toyo Seikan's participation in external organizations                                 |
| ○Chemical substance management                           | ○Environmental accounting                     | ○Comparative table of guidelines   |
| ○Chemical substances designated in the PRTR Law          | ○Amounts of electricity, water, and fuel used | ○Construction status of environment management systems for Toyo Seikan Group companies |
| ○Lawsuits, penalties and fines regarding the environment | ○Detailed input-output data                   |  |
|  | ○History of environmental activities          |  |

\* Pages 1 through 50 of this English-edition "Social and Environmental Report 2009" give a complete translation of the original Japanese edition.

# Web-version Environmental Information

- 53 Promotion of Green Procurement and Purchasing
- 54 Management of Chemicals
- 55 Chemicals designated in the PRTR Law / Lawsuits, fines regarding and penalties the environment
- 56 Initiatives for Environmental Risk Reduction
- 57 Environmental Accounting
- 58 Power, water, and fuel consumption
- 59 INPUT-OUTPUT
- 61 Construction status of environment management systems for Toyo Seikan Group companies
- 62 Toyo Seikan and Progress of Environmental Activities
- 63 List of Toyo Seikan's Activities in External Organizations
- 64 Comparison Table for Guidelines



\* The information supplied on Pages 52 through 66 is not included in the "Social and Environmental Report 2009" booklet but is available only on the Web.

\* The Third-Party Opinions on Page 50 are comments that we received about the contents of the booklet.

# Promotion of Green Procurement and Purchasing

Toyo Seikan

## Establishment of Green Procurement Guidelines

### Green procurement of production materials

In 2003, in order to promote the green procurement of production materials, Toyo Seikan established its own criteria on chemicals to be used as production materials. These criteria define three types of chemicals: those which must not be used (banned chemicals), those for which substitutions and reductions in use must be promoted (chemicals to be reduced), and those for which usage must be kept track of (chemicals to be managed). The company has since reviewed the chemicals under control and has established strict regulations under the ISO14001-certified company-wide integrated system to carry out in-house management of controlled chemical substances.

### Establishment of green procurement guidelines

From the viewpoint of environment, health, safety and security, waste disposal, etc. based on the latest regulation trends and scientific knowledge, the company reviewed controlled substances selected in the past and established the Toyo Seikan Green Procurement Guidelines (Chemical Substances) that define the necessary procedures for using these chemicals in pursuit of non-use or reduction and management of harmful substances.

From now on, these Guidelines

will be used to procure production materials and thus provide our customers with more eco-friendly and safer products.

As these Guidelines cannot be met by Toyo Seikan's efforts alone, all suppliers have been notified about the Guidelines and asked for their cooperation in meeting them. The company is also promoting the construction of an in-house database of substances contained in procured materials in order to enhance chemical substance management.

## Significant Drop in the Green Purchase Ratio

### Influence from the recycled paper ratio scandal

Toyo Seikan started green purchasing in 2003 and achieved a green purchase rate of 95% in FY2007. However, due to the falsification of recycled paper ratio that came to light in January 2008, the number of eco-friendly products decreased so much that the green purchase ratio according to conventional standards inevitably dropped.

### Creation of a new framework

A review of all products revealed an approximate agreement between the drop in the ratio and the decrease in the number of eco-friendly paper products. As an emergency response until this problem is solved, paper products were temporarily excluded from the list of green purchase products. This measure, adopted in December 2008, was

confirmed to have had some effect in recovering the green purchase ratio.

In view of the instability in suppliers' product information as of March 2009, Toyo Seikan is examining measures to decrease uncertain elements in order to continuously promote green purchasing.

### An opportunity for fundamental review of green purchasing

During the emergency response to the lowered ratios, some problems in the green purchase scheme of Toyo Seikan became apparent. To search for new methods, a questionnaire survey was conducted for green purchasing managers at the plants in order to collect users' opinions. Since it was found difficult to solve the problem quickly, improvement plans will continue to be examined in FY2009.

# Management of Chemicals

## Toyo Seikan

### Comprehensive management of chemicals

To reduce the environmental impacts from chemicals used in the course of manufacturing, it is necessary to do everything possible to ensure proper management of these chemicals and to continuously reduce the amounts used.

Since its foundation, Toyo Seikan has developed products in consideration of the environment and human health. When a company-wide integrated ISO14001 system was introduced, comprehensive chemical management regulations were also established. These regulations are based on enhanced management methods adopted for designated chemicals, including not only the production materials but also the reagents used for evaluation and experimentation, selected on the basis of legal regulations as well as environmental and safety concerns. The regulations also specify the procedures from application for the use of new chemicals to examination, approval and registration, including methods for storage and handling and for recording usage amounts. In parallel, procedures were established for banned chemicals and chemicals subject to reduced use and careful management in accordance with the company's own criteria to encourage the purchase of materials with lower environmental loads. In addition to managing chemical substances, Toyo Seikan is striving to reduce usage of chemicals, mainly through the

reduction of those designated in the PRTR (Pollutant Release and Transfer Register) law and the reduction of VOCs (volatile organic compounds).

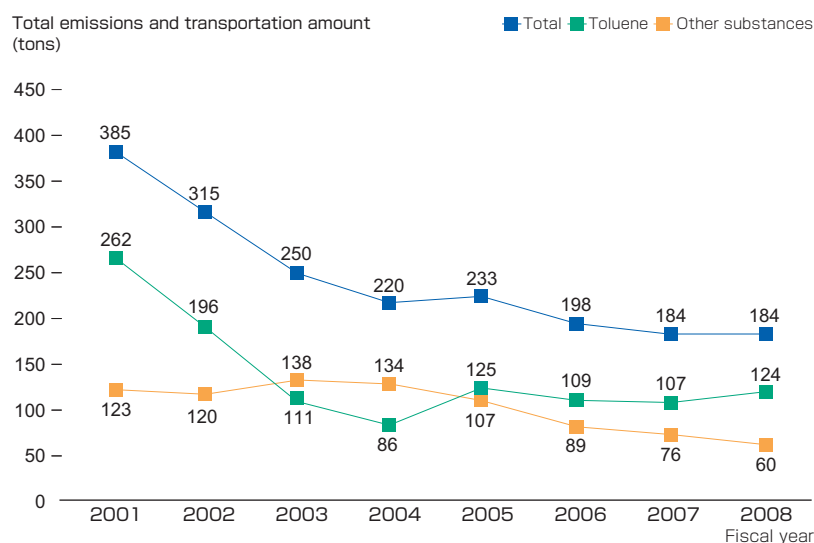
### Reduction of emissions and transportation of designated chemicals, as stipulated in the PRTR Law

In FY2008, the emissions and transportation of designated chemicals, as stipulated in the PRTR Law, totaled 184 tons, approximately the same as in FY2007. In the future, Toyo Seikan will further reduce the amount of chemicals used through strategies including promoting alternative materials such as water-based paints, solvents, etc., introducing pollution prevention facilities in the manufacturing process, and activities to reduce the amount of waste generated during manufacturing.

### Reduction in VOC emissions

Emission control of VOCs took effect with the revision of the Air Pollution Control Law (enacted in FY2006). Since many VOCs are included in the solvents, adhesives, and cleaning agents used in the coating, printing, and cementing processes, the reduction of VOCs is a major challenge in reducing environmental loads, in addition to reducing emissions and transportation of chemicals designated in the PRTR Law. Although the goal for VOC emissions in FY2008 was a 15% reduction compared to the FY2005 level, actual emissions were 2138 tons, approximately 16% less than the FY2005 level. In the future, Toyo Seikan will implement stricter controls to reduce VOC emissions further.

### Total emissions and transportation amount of Class I designated chemicals as stipulated in the PRTR Law



# Chemicals designated in the PRTR Law

Toyo Seikan

FY2008 amount of emissions and transportation for notified chemicals in the PRTR Law (tons)

Chemical name	Emissions		Transportation	
	Air	Public water	Sewerage	Waste
Ethyl benzene	8.5	0.0	0.0	3.7
Ethylene glycol monoethyl ether	0.8	0.0	0.0	0.6
Xylene	15.4	0.0	0.0	5.1
Ethylene glycol monoethyl ether acetate	3.7	0.0	0.0	1.1
1,3,5-trimethylbenzene	1.8	0.0	0.0	2.8
Toluene	93.1	0.0	0.0	30.8
Benzene	0.02	0.0	0.0	0.0
Polyoxyethylene alkyl ether	0.0	0.4	2.8	13.8

## Lawsuits, fines regarding and penalties the environment

Toyo Seikan

Toyo Seikan was not subject to any lawsuits, fines regarding or penalties the environment in FY2008.

# Initiatives for Environmental Risk Reduction

## Toyo Seikan

### A New Direction in Environmental Risk Management

Until recently, environmental risk management focused on preventing environmental pollution, by reducing the amount of environmental pollutants discharged, along with regular measurement of the amounts involved, maintenance of facilities, and practicing essential emergency drills.

In FY2008, Toyo Seikan decided to step up its environmental risk management and started constructing a management system focused on preventive management, i.e., reducing environmental risks even before problems become apparent. The system was introduced in FY2009.



Emergency response training at the Saitama Plant

### Use of ISO14001

All previous environmental risk management activities have been incorporated into the ISO14001 environmental management system in order to continue reducing environmental risks.

### Construction of a New Management Technique

In addition to its existing risk management system, Toyo Seikan started examining a new management technique in FY2008 to promote preventive management activities based on the original concept of environmental risk management, and will use this management technique from FY2009 to continue reducing environmental risks.

The company is constructing a system that allows users to extract and analyze detailed information not only on past instances of environmental risks but also on new risks, and to examine the best countermeasures, etc. with which to treat them.

The construction of this system is expected to further reduce environmental risks.

### Extension to Group Companies

Environmental risk management is one of the most important aspects of risk management in the field of corporate management. Toyo Seikan's ongoing management is founded on this concept.

In FY2007, Toyo Seikan, which had previously focused its management activities on in-house issues, extended their scope to include group companies.

Specifically, information on environmental risks and environment-related legal regulations, etc. is now being shared through study meetings and other communications events. In the future, the entire group will construct a more efficient environmental risk management system.

# Environmental Accounting

## Toyo Seikan Group Toyo Seikan

Environmental accounting refers to a “framework for qualitative identification and analysis of costs and effects of environmental conservation activities.” The following table shows the accounting results.

### Toyo Seikan only

Scope of accounting: (all plants, head office, development division, and Corporate R&D of Toyo Seikan)  
Period: April 1, 2008 to March 31, 2009

Unit: Million yen

Environmental conservation costs			
Classification [principal initiatives and their effects]		Investment amount	Cost amount
(1) Environmental conservation costs required to control the environmental impact generated in the business area by production and service activities (business area costs)		998	1,920
Breakdown	① Pollution prevention costs [air and water pollution prevention activities, maintenance and inspection of equipment, and measurement]	159	979
	② Global environmental conservation costs [energy conservation activities]	825	121
	③ Resource recycling costs [waste recycling and maintenance/inspection of waste treatment facilities]	13	821
(2) Costs required to control environmental impact generated in the upstream and downstream processes by production and service activities (upstream and downstream costs)		0	0
(3) Environmental conservation costs in management activities (management costs) [activities for acquiring and maintaining ISO14001 certification]		0	480
(4) Environmental conservation costs in research and development activities (research and development costs) [product development with low environmental impact]		0	1,783
(5) Environmental conservation costs in social activities (social activity costs) [environmental cleanup activities]		0	44
(6) Costs of environmental remediation (environmental remediation costs)		0	0
Total		998	4,228

Item	Description	Amount
Total investment amount over the report period	Machinery and equipment installation, etc.	23,191
Total R&D amount over the report period	Research center personnel costs, experimentation and research costs, etc.	9,711

Environmental conservation effects			
Description of effects		Environmental impact index	
		Total amount	Reduced amount
(1) Environmental conservation effects achieved in the business area (business area effects)	Energy consumption (total)	13,676TJ	615TJ
	(Due to utility power)	11,047TJ	454TJ
	(Other than utility power)	2,629TJ	161TJ
	Water consumption	3,164 thousand m³	83 thousand m³
	CO2 emissions (total)	638 thousand tons	▲27 thousand tons
	(Due to utility power)	499 thousand tons	▲34 thousand tons
(2) Environmental conservation effects achieved in upstream and downstream processes (upstream and downstream effects)	(Other than utility power)	139 thousand tons	7 thousand tons
	Total waste discharge	6,965 tons	624 tons
	Waste amount (landfill)	0 ton	0 ton
(3) Other environmental conservation effects	Recycled material amount (recycled PET)	1,682 tons	(▲397 tons increase)
	CO2 emissions in the logistics process	53 thousand tons	3 thousand tons

Economic effect due to environmental conservation		
Description of effect		Amount
Revenue from recycling		364

### Toyo Seikan Group

Scope of accounting: (The eight principal companies of the Toyo Seikan Group)  
Period: April 1, 2008 to March 31, 2009

Unit: Million yen

Environmental conservation costs			
Classification [principal initiatives and their effects]		Investment amount	Cost amount
(1) Environmental conservation costs required to control the environmental impact generated in the business area by production and service activities (business area costs)		2,281	4,215
Breakdown	① Pollution prevention costs [air and water pollution prevention activities, maintenance and inspection of equipment, and measurement]	400	2,078
	② Global environmental conservation costs [energy conservation activities]	1,862	411
	③ Resource recycling costs [waste recycling and maintenance/inspection of waste treatment facilities]	19	1,726
(2) Costs required to control environmental impact generated in the upstream and downstream processes by production and service activities (upstream and downstream costs)		0	617
(3) Environmental conservation costs in management activities (management costs) [activities for acquiring and maintaining ISO14001 certification]		0	898
(4) Environmental conservation costs in research and development activities (research and development costs) [product development with low environmental impact]		142	2,346
(5) Environmental conservation costs in social activities (social activity costs) [environmental cleanup activities]		0	51
(6) Costs of environmental remediation (environmental remediation costs)		0	5
Total		2,423	8,132

Item	Description	Amount
Total investment amount over the report period	Machinery and equipment installation, etc.	42,884
Total R&D amount over the report period	Research center personnel costs, experimentation and research costs, etc.	13,046

Environmental conservation effects			
Description of effects		Environmental impact index	
		Total amount	Reduced amount
(1) Environmental conservation effects achieved in the business area (business area effects)	Energy consumption (total)	25,940TJ	1,086TJ
	(Due to utility power)	17,386TJ	744TJ
	(Other than utility power)	8,554TJ	342TJ
	Water consumption	19,192 thousand m³	▲772 thousand m³
	CO2 emissions (total)	1,363 thousand tons	5 thousand tons
	(Due to utility power)	850 thousand tons	▲36 thousand tons
(2) Environmental conservation effects achieved in upstream and downstream processes (upstream and downstream effects)	(Other than utility power)	513 thousand tons	41 thousand tons
	Total discharge of waste, etc.	271,957 tons	25,221 tons
	Waste amount (landfill)	9,464 tons	321 tons
(3) Other environmental conservation effects	Recycled material amount	4,129 tons	(290 tons increase)
	CO2 emissions in the logistics process	108 thousand tons	6 thousand tons

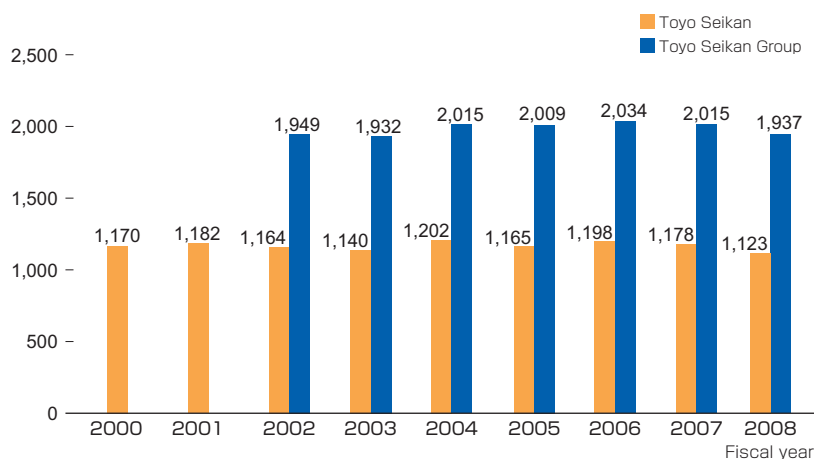
  

Economic effect due to environmental conservation		
Description of effect		Amount
Revenue from recycling		9,323

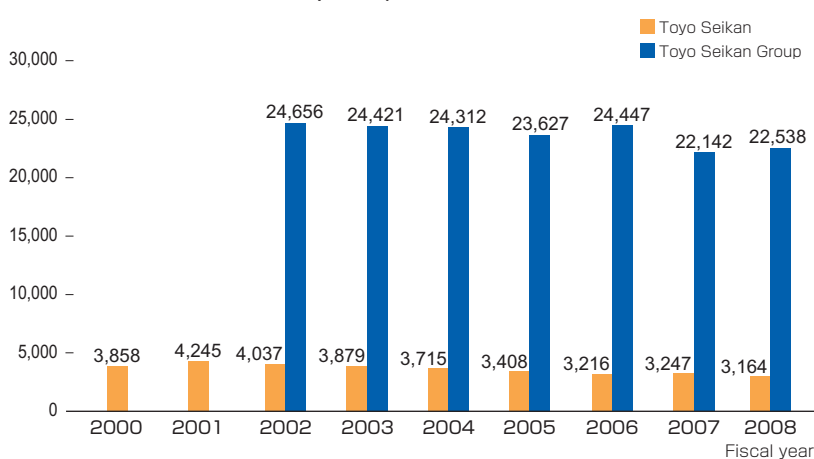
# Power, water, and fuel consumption

Toyo Seikan Group Toyo Seikan

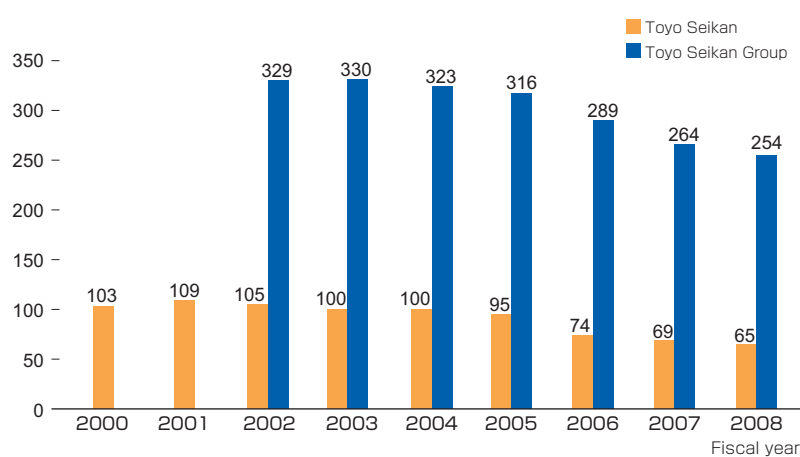
Transition of power consumption (million kWh)



Transition of water consumption (thousand m<sup>3</sup>)



Transition of fuel consumption (thousand kl: crude oil equivalent)



# INPUT-OUTPUT

Toyo Seikan Group
 

 Toyo Seikan

## Toyo Seikan site-by-site input-output data

Plant	Input					Product (output)			Emission (output)				
	Material consumption		Energy consumption		Water consumption (thousand m <sup>3</sup> )	Production			Carbon dioxide emissions (thousand tons)	Waste			
	Metal (thousand tons)	Plastic (thousand tons)	Power (million kWh)	Fuel(crude oil equivalent) (thousand kl)		Metal cans (100 million)	Plastic bottles (100 million)	Pouches (100 million)		Waste amount (tons)	Recycled amount (tons)	Landfill amount (tons)	Recycling percentage
<b>Chitose Plant</b> 857 Kitashinano, Chitose-shi, Hokkaido, 066-0075 TEL (0123)24-3171 Manufacture of cans for canning and plastic bottles	18.3	6.8	52.3	3.0	131.6	7.2	1.7	—	33.1	248.9	248.9	0	100.0%
<b>Sendai Plant</b> 2-4-1 Minato, Miyagino-ku, Sendai-shi, Miyagi, 983-8502 TEL (022)259-2311 Manufacturing of cans for canning and plastic bottles	37.1	3.8	47.4	4.8	112.1	10.4	1.6	—	33.0	255.7	255.7	0	100.0%
<b>Ishioka Plant</b> 8-2 Kashiwabara, Ishioka-shi, Ibaraki, 315-8585 TEL (029)24-2711 Manufacturing of cans for canning, general cans, and plastic bottles	43.9	10.4	99.5	5.7	320.0	12.5	2.1	—	53.9	716.1	716.1	0	100.0%
<b>Kuki Plant</b> 3 Kawaracho, Kuki-shi, Saitama, 346-0028 TEL (0480)23-2811 Manufacturing of plastic bottles	—	68.6	171.4	1.2	365.8	—	13.2	—	75.2	90.6	90.6	0	100.0%
<b>Saitama Plant</b> 950-2 Shimohosoya, Yoshimi-machi, Hiki-gun, Saitama, 355-0193 TEL (0493)54-2111 Manufacturing of cans for canning and plastic bottles	65.6	14.3	86.7	5.8	129.5	19.1	4.5	—	48.4	84.4	84.4	0	100.0%
<b>Kawasaki Plant</b> 11-1 Ukishimacho, Kawasaki-ku, Kawasaki-shi, Kanagawa, 210-0862 TEL (044)266-1581 Manufacturing of plastic bottles	—	20.3	60.2	0.9	170.1	—	5.3	—	27.4	109.7	109.7	0	100.0%
<b>Yokohama Plant</b> 1-1-70 Yako, Tsurumi-ku, Yokohama-shi, Kanagawa, 230-0001 TEL (045)571-2411 Manufacturing of cans for canning, general cans, and plastic bottles	62.0	24.5	84.1	9.0	231.6	12.9	2.9	—	54.3	404.2	404.2	0	100.0%
<b>Shimizu Plant</b> 8-28 Hinodacho, Shimizu-ku, Shizuoka-shi, Shizuoka, 424-8765 TEL (054)53-3251 Manufacturing of cans for canning	3.1	—	4.9	0.2	18.7	2.9	—	—	2.8	23.5	23.5	0	100.0%
<b>Shizuoka Plant</b> 622-8 Shirai, Makinohara-shi, Shizuoka, 421-0598 TEL (0548)55-3511 Manufacturing of plastic bottles	—	22.6	65.2	0.4	92.4	—	7.0	—	31.6	17.2	17.2	0	100.0%
<b>Toyohashi Plant</b> 3-60 Akemicho, Toyohashi-shi, Aichi, 441-8074 TEL (0532)23-5661 Manufacturing of plastic bottles and plastic film	—	27.0	55.9	5.2	105.8	—	2.1	14.4	43.2	2909.5	2909.5	0	100.0%
<b>Takatsuki Plant</b> 22-5 Minamishodokorocho, Takatsuki-shi, Osaka 569-0063 TEL (072)675-5701 Manufacturing of cans for canning and general cans	14.5	—	9.7	1.9	94.3	2.1	—	—	7.6	112.7	112.7	0	100.0%
<b>Ibaraki Plant</b> 1-81 Higashiunobecho, Ibaragi-shi, Osaka, 567-0879 TEL (072)623-1121 Manufacturing of cans for canning	82.6	—	74.3	8.5	487.4	22.9	—	—	44.4	864.2	864.2	0	100.0%
<b>Osaka Plant</b> 29-3 Sumiyoshicho, Izumisano-shi, Osaka, 598-0061 TEL (0724)64-3451 Manufacturing of plastic bottles	—	49.9	138.5	6.0	375.9	—	13.6	—	62.5	70.2	70.2	0	100.0%
<b>Hiroshima Plant</b> 234 Shimokitakata, Hongcho, Minarashi, Hiroshima, 729-0414 TEL (0848)86-3421 Manufacturing of cans for canning and plastic bottles	45.4	21.4	86.7	7.1	263.4	15.6	4.4	—	73.0	441.0	441.0	0	100.0%
<b>Kiyama Plant</b> 380-2 Nagano, Kiyama-cho, Miyaki-gun, Saga, 841-0202 TEL (0942)92-6011 Manufacturing of cans for canning and plastic bottles	33.6	16.0	85.8	5.3	265.4	11.5	3.9	—	43.9	421.3	421.3	0	100.0%

### Toyo Seikan Group company-by-company input-output data

	Input					Output						
	Material consumption (thousand tons)		Energy consumption		Water consumption (thousand m <sup>3</sup> )	Production (thousand tons)		Carbon dioxide emissions (thousand tons)	Waste			
									Waste amount (tons)	Recycled amount (tons)	Landfill amount (tons)	Recycling percentage
Toyo Kohan Co., Ltd.	Metal	533	Power consumption (million kWh)	259	14,077	Metal products	508	235	9,090	1,334	7,756	15%
	Plastic	2	Fuel (crude oil equivalent) (thousand kl)	28								
Toyo Glass Co., Ltd.	Glass	404	Power consumption (million kWh)	64	727	Glass products	383	291	1,352	947	405	70%
			Fuel (crude oil equivalent) (thousand kl)	106								
Tokan Kogyo Co., Ltd.	Plastic	19	Power consumption (million kWh)	108	240	Plastic products	18	53	3,187	3,150	37	99%
	Paper	55	Fuel (crude oil equivalent) (thousand kl)	3		Paper products	46					
Japan Crown Cork Co., Ltd.	Metal	15	Power consumption (million kWh)	132	414	Metal products	14	78	649	638	11	98%
	Plastic	49	Fuel (crude oil equivalent) (thousand kl)	6		Plastic products	45					
Toyo Food Equipment Co., Ltd.	Metal	0.5	Power consumption (million kWh)	5	11	Other products	—	2	228	226	2	99%
			Fuel (crude oil equivalent) (thousand kl)	0.1								
Toyo Aerosol Industry Co., Ltd.	Other materials	48	Power consumption (million kWh)	15	205	Aerosol filling, etc. (million cans)	246	11	1,100	1,092	8	99%
			Fuel (crude oil equivalent) (thousand kl)	2								
Tokan Material Technology Co., Ltd.	Other materials	16	Power consumption (million kWh)	12	119	Other products	—	12	1,437	383	1,054	27%
			Fuel (crude oil equivalent) (thousand kl)	3								

\* For the grand total data of Toyo Seikan, see Page 46 of the Social and Environmental Report 2009.

\* Scope of this data: Production bases of the Toyo Seikan Group

### Other Emissions

Each plant of Toyo Seikan works to prevent pollution by periodically measuring environmental pollutants discharged into the air or water as a result of production activities, and maintenance and management of environmental conservation facilities.

The major measurement targets include pH, BOD, COD, SS, and phosphorus and nitrogen concentrations, none of which have exceeded the regulation values in the past.

# Construction status of environment management systems for Toyo Seikan Group companies

Toyo Seikan Group Toyo Seikan

Company	Certified sites (certification month)
Toyo Seikan	Saitama (Jul. '99), Ishioka (Aug. '02), Yokohama (Oct. '02), Hiroshima (Jun. '03), Kuki (Jul. '03), Shizuoka (Dec. '03), Kawasaki (Jan. '04), Takatsuki (Mar. '04), Sendai (Jun. '04), Kiyama (Aug. '04), Chitose (Sep. '04), Ibaraki (Sep. '04), Toyohashi (Nov. '04), Osaka (Nov. '04), Development Division (Nov. '05), Head Office (Nov. '05), Company-side integration (Jul. '07); Integrated certification of the entire company, including the Shimizu Plant Corporate R&D (Jul. '09) The company-wide integrated system was expanded to include the Group Corporate R&D.
Nippon National Seikan	Head Office and plants (Aug. '02)
Toyo Mebius	Company-wide certification (Oct. '04)
Honshu Seikan	Yuki (Mar. '05)) Hyogo(Dec. '08)
Toyo Seihan	Naniwa(Oct. '07) * Eco Action 21 (Renamed from Daito Seikan due to a merger)
Toyo Den kai	Toyohashi (Feb. '06)
Toyo Den kai	Toyo Den kai (Jun. '08) * Eco Action 21
Toyo Kohan	Kudamatsu (Dec. '99), Integrated certification of eight group companies (Dec. '04)
Toyo Glass	Kawasaki (Dec. '98), Shiga (Oct. '99), Chiba (Feb. '00), Integrated certification of the entire company (Aug. '01)
Toyo-Sasaki Glass	Plant (Oct. '05)
Toyo Glass Butsuryu	Integrated certification of Toyo Glass group (Aug. '01)
Tohoku Keisha	Tohoku Keisha (Mar. '09) * Eco Action 21
Shimada Special Glass	Shimada Special Glass (Apr. '09) * Eco Action 21
Toyo Glass Machinery	Toyo Glass Machinery (Jun. '08) * Eco Action 21
Tokan Kogyo	Shizuoka (Mar. '02), Atsugi (Sep. '03), Development Center (Jan. '04), Komaki (Jan. '04), Ibaraki (Sep. '04), Osaka (Sep. '04), Fukuoka Plastic Containers (Feb. '05), Integrated certification of the entire group (Sep. '05), Integrated certification of the entire Tokan Kogyo group (Jan. '07)
Nippon Tokan Package	Shizuoka (Mar. '02), Fukuoka (Sep. '03), Atsugi (Sep. '03), Sendai (Jan. '04), Ibaraki (Sep. '04), Tochigi Branch Plant (Sep. '04), Osaka (Sep. '04), Yokohama (Feb. '05), Integrated certification of the entire group (Sep. '05), Integrated certification of the entire Tokan Kogyo group (Jan. '07)
Toyo Unicon	Fukushima ('05), Chiba ('05), Furukawa ('03), Saitama ('01), Fuji ('01), Aichi ('03), Gifu ('04), Shiga ('02), Kyoto ('02), Integrated certification of the entire Tokan Kogyo group (Jan. '07)
Tokan Kosan	Atsugi (Sep. '03), Integrated certification of the entire group (Sep. '05), Integrated certification of the entire Tokan Kogyo group (Jan. '07)
UEDA INSATSU SHIKO	Iwaki (Jan. '04), Integrated certification of the entire group (Sep. '05), Integrated certification of the entire Tokan Kogyo group (Jan. '07)
Shida Shiko	Takumigaoka Plant, Integrated certification of the entire Tokan Kogyo group (Jan. '07)
Shyozandou	Integrated certification of the entire Tokan Kogyo group (Sep. '07)
Japan Crown Cork	Okayama (Oct. '00), Ishioka (Aug. '02), Hiratsuka (Sep. '02), Komaki (Aug. '02), Head Office (Nov. '04) Company-wide certification (Oct. '06)
Toyo Food Equipment	Integrated certification of the entire company (Nov. '05)
Honma Tekkojo	Integrated certification of the entire Toyo Food Equipment (Nov. '08)
Toyo Aerosol Industry	Kawagoe (Dec. '03), Tsukuba (Jan. '06), Mie (Jan. '06), Head Office (Mar. '06), Osaka Office (Mar. '07) Company-wide certification (Jan. '07)
Tokan Material Technology	Kyushu (Apr. '04), Integrated certification of the entire company (Apr. '05)

# Toyo Seikan and Progress of Environmental Activities

## Toyo Seikan

Year	Technologies related to packaging production	Recycling activities, etc
1917	Foundation of Toyo Seikan and the establishment of head office and the first plant in Osaka	
1920	Establishment of the Tokyo Plant	
1933	Establishment of the Tobata Plant	
1935	Listed on the Osaka Stock Exchange	
1937	Establishment of the Shimizu Plant	
1944	Relocation of the head office to Chiyoda-ku, Tokyo	
1949	Listed on the Tokyo Stock Exchange	
1958	Establishment of the Sendai Plant Start of production of beer cans	
1960	Establishment of the Ibaraki Plant	
1961	Establishment of the Yokohama Plant Start of production of plastic containers	
1965	Start of production of cola cans	
1967	Establishment of the Kawasaki Plant	
1968	Start of production of coffee cans	
1969	Start of production of retort pouches	
1970	Development and commercialization of TFS Start of production of Toyo Seam Cans (cemented cans)	Start addressing the can litter problem
1971	Establishment of the Saitama Plant and Takatsuki Plant Start of production of Lamicon	Start field survey on litter and litter prevention experiments (Kirigamine Project)
1972	Establishment of the Chitose Plant Installation of a Direct Flame Fume Incinerator (DFI) Start of production of Lamicon bottles	
1973	Establishment of the Hiroshima Plant	Establishment of the Used CAN Treatment Association Establishment of the All Aluminum Can Collection Association Establishment of the Beverage Industry Environment Beautification Association Publication of Introduction to Can-cology (used can collection simulation)
1974	Relocation of the Osaka Plant to Izumisano-shi Establishment of the Kiyama Plant Practical application of UV printing Start of production of DI cans	Implementation of the Can Litter Prevention Campaign
1975	Start of production of high retort pouches	
1976	Start of production of push-in tabs	
1977	Establishment of the Ishioka Plant Start of production of PET bottles for soy sauce Start of production of drawn and redrawn cans (DRD cans)	
1978	Start of production of Toyo seam retort cans Start of production of Lamicon cups Switch to water-based sealing compound	
1979	Establishment of the Kuki Plant Start of production of welded aerosol cans Start of production of standing pouches	
1980	Completion of the Saiwai Building for the new head office Start of production of Toyo seam multi-bead cans	
1981	Start of production of welded beverage cans	
1982	Start of production of PET bottles for carbonated beverages Switch to water-based coatings for cans Start of production of triple necked-in cans (cans with decreased can lid diameters)	Establishment of the JAPAN PET Bottle Association (start of study on recycling systems)
1983	Relocation of the Sendai Plant to Minato, Miyagino-ku, Sendai	Reorganization of the Beverage Industry Environment Beautification Association to form The Beverage Industry Environment Beautification Association Establishment of a unified mark, "Put Used Can in Its Place"
1984	Start of production of BOB bottles for infusion	
1985	Start of production of hiRETOfLEX (drawn cups made of composite materials) Start of production of heat-resistant PET bottles for juices	
1986	Installation of a Catalytic Combustion System (CSS)	
1987	Switch to plastic caps for PET bottles for beverages	
1989	Start of production of stay-on tabs (SOT) Start of production of refill pouches for detergents, etc.	Reorganization of the All Aluminum Can Collection Association to form the Japan Aluminum Can Recycle Association
1991	Start of production of TULC, eco-friendly metal container Switch to water-based finishing varnish Switch to one-piece PET bottles for beverages	Enactment and enforcement of the "Law for the Promotion of Utilization of Recycled Resources" Establishment of identification marks
1992		Establishment of the Environment Office
1993	Establishment of the Toyohashi Plant Start of bulk transportation of PET resin for bottles	Start of operation of large-scale PET bottle recycling companies Establishment of the Council for The Council for PET Bottle Recycling
1994	Start of production of Oxyguard (oxygen-absorbing containers)	
1995	Start using recycled resin in PET bottles for kitchen detergents Start of production of aTULC Start of production of aluminum diamond-cut cans	Enactment of the "Law for Promotion of Sorted Collection and Recycling of Containers and Packaging" (Containers and Packaging Recycling Law)
1996	Start of operation of a cogeneration system at the Osaka Plant	Establishment of the Japan Containers and Packaging Recycling Association
1997	Start of production of Moisture Guard films	Partial enforcement of the Containers and Packaging Recycling Law
1998	Start of production of floss (refill) pouches	Establishment of the Plastic Packaging Recycling Council
1999	Start using recycled PET resin in the handles of large PET bottles	Publication of the Environmental Report (Eco Report) Establishment of the Environmental Committee for the entire company, and establishment of Toyo Seikan Environmental Policies
2000	Establishment of the Shizuoka Plant Integration of the Tokyo Plant with the Yokohama Plant Start of operation of a cogeneration system at the Kawasaki Plant End the use of small incinerators at all plants	Full enforcement of the Containers and Packaging Recycling Law Setup of guidelines for green purchasing and procurement
2001	Start of production of Oxyblock (high-function PET bottles) Start of production of aTULC Start of production of aluminum diamond-cut cans	Full-scale application of environmental accounting Reorganization of the Used CAN Treatment Association to form the JAPAN STEEL CAN RECYCLING ASSOCIATION
2002	Completion of removal of small incinerators from all plants Start of production of a microwavable pouch with a vapor self-release function (E-RP)	Establishment of the Toyo Seikan Group Environmental Committee Issue of a site report at the Saitama Plant
2003	Integration of the Tobata Plant with the Kiyama Plant Start of production of TEC200 (resealable steel cans) Start of production of SIBARD (SiO <sub>2</sub> -evaporated bottles) Start using recycled PET bands	Reorganization of the Environment Office to form the Environment Department Issue of a site report at all plants
2004	Start of bottle-to-bottle production of PET bottles	Completion of ISO14001 certification for 14 plants
2005	Start of operation of NAS batteries at the Kuki Plant Use of recycled PET resin for the handles of beverage bottles	Certification of TULC products with a Type III environmental label (Eco Leaf) Completion of ISO14001 certification for head office and the development division
2006	Start of production of Z-End	Revision and enforcement of the Containers and Packaging Recycling Law Formulation of the "3R Promotion Organization Liaison Conference" consisting of eight recycling organizations related to packaging, and publication of the voluntary action plan
2007	Start of production of sTULC at BCM	ISO14001 certification of a company-wide integrated system Achievement of zero emissions Domestic certification of CDM project
2008	Start of production of E-RP TRAVIS Start of production of an angled ultrawide-lid model	Foundation of PET Refine Technology Co., Ltd. Achievement of zero emissions in two consecutive years

# List of Toyo Seikan's Activities in External Organizations

## Toyo Seikan

### Activities in external organizations

Toyo Seikan actively involves itself in the activities of external organizations by dispatching personnel to environmental and recycling organizations, study groups and committees, and by acting as a member of various environment-related institutions.

#### Recycling organizations

- JAPAN STEEL CAN RECYCLING ASSOCIATION
- Aluminum Can Recycle Association
- JAPAN PET Bottle Association
- The Council for PET Bottle Recycling
- Plastic Packaging Recycling Council
- The Japan Containers and Packaging Recycling Association
- Liaison Committee of the Associations Promoting 3R

#### Study groups and committees

- Member of the Extended Deliberation Committee for Containers and Packaging Recycling Systems, Waste and Recycling Working Group, Central Environment Council (Ministry of the Environment)
- The Eco Materials Forum
- Nikkei BP ECO Management Forum
- Environmental Committee, Japan Polyethylene Products Industrial Federation
- The Japan Plastics Industry Federation
- Environmental Committee & Weight Reduction Promotion Committee, Japan Canners Association
- The Institute of Life Cycle Assessment, Japan
- LCA Japan Forum

# Comparison Table for Guidelines

Comparison Table for GRI Guidelines

Item		Indicator	Corresponding page in Social and Environmental Report 2009 (A number with "w" indicates an item for Web disclosure only.)
1.Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	P3
	1.2	Description of key impacts, risks, and opportunities.	P3
2.Organizational profile	2.1	Name of the organization.	P1
	2.2	Primary brands, products, and/or services.	P2
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	P2
	2.4	Location of organization's headquarters.	P2
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	P8, P18, P20, P37
	2.6	Nature of ownership and legal form.	P2
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	P2
	2.8	Scale of the reporting organization, including: · Number of employees; · Net sales (for private sector organizations) or net revenues (for public sector organizations); · Total capitalization broken down in terms of debt and equity (for private sector organizations); and · Quantity of products or services provided. In addition to the above, reporting organizations are encouraged to provide additional information, as appropriate, such as: · Total assets; · Beneficial ownership (including identity and percentage of ownership of largest shareholders); and Breakdowns by country/region of the following: · Sales/revenues by countries/regions that make up 5 percent or more of total revenues; · Costs by countries/regions that make up 5 percent or more of total revenues; and · Employees.	P8
	2.9	Significant changes during the reporting period regarding size, structure, or ownership including: · The location of, or changes in operations, including facility openings, closings, and expansions; and · Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	P13
	2.10	Awards received in the reporting period.	P13, P37
3.Report Parameters	Report Profile	3.1 Reporting period (e.g., fiscal/calendar year) for information provided.	P1
		3.2 Date of most recent previous report (if any).	—
		3.3 Reporting cycle (annual, biennial, etc.)	P1
		3.4 Contact point for questions regarding the report or its contents.	P1
	Report Scope and Boundary	3.5 Process for defining report content, including: · Determining materiality; · Prioritizing topics within the report; and · Identifying stakeholders the organization expects to use the report.	P1
		3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	P1
		3.7 State any specific limitations on the scope or boundary of the report.	P1
		3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	—
		3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	—
		3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	—
		3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	—
	GRI Content Index	3.12 Table identifying the location of the Standard Disclosures in the report.	wP64~66
	Assurance	3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	—
4.Governance, Commitments, and Engagement	Governance	4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	P19
		4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	P19
		4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	P19
		4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. Include reference to processes regarding: · The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body; and · Informing and consulting employees about the working relationships with formal representation bodies such as organization level 'work councils', and representation of employees in the highest governance body.	P19
		4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	—
		4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	P19
		4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	—
		4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. Explain the degree to which these: · Are applied across the organization in different regions and department/units; and · Relate to internationally agreed standards.	P20
		4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	—
		4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	—
	Commitments to External Initiatives	4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	wP56
		4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	—
		4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: · Has positions in governance bodies; · Participates in projects or committees; · Provides substantive funding beyond routine membership dues; or · Views membership as strategic.	wP63
	Stakeholder Engagement	4.14 List of stakeholder groups engaged by the organization.	P32
		4.15 Basis for identification and selection of stakeholders with whom to engage.	P32
		4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	P33
		4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	P32, P33

## Economic Performance Indicators

Aspect	Core	Add	Item	Indicator	Corresponding page in Social and Environmental Report 2009 (A number with "w" indicates an item for Web disclosure only.)
Economic Performance	○		EC1.	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	P18
	○		EC2.	Financial implications and other risks and opportunities for the organization's activities due to climate change.	—
	○		EC3.	Coverage of the organization's defined benefit plan obligations.	—
	○		EC4.	Significant financial assistance received from government.	—
Market Presence		○	EC5.	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	—
	○		EC6.	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	—
	○		EC7.	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	—
Indirect Economic Impacts	○		EC8.	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	—
		○	EC9.	Understanding and describing significant indirect economic impacts, including the extent of impacts.	—

## Environmental Performance Indicators

Aspect	Core	Add	Item	Indicator	Corresponding page in Social and Environmental Report 2009 (A number with "w" indicates an item for Web disclosure only.)
Materials	○		EN1.	Materials used by weight or volume.	P46
	○		EN2.	Percentage of materials used that are recycled input materials.	
	○		EN3.	Direct energy consumption by primary energy source.	
Energy	○		EN4.	Indirect energy consumption by primary source.	P46, wP58
		○	EN5.	Energy saved due to conservation and efficiency improvements.	P47
		○	EN6.	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	—
		○	EN7.	Initiatives to reduce indirect energy consumption and reductions achieved.	—
Water	○		EN8.	Total water withdrawal by source.	P46
		○	EN9.	Water sources significantly affected by withdrawal of water.	—
		○	EN10.	Percentage and total volume of water recycled and reused.	—
Biodiversity	○		EN11.	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	—
	○		EN12.	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	—
		○	EN13.	Habitats protected or restored.	—
		○	EN14.	Strategies, current actions, and future plans for managing impacts on biodiversity.	—
		○	EN15.	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	—
Emissions, Effluents, and Waste	○		EN16.	Total direct and indirect greenhouse gas emissions by weight.	P41, P42
	○		EN17.	Other relevant indirect greenhouse gas emissions by weight.	—
	○		EN19.	Emissions of ozone-depleting substances by weight.	—
	○		EN20.	NOx, SOx, and other significant air emissions by type and weight.	wP60
	○		EN21.	Total water discharge by quality and destination.	—
	○		EN22.	Total weight of waste by type and disposal method.	P43
	○		EN23.	Total number and volume of significant spills.	—
		○	EN24.	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	—
		○	EN25.	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	—
Products and Services		○	EN26.	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	P11, P12
		○	EN27.	Percentage of products sold and their packaging materials that are reclaimed by category.	—
Compliance	○		EN28.	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	wP55
Transport		○	EN29.	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	P42
Overall		○	EN30.	Total environmental protection expenditures and investments by type.	wP57

## Labor Practices and Decent Work Performance Indicators

Aspect	Core	Add	Item	Corresponding page in Social and Environmental Report 2009 (A number with "w" indicates an item for Web disclosure only.)
Employment	○		LA1. Total workforce by employment type, employment contract, and region.	—
	○		LA2. Total number and rate of employee turnover by age group, gender, and region.	—
		○	LA3. Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	—
Labor/Management Relations	○		LA4. Percentage of employees covered by collective bargaining agreements.	—
	○		LA5. Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	—
Occupational Health and Safety		○	LA6. Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	—
	○		LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	—
	○		LA8. Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	P31
	○		LA9. Health and safety topics covered in formal agreements with trade unions.	P31
Training and Education	○		LA10. Average hours of training per year per employee by employee category.	—
		○	LA11. Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	P30
		○	LA12. Percentage of employees receiving regular performance and career development reviews.	—
Diversity and Equal Opportunity	○		LA13. Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	—
	○		LA14. Ratio of basic salary of men to women by employee category.	—

## Human Rights Performance Indicators

Aspect	Core	Add	Item	Corresponding page in Social and Environmental Report 2009 (A number with "w" indicates an item for Web disclosure only.)
Investment and Procurement Practices	○		HR1. Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	—
	○		HR2. Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	—
		○	HR3. Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	—
Non-discrimination	○		HR4. Total number of incidents of discrimination and actions taken.	—
Freedom of Association and Collective Bargaining	○		HR5. Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	—
Child Labor	○		HR6. Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	—
Forced and Compulsory Labor	○		HR7. Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	—
Security Practices		○	HR8. Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	—
Indigenous Rights		○	HR9. Total number of incidents of violations involving rights of indigenous people and actions taken.	—

## Society Performance Indicators

Aspect	Core	Add	Item	Corresponding page in Social and Environmental Report 2009 (A number with "w" indicates an item for Web disclosure only.)
Community	○		SO1. Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	—
	○		SO2. Percentage and total number of business units analyzed for risks related to corruption.	—
Corruption	○		SO3. Percentage of employees trained in organization's anti-corruption policies and procedures.	—
	○		SO4. Actions taken in response to incidents of corruption.	—
Public Policy	○		SO5. Public policy positions and participation in public policy development and lobbying.	—
		○	SO6. Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	—
Anti-Competitive Behavior		○	SO7. Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	—
Compliance	○		SO8. Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	—

## Product Responsibility Performance Indicators

Aspect	Core	Add	Item	Corresponding page in Social and Environmental Report 2009 (A number with "w" indicates an item for Web disclosure only.)
Customer Health and Safety	○		PR1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	P25
		○	PR2. Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	—
Product and Service Labeling	○		PR3. Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	P25
		○	PR4. Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	—
		○	PR5. Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	—
Marketing Communications	○		PR6. Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	P26
		○	PR7. Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	—
Customer Privacy		○	PR8. Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	—
Compliance	○		PR9. Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	—



**TOYO SEIKAN KAISHA, LTD.**  
<http://www.toyo-seikan.co.jp>

