

Passport to Success

Leveraging more than a century's worth of printing expertise, Toppan is aggressively expanding into new and related fields.

“We used to be described as ‘a gentlemanly firm that lacked aggression,’” says Naoki Adachi, president and CEO of Toppan Printing. “We’d been No. 2 in our field for 47 years. It was a cozy niche and we’d gotten used to it. But when I took the reins in 2000, I proposed seeing how we’d like taking, then holding on to the No. 1 spot.”

Toppan’s more than 10,000 employees rose to the challenge. The company reported consolidated net income of \$385 million (38.5 billion yen) on consolidated net sales of \$16.7 billion (1.67 trillion yen) in fiscal 2007, when the exchange rate was 100.19 yen to the dollar, making it Japan’s—and the world’s—top printing company in revenues for the third consecutive year. Adachi’s next goal: seize the top spot for profits. “One advantage of being frontrunner is that information flows to you,” he says. “Government ministries and large corporations with a major project in mind automatically consult the No. 1. Plus, the resulting sense of pride inspires employees.”

Another source of pride for Toppan’s people is their company’s unique character. Originally founded by a group of entrepreneurs to print securities and bank notes for the Ministry of Finance, the venture spirit that motivated them became part of Toppan’s DNA, driving its expansion into commercial and publications printing, security and cards, packaging and industrial materials, electronics and IT. What is the unifying factor behind these seemingly disparate businesses? They all derive from the core competence of printing.

Micro-fabrication skills based on printing technologies, for example, prompted Toppan’s move into making the photo-masks used to produce semiconductors.



Naoki Adachi, president and CEO of Toppan Printing

Toppan is now global leader in this field, with a 30% market share thanks to the 2005 acquisition of DuPont Photomasks and technology co-developed with IBM. It holds a similarly dominant position for LCD color filters used in televisions, cell-phones, and PCs. “Global demand for LCD TVs is rocketing, so we’re building a new factory to produce filters 2,850 millimeters by 3,050 millimeters for the tenth generation of TVs,” explains Adachi.

Toppan’s expertise in printing securities that defy attempts at forgery is finding new outlets as counterfeiting becomes a global problem. No less than 12 countries have selected Toppan equipment to print their citizens’ passports. The company also produced ID cards with sophisticated anti-counterfeiting features for all 100,000 athletes and officials at a recent Olympic Games. Meanwhile, inside

Japan, Toppan leads the booming market for IC cards used in banking and on public transport; it also produces the Union Pay card, China’s most popular debit card. The company hopes to use the Beijing Olympics (2008) and the Shanghai World Expo (2010) as a way into China’s ID security market. “Security-related printing is a business that’s sure to grow,” confirms Adachi.

He is also looking overseas and at new technologies for opportunities. The company operates 19 factories in 11 countries and one region worldwide, but foreign sales account for just under 15% of Toppan’s total, a figure Adachi plans to boost to 30% by 2015. He’s also confident that by exploiting the firm’s strengths in micro-fabrication, IT, and coat-

ing technologies the firm’s 500 researchers are helping to develop the business domains of the future, like life science and custom medical care. Soon-to-be-commercialized successes include the SNP chip, which uses a single drop of blood to analyze a person’s genetic makeup, enabling doctors to provide personalized medicine, and organic electro-luminescence (EL) for displays and lighting.

For Adachi, success is about excellence not just in business but in CSR and environmental responsibility, so he was delighted when Canada’s Corporate Knights Inc. selected Toppan as one of the Global 100 Most Sustainable Corporations in the World both this and last year. “Our main goal has always been to be trusted and respected. That’s the precondition for being a strong company,” he concludes. ●