

TOSHIBA

Leading Innovation >>>

CSR REPORT

TOSHIBA TEC GROUP CSR REPORT

2010



Our Five Commitments

- Corporate Philosophy of the TOSHIBA TEC Group -

"Monozukuri": creating our products with pride and passion.
Keeping our customers in mind all the time and everywhere.

1. We aim to provide timely products and services with reliable quality and functions as well as high user-friendliness, creating value with our customer in mind through our superior proprietary technology and in collaboration with the world's best partners.
2. We want to foster an open and healthy corporate culture in which a strong professional team may tirelessly seek new challenges, by respecting the individuality of each employee, striving to promote each one's abilities, and implementing a fair and appropriate system of evaluation and rewards.
3. We seek to contribute toward the development of a global society as a good corporate citizen, law-abiding and ethical, by fulfilling our responsibilities toward each country and community in which we operate and respecting local culture and history.
4. We put concern for the environment as a priority in all our business activities so as to protect people's safety and health as well as the world's natural resources.
5. We endeavor to maximize our corporate value, and on the basis of sound and transparent management, we strive to achieve appropriate profits and reserves, constantly seek to implement management innovation and energetically invest in research and development, among others, in order to meet the expectations of our shareholders.

Regarding the "TOSHIBA TEC GROUP CSR REPORT 2010"

The TOSHIBA TEC Group recognizes that consideration toward all stakeholders, including customers, employees, communities, the environment and shareholders, is necessary for sound business activities.

We have issued this CSR Report hoping the TOSHIBA TEC Group's systems and activities, based on such policy, are understood by as many stakeholders as possible.

This Report emphasizes the CSR activities from three points of view: "PEOPLE & TOSHIBA TEC" "ENVIRONMENT & TOSHIBA TEC" and "MANAGEMENT," to enable our stakeholders to easily comprehend our concepts and systems regarding various activities. We utilize this Report as a tool for communication with the stakeholders, and keep striving to improve the contents with the help of your valuable comments.

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Scope of This Report

Reporting Period:

2009 (April 2009 to March 2010)

Report Scope:

TOSHIBA TEC Corporation and its consolidated affiliates

Environmental Data:

TOSHIBA TEC Corporation and its consolidated affiliates

Release Timing

Previous Edition:

June 2009

Next Edition:

Scheduled for June 2011

Reference Guidelines

GRI (Global Reporting Initiative)

"Sustainability Reporting Guideline 3rd Edition (G3)"

Ministry of the Environment

"Environmental Report Guidelines" (Fiscal 2007 Edition)

"Environmental Accounting Guidelines" (Fiscal 2005 Edition)

We Aim to be a Trusted "Global Enterprise," Based on Our Corporate Philosophy.

Business Activities Based on our Corporate Philosophy

It is a great pleasure for TOSHIBA TEC Corporation to have celebrated its 60th anniversary.

I would like to once again express my gratitude for the support we have received to date from so many stakeholders, which has enabled our business expansion. The TOSHIBA TEC Group will continue to work together to respond to the trust placed in us by our customers, employees and shareholders, the community and the environment, as well as to achieve sustainable growth by displaying the overall power of the Group.

To mark our 60th anniversary, the TOSHIBA TEC Group changed the company logo to "TOSHIBA," aiming to become a business group further trusted by the community, as a member of the TOSHIBA Group. We seek to embody our Corporate Philosophy "Our Five Commitments," and have all group employees around the world act according to "TOSHIBA TEC Group Standards of Conduct" set up based on the corporate philosophy.

Top Priority to Human life, Safety and Compliance

The TOSHIBA TEC Group has established a risk compliance system, comprehensively covering sales, engineering and production, with me assigned as CRO*, and strives to make the TOSHIBA TEC Group employees around the world thoroughly understand and implement the "TOSHIBA TEC Group Standards of Conduct." This reflects the top priority we give to "Life, Safety and Compliance."

In addition, the TOSHIBA TEC Group works to prevent accidents that endanger human life and safety, ensure product safety, and enhance the quality assurance system on a global basis to provide products and services which customers can use with confidence.

* CRO: Chief Risk-Compliance Management Officer

Promotion of Business Activities as a "Global Enterprise"

The TOSHIBA TEC Group always advances its business activities giving due consideration to its status as a "global enterprise."

For the Group the term "global enterprise" has two meanings.

One is to be willing to fulfill a role as an enterprise aiming toward a better global environment.

In order to build a sustainable society, the Group has been working on an environmental plan by giving top priority to the conservation and protection of the world's natural resources in every business process and product. We also provide environmentally-conscious products around the world and the work to reduce the environmental impact in every phase of our business activities including development, production and distribution.

The second meaning is to be an enterprise that recognizes and respects differences in culture, history and customs among countries and regions in the world. A variety of people live on earth, of different races, genders and ages, each with their own individuality and personality. The Group values new ideas, which are created when people with different personalities enlighten each other, utilizes human resources while respecting diversity, and focuses on the "work style innovation" of each employee.

Thus, the TOSHIBA TEC Group strives to contribute to the sustainable growth of society, aiming to be a "global enterprise" in the international arena.



Mamoru Suzuki

President and Chief Executive Officer

TOSHIBA TEC CORPORATION

June 2010





Safe and Reliable "Monozukuri" Road to Winning the METI Minister Award



As manufacturers, we must always think about how to respond to the "reliability" required by customers, as well as to deliver "safe" products to them.

TOSHIBA TEC Corporation believes that offering safe products is one of the fundamental elements of corporate social responsibility. We approached the issue of product safety from various viewpoints, which was recognized and resulted in the METI Minister Award.

● What is the "Award for Best Contributors to Product Safety"?

The METI Minister Award for Best Contributors to Product Safety, hosted by the Ministry of Economy, Trade and Industry, was launched in 2007 and presented for the third time in fiscal 2009.

This award program aims to recognize companies, engaged in manufacturing, import or retail, for their proactive measures to improve product safety. The winners are selected as the "Best Contributors to Product Safety" from among the applicants through a process of strict evaluation.

The evaluators do not examine how the products are manufactured, imported, or distributed by the applicant are safe, but evaluate the applicant's activities for product safety.

The award winning companies are allowed to promote and publicize themselves as the best contributors to product safety through the use of the "Best Contributors to Product Safety" logo, from the date of announcement of the award winners.

The best contributors are chosen in four categories: the manufacturer and importer category, and the re-



tailer category, each of which are divided into two subcategories of large companies and small and medium companies. The following three awards are presented.

- Gold Prize (METI Minister Award): One company in each category
- Silver Prize: Two companies in each category
- Bronze Prize: A few in each category

There are not many quality-related awards organized by third parties. Thanks to our involvement in this award relating to product safety, an issue that we have prioritized for a long time, we were able to gain a grasp of how our activities are rated objectively and in what ways we lag behind or are superior to other companies, which ultimately led us to an even more advanced level of activities relating to product safety. Moreover, the receipt of this award will increase our corporate value.

WEB Awards for Best Contributors to Product Safety by the Ministry of Economy, Trade and Industry
URL <http://www.ps-award.jp/> in Japanese only

■ Basic policy on the product safety

The TOSHIBA TEC Group recognizes that its top priority mission is gaining the trust of the customers and communities regarding the product safety throughout the life cycle of every product manufactured and distributed, defines and faithfully implements the Corporate Policy.

- 1) Compliance with laws and regulations
- 2) Establishment of a voluntary action plan for product safety
- 3) Quality control system ensuring the safety and security
- 4) Proper response to accidents
- 5) Measures to avoid misuses

● Efforts toward winning the award

This was the second time for TOSHIBATEC Corporation to apply for the METI Minister Award for Best Contributors to Product Safety. Unfortunately, we were not able to win the award last year. However, last year's application provided us with the opportunity to obtain information about other companies' activities. We considered the activities on product safety unique to our company as well as various policies aiming for further improvement, with reference to other companies' information.

Consideration of product safety activities



One of these activities is the formulation of the “Basic Policy on Product Safety,” announced as the commitment of the top management, and from which we took the first step toward fostering a Group-wide corporate culture. Another example is the launch of new activities such as the Persona-Scenario method*1 which is used to identify risks relating to the use of our products by various kinds of people, including so-called vulnerable people like children and the elderly. We also evolved our approach by expanding risk assessment activities through enhanced use of the Risk-Map (R-Map)*2.



● Winning the METI Minister Award

The evaluators of the METI Minister Awards for Best Contributors to Product Safety mainly evaluated our efforts to take preventive action in the upstream development segment by conducting safety-related risk management from the element development phase prior to product planning, as well as to quickly decide corrective measures in the event a problem emerges after shipment, according to quantitative criteria accepted by the community. Winning the award this year was the result of our continued activities to improve product safety. We will continue product safety activities while giving top priority to creating even more reliable products for customers.



Introduction of the key person and group in charge



Document Solutions Business Group
Yukihiro Nezu

As the manager of the Products Safety Group, Mr. Nezu is working on the promotion of product safety activities. He introduced risk assessment using the Persona-Scenario method to our company, while delivering lectures about the R-Map method outside the company.



Products Safety Working Group

A group of specialists in product safety collects, and analyzes information both inside and outside the company, and provides feedback for design standards and evaluation criteria.

*1 What is the Persona-Scenario method?

A method to verify that any user can safely use a product in any situation, by clarifying the risks of the product from the viewpoints of end users of various ages, heights, weights, etc., according to a scenario for use of the product. For example, an MFP* is verified according to a scenario such as: “a 5-year-old girl hits her head against the MFP tray when she tries to copy her drawings.”

* Multi Function Peripherals

*2 What is the Risk Map (R-Map)?

A method to visualize the risks behind a product by expressing them with the frequency of occurrence and the degree of danger. Use of this method enables not only checking whether the risks have been reduced at the development phase, but also deciding a recall of products in the event that a defect is found after shipment. Thus, it is possible to use the same evaluation axis throughout the product life cycle.

Persona Scenario: 5-year-old girl

Item		Picture (Illustration)/Feature and situation
Basic Item	Name	Hanako Toshiba
	Age	5
	Address	Mishima-shi, Shizuoka-Pref.
	Family structure	Father (35)/Mother (32)/ Brother (3)
	Company name (Affiliation)	Monozukuri Kindergarten
Hobby/Special skills	Painting and piano	Height: 110 cm/Weight: 18kg/Blood type: O+
		Curious/competitive
Item		Scenario
Usage environment	Father runs a home based business. The father is the president and the mother is the executive managing director. Home-based office	She tries to use the MFP that she has been interested in.

INTRODUCTION

BUSINESS OPERATION

Our Mission is to Contribute to the World through "Monozukuri."

The TOSHIBA TEC Group products are widely used in various fields such as in stores and offices. We promote business activities while keeping in mind the support from our stakeholders around the world.

Business Operation of the TOSHIBA TEC Group

The TOSHIBA TEC Group is globally developing total solutions sharing the respective advantages and sales channels of the three business operations: Retail Solutions, Office Solutions and Supply Chain Solutions.

Retail Solutions Business

The Retail Solutions Business offers the solutions for a wide range of business types and categories, such as mass retailers, convenience stores, specialty stores and restaurants, through a variety of products including the POS systems, electronic cash registers, computing scales and office automation equipment.



Office Solutions Business

The Office Solutions Business offers new values and solutions based on the combination of Digital Multifunction Peripherals (MFP), a must for office work, with network devices and software.



Supply Chain Solutions Business

The Supply Chain Solutions Business offers the infrastructures and solutions necessary for the society through auto ID systems utilizing bar codes or RFID, and various types of printers.



Total Solutions

Inkjet Head Business

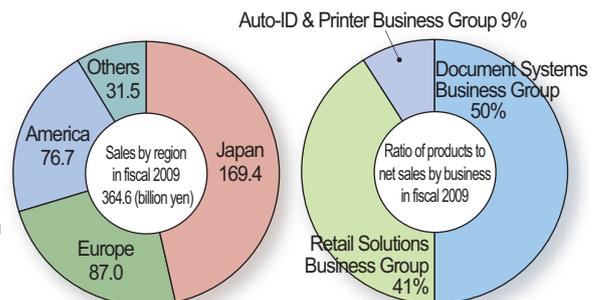
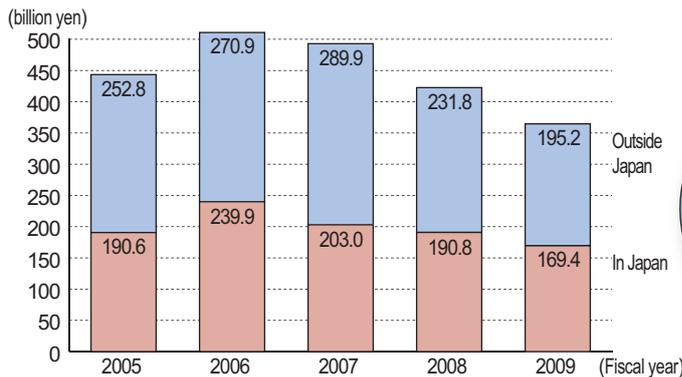
The Inkjet Head Business offers inkjet heads enabling high-quality printing to the inkjet printing market for various industries.



Use of UV curable ink enables printing on various kinds of media. (The above is a sample of printing on a tile.)



Net Sales (consolidated)





CUSTOMERS

Producing Safe and Reliable Quality Products

We are promoting quality assurance activities throughout the company, based on the voice of customers.

Safety and Reliability by Prevention of Occurrence

Precisely capturing the voice of customers (VOC) and offering quality and services beyond customers' expectations. This is the source of customer trust. During the product development phase, we assume every possible usage environment and condition, evaluate the design fully using simulations and quality engineering, and conduct evaluation tests on the actual product or system, as well as predict the product modes in which failures or accidents may occur to prevent them from occurring. As a result, we achieved a reduction in failures after installation and delivery of advanced safety and reliability to customers.

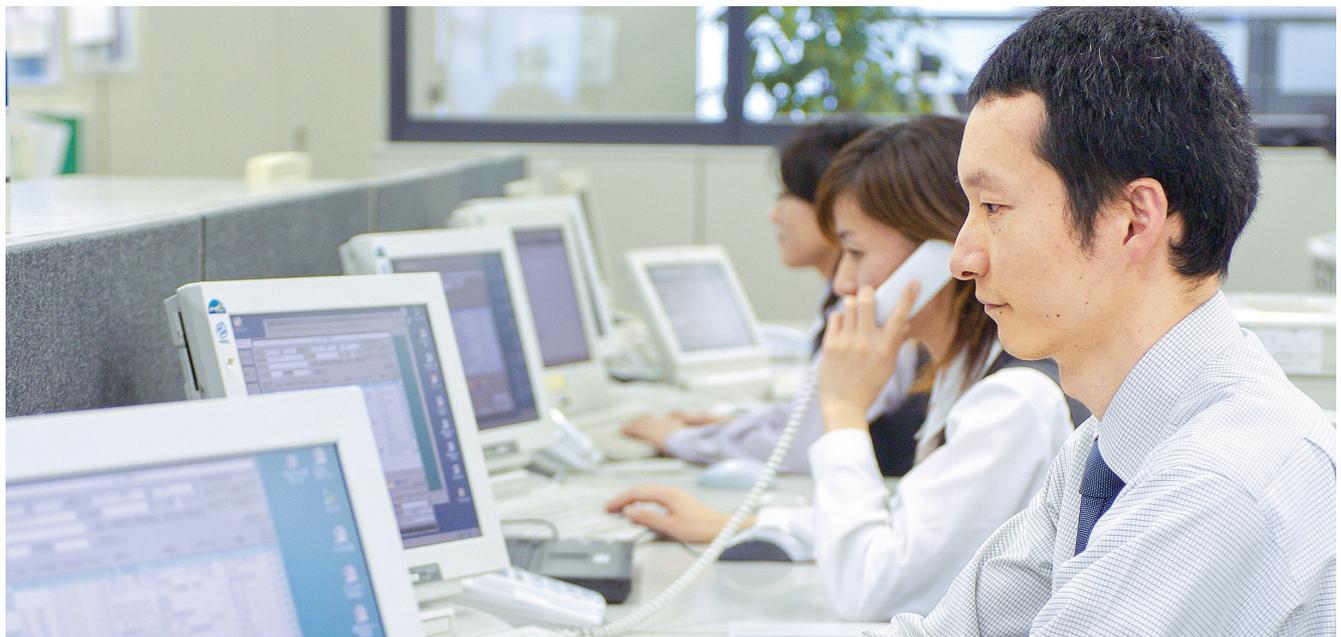
Design Review to evaluate the functions and reliability of the product and Product Safety Review are both implemented in each of the phases of product planning, design, development, manufacturing and distribution, and they are the base of quality management of TOSHIBA TEC Corporation and a marker of our commitment to safety and reliability. We strive to manufacture safe products through the Persona-Scenario method to prevent accidents, risk assessment using R-Map and activities to foster a quality-centered corporate culture, as well as comply with laws and regulations inside and outside Japan, such as the Electrical Appliance and Material Safety Law. These efforts have been highly evaluated, which resulted in us winning the METI Minister Award as the Best Contributor to Product Safety in fiscal 2009. (See page 3.)

Safety Support

TOSHIBA TEC Corporation prepares service systems on a worldwide basis as well as in Japan, to enable customers to always use the products in their best condition. The voice of customers, received at help desks or during visits for periodical maintenance or repairs, is immensely valuable for TOSHIBA TEC Corporation. In the event that information regarding a serious product accident is sent to us, we are well-positioned to respond to the accident quickly and with sincerity, in accordance with instructions set out by the president and CEO. At this time, the chief quality officer (CQO) is responsible for implementation.

Development of Human Resources and Quality-Centered Company Culture

TOSHIBA TEC Corporation is developing specialists in product safety, reliability and risk assessment. Under the leadership of these specialists, we will continue to make efforts for higher levels of safety and reliability, on the basis of the "TOSHIBA TEC Group's Basic Policy on Product Safety." Also we provide education to engineers to allow them to acquire basic skills and standards of conduct related to quality, reliability, safety, compliance and engineering ethics. In fiscal 2009, the "Product Safety Seminar," "Safety Laws and Standards Seminar," "Reliability Seminar," "Quality Engineering Seminar," "Education of Quality Assurance Basics" and "Ethics Education for Engineers" were held.



Help desk

CUSTOMERS

Providing Products and Services that Satisfy Customers

The TOSHIBA TEC Group exercises its business activities, while giving top priority to providing products and services, which satisfy and please customers from their point of view.

Respecting the Voice of Customers

"We aim to provide timely products and services with reliable quality and functions as well as high user-friendliness, creating value with our customer in mind through our superior proprietary technology and in collaboration with the world's best partners." is defined in the TOSHIBA TEC Group's Corporate Philosophy.

The TOSHIBA TEC Group exercises its business activities, while giving top priority to providing products and services, which satisfy and please customers. From this perspective, each employee needs to think and behave from the customers' point of view, by asking himself or herself what customers want and what value is important for them, to realize this ideal stance.

Customer Satisfaction Policy

The TOSHIBA TEC Group aims to deliver maximum customer satisfaction in terms of products, systems, services and communication with customers based on the "TOSHIBA Group CS* Promotion Policy" established in 2003.

■ "TOSHIBA Group Customer Satisfaction Promotion Policy"

We make the voice of customers the starting point for all ideas and provide products, systems and services that deliver customer satisfaction.

- (1) We provide products, systems and services that are safe and reliable.
- (2) We respond to requests and inquiries from customers sincerely, rapidly and appropriately.
- (3) We value the voice of customers and endeavor to develop and improve products, systems and services to deliver customer satisfaction.
- (4) We provide appropriate information to customers.
- (5) We protect personal data provided by customers.

* CS: Customer Satisfaction

Partnership with Affiliates

TOSHIBA TEC Corporation works on improvements to increase customer satisfaction while sharing information in cooperation with TEC Engineering Corporation responsible for maintenance and service of the retail solution products, and TOSHIBA TEC Business Solutions Corporation responsible for maintenance and service of the document systems products.

Partnership with TOSHIBA Corporation

TOSHIBA TEC Corporation periodically exchanges information with the Toshiba Customer Information Center and the CS Promotion Center to improve the quality of the TOSHIBA Group's response and support.

Improvement of the Service Quality

From fiscal 2005, TOSHIBA TEC Business Solution Corporation has been running the company-wide "Image enhancement campaign," in which the employees do their best for the customers, aiming to improve customer satisfaction in the maintenance service activities.

Every term we ask our MFP users for a questionnaire to collect the voice of customers and reflect it in the activity for customer satisfaction improvement.

For the service quality improvement, the employees strive to achieve the following objectives: "Always make greetings politely," "Explain the work report in detail to the customer," "Notify the customer of the time you visit" and "Inform the customer of the anticipated time until the recovery," that were set on the basis of the past voices of customers.



Commitment on the name tag (sticker) of customer engineers

CUSTOMERS

Promotion of Universal Design

Universal Design (UD) is "to design products, buildings and environments, which allow as many people as possible, regardless of age or whether they have disabilities, to use and operate."

TOSHIBA TEC Corporation aims to achieve UD appropriate for its products, on the basis of researches and tests on UD, and study of commercialization, with cooperation of various users, including beginners, experts and persons with disabilities.

Self Checkout Terminal WILLPOS-Self SS-800



Cash type

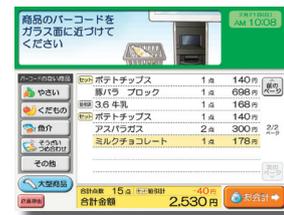


Operation tests were conducted with various types of users in mind, such as a small woman, a tall man and a person in a wheelchair, to find the optimum position of the devices operated by the users, including the operation panel, scanner, and cash acceptor and dispenser.

A shelf is provided to allow temporarily placing fragile items on for shoppers' smooth bagging.



Bag hooks, which have been improved through the testing with typical shopping bags and plastic shopping bags, enable easy placement of shopping bags.



The touch panel display, showing the guidance message on the upper part and the operating area on the lower part, enables even a small person, a user in wheelchair or a first shopper to easily operate the terminal, with the help of illustrations and voice or text guidance.

MFP (Digital multifunction peripherals) e-STUDIO255/355/455



e-STUDIO255



The large color control panel is adjustable depending on the user's height, preference, use of a wheelchair or reflection on the screen.



Accessible arm intended for a user in a wheelchair to close the Reversing Automatic Document Feeder (RADF).



Normal screen



Reverse video screen

Setting display area
Button area

The reverse video screen, well received by users with weak sight in the verification experiment, enables reducing glare and showing the display clearly. In the same way as the normal screen, the setting display area and the button area are definitely differentiated.

EMPLOYEES

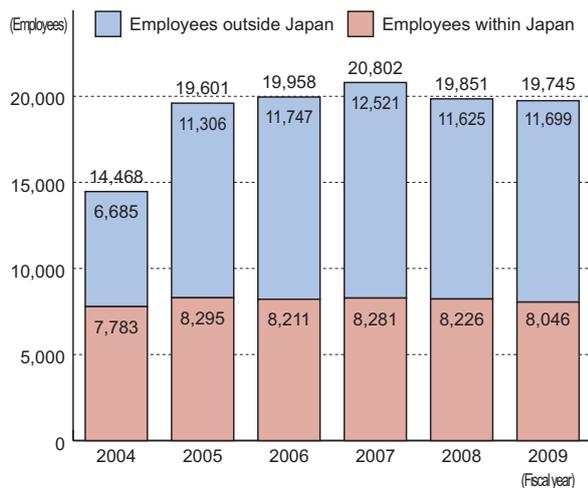
Employee Relations

Every employee is respected, while proper evaluations and rewards are practiced. Safety control and healthcare are positioned as a top priority issue for management.

Basic Policy on Human Resources

The TOSHIBA TEC Group respects every employee and strives to improve each employee's capabilities. The TOSHIBA TEC Group practices fair and proper evaluations and rewards, as well as creates an open, broad-minded and sound organizational culture. In addition, by providing a working environment where motivated personnel can bring their capabilities into full play, while striking a balance between work and family, the Group establishes a reward system for all human resources as it is an essential support system for its employees to form a powerful professional group which keeps on challenging itself.

Number of TOSHIBA TEC Group employees (as of the end of every fiscal year)



Personnel System

The human resources system is designed to ensure that all employees realize "job satisfaction" and "a spirit of challenge" to achieve self-fulfillment through their tasks, as well as to practice proper rewards, by linking individual achievements with organizational achievements.

TOSHIBA TEC Corporation is devoting its energies to creating an open, broad-minded and sound organizational culture to form a professional group, that can accentuate its organizational strengths, while having each of its employees acquire more advanced capabilities in becoming independent.

Human Resources Development and Utilization Systems

1) Target Attribution System	The corporate goal is broken down and each employee's target is set. Rewards are based on results, by linking the achievement of each employee's target with the realization of the corporate goal.
2) Expertise Development Evaluation System	The expertise of each employee is evaluated. Rewards are based on manifest advances in skills applied to the task performed.
3) Role Assignment System	The role assignment is designed depending on variations in capability. Rewards are based on variations in the degree of role-based responsibility and complexity of work.
4) Utilization of In-house Job Posting	Providing opportunities to allocate human resources to business priority areas, and fulfilling employees' initiatives and hopes encourage the utilization of human resources.
5) Employment Extension System	To strengthen and further actively utilize senior expertise, the employment extension system was introduced in fiscal 2002. The rich experience and knowledge of senior employees are incorporated into the system based on projected low birthrates and an aging population.

Accepting and Respecting the Promotion of Diversity

On the basis of gender equality, TOSHIBA TEC Corporation is aiming to provide a working environment where motivated personnel can bring their capabilities into full bloom regardless of gender. In order to support the employees to balance work and family, the system below is provided:

Future Generation Development Support Programs

1) Child-care leave	Until the end of the month when the child becomes three years old.
2) Nursing-care leave	Five days per child who has not completed the third year of elementary school on an annual basis. In addition, five days per child over the 4th grade at elementary school and under the age of 18 on an annual basis. Another five days per family member other than a child on an annual basis.
3) Short-time job	For child care: Until the end of March in the year when the child completes the third year of elementary school For nursing care: Up to three years per nursed person from the day when the program is started
4) Annual paid holidays on an hourly basis	An employee is allowed to take hours or days off on an hourly basis, up to the number of days which exceeds 20 days given in a fiscal year or carried over from the previous year.
5) Leave for pregnant employees	14 days are provided to employees who can hardly work for a doctor's appointment or treatment due to pregnancy-related problems during pregnancy and within eight weeks after a fourth or less month miscarriage.

Mid-term Target of Male-female Ratio and the Number of Foreign Staff

	Fiscal 2009	Fiscal 2012
(1) Ratio of female employees	12.9 %	13.4 % (0.5%UP)
(2) Difference of male-female ratio in management post between ages 37 and 45	19.9 %	16.9 % (3.0%UP)
(3) Number of foreign staff	9	15

Employment of People with Disabilities

TOSHIBA TEC Corporation endeavors to create working environments where people with disabilities and those without disabilities can work together as equals. Employees with disabilities are involved in a variety of operations. Job opportunities for people with disabilities are expanded and working environments are improved to bring their capabilities into full play, through Internet recruitment and various other types of forums.

Number of Employees with Disabilities

	June 2008	June 2009	April 2010
TOSHIBA TEC	1.90 %	1.91 %	1.86 %
TOSHIBA TEC Group in Japan	2.15 %	2.11 %	2.21 %

Education and Training System

The education and training system consists of several training programs, to enable employees to acquire sophisticated expertise in conjunction with their own goals and aspirations, to provide education including compliance education for all employees through enlightenment activities, and to provide education according to their position at every level throughout corporate life. A variety of training courses are provided in response to individual employees and task needs.

Education according to Position

Starting with numerous introduction training programs for new employees, group training is provided for newly appointed specialists, with a view to mastering basic knowledge regarding management based on financial statements. Another group training is provided for these newly appointed specialists after a given period, with the aim of acquiring skills to under-



Education and training scene

stand roles as managers and achieve challenges. Especially for newly appointed managers, basic knowledge for management regarding compliance and corporate accounting is provided. After a determined period, group training is provided for these managers to improve human skills such as coaching.

For general managers, group training and dispatch training are provided with the purpose of improving conceptual skills to devise strategies from a top management's point of view.

Global Personnel Development Course

Under the current business environment, the need for personnel who can play important roles within the international arena is magnified. TOSHIBA TEC Corporation established the global personnel development course for young employees to mid-career employees, to systematically develop human resources with ingenuity, cultural enrichment and a sense of internationalism, as well as language ability.



Studying Chinese in China

For about three months in the second half of fiscal 2009, I studied Chinese at Beijing Language and Culture University. All classes were conducted only in Chinese, so it was very hard to get used to it. However, it was a valuable experience for me since I could feel the remarkable growth of China in my bones. I hope to apply this experience to my work related to China after this.



Corporate IT & Information Systems Group
Hideki Igarashi

Attending an English language program

Owing to the small-group class, I enjoyed learning English expressions through a wide variety of topics, from the latest news to hobbies, in a friendly atmosphere. I asked the teacher to correct my emails and recommend English newspapers and books for me, which provided more incentive for me to improve my English.



Document Solutions Business Group
Akiko Nakajima

System for Listening to the Voice of Employees

TOSHIBA TEC Corporation started a "TEAM Survey" in fiscal 2009, in place of the corporate philosophy survey which has been conducted to root the corporate philosophy. We use this survey to listen to the voice of employees for fostering better corporate culture and workplace, as well as to root the corporate philosophy.

Labor Management Relations

The labor contract governing laws for labor-management relations has been concluded between TOSHIBA TEC Corporation and its labor union, to foster the policy of coexistence, i.e. "corporate development encourages the economic status of its labor union members, while improvements in the economic status of its labor union members lead to corporate development." Under this policy, labor and management merge their energies to improve productivity, while openly discussing management issues and reviewing directions to deepen mutual understanding.

Health and Safety

Occupational Health and Safety Management System

All production group companies have been accredited with OHSAS 18001, an international occupational safety and health management system specification. Additionally, non-production group companies launched preparation for introducing the system. Thus, the TOSHIBA TEC Group will further seek safe working environments and employees' health maintenance and promotion.



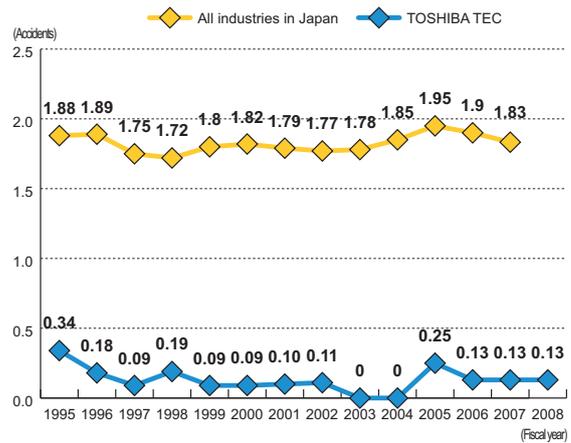
Prevention of Industrial Accidents

Many measures, such as health and safety patrols by top management, workplace safety patrols by the health and safety committee members and risk prediction training are implemented, while promoting employees' safety and health as one of the top priorities in corporate management.



Workplace safety patrol

Occurrence of Accidents with Lost Days (per one million man-hours)



Healthcare Programs

Aiming to prevent and improve lifestyle-related diseases, interviews with medical professionals and guidance in the fitness seminar are provided based on the results of the annual health checkup. For preventing health disorders caused by work, all employees who have worked for 80 or more hours per month are obliged to take an interview and guidance with the doctor. In addition, the Return to Work program is established to help employees who have taken a long-term leave, adjust back into the working environment with ease, as well as prevent recurrence.



Fitness Seminar

Last year, I started weight control, taking the opportunity of the fitness seminar, and succeeded in losing 15 kilograms. Finally, I reached my ideal weight of 30 years ago. I will keep my ideal body mass index (BMI) at 22 by continuing the exercises learned in the seminar, joggings three times a week, and with improved diet.

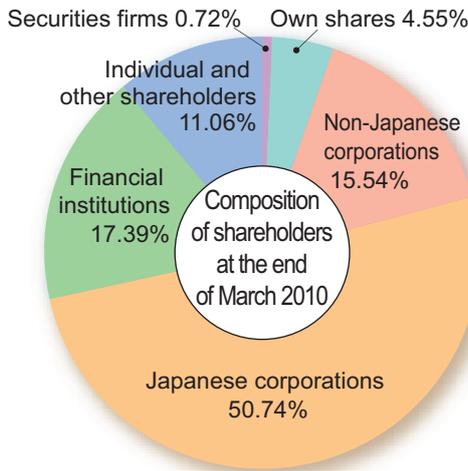


Document Solutions
Business Group
Masaharu Kato

Shareholders/Investors Relations

We strive to gain trust and earn the proper understanding of TOSHIBA TEC Corporation by shareholders and investors through various avenues.

Composition of Shareholders



Communication with Shareholders

TOSHIBA TEC Corporation recognizes the General Meeting of Shareholders as an important forum for direct communication with shareholders. By providing visualized business reporting and the mid-term management plan at the general meeting of shareholders, as well as showroom tours after the meeting, TOSHIBA TEC Corporation strives for easier and deeper understanding of "TOSHIBA TEC" by shareholders who attend the meeting. In addition, TOSHIBA TEC Corporation prepares and delivers Business Reports to all shareholders as well as posting the reports on its website. The Business Reports including information, such as major products and expected achievements as well as overviews of operations, are prepared with diagrams and photos for easy understanding.



Business Report

Disclosure

TOSHIBA TEC Corporation makes efforts to promptly disclose proper corporate information including its management policy, financial statements and financial information, to gain trust from its stakeholders including shareholders, investors and local communities, and ensure a deeper understanding of the Corporation.

In particular, information is promptly, properly and fairly disclosed based on in-house rules, laws and regulations when important corporate information arises. The account settlement meeting for institutional investors and financial analysts is held twice a year.

Easy-to-understand disclosure information regarding business operations is immediately posted on the TOSHIBA TEC website.

TOSHIBA TEC Corporation strictly manages information to prevent insider trading.

Annual Communication Schedule for Fiscal 2009

Month	Communications
April	Announcement of financial statements Account settlement meeting
June	Distribution of notice regarding general shareholders meeting Distribution of business reports Distribution of general meeting resolutions Disclosure of financial statements Issuance of CSR report
July	Announcement of first-quarter financial statements
October	Announcement of second-quarter financial statements Interim account settlement meeting
December	Distribution of interim business reports
January	Announcement of third-quarter financial statements



Account settlement meeting

SUPPLIERS

Promotion of CSR Procurement

While establishing mutual relations with suppliers based on trust, through fair and open trade, we assign priority to and advance transactions with suppliers, which are committed to complying with laws and regulations, upholding human rights and protecting the environment.

Procurement Policy

While the TOSHIBA Group is running its business on a global basis regarding a wide range of products, TOSHIBA TEC Corporation, as a member of the TOSHIBA Group, strives to conduct a thorough procurement in accordance with the TOSHIBA Group procurement policies, in order to fulfill its social responsibility through fair procurement activities.

Procurement Policy

Basic Procurement Policy

- (1) Compliance with relevant laws and regulations and environmental considerations
- (2) Promotion of fair and open trade
- (3) Reinforcement of partnership with suppliers

Policy for Selecting Suppliers

- (1) The company complies with laws and regulations, and places emphasis on human rights and environmental consciousness.
- (2) The company has sound business operations.
- (3) The company has the ability to supply goods and/or services to the TOSHIBA Group with emphasis on appropriate quality, price and delivery lead-time.
- (4) The company is capable of providing a stable supply of goods and/or services. Also the company must have the flexibility to respond quickly to supply/demand fluctuations.
- (5) The company possesses technology that contributes positively to TOSHIBA Group products.

Supplier Expectations

The "TOSHIBA Group Procurement Policy" for suppliers is prepared and requirements related to social responsibility are described in its "Supplier Expectations" to thoroughly make them known to suppliers, in order to contribute to the creation of a sustainable society through supply chains.

Compliance in Procurement

TOSHIBA TEC Corporation positions compliance as a top-priority item for "Business Continuance and Further Development" in its daily operations through e-learning and seminars.

In particular, procurement divisions strive to thoroughly comply with relevant laws and regulations from the following aspects:

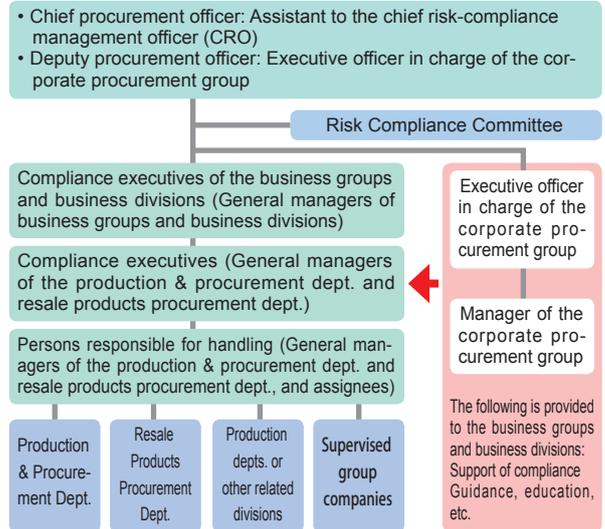
- (1) Environmental protection (green procurement)
- (2) Care for human rights and occupational safety
- (3) Quality maintenance and improvement
- (4) Protection of confidential information
- (5) Open and fair trade

Compliance in Procurement

Compliance as a top-priority item for "Business Continuance and Further Development"!!



Compliant Procurement Control System



While communicating with suppliers on a daily basis, we request them to ensure compliance within their companies. On the assumption of trouble, we also ask suppliers to make sure to implement the following:

- (1) Establishment and improvement of a system to promptly communicate with TOSHIBA TEC Corporation
- (2) Establishment and improvement of a system to promptly perform troubleshooting (promptly respond to trouble and minimize impacts)

TOSHIBA TEC Partner Hotline Setup

As previously described, the TOSHIBA TEC Corporation gives top priority to compliance with laws, regulations, social customs and corporate ethics throughout its business activities. As part of the efforts, a system has been established and is used to encourage suppliers to report matters to TOSHIBA TEC Corporation when a relevant party violates or may violate compliance in procurement transactions such as outsourced manufacturing and service provision. (A whistleblower system "TOSHIBA TEC Partner Hotline" for suppliers has been set up on the TOSHIBA TEC website.) When suppliers report matters via the Partner Hotline, TOSHIBA TEC Corporation strives to establish mutual relationships through open clean trade, as well as to foster sound partnerships with suppliers based on mutual trust.

WEB TOSHIBA TEC Partner Hotline

URL <http://www.toshibatec.co.jp/contacts/partnerline/indexj.html> in Japanese only

Philanthropy

The TOSHIBA TEC Group defines the Corporate Policy regarding "Community Relations" in its Standards Of Conduct (SOC) and gets involved in philanthropy based on this Policy.

Corporate Policy

- (1) Contribute to and cooperate with all local communities in which TOSHIBA TEC Group operates, in order to promote good relations and mutual respect and understanding;
- (2) Support directors and employees in undertaking voluntary activities and give full consideration to each individual's desire to exercise his or her civil rights; and
- (3) Contribute to the development and improvement of each country and region in which TOSHIBA TEC Group operates, and make appropriate contributions to the community, after consideration of the good of the community, the nature of the requests and the reasons for making contributions.

Donation of Blood Drive PR Vehicle

The TOSHIBA TEC Group has promoted blood drive activities. In addition, we endowed a blood drive PR vehicle as indirect support, following three tents endowed in the previous year. This vehicle is used for promotion of blood drives around stations, communities and residential areas.



Donation of Laptop Computers to "Save the Children"

Donated computers are used for educational support of children, who lead the next generation in Myanmar, Mongolia and Sri Lanka.

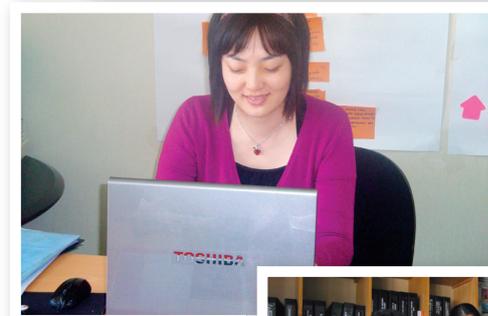


Utilization of Philanthropy Fund

TOSHIBA TEC Corporation established the "TOSHIBA TEC Philanthropy Fund" in 1992, with the aim of contributing to social welfare, as a good corporate citizen. This Fund, which consists of donations from employees accompanied by matching contributions from the Corporation, is endowed to local and nationwide social welfare and disaster victim support groups. Particularly, in celebration of the 60th anniversary, an extra donation was endowed this year.

Donations to Social Welfare

- Central Community Chest of Japan
→ Donation to 10 institutions in 10 prefectures
- Head office (Shinagawa) region, Mishima (Mishima-shi) region and Ohito (Izunokuni-shi) region
→ Donation of home electrical appliances to 14 institutions



Educational supports in Mongolia and Sri Lanka

Local Contribution and Volunteer Activities

NEW Pink Ribbon Campaign

Participation in the "Pink Ribbon Smile Walk"

During the Pink Ribbon Month (October) in 2009, our employees and their families joined the walking events held in Tokyo and Kobe.



Participating in the Smile Walk

The "Pink Ribbon Smile Walk" is a walking event to promote the importance of breast cancer screening. Since awareness of breast cancer is still lacking, I want to continue to participate in the Pink Ribbon campaign and introduce "a life that could have been saved if she had a knowledge of breast cancer."



Corporate Legal Service Group

Yuka Mizumoto



The message of the Pink Ribbon activity is sent from paper cups.

"Small kindness movement: Clean-up project in 2009" promoted by Shizuoka prefecture

Employees of Shizuoka business center participate in the clean-up campaign hosted by Shizuoka prefecture every year.



Voluntary participation in "Welfare Festival 2009" hosted by Shinagawa Ward

Every year we participate in the welfare event hosted by Shinagawa Ward where our head office is located. This year new employees took a lead in participating in the event as volunteers.



Attending the "Welfare Festival 2009"

I used to think Ohsaki is "a business area I just come to work." However, participation in the welfare festival provided me an opportunity to contact with people in the community, staff of the social welfare organization, and students nearby, as well as make a regional contribution together with other co-workers. I enjoyed it and had a fruitful day.



Document Solutions Business Group

Mana Yoshimura

Cleanup activity	Total 104 employees	
Hosting summer festivals	Total 800 employees	
Charity concert	Once/year	
Blood drive activities	Total 792 employees	
Voluntary participation in events	Total 65 employees	
Acceptance of office and factory tours	Total 372 employees	
Acceptance of internship students	Total 15 employees	
Traffic safety awareness campaign	Total 62 employees	
Collection of plastic bottle caps		
TOSHIBA TEC Corporation	622 kg	Total 1,410 kg
T.T. BUSINESS SERVICE, CO., LTD.		
TOSHIBA TEC BUSINESS SOLUTIONS CORPORATION		
TEC ENGINEERING CORPORATION	716 kg	
TER CORPORATION		
TEC INFORMATION SYSTEMS CORPORATION	72 kg	
Donation through Heart-full Vendors (Vending machine type donation box)	Total JPY300,008 (Apr. 2009 to Mar. 2010)	

* We provided vaccines for 705 children.



Support for Children Who Lead the Next Generation

■ Holding a company tour and work-study

As a support of the work-study of elementary, junior high and high school students, a company tour was carried out, in which the students experienced the operation of actual products including self-checkout terminals and stylish POS terminals.



Company tour in the Shizuoka Business Center



Students experiencing the operation of a self-checkout terminal at the Osaki Business Center

NEW New Activity

♥ Blood Drive

🌍 Environmental Approach

👤 Voluntary Work

📦 Endowment/Donation

🗑️ Other Activities

* An icon added to each activity shows the activity mentioned above.

Activities to Preserve the Global Environment

NEW "Explore the Forest Expedition" / Nature Watch Program

Employees and their families joined "Explore the Forest Expedition" hosted by the TOSHIBA Group.

The participants enjoyed learning about the function and mechanism of forests and the importance of natural environment, and touching animals and insects.



■ "Creating A Small Dam in the Forest" hosted by Mishima-shi

Every year, TOSHIBA TEC Corporation participates in a volunteer activity towards forest conservation and water source cultivation in Hakone (at an altitude of 600 meters above sea level).



NEW 📦 Donation to the Federation of Economic Organizations Wildlife Fund

Group Companies in Japan

TEC ENGINEERING CORPORATION

WEB 🖥️ URL <http://www.teceng.co.jp/> in Japanese only

📦 Donation to the Central Community Chest of Japan

📦 Support for local disaster areas (Offering donated articles)

♥ Participation in blood drives

🌍 Cleanup activity

👤 Support and exhibition at environmental events

🌍 Eco-drive campaign

👤 🌍 Outside introduction support and in-house promotion for the Environmental Education Program "Kids' ISO"

Since 2004, TEC Engineering Corporation has been involved in staff activities through the Award Ceremony of International Certificate of Kids' ISO as well as support for local governments

and expansion of the program to its employees and family members. In 2009, many children of the employees worked on this program and two of them obtained the international certificate.

👤 🌍 Giving environmental lectures at elementary schools

Being asked by elementary schools in Tokyo, environmental education classes have been provided since 2006.

In 2009, we, as the TOSHIBA Group, visited eight schools.



TOSHIBA TEC BUSINESS SOLUTIONS CORPORATION

-  Beach cleanup activity
-  Park cleanup activity



TEC INFORMATION SYSTEMS CORPORATION

-  Kids' ISO

Support to the Kids' ISO programme has been continued since 2005. Employees as Kids' ISO instructors support environmental management activities for fifth- and sixth-grade students. Two students obtained the international certificate this year.

T.T. BUSINESS SERVICE, CO., LTD.

-  Donations through Heart-Full Vendors
- Collaboration with TOSHIBA TEC Corporation
-  See Page 15.)

TER CORPORATION

-  Participating in the EXPO Eco-Money Project
- By using public transportation systems, Eco-Money points are earned. When Eco-Money exceeding a certain amount are donated, a tree planting certificate is obtained.
-  Cleanup activity
-  Participation in blood drives
-  Provision of parking spaces for school festival sponsored by the social welfare corporation

TEC MANUFACTURING CO., LTD.

-  "Creating A Small Dam in the Forest" hosted by Mishima-shi

Collaboration with TOSHIBA TEC Corporation( See Page 16.)

-  Cleanup activity

Collaboration with TOSHIBA TEC Corporation( See Page 15.)



TOSEI ELECTRIC CORPORATION

-  Participation in blood drives
-  Acceptance of internship students

AI SOLUTIONS CO., LTD.

-  Donations through Heart-Full Vendors
- Collaboration with TOSHIBA TEC Corporation
-  See Page 15.)

Group Companies outside Japan

TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD.

-  Support for elementary school education (continued every year)

IT devices were donated to help with school reconstruction after the earthquake.

-  Tree-planting activities
-  Cleanup activity
-  Donation to the Giant Panda Breeding Research Base in Chengdu

Support for the activities to save endangered Giant Pandas is conducted.



Giant Panda Breeding Research Base



Tree-planting activities in Shenzhen

TOSHIBA TEC SINGAPORE PTE LTD.

-  Tree-planting activities

Seven TOSHIBA Group affiliates are conducting tree-planting activities.



TOSHIBA TEC EUROPE RETAIL INFORMATION SYSTEMS S.A. (UK Operations)

-   Fundraising campaign for BHF

The employees of TERIS UK participated in the "Red For Heart" campaign of the British Heart Foundation (a group supporting people fighting heart diseases). They conducted a fundraising campaign wearing something red, such as a necktie, jacket, and shirt.



TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.**👤👤👤 Home Building Volunteer**

TOSHIBA AMERICA BUSINESS SOLUTIONS, INC. participated in the activities for self-support of people with economic difficulties. For this activity, CEOs or board members of local companies played a central role in fund-raising to build houses for disabled veterans or disadvantaged families, in cooperation with the local Navy.

**👤👤👤 Support for the Ocean Institute**

TOSHIBA AMERICA BUSINESS SOLUTIONS, INC. supports the Ocean Institute every year. It invited economically disadvantaged children aboard the ship called "Sea Explorer" to teach them marine life biology.

**👤👤👤 Holding a Christmas Event**

This year again, a Christmas event for families of deployed soldiers was held.

Santa Claus, impersonated by an employee, read a Christmas story to children and visited with each child to hear their Christmas wishes. After commemorative photos were taken with Santa Claus, they enjoyed hot cocoa and cookies together. This was the most heart-warming charity event.

**TOSHIBA TEC U.K. IMAGING SYSTEMS LTD.****👤👤👤 Dress Down Days**

The last Friday of every month is designated as a dress down day. On that day, employees "dress down" in return for a small charitable contribution of one pound at minimum and the company collects such contributions and makes donations.

The donations are used for the social welfare activities of communities, countries, and international organizations.

NEW 👤👤👤 Support for Spelthorne Farm

Spelthorne Farm is a farm which is intended to provide disabled people the opportunities to casually contact with animals.

The employees helped make a pond for ducks and build a house for rabbits so that visitors can safely enjoy contact with the animals.

Through this activity, we mingle with local people and visitors.

**TOSHIBA TEC AMERICA RETAIL INFORMATION SYSTEMS, INC.****👤👤👤 Christmas caroling**

Year after year, employees visit hospitals, foster homes and nursing homes to spend Christmas together with patients, children and elderly people.



Practicing Sustainability under the Corporate Philosophy and CSR Activities



We contribute to society through "Monozukuri," which assigns top priority to consideration for the environment throughout all business activities, in order to hand down our irreplaceable Earth in a sound state to the next generation.

Practice of Sustainability

The TOSHIBA TEC Group practices sustainability based on its corporate philosophy and CSR activities. Given "sustainability management," "development and distribution of eco-products," "promotion of eco-process" and "promotion of environmental communication" as the important pillars of sustainability, the TOSHIBA TEC Group is actively promoting environmental protection.

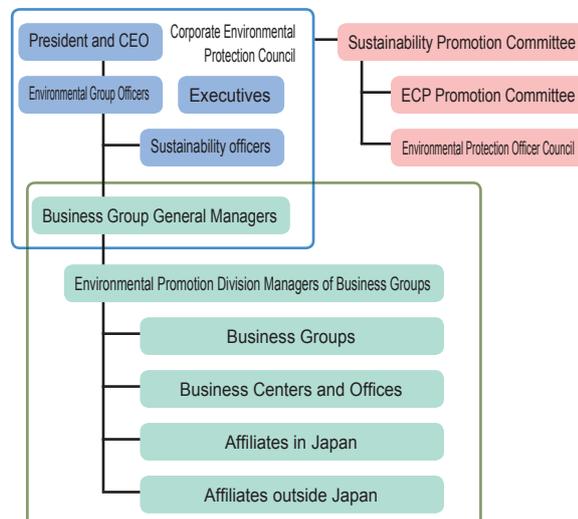


Corporate Environmental Protection Council

Sustainability of the TOSHIBA TEC Group



Environmental Promotion Structure



Basic Policy for the Environment

We, the TOSHIBA TEC Group, expand our operations on a global basis under the business groups such as the Retail Solutions Business Group and Document Systems Business Group, while contributing to society through "Monozukuri" or by creating Environmentally-conscious products.

We assign top priority to consideration for the environment throughout all business activities, and practice global sustainability based on our Corporate Philosophy "Our Five Commitments" along with corporate social responsibility, in order to hand down our irreplaceable Earth in a sound state to the next generation.

- (1) Given "sustainability management," "development and distribution of eco-products," "promotion of eco-process" and "promotion of environmental communication" as the important pillars of sustainability, the TOSHIBA TEC Group is actively driving environmental protection.
- (2) "Sustainability Management"
 - The TOSHIBA TEC Group specifies and promotes objectives and targets for its business activities, products and services to reduce environmental impacts and prevent pollution, and continually strives to improve the environment.
 - The TOSHIBA TEC Group complies not only with laws and regulations applied in countries or regions all over the world, but also with industry guidelines, which it has endorsed, for environmental protection.
- (3) "Development and Distribution of Eco-Products"
 - The TOSHIBA TEC Group fosters green procurement of Environmentally-conscious materials and parts, resources and energy conservation, and abolition of certain chemical substances, in order to provide environmentally-conscious products.
 - The TOSHIBA TEC Group advances distribution of environmentally-conscious products.
 - The TOSHIBA TEC Group contributes to the establishment of a recycling-based society, while collecting and recycling end-of-use products and reusing end-of-use parts.
- (4) "Promotion of Eco-process"
 - The TOSHIBA TEC Group strives toward resource and energy conservation, as well as correct control of chemical substances, for environmentally-conscious production.
 - The TOSHIBA TEC Group promotes green purchasing of environmentally-conscious stationeries and office automation equipment.
- (5) "Promotion of Environmental Communication"
 - The TOSHIBA TEC Group provides environmental education, conducts educational campaigns, and expands each employee's environmental awareness to promote environmental activities.
 - The TOSHIBA TEC Group actively and widely discloses its environmental policy and activities inside and outside the Group.
 - The TOSHIBA TEC Group participates in society-wide environmental activities in cooperation with administrations, communities and bodies concerned.

TOSHIBA TEC Group
Revised in April 2008

SUSTAINABILITY MANAGEMENT

Checking the Environmental Activities through the Environmental Management Accounting and Audit

For environmental management promotion, the TOSHIBA TEC Group checks the environmental activities through the environmental management accounting and audit, reflects the results in its environmental management, and strives for compliance.

Environmental Accounting

Environmental accounting is used to quantitatively understand environmental protection-related costs and benefits and utilize the quantitative data as guidelines for business activities.

For environmental protection costs in 2009, capital investments of approximately 30 million yen and expenses of approximately 880 million yen were made on a consolidated basis. Investments were made especially toward global warming prevention and energy-saving measures. Benefits resulted in 1.8 billion yen. Decrease in production and the measures

to reduce environmental impacts contributed to the increase of benefits over the previous year.

Greater benefits arose from the reduction of environmental impacts at the product usage phase.

Costs and Benefits

Target data tabulated:

Three TOSHIBA TEC production sites, Head Office, three production affiliates in Japan and six production affiliates outside Japan

Tabulation period:

April 1, 2009 to March 31, 2010

Note: The amount partly includes estimate.

Environmental Costs

Million yen

Classification	Details	Expenditure		Cost		Change in costs from 2008	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
1) Business area costs	Reduction of environmental impacts (1) to (3)	33.1	24.9	173.0	119.1	13.2	7.2
(1) Pollution prevention costs	Prevention of air, water and soil pollution, etc.	2.0	0.0	37.8	14.9	5.3	0.2
(2) Global environmental protection costs	Global warming prevention, ozone layer protection, etc.	30.8	24.9	78.5	66.5	8.4	11.2
(3) Resource circulation costs	Recycling of waste, etc.	0.3	0.0	56.7	37.7	-0.6	-4.2
2) Upstream/downstream costs	Green procurement, collection and recycling of products, etc.	0.0	0.0	112.3	111.8	-27.0	-26.9
3) Administration costs	Establishment of EMS, environmental education, tree-planting/cleanup campaigns, etc.	0.0	0.0	393.5	358.8	-60.7	-52.6
4) R&D costs	Technical development for ECPs, etc.	0.0	0.0	198.1	198.1	-28.2	-26.1
5) Social activity costs	Donations and support to groups/organizations, etc.	0.0	0.0	5.4	5.1	-0.9	-0.5
6) Environmental remediation costs	Recovery from soil pollution, etc.	0.0	0.0	0.7	0.7	0.4	0.4
Total		33.1	24.9	883.0	793.6	-103.2	-98.4

Environmental Benefits

Million yen

Classification	Details	TOSHIBA TEC	Affiliates	Total
Actual benefits	Reduced charges for electricity and water, etc. that can be directly indicated	106.5	90.5	197.0
Assumed benefits	Reduced environmental impacts in monetary value	444.0	-0.04	443.9
Customer Benefits	Benefits of environmental impacts reduced at the usage phase in monetary value	1,209.0	0.0	1,209.0
Total		1,759.5	90.4	1,849.9

Breakdown of Actual Benefits

Million yen

Item	Amount of reduction in environmental impacts	Monetary value
Energy	TOSHIBA TEC	22,204 GJ 86.7
	Affiliates	27,773 GJ 81.6
	Total	49,977 GJ 168.2
Final disposal of waste	TOSHIBA TEC	0.05 t 19.5
	Affiliates	3.65 t 5.4
	Total	3.70 t 24.9
Water	TOSHIBA TEC	14.8 thousand m ³ 0.4
	Affiliates	14.3 thousand m ³ 3.5
	Total	29.1 thousand m ³ 3.9
Grand total		197.0

Breakdown of Assumed Benefits

Million yen

Item	Amount of reduction in environmental impacts	Monetary value
Chemical substance discharge reduction benefits	TOSHIBA TEC	15.1 t 444.0
	Affiliates	0.02 t -0.04
	Total	15.12 t 443.9

Customer Benefits

Million yen

Item	Amount of reduction in environmental impacts	Monetary value
Environmental impact reduction at the usage phase	Electricity	19.36 million kWh 445
	Paper rolls	1,295 t 764

* The amount of reduction in environmental impacts indicates differences between fiscal years 2008 and 2009. Negative figures indicate an increase in environmental impacts beyond reduction benefits due to increased production, etc.

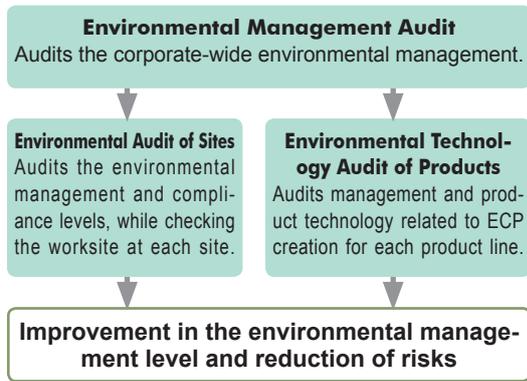
Basis for calculation of assumed benefits
Monetary values were calculated by giving each substance, calculated in terms of cadmium, a weighting based on environmental standards and ACGIH-TLV (allowable concentration of each substance as determined by the American Conference of Governmental Industrial Hygienists) and multiplying the result by the amount of compensation in the case of cadmium pollution. The amount of reduction in environmental impacts on atmosphere, water and soil are indicated and compared with the previous year's results, as well as calculated in terms of monetary value to enable comparisons of various environmental impacts on the same basis.

Basis for calculation of customer benefits
Benefits of reduction in environmental impacts throughout the product life cycle are calculated in terms of physical quantity units and monetary units. The life cycle comprises several phases: 1) procurement of raw materials, 2) manufacturing, 3) transport, 4) usage, 5) collection, 6) recycling and 7) appropriate processing. TOSHIBA TEC's environmental accounting focuses on the benefits of reduction in environmental impacts at the usage phase. Energy-saving benefits are calculated using the following formula:
Benefits (yen) = Σ [(electricity consumption per year of the former model - electricity consumption per year of the new model) x number of units sold per year x benchmark unit price of electricity charge]

TOSHIBA Group Environmental Audit

The TOSHIBA Group has annually conducted two-day environmental audits in accordance with its proprietary Environmental Audit System on the basis of Eco-Responsibility at each production site of the TOSHIBA Group since 1993. As the features of the TOSHIBA Group Environmental Audit, it is based on the workplace principles, and numerical evaluation is used. It also consists of environmental management audit at the head office, environmental audit of sites and environmental technology audit of products. Currently, the TOSHIBA Group Environmental Audit is performed at all production and non-production sites, in accordance with the new standards for thorough compliance.

In fiscal 2009, four persons at four production sites outside Japan were qualified as auditors for the first time, to participate in the environmental audit of sites. This will help us perform more specific environmental activities in every region and expand them.



Workplace audit



Desk audit



Certificates of Environmental Auditors

Mid-term Environmental Strategy

The Fourth Voluntary Plan for Environmental Protection, which we have promoted since fiscal 2005, was reviewed in fiscal 2009 to set it as a global goal for both production sites in and outside Japan.

Mid-term Environmental Strategy

All goals for product-related items were achieved in fiscal 2009. As for the business process, the goals for CO₂ emissions in Japan, water consumption and final disposal rate were not achieved. The decrease in production larger than expectations disallowed the goals for CO₂ emissions in Japan and water consumption. The amount of waste for final disposal was reduced, however, the final disposal rate was not achieved by a slight amount, even though the total amount of waste discharged was drastically reduced.

New production sites are scheduled for launch by 2012. These new production sites will become engaged mainly in part processing, thus will consume more energy, compared to the existing assembly sites. Therefore, as goals for and after fiscal 2010, values will be increased compared to the results in fiscal 2009. We will continue efforts to restrain emissions of CO₂, waste and chemical substances to the fullest extent through improvements in management and deliberate business investment.

Indicator		Reference year	Fiscal 2009			Fiscal 2010	Fiscal 2012			
			Target	Result	Evaluation	Objective	Objective			
Eco-Products	Product factor	2000	1.47	1.87	YES	1.95	2.05			
	Ratio of ECPs to sales	-	75%	80%	YES	80%	85%			
	Effects of CO ₂ emissions through eco-products	2000	26,000t	32,000t	YES	32,000t	57,000t			
	15 substances contained in products	-	90%	100%	YES	100%	100%			
Eco-Process	Global warming prevention	Energy-originated CO ₂ emissions	Global production sites	CO ₂ emissions	1990	132%	96%	YES	133%	180%
			Production sites in Japan	Ratio of CO ₂ emissions		115%	103%	YES	135%	160%
				Ratio of CO ₂ emissions		61%	62%	NO	69%	67%
	Optimization of resources	CO ₂ emissions associated with product logistics	Ratio of CO ₂ emissions	2006	87%	69%	YES	78%	76%	
				Total amount of waste generated	2000	75%	55%	YES	68%	68%
		Ratio of discharged waste	Ratio of final landfill disposal	-	2.5%	2.6%	NO	1.5%	0.5%	
				Reduction of water consumption	Ratio of input water	2000	54%	57%	NO	74%
Chemical substance emissions	2000	86%	56%			YES	66%	66%		

Note: "YES" indicates the goal for 2009 has been achieved and "NO" indicates the goal for 2009 has not been achieved.

For goals using ratios, a quantity-based net output rate is used as an indicator for evaluating activities.

Net Output = [Nominal Output in Japan] / [Corporate goods price index (electrical equipment) announced by the Bank of Japan for each year (the index for 1990 is 1)] + [Nominal Output outside Japan]

As a CO₂ conversion factor for electricity in Japan, 3.17 t-CO₂/10 thousand kWh of electricity generated is adopted for fiscal 1990 and 2.97 t-CO₂/10 thousand kWh for fiscal 2009. As a CO₂ conversion factor for electricity in Japan, 4.17 t-CO₂/10 thousand kWh of electricity received is calculated for fiscal 1990 and 3.4 t-CO₂/10 thousand kWh for fiscal 2010 and 2012. The amount of electricity-received specific to the relevant countries is adopted as the CO₂ conversion factors for electricity outside Japan.

To achieve the final disposal goal of 0.5% for fiscal 2012, development of infrastructure including recycling routes and incineration facilities is required in relevant countries and regions outside Japan.

Environmental Impacts in Fiscal 2009

On the one hand, the TOSHIBA TEC Group minimizes extraction from global resources, and emissions of pollutants into the global environment. On the other hand, the Group maximizes environmentally-conscious activities such as the development of environmentally-conscious products or ECPs. In addition, the Group strives to reduce environmental impacts while understanding and analyzing the impacts at each stage of a product life cycle.

Environmental Impacts throughout the Life Cycle

In terms of the TOSHIBA TEC Group's products, raw materials and components are procured from suppliers, processed and assembled to build products. Finished products are transported to distributors or warehouses by outsourced forwarding agents. Then, end-of-use products are collected from customers where possible for reuse and recycling. The diagram below shows environmental impacts at each stage of a product life cycle.

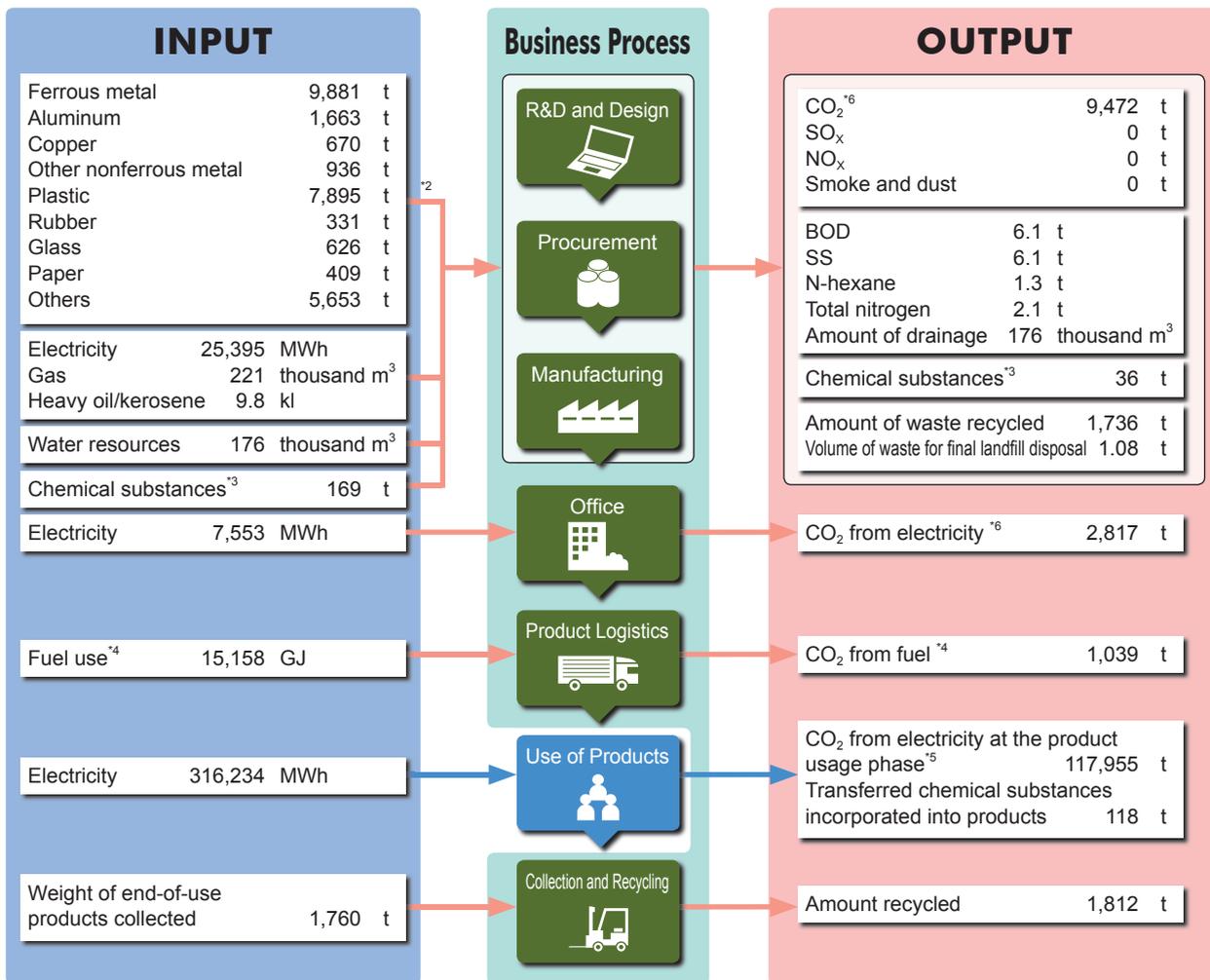
The environmental impacts at the production stage contain 9,472 tons of CO₂ emitted from plants and 2,817 tons of CO₂ emitted from offices due to consumption of all energies.

36 tons of chemical substances were discharged into air and water, 1.08 tons of waste were landfilled and 1,736 tons of discharge were recycled.

The amount of CO₂ emitted from major products shipped in fiscal 2009 until the end of their product lives is approximately 117,955 tons.

Therefore, it is essential to take energy-saving measures for products.

Environmental Impacts in Fiscal 2009^{*1}



Note:

*1 Target data tabulated: TOSHIBA TEC Corporation and its affiliates within Japan. However, "Office" applies to TOSHIBA TEC Corporation.
 *2 INPUT of raw materials/components procured:
 1) INPUT for TOSHIBA TEC Corporation is calculated from material procurement data using the TOSHIBA Group proprietary method.
 2) INPUT for affiliates is an estimated amount calculated from material compo-

sition of major products.
 *3 Target chemical substances: 449 types specified by TOSHIBA Corporation.
 *4 Product logistics: All CO₂ for outsourcing
 *5 CO₂ at the product usage phase: Amount of CO₂ emitted from major products shipped in fiscal 2009 until the end of their product lives.
 *6 The electricity CO₂ emission coefficient is 3.73 t-CO₂/10 thousand kWh announced by the Federation of Electric Power Companies of Japan (after credit adjustment).

ECO-PRODUCTS

Contribution to the Reduction of Environmental Impacts on Society through the Provision of Environmentally-Conscious Products or ECPs

TOSHIBA TEC Corporation develops ECPs, where environmental impacts are reduced throughout their product life cycles. Activities are accelerating, while using Factor T, the TOSHIBA Group's eco-efficiency indicator for overall evaluation of a product value and its environmental impacts.

Concept regarding Product Development

The TOSHIBA TEC Group creates "ECPs"^{*1} where environmental impacts are reduced throughout their product life cycles^{*2}. Most of the environmental impacts generated throughout a product life cycle are determined at the product planning and design stages, thus, TOSHIBA TEC Corporation focuses on the upstream stage of product development.

*1 ECP: Environmentally-Conscious Products

*2 Product life cycle: All stages from materials procurement, manufacturing and transportation, through to usage, recycling and disposal.

Environmentally-Conscious Product Development

Focusing on compliance with laws and regulations in and outside Japan, conformity with the Green Purchasing Law, and acquisition of major environmental labels such as Japanese Eco Mark, German Blue Angel and International ENERGY STAR® Program, TOSHIBA TEC Group works toward developing products in compliance with such standards, starting at the product planning stage.

For voluntary activities, "Enhancement of product eco-efficiency," "Provision of ECPs" and "Abolition

of the use of certain chemical substances" defined as product-related objectives in the Fourth Voluntary Plan for Environmental Protection are highlighted.

In terms of "Provision of ECPs," the "Voluntary Environmental Standards for Each Product"^{*3} are specified to prescribe the industry's top-level requirements for environmental considerations for each product, to create ECPs, and are determined as the goals for product development.

The "Voluntary Environmental Standards for Each Product" define environmental considerations at each stage of a product life cycle, based on the need for reducing environmental impacts throughout a product life cycle. In fiscal 2009, products in compliance with the Voluntary Environmental Standards originated in product groups of POS terminals, electronic cash registers, bar code printers, and monochrome MFPs. The target ratio of ECPs to sales in compliance with the New Voluntary Environmental Standards by fiscal 2012 is 85%, and 80% was achieved in fiscal 2009.

The following shows an example of products in compliance with the Voluntary Environmental Standards in fiscal 2009:

WEB  *3: Voluntary Environmental Standards for Each Product

<http://www.tec.jp/env/pos2.htm> in Japanese only

<http://www.toshibatec.co.jp/gcompany/env/eco04.htm> in Japanese only

Environmentally-Conscious Products (ECPs)



Environmental consciousness in the major products in 2009

POS terminal for Supermarkets or Mass Retailers, "M-8000"

Energy saving

Innovative combination of the CPU for energy saving mobile PC and the chipset for the server which adopts high performance ECC memory (which has a function to detect and correct errors) realized *1 both support of energy-saving, high performance and reliability at the same time. This model succeeded in the increase of the throughput to almost double, and the reduction of standby power by approx. 8%, compared with the previous models.

***1 Received an award from Intel Corporation.**

The achievement of collaborative development was recognized, and the development team received a testimonial plaque from Mr. Eric Chan (Director, IPD Asia, Infrastructure Processor Division, CIG Asia at Intel Corporation).



Resource saving

Approximately 8% of mass was reduced from the previous model. Also, recycled plastic and plant-based plastic are used for a part of this product.

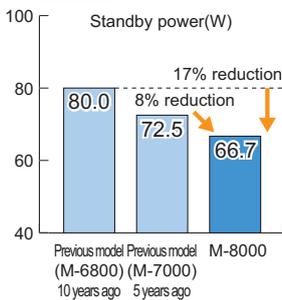
Reduction of environmental impact substances

Compliance with the RoHS directive due to the use of lead-free solder and chrome-free metal plate. Also, halogen-free plastic and printed circuit board are used.

Factor 2.26

Environmental impact reduction factor: 1.05

Value factor: 2.15



Monochrome Digital MFP "e-STUDIO255/355/455"

Energy saving

Owing to the reduction of unnecessary power and the increase of the power efficiency by units, the standby power consumption is reduced by 95%, compared with the previous model. In the case the MFP is in the standby mode for a long time through the night, this feature can contribute to the running cost reduction. Also, by shortening the recovery time from standby and adopting the SoC (System On Chip) technology, this product not only achieves the top-class energy saving performance in the International ENERGY STAR® Program, but also fulfills German Blue Angel standard.

Resource saving

Our effort in the resource circulation includes the adoption of the toner recycling mechanism which enables zero disposal of toner, and the doubling of the recycled plastic rate per machine, compared with the previous model.

Reduction of environmental impact substances

This product complies with the European Union's RoHS Directive, Battery Directive, and other international regulations related to the restriction of hazardous chemical substances.

Factor 3.14

Environmental impact reduction factor: 1.61

Value factor: 1.95

* The above values are for the e-STUDIO255.



Environmental labels

This product is bearing environmental labels, such as "Eco mark," "ECO-LEAF," "German Blue Angel" and "International ENERGY STAR®."



WEB For details of TOSHIBA Group "Factor T," please refer to the website.

<http://www.toshibatec.co.jp/csr/environment/products/development/index.html>

ECO-PRODUCTS

Promoting Environmental Considerations toward Suppliers and Procured Products, to Provide Environmentally-Conscious Products or ECPs

The environmental protection assessment on suppliers and the environmental performance survey on procured products are conducted. Relevant data is utilized in the design, production and procurement divisions.

Green Procurement

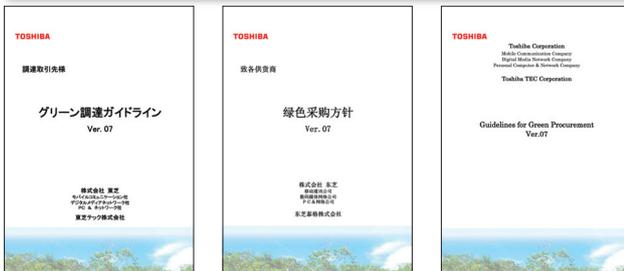
To provide ECPs, TOSHIBA TEC Group aims to procure items with lower environmental impacts from suppliers, who actively promote environmental protection, while implementing green procurement at the procurement stage of raw materials related to products. The "Guidelines for Green Procurement" have been formulated in cooperation with TOSHIBA Corporation.

Promotion of Environmental Protection at Suppliers

TOSHIBA TEC Corporation gives precedence to suppliers, who are actively promoting environmental protection, for procurement.

Environmental Protection

- 1) Set up an environment policy.
- 2) Maintain the environmental protection system.
- 3) Establish systems for education and to check whether education is provided.



Revision of Guidelines for Green Procurement

Control on Whether Environment-Related Substances are Contained in Delivered Items

TOSHIBA TEC Corporation requests suppliers to provide items with lower environmental impacts in compliance with environment-related laws, regulations and standards.

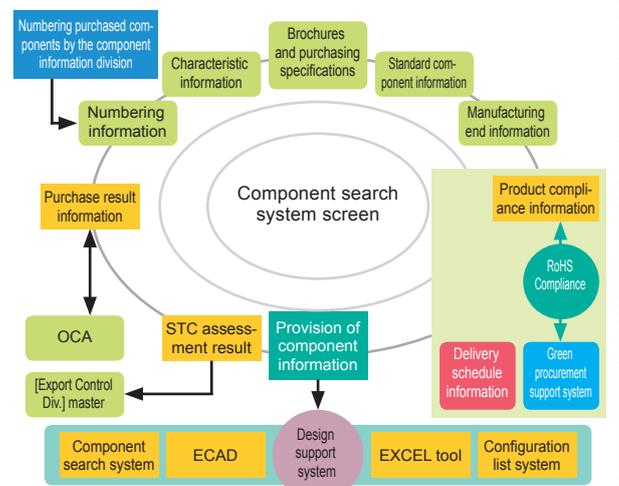
Control on Whether Environment-Related Substances are Contained

- 1) Thoroughly keep relevant divisions and suppliers known about the control.
- 2) Satisfy requirements for management of environment-related substances.
- 3) Respond to the survey on whether environment-related substances are used.
- 4) Obtain information required to respond to the above survey.
- 5) Perform analysis and measurement, and obtain analysis results from suppliers (when necessary).
- 6) Investigate and understand suppliers' control system.

Data Utilization

Environmental performance information data is provided from the green procurement support system to various in-house systems via the global component database, and utilized in the design, production and procurement divisions.

Component Database and Design Support System



Component search system screen



Collection and Recycling of End-of-use Products

TOSHIBA TEC Corporation is carrying out the collection and recycling of end-of-use products in Japan.

Collection and Recycling of POS Products

In October 2002, TOSHIBA TEC Corporation started the "Collection and Recycling System" for POS systems nationwide.

This system achieves a high recycle rate by collecting POS systems and other retail solutions products by the intermediate dealers designated by the Headquarters and implementing maximum possible material recycling.

As the leading POS terminal manufacturer and distributor, TOSHIBA TEC Corporation is promoting the creation of a recycling-based society.

Collection & Recycling System (POS products)

Features

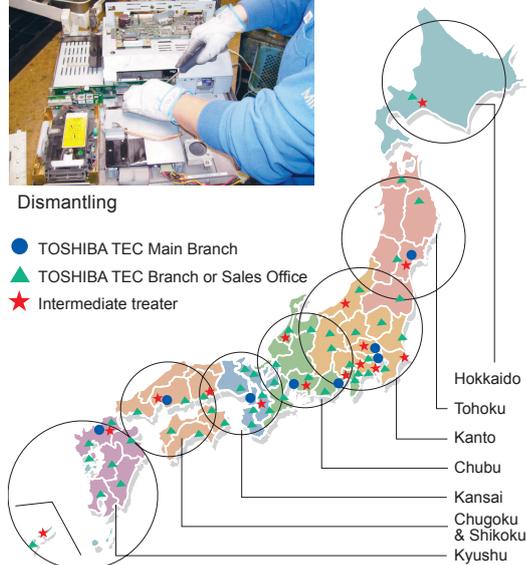
- TOSHIBA TEC Main Branches and Sales Offices in 54 areas collect end-of-use products from customers.
- The end-of-use products are properly recycled by twelve designated intermediate dealers throughout Japan.
- Thorough manual dismantling and separation achieves high recycling ratio and reduces waste.



Manual dismantling



Dismantling



Collection and Recycling of Copiers and MFPs

TOSHIBA TEC Corporation collects and recycles end-of-use copiers and MFPs in cooperation with its customers, TOSHIBA TEC Business Solution Corporation which is a distribution source, and TERM CORP. which is a contracted recycling firm.

In 1998, collection and recycling of end-of-use copiers started in the Tokyo and Kanagawa regions, and has been expanding its geographic coverage to nine bases throughout Japan.

Collected copiers are manually dismantled into each element, in order to facilitate the recycling process. As a result, over 98% of end-of-use copiers collected are recycled.

In addition, by participating in the Recycled Equipment Exchange System within the Japan Business Machine and Information System Industries Association or JBMIA, to increase its product collection efficiency, TOSHIBA TEC Corporation takes back its own end-of-use copiers, which other companies have collected.

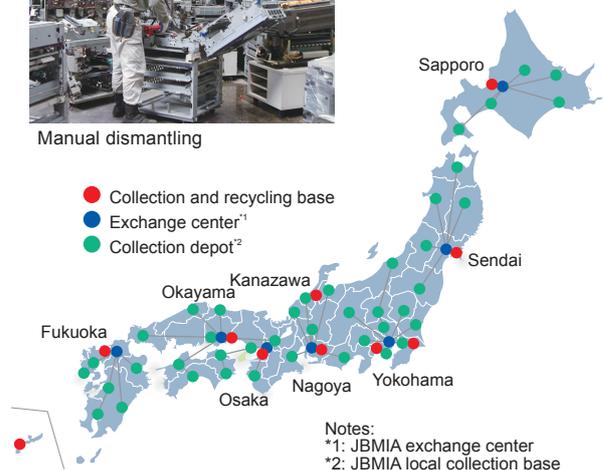
For the customers who desire to terminate the use of the machines, not to replace them, TOSHIBA TEC Corporation makes a contract for disposal and recycle directly with the customer in accordance with the wide-area certification system acquired from the Ministry of the Environment.

Thus, TOSHIBA TEC Corporation contributes to creating a sustainable society by exercising the system to minimize the waste and recycle as much end-of-use copiers and MFPs as possible.

Collection & Recycling System (Copiers and MFPs)



Manual dismantling



Reduction of Environmental Impacts Arising from Business Activities

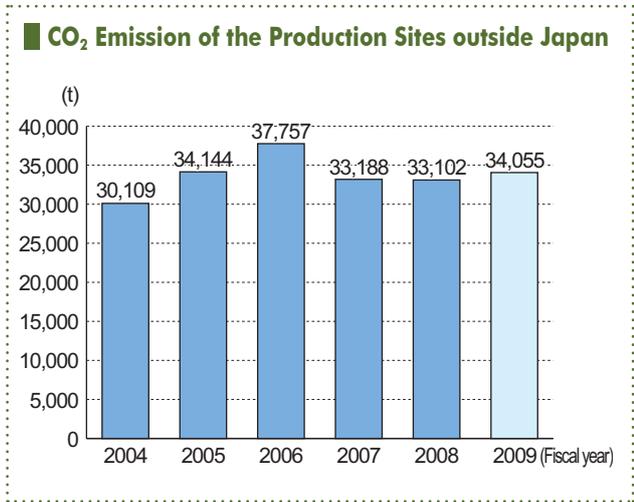
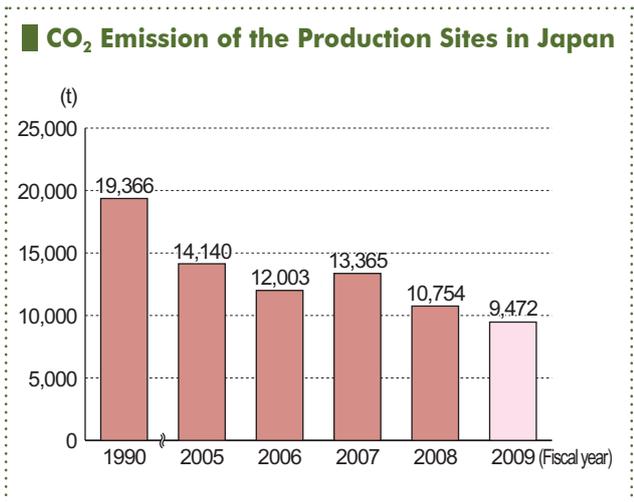
The reduction of environmental impacts arising from business activities is undertaken.

Minimizing Impacts due to Increase in Energy Consumption

Energy-saving activities through improvements in management and capital investments are conducted, in order to reduce CO₂ emissions associated with energy consumption.

In fiscal 2009, CO₂ emissions decreased by 12% in Japan, but increased by 3% outside Japan compared with fiscal 2008, due to the start of the new plant.

Notes: As a CO₂ conversion factor for electricity in Japan, 4.17 t-CO₂/10 thousand kWh is adopted for fiscal 1990 and 3.73 t-CO₂/10 thousand kWh for fiscal 2008 and 2009. The amount of electricity-received specific to the relevant countries is adopted as the CO₂ conversion factors for electricity outside Japan.

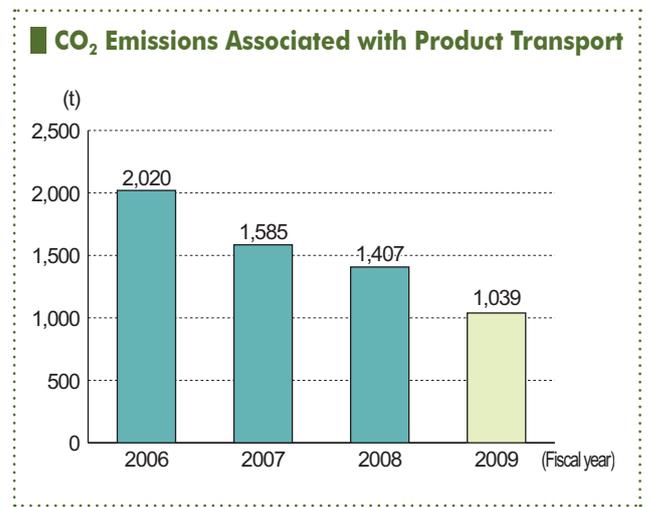


The TOSHIBA TEC Group does not emit any greenhouse gases other than CO₂.

Promoting Energy Conservation Associated with Logistics

In fiscal 2009, delivery consolidation, eco-drive by reserved cars, utilization of hybrid cars and implementation of a modal shift allowed CO₂ emissions associated with logistics to decrease by 26% compared with fiscal 2008, and by 49% compared with fiscal 2006.

Notes: The Retail Solutions Business, Document Systems Business and Auto-ID & Printer Business Groups apply. The scope of tabulation has been reviewed on the basis of the actual situation of the transport.



Announcing energy saving effect by adoption of LED lighting for the entrance lobby : TOSHIBA TEC SINGAPORE PTE LTD.

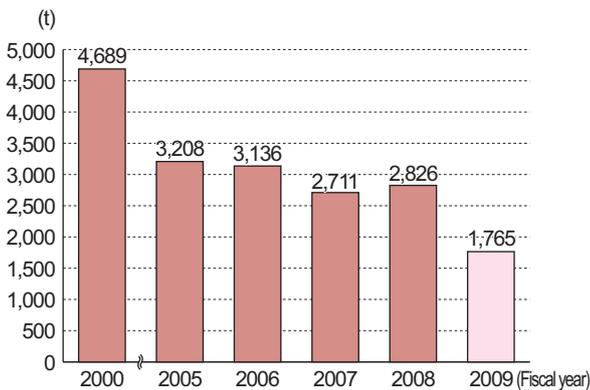
TOSHIBA TEC Singapore Pte Ltd. fast adopted the LED Downlight, unreleased in Singapore, for the entrance lobby to announce the energy saving effect of LED lighting among visitors, and raise the employees' environmental awareness.



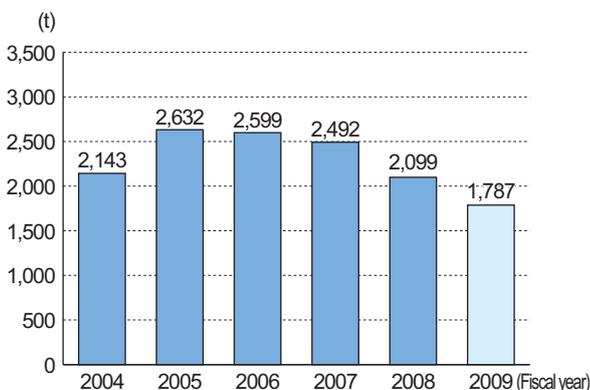
Reduction of Waste Discharge

To effectively use resources, the TOSHIBA TEC Group is tackling the reduction of the total amount of waste generated, including recycled waste. In fiscal 2009, the discharged waste amount in Japan decreased by 38% compared with fiscal 2008, and by 62% compared with fiscal 2000. Outside Japan, the amount of waste was also reduced by 15% on a year-on-year basis, and by 17% compared with fiscal 2004. Returnable containers for procured goods are adopted for delivery to reduce corrugated cardboards.

Waste Discharge at Production Sites in Japan



Waste Discharge at Production Sites outside Japan



Close the Loop[®]'s Recycling Program "Zero Waste to Landfill": TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.

TOSHIBA America Business Solutions, Inc. launched the "Zero Waste to Landfill" recycling program together with Close the Loop[®] in the autumn of 2008. Almost 100% of consumables and replacement parts collected through this program have been recycled, contributing to the global environment.

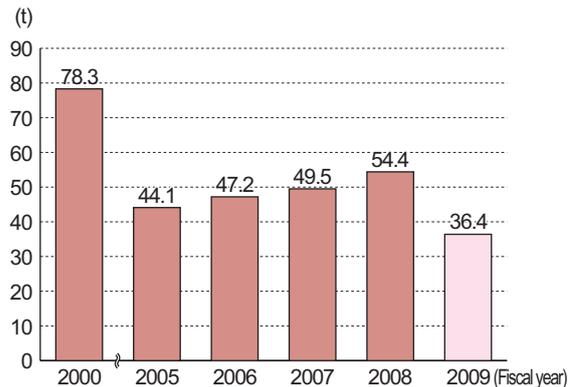


Control of Chemical Substances used in the Manufacturing Process

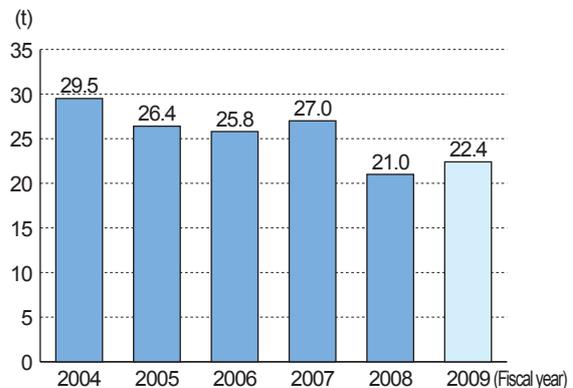
Chemical substances are handled based on three policies: "avoid use of hazardous substances to the maximum extent possible," "promote reduction and substitution to the maximum extent possible," and "subject use to appropriate controls." Substances covered by the environment-related laws and regulations are classified into three types: "prohibition of use," "reduction in use" and "control of release." In terms of "reduction in use," the TOSHIBA TEC Group strives to reduce the release of chemical substances into air and water. In fiscal 2009, CO₂ emissions decreased by 33% in Japan, however, increased by 7% outside Japan due to the start of the new plant, compared with fiscal 2008. The release to air will be hereafter reduced by using a removal system.

The TOSHIBA TEC Group has abolished the use of Ozone-Depleting Substances.

Release of Chemical Substances at Production Sites in Japan



Release of Chemical Substances at Production Sites outside Japan



ECO-PROGRAM

Environmental Activities with Society

Communication is enhanced throughout a variety of media, for people in different positions to understand the TOSHIBA TEC Group's environmental management and advance environmental activities together.

Concept regarding Environmental Communication

The TOSHIBA TEC Group states in its Corporate Philosophy; "We put concern for the environment as a priority in all our business activities so as to protect people's safety and health as well as the world's natural resources."

Therefore, the TOSHIBA TEC Group is committed to addressing environmental issues with a genuine attitude, to build a sustainable society. However, it is essential not only for the TOSHIBA TEC Group but also for people in different positions, to recognize such a commitment, in order to address environmental issues in society and advance environmental activities together. Thus, the TOSHIBA TEC Group is improving communications throughout a variety of media, for people to understand its stance and activities toward environmental protection.

Environmental Activities at Business Site

Shizuoka Business Center

As a part of IMS activities, the environmental news including quality, safety and information security are emailed as IMS news and posted on the electronic bulletin board.



Electronic bulletin board at the Shizuoka Business Center

Shizuoka Business Center (Mifuku)

Since fiscal 2009, employees have conducted environmental patrols and cleanup of the pathways used by nearby kindergarten kids and neighbors, and the river running around the site once a month, as a part of environmental activities.



South of the Mifuku site: Clean-up of the Nabasawa River

Shizuoka Business Center (Ohito)

From the 5th to 7th of June, the Environment Month, the signboard illuminations of the center were voluntarily turned off. Additionally, environmental slogans were collected from the employees, and selected ones are posted on the bulletin boards for promoting the environmental enlightenment.

"Light Down" campaign in fiscal 2009

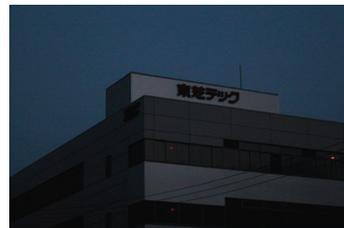
June 5 (Fri., Environment Day) to 7 (Sun.):
Voluntary light down
June 21 (Sun.) and July 7 (Tue.):
Request of the Ministry of the Environment



Before light down of the signboard illumination



4.75 kWh electricity/
day saved.



After light down of the signboard illumination

**ネオン消灯や従業員
の標語募集など**
6月「環境月間」で取り組み
東芝テック大

伊豆の郡市の東芝テック キャンペーンや標語募
ク大(事業所)自(東三) 業、産廃業者への
業所(長)は、六月迄「環 視察(を)を計画して
毎月間」を定めてい る。 「マイタウンキャン
環境省の協賛に合わせ、 毎半実施している取組
み。今年(2009年)は「五月(2009年)の
間と、同様に同キャン
ペーンを主催する(2010) 年。善後から実施して
に予定している。運営は する(2010)のキャン
午後五時(2009年)の 産の回収も強化する。
環境標語募集は初めて 業、産廃業者が「好
の取り集。従業員から ストップ、木への処理
を募集し、適正に処理を
を、適正に処理を

Environment month of Shizuoka Business Center (Ohito) appeared in local paper (Izu-Nichinichi Shimibun)

Carbon Offset Program: TOSHIBA TEC U.K. IMAGING SYSTEMS LTD.

From 2009, TOSHIBA TEC U.K. Imaging Systems Ltd. started to provide the carbon offset program with CO₂ balance. This program enables the users to take part in the contribution to environmental protection by tree planting or other activities to offset CO₂ emitted from MFPs.



The CO₂ reduction program is implemented in Kenya. High efficiency household kitchen ranges were provided.

Ecology through Commercial Vehicles

Promotion of Eco-drive

Since 2005, TOSHIBA TEC branches and sales offices have promoted eco-drive.

Posting slogans like “Promotion of constant speed driving and safe drive,” “No sudden-start, sudden-acceleration” and “Idling stop” onto the offices and commercial vehicles to increase the awareness of eco-drive.

Also, we participate in “Eco-drive contest” hosted by the “Environmental Restoration and Conservation Agency” and actively address environmental issues.

Promoting Environmental Conservation via Light Motor Vehicles

We use light motor vehicles as our commercial vehicles to signify the “promotion of environmental conservation through fuel-efficient cars.”

- Improved fuel efficiency, comfortable locomotion and convenient parking in urban areas
- Zippy and can carry unexpectedly a lot of baggage
- Comfortable to ride in, easy-to-drive and best suited for sales activities in urban areas



Light motor vehicles are actively utilized.

Eco-Campaign by TOSHIBA TEC NORDIC AB

Camp Toshiba

To make the environmental message clear, we participated in the project of Expeditionsverige.se. The project’s purpose is to draw attention of the people in Sweden to environmental issues.

Mr. Mattias Klum, who is a photographer for National Geographic and also the founder of the project, offered a seminar on nature.

During the project, we provided a demonstration of the color MFP and printed pictures taken by Mr. Klum for the guests.

For specially invited guests, we delivered a lecture on the reduction of environmental impact by use of MFPs for the work.



Seminar by Mr. Mattias Klum

For biodiversity, the following are provided on the Philanthropy pages (👉 Pages 14 to 18).

In Japan

- “Explore the Forest Expedition” / Nature Watch Program
- “Creating A Small Dam in the Forest” hosted by Mishima-shi

Outside Japan

- TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD. : Tree-planting activities/Donation to the Giant Panda Breeding Research Base in Chengdu
- TOSHIBA TEC SINGAPORE PTE LTD. : Tree-planting activities
- TOSHIBA AMERICA BUSINESS SOLUTIONS, INC. : Support for the Ocean Institute

WEB For more environmental information, see the URL below:

<http://www.toshibatec.co.jp/csr/environment/index.html>

MANAGEMENT

Basic policy for the environment, environmental promotion structure, environmental activities, mid-term environmental strategies, environmental accounting and environmental management at business sites

Eco-Products

Development of Environmentally-Conscious products (ECPs), reduction of environmental impacts, green procurement, collection and recycling of end-of-use products and reuse of end-of-use components, environmental labels and the Green Procurement Law and EPC activity results and achievements

Eco-Process

Efforts toward global warming prevention, energy conservation, reduction of waste/resource conservation, chemical substance control and reduction of environmental impacts on logistics

Eco-Program

Environmental communication and Site Report



Social and environmental activities

Eco-Products



Inquiries about Social and Environmental Activities (CSR)

CSR and Corporate Governance as the Foundation of Business Activities



Business activities are promoted with CSR positioned at the core of management. We are taking measures to improve management efficiency and transparency.

CSR Management

The TOSHIBA TEC Group promotes business activities with CSR positioned at the core of management. The Group encourages its employees all over the world to practice CSR activities based on our corporate philosophy "Our Five Commitments" and "TOSHIBA TEC Group Standards of Conduct."

We also organize CSR-related activities including "Customer Satisfaction," "Human Rights & Employees," "Philanthropy" and "Environmental Protection" as well as maintain the promotion structure, to root CSR in the corporate culture, while focusing on the CSR Promotion Center on the premise of "Compliance" to abide by corporate ethics, laws and regulations.

WEB TOSHIBA TEC Group Standards Of Conduct
 URL <http://www.toshibatec.co.jp/company/action.html>

Corporate Governance

TOSHIBA TEC Corporation is committed to taking measures to improve management efficiency and transparency, as well as to reinforce the functions for the Board of Directors and the (Board of) Corporate Auditors, while recognizing corporate governance as an essential management policy, which meets the expectations of stakeholders and continuously improves corporate values.

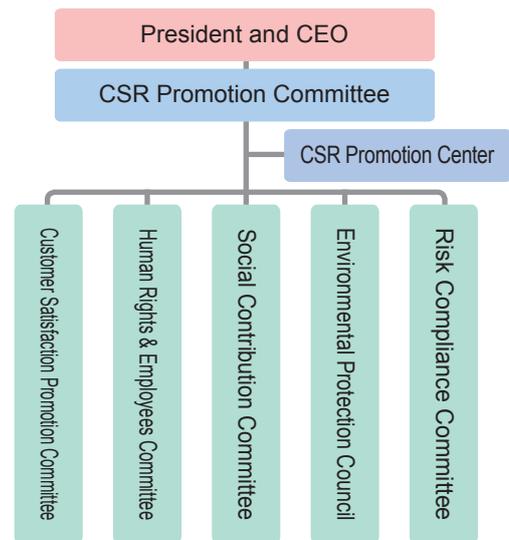
In terms of the corporate body, when introducing the executive officer system under the corporate auditor system, with the intention of separating "functions related to supervision and decision-making" from other functions, as well as rightsizing the number of directors, TOSHIBA TEC Corporation focuses on improvements in promptness and mobility in decision-making. In addition, two

outside directors and two outside corporate auditors are assigned to ensure management transparency, and a one-year director's term is determined to specify management responsibilities and promptly respond to changes in the management environment.

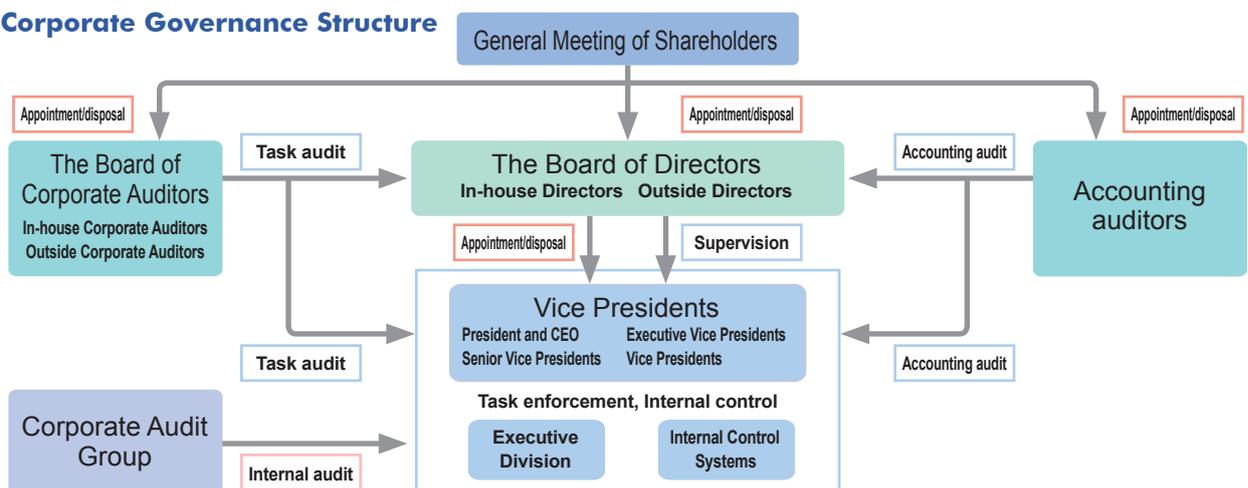
For management monitoring, directors supervise task enforcement, corporate auditors audit tasks, and accounting auditors perform accounting audits, while the "Corporate Audit Group" under the direct control of the president and CEO is established to perform internal audits.

Also, we strive to enhance the internal control systems in terms of operating effectiveness and efficiency, reliability of financial reporting, compliance with laws and regulations related to our business activities, and safeguarding of assets.

CSR Promotion Structure



Corporate Governance Structure



Compliance

We strive to foster an awareness of risk compliance.

Risk Compliance

The TOSHIBA TEC Group appoints each president and CEO as a CRO* in order to propagate and thoroughly implement the "TOSHIBA TEC Group Standards of Conduct" while promoting the measures of Risk Compliance. Top management takes the initiative to devise and promote various measures, as well as respond to emergency situations.

Appointing the CRO as a chairperson, TOSHIBA TEC Corporation organizes the Risk Compliance Committee, to maintain a Group-wide structure, devise and promote measures toward the advancement of risk compliance. A system, which enables every employee to report risk compliance-related issues to the "CRO" or "outside attorneys," and "TOSHIBA TEC Partner Hotline" on the website, and allows business partners to provide such information to the corporation, is introduced and implemented.

* CRO: Chief Risk-Compliance Management Officer

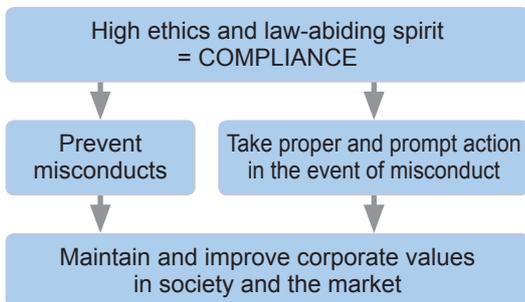
WEB  TOSHIBA TEC Partner Hotline

URL <http://www.toshibatec.co.jp/contacts/partnerline/indexj.html> in Japanese only

Compliance Education

To thoroughly ensure high ethical standard and a law-abiding awareness, the TOSHIBA TEC Group provides various educational seminars to employees.

Employees who work outside Japan also receive education to manage global business operations. For the Group companies outside Japan, compliance education reflecting regional characteristics is provided.



Information Security

The TOSHIBA TEC Group recognizes all information, including sales and technical data handled while carrying out the tasks, as important property, and makes an effort to protect such information from improper disclosure, leakage or use. We established the system and rules for information security management, and review

them in response to changes in the social environment. Each division is continuously making improvements by conducting self-audits regarding compliance with the internal rules.

e-Learning is used to learn company rules to prevent accidents and ensure information security while handling information. Education is provided to directors, employees, and employees dispatched from cooperating companies.

The server is housed in a safe data center, to manage important information and information systems, and take anti-risk measures including disasters. Furthermore, by limiting available information, controlling usage of records and encrypting confidential information including personal data, security is enhanced.

Similar measures are taken at each TOSHIBA TEC Group company, thus, the Group makes a concerted effort to maintain and improve information security.

Security Export Control

Recently, the nonproliferation of weapons of mass destruction and conventional weapons in countries, regions or to terrorists, who threaten security, is a critical issue in an international society.

The TOSHIBA TEC Group maintains the basic policy that, it will not engage in any transaction which could potentially undermine international peace and security. Under this basic policy, the TOSHIBA TEC Group complies with all applicable export control laws and regulations in countries and regions where it operates (the Foreign Exchange and Foreign Trade Control Law in Japan). The Group also complies with U.S. export control laws and regulations with respect to transactions involving U.S. origin cargos and technologies.

Based on this basic policy, TOSHIBA TEC corporation has established the "Export Control Program" and built an export control system. Accordingly, we make cargo/technology relevance judgments and strict transaction screenings to determine the need for export permission, conduct periodic export control audits and provide education and support to the Group companies.

In 2009, the Foreign Exchange and Foreign Trade Control Law was revised for the first time in 22 years to more strictly strengthen security export controls, against the backdrop of the expansion of human exchange and highly developed technical information along with the advance of globalization. The TOSHIBA TEC Group implemented an export control education program for all directors and employees through e-learning, to raise the awareness of the importance of export controls.

Third-Party Comments

Dr. Takeshi Shinoda

Professor of College of Social Sciences, Ritsumeikan University, Japan

Dr. Shinoda received a doctorate of Economics from the Graduate School of Economics, Nagoya University. His field of specialization is socioeconomics. Dr. Shinoda is a member of the Japan Society of Political Economy, Japan Association for Evolutionary Economics, and Japan Association for Northern European Studies (JANES).

His current research themes include new economic and social governance in globalization, and comparative research on work-life balance. His target regions include North Europe and Latin America.



Several incidents in the United States hit the headlines and came close to endangering the image of Japan as a country with advanced "monozukuri" or manufacturing technology. I doubt these incidents were the result of something intentional. Nonetheless, I hope Japanese corporations will apply themselves energetically to the task of showcasing just how great their expertise in "monozukuri" or manufacturing with safety and security is, and the tremendous efforts that are being made to develop further as advanced corporations. In fiscal 2007, the Ministry of Economy, Trade and Industry (METI) launched an award program to encourage and recognize corporations making outstanding efforts to promote product safety. Its aim is to "encourage corporate awareness of product safety" and promote "product safety culture." These are known as the "Awards for Best Contributors to Product Safety." Creation of safe products is one of the essential areas of corporate social responsibility to consumers. This award system will present to the world how Japan addresses product safety issues. I hope we focus on our commitments to this award system, thereby increasing global confidence in Japanese corporations.

As the first feature of the CSR Report 2010, "Topic" describes how TOSHIBA TEC Corporation was recognized for its efforts in product safety, resulting in this METI Minister Award. I think your efforts are admirable since the processes from design to risk assessment after shipping were greatly appreciated combined with product safety, and the structure of product safety culture throughout the organization was highly appraised. I expect you to continue your efforts to foster product safety culture throughout the corporation, by taking into account universal design and emphasizing customer diversity.

The second feature is the structure of this report. Unlike the CSR Report 2009, "INTRODUCTION" was followed by "PEOPLE & TOSHIBA TEC," and "MANAGEMENT" was added to the end. Given the CSR report is a communication tool, which provides accountability to stakeholders, these structural changes help this report to put a clear message across.

With regard to content, I would like to comment particularly on the "EMPLOYEES" section. Currently, "Diversity Management" has attracted attention even in Japan. You were among the first companies to introduce commitments to "Society" in your reports since the CSR Report 2004. The importance of "Diversity Management" has been highlighted in the "TOP MESSAGE" section since the CSR Report 2007. Specific numeric targets and evaluation of their results are required to capitalize on such a compelling cor-

porate philosophy. In this regard, I admire this report, which indicates the male-female rates in managerial posts, ratio of female employees, ratio of employees with disabilities and ratio of non-Japanese employees in a concrete manner. Regarding "ENVIRONMENT," the mid- and long-term objectives are set out and the results are evaluated annually. In this regard, I have no doubt you are implementing outstanding efforts with consistent commitment. In addition, in pursuit of "Work Style Innovation" as detailed in the "PEOPLE" section, I would like you to review findings such as the rate of child-care leave as a means of establishing goals. It is reassuring that the legal employment rate of 1.8% has been achieved for employees with disabilities.

Thirdly, I would like to mention the "ENVIRONMENT & TOSHIBA TEC" section. At the TOSHIBA TEC Group, as a means of ensuring sustainability, it is considered important to build a corporate culture where each employee can practice environmental activities. From this point of view, I value your corporate efforts leading to "four persons at four production sites outside Japan qualifying as auditors for the first time" in fiscal 2009, and expect you to expand these activities. However, the environmental targets and results of the Fourth Voluntary Plan for Environmental Protection at business sites outside Japan are not easy to see due to physical space limitations in this report. Operations of business sites outside Japan are essential for a global enterprise. I suggest you continue to report your activities in the same manner as before and provide the actual conditions for business site both in and outside Japan. In terms of environmental protection, corporations will be required to address the protection of biodiversity and sustainable use of biological resources along with global warming prevention. You have already recognized the need for these efforts, however, I would like you to further respond to social requirements and examine possible corporate approaches by seeking advice from employees and relevant NGOs.

On the whole, the voices of those who participated in a variety of activities give this report an easy-to-read tone. Currently, while the CSR report is emphasized as a communication tool, it is likely more detailed information on accountability is available on the website. That is why it is necessary that important items should be emphasized in the report, which stakeholders pick up first, and that these should be explained in an easy-to-understand manner. I expect you to make continued efforts by analyzing responses to questionnaires. I also suggest you maintain a focus on the items you particularly want to explain and present them as topics in the report.

Corporate Profile

Firm Name: TOSHIBA TEC CORPORATION

Head Office: Oval Court Ohsaki Mark East 2-17-2,
Higashi Gotanda, Shinagawa-ku, Tokyo
141-8664 JAPAN

President and Chief Executive Officer :
Mamoru Suzuki

Established: February 21, 1950

Paid-in Capital: 39.9 billion yen (Listed in the First Section of the Tokyo Stock Exchange)

Net sales : 364.6 billion yen (ending March 2010)

Number of Employees :
19,745 (as of March 2010, on a consolidated basis)

Brochure

Number of copies of "TOSHIBA TEC GROUP CSR REPORT 2009"

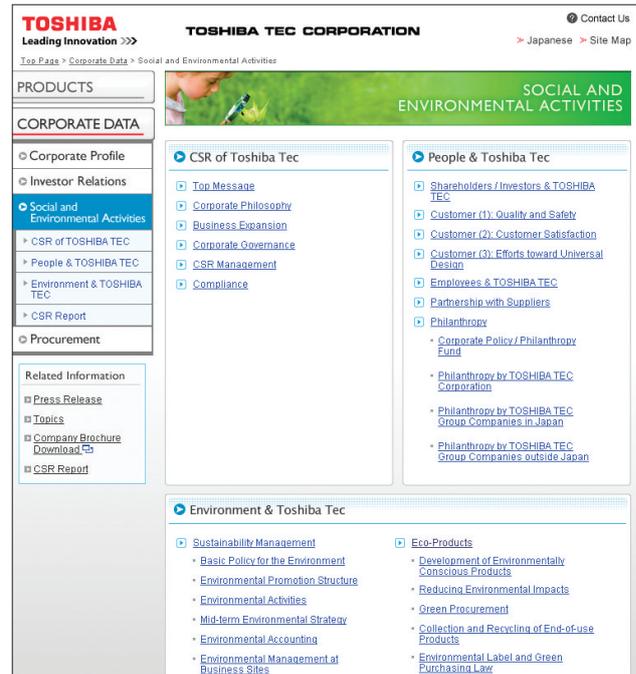
3,000 copies in Japanese and 2,000 copies in English have been issued.

Website

Number of visitors and accesses to the CSR website (April 2009 to March 2010)

Number of visitors: 97,010
Number of accesses to CSR website: 276,782

The website provides more detailed and extensive information than the brochure does.



TOSHIBA TEC Group CSR website

URL <http://www.toshibatec.co.jp/csr/index.html>

● Osaki Showroom Reopened!

To mark the 60th anniversary, the showroom in the Osaki Office (Head office) was reopened on February 19.

The new showroom has been designed with the concept of "Total Solutions," for proposing TOSHIBA TEC's "Retail Solutions," "Office Solutions" and "Supply Chain Solutions," together, best suited for the industries and business categories of customers. The overall power of "TOSHIBA TEC" and ability to provide our solutions without barriers between business groups are displayed.



TOSHIBA TEC CORPORATION

**CSR Promotion Center
General Affairs & Administration Div.**

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Production and printing of the Toshiba TEC CSR Report 2010 reflect the following considerations:

Paper



Use of FSC-certified Paper

Paper certified by Forest Stewardship Council (FSC) is used, which is made from wood from FSC-certified forests.

Printing



Waterless Printing

Waterless printing, a printing process that eliminates the use of water, is adopted, taking advantage of the characteristics of printing plates made of ink-shedding material.



Non-VOC Ink

100% vegetable ink containing no volatile organic compounds (VOCs) is used.