

**TOSHIBA**

Leading Innovation >>>

**2012**

Corporate Social Responsibility Report



## Corporate Philosophy

### Our Five Commitments

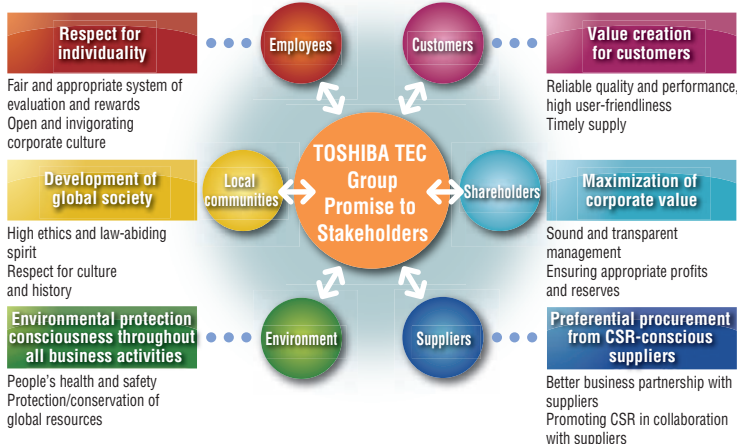
— Corporate Philosophy of the TOSHIBA TEC Group —

**"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.

## Relations with Stakeholders

We aim to develop our corporation together with stakeholders while embracing the support from stakeholders around the world, along with fulfilling the Corporate Philosophy "Our Five Commitments."



## Scope of This Report

- Reporting Period:** Fiscal 2011 (April 2011 to March 2012)
- Report Scope:** In principle, TOSHIBA TEC Group (TOSHIBA TEC Corporation and its consolidated affiliates)
- Environmental Data:** TOSHIBA TEC Corporation and its consolidated affiliates

## Release Timing

August 2012 (Next Edition: Scheduled for August 2013, Previous Edition: August 2011)

## Contents

### INTRODUCTION

CORPORATE PHILOSOPHY, EDITORIAL POLICY, CONTENTSTOP MESSAGE .....	1
TOP MESSAGE .....	2
TOPICS .....	3
RESPONSE TO THE GREAT EAST JAPAN EARTHQUAKE .....	5
BUSINESS OPERATION .....	6

### PEOPLE & TOSHIBA TEC

CUSTOMERS .....	7
EMPLOYEES .....	9
SHAREHOLDERS/INVESTORS .....	11
SUPPLIERS .....	12
PHILANTHROPY .....	13

### ENVIRONMENT & TOSHIBA TEC

ENVIRONMENTAL MANAGEMENT .....	19
ECO-PRODUCTS .....	23
ECO-PROCESS .....	27
ECO-PROGRAM .....	29

### MANAGEMENT

CSR MANAGEMENT/ CORPORATE GOVERNANCE .....	31
COMPLIANCE .....	32

THIRD-PARTY COMMENTS .....	33
CORPORATE PROFILE, WEBSITE .....	34

## Regarding the "TOSHIBA TEC GROUP CSR REPORT 2012"

The TOSHIBA TEC Group recognizes that consideration toward the 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 system 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.

## 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)

# Aspiring to be a Beloved and Trusted Global Enterprise based on "Our Five Commitments"

---

## The TOSHIBA TEC Group is Conducting Activities with "Promotion of CSR Management" Viewed as an Important Pillar of Management.

---

We, the TOSHIBA TEC Group, are creating new values and contributing to society throughout our operations, while developing business activities, under the principle of making efforts to obtain mutual prosperity with all stakeholders, including customers, employees, society and the environment, by practicing high business ethics.

We believe it is essential for the TOSHIBA TEC Group developing businesses on a global basis to gain the trust of all stakeholders in various countries and regions, by responding to their needs and expectations, in order to achieve sustainable growth as a corporate group.

The Group embodied this concept to establish its Corporate Philosophy "Our Five Commitments." All group employees around the world share and practice this concept by acting in accordance with the "TOSHIBA TEC Group Standards Of Conduct" set up based on this corporate philosophy.

---

## Giving 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 Human Life, Safety and Compliance.

\* CRO: Chief Risk-Compliance Management Officer



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.

---

## Promoting Business Activities as a Global Enterprise.

---

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

The Group demonstrates two aspects to be a global enterprise.

One is to be willing to fulfill the role as an enterprise toward a better natural 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 work to reduce the environmental impact in every stage of our business activities including development, production and distribution.

The other is to be an enterprise, which 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, aspiring to be a global enterprise in the international arena.

---

## Achieving Accountability to the Stakeholders.

---

The TOSHIBA TEC Group is supported by all stakeholders, including customers, shareholders/investors, employees, local communities and suppliers. Through communication opportunities, the TOSHIBA TEC Group commits itself to sincere responses, while attending to stakeholders' interest and disclosing matters to be explained to the stakeholders in a timely manner.

We would like to ask for your continued support and guidance.

A handwritten signature in black ink, which appears to read "Mamoru Suzuki".

**Mamoru Suzuki**

President and Chief Executive Officer:

**TOSHIBA TEC CORPORATION**

June 2012

# Reduction of CO<sub>2</sub> Emissions in the Office

We develop environmentally conscious products (ECPs) that are designed to have a reduced environmental impact throughout their life cycles, as a means of reducing CO<sub>2</sub> emitted from office equipment. In addition to the creation of ECPs, we have been working on a new ECP initiative since fiscal 2010.

By setting "eco targets," we are engaged in efforts to reduce CO<sub>2</sub> emissions as one of the three aspects of initiatives for ECPs (prevention of global warming, efficient use of resources and management of chemical substances).

## Multifunction Peripheral (MFP) System Allowing Paper to be Reused

Among CO<sub>2</sub> emissions throughout the life cycle, the MFP system allowing paper to be reused focuses on reducing CO<sub>2</sub> emissions resulting from paper production, when paper is repeatedly used. Special toners such as "erasable color materials at a certain temperature" have been developed to provide a mechanism that allows printed paper to be reused in the office when a dedicated MFP is combined with a color-erasing device. When the same paper is used for printing five times, CO<sub>2</sub> emissions throughout the life cycle are reduced by approximately 60%. The color-erasing device reduces the time required to erase colors to a greater extent than before, and improves usability when equipped with features to separate reusable and non-reusable paper.

### MFP System allowing paper to be reused

#### e-STUDIO e-STUDIO "Paper Reuse System" promoting paperless operations

**Point 1**  
Ease of reusing paper by erasing colors and separating reusable paper  
Mr. PRD (Paper Reusing Device)

**Point 2**  
Reusing paper with ease by computerizing documents before erasing colors  
Promoting reuse through Eco-visualization

**Printing**

**Cloud Computing**

**Sorting paper**  
Automatically sorts reusable and non-reusable paper

**Just drop papers in! Very simple!**

**Erasing text colors & scanning**

**Visualization**

**How much CO<sub>2</sub> emissions can be reduced**

**Comparison of environmental impacts between normal MFP and Eco-MFP**  
Environmental impact (kg-CO<sub>2</sub>)

Category	Normal MFP	Eco-MFP (reusing paper 4 times)
Paper LCA	~1,400	~600
Power consumed to erase color	~100	~100
Color-erasing device LCA	~100	~100
Consumables	~100	~100
Power consumed by the main unit	~100	~100
Transport	~100	~100
Manufacturing	~100	~100
Material	~100	~100
<b>Total</b>	<b>~1,800</b>	<b>~600</b>

**The following information is visualized!**

- Reduction of CO<sub>2</sub> emissions
- Reuse status
- History of reuse

\* TOSHIBA TEC's converted value

### Voice of the Developer



We started the development based on this concept in 2007. Although we encountered various difficulties along the way, there was finally a prospect for commercialization leading to mass production. I believe we can contribute to activities to prevent global warming for customers when they use this product all over the world in a widespread manner.

General Manager  
Research & Development Center



## Fairs and Exhibitions

### IGEM2011-

The 2nd International Greentech and Eco Products Exhibition and Conference Malaysia

■ **Date:**

September 7 to 10, 2011

■ **Location:** Malaysia

The MFP system for demonstration was exhibited in partnership with agencies. In addition, a seminar was provided to explain the advantages of reusing paper and highlight the importance of environmental efforts.



### BOI Fair 2011 Thailand

■ **Date:** January 5 to 22, 2012

■ **Location:** Thailand

The Eco-MFP was exhibited as one of seven featured products in the Toshiba booth.



### Eco-Products 2011

■ **Date:**

December 15 to 17, 2011

■ **Location:** Tokyo Big Sight

Following the 2010 Exhibition, we presented our concept. Our contribution to the environment is made through efforts to reuse paper. The MFP system was also used to demonstrate the reuse of questionnaire sheets.



### RETAIL TECH JAPAN 2012

■ **Date:** March 6 to 9, 2012

■ **Location:** Tokyo Big Sight

The MFP system was exhibited at the RETAIL TECH JAPAN exhibition, which specializes in retail information systems. This trade show is the largest of its kind in Japan specializing in retail information systems, and this is where we decided to present and promote the advantages of using our systems for reusing paper.



## Awards

### Minister of the Environment's FY2011 Commendation for Global Warming Prevention Activity



Award ceremony

"Minister of the Environment's FY2011 Commendation for Global Warming Prevention Activity" is presented to individuals or groups who have made distinguished achievements in climate change mitigation as a part of promotion of global warming measures to honor their achievements. TOSHIBA TEC Corporation's contribution to reducing CO<sub>2</sub> emissions resulting from reduction and production of printing paper was evaluated and awarded in the Technological Development and Commercialization Category.



Certificate of commendation

### Acquisition of Third-party Certification

We obtained third-party certification\* from Japan Smart Energy regarding the Method of Calculation of Reduction of CO<sub>2</sub> Emissions. The certification is based on whether the structure and idea of the method of calculation are objectively reasonable, and whether numerical values are consistently used.

\* It is valid only in Japan.



Third-party certification

## Into the Future



Assistant General Manager  
Products & Marketing Division,  
Global Solutions Business Group

We will continue to collaborate with environment-related companies and environmental NGOs, as well as making our own efforts to contribute to the environment and establish techniques for new ways of reusing paper. We aim to provide these new ways of reusing paper to environmentally conscious customers.

# Response to the Great East Japan Earthquake

We would like to express our deepest sympathy to all victims and sufferers of the Great East Japan Earthquake. Hoping to help achieve the earliest reconstruction of the affected areas and affected residents, the TOSHIBA TEC Group has been involved in reconstruction support activities from immediately after the earthquake. The Group continues to contribute to reconstruction through its business activities.

## Major Reconstruction Support Activities

### 1 Participation of New Employees in Reconstruction Work

In April 2012, new employees for fiscal 2012 participated in reconstruction work, such as separating wakame seaweed leaves from the stems, putting salted wakame into bags and making sinkers



(sand bags for wakame seaweed farming) in the towns of Minamisanriku, Ishinomaki and Onagawa, seeking to help with the reconstruction of eastern Japan.


### 2 Provision of MFPs and Cash Registers Free of Charge

We continue to provide copiers, MFPs and cash registers to the chambers of commerce, local government offices, tourist associations, local shopping areas and users in the affected areas.



### 3 Utilization of Philanthropy Fund

In June 2011, we made donations from the "TOSHIBA TEC Philanthropy Fund" for the purpose of restoring the retail distribution industry. In March 2012, we also made donations for the purpose of helping children in the affected areas.

 See Page 13.)

### 4 TOSHIBA TEC Group's Electricity Saving Efforts

Since immediately after the earthquake, we have taken all possible measures to save electricity, by turning off advertising lights, controlling air conditioning, partially stopping elevator

operation, advising employees to adopt summer business dress code much earlier than usual and using the power-saving mode on computers in the offices and branches of the TOSHIBA TEC Group, along with reducing opening hours at the Osaki Office. The entire TOSHIBA Group has been promoting electricity conservation during peak demand periods in the summer months as a means of reducing electricity consumption in accordance with government policy. In June 2011, the Toshiba Group Site Electricity Monitoring System was installed to set electricity consumption limits at each site and to monitor electricity consumption in real time. The TOSHIBA TEC Group made efforts to reduce electricity usage during peak electricity consumption periods by actively implementing measures, such as replacing holidays, adjusting working hours and working flexible hours.

### 5 Toshiba MFP Campaign "Go for it Japan!"

The Toshiba MFP Campaign "Go for it Japan!" was conducted in cooperation with business partner agencies between June 1 and September 30, 2011, with the aim of providing assistance for restoration and reconstruction of the affected areas. Together with the business partners, we donated part of the proceeds from sales of the "e-STUDIO2540C/3540C/4540C" full-color MFPs sold to customers through the business partners (10,000 yen per unit) during the campaign. A total of 12.24 million yen in donations was collected and presented to the Japanese Red Cross Society on October 31, 2011.

### 6 Provision of Idle Equipment

Responding to the request from the Japan Chamber of Commerce and Industry for the provision of equipment that is currently idle or scheduled to be disposed of and presenting such equipment as assistance to companies affected by the earthquake, we assigned two hydraulic press brakes to the companies affected free of charge.



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 expanding total solutions sharing the respective advantages and sales channels of Retail Solutions, Office Solutions and Logistics & Manufacturing Solutions while deepening mobile collaboration among these operations.

Retail Solutions

Retail Solutions Operations offer 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 POS systems, electronic cash registers and computing scales.



Office Solutions

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



TOTAL SOLUTIONS

Logistics & Manufacturing Solutions

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



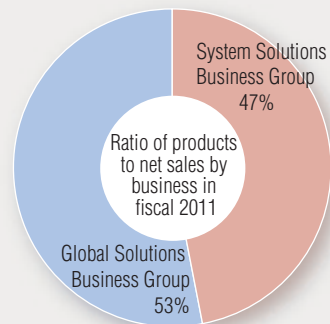
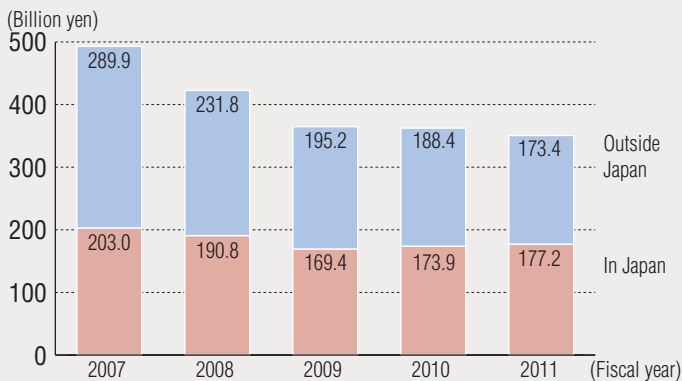
Inkjet Head

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



UV curable ink enables printing on various types of materials. (The above is a sample of printing on a tile.)

Net Sales (consolidated)



# Promotion of Universal Design

Universal Design (UD) is "to design products, buildings and environments, which allows 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 our products, on the basis of researches and tests on UD, and study of commercialization, with cooperation from various users, including beginners, experts and persons with disabilities.

## Prime Store Total Solution Store System

### User Friendliness for More People

By evaluating user friendliness by utilizing a prototype in an early stage of development and reevaluating the finished product in which improvement measures are reflected, the user friendliness of the product and the effect of improvement measures can be confirmed.



Prototype evaluation



Product evaluation



IS-890T Vertical Image Processing Scanner equipped with Prime Store



Visibility and operating efficiency improved by flexible screen configuration allowing for checker's line of sight and personal layout preferences

### Conventional font

きゅうり

TTAD Gothic (TOSHIBA TEC original font)

きゅうり

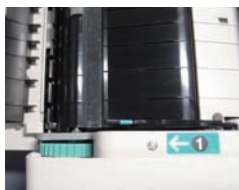
TTAD Gothic font, which looks larger than conventional fonts, easily visible to elderly people

## e-STUDIO2050C Digital Multifunction Peripheral

### Diversity of Color Perception

By devising color combinations and display methods for control levers and lamps, viewability for more people is taken into account, regardless of individual differences in color perception.

Conventional model



✗ Difficult to find dials as they are similar to other sections in color



✗ Hard to understand the difference in lamp colors



e-STUDIO 2050C



○ Easy to find dials



○ Easy to understand the status from the difference in lamp colors

\*1: Example of color perception of people with poor color discrimination between red and green (Image reproduced by simulation software)



e-STUDIO 2050C



Easy-to pull out drawer handle, regardless of whether the user's hand is facing up or down



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



Simple lamps intuitively sending the operation status of the RADF



# Providing Products and Services that Satisfy Customers

The TOSHIBA TEC Group works on quality assurance activities in every division and area to provide safe products with reliable quality, based on the voice of customers. The Group also exercises its business activities, while giving top priority to providing products and services, which satisfy and please customers from the customers' point of view.

## To Be Trusted by Customers

Precisely capturing the voice of customers (VoC) and offering quality and services beyond customers' expectations. We think this is the source of customer trust. In the product planning and development stages, we create attractive products and establish a reliable system through simulations and design evaluations based on assumptions relating to robust design with quality engineering and every possible usage environment and condition. In addition, we devote our energies to predicting scenarios in which product failures or accidents may occur as a means of preventing such occurrences, allowing customers to use them with peace of mind. Especially for the safety, we evaluate the actual product or system for a final confirmation. As a result, we have reduced failures after installation or safety-related accidents, and have ensured safety and reliability for customers.

## To Help Customers Use Products with Ease

While developing specialists in product safety, reliability and risk assessment, the TOSHIBA TEC Group makes efforts to attain even higher levels of ability, as well as working on technical research to ensure quality that reassures customers, on the basis of the TOSHIBA TEC Group's Basic Policy on Product Safety.

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.



### Basic Policy on Product Safety

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

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

**WEB** **Basic Policy on Product Safety**  
<http://www.toshibatec.co.jp/csr/group/safety/> in Japanese only

## 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 customers, to realize this ideal stance.

## Customer Satisfaction Policy

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

### Toshiba Group Customer Satisfaction 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.

# 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 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.

## Personnel System

The human resources system is designed to ensure 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, who 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
- 2) Qualification System
- 3) CDP\*
- 4) Utilization of In-house Job Posting
- 5) Employment Extension System

\* CDP: Career Development Program

**WEB**  **Personnel System**  
<http://www.toshibatec.co.jp/en/csr/people/employees/#a02>

## Accepting and Respecting 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 play 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
- 2) Nursing-care leave
- 3) Short-time work
- 4) Annual paid holidays on an hourly basis
- 5) Leave for pregnant employees

**WEB**  **Accepting and Respecting Promotion of Diversity**  
<http://www.toshibatec.co.jp/en/csr/people/employees/#a03>

## Male-Female Ratio and Number of Non-Japanese Employees for Mid-Term Target

	2011	2013
(1) Ratio of female employees	11.2 %	11.4 %
(2) Difference of male-female ratio in management posts between ages 35 and 46	19.3 %	17.2 %
(3) Number of non-Japanese employees	12	15

## Employment of People with Disabilities

The TOSHIBA TEC Group 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 types of forums.

### Rate of Employees with Disabilities

	April 2010	April 2011	April 2012
TOSHIBA TEC	1.86 %	1.92 %	1.88 %
TOSHIBA TEC Group in Japan	2.21 %	2.07 %	2.04 %

## 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 a variety of introduction training programs to new employees, group training is provided for newly appointed deputy specialists, and basic knowledge for management regarding compliance and corporate accounting is provided for managers. After a determined period, group training is provided for these managers to improve human skills such as coaching.

For general managers, group training and training by external instructors 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.



## 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

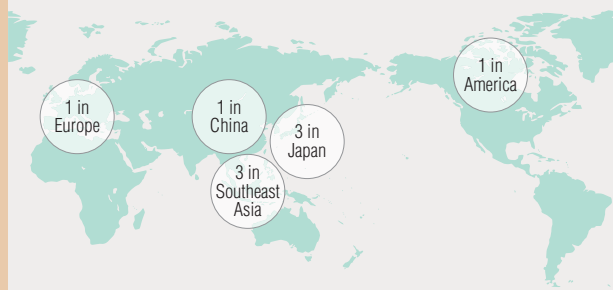
The labor contract governing laws for labor-management relations has been concluded between TOSHIBA TEC Corporation and its labor union, to foster the policy of coexistence, i.e. "corporate development encourages the economic status of its labor union members, while improvements in the economic status 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

The 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.

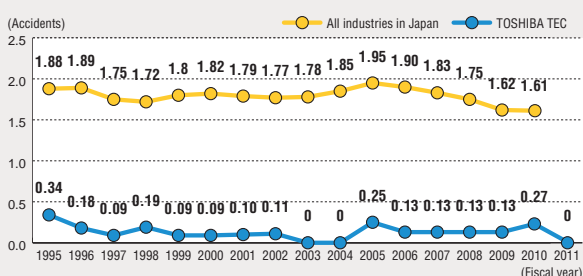
### OHSAS 18001 accredited consolidated affiliates by region (production companies)



### Prevention of Industrial Accidents

Promotion of employees' safety and health is set as one of priorities in corporate management. The occurrence of accidents with lost days is well below the industry average, as shown below.

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



## Level 5 Accident-Free Operations at Shizuoka Business Center (Mishima)

Since May 26, 1995, the Shizuoka Business Center (Mishima) has conducted health and safety activities with the aim of creating an accident-free, safe and comfortable workplace while making concerted efforts together with the health and safety committee and enhancing the safety awareness of each employee. As a result, Level 5 accident-free operations (35.5 million hours) were completed on February 1, 2012. It is thanks to all employees who made strenuous efforts to reduce workplace risks on a daily basis for 16 years and 8 months, that this record was achieved.

A ceremony was held to honor this achievement at the Mishima Labor Standards Inspection Office on May 29, 2012, and Mr. Hara, General Manager of the Shizuoka Business Center received a testimonial from Mr. Nishimura, Head of the Labor Standards Inspection Office.



Level 5 is the highest level of accident-free operations. Therefore, the Shizuoka Business Center will focus on health and safety activities more than ever, seeking to maintain accident-free operations.

### Healthcare Programs

Aiming to prevent and improve lifestyle-related diseases, health instructions are provided by medical professionals including an industrial physician and nurses, based on the results of the annual health checkup. All employees who have worked over a certain amount of hours per month are obliged to take an interview and guidance with the physician, to seek employees' health maintenance and promotion. 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.

### Key Persons

An industrial physician and a health nurse have been stationed in the Osaki Office since April 2011, to set the stage for a healthcare system. Top priority is given to establishing a system to ensure compliance and getting the system on track for effective management.

The Shizuoka Business Center has been working toward integrating healthcare systems since the integration of former Mishima, Mifuku and Ohito Business Centers in October 2010. There are a number of issues outstanding; however, efforts are being made to ensure familiarity with employees and provide them with working environments where they can work much more actively.

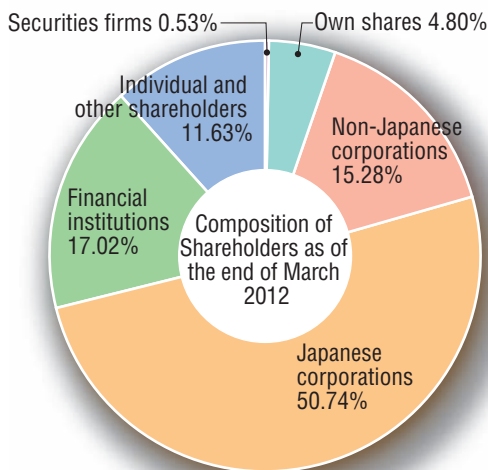


(Upper left) Health nurse, Shizuoka Business Center (Ohito),  
 (Upper right) Industrial physician, Osaki Office  
 (Lower left) Health nurse, Osaki Office,  
 (Lower right) Nurse, Shizuoka Business Center (Mishima)

# Shareholders/Investors Relations

Through various avenues, we make every endeavor, so that our shareholders and investors trust and properly understand TOSHIBA TEC Corporation.

## 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 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 to allow shareholders and investors to understand "TOSHIBA TEC" as much as possible. The Business Reports including topics and expected achievements as well as overviews of operations are prepared with diagrams and photos for easy understanding.

**TOPICS**

- 複合機が中国マーケットで11年連続シェアNo.1達成  
中国複合機市場において、当社複合機が2000年から2010年まで11年連続複合機シェアNo.1を達成いたしました。今後も、業界屈指のブランド力と高い品質を維持し、さらなる市場拡大を図ります。
- POSターミナルが日本マーケットで9年連続シェアNo.1達成  
日本国内市場において、当社POSターミナルが2002年から2010年まで9年連続複合機シェアNo.1を達成いたしました。今後も、業界屈指のブランド力と高い品質を維持し、さらなる市場拡大を図ります。
- 東日本大震災への復興支援対応について  
● 複合機からの環境貢献  
● グリーン経営推進体制  
● 複合機からの環境貢献  
● グリーン経営推進体制

Business Report

## Disclosure of information

TOSHIBA TEC Corporation makes efforts to promptly disclose proper corporate information including its management policy, financial statements and financial information, to gain the trust of its stakeholders, such as shareholders, investors and local communities, to 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 2011

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 reports
July	Announcement of first-quarter financial statements Disclosure of first quarter reports
October	Announcement of second-quarter financial statements Account settlement meeting of second-quarter financial statements Disclosure of second quarter reports
December	Distribution of interim business reports
January	Announcement of third-quarter financial statements Disclosure of third quarter reports



Account settlement meeting

# Promotion of CSR Procurement

While establishing mutual relationships 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 (Abstract)

#### Basic Procurement Policy

TOSHIBA TEC Group Companies shall:

- (1) comply with all applicable laws and regulations and as social practices governing our local and global businesses; and
- (2) promote procurement activities in a way that reduces the environmental impacts while selecting suppliers (hereinafter including prospective suppliers) and procurement items.
- (3) provide suppliers with equal opportunities for transactions with TOSHIBA TEC Group.
- (4) promote procurement activities based on mutual understanding and trust.

#### Policies for Selecting Suppliers

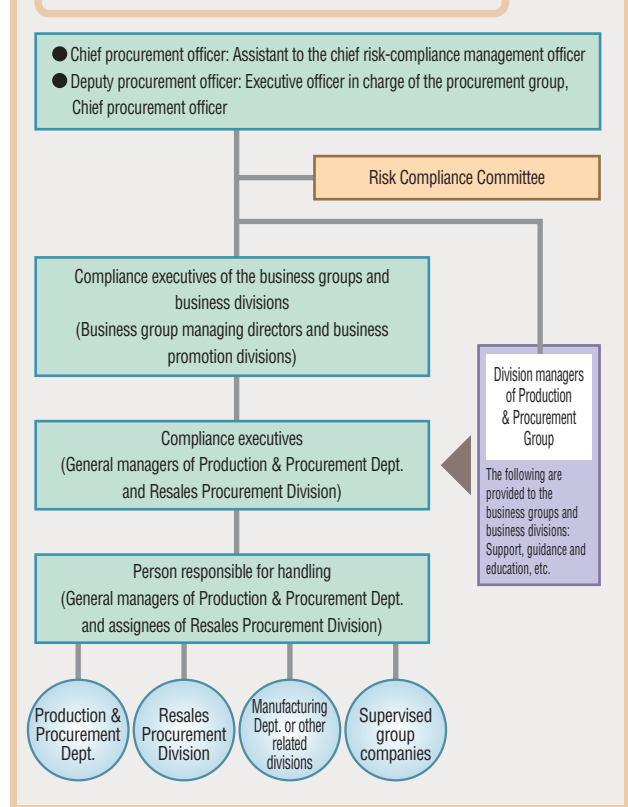
- (1) The company complies with laws, regulations and places emphasis on human rights and environmental consciousness.
- (2) The company has sound business operations.
- (3) The company has the ability to supply goods, products, software and/or services to the TOSHIBA TEC Group with emphasis on appropriate quality, price and delivery lead-time.
- (4) The company is capable of providing a stable and continuous supply of goods, products, software 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 TEC Group products.
- (6) The company has a plan for providing a continuing supply of goods, products, software and/or services in times of unexpected circumstances that may affect the company and its supply chain.

#### Supplier Expectations

In the "TOSHIBA Group Procurement Policy" for suppliers, 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.

**WEB**  **Procurement Policy**  
<http://www.toshibatec.co.jp/procure/plan/> in Japanese only

## Compliant Procurement Control System



While communicating with suppliers on a daily basis, we ask them to thoroughly ensure compliance within their companies to enhance compliance through supply chains.

## TOSHIBA TEC Partner Hotline Setup

A "TOSHIBA TEC Partner Hotline" whistle-blower system for suppliers is set up on the website for outsiders. 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 issues and concerns with TOSHIBA TEC Corporation in terms of compliance in procurement transactions.

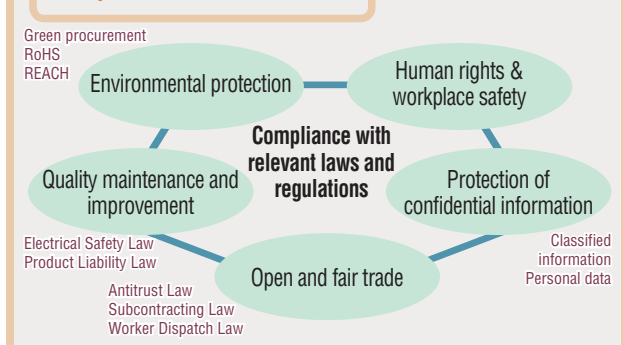
When suppliers report matters via the Partner Hotline, TOSHIBA TEC Corporation strives to establish mutual relationships through open clean trade, as well as to build sound partnerships with suppliers based on mutual trust.

**WEB**  **TOSHIBA TEC Partner Hotline**  
<http://www.toshibatec.co.jp/contacts/partnerline/> in Japanese only

## Compliance in Procurement

TOSHIBA TEC Corporation positions compliance as a top-priority item for "Business Continuance and Further Development" to ensure compliance in procurement transactions.

### Compliance in Procurement



# 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 regarding Community Relations

TOSHIBA TEC Group Companies shall:

- (1) contribute to and cooperate with all local communities in which TOSHIBA TEC Group operates and perform its duties as a member of these communities;
- (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;
- (3) make appropriate donations in each country and region where TOSHIBA TEC Group operates, after considering the contribution to the community, the public nature and the reasons for making donations; and
- (4) try to improve the brand image in all aspects of their relationships with the communities.

## 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 relief organizations to help victims of earthquakes and other disasters.

In fiscal 2011, donations were made to support distributors and children in areas affected by the Great East Japan Earthquake, with priority on areas worst affected by the earthquake.



## Local Contribution and Volunteer Activities

### NEW Voluntary story telling

Voluntary employees provided story-telling sessions, along with donations of books and picture books to kindergartens and elementary schools close to the Shizuoka Business Center.



### Clean-up activities around Shizuoka Business Center

Employees participate in annual clean-up activities around the Shizuoka Business Center. In fiscal 2011, they cleaned up rivers, pulled weeds in facilities for the disabled, and picked up litter on paths and banks.







### Donations through "Heart-full Vendors"

Since March 2007, vending machines for fundraising have been installed in the Osaki Office, Shizuoka Business Center and Chubu Main Branch, Kansai Main Branch, and Kyushu Main Branch. A total of 434,939 yen raised in fiscal 2011 was used for various social welfare activities through the Central Community Chest of Japan.



\* An icon added to each activity shows the activity mentioned below.

- NEW** New Activity
-  Environmental Approach
-  Endowment/Donation
-  Blood Drive
-  Voluntary Work
- OTHER** Other Activities

 **Pink Ribbon campaign**

TOSHIBA TEC Corporation has been participating in the Pink Ribbon Campaign TOSHIBA promotes together with its Group Companies since 2009. During the Pink Ribbon Month, a total of 34 employees including their family members joined the walking events to communicate the importance of breast cancer screening. At the Osaki Office, Pink Ribbon paper cups, the purchase of which includes a donation, were used to serve beverages to visitors and employees, to donate a portion of sales to the Japan Cancer Society.



Pink Ribbon Walk in Tokyo



Pink Ribbon paper cups

 **Donation of secondhand computers**

Computers no longer used for business were endowed to support the informatization of social welfare and civic action groups, which do not have an advanced IT environment, following the previous year.

 **Calendars/diaries donated**

Extra calendars and diaries at work were donated to social welfare organizations.



 **Blood drive**

The blood drive is conducted twice every year at the Osaki Office and Shizuoka Business Center, and many employees participate in the blood drive.

 **Road safety awareness campaign**

Materials on compliance with traffic rules and practice of traffic etiquette are handed out in the road safety week at the Shizuoka Business Center, helping increase awareness among employees.

 **Collection of plastic bottle caps**

The proceeds generated from collected plastic bottle caps by the NPO "Re-Lifestyle" support activities to provide vaccines for children around the world.

 **Collection of pull-tabs**

Pull-tab collection boxes are set up by vending machines in the Shizuoka Business Center, with employees being requested to bring pull-tabs even from home. The collected tabs are regularly donated to the social welfare council and facility-based employment schemes.

In fiscal 2011, approximately 70,000 pull-tabs (25 kg) were donated to the Job Assistance Center for the Disabled.



 **Sign language assistance at Eco-Products Exhibition**

When a hearing-impaired employee of TOSHIBA made a presentation using sign language in the TOSHIBA booth at Eco-Products Exhibition 2011, our employees served as assistants to the speaker.



## Support for Children Who Lead the Next Generation

### OTHER Company tour for children at Osaki Office

Employees' children were invited to the Osaki Office during the summer vacation. A tour of the showroom and workplace was implemented, helping children gain social experience as well as employees and their children deepen family bonds through the event using TOSHIBA TEC products.



### OTHER Workplace tours

Elementary, junior high and high school students in local communities or on school trips are invited to workplace tours, allowing them to learn through experience. We support the students' future learning, helping them gain a better understanding of TOSHIBA TEC by providing tours of the workplace and showroom, and providing opportunities for them to operate products and hold discussions with employees.



Discussion about work, hopes and dreams for the future

## Activities to Preserve the Global Environment

### Worldwide participation in the TOSHIBA Group's 1.5 Million Tree-Planting Project

Many employees took part in the TOSHIBA Group's "1.5 Million Tree-Planting Project" to plant 1.5 million trees both in and outside Japan.



Joint tree planting by the subsidiary in Singapore



Joint tree planting by the subsidiary in Malaysia

### Participation in "Creating A Small Dam in the Forest" hosted by Mishima (See Page 29.)

### NEW Introduction of electric vehicles

In March 2012, electric vehicles with low environmental impact were introduced as commercial vehicles, to reduce greenhouse gas emissions in our operating activities.



### Promotion of Eco-drive

Since 2005, TOSHIBA TEC branches and sales offices have been promoting eco-drive. Posting the slogans like "Promotion of constant speed driving and safety drive," "No sudden-start, sudden-acceleration" and "Idling stop" onto the offices and commercial vehicles to increase the awareness of eco-drive.





Showroom tour and experience of operating self-checkout terminal

#### OTHER Internship program

While participating in the TOSHIBA Group's summer internship program, we also accept interns through our own unique program.

#### OTHER Participation in Hilton Tokyo Bay's "Christmas Train" event

We participated in the "Christmas Train" event held in the lobby of Hilton Tokyo Bay. A portion of the advertising money is used for children who live in areas affected by the Great East Japan Earthquake, with the support of the NGO "Save the Children JAPAN."



## Group Companies in Japan

### TOSHIBA TEC SOLUTION SERVICES CORPORATION

#### Delivery of lectures

Our employees visit elementary and special-needs schools to deliver lectures as volunteer instructors, with the purpose of providing them with opportunities to learn natural science, environmental education and work experience.



#### Support for in-house promotion and outside introduction of the Environmental Education Program "Kids' ISO"

Since 2004, TOSHIBA TEC Solution Services Corporation has been involved in staff activities through the Awarding 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 2011, many employees' children worked on this program and three of them obtained international certificates.

Children who obtained international certificates were invited to the head office to be honored by the president.



#### Bus/subway support

Sendai City Transportation Bureau offers bus/subway support to the elderly, visually impaired people and wheelchair users when they are experiencing trouble. Six employees received training and registered as supporters in fiscal 2011. Those who learned how to provide appropriate assistance and guidance as well as how to use equipment are ready to properly respond to any situation that requires assistance to be provided.



#### Eco-drive campaign

We continue to practice eco driving of service vehicles.

#### Participation in the "Pink Ribbon Smile Walk" ( See Page 14.)

#### Blood drive

#### Collection of plastic bottle caps

#### Clean-up campaign in communities

#### Support and exhibition at environmental event "Eco Messe Chiba"

#### Staff participation in disassembly workshop

By using tools such as screwdrivers and disassembling appliances into parts, children see the importance and fun of making or creating things.

#### Snow removal volunteers

Employees of the Hokkaido Branch volunteered to remove snow around the houses of elderly families in local communities.

## Group Companies in Japan

### TOSEI CORPORATION (Former TEC APPLIANCE CORPORATION)

- ♥ Blood drive (👉 See Page 14.)
- 👤 Collection of plastic bottle caps (👉 See Page 14.)
- 📦 Donation to flood victims in Thailand

### TOSEI CORPORATION (Former TOSEI ELECTRIC CORPORATION)

- ♥ Blood drive

#### OTHER Internship program

We accept high school juniors on internship programs every year. In fiscal 2011, a total of four students had the opportunity to experience production technology and assembly operations at the manufacturing division for three days.

### TEC PRECISION CO., LTD

- 🌍 Clean-up activity (👉 See Page 13.)
- 🌳 Creating A Small Dam in the Forest (👉 See Page 29.)
- 👤 Road safety awareness campaign
- ♥ Blood drive

### TEC INFORMATION SYSTEMS CORPORATION

#### 👤 Kids' ISO

Support to Kids' ISO has been continued since 2005. As Kids' ISO instructors, employees support environmental management activities for the fifth- and sixth-grade students.

- 👤 Collection of plastic bottle caps

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

- 📦 Donations through "Heart-full Vendors" (👉 See Page 13.)
- 👤 Collection of plastic bottle caps (👉 See Page 14.)

### TER CORPORATION

- 🌍 Participation in the EXPO Eco-Money Project  
Eco-Money points, which are earned by using public transportation systems, were donated to tree planting and other projects.
- 👤 Participation in the "Pink Ribbon Smile Walk" (👉 See Page 14.)
- ♥ Blood drive
- 👤 Collection of plastic bottle caps

## Group Companies outside Japan

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

#### 📦 Support for elementary school education

The education support project continues to provide educational opportunities for underprivileged children. In fiscal 2011, 100 thousand yuan was donated to schools for purchasing IT equipment, furniture and other purposes.



#### 👤 📦 Donation to the Giant Panda Breeding Research Base in Chengdu

Activities to protect endangered Giant Pandas are supported. In order to have good communication with stakeholders in China, we have acquired naming rights for giant pandas in return for supporting the expenses of breeding giant pandas.



#### 🌍 Tree-planting in Shenzhen

15 voluntary employees purchased 20 seedlings and planted them in the city park, to cooperate with the tree-planting activity.



Tree-planting activity in Shenzhen Longcheng Park

#### 👤 🌍 Clean-up activity

39 employees volunteered to join the clean up at the forest park to promote beautification of the park.



Clean-up activity in WangNiuTing Park in Fuyong, Baoan, Shenzhen

**TOSHIBA TEC (H.K.) LOGISTICS & PROCUREMENT LTD.**

**Participation in tree planting and hiking events**

Our employees and their family members participated in the tree-planting activity held in Tai Lam Country Park.



**TOSHIBA TEC SINGAPORE ELECTRONICS PTE LTD.**

**Tree-planting activity (See Page 15.)**

We participated in the TOSHIBA Group's 1.5 Million Tree-Planting Project.

**OTHER Company tours for students**

**Toner recycling (See Page 28.)**

**Recycling of electronic devices**

We recycled no longer used electronic devices collected by our employees, in cooperation with Toshiba Asia Pacific Pte Ltd.

**TIM ELECTRONICS SDN. BHD.**

**NEW Tree-planting activity (See Page 15.)**

We participated in the TOSHIBA Group's 1.5 Million Tree-Planting Project for the first time in fiscal 2011.



**TOSHIBA TEC EUROPE RETAIL INFORMATION SYSTEMS S.A.**

**Participation in "Music for Life"**

Many of our employees took part in the "Music for Life" charity event sponsored by a radio station in Belgium, and prepared a homemade spaghetti lunch. A total of 532 euro collected through this event was used for people suffering from gastrointestinal disorders in developing countries.



**TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.**

**Program with the Ocean Institute**

The company takes students of Loara Elementary School on visits to the Ocean Institute in order to give them an opportunity to learn about the biology of marine creatures and other aspects of the marine environment. In fiscal 2011, guided tours were offered to the 2nd year students.



**Christmas Tree Decorating Contest**

An event to decorate a Christmas tree with non-perishable food items and warm clothing brought by employees was held. Over 800 items collected were donated to local groups involved in charity work.



**Earth Day volunteerism**

On Earth Day, employees participated in a variety of local volunteer activities.



**Donation of laptop computers**

Laptop computers were donated to provide education support for mothers and children living in shelters.

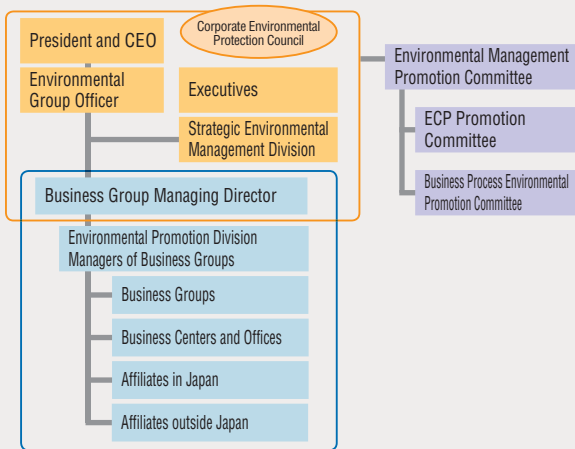
## Practicing Environmental Management under the Corporate Philosophy and CSR Activities

We practice global environmental management with the aim of realizing a low-carbon society, recycling-based society and biodiversity by seeking a combination of business and environmental activities, to maintain the health of the global environment as an irreplaceable asset for future generations.

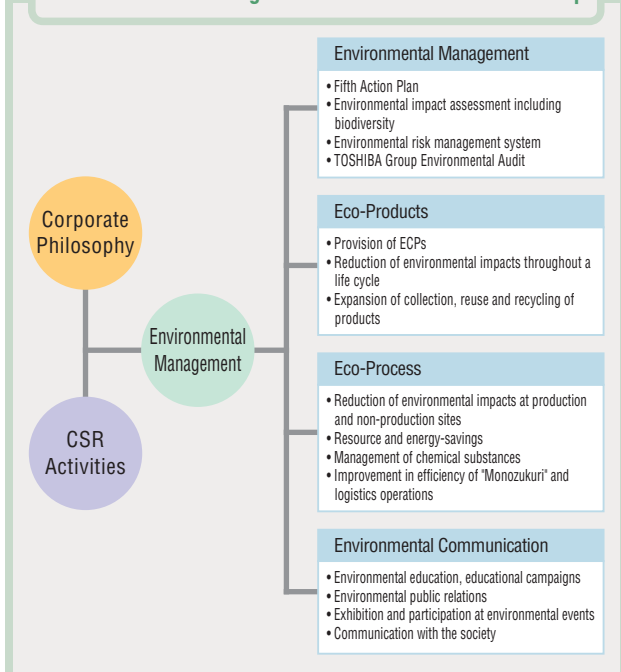


Corporate Environmental Protection Council

### Environmental Promotion Structure



### Environmental Management of the TOSHIBA TEC Group



### Basic Policy for the Environment

We, the TOSHIBA TEC Group as a "global enterprise," which expands its operations on a global basis under the business such as Retail Solutions and Document Solutions, Inkjet Heads and associated services and supplies, contribute to society by reducing our customers' and our environmental impacts through "Monozukuri" or by creating environmentally conscious products.

We practice global environmental management with the aim of realizing a low-carbon society, recycling-based society and natural symbiosis society by seeking a combination of business and environmental activities, to maintain the health of the global environment as an irreplaceable asset for future generations.

Given "environmental management," "eco-products," "eco-process" and "environmental communication" as the important pillars of environmental management, the TOSHIBA TEC Group is actively driving environmental protection, to contribute to the reduction of environmental impacts in business fields such as stores and offices.

#### (1) Environmental Management

- The TOSHIBA TEC Group specifies and promotes objectives and targets for its business activities, products and services to assess environmental impacts including biodiversity, 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.

#### (2) Eco-Products

- The TOSHIBA TEC Group reduces environmental impacts throughout its product life cycle through green procurement of environmentally conscious materials and parts, 3Rs, energy conservation, and abolition of all certain chemical substances, in order to provide ECPs on a global basis.
- The TOSHIBA TEC Group advances distribution of environmentally conscious products and services, to contribute to the reduction of environmental impacts of the products or services when used by customers.
- The TOSHIBA TEC Group contributes to the establishment of a recycling-based society, while collecting and recycling end-of-use products and reusing used parts.

#### (3) Eco-Process

- The TOSHIBA TEC Group strives toward resource and energy conservation, as well as correct control of chemical substances, for environmentally conscious production, marketing and servicing, allowing for regional situation.
- The TOSHIBA TEC Group aims at realizing a low-carbon society through "Monozukuri" or by creating environmentally conscious products and by improving the efficiency of logistics operations.

#### (4) 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 March 2011

## TOSHIBA Group's Environmental Audit System

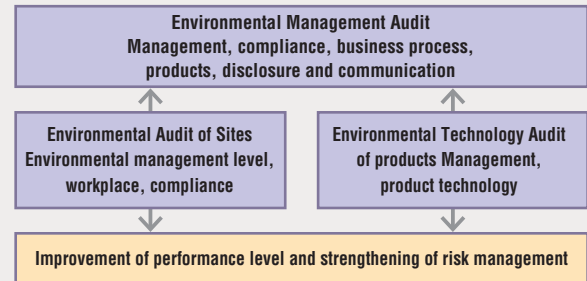
Since 1993, the TOSHIBA Group has annually conducted two-day environmental audits based on workplace principles and numerical evaluation in accordance with its proprietary Environmental Audit System at each production site of the TOSHIBA Group, as a means of promoting environmental management. The TOSHIBA Group also reflects the results in its environmental management and strives for compliance.

This audit system consists of company-wide environmental management audit, environmental audit of sites for manufacturing and non-manufacturing sites and environmental technology audit of products at business groups.

The audit is carried out annually in accordance with the standards under which audit items have been reviewed, to ensure compliance and monitor the progress of the action plan.

Five persons at four of TOSHIBA TEC production sites outside Japan have been qualified as auditors, to participate in the environmental audit of sites. This will help us perform more specific environmental activities on a global basis.

## TOSHIBA Group's Environmental Audit System



Workplace audit

## 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.

### Costs and Benefits

For environmental protection costs in 2011, capital investments of approximately 120 million yen and expenses of approximately 770

million yen were made on a consolidated basis. Investments were made especially for prevention of global warming and energy-saving measures. Benefits resulted in 670 million yen.

### Target data tabulated:

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

Aggregation period: April 1, 2011 to March 31, 2012

Note: The amount partly includes estimate.

## Environmental Costs

Million yen

Classification	Details	Expenditure		Cost		Change in costs from 2010	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
1) Business area costs	Reduction of environmental impacts (1) to (3)	119.7	104.0	183.5	97.6	-0.2	-6.1
(1) Pollution prevention costs	Prevention of air, water and soil pollution, etc.	2.1	1.4	56.2	19.0	18.1	5.4
(2) Global environmental protection costs	Global warming prevention, ozone layer protection, etc.	111.5	98.4	69.5	42.3	-18.7	-11.9
(3) Resource circulation costs	Recycling of waste, etc.	6.1	4.2	57.9	36.3	0.3	0.5
2) Upstream/downstream costs	Green procurement, collection and recycling of products, etc.	1.0	0.2	92.4	86.9	13.4	8.4
3) Administration costs	Establishment of EMS, environmental education, tree-planting/clean-up campaigns, etc.	3.9	2.5	337.1	297.3	-45.2	-48.2
4) R&D costs	Technical development for ECPs, etc.	0.0	0.0	152.6	152.6	78.0	78.0
5) Social activity costs	Donations and support to groups/organizations, etc.	0.0	0.0	5.0	5.0	-2.9	-2.2
6) Environmental remediation costs	Recovery from soil pollution, etc.	0.0	0.0	0.6	0.5	-0.4	-0.4
Total		124.7	106.7	771.3	639.9	42.8	29.6

## Environmental Benefits

Million yen

Classification	Details	Economic benefits
Actual benefits	Reduced charges for electricity and water, etc.	-51.7
Assumed benefits	Reduced environmental impacts on water and atmosphere in monetary value	64.5
Customer Benefits	Benefits of impacts reduced in the product usage stage in monetary value	658.2
Total		671.0

## Breakdown of Actual Benefits

Million yen

Item	Amount of reduction in environmental impacts*	Monetary value
Energy	229,978 GJ	-40.3
Amount of waste for final disposal	135.5 t	-7.8
Water	169,100 m <sup>3</sup>	-3.6
Grand total		-51.7

### 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 to 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 stages: 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 in the usage stage. Energy-saving benefits are calculated using the following formula:

Benefits (yen) =  $\Sigma$  [(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]

## Customer Benefits

Million yen

Item	Amount of reduction in environmental impacts*	Monetary value
Environmental impact reduction in the usage stage	Electricity	28,540,000 kWh
	Paper rolls	1,279 t
		656
		0.75

## Breakdown of Assumed Benefits

Million yen

Item	Amount of reduction in environmental impacts*	Monetary value
Chemical substance discharge reduction benefits	0.72 t	64.5

The amount of reduction in environmental impacts indicates differences between fiscal years 2010 and 2011. Negative figures indicate an increase in environmental impacts beyond reduction benefits due to increased production, etc.

## Fourth Action Plan

As for eco-products, effects of reduction in CO<sub>2</sub> emissions through eco-products and the ratio of ECPs to sales exceeded the goals as new ECPs were released in fiscal 2011. For reduction of chemical substance emissions, all 15 certain substances were abolished from new products as well as existing products. We will continue to develop environmentally conscious products. In regard to eco-process, a new production site started operations

in China in fiscal 2011. This new production site will become engaged mainly in part processing, thus will consume more energy, compared to the existing assembly sites. The rate of energy-intensive manufactured products will increase also in Japan. Therefore, targets for and after fiscal 2012 will be an increase over the results in fiscal 2011.

We will continue efforts to restrain emissions of CO<sub>2</sub>, waste and chemical substances to the fullest extent through improvements in management and deliberate business investment.

\*YES\* indicates the goal for 2010 has been achieved and \*NO\* indicates the goal for 2010 has not been achieved.

Indicator				Reference year	Fiscal 2011			Fiscal 2012	
					Target	Result	Evaluation	Target	
Eco-Products	Product factor			2000	2.00	2.28	YES	2.05	
	Ratio of ECPs to sales			—	83%	88%	YES	85%	
	Effects of reduction in CO <sub>2</sub> emissions through eco-products			2000	57,000 t	96,000 t	YES	57,000 t	
	15 certain substances contained in products			—	100%	100%	YES	100%	
Eco-Process	Prevention of global warming	Energy-originated CO <sub>2</sub> emissions	Global production sites	CO <sub>2</sub> emissions	1990	150%	120%	YES	120%
			Production sites in Japan	Ratio of CO <sub>2</sub> emissions (Note)	1990	150%	119%	YES	129%
		Production sites in Japan		Ratio of CO <sub>2</sub> emissions (Note)	1990	89%	64%	YES	77%
	Efficient use of resources	CO <sub>2</sub> emissions associated with product logistics (In Japan)		Ratio of CO <sub>2</sub> emissions	2006	72%	67%	YES	62%
		Total amount of waste generated	Ratio of discharged waste		2000	82%	63%	YES	79%
			Ratio of final landfill disposal		—	2.0%	1.7%	YES	2.6%
		Reduction of water consumption		Ratio of input water	2000	104%	66%	YES	85%
	Chemical substance emissions		Emissions to air and water	2000	124%	83%	YES	107%	

Note: For goals using the ratio of CO<sub>2</sub> emissions, 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]

The amount of electricity generated is adopted as the CO<sub>2</sub> conversion factor for electricity in Japan: 4.17t-CO<sub>2</sub>/10 thousand kWh for fiscal 1990, 3.4 for fiscal 2010, and 3.51 for fiscal 2011, along with 3.5 for fiscal 2012.

The amount of electricity-received specific to the relevant countries was adopted as the CO<sub>2</sub> conversion factor for electricity outside Japan in fiscal 1990. The GHG Protocol values for fiscal 2006 are adopted for fiscal 2010 or later.

## Fifth Action Plan

The fifth action plan will be promoted, starting in fiscal 2012.

### Greening of Products

In the business strategy formulation and product planning stages, we set "eco-targets" to develop products with the highest level of environmental performance. Then, in the product development and design stages, we make environmental assessments of the products to ensure that they comply with laws and regulations as well as meet the ECP standards (the Toshiba environmental standards) throughout all stages of their life cycle. In the product approval stage, we check the level of achievement of the eco-targets

and whether the products are in compliance with the ECP standards, certifying those products with the highest level of environmental performance at the time of their release as Excellent ECPs.

### Greening of Process

The TOSHIBA Group is striving to reduce environmental impacts by making production processes more efficient from three perspectives: mitigation of climate change, management of chemicals, and efficient use of resources. It is working to streamline procurement of materials and conserve energy consumption at all of its plants in and outside Japan, thereby reducing unnecessary greenhouse gas emissions and waste. The Group will pursue the achievement of the world's lowest level of environmental impacts by further raising employees' environmental awareness and making all-out efforts to implement every possible measure.

# Environmental Impacts in Fiscal 2011

On 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 environmentally conscious development. In addition, the Group strives to reduce environmental impacts while understanding and analyzing the impacts at each stage of a product life cycle.

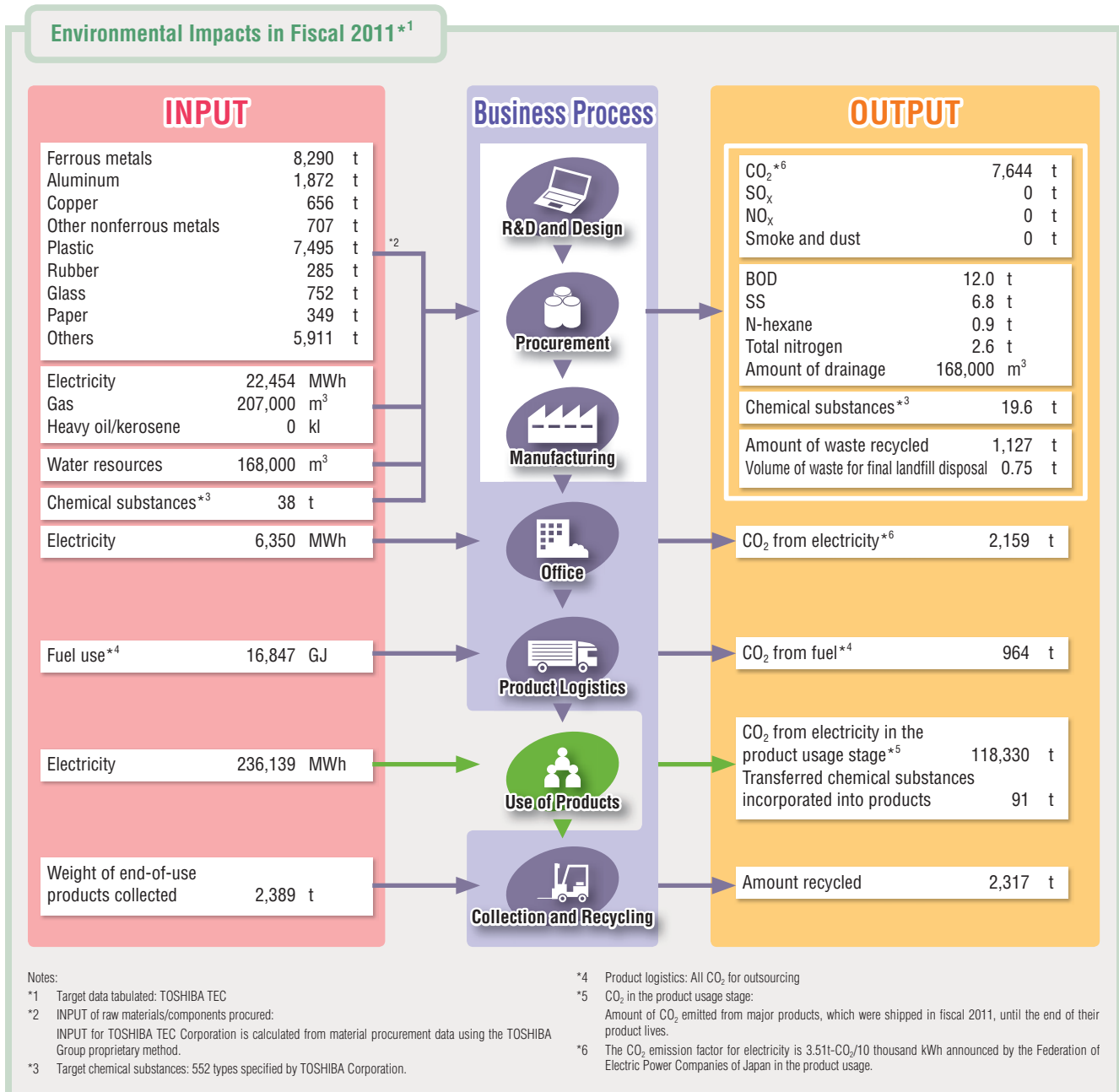
## Environmental Impacts throughout the Life Cycle

In terms of the TOSHIBA TEC 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 or recycling. The diagram below shows environmental impacts at each stage of a product life cycle.

The environmental impacts at the production stage contain 7,644 tons of CO<sub>2</sub> emitted from plants and 2,159 tons of CO<sub>2</sub> emitted from offices due to consumption of all energies. 19.6 tons of chemical substances were released to air and water, 1,127 tons were recycled and 0.75 tons were landfilled.

The amount of CO<sub>2</sub> emitted from major products shipped in fiscal 2011 until the end of their product lives is approximately 118,330 tons.

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



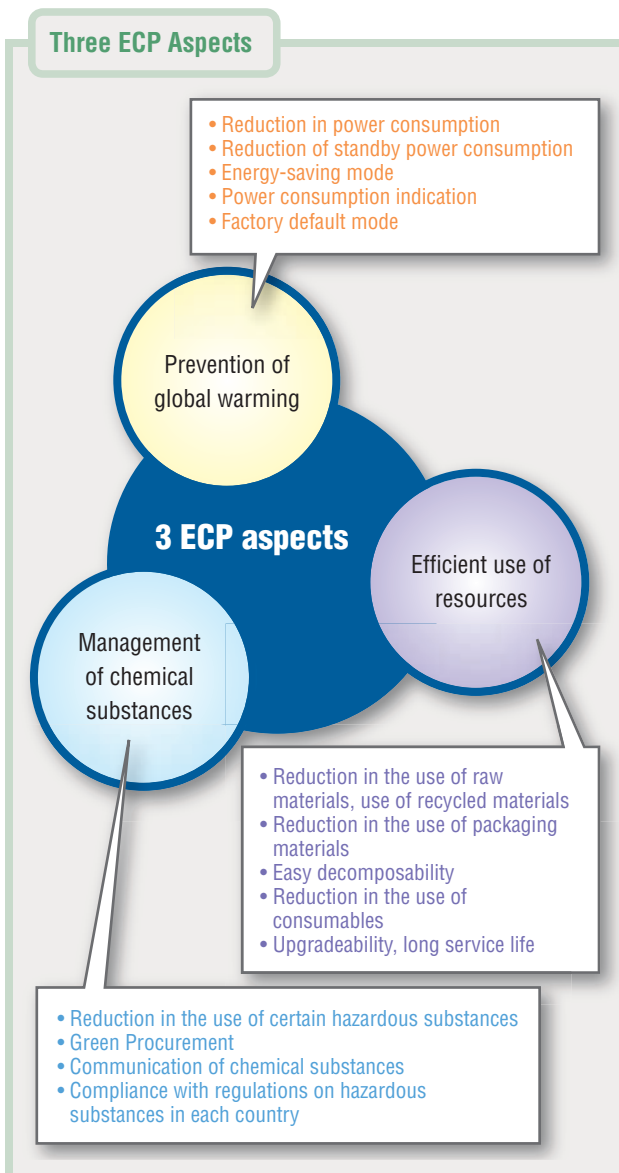
TOSHIBA TEC Corporation develops ECPs with environmental impacts reduced throughout their product life cycles. Eco targets have been set to achieve the highest level of environmental performance for products to be developed in the future.

### Development of ECPs

The TOSHIBA TEC Group creates "ECPs" with environmental impacts reduced throughout their product life cycles\*. Most of the environmental impacts generated throughout a product life cycle are determined in the product planning and design stages, thus, TOSHIBA TEC Corporation focuses on the early stage of product development.

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

The ECP design includes three aspects: prevention of global warming, efficient use of resources and management of chemical substances. ECPs are designed to be environmentally conscious in all these aspects through all stages of their life cycle and created.

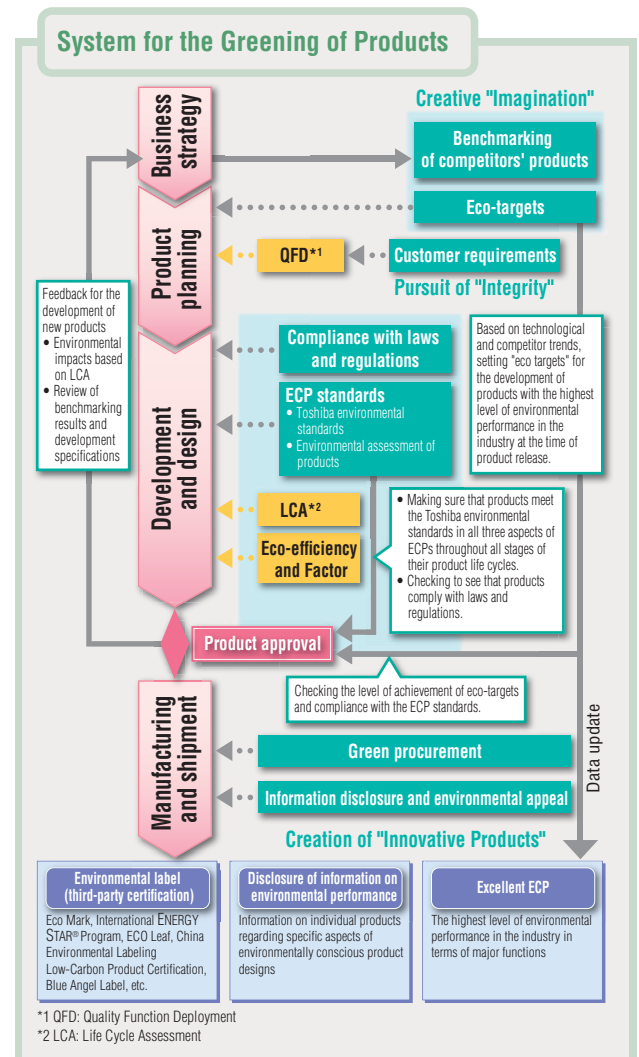


### Eco Targets

In addition to measures to promote creation of ECPs, the TOSHIBA TEC Group started a new ECP initiative in fiscal 2010. First, in the stages from business strategy to product planning, based on technological and competitor trends, "eco targets" are set for the development of products with the highest level of environmental performance at the time of product release. Then, in the development and design stages, the TOSHIBA TEC Group performs environmental assessments of products to make sure that the products comply with laws and regulations and meet the ECP standards in all three aspects (prevention of global warming, efficient use of resources and management of chemical substances) through all stages of their life cycle.

In the product approval stage, the TOSHIBA TEC Group checks to see the level of achievement of "eco-targets" and compliance with the ECP standards.

Then, products, which have achieved "eco-targets," are applied to TOSHIBA for the certification as Excellent ECPs when released.





Here are examples of technologies to realize ECPs.

## Energy Saving

### QT-100 POS Terminal

This POS terminal equipped with a high performance and low power consumption dual-core CPU Intel Atom D525 has reduced standby power consumption by 40%, compared to the previous model.



QT-100

### e-STUDIO256/356/456/506 B/W MFP

By replacing a xenon lamp light source for scanner exposure with an LED light source, power consumption of the exposure unit has been reduced by 73%, compared to the previous model.



e-STUDIO256

## Resource Saving

### KP-20 Compact Label Printer

This label printer equipped with system LSI with built-in external interfaces has reduced the area of the control circuit board by 64% and the mass of the interface-related parts by 54%, compared to the previous model.



KP-20

### QT-100 POS Terminal

Integration of parts on a printed circuit board has reduced the size of the circuit board. The use of a hard disk having low driving voltage has reduced the number of cells and the size of the battery. A thinner metal frame has reduced the mass of the POS terminal by 10%, compared to the previous model.

## Reduction of Environmental Impact Substances

### M-8000 and QT-100 POS Terminals, and IS-890T Vertical Scanner

In place of the previous CCFL (Cold Cathode Fluorescent Lamp) backlight LCD panel, use of the LED backlight LCD panel has resulted in zero mercury in the backlight. The LED backlight, which no longer requires an inverter (high-voltage power supply), has contributed to resource and energy savings.



M-8000 POS Terminal

QT-100 POS Terminal

IS-890T Vertical Scanner

# 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, the TOSHIBA TEC Group aims to procure items with lower environmental impacts from suppliers, which 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.



Guidelines for Green Procurement

## Control on Environment-Related Substances in Delivered Items

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

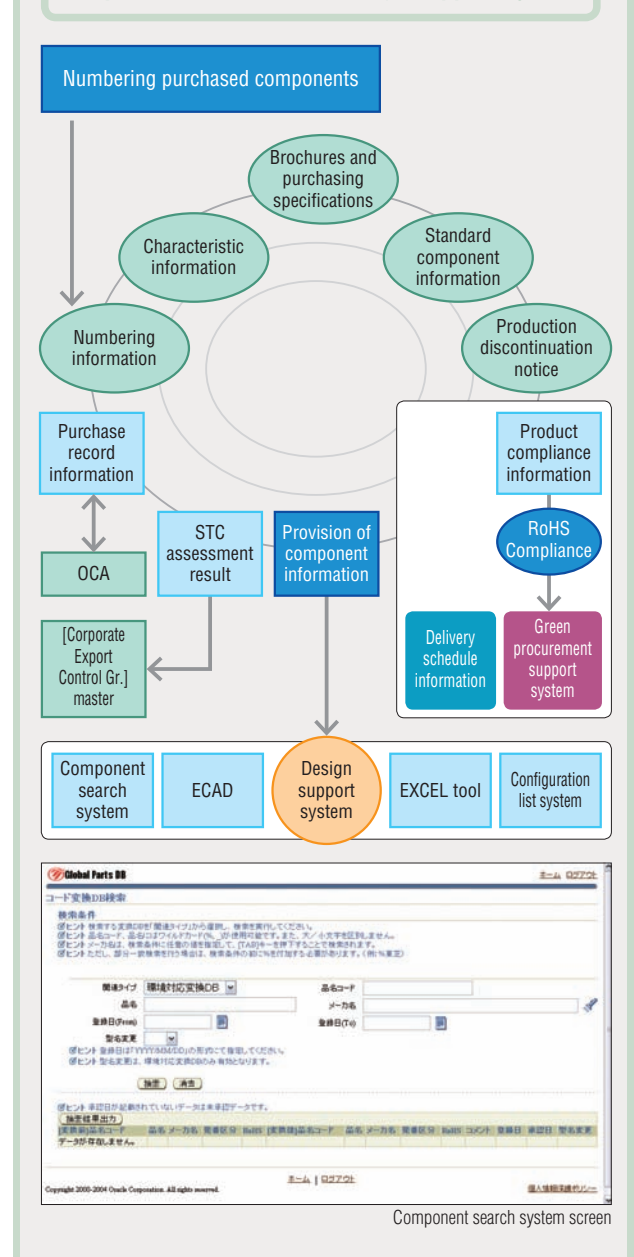
### Control on Environment-Related Substances

- 1) Thoroughly make control on whether environment-related substances are contained in delivered items known to relevant divisions and suppliers.
- 2) Satisfy requirements for management environment-related substances.
- 3) Respond to the survey 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. The TOSHIBA TEC Group requests suppliers to provide data on chemicals in products in accordance with the survey patterns based on its Guidelines for Green Procurement, and collects data on the Eco, Substances of concern exchange & management system in the Toshiba group (EcoSocce-T). Data obtained from suppliers are disclosed and used to develop ECPs.

### Component Database and Design Support System



Component search system screen

# Collection and Recycling of End-of-Use Products

The TOSHIBA TEC Group is carrying out the collection and recycling of end-of-use products on a global basis. The Group is also preparing the collection of end-of-use products in Asia.

## Europe

Based on the EU Waste Electrical and Electronic Equipment or WEEE Directive, which came into force in 2005, duty is imposed on manufacturers to recycle electrical and electronic equipment in EU Member States. The TOSHIBA TEC Group collects and recycles such equipment while registering manufacturers and taking part in the recycling scheme through its affiliates in Europe.

## Japan

TOSHIBA TEC main branches and sales offices in 55 areas collect end-of-use products such as POS terminals from customers. Then, designated intermediate dealers manually disassemble and separate the collected products to increase the recycling ratio. End-of-use copiers and MFPs are recycled at nine bases throughout Japan. The collection efficiency is increased through the Recycled Equipment Exchange System within the Japan Business Machine and Information System Industries Association or JBMIA.



Manual disassembly of a POS terminal



## Japan

The TOSHIBA TEC Group has joined the "Japan Battery Recycling Center or JBRC" as a corporate member, to collect and recycle portable secondary batteries jointly with other member corporations.

## Australia and North America

The TOSHIBA TEC Group implements the "Zero Waste to Landfill" recycling program together with Close the Loop®. Almost 100% of toner cartridges of copiers and MFPs collected through this program have been recycled.



Collection box

# Reduction of Environmental Impacts Arising from Business Activities

The TOSHIBA TEC Group continuously makes efforts to minimize increases in environmental impact despite the expanding scale of production.

## Prevention of Global Warming

### Minimizing increase in CO<sub>2</sub> emissions due to energy consumption

Measures to reduce power consumption through energy-saving facilities are continuously taken, in order to reduce CO<sub>2</sub> emissions associated with energy consumptions.

In fiscal 2011, CO<sub>2</sub> emissions decreased by 3% in Japan but increased by 13% outside Japan, due to the expanding scale of production, compared with the previous year.

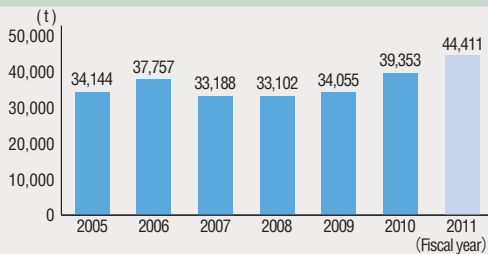
Note:

The amount of electricity received is adopted as the CO<sub>2</sub> emission factor for electricity in Japan: 4.17t-CO<sub>2</sub>/10 thousand kWh for fiscal 1990, 4.23 for fiscal 2005 and 4.1 for fiscal 2006, 4.53 for fiscal 2007, 3.73 for fiscal 2008 and 2009, 3.4 for fiscal 2010 and 3.5 for fiscal 2011. The amount of electricity-received specific to the relevant countries is adopted outside Japan.

### Trend of CO<sub>2</sub> emissions at production sites in Japan



### Trend of CO<sub>2</sub> emissions at production sites outside Japan



### Regulation of CO<sub>2</sub> emissions associated with product transport

In fiscal 2011, less-than-truckload transportation instead of individual transportation for imported parts improved load efficiency and helped to reduce the number of trucks. Reuse and recycling of import/export pallets provided a solution for pallet disposal.

### Trend of CO<sub>2</sub> emissions associated with product transport in Japan



### Case LED lighting in the entrance lobby

#### TOSHIBA TEC SINGAPORE ELECTRONICS PTE LTD.

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



### Case Expansion of Carbon-Offset Programs

#### TOSHIBA TEC GERMANY IMAGING SYSTEMS GmbH TOSHIBA TEC EUROPE RETAIL INFORMATION SYSTEMS, INC.

TOSHIBA TEC Germany Imaging Systems GmbH expanded the provision of the carbon-offset program to mainland European countries in 2010, which TOSHIBA TEC U.K. Imaging Systems Ltd. started to provide in the United Kingdom in 2009.

Also in fiscal 2011, this program provided a system for users to take part in an environmental contribution project according to the amount of CO<sub>2</sub> emitted from MFPs.

In addition, this was introduced to POS terminals and barcode printers in the United Kingdom.



The TOSHIBA TEC Group does not emit any greenhouse gases other than CO<sub>2</sub>.

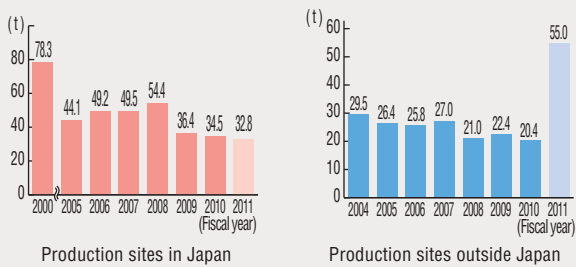
## Management of Chemical Substances

### Reduction of emissions of chemical substances used in the manufacturing process

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, which have a direct impact on the environment. In fiscal 2011, the release of chemical substances decreased by 5% in Japan, compared with the previous year, but the release of chemical substances used for washing parts at parts plants outside Japan increased.

The TOSHIBA TEC Group makes efforts to reduce the purchase, waste and emissions of substances with solvent waste recycling machines and powder coating without solvent.

#### Trend of emissions of chemical substances

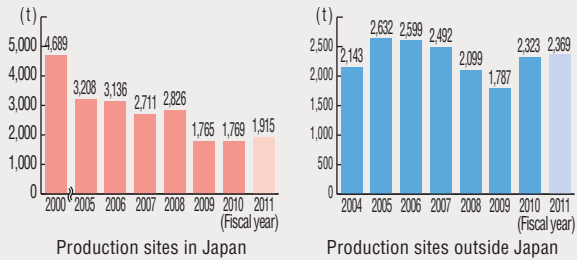


## Efficient Use of Resources

### Regulation of the total amount of waste discharged

To efficiently use resources, the TOSHIBA TEC Group is tackling reducing the total amount of waste discharged, including recycled waste. Returnable containers, which are repeatedly used to deliver parts, are now in full use, resulting in a reduction in the use of corrugated cardboard. In fiscal 2011, while the amount of waste discharged increased by 8% in Japan due to an increase in sludge to improve the painting process, it remained unchanged outside Japan, compared with the previous year.

#### Trend of total amount of waste discharged



#### Case

### Merit Award in the Singapore Packaging Agreement (SPA)

#### TOSHIBA TEC SINGAPORE ELECTRONICS PTE LTD.

TOSHIBA TEC Singapore Electronics Pte Ltd. received a Merit Award in the Singapore Packaging Agreement (SPA) 3R Packaging Awards (Distinction and Merit Awards). These awards are presented to companies that have made notable achievements in reducing packaging waste. TOSHIBA TEC Singapore Electronics Pte Ltd., which replaced corrugated cardboard with collapsible trolleys for packaging materials, received the award on October 5, 2011.



Award ceremony



"3R Packaging Distinction and Merit Awards"

#### Case

### Toner Cartridge Recycling Project

#### TOSHIBA TEC SINGAPORE ELECTRONICS PTE LTD.

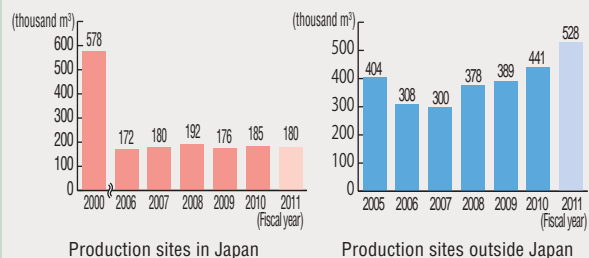
TOSHIBA TEC Singapore Electronics Pte Ltd. has been recycling toner cartridges used in-house since 2009. All employees bring used toner cartridges and put them in recycling collection boxes.

### Efficient use of water resources

Almost no water resources are used in the production process; however, the TOSHIBA TEC Group makes efforts to check water leakage and implement water-saving education. The TOSHIBA TEC Group will continue activities to use worldwide valuable water resources as efficiently as possible.

An increase in water resource intake outside Japan is caused by an increase in the number of employees and the intake at parts plants.

#### Water resource intake



The TOSHIBA TEC Group has abolished the use of ozone-depleting substances.

# Promotion of Environmental Activities with Society

Communication is enhanced throughout a variety of media, for people in different positions in Japan 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 sustain-

able society.

However, it is essential not only for the TOSHIBA TEC Group but also for people in different positions in and outside Japan, 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.

## Initiatives at Shizuoka Business Center

### Corporate communications

The Shizuoka Business Center (Ohito) releases Environmental News, and the Business Center (Mishima) releases IMS\* News, including environment, quality, safety and information security, as part of IMS activities, on a monthly basis. The news is distributed by e-mail or posted on the bulletin board, allowing employees

to share with their family members. Through these communications the employees are encouraged to cooperate in TOSHIBA TEC Group-wide environmental activities such as environmental management and electricity saving. Particularly after the earthquake, electricity saving and other items have been introduced.



Environmental News



IMS News

\* IMS: Integrated Management System

Electricity saving initiatives at the Shizuoka Business Center was introduced in the local newspaper on July 1, 2011

### Environmental activities in local communities



①

We have been participating in local environmental activities to protect the rich natural environment in Izu Hakone, such as cleaning up rivers and major roads around the Business Center, together with various groups, corporations and residents. The Shizuoka Business Center (Mishima) has been interacting with local communities by distributing PR leaflets regarding Mishima's amended ordinance banning smoking in public effective as of July 7, 2011, as well as donating pull-tabs to social welfare facilities.

We have also been participating in "Creating A Small Dam in the Forest" aimed at enhancing the forest groundwater recharge system, with the wood thinned from the foot of Mt. Hakone in order to prevent depletion of spring water.



②



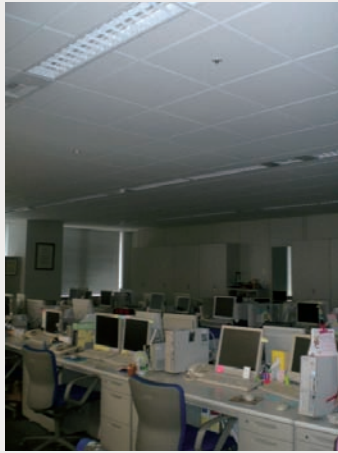
③

Photo: ① Road clean-up ② River clean-up ③ Creating A Small Dam in the Forest

## Initiatives at Osaki Office

On Thursday, July 7, all the lights and air conditioning systems in the office were turned off in the evening after normal work hours at the Osaki Office. Employees were encouraged to leave work by patrols immediately after normal work hours.

- Details: ① Lights of building signboards turned off  
② Lights of the office turned off after normal work hours



Office at 6:13 pm



Office at 7:21 pm



For more information on environmental information, see the website below:

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

### Environmental 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 on products at the planning and design stages, 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

### Eco-Process

Prevention of global warming, reduction of environmental impacts, management of chemical substances and efficient use of resources

### Eco-Program

Environmental Communication and Site Report



Environment & TOSHIBA TEC



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. The TOSHIBA TEC Group is 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 its corporate philosophy "Our Five Commitments" and "TOSHIBA TEC Group Standards of Conduct."

The Group also organizes CSR-related activities including "Customer Satisfaction," "Human Rights & Employees," "Philanthropy" and "Environmental Protection" as well as maintains 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**  
<http://www.toshibatec.co.jp/en/corporate/philosophy/action/>

## Corporate Governance

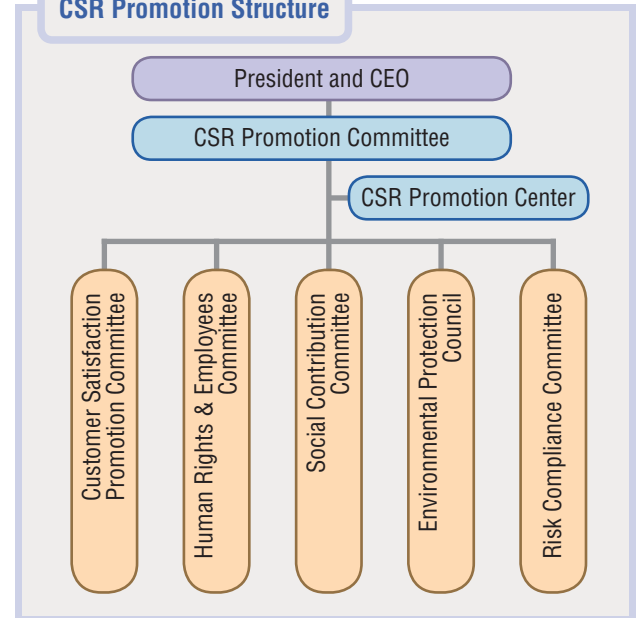
TOSHIBA TEC Corporation is committed to taking measures to improve management efficiency and transparency, as well as to reinforce the functions for the Board of Directors and the (Board of) Corporate Auditors, while recognizing corporate governance as an essential management policy, which meets the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

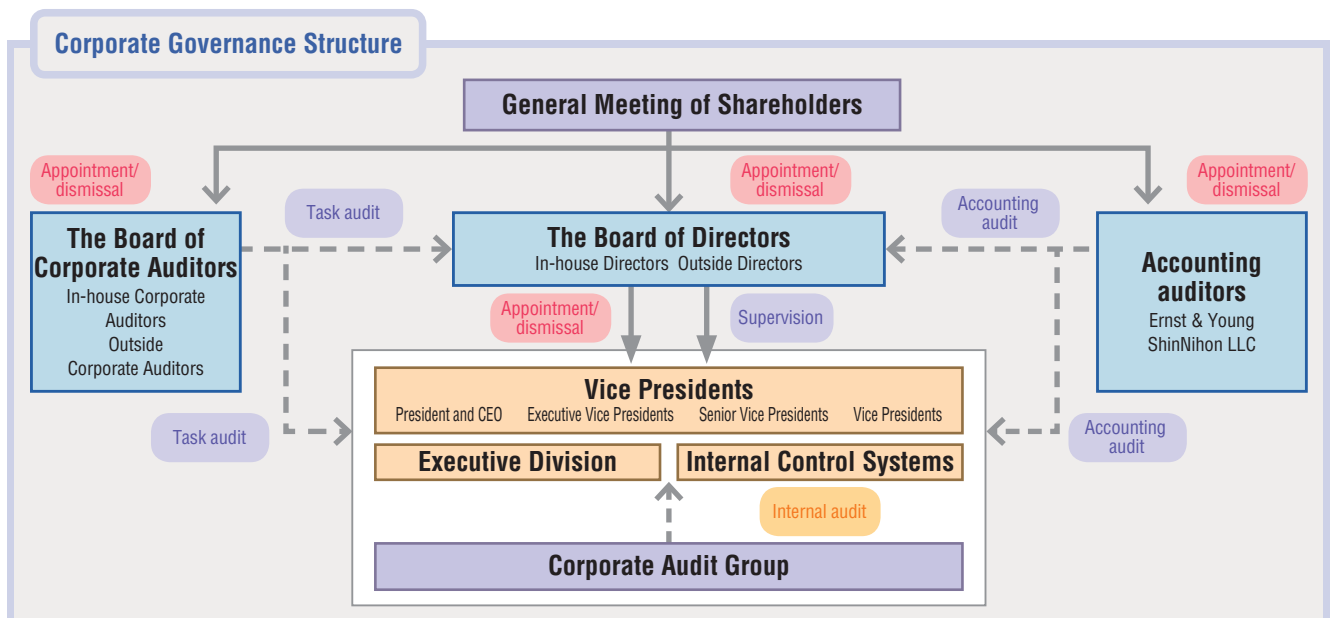
For management monitoring, directors supervise task enforcement, corporate auditors audit tasks, and accounting auditors perform accounting audits, while the "Corporate Audit Group" under the direct control of the president and CEO is established to perform internal audits.

Also, TOSHIBA TEC Corporation strives to enhance the internal control systems in terms of operating effectiveness and efficiency, reliability of financial reporting, compliance with laws and regulations related to its business activities, and safeguarding of assets.

### CSR Promotion Structure



### Corporate Governance Structure





# Compliance

The TOSHIBA TEC Group positions the promotion of compliance as an important component of CSR for the implementation of a variety of activities.

## 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 exercises the initiative to devise and promote various measures, as well as respond to emergency situations.

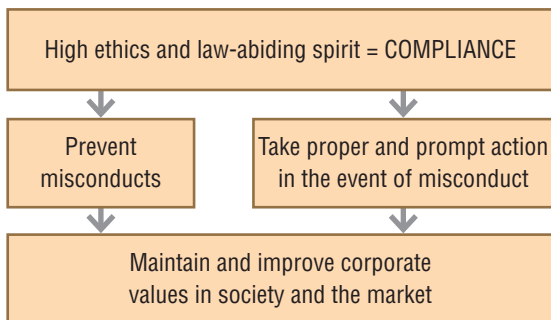
Appointing the CRO as a chairperson, TOSHIBA TEC Corporation organizes the Risk Compliance Committee, to maintain a Group-wide structure, devise and promote measures toward the advancement of risk compliance. A system, which enables every employee to report risk compliance-related issues to the CRO or outside attorneys, and "TOSHIBA TEC Partner Hotline" on the website, which 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**  
<http://www.toshibatec.co.jp/contacts/partnerline/> 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. For the Group companies outside Japan, compliance education reflecting regional characteristics is provided.



Education on marketing risk

## 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. The Group established a system and rules for information security management, and reviews 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, 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

Export control is aimed at preventing the proliferation of weapons of mass destruction and other sensitive items to countries and regions of security concern or terrorist organizations. Export transactions of goods and technology that have potential weapons of mass-destruction (WMD)/conventional weapons applications are regulated under laws and regulations.

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, the Corporation makes cargo/technology relevance judgments and strict transaction screenings for determining the need for export permission, conducts periodic export control audits, and provides education and support to its Group companies.

## Third-party Comments



## Dr. Kenji Suzuki

Associate professor at School of Global Japanese Studies, Meiji University, Japan

Dr. Suzuki received an LLB degree from Tokyo University, a master's degree from the London School of Economics, and PhD in Politics and International Studies from the University of Warwick. His field of specialization is political economy.

Dr. Suzuki is a member of the Japan Public Choice Society, Association for the Study of Political Society (ASPOS) and Japan Association for Northern European Studies (JANES).

**He currently focuses on how environmental changes in society and economy change the nation's social system and affect the psychology and behavior of companies and people. He has a decade of experience in being involved with education and research in Sweden.**

It was in 1992 that the United Nations Conference on Environment and Development (UNCED), commonly known as the Earth Summit, was held in Rio de Janeiro, Brazil. It provided impetus for the concept of sustainable development, which is essential in discussions of CSR, to spread all over the world including to Japan. In 2002, the World Summit on Sustainable Development (WSSD) was held in Johannesburg, South Africa. This Summit has settled the concept, which makes companies associate "sustainable development" with CSR as a responsibility they should bear. Japan officially accepted the Kyoto Protocol also in 2002. This year in 2012, the Rio+20 World Summit on Sustainable Development will be held in Rio de Janeiro, Brazil again. This year marks a turning point for "sustainable development" and CSR.

Japanese companies tend to have a narrow view of the world based on difficulties that have been faced, such as the collapse of Lehman Brothers in 2008 and the Great East Japan Earthquake in 2011. However, I believe that robust and continuous efforts, which do not lose sight of the great tide of history, will lead to the real development of Japan.

With this point of view in mind, when I opened this report, the phrase "global enterprise" jumped immediately to my attention, and I felt well-disposed toward this keyword. In the previous reports, Mr. Mamoru Suzuki, President and CEO also mentioned strong aspirations for TOSHIBA TEC to be a global enterprise. Words are just words; however, through "Kotodama" in Japanese or in other words "the spirit of language," words can appeal to the human heart by releasing tremendous energy. This "global enterprise" means not just to respect the global environment but also to recognize differences in culture, history and customs of the world, or to respect the people of the world. It is important for employees to have both of these two meanings take root in their minds.

Topics at the beginning of the report introduces development of the paper reuse system to significantly reduce CO<sub>2</sub> emissions by repeatedly using paper, and also the Minister of the Environment's FY2011 Commendation for Global Warming Prevention Activity. Needless to say, there are a variety of CSR activities; however, activities in which the pursuit of core business is associated with CSR are proved to be the most effective and lasting, as shown by the cases of other companies in and outside Japan. Since you are proceeding with preparations for commercialization of this paper reuse system, I truly hope you achieve commercialization. If I mention a concern, it would be that this system was only presented at exhibitions in Japan and neighboring Asian countries. It may be due to limitations of space in this report that only the exhibitions in Asia were introduced, whereas the system was actually also exhib-

ited in other countries. This is an innovative system, which, in fact, can attract people in western developed countries; thus, I hope that you will make active efforts to promote your products in those countries, too. Your sincere efforts to reduce the environmental impact of your products, manufacturing processes and management are described on page 19 onwards.

The response to the Great East Japan Earthquake introduced on page 5 attracted my attention very much. Your active approaches to address critical issues, including sending your employees to the affected areas, providing supplies (products) and making donations through campaigns along with reducing electricity demand, fascinate me. In addition, a variety of philanthropy events in Japan and other regions all over the world are introduced on pages 13 to 18. In the target countries, since those philanthropy events not only enhance companies' reputations but also raise awareness of employees who have been directly and indirectly involved in the events and boost their morale for core business, I would like you to aggressively continue these kinds of activities.

Employee Relations on pages 9 to 10 introduces activities aimed at respecting different personalities and biodiversity, which relate to the second meaning of "global enterprise." The numerical goals for three items; the ratio of female employees, the difference in the male-female ratio in management posts and the number of non-Japanese employees; all these show your motivation. However, future generation development support programs related to child raising alone seem insufficient as a concrete means of achieving these goals. For example, the global personnel development course has been established as an education and training system for internationalization. Personal development toward a gender-equal society and biodiversity may be considered as a means of achieving the aforementioned goals. This is not only limited to employee relations. However, once numerical goals are set, it could become a purpose in itself to achieve the numerical targets, and the true purpose may be forgotten. Therefore, attention is required in this regard.

The TOSHIBA TEC Partner Hotline regarding CSR promotion on page 12 is noteworthy. When referring to the cases of other companies, quite a few companies state CSR procurement and policies for selecting suppliers. However, it is innovative to develop a system that encourages suppliers to report matters directly. The entire report introduces compliance in procurement activities as well as corporate governance systems and compliance measures in TOSHIBA TEC business activities. I would like you to continue efforts to make these systems function effectively.

## Corporate Profile (as of March 31, 2012)

**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:** 350.6 billion yen (consolidated)  
**Number of Employees:**  
 19,823 (consolidated)

## Website

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

**Top:** <http://www.toshibatec.co.jp/en/>

### CSR

<http://www.toshibatec.co.jp/en/csr/>

CSR activities are introduced in a timely manner.

#### Main items (Social and Environmental Activities)

- Back Number
- Corporate Philosophy
- Topics
- People & Toshiba TEC
- Environment & Toshiba TEC
- Management

### INVESTOR RELATIONS

<http://www.toshibatec.co.jp/en/ir/>

Every effort is made to provide corporate information as quickly as possible.

#### Main items (Investor Relations)

- Management Policy
- IR Library

### PRODUCTS

<http://www.toshibatec.co.jp/en/products/>

Products and solutions in response to customer business needs are introduced.

#### Main items (Products)

- Retail Solutions (POS Systems, Electronic Cash Registers, etc.)
- Multi Function Peripherals (Color MFP, B/W MFP, etc.)
- Barcode Printers and RFID Products (Barcode Printers, RFID Products, etc.)
- Inkjet Head (Inkjet Head, etc.)

# TOSHIBA TEC CORPORATION

CSR Promotion Center  
Corporate Human Resources & Administration Group

Contacts:

Oval Court Ohsaki Mark East  
2-17-2, Higashi Gotanda, Shinagawa-ku, Tokyo  
141-8664 Japan

Phone: +81-3-6422-7039  
Fax: +81-3-6422-7111

URL: <http://www.toshibatec.co.jp/en>  
E-mail: [csr@toshibatec.co.jp](mailto:csr@toshibatec.co.jp)

Production and printing of the TOSHIBA TEC CSR Report 2012 reflect the following considerations:

## Paper



### Use of FSC-certified Paper

Paper certified by Forest Stewardship Council (FSC) is used, which is made with 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.