

TOSHIBA

Leading Innovation >>>

Corporate Social Responsibility Report

2016

Toshiba Tec Group
CSR REPORT

EDITORIAL POLICY

The Toshiba Tec Group recognizes that consideration toward all stakeholders, including customers, employees, shareholders and communities, is necessary for sound business activities.

By classifying CSR activities according to the framework of "ESG" (Environment, Society and Governance), as well as providing a clear and easy-to-understand description from the reader's point of view, this CSR Report has been issued

in that hope that the Toshiba Tec Group's system and activities based on such a policy are understood by as many stakeholders as possible.

We hope to use this Report as a communication tool with stakeholders. 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.

Scope of This Report

Reporting Period: This Report not only focuses on the activities in fiscal 2015 (from April 2015 to March 2016) but also includes some activities continuing from the past as well as more recent ones.

Report Scope: In principle, Toshiba Tec Group (Toshiba Tec Corporation and its consolidated subsidiaries)

Environmental Data: Toshiba Tec Corporation and its consolidated subsidiaries

Reference Guidelines

- Ministry of the Environment
"Environmental Report Guidelines" (Fiscal 2012 Edition)
"Environmental Accounting Guidelines" (2005 Edition)
- Japanese Standards Association "ISO26000: 2010"
- GRI (Global Reporting Initiative)
"Sustainability Reporting Guideline 4th Edition (G4)"

Publication

July 2016 (Next issue scheduled for June 2017, previous issue: July 2015)

WEBSITE

In May 2016, the Toshiba Tec website was redesigned to make it more user-friendly and accessible, by improving the search for products or services and developing a conducive design to provide products or services that meet the needs of each customer in a stress-free environment.

Through the website, Toshiba Tec Corporation aims to deliver stakeholder-friendly information in a timely fashion, including about its various Group commitments, products and solutions.

Top

<http://www.toshibatec.com/>



Social and Environmental Activities

<http://www.toshibatec.com/company/csr/>
CSR activities of Toshiba Tec and its group companies are introduced.



Main items

- CSR of Toshiba Tec
- Organizational Governance
- Society
- Environment

Investor Relations

<http://www.toshibatec.com/company/ir/>

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



Main items

- Message from the President
- IR Library
- IR News
- Corporate Governance

Products

http://www.toshibatec.com/products_overseas/

Solutions and products in response to customer business needs are introduced.



Main items

- Retail Solutions
- Printing Solutions
- MFP Solutions
- Engineering Manufacturing Services
- Inkjet Head



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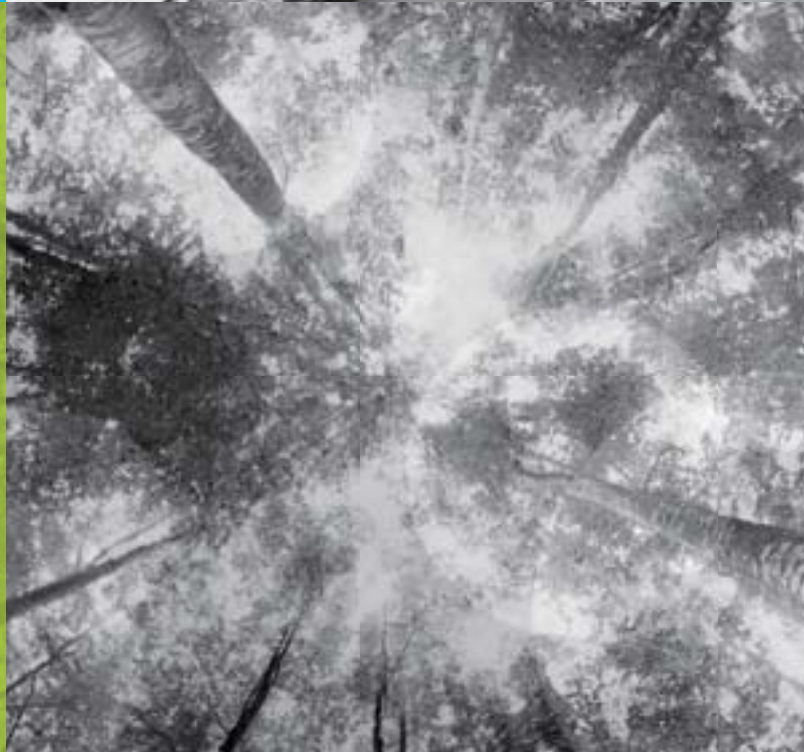
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HISTORY OF TOSHIBA TEC

Toshiba Tec Corporation keeps moving together with stakeholders in response to the changing times.



Product

Started production of "Tostec" series electric adding machine. **1964**

Developed microcomputer chip-incorporated electronic cash register. **1973**

First in the world

Launched POS system with bar code scanner. **1979**

Released "Chosaku Series" office computer. **1982**

Started production of "MACONICK" electronic cash register. **1971**

Entered into printer business. **1979**

1950

'60

'70

'80

Major events

1950 In accordance with the Enterprise Reorganization Act, the Ohito Plant of Tokyo Shibaura Electric Co., Ltd. (current Toshiba Corporation) was separated from Tokyo Shibaura Electric Corporation and became independent. Named as "Tokyo Electric Appliances Co., Ltd."

1952 Renamed as "Tokyo Electric Co., Ltd."

1957 Entered into cash register business.

1962 Mishima Plant opened.

1969 Established Tec America, Inc., the first overseas subsidiary.

1972 Established Tec Denshi Jimuki Co., Ltd. (renamed as TEC Electronics Corporation in 1977.)

Mishima Plant was awarded the Minister of International Trade and Industry Prize for the excellent factory in implementation of industrial standardization. **1984**





1989 Started full-scale bar code business.

1999 Released "CT-2100" INFOX terminal for payment by credit/debit/e-money.

2013 Released "Loops" paper reusing system.
Released "IS-910T" vertical type object recognition scanner.

First in the industry

1987 Launched "TEC Smart Line Scanner" vertical type stationary scanner.

2006 Launched self-checkout system "WILLPOS-Self SS-1000".
Released "e-STUDIO3150c" full-color MFP.

2004 Released "IT-3300" hand-held payment terminal with IC-card capability.

2014 Launched electronic receipt service, "Smart Receipt".



1992 Started activities of Toshiba Tec Philanthropy Fund.

1994 Merged with TEC Electronics Corporation and changed the name to TEC Corporation.

1999 Copier business transferred from Toshiba. Trading name changed to Toshiba Tec Corporation.

2001 Operation began at our new plant for production of photocopiers in Shenzhen, China.

2004 Established new management policy of the Toshiba Tec Group called "Our Five Commitments".

2005 Tokyo area offices put into Osaki Office (Shinagawa-ku).

2009 Won "METI Minister's Awards" for Best Contributors to Product Safety.

2011 Paper reusing MFP system won the Minister of the Environment Award for the Prevention of Global Warming (technology development and commercialization category).

2012 Acquired retail store solution business (RSS) from International Business Machines Corporation (IBM).

Shizuoka Business Center (Mishima) sustained Class 5 accident-free record (35,500,000 hours).

1985 TEC's first overseas manufacturing subsidiary established in Singapore. Established Semicon Industries Pte. Ltd. (Current Toshiba Tec Singapore Pte Ltd.)



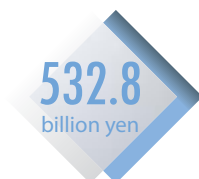
BUSINESS OVERVIEW

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

We provide products and services that are widely used in various fields such as stores, offices and warehouses. We recognize the support from our stakeholders around the world to conduct our business activities.

▶ Corporate Profile

Net Sales (Consolidated)



as of March 2016

Company Name: TOSHIBA TEC CORPORATION

Head Office: Gatecity Ohsaki West Tower 1-11-1,
Osaki, Shinagawa-ku, Tokyo 141-8562 Japan

Representative: Takayuki Ikeda,
President and Chief Executive Officer

Established: February 21, 1950

Paid-in Capital: 39.9 billion yen

Number of Employees: Consolidated 21,102 (as of March 2016)

Number of
Consolidated Subsidiaries



9 in Japan, 77 overseas

▶ Business Operation

Retail Solutions Business
(POS-related business)

As a premier partner of the retail distribution industry whose goal is to enhance customer satisfaction, we offer a variety of solutions, such as systems for head offices and stores, POS systems and peripheral equipment.

Printing Solutions Business
(MFP-related business)

We offer solutions, such as Digital Multifunction Peripherals (MFP) and related products needed to print and copy documents in the office, that contribute to improving efficiency in customer operations and reducing the cost in various business types and categories.

▶ Consolidated Subsidiaries

in Japan



in America



in Europe

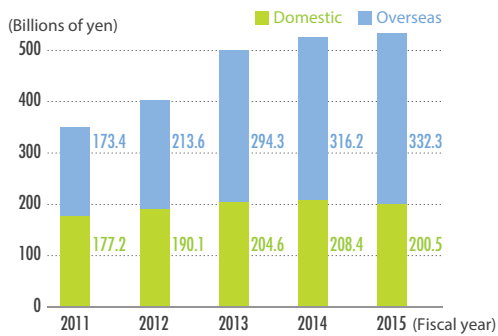


in Asia and others



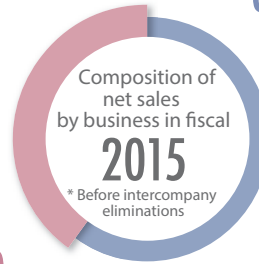
▶ Results (Consolidated)

Net Sales



Operations included in net sales: Development, production, distribution and maintenance services of POS systems for domestic and overseas markets, MFPs and auto-ID systems* for domestic market, as well as solution-related products

Retail Solutions Business Group **60%**



40% Printing Solutions Business Group

Operations included in net sales: Development, production, distribution and maintenance services of MFPs and auto-ID systems* for overseas market, as well as solution-related products and inkjet heads for domestic and overseas markets

* Automatic Identification (AI) Systems refer to systems, which contain hardware and software to automatically retrieve, identify and manage data, from bar codes and IC tags.

Auto ID Solutions Business
(Bar code printer-related business)

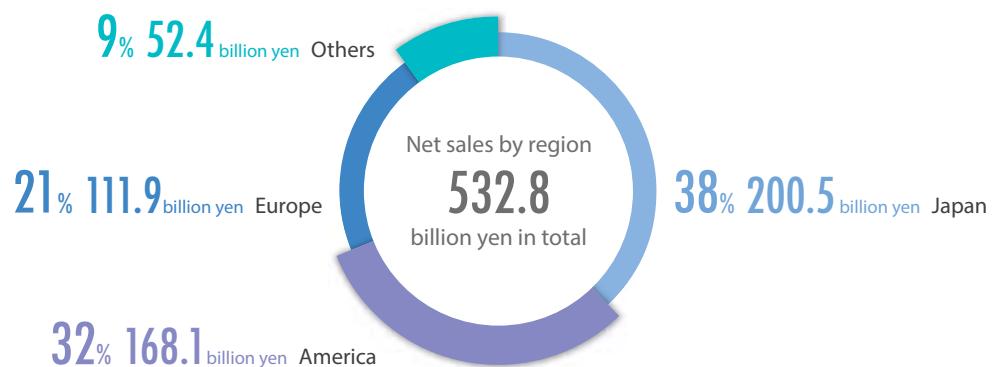


We offer indispensable infrastructures and solutions to the society, such as bar code systems needed to manage products and parts in production and logistics sites, as well as Radio Frequency Identification (RFID) systems to identify and manage objects with a wireless tag.

Inkjet Solutions Business
(Inkjet-related business)



We offer inkjet solutions, such as inkjet heads and printed circuit boards, to our customers in the industry field.



CSR MANAGEMENT OF TOSHIBA TEC

While positioning CSR at the core of management, we are conducting business activities to contribute to the development of a sustainable society by giving top priority to human life, safety and compliance, as well as contributing to solving problems in global society through business. We recognize the support from a number of stakeholders around the world, including customers, shareholders, investors, suppliers, communities and employees, as well as encourage our Group employees to practice CSR activities based on our corporate philosophy "Our Five Commitments" and "Standards Of Conduct of Toshiba Tec Group".

▶ Relations with Stakeholders



▶ CSR Promotion Structure

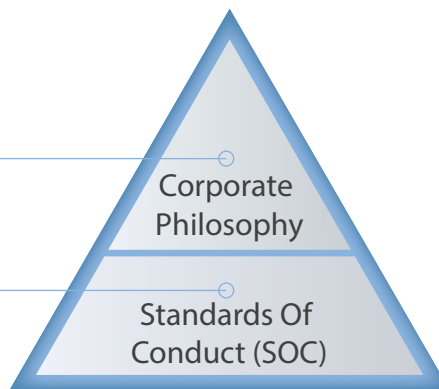
In 2004, the Toshiba Tec Group established the organization to promote CSR, and has been improving the promotion structure since then.

The CSR Promotion Committee comprised of relevant executives is held in the presence of President to discuss and determine the Toshiba Tec Group's course of action. We also organize CSR-related activities including "Environment," "Customer Satisfaction" and "Social Contribution" along with "Human Rights/Employee Satisfaction" in order to root CSR as the corporate culture, while centering the CSR Promotion Center on the premise of "Compliance" to abide by corporate ethics, laws and regulations. We also appoint persons in charge of CSR promotion at domestic and overseas group companies to conduct CSR activities.

Our Five commitments – Management Policy 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.



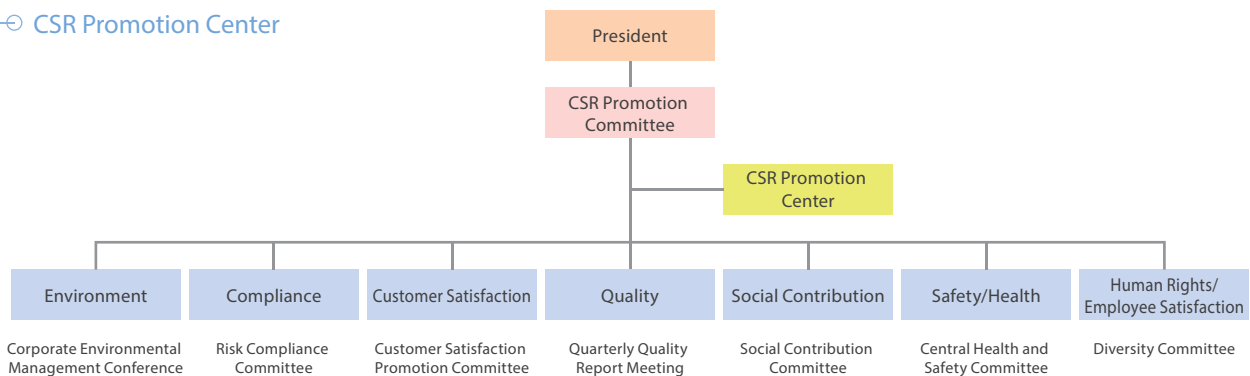
Standards of Conduct of the Toshiba Tec Group

The "Standards of Conduct of the Toshiba Tec Group" is clearly defined as a sense of value, which all employees of the group companies should share. Therefore, all employees of the domestic and overseas group companies are fully informed to acknowledge the SOC through e-Learning and booklet.

* Established in 1990, revised in November 2014

- | | | | |
|---|--|----------------------------------|--|
| 1. Human Rights | 6. Competition Law and Government Transactions | 11. Engineering Ethics | 17. Information Security |
| 2. Customer Satisfaction | 7. Bribery | 12. Intellectual Property Rights | 18. Company Assets and Conflicts of Interest |
| 3. Procurement | 8. Environment | 13. Accounting | 19. Community Relations |
| 4. Production and Technology, Quality Assurance | 9. Export Control | 14. Corporate Communications | |
| 5. Marketing and Sales | 10. Antisocial Groups | 15. Advertising | |
| | | 16. Workplace | |

CSR Promotion Center



Aiming to be a company that can contribute to the society and meet the expectations of stakeholders based on "Our Five Commitments" as a corporate philosophy

▶ Developing and growing together with stakeholders

In the years since our foundation, we at the Toshiba Tec Group have been quite successful in implementing the "Spirit of Monozukuri from Our Customers' Point of View" as the basis of our company culture. Problem solving has always been the most important theme for Monozukuri. The challenges never end for the wide range of customers to whom we provide our products and services, which include retailers, restaurants, logistics services, manufacturers and offices.

We have been listening to the voice of customers, making it our mission to try our ingenuity at creating a new value, and contributing to the society through our business operations. We also conduct business activities globally based on the principles of making efforts to gain mutual prosperity with all stakeholders including customers, shareholders / investors, employees, communities and suppliers.

We believe it is essential for the Toshiba Tec Group to gain the trust of stakeholders in various countries and regions, in response to their needs and expectations, in order to develop and grow as a corporate group on a sustainable basis.

We have established "Our Five Commitments" as a commitment to pursue mutual prosperity with all stakeholders. This corporate philosophy is a sense of value, which all employees of the Toshiba Tec Group all over the world should share, and a base for our group companies to conduct business activities.

▶ Giving top priority to human life, safety and compliance

CSR management gives top priority to human life, safety and compliance. We bring "Our Five Commitments" into shape, and encourage our employees to thoroughly understand and implement the "Standards Of Conduct of the Toshiba Tec Group," which have been defined as a course of action for the company to contribute to the society and conduct business activities with fairness, integrity and a high transparency. Each and every executive and employee strives to ensure quality and sound management. We are a company that emphasizes harmony in the environment, human rights and community underscored by a basic policy that gives top priority to human life, safety, and compliance according to this SOC.

▶ Promoting environmental management

We are committed to fulfilling the role as a company toward a better global environment. In order to build a sustainable society, we proceed with the environmental plan by giving top priority to the conservation and protection of the world's natural resources, in every business process and product. We are also committed to providing environmentally conscious products around the world and reducing environmental impact in every stage of our business activities including development, production and distribution.

▶ Respecting diversity

We recognize and respect differences in culture, history and customs among countries and regions in the world. We value new ideas, which are created when people with different personalities, race, gender and age, enlighten each other. We also make use of human resources by respecting diversity, and focus on the Work-Style Innovation of individuals.

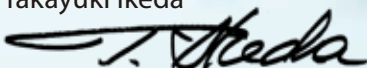
▶ Ensuring accountability to stakeholders

Through communication opportunities, we commit ourselves to thoroughly identifying and meeting the expectations of stakeholders as well as disclosing the information to be presented to them in a timely manner.

With the aim of becoming a global one-stop solutions company as a mid- to long-term vision of management, we take a variety of measures to achieve the "growth of global retail business," "expansion of solutions business" and "building of a stable profit structure by accelerating cost reduction and improving productivity". As a company that meets the requests and expectations of stakeholders, we continue to solve the problems of customers related to our group's products and services, and grow in a sustainable manner.

I appreciate and thank you for your continued support and guidance.

Takayuki Ikeda



President and Chief Executive Officer
TOSHIBA TEC CORPORATION
July 2016





FEATURE 1
Inbound Response

Providing a comfortable shopping with Toshiba Tec's **Quick Tax Free** system for tax exemptions!

The number of tourists inbound is increasing each year and an appropriate response is urgently needed. In addition, in anticipation of the 2020 Tokyo Olympics and Paralympics, various commercial facilities are reaching a peak in their efforts to prepare. The shopping environment for inbound tourists is becoming a serious social issue. Toshiba Tec's Quick Tax Free can help solve problems for both retailers and customers who are annoyed with crowded stores and long waiting times.

Background of Commercialization

Beginning in October 2014, all items, including consumables previously not declared as tax exempt, have become tax exempt. In April 2015, the procedures enacted by the third-party commission system for consumption tax became effective, allowing tax exemption processing for each retailer to be taken care of at a special commercial facility and collectively handled at the counter.

With inbound tourists rapidly increasing, the issues faced by retailers are also getting bigger day by day. Against this backdrop, we have become keenly aware of the necessity of systemizing all tax exemption procedures, and have commercialized our "Quick Tax Free" combined management system for tax exemptions.

This combined management system for tax exemptions is one step ahead of the others, which reflects our expertise and know-how in formulating effective solutions for shopping centers based on direct customer feedback.



(Right) Mitsuru Yamaguchi, (Left) Takeshi Nakazono
Electronic Payment System & Shopping Mall System Solutions Product
Department Product, Marketing Division, Retail Solutions Business Group

"This system was first installed in April, and is also scheduled to begin operation in October at a shopping center inside a train station in Tokyo. Our aim is to install 150 units in time for the 2020 Tokyo Olympics and Paralympics."

Advantages of Introduction

We offer **two types** of Quick Tax Free combined management system for tax exemptions; **distributed and centralized operation types both first in the industry**. You can select either one depending on your budget and operation process.

▶ Advantages for stores

The Quick Tax Free system enables the automatic generation of documents, and allows speedy refunds in coordination with other banking systems. It also helps retailers analyze their accumulated sales data, and more effectively use this data for sales promotion and strategy.

▶ Advantages for shoppers

Tax exemption procedures are handled all together, allowing shoppers to be free from the burden of presenting a passport at each shop. This system provides a smooth shopping experience, which can double the pleasure of shopping.

Release of the industry's first "distributed operation type" system

The "centralized operation type" system, which was previously released by a competitor, requires a troublesome amount of processing and time. By quickly responding to customer feedback, we have developed the industry's first "distributed operation type" combined management system for tax exemptions. The biggest advantage is that the Toshiba Tec's dedicated terminal can be used to register tax-free goods at each shop, reducing the time for processing tax exemptions as well as the number of registration errors at the counter.



experience for inbound tourists combined management

Well-received
at RETAIL TECH
JAPAN 2016!



Features of Service Two selectable types of operation

Industry's
first

Distributed operation type Faster response time to customers

Reception Reception counter for tax exemptions

Scans the passport of the customer and issues a reception receipt for tax exemptions. Registration

Registration Tenant

Scans the reception receipt for tax exemptions and registers target products with the client terminal.



Checkout Checkout counter for tax exemptions

Scans the reception receipt for tax exemptions and obtains purchase information. Issues documents required for tax exemptions processing and a refund.



Centralized operation type Lower installation cost

Tenant

Marks "general goods," "consumables" and "products not to be tax exempt" to target products on a purchase receipt.



Reception Registration Checkout Tax exemption counter

Scans the passport of the customer and registers target products. Issues documents required for tax exemption processing and a refund.



Storage of buyers' pledges in electronic data

Buyers' pledges can be stored along with electronic signatures in electronic data. Search for previous data is quickly implemented.

Printing in the foreign language of the nationality

In addition to Japanese, a receipt can be printed in the foreign language of the nationality of the passport holder (English, Chinese <simplified Chinese, traditional Chinese>, Korean).

Utilization for future creation of sales spaces and sales planning

Tax-free sales results can be output for a specified period by tenant, country and product. The output data can be used for sales promotion and strategy through multilateral analysis.

Selection of management server for tax exemptions

The server is selectable from two types; on-premise type that uses the server prepared on one's own and cloud type that uses Toshiba Tec's Cloud Services.

Automated refund processing

Coordination with the automatic cash dispenser or withdrawal system is allowed to reduce the burden of money management, including refund processing, by the operator.

Quick and fruitful hospitality in collaboration with other products!



VT-330

Quick consumption tax refund through automatic cash dispenser!



RECAIUS™

Smooth conversation with inbound tourists through simultaneous interpretation service!

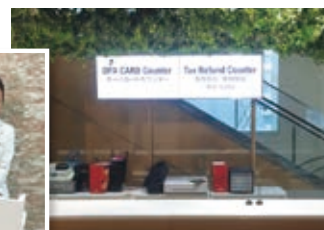
First user with
Quick Tax Free
installed

Shinsaibashi, OPA Co., Ltd.

Shinsaibashi – Opa is a large shopping center (with 2 basement floors and 11 floors above-ground), which is located close to Shinsaibashi Subway Station in Osaka. The "distributed operation type" system and cloud-type management server for tax exemptions that allow accurate and rapid processing have been installed. Since the installation on April 1, 2016, tax-free shops have been increasing in the shopping center.

Shinsaibashi – Opa is the first user who has installed Quick Tax Free. Therefore, we review and respond to their requests as needed, and work on standardizing this system as a more user-friendly one.

Reception counter on the 1st floor ▶



Checkout counter on the 7th floor ▲

FEATURE 2
Supporting Children's Curiosity and Inquiry!

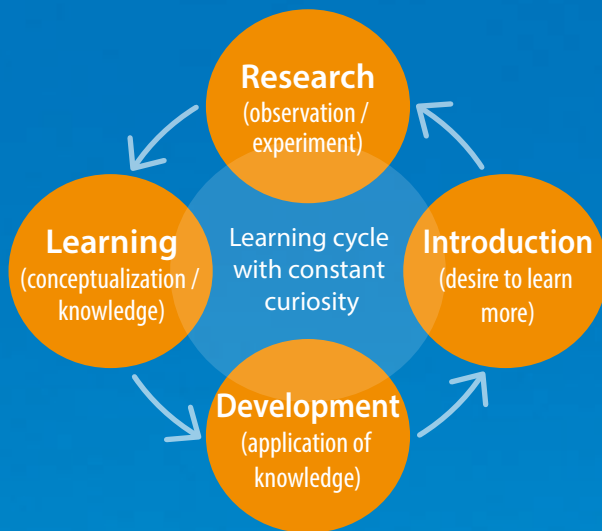
Experience-based School Visit Program provided by Toshiba Tec Solution Services Corporation*

* Toshiba Tec Solution Services Corporation provides network, system operation and multi-vendor support services with a focus on maintenance services of POS and MFP.

We actively provide educational support activities to raise children who can find problems and take action, in order to achieve a sustainable society.

- 2006: Started the school visit program to elementary schools in Tokyo, in order to support the installation of this program.
- 2004: Started to participate in the "Kids' ISO 14000 Program*" environmental education program.

* The Kids' ISO 14000 Program was developed by the International Art and Technology Cooperation Organization (ArTech), and is an environmental education program for children, which is provided over the world.



For the purpose of "learning together instead of just teaching," we focus on a learning cycle that does not end with only "experiment" and "experience". We aim to carry out activities that make you want to tell others about your learning experience, allowing it to be spread far and wide through word of mouth.

History of Kids' ISO "Environmental Protection Team"

The number of employees' children who have participated in this program (so-called "Environmental Protection Team" within the Toshiba Tec Group) exceeds 200.

[Voice of the member of the 1st class who has become a member of society in spring 2016]

The Kids' ISO 14000 Program has inspired me to be interested in the environment. I remember that I was first urged by my parents but got excited every week, and took the initiative toward the end.



5th grade of elementary school in 2004



Spring 2016

Contribution to Diversity

Curriculum that helps children learn and act on their own initiative is accomplished by teaching them in familiar surroundings with materials that are integrated into the curriculum. For example, the curriculum for special-needs schools is arranged to enhance self-confidence and self-affirmation, such as "I get it" and "I can make it." This program attracts the attention of teachers and further motivates them to identify each child's unique capabilities and characteristics that may not be plainly visible in daily life.



Vision

We would like to more often visit special-needs schools and free schools to support their participation in the society.

Examples of program activities

- "Experience as a Cashier"
- "Secret of Bar Code"
- "Course for Engineers"
- "Cash Register Disassembly Workshop"
- "Crime Scene Investigation"

Areas & coverage

- Elementary schools nationwide
- Vocational-technical high school students
- Community centers in the suburbs of Kanto
- Toshiba Science Museum
- Science Center for Children Hachilabo
- Special-needs school for the physically disabled
- Special-needs school for the mentally disabled
- Private junior high schools in Tokyo





Career Education based on Day-job Skills

Operating instructions are provided in accordance with the engineering skills and interpersonal skills of employees. Especially, the "Cash Register Disassembly Workshop" allows engineers to make full use of their main tasks (maintenance and inspection). Ingenuity is used to encourage all the participating children including younger ones who wear work gloves and hold drivers in their hands to have a pleasant experience.



Vision

Toshiba Tec group companies work together to provide career education toward various types of businesses.

Learning and Rediscovery of Instructors

Providing guidance and instruction to children also provides new learning opportunities for the instructors themselves to learn. In addition, seeking the cooperation of former employees in the community where the program is implemented improves its sustainability.

Our circle of activities that allows us to contribute to the community by sharing our career experiences is growing. This program is getting popular as requested by several communities.



Vision

Even instructors find something new every day! We provide this program in more communities in cooperation with our local former employees.

Our experience-based school visit program is widely appreciated.

Year	Commendation	Award	Sponsored by
2016	2015 Award for Companies Promoting Experience-based Learning Activities for the Youth	Committee Encouragement Award	Ministry of Education, Culture, Sports, Science and Technology
2015	2014 Award for Companies Promoting Experience-based Learning Activities for the Youth	Committee Encouragement Award	Ministry of Education, Culture, Sports, Science and Technology
2014	2014 CSR Initiative Award in Education	Award for Visiting Labs and Lectures for Elementary School Children category	Leave a Nest, Co.,Ltd.
2012	Kids Design Award	6th Kids Design Award "Category: Designs for consumers who lead the future"	Kids Design Association
2011	First Career Education Award	Jury's special award	Ministry of Economy, Trade and Industry
2010	Toshiba "ASHITA" Award	Award for excellence in social contribution	Toshiba Corporation

VOICE

A child who participated in "Experience as a Cashier" carried out at the elementary school in Sendai

Whenever I go to the supermarket, I have been very curious about the cash register and wanted to use it very much. So, I am very happy that I have actually experienced as a cashier. I have had an opportunity to learn a lot about the cash register and bar code. I usually keep receipts in my wallet without looking at them. But when looking at them carefully, I have found a lot of information on the receipt.

An engineer with five years of service who participated in the workshop at Science Center for Children Hachilabo

I think it difficult to provide an explanation to children because I have only a few opportunities of contact with them, but also this experience can lead to my regular work. I would like to avoid technical terms or vague expressions in response to customers while checking if they really understand.

A former employee residing in Sendai who participated in "Experience as a Cashier" carried out at the elementary school in Sendai

Four former employees including me helped with the experience in operating the equipment. Children were really excited about the structures of bar code and scanner. We, former employees were also surprised at the latest technology together with children. As we were smoothly helped with this program, I thought we are "still active" in society.

GOVERNANCE

We are committed to being a company that continues to be admired and trusted by society in a fair and sincere manner.
Each and every employee carries out activities intended to promote high corporate ethics and compliance.

ORGANIZATIONAL GOVERNANCE

While positioning CSR at the core of management, we are conducting business activities to improve the efficiency and transparency of management.

Corporate Governance

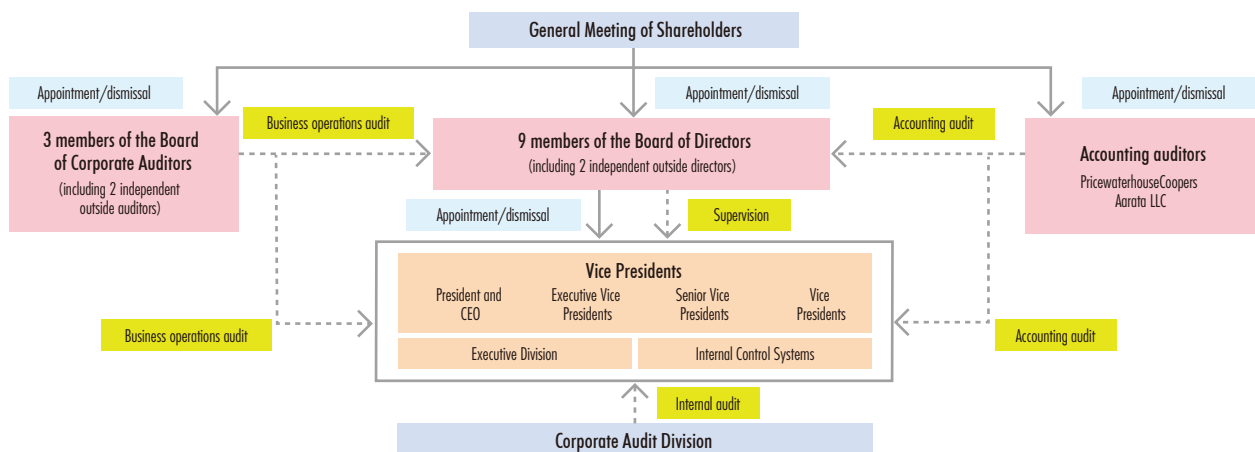
We recognize corporate governance as an essential management policy, which meets the expectations of stakeholders and continuously improves corporate values. We are committed to taking measures to improve the efficiency and transparency of management, as well as to reinforce the functions for the Board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

In terms of the corporate body, we have introduced the executive officer system to separate the functions related to supervision and decision making from the ones related to task enforcement. We also make efforts to improve the promptness and mobility of decision making by optimizing the number of directors. Moreover, we have assigned two independent outside directors

and two independent outside auditors to ensure transparency of management, as well as set the term of the directors to one year to clarify the management responsibility and promptly respond to changes in the management environment.

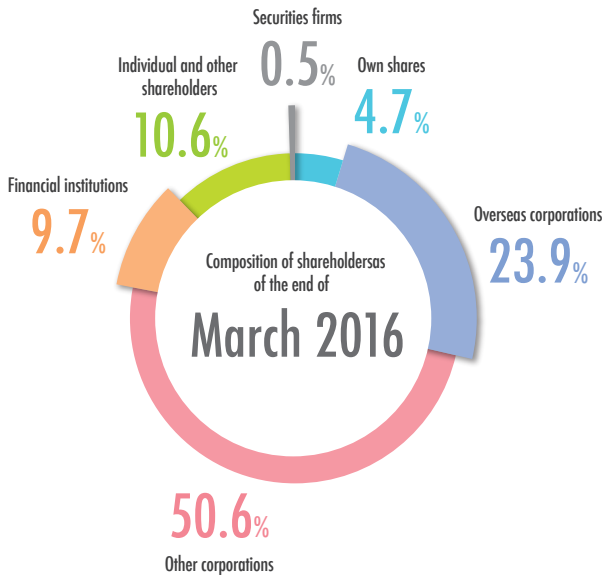
With regard to the management supervision, the directors supervise business execution, the corporate auditors audit business operations, the accounting auditors conduct accounting audits, and the corporate audit group performs internal audits. We also strive to enhance the internal control systems in terms of operating effectiveness and efficiency, reliability of financial reporting, compliance with the laws and regulations related to our business activities, and safeguarding of assets.

Corporate governance system



▶ Shareholders/Investors Relations

Composition of shareholders



General meeting of shareholders

We recognize the general meeting of shareholders as an important place to directly communicate with shareholders. On principle, we try to hold our general meetings of shareholders on days other than when many other companies hold their meetings. We notify our shareholders at least three weeks prior to the meeting date and work on improving the environment in which they can exercise their voting rights properly and smoothly through Internet polling and the Tokyo Stock Exchange (TSE) Electronic Voting Platform.


We disclose meeting notices by posting them on the TSE and our websites at least one day prior to the delivery date. We also post the simplified English version of the meeting notice (without attachments) on the TSE website and its Electronic Voting Platform, allowing foreign institutional investors to exercise their voting rights properly and smoothly.

Business report

We create business reports after announcing the second-quarter and financial statements, and deliver all of them to our shareholders. In the business reports, we comprehensively include topics and business forecasts for new products and services, as well as overviews of operations using diagrams and photos, to help shareholders understand the latest Toshiba Tec information in a streamlined format.

Investor relations library website

We post information, such as financial settlement information, timely disclosure data, financial statements, quarterly reports, business reports and stock information, in the Investor Relations. We provide the information to allow shareholders and investors to exhaustively obtain it in chronological order.

WEB  Investor Relations
<http://www.toshibatec.com/company/ir/>

Investor relations for institutional investors

In principle, we hold second-quarter and annual financial results briefing sessions after announcing each statement. Our Chief Financial Officer (CFO) provides an overview of financial statements to institutional investors and analysts. In fiscal 2015, we held a briefing session for each quarter's financial statement for the purpose of reporting on overseas retail business in a timely manner.



Financial results briefing



Business report

COMPLIANCE

We consider the implementation of compliance as an important component of CSR to conduct a variety of activities.

Risk Compliance

We appoint each company president and CEO as a CRO* in order to propagate and thoroughly implement the "Standards Of Conduct of the Toshiba Tec Group" as well as advance the risk compliance measures. Top management exercises initiative to devise and promote various strategies in response to emergency situations.

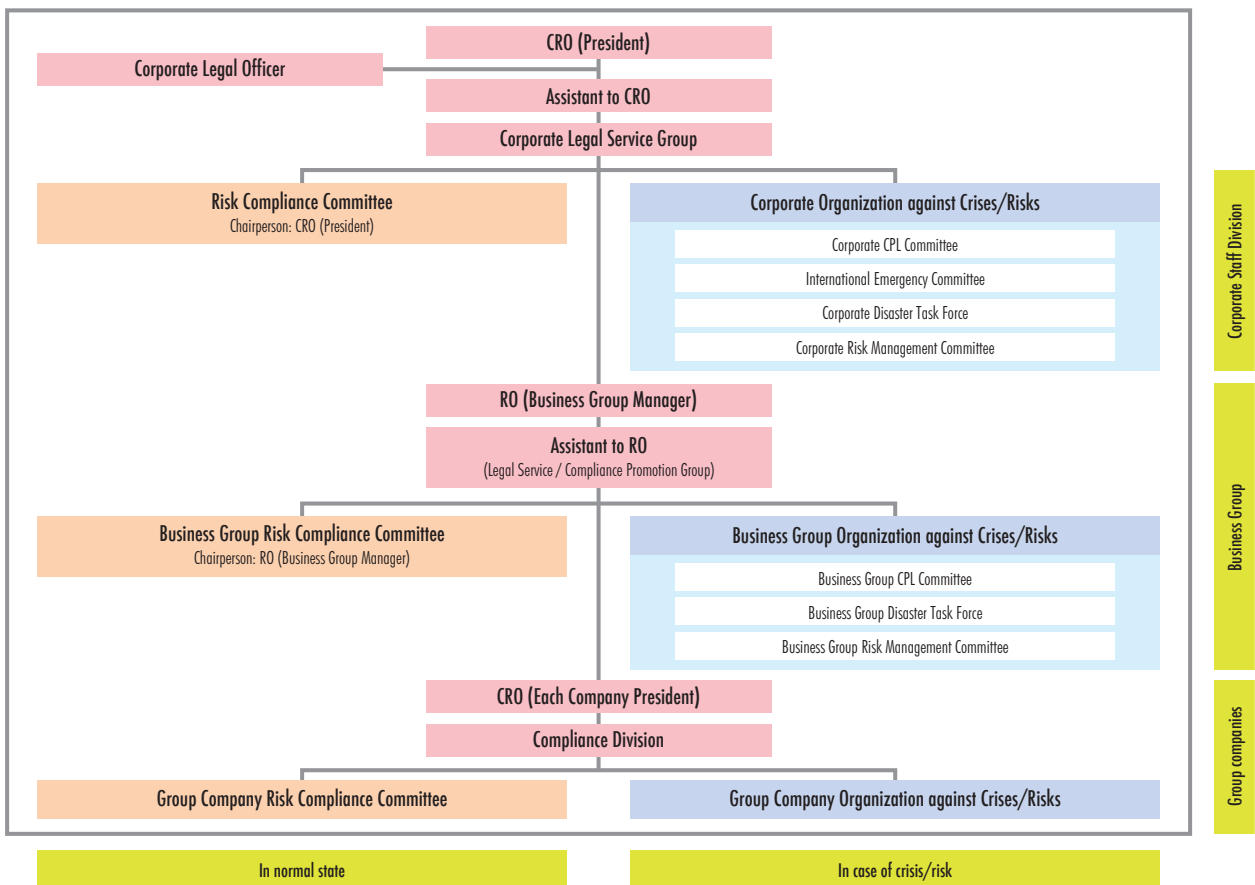
We organize the Risk Compliance Committee under the chairmanship of the CRO, to maintain the system of the entire Toshiba Tec Group, devise and promote the

advancement of risk compliance. We have also established a whistleblower system, which enables employees to report on risk compliance-related issues to the CRO or outside attorneys. The "Toshiba Tec Partner Hotline" is operated to allow business partners to report on such issues through the whistleblower website.

* CRO: Chief Risk Compliance Management Officer

WEB  Toshiba Tec Partner Hotline
<http://www.toshibatec.co.jp/contacts/partnerline/> in Japanese only

Risk compliance system



Compliance education

To foster high ethics and a law-abiding awareness, we provide various compliance programs to our employees, such as the themes on the left.

[Main educational themes]

- Standards of Conduct / Accounting Compliance / Sales Risk
- Information Security / Personal Data Protection / Mental Health
- SNS Risk / Governance / Export Control / Subcontract Act / Environment
- Electrical Safety Law / Training before Overseas Assignment / Antitrust Laws / Anti Bribery

▶ 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.

We maintain the basic policy, that, we will not engage in any transaction, which could potentially undermine international peace and security. Under this basic policy, we comply with all applicable export control laws and regulations in countries and regions where we operate (the Foreign Exchange and Foreign Trade Control Law in Japan). We also comply with U.S. export control laws and regulations with respect to transactions involving U.S. origin cargos and technologies.

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

▶ Information Security

We recognize all information, including sales and technical data handled while carrying out the tasks, as important property, and make efforts to protect such information from improper disclosure, leakage or use. In fiscal 2015, there were no information security incidents that were likely to cause serious problems, such as unauthorized access to internal/external servers, falsification, loss or theft of computers/electronic media in which important company data or customers' personal data is stored.

We have also established a system and rules for information security management, to review them in response to the changes in the social environment. On the basis of their design, development, and quality assurance, Shizuoka Business Center (Mishima and Ohito) received the ISO/IEC27001:2005 certification in fiscal 2007 and 2012, and upgraded to the ISO/IEC27001:2013 certification in fiscal 2014.

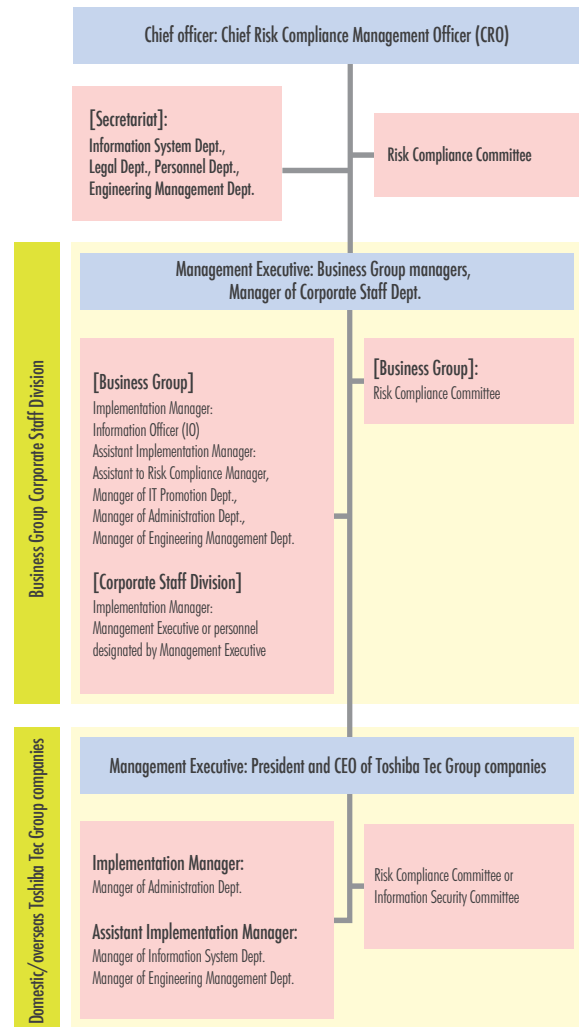
The server is housed in a safe data center, to manage important information and information systems, and take anti-risk measures including disasters. Furthermore, we limit the available information, control the usage of records and encrypt confidential information such as personal data, to enhance security.

Each division continuously makes improvements by voluntarily auditing the status of compliance with the internal rules.

We provide education to executives, employees, employees dispatched from cooperation companies through e-Learning, in order to prevent accidents and thoroughly inform all employees

of the prevention of accidents and information security measures while handling information. Information security training was provided to all 3,450 Toshiba Tec employees in fiscal 2015. Our group companies take similar measures, respectively, thus, we make a concerted effort to maintain and improve information security throughout the Toshiba Tec Group.

Information security management system



▶ Protection of Intellectual Property

The Toshiba Tec Group's policy for intellectual property rights states compliance with laws and regulations associated with those rights, protection of the results of intellectual activities with intellectual property rights and extensive use of those rights, and respect for the legitimate intellectual property rights of third parties. This policy is stipulated in the Standards Of Conduct of the Toshiba Tec Group. As part of this policy, we are working with the regulatory authorities of each country to eliminate counterfeit products that damage the Toshiba brand and enhance our management system, such as the provision of training to our executives and employees including domestic and overseas group companies, with the aim of preventing unauthorized use of other people's publications.



SOCIETY

We work on CSR through "people-based" management and supply chains, as well as developing and providing products and services that give top priority to our customers.

▶ HUMAN RIGHTS, DIVERSITY & LABOR

We respect every employee and actively support diverse work styles, as well as consider safety control and healthcare as a top priority issue for management.

▶ Respect for Human Rights and Prohibition of Discrimination

"Human Rights" is prioritized as item number one in the "Standards of Conduct of the Toshiba Tec Group," with which its executives and employees must comply.

These standards stipulate the following fundamental principles:

Adherence to all relevant laws and regulations, respect for fundamental human rights, along with prohibition of child labor and forced labor. They also clearly state that the fundamental human rights, character and privacy of individuals must be respected, and diverse values must be accepted. Also, discriminatory behavior based on race, religion, gender, nationality, disability, age or sexual orientation, as well as acts of violence, sexual harassment, power harassment (workplace bullying and harassment), or any other actions that violate the human rights of others are banned.

In addition, the standards state that compliance with international rules related to human rights as well as the laws and regulations in countries and communities where we operate must be taken into account. Any actions that may violate the fundamental human rights of our suppliers must be corrected immediately.

We recognize that it is essential to ensure that this policy is followed by the Toshiba Tec Group and its supply chains. We specify consideration to human rights in the "Supplier Expectations" section of the "Procurement Policy of the Toshiba Tec Group" to further require our suppliers to comply with the policy, and check their compliance status through CSR surveys.

Human rights education

With the aim of establishing a discrimination-free organization that provides job satisfaction, we encourage our employees to foster awareness of human rights under the leadership of the Diversity Committee. We provide human rights education to new employees and appointed managers in training.

Human rights education

In fiscal 2015, we conducted a questionnaire-based survey on harassment and had our attorneys provide training on harassment for executives in order to prevent workplace harassment.

Consultation services are made fully available and counselors are specified for each workplace. In each workplace, one male and one female counselor who have received harassment consultation training are allocated to respond to harassment complaints.

We aim to create a corporate culture with a friendly atmosphere where the problems of employees can be solved together.

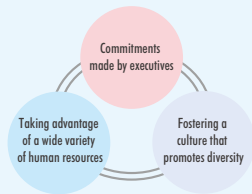
▶ Promotion of Diversity

We believe that the utilization of diverse human resources, regardless of gender, age and nationality, leads to increased innovation and vitality, which allows us to more readily adapt to unexpected issues or changes in the market, thereby increasing our global competitiveness. We consider diversity management as a basis for implementing an effective overall management strategy.

Activity

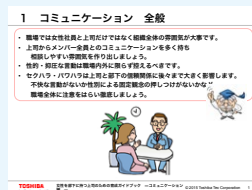
Raising management's awareness and commitment

In February 2015, we held a lecture meeting called "Diversity as a Management Strategy for further value creation" and a total of 219 employees including executives and managers attended it. In December 2015, we held a "Diversity Committee" which has executives as members, in order to establish a system to clearly regard the promotion of diversity management as a management strategy. By periodically holding committee meetings, we strive to foster a culture that takes advantage of a wide variety of human resources and promotes diversity based on the commitments made by executives.



Improving the awareness and understanding on-site management

In March 2015, we created a new booklet titled "Guidebook for Training Managers who have Female Subordinates". It summarizes the key points that managers need to know in order to train female subordinates. We distributed the booklet to all managers and female employees.



e-Learning screen

In an effort to facilitate improvement of on-site management practices, the content of the training guidebook has been provided by e-Learning since December 2015.

Raising the awareness of women

In July 2015, we held a saleswoman exchange meeting for the purpose of building careers and networks that can overcome life events. A small number of female employees work in branch and sales offices nationwide and do not have any colleagues of the same gender or generation to seek advice from. Therefore, we held a study/exchange meeting to encourage saleswomen and female system engineers with up to ten years of service to participate in a program balanced between sales activities and life events.



Creating an environment in which female employees can work safely

In July 2015 we implemented the "Mutual Understanding Program for Childbirth and Childrearing" system to help female employees prepare for life events such as childbirth and childrearing, which will provide peace of mind and allow them to continue to work for a long time even after these events. This program is intended to develop an easy-to-work environment where supervisors and female employees have periodic interviews to deepen mutual understanding during the period before and after maternity/childcare leave. Eight female employees used this program in fiscal 2015 and a male employee took childcare leave for the first time in January 2016.

resources that are not based only on attributes. We have disclosed an action plan with mid-term goals for fiscal 2018, in accordance with the enforcement of the Law on Promoting Women in the Workplace.

Percentage of female employees and percentage of female managers (Toshiba Tec)

	FY2013	FY2014	FY2015
Percentage of female employees	11.9%	11.8%	12.1%
Percentage of female managers	1.6%	2.0%	2.2%

Mid-term goals (Action plan based on the Law on Promoting Women in the Workplace)

- Goal 1: Raise the female employment rate among new graduates from 19% to 25%.
- ◇ Implementation of company information sessions and meetings for female students (from fiscal 2016)
 - ◇ Enhancement of information provision, such as introduction of female employees (from fiscal 2016)
- Goal 2: Foster career awareness of female employees.
- ◇ Introduction of training program for female employees (from fiscal 2016)
 - ◇ Implementation of Career & Life: Mutual Understanding Program (from fiscal 2016)

Employment of people with disabilities

We endeavor to create workplace environments where people, both with and without disabilities, can work together equally. Employees with disabilities are involved in a variety of operations. We are positively hiring people with disabilities through Internet recruitment and various other types of forums, as well as improving workplace environments to bring their capabilities into full play. Since fiscal 2015, we have been eligible as a company that employs people with disabilities. We expand the areas of their activities throughout the Group and work together to improve workplace environments.

Employment ratio of employees with disabilities

	April 2014	April 2015	April 2016
Toshiba Tec	2.13%	2.08%	2.05%
Domestic group companies	2.38%	2.40%	2.49%
Total of domestic Toshiba Tec Group	2.26%	2.25%	2.27%

Supporting Diverse Work Styles

We are working on activities toward accelerating work-life balance under the unique name of "Work-style Innovation (WSI)". "WSI" refers to a campaign aimed at creating a positive spiral, where employees work very hard and efficiently and also make the most of their private lives to rejuvenate and improve themselves so that they can add higher value to their work.

Smart Work Challenge (SWC)

We at Toshiba Tec Solution Services Corporation refer to our method for improving operations and productivity as "SWC". This is accomplished by encouraging each and every employee to improve their attitude at work by reviewing how they can work to promote a better work-life balance. We aim to establish a positive workplace where employees can develop their potential by improving the work system and workplace environment, as well as by raising general awareness.

Support for female employees

With an eye toward creating a Toshiba Tec where each and every one of us is bright and energetic, we utilize a wide variety of human

▶ Education and Training System

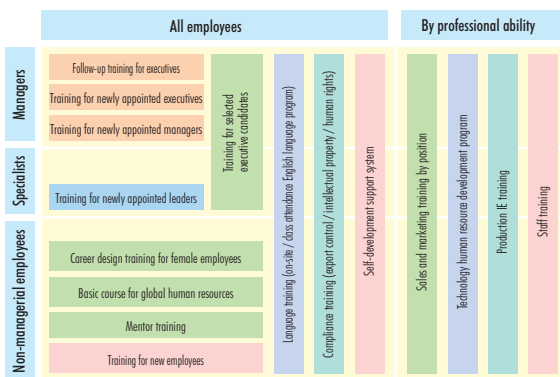
Our education and training system consists of several training programs, such as a training to enable employees to acquire sophisticated expertise in conjunction with their own goals and aspirations, an enlightenment education including compliance education for each and every employee, and training by position at every stage throughout corporate life. We provide a variety of training programs in response to individual employees and task needs.

We also develop a consistent training system in our group companies.

Training by position

We provide various kinds of training programs by position of employees; introduction training for new employees, group training for newly appointed deputy specialists, and basic education of management knowledge including compliance and corporate accounting for managers. After a certain period of time, these managers take group training to improve human skills such as coaching. For general managers, we provide group training and training by external instructors for the purpose of improving conceptual skills to devise strategies from a top management's point of view.

Education system



Global human resource development course

Under the current business environment, the need for human resources who can play active roles in the international arena is increasing. With a focus on the development of global human resources who have a deep cross-cultural understanding and the ability to carry out their tasks through dialogue with people around the world, we provide a course on global human development for young to mid-career employees, to systematically develop human resources with ingenuity, cultural enrichment and a global sense, as well as language ability.

▶ Labor Management Relations

We have many opportunities to encourage labor-management dialogue for smooth labor-management relations and corporate business activities. Labor and management have agreed that business plans and performance, and major organizational reforms must be periodically explained to the labor union, and that changes in labor conditions must be discussed between labor and management in advance.



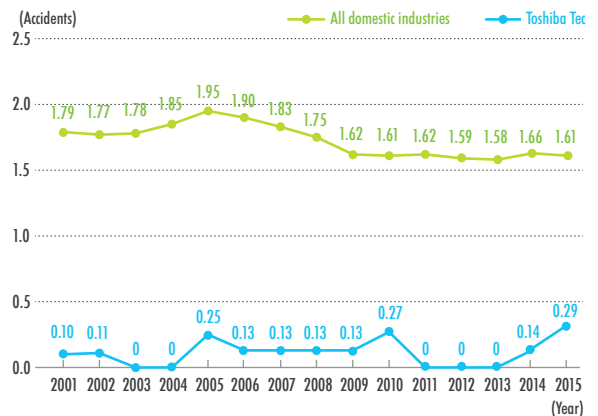
Business briefing labor-management meeting

▶ Health and Safety

Prevention of industrial accidents

The occurrence of accidents with lost days at Toshiba Tec is well below the average of all industries. We make efforts to prevent industrial accidents by conducting risk assessments to clarify risks that may cause accidents, reviewing operation processes and renovating equipment to reduce risks. We also take preventive measures against similar accidents and provide a safe workplace by implementing thorough measures to prevent recurrence of past incidents and providing safety training.

Occurrence of accidents with lost days (per million man-hours)



Implementation of safety patrol

The President and the responsible officer of the Corporate Human Resources & Administration Group conduct safety patrols. In fiscal 2015, we had safety patrol conducted by the responsible officer of the Corporate Human Resources & Administration Group in July and by the President in October at Shizuoka Business Center (Mishima, Ohito) and group companies.



Safety patrol

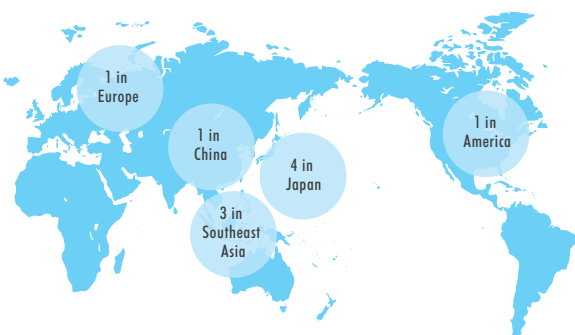
Awareness development of health and safety

As a measure to raise our employees' safety awareness, the President delivers messages during Nationwide Safety Week (July 1 to 7) and Occupational Health Week (October 1 to 7). In fiscal 2015, as part of a risk reduction effort in the transportation/installation of heavy items, guidelines to prevent accidents when handling such items by hand or by cart were created to thoroughly prepare both Toshiba Tec and its group companies.

Occupational Health and Safety Management System (OHSAS) Certification

All ten of our domestic and overseas production group companies have obtained OHSAS 18001 certification which is an international occupational safety and health management system specification. This management system is managed to improve health and safety issues related to each workplace and operations, create safe and comfortable workplace environments, maintain and promote the health of employees.

OHSAS 18001 accredited consolidated subsidiaries by region (production companies)



Health care programs

We implement various approaches to help all employees raise awareness of health and maintain physical and mental health. With the aim of standardizing and streamlining medical checkups as the basis for health care of employees and post-checkup cares, we have introduced a system, which unifies the result data of medical checkups and interviews, to utilize them for health guidance and education.

Labor overload such as excessive work hours may aggravate health disorders such as cerebrovascular and cardiovascular diseases. To prevent health disorders related to work, 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 maintain and promote their health. The Return to Work program is established to help employees who have taken a long-term leave adjust back into the workplace with ease, as well as prevent recurrence.

Activity

Training by age

This training is provided to encourage each and every employee to be aware of changes in their physical condition and skill levels due to age and how to cope with them, as well as to autonomously promote better physical and mental health practices. It was provided at the Head Office, Shizuoka Business Center (Mishima, Ohito and its group companies), branch and sales offices in fiscal 2015. It is scheduled in a sequential order at other group companies in fiscal 2016 or later.

<Details>

Target: Regular employees

Method: Provide by group aged 30, 40 and 50 years.

Time: 90-minute lecture (with a group workshop)



Training by age

Mental health education through e-Learning

This program is offered annually to encourage each and every employee to learn the correct knowledge of mental health and how to cope with mental and physical disorders, as well as to put them in practice. In fiscal 2015, it was provided in September.

Anti-smoking measures

In fiscal 2015, in support of the Worldwide No Tobacco Day and No-Smoking Week (June 1 to 4), we conducted a questionnaire-based survey on closing the smoking room and banning smoking at our head office and in all branch offices.

Central Health and Safety Committee

In principle, a committee is held twice a year for the purpose of discussing measures and policies based on overall health and safety. The head officer of the Corporate Human Resources & Administration Group acts as chairperson, and members designated by the chairperson and recommended by the labor union attend the committee.



CUSTOMER SATISFACTION

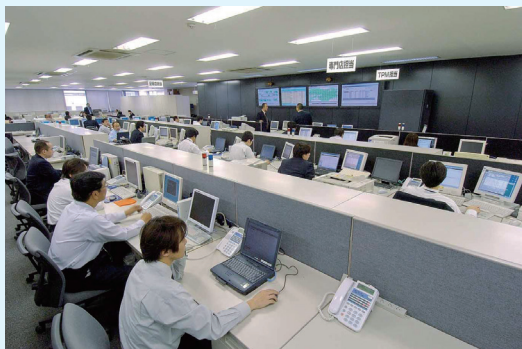
Each division works together to improve the quality based on the voice of customers. We also think and behave from the customer's point of view to offer products and services that satisfy customers with safe and reliable quality.

▶ Voice of the Customer

Toshiba Tec's corporate philosophy of listening to the voice of the customer (VoC) has allowed us to find customers' real opinions and problems they really want to solve, to provide quality and services that accurately meet their needs. We use feedback from customers via the contact center or communications with our salespersons, notice customers' real opinions and problems, the causes of which they have not fully recognized, analyze and improve these opinions and problems to reflect them on next products. In the product development stage, we provide robustness and redundancy to the product with quality engineering in order to realize more accurate and functional product creation. In the commercialization stage, we create attractive products and provide reliable systems through simulations and design reviews by assuming every possible environment and situation in which customers use them.

Activity

We at Toshiba Tec Solution Services Corporation are in charge of monitoring, maintaining, and servicing our nationwide network of POS systems 24 hours a day, 365 days a year, via four contact centers. Our engineers (service technicians) at these sites remain in close contact with our customers to provide operational support and handle failure recovery in a precise and smooth manner, in collaboration with approximately 130 other local sites. We collect comments and requests for our services in order to enhance customer satisfaction and to improve services and operations.



TE Contact Center™

▶ Activities as a Global Company

We globally provide products and services that deliver customer satisfaction.

As the company with the largest market share of retail products, we firmly maintain a global quality assurance system, as well as maintain and improve the level of quality through meetings with overseas manufacturing subsidiaries. We share and use quality information through the W/W service network.

▶ Safety and Security

We develop specialists in product safety, reliability and risk assessment, and work on technical research to ensure quality that reassures customers, based on the Basic Policy on Product Safety.

In order to allow our customers to use products and services with peace of mind, we predict possible failures or accidents, implement risk assessment to prevent occurrences, and provide products and services that have passed evaluation and verification processes.

In the event that a serious product accident is reported to us, we organize a system to quickly and sincerely respond to the accident at the initiative of the CQO*, under the instruction of the President.

* CQO: Chief Quality Officer



Basic Policy on Product Safety

<http://www.toshibatec.com/company/csr/customer/safety.html>

▶ Enhancing Customer Satisfaction

"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 Management Policy of the Toshiba Tec Group.

We exercise our business activities, while giving top priority to providing products and services that satisfy and please customers. To achieve this, each employee needs to think and behave from the customers' point of view, by asking himself/herself what customers want and what value is important for customers.

We aim to enhance customer satisfaction (CS) through delivery 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.

▶ Development of User Experience Design (UXD) / Global Products

UXD is one of the methods to create more satisfactory products and systems that can provide users with functions, user-friendliness and attractive experience.

We conduct hearing surveys in Japan and overseas and understand the customer's usage status in order to clarify problems and requests during product development. By solving problems detected using the UXD method, we aim to provide products and services that satisfy more customers.

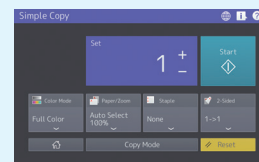
Global product development

"New e-STUDIO Series" Digital Multifunction Peripheral

This MFP is equipped with an ingeniously user-friendly, intuitively-operated touch screen, which follows the latest trends in IT hardware. A "Simple User Interface", in which frequently used basic functions are placed on a screen in an easy-to-understand way, is intuitive regardless of whether or not users have had previous experience or training in MFPs.



Touch screen



Simply Copy



e-STUDIO5005AC

"B-FV4 Series" Label Printer

The top side panel is concave to prevent the malfunction of operation buttons even if delivery is placed on the top, from observations of logistics sites.

This printer is adaptable to a variety of situations including a backyard and store due to its compact design, which enables easy installation, even on a store counter.

● iF Design Award 2015 received

● Good Design Award 2015 received



B-FV4D



PROMOTION OF CSR PROCUREMENT

We work on CSR through supply chains, in order to continue to develop together with suppliers to build better partnerships, as well as promote CSR including suppliers.

▶ Procurement Policy

As a member of the Toshiba Group, we make efforts to build sound partnerships with suppliers through procurement activities based on the "Procurement Policy of the Toshiba Tec Group". We request suppliers to take into account human rights, labor, health and safety along with the environment. When selecting new suppliers, we preferentially advance transactions with suppliers that are committed to focusing on consideration for CSR.

The "Procurement Policy of the Toshiba Tec Group" was established in August 2007, for the purposes of helping suppliers, who play a key role in production and service provision for its group companies, understand the policy much better, as well as encouraging cooperation to CSR promotion. Since then, we have been requesting suppliers to put the policy in practice while revising it depending on the social situation.

In October 2014, we clearly specified to conduct activities in accordance with the UN Global Compact and the EICC (Electronic Industry Citizenship Coalition) code of conduct, both of which Toshiba has pledged to follow, and thoroughly informed our domestic and overseas suppliers of the activities.

WEB  Procurement Policy of the Toshiba Tec Group
<http://www.toshibatec.com/company/procure/plan.html>

▶ Compliance in Procurement

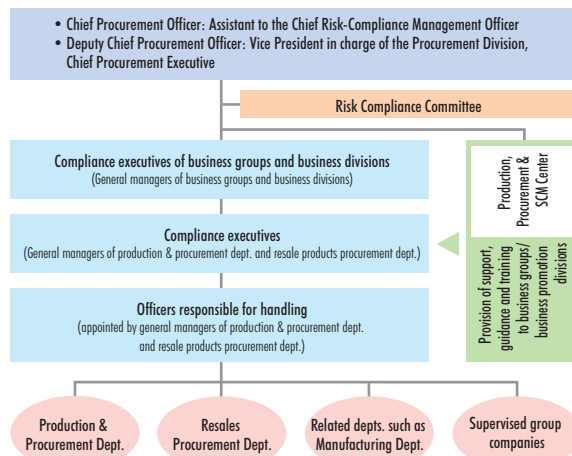
We have established a system for ensuring compliance concerning procurement, which is connected with the Procurement Department under the system of Toshiba, and enhance procurement compliance. Information related to compliance concerning procurement is thoroughly informed in-house and to our group companies through this system. Moreover, measures are thoroughly informed through Group Company Procurement Department Manager Liaison Meetings organized by the Procurement Department of Production, Procurement & SCM Center.

We continue with audits against the act for domestic group companies with regard to subcontracted transactions to ensure fair transactions with subcontractors.

In addition, we have been annually providing e-Learning on the Subcontract Law for employees of our domestic group companies. In fiscal 2015, a total of 6,928 employees including eight domestic group companies as well as executives participated

in the e-Learning program on the Subcontract Act. We actively participate in training sessions on the Subcontract Act organized by supervisory or other authorities.

Material procurement compliance management system



▶ Non-use of Conflict Minerals

Since Section 1502 on conflict minerals of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) enacted in January 2013, companies listed in American Exchange are required to report on the use of conflict minerals mined in the Democratic Republic of the Congo and its adjoining countries. The Toshiba Group is not a listed company; however, as a part of the supply chain of listed companies, is obliged to investigate and report to our customers.

Prior to the enactment of the Act, the Toshiba Group organized an internal system to address conflict minerals issues, and established the Toshiba Group Conflict Mineral Policy and publicized it on its website in October 2011.

For humanitarian reasons, we prohibit the use of raw materials such as tin, tantalum, tungsten and gold mined in the Democratic Republic of the Congo and its neighboring countries which violate human rights, in accordance with the Toshiba Group Policy. In June 2013, we started a survey with overseas production subsidiaries and suppliers of Shizuoka Business Center which may use 3TG*, regarding the use of conflict minerals and the smelter verification using the Conflict Mineral Reporting Templates (EICC/ GeSI format), and continued with the survey in fiscal 2015.

* "3TG" stands for the initial letters of four conflict minerals, Tin, Tantalum, Tungsten and Gold.

SOCIAL CONTRIBUTION ACTIVITIES

We define the Corporate Policy regarding "Community Relations" in our Standards Of Conduct (SOC).

We get involved in social contribution activities based on this policy with a focus on activities capitalizing on our business and continuous relationships with local communities.

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 in order to perform its duties as a member of these communities and engage and collaborate with a wide range of stakeholders such as nonprofit organization, nongovernmental organization, administrative organization and international body;
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.

Simultaneous Actions

The Toshiba Group holds "Global Environmental Action" on June 5 which is World Environment Day and "Simultaneous Social Contribution Action" on December 5 which is International Volunteer Day, to encourage all of its employees around the world together to carry out environmental and social contribution activities.

Participation in Global Environmental Action

We carry out environmental activities with the slogan of environmental communication programs which `connect` employees around the world. In fiscal 2015, 24 activities, including tree planting, cleanup and energy saving, were performed in ten countries where our group countries operate.



Participation in Simultaneous Social Contribution Action

The aim of this initiative is to make a significant social contribution that cannot be achieved by individuals, through the collective efforts of each and every employee. In fiscal 2015, activities, including blood drive, contribution of money and good, and cleanup, were performed in six countries where our group companies operate.



**Social contribution by
Toshiba Group's 200,000 Employees**
Committed to People, Committed to the Future.

Volunteer Activities

Toshiba Tec Philanthropy Fund

We established the "Toshiba Tec Philanthropy Fund" in 1992, which is made up of contributions from employee salaries and bonuses. We annually use these donations to promote local welfare activities, support children who will lead the next generation, and donate money and goods to promote environmental protection. In the event of large-scale disasters, we provide monetary donations. The sum total of our donations has reached approximately 130 million yen up to fiscal 2015. We seek opinions from the fund members and determine the recipient of contribution during the philanthropy fund utilization committee between labor and management. In fiscal 2015, we made donations to the "Fukushima Donation for Orphans affected by the Great East Japan Earthquake" and the Central Community Chest of Japan "Red Feather campaign" as well

as playground equipment and picture books to child welfare institutions, kindergartens and nursery schools in the communities in which the Head Office and Shizuoka Business Center are located.



Reconstruction support activities by new employees

Since fiscal 2012, our new employees have been participating in Toshiba Group's Tohoku Reconstruction Support Project. In April 2016, 88 of them participated in activities, such as selecting scallop shells for oyster farming, preparing the logged forest to reduce weevil damage and planting cypress seedlings in Minamisanriku and Ishinomaki, Miyagi. These activities among people who make efforts to recover from the earthquake provide them with extremely valuable social and life experiences.



Blood drive

Many employees participate in a blood drive that is annually conducted at each site.



Pink ribbon campaign

The pink ribbon campaign calls for early detection, diagnosis and treatment of breast cancer. As the Toshiba Group, we have been participating in the walk event held every year to support this campaign since 2009. In fiscal 2015, a total of 53 employees participated in the walk event held in Tokyo, Sendai and Kobe. The sum total of participants has reached 226.

At the Osaki Office, pink ribbon paper cups, the purchase of which includes a donation, are used for tea machines and serving beverages to visitors, to donate a portion of sales to the Japan Cancer Society.



▶ Support for Children Who Lead the Next Generation

Head office tours for children

We invite our employees' children to the Head Office during the summer vacation. A tour of the showroom, workplace and a visit to the president's office along with the operation of cash registers are organized to help children gain social experience as well as to provide an opportunity for our employees and their children to deepen family bonds. We have held this tour once every one or two years since fiscal 2005. The sum total of participating employees and their families has reached 484.



Workplace tours and experience learning

We provide workplace tours to elementary, junior high and high school students in local communities or on school trips, and offer opportunities for them to learn through experience. We support the students' future learning through showroom tours, product operation and discussions with our employees. In fiscal 2015, a total of 46 students visited our office from five schools (two junior high schools and three high schools).



Voluntary story telling

In April 2011, we donated books and picture books to kindergartens and elementary schools near the Shizuoka Business Center, and our employee volunteers have been holding story-telling sessions since then. The circle of volunteer story-telling has been growing in-house every year, and the sum total of participating group company employees has reached 55.



▶ Activities to Preserve the Global Environment

Sea turtle protection in Penang

We at Toshiba Tec Malaysia Manufacturing Sdn Bhd. have been involved in protecting sea turtles since 2013 because the population, including a species of green turtles in Malaysian waters, is decreasing. We raise the baby turtles ourselves and provide cages to surround the hatcheries in order to protect them from predators, such as raccoons, lizards, and monkeys. All of us, executives and employees alike, help the sea hatchlings make it safely to the ocean, working together with local officials and residents. It is a great opportunity to learn about the importance of supporting sea turtle hatcheries.



Tree planting / beach clean-up activities in Batam

At P.T. TEC Indonesia, we carry out tree-planting and beach clean-up activities every year to raise the environmental awareness of employees and transmit a clean and green earth for future generations.



Lake Mitchell cleanups

In May 2015, 12 employees of Toshiba America Business Solutions, Inc. participated in the Lake Mitchell cleanups and installed benches made from recycled waste toner cartridges to allow those walking around the lake the chance to take a rest or enjoy the scenery.



Participation in "Construction of Small Dams in Forest Areas" sponsored by Mishima

We have been participating in the project sponsored by Mishima, Shizuoka, to build small dams in streams with the aim of enhancing the forest groundwater recharge system and preventing soil loss, every year since 2003. In fiscal 2015, a total of 15 employees and their families participated in this project near the Hakone Youth Center, and built 15 dams by thinning the forest and using the thinned trees.

It has been the 12th time to participate in this project. The sum total of 118 dams has been built.



Clean-up activities

We carry out clean-up activities in the neighboring streets, rivers, beaches and parks at sites around the world during the period of Global Environmental Action and Simultaneous Social Contribution Action.



ENVIRONMENT

Based on recognition of the fact that it is our responsibility to maintain the health of the global environment as an irreplaceable asset for future generations, the TOSHIBA TEC Group contributes to the creation of new values and harmony with the Earth.

VISION & STRATEGIES

Promotion of "Three Greens" based on "Environmental Vision 2050"

In our role as one of the world's foremost eco-companies, we are practicing environmental management based on the Toshiba Group's Environmental Vision 2050 to promote harmony with the Earth, and contributing to the creation of a richer lifestyle for society.

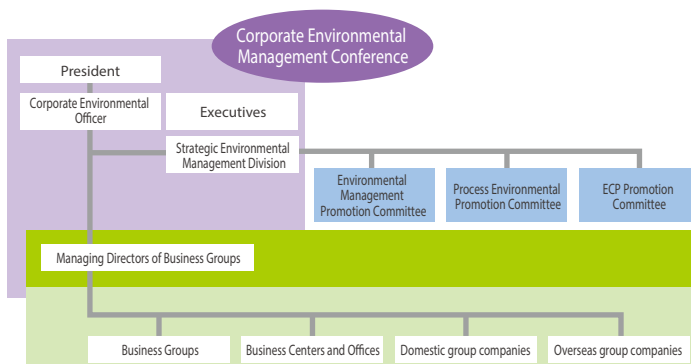
Based on the following three Greens, we focus on reducing environmental impact in every product and process from the perspectives of mitigation of climate change, efficient use of resources and management of chemicals.

Integration of business management and environmental management

Implementation of measures with 3 Greens	Greening of Products	Creation of products with the highest environmental performance
	Greening of Process	Environmentally conscious manufacturing
	Green Management	Continuous improvement of basic activities



Environmental Promotion Structure



Corporate Environmental Management Conference

TOSHIBA TEC Group's Basic Policy for the Environment

We, the TOSHIBA TEC Group as a "global enterprise," which offers global one stop solutions to the nucleus putting retail business, printing business, AI/IJ business, contribute to society by reducing our customers' and our environmental impacts through "Monozukuri" or by creating environmentally conscious products. We practice global sustainability with the aim of realizing a low-carbon society, recycling-based society and natural symbiosis society by seeking to bring together business and environmental activities, in order to hand down to our next generation, the health of the global environment as an irreplaceable asset. Given Greening of Products, Greening of Process and Green Management 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. Greening of Products

- The TOSHIBA TEC Group pursues the highest level of Environmental performance on our products, then, aim at creation of Excellent ECPs and wide acceptance in the market.
- 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 specified chemical substances, in order to provide ECPs on a global basis.
- The TOSHIBA TEC Group advances distribution of ECPs 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 end-of-use parts.

2. Greening of Process

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

3. Green Management

- The TOSHIBA TEC Group specifies and promotes objectives and targets for its process, 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.
- 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.

Environmental Action Plan

We work on the Environmental Action Plan based on the Toshiba Group's Policy. 11 items were achieved but 3 items did not reach their targets in fiscal 2015. We will continue to carry out activities to achieve the targets.

Core subject	Indicator	FY2015			FY2016	
		Target	Result	Evaluation*6	Target	
Greening of Products	Overall	Product factor (compared to FY2000 levels)	3.97	4.51	Yes	4.71
		Increase in sales amounts of Excellent ECPs	184.8 billion yen	168.9 billion yen	No	169.0 billion yen
	Mitigation of climate change	Reduction of CO ₂ emissions through eco-products*1	149,000 t	137,000 t	No	139,000 t
	Efficient use of resources	Amounts of resources saved through products*2	2,2700 t	20,600 t	No	21,200 t
Percentage of use of recycled plastics from products*3		5.4%	6.3%	Yes	6.3%	
Greening of Process	Mitigation of climate change	Total greenhouse gas emissions (compared to FY1990 levels)*4	73,000 t-CO ₂ (163%)	66,000 t-CO ₂ (147%)	Yes	71,000 t-CO ₂ (163%)
		Total energy-derived CO ₂ emissions per unit production (compared to FY2010 levels)*4	131%	121%	Yes	126%
		Total CO ₂ emissions resulting from product logistics per unit production (compared to FY2010 levels)	68%	64%	Yes	70%
	Efficient use of resources	Waste emissions (compared to FY2000 levels)	1,797 t (62%)	1,338 t (46%)	Yes	1,440 t (50%)
		Total volume of waste generated per unit production (compared to FY2010 levels)	100%	89%	Yes	93%
		Percentage of final waste disposal (relative to the Toshiba Tec Group total emissions)*5	1.7%	1.3%	Yes	1.7%
		Volume of water received per unit production (compared to FY2010 levels)	117%	112%	Yes	127%
	Management of chemicals	Total emissions (compared to FY2000 levels)	106 t (101%)	71 t (67%)	Yes	101 t (96%)
Chemical substance handling amounts per unit production (compared to FY2010 levels)		77%	73%	Yes	81%	

*1: [CO₂ emissions of assumed substitute products] – CO₂ emissions of shipped products] (Compares annual emissions during the usage stage and cumulates emissions for half the product life)

*2: [Mass of assumed substitute products] – [Mass of shipped products]

*3: [Amount of recycled plastics] / [Amount of plastics used for products] x 100

*4: We adopted power received end as electricity coefficient in Japan: 4.17 t-CO₂/10,000 kWh for fiscal 1990, 3.50 t-CO₂/10,000 kWh for fiscal 2010, and 5.10 t-CO₂/10,000 kWh for fiscal 2015 and later. Outside Japan, we adopted power receiving end specific to the relevant countries since fiscal 1990. From fiscal 2006 to fiscal 2012, we adopted power receiving end for fiscal 2006 based on GHG Protocol data continuously. Since fiscal 2013, we adopted power received end for fiscal 2009.

*5: The Toshiba Tec Group's definition of "zero emissions" of waste is that the amount of landfill waste after treatment is equivalent to less than 0.5% for manufacturing sites and 1.0% for non-manufacturing sites of the total amount of by-products and other items generated (total amount of waste generated) as a result of business activities (excluding the sites with restrictions under laws and administrative guidance.)

*6: "YES" indicates the target was achieved and "NO" indicates the target was not achieved.

GREENING OF PRODUCTS

We pursue the creation of products with the highest environmental performance and reduce environmental impact throughout the life cycle of all products developed.

We certify products with the highest environmental performance at the time of product release as Excellent ECPs, and strive to expand creation of environmentally conscious products (ECPs).

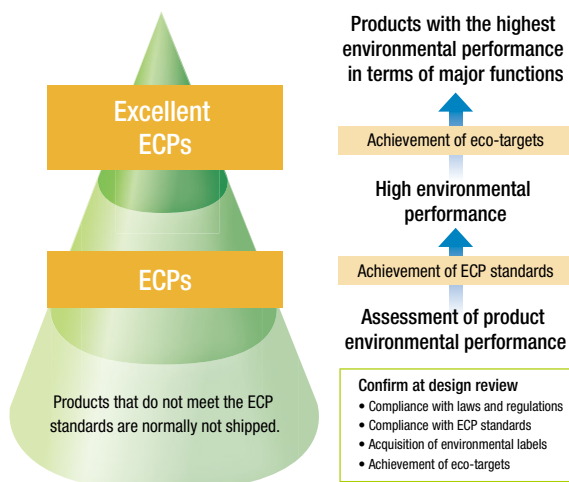
Development of Excellent ECPs

We pursue the highest environmental performance for all products developed and advance "Greening of Products" activities aimed at reducing environmental impact throughout the life cycle.

First, in the stages from business strategy to product planning, based on technological and competitor trends, we set the target to develop products with the highest environmental performance at the time of product release. Then, in the development and design stages, we perform environmental assessments of products to make sure that the products comply with laws and regulations and meet the ECP standards*1 in all three aspects*2 through all stages of their life cycle.

In the product approval stage, we check to see the level of achievement of "eco-targets" and compliance with the ECP standards. Then, we certify those products with the highest environmental performance as "Excellent ECPs".

Basic Policy for the Greening of Products



*1: Environmentally Conscious Products (ECPs) are designed to minimize environmental impact throughout all stages of their product life cycle, including procurement of materials, manufacturing, distribution, usage, disposal and recycling.

*2: Overview of the three elements of ECPs

Mitigation of Climate Change	Efficient Use of Resources	Management of Chemicals
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Main Products Certified as Excellent ECPs in Fiscal 2015

TCx700/300 POS Terminal

- Achieved the highest energy savings* by reducing standby power consumption with use of the high-efficient power supply
- Achieved the highest resource savings* by reducing product weight with use of thin sheet metal



SS-900G/ K Self-checkout / Accounting System

- Achieved the highest energy savings in standby mode* by using the high performance low power CPU and efficient power supply
- Achieved the highest resource savings* for product miniaturization and installation area by reviewing the shape and reducing the size of parts



e-STUDIO5005AC Series Color MFP e-STUDIO5008A Series Monochrome MFP

- Achieved the highest energy savings (top-level Typical Electricity Consumption)* by using a low melting point toner and improving the thermal conductivity of the fusing belt (color MFP)
- Achieved the highest energy savings (top-level Typical Electricity Consumption)* by reducing heat capacity of the heat roller and press roller (monochrome MFP)
- Achieved the minimum product mass and installation area with 3D laser welded frame
- Achieved the highest resource savings* by increasing the percentage of use of recycled plastics with use of high post-consumer recycled material



e-STUDIO2309A Monochrome MFP

- Achieved the highest energy savings (top-level Typical Electricity Consumption)* by using a press roller made of sponge and reducing fixing power with a new fixing control system
- Achieved the minimum product mass and installation area by thinning and combining frames
- Achieved the highest resource savings* by increasing the percentage of use of recycled plastics with use of high post-consumer recycled material



B-LP2D Portable Printer

- Achieved the highest energy savings in standby mode* by highly integrating the circuit and building the memory circuit
- Achieved the highest resource savings* by minimizing the mass of products with a paper width adjusting mechanism



* At the time of product launch; The current position is not guaranteed.

▶ Green Procurement

We implement green procurement at the procurement stage of raw materials. We also aim to procure items with lower environmental impact from suppliers, which actively promote environmental protection.

In addition, we have started to reduce phthalates from 2015.

▶ Promotion of Environmental Protection at Suppliers

We preferentially procure materials from suppliers, who are actively promoting environmental protection.

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.

The Japanese, English and Chinese editions of the Guidelines for Green Procurement are prepared to check the status of implementation of suppliers.

▶ Control on Environment-Related Substances in Procured Items

We request our suppliers to comply with environment-related laws, regulations and control standards, such as RoHS and REACH that spread from Europe to the rest of the world. We also request them to provide parts and raw materials with lower environmental impact.

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 the 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.
7. Grasp information on the content of chemical substances to be banned.

▶ Data Utilization

We request our suppliers to provide data on chemicals in products in accordance with the survey patterns based on our Guidelines for Green Procurement, to collect data on the green procurement support system. We also use the data obtained from suppliers to develop ECPs.

▶ Worldwide Collection and Recycling

We are committed to collecting and recycling end-of-use products on a global basis.

Japan

End-of-use products are collected at our sales sites throughout Japan, and process checks on recycling contractors are carried out to increase the collection and recycling rates.

Europe

In France, Toshiba Tec France Imaging Systems S.A. implements the toner cartridge collection and recycling program in collaboration with Conibi. Collected toner cartridges are recycled into raw materials at ClozDloop® in Belgium.

Asia

In Malaysia, Toshiba Tec Malaysia Manufacturing Sdn Bhd. implements the voluntary collection and recycling program for end-of-use MFPs in collaboration with Shan Poornam Metals.

In fiscal 2015, approximately 116 tons of MFPs were recycled to raw materials.

Australia and North America

The "Zero Waste to Landfill" recycling program is implemented together with Close the Loop®. Almost all of the toner cartridges that have been collected from copiers and MFPs through this program are recycled.



Collection box



GREENING OF PROCESS

We promote sound environmental policies in our "Monozukuri" product manufacturing, which can minimize the wasteful use of resources and reduce toxic emissions of chemical substances into the atmosphere and water in our production processes worldwide.

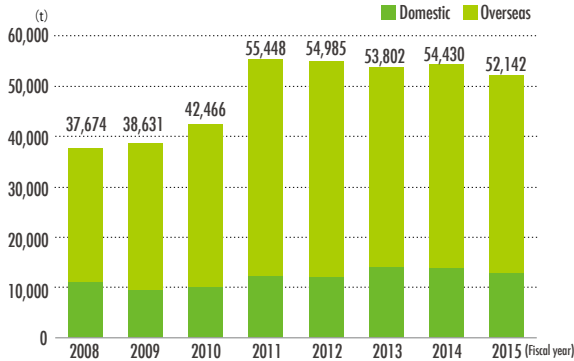
Mitigation of Climate Change

Minimizing the increase in CO₂ emissions due to energy consumption

We effectively use energy to reduce CO₂ emissions associated with energy consumption. In fiscal 2011, CO₂ emissions increased overall due to the incorporation of the parts business into overseas sites. However, as a result of environmental measures undertaken, such as switching to LED lighting and use of renewable energies, we successfully reduced CO₂ emissions in fiscal 2015.

We also periodically check our industrial air-conditioners at our domestic facilities, following the standards that are based on the Act for Rationalized Use and Proper Management of Fluorocarbons, to prevent greenhouse gas effects caused by the leakage of CFC's.

CO₂ emissions at manufacturing sites

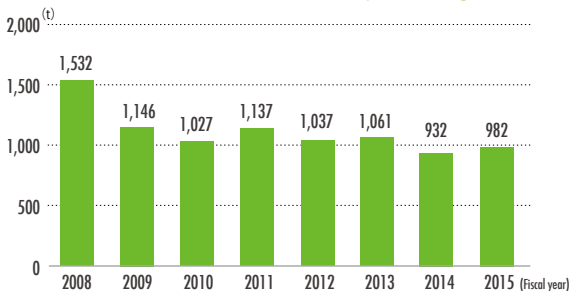


Note: We adopted power received end as electricity coefficient in Japan: 3.73 t-CO₂/10,000 kWh for fiscal 2008, 3.51 t-CO₂/10,000 kWh for fiscal 2009, 3.50 t-CO₂/10,000 kWh for fiscal 2010, 4.76 t-CO₂/10,000 kWh for fiscal 2011, 4.87 t-CO₂/10,000 kWh for fiscal 2012 and 5.10 t-CO₂/10,000 kWh for fiscal 2013. Outside Japan, from fiscal 2008 to fiscal 2012, we adopted power receiving end for fiscal 2006 based on GHG Protocol data continuously. Since fiscal 2013, we have been adopting power received end for fiscal 2009.

Reducing CO₂ emissions associated with product logistics

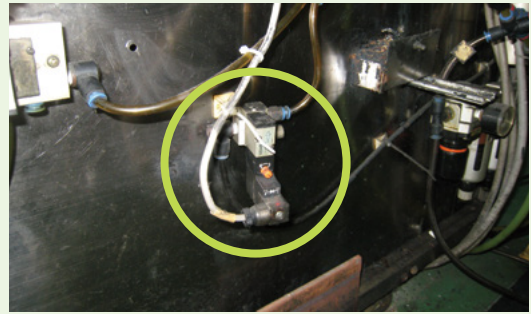
In fiscal 2015, we switched from individual shipping to full truckload shipping for imported parts. As a result, load efficiency was increased, leading to a reduction in the number of trucks required. In addition, we reduced the size and weight of new products that were developed to control CO₂ emissions resulting from product logistics.

CO₂ emissions associated with domestic product logistics



TOPICS | Prevention of air leakage of compressor pipes

Toshiba Tec Corporation, Shizuoka Business Center (Mishima)
Air leaks from compressor facilities and pipes can cause large amounts of wasteful energy to be consumed. In order to minimize this, we periodically use detectors to check for any air leakage from these sources.



TOPICS | Adoption of LED lighting

Kokusai Chart Corporation



TOPICS | Introduction of solar panels

Toshiba America Business Solutions, Inc.
We have introduced solar panels following the wind power generator as renewable energies.

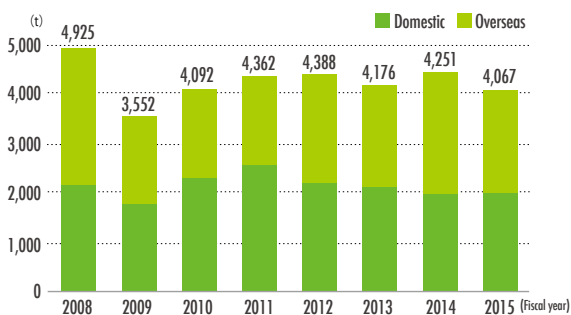


► Efficient Use of Resources

Minimizing the increase in total volume of waste generated

To efficiently use resources, we work on the reduction of the total volume of waste generated, by recycling and other methods. A few years ago, the total volume of waste generated tended to increase. However, as a result of environmental measures undertaken, such as reuse of packaging materials, we successfully suppressed the generation of waste in fiscal 2015. Also, we visited the recycler's facility to directly check the status of processing in Japan. We also communicate with the recycler to increase the recycling rate, and continue to work on the effective use of resources in collaboration with them.

Total volume of waste generated



TOPICS | Recycling of blast cleaning agent

TOSEI Corporation

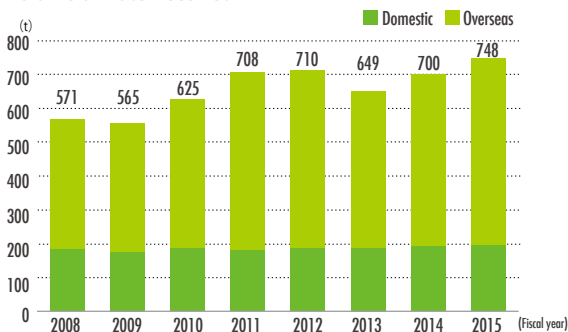
We used to dispose of our abrasive blasting media, used for cleaning parts, immediately after use. However, we have since found a supplier who can recycle the blasting material, and have shifted from disposal to recycling.



Efficient use of water

A small volume of water is used in the production process and most of it is used for daily needs including toilets, cafeterias and residences. The recent use of water remains almost the same. We continue to encourage our employees to save water through posters.

Volume of water received



► Management of Chemical Substances

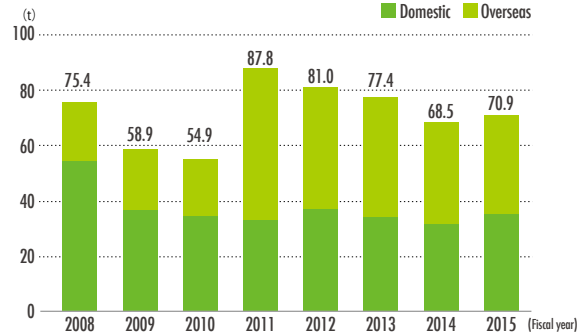
Reducing chemical substances used in the manufacturing process

We classify chemical substances applicable to the environmental laws and regulations into three types: "prohibition," "reduction" and "control".

We strive to reduce emissions of chemical substances, which are classified into "reduction," to the atmosphere and water that directly affect the environment. In fiscal 2011, emissions of chemical substances increased due to the incorporation of the parts business into overseas sites. However, we are currently able to reduce emissions as a result of introducing production equipment with low emissions of chemical substances and reviewing the process.

We continue with the reduction.

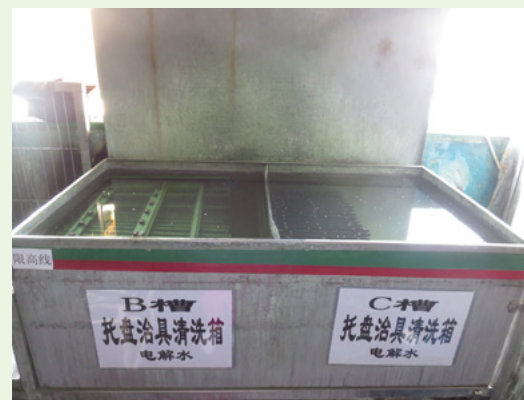
Emissions of chemical substances



TOPICS | Reduction of volatile organic compounds (VOC)

Toshiba Tec Information Systems (Shenzhen) Co., Ltd.

As a result of changing cleaning material for jigs, which is used to produce electronic circuit boards, from isopropyl alcohol to electrolyzed water, we have reduced usage and emissions of chemical substances.



GREEN MANAGEMENT

We continue to improve basic environmental management activities through the environmental management system, conservation of biodiversity and environmental communication.

▶ Environmental Impact throughout the Life Cycle in Fiscal 2015

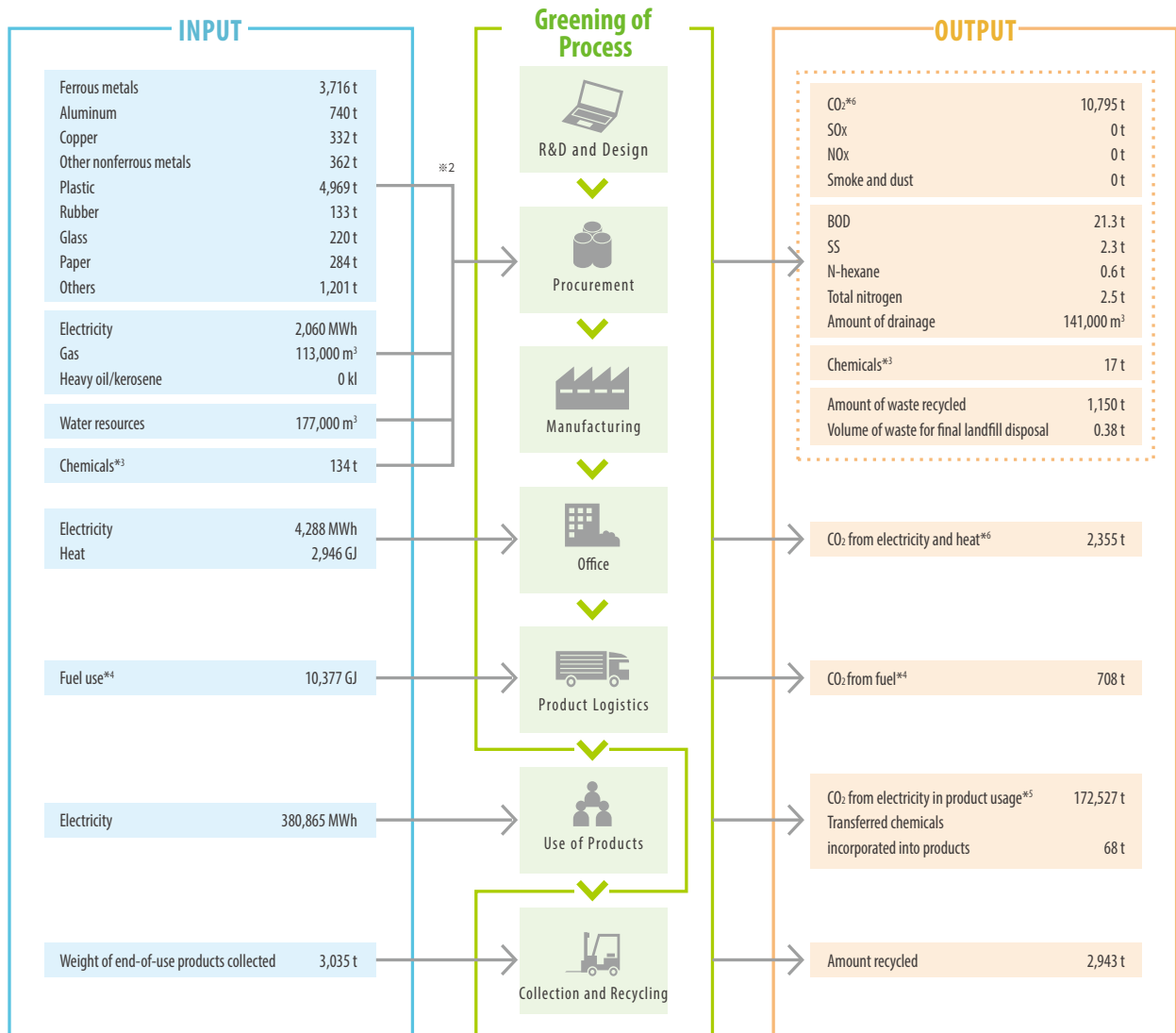
We minimize the use of global resources and emissions of pollutants into the global environment and maximize environmentally conscious activities by developing environmentally conscious products (ECPs). We reduce environmental impact by grasping and analyzing the impact at each stage of a product life cycle.

We procure raw materials and components from suppliers, manufacture and ship our products. We transport finished products to distributors or warehouses via outsourced forwarding agents. Then, we collect end-of-use products from customers wherever

possible, for reuse and recycling.

At the production stage, CO₂ emissions due to consumption of all energies from plants were 10,795 tons and from offices were 2,355 tons. Emissions of chemicals into the atmosphere and water were 17 tons. The amount of waste recycled was 1,150 tons and the amount of landfilled was 0.62 tons. CO₂ emissions from major products shipped in fiscal 2015 until the end of their product lives are to be 172,517 tons. Therefore, it is important to take energy-saving measures for products.

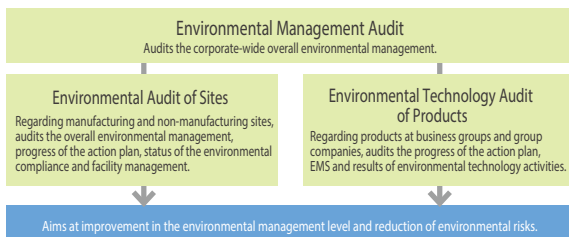
Environmental impacts in fiscal 2015*1



*1: Target data tabulated: Toshiba Tec
 *2: Inputs of materials and parts are calculated from material procurement data using the Toshiba Group's proprietary method.
 *3: Target chemicals: 551 types specified by Toshiba
 *4: Product logistics: All CO₂ emissions for outsourcing
 *5: CO₂ in product usage is CO₂ emissions from major products shipped in fiscal 2015 until the end of their product lives.
 *6: As a CO₂ conversion factor for electricity, 5.10 t-CO₂/10,000 kWh is adopted.

Toshiba Group's Environmental Audit System

We have been annually conducting environmental audits in accordance with the comprehensive Environmental Audit System and standards established by Toshiba since fiscal 1993, to improve environmental management. Based on this audit system, we conduct corporate-wide environmental management audits, environmental audits of sites for manufacturing and non-manufacturing sites, and environmental technology audits of products at business groups on an annual basis.



Environmental Accounting

We adopt environmental accounting to quantitatively understand environmental costs and benefits, and utilize the quantitative data as guidelines for business activities.

Costs and benefits

For environmental protection costs on a consolidated basis in fiscal 2015, total capital investments were 80 million yen and total expenses were 690 million yen. We used environmental costs, especially for the prevention of global warming and energy-saving measures. Total environmental benefits resulted in 1.3 billion yen.

Target site: Toshiba Tec Head Office, Shizuoka Business Center, 3 domestic manufacturing group companies and 6 overseas manufacturing group companies

Target period: April 1, 2015 to March 31, 2016

Note: Figures are partly estimated.

Environmental costs

Category	Description	Millions of yen					
		Investments		Costs		Change incosts from fiscal 2014	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
1. Business area costs	Reduction of environmental impacts (1) to (3)	81.7	55.2	132.5	52.3	-61.3	-43.2
(1) Pollution prevention costs	Prevention of air, water and soil pollution, etc.	3.9	0.0	33.9	4.1	-14.3	-0.9
(2) Global environmental protection costs	Global warming prevention, ozone layer protection, etc.	69.8	52.9	45.5	19.8	-13.5	-21.6
(3) Resource circulation costs	Recycling of waste, etc.	8.0	2.3	53.1	28.4	-33.5	-20.7
2. Upstream/downstream costs	Green procurement, collection and recycling of end-of-use products, etc.	0.0	0.0	113.8	113.7	10.0	14.8
3. Administration costs	Establishment of EMS, environmental education, tree-planting/clean-up activities, etc.	0.0	0.0	320.7	286.8	-29.0	-27.4
4. R&D costs	Technical development for ECs, etc.	0.0	0.0	119.1	119.1	-9.6	-9.6
5. Public relations costs	Donations and support to groups/organizations, etc.	0.0	0.0	5.8	4.1	-10.6	-9.3
6. Environmental damage restoration costs	Recovery from soil pollution, etc.	0.0	0.0	0.6	0.6	0.1	0.1
	Total	81.7	55.2	692.4	576.7	-100.3	-74.6

Environmental benefits

Category	Description	Amounts	Calculation method
A Actual benefits	Reduced charges for electricity and water, etc	96.2	The amount of money, such as electricity charges and waste disposal costs, that was saved compared with the previous year, plus earnings from the sale of objects with value.
B Assumed benefits	Reduced environmental impacts on water and atmosphere in monetary value	-496.0	The amount of money was calculated by multiplying the cadmium equivalent value of each substance obtained from environmental standards and the American Conference of Governmental Industrial Hygienists Threshold Limit Value (ACGIH-TLV) by damage compensation for cadmium pollution. This method of calculation provides a means of showing reductions in environmental impacts on the atmosphere, hydrosphere and soil and makes it possible to compare the environmental impacts of different substances using the same standard by converting the impacts into monetary values.
C Customer benefits	Benefits of impacts reduced during product use in monetary value	1,732.9	Environmental impact reduction benefits during product use are evaluated in physical quantity units and monetary units. Energy-saving benefits are calculated by using the following equation: Benefits (yen) = \sum [(Annual power consumption of the previous product model - Annual power consumption of the current product model) x Number of products sold annually x Benchmark unit price of electricity]
	Total	1,333.1	

A Actual benefits

Item	Reduction in environmental impacts	Benefits measured in monetary values (millions of yen)
Energy	-13,500 GJ	72.1
Waste	-88.7 t	34.0
Water	-27,200 m ³	-9.9
Total		96.2

* The reduction in environmental impacts indicates the difference in the amount between fiscal 2014 and 2015. Negative figures show an increase in environmental impacts beyond the benefits from reduction due to increased production, etc.

B Assumed benefits

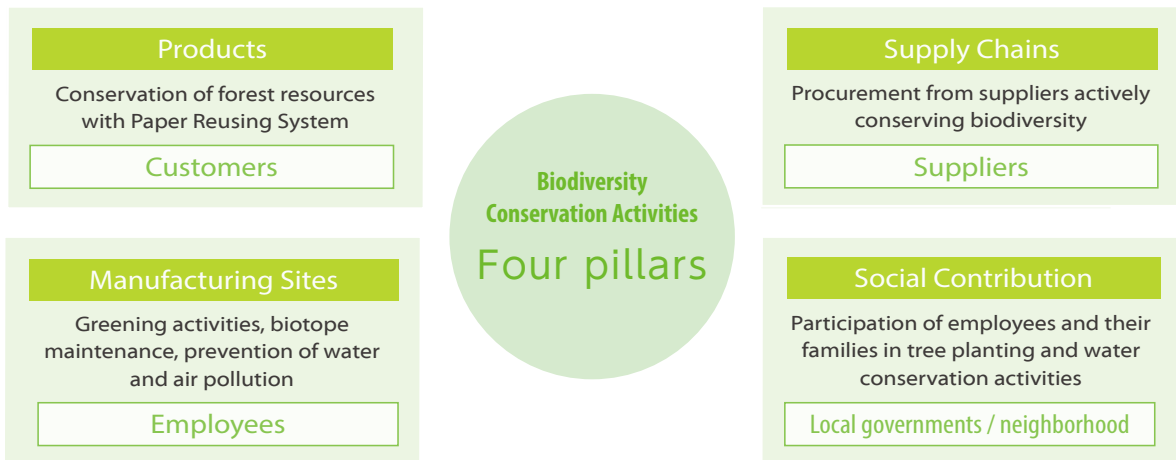
Item	Reduction in environmental impacts	Benefits measured in monetary values (millions of yen)
Benefits from reductions in emissions of chemicals	-18.2 t	-496.0

C Customer benefits

Item	Reduction in environmental impacts	Benefits measured in monetary values (millions of yen)	
Benefits from reduction in environmental impacts during product use	Electricity	38,210 kWh	-878.9
	Paper rolls	1,448 t	854.0
Total		1732.9	

► Biodiversity Conservation Activities

The Toshiba Tec Group's biodiversity conservation efforts relate to all of our business activities, and include local communities, employees, suppliers and products. With this said, we carry out our biodiversity conservation activities via the four pillars below.



► Toshiba Group Environmental Exhibition

The exhibition was held at Toshiba Smart Community Center in Kawasaki on June 11 and 12, 2015. We exhibited Smart Receipt (demonstration of the environmental aspect by reducing receipt paper) and Loops (paper reusing system), and these products attracted a lot of customers' attention.



► Environmental Education

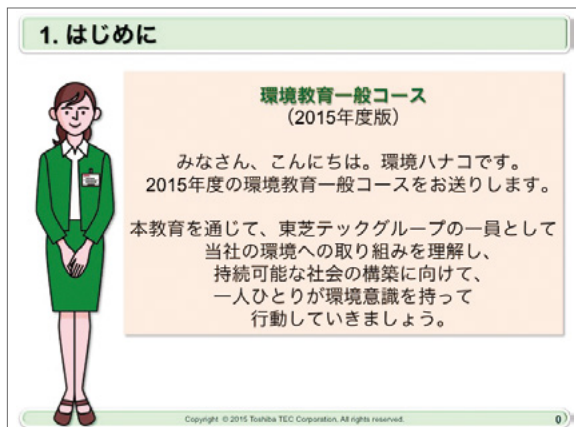
We provide environmental awareness education every year for the purposes of helping employees develop environmental awareness and abide by environmental compliance, and sharing information on environmental activities as the Toshiba Tec Group. All employees of the Toshiba Tec Group receive education through e-Learning.

Domestic group companies

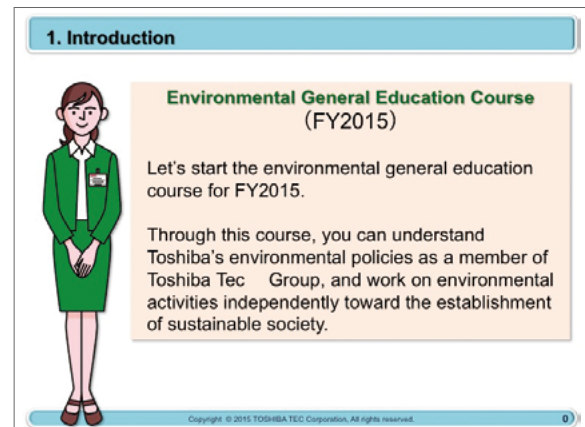
Each group company arranges the content provided by Toshiba Tec into its own educational materials to provide environmental education.

Overseas subsidiaries

The English-translated educational content is provided for each overseas site to provide environmental education with the same educational materials on a global basis.



Original educational content



English-translated educational content

THIRD PARTY COMMENTS



Dr. Kenji Suzuki

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. Representative Director and Director The Japan Institute of Scandinavian Studies (JISS).

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.

"The Future of Employment," published in 2013 by Dr. Carl Benedikt Frey and Mr. Michael A. Osborne of Oxford, Associate Professor at the University of Oxford, has become popular even in Japan. Replacing human labor with automated systems is not a recent development. However, based on news that artificial intelligence defeated a professional Japanese chess player, I suppose quite a lot of people may be concerned that nearly half of all occupations currently existing could be automated in 10 to 20 years. The aforementioned article is popular probably because people have such concerns.

There is nothing wrong with the advancement of science and technology, but the greater the advances, the more concerns people have. This is why companies that promote advances in cutting-edge technical innovation are required to incorporate a higher level of ethics and humanism in their strategic planning. After reading this report, I believe your CSR activities do respond to such requests from our society.

First of all, "Giving top priority to human life, safety, and compliance" in the "TOP MESSAGE" is the same as that in last year's CSR Report. However, I like the clear statement in this year's report that "Each and every executive and employee strives to ensure quality and sound management. We are a company that emphasizes harmony among the environment, human rights and community underscored by a basic policy that gives top priority to human life, safety, and compliance according to this SOC." Although I fully understand these policies have been stipulated in the Standards Of Conduct of the Toshiba Tec Group, this clear statement as the "TOP MESSAGE" might further increase society's confidence in your company. The differences from the beginning of last year's report, "HISTORY of TOSHIBA TEC," drew my attention.

I think this is a great attempt to improve readers' understanding of your company. I hope you don't mind my saying so, but it might be seen more clearly if you present the flow of history in terms that show how the scale of human and economic progress has been shifting.

The articles in this year's "FEATURE" section of the CSR Report describe the "Quick Tax Free combined management system for tax exemptions" and the "school visit program as an educational support activity". As I become more involved in education and in studying the education and awareness

of youngsters, I am more and more attracted to the latter.

I especially think that your effort to actively engage with children from a variety of backgrounds in special-needs and free schools is a wonderful activity that perfectly expresses your company's high level of ethics. I have enjoyed the "VOICE" section very much, which includes feedback from not only the participating children, but from the engineer in charge, as well as a volunteer who is a former employee. Through this I can understand that a company is comprised of "people" and technologies are handed down from "people" to "people".

What further drew my attention while reading this report was that a "SOCIETY" section was never before included in the CSR Report. I was much impressed that although efforts related to human rights, diversity, and labor were previously reported, they are all included in the "SOCIETY" section, and a description of "people-based" management has been added. On the other hand, gradual improvements are seen in the use of female employees and employment of people with disabilities; however, you may have even more opportunity to actively promote diversity. With regards to health and safety, this year's report contains more information relating to specific activities such as training by age and mental health education through e-Learning. Again, if you will allow me a suggestion, this report might be much better if information on the number of participants in these programs and feedback from the participants are included. For anti-smoking measures, I feel a little less informed as a reader because the implementation of the survey is indicated but the results are not included.

In terms of social contribution, I value your tremendous efforts in carrying out a variety of activities, including "Simultaneous Actions," all over the world. I can also tell that you take an active approach in environmental activities from the viewpoint of both product and process. It may be quite difficult to consistently reduce emissions of CO₂, waste, and chemical substances; however, it is of great importance to consistently obtain data and to disclose it.

I expect you will continue to be a company that maintains a high level of ethics and humanity while continuing to contribute to the advancement of science and technology.

TOSHIBA TEC CORPORATION

CSR Promotion Center
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Production and printing of
the Toshiba Tec CSR Report 2015 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.