TOSHIBA

Toshiba Tec Group
Integrated Report 2020

Our Five Commitments

Corporate Philosophy of Toshiba Tec Group

"Monozukuri"* creating our products with pride and passion. Keeping our customers in mind all the time everywhere. *"Monozukuri" is the ongoing process of creating new values realized in quality products and services that exceed customer expectations by applying superior proprietary technology and knowledge nurtured over long years.

01 With our customers and partners, we will provide new values in a timely manner.

02 With our group employees, we will develop a professional team which seeks new challenges.

03 With communities, we will help to realize a society where people can enjoy active lives.

04 With everyone, we will strive for a future that looks after the environment.

05 With our shareholders' expectations in mind, we will carry out sound and transparent management.

Create with You

Contents

Editorial Policy in Issuing the Integrated Report

Among the information on Toshiba Tec Group's corporate activities, we have created this report collectively and multilaterally with a focus on financial and non-financial information, which is of importance for stakeholders.

We are committed to disclosing information and communicating with stakeholders including shareholders and investors, to help them gain a better understanding of our efforts to achieve sustainable growth of our group. Financial and CSR information that cannot be included in this report is available on our website.

■ Reporting Organization

In principle, Toshiba Tec Corporation and its consolidated subsidiaries

■ Reporting Period

This report not only focuses on the activities in fiscal 2019 (from April 2019 to March 2020) but also includes some activities continuing from the past as well as more recent ones.

■ Reference Guidelines

- Global Reporting Initiative (GRI)
- Ministry of the Environment "Environmental Report Guidelines" (FY2018 Edition)
- Ministry of the Environment "Environmental Report Guidelines" (FY2012 Edition)
- Ministry of the Environment "Environmental Report Guidelines" (FY2005 Edition)
- ISO 26000 (Guidance on Social Responsibility)
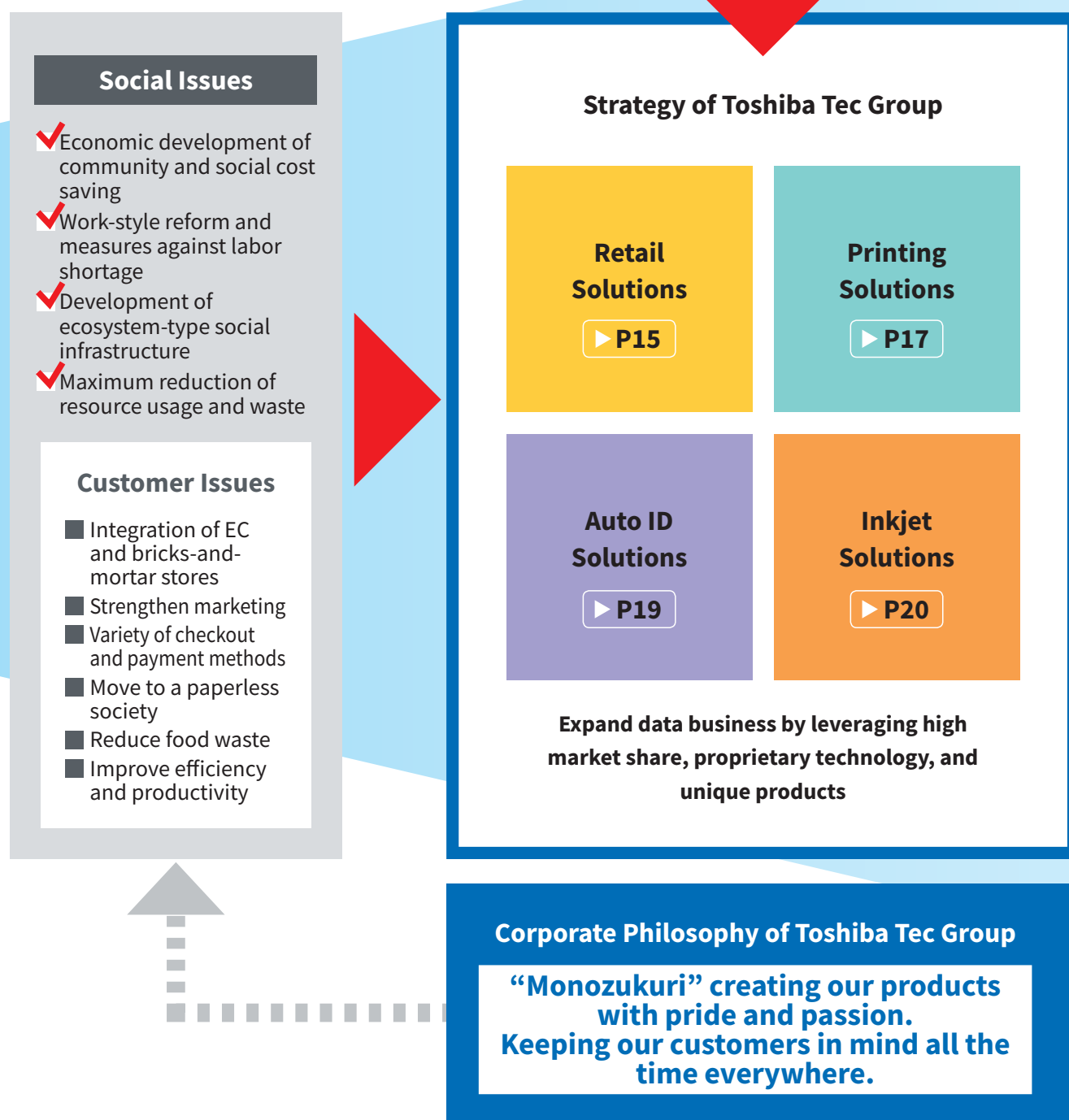
Websites

INVESTOR RELATIONS
https://www.toshibatec.com/company/ir/

INTEGRATED REPORT
https://www.toshibatec.com/company/ir/material/integrated_report.html

VALUE CREATION MODEL OF TOSHIBA TEC GROUP

INPUT — Management Capital

Intellectual Capital	Manufacturing Capital	Human Capital	Relationship Capital
R&D cost	Capital investment	Employees	Consolidated subsidiaries
26.9 billion yen	**9.9** billion yen	**20,014**	Japan **8** / Overseas **70**

Social Issues

✓ Economic development of community and social cost saving

✓ Work-style reform and measures against labor shortage

✓ Development of ecosystem-type social infrastructure

✓ Maximum reduction of resource usage and waste

Customer Issues

■ Integration of EC and bricks-and-mortar stores

■ Strengthen marketing

■ Variety of checkout and payment methods

■ Move to a paperless society

■ Reduce food waste

■ Improve efficiency and productivity

Strategy of Toshiba Tec Group

Retail Solutions ▶ P15	**Printing Solutions** ▶ P17
Auto ID Solutions ▶ P19	**Inkjet Solutions** ▶ P20

Expand data business by leveraging high market share, proprietary technology, and unique products

Corporate Philosophy of Toshiba Tec Group

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

OUTPUT

FY2019 Results

Net sales

483.8 billion yen

Operating profit

14.0 billion yen

Ordinary profit

11.6 billion yen

Profit attributable to owners of parent

3.7 billion yen

Promote initiatives for achieving SDGs together with customers as a solution partner who contributes to solving issues in the fields of retail stores, offices, logistics, and manufacturing.

| 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS |

SDG-related initiatives by Toshiba Tec Group

| 1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE |
| 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS | |

HISTORY

Since its establishment, Toshiba Tec has accurately recognized the needs changing with the times and created new value ahead of the times. And we keep moving forward together with stakeholders in a flexible and powerful way based on our accumulated achievements and know-how.

From 1950
Building a foundation based on a principle of "autonomy and independence"
Full-scale overseas expansion in late 1960s

Having become independent from Toshiba, we started to open up new fields one after another under the principle of "autonomy and independence." We established three pillars of businesses, such as office equipment, lighting fixtures and home appliances. Accordingly, we built up a foundation that leads to the following significant development. In the late 1960s in search of global markets, we expanded into markets in North America, Europe and Southeast Asia.

1955
FO-1013 desk light type 7

1957
Mechanical cash register in the early days

1963
VC-37HD magic vacuum cleaner

1964
Tostec BC-401 compact electric adding machine

From 1970
Dawn of the age of POS system
Printer business to the top of the world

We were among the first to develop electronic cash registers in the office equipment industry, and took a lead over competitors while the industry was shifting to digitization. In 1980s, we advanced into new fields such as printers and POS systems, and eventually ranked top in the world in the printer OEM business in only three years.
We successfully developed the world's first wireless POS system in the POS business.

1971
Maconick BRC-30B electronic cash register

1973
Microcomputer chip-incorporated BRC-32CF-GS electronic accounting machine

1979
M-800 POS system with bar code scanner

1986
Vocofax PN-3000

1950
- 1950 Established Tokyo Electric Appliances Co., Ltd.
- 1952 Renamed as Tokyo Electric Co., Ltd.

1960
- 1962 Opened Mishima Plant.
- 1969 Established Tec America, Inc., the first overseas subsidiary.

1970
- 1972 Established TEC Electronics Business Machine Co., Ltd. (1977 Renamed as TEC Electronics Corporation.)

1980
- 1985 Acquired a Singaporean company, SEMICON INDUSTRIES PRIVATE LTD. and started overseas production. (Current Toshiba Tec Singapore Pte Ltd.)

Lighting Business	Released desk light type 7	Our lighting fixtures used and appreciated in Olympic facilities	Took over production of facility lighting fixtures from Toshiba Electric Appliances	Released Super Ballast electronic ballast
Home Appliances Business	Released Blue Star shaver and cleaner	Launched magic vacuum cleaner	Developed toaster oven	Started sales of small motors / Broke into space business with small precision motors for satellites
Retail Solutions Business	Entered into cash register business	Released Tostec compact electric adding machine	Launched Maconick electronic cash register	*First in the world* Released microcomputer chip-incorporated BRC-32CF-GS electronic accounting machine / Launched POS system with bar code scanner / *First in the industry* Released vertical type stationary scanner / *First in the world* Developed wireless POS system
Printing Solutions Business			Developed postal savings office accounting machine for the Ministry of Posts and Telecommunications	Entered into full-scale printer OEM business / Held the world's top market share in the dot printer business

MESSAGE FROM CEO

We will contribute to the achievement of a sustainable society through effective use of data

錦織弘信

Hironobu Nishikori
President and Chief Executive Officer
Toshiba Tec Corporation
June 2020

For Sustainable Growth

With the support of our stakeholders, Toshiba Tec marks its 70th anniversary in 2020. Over this long period of time, our business continued to create new values to the best of our ability in line with changes in society and technological innovations, thanks to our customers and partners. On the other hand, the recent environment surrounding us, including cashless and paperless trends, is changing significantly day by day. There are many issues, including dealing with COVID-19, that may not be solved by continuing conventional measures.

In such a business environment, we need to review our operation processes and cost structure and make investments in growth fields to achieve sustainable growth. To this end, the Retail Solutions Business in Japan is proactively making investments in adjacent fields (settlement, supply chain management (SCM), and data services), and the Overseas Retail Solutions Business and Printing Solutions Business are promoting conversion of the earnings structure by implementing structural reform and transformation to improve profitability.

Operating Results for Fiscal 2019

Net sales in the fiscal year ended March 31, 2020 (fiscal 2019) increased by 2% from the previous fiscal year to 483,799 million yen, as sales of POS systems in the Japanese market grew despite a decline in sales of POS systems and Digital Multifunction Peripherals (MFPs) for overseas markets due to the impact of the COVID-19 pandemic and the negative effect of the foreign exchange rate. Operating profit decreased by 22% year on year to 13,977 million yen, ordinary profit decreased by 30% to 11,559 million yen, and profit attributable to owners of parent decreased by 67% year on year to 3,730 million yen, reflecting deteriorated income from POS systems and MFPs for the overseas markets due to the impact of the COVID-19 pandemic, foreign exchange losses arising between currencies of emerging countries and the U.S. dollar, and partial reversal of deferred tax assets, although POS systems for the Japanese market registered a significant sales increase.

Sharing Visions with All Stakeholders

Society is globally facing a multitude of issues including tackling COVID-19 and worldwide environmental issues such as climate change and micro-plastic pollution. For the Company to realize sustainable growth in this business environment, we need to formulate a long-term vision that reflects a profound thought of what we can pass down to the next generation. I would like to formulate a 10-year vision that illustrates what we aspire to be in 10 years, and plan our five-year and three-year goals based on that vision.

The 10-year vision leads to the answer to the question of how we will contribute to society. Therefore, I feel that sharing the vision with all stakeholders is necessary to ensure our sustainable growth.

Diversity Nurtured with Respect and Trust

I believe that respect and trust are important foundations of communication especially given the increasingly complex and serious nature of the issues faced by global society. It goes without saying that countries and regions around the world have diverse histories and cultures, inhabited by people with diverse values and customs. Respecting and trusting people are the path to developing a better relationship with communities and business partners and the first step to understanding and accepting diversity.

Effectively Utilize Data and Contribute to a Better Society

In our seven-decade history, we have accumulated "Monozukuri," or the technology of manufacturing, and a high share in the retail market boasting a network of partner companies primarily in retailing, manufacturing, and logistics. I believe that we shall gather data dispersed in the frontline of businesses in various domains from stakeholders with a shared vision based on a relationship of deep trust, and digitize them into useful formats, to provide them to customers with an expanded scope of solutions to meet their problems. This would lead to solving the issues faced by the society. We will contribute to achieving a sustainable society by effectively utilizing data relating to purchasing, logistics, healthcare, and electricity, for example, for the good of society as a whole.

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

Net sales and overseas net sales ratio

■ Net sales (Millions of yen)　●● Overseas net sales ratio (%)

	2015	2016	2017	2018	2019
Net sales	532,818	497,611	513,289	476,824	483,799
Overseas net sales ratio	62.0	58.0	58.0	61.0	56.0

(Fiscal year)
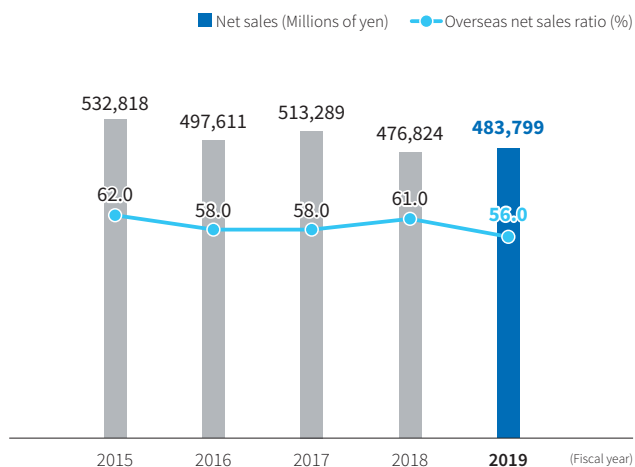
Operating profit and operating profit margin

■ Operating profit (Millions of yen)　●● Operating profit margin (%)

	2015	2016	2017	2018	2019
Operating profit	1,601	14,649	24,546	17,989	13,977
Operating profit margin	0.3	2.9	4.8	3.8	2.9

(Fiscal year)
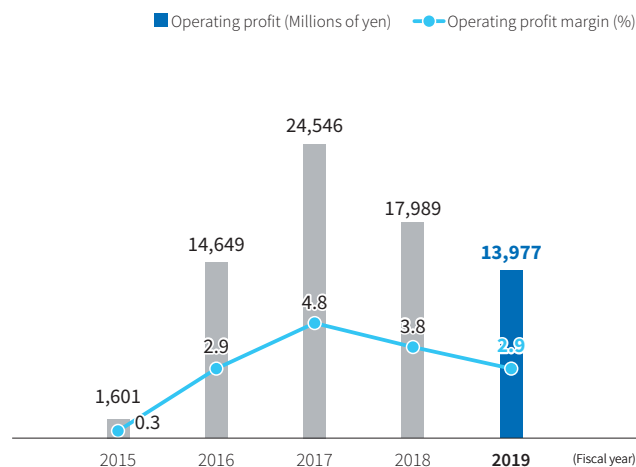
Profit (loss) and profit margin on net sales

■ Profit (loss) (Millions of yen)　●● Profit margin on net sales (%)

	2015	2016	2017	2018	2019
Profit (loss)	(103,449)	7,758	17,512	11,211	3,730
Profit margin on net sales		1.6	3.4	2.4	0.8

(Fiscal year)
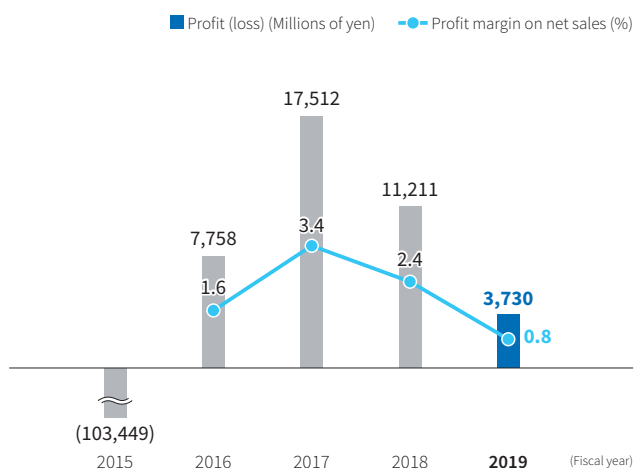
Equity and capital adequacy ratio

■ Equity (Millions of yen)　●● Capital adequacy ratio (%)

	2015	2016	2017	2018	2019
Equity	57,380	65,406	82,518	90,898	87,399
Capital adequacy ratio	20.4	24.3	29.2	33.0	30.3

(Fiscal year)
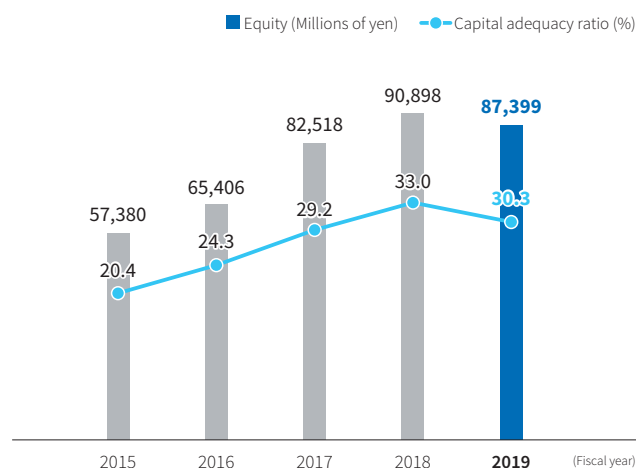
R&D cost and ratio of R&D cost to net sales

■ R&D cost (Millions of yen)　●● Ratio of R&D cost to net sales (%)

	2015	2016	2017	2018	2019
R&D cost	27,584	28,161	28,065	27,761	26,866
Ratio of R&D cost to net sales	5.2	5.7	5.5	5.8	5.6

(Fiscal year)

Cash Flows

■ Cash flows from operating activities (Millions of yen)
■ Cash flows from investing activities (Millions of yen)
●● Free cash flows (Millions of yen)

	2015	2016	2017	2018	2019
Cash flows from operating activities	4,567	37,016	29,092	18,400	20,751
Cash flows from investing activities	(9,789)	(6,876)	(11,487)	(12,779)	(13,844)
Free cash flows	(5,222)	30,140	17,605	5,621	6,907

(Fiscal year)

NON-FINANCIAL HIGHLIGHTS (CONSOLIDATED)

CO₂ emissions at manufacturing sites* (t)
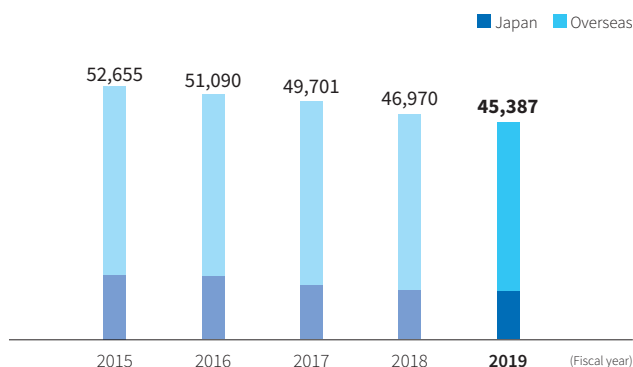
■ Japan ■ Overseas

2015	2016	2017	2018	2019
52,655	51,090	49,701	46,970	**45,387**

(Fiscal year)

We continue to reduce CO₂ emissions through systematic implementation of measures such as switching to LED lighting and upgrading to energy-saving equipment mainly at overseas sites by effectively using subsidies.
Our multifaceted emission reduction initiatives also include the greening of rooftops and installation of solar panels.

Employment ratio of people with disabilities (%)

-●- Toshiba Tec -●- Domestic group companies -●- Total of Toshiba Tec Group in Japan

	2016	2017	2018	2019	2020
Domestic group companies	2.49	2.70	2.69	2.53	**2.76**
Total of Toshiba Tec Group in Japan	2.29	2.47	2.43	2.39	**2.47**
Toshiba Tec	2.08	2.26	2.21	2.26	**2.22**

(Fiscal year)

Toshiba Tec became eligible for the special exception for a business group for calculating the employment rate of persons with disabilities in April 2015, and Toshiba Tec Group's employment rate of persons with disabilities was 2.47% as of April 2020. We are also actively promoting the employment of people with disabilities and activities to support them.

Emissions of chemical substances (t)

■ Japan ■ Overseas

2015	2016	2017	2018	2019
70.9	66.3	44.0	34.0	**30.5**

(Fiscal year)

We strive to reduce emissions of chemical substances, which are classified into "reduction," into the atmosphere and water that directly affect the environment. In fiscal 2017, TOSEI left Toshiba Tec Group, resulting in a significant reduction of emissions. We will con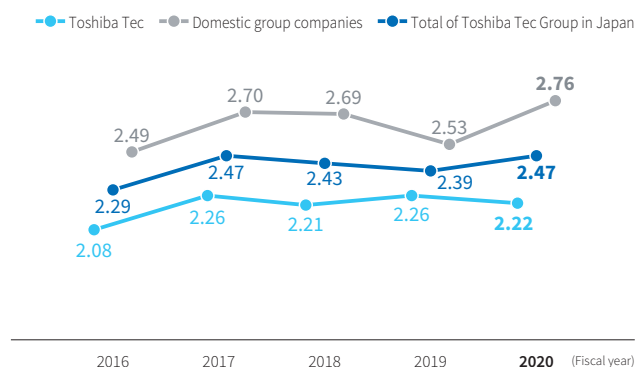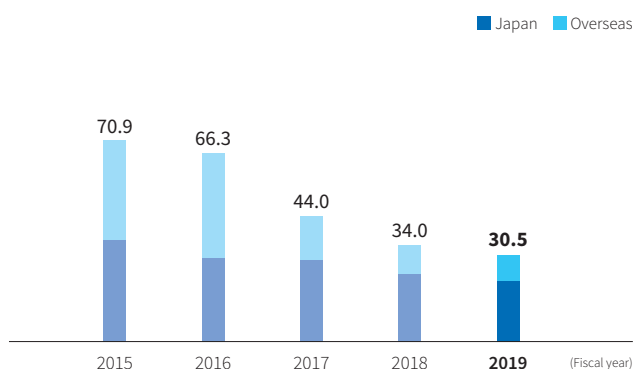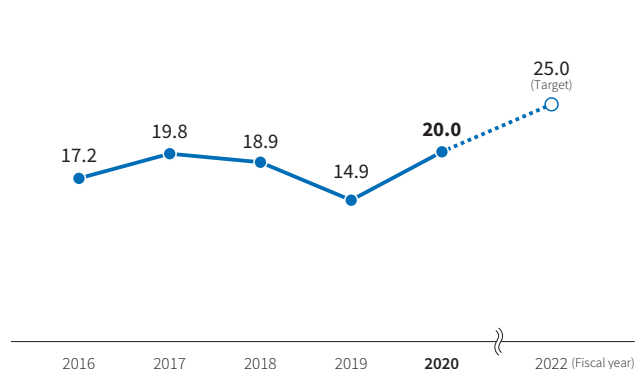tinue to reduce emissions by introducing manufacturing equipment with low emissions of chemical substances and reviewing the processes.

Ratio of new female graduates employed (%)

2016	2017	2018	2019	2020	2022
17.2	19.8	18.9	14.9	**20.0**	25.0 (Target)

(Fiscal year)

We aim to achieve 25% in the ratio of new female graduates employed in fiscal 2022. The ratio fell to 15% in fiscal 2019, but we were able to bring it back to 20% in fiscal 2020 by promoting the understanding of Toshiba Tec through more initiatives than before. In recent years, we have been actively working on the hiring of female engineers.

Total volume of waste generated (t)
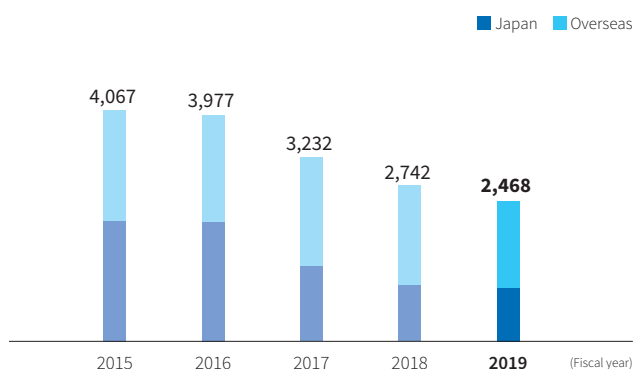
■ Japan ■ Overseas

2015	2016	2017	2018	2019
4,067	3,977	3,232	2,742	**2,468**

(Fiscal year)

In fiscal 2017, TOSEI left Toshiba Tec Group, and in fiscal 2018, Kokusai Chart left the Group, resulting in a significant reduction in waste generated. We are also visiting domestic recyclers on site to directly confirm their disposal status, and promoting communications to improve the rate of recycling.

Number of whistleblowing cases* (Cases)

■ First half ■ Second half

	2015	2016	2017	2018	2019
Total	5	31	11	12	**16**
Second half	3	21	6	6	6
First half	2	10	5	6	10

(Fiscal year)
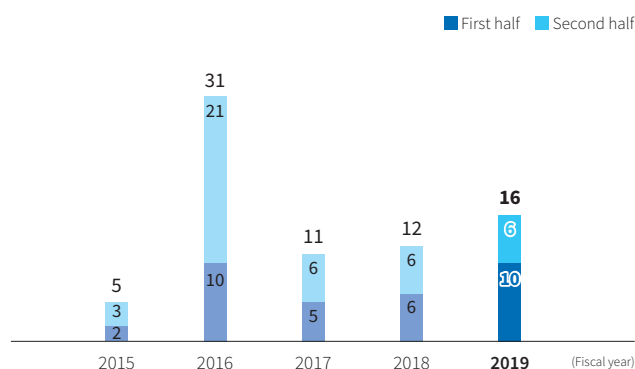
Toshiba Tec is striving to disseminate information regarding the whistleblowing system by continuously offering education on the topic using e-learning courses targeting all employees and displaying information regarding the contact on the notice boards in the offices.

*The figures are the total number of cases received by the internal secretariat, law firm, and contact with Toshiba Corporation.

*The CO₂ emission factor of domestic electricity was calculated using receiving end power data from the Electric Power Council for a Low Carbon Society and the overseas CO₂ emissions factor was calculated using receiving end power of WRI/WBCSD GHG Protocol data in fiscal 2009.

BUSINESS OVERVIEW

Aiming to be a provider of the best solutions to customers in retailing and distribution, restaurants, logistics/manufacturing, and offices, Toshiba Tec operates businesses in more than 100 countries and regions.

Retail Solutions Business

Development, manufacture, sales, and maintenance of POS systems for Japan and overseas markets, MFPs and auto ID systems for the Japanese market, and related products

Printing Solutions Business

Development, manufacture, sales, and maintenance of MFPs and auto ID systems for the overseas markets, inkjet print heads for Japan and overseas markets, and related products

Printing Solutions Business 37%

Retail Solutions Business 63%

FY2019 net sales 483.8 billion yen

Solving customers' issues at frontlines pivoting on retail stores and offices
Your solution partner

Retail Solutions

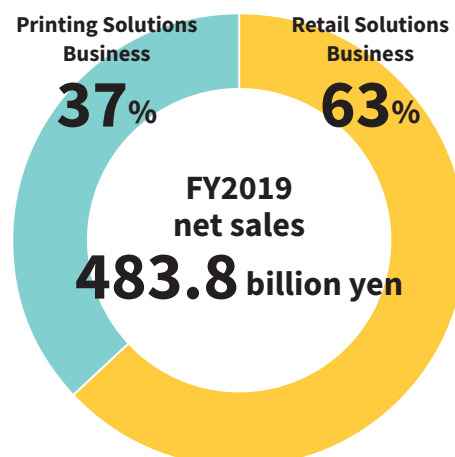**Providing the best solution for the satisfaction of customers and store operators**

As the best partner of the retail distribution industry, we support efficient and smooth management of stores of various business types and categories, such as specialty stores, restaurants, and shopping centers, with our optimum solutions.

Printing Solutions

Creating new value with advanced technical capabilities

We offer printing solutions that contribute to increasing efficiency in customer operations and reducing environmental impact and cost through the paper reusing system which helps to reduce paper consumption and the color Digital Multifunction Peripherals (MFPs) which meet various applications.

Auto ID Solutions

Supporting the establishment of SCM systems in a wide range of fields with auto ID technology

We offer powerful solutions using auto ID technologies, such as bar codes, RFID, beacons, and images, to support customers build SCM systems in a wide range of industries.

Inkjet Solutions

Meeting diverse printing needs in various fields

We offer inkjet solutions, including inkjet print heads and peripheral devices that meet the diverse printing needs of various industries and create new value for customers. Products with high image quality and reliability are indispensable for printing technology that evolves day by day.

Topics

Contributing to mitigation of COVID-19 infection risk using electronic receipts
-Making monthly Smart Receipt charges free-

Toshiba Tec has abolished the monthly charges for electronic receipt system Smart Receipt® from June 1, 2020, to support its introduction at retail stores.

Introducing Smart Receipt reduces physical contact between store staff and consumers and contributes to reducing the risk of COVID-19 infection. Combining it with cashless settlement further reduces physical contact.

Contribute to mitigating infection risk of store staff and consumers

❶ Eliminating the handling of receipts at cashiers reduces physical contact between store staff and consumers, contributing to their safety and security.

❷ Combined with cashless systems[1], it reduces two contact opportunities (handling of cash and receipts).

Economic support to retailers

❶ We have abolished monthly Smart Receipt charges from June 1, 2020[2].

[1] Stores can make it even more convenient by introducing Smart Payment smartphone settlement service offered by TD Payment, our group company, which can be used without switching from the Smart Receipt app.
[2] Includes retail stores that have already introduced Smart Receipt.

Minimizes close physical contact in shopping for essentials at supermarkets and drugstores with "3 non-contacts" and reduces the duration

① **Cashless**   Cash   "Non"-contact
② **Cardless**   Settlement card   "Non"-contact
③ **Paperless**   Paper receipt   "Non"-contact

¥ Checkout

Blip   3 non-contacts   Free of real contact >>> Shift to digital
Shortening payment time

Social distancing

<Illustration: "non"-contact>

Retail Solutions Business

Net sales breakdown
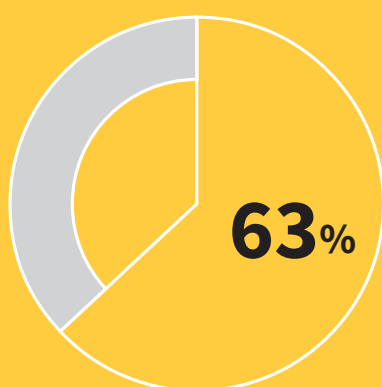
63%

Net sales and operating profit

☐ Net Sales ☐ Operating profit (Millions of yen)

	FY2018	FY2019
Net Sales	292,303	311,461
Operating profit	12,323	14,344
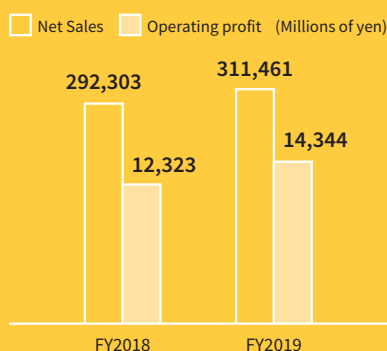
Main business

Develops, manufactures, sells, and offers maintenance of POS systems for Japan and overseas markets, MFPs and auto ID systems for the Japanese market, and related products. In Japan, Toshiba Tec and distributors sell the products under the TOSHIBA brand and the TEC brand. Overseas, our local subsidiaries and distributors sell them mainly under the TOSHIBA brand. The products are also sold under the brands of our business partners.

The Retail Solutions Business offers POS systems for Japan and overseas markets, MFPs and auto ID systems for the Japanese market, and related products. We made utmost efforts to develop new products that reflect the market needs, expanded sales of mainstay and focus products, promoted area-based marketing, and strived to improve earnings structure by strengthening cost competitiveness in the harsh business environment under intensifying competition.

Sales of POS systems for the Japanese market grew because sales of semi-self-checkout and self-checkout rose amid labor shortage, in addition to steady sales of POS systems in general including those of competitors, following the 2019 consumption tax rate hike and implementation of the reduced tax rate system.

Sales of POS systems for overseas markets declined as sales in Asia fell due to the pull back from the concentration of large-scale projects in the same period a year earlier in addition to the sales decline in Europe, despite increased sales in North America.

Sales of MFPs for the Japanese market were roughly unchanged from a year earlier despite a decline in sales volume.

Sales of auto ID systems for the Japanese market increased reflecting growth in the sales volume of medium-range to high-end models, although overall sales volume of bar code printers fell.

As a result, net sales of the Retail Solutions Business increased by 7% from the previous fiscal year to 311,461 million yen. Operating profit of the Retail Solutions Business increased by 16% year on year to 14,344 million yen, owing to a significant sales increase in POS systems for the Japanese market, offsetting the decline in income from POS systems for the overseas market.

Printing Solutions Business

The Printing Solutions Business offers MFPs and auto ID systems for the overseas markets, inkjet print heads for Japan and overseas markets, and related products. We made utmost efforts to expand sales of strategic products, enhanced business solutions in the office field, developed vertical-type product markets and new business domains, and promoted fixed cost reduction through structural reform at overseas subsidiaries in the harsh business environment under intensifying competition.

Sales of MFPs for overseas markets declined, as sales in North America, Europe, and Asia declined given the impact of COVID-19 and foreign exchange.
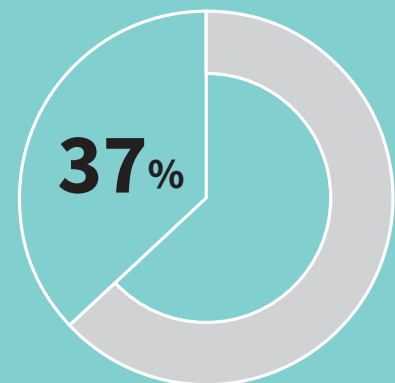
Sales of auto ID systems for overseas markets declined from a year earlier, as sales declined in Europe and Asia, although sales in the Americas grew owing to sales to major customers. Disregarding the impact of foreign exchange, sales were roughly in line with the previous fiscal year.

Sales of inkjet print heads fell, as sales to overseas customers declined, offsetting an increase in sales to customers in Japan.

As a result, net sales of the Printing Solutions Business decreased by 7% from the previous fiscal year to 179,855 million yen. The business posted operating loss of 366 million yen compared with operating profit of 5,666 million yen in the previous fiscal year due to a decline in profit of MFPs for overseas markets.

Net sales breakdown

37%

Net sales and operating profit (loss)

☐ Net Sales ☐ Operating profit (loss) (Millions of yen)

	FY2018	FY2019
Net Sales	192,949	179,855
Operating profit (loss)	5,666	(366)
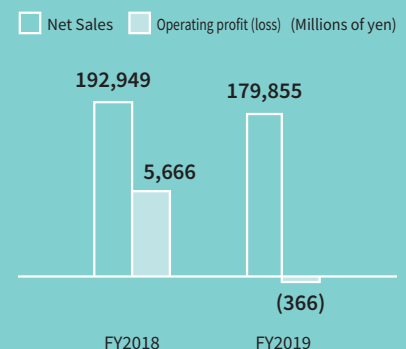
Main business

Develops, manufactures, sells, and offers maintenance of MFPs and auto ID systems for the overseas markets, inkjet print heads for Japan and overseas markets, and related products. Mainly TOSHIBA brand products are sold by our local subsidiaries and distributors overseas.

We assist in the development of an ideal store that makes customers and shopkeepers smile

In recent years, the retail and distribution industry has been suffering from chronic labor shortage and faced with the need for employee workstyle reform, as well as significant change in the surrounding environment, such as the shift to cashless payment including various code settlements and meeting inbound demand from foreigners visiting Japan.

Toshiba Tec will assist in the development of ideal stores through proposals based on a bottom-up approach and enhancement of sales and service structures so that both customers and staff can enjoy the store more and like it more.
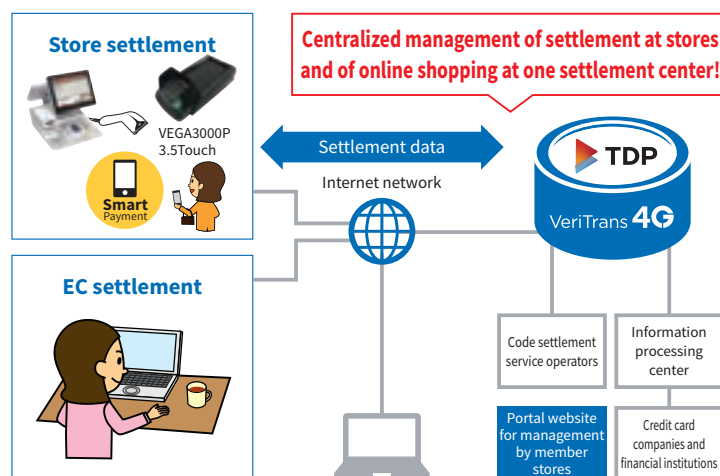

POS cashier

Supplies

Shopping cart self-checkout system

Scale

Realizing cashless and paperless solutions

Toshiba Tec and TD Payment (TDP)* propose a POS settlement solution that can swiftly respond to various credit cards and code settlements while reducing introduction costs, which is one of the issues associated with going cashless.

The companies offer Smart Payment, Toshiba Tec's proprietary code settlement service, which can be linked to a credit card and support the use of code settlement using smartphones. It also achieves paperless processing through linkage with the Smart Receipt electronic receipt service.

*TDP was established as a joint venture between Toshiba Tec and VeriTrans Inc. in December 2018 to build a structure for swiftly offering increasingly diverse cashless settlement solutions.

Store settlement

VEGA3000P 3.5Touch

Smart Payment

EC settlement

Centralized management of settlement at stores and of online shopping at one settlement center!

Settlement data
Internet network

TDP
VeriTrans 4G

Code settlement service operators

Information processing center

Portal website for management by member stores

Credit card companies and financial institutions

Smart Receipt electronic receipt service

It is a convenient app that can receive and manage electronic receipts on a smartphone instead of in paper. It solves the trouble consumers have with paper receipts, such as stuffed wallets and the difficulty of managing receipts, and also contributes to reducing costs and environmental burden for adopting stores. Utilization of coupon and stamp card functions can boost the ability to pull in more customers and increase customer satisfaction.

❶ Download the app and register as a member

❷ Show the bar code at the cashier*

*It can be linked to your company's loyalty card.

❸ Pay as usual

❹ Confirm the receipt on smartphone

Expanding retailing customers' investment value

Toshiba Tec proposes tools and technologies for swiftly and securely solving daily issues by optimizing security and productivity for retailing customers to offer a new shopping experience to consumers.

We will also offer store equipment that can adapt to the rapidly changing business environment based on the abundant experience accumulated over the years and the comprehensive solution service knowhow so as to enhance retailing customers' investment value.

TOSHIBA

We will offer all devices, staff, and technologies necessary to minimize down time at users through wide-ranging support.

- Single-source on-site solution service
- Hard drive repair service
- Repair depot facility service
- Project management service
- Trend analysis and reporting that can be customized
- Installation, staging and integration service
- Peak time preparation program

2 Printing Solutions

Support frontline capability by reducing paper-related environmental burden and cost and expanding applications

Regardless of how far the digitization of information progresses, there will be persistent needs in business scenes for transmitting, recording and storing information, as well as communication tools based on paper.
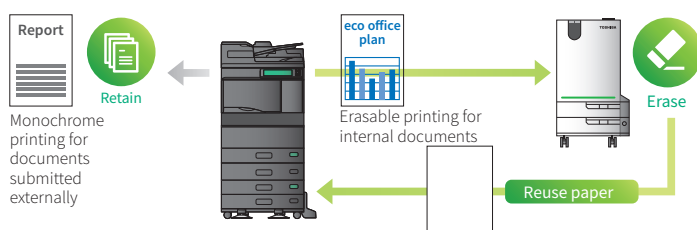
Our paper reusing system controls the volume of paper used while maintaining existing workstyles and our color MFPs respond to various applications. Toshiba Tec realizes high printing quality and security through these products and offers printing solutions that contribute to the efficiency of customer operations, reduction of environmental burden and cost.

MFPs

Loops paper reusing system

Contribute to reduction in paper use by reusing MFP paper

Loops is a system that prints and erases the ink on conventional copier paper thus enabling repeated use of the same copier paper. Users can print regular monochrome print for documents to be submitted externally and those to be stored or choose erasable print for receiving facsimile and internal documents such as check sheets using tone MFP. This enables users to control the amount of paper they use without changing existing workstyles. The system carries out digitization of documents while erasing the ink, thus preventing paper from piling up and realizes the ideal circulation of paper-based documents and digitized data.

Report

Retain

Monochrome printing for documents submitted externally

eco office plan

Erasable printing for internal documents

Erase

Reuse paper

e-STUDIO5015AC color MFP series

Wide coverage ranging from special paper printing to office use

Toshiba Tec's MFP uses low-temperature fusing toners which enables them to print on special paper including heat-sensitive material. They also feature a business card scanning function and a cassette dedicated to envelopes for office use. They are also equipped with a security HDD to protect customer businesses from the risk of information leakage.

Feeding device that also allows consecutive scanning of business cards

Maximizing operational efficiency and productivity as a managed print expert

Toshiba Tec is a managed print expert that has a group of committed professionals with many years of experience. We will support customers in reducing cost, managing documents, and streamlining the office environment by fully demonstrating our ingenuity and technical capabilities.

We evaluate business processes and printing volume of each customer and offer solutions, services, and support required for optimizing resources that maximize productivity. We support customers in making their printing operations smarter and their workstyles safer, and improving their workflow further while realizing reductions in both costs and environmental burden.

With our unique and comprehensive approach, we incorporated a bar code label printing system and an environmentally friendly printing method into the managed print/document service program to offer sustainable solutions to customers.

Analysis and consulting

Solution

Consumable supply management

Toshiba managed print/ document service model

Office security

Environmental innovation

Service
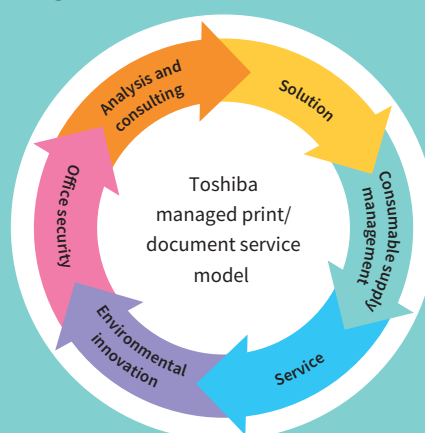
3 Auto ID Solutions

Supporting the establishment of SCM systems in a wide range of fields with auto ID technology

The process of delivering a product to a user involves diverse businesses such as manufacturers, wholesalers, logistics, and retailers. Information exchange across corporate borders is the key to minimizing the risk stemming from mismatch of supply and demand such as out of stock or excessive inventory and improving profitability. Toshiba Tec utilizes auto ID technologies, such as bar codes, RFID, beacons, and images to provide powerful support to customers for building SCM systems in a wide range of industries.

Automatic labeler

Sensing solutions
(beacon terminal)

Label printer

RFID system

Offer optimum solutions by effectively using RFID

The key for building an optimum SCM is the development of a mechanism to share the latest information in real time using auto ID technology such as barcodes, two-dimensional codes, and RFIDs.
Toshiba Tec boasts a solid track record in POS systems and bar code systems. By fully leveraging this advantage, we offer optimum solutions by making use of RFID in fields ranging from improving the efficiency of inventory operation to obtaining meticulous marketing data and support the business process improvement of customers regardless of industry or business format.

Office

Shared server
(product management)

Manufacturing

Store and backyard

Logistics
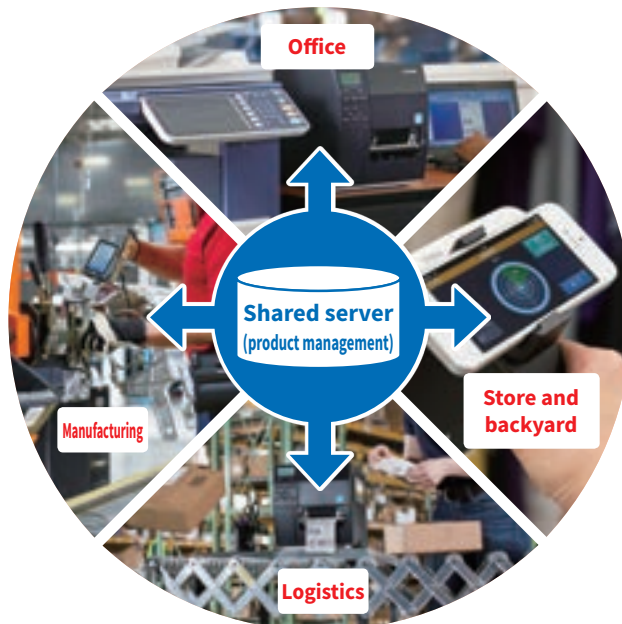
▌Offering new services by improving operational efficiency with traffic line analysis and visualizing positional information

Toshiba Tec offers streamlining of operations through traffic line analysis as well as a position visualization system (PVS) utilizing Bluetooth beacons, which contribute to customer satisfaction.
Using radio waves from Bluetooth beacon devices fixed inside a facility, the movement of forklifts equipped with receivers and people with smart devices are tracked and analyzed on the system. This enables optimum shelf placement inside a plant or warehouse for the most efficient traffic lines. Similarly, attaching a receiver onto a shopping cart at a retail store would visualize the customer traffic lines and congested locations, information that can be used when planning a store layout that would be more convenient for customers to shop. At large-scale commercial facilities, it can be linked to the map function of mobile devices to guide customers (to the parking lot, a tenant, bathroom, nursing room, etc.). The use of Toshiba Tec's traffic line analysis service is expanding.
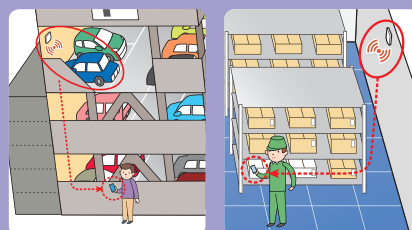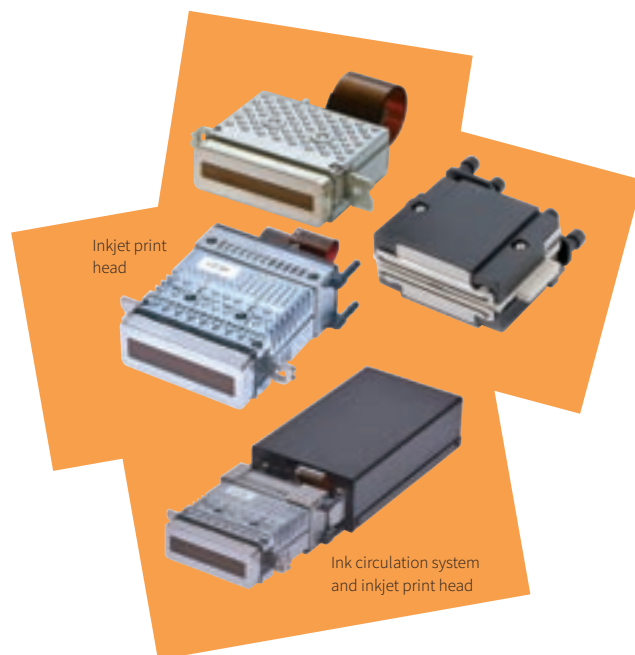
4 Inkjet Solutions

Meeting diverse printing needs in various fields

Inkjet technology enables not only printing of conventional documents and graphics but also high-quality printing on objects of diverse materials and shapes.
Toshiba Tec responds to printing needs in various fields with its high quality and reliable inkjet solutions and supports customers' new value creation.

Inkjet print head

Ink circulation system and inkjet print head

Only inkjet print head in the industry that circulates ink near the nozzle and realizes resolution of 300 npi per line

An inkjet print head is the key device of inkjet printers, and can print without directly touching the object.
High resolution, high reliability inkjet print heads developed, manufactured, and sold by Toshiba Tec play an essential role in printing technology that is evolving day the day.
The latest CF3R print head circulates fluid inside the head and realizes highly stable discharge and low environmental burden. Not only can a print head print one color at a resolution of 600 npi but also two colors at a resolution of 300 npi each, contributing to making printers smaller.

CF3R

▶ **Inkjet solutions**

Toshiba Tec staff directly communicates with customers, confirms requests, and presents proposals for solving issues. In offering inkjet solutions to customers starting up or expanding a business, we will pursue business support in sync with the customer, providing not only inkjet print heads but also peripheral devices including ink circulation systems and technical support.

Applications in the industrial field

Toshiba Tec's inkjet print head technology can be applied to many industrial fields from outdoor billboards to product labels/packages and cardboard boxes with increasing demand in line with the development of logistics.

Graphics   Billboards

Logistics materials   Cardboard boxes

Packaging materials   Labels/packages

R&D ACTIVITIES

Under the basic philosophy of providing 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, the research and development /design divisions of the group companies are closely cooperating with each other to aggressively work on advanced technology development, element technology development, and product development. Total R&D costs for the fiscal year under review amounted to 2 6,8 6 6 million yen. Research and development activities by reporting segment are as follows.
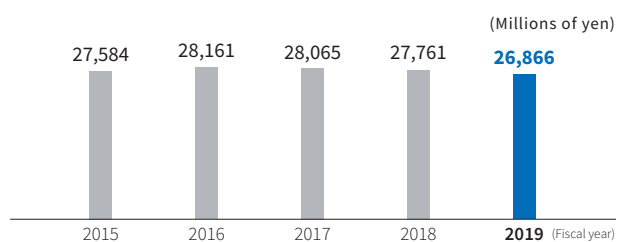
Retail Solutions Business
R&D cost: 11,981 million yen

In this business field, we carry out research and development of POS systems, electronic cash registers, image scanners, and data solutions. R&D costs amounted to 11,981 million yen, with main achievements as follows.

- We developed **a small-sized scanner that can be freely installed depending on store operation.** We introduced one that can be attached to a cart for self-checkout using shopping carts in September 2019 and an all-purpose model that can be kept standing, handheld, or kept flat on a counter in December 2019. The model attachable to a cart can be operated hands-free with more speed than a conventional hand scanner and improves scan efficiency. The pedestal of the all-purpose model can be removed so that it can be kept flat on a counter, and in addition to scanning products, it can be used as a terminal for scanning bar codes and QR codes displayed on a customer's smartphone. The scanner can also read Toshiba Tec's discount stickers.

- We launched a **shopping cart self-checkout system** for mass retailers such as supermarkets in December 2019 and a **self-checkout system for smartphones** in March 2020. With the shopping cart self-checkout system, when the customer walking down the store picks up a product to put in the cart, the attached scanner is used to read the bar code on the product. The information of the scanned product and total cost are shown on the display, allowing the customer to confirm purchase information in real time. The display can also feature information for example of discounted products for a better deal. With the self-checkout system for smartphones, a dedicated app downloaded on to the customer's own smartphone in advance can be used to register and pay for products. These new self-checkout systems allow smooth shopping without queuing at cashiers and significantly shorten the time required for checkout per customer.

- We developed **a handy terminal and wireless ordering system for restaurants** and introduced it in September 2019. The handy terminal adopts a touch panel for smartphone-like operability and has improved durability. The wireless ordering system features a function to read discount coupons in advance using the camera of the handy terminal, which shortens the time required at cashier. It is also equipped with a function to automatically switch unit prices, reflecting the changes in unit price of designated menus depending on the time of day, and improves the efficiency of order taking, assisting staff who are not used to machine operation amid the shortage of skilled personnel.

- Demand for self-checkout products is also expanding globally in growth markets, and Toshiba Tec developed **a self-checkout product for overseas** based on the Japanese model and launched it in January 2020. It is a small self-checkout terminal that can be put on a counter with the control unit, display, scanner, and printer, all in one. It is smaller than existing self-checkout terminals and can be installed at small stores such as convenience stores.

- We are **enhancing the functions of our POS applications and platforms for business partners** that we operate globally along with developing ecosystem programs and promoting **linkage with partnering solutions**. In October 2019, we connected our POS system to the system of a U.S. lottery sales service, which enables lotteries to be sold using POS terminals at the time of settlement. We will further enhance collaboration with partnering solutions that improve shopping experience.

- In November 2019, Toshiba Tec launched **an overseas mobile application for store employees** to improve operational efficiency of POS terminal management. This allows employees to visually confirm the operation status of devices using the dashboard function of the application anytime anywhere using a mobile device and enable them to easily change the setting of the terminal and swiftly identify latent issues.

- Toshiba Tec carried out a **demo test of an unmanned retail store solution utilizing smartphones, tablets, and various sensors for small-sized stores** at a kiosk shop operated by its subsidiary in the Osaki Office from August 2019 to March 2020. With the help of Toshiba Tec Group employees, we verified the benefits of various services including self-checkout using smartphones and tablets, walk-through settlement using various sensors and cameras, and activity detection utilizing artificial intelligence. Among these services, we exhibited the prototype of walkthrough settlement, which we named RushWalk, at the Supermarket Trade Show held at Makuhari Messe in February 2020.

Total R&D costs in the fiscal year under review:

26,866 million yen

(Millions of yen)

2015	2016	2017	2018	**2019** (Fiscal year)
27,584	28,161	28,065	27,761	**26,866**

Printing Solutions Business

R&D cost: **14,884** million yen

In the Printing Solutions Business, we conduct research and development of digital MFPs, auto ID systems, printers and other electrophotographic technologies, optical design, document feeder device, print controller and image-forming technologies, as well as inkjet print heads. R&D cost amounted to 14,884 million yen, with main achievements as follows.

- In August 2019, we launched **an ultra-small and lightweight, low-speed range, black and white A3 MPF model for small to medium-sized offices**. For an A3-sized specification, its case is compact and space-saving, while taking 8% less time to warm up compared with conventional machines. It can also be used to print from mobile terminals and to save scanned data on the cloud. Further, printing is possible also from terminals that cannot be connected to the internal network. These functions support customers in improving operational efficiency and workstyle reform.

- Toshiba Tec introduced **the e-BRIDGE Plus series that can be linked with the general-purpose cloud service offered by Google LLC**, which commands a major share in the office environment. Linked with G Suite, we developed an MFP application that allows uploading of scanned data to cloud storage, downloading and printing of files from cloud storage, and attaching scanned data on e-mail for sending. These functions enable the use of cloud storage service by operating the MFP without a PC, which is expected to improve operational efficiency.

- We began **globally expanding cloud-based MFP customization platform for improving customer experience**. Its utilization enables sales persons, including MFP dealers, to prepare and distribute personalized user interface reflecting customer needs. Workflow requiring complex settings can be operated in one step and contributes to improving customers' operational efficiency.

- In May 2019, we launched **a label printer that can be used in various industries including manufacturing, logistics, and retailing**. Toshiba Tec improved the maximum printing speed by 30% compared with existing models and contributes to shortening work time. It features an alert function that notifies users when to change consumables and enables systematic maintenance, and also contributes to improvement in operational efficiency by reducing down time. Further, the optional RFID function enables simultaneous data writing on to RFID tags while printing labels.

- In January 2020, we launched **a portable printer for manufacturing, logistics, and retail business operators**. Improvement in processing capacity boosted the maximum printing speed by 50% compared with existing models and contributes to shortening work time. We also improved the shock resistance and dust and drip-proof performance, making it even more suitable for on-site operating environment. Further, it features an alert function that notifies users when to change consumables and enables systematic maintenance, and also contributes to improvement in operational efficiency by reducing down time.

Notes:
1. The QR code and G Suite are registered trademarks of Denso Wave Incorporated and Google LLC, respectively.
2. G Suite is a cloud service offered by Google LLC featuring email, document preparation, file storage, calendar, video conference and other functions packaged for business use.

CSR MANAGEMENT OF TOSHIBA TEC

Toshiba Tec Group places CSR at the core of its management as it promotes business activities. We will 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 will always bear in mind that we exist based on the support of many stakeholders around the world, including customers, suppliers, employees, communities, shareholders and investors, and encourage our Group employees to practice CSR activities based on our corporate philosophy "Our Five Commitments" and "Toshiba Tec Group Standards of Conduct."

Contributing to the realization of a sustainable society

Supporting the resolution of global social issues through business

Top priority to human life, safety and compliance

Fulfilling CSR together with stakeholders

Practicing CSR activities based on our corporate philosophy "Our Five Commitments" and Standards of Conduct

Shareholders
Maximization of corporate value

Sound and transparent management
Ensuring appropriate profits and reserves

Environment
Environmental consciousness in all business activities

People's health and safety
Protection/conservation of global resources

Local communities
Development of global society

High ethics and law-abiding spirit
Respect for culture and history

Customers
Value creation for customers

Reliable quality and performance, high user-friendliness, timely supply

Suppliers
Preferential procurement from CSR-conscious suppliers

Better business partnership with suppliers
Promotion of CSR in collaboration with suppliers

Employees
Respect for individuality

Fair and appropriate system of evaluation and rewards
Open and invigorating corporate culture

Dialogue with stakeholders

Stakeholders	Main methods and opportunities of dialogue
Customers	Daily sales activities, offering of environmentally conscious products, call centers (telephone, email, etc.), various exhibitions, showrooms, product and service catalogues, external websites
Suppliers	Daily procurement activities, CSR survey, whistleblowing system for suppliers Partner Hotline, green procurement
Employees	Employee awareness survey, dialogue, information exchange sessions, 360-degree survey, in-house website, internal whistleblowing system Risk Hotline, in-house newsletters, labor management negotiations, various questionnaire surveys, internal and external education and training
Local communities	Information exchange sessions, business center tours, on-site lessons, voluntary activities, environment conservation activities (biodiversity activities led by municipalities, etc.), contributions and donations
Shareholders	General meeting of shareholders, dialogue with institutional investors and securities analysts, webpage for investors

Our Five Commitments -Corporate Philosophy of Toshiba Tec Group-

Create with You

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

1. **With our customers and partners, we will provide new values in a timely manner.**
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. **With our group employees, we will develop a professional team which seeks new challenges.**
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. **With communities, we will help to realize a society where people can enjoy active lives.**
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. **With everyone, we will strive for a future that looks after the environment.**
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. **With our shareholders' expectations in mind, we will carry out sound and transparent management.**
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.

Corporate Philosophy

Standards of Conduct

Toshiba Tec Group Standards of Conduct

The Toshiba Tec Group Standards of Conduct have been established as a course of action for the company to bring the corporate philosophy into shape, conduct business activities with fairness, integrity and a high transparency, and contribute to the realization of a sustainable society.
Each and every executive and employee of Toshiba Tec Group should comply with the Toshiba Tec Group Standards of Conduct and strive to operate a sound and high quality business as a part of a global enterprise which emphasizes a balance between the environment, human rights and local communities under the principle of giving the highest priority to life, safety and compliance with laws, regulations, social standards and ethics.

*Established in 1990, revised in 2014

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

https://www.toshibatec.com/company/corporate/philosophy/action.html

Organization of CSR Management

In 2004, Toshiba Tec Group established a CSR Promotion Center as an organization to promote CSR, and has been improving the promotion structure since then. We are conducting activities in cooperation with CSR-related divisions, such as Human Resources, Environment and Procurement, in order to root CSR as the corporate culture 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.
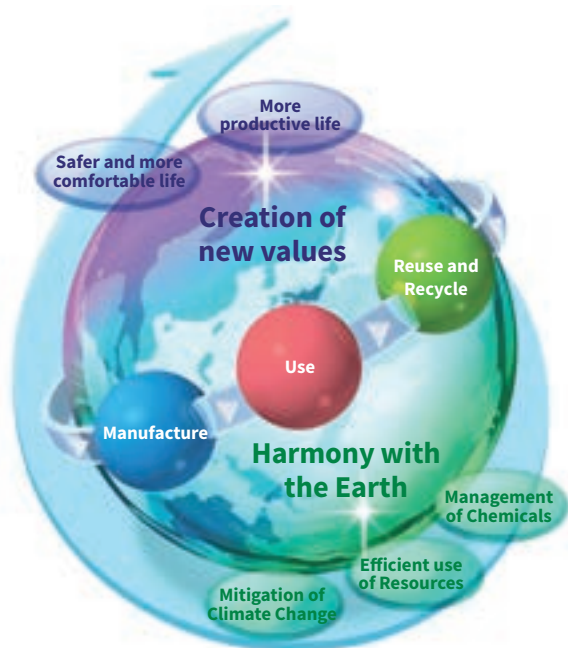
Environment

With everyone, we will strive for a future that looks after the environment.
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.

| 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS |

Vision & Strategies

▶ Promotion of Three Greens and Sustainability based on Environmental Vision 2050

As a reliable partner, Toshiba Tec Group is promoting activities based on Toshiba Group's Environmental Vision 2050 aimed at realizing a world where people can lead affluent lives in harmony with the Earth.

Based on the following three Greens and Sustainability as our core concepts, we will focus on reducing the environmental impact of our every product and business activity from the perspectives of "mitigation of climate change," "efficient use of resources," and "management of chemicals." It will help us contribute to the realization of a society that is de-carbonized, recycle-oriented, and coexisting with nature, as well as the achievement of SDGs, such as climate change mitigation and sustainable consumption and production.

Integration of business management and environmental management
Implementation of measures with 3 Greens and Sustainability

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

Sustainability
Contribution to the realization of a society that is de-carbonized, recycle-oriented, and coexisting with nature

▶ Environmental Promotion Structure

Corporate Environmental Conference

- President
- Corporate Environmental Officer
- Executives
- Environmental Promotion Officer

Strategic Environmental Management Division
Promotion of Toshiba Tec Group's Environmental Management and Sustainable Development Goals (SDGs)
- Strict compliance with environmental laws and regulations worldwide
- Promotion of reduction of environmental impact at manufacturing and non-manufacturing sites worldwide
- Creation of environmentally conscious products and sales promotion
- Promotion of environmental communication

- Environmental Management Promotion Committee
- Product Environmental Promotion Committee
- Process Environmental Promotion Committee

- Managing Directors of Business Groups
- Business Groups
- Business Centers and Offices
- Domestic Group Companies
- Overseas Group Companies

▶ Toshiba Tec Group's Basic Policy for the Environment

Toshiba Tec Group, as a reliable partner which offers global one-stop solutions for its core businesses consisting of Retail business, Printing business and AI/IJ business, contributes to the realization of a sustainable society by integrating business activities with environmental activities aiming for a society that is de-carbonized, recycle-oriented, and coexisting with nature, through "Monozukuri" or by creating environmentally conscious products, in order to hand over the precious global environment to the next generation in a sound condition.

Toshiba Tec Group practices global eco-management under the important pillars of Green Management, Greening of Products, Greening of Process, and Sustainability, and contributes to the achievement of SDGs such as climate change mitigation and sustainable consumption and production.

Green Management

- Toshiba Tec Group assesses the environmental impacts of its business activities, products and services on the environment, and specifies and promotes objectives and targets with respect to the prevention of environmental pollution, use of sustainable resources, mitigation of and response to climate change, and conservation of biodiversity.
- Toshiba Tec Group strives to continually improve environmental management through internal audits and reviews of activities.
- 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.
- Toshiba Tec Group provides environmental education, conducts educational campaigns, and expands each employee's environmental awareness to promote environmental activities.
- Toshiba Tec Group actively and widely discloses its environmental policy and activities inside and outside the Group.
- Toshiba Tec Group participates in society-wide environmental activities in cooperation with administrations, communities and bodies concerned.

Greening of Products

- Toshiba Tec Group pursues the highest level of environmental performance in its products, and aims at creation of Excellent Environmentally Conscious Products (ECPs) and their wide acceptance in the market.
- Toshiba Tec Group reduces the environmental impacts throughout a product's life cycle through green procurement of environmentally conscious materials and parts, resource and energy conservation, and abolition of specified chemical substances, in order to provide environmentally conscious products on a global basis.
- 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.
- Toshiba Tec Group contributes to the establishment of a recycle-oriented society, while collecting and recycling end-of-use products and reusing end-of-use parts.

Greening of Process

- Toshiba Tec Group strives toward resource, energy and water conservation, as well as correct control of chemical substances, for environmentally conscious production, marketing and servicing, allowing for regional situation.
- Toshiba Tec Group aims at realizing a society that is de-carbonized, recycle-oriented, and coexisting with nature through "Monozukuri" and by improving the efficiency of logistics operations.

Sustainability

- Toshiba Tec Group contributes to a sustainable society through its environmental activities, which include the development and provision of outstanding environmental conscious technologies and products in cooperation with society at large and with local communities, and maximizes disclosure and transparency in communication with stakeholders and society at large.

▶ The Sixth Environmental Action Plan

Based on world trends including SDGs and ESG investment as well as Toshiba Group's policy, we formulated the Sixth Environmental Action Plan and have started activities in fiscal 2017. In fiscal 2019, we have achieved all but one of our targets. In this final year of the action plan, we will continue our efforts towards achieving the 2020 targets.

Action area	Indicator		FY2019 Target	FY2020 Target	FY2019 Result
Green Management	Environmental Management	Environmental risk compliance / Environmental human resource development	Strengthen compliance systems at overseas/domestic sites by training environmental auditors and enhancing their performance.		Trained four environmental auditors.
		External communication (Implementation of Global Environmental Action)	Set a theme of recommended activities for each fiscal year and expand the range of Global Environmental Action activities.		Undertook activities under the recommended theme of "Resources."
	Biodiversity	Conservation of biodiversity	Expand the activities at all manufacturing sites for the 10 Aichi Biodiversity Targets.		Carried out the 10 Aichi Target activities at all sites.
Greening of Products	Overall	Creation of Excellent ECPs	To gain certification for all models which aim at certification of Excellent ECP in each fiscal year. (100%)		100%
	Mitigation of Climate Change	Reduce the amount of CO_2 emissions. (ten thousand t)[1]	15.2	17.0	16.4
	Efficient Use of Resources	Expand the amount of resources saved. (ten thousand t)[2]	2.27	2.38	2.29
		Expand the amount of recycled resources (recycled plastics) used. (ten thousand t)[3]	580	587	554
	Management of Chemicals	Reduce the amount of specified chemicals.	Complete the reduction in products for the EU before the start of restriction by eliminating the use of specific phthalates.		Completed new products and products for the EU region.
Greening of Process	Mitigation of Climate Change	Total amount of greenhouse gas (GHG) emissions (ten thousand t - CO_2)[4]	6.40	6.35	5.89
		Amount of CO_2 emissions from energy use per unit consumption (t-CO_2/100 million yen) (compared to FY2013 levels)[4]	56.66 (92%)	55.45 (90%)	52.49 (85%)
	Efficient Use of Resources	Amount of unsellable waste requiring disposal (t)[5]	1,268	1,039	901
		Amount of generated wastes per unit consumption (t/100 million yen) (compared to FY2013 levels)	3.11 (88%)	2.67 (76%)	2.47 (71%)
		Volume of received water per unit consumption (thousand m3/100 million yen) (compared to FY2013 levels)	0.63 (92%)	0.65 (97%)	0.55 (82%)
	Management of Chemicals	Amount of released chemical substances per unit consumption (kg/100 million yen) (compared to FY2013 levels)	45.5 (80%)	25.4 (44%)	27.19 (48%)

[1] [CO_2 emissions of assumed substitute products] – [CO_2 emissions of shipped products] (Compare the annual emissions during the usage stage and cumulate emissions for half of the product life)

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

[3] [Amount of recycled plastics] / [Amount of plastics used in products] × 100

[4] Receiving-end power is used for the power factor in Japan; for fiscal 2013, 5.67t-CO_2/ten thousand kWh is used; for fiscal 2019 and after, 5.31t-CO_2/ten thousand kWh is used. WRI/WBCSD GHG Protocol data in fiscal 2009 is used for overseas.

[5] [Waste volumes] = [Total volume of waste generated] - [Total volume of waste sold]

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.

▶ Development of Products with the Highest Environmental Performance

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

First, in the stages from business strategy formulation to product planning, we set eco-targets for the products in development. This target is set, in prospect of technological and competitor trends, so that the products will have the highest environmental performance at the time of their release.
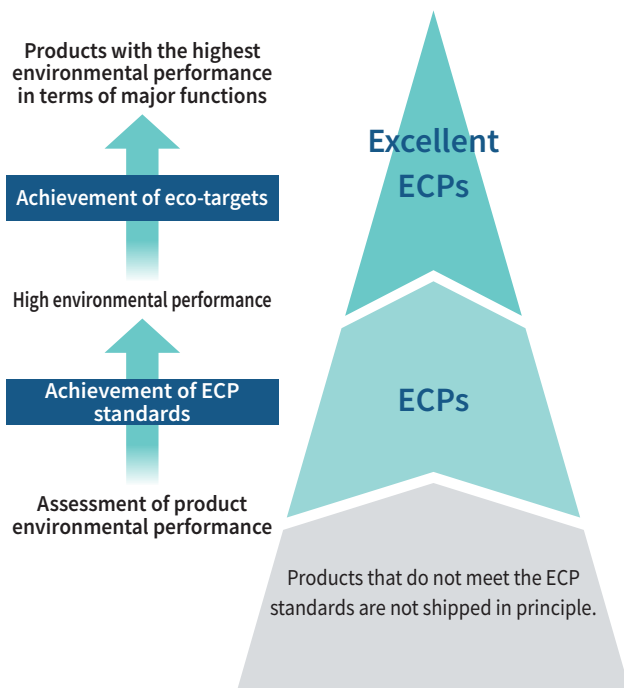
Then, in the development and design stages, we conduct environmental assessments to make sure that products comply with laws and regulations and meet the ECP*1 standards in all three aspects (mitigation of climate change, efficient use of resources, and management of chemicals) in each stage of the life cycle.

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

With the growing demand for social infrastructure in every part of the world, there is concern that consumption of electricity and resources may swell. In order to reduce environmental impact, we aim at creating and further increasing the number of Excellent ECPs with the highest environmental performance in the industry.
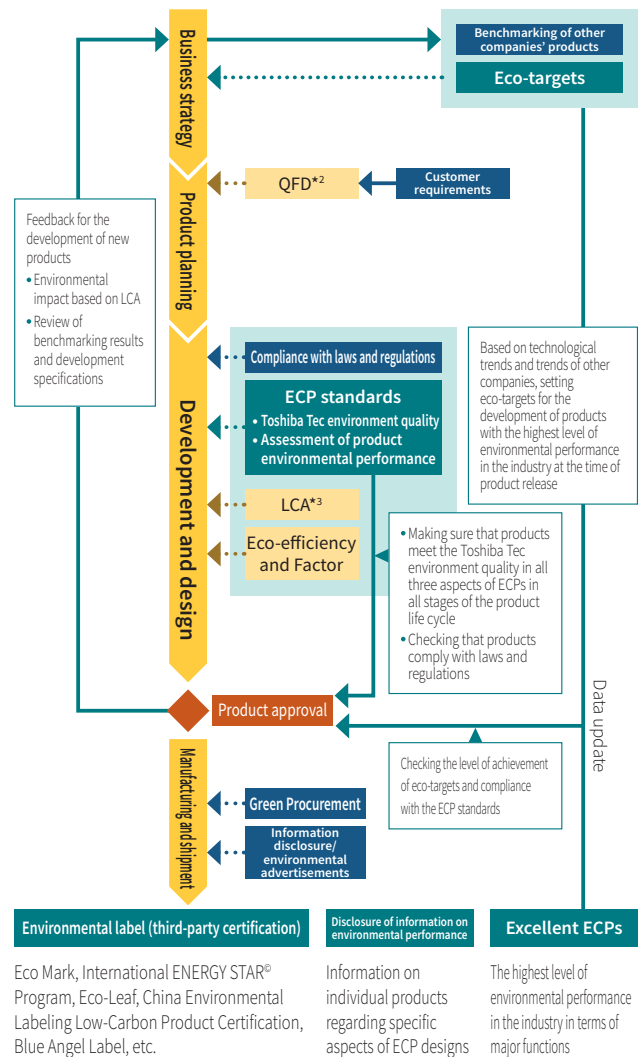
*1 Environmentally Conscious Products (ECPs) are designed to minimize environmental impact in all stages of the product life cycle from procurement of materials to manufacturing, distribution, usage, disposal and recycling.

Basic Policy for the Greening of Products

Products with the highest environmental performance in terms of major functions

Achievement of eco-targets

High environmental performance

Achievement of ECP standards

Assessment of product environmental performance

Excellent ECPs

ECPs

Products that do not meet the ECP standards are not shipped in principle.

Mitigation of climate change
- Reductions in power consumption
- Reductions in standby electricity consumption
- Visualization of power consumption
- Energy-saving mode
- Shipment mode, etc.

Efficient use of resources
- Reductions in the use of raw materials
- Use of recycled materials
- Ease of disassembly
- Reductions in the use of packaging materials
- Reductions in the use of supplies
- Upgrades, longer useful lives, etc.

Management of chemical substances
- Reduction in the use of specific hazardous substances
- Green Procurement
- Distribution of information on chemicals
- Compliance with chemical regulations in different countries, etc.

System for the Greening of Products

Business strategy
- Benchmarking of other companies' products
- Eco-targets

Product planning
- QFD*2
- Customer requirements

Development and design
- Compliance with laws and regulations
- ECP standards
  - Toshiba Tec environment quality
  - Assessment of product environmental performance
- LCA*3
- Eco-efficiency and Factor

Based on technological trends and trends of other companies, setting eco-targets for the development of products with the highest level of environmental performance in the industry at the time of product release

Feedback for the development of new products
- Environmental impact based on LCA
- Review of benchmarking results and development specifications

- Making sure that products meet the Toshiba Tec environment quality in all three aspects of ECPs in all stages of the product life cycle
- Checking that products comply with laws and regulations

Product approval

Manufacturing and shipment
- Green Procurement
- Information disclosure/ environmental advertisements

Checking the level of achievement of eco-targets and compliance with the ECP standards

Data update

Environmental label (third-party certification)
Eco Mark, International ENERGY STAR© Program, Eco-Leaf, China Environmental Labeling Low-Carbon Product Certification, Blue Angel Label, etc.

Disclosure of information on environmental performance
Information on individual products regarding specific aspects of ECP designs

Excellent ECPs
The highest level of environmental performance in the industry in terms of major functions

*2 QFD: Quality Function Deployment
*3 LCA: Life Cycle Assessment

▶ Major Products Certified as Excellent ECPs

e-STUDIO5015AC Color MFP

Released in November 2018

Energy saving Top-level Typical Electricity Consumption (TEC)[*1] by improving thermal conductivity of the fusing belt and succeeding use of low-temperature fusing toner

Resource saving Highest amount of resource use saved[*1] through increase in the recycled plastics use ratio resulting from use of materials with high content of post-consumer recycled plastics

e-STUDIO4518A Monochrome MFP

Released in November 2018

Energy saving Top-level TEC[*1] achieved by reducing the heat capacity of the heat and pressure rollers and successive use of low-temperature fusing toner

M-9000 Series POS system

Released in September 2017

Lowest[*1] standby power for applications[*2] through the use of power-saving parts and human sensors Reductions in size and weight by downsizing the control unit and changing the mounting position to the back of the display[*1]

Energy saving Standby power for applications[*2]: Approx. 45% reduction[*3]

Resource saving Mass: Approx. 35% reduction[*3]

e-STUDIO7516AC Color MFP

Released in November 2018

e-STUDIO5518A/6518A/7518A/8518A Monochrome MFPs

Released in November 2018

Energy saving Top-level TEC[*1] achieved by using high efficiency IH fuser unit and low-temperature fusing toner

IS-910T vertical type object recognition scanner

Released in October 2013

A POS system scanner that can identify the type of produce by color and pattern, using Toshiba Tec's one-of-a-kind image recognition technology

Energy saving Equipped with energy-saving mode that cuts standby power consumption by approx. 15%[*4]

Resource saving The scanner helps reduce the use of food trays, wrapping and labels, as it directly recognizes each produce

*1 At the time of product launch; The current position is not guaranteed.
*2 Power consumed while in standby mode for registration of purchases
*3 Compared to the M-8000 system with a 15-inch display
*4 Compared to IS-890T

▶ Green Procurement

We implement green procurement in the procurement stage of raw materials. We also aim to procure materials with a lower environmental impact from suppliers that aggressively promote activities for environmental conservation. In addition, we have been working to reduce the use of phthalates since 2015.

■ Suppliers' activities for environmental conservation

We prioritize suppliers who perform proactive activities for environmental conservation. We have prepared the Guidelines for Green Procurement in Japanese, English and Chinese to check the status of implementation of suppliers.

Activities for environmental conservation
1. Formulating environmental policy
2. Establishing and maintaining a system for environmental conservation
3. Training and monitoring of system performance

■ Data utilization

We request our suppliers to provide data on chemical substances contained in the material to be supplied in a survey format based on our Guidelines for Green Procurement, and we use the information management system for chemical substances contained in products to aggregate the data. We utilize the collected data to develop ECPs.

■ Control of environment-related substances in items for procurement

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 a lower environmental impact.

Control of environment-related substances
1. Make every supporting organization and supplier understand the requirements.
2. Realize the requirements for control of environment-related substances.
3. Reply to inquiries about control of environment-related substances.
4. Obtain necessary information from suppliers as base data for reply.
5. Perform sample tests or obtain sample test results from suppliers if necessary.
6. Investigate suppliers' control systems.
7. Stay updated on which chemical substances will be prohibited.
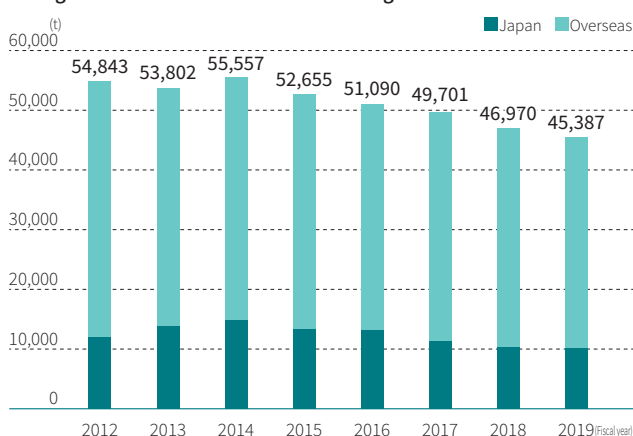
Greening of Process

We are working on "Monozukuri," or product manufacturing, aimed at minimizing the input of energy, resources and chemical substances, as well as the output of CO_2, waste and chemical substances in our manufacturing process worldwide.

▶ Mitigation of Climate Change

■ Minimizing CO_2 emissions due to energy consumption

We effectively use energy to reduce CO_2 emissions. We continue to reduce CO_2 emissions through systematic implementation of measures such as switching to LED lighting and upgrading to energy-saving equipment mainly at overseas sites by effectively using subsidies. Our multifaceted emission reduction initiatives also include greening of rooftops and installation of solar panels.

Changes in CO_2 emissions at manufacturing sites

(t)   ■Japan ■Overseas

	2012	2013	2014	2015	2016	2017	2018	2019
Total	54,843	53,802	55,557	52,655	51,090	49,701	46,970	45,387

(Fiscal year)

Note: Receiving-end power is used for the CO_2 emissions factor in Japan; 4.81t-CO_2/ten thousand kWh for fiscal 2012, 5.67t-CO_2/ten thousand kWh for fiscal 2013, 5.52t-CO_2/ten thousand kWh for fiscal 2014, and 5.31t-CO_2/ten thousand kWh for fiscal 2015 and after. For overseas, WRI/WBCSD GHG Protocol data for 2006 is used for fiscal 2012; WRI/WBCSD GHG Protocol data for 2009 is used for fiscal 2013 and after.

■ Minimizing CO_2 emissions associated with product transportation

We switched from individual shipping to full truckload shipping for imported parts to increase load efficiency, leading to a reduction in the number of trucks required. We also reduced the size and weight of new products that were developed to control CO_2 emissions associated with product transportation. Although emissions increased in fiscal 2018 and 2019 due to the growth in domestic sales of POS systems, we will continue our efforts to minimize emissions.

Changes in CO_2 emissions associated with domestic product transportation

(t)

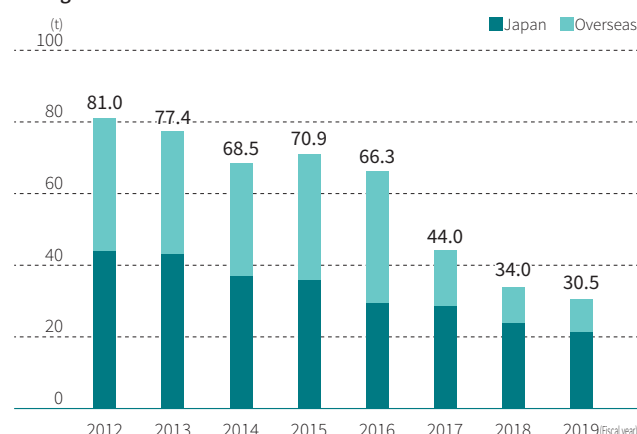|	2012	2013	2014	2015	2016	2017	2018	2019
	1,037	1,061	932	982	1,031	906	930	1,078

(Fiscal year)
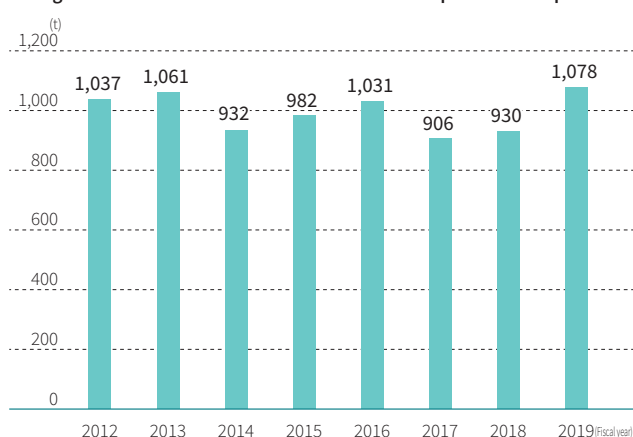
▶ Management of Chemicals

■ Minimizing emissions of chemical substances in the manufacturing process

We classify chemical substances that are subject to environmental laws and regulations into three types: "prohibited," "to be reduced," and "to be controlled."
We strive to reduce emissions of chemical substances, which are classified into "reduction," into the atmosphere and water that directly affect the environment. In fiscal 2017, TOSEI left Toshiba Tec Group, resulting in a significant reduction of emissions. We will continue to reduce emissions by introducing manufacturing equipment with low emissions of chemical substances and reviewing the processes. Reduction of chemical emissions will remain our priority in the coming years.

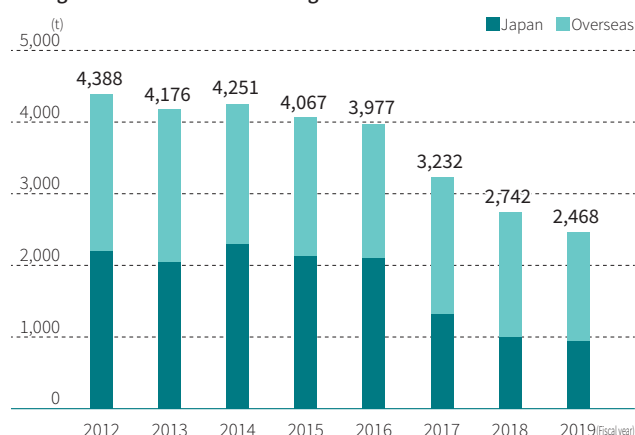**Changes in emissions of chemical substances**

(t)   ■Japan ■Overseas

	2012	2013	2014	2015	2016	2017	2018	2019
	81.0	77.4	68.5	70.9	66.3	44.0	34.0	30.5

(Fiscal year)

▶ Efficient Use of Resources

■ Minimizing increase in the total volume of waste generated

To efficiently use resources, we are working to reduce the total volume of waste generated. In fiscal 2017, TOSEI left Toshiba Tec Group, and in fiscal 2018, Kokusai Chart left the Group, resulting in a significant reduction of waste generated. We are also visiting domestic recyclers on site to directly confirm the disposal situations, and promoting communications to improve the rate of recycling. We will continue our efforts to make efficient use of resources.
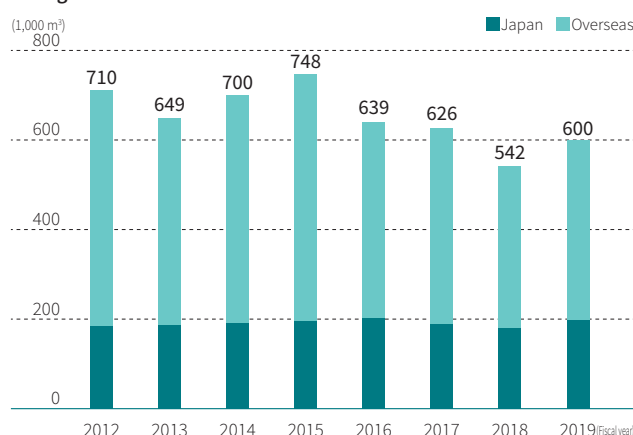
■ Efficiently using water resources

Of the water we receive, only a small amount is used in the manufacturing process, while most of it is used for daily needs including toilets, cafeteria and company dormitories. Our water usage remained relatively stable. We have been encouraging our employees to save water through posters and other means. We also ran a campaign under the annual environmental theme to promote the use of rain water at all sites. These efforts will continue in the years to come. Water usage increased in fiscal 2019 from the level of 2018 owing to damaged underground water pipes (overseas site) and a broken float switch (domestic site). We will improve the methods for facility inspection and replace aged equipment so as to prevent further loss of water resources caused by equipment faults.

Changes in total volume of waste generated

■ Japan ■ Overseas

(t)

Fiscal year	Total
2012	4,388
2013	4,176
2014	4,251
2015	4,067
2016	3,977
2017	3,232
2018	2,742
2019	2,468

Changes in the amount of water received

■ Japan ■ Overseas

(1,000 m³)

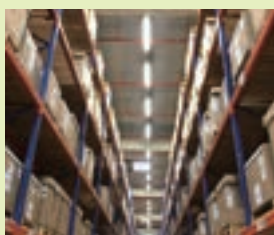| Fiscal year	Total
2012	710
2013	649
2014	700
2015	748
2016	639
2017	626
2018	542
2019	600

Topics

Mitigation of Climate Change

Switching to LED lighting

We have been working according to schedule to change lightings in all sites to LED lights.
As of fiscal 2019, 75% of lighting in our facilities were energy efficient.

Toshiba Tec Information Systems (Shenzhen) Co., Ltd

As a means to mitigate the climate change, the company installed green roofs, which helps to curb the temperature rise in the factory as well as CO_2 emissions.

Efficient use of Resources

P.T. Tec Indonesia

The company utilizes waste lumber to repair cafeteria equipment, as part of its efforts to make good use of resources.
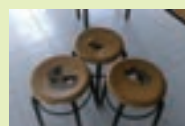
Management of Chemicals

P.T. Tec Indonesia

The company is working to reduce the use/ emission of chemical substances systematically by replacing and newly installing equipment and facilities. Thanks to the renewed soldering equipment, the company succeeded in reducing the use of IPA by 25% in circuit board manufacturing in fiscal 2019.

Green Management

▶ Environmental Audit

■ 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 manufacturing and non-manufacturing sites, and environmental technology audits of products at business groups on an annual basis.

In fiscal 2019, four auditors were added to enhance the compliance system and develop human resources.

On-site audit

Environmental Management Audit Auditing the corporate-wide overall environmental management

Environmental Audit of Sites	Environmental Technology Audit of Products
Auditing overall environmental management, progress of the action plan, status of environmental compliance and facility management at manufacturing and non-manufacturing sites	Auditing the progress of the action plan, EMS and results of environmental technology activities regarding products at business groups and group companies

Aiming at improvement in the environmental management level and reduction of environmental risks

▶ Environmental Accounting

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

Target sites: Toshiba Tec Head Office, Shizuoka Business Center, 1 domestic and 6 overseas manufacturing group companies
Target period: April 1, 2019 to March 31, 2020
Note: Some figures are estimates.

■ Costs and benefits

For environmental conservation costs on a consolidated basis in fiscal 2019, total capital investments were 150 million yen and total expenses were 950 million yen. Total environmental benefits were 2.37 billion yen.

Environmental conservation costs (Millions of yen)

Category	Description	Investments		Costs		Changes in costs from FY2018	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
(1) Business area costs	Reduction of environmental impacts ① to ③	145.1	120.4	156.1	95.1	-33.7	6.7
① Pollution prevention costs	Prevention of air, water and soil pollution, etc.	3.1	0.0	37.2	12.2	-29.2	-0.1
② Global environmental conservation costs	Global warming prevention, ozone layer protection, etc.	136.4	114.8	73.0	56.6	1.2	9.2
③ Resource recycling costs	Recycling of waste, etc.	5.5	5.5	45.9	26.3	-5.7	-2.4
(2) Upstream/downstream costs	Green procurement, collection and recycling of end-of-use products, etc.	0.0	0.0	174.8	174.8	44.6	44.6
(3) Administration costs	Establishment of EMS, environmental education, tree planting/clean-up activities, etc.	0.0	0.0	311.7	300.2	7.9	5.1
(4) R&D costs	Technical development for ECPs, etc.	0.0	0.0	303.3	303.3	163.4	163.4
(5) Public relations costs	Donations and support to groups/organizations, etc.	0.0	0.0	1.0	0.0	-0.7	-0.1
(6) Environmental damage restoration costs	Recovery of soil pollution, etc.	0.0	0.0	0.1	0.1	0.0	0.0
Total		145.1	120.4	946.1	873.5	180.6	219.7

Environmental conservation benefits (Millions of yen)

Category	Description	Amounts	Calculation method
Ⓐ Actual benefits	Reduced charges for electricity and water, etc.	-11.8	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
Ⓑ Assumed benefits	Reduced environmental impacts on water and atmosphere in monetary value	113.4	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.
Ⓒ Customer benefits	Benefits of impacts reduced during product use in monetary value	2,271.7	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) = Σ {(electricity consumption per year of the former model − electricity consumption per year of the new model) × number of units sold per year × benchmark unit price of electricity charge}
Total amount		2,373.1	

Ⓐ Actual benefits

Item	Reduction of environmental impact*	Benefits measured in monetary values (Millions of yen)
Energy	32,800 GJ	-21.4
Waste	278.9t	14.4
Water	-17,900 m³	-4.7
Total amount		-11.8

Ⓑ Assumed benefits

Item	Reduction of environmental impact*	Benefits measured in monetary values (Millions of yen)
Benefits from reduction of chemical emissions	8.4t	113.4

Ⓒ Customer benefits

Item		Reduction of environmental impact*	Benefits measured in monetary values (Millions of yen)
Benefits from reduction of environmental impact during product use	Electricity	47,280,000 kWh	1,276.5
	Paper rolls	1,688t	995.2
Total amount			2,271.7

*The reduction of environmental impact indicates the differences between fiscal 2018 and 2019. Negative figures show an increase in environmental impact beyond the benefits from reduction due to increased production, etc.
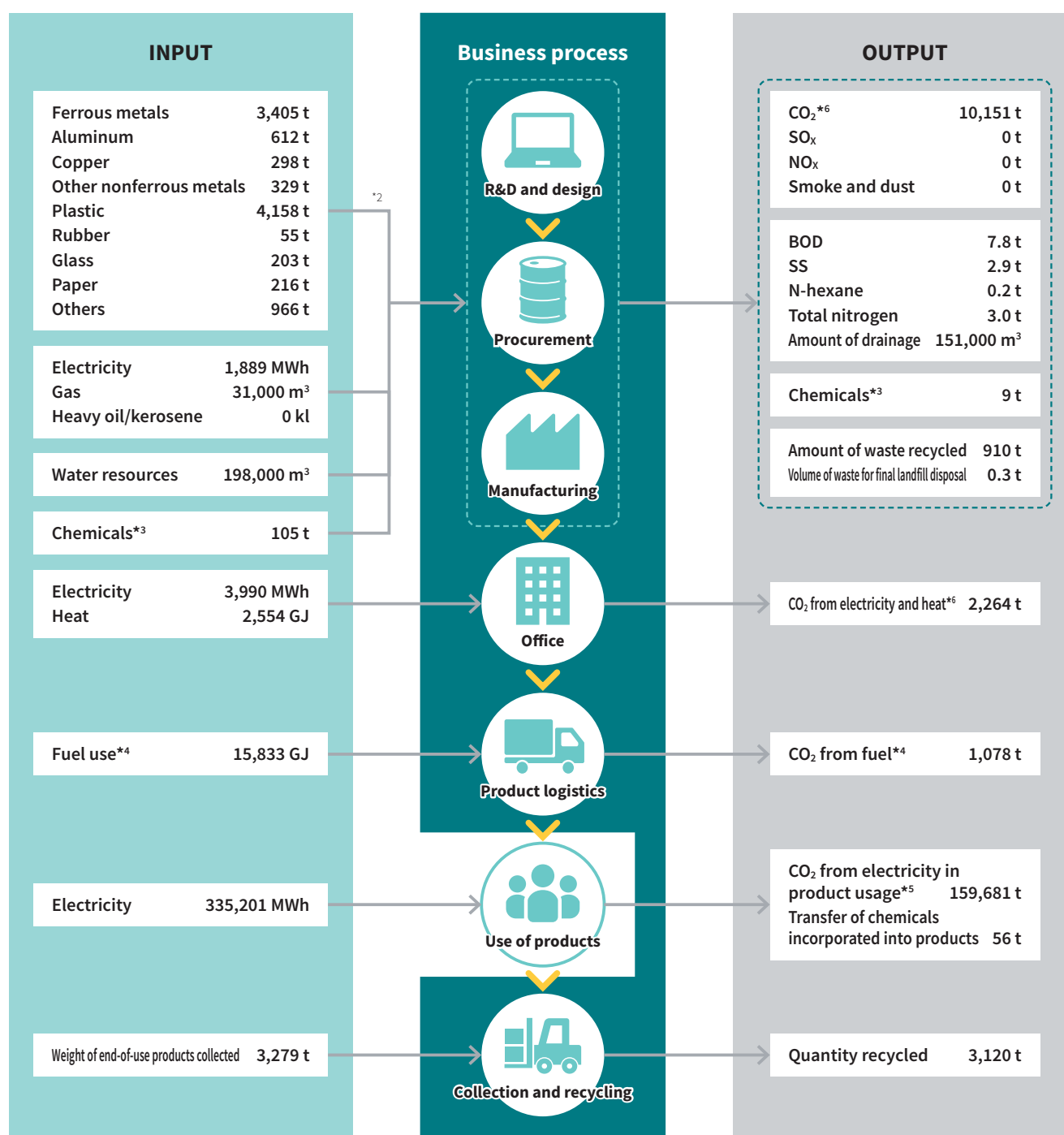
▶ Environmental Impact throughout the Life Cycle in Fiscal 2019

We reduce the environmental impact in our manufacturing processes and develop environmentally conscious products to understand, analyze and reduce the impact at each stage of the product life cycle.

We procure raw materials and components from suppliers, and 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 manufacturing stage, CO_2

emissions from total energy consumption was 10,151 tons at plants and 2,264 tons at offices. Emissions of chemicals into the atmosphere and water was 9 tons. The amount of waste recycled was 910 tons and the amount of waste landfilled was 0.3 tons. CO_2 emissions from major products shipped in fiscal 2019 throughout their product life was 159,681 tons. We place the highest importance on curbing power consumption and CO_2 emissions, the two major sources of environmental impact throughout the whole life cycle of our products.

■ Environmental impact in fiscal 2019[1]

INPUT		Business process	OUTPUT	
Ferrous metals	3,405 t		CO_2[6]	10,151 t
Aluminum	612 t		SO_X	0 t
Copper	298 t		NO_X	0 t
Other nonferrous metals	329 t	R&D and design	Smoke and dust	0 t
Plastic	4,158 t			
Rubber	55 t		BOD	7.8 t
Glass	203 t		SS	2.9 t
Paper	216 t		N-hexane	0.2 t
Others	966 t	Procurement	Total nitrogen	3.0 t
			Amount of drainage	151,000 m³
Electricity	1,889 MWh			
Gas	31,000 m³		Chemicals[3]	9 t
Heavy oil/kerosene	0 kl			
		Manufacturing	Amount of waste recycled	910 t
Water resources	198,000 m³		Volume of waste for final landfill disposal	0.3 t
Chemicals[3]	105 t			
Electricity	3,990 MWh			
Heat	2,554 GJ	Office	CO_2 from electricity and heat[6]	2,264 t
Fuel use[4]	15,833 GJ	Product logistics	CO_2 from fuel[4]	1,078 t
Electricity	335,201 MWh	Use of products	CO_2 from electricity in product usage[5]	159,681 t
			Transfer of chemicals incorporated into products	56 t
Weight of end-of-use products collected	3,279 t	Collection and recycling	Quantity recycled	3,120 t

[2]

*1 Target data tabulated: Toshiba Tec
*2 Inputs of materials and parts are calculated based on material procurement data using the Toshiba Group's proprietary method.
*3 Target chemicals: 551 types specified by Toshiba

*4 Product logistics: All CO_2 emissions from outsourced transportation.
*5 CO_2 in product usage is CO_2 emissions from major products shipped in fiscal 2019 throughout their product life.
*6 CO_2 emission factor used is 5.31 t-CO_2/ten thousand kWh.

ENVIRONMENT

▶ Worldwide Collection and Recycling

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

Japan
We collect end-of-use products at our sales sites and perform process checks on recycling contractors to increase the collection and recycling rates.

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

Dismantling an MFP

Europe
At Toshiba Tec France Imaging Systems S.A. in France, we implement the end-of-use toner cartridge collection and recycling program in collaboration with Conibi. End-of-use toner cartridges collected are recycled into raw materials at ClozDloop in Belgium.

Australia & North America
We implement the Zero Waste to Landfill recycling program in collaboration with Close the Loop. Almost all of the end-of-use toner cartridges collected from copiers and MFPs through this program are recycled.

▶ Approaches for Conservation of Biodiversity

■ Aichi Biodiversity Targets and Toshiba Tec's initiatives for conservation of biodiversity

We conduct 10 of the Aichi Biodiversity Targets, to which our business activities are closely related, based on the Toshiba Group's Policy. We aim to achieve these targets at all of our production sites by fiscal 2020, the final year of our Sixth Environmental Action Plan. In fact, the goal has been reached one year ahead of schedule in fiscal 2019, including Target 14 that was added on the agenda in the same year.

Selected Aichi Biodiversity Targets		Specific action
Target 1	Awareness increased	Environmental education, internal and external information disclosure
Target 2	Biodiversity values integrated	Incorporation of targets into environmental policies and environmental action plans
Target 4	Sustainable consumption and production	Mitigation of climate change, efficient use of resources, and implementation of green procurement
Target 5	Habitat loss halved or reduced	Maintenance and building of ecosystem networks
Target 8	Pollution reduced	Reduction of emissions and proper management of chemical substances
Target 9	Invasive alien species prevented and controlled	Prevention of invasion in every stage of product life cycle
Target 11	Protected areas increased and improved	Conservation activities in protected areas in and outside of Toshiba Tec Group sites
Target 12	Extinction prevented	Protection of rare animal species, external conservation activities
Target 14	Ecosystems and essential services safeguarded	Maintenance and improvement of infrastructure, supply, adjustment and cultural services
Target 19	Knowledge improved, shared and applied	Activity information disclosure

■ Major activities in fiscal 2019

Here are our major activities in fiscal 2019.

Target 14	Ecosystems and essential services safeguarded

Toshiba Tec Head Office

We participated in Fill Osaki with Flowers, a flower planting initiative led by a local community body. We made flower beds around the site and planted flowers.

Toshiba Tec Shizuoka Business Center (Ohito)

The Center participates in volunteer activities for tree planting as a way to contribute to maintaining and improving the ecosystem's essential services such as through oxygen supply, temperature and humidity adjustment, etc.

P.T. Tec Indonesia

Tec Indonesia planted edible plants (banana, mango) around the site and looks after them.

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

The company took part in a tree planting activity at Muzhiyi Tongde Park in Longgang District, Shenzhen so as to assist the forest's water purifying function.

▶ Global Environmental Actions

Each year, we are committed to carrying out environmental contribution activities worldwide by incorporating the activity items of the Sixth Environmental Action Plan. In fiscal 2019, a total of 90 activities were conducted under the recommended theme of "resources."

E-waste collection
Conducted at toner manufacturing plants of P.T. Tec Indonesia, Toshiba Tec Singapore Pte Ltd and Toshiba America Business Solutions, Inc.

Flower planting and weeding in the Rakujuen Park and around the Kohamagaike pond
Toshiba Tec Shizuoka Business Center (Mishima)

Reducing energy consumption by installing LED lighting and improving the efficiency of compressors used in toner manufacturing
Toshiba Tec Europe Imaging Systems S.A.

Training on waste reduction that doubles as SDG education and promotion of three Rs (reduce, reuse and recycle)
Toshiba Tec Singapore Pte Ltd

▶ Information Disclosure

■ External evaluations and commendations

We were ranked high ("A") in the Sompo Japan Green Open Fund's "Buna no Mori" Environmental Survey, and were selected as an investment brand (index component) in the ESG assessment of environmental, social, and corporate governance issues.

In October 2019, Toshiba Tec Information Systems (Shenzhen) Co., Ltd. received the China Environmental Labeling Excellent Corporation Award from the China Environmental United Certification Center Co., Ltd. (Beijing) for its product environmental performance and environmental management system. The award is presented every five years to select companies among those certified with the China Environmental Label for outstanding environment-friendliness of their plants.

2020
Sompo Sustainability Index

▶ Communication and Development of Environmental Awareness

■ Environmental meetings

We regularly hold environmental meetings between manufacturing sites worldwide, discuss measures to reduce environmental impact and conserve biodiversity, along with environmental actions and awareness building, to develop implementation measures.

■ Environmental education

We annually implement e-learning training on general knowledge and trends on environmental issues as well as the overall environmental management of Toshiba Tec Group for all employees.
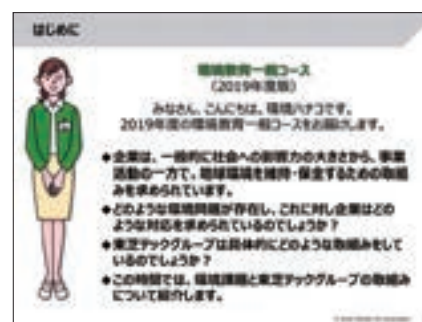
Social

**We work on people-oriented management and CSR through supply chains.
We put our customers first when developing and providing products and services.**

| 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS |

Respect for Human Rights

We comply with universal principles regarding human rights and labor practices worldwide, and respect human rights through sound business activities.

▶ Policy on Respect for Human Rights

We designate "Respect for Human Rights" as Article 1 in the Toshiba Tec Group Standards of Conduct to which Toshiba Tec Group's executives and employees must adhere.
In addition to compliance with laws and regulations, our Standards of Conduct stipulate respect for basic human rights and oppose child labor and forced labor as a fundamental policy. The Standards also stipulate that we shall respect basic human rights, individuality and privacy, and embrace a diverse set of values among individuals, and refrain from human rights violations such as physical violence, sexual harassment, abuse of power (workplace bullying or harassment), and discriminatory remarks and actions against race, religion, gender, nationality, physical or mental disability, age, or sexual orientation. We revised part of our employment regulations in April 2020, stipulating strict

disciplinary action in harassment cases in greater detail.
The Standards also state that we must comply not only with the laws and regulations of countries and regions in which we operate, but also with international principles on human rights, and demand that our suppliers take actions against basic human rights violations.

▶ Education and Enlightenment on Respect for Human Rights

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 in the training programs for new employees and appointed managers.

Topics

Education and enlightenment on prevention of harassment

Our employment regulations and collective agreements also prohibit sexual harassment and abuse of power and stipulate disciplinary action for anyone involved in wrongdoing. We provide consulting services and establish a system to address employee concerns together by staffing trained counselors for each business group. We also raise awareness in our workforce by delivering a message from top management during Human Rights Week, providing regularly scheduled training and e-learning for all employees, distributing anti-workplace harassment booklets and putting up awareness-raising posters at all business centers. In 2019, we conducted harassment prevention training for all employees in managerial posts, including directors and vice presidents, lectured by an attorney specializing in harassment issues. We will make continuous efforts to create a sound and comfortable work environment of mutual respect.

Harassment prevention training (September 2019)   e-learning   Poster to raise awareness

Human Resource Development

We have fair personnel systems in place to help diverse employees play active roles by fully demonstrating their abilities, as well as make efforts to develop and deploy human resources.

▶ Human Resource Utilization and Development

We define "respecting the individuality of each employee, striving to promote each one's abilities, and implementing a fair and appropriate system of evaluation and rewards" as part of our corporate philosophy, and aim to continue systematically securing and developing competent and competitive human resources to form a strong professional team that will continue to tirelessly seek new challenges for the growth and development of Toshiba Tec.

■ Training program / education system

We provide training programs to establish a shared base for our employees and systems that can respond to individual needs and career characteristics.

Global HR development and training **Topics**

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 global human resource development program for young to mid-career employees. The program systematically covers not only languages but the raising of personnel equipped with operational knowledge, culture and good sense that can be deployed around the world.

	Training program by position	Training program by professional capacity	Executive development program	Others
	This is a mandatory program that is carried out at each milestone to move up the career ladder, such as at the time of joining a company or being newly appointed as a leader. It is intended to enable employees to acquire the minimum knowledge and skills required in each position so that they can fulfill the role required by that position.	This program is intended to enable employees to acquire the occupational knowledge and skills required for their respective careers.	This is a selective program to develop executive candidates, future leadership candidates and global human resources.	There are programs to provide compliance training, so that our employees develop a shared awareness of compliance, and to support personal capacity development and skill improvement.
Managers	Career program for employees aged 30 / Follow-up program for managers / Program for newly appointed executives / Program for newly appointed managers	Sales and marketing program by position; Technology/human resource development program; Production IE program; Staff training program	Selective executive development program; Selective global human resource development program	Innovation program; Mentor/elder program; Language program (e.g. school-type English training / on-line English training); Compliance program (e.g. export control / intellectual property / information security); Personal development support program
Specialists	Program for newly appointed leaders			
Non-managerial employees	Basic course for global human resources / Program for employees in the third year / Career design program for female employees / Toshiba Tec Group program for new employees			

■ Career development support program

As part of our Human Resource Utilization and Development system, we have adopted the Career Design Program (CDP) since 2011 to create an individual 3-year development plan based on the CDP, and annually conduct interviews and reviews in order to ensure that employees continue to grow as professionals. With the aims of ensuring that employees and supervisors understand and communicate with each other, as well as sharing their long-term career plans and express life-style wishes that include the employee perspective on life, without being bound by the CDP-based 3-year plan, we implement the Career & Life: Mutual Understanding Program along with interviews for CDP, helping a variety of employees work with enthusiasm, pride and will to challenge themselves.

We also provide an opportunity for employees to develop their own careers. For example, our Internal Job Posting System helps each employee apply for personnel transfer in order to fill a vacant post announced by a division.

■ External transfer (rental transfer)

We launched an external transfer system from the second half of fiscal 2019 as a human resource development program for creating new businesses with a view to nurturing human resources and next-generation leaders capable of triggering innovation and organizational change.

Under the system, employees are given the opportunity to work on-site at startup companies for half a year, thereby experiencing the speed in startup businesses and acquiring the perspective of looking at the whole organization from a bird's-eye view. By having first-hand experience in creating new value, they are expected to obtain a new set of eyes to acknowledge their own capability apart from Toshiba Tec as well as the company Toshiba Tec itself. During the transfer, employees receive monthly support from external mentors who have experienced new businesses, as opportunities for dialogue to deepen what they learn and notice.

Promotion of Diversity Management

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. Based on commitments made by our executives, we aim to achieve our Human Resources Strategic Vision by considering diversity management as an essential part of our management strategy. The Strategic Vision states that human resources and organizational strength contributing to the creation of customer value are to be enhanced and every one of us is to create a strong and trusting relationship between all business areas. Accordingly, we are committed to increasing productivity through work-style reform, helping create diverse human resources who can play an active role in responding to changes, and improving our culture to become more accepting of diversity.

Increase in productivity

Diversity management to work out management strategies

Active participation of diverse human resources

Culture reform

▶ Initiatives for Women's Participation and Advancement

With an eye toward increasing the number of female employees who can achieve their desired career goals and work with enthusiasm, we are promoting initiatives to achieve the goals that have been set out in the action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, by fiscal 2021.

Ratios of female employees and female managers (Toshiba Tec)   (%)

	FY2017	FY2018	FY2019
Ratio of female employees	12.1	12.0	12.2
Ratio of female managers	2.4	2.3	2.7

Progress in action plan based on Act on Promotion of Women's Participation & Advancement in Workplace   (%)

	New graduates in FY2018	New graduates in FY2019	New graduates in FY2020	…	(Target) New graduates in FY2022
Ratio of new female graduates employed	18.9	14.9	20.0		25.0

■ Recruitment activities to hire women

Since fiscal 2017, we have been holding a company briefing session for female students and an exchange with female employees with the aim of helping new female graduates develop a clear image of working at Toshiba Tec and increase the ratio of new female graduates employed. The company briefing session features a variety of initiatives to promote women, systems to support work and life balance, and showcases the successful examples of female employees. In the exchange with female employees, we introduce their career paths. We post group interviews of female employees who have built their careers by taking advantage of various programs and the exchange of female employees and prospective female employees on the recruitment website. We will continue these wide-ranging activities.

■ Strengthening executive management capabilities

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.
In an effort to facilitate the improvement of on-site management practices, we annually provide e-learning on the content of the training guidebook, an

initiative that started in December 2015.
In April 2018, we started a new e-learning program for managers to conduct better interviews with subordinates, with the aim of further promoting mutual understanding, which was also held in fiscal 2020. We will continue this program in the future.

■ Raising awareness of women

Since fiscal 2016, we have provided the Career Design Program to female employees in their third year. It is intended to balance life events and career development to increase awareness of career formation in the long term.

■ Creating an environment in which female employees can continue to work with peace of mind

Since July 2015, we have implemented the Mutual Understanding Program for Childbirth and Child Care to help female employees prepare for life events such as childbirth and child rearing at ease and continue to work for a long time 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/child care leave.
In fiscal 2019, 45 employees took advantage of this program. We had the first male employee take childcare leave in fiscal 2015. Since then, more and more male employees have applied for this program.

▶ Promoting Recruitment, Participation and Advancement of Non-Japanese Employees

Toshiba Tec Group actively recruits non-Japanese employees. In addition to the recruitment of foreign nationals who have studied in Japan, we have been carrying out the Global Recruitment Program in an effort to directly recruit students graduating from universities overseas since fiscal 2010. After joining Toshiba Tec Group, they play active roles in various fields such as sales, development and design. We provide a wide range of assistance and support, including the first four-month Japanese-language training program for employees who joined through the Global Recruitment Program to facilitate their adaptation to life and work in Japan.

Number of non-Japanese employees   (Persons)

	April 2018	April 2019	April 2020
Toshiba Tec	24	23	27
Domestic group companies	9	8	5
Total of Toshiba Tec Group in Japan	33	31	32

▶ Promoting Employment of People with Disabilities

We are actively hiring people with disabilities and improving workplace environments to bring their capabilities into full play.

Employment ratio of people with disabilities (%)

	April 2018	April 2019	April 2020
Toshiba Tec	2.21	2.26	2.22
Domestic group companies	2.69	2.53	2.76
Total of Toshiba Tec Group in Japan	2.43	2.39	2.47

* Toshiba Tec is eligible for the special exception for a business group for calculating employment rate of persons with disabilities.

▶ Work Style Innovation (WSI)

We are working on activities to accelerate work-life balance under the unique name of Work- Style Innovation (WSI). WSI refers to a campaign aimed at creating a virtuous cycle, where employees work in an efficient and lively manner as well as making the most of their private lives to rejuvenate and improve themselves so that they can add higher value to their work.

■ Streamlining and arranging considerate working hours

We are working on correcting long working hours, in order to allow the participation and advancement of diverse human resources, and to promote WSI. Each employee promotes activities to increase productivity by changing their working styles and methods.

Key systems and measures concerning working hours

System/measure	Overview
Flexible work system	Flex work
Long leave system	Employees can take a maximum of 20 days off as accumulated leave for clear and meaningful objectives, such as self-development, social contribution activities, treatment of non-occupational injuries/diseases (including infertility), childrearing, nursing care, etc.
Family Week initiatives and no overtime day	In order to accelerate WSI and create time for employees to spend with their families, employees are encouraged to leave work at a specific time on at least two days during Japan's Family Week in November. In principle, no work is allowed on holidays. For families posted away from their families, the Company supports travel expenses and recommends taking annual paid holidays for visits home.
System for monitoring working conditions	A system (self-check tool) is in place to help employees monitor working conditions on their own and managers monitor their subordinates' working conditions to prevent work hours from exceeding the standard upper limit set by the Company.
Improving the work environment	● Work from home formally introduced (April 2020) *Does not limit the scope of eligible employees, allowing adoption depending on line of duty. *The Company participated in the government-led Telework Days Campaign in fiscal 2019. ● Improving infrastructure to expand telecommuting
Bonus system	This system was introduced to reward time-conscious employees who produce remarkable results by carrying out tasks efficiently.

■ Supporting employees in balancing work with childcare/nursing care

We are improving and expanding a variety of support systems and enhancing their flexibility in order to help all employees work with enthusiasm and fulfillment to carry out their responsibilities at work while living healthy and prosperous lives that enable them to have time for childrearing, nursing care and other personal matters.

■ Employee awareness survey

We conduct an employee awareness survey (the TEAM Survey) to solicit the opinions of employees. With the purpose of improving employee engagement, we understand their awareness and measure the performance of the organization to identify problems and the gap in recognition, to bring improvements in management style and corporate culture. Based on the survey results, we hold dialogue with employees where the President and other top management members convey the management vision and goals to employees, and conduct visits to business centers and other workplaces.

■ Offsite Meeting*

Amid the turbulent change in the recent business environment, we need to create a stronger organization that breaks free from the status quo. To that end, we are engaged in activities that allow executives and employees to frankly speak their minds to build trust based on a profound understanding of each other, and for each employee to think autonomously and proactively about business and fully exert their knowledge and skills. For example, activities aimed at promoting empowerment started at the Retail Solutions Business Group in 2016. As part of such activities, we hold the Offsite Meeting*, a dialogue session where employees can exchange opinions irrespective of generations and job positions. To facilitate this activity, we are also working on developing Offsite Meeting facilitators who arrange such dialogue sessions and convey valuable employee feedback to management.

Since fiscal 2018, we have expanded similar activity to include executives and at each business group.

* Offsite Meeting is a registered trademark of Scholar Consult Co., Ltd.

An Offsite Meeting

▶ Promoting Active Participation of Senior Employees

With the aim of developing a system to help senior employees work with enthusiasm regardless of their age, in fiscal 2017, we have introduced a Senior Expert System that clarifies the expertise and roles expected of them for commensurate pay, as well as a new training program (Career 30 Program) that helps raise their awareness.

We will encourage senior employees to participate more actively in the workplace by improving the system and program and by merging their own awareness with that of their workplace colleagues, thus deepening mutual understanding.

Labor Relations

We have many opportunities to encourage labor-management dialogue for smooth labor 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.

Labor-management business briefing

Health and Safety

By placing safety control and healthcare as a top priority issue for management, we are striving to create a safe and comfortable work environment with a focus on the safety and health of employees.

▶ Promoting Occupational Health & Safety Management System (OHSAS)

Toshiba Tec's Shizuoka Business Center has obtained ISO 45001 certification, and six of our overseas manufacturing group companies have obtained OHSAS 18001 certification, both of which are international occupational safety and health management systems. These management systems are operated to improve health and safety issues related to each workplace and operation, create safe and comfortable workplace environments, and maintain and promote the health of employees.

1 in Europe
1 in China
4 in Japan
1 in U.S.
3 in Southeast Asia
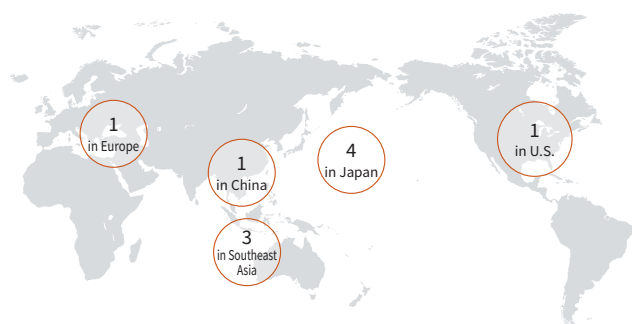
OHSAS 18001-accredited consolidated subsidiaries by region as of April 1, 2020

▶ Preventing Industrial Accidents

Toshiba Tec has a lower lost workday incidence rate than the average of all industries in Japan. We strive to prevent industrial accidents by systematically mitigating risks through risk assessment to identify risks that may cause accidents, reviewing operation processes, renovating equipment, and providing training to employees, among other initiatives.

Lost workday incidence rate (per million work-hours)

(No. of accidents)

All industries in Japan — Toshiba Tec

All industries in Japan: 1.77, 1.78, 1.85, 1.95, 1.90, 1.83, 1.75, 1.62, 1.61, 1.62, 1.59, 1.58, 1.66, 1.61, 1.63, 1.66, 1.83, 1.80

Toshiba Tec: 0.11, 0.00, 0.00, 0.25, 0.13, 0.13, 0.13, 0.13, 0.27, 0.00, 0.00, 0.00, 0.14, 0.29, 0.00, 0.29, 0.00, 0.00

2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019
(Fiscal year)
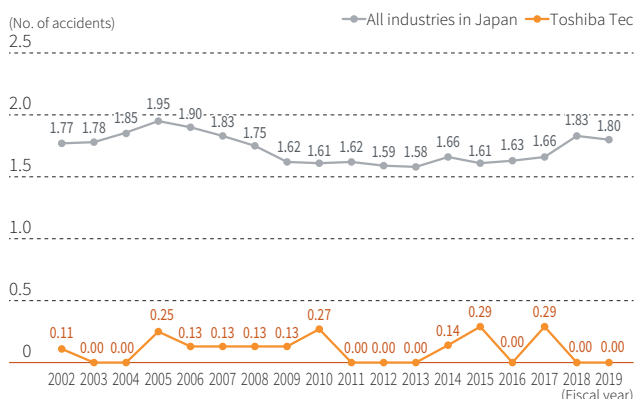
▶ Developing Awareness of Health and Safety

As a measure to raise safety awareness of employees, the President delivers messages by taking the opportunity of Nationwide Safety Week (July 1 to 7) and Occupational Health Week (October 1 to 7).

▶ Implementing Safety Patrol

The President and the responsible officer of the Corporate Human Resources & Administration Group visit business centers and offices to conduct safety patrols. They check safety promotion structures and activities, and exchange ideas with those involved to raise safety awareness in preventing accidents and continue increasing the level of safety.
In fiscal 2019, the President and the responsible officer conducted safety patrols at Shizuoka Business Center and group companies.

Safety patrol

▶ Ensuring Health Management

We implement various approaches to help all employees raise awareness of health and maintain physical and mental well-being. We have introduced a system which unifies information on the results of medical checkups and post-checkup care as the basis for healthcare of employees, and utilize them for various purposes, including health guidance and education.
To prevent disorders due to labor overload stemming from working extreme long hours, we require all employees who worked over a certain number of hours per month to have interviews with a physician for guidance, thus maintaining and promoting their health.

Training program by age
Topics

We have provided a training program by age since fiscal 2015 to encourage each and every employee to acknowledge changes in their physical condition according to age and learn how to cope with them. This program aims to prevent poor health condition by helping them promote physical and mental health practices autonomously. In fiscal 2019, we provided this training at the head office, Shizuoka Business Center (Mishima and Ohito), and some of our group companies.
(At other sites, we distributed reference materials.)

< Details >
● Scope: Regular employees
● Method: Provided by age groups of 30, 40 and 50 year olds
● Time: 90-minute lecture (with group workshop)

Training program by age

Mental health education program

With a focus on disease prevention and health promotion, we provide a mental health program annually for all employees of Toshiba Tec and its domestic group companies. It is intended to encourage each and every employee to acquire the correct knowledge of mental health issues and how to cope with mental and physical disorders, as well as to put these mechanisms into practice.

Prevention of lifestyle-related diseases (brain and heart disease)

We implemented training and support measures to improve health promotion and healthcare for employees posted away from home. This program aims to prevent them from developing brain or heart disease which may lead to extended leave or sudden death, because they tend to receive less support from their families, and therefore are more susceptible to such medical conditions which may cause major work loss.
(Implementation of Healthcare Education Program when Posted Away From Home, distribution of Healthcare Guidebook)

Promotion of CSR Procurement

We work on CSR through supply chains in order to continue to develop together with suppliers and build better partnerships, as well as to promote CSR including suppliers. In terms of the composition ratio of Toshiba Tec Group's procurement by business sector, Retail Solutions Business accounts for 49%, Printing Solutions Business for 28%, Overseas Retail Solutions Business for 22%, and others (Inkjet Business, etc.) for 1%.

▶ Procurement Policy

As a member of Toshiba Group, we strive to build sound partnerships with suppliers through procurement activities based on the Toshiba Tec Group Procurement Policy.

We request suppliers to take into account human rights, labor, health and safety along with the environment. When selecting new suppliers, we promote transactions with suppliers that are committed to focusing on consideration for CSR.

The Toshiba Tec Group Procurement Policy was established in August 2007 for the purpose of helping suppliers, who play a key role in production and service provision for its group companies, understand the policy much better, and encouraging them to cooperate for CSR promotion. Since then, we have been requesting suppliers to put the policy in practice while amending it according to social situations.

In October 2014, we expressly stated that suppliers shall conduct activities in accordance with the United Nations Global Compact (UNGC) and the Electronic Industry Citizenship Coalition (EICC) Codes of Conduct, both of which Toshiba has pledged to follow, and thoroughly informed our domestic and overseas suppliers of the activities.

Material procurement compliance management system

● Chief Procurement Officer: Assistant to Chief Risk Compliance Management Officer
● Deputy Chief Procurement Officer: Vice President in charge of procurement division, Chief Procurement Executive

Risk Compliance Committee

Compliance executives of business groups and business divisions (General managers of business groups and business divisions)

Compliance executives (General managers of production & procurement dept. and resale product procurement dept.)

Officers responsible for handling (Appointed by general managers of production & procurement dept. and resale product procurement dept.)

Production, Procurement & SCM Center

Provision of support, guidance and training to business groups/ business promotion divisions

| Production & procurement dept. | Resale product procurement dept. | Related depts. such as manufacturing dept. | Supervised group companies |

▶ Compliance in Procurement

We have established a system to ensure 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 shared with Toshiba Tec and its group companies through this system. Moreover, we thoroughly explain measures through group company procurement department manager liaison meetings organized by the Procurement Department of the Production, Procurement & SCM Center.

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

Since fiscal 2007, we have been annually providing e-learning on the Subcontract Act for employees of our domestic group companies. In fiscal 2019, a total of 7,179 employees, including six domestic group companies, 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.
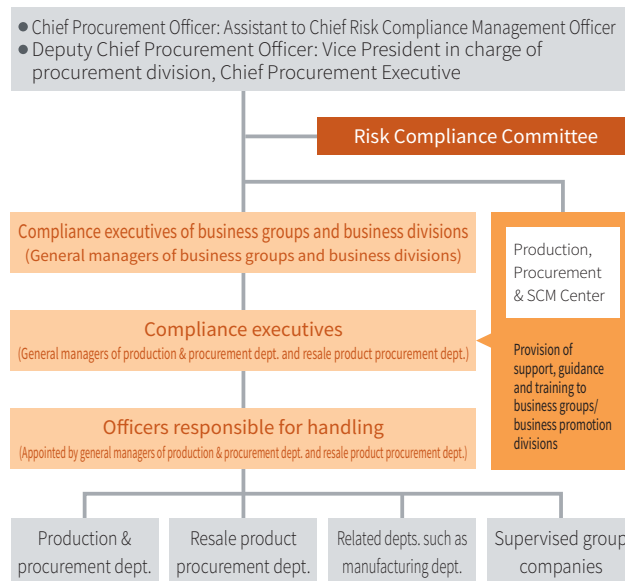
▶ Addressing Conflict Minerals Issue

Section 1502 on conflict minerals of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted in January 2013. Companies listed on U.S. stock exchanges are required to report on the use of conflict minerals mined in the Democratic Republic of the Congo and its adjoining countries. Toshiba Group is not a listed company. However, as part of the supply chains of listed companies, it is investigating and reporting to its customers.

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

For humanitarian reasons, Toshiba Tec Group prohibits 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 are associated with inhumane acts, in accordance with the Toshiba Group's Policy.

In June 2013, we started a survey of overseas manufacturing subsidiaries and suppliers to Shizuoka Business Center, which may be using 3TG*, regarding the use of conflict minerals and smeltery information using the Conflict Minerals Reporting Template (CMRT), and continued with the survey in fiscal 2019.

* 3TG stands for the initial letters of four conflict minerals: tin, tantalum, tungsten and gold.

Toshiba Group Conflict Mineral Policy
https://www.toshiba.co.jp/sustainability/en/performance/social/procure.htm#conflict_minerals_1

Enhancement of Customer Satisfaction

We perform our business activities while giving top priority to providing products and services that please customers with safe and reliable quality. To achieve this, each and every employee always thinks and behaves from a customer point of view.

▶ Voice of the Customer

We consider that the Toshiba Tec's corporate philosophy of creating value with our customer in mind is put into practice by listening to the voice of the customer (VoC) and finding the nature of problems that customers really want to solve, to provide attractive quality products and services that accurately meet their needs. We work on activities to satisfy customers, in other words, to improve the quality of our products and services.
As a leading retail manufacturer that offers consistent services from product planning to development, distribution and maintenance, we aim to be a company that is always there for our customers. We give feedback on VoC that we receive via communication with our staff in charge of sales and maintenance to the ones in charge of product planning and development to provide accurate and functional products. Moreover, we create new services and products through demonstration experiments in cooperation with customers.

Maintenance service   Topics

Maintenance services are considered to be a bridge to help customers feel comfortable using Toshiba Tec products. Toshiba Tec Solution Services Corporation, which is in charge of maintenance services in Japan, has 120 local business sites in place nationwide to provide after-sales services such as failure recovery. With the aim of enhancing customer satisfaction, we monitor the networks and systems of our customers under contract 24 hours a day, 365 days a year, via six system support centers nationwide, back up our customers by providing operational support in a smooth and precise manner, and utilize customer opinions and requests to improve services and operations, in collaboration with local engineers.

Customer support (maintenance)   System support center
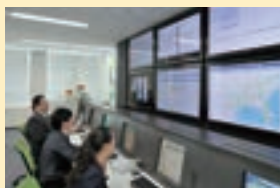
▶ Activities as a Global Company

We uphold a global quality assurance system. As a top market share company for retail products, we also share and utilize information on market quality through a worldwide service network in cooperation with manufacturing sites and sales subsidiaries. We develop products on a global scale by giving top priority to compliance with laws, regulations and standards in each country.

Meetings with manufacturing subsidiaries   Topics

We annually a hold meeting with manufacturing subsidiaries, including overseas group companies, with a view to mutually understanding our "Monozukuri" policy and sharing information, etc.

(Photo shows a recent meeting held at Shenzhen Factory, China)
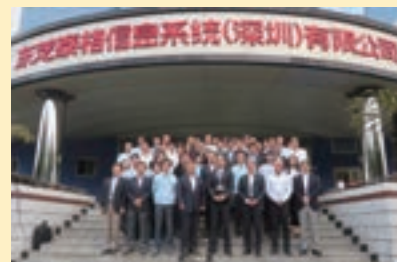
Mishima EMC Center

Mishima EMC Center (anechoic chamber) at Shizuoka Business Center has received ISO 17025*, the International Standard for Laboratories. We comply with standards in each country and provide products in a timely manner based on reliable EMC measurements through the product life cycle.

* ISO 17025: International Standard for Laboratory Quality Management, Equipment and Technologies.
  Once a site has been certified, its high measurement reliability is confirmed and measurement data is available as official data worldwide.

Appearance   10-meter anechoic chamber

▶ Commitment to Safety and Security

We train specialists in product safety, reliability and risk assessment, and work on technical research to ensure quality that customers feel comfortable with, based on the Basic Policy on Product Safety. In order to ensure that our customers feel comfortable using our products and services, we implement risk assessments to prevent potential risks of failures and accidents, the possibility of which we have predicted, and then provide products and services that have passed through evaluation and verification processes. According to customer information provided by the maintenance service division, we also endeavor to ensure a higher operational level of safety by understanding customers' operating environments and end-users' operating conditions.

Safety review

🖥 Basic Policy on Product Safety
http://www.toshibatec.co.jp/company/csr/customer/safetypolicy.html (in Japanese)

▶ Visualization of User Experience Design (UXD)

UXD is a development process to create new value as well as attractive products and systems. We are undertaking design development by moving back and forth between object and subject while approaching from two different mindsets, one being the UXD process, including field observation and user research, and the other being the concept created by producers.
The visualized UXD and concept were given high marks, leading to the winning of the design awards.

Field observation
User research
Persona
Usability score

Awareness
Thought
Experience
Image

Visualization

■ Loops LP35/LP45/LP50 Hybrid MFPs
Loops LP35/LP45/LP50

Equipped with two types of toner, or usual black toner and blue toner erasable with heat, a single unit of our hybrid multi-function printers (MFPs) allows you to choose three modes -- "non-erasable printing," "erasable printing" and "erasing function."
For example, fax paper is printed in erasable blue, and documents that need not be kept are reused after their print is erased. The status of paper being reused can be confirmed on the screen of the machine, a function known as e-BRIDGE Plus for Green Information, while an MFP manager can see the extent of paper use being reduced by e-BRIDGE Paper Reuse Report, an application permitting confirmation of the whole situation on the screen of a personal computer at a glance.
Design efforts for these products were highly rated, resulting in the receipt of the Good Design Award 2019.

e-BRIDGE Plus for Green Information

e-BRIDGE Paper Reuse Report

LP50

Eco Mark Award 2018
(Excellence Award)

EcoPro Awards
1st EcoPro Awards organizer's prize (Excellence Award)

■ Scan Ship / Self-checkout machine

Scan Ship is a model that proposes a new concept of self-checkout for shoppers who, for example, make massive weekend purchases at hypermarkets. It enables them to check out smoothly. Scan Ship was exhibited as a prototype at RETAILTECH JAPAN 2019. All the shopper has to do is to place goods on the conveyor belt. Each purchased item is automatically registered by an image recognition scanner. Registered goods are carried to a bagging area by the conveyor belt, allowing shoppers to put goods into bags and make payments. While the first customer is bagging, another can start registering goods bought, which are moved to a different lane by a separator.
By allowing customers to do goods registration and bagging efficiently, checkout lines are shortened, possibly enabling response to a new lifestyle that assumes life with COVID-19.
The product design that symbolizes new user experience in its shape was highly acclaimed, allowing us to receive the iF DESIGN AWARD 2020 in the Professional Concept category.

An image recognition scanner capable of scanning bar codes or fruits/vegetables by placing them on the conveyor belt

Bagging area comprising two lanes, enabling the next shopper to start scanning

Separator that divides goods on a customer-by-customer basis

Social Contribution Activities

Toshiba Tec Group stipulates "community relations" in its Standards of Conduct. We conduct a variety of community-rooted activities, pivoting on "next generation development," "social welfare," and "environmental protection" with the aim of creating a better society based on a profound understanding of the history, culture and customs of each country or region in which we operate as a member of the global community.

▶ Standards of Conduct

■ 19. Community Relations

1. Toshiba Tec Group Corporate Policy

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 NPOs/NGOs, administrative organizations, and international bodies;

(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 each community, and reasons for and public nature of making donations; and

(4) try to improve the brand image in all aspects of their relationships with communities.

▶ Toshiba Tec Philanthropy Fund

In 1992, with the aim of contributing to society as a corporate citizen, we established the Toshiba Tec Philanthropy Fund, which is made up of contributions from employee salaries and bonuses. We annually use this fund to promote local welfare activities, support children who will lead the next generation, and promote environmental conservation. In the event of a large-scale disaster, we make donations for recovery efforts.

In fiscal 2019, as our donations to recovery efforts, next-generation development, and local contributions appropriate for our company, we donated to (1) the Fukushima Donation Fund for Orphans Affected by the Great East Japan Earthquake, and (2) the Japanese Red Cross Society's fundraising. We also donated (3) picture books, educational toys, musical instruments, aquariums, futsal goal posts/nets, etc. to junior high schools, elementary schools, kindergartens, nursery schools and municipal/town offices in the areas where our head office, Shizuoka Business Center, and Chubu, Kansai, Chugoku/Shikoku and Kyushu branches are located.

Donation to Japanese Red Cross Society Fund Raising

Donation to Yodogawa-ku, Osaka City

Donation to Hakata-ku, Fukuoka City

Picture book donations to nursery schools, etc. in Mishima City

Kids' corner donated to Atsuta-ku, Nagoya City

Toys, etc. donated to Hiroshima City

▶ Toshiba Group's Volunteer Days

Building on the aims of the International Volunteer Day set by the United Nations on December 5, Toshiba Group has designated December as its annual CSR Month. From fiscal 2014, we annually carry out Toshiba Group's Volunteer Days activities as well as social contribution activities, including clean-up, collection, donation, fundraising, welfare activities, and disaster relief at each business site.

▶ Next-Generation Development

■ Workplace experience learning & children's tours

We provide workplace experience opportunities to help children learn about product mechanisms and manufacturing. We hope to help children in developing their thinking and understanding of work through showroom tours, product operation and interaction with our employees, thus contributing to their future learning.

A scene of children's observation tour

■ On-site lessons

We provide experience-based on-site lessons to elementary and special-needs schools by capitalizing on our employees' expert knowledge and business activities. These lessons allow students to experience work involving the operation of checkout systems and scanners, as well as offering the excitement and convenience of shopping. These events allow us all to learn about science closely related to our daily lives, such as checkout operation and fun facts about barcodes, together with children.

An on-site lesson scene

■ Voluntary read-to-children activities

At Shizuoka Business Center, we started donating picture books using the Toshiba Tec Philanthropy Fund in fiscal 2010. Donations have continued since to coincide with the Company's founding anniversary day every year in partnership with Mishima City and Izunokuni City, presenting kindergartens and nursery schools in the two cities with picture books. In fiscal 2019, we donated picture books to about 60 facilities in both cities, including kindergartens/nursery schools and after- school childcare clubs, bringing the number of such books donated so far to about 3,700. In fiscal 2011, we also began voluntary read-to-children activities after looking for something we can do for local communities and seeking to have children enjoy something with a smile. At present, we are practicing reading to children by volunteering employees at kindergartens/nursery schools in Mishima and Izunokuni in addition to book donations.

▶ Environmental Protection

We actively work on activities for environmental protection, such as biodiversity conservation, local clean-up and tree planting, in collaboration with local residents.

Participation in a tree planting activity
(Toshiba Tec Singapore Pte Ltd)

Clean-up & beautification activity

Protection of green turtles
(Toshiba Tec Malaysia Manufacturing Sdn. Bhd.)

▶ Welfare

■ Food Drive

We organize a Food Drive, a program for donating redundant non-perishable food brought from home, at the head office, Shizuoka Business Center and each business site, donating collected food to neighboring food banks.

Food Drive

■ Pull-tab donation

We have been collecting pull-tabs from beverage cans since 2002 at Shizuoka Business Center with a view to raising environmental awareness and contributing to local communities. We donate them twice a year to local welfare institutions to help their activities.

■ Donations to welfare institutions and charity organizations

We collect clothing, stationery, old stamps, etc. from employees, actively donating them to NPOs, welfare institutions and charity organizations. In fiscal 2019, we held an in-company flea market at the head office, enhancing employee participation in the donation program.

A flea market scene

Support for animal protection groups

Book donation to South African children

■ Regional volunteer activities

We also participate proactively in regional volunteer activities. They include snow-removing work for elderly households and assistance in guiding participants in a peace memorial ceremony in Hiroshima, both activities closely linked to regional characteristics.

Volunteers removing snow

■ Blood donation activities

We engage in blood donation activities every year at the head office, regional offices/branches/sales offices, business centers, and overseas subsidiaries, helping those requiring blood transfusion through blood centers in the countries concerned.

▶ Disaster Recovery Support

To support recovery in areas severely affected by earthquakes, we make donations to support children in Fukushima, and organize a fair of local products from Tohoku, Kumamoto, Hiroshima and Ehime. We also provide special menus featuring local Tohoku and Kumamoto dishes in our cafeteria.

Governance

We will thoroughly ensure internal control while improving the efficiency and transparency of management, and give top priority to human life, safety and compliance in practicing CSR management.

Corporate Governance

We recognize corporate governance as an essential management policy that enables us to meet the expectations of stakeholders and continuously improve corporate value. We are committed to taking measures to improve the efficiency and transparency of management, as well as to reinforce the functions of the Board of Directors and the Audit & Supervisory Board and its members.

### ▶ Corporate Governance System

In terms of the corporate body, we have introduced the executive officer system (embodied by vice presidents) as a company with Audit & Supervisory Board Members to separate "functions related to supervision and decision making" from "functions related to task enforcement." We are also making efforts to improve the promptness and mobility of decision making by optimizing the number of directors. In addition, we have assigned four 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 so as to clarify the management responsibility and promptly respond to changes in the management environment.

With regard to management supervision, directors supervise business execution, auditors conduct audits, the accounting auditor conducts accounting audits, and the Corporate Audit Group conducts internal audits.

We also strive to enhance the internal control systems in terms of the effectiveness and efficiency of business operation, reliability of financial reporting, compliance with the laws and regulations of contracting business activities, and safeguarding of assets.

■ **Corporate governance system**
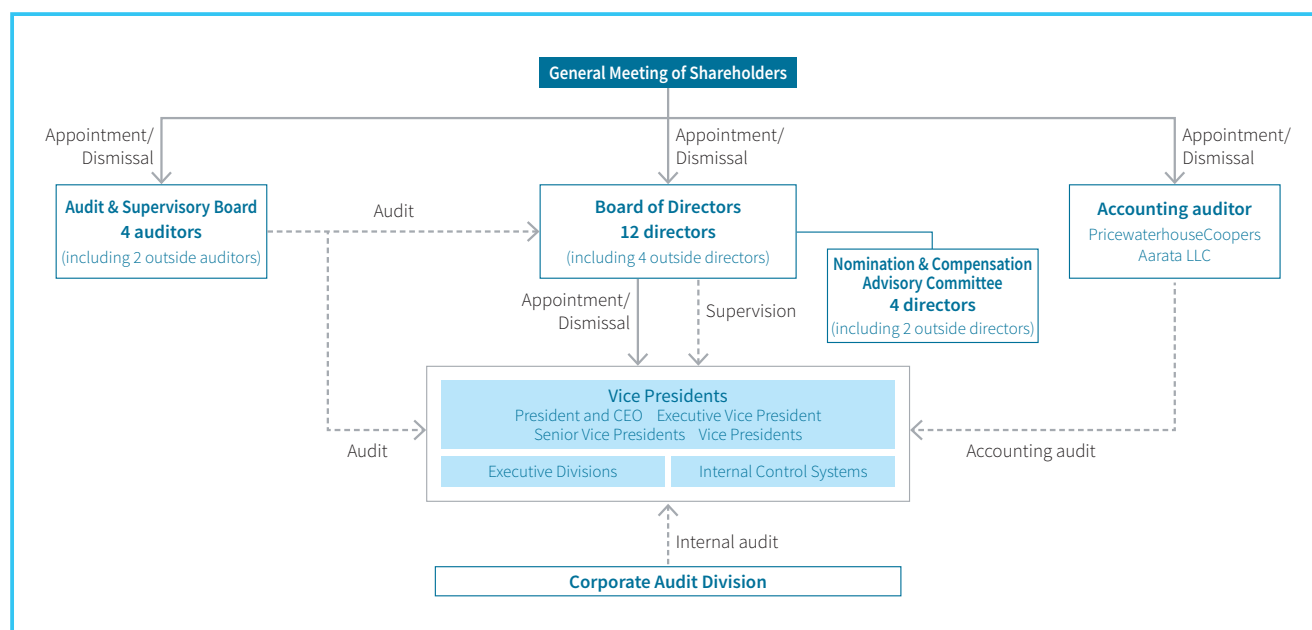
Compliance

Toshiba Tec Group works on compliance activities while thoroughly observing laws and regulations, internal rules, and social customs on a global basis.
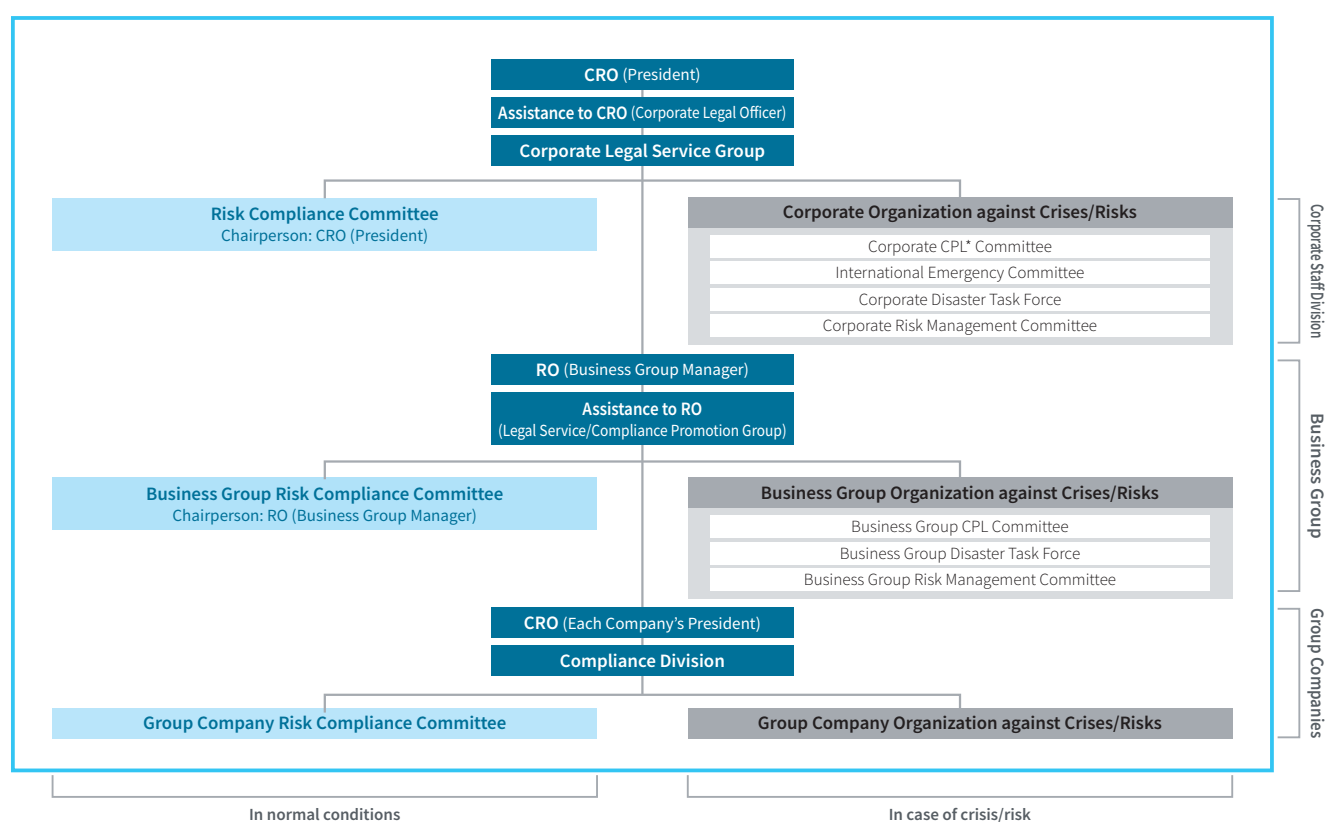
▶ Risk Compliance Promotion System

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

We organize the Risk Compliance Committee under the leadership of the CRO to maintain the risk compliance system of the entire Toshiba Tec Group, and devise and promote the advancement of risk compliance.

*CRO: Chief Risk Compliance Management Officer

■ Risk compliance system

CRO (President)

Assistance to CRO (Corporate Legal Officer)

Corporate Legal Service Group

Risk Compliance Committee
Chairperson: CRO (President)

Corporate Organization against Crises/Risks
- Corporate CPL* Committee
- International Emergency Committee
- Corporate Disaster Task Force
- Corporate Risk Management Committee

Corporate Staff Division

RO (Business Group Manager)

Assistance to RO
(Legal Service/Compliance Promotion Group)

Business Group Risk Compliance Committee
Chairperson: RO (Business Group Manager)

Business Group Organization against Crises/Risks
- Business Group CPL Committee
- Business Group Disaster Task Force
- Business Group Risk Management Committee

Business Group

CRO (Each Company's President)

Compliance Division

Group Company Risk Compliance Committee

Group Company Organization against Crises/Risks

Group Companies

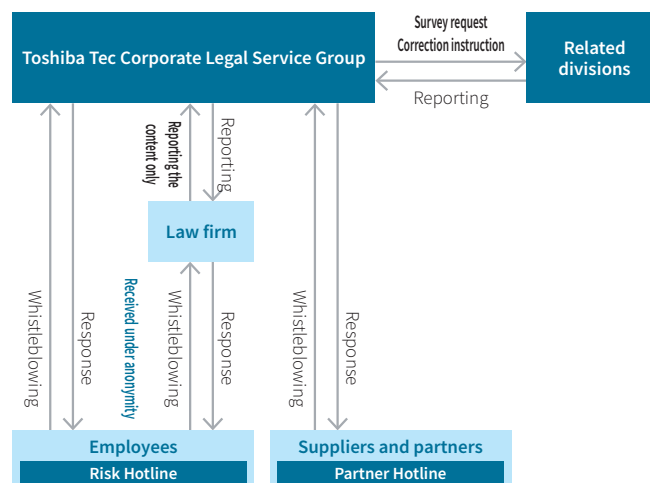In normal conditions

In case of crisis/risk

* CPL: A term made by combining Contractual Liability (CL) and Product Liability (PL)

■ Internal reporting system

We have established an internal reporting system as a way of consulting/reporting on illegal, dishonest and unethical behavior, as well as internal rules which enable executives and employees to provide information to the CRO or outside attorneys. We give maximum consideration to ensuring the anonymity of whistleblowers, thoroughly managing information and protecting them from suffering any detrimental consequences, such as dismissal, as a result of their whistleblowing. Any report received (at Legal Service Group) will be immediately brought to the CRO, who will be kept updated and hear the result. In addition, the Toshiba Tec Partner Hotline has been introduced and operated so that business partners can provide information through the website.

Toshiba Tec Partner Hotline
https://www.toshibatec.co.jp/contacts/partnerline/ (in Japanese)

Toshiba Tec Corporate Legal Service Group

Survey request
Correction instruction

Related divisions

Reporting

Reporting the content only

Reporting

Law firm

Received under anonymity

Whistleblowing

Response

Whistleblowing

Response

Whistleblowing

Response

Employees
Risk Hotline

Suppliers and partners
Partner Hotline

GOVERNANCE

▶ Fostering Compliance-conscious Culture

To foster high ethics and law-abiding awareness in each employee, we fully disseminate our Group Standards of Conduct and provide compliance education on a variety of themes and workplace meetings on CSR.

■ Dissemination of Toshiba Tec Group Standards of Conduct

We prepared Toshiba Tec Group Standards of Conduct in 13 languages and distributed brochures to every employee of Toshiba Tec and its domestic and overseas group companies. We also provide e-learning-based education to ensure thorough dissemination of information.

■ Compliance education

We provide every executive and employee with e-learning while also holding educational seminars intended for specific employees, such as legal education for business groups and education for employees to be stationed abroad.

---

e-learning programs for every executive and employee   **Topics**

- Standards of Conduct ● Subcontract Act ● Antitrust Law
- Anti-Bribery ● Timely Disclosure ● Accounting Compliance
- Harassment ● Mental Health ● Work-style Innovation (WSI)
- Customer Satisfaction ● Environment ● Information Security and Personal Data Protection ● Electrical Safety Law ● Export Control
- Engineering Ethics ● Product Security, etc.

Educational seminars intended for specific employees

■ Legal education for business groups

This kind of educational seminar is held every year to promote recognition of legal risks in business activities, learn how to reduce such risks, and discuss various daily operational issues. In fiscal 2019, it was held a total of 28 times at 11 business centers throughout Japan. Eligible: Employees from each business group Time: 80 minutes (including Q & A)

■ Workplace meetings on CSR

To create a positive workplace atmosphere through discussions, we develop compliance awareness in each employee, establish this as the corporate culture, and hold CSR meetings in each workplace.

In these meetings, the manager and their subordinates discuss various issues which may occur in the workplace and share opinions. The goal of the meetings is to create a frank and open-minded work environment as well as to prevent compliance violations.

In fiscal 2019, discussions were held on the theme of Information Security (managing highly confidential information). At a time when we increasingly engage in collaboration with other companies via open innovation and other modes, the types of information we need to manage such as customer information are becoming more and more diverse. Against this backdrop, we need to identify the confidential information that truly deserves protection and to manage each piece of information according to the level of confidentiality and thereby appropriately protect our information assets. The meetings featured studies of model cases to understand the situation of information management in each workplace and exchanged ideas on ways to appropriately manage classified information.

▶ Information Security

We recognize all information including sales and technical data handled while carrying out our task as important property, and have established a basic policy to prevent and protect against inappropriate disclosure, leakage or improper use of such information. We define this policy in the Information Security section of the Toshiba Tec Standards of Conduct so that all executives and employees are fully informed. In fiscal 2019, 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 also established a system and rules for information security management, and revise them in response to the changes in the social environment. Shizuoka Business Center (Mishima and Ohito), where the design, development, and quality assurance sections are located, obtained the ISO/IEC 27001:2005 certification in fiscal 2007 and 2012, and updated to the ISO/IEC 27001:2013 certification in fiscal 2014.

In terms of technical measures, we are strengthening measures to protect the public server, in order to prevent cyber-attacks and other forms of unauthorized access from the outside, which are becoming more and more sophisticated year by year, as well as to avoid information leakage. We are also enhancing the monitoring of internal systems to enable a quick response in the event of a computer virus infection. Each division continuously makes improvements by voluntarily auditing the status of compliance with the internal rules. We provide education to all employees, including executives, employees, and employees dispatched from affiliated companies, in order to prevent accidents in handling information and widely disseminate the information security measures. Our group companies respectively take similar measures, and make a concerted effort to maintain and improve information security throughout Toshiba Tec Group.

▶ Security Export Control

Export control is aimed at preventing the proliferation of weapons of mass destruction and other sensitive items at 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 restricted under laws and regulations. Our basic policies of export control are as follows:

We shall comply with all applicable export control laws and regulations in each country and region of operation (the Foreign Exchange and Foreign Trade Control Law in Japan), and with those of the United States if we are engaged in transactions involving U.S. origin cargos and technologies. We shall refrain from any transactions that may undermine the maintenance of global peace and security. Pursuant to these basic policies, 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.

▶ Intellectual Property

The Toshiba Tec Group Standards of Conduct specifies "Compliance with all applicable laws and regulations associated with intellectual property rights," "Protection and extensive use of the results of intellectual activities under the intellectual property rights," and "Respect for the legitimate intellectual property rights of third parties," as the Toshiba Tec Group's policy for intellectual property rights. We also work to develop and proactively use our intellectual properties to contribute to the further achievement of our retail and printing solutions business groups. As part of our approach, we hold an event called Invention Challenge to collect ideas from every Toshiba Tec Group employee regardless of the organization and motivate greater invention and creation.

▶ Internal Control System

Toshiba Tec has set out internal control policy that also covers group companies, and each subsidiary implements this policy according to its actual situation. We have been using the Toshiba Tec Self-Monitoring Program since fiscal 2018 to check how the subsidiaries are building and operating internal control systems and to ensure the fair and appropriate business operation. Our subsidiaries utilize this system to look at the state of their internal control and make necessary improvements. We provide guidance and support to our subsidiaries as needed based on the state of their internal control as perceived through the system, and work towards better governance of the Group as a whole.

Shareholder/Investor Relations

We will enhance the information disclosure system for proactive disclosure in order to contribute to the benefits of the shareholders and investors.

■ General meeting of shareholders

We consider the general meeting of shareholders as an important occasion to directly communicate with shareholders. In principle, we hold our general meetings of shareholders on days other than when many other companies hold their meetings. We send meeting notices to our shareholders at least three weeks prior to the meeting date and publish them by posting on the websites of Tokyo Stock Exchange (TSE) and the Company at least one day prior to the delivery date. Furthermore, we have introduced the Internet polling system and the TSE Electronic Voting Platform so that the shareholders can exercise their voting rights properly and smoothly. For foreign institutional investors, we post the English version of the simplified meeting notice (without attachments) on the TSE website and an Electronic Voting Platform for their proper and smooth voting.

■ Investor relations library website

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

Investor Relations
https://www.toshibatec.com/company/ir/

■ Business report

We create business reports after announcing the second-quarter and financial statements, and deliver them to our shareholders. In the business reports, many diagrams and photos are provided along with text information including those on new products, services, and business forecasts, to help shareholders understand the latest updates on Toshiba Tec.

■ Investor relations for institutional investors

We hold second-quarter and annual financial results briefing sessions after announcing financial results. Our Chief Financial Officer (CFO) provides an overview of financial statements to institutional investors and analysts. We also hold our management policy meeting attended by the CEO, CFO and executives responsible for each business group.

Management policy meeting

SENIOR MANAGEMENT (as of October 1, 2020)

Directors and Audit & Supervisory Board Members

President and Chief Executive Officer
Hironobu Nishikori
Nomination & Compensation Advisory Committee Member

Chief Risk Compliance Management Officer (CRO)

Executive Vice President and Director
Masami Uchiyama

Assistant to the President
Managing Director of Retail Solutions Business Group

Senior Vice President and Director
Yukio Inoue
In Charge of Internal Control Promotion
Chief Finance Officer (CFO)
General Manager of Corporate Finance & Accounting Group

Senior Vice President and Director
Hitoshi Kaneda
Nomination & Compensation Advisory Committee Member

In Charge of Legal Service
General Manager of Corporate Human Resources & Administration Group

Vice President and Director
Naohiro Yamaguchi
General Manager of Production, Procurement & SCM Center
Chief Production Executive

Vice President and Director
Junichi Takei
In Charge of IT & Information Systems
In Charge of Overseas Retail Solutions Business
General Manager of Corporate Strategic Planning Group
Corporate Marketing Officer
Executive Quality Leader
President of Toshiba Global Commerce Solutions Holdings Corporation
Chairman of Toshiba Global Commerce Solutions, Inc.

Director
Masaharu Kamo

Outside Director
Michio Kuwahara
Nomination & Compensation Advisory Committee Chairman

Outside Director
Shin Nagase
Nomination & Compensation Advisory Committee Member

Outside Director
Hirotaka Morishita

Outside Director
Miho Aoki

Audit & Supervisory Board Member
Yoshinari Sato

Audit & Supervisory Board Member
Koki Tomisawa

Outside Audit & Supervisory Board Member
Kyoko Okumiya

Outside Audit & Supervisory Board Member
Yoshihiro Umeha

Vice Presidents (not concurrently serving as Directors)

Vice President
Takeshi Hiyoshi
General Manager of Original Design Manufacturing Business Group

Vice President
Takeshi Eguchi
Managing Director of Printing Solutions Business Group

Vice President
Hiroyuki Koyama
Technology Executive of Retail Solutions Business Group
Technology Executive of Overseas Retail Solutions Business Group
Technology Executive of Original Design Manufacturing Business Group

Vice President
Eiji Kawano
General Manager of Tokyo Main Branch
Retail Solutions Business Group

Vice President
Sachio Koyama
Chief Marketing Executive of Printing Solutions Business Group
General Manager of Sales Division
Printing Solutions Business Group

Vice President
Atsushi Suzuki
General Manager of Inkjet Business Group

Vice President
Kohji Taira
Deputy Managing Director of Retail Solutions Business Group

Vice President
Yasuki Ohnishi
General Manager of Products, Marketing Division
Retail Solutions Business Group

Vice President
Koki Tanaka
General Manager of Products, Marketing & Services Division
Printing Solutions Business Group

Vice President
Hiroyuki Shimazaki
Chief Marketing Executive of Retail Solutions Business Group
General Manager of Domestic Sales Promotion Management Division
Retail Solutions Business Group

FINANCIAL INFORMATION

Contents

Financial Highlights Years ended March 31

Consolidated	2016	2017	2018	2019	2020
Operating Result (Millions of yen)					
Net sales	532,818	497,611	513,289	476,824	483,799
Ordinary profit (loss)	(2,298)	12,534	22,768	16,471	11,559
Profit (loss) attributable to owners of parent	(103,449)	7,758	17,512	11,211	3,730
Cash Flows (Millions of yen)					
Cash flows from operating activities	4,567	37,016	29,092	18,400	20,751
Cash flows from investing activities	(9,789)	(6,876)	(11,487)	(12,779)	(13,844)
Cash flows from financing activities	(23,941)	(5,439)	(6,095)	(8,129)	(7,051)
Financial Position (Millions of yen)					
Total assets	281,615	269,393	282,630	275,055	288,473
Net assets	70,359	76,047	93,215	100,758	96,384
Cash and cash equivalents	22,660	46,129	57,355	55,498	53,302
Per share data (Yen)					
Basic earnings (loss) per share	(1,883.46)	141.21	318.73	204.00	67.84
Net assets per share	1,044.65	1,190.37	1,501.94	1,653.94	1,589.48
Financial data					
Capital adequacy ratio (%)	20.4	24.3	29.2	33.0	30.3
Return on equity (%)	(90.5)	12.6	23.7	12.9	4.2
Price earnings ratio (times)	—	22.1	9.9	15.1	50.1

Note: The Company carried out a share consolidation at a ratio of one for every five shares of common stock, effective on October 1, 2018.
Accordingly, the figures for basic earnings (loss) per share and net assets per share have been calculated assuming that the share consolidation was executed at the beginning of the fiscal year ended March 31, 2016.

FINANCIAL INFORMATION

Consolidated Balance Sheet As of March 31, 2020 and 2019

(Millions of yen)

	2019	2020
ASSETS		
Current assets		
Cash and deposits	45,501	44,907
Group deposits paid	9,996	8,394
Notes and accounts receivable - trade	60,054	59,701
Merchandise and finished goods	34,775	33,502
Work in process	1,905	4,974
Raw materials and supplies	6,584	8,026
Other	31,888	30,435
Allowance for doubtful accounts	(1,443)	(1,393)
Total current assets	189,263	188,549
Non-current assets		
Property, plant and equipment:		
Buildings and structures	24,343	23,657
Accumulated depreciation	(18,190)	(17,831)
Buildings and structures, net	6,152	5,825
Machinery, equipment and vehicles	43,841	45,252
Accumulated depreciation	(33,791)	(34,685)
Machinery, equipment and vehicles, net	10,050	10,566
Tools, furniture and fixtures	43,725	41,155
Accumulated depreciation	(37,808)	(36,183)
Tools, furniture and fixtures, net	5,917	4,971
Land	1,269	1,268
Leased assets	9,381	30,294
Accumulated depreciation	(5,259)	(9,122)
Leased assets, net	4,121	21,171
Construction in progress	779	2,241
Total property, plant and equipment	28,290	46,046
Intangible assets:		
Goodwill	3,691	2,377
Customer relationship assets	497	426
Other	9,557	9,572
Total intangible assets	13,746	12,376
Investments and other assets:		
Investment securities	4,008	4,276
Retirement benefit asset	2,459	1,908
Deferred tax assets	22,653	21,869
Other	14,787	13,466
Allowance for doubtful accounts	(153)	(19)
Total investments and other assets	43,755	41,501
Total non-current assets	85,792	99,924
Total assets	275,055	288,473

	2019	2020
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	56,215	54,775
Short-term borrowings	383	346
Lease obligations	4,054	7,043
Accounts payable - other	22,834	22,101
Income taxes payable	1,800	3,845
Other	41,486	42,358
Total current liabilities	126,774	130,471
Non-current liabilities		
Long-term borrowings	0	804
Lease obligations	4,747	18,747
Retirement benefit liability	34,621	35,861
Other	8,153	6,204
Total non-current liabilities	47,523	61,617
Total liabilities	174,297	192,088
NET ASSETS		
Shareholders' equity		
Share capital	39,970	39,970
Capital surplus	—	24
Retained earnings	45,103	46,040
Treasury shares	(5,474)	(5,422)
Total shareholders' equity	79,599	80,612
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,835	1,208
Deferred gains or losses on hedges	21	(4)
Foreign currency translation adjustment	9,111	7,795
Minimum pension liability adjustment	(458)	(521)
Remeasurements of defined benefit plans	788	(1,691)
Total accumulated other comprehensive income	11,298	6,786
Share acquisition rights	147	110
Non-controlling interests	9,712	8,873
Total net assets	100,758	96,384
Total liabilities and net assets	275,055	288,473

FINANCIAL INFORMATION

Consolidated Statement of Income Years ended March 31, 2020 and 2019 (Millions of yen)

	2019	2020
Net sales	476,824	483,799
Cost of sales	278,464	289,093
Gross profit	198,359	194,706
Selling, general and administrative expenses	180,370	180,728
Operating profit	17,989	13,977
Non-operating income:		
Interest income	388	364
Dividend income	56	84
Insurance claim income	373	—
Other	568	599
Total non-operating income	1,387	1,049
Non-operating expenses:		
Interest expenses	348	522
Loss on valuation of derivatives	555	150
Foreign exchange losses	82	920
Loss on sales and retirement of non-current assets	333	181
Compensation for damage	52	460
Other	1,533	1,232
Total non-operating expenses	2,905	3,467
Ordinary profit	16,471	11,559
Extraordinary income:		
Gain on sales of investment securities	544	18
Total extraordinary income	544	18
Extraordinary losses:		
Impairment loss of non-current assets	—	85
Loss on valuation of investment securities	—	13
Restructuring cost	—	589
Environmental expenses	—	729
Loss on dissolution of pension fund at consolidated subsidiary	335	—
Total extraordinary losses	335	1,418
Profit before income taxes	16,679	10,159
Income taxes:		
Current	4,380	5,242
Deferred	892	1,394
Total income taxes	5,273	6,636
Profit	11,406	3,522
Profit (loss) attributable to non-controlling interests	195	(207)
Profit attributable to owners of parent	11,211	3,730

Consolidated Statement of Cash Flows Years ended March 31, 2020 and 2019 (Millions of yen)

	2019	2020
Cash flows from operating activities		
Profit before income taxes	16,679	10,159
Depreciation and amortization	14,308	16,629
Impairment loss of non-current assets	—	85
Loss (gain) on sales and retirement of non-current assets	333	181
Increase (decrease) in allowance for doubtful accounts	(469)	(148)
Increase (decrease) in retirement benefit liability	(743)	(1,721)
Interest and dividend income	(445)	(449)
Interest expenses	348	522
Decrease (increase) in trade receivables	9,034	(1,267)
Decrease (increase) in inventories	(1,224)	(4,307)
Increase (decrease) in trade payables	(5,305)	543
Loss (gain) on sales of investment securities	(544)	(18)
Loss (gain) on valuation of investment securities	—	13
Restructuring cost	—	589
Environmental expenses	—	729
Loss on pension fund liquidation at consolidated subsidiary	335	—
Other, net	(6,241)	3,370
Subtotal	26,065	24,913
Interest and dividends received	469	419
Interest paid	(363)	(509)
Income taxes paid	(7,770)	(4,480)
Income taxes refund	—	408
Net cash provided by (used in) operating activities	18,400	20,751
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,350)	(9,922)
Proceeds from sales of property, plant and equipment	131	194
Purchase of investment securities	(21)	(1,254)
Proceeds from sales of investment securities	680	22
Purchase of intangible assets	(3,424)	(2,740)
Payments for acquisition of businesses	(423)	—
Net decrease (increase) in short-term loans receivable	3	(34)
Long-term loan advances	(0)	(1)
Collections of long-term loans receivable	13	7
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(667)	—
Other, net	281	(115)
Net cash provided by (used in) investing activities	(12,779)	(13,844)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	80	13
Repayments of finance lease obligations	(3,056)	(4,856)
Proceeds from long-term borrowings	—	834
Repayments of long-term borrowings	(9)	(3)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,910)	—
Purchase of treasury shares	(13)	(10)
Dividends paid	(2,471)	(2,745)
Dividends paid to non-controlling interests	(749)	(284)
Net cash provided by (used in) financing activities	(8,129)	(7,051)
Effect of exchange rate change on cash and cash equivalents	251	(2,051)
Net increase (decrease) in cash and cash equivalents	(2,257)	(2,196)
Cash and cash equivalents at beginning of period	57,355	55,498
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	399	—
Cash and cash equivalents at end of period	55,498	53,302

GLOBAL NETWORK

Through our global service locations, Toshiba Tec offers a wide range of products and solutions that can meet the different needs of our customers in various parts of the world, thus contributing to the maximization of our customers' profits.
We offer a one-stop solution to support your global business development by establishing the best possible system to assist you in each phase, from planning, installation to maintenance.

12 Toshiba America Business Solutions, Inc. (Plant)

13 Toshiba Global Commerce Solutions, Inc.

24 Toshiba Tec Europe Imaging Systems S.A.

■■■■ Manufacturing bases

Japan

1 Toshiba Tec Solution Services Corporation
2 Tec Information Systems Corporation
3 TD Payment Corporation
4 TER Corporation
5 Toshiba Global Commerce Solutions Holdings Corporation
6 Toshiba Tec Document Processing Systems Co., Ltd.
7 Tec Precision Co., Ltd.
8 T.T. Business Service, Co., Ltd.
9 Toshiba Tec Shizuoka Business Center (Mishima)
10 Toshiba Tec Shizuoka Business Center (Ohito)

Americas

11 Toshiba America Business Solutions, Inc.
12 Toshiba America Business Solutions, Inc. (Plant)
13 Toshiba Global Commerce Solutions, Inc.
14 Toshiba Global Commerce Solutions (Canada) Ltd.
15 Toshiba Global Commerce Solutions Mexico, S. de R.L. de C.V.
16 Toshiba Global Commerce Solutions (Colombia), S.A.S.
17 Toshiba Global Commerce Solutions for Retail (Brazil), Ltd.
18 Toshiba Global Commerce Solutions Chile SpA
19 Toshiba Tec Canada Business Solutions Inc.

9 Toshiba Tec Shizuoka Business Center (Mishima)

10 Toshiba Tec Shizuoka Business Center (Ohito)

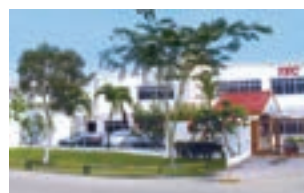**44** Toshiba Tec Information Systems (Shenzhen) Co., Ltd.

40 **40** Toshiba Tec Singapore Pte Ltd

46 P.T. Tec Indonesia

41 Toshiba Tec Malaysia Manufacturing Sdn. Bhd.

Europe

20 Toshiba Tec U.K. Imaging Systems Limited
21 Toshiba Tec Germany Imaging Systems GmbH
22 Toshiba Tec France Imaging Systems S.A.
23 Toshiba Tec Nordic AB
24 Toshiba Tec Europe Imaging Systems S.A.
25 Toshiba Tec Italia Imaging Systems S.P.A.
26 Toshiba Tec Switzerland AG
27 Toshiba Tec Poland S.A.
28 Toshiba Global Commerce Solutions (U.K.) Limited
29 Toshiba Global Commerce Solutions (Spain), S.L.
30 Toshiba Global Commerce Solutions (France), SAS
31 Toshiba Global Commerce Solutions (Italy) S.r.l.
32 Toshiba Global Commerce Solutions (Benelux) NV
33 Toshiba Global Commerce Solutions (Netherlands) B.V.
34 Toshiba Global Commerce Solutions (Germany), GmbH
35 Toshiba Global Commerce Solutions (Austria), GmbH
36 Toshiba Global Commerce Solutions (Nordic), AB
37 Toshiba Global Commerce Solutions (Denmark) ApS
38 Toshiba Global Commerce Solutions (Poland), sp. z o.o.
39 POS Perakende Otomasyon Sistemleri Ticaret ve Sanayi A.S.

Asia / Oceania / Middle East / Africa

40 40 Toshiba Tec Singapore Pte Ltd
41 Toshiba Tec Malaysia Manufacturing Sdn. Bhd.
42 Toshiba Tec Malaysia Sdn. Bhd.
43 Toshiba Tec (H.K.) Logistics & Procurement Ltd.
44 Toshiba Tec Information Systems (Shenzhen) Co., Ltd
45 Toshiba Tec Information Systems (Shenzhen) Co., Ltd., China Business Headquarters
46 P.T. Tec Indonesia
47 Toshiba Tec (Thailand) Co., Ltd.
48 Toshiba Global Commerce Solutions (Thailand) Company Limited
49 Toshiba Global Commerce (Beijing) Co., Ltd.
50 Toshiba Global Commerce Solutions Korea, Co., Ltd.
51 Toshiba Global Commerce Solutions (Taiwan), Co. Ltd.
52 Toshiba Global Commerce Solutions (Hong Kong), Co. Limited
53 Toshiba Global Commerce Solutions (Philippines), Inc.
54 Toshiba Global Commerce Solutions (Singapore), Pte. Ltd.
55 Toshiba Global Commerce Solutions (Australia) Pty. Ltd.
56 Toshiba Global Commerce Solutions (South Africa) Proprietary Limited
57 Toshiba Global Commerce Solutions Gulf FZ-LLC
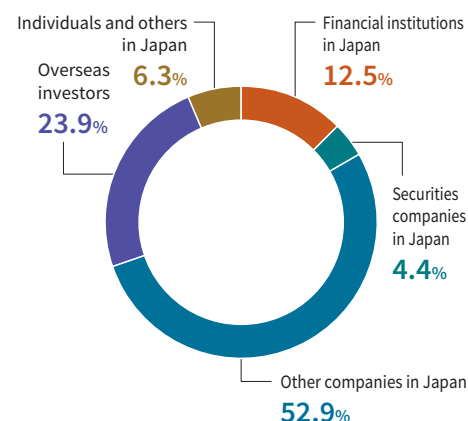
(as of July 2020)

STOCK INFORMATION

Stock Overview (as of March 31, 2020)

1) Total number of shares authorized to be issued: 200,000,000 shares

2) Total number of outstanding shares (excluding 2,642,915 shares of treasury stock)**:** 54,986,225 shares

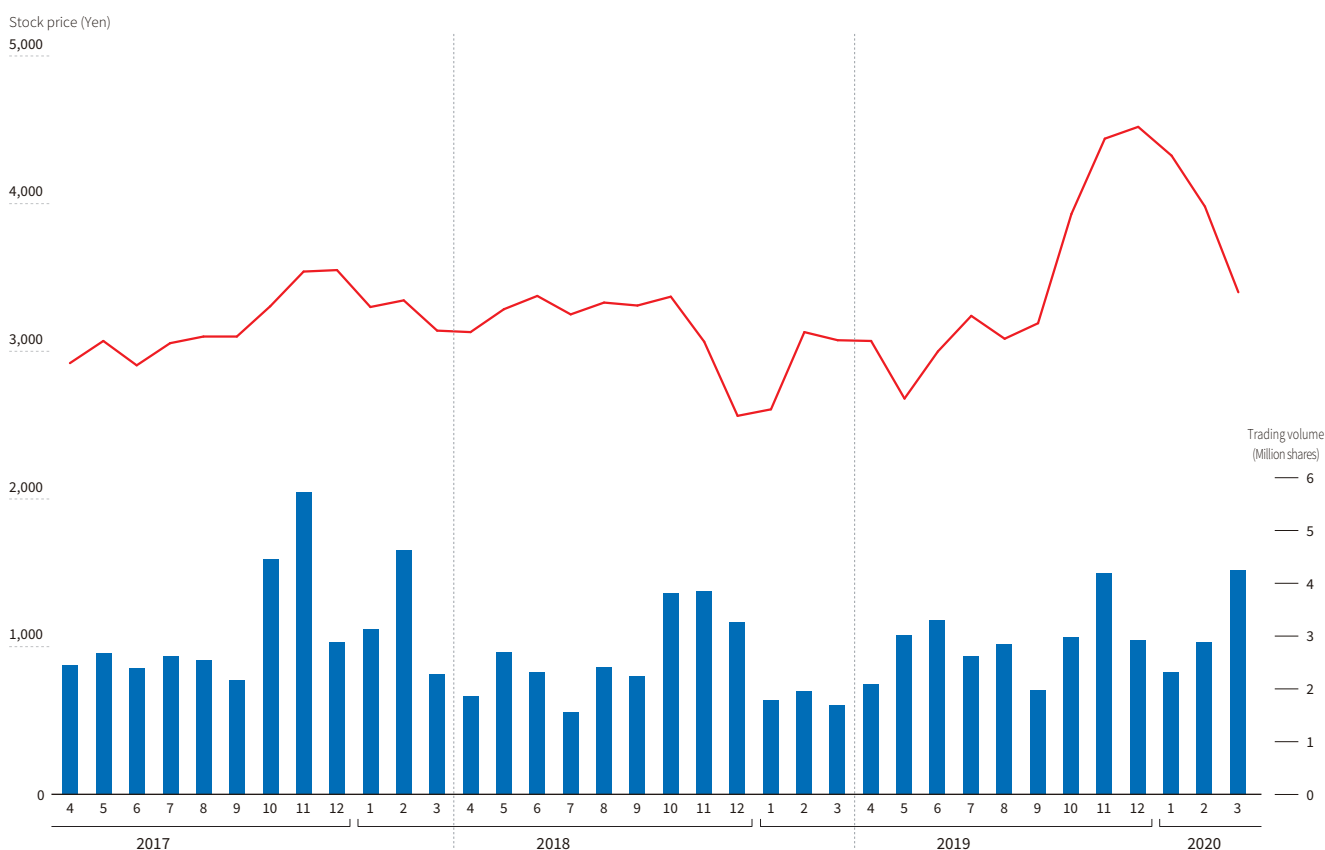**3) Number of shareholders:** 8,627

4) Major shareholders

Shareholder	Number of shares held (Thousand shares)	Shareholding ratio (%)
Toshiba Corporation	28,827	52.4
Credit Suisse Securities Limited	2,002	3.6
Goldman Sachs and Company Regular Account	1,738	3.2
The Master Trust Bank of Japan, Ltd. (Trust account)	1,591	2.9
MSIP CLIENT SECURITIES	1,270	2.3
THE BANK OF NEW YORK BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,268	2.3
Japan Trustee Services Bank, Ltd. (Trust account)	1,015	1.8
Goldman Sachs International	1,005	1.8
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT	800	1.5
Toshiba Tec Employees Shareholding Association	780	1.4

Note: Treasury stock is excluded from the total number of outstanding shares in the calculation of shareholding ratio.

Breakdown by Shareholder

Individuals and others in Japan **6.3**%
Overseas investors **23.9**%
Financial institutions in Japan **12.5**%
Securities companies in Japan **4.4**%
Other companies in Japan **52.9**%

Stock Price and Trading Volume Trends

Stock price (Yen)

Trading volume (Million shares)

Note: The Company carried out a share consolidation at a ratio of one for every five shares of common stock, effective on October 1, 2018.
Accordingly, the stock price and trading volume figures have been calculated assuming that the share consolidation was executed at the beginning of fiscal 2017.

CORPORATE DATA

Corporate Overview (as of March 31, 2020)

Company name	Toshiba Tec Corporation
Head office	Gate City Ohsaki West Tower, 1-11-1, Osaki, Shinagawa-ku, Tokyo 141-8562, Japan
Established	February 21, 1950
Common stock	39,970 million yen
Employees	Consolidated: 20,014
Toshiba Tec Group	Consolidated: 78 companies

Subsidiaries and Affiliates (as of March 31, 2020)

Japan

- Toshiba Tec Solution Services Corporation
- Tec Information Systems Corporation
- TER Corporation
- Toshiba Global Commerce Solutions Holdings Corporation

Overseas

- Toshiba America Business Solutions, Inc.
- Toshiba Global Commerce Solutions, Inc.
- Toshiba Tec Information Systems (Shenzhen) Co., Ltd.
- Toshiba Tec (H.K.) Logistics & Procurement Ltd.
- Toshiba Tec Germany Imaging Systems GmbH
- Toshiba Tec Singapore Pte Ltd
- Toshiba Tec France Imaging Systems S.A.
- P.T. Tec Indonesia
- Toshiba Global Commerce Solutions (Netherlands) B.V.
- Toshiba Tec U.K. Imaging Systems Limited
- Toshiba Tec Malaysia Manufacturing Sdn. Bhd.
- Toshiba Tec Europe Retail Information Systems S.A.
- Toshiba Tec Canada Business Solutions Inc.
- Toshiba Global Commerce Solutions Mexico, S. de R.L. de C.V.

Our consolidated subsidiaries consist of the 18 listed above and 60 other companies.

- This report has not been audited by an audit corporation.
- Forward-looking statements included in this report are based on information that Toshiba Tec has obtained at present and certain assumptions that we deem reasonable, and we do not guarantee that any of such statements will be realized. Actual performance may differ materially from any forward-looking statements due to various factors.
- In case any corrections or revisions are made to this report, the revised version of this Integrated Report will be published on our website.

Toshiba Tec Corporation