

**TOSHIBA**

**Toshiba Tec Group  
Integrated Report 2021**



## Toshiba Tec Group's Management Principle



### Corporate Philosophy

#### Create with You

-Keeping our customers in mind all the time and everywhere-

### Vision

#### Impress the world

Delight our everyday life

Discover your inspiration

### Action Guidelines

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



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## Editorial Policy in Issuing the Integrated Report

Gathering 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 the 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 2020 (from April 2020 to March 2021) 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 Accounting Guidelines" (FY2005 Edition)
- ISO 26000 (Guidance on Social Responsibility)

## Web Site



### INVESTOR RELATIONS

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

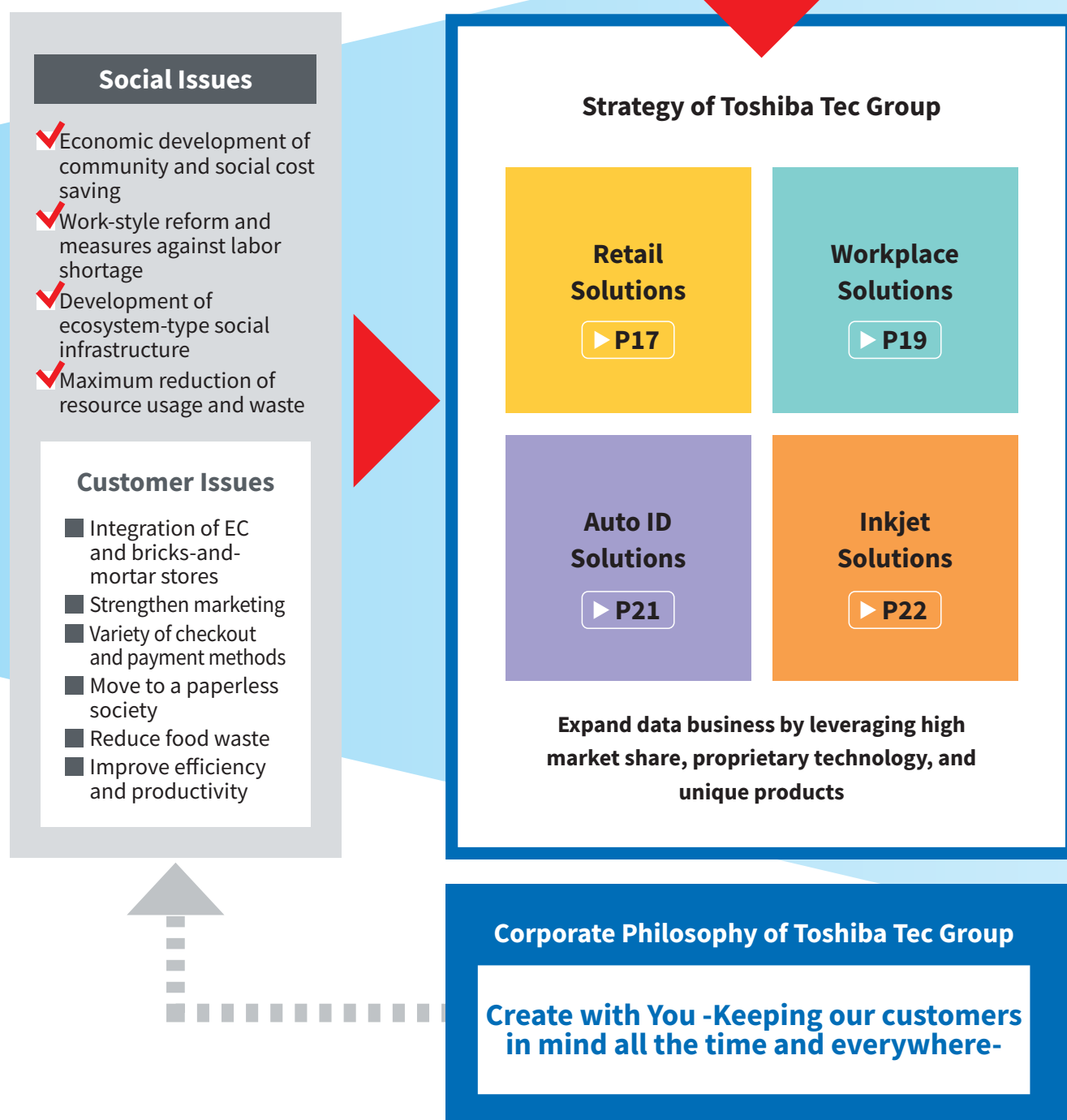


### INTEGRATED REPORT

[https://www.toshibatec.com/company/ir/material/integrated\\_report.html](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
21.8 billion yen	7.0 billion yen	18,511	Japan 8 Overseas 64





# OUTPUT

## FY2020 Results

### Net sales

**405.7** billion yen

### Operating profit

**8.3** billion yen

### Ordinary profit

**7.2** billion yen

### Profit attributable to owners of parent

**7.1** 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.



## SDG-related initiatives by Toshiba Tec Group



# 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 meaningful 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 the 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 business, 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



**1963**  
VC-37HD  
magic vacuum cleaner



**1957**  
Mechanical cash register  
in the early days



**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 the 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

From  
1990

## Establishing a stable foundation through changes in business structure

We pushed forward changes in business structure to generate stable profits in the Heisei depression (from 1991 to 2002). By working on establishing an organizational and operating structure that can flexibly respond to the market environment of the new times, we successfully brought operating results back into the black. In 2000s, we exerted ourselves to establish a strong business structure while undergoing structural transformation into a profitable group under the slogan of change and creation.



**1993**  
B-470 Series bar code printer



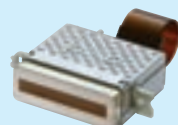
**1999**  
FANTASIA22 digital full-color MFP



**2006**  
WILLPOS-Self SS-1000 self-checkout system



**2006**  
OrderExpress wireless ordering system



**2006**  
CF1 inkjet print head

1990

2000

2010

2020

- 1990 Started activities of Toshiba Tec Philanthropy Fund.
- 1994 Merged with TEC Electronics Corporation and renamed as TEC Corporation.
- 1999 Took over copier business from Toshiba Corporation and renamed as Toshiba Tec Corporation.

- 2001 Started the production of photocopiers in our new plant in Shenzhen, China (Toshiba Tec Information Systems (Shenzhen) Co., Ltd.).
- 2004 Set out a new corporate philosophy "Our Five Commitments."
- 2005 Integrated Tokyo area offices into Osaki Office (Shinagawa-ward).
- 2006 Formed the Inkjet Business Group.

- 2012 Acquired retail store solution (RSS) business from International Business Machines Corporation (IBM).
- 2018 Loops Series won Excellence Award at the 1st EcoPro Awards and Eco Mark Award 2018 Excellence Award.
- 2018 Established TD Payment Corporation.

- 2021 Renamed the Printing Solutions Business Group as the Workplace Solutions Business Group

Transferred lighting business to Toshiba Lighting & Technology

Won the top share in the vacuum cleaner market

Transferred home appliances to Toshiba Home Appliances Manufacturing

Entered the barcode printer business

**First in the world**  
Conducted demonstration experiment of EXPRESS POS as a means of settlement  
Released self-checkout system

Launched Smart Receipt electronic receipt service

Released Semi-Self semi-self-checkout system

Rolled out Pipit (Beep) Cart shopping cart self-checkout system

Won the top share in the Chinese MFP market

Launched Loops paper reusing system

Released hybrid MFP paper reusing system

From  
2010

## Aiming to become a solution partner who solves the issues of customer sites starting with retail stores and offices

While accelerating overseas business expansion, we built a global system that covers approx. 100 countries and regions. With our long-cultivated core technologies, we aim to become a solution partner that solves issues faced by customers worldwide by utilizing products and services that are one step ahead of the times.



**2013**  
IS-910T vertical type object recognition scanner



**2016**  
Semi-Self semi-self-checkout system



**2014**  
Smart Receipt electronic receipt service



**2017**  
Hybrid MFP Loops LP50 Series paper reusing system



**2019**  
Pipit (Beep) Cart shopping cart self-checkout system



**2021**  
UF-3000 RFID handheld reader

### Aim to be the global top solutions partner



Hironobu Nishikori  
President  
and Chief Executive Officer  
Toshiba Tec Corporation

*Hironobu Nishikori*

#### Operating Results for Fiscal 2020

Net sales in the fiscal year ended March 31, 2021 (fiscal 2020) decreased by 16% from the previous fiscal year to 405,694 million yen, owing to factors including a slump in demand for our mainstay products, POS systems and Digital Multifunction Peripherals (MFPs), in both domestic and overseas markets and restrictions on sales activities, due to the impact of the COVID-19 pandemic. Thorough fixed cost reductions and other measures compensated for the impact of the decrease in net sales, and operating profit decreased by 41% year on year to 8,263 million yen and ordinary profit decreased by 38% to 7,193 million yen. Profit attributable to owners of parent increased by 91% year on year to 7,126 million yen, due in part to the partial reversal of the valuation allowance for deferred tax assets at overseas subsidiaries in the Retail Solutions Business, despite the recording of extraordinary losses associated with structural reforms.

## Toshiba Tec Group's Vision

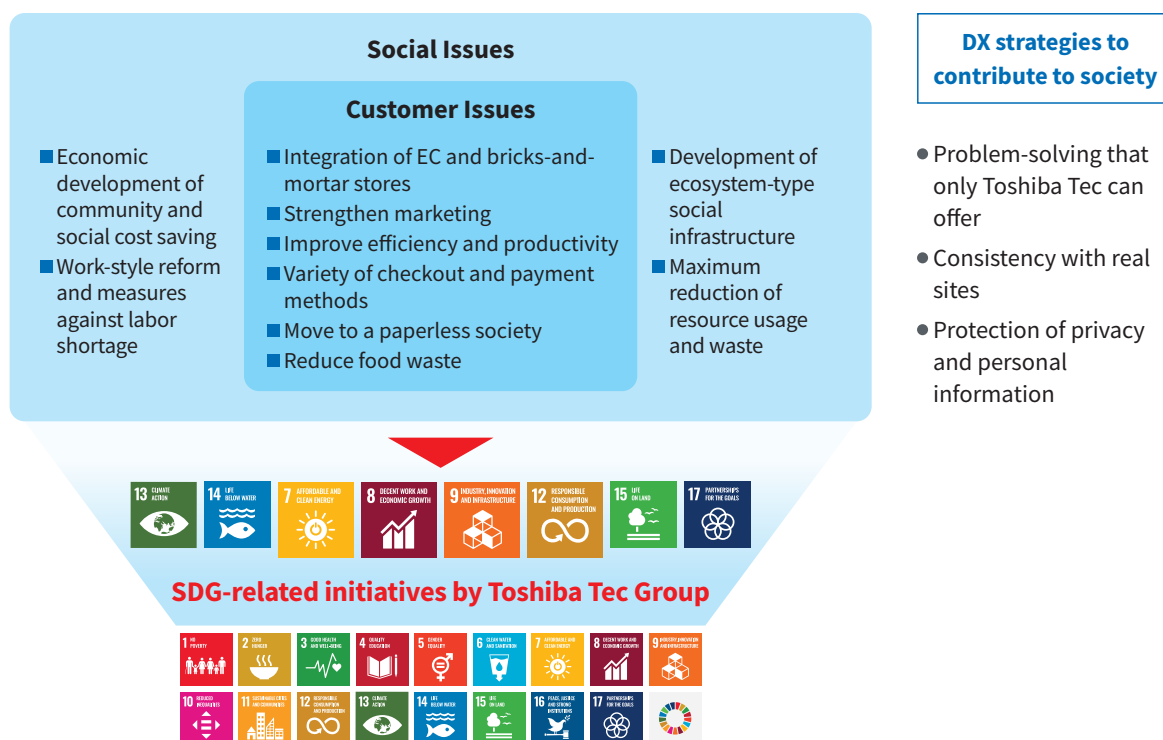
Under the corporate philosophy of “Create with You,” the Toshiba Tec Group has created new value that has adapted rapidly to the changes in the times, based on our long-held complete focus on our customers. However, to realize sustainable growth even in the increasingly uncertain times ahead, it is vital that all Group employees obtain a greater understanding of that corporate philosophy and put it into practice, and become a “solutions partner” that is close to its customers around the world.

In the Retail Solutions Business, we will be nimble in identifying changes in the global market environment in our aim to be the global top “solutions partner” in the distribution industry. Upon that basis, we will strive for the creation of new value to solve our customers’ complex problems. To build the platforms that are essential to that purpose, we will work together with a variety of partners and vigorously pursue digital transformation (DX).

In the Workplace Solutions Business, we will accelerate our shift from printing to data management and, while eyeing the creation of integrated solutions that also takes into account the Auto ID Solutions Business and the Inkjet Solutions Business, we will work to strengthen business structure across the entire business domains.

## For the realization of a sustainable society

For the realization of the sustainable society represented by the SDGs, it is essential that we work toward solving not only our customers’ problems, but also the social issues underlying those problems. We will contribute to the sustainable growth of society by concentrating our efforts on the creation of solutions that will become possible precisely because we know our customers better than anyone else.



All employees of the Toshiba Tec Group will work together and devote their utmost efforts to achieve sustainable growth in each of our businesses and the further improvement of our corporate value.

## FY2021~FY2023 Mid-term business plan (MTBP)

The Toshiba Tec Group is rapidly pursuing business activities aimed at achieving its three-year FY2021~FY2023 Mid-term business plan (MTBP).

The Toshiba Tec Group possesses assets in the form of strong trusting relationships with its customers and a network of highly detailed services. While taking maximum advantage of these assets, we will focus our efforts on the promotion of digital transformation (DX) through effective use of data as well as the construction of platforms.

All employees of the Group will put our corporate philosophy of “Create with You” into practice to solve various issues through co-creation with our customers and partners, and to work toward the realization of a sustainable society.

### Basic Policy

- (1) Implement structural reforms and transformation to achieve “proactive” business management
- (2) Build strategic partnerships
- (3) Invest intensively in growth areas



**Becoming a “solutions partner”  
for all customers based on effective use of data**

### Management Targets

	FY2021 Forecasts (105 Yen/USD, 120 Yen/EUR)	FY2023 Plan (105 Yen/USD, 120 Yen/EUR)	Difference
Net sales	420 billion yen	440 billion yen	+20 billion yen
Operating profit	21 billion yen	29 billion yen	+8 billion yen
Operating profit margin (ROS)	5.0%	6.6%	+1.6%
Profit	10 billion yen	17 billion yen	+7 billion yen
Operating cash flows	23 billion yen	33 billion yen	+10 billion yen
Return on invested capital (ROIC)	10% or more	13% or more	+3% or more

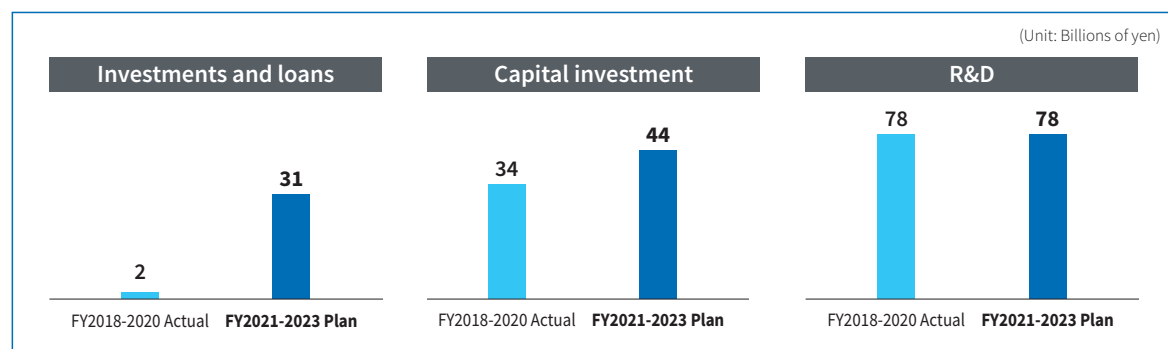
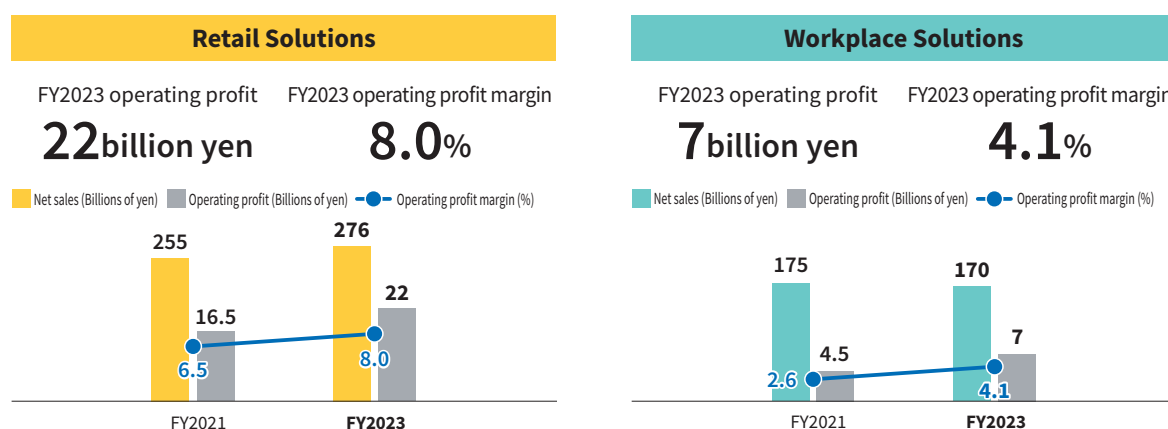


Through active investment in highly profitable business areas and improvements to management efficiency, we will continue to strengthen our profit base, planning to achieve company-wide net sales of 440 billion yen, an operating profit of 29 billion yen, an operating profit margin of 6.6%, and a return on invested capital (ROIC) of 13% or more in FY2023. By individual business, in the Retail Solutions Business, which aims to accelerate the innovation of its business models and become the global top solutions partner, we are planning to achieve net sales of 276 billion yen, an operating profit of 22 billion yen, and an operating profit margin of 8.0% in FY2023. Meanwhile, in the Workplace Solutions Business, which aims to recover profitability and strengthen its solutions, we are planning to achieve net sales of 170 billion yen, an operating profit of 7 billion yen, and an operating profit margin of 4.1% in FY2023.

## Promotion of growth strategy

In new business areas, we are concurrently pursuing PoC with our partners, while keeping in mind the recurring business that will enable high profitability and horizontal expansion. We will actively pursue our potential for realization, while checking progress meticulously.

We are planning for 31 billion yen in investment and loans over three years for the realization of our growth strategy. We will expand investment in technologies and businesses that will contribute to digital transformation (DX), create innovations through collaborations with our customers and partners, and work toward the creation of solutions.



We place importance on dialogue with our stakeholders. Therefore, through continued dialogues with stakeholders about the current state of the Group, its improvement measures, and growth strategies, we hope to reflect their opinions and suggestions for the Group in our management, in order to improve the quality of the management and enhance our corporate value.

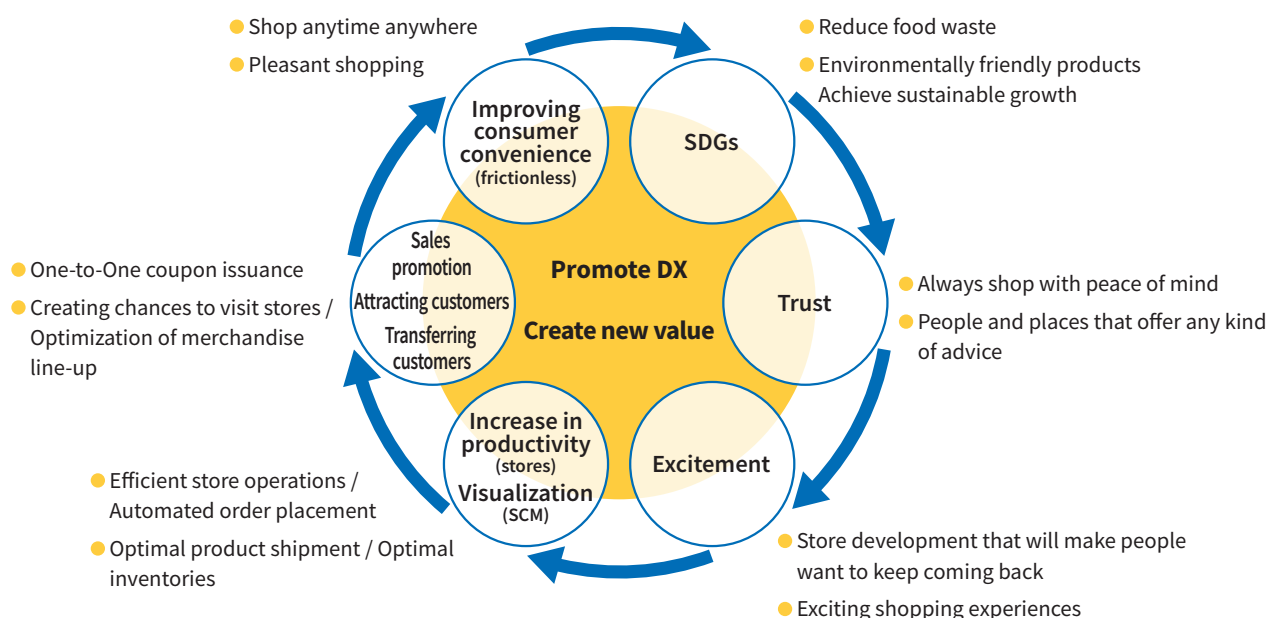
## Business Strategy

### Retail Solutions Business

The business environment surrounding the Retail Solutions Business is undergoing significant changes. There is a need to create new value that achieves both greater convenience for consumers and improved productivity for stores. Our goal is to establish highly profitable business through strategic investment, placing priority on the four areas of SCM, data services, next-generation stores, and settlement.

To achieve efficient store operations with the use of digital transformation (DX), we will conduct PoC with various partners and work toward the creation of new solutions.

While focusing our efforts on solving our customers' problems by taking into account the changes in the global retail environment, we aim to become the world's top "solutions partner" by vigorously pursuing proposal-based business.



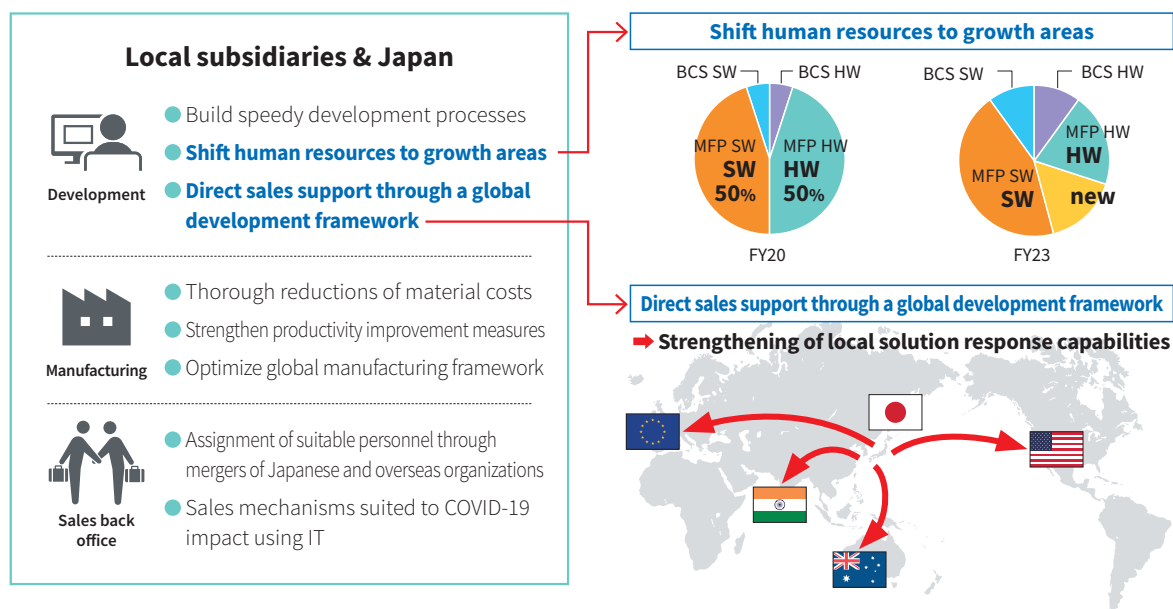
FY2021 Forecast	Measures	FY2023 Plan
<p>Net sales</p> <p><b>255 billion yen</b></p> <p>Operating profit</p> <p><b>16.5 billion yen</b></p> <p>Operating profit margin (ROS)</p> <p><b>6.5%</b></p>	<p><b>More concrete DX growth strategies</b></p> <p>Realize highly profitable business through active investment in four priority areas (SCM, data services, next-generation stores, and settlement)</p> <ul style="list-style-type: none"> <li>● <b>Investment and loans</b> Next-generation stores, settlement, SCM, expansion of Asian business</li> <li>● <b>Capital investment</b> Systems for data businesses, strengthening of cloud functions, expansion of Asia business</li> <li>● <b>R&amp;D</b> Various types of research into four priority areas Strengthening of development themes, fleshing out ELERA-Retail*</li> </ul>	<p>Net sales</p> <p><b>276 billion yen</b></p> <p>Operating profit</p> <p><b>22 billion yen</b></p> <p>Operating profit margin (ROS)</p> <p><b>8.0%</b></p>

\*ELERA-Retail (global platform) It's time to accelerate the future of retail.

## Workplace Solutions Business

The COVID-19 pandemic has brought about changes in the way people work all over the world. The way how offices exist is changing as remote work becomes more common. Amid those changes, while keeping the business of developing, selling, and maintaining MFP hardware, we will make a shift in our business to propose data management to the customers of the Group, including efficiency improvement in their offices as a whole.

Also, in order to build speedy development processes, we will actively shift our human resources to growth areas and strive to strengthen business structure across the entire business domains and stabilize business profits, while eyeing the creation of integrated solutions that also takes into account the Auto ID Solutions Business and the Inkjet Solutions Business.



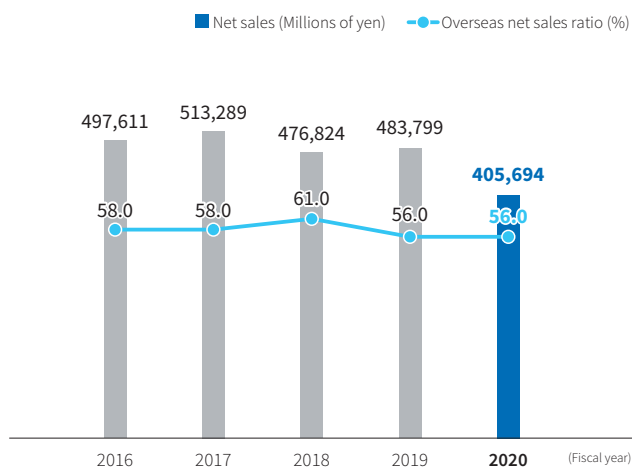
FY2021 Forecast	Measures	FY2023 Plan
<p>Net sales</p> <p><b>175</b> billion yen</p> <p>Operating profit</p> <p><b>4.5</b> billion yen</p> <p>Operating profit margin (ROS)</p> <p><b>2.6%</b></p>	<p><b>Recovery of profitability</b></p> <p><b>Stabilization of business profits through transformation of business model</b></p> <ul style="list-style-type: none"> <li>Investment and loans <ul style="list-style-type: none"> <li>Expansion of DMS*<sup>1</sup> and ECM*<sup>2</sup> solutions</li> </ul> </li> <li>Capital investment <ul style="list-style-type: none"> <li>Automation and smart operations</li> </ul> </li> <li>R&amp;D <ul style="list-style-type: none"> <li>Creation of cloud services and new solutions</li> </ul> </li> </ul>	<p>Net sales</p> <p><b>170</b> billion yen</p> <p>Operating profit</p> <p><b>7</b> billion yen</p> <p>Operating profit margin (ROS)</p> <p><b>4.1%</b></p>

\*1 DMS Document Management System

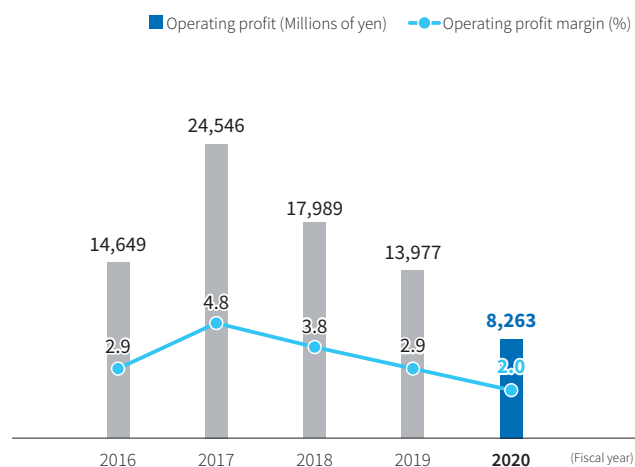
\*2 ECM Enterprise Contents Management

# FINANCIAL HIGHLIGHTS (CONSOLIDATED)

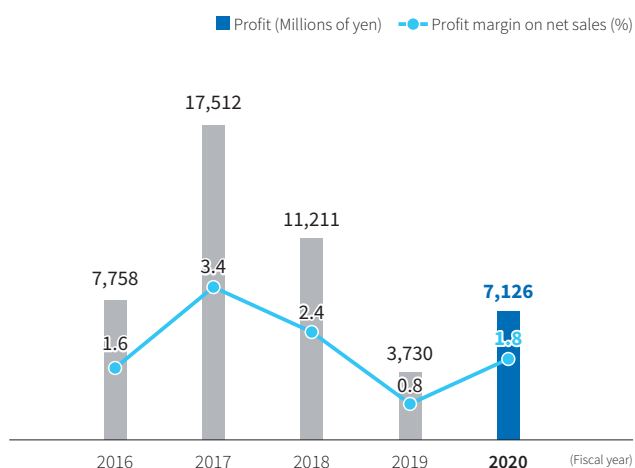
## Net sales and overseas net sales ratio



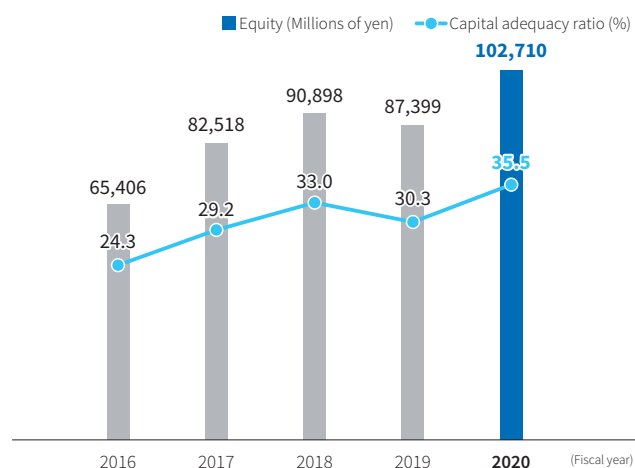
## Operating profit and operating profit margin



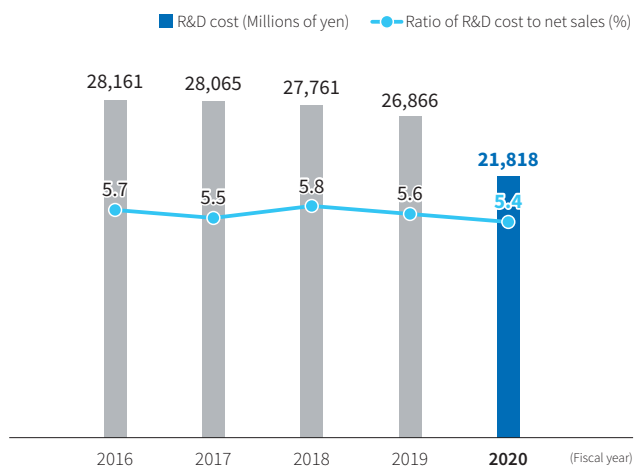
## Profit and profit margin on net sales



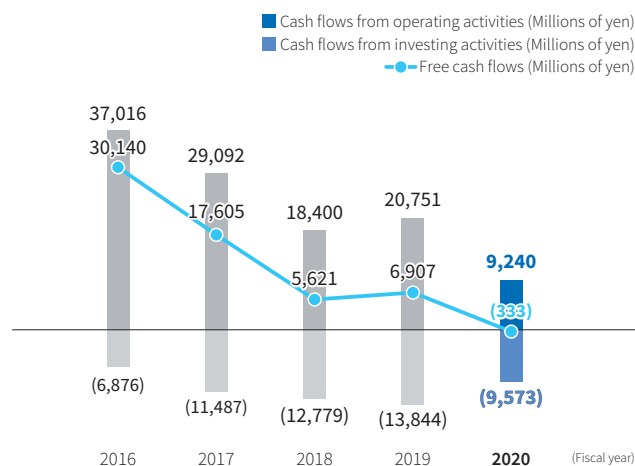
## Equity and capital adequacy ratio



## R&D cost and ratio of R&D cost to net sales



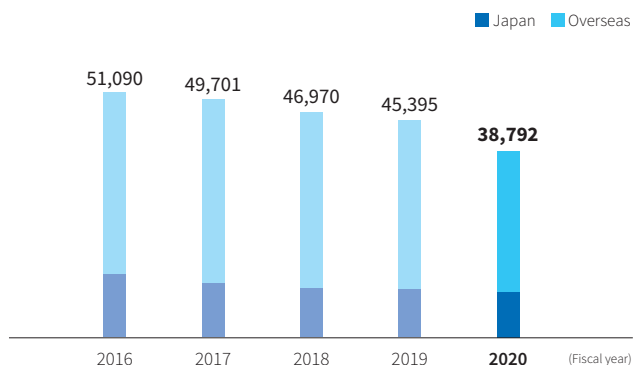
## Cash Flows



# NON-FINANCIAL HIGHLIGHTS (CONSOLIDATED)

## CO2 emissions at manufacturing sites\*

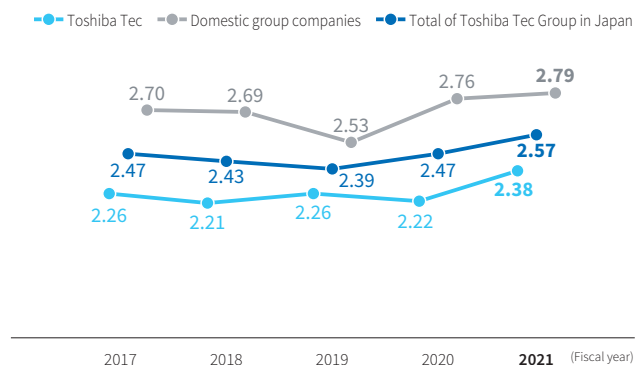
(t)



We continue to reduce CO2 emissions through the 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

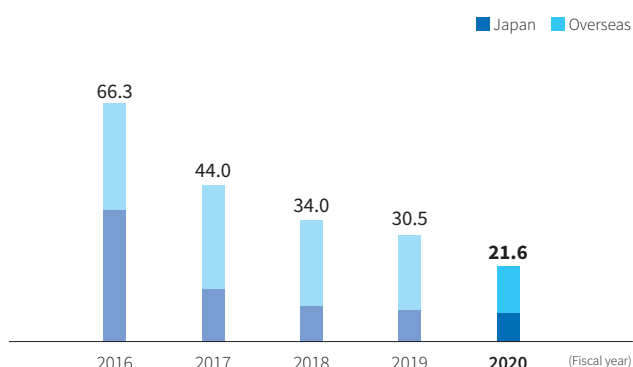
(%)



Toshiba Tec 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 2.57% as of April 2021. We are also actively promoting the employment of people with disabilities and activities to support them.

## Emissions of chemical substances

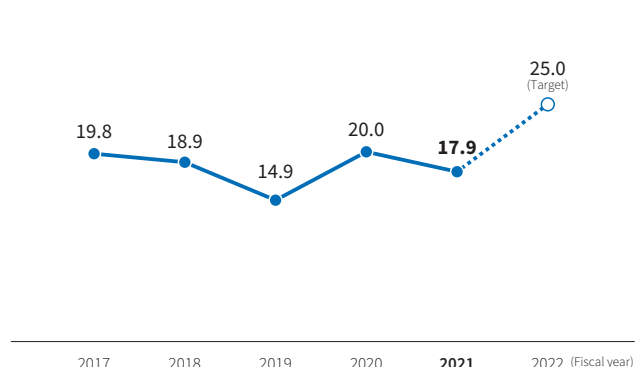
(t)



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.

## Ratio of new female graduates employed

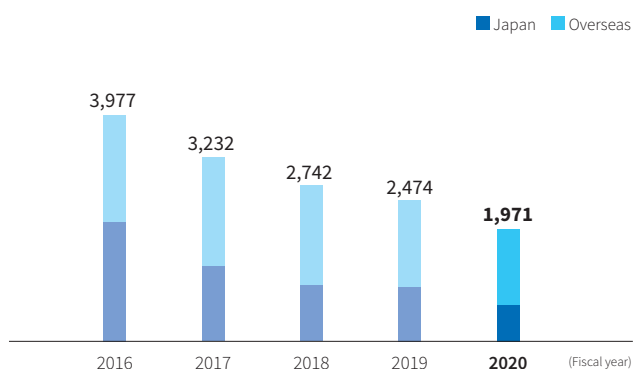
(%)



We aim to achieve 25% in the ratio of new female graduates employed in fiscal 2022. We have been holding many events to improve the ratio of female employees. In addition, in recent years, we have been actively working on the hiring of female engineers.

## Total volume of waste generated

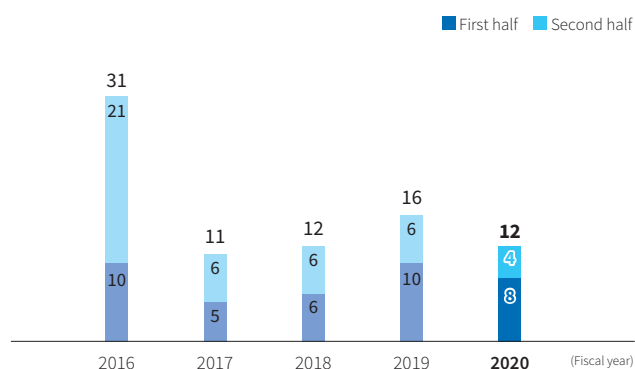
(t)



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 situations, and promoting communications to improve the rate of recycling.

## Number of whistleblowing cases\*

(Cases)



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.

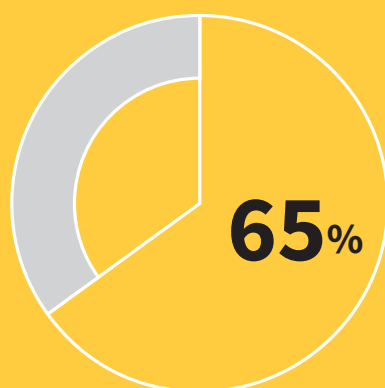
\*The figures are the total number of cases received by the internal secretariat, law firm, and contact with Toshiba Corporation.

\*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.

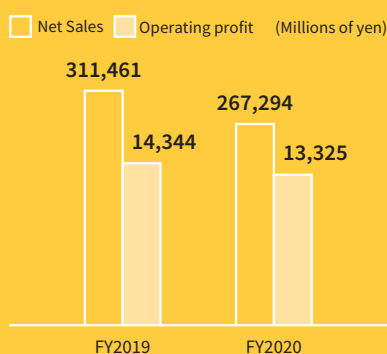
## SEGMENT OVERVIEW

# Retail Solutions Business

### Net sales breakdown



### Net sales and operating profit



### 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 with the continued impact of the COVID-19 pandemic and intensifying competition.

Sales of POS systems for the Japanese market declined despite strong sales to mass retailers, as overall sales were pushed down by lower investment appetite and changes to new store opening plans due to the earnings deterioration of restaurants and other businesses.

Sales of POS systems for overseas markets decreased due to sales declines mainly in North America and Asia.

Sales of MFPs for the Japanese market fell due to lower sales volumes.

Sales of auto ID systems for the Japanese market decreased due to weak growth in sales volumes of bar code printers, mainly medium- and high-class models, impacted by reduced capital investment in the manufacturing industry.

As a result, net sales of the Retail Solutions Business decreased by 14% from the previous fiscal year to 267,294 million yen. Operating profit of the Retail Solutions Business decreased by 7% year on year to 13,325 million yen, while negative factors including a decline in net sales were partially offset by a significant profit improvement in POS systems for overseas markets.





# 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. In the harsh business environment with the continued impact of the COVID-19 pandemic and intensifying competition, we made utmost efforts to reduce fixed costs mainly through structural reform. We also focused on enhancing cost competitiveness, increasing productivity, strengthening vertical solutions covering logistics, manufacturing and retail (LMR) sectors, and promoting integrated management solutions for offices including document management solutions (DMS) and managed IT service (MIS).

Sales of MFPs for overseas markets declined as strong sales in China were offset by sales declines in other major regions.

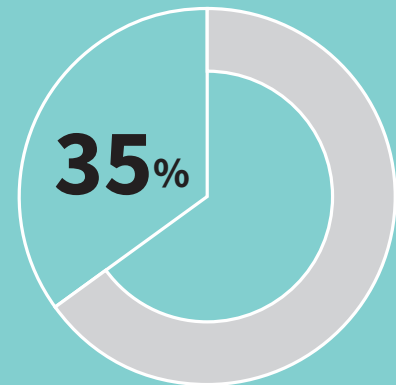
Sales of auto ID systems for overseas markets declined as strong sales in some regions including China were offset by lower sales in other major regions.

Sales of inkjet print heads fell as sales to customers in Japan and overseas declined. As a result, net sales of the Printing Solutions Business decreased by 19% from the previous fiscal year to 145,191 million yen. The business posted operating loss of 5,061 million yen compared with operating loss of 366 million yen in the previous fiscal year due to a significant decline in net sales.

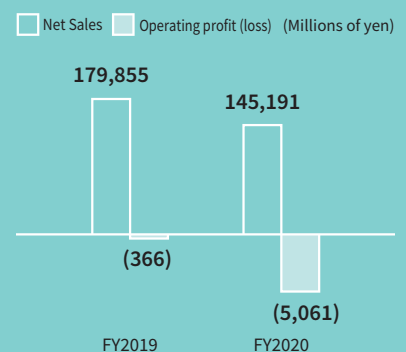
● The Printing Solutions Business segment was renamed as the Workplace Solutions Business effective from FY2021. The business relating to MPFs for the Japanese market that was included in the Retail Solutions Business until FY2020 was transferred to the Workplace Solutions Business effective from FY2021.



## Net sales breakdown



## Net sales and operating profit (loss)



## 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.

## 1

## Retail Solutions



## 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 their stores more and like them even more.



Shopping cart  
self-checkout system



Scale



POS cashier



Supplies

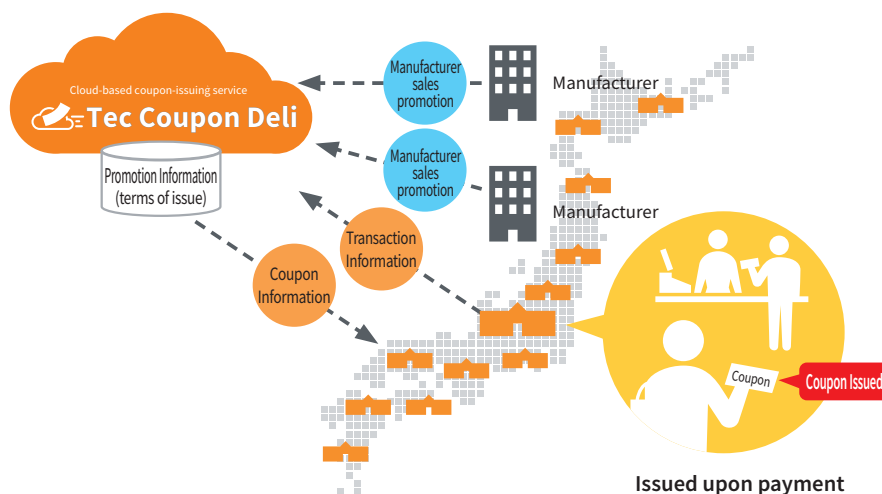
## Effective use of data

### Tec Coupon Deli cloud-based coupon-issuing service

This is a cloud-based coupon-issuing platform service for retail stores that uses POS systems for mass retailers.

Based on the contents of the consumer's purchases, the cloud determines whether or not the consumer is eligible for a coupon in real time and issues promotional coupons provided by the manufacturers together with the receipt.

In addition to coupons, the service can also issue campaign receipts, advertising receipts, and stamp receipts. It makes it possible for stores to conduct promotions that suit their preferences.



### 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.

1 Download the app and register as a member



2 Show the bar code at the cashier\*



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

3 Pay as usual



4 Confirm the receipt on smartphone

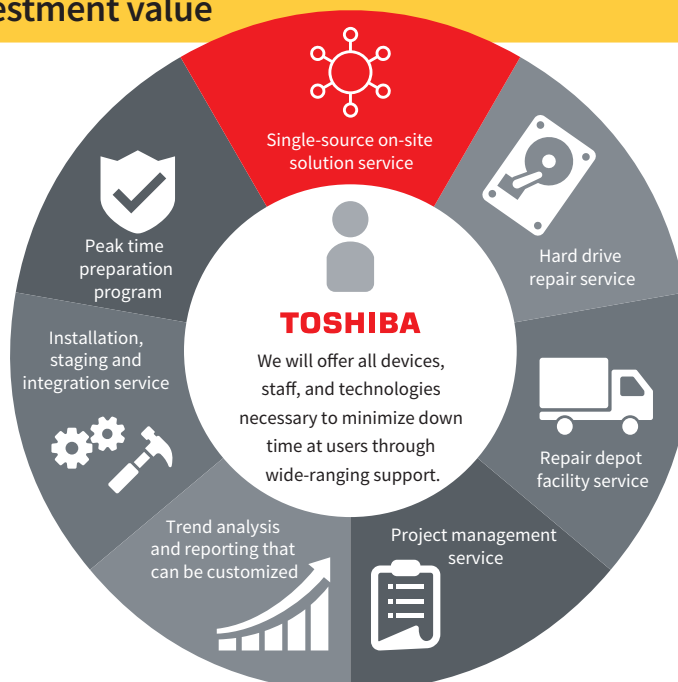


## Global services

### 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.





# 2 Workplace Solutions



## Supporting work style reforms in offices and various workplaces

Toshiba Tec's MFPs help bring improvements to a variety of industries and operations, not just offices, based on customer's needs. Through connections to cloud and mobile services, data can be accessed at anytime from anywhere to improve operation efficiencies.



## Offering solutions tailored to the workplace

Today, digital transformation (DX) is required in all industries and business types. Toshiba Tec's MFPs offer solutions to those needs, helping our customers to improve the efficiency of their operations.

The effective use of paper and electronic information leads to future value not only in offices, but also in other workplaces such as factories. Connecting to Document Management Systems (DMS) enables the digitization of paper documents, automates data transfer into workflows, and connects to external systems.

Many logistics and factory workplaces have large volumes of handwritten ledgers and information on paper media. In the case where these information needs to be captured into the internal system the text can be read using AI-OCR solutions which will be automatically transferred into operational apps and core systems by scanning, OCR and using Robotic Process Automation (RPA).

Moreover, special paper can be used for printing to make POP displays in store and for notices to be posted on office or factory bulletin boards. Printing can also be performed on water-resistant paper which eliminates the process of laminating and greatly reduces time spent for such tasks.

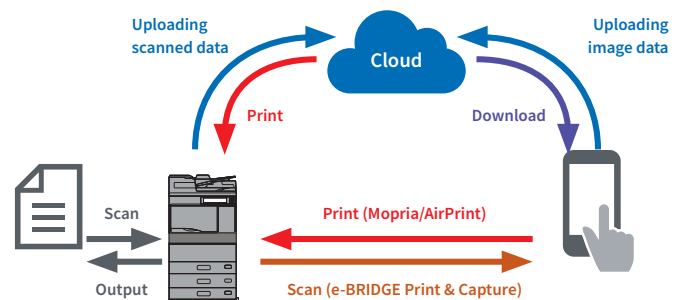


## Contributing to operational efficiency improvements

Today, with the acceleration of mobile and remote work, businesses need operational environments that are equivalent to the office environment anytime anywhere.

Toshiba Tec's MFPs can be connected to a variety of cloud services, making it possible to perform operations such as printing data stored on the cloud and storing scanned data onto the cloud.

Using AirPrint, Mopria, and other mobile printing services, data can be accessed at anytime from anywhere, contributing to greater operational efficiency.



## Safer and more secure

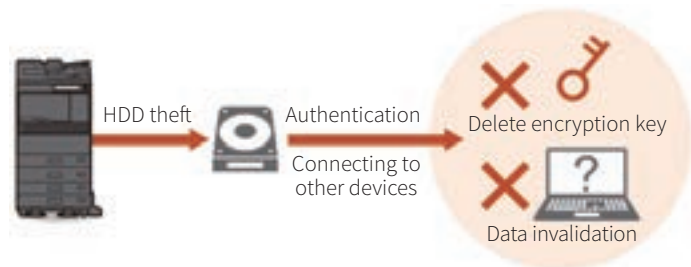
The digitization of information handled in business requires strong information security to ensure that information is not leaked.

Toshiba Tec MFPs can restrict use of function and data access through authentication on an individual basis.

When the hard disk drive is stolen from the MFP the data can be automatically invalidated to prevent information leaks.

In addition to its CSR efforts, Toshiba Tec is also making efforts to contribute to the SDGs (Sustainable Development Goals) through its businesses and corporate activities.

For example, we have achieved reduction in paper use with our Paper Reusing System "Loops" a MFP capable of paper reuse. We will also reduce the generation of CO<sub>2</sub> and use of water to contribute to the effort to resolve environmental issues and the achievement of the SDGs.



PAPER REUSING SYSTEM **Loops** X **SUSTAINABLE DEVELOPMENT GOALS**



## SOLUTION

# 3 Auto ID Solutions

## Supporting greater operational efficiency with a wide variety of barcode printer lineup

We support improvements on customers' on-site operations in a variety of ways, taking advantage of our abundant barcode printer lineup, ranging from portable to high-end models, that allows customers from different workplaces, such as manufacturing sites, Logistics centers, and retail stores, to choose the right product according to the intended purpose of use. Our high-end models help improve operations and reduce costs with high-speed printing at the maximum of 14ips, ribbon saving, and reduced power consumption.



## Significant improvements in on-site operations with automated labeling system solutions

Barcode labels are used in various business situations, such as product labels and shipping labels. This solution automates on-site label printing and affixing tasks, greatly improving on-site operations. Installation and adoption of this product is quick, offering high quality prints at high speed 30 labels per minute, and accommodates a variety of label sizes.



## 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 barcode 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.



\*For Japan domestic market only



## SOLUTION

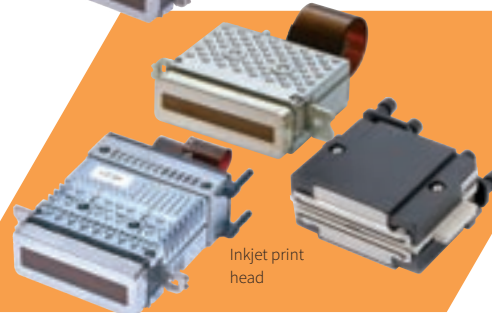
# 4 Inkjet Solutions

## Meeting printing requirements on various fields

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



Ink recirculation system and inkjet print head



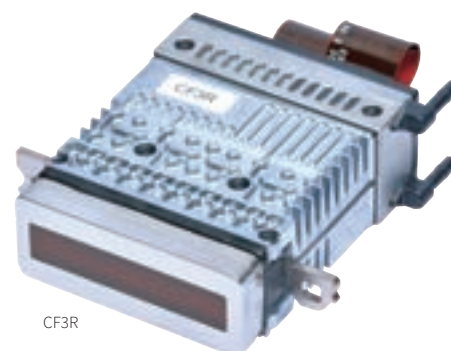
Inkjet print head

## The only inkjet print head in the industry that recirculates fluid near the nozzle and realizes resolution of 300 npi per row

An inkjet print head is the key device of inkjet printers, and can print without directly contacting the media.

High resolution, high reliability inkjet print heads developed, manufactured, and sold by Toshiba Tec plays an essential role in printing technology that is evolving day by day.

The latest CF3R print head recirculates fluid inside the print head and realizes highly stable jetting and low wasted fluids which leads to eco-friendliness. Not only does a single 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 solutions. 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 recirculation systems and technical support.

## Applications in the industrial field

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



Graphics Billboards



Logistics materials Corrugated 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 21,818 million yen. Research and development activities by reporting segment are as follows.

## Retail Solutions Business

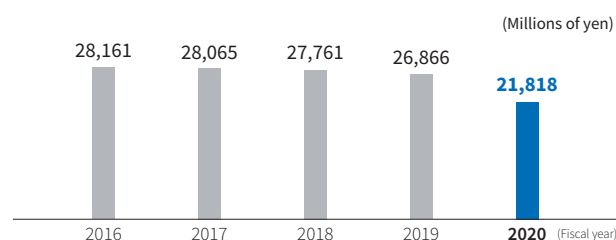
R&D cost: **9,972** million yen

In this business field, we carry out research and development of POS systems, electronic cash registers, image scanners, and data solutions. R&D cost amounted to 9,972 million yen, with main achievements as follows.

- We developed **TBL-300 tablet for self-ordering systems for restaurants and for shopping cart self-checkout systems for mass retailers**, and released the product in July 2020. TBL-300 has improved design and functionality while inheriting the robustness of the existing models. In addition, the new model, installed with a camera and microphone, is capable of making recommendations based on image recognition, and voice recognition ordering. TBL-300 can be used for various purposes, such as using it as a terminal for pre-handling at mass retailers during busy hours, reception for restaurants and for back-office functions.
- We developed the **MA-3055 electronic cash register**, which can be used in various industries including the retail and distribution industry and the restaurant industry, and released the product in February 2021. The multifunctional MA-3055 electronic cash register is the top model in the cash register product lineup, having high scalability to address challenges faced by stores, including the functioning as a terminal for cashless payments and connectivity to automatic change machines, besides the basic functions of a stand-alone electronic register.
- We developed the **UF-3000 RFID handheld reader**. In addition to two ways of positioning the hand grip for handheld use and insertion, the UF-3000 can transform itself into multiple shapes with the hand grip removed for stationary use, with a three-legged support to function as a simplified gate, and with a stick for reading objects placed in high places. UF-3000 also achieved the industry's number one reading performance (as of March 2021, based on research by the Company) with a reading speed of around 800 pages per second, around 1.5 times faster than existing models, and a reading distance of up to around 9 meters. Furthermore, the UF-3000 has dust- and drip-proof functions equivalent to IP54 and can be used in the open air.
- We developed jointly in Japan and overseas **a cloud-based commerce platform** for freer and faster customization of store operation. This platform consists of three elements—microservice, data solution, and IoT/touchpoint. In January 2021, we launched a product returns system using core microservices and microservices related to POS operations for North American customers. The platform helps users respond to the changing purchasing behavior of consumers and increase customer loyalty by enabling stores to take actions flexibly and speedily.
- In September 2020, we released **a refreshed model of hardware System 7 for the overseas self-checkout market**. The refreshed model is designed to reduce production costs and increase processing capability, with a significant improvement in display and control part compared to the existing models. In the overseas self-checkout market that is expected to keep growing, the hardware is capable of improving profitability and meeting additional system requirements.

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

**21,818** million yen



## Printing Solutions Business

R&D cost: **11,846** 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 11,846 million yen, with main achievements as follows.

- We developed the **e-STUDIO330AC/400AC series, A4 compact and full-featured MFPs**, and launched the product series in August 2020. It provides documents such as business presentation, educational, and marketing materials quickly and efficiently with high-performance features such as fast copy speed of less than 7 seconds, color copy/print speed of up to 40 pages per minute. With a mechanism unique to the Company that enables coordination with cloud services and mobile devices, and customizable operability, this series allows for the automation of daily workflows of individuals and corporate units. Furthermore, it conforms to RoHS and other environmental standards and is HCD-PPv1.0 certified on the security front.
- We developed for the North American market the **eConnect TouchFree, a mobile app for contactless operation** that provides remote control access to the panel of our MFPs. This app, available for iOS and iPadOS as well as Android smartphones and tablets, can be utilized in various business situations. The app allows users to execute all operations using their smartphones and tablets without touching the control panel of their MFPs, providing an optimum office solution amid the COVID-19 pandemic.
- We developed the **BV410D series compact label printer** with small footprint of less than the size of B5 paper, and released the product in January 2021. This series has the maximum print speed that is approx. 1.4 times faster than B-EV4D series and improved visibility with a new liquid crystal display. It is compatible with USB, wired/wireless LAN, and Bluetooth, and comes with many variations according to customers' purpose of use, offering three types of cutter module and peel-off module.
- We developed **an additional function to make SOTI Connect, an IoT solution offered by SOTI Inc., available for the B-FP2D mobile printer**. This function enables the management of mobile printer life cycle, thereby improving operational efficiency. With the real-time display of information and status of the mobile printer, maintenance costs can be reduced by remotely updating firmware and automatically executing processes when certain conditions set in advance are met.
- Anticipating the needs of the Chinese market, we developed the **e-STUDIO25/30/35/45/50 series with enhanced security features**, and released the product series in November 2020. Customer information is secured by standardizing data clear function of hard disk and overwriting with random data the temporary data generated at the time of printing, scanning, copying, and faxing.
- **Toshiba America Business Solutions, Inc.**, our overseas subsidiary, **received the PaceSetter Award from the Buyers Lab (BLI) at Keypoint Intelligence, an American research organization**. This prize recognizes business activities in various fields within the document imaging industry, and covers a wide range of initiatives. The award was given to Toshiba America Business Solutions for its business activities in the logistics field, in recognition of its efforts to propose barcode printers, MFPs, and signage products, as well as its unique on-site solutions combining these for the logistics and manufacturing fields.

### Notes:

1. RoHS is a Directive of the European Union restricting the use of hazardous substances in electrical and electronic equipment.
2. HCD PP v1.0 is the acronym for Protection Profile for Hardcopy Devices - v1.0 published by Information-technology Promotion Agency, Japan (IPA) and sets forth security requirements for government procurement of digital MFPs in Japan and the U.S.
3. iOS is the name of an operating system of Apple Inc. iOS is a registered trademark or trademark of Cisco Systems, Inc. and/or its affiliates in the U.S. and other countries, and is used under license.
4. iPadOS is a registered trademark of Apple Inc. in the U.S. and other countries.
5. Android is a trademark of Google LLC.
6. Bluetooth is a trademark or registered trademark of Bluetooth SIG, Inc., a U.S. company.

# 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.



## Vision & Strategies

Toshiba Tec Group formulated a new Basic Policy for the Environment based on the corporate philosophy, "Create with You -Keeping our customers in mind all the time and everywhere-"

### ► Toshiba Tec Group's Basic Policy for the Environment

Toshiba Tec Group holds environmental initiatives to be one of its top priority tasks in corporate management, guided by the "Management Policy of the Toshiba Tec Group." We will strive to create enriched value and ensure harmony with the earth for people around the world now and in the future.

Through our environmental management that aims to achieve a decarbonized society, a resource circulating society, and a society in harmony with nature, we, as a solution partner which solves problems at customer sites including retail stores and offices, will contribute to the realization of a sustainable society and the achievement of the SDGs, such as response to climate change, sustainable consumption and production, and turn on the promise of a new day.

#### Promoting environmental management harmonized with business operations

- Toshiba Tec Group assesses the impacts of its business activities and products and services on the environment (including biodiversity), sets environmental impact reduction targets, and implements environmental activities.
- Toshiba Tec Group continuously improves its environmental management through audits and activity reviews.
- Toshiba Tec Group complies with all laws and regulations, industry guidelines it has endorsed, and its own standards on the environment.
- Toshiba Tec Group further raises employees' environmental awareness, and the company as a whole makes efforts for environmental protection.
- Toshiba Tec Group operates globally and promotes environmental activities throughout the Group accordingly.

#### Reducing environmental impacts through business activities and offering environmentally-conscious products and services

- Toshiba Tec Group recognizes that natural resources are finite, and it implements vigorous environmental measures to promote their effective, practical use in terms of both business activities as well as products and services.
- Toshiba Tec Group develops and provides environmentally-conscious products and services that contribute to reducing environmental impacts throughout their life cycle.
- In all phases of activities – including the design, procurement, manufacturing, logistics, sales, and disposal phases – Toshiba Tec Group implements measures to decrease environmental impacts, such as those for responding to climate change, effective resource use, and chemical management.
- Toshiba Tec Group considers what value and meaning it can provide to society and strives to develop environmental technologies for the future in order to contribute to realizing a sustainable society.

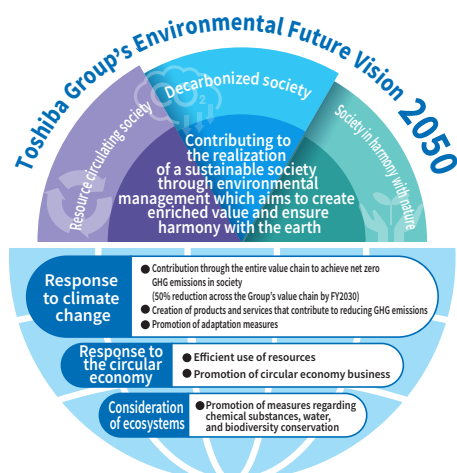
#### Working together with stakeholders

- Toshiba Tec Group actively communicates with stakeholders, such as local communities and society, and promotes environmental activities in collaboration with them.

Revised in April 2021



## ► Toshiba Group's Environmental Future Vision 2050



As a member of the Toshiba Group, Toshiba Tec Group has set Environmental Future Vision 2050. With the goal of “contributing to the realization of a sustainable society through environmental management which aims to create enriched value and ensure harmony with the earth,” Environmental Future Vision 2050 aims to realize a sustainable society—in other words, a decarbonized society, a resource-circulating society, and a society in harmony with nature.

To realize our vision in 2050, we will promote the implementation of initiatives in three areas, namely, “response to climate change,” “response to the circular economy,” and “consideration of ecosystems,” as important pillars of environmental management; strive to integrate business activities with environmental activities; and contribute to the realization of a sustainable society and the achievement of the SDGs, such as climate change mitigation and sustainable consumption and production.

In particular, risks and opportunities associated with response to climate change is one of our important management issues. In our action plan toward 2023 (the Seventh Environmental Action Plan), we have set KPIs relevant to response to climate change, in terms of both business processes (Greening of Process) and products and services (Greening of Products).

## ► Environmental Promotion Structure



## ► The Seventh Environmental Action Plan

Based on Toshiba Group's Environmental Future Vision 2050, Toshiba Tec Group has formulated the Seventh Environmental Action Plan, which consists of “response to climate change,” “response to the circular economy,” “consideration of ecosystems,” and “enhancement of the basis of environmental management” and covers the period from FY2021 to FY2023. We set targets for each fiscal year and promote relevant activities.

Activity area		Activity content	2021 Target	2022 Target	2023 Target	
Response to climate change	Business activities	Reduction of total GHG emissions (thousand t-CO <sub>2</sub> )* <sup>1</sup>	52.0	50.5	49.0	
		Improvement of total energy-derived CO <sub>2</sub> emissions per unit (t-CO <sub>2</sub> /100 million yen)	46.7	45.8	44.7	
	Products & services	Contribution to GHG reduction during product use (thousand t-CO <sub>2</sub> )* <sup>2</sup>	547	533	516	
Response to the circular economy	Business activities	Reduction of waste volume (t)* <sup>3</sup>	774	817	827	
		Improvement of the volume of waste generated per unit (t/100 million yen)	2.27	2.25	2.23	
	Products & services	Increased amount of plastic resources recycled (t)* <sup>4</sup>	474	454	446	
		Increased amount of resources saved (thousand t)* <sup>5</sup>	18.6	18.3	17.7	
Consideration of ecosystems	Chemical substance management	Business activities	Reduction of the amount of chemicals discharged per unit (kg/100 million yen)	26.6	26.4	26.2
		Products & services	Reduction of specified chemical substances contained in products	Reduction of specified chemical substances contained in products		
	Water resource management	Business activities	Improvement of the amount of water received per unit (m <sup>3</sup> /100 million yen)	614	608	602
	Conservation of biodiversity	Activities at global sites based on the themes set out in reference to the new international goals	Initiatives at all manufacturing sites by setting five activity targets according to the new international goals			
Enhancement of the basis of environmental management	Environmental communication	Implementation of Global Environmental Action	Initiatives at all manufacturing sites by setting a recommended activity theme for each fiscal year			
	Environmental risk management & compliance	Strengthening of the internal compliance management system and thorough implementation of internal education	Strengthening of environmental compliance systems at all sites by developing environmental auditors			

\*1 Regarding basic-unit goals of energy-derived CO<sub>2</sub> emissions, waste, water, and chemical substances: as an indicator for activity assessment, nominal output, the number of products manufactured, the number of persons, total floor area, etc. are used.

\*2 Contribution to GHG reduction from products and services associated with power consumption, such as social infrastructure products. The calculation method is as follows: [Total GHG emissions of assumed substitute products during the expected number of years of use – Total GHG emissions of shipped products during the expected number of years of use] Cumulative total amount of the three years.

\*3 Obtained by deducting the volume of objects with value from the total volume of waste generated (excludes sites engaged in waste treatment and power generation).

\*4 Cumulative total amount of recycled plastics and bioplastics used over the three years.

\*5 Cumulative total amount of resources conserved due to lighter product weights and longer product service lives over the three years. The calculation method is as follows: [Total amount of input substances for assumed substitute products – Total amount of input substances for shipped products]

## Promoting environmental management harmonized with business operations Green Management

### ► 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 engaged in relevant activities from fiscal 2017 to fiscal 2020. We missed some of the targets for fiscal 2020, the final year of the action plan, mainly due to the COVID-19 pandemic.

Activity area	Indicator		FY2020 Target	FY2020 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.	Implemented training for all 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 "Chemical Substances."
	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 <sub>2</sub> emissions. (thousand t)* <sup>1</sup>	170	145
	Efficient Use of Resources	Expand the amount of resources saved. (thousand t)* <sup>2</sup>	23.8	19.6
	Management of Chemical Substances	Expand the amount of recycled resources (recycled plastics) used. (t)* <sup>3</sup>	587	456
Greening of Process	Mitigation of Climate Change	Reduce the amount of specified chemical substances.	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.
		Total amount of greenhouse gas (GHG) emissions (thousand t-CO <sub>2</sub> )* <sup>4</sup>	63.5	51.8
	Efficient Use of Resources	Amount of CO <sub>2</sub> emissions from energy use per unit consumption (t-CO <sub>2</sub> /100 million yen) (compared to FY2013 levels)* <sup>4</sup>	55.5 (90%)	62.2 (100%)
		Amount of unsellable waste requiring disposal (t)* <sup>5</sup>	1,039	770
		Amount of generated wastes per unit consumption (t/100 million yen) (compared to FY2013 levels)	2.67 (76%)	2.69 (77%)
	Management of Chemical Substances	Volume of received water per unit consumption (m <sup>3</sup> /100 million yen) (compared to FY2013 levels)	571 (85%)	605 (91%)
		Amount of released chemical substances per unit consumption (kg/100 million yen) (compared to FY2013 levels)	25.4 (44%)	26.0 (45%)

\*1 [CO<sub>2</sub> emissions of assumed substitute products] - [CO<sub>2</sub> 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

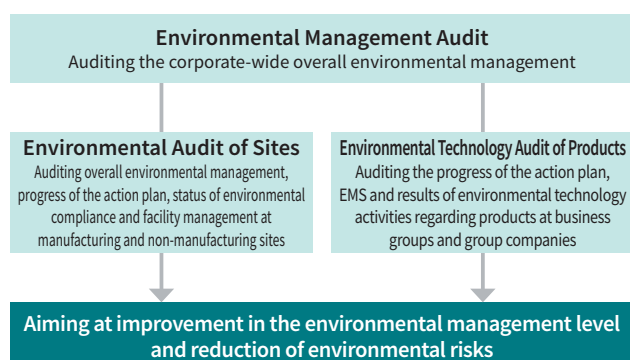
\*4 Receiving-end power is used for the power factor in Japan; for fiscal 2013, 5.67t-CO<sub>2</sub>/ten thousand kWh is used; for fiscal 2019 and after, 5.31t-CO<sub>2</sub>/ten thousand kWh is used. WRI/ WBCSD GHG Protocol data in fiscal 2009 is used for overseas.

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

### ► Environmental Audit

#### ■ Toshiba Group's 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 2020, self audit and remote audit were introduced in response to the COVID-19 pandemic. In addition, we implemented training for all auditors to enhance the compliance system and develop human resources.



### ► 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.

#### ■ 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.

#### ■ 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.



## ► Global Environmental Action

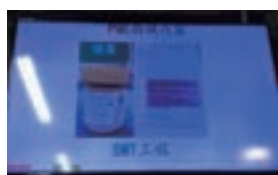
Each year, we are committed to carrying out environmental contribution activities worldwide by incorporating the activity items of the Sixth Environmental Action Plan. In fiscal 2020, a total of 68 activities were conducted under the recommended theme of “Chemical Substances.”



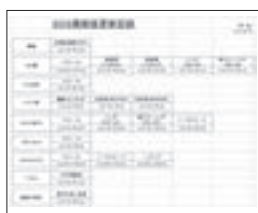
Training for chemical substance handlers (online)  
Toshiba Tec Singapore Pte Ltd



Hands-on training for chemical substance handling / Classroom learning  
Conducted at P. T. Tec Indonesia, Toshiba Tec Singapore Pte Ltd, Toshiba America Business Solutions, Inc. Toner Products Division and Toshiba Tec Europe Imaging Systems S.A.



Digitalization of Safety Data Sheets  
Toshiba Tec Information Systems (Shenzhen) Co., Ltd.



Enhanced inspection of Safety Data Sheets and storage status of chemical substances  
Toshiba Tec Shizuoka Business Center (Mishima and Ohito), Toshiba America Business Solutions, Inc. Toner Products Division, Toshiba Tec Europe Imaging Systems S. A., Toshiba Tec Information Systems (Shenzhen) Co., Ltd., Toshiba Tec Singapore Pte Ltd, and P. T. Tec Indonesia

## ► Approaches for Conservation of Biodiversity

We are working on 10 of the Aichi Biodiversity Targets, to which our business activities are closely related, based on the Toshiba Group's Policy. In fiscal 2020, we advanced initiatives to address marine plastic issues, in addition to activities for the 10 targets.

### ■ Toshiba Tec Head Office

We started to use non-plastic straws and stir sticks (paper straws and wooden stir sticks) when serving drinks to visitors.

### ■ Toshiba Tec Head Office and Shizuoka Business Center (Mishima and Ohito)

We started to use spoons, etc. made of paper, instead of plastic, for desserts sold at company kiosk shops. In addition, boxed lunches and other items no longer come with complimentary plastic bags, as at other retail stores. Customers who need plastic bags are asked to pay for them.

### ■ Toshiba America Business Solutions, Inc. Toner Products Division

The company enhanced plastic waste collection in the periodic cleaning of paths along Lake Mitchell. In addition, employees and their families attended a training program to learn about marine plastic issues.

### ■ Toshiba Tec Europe Imaging Systems S.A.

The company reduces the use of single-use plastic cups by replacing part of its conventional coffee machines with those compatible with mugs.



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

The company stopped giving out complimentary plastic bags at company kiosk shops. Customers who need plastic bags are asked to pay for them. In addition, its internal magazine “Environmental News” communicates the importance of addressing marine plastic issues to employees.



### ■ Toshiba Tec Singapore Pte Ltd

The company stopped using single-use plastics (spoons, knives, forks, bags, etc.) at the canteen. Posters communicate the importance of addressing marine plastic issues to employees.



### ■ P.T. Tec Indonesia

The company stopped using single-use plastic bags at the canteen. In addition, posters on environmental bulletin boards call for employees to reduce the use of plastic bags in daily life.

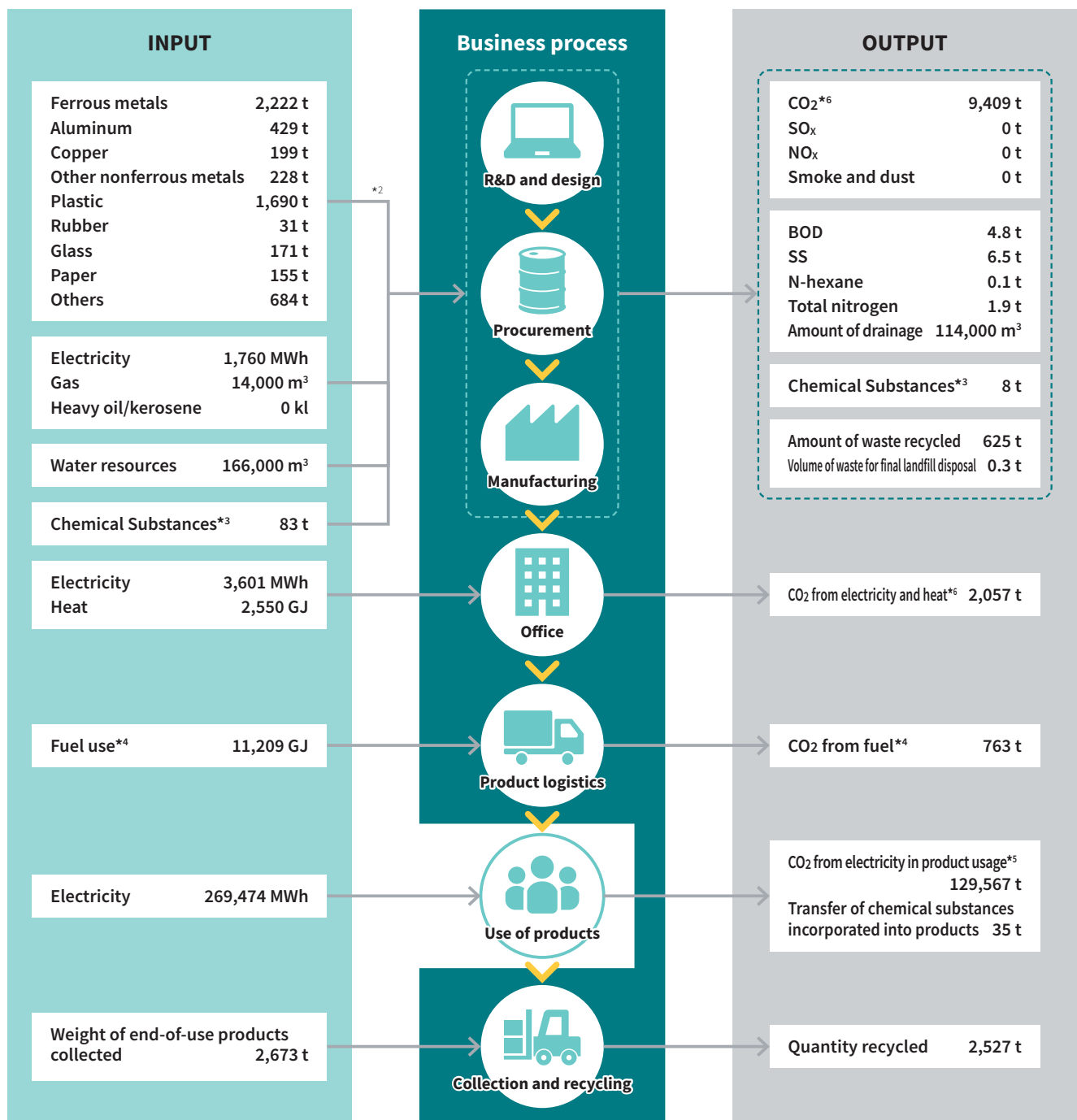


## ► Environmental Impact throughout the Life Cycle in Fiscal 2020

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<sub>2</sub> emissions from total energy consumption was 9,409 tons at plants and 2,057 tons at offices. Emissions of chemical substances into the atmosphere and water was 8 tons. The amount of waste recycled was 625 tons and the amount of waste landfilled was 0.3 tons. CO<sub>2</sub> emissions from major products shipped in fiscal 2020 throughout their product life was 129,567 tons. We place the highest importance on curbing power consumption and CO<sub>2</sub> emissions, the two major sources of environmental impact throughout the whole life cycle of our products.

### ■ Environmental impact in fiscal 2020\*<sup>1</sup>



\*<sup>1</sup> Target data tabulated: Toshiba Tec

\*<sup>2</sup> Inputs of materials and parts are calculated based on material procurement data using the Toshiba Group's proprietary method.

\*<sup>3</sup> Target chemical substances: 551 types specified by Toshiba

\*<sup>4</sup> Product logistics: All CO<sub>2</sub> emissions from outsourced transportation.

\*<sup>5</sup> CO<sub>2</sub> in product usage is CO<sub>2</sub> emissions from major products shipped in fiscal 2020 throughout their product life.

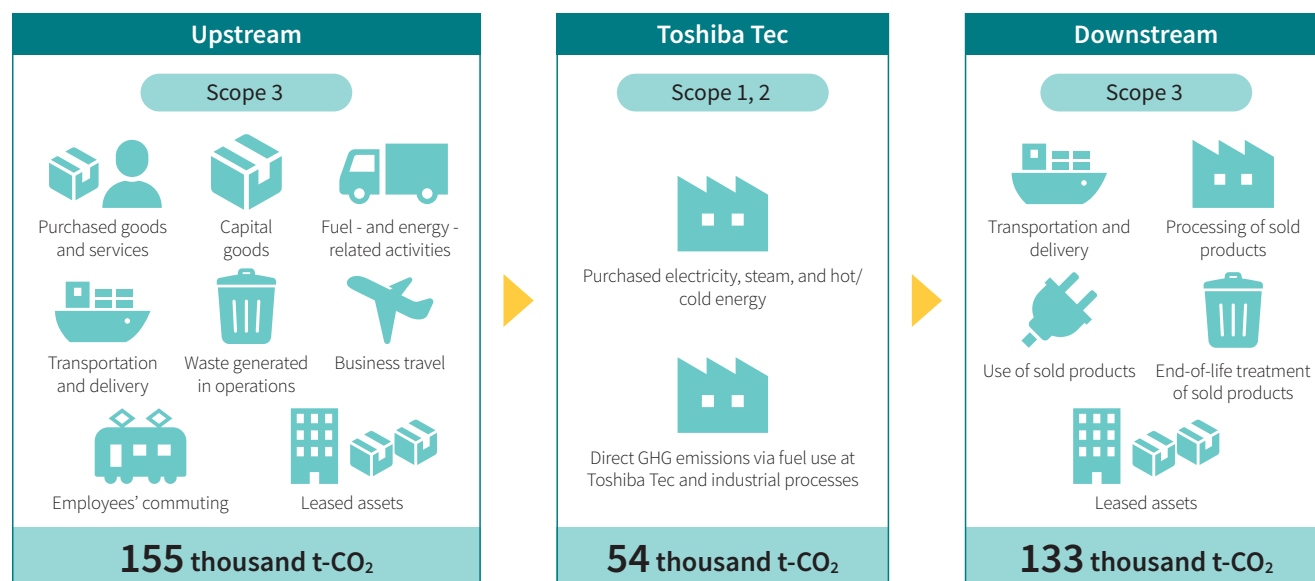
\*<sup>6</sup> CO<sub>2</sub> emission factor used is 5.31 t-CO<sub>2</sub>/ten thousand kWh.

## ► GHG Emissions in the Supply Chain

As climate change becomes an increasingly serious issue, companies must manage not only their own greenhouse gas (GHG)\*<sup>1</sup> emissions but also emissions generated across their entire value chain. Based on the GHG Protocol\*<sup>2</sup>, which provides international standards for calculating GHG emissions, and the Ministry of the Environment's Basic Guidelines for Calculating GHG Emissions throughout the Supply Chain, Toshiba Group calculates indirect GHG emissions generated outside the scope of its own business activities (Scope 3) in addition to its own emissions (Scopes 1 and 2). Toshiba Tec Group will continue working effectively throughout product lifecycles by quantitatively analyzing emissions per category as described above.

\*1 CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>

\*2 The Greenhouse Gas Protocol (GHG Protocol): Guidelines for calculating and reporting GHG emissions formulated by companies, NGOs, and government organizations under the leadership of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)



Category	Categories covered by calculations	FY 2019 calculation results (thousand t-CO <sub>2</sub> )	FY 2020 calculation results (thousand t-CO <sub>2</sub> )	Percent change in emissions	Remarks
Upstream emissions	1 Purchased goods and services	119.1	98.6	83%	
	2 Capital goods	31.7	42.5	134%	
	3 Fuel and energy-related activities not included in Scope 1 and 2	10.1	8.9	88%	
	4 Transportation and delivery (upstream)	5.5	2.3	42%	
	5 Waste generated in operations	0.9	0.2	23%	
	6 Business travel	2.1	1.6	75%	
	7 Employees commuting	1.1	1.0	95%	
	8 Leased assets (upstream)	–	–	–	This category does not apply to Toshiba Tec's business.
Toshiba Tec Group	9 Direct emissions (Scope 1)	3.5	3.0	87%	
	10 Indirect emissions associated with energy use (Scope 2)	57.5	50.6	88%	
Downstream emissions	11 Transportation and distribution (downstream)	–	–	–	This category does not apply to Toshiba Tec's business.
	12 Processing of sold products	–	–	–	This category does not apply to Toshiba Tec's business.
	13 Use of sold products	209.4	129.6	62%	
	14 End-of-life treatment of sold products	4.7	3.8	81%	
	15 Leased assets (downstream)	–	–	–	This category does not apply to Toshiba Tec's business.
	16 Franchising	–	–	–	This category does not apply to Toshiba Tec's business.
	17 Investment	–	–	–	This category does not apply to Toshiba Tec's business.
Total		445.6	342.2	77%	

## ► Setting GHG Reduction Targets for FY2030

Toshiba Groups Greenhouse Gas Reduction Targets for FY2030 approved by Science Based Targets initiative. ([http://www.toshiba.co.jp/env/en/vision/vision2050\\_0.htm](http://www.toshiba.co.jp/env/en/vision/vision2050_0.htm)) Toshiba Tec Corporation will contribute to the achievement of Toshiba Group's goals through investing in energy saving facilities and expanding the use of renewable energy in the Group's business activities for Scopes 1 and 2, as well as by offering POS systems, MFPs, and other environmentally conscious products for Scope 3.



\*Science Based Targets are scientifically grounded GHG reduction targets set by companies on a medium- to long-term basis in order to restrain the global average temperature increase to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. The targets are certified by the SBT initiative.

## Offering of Environmentally Conscious Products and Services 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 the 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.

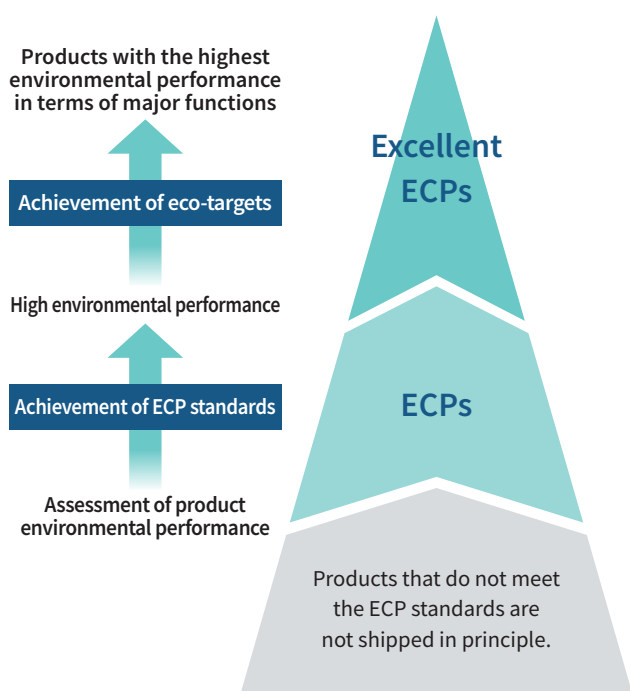
Then, in the development and design stages, we conduct environmental assessments to make sure that products comply with laws and regulations and meet the ECP\*<sup>1</sup> standards in all three aspects (mitigation of climate change, efficient use of resources, and management of chemical substances) 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 the environmental impact, we aim at creating and further increasing the number of Excellent ECPs with the highest environmental performance in the industry.

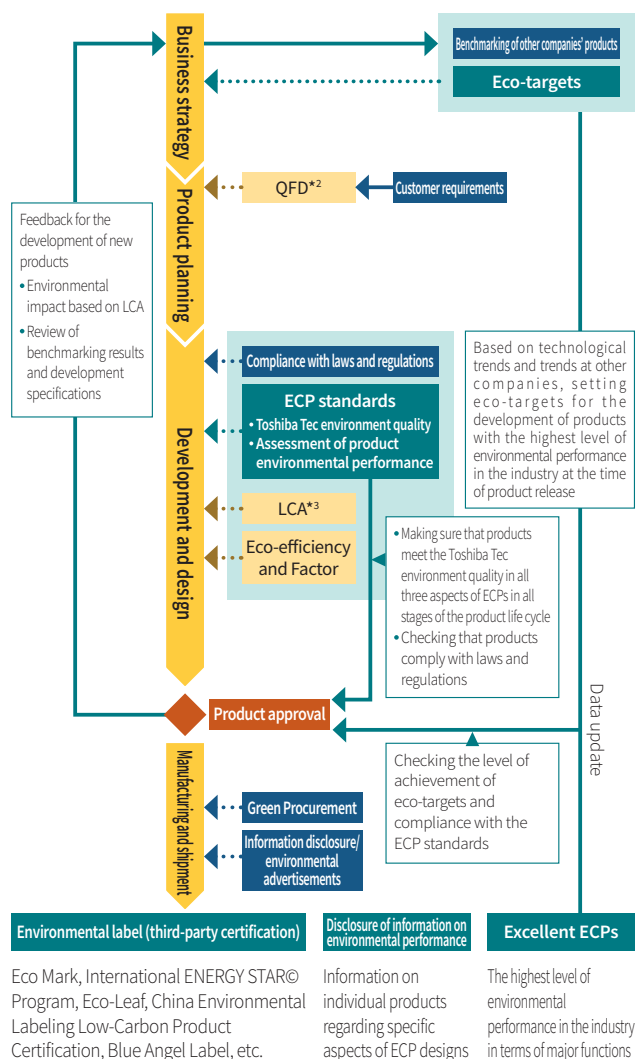
\*1 Environmentally Conscious Products (ECPs) are designed to minimize the environmental impact at all the stages of the product life cycle from procurement of materials to manufacturing, distribution, usage, disposal and recycling.

#### Basic Policy for the Greening of Products



Mitigation of climate change	Efficient use of resources	Management of Chemical Substances
<ul style="list-style-type: none"> <li>Reductions in power consumption</li> <li>Reductions in standby electricity consumption</li> <li>Visualization of power consumption</li> <li>Energy-saving mode</li> <li>Shipment mode, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Reductions in the use of raw materials</li> <li>Use of recycled materials</li> <li>Ease of disassembly</li> <li>Reductions in the use of packaging materials</li> <li>Reductions in the use of supplies</li> <li>Upgrades, longer useful lives, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in the use of specific hazardous substances</li> <li>Green Procurement</li> <li>Distribution of information on chemical substances</li> <li>Compliance with chemical substance regulations in different countries, etc.</li> </ul>

#### System for the Greening of Products



\*2 QFD: Quality Function Deployment

\*3 LCA: Life Cycle Assessment

## ► Major Products Certified as Excellent ECPs

### e-STUDIO5015AC Color MFP

Released in November 2018



Top-level Typical Electricity Consumption (TEC)\*<sup>1</sup> by improving thermal conductivity of the fusing belt and succeeding use of low-temperature fusing toner



Highest amount of resource use saved\*<sup>1</sup> through increase in the recycled plastics use ratio resulting from the use of materials with high content of post-consumer recycled plastics



### e-STUDIO4518A Monochrome MFP

Released in November 2018



Top-level TEC\*<sup>1</sup> achieved by reducing the heat capacity of the heat and pressure rollers and successive use of low-temperature fusing toner



### e-STUDIO7516AC Color MFP

Released in November 2018



Top-level TEC\*<sup>1</sup> achieved by using high efficiency IH fuser unit and low-temperature fusing toner



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

Released in November 2018

### M-9000 Series POS system

Released in September 2017

Lowest\*<sup>1</sup> standby power for applications\*<sup>2</sup> through the use of power-saving parts and human sensors  
Smallest in size and lightest in weight by downsizing the control unit and changing the mounting position to the back of the display\*<sup>1</sup>



Standby power for applications\*<sup>2</sup>:  
Approx. 45% reduction\*<sup>3</sup>



Mass: Approx. 35% reduction\*<sup>3</sup>



\*<sup>1</sup> At the time of product launch; the current position is not guaranteed.

\*<sup>2</sup> Power consumed while in standby mode for registration of purchases

\*<sup>3</sup> Compared to the M-8000 system with a 15-inch display

\*<sup>4</sup> Compared to IS-890T

### 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



Equipped with energy-saving mode that cuts standby power consumption by approx. 15%\*<sup>4</sup>



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



## ► 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.



## Reduction of environmental impact in business activities Greening of Process

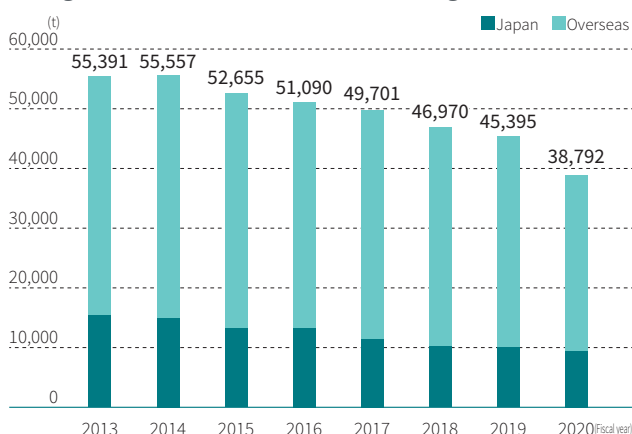
From the perspectives of “response to climate change,” “efficient use of resources,” and “management of chemical substances,” Toshiba Tec Group promotes the reduction of the environmental impact in “Monozukuri,” through product manufacturing by improving the efficiency of plant infrastructure and manufacturing processes worldwide.

### ► Response to climate change

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

We effectively use energy to reduce CO<sub>2</sub> emissions. We continue to reduce CO<sub>2</sub> 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<sub>2</sub> emissions at manufacturing sites

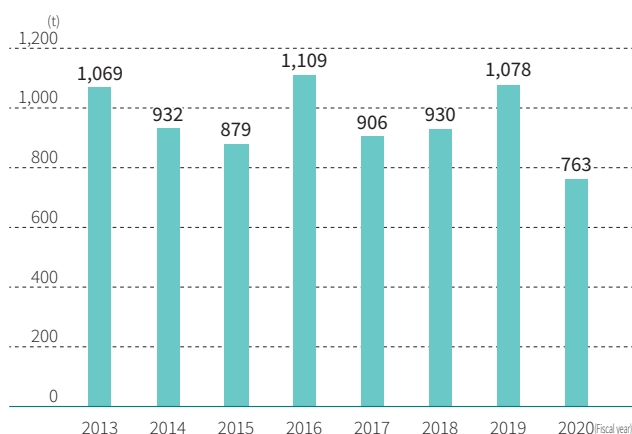


Note: Receiving-end power is used for the CO<sub>2</sub> emissions factor in Japan; 5.67t-CO<sub>2</sub>/ten thousand kWh for fiscal 2013, 5.52t-CO<sub>2</sub>/ten thousand kWh for fiscal 2014, and 5.31t-CO<sub>2</sub>/ten thousand kWh for fiscal 2015 and after.  
For overseas, WRI/ WBCSD GHG Protocol data for 2009 is used for fiscal 2013 and after.

#### ► Minimizing CO<sub>2</sub> 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<sub>2</sub> emissions associated with product transportation. Emissions increased in fiscal 2018 and 2019 due to the growth in domestic sales of POS systems, but decreased in fiscal 2020 because of the COVID-19 pandemic. We will continue our efforts to minimize emissions.

##### Changes in CO<sub>2</sub> emissions associated with domestic product transportation

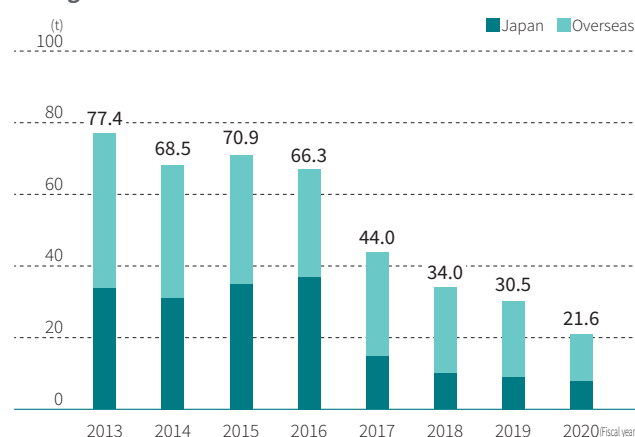


### ► Management of Chemical Substances

#### ■ 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. The reduction of chemical substance emissions will remain our priority in the coming years.

##### Changes in emissions of chemical substances

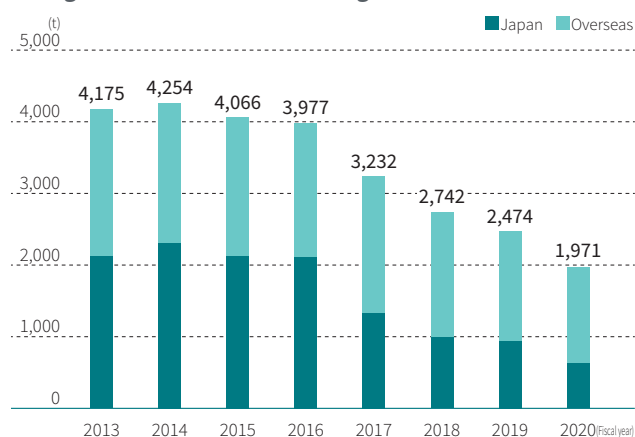


## ► Efficient use of resources

### ■ Minimizing the 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 the 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.

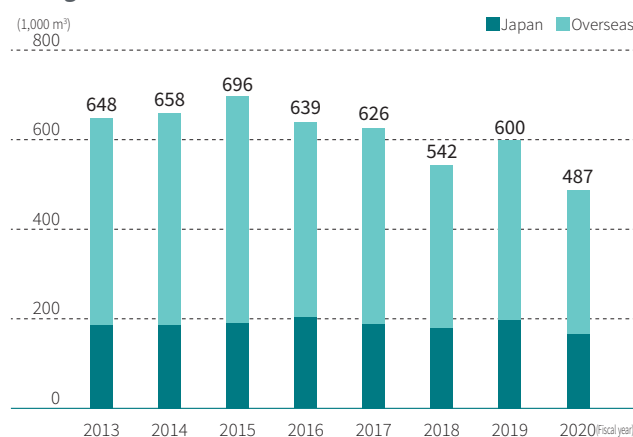
Changes in total volume of waste generated



### ■ 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, canteen 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). In response to these incidents, we are working on the improvement of methods for facility inspection and replacement of aged equipment so as to prevent further loss of water resources caused by equipment failures. In fiscal 2020, water usage decreased because more employees worked from home due to the COVID-19 pandemic.

Changes in the amount of water received



## Mitigation of Climate Change

### Switching to LED lighting

We have been working according to schedule to change lightings in all sites to LED lights. In total, approximately 80% of lighting in our facilities is energy efficient.



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

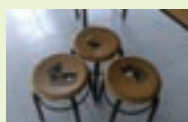
As a means to mitigate the climate change, the company installed green roofs, which helps to curb the temperature rise in the factory as well as CO<sub>2</sub> emissions.



## Efficient use of resources

### P.T. Tec Indonesia

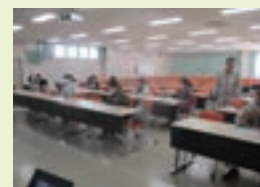
The company utilizes waste lumber to repair canteen equipment, as part of its efforts to make good use of resources.



## Management of Chemical Substances

### Shizuoka Business Center (Ohito)

Training was provided on the management of chemical substances. Specific topics included the requirements of applicable laws and regulations, actions we take, how to manage facilities, and management that factors in potential risks.



## Topics



## 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. For environmental conservation costs on a consolidated basis in fiscal 2020, total capital investments were 40 million yen and total expenses were 720 million yen. Total environmental benefits were 1.26 billion yen.

Target sites: Toshiba Tec Head Office, Shizuoka Business Center, 1 domestic and 6 overseas manufacturing group companies  
Target period: April 1, 2020 to March 31, 2021  
Note: Some figures are estimates.

### Environmental conservation costs

(Millions of yen)

Category	Description	Investments		Costs		Changes in costs from FY2019	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
(1) Business area costs	Reduction of environmental impacts ① to ③	41.8	33.9	140.8	91.2	-14.4	-3.9
① Pollution prevention costs	Prevention of air, water and soil pollution, etc.	14.4	11.4	33.8	12.6	-3.4	0.4
② Global environmental conservation costs	Global warming prevention, ozone layer protection, etc.	27.4	22.5	68.3	56.2	-4.7	-0.4
③ Resource recycling costs	Recycling of waste, etc.	0.0	0.0	38.8	22.4	-6.2	-3.9
(2) Upstream/downstream costs	Green procurement, collection and recycling of end-of-use products, etc.	0.0	0.0	195.7	195.7	20.9	20.9
(3) Administration costs	Establishment of EMS, environmental education, tree planting/clean-up activities, etc.	0.0	0.0	266.8	254.4	-44.8	-45.8
(4) R&D costs	Technical development for ECPs, etc.	0.0	0.0	113.5	113.5	-189.8	-189.8
(5) Public relations costs	Donations and support to groups/organizations, etc.	0.0	0.0	0.1	0.0	-0.9	0.0
(6) Environmental damage restoration costs	Recovery of soil pollution, etc.	0.0	0.0	0.1	0.1	0.0	0.0
Total		41.8	33.9	717.1	654.9	-229.0	-218.5

### Environmental conservation benefits

(Millions of yen)

Category	Description	Amounts	Calculation method
A Actual benefits	Reduced charges for electricity and water, etc.	224.3	The amount of money, such as electricity charges and waste disposal costs, that was saved compared with the previous year, plus earnings from the sale of objects with value
B Assumed benefits	Reduced environmental impacts on water and atmosphere in monetary value	347.8	The amount of money was calculated by multiplying the cadmium equivalent value of each substance obtained from environmental standards and the American Conference of Governmental Industrial Hygienists Threshold Limit Value (ACGIH-TLV) by damage compensation for cadmium pollution. This method of calculation provides a means of showing reductions in environmental impacts on the atmosphere, hydrosphere and soil and makes it possible to compare the environmental impacts of different substances using the same standard by converting the impacts into monetary values.
C Customer benefits	Benefits of impacts reduced during product use in monetary value	692.7	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) = Z [(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		1,264.9	

#### A Actual benefits

Item	Reduction of environmental impact*	Benefits measured in monetary values (Millions of yen)
Energy	131,400 GJ	204.1
Waste	517.8t	10.2
Water	63,100 m <sup>3</sup>	10.0
Total amount		224.3

#### B Assumed benefits

Item	Reduction of environmental impact*	Benefits measured in monetary values (Millions of yen)
Benefits from reduction of chemical substances emissions	0.3t	347.8

#### C 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	0 kWh
	Paper rolls	1,175t
Total amount		692.7

\*The reduction of environmental impact indicates the differences between fiscal 2019 and 2020. Negative figures show an increase in environmental impact beyond the benefits from reduction due to increased production, etc.

## Environmental communication

### Information Disclosure

#### External evaluations and commendations

Toshiba Tec was selected again, following last year, as a constituent of the Somo Sustainability Index, which is independently developed by Somo Asset Management Co., Ltd. The constituents of the index will be referenced in the company's Somo Sustainable Asset Management.

Somo Sustainable Asset Management is an ESG asset management product for pension funds and institutional investors, which was launched in August 2012 by Somo Asset Management Co., Ltd. and invests in a wide range of companies highly recognized for environmental, social, and governance (ESG) initiatives. Toshiba Tec has been selected for four consecutive years in recognition of its ESG initiatives.



#### Environmental education

Every year, all Toshiba TEC group employees are educated about environmental general knowledge and trends, and the eco management outline of the Toshiba TEC group through e-learning, etc.

### Communication and Development of Environmental Awareness

#### Activities utilizing in-house newsletter HARMONY

To foster awareness toward the SDGs in the company, the relevance of past environmental activities to the SDGs was explained in the in-house newsletter HARMONY, as part of initiatives to utilize the newsletter.



# Social

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



## 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.

#### Aiming to create a diverse and inclusive workplace that provides job satisfaction

#### Topics

The message delivered during fiscal 2020 Human Rights Week called for the promotion of diversity and inclusion.

Diversity and inclusion generate new value and ideas by accepting and respecting each other’s differences, and lead to sound and sustainable growth of the company, organizations, and each employee with diverse backgrounds by allowing them to enjoy active roles with a sense of job satisfaction.

We aim to create a workplace environment and foster a culture where all employees feel respected as a human being, acknowledged, and welcomed. To this end, we will work to raise awareness toward the prohibition and elimination of discrimination against LGBT people to foster a workplace environment and a culture without discrimination against sexual minorities, as well as toward childcare leave for male employees to accelerate work-life balance for them, their families, and the entire workplace.



# 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 action guidelines, 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 External transfer system	Innovation 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	S1 program (for employees promoted to specialists)			Mentor/elder program
Non-managerial employees	S2 program (for employees in the fifth year) 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. Eight employees have participated in the external transfer system.

## 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.



### ► 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) (%)

	FY2018	FY2019	FY2020
Ratio of female employees	12.0	12.2	12.8
Ratio of female managers	2.3	2.7	2.3

\*Data as of March 31

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

	New graduates in FY2019	New graduates in FY2020	New graduates in FY2021	...	(Target) New graduates in FY2022
Ratio of new female graduates employed	14.9	20.0	17.9		25.0

### ■ Recruitment activities to increase the ratio of female employees

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 2018, we started a new e-learning program for managers to conduct better interviews with subordinates, with the aim of further promoting mutual understanding.

### ■ 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 2020, an additional 16 employees took advantage of this program. (In total, 53 employees, including those carried on from fiscal 2019, were on the 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, and 17 have taken advantage of the 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 2019	April 2020	April 2021
Toshiba Tec	23	27	20
Domestic group companies	8	5	6
Total of Toshiba Tec Group in Japan	31	32	26



## ► 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 2019	April 2020	April 2021
Toshiba Tec	2.26	2.22	2.38
Domestic group companies	2.53	2.76	2.79
Total of Toshiba Tec Group in Japan	2.39	2.47	2.57

\* 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	<ul style="list-style-type: none"> <li>● 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.</li> <li>● Use of a system that shuts down the personal computer at a specified time (PC shutdown system) fosters awareness to carry out tasks within a limited amount of time.</li> </ul>
Improving the work environment	<ul style="list-style-type: none"> <li>● Work from home formally introduced (April 2020)</li> <li>* Does not limit the scope of eligible employees, allowing adoption depending on line of duty.</li> <li>* The Company participated in the government-led Telework Days Campaign in fiscal 2019.</li> <li>● Improving infrastructure to expand telecommuting</li> </ul>
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 company president and other top management members convey the management vision and goals to employees, and conduct visits to business centers and other workplaces.

### ■ Fostering a corporate culture that provides job satisfaction

In order to instill a culture throughout the company where diverse individuals can think outside the box and take on challenges together to pursue an ideal vision, we are implementing measures to foster a corporate culture that provides job satisfaction. We consider it important that every employee thinks independently and proactively, engages in honest discussions instead of keeping polite face, and takes action, thereby expanding companywide team activities across the hierarchy to address business challenges through vertical and horizontal collaboration. Executives and each business group held a number of meetings to engage in serious talks for team building in a relaxed atmosphere. We aim for a corporate culture that allows the management team and employees to have frank discussions on substantive matters, develop understanding together, and take action to achieve their visions.



A meeting scene

### ► 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

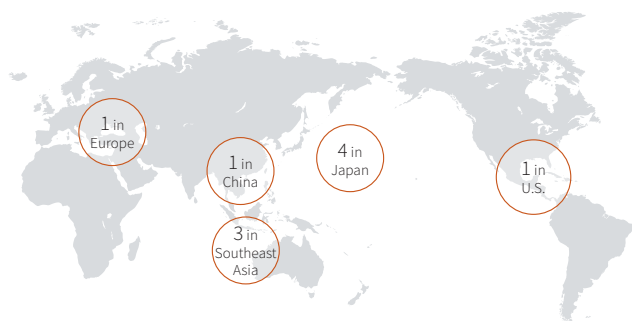


## Health and Safety

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

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.

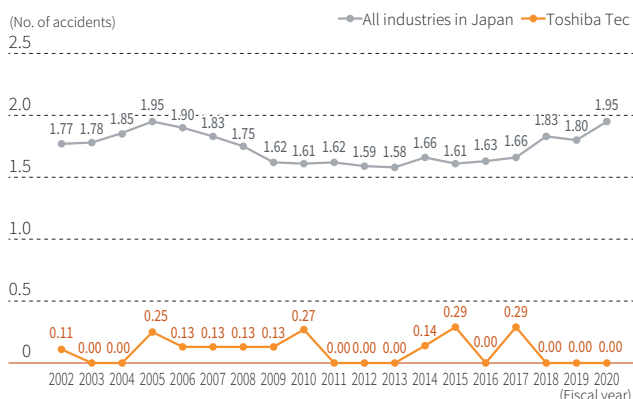


OHSAS 18001-accredited consolidated subsidiaries by region as of April 1, 2021

### ► 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)



### ► Developing Awareness of Health and Safety

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

### ► Ensuring Health Management

We implement various approaches to help all employees raise awareness of health and maintain physical and mental wellbeing. 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 extremely 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.

We attach particular importance to the following five topics.

- (1) Promotion of health practices (improvement of health literacy)
- (2) Invigoration of individuals and workplace (mental health measures)
- (3) Prevention of disorders due to smoking
- (4) Prevention of infectious diseases
- (5) Enhancement of measures to prevent lifestyle-related diseases (brain and heart disease)

#### 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 2020, we provided this training online to all eligible employees at the head office, Shizuoka Business Center, and regional offices/branches/sales offices.

##### <Details>

- Scope: Regular employees
- Method: Provided by age groups of 30, 40 and 50 year-olds
- Time: 60-minute online lecture

#### 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 (including Overseas Retail Solutions Business) accounts for 64%, Workplace Solutions Business for 28%, Original Design Manufacturing Business for 7%, and others (Inkjet Business, etc.) for 1%.

### ► Procurement Policy

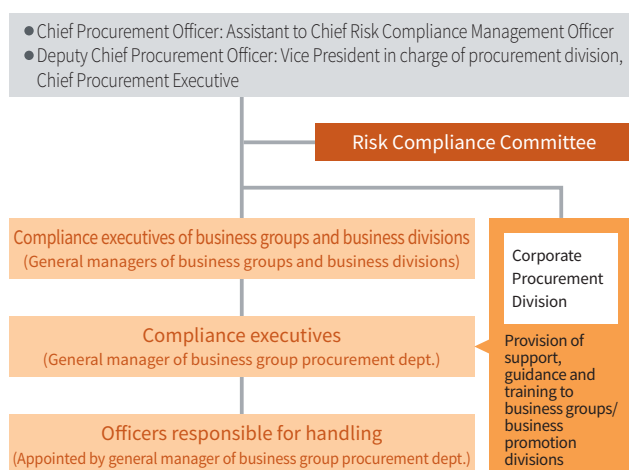
As a member of Toshiba Group, we strive to build sound partnerships with suppliers through procurement activities based on the Toshiba Tec Group Procurement Policy.

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 Responsible Business Alliance (RBA)\* Codes of Conduct, both of which Toshiba has pledged to follow, and thoroughly informed our domestic and overseas suppliers of the activities.

\*The name changed from EICC to RBA in 2017.

#### Material procurement compliance management system



### ► 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 Planning Department of the Corporate Strategic Production & Procurement Group. 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 2020, a total of 6,720 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. In response to the expanding risks associated with minerals sourcing in recent years, which involve not only the DRC and surrounding countries but also other conflict areas and high-risk areas, human rights violation in general including child labor, and corruption, we reviewed the Conflict Mineral Policy in September 2020 and formulated the Responsible Minerals Sourcing 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 2020.

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



Toshiba Group Responsible Minerals Sourcing Policy

[https://www.toshiba.co.jp/sustainability/jp/performance/social/procure.htm#responsible\\_minerals](https://www.toshiba.co.jp/sustainability/jp/performance/social/procure.htm#responsible_minerals)

## 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 action guidelines of creating value with our customer in mind is put into practice by taking the voice of the customer (VoC) seriously and finding the nature of problems that customers really want to solve, to provide attractive quality products and services that meet their needs in a timely manner. 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 products that exceed customer expectations. Moreover, we create new services and products through demonstration experiments in cooperation with customers.

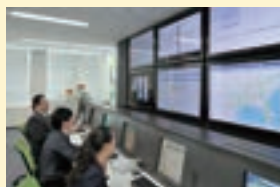
#### Maintenance service

#### 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. 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.

#### Activities to improve manufacturing quality **Topics**

We regularly hold meetings with manufacturing subsidiaries in Japan, China, Singapore, Indonesia and Malaysia to develop mutual understanding of our manufacturing policy, share information, and carry out other activities to improve manufacturing quality.

#### 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 conditions.



Safety review



Basic Policy on Product Safety

<https://www.toshibatec.co.jp/company/csr/customer/safetypolicy.html>

## 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 their 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 good 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 2020, as part of our support for efforts against wide-area

disasters, local contributions, and next-generation development, we donated through corporate matching to (1) the Japanese Red Cross Society's fundraising, and donated (2) picture books, picture-story show materials, educational toys, non-contact thermometers, etc. to junior high schools, elementary schools, nursery schools, kindergartens, and other facilities in the areas where our head office, Shizuoka Business Center, and Tohoku, Kitakanto, and Chubu branches are located. We also donated to (3) NPOs.



Donations to nursery schools, etc. in Shinagawa-ku, Tokyo



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



Picture book donations to nursery schools, etc. in Izunokuni City, Shizuoka Prefecture



Donations to junior high schools in Sendai City, Miyagi Prefecture



Donations to nursery schools, etc. in Chuo-ku, Saitama City, Saitama Prefecture



Donations to Atsuta Health Center in Nagoya City, Aichi Prefecture

### ► 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 2020, 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 4,300. 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. We practice 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 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.



Secondhand clothing donation to NPOs



Support for animal protection groups



Book donation to South African children

### ■ Regional volunteer activities

We also participate proactively in regional volunteer activities. The activities we have participated 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, etc., we organize a fair of local products from Tohoku, Hiroshima, Ehime, and Kumamoto, and provide special menus featuring local Tohoku dishes in our canteens.



# 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

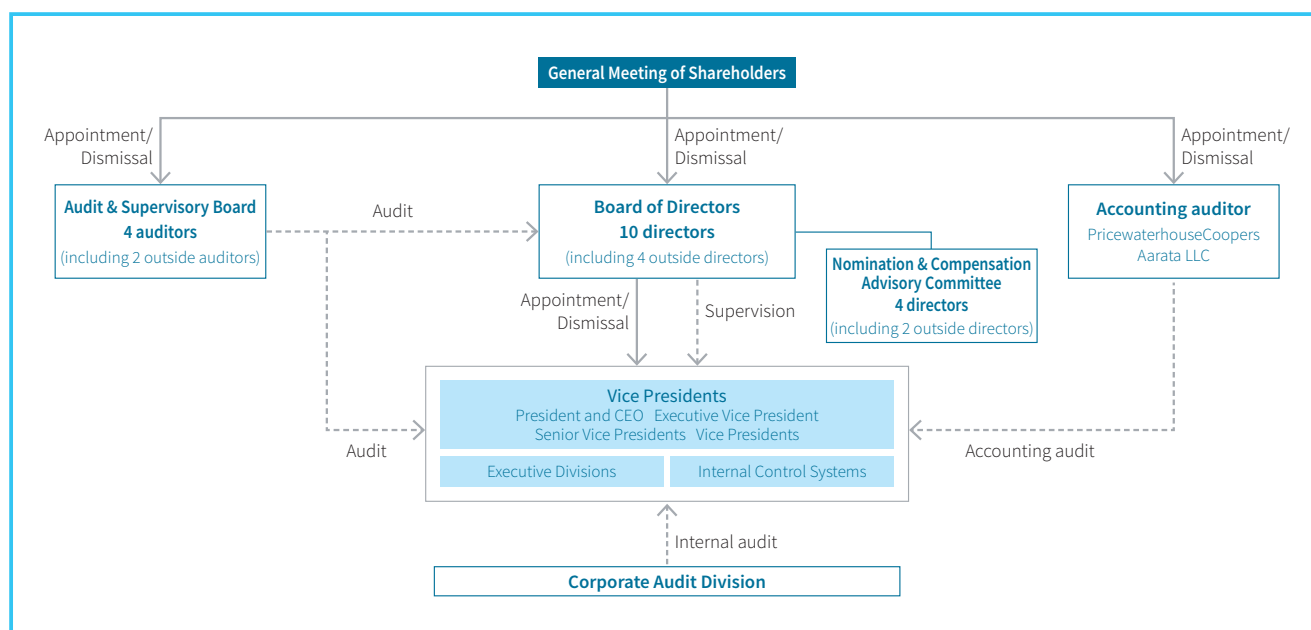
In terms of the corporate body, we have introduced the executive officer system (embodied by vice presidents) as a company with Audit & Supervisory Board Members to separate “functions related to supervision and decision-making” from “functions related to task enforcement.” We are also making efforts 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.

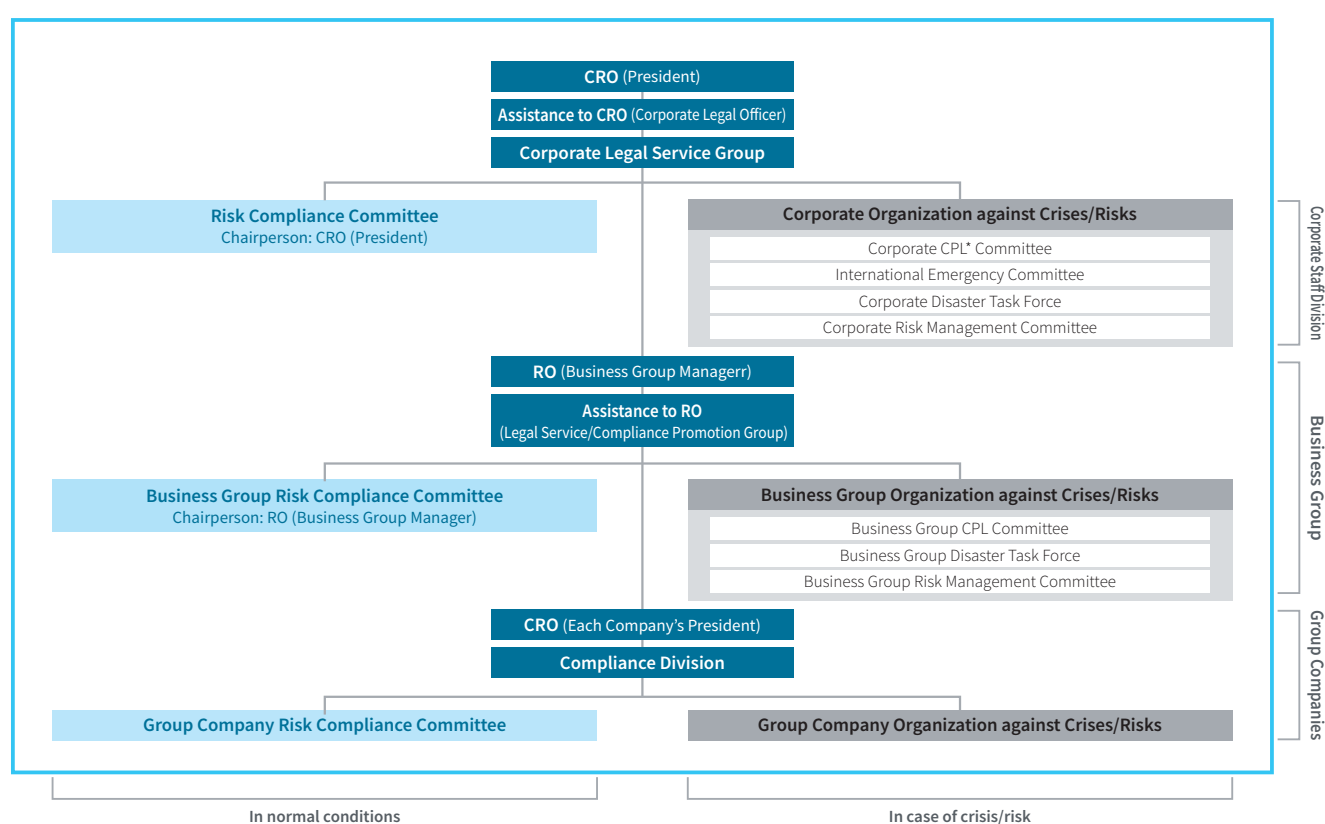
## ► Risk Compliance Promotion System

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

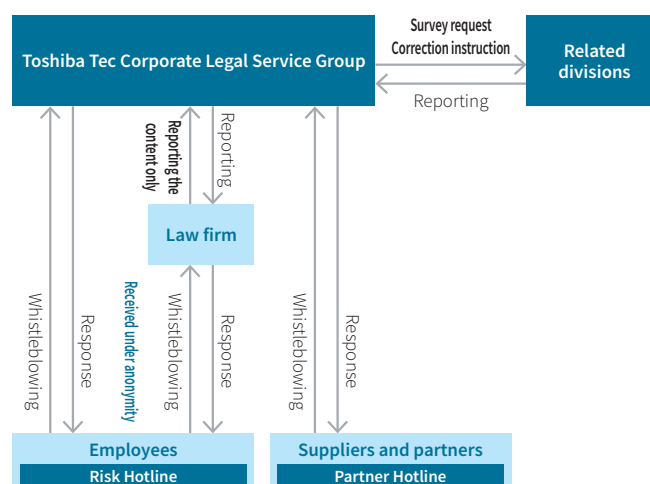
## ■ Risk compliance system




\* 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 the 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/>

## ► 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.



### ■ 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 managers 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 2020, discussions were held at each organization on the theme of “Enhancing Compliance Awareness in Each Employee,” from the perspective of preventing misconduct. Based on case studies, participants learned about possible risks of misconduct in corporations, as well as the cause of such risks. They reflected on specific risks of misconduct that may arise in corporations or organizations and discussed how to prevent them at each organization’s level. The discussions sought to raise awareness of misconduct prevention and compliance in each employee and strengthen the compliance system of the entire Toshiba Tec Group.

## ► Information Security

We recognize all information including sales and technical data handled while carrying out our tasks 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. 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.

As a result of taking the aforementioned measures, there were no information security incidents in fiscal 2020 that could potentially impact business activities, including loss or theft of computers/electronic media in which important company data or customers’ personal data is stored and cyberattacks. Nevertheless, on May 4, 2021 there was a cyberattack incident compromising servers and personal computers at some of our European subsidiaries. After discovering the damage, we immediately reported to the authorities concerned in Europe, prevented the spread of damage, and implemented system recovery measures using backup data. In addition, we conducted investigations in cooperation with an outside specialized organization to identify the route of the cyberattack, the scope of information leaked, etc. At this point in time, our investigations have not confirmed any fact that important customer information or other confidential information was leaked. Although we have been steadily implementing information security measures, we will further enhance our security measures, through efforts to prevent similar types of cyberattacks, in order to ensure the protection of our group’s confidential information as well as the information of our customers and employees.

## ► 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 workplace 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 an 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 program 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 program, 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.

## ■ Business report

We create business reports after announcing the second-quarter and annual 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.



Investor Relations

<https://www.toshibatec.co.jp/company/ir/>

# SENIOR MANAGEMENT

(as of June 28, 2021)

## 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

**Junichi Takei**

In Charge of IT & Information Systems

General Manager of Corporate Strategic Planning Group

Corporate Marketing Officer

### Director

**Takamasa Mihara**

### Outside Director

**Michio Kuwahara**

Nomination & Compensation Advisory Committee Chairman

### Outside Director

**Shin Nagase**

Nomination & Compensation Advisory Committee Member

### Outside Director

**Hiroataka Morishita**

### Outside Director

**Miho Aoki**

### Audit & Supervisory Board Member

**Koki Tomisawa**

### Audit & Supervisory Board Member

**Naohiro Yamaguchi**

### Outside Audit & Supervisory Board Member

**Kyoko Okumiya**

### Outside Audit & Supervisory Board Member

**Yoshihiro Umeha**



## Vice Presidents (not concurrently serving as Directors)

Senior Vice President

**Takeshi Eguchi**

Managing Director of Workplace Solutions Business Group

Senior Vice President

**Masashi Yuzawa**

Assistant to the President

Deputy Managing Director of Retail Solutions Business Group

President of Toshiba Global Commerce Solutions Holdings Corporation

Chairman of Toshiba Global Commerce Solutions, Inc.

Vice President

**Takeshi Hiyoshi**

In Charge of Production & Procurement Strategy

Chief Production Executive

General Manager of Original Design Manufacturing Business Group

Vice President

**Hiroyuki Koyama**

Technology Executive of 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

Chief Marketing Executive of Retail Solutions Business Group

General Manager of Asia Pacific Business Division, Retail Solutions Business Group

Vice President

**Sachio Koyama**

Chief Marketing Executive of Workplace Solutions Business Group

General Manager of Domestic Sales Division, Workplace Solutions Business Group

Vice President

**Atsushi Suzuki**

General Manager of Inkjet Business Group

Vice President

**Kohji Taira**

General Manager of Corporate Strategic New Business Development Group

Vice President

**Yasuki Ohnishi**

Deputy Managing Director of Retail Solutions Business Group

Vice President

**Koki Tanaka**

General Manager of Auto ID Solutions Division, Workplace Solutions Business Group

Digital Officer of Workplace Solutions Business Group

# FINANCIAL INFORMATION



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## Financial Highlights Years ended March 31

Consolidated	2017	2018	2019	2020	2021
<b>Operating Result (Millions of yen)</b>					
Net sales	497,611	513,289	476,824	483,799	405,694
Ordinary profit	12,534	22,768	16,471	11,559	7,193
Profit attributable to owners of parent	7,758	17,512	11,211	3,730	7,126
<b>Cash flows (Millions of yen)</b>					
Cash flows from operating activities	37,016	29,092	18,400	20,751	9,240
Cash flows from investing activities	(6,876)	(11,487)	(12,779)	(13,844)	(9,573)
Cash flows from financing activities	(5,439)	(6,095)	(8,129)	(7,051)	(4,309)
<b>Financial Position (Millions of yen)</b>					
Total assets	269,393	282,630	275,055	288,473	289,313
Net assets	76,047	93,215	100,758	96,384	109,862
Cash and cash equivalents	46,129	57,355	55,498	53,302	51,753
<b>Per share data (Yen)</b>					
Basic earnings per share	141.21	318.73	204.00	67.84	129.55
Net assets per share	1,190.37	1,501.94	1,653.94	1,589.48	1,867.01
<b>Financial data</b>					
Capital adequacy ratio (%)	24.3	29.2	33.0	30.3	35.5
Return on equity (%)	12.6	23.7	12.9	4.2	7.5
Price earnings ratio (times)	22.1	9.9	15.1	50.1	31.3

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 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, 2017.

# FINANCIAL INFORMATION

## Consolidated Balance Sheet as of March 31, 2021 and 2020

(Millions of yen)

	2020	2021
<b>ASSETS</b>		
Current assets		
Cash and deposits	44,907	42,179
Group deposits paid	8,394	10,064
Notes and accounts receivable - trade	59,701	63,928
Merchandise and finished goods	33,502	31,582
Work in process	4,974	4,376
Raw materials and supplies	8,026	6,944
Other	30,435	24,115
Allowance for doubtful accounts	(1,393)	(1,394)
Total current assets	188,549	181,797
Non-current assets		
Property, plant and equipment:		
Buildings and structures	23,657	24,554
Accumulated depreciation	(17,831)	(18,480)
Buildings and structures, net	5,825	6,074
Machinery, equipment and vehicles	45,252	49,532
Accumulated depreciation	(34,685)	(39,399)
Machinery, equipment and vehicles, net	10,566	10,133
Tools, furniture and fixtures	41,155	40,983
Accumulated depreciation	(36,183)	(35,856)
Tools, furniture and fixtures, net	4,971	5,126
Land	1,268	1,270
Leased assets	30,294	33,981
Accumulated depreciation	(9,122)	(12,814)
Leased assets, net	21,171	21,167
Construction in progress	2,241	1,395
Total property, plant and equipment	46,046	45,168
Intangible assets:		
Goodwill	2,377	1,633
Customer relationship assets	426	355
Other	9,572	9,521
Total intangible assets	12,376	11,510
Investments and other assets:		
Investment securities	4,276	5,170
Retirement benefit asset	1,908	4,621
Deferred tax assets	21,869	27,367
Other	13,466	13,768
Allowance for doubtful accounts	(19)	(91)
Total investments and other assets	41,501	50,837
Total non-current assets	99,924	107,516
<b>Total assets</b>	<b>288,473</b>	<b>289,313</b>

(Millions of yen)

	2020	2021
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable - trade	54,775	48,509
Short-term borrowings	346	542
Lease obligations	7,043	7,178
Accounts payable - other	22,101	20,809
Income taxes payable	3,845	1,375
Unearned revenue	12,157	15,014
Other	30,201	31,917
Total current liabilities	130,471	125,346
Non-current liabilities		
Long-term borrowings	804	1,019
Lease obligations	18,747	18,484
Retirement benefit liability	35,861	26,624
Other	6,204	7,976
Total non-current liabilities	61,617	54,104
<b>Total liabilities</b>	<b>192,088</b>	<b>179,450</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	39,970	39,970
Capital surplus	24	57
Retained earnings	46,040	52,616
Treasury shares	(5,422)	(5,372)
Total shareholders' equity	80,612	87,273
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,208	1,681
Deferred gains or losses on hedges	(4)	(16)
Foreign currency translation adjustment	7,795	10,805
Minimum pension liability adjustments	(521)	(832)
Remeasurements of defined benefit plans	(1,691)	3,799
Total accumulated other comprehensive income	6,786	15,436
Share acquisition rights	110	57
Non-controlling interests	8,873	7,094
<b>Total net assets</b>	<b>96,384</b>	<b>109,862</b>
<b>Total liabilities and net assets</b>	<b>288,473</b>	<b>289,313</b>



# FINANCIAL INFORMATION

## Consolidated Statement of Income

Years ended March 31, 2021 and 2020

(Millions of yen)

	2020	2021
Net sales	483,799	405,694
Cost of sales	289,093	243,421
Gross profit	194,706	162,272
Selling, general and administrative expenses	180,728	154,009
Operating profit	13,977	8,263
Non-operating income:		
Interest income	364	272
Dividend income	84	46
Foreign exchange gains	—	832
Other	599	484
Total non-operating income	1,049	1,635
Non-operating expenses:		
Interest expenses	522	506
Loss on valuation of derivatives	150	673
Foreign exchange losses	920	—
Loss on sales and retirement of non-current assets	181	48
Commission expenses	—	353
Other	1,692	1,123
Total non-operating expenses	3,467	2,705
Ordinary profit	11,559	7,193
Extraordinary income:		
Gain on sales of investment securities	18	—
Reversal of environmental expenses	—	284
Total extraordinary income	18	284
Extraordinary losses:		
Impairment loss of non-current assets	85	—
Loss on valuation of investment securities	13	25
Restructuring cost	589	7,628
Environmental expenses	729	—
Total extraordinary losses	1,418	7,653
Profit (loss) before income taxes	10,159	(176)
Income taxes:		
Current	5,242	1,212
Deferred	1,394	(6,614)
Total income taxes	6,636	(5,402)
Profit	3,522	5,225
Loss attributable to non-controlling interests	(207)	(1,900)
Profit attributable to owners of parent	3,730	7,126

## Consolidated Statement of Cash Flows

Years ended March 31, 2021 and 2020

(Millions of yen)

	2020	2021
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	10,159	(176)
Depreciation and amortization	16,629	15,884
Loss (gain) on sales of investment securities	(18)	—
Reversal of environmental expenses	—	(284)
Impairment loss of non-current assets	85	—
Loss (gain) on valuation of investment securities	13	25
Restructuring cost	589	7,628
Environmental expenses	729	—
Interest and dividend income	(449)	(318)
Interest expenses	522	506
Loss (gain) on sales and retirement of non-current assets	181	48
Increase (decrease) in allowance for doubtful accounts	(148)	22
Increase (decrease) in retirement benefit liability	(1,721)	(4,106)
Decrease (increase) in trade receivables	(1,267)	(1,046)
Decrease (increase) in inventories	(4,307)	4,989
Increase (decrease) in trade payables	543	(8,788)
Other, net	3,370	8,776
Subtotal	24,913	23,161
Interest and dividends received	419	346
Interest paid	(509)	(508)
Payment for extra retirement payments	—	(7,505)
Income taxes paid	(4,480)	(6,319)
Income taxes refund	408	66
Net cash provided by (used in) operating activities	20,751	9,240
<b>Cash flows from investing activities</b>		
Payments into time deposits	—	(450)
Purchase of property, plant and equipment	(9,922)	(6,986)
Proceeds from sales of property, plant and equipment	194	383
Purchase of intangible assets	(2,740)	(2,128)
Purchase of investment securities	(1,254)	(316)
Proceeds from sales of investment securities	22	11
Net decrease (increase) in short-term loans receivable	(34)	57
Long-term loan advances	(1)	(3)
Proceeds from collection of long-term loans receivable	7	7
Payments for acquisition of businesses	—	(124)
Other, net	(115)	(23)
Net cash provided by (used in) investing activities	(13,844)	(9,573)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	13	(291)
Repayments of finance lease obligations	(4,856)	(3,932)
Proceeds from long-term borrowings	834	609
Repayments of long-term borrowings	(3)	—
Purchase of treasury shares	(10)	(12)
Dividends paid	(2,745)	(552)
Dividends paid to non-controlling interests	(284)	(130)
Net cash provided by (used in) financing activities	(7,051)	(4,309)
Effect of exchange rate change on cash and cash equivalents	(2,051)	3,093
Net increase (decrease) in cash and cash equivalents	(2,196)	(1,549)
Cash and cash equivalents at beginning of period	55,498	53,302
Cash and cash equivalents at end of period	53,302	51,753

# 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.



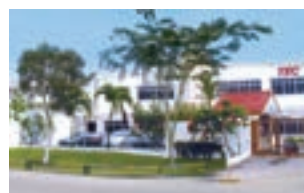
41 Toshiba Tec Malaysia Manufacturing Sdn. Bhd.



40 Toshiba Tec Singapore Pte Ltd



46 P.T. Tec Indonesia



## 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 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 March 2021)

# STOCK INFORMATION

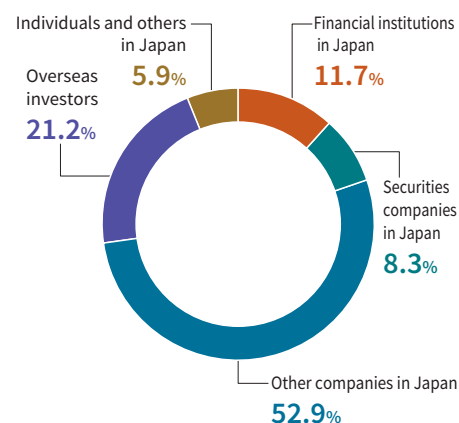
## Stock Overview (as of March 31, 2021)

- 1) Total number of shares authorized to be issued: 200,000,000 shares
- 2) Total number of outstanding shares (excluding 2,616,163 shares of treasury stock): 55,012,977 shares
- 3) Number of shareholders: 7,853
- 4) Major shareholders

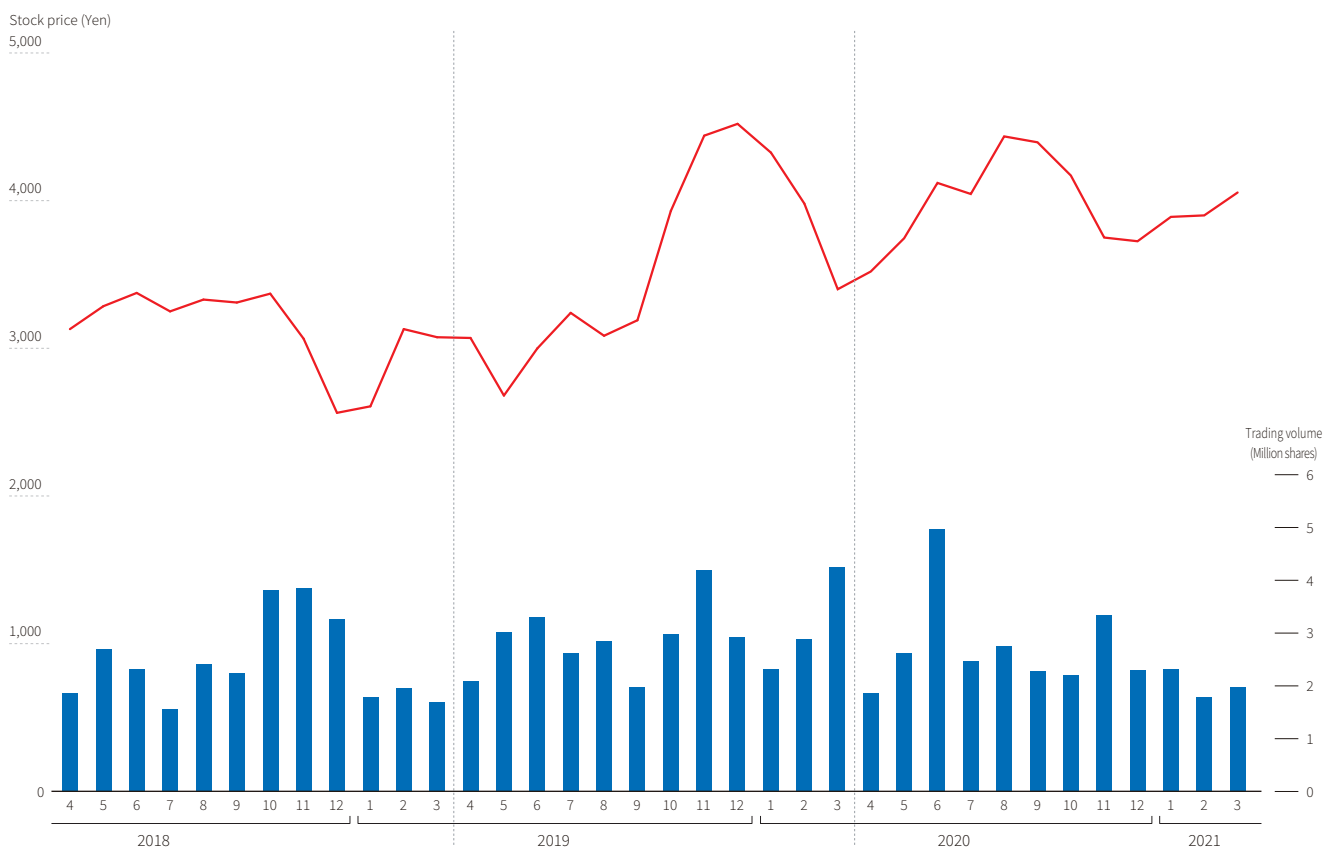
Shareholder	Number of shares held (Thousand shares)	Shareholding ratio (%)
Toshiba Corporation	28,827	52.4
Morgan Stanley MUFG Securities Co., Ltd.	3,103	5.6
The Master Trust Bank of Japan, Ltd. (Trust account)	1,601	2.9
State Street Bank and Trust Company 510312	1,357	2.5
Credit Suisse Securities Limited	1,300	2.4
State Street Bank and Trust Company 10311	1,245	2.3
Goldman Sachs and Company Regular Account	1,090	2.0
Custody Bank of Japan, Ltd. (Trust account)	1,061	1.9
The Dai-ichi Life Insurance Company, Limited	728	1.3
Toshiba Tec Employees Shareholding Association	693	1.3

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

### Breakdown by Shareholder



## Stock Price and Trading Volume Trends



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 2018.



# CORPORATE DATA

## Corporate Overview (as of March 31, 2021)

<b>Company name</b>	Toshiba Tec Corporation
<b>Head office</b>	Gate City Ohsaki West Tower, 1-11-1, Osaki, Shinagawa-ku, Tokyo 141-8562, Japan
<b>Established</b>	February 21, 1950
<b>Share capital</b>	39,970 million yen
<b>Employees</b>	Consolidated: 18,511
<b>Toshiba Tec Group</b>	Consolidated: 72 companies



## Subsidiaries and Affiliates (as of March 31, 2021)

### 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 Tec Malaysia Manufacturing Sdn. Bhd.
- Toshiba Tec U.K. Imaging Systems Limited
- Toshiba Global Commerce Solutions (Italy) S.r.l.
- Toshiba Tec Canada Business Solutions Inc.
- Toshiba Global Commerce Solutions Mexico, S. de R.L. de C.V.
- Toshiba Global Commerce Solutions (Netherlands) B.V.

Our consolidated subsidiaries consist of the 18 listed above and 54 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**

Contact:

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