

TOSHIBA

Leading Innovation >>>

Corporate Social Responsibility Report

2015

TOSHIBA TEC Group
CSR REPORT



CONTENTS

Our Five Commitments

— Corporate Philosophy of the TOSHIBA TEC Group —

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

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

Relations with Stakeholders

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



Editorial Policy

The TOSHIBA TEC Group recognizes that consideration toward all stakeholders, including customers, employees, shareholders and communities, is necessary for sound business activities. By classifying CSR activities according to the seven core subjects of the ISO 26000, as well as providing a clear and easy-to-understand description from the reader's point of view, this CSR Report has been issued in that hope that the TOSHIBA TEC Group's system and activities based on such a policy are understood by as many stakeholders as possible. We hope to use this Report as a communication tool with stakeholders. We utilize this Report as a tool for communication with the stakeholders, and keep striving to improve the contents with the help of your valuable comments.

Scope of This Report

Reporting Period:
This Report not only focuses on the activities in fiscal 2014 (from April 2014 to March 2015) but also includes some activities continuing from the past as well as more recent ones.

Report Scope:
In principle, TOSHIBA TEC Group
(TOSHIBA TEC Corporation and its consolidated subsidiaries)

Environmental Data:
TOSHIBA TEC Corporation and its consolidated subsidiaries

Publication

September 2015
(Next issue scheduled for August 2016, previous issue: August 2014)

Reference Guidelines

- GRI (Global Reporting Initiative)
"Sustainability Reporting Guideline 3rd Edition (G3)"
- Ministry of the Environment
"Environmental Report Guidelines" (2012 Edition)
"Environmental Accounting Guidelines" (2005 Edition)
- Japanese Standards Association
"ISO 26000: 2010"

Corporate Philosophy, Editorial Policy, Contents — 01

Top Message — 03

Business Overview — 05

Topics — 07

Organizational Governance — 11

Human Rights and Labor Practices — 13

Fair Operating Practices — 16

Customers (Customer Issues) — 19

The Environment — 21

Community Involvement and Development — 33

Third-Party Comments — 37

Website — 38



Aiming to be an enterprise that can meet the expectations of all stakeholders based on "Our Five Commitments"

Takayuki Ikeda

President and Chief Executive Officer
TOSHIBA TEC CORPORATION
July 2015

Positioning "Promotion of CSR Management" as a pillar of our management policy to conduct business activities

The TOSHIBA TEC Group is working on "Accelerating Globalization," "Expanding Solution Services" and "Reforming a High-Profit Corporate Structure" based on "Promotion of CSR Management." We aim to become a global one-stop solutions company as our mid and long-term vision of management. We conduct business activities based on the principles of meeting the expectations of stakeholders, such as customers, shareholders/investors, employees, communities and suppliers, as well as making efforts to bring mutual prosperity. We believe it is essential for the TOSHIBA TEC Group with global operations to gain the trust of all stakeholders in various countries and regions, in response to their needs and expectations, in order to achieve sustainable growth as a corporate group.

We have embodied this idea as our Corporate Philosophy "Our Five Commitments." All the Group employees around the world share and practice this idea by acting in accordance with the "TOSHIBA TEC Group Standards Of Conduct" established based on this corporate philosophy.

Giving top priority to human life, safety and legal compliance

CSR management gives top priority to Human Life, Safety and Compliance.



We have established a risk compliance system, comprehensively covering sales, engineering and production, by assigning me as CRO*, and strive to encourage our employees around the world thoroughly to understand and implement the "TOSHIBA TEC Group Standards Of Conduct." This reflects the top priority we give to Human Life, Safety and Compliance.

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

* CRO: Chief Risk Compliance Management Officer

Promoting environmental management

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

Respecting diversity

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

Ensuring accountability to stakeholders

We are supported by stakeholders, such as customers, shareholders/investors, employees, communities and suppliers. Through communication opportunities, we commit ourselves to thoroughly identifying and meeting the stakeholders' expectations as well as disclosing matters to be explained to the stakeholders, in a timely manner.

We will continue to conduct business activities as a corporate citizen that actively contributes to the society. I appreciate and thank you for your continued support and guidance.

Business Overview of the TOSHIBA TEC Group

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

We provide products and services that are widely used in various fields such as stores, offices and warehouses.

We recognize the support from our stakeholders around the world to conduct our business activities.

Corporate Profile

Company Name:
TOSHIBA TEC CORPORATION

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

Representative:
Takayuki Ikeda, President and Chief Executive Officer

Established:
February 21, 1950

Paid-in Capital:
39.9 billion yen

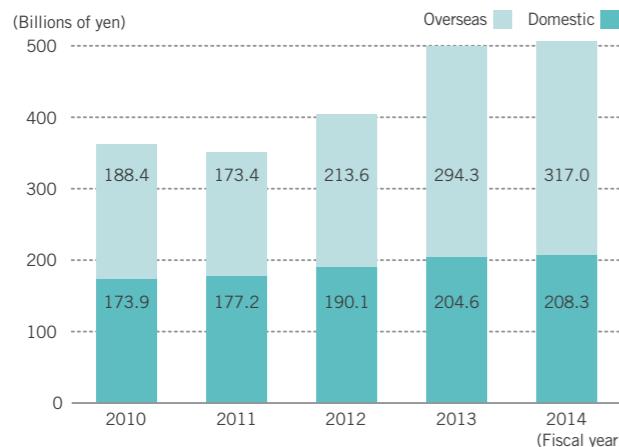
Net Sales:
Consolidated 525.3 billion yen (as of March 2015)

Number of Consolidated Subsidiaries:
86 (9 in Japan, 77 overseas)

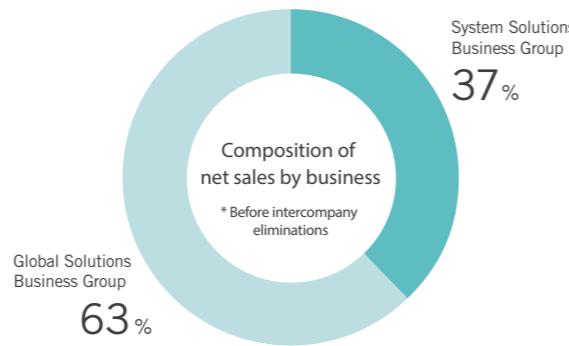
Number of Employees:
Consolidated 20,580 (as of March 2015)

Results

Net Sales



Composition of net sales by business in fiscal 2014



Business Operation

By taking advantage of the base in the retail market and placing retail solutions business, printing solutions business and auto ID solutions business along with inkjet solutions business as the pillars, we aim to become a [global one-stop solutions company](#).



Retail Solution Business (POS-related business)

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



Printing Solution Business (MFP-related business)

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



Auto ID Solutions Business (Barcode printer-related business)

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



Inkjet Solution Business (Inkjet-related business)

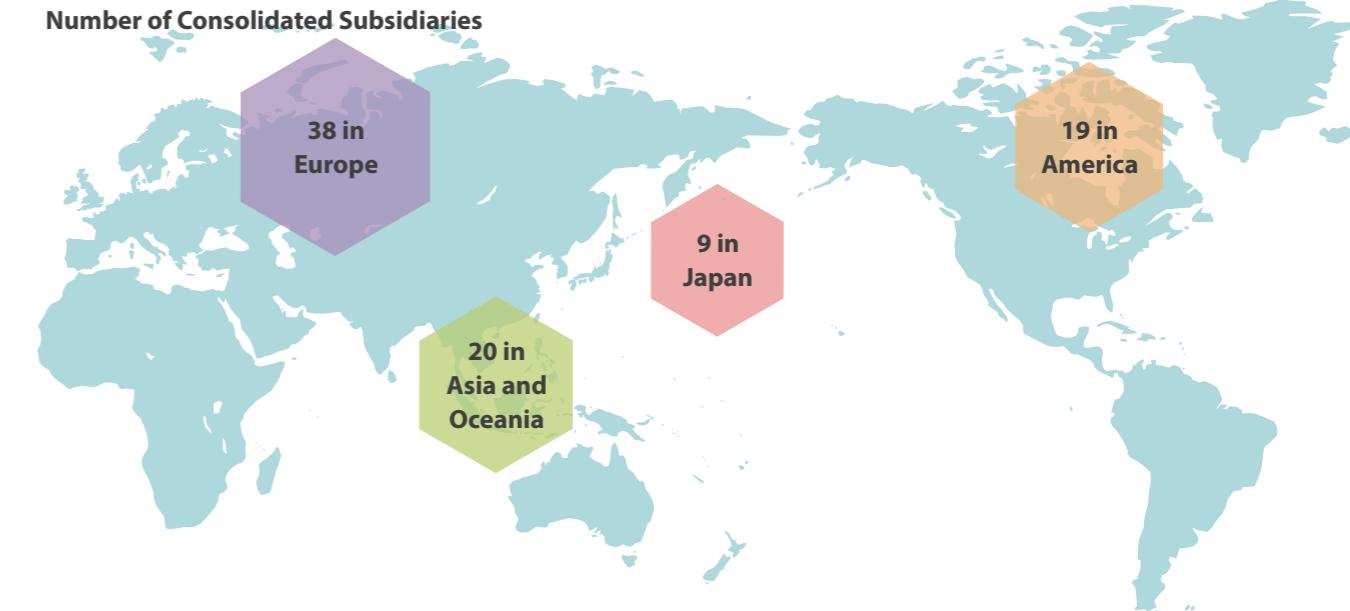
We offer inkjet solutions, such as inkjet heads and printed circuit boards, to our customers in the industry field.

Business System

Production Sites



Number of Consolidated Subsidiaries



Electronic Receipt Service

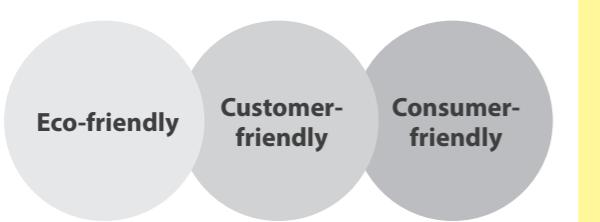
Smart Receipt



Smart Receipt helps to reduce a significant amount of paper!



The "Smart Receipt" service enables printed receipts to be digitalized and stored in the cash register when consumers make payments. They can receive an electronic smart receipt just by having the bar code on their smartphone application scanned at the cash register. This is a breakthrough service that can quickly solve all troubles associated with paper receipts, such as an overfilled wallet and storage difficulties, as the receipt data can be scanned with the smartphone anytime, anywhere after payment. Smart Receipt also allows consumers to use discount coupons printed on the receipt and to apply for sales campaigns directly with their smartphones. It has great potential to significantly change the future of retail shopping.



Do you know how much receipt paper is consumed?

13.5 billion sheets of paper



Approximately 54 thousand tons of paper receipts are consumed per year nationwide. When an A4 paper weighs 4g, this amount is equal to 13.5 billion sheets of copy paper.

378 rotations around the earth



240 million rolls of receipt paper are sold per year nationwide. This value is multiplied by 63 meters per roll, resulting in a total length of approximately 15.12 million kilometers, which is equal to 378 rotations around the earth.

96 billion yen



240 million rolls of receipt paper are sold per year nationwide. This value is multiplied by 400 yen per roll, resulting in 96 billion yen, which is the annual cost of receipt paper! A receipt we easily receive incurs considerable costs.

The reduction of paper receipts leads to eco-friendliness in this way!

| | Reduction rate: 5% | Reduction rate: 10% | Reduction rate: 30% |
|---|------------------------|------------------------|-------------------------|
| Reduction of receipts | 4,052 rolls | 8,102 rolls | 24,309 rolls |
| Reduction of power | 1,953 kWh | 3,906 kWh | 11,717 kWh |
| Converted into the number of cedar trees* | 139 (approx. 1.9 tons) | 277 (approx. 3.8 tons) | 831 (approx. 11.6 tons) |

* When the number of rolls, which is converted into that of 80-year-old cedar trees, it corresponds to the annual absorption of the above number of trees.

Those reductions have been estimated based on the results of 80 stores of Company A, which introduced the Smart Receipt service on a trial basis. Reducing the amount of paper receipts by 30% effectively reduces CO₂ emissions equal to approximately 11.6 tons of cedar trees. Approximately 24,000 rolls of paper receipts are saved per year, resulting in lower power consumption for printing receipts and a reduction in the purchase cost of receipt paper by 9.6 million yen per year.

VOICE

Smart Receipt connects retailers, manufacturers and consumers

Smart Receipt is the name of the electronic receipt service. "Electronic" is, in other words, digitalization using smartphones and computers. Smart Receipt has been developed with the aim of capitalizing on browsing habits as a contact between these devices and receipts, as well as taking advantage of TOSHIBA TEC's special expertise to expand in this business area.

In particular, the development of advertising and promotion that takes advantage of customers' browsing habits on their smartphones or receipts will lead to the creation of new business opportunities. Retailers can increase the number of customers who visit stores by providing bargains and return information via smartphone. Manufacturers can increase the sales and awareness of products by developing new sales campaigns. Customers would welcome such information as many receipts eventually disappear from their wallets. It is the "Smart" way of shopping. Therefore, TOSHIBA TEC provides a unique platform to connect "retailers," "manufacturers" and "consumers" through its Smart Receipt technology. It is anticipated that this system will capitalize on the TOSHIBA TEC's existing business areas, as well as lead to the creation of new business opportunities.

"Let's get started now!"
Development began as MIYAGI COOP readily agreed to our proposal

A consulting firm initially proposed the creation of electronic receipts in 2010. I personally had an interest in this and talked a lot about it with them. But we decided to forgo the proposal as it was too early to proceed back then. The

Great East Japan Earthquake however became the trigger. Although it was not covered much by the media, two out of three manufacturing plants for receipt paper rolls were affected by this huge earthquake, and the supply soon failed to meet demand. Imports did little to help satisfy this demand, so we eventually created a simple manual to operate a cash register without paper rolls. When the need for electronic receipts came up again, we received an offer to jointly develop such a system. However, as we had already obtained a patent regarding the electronic receipt system, our intention was to work on "commercializing" the system rather than just "experimenting" with it. For that reason, it took some time to gain approval from top management, but our plan was finally accepted in the spring of 2013. Indeed, it had been three years since it was first proposed in 2010.

First of all, we started to look for retailers who would be willing to agree to take part in this experiment. Our aim was to provide a service that allows consumers' electronic receipt data to be combined into a single archive, regardless of where they do business, for example, at the pharmacy, family restaurant or supermarket. We made a tremendous effort to let retailers as our customers understand our intent. Under such circumstances, when we visited MIYAGI COOP, they readily agreed to our proposal. We went into full-scale development shortly afterwards.

Rapid progress in four months from the start of development

We managed to perform a demonstration just four months later. It was an extremely rapid development. We requested outside suppliers to develop smartphone applications and build cloud centers, resulting in simultaneous development efforts by three companies, including TOSHIBA TEC. The most difficult task was to maintain synchronization among these three companies at all times. In addition, coping



Smart Receipt is a platform to connect three parties!

Keiichi Hasegawa
Smart Receipt Promotion Department,
Product, Marketing Division,
Retail Solutions Business Group



with the development of new smartphones was something we had never experienced, causing a lot of confusion. Now I really feel that quality and speed were maintained as all of us faced the same challenges to work hard toward a promising future. Yes, it was a very valuable experience.

We also had difficulty in recruiting members; even so, successfully presented the results of our experiment, which benefited all three parties; retailers, manufacturers and consumers. The manufacturers who participated in the experiment have been continuously advertising the service, and according to our survey, 92% of consumers reported they were willing to keep on using it.

Additional services that can satisfy retailers, manufacturers and consumers to be expanded

We need to benefit all three parties, and we have clearly seen that our users are satisfied with the service. Our next mission is to contribute to retail sales. For example, we are planning to use sales promotion tools that attract manufacturers, such as applications for campaigns, coupons and surveys for consumers.

As a top priority, we are currently dedicated to expanding sales in the stores where the systems have been introduced nationwide. We expect Smart Receipt to attract a great deal of attention as it expands, allowing massive campaigns by major manufacturers to be launched.

In addition, the idea of offering customers different types of goods and services will be expanded. For example, if a customer who shops at MIYAGI COOP has a son or a daughter who is ready for job hunting, he or she would receive coupons toward the purchase of appropriate clothing for interviews. I believe that companies offering different types of goods and services will develop a mutual win-win relationship, and Smart Receipt will be the best platform to accomplish this.

Expansion of Global Environmental Action 2014

The TOSHIBA Group implemented the Global Environmental Action from April 1 to May 20, 2014, and the TOSHIBA Group Simultaneous Social Contribution Action on December 5, which is the International Volunteer Day, by bringing together all its employees and getting individuals and sites around the world to take part in environmental and social contribution activities at the same time.

The TOSHIBA TEC Group participated in this action and carried out various activities all over the world.

TOSHIBA TEC GERMANY IMAGING SYSTEMS GmbH 

We collected waste electronic devices and sold them to recyclers. Then, the sell-off funds contributed to the well renovation project.




TOSHIBA TEC (H.K.) LOGISTICS & PROCUREMENT LTD. 
TOSHIBA TEC U.K. IMAGING SYSTEMS LTD. 

We donated the funds raised by our employees to the local Save the Children.



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

We carried out the campaign called "Let's Eat Up" leading to a 65% reduction of leftovers.



TOSHIBA TEC CORPORATION, Domestic Group Sites 

We performed cleanup activities around the head office, Shizuoka Business Center, branches, sales offices and affiliates, as well as parks in the neighborhood.



TOSHIBA TEC CORPORATION, Shizuoka Business Center (Mifuku) 

We cleaned up the Nabesawa River to create an environment in which living beings can thrive.



TOSHIBA AMERICA BUSINESS SOLUTIONS, INC. 

We collected a variety of shoes in cooperation with the TOSHIBA Group companies in North America and donated them to countries in need.




TOSHIBA TEC EUROPE IMAGING SYSTEMS S.A. 

We held public events related to the environment and biodiversity.




P.T. TEC INDONESIA 

We performed cleanup activities in the Melayu Beach. We will continue this activity for the next generation.



TOSHIBA TEC MALAYSIA MANUFACTURING SDN. BHD. 

We performed river cleanup activities in the Penang Botanic Gardens.



TOSHIBA TEC CORPORATION, Head Office 

We collected used stamps and postcards from the domestic group sites, and donated them to the Shinagawa Volunteer Center.



TOSHIBA TEC CORPORATION, Head Office and Shizuoka Business Center 

To support the recovery from the Great East Japan Earthquake, we had a Tohoku fair on the premise and provided special menus using Tohoku ingredients at the cafeteria.



TOSHIBA GLOBAL COMMERCE SOLUTIONS, INC. 

We performed cleanup activities in the 215-acre Lake Crabtree County Park.



Global Environmental Action 2014

TOSHIBA TEC Corporation, its domestic group companies and overseas subsidiaries developed corporate citizenship activities planned respectively, with the aim of embodying environmental communication programs which 'connect' employees around the world.

We held a large report event on June 5, 2014 at Lazona Kawasaki Plaza (activities were carried out for two months from April to May).



TOSHIBA TEC SINGAPORE PTE LTD. 

We invited the children from the orphanage and provided environmental education through factory tours.




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

TOSHIBA Group Simultaneous Social Contribution Action 2014

To make the world a little better, 200,000 TOSHIBA Group employees are working together around the globe to accomplish great things by the power of cooperation. To achieve this, individuals in our offices worldwide took part in Simultaneous Social Contribution Activities on December 5, the International Volunteer Day.

7,760 employees of the TOSHIBA TEC Group participated in such activities in Japan and overseas.

Topics

10

Organizational Governance

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

CSR Management

The TOSHIBA TEC Group is conducting business activities to contribute to the development of a sustainable society by giving top priority to human life, safety and compliance. In addition, we encourage our employees all over the world to practice CSR activities based on our corporate philosophy "Our Five Commitments" and "TOSHIBA TEC Group Standards Of Conduct."

We also organize CSR-related activities including

CSR Promotion Structure



Corporate Governance

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

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

"Environment," "Customer Satisfaction" and "Social Contribution" along with "Human Rights/Employee Satisfaction" and maintain the promotion structure, to root CSR as the corporate culture, while centering the CSR Promotion Center on the premise of "Compliance" to abide by corporate ethics, laws and regulations.

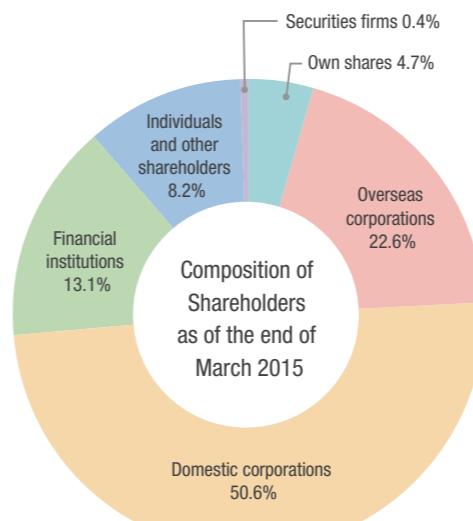
WEB TOSHIBA TEC Group Standards Of Conduct
<http://www.toshibatec.co.jp/en/corporate/philosophy/action/>

Corporate Governance System



Shareholders/Investors Relations

Composition of shareholders



Disclosure of information

We make efforts to timely and properly disclose corporate information including our management policy, financial statements and financial information, to gain the understanding and trust of our stakeholders, such as shareholders, investors and local communities.

In particular, when important corporate information arises, we promptly, properly and fairly disclose the information based on in-house specifications, laws and regulations. We also hold a financial results briefing for institutional investors and financial analysts twice a year, respectively. In addition, we strive to timely post easy-to-understand information regarding business operations on the TOSHIBA TEC website.

We implement strict information management to prevent insider trading.

Communication with shareholders

We recognize the General Meeting of Shareholders as an important place to directly communicate with shareholders. We visualize the business reports and plans to allow easier and deeper understanding of TOSHIBA TEC through the General Meeting of Shareholders.

In addition, we prepare and deliver our Business Report to all shareholders as well as post it on our website to facilitate shareholders' and investors' understanding of TOSHIBA TEC as much as possible. The Business Report includes topics and results forecasts as well as overviews of operations using many diagrams and photos in a comprehensive manner.

Annual communication schedule for fiscal 2014

| | | |
|----------|----|---|
| April | 28 | Announcement of the financial statements Financial results briefing |
| May | 30 | Distribution of the convening notice for the general meeting of shareholders |
| June | 27 | Distribution of the notice of resolution of the general meeting of shareholders Disclosure of financial statements Distribution of business reports Publication of CSR reports |
| July | 30 | Announcement of the first-quarter financial statements |
| August | 5 | Management policy briefing |
| | 12 | Disclosure of first-quarter reports |
| October | 29 | Announcement of second-quarter financial statements Financial results briefing for the second quarter |
| November | 13 | Disclosure of second-quarter reports |
| | 28 | Distribution of business reports |
| January | 28 | Announcement of third-quarter financial statements |
| February | 12 | Disclosure of third-quarter reports |



Business Report

Human Rights and Labor Practices

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

Respect for Human Rights and Prohibition of Discrimination

The "TOSHIBA TEC Group Standards Of Conduct" stipulates the following fundamental principles: Adherence to all relevant laws and regulations, respect for fundamental human rights, along with prohibition of child labor and forced labor. It also clearly states that the diverse values, individuality, and privacy of individuals must be respected. Also, discriminatory behavior based on race, religion, gender, nationality, disability, age or sexual orientation, as well as acts of violence, sexual harassment, power harassment, or any other actions that violate the human rights of others are banned.

Human rights education

With the aim of establishing a discrimination-free organization that provides job satisfaction based on the basic policy of respecting fundamental human rights and diverse individual values as well as prohibiting discriminatory treatment, we encourage our employees to foster awareness of human rights. This education is also provided to new recruits and employees appointed as managers.

TOSHIBA TEC Group Standards Of Conduct

As the globalization of management is advancing, companies are increasingly required to implement the corporate social responsibility (CSR). Accordingly, the TOSHIBA TEC Group Standards of conduct were revised as of November 1, 2014, with a focus on raising the level of awareness about respect for human rights, strengthening supply chain management and compliance.



Promotion of Diversity

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

Support for female employees

We are advancing our efforts to expand corporate culture throughout the TOSHIBA TEC Group, in which female employees can realize their desired career goals and work with enthusiasm.

Percentage of female employees and percentage of female managers (TOSHIBA TEC)

| | FY2012 | FY2013 | FY2014 |
|--------------------------------|--------|--------|--------|
| Percentage of female employees | 11.3% | 11.9% | 11.8% |
| Percentage of female managers | 1.4% | 1.6% | 2.0% |

Employment of people with disabilities

We endeavor to create workplace environments where people, both with and without disabilities, can work together equally. Employees with disabilities are involved in a variety of operations. We are positively hiring people with disabilities through Internet recruitment and various other types of forums, as well as improving workplace environments to bring their capabilities into full play.

Employment ratio of employees with disabilities

| | April 2013 | April 2014 | April 2015 |
|-------------------------------------|------------|------------|------------|
| TOSHIBA TEC | 11.3% | 11.9% | 11.8% |
| Domestic group companies | 1.4% | 1.6% | 2.0% |
| Total of domestic TOSHIBA TEC Group | 11.3% | 11.9% | 11.8% |

Supporting Diverse Work Styles

"Work-style innovation" refers to a campaign aimed at creating a positive spiral, where employees work hard and efficiently at the workplace, and refresh and improve themselves in their private lives so that they can add higher values to their work.

We are proceeding with a work-style reform through two approaches; self-management carried out by individuals and team management with a focus on team leaders.

Examples of promoting diversity

Raising management's awareness and commitment

As a sideline to celebrating our anniversary in February 2015, we held a lecture called "Diversity as a Management Strategy for further value creation" to raise awareness of how the diversity of our Group leads to further growth. We invited Ms. Joanna Sook Ja Park, the president of Appassionata, Inc., as a guest speaker. A total of 219 employees, which included executives, fellow workers and managers, attended the lecture.



Improving the awareness and understanding on-site management

We are implementing project activities to create a company where all employees can work with enthusiasm. As part of this, we created a new booklet titled "Guidebook for Training Managers who have Female Subordinates," based on a survey of interviews with female managers. 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 March 2015.



Raising the awareness of women

[Role model exchange meeting]

In November 2014, we held a role model exchange meeting with female managers for the purpose of dispelling worries about their careers. We invited Ms. Reiko Fujita, who in June 2014 became the first female president of the Atomic Energy Society of Japan, as a guest speaker. She formerly worked for TOSHIBA as an engineer while at the same time raising children and caring for aging parents, and eventually attained the highest position as the first chief engineer. Ms. Fujita spoke to women employed in the technical field about career advancement and balancing work as "a female engineer." After that, our female managers gave a talk, and then participating members took part in group work. The participants' comments included the following: "I have been impressed and encouraged by how they had overcome difficulties." "I can see a vision of the future." "I am glad to have participated in this meeting because I had concerns about marriage and raising children."



[Career & Life: Mutual Understanding Program]

This program has been established to create an environment in which female employees, who tend to hesitate to communicate on a daily basis, can express their opinions and gain mutual understanding with their managers regarding long-term career goals and ways to improve their workplace environment. The program began in fiscal 2015. Its purpose is to enhance the professional development of female employees in combination with the "Career Design" program that is currently provided to all employees.

Creating an environment in which female employees can work safely

We conducted a survey on the awareness of gender difference in the workplace environment for young employees involved in sales. It was found that female employees tend to value "flexible work," "expansion of support for raising children" and "selection of work not tied to a schedule." As a result, in April 2015, a new work category was introduced to enable female employees involved in domestic sales, including those with short working hours due to childcare responsibilities, to enhance job satisfaction.

Education and Training System

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

Education according to position

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

Global personnel development course

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

Labor Management Relations

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



Business briefing labor-management meeting

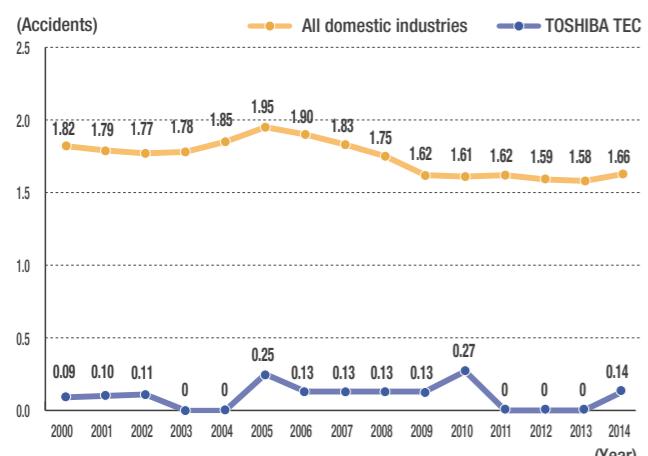
Health and Safety

Prevention of industrial accidents

TOSHIBA TEC's occurrence of accidents with lost days is well below the average of all industries.

We make efforts to prevent industrial accidents by conducting risk assessments to clarify risks that may cause accidents, reviewing operation processes and renovating equipment to reduce risks. We also take preventive measures against similar accidents and provide a safe workplace by implementing thorough measures to prevent recurrence of past incidents and providing safety training.

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

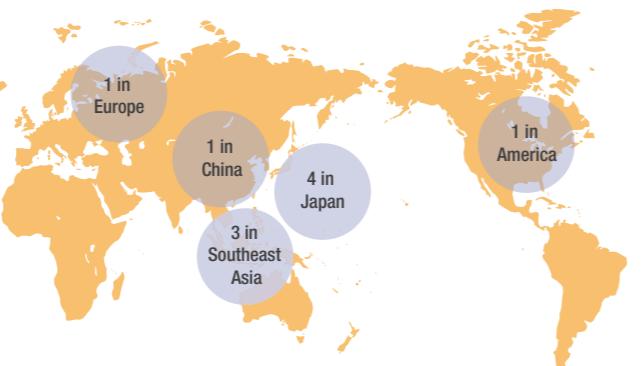


Safety patrol

Occupational Health and Safety Management System

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

OHSAS 18001 accredited consolidated subsidiaries by region (production companies)



Health care programs

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

With the aim of standardizing and streamlining medical checkups as the basis for health care of employees and post-checkup cares, we have introduced a system, which unifies the result data of medical checkups and interviews, to utilize them for health guidance and education.

Labor overload such as excessive work hours may aggravate health disorders such as cerebrovascular and cardiovascular diseases. To prevent health disorders related to work, all employees who have worked over a certain amount of hours per month are obliged to take an interview and guidance with the physician, to maintain and promote their health. The Return to Work program is established to help employees who have taken a long-term leave adjust back into the workplace with ease, as well as prevent recurrence.

Activity

Since fiscal 2011 we have been developing a system to support the health of employees, by providing various training programs including mental health, ensuring employees undergo checkups, and having interviews with high-risk employees.

Fair Operating Practices

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

Risk Compliance

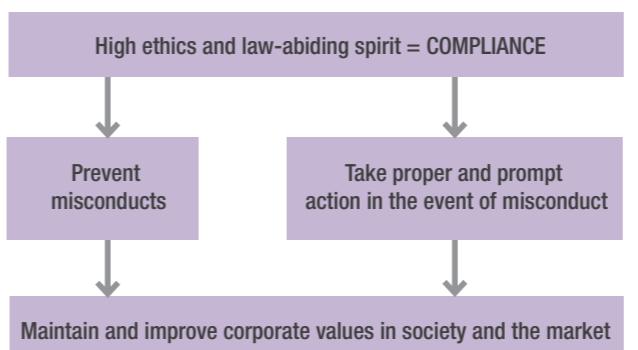
We appoint each company president and CEO as a CRO* in order to propagate and thoroughly implement the "TOSHIBA TEC Group Standards Of Conduct" as well as advance the risk compliance measures. Top management exercises initiative to devise and promote various strategies in response to emergency situations.

We organize the Risk Compliance Committee under the chairmanship of the CRO, to maintain the system of the entire TOSHIBA TEC Group, devise and promote the advancement of risk compliance. We have also established the "Internal Reporting System" which enables employees to report risk compliance-related issues to the CRO or outside attorneys. The "TOSHIBA TEC Partner Hotline" is operated to allow business partners to report on such issues through the website.

* CRO: Chief Risk Compliance Management Officer

Compliance education

To foster high ethics and a law-abiding awareness, we provide various compliance programs to our employees. In the overseas group companies, compliance programs in view of regional characteristics are also conducted for the global business development.



Education on business risk

Promotion of CSR Procurement

While establishing relationships of mutual trust with suppliers through fair and open trade, we preferentially advance transactions with suppliers that are committed to focusing on the compliance with laws and regulations, respect for human rights, and consideration for the environment.

Procurement Policy

As a member of the TOSHIBA Group, which is expanding its business globally, we strive to strictly follow the TOSHIBA Group Procurement Policy in order to fulfill its social responsibility through fair procurement activities.

Procurement Policy (Abstract)

Basic Procurement Policy

TOSHIBA TEC Group Companies shall:

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

Policies for Selecting Suppliers

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

Supplier Expectations

TOSHIBA TEC Group conducts business globally, involving a wide range of products. In order to succeed globally, TOSHIBA TEC Group must take customers' requests, concerning the procurement of goods and/or services, into consideration. Therefore, we expect the following performance from our suppliers. We also ask for our suppliers to request to their own suppliers for understanding and promoting Toshiba Tec Group Procurement Policy.

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

Fair Operating Practices

Non-use of conflict minerals

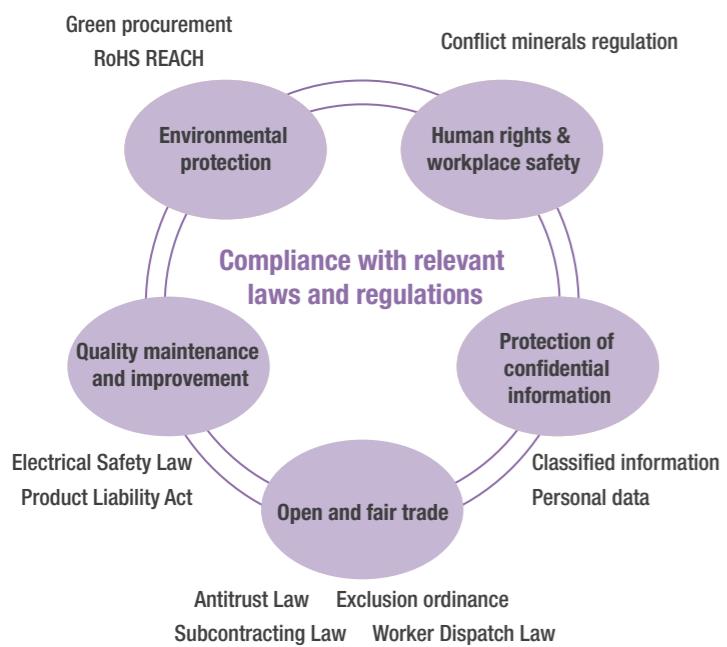
For humanitarian reasons, we implement a policy prohibiting use of conflict minerals, such as gold, tantalum, tungsten and tin, which are mined in the Democratic Republic of Congo and adjoining countries, and/or that contribute to inhumane treatment, in accordance with the TOSHIBA Group Conflict Mineral Policy.

Since June 2013, we have been doing a survey with approximately 800 suppliers of overseas production subsidiaries and the Shizuoka Business Center, regarding the usage of conflict minerals and the smelter verification using the Conflict Mineral Reporting Templates (EICC/GeSI format).

Compliance in Procurement

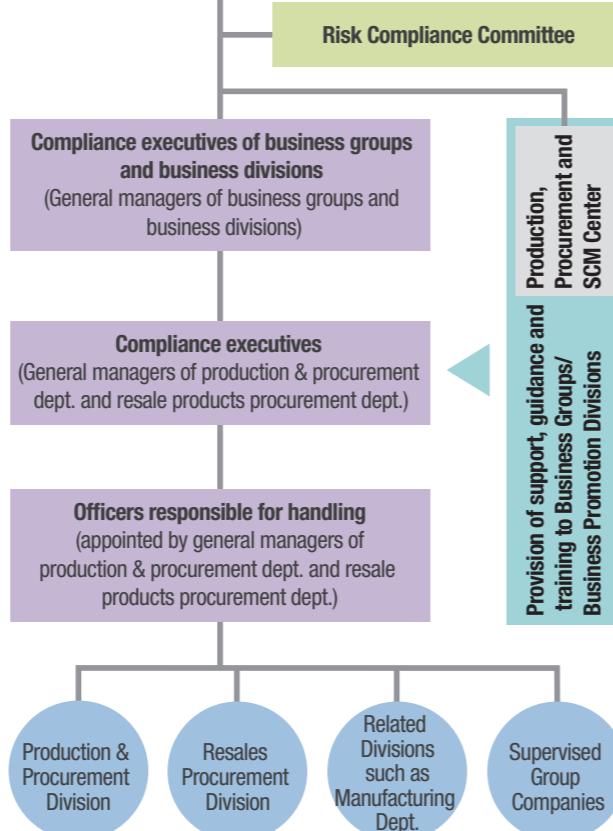
While positioning compliance as a top-priority item for "Business Continuance and Further Development," we make efforts to ensure compliance in procurement transactions. We ask our suppliers to foster a sense of compliance within their companies to enhance compliance in supply chains, through daily communication with them.

Compliance in procurement



Compliant procurement control system

- Chief Procurement Officer: Assistant to the Chief Risk-Compliance Management Officer
- Deputy Chief Procurement Officer: Vice President in charge of the Procurement Division, Chief Procurement Executive



TOSHIBA TEC Partner Hotline Operation

The TOSHIBA TEC Partner Hotline whistle-blowing system is set up for suppliers on the external company website. We give top priority to compliance with laws, regulations, social customs and corporate ethics throughout our business activities. As part of it, we encourage our suppliers to report non-compliance by our employees involved in procurement transactions throughout the system.

We hope to create an open and clean atmosphere of mutual trust and to build a sound partnership with our suppliers.

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

Security Export Control

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

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

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

Information Security

We recognize all information, including sales and technical data handled while carrying out the tasks, as important property, and make efforts to protect such information from improper disclosure, leakage or use.

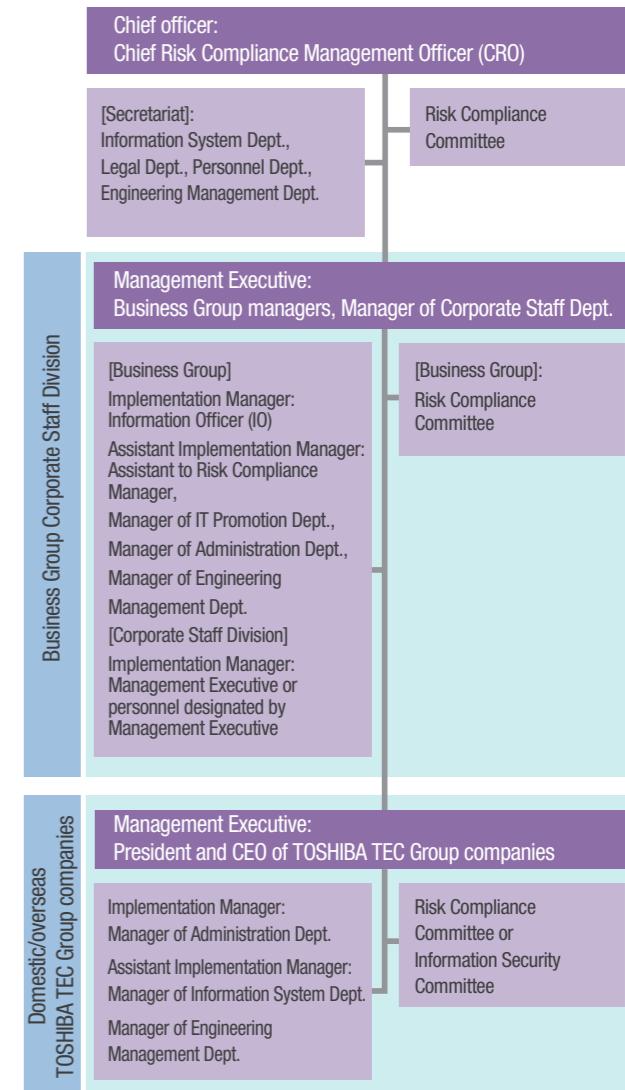
We have established a system and rules for information security management, to review them in response to the changes in the social environment. Each division continuously makes improvements by voluntarily auditing the status of compliance with the internal rules.

We provide education to directors, employees, employees dispatched from cooperation companies through e-Learning, in order to prevent accidents and make information security measures known to all employees while handling information.

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

Our group companies take similar measures, respectively, thus, we make a concerted effort to maintain and improve information security throughout the TOSHIBA TEC Group.

Information security management system



Protection of Intellectual Property

The TOSHIBA TEC Group's policy for intellectual property rights states compliance with laws and regulations associated with those rights, protection of the results of intellectual activities with intellectual property rights and extensive use of those rights, and respect for the legitimate intellectual property rights of third parties. This policy is stipulated in the TOSHIBA TEC Group Standards Of Conduct.

As part of this policy, we are working with the regulatory authorities of each country to eliminate counterfeit products that damage the TOSHIBA brand and enhance our management system, such as the provision of training to TOSHIBA TEC executives and employees including domestic and overseas group companies, with the aim of preventing unauthorized use of other people's publications.

Customers (Customer Issues)

To provide products and services that satisfy customers, we work together to improve the quality based on the voice of customers. Also, we think and behave from the customer's point of view to offer products and services with safe and reliable quality for customer satisfaction.

Voice of Customers

TOSHIBA TEC Corporation's corporate philosophy of listening to the voice of customers (VoC) has allowed us to provide quality and services that accurately meet customer needs. We use feedback from the customers via the contact center or communications with our salespersons to analyze and improve the current products, and reflect it on next products. In the product development stage, we provide robustness and redundancy to the product with quality engineering in order to realize more accurate and functional product creation. In the commercialization stage, we create attractive products and provide reliable systems through simulations and design reviews by assuming every possible environment and situation in which customers use them.



Business briefing labor-management meeting

Activities as a Global Enterprise

We globally provide products and services that deliver customer satisfaction.

We are committed to serving as a good company toward every country and community to which we provide products and services, and respecting their culture and history. As a corporate citizen that contributes to the development of a global society, we are committed to continuously performing corporate activities with high ethics and a law-abiding spirit.

Safety and Security

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

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

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

* CQO: Chief Quality Officer

Basic Policy on Product Safety

The TOSHIBA TEC Group recognizes that our top priority mission is gaining the trust of the customers and communities regarding the product safety throughout the life cycle of every product manufactured and distributed. For this, we determine the basic policy on product safety and faithfully implement it.

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



Basic Policy on Product Safety

<http://www.toshibatec.co.jp/csr/group/safety/> in Japanese only

Enhancing Customer Satisfaction

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

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

We aim to enhance customer satisfaction (CS) through delivery of products, systems and services, and communication with customers, based on the "Toshiba Group Customer Satisfaction Policy" established in 2003.

Toshiba Group Customer Satisfaction Policy

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

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

Utilization of UXD

User Experience Design (UXD) is a development plan to create new value and provide added attraction to our products and systems.

We have derived the "UX Concept in Retail Business" that allows us to use the UXD approach to examine the roles played by stores, towns and shoppers.

UX Concept in Retail Business

We aim to provide the best value demanded by our customers and consumers in a way in which everyone can easily understand and use.

Town-friendly

We aim to provide equipment, systems and services that will satisfy all consumers.



Store-friendly

We aim to make store employees happy with their work so that they can easily provide the best service to their customers.



Customer-friendly

We aim to make all of our customers happy from children to the elderly.



Universal Design = Accessibility + Usability

After analyzing customers' shopping behaviors and preferences, we have created new POS system ideas for general merchandise stores based on the UX concept. We presented these ideas in the TOSHIBA TEC 2020 booth at RETAIL TECH JAPAN 2014. Our new generation POS system earned a favorable response from many customers.

Ideas of next-generation POS systems

Cart-to-Cart Self-Checkout System

The shopping cart helps you smoothly make payments and carry the items out to your car



IT Express Lane

Electronic money lane that is prioritized for speed



The Environment

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

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

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

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

Integration of business management and environmental management

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



The Fifth Environmental Action Plan

We formulated the Fifth Environmental Action Plan ending in fiscal 2015 based on the TOSHIBA Group Policy, and have been carrying out our activities since fiscal 2012. We achieved all targets in fiscal 2014, and will continue activities in order to achieve the targets for fiscal 2015 as the final destination.

| Core Subject | Indicator | FY2014 | | | FY2015 |
|----------------------|------------------------------|--|---------------------------------|---------------------------------|--------|
| | | Target | Result | Evaluation ^{*6} | Target |
| Greening of Products | Overall | Product factor (compared to FY2000 levels) | 3.40 | 3.92 | YES |
| | | Increase in sales amounts of Excellent ECPs | 78.0 billion yen | 161.1 billion yen | YES |
| | Mitigation of climate change | Reduction of CO ₂ emissions through eco-products ^{*1} | 129,000 t | 138,000 t | YES |
| | Efficient use of resources | Amounts of resources saved through products ^{*2} | 19,600 t | 20,700 t | YES |
| Greening of Process | Mitigation of climate change | Percentage of use of recycled plastics from products ^{*3} | 4.9% | 5.4% | YES |
| | | Total greenhouse gas emissions (compared to FY1990 levels) ^{*4} | 74,000 t-CO ₂ (165%) | 72,000 t-CO ₂ (160%) | YES |
| | | Total energy-derived CO ₂ emissions per unit production (compared to FY2010 levels) ^{*4} | 136% | 131% | YES |
| | Efficient use of resources | Total CO ₂ emissions resulting from product logistics per unit production (compared to FY2010 levels) | 68% | 68% | YES |
| | | Waste emissions (compared to FY2000 levels) | 1,892 t (66%) | 1,657 t (57.5%) | YES |
| | | Total volume of waste generated per unit production (compared to FY2010 levels) | 107% | 99% | YES |
| | | Percentage of final waste disposal (relative to the TOSHIBA TEC Group total emissions) ^{*5} | 1.7% | 1.1% | YES |
| | Management of chemicals | Volume of water received per unit production (compared to FY2010 levels) | 121% | 113% | YES |
| | | Total emissions (compared to FY2000 levels) | 120 t (114%) | 68.5 t (65.2%) | YES |
| | | Chemical substance handling amounts per unit production (compared to FY2010 levels) | 86% | 73% | YES |

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

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

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

*4: We adopted power received end as electricity coefficient in Japan: 4.17 t-CO₂/10,000 kWh for fiscal 1990, 3.50 t-CO₂/10,000 kWh for fiscal 2010, and 5.10 t-CO₂/10,000 kWh for fiscal 2014 and later.

Outside Japan, we adopted power receiving end specific to the relevant countries since fiscal 1990. From fiscal 2006 to fiscal 2012, we adopted power receiving end for fiscal 2006 based on GHG Protocol data continuously.

Since fiscal 2013, we adopted power received end for fiscal 2009.

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

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

Environmental Impact throughout the Life Cycle in Fiscal 2014

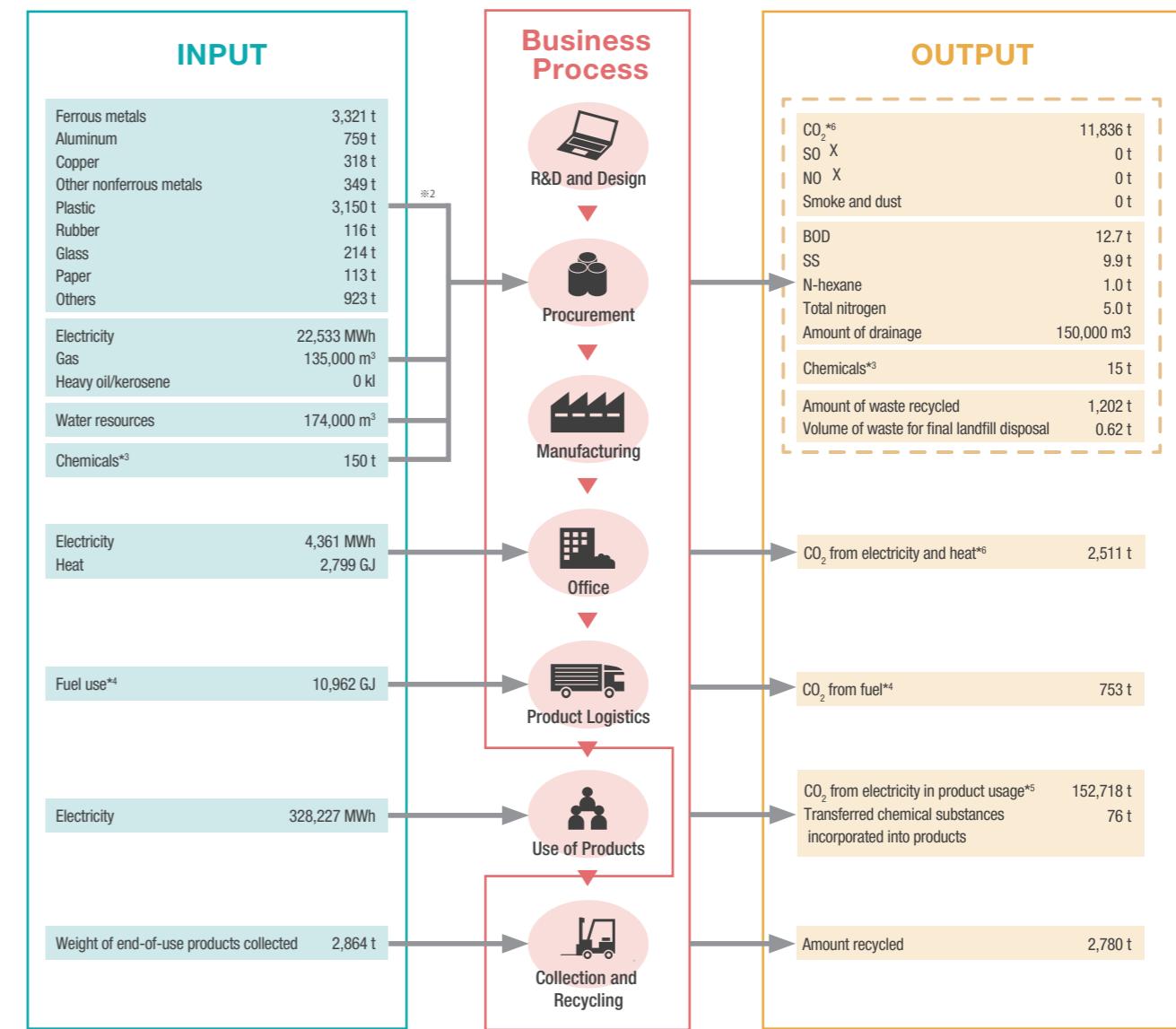
We minimize the use of global resources and emissions of pollutants into the global environment and maximize environmentally conscious activities by developing environmentally conscious products (ECPs). We reduce environmental impact by grasping and analyzing the impact at each stage of a product life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

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

from customers wherever possible, for reuse and recycling.

At the production stage, CO₂ emissions due to consumption of all energies from plants were 11,836 tons and from offices were 2,511 tons. Emissions of chemicals into the atmosphere and water were 15 tons. The amount of waste recycled was 1,202 tons and the amount of landfilled was 0.62 tons. CO₂ emissions from major products shipped in fiscal 2014 until the end of their product lives are to be 152,718 tons. Therefore, it is important to take energy-saving measures for products.

Environmental impacts in fiscal 2014^{*1}



*1: Target data tabulated: TOSHIBA TEC

*2: Inputs of materials and parts are calculated from material procurement data using the TOSHIBA Group's proprietary method.

*3: Target chemicals: 551 types specified by TOSHIBA Corporation

*4: Product logistics: All CO₂ emissions for outsourcing

*5: CO₂ in product usage is CO₂ emissions from major products shipped in fiscal 2014 until the end of their product lives.

*6: As a CO₂ conversion factor for electricity, 5.10 t-CO₂/10,000 kWh is adopted.

The Environment Greening of Products

Development of Products with the Highest Environmental Performance

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

First, in the stages from business strategy to product planning, based on technological and competitor trends, we set "eco-targets" for the development of products with the highest environmental performance at the time of product release.

Then, in the development and design stages, we perform environmental assessments of products to make sure that the products comply with laws and regulations and meet the ECP standards*¹ in all three aspects*² (mitigation of climate change, efficient use of resources and management of

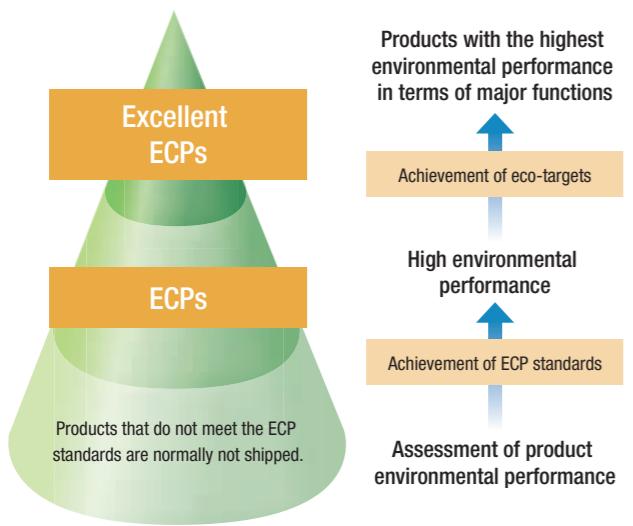
chemicals) through all stages of their life cycle.

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

The demand for social infrastructure products, increased consumption of electricity and resources are concerns everywhere. In order to reduce environment impact, we aim at creating and further increasing the number of Excellent ECPs with the highest environmental performance in the industry.

In fiscal 2014, we were able to provide 13 products as Excellent ECPs.

Basic policy for the Greening of Products

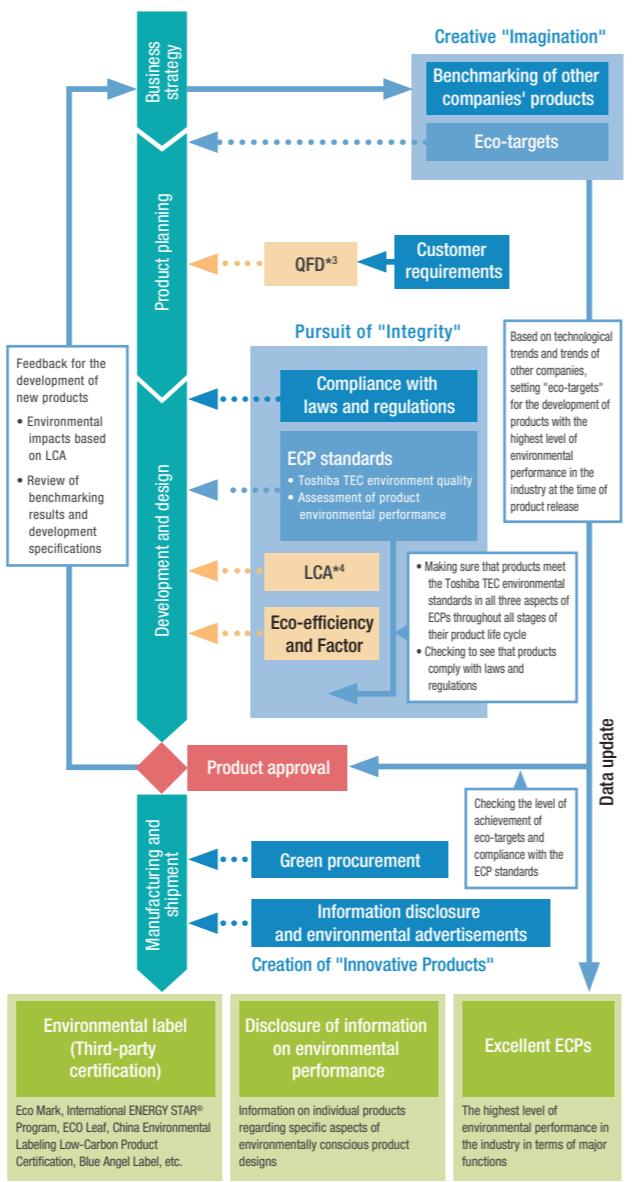


*1: Environmentally Conscious Products (ECPs) are designed to minimize environmental impact throughout all stages of their product life cycle, including procurement of materials, manufacturing, distribution, usage, disposal and recycling.

*2: Overview of the three elements of ECPs

| Mitigation of Climate Change | Efficient Use of Resources | Management of Chemicals |
|---|--|--|
| <ul style="list-style-type: none"> Reductions in power consumption Reductions in standby electricity consumption Visualization of power consumption Energy-saving mode Shipment mode, etc. | <ul style="list-style-type: none"> Reductions in the use of raw materials Use of recycled materials Ease of disassembly Reductions in the use of packaging materials Reductions in the use of supplies Upgrades, longer useful lives, etc. | <ul style="list-style-type: none"> Reductions in the use of specific hazardous substances Green Procurement Distribution of information on chemicals Compliance with chemical regulations in different countries, etc. |

System for the Greening of Products



*3 QFD: Quality Function Deployment

*4 LCA: Life Cycle Assessment

Main Products Certified as Excellent ECPs in Fiscal 2014

M-8750 POS Terminal for General Merchandise Stores

(Released in June 2014)

- Achieved the highest energy savings*
Power consumption for applications: 40 W
- Achieved the highest resource savings*
Recycled plastics for packing



TCxWave A30 POS Terminal

(Released in September 2014)

- Achieved the highest energy savings*
(Power in power saving mode: 1.7 W)
- "Only one" product* that covers the applications of POS, kiosk and self-service



e-STUDIO207L Series Medium-Speed Monochrome MFP

(Released in June 2014)

- Achieved the highest level of environmental performance* on 3R aspects (Reduce, Reuse, Recycle) with the smallest mass and at least 5% use of recycled plastics through the unique toner recycling system



Smart Receipt® Electronic Receipt System

(Released in October 2014)

- "Only one" product* that has saved resources by significantly reducing the consumption of receipt paper through electronic receipt (resource saving)



e-STUDIO557 Series High-Speed Monochrome MFP

(Released in June 2014)

- Achieved the highest level of environmental performance* on 3R aspects (Reduce, Reuse, Recycle) with at least 5% use of recycled plastics through the unique toner recycling system



Loops LP301/RD301 Paper Reusing System

(Released in December 2014)

- "Only one" product* that erases, sorts and digitalizes printed data at the same time



* At the time of product release, and not guaranteed at the current state.

The Environment Greening of Products

Green Procurement

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

Promotion of Environmental Protection at Suppliers

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

Environmental Protection

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

The Japanese, English and Chinese editions of the Guidelines for Green Procurement are available on the website.

Control on Environment-Related Substances in Procured Items

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

Control on Environment-Related Substances

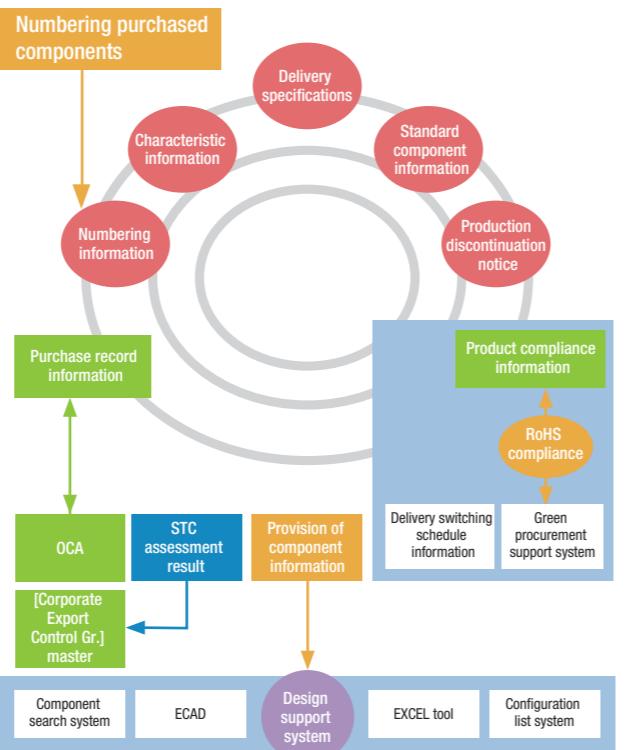
- 1 Thoroughly make control on whether environment-related substances are contained in delivered items known to relevant divisions and suppliers.
- 2 Satisfy requirements for the management of environment-related substances.
- 3 Respond to the survey whether environment-related substances are used.
-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

Data Utilization

We provide environmental performance data from the green procurement support system to various in-house systems via the global component database, allowing the design, production and procurement divisions to utilize the data.

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

Component database and design support system



Component search system screen

Collection and Recycling in Worldwide Regions

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

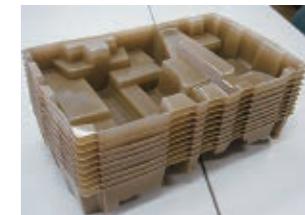
Japan

Our sales sites throughout Japan collect end-of-use products. We also carry out process checks on our recycling contractors to increase the collection and recycling rates.

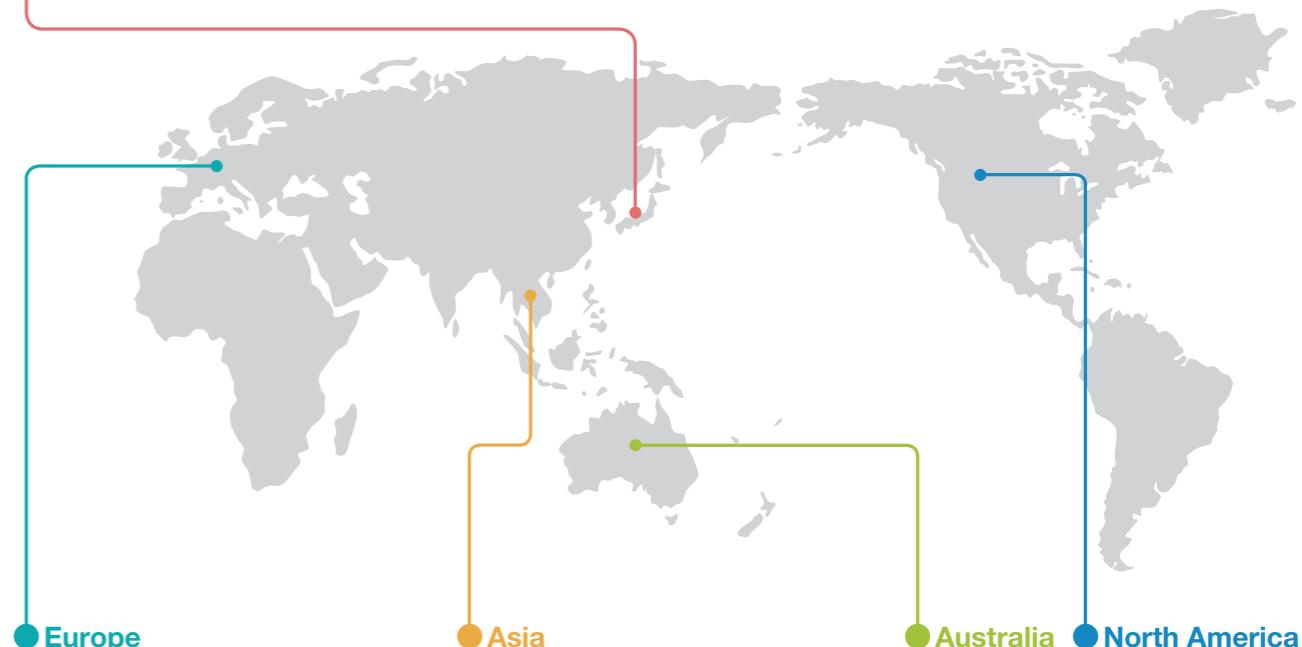


Recycling process through manual disassembly

We use the packaging reuse system that collects and reuses packaging materials for some products.

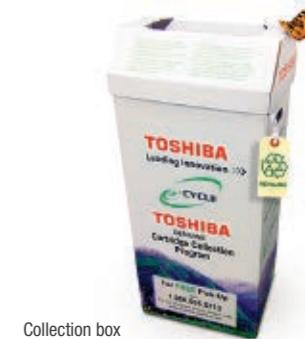


Packaging material collected



Europe

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



Collection box

In Singapore, TOSHIBA TEC SINGAPORE PTE LTD. implements the toner cartridge collection and recycling program in collaboration with Toshiba Asia Pacific Pte Ltd. and Toshiba Data Dynamics Pte Ltd. This contribution to the reduction of waste provided the Singapore 3R Packaging Awards in 2011 and later.

We participate in the "Zero Waste to Landfill" recycling program in collaboration with Close the Loop®. Almost all of the toner cartridges that have been collected from copiers and MFPs through this program are recycled.

The Environment Greening of Process

Mitigation of Climate Change

Minimizing the increase in CO₂ emissions due to energy consumption

We effectively use energy to reduce CO₂ emissions associated with energy consumption.

In fiscal 2011, CO₂ emissions increased overall due to the incorporation of the parts business into overseas sites. However, as a result of environmental measures undertaken, such as switching to LED lighting and adding thermal insulation to our facilities, we mitigated the increase in CO₂ emissions even with the increased production.

We have also started to collect and analyze data on peak electricity usage in summer, winter and daytime based on the Japanese Energy Saving Act at our domestic sites.

Note: We adopt power received end as electricity coefficient in Japan: 4.53 t-CO₂/10,000 kWh for fiscal 2007, 3.73 t-CO₂/10,000 kWh for fiscal 2008, 3.51 t-CO₂/10,000 kWh for fiscal 2009, 3.50 t-CO₂/10,000 kWh for fiscal 2010, 4.76 t-CO₂/10,000 kWh for fiscal 2011, 4.87 t-CO₂/10,000 kWh for fiscal 2012 and 5.10 t-CO₂/10,000 kWh for fiscal 2013. Outside Japan, from fiscal 2006 to fiscal 2012, we adopted power receiving end for fiscal 2006 based on GHG Protocol data continuously. Since fiscal 2013, we have been adopting power received end for fiscal 2009.

CO₂ emissions at manufacturing sites

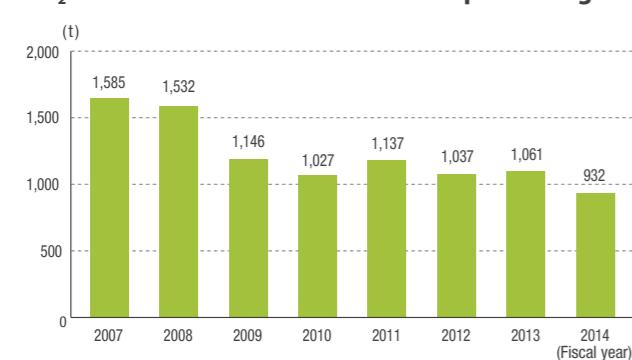


Reducing CO₂ emissions associated with product logistics

In fiscal 2014, we switched from individual shipping to full truckload shipping for imported parts. As a result, load efficiency was increased, leading to a reduction in the number of trucks required.

In addition, we reduced the size and weight of new products that were developed to control CO₂ emissions resulting from product logistics.

CO₂ emissions associated with domestic product logistics



TOPICS Super insulation work

TOSEI CORPORATION

We effectively use energy through the upper-insulated roof.



TOPICS Energy saving survey and LED lighting

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

We have chosen LED lighting based on the energy saving survey results.



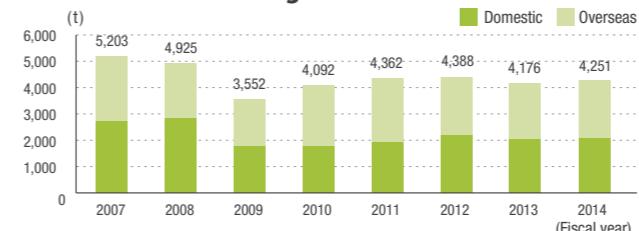
The TOSHIBA TEC Group does not emit any greenhouse gases other than CO₂.

Efficient Use of Resources

Minimizing the increase in total volume of waste generated

To efficiently use resources, we work on the reduction of the total volume of waste generated, by recycling and other methods. In past years, the total volume of waste generated tended to increase in accordance with our business expansion. However, in fiscal 2014, we undertook environmental measures, such as reducing corrugated cardboard waste and reusing overseas shipping pallets. As a result, even with increased production, we mitigated the increase in waste generated. In fiscal 2014, we exchanged information with our recycler in Japan, and will continuously work on the effective use of resources in collaboration with our recyclers.

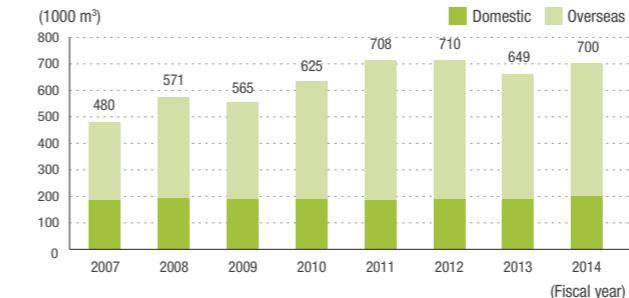
Total volume of waste generated



Efficient use of water

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

Volume of water received



TOPICS Information exchange with the recycler

TOSHIBA TEC CORPORATION, Shizuoka Business Center

We observed the disassembly process of end-of-use products and exchanged opinions with our recycler.



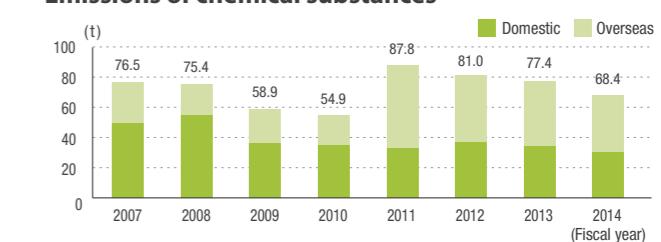
Management of Chemical Substances

Reducing chemical substances used in the manufacturing process

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

We strive to reduce emissions of chemical substances, which are classified into "reduction," to the atmosphere and water that directly affect the environment. In fiscal 2011, emissions of chemical substances increased due to the incorporation of the parts business into overseas sites. However, we reduced the overall emissions by 11% in fiscal 2014, compared to fiscal 2013, as a result of introducing production equipment with low emissions of chemical substances and reviewing the process.

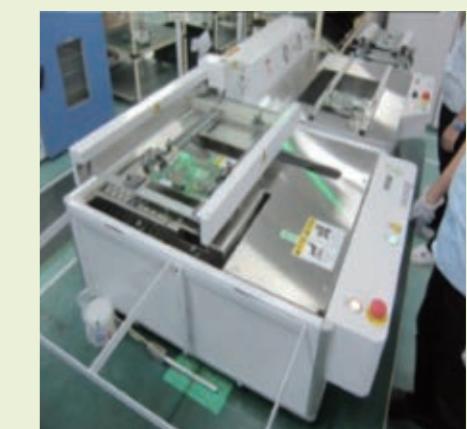
Emissions of chemical substances



TOPICS Multi-spot flow

TOSHIBA TEC Information Systems (Shenzhen) Co., Ltd., TOSHIBA TEC MALAYSIA MANUFACTURING SDN. BHD., P.T. TEC INDONESIA

We introduced the multi-spot flow equipment. It reduced chemical substances used in the pre-soldering process by applying them only to necessary areas instead of the entire area.



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

The Environment Green Management

Practicing Environmental Management under the Corporate Philosophy and CSR Activities

TOSHIBA TEC Group's Basic Policy for the Environment

We, the TOSHIBA TEC Group as a "global enterprise," which offers global one stop solution to the nucleus putting retail business, printing business, AI/IJ business, contribute to society by reducing our customers' and our environmental impacts through "Monozukuri" or by creating environmentally conscious products.

We practice global sustainability with the aim of realizing a low-carbon society, recycling-based society and natural symbiosis society by seeking a combination of business and environmental activities, in order to hand down to our next generation, the health of the global environment as an irreplaceable asset.

Given Greening of Products, Greening of Process and Green Management as the important pillars of environmental management, the TOSHIBA TEC Group is actively driving environmental protection, to contribute to the reduction of environmental impacts in business fields such as stores and offices.

1. Greening of Products

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

2. Greening of Process

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

3. Green Management

- The TOSHIBA TEC Group specifies and promotes objectives and targets for its process, products and services to assess environmental impacts including biodiversity, reduce environmental impacts and prevent pollution, and continually strives to improve the environment.
- The TOSHIBA TEC Group complies not only with laws and regulations applied in countries or regions all over the world, but also with industry guidelines, which it has endorsed, for environmental protection.
- The TOSHIBA TEC Group provides environmental education, conducts educational campaigns, and expands each employee's environmental awareness to promote environmental activities.
- The TOSHIBA TEC Group actively and widely discloses its environmental policy and activities inside and outside the Group.
- The TOSHIBA TEC Group participates in society-wide environmental activities in cooperation with administrations, communities and bodies concerned.

Environmental promotion structure



Corporate Environmental Management Conference

TOSHIBA Group's Environmental Audit System

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



Environmental Accounting

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

Costs and benefits

For environmental protection costs on a consolidated basis in 2014, total capital investments were 160 million yen and total expenses were 790 million yen. We used environmental costs, especially for the prevention of global warming and energy-saving measures. Total environmental benefits were 530 million yen.

Environmental costs

| Category | Description | Investments | | Costs | | Change in costs from fiscal 2013 Consolidated | Change in costs from fiscal 2013 Non-consolidated |
|---|--|--------------|------------------|--------------|------------------|--|--|
| | | Consolidated | Non-consolidated | Consolidated | Non-consolidated | | |
| 1) Business area costs | Reduction of environmental impacts (1) to (3) | 134.6 | 102.0 | 193.8 | 95.5 | 14.9 | -11.9 |
| (1) Pollution prevention costs | Prevention of air, water and soil pollution, etc. | 27.3 | 24.3 | 48.2 | 5.0 | 16.5 | 4.7 |
| (2) Global environmental protection costs | Global warming prevention, ozone layer protection, etc. | 105.1 | 77.7 | 59.0 | 41.5 | 12.1 | -1.8 |
| (3) Resource circulation costs | Recycling of waste, etc. | 2.2 | 0.0 | 86.6 | 49.0 | -13.7 | -14.8 |
| 2) Upstream/downstream costs | Green procurement, collection and recycling of end-of-use products, etc. | 0.0 | 0.0 | 103.7 | 98.9 | 0.1 | -0.9 |
| 3) Administration costs | Establishment of EMS, environmental education, tree-planting/clean-up activities, etc. | 22.0 | 14.5 | 349.6 | 314.2 | 38.0 | 30.0 |
| 4) R&D costs | Technical development for ECPs, etc. | 0.0 | 0.0 | 128.6 | 128.6 | 1.1 | 1.1 |
| 5) Public relations costs | Donations and support to groups/organizations, etc. | 0.0 | 0.0 | 16.4 | 13.5 | -11.0 | -8.6 |
| 6) Environmental damage restoration costs | Recovery from soil pollution, etc. | 0.0 | 0.0 | 0.5 | 0.5 | 1.0 | 0.4 |
| Total | | 156.6 | 116.5 | 792.7 | 651.3 | 44.2 | 10.2 |

Millions of yen

Environmental benefits

| Category | Description | Amounts | Calculation method | |
|---------------------|---|----------|--|--|
| | | | | |
| A Actual benefits | Reduced charges for electricity and water, etc. | -76.6 | 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 | -1,186.9 | The amount of money was calculated by multiplying the cadmium equivalent value of each substance obtained from environmental standards and the American Conference of Governmental Industrial Hygienists Threshold Limit Value (ACGIH-TLV) by damage compensation for cadmium pollution. This method of calculation provides a means of showing reductions in environmental impacts on the atmosphere, hydrosphere and soil and makes it possible to compare the environmental impacts of different substances using the same standard by converting the impacts into monetary values. | |
| C Customer benefits | Benefits of impacts reduced during product use in monetary value | 1,788.8 | Environmental impact reduction benefits during product use are evaluated in physical quantity units and monetary units. Energy-saving benefits are calculated by using the following equation: Benefits (yen) = Σ [Annual power consumption of the previous product model - Annual power consumption of the current product model] x Number of products sold annually x Benchmark unit price of electricity) | |
| Total | | 525.3 | | |

Millions of yen

A Actual benefits

| Item | Reduction in environmental impacts | Benefits measured in monetary values (millions of yen) |
|--------|------------------------------------|--|
| Energy | -3,500 GJ | -131.8 |
| Waste | 13.0 t | 63.5 |
| Water | -9,500 m ³ | -8.3 |
| Total | | -76.6 |

B Assumed benefits

| Item | Reduction in environmental impacts | Benefits measured in monetary values (millions of yen) |
|--|------------------------------------|--|
| Benefits from reductions in emissions of chemicals | -18.6 t | -1,186.9 |

C Customer benefits

| Item | Reduction in environmental impacts | Benefits measured in monetary values (millions of yen) |
|--|------------------------------------|--|
| Benefits from reductions in environmental impacts during product use | Electricity | 41,630.000 kWh |
| | Paper rolls | 1,410 t |
| Total | | 957.4 |

* The reduction in environmental impacts indicates the difference in the amount between fiscal 2013 and 2014. Negative figures show an increase in environmental impacts beyond the benefits from reduction due to increased production, etc.

The Environment Green Management

Approaches for Conservation of Biodiversity

Concept regarding conservation of biodiversity

The TOSHIBA TEC Group's biodiversity conservation efforts relate to all of our business activities, and include local communities, employees, suppliers and products. With this said, we carry out our biodiversity conservation activities via the four pillars of Products, Manufacturing Sites, Supply Chains and Contribution to Society.

• Four pillars for conservation of biodiversity



Approaches for conservation of biodiversity in each country

TOSHIBA TEC EUROPE IMAGING SYSTEMS S.A.

Set up a bird sanctuary in the leveled ground of the site.



TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.

Observed rare species of butterflies in the dedicated area of the site.



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

Observed the distribution of mangroves and gave assistance to their growth in cooperation with the city.



TOSHIBA TEC CORPORATION, Shizuoka Business Center

Continued to protect and breed "Mishima Saiko" (Bupleurum corzonerifolium) listed as an endangered species.



TOSHIBA TEC MALAYSIA MANUFACTURING SDN. BHD.

Protected green turtles from dangers and helped their hatchlings make them to the ocean.



Environmental Communication

Exhibitions

Toshiba Group Environmental Exhibition

- Date: August 28 to 29, 2014
- Location: TOSHIBA Building (Hamamatsucho, Tokyo)

We demonstrated omni-channel solutions with a focus on TCx-Gravity, and presented our contribution to the society through retail system innovation.

Our vertical image processing scanner also attracted visitors.



Eco-Products Exhibition 2014

- Date: December 11 to 13, 2014
- Location: Tokyo Big Sight

We gave a demonstration of Loops on the center stage and presented the vertical image processing scanner, which had received the Minister of the Environment Award. Both products gained the attention of visitors.



RETAIL TECH JAPAN 2014

- Date: March 3 to 6, 2015
- Location: Tokyo Big Sight

We mainly demonstrated Smart Receipt and highlighted cost reduction and environmental contribution effects by reducing receipt paper. We had an opportunity to introduce the future of retail and distribution business.



External commendation awards

Minister of the Environment Award for the Prevention of Global Warming

IS-910T Vertical Image Processing Scanner

The POS system with the use of the IS-910T vertical image processing scanner received the Minister of the Environment Award for the Prevention of Global Warming in the Technological Development and Commercialization Category as elimination of packaging materials and bar code labels from products was recognized.

It was the second time to receive this commendation, following the Loops Paper Reusing MFP System in 2011.



Community Involvement and Development

The TOSHIBA TEC Group defines the Corporate Policy regarding "Community Relations" in its Standards Of Conduct (SOC) and gets involved in social contribution activities based on this Policy with a focus on activities capitalizing on its business and continuous relationships with local communities.

Corporate Policy regarding Community Relations

TOSHIBA TEC Group Companies shall:

1. contribute to and cooperate with all local communities in which Toshiba Group operates in order to perform its duties as a member of these communities and engage and collaborate with a wide range of stakeholders such as nonprofit organization, nongovernmental organization, administrative organization and international body;
2. support Directors and Employees in undertaking voluntary activities and give full consideration to each individual's desire to exercise his or her civil rights;
3. make appropriate donations in each country and region where TOSHIBA TEC Group operates, after considering the contribution to the community, the public nature and the reasons for making donations; and
4. try to improve the brand image in all aspects of their relationships with the communities.

TOSHIBA TEC Philanthropy Fund

We established the "TOSHIBA TEC Philanthropy Fund" in 1992, which is made up of contributions from employee salaries and bonuses. We have used these donations to promote local welfare activities, support children who will lead the next generation, promote environmental protection and provide monetary donations in the event of large-scale disasters. In fiscal 2014, we made donations to the "Fukushima Donation for Orphans affected by the Great East Japan Earthquake" and the Central Community Chest of Japan. The sum total of our donations has reached approximately 120 million yen.



Local Contribution and Volunteer Activities

Reconstruction support activities by new employees

In April 2015, 107 new employees of the TOSHIBA TEC Group participated in the TOSHIBA Group's Tohoku Reconstruction Support Project. They carried out activities such as selecting scallop shells for oyster farming, preparing the logged forest to reduce weevil damage and planting cypress seedlings in Minamisanriku and Ishinomaki, Miyagi. Working in the affected area also provides our new employees with valuable social and life experiences.



Pink Ribbon campaign

We have been participating in the Pink Ribbon campaign that TOSHIBA works on, together with our group companies since 2009. In fiscal 2014, 30 group employees participated in the walk events held in Tokyo, Sendai and Kobe.



Collection of pull-tabs

We have been collecting pull-tabs since 2002 in the Shizuoka Business Center, to raise environmental awareness and contribute to the communities. Pull-tabs collected from vending machines and from homes are donated twice a year to local welfare facilities to help their activities. In fiscal 2014, we donated approximately 30,000 pull-tabs (12.5 kg) in May and 55,000 (22 kg) in December, and the sum total exceeded 370 kg.



Volunteer grass cutting in welfare facilities

The employees of the Shizuoka Business Center carry out volunteer clean-up activities, such as grass cutting of nearby welfare facilities, to improve the lives of the residents every year. 12 group employees participated in the activity in July 2014.



Support for Children Who Lead the Next Generation

Head Office Tours for Children

We invite our employees' children to the Head Office during the summer vacation. A tour of the showroom, workplace and a visit to the president's office along with the operation of cash registers are organized to help children gain social experience as well as to provide an opportunity for our employees and their children to deepen family bonds.



Workplace tours and experience learning

We provide workplace tours to elementary, junior high and high school students in local communities or on school trips, and offer opportunities for them to learn through experience. We support the students' future learning through showroom tours, product operation and discussions with our employees.



Voluntary story telling

In April 2011, the Shizuoka Business Center donated books and picture books to nearby kindergartens and elementary schools, and its employee volunteers have been holding story-telling sessions since then. It was the fourth year in fiscal 2014 that we held these sessions. The circle of volunteer story-telling has been growing in-house, and many employees participated in six sessions in fiscal 2014.



Community Involvement and Development

School visit

The employees of TOSHIBA TEC Solution Services Corporation visit elementary and special-needs schools. As volunteer instructors, we conduct classes based upon the theme of science and work experience for the purpose of providing opportunities for children to learn through hands-on participation. In February 2015, our experience-based school visit program called "Experience as a Cashier" was recognized and awarded the Review Committee Encouragement Award of the Commendation of Companies Promoting Experience-based Learning Activities sponsored by the Ministry of Education, Culture, Sports, Science and Technology.



"Experience as a Cashier"

This is a program that started in 2009 and offers opportunities for elementary school, high school and special-needs school students to learn about interpersonal relationships with workers, consumers and society, along with using information gained through experience-based activities with cash registers and bar codes. In addition, we provide science experience activities as an experience-based school visit program.

Exhibition at the Science Center for Children Hachilabo

We exhibited our products under the theme of "science in shopping" for two months, from March 25 to May 24, 2015, at the Science Center for Children Hachilabo, Shibuya, Tokyo. By displaying actual products with detailed explanations on panels, we provided children the opportunity to experience and learn about real equipment and mechanisms, such as cash registers and bar codes; how they help to make our lives more convenient and function as useful communication tools. We also offered a series of fun two-day workshops for children in the 1st to 6th grades, when they learned about the relationship between bar codes and science.



Activities to Preserve the Global Environment

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

We have been participating in the project sponsored by Mishima, Shizuoka, to build small dams in streams with the aim of enhancing the forest groundwater recharge system and preventing soil loss, every year since 2003. In fiscal 2014, our employees and their families participated in this project near the Hakone Youth Center, and built 12 dams by thinning the forest and using the thinned trees. It has been the 11th time to participate in this project. The sum total of 103 dams has been built.



Participation in the voluntary environmental improvement and cleanup program of the Mishima City Rakujuen Park

We participate in the voluntary environmental improvement and cleanup program of Rakujuen sponsored by Mishima, Shizuoka, every year. In fiscal 2014, a total of 30 employees and their families participated in this program held in May and October, planted seedlings and picked up trash in the park.



Overseas Activities

Overseas group companies carry out a variety of activities as well.

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

• Educational support for elementary schools

We continue the education support project to provide educational opportunities for underprivileged children. In March 2015, we donated digital MFPs and computers for improving educational environments and 100 thousand yuan for developing other school facilities to the primary schools in Shaanxi and Yunnan Provinces.

• Giant Panda Breeding Research Base in Chengdu

We continue to donate 100 thousand yuan to protect endangered Giant Pandas as well as provide support and medical care for the twin pandas we named.

P.T. TEC INDONESIA

• Blood drive

Many employees participate in a blood drive that is conducted every three months.



• Tree-planting activities

We carry out tree-planting and beach clean-up activities every year to raise the environmental awareness of employees and transmit a clean and greened earth for future generations.



TOSHIBA TEC MALAYSIA MANUFACTURING SDN. BHD.

• Tree-planting activities

We have been carrying out tree-planting activities every year since 2011, for global environmental protection and contribution to the quality of the living environment.

50 employees and their families participated in the tree-planting activity in June 2014, and planted 40 mahogany trees in the water reservoir.



TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.

• Participation in volunteer housing construction projects

In June 2014, 12 employees and their families participated as Build Day volunteers in the housing construction implemented by the NGO, which is involved in housing construction support for the indigent.



Third-Party Comments



Dr. Kenji Suzuki

Professor at School of Global Japanese Studies, Meiji University, Japan

Dr. Suzuki received an LLB degree from Tokyo University, a master's degree from the London School of Economics, and PhD in Politics and International Studies from the University of Warwick. His field of specialization is political economy. Dr. Suzuki is a member of the Association for the Study of Political Society (ASPOS) and Japan Association for Northern European Studies (JANES).

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

"Capital in the Twenty-First Century," written by French economist Thomas Piketty, became a popular topic at the end of last year. I graduated from the same university as he did, but I am neither an expert in economic theory nor am I qualified to discuss the content of his book. However, I do have considerable interest in the historical background of why this book has been a best-seller worldwide, including Japan. The central thesis of this book, "r > g" (when the rate of return on capital (r) is greater than the rate of economic growth (g) over the long term) is that "the rich continue to get richer, while the poor are getting poorer." It is an open question on whether this is true or not. However, many people behind the scenes have supported the idea that there are in fact a lot of problems with modern capitalism, and corrective measures must be taken because it would be disastrous to leave things as they are.

I think that CSR activities are one way to correct some of the problems brought on by capitalism. We cannot deny that wasteful economic activities in a capitalist society burden the environment in various ways. Therefore, it is necessary to make efforts to at least reduce these negative effects.

In that context, I have been impressed with "Smart Receipt," which was introduced as one of the topics of this report. In the past, paper-wasting receipts were a necessary factor for maintaining purchase records. As digital record-keeping progresses, however, paper will no longer be needed. In addition, electronic receipts are not only eco-friendly but also contribute to a significant reduction in business costs to retailers, including that of small vendors. Products that help reduce environmental impact, such as an MFP equipped with a toner recycling system and a breakthrough paper reusing system, have been developed and introduced in this report. I hope you continue to devote your efforts to increase the number of products certified as Excellent ECPs.

Needless to say, I also expect you to make continued efforts to reduce the environmental impact in your corporate activities as well. As the current Fifth Environmental Action Plan will end in fiscal 2015, I hope you focus your energy on achieving your immediate goals.

This report mentions environmental protection activities, as

well as social contribution activities beyond your corporate economic pursuits. I think it is such a great idea to implement these activities by bringing together all of your employees around the world. Social psychology research reveals that people enjoy a feeling of happiness when they do something good for others rather than when others do something good for them. Other research shows that a strong sense of togetherness is developed between people who enjoy a feeling of happiness together. So, such an approach for "Simultaneous Action" not only contributes to society in general, but helps strengthen organizational ties in the TOSHIBA Group as well as the TOSHIBA TEC Group. I trust that you will mutually develop an interest in the activities of others by supporting each other, and find new inspiration for future endeavors by comparing ideas and learning from each other. Therefore, I strongly encourage such actions.

Let's talk about correcting some of the problems that are inherent in capitalism. In general, it is easier for companies with a lot in common to band together because of their ability to communicate and work together more smoothly. If you become caught up in pursuing short-term efficiency, you may balk at promoting diversity. In that context, I find it very impressive that the utilization of diverse human resources leads to increased innovation, vitality and the ability to better adapt to unexpected issues and changes in the market, resulting in increased global competitiveness.

However, if I am allowed to wish so much, this report does not always reveal to what extent diverse human resources are used in practice. I can see that you are working to address gender issues by actively appointing female managers, establishing a program that improves female awareness, surveying young employees involved in sales and implementing reforms based on the findings. However, the promotion of diversity is not exclusive to gender issues. I suppose that especially in Japan's increasingly globalized society, you might have more and more opportunities to make use of human resources, regardless of nationality. It is not that a big issue under present circumstances; however, I expect you to implement advanced approaches in the same manner here as you would in other fields.

Website

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

• Top

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



• Social and Environmental Activities

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

CSR activities of TOSHIBA TEC and its Group companies are introduced.

Main items

- News • CSR of Toshiba Tec • Organizational Governance
- Human Rights and Labor Practices
- Fair Operating Practices • Customers • Environment
- Community Involvement and Development • CSR Report



• Investor Relations

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

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

Main items

- IR News • Management Policy
- IR Library



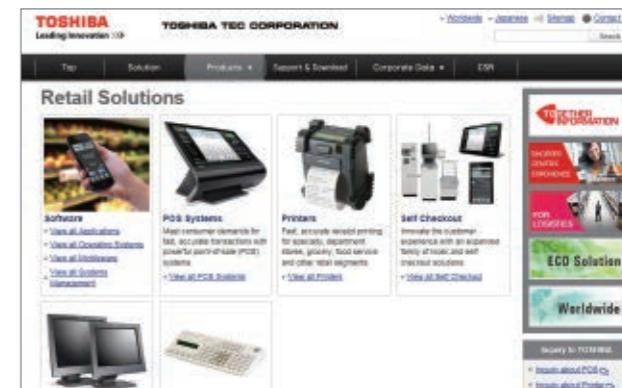
• Products

http://www.toshibatec.co.jp/products_overseas/

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

Main items

- Retail Solutions (POS Systems, Self Checkout, etc.)
- Printing Solutions
 - Barcode/Label Solutions (RFID Printers, etc.)
 - MFP Solutions (Color/Monochrome MFPs, etc.)
 - Engineering Manufacturing Services
 - Inkjet Head



TOSHIBA TEC CORPORATION

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**Production and printing of
the TOSHIBA TEC CSR Report 2015 reflect the following considerations:**

Paper



Use of FSC-certified Paper

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

Printing



Waterless Printing

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



Non-VOC Ink

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