CSR REPORT

TOSHIBA TEC GROUP CSR REPORT 2007

TOSHIBA TEC CORPORATION

Corporate Profile

Firm Name: TOSHIBA TEC CORPORATION
Head Office: Oval Court Ohsaki Mark East 2-17-2, Higashi Gotanda, Shinagawa-ku,Tokyo 141-8664 Japan
President and Chief Executive Officer: Yoshihiro Maeda

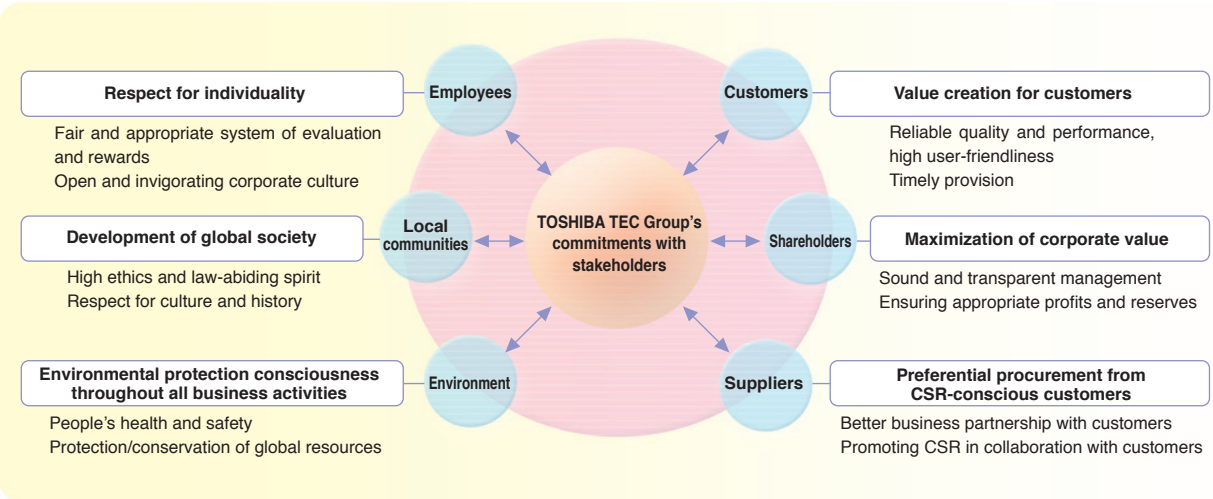
Established: February 21, 1950
Paid-in Capital: 39.9 billion yen (Listed in the First Section of the Tokyo Stock Exchange)
Net Sales: 510.8 billion yen (consolidated in fiscal 2006)
Number of Employees: 19,958 (consolidated as of the end of March 2007)

Regarding the issue of "TOSHIBA TEC GROUP CSR REPORT 2007"

Since the first issue of "TOSHIBA TEC Environmental Report 2000," TOSHIBA TEC Corporation has been annually reporting its commitments toward environmental protection, and toward society in addition to environmental protection since 2004.
Under a string of corporate misconducts, stakeholders have a renewed interest in the Corporate Social Responsibility or CSR. The TOSHIBA TEC Group formed the CSR Promotion Center in April 2005, and established the CSR promotion structure based on the recognition that business management must consider all stakeholders in the TOSHIBA TEC Group including shareholders, customers, employees, local communities and environment to provide sound business activities. The "TOSHIBA TEC GROUP CSR REPORT 2007," which expands the reporting range to embrace accountability regarding the CSR, has been issued.
This Report emphasizes the CSR activities from three points of view: "MANAGEMENT," "PEOPLE & TOSHIBA TEC" and "ENVIRONMENT & TOSHIBA TEC," to allow our stakeholders to further understand the TOSHIBA TEC Group, as well as to easily comprehend our concepts and systems regarding various activities.
The TOSHIBA TEC Group strives to improve the content of this Report, to encompass a large number of stakeholders to understand the CSR activities of the TOSHIBA TEC Group.

Relations with Stakeholders

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



Scope of This Report

Reporting Period: Fiscal 2006 (from April 1, 2006 to March 31, 2007)
Report Scope: In principle, TOSHIBA TEC Group (including TOSHIBA TEC Corporation and its consolidated affiliates)
Environmental Data: TOSHIBA TEC Corporation and its 28 consolidated affiliates

Release Timing

Previous Edition: June 2006
Next Edition: Scheduled for June 2008

Reference Guidelines

GRI (Global Reporting Initiative)
"Sustainability Reporting Guideline 2002"
"Sustainability Reporting Guideline 2006 3rd Tentative Japanese Translation"

Ministry of the Environment
"Environmental Report Guidelines" (Fiscal 2003 Edition)

Ministry of the Environment
"Guidelines for Environmental Performance Indicators for Businesses" (Fiscal 2003 Edition)

“Monozukuri”:

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

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Yoshihiro Maeda

President and Chief Executive Officer,

TOSHIBA TEC CORPORATION

June 2007

Philosophy Management

The TOSHIBA TEC Group expands its business activities based on the philosophy of pursuing mutual prosperity with all stakeholders including customers, employees, society and environment, while creating new values and contributing to society throughout its operations, as well as practicing high business ethics.

The TOSHIBA TEC Group, which expands its business on a global basis, believes it is essential to gain public trust, while meeting the expectations and needs of stakeholders in various countries and regions, in order to achieve sustainable growth as a corporate group.

The TOSHIBA TEC Group shares and practices this thought, by embodying it as “Our Five Commitments (Corporate Philosophy)” and making sure its employees all over the world act in accordance with the “Standards of Conduct or SOC” based on its management philosophy.

“Global Enterprise”

The TOSHIBA TEC Group advances its business activities as a “global enterprise.”

There are two aspects to being a global enterprise the TOSHIBA TEC Group indicates.

One is to take the lead in fulfilling the role as an enterprise toward a better natural environment.

The other is to be an enterprise, which recognizes and respects differences in culture, history and customs among countries and regions in the world. The TOSHIBA TEC Group hopes to contribute to the sustainable growth of society from these two aspects.

The TOSHIBA TEC Group is working on the environmental plan targeted for fiscal 2010, by giving top priority to the conservation and protection of the world’s natural resources, to build a sustainable society. In addition, the TOSHIBA TEC Group makes efforts to reduce environmental impacts through business activities such as development, manufacturing and sales, while providing products in harmony with the environment on a global basis.

Various people with individualities coming from different races, genders and ages live on the earth. The TOSHIBA TEC Group respects diversity and utilizes human resources by focusing on new ideas, which are created when people with different personalities enlighten with each other.

The TOSHIBA TEC Group also actively forges ahead with the work-life balance, to raise awareness of changes in the way of working while always improving the individual added value.

Human Life, Safety and Legal Compliance

The fundamental principles to fulfill CSR are based on the highest priority given to human life, safety and legal compliance. The TOSHIBA TEC Group has established a risk compliance structure, which makes its employees thoroughly understand and implement the “TOSHIBA TEC Group Standards of Conduct,” as well as thoroughly covers sales, engineering and production while assigning me as CRO*.

The manufacturer’s mission is to ensure product safety to prevent accidents, which endanger human life and safety, from occurring. The TOSHIBA TEC Group makes efforts to provide products and services, which customers can use with confidence, while enhancing the quality assurance system on a group global basis.

The TOSHIBA TEC Group fulfills its responsibilities and meets the expectations of shareholders as a “global enterprise”.

We appreciate your support and cooperation.

* CRO: Chief Risk-Compliance Management Officer

Our Five Commitments

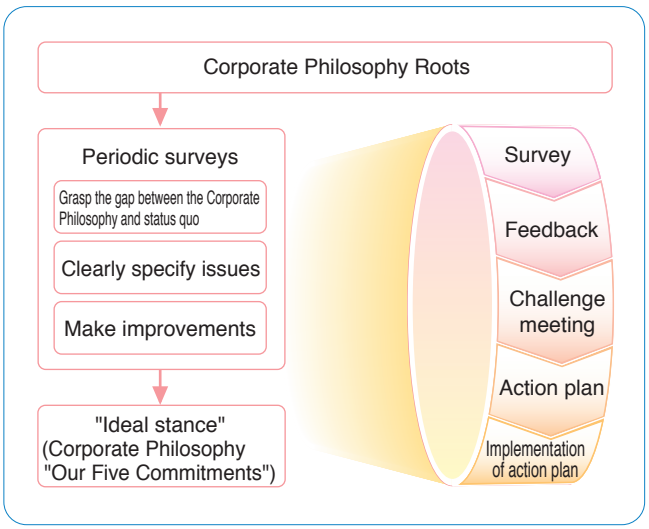
- Corporate Philosophy of the TOSHIBA TEC Group -

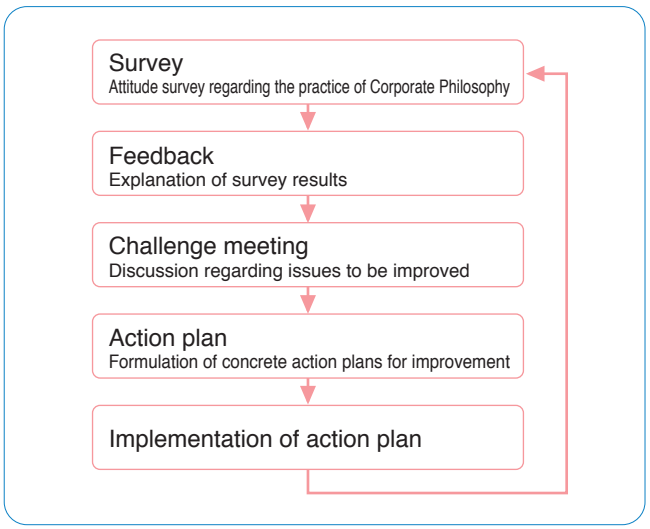
**“Monozukuri”: creating our products with pride and passion.
Keeping our customers in mind all the time and everywhere.**

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.

Corporate Philosophy Roots

The TOSHIBA TEC Group considers its Corporate Philosophy “Our Five Commitments” as the foundation of its business management, and as the “Common Sense of Value” for every employee to possess. Thus, the Group has been striving to propagate and thoroughly make every employee conscious about the Corporate Philosophy, in accordance with the following “PDCA Cycle” (management cycle):





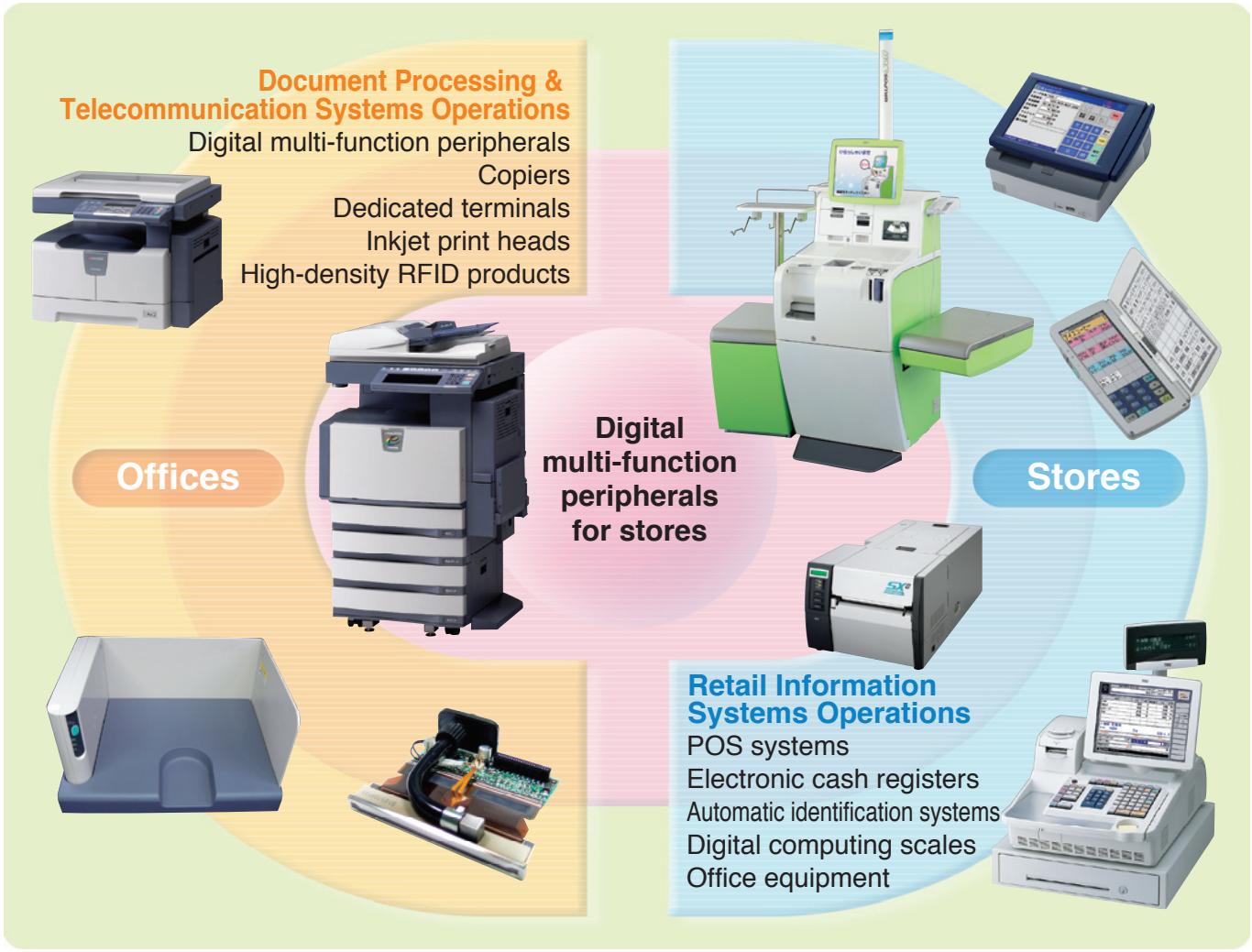
Contributions to the world through “Monozukuri” is our mission as a global enterprise

The TOSHIBA TEC Group products are utilized in various fields such as in stores, offices and homes. We foster our business activities while keeping in mind the support from our stakeholders around the world.

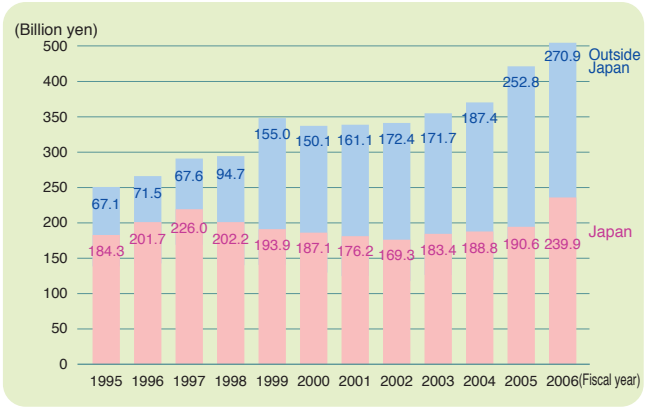
Business Expansion of the TOSHIBA TEC Group

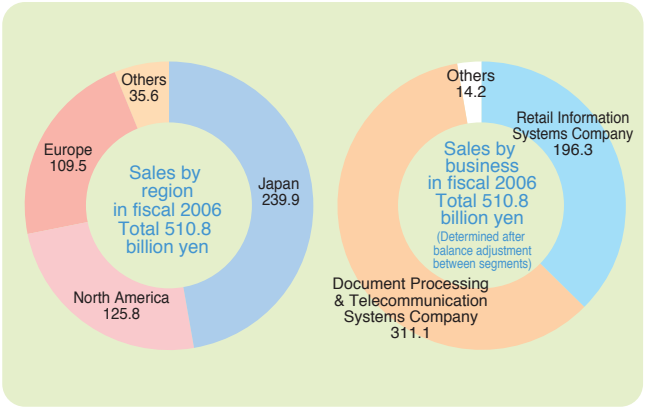
The TOSHIBA TEC Group expands its operations on a global basis under the following two business groups: Retail Information Systems and Document Processing & Telecommunication Systems.

Business Expansion sharing Strengths and Sales Channels among Operating Fields



Net Sales (consolidated)





Mid-term Management Plan

The TOSHIBA TEC Group took measures such as by introducing new products into markets, enhancing and expanding the sales system, and reforming business structure, based on the mid-term management plan. As a result, increases in sales and profits for five consecutive years, and record highs in net sales, operating profit, ordinary profit and net profit were marked in fiscal 2006. With fiscal 2009 as the final year for further development, the TOSHIBA TEC Group advances business operations based on the following new mid-term management plan.

Basic Policies and Business Targets

Key Points

Realization of "Sustainable Profitable Growth"
<Business growth by specializing in B-to-B transactions>

- Achievement of greater sales growth than market growth (Creation and exploitation of new markets)
- Improvement in earning power (Establishment of a global low-cost operation system)
- Implementation of thorough CSR management

Major Strategies

Improvement in merchantability

- Developing and releasing growing engines
- Strengthening manufacturing

Improvement in marketability

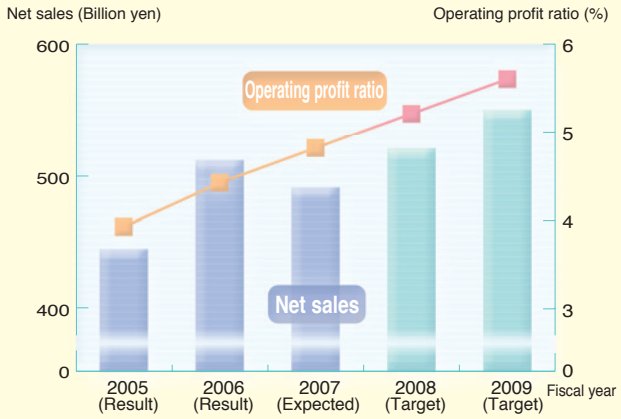
- Qualitatively improving sales ability and expanding core business areas
- Enhancing marketing strategies by region and improving sales efficiency

Reinforcement of the management structure

- Accelerating structural reforms and improving management quality
- Improving resource efficiency

Operation Targets - on a group-wide basis

Realization of "Sustainable Profitable Growth"



Sales growth: CAGR of 5.5% ('05 to '09)
Operating profit ratio: 5.6% ('09)

(Billion yen)

	2005 (Result)	2006 (Result)	2007 (Expected)	2008 (Target)	2009 (Target)
Net sales	443.4	510.8	490.0	520.0	550.0
Operating profit	17.2	22.7	23.5	27.0	31.0
Ordinary income	14.8	19.6	20.0	22.0	26.0
Net income	6.0	10.8	9.0	12.0	13.0
ROE	4.9%	8.1%	6.5%	8.6%	8.9%

(2007 - 2009 mid-term management plan: 110 yen per US dollar, 140 yen per Euro)
(After revision of the depreciation system)

Retail Information Systems Operations

1.Maintenance and expansion of the top shares in Japanese POS markets

- Facilitating replacement in the POS markets for general merchandising stores, specialty stores and restaurants
- Providing systems compatible with diversified payment methods, including electronic money

2.Enhancement and expansion of automatic identification system business in Japan

- Expanding sales in the distribution industry, starting with the retail business
- Providing solutions to the manufacturing and distribution industries
- Creating RFID products and establishing ability to propose solutions

3.Expansion of business outside Japan

- Expanding sales of touch POS terminals
- Improving the service system

Document Processing & Telecommunication Systems Operations

1. Innovation for growth

- Concentrating management resource on the growing full-color MFP business
- Expanding sales through the direct sales network
- Enhancing after-sales services and the solution business

2. Innovation for reinforcing the management structure

- Reducing cost in accordance with reduction in sales price
- Improving market quality and serviceability
- Reducing distribution costs

3. Innovation for structural reforms

- Reforming the global business system
- Reducing fixed costs

Structuring Corporate Governance as the foundation of business activities

TOSHIBA TEC Corporation makes efforts to ensure management transparency, reinforce management monitoring and internal control functions.

Aiming to Continuously Improve Corporate Value

TOSHIBA TEC Corporation is committed to taking measures to improve management efficiency and transparency, as well as to reinforce the functions for the board of directors and corporate auditors, while recognizing corporate governance as an essential management policy, which meets the expectations of stakeholders and continuously improves the corporate value.

In terms of the corporate body, when introducing the executive officer system and in-house company system under the corporate auditor system, with the intention of separating "functions related to supervision and decision making" from other functions, as well as rightsizing the number of directors, TOSHIBA TEC Corporation focuses on improvements in promptness along with mobility. In addition, an outside director and two outside corporate auditors are assigned to ensure management transparency, and a one-year director's term is determined to specify management responsibilities and promptly respond to changes in the management environment.

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

Regarding risk compliance, the "Group Standards of Conduct" are established as the group common standards, for each employee to thoroughly comply with such standards of conduct as well as to act based on all applicable laws and regulations, social customs and ethics. A "Risk Compliance Committee" is formed. The Group works together to thoroughly ensure compliance under the control of this Committee.

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

In fiscal 2006, a variety of measures were conducted with emphasis on improving the internal control systems and systems related to risk management and compliance. The measures included advancing acquisition of environment-related standards (ISO14001) at TOSHIBA TEC Corporation and its affiliates, reinforcing the information security and personal data protection systems, while enhancing the risk compliance structure at affiliates in and outside Japan.

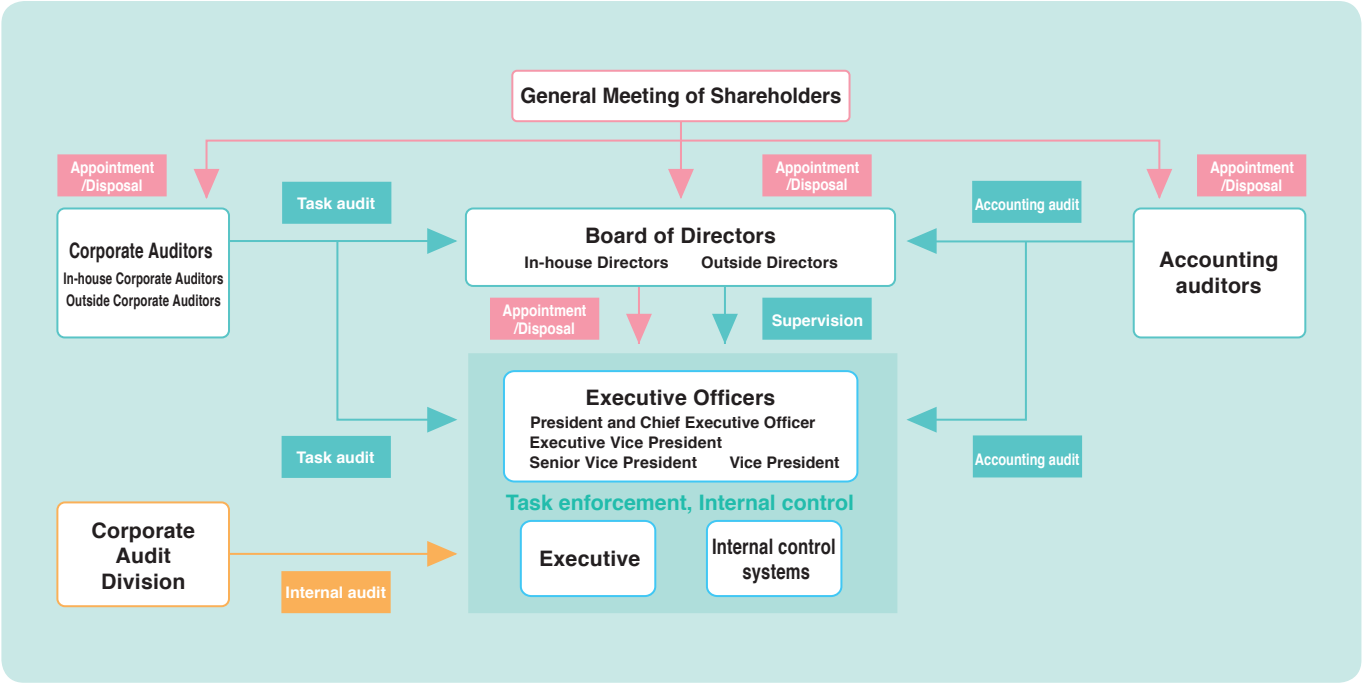
Internal Audit

The internal Corporate Audit Division performs audits, evaluations and provides proposals on the effectiveness of the Risk Compliance Structure and internal control systems. Each Control Division performs audits on environmental control, information security and security export control, in cooperation with the Corporate Audit Division.

Major Divisions Responsible for Internal Audit and Operations

Responsible Divisions	Operations
Corporate Audit Division	Management audit, task audit, compliance audit, etc.
Production Division, Environmental Protection & Safety Group	Environmental management and control results
Production Division, Information Systems Department	Management structure for information security and system
Export Control Division	Security export control

Corporate Governance Structure



CSR Promotion Structure

Business activities are carried out with CSR positioned as the core for management.

CSR Management

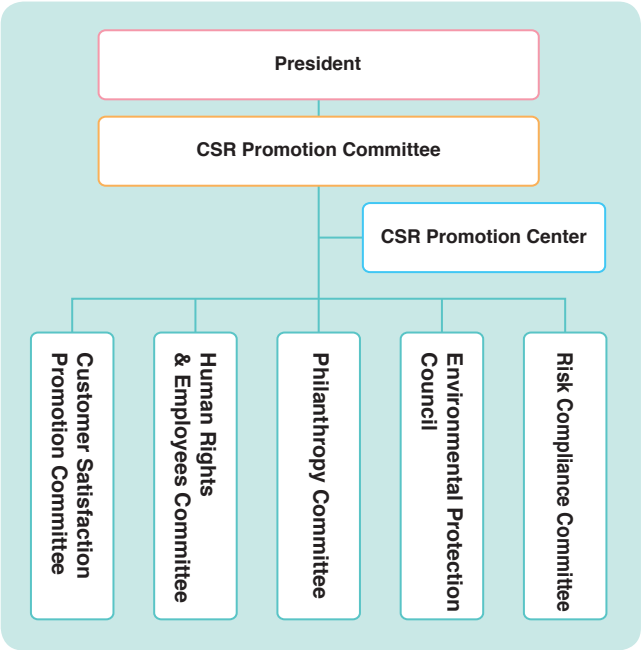
The TOSHIBA TEC Group believes CSR is the foundation for an enterprise to gain public trust and develop in a sustainable manner, which meets the expectations and needs of stakeholders, while actively contributing to society, beyond the range of corporate duties and responsibilities.

The CSR Promotion Center is established to thoroughly position the CSR in corporate management. On the premise of "Compliance" to abide by corporate ethics, laws and regulations, TOSHIBA TEC Corporation organizes the CSR-related activities including "Customer Satisfaction," "Human Rights & Employees," "Philanthropy" and "Environmental Protection" to maintain the promotion structure.

In particular, assigning the president and CEO as the leader and organizer, the CSR Promotion Committee is formed. The Committee devises and provides direction for important issues regarding basic policies and plans for CSR promotion activities. Various action committees such as Customer Satisfaction, Human Rights & Employees, Philanthropy, Environmental Protection and Risk Compliance are allocated under the umbrella of the CSR Promotion Committee. Each committee devises and implements activity policies and plans.

As the premise of corporate sustainable development, it is essential to comply with corporate ethics, laws and regulations, and conduct faithful and transparent management, while taking the global environment into account, along with contributing to local communities.

CSR Promotion Structure



TOSHIBA TEC Group Standards of Conduct

The TOSHIBA TEC Group basic policy requires the TOSHIBA TEC Group companies to conduct business activities on a global basis, in compliance with all applicable laws and regulations, and the highest standards of ethical business conduct, in order to fulfill all their corporate social responsibilities in respect of concerns such as customer satisfaction, respect for human rights, philanthropy and protection of the global environment. In order to achieve this basic policy, the TOSHIBA TEC Group also defines these "TOSHIBA TEC Group Standards of Conduct (SOC)," which specify a sense of values and a guide to general standards of conduct, which all TOSHIBA TEC Group company directors and employees should share.

SOC has been repeatedly revised since its institution in October 1990. In July 2006, the content of SOC expanded by adding several items in terms of CSR and compliance, such as compliance with engineering ethics. SOC is defined as the action policy for the TOSHIBA TEC Group to contribute to society, gain public trust and respect. It is exercised on a daily basis throughout the TOSHIBA TEC Group.

The "TOSHIBA TEC Group Standards of Conduct" has been translated into 13 languages (English, German, French, Chinese, Dutch, Spanish, Portuguese, Swedish, Italian, Polish, Korean, Malay and Indonesian). It has also been adopted by approximately 90 TOSHIBA TEC Group companies and exercised as SOC in each company outside Japan.

* We provide the full text for the TOSHIBA TEC Group SOC on the following website: URL: http://www.toshibatec.co.jp/company/action.html

TOSHIBA TEC Group Standards of Conduct

Chapter 1 SOC for Business Activities

1. Customer Satisfaction
2. Production and Technology, Quality Assurance
3. Marketing and Sales
4. Procurement
5. Environment
6. Export Control
7. Competition Law
8. Government Transactions
9. Improper Payments
10. Engineering Ethics
11. Intellectual Property Rights
12. Accounting
13. Corporate Communications
14. Advertising

Chapter 2 SOC for Corporate and Individual Relationships

15. Human Resources
16. Corporate Information and Company Assets

Chapter 3 SOC for Community Relations

17. Community Relations
18. Political Contributions

Brochure

DVD

Compliance

Employees are encouraged to thoroughly ensure high ethics and law-abiding spirit to prevent misconducts. In the event of misconduct, proper and prompt action is taken.

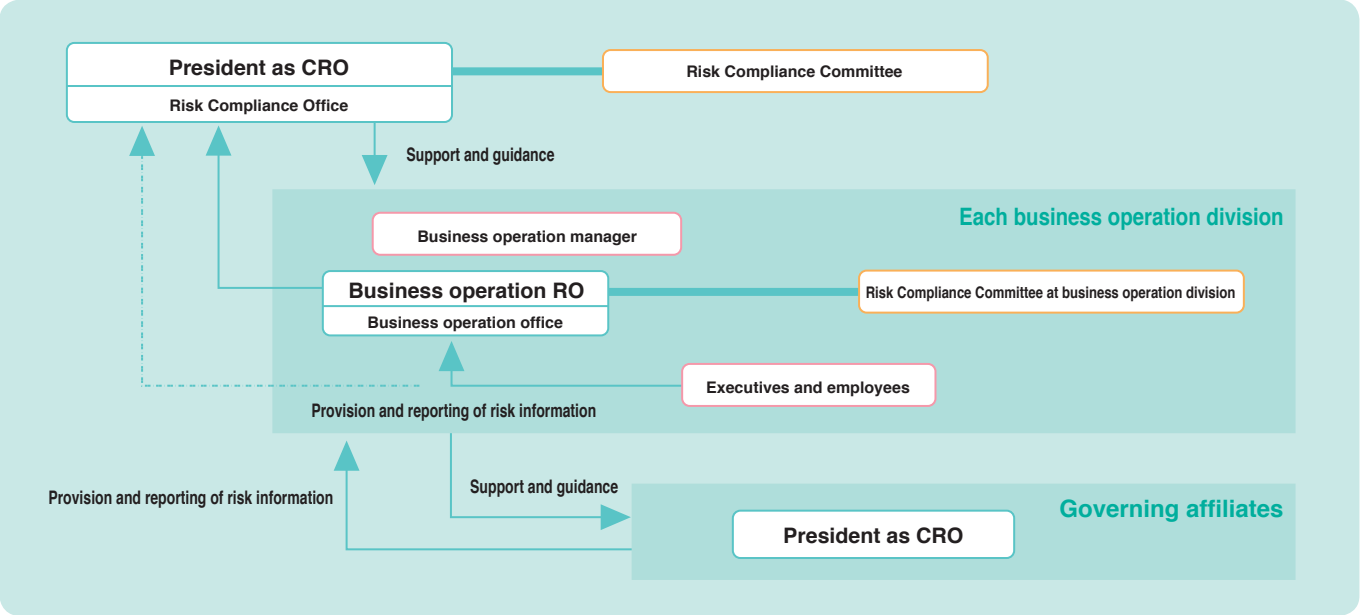
Risk Compliance Management

Assigning a CRO at each Company in order to propagate and thoroughly implement the "TOSHIBA TEC Group Standards of Conduct" while promoting the measures of Risk Compliance Management, the TOSHIBA TEC Group devises and promotes various measures, and takes action involving emergency situations. Appointing the CRO as the leader and organizer, TOSHIBA TEC Corporation organizes the Risk Compliance Committee*, to maintain the Group-wide structure, devise and promote measures toward the advancement of Risk Compliance as well as TOSHIBA TEC measures.

The system, which encourages every employee to directly report risk compliance-related issues to "CRO" or "outside attorneys," is introduced and implemented. A "TOSHIBA TEC Partner Hotline" whistleblower system for suppliers is also set up to encourage suppliers to report such matters.

* Risk Compliance Committee: It devises corporate-wide measures and controls measures regarding Risk Compliance, reinforces and promotes maintenance of the Risk Compliance Structure.

Risk Compliance Management System



Compliance Education

To thoroughly ensure a law-abiding spirit and awareness about compliance, the TOSHIBA TEC Group provides the following educational seminars to employees every year. Employees who work outside Japan also receive education to manage global business expansion. For Group companies outside Japan, compliance education reflecting regional characteristics is provided.
In addition, seminars regarding “information security,” “protection of personal data,” “export control program” and “environmental education” are provided to each employee.

- Education on TOSHIBA TEC Group Standards of Conduct (SOC)
- Copyright education
- International legal services for employees assigned abroad
- Class action lawsuits in the United States
- Legal services in China

Information Security

1) Information Security Management System

In October 2006, the information security committee was reinforced, and rules regarding the reconstruction of the in-house management system and information security were improved upon to enforce security for corporate information assets.
As a part of Risk Compliance Management, the Information Security Committee deliberates rules and measures required to ensure information security. In addition, the Committee, in cooperation with related departments, works on activities to improve the management level of information security such as information security data sharing and self-development activities.

2) Security measures

A firewall has been set up between the Internet and the corporate intranet, to prevent unauthorized access from the Internet into the corporate intranet, as well as protect information leaks.
When an employee needs to access the corporate intranet from outside the office, employee authentication is performed through the security system, to prevent unauthorized access.
Regarding anti-virus measures, a system has been introduced, which initially detects viruses contained in Internet email. All possible measures are taken to ensure client computers receive updates of viruses by incorporating anti-virus software, to prevent virus infections.
The server is housed in a safe data center, to manage important information and information systems, and take anti-risk measures including disasters. Furthermore, by limiting available information, controlling usage of records and encrypting confidential information including personal data, security is enhanced.

3) Education activity

e-Learning is used to learn rules to prevent accidents and ensure information security while handling information. Education is provided to directors, employees, dispatched employees and employees stationed from cooperation companies.
System administrators who manage department computer equipment receive technical explanations regarding information security. All employees including affiliates, share information using the electronic bulletin board, moving us forward with improvements and enlightenment of information security technologies.

Protection of Personal Data

The TOSHIBA TEC Group provides a variety of in-house specifications, which define the management system and proper handling of personal data to comply with all applicable laws and regulations, as well as to take all possible measures to prevent personal data leaks. The TOSHIBA TEC Group strives to thoroughly protect personal data, while providing education to employees and improving measures to physically control portable electronic devices.
In particular, “Privacy Policy” is posted on the website, along with the “Personal Data Protection Program” which defines the handling of personal data and in-house management structure.
In addition, handbooks are distributed to all employees giving clear explanations of this program, while education is provided to allow employees to enhance their sensitivity for protecting personal data. Thus, every employee is required to thoroughly protect personal data within the realm of expanding business activities.

Security Export Control

Recently, the nonproliferation of conventional weapons and weapons of mass destruction in countries, regions or to terrorists, which threaten security, is a critical issue in an international society.
The TOSHIBA TEC Group defines refraining from any transactions that may undermine the maintenance of global peace and security while complying with export control-related laws and regulations of Japan and other countries as the underlying policies for export control.
To achieve such policies, each Group Company establishes the “Export Control Program.” Accordingly, the TOSHIBA TEC Group continuously provides education and performs audits as well as implements strict controls to refrain from any transactions that may undermine the maintenance of global peace and security.

Pledge to ensure reliable quality

Each employee strives to perform thorough quality assurance in every aspect such as product planning, design, procurement, manufacturing, sales and service.

Customer Trust as the Starting Point

TOSHIBA TEC Corporation believes customer trust is built when providing high-quality products with functions and performance desired by customers and services exceeding expectations, as well as encouraging customers to continuously use the products and services with confidence.
The service system is maintained in Japan and on a worldwide basis, for customers to perpetually use POS systems and digital multi-function peripherals under optimal conditions. We visit customers for periodic checks or repairs. We use the voice of customers (VOC) reported through the Help Desk, for further improvements in quality, product planning and development.
In the event of a product accident, we respond to the accident with promptness and sincerity, as well as maintain the system to provide appropriate quality information to customers.

Monozukuri (Product Creation) with Safety and Confidence

By evaluating functions and reliability, and performing a design review at each stage from product development and manufacturing to product provision to customers, we ensure quality. In particular, we perform evaluations on product safety to implement strict reviews and certification.

TOSHIBA TEC Corporation has been ISO 9000 series certified at each business site since 1992. We work toward providing products and services, which customers can continuously use with confidence, while enhancing the quality assurance system on a group global basis.

Starting Quality Innovation by Six Sigma methods

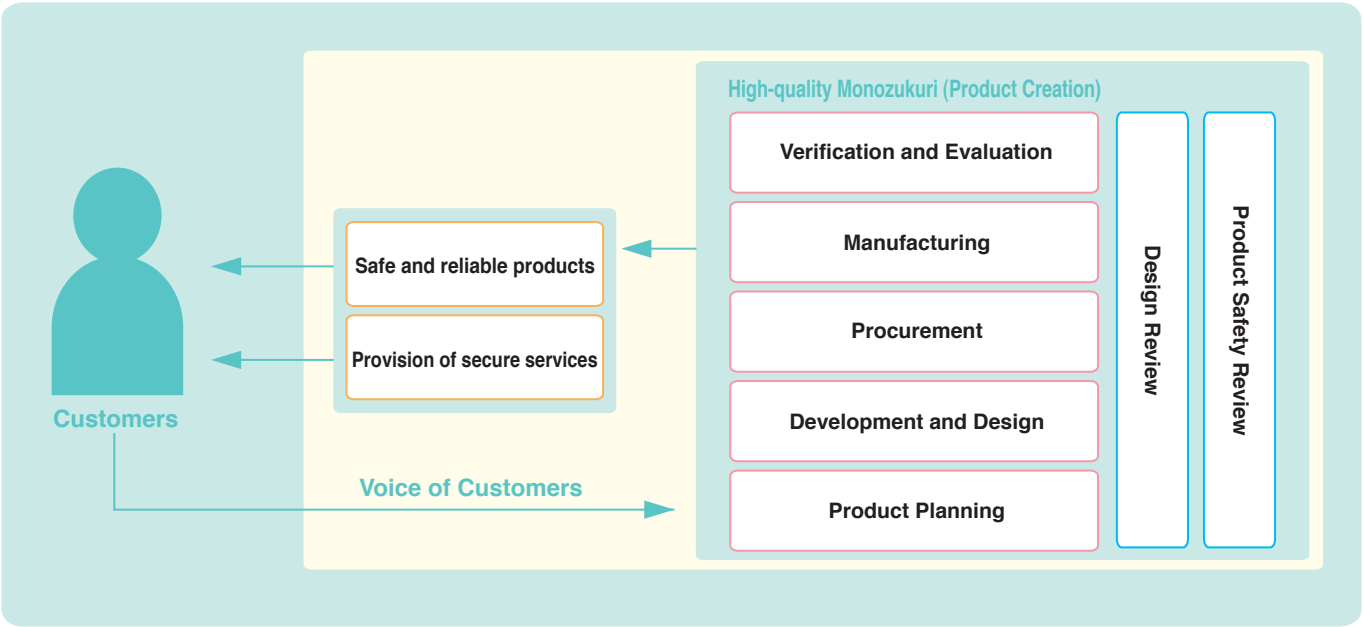
We use the Six Sigma methods to promptly develop, manufacture and provide serviceable high-quality products at reasonable prices to customers. Our goal is quality innovation including engineering development based on the understanding of VOC, pre-trial design verification by utilization of CAD and simulations, application of the robust design, which is resistant to variations in customer operating conditions or components, by quality engineering, and concurrent development where each division performs design, evaluation and production preparation simultaneously in parallel.

Developing Quality Human Resources and Culture

We continuously foster engineers specializing in product safety and reliability, while acquiring knowledge from failures, studying and applying accident cases to the design criteria.

In fiscal 2006, the “quality accident prevention seminar” and “engineering ethics seminar” were provided. We also carry out activities to thoroughly comply with engineering laws and regulations.

TOSHIBA TEC Group Quality Management



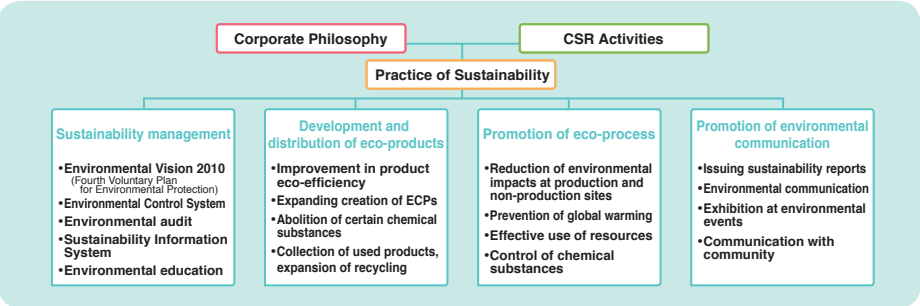
Practicing sustainability based on the Corporate Philosophy and CSR activities

As the pillars of sustainability, the management system is set up, environmental consideration for products and services (eco-products), environmental consideration for production processes (eco-process) and environmental communication are promoted. Environmental improvements are continually performed based on the Basic Policy for Environmental Protection.

Practice of Sustainability

The TOSHIBA TEC Group practices sustainability based on the Corporate Philosophy and CSR activities.
Given "sustainability management," "development and distribution of eco-products," "promotion of eco-process" and "promotion of environmental communication" as the important pillars of sustainability, the TOSHIBA TEC Group is actively driving environmental protection.

Sustainability of the TOSHIBA TEC Group



Sustainability Management

In September 2005, the TOSHIBA TEC Group set up "Environmental Vision 2010." The Group aims to double "Comprehensive Eco-efficiency," which integrates "Product eco-efficiency" and "Business process eco-efficiency," by fiscal 2010 compared with fiscal 2000. The Group has established the Fourth Voluntary Plan for Environmental Protection as a concrete target to achieve the "Environmental Vision 2010," and has been carrying out activities.
In fiscal 2006, 53 main branches, branches and sales offices in Japan acquired ISO14001 certification. As a result, all TOSHIBA TEC business sites including its head office have acquired ISO14001.

Development and Distribution of Eco-Products

Since fiscal 2004, the TOSHIBA TEC Group has introduced an "Eco-efficiency" concept, in which the value of a product and the product's environmental impact are related, to develop and distribute environmentally conscious products or ECPs. ECPs, which have improved the eco-efficiency, are considered to be essential for the establishment of a sustainable society.

Promotion of Eco-Process

The first commitment period for the Kyoto Protocol (from 2008 to 2012) approaches. There has been a growing interest in the prevention of global warming. The TOSHIBA TEC Group pursues building production sites with fewer environmental impacts, along with resource conservation and control of chemical substances in and outside Japan.

Promotion of Environmental Communication

Environmental communication is regarded as an important activity to properly provide stakeholders with environmental information, while listening to their opinions and requests.

Basic Policy for the Environment

We, the TOSHIBA TEC Group, expand our operations on a global basis under the following two business groups: Retail Information Systems and Document Processing & Telecommunication Systems, while contributing to society through "Monozukuri" or by creating environmentally conscious products including POS systems and digital multi-function peripherals.
We assign top priority to consideration for the environment throughout all business activities, and practice global sustainability based on our Corporate Philosophy "Our Five Commitments" along with corporate social responsibility, in order to hand down to our next generation, our irreplaceable Earth in a sound state.

(1) Given "sustainability management," "development and distribution of eco-products," "promotion of eco-process" and "promotion of environmental communication" as the important pillars of sustainability, the TOSHIBA TEC Group actively drives environmental protection.

(2) "Sustainability Management"

· The TOSHIBA TEC Group specifies and promotes objectives and targets for its business activities, products and services to 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, and also industry guidelines, which it has endorsed, for environmental protection.

· The TOSHIBA TEC Group educates all its employees to enhance their consciousness of the environment.

(3) "Development and Distribution of Eco-Products"

· The TOSHIBA TEC Group fosters green procurement of environmentally conscious materials and parts, resource and energy conservation, and abolition of certain chemical substances, in order to provide environmentally conscious products.

· The TOSHIBA TEC Group advances distribution of environmentally conscious products.

· The TOSHIBA TEC Group contributes to the establishment of a sustainable society, while collecting and recycling used products and reusing used parts.

(4) "Promotion of Eco-Process"

· The TOSHIBA TEC Group strives toward resource and energy conservation, as well as correct control of chemical substances, for environmentally conscious production.

· The TOSHIBA TEC Group promotes green purchasing of environmentally conscious stationeries and office automation equipment.

(5) "Promotion of Environmental Communication"

· The TOSHIBA TEC Group actively and widely discloses its policy for the environment and activities inside and outside the Group.

· The TOSHIBA TEC Group participates in society-wide environmental activities in cooperation with administrations, communities and bodies concerned.

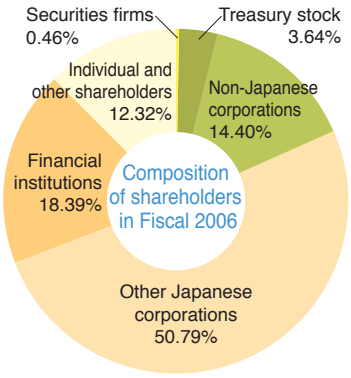
TOSHIBA TEC Group
Revised in November 2005

Shareholders/Investors & TOSHIBA TEC Corporation

TOSHIBA TEC Corporation strives to gain trust while allowing shareholders and investors to properly understand TOSHIBA TEC Corporation through various avenues.

Composition of Shareholders

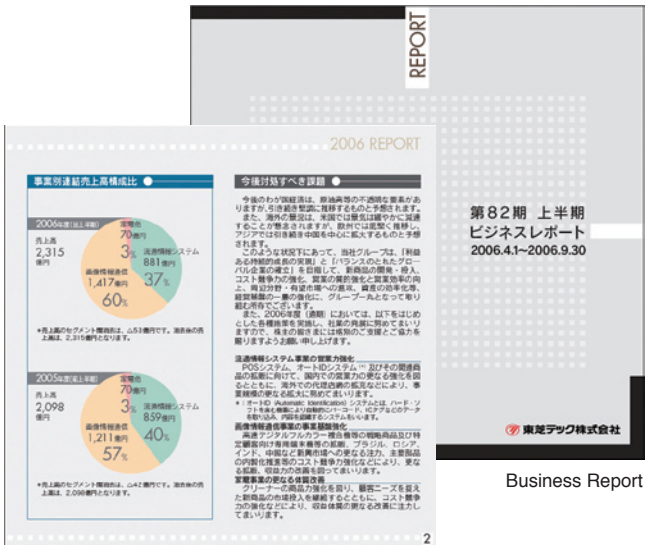
As of the end of March 2007, there were approximately 17,000 TOSHIBA TEC shareholders.
Individual and other shareholders accounted for 12.32% of shareholders with voting rights, financial institutions for 18.39%, other Japanese corporations for 50.79%, non-Japanese corporations for 14.40%, securities firms for 0.46% and treasury stock for 3.64%.



Communication with Shareholders

Business Report

TOSHIBA TEC Corporation recognizes the General Meeting of Shareholders as an important forum for direct communication with shareholders. Therefore, visualized business reporting is provided to take ease of understanding into account. Even after the General Meeting of Shareholders, TOSHIBA TEC Corporation allows shareholders to understand its products better through showroom tours and distribution of the CSR Reports.
In addition, allowing shareholders who cannot attend the General Meeting of Shareholders to understand TOSHIBA TEC Corporation where possible, we deliver the Business Reports to all shareholders and post the reports on the TOSHIBA TEC website. The Business Reports including information such as mid-term management plans and CSR activities as well as overviews of operations are prepared with diagrams and photos for easy understanding.



Business Report

IR Fair

For communication with individual investors, TOSHIBA TEC Corporation participates in the IR Fair for individual investors sponsored by Nihon Keizai Shimbun, Inc. held at the Tokyo Big Sight (Koto-ku, Tokyo) every year.
Approximately 100 listed companies participated in the Fair held for two days in July 2006. The celebrity lecture was also held to gain attention from individual investors. The Fair attracted approximately 15,000 people for two days.
Individual investors are encouraged to listen to lectures and receive investors relations information freely from each booth. TOSHIBA TEC-related materials and information are distributed to investors, who visit the booth. Corporate information is individually provided to investors, who express interest in investing in TOSHIBA TEC Corporation. TOSHIBA TEC Corporation focuses on IR activities and gaining corporate recognition.

Disclosure

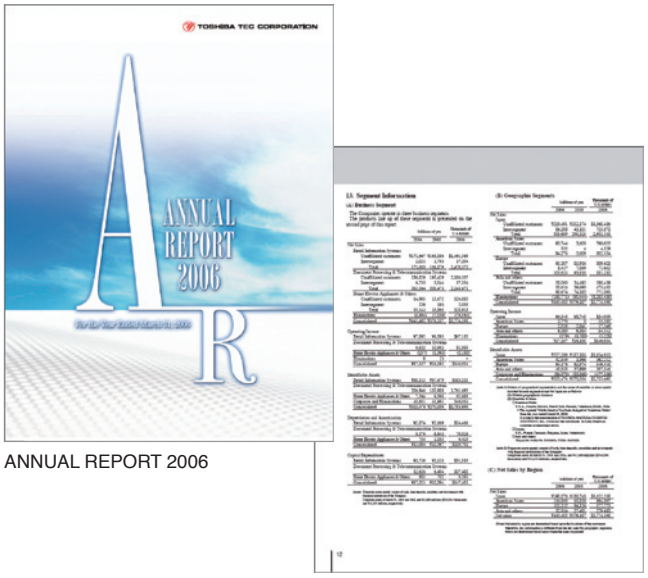
TOSHIBA TEC Corporation makes efforts to promptly disclose proper corporate information including its Corporate Philosophy, financial statements and financial information, to gain trust from its stakeholders including shareholders, investors and local communities to ensure a deeper understanding of the Corporation.
In particular, information is promptly, properly and fairly disclosed based on in-house specifications, laws and regulations when important corporate information arises. The account settlement meeting for institutional investors and financial analysts is held twice a year. The mid-term management plan meeting is held by President & CEO once a year. Easy-to-understand disclosure information regarding business operations is immediately posted on the TOSHIBA TEC website.

In addition, TOSHIBA TEC Corporation consistently complies with disclosure rules, to strictly prevent insider trading, as well as produce fair disclosures.

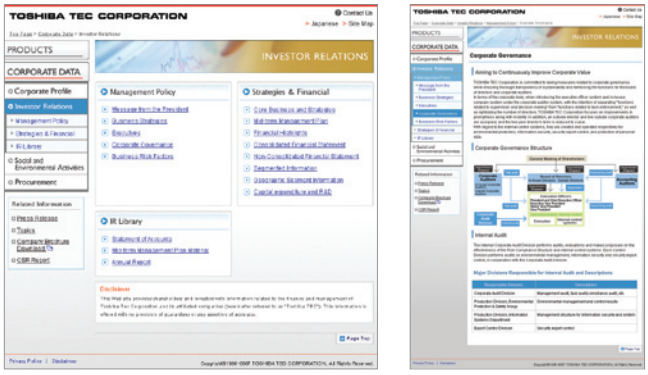
Account settlement meeting

Annual Communication Schedule for Fiscal 2006

Month	Communications
April	Announcement of financial results (Disclosure of overview of account settlement) Account settlement meeting
May	Mid-term management plan meeting
June	Dispatch of convening notice for the General Meeting of Shareholders Distribution of Business Reports Dispatch of notice for resolution Posting of financial results (on the TOSHIBA TEC website) Disclosure of financial statements Distribution of CSR Reports
July	Disclosure of achievements for the first quarter term
October	Announcement of interim financial results (Disclosure of overview of interim account settlement) Interim account settlement meeting
December	Distribution of first-half Business Reports
January	Disclosure of achievements for the third quarter term



ANNUAL REPORT 2006



TOSHIBA TEC website (INVESTOR RELATIONS):
URL: http://www.toshibatec.co.jp/investor/index.html

Customers & TOSHIBA TEC Corporation

The TOSHIBA TEC Group exercises its business activities, while giving top priority to providing products and services, which satisfy and please customers from the customers' point of view.

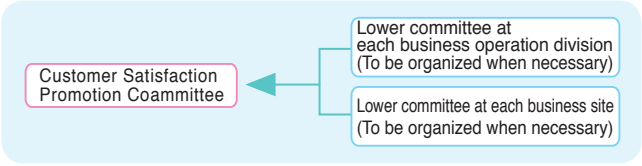
<Customers>...Customers First

"We aim to provide timely products and services with reliable quality and functions as well as high user-friendliness, creating value with our customer in mind through our superior proprietary technology and in collaboration with the world's best partners." is defined in the TOSHIBA TEC Group's Corporate Philosophy.
The TOSHIBA TEC Group exercises its business activities, while giving top priority to providing products and services, which satisfy and please customers. From this perspective, each employee needs to think and behave from the customers' point of view, by asking himself or herself what customers want and what value is important for customers, to realize this ideal stance.

Customer Satisfaction Policy

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

Customer Satisfaction Promotion Committee

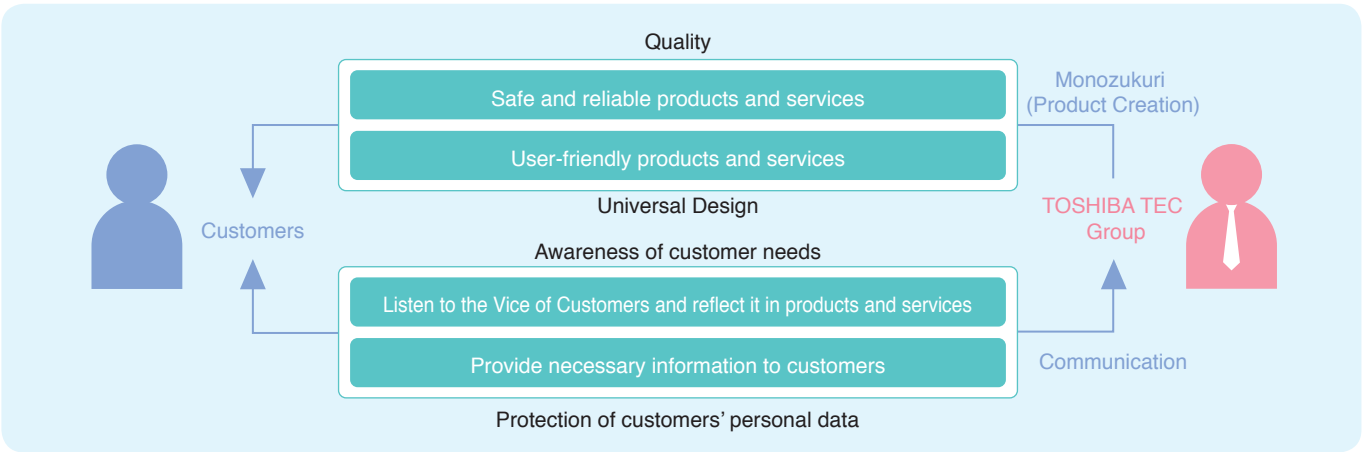


"TOSHIBA Group Customer Satisfaction Promotion Policy"

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.

Initiatives to Enhance Customer Satisfaction



Universal Design

Universal Design (UD) is "an approach to the design of all products and environments to be as usable as possible by as many people as possible regardless of age, ability, or situation." Recently, a variety of home electric appliances and general merchandise, which emphasize UD, are marketed.
TOSHIBA TEC Corporation advances the incorporation of UD into products by creating its proprietary UD philosophy, UD guidelines and UD evaluation sheets.
With regard to such activities, TOSHIBA TEC Corporation delivered an oral presentation accompanied by a paper focusing on its UD activities for MFPs, at "the 2nd International Conference for Universal Design in Kyoto 2006." When TOSHIBA TEC's MFP "e-STDUIO3500c" was exhibited at the TOSHIBA booth in the corporate exhibition held at

the same time, as a major UD interest point, its control panel with a variable angle-setting feature attracted the attention of visitors.
TOSHIBA TEC Corporation hopes to keep pursuing "user-friendly" designs and products.


Opening ceremony

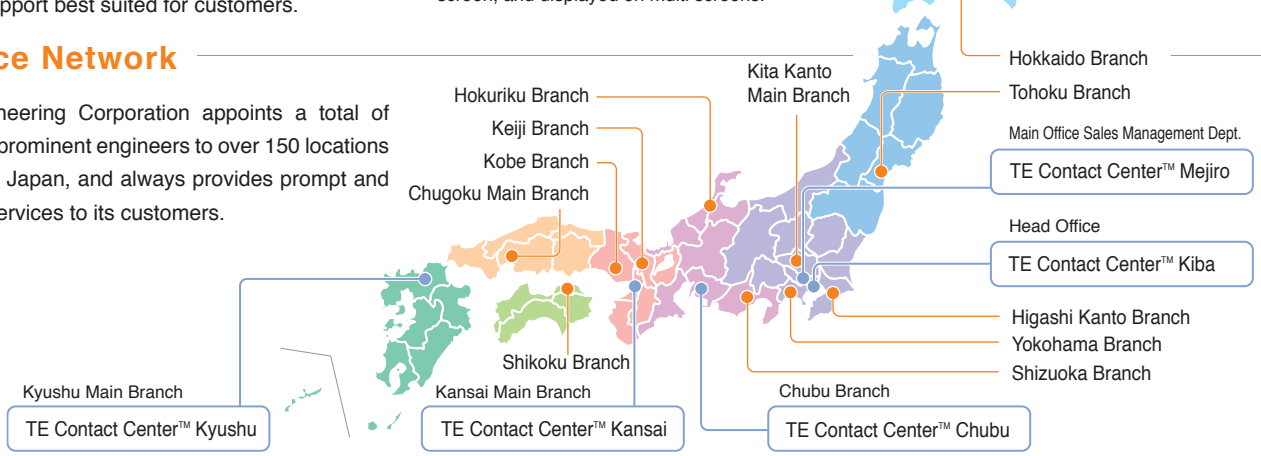
Contact Centers

TEC Engineering TE Contact Center™, which is responsible for maintenance services for the TOSHIBA TEC Group, is set up as the service point of TEC Engineering Corporation to promptly provide solution support regarding POS systems through network computing, allowing the customers to be constantly in contact with TEC Engineering Corporation. Conventional help desk operations and one-stop services, where network technologies are integrated and IT technologies are utilized, provide face-to-face solution support best suited for customers.

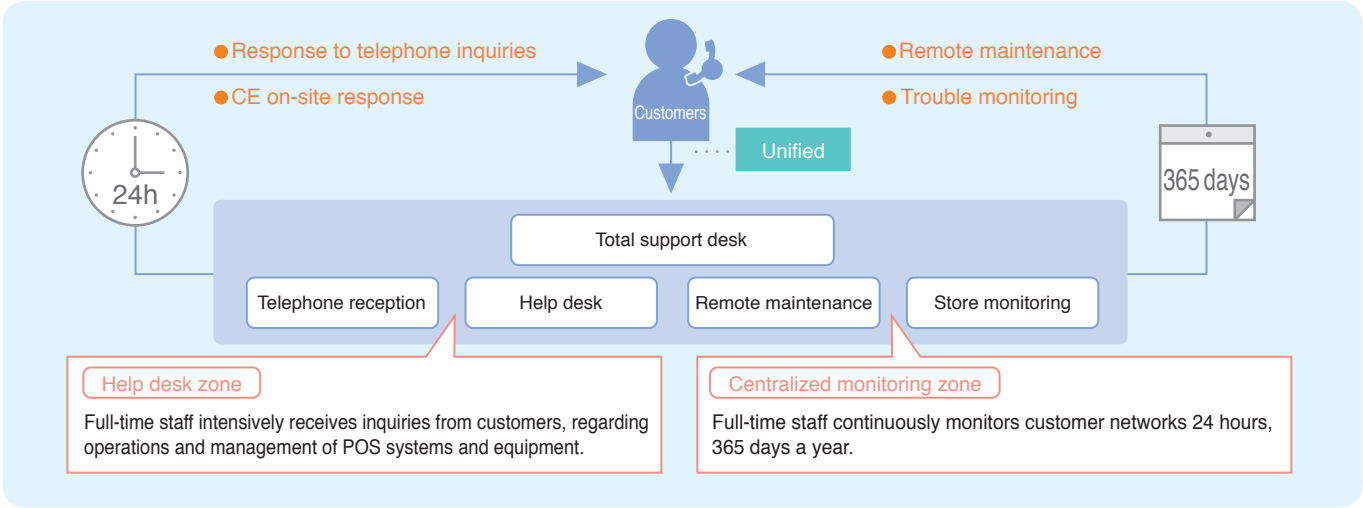

The operating condition of customers' systems is monitored and analyzed on a large monitoring screen, and displayed on multi screens.

Service Network

TEC Engineering Corporation appoints a total of about 800 prominent engineers to over 150 locations throughout Japan, and always provides prompt and accurate services to its customers.



Total Support Routine



Employees & TOSHIBA TEC Corporation

Every employee is respected, while proper evaluations and rewards are practiced. Safety control and healthcare are positioned at the heart of management.

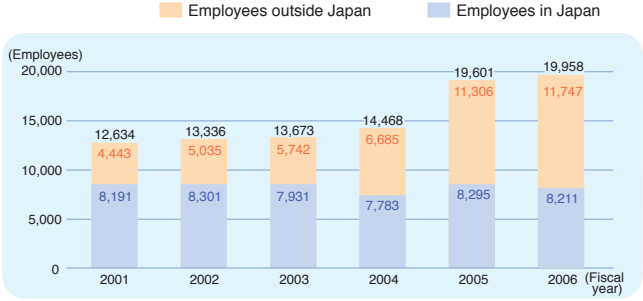
Basic Policy on Human Resources

The TOSHIBA TEC Group respects every employee and strives to improve each employee's capabilities. The TOSHIBA TEC Group practices fair and proper evaluations and rewards, as well as creates an open, broad-minded and sound organizational culture. In addition, by providing a working environment where motivated personnel can bring their capabilities into full play, while striking a balance between work and family, the Group establishes a reward system for all human resources as an essential support system for its employees to form a powerful professional group which keeps on challenging itself.

Number of Employees

By expanding the direct sales channels for the Document Processing & Telecommunication Systems operations, reinforcing the Retail Information Systems operations outside Japan, and accelerating the production shift to Shenzhen in China, the total number of employees increased by 357 compared with fiscal 2005, and reached 19,958 at the end of fiscal 2006.

Number of Employees (as of the end of every fiscal year)



Personnel System

The human resources system is designed to ensure all employees realize "job satisfaction" and "a spirit of challenge" to achieve self-fulfillment through their tasks, as well as to practice proper rewards, by linking individual achievements with organizational achievements.
TOSHIBA TEC Corporation is devoting its energies to creating an open, broad-minded and sound organizational culture to form a professional group, who can accentuate its organizational strengths, while having each of its employees acquire more advanced capabilities in becoming independent.

Human Resource Utilization/Development System

1) Target Attribution System	The corporate goal is broken down and each employee's target is set. Rewards are based on results, by linking the achievement of each employee's target with the realization of the corporate goal.
2) Expertise Development Evaluation System	The expertise of each employee is evaluated. Rewards are based on manifest advances in skills applied to the task performed.
3) Role Assignment System	The role assignment is designed depending on variations in capability. Rewards are based on variations in the degree of role-based responsibility and complexity of work.
4) Utilization of In-house Job Posting	Providing opportunities to allocate human resources to business priority areas, and fulfilling employees' initiatives and hopes encourage the utilization of human resources.
5) Employment extension system	To strengthen and further actively utilize senior expertise, the employment extension system was introduced in fiscal 2002. The rich experience and knowledge of senior employees are incorporated into the system based on projected low birth rates and an aging population.

Promotion of Gender Equality and Support to Foster Future Generations

On the basis of gender equality, TOSHIBA TEC Corporation is aiming to provide a working environment where motivated personnel can bring their capabilities into full bloom regardless of gender. In order to support the employees to balance work and family, the system, as shown at right, is provided.

1) Child-care leave	Until the end of the month when the child becomes three years old.
2) Family-care leave	Per person who requires nursing. Until the day marking a full three years from the day nursing commenced. Within 365 days in total.
3) Nursing-care leave	Five days per child and family member other than a child. Another five days in the first year per two children or more, when the children before entering elementary school require nursing.
4) Short-time job	For those caring for a preschooler : Until the end of March of the year, in which the child enters elementary school. For nursing care : Up to three years per person from the day the shift is applied.
5) Annual paid holidays on an hourly basis	For reasons of child rearing, family caring and nursing care, an employee who is not participating in a flextime system is allowed to take hours or days off on an hourly basis, which exceed 20 days given in a fiscal year or carried over from the previous year.

Employment of People with Disabilities

TOSHIBA TEC Corporation endeavors to create working environments where people with disabilities and those without disabilities can work together as equals. Employees with disabilities are involved in a variety of operations. Job opportunities for people with disabilities are expanded and working environments are improved to bring their capabilities into full play, through Internet recruitment and various other types of forums.

TOPICS

- Communication seminar with people with disabilities
- TEC Sign Club (Sign language class)

Education and Training System

The education and training system consists of several training programs, to enable employees to acquire sophisticated expertise in conjunction with their own goals and aspirations, to provide education including compliance education for all employees through enlightenment activities, and to provide education according to their position at every level throughout corporate life. Various training courses are provided in response to individual employees and task needs.

Education according to Position

Starting with numerous introduction training programs for new employees, group training is provided for newly appointed deputy specialists, with a view to mastering basic knowledge regarding management based on financial statements. Another group training is provided for these newly appointed deputy specialists after a given period, with the aim of acquiring skills to understand roles as managers and achieve challenges.
Especially for newly appointed managers, basic knowledge for management of compliance and corporate accounting is provided. After a determined period, group training is provided for these managers to improve human skills such as coaching.
For general managers, group training and dispatch training are provided with the purpose of improving conceptual skills to devise strategies from a managers' point of view.

Career Design Education

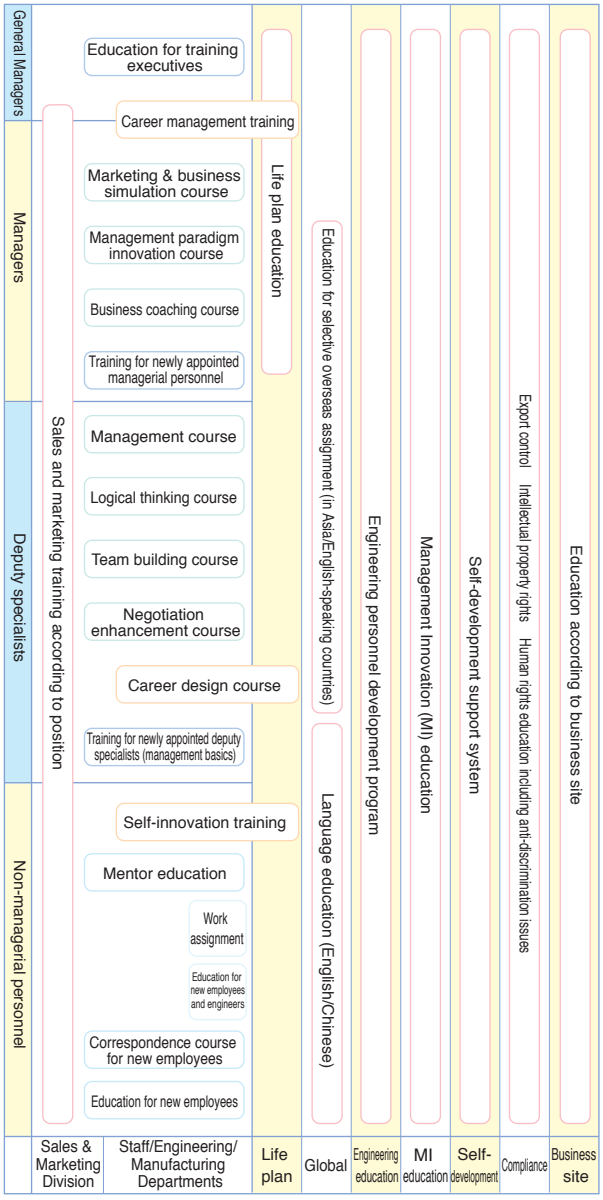
Career design education is provided for employees in their 20's, 30's and 40's respectively. This program is intended to allow employees to develop their capabilities to become aware of the importance of "autonomy," create their future on their own, improve themselves and realize choices they made.

Global Personnel Development System

Under the current business environment, the need for personnel who can play important roles within the international arena outside Japan is magnified. TOSHIBA TEC Corporation established the global personnel development system for young employees to mid-career employees, to systematically develop human resources with ingenuity, cultural enrichment and a sense of internationalism, as well as language ability.

TOPICS
TOSHIBA TEC Corporation provides education and training for its employees of the Group companies in and outside Japan. In fiscal 2006, group training was provided for employees at affiliates in China to build cross-border teamwork, with the aim of improving cross-cultural understanding, self-understanding and communication skills.

Education System



Corporate Philosophy Survey

TOSHIBA TEC Corporation gives top priority to thoroughly understanding and practicing its Corporate Philosophy, while also practicing business activities and management, as well as determining the gap between the “ideal stance” and status quo based on the Corporate Philosophy. TOSHIBA TEC Corporation has been conducting an attitude survey to make sure its Corporate Philosophy is utilized in a concrete manner for each employee’s behavior or at each workplace since fiscal 2004. By taking measures to improve workplaces according to the statistics, TOSHIBA TEC Corporation propagates and thoroughly makes every employee carry out business operations and take action based on the Corporate Philosophy.

A survey was conducted for TOSHIBA TEC Corporation and its 11 affiliates in Japan in fiscal 2006. 97% of employees answered the questionnaires. The questionnaires were collected, summarized and analyzed in various aspects, and fed back to all employees. Employees exchanged opinions based on these analyzed results at “Challenge Meetings,” drafted an improvement plan toward fiscal 2008, and implemented the plan in accordance with the PDCA Cycle.
In fiscal 2006, top management including the President also held a “Challenge Meeting” regarding issues, which were improved upon throughout regular “Challenge Meetings” held by employees.

The first survey was conducted for 17 major Group companies outside Japan in October to November in 2006. 86% of employees answered the questionnaires. The philosophy promotion committee members gathered from each region and summarized the results in Hong Kong, Germany and the United States in December 2006 to January 2007. Focusing on the philosophy promotion committee members of each region, the PDCA Cycle practices holding “Challenge Meetings,” devising an improvement plan, and implementing the plan even outside Japan. We are planning to replace a paper-based survey with a web-based survey in fiscal 2008 or later. We continuously strive to propagate the Corporate Philosophy.

Labor-Management Relations

The labor contract governing laws for labor-management relations has been concluded between TOSHIBA TEC Corporation and its labor union, to foster the policy of coexistence, i.e. "corporate development encourages the economic status of its labor union members, while improvements in the economic status of its labor union members lead to corporate development." Under this policy, labor and management merge their energies to improve productivity, while openly discussing management issues and reviewing directions to deepen mutual understanding.

Health and Safety

Top Management's Declaration regarding the Occupational Health and Safety Management Policy

TOSHIBA TEC Corporation and its Group companies thoroughly implement the Occupational Health and Safety Management Policy, which values safety management and healthcare with the utmost seriousness, giving top priority to life, safety and compliance with laws and regulations.

The TOSHIBA TEC Group Occupational Health and Safety Management Policy

Based on the Corporate Philosophy "Our Five Commitments" and Standards of Conduct (SOC), as a "global company" which places the highest priority on human life, safety and legal compliance in business activities, the TOSHIBA TEC Group implements the creation of "a safe and comfortable working environment, and Total Health Promotion."

1. All TOSHIBA TEC Group members shall promote the Health and Safety Management activity, and gain an Occupational Health & Safety Management System (OHSMS) certificate.
2. We will establish and implement plans and objectives to prevent work-related injury and illness.
3. We will establish and implement plans and objectives to enhance employees' mental and physical health preservation, to enable the exertion of their capabilities.
4. We will support and demand efforts in Health & Safety Management to our suppliers, in order to ensure the health and safety of all people related to the TOSHIBA TEC Group business.
5. We will contribute to the improvement in our overall health and safety management level by actively making a public statement on our Health & Safety efforts and achievements.

April 1, 2006

Yoshihiro Maeda

President and Chief Executive Officer, TOSHIBA TEC CORPORATION

Healthcare

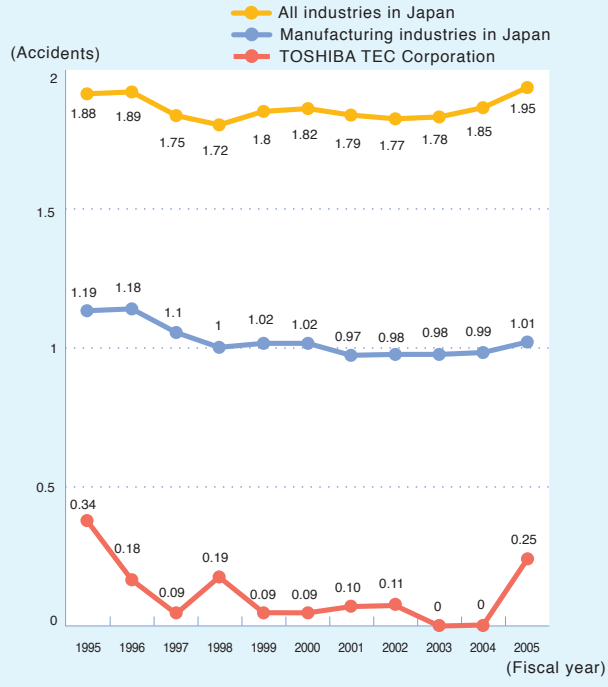
As instituted by laws and regulations, periodic medical checkups are provided for all employees. Guidance on supporting prevention and amelioration of lifestyle-related diseases is provided based on the checkup results. In addition, interviews with medical professionals are offered during medical checkups for healthcare of employees who have worked for an extended period of time.

Regarding mental health support, the TOSHIBA TEC Group strives to maintain and promote the "mental health" of employees through workshops, telephone hotlines to seek advice from healthcare professionals, and healthy walking. For employees who have taken long-term leave, the program is defined to help them into the working environment and even after they readjust themselves into the surroundings.

Prevention of Industrial Accidents

The TOSHIBA TEC Group's efforts to prevent accidents such as heath and safety patrols by top management and periodic workplace heath and safety patrols by the health and safety committee members show the TOSHIBA TEC Group's accident rate has been far below both the average within all industries and manufacturing industries in Japan. The TOSHIBA TEC Group enhances heath and safety management activities to achieve higher goals.

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



Work Balance

In terms of the "Achievement of Work-life Balance" and "Physical and Mental Health Maintenance," TOSHIBA TEC Corporation provided education for managerial and supervisory personnel to understand and master the time-management technique, effective and efficient organizational management technique and leadership technique for their expansions. In fiscal 2007, TOSHIBA TEC Corporation widely offers such education to its affiliates within Japan.

Partnership with Suppliers

While establishing mutual relationships with suppliers based on trust through fair and open trade, we assign priority to and advance transactions with suppliers, which are committed to complying with laws and regulations, upholding human rights and protecting the environment.

CSR Procurement Policy

The Toshiba Group Procurement Policy is in accordance with the Toshiba Group Standards of Conduct and the UN Global Compact.
In the procurement of goods and services required for the production and supply of products, while emphasizing legal compliance, human rights and the environment, TOSHIBA TEC Corporation as a member of the TOSHIBA Group establishes favorable partnerships with its suppliers based on fair and open transactions and mutual trust.
By spreading the CSR concept not only in the TOSHIBA TEC Group but also throughout the supply chain covering all production and shipping processes including suppliers, TOSHIBA TEC Corporation strives to fulfill its responsibilities as a global enterprise.

Supplier Expectations

(1) Compliance with Laws, Regulations and Social Customs
- Ensuring compliance with the laws and regulations in effect in the countries and regions in which they operate including, for example, anti-trust laws, commercial codes, subcontractor regulations, foreign exchange laws, personal privacy laws, copyright laws, etc.
- Prohibition of child and forced labor
- Prohibition against discrimination
- Maintaining a safe and clean working environment

(2) Environmental Considerations
- Adoption of ISO 14001-based environmental management systems
- Promotion of third-party certification.
- Reduction or elimination of use of potentially hazardous substances
- Utilization of Green Procurement

(3) Maintaining of Sound Business Operations

(4) Securing Excellent Product Quality

(5) Offering Goods and/or Services at Appropriate Prices

(6) Firm Delivery Commitment and Establishment

(7) Enhancement of Technological Capabilities

Request Suppliers to Promote CSR

Suppliers play a vital role in supporting the TOSHIBA TEC Group's production and services. We request suppliers to understand the CSR procurement policy and enhance their cooperation, while distributing the "TOSHIBA Group Procurement Policy" and holding supplier meetings (best partners' meeting).
In terms of environmental considerations for procurement items, we request suppliers to control toxic chemical substances, carry out systematic control for environmental protection and perform activities to improve the environment in accordance with the "Green Procurement Guidelines."
Particularly for compliance with the "Directive of the European Parliament and of the Council on the "Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive" in the European Union, we have been replacing applicable parts with alternatives, in cooperation with suppliers. In fiscal 2006, we have concluded the "Agreement on Non-containment of Certain Hazardous Substances" with 339 suppliers in Japan and 680 suppliers outside Japan as of the end of March 2007, to thoroughly contain no such hazardous substances.

The CSR procurement policy explained at the supplier meeting (best partners' meeting)

TOSHIBA TEC Partner Hotline Setup

The TOSHIBA TEC Group gives management top priority to compliance with laws, regulations, social customs and corporate ethics throughout its business activities. As part of the efforts, the system has been established to encourage suppliers to report matters when a relevant party violates or may violate compliance in procurement transactions such as outsourced manufacturing and service provision. A "TOSHIBA TEC Partner Hotline" whistle-blower system for suppliers is set up on the website for outsiders, thus, TOSHIBA TEC Corporation to correct such conditions on its own.
When suppliers report matters via the Partner Hotline, TOSHIBA TEC Corporation strives to establish mutual relationships through open clean trade, as well as to foster sound partnerships with suppliers based on mutual trust.

Philanthropy

The TOSHIBA TEC Group contributes to and cooperates with communities.

TOSHIBA TEC Group Corporate Policy

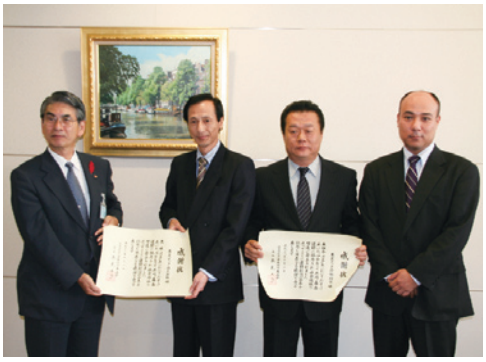
The TOSHIBA TEC Group defines the Corporate Policy regarding "Community Relations" in its Standards of Conduct (SOC), to expand social contribution activities based on this Policy.

Corporate Policy

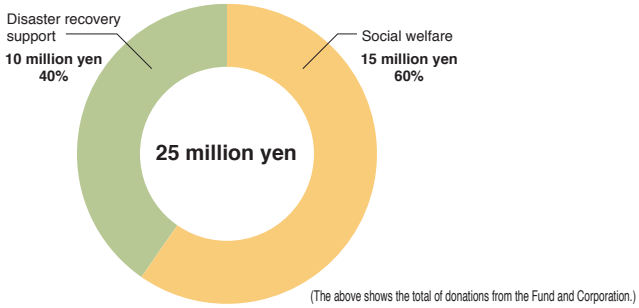
TOSHIBA TEC Group Companies shall:
(1) contribute to and cooperate with all local communities in which TOSHIBA TEC Group operates, in order to promote good relations and mutual respect and understanding;
(2) support directors and employees in undertaking voluntary activities and give full consideration to each individual's desire to exercise his or her civil rights; and
(3) contribute to the development and improvement of each country and region in which TOSHIBA TEC Group operates, and make appropriate contributions to the community, after consideration of the good of the community, the nature of the requests and the reasons for making contributions.

Utilization of TOSHIBA TEC Philanthropy Fund

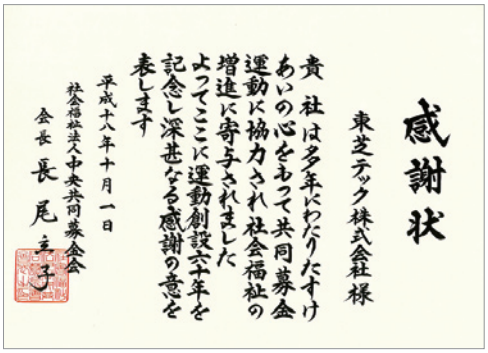
TOSHIBA TEC Corporation established the "TOSHIBA TEC Philanthropy Fund" in 1992, with the aim of contributing to social welfare, as a good corporate citizen.
This Fund, which consists of donations from employees accompanied by matching contributions from the Corporation, is endowed to local and nationwide social welfare and disaster recovery support groups.
In November 2006, TOSHIBA TEC Corporation received recognition and was commended for its generous achievements at the 60th Anniversary of the Central Community Chest of Japan.
The results in the past four years are as follows:



Philanthropy Fund Results (Fiscal 2003 to 2006)



(The above shows the total of donations from the Fund and Corporation.)


感謝状

東芝テック株式会社様

貴社は多年にわたりたすけあいの心をもって共同募金運動に協力され社会福祉の増進に寄与されましたよってここに運動創設六十年を記念し深甚なる感謝の意を表します

平成十八年十月一日

社会福祉法人中央共同募金会
会長 長尾 [illegible]

Certificate of appreciation at the 60th Anniversary of the Central Community Chest of Japan

Vehicle Donation to the Japanese Red Cross Society

TOSHIBA TEC Corporation has been forging ahead with the blood donation campaign. With the Corporate logo visible the TOSHIBA TEC Corporation donated a vehicle to transport equipment to the Japan Red Cross Society. This approach was intended to extend our cooperation and support the blood donation campaign.

Support for Purchasing a Park Cleaning Vehicle

TOSHIBA TEC Corporation aggressively encourages employees to get involved in volunteer activities, focusing on relationships between each business site and local communities. Recently, TOSHIBA TEC Corporation donated 500 thousand yen to the facilities for the mentally retarded "Fureai Sagyosho," to purchase a cleaning vehicle.

Others

Two business sites in Shizuoka Prefecture donated a million yen to the "International Skills Festival for All in Japan 2007" to take place in Shizuoka and Numazu Cities.

The main branches and branches donated a million yen to the Central Community Chest of Japan for contributions to local communities. In fiscal 2006, donations contributed to ten social welfare facilities mainly in Tohoku and Kanto regions. TOSHIBA TEC Corporation hopes to continuously utilize its Philanthropy Fund for various volunteer activities.

Philanthropy by TOSHIBA TEC Corporation

TOSHIBA TEC Corporation values exchange with the environment, local communities and "people." This section introduces a variety of activities in which employees directly become involved.

Blood Donation Campaign

Each business site forges ahead with periodic blood donation campaigns.The blood donation campaign has been conducted since 1969. In 2004, TOSHIBA TEC Corporation was honored with the Minister of Health, Labor and Welfare Award, which acknowledged its substantial achievements. In fiscal 2006, a total of 835 employees participated in the campaign.

Cleanup Campaign

Cleanup campaigns are performed for the surroundings of each business site and nearby rivers. In fiscal 2006, a total of 197 employees participated in the campaigns.

Forest Conservation Activities

Forest thinning and cleanup activities are performed to ensure groundwater safety and contribute to conserve the natural environment.

Science and Technology Education

Hosting Internship Training

A total of 18 people participated in the training program at two business sites.

Plant Tour

Enterprises	507 people
Schools and research institutions	174 people
Citizen groups and others	34 people
Total	715 people

Promotion of Sport and Culture in Fiscal 2006

Business site ground	2,070 people
Gymnasium	3,573 people
Tennis court	2,860 people
Parking space	1,480 people

Social Communications

Charity Concert

Communication activities are performed at a local nursing home or vocational aid center. The music band club of the Ohito Business Center in Shizuoka Prefecture has been continuously performing these activities since its establishment in 1990, and held a concert in fiscal 2006, which drew an audience of a hundred people. The music band club was acknowledged for its longstanding achievements and received the “Philanthropy Award” at the anniversary celebration.
In addition, exchange forums with local communities are offered by participating in hands-on guidance for road safety awareness campaigns, hosting of summer festivals (participated by approximately 2,300 people), collection of used stamps and prepaid cards, along with donations, etc.

Communications with Employees

Customer satisfaction is enhanced and an environment is maintained for each employee to perform social contribution activities through business site tours, sign language classes and the holiday system for volunteer activities. A total of approximately 70 employees, their children and families participated in the business site tour conducted in August 2006.
Events such as a showroom tour, accounting games using TOSHIBA TEC products, which attract children’s attention, are available. TOSHIBA TEC Corporation also values an opportunity for employees’ families to familiar themselves with the workplace.

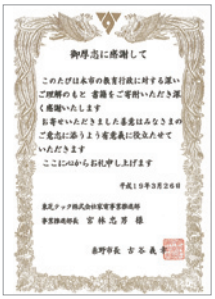
Business site tour

Fund-Raising Vending Machine (Heartful Vendor) Setup

With the intention to raise employees’ awareness of philanthropy, the fund-raising vending machine “Heartful Vendor” incorporated by the nonprofit organization “Heartful Welfare Fund Raising” was set up on the first floor in the head office (Ohsaki Office).
The total amount of employees’ voluntary donations combined with 3% of the proceeds from sales is used for a variety of social welfare services via the Community Chest of Tokyo. This “Heartful Vendor,” which can reduce power and fuel consumption, is an eco-friendly vending machine. Currently, the vending machine set up in the Ohsaki Office is operating as the first machine in Tokyo. This “Heartful Vendor” is to be set up in other TOSHIBA TEC business sites.

Book Donation to the City

The Home Electric Appliances Group has been providing local schools with a portion of the gain from the sales of waste collected and recycled in the plant since fiscal 2006. 14 environmental books (seven pairs of two books) were donated to local elementary schools at the Hadano City Hall via the Board of Education.



Support for Recovery from Earthquake Disaster in Central Java

In May 2006, an earthquake struck Central Java, inflicting tremendous human and physical damage, especially encompassing Bantul and surrounding areas. A great number of employees' families of the Indonesia-based P.T. TEC INDONESIA suffered enormous loss. The total amount of 38,850,000 rupiahs raised through the in-house fund-raising campaign was used as relief money to support employees whose families suffered. TOSHIBA TEC Corporation including TEC SINGAPORE ELECTRONICS PTE. LTD., which participated in the fund-raising campaign, donated 500 thousand yen via the Japan Platform. In addition, TEC Engineering Corporation donated eight cases of brand-new blouses as aid supplies.

Philanthropy by TOSHIBA TEC Group Companies in Japan

The TOSHIBA TEC Group companies in and outside Japan perform a variety of social contribution activities, in order to strengthen solidarity and cooperation with countries and local communities in which the Group companies operate.

TEC ENGINEERING CORPORATION

■ Support for the Environmental Education Program "Kids' ISO14000"

Since 2004, TEC Engineering Corporation has been supporting the environmental education program "Kids' ISO14000" to promote energy conservation at home. With the aim of fostering children's zest for living as well as taking the global environment into account, employees certified as international instructors conduct assessments and provide guidance for elementary school students throughout Japan. It is the 4th year since this program has been operating.
In fiscal 2006, lessons were conducted at schools supporting the ISO, in cooperation with the TOSHIBA Science Museum.

Thank-you letters from elementary school students

■ Redesigning Uniforms Recycling Old Uniforms

When uniforms for female employees were redesigned, old uniforms were collected, woolens were recycled into "flowerpots turning to the soil" and polyester products were recycled into cotton work gloves respectively. 4,569 blouses and skirts collected in total were recycled into 2,000 pairs of cotton work gloves and 4,000 flowerpots.

■ Two Branches Winning Prizes at Eco-Drive Contest

When using vehicles for business use, TEC Engineering Corporation actively forges ahead with "Eco-drive" or eco-friendly driving, in order to reduce substances contained in the exhaust gas causing air pollution. TEC Engineering Corporation received recognition for such achievement and won a prize at the "Eco-Drive Contest."

TOSHIBA TEC BUSINESS SOLUTIONS CORPORATION

TOSHIBA TEC Business Solutions Corporation performed volunteer activities to remove snow from the roof and shoveled snow around the house for elderly and disabled people in Hokkaido.

Philanthropy by TOSHIBA TEC Group Companies outside Japan

TOSHIBA TEC AMERICA RETAIL INFORMATION SYSTEMS, INC. (TTAR)

TOSHIBA TEC America Retail Information Systems, Inc. has maintained an office environment where furniture, which was no longer required was disposed of and the office was laid out into a more efficient and less energy consuming space. TOSHIBA TEC America Retail Information Systems, Inc. is currently negotiating with the owner of the building where its office is located, to change the color of the wall to improve employee morale, satisfaction, awareness and the overall office atmosphere.

TOSHIBA TEC U.K. IMAGING SYSTEMS LTD. (TUIS)

TOSHIBA TEC U.K. Imaging System Ltd. has worked on communications with local communities. TOSHIBA TEC U.K. Imaging System Ltd. has been always implementing community-based activities, by supporting and releasing the activity guide for children, sponsoring Fashion Gala, which raises funds for breast cancer research, and helping finance for publishing crime prevention books.

TOSHIBA AMERICA BUSINESS SOLUTIONS, INC. (TABS)

In fiscal 2006, TABS made charitable donations to 25 organizations, and enthusiastically worked on activities such as aid supplies of 12 items, office tours for employees' children and in-house recycling. TABS also supports various sport events. In particular, TABS supports the "BUILD A BOAT" event where the employees and their families participate.

TOSHIBA TEC HOME ELECTRIC APPLIANCES (Shenzhen) CO., LTD. (TTES)

TOSHIBA TEC Home Electric Appliances (Shenzhen) Co., Ltd. participated in the tree-planting ceremony in Shenzhen, as part of the environmental activities and an exchange forum with local communities. 20 employees participated in the ceremony and planted 50 trees.

In addition, TOSHIBA TEC Home Electric Appliances (Shenzhen) Co., Ltd. also worked on donations for "Hope Elementary Schools" and for victims who suffered damage from floods, as well as hosted the cleanup campaign of the Guangzhou Wildlife Zoo.

TOSHIBA TEC Home Electric Appliances (Shenzhen) Co., Ltd.

TOSHIBA COPYING MACHINE (Shenzhen) CO., LTD. (TCOS)

In fiscal 2006, a total of 38 TCOS employees including the Divisional General Manager, manager meeting members, division personnel in charge of ISO participated in the cleanup campaign of the Baoan Park, along with 30 people from the local community. This campaign appeared along with a photo on the "Baoan Daily."

In addition, TCOS conducted tree planting to plant 300 TOSHIBA ecological forest trees in the Fuyong Dam, fund raising for typhoon disaster victims in Guangdong, and classroom building to support education programs in deprived areas.

TOSHIBA Copying Machine (Shenzhen) Co., Ltd.

Article in "Baoan Daily"

TOSHIBA TEC RETAIL INFORMATION SYSTEMS (Shenzhen) CO., LTD. (TTRS)

TOSHIBA TEC Retail Information Systems (Shenzhen) Co., Ltd. delivered aid supplies to deprived areas, accompanied by 268 employees. Approximately 100 clothes collected voluntarily by employees were endowed.

In addition, campaigns such as cleanup, fund raising by the Corporation and its employees for flood victims, and tree planting in Shenzhen were conducted.

TOSHIBA TEC Retail Information Systems (Shenzhen) Co., Ltd.

Tree-planting campaign

* TOSHIBA Copying Machine (Shenzhen) Co., Ltd. and TOSHIBA TEC Retail Information Systems (Shenzhen) Co., Ltd. were merged and became "TOSHIBA TEC Information Systems (Shenzhen) Co., Ltd." in April 2007.

The TOSHIBA TEC Group as a global enterprise is committed to philanthropy. In fiscal 2007, the Group's respect and appreciation for communications are observed in the information exchange and collection, by closely contacting its affiliates in and outside Japan.

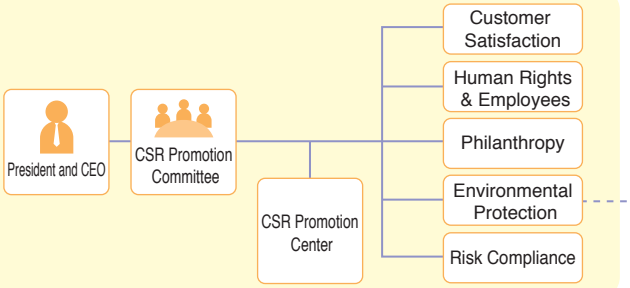
Practicing sustainability as an integrated-group system

The Corporate Environmental Protection Council is established to discuss and determine policies regarding group-wide commitments toward environmental protection. The Environmental Protection Department is designed in each Company and business site, to advance integrated-group activities toward environmental protection, in conformity with individual products and regions.

Environmental Promotion Structure

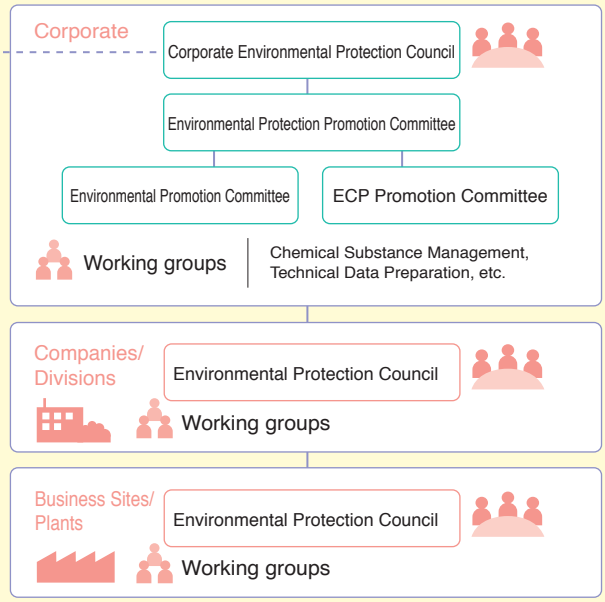
Chaired by an executive officer responsible for environmental protection, the Corporate Environmental Protection Council is designed to discuss and determine policies and directions regarding corporate-wide sustainability. The Council is considered to be one of the commitments of the CSR Promotion Committee. The Environmental Protection Promotion Committee as a subordinate organization controls the Environmental Promotion Committee and ECP Promotion Committee. The Environmental Protection Committee reviews concrete measures for business sites and plants, while the ECP Promotion Committee does for products.

CSR Promotion Structure



Corporate Environmental Protection Council

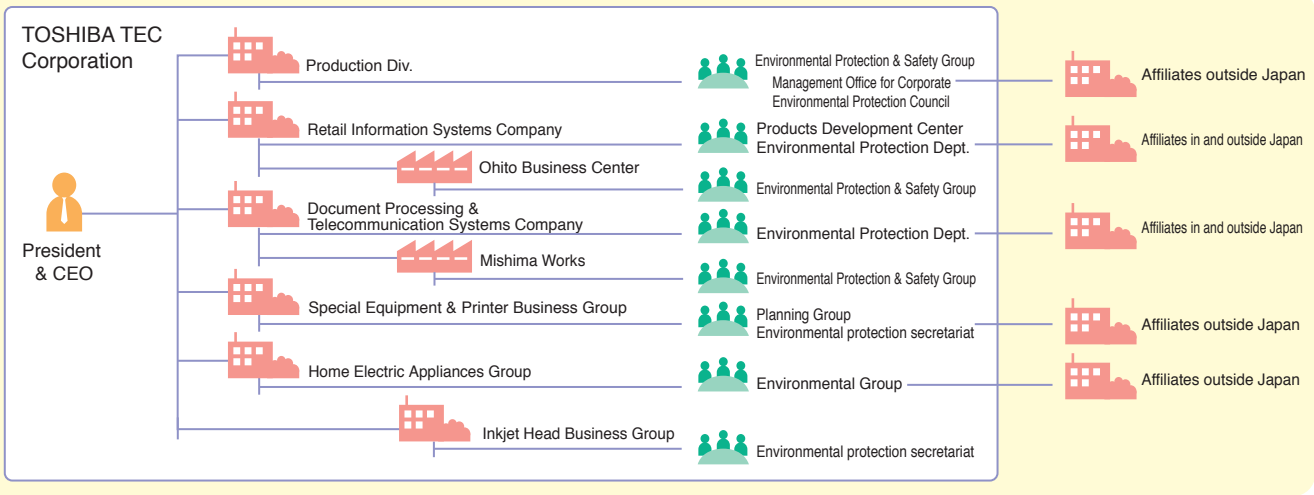
Environmental Promotion Structure



Environmental Promotion Organization

The Environmental Protection & Safety Group is organized in the Production Division, to control corporate-wide sustainability and operate as the management office for the Corporate Environmental Protection Council. The Environmental Protection Department is also set up in each Company and Division, to handle environmental issues at governing business sites, plants, and affiliates in and outside Japan.

Environmental Promotion Organization



Minimizing environmental impacts and maximizing environmentally conscious activities

On one hand, the TOSHIBA TEC Group minimizes extraction from global resources, and emissions of pollutants into the global environment. On the other hand, the Group maximizes environmentally conscious activities such as the development of environmentally conscious products or ECPS.

Relations between Business Activities and Environmental Protection

The TOSHIBA TEC Group actively performs environmentally conscious activities at each stage of procurement of raw materials and components, design of products, production and distribution.

Minimizing Environmental Impacts

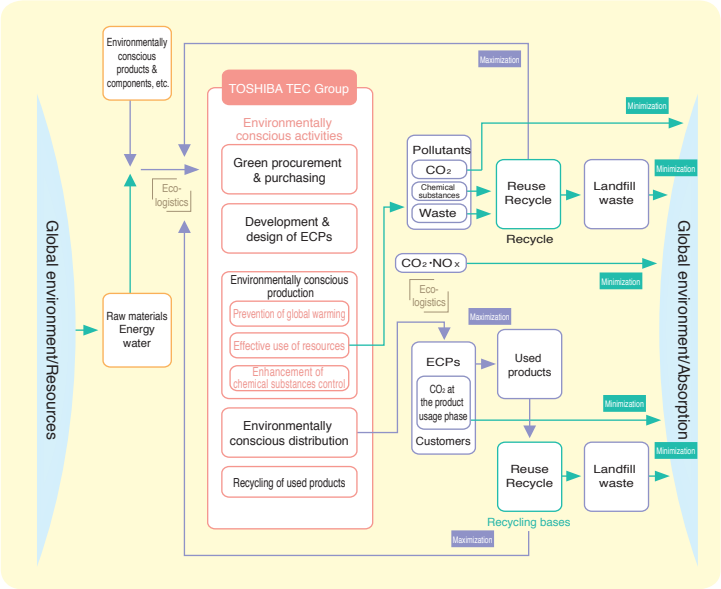
Raw materials and energy are extracted from global resources and consumed to manufacture products. As a result, pollutants such as CO_2 (carbon dioxide), chemical substances and wastes are emitted and absorbed into the global environment.

CO_2 and NO_x (nitrogen oxides) are also emitted during product procurement and transportation through vehicle fuel consumption. Customers also indirectly generate CO_2 through electricity consumption, while using the products. The TOSHIBA TEC Group continually strives to minimize these environmental impacts.

Maximizing Environmentally Conscious Activities

The TOSHIBA TEC Group makes further efforts to maximize environmentally conscious activities such as the development and distribution of ECPs, recycling of waste or used products, and green procurement (See p.37).

TOSHIBA TEC Group's Environmental Activities



Environmental Impacts in Fiscal 2006

The TOSHIBA TEC Group's products undergo the following cycle:

1) Raw materials and components are procured from suppliers.
2) The procured raw materials and components are processed and assembled to build products.
3) Finished products are transported to distributors or warehouses by outsourced forwarding agents.
4) Used products are collected from customers where possible for reuse and recycling.

The diagram on the right shows environmental impacts at each stage of a product life cycle:

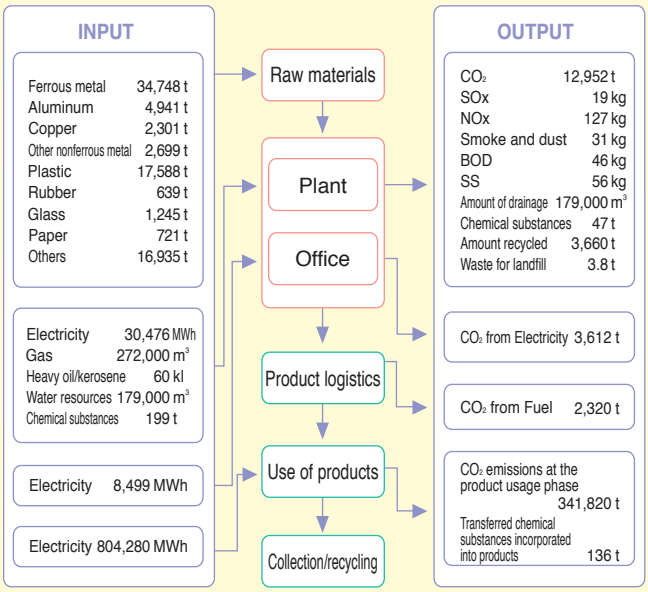
The environmental impacts at the production stage contain the following amounts:

- 12,900 tons of CO_2 emitted from plants due to consumption of all energies
- 3,600 tons of CO_2 emitted from offices due to consumption of all energies
- 47 tons of chemical substances (449 types of target substances specified by the TOSHIBA Group) discharged into the atmosphere and water
- 3.8 tons of waste for landfill disposal
- 3,660 tons of waste recycled

The amount of CO_2 emitted from major products shipped in fiscal 2006 until the end of their product lives is approximately 340,000 tons.

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

Environmental Impacts in Fiscal 2006



Notes)

*1: Target data tabulated: TOSHIBA TEC Group and its affiliates within Japan. However, "Office" applies to TOSHIBA TEC Corporation.
*2: INPUT of raw materials/components procured:
1) INPUT for TOSHIBA TEC Corporation is calculated from material procurement data using the TOSHIBA Group proprietary method.
2) INPUT for affiliates is an estimated amount calculated from material composition of major products.
*3: Target chemical substances: 449 types specified by TOSHIBA Corporation
*4: Product logistics: All CO_2 for outsourcing
*5: CO_2 at the product usage phase: Amount of CO_2 emitted from major products shipped in fiscal 2006 until the end of their product lives
*6: The electricity CO_2 emission coefficient is 0.425 kg-CO_2/kWh announced by the Federation of Electric Power Companies of Japan.

Mid-term & Long-term Environmental Strategies

In fiscal 2005, the TOSHIBA TEC Group started the Fourth Voluntary Plan for Environmental Protection targeted for fiscal 2010, with the aim of further advancing sustainability.

Achievements of the Fourth Voluntary Plan for Environmental Protection

Activity Results in Fiscal 2006

In fiscal 2005, the TOSHIBA TEC Group started the Fourth Voluntary Plan for Environmental Protection targeted for fiscal 2010, in accordance with the TOSHIBA Group's Fourth Voluntary Environmental Plan.

In fiscal 2006, products including POS terminals and digital multifunction peripherals, which have complied with the New Voluntary Environmental Standards, were released into the market. As a result, the product eco-efficiency became 1.92 times of the previous year, and the ratio of environmentally conscious products or ECPs to net sales reached 77%.

The ratio of CO_2 emissions to production output and rate of total quantity of waste generated reached their targets at production sites in Japan. When the increase in the amount of IPA (isopropyl alcohol) used for cleaning parts was restricted, emissions of chemical substances reached the target.

In all eight production sites outside Japan, the ratio of CO_2 emissions to production output and rate of total quantity of waste generated reached their targets, after relevant data was obtained and measures were taken to reduce environmental impacts.

Future Concerns

To expand ECPs, the TOSHIBA TEC Group strives to have all new products comply with the New Voluntary Environmental Standards, to improve the ratio of products to net sales.

In fiscal 2006, the production output in Japan significantly increased, and rates of indicators were greatly improved. However, the production output in fiscal 2007 is expected to decrease. To reduce CO_2 emissions, the TOSHIBA TEC Group is improving energy consumption efficiency in toner manufacturing facilities through efficient air-conditioning systems. To reduce waste discharge, the TOSHIBA TEC Group is further using simple packing materials and returnable containers. For reducing chemical substances, more production of parts, which require cleaning with IPA may cause an increase in the amount of IPA used. Therefore, the TOSHIBA TEC group is improving cleaning equipment and methods to reduce emissions of chemical substances into the air.

Fiscal 2006 Results of the Fourth Voluntary Plan for Environmental Protection

Product-related Objectives

Note: "YES" indicates the goal for fiscal 2006 has been achieved, and "- (hyphen)" will be evaluated in the target year.

Item	Indicator/Objective	Goal for fiscal 2006	Result in fiscal 2006	Evaluation
1) Product eco-efficiency	2.2 times by fiscal 2010 relative to fiscal 2000 *1	1.60 times	1.92 times	YES
2) Provision of environmentally conscious products	60% ratio of products to net sales for products (ECPs) in compliance with the New Voluntary Environmental Standards defined in fiscal 2005, by fiscal 2010	68%	77%	YES
3) Abolition of use of certain chemical substances	Abolition of use of 15 certain substances*2 contained in products by fiscal 2010	Preparation for Green Procurement Standards	Draft completed	YES

Business Process-related Objectives

Item	Indicator/Objective	Goal for fiscal 2006	Result in fiscal 2006	Evaluation
1) Prevention of global warming	(1) Reduction of energy-originated CO_2 emissions · Production sites in Japan 45% reduction in the ratio of CO_2 emissions to net production output*3 by fiscal 2010 relative to fiscal 1990	44% reduction	60% reduction	YES
	· Production sites outside Japan 6% reduction in the ratio of CO_2 emissions to production output by fiscal 2010 relative to fiscal 2004	2.0% reduction	2.0% reduction	YES
	(2) Reduction of CO_2 emissions associated with product logistics · 18% reduction in the ratio of CO_2 emissions to net production output, associated with TOSHIBA TEC product logistics in Japan by fiscal 2010 relative to fiscal 2004	Clarification of data corresponding to the energy conservation law	Data clarification system established	YES
2) Efficient utilization of resources	(1) Reduction in the total quantity of waste generated · Production sites in Japan 30% reduction in the rate of total quantity of waste generated by fiscal 2010 relative to fiscal 2000	23% reduction	46% reduction	YES
	· Production sites outside Japan 9% reduction in the rate of total quantity of waste generated by fiscal 2010 relative to fiscal 2004	3.0% reduction	3.0% reduction	YES
	(2) Reduction in the quantity of waste for final disposal · Production sites in Japan Achievement of 0.7% rate of quantity of waste for final disposal by fiscal 2010	1% or less at all sites	1% or less at all sites	YES
	· Production sites outside Japan, non-production sites in and outside Japan Achievement of 1% rate of quantity of waste for final disposal by fiscal 2010	-	9.30%	-
	(3) Reuse and recycling of products · 5% improvement in the rate of collection and recycling of used products by fiscal 2010 relative to fiscal 2004	2% greater	2% greater	YES
3) Management of chemical substances	Reduction in total emissions of chemical substances to air and water*4 · Production sites in and outside Japan 50% reduction in emissions of chemical substances to air and water by fiscal 2010 relative to fiscal 2000	28% reduction in Japan	37% reduction in Japan	YES

*1: TOSHIBA TEC major products. Product eco-efficiency = Value of a product / Environmental impact of a product
*2: 15 substances specified by the TOSHIBA Group
*3: Net Production Output = [Nominal Production Output] / [Corporate goods price index (electrical equipment) announced by the Bank of Japan for each year (the index for 1990 is 1)
*4: 450 substances specified by the TOSHIBA Group

Environmental Accounting

Environmental accounting is used to quantitatively grasp the costs and benefits of environmental protection and utilize the quantitative data as guidelines for business activities.

Concepts regarding Environmental Accounting

The TOSHIBA TEC Group uses environmental accounting*, in order to quantitatively grasp the costs and benefits of environmental protection and utilize the quantitative data as guidelines for business activities.

Classification of environmental costs and the calculation criteria are in accordance with the "Environmental Accounting Guidelines (Fiscal 2005 Edition)" issued by the Ministry of Environment in Japan. Regarding benefits, since no unified standards have been established, environmental impact reduction benefits are indicated quantitatively and also calculated in monetary value in TOSHIBA TEC's environmental accounting.

* The TOSHIBA TEC Group conforms to TOSHIBA Group's environmental accounting.

Aggregated Results in Fiscal 2006

For environmental protection costs, capital investments of approximately 160 million yen and expenses of approximately 1.46 billion yen were made on a consolidated basis. Active investments were made in the prevention of global warming and energy-saving measures.

Expenses remained the same as the previous year.

Benefits were approximately 1.7 billion yen. Greater benefits arose from the reduction of environmental impacts at the product usage stage, for actual benefits and risk reduction benefits.

The TOSHIBA TEC Group is further improving the precision of aggregation including costs and benefits.

Costs and Benefits

Aggregated: Four TOSHIBA TEC production sites, Head Office, four production affiliates in Japan and eight production affiliates outside Japan

Period: April 1, 2006 - Mach 31, 2007

Note: Some estimated values are included in the aggregated results on production affiliates outside Japan. Regarding assumed benefits for the reduction in emissions of chemical substances to air and water, the reduction of uncertain amounts discharged into public sewers is excluded.

Environmental Costs

Unit: million yen

Classification	Content	Expenditure		Costs		Change in costs from fiscal 2005	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
(1) Business area costs	Reduction of environmental impacts 1 ~ 3	154.9	130.2	224.2	146.8	-6.9	-19.4
1. Pollution prevention costs	Prevention of pollution of atmosphere, water, soil, etc.	18.7	7.2	36.8	16.5	-20.0	-20.7
2. Global e nvironmental protection costs	Prevention of global warming, protection of the ozone layer, etc.	131.0	117.8	115.9	84.8	23.2	11.7
3. Resource circulation costs	Recycling of waste, etc.	5.2	5.2	71.5	45.5	-10.0	-10.4
(2) Upstream/downstream costs	Green procurement, collection and recycling of products, etc.	8.9	0.0	240.0	191.6	117.6	80.6
(3) Administration costs	Construction of EMS, environmental education, tree-planting/clean-up campaigns, etc.	0.3	0.0	539.8	482.9	77.5	74.4
(4) R&D costs	Technical development for ECP	0.0	0.0	453.1	349.9	-162.3	-168.0
(5) Social activity costs	Contribution and support to groups/organizations, etc.	0.0	0.0	4.1	3.8	-1.7	-0.9
(6) Environmental remediation costs	Recovery from soil pollution, etc.	0.0	0.0	0.6	0.6	0.0	0.0
Total		164.1	130.2	1,461.9	1,175.6	24.2	-33.4

Environmental Benefits

Unit: million yen

Classification	Content	TOSHIBA TEC Corporation	Affiliates	Total
Actual benefits	Benefits that can be directly converted into monetary value, such as reduced charges for electricity, water, etc.	-2.4	-47.9	-50.3
Assumed benefits	Benefits concerning reduction of environmental impacts in monetary value	-377.0	12.6	-364.4
Customer benefits	Reduction of environmental impacts at the usage phase expressed in monetary value	2,181.0	0.0	2,181.0
Risk prevention benefits	The extent to which risks are reduced after the investment compared with before the investment is calculated	0.0	0.0	0.0
Total		1,801.6	-35.3	1,766.3

Breakdown of Actual Benefits

Unit: million yen

Item		Amount of reduction in environmental impacts*	Monetary value of benefits
Energy	TOSHIBA TEC Corporation	2,572GJ	10.2
	Affiliates	-27,284GJ	-68.7
	Total	-24,712GJ	-58.5
Final disposal of waste	TOSHIBA TEC Corporation	7.9t	-14.4
	Affiliates	-7.9t	21.5
	Total	0t	7.1
Water	TOSHIBA TEC Corporation	28,000m³	1.8
	Affiliates	31,000m³	-0.7
	Total	59,000m³	1.1
Grand total			-50.3

Breakdown of Assumed Benefits

Unit: million yen

Item		Amount of reduction in environmental impacts*	Monetary value of benefits
Chemical substance discharge reduction benefits	TOSHIBA TEC Corporation	-0.6t	-377.0
	Affiliates	0.1t	-12.6
Total		-0.5t	-364.4

Customer Benefits

Unit: million yen

Item		Amount of reduction in environmental impacts*	Monetary value of benefits
Environmental impact reduction benefits at the usage phase	Electricity	8.56 million kWh	197
	Roll paper	3,365t	1,984

* Indicated in the above table are differences in volumes of environmental impacts between fiscal 2005 and fiscal 2006.
* Minus figures indicate an increase in environmental impacts beyond reduction benefits due to increased production, etc.

Basis for calculation of assumed benefits

Monetary values were calculated by giving each substance, calculated in terms of cadmium, a weighting based on environmental standards and ACGIH-TLV (allowable concentration of each substance as determined by the American Conference of Governmental Industrial Hygienists) and multiplying the result by the amount of compensation in the case of cadmium pollution. Reduction in environmental impacts on atmosphere, water and soil is indicated quantitatively and the environmental impact reduction volumes are compared with the previous year's results, and reduction of environmental impacts is calculated in terms of monetary value to enable comparisons of various environmental impacts on the same basis.

Basis for calculation of customer benefits

Benefits of reduction in environmental impacts of products throughout their life cycles are calculated in terms of physical quantity units and monetary units. A life cycle comprises several phases: 1) procurement of raw materials, 2) manufacturing, 3) transport, 4) usage, 5) collection, 6) recycling and 7) appropriate processing. TOSHIBA TEC's environmental accounting focuses on the benefits of reduction in environmental impacts at the usage phase. Energy-saving benefits are calculated using the following formula:

Benefits (yen) = ∑ [(electricity consumption per year of the former model – electricity consumption per year of the new model) x number of units sold per year x benchmark unit price of electricity charge]

Basis for calculation of risk prevention benefits

Benefits of investment in environmental structures, such as dikes, for the purpose of preventing pollution of soil and groundwater are evaluated as benefits to prevent risks that might otherwise occur in the future. Risk prevention benefits for each capital investment item are calculated according to the following formula:

Risk prevention benefits = Quantity of chemical substances stored x Standard amount (monetary value) required for purification and restoration x Impact coefficient x Occurrence coefficient

where the standard amount required for purification and restoration and the occurrence coefficient are values unique to TOSHIBA TEC. Risk of occurrence of leakage of chemical substances etc. is evaluated.

Environmental Management at Business Sites

ISO14001 certification is widely being acquired by affiliates in and outside Japan.The TOSHIBA Group's unique environmental audit system leads to the reduction of environmental risks at business sites and improves workplaces.

Operation of Environmental Management System

The TOSHIBA TEC Group is promoting the acquisition of ISO14001 certification at production and sales affiliates in and outside Japan. In fiscal 2006, TOSHIBA TEC's 54 sites including its Main Branches, Branches and Sales Offices acquired ISO14001 certification as scheduled.

TOSHIBA TEC Head Office (Ohsaki Office)

TOSHIBA TEC Group Quality Management

Business site*1	Date acquired
Japan	
Ohito Business Center	June 1997
Mishima Works	March 1997
Key Components Business Div.*2	June 1997
Hadano Plant	March 1997
TOSEI DENKI CO., LTD.	August 2004
FUJIKEN CO., LTD.	June 2005
TEC KASHIYA DENKI CO., LTD.*2	March 2003
TEC PRECISION, INC.*2	June 1997
TEC ENGINEERING CORPORATION	October 2004
TER CO., LTD.*3	October 2004
TEC INFORMATION SYSTEMS CORPORATION	November 2005
TOSHIBA TEC Head Office (Ohsaki Office)	June 2005
TOSHIBA TEC Main Branches, Branches, Sales Offices*4	June 2006
North America	
TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.	April 1999
Europe	
TOSHIBA TEC EUROPE IMAGING SYSTEMS S.A.	February 1997
TOSHIBA TEC U.K. IMAGING SYSTEMS LTD.	December 2004
TOSHIBA TEC NORDIC AB	July 2004
Asia	
TOSHIBA COPYING MACHINE (Shenzhen) CO., LTD.	May 1999
TEC SINGAPORE ELECTRONICS PTE. LTD.	April 1998
P.T. TEC INDONESIA	August 1998
TIM ELECTRONICS SDN. BHD.	April 1998
TOSHIBA TEC RETAIL INFORMATION SYSTEMS (Shenzhen) CO., LTD.	March 2005
TOSHIBA TEC HOME ELECTRIC APPLIANCES (Shenzhen) CO., LTD.	March 2005

*1: Corporate and business site names as of March 1, 2006.
*2: Key Components Business Div., TEC PRECISION, INC. and TEC KASHIYA DENKI CO., LTD. belong to Mishima Works.
*3: TER CO., LTD. belongs to TEC ENGINEERING CORPORATION.
*4: TOSHIBA TEC Main Branches, Branches, Sales Offices belong to its Head Office (Ohsaki Office).

TOSHIBA Group Environmental Audit (EASTER)

EASTER* is the environmental audit system developed by TOSHIBA CORPORATION and has been annually conducted at each production affiliate of the TOSHIBA Group since fiscal 1993. The features of EASTER are workplace principles and evaluations at each level.

In fiscal 2006, EASTER was performed at production and non-production sites in Japan, in accordance with the new standards for thorough compliance.

* EASTER: Environmental Audit System in TOSHIBA on basis of Eco-Responsibility

EASTER Audit Results

Country	Date audited	Target site	Audit result*1		
				Sustainability audit*2	Workplace audit*3
Japan	December 2006	Ohito Business Center	Fiscal 2006	B	A
			Major item: Set and control voluntary control values for local exhaust fans.		
	January 2007	Home Electric Appliances Group	Fiscal 2006	B	A
			Major items: Take measures to prevent oil leakage from the heavy oil heater pipe connection.		
	January 2007	Mishima Works	Fiscal 2006	B	B
			Major item: Take measures to prevent liquid leakage from the agricultural wastewater treatment plant.		
	February 2007	TOSEI DENKI CO., LTD.	Fiscal 2006	C	B
			Major item: Create procedures for changing oil at oil tank facilities and comply with the procedures.		
	March 2007	TEC KASHIYA DENKI CO., LTD.	Fiscal 2006	C	B
			Major item: Create procedures for supplying oil into compressors and comply with the procedures.		
	March 2007	Key Components Business Div.	Fiscal 2006	B	B
			Major item: Renew the emergency response equipment in the waste oil storage area.		

*1: Audit result: A (85% or more), B (70% or more but less than 85%), C (50% or more but less than 70%), Values in parentheses: Degree of achievement based on the criteria
*2: Sustainability audit: Progress of EASTER and the Voluntary Plan, degree of risk management achievement
*3: Workplace audit: Audits at 19 environmental facilities and degree of emergency response training achievements

Country	Date audited	Target site	Audit result*1		
				Workplace control*2	VPE progress*3
China	November 2006	TOSHIBA COPYING MACHINE (Shenzhen) CO., LTD.	Fiscal 2005	A	A-
			Fiscal 2006	A	A
			Major item: Create procedures for handling chemicals for wastewater treatment systems and comply with the procedures.		
	November 2006	TOSHIBA TEC RETAIL INFORMATION SYSTEMS (Shenzhen) CO., LTD.	Fiscal 2005	A-	To be evaluated in fiscal 2006
			Fiscal 2006	A	A-
			Major item: Post the maximum storage volume for the chemical warehouse and light oil tank.		
	November 2006	TOSHIBA TEC HOME ELECTRIC APPLIANCES (Shenzhen) CO., LTD.	Fiscal 2005	B-	To be evaluated in fiscal 2006
			Fiscal 2006	A-	B+
			Major item: Define and maintain control items of flow meters at the final drain outlet.		
Malaysia	December 2006	TIM ELECTRONICS SDN. BHD.	Fiscal 2005	A-	C+
			Fiscal 2006	A-	B-
			Major item: Thoroughly separate non-industrial waste from industrial waste at the central waste collection point.		
Singapore	December 2006	TEC SINGAPORE ELECTRONICS PTE. LTD.	Fiscal 2005	A-	B-
			Fiscal 2006	A-	B-
			Major item: Specify essential items to be checked on the facility checklist.		
Indonesia	December 2006	P.T. TEC INDONESIA	Fiscal 2005	B+	A-
			Fiscal 2006	A	B-
			Major item: Use alternative cleaning solution and extend the exhaust hood.		
U.S.A.	August 2006	TOSHIBA AMERICA BUSINESS SOLUTIONS, INC., Toner Products Division*4	Fiscal 2006	B-	B-
			Major item: Post the key points of emergency action procedures for each facility at worksites.		
France	August 2006	TOSHIBA TEC EUROPE IMAGING SYSTEMS S.A.*4	Fiscal 2006	B+	C
			Major item: Post the key points of emergency action procedures for each facility at worksites.		

*1: Audit result: A (81 to 100%), B (61 to 80%), C (41 to 60%), Values in parentheses: Degree of achievement based on the criteria
*2: Workplace audit: Audits at 17 environmental facilities and degree of emergency response training achievements
*3: VPE progress: Degree of achievement on the Voluntary Plan for Environmental Protection
*4: First implementation in fiscal 2006

Risk Management

Response to Emergency Situations

Each business site and plant establishes the action criteria in response to emergency situations at environmental facilities, organizes the system to take proper action and periodically provides training. Training is provided in the presence of the audit group even during the implementation of EASTER. The following are verified through training; if activities conform to the procedures, and if communication and measures are promptly and thoroughly performed.
By ensuring the environmental structures are in compliance with the guidelines for soil investigation through observation wells, along with prevention of chemicals and oil from scattering, flowing out or penetrating into underground, as well as monitoring water quality at the final drain outlet and installing emergency shutoff valves, thorough prevention is achieved.

Emergency response training at TOSHIBA Copying Machine (Shenzhen) Co., Ltd.

Environmental Education

In order to recognize and implement the importance of environmental protection for daily operations and lives, TOSHIBA TEC Group personnel, from new employees to senior management, are encouraged to receive practical environmental education according to position and specialty.

Not only TOSHIBA TEC personnel but also personnel from Group companies and affiliates stationed in business sites in and outside Japan receive environmental education. e-Learning is used to increase efficiency according to the curriculum and target personnel.

Education according to Position

TOSHIBA TEC Group managerial and non-managerial personnel along with new employees receive education on commitments to sustainability. Environmental education is provided according to position, to deepen all employees' understanding of environmental knowledge, Basic Policy for the Environment, environment-related laws and regulations, the Voluntary Plan for Environmental Protection or VPE, Environmental Management System or EMS and environmental audit.

Education according to Specialty

TOSHIBA TEC Group internal auditors, specific employees, inspectors and development/design engineers receive education in order to learn specific knowledge to fulfill their responsibilities and roles.

Education according to Position and Education according to Specialty

・Education according to Position

Target	Curriculum
Managerial personnel	Environmental protection management education
Non-managerial personnel	Environmental protection business education
New employees	Environmental protection basic education

(Education level according position)

- Commitments to sustainability
- Environment-related laws and regulations in and outside Japan
- Environmental policy, VPE
- EMS
- Environmental audit
- Green procurement
- Creation of ECPs
- Reduction of environmental impacts
- Environmental communication
- General environmental knowledge

・Education according to Specialty

Target

- Education for internal auditors
- Education for personnel in charge of environmental protection
- Education for specific employees and inspectors
- Education for development/design engineers

Contributing to the reduction of environmental impacts on society while providing environmentally conscious products or ECPs

TOSHIBA TEC Corporation develops ECPs, where environmental impacts are reduced throughout their product life cycles, and accelerates its activities under the TOSHIBA Group's eco-efficiency indicator "Factor T."

Concepts regarding Product Development

TOSHIBA TEC Corporation creates "ECPs," where environmental impacts are reduced throughout their product life cycles*. Most of the environmental impacts generated throughout a product life cycle are determined at the product planning and design stages, thus, TOSHIBA TEC Corporation focuses on the upper product development stage.

In addition to the reduction of environmental impacts, the eco-efficiency indicator "Factor T," which incorporates customer usability and satisfaction toward TOSHIBA TEC products as "product value," has been operating to apply data to product development and make information public since fiscal 2004.

TOSHIBA TEC Corporation is committed to creating products that further satisfy customers, as well as reducing more environmental impacts.

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

Environmentally Conscious Product Development

Focusing on compliance with laws and regulations in and outside Japan, conformity with the Green Purchasing Law, and acquisition of major environmental labels such as Japanese Eco Mark, German Blue Angel and International ENERGY STAR® Program, TOSHIBA TEC Corporation works toward developing products in compliance with such standards from the product planning stage. In addition, TOSHIBA TEC Corporation is preparing for compliance with the EU EuP Directive*1 and EU REACH Regulation*2, which are to be embraced in the future.

For voluntary activities, "Enhancement of product eco-efficiency," "Provision of environmentally conscious products" and "Abolition of use of certain chemical substances" defined as product-related objectives in the Fourth Voluntary Plan for Environmental Protection (See p.29) are highlighted.

In terms of "Provision of environmentally conscious products," the "Voluntary Environmental Standards for Each Product*3" are specified to prescribe the industry's top-level requirements for environmental considerations for each product, to create ECPs, and are determined as the goals for product development. The "Voluntary Environmental Standards for Each Product*3" define environmental considerations at each stage of a product life cycle, based on the need for reducing environmental impacts throughout a product life cycle. This activity has been conducted since fiscal 2001. However, TOSHIBA TEC Corporation has reviewed the previous standards, specified and been operating new standards with high inhibition since the commencement of the Fourth Voluntary Plan for Environmental Protection in fiscal 2005.

*1: EuP Directive: Directive on Energy Using Products
*2: REACH Regulation: Regulation concerning the Registration, Evaluation, Authorization and Restriction of. Chemicals
*3: URL for Voluntary Environmental Standards for Each Product
http://www.tec.jp/env/pos2.htm in Japanese only
http://www.toshibatec.co.jp/gcompany/env/eco12.htm in Japanese only

In fiscal 2006, products in compliance with the Voluntary Environmental Standards originated in product groups of copiers & multifunctional peripherals or MFPs, self-checkout systems, POS terminals, electronic white boards, and POS peripheral equipment. The target ratio of products to net sales for ECPs in compliance with the New Voluntary Environmental Standards by fiscal 2010 is 60%, and 77% has been achieved in fiscal 2006.

TOSHIBA TEC Corporation makes information on products in compliance with the Voluntary Environmental Standards public, while showing the TOSHIBA Group Earth Protection Mark in the product brochure.

The following shows an example of products in compliance with the Voluntary Environmental Standards in fiscal 2006.

Color MFP
e-STUDIO2500c
/3500c/3510c

Monochrome MFP
e-STUDIO232/282

Self Checkout System
SS-1000

Electronic White Board
TB-4201-T/TB-5201-T
/TB-820-T/TB-920-T

Multi Terminal
MP-70

Eco-efficiency "Factor T"

In fiscal 2004, TOSHIBA TEC Corporation introduced an "eco-efficiency" concept, in which the value of a product and the product's environmental impact are related, and has been implementing "Factor T," which compares the eco-efficiency of a product in the year subject to assessment to the eco-efficiency of a product in the benchmark year. Eco-efficiency is calculated by dividing the "value" of a product by the product's "environmental impact." The smaller the environmental impact and the higher the value of the product, the greater is the eco-efficiency. The value of a product is calculated based on QFD*1, taking the voice of customers into consideration including usability and customer satisfaction toward TOSHIBA TEC products. The environmental impact of a product is calculated based on LCA*2, taking into consideration various environmental impacts throughout its life cycle. For integrating environmental impact, TOSHIBA TEC Corporation uses LIME*3, which was developed by the Research Center for Life Cycle Assessment of the National Institute of Advanced Industrial Science and Technology or AIST in collaboration with the Japanese government's LCA*2 project. The factor indicates how many times the eco-efficiency of the benchmark product is to the eco-efficiency of a product subject to assessment. The higher the eco-efficiency of the product, the larger the factor becomes.

In terms of "Enhancement of product eco-efficiency" in the Fourth Voluntary Plan for Environmental Protection, TOSHIBA TEC Corporation aims to attain 2.2 as the factor by 2010 relative to fiscal 2000. The following shows an example of factors for major products. "Value factor" is a relative value of a product subject to assessment relative to the benchmark product, and "1/Environmental impact factor" is also a relative value of environmental impact.

*1: QFD: Quality Function Deployment
*2: LCA: Life Cycle Assessment
*3: LIME: Life Cycle Impact assessment Method based on Endpoint modeling

Definition of "Eco-efficiency"

$$\text{Eco-efficiency} = \frac{\text{Value of a product}}{\text{Environmental impact of a product}}$$

Definition of "Factor"

$$\text{Factor} = \frac{\text{Eco-efficiency of a product subject to assessment}}{\text{Eco-efficiency of the benchmark product}}$$

$$= \text{Value factor} \times (1/\text{Environmental impact factor})$$

Factors for Major Products and Improvements

	Factor 2.19 (in fiscal 2006 relative to fiscal 2000)	Factor 2.28 (in fiscal 2005 relative to fiscal 2000)
Product name/model name	 **Digital MFP e-STUDIO165**	 **Electronic Cash Register MA-660**
Main improvement in value	**Value factor 1.47** • Multifunction • Enhanced usability • High reliability	**Value factor 1.82** • Better viewability • Enhanced usability • Easy replacement of paper
Main improvement in environment	**1/Environmental impact factor 1.49** • Energy conservation • Use of recycled materials • Reduction in weight	**1/Environmental impact factor 1.25** • Energy conservation • High recyclability • Reduction of hazardous substances

ECP Promotion Committee

In the Environmental Promotion Structure (See p.27), the "ECP Promotion Committee" and its working groups promote the creation of ECPs. The "ECP Promotion Committee" has been operating since 1997. Furthermore, the Committee including production affiliates with R&D function in Japan, became members in fiscal 2004 and has been developing draft compliance with laws and regulations in and outside Japan, further disclosing environmental information, implementing the Voluntary Plan for Environmental Protection, enlightening employees, and preparing technical data. For such technical data, the following design manuals and collection of examples are issued and used to provide education to the engineers:

- Trends in Laws, regulations, and environmental labels (2nd edition)
- 3R* Design Manual (3rd edition)
- Energy-saving Design Manual (2nd edition)
- Environmental impact substance reduction design manual
- Collection of examples of ECP improvement (1st to 8th editions)

* 3R: Reduce, Reuse and Recycle

Reducing environmental impacts on products at the planning and design stages

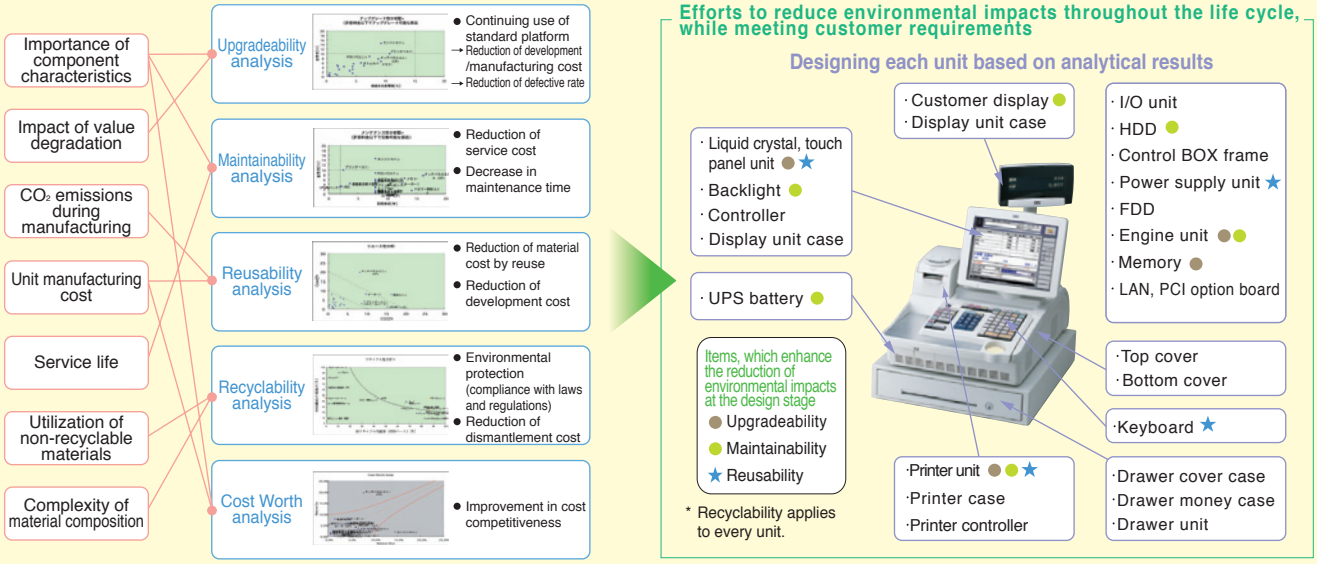
The LCP is used to devise concepts regarding environmentally conscious products or ECPs at the planning stage. The ECP development system is structured and focuses on 3R conscious design, energy-saving design and design for reducing environmental impact substances.

Life Cycle Planning or LCP

LCP is a technique for formulating a concept of ECP at the planning stage that satisfies the quality and cost requirements, while at the same time decisively reducing environmental impacts throughout the life cycle. Effective utilization of data obtained by Life Cycle Assessment or LCA and Quality Function Development or QFD contributes to the determination of environmental specifications, taking the product life cycle into consideration, and identification of ideas for improving upgradeability, maintainability, reusability and recyclability at the parts level.

TOSHIBA TEC Corporation has further advanced the LCP method in the planning of an environmentally conscious vacuum cleaner, and applied the LCP method to POS terminals. The POS terminal M-7000 has been optimized while being comprised from the 3R (Reduce, Reuse and Recycle) points of view based on LCP analytical results.

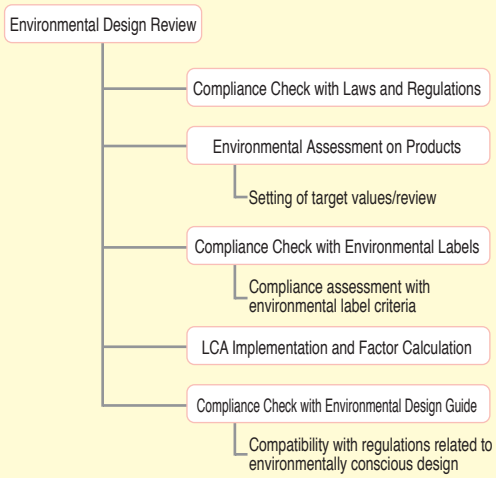
Example of the Environmentally Conscious Design Concept formulated by LCP



Environmental Design Review

At the product-planning stage, the Design Review is conducted from all angles. The in-house standards make it obligatory for related departments to conduct the Environmental Design Review at the planning stage.

The Environmental Design Review includes “Compliance with laws and regulations,” “Environmental Assessment on Products,” “Response to environmental labels,” “LCA implementation and Factor calculation” and “Response to Environmental Design Guide” shown in the diagram. The “Environmental Assessment on Products” is used to assess the degree of achievement on the Voluntary Plan for Environmental Protection, responses to the 3Rs and energy conservation, progress regarding reduction in environment-related substances, and confirmation of compliance with the Voluntary Environmental Standards. The Environmental Design Review is conducted at each stage of planning, design, prototype production and mass production trial. For instance, basic environmental design specifications are reviewed, compliance with laws and regulations and response to various environmental labels are specifically defined at the planning stage. Compliance and compatibility with target values and confirmation of compliance are verified at the design stage or later. The environmental specifications of updated products are examined at the development stage, to set higher target values.



Concepts regarding Design of ECPs

TOSHIBA TEC Corporation is devoting its energies to the reduction of environmental impacts on products, because most environmental impacts are exerted on society (See p.28) at the stages of "procurement of raw materials and components" and "product usage."
At the stage of "procurement of raw materials and components," reduction of environmental impacts is required in terms of resource consumption. In terms of preventing global warming, reduction of environmental impacts is required at the stage of "product usage," because electricity consumption plays a major role on environmental impacts. In addition, certain chemical substances that may cause environmental pollution need to be avoided or reduced in terms of environmental pollution. TOSHIBA TEC Corporation enhances the design of ECPs while taking into account 3R conscious design, energy-saving design and design for reducing environmental impact substances.

3R Conscious Design

3R conscious design is intended to effectively use resources, and minimize the amount of resources consumed for products, while circulating resources through reuse and recycling. Reduce design, reuse design and recycling design are defined in order of priority. The 3R conscious design is implemented on packing rather than products.

Energy-saving Design

Energy-saving design is intended to reduce electricity consumption at the product usage phase, and develop energy-saving technologies specific for each product as well as common-saving technologies among all products. In particular, a typical example of achievements includes high-efficiency induction heating or IH fusing technology integrated into an MFP and Typhoon Robo System where a clean-free filter is incorporated into the vacuum cleaner.

Design for Reducing Environmental Impact Substances

The TOSHIBA TEC Group is a leader, which actively complies with laws and regulations in and outside Japan, such as the RoHS Directive, which became effective on July 1, 2006, the China RoHS (See p.38), which became effective on March 1, 2007, and the EU REACH Regulation (See p.38), which was effective on June 1, 2007. For voluntary activities, halogen-free materials are used for plastic cases and printed circuit boards. The use of polyvinyl chlorides is reduced for power cords.

Design Views and Examples of Achievements

Item		Design View	Example of Achievement
3R conscious design	Reduce esign	• Resource conservation (reduction in size and weight, electronic functions) • Long operating life (parts, maintainability, upgradeability) • Reduction of consumables at the usage phase	• Electronic journal system in POS terminal (from 1999 onward) • Cyclone (without dust bag) vacuum cleaner (from 2000 onward) • Formulation of environmentally conscious design concept for vacuum cleaner and POS terminal by LCP (from 2002 onward) • Net-Ready MFP "e-STUDIO350EB" in response to the erasable toner "e-blue" (2004)
	Reuse design	• Reuse of parts (target parts, parts life)	• Reuse of parts for MFP (from 2001 onward) • Reuse system for MFP process unit (from 2001 onward)
	Recycling design	• Materials (unified materials, recyclability) • Structure (basic structure, degradability, wiring)	• Unified materials, improvement in degradability, introduction of halogen-free plastic materials and recycled plastic materials in product fields (from 1995 onward)
	Packing design	• 3R (Reduce, Reuse and Recycle)	• Package-less transportation for POS terminal (from 1999 onward) • Use of e-Starpack for POS terminal (from 2004 onward)
Energy-saving design		• Reduction of electricity consumption during operation • Reduction of electricity consumption on standby • Energy-saving technologies specific for product	• Integration of IH fusing technology into MFP (from 2000 onward) • 336 Wh/h energy consumption efficiency achieved on high-speed MFP (85CPM) (2005) • Integration of twin halogen lamp fusing system into MFP (from 2004 onward) • Integration of Typhoon Robo System into vacuum cleaner (from 2005 onward)
Design for reducing environmental impact substances		• Compliance with laws and regulations (including the RoHS Directive) • Response to environmental labels (Eco Mark, Blue Angel) • Green procurement/Voluntary Plan for Environmental Protection	• Use of lead-free solder and halogen-free printed circuit board (from 2002 onward) • Use of vinyl chloride-free power cord (from 2004 onward) • Compliance with the EU RoHS Directive (from April 2006 onward) • Compliance with the China RoHS (from March 2007 onward)

Promoting environmental considerations toward suppliers and procured products, to provide Environmentally Conscious Products or ECPs

The environmental protection assessment on suppliers and the environmental performance survey on procured products are conducted. Relevant data is utilized in the design, production and procurement departments. Compliance with laws and regulations in each region is ensured.

Green Procurement

To provide ECPs, TOSHIBA TEC Corporation moves forward with green procurement of raw materials related to products. It aims to procure environmentally conscious raw materials from suppliers, who are actively undertaking environmental protection measures. The "Green Procurement Guidelines for Materials" have been formulated to conduct the "environmental protection assessment on supplies" and "environmental performance survey on procured products."

Environmental Protection Assessment on Suppliers

The environmental protection assessment on suppliers is used to assess the criteria shown on the right, to rank suppliers. TOSHIBA TEC Corporation requests lower-ranked suppliers to improve their operations, and provides them with instructions and assistance, while giving priority to procurement from high-ranked suppliers.

Environmental Assessment Criteria on Suppliers

(1) Acquisition of ISO14001 external certification
(2) Implementation of green procurement
(3) Environmental protection measures (22 items)

Environmental Performance Survey on Procured Products

The environmental performance survey on procured products is conducted according to the criteria shown on the right, and its results are managed in a database.

Environmental Performance Survey Criteria on Procured Products

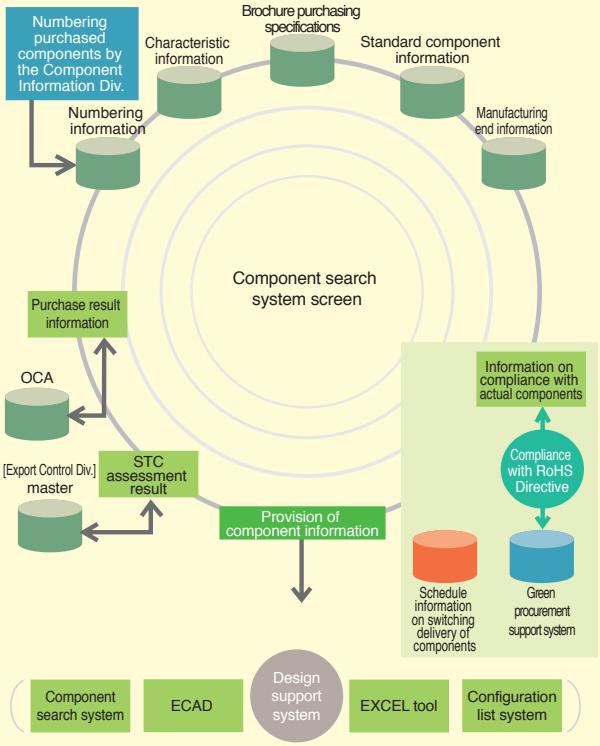
(1) Resource conservation
(2) Reusability
(3) Recyclability
(4) Use of recycled materials
(5) Ease of disposal
(6) Environment-related substance content

Data Utilization

Environmental performance information data is provided from the green procurement support system to various in-house systems via the global component database, and utilized at the design, production and procurement departments.

Component search system screen

Purchased Component Database and Design Support System



EU WEEE Directive

In response to the EU Waste Electrical and Electronic Equipment or WEEE Directive, duty is imposed on manufacturers to recycle electrical and electronic equipment in EU Member States.

The TOSHIBA TEC Group is in compliance with the WEEE Directive while registering manufacturers and taking part in the recycling scheme through its affiliates outside Japan.

RoHS Directive

In response to the EU Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment or RoHS Directive, marketing of electrical and electronic equipment, which contains certain hazardous substances such as lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyl or PBB, and polybrominated diphenyl ether or PBDE, is prohibited in EU Member States.

The TOSHIBA TEC Group has configured a system to further ensure no certain hazardous substances are contained in products. In terms of components and raw materials, the TOSHIBA TEC Group defines voluntary standards and performs inspections through simple analyzers at production sites in and outside Japan, while obtaining pledge forms from its suppliers.

Inspection through the simple analyzer at Ohito Business Center

China RoHS

In March 2007, the first step (labeling regulations) of the Management Methods for Controlling Pollution Caused by Electronic Information Products Regulation or China RoHS was carried out in China. The TOSHIBA TEC Group is in compliance with labeling and marking requirements.

Environmental Protection Use Period or EPUP Symbol

Pollution Control Logo

EU REACH Regulation

The REACH Regulation, which was effective in June 2007, is a new regulation concerning the registration, evaluation, authorization and restriction of chemicals. It requires companies to register and report molded products, which contain chemical substances, as well as chemicals substances when manufactured or imported, depending on the quantity. TOSHIBA TEC Corporation is preparing for the registration and reporting to be required in the future.

Environmentally Conscious Products

An example of concrete achievements for environmentally conscious products or ECPs is introduced.

Environmental Considerations in Electronic Cash Register

Electronic Cash Register for Restaurants "FS-660" (released in April 2006)

Resource Conservation

The smaller display panel (with a larger display) and redesigned drawer shape have reduced the installation area by approximately 16% compared with conventional models.

Energy Conservation

The lower-voltage power supply, integrated IC chip and backlight turn-off function have reduced electricity consumption on standby by approximately 43% compared with conventional models.

Reduction of Environmental Impact Substances

This model has been designed in compliance with the EU RoHS Directive.

Electronic Cash Register FS-660
Factor 2.28 (in fiscal 2006 relative to fiscal 2000)

Environmental Considerations in Vacuum Packaging Machine

Stationary Vacuum Packaging Machine "V-955 Series" (released in December 2006)

Reduction of product packing material

Packing of the large vacuum packaging machine has been improved by TOSEI DENKI Co., Ltd. The abolition of corrugated cardboards, collection and reuse of racks have reduced packing waste by approximately 90%. Accordingly, the packing cost has been reduced by approximately 65%.

Conventional product packing

Improved product packing

Environmental Considerations in Service and Maintenance

Alternative chlorofluorocarbon is used for most of the dust blowing sprays (hereinafter referred to as "Dust Blower"), to maintain and clean the electronic precision equipment. Alternative chlorofluorocarbon still has a great impact on global warming. The TOSHIBA TEC Group strives to prevent global warming with the "Eco Blower."

The "Eco Blower" secondarily uses carbon dioxide, which is generated into the dust blower used for maintaining and cleaning the POS-related equipment, as a by-product in the petroleum refinery process, and is emitted unless used.

Environmental Considerations in MFP

High-speed Full Color MFP "e-STUDIO3500c" (released in June 2006)

Resource Conservation

Recycled halogen-free plastic materials are used for 48% of total plastics.
Structural analysis through three-dimensional CAD has reduced the weight by approximately 27% compared with the previous model.

Energy Conservation

The thin heat roller for the fuser unit, which consumes the most electricity, a low melting point toner, and new fusing system, which uses three halogen lamps, have reduced electricity consumption by approximately 14% compared with the previous model. As a result, 99-second warm-up time has been achieved after 59% reduction, and 30-second recovery time or less from energy saver mode has been achieved after 66% reduction.

Reduction of Environmental Impact Substances

In addition to compliance with the EU RoHS Directive, halogen-free materials are used for plastic cases and major printed circuit boards.

Full Color MFP e-STUDIO3500c

Desktop Monochrome MFP "e-STUDIO165" (released in May 2006)

Resource Conservation

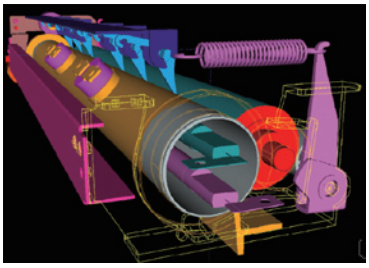
Integration of the external cover and structural frame has reduced the weight by 30% compared with the previous model (PREMAGE165).
Recycled halogen-free plastic materials are used for 56% of total plastics.

Energy Conservation

The low melting point small particle toner and fuser unit with twin halogen lamps have reduced electricity consumption by approximately 50% compared with the previous model.

Reduction of Environmental Impact Substances

In addition to compliance with the EU RoHS Directive, halogen-free materials are used for plastic cases, and PVC-free electric wires are used for power cables.



Twin halogen lamp fusing

Monochrome MFP e-STUDIO165
Factor 2.19
(in fiscal 2006 relative to fiscal 2000)

Environmental Considerations in Packing Material

Resource Conservation

Simple packing has reduced the weight of packing materials by approximately 50% compared with conventional models.

Conventional packing

Simple packing

Collection, Recycling of Used Products, and Reuse of Used Parts

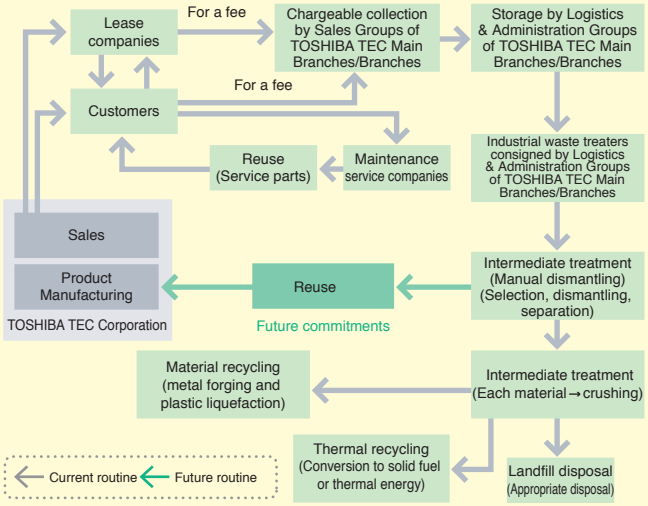
TOSHIBA TEC Main Branches and Branches collect used retail information systems equipment. Copiers are collected and recycled at nine bases throughout Japan.

Collection & Recycling System for Retail Information Systems Equipment

As a responsible top innovator of POS systems, TOSHIBA TEC Corporation collects and recycles used products from its customers. The collection & recycling system started in the Kanto, Chubu, Kansai and Hokkaido Districts of Japan during a trial period in April 2002, and has expanded to Hokkaido, Tohoku, Kanto, Chubu, Kansai, Chugoku & Shikoku, and Kyushu Districts, conducting full-scale operations in each district since October 2002. Over 94% of used products collected are recycled.

Recycling is implemented, with the aim of manually dismantling collected equipment, separating the equipment into each element and expanding recycling materials.

Collection/Recycling System




Dismantling


Example of collected product

Features

- TOSHIBA TEC Main Branches/Branches in 52 areas collect products from customers.
- Any used retail information systems equipment is collected, regardless of manufacturer.
- Disposal consignment at the request of customers is conducted for a fee.
- Thorough manual dismantling and separation achieves high recycling efficiency and reduction of waste.

Collection & Recycling of Copiers

TOSHIBA TEC Corporation collects and recycles used copiers in cooperation with its customers, TOSHIBA TEC Business Solution Corporation as its distribution source, and TERM CORP. as its recycling firm.

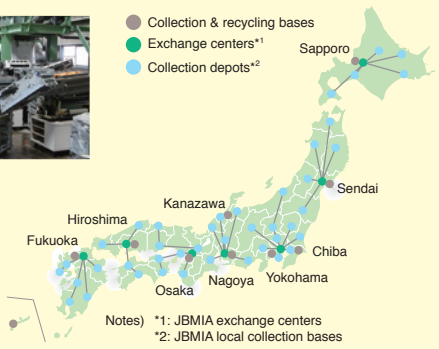
In 1998, collection & recycling of used products started in the Tokyo and Kanagawa regions, and expanded its geographic coverage to nine bases throughout Japan.

Collected products are manually dismantled into each element, in order to facilitate the recycling process. As a result, over 98% of used products collected are recycled.

In addition, by participating in the Recycled Equipment Exchange System within the Japan Business Machine and Information System Industries Association or JBMIA, to increase its product collection efficiency, TOSHIBA TEC Corporation recovers its own used products, which other companies have collected.

Collection & Recycling Bases for Copiers


Manual dismantling



Reuse of Parts

In addition to the process units for facsimile machines, reuse and recycling operations started on consumable process units for MFPs within the Japanese market in October 2003. A circulation system has been established, where used process units are recovered, serviceable and reusable parts are extracted from the collected units for reuse, and recycled parts are supplied to the market again.
The quality of recycled parts is strictly controlled to ensure it is equivalent to new parts and meet customer needs.

Reuse System for Digital Multi-Function Peripheral or MFP Process Unit

Green Customer Service Deployment

"Green Customer Service" began in August 2004 achieves zero emissions of packing waste generated by customers during traditional normal product delivery, through the use of new reusable and recyclable packing material "e-Starpack®" (Starway Co., Ltd.). As a result, customers do not need to dispose of used packing materials. Instead they save time and money.
The new system, which utilizes e-Starpack®, began in fiscal 2006. Used products are collected from customers and put in the e-Starpack® used during product delivery.
Used products are collected from customers are recycled by intermediate treaters. TOSHIBA TEC Corporation collects folded e-Starpack® and checks its inventory with a non-contact tag or RFID upon arrival.

Reference URL: http://www.tec.jp/env/kankyo5.htm in Japanese only

Reuse of Parts between Generation Models

Operations to extract serviceable parts from used old-type models and reuse them for existing models have been advanced since fiscal 2003, in compliance with considerations for the Green Purchasing Law.
In particular, collected models are manually dismantled and serviceable parts are extracted, in cooperation with recycling companies. The extracted parts are cleaned, inspected for quality, and incorporated into existing models.

Recycling of Portable Secondary Batteries

Rechargeable batteries are used in POS terminals and portable printers. They include nickel-cadmium batteries, nickel-hydrogen batteries and lithium-ion batteries, which use scarce resources including nickel, cadmium or cobalt. To make effective use of precious resources, they need to be collected and recycled.
TOSHIBA TEC Corporation has joined the "Japan Battery Recycling Center (JBRC)" as a corporate member, to collect and recycle these batteries.
In fiscal 2006, the collection and recycling were further enhanced. 17 tons of portable secondary batteries were collected for recycling, far beyond 9 tons in fiscal 2005.

Environmental Label and Green Purchasing Law

TOSHIBA TEC Corporation discloses information regarding many of its products, which comply with the criteria for environmental labels and the Green Purchasing Law.

Type I Environmental Label Labeling requiring certification by a third party organization

Eco Mark

The Eco Mark is a Japanese environmental label established by the Japan Environment Association in 1989.
It is attached to products, which are judged to generate less environmental impacts from the production to disposal stages and to be useful for environmental protection.
20 models of the TOSHIBA TEC copiers and multi-functional peripherals are certified.

Environmental Labeling outside Japan

52 models of the TOSHIBA TEC copiers and multi-functional peripherals comply with the Chinese Environmental Label, 33 models comply with the Canadian EcoLogoM Symbol, 4 models comply with the Nordic Swan Label and other environmental labels outside Japan.

Chinese Environmental Label

EcoLogoᴹ Symbol

Nordic Swan

Type II Environmental Label Labeling based on criteria that a company voluntarily sets up

TOSHIBA Group Earth Protection Mark

TOSHIBA TEC Corporation sets up the “Voluntary Environmental Standards for Each Product,” which prescribes the industry’s top-level requirements for environmental considerations, and this mark appears in product brochures and on websites for the products in compliance with the Standards.
10 models of the POS terminals, 9 models of the POS peripheral equipment, 3 models of the electronic cash registers, 2 models of the office computers or JIMCOM, 5 models of the bar code printers, 8 models of the electronic white boards, and 16 models of the copiers and multi-functional peripherals are certified at present.

東芝グループ
地球環境マーク
東芝テックPOSターミナル
環境自主基準適合製品

Type III Environmental Label Labeling based on consumers’ judgment after disclosing environmental impact information through LCA

ECO LEAF labeling

The ECO LEAF labeling program started in June 2002. According to this program, the environmental impacts from every stage covering resource procurement, manufacturing, transportation, usage, disposal and recycling, are calculated with Life Cycle Assessment or LCA method. This label indicates the calculated environmental impacts as quantitative data. 7 models of the TOSHIBA TEC copiers are verified and certified.
The environmental impact data for the certified products are available on the Japan Environmental Management Association for Industry or JEMAI’s website.

URL: http://www.jemai.or.jp/english/index.cfm

Other Environmental Label

International ENERGY STAR® Program

The ENERGY STAR label can be attached to OA equipment whose standby electricity consumption is less than the prescribed standard. This program has been implemented as an optional registration system certified by both the Japanese and US governments, since October 1995. TOSHIBA TEC Corporation participates in the International ENERGY STAR Program, and presently 89 models of the copiers, multi-functional peripherals and bar code printers comply with the standard.
18 models comply with the new standard established in April 2007.

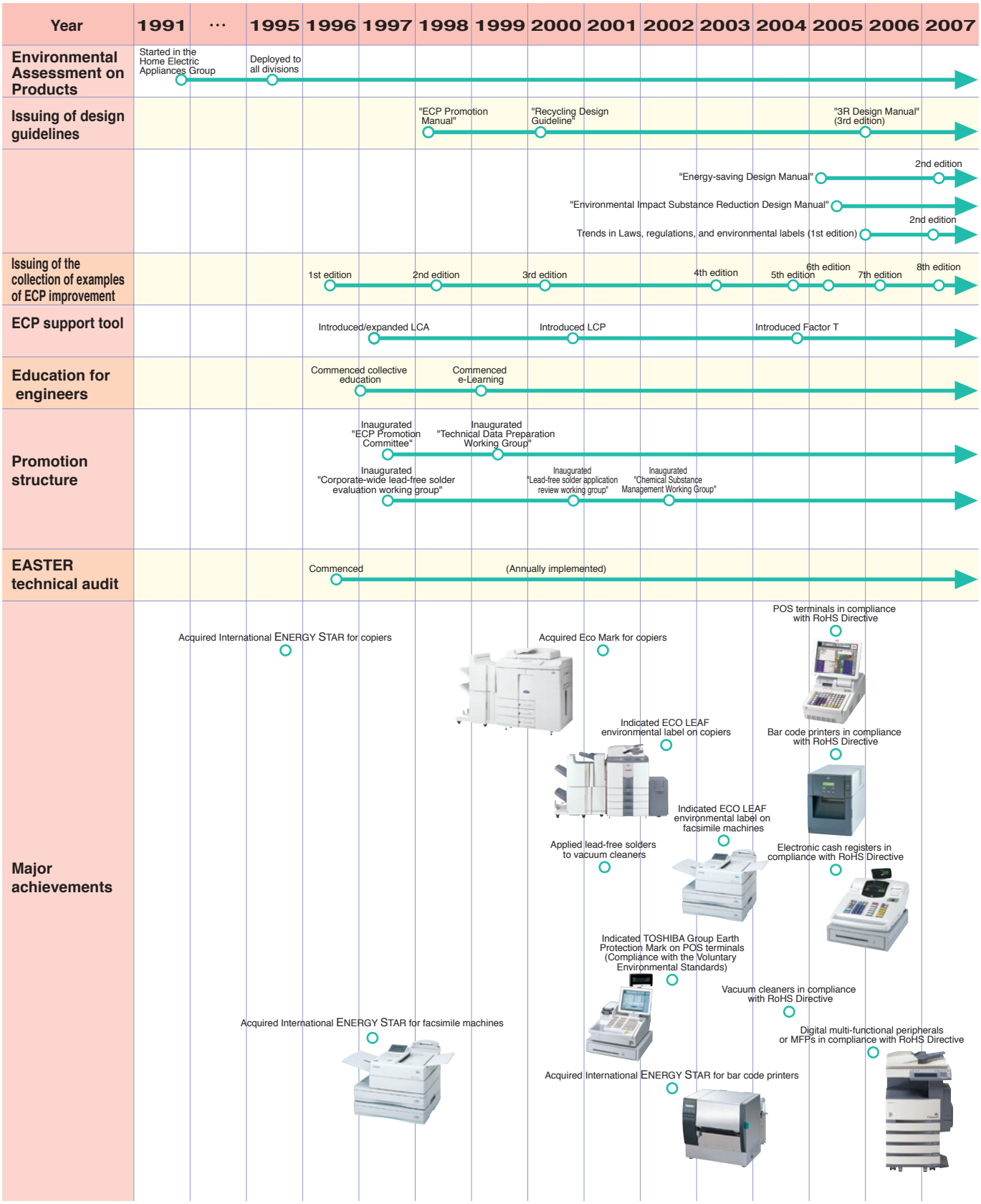
Green Purchasing Law Law Concerning the Promotion of Procurement of Eco-friendly Goods and Services by the State and Other Entities

Green Purchasing Law

The Green Purchasing Law enacted in April 2001 throughout Japan makes it obligatory for national, prefectural and local public bodies, enterprises, citizens and manufacturers to devise procurement policies and procure Eco-friendly Goods and Services. The State and Other Entities take the initiative in implementing Green Purchasing. The TOSHIBA TEC products such as 4 models of the electronic white boards and 20 models of the copiers and multi-functional peripherals comply with the evaluation criteria for the designated procurement items, and the information is disclosed in brochures and on websites.

URL: http://www.toshibatec.co.jp/csr/environment/products/greenlabel/index.html

ECP Activity Results and Achievements



TOSHIBA TEC EUROPE IMAGING SYSTEMS Scheme for Collection, Sorting & Treatment of Used Toner Containers for Recycling in Plastics Molding

TOSHIBA TEC EUROPE IMAGING SYSTEMS S.A. (TEIS) produces TOSHIBA brand MFPs and toner and also provides logistics capabilities for delivering these products all over Europe. As part of increasing corporate environmental responsibility, TEIS has initiated a system for collection and recycling of toner containers at end of life. This scheme is a voluntary practise derived from environmental regulations which demonstrates TEIS`s commitment to Toshiba`s corporate environmental policies.

These used toner containers are collected at a sorting center where reprocessing can be carried out. This prototype system was the result of several successive experimental prototypes which were developed in an ongoing search to develop a successful and efficient system.

This prototype unit, called LTR (Line Treatment for Recycling) offers the following benefits:

- Reduces the volume of waste cartridges to 1/10th of their original volume after collection, this also helps to reduce storage area for waste and means that less transportation is needed which further enhances the environmental benefit.
- Creates sub products which can be recycled by the plastic molding industry through channels specialized in materials recycling process, this also removes the need to incinerate waste material which further reduces environmental impact.

These advantages are possible due to strong controls that eliminate the mixing of PS (Polystyrene) and PE (Polyethylene) materials all along the process and the guaranteed the elimination of all metallic parts.

Overview of Major Process Steps in the LTR System

Fig 1. A shredder feeded with an input conveyor is used to break up the bottles and cartridges. Also, some toner can be reclaimed at this step.

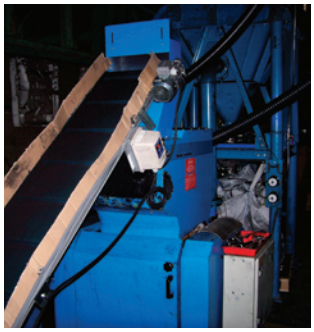


Fig 3. A grinder then reduces the size and volume of the shredded plastic even further

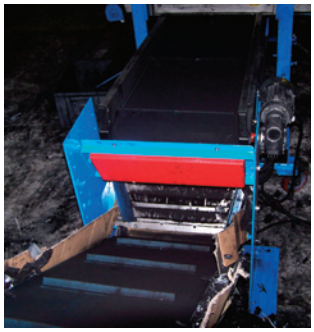


Fig 2. A magnetic separator is used to remove any iron-based parts with a safety additional magnet at conveyor output for safety

Fig 4. By using a "Zig-zag" tower, any remaining unwanted contaminants such as labels, dust and toner are removed.

Further Targets and Development of LTR System

Following on from this important development, TEIS has further environmental targets:

- to guarantee for the long term that all the used containers brought to the sorting centers by the collecting channels will be processed in by LTR, including any residual toner.
- to allow also in the same collecting organization the reuse of most of the sub-products separated by the LTR process by specialized channels and their reuse in new products.
- to achieve cost effective recycling operations by selling clean PS or PE and realising low production costs.
- to offer installation of this process in each sorting center.
- to allow local processing of waste cartridges and bottles directly after sorting from collecting boxes.

The Nordic Swan – One of the worlds leading Eco Labels

The Swan is the official Nordic Eco label that has been founded by the Nordic Council of Ministers. The administration of the Nordic Swan is handled by a non-profit organization called SIS Miljömärkning. They are operating on behalf of and under the supervision of the government.

The Swan proves that a product or service is a good choice from an environmental aspect. The symbol is today used in some 60 different product categories and it is without by far the most respected and well known Eco Label in the Nordic region (Denmark, Finland, Norway & Sweden).

SIS Miljömärkning is not only controlling and checking a product from an environmental aspect, they also have criteria from a feature & function point of view, ensuring that the Swan labelled products meets the high expectations and requirements from our customers.

Having been one of the world leading authorities on Eco labelling since 1989 SIS Miljömärkning is constantly striving to improve their criteria but also their cooperation with manufacturers and other leading Eco label organizations. Today SIS Miljömärkning has very close cooperation with the Japanese organization in charge of the ECO MARK label and the German Blue Angel organization.

TOSHIBA and the Nordic Swan

In 1995 TOSHIBA was the first manufacturer in the industry that got the entire product portfolio certified to carry the Nordic Swan. This was a well planned step towards communicating TOSHIBA's commitment to beyond developing world class products from the perspective of quality, efficiency and reliability. Now we could also prove that the TOSHIBA copier & MFP products meet the toughest requirements when it comes to environmental consideration.

The photo shows the official handover of the Nordic Swan Certificates from Ragnar Unge, MD (left) at SIS Miljömärkning to Håkan Larsson (right) in charge of Product Marketing at TOSHIBA TEC Nordic.

Today TOSHIBA TEC Nordic holds the certificates for the Nordic Swan for the TOSHIBA e-STUDIO 520, e-STUDIO 600, e-STUDIO 720 & e-STUDIO 850. These models were the first to pass the inspection of the latest Criteria version 4.0.

TOSHIBA TEC Nordic has plans to extend the range of Swan labelled products. We will continue to work together with SIS Miljömärkning and our internal Engineering staff to ensure that we can bring even more environmentally sound products to our customers in the future.

Prevention of Global Warming and Energy Conservation

Business sites work toward the reduction of CO_2 emissions while performing a variety of energy-saving activities, to prevent global warming.

Progress of the Fourth Voluntary Plan for Environmental Protection

Target Sites: TOSHIBA TEC Group Production Sites in and outside Japan

Indicator		Fiscal 2006 Target	Fiscal 2006 Result
In Japan	45% reduction in the ratio of CO_2 emissions to net production output by fiscal 2010 relative to fiscal 1990	44% reduction	60% reduction
Outside Japan	6% reduction in the ratio of CO_2 emissions to net production output by fiscal 2010 relative to fiscal 2004	2% reduction	2% reduction

In fiscal 2006, the ratio of CO_2 emissions to net production output*1 in Japan reduced by 29% compared with fiscal 2005 and 60% over fiscal 1990. The production output increased by approximately 43% compared with fiscal 2005, but energy-saving measures allowed an increase in CO_2 emissions by only 1%. The ratio of CO_2 emissions to net production output outside Japan reduced by 5% compared with fiscal 2005 and 2% over fiscal 1990. The target was achieved.

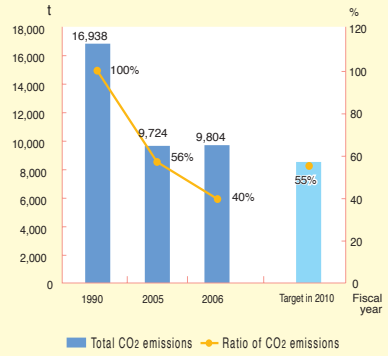
*1: Net Production Output is determined when Nominal Production Output is divided by the Corporate goods price index (electrical equipment) announced by the Bank of Japan for each year (the index for 1990 is 1. It is also introduced in the voluntary action plan in the electrical and electronics industry.

* The values declared by Nippon Keidanren are applied to electricity CO_2 emission rate. 3.29t-CO_2/10 thousand kWh has been determined for fiscal 2006 based on the results of 3.74t-CO_2/10 thousand kWh for fiscal 1990, 3.81t-CO_2/10 thousand kWh for fiscal 2005, and in consideration of 2.99t-CO_2/10 thousand kWh for fiscal 2010.

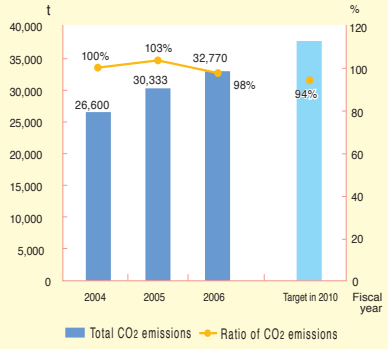
* The Home Electric Appliances Group is excluded due to a shift of production to outside Japan.

Ratio of CO_2 Emissions to Net Production Output

Production sites in Japan



Production sites outside Japan



Energy-saving Activities

At the Ohito Business Center, the central air conditioning system in the entire engineering building with conventional large outdoor equipment has been replaced with individual air conditioning systems in each room. Reception rooms and meeting rooms, which are not frequently used, can be air-conditioned according to the use of the room. As a result, CO_2 emissions were reduced by 30 tons in fiscal 2006. Furthermore, heat shield film for windows at the Key Components Business Div. and heat shield coating for roofs at TOSEI DENKI Co., Ltd. reduced air conditioning energy.

Energy Consumptions at TOSHIBA TEC Group in Fiscal 2006

Production Sites

Business site			Electricity (MWh)	Heavy oil/kerosene (kl)	Town gas (km^3)	LPG (t)	Water consumed (m^3)
TOSHIBA TEC Corporation	Japan	Ohito Business Center	5,344	0	0	13	24,450
		Mishima Works	14,062	0	272	0	124,499
		Key Components Business Div.*1	5,423	0	0	5.5	11,540
		Home Electric Appliances Group	2,973	47	0	0	7,822
Affiliate		TOSEI DENKI CO., LTD.	1,673	12	0	14	9,283
		FUJIKEN CO., LTD.	794	1	0	0.6	1,147
		TEC KASHIYA DENKI CO., LTD.	202	0	0	0	700
		TEC PRECISION, INC.*1	-	-	-	-	-
	Outside Japan	TEC SINGAPORE ELECTRONICS PTE. LTD.	4,538	0	0	0	17,923
		TIM ELECTRONICS SDN. BHD.	3,211	0	0	5	37,007
		TOSHIBA TEC EUROPE IMAGING SYSTEMS S.A.	6,258	0	93	0	13,922
		TOSHIBA COPYING MACHINE (Shenzhen) CO., LTD.	7,228	58	0	42	287,791
		P.T. TEC INDONESIA	6,269	0	0	0	27,637
		TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.*2	17,106	0	238	0	14,417
		TOSHIBA TEC HOME ELECTRIC APPLIANCES (Shenzhen) CO., LTD.	4,345	18	0	9	32,780
		TOSHIBA TEC RETAIL INFORMATION SYSTEMS (Shenzhen) CO., LTD.	1,363	14	0	8	24,600
Total			8,0794	150	603	97.1	253,340

*1: TEC PRECISION, INC. belongs to the Key Components Business Div.
*2: Toner Products Division

Non-production Sites

Business site			Electricity (MWh)
TOSHIBA TEC Corporation	Japan	Head Office (Ohsaki Office)	4,949
		Main Branches, Branches, Sales Offices	3,550

Greenhouse Gases other than CO_2

The TOSHIBA TEC Group does not emit any greenhouse gases other than CO_2.

"COOL BIZ"

(No Tie, No Jacket Campaign during the Summer)

Starting in the summer of 2005, employees are encouraged to participate in "Team Minus 6% National Campaign" by setting the room temperature at 28 degrees Celsius in the TOSHIBA TEC Group. Therefore, the new style business attire without a tie or jacket called "COOL BIZ" is being implemented for the employees to work comfortably.

Reduction of Waste and Resource Conservation

Business sites work toward reducing the quantity of waste generated as well as expanding recycling and reducing the quantity of waste for final disposal, to effectively use resources.

Progress of the Fourth Voluntary Plan for Environmental Protection

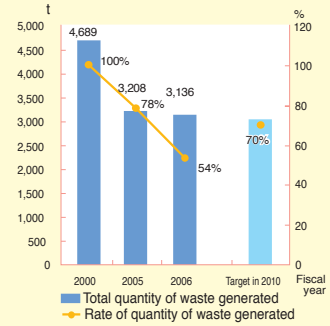
Target Sites: TOSHIBA TEC Group Production Sites in and outside Japan

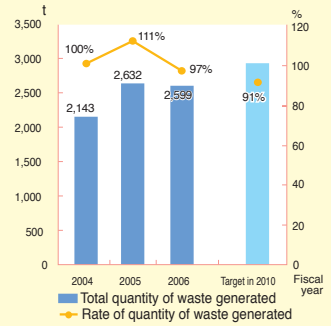
Indicator		Fiscal 2006 Target	Fiscal 2006 Result
In Japan	Rate of total quantity of waste generated: 30% reduction in the rate of total quantity of waste generated by fiscal 2010 relative to fiscal 2000	23% reduction	46% reduction
	Rate of quantity of waste for final disposal: Rate 0.7% or less of quantity of waste for final disposal by fiscal 2010	-	0.1% reduction
Outside Japan	Rate of total quantity of waste generated: 9% reduction in the rate of total quantity of waste generated by fiscal 2010 relative to fiscal 2004	3% reduction	3.0% reduction
	Rate of quantity of waste for final disposal: Rate 1% or less of quantity of waste for final disposal by fiscal 2010	-	9.3% reduction

In fiscal 2006, the rate of total quantity of waste generated in Japan reduced by 31% compared with fiscal 2005 and 46% over fiscal 1990. The production output increased by approximately 43% compared with fiscal 2005, but plastic returnable containers in place of corrugated cardboards to deliver components reduced the total quantity of waste generated by 2% compared with fiscal 2005. The rate of total quantity of waste generated outside Japan reduced by 13% compared with fiscal 2005 and 3% over fiscal 2004. Expansion of plastic returnable containers reduced the total quantity of waste generated by 1% compared with fiscal 2005.

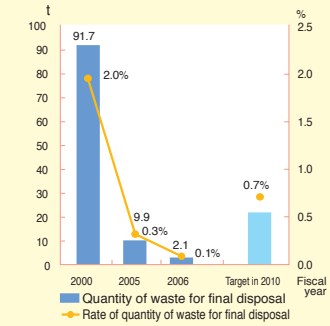
The quantity of waste for final disposal in Japan was 2.1 tons, which indicates a decrease of 65% compared with fiscal 2005. The rate of quantity of waste for final disposal resulted in 0.1%. The quantity of waste for final disposal outside Japan was 242 tons, which indicates an increase of 16% compared with fiscal 2005. The rate of quantity of waste for final disposal resulted in 9.3%.

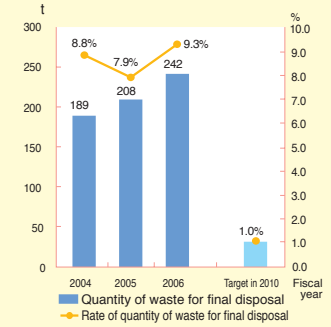
Rate of Total Quantity of Waste Generated





Rate of Quantity of Waste for Final Disposal





* The Home Electric Appliances Group is excluded due to a shift of production to outside Japan.

Emissions of Waste at TOSHIBA TEC Group

Production Sites in Japan

Business site		Total quantity of waste generated (t)	Quantity of waste for final disposal (t)	Rate of quantity of waste for final disposal (%)
TOSHIBA TEC Corporation	Ohito Business Center	756	0.39	0.05
	Mishima Works	1,128	0.60	0.05
	Key Components Business Div.*	604	0.90	0.15
	Home Electric Appliances Group	298	1.73	0.58
Affiliate	TOSEI DENKI CO., LTD.	594	0.17	0.03
	FUJIKEN CO., LTD.	23	0.10	0.44
	TEC KASHIYA DENKI CO., LTD.	32	0.01	0.03
	TEC PRECISION, INC.	-	-	-
Total		3,434	3.90	0.11

*TEC PRECISION, INC. belongs to the Key Components Business Div.

Production Sites outside Japan

Business site	Region	Total quantity of waste generated (t)	Quantity of waste for final disposal (t)	Rate of quantity of waste for final disposal (%)
TEC SINGAPORE ELECTRONICS PTE. LTD.	Singapore	115	5	4.3
P.T. TEC INDONESIA	Indonesia	509	66	13.0
TIM ELECTRONICS SDN. BHD.	Malaysia	74	13	17.6
TOSHIBA COPYING MACHINE (Shenzhen) CO., LTD.	China	334	13	3.9
TOSHIBA TEC RETAIL INFORMATION SYSTEMS (Shenzhen) CO., LTD.	China	61	2	3.3
TOSHIBA TEC HOME ELECTRIC APPLIANCES (Shenzhen) CO., LTD.	China	100	34	34.0
TOSHIBA TEC EUROPE IMAGING SYSTEMS S.A.	France	1,109	39	3.5
TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.*	U.S.A.	297	69	23.2
Total		2,599	241	9.3

*Toner Products Division

Quantity of Waste Generated at Head Office (Ohsaki Office)

Disposal	Type of waste	Description	Quantity of waste generated (kg)		
Material recycling	Paper	Paper for office use	4,874	77,144	81,622
		Newspaper, magazine	17,416		
		Corrugated cardboard, etc.	9,076		
		Others	45,778		
	Waste plastic	Styrofoam	171	1,406	
		PET (polyethylene terephthalate) bottles	1,235		
	Metal	Cans		381	
	Glass	Glass bottles		381	
	Others			2,310	
Thermal recycling	Combustible waste, waste plastic (meal trays, etc.)				22,112
Total					103,739

Control of Chemical Substances

Business sites work toward reducing emissions of chemical substances to air and water as well as promoting proper control when handling chemical substances.

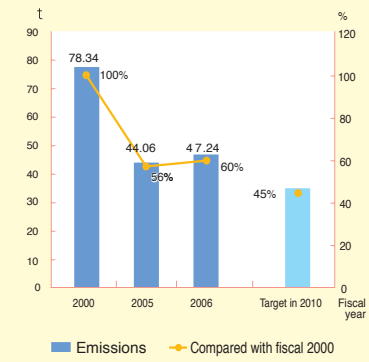
Progress of the Fourth Voluntary Plan for Environmental Protection

Target Sites: TOSHIBA TEC Group Production Sites in and outside Japan

Indicator		Fiscal 2006 Target	Fiscal 2006 Result
In Japan	50% reduction in emissions of chemical substances to air and water by fiscal 2010 relative to fiscal 2000	28% reduction	37% reduction

The TOSHIBA Group is expanding the target range to 449 chemical substances to be reduced, while taking into account the limited emissions of volatile organic compounds or VOCs.
Emissions of chemical substances in fiscal 2006 were 47 tons, which indicates an increase of 7% compared with fiscal 2005 and 40% reduction over fiscal 2000.
Emissions of isopropyl alcohol or IPA, which is used for parts cleaning, increased.
Despite a 35% increase in components, which require IPA cleaning, compared with fiscal 2005, the cleaning system for control of emissions was modified to restrict an increase in IPA emissions into the air.

Emissions of Chemical Substances at Production Sites in Japan



Emissions of Chemical Substances in Fiscal 2006 at Production Sites in Japan

* The list contains substances whose amounts handled are 1kg or more per year, out of 449 substances targeted for the Fourth Voluntary Environmental Plan specified by the TOSHIBA Group. (Unit: t)

No.	Substance number	Chemical substance name	Amount handled	Emissions to air	Amount transferred as waste	Amount consumed	Amount recycled
1	25	antimony and its compounds	1.221	0.000	0.051	1.170	0.000
2	29	4,4'-isopropylidenediphenol	0.235	0.003	0.000	0.213	0.019
3	30	polycondensation of 4,4'-isopropylidenediphenol and 1-chloro-2,3-epoxypropane (liquid)	7.110	0.000	0.140	6.970	0.000
4	40	ethylbenzene	1.045	1.045	0.000	0.000	0.000
5	43	ethylene glycol	0.015	0.009	0.000	0.006	0.000
6	44	ethylene glycol monoethyl ether	1.860	1.860	0.000	0.000	0.000
7	60	cadmium and its compounds	0.013	0.000	0.000	0.013	0.000
8	63	xylene	2.755	2.755	0.000	0.000	0.000
9	64	silver and its water-soluble compounds	0.169	0.000	0.000	0.051	0.117
10	68	chromium and chromium(III) compounds	0.081	0.000	0.000	0.081	0.000
11	103	2-ethoxyethyl	0.001	0.001	0.000	0.000	0.000
12	177	styrene	0.019	0.019	0.000	0.000	0.000
13	198	1,3,5,7-tetraazatricyclo[3.3.1.1(3,7)] decane	0.719	0.000	0.000	0.683	0.036
14	202	tetrahydromethylphthalic anhydride	8.800	0.000	0.140	8.660	0.000
15	227	toluene	8.097	8.070	0.027	0.000	0.370
16	230	lead and its compounds	3.704	0.000	0.213	3.120	0.000
17	231	nickel	0.038	0.000	0.000	0.038	0.000
18	232	nickel compound	0.068	0.000	0.000	0.068	0.000
19	251	bis(hydrogenated tallow) dimethylammonium chloride	0.004	0.000	0.000	0.004	0.000
20	254	hydroquinone	0.001	0.000	0.000	0.001	0.000
21	266	phenol	0.288	0.000	0.000	0.273	0.014
22	270	di-n-butyl phthalate	0.002	0.002	0.000	0.000	0.000
23	272	bis(2-ethylhexyl) phthalate	0.011	0.000	0.000	0.011	0.000
24	283	hydrogen fluoride and its water-soluble salts	0.006	0.006	0.000	0.000	0.000
25	304	boron and its compounds	0.031	0.000	0.000	0.030	0.001
26 27	307	poly(oxyethylene)=alkyl ether (alkyl C=12-15 and its mixture)	0.102	0.004	0.024	0.074	0.000
28	310	formaldehyde	0.003	0.003	0.000	0.000	0.000
29	311	manganese and its compounds	113.055	0.000	0.178	112.877	0.000
30	360	isobutyl alcohol	0.248	0.248	0.000	0.000	0.000
31	361	isopropyl alcohol	43.236	28.121	11.233	0.000	3.882
32	366	ethyl alcohol	1.938	1.481	0.264	0.193	0.000
33	369	ethylene glycol monobutyl ether	0.092	0.092	0.000	0.000	0.000
34	381	ethyl acetate	0.440	0.440	0.000	0.000	0.000
35	382	butyl acetate	0.544	0.544	0.000	0.000	0.000
36	392	cyclohexanone	0.285	0.285	0.000	0.000	0.000
37	409	1,2,4-trimethylpentane	0.048	0.000	0.000	0.048	0.000
38	413	nonane	0.042	0.033	0.000	0.008	0.000
39	415	1-butanol	0.646	0.646	0.000	0.000	0.000
40	425	propylene glycol monomethyl ether	0.064	0.064	0.000	0.000	0.000
41	426	propylene glycol monomethyl ether acetate	0.110	0.110	0.000	0.000	0.000
42	436	methyl alcohol	0.064	0.061	0.000	0.002	0.000
43	437	methyl isobutyl ketone	1.213	1.213	0.000	0.000	0.000
44	439	methyl ethyl ketone	0.125	0.125	0.000	0.000	0.000
		Total	198.546	47.240	12.271	134.595	4.440

*Substance numbers specified by the TOSHIBA Group.
Note: No emissions to public water systems or soil, and no landfill in applicable sites. No transfer to sewers or removal treatment.

Emissions to Air and Water in Fiscal 2006 (TOSHIBA TEC Group Production Sites in Japan)

Emissions to air*1 Unit (kg)

	Emissions
Flyash	31
NOx	127
SOx	19

Emissions to water*2 Unit (kg)

	Emissions
COD	5.0
BOD	45.97
SS	55.75
N-hexane (mineral oils)	18.69
N-hexane (animal and vegetable fats)	1.22
Phenols	0.02
Copper	0.09
Zinc	0.28
Dissolved iron	0.01
Dissolved manganese	0.01
Total chromium	0.00
Fluorine	7.34

*1: Emissions to air = Annual average value of measured concentration x annual total emissions of gases
*2: Emissions to water = Annual average value of measured concentration x annual total drainage, except drainage to sewers

The TOSHIBA TEC Group has abolished the use of Ozone-Depleting Substances.

There were no oil spill incidents or contraventions to the laws in fiscal 2006.

Reduction of Environmental Impacts on Logistics

Improvement in load efficiency, modal shift, reductions in transport vehicles and distances are implemented in order to reduce environmental impacts on logistics.

Reduction of CO_2 Emissions associated with Product Logistics

CO_2 emissions at the TOSHIBA TEC Group during transport and delivery were 2,320t-CO_2 in fiscal 2006. Detailed data on transport results are collected and complied in a database in cooperation with forwarding agents and warehouse companies. For measures to reduce CO_2 emissions associated with product logistics in fiscal 2006, two ports were used to unload home electric appliances for import to Japan instead of one port (Keihin). When the port to unload products for western Japan was relocated from the Keihin Port to the Osaka Port, the trunk transportation cargo volume from Tokyo to Osaka and CO_2 emissions were reduced.

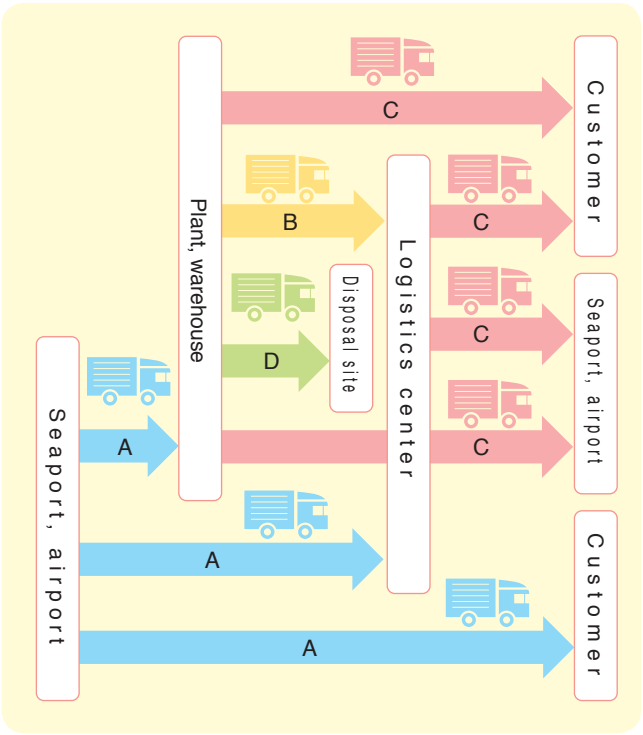
A modal shift through transport by car ferry is implemented to deliver products to specific customers in distant locations.

Reduction of CO_2 Emissions associated with Product Logisticsat the TOSHIBA TEC Group in Japan

Route	CO_2 Emissions (t) in fiscal 2006
A	93
B	81
C	2,124
D	22
Total	2,320

Note: CO_2 emissions are calculated on an improved ton-kilometer basis and on a fuel cost basis under the Law Regarding the Rationalization of Energy Use.

Overview of TOSHIBA TEC Group Product Logistics Transport Route Patterns



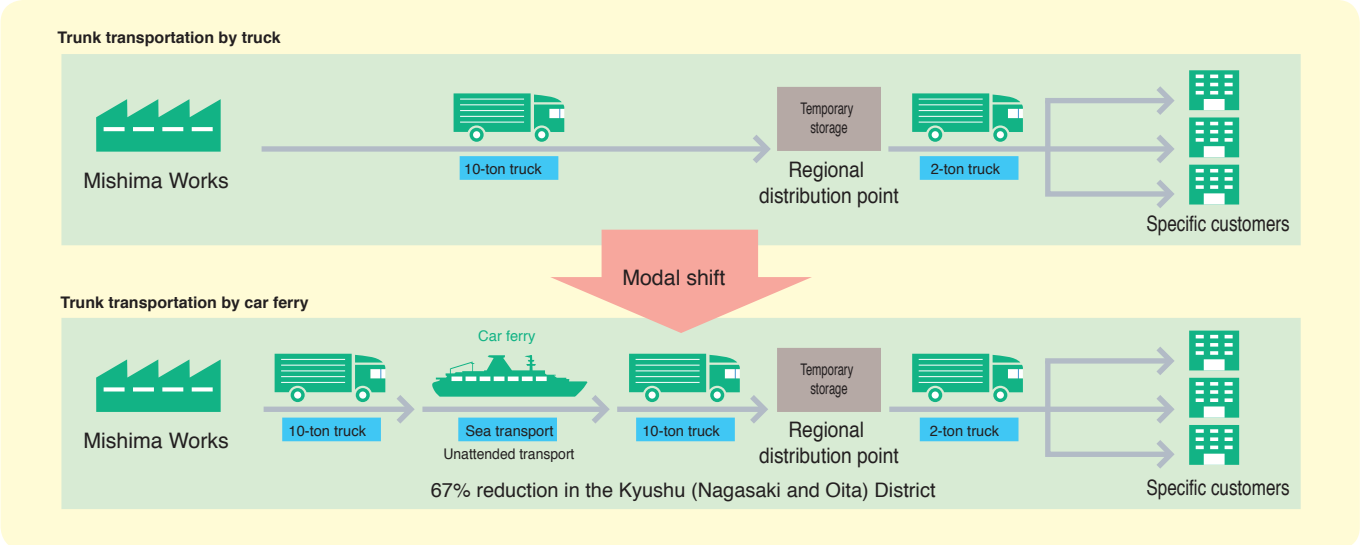
Example of Modal Shift

To reduce environmental impacts on logistics, the Special Equipment & Printer Business Group implements a modal shift to deliver dedicated terminals to specific customers in distant locations.

When products manufactured in plants are transported to the Hokkaido or Kyushu Districts, trunk transportation from plants to regional distribution points is switched from trucks to car ferries to reduce CO_2 emissions.

CO_2 emissions in the Kyushu (Nagasaki and Oita) District are reduced by 67%.

Example of Modal Shift



Collective Environmental Activities

Communication is being enhanced throughout various media, for people in different fields to understand the TOSHIBA TEC Group's efforts toward environmental protection, and collectively advance environmental activities.

Concepts regarding Communication

The TOSHIBA TEC Group states in its Corporate Philosophy; "We put concern for the environment as a priority in all our business activities so as to protect people's safety and health as well as the world's natural resources." Therefore, the TOSHIBA TEC Group is committed to addressing environmental issues with a genuine attitude, to build a sustainable society.

However, it is important not only for the TOSHIBA TEC Group but also for people in different positions, to recognize such a commitment, in order to handle environmental issues in society and collectively advance environmental activities. Thus, the TOSHIBA TEC Group is improving communications throughout various media, for people to understand its stance and activities toward environmental protection.

Environmental Public Relations

Environmental Report & Website

TOSHIBA TEC Corporation has been issuing English and Japanese editions of the Environmental Report since fiscal 2000. The Ohito Business Center, Mishima Works and Home Electric Appliances Group have been issuing the Japanese edition of their Environmental Reports, to disclose information to local communities and administrations.

Updated information regarding environmental reports, efforts toward environmental protection, and environmentally conscious products or ECPs is introduced on the websites.

Social and Environmental Activities
http://www.toshibatec.co.jp/csr/report/index.html

Inquires about Social and Environmental Activities (CSR)
http://www.toshibatec.co.jp/contacts/csr/index.html

Ohito Business Center

Mishima Works

Home Electric Appliances Group


Social and Environmental Activities


Eco-Products


Inquires about Social and Environmental Activities (CSR)

In-house Public Relations

Examples of public relations at business sites are introduced.

• ECP Display Area at Ohito Business Center

Efforts toward the Fourth Voluntary Plan for Environmental Protection, products in compliance with the Voluntary Environmental Standards, examples of ECP improvement, and panels exhibited at the TOSHIBA Group Environmental Exhibition are displayed in the ECP display area of the engineering department.


ECP display area

• Environmental News at Home Electric Appliances Group

In addition to "Environmental Month," "3R Promotion Month" and "Global Warming Prevention Month," monthly promotion items are introduced every month.


Environmental news

• Environment Display Area and Electronic Bulletin Board at Mishima Works

The environmental policy, organization, progress of the plan and environmental news are posted on the in-house display area near the main gate. In addition, textual information is also provided with the use of an electric bulletin board.

Electricity used for this electric bulletin board is furnished by in-house wind power generation.

Environment display area and electric bulletin board

Participation in Environment-related Organizations and Committees

The TOSHIBA TEC Group participates in industries and organizations related to environmental protection, in order to strengthen cooperation with communities.

Major Participations in Industries and Organizations related to Environmental Protection in Fiscal 2006

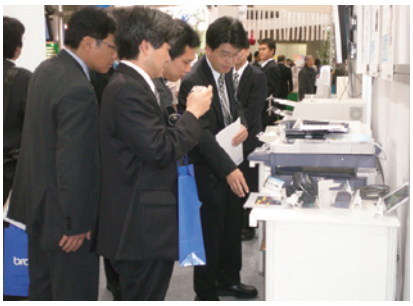
Organization name	Committee name	Remarks
Japan Business Machine and Information System Industries Association (JBMIA)	Environment Committee	Vice Chairman
Communications and Information Network Association of Japan (CIAJ)	Environment Policy Committee (EPOC) for Facsimile Machines	General Manager
Japan Environmental Management Association for Industry (JEMAI)	-	Regular Member
Green Purchasing Network (GPN)	-	Member
Hadano Industrial Wastes Conference	-	President
Hadano City	Hadano Environment Council	Environmental Council Member
Shizuoka Association for Environmental Protection	-	Corporate Member
Shizuoka Industrial Wastes Management Association	-	Corporate Member
Water Quality Control Council regarding the Kano River System	-	Vice President
Kise River Groundwater Conservation Advisory Council	-	Member
Mishima Environmental Protection Promotion Conference	-	Member

Exhibition at Environmental Events

By considering participation in various environmental events as a setting for communication with stakeholders, the TOSHIBA TEC Group actively participates in relevant events.

Eco-Products 2006 at Tokyo Big Sight in December 2006

The following products were presented in the TOSHIBA Group booth.



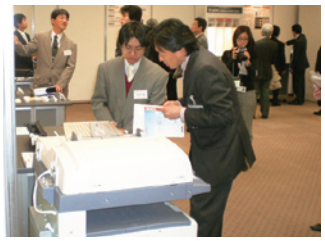
Digital Multi-functional Peripheral e-STUDIO165

Vacuum Cleaner VC-95XP

16th TOSHIBA Group Environment Exhibition at TOSHIBA Head Office Building in March 2007

The following products were presented in the ECP display area.

Electronic Cash Register MA-660



Digital Multi-functional Peripheral e-STUDIO165

Vacuum Cleaner Typhoon Robo XP VC-95XP

"Agenda no Hi" or Day of Agenda 2006 at Yokohama Industry Trade Hall in October 2006

TEC Engineering Corporation delivered a presentation on the environmental education program "Kids' ISO14000" for children. Flowerpots and cotton work gloves recycled from unnecessary old uniforms due to design changes were presented and distributed.

Quiz "Which material is recycled?"

Scheme of flowerpots explained

Other Environmental Communication

Household Eco-Account Book "Minister of Environment at Your Home (Eco-Family)"

TOSHIBA TEC Corporation performs activities friendly to global environment, together with its employees' families, through participation in the Household Eco-Account Book.

Household Eco-Account Book "Minister of Environment at Your Home (Eco-Family)" http://www.eco-family.go.jp/index.html in Japanese only

Team Minus 6%

The TOSHIBA TEC Group participates in "Team Minus 6%" National Campaign to prevent global warming. "COOL BIZ," "Turn-off Lights" and "3.9 GREENSTYLE" are being practiced.

Third-Party Opinion

Dr. Takeshi Shinoda

Professor of College of Social Sciences
Ritsumeikan University, Japan

Dr. Shinoda received a doctorate of Economics from the Graduate School of Economics, Nagoya University.
His field of specialization is socioeconomics.
Dr. Shinoda is a member of the Japan Society of Political Economy, Japan Association for Evolutionary Economics, and Japan Association for Northern European Studies (JANES).

His current research themes include new economic and social governance in globalization, and comparative research on work-life balance. His target regions include North Europe and Latin America.

Recently Japanese companies have commenced efforts regarding CSR in earnest. Many take CSR seriously, participate in a proactive manner, and are realizing that sustainable development can only be achieved by fulfilling the expectations of society and their stakeholders. Initially, CSR was in a phase for devising and settling a corporate philosophy. However, CSR is moving on to the next phase for setting concrete goals, understanding achievements, designing and disclosing the philosophy with concreteness in economic, social and environmental aspects, taking into consideration issues toward higher goals and ways of implementing activities to achieve these goals. In light of the above, I would like to provide a few comments regarding your "CSR REPORT 2007."

This is the second year TOSHIBA TEC Corporation has issued the "CSR REPORT." Nonetheless, TOSHIBA TEC Corporation was quick to address CSR issues by adding a report about sociality to the conventional "SUSTAINABILITY REPORT" in 2004, and the corporate philosophy seems to have taken root on a company-wide basis. I was informed the philosophy has now been embedded not only in Japan but also in sites outside Japan, consciously and steadily through 'PCDA cycles.' For the purpose of gaining trust, it is decisively important for companies driving globalization to promote CSR in a positive way at their sites outside Japan, especially in developing countries. In this sense, as a global enterprise, TOSHIBA TEC Corporation has promoted CSR in a practical manner also outside Japan, and can be highly appreciated.

Next, I would like to mention the environmental aspect of CSR. From the report, I can see various environmental efforts are being made. Targets and yearly achievements for mid- and long-term environmental strategies are quantified and environmental management issues are raised in each business site. This reveals sustainability efforts are made almost on a daily basis and this approach is favorably evaluated. On that note, I think individual companies will be requested to consider a CO_2 emission reduction target using an absolute value in the near future. The time to start this consideration will be a great challenge for you.

How about sociality? Based on the report, you are actively and continuously involved in philanthropy. The statements have been provided in more detail. However, the activities are too multifaceted. Therefore, your activeness in your philanthropy, for example, activities to which you give the highest priority, or activities you are most proud of, tends not to be fully understood. To ensure philanthropy to take root on a corporate-wide and daily basis, I believe it is crucial to review what kind of social contribution programs are possible, in view of related areas of your business.

I would like to refer to the employees, i.e., another aspect of sociality. Employees are indispensable stakeholders for a company, and a company is responsible for providing its employees with a good work life. Judging from the report, various efforts are being undertaken and the principle of "Respect for individuality" can be perceived. However, enhanced efforts are required, for example, to establish quantitative targets in terms of environmental issues. In addition, work-life balance is an important issue that even the government is propelling. The future challenge is to set up substantial goals or policies to achieve work-life balance, in plain words, how much overtime you will reduce and how you accomplish this feat, and disclose them in your report. In this area, many laws and regulations are prepared (including the revised Law concerning Stabilization of Employment of Older Persons and the revised Law on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment). Additionally, disclosure of goals and achievements in your report will show your activeness in compliance with each law and regulation.

Your report is generally devised to ensure readability and understandability, and thus regarded as an excellent CSR report.

GRI Content Index Fiscal 2006 Edition

(GRI: Global Reporting Initiative)

GRI Guidelines and appropriate pages in TOSHIBA TEC GROUP CSR REPORT 2007 are as follows:

* If you would like to obtain the 2002 GRI Content Index, please refer to TOSHIBA TEC website "Social and Environmental Activities."

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2.2 Primary products, and/ or services. P.5
2.3 Operational structure of the organization. P.7
2.4 Location of organization's headquarters. P.1
2.5 Names of countries of the reporting organization. P.1
2.6 Nature of ownership and legal form. P.1
2.8 Scale of the reporting organization, including: P.1

- **Number of employees; / Net sales or net revenues /Quantity of products or services provided**

3. Report Performers

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3.1 Reporting period for information provided. P.1
3.2 Date of most recent previous report. P.1
3.3 Reporting cycle. P.1
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3.12 Table identifying the location of the standard Disclosures in the report. ..... P.52, Website

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4.1 Governance structure of the organization, including committees under the highest governance body. P.7-8
4.2 Indicate whether the Chair of the highest governance body is also an executive officer. P.7
4.8 Internally developed statements of mission or values, codes of conduct, and principles. P.4
4.9 Including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, code of conduct, and principles. P.8

- **COMMITMENT TO EXTERNAL INITIATIVES**

4.11 Explanation of whether and how the precautionary approach or principle. P.8-10
4.12 Externally developed initiatives to which the organization subscribes or endorses. P.1, P.54

- **STAKEHOLDER ENGAGEMENT**

4.14 List of stakeholder groups engaged by the organization. P.1

5. Management Approach and Performance Indicators

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<Environmental>

- **ENVIRONMENTAL PERFORMANCE INDICATORS**

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- **Labor Practices and Decent Work Performance Indicators**

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- **Product Responsibility Performance Indicators**

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TOSHIBA TEC CORPORATION

TOSHIBA Group Earth Protection Mark

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