

# CSR REPORT

TOSHIBA TEC GROUP CSR REPORT

2009



# "Monozukuri": creating our products Keeping our customers in mind all the

## Regarding the "TOSHIBA TEC GROUP CSR REPORT 2009"

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 2009," which expands the reporting range to embrace accountability

regarding the CSR, has been issued.

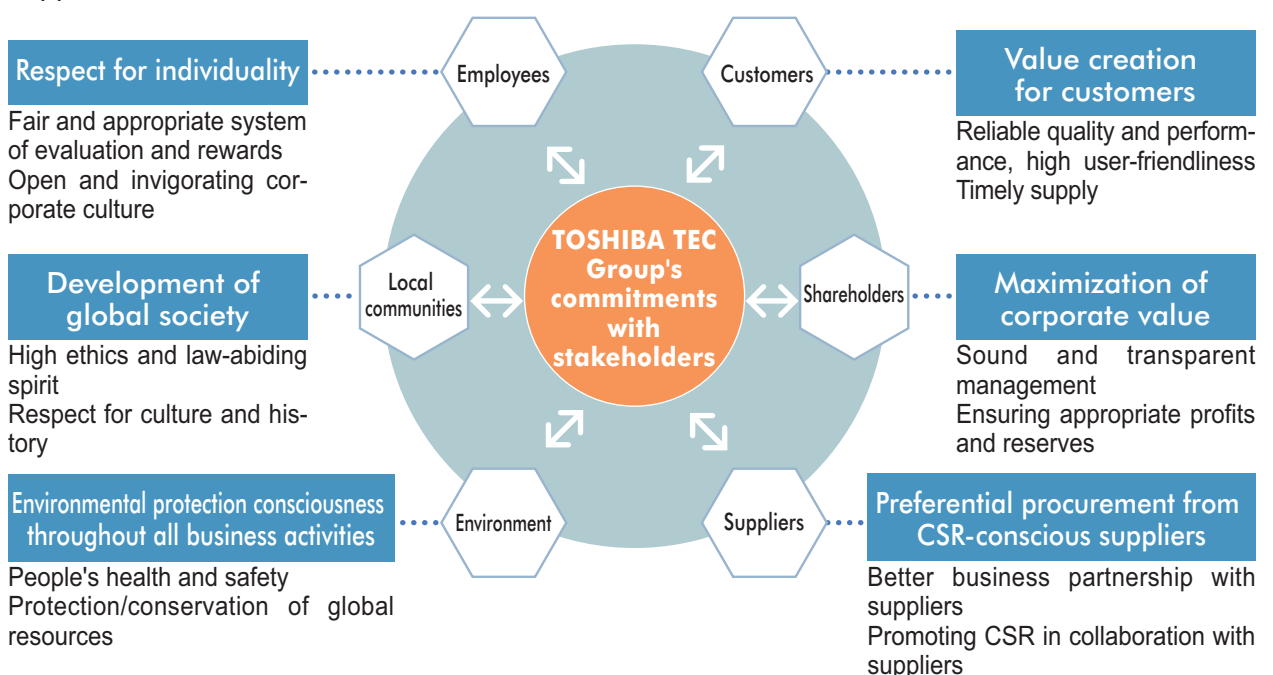
This Report emphasizes the CSR activities from three points of view: "MANAGEMENT," "PEOPLE & TOSHIBA TEC" and "ENVIRONMENT & TOSHIBA TEC," to allow our stakeholders to further understand the TOSHIBA TEC Group, as well as to easily comprehend our concepts and systems regarding various activities.

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 embracing the support from stakeholders around the world,

along with fulfilling the Corporate Philosophy "Our Five Commitments."





with pride and passion.  
time and everywhere.

## Corporate Profile

<b>Firm Name:</b>	TOSHIBA TEC CORPORATION
<b>Head Office:</b>	Oval Court Ohsaki Mark East 2-17-2, Higashi Gotanda, Shinagawa-ku, Tokyo 141-8664 Japan
<b>President and Chief Executive Officer:</b>	Mamoru Suzuki
<b>Established:</b>	February 21, 1950
<b>Paid-in Capital:</b>	39.9 billion yen (Listed in the First Section of the Tokyo Stock Exchange)
<b>Net sales:</b>	422.6 billion yen (as of March 2009)
<b>Number of Employees:</b>	19,851 (as of March 2009, on a consoli- dated basis)

### Scope of This Report

<b>Reporting Period:</b>	Fiscal 2008 (from April 1, 2008 to March 31, 2009)
<b>Report Scope:</b>	In principle, TOSHIBA TEC Group (TOSHIBA TEC Corporation and its consolidated affiliates)
<b>Environmental Data:</b>	TOSHIBA TEC Corporation and its 31 consolidated affiliates

### Release Timing

<b>Previous Edition:</b>	July 2008
<b>Next Edition:</b>	Scheduled for June 2010

### Reference Guidelines

GRI (Global Reporting Initiative)  
 "Sustainability Reporting Guideline 2002"  
 "Sustainability Reporting Guideline 2006 3rd Tentative Japa-  
 nese Translation"  
 "Environmental Report Guidelines" (Fiscal 2003 Edition) is-  
 sued by the Ministry of the Environment  
 "Guidelines for Environmental Performance Indicators for  
 Businesses" (Fiscal 2003 Edition) issued by the Ministry of  
 the Environment

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# We Aim to Be A Trusted Global Enterprise, based on Our Corporate Philosophy.

## **Developing Business Activities based on our Corporate Philosophy.**

The TOSHIBA TEC Group is creating new values and contributing to society throughout its operations, while developing business activities, under the principle of making efforts to obtain mutual prosperity with all stakeholders, including customers, employees, society and the environment, by practicing high business ethics.

This is because the Group, developing

businesses on a global basis, believes it is essential to gain the trust of all stakeholders in various countries and regions, by responding to their needs and expectations, in order to achieve sustainable growth as a corporate group.

The Group embodied this concept to establish its Corporate Philosophy "Our Five Commitments." All group employees around the world share and practice this concept by acting according to the "TOSHIBA TEC Group Standard Of Conduct" set up based on the corporate philosophy.



## **Giving Top Priority to Human Life, Safety and Legal Compliance.**

To gain the trust of society while developing business activities, the TOSHIBA TEC Group must give top priority to thorough compliance with laws, regulations, social customs and ethics. Thus, a risk compliance structure has been established, making the Group employees around the world thoroughly understand and implement the "TOSHIBA TEC Group Standards Of Conduct," as well as fully covering sales, engineering and production while assigning me as CRO\*.

In addition, the TOSHIBA TEC Group improves the quality assurance system on a global basis while striving to provide products and services, which customers can use with confidence, in order to discharge the manufacturer's duty to ensure product safety to prevent accidents, which endanger human life and safety, from occurring.

\* CRO: Chief Risk-Compliance Management Officer

## **Promoting Business Activities as a Global Enterprise.**

The TOSHIBA TEC Group always advances its business activities in consideration of being a "global enterprise."

The Group demonstrates two aspects to be a global enterprise. One is to be willing to fulfill the role as an enterprise toward a better natural environment.

The Group has been working on the environmental plan targeted for fiscal 2012, by giving top priority to the conservation and protection of the world's natural resources, in order to build a sustainable society throughout every business process and product. The Group actively works on reducing CO<sub>2</sub> emissions as well as environmental impacts in every facet of business activities including

development, production and distribution, throughout the world.

The other is to be an enterprise, which recognizes and respects differences in culture, history and customs among countries and regions in the world.

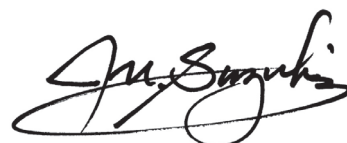
A variety of people with individualities coming from different races, genders and ages live on the earth. The Group strives to develop human resources worthy of being called a "Global Enterprise," while respecting diversity and utilizing human resources by focusing on new ideas, which are created when people with different personalities enlighten each other.

In addition, the Group forges ahead with work style innovation to raise awareness of changes in work methods, and always improve the added value of individuals.

The TOSHIBA TEC Group hopes to contribute to the sustainable growth of society from the aforementioned two aspects.

## **Achieving Accountability to the Stakeholders.**

The TOSHIBA TEC Group is supported by a wide variety of stakeholders, including customers, shareholders/investors, employees, local communities and suppliers. Through communication opportunities, the TOSHIBA TEC Group commits itself to sincere responses, while trying to attend to stakeholders' interests and disclosing things which must be explained to the stakeholders, on a timely basis.



**Mamoru Suzuki**

President and Chief Executive Officer  
**TOSHIBA TEC CORPORATION**  
July 2009

## Our Five Commitments

- Corporate Philosophy of the TOSHIBA TEC Group -

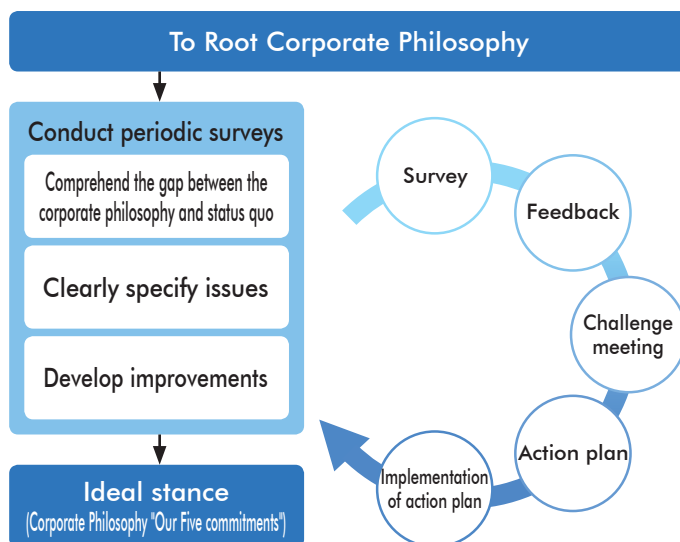
**"Monozukuri": creating our products with pride and passion.  
Keeping our customers in mind all the time and everywhere.**

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.

### Rooted Corporate Philosophy

The TOSHIBA TEC Group considers its Corporate Philosophy "Our Five Commitments" as the foundation of its business management and conducts corporate philosophy surveys to enhance "Our Five Commitments" as the "Common Sense of Value" for every employee of the TOSHIBA TEC Group.

Thus, the Group is propagating and thoroughly making every employee conscious of the corporate philosophy, in accordance with the corporate philosophy survey "PDCA Cycle" (management cycle).





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

The TOSHIBA TEC Group products are widely used in various fields such as in stores and offices. We promote 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 develops the retail solution business, document systems business and auto-ID & printer business on a global basis, with advantages and sales channels of these businesses shared among the business groups.

### Retail Solution Business Group

The Retail Solution Business Group develops, produces, sells and maintains POS systems, electronic cash registers, scales, OA equipment and supplies.



### Auto-ID & Printer Business Group

The Auto-ID & Printer Business Group develops, produces, sells and maintains automatic identification systems such as barcode systems and RFID systems, printers and special terminals.



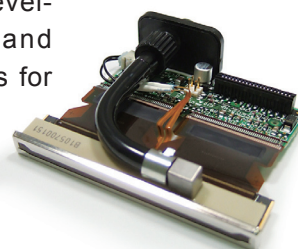
### Document Systems Business Group

The Document Systems Business Group develops, produces, sells and maintains multifunction peripherals, facsimiles and various unit parts.



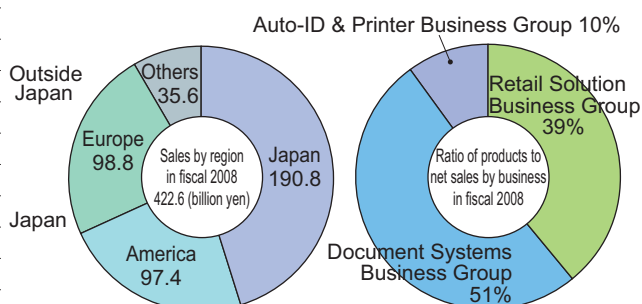
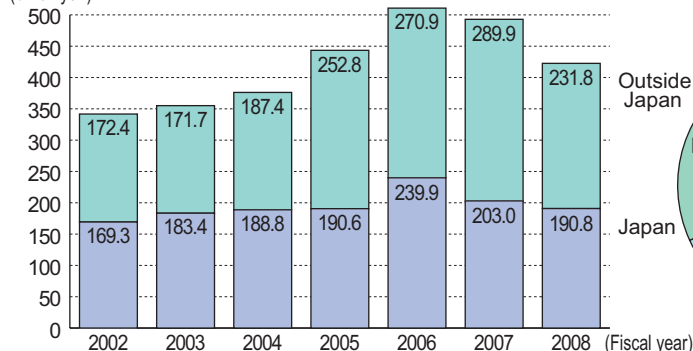
### Inkjet Head Business Division

The Inkjet Head Business Division develops, produces and sells inkjet heads for industrial use.



## Net Sales (consolidated)

(billion yen)



# 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 Improve Corporate Values

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 (Board of) Corporate Auditors, while recognizing corporate governance as an essential management policy, which meets the expectations of stakeholders and continuously improves corporate values.

In terms of the corporate body, when introducing the executive officer 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 and mobility in decision making. In addition, two outside directors 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 Group" under the direct control of the president and CEO is established to perform internal audits.

In fiscal 2008, a variety of measures were taken, with emphasis on establishing and operating the internal control systems to ensure the reliability of financial information, enhancing the compliance system regarding laws and regulations such as the antimonopoly law, reinforcing information security and personal data protection, and thoroughly ensuring compliance awareness.

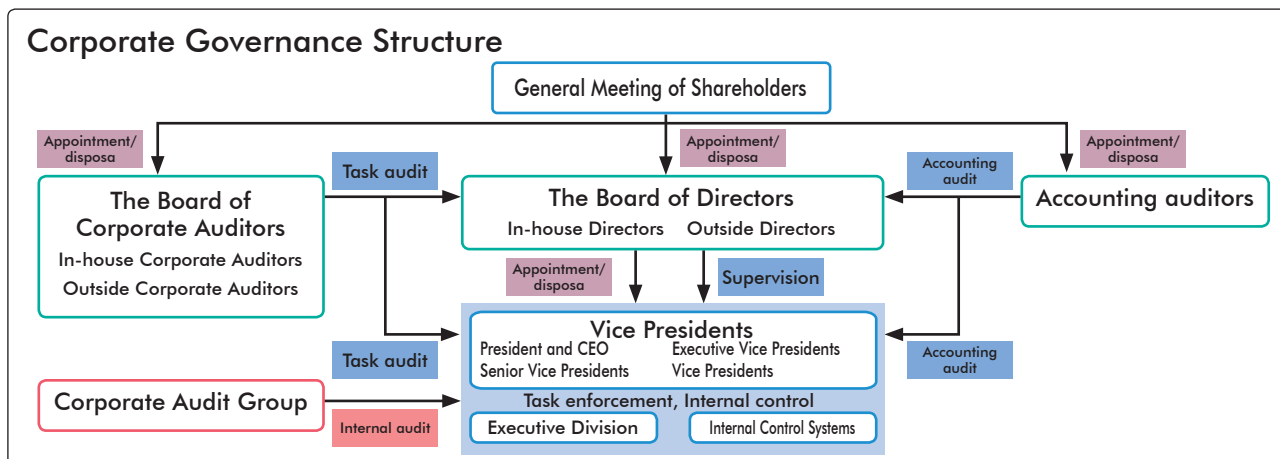
## Internal audit

As the internal audit division, the Corporate Audit Group performs audits, evaluations and provides proposals on the effectiveness of the Risk Compliance Structure and internal control systems. Each responsible division performs audits on environmental control, information security and security export control, in cooperation with the Corporate Audit Group.

## Major Divisions Responsible for Internal Audit and Operations

Responsible division	Details
Corporate Audit Group	Management audit, task audit, compliance audit, etc.
Corporate Quality & Environmental Group	Environmental management and control results
Corporate IT & Information Systems Group	Management structure for information security and information system
Corporate Export Control Group	Security export control

## Corporate Governance Structure





Business operations are conducted with CSR situated as the core for management.

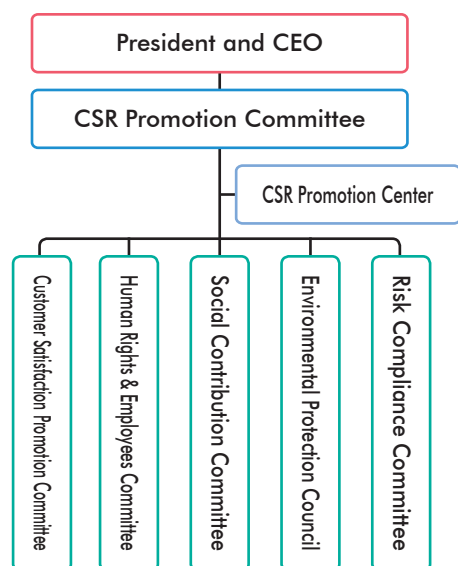
### CSR Management

TOSHIBA TEC Corporation organizes CSR-related activities including "Customer Satisfaction," "Human Rights & Employees," "Philanthropy" and "Environmental Protection" as well as maintains the promotion structure, to thoroughly position CSR within corporate management, while centering the CSR Promotion Center on the premise of "Compliance" to abide by corporate ethics, laws and regulations.

In particular, appointing the president and CEO as a chairperson, 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.

We consider prerequisites for corporate sustainable development are to make continuous efforts to conduct faithful and transparent management, take the global environment into account, and contribute to local communities, in compliance with corporate ethics, laws and regulations.

### CSR Promotion Structure



### TOSHIBA TEC Group Standards Of Conduct

In the TOSHIBA TEC Group's Corporate Philosophy, the basic policy requires the TOSHIBA TEC Group 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 its corporate social responsibilities for 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 clarify a sense of values and a guide to general standards of conduct, which all its Group company directors and employees should share.

SOC is defined as the action policy for the TOSHIBA TEC Group to contribute to society, gain public trust and respect. It is being exercised on a daily basis throughout the TOSHIBA TEC Group.

The "TOSHIBA TEC Group Standards Of Conduct" translated into 13 languages (English, German, French, Chinese, Dutch, Spanish, Portuguese, Swedish, Italian, Polish, Korean, Malay and Indonesian) and adopted by the TOSHIBA TEC Group companies are being exercised as SOC in each company outside Japan.



For the full text of the TOSHIBA TEC Group SOC, visit 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

Thoroughly ensuring high ethics and law-abiding spirit prevents misconducts. In the event of misconduct, the TOSHIBA TEC Group takes proper and prompt action.

### Risk Compliance Management

The TOSHIBA TEC Group appoints each president and CEO as a CRO<sup>1</sup> in order to propagate and thoroughly implement the "TOSHIBA TEC Group Standards Of Conduct" while promoting the measures of Risk Compliance Management. Top management exercises the initiative to devise and promote various measures, as well as take actions involving emergency situations.

Appointing the CRO as a chairperson, TOSHIBA TEC Corporation organizes the Risk Compliance Committee<sup>2</sup>, to maintain a Group-wide structure, devise and promote measures toward the advancement of Risk Compliance as well as TOSHIBA TEC measures.

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

\*1: CRO: Chief Risk-Compliance Management Officer

\*2: Risk Compliance Committee: It devises corporate-wide measures and controls measures regarding Risk Compliance, reinforces and promotes maintenance of the Risk Compliance Structure.



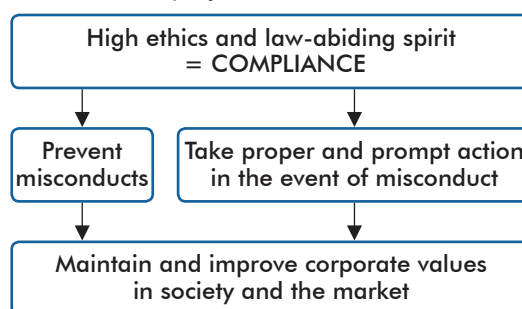
TOSHIBA TEC Partner Hotline

URL <http://www.toshibatec.co.jp/contacts/partnerline/indexj.html>

### Compliance Education

To thoroughly ensure a law-abiding spirit and awareness toward compliance, the TOSHIBA TEC Group periodically provides various educational seminars to employees. Employees who work outside Japan also receive education to manage global business expansion. For the 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.

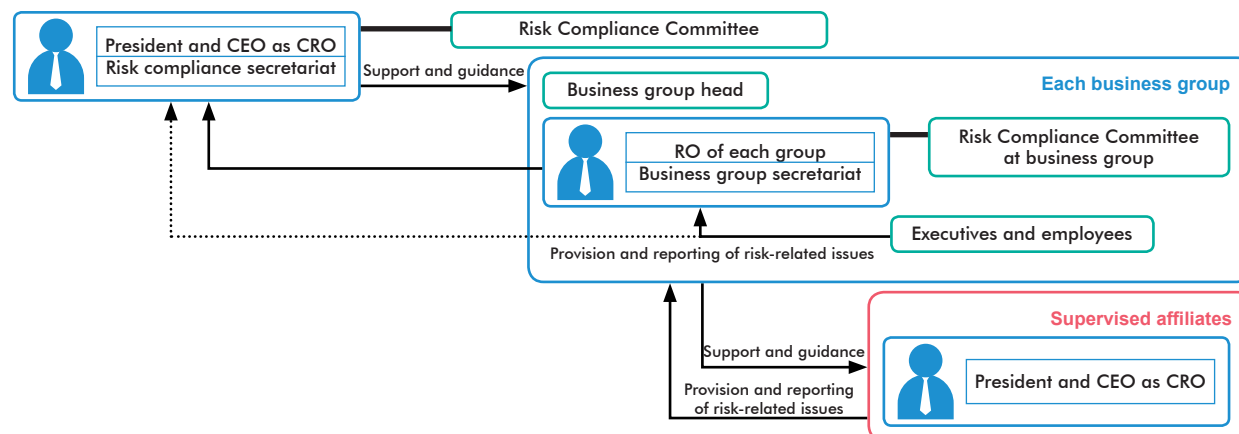


### Examples of Compliance Education

- Education on TOSHIBA TEC Group Standards Of Conduct
- Education on marketing risk and compliance
- Education for employees assigned abroad and on extended business trips
- Ethics education for engineers
- PL seminars provided by U.S. attorneys
- Chinese legal work seminars



### Risk Compliance Management System





## Information Security

### 1) Information Security

TOSHIBA TEC Corporation reviews its internal rules concerning information security and continues improvements in self-audits among each division, in response to changes in the social environment.

e-Learning is used to learn rules to prevent accidents and ensure information security while handling information. Education is provided to directors, employees, employees dispatched from cooperation companies. In 2008, TOSHIBA TEC Corporation made efforts to reinforce security, such as establishing the standard of treatment regarding "Information Requiring Tight Control."

Similar measures are taken at each TOSHIBA TEC Group company, thus, the Group makes a concerted effort to maintain and improve information security.

### 2) Information 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 to protect information leaks.

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.

## Security Export Control

### Policy regarding Export Control

Recently, the nonproliferation of weapons of mass destruction and conventional weapons in countries, regions or to terrorists, which threaten security, is a critical issue in an international society.

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

Based on this basic policy the TOSHIBA TEC Group has established the "Export Control Program" and built an export control system, while carrying out strict export control.

### Export Control System

In TOSHIBA TEC Corporation's export control system, the representative director is assigned to a chief export control officer, and the Corporate Export Control Group, which controls general operations of the TOSHIBA TEC Export Control Program is allocated under the chief export control officer. General managers of business groups and corporate staff divisions conduct export control as export control management officers.

Under this system, the following items are implemented to realize strict export control.

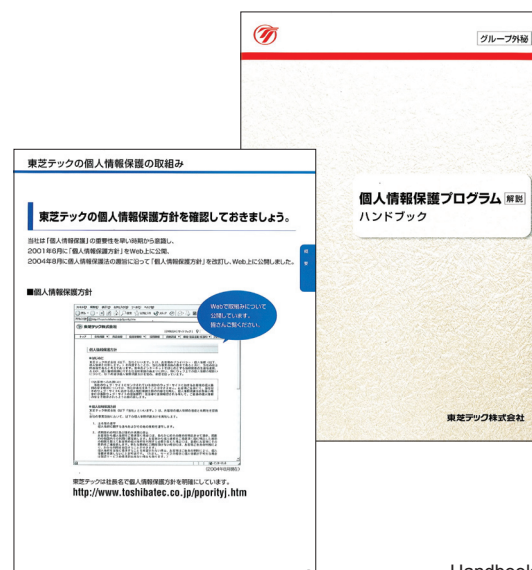
- Cargo/technology relevance judgment
- Transaction screenings
- Export control audits
- Export control education
- Guidance and support for supervised group companies

## 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 Group also 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.

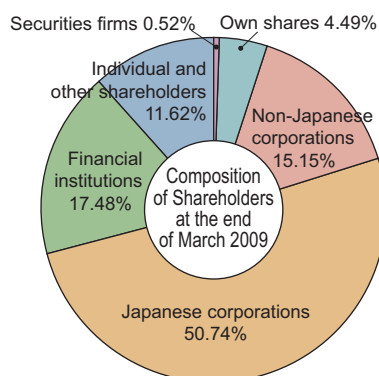


Handbook

## Shareholders/Investors &amp; TOSHIBA TEC

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

## Composition of Shareholders



## Communication with Shareholders

TOSHIBA TEC Corporation recognizes the General Meeting of Shareholders as an important forum for direct communication with shareholders.

By providing visualized business reporting and mid-term management plan at the general meeting of shareholders, as well as showroom tours after the meeting, TOSHIBA TEC Corporation strives to allow shareholders who attend the meeting an easier and deeper understanding of "TOSHIBA TEC."

In addition, TOSHIBA TEC Corporation strives to allow shareholders and investors to understand "TOSHIBA TEC" where possible, while preparing and delivering the Business Reports to all shareholders as well as posting the reports on its website. The Business Reports including information such as major products and expected achievements as well as overviews of operations are prepared with diagrams and photos for easy understanding.



Business Report

## Disclosure

TOSHIBA TEC Corporation makes efforts to promptly disclose proper corporate information including its management policy, 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.

Easy-to-understand disclosure information regarding business operations is immediately posted on the TOSHIBA TEC website.

TOSHIBA TEC Corporation manages information to strictly prevent insider trading.

## Annual Communication Schedule for Fiscal 2008

Month	Communications
April	Announcement of financial statements Account settlement meeting
June	Distribution of notice regarding general shareholders meeting Distribution of business reports Distribution of general meeting resolutions Disclosure of financial statements/Issuance of CSR report
July	Announcement of first-quarter financial statements
Mid-October	Announcement of second-quarter financial statements Interim account settlement meeting
December	Distribution of interims business reports
January	Announcement of third-quarter financial statements



Account settlement meeting

# Producing Safe and Reliable Quality Products

All employees are addressing quality assurance issues, from the perspective of customers.

## Quality Innovation based on Customer Trust

TOSHIBA TEC Corporation believes it can obtain customer trust by offering high quality products reflecting future needs and services beyond customers' expectations, along with worry free use. By capturing VOCs precisely to develop technologies, and taking full advantage of computer-aided design (CAD), simulation and quality engineering, design assuming customers' versatile environments and conditions, thorough verifications and evaluations, and company-wide concurrent developments, TOSHIBA TEC Corporation is finding a balance to achieve low cost and high quality in a shorter period of time. Regarding new POS systems and digital MFPs released in 2008, quality innovation activities were conducted to thoroughly predict every failure mode at development and design stages and prevent such failures. As a result, breakdown after installment was considerably reduced, compared to the previous models and thus products helping customers improve operational effectiveness were finally realized.

In addition, TOSHIBA TEC Corporation prepares service systems on a worldwide basis as well as in Japan, to allow customers to al-



Help desk

ways use installed products at their best. Voice of customers, received at help desks or during visits for periodical inspections or repairs is a source of innovations.

## Manufacturing for Delivering Safety and Reliability

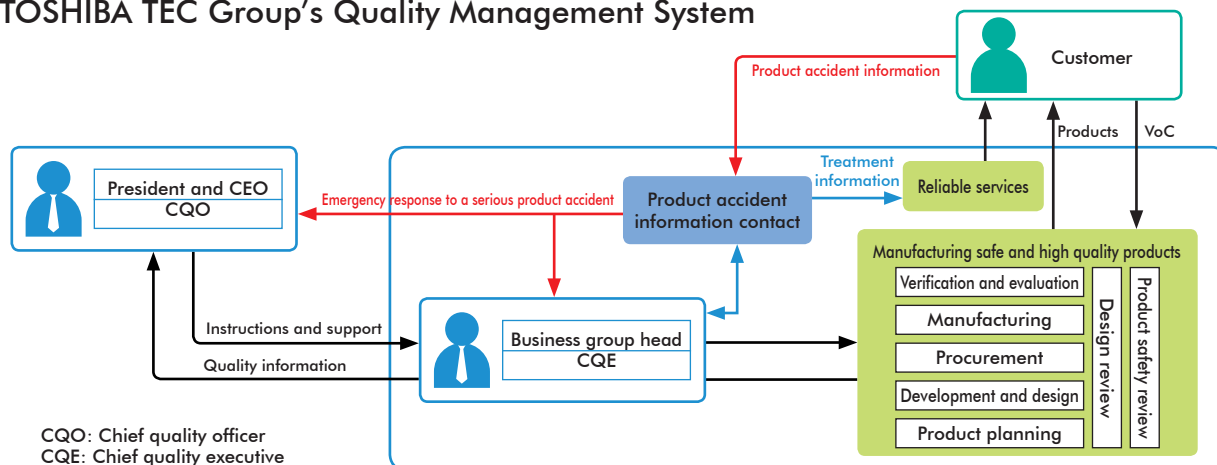
TOSHIBA TEC Corporation keeps manufacturing safe products by strengthening standards in its own right and using design reviews and product safety reviews to evaluate functions and reliability in each stage of product design, development through sales, as well as complying with laws and regulations within and outside Japan, such as the Electrical Appliance and Material Safety Law. Recent trends require not only strengthening the standards but also implementing proper risk assessment. Prior to legislation, TOSHIBA TEC Corporation has adopted "R-Map," the risk assessment method advocated by the Union of Japanese Scientists and Engineers.

If information regarding a serious product accident is received, TOSHIBA TEC Corporation is well-positioned to response to the accident according to instructions from the president and CEO, quickly and with sincerity. At this time, the chief quality officer (CQO) is responsible for implementations.

## Fostering Human Resources and Company Climate

TOSHIBA TEC Corporation continues fostering engineers with expertise in product safety and reliability and experts of risk assessment methods, and enhancing basic skills of development engineers regarding quality, reliability, safety and compliance. In 2008, the "Product Safety Seminar," "Safety Laws and Standards Seminar," "Reliability Seminar," "Quality Engineering Seminar" and "Ethics Education for Engineers" were held.

## TOSHIBA TEC Group's Quality Management System





# Providing Products and Services that Satisfy Customers

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.

## Respecting the Voice of Customers

"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.

## "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.

## Partnership with Affiliates

TOSHIBA TEC Corporation works on improvements to increase customer satisfaction while sharing information in partnership with TEC Engineering Corporation responsible for maintaining and servicing the retail solution equipment, and TOSHIBA TEC Business Solutions Corporation responsible for maintaining and servicing the document systems equipment.

## Partnership with TOSHIBA Corporation

TOSHIBA TEC Corporation periodically exchanges information with the Toshiba Customer Information Center and CS Promotion Center to improve the quality of the TOSHIBA Group's response and support.

## Improvements in Customer Satisfaction



# Achieving a Universal Design

Universal Design (UD) is "to design products, buildings and environments, which allow as many people as possible, regardless of age or whether they have disabilities, to use and operate." TOSHIBA TEC Corporation aims to achieve UD through integration with its products including POS systems and digital multifunction peripherals (MFPs) used in stores or offices.

## Universal Design Approach

We ask various users from beginners to experts along with people with disabilities for their cooperation regarding testing and evaluating our products and then expressing their opinions and ideas.

In addition, we repeatedly conduct research and experiments on UD along with reviews on commercialization of products.



Experiments conducted to check usability of the operation screen, using the eye movement measuring apparatus or eye camera



Reviews on operations while sitting in a wheelchair

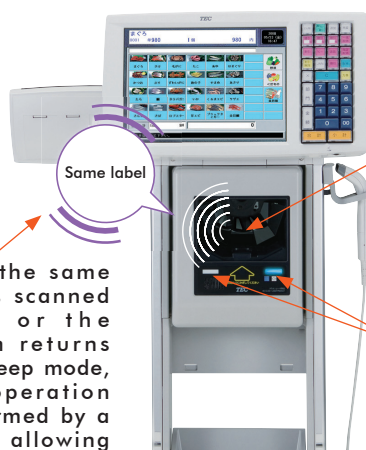
## Smart Line Scanner LS-790T

Smart Line Scanner LS-790T



Example of the system comprised of the Smart Line Scanner LS-790T, POS Terminal M-8000, cash register and bagging table

When the same item is scanned twice or the system returns from sleep mode, such operation is informed by a sound, allowing users to easily understand.



Smooth scanning can be provided in the scan area adjusted to the front of the scanner, in accordance with the user's action, when a beginner scans a barcode or a hard-to-read barcode is scanned.

The large right and left LEDs with easy-to-see colors as well as blinking positions and colors allow users to thoroughly check for errors or whether scanning is complete.

## Digital Multifunction Peripherals (MFPs) e-STUDIO5520C/6520C/6530C



e-STUDIO 6530C



Large easy-to-see control panel with adjustable height and angle side to side and up and down. The panel can be adjusted depending on the user's height, preference, user in a wheelchair or reflection of the screen.



Handle of the drawer to be pulled out, regardless of whether the user's hand is facing up or down.



Easy-to-press buttons with concave cross sections to fit to the finger. The buttons change in shape depending on the function, and tactile or convex symbols are included for "START," "STOP" and "RESET."

# Employees & TOSHIBA TEC

Every employee is respected, while proper evaluations and rewards are practiced. Safety control and health-care are positioned as a top priority issue for management.

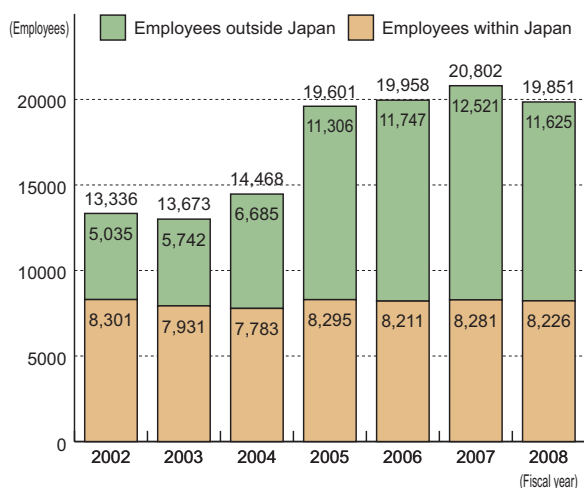
## Basic Policy on Human Resources

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 it is an essential support system for its employees to form a powerful professional group which keeps on challenging itself.

## Number of Employees

In the second half of fiscal 2008, production at manufacturing companies outside Japan sharply decreased due to the worldwide recession. Due to the synergy effect obtained by integrating direct sales network of the document systems business in addition to a decline of employees engaged in production, the number of employees at the end of fiscal 2008 decreased by 951 compared to the previous fiscal year, to 19,851.

**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 Resources Development and Utilization Systems

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 below is provided:

## Future Generation Development Support Programs

1) Child-care leave	Until the end of the month when the child becomes three years old.
2) Nursing-care leave	Five days per child who has not completed the third year of elementary school on an annual basis. In addition, five days per child over the 4th grade at elementary school and under the age of 18 on an annual basis. Another five days per family member other than a child on an annual basis.
3) Short-time job	For child care: Until the end of March in the year when the child completes the third year of elementary school For nursing care: Up to three years per nursed person from the day when the program is started
4) Annual paid holidays on an hourly basis	For reasons of child rearing, family caring, nursing care, a doctor's appointment or treatment of pregnancy, an employee 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.
5) Leave for pregnant employees	14 days are provided to employees who can hardly work for a doctor's appointment or treatment due to pregnancy-related problems during pregnancy and within eight weeks after a fourth or less month miscarriage.



## 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.

## 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. A variety of 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 specialists, with a view to mastering basic knowledge regarding management based on financial statements. Another group training is provided for these newly appointed 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 regarding 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 improv-



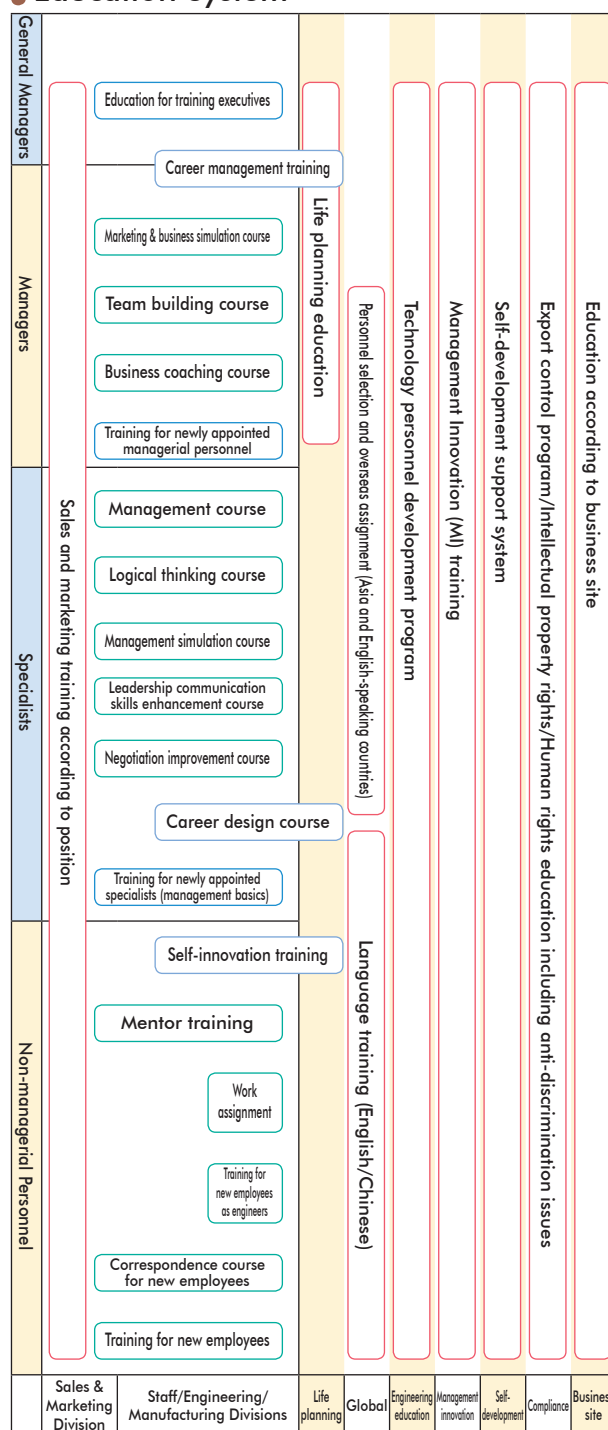
Education and training scene

ing conceptual skills to devise strategies from a top management's point of view.

### Global Personnel Development System

Under the current business environment, the need for personnel who can play important roles within the international arena 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.

### Education System



## 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

### Acquisition of OHSAS 18001 Certification

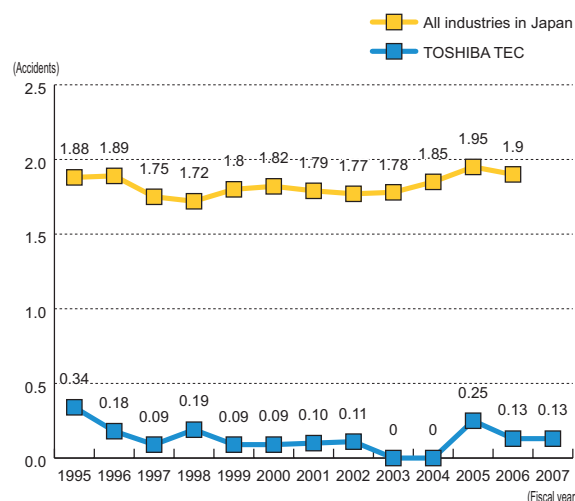
Following the Mishima Business Center, the Ohito Business Center was accredited with OHSAS 18001, an international occupational safety and health management system specification. In addition, all production group companies (three in Japan and six outside Japan) obtained the certification. The TOSHIBA TEC Group will further seek safe working environments and employees' health maintenance and promotion.



### Prevention of Industrial Accidents

Many measures, such as health and safety patrols by top management, workplace safety patrols by the health and safety committee members and risk prediction training are implemented, while promoting employees' safety and health as one of the top priorities in corporate management.

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



### Healthcare

A fitness seminar is held to provide guidance aiming at preventing and controlling lifestyle diseases through lectures and exercises. Regarding mental health support, the TOSHIBA TEC Group strives to maintain and promote the "mental health" of employees through workshops and e-learning.

The Group helps employees who have taken a long-term leave adjust back into the working environment with ease.



Fitness seminar

# Promotion of CSR Procurement at TOSHIBA TEC Corporation

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.

## Procurement Policy

While the TOSHIBA Group is expanding its operations on a global basis regarding a wide range of products, TOSHIBA TEC Corporation as a member of the TOSHIBA Group strives to conduct a thorough procurement in accordance with the TOSHIBA Group procurement policies, in order to fulfill its social responsibility through fair procurement activities.

### Procurement Policy

#### ■ Basic Procurement Policy

- (1) Compliance with relevant laws and regulations and Environmental Considerations
- (2) Promotion of fair and open trade
- (3) Reinforcement of partnership with suppliers

#### ■ Policy for Selecting Suppliers

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

#### ■ Supplier Expectations

The "TOSHIBA Group Procurement Policy" for suppliers is prepared and requirements related to social responsibility are described in its "Supplier Expectations" to thoroughly make them known to suppliers, in order to contribute to the creation of a sustainable society through supply chains.

## Compliance in Procurement

Recently, camouflages worn by corporations and false reporting have become headlines. The disgraced corporations face danger in continuing their business operations.

Under such circumstances, TOSHIBA TEC Corporation positions compliance as a top-priority item for "Business Continuation and Further Development" to ensure compliance in daily operations through e-learning and seminars.

In particular, procurement divisions strive to thoroughly comply with relevant laws and regulations from the following aspects:

- (1) Environmental protection (green procurement)
- (2) Quality maintenance and improvement
- (3) Protection of confidential information
- (4) Open and fair trade

### Compliant Procurement Control System

- Chief procurement officer: Assistant to the chief risk-compliance management officer (CRO)
- Deputy procurement officer: Vice president in charge of procurement

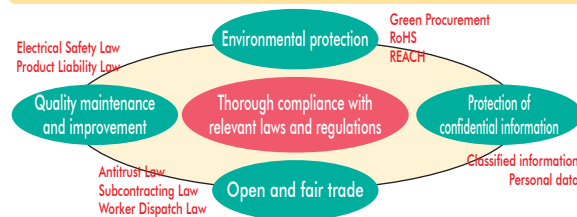


While communicating with suppliers on a daily basis, we ask them to ensure compliance within their companies as requests for suppliers. On the assumption of trouble, we also ask suppliers to make sure to implement the following:

- (1) Establishment of and improvement in a system to promptly communicate with TOSHIBA TEC Corporation
- (2) Establishment of and improvement in a system to promptly perform troubleshooting (promptly respond to trouble and minimize impacts)

### Compliance in Procurement

Compliance as a top-priority item for "Business Continuation and Further Development"!!



On the assumption of trouble, we ask suppliers to make sure to implement the following:

- (1) Establishment of and improvement in a system to promptly communicate with TOSHIBA TEC Corporation
- (2) Establishment of and improvement in a system to promptly perform troubleshooting (promptly respond to trouble and minimize impacts)

## TOSHIBA TEC Partner Hotline Setup

As previously described, the TOSHIBA TEC Corporation gives management top priority to compliance with laws, regulations, social customs and corporate ethics throughout its business activities. As part of the efforts, a system has been established and is used to encourage suppliers to report matters to TOSHIBA TEC Corporation 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, allowing 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.



The TOSHIBA TEC Group defines the Corporate Policy regarding "Community Relations" in its Standards Of Conduct (SOC) and get involved in philanthropy based on this Policy.

### Corporate Policy

- (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 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 victim support groups.

### Donations to Social Welfare

- Central Community Chest of Japan → Donation to 10 institutions in 10 prefectures
- Kita Osaka Red Cross Blood Center → See the right column.
- Head office (Shinagawa) region → Donation of home electrical appliances to five institutions

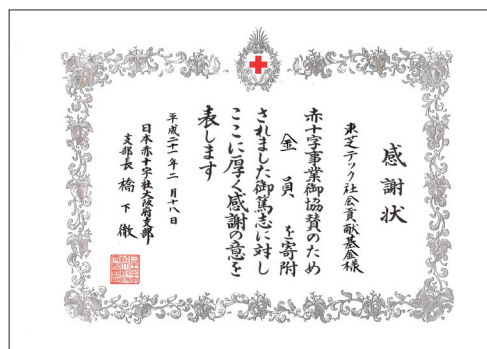
- Mishima (Mishima-shi) region → Donation of home electric appliances to two institutions and money to the Mishima Special Nursing Home
- Ohito (Izunokuni-shi) region → Donation of home electrical appliances to six institutions

### Endowment of Tents for Blood Drive

The TOSHIBA TEC Group has promoted blood drive activities and was granted a certificate of gratitude by the Minister of Health, Labour and Welfare for these activities. In addition, as indirect support, the TOSHIBA TEC Group endowed three tents for the blood drive, following vehicles endowed in previous years.

### Aid for Those Who Suffered Disasters in 2008

- Great Sichuan Earthquake (China) → 100 million yen



The TOSHIBA TEC Group focuses on activities taking advantage of the group's business and continuous relationships with local communities. Employees participate in various local contribution activities and events as volunteers.

### Local Contribution and Volunteer Activities

- Mowing and Cleaning at Mishima social welfare corporation "Miharashi Gakuen"
- Participation in "Osaki Welfare Festival" and "Our Activities Exhibition"
- Pulltab Donations

Approx. 70,000 pulltabs (28 kg) were donated to the Izu-shi Job Assistance Center for People with Disabilities.



Mowing and cleaning at Mishima social welfare corporation "Miharashi Gakuen"



Pulltab donations



"Our Activities Exhibition" hosted by Shinagawa City Activities taking advantage of the group's business, including the following, were introduced.

- "Environmentally friendly shopping" and "Cash register scanning" experiences
- Erasable ink "e-blue" demonstration

### Donations through Heart-Full Vendors

😊 Collaboration with T.T. Business Service, Co., Ltd.

The total amount of employees' voluntary donations combined with 3% of the proceeds from sales is used for a variety of social contribution and welfare services via the Community Chest of Tokyo. As a result, 241,052 yen was raised last year.



Cleanup campaign	Total 60 employees
Hosting summer festivals	Total 3,000 employees
Leasing offices	6 times a year
Charity concert	Once a year
Blood drive	Total 789 employees
Volunteering events	Total 41 employees
Acceptance of office and factory tours	Total 600 employees
Providing internship training	Total 13 employees
Hands-on guidance for road safety awareness campaigns	Total 154 employees

### Support for Children Who Lead the Next Generation

#### Visit to Elementary Schools in Tokyo to Give Lectures

😊 Collaboration with TEC Engineering Corporation

The TOSHIBA TEC Group supports "Kids' ISO14000 Program," an environmental education program system for children.

It dispatches employees to elementary schools in Tokyo to give lectures, in order to allow children to deepen their understanding of the environment. The dispatched employees are active as lecturers. (In 2008, lectures were given in six schools.)



Global warming model experiment





## Activities to Preserve the Global Environment

■ "Creating A Small Dam in the Forest" hosted by Mishima-shi  
TOSHIBA TEC Corporation participates in a volunteer activity towards forest conservation and water source cultivation in the middle of Mt. Hakone (at a height of 600 meters above sea level).



## ■ Urban greening campaign

☺☺ Collaboration with TEC Engineering Corporation

The Ministry of Land, Infrastructure and Transport has determined October as an urban greening month and distributes baby trees in the Sukiya-bashi Park at Ginza, Tokyo. TOSHIBA TEC Corporation gave visitors a set of work gloves and a plant pot, which were produced through the recycling of uniforms from its female employees.

## ■ Collection of plastic bottle caps

☺☺ Collaboration with T.T. Business Service, Co., Ltd.

The proceeds generated from collected plastic bottle caps by the NPO "Re-Lifestyle" support activities to provide vaccines for children around the world. TOSHIBA TEC Corporation collected 790 kg of plastic bottle caps in 2008 to provide vaccines to 396 children.

## ■ Eco Messe in Chiba

☺☺ Collaboration with TEC Engineering Corporation

TOSHIBA TEC Corporation gave visitors a set of work gloves and a plant pot, which were produced through the recycling of uniforms from its female employees.



## ■ Kanagawa Prefecture "Day of Agenda 2008"

☺☺ Collaboration with TEC Engineering Corporation

Kanagawa Prefecture advocates changes for individual acts regarding environmental protection and TOSHIBA TEC Corporation introduced activities taking advantage of company business.



Environmentally friendly shopping experience

■ Erasable toner "e-blue" frequently used in MFPs in-house  
TOSHIBA TEC's MFPs with erasable toner "e-blue" have been active in-house since July 2008. OA paper usage was decreased by approx. 11% in 2008. "e-blue" partially contributed to the decrease.

TOSHIBA TEC Corporation aims at reducing environmental impacts by encouraging every employee to use "e-blue" MFPs.

## ■ Utilization of 3.9 Paper System

In 2008, TOSHIBA TEC Corporation started to apply the 3.9 (Thank-You in Japanese pronunciation) Paper System to calendars, diaries, business reports and house journals to contribute to the reduction of CO<sub>2</sub> of 11.46 tons this year. This system allows printmakers to bear the lumber transportation cost in place of forest owners in order to promote utilization of domestic lumber.

品名	数量	CO2削減量 (トン)
東芝テクニカル紙	2,025,000kg	0.00
東芝テクニカル紙	980,000kg	0.17
ビジネスマート (B&W)	1,782,000kg	0.00
東芝 (エコーレーザ)	4,000,000kg	0.00
カルンダー 2009	21,400,000kg	0.00
手帳 2009	6,015,000kg	1.64
計	27,542,000kg	11.46

Domestic lumber utilization certificate

- ♥ Blood Drive
- 🌍 Environmental Approach
- 👤 Voluntary Work
- 📁 Endowment/Donation
- 📁 other Other Activities

\*An icon added to each activity shows the activity mentioned above.

## Group Companies in Japan

### TEC ENGINEERING CORPORATION

- 📁 Monetary donation for the Great Sichuan Earthquake
- 📁 Donation to Central Community Chest of Japan, a social welfare corporation
- ♥ Participation in blood drives
- 🌍 Cleanup activity

Each branch conducts the cleanup activities continuously, as contributions to local communities.

👤 Support and exhibition at environmental and greening events  
TEC Engineering Corporation has continued these activities since 2006.

### Collection of plastic bottle caps

Each branch and office collects plastic bottle caps to participate in the activity which provides vaccines to children in developing countries. In 2008, 129 kg of plastic bottle caps were collected to give vaccines to 65 children.

### Eco-drive campaign

This activity has been conducted continuously since 2006 and approximately 800 customer engineers at branches and service stations throughout Japan participated. TEC Engineering Corporation was honored for the continuation of this effective activity, and delivered a lecture as a representative company, at the Eco-drive Symposium jointly hosted by four government agencies in November.



## Outside introduction support and in-house promotion for the Environmental Education Program "Kids' ISO"

Since 2004, TEC Engineering Corporation has been involved in staff activities through the Awarding Ceremony of International Certificate of Kids' ISO as well as support for local governments and expansion of the program to its employees and family members. In 2008, many children of the employees worked on this program and three of them obtained the international certificate.

## Giving environmental lectures at elementary schools

Being asked by elementary schools in Tokyo, TEC Engineering Corporation has given lectures since 2006. In 2008, lectures were given seven times (at six schools), in corporation with TOSHIBA TEC Corporation.



It took charge of a lecture at an elementary school in Shinagawa City, which the Kuwait Ministry of Education inspected.

## Support for Internet teleconference

Elementary schools that worked on Kids' ISO (in Aomori and Tokyo) were connected via the TEC Engineering Corporation's teleconference system to facilitate a 90-minute session. It managed this session in both aspects of software (for session coordination) and hardware (for network technology and on-site support). This session received TV and newspaper coverage in Aomori Prefecture.



## TOSHIBA TEC BUSINESS SOLUTIONS CORPORATION

### Beach cleanup activity

### Park cleanup activity

TOSHIBA TEC Business Solutions Corporation cleans up a park every month.

## Snow removal at homes of disabled people



Park cleanup activity



Snow removal

## Collection of plastic bottle caps

It collected 270kg of plastic bottle caps in 2008 to provide vaccines to 66 children.

## TEC INFORMATION SYSTEMS CORPORATION

### Collection of plastic bottle caps

TEC Information Systems Corporation collected 84kg of plastic bottle caps in 2008 to provide vaccines to 55 children. The collected amount this year increased sharply, due to cooperation from employees' families.

### Working on "Kids' ISO"

It has continued this activity since 2005. Employees are the Kids' ISO instructors to support environmental management activities for fifth and sixth-grade students.

## T.T. BUSINESS SERVICE, CO., LTD.

### Collection of plastic bottle caps

Collaboration with TOSHIBA TEC Corporation See page 21.

### Donations through Heart-Full Vendors

Collaboration with TOSHIBA TEC Corporation See page 20.

## TER CORPORATION

### Participating in the EXPO Eco-Money Project

By using public transportation systems, Eco-Money points are earned. When points exceeding a certain amount are donated, a tree planting certificate is obtained.

### Collection of plastic bottle caps

Collaboration with TEC Engineering Corporation See page 21.

### Cleanup activity

TER Corporation continues this activity to contribute to the community.

### Participation in blood drive

It participates in the blood drive four times a year.

### other Holding a company tour and work-study

To realize elementary school students' homework during the summer vacation "Company Tour/Work-study," it carried out a one-day program for children of employees (five students) to visit the office and experience actual work together with their fathers and mothers, including lunch at the company cafeteria.



### other Provision of parking spaces for school festival sponsored by the social welfare corporation

This is an annual activity.

## TEC MANUFACTURING CO., LTD.

 "Creating A Small Dam in the Forest" hosted by Mishima-shi

Collaboration with TOSHIBA TEC Corporation  See page 21.


 Cleanup activity

Collaboration with TOSHIBA TEC Corporation  See page 20.


## TOSEI ELECTRIC CORPORATION

 Participation in blood drive

TOSEI Electric Corporation participates in the blood drive twice a year.

 Acceptance of internship students

It continues to accept students as interns twice a year.

 Participation in Izunokuni-shi Periodontal Diseases Prevention Committee

It participates in this committee semiannually.

## AI SOLUTIONS CO., LTD.

 Donations through Heart-Full Vendors

Collaboration with TOSHIBA TEC Corporation  See page 20.

## Group Companies outside Japan

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

 Tree-planting activities

TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD. continues this activity in Wutong Shan in Shenzhen and Lian Hua Shan Gong Yuan yearly.



Tree-planting in Wutong Shan, Shenzhen


 Cleanup activity



Cleanup activity in Fung Wong Shan, Shenzhen

 Aid in environmental protection

It donated 200 thousand yuan (approx. 2.8 million yen) to Qinghai toward environmental protection.

 Support for elementary school education (continued every year)

It donated 100 thousand yuan (approx. 1.4 million yen) in 2008.

 Donation to the Giant Panda Breeding Research Base in Chengdu

It donated 100 thousand yuan (approx. 1.4 million yen) to protect endangered giant pandas.

### TOSHIBA TEC AUSTRALIA PTY. LTD.



 Donation for a wide variety of charities for children

TOSHIBA TEC AUSTRALIA PTY. LTD. donated 2,750 dollars (approx. 272,250 yen) to a world magic show festival, a race for a leukemia charity, a Christmas show, etc.



Certificate of appreciation

### TOSHIBA TEC U.K. IMAGING SYSTEMS LTD.

  Participation in the Pink Ribbon activities: "Ribbon Walk" and "Walk the Walk"

TOSHIBA TEC U.K. IMAGING SYSTEMS LTD. supported "Ribbon Walk" and "Walk the Walk," events enlightening people regarding breast cancer. Some employees participated as steering committee members and all other employees worked together on a fund-raising activity. Accordingly, a charitable contribution of 650 pounds (approx. 100 thousand yen) was collected through sponsors.

\* It received the "Toshiba ASHITA Award," a presidential award for corporate citizenship achievements in fiscal 2008.



  Dress Down Days

The last Friday of every month is designated as a dress down day. On that day, employees "dress down" in return for a small charitable contribution of one pound at minimum and the company collects such contributions and makes donations. Local communities, domestic and international organizations accept these donations. Charity contribution of 2,500 pounds (approx. 370 thousand yen) was collected this year.





### Donation to a Christmas charity

TOSHIBA TEC U.K. IMAGING SYSTEMS LTD. donated 1,000 pounds (approx. 150 thousand yen) to Barnardo's, a Christmas charity, instead of sending Christmas cards.

### Eco-drive campaign

Eco-drive techniques are imparted to the employees.

## TOSHIBA TEC GERMANY IMAGING SYSTEMS GmbH

### Donation to the World Wildlife Fund (WWF)

TOSHIBA TEC GERMANY IMAGING SYSTEMS GmbH donated to the WWF instead of sending Christmas gifts to its business partners.

Through the donation, it purchased 375 hectares of rain forest. The rain forest is protected to allow endangered wildlife living in this forest to be protected.



Certificate of appreciation

## TOSHIBA AMERICA BUSINESS SOLUTIONS, INC.

### Donation by selling novelties

TOSHIBA AMERICA BUSINESS SOLUTIONS, INC. sold its employees novelties stocked in the marketing department, and donated proceeds of 5,000 dollars (approx. 500 thousand yen) to the Register Campership Foundation in Orange County. This allowed 35 children to be invited to a summer camp.

### Holding a Christmas event

This year again, it held a Christmas event for families of deployed soldiers.

Santa Clause impersonated by an employee read a Christmas story to children and visited with each child to hear their Christmas wishes.

After commemorative photos were taken with Santa Clause, they enjoyed hot cocoa and cookies together. This was the most heartwarming charity event.



### Support for the Ocean Institute

TOSHIBA AMERICA BUSINESS SOLUTIONS, INC. supports the Ocean Institute every year.

It invited economically disadvantaged children aboard the ship called "Sea Explorer" to teach them marine life biology.



## TOSHIBA BUSINESS SOLUTIONS NEW YORK

### Support for Media Room for St. Joseph's Villa, an asylum for mothers and children

St. Joseph's Villa protects children who were abused at home and live apart from their families.

For a multi-media room established for teenagers for educational and entertainment purposes, TOSHIBA BUSINESS SOLUTIONS NEW YORK donated items such as a notebook PC and projector which were installed by its employees.

Its employees also provided children with guidance to make self-produced movies.

\* It received the "Toshiba ASHITA Award," a presidential award for corporate citizenship achievements in fiscal 2008.



Communication with teenagers in the multi-media room

## TOSHIBA TEC AMERICA RETAIL INFORMATION SYSTEMS, INC.

### Christmas caroling

Year after year, TOSHIBA TEC AMERICA RETAIL INFORMATION SYSTEMS, INC. visits hospitals, foster homes and nursing homes to spend Christmas together with patients, children and elderly people.





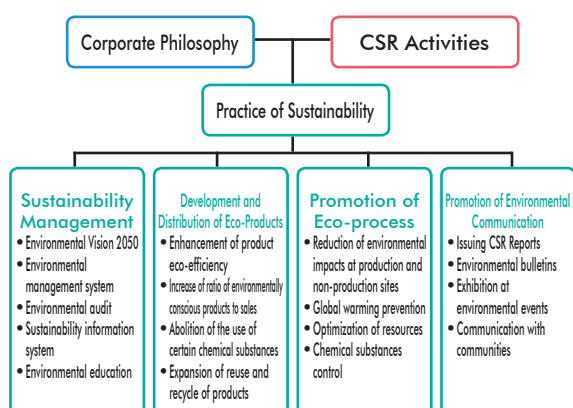
# Practicing Sustainability under the Corporate Philosophy and CSR Activities

We contribute to society through "Monozukuri," which assigns top priority to consideration for the environment throughout all business activities, in order to hand down our irreplaceable Earth in a sound state to the next generation.

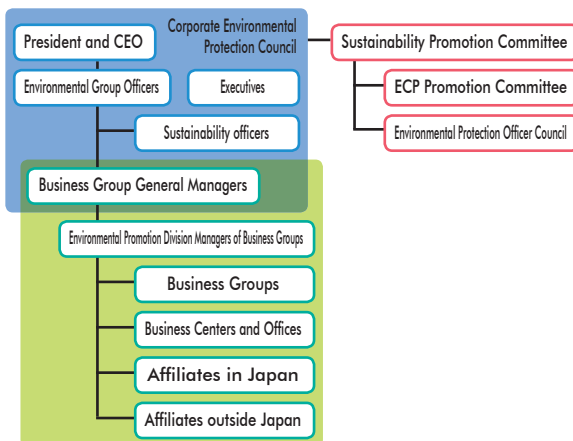
## Practice of Sustainability

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 promoting environmental protection.

### Sustainability of the TOSHIBA TEC Group



### Environmental Promotion Structure



Corporate Environmental Protection Council

## Basic Policy for the Environment

We, the TOSHIBA TEC Group, expand our operations on a global basis under the business groups such as the Retail Solution Business Group and Document Systems Business Group, while contributing to society through "Monozukuri" or by creating environmentally conscious products.

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 our irreplaceable Earth in a sound state to the next generation.

- (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 is actively driving 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, but also with industry guidelines, which it has endorsed, for environmental protection.
- (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 recycling-based society, while collecting and recycling end-of-use products and reusing end-of-use 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 provides environmental education, conducts educational campaigns, and expands each employee's environmental awareness to promote environmental activities.
  - The TOSHIBA TEC Group actively and widely discloses its environmental policy and activities inside and outside the Group.
  - The TOSHIBA TEC Group participates in society-wide environmental activities in cooperation with administrations, communities and bodies concerned.

TOSHIBA TEC Group  
Revised in April 2008

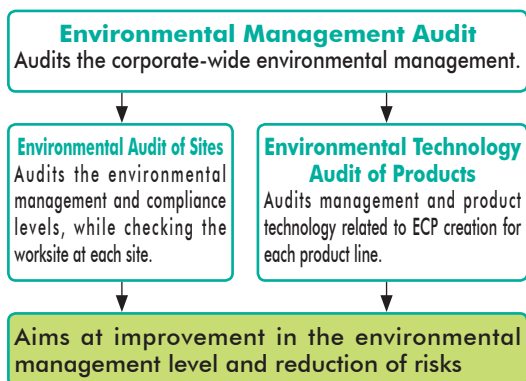
# Practicing Sustainability as an Integrated-group System

Policies regarding group-wide commitments toward environmental protection are determined and implemented in order to hand down our irreplaceable Earth in a sound state to the next generation. The TOSHIBA TEC Group creates culture for each employee to practice environmental activities gained from environmental education, while establishing a global system for environmental management promotion and checking activities through environmental management audits and accounting.

## 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.

Since fiscal 2006, EASTER has been performed at production and non-production sites, in accordance with the new standards for thorough compliance.



## Environmental Accounting

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

For environmental protection costs in 2008, capital investments of approximately 120 million yen and expenses of approximately 1.0 billion yen were made on a consolidated basis. Investments were made especially toward global warming prevention and energy-saving measures. Benefits resulted in 770 million yen. Greater benefits arose from the reduction of environmental impacts at the product usage phase.

## Costs and Benefits

Target data tabulated: Three TOSHIBA TEC production sites, Head Office, three production affiliates in Japan and six production affiliates outside Japan  
Tabulation period: April 1, 2008 to March 31, 2009

## Environmental Costs

Classification	Details	Expenditure		Cost		Increase/decrease compared to 2007	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
1) Business area costs	Reduction of environmental impacts (1) to (3)	116.3	99.0	173.4	111.9	-33.8	-30.7
(1) Pollution prevention costs	Prevention of air, water and soil pollution, etc.	21.7	12.8	40.3	14.7	6.0	4.3
(2) Global environmental protection costs	Global warming prevention, ozone layer protection, etc.	94.5	86.2	75.8	55.3	-14.9	-20.5
(3) Resource circulation costs	Recycling of waste, etc.	0.0	0.0	57.3	41.9	-25.0	-14.5
2) Upstream/downstream costs	Green procurement, collection and recycling of products, etc.	0.0	0.0	144.5	138.6	-0.1	0.7
3) Administration costs	Establishment of EMS, environmental education, tree-planting/cleanup campaigns, etc.	0.0	0.0	454.2	411.4	27.4	27.2
4) R&D costs	Technical development for ECPs, etc.	7.6	0.0	226.3	224.3	-76.2	-64.9
5) Social activity costs	Donations and support to groups/organizations, etc.	0.0	0.0	6.2	5.5	3.0	3.1
6) Environmental remediation costs	Recovery from soil pollution, etc.	0.0	0.0	0.3	0.3	-0.4	-0.4
Total		123.9	99.0	1,004.9	892.0	-80.1	-65.0

## Environmental Benefits

Classification	Details	Million yen		
		TOSHIBA TEC	Affiliates	Total
Actual benefits	Reduced charges for electricity and water, etc. that can be directly indicated	-6.6	28.6	22.0
Assumed benefits	Reduced environmental impacts in monetary value	-546.4	0.7	-545.7
Customer benefits	Benefits of environmental impacts reduced at the usage phase in monetary value	1,293.6	0.0	1,294
Risk aversion benefits	Environmental risks reduced after investment compared with before investment in monetary value	0.0	0.0	0.0
Total		740.6	29.4	769.9

## Breakdown of Actual Benefits

Item		Million yen	
		Amount of reduction in environmental impacts	Monetary value
Monetary value	TOSHIBA TEC	-447 GJ	-5.7
	Affiliates	8,619 GJ	26.3
	Total	8,172 GJ	20.6
Final disposal of waste	TOSHIBA TEC	0.4 t	-0.7
	Affiliates	24.8 t	-0.5
	Total	25.2 t	-1.2
Water	TOSHIBA TEC	-14.6 thousand m <sup>3</sup>	-0.3
	Affiliates	57.7 thousand m <sup>3</sup>	2.9
	Total	43.1 thousand m <sup>3</sup>	2.6
Grand total			22.0

## Breakdown of Assumed Benefits

Item		Million yen	
		Amount of reduction in environmental impacts	Monetary value
Chemical substance discharge reduction benefits	TOSHIBA TEC	-14.7 t	-546.4
	Affiliates	-0.04 t	0.7
	Total	-14.7 t	-545.7

## Customer Benefits

Item		Million yen	
		Amount of reduction in environmental impacts	Monetary value
Environmental impact reduction at the usage phase	Electricity	13.92 million kWh	320
	Paper rolls	1,651 t	973

\* The amount of reduction in environmental impacts indicates differences between fiscal years 2007 and 2008. Negative 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. The amount of reduction in environmental impacts on atmosphere, water and soil are indicated and compared with the previous year's results, as well as 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 throughout the product life cycle are calculated in terms of physical quantity units and monetary units. The 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:

### Basis for calculation of risk aversion 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 aversion benefits for each capital investment item are calculated according to the following formula: where the standard amount required for purification and restoration and the occurrence coefficient are values unique to TOSHIBA. Risk of occurrence of leakage of chemical substances etc. is evaluated.

Benefits (yen) =  $\sum$  [(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]  
Risk aversion benefits = Quantity of chemical substances stored x Standard amount (monetary value) required for purification and restoration x Impact coefficient x Occurrence coefficient

# Mid-term Environmental Strategy

The Fourth Voluntary Environmental Plan for Environmental Protection, which we have promoted since fiscal 2005, is extended to fiscal 2012, in accordance with the first commitment period of the Kyoto Protocol.

## Fiscal 2008 Results of the Fourth Voluntary Plan for Environmental Protection

All goals for product-related items were achieved in fiscal 2008. As for the business process, the goals for decrease in waste for final disposal, CO<sub>2</sub> emissions in Japan, waste reduction and chemical substance reduction outside Japan were achieved. However, new product development and evaluation expansion caused waste to be increased, and an increase in product manufacturing accompanied with cleansing with chemicals caused discharged chemical substances to be increased in Japan. The ratio of CO<sub>2</sub> emissions associated with product logistics became worse due to a decrease in production. The decrease in production fell short of expectations, causing the ratio of CO<sub>2</sub> emissions to worsen outside Japan.

## Product-related Objectives

Note: "YES" indicates the goal for 2008 has been achieved and "NO" indicates the goal for 2008 has not been achieved.

Item	Indicator/Objective	Goal for fiscal 2008	Result in fiscal 2008	Evaluation
Product factor	2.2 times by fiscal 2010 relative to fiscal 2000 <sup>*1</sup>	1.88	2.37	YES
Provision of ECPs	Increase in the ratio of ECPs to sales in compliance with the New Voluntary Environmental Standards defined in fiscal 2005 to 60% by fiscal 2010	70%	71%	YES
Effects of CO <sub>2</sub> emissions through eco-products (t)	Understanding data	18,445	YES	
Abolition of the use of certain chemical substances	Abolition of the use of 15 certain substances <sup>*2</sup> contained in products by fiscal 2010	90%	Abolition	YES

## Business Process-related Objectives

Item	Indicator/Objective	Goal for fiscal 2008	Result in fiscal 2008	Evaluation
Global warming prevention	(1) Reduction of energy-originated CO <sub>2</sub> emissions Production sites in Japan 45% reduction in the ratio of CO <sub>2</sub> emissions to net output <sup>*3</sup> by fiscal 2010 relative to fiscal 1990	40% reduction	44.5% reduction	YES
	Production sites outside Japan 6% reduction in the ratio of CO <sub>2</sub> emissions to output by fiscal 2010 relative to fiscal 2004	12% reduction	4% reduction	NO
	(2) Reduction of CO <sub>2</sub> emissions associated with product logistics 18% reduction in the ratio of CO <sub>2</sub> emissions to output, associated with TOSHIBA TEC product logistics in Japan by fiscal 2010 relative to fiscal 2004	24% reduced relative to fiscal 2006	18% reduced relative to fiscal 2006	NO
	(1) Reduction in the total amount of waste generated Production sites in Japan 30% reduction in the ratio of total amount of waste generated to output by fiscal 2010 relative to fiscal 2000	20% reduction	18% reduction	NO
Optimization of resources	Production sites outside Japan 9% reduction in the ratio of total amount of waste generated to output by fiscal 2004 relative to fiscal 2000	12% reduction	16% reduction	YES
	(2) Reduction in the amount of waste for final disposal Production sites in Japan Achievement of 0.7% final disposal rate by fiscal 2010	1% or less at all sites	1% or less at all sites	YES
	Production sites outside Japan Achievement of 1% final disposal rate by fiscal 2010	Average of 6 sites: 6.8%	Average of 6 sites: 6.10%	YES
	Reduction in total emissions of chemical substances to air and water <sup>*4</sup> 50% reduction in emissions of chemical substances to air and water by fiscal 2010 relative to fiscal 2000 at production sites in and outside Japan	66% reduced in Japan 10% reduced outside Japan	31% reduced in Japan 29% reduced outside Japan	NO 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 Output = [Nominal Output] / [Corporate goods price index (electrical equipment) announced by the Bank of Japan for each year (the index for 1990 is 1)]

As a CO<sub>2</sub> conversion factor for electricity in Japan, 3.74 t-CO<sub>2</sub>/10 thousand kWh is adopted for fiscal 1990, and 3.17 t-CO<sub>2</sub>/10 thousand kWh for fiscal 2008, in considering the factor for 2010 of 2.97 t-CO<sub>2</sub>/10 thousand kWh.

The values specific to the relevant countries and regions are adopted as the CO<sub>2</sub> conversion factors for electricity outside Japan.

\*4: 449 substances specified by the TOSHIBA Group

## Review of the Fourth Voluntary Plan for Environmental Protection

From fiscal 2009, global goals for all production sites within and outside Japan, including new production sites to be set up by 2012, are established.

The production sites to be newly set up will become engaged mainly in part processing, thus will consume more energy, compared to the existing assembly sites. Therefore, as goals for and after fiscal 2009, values are increased compared to the results in fiscal 2008.

We will make efforts to restrain emissions of CO<sub>2</sub>, waste and chemical substances to the fullest extent through improvements in management and deliberate business investment.

	Indicator			Reference year	Result in fiscal 2008	Fiscal 2009	Fiscal 2012	
ECO-PRODUCTS	Product factor			Fiscal 2000		2.03	2.55	
	Ratio of ECPs to sales			—		75%	85%	
	Effects of CO <sub>2</sub> emissions through eco-products			Fiscal 2000		18,000 t	25,000 t	
	15 certain substances contained in products			—		100%	100%	
ECO-PROCESS	Global warming prevention	Energy- originated CO <sub>2</sub> emissions	Global production sites	Fiscal 1990	98%	132%	182%	
			Production sites in Japan		Ratio of CO <sub>2</sub> emissions	87%	115%	136%
						53%	61%	59%
			CO <sub>2</sub> Emissions associated with product logistics	Ratio of CO <sub>2</sub> emissions	Fiscal 2006	82%	87%	87%
	Optimization of resource	Total amount of waste generated		Ratio of dis- charged waste	Fiscal 2000	63%	75%	67%
				Ratio of final landfill disposal	—	2.5%	2.5%	0.5%
		Reuse and recycle of products		Ratio of recycling end-of-use products	Fiscal 2001		430%	430%
		Reduction of water consumption		Ratio of input water	Fiscal 2000	49%	54%	54%
		Chemical substance emissions		Emissions to air and water		72%	86%	93%

### Notes:

For goals using ratios, a quantity-based net output rate is used as an indicator for evaluating activities.

Net Output = [Nominal Output in Japan] / [Corporate goods price index (electrical equipment) announced by the Bank of Japan for each year (the index for 1990 is 1)] + [Nominal Output outside Japan]

As a CO<sub>2</sub> conversion factor for electricity in Japan, 3.74 t-CO<sub>2</sub>/10 thousand kWh is adopted for fiscal 1990 and 2.97 t-CO<sub>2</sub>/10 thousand kWh for fiscal 2008 and after.

The values specific to the relevant countries are adopted as the CO<sub>2</sub> conversion factors for electricity outside Japan.

To achieve the final disposal goal of 0.5% for fiscal 2012, development of infrastructure including recycling routes and incineration facilities is required in relevant countries and regions outside Japan.



# Environmental Impacts in Fiscal 2008

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. In addition, the Group strives to reduce environmental impacts while understanding and analyzing the impacts at each stage of a product life cycle.

## Environmental Impacts throughout the Life Cycle

In terms of the TOSHIBA TEC Group's products, raw materials and components are procured from suppliers, processed and assembled to build products. Finished products are transported to distributors or warehouses by outsourced forwarding

agents. Then, end-of-use products are collected from customers where possible for reuse and recycling.

The diagram below shows environmental impacts at each stage of a product life cycle.

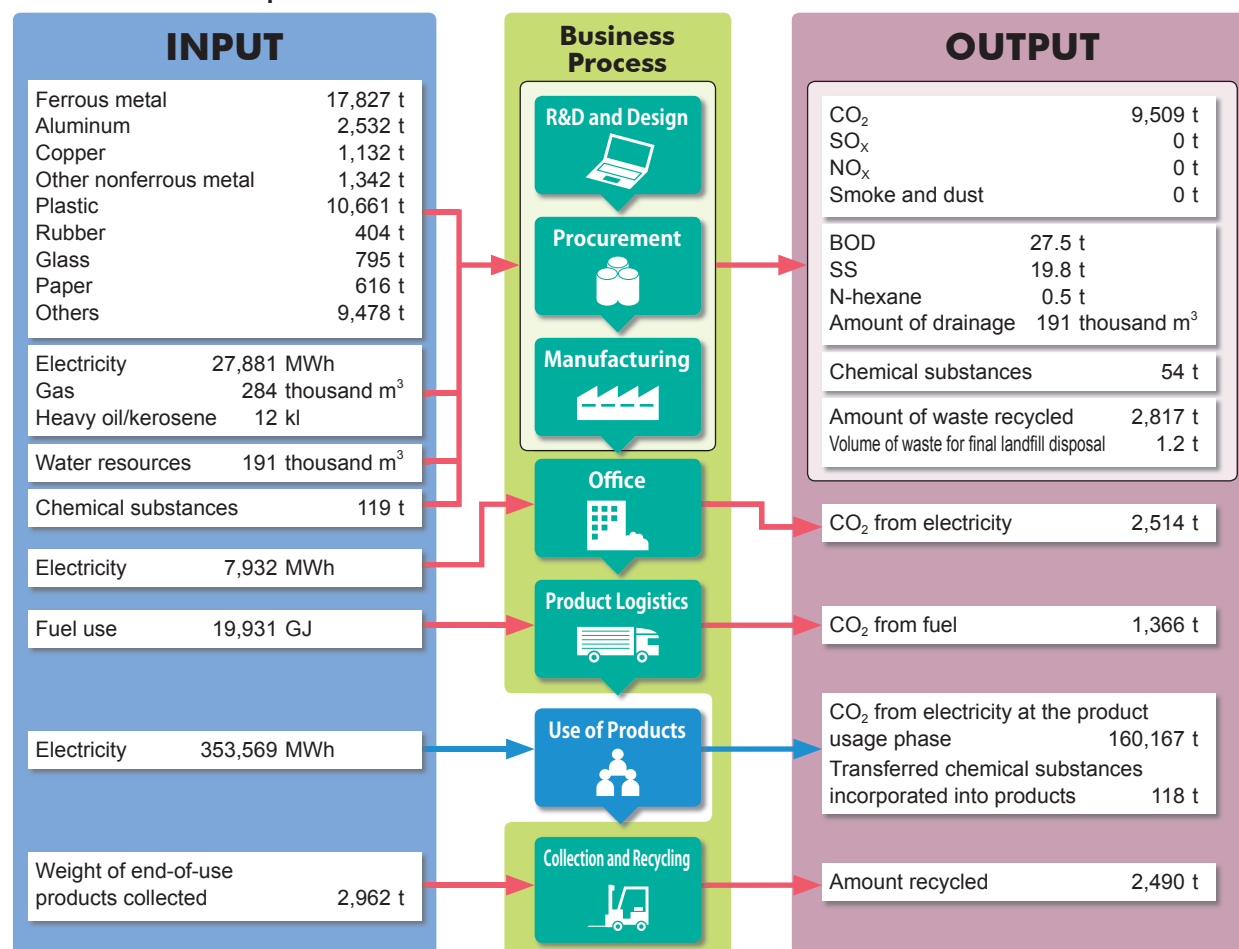
The environmental impacts at the production stage contain 9,500 tons of CO<sub>2</sub> emitted from plants and 2,500 tons of CO<sub>2</sub> emitted from offices due to consumption of all energies.

54 tons of chemical substances were discharged to air and water, 1.2 tons of waste were landfilled and 2,800 tons of discharge were recycled.

The amount of CO<sub>2</sub> emitted from major products shipped in fiscal 2008 until the end of their product lives is approximately 160,000 tons.

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

## Environmental Impacts in Fiscal 2008



### Notes:

\*1: Target data tabulated:

TOSHIBA TEC Corporation 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<sub>2</sub> for outsourcing

\*5: CO<sub>2</sub> at the product usage phase: Amount of CO<sub>2</sub> emitted from major products shipped in fiscal 2008 until the end of their product lives.

\*6: The electricity CO<sub>2</sub> emission coefficient is 3.17t-CO<sub>2</sub>/10 thousand kWh for business process and 0.425 kg-CO<sub>2</sub>/kWh announced by the Federation of Electric Power Companies of Japan at the product usage phase.

## ECO-PRODUCTS

**Contribution to the Reduction of Environmental Impacts on Society through the Provision of Environmentally Conscious Products or ECPs**

TOSHIBA TEC Corporation develops ECPs, where environmental impacts are reduced throughout their product life cycles. Activities are accelerating, while using Factor T, the TOSHIBA Group's eco-efficiency indicator for overall evaluation of a product value and its environmental impacts.

### Concept regarding Product Development

TOSHIBA TEC Corporation creates environmentally conscious products ("ECPs") where environmental impacts are reduced throughout their product life cycles<sup>\*1</sup>. 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.

<sup>\*1</sup>: 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, starting at the product planning stage. In addition, TOSHIBA TEC Corporation is preparing for compliance with the EU EuP Directive and EU REACH Regulation, which are to be embraced in the future.

For voluntary activities, "Enhancement of product eco-efficiency," "Provision of ECPs" and "Abolition of the use of certain chemical substances" defined as product-related objectives in the Fourth Voluntary Plan for Environmental Protection are highlighted.

In terms of "Provision of ECPs," the "Voluntary Environmental Standards for Each Product"<sup>\*2</sup> 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.

 <sup>\*2</sup>: 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/eco04.htm> in Japanese only

The "Voluntary Environmental Standards for Each Product" define environmental considerations at each stage of a product life cycle, based on the need for reducing environmental impacts throughout a product life cycle. In fiscal 2008, new products in compliance with the Voluntary Environmental Standards originated in product groups of JIMCOM, POS peripheral equipment, POS terminals, RFID reader/writers, barcode printers and color MFPs. The target ratio of ECPs to sales in compliance with the Voluntary Environmental Standards by fiscal 2010 is 60%, and 71% has been achieved in fiscal 2008.

TOSHIBA TEC Corporation discloses information on products in compliance with the Voluntary Environmental Standards, while showing the TOSHIBA Group ECP Mark in the product brochure.

The following shows an example of products in compliance with the Voluntary Environmental Standards in fiscal 2008:

#### Environmentally Conscious Products (ECPs)



Multifunctional digital color system  
e-STUDIO6530C



POS Terminal  
WILLPOS-Unity M-8000



Smart Line Scanner  
LS-790T



Label Printer  
B-SX8R-TE25

#### Multifunctional digital color system "e-STUDIO6530C"

We developed this MFP to achieve highest image quality and smallest and lightest body in its class. By using the satellite roller belt fixing technology, this MFP provides high-speed and stable fixing and complies with the International ENERGY STAR® Program.



**Taizo Nozawa**

Project Leader  
Imaging Process Group II  
Design Dept. III  
Document Systems Business Group

## 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 impacts 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 lower the environmental impact and the higher the value of the product, the greater is the eco-efficiency.

### Definition of "Eco-efficiency"

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

### Definition of "Factor"

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

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

The value of a product is calculated based on QFD<sup>\*1</sup>, 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<sup>\*2</sup>, taking into consideration various environmental impacts throughout its life cycle. For integrating environmental impacts, TOSHIBA TEC Corporation uses LIME<sup>\*3</sup>, 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 project.

The factor indicates how many times the eco-efficiency of the benchmark product is to be the eco-efficiency of a product subject to assessment. The higher the eco-efficiency of the product, the larger the factor becomes.

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 the environmental impact.

\*1: QFD (Quality Function Deployment)

\*2: LCA (Life Cycle Assessment)

\*3: LIME (Life-cycle Impact assessment Method based on Endpoint modeling)

## Factors for Major Products and Improvements

Factor	2.34	1.76
Product name	 <p>POS Terminal WILLPOS-Micro AP-70</p>	 <p>Multifunctional digital color system e-STUDIO6530C</p>
Main improvement in value	<p>Value factor: 1.34</p> <ul style="list-style-type: none"> <li>• Compact body installed anywhere</li> </ul>	<p>Value factor: 1.35</p> <ul style="list-style-type: none"> <li>• Convenient touch panel</li> <li>• Improved speed</li> <li>• Fast scanning</li> </ul>
Main improvement in environment	<p>1/Environmental impact factor: 1.75</p> <ul style="list-style-type: none"> <li>• 41% reduction of standby power</li> <li>• 88% reduction in product size</li> <li>• 75% reduction in product weight</li> </ul>	<p>1/Environmental impact factor: 1.30</p> <ul style="list-style-type: none"> <li>• Reduction of CO<sub>2</sub> emissions through the new fixing mechanism</li> <li>• Recycled plastic material used</li> <li>• Hazardous substances reduced</li> </ul>



## ECO-PRODUCTS

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 divisions.

### Green Procurement

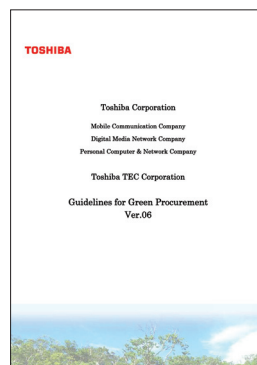
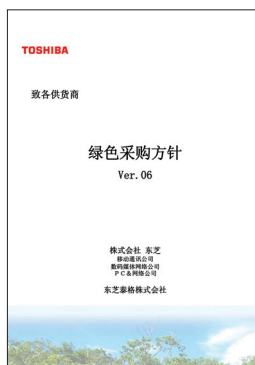
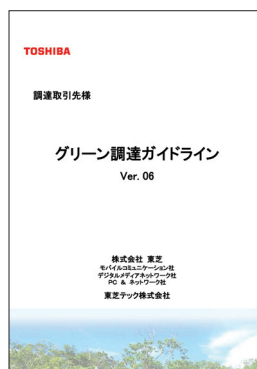
To provide ECPs, TOSHIBA TEC Corporation aims to procure items with lower environmental impacts from suppliers, who actively promote environmental protection, while implementing green procurement at the procurement stage of raw materials related to products. The "Guidelines for Green Procurement" have been formulated in cooperation with TOSHIBA Corporation.

### Promotion of Environmental Protection at Suppliers

TOSHIBA TEC Corporation gives precedence to suppliers, who are actively promoting environmental protection, for procurement.

### Environmental Protection

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



Guidelines for Green Procurement

### Control on Whether Environment-Related Substances are Contained in Delivered Items

TOSHIBA TEC Corporation requests suppliers to provide items with lower environmental impacts in compliance with environment-related laws, regulations and standards.

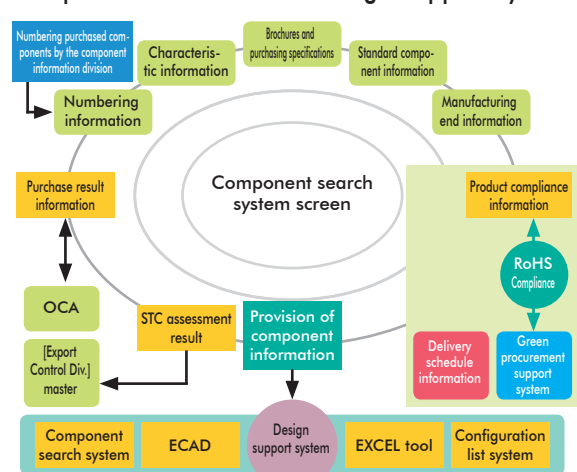
### Control on Whether Environment-Related Substances are Contained in Delivered Items

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

### Data Utilization

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

### Component Database and Design Support System



Component search system screen

# Collection and Recycling of End-of-use Products

TOSHIBA TEC Corporation works on collection and recycling of end-of-use products.

## Collection and Recycling System for POS Products

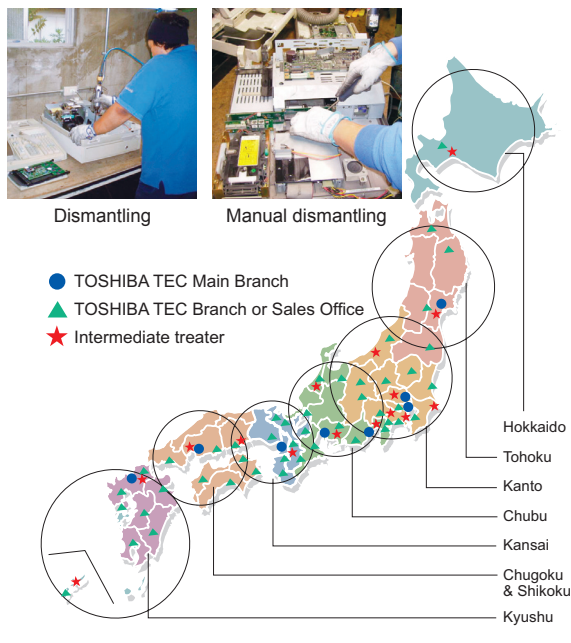
As a responsible top innovator of POS systems, TOSHIBA TEC Corporation collects and recycles end-of-use retail solution equipment from its customers. The collection & recycling system was started in April 2002, in Kanto, Chubu, Kansai and Hokkaido districts on a trial basis, and expanded nationwide in October 2002 to ensure collection and recycling in each district of Hokkaido, Tohoku, Kanto, Chubu, Kansai, Chugoku & Shikoku, and Kyushu districts.

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

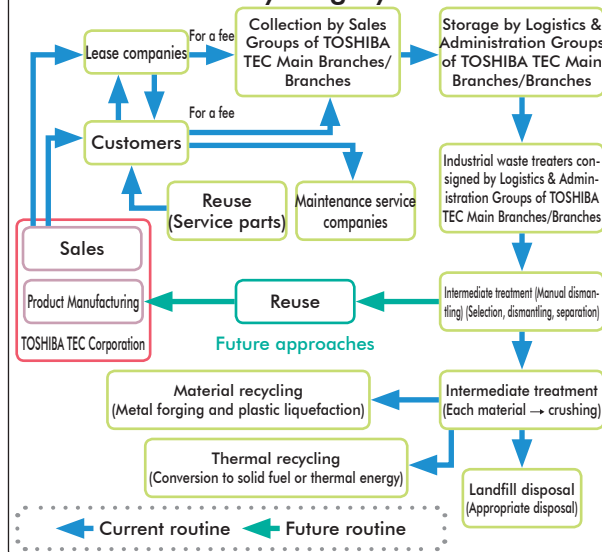
## Collection & Recycling System

### Features

- TOSHIBA TEC Main Branches, Branches and Sales Offices in 54 areas collect end-of-use retail solution equipment from customers.
- Any end-of-use retail solution 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 ratio and reduce waste.



## Collection & Recycling System



## Collection and Recycling of Copiers

TOSHIBA TEC Corporation collects and recycles end-of-use 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 and recycling of end-of-use copiers started in the Tokyo and Kanagawa regions, and has been expanding its geographic coverage to nine bases throughout Japan.

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

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

## Collection & Recycling System



# Reduction of CO<sub>2</sub> Emissions Associated with Business Activities

The reduction in CO<sub>2</sub> emissions associated with business activities is undertaken.

The TOSHIBA TEC Group does not emit any greenhouse gases other than CO<sub>2</sub>.

## Minimizing Impacts due to Increase in Energy Consumptions

Energy-saving activities through improvements in management and capital investments are conducted on a global basis, in order to reduce CO<sub>2</sub> emissions associated with energy consumptions.

In fiscal 2008, CO<sub>2</sub> emissions decreased by 2% in Japan and 3% outside Japan, compared with fiscal 2007.

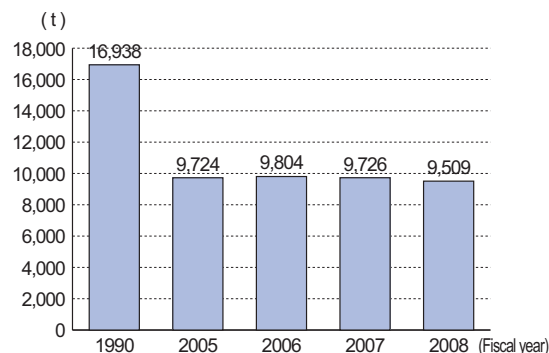
### Notes:

As a CO<sub>2</sub> conversion factor for electricity in Japan, the value announced by the Japan Federation of Economic Organizations is used: 3.74 t-CO<sub>2</sub>/10 thousand kWh for 1990 and 3.81 t-CO<sub>2</sub>/10 thousand kWh for 2005.

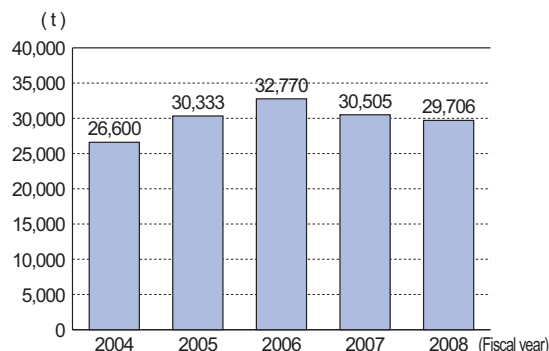
However, for fiscal years 2006 and after, the following values are adopted in considering the factor for 2010 of 2.97 t-CO<sub>2</sub>/10 thousand kWh: 3.29 t-CO<sub>2</sub>/10 thousand kWh for 2006, 3.21 t-CO<sub>2</sub>/10 thousand kWh for 2007 and 3.17 t-CO<sub>2</sub>/10 thousand kWh for 2008.

Outside Japan, the values specific to the relevant countries are adopted as the CO<sub>2</sub> conversion factors for electricity.

## CO<sub>2</sub> Emissions at Production Sites in Japan



## CO<sub>2</sub> Emissions at Production Sites outside Japan

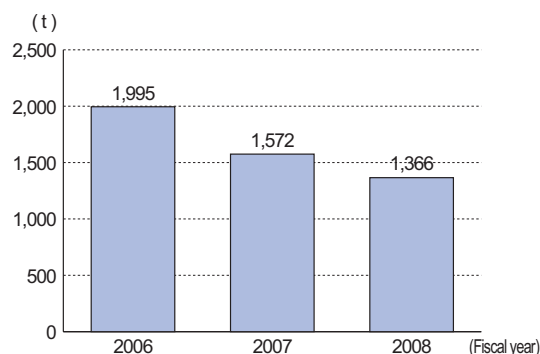


## Promoting Energy Conservation Associated with Logistics

In fiscal 2008, delivery consolidation, eco-drive by reserved cars, utilization of hybrid cars and implementation of a modal shift allowed CO<sub>2</sub> emissions associated with logistics to decrease by 13% compared with fiscal 2007 and by 32% compared with fiscal 2006.

Note: The Retail Solution Business, Document Systems Business and Auto-ID & Printer Business Groups apply.

## CO<sub>2</sub> Emissions Associated with Product Logistics



Jasmine Goh

TOSHIBA TEC SINGAPORE PTE. LTD. (Singapore) changed cooling media for 22 air conditioners, allowing power consumption for each air conditioner to be reduced by 23% on average.

By replacing 262 fluorescent lamps with highly efficient fluorescent lamps, power consumption of each fluorescent lamp was reduced by 39%.



Highly efficient fluorescent lamp

TOSHIBA TEC INFORMATION SYSTEMS (SHENZHEN) CO., LTD. (China) changed one of rooftop hot-water boilers for the company dormitory from a light-oil type to a solar/electric water heater type in December 2008. We are currently under consideration to replace the other hot-water boiler.

This replacement allows us to improve energy efficiency and the dismantling of the light oil tank reduces environmental risks. We believe using solar heat for an extended period of time will reduce environmental impacts.



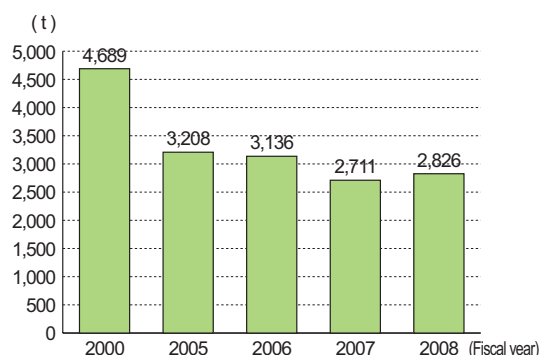
Rick Chan



## Reduction of Waste Associated with Business Activities and Control of Chemical Substances

To effectively use resources, the TOSHIBA TEC Group is tackling reducing the total amount of waste generated, including recycled waste. In Japan in fiscal 2008, an increase in evaluation paper and waste toner used for developing new MFP products caused the amount of waste to be increased by 5%, compared with fiscal 2007. The TOSHIBA TEC Group will continuously make efforts to develop new products which can curb the generation of waste. Outside Japan, returnable containers for procured goods are adopted for delivery to reduce corrugated cardboards. As a result, the amount of waste was reduced in fiscal 2008 by 15%, compared with the previous year.

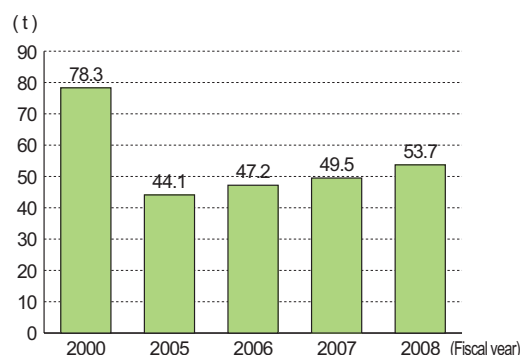
Waste Discharge at Production Sites in Japan



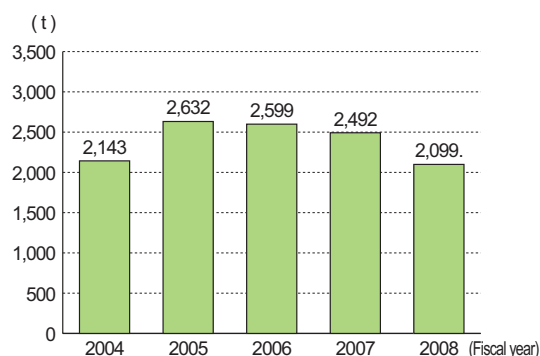
Chemical substances are handled based on three policies: "avoid use of hazardous substances to the maximum extent possible," "promote reduction and substitution to the maximum extent possible," and "subject use to appropriate controls." Substances covered by the environment-related laws and regulations are classified into three types: "prohibition of use," "reduction in use" and "control of release." In terms of "reduction in use," the TOSHIBA TEC Group strives to reduce the release of chemical substances to air and water. Since production of products requiring cleansing increased in fiscal 2008, the release of chemical substances increased by 10% compared with fiscal 2007 in Japan. The release to air will be hereafter reduced by using a removal system.

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

Release of Chemical Substances at Production Sites in Japan



Waste Discharge at Production Sites outside Japan



Release of Chemical Substances at Production Sites outside Japan



# Environmental Activities with Society

Communication is enhanced throughout a variety of media, for people in different positions to understand the TOSHIBA TEC Group's environmental management and advance environmental activities together.

## Concept regarding Environmental 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 essential not only for the TOSHIBA TEC Group but also for people in different positions, to recognize such a commitment, in order to address environmental issues in society and advance environmental activities together. Thus, the TOSHIBA TEC Group is improving communications throughout a variety of media, for people to understand its stance and activities toward environmental protection.

## In-house Public Relations

### ECP Display Area in 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 division.



### Environment Display Area and Electronic Bulletin Board in Mishima Business Center

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.

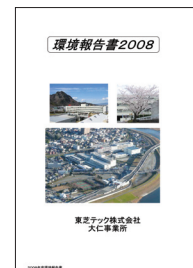


## Environmental Report

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



Mishima Business Center



Ohito Business Center

## Environmental News

In addition to topics such as "Environmental Month," "3R Promotion Month" and "Global Warming Prevention Month," monthly promotion items are introduced. Employees' families are also encouraged to read them.



Mishima Business Center



Ohito Business Center

## Promoting Environmental Conservation via Light Motor Vehicles at Kita Kanto Main Branch

We use light motor vehicles to signify the "promotion of environmental conservation through fuel-efficient cars."

- Improved fuel efficiency, comfortable locomotion and convenient parking in urban areas
- Zippy but can carry unexpectedly many articles.
- Comfortable to ride in, easy-to-drive and best suited for sales activities in urban areas.



Shohei Matsuyama and a light motor vehicle

Shohei Matsuyama  
Retail Systems Group No. 2  
Kita Kanto Main Branch

## TOSHIBA TEC NORDIC AB

TOSHIBA TEC NORDIC AB in Sweden arranged "Camp Toshiba" together with the famous photographer Mr. Mattias Klum, who provided photos to National Geographic for example.



Camp Toshiba

Camp Toshiba was a road-show around Sweden where TOSHIBA TEC NORDIC AB's retailer-invited customers gathered to explore the wonderful colors of nature and wildlife and learn more of new color MFPs. This camp was held to allow them to feel the world would be duller without colors.

During the camp, Mr. Klum also spoke about the rapid and increasing ecological impact that he documented and photographed around the globe. TOSHIBA TEC NORDIC AB explained environmental considerations that TOSHIBA TEC Corporation provided during new product development and announced that all models were Swan-labeled when launching the e-STUDIO5520C series.

**WEB** For more information on environmental information, see the URL below:

<http://www.toshibatec.co.jp/csr/environment/index.html>

## Sustainability Management

Environmental promotion structure, environmental activities, mid-term & long-term environmental strategies, environmental accounting and environmental management at business sites

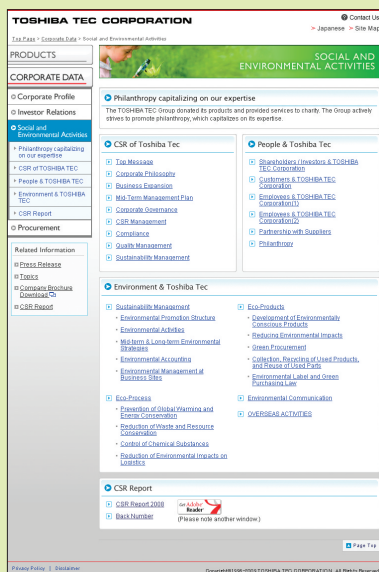
## Eco-products

Development of environmentally conscious products (ECPs), reduction of environmental impacts, green procurement, collection and recycling of end-of-use products and reuse of end-of-use components, environmental labels and the Green Procurement Law

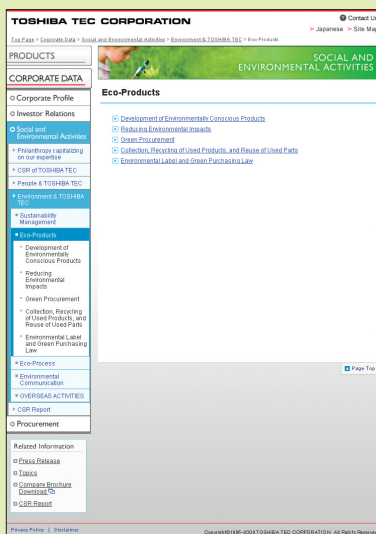
## Eco-process

Efforts toward global warming prevention, energy conservation, reduction of waste/resource conservation, chemical substance control and reduction of environmental impacts on logistics

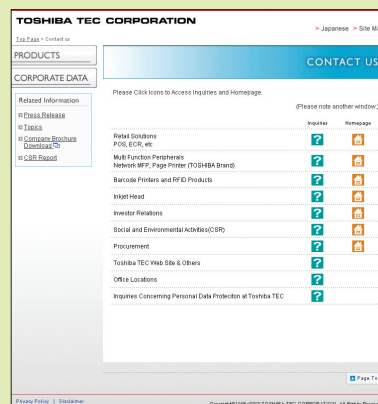
## Environmental Communication



Social and environmental activities



Eco-products



Inquiry about social and environmental activities



## Third-Party Comments



**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.

The financial crisis in the United States last year placed the entire world in an economic quandary in a moment. Japan is no exception. Although a financial influence on the Japanese economy, which depends heavily on export, is relatively small, the real economy is greatly affected and companies are in a slump. In 1990s, corporate philanthropy, which started to be emphasized, declined in an economic downturn, which led to stakeholders distrusting companies. However, I think corporate philosophy is put to the test when companies experience difficulties. It may be said that corporate value is heightened if corporate social responsibility or CSR is intentionally promoted when companies are in difficulties. Since fiscal 2007, TOSHIBA TEC Corporation has positioned itself as a Global Enterprise and addressed various issues such as responsibility for the global environment, management and development of human resources focusing on diversity and work style innovation which brings up various abilities of individuals. The top message remains the same toward CSR, along with "Human Life, Safety and Legal Compliance" for this year and I look forward to the results. Now, let me mention the contents of this report.

First of all, CRS Report 2009 features readability improved according to the results from the questionnaire (conducted in Japan). It is extremely important to comprehensively convey contents of

such reports, which diversified stakeholders see. The attitude toward a questionnaire and improvements of the report according to questionnaire results is worth appreciating.

Secondly, I would like to comment on the section "ENVIRONMENT & TOSHIBA TEC." A study found that 54.9% of major companies had not established mid and long-term objectives regarding CO<sub>2</sub> emissions. On that point, TOSHIBA TEC Corporation, which has the mid and long-term environmental strategies, joins a forward thinking group. Especially, the evaluation and description of annual goals and results can be highly commended. However, in addition to the target ratio of CO<sub>2</sub> emissions to output, the target total CO<sub>2</sub> emissions will officially become a challenge at some future time in Japan. Therefore, it is necessary for TOSHIBA TEC Corporation to prepare a policy to respond to the requirement. Besides, among various activities of TOSHIBA TEC Corporation to protect the global environment, the efforts to use Eco-efficiency "Factor T" are regarded as important, with respect to high "visibility" of its considerations to the environment to people on a product level. At the same time, an approach to the visualization of CO<sub>2</sub> emissions per product (carbon footprint), which has been started worldwide, will become one of the agendas to be examined.

Thirdly, I would like to comment on the section "PEOPLE & TOSHIBA TEC." Regarding efforts to protect the global environment, the mid and long-term objectives are set up and the results are evaluated yearly. I hope mid and long-term objectives and the results are also reported in this section. For example, in EU, "diversity management" attracts attention not only in terms of human rights and individuals' ability development, but also from the perspective that it brings dynamism to management. In that regard, companies have come to establish their concrete goals. I hope the embodiment of "Work Style Innovation" will be advanced further at TOSHIBA TEC Corporation. Now, when companies' education and training capabilities are said to be declining, the education system of TOSHIBA TEC Corporation is regarded as fulfilling. If a comment on what the training course meant to one is placed in this report, necessity of education and training will become clear.

Lastly, I believe efforts regarding CSR outside Japan have become extremely important, due to globalization of TOSHIBA TEC Corporation. Reporting on philanthropy activities along with target settings in environmental and human resources outside Japan will become future issues.

On the whole, this report is appreciated since it has been improved by incorporating the results of questionnaire. I would venture to say that this report will be more effective if technical jargons and what is especially to be conveyed are boxed in columns.

GRI Guidelines and appropriate pages in TOSHIBA TEC GROUP CSR REPORT 2009 are as follows:

### 1. Strategy and Analysis

- 1.1 Statement from the most senior decision maker of the organization about the strategy ..... P.3-4

### 2. Organizational Profile

- 2.1 Name of the organization..... P.1  
2.2 Primary products, and/or services ..... P.6  
2.3 Operational structure of the organization..... P.7  
2.4 Location of organization's headquarters ..... P.2  
2.5 Names of countries of the reporting organization.. P.2  
2.6 Nature of ownership and legal form ..... P.2  
2.8 Scale of the reporting organization, including: ..... P.2

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

### 3. Report Performers

#### •REPORT PROFILE

- 3.1 Reporting period for information provided..... P.2  
3.2 Date of most recent previous report..... P.2  
3.3 Reporting cycle ..... P.1  
3.4 Contact point for questions regarding the report ..... Back cover

#### •GRI CONTENT INDEX

- 3.12 Table identifying the location of the standard Disclosures in the report..... P.38, Website

### 4. Governance, Commitments, and Engagement

#### •GOVERNANCE

- 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.5  
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.38

#### •STAKEHOLDER ENGAGEMENT

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

### 5. Management Approach and Performance Indicators

#### <Economic>

#### <Environmental>

#### •ENVIRONMENTAL PERFORMANCE INDICATORS

##### MATERIALS

- EN1 ..... P.28

##### Energy

- EN3 ..... P.28  
EN4 ..... P.28  
EN5 ..... P.27, P.33

##### EMISSIONS, EFFLUENTS, AND WASTE

- EN16 ..... P.28, P.33  
EN17 ..... P.28  
EN19 ..... P.34  
EN20 ..... P.28

##### PRODUCTS AND SERVICES

- EN26 ..... P.29, P.30  
EN27 ..... P.28, 32

##### TRANSPORT

- EN29 ..... P.33

#### <Labor Practices and Decent Work>

#### •Labor Practices and Decent Work Performance Indicators

##### OCCUPATIONAL HEALTH AND SAFETY

- LA8..... P.17  
LA9..... P.17

##### TRAINING AND EDUCATION

- LA11 ..... P.16

#### <Human Rights>

#### <Society>

#### •Society Performance Indicators

##### COMMUNITY

- SO1..... P.9-10

#### <Product Responsibility>

#### •Product Responsibility Performance Indicators

##### PRODUCT AND SERVICE LABELING

- PR5 ..... P.12-14

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