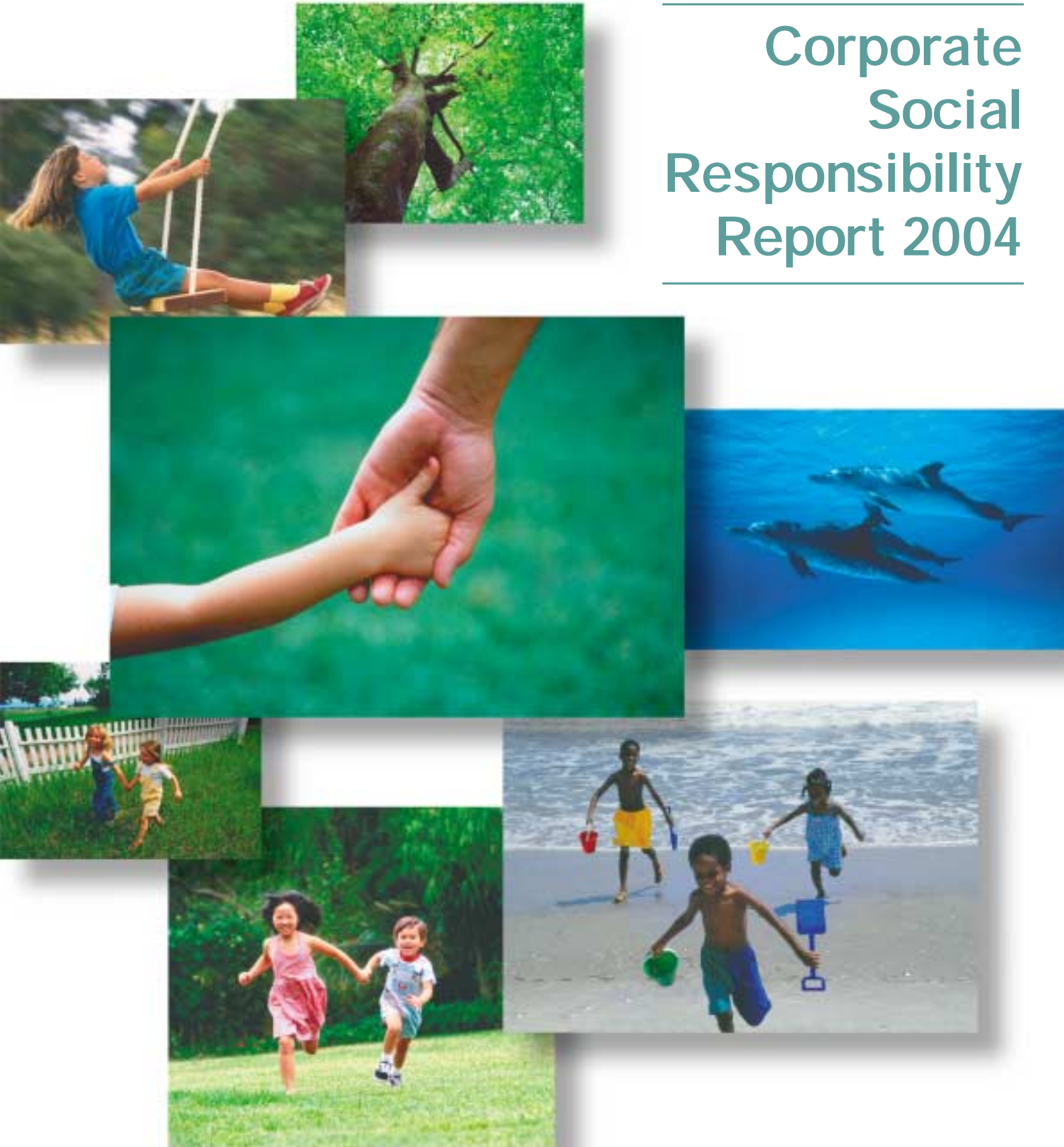


Committed to People,
Committed to the Future. **TOSHIBA**

Corporate Social Responsibility Report 2004



Editorial Policy

Corporate Social Responsibility (CSR) has become a focus of keen interest. Toshiba Group has been presenting its environmental protection activities annually in the Toshiba Environmental Report since the first such report was published in January 1999. In 2002 Toshiba Environmental Report included coverage of Toshiba's social activities in addition to that of environmental activities. Since establishing the CSR Division in July 2003, Toshiba has put in place a fully fledged system for promoting CSR. Accordingly, we decided to publish a CSR Report whose scope is much wider than an environmental report, in order to fulfill our accountability to stakeholders and society at large. Our editorial policy is to communicate Toshiba's CSR activities in a straightforward, easy-to-understand manner from three perspectives, namely, economic performance, social performance and environmental performance.

Chapter 1, "Mind of Toshiba Group," taking its cue from what Toshiba has always done best—namely, creating products and services attuned to people's aspirations and beneficial to society—provides an overview of the CSR activities Toshiba is targeting in order to best serve society.

In Chapter 2, "Social Relations," reports on what Toshiba is doing to further the interests of various stakeholders. Also, a stakeholders' meeting with leaders of NPOs and NGOs engaged in environmental issues is introduced.

In Chapter 3, "Environmental Relations," Toshiba's actions to improve the global environment and protect the eco-system are reported from various perspectives.

Dialog with stakeholders is a prerequisite for earning society's confidence in Toshiba, which is the objective of CSR activities. We are determined to enhance the content of our CSR Report, which is an important means of communicating with our stakeholders. We welcome your comments and suggestions.

[Reference Guidelines]

- Environmental Reporting Guidelines (Fiscal Year 2003 Version), Ministry of the Environment of Japan
- 2002 Sustainability Reporting Guidelines, Global Reporting Initiative (GRI)

[Scope of the Report]

Reporting period:	Fiscal Year 2003 (from April 1, 2003, to March 31, 2004) *Although the report focuses on the results of activities in fiscal 2003, some activities continuing from before and more recent activities are also included.
Organizations covered:	In principle, Toshiba Group* operating in Japan and overseas *Toshiba Group: Toshiba Corp. and its affiliated companies (319 consolidated subsidiaries and 64 affiliates accounted for by the equity method) *"Toshiba" in this report means Toshiba Corp.
Scope of Data:	Data on economic performance is on a consolidated basis. Data on environmental performance, in principle, corresponds to one of the following scopes. For each data, the scope is indicated. ①Toshiba Corp. ②Toshiba Corp. and its 8 group companies* *8 group companies: Toshiba Elevator and Building Systems Corp., Toshiba Carrier Corp., Toshiba Consumer Marketing Corp., Toshiba Solutions Corp., Toshiba TEC Corp., Toshiba Matsushita Display Technology Co., Ltd., Toshiba Medical Systems Corp., Toshiba Lighting & Technology Corp. ③Toshiba Corp. and its 63 affiliated companies in Japan ④Toshiba Corp. and its 89 affiliated companies in Japan and overseas *Affiliated companies included in ③ and ④ are mainly manufacturing subsidiaries that are included in the scope in view of the significance of their environmental impacts. For details, please visit the Toshiba website at http://www.toshiba.co.jp/env/en/data/ . For data whose scope does not correspond to any of the above, the scope is indicated.

[Publication]

Previous issue:	July 2003 (Toshiba Environmental Report 2003)
Next issue:	August 2005 (scheduled)

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Earning the Trust of Society

Toshiba's approach to CSR
——**Tadashi Okamura**, President and CEO



CSR Activities at the Heart of Management

Corporate Social Responsibility (CSR) has come to the fore in recent years. Toshiba established its CSR Division in 2003. What is Toshiba's conception of CSR?

CSR is at the heart of Toshiba's efforts to earn the trust of society. We want to make a wholehearted contribution to society in ways that go far beyond our obligations, and will do whatever is within our power to help lay the foundation for sustainable development.

In July 2003, Toshiba established the CSR Division in its headquarters to clarify the position held by CSR within the corporation and spearhead related activities such as legal compliance, human rights, the environment, customer satisfaction and corporate citizenship.

In addition, to articulate a set of values to be shared by Toshiba Group worldwide, Toshiba is participating in the United Nations Global Compact, a set of internationally recognized principles concerning human rights, labor and the environment.

In view of these developments, in January 2004 we drastically revised the Toshiba Group Standards of Conduct, the guiding principles that all of us in Toshiba Group are expected to observe.

For almost 130 years, Toshiba has been a force for social progress, creating a stream of essential, life-enhancing products and services in fields such as electronics and energy systems. Along the way, we have earned the trust of society, and it is this trust that is our true reason for being. It is our motivation and our inspiration.

In the course of our business, we must comply with laws, regulations and corporate ethics, ensure honesty and transparency in management, protect the global environment and contribute to the world community.

Toshiba is convinced that deep, two-way communication is essential to foster lasting, fruitful relationships with society. Through dialog with all our stakeholders, Toshiba will continue to build a business based on hard-earned trust.

Ubiquitous Networking Society in Harmony with the Environment

Environmental consideration is fast becoming an essential attribute of products. With the environment and society in mind, in which direction is Toshiba heading?

The progress of IT is providing networks with extraordinary capabilities, bringing on the emergence of an ubiquitous networking society. This storm of technological innovation must not be at

Top Commitment

Eco-life of President Okamura

"Our business runs on electricity, so I'm very aware of just how important energy is. That's why I don't waste it. At home, we use a garbage disposal unit to convert kitchen refuse to fertilizer, but we still have some way to go before we achieve zero emission..."



the expense of the environment. Indeed, we see it a golden opportunity for humankind to reduce environmental impacts and achieve harmony with the Earth's environment.

Toshiba is not only developing the technologies required for ubiquitous networking, but also proposing its applications that contribute to society, whether in education, health care or the special home networking needs of aging societies.

Toshiba is at the forefront of efforts to reduce the environmental impacts of products. For example, we use special environmental assessment criteria in the analysis applied to products at the design phase, covering environmental impacts throughout the product lifecycle. By emphasizing reduction, reuse and recycling, we are endeavoring to use resources as efficiently as possible. At the Toshiba Environmental Exhibition in March 2004, we announced Factor T, a new eco-efficiency indicator based on enhanced product value and reduced environmental impacts, as well as specific product targets to be attained by 2010 or earlier.

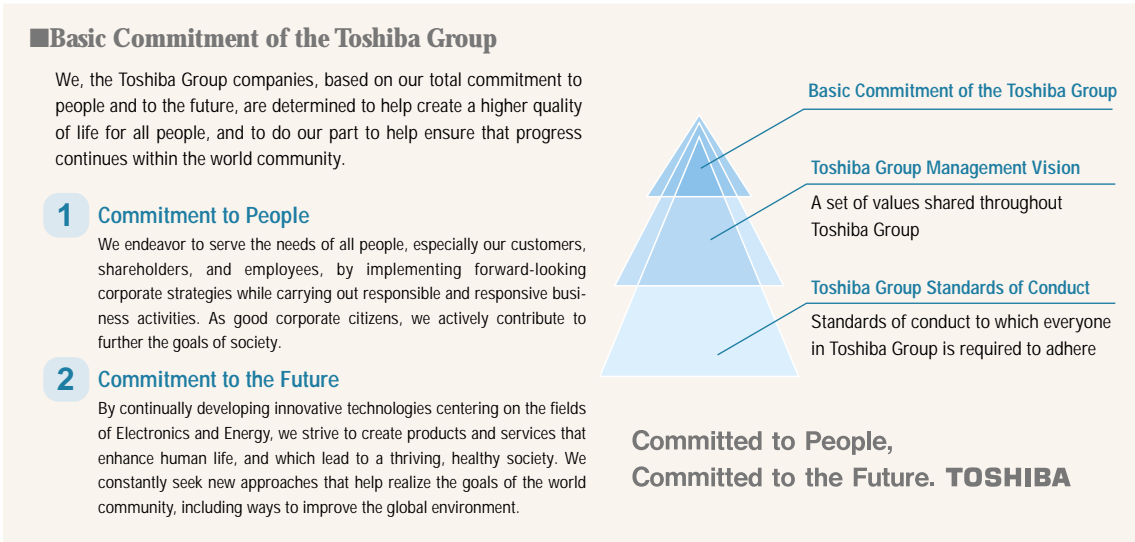
Environmental management is a vital ingredient of Toshiba Group's management, and we aim to instill this globally.

Envisioning the sustainable society

CSR is often referred to in connection with sustainability. What kind of society do you envisage in 20 to 30 years time? What kind of role will Toshiba play in the sustainable society?

We expect the ubiquitous networking society to be an everyday reality within 20 to 30 years. Operating fairly and transparently, Toshiba is pursuing a technology innovation strategy with two overarching themes,—ubiquitous networking and the environment,—and one ultimate goal: namely, a sustainable society.

The widening gulf between the advanced countries and the developing ones is cause for great concern. In accordance with the principles of the United Nations Global Compact, Toshiba will strive to help bridge the digital divide*and resolve global environmental issues.



* Digital divide: Gap between those who have access to information technologies and those who don't. Because digital technology enhances the economic power of the affluent, the economic gap between the affluent and the poor is likely to widen.

Advancing toward a Sustainable Society where Well-being Abounds

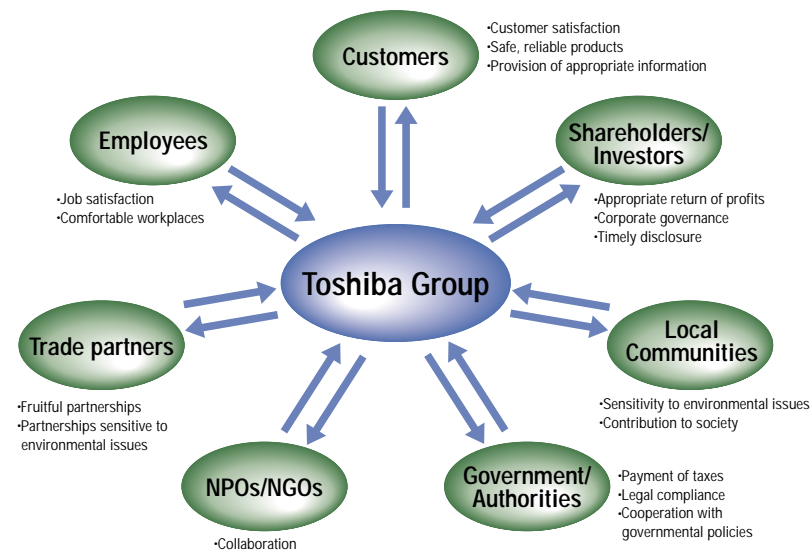


Toshiba Group's CSR

At Toshiba, we think we can best serve society by continuing to do what we have always done best: creating products and services attuned to people's aspirations and beneficial to society.

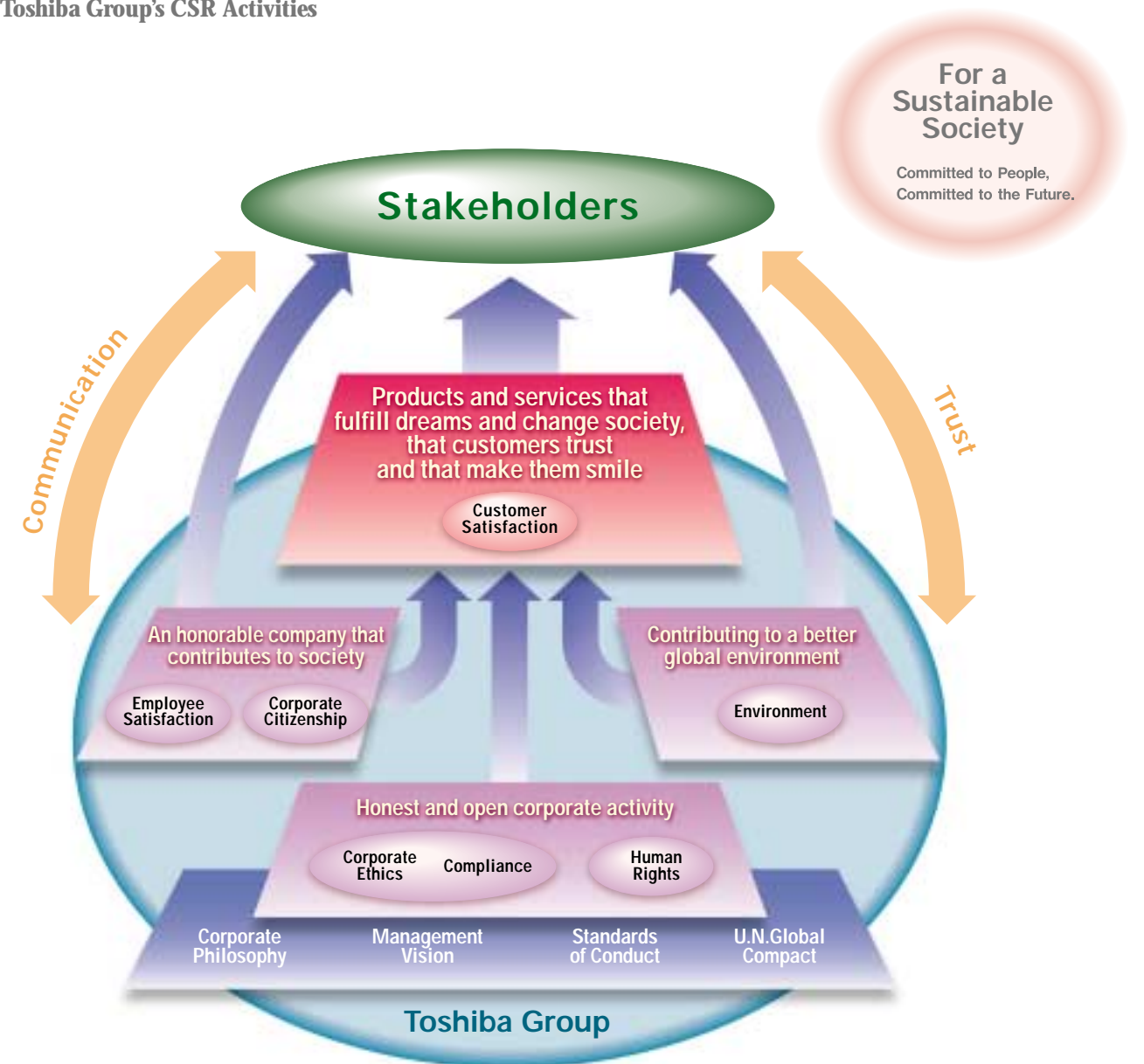
The trusted Toshiba brand is the expression of almost 130 years of unremitting efforts. The values we have inherited from our founder's—not least, curiosity, enthusiasm and vision—continue to inspire us at Toshiba. Now it's our turn. Eager to bequeath a legacy to future generations, we are thoroughly reviewing our business activities from the viewpoint of CSR in order to ensure the sustainable development of the Toshiba Group—and to contribute to the sustainable development of society at large.

Relationship with Stakeholders



*Sustainable society: Society that is healthy, vital, resilient, and able to creatively adapt over time and in which people can fulfill their aspirations for happiness.

Toshiba Group's CSR Activities



Toshiba Group's Enterprise Value

The Basic Commitment of the Toshiba Group and the Group slogan,—“Committed to People, Committed to the Future. Toshiba.”—, is the concrete expression of both our relationships with stakeholders and our business activities.

The first step of our CSR activity was to identify Toshiba's role in society in light of our involvement in electronics and energy. Through technology innovation in these fields, the Toshiba Group strives

to fulfill its mission: namely, to be a source of products and services attuned to people's aspirations and beneficial to society.

To succeed in this endeavor while, at the same time, achieving the sustainable development of Toshiba, we have to fulfill our corporate social responsibility and earn the trust of society.

Based on the Toshiba Group Standards of Conduct revised in January 2004, everyone at Toshiba is engaged in CSR activities to achieve honest and open corporate activity, contribute to a better

global environment and be honorable company that contributes to society. Mindful of its responsibilities as a global enterprise, Toshiba has signed the United Nations Global Compact covering human rights, labor and the environment.

Products and Services Attuned to People's Aspirations and Beneficial to Society

For more than a century, Toshiba has won the world's trust by developing superb technologies and high-quality products and services. The energy source that has powered the creation of the technologies and products that have underpinned Toshiba's success down the years is the single-minded enthusiasm of individuals who always approach work with vision and a sense of purpose.

The Toshiba Tradition: Products Inspired by Vision

■Toshiba—founded to benefit people and society

Toshiba was founded in 1875 when Hisashige Tanaka opened a workshop to produce telegraphic equipment in Tokyo. The sign Tanaka hung on his shop read, "We accept orders for mechanical contrivances of every description." This message embodies the DNA that has defined Toshiba from its inception: the creation of things that benefit people and society. Hisashige Tanaka brought the world numerous inventions, including the Karakuri mechanical puppets, the world's finest perpetual clock. Tanaka came to be known as the "Edison of the Orient." Acting on his conviction that "Technologies and inventions should improve the quality of life," Tanaka resolutely pursued ease of use for the end user, not self-satisfying technical mastery. His approach to work, grounded in the



The "perpetual clock"
The ultimate mechanical clock of its time, this perpetual clock adjusted for daily changes in the length of day and night.

desire to please customers by inventing necessary things that enrich people's lives, was described as freewheeling, resourceful invention.

Each and every Toshiba employee is enthusiastically devoted to creating products or services that are attuned to people's aspirations and beneficial to society. Toshiba employees envision the future, formulate their own answers to questions others cannot answer, struggle as they break with precedent, create, and advance. The desire to deliver comfort and bring smiles to people's faces with products and services that astonish and excite is a tradition handed down unbroken during the century-plus history of Toshiba.

■Sensitivity to environment

The story of Toshiba is one of numerous Japan-first and world-first inventions. Toshiba was that first company in Japan to succeed in manufacturing refrigerators and washing machines : the household appliances every Japanese family once aspired to own. By introducing a series of innovative products that changed lifestyles of people in Japan, Toshiba has contributed to the development of Japan and the world. We want to continue to provide people with astonishment and excitement in the coming years.

■Toshiba Firsts



Realization of a Ubiquitous Networking Society Where Astonishment and Excitement Become Everyday Experiences

In tomorrow's ubiquitous network society, networks will affect every aspect of our lives and information will be universally available. What sort of new convenience and comfort can we expect when participation in networks is open to anyone, anywhere, anytime? Toshiba carefully studies the type of society people aspire to, constantly thinking of ways of helping to make dreams come true.

■Toward Ubiquitous Networking

The use of computer networks has already become an everyday occurrence; today, people can use mobile phones or personal computers for remote programming of their DVD recorders. People no longer must go out of their way to accommodate machines; instead, machines adjust to people's requirements. Toshiba believes that ease of use is the gateway to everyday networking.



HDD & DVD video recorder

People want to be able to use their personal computers anytime and anywhere without worrying about the power source. In the ubiquitous networking society where information can be accessed from anywhere, people will be able to freely use personal computers even where no electrical outlets are available. Toshiba is developing compact fuel cell for laptop computers.

People want to be able to view moving images anywhere. The key to meeting this need lies in conveying large volumes of data in a compact format. Toshiba has developed the 0.85-inch hard disk drive, which was certified as the world's smallest HDD by the Guinness Book of World Records. Incorporating this HDD in PDAs and mobile phones will make it possible to save and store high-volume content such as music and video.



Compact fuel cell for laptop PCs



Ultra-compact 0.85-inch HDD

■Semiconductors that Realize Ubiquitous Networking

In today's broadband era, the widespread use of optical fiber has made it possible to exchange gigabytes of data over computer networks. Toshiba, jointly with Sony Computer Entertainment and IBM, is developing a semiconductor codenamed "CELL" that can send, receive, and process at high speed and in real time video, music, and other high-volume content and services. The ability to process digital information such as moving images at high speed will make it possible to generate virtual reproductions of the real world.

In a ubiquitous network society where abundant services are available regardless of location, ensuring information security will be a critical issue. With CELL, security ranks with high speed and real time processing as an important priority.



Hideo Kataoka
DAV Product Planning Department
Digital AV Division

■I want to make the ultimate in products, to make things I want myself

We were the first in the world to commercialize a new concept in HDD & DVD recorders: a product that combines a hard disk and DVD in a single chassis. I have long been a music fan, and I conceived the product based on features and applications that I myself wanted: the desire to record all the programs I like and later select and save only certain portions and the desire to instantly identify the content stored on each disk. This product grew out of repeated brainstorming with the development team about what a digital recorder should be and exhaustively examining the several hundred ideas that resulted. I want to carry on creating products that propose exciting new life-style options.



Mitsuo Saito
Chief Fellow, Broadband Systems General Manager, LSI Development Center

■Semiconductors to thrill your senses

What we emphasize most is "fun electronics." For instance, we don't want to make TVs that you just watch, but TVs that convey information to all your senses using less energy. First of all, we are working on two-way systems that can send sharp images in real time: for instance, an application that makes it possible for people purchasing clothing via on-line sales to try on items on a computer screen and see how they look when they move. The ubiquitous network society will be an ecological, fun, low-waste society.

Social Infrastructure Businesses
that Contribute to a Safe,
Comfortable Society

Toshiba's vision is to create products that benefit and change society. From public lifelines such as energy and water supply and sewage systems to highways, railways, airports, and other transportation infrastructure, office buildings, public facilities, and hospitals—Toshiba products and systems support people's lives and society everywhere. Contemporary society faces many problems: energy supply, the global environment, information security, and the aging of society to name a few. Toshiba will continue to grapple with these problems and continue to provide reliable products and systems grounded in the themes of safety, comfort, and health. In this way, we seek to contribute to a safe, comfortable society.



Kashiwazaki-Kariwa Nuclear Power Station

Energy

To provide a stable supply of electric power while conserving limited resources, Toshiba develops nuclear power, thermal power, water power, wind power and solar power electric generating systems and new technologies for fuel cells, hydrogen generation, and other next-generation energy sources. Toshiba believes it is important to achieve a balanced combination of energy sources that takes advantage of the benefits of each type of energy. Nuclear power is an important source of energy free of CO₂ emissions. Toshiba pays painstaking attention to safety and reliability at every stage of nuclear power generation: design, manufacturing, construction, operation, and maintenance.



Water supply and sewage monitoring systems

Water Supply and Sewage Systems

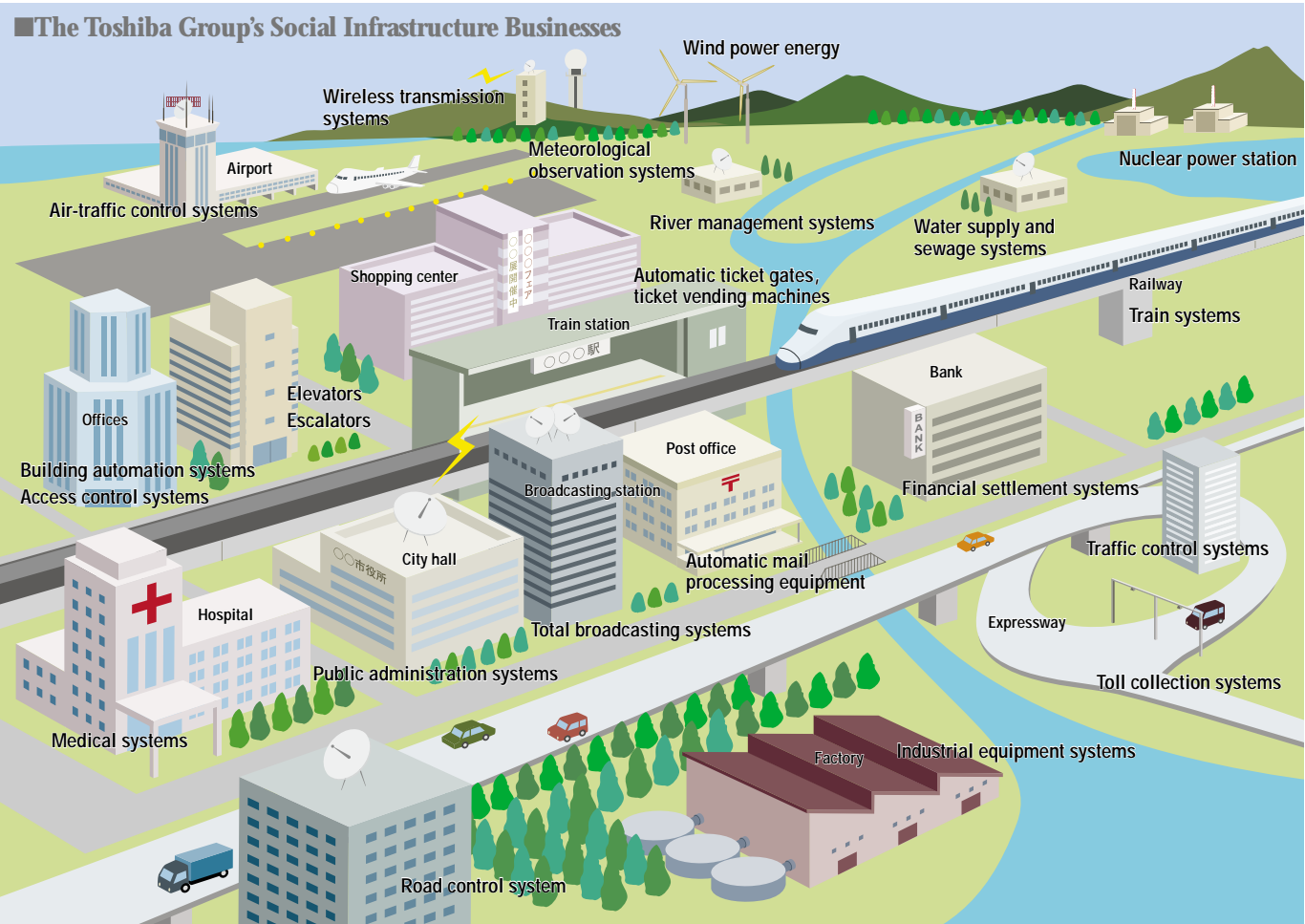
The water environment is basis of affluent, comfortable living. Water supply systems reliably keep track of changing water volume and water quality, ensuring a constant supply to our homes of water generated at treatment plants through pipes. At the same time, sewage systems remove impurities from rain-water and water discharged from our homes and return the water to the ocean or rivers. To contribute to the preservation of the global environment and hand down the blessings of nature to future generations, Toshiba comprehensively provides new technologies in the field of water supply and sewage systems.



The Kyushu Shinkansen's Tsubame bullet train

Transportation

The Kyushu Shinkansen is an amalgam of leading-edge technologies. 70% of the line consists of tunnels and there are many steep gradients. Leading-edge technologies make possible high-speed travel throughout the line, providing a comfortable ride for passengers. Many Toshiba products are used in the digital automatic traffic control (ATC) system and other electrical equipment and systems that ensure safe operation of the railway. Toshiba is also developing traffic control systems to promote safe operation of other railways, roads and airports.



Medical Systems

Toshiba contributes to people's health through total solutions in the health care sector, including hospital information systems and networks and X-ray systems, MRI systems, and other diagnostic imaging systems. CT scanners play an important role in rapid testing of emergency patients and the early detection of disease. By providing high-quality images for immediate analysis, these systems reduce the burden on patients and assist physicians in selecting optimal treatment.



Aquilion CT scanner

Department of Radiology,
School of Medicine
Fujita Health University
Dr. Kazuhiro Katada
Professor & Chairman



Collaboration between the manufacturer's engineers and physicians is essential to the development of medical systems. I have been developing CT scanners jointly with Toshiba for nearly twenty years. During that time, innovative products such as the helical CT scanner have resulted from a process of exhaustive discussion within the framework of a shared vision. I want Toshiba to continue to adopt the viewpoint of the end user—that is, the patient—in developing socially important businesses in the healthcare field.



Protecting the Global Ecosystem

The Environment and CSR

The development of human society did not exceed the tolerance of the global environment until the early 19th century; however, since the onset of the industrial revolution, it has continued to deteriorate. Global warming, the depletion of resources and the decline in

biodiversity are eloquent testimony that economic activities now greatly exceed the tolerance of the global environment. Environmental issues arise when lifestyles diverge greatly from the natural rhythms of the global ecosystem. In the 21st century it is incumbent on each of us to consider the environment from a global perspective.

While tackling global warming and other

environmental problems, there is an urgent need to establish a recycling-based society. For this purpose, companies have a responsibility to minimize their environmental impacts to enhance eco-efficiency, and to raise awareness of the importance of environmental management.

Toshiba Group's Commitment

Companies exercise of environmental management is keenly watched by customers and all other stakeholders. As generally conceived, environmental management means management that seeks to develop an enterprise while according careful consideration to the environment. Toshiba Group's conception of environmental management goes beyond this definition: in our view, management's objective should be to achieve sustainable development by bringing business activities into harmony with the global environment, notably the global ecosystem.

At Toshiba Group, we are striving to minimize resource inputs and discharges at every stage of each product's lifecycle. We are determined to proactively contribute to the establishment of a recycling-based society through such activities as effective utilization of resources, prevention of global warming, strengthening of control of chemical substances, development of environmentally conscious products and recycling of end-of-use products. Also, we are promoting disclosure by issuing reports, making full use of websites for the dissemination of information, and endeavoring to reflect the opinions of stakeholders in our environmental management.

Environmental reports issued to date



People and society



Global CSR Activities

Mindful of its responsibilities as a global enterprise, Toshiba Group works to realize an affluent society not just by seeking to expand its business and improve efficiency but also by working hand in hand with others at the global, regional, national, community and individual level.

Participation in the Global Compact

In January 2004 Toshiba joined the United Nations Global Compact, pledging to adhere to nine universal principles covering human rights, labor and the environment. The Global Compact is a voluntary corporate citizenship initiative proposed by U.N. Secretary-General Kofi Annan in 1999 at the World Economic Forum. The Global Compact envisages that in the course of business, companies' fulfillment of their corporate social responsibilities through

compliance with internationally recognized principles concerning human rights, labor and the environment will lead to the emergence of a sustainable global economy.



President Okamura signs the Global Compact

The Global Compact's Nine Principles

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Labor Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.



Environmental Responses in Europe

In February 2003 the European Union adopted two environmental directives based on the expanded producer responsibility (EPR): the Waste Electrical and Electronic Equipment (WEEE) Directive and the Restrictions on Hazardous Substances (RoHS) Directive. EU member states are preparing domestic legislation in accordance with these directives; recycling will be mandatory from August 2005 and hazardous substances will be banned from July 2006.

Since Toshiba is a global enterprise, ensuring compliance with new environmental regulations in the regions where we operate is a prerequisite for continuing to do business. The WEEE Directive mandates recycling for virtually all products, making it necessary to establish a system for e-waste collection



European environmental protection conference

covering all EU member states. The RoHS Directive prohibits use of six substances, including lead, mercury and cadmium. To address these issues, Toshiba established the European Environmental Group in April 2003. We hold European environmental protection conferences periodically to spur progress toward establishment of the optimum resource recycling system.

ExploraVision Awards in North America

In the United States and Canada, the Toshiba/NSTA ExploraVision Awards—a technology and science competition for young people in grades K-12—is held by Toshiba in cooperation with the National Science Teachers Association. Teams of students select a technology, explore how the technology may change over the next 20 years, and present their vision on Web pages. Following regional screening, four teams placed first and four placed second receive commendations in June each year. Since the launch of the ExploraVision Awards in 1992, more than 200,000 youngsters have participated in the contest. Every year volunteers from Toshiba help organize the contest, give tips on designing Websites and help out at the awards ceremony. ExploraVision Awards has become deeply rooted in



Winners of 2003 ExploraVision Awards

schools and communities across North America.

35th Anniversary Charity Concert in Thailand

Toshiba has been doing business in Thailand since 1969. Today, Toshiba has 18 plants in the country, manufacturing refrigerators, washing machines, lighting equipment, semiconductors and CRTs for markets in Asia. With 12,000 employees in Thailand, Toshiba has become a well-known local company. To express appreciation of Thailand and its people, in 1991 Toshiba established the Toshiba Thai Foundation whose activities include providing scholarships for engineering students and financial support for R&D institutions.

In May 2004, to celebrate the 35th anniversary of Toshiba in Thailand, Toshiba hosted a charity concert featuring Bangkok Symphony Orchestra and Jessye Norman, a world renowned opera singer. Her Majesty Queen Sirikit

of Thailand graced the concert with her presence. Taizo Nishimuro, Chairman of Toshiba, donated the proceeds from the concert and personal computers to a foundation whose patron is Her Majesty Queen Sirikit. Toshiba's donations will support the valuable work of hospitals and other institutions operated by the foundation.



Charity concert in Thailand

Business Development in China

Ever since Toshiba started exports to China in 1972 when China and Japan resumed diplomatic relations, China's development and Toshiba's presence in the country have advanced hand in hand. Toshiba Group had 49 companies and 15,000 employees in China as of March 2004, and annual sales worth about 500 billion yen. China is at the heart of Toshiba's strategy, not only for production but also for sales & marketing and R&D covering a wide range of products: everything from transformers, traffic systems, elevators, medical equipment and other social infrastructure equipment to home appliances, personal computers, televisions and other visual and information equipment and semiconductors.

As well as being a source of products and services attuned to the needs of China's market, Toshiba is contributing to the



country's development by creating employment, paying taxes and transferring technology. While ensuring that all employees act in accordance with the Toshiba Group Standards of Conduct and in compliance with laws and regulations, Toshiba is doing its utmost to protect the environment and contribute to local communities.

Together with Employees

Safety and employee welfare

In factories, the emphasis is on small group activities and education to ensure quality control and safety. In terms of employee welfare, Toshiba provides dor-

mitories and cafeterias for its employees, holds sports days and supports sport teams for which employees play.



Safety slogan



Lunch at the cafeteria

Education & Training

Toshiba provides a range of education and training opportunities at each operation, such as skill training for lead-free soldering and training for specific jobs. In fiscal 2004 Toshiba Group started managerial education in China to foster key personnel and to promote the flow of people and expertise among operations in China.



Education of young sales staff

Environmental Activities

China's extraordinary economic growth is having some unwelcome side-effects, such as increased environmental impacts and power shortages. In addition to developing environmentally conscious products and technologies, Toshiba is working to reduce environmental impacts at factories and to save energy. In fiscal 2003, Toshiba conducted voluntary environmental audits of five major manufacturing subsidiaries whose activities have significant environmental impacts. In fiscal 2004, the scope of environmental auditing will be extended to include more subsidiaries.

In April 2004, the Environment Dept. was established within Toshiba China Co., Ltd. (TCH), the supervisory company of China Toshiba Group. Step by step, Toshiba is strengthening its systems and procedures concerning compliance with recycling laws and regulations covering toxic substances, for example, by sharing information and issuing instructions throughout the Group.



Emergency drill

For Customer Satisfaction

In addition to call centers for inquiries about specific products, the Voice of Customers (VOC) Center was established in August 2002 at TCH as the interface for general inquiries about Toshiba and its products and services. In fiscal 2003, the VOC Center received 1,700 inquiries per month on average by either telephone or email.



VOC Center of Toshiba China Co., Ltd.

Activities Rooted in the Community

An active member of the community, Toshiba is a keen participant in such voluntary activities as the planting of trees (See Page 25.).

Collaboration with Universities

Toshiba China R&D Center, which opened in 2001, conducts collaborative research with Tsinghua University, Beijing University and other leading universities. Also, Toshiba donates funds for educational programs, runs the Toshiba Scholarships Program and organizes lectures by Toshiba management.



Awarding scholarships to students at Tsinghua University

Factory Tours

As well as welcoming factory visits by municipal and governmental officials, partner companies and various other stakeholders, Toshiba plants invite local elementary school children.



Local children visit Changzhou Toshiba Transformer Co., Ltd.

Hope Elementary School Established

In cooperation with the China Youth Development Foundation, two Toshiba Hope Elementary Schools were established in Dalian in 2001 and 2002, respectively, to provide educational opportunities for underprivileged children.



Inauguration of Dalian Toshiba Hope Elementary School

Inviting Students to Toshiba Spring Concert

In fiscal 2004 Toshiba invited 50 high-achieving, financially disadvantaged students to Toshiba Spring Concert, an annual event launched in 2000. At the same time, Toshiba donated five televisions and 500 dictionaries to the school they attend.



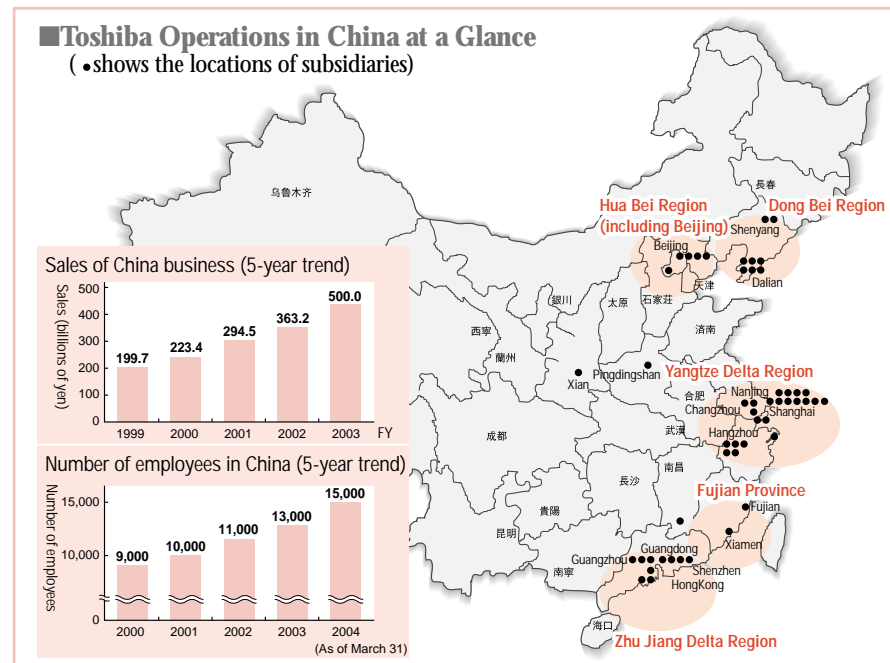
President Okamura presents the dictionaries

Supporting SARS Countermeasures

During the outbreak of SARS in 2003, Toshiba Group donated money, medical equipment and personal computers worth 4.6 million yuan (70 million yen) to combat the disease.



Donation to China-Japan Friendship Hospital



Corporate Governance

Toshiba Group is strengthening corporate governance to achieve greater transparency of decision-making and business processes, thorough risk management and enhanced disclosure and accountability so as to increase enterprise value.

Background to Introduction of the Company-with-Committees System and its Objectives

Our policy for corporate governance is to enhance management efficiency and transparency so that we can maximize shareholder's value. Following the introduction of the executive officer system in 1998 and the in-house company system in 1999, Toshiba established the Nominating Committee and the Compensation Committee in 2000 and shortened directors' tenures to one year. These reform

preceded the revision to the Commercial Code of Japan. In June 2003 Toshiba adopted the company-with-committees system to reinforce the supervisory function of management, enhance transparency, improve management flexibility and bolster risk management and compliance.

Governance in a Company with Committees

According to the Commercial Code of Japan*, at a company with committees, a nominating committee determines proposals concerning appointment and

dismissal of directors and a compensation committee determines compensation of individual directors and executive officers. At Toshiba the Nominating Committee has additional responsibilities: determination of proposals concerning appointment and dismissal of the president and of committee members.

Regarding management supervision and auditing, Toshiba has put in place a system in which executive officers report to the board of directors and the Audit Committee about matters that have significant influence on management and financial performance. Also, the Corporate Audit Division responsible for internal auditing, which directly reports to the president, is working in Cooperation with the Audit Committee.

Governance Structure as of June 25, 2004

Of 14 directors, seven directors are non-executive officers (four outside directors, the chairman of the board and two full-time audit committee members). The Nominating Committee chaired by an outside director, consists of one internal director and two outside directors, the Audit Committee consists of two internal directors (full-time) and three outside directors, and the Compensation Committee, chaired by an outside director, consists of two internal directors and three outside directors.

CSR Promotion Structure

In light of globalization and expectations of stakeholders, Toshiba Group has established a system for full-scale promotion of CSR activities to fulfill its responsibilities to society.

CSR Division Directly Reporting to the President

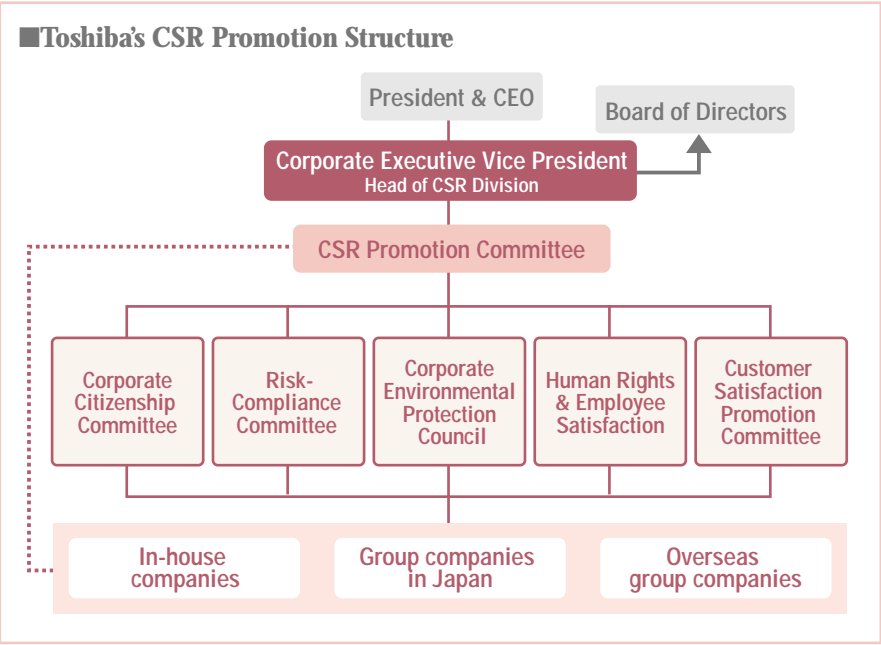
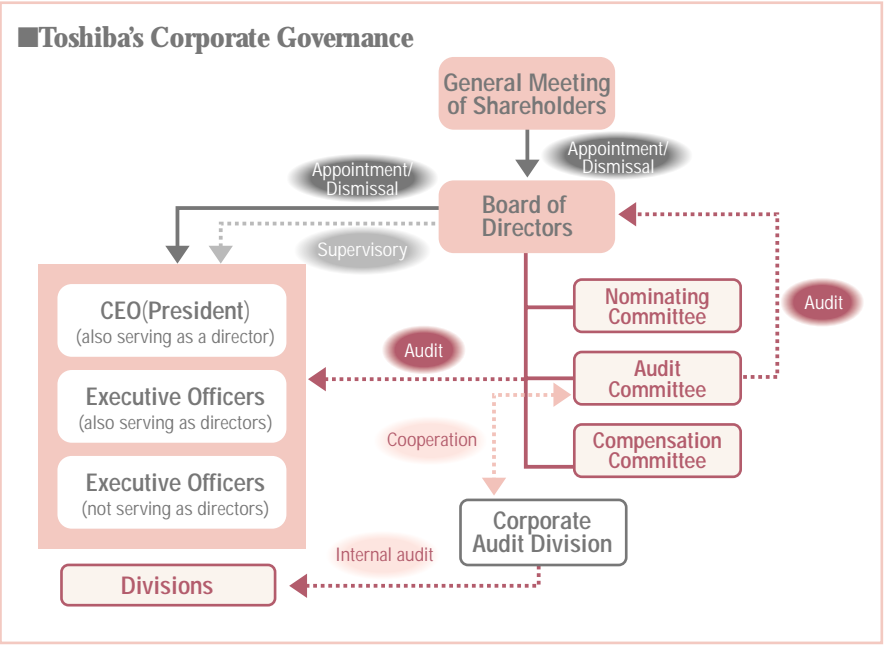
Toshiba Group has long been actively tackling compliance, human rights, the environment, customer satisfaction, corporate citizenship and other facets of CSR. The progress of globalization and the growing interest in society have propelled corporate social responsibility to the top of the agenda. Positioning CSR as an integral part of management Toshiba established the Corporate Social Responsibility Division in July 2003. Directly

reporting to the president, it spearheads Toshiba's drive to proactively fulfill its corporate social responsibility. The CSR Promotion Committee is responsible for decision-making on Group-wide CSR activities. The Risk-Compliance Committee, Corporate Environmental Protection Council and other CSR-related committees, all of which are supervised by the CSR Promotion Committee, determine their policies and establish action plans. The CSR Division reports periodically to the board of directors.

History of Toshiba's CSR Activities

- 1971 •The Consumers Department is established.
- 1973 •Toshiba Management Philosophy is established.
- 1975 •Toshiba Group Safety and Health Convention is introduced.
- 1988 •Environmental Protection Center is established.*
- 1989 •Basic Policy for Environmental Protection is established.*
•Environmental auditing is introduced.*
•Toshiba International Foundation is established.
- 1990 •Basic Commitment of the Toshiba Group and the slogan are established.
•Toshiba Standards of Business Conduct and Toshiba International Standards of Conduct are established.
•Toshiba America Foundation is established.
- 1991 •Corporate Environmental Protection Council is established.*
•Toshiba Group Environmental Exhibition is started.*
•Toshiba Thai Foundation is established.
- 1992 •ExploraVision Award is started in the U.S.
•Family-care leave, child-care leave and short-time working hour systems are introduced.
- 1993 •1st voluntary environmental plan is introduced.*
- 1995 •Toshiba Website is opened.
•ISO 14001 certification is obtained.*
- 1996 •2nd voluntary environmental plan is introduced.*
- 1998 •Executive officer system is introduced.
•Environmental report is issued.*
•Environmental Protection & Recycling Planning Center is established.*
•Customer Center is established.
- 2000 •Corporate risk management system is established.
•Environmental accounting is introduced.*
•3rd voluntary environmental plan is introduced.*
•Green procurement is introduced.*
- 2001 •Japanese version and international version of the Standards of Business Conduct are integrated.
- 2002 •Internal free agent system is introduced.
•Zero emission of waste is achieved.*
- 2003 •Company-with-committees system is adopted.
•CSR Division is established.
•CSR Website is opened.
•Joins Business for Social Responsibility (BSR), an international CSR association based in the U.S.
•Safety and health management system is introduced.
- 2004 •Toshiba Group Standards of Conduct is revised.
•Joins UN Global Compact
•Factor T, an eco-efficiency indicator, is introduced.*

*Concerned with environmental issues



*including the Law for Special Exceptions to the Commercial Code concerning Audit, etc. of Kabushiki-Kaisha

Compliance and Risk Management

By integrating risk management with compliance covering laws and regulations, social norms and corporate ethics, Toshiba Group is ensuring the fairness and transparency of its management system.

Toshiba Group Standards of Conduct

Operating globally, Toshiba Group emphasizes legal compliance and the conduct of business in accordance with social norms and corporate ethics as well as fulfillment of CSR in such areas as human rights, global environmental protection and contribution to society. Toshiba Group Standards of Conduct defines a clear common set of values and a code of conduct for all officers and employees of Toshiba Group around the world. Toshiba Standards of Conduct was first established in 1990. Following several revisions, Toshiba established the new Toshiba Group Standards of Conduct in January 2004, adding items from the viewpoint of CSR. Toshiba Group Standards of Conduct provides guiding principles for everyone in Toshiba Group in all their activities.

Toshiba Group Standards of Conduct (SOC)		
General Provisions		
<div><div><div>Chapter 1 SOC for Business Activities</div><div><div>1. Customer Satisfaction</div><div>2. Production and Technology, Quality Assurance and Product Safety</div><div>3. Marketing and Sales</div><div>4. Procurement</div><div>5. Environmental Protection</div><div>6. Export Control</div><div>7. Competition Law</div><div>8. Improper Payments</div><div>9. Government Transactions</div><div>10. Intellectual Property Rights</div><div>11. Accounting</div></div></div><div><div>Chapter 2 SOC for Corporate and Individual Relationships</div><div><div>12. Human Rights</div><div>13. Corporate Information and Corporate Assets</div></div><div><div>Chapter 3 SOC for Information Disclosure</div><div><div>14. Corporate Communications</div><div>15. Advertising</div></div><div><div>Chapter 4 SOC for Community Relations</div><div><div>16. Community Relations</div><div>17. Political Contributions</div></div></div></div></div></div>		
<div><div>Toshiba Group Standards of Conduct is available in 13 languages and has been adopted by some 430 Toshiba Group companies around the world as their standards of conduct.</div><div><div>Japanese</div><div>English</div><div>Chinese</div><div>Dutch</div><div>Korean</div><div>Spanish</div><div>Thai</div><div>German</div><div>French</div><div>Vietnamese</div><div>Portuguese</div><div>Bahasa Malaysia</div><div>Indonesian</div></div></div>		

* The full text of Toshiba Group Standards of Conduct is available on the following website.
<http://www.toshiba.co.jp/csr/en/soc/>

Compliance Education

Toshiba Group considers compliance to be a vital issue for companies, since compliance is a prerequisite for a company's continued existence. To ensure thorough compliance with Toshiba Group Standards of Conduct and to raise awareness about compliance, all Toshiba Group employees in Japan receive education for which videos and e-learning are used. Employees of Toshiba Group companies overseas receive compliance education for which videos reflecting regional characteristics and needs are used. In addition to universal education for all employees, Toshiba provides education according to responsibilities and experience using specially designed textbooks. Also, Toshiba periodically holds seminars for executives to which lawyers and other specialists are invited as speakers. Furthermore, education is provided on such themes as the Anti-monopoly Law, protection of personal information, information management, copyright and export control.



Standards of Conduct Handbook and education materials



Employee education

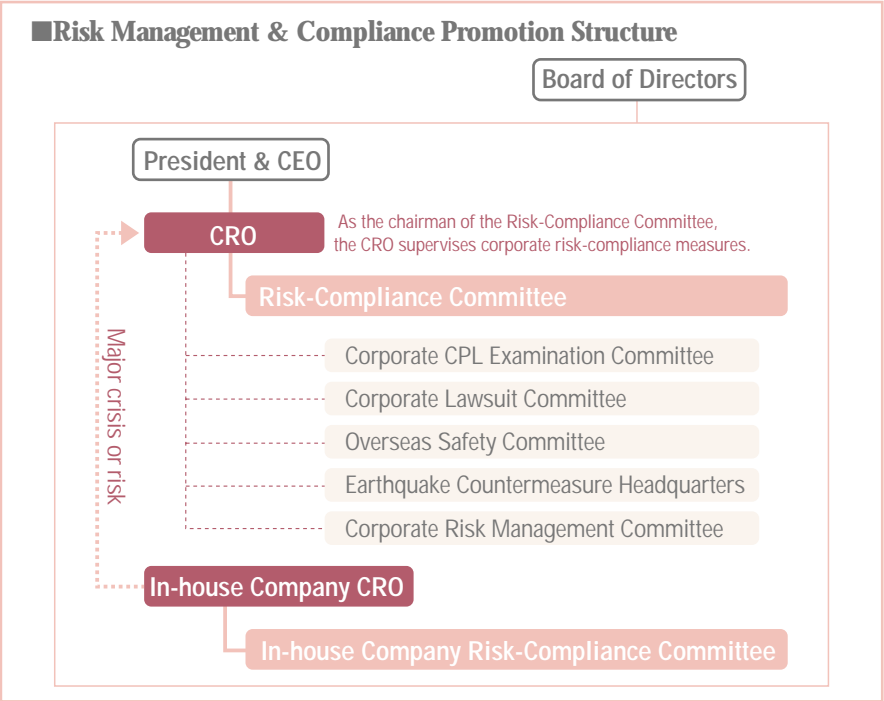
Risk Management & Compliance Promotion Structure

Toshiba has appointed a corporate senior executive as the Chief Risk-Compliance Management Officer (CRO). The CRO leads Toshiba's efforts to ensure compliance with Toshiba Group Standards of Conduct and promote risk management. The Risk-Compliance Committee chaired by the CRO is responsible for determining measures and promoting their implementation in cooperation with the organizations concerned. Also, each in-house company has a risk-compliance officer and risk compliance committees. In the event of an emergency, the CRO takes the initiative in swift and appropriate risk management in cooperation with the organizations concerned. The board of directors supervises implementation and promotion of internal con-

trol systems concerning risk management and compliance.

In-house Infomation Reporting System

In January 2000 Toshiba initiated a system that encourages employees to directly report any risk and compliance-related issues. This system is operated as the Risk Hotline. In addition to employees of Toshiba Corp., employees of its affiliated companies and temporary staff can also use the Risk Hotline for direct reporting or obtaining advice. Toshiba Group Standards of Conduct revised in January 2004 unequivocally mandates protection of anyone who reports issues or seeks advice. Toshiba Group companies are readying risk hotline systems for introduction.



Company Overview and Business Results

(Economic Dimensions)

Centering on the electronics and energy fields, Toshiba Group contributes to enhancement of the quality of life and the progress of society through its global operations. With a view to hastening the emergence of the ubiquitous networking society, we deliver products and services that are attuned to people's aspirations and beneficial to society while endeavoring to ensure harmony with the Earth's environment.

Business Overview

Toshiba Group is engaged in businesses ranging from digital products and electronic devices to social infrastructure and home appliances.

In fiscal 2003, despite a slight decrease in consolidated net sales due to the transfer of certain businesses, both operating income and net income increased.

In accordance with the mid-term business plan whose final year is fiscal 2006, Toshiba is poised to achieve high growth in digital products and electronic devices while revenues from the social infrastructure business are expected to be stable.

Overseas sales accounted for 39% of net sales and employees overseas, numbering some 40,000, accounted for 25% of Toshiba Group's workforce.

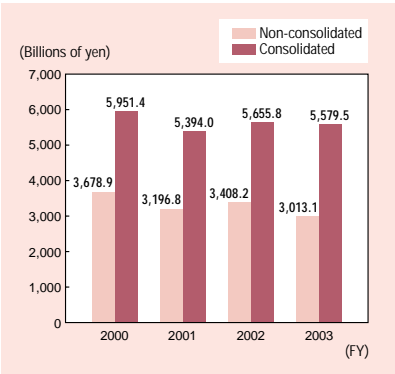
Please refer to Toshiba Annual Report 2004 for details of Toshiba's business and financial information. This information is also available at the following website:

<http://www.toshiba.co.jp/about/ir/index.htm>

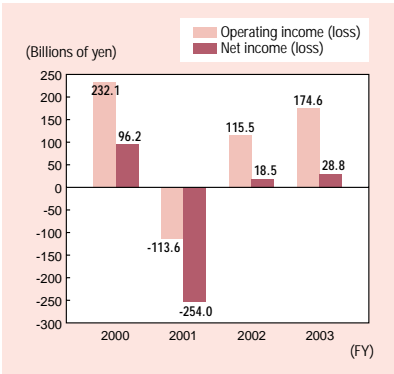
Company Overview (as of March 31, 2004)

Company name:	Toshiba Corporation
Headquarters address:	1-1, Shibaura 1-chome, Minato-ku, Tokyo
Founded:	July 1875
Number of employees:	Non-consolidated: 32,412 Consolidated: 161,286
Number of consolidated subsidiaries:	319 (203 in Japan, 116 overseas)
Fiscal year-end:	March 31 of each year
Number of shares authorized:	10,000,000,000 shares
Number of shares issued:	3,219,027,165 shares
Paid-in capital:	¥274,926 million
Number of shareholders:	483,591
Stock exchange listings:	Tokyo, Osaka, Nagoya, Fukuoka, London*, Luxemburg, Amsterdam*, Frankfurt, Düsseldorf, Paris, Switzerland (*Underlying stock)
Stock code:	6502

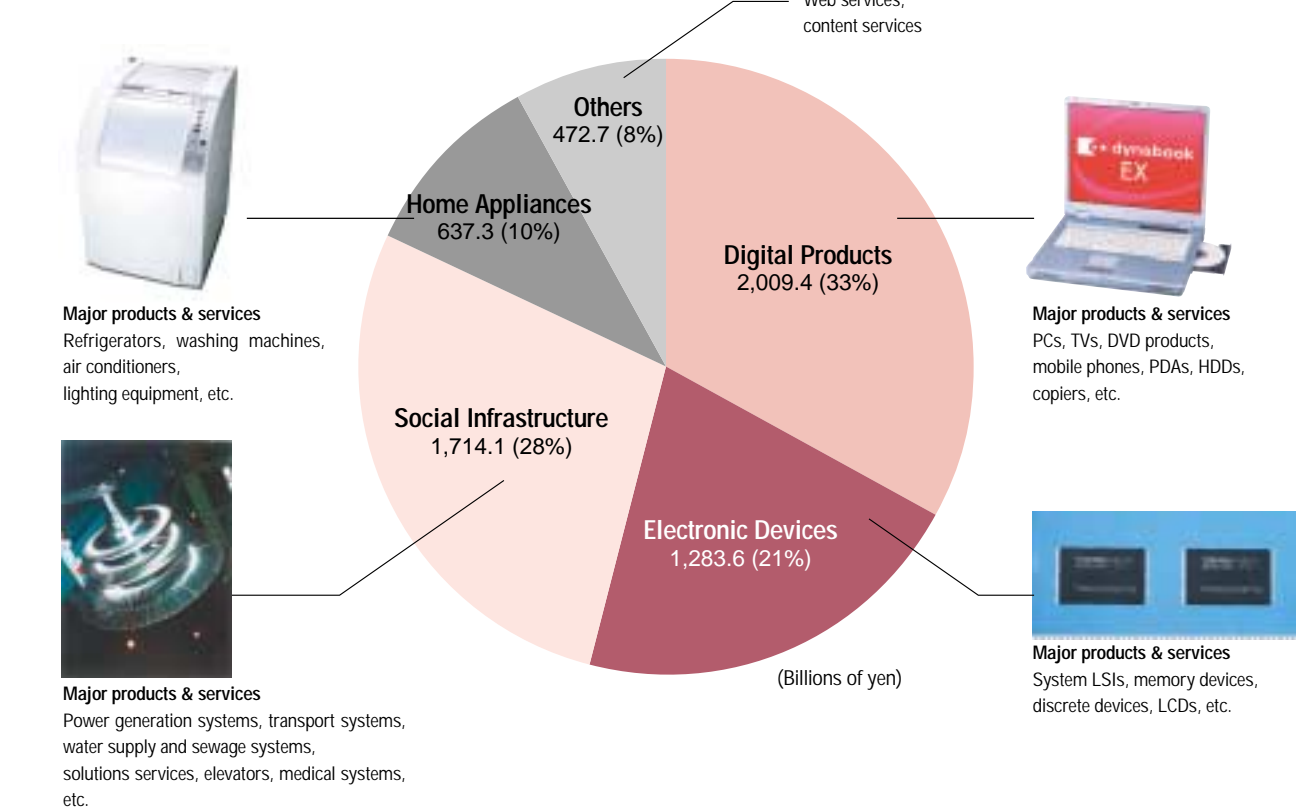
Net Sales (Non-consolidated, Consolidated)



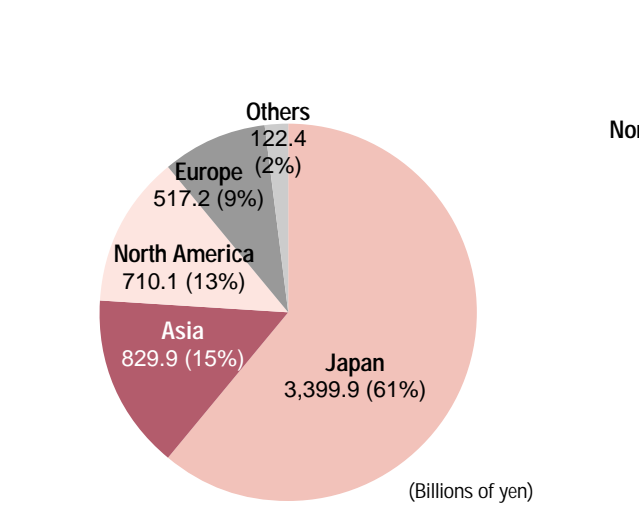
Operating Income (Loss) & Net Income (Loss) (Consolidated)



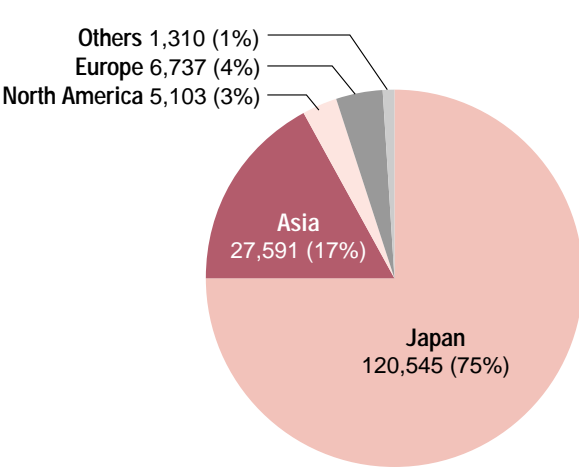
Sales by Segment (fiscal year 2003, consolidated basis)



Sales by Region (fiscal year 2003, consolidated basis)



Number of Employees by Region (as of March 31, 2004, consolidated basis)



* Includes full-time employees, personnel assigned to other companies, temporary workers and part-timers

Together with Customers

Toshiba Group's customer satisfaction concept is "Make the Voice of Customers (VOC) the starting point for all ideas and provide products, systems, and services that deliver customer satisfaction". Guided by this concept, each day we engage in countless activities to improve customer satisfaction.

Toshiba Group's Commitment to Customer Satisfaction

In 2003 Toshiba Group established its Customer Satisfaction Promotion Policy. Toshiba aims to deliver maximum customer satisfaction in terms of products, services and communication with customers. To enhance customer satisfaction, Toshiba periodically convenes meetings of the Customer Satisfaction Promotion Committee at which representatives from internal companies and Toshiba Group companies undergo rigorous instruction in the Customer Satisfaction Promotion Policy and review case studies.

Toshiba Group's Customer Satisfaction Promotion Policy

Toshiba makes the Voice of Customers (VOC) the starting point for all ideas and provides 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 VOC and endeavor to develop and improve products, systems, and services that deliver customer satisfaction.
4. We provide necessary information to customers.
5. We protect personal data provided by customers.

Making Quality Products That Captivate Customers

On the basis of the Quality Control Policy established in 1990, Toshiba Group observes all relevant laws and regulations and provides high-quality, safe products, systems, and services imbued with the spirit of putting the customer first. We have put in place at each workplace and Toshiba Group company quality management systems centered on acquisition of ISO9001 quality management system certification. We have also set up internal systems that enable us to rapidly respond when quality-related problems occur.



Semiconductor manufacturing processes incorporate rigorous quality control

Toshiba Group's Quality Control Policy

1. We engage in quality assurance from the customers' point of view.
2. We observe relevant laws and contracts and respect the rights of customers and third parties.
3. We establish and maintain quality systems aimed at achieving 100% quality.
4. We achieve quality through participation of all departments and all employees.
5. We aim for essential improvement by investigating root causes.

Toshiba Listens to the Voice of Customers and Reflects It in Products and Services

Toshiba Group has established customer contact points to receive requests and inquiries from customers by telephone, fax, the Internet, or mail, and conscientiously responds to each message. We feed back the valuable opinions we receive from customers to the employees concerned in order to reflect them in the planning and development of products and services. As well as conducting customer satisfaction surveys to proactively gauge customer satisfaction and solicit opinions, the CS Evaluation Center evaluates products and services from the customer's viewpoint (See P32).



Toshiba Customer Repair Center, Home Appliance

Top Management Listens to the Voice of Customers

Toshiba Solutions' Customer Satisfaction Improvement Committee

Since January 2003, each month Toshiba Solutions Corporation has convened a meeting of its Customer Satisfaction Improvement Management Committee, a body chaired by the company president. On the basis of the results of a customer satisfaction questionnaire completed by customers, the company engages in activities such as product and service quality improvements, appropriate response to customer requests, and organizational improvements. Division managers are responsible for executing follow-up tasks designated by the committee. In these and other ways, Toshiba Solutions Corporation continuously engages in activities to deliver maximum value (satisfaction) to customers.

The Customer Satisfaction Improvement Committee operates on the basis of three rules it has established:

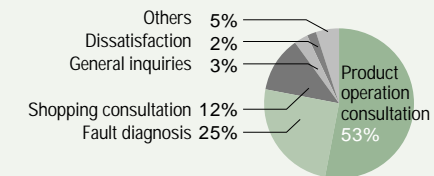
1. It is not a venue for business reviews.
2. It treats customer satisfaction as an organizational and company issue.
3. It is a venue for discussing matters from the standpoint of customer value (satisfaction).

Toshiba Customer Care Center, Home Appliance Provides Answers Fast, Day or Night

24 x 365 response

Toshiba Customer Care Center, Home Appliance at Toshiba Service and Engineering Co., Ltd. provides consultation on shopping, operation, and fault diagnosis for Toshiba appliances such as televisions, refrigerators, washing machines, and air conditioners on a 24 x 365 basis. The center receives more than 600,000 messages a year, with inquiries concerning product operation accounting for half of all messages. In February 2003 the Center integrated with Toshiba Customer Repair Center, Home Appliance (East Japan); the objective of the integration was to realize a one-stop solution through cooperation between the centers and improve the telephone response rate.

Breakdown of Care Center Messages (Fiscal 2003)

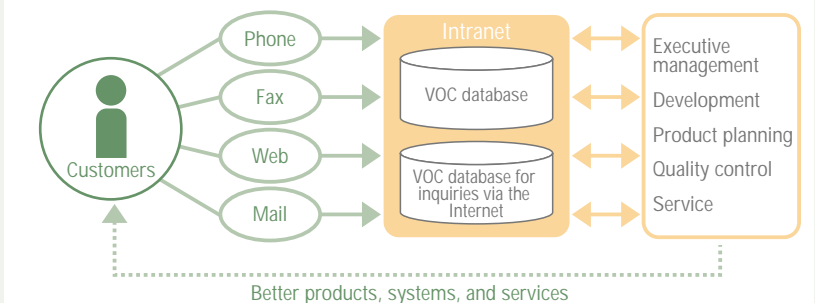


VOC Access and Analysis System makes the most of valuable customer opinions

To take advantage of the opinions received from customers in the planning and development of products and services, Toshiba constructed the VOC Access and Analysis System. The system enables interested departments to access and analyze customer opinions at any time.

For instance, questions concerning ease of use, capacity, electricity charges, and environmental considerations head the list of inquiries concerning refrigerators. Taking a cue from questions such as "Does Toshiba offer a 370-liter, CFC-free refrigerator?" we investigated the market need for such a product. This led to the introduction in February 2003 of a 300-liter, CFC-free, energy-saving refrigerator.

Framework for Analyzing and Reflecting in Product Development VOC Received at Toshiba Customer Care Center, Home Appliance



Rapidly Reflecting Customer Desires in Products and Services

Mobile phone questionnaires are a gold mine of user opinions

Toshiba Corp's Mobile Communication Company conducts user questionnaire surveys on the TOSHIBA User Club Site, a dedicated website for mobile telephone users. The company applies the results of the surveys in many ways—in business plans and in the planning, development and market introduction of products, and to improve quality and service. Because the company uses simple questionnaires transmitted by mobile phone, it sometimes receives several thousand responses in just a few days. This makes possible the timely reflection of customer needs in products and services.

Recently, the company conducted a questionnaire survey to study the frequency of mobile phone use according to the place of use. A Toshiba R&D team is utilizing the results from this survey to develop the fuel cells of the future.



Creating Easy-to-use Products for Everyone

Aiming to realize an affluent society where everyone can live in comfort, Toshiba practices universal design (UD). Toshiba has produced more than 200 products incorporating universal design principles in a variety of fields, including elevators, home appliances, housing facilities, information equipment, and social infrastructure. In fiscal 2003, seeking to enhance communication with our customers, we took part in numerous public events, including the Human Festa 2003 Tokyo and the Life and Living Show. We participated in the establishment of the International Association for Universal Design, regularly engage in information exchange with various industrial organizations, and participate in drawing up guidelines and standards related to universal design. Toshiba believes that the provision of products that everyone can use safely and confidently is a valuable activity that not only leads to individual customer satisfaction, but also benefits society as a whole.

Providing the Information Customers Need

Toshiba publishes information relating to the use of its products on websites and in printed publications. Q&A Files (12 volumes) — pamphlets concerning the functions, use, installation, and maintenance of home appliances based on actual inquiries and questions received from customers — are highly rated for their



Examples of Universal Design Products

Microwave Oven ER-VS12



This product features large, easy-to-read text and raised indicators for setting the dial by touch. The analog timer dial makes operation simple and easy to understand.

Digital Multifunction Printer e-STUDIO 3511/4511



The adjustable-angle display panel provides accessibility for wheel-chair users. The display text is large and easy to read. A comfortable key layout and raised symbols facilitate operation by touch.

Laptop PC dynabook EX Series



This laptop features a one-touch button for enlarging the screen display. Keys with raised dots indicate keyboard starting points.

Completely visually impaired users were given the opportunity to evaluate Toshiba personal computer products and for the first time express their opinions to a computer manufacturer. As a result, the locations of the function keys and cursor keys were improved so that users could identify them merely by placing their hands on the keyboard. I think this is wonderful. The development of the Internet and broadband communications along with the spread of personal computers has greatly changed the world for visually impaired people. I want Toshiba to continue to devote effort to information disclosure, communication, and further product development.



Mr. Yoshinori Iwakami
Japan Braille Library
Executive Director

ease of use. Also, the Life and Living Comics: Lifestyle Hints and Tips for the Entire Family (4 volumes) are used in the home and as course materials for training courses. In May 2003 we began posting user's manuals for some appliances on the Toshiba website. To rapidly provide all customers with notices concerning product safety, Toshiba Group publishes such notices in newspapers and on the Toshiba website.

Leading the Way in Implementing Personal Data Protection Systems

Toshiba Group was quick to recognize the importance of personal data protection and has long engaged in measures to

protect personal data. Toshiba is moving ahead with measures such as the establishment of the Toshiba's Privacy Program (internal regulations that comply with JIS Q15001) and the implementation of personal data protection systems and information systems security. Toshiba also conducts internal education and training to raise awareness among all employees who handle personal data of the importance of protecting personal data. As a result of such initiatives in April 2001 Toshiba Corporation acquired Privacy Mark certification from Japan Information Processing Development Corporation (JIPDEC).



Together with Local Communities

To create a better society and better communities, Toshiba Group engages in a number of socially beneficial activities in Japan and overseas. In July 2003 Toshiba Group established the Social Contribution Committee, an organization subordinate to the Corporate Social Responsibility Promotion Committee, which sets down the Basic Policies on Corporate Citizenship Activities and discusses plans and evaluates activities that benefit society.

Toshiba Group's Basic Policies on Corporate Citizenship Activities

1. In accordance with Basic Commitment of Toshiba Group and Toshiba Standards of Conduct, we make vigorous efforts to contribute to society.
2. In contributing to society, we emphasize the following fields: protection of the natural environment, science and technology education, promotion of sport and culture, and international exchanges and friendship.
3. We support employees' voluntary activities, based on our conviction that they make a vital contribution to society.

Conservation of the Natural Environment

Employee Participation in Tree Planting in China

In cooperation with the China Environmental Protection Foundation, in April 2004 Toshiba employees engaged in the Toshiba Scholarship Forest project to plant trees in Beijing's suburban Fanshan District. About 100 Toshiba employees and their families planted about 3,300 fruit trees. The proceeds from selling the harvested fruits will be given to students in need of financial support. Toshiba plans to continue this program in the coming years.

Tree Planting and Clean-up Activities in the Philippines

Each year since 2001, Toshiba Information Equipment (Philippines), Inc. (TIP) has conducted Community Tree Planting, an employee-community participation event. In 2003, TIP planted about 2,500 trees at seven locations and on five occasions conducted periodic clean-up activities in the vicinity of the company's plant, nearby community and along the banks of a nearby river.



TIP employees plant trees

Exhibiting at EXPO 2005, Aichi

Toshiba will exhibit at the Mitsui-Toshiba Pavilion at The 2005 World Exposition, Aichi, Japan. The exhibit aims to provoke reflection on the destruction of the Earth's environment accompanying the advance of civilization and convey the importance of the Earth to the children who are destined to bear responsibility for the planet. The environmentally friendly pavilion design makes maximum use of wind power, natural illumination, and other natural energy sources.

Scientific and Technical Training

Toshiba Science Museum Satisfies Intellectual Curiosity

Located in Kawasaki, Toshiba Science Museum provides an easy-to-understand introduction to Toshiba's leading-edge technologies based on the theme of "Rapport between People and Science". The museum receives about 120,000 visitors a year. The museum stages workshops and events to combat the worrisome recent trend toward lack of interest in natural science among children.

Events at Toshiba Science Museum

Exciting Experiments Show

In this popular experiments show, held more than 100 times since 1991, Toshiba provides a fun introduction to various scientific topics such as light, sound, electricity, the environment, and batteries. The many fascinating experiments include Exploring the Wonders of Light and The Secret of Ultrasonic Waves.



Galileo Workshop Experimental Classroom

Each month 40 children participate in the Galileo Workshop, held since 1995 in cooperation with NPO Galileo Workshop. The youngsters become fascinated by science as they conduct experiments and engage in animated discussions.



International Exchanges
and Friendship

Toshiba International Foundation

Founded in 1989, Toshiba International Foundation seeks to promote understanding of Japan and international exchanges by sponsoring symposiums and seminars on Japan related topics and supporting organizations that introduce Japanese culture and arts abroad or conduct research on Japan. In addition, the Toshiba America Foundation and Toshiba Thai Foundation promote scientific education programs and provide scholarships.

Toshiba Internship Program

Every year since 1989, Toshiba has invited university and graduate school students from around the world to participate in fixed-term internships at the Corporate R&D Center. Through this program,

Toshiba provides instruction in science and technology as practiced in Japan as well as opportunities to deepen understanding of Japanese society and culture. To date, 434 students from 33 countries have participated in the program.

Comments from a Former
Toshiba Intern

Jacques-Albert De Blasio of Switzerland participated in the Toshiba Internship Program from July 2002 to March 2003. The training Jacques-Albert received at Toshiba spurred him to seek employment in Japan, and today he works for Toshiba.

Jacques-Albert De Blasio



Thanks to the Toshiba Internship Program, I had the opportunity to do research at the Corporate R&D Center(CRDC). As I have been fascinated by Japan since I was a youngster, the opportunity to live in Japan and do research at the CRDC was a wonderful experience.

Promotion of Sport and
Culture

Rugby Training

Every Sunday, about 100 youngsters head for the grounds of Toshiba Fuchu Complex where former members of the Toshiba Fuchu Rugby Team give training sessions. These rugby veterans have been nurturing aspiring young rugby players for the past 22 years. Current team members also promote good relations with the local community by providing lessons to school students.



Rugby training for elementary school students

Project to Disassemble and
Restore the Perpetual Clock

In cooperation with the Inventions in the Edo Period—a project of the Ministry of Education, Culture, Sports, Science and Technology to investigate the origins of workmanship in Japan—Toshiba is supporting research on the disassembly, reconstruction, and reproduction of the Perpetual Clock, a clock created by Toshiba founder Hisashige Tanaka that is widely regarded as the pinnacle of Japanese clockmaking. Toshiba has loaned the



The key to the Perpetual Clock is handed to the director of the National Science Museum

clock to the National Science Museum and provided Corporate R&D Center engineers to serve as project advisors.

10-Year Great Walk on
China Great Wall

Toshiba co-sponsors this event which was launched in 2003 and will run for 10 years. Entrance fees are donated to support repair work to preserve the Great Wall, a World Heritage site. Toshiba has also donated desks for use by students at a school in the Huairou District of Beijing.



Employees participate in the opening ceremony

Support for Employee
Volunteer Activities

Initiatives to Promote
Employees' Volunteer Spirit

Toshiba strives to foster the volunteer spirit, encouraging employees to engage in activities that contribute to a better society. The company provides information on the Toshiba intranet, holds seminars on volunteerism, and has introduced a volunteer leave system enabling employees to use accumulated leave for volunteer activities.

The Olive Tree

Toshiba conducts sales events for products from The Olive Tree, a social welfare corporation, at retail stores in Toshiba headquarters building. The cookies and cakes offered for sale are handmade products from Olive House, a vocational facility for people with mental disabilities. Part of the proceeds is used to support the economic independence of disabled people.

Volunteer Collection Activities

Toshiba Group employees across Japan collect used postage stamps, spoiled postcards, and prepaid cards. In cooperation with an NPO, they put them to good use, supporting the education and health of children from needy families in Asia.

Japan Team of Young Human Power

Toshiba supports the objective of the NPO Japan Team of Young Human Power (JHP): to create a learning environment for Cambodian children deprived of educational opportunities as a result of the long-term dispute. JHP build schools and recreational equipments, with support of volunteers from Japan and local residents, and trains music and art teachers using musical instruments and materials collected in Japan.



Constructing swings in Cambodia

KIDS

Toshiba supports more than 50 Toshiba employees who participate each year in volunteer activities at KIDS, a nonprofit organization that operates based on policies such as “fostering continuing social education for children” “promotion of uplifting the consciousness of philanthropy” and “the development of communities transcending nationality, company, age, sex, or disabilities.” KIDS is involved in activities such as the KIDS Project for escorting children with disabilities to Disneyland, the International Project, and visits to facilities for disabled children.



Katsunori
Nose

Business Solutions
Division
Toshiba Information
Systems (Japan)
Corporation

Participation in Japan Team
of Young Human Power

I feel that volunteer activities are not only about doing something for other people, but also contribute to personal growth. I think that having seen the lives of people in Cambodia, I was able to somehow discover my own standpoint and what I should do. Because these are important activities for the growth of the volunteers themselves, I would like to see lots of people continuing to participate.



Keiki
Sakurai

Engineering Service
Department
Corporate Research &
Development Center

Learning the Joy of Living

At Give Kids The World, a short stay facility for children with life-threatening diseases in Florida, I participated in the KIDS Project involving a visit from seven high school students from a care facility in Japan. I worked closely with local volunteers. It was a memorable experience through which I learned from the disabled children the joy of living.



Escorting children to Tokyo Disneyland

Together with Employees

Convinced that human resources are the most valuable assets, Toshiba Group is endeavoring to provide a working environment where all employees can take pride in their work, maintain their passion and dedication, and achieve their aspirations. We respect every individual, draw strength from the diversity of our work force, and do not permit any discrimination in recruitment, employment, remuneration, etc. We are also supporting employees by encouraging them to adopt healthy lifestyles and providing a safe working environment.

Basic Policy on Human Resources

The objectives of Toshiba's Human Resources Management Policy are that each employee should develop excellent capabilities, achieve his or her full potential, and that the highly motivated and creative activities of all employees should be combined to achieve business goals. Since its establishment in 1973, this policy has informed our human resources remuneration system. We respect human rights, strive to eliminate any discrimination and are mindful of the social mores of countries where we operate.

Human Resources Management Policy (extract)

- **Human resources are the most valuable assets**
Toshiba cherishes its human resources and provides employees with opportunities to fulfill their potential, develop their capabilities and maximize their value.
- **Utilization and development of human resources**
Since the essential tasks of human resources management are utilization and development of employees, Toshiba endeavors to match the right person with the right assignment.
- **Wherever we operate, we're mindful of the social mores**
Toshiba respects human rights and strives to eliminate discrimination on the basis of sex, race, age, nationality, religion, physical disability, etc. Wherever Toshiba operates in the world, it complies with the applicable laws and regulations and respects the customs, culture and social mores.

Encouraging Employees to Fulfill Their Aspirations

Toshiba has put in place various systems and procedures designed to ensure that all employees exercise initiative, take pride in their work, enhance their expertise, and achieve fulfillment.

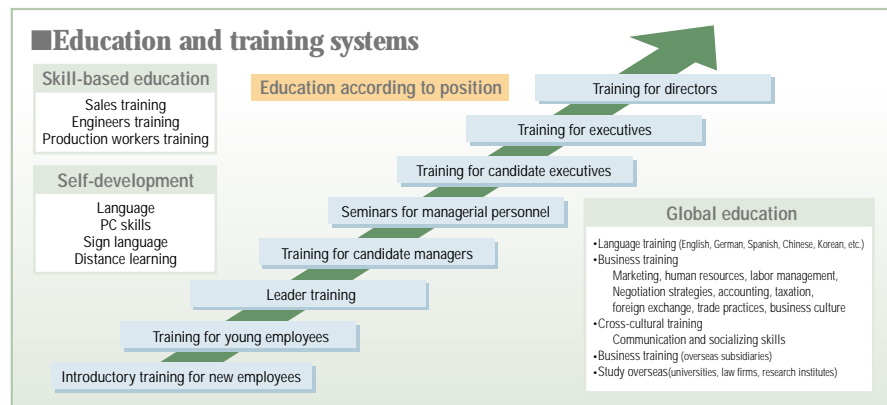
■ Transparent and fair remuneration system

Essentially, the human resources system is designed to provide excellent opportunities to highly motivated people, evaluate the results of their performance, and link the evaluation with the remuneration they receive. Because transparent and fair evaluation is indispensable, individuals have opportunities to confer with their superiors and the viewpoints of people in superior positions at other departments are also taken

into account in the evaluation. A handbook explaining the evaluation system is provided to all employees and managerial personnel receive training to enhance their evaluation skills.

■ Flexible system for work diversity

We provide employees with versatile career development opportunities, such as job posting throughout Toshiba Group and the in-house free agent system. Toshiba's education and training systems are designed to enable employees to acquire the expertise they require in order to accomplish their own career goals and aspirations. Some 600 programs tailored to specific needs are provided to support career development. Also, "career vision seminars" covering career development, employee lifecycle issues and health and welfare issues afford employees opportunities to shape their futures.



■ HR systems that encourage individual initiative and vitalize organizations

- **Job posting throughout Toshiba Group**
Deployment of highly motivated employees identified in Toshiba Group is designed to accelerate the shift of human resources to growth fields, enhance employee morale, and vitalize workplaces.
- **In-house free agent**
Employees can register as free agents with organizations, indicating the type of work they desire. This system enables employees to make a more active commitment to their career development.

■ Systems that support employees and their families

- **Child-care leave**
Until the end of the first April after the child becomes one year old.
- **Family-care leave**
One year per person requiring nursing.
- **Short-time shift**
For those caring for a preschooler:
Until the end of March of the year in which the child enters elementary school.
For nursing care:
Up to three years per person from the day the shift is applied. In aggregate, short-time shift and nursing leave are available up to a maximum of three years.



To promote skill-sharing worldwide, employees in China, Japan, Mexico and the Philippines participated in a lead-free soldering contest. Two contestants from China won the awards for excellence.

■ Listening to the voice of employees

Toshiba's TEAM survey is an in-depth



According to the fiscal 2003 TEAM Survey, 78.5% of respondents answered "yes" or "to some extent" when asked whether their job is challenging.

survey of employees' values and attitudes conducted annually. The findings are reflected in measures to improve workplaces in ways that enhance communication, vitalize organizations and promote development of human resources. Also, for employees and temporary staff who wish to raise issues concerning workplaces, personnel matters, etc., counselors are available at workplaces.

Respecting Diversity

Committed to upholding human rights and convinced that diversity fuels business success in a multicultural world, Toshiba Group respects individuals and values diversity. As a signatory to the United Nations Global Compact, Toshiba strives to ensure compliance with internationally recognized principles concerning human rights and labor.

■ Employment of people with disabilities

Toshiba is endeavoring to create a working environment where people with disabilities and those without disabilities can work together as equals. Some 400 people with disabilities are working at Toshiba. We are determined to widen job opportunities for people with disabilities to bring their capabilities into full play. Within two years, we intend to bring the employment ratio of people with disabilities from 1.6% to 1.8% in accordance with Japanese law. (The number and the ratio mentioned above are as of April 2004 on a non-consolidated basis.)

■ Ensuring gender equality

Toshiba Group endeavors to provide a working environment where motivated personnel can bring their capabilities into full play regardless of gender. One essen-

tial support for employees is the child-care leave system. In fiscal 2003, 401 employees, including five men, took child-care leave. Female employees at Toshiba numbered 4,645 as of March 31, 2004, representing 11% of the work force. 359 women hold managerial positions. (The number of female employees is on a non-consolidated basis and includes those on loan to other companies.)

Upholding Human Rights Worldwide

Throughout its global business, Toshiba upholds human rights and strives to eliminate any discrimination or violation of human rights. Managers at Toshiba subsidiaries overseas receive education in human rights. They are required to adhere to internationally accepted principles covering human rights and to inculcate respect for human rights throughout Toshiba Group worldwide.

Toshiba Group Standards of Conduct (extract)

"Human Rights"

- **Toshiba Group Corporate Policy**
Toshiba Group Companies shall: accept the different values of individuals and respect differences in character and personality based on a fundamental respect for human rights: observe and respect laws enacted to protect basic human rights and shall not engage in acts of discrimination or condone use of either child labor or forced labor.
- **SOC for Toshiba Group Directors and Employees**
Directors and Employees shall: accept and accommodate different values, and respect the character and personality of each individual, observe the right to privacy and human rights of each individual, avoid any discriminatory actions based on race, religion, sex, national or origin, physical disability or age and avoid physical abuse, sexual harassment or violation of the human rights of others

Safety and Health Management

Management’s declaration of the basic policy on safety and health management

In April 2004 the president of Toshiba, inaugurating Toshiba Group’s revised basic policy on safety and health management, positioned safety control and healthcare at the heart of management.

Occupational safety and health management system

In accordance with the guidelines of the ILO and the Ministry of Health, Labor and Welfare, Toshiba Group introduced an occupational safety and health management system in 2003. Toshiba conducts risk assessment that involves identification of risk factors and self-assessment of its safety and health management activities using a checklist.

Prevention of industrial accidents

In fiscal 2003 Toshiba Group’s accident rate was far below the average for industry as a whole in Japan and the average for manufacturing industry in Japan. Based on risk assessment, Toshiba is promoting safety activities to eliminate accidents. Our ultimate goal is to eliminate risks.

Healthcare

Toshiba Group runs various programs to support employee health, not least by raising awareness concerning the relationship between lifestyles and diseases. Regarding mental health, a leaflet titled “Taking Care of Your Mental Health” has been distributed to households of Toshiba employees to alert employees and their families to any problems they may have. Also, employees and their families can use a telephone hot line to seek advice from healthcare professionals.

Employees whose overtime exceeds a certain number of hours are encouraged to seek the advice of an occupational physician. For employees taking sick leave due to mental illness, Toshiba offers a program to facilitate their return to work.

29th Toshiba Group Safety and Health Congress

Since fiscal 1975 Toshiba has held an annual congress to enhance safety and health management. In fiscal 2003 some 650 participants including presidents attended the congress. Awards were presented to groups and individuals who had

excelled in terms of safety and health activities, and there were lectures, case studies, etc. The congress is an opportunity for employees to renew their commitment to ensuring the safety and wellbeing of everyone at Toshiba.



Safety and Health Congress

Toshiba Group Basic Policy on Safety and Health Management

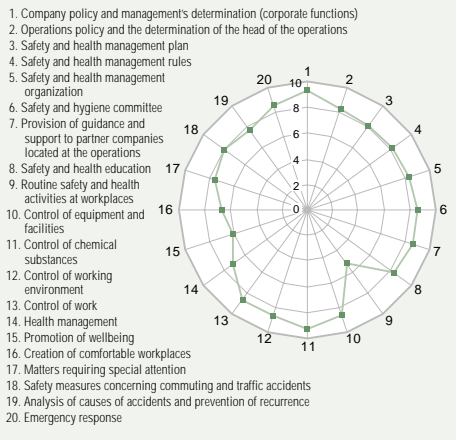
Based on a fundamental respect for human rights, Toshiba Group provides a safe and comfortable working environment conducive to physical and mental health. This endeavor is informed by respect for the individual and is in accordance with Toshiba’s earnest desire to be an excellent group in terms of safety and health management.

- Recognizing that safety and health management activities constitute one of the most important management issues, Toshiba supports activities of workplaces and individuals in this regard.
- As a global company, Toshiba vigorously promotes safety and health management throughout the Group.
- Toshiba ensures compliance with the Occupational Safety and Health Law and other laws and regulations concerning safety and healthcare.
- Toshiba promotes activities to prevent industrial accidents and accidents during commuting and to create comfortable working environments.
- Toshiba creates opportunities for employees to manage their physical and mental health and to improve and maintain their health.
- Toshiba requests its suppliers to promote safety and health management and supports their efforts.
- Toshiba contributes to society through activities designed to enhance the standards of safety and health management of companies, employees and local communities.

April 1, 2004 Tadashi Okamura
President and CEO, Toshiba Corporation

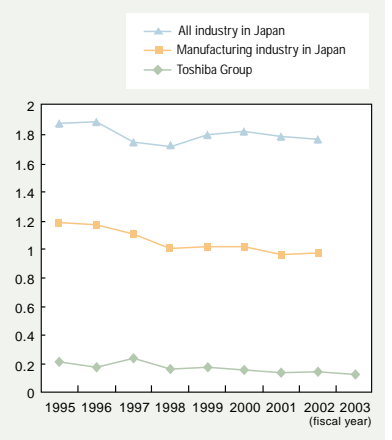
Results of evaluation of safety and health management activities

Fiscal 2003, average of Toshiba Group (Japan)



Rates of occurrence of accidents at work (per one million hours)

Fiscal 2003, Toshiba Group (Japan)



Communication with Stakeholders

In conducting its global business operations, Toshiba is involved with stakeholders with varying needs and values. Toshiba places great importance on communications to appropriately convey information to and solicit opinions and requests from these diverse stakeholders.

Information Dissemination and Corporate Communications

Toshiba strives for timely information dissemination and two-way communication with stakeholders by means of written reports, websites, press releases, trade shows, and other communication vehicles.

Toshiba Corporate Web Site
Social and Environmental Activities



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

Advertising



Environmental advertising

Trade Show



Exhibiting at Eco-Products 2003

Visitors’ Comments at the 13th Toshiba Group Environment Technology Exhibition

In March 2004, Toshiba held the 13th Toshiba Group Environment Technology Exhibition at the Toshiba headquarters building. The exhibition was open to the general public, and about 3,200 customers, government officials, journalists, academics, industry members, home-makers and students, not to mention employees of Toshiba Group, attended.



The exhibition site teemed with visitors



Special lecture

Prof. Michiyasu Nakajima

Kansai University

“I was interested in the old washing machines, vacuum cleaners, and refrigerators. It was fun. The genuine items were on display, and I gained a good understanding because I could see and touch them. The videos and experiments were interesting and easy to understand, too—especially the experiments. I’m glad I went. I’m going to continue making an effort to learn about the environment!”
A middle school student

“The technology I most want them to commercialize is “e-blue.” Because you can expect a huge reduction in paper, I want to introduce it at my company. I want them to popularize it through cost reductions.”
A typical comment

“If there were a bit more movement in the displays, such as more video presentations, it would probably be even more interesting. It would be good if they displayed more recycled products.”
A typical comment

Readers’ Comments on Environmental Report 2003



Environmental Report 2003

“They really consider the environment in their activities. I want them to continue developing environmentally conscious products. In some parts the content was difficult, and I couldn’t understand it.”
Female, age 14

“Although I think the technical descriptions were what you’d expect from a manufacturer, speaking as a consumer who uses your products I want you to publish statistics indicating how beneficial the products are to the environment.”
Male, age 56

“Although I suppose you have to include something for everyone, I think you should include special feature pages that provide a close-up of points you particularly want to emphasize. Pages that leave a strong impression.”
Male, age 80

Note: Comments on the Toshiba Group Environmental Technology Exhibition and Environmental Report 2003 are also available for viewing at the Toshiba website: <http://www.toshiba.co.jp/env/en/communication/>

Toshiba Open to
Local Communities

To increase understanding of Toshiba among local residents and fulfill its responsibilities as a good corporate citizen, Toshiba actively engages in community activities at each place of business. For instance, we hold events such as plant tours and discussion meetings and engage in voluntary neighborhood cleanups. In addition to its regular exhibits, experimental classes, and personal computer classes, the Toshiba Science Museum in Kawasaki, Japan offers highly popular museum tours and tours of appliance and personal computer recycling plants for primary and middle school students.



Touring a recycling plant



Toshiba Science Museum

Dialog with Customers

At the CS Evaluation Center, product monitors use Toshiba products and prototypes and evaluate them for ease of use and performance. Toshiba applies the results of these evaluations to create products that reflect customer opinions and desires. Toshiba obtains opinions from new users and experienced users alike concerning user manuals, websites, accesibility of information, etc. in focus group interviews and reflects them in product and service improvements.



Focus group interview to investigate product ease of use

Working Together with
NPOs and NGOs

In engaging in community activities, social contributions, and environmental

activities, Toshiba consults and exchanges opinions with nonprofit organizations and non-government organizations active in these areas. (See P25 to 27, P33)

Communication with
Shareholders and Investors

In addition to issuing an annual report and publishing information on its IR Web site, Toshiba conducts business briefings for investors and analysts and promotes communication by facilitating media coverage. Information gained through these activities is fed back to executive management and utilized in formulating business strategy.

In response to an increase in the number of individual shareholders, Toshiba has made it possible to exercise voting rights via the Internet. We strive to make corporate communications easy to understand by preparing business reports that utilize video footage of the General Meeting of Shareholders and posting video-based explanations on the IR Web site.

■ Evaluation by Outside Parties

- Toshiba was among the world's 300 leading companies in the 2004 Dow Jones Sustainability Indexes (DJSI), influential indexes that promote socially responsible investing (SRI).
- Toshiba ranked second among sixteen IT/Home & Office companies in the social responsibility ratings of Oekom, a German research institute.
- Toshiba was selected as one of the 150 stocks that make up the Morningstar Socially Responsible Investment Index (MS-SRI), a Japanese index that promotes SRI.



■Environmental Report Compiled in
Collaboration with Junior High School Students

The Toshiba Corporate Research & Development Center, in a joint effort with local junior high school students, produced the Environmental Sustainability Report 2003—Making a Commitment to the Environment; Youthful Perspectives from the Editorial Committee as part of Toshiba's environmental education and environmental communication activities. In preparing the report, members of the R&D Center held biweekly editorial meetings with twelve volunteer students from Kawasaki Municipal Ida Junior High School over a period of ten months. The report has won praise as an excellent example of fruitful two-way environmental communication.



Corporate Research & Development Center
Environmental Sustainability Report 2003
(Japanese only)

The project was conducted as a part of a multidisciplinary class

*Note: Environmental Sustainability Report 2003 won the Global Environmental Forum's Seventh Environmental Report Awards Grand Prize and Toyo Keizai Inc.'s Seventh Environmental Report Awards Site Report Award.

Together with NPOs and NGOs

—The First Stakeholders' Meeting



The 13th Toshiba Group Environmental Technology Exhibition was held in 2003. The exhibition, which began in 1991 as an internal exhibition primarily for the purpose of technical exchanges within Toshiba Group, has been open to the general public since its fourth year. As a trial program for the 2003 exhibition, Toshiba invited representatives of NPOs and NGOs involved in environmental issues to view the exhibition and sought their opinions of Toshiba's environmental initiatives. This resulted in an animated exchange of opinions, primarily about topics related to products and sustainability.

Face-to-Face Environmental
Communications

"Although you clearly understand that Toshiba is mindful of the environment, it's a product-centered exhibition and you don't see the people. I think Toshiba's environmental activities would be more persuasive if you could see the lifestyles of people working in the plants." Mr. Shikita
"The fuel cell and wind power exhibit and the environment classes were very interesting. How about considering social volunteerism in corporate education and training programs, and incorporating education on preparing for a new life after retirement?" Mr. Mori
Although I think you do an excellent job in your activities as a manufacturer, that's only natural. CSR is something over and above that people require of a company like Toshiba. I want to know about Toshiba's role in society and its style as a company that creates public infrastructure." Ms. Hoshino
Ms. Hoshino expressed interest in Toshiba's involvement with sustainability in its role as a company providing public infrastructure. In response, Mr. Hachiya of Toshiba's Environmental Protection Planning Division commented on the ideal posture of an environmentally sustainable company: "The balance between supply and demand has completely broken down on Earth. Awareness of this gave rise to the slogan "Committed to People, Committed to the Future. Toshiba."

Toward a Stronger
Partnership

"Even if you make environmentally conscious products, people don't know about it unless they buy and use them. The key is how to publicize the point to women in their 20s, 30s, and 40s who lead the way in home appliance consumption. There's a need for language that more effectively drives the point home to consumers." This comment from Ms. Rumi Sato, who administers an environmental NPO, succinctly expresses the point of view of homemakers regarding product selection.
Ms. Kiyomi Wada believes that a feeling of happiness and women's sensibilities are also important: "It's good when products offer pleasure, joy, and a feeling of happiness in addition to ecology. I'm sure that is something that results from the feelings of the company's employees." Ms. Sato comments, "This is an age when people seek two types of satisfaction: their own happiness and environmental benefits. Consumers are certain to support companies that provide that satisfaction."
There was general assent among the participants to Mr. Hachiya's proposal, "On the basis of the opinions we have received here, we would like to form partnerships with people in various environmental sectors and work to realize a sustainable society."

First Stakeholders' Meeting

Date and time	: 10:00 to 12:00, March 5, 2004
Location	: Toshiba headquarters
Topic	: Opinions and Impressions Concerning Toshiba's Overall Environmental Activities

■ Participants (in alphabetical order)



Ms. Tomoko Hoshino
Director of Communications
International Environmental NGO
A SEED JAPAN

I would like Toshiba to engage in more dialogs with stakeholders active in specialized fields such as global warming prevention and environmental hormones. You are certain to receive proposals that can be implemented.

Mr. Ryo Mori

Representative
Eco-Communication Center

I want a venue where citizens can become directly involved in community building and product creation. Unless people can actually see things take place, they can't change society and won't feel motivated to participate.



Ms. Rumi Sato
Executive Director
Specified Nonprofit
Organization
birth

I think that it would be good to create a virtuous cycle of increased use of environmentally conscious products that leads to a more convenient and bountiful society.

Mr. Kiyoshi Shikita

Director General
Specified Nonprofit Organization
BeGood Cafe

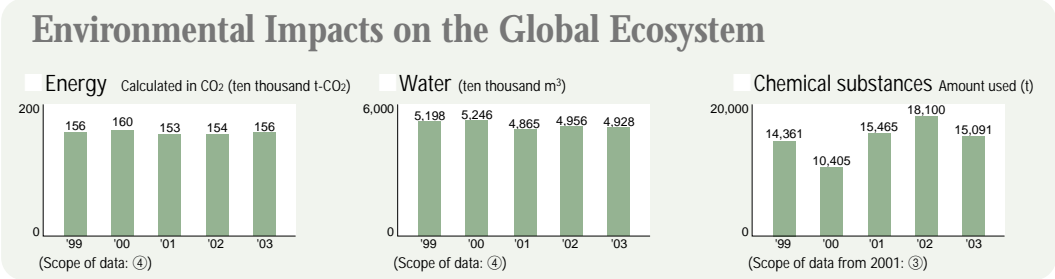
For instance, in the coming years we will need thinking along the lines of borrowing a refrigerator for ten years from Toshiba and returning it after use.



Ms. Kiyomi Wada
Director General
Earthday Everyday

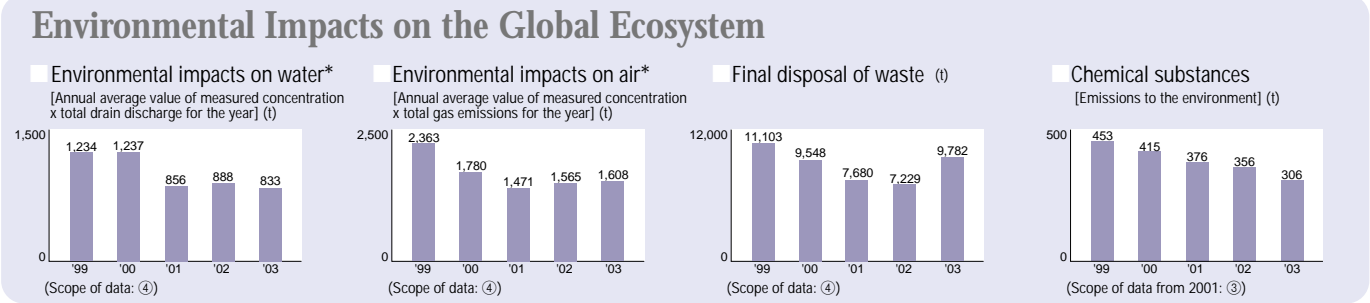
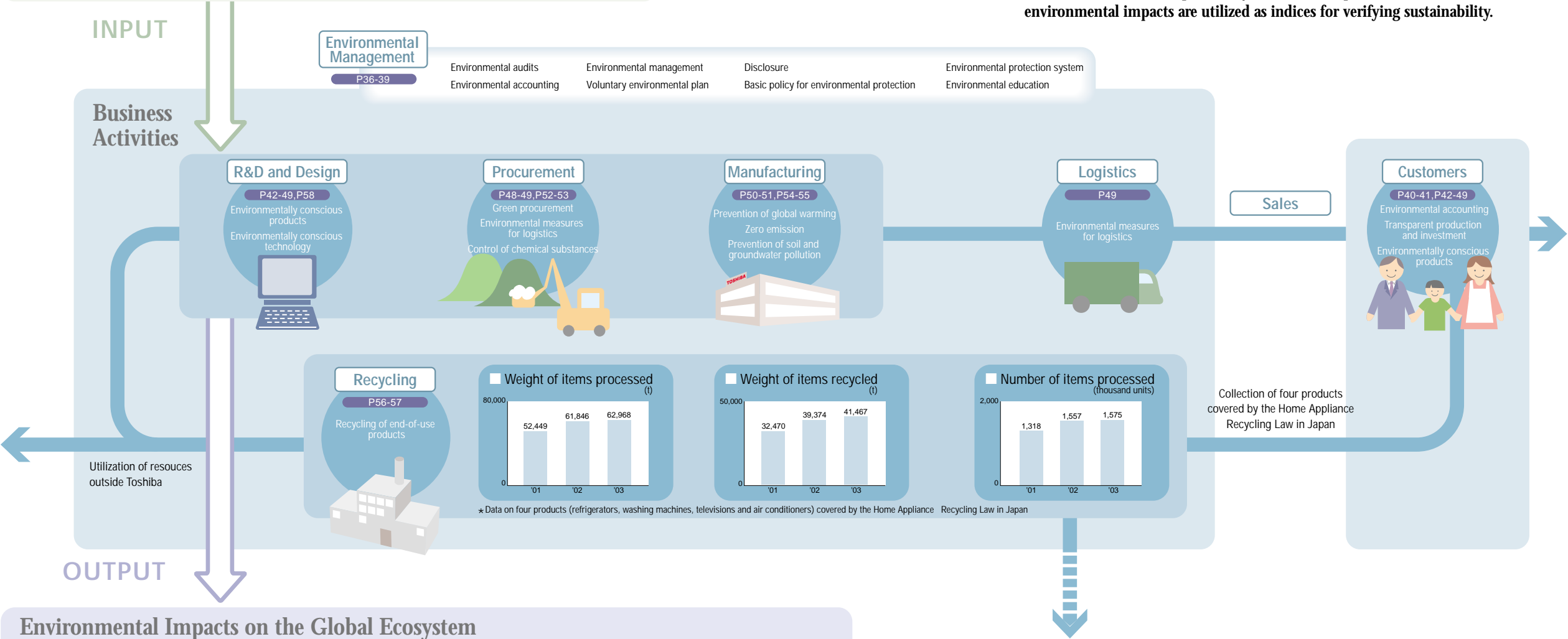
If you create an atmosphere conducive to friendly, fruitful communication among everyone in the company, I think ideas for products that are not only environmentally sound but also make people happy will bubble to the surface.





Overview of Environmental Strategy and Environmental Impacts

Clarification of material flow is important for analyzing the relationship between the environment and a company and to promote protection of the global ecosystem and biodiversity. As Toshiba Group's products and services range from home appliances and information and communications equipment to semiconductor devices, electronic components and heavy electrical apparatus and their environmental impacts vary, this section provides an overview of the environmental impacts of Toshiba Group. These environmental impacts are utilized as indices for verifying sustainability.



Gathering and Analysis of Material Flow Data

The figures show 5-year trends of inputs of energy, water and chemical substances, and of outputs, such as environmental impacts on water and air and discharge of waste. Toshiba intends to expand collection of data that can be utilized for efforts to reduce the environmental impacts of its activities. These data are significant components of indices of environmental protection benefits in the environmental accounting of Toshiba Group.

- Environmental impact data are aggregated results of Toshiba Corp. and its 89 subsidiaries and affiliates (63 in Japan and 26 overseas).
- Data on chemical substances are data for substances subject to PRTR. Data for fiscal 1999 is for Toshiba Corp. on a non-consolidated basis for 179 types of substances, data for fiscal 2000 is for Toshiba Corp. and four group companies (Toshiba TEC Corp., Toshiba Lighting & Technology Corp., Toshiba Carrier Corp., Toshiba Elevator and Building Systems Corp.) for 354 types of substances, and data for fiscal 2001 onward are for Toshiba Corp. and its 63 subsidiaries and affiliates in Japan.
- Environmental impacts on water are calculated as follows: annual average value of the measured concentration of a substance at the drain mouth multiplied by total drain discharge for the year.
In the case that measured concentration is less than the lower detection limit, 1/2 of the lower detection limit is used as concentration for calculation.
- The increase in final disposal of waste in fiscal 2003 reflects starting of operation of new factories overseas.

* Environmental impacts on water: Biochemical oxygen demand, suspended, N-hexane extracted substances, zinc, dissolving iron, general chromium, fluorine, total nitrogen, total phosphorous, nickel, lead, arsenic, hexavalent chromium
* Environmental impacts on air: Particles of soot, nitrogen oxide, sulfur oxide

Environmental Management

Since the Earth's environment with its biodiversity is humankind's life-support system, issues associated with it are intimately involved with the very foundation of our existence. The orientation of society and the economy toward mass production, mass consumption and mass disposal needs to be tempered by adherence to other values. Mindful of our responsibility to future generations, we are making a concerted corporate-wide effort to utilize resources with the utmost efficiency. As an enterprise committed to sustainable development, Toshiba is resolved to raise consciousness as well as innovate technology.

Environmental Management

■Environmental Protection System

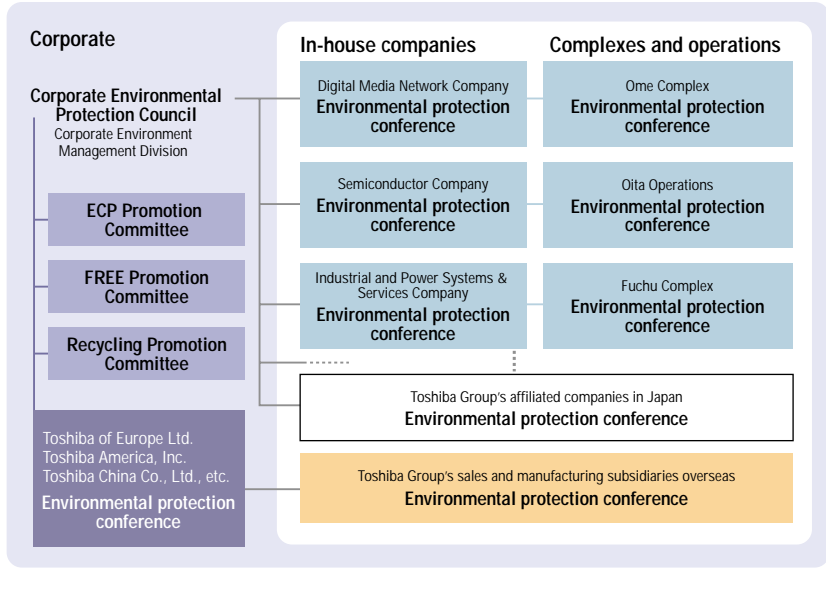
With the aim of enhancing the commitment to environmental protection throughout Toshiba Group and making it integral to the operation of every Toshiba Group company, Toshiba set up the Corporate Environmental Protection Council in 1991. Chaired by an executive officer responsible for environmental protection throughout Toshiba, the council has a wide-ranging brief: it proposes solutions to environmental problems affecting management, technological development, production and sales, determines basic policies, and reviews the progress of in-house companies and operations.

Its subordinate organizations include the Environmentally Conscious Products (ECP) Promotion Committee, which promotes development of environmentally conscious products and technologies, the FREE Promotion Committee, which promotes environmental protection at operations, and the Recycling Promotion Committee. Individual in-house companies and operations hold environmental protection conferences at which goals are set and projects launched for specific products and regions.

■Basic Policy for Environmental Protection

- (1) Toshiba considers environmental protection to be one of management's primary responsibilities.
- (2) Toshiba specifies objectives and targets for its business activities, products and services with respect to the reduction of environmental impacts and prevention of pollution.
- (3) Toshiba strives to continuously improve the environment through vigorous implementation of environmental measures.
- (4) Toshiba contributes to society through its environmental protection activities, which include the development and supply of excellent, environmentally conscious technologies and products and cooperation with the local community.
- (5) Toshiba complies with all laws and regulations, industry guidelines which it has endorsed, and its own standards for environmental protection.
- (6) Toshiba recognizes that natural resources are finite and promotes their efficient utilization.
- (7) Toshiba strives to enhance the awareness of all its employees with respect to the environment and requires that they make a practical contribution to environmental protection through their work.
- (8) Toshiba operates globally, and accordingly, promotes environmental activities throughout Toshiba Group.

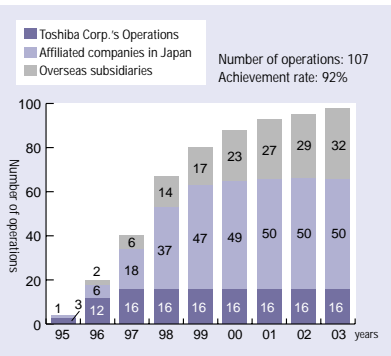
■Organizational chart of the corporate environmental protection system



Environmental Management System

Toshiba considers ISO-14001 certification to be a passport to inclusion in the ranks of the world's most environmentally responsible enterprises. As shown below, by September 1997 all 16 of Toshiba Corp.'s operations had gained ISO-14001 certification and have maintained that certification ever since. Of the 57 operations of affiliated companies in Japan, 50 operations have gained ISO-14001 certification and we are working to achieve certification for all our overseas facilities. Internal auditing of environmental management systems covers all requirements of ISO 14001 in addition to items required for internal auditing and eval-

■ISO 14001 Certification



Corporate Environmental Protection Council

uates qualitative improvements compared with the previous year.

EASTER

In accordance with Toshiba's audit system called EASTER (Environmental Audit System in Toshiba on the basis of ECO Responsibility), annual audits of operations of Toshiba Corp. and those of subsidiaries and affiliates have been conducted since 1993. As well as improvement of the quality of environmental protection technology throughout Toshiba Group, another objective of internal audits is the enhancement of auditors' skills. Audits are performed by a group consisting of a chief auditor and auditors who are qualified in accordance with Toshiba's internal standards for auditors.

Environmental Education

In order to maintain and enhance the level



Auditing a workplace

of environmental protection, all Toshiba personnel receive environmental education according to their positions and the tasks in which they are engaged. The curriculum consists of education programs according to position, general environmental education, specialty education and ISO 14001 education.

For corporate-wide general education, e-learning is utilized to eliminate travel time and improve the participation rate. Programs for managerial personnel include a course designed to cultivate environmental awareness. On that course, in addition to gaining knowledge of a more general nature, participants disassemble personal computers so that they recognize the importance of environmentally conscious products.

Specialty education programs consist of ECP education and internal auditor education. The objective of ECP education is to ensure that engineers engaged in development and design fully understand the concept of environmentally conscious product (ECP) design. Toshiba intends to continue provision of environmental education for all employees, and enhance content of education, enrich ECP education and expand IT-based education.

■Environmental Education System Chart

Education according to position	General environmental education	Specialty education		ISO 14001 education
		ECP education	Education for internal auditors	
Education for managerial personnel	Environmental awareness cultivation course (corporate general education) e-learning	Introduction to environmentally conscious design Practical implementation of environmentally conscious design for recyclability	Internal auditor certification education •Workplace and system auditor •Technical auditor	General environmental education (all employees at operations) Education for fostering of internal auditors
Education for non-managerial personnel				
Education for new employees				
	Environmental education for new employees			Education for specific employees

Voluntary Action Plan
(Voluntary Environmental Plan)

Following the announcement of its first voluntary plan in March 1993, Toshiba achieved the seven initial targets by the end of fiscal 1995 as planned. The second voluntary environmental plan was launched in fiscal 1996 and 10 of the 12 targets were achieved by the end of fiscal 2000, the final year of the plan. Toshiba's third voluntary environmental plan, covering the period from fiscal 2001 to 2005, is now being implemented. This new voluntary plan is being promoted throughout Toshiba Group, including affiliated companies.

Zero Emission of Waste

Following 0.8% in fiscal 2002, the total quantity of waste for final disposal was equivalent to 0.7% of the total quantity of waste discharged, and so Toshiba achieved zero emission for the second consecutive year. Total discharge was 7% lower compared with fiscal 2002. In fiscal 2003 Fuchu Complex, Kita-

kyushu Operations and Yokohama Complex achieved zero emission, bringing the total number of Toshiba operations that have achieved zero emission to 17 out of 19 operations.

Reduction in Release of Chemical Substances

In fiscal 2003 release of chemical substances was reduced by 42% compared with fiscal 2002. The shift from organic solvent-based paint to water-soluble paint, changes to processes and installation of equipment for recovery and removal are having decisive impacts. In addition to these measures, Toshiba is working to ensure compliance with the industry's voluntary action plan concerning greenhouse gases.

Reduction in CO2 Release

Although the ratio of CO2 release to net sales decreased 10% in fiscal 2003 compared with fiscal 1990, the benchmark year, it deteriorated compared with fiscal 2002 because of the increase in the amount of CO2 released by the semicon-

ductor operations and other growth fields and due to the reshaping of the business. Toshiba intends to invest in energy-saving measures for clean rooms and to improve control with the aim of achieving the target.

Environmentally Conscious Products

The average green procurement ratio was 78% (4,310 suppliers out of 5,506 suppliers) in fiscal 2003. Regarding provision of product information, 56.9% of the products on a monetary value basis are in compliance with the voluntary environmental standards. Electricity consumed per product function was reduced by 46%. Toshiba's target was to apply lead-free soldering to all products by fiscal 2003, but the actual achievement rate was 84% because lead-free soldering could not be applied to certain products for special applications and old models. No new models introduced in 2004 contain HCFCs.

Third Voluntary Environmental Plan

Items		Target	Result for fiscal 2003	Evaluation
1 2 3 Concerning operations	Zero emission of waste	The quantity of final disposal to be 1% or less of total discharge in fiscal 2003	0.8% in fiscal 2002 0.7% in fiscal 2003	○
	Reduce release of chemical substances	30% reduction in fiscal 2005 compared with fiscal 2000	42% reduction compared with fiscal 2000	○
	Reduce CO2 release	25% reduction in fiscal 2010 compared with fiscal 1990	10% reduction compared with fiscal 1990 (6% increase compared with fiscal 2002. The amount of CO2 released decreased by 153 kt compared with fiscal 1990.) The amount of CO2 released by Toshiba Group in Japan increased by 267 kt compared with fiscal 1990.	△
4 5 6 7 8 Concerning products	Green procurement	100% of suppliers to be certified as green partners by fiscal 2005 (80% in 2003, 90% in 2004)	Green procurement ratio of 78%	△
	Provide product information (Ratio of ECPs to net sales)	50% of products to be in compliance with the voluntary environmental standards by fiscal 2005	57% of products are in compliance with the voluntary environmental standards.	○
	Reduce electricity consumed per product function	30% reduction in fiscal 2005 compared with fiscal 2000	46% reduction in power consumption of registered models	○
	Apply lead-free soldering	Application of lead-free soldering to all products by fiscal 2003 (100%)	84% of products use lead-free soldering. Lead-free soldering is not applied to certain products for special applications and old models.	△
	Abolish HCFCs	Abolition by December 2004	97% of refrigerators and 89% of air conditioners do not use HCFCs. No 2004 models use HCFCs.	○

Preserving Biodiversity at the Yokohama Complex



A view of the lagoon

Camphor trees and camellias, planted by Toshiba, overlook The Lagoon; several varieties of grass flourish on its banks

With several bodies of water on its site, Toshiba's Yokohama Complex is well placed to pursue its project of monitoring the environment qualitatively and quantitatively. By recreating a wildlife habitat that was lost to industrial development, it is helping to preserve biodiversity.

Creating an Aquatic Environment

On its site Yokohama Complex has created several bodies of water collectively known as The Lagoon. When the original works was constructed on land reclaimed from the Negishi Bay, all the water was drained away—along with the wildlife. In 1980 a plan was formulated to use purified wastewater to create a wooded marsh environment teeming with wildlife. The idea was to restore an attractive, ecologically desirable environment providing a habitat for wildlife on the premises, while at the same time minimizing the factory's impact on water quality. The Lagoon comprises seven bodies of water with a combined surface area of 5,500 square meters. The project sought to create and maintain an aquatic environment rich in biodiversity. Upstream from The Lagoon a rotary machine has been installed to produce a current and oxygenate the water, which is subjected to advance sewage treatment and further purified by the sun and microbial activity. Downstream, fences and banks have been constructed to provide a habitat for aquatic insects and birds.

Activities at The Lagoon

Besides day-to-day maintenance such as improvements to the fences and channels and clearance of undergrowth to allow certain species to flourish, The Lagoon is the scene of various thoroughly worthwhile activities—research into sustainable methods of using wooded marshland, environmental education including nature study and bird watching, and the construction of footpaths. The Lagoon is among the responsibilities of the environmental manager of Yokohama Complex. The state of water quality is constantly monitored online. A record is kept of the species of birds and their numbers every day, rain or shine. Yokohama Complex encourages local elementary schools to make full use of The Lagoon as an outdoor classroom for interdisciplinary learning. Local residents also enjoy strolling along the footpaths, delighting in the wildlife. The Lagoon teems with fauna. Indeed, colorful creatures such as dragonflies and spot-billed ducks breed there. Every spring several pairs of spot-billed ducks nest at The Lagoon. Flocks of tufted ducks and pochard winter there each year.



Children love the Lagoon

The Lagoon serves as a wonderful outdoor classroom for local elementary school children

Using recycled industrial water to create a home for ducks and other wildlife is a fantastic idea. Thank you for the fascinating field trip. The machine for flattening drums was impressive and I greatly enjoyed doing the experiments.

Masatsugu Ueda,
5th grade, Sugita Elementary School



Outdoor panels depict bird species

The habitat is closely monitored; the species of birds visiting The Lagoon and their numbers are recorded each day.



Woodland footpaths

Footpaths composed of bedded wood chips have been constructed alongside the factory buildings.

Environmental Accounting

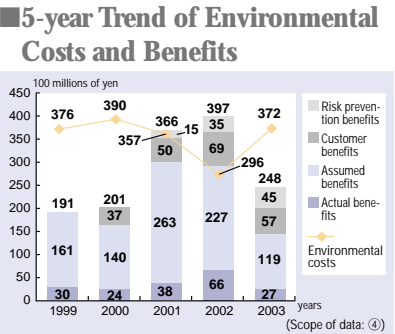
Toshiba introduced environmental accounting in fiscal 1999 in order to quantitatively grasp the costs and benefits of environmental protection and utilize the quantitative data as guidelines for business activities.

Basic Framework

Toshiba's environmental accounting for fiscal 2003 covers Toshiba Corp. and its 63 domestic subsidiaries and 26 overseas subsidiaries. Classification of environmental costs and the calculation criteria are in accordance with the Environmental Accounting Guidelines issued by the Ministry of Environment, Japan. Regarding benefits, since no unified standards have been established, environmental impact reduction benefits are indicated quantitatively and also calculated in monetary value in Toshiba's environmental accounting. Environmental costs increased by 25% from fiscal 2002 to 37.2 billion yen

due to higher business area costs as a result of the increase in the number of companies covered by environmental accounting. Meanwhile, environmental benefits decreased by some 40% from fiscal 2002 to 24.8 billion yen due to the increased environmental impacts resulting from opening of new factories overseas. Regarding the five-year trend, environmental costs increased in fiscal 2003 partly due to the expansion of the boundary of environmental accounting. While customer benefits and risk prevention benefits are stable or on an upward trend, actual benefits and assumed benefits, which are in inverse proportion to production activities, are on a downward trend because the increase in

environmental impacts exceeded the reduction benefits due to rising production. In order to ensure the accuracy and transparency of data, Toshiba has commissioned a third-party review of its environmental accounting by Shin Nihon Environmental Management and Quality Research Institute. (See Page 59)



■Environmental Costs

		Millions of yen			
Classification	Content	Expenditure		Costs	
Business area costs	Reduction of environmental impacts ①~③	7,920	(4,454)	21,343	(9,815)
	①Pollution prevention costs	5,833	(3,646)	12,899	(6,531)
	②Global environmental protection costs	1,210	(712)	2,302	(757)
	③Resource circulation costs	877	(96)	6,142	(2,527)
Upstream/downstream costs	Green procurement, recycling, etc.	294	(17)	1,395	(208)
Administration costs	Environmental education, maintenance of EMS, planting of greenery at factories, etc.	400	(274)	5,235	(2,088)
R&D costs	Development of environmentally conscious products	517	(259)	8,338	(4,079)
Social activity costs	Support of environmental activities, contributions, etc.	0	0	163	(108)
Environmental remediation costs	Recovery from soil pollution, etc.	123	(121)	764	(700)
Total		9,254	(5,125)	37,238	(16,998)
Total expenditure during the period		296,040	(168,430)	Figures in parentheses are figures for Toshiba Corp. on a non-consolidated basis	
Total R&D expenditure during the period		336,714	(256,910)		

***Actual benefits:** Total of the monetary value of the reductions of electricity charges, costs of waste disposal, etc. compared with the previous year and the proceeds from sale of items with value.

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

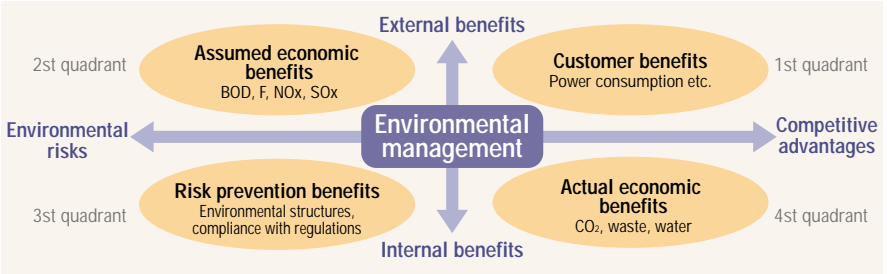
***Basis for calculation of customer benefits:** Benefits of reduction of environmental impacts of products throughout their life cycles are calculated in terms of physical quantity units and monetary units. A life cycle comprises several phases: 1) procurement of raw materials, 2) manufacturing, 3) transport, 4) use, 5) collection, 6) recycling and 7) appropriate processing. Toshiba's environmental accounting focuses on the benefits of reduction of environmental impacts at the use phase. Energy-saving benefits are calculated using the following formula:
Benefits (yen) = Σ [(power consumption per year of the former model – power consumption per year of the new model) x number of units sold per year x benchmark unit price of electricity charge]

***Basis for calculation of risk prevention benefits:** Benefits of investment in environmental structures, such as dikes, for the purpose of preventing pollution of soil and groundwater are evaluated as benefits to prevent risks that might otherwise occur in the future. Risk prevention benefits for each capital investment item are calculated according to the following formula:
Risk prevention benefits = Quantity of chemical substances stored x Standard amount (monetary value) required for purification and restoration x Impact coefficient x Occurrence coefficient
where the standard amount required for purification and restoration and the occurrence coefficient are values unique to Toshiba. Risk of occurrence of leakage of chemical substances etc. is evaluated.

A Tool for Environmental Management

The figure indicates the outline of Toshiba's environmental accounting. Although Toshiba's environmental accounting initially concerned the second and the fourth quadrants, subsequently the first and third quadrants were included. Toshiba is working to establish a better approach so that measured benefits serve as appropriate indices for environmental management. The graph at right indicates the trend of eco-efficiency, an environmental management index unique to Toshiba. Definition of eco-efficiency was revised from the previous year in order to achieve consistency with Factor T, an eco-efficiency concept for products. Eco-efficiency is a ratio of net sales to total environmental impacts. This index is useful for evaluating the benefits of routine environmental measures, provided that the content of the business does not change greatly. We are working to integrate the eco-efficiency index with Factor T for products throughout their lifecycles.

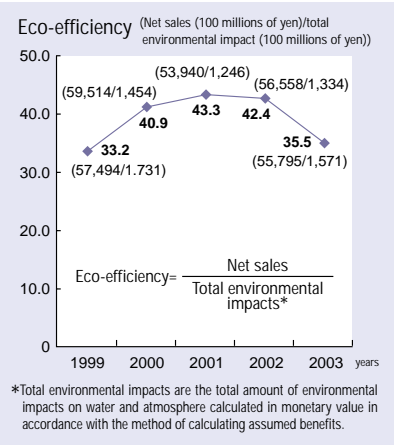
■Environmental Accounting as an Environmental Management Tool



Additionally, as a part of its efforts to strengthen internal control, Toshiba has started to introduce material flow cost accounting. A project for implementation of this accounting practice has been launched for the light bulb production process of Toshiba Lighting & Technology Corp., a subsidiary, following the project launched for the hard disk drive production line of Ome Complex in fiscal 2002. In both these projects, Toshiba is benefiting the guidance of Dr. Michiyasu Nakajima, professor of Kansai University, and Shin Nihon Environmental Management and Quality Research Institute. Based on findings obtained through these projects, we intend to expand the scope of implemen-

tation of material flow cost accounting.

■Eco-efficiency



■Environmental benefits

		Millions of yen		
Classification	Contents	Toshiba	Affiliated companies	Total
Actual benefits	Benefits that can be directly converted into monetary value, such as reduced charges for electricity, water, etc.	1,552	1,178	2,730
Assumed benefits	Benefits concerning reduction in environmental impacts expressed in monetary value	7,709	4,249	11,958
Customer benefits	Reduction of environmental impacts at the usage phase expressed in monetary value	273	5,412	5,685
Risk prevention benefits	The extent to which risks are reduced after the investment compared with before the investment is calculated	1,828	2,633	4,461
Total		11,362	13,472	24,834

(1) Breakdown of actual benefits

		Millions of yen	
Item	Amount of reduction in environmental impacts	Monetary value of benefits	
Energy	Toshiba Corp.	△107,140 GJ	645
	Affiliated companies	△800,034 GJ	△873
	Total	△907,174 GJ	△228
Waste	Toshiba Corp.	126 t	781
	Affiliated companies	△4,512 t	2,144
	Total	△4,386 t	2,925
Water	Toshiba Corp.	844,303 m ³	125
	Affiliated companies	△576,699 m ³	△92
	Total	267,604 m ³	33
Total			2,730

*Indicated in the above table are differences in volumes of environmental impacts between fiscal 2002 and fiscal 2003. Minus figures indicate that increase in environmental impacts exceeded reduction benefits due to increased production etc.

(2) Breakdown of assumed benefits

		Millions of yen	
Item	Amount of reduction in environmental impacts	Monetary value of benefits	
Environmental impact reduction benefits at the manufacturing phase	Toshiba Corp.	38 t	7,709
	Affiliated companies	△26 t	4,249
	Total	12 t	11,958

*Indicated in the above table are differences in volumes of environmental impacts between fiscal 2002 and fiscal 2003.

(3) Customer benefits

		Millions of yen	
Item	Amount of reduction in environmental impacts	Monetary value of benefits	
Environmental impact reduction benefits at the usage phase	Toshiba Corp.	4,245 t–CO ₂	273
	Affiliated companies	31,400 t–CO ₂	5,412
	Total	35,645 t–CO ₂	5,685

Environmental Considerations for Products

Growing concern about global warming, waste disposal and other environmental issues reflects heightened awareness of the vulnerability of the Earth's environment. Prompted by an earnest desire to hasten emergence of a recycling-based society, Toshiba Group strives to create environmentally conscious products (ECPs) with minimal environmental impacts throughout their lifecycles.

Factor T

Toshiba Group has introduced Factor T, its unique eco-efficiency indicator for evaluating functions and environmental aspects of a product. Eco-efficiency is calculated by dividing the "value" of a product by the product's "environmental impact". The smaller the environmental impact and the higher the value of the product, the greater is the eco-efficiency. The value of a product is calculated based on its functions and performance, taking the voice of customer into consideration. The environmental impact of a product is calculated, taking into consideration various environmental impacts throughout its lifecycle (from procurement of materials, manufacturing and distribution, through to consumption and disposal). The factor is calculated by dividing the eco-efficiency of a product subject to assessment by the eco-efficiency of the benchmark product. The higher the eco-efficiency of the product, the larger the factor is. We refer to creation of environmentally conscious products (ECPs)

Definition of Eco-efficiency

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

Definition of Factor

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

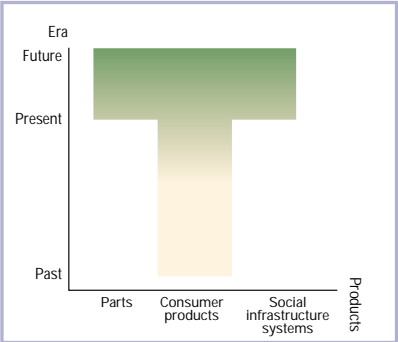
through calculation of factors as "Factor T" and are widening its application.

Application of Factor T and Calculation Examples

Toshiba Group has completed development of a method for quantitatively calculating eco-efficiency using Easy-LCA, a convenient environmental assessment tool, and LCPlanner (Lifecycle Planner), a tool for identifying desirable functions of a given product, in combination. Assessment of a product using Easy-LCA at every check point during the design phase facilitates development of ECPs. Based on the factor, which is an eco-efficiency ratio, relative evaluation of a product's environmental impact and value is executed and the results are reflected in product development.

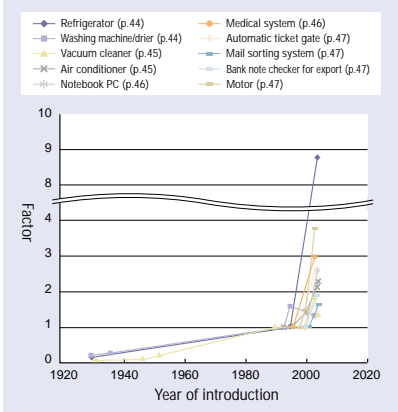
Factor T is applied to a wide range of

Scope of Application of Factor T



products including social infrastructure systems and medical equipment. The graph below shows the trends of factors of 10 products and explanation is provided on Pages 44 to 46.

Factor Trends



Eco-labeling

In 1999 Toshiba introduced Toshiba Group Earth Protection Mark as a part of its efforts to strengthen disclosure of products' environmental performances. Products in conformity with Toshiba's voluntary environmental standards, which cover such criteria as energy saving, no use of toxic substances, green procurement, design facilitating recycling, and recycling of end-of-life products, bear this mark.

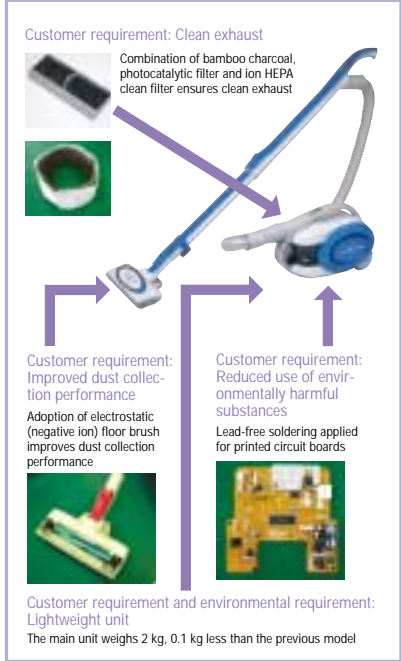


Lifecycle Planning (LCP)

LCP is a technique for formulating a concept of an environmentally conscious product at the planning stage that satisfies the quality and cost requirements while at the same time decisively reducing environmental impacts throughout the lifecycle. Effective utilization of data obtained by lifecycle assessment (LCA) and quality function development (QFD) contributes to determination of environmental specifications, taking the product's lifecycle into consideration, and identification of ideas for improving maintainability and reusability at the parts level.

At present, we are using LCP in the planning of an environmentally conscious vacuum cleaner. From now on, we will expand application of LCP step by step to a wide range of products. Toshiba will

Example of an Environmentally Conscious Design Concept Formulated by LCP (VC-P8X)

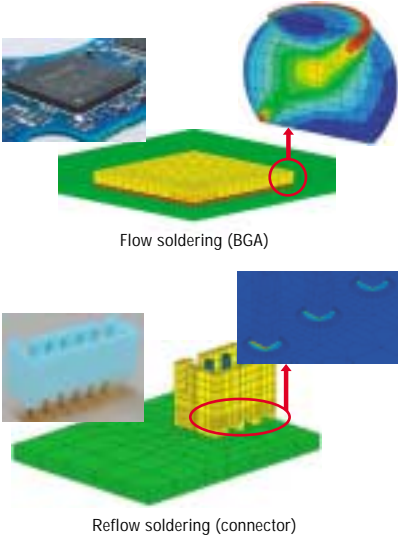


continue development of practicable techniques for designing ECPs and apply them in product development.

Use of Lead-free Soldering Throughout the Group

In accordance with the third voluntary plan, Toshiba Group is emphasizing use of lead-free soldering for printed circuit boards. Starting from selection of materials, taking their environmental impacts into consideration, we have performed various experiments to verify mounting, bonding reliability, fatigue life prediction, etc. and accumulated analytical results in databases. Our systematic approach to promotion of lead-free soldering includes preparation of a manual on application of lead-free, covering mass-production procedures, training, etc. These efforts have resulted in application of lead-free soldering for 84% of our products. We intend to apply lead-free soldering for industrial equipment for which a high degree of reliability is required.

Life Prediction for Solder-bonded Portions



Manuals and Databases



Application of Lead-free Soldering to Products

FY	2000	2001	2002	2003	2004	2005	2006
Basic policy	Apply to home appliances and consumer products (mainly flow soldering)	Expand application to home appliances and consumer products (shift to reflow/mixed soldering)	Apply to office equipment and POS systems	Apply to all products (including industrial equipment)	Comply with the RoHS Directive (eliminate use of lead soldering)		Comply with the RoHS Directive
Soldering applied	Sn-Ag-Cu soldering (partly Sn-Ag-Bi-In soldering)				Sn-Cu-based soldering Sn-Zn-based soldering		
Products	Washing machine, Refrigerator, Microwave oven, TV, Vacuum cleaner, PC	Air conditioner, Rice cooker, Copier, CATV, HDD, Medical system, Barcode printer	POS system, Cellular phone, Measuring instrument, Lighting equipment, Automated information system				
					Lower cost, lower temperature		
					▲: Flow soldering ●: Reflow soldering ■: Mixed soldering		

Environmentally Conscious Products

▶ Refrigerator “Non-Freon the Senzoko”



1) The lowest energy consumption in the industry

The winning combination of maximum capability to preserve the freshness of foods and minimum energy consumption defines the performance of an excellent refrigerator. Toshiba's new freon-free refrigerator, Non-Freon the Senzoko GR-NF415GX released in January 2004 combines high performance with the lowest power consumption in the industry—just 150 kWh/year.

The GR-NF415GX is Toshiba's first household refrigerator to incorporate a two-stage inverter compressor housing two compression mechanisms within a single compressor and a pulse motor valve (PMV) control system enabling two-stage

cooling cycle for simultaneous cooling of refrigeration and freezer compartments.

2) Improvement in insulation performance

The GR-NF415GX is equipped with the twin plasma system for the cold air circulation routes for refrigeration and freezing, respectively. Also, the digital signal processor (DSP) controlled inverter has been optimized in relation to the two-stage cooling cycle. Further, adoption of vacuum insulation panels and optimization of the insulation thickness of parts resulted in higher insulation performance. The GR-NF415GX received the 2003 Award of the Director-General of the Agency for Natural Resources and Energy in Japan.

▶ Washing Machine/Dryer “Ginga 21”



1) Decreased water consumption

The major environmental impact of washing machines is their high water consumption. In recent years, high hopes have been pinned on drum-type washing machines that use less water than the non-drum-type machines that have been the mainstream in Japan. Water consumption of the drum-type TW-80TA Toshiba introduced in March 2004 is the lowest** in the industry. With the newly developed disentangling hand-baffle, clothing entanglement during washing is reduced by 60%. Also, Toshiba's unique DSP control and DD motor reduce uneven distribution of laundry in the drum during spin-drying. Reduction in vibration and noise during spin-drying makes faster

spin-drying possible. This has resulted in reduction in the amount of detergent remaining in laundry before rinsing. So although the TW-80TA executes rinsing twice, as opposed to three times for the previous model, the quality of the rinse is in no way compromised. The TW-80TA can wash 8 kg of laundry using only 79 liters of water, 11 liters less than the previous model.

2) Decreased use of environmentally harmful substances

Lead-free solder is used for printed circuit boards. Also, for the sliding door and other new structures environmentally friendly materials such as polypropylene are used.

▶ Vacuum Cleaner “Aerocyclone Cleaner”



1) Reducing waste by doing away with paper dust bags

By dispensing with paper dust bags, the VC-R14C vacuum cleaner produces less waste. What is more, it also saves energy thanks to its excellent cleaning performance. The New Aerocyclone System regulating the two types of inner airflow, direct flow and spiral flow, ensures that the compact VC-R14C achieves high dust collection performance without a great increase in energy consumption. Its maximum suction power of 560 W (an approx. 12% improvement on the previous model) is among the highest

among cyclone-type vacuum cleaners. Also, wasteful power consumption is eliminated by the DSP-controlled Brushing Power Head, which detects floor conditions and adjusts the power output to the Power Head.

2) Reduction in the use of environmentally harmful substances

Because lead-free solder is used for the printed circuit board and chrome-free steel plate for the motor frame, the quantity of environmentally harmful heavy metals used is reduced.

▶ Air Conditioner “Daiseikai”



1) Remarkable energy saving

Air conditioners account for more than 20% of household electricity consumption in Japan. Energy-saving air conditioners are highly desirable also from the viewpoint of preventing global warming. The Daiseikai NDR series of air conditioners introduced in January 2004 received the 2003 Award of the Director-General of the Agency for Natural Resources and Energy in recognition of their excellent energy-saving performance. In modern houses, increased awareness of the importance of energy saving has led to better insulation and more airtight construction. As a result, a slight load due to heat generation in the unit may persist for a long period of time. To achieve energy saving, Toshiba has developed the Dual Stage Compressor that switches simulta-

neous operation of two compression cylinders to operation of a single cylinder when the load is low. Compared with the model introduced 11 years ago, energy consumption of the NDR series is halved in the case of conventional homes and reduced to a quarter in the case of well insulated homes. The coefficient of power (COP), an indicator for basic cooling performance is 127% (2.8 kW class) compared with the energy saving standard for fiscal 2004.

2) Reduced environmental impacts

As well as use of a CFC substitute and lead-free printed circuit boards, we strive to reduce waste materials through improvement of yield during manufacturing.

* Factor 8.6(2004/1995): This indicates that the eco-efficiency of the 2004 model is 8.6 times that of the 1995 model.
** As of February 3, 2004; among washing machines/driers and fully automatic washing machines; for washing 8 kg of laundry

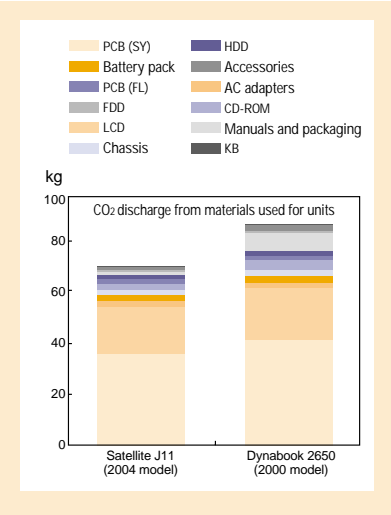
Environmentally Conscious Products

► Notebook PC “Satellite”



Toshiba has reduced the power consumption of notebook PCs through a multifaceted approach, including adoption of Power Saving Utility to optimize energy-saving by Advanced Configuration and Power Interface (ACPI), Basic Input Output System (BIOS), hardware and software. Because light weight and compactness have a direct bearing on resource saving, manuals are provided on CD-ROMs, thereby saving paper, and every effort is made to reduce the weight of the LCD and other units. To facilitate recycling, plastic components are labeled to indicate the material and recyclable plastics are used. To prevent the emission of dioxins during incineration, multilayer printed circuit boards for the Satellite series contain neither halogen nor antimony. In addition, lead-free solder is used.

■ Reduction in environmental impacts



► Automation Systems

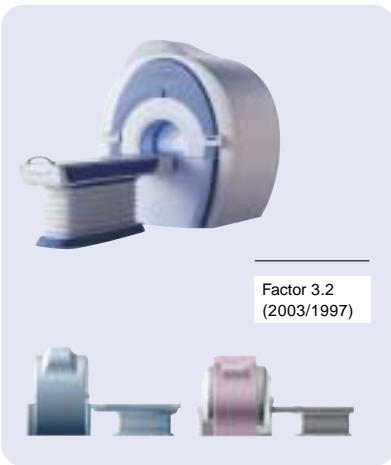


In automation systems, as for everything else, Toshiba has focused on developing systems with minimal environmental impact. Dissemination of best practice throughout Toshiba Group has resulted in the adoption of lead-free soldering and hexavalent chromium-free technologies for mail sorting sys-

tems, automatic ticket gates and other automated systems, thereby ensuring compliance with international environmental regulations, such as the RoHS Directive. While enhancing system performance, both power consumption and weight have been reduced. For example, power consumption

per function of an automated ticket gate has been reduced by 47% and weight per function has been reduced by 35%. Also Factor T, Toshiba's unique index for products' environmental impacts and values is utilized to reduce environmental impacts throughout product lifecycles.

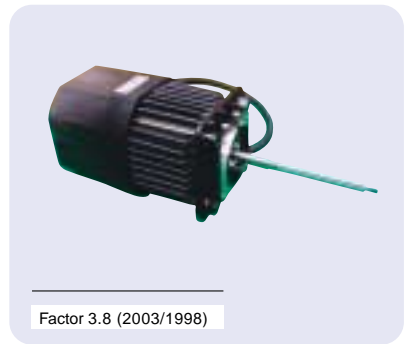
► Medical System “Vantage” MRI System



When placed within a magnetic field, hydrogen atoms in the human body exhibit a reaction known as magnetic resonance. Magnetic resonance imaging (MRI) systems convert this resonance into computerized images. Because cancer cells exhibit resonance different to that of cells in normal tissue, the degree of malignancy of a tumor can be diagnosed. With the development of a small-axis magnet and a corresponding stage, Toshiba has succeeded in reducing the weight of the system by 56%. Also, power consumption has been reduced by 58% thanks to development of a high-

speed imaging method and optimization of the design. In addition, resource saving is achieved through recycling of replacement parts, reduction in waste by extending the life of the system, and a 20% reduction in the volume of the fiber reinforced plastic (FRP) stage cover. At the same time, the Vantage is equipped with Toshiba's unique noise reduction system that cuts by 90% the noise an examinee experiences. Thanks to these attributes together with the open, short-axis, the Vantage is a thoroughly patient-friendly system.

► Permanent Magnet (PM) Motors for Feed Pumps



Conventionally, induction motors have been used for feed-pump units for condominiums etc. In recent years however, permanent magnet (PM) motors have become an increasingly popular choice due to their environmentally friendly attributes, such as energy saving, high efficiency, compactness, and light weight. Not only does a direct-feed booster pump using a Toshiba PM motor achieve a high rotating speed (6,000 rpm), but its direct-shaft design is smaller and more efficient than previous models. Use of aluminum die cast brackets and frame results in higher

cooling power while also facilitating recycling. For example, Toshiba's 1.5kW motor weighs 65% less than Toshiba's conventional induction motor and its volume is 20% less. According to the lifecycle assessment, its CO2 emission is one third of that of a conventional induction motor. Toshiba PM motors are suitable for wind and hydraulic power systems and various other applications. These compact, lightweight motors save energy and improve efficiency.

Green Procurement

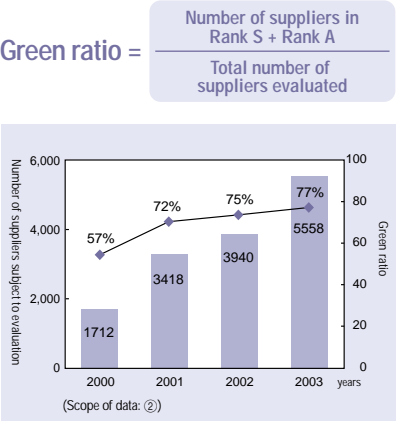
Green Procurement Guidelines Revised

As a key element of Toshiba's drive to create environmentally conscious products (ECPs), in cooperation with our suppliers we are promoting green procurement of products, parts and components, processed materials and raw materials that have less environmental impact.

Since April 2000, Toshiba has been conducting green procurement of parts and materials in accordance with the Green Procurement Guidelines established in December 1999. At present, Toshiba procures green items from some 5,000 suppliers.

Toshiba revised its Green Procurement Guidelines in June 2003 to accommodate the revisions to laws and regulations in Japan and issue of the RoHS Directive by the EU. This revision also reflected our stepped-up efforts to reduce environmental impacts in cooperation with our suppliers.

Improvement of Green Ratio



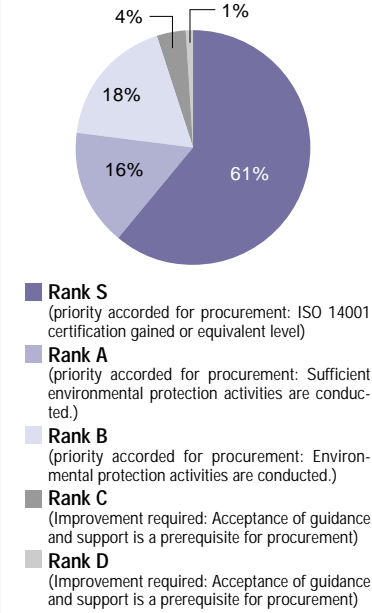
Evaluation and Selection of Suppliers Taking Green Procurement into Consideration

Suppliers are required to evaluate their environmental protection activities by completing forms provided by Toshiba. Priority is accorded to suppliers ranked high. In addition, upon request Toshiba's in-house specialists advise suppliers on how to raise their environmental performance. The results of suppliers' self-evaluation are improving with every passing year.

Environmental Performance Survey of Procurement Items

In cooperation with suppliers, Toshiba conducts an environmental performance survey of procurement items. Ratios of environment-related substances (environmentally harmful substances) and scarce

Level of Suppliers' Environmental Protection Activities for Fiscal 2003



resources to the weight of a procurement item are checked and Toshiba accords priority to items superior in terms of environmental impacts.

In the context of green procurement, environment-related substances are chemical substances contained in parts and materials to be incorporated in Toshiba products. Substances used only during manufacturing processes and unlikely to be contained in products are controlled separately. A database containing the results of the environmental performance survey is utilized for developing ECPs.

Issues to be Addressed

Toshiba, a member of the Japan Green Procurement Survey Standardization Initiative (JGPSSI)*, intends to promote compliance with the Green Procurement Survey Standardization Guidelines step by step. We expect introduction of the standardized guidelines will reduce the burden on suppliers and facilitate green procurement in the electronics industry.



Green Procurement Guidelines

Environmental Measures for Logistics

Reduction of Environmental Impacts of Transport and Distribution

Toshiba Group is working to reduce environmental impacts at every phase of the supply chain (flow of procurement, production and sales).

Major activities are described below.

1) Reduction in CO₂ emission through expansion of modal shift.

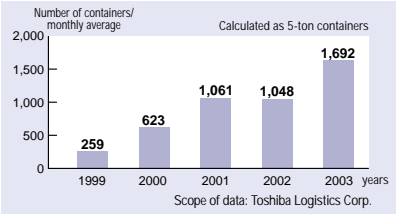
2) Optimization of transport using trunk routes by means of integration and sharing of freight information; optimization of distribution to customers through establishment and expansion of a flexible vehicle assignment system attuned to the daily fluctuation of freight volumes

3) Reduction in the number of vans and trucks by optimizing the shipment of freight and utilization of vehicles among logistics subsidiaries of electronic/electrical companies (Reduction in the number of

vehicles by joint transport of freight destined to the same area and by preventing long-distance transport vehicles from returning empty)

Modal shift is on the rise as shown in the figure below. Toshiba intends to widen use of rail transport, introduce low-pollution vehicles and expand application of the flexible vehicle assignment system.

Trend of Modal Shift (Conversion to Rail Transport)

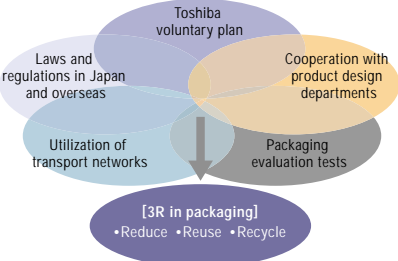


Environmentally Conscious Packaging

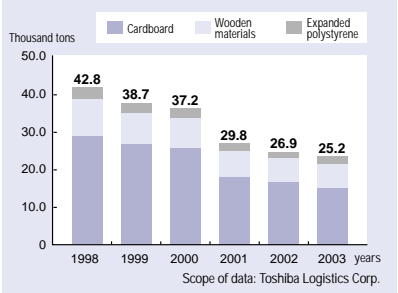
Toshiba Group is promoting 3R (reduce, reuse, recycle) in packaging and developing optimum packaging specifications that satisfy stringent conditions. As a result, the

total volume of packaging materials used has been reduced by 40% in the last six years.

Basic Concept of Environmentally Conscious Packaging



Reduction in Discharged Packaging Materials



Development of Returnable Block Packaging for Super Heavy Goods
Toshiba Wins METI Minister's Japan Star Award for Packaging

Conventional packaging for transporting heavy equipment such as a large generator is one-way skid packaging, requiring a lot of timber. Once used, the packaging is disposed of because most such equipment is unique in size and shape. As befits a friend of efficiency and an enemy of waste, Toshiba has developed reusable metal blocks.

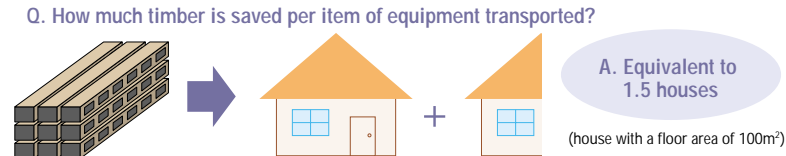
Red lines in the figure indicate the conventional skid and the newly developed one. The blocks can be dismantled when not in use, as shown in the photo on the right, and they can be configured into the desired shape according to the product. An amount of timber equivalent to that needed to build 1.5 houses was previously used for each item of equipment transported. This translates into the saving of 100 tons of timber every year.

By virtue of its functionality and the great saving in timber it achieves, the block packaging received the Minister of Economy, Trade and Industry (METI) Award in the Packaging Contest of the Japan Packaging Institute.

Conventional packaging and newly developed block packaging



Reduction in the amount of waste timber



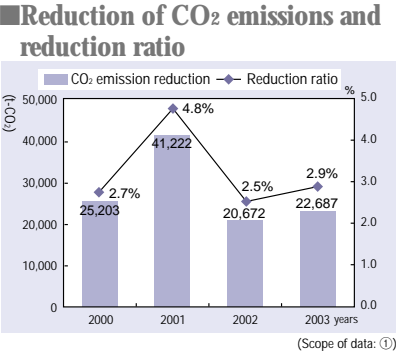
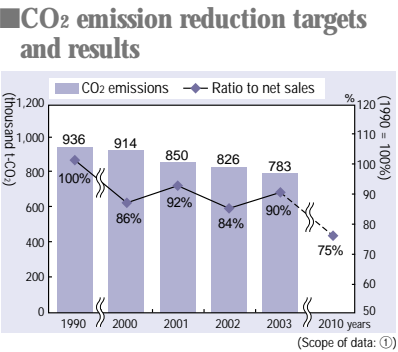
*Japan Green Procurement Survey Standardization Initiative (JGPSSI): JGPSSI is a voluntary activity involving companies in the electronics and IT industries. Its purpose is to reduce the workload associated with green procurement surveys while enhancing the quality of responses through standardization of the list of items covered by the surveys and the response format.

Prevention of Global Warming

Global warming, caused by increasing emissions of CO₂ and other greenhouse gases as a result of human activities, is an environmental issue of fundamental importance to our existence on the planet. The impact of global warming on the ecosystem is becoming apparent; temperatures increase, causing sea levels to rise, climate to change and disasters to occur. Toshiba is contributing to the prevention of global warming by providing energy-efficient products and systems and by acting decisively throughout its operations to save energy and reduce emissions of CO₂ and other greenhouse gases.

Targets and Results for Reduction of CO₂ Emissions at Operations

The target for reduction of CO₂ emissions at Toshiba Corp.'s factories and laboratories is a 25% improvement in the ratio of CO₂ emissions to net sales by fiscal 2010 compared with fiscal 1990. CO₂ emissions for fiscal 2003 were 5% lower than for the previous year; 16% lower than for fiscal 1990. The ratio of CO₂ emissions to net sales improved by 10% compared with fiscal 1990.



Energy-saving Measures

Toshiba is promoting energy saving from a medium- to long-term perspective. As well as pursuing greater efficiency, we are proactively disclosing our progress on the energy-saving front. Toshiba applies a threefold approach in a consistent, balanced manner as described below.

(1) Improvement in control
In order to ensure compliance with control standards and eliminate waste, Toshiba promotes reduction in energy consumption by improving production processes and efficiency.

■Semiconductor Company's PFC reduction targets and results

	PFC gas emissions		Liquid PFC emissions	
	Thousand ton-CO ₂ /year	Compared with fiscal 1995	Thousand ton-CO ₂ /year	Compared with fiscal 1995
Fiscal 2000	827	183%	152	85%
Fiscal 2001	617	136%	122	68%
Fiscal 2002	592	131%	80	45%
Fiscal 2003	604	133%	80	45%

■HFC reduction targets and results

	Refrigerators		Air conditioners	
	Emission (ton-CO ₂ /year)	Compared with fiscal 2000	Emission (ton-CO ₂ /year)	Compared with fiscal 2000
Fiscal 2000	529	100%	10,894	100%
Fiscal 2001	445	84%	1,348	12%
Fiscal 2002	356	67%	1,748	16%
Fiscal 2003	122	23%	1,607	15%

(Scope of data: ②)

(2) Investment in energy-saving equipment
Toshiba invests systematically in order to replace power facilities, production facilities, air-conditioning and lighting systems. Also, Toshiba is developing its energy service company (ESCO) business.

(3) Energy-saving clean rooms
Air conditioning systems for clean rooms consume a lot of energy. Energy saving is promoted by enhancing the efficiency of air conditioning through local cleaning, optimization of circulation airflow and adoption of more energy-efficient manufacturing processes. These efforts reduced CO₂ emissions by 22,700 tons in fiscal 2003, an amount equivalent to 2.9% of Toshiba Corp.'s CO₂ emissions.

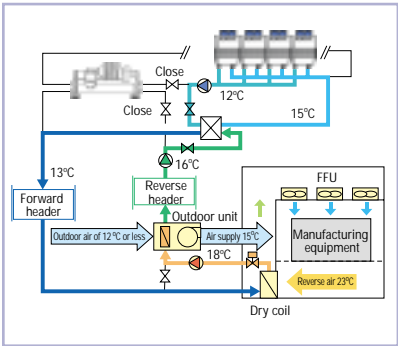
Commitment on Greenhouse Gases other than CO₂

In the semiconductor manufacturing process, perfluorocarbons (PFCs) are used for cleaning chemical vapor deposition (CVD) equipment and dry etching. Toshiba is advancing toward attainment of its target (which corresponds to the target set by the World Semiconductor Council): emissions of PFC gases in 2010 amounting to less than 90% of the 1995 level.

As for hydrofluorocarbons (HFCs), used as refrigerant for air conditioners and refrigerators, and hydrochlorofluorocarbon (HCFCs), applied as heat insulating material, Toshiba is reducing their use in accordance with its voluntary targets.

Case Studies on Energy Saving and CO₂ Emission Reduction Measures

■New 300 mm Wafer Plant
For a new clean room for fabricating semiconductor devices on 300 mm wafers, Oita Operations has achieved energy saving equivalent to 640 kl of crude oil per year by optimizing circulation airflow based on measurement and analysis of the clean room's heat environment, recovery of the thermal load, and adoption of free cooling in winter. Also, high-efficiency turbo refrigerators have been adopted that use HFC134a, a refrigerant whose ozone-depleting potential is 0.



System for recovery of heat generated indoors in winter

■Toshiba Receives METI Minister's "2003 Excellent Energy Saving Case" Award
The increasing energy consumption associated with office buildings is becoming a concern. Toshiba headquarters building's energy consumption for air conditioning has been reduced thanks to the introduction of the Comfortable Air Conditioning Control System, a building energy management system (BEMS). For this achievement Toshiba won the Minister of Economy, Trade and Industry's Award for Excellent Energy Saving Cases in fiscal 2003. Implementation of BEMS

for the building—to which inverter control of airflow volume, cooling with outside air, use of total heat exchangers and optimum start-up, and other energy-saving measures had already been applied—yielded further energy saving, while control of factors other than temperature, such as humidity changes and the impact of radiant heat due to incoming sunshine, is also automated. Compared with the three-year average before introduction of BEMS, energy expended on cooling water was reduced by 6,274 GJ or 12% and electricity consumption by 1,728 MWh or 6.8%, thereby reducing CO₂ emissions by 1,000 tons per year.



Development of New Energy Equipment

■Micro Wind-power Generation System
Toshiba Plant Systems & Services Corp. provides Wind Flower, a hybrid micro wind-power generation system combining wind-power generation, solar power and batteries. Wind Flower, which uses an efficient vertical-axis windmill, operates so quietly that it is suitable for installation even in urban areas. Following the 400W model, the line-up will be expanded.



400W Wind Flower EWF-400



Yuuichi Hanada
Building Energy Solutions Development Group
Building Systems Technology Department
Infrastructure Systems Division
Industrial and Power Systems & Services Company

■Developing the Comfortable Air Conditioning Control System

Temperature control of air conditioning is a headache for building facilities managers because they have to ensure comfort while at the same time saving energy. So we have developed a system that automatically fine-tunes temperature setting based on the degree of comfort of rooms, which is indexed using computers. By introducing the system at Toshiba headquarters building, we saved a great deal of energy. We also won a prestigious award. I hope people will recognize the significance of what we accomplished and apply the system in as many buildings as possible.

■Polymer Electrolyte Fuel Cells

Toshiba International Fuel Cells Corp. achieved the power generation efficiency of 38% at a rating of 700W and 30% at the minimum load of 250W in fiscal 2003 with its 1kW-class system for home use—the world's highest power generation efficiency in its class. The company is working to enhance reliability and reduce costs in preparation for commercialization.



1kW-class polymer electrolyte fuel cell for home use

Control of Chemical Substances

Chemical substances fulfill indispensable roles in contemporary industrialized society. However, safety concerns, notably those associated with heavy metals and endocrine disrupters, are on the rise. Mindful of humankind's responsibility to ensure that succeeding generations inherit a healthy environment, Toshiba is strengthening control of chemical substances and promoting technological innovation to hasten emergence of a recycling-based society.

Control of Chemical Substances

Although chemical substances are indispensable, they may cause serious pollution that harms human health and the environment if appropriate controls are not implemented or accidents occurs. Toshiba's use of chemical substances is based on three fundamental policies: avoid use of toxic substances to the maximum extent possible, promote reduction and substitution to the maximum extent possible, and subject use to appropriate controls.

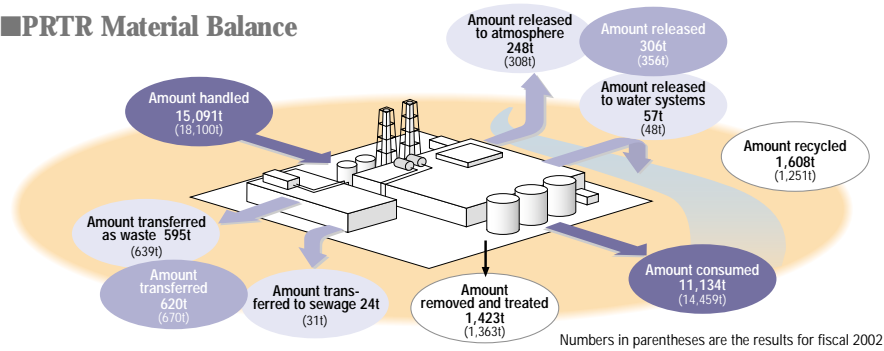
Toshiba Group's PRTR

Since April 1, 2002, reporting of the types

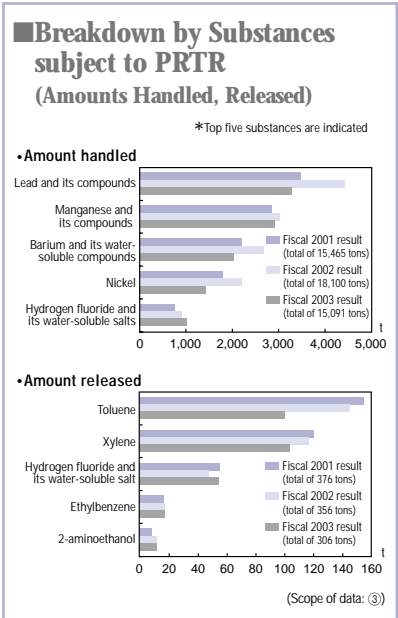
of chemical substances released and their quantities has been mandatory in accordance with the Law Concerning Reporting etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management (PRTR* Law). Since March 2003 a system has been established for disclosure of individual premises' results upon request from any member of the public. Toshiba was among the first in the industry to disclose PRTR data when it published the data for fiscal 1997 in Toshiba Environmental Report 1998. Subsequently, in 2001 the scope of PRTR data was expanded to include the four subsidiaries, and in 2003 to include the subsidiaries and affiliates in Japan subject to

Toshiba's environmental accounting. PRTR data for individual sites of Toshiba Group is available on the Toshiba website at <http://www.toshiba.co.jp/env/en/data/>. A comparison of the results for fiscal 2003 with those for fiscal 2002 reveals that the amount of chemical substances Toshiba handled decreased by 3,000 tons, primarily due to wider use of lead-free soldering. The amount released to the environment was reduced by 50 tons thanks to technical measures, such as substitution of water-soluble paints for organic solvent-based paints and the installation of scrubbers.

■PRTR Material Balance



*The scope of companies subject to PRTR was expanded from fiscal 2003. The comparison of the PRTR data for fiscal 2003 with the data published in the Environmental Report 2003 is available on the Toshiba website at <http://www.toshiba.co.jp/env/en/data/>.
*The amount consumed includes the amount of the substance subject to PRTR that changed to other substances by reaction and the amount that left facilities in products or together with products.
*The amount removed and treated includes the amount of the substance subject to PRTR that changed to other substances by reaction and the amount that left facilities in products or together with products.
*Landfill at operations (stable type, control type, and shield type) is categorized as release. Release to the public sewage system is categorized as transfer.
*The difference between transfer and recycling depends on whether a monetary transaction is involved or not. Therefore, even if the purpose is recycling, if treatment of the substance is contracted out to a third party with charge, the transaction is categorized as transfer of waste.

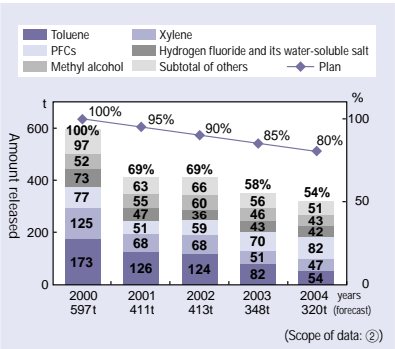


*PRTR data for other substances is available on the Toshiba website at <http://www.toshiba.co.jp/env/en/data/>.

Ranking of Substances and Control Classification

Some 2,000 substances, including 354 substances covered by the PRTR Law, are classified into three ranks, A, B and C, based on the laws and regulations and the hazard. Control classifications (prohibition of use, reduction of release, control of use) for substances are determined based on the risk associated with the substance. Toshiba adopts a quasi-risk assessment approach in which the risk posed by a substance is expressed as the product of the hazard and the level of exposure. Toshiba forbids purchase of any substance whose use is prohibited (41 substances). For substances whose use is subject to control, Toshiba is clarifying the amounts used. For substances whose release is to be reduced (24 substances including those whose release is high according to PRTR data), Toshiba's target set in its voluntary environmental plan is to achieve a 30% reduction in the amounts released in fiscal 2005 compared with fiscal 2000. The reduction plan and the amounts released by Toshiba Corp. and the spun-off companies are shown below. We expect to achieve the target earlier than scheduled thanks to use of substitute materials and

■Reduction of Release of Substances Covered by the Voluntary Environmental Plan



*PRTR: Abbreviation of Pollutant Release and Transfer Register. This register enables reductions in environmental risks posed by chemical substances and environmental pollutants to be measured. Companies are required to report to the government how much waste they discharge on-site and how much they transfer off-site. PRTR is mandated by the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management (The Pollutant Release and Transfer Register Law).

process changes. We intend to revise the target, as necessary.

Disclosure and Risk Communication

Since companies are accountable to their stakeholders, the demand for disclosure of information is bound to increase. Toshiba is making every effort to disclose information in an appropriate manner, for example, by providing easy-to-understand explanations in the CSR Report and promoting interactive dialog with stakeholders.

PCB Storage and Control

Since 1972 when manufacturing of products using polychlorinated biphenyl (PCB) ceased in Japan, some 16 Toshiba operations in Japan have retained PCB and products containing PCB in storage under strict control. As of 2003, the products and items stored by Toshiba Corp., and major affiliated companies, include 240 transformers, 6,500 high-voltage capacitors, and about 200,000 low-voltage capacitors, amounting to some 360 tons of PCB. In addition to the prescribed storage rules, installation of dikes and double containers (receiver tanks) ensures safety. Recognizing that a definitive solution to the PCB problem would necessarily



Hideki Tanaka

Recycling Promotion Group
Planning and Administration
Department
Industrial and Power Systems
& Services Company

■Detoxification of PCB

Since September 2002 my co-workers and I have been running a PCB detoxification system. We've treated about 120 kg of PCB so far. I feel very good about being part of a team effort to solve the PCB problem as soon as possible.

involve treating PCB and products containing PCB as soon as possible using reliable technology. Toshiba has set itself the goal of completing treatment of its entire stock of PCB stored in house by fiscal 2010. Toshiba's Ukishima Resource Recycling Center is conducting PCB detoxification, albeit on a small scale, using a photocatalytic decomposition method characterized by reaction conditions similar to those in a normal environment, use of readily available substances and no use of highly active substances.



Storage of PCB-containing products on a tray



Photocatalytic decomposition treatment system

■Substances Whose Release is to be Reduced (Substances Covered by the Voluntary Environmental Plan)

- 24 types listed below:
- Ammonia
 - Isobutyl alcohol
 - Ethylene glycol
 - Monomethyl ether
 - Xylene
 - Styrene
 - Toluene
 - Formaldehyde
 - Methyl alcohol
 - Methyl isobutyl ketone
 - Hydrogen chloride
 - 2-ethoxyethyl acetate
 - Ethyl acetate
 - Sulfuric acid
 - Hydrazine
 - Phenol
 - Bisphalate (2-ethylhexyl)
 - Hydrogen fluoride and its water-soluble salt
 - Chlorine
 - Inorganic cyanide compounds (except complex salts and cyanates)
 - Hydrogen sulfide
 - Sulfur hexafluoride
 - PFCs
 - HCFCs
 - HFCs

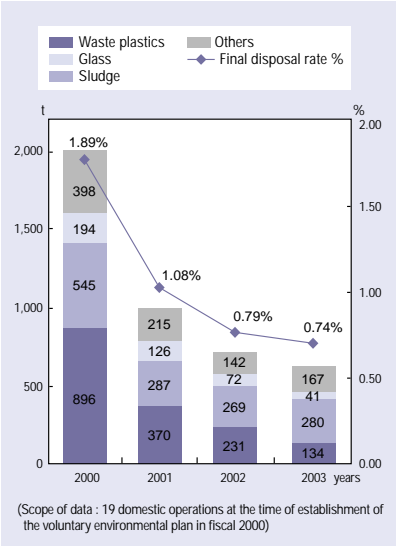
Commitment to Zero Emissions

Industrialized society wedded to convenience and characterized by mass consumption and mass disposal has put enormous pressure on the environment, causing the destruction of natural habitats and depletion of resources. The zero emissions concept, first proposed by the United Nations University in 1994, is based on complete and efficient utilization of natural resources and minimization of the environmental impacts of human activities. To hasten emergence of a recycling-based society gentle on the global environment, Toshiba Group is promoting zero emissions.

Zero Emissions Achieved

According to Toshiba's definition, zero emissions is achieved when the quantity of waste for landfill after treatment is equivalent to 1% or less of the total quantity of by-products and other items generated (total amount of waste discharged) as a result of business activities. The rate of final disposal, which was 1.9% for fiscal 2000 when the voluntary environmental plan was launched, was reduced to below 1% for the first time in fiscal 2002. The rate was 0.7% for fiscal 2003, thus maintaining zero emissions.

Quantity of Waste for Final Disposal and Final Disposal Rate

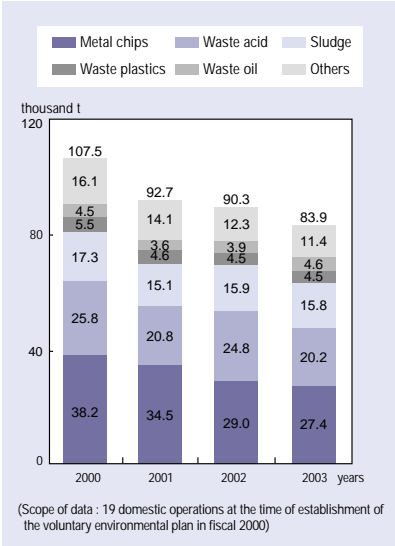


Toshiba is striving to maintain zero emissions for fiscal 2004.

Characteristics of Toshiba's Activities for Zero Emissions

Given that Toshiba's product portfolio ranges widely, from semiconductors and other electronic devices to power systems and home appliances, many types of materials are used in production processes, and accordingly, the types of waste discharged also vary greatly. Moreover, because the recycling needs vary among operations, it has been necessary to optimize zero emissions

Total Amount of Waste Discharged



activities attuned to the needs of individual operations. Therefore, while thorough disassembly and separation for discharge is the overreaching theme, individual operations are working to achieve zero emissions by promoting waste treatment in accordance with regional characteristics and cooperation with the steel, cement, chemical and other industries. Moreover, in view of the recent transfer of businesses to affiliated companies and ongoing globalization, Toshiba is working to achieve zero emissions throughout its operations worldwide.

Activities From Now On

The total quantity of waste generated by Toshiba in fiscal 2003 amounted to 83,900 tons. We intend to reduce the quantity of waste generated while at the same time maintaining zero emissions. Also, we will promote development of recycling technologies and vigorously utilize recycled materials so as to help establish a recycling-based society. At the same time, we will work to minimize overall environmental impacts by reducing the amount of energy used for recycling and transport, for example.

Preventing Soil and Groundwater Pollution

As well as monitoring soil and groundwater pollution at factory sites and executing purification, Toshiba Group is implementing fail-safe measures for facilities to prevent pollution and reduce risk.

Measures for Pollution Caused by Volatile Organic Compounds

Toshiba Group is conducting purification and monitoring of pollution caused by volatile organic compounds at 15 sites. At these sites 422 pumping wells or gas suction wells are installed to recover and purify volatile organic compounds, and 168 observation wells are used to monitor trends of the concentration of pollutants in groundwater. 1,287 kg of compounds was recovered in fiscal 2003. With the current purification technology, as the concentration of organochlorine compounds contained decreases due to purification, the recovery rate decreases. Toshiba is introducing advanced technologies to raise the efficiency of purification.

Preventing Recurrence of Pollution

Toshiba has guidelines for the following eight types of structural design: dikes and pans, exhaust gas scrubbers, waste storage sites, chemical storage sites, piping for liquid chemicals and effluents, waste water treatment facilities and in-site waste water systems, plating facilities, and oil storage facilities. By ensuring that structures are in conformity with these guidelines, pollution is prevented. As indicated in the radar chart showing the conformity, whereas Toshiba Corp.'s conformity ratios are high for all eight structural guidelines, Toshiba Group companies are lagging in terms of scrubbers, piping and oil storage facilities. We intend to focus our efforts on improvement in these three areas.

Purification of Volatile Organic Compounds in Soil and Groundwater

Site	Location (Japan)	Progress	Purification method*	Amount recovered* (kg)
Fukaya Operations	Fukaya, Saitama prefecture	Purification in progress	A	0.2
Komukai Operations	Kawasaki, Kanagawa prefecture	Purification in progress	A	76.0
Microelectronics Center	Kawasaki, Kanagawa prefecture	Purification in progress	A	8.7
Yanagicho Complex	Kawasaki, Kanagawa prefecture	Purification in progress	A,B,C	2.9
Taishi Area of Himeji Operations	Taishi-cho, Ibo-gun, Hyogo prefecture	Purification in progress	A	550.7
Oita Operations	Oita, Oita prefecture	Purification in progress	A	5.1
Fuji Operations, Toshiba Carrier Corp.	Fuji, Shizuoka prefecture	Purification in progress	A,B	359.0
Osaka Works, Toshiba HA Products Co., Ltd.	Ibaraki, Osaka prefecture	Purification in progress	A	0.2
Toshiba Electric Appliances Co., Ltd.	Maebashi, Gunma prefecture	Transition to monitoring	D,F	—
Kimitsu Operations, Toshiba Components Co., Ltd.	Kimitsu, Chiba prefecture	Purification in progress	A,B	208.8
Site of the former Yokohama Works, Toshiba Components Co., Ltd.	Yokohama, Kanagawa prefecture	Purification in progress	A	69.3
Kawamata Seiki Co., Ltd.	Kawamata-machi, Date-gun, Fukushima prefecture	Purification in progress	A	0.1
Kitashiba Electric Co., Ltd.	Fukushima, Fukushima prefecture	Purification in progress	A	1.3
Site of the former Kawasaki Works, Toshiba Shomei Precision Co., Ltd.	Kawasaki, Kanagawa prefecture	Purification in progress	A,F	4.8
Site of the former Yokohama Operations, Asia Electronics Inc.	Yokohama, Kanagawa prefecture	Preparation	E	—

*Purification method: A: Groundwater pumping, B: Soil gas suction method, C: Reduction decomposition method (fine iron permeation piles), D: Oxidation decomposition method, E: Interception containment method, F: Removal by excavating soil

*Amount recovered: Amount recovered during the period from April 2003 to March 2004

Examples of Pollution Countermeasures

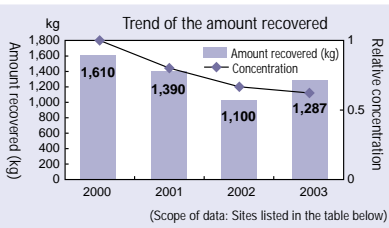
1) Site of the former Yokohama Operations of Asia Electronics Inc.

As a result of the investigation of soil coinciding with the closure of Yokohama Operations, it was found that concentrations of PCB etc. exceed the regulatory limits. At present, the company is preparing to implement measures in accordance with the instructions of the City of Yokohama.

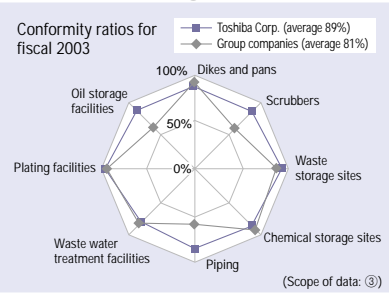
2) Other

It was detected that soil of the site of Kitakyushu Operations' Development Evaluation Center—a site not previously used by Toshiba Group—contains lead exceeding the environmental regulatory limit. As the owner of the land, Toshiba is remedying the situation in accordance with laws and regulations.

Amount of Volatile Organic Compounds Recovered from Soil and Groundwater



Conformity Ratios according to Structural Design Guidelines



Recycling of End-of-Use Products

In accordance with the legal framework introduced in 2001 for a recycling-based society, Toshiba is promoting recycling of a range of end-of-use products, including not only the four types of home appliances stipulated by the Home Appliance Recycling Law in Japan, but also personal computers and compact secondary batteries as well as other equipment. Recycling has become second nature thanks to cooperation among all parties concerned.

Recycling of Household Appliances

High Recovery Rate Maintained

In accordance with the Home Appliance Recycling Law that came into force in April 2001, end-of-use home appliances (air conditioners, televisions, refrigerators, washing machines) are first taken back by retailers and then transferred to take-back sites designated by manufacturers. According to data for fiscal 2003 announced by the Ministry of Economy, Trade and Industry, 10.46 million end-of-use home appliances (four products) were collected at designated facilities, a 3% increase year on year, while shipments of the four products in Japan decreased 8%

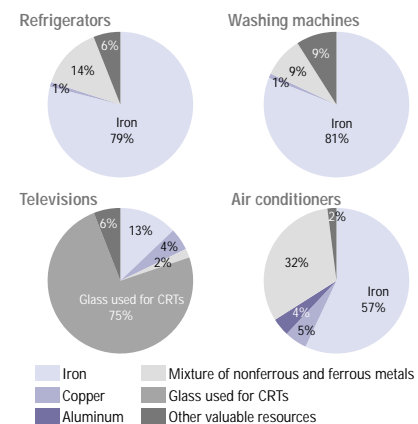
year on year. Toshiba Group collected 1.58 million end-of-use home appliances (a 1% year-on-year increase), accounting for 15% of the total number of units collected nationwide; a percentage virtually unchanged from the previous year.

Next-generation Recycling

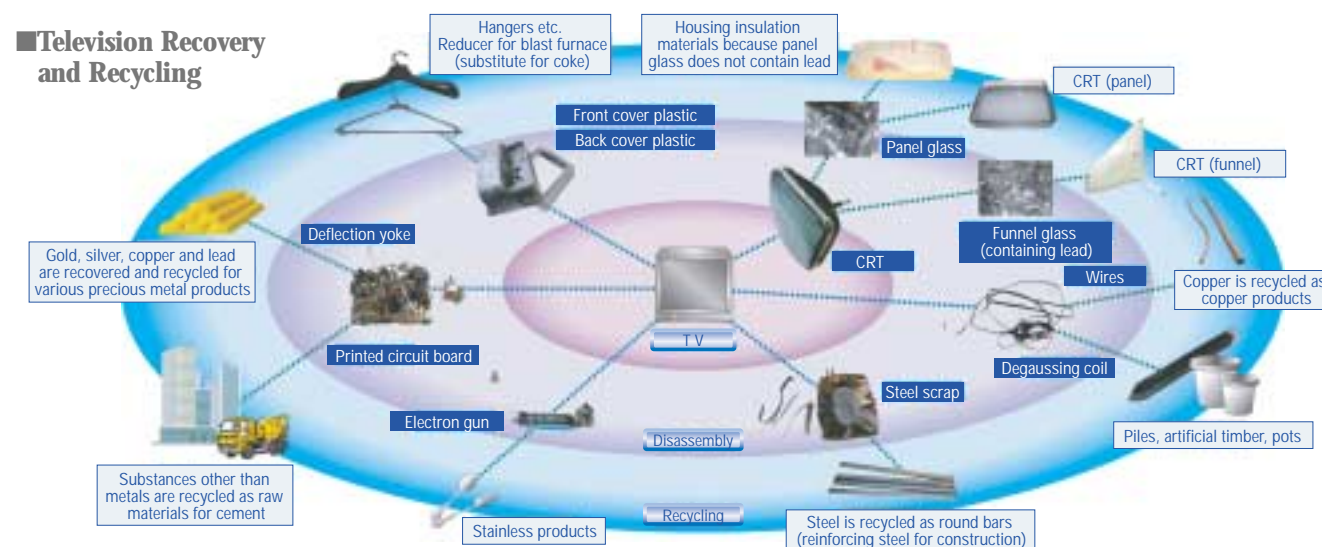
For effective utilization of resources contained in end-of-use home appliances, recovery of high-purity materials is vital. Toshiba has developed several industry-leading technologies for disassembly and separation of products and removal of foreign matter, such as high-performance halogen lamp separation equipment to separate CRT glass of televisions at high speed, a method for disassembly of washing machines, and a technique for

cleaning waste plastics. These technologies have made it possible to use recovered resources for new products.

Materials Recycled from End-of-use Home Appliances (ratio by weight)



Television Recovery and Recycling



Recycling of Personal Computers

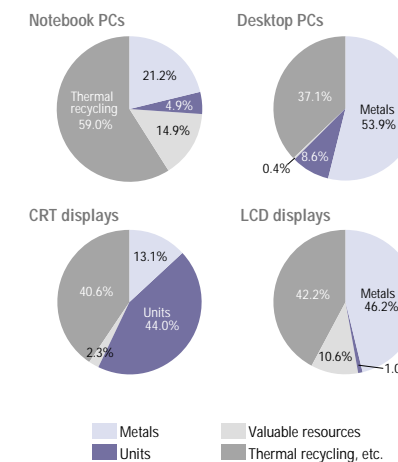
Recycling of End-of-use PCs Discharged by Consumers

In accordance with the revision of the ministry ordinance for the Law for Promotion of Effective Use of Resources, a system for collection and recycling of end-of-use PCs discharged by consumers was introduced in October 2003. Toshiba opened the dynabook Recycling Center, which is the contact point for customers, and set up a PC recycling system in October 2003. Customers can request collection of end-of-use PCs either via the Toshiba website or by telephone.

For collection, PC manufacturers have teamed up with Japan Post to take advantage of its Eco Yu-Pack parcel post service. PCs to be discharged are collected from customers' homes without surcharge or customers take their PCs to the more than 20,000 post offices nationwide designated as collection points. Collected PCs are manually disassembled at recycling facilities in Japan.

From October 2003 to March 2004, Toshiba collected 1,132 units discharged by consumers, amounting to 10 tons of notebook and desktop PCs and PC monitors. In order to increase the recycling rate, Toshiba is recycling the plastic casing that accounts for 25% of the weight of a notebook PC (average of Toshiba notebook PCs) and endeavoring to increase the amount recycled and reduce recycling costs.

Materials Recycled from End-of-use PCs (ratio by weight)

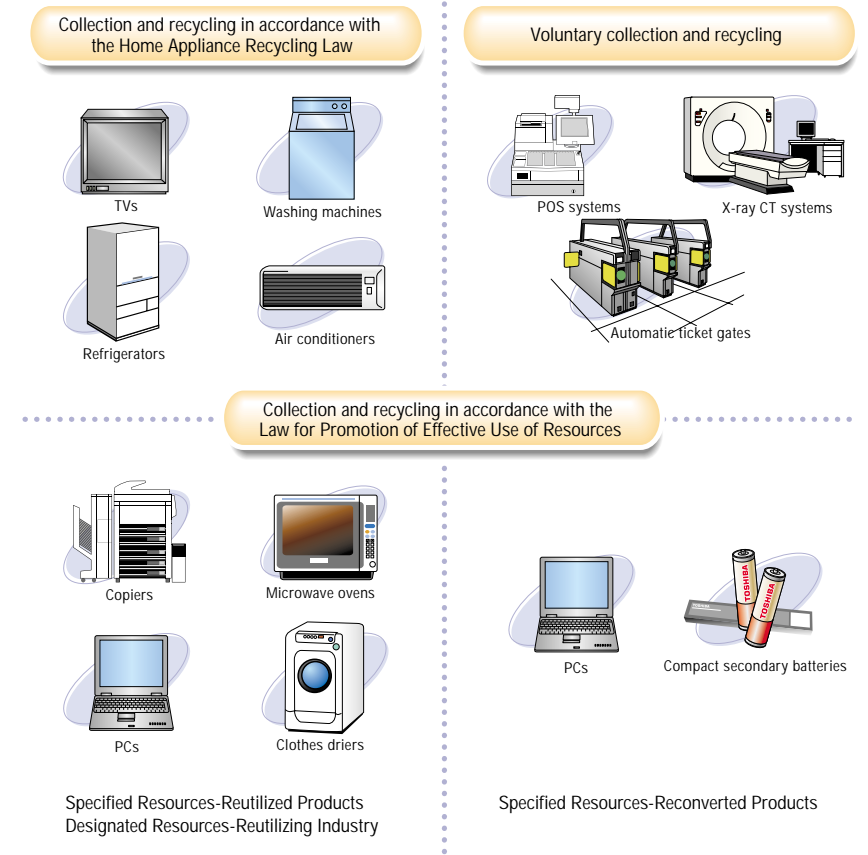


Recycling of Other Products

In addition to the four types of home appliances and PCs, Toshiba is promoting recycling of a wide range of end-of-use products, including POS systems, X-ray CT systems and automatic ticket gates, in cooperation with customers (see figure below).

Toshiba is emphasizing development of technologies to enable effective utilization of the materials recovered and reduction of recycling costs. Since reuse of parts and components is an important issue, we are promoting environmentally conscious design that facilitates reuse.

Products Covered by Recycling



Environmentally Conscious Technologies

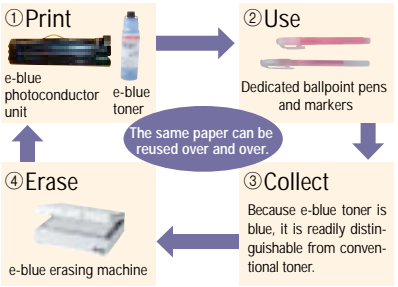
In addition to engaging in environmentally conscious product development and production, Toshiba Group seeks to contribute to the “Creation of a Society Ensuring Sustainable Development with Reduced Environmental Load,” a principle set forth in The Basic Environment Law. To that end, we develop, commercialize, and introduce new environmental technologies in a number of fields.

Decolorable e-blue™ Toner

More than 90% of printed matter used in routine office work is material for temporary use that is not saved for long periods of time. Toshiba's e-blue decolorable toner can eliminate much of the wastepaper generated in office work. Text and images printed using e-blue toner can be erased using a dedicated erasing machine that features a low-power design, and photocopy paper can be used over and over. Costing about the same as conventional toner, e-blue combines environmental friendliness with economy.

In Toshiba's testing presented in the chart below, a 60% reduction in purchases of photocopy paper was achieved.

■Use of e-blue



Carbon Dioxide Absorbing Ceramics

Toshiba has developed a new CO₂ absorbing ceramic material that has 10 times the absorption capacity of conventional ceram-

ics. It can absorb 400 times its own volume of CO₂ and repeatedly absorb and release CO₂ at high temperatures exceeding 500°C. The new ceramic material, which makes it possible to separate CO₂ from commercial boiler exhaust, is expected to be applied widely.



CO₂ absorbing ceramics

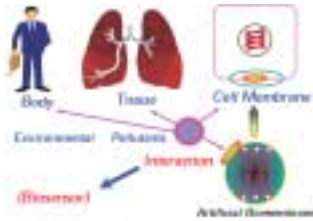
Monitoring of Groundwater Pollutants using Biosensor

Toshiba has developed a new type of biological function-emulating biosensor that can assess the toxicity of groundwater pollutants regardless of substance type or quantity. Experimental investigations have been conducted to detect low concentrations of groundwater-polluting volatile organic compounds (VOC), heavy metals, agricultural chemicals, and environmental hormones. The installation of biosensor systems in observation wells around the circumference of production facilities to constantly monitor for toxic substances in the groundwater has made possible the early detection of the leakage of toxic substances from such facilities.

Toshiba aims to realize an advanced environment monitoring system (AEMS) that

will infer the spread of pollution and its source, making possible a rapid response.

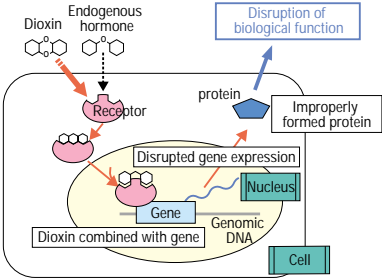
■Biosensor Concept



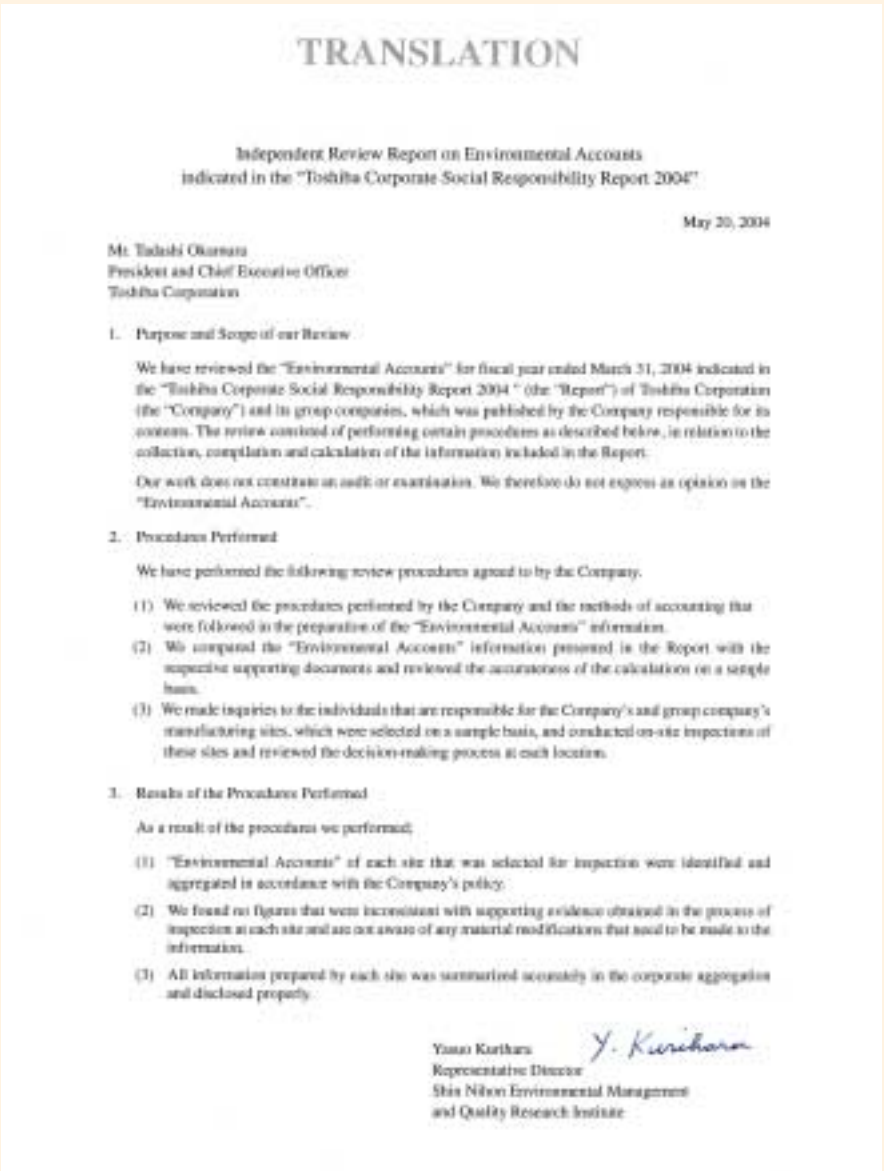
Risk Assessment of Endocrine Disruptors using Gene Analysis

Toshiba has developed a simple system for rapidly screening endocrine disruptors and assessing their neurotoxicity on the basis of gene analysis performed by adding test substances to homogeneously cultured nerve system cells. To help protect the natural environment and society from toxic substances, Toshiba will increase the number of marker genes and the range of types of toxicity that can be assessed using the system.

■Endocrine Disrupter Action Mechanism



Third-party Review of Environmental Accounting



Operations covered by the review		
Toshiba Corp.		
●Fukaya Operations	●Kitakyushu Operations	●Himeji Operations
●Fuchu Complex	●Corporate Research & Development Center	●Oita Operations
●Hino Operations	●Keihin Product Operations	●Corporate Manufacturing Engineering Center
●Ome Complex	●Yokohama Complex	●Microelectronics Center
●Yanagicho Complex	●Yokkaichi Operations	
●Komukai Operations		
Subsidiaries		
●Toshiba Lighting & Technology Corp.	●Toshiba Medical Systems Corp.	
●Toshiba Carrier Corp.	●Toshiba Electron Tubes & Devices Co., Ltd.	
●Toshiba TEC Corp.	●Toshiba HA Products Co., Ltd.	
* The above operations were selected based on comprehensive judgment, taking the amount of environmental impact, amount of environmental protection costs and business characteristics into account.		
* The above operations accounted for 60.8% (22.6 billion yen) of total environmental protection costs (37.2 billion yen) and 27.9% (43.9 billion yen) of total environmental impacts (157.1 billion yen).		

■Good points

- Toshiba has established a method of recognizing benefits as four types of economic benefits out of environmental costs, that are an indicator of a company's environmental protection efforts.
- The Plan-Do-Check-Act (PDCA) cycle of environmental management is based on a three-tier structure—namely the corporate level, sites and major environmental facilities—and is a source of benefits in terms of environmental accounting.
- It should be noted that PDCA at major environmental facilities is done in tandem with disclosure of information to internal and external parties by means of environmental bulletin boards.
- It should also be noted that Toshiba uses risk prevention benefits as a means of evaluating environmental investments that do not lead to cost reduction and uses assumed benefits to measure the social value of reducing environmental impacts concerning air and water pollution.

■Improvements made

- The scope of aggregation of environmental accounting and calculation procedures have become clearer because the criteria of affiliated companies covered by environmental accounting and criteria for appropriation of combined costs regarding capital investments and R&D expenditures are clearly specified.
- Processes from the gathering of raw data to output of environmental accounting data and approval procedures at individual sites have been improved, and thus, the company easily could show evidence for reliability of the output.

■Issues to be addressed

Customer benefits are calculated, in principle, from the difference between the environmental impacts of previous models and succeeding models, and the calculation results tend to be lower than the actual customer benefits. We recommend establishing procedures for calculating actual customer benefits and social benefits throughout product lifecycle, as Toshiba is already engaged in this task.

The current environmental accounting should be made more sophisticated so that it will be possible to apply environmental accounting data in the management of workplaces. Utilization of environmental accounting data at workplaces is vital for achieving continual improvement.

Third-party Review of the CSR Report



Ms. Mariko Kawaguchi

Chief Researcher, Daiwa Institute of Research
Panel Member of Global Reporting Initiative (GRI)
Forum Japan

Ms. Mariko Kawaguchi received a master's degree in public economics and environmental economics from Hitotsubashi University. After joining Daiwa Securities, she was transferred to Daiwa Institute of Research. Following an assignment in the Corporate Research Department, Ms. Kawaguchi is currently a chief researcher in the Management Strategy Research Department. Her main research themes include environmental management, corporate environmental evaluation, environmental accounting, environmental reports, socially responsible investment, and corporate social responsibility. She was a member of the environmental performance committee of the Ministry of Environment (2000) and a member of the Wanokurashi Conference eco-life committee (2002). Ms. Kawaguchi is a member of the panel of GRI Forum Japan. She is also a part-time lecturer at Nanzan University (2004).

With the issue of its first CSR Report, Toshiba has declared its commitment to CSR to internal and external parties. Although Environmental Report 2003 mentioned social performance, CSR Report 2004 clearly states management's commitment to CSR, explains that Toshiba has always sought to be a source of products & services attuned to people's aspirations and beneficial to society—an impulse that underpins Toshiba's CSR, and refers to establishment of the CSR Division, revisions of Toshiba Group Standards of Conduct, and participation in the Global Compact. Clearly, this is not sloganeering: these facts show that Toshiba is tackling CSR as one element of its core activities. In particular, the availability of the Stan-

dards of Conduct in 12 languages and their use by more than 430 Toshiba Group companies are admirable facts. Also, the episode concerning Hisashige Tanaka, the founder of Toshiba, gives a personality to Toshiba's CSR activities. His conviction that innovations should improve the quality of life led to the domestic production of incandescent lamps, washing machines and refrigerators in Japan. Moreover, his example should inspire every employee at Toshiba to recognize that his values are at the heart of the business. CSR Report 2004 introduces Toshiba's social infrastructure business. Consumers tend to view Toshiba as a manufacturer of consumer electronics or IT equipment. Knowing Toshiba is a powerful contender in energy systems, water purification and sewage treatment systems and traffic systems creates a more accurate, well-rounded image of Toshiba and its CSR activities. The environmental reporting based on Factor T is easy to understand and disclosure of negative data, such as soil pollution, is to be welcomed. Also, by virtue of its desire to fully utilize environmental accounting as a tool for environmental management and its eagerness to receive a third-party audit, Toshiba is a useful benchmark. Toshiba's CSR activities are still in their infancy, however. In the report, Toshiba views CSR from the perspectives of legal compliance, human rights, the environment, etc., and it is unclear how Toshiba will reflect Hisashige Tanaka's philosophy in CSR. It is also unclear how the Global Compact fits into Toshiba's business strategy: it is necessary to know how the Global Compact's nine principles are reflected in Toshiba's Standards of

Conduct and strategies on customer satisfaction, the environment, etc. and, if any of the principles are not reflected, Toshiba should provide a roadmap on how it intends to rectify that. The chapter entitled "Mind of Toshiba Group" introduces Toshiba's concept of CSR, the systems in place and activities, but includes some content of scant relevance to the theme. It would be preferable to organize content according to themes and activities based on the CSR vision. Regarding reporting on economic performance, the GRI Guidelines require the reporting of economic impacts on stakeholders. Toshiba should report individual impacts on employees, financial institutions, investors, etc. Although the space devoted to reporting on environmental performance has been reduced to accommodate reporting on social performance, it is a pity that PRTR data for individual sites, whose disclosure in environmental reporting in Japan has been unique to Toshiba, is now only available on the website. Also, some lack of consistency between the scope of material balance data and performance data impedes the reader's understanding. Regarding communication, although the CSR Report quotes stakeholders' comments made at the environmental exhibition and at meetings, Toshiba's responses are scarcely mentioned. Since communication is among the key objectives of a CSR report, it should include interactive dialog with stakeholders. Implementation of the improvements suggested above would dispel a degree of awkwardness in the CSR Report and enable Toshiba to vividly communicate the "Mind of Toshiba Group" to readers.

Global Reporting Initiative (GRI) Content Reference Matrix*

Section	Indicator	Page in this Report
1. Vision and strategy		
1.1	Statement of the organisation's vision and strategy regarding its contribution to sustainable development.	2-3
1.2	Statement from the CEO (or equivalent senior manager) describing key elements of the report.	2-3
2. Profile		
Organizational Profile		
2.1	Name of reporting organisation.	20
2.2	Major products and/or services including brands if appropriate.	6-9,20
2.3	Operational structure of the organisation.	20
2.5	Description of major divisions, operating companies, subsidiaries, and joint ventures.	20
2.6	Nature of ownership: legal form.	20
2.7	Nature of markets served.	6-9,21
2.8	Scale of the reporting organisation.	20
2.9	List of stakeholders, key attributes of each, and relationship to the reporting organisation.	4-5
Report Scope		
2.10	Contact persons for the report including e-mail and web addresses.	Back cover
2.11	Reporting period (eg fiscal/ calendar year) for information provided.	Inside front cover
2.12	Date of most recent report (if any).	Inside front cover
2.13	Boundaries of report (Countries / regions, products / services, divisions, facilities / joint ventures / subsidiaries) and any specific limitations on the scope.	Inside front cover
2.15	Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations, and other situations that can significantly affect comparability from period to period and/or between reporting organisations.	17
Report Profile		
2.18	Criteria / definitions used in any accounting for economic, environmental and social costs/benefits.	40-41
2.20	Policies and internal practices to enhance and provide assurance about the accuracy, completeness, and reliability that can be placed on the sustainability report.	59,60
2.21	Policy and current practice with regard to providing independent assurance for the full report.	59,60
2.22	Means by which report users can obtain additional information and reports about economic, environmental, and social aspects of the organisation's activities, including facility-specific information (if available).	18,31,32,55, Back cover
3. Governance structure and management systems		
Structure and Governance		
3.1	Governance structure of the organisation, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organisation.	16
3.2	Percentage of the board of directors that are independent, non-executive directors.	16
3.4	Board-level processes for overseeing the organisation's identification and management of economic, environmental, and social risks and opportunities.	16-17
3.6	Organisational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social and related policies.	17
3.7	Mission and value statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental and social performance and the status of implementation.	2-3,4-5, 18-19,23, 25,28,36
Stakeholder engagement		
3.9	Basis for identification and selection of major stakeholders	4-5,11
3.10	Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group.	29, 31-33
3.11	Type of information generated by stakeholder consultations	3,22-24,31-33
3.12	Use of information resulting from stakeholder engagements.	22-24,31-32
Overarching policies and management systems		
3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	18-19,24, 34-35
3.14	Externally developed, voluntary economic, environmental and social charters, sets of principles, or other initiatives to which the organisation subscribes or which it endorses.	12,24,32
3.16	Policies and/or systems for managing upstream and downstream impacts, including:Supply chain management as it pertains to outsourcing and supplier environmental and social performance, and product and service stewardship initiatives.	42-47
3.17	Reporting organisation's approach to managing indirect economic, environmental and social impacts resulting from its activities.	22-24
3.19	Programmes and procedures pertaining to economic, environmental and social performance. Includes discussion of: priority and target setting, major programmes to improve performance, internal communication and training, performance monitoring, internal and external auditing, senior management review.	total
3.20	Status of certification pertaining to economic, environmental and social management systems.	22-24, 36-37
4. GRI Content Index		
4.1	A table identifying location of each element of the GRI Report Content, by section and indicator.	Inside back cover
5. Performance Indicators		
Integrated Indicators		
Systematic Indicators	Systematic Indicators relate the activity of an organization to the larger economic, environmental, and social systems of which it is a part	11
Cross-cutting indicators	Cross-Cutting indicators directly relate two or more dimensions of economic, environmental, and social performance as a ratio.	40-41, 42-43

Section	Indicator	Page in this Report
Economic Performance Indicators		
Direct Impacts		
Core Indicators		
Customers		
EC1	Net sales. As listed in the profile section under 2.8.	20
EC2	Geographic breakdown of markets.	21
Environmental Performance Indicators		
Core Indicators		
Energy		
EN3	Direct energy use segmented by primary source.	34
Water		
EN5	Total water use.	34
Emissions, Effluents and Waste		
EN8	Greenhouse gas emissions (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆).	50
EN9	Use and emissions of ozone-depleting substances.	50
EN10	NOx, SOx and other significant air emission by type.	34
EN11	Total amount of waste by type and destination.	34
Products and Services		
EN14	Significant environmental impacts of principal products and services.	42-45,46-47
EN15	Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed.	34-35,56-57
Compliance		
EN16	Incidents of and fines for non-compliance with all applicable international declarations/conventions/treaties, and national, sub-national, regional and local regulations associated with environmental issues.	56
Additional Indicators		
Energy		
EN18	Energy consumption footprint (ie, annualised lifetime energy requirements) of major products.	44-47
Biodiversity		
EN27	Objectives, programmes, and targets for protecting and restoring native ecosystems and species in degraded areas.	36
Emission, Effluents and Waste		
EN31	All production, transport, import, or export of any waste deemed "hazardous" under the terms of the Basel Convention Annex I, II, III and VIII.	52-53
Suppliers		
EN33	Performance of suppliers relative to environmental components of programmes and procedures described in response to Governance Structure and Management Systems (Section 3.16)	48
Transport		
EN34	Significant environmental impacts of transportation used for logistical purposes.	49
Overall		
EN35	Total environmental expenditures by type	40-41
Social Performance Indicators		
Labor Practices and Decent Work		
Core Indicators		
Employment		
LA1	Breakdown of workforce, where possible, by region/country, status (employee/non-employee), employment type (full time/part time), and by employment contract (indefinite or permanent/fixed term or temporary). Also identify workforce retained in conjunction with other employers (temporary agency workers in co-employment relationships), segmented by region/country.	20
Health and Safety		
LA5	Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.	30
LA6	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by such committees.	30
Diversity and Opportunity		
LA10	Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring.	2,5,28-29
LA11	Composition of senior management and corporate governance bodies (including the board of directors), including male/female ratio and other indicators of diversity as culturally appropriate.	28-29
Additional Indicators		
Employment		
LA12	Employee benefits beyond those legally mandated.	28-29
Labor/Management Relations		
LA13	Provisions for formal worker representation in decision-making or management, including corporate governance.	19
Health and Safety		
LA14	Evidence of substantial compliance with the ILO Guidelines for Occupational Health Management systems.	30
LA15	Description of formal agreements with trade unions or other bona fide employee representatives covering health and safety at work and proportion of the workforce covered by any such agreements.	30
Training and Education		
LA16	Description of programmes to support the continued employability of employees and to manage career endings.	28-29
LA17	Specific policies and programmes for skills management or for lifelong learning.	28-29
Social Performance Indicators: Human Rights		
Core Indicators		
Strategy and Management		
HR1	Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results.	12,16-17, 28-29
Non-discrimination		
HR4	Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring.	12,29
Child Labor		
HR6	Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	29
Forced and Compulsory Labor		
HR7	Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied, as well as description of procedures / programmes to address this issue, including monitoring systems and results of monitoring.	29
Additional Indicators		
Disciplinary Practices		
HR9	Description of appeal practices, including, but not limited to human rights issues.	19,29
HR10	Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights).	19,29
Social Performance Indicators: Society		
Core Indicators		
Additional Indicators		
SO4	Awards received relevant to social, ethical, and environmental performance.	45,51
Social Performance Indicators: Product Responsibility		
Core Indicators		
Customer Health and Safety		
PR1	Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures / programmes to address this issue, including monitoring systems and results of monitoring.	22-23
Products and Services		
PR2	Description of policy, procedures / management systems, and compliance mechanisms related to product information and labelling.	24
Respect for Privacy		
PR3	Description of policy, procedures / management systems, and compliance mechanisms for consumer privacy.	22,24,42
Additional Indicators		
Customer Health and Safety		
PR6	Voluntary code of compliance, product labels, or awards with respect to social and/or environmental responsibility that the reporter is qualified to use or has received.	12,24
Products and Services		
PR8	Description of policy, procedures / management systems, and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction. Identify geographic areas covered by policy.	22,24

*Based on Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 2002

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The CSR Report is available on the Toshiba website:
URL <http://www.toshiba.co.jp/csr/en/>



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We welcome your comments and suggestions.

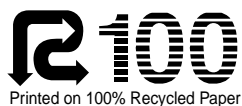


Thank you for reading the Toshiba Corporate Social Responsibility (CSR) Report 2004. The CSR Report is one of our most important means of communication with you. Since we know that your comments and suggestions will help us enrich the CSR Report, we would be grateful if you could complete the questionnaire on the back of this sheet and fax it to us at the CSR Division.

CSR Division, Toshiba Corp. FAX: +81-3-5444-9214

You can also send us your comments and suggestions via the Toshiba website at the following URL.

URL <http://www.toshiba.co.jp/csr/en/contact/>



To facilitate recycling, this report was printed using biodegradable soy ink, which can easily be de-inked.

We welcome your comments and suggestions
FAX: +81-3-5444-9214 (To CSR Div., Toshiba Corp.)

Q1 How do you rate Toshiba's CSR activities?

☐Excellent ☐Good ☐Satisfactory ☐Unsatisfactory ☐Poor

Q2 Please state the reason.

Q3 What are your desires regarding Toshiba's CSR activities and disclosure of CSR information?

Q4 What is your evaluation of Toshiba CSR Report 2004?

•Content	<input type="checkbox"/> Good	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Insufficient
•Length	<input type="checkbox"/> Long	<input type="checkbox"/> Appropriate	<input type="checkbox"/> Short
•Design	<input type="checkbox"/> Good	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Poor
•Ease of understanding	<input type="checkbox"/> Easy	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Difficult

Q5 Please state your reasons.

Q6 Which subject was of the most interest to you and why?

Q7 What is your impression about the change from the environmental report to the CSR report?

Q8 Which of the following best describes you or your affiliation?

☐Customer
☐Involved in the following at a company/organization (☐Environment ☐Human resources ☐Procurement
☐Legal affairs ☐Social contribution ☐Customer relations ☐Other ())
☐Government or governmental body ☐Journalist ☐Research/educational institution
☐Financial/investment institution ☐Shareholder ☐Environmental NGO/NPO ☐Environmental specialist
☐Supplier ☐Student ☐Resident in a community where Toshiba Group has premises
☐Other (Please specify: _____)

Q9 Please feel free to comment or make suggestions.

Thank you. If agreeable to you, we would appreciate it if you would complete the form below.

Name	Male/Female	Age
Address	e-mail:	
Occupation/ Organization	Department/Title	

Would you like us to send you the next Toshiba CSR Report (scheduled to be issued in August 2005)?

☐ Yes ☐ No

*Your comments may be quoted in the next report without attribution. Toshiba manages personal information in an appropriate manner. The personal information you provide will not be used by Toshiba for any purpose other than sending you the next CSR report and/or responding to your inquiry, nor will Toshiba disclose your personal information to any third party.