



Corporate Social Responsibility Report 2008



Toshiba Group Promotes CSR-oriented Management Worldwide as a Corporate Citizen of Planet Earth

"Corporate citizen of planet Earth" is the concept shaping Toshiba Group's CSR-oriented management. This concept embodies Toshiba Group's determination to play a leading role in contributing to the global environment, while respecting and valuing the cultural diversity of the communities where we do business throughout the world. Based on this concept, in addition to Group-wide activities, companies of Toshiba Group in over 30 countries around the world are promoting activities corresponding to their circumstances.





In the Philippines

Education on quality control at production processes and prevention of accidents



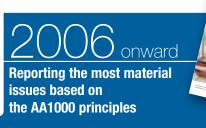
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This report contains forward-looking statements concerning future plans, strategies and performance of Toshiba Group. These forward-looking statements represent management's assumptions and beliefs based on data currently available.

CSR Reporting Policy

Addressing Our Stakeholders' Interests and Meeting Their Expectations



In CSR activities, we emphasize our stakeholders' areas of interest and the issues we consider to be the most material in light of Toshiba Group's management philosophy and businesses. We also view communication of our CSR practices and performance to stakeholders as an important aspect of CSR.

Accordingly, our approach to CSR reporting from 2005 onward is aligned with the three principles of the AA1000* Assurance Standard: materiality, completeness, and responsiveness. Our selection of reporting items reflects two perspectives: what our stakeholders consider material as identified through stakeholder dialogues and what we consider material. From 2006 onward, items that are highly material from both perspectives are reported in the printed report and other items are reported on the website to achieve completeness.

AA1000: AA1000 Series, issued by AccountAbility, a British NPO, are principlesbased standards that help organizations build their accountability and improve their performance.

AA1000 Assurance Principles



Does the report provide an account covering all the areas of performance that stakeholders need to judge the organization's CSR performance?



Is the information complete and accurate enough to assess and understand the organization's performance in all these areas?



Has the organization responded coherently and consistently to stakeholders' concerns and interests?

2007 onward

Questionnaire survey to identify stakeholders' concerns and areas of interest



Toshiba Group embarked on a momentous development in fiscal 2007 as it expanded the energy business against a backdrop of rising concern about climate change. Prior to editing the CSR report, we surveyed 195 stakeholders representing our diverse stakeholder base to ascertain their concerns and areas of interest. They were asked to indicate their degree of interest in each of 105 items covering eight fields. The survey results revealed that the items which both the stakeholders and Toshiba Group consider material coincide to a great extent with the stakeholders' areas of interest.

For CSR Report 2007, we presented the survey results and reflected them in the content.



Overview of the Interest Survey

Survey method: Questionnaire survey (Form sent by post or e-mail)

Survey subject: Individual customers, corporate customers, suppliers, SRI analysts, people who live in the vicinity of Toshiba Group sites, people in NPOs/NGOs, students, Toshiba Group employees (Japan, US, China), 195 stakeholders

in total

Survey period: February 2007

Greater stakeholder engagement enhances responsiveness of reporting



In fiscal 2008 we strengthened the reporting process based on the AA1000 principles of materiality, completeness, and responsiveness.

Greater precision in evaluating the degree of materiality

We have expanded the scope of verification of stakeholder concerns in consideration of materiality and applied greater precision in evaluating the degree of materiality. For example, emerging areas of interest of stakeholders, such as service and support after termination of a business, are included within the scope. The results of these considerations are reflected not only in reporting but also in business planning and routine activities in order to strengthen Toshiba Group's CSR-oriented management.

Reporting outcomes of stakeholder engagement for enhanced responsiveness

In the "Stakeholder Engagement" sections, we report examples of the reflection in our management and business activities of views and requests identified through dialogues with stakeholders. Our performance in terms of responsiveness has improved.

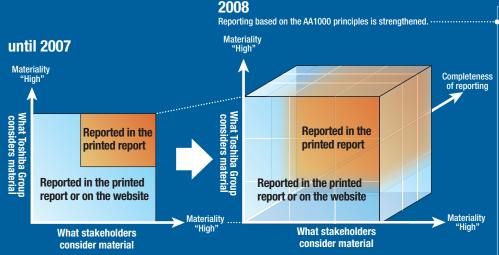
Combination of printed reports and the website for completeness

We emphasize engagement with stakeholders in the printed CSR Report 2008 while, at the same time, we have redesigned our website in order to present more detailed information and to improve ease of search.

Taking the opportunity of the announcement of Environmental Vision 2050 (see Page 10), Toshiba Group issued the Environmental Report (published in September 2008) presenting detailed environment-related data. Through disclosure in printed publications and via the website, we pursue completeness in our reporting.







Key points

materiality

Expanded scope of verification of stakeholder concerns in consideration of materiality and applied greater precision in evaluating the degree of

Materiality

Completeness

Detailed reporting of material issues on the enhanced website and publication of the Environmental Report

Reporting on how we reflect the views of stakeholders about the issues that interest

Scope of Reporting

Organizations covered

In principle, Toshiba Group (Toshiba Corporation and its 550 consolidated subsidiaries in Japan and overseas). For each item whose scope is not Toshiba Group, the individual scope is indicated.

* "Toshiba" in this report means Toshiba Corporation.

Reporting period

This report focuses on the results of activities in fiscal 2007 (from April 1, 2007 to March 31, 2008) but includes some activities continuing from before and more recent ones.

Publication

Current issue: August 2008

Next issue: Scheduled for August 2009 (Previous issue: August 2007)

Reference Guidelines

Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G3) * The GRI content index is available on the Toshiba website

Environmental Reporting Guidelines (Fiscal Year 2007 Version), Ministry of the Environment of Japan

Environmental Accounting Guidelines 2005, Ministry of the Environment of

Executive Commitment



Be Truthful in Thought, Word and Deed: To be a Trusted Corporate Citizen of **Planet Earth**

Leading Innovation and CSR-oriented Management

Since I took the helm of Toshiba Group in 2005, I have promoted three key policies: realization of sustained growth with high profit; maximization of the multiplier effect of innovations*; and CSR-oriented management. From fiscal 2008 on, I have added a fourth, the development of people with a global perspective.

A concerted effort to fulfill corporate social responsibility animates every enterprise worthy of respect and emulation. Without it, a company cannot win sustained growth over the long term. This conviction guides me in the management of Toshiba Group.

* Maximization of the multiplier effect of innovations This means unleashing a multiplier effect through innovation in three key processes: development, production, and sales and marketing. Taking "i," the first letter of "innovation," and multiplying "i" to the third power, this Group-wide program is dubbed "i cube."

Toshiba Brand Statement

TOSHIBA Leading Innovation >>>

Toshiba delivers technology and products remarkable for their innovation and artistry-contributing to a safer, more comfortable, more productive life.

We bring together the spirit of innovation with our passion and conviction to shape the future and help protect the global environment - our shared heritage.

We foster close relationships, rooted in trust and respect, with our customers, business partners and communities around the world.

Highest Priorities: Human Life & Safety and Legal Compliance

Toshiba Group's fulfillment of CSR is rooted in our fundamental principle of according the highest priority to human life and safety and to legal compliance. Toshiba Group's mission is to develop its business through fair competition in the global market by prioritizing compliance with laws and regulations, social norms, and ethics in all circumstances. To this end, while endeavoring to educate every one of our 200,000 employees with the Toshiba Group Standards of Conduct, we are striving to ensure compliance with laws and regulations in all countries and regions where we do business.

I have had the opportunity to make more than 150 visits to our factories, offices and other facilities in Japan and overseas, including group companies, and to meet our people and discuss vital issues. My purpose is to make sure that we tackle these issues in a concerted manner and that our management policies, including the emphasis on compliance, are thoroughly implemented.

Fulfilling Our Responsibility to Customers

In our efforts to place high priority on the safety of our customers, we emphasize not only quality assurance but also comprehensive disclosure of information in connection with product liability.

In fiscal 2007, we reinforced quality management throughout Toshiba Group. Specifically, we reorganized the quality management structure, establishing the Quality Division and appointed a Chief Quality Executive in every related department. Building on this, we continue to emphasize the development of human resources engaged in quality management and auditing quality management in Toshiba Group companies and in our suppliers.

Once the decision was made to withdraw from the HD DVD business in February 2008, I explained our decision to the public and reassured customers by announcing Toshiba's policy of continuing support for all the HD DVD equipment they had purchased.

Toshiba Group is making a concerted effort to ensure that customers associate Toshiba Group with quality and safety.

Contributing to the Development of Society as a Corporate Citizen of Planet Earth

In our execution of CSR-oriented management, I emphasize two indispensable components of our drive to be an exemplary corporate citizen of planet Earth. On the one hand, throughout our operations, we must devote ourselves to contributing to a better global environment. At the same time, it is essential that we recognize, respect and value the cultural diversity of the communities in which we do business around the world. By

embracing these measures, Toshiba is striving to contribute to the sustainable development of society.

In November 2007, we announced Toshiba Group Environmental Vision 2050, which underlines our enduring commitment as a corporate citizen of planet Earth. This vision articulates Toshiba Group's resolve to pursue the realization of a society where people are able to enjoy rich lifestyles in harmony with the Earth. In particular, we are harnessing our capabilities in order to help secure stable energy supplies while curbing environmental impacts.

In accordance with Environmental Vision 2050, Toshiba's target is a tenfold (Factor 10) increase in overall eco-efficiency covering products and business by fiscal 2050 compared with fiscal 2000. Factors indicating the degree of improvement of eco-efficiency are used in setting targets. By accelerating development of innovative products and technologies, we expect to be able to reduce CO₂ emissions by 120 million tons by 2025, an amount approximately twice the annual CO2 emissions of Tokyo Metropolis or Greater London.

In accordance with the management policy of developing people with a global perspective, we are fostering highly capable, well rounded human resources.

We will also emphasize provision of support for science and mathematics education in Japan, China, and North America with a view to cultivating successive generations of capable leaders who can contribute to society.

Fulfilling Accountability to Our Stakeholders

Toshiba Group owes its existence to its stakeholders, including our customers, shareholders and investors, our employees, local communities, and suppliers. In all our activities, encompassing development, production, sales, aftersales service and so on, we seek communication and engagement with our stakeholders, in order to allay their concerns, satisfy their needs and respond to their aspirations, not least through clear and timely explanations.

"Be truthful in thought, word and deed"—this is my guiding principle. It means striving to express what one really thinks in truthful words, putting those words into action, and then taking responsibility for those actions. By adhering to this principle and sharing it throughout Toshiba Group, we are resolved to fulfill our responsibility to our stakeholders.

As a corporate citizen of planet Earth, Toshiba Group will continue to implement CSR-oriented management in order to live up to your expectations. In all our endeavors, we sincerely appreciate your continued support and guidance.

Mida

Atsutoshi Nishida President and CEO Toshiba Corporation

Toshiba Group Business Overview and Economic Performance

Pursuit of Innovation Leading to New Value for People and Society

Company Overview (as of March 31, 2008)

Company name **Toshiba Corporation**

Headquarters address 1-1, Shibaura 1-chome, Minato-ku, Tokyo

Founded July 1875 Paid-in capital 280.1 billion yen 7,668.1 billion yen Consolidated net sales

Number of employees (consolidated)

CSR-related international charters/ quidelines Toshiba endorses

197,718

 United Nations Global Compact Global Reporting Initiative (GRI) **Number of shareholders** 375,115

3,237,031,486 shares Number of shares issued

Number of consolidated subsidiar-550 (257 in Japan, 293 overseas)

Number of affiliates accounted

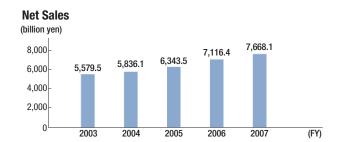
for by the equity method

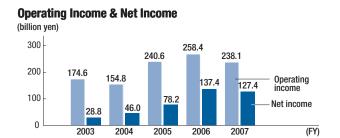
Stock exchange listings Tokyo, Osaka, Nagoya, London

CSR-related organization of which Toshiba is a member

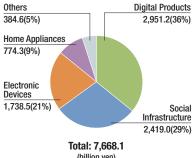
Business for Social Responsibility (BSR)

Financial Results (Consolidated)



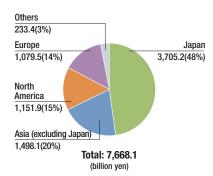


Composition of Sales by Business Segment (FY2007)

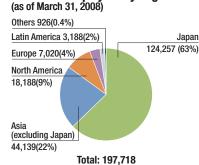


(billion yen)

Composition of Sales by Region (FY2007)



Number of employees by Region



Distribution of Economic Value to Stakeholders

In fiscal 2007, distribution of economic value to suppliers and partners increased compared with the previous year in line with a 551.7 billion yen increase in consolidated net sales. Also, distribution to shareholders increased as a result of a 1 yen per share increase in cash dividends of Toshiba Corp. for the entire year.

On the other hand, distribution to government/authorities decreased owing to a 42.9 billion yen decrease in income before income taxes as a result of a great decline in profits of the Electronic Devices business.

Chalcabaldan	Amount distributed (billion yen)		Calculation method	
Stakeholder	FY2007 FY2006			
Suppliers and Partners	5,983.3	5,537.4	Cost of sales (excluding labor costs). Selling, general and administrative costs (excluding labor costs)	
Employees	1,446.7	1,320.6	Labor costs included in the cost of sales and selling, general and administrative expenses	
Shareholders	46.4	30.4	"Dividends paid" on the cash flow statement	
Creditors	39.8	31.9	"Interest" included in costs and expenses on the income statement	
Government/Authorities	113.4	145.4	Income taxes	
Society	4.0	3.5	Expenditure for corporate citizenship activities* P43	
Environment	51.3	54.2	Environment-related expenditure*. Equals environmental costs in environmental accounting For details, please see the following website: http://www.toshiba.co.jp/env/en/	
Within company	87.1	111.7	Amount of net income minus dividends paid	

Amounts distributed to society and to the environment are also included in the amounts distributed to suppliers and to employees.

"Toshiba delivers technology and products remarkable for their innovation and artistry - contributing to a safer, more comfortable, more productive life."

Electronic Devices

Toshiba's semiconductor business centers on three main stream products—discrete devices, system LSIs, and NAND flash memory. We also manufacture and sell high-resolution LCDs for mobile phones and mobile PCs. Development of fuel cells for mobile equipment is underway with a view to commercialization.



Large-capacity NAND flash memory for mobile phones



Light-weight, thin low-temperature



Large-capacity and ultra-high speed



Ultra-compact fuel cell for mobile

Social Infrastructure Systems

We support social infrastructure through our energy supply systems, including power systems and fuel cells, traffic control systems, security and automation systems for the financial and logistics industries, digital broadcasting systems, etc. We also offer a wide range of industrial systems and equipment, such as elevators and medical equipment.



High-efficiency turbine for thermal power generation



Elevator with window



High-resolution medical CT scanner



IC card-ready automated ticket gates

Digital Products

Our principal digital products are visual equipment, such as LCD TVs with automatic picture adjustment according to the viewing environment, DVD recorders with large-capacity hard disk drives, and digital audio players supporting one-segment broadcasting, mobile phones for the broadband era, notebook PCs with superior environmental performance, and POS systems for stores.



Digital Hi-Vision LCD TV with superior picture quality



Notebook PC with easy-to-use design



HDD & DVD recorder with superior picture quality and ease of use



Mobile phones for audiovisual

Home Appliances

We manufacture and sell home appliances, such as refrigerators, washing machines, vacuum cleaners, and rice cookers, as well as energy-saving air conditioners and lighting equipment. Other consumer-related products include automated vending machines.



Energy-saving, low-noise washing machine with dryer



Vacuum-pressure



Large-capacity freshnessmaintaining refrigerator



Energy Conservation Grand Prize winning air conditioner

Special Feature Fulfilling Our Responsibility as a Corporate Citizen of Planet Earth

I. Environmental Vision 2050

'People leading rich lifestyles in harmony with the Earth'—this is the ideal situation Toshiba Group envisages for our planet in 2050. We are pursuing two approaches to make this vision a reality.

II. CSR-oriented Management Worldwide

Toshiba is a participant of the United Nations Global Compact, thereby pledging to adhere to universal principles covering human rights, labor, the environment, and anti-corruption. In addition, Toshiba is promoting CSR-oriented management worldwide, which involves recognizing, respecting and valuing the cultural diversity of the countries and regions where we do business.

Special Feature I **Environmental Vision 2050**

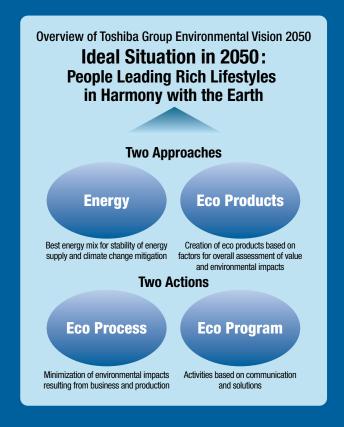
People leading rich lifestyles in harmony with the Earth

New Vision of the Ideal Situation in 2050

People leading rich lifestyles in harmony with the Earth—this is the ideal situation envisaged in 2050 as per Toshiba Group Environmental Vision 2050. Under this overarching vision, we consider our mission, as a corporate citizen of planet Earth, is to create new, enriched value while minimizing environmental impacts.

Approaches and Actions to Make the Vision a Reality

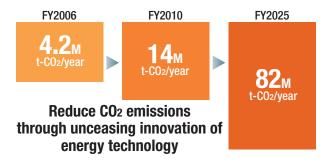
Toshiba Group aims to make Environmental Vision 2050 a reality by pursuing two complementary approaches: while the Energy Approach emphasizes the stable supply of reliable energy and mitigation of climate change, the Eco Products Approach focuses on creating new value in harmony with the Earth. In addition, we are taking action on two standpoints—while Eco Process seeks to minimize environmental impacts throughout business processes, Eco Program is a concerted effort to tackle environmental issues in collaboration with our stakeholders.





Best Energy Mix for Stability of Energy Supply and **Climate Change Mitigation**

Technology development for both conventional and new energy



By leveraging its capabilities as a manufacturer of diverse power generation systems, Toshiba Group is striving to achieve the best energy mix through well-balanced utilization of these systems. This means pursuing innovation not only in conventional energy-nuclear, thermal, hydroelectric power generation, but also in the field of new energy, such as distributed power and renewable energy.

In the conventional energy field, we are focusing on themes like safe and efficient nuclear power generation as well as zero CO₂ emissions from thermal power systems by CO₂ capture and storage. In the new energy field, we are focusing on renewable geothermal and wind power generation as well as widespread use of home-use fuel cells. Also, for power distribution networks, we are working on zeropower transmission loss technologies.

Aiming to reduce CO₂ emissions by 82 million tons*1 in fiscal 2025

Two critical issues—stability of energy supply and mitigation of climate change—are seeking the world's attention amid soaring global energy demand. Keenly aware of its responsibilities, Toshiba Group is resolutely contributing to solutions by working to secure stable energy supplies through unceasing innovation of energy-related products and technologies, while, at the same time, endeavoring to mitigate climate change by reducing CO₂ emissions to an absolute minimum.

Based on the Energy Approach, it is estimated that Toshiba Group reduced CO₂ emissions by 4.2 million tons*2 in fiscal 2006. We intend to increase this figure to 14 million tons in fiscal 2010 and to a massive 82 million tons in fiscal 2025.

- ★1 Environmental Vision 2050 was announced in November 2007. In June 2008, the CO₂ emissions reduction target for fiscal 2025 was revised up.
- *2 Since the power generation business is subject to long lead time, from the start of construction to the start of operation, reduction of CO2 emissions per year is estimated based on the average number of plants in operation in the fiscal year and on a comparison with conventional facilities such as coal-fired thermal power generation plants

Case Study 1

Enhanced Efficiency of Nuclear Power Generation

Development of nuclear reactor fuel with excellent power generation efficiency

A shift in sentiment concerning nuclear power generation, with advantages of minimal CO2 emissions, is gaining attention worldwide, as more and more people have started recognizing its effectiveness in mitigating climate change. The Japanese government designated nuclear power as an indispensable bulwark against shortage of energy supply in the Framework for Nuclear Energy Policy announced in 2005. In

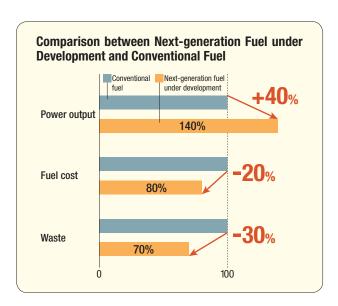
these circumstances, Toshiba Group is making efforts with research and development to achieve safer and more efficient nuclear power generation. One major initiative which is utilizing Toshiba Nuclear Critical Assembly (NCA) technology is development of nextgeneration nuclear reactor fuel. This unique technology for enhancing uranium enrichment while maintaining safety substantially improves power



Toshiba Nuclear Critical Assembly (NCA)

generation efficiency (power output per ton of fuel), cuts fuel costs, and reduces radioactive waste (used fuel).

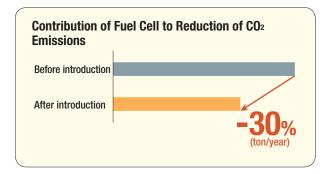
Longer fuel life enables long-term continuous operation of nuclear power plants. Furthermore, because periodic shutdowns for inspections are less frequent, the need to resort to coal-fired power generation as an alternative during such shutdowns is minimized, leading to lower CO2 emissions.



Case Study 2

Power Generation at home to Reduce CO₂ Emissions

Fuel cell enabling use of waste heat for hot water supply



Fuel cells are drawing attention because of their high energy efficiency and minimal CO₂ emissions. The Japanese government's demonstration test is in its final phase in the run-up to commercialization from fiscal 2009. Of the 2,200 units installed for the demonstration test, 550 units were delivered by Toshiba Group.

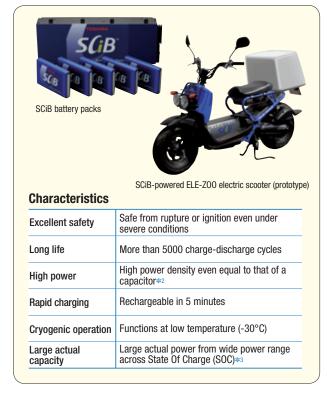
The home-use fuel cell generates electric power through electrochemical reaction between hydrogen, derived from city gas or liquefied petroleum (LP) gas, and oxygen in the air. Heat generated by the reaction can be used for hot water supply. Energy efficiency is high and there is no power transmission loss because energy is generated on-site at the point of use. Introduction of a 700W fuel cell for a household with four people will reduce CO₂ emissions by 30% or 1 ton per year.



Home-use fuel cell units

Application field of SCIB® Rechargeable batteries*1 poised for dramatic expansion

New safe, long-life, rapidly rechargeable battery



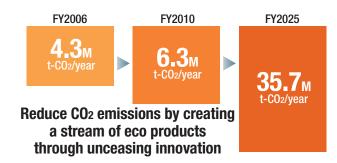
Toshiba has commercialized SCiB™, a new type of rechargeable battery with characteristics such as long life, rapid charge-discharge capability, and superb safety.

SCiB™ has superb safety—it has high resistance against rupture and ignition from internal short circuit caused by external force. This characteristic was achieved by electrolytes with high flash point and original oxidized material used for anodes. Rapid charging completes in just five minutes. Also, SCiB[™] has a long life, retaining most of its power after 5000 charge-discharge cycles, while conventional Li-ion batteries lose their performance after a couple of hundred cycles. Electronic devices can be designed without the need for battery replacement since SCiB™ lasts as long as the electronic devices themselves. SCiB™'s long life decreases numbers of scrapped batteries and thus minimizes environmental impact. In the near future, SCiB™ hopes to help create safe and useful zero CO₂ emission products such as electric vehicles, electric scooters, motor-assisted bicycles, and electric forklifts.

- *1 Rechargeable batteries: Reusable by charging. Disposable batteries are primary batteries
- *2 Capacitor: A device for storing energy
- *3 State Of Charge (SOC): SOC of a battery is the available capacity expressed as a percentage of the rated capacity

New Value Combining Product Value and Environmental Consciousness

Fiscal 2025 target: Reduction of 35.7 million tons in CO₂ emissions



In its drive to create eco products that achieve two targets — creation of new value in harmony with the Earth—Toshiba Group applies Factor T (see P53), a unique eco-efficiency indicator for overall evaluation of a product's value and its environmental impacts. Numerous products with excellent functions and high performance as well as impressive environmental credentials have been created based on Factor T.

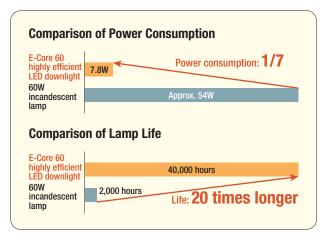
If all products shipped by Toshiba Group in fiscal 2006 had replaced all products shipped in fiscal 2000, the reduced environmental impacts calculated as CO₂ emissions throughout product life cycles would amount to 4.3 million tons per year. Through unceasing innovation, we aim to slash CO2 emissions by 6.3 million tons in fiscal 2010 and by 35.7 million tons in fiscal 2025.

Eco products from a life cycle perspective

Toshiba Group's products deliver convenience and comfort to users. However, they also have environmental impacts in terms of energy, resources, and chemical substances at each phase of their life cycles from production and distribution to usage and final disposal.

From the viewpoints of mitigation of climate change, efficient use of resources, and management of chemicals, Toshiba Group is engaged in a concerted effort to minimize environmental impacts throughout product life cycles. At the same time, by emphasizing creation of new value to enrich the user experience - in terms of productivity, safety, comfort and sheer delight—we are proposing new eco lifestyles enabling customers to enjoy affluence, in harmony with the Earth.

Case Study 1 E-CORE **LED Lighting Helps Mitigate Climate Change** E-CORE: highly efficient LED downlight



Light-emitting diode (LED) is the fruit of energy-saving lighting technology that, unlike conventional lighting employing fluorescent lamps or incandescent lamps, directly converts electrical energy into optical energy. Under the Japanese government's plan to accomplish the greenhouse gas reduction targets specified in the Kyoto Protocol, widespread use of LED lighting is considered as one of the most effective measures. And vet. goals to be achieved by further technological development of LED lighting are energy consumption of less than 1/5 and a price differential of less than 3.8 times, in comparison with those of incandescent lamps.

In the Japanese lighting industry, E-CORE 60, Toshiba Group's highly efficient LED luminaire is the first product to have achieved these performance targets. With power consumption as low as 1/7 of that of an incandescent lamp and an exceptionally long life of 40,000 hours, the E-CORE 60 has won several prizes — including the "Energy Conservation Grand Prize" (Chairman Prize of Energy Conservation Center of Japan) — realizing both of outstanding environmental consciousness and superb economical practicality.

Under its Kyoto Protocol Target Achievement Plan, the Japanese government estimates that widespread use of LED lighting would reduce CO₂ emission by 3.4 million tons.



E-CORE: highly efficient LED downlight

Case Study 2

Energy Conservation Grand Prize Winning Room Air Conditioner

Daiseikai BDR series

In pursuit of energy-saving, air-conditioning systems, Toshiba Group has achieved a stream of innovations. Indeed, in 2007, we won the Energy Conservation Grand Prize for the 10th consecutive year, which brings the total number of times Toshiba has won that prestigious award to 20.

The Daiseikai BDR series of air conditioners—winner of the Director-General of the Agency for Natural Resources and Energy Award of the Energy Conservation Grand Prize (Japan)—is the latest in a distinguished line of groundbreaking air conditioners. Newly developed compressors and



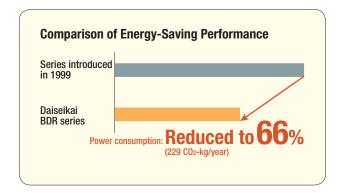
Daiseikai BDR series

inverters, which are vital for improving the energy efficiency of air conditioners, have led to a 25% reduction in power consumption and are the industry's No. 1*1 energy-saving performance.

Since the newly developed fully automated cleaning function keeps the interior of

the air conditioner spotless (freeing users from this chore), energy saving and powerful operation are maintained for a long time. Thus, the pursuit of convenience vielded benefits in terms of enhanced environmental performance. These air conditioners are superlative products embodying an attractive concept of clean air and environmental consciousness.

*1 As of February 2008. Comparison of RAS-402BDR series of air conditioners with equivalent air conditioning capacities

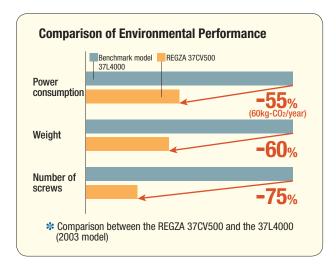


Case Study 3

REGZA

Energy-saving TV with excellent picture quality

REGZA CV series of LCD TVs



The REGZA CV series of LCD TVs introduced in 2008 offer excellent picture quality and consume less power. Power consumption of a 37-inch model is 55% less than that of the benchmark model*, which is equivalent to a reduction of 60kg of CO₂ emissions per year.

The combination of Toshiba Group's edge in both visual technologies and semiconductor device technologies has led to this dramatic energy saving. For example, in the automatic picture adjustment mode, the backlight is controlled in accordance with the luminance in the room, achieving both ease of viewing and energy saving.

In terms of resource saving, the product weight has been slashed 60% by cutting the number of parts and adopting a lighter stand. To facilitate recycling, the number of screws has been reduced by 75%. Also, environmentally conscious materials have been selected — for instance, loudspeaker diaphragms, previously made of paper fiber, are now made of bamboo fiber because bamboo grows much faster than trees.



REGZA 37CV500

Eco Process for Minimizing Environmental Impacts of Business and Production

Pursuit of environmentally conscious factory

The Eco Process in pursuit of environmentally conscious factory supports the Energy Approach and the Eco Products Approach under the overarching theme of Environmental Vision 2050.

Toshiba Group's target was initially a 25% reduction in energy-originated CO₂ emissions in fiscal 2010 compared with fiscal 1990 (based on rate to net production output). Following the achievement of a 42% reduction in fiscal 2007, Toshiba Group revised the target for fiscal 2010 (a 45% reduction) and has set a target for fiscal 2012 (a 47% reduction). Although the absolute amount of CO₂ emissions increased by 0.25 million tons from fiscal 2006 to 2.6 million tons, partly because of the start-up of a new fab at Yokkaichi Operations (Japan), introduction of state-of-theart facility has resulted in a high energy-saving rate.

Toshiba Group will promote investment in energy saving, pursuit of energy-saving clean rooms, and innovation in production processes to curb CO₂ emissions.

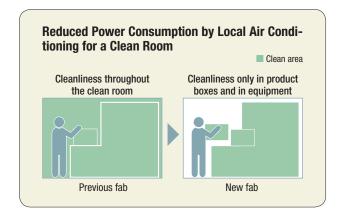
Case Study

Yokkaichi Operations, Japan

50% energy saving at the latest fab

At Yokkaichi Operations in Japan, Toshiba's principal manufacturing base for NAND flash memory for portable music players, digital cameras, etc., efforts to increase capacity are being made in response to soaring demand.

Energy saving is one of the major issues for semiconductor plants since clean rooms, which must be air conditioned around the clock, consume a huge amount of energy. However, the numerous measures implemented in the latest clean room at Yokkaichi Operations reduce energy consumption by 50%. Local air conditioning (see the figure above) has



proved to be highly effective: by maintaining the level of cleanliness of the areas for processing of products while reducing the level of cleanliness of other areas. electricity consumption for air conditioning has been greatly reduced.

Other measures include the introduction of sophisticated equipment to minimize power loss of transformers. adoption of invertercontrolled power equipment, and recycling of the waste heat from the cooling tower for air conditioning. We have



Fab 4 at Yokkaichi Operations



Yokkaichi Operations, Japan

embarked on a concerted effort to make Yokkaichi Operations an environmentally conscious factory dedicated to the manufacture of cutting-edge products.

Eco Program Based on Communication and Solutions

Dialogue with stakeholders

In order to make the Environmental Vision 2050 a reality, a wide range of environmental activities are indispensable. Communication with stakeholders is playing an important role. For example, we actively seek opportunities to reach out to local communities by providing environment-related information and engaging in constructive dialogue.

Toshiba Group also provides environmental solutions,

including technologies and tools for analyzing and assessing the environmental impacts of products throughout their life cycles.

At Toshiba Group, we refer to these activities collectively as the Eco Program. We intend to launch many new initiatives in this ongoing drive inspired by Environmental Vision 2050.

Special Feature II CSR-oriented Management Worldwide

Addressing various social issues around the world

CSR-oriented Management in Compliance with the UN Global Compact

Toshiba Group joined the United Nations Global Compact in January 2004, pledging to adhere to universal principles covering human rights, labor, the environment, and anticorruption in the course of business.

Reflecting our participation in the UN Global Compact, Toshiba Group Standards of Conduct (SOC) was revised. SOC education is implemented thoroughly to ensure that all executives and employees of Toshiba Group in Japan and overseas share these principles and comply with them.

Respect Diversity and Respond to Diverse Needs

Toshiba Group is fulfilling its social responsibility in accordance with the UN Global Compact and Toshiba Group Standards of Conduct at its business sites around the world. Toshiba Group's management reflects appreciation of and respect for diversity and the values prevailing in countries and regions throughout the world. Also, we endeavor to contribute to local communities by working to resolve social issues. In the case of issues that are difficult to resolve through the activities of the business site in question, the entire Toshiba Group provides support.

10 Principles of the UN Global Compact **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
- 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

Anti-Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.



Creating Safe and Comfortable Workplaces Worldwide

For Toshiba Group's management, ensuring employee health and safety is one of the top priorities. As such, wideranging occupational health and safety measures are implemented worldwide at every business site. One initiative is the Toshiba Group Health and Safety Congress. Representatives of group companies around the world gather at this congress with the shared objective of creating safe workplaces conducive to the mental and physical wellbeing of employees.

Moreover, we have undertaken to acquire OHSAS* 18001 international certification for occupational health and safety management systems at all Group-wide manufacturing sites.

* OHSAS (Occupational Health and Safety Assessment Series): A series of standards concerning occupational health and safety established by an international consortium.

Company Information

- Company name
- Location
- Establishment
- Products
- No. of employees
- Localization of management
- Principal awards received:

Toshiba Information Equipment (Philippines), Inc. (TIP) Laguna, the Philippines July 1995

1.8-inch and 2.5-inch hard disk 9,000 (as of April 2008)

- 8 of 14 department senior managers (5 men, 3 women) 1) Excellent Export Company Award
- 2) Excellent Environmental Company Award
- 3) Excellent Employer Award (All the above awards have been received multiple times from Special Export Processing Zone)



Case Study: Toshiba Information Equipment (Philippines), Inc.

Dialogue for Better Workplace Environment in the Philippines

Continuing dialogue with employees working in different positions

Toshiba Information Equipment (Philippines), Inc. (TIP) is a manufacturing base for hard disk drives. Since the commencement of operations in 1996. TIP's production capacity has been expanded to accommodate the transfer of production from Japan. In 2007, TIP's cumulative production of hard disk drives reached 100 million units. In terms of its contribution to the Philippines' economy, TIP accounts for almost 3% of the country's exports.

TIP positions its ongoing contribution to the well-being of the local community within the framework of its endeavors to ensure the long-term sustainable development of the business. Accordingly, TIP's management views active engagement in dialogue with the 9,000-strong workforce to provide a better working environment as vitally important. In 2002, TIP became the first Southeast Asian company to obtain SA8000* certification. Employees' views are reflected in steps taken to improve the working environment. In SA8000 audits conducted every six months, external auditors randomly select several dozen employees and conduct interviews. To ensure that the employees can express their opinions freely, the interviews are conducted without the attendance of any representative from TIP's management or the Human Resources and Administration Department.



President Yano (at near left) in dialogue with employees in different positions to improve the workplace environment

TIP holds monthly meetings with employee representatives and also provides opportunities for direct dialogue with production workers. Additionally, employees' opinions and requests are collected in suggestion



Employees' families enjoy a visit to the factory

boxes installed at the cafeteria, etc. Once all the opinions are examined, the results are posted on the intranet or published in a newsletter. Recent examples of improvements reflecting employees' views are the introduction of uniforms with improved ventilation for workers on the testing line and the installation of electric fans in the locker rooms.

TIP's corporate citizenship activities include the dispatch of its medical staff to contribute to the local community. While maintaining a close dialogue with local residents, TIP will continue to contribute to the local community through the establishment of a scholarship system and through efforts to raise awareness of issues ranging from trash separation to energy conservation.

* SA8000: A standard concerning the protection of the human rights of workers in the global labor market, established by Social Accountability International (SAI), a CSR assessment organization based in the U.S.

Socially responsible procurement extending to secondary suppliers

TIP promotes supplier CSR activities based on the SA8000 concept. While selecting suppliers of parts and materials and providers of services such as canteen, shuttle bus operations and cleaning, TIP ensures environmental consciousness, prohibition of child labor, and other CSR-related matters in addition to the costs and contents of those services.

TIP also conducts CSR audits of existing suppliers. Audits covered 20 major suppliers in 2005, 14 chemical substance suppliers in 2006, and 13 secondary suppliers in 2007. TIP has requested improvements from certain suppliers with regard to working environment, working hours, or other aspects. The scope of this ongoing program of CSR audit is to be reviewed gradually.

Maintaining a high level of occupational health and safety

In addition to striving for working environment improvement in the supply chain, TIP implements measures to manage the health and safety of its employees. There are two medical clinics with four full-time physicians at TIP. Also, health and safety patrols are conducted by the employees for the purpose of continuous improvement.

As a result of these activities, TIP has experienced only one accident leading to absence from work during the past four

years, an extraordinary performance; and the incidence of occupational disease has been virtually zero. TIP is scheduled to acquire OHSAS certification in fiscal 2008.



Medical staff supporting employee health

VOICE

Meeting the expectations of employees by engaging in open, constructive dialogue

Part of TIP's Management policy is its commitment to people. Being a manufacturing site, our operations are labor intensive and therefore, we consider our employees as our greatest asset.

With more than 9,000 employees, we make sure that several communication avenues are available for employees and members of TIP Management to have free exchange of information.

No less than the TIP President makes himself available to the employees in



Senior Manager Human Resources and Administration Department

Marissa A. Turla

different positions to communicate the most recent company directions and to engage in an open discussion with employee representatives.

With the expected growth of the company, we intend to intensify TIP's open communication programs as the feedbacks we get directly from employees, whenever applicable, are used to further improve our operations.



Activities Geared to Issues Facing Local Communities

At our business sites around the world, we implement the principles stated in the Basic Commitment of the Toshiba Group—respect for people, creation of new value, and contribution to the development of society and a better global environment. The Toshiba Group Standards of Conduct, which serves as the guidelines for these activities, states the principles governing relations with local communities—respect for local cultures, traditions and customs, communication, and vigorous participation in community activities on a regular basis. The executives and employees at Toshiba Group seek to solve issues faced by local communities in the countries and regions where we do business.

Case Study: Changzhou Toshiba Transformer Co., Ltd.

Contributing to the Local Community by Supporting Local Suppliers in China

Responding to the expansion of demand for power facilities while localizing management

Changzhou Toshiba Transformer Co., Ltd. (CTC), which manufactures and sells power transformers, occupies the No. 1 share in terms of production volume of 500kV transformers since several years in China. The company has expanded production volumes in each successive year since its establishment in 1997. CTC is now poised for a new round of expansion in terms of its business scale and production capacity to satisfy soaring demand for electric power facilities* in China fueled by the country's rapid economic development. CTC enthusiastically engages in CSR activities, not only with respect to quality and the environment, but also in terms of local procurement and appointment of local employees. In 2002, CTC localized all of its divisional head positions. At present, all the managerial personnel with the sole exception of the president are local nationals.



Copper wire production at Jurong Union Copper Material Co., Ltd.

Providing local suppliers with guidance to support their development

With a view to raising production volumes and stimulating competition, CTC started procurement from multiple suppliers

in 2000. CTC sought out prospective local suppliers and then provided guidance and support to the most promising ones.

For instance, CTC proposed that Jurong Union Copper Material Co., Ltd. shift to manufacture of continuous transposed cable and



Identifying needs for technical guidance and support at a Yingzhong Electricity Factory

provided support for the transition. CTC also proposed that neighboring machine processing plant Yingzhong Electricity Factory expand its product lines and dispatch engineers to provide technical guidance. Both of these companies have developed to such an extent that they have been selected as preferred suppliers by transformer manufacturers in China and elsewhere. This localization drive has been so successful that almost all CTC's suppliers, comprising nearly 100 firms, are local enterprises. Local procurement is making a significant contribution to development of local industries in China.

CTC not only conducts thorough quality and environmental audits of suppliers based on ISO standards, but also rigorously performs multifaceted evaluation of occupational health and safety, etc. Depending upon the needs of each supplier, CTC also fosters CSR by dispatching its technical instructors for a period of one to few months to provide support and guidance on production technology, quality control standardization and ISO 9001 and ISO 14001 certification.

Addressing China's infrastructure needs while benefiting society through CSR

CTC is playing an active role in creating employment and contributing to the regional economy. This positive participation is underpinned by the breadth and depth of communication with local communities. For instance, CTC undertakes environmental communication with residents of neighboring communities through meetings and questionnaire surveys. The findings of a survey conducted in fiscal 2007 show that 96% of local residents are satisfied with CTC's environmental activities. CTC engages in environmental activities comparable to its parent operation in Japan and provides information on its activities as a reference for other companies in Changzhou.

On the strength of these proactive CSR initiatives, CTC became the first company in China from Toshiba Group to receive the National Environmentally Excellent Company Award from the Chinese government.

Learned from CTC about quality and environmental management, leading to our growth

We have learned a great deal from CTC technical instructors about both quality and environmental management. As a result, our employees' awareness of CSR is rising. We have also improved our performance in terms of occupational safety, such as the wearing of masks in glue application shops. We are developing employee welfare policies, including assistance with school enrollment costs



Chairman / Manager Yingzhong Electricity Factory Yu Ying-Zhong

and provision of housing allowances. We aim to become a leader in CSR in Changzhou, with CTC as our model.

Our awareness of quality and our conception of management have been transformed

We have benefited from CTC's guidance on safety, the environment, and quality. Through this experience, we have become aware that only a neat and tidy factory can manufacture high-quality products. Apart from employing people with disabilities, we have been quite ahead in providing social insurance to our employees. It is our earnest desire to maintain a win-win relationship with CTC.



Assistant General Manager Jurong Union Copper Material Co.,

Liu Song

A Message from Changzhou City

We want CTC to continue to demonstrate leadership as a company with excellent CSR performance

Changzhou City evaluates the CSR activities of CTC highly, not only its environmental initiatives but also legal compliance such as the non-use of pirated software, and social contributions such as blood donations and financial assistance in case of natural disasters and outbreaks. CTC is enthusiastic about imparting education and training to its employees. It also energetically participates in municipal events such as soccer, table tennis, and other sports tournaments and events involving local businesses. We hope CTC will continue to be a role model with regard to CSR for Chinese companies.



Director, Foreign Investment Changzhou Foreign Trade & Economic

Yue Dong Ming

Manager, Administration Changzhou Toshiba Transformer Co., Ltd. Yan Yan

Corporate Philosophy and Stakeholders

Implementing Corporate Philosophy through Stakeholder Engagement

Toshiba Group's business activities involve relationships with diverse stakeholders. In order to put our corporate philosophy into practice and fulfill CSR, we make clear our responsibilities to our stakeholders, while soliciting their requests and opinions in various ways, contemplating and reflecting the outcome in management objectives.

Basic Commitment of the Toshiba Group

We, the Toshiba Group companies, based on our total commitment to people and to the future, are determined to help create a higher quality of life for all people, and to do our part to help ensure that progress continues within the world community.

Commitment to People

We endeavor to serve the needs of all people, especially our customers, shareholders, and employees, by implementing forward-looking corporate strategies while carrying out responsible and responsive business activities. As good corporate citizens, we actively contribute to further the goals of society.

Commitment to the Future

By continually developing innovative technologies centering on the fields of Electronics and Energy, we strive to create products and services that enhance human life, and which lead to a thriving, healthy society. We constantly seek new approaches that help realize the goals of the world community, including ways to improve the global environment.

Toshiba Group Slogan

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

Framework of Toshiba Group's Management Philosophy

Basic Commitment of the Toshiba Group Toshiba Group's mission Toshiba Group Management ---Vision A set of values and targets shared throughout Toshiba Group Toshiba Group Standards of Conduct

UN Global Compact*

Responsibilities as a global enterprise

* UN Global Compact: A voluntary corporate citizenship initiative concerning human rights, labor, the environment, and anti-corruption proposed by the former UN Secretary-General Kofi Annan in 1999 at the World Economic Forum. Toshiba joined the UN Global Compact in 2004.

Standards of conduct to which everyone in Toshiba Group is required to adhere

Major Stakeholders and Toshiba Group's Responsibilities

Major stakeholders		Major responsibilities	Major means of identifying stakeholders' views and requests	
Customers	Toshiba Group has diverse customers, including individual and corporate customers, government and public bodies because of its wide range of products - home appliances, digital products, electronic devices and social infrastructure systems.	Enhancement of customer satisfaction Providing safe products and services Creating environmentally conscious products and services Promoting universal design Excellent customer relations and support Providing sufficient product information Good management of customer information	Routine sales activities Call center (via phone, email, etc.) Monitoring system Customer Satisfaction (CS) survey	
Shareholders / Investors	Our shareholders number approx. 375,000. Regarding the composition of the shareholders of the 3.2 billion shares with voting rights issued and outstanding, financial institutions account for 43.0%, individuals and others 27.3%, and foreign corporations 24.6%. (as of March 31, 2008)	Timely and appropriate disclosure Appropriate return of profits Maintenance and enhancement of corporate value Responding to Socially Responsible Investment (SRI)	General Meeting of Shareholders Meetings with investors Questionnaire survey Investor Relations (IR) website	
Suppliers	Toshiba is doing business with some 4,000 suppliers in Japan and 1,000 suppliers overseas. About 40% of the suppliers in Japan are subject to the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. (as of March 31, 2008)	Pair trading Fair selection of suppliers Open trading opportunities Requesting cooperation with fulfillment of CSR Providing support for fulfillment of CSR	Routine procurement activities Seminars on production overview CSR survey	
Employees	About 200,000 people work for Toshiba Group at 550 companies (as of March 31, 2008). The number of employees increased about 20,000 from the end of the previous year mainly owing to the increase in the number of consolidated subsidiaries.	Respecting human rights and diversity Fair assessment and treatment Supporting diverse working styles Maintenance and enhancement of skills and capabilities Optimizing human resources and development Ensuring occupational health and safety and consideration of employees' health	Employee awareness survey (TEAM Survey) Dialogues, information exchange meetings	
Local communities	Toshiba Group has major business sites in over 30 countries worldwide. We respect their cultures, histories, and customs in the course of our business operation.	Respecting different customs and cultures Considering the environmental impact Preventing accidents at sites Supporting neighboring communities in case of a disaster Engaging in corporate citizenship activities in local communities	Dialogues, information exchange meetings Factory visits Employees' participation in community activities	
Government / Authorities	Toshiba Group operates worldwide. Governments and public bodies of many countries are also our customers.	Compliance with laws and regulations Tax payment Cooperation with government policies for improvement and solution of social problems	Dialogues and proposals via economic associations and industry associations	
NPOs / NGOs	We develop collaborative partnerships with NPOs and NGOs in a wide range of fields, including the environment, human rights, and corporate citizenship, always endeavoring to engage in constructive dialogue with them.	Collaboration and support for resolution of diverse global issues Collaboration in our priority areas of corporate citizenship	Dialogue through collaboration Exchange of views at stakeholder dialogues	

Promoting Activities Worldwide Based on Annual Evaluation of Results

Major Achievements in Fiscal 2007 and Targets & Plans for Fiscal 2008

	Items	Targets for fiscal 2007	Major achievements in fiscal 2007	
Management	Corporate Governance	Thoroughly install internal control systems throughout Toshiba Group and implement measures to ensure their operation	Performed assessment of effectiveness of entity-level controls	
		Reestablish the Group-wide systems and structures to ensure compliance in technology and production and in sales	Established systems and structures to ensure compliance covering the entire business fields through activities of the Technology & Production Compliance Committee and the Sales Compliance Committee	
	Risk Management and Compliance	Promote the Toshiba Group Standards of Conduct (SOC) education at group companies	Conducted e-learning at all group companies in Japan. Promoted education overseas	
		Implement compliance education	Conducted education on sales compliance, National Contract Act in Japan, the Electrical Appliance and Material Safety Law, engineer ethics, etc.	
		Drive further the Toshiba Group CS survey, and implement CS enhancement measures based on the survey results	Conducted VOC (Voice Of Customer) surveys for corporate and individual customers and accelerated the PDCA cycle based on VOC	
	Customers	Strengthen systems and structures for quality control and for responses to quality risks	Strengthened and promoted Toshiba Group's quality control structure. Proactively disclosed information on product safety incidents on the website in accordance with the Consumer Product Safety Law	
		Broaden the scope of the call center customer satisfaction survey and strengthen customer support skills worldwide	Performed self-assessment of the quality of responses of call centers. Conducted telephone response skill education (in Japan and Southeast Asia)	
		Increase and promote the development of universal design products	Increased and promoted the development of universal design products	
		Revise user's manuals	Revised user's manuals through the project of the Digital AV Division	
	Shareholders and Investors	Strengthen and enrich dissemination of information to share- holders	Conducted a questionnaire survey covering all shareholders of shares constituting at least one tradable unit and implemented the survey results in measures	
		Promote Work Style Innovation	Implemented measures to enable employees to work efficiently according to priorities (published a handbook on the intranet and conducted skill education)	
0		Create a safe workplace environment	Toshiba Corp. and 31 group companies obtained OHSAS 18001 certification	
Social Performance		Support work-life balance	Revised maternity welfare and childcare support systems and introduced a framework for private consultations before and after maternity leave and other leaves	
	Employees	Support female employees	Implemented training for career development of female managers, increased promotion opportunities for women, and held meetings with women managers	
nance		Increase employment of non-Japanese citizens	Increased employment of non-Japanese citizens and held meetings with them	
		Increase employment of people with disabilities	Satisfied the statutory ratio of employment of people with disabilities (1.8%) at all subject group companies in Japan and held meetings with employees with disabilities	
		Provide greater work opportunities to elderly people	Provided elderly people with greater opportunities to work through the revision of the employment extension system	
	Suppliers	Strengthen systems and structures to ensure compliance in procurement, including group companies.	Visited 161 group companies to inspect their compliance situations and to provide guidance	
	Suppliers	Promote CSR of suppliers and conduct a CSR survey covering suppliers in China/Asia	Conducted Supplier CSR Survey (265 suppliers)	
		Increase the number of corporate citizenship programs (from 944 in fiscal 2006 to 1,000)	Increased the number of programs to 1,115	
	Corporate Citizenship	Promote 1.5 Million Tree-planting Project (accumulated number targeted at 300,000)	Accumulated number of trees planted reached 338,000	
		Expand the scope of the financial support plan for employee volunteers engaged in social contribution activities from Toshiba Corp. to Toshiba Group	Expanded the scope as planned	
	Environmental Management System	Thoroughly implement the Environmental Vision 2010 and the Fourth Voluntary Plan	Achieved the overall eco-efficiency enhancement target (target: 1.63, result: 1.77) Extended the term of the Fourth Voluntary Plan until fiscal 2012	
		Strengthen overseas management systems and structures (Strengthen the structure of corporate regional headquarters and	Strengthened the structure of corporate regional headquarters (China/Asia) as planned	
n e	Environmentally	review overseas audits) Increase the ratio of Environmentally Conscious Products (ECPs)	Shifted overseas audits to a new audit method and fostered local auditors Achieved the fiscal 2007 target of the Fourth Voluntary Plan (target: 30%, result:	
	Conscious Products and Services	to net sales Thoroughly manage chemical substances contained in products	31%) Achieved the fiscal 2007 target of the Fourth Voluntary Plan (target: 60%, result:	
		Continue implementation of measures to mitigate climate change	63%) Achieved the fiscal 2007 target of the Fourth Voluntary Plan (achieved for CO2	
	Environmentally	Expand the scope of recycling of end-of-use products	emissions, emissions other than CO ₂ , and CO ₂ emissions attributable to logistics) Achieved the fiscal 2007 target of the Fourth Voluntary Plan (target: 154%, result:	
Environmental Performance	Conscious Production and Sales Processes	Promote zero emissions at all sites	155%) Achieved the fiscal 2007 target of the Fourth Voluntary Plan (target: ratio of sites	
		Reduce release of chemicals into water and air	achieving zero emissions: 46%, result: 48%) Did not achieve the fiscal 2007 target of the Fourth Voluntary Plan (target: 23%	
		Strengthen dissemination of information via the environmental	reduction, result: 14% reduction) Provided information not included in the printed report and other regular	
	Environmental Communication	section of the website Continue environmental communication through mass media and	information on the environmental section of the website Launched environmental corporate advertisement and held environmental	
		participation in exhibitions Enhance the CSR report (in Japanese, English, and Chinese) as	exhibitions in Japan and overseas Issued CSR report in Japanese, English, and Chinese as planned and disseminated	

The CSR Governance Committee chaired by the head of the CSR Division evaluates activity results for the year and deliberates on the action plans for the next year, which are the basis for Toshiba Group's CSR activities. Progress of each action plan is monitored and reported to the President quarterly. The CSR Governance Committee met on March 25, 2008, along with the President and other senior executives to evaluate progress against fiscal 2007 plans. Virtually all targets were achieved, including implementation of a range of compliance education and satisfying the statutory ratio requirements of employment of people with disabilities at all subject group companies in Japan.

* Achievement level: OAchieved, Apartially achieved, XNo progress made

Achievement level*	Page number	Targets and plans for fiscal 2008	
0	P27	Ensure internal control in accordance with the Financial Instruments and Exchange Act of Japan and the Companies Act of Japan	
0		Ensure fair competition worldwide and compliance with laws and regulations from consumers' perspective	
0	P28, 29	Inculcate the SOC throughout the Toshiba Group workforce	
0		Implement compliance education	
0	P33	Conduct an after-sales service CS survey	
0	P35, 36	Ensure product safety and compliance. Conduct education to foster human resources engaged in quality control	
0	P33	Achieve improvements on the results of self-assessment of call center response quality Strengthen customer support skills worldwide	
0	P31, 32	Reinforce development of universal design products (Conduct education and share information throughout the Group)	
0	P33	Strengthen initiatives to improve quality of user's manuals and standardization	
0	P37	Strengthen communication with investors worldwide, hold meetings regularly, and attract new investors Strengthen dissemination of information to analysts of securities firms targeting individual investors	
0		Implement measures to enable employees to work efficiently according to priorities (Publish a handbook including examples)	
0		Consolidated manufacturing subsidiaries to obtain OHSAS 18001 certification	
0		Publicize systems designed to support work-life balance (Publish an easy-to-understand brochure on systems designed to support work-life balance)	
0	P39 - 41	Proactively promote and support them (Systematically have women participate in training prior to promotion to managerial positions, and implement measures to cultivate a culture where everyone can bring their capabilities into full play regardless of gender)	
0		Increase employment of non-Japanese citizens and support them (Expand recruitment activities, conduct training before assignment and follow-up after assignment)	
0		Maintain the ratio of employment of people with disabilities exceeding the statutory ratio (1.8%) at all subject group companies	
0		Provide elderly people with greater opportunities to work (Appropriately apply the employment extension system)	
0	P38	Strengthen audit systems to ensure compliance throughout group companies	
0	F30	Thoroughly promote CSR of suppliers (Revise the CSR Procurement Policy and raise awareness)	
0		Promote corporate citizenship activities around the world (Increase the number of programs to 1,200)	
0	P42 - 44	Promote 1.5 Million Tree-planting Project (accumulated number targeted at 400,000)	
0			
0		Inculcate the Environmental Vision 2050 and the extended Fourth Voluntary Plan	
0	P47, 48	Continue to strengthen the structure of corporate regional headquarters and implement human resources development measures	
0		Increase the ratio of ECPs to net sales, expand creation of Excellent ECPs, and increase CO ₂ emissions reduction benefits through the Eco Products Approach (additional item of the Fourth Voluntary Plan)	
0		Thoroughly manage chemical substances contained in products (the plan extended until fiscal 2012)	
0	P48 - 54	Continue implementation of measures to mitigate climate change (until fiscal 2012)	
0		Expand the scope of recycling of end-of-use products (until fiscal 2012 and promote recycling overseas) and promote zero emissions at all sites	
0		Optimize use of water resources (additional item of the Fourth Voluntary Plan)	
Δ		Reduce release of chemicals into water and air (until fiscal 2012)	
0	DES	Issue Environmental Report Continue to strengthen dissemination of information via the environmental section of the website	
 0	P55	Continue with environmental advertising using mass media around the world, promote public relations, and continue to participate in exhibitions in Japan and overseas	
0		Strengthen dissemination of information on the websites (Enhance disclosure quantitatively and qualitatively)	

Management

Management

CSR Management

Inculcating CSR-oriented management throughout Toshiba Group worldwide

CSR-oriented Management

A key management policy promoted in the global supply chain

Toshiba Group positions fulfillment of CSR as a key management policy. Toshiba Group's CSR action policies emphasize four items in order to make CSR an integral part of every employee's activities every day.

Moreover, Toshiba Group's CSR drive extends to the global supply chain.

Fiscal 2008 Toshiba Group CSR Action Policies

- Accord the highest priority to human life and safety and to compliance throughout the business
- 2. Inculcate CSR activities throughout Toshiba Group worldwide
- Promote CSR-oriented management as a corporate citizen of planet Earth
 - Promote Environmental Vision 2050 to contribute to sustainable development of society
 - Respect diversity and contribute to local communities
- 4. Strengthen accountability to stakeholders

CSR Management Structure

CSR Governance Committee determines action policies

The Corporate Social Responsibility Division, which directly reports to the President, and its subordinate division, the CSR Implementation Office, are spearheading Toshiba's CSR activities in cooperation with the other divisions concerned. The CSR Governance Committee, consisting of the Corporate Senior Executive Vice President, who heads the CSR Division. and the executives concerned, is also attended by the President, and it is responsible for decision-making on Toshiba Group-wide CSR activity policies. Based on the policies determined, CSR-related committees, such as the Risk-Compliance Committee, the Corporate Environment Management Committee, and the Chief Quality Executive Committee established in 2007 (see the figure on the right), formulate and implement action plans for the themes corresponding to their responsibilities. In-house companies, business sites and group companies worldwide implement CSR-oriented management based on Toshiba Group's action policies under the leadership of their respective Chief CSR Officers.

CSR Assessment and Internal Audit

Quarterly monitoring of the progress of priority themes

In March 2008, Toshiba Group CSR Action Policies for fiscal 2008 and the mid-term plan were determined by the CSR Governance Committee. The three-year mid-term plan covers Toshiba Group's CSR activities up to fiscal 2010 and sets quantitative targets.

Since the second half of fiscal 2007, in-house companies and key group companies have been tackling the priority themes that they set in light of their business circumstances. For example, Personal Computer & Network Company, having set strengthening of information security management as its priority theme, is working to establish the optimum structure governing group companies overseas. Progress of priority themes is monitored at the quarterly meeting with the President and at the semiannual meeting of the CSR Governance Committee.

Enhancement of Employees' Awareness

December as Toshiba Group's CSR Month

Toshiba Group has designated December as CSR Month since fiscal 2006. CSR Month is an opportunity for self-assessment of CSR activities. During the month, Toshiba Group holds the CSR Conference at which Group-wide companies present their activities, and outstanding achievements are honored. Furthermore, in-house companies, business sites, and group companies intensify CSR education and training during the

month and hold corporate citizenship events to inculcate CSR. The Third CSR Conference held in December 2007 had around 600 participants, including Toshiba Group's senior executives and labor union representatives. At the conference, the Chief CSR Officer of Komukai Operations in Kawasaki, Japan, presented on CSR initiatives, involving its entire workforce. that were launched to mark the manufacturing site's 70th anniversary. Also, Toshiba Environmental Awards and Toshiba "ASHITA" Awards (presidential awards for corporate citizenship achievements) were presented to groups selected for their outstanding achievements in the environmental field and in corporate citizenship, respectively.

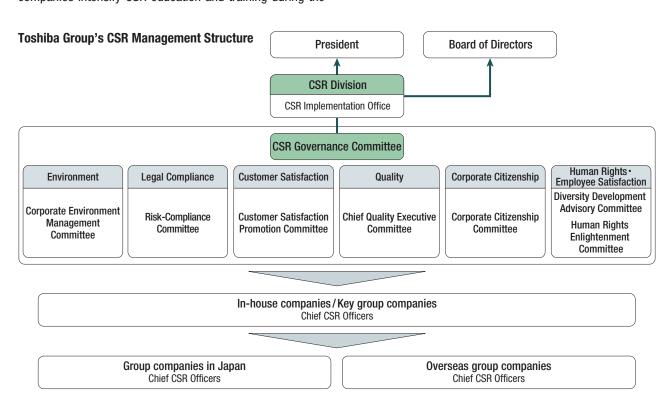
Outside Ratings for Toshiba Group CSR

Highly evaluated by mass media and **SRI** institutions

Toshiba Group proactively disseminates information on its CSR activities to external parties. The table below shows ratings* gained by Toshiba Group in fiscal 2007.

* See P37 for ratings by Socially Responsible Investment (SRI) research institutions.

Rating	Toshiba's performance	Date of announcement
Nikkei PRISM Corporate Excellence Ranking	Ranked 2nd in Flexibility and Social Reliability	March 2008
Nikkei Environmental Management Ranking	Ranked 2nd	December 2007
Toyo Keizai CSR Ranking	Ranked 2nd	May 2008



Corporate Governance

Management Flexibility and Supervision to Enhance Corporate Value

Toshiba's Governance System

Management with flexibility and transparency secured by outside directors' supervision

In June 2003, Toshiba made the transition to a company with committees system in order to enhance management efficiency and transparency while maximizing corporate value from shareholders' perspective. Out of the 14 board of directors, 7 are non-executive directors which comprise of 4 outside directors, the chairman of the board of directors and 2 full-time Audit Committee members. Each of the three committees has a majority of outside directors; and the Nomination Committee and the Compensation Committee are both chaired by outside directors.

Pursuant to the Companies Act of Japan, the Nomination Committee is responsible for making proposals on the appointment and dismissal of directors. At Toshiba, the Nomination Committee is endowed with greater authority to make recommendations on the appointment and dismissal of the President and members of the committees.

The outside directors receive prior explanations on the matters to be resolved at board meetings from the staff in charge. They also attend the monthly liaison conferences of executive officers in order to oversee Toshiba's management.

Internal Control Systems

Strengthening internal control throughout Toshiba Group

Toshiba established the Toshiba Group Standards of Conduct in 1990 to govern business activities in accordance with the Basic Commitment of the Toshiba Group.

In response to the Companies Act of Japan, enforced in May 2006, the basic policies on internal control systems were resolved in April 2006 by the board of directors. Accordingly,

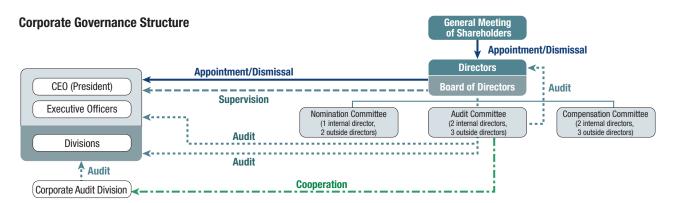
Toshiba requested all group companies in Japan to adopt basic policies on internal control systems by resolutions of their respective boards of directors, in order to reinforce internal control systems throughout Toshiba Group. Toshiba is supporting group companies by establishing models of basic policies and principal rules covering internal control systems. In view of the introduction of the internal control report system in accordance with the Financial Instruments and Exchange Act of Japan (J-SOX) for the fiscal year ending March 2009 onward, Toshiba has established an organization at the corporate level to promote assessment of the effectiveness of internal control system over financial reporting; and each in-house company and group company has put in place an organizational structure in response to J-SOX. Based on the results of assessment, we will continue our efforts to ensure the design and execution of appropriate internal control system over financial reporting.

Compensation for Directors and Executive Officers

Compensation system designed to facilitate execution of duties

Directors receive fixed amounts of compensation according to their duties and their status as full-time or part-time directors. Executive officers receive basic compensation based on their ranks and service compensation as calculated according to their duties; 40% to 45% of the service compensation fluctuates from zero to double depending upon the year-end performance of the division for which the executive officer is responsible or that of Toshiba Corporation.

In June 2006, Toshiba abolished the system of granting retirement benefits to directors and executive officers.



Risk Management and Compliance

Compliance and Transparency

Risk Management and Compliance **Policies and Structure**

Addressing priority themes

Toshiba is striving to ensure compliance with laws and regulations, social norms and ethics, and internal rules throughout its worldwide operations. Indeed, accordance of the top priority to human life and safety and to compliance in everything we do underpins our commitment to promoting business activities through fair competition and serving the interests of customers to the best of our ability.

We consider thorough adherence to the Toshiba Group Standards of Conduct (SOC)—a statement of principles informed by the Basic Commitment of the Toshiba Group—to be the foundation of compliance. All our subsidiaries have adopted the SOC and we are inculcating the same throughout Toshiba Group worldwide.

Every year, priority themes on compliance are set in light of business circumstances and promoted. By implementing a Plan-Do-Check-Action (PDCA) cycle of self-assessment, not only at Toshiba but also at group companies worldwide, we are stepping up our efforts to ensure compliance.

In fiscal 2007, setting compliance with antitrust legislation worldwide and prevention of bribery overseas as priority themes, we established new guidelines and implemented a stricter mechanism for ensuring compliance, including education, monitoring and mechanisms designed to preclude violations.

Any violation of compliance is handled conscientiously, including appropriate and timely disclosure as well as the imposition of disciplinary sanctions on the offenders.

It is a matter of profound regret to us that one of our group companies which violated the Antimonopoly Act in the course of bidding for medical systems was imposed upon a cease and desist order by the Japan Fair Trade Commission. We are

Risk Management and Compliance Management Structure



* CPL: Abbreviation combining CL (contract liability) and PL (product liability)

resolved to prevent recurrence through strict enforcement of the above-mentioned compliance measures.

Toshiba's Risk-Compliance Committee chaired by the Chief Risk-Compliance Management Officer (CRO), acting in cooperation with the divisions concerned, determines and implements measures to deal with major risks, avert emergence of new risks, and prevent recurrence. In-house companies and group companies worldwide have put in place similar riskcompliance management structures.

Toshiba Group Compliance Policy

- 1. We place the highest priority on complying with laws and regulations, being sensitive to social standards and behaving ethically in all of our business activities.
- 2. We enforce the Toshiba Group Standards of Conduct Groupwide to stress the importance of compliance.
- 3. We strive to raise awareness of compliance through continuous education and audits, ensuring that compliance becomes a part of our corporate culture.

Risk Management and Compliance Education

Enhancing education worldwide

Education on the Toshiba Group Standards of Conduct plays a pivotal role in ensuring compliance. Apart from providing new employees, managers, etc. with education appropriate to their responsibilities, we hold seminars for directors and executive officers, with lawyers and other specialists invited as speakers. Also, we provide e-learning for all employees on a continuous basis.

In fiscal 2007, initiatives to strengthen compliance education included the publication of booklets on SOC designed to enhance the awareness of employees of subsidiaries overseas. Also, we created new educational materials with easyto-understand case studies on compliance appropriate for different work positions.

We introduced ethical education for engineers in fiscal 2006 to raise engineers' awareness of the central importance of fairness and integrity in their work. In fiscal 2007, engineers overseas received this education, and e-learning was provided to engineers at group companies in Japan.



Booklets on Toshiba Group Standards of Conduct in various languages



Education on ethics for engineers

Compliance Situation Inspection and Audit

Enhanced awareness of employees

The Legal Affairs Division exchanges information with the Corporate Audit Division regularly in order to clarify the state of implementation with respect to the various compliance measures. Based on the actual situation, steps are taken to enhance the effectiveness of management audits and the audit results are reflected in compliance measures.

Every year Toshiba conducts an intranet-based employee survey on the Toshiba Group Standards of Conduct (SOC). The results are used in formulating measures for raising awareness on compliance. According to the results of the fiscal 2007 survey, 97.3% (97.1% for fiscal 2006) of respondents replied that they comply with the SOC. While the survey results indicate employee awareness on compliance as trending upward. we will continue to implement measures to reinforce this positive trend.

Whistleblower System

Promoting the systems at group companies

In January 2000, Toshiba introduced a whistleblower system. namely, "Risk Hotline". Using the system, employees can report their concerns or seek advice via the intranet or by phone so that internal risk information is directly obtained in advance and any breach of compliance is either prevented or nipped in the bud.

In accordance with the Toshiba Group Standards of Conduct. which requires Group-wide companies to establish in-house information reporting systems, group companies around the world have also introduced such systems.

In April 2006, with the enactment of the Whistleblower Protection Act in Japan, Toshiba introduced the "Clean Partner Line",

Toshiba's Whistleblower System



a whistleblower system for suppliers and other business partners. Introduction of similar systems is underway at group companies in Japan.

Due care is exercised so that whistleblowers do not suffer any disadvantage.

Business Continuity Plan (BCP)

Reinforced risk management in case of largescale disasters

Failure to respond appropriately to large-scale disasters, such as earthquakes, typhoons floods, etc, could result in long-term closure of operations, resulting in a great financial loss and a large impact on stakeholders.

In addition to measures to ensure the safety of employees and their families, support recovery of devastated areas, and maintain business sites and factories in the event of natural or other disasters, Toshiba established a Business Continuity Plan (BCP) in fiscal 2006 covering those businesses that have large social and economic impacts in order to minimize any interruption in the supply of products and services. We are continually updating the BCP and intend to expand its scope geographically and also in terms of products and services. The risk of outbreak of new types of influenza is also reflected in the BCP.

Export Control

Uncompromising commitment to security export control and compliance with relevant laws

Essentially, the purpose of export control is to prevent "dualuse" goods and technologies with potential military applications, from falling into the hands of countries of concern and terrorism organizations.

Toshiba Group maintains a basic policy of not engaging in any transaction that could potentially undermine international peace and security. To this end, it complies with all applicable export control laws and regulations of the countries and regions in which it operates. In Japan, the Foreign Exchange and Foreign Trade Law governs the nation's export control.

Toshiba Group also complies with U.S. export control laws and regulations with respect to transactions involving items of U.S. oriain.

In accordance with this policy, Toshiba Group has established export control programs. Based on these programs, the necessity of export licenses for goods and technology is determined and transactions are strictly screened. In addition to periodic export control audits and education for all executives and employees, in-house companies provide instructions and support to the group companies they supervise.

Information Security / Intellectual Property Protection

Protection and Management of Personal Data, Confidential Information and Intellectual **Property**

Protection and Management of Information

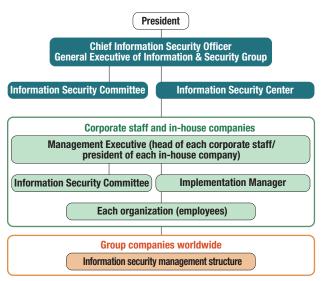
Rigorous information management throughout the Group

In order to respond effectively to changes in the social environment, Toshiba continuously reviews its internal rules concerning information security. In fiscal 2007, Toshiba established rules that mandate stricter supervision of outsourcees.

All executives, employees, and temporary staff receive education on information security and protection of personal data every year to ensure compliance with these internal rules. In fiscal 2007, nearly 138,000 Toshiba Group employees, including 34,000 Toshiba Corp. employees, received education through e-learning or other educational programs.

Toshiba considers autonomous implementation of a PDCA cycle by each division to be vital for appropriate management of personal data and other confidential information. Therefore, for the purpose of ensuring continual improvement, every division of Toshiba conducts self-audit of its own performance with respect to compliance with internal rules. Toshiba Information Security Center, supervising Toshiba Group's protection and management of information, monitors the results of these self-audits and the related improvement activities, provides guidance and support if necessary, and reports the situation to the Chief Information Security Officer. These procedures are applied throughout Toshiba Group worldwide.

Toshiba Group Information Security Management Structure



Confidential information

In accordance with the revised Unfair Competition Prevention Act that came into effect in 2005. Toshiba mandates protection of not only confidential information pertaining to Toshiba but also that of its customers, obtained through contracts. For management of confidential information, Toshiba has established internal rules specifying methods of handling information and measures to prevent leakage of information. All employees receive education on these matters and are required to obtain pledges concerning confidentiality.

Personal data

Toshiba was quick to recognize the importance of protection of personal data. Following the establishment of its Privacy Policy in December 1999, Toshiba established the Toshiba Personal Data Protection Program in compliance with JIS

Q15001 in 2000 and obtained the Privacy Mark certification from Japan Information Processing Development Corporation (JIPDEC) in 2001. In addition, in April 2007, Toshiba obtained the Privacy Mark certification conforming to 2006 JIS rules as an ongoing improvement measure.



We have systems in place to deal swiftly with any eventuality and to ensure prompt disclosure.

Protection of Intellectual Property

Making use of our rights and respecting the rights of others

Toshiba Group's policy on intellectual property rights is to observe laws and regulations associated with them, to protect the results of intellectual activities with the rights and make extensive use of those rights, and to respect the legitimate intellectual property rights of third parties.

Risk management concerning intellectual property

In order to mitigate the risk of litigation owing to infringement of third party intellectual property rights, Toshiba investigates patents and other intellectual property rights related to its business in advance and implements measures to avoid infringement of third party rights.

Recently, due to the prevalence of the internet, it has become easier to copy third parties' copyright works. So, in order to avert risks concerning unauthorized use of copyright works, we provide periodic education on copyrights to all executives and employees including those of group companies in Japan. Also, we conduct a periodic survey to ensure appropriate software management at Toshiba, including prevention of illegal copying of software.

Social Performance

Stakeholder Engagement



Highlights

Dialogue-Based Product Development

Contributing to solving society's problems through business activities

Toshiba Group develops and provides products for people all over the world in wide-ranging business sectors, including digital equipment, home appliances, social infrastructure systems, and industrial equipment. In product development, we implement universal design to ensure that everyone can use our products safely and with confidence. Our aim is to contribute to the solution of society's problems through the widespread use of our products.

Stakeholder opinions as the starting point for ideas

Toshiba Group actively engages in dialogue with customers and end users, considering their opinions, requests and proposals back for product development. We will continue to develop products that deliver customers satisfaction and offer new value to society, with a dialogue-based three-step verification process—understand the circumstances of use of equipment and services by seeking the opinions of a broad spectrum of people (know), hold trial production that gives shape to ideas and concepts (make), and have customers evaluate test products (confirm).

More detailed information on stakeholder engagement is available on the website.

URL http://www.toshiba.co.jp/csr/en/engagement/

Making More People Willing to Undergo Breast Cancer Screening

In response to requests from radiological technologists: to reduce patient discomfort and anxiety

Development of a mammography system minimizing discomfort and anxiety

One reason for the low rate of breast cancer screening using mammography is discomfort and anxiety at the time of screening. To reduce patient discomfort and anxiety, we developed a system that reflects the opinions of radiological technologists and patients.

The patient-friendly design based on ergonomic principles, which provides features such as armrests to cushion the arms (patent pending), has won numerous design awards in Japan and abroad, including the Good Design Gold Prize 2007.



Realizing Comfortable Workplace for Everyone

In response to opinions from employees with disabilities: on how to make office equipment easier to use



Development of user-friendly digital multifunctional printers

To promote employment of people with disabilities and create products that are easy for them to use, Toshiba Group has established the Universal Design Advisor System. Under this system, employees with disabilities participate in interviews, questionnaire surveys, and product evaluation. Toshiba applies the results in product development.

In developing digital multifunctional printers, Toshiba takes into consideration wheelchair use, height differences and screen reflection, and uses adjustable-angle control panels.



Verification of a digital multifunctional printer control panel

Safety and Relief for the Elderly

Development of

In response to requests from users seeking improved escalator safety

Many elderly people experience anxiety while using escalators. As such, we are soliciting the opinions of such people and, through a process of evaluation and verification of design ideas, we are developing easy-to-ride escalators that offer improved safety.

safe, easy-to-ride escalators





Customers

Reflecting the Voice of Customers in Management, Business **Activities and Product Development**

Customer Satisfaction

Assessment of activities based on voice of customers for ongoing improvement

Toshiba Group aims to enhance customer satisfaction through the provision of safe and innovative products, systems and services as well as through communication with customers. Accordingly, based on the Toshiba Group Customer Satisfaction (CS) Policy, we set annual targets and implement measures accordingly. Also, we assess and verify our activities by means of the Voice Of Customer (VOC) Survey and through self-assessment of CS-related matters, applying the results for the purpose of continual improvement. At the CS Promotion Committee, which meets regularly, attended by the Executive Vice President responsible for CS, guidance is provided to CS Promotion Officers of in-house companies as well as group companies to ensure thorough implementation of CS promotion measures and sharing of CS-related information.

The VOC Survey is a Group-wide initiative. In fiscal 2007, we received responses from some 1,500 people representing 290 corporate customers, and executed the results of analysis in improvement of sales and marketing, products and services, as well as in better provision of information to customers. Also, in light of the survey results for individual customers, we are revising user's manuals. We are striving to enhance customer satisfaction through these incremental improvements.

Toshiba Group Customer Satisfaction Policy

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

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

Customer Support

Telephone response skill training in Southeast Asia for high-quality call center operations

Toshiba Group has call centers set up according to products and services at over 150 locations worldwide and some 3,100 staff handle around 16.5 million calls a year (data for fiscal 2007). Each call center is working to enhance the quality of its responses and support by setting concrete targets.

In Japan, Toshiba Group organizes regular meetings at which call center managers discuss about the enhancement of the quality of management and responses of call centers throughout the Group. Telephone response skill training and monitoring of telephone responses are executed. In February 2008, 10 call centers in Japan participated in the first Toshiba Group call center telephone response contest.

In June 2008, call center staff from seven subsidiaries in Southeast Asia and Oceania participated in telephone response skill training held in Malaysia.

Enhancing quality of repair and maintenance services

Toshiba Service & Engineering Co., Ltd., a provider of repair and maintenance services for home appliances in Japan, has held annual manner and ethics training for all service engineers, including those of partner companies nationwide, since fiscal 2006, in addition to ongoing training for skill enhance-

TEC Engineering Corp., in charge of POS system maintenance, monitors networks around the clock throughout the year for customers with service contracts and provides support, remote maintenance, and failure recovery services. To enhance CS for these services, TEC Engineering conducts a questionnaire surveys of customers periodically. Its CS Promotion Committee reviews the survey results and ensures the findings are reflected in ongoing improvements.



TEC Engineering Corp. Contact Center

CS training for all employees

Every year, Toshiba provides CS training through e-learning for all employees, including those in administrative sections and production line workers who do not normally come into contact with customers. We also provide CS training for employees coinciding with various career milestones such as promotions.

Furthermore, we conduct briefings to employees on the Basics of Dealing with Customers, which is a manual in compliance with the JIS Q10002* management system for complaint handling.

* JIS Q10002: Quality management-Customer satisfaction-Guidelines for complaints handling in organizations in Japan (June 2005).

No. 1 Ranking in overall CS in Client PC Category for two consecutive years

Personal Computer & Network Company of Toshiba Corp. implements improvements based on customer requests and provides sincere, speedy customer support.

Nikkei Computer magazine (Japan) conducts an annual customer satisfaction survey to evaluate customer satisfaction with business-use IT products and services on the basis of users' opinions. Toshiba has been ranked 1st in overall customer satisfaction in the survey's Client Personal Computer category for two consecutive years since the introduction of the category in 2006, receiving high marks for both support and product quality.

Customer Response upon Withdrawal from HD DVD Business

Toshiba, upon a thorough review of its overall strategy for HD DVD owing to recent market developments, has decided to withdraw from the HD DVD business. However, we continue to provide full support and aftersales service to customers who use HD DVD players and recorders.

Support and after-sales service for HD DVD players and recorders

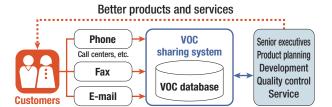
- 1. Dedicated to customer support, Toshiba will continue to provide full support and after-sales service. Toshiba customers can contact the call centers located in each country. Please check the Toshiba website of your country or product manual to confirm the designated call center.
- 2. We have set up call centers for answers to general questions and operational assistance in each country. For further details, please check the Toshiba website of your country.

Reflecting VOC in Business Activities

Sharing customers' opinions and requests and acting upon them

Everyone involved in product planning, development, quality control, and service, including senior executives, shares the complaints, opinions, and requests concerning products and services that are received in the course of day-to-day business and at call centers by phone or via the internet. This VOC information is fully utilized to improve product quality, repair service and so on.

Framework for Reflecting VOC in Business Activities



Stakeholder Engagement

Customer dialogue-based product & service development at Toshiba **Solutions Corp.**

In 2005 The Mainichi Newspapers Co., Ltd. began installation of a system for the uniform management of personnel and salary data for more than 4,000 employees as a part of an effort to reinforce information management and internal control. It selected Toshiba Solutions' Generalist® human resources management solution system to replace the host computer it had operated for many years.

Generalist® has been adopted by more than 900 companies since it was launched. We continue to upgrade the product through ongoing dialogue with product users. Features added to reflect customer opinions have been well received. For instance. The Mainichi Newspapers Co., Ltd. commented favorably on the product's comprehensive capabilities and compatibility with peripheral systems from other vendors as an open system.

From the outset, when we requested a proposal prior to product selection, Toshiba Solutions' sales representatives and engineers were highly involved, even providing consultations. They were extremely helpful, to the extent of attending internal development meetings and offering advice.



Senior Member Human Resources/General Affairs Headquarters The Mainichi Newspapers Co., Ltd. Noriko Minami

Enhancing Quality from the Customer's Viewpoint

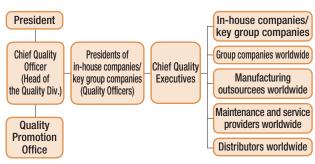
Strengthening Group-wide quality control structure to provide No. 1 CS

We are making utmost effort to ensure rigorous quality control in accordance with the Toshiba Group Quality Control Policy and from the customer's viewpoint, in order to fulfill our mission—to provide customers with safe and reliable products, systems, and services. Accordingly, we aim to eliminate product safety incidents and achieve superior quality that delivers No. 1 customer satisfaction, by increasing our sensitivity to potential risks and dealing with them more swiftly.

Under the Group-wide global quality control structure, the Chief Quality Officer is responsible for quality throughout Toshiba Group and Chief Quality Executives are responsible for quality at in-house companies and group companies. At every product quality-related group company, the new position of Quality Promotion Officer has been created in order to reinforce the quality control structure. Chief Quality Executives quide and audit factories, suppliers, maintenance and service providers, and manufacturing outsourcees worldwide to enhance quality throughout product life cycles from development and production to final disposal.

In order to maintain and enhance quality, it is vital to ensure employees adhere to work rules, while raising their awareness of the critical importance of quality and product safety. For that purpose, we provide thorough education and training to employees at various stages of their careers, ranging from new employees to veterans.

Quality Promotion Structure



Toshiba Group Quality Control Policy

- 1. We engage in quality assurance from the customers' point of
- 2. We observe relevant laws and contracts and respect the rights of customers and third parties.
- 3. We maintain quality systems aimed at achieving 100%
- 4. We ensure that all of our departments and all of our employees act on this Quality Control Policy.
- 5. We aim for essential improvement by investigating the root causes of process failures.

Ensuring Product Safety

Adhering to the Basic Policy on Product Safety

In accordance with the Basic Policy on Product Safety, Toshiba Group strives to secure product safety.

We comply with applicable laws and regulations, and proactively and fairly disclose product safety information to customers in order to eliminate such incidents and to ensure the safety of our customers.

Toshiba Group Basic Policy on Product Safety

- 1. We comply with the applicable laws and regulations on product safety in Japan and overseas.
- 2. We widely gather information on product safety incidents and disclose such information in a proactive manner.
- 3. We swiftly report product safety incidents to the competent authorities in accordance with laws and regulations.
- 4. In the event of a serious incident attributable to any of our products, we swiftly institute a product recall and notify customers without delay.
- 5. We issue alerts, as necessary, and employ warning labels to encourage safe use.
- 6. We thoroughly analyze the causes of any product safety incident and strive to prevent recurrence.

Rigorous compliance with safety-related laws and regulations

In Toshiba Group, the Chief Quality Executives and related personnel play a central role in ensuring Group-wide inculcation of laws, ordinances, regulations, and rules and in supervising and auditing the state of compliance.

In fiscal 2007, we concentrated on reinforcing the compliance structure concerning the Electrical Appliance and Material Safety Law in Japan, which has an important bearing on Toshiba Group's products. Under the Chief Quality Executives, we appointed managers responsible for resolving issues related to the Act, and worked to ensure compliance with the law among all Group employees concerned through the revision of internal rules and preparation of manuals. Furthermore, all Toshiba Group employees in Japan to whose work the Law is relevant (approximately 110,000 people) were required to participate in an e-learning program. We also confirmed their understanding following the program.

We check the status of legal compliance by means of annual self inspections, and audits performed by the Chief Quality Executives.

Proactive disclosure of information on product safety incidents

In the event that Toshiba product or service defects or major incidents connected with its use occur, we promptly report to the competent authorities in accordance with the laws and regulations. Also, in order to notify customers of such incidents as quickly as possible depending on the severity of the damage, the frequency of occurrence, etc., we disclose product safety incident information directly to customers using newspaper advertising, websites, and other means.

On the Toshiba website, we post information on incidents involving Toshiba products as posted on the website of Ministry of Economy, Trade and Industry (METI). We also proactively disclose on the Toshiba website information concerning serious incidents for which Toshiba products cannot be identified as the cause, in order to promote awareness among customers.

Raising awareness to prevent incidents due to long-term use of home appliances

To prevent incidents attributable to the deterioration of home appliances with long-term use, in April 2008, the METI promoted consumer awareness on this issue by distributing nationwide community cautionary circulars concerning longterm use of home appliances.

To further promote awareness on this issue, Toshiba Group distributed cautionary flyers during repair calls and publicized information on its website. To respond to inquiries and requests from customers, we established a dedicated call center for electric fans, exhaust fans, washing machines, air conditioners, and CRT televisions. We have put in place a structure linking service organizations with design, manufacturing, and sales units to make possible rapid, accurate responses to requests from customers for inspections, repairs, and other actions.

Proactive information provision to ensure the safe use of products

In order to teach kindergarten and elementary school children the correct way to use elevators and escalators, Toshiba Elevator and Building Systems Corp. prepared an educational DVD, which has been adopted by the Ministry of Education, Culture, Sports, Science and Technology, and distributed it free of charge to about 14,000 kindergartens and nursery schools nationwide. The DVD is an entertaining and educative story featuring animated characters who explain the "do's and don'ts" of using elevators and escalators.

Additionally, Toshiba promotes safety awareness by



Elevator/Escalator Safety Campaign event at a kindergarten

conducting the nationwide Elevator/Escalator Safety Campaign, in which employees visit kindergartens and nursery schools to provide direct instruction on the correct way of using elevators and escalators.

Swift Response to Product Safety Incidents

Proactive provision of information to customers

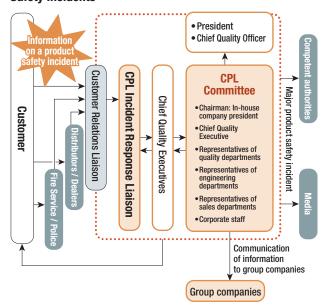
An employee who becomes aware of information concerning a product safety incident is required to alert the relevant organizations in charge of dealing with safety issues concerning the product in question. The CPL Committee* chaired by a senior executive then acts upon the matter. In the event of a major incident attributable to a product that is likely to recur. we inform users of the danger and request them to cease using the product in question, report to the competent authorities without delay, and establish countermeasures as soon as possible.

To promptly collect information on product safety incidents. we have developed an information system enabling the swift communication to quality assurance organizations and executive management of product safety incident information that maintenance and service personnel have obtained in the field and the status of Toshiba's response.

In a recent example of proactive information provision to customers, by inserting flyers in newspapers nationwide from November 2007 to March 2008, Toshiba again publicized the availability of free-of-charge inspections and repairs of video cassette recorders and air conditioners for which inspections and recalls were announced previously in newspapers and on the Toshiba website, owing to the possibility of electrical smoke or fire.

* CPL Committee: CPL is an abbreviation combining CL (contract liability) and PL (product liability). The CPL Committee chaired by a senior executive determines the responses to product safety incidents and quality issues without delay.

Toshiba Group's Structure for Responses to Product Safety Incidents





Shareholders and Investors

Communication through Timely, Appropriate, and Fair Disclosure

Disclosure and Investor Relations

Based on timely, appropriate and fair disclosure

As stated in the Toshiba Group Standards of Conduct, Toshiba's Investor Relations (IR) activities are based on disclosure of corporate information, such as business policies and financial data, in a timely and appropriate manner. We also recognize the importance of ensuring that top management understands the evolving interests of shareholders and investors in the execution of CSR management.

In addition to disclosures mandated by laws and regulations, Toshiba is also committed to timely and appropriate disclosure of important corporate information that is not within the scope of mandatory disclosure but deemed to affect investor decisions.

In fiscal 2007, we responded to continuing shareholder and investor interest in nuclear and other power systems and in the semiconductor business by providing more briefings on management policy and strategies. The President participated in briefings on management strategy and Toshiba's emphasis of focus and selection in the business portfolio, including strategic partnerships in the LCD and semiconductor fields and withdrawal from the HD DVD business, and also made a presentation at a securities company's seminar for individual investors.

Increasing opportunities for shareholders communication

In a new initiative, in December 2007, Toshiba conducted a survey of its 313,000 shareholders who own at least one tradable unit of shares, and received around 60,000 responses. In fiscal 2007, we held the General Meeting of Shareholders at Tokyo Big Site for the second consecutive year. With 1,800 shareholders present, it was the largest General Meeting ever. We will continue to assure the success of the meeting as a venue for two-way communication.

Proactive IR activities

Quarterly briefings for institutional investors and securities analysts are a fixture in our calendar. The President and other executive officers take opportunities to meet and communicate with shareholders and investors around the world.

The number of dialogues between our IR Group and institutional investors and analysts has been exceeded 1,000 a year (about 70% in Japan and 30% overseas) for the past several years. In fiscal 2007, we added the Middle East to the round of periodic meetings we hold in the U.S., Europe and Asia. In the same year, we held more telephone interviews with overseas investors.

IR Awards

Toshiba's constant upgrades of its IR website to ensure fair disclosure have earned recognition. Awards won by the website in fiscal 2007 are indicated below, and the site also gained high evaluations from several agencies that survey Socially Responsible Investment (SRI).

Evaluation of the IR Website by External Parties (Fiscal 2007)

Organization	Toshiba's Achievement
Gomez Consulting Co., Ltd.	Ranked 1st in the IR Site Total Ranking (among 3,934 companies in Japan)
Daiwa Investor Relations Co., Ltd.	Received the Internet IR Best Company Award for the third consecutive year and the sixth time (among 1,844 companies in Japan)
Nikko Investor Relations Co., Ltd.	Received the Excellent Corporate Website Award (among 3,988 companies in Japan)

Evaluation by SRI (Fiscal 2007)

SRI	Evaluation
SAM Sustainable Asset Management AG (Switzer- land)	Selected as "SAM Gold Class" and "SAM Sector Mover" in the Sustain- ability Yearbook 2008
Innovest (US)	AAA (the highest rating) by Intangi- ble Value Assessment
Center for Public Resources Development (Japan)	A (the highest rating) by the Survey of Corporate Social Performance
Integrex Inc. (Japan)	Ranked 1st in the Survey of Corporate Integrity and Transparency





Using surveys and newsletters to communicate with stakeholders, a June 2007 on-line survey revealed that the Toshiba businesses that most interest people are power systems and semiconductors, so we concentrated on developments in those fields in the winter edition of the Shareholder Newsletter. A December 2007 survey of shareholders holding at least one 1,000-share trading unit produced many requests for more frequent newsletters. So we are now publishing five times a year. Stakeholder surveys

have proved their value in enhancing two-way communication, and we will continue to make full use of them.





Socially Responsible Procurement Worldwide

Procurement Structure

Dedicated organization to promote CSR in procurement

A dedicated CSR organization established in April 2007 within the Corporate Procurement Division is working to ensure fulfillment of CSR in Toshiba Group's procurement and on the part of suppliers.

Fair Trading Practices

Training and audits at group companies

Toshiba strives to build sound partnerships with suppliers through fair trading in compliance with procurement-related laws and regulations. As an initiative to ensure fair trading, in fiscal 2007 we conducted training for employees of group companies in Japan on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. We also trained internal auditors who specialize in the Act and conducted audits of 161 group companies in Japan.

Whistleblower system for suppliers and business partners

The Clean Partner Line established in April 2006 is Toshiba Group's whistleblower system for suppliers and other business partners. We have been notifying about this system to encourage them to point out any problems or concerns about persons affiliated with Toshiba Group from the standpoint of compliance or fair trading so that any improper behavior can be promptly corrected.

CSR Promotion in the Supply Chain

Requesting CSR implementation of suppliers worldwide

Toshiba distributes to suppliers worldwide the Toshiba Group Procurement Policy and the Supplier Expectations to promote understanding of our stance on CSR in procurement.

We also monitor the status of CSR management of our ongoing suppliers at manufacturing sites at the time of quality audits and request improvements and provide guidance as necessary. For new procurement transactions, we confirm conformity with Toshiba Group's procurement and selection policies not only with respect to the goods and services procured, but also suppliers' manufacturing sites, management systems and the state of their operations.

Supplier Expectations (An Extract)

- 1. Compliance with Laws, Regulations and Social Customs Compliance with relevant laws such as anti-trust laws, commercial laws, personal information protection laws, etc.
- 2. Considerations to Human Rights, Labor Safety and Health
 - Prohibition of child labor, forced labor, discrimination, etc.
 - •Realization of safe and clean working environment
- 3. Considerations to Environment
 - •Adoption of ISO 14001-based environmental management system, promotion of third party certification
 - •Elimination or reduction of the use of potentially hazardous chemical substances, implementation of 'Green Procurement'
- 4. Maintenance of Sound Business Operations
- 5. Maintenance of Excellent Product Quality
- 6. Offering of Goods and/or Services at Appropriate Prices
- 7. Establishment of a Stable Supply System with Delivery within the Specified Time
- 8. Enhancement of Technological Capabilities

Supplier CSR surveys on human rights and occupational health and safety

Since fiscal 2006, Toshiba has conducted CSR surveys of suppliers, when we surveyed 100 suppliers whose transactions with Toshiba Group constitute a high proportion, adding human rights, labor conditions, and occupational health and safety to the previous survey categories of quality, the environment, and information security. In fiscal 2007, we conducted a survey of 265 principal ongoing suppliers in Asia (excluding Japan), covering human rights, labor conditions, and occupational health and safety.

Items covered by the CSR Survey

Human rights and labor conditions

- 1. Prohibition of forced labor 2. Prohibition of inhumane treatment
- 3. Prohibition of child labor 4. Prohibition of discrimination
- 5. Appropriate wages 6. Working hours 7. Workers' freedom of association

Occupational health and safety

- 1. Equipment safety measures 2. Workplace safety
- 3. Workplace sanitation 4. Occupational accidents and occupational diseases 5. Emergency response 6. Consideration concerning work that is physically onerous 7. Facilities safety and sanitation
- 8. Employee health management

Green procurement

Toshiba Group manages the content of specified chemical substances in procurement items and confirms and evaluates supplier consideration of the environment and environmental management systems using the "supplier greenness" measure. We also give preference to the procurement of environmentally conscious office equipment and office supplies.

Environmental Considerations in Procurement (Toshiba)

Item	Fiscal 2006	Fiscal 2007
Supplier greenness*1	91.6%	93.0%
Green procurement ratio*2	74.1%	76.0%

- ***1** The proportion of suppliers who engage in excellent environmental protection activities among all principal ongoing suppliers
- *2 Scope of aggregation: Office equipment and supplies at Toshiba administrative divisions

Work Environment Where Diversity Is Nurtured

Respect for Human Rights and Prohibition of Discrimination

Raising awareness of human rights throughout Toshiba Group

In order to encourage the development of organizations imbued with respect for human rights and valuing diversity and creativity, Toshiba Group provides education on human rights to all employees. The Toshiba Group Standards of Conduct states our principles: adherence to all relevant laws and regulations, respect for fundamental human rights, and prohibition of discriminatory treatment, child labor and forced labor. It requires that respect be accorded to diverse values, individuality, and privacy of individuals, prohibits discriminatory behavior based on race, religion, sex, nationality, physical disability, age, or sexual orientation, and prohibits physical abuse, sexual harassment, abuse of power, and any other actions that disregard the dignity and individuality of others. Also, our participation in the UN Global Compact is another aspect of our support for universal principles concerning human rights and labor, and our determination to put those principles into practice.

Ensuring rights of labor

Toshiba endorses freedom of association and the right to collective bargaining through participation in the UN Global Compact. Also, in accordance with the agreement with Toshiba Labor Union, the union has the right to association, the right to collective bargaining, and other rights.

Diversity & Inclusion and Work Style Innovation

Diversity Development Division spearheads initiatives

Toshiba Group Standards of Conduct states principles covering the acceptance of the different values of individuals and respect for differences in character and personality, the development of a working environment where employees can perform their duties creatively and efficiently, and support for

achieving a healthy work-life balance.

In April 2007, in order to put these principles into practice, Toshiba expanded the scope of the Gender Equality Office and renamed it the Diversity



Internal Newsletter raises awareness of the importance of diversity and inclusion

Development Division. This division is spearheading initiatives such as, work style innovation, by linking work-life balance with innovation, nurturing diversity and inclusion and reforming corporate culture.

Cultivating a corporate culture where everyone can bring their capabilities into full play

In view of the diversity of humankind, it is essential that we understand, accept and respect differences of sex, age and nationality, or those attributable to disabilities. Toshiba Group emphasizes the importance of communication with employees in its drive to continually improve the working environment. For that purpose, meetings with employees are held at each site throughout Toshiba Group. In fiscal 2007 in Japan, we held meetings with employees with disabilities at 20 sites and meetings with non-Japanese employees at 13 sites.

Statutory ratio of employment of people with disabilities satisfied at all relevant consolidated subsidiaries in Japan

As of April 1, 2008, there were 467 people with disabilities working at at Toshiba. The employment ratio of people with disabilities is 1.91%, exceeding the statutory employment ratio of 1.8%.

We have been promoting the employment of people with disabilities in various ways, such as by holding the annual Recruitment Fair Group-wide. As of April 1, 2008, all 167 Group-wide companies in Japan subject to the Law for Employment Promotion, etc. of the Disabled satisfied the statutory ratio.

We will strive to improve the workplace environment in order to expand the opportunities for people with disabilities to pursue fulfilling careers with Toshiba Group.

Employment Ratio of People with Disabilities

	June 2006	June 2007	April 2008
Toshiba Corp.	1.92%	1.96%	1.91%
Toshiba Group in Japan	1.81%	1.97%	2.15%

Supporting career development for women

We will continue our efforts to support career development for women through increased recruitment of women, training for women who aspire to managerial positions, solicitation of employees' opinions and provision of guidance on the intranet,

Numbers of Regular Employees and Managers

	Toshiba Male Female Total		Toshib	a Group in	Japan	
			Male	Female	Total	
Regular employees	28,028	3,648	31,676	101,251	14,005	115,256
Managers	5,145	144	5,289	19,785	255	20,040
Non-managerial employees	22,883	3,504	26,387	81,466	13,750	95,216

Notes: Figures as of March 2008, excluding employees on loan

Support for diverse working styles

Toshiba Group is improving systems that allow employees to flexibly select working styles according to their personal circumstances. Since the 1990s, Toshiba has supported worklife balance in Japan, developing various human resources systems that, in many respects, exceed the legal requirements. For instance, we grant childcare leave until children reach the age of three even in cases where a spouse can provide childcare. We implemented measures in accordance with the Next Generation Education and Support Promotion

Act since April 2005 and obtained the Next Generation Support Certification Label in 2007. Since April 2007, we have implementing the second phase of the plan.

With these pace-setting initiatives Toshiba won the Nikkei Kosodate ("Child-Rearing") Award in 2007.



Certification Label

Systems Supporting Diverse Working Styles and No. of Employees Availing of the Systems (Toshiba)

System	Period	FY2006	FY2007
Childcare leave	Until the child is 3 years old, even if the spouse is not working	iviale: 5	Male: 7 Female: 333
Family-care leave	365 days per person requiring nursing		Male: 3 Female: 7
Short-time shift	For childcare: Until the child finishes the third grade of ele- mentary school For nursing care: Up to 3 years per person		Male: 3 Female: 355

Work Style Innovation

The goal of Work Style Innovation is to create a corporate culture where innovation can thrive by concentrating and working efficiently according to priorities and securing time for physical and mental refreshment.

Toshiba Group in Japan has been implementing measures for realization of Work Style Innovation since the second half of fiscal 2007. We have established a training program to help our employees acquire the skills they need in order to work more efficiently according to priorities. Also, a handbook is available on the intranet summarizing time management and organizational skills for managerial and non-managerial personnel.

Development of People with a Global Perspective

The fourth key management policy

For Toshiba Group to realize sustained growth with high profit, expansion of international business is essential. People with a global perspective do not only mean people working overseas or handling overseas operations but also people capable of embracing diversity, engaging in constructive communication, and fulfilling their duties in an exemplary manner in whatever business or type of work they are engaged in. Toshiba Group is focusing on the development of people with these attributes as they are needed throughout the business regardless of the location of the work and the composition of the workforce.





Considering Employee Opinions in Systems Supporting Work-Life Balance

We intend to provide support for the work-life balance that is tailored to Toshiba's particular needs and circumstances, and moreover, reflects the opinions of employees. In 2004 we conducted a questionnaire survey to solicit opinions on the question, "What sort of systems do you think would make it easier to work?" We reviewed our HR systems on the basis of the opinions we received, such as requests for extension of the childcare leave period and expansion of the scope of application for rehiring.

In developing systems to support the worklife balance, our objective is to provide an environment where employees are motivated to work whole-heartedly.

> General Manager Diversity Development Division Toshiba Corporation Takano lwakiri



Systems Introduced up to Fiscal 2007 (Toshiba)

Childcare leave system	Extension of leave period Before: Child's age as of April end after completing 1 year Now: Until the child reaches the age of 3
Rehiring system	Expansion of the scope of reasons for retirement in case of rehiring Addition of "retirement for the purpose of child-birth, nursing, and child rearing" to "spouse job relocation" and "family nursing care"
Mutual Understanding Program prior to childcare or family- care leave	Development of program Provision of opportunities for employees to discuss matters with superiors and HR staff before leave or retirement
	Use in conjunction with the flextime system available
Short-time shift system	Extension of the time period Before: Prior to the child's enrollment in elementary school Now: Until the child finishes the third grade of elementary school

Development of Employee Capabilities

Support for employee career development

In addition to education and training required for specific types of work, Toshiba Group offers diverse educational programs for employees to select voluntarily as per individual career plan needs. Also, we provide Career Design Training, consisting of programs to support employees' career and skill development tailored to the needs of various stages of career.

Considering individual aspirations in job assignments

In order to select the best person for each job and thus optimize the deployment of human resources, Toshiba Group respects the aspirations of employees. With open recruitment, descriptions of vacant positions are announced and people throughout Toshiba Group with the necessary expertise are encouraged to apply. The in-house free agent system enables employees to actively seek career development opportunities.

Soliciting Employee Opinions

Toshiba Employee Activity and Morale Survey

As a way of soliciting the opinions of employees, we conduct an annual in-depth survey (TEAM Survey) of employee awareness and evaluation of company policies, workplace and superior as well as awareness of one's work, evaluation and treatment. In fiscal 2007, this survey was conducted by 35 companies of Toshiba Group in Japan.

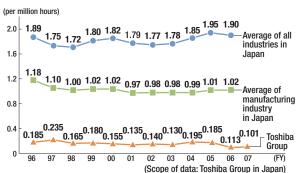
Participating companies hold meetings at each department and, in light of the findings of the survey, implement measures to vitalize organizations.

Occupational Health and Safety

Prioritizing employee health and safety

Positioning employee health and safety among its top priorities, Toshiba Group has been implementing various measures.

Rates of Occurrence of Accidents at Work



While ensuring implementation of Toshiba Group Occupational Health and Safety Policy throughout our operations worldwide, we are working to establish management system at every site. Also, Toshiba Group Health and Safety Congress is held every year in order to raise awareness and share information about health and safety throughout the group. In fiscal 2007 at the 33rd congress, Toshiba Dalian Co., Ltd. in China and various sites in Japan gave presentations on best practices.

Effort to acquire OHSAS 18001 certification at all manufacturing sites worldwide

Toshiba Group is promoting an initiative to acquire OHSAS 18001 certification, an international standard for occupational health and safety management systems. In fiscal 2007, major group companies acquired this certification. Toshiba Corp. acquired an integrated certification covering its 29 sites, including branch offices. As of March 31, 2008, our 32 companies (19 in Japan, 13 overseas) were certified. Plans call for all Toshiba Group's manufacturing sites, around 100, to acquire OHSAS 18001 certification by March 2009.

Support for employee physical and mental health

Toshiba Group strives to raise employees' awareness of the importance of physical and mental health so that they can realize their full potential.

A system for the overall management of employees' health information, such as the results of employee medical checkups, has been introduced. This enables us to give continuous individual guidance and education to each employee following the health checkup. In 2005, health management standards required by Toshiba Group were established. In order to satisfy the standards, Toshiba Group has launched a project team consisting of industrial physicians and nurses of major group companies in order to strengthen systems for employee health management and formulate measures for maintaining and promoting employee health.

With regard to mental health, we took the initiative before the Ministry of Health, Labor and Welfare issued guidelines in August 2000. In addition to providing education according to employee positions since 1977, in 2000, Toshiba was among first companies in Japan to open a telephone hotline for employees and family members who wish to seek mental health counseling from external mental healthcare professionals, while ensuring strict protection of personal information. Also, in 2003, much ahead of other companies, Toshiba introduced a program designed to make it easier for employees to gradually resume full-time work following a lengthy absence due to mental health problems and to prevent recurrence of such health problems.

Local Communities

Face-to-Face Communication Worldwide and Activities Capitalizing on Toshiba's **Distinctive Identity**

Communication with Local Communities

Emphasizing harmony with local communities

When establishing new business operations, companies at Toshiba Group adhere to laws and regulations, engage in dialogue with local authorities and residents and strive to maintain harmony with the community. Once operations are underway, the companies disclose information about their business activities and environmental protection initiatives and thus engage in fruitful communication with local residents.

With regard to environmental matters of high concerns to local residents, many Toshiba business sites proactively hold meetings, inviting the local residents to their facilities and soliciting opinions. For instance, for announcing a meeting with local residents, Toshiba's Ome Complex in Japan encouraged people to participate by announcing the event in the Ome City newsletter and local cable network. Responding to rising interest in the environmental issues in Thailand, Thai Toshiba Electric Industries Co., Ltd. (TTEI) held a one-day event for local exchange. The company invited 50 local residents to its premises for an explanation of the home appliance manufacturing process at the plant, focusing on the safety and environmental systems installed to protect the environment.

In the years ahead, Toshiba will continue to engage in face-toface dialogue with local communities.





Local resident tour at Ome Complex, Japan

Dialogue at TTEL Thailand

Examples of Communication Activities at Plants (Japan)

Activities	Achievements for FY2007
Plant tours (tours of manufacturing lines, environmental facilities, etc.	62 operations
Practical learning programs for school students over several days	22 operations
Opening of plant grounds and sports facilities to the public	24 operations
Neighborhood clean-ups by employees	190 times in 103 companies by 12,209 participants
Blood donation by employees	total of 3,280 liters by 9,112 participants
Festivals to promote amicable relations with local communities	31 operations

Disaster and Accident Response

Safety management to prevent accidents at sites

To prevent fire and other accidents, each site performs safety inspections of equipment and chemicals in accordance with fire and safety laws and regulations, prepares manuals and checklists in light of the local circumstances, rigorously implements fire and disaster prevention and safety management, and conducts periodic emergency drills.

In the event of an accident, the on-site disaster prevention team swings into action, implementing countermeasures, investigating the cause in cooperation with the police and fire department, and devising measures to prevent recurrence.



Local residents in an emergency drill using earthquake simulation vehicle (Kitashiba Electric Co.,

Rapid recovery and relief activities for earthquakes and other disasters

Toshiba Group strives to ensure that the public infrastructure systems it has supplied—electric power facilities, water and sewerage facilities, elevators, etc. — remain operational or are swiftly restored to operation after the necessary inspection and repair in the event of natural disasters such as earthquakes, typhoons, flooding, etc. If the vicinity of a site is affected by a disaster, the site's disaster prevention team engages in firefighting and rescue activities in cooperation with the local fire department. The sites also allow their facilities for use as government-designated evacuation areas for local residents.

Toshiba provides donations and other emergency support in response to major disasters around the world. When the Niigata Chuetsu Offshore Earthquake struck in July 2007, Toshiba Group donated money and goods worth 50 million yen to Niigata Prefecture, and Toshiba Plant Systems and Services Corporation dispatched employees to help restore nearby housing and provided space for temporary accommo-

dation.

Toshiba Group donated 10 million yen to international NGOs in response to the Myanmar Cyclone in May 2008 and donated a total of 100 million yen to the Japan Red Cross, the China Youth Development Foundation, and other organizations in response to the Sichuan Earthquake in China in May 2008.



Donation to China Youth Development Foundation in response to the Sichuan Earthquake

Corporate Citizenship Activities

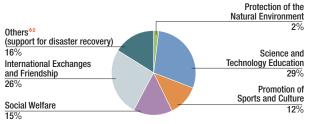
Over 80,000 employees worldwide involved in activities reflecting Toshiba's distinctive identity

At Toshiba Group, 385 Social Contributions Coordinators from Group-wide companies and factories are promoting corporate citizenship activities. The Corporate Citizenship Committee is responsible for the planning and evaluation of their activities. In fiscal 2007, over 80,000 employees from 199 Group-wide companies participated in 1,115 projects. The Corporate Citizenship Committee evaluated all these projects from nine perspectives — objective, extent of employee involvement, originality, continuity, impact on society, collaboration with external organizations, etc. Toshiba ASHITA (meaning "tomorrow" in Japanese) Awards, bestowed by the President, were presented to 16 groups at the CSR Conference in December 2007 in recognition of their outstanding achievements.

Toshiba Group Basic Policy on Corporate Citizenship Activities

- 1. In accordance with the Basic Commitment of the Toshiba Group and Toshiba Group 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, social welfare, and international exchanges and friendship.
- 3. We support employees' voluntary activities.

Breakdown of the Expenditure for Corporate Citizenship Activities (Fiscal 2007)



Total expenditure*1: Approx. 4 billion yen (Scope of data : Toshiba Group)

- *1 The expenditure includes: 1) cash contributions, 2) corporate initiated programs and 3) product donations.
- *2 Others include support for disaster recovery and making facilities (gyms, etc.) available for use by the public.

Support for employee volunteering

Toshiba Corp. provides leave system to support employee

volunteer activities, with 15 employees taking advantage of the scheme in fiscal 2007. Also, the system for making donations to NGOs (up to 100,000 yen per NGO), in



Volunteer fair at Toshiba headquarters

which employees of Toshiba Group are involved. In fiscal 2007, twenty organizations received support. In July 2007, a volunteer fair was held at Toshiba headquarters. It was a great opportunity for the employees to deepen their understanding of volunteer activities, as led by NGOs.

Principal Activities in Fiscal 2007

Science and Technology Contest in North America

With the objective of developing an informed interest and

passion for science and technology among young people, Toshiba has been sponsoring the ExploraVision Awards contest in cooperation with the U.S. National Science Teachers Association (NSTA) since 1992.



Students explain their invention at the awards cer-

This contest is designed for young people ranging from kindergarten to high school students. Each team develops and presents its vision of technology 20 years into the future. In 2008, the 16th ExploraVision attracted entries from 4,527 teams comprising 14,042 students, bringing the cumulative number of participants to 246,000.

Toshiba Science Museum

Toshiba Science Museum in Japan is a corporate museum where visitors can learn about science and technology. Since its inauguration in 1961, it has welcomed over eight million visitors.

The museum holds events featuring scientific experiments in cooperation with NPOs, where about 6,800 elementary and junior high school students participate each year.



Hands-on experiments make science and technol-

Training for University Students Majoring in Technology from around the World

Since 1989, Toshiba has been conducting the Toshiba Internship Program, inviting undergraduate and graduate students from around the world to the Corporate Research & Development Center or other Toshiba facilities in Japan for several months to study science and technology, while also learning about Japanese society and the way of life in the country. In fiscal 2007, twelve interns from 7 countries took part in the program, bringing the number of participants till date to 478.

Support for Education in Developing Countries

In order to help meet the needs of the many children who have limited educational opportunities, Toshiba Group provides

educational infrastructure by building schools, donating equipment and fixtures to schools, and dispatching volunteers.

One aspect of this is the construction of Toshiba Hope Elementary Schools, a project to build two schools per year in China in cooperation with the China Youth Development Foundation. In fiscal 2007, schools were built in Guizhou Province and Sichuan Province, bringing the total to 15 schools. For this activity, companies of Toshiba Group in China donate approximately 6 million yen each year as construction funds. Moreover, they nurture the schools by providing continuous support after they open, by donating stationery and other items, and by developing fruitful long-term relationships. In fiscal 2007, a total of 65 Group-wide companies participated in the project.



At the inauguration of a school, children are presented with school bags

Promotion of Digital Inclusion

"Digital inclusion" refers to the goal of realizing a society where everyone can enjoy the benefits of IT. To promote digital inclusion, Toshiba donates notebook PCs and seeks to expand internet access to include those currently at a digital disadvantage. In fiscal 2007, Toshiba supported the GILAS (Gearing up Internet Literacy and Access for Students) project of the Avala Foundation, which works to improve the educational environment in the Philippines, donating 100 notebook PCs to ten public high schools in communities where many employees of Toshiba Information Equipment (Philippines),

Inc. live.

In Japan, through "eparts, a Specified Non Profit Organization", since fiscal 2006, Toshiba has donated notebook PCs no longer used for business to NGOs. In fiscal 2007, Toshiba donated 176 PCs.



Donating notebook PCs to 10 high schools in the **Philippines**

1.5 Million Tree-planting Project

Toshiba Group launched the Toshiba Group 1.5 Million Treeplanting Project in July 2005. The aim of the project is to plant a total of 1.5 million trees around the world by 2025, to mark the 150th anniversary of Toshiba. Around 340,000 trees had been planted by the end of fiscal 2007.

These activities go beyond simple tree planting to encompass afforestation and clearing of undergrowth from around saplings, as well as environmental education and nature trails

for Toshiba employees and the general public to foster appreciation of nature. In fiscal 2007 Toshiba entered into forest maintenance agreements with Tokyo Metropolitan Government, Oita Prefecture, Kyoto Prefecture, and Shizuoka Prefecture. Toshiba Group employees from these areas, their families, and other local residents volunteer to look after the forest. In addition, employee volunteers planted trees in Tochiqi Prefecture, China, and Cambodia. Toshiba has been providing funding for NGOs' tree-planting activities in Kenya, India, the Philippines, and Paraguay.



Planting trees at the foot of Mt. Fuji

Stakeholder



Creation of Toshiba Forests in India in Collaboration with an NGO

India, a country experiencing rapid economic growth, faces numerous problems including great disparities of wealth and environmental degradation. To promote the 1.5 Million Tree-planting Project in India, Toshiba has teamed up with OISCA International, an NGO with a local presence and valuable experience. As a result of a series of dialogues about project implementation to make possible a continuous contribution to the

community, we decided to focus on community greening by means of afforestation in collaboration with schools, an approach promising added benefits in terms of educational impact and job creation.



Students planting trees in India

In Mysore, near Bangalore—the center of India's IT industry, we are involved in a project in cooperation with educational foundation JSS to create Toshiba Forests of 40,000 trees by 2009. JSS, which is operated by a historic temple, runs a number of schools, including ones that provide food, clothing, shelter, and education to 3,000 impoverished children. In 2007, a total of 1,500 students from several schools partici-

pated in the planting of 10,500 trees on 16 hectares of land. Through tree planting, we nurture an appreciation of nature among the children and also contribute to the development of local communities through job creation for local residents and by including fruit trees among the species planted.



Director OISCA South India Office **Aravind Babu**

Environmental Performance

Stakeholder Engagement



Highlights

Dialogue-based Environmental Commitment

Tackling global environmental issues

Toshiba Group is vigorously tackling the global environmental issues confronting humankind.

Toshiba's Environmental Vision 2050 (see Page 10), announced in November 2007, encapsulates our view of the ideal situation by 2050 of people leading rich lifestyles in harmony with the Earth. With the aim of making this vision a reality, along with the extension of the period covered by the Voluntary Environmental Plan, we added new items and set higher targets for key items (see Page 48). In accordance with this vision and the action plan, Toshiba Group companies around the world are striving to contribute to the resolution of environmental issues.

Taking cues from local circumstances and characteristics

Environmental impacts and measures to reduce them vary according to countries and regions. In the course of environmental management, companies of Toshiba Group endeavor to take cues from the actual situation and the issues affecting the communities they serve as well as the characteristics of their businesses.

Accordingly, we engage in dialogues with stake-holders to ascertain their views and solicit their requests. Having held stakeholder dialogues in Thailand in April 2006 and in China and the United States in March 2007, we have implemented action plans reflecting the outcome of these dialogues.

We intend to increase the opportunities of dialogues around the world as a means of improving our CSR activities.

More detailed information on stakeholder engagement is available on the website.

URL http://www.toshiba.co.jp/csr/en/engagement/



Reflecting Stakeholder Aspirations in China

"Toshiba should be a driving force of environmental initiatives in China."

(View expressed at the stakeholder dialogue held in Beijing in March 2007)

Energy-saving and Environmental Technology Forum in China

The government of China is working to achieve both economic growth and environmental protection. With a view to contributing to this policy and reflecting the opinion expressed by various experts at the stakeholder dialogue in 2007, Toshiba held the Energy-saving and Environmental Technology Forum in Beijing in November 2007 attended by Chinese government officials. At the forum, Toshiba Group expressed its desire to participate



in China's sustainable development by making use of the group's energy-saving technologies and other expertise to reduce environmental impacts.



Reflecting Stakeholder Aspirations in the United States

"Toshiba should clearly communicate its position on environmental issues."

(View expressed at the stakeholder dialogue held in New York in March 2007)



Proactive communication based on Environmental Vision 2050

The view expressed at the stakeholder dialogue that Toshiba should clearly communicate its position on issues such as climate change and e-waste prompted us to act. Based on the Environmental Vision 2050, we presented on Toshiba Group's policies and initiatives at the International Consumer Electronics Show (CES) held in January 2008 and at other exhibitions.



Consumer Electronics Show (January 2008)



Reflecting Stakeholder Aspirations in Thailand

"Toshiba should engage in grass-root activities leading to understanding and resolution of environmental issues."

(At the stakeholder dialogue held in Bangkok in April 2006)

Promote greater understanding of environmental issues among high school students and teachers

Thai Toshiba Group held the Energy Preservation Camp in March 2007, an event involving high school students, teachers, local residents, and employee in order to learn about initiatives to save energy and mitigate climate change.

The camp participants planted 1,524 mangrove trees in a national park and 9,246 employees of 10 companies of Toshiba Group made donations for this project.



Energy Preservation Camp (March 2007)

Environmental Management

Concerted Effort of 550 Toshiba Group Companies to Make the Environmental Vision 2050 a Reality

To Promote Environmental Management

Global environmental management systems

The Corporate Environment Management Committee is Toshiba Group's supreme decision-making body on environmental management. It proposes solutions to problems concerning management, technology development, production and sales that are related to environmental issues, deliberates on specific measures, and determines the orientation of activities. Under the Corporate Environment Management Committee, in-house companies, key group companies, and corporate regional headquarters (Americas, Europe, China as well as Asia & Oceania) hold Environmental Management Committee meetings.

From fiscal 2008 onward, we intend to strengthen the corporate regional headquarters structures in China and Asia & Oceania in order to reinforce global environmental management systems. We also evaluate the quality of the environmental management of each Group-wide company and reflect the results in the evaluation of business performance.

Audit system for compliance and risk management

In fiscal 2006, Toshiba Group introduced New EASTER (Environmental Audit System in Toshiba on the basis of ECO Responsibility) by integrating previous audit schemes. A series of audits were performed, also covering non-manufacturing sites and affiliates outside the scope of consolidation. Those sites that have low environmental impacts and are not within

the scope of on-site audits conduct self-assessment based on the same criteria as applied for audits.

In fiscal 2007, we started application of New EASTER to sites overseas using the same criteria as in Japan. Also, as a measure for human resources development, we launched a region-based local auditor qualification system for local employees at overseas sites. Through environmental audits, Toshiba Group is striving to ensure compliance and strengthen risk management while promoting environmental activities. Toshiba Group reported one case of violation of law in fiscal 2007. We have implemented measures to prevent recurrence and are stepping up efforts to ensure compliance.

Toshiba Group Environmental Award

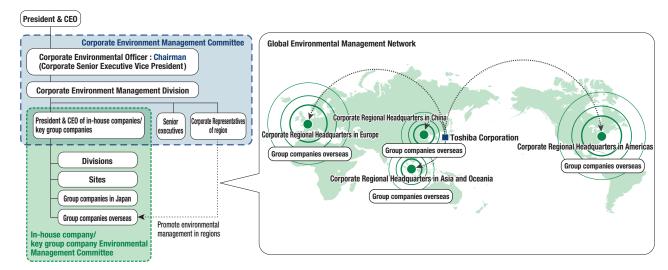
Toshiba Group has been presenting Toshiba Group Environmental Awards since fiscal 2003 with the aim of promoting environmental management throughout the group.

The award presentation ceremony used to be held at the Toshiba Group Environmental Exhibition in March. However, since fiscal 2007, ceremony has been held at the Toshiba Group CSR Conference in December. This provides an opportunity to enhance environmental awareness of people throughout Toshiba Group by communicating the achievements to a wider audience.

Toshiba Environmental Audit System



Organizational Chart of Toshiba Group's Environmental Management Structure



Targets and Results

Voluntary Environmental Plan Extended and Scope Expanded

Fourth Voluntary Environmental Plan Revised

In light of good progress of Environmental Vision 2010

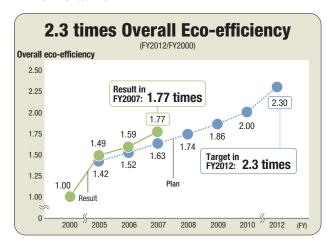
Since the First Voluntary Environmental Plan formulated in fiscal 1993, Toshiba Group has expanded the scope step by step to cover more sites and business processes while setting increasingly tough targets and introducing more action items with each successive plan.

The Fourth Voluntary Environmental Plan announced in March 2005 includes concrete targets for enhancement of product eco-efficiency and business process innovation to achieve Environmental Vision 2010, notably the doubling of overall eco-efficiency in fiscal 2010 compared with fiscal 2000.

Regarding results for fiscal 2007, product eco-efficiency increased 1.90 times (target 1.74 times) compared with fiscal 2000, business process eco-efficiency increased 1.27 times (target 1.19 times), and overall eco-efficiency increased 1.77 times (target 1.63 times). Except for one item, overall results greatly exceeded the targets as, for items with large impacts on eco-efficiency, actual improvements surpassed the targets set in the plan.

In light of the good progress, we have extended the time frame of the Fourth Voluntary Environmental Plan, along with the expansion in its scope, up to fiscal 2012 in line with the end of the first commitment period of the Kyoto Protocol. The targets have been revised up accordingly.

Targets and Results of the Fourth Voluntary Environmental Plan



New action items and higher targets

In extending the Fourth Voluntary Environmental Plan, we have set targets based on the goals of Toshiba Group Environmental Vision 2050 (see Page 10) announced in 2007. The overarching goal is a tenfold improvement in overall eco-efficiency by fiscal 2050 compared with fiscal 2000.

Also, we included three new action items—the number of Excellent ECPs (see Page 52), CO₂ emissions reduction effect by the Eco Products Approach, and reduction of water intake. As for items related to mitigation of climate change, which is a growing concern, we have revised the targets upward.

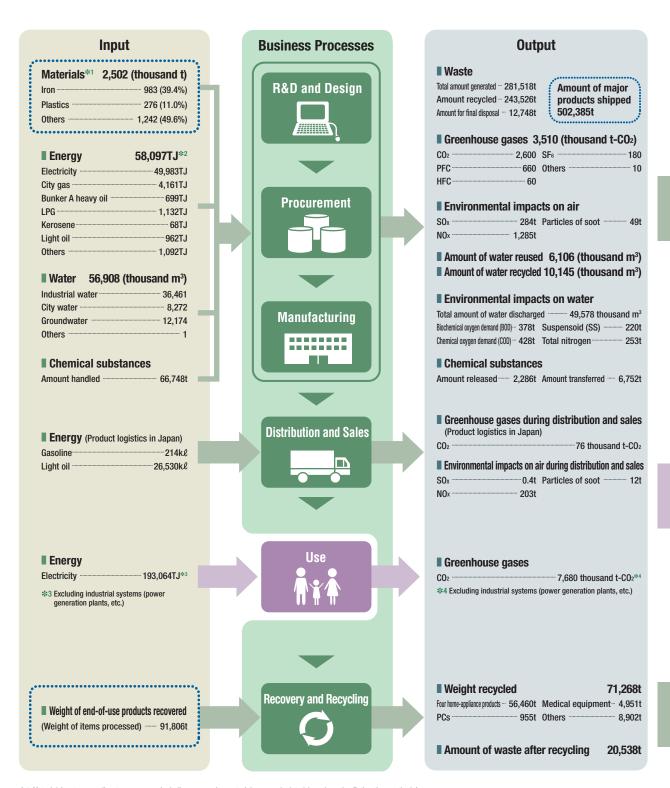
Fourth Voluntary Environmental Plan: Fiscal 2007 Target Achievement Level and Extension Details

	Indicator		2007	Evaluation*3	2010	2012	Not
Enhancement or	f Product Eco-efficiency						
	Ratio of ECPs to net sales		31%	0	60%	80%	_
Provision of	Number of Excellent ECPs		2	_	15	25	New
Environmentally Conscious	15 substance groups contained in products	*1	63%	0	Complete abolition	Complete abolition	
Products (ECPs)	CO ₂ emissions reduction effect by the Ec Approach	o Products	4.7 Mt	_	6.3 Mt	7.3 Mt	New *1
Business Proces	ss Innovation						
	Reduction of energy-originated CO ₂ emissions (compared with FY1990)	rate to net	42%	0	25→45%	47%	ᇦ
Mitigation of	Manufacturing sites in Japan	production output	42%	0	25→45%	47%	war
Mitigation of Climate Change	Reduction of greenhouse gas emissions (other than CO ₂)	Total emissions	35%	0	35→36%	38%	Upward revision
	Reduction of CO ₂ emissions associated with product logistics in Japan	Rate to net production output	36%	0	25→40%	44%	ion
	Reduction in the total amount of waste generated	Rate to net production output	28%	0	20%	24%	
Efficient Use of	Sites achieving zero emissions of waste*2		48%	0	100%	100%	*2
Resources	Increase in the amount of recycling of e (compared with FY2001)	nd-of-use products	155%	0	160%	180%	
	Water intake	Rate to net production output	24%	_	9%	10%	New
Management of Chemicals	Reduction of total emissions of chemicals to air and water	Total emissions	14%	\triangle	50%	54%	*3

- ote: Unless otherwise specified, the targets are based on comparison with FY2000 and cover manufacturing and non-manufacturing sites worldwide. Net production output means: Nominal output (Japan+overseas)/Corporate goods price index (electrical equipment) announced by the Bank of Japan for each year (the index for 1990 is 1), and is used for the purpose of evaluating activities
- 15 substance groups subject to restriction: bis (tributyl tin) oxide (TBTO), tributyl tins (TBTs), triphenyl tins (TPTs), polychlorinated biphenyls (PCBs), polychlorinated naphthalenes (PCNs with 3 or more chlorines), short-chain chlorinated paraffins, asbestos, azo colorants, ozone-depleting substances, radioactive substances, cadmium and its compounds, hexavalent chromium compounds, lead and its compounds, mercury and its compounds, polybrominated biphenyls (PBBs), and polybrominated diphenyl ethers (PBDEs). (Detailed definitions and specific applications to be excluded are specified separately.)
- Toshiba Group's definition of zero emissions of waste is that the amount of waste for landfill after treatment is equivalent to 1% or less of the total amount of by-products and other items generated (total amount of waste discharged) as a result of business activities.
- Evaluation: ○Targets achieved, △Progress made but yet to be achieved, -Targets set from FY2008

Environmental Impacts at a Glance

Analyzing Environmental Impacts of Products and Services and Business Processes of Toshiba Group to Enhance Eco-efficiency



^{\$1} Material inputs according to resources, including composite materials, are calculated based on the Estimation method for Material Inputs using Input-Output Table (EMIOT), a method developed by Toshiba. Detailed information on material inputs for each resource is available on the website.

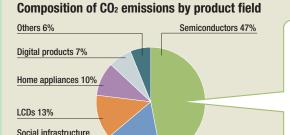
^{*2} TJ=10¹²J. Joule is a unit of work done or energy expended as heat or as electricity. 1J=approx. 0.239 calorie

Materials shipped as products, recycled and discharged as waste are highlighted.

Characteristics of Toshiba Group's Environmental Impacts and Countermeasures

Japan 74%

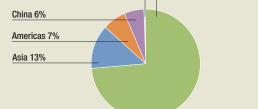




Composition of CO₂ emissions by geographical region (Energy-derived CO2 emissions in fiscal 2007)

Europe 0.3%

systems 17%

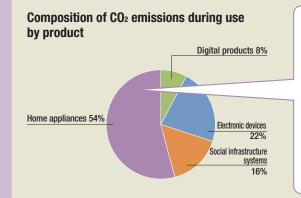


Controlling the increase of CO₂ emissions due to increase in semiconductor

production

Clean rooms operated around the clock for production of semiconductors and LCDs consume a lot of electricity for air conditioning. In order to minimize the impact of new fabs constructed in response to rising demand, Electronics Devices & Components group is addressing the vital issue of curbing CO2 emissions during manufacturing.

► Related article on P15



Comparison of recycling amounts by product

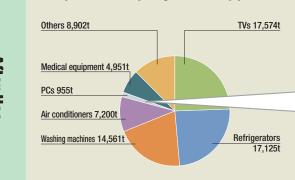
Pursuit of energy saving for major home appliances





Household CO₂ emissions are on the rise. We are focusing on development of energy-saving lighting equipment, refrigerators, and air conditioners as these three home appliances account for a large share of household CO2 emissions.

► Related article on P13-14



Promoting recycling of PCs around the world

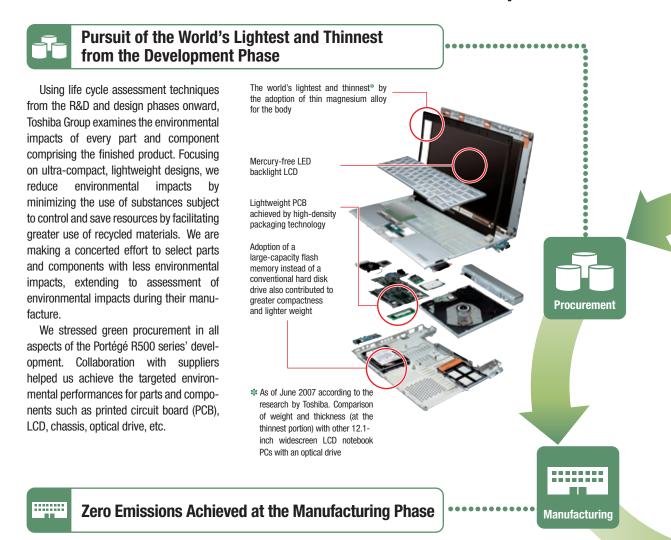


Life cycles of PCs are becoming shorter because of the rapid development of new functions. We are establishing PC recycling systems in regions around the world in view of the geographical expansion of sales and the increasing quantity of PCs to be disposed owing to the increasing sales volume.

► Related article on P51-52

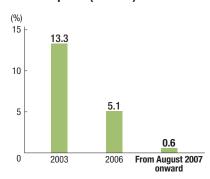
Reducing Environmental Impacts throughout Notebook PC Life Cycle

Measures to reduce environmental impacts at each phase of the product life cycle—taking the Portégé R500 series of notebook PCs, certified as Excellent ECPs in Fiscal 2007 as an example



Toshiba Information Equipment (Hangzhou) Co., Ltd. (TIH) in China, where the Portégé R500 series are manufactured, recovers and recycles silver, copper, tin, etc. contained in PCB and electroniccomponent waste generated during the manufacturing process. Kitchen garbage from the plant's cafeteria has also been reduced. TIH achieved zero emissions of waste in August 2007.

Final Disposal (Landfill) Rate at TIH



World-beating Environmentally Conscious PCs

In their category, the Portégé R500 series are the world's lightest* mobile PCs. They offer excellent shock resistance and longer battery life than comparable models. Indeed, their environmental performance is of world-leading standards. The Portégé R500 series are the result of our pursuit of high targets based on the mapping of eight environmental engineering measures, including resource saving and energy saving.

Senior Manager PC Environmental Management Dept. Toshiba Corporation

What is a Toshiba Group Excellent ECP?

To be certified as an Environmentally Conscious Product (ECP), a product must comply with the Voluntary Environmental Standards for Products that Toshiba Group established in 1999 to promote development of environmentally conscious products. Excellent ECP is Toshiba Group's program for stimulating creation of products with exceptional eco-efficiency. Only products with industry-leading environmental performance are certified as Excellent ECPs. The Portégé R500 series, which are the first products to bear the Excellent ECP mark, are rated as GOLD in the Electronic Product Environmental Assessment Tool (EPEAT) evaluation of environmentally conscious design in the U.S. in 2007, earning the highest points in the notebook PC category.





Promoting Recovery and Recycling Around the World

In Japan, we have been recovering and recycling end-of-use PCs from businesses and households since 2001 in accordance with the Act on the Promotion of Effective Utilization of Resources. Since 2005, this scheme has been expanded overseas. covering more than 80% of Toshiba's PC markets.

For example, Toshiba America Information Systems, Inc. (TAIS) takes back used notebook PCs from customers and assigns scrapping companies licensed by the U.S.

Environmental Protection Agency to disassemble them and recover metals and plastics for recycling. TAIS has also been accepting non-Toshiba PCs since 2007 and is participating in waste recovery programs in cooperation with mass merchandisers and community organizations.

Based on the achievements in the U.S., Toshiba Group is establishing similar recycling systems in China, Australia, Singapore and certain other countries.

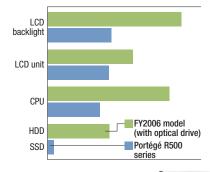


50% Reduction in Power Consumption during Use

Various technologies are combined to reduce power consumption during use.

The transreflective LCD screen allows the switching off the backlight while using the PC under bright light. Also, a lowpower-consumption LED backlight is adopted. Integration of a flash memory solid-state drive (SSD) instead of a hard disk drive (HDD) has contributed to compactness, light weight, and low power consumption. Compared with the previous model, power consumption is 50% less.

Power Consumption Comparison with FY2006 Model with Optical Drive





Logistics

Recovery and Recycling

Improved Logistics Efficiency and Reduced Packaging Materials

In addition to the use of less and lighter packaging materials, transportation of products in unit load form and final packaging only at the point of sale has led to a great reduction in transportation volume.

Also, during transportation, PCs are packed in specially designed returnable

containers offering improved vibration resistance and superior loading efficiency. Also, we ceased using Styrofoam as a packaging material because of its poor reusability.

> **Excellent ECP-certified** Portégé R500

Environmental Activities

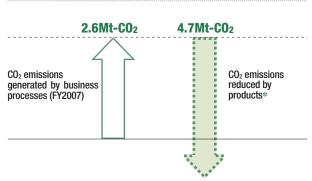
Reducing Environmental Impacts on Three Themes: Mitigation of Climate Change, Management of **Chemicals, and Efficient Use of** Resources

Mitigation of Climate Change

Expansion of environmentally conscious products to reduce CO₂ emissions during product usage

As a measure to mitigate climate change, Toshiba Group is emphasizing development of environmentally conscious products with minimal environmental impacts throughout their life cycles from design and manufacturing to usage and disposal. It is estimated that the reduction in CO2 emissions due to environmentally conscious products is far greater than the amount of energy-derived CO₂ emissions due to business activities*. * Excluding energy supply products such as power plants

Reduction of CO₂ Emissions by Environmentally **Conscious Products (Estimate)**



* Calculated by converting the energy-saving benefit, which would be achieved if all products shipped by Toshiba Group in fiscal 2007 had replaced all products shipped in fiscal 2000, to CO_2 emissions (per year) of the products throughout the life cycle (exclude energy supply products such as power plants)

Reduced energy consumption during usage

Toshiba Group has been tackling reduction of energy consumption of products during usage by setting annual targets since the launch of the Second Voluntary Environmental Plan in fiscal 1996.

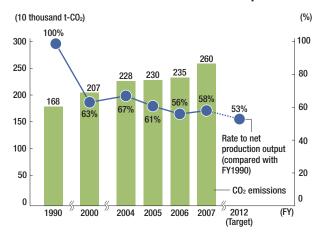
With the Fourth Voluntary Environmental Plan launched in fiscal 2005, Toshiba is working to reduce overall environmental impacts, including energy consumption during usage, by making use of Toshiba's unique eco-efficiency indicator based on the "factor" concept.

Minimizing the impact of increased energy consumption

In fiscal 2007 Toshiba Group's energy-originated CO₂ emissions increased 11% compared with fiscal 2006. This increase was mainly attributable to new clean rooms for semiconductors and LCDs. We minimized the impact by introducing energy-saving clean rooms.

Although expansion of the semiconductor and LCD businesses is expected to increase energy consumption, we intend to achieve the target for fiscal 2012 by promoting energy saving.

CO₂ Emissions and Rate to Net Production Output



Toshiba Group's Factor Is the Value Factor of Product multiplied by Environmental Impact Reduction Factor

The greater the value factor and the environmental impact reduction factor of a product, the greater the contribution the product can make to a higher quality of life.

Factor

The greater the factor, the higher the value and the more environmentally conscious the product is. **Value Factor**

(Degree of improvement of product value)

Overall value, including convenience and comfort, is calculated based on the voice of customers. The higher the value compared with the benchmark product, the greater the value factor is.

X

Environmental Impact Reduction Factor

(Degree of reduction of environmental impacts)

Environmental impacts are calculated by employing the life cycle assessment method. The lower the environmental impacts compared with the benchmark product, the greater the environmental impact factor is.

Management of Chemicals

Progress on abolition of use of certain chemicals in products

Toshiba Group is working to abolish the use of certain chemical substances and to reduce their presence in products if they are considered to be harmful to human health and/or to the environment. Toshiba Group ceased use of the six substances banned by the RoHS Directive* in some products introduced since April 2005, achieving full compliance with the RoHS Directive by the time it came into force in July 2006. The Fourth Voluntary Environmental Plan calls for abolition of the use of 15 substance groups by fiscal 2010, including ozone-depleting substances. In fiscal 2007, the ratio of products free from these 15 substance groups increased from 48%(fiscal 2006) to 63%.

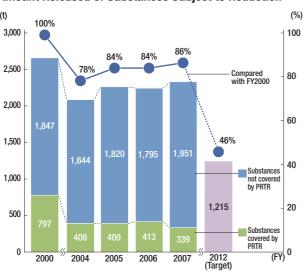
ROHS Directive: A European Union Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment

Management of chemicals in manufacturing processes

Toshiba Group classifies some 2,000 substances covered by the PRTR Law of Japan and other environment-related laws and regulations into three ranks—prohibition of use, reduction in use, and control of release. At Toshiba Group, the ratio of the amount of substances released to that of substances handled has been low at around 3-5% each year.

For substances subject to reduction in use in accordance with Toshiba's criteria, we are focusing on reducing their release as it has a significant direct impact on the environment. Measures implemented in fiscal 2007 included introduction of abatement systems. However, as the amount of substances handled rose in line with the increase in production, the amount of substances released increased to 2,286 tons. Although the amount released was 14% lower compared with that in fiscal 2000, we did not achieve the targeted 30%

Amount Released of Substances Subject to Reduction



reduction for fiscal 2007. In fiscal 2008, we intend to further promote substitution, process changes, and introduction of abatement systems.

Efficient Use of Resources

Resource-saving product design and recycling

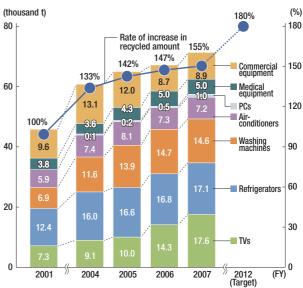
Toshiba Group is emphasizing resource-saving product design, such as development of lighter products with longer lives and greater use of modules so that repairs and upgrades of products are performed simply by replacing modules. Another priority is reduction in the number of parts to facilitate disassembly and recycling and use of recycled resources in products. For example, 1,300 tons of recycled plastics were used in the manufacture of Toshiba washing machines and other products in fiscal 2007. Toshiba Group is making a concerted effort to optimize packaging. Our target is a 10% reduction by fiscal 2010 compared with fiscal 2005 in the amount of packaging materials distributed in Japan (rate to net production output). To achieve this target, we are sharing the best practice and developing innovative packaging technologies.

Waste reduction and recycling in business activities

As a result of process improvements and other measures to curb waste generation, the total amount of waste generated (rate to net production output) was 281,518 tons in fiscal 2007, representing a 28% reduction (target: 24%) in waste generated compared with fiscal 2000. Also, as a result of efforts to reduce the final disposal rate by thorough sorting of waste and more recycling of by-products, 48% (target: 46%) of all subject sites worldwide achieved zero emissions.

While working to enhance the quality of recycling by expanding material recycling, we are promoting recovery of end-of-use products and material recycling worldwide.

Amount of Materials Recycled from End-of-use Products



Environmental Communication

Extensive Engagement with Stakeholders

Environmental Public Relations

Environmental exhibitions

Toshiba Group is publicizing its environmental message by participating in major exhibitions around the world.

March 2008	17th Toshiba Group Environmental Exhibition
March 2008	4th Eco-Products International Fair (Vietnam)
December 2007	Eco Products 2007 (Japan)
October 2007	CEATEC Japan 2007 (Cutting-edge IT & Electronics Comprehensive Exhibition, one of the largest of its kind in Asia)
September 2007	IFA 2007 in Berlin (one of the world's largest consumer electronics trade shows)



17th Toshiba Group Environmental Exhibition



4th Eco-Products International Fair 2008 in Vietnam



IFA 2007 in Berlin, one of the world's largest consumer electronics trade shows

Enhancing Environmental Awareness

Environmental housekeeping books

Toshiba Group is encouraging its employees to keep environmental household accounts in order to enhance their environmental awareness. Also, Toshiba participates in the Eco-Family project of the Ministry of the Environment of Japan, which is designed to support environmentally conscious families. Households registered with the Eco-Family Website can earn Eco-Family Points* through environmental activities at home. In order to offset CO2 emissions attributable to operation of personal computers by the employees' families while accessing environmental housekeeping books, we plant trees corresponding to the earned points, as a part of 1.5 Million Tree-planting Project—a Toshiba Group initiative. In fiscal 2007 we planted 3,000 trees at Mt. Fuji Children's World, a large recreation area at the foot of Mt. Fuji.



Employees and their families, who participate in the environmental housekeeping book project, planting trees

* Eco-Family Points: A mechanism for earning points by participating in four environmental activities on the Eco-Family Website: Eco-Challenge provides a small environmental task every day, Eco-Life Idea lets eco-families suggest their ideas and vote for good ideas, Environmental Housekeeping Book allows eco-families to find out their energy consumption, and Eco-Events encourage eco-families to take part in nationwide environmental

Awards for Environmental Technologies

Fiscal 2007

Awards for Group-wide Environmental Managem	ent	Winner
Director-General of Industrial Science and Technology Pciency Award	Toshiba Group	
Chairman's Prize, LCA Japan Forum	Toshiba Corp.	
Awards for Environmental Technologies and Acti	vities	
Awards	Activitiy/Technology/Product	Winner
Bureau of Economy, Trade and Industry Director-General's Prize, Successful Case of Energy Conservation in Factory & Building for Fiscal 2007	Energy saving by upgrading of refrigerators	lwate Toshiba Electronics Co., Ltd.
Director-General of the Agency for Natural Resources and Energy Award, Successful Case of Energy Conser- vation in Factory & Building for Fiscal 2007	Energy saving by reduction of clean room air circulation flow	Oita Operations, Toshiba Corp.
Director-General of the Agency for Natural Resources and Energy Award, 18th Energy Conservation Grand Prize	RAS-402BDR/RAS-402BADR <i>Daiseikai</i> room air conditioners	Toshiba Carrier Corp.
Chairman Prize of Energy Conservation Center of Japan,	E-CORE high-efficiency LED downlight	Toshiba Lighting & Technology Corp.
18th Energy Conservation Grand Prize	NeoBall Z Real compact fluorescent lamp	Toshiba Lighting & Technology Corp.
	Hot Power Eco Ultra BIG heat pump hot water supply system for commercial use	Tokyo Electric Power Co. Toshiba Carrier Corp.
Special Commendation, 4th PRTR Award 2007	Management of chemicals and risk communication	Yokkaichi Operations, Toshiba Corp.
The Japan Machinery Federation Chairman's Prize, Excellent Energy-saving Equipment Commendation for Fiscal 2007	Sensorless permanent magnet motor drive for hybrid trucks	Hino Motors, Ltd. Automotive Systems Div., Toshiba Corp.
Commendation by the Minister of the Environment for Climate Change Mitigation Activities for Fiscal 2007 (Technology Development and Commercialization Category)	E-CORE high-efficiency LED downlight	Toshiba Lighting & Technology Corp.
Ministry of Land, Infrastructure and Transport Award at Electrical Construction Equipment and Materials Fair 2007	E-CORE high-efficiency LED downlight	Toshiba Lighting & Technology Corp.
Minister of the Economy, Technology and Industry Prize, Eco Service Category, 4th Eco Products Awards	Upgrading of elevators	Toshiba Elevator and Building Systems Corp.
Outstanding Prize, Eco Products Category, 4th Eco	E-CORE high-efficiency LED downlight	Toshiba Lighting & Technology Corp.
Products Awards	Next-generation X-ray CT systems, X-ray tubes, and CCD cameras	Toshiba Medical Systems Corp. Toshiba Electron Tubes and Devices Co., Ltd.
Encouragement Prize, Recycling Technology and Systems Awards	Development of 24/36 kV solid insulated switchgear	Power Systems Company, Toshiba Corp. Power and Industrial Systems Research and Development Center, Toshiba Corp. Industrial Systems Company, Toshiba Corp.
Reduce, Reuse, Recycle Promotion Council Chairman's	Promotion of 3Rs for the latest clean room	Oita Operations, Toshiba Corp.
Award	Voluntary recovery of end-of-use X-ray tubes and power grid tubes	Toshiba Electron Tubes and Devices Co., Ltd.
Minister of the Environment Prize and Outstanding Prize, 34th Environmental Award	Development of decolorable ink	Corporate R&D Center, Toshiba Corp. Industrial Systems Company, Toshiba Corp.
Outstanding Environmental Performer (Hall of Fame Award)	Environmental protection activities	Toshiba Information Equipment (Philippines), Inc.
Excellence in Ecology and Economy (E3)	Contribution to environmental protection and the economy	Toshiba Information Equipment (Philippines), Inc.
LLDA Blue Rating Award	Wastewater management	Toshiba Information Equipment (Philippines), Inc.
Prime Minister's Hibiscus Award 2006/2007	Environmental protection activities	Toshiba Electronics Malaysia Sdn. Bhd.
Energy Conservation Award in Energy Participation Program	Energy conservation activities	Toshiba Hokuto Electronic Devices (Thailand) Co., Ltd.
Best Overall Sustainable Waste Management Solutions 2008	Waste management	Toshiba Information Systems (UK) Ltd.
US Environmental Protection Agency's Plug-in to eCycling commendation	Recycling activities	Toshiba America, Inc. Toshiba America Information Systems, Inc. Toshiba America Consumer Products, L.L.C.
2007 Urban Impact Recycling Certification	Recycling activities	Toshiba of Canada, Ltd.
A member in the National Environmental Performance Track Energy participation program	Environmental protection activities	Toshiba International Corp.

Third-Party Comments on the CSR Report



Professor Katsuhiko Kokubu Professor of Social and Environmental Accounting Graduate School of Business Administration Kobe University

Evolving CSR Activities and Report

The contents of Toshiba's CSR report, which reflect the editorial policy emphasizing stakeholders, have evolved over the years. CSR Report 2008 focuses on social and environmental activities conducted on the basis of dialogue with stakeholders in accordance with a more refined assessment of what stakeholders consider to be material. It is commendable that this approach has resulted in a significant enhancement of CSR activities and disclosure. Toshiba has been consistent in its emphasis on stakeholders and CSR Report 2008 presents several activities reflecting stakeholders' views, which are indicative of the high standard of Toshiba's CSR activities.

Environmental Vision 2050

Toshiba has announced Environmental Vision 2050 envisaging the ideal situation in 2050. Although such long-term visions tend to be superficial, Toshiba examines approaches to contribute to ensure a better global environment in 2050 through its business activities, by relating the environmental vision with its business strategies. Moreover, CSR report 2008 presents specific examples of what Toshiba is doing in order to make Environmental Vision 2050 a reality. Commitment to environmental protection through business activities is crucially important and it is desirable for Toshiba to become more deeply engaged in systematized activities, including technological innovation and disclosure.

CSR Management

Toshiba's in-house companies and key group companies have been promoting CSR activities by setting priority themes since the second half of fiscal 2007. Although it is difficult to control CSR activities of individual organizations, once the big picture encompassing Toshiba Group is grasped, strengths and weaknesses of organizations can be identified to provide a basis for further development. It is noteworthy that Toshiba's CSR management is not only comprehensive but also includes the setting of quantitative targets, progress check, and follow-up. However, the report's coverage is not exhaustive and it is desirable that Toshiba devises ways to communicate the breadth and depth of the level of its activities.

Global CSR Activities

As befits a leading global enterprise, Toshiba conducts CSR activities worldwide. The report covers numerous activities overseas, including promotion of CSR in the supply chain. In particular, it is noteworthy that Toshiba is reflecting global stakeholder engagement in its CSR activities. However, information on overseas activities largely concerns disparate topics. Therefore, assessment of global activities from the viewpoint of CSR is an important task that should be tackled from now on.

CSR through Business

Toshiba links CSR activities with business activities with the aim of fulfilling CSR by making it an integral part of doing business. This stance is also vital in terms of environmental performance and social performance. The emphasis on innovation in the executive commitment expresses Toshiba's corporate stance. Henceforth, it is desirable to see Toshiba define CSR innovation and reflect that definition in its CSR activities while, at the same time, disclosing information so that Toshiba's CSR activities further evolve and provide an exemplary model for other companies.

[Biography]

Professor Katsuhiko Kokubu received a Ph.D in business administration from Osaka City University. He has been a professor at the Graduate School of Business Administration, Kobe University since 2001, and in 2003, established the Institute for Environmental Management Accounting, a vehicle for utilizing research achievements. Professor Kokubu chaired a committee of the Ministry of Economy, Trade and Industry on development and promotion of material flow cost accounting and served as a member of a committee of the Ministry of the Environment on environmental reporting guidelines.

Response to the Third-Party Comments

Every year several divisions and staff throughout Toshiba devote themselves to the production of the CSR report. We have been working to incorporate their CSR activities in the plan-do-check-act cycle of CSR management so that the completion of the report will be a springboard to further achievement. We consider this to be an example of CSR process innovation.

In addition, we aim to achieve CSR value innovation by stepping up our efforts to contribute through our business activities to the resolution of issues confronting the society.

By endeavoring to optimize the scope and method of disclosure, the presentation of global activities, and all other aspects of CSR, we aim to become an exemplary corporate citizen of planet Earth, trusted by our stakeholders.

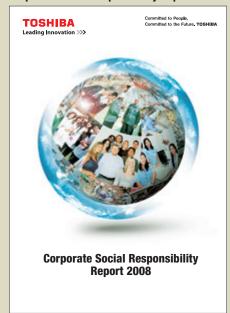
Printed Reports and the Website

The printed report, Toshiba Group CSR Report 2008, presents Toshiba Group's CSR activities that have the greatest priorities.

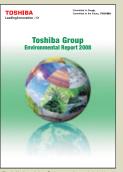
Starting this year, Toshiba Group Environmental Report will be published to present environmental activities in detail. Toshiba Group Social Contributions Activities Report, published since 2005, provides an overview of corporate citizenship activities.

Printed Reports

Toshiba Group Corporate Social Responsibility Report 2008



Toshiba Group Environmental Report 2008



(Published in September 2008)

Toshiba Group Social Contributions Activities Report



(Published in December 2007)

Website

Toshiba Group CSR Website



URL http://www.toshiba.co.jp/csr/en

The CSR website presents detailed information on items included in the printed report, and the information is wider in scope.

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■ Inquiry page on Toshiba website (general inquiries)
URL http://www.toshiba.co.jp/csr/en/contact/

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

Production and printing of the Toshiba Group CSR Report 2008 reflect the following considerations:

Paper



Use of FSC-certified Paper

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



Use of Forest Thinning support Paper

Printed on "Morino Chonai-Kai Forest-thinning Support Paper", the result of a partnership between Office Chonai-Kai, an environmental non-profit organization working to support used paper recycling, and Iwate Prefecture's Iwaizumi-cho municipality in Japan, which is promoting forest restoration.

Printing



Waterless Printing

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



Non-VOC Ink

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

Color Universal Design



Color Universal Design-certified

We sought to design the CSR Report using colors and patterns that are easy to distinguish regardless of the difference in color vision among people. Following a monitoring check, the CSR Report gained a color universal design certification from the Color Universal Design Organization (CUDO), an NPO in Japan.