



2010

CSR Report

Corporate Social Responsibility

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

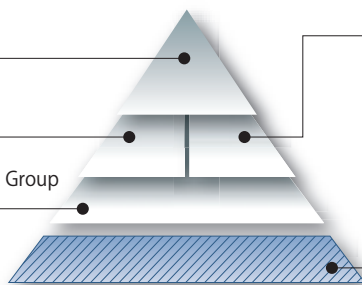
Toshiba Group's mission

Toshiba Group Management Vision

A set of values and targets shared throughout Toshiba Group

Toshiba Group Standards of Conduct

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



Toshiba Brand Statement

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

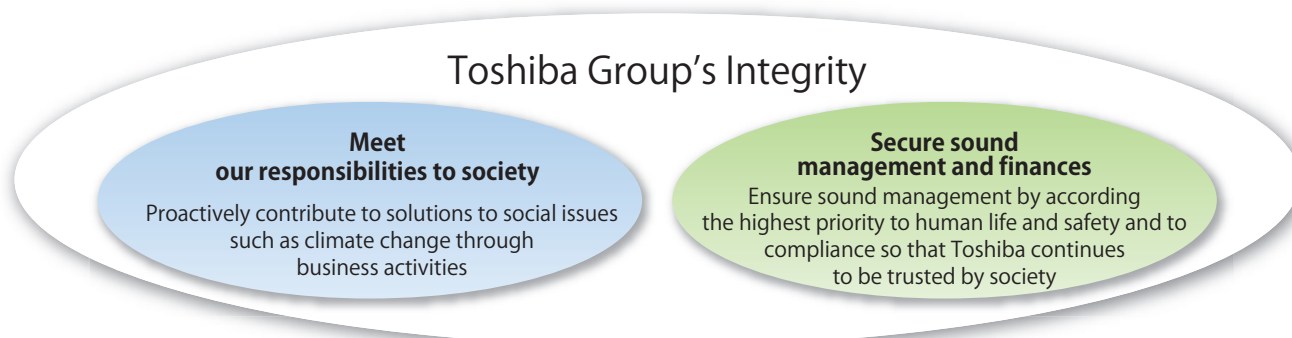
Toshiba Group's Corporate Philosophy emphasizes respect for people, creation of new value, and contribution to society.

The Group slogan – “Committed to People, Committed to the Future. TOSHIBA.” – expresses the essence of our corporate philosophy.

We recognize that it is our corporate social responsibility (CSR) to put our philosophy and slogan into practice in our day-to-day business activities. In doing so, we accord the highest priority to human life and safety and to compliance.









Toward Realizing the Corporate Philosophy

Toshiba Group strives to constantly act with unshakable integrity and aims to continue to be trusted as a “corporate citizen of planet Earth”



In CSR management, Toshiba Group emphasizes the keyword “integrity” with the above two connotations and ultimately seeks to fulfill its responsibilities toward a wide range of stakeholders.

Major Stakeholders and Toshiba Group's Responsibilities

| Major Stakeholders | | Key Responsibilities |
|--|---|---|
|  Customers | With its wide range of products—from home appliances, digital products, and electronic devices to social infrastructure systems—Toshiba Group has a diverse range of customers, including individual and corporate customers as well as government and public bodies. | <ul style="list-style-type: none"> • Providing safe, secure products and services that offer great value • Providing appropriate product information • Creating environmentally conscious products and services • Enhancing customer satisfaction • Offering excellent customer relations and support • Managing customer information appropriately • Promoting universal design |
|  Shareholders/ Investors | Toshiba has approximately 473,000 shareholders. Of the 4.23 billion shares issued, 38.1% of the voting rights are held by financial institutions, 31.2% by individuals and others, and 24.8% by foreign corporations (as of March 31, 2010). | <ul style="list-style-type: none"> • Disclosing information in a timely and appropriate way • Providing an appropriate return of profits • Maintaining and enhancing corporate value • Responding to the needs of SRI institutions |
|  Suppliers | Toshiba Group has approximately 4,000 suppliers in Japan and 1,000 suppliers overseas (as of March 31, 2010). | <ul style="list-style-type: none"> • Selecting suppliers fairly and engaging in fair trading practices • Offering open business opportunities • Providing support for CSR-based management |
|  Employees | Around 200,000 people work for Toshiba Group at 542 companies (as of March 31, 2010), including approx. 120,000 employees working in Japan and approx. 80,000 employees overseas. | <ul style="list-style-type: none"> • Conducting fair assessment and treatment • Respecting human rights and diversity • Optimizing human resources and promoting their growth • Supporting diverse working styles • Maintaining and enhancing skills and capabilities • Ensuring occupational health and safety |
|  Local communities | Toshiba Group has major business sites in over 30 countries worldwide. In carrying out our business operations, we respect the cultures, history, and customs of people in each region. | <ul style="list-style-type: none"> • Respecting different customs and cultures • Engaging in corporate citizenship activities in local communities • Preventing accidents and disasters at business sites • Supporting neighboring communities in case of a disaster |
|  Government/ Authorities | Toshiba Group operates worldwide. Governments and public bodies of many countries are also our customers. | <ul style="list-style-type: none"> • Complying with laws and regulations • Paying taxes • Supporting government policies toward solving social issues |
|  NPOs/NGOs | We cooperate with and draw on the strengths of NPOs and NGOs on areas such as the environment, human rights, and social contributions, and always endeavor to engage in constructive dialogue with them. | <ul style="list-style-type: none"> • Providing support to solve diverse global issues • Collaborating on our priority areas of corporate citizenship |
|  Global environment | In striving to become of the world's foremost eco- companies, we are promoting business activities in harmony with the global environment. | <ul style="list-style-type: none"> • Mitigating climate change • Reducing waste discharges • Reducing release of chemicals |

Note: The word “integrity” means 1. the quality of being honest and having strong moral principles; 2. (formal) the state of being whole and not divided (Oxford Advanced Learner's Dictionary)

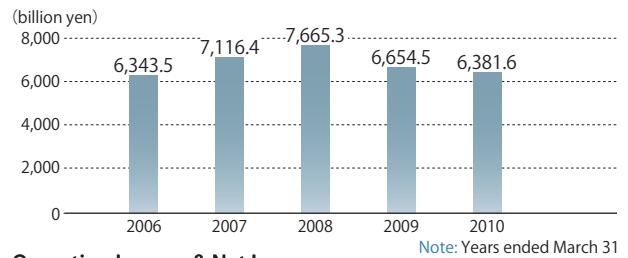
Toshiba Group Business Overview

Company Overview (as of March 31, 2010)

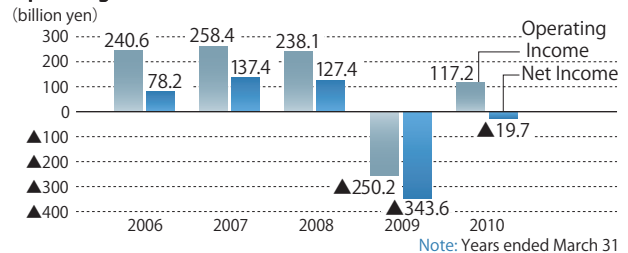
| | |
|---|--|
| Company name | Toshiba Corporation |
| Headquarters address | 1-1, Shibaura 1-chome, Minato-ku, Tokyo |
| Founded | July 1875 |
| Paid-in capital | 439.9 billion yen |
| Consolidated net sales | 6,381.6 billion yen |
| Number of employees | 203,889 (consolidated) |
| CSR-related international charters/ guidelines Toshiba endorses | <ul style="list-style-type: none"> United Nations Global Compact Global Reporting Initiative (GRI) |
| Number of shareholders | 473,230 |
| Number of shares issued | 4,237,600,000 shares |
| Number of consolidated subsidiaries | 542 (227 in Japan, 315 overseas) |
| Number of affiliates accounted for by the equity method | 200 |
| Stock exchange listings | Tokyo, Osaka, Nagoya, London |
| Membership in CSR-related organization | Business for Social Responsibility (BSR) |

Financial Results (Consolidated)

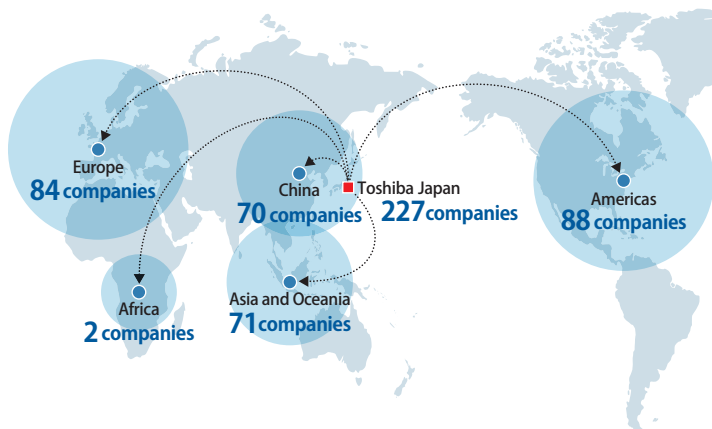
Net Sales



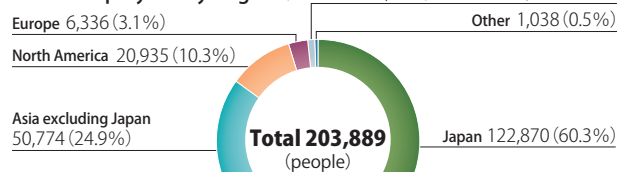
Operating Income & Net Income



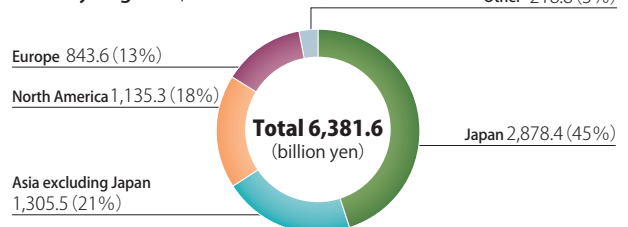
Business Structure (numbers in the map indicate overseas consolidated subsidiaries)



No. of Employees by Region (as of March 31, 2010)



Sales by Region (April 1, 2009–March 31, 2010)

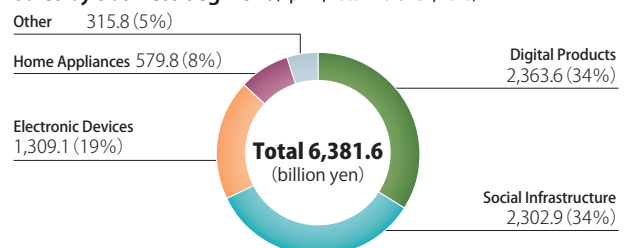


Toshiba Group Business Domains

Founded in 1875, Toshiba Group consists of Toshiba and its consolidated subsidiaries throughout the world (542 companies in total, with around 200,000 employees, as of end of March 2010). The Group operates globally in the following four domains: digital products, electronic devices, social infrastructure, and home appliances.

At Toshiba Group, our mission is to “deliver technology and products remarkable for their innovation and artistry—contributing to safer, more comfortable, more productive lives.”

Sales by Business Segment (April 1, 2009–March 31, 2010)



Digital Products

Smartphones, mobile phones, LCD TVs, high-definition recorders, storage devices, notebook PCs, and servers

Electronic Devices

NAND flash memory drives, system LSIs, power devices, optical semiconductors, and liquid crystal displays

Social Infrastructure

Nuclear/thermal/hydroelectric power generation systems, electric distribution/industrial systems, transportation/social systems, water supply/sewerage & environment systems, broadcasting/transmission network systems, radar systems, IT solutions, image diagnostic systems, etc.

Home Appliances

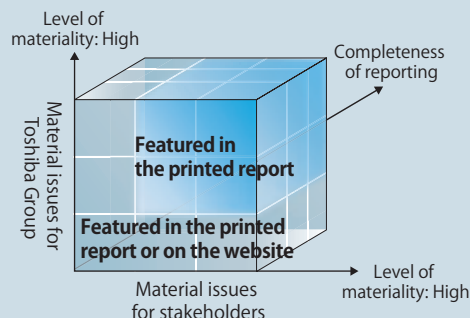
Refrigerators, washer-dryers, kitchen appliances, air-conditioners, and lighting equipment

Editorial Policy

Our efforts to report on the priority issues for our stakeholders and those for Toshiba Group

In editing the CSR Report, we examine and take into consideration the issues material for both our stakeholders as well as the Group, then verify the results using a Toshiba-specific index for determining materiality (see p. 19). Based on this, we have edited this CSR Report 2010 with the two new features described below.

In addition to the CSR Report, Toshiba Group also publishes the Annual Report and the Environmental Report, and provides the latest information on the corporate website.



Integrity Report I Meet our responsibilities to society

Includes a special feature on Toshiba Group's initiatives aimed at contributing to the protection of the global environment through business activities

- Vision and goals of Toshiba Group to establish a position as one of the world's foremost eco-companies and initiatives aimed at realizing these visions

We have provided an overview of the Environmental Vision 2050, which is aimed at creating a world in which people can live richer lifestyles in harmony with the Earth, and report on the proactive initiatives of Toshiba Group to realize the vision based on the concept of three "Greens."

Integrity Report II Secure sound management and finances

Includes reporting based on the degree of materiality for stakeholders and in accordance with the international standards and guidelines for CSR reporting

- Assessment of the degree of materiality based on the three principles of the AA1000AP
- Selection of items based on the seven core subjects in ISO/DIS 26000

Following the procedures for selecting items to be reported based on the AA1000AP (see p. 19), we have edited the CSR Report 2010 in accordance with the seven core subjects of the ISO 26000 Draft International Standard released in 2009.

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Integrity Report I

Striving to establish a position as one of the world's foremost eco-companies

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Organizations covered in this report

In principle, the Toshiba Group (Toshiba Corporation and its 542 consolidated subsidiaries in Japan and overseas) are covered in this report, but individual entities are indicated in cases where information does not pertain to the Toshiba Group.

Note: "Toshiba" in this report refers to Toshiba Corporation.

Reporting period

This report focuses on the results of activities in fiscal 2009 (from April 1, 2009 to March 31, 2010), but also includes some activities continuing from the past as well as more recent ones.

Publication

Current issue: August 2010 (next issue scheduled for August 2011; previous issue was August 2009)

Reference Guidelines

Global Reporting Initiative (GRI)
Sustainability Reporting Guidelines (G3)
Environmental Reporting Guidelines (Fiscal Year 2007 Version), Ministry of the Environment of Japan
Environmental Accounting Guidelines 2005, Ministry of the Environment of Japan
Draft International Standard ISO/DIS 26000

Disclaimer

This report contains plans and strategies for the future of Toshiba, as well as predictions and prospects regarding our performance. Such information is based on our determinations and convictions made based in accordance with the facts and information currently available to us.

CEO Commitment

We will constantly strive to act with unshakable integrity, to establish a position as one of the world's foremost eco-companies, and to contribute to the future of a sustainable planet Earth.

Promoting CSR Management as Toshiba Group's Basic Management Policy

Since my appointment as President and CEO of Toshiba, I have focused on the implementation of policies that include promotion of CSR management, setting ambitious goals for innovation and speeding up the pace of its achievement, continuing to expedite our globalization, and accelerating resource allocation into strategic areas in order to return to the path of sustained growth with steadily higher profit.

Based on these management policies, in fiscal 2009 we made tremendous efforts to reform the structure of our businesses and to reduce fixed costs by implementing Toshiba Group's "Action Programs to Improve Profitability." As a result, we succeeded in improving our operating profit.

In addition to seeking the further development of Toshiba Group by focusing on growth businesses, expanding our business realms, and advancing into new fields, we are also pushing forward with CSR management, in an endeavor to position ourselves as one of the world's foremost eco-companies.

Acting with Unshakable Integrity

In promoting CSR management, I have consistently emphasized the need for integrity. This term embodies two meanings.

First of all, it refers to meeting our responsibilities to society. We realize that Toshiba Group's corporate social responsibility also lies in focusing on business activities that utilize our technological know-how in order to contribute to mitigation of global concerns, such as climate change and health issues, and to promote development in emerging countries.

Second, it also refers to securing sound management and finances. In order for us to continue to be trusted by society, it is indispensable to have a stable revenue base and secure a strong financial footing. We must also achieve sound management by

placing the highest priority on human life, safety, and compliance in all areas of our business. Based on the Toshiba Group Standards of Conduct, we continually stress the importance of having each workplace strictly adhere to legal regulations, social norms, and ethical standards. In addition, we will strive to ensure that all employees around the world act as responsible members of society.

Working to Become One of the World's Foremost Eco-companies

Among the various social issues that companies today must act on, Toshiba Group essentially addresses environmental issues, such as climate change. These issues are closely related to our sustainability and are common challenges that developed and emerging countries alike must work together to overcome. Moreover, this is an area in which Toshiba Group can draw upon its strengths to the utmost, thereby contributing to society. Based on this realization, Toshiba Group strives to be one of the world's foremost eco-companies and to proactively fulfill its social responsibilities.

Our environmental management is guided by three key concepts : (1) Greening of Process, (2) Greening of Products, and (3) Greening by Technology.

Greening of Process refers to initiatives aimed at minimizing environmental impacts through improved efficiency of manufacturing processes. In fiscal 2010, we will complete the construction of a new rechargeable battery factory in Niigata Prefecture, Japan, that incorporates environmentally conscious features such as LED lighting. We will also begin the construction of a new fab at our Yokkaichi Operations in Japan. Although semiconductor factories require large amounts of power during production and air conditioning, we will take all available measures to cut energy consumption in clean rooms.

Basic Management Policies

Return to the path of sustained growth
with steadily higher profit



Accelerate resource allocation into strategic areas

Continue to accelerate Toshiba's globalization

Set ambitious goals for innovation and speed up
the pace of its achievement

Push forward with CSR management

Medium- to Long-term Vision: What Toshiba aims to be

Business Restructuring

Ensure that Toshiba Group has a steady, strong, and highly profitable business structure and sound financial foundations that can withstand rapidly changing economic conditions and market changes

Business Structure Transformation

Transform Toshiba Group into a top-level diversified electric/electronic manufacturer with strong global competitive power

Proactive Environmental Management

Establish Toshiba as one of the foremost eco-companies in the world and contribute to the future of a sustainable planet Earth

Greening of Products is aimed at achieving the highest levels of environmental performance for our products. We are revising our internal standards for evaluating environmentally conscious products so that they are optimal in terms of environmental performance and can hence contribute to reducing environmental impacts.

Greening by Technology is aimed at making contributions through the development of low-carbon energy technologies. We are addressing the issue of stable supply of energy and mitigation of climate change through the promotion of nuclear power generation systems, photovoltaic systems, secondary batteries, smart grids (next-generation power supply networks), and carbon capture and storage systems.

These concepts are being promoted under our global brand “eco style,” and through such products, processes, and systems, we aim to cut CO₂ emissions 750 million tons a year in fiscal 2020.

In addition, we are contributing to social and environmental solutions by developing new community infrastructure systems in such areas as electricity, water, and transportation.

Meeting Our Stakeholders’ Expectations as a “Corporate Citizen of Planet Earth”

Toshiba Group is a global company that respects regional diversity and contributes to the communities throughout the world where we do business, as a “corporate citizen of planet Earth.”

There is a necessity to go beyond just adhering to laws and regulations but also to engage in fair business transactions in accordance with international norms. Toshiba signed the UN Global Compact in 2004, a move that reflects our commitment to act in accordance with universal principles concerning human rights, labor, the environment, and anti-corruption.*

Based first and foremost on such initiatives, we will continue to provide our stakeholders with information on our management, as well as products and services, in a timely and appropriate way, and will continue to pursue transparent corporate activities that respond to their needs.

I would like to ask for your continued support and cooperation.

* Please see p.19-44 for information on the progress of specific initiatives



A stylized, handwritten signature in black ink, reading "Norio Sasaki".

Norio Sasaki
Director, President and CEO
Toshiba Corporation

Contributing to society through our four business domains

Toshiba Group operates globally in the following four domains: digital products, electronic devices, social infrastructure, and home appliances.

As a “corporate citizen of planet Earth” that respects diversity in history, culture, and customs, and that plays a proactive role in protecting the global environment, Toshiba Group strives to act with the highest level of integrity to contribute to solve social issues facing the global community and contribute to the development of countries and communities worldwide.



Solutions for shortage of energy, water, and food supplies

- Meeting the rapidly growing needs of emerging countries spurred by economic growth
- Providing a stable supply of resources required to maintain life in poverty-stricken areas

Reducing environmental impacts

- Mitigating climate change and environmental risks
- Contributing to energy saving, recycling, and prevention of the depletion of resources



Global issues addressed by Toshiba Group

Improvement in medical care and education

Ensuring the equality of opportunities and fair access

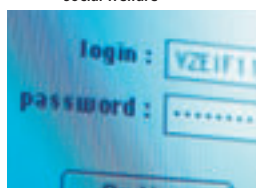


Measures to deal with declining birthrate and aging population

Securing human resources and improving social welfare

Advanced use of information and communication technology

- Bridging the digital divide
- Ensuring information security, preventing cyber-terrorism, etc.



Social Infrastructure Systems

Contributing to solving social issues through technologies related to energy, the environment, and healthcare

We will contribute to providing a stable power supply to meet increasing global demand, mitigating climate change, and improving healthcare services.

Electronic Devices

Saving energy and resources through high-efficiency, high-performance technologies

We will contribute to the protection of the environment through cutting-edge technology for semiconductors and liquid crystal displays, help save additional energy and resources through nano-technology for NAND flash memory drives, and further reduce CO₂ emissions in semiconductor factories

Digital Products

Using our core technology to provide environmentally conscious products to people around the world

Using our core technology to provide products with high environmental performance, including the development of LED systems for LCD TVs to reduce power consumption, lightweight notebook PC model, and SSDs.

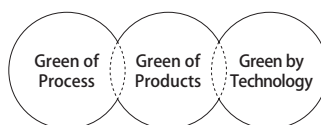
Home Appliances

Developing energy-saving products and services that provide comfort to people around the world

We will use our technology in the areas of motors, cooling systems, compressors, etc. to offer top quality products in Japan, while overseas we will develop products with functional and energy-efficient features designed to meet the needs of different local communities.

Introducing "eco style" as the global brand of environmental management

In order to evolve into one of the world's foremost eco-companies, Toshiba Group has been accelerating its environmental management under the global brand "eco style." The three circles surrounding the eco style logo, which symbolizes innovative ideas and imagination, represent Greening of Process, Greening of Products, and Greening by Technology.



eco style



High-efficiency turbine for thermal power generation

High-efficiency power generation to provide a stable power supply and contribute to mitigating climate change



Super-high voltage (1,100 KV) power generation and transmission plant

High efficiency to reduce transmission losses and contribute to long-distance transmission of a large amount of power



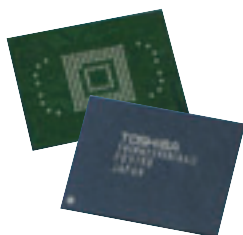
Elevators for China's largest building: Shanghai World Financial Center

Providing security, safety, and comfort



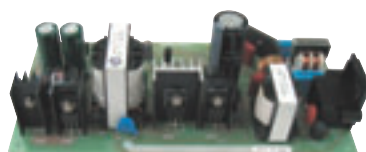
High-speed, high-resolution CT scanner

Short scanning time enabling easy examination and less power consumption



NAND flash memory drive

A 64-GB flash memory device, the highest memory capacity yet achieved in the industry, contributing to improving the environmental performance of final products through that capacity and its high efficiency



Power source devices

Contributing to improving the environmental performance of final products



System LSI for REGZA

Provided with functions for video recording on external hard disks and networking functions in addition to high-resolution image processing functions



High-resolution 3D display

21-inch display designed to view 3D images without the need for glasses, thereby reducing eye fatigue



LCD TV LED REGZA

High-resolution and energy-efficient TV through use of LED



Blu-ray disc recorder (VARDIA)

A high-resolution, large-capacity video recorder



AV notebook PC (dynabook Qosmio)

Uses LED backlight to save energy



Hard disk drive

Large-capacity, environmentally conscious disk drive



Air conditioner

Capacity for energy-efficient operations with the least (45 watts) power consumption



Refrigerator

Preserves food for a long time by use of sterilization and deodorization functions



Washer dryer

Powerful cleaning capacity with energy- and water-efficient functions



LED light

Lighting efficiency through a longer product life and less power consumption

Striving to establish a position as one of the world's foremost eco-companies

Developing the concept of three "Greens" toward realization of Environmental Vision 2050

Toshiba Group believes that contributing to solve one of the most urgent environmental issues, climate change, through our business activities is at the core of CSR management.

Environmental Vision 2050 : to address environmental challenges

In 2007, Toshiba Group announced Environmental Vision 2050, aimed at achieving a world where people enjoy affluent lifestyles in harmony with the Earth in 2050. In order to reach this goal, we have set medium- and long-term numerical targets based on predictions regarding population, economic growth, and CO₂ emissions. We are engaged in efforts to further reduce environmental impacts, from the perspective of contribution to mitigation of climate change, efficient use of resources, and management of chemicals; and we are also aiming to create a higher quality of life.

In fiscal 2010, we began revising our standards related to the evaluation of environmentally conscious products in order to achieve the highest level of environmental performance for all newly developed products. Based on the precise application of the new standards, we aim to expand our energy-efficient products and energy businesses.

We are proactively engaged in efforts that contribute to the mitigation of climate change, and estimate that in fiscal 2020 we will be able to cut CO₂ emissions of Toshiba products, including those that are already shipped, by around 750 million tons. Toshiba Group is endeavoring to establish a position as one of the world's foremost eco-companies by pursuing greening of process, greening of products, and greening by technology, thereby contributing to the realization of a sustainable planet.

Environmental Vision 2050

Toshiba Group practices environmental management that promotes harmony with the Earth, contributing to the creation of a richer lifestyle for society.



CO₂ emissions reductions*

Environmentally conscious products and technologies to protect the global environment

We aim to contribute to **750 million tons/year** of CO₂ emission reductions in FY2020

* This figure is accumulated annual CO₂ reduction benefits (for all products in use including those shipped in the past) calculated as compared to the emission reduction benefits for products that have already been shipped that employ industry-average technologies.

Introducing the three "Greens"

1 Greening of Process Manufacturing and other activities

We will continue our efforts to reduce environmental impacts generated by our manufacturing activities from the perspective of mitigation of climate change, management of chemical substances and efficient use of resources. To this end, we will enhance our global environmental management by utilizing the know-how that we have accumulated in Japan.



Reduction of Greenhouse Gas Emissions and Enhancement of Global Environmental Management

▶ P11

2 Greening of Products Energy- and resource-saving products

As a manufacturer that provides a variety of products to the global market, we are working to reduce the environmental impacts of our products. In fiscal 2010, we established new standards for Environmentally Conscious Products (ECPs) in order to achieve top-level environmental performance for all of the products that we develop.



Highest Level of Environmental Performance for All Products

▶ P13

3 Greening by Technology Environmental and energy technologies

We will contribute to the protection of the global environment and the provision of a stable supply of energy through the development of power generation systems. We will focus our efforts on the development and provision of new energy technologies, such as nuclear power generation systems, solar power generation systems, secondary batteries, smart grids (the next-generation power supply network), and carbon capture and storage systems.



Development of Smart Grid, the Next-Generation Power Supply Network

▶ P15

1 Greening of Process Manufacturing and other activities

Reduction of Greenhouse Gas Emissions and Enhancement of Global Environmental Management

Fulfilling our corporate responsibilities with regard to production

Mitigating climate change, while responding to the growing demand for products

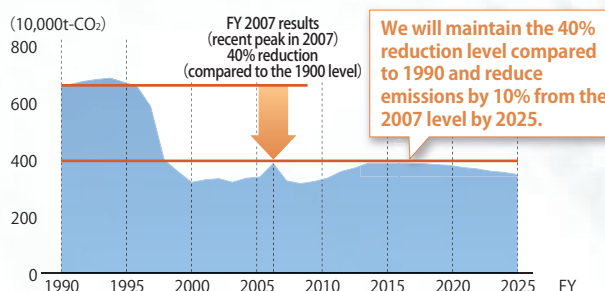
An increase in production in response to the growing demand involves an increase in the consumption of energy and resources. Manufacturers are thus faced with the challenge of controlling the increase in energy consumption.

As a manufacturer producing a wide range of products in factories around the world, Toshiba Group is working to minimize increase in environmental impacts resulting from increased production, from the perspective of mitigation of climate change, management of chemical substances, and efficient use of resources. More specifically, we have been focusing our efforts on semiconductor factories, the greenhouse gas (GHG) emissions of which account for about half our total emissions, in order to contribute to achieving Japan's goal of reducing the total greenhouse gas emissions by 25% by 2020, compared to the 1990 level.

Maintaining the 40% level of reduction in greenhouse gas emissions compared to fiscal 1990 level

As a result of reducing SF₆ (sulfur hexafluoride) used for gas insulated transformers and installation of removal systems for GHGs other than CO₂ at semiconductor factories, GHG emissions decreased by about half in fiscal 2000 compared to the 1990 level. From fiscal 2001, however, emissions continued to increase due to the construction of new buildings and increased production at semiconductor factories, reaching a peak in fiscal 2007. Although production is expected to increase in the future, we will continue to implement energy-saving measures in accordance with our plan to maintain the 40% reduction level compared to fiscal 1990.

Toshiba Group's Plan to Reduce GHG Emissions




Environmental investment in new fabrication plants

A new semiconductor fab at Yokkaichi Operations constructed with environmental measures including LED lighting

At each Toshiba Group site, daily environmental management and implementation of all available measures are carried out to maintain a low level of environmental impact from manufacturing activities. Particularly, at semiconductor factories, which consume large amounts of power for manufacturing and air-conditioning, various energy-saving measures are introduced, such as using local air-conditioning systems, reducing standby power consumption of machines, recovering waste heat generated from facilities, and using energy-efficient methods for operating chiller. In the first half of fiscal 2010, we will begin construction of a new fab building at Yokkaichi Operations in Mie Prefecture (Japan). The new building is expected to conserve energy by about 12%, as compared to the previous level, by employing various measures in addition to conventional energy-saving techniques, such as introducing LED lighting in the clean room that is operated around the clock.



Clean room in a semiconductor factory that minimizes energy consumption using a local air conditioning system



Artist's impression of Yokkaichi Operations Fab 5

Environmental audits of manufacturing sites worldwide

Implementing the world's top-level environmental management at manufacturing sites worldwide

As a manufacturer with 120 manufacturing sites worldwide, Toshiba Group has in place a global environmental management system.

In order to reduce the environmental impacts generated from manufacturing processes, we implement Toshiba's original audit system at all operations worldwide. In recent years, we have been strengthening our efforts in China, where there are particularly large-scale manufacturing sites, by conducting annual audits at all manufacturing subsidiaries since fiscal 2004. In these audits, we review the levels of achievement of reduction goals set by individual sites with regard to CO₂ emissions, amount of waste generated, amount of chemicals used, etc. in order to check actual and potential environmental risks based on the "shop-floor approach."

As a result of our continued efforts for improvement through these audits, Toshiba Information Equipment (Hangzhou) Co.,

Ltd. received the Economic Development Zone Energy Saving Award from Hangzhou City in 2008 and the Water-Saving Company Award from Zhejiang Province in 2009. All Toshiba factories will continue to strive to achieve world-leading levels of environmental performance.



Environmental audit in China

2 Greening of Products Energy- and resource-saving products

Highest Level of Environmental Performance for All Products

Contributing to protection of the global environment through environmentally conscious products and services

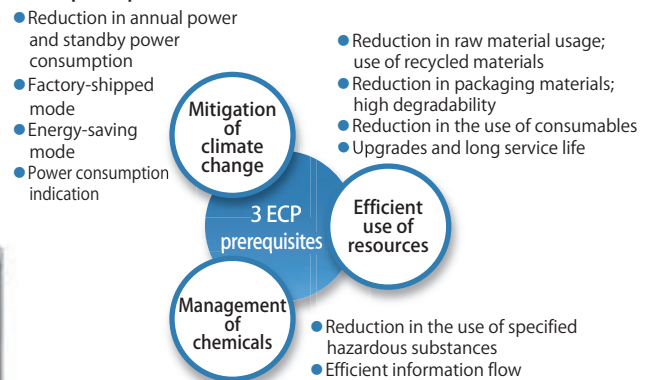
Responding to an increase in power consumption due to the growth of the world economy

While various energy-saving initiatives have been implemented in advanced countries, wider use of home appliances and digital equipment in emerging and developing countries causes significant increases in power consumption and CO₂ emissions. Electrical appliance manufacturers have a responsibility to support convenient and comfortable lifestyles while minimizing CO₂ emissions. Toshiba Group is making every effort to improve the environmental performance of all its products. We will continue our efforts to achieve the highest level of environmental performance for all products that we develop.

Adopting revised standards for environmentally conscious products

Since fiscal 2010, we have revised our standards for certifying environmentally conscious products (ECP). The revised standards are designed to ensure benchmarking for the future at the time of product development. Products are assessed in terms of efficient use of resources, mitigation of climate change, and management of chemical substances. Among ECPs, those that achieve the highest level of environmental performance are certified as Excellent ECPs.

Three prerequisites for ECP certification



Development of ECP①

LED REGZA: An energy- and resource-saving, high-density TV with LED backlight and digital technology

The LED REGZA is an LCD TV with a high-density screen and an easy-to-use video function designed by combining the next-generation REGZA engine (a newly developed high-density image-processing system) with an LED panel. Power consumption is reduced via the LED backlight, offering the highest level of environmental performance in the industry.

Energy saving

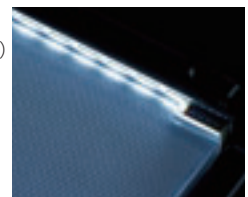
2010 spring model, 42Z1 (42-inch model)
Offers a 40% reduction* in power consumption with an LED backlight. Designed to achieve both outstanding energy-saving performance and superior picture quality.

Resource saving

2010 spring model, 42Z1 (42-inch model)

The slim, minimalist design offers a 26% reduction* in main unit weight, while the reduction in the thickness and weight of the main unit has reduced the size of packaging, which further reduces CO₂ generated during transportation.

* In comparison with the 2007 model, 42Z3500



LED backlight



Development of ECP②

Considering environmental impacts throughout the life-cycle of notebook PCs

In developing notebook PCs, we consider the environmental impacts throughout the life-cycle, from the procurement of materials, production, and use, through to the final disposal of products. Through life cycle assessment (LCA), we calculate the environmental impact of each stage of the product life cycle, including that of each material in the procurement stage and the consumption of power and water during assembly in the production stage, in order to mitigate that impact. In 2009 we received the Green IT Promotion Council Chairman's Award (Green IT AWARD 2009) and the Japan Forum on Eco-Efficiency (JFEE) Chairman's Award (Eco-Efficiency Award 2009) for our long-standing efforts (see p.50). In addition, in the US, most of our notebook PCs have earned EPEAT®* Gold status.

*EPEAT: Electronic Product Environmental Assessment Tool

Energy saving

Power saving with LED backlight and Solid State Drive (SSD) (in some models)

Resource saving

Includes downsizing of magnesium casing and printed circuit boards

Chemical management

Includes a mercury-free LCD and use of halogen- and antimony compound-free materials in the main printed circuit board



High-performance, compact, and lightweight notebook PC, Portégé® R700 (13.3-inch wide LED-backlit display and optical drive)



Products certified as Excellent ECPs in FY2009  For details see: <http://www.toshiba.co.jp/env/en/products/ecp.htm>



LCD TV
(REGZA R9000 series)
Energy-saving LCD panel and resource-saving features



Hard disk drive
(2.5-inch HDD MK6465GSX)
Industry-leading levels of energy efficiency



Soft X-ray nano-focus tube
Product weight reduced to 1/68 and power usage reduced by half of conventional type



Rechargeable battery
(SCiB™)
Long service life and high safety level



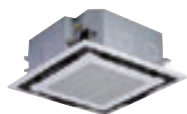
Refrigerator
(GR-B50F, 55F, and 48F)
Industry-leading levels of energy saving



Washer dryer
TW-Z9000/8000
Energy and water saving by use of heat-pump drying system



Residential air conditioner
(Daiseikai UDR/PDR series)
"Visualized energy-efficiency" with energy monitor



Office air conditioner
(Superpower Eco Cube series)
Industry-leading levels of energy saving



Air-cooled chilling unit
(Super Flex Modular Chiller series)
HFC refrigerant (R410) used for the first time in the industry



LED lamp
(light bulb shaped)
Energy saving with long service life



LED indoor lighting device
(base light, etc.)
Energy saving with long service life



LED outdoor illumination device
(Security light)
Energy saving with long service life

Topic: Ending production of general-use incandescent bulbs**Paving the way for the new "akari" * lighting culture friendly to people and the environment**

With a view to contributing to the mitigation of climate change, on March 17, 2010 we ceased production of general-use incandescent bulbs, a product which Toshiba was first to manufacture in Japan. Ichisuke Fujioka, one of the founders of Toshiba, is credited with commercially producing Japan's first incandescent lamps in 1890. Thus we have ended a history spanning 120 years. Instead, we will promote the use of LED lighting systems, including LED lamps, which have longer service lives of 40,000 hours and reduce CO₂ emissions by approximately 80% compared with incandescent lamps.

*akari: A Japanese word used in this context as a defining theme for Toshiba's lighting



Advertisement announcing the switchover from incandescent to LED lamps

3 Greening by Technology Environmental and energy technologies

Development of Smart Grid, the Next-Generation Power Supply Network

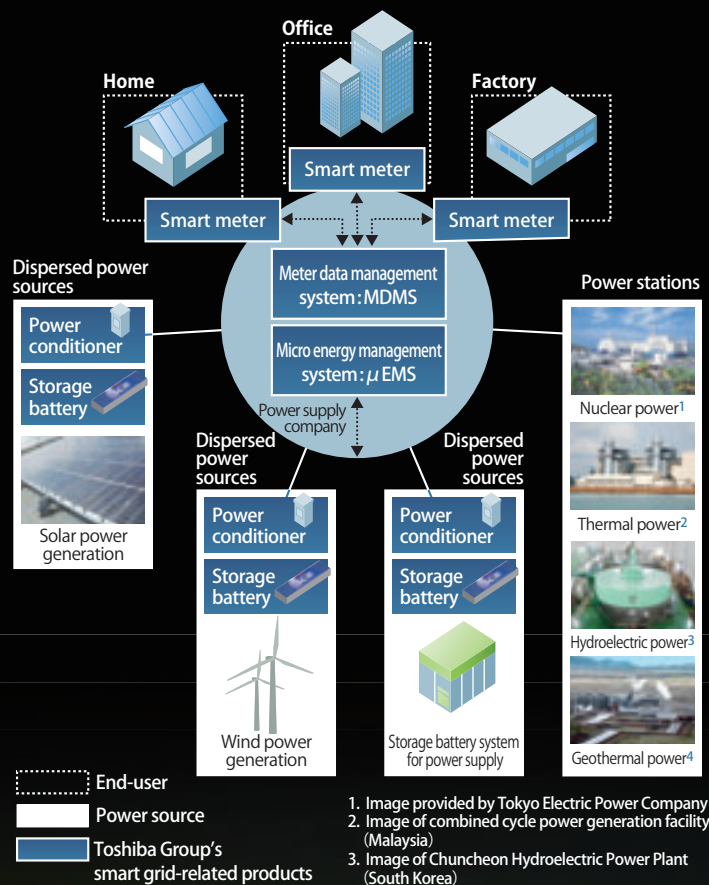
Addressing social issues: supply of stable power and mitigation of climate change

Developing infrastructure for the widespread use of solar and wind power

Solar power and wind power are attracting worldwide attention as power sources with a low environmental impact. The Japanese government is also promoting the utilization of solar power with the goal of increasing its usage by around 20 times that of the 2005 level by 2020. The key to efficient use of these natural energy sources is the smart grid, the next-generation power network. Toshiba Group through its technologies for power system interconnection and system engineering is committed to contribute to the development of the smart grid.

Using natural energy with the smart grid

The smart grid is an energy management system designed to connect a number of dispersed power sources such as solar and wind power facilities to homes, factories, buildings, and other power consumers (end-users) via a power and communication network, in order to control the balance between power supply and demand. It analyzes and predicts power demand and power generation/storage in different locations by using telecommunications technology, provides power from the most appropriate source to the areas of demand and thus enables the efficient use of natural energy. The smart grid is also expected to play a pivotal role in providing a stable power supply and reducing CO₂ emissions.



Core technologies for controlling the smart grid

Maintaining an optimum balance between power supply and demand by use of μ EMS (micro energy management system) and MDMS (meter data management system)

The future power system is expected to use a large number of dispersed natural energy sources for power generation, including solar and wind power generation, in combination with conventional power sources such as thermal and nuclear power. Natural energy is greatly affected by weather and other natural conditions. Therefore, the use of large quantities of natural energy necessitates the monitoring and control of power supply and demand, in order to provide a stable power supply within a given area. Toshiba is currently developing μ EMS (micro energy management system) which will play an important role in such monitoring and control operations.

The μ EMS is a core technology that controls the smart grid system and functions to maintain a balance between supply and demand by coordinating with power supply companies. It monitors power supplied from individual sources as well as power consumption within a grid, and checks whether any area is affected by a power supply shortage so that the shortage can be overcome.

Toshiba has also developed systems such as smart meter and MDMS (meter data management system) for measuring and monitoring power consumption within the smart grid system.

Smart meters are installed at locations where there are individual power consumers, such as homes, offices, and factories, to measure power consumption. Measurement data is sent to the MDMS at regular intervals through telecommunications networks.

Measurement data recorded on smart meters can be viewed on in-home displays by end-users. In addition to the amount of power consumed, in-home displays also present information on the amount of power generated by solar panels, the amount of power purchased, and CO₂ emissions, and thus are effective in promoting awareness on energy saving in homes and offices.

In January 2010, Toshiba won a major contract from the Okinawa Electric Power Company, Inc. for the Miyako Island Microgrid Pilot Project Facility, one of Japan's largest power supply facilities controlled with micro-grid and smart-grid technology.

We will continue to provide environmentally conscious integrated power systems that use energy-saving products and systems, such as solar power generation systems, secondary batteries (SCiB™), building energy management systems, and LED lighting systems.



Smart meter



In-home display

Smart meters are installed in homes and offices in order to automatically measure power consumption. Measurement data is shown on in-home displays and sent to MDMS at regular intervals.



MDMS (meter data management system)

MDMS manages data on power consumption at any given time based on the measurement data sent from homes and offices.



μ EMS (micro energy management system)

μ EMS monitors and controls local power supply conditions and the power consumption of end-users such as homes, offices, and factories in order to maintain a stable power supply.

Stable usage of generated energy

Essential Tools for Solar Power Generation: Power Conditioners and Storage Batteries

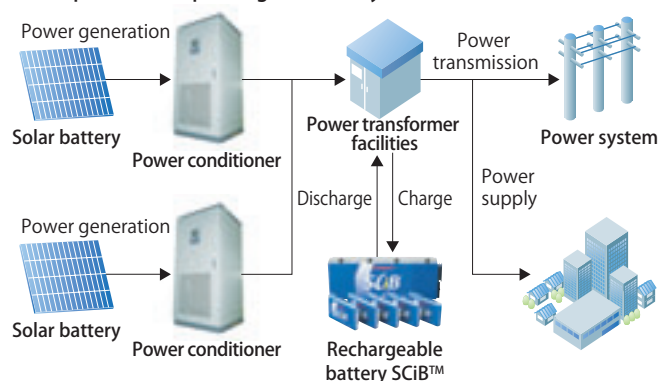
The amount of power generated from natural energy sources such as solar and wind depends greatly on weather and other natural conditions.

Power conditioners convert the direct current generated by solar panels into alternating current. Toshiba Group's power conditioners have the industry's highest level of conversion efficiency, thus minimizing energy loss.

Storage batteries are used to control fluctuations in solar power output caused by changes in the weather, as well as to lower the peak of power supply by storing power generated from sunlight. Toshiba has developed and commercialized SCiB™, a rechargeable battery with features including high level of safety, long life, and rapid charging. In order to meet growing demand, in March 2010, we began construction of a new factory in Kashiwazaki City, Niigata (Japan) to commence mass production in the spring of 2011.

The use of these products in combination with the technologies for power system interconnection and system engineering will enable Toshiba Group to contribute to the widespread use of solar power and the stable operation of the smart grid.

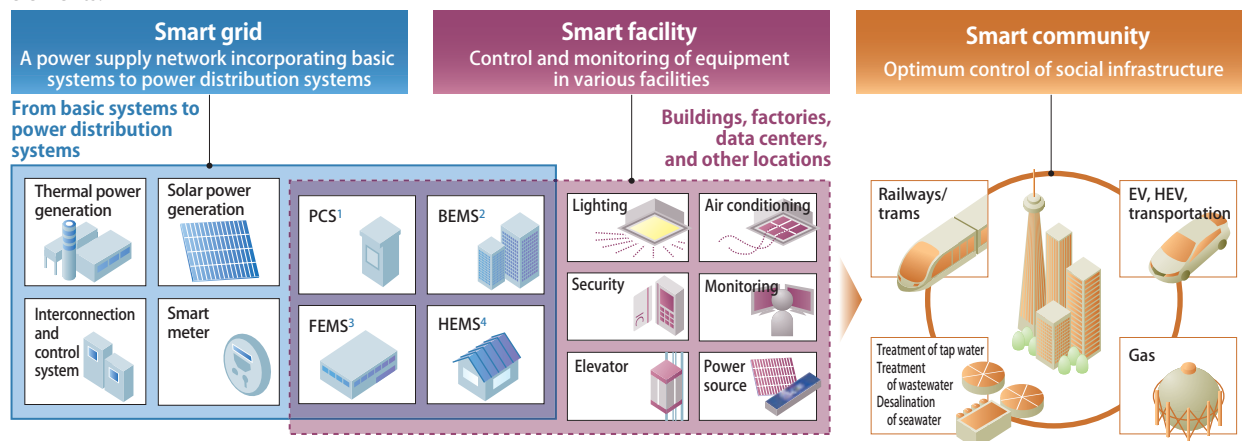
Example of a solar power generation system



Topic Future vision of Toshiba Group

Aiming for an environmentally advanced, convenient, and comfortable community

Toshiba Group intends to further develop the smart grid in order to create an environmentally conscious "smart community," with provisions such as electricity as well as water, gas, communication, and transportation. With a view to realizing this vision, we will continue to provide systems and devices for the smart grid as well as smart facilities, along with solutions that integrate these elements.



Toshiba Group contributions

- Participation in field experiments (New Mexico, US and Miyako Island, Japan)
- Supply of various systems and devices

- Various solutions offered by establishing a new division

- President Sasaki (Toshiba Corp.) appointed as the Chairman of the Smart Community Alliance, a joint conference between government and industry organized by the METI and the New Energy and Industrial Technology Development Organization, for the worldwide development of smart communities.

1. Power Conditioning System
2. Building Energy Management System
3. Factory Energy Management System
4. Home Energy Management System

Topic

Participation in mega solar projects

Solar power generation, which produces electricity without emitting CO₂ and provides clean and renewable energy, is becoming increasingly popular around the world. In fiscal 2009, Toshiba won contracts from the Japanese power companies Chubu Electric Power Company and the Tokyo Electric Power Company for the construction of mega solar power plants with a capacity of 7.5 MW and approximately 7 MW respectively. We also won a contract from the Okinawa Electric Power Company

for construction of a solar power generation system at the Miyako Island Microgrid Pilot Project Facility.

In fiscal 2010, we began commercial production of a solar power generation system for residential use. In addition to promoting the development of nuclear power generation and increasing the efficiency of thermal power generation, we will further contribute to the mitigation of climate change by utilizing natural energy.



Taketoyo Mega Solar Power Plant of Chubu Electric Power Co., Inc. (order received August 2009)



Ukishima Solar Power Plant (provisional name) of Tokyo Electric Power Co., Inc. (order received November 2009)

Reporting Policy

Addressing Our Stakeholders' Interests and Meeting Their Expectations

We believe that promoting an understanding of our CSR activities among our stakeholders is one of our important social responsibilities. In selecting the themes and items for the report, we use objective indicators and our own process of materiality selection in order to produce a CSR report that addresses the concerns of various stakeholders.

Reporting based on global standards

In editing our CSR report, we are guided by our stakeholders' areas of interest as well as the most material issues from Toshiba Group's perspective. In the process, we use the objective indicators based on SRI surveys and various CSR-related guidelines to enhance the credibility of our reporting.

Based on the ISO 26000 draft international standard (ISO/DIS 26000) on corporate social responsibility released in fiscal 2009, we have reported our CSR performance in accordance with the requirements of the seven core subjects of the standard.

The Seven Core Subjects of ISO/DIS 26000

| | |
|---------------------------|---------------------------------------|
| Organizational Governance | Fair Operating Practices |
| Human Rights | Consumer Issues |
| Labor Practices | Community Involvement and Development |
| The Environment | |

The Ten Principles of the United Nations Global Compact

Human Rights

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

Labor Standards

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

Environment

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

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Selecting items to be reported based on dialogue with stakeholders and in accordance with the three principles of the AA1000AP

Based on the three principles of the AA1000AP, we choose themes and items for reporting by determining their materiality from two perspectives: what our stakeholders consider to be material and what we consider to be material. We consider the requirement of "inclusivity," the foundation principle of AA1000AP, by making a comprehensive list of items based on a wide range of information, including daily dialogue between various stakeholders and business divisions, newly emerging social challenges, and highly commended CSR reports of other companies. Based on the correlation between the materiality of stakeholder interests and the strategic importance of our business, we select the most material items for reporting. This materiality is reflected not only in the CSR report but also in our daily business activities, as well as in establishing the Key Performance Indicators for CSR management. In order to enrich the contents of the CSR report, Toshiba Group seeks to expand the scope of information and apply greater precision in setting the standards for determining the degree of materiality.

AA1000AP












AA1000AP is a series of principles, criteria, and standards issued by AccountAbility, a British NPO, to help organizations build their accountability vis-à-vis stakeholders and improve their performance. The three principles of AA1000AP are as follows:

| | | |
|---------------------------------------|-------------|----------------|
| Inclusivity (Foundation Principle) | Materiality | Responsiveness |
|---------------------------------------|-------------|----------------|

Stakeholder engagement



 Items included in the Ten Principles of the UN Global Compact

| Core Subjects of ISO/DIS 26000 | Issues | Initiatives on Issues (Described in this report) | Reference Page |
|--|---|--|-------------------|
|  Organizational Governance | 1-1: Organizational governance | <ul style="list-style-type: none"> CSR Management Corporate Governance Dialogue with Stakeholders | ▶ p. 21- p. 24 |
|  Human Rights  | 2-1: Due diligence 2-2: Human rights risk situations 2-3: Avoidance of complicity 2-4: Resolving grievances 2-5: Discrimination and vulnerable groups 2-6: Civil and political rights 2-7: Economic, social, and cultural rights 2-8: Fundamental rights at work | <ul style="list-style-type: none"> Respect for Human Rights and Prohibition of Discrimination | ▶ p. 25 |
|  Labor Practices  | 3-1: Employment and employment relationships 3-2: Conditions of work and social protection 3-3: Social dialogue 3-4: Health and safety at work 3-5: Human development and training in the workplace | <ul style="list-style-type: none"> Stable Employment Development of Global Human Resources Respect for Diversity Support for Diverse Work Styles Development of Human Resources Occupational Health and Safety | ▶ p. 26- p. 28 |
|  The Environment  | 4-1: Prevention of pollution 4-2: Sustainable resource use 4-3: Climate change mitigation and adaptation 4-4: Protection and restoration of the natural environment | <ul style="list-style-type: none"> Vision and Management Conservation of Biodiversity and Environmental Impact Assessment Action Plan for FY 2009 and Results Obtained <p>Note: See also p. 9-18 for related information.</p> | ▶ p. 29- p. 32 |
|  Fair Operating Practices  | 5-1: Anti-corruption 5-2: Responsible political involvement 5-3: Fair competition 5-4: Promoting social responsibility in the sphere of influence 5-5: Respect for property rights | <ul style="list-style-type: none"> Risk Management and Compliance Risk Management through Business Continuity Plan Fair Competition and Trading Practices Managing CSR in the Supply Chain Information Security Management Protection of Intellectual Property | ▶ p. 33- p. 36 |
|  Customers | 6-1: Fair marketing, information, and contractual practices 6-2: Protecting consumers' health and safety 6-3: Sustainable consumption 6-4: Consumer service, support, and dispute resolution 6-5: Consumer data protection and privacy 6-6: Access to essential services 6-7: Education and awareness | <ul style="list-style-type: none"> Quality Assurance and Safety Dealing with Product Accidents Enhancing Customer Satisfaction Promotion of Universal Design | ▶ p. 37- p. 40 |
|  Community Involvement and Development | 7-1: Community involvement 7-2: Education and culture 7-3: Employment creation and skills development 7-4: Technology development 7-5: Wealth and income creation 7-6: Health 7-7: Social investment | <ul style="list-style-type: none"> Development of Local Communities Corporate Citizenship Activities Support for Disaster-stricken Areas | ▶ p. 41- p. 44 |

Note: Core subjects and issues are based on the Draft International Standard ISO/DIS 26000.

Organizational Governance

CSR Management

> Promoting CSR management throughout global operations

One of the Toshiba Group Basic Management Policies is the promotion of CSR management. In accordance with this policy, we are committed to the mitigation of climate change and other social issues through our business activities. As part of CSR management, we urge our employees to act in accordance with the Group's Standards of Conduct as well as act with an unshakable integrity in meeting our responsibilities to society.

Toshiba Group's Integrity

1. Meet our responsibilities to society

Proactively contribute to solutions to social issues such as climate change through business activities

2. Secure sound management and finances

Ensure sound business management by according the highest priority to human life and safety and to compliance so that Toshiba continues to be trusted by society.

> Role of CSR Governance Committee

The CSR Governance Committee, consisting of the Corporate Senior Executive Vice President, who heads the CSR Division, and the executives concerned, holds meetings twice annually, with the attendance of the President, in order to discuss and determine Toshiba Group CSR Action Policies.

Based on the policies determined, the Corporate Environment Management Committee and other relevant committees (see the chart below) formulate and implement action plans for the topics corresponding to their responsibilities.

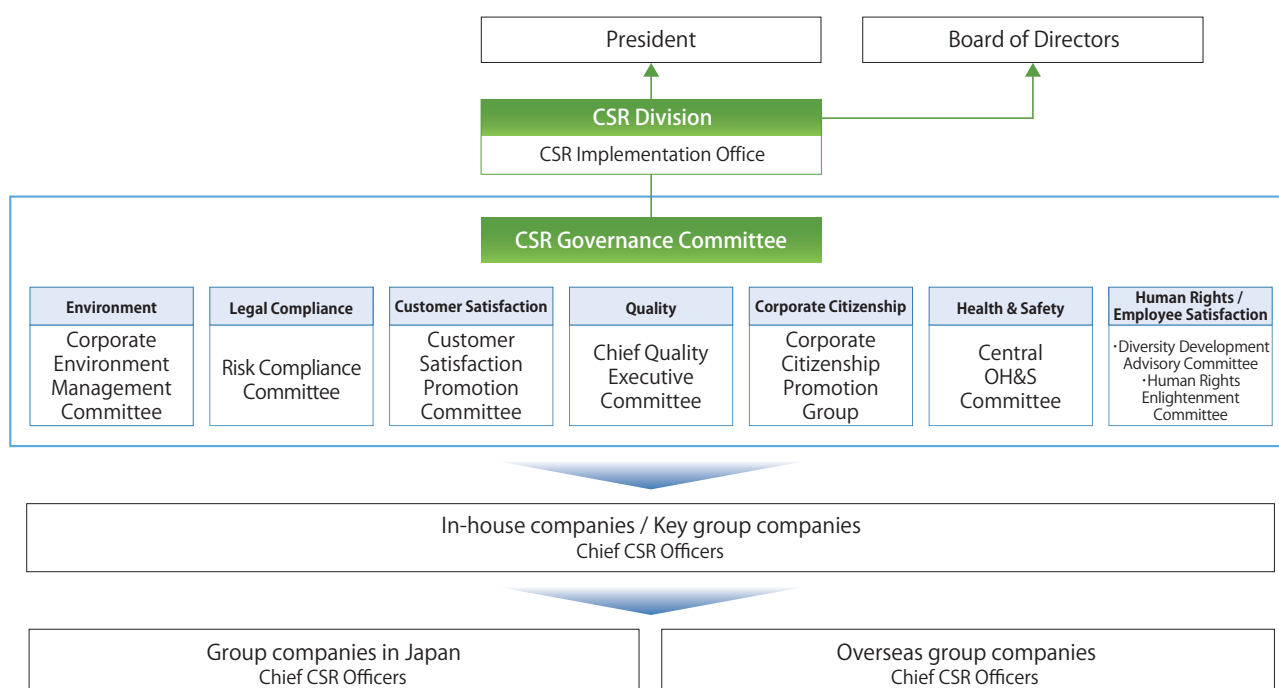
> Establishment of Key Performance Indicators

At the CSR Governance Committee meeting held in March 2010, CSR action policies for fiscal 2010 and a three-year medium-term plan were discussed and established.

Toshiba Group 2010 CSR Action Policies place an emphasis on contributing to solutions to social issues through business activities. To evolve as one of the world's foremost eco-companies, we will focus on the development of cutting-edge technologies, such as solar power generation systems, the smart grid, and LED lighting.

Based on our three-year medium-term plan up to the end of fiscal 2012, we have developed overall key performance indicators (KPIs) to measure the level of achievement in areas such as compliance, the environment, and customer satisfaction. Meanwhile, in-house companies and major group companies establish their goals based on the characteristics of their respective businesses.

Toshiba Group CSR Management Structure



➤ Monitoring CSR progress throughout global operations

In management audits performed by the Corporate Audit Division, we monitor the progress of activities regarding priority issues in our group companies worldwide. Emphasizing our commitment to the ten principles of the UN Global Compact, we conduct a number of relevant surveys and audits of our overseas operations to keep track of our CSR performance. The CSR Implementation Office annually conducts a CSR survey of Toshiba Group overseas consolidated subsidiaries, covering aspects such as human rights and labor standards. Internal environmental audits are also conducted, and instructions are given by the Legal Affairs Division directly to those in charge of overseas subsidiaries to observe compliance with anti-corruption regulations. In order to ensure that Toshiba Group's policies and plans are properly implemented, we also monitor the progress of company activities through quarterly reports submitted to the President as well as interviews with Chief CSR Officers of in-house companies and group companies conducted by the CSR Implementation Office prior to holding the semi-annual CSR Governance Committee.

➤ Conducting CSR education

We provide all employees with year-round education via e-learning on CSR-related topics, such as human rights, environmental issues, engineering ethics, protection of intellectual property rights, and information security management. We also provide education for employees in different positions, including executive officers, newly appointed section managers, and new recruits.

➤ Toshiba Group CSR Conference in December

Toshiba Group has designated December as its CSR Month since fiscal 2006. During this month, companies within the Group conduct self-assessments of their CSR activities and organize educational programs and social contribution events. All the companies of the Group, including overseas group companies, participate in the Toshiba Group CSR Conference. In 2009, the conference was attended by around 800 participants, including senior executive officers and labor union representatives. At the conference, President Sasaki gave an address urging employees to constantly act with integrity.



Toshiba Group CSR Conference 2009

Distribution of Economic Value to Stakeholders

In fiscal 2009, the distribution of economic value to suppliers decreased compared with the previous year in line with a 272.9 billion yen decrease in consolidated net sales. Moreover, the dividend to shareholders also decreased as a result of forgoing annual cash dividends of Toshiba Corp.

| Stakeholders | Amount distributed (billion yen) | | Calculation method |
|----------------------------|----------------------------------|---------|---|
| | FY2009 | FY2008 | |
| Suppliers | 4,867.1 | 5,518.0 | Cost of sales (excluding labor costs); and selling, general and administrative costs (excluding labor costs) |
| Employees | 1,397.3 | 1,386.7 | Labor costs |
| Shareholders | 5.7 | 50.3 | "Dividends paid" on the cash flow statement |
| Creditors | 35.7 | 33.7 | "Interest" included in costs and expenses on the income statement |
| Government/ Authorities | 29.7 | 54.3 | Income taxes |
| Society | 2.7 | 3.0 | Expenditure for corporate citizenship activities* (See p.41) |
| Environment | 54.3 | 60.8 | Environment-related expenditure* Equals environmental costs in environmental accounting. For details, see the following website: http://www.toshiba.co.jp/env/en/management/account.htm |
| Within company | - 19.7 | - 379.2 | Amount of net income minus dividends paid |

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

Corporate Governance

➤ Management with enhanced mobility and transparency

As a “company with committees,” Toshiba aims to enhance its management mobility, supervisory functions, and increase transparency. The board of directors consists of 14 members, among whom seven are non-executive directors along with four outside directors, the chairman, and two full-time Audit Committee members. Each committee has a majority of outside directors and the Nomination and Compensation Committees are both chaired by outside directors.

Notification has been filed regarding all outside directors as being independent directors stipulated in the Securities Listing Regulations of the Tokyo Stock Exchange.

➤ Reinforcing audit procedures

To help the Audit Committee perform its duties, we have created the office for the committee. The personnel transfers of the staff members of the office are determined by prior consultation with the Audit Committee. The Corporate Audit Division, which is in charge of internal audits, consults with the Audit Committee in advance to formulate annual auditing policies and plans. The Corporate Audit Division also participates in discussions on the audited divisions and shares audit information through semi-monthly liaison meetings with the Audit Committee. Along with these activities, the Audit Committee normally draws on field surveys conducted by the Corporate Audit Division for detailed information. Though the Audit Committee obtains reports on the results of audits conducted by the Corporate Audit Division, it also conducts its own audits if deemed necessary.

➤ Strengthening internal control throughout Toshiba Group

Toshiba Group Standards of Conduct prescribes the values and codes of conduct that all executives and employees should share. In response to the Companies Act of Japan, which came into effect in May 2006, we also determined basic policies on the internal control system at a meeting of the board of directors.

Accordingly, in order to enhance the Group-wide internal control system, we requested all group companies in Japan to adopt basic policies on internal control systems by the resolution of their respective boards of directors. In making the request, we offered support to group companies by providing established models of basic policies and principal rules covering internal control systems. In addition, Toshiba Group has created an organization for the internal control reporting system and assessed the effectiveness of internal controls over financial reporting. We will continue our efforts to properly manage the internal control system regarding financial reporting.

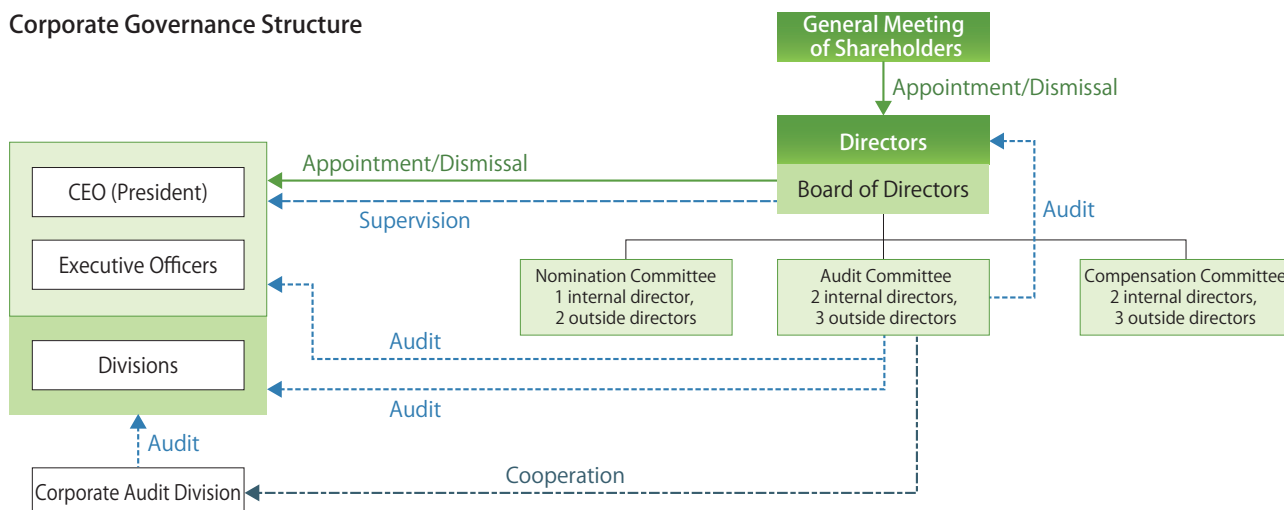
➤ Compensation for directors and executive officers

In addition to designing a compensation system aimed at retaining talented human resources, Toshiba’s compensation for directors and executive officers provides incentives for them to effectively execute their duties. Directors receive fixed 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 calculated according to their duties; 40% to 50% of the service compensation fluctuates from zero (non-payment) 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.

Corporate Governance Structure



Dialogue with Stakeholders

► Dialogue with a wide range of stakeholders

In order to ensure a sound and just CSR management, we engage in dialogue with a wide range of stakeholders, including customers, shareholders, investors, employees, local communities, and suppliers.

► Dialogue with shareholders

In accordance with the Toshiba Group Standards of Conduct, Toshiba promotes the basic policy of disclosing corporate information to shareholders and investors in a timely and appropriate manner. In fiscal 2009, we issued Shareholder Newsletters five times to individual shareholders in order to provide quarterly financial reports as well as to keep them updated on our management policies and new businesses. We also sent a letter of apology to our shareholders enclosed with the spring issue of the Newsletter with regard to our decision to forgo the payment of dividends for the fiscal year.

We value the comments and opinions from our shareholders and continue to improve our communication with them.



Shareholder Newsletter

► Providing opportunities for direct dialogue with investors worldwide

As part of our IR activities for institutional investors and analysts, in addition to quarterly results briefings and individual interviews, we organize periodic visits of the President and other executive officers to meet shareholders and investors worldwide. The IR Group also conducts individual interviews. In fiscal 2009, we increased opportunities to engage with our investors through visits for briefing and telephone interviews. We also availed of investor seminars on environmental technologies held by securities firms to explain Toshiba Group's business development, including our nuclear projects and the rechargeable battery SCiB™. In addition, we held briefing sessions on our power system business, which is of considerable interest to investors, and also took investors on tours of our power system operations and medical system operations.

► Providing opportunities for direct dialogue between employees and executives

We also provide opportunities for management and employees to exchange views directly with each other. During "Top Executive Innovation Visit," an event held since 2005, top executives tour factories and actively exchange views with employees engaged in manufacturing. We have also been conducting the dialogue session "Kirameki Forum" at individual business sites since 2005. This session allows participants to deepen their understanding of diversity. The President, who also attends the forum, addresses a speech in response to questions from employees.



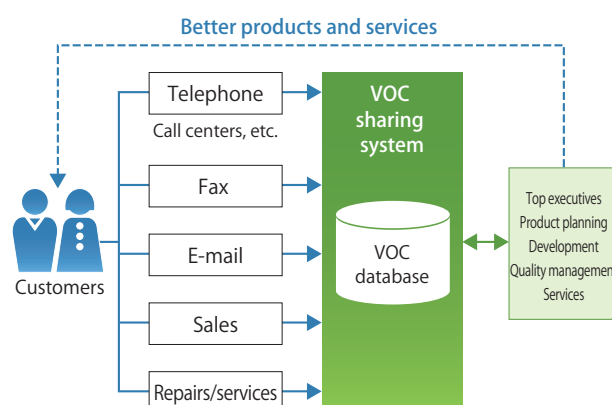
President Sasaki's Top Executive Innovation Visit

► Reflecting voice of customers in our policies

At Toshiba Group, all parties concerned, including top executives, share information on customers' complaints, opinions, and requests about our products and services obtained through our daily sales, repair, and service activities, and via telephone or the internet, in order to improve the quality of our products and repair services.

Based on frequent inquiries from customers about Toshiba Group's video and information devices and home appliances, we discuss how to make improvements for each product at periodic meetings held by divisions in charge of product design and development in order to have voice of customers (VOC) reflected in our products (see p. 39-40).

Framework for Reflecting VOC in Business Activities





Human Rights

Respect for Human Rights and Prohibition of Discrimination

➤ Respect for human rights

The "Toshiba Group Standards of Conduct" stipulates 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, gender, 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.

We also recognize the importance of implementing our human rights policies not only within the Group but also throughout our supply chain. To this end, we stipulate the policy of respecting human rights in our supplier code of conduct "Supplier Expectations" and request their compliance with the policy, which we then verify through CSR surveys (see p. 35).

➤ Supporting the United Nations Global Compact

Toshiba supports the principles of the United Nations Global Compact and ensures fundamental labor rights to its employees. In the labor agreement concluded with the Toshiba Labor Union, Toshiba also stipulates the union rights, such as the right to association and the right to collective bargaining.

Human Resources Management Policy (extract)

Human Resources are the Most Valuable Assets

- We provide employees with opportunities to realize their potential and encourage them to develop their capabilities and maximize their value.

Utilization and Development of Human Resources

- We endeavor to match the right person with the right assignment to make the best use of human resources.

Wherever We Operate, We're Mindful of Social Mores

- We respect human rights and ensure that decisions within the business are made using objective criteria; no discrimination is tolerated against any sector in society (e.g. on grounds of gender, race, age, nationality, religion or disability). Wherever we operate in the world, we comply with applicable laws and regulations and respect local customs, culture and social mores.

➤ Promoting personnel policies based on respect for human rights and social norms

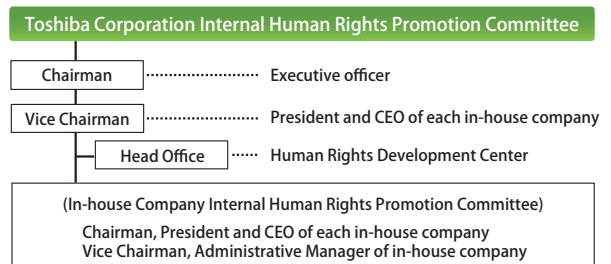
Toshiba Group recognizes the significance of the Universal Declaration of Human Rights. We also established the Human Resources Management Policy in 1973, which specifies human resources as the most valuable assets and requires that the personnel policies be implemented based on respect for fundamental human rights and social norms of different countries and areas.

We formulate and promote various programs for the recruitment, assessment and treatment of personnel based on this management policy.

➤ Raising the awareness on human rights and diversity

Toshiba Group strives to be a discrimination-free organization in which employees enjoy optimal job satisfaction, based on our policy of respecting fundamental human rights and the diverse values of individuals and prohibiting discriminatory treatment; and foster an awareness of human rights among our employees through the activities of the Human Rights Promotion Committee. In addition, we undertake initiatives that place an emphasis on human rights and diversity. For example, "Toshiba Group Standards of Conduct" has been translated into 15 different languages so that the awareness takes root within all companies and business sites. Education on human rights is provided to new recruits and to employees at the time of promotion, including those promoted to managerial positions.

In December every year during Human Rights Week, Toshiba holds a Human Rights Week Memorial Lecture at the Toshiba headquarters in Japan, as a Toshiba Group CSR month event. In addition, we hold various educational programs on human rights at different business sites.



➤ Provision of consulting services for employees

Toshiba Group provides consulting services regarding employee problems and grievances on an individual basis. Expert consultants respond to employee inquiries via telephone, fax, e-mail or postal mail regarding problems related to work environment, interpersonal relationships, personnel treatment, sexual harassment, and abuse of power.

Stable Employment

➤ Action guidelines for stable employment

The Toshiba Group Human Resources Management Policy specifies human resources as the most valuable assets and stipulates the provision of opportunities to employees to realize their potential and encourage them to develop their capabilities and maximize their value.

Both management and employees of the Toshiba Group have ascertained the action guidelines for ensuring stable employment, to convey their shared awareness to those inside and outside the company.

Development of Global Human Resources

➤ Cultivating global well-rounded human resources

At Toshiba Group, we emphasize the importance of cultivating global well-rounded human resources, which refers to employees who carry out their work based on an understanding of different cultures and communicate well with people from different backgrounds. We offer "liberal arts* education" and "innovation leader training" in order to equip employees with a richer understanding of human values and foster an acceptance of diversity as well as the ability to develop innovative thinking.

*Liberal arts: Knowledge required for operating globally and developing the capabilities to think.

Respect for Diversity

➤ Division to promote diversity

The Toshiba Group Standards of Conduct specifies our respect for diverse values and individuality as well as our support for putting in place a workplace environment where creativity and efficiency can be enhanced and a work-life balance achieved. To this end, we established a dedicated division Diversity Development Division.

The division is spearheading initiatives designed to promote an acceptance and respect for diversity as well as work-style innovation*.

* Work-style innovation: The concept that puts an emphasis on working efficiently according to priorities so that one has time to refresh and improve oneself, leading to an enhancement of the quality of life.

➤ Supporting the work-related activities of female employees

Toshiba Group has been developing a personnel system to fairly assess employees based on skills and achievements, regardless of age or gender, and over the years has developed a human resources system that ensures fair treatment.

Since October 2004, when we established a dedicated office, we have been working to increase the number of female recruits and provide training for female employees at the time of promotion to managerial positions, thereby promoting initiatives for developing a corporate culture that encourages all employees to carry out their work regardless of gender.

Breakdown of Regular Employees (based on gender and position)

| | Toshiba | | | Toshiba Group (Consolidated subsidiaries in Japan) | | |
|----------------------|---------|--------|--------|---|--------|---------|
| | Male | Female | Total | Male | Female | Total |
| Regular employees | 30,336 | 3,888 | 34,224 | 99,663 | 13,885 | 113,548 |
| Managers | 6,062 | 211 | 6,273 | 20,651 | 360 | 21,011 |
| Non-manual employees | 24,274 | 3,677 | 27,951 | 79,012 | 13,525 | 92,537 |

Note: As of the end of March 2010, excluding employees on loan

➤ Supporting the work-related activities of non-Japanese employees

At Toshiba Group, we are working to increase the number of non-Japanese recruits and also implementing various measures to create a workplace environment that facilitates their work, such as offering them pre-assignment as well as follow-up training and providing managers with opportunities to learn how to better meet the needs of non-Japanese employees.

Team diversity leads to innovation

Gopal Mahadevaiah

Discrete Semiconductor Division
Toshiba Semiconductor Company

I joined the company from India. In a project under my leadership, I established a development approach by adopting new technologies without being constrained by conventional procedures. We received a company award for this project.



➤ Supporting the work-related activities of employees with disabilities

As of April 1, 2010, the number of employees with disabilities working at Toshiba, was 467, accounting for 1.86% of the overall workforce. Of the 149 Toshiba Group companies in Japan that are subject to the Law for Employment Promotion of the Disabled, 146 of them have met the requirements regarding the employment ratio of people with disabilities, with the remaining three striving to achieve that goal.

Employment Ratio of People with Disabilities (special-purpose subsidiaries are included in Toshiba Corp.)

| | June 2008 | June 2009 | April 2010 |
|--------------------------|-----------|-----------|------------|
| Toshiba Corp. | 1.91% | 1.88% | 1.86% |
| Group Companies in Japan | 2.15% | 2.22% | 2.09% |

Support for Diverse Work Styles

Supporting employees' work and childcare

Toshiba Group strives to enhance systems that allow employees to flexibly select working styles according to their personal circumstances.

Since the 1990s, Toshiba has supported work-life balance and developed systems of support that exceed legal requirements. We have also been implementing various measures since fiscal 2005 in accordance with the Next Generation Education and Support Promotion Act.

Systems to Support Diverse Work Styles and Employee Participation (Toshiba Corp.)

| System | Period | FY2008 | FY2009 |
|-------------------|---|----------------------|-----------------------|
| Childcare leave | Until the child is 3 years old, even if the spouse is not working | Male:5 Female:303 | Male:13 Female:272 |
| Family-care leave | Up to 365 days per person requiring nursing | Male:8 Female:8 | Male:10 Female:4 |
| Short-time shift | For childcare: Until the child finishes grade three of elementary school For nursing care: Up to 3 years per person requiring nursing care | Male:3 Female:362 | Male:3 Female:371 |

Male employee participating in childcare

Junpei Matsumoto

HR & Administration Division,
Toshiba Semiconductor Company

I took paternity leave in June 2009 to attend my wife's delivery in her parents' hometown, and also took an additional 10-day leave. Having watched the process, including childbirth, I am convinced that childcare should not be sole the responsibility of my wife. I am, therefore, taking an active part in raising our child along with my wife.



Promoting work-style innovation

Work-style innovation refers to activities aimed at creating a positive spiral, where employees work efficiently, while maintaining physical health and obtaining mental refreshment in their private life, in order to raise one's potential and thereby add higher value to work.

To this end, we have been executing a Group-wide campaign since the second half of fiscal 2009 aimed at fostering every employee's motivation toward their work, under the catchphrase "Enjoy your work!" In April 2010, we also created a new information page called "Enjoy your work!" on the company's internal website, as a way to learn from the experiences of executive officers and employees.

Case: "Family Day" initiatives

In order to accelerate work-style innovation and create time for employees to spend with their families, Toshiba Group is implementing various initiatives, such as ensuring that all employees leave work at the official quitting time at least two days during Japan's "Family Week" in November.

Development of Human Resources

Supporting employees' career development

Toshiba Group promotes the policy of placing the right person in the right job by respecting the aspirations of employees. We have systems in place within the Group to achieve that goal, such as open recruitment in which descriptions of vacant positions are announced and people with the necessary expertise are encouraged to apply. Similarly, there is the "free agent system" which enables employees to actively seek career development opportunities.

Toshiba Group Aspirations

Creating a pleasant work environment based on local values

My current focus is on cultivating human resources and building personnel systems at group companies in China. Toshiba China, in striving to fulfill that role, has put in place systems that enable employees to enjoy their work, and has introduced a transparent and fair assessment system, such as based on performance. The aim is to cultivate human resources from a long-term perspective and to create personnel systems based on local

values, while respecting the characteristics of Japanese companies, which emphasize the importance of teamwork.

We are also working to create mechanisms for facilitating communication with employees and the labor union.

Yu Junhua

Deputy General Manager, Human Resource Division
Toshiba China Co., Ltd.



Occupational Health and Safety

► Prioritizing employee health and safety as a top management issue

Based on our "Commitment to People," the basic commitment of the Toshiba Group, we have been striving to ensure the health and safety of employees. As a result of these efforts, the frequency of work-related accidents of Toshiba Group in Japan is far lower than the national average for the manufacturing industry. Over the past several years, however, the trend of accident rate of Toshiba Group does not clearly indicate a steady decline, but either a slight increase or decrease at times. In addition, we are working to develop a global integrated occupational health and safety management system, as our overseas manufacturing sites continue to increase.

Case:

Efforts to promote occupational health and safety

Toshiba Dalian Co., Ltd.

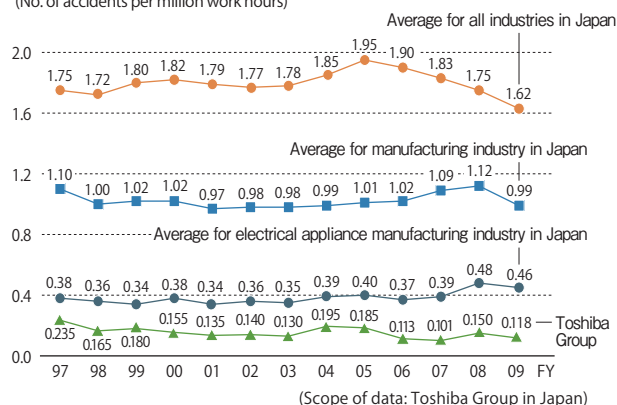
Toshiba Dalian Co., Ltd. was one of the first companies among Toshiba Group in China to obtain OHSAS 18001 certification for occupational health and safety management. During the special month dedicated to occupational safety, the employees take an active part in promoting health and safety, such as by holding a speech contest; inviting essays and slogans related to occupational safety; organizing a competition on safety knowledge, etc. Similarly, in addition to providing safety education for new recruits, the unique "Daruma" doll eye-painting ceremony is performed every month to pray for the total elimination of work-related accidents. Such activities have won the company high recognition, such as the "Model Company of the Dalian Development Zone for Safety Manufacturing" from the government of the Dalian Economic & Technological Development Zone for 16 consecutive years as well as the "2006-2008 Model Company for Occupational Safety" from the Dalian Municipal People's Government.



*"Daruma" is a Japanese doll that brings good luck

Rate of Workplace Accidents

(No. of accidents per million work hours)

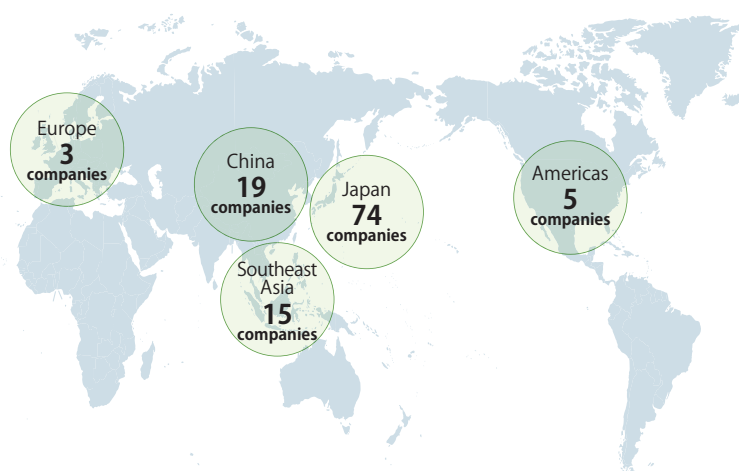


► Group-wide efforts to introduce occupational health and safety management system

By the end of fiscal 2008, in accordance with the targets set, all Toshiba Group worldwide manufacturing consolidated subsidiaries were able to obtain OHSAS 18001 certification, an international certification standard for the Occupational Health and Safety Management System. We are continuing our efforts to enhance our health and safety management system.

In fiscal 2009, an occupational health and safety management system for non-manufacturing consolidated subsidiaries was developed, with plans calling for its full implementation in Japan starting in fiscal 2010.

Manufacturing Consolidated Subsidiaries with OHSAS 18001 Certification



Note: As of the end of March 2010

► Improving the physical and mental health of employees

Toshiba Group strives to raise employees' awareness on the importance of health and has systems in place to enable them to maintain their physical and mental health.

For this purpose, we have introduced a system for the management of information, including the results of employees' medical checkups, as a means of providing health guidance and education. In addition, industrial physicians, health nurses and clinical nurses organize several project teams to improve the health management system and introduce measures for maintaining and improving health. At present, they are working toward developing a more efficient health management system through a project that provides priority support for employees requiring special attention to their health upon checkups, as well as by initiating another project to support mental health, including the treatment of various kinds of depression.

We are implementing various measures to improve our health management system, such as having doctors periodically visit and consult with employees working overseas and their families so that the employees can perform their work without undue stress.

Vision and Management

➤ Promoting the concept of three "Greens" to evolve as one of the world's foremost eco-companies

In order to evolve as one of the world's foremost eco-companies, Toshiba Group has formulated its Environmental Vision 2050 aimed at realizing a world where people can lead affluent lives in harmony with the Earth. Using an index to measure overall environmental efficiency by combining the level of harmony with the Earth and the level of value creation, we aim to increase overall eco-efficiency ten-fold by 2050, compared to the 2000 level. In order to achieve this goal, we promote initiatives aimed at reducing the environmental impact of all our products and business activities, from the perspective of mitigating climate change, making efficient use of resources, and managing chemical substances, based on the concept of three "Greens": Greening of Process (environmentally conscious manufacturing process), Greening of Products (environmentally conscious products), and Greening by Technology (contributing through environmental technology) (see p.9-18).

➤ Global environmental management

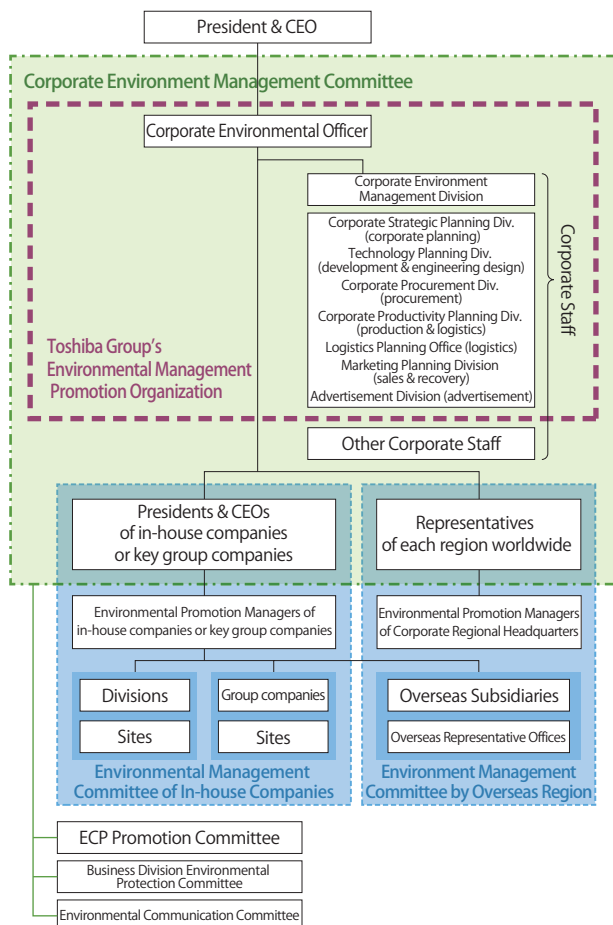
Environmental management is promoted throughout Toshiba Group. At the global level, we have organized regional environmental divisions in Europe, the United States, China, and Asia-Oceania in order to regionally implement environmental measures. With a view to promoting Toshiba Group's environmental management worldwide, we have also created Toshiba Group's Environmental Audit System and provide training to local auditors who conduct environmental audits of overseas sites.

➤ Fostering worldwide environmental communication activities

Toshiba Group is fostering various environmental communication activities throughout the world. We are working to make Toshiba Group's environmental initiatives known to a wide range of stakeholders, including local communities located near our business sites and offices, and to encourage them to be aware about environmental issues.

Toshiba Group Environmental Report 2009 was commended for its full-fledged information and received the 13th Environmental Communication Award and Toyo Keizai's 13th Environmental and Sustainability Report Award in the best report category (see p.50).

Toshiba Group Environment Management Structure



Major Achievements in Environmental Communication in FY2009

- Environmental reports and website information**
 - Publication of Environmental Report 2009 (Japanese & English)
 - Publication of site reports for 130 manufacturing sites worldwide
- Environmental advertisements**
 - "The Little Prince" advertising series (in Japan)
 - Advertisement on ending manufacture of incandescent lights
- Exhibitions**
 - CES 2009 (United States)
 - Eco-Products 2009 (Japan)
 - Eco Products International Fair (Indonesia)
 - Toshiba Group Environmental Exhibition (Toshiba Headquarters, Japan)
- Environmental dialogue**
 - Dialogue sessions with local communities
- Corporate citizenship activities**
 - 1.5 Million Tree-planting Project (see p. 43)
 - Environmental education in local communities



"The Little Prince" advertisement

Conservation of Biodiversity & Environmental Impact Assessment

► Formulation of Biodiversity Guidelines

In September 2009, Toshiba formulated the Toshiba Group Biodiversity Guidelines.

Toshiba Group Biodiversity Guidelines

In order to conserve biodiversity and promote the sustainable use of biological resources that constitute biodiversity, Toshiba Group will implement the following measures:

Basic policy

- Analysis of the impact of our business activities on biodiversity
- Reduction of the impact on biodiversity and the sustainable use of resources through our business operations
- Development of an organizational framework to promote these measures

Specific actions

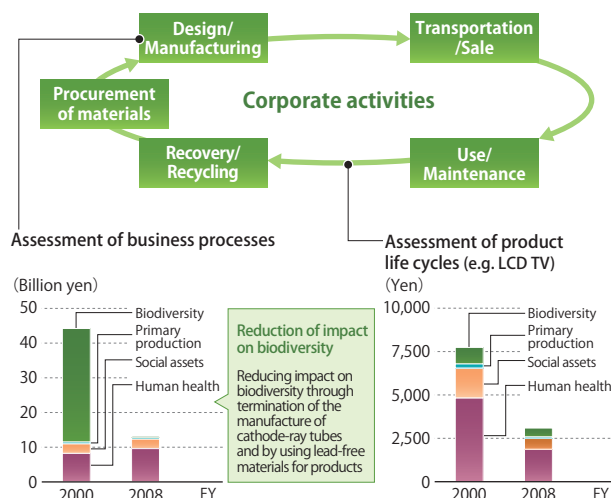
1. We will take appropriate measures to protect ecosystems when building factories or relocating facilities.
2. We will take appropriate measures to protect ecosystems when building factories or relocating facilities.
3. We will continue our commitment to corporate citizenship activities as members of a sustainable society.
4. We will assess the impact and effects of environmental measures on various aspects of the environment, including biodiversity.
5. We will promote initiatives for the conservation of biodiversity in supply chains, including the mining of resources.
6. We will assess the impact of substance emissions and the consumption of resources required for our business activities.
7. We will study the structures and systems of nature and make technological contributions to society in accordance with the characteristics of our businesses.

► Life-cycle impact assessment method based on endpoint modeling* (LIME)

Resource consumption and environmentally harmful emissions resulting from business activities have various impacts on the environment. In order to measure the effects of impact mitigation measures, there is a need to adopt an approach aimed at making a comprehensive assessment of direct and indirect effects on various aspects of the environment. To that end, we assess environmental impact using the life-cycle impact assessment method based on endpoint modeling (LIME), designed to comprehensively assess environmental impact from four different perspectives: 1) human health; 2) biodiversity; 3) social assets; and 4) primary production. Using this method, Toshiba Group makes a comprehensive assessment of the environmental impact of all its business activities, including: 1) procurement of materials, 2) design and manufacturing, 3) transportation and sale, 4) use and maintenance and 5) recovery and recycling. We assess environmental impact not only concerning biodiversity, but also with regard to various other aspects of the environment, from multiple perspectives.

* One of the most prominent environmental assessment methods in Japan, developed by the National Institute of Advanced Industrial Science and Technology

Environmental assessment by LIME



Expectations of Toshiba Group

Toshiba can help to mitigate climate change and protect diversity

Toshiba has a unique role to play in the development of practical methods for reducing greenhouse gas emissions. Efforts to address the company's own carbon emissions can be extended throughout its immense network of suppliers, along with incentives to improve efficiency. Toshiba's products can also enable individuals to do their part, and creatively address areas of major energy use.

The private sector's role in biodiversity protection will increase as the value of biodiversity becomes more widely recognized and quantifiable. Toshiba can prepare explicitly by valuing biodiversity in its decision-making, operations, and assessments, and should also utilize its tools and technologies to support public efforts to understand and protect biodiversity.

Laura Ediger

Environmental Manager, BSR



Action Plan for FY2009 and Results Obtained

➤ Achieved the target of overall eco-efficiency for FY2009

Toshiba Group uses the degree of improvement in eco-efficiency generally known as the "Factor," as an indicator of the improvement in its environment management. This is calculated by dividing the value of products offered by the assessment of environmental impact. The overall eco-efficiency is calculated by combining product eco-efficiency and business process eco-efficiency.

In fiscal 2009, product eco-efficiency increased by 2.13 times over the 2000 level, exceeding the target level of 2.03 times. Meanwhile, business process eco-efficiency increased by 1.35 times over the 2000 level, also exceeding the target level, which was 1.2 times. Accordingly, overall eco-efficiency increased by 1.97 times over the 2000 level, enabling us to achieve the target level of 1.86 times.

We were unable to achieve the target level for business process eco-efficiency in fiscal 2008 due to the worsened power-generation-derived emission intensity and the economic slowdown. In fiscal 2009, however, we achieved the target level as a result of improvements in these conditions.

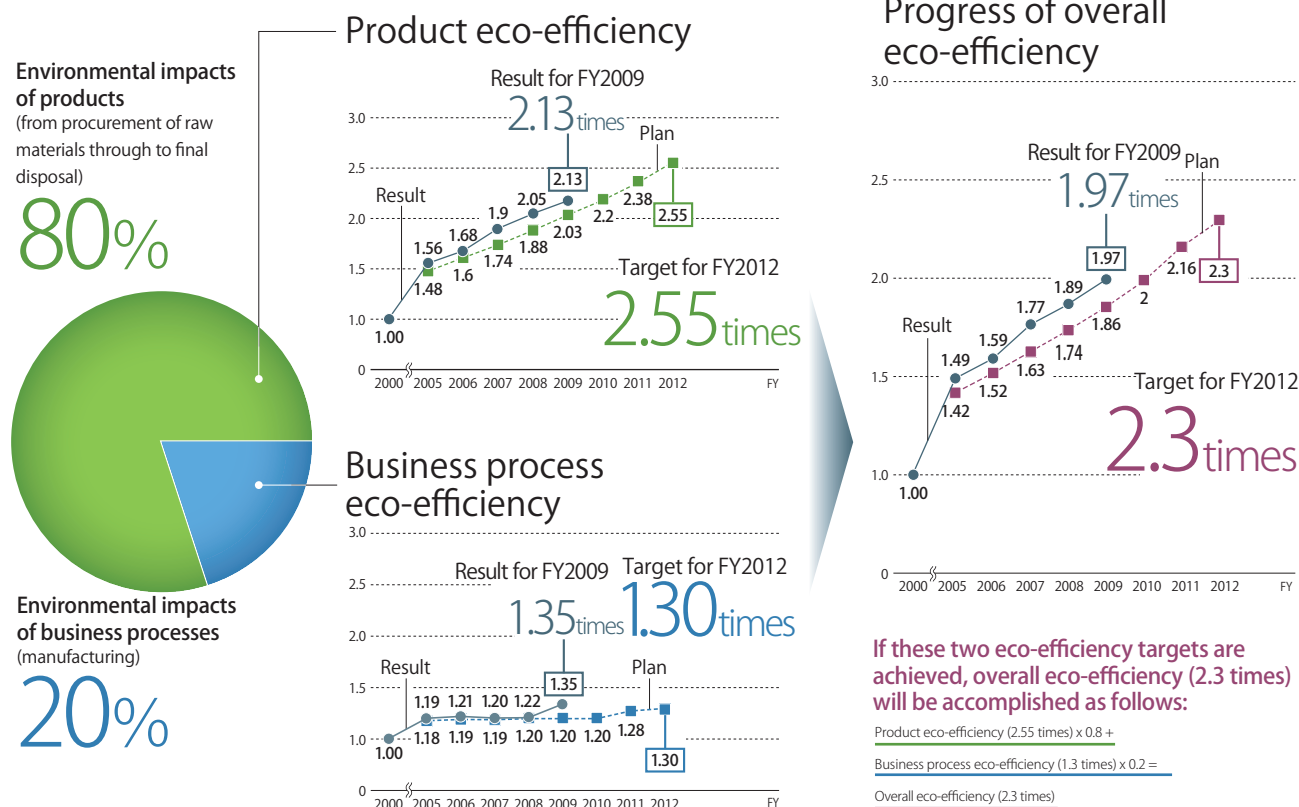
➤ Focus on zero emissions at overseas sites to achieve the Fourth Voluntary Environmental Plan goals

We have developed four indicators to assess the effects of environmental measures regarding products formulated in the Fourth Voluntary Environmental Plan from the perspective of the provision of environmentally conscious products. As a result of the decline in demand since fiscal 2008, we have not achieved the target set for CO₂ emission reductions by eco-products. The result for fiscal 2009 improved, thanks to the increase in the creation of new energy-saving products. We will continue to strive to the utmost to achieve the target for fiscal 2012.

Meanwhile, we have developed nine indicators to assess the effects of measures regarding business processes from three perspectives: mitigation of climate change, management of chemical substances, and efficient use of resources. In fiscal 2009, we could not achieve the target for zero-waste emissions for individual sites. In particular, progress is lagging at overseas sites where systems and infrastructures for recycling are underdeveloped. We will continue our efforts to achieve our goals by various measures, such as enhancing support activities for local recycling companies through information exchange with local governments and companies.

Progress of overall eco-efficiency

Increasing the overall eco-efficiency 2.3 times by FY2012



Case1:

Creation of Excellent ECPs

Improving the energy and water-saving functions of washer dryers

Toshiba Group has established standards for Excellent ECPs, with the aim of creating industry-leading eco-products. Thirteen products were certified as Excellent ECPs in fiscal 2009 (see p. 14). Products certified as Excellent ECPs this year include the ZABOON TW-Z9000, a drum-type washer dryer with a powerful cleaning capability as well as outstanding performance in saving energy and water. With its powerful dewatering capacity made possible by the use of ACTIVE S-DD motor*, uniform rinsing function with a high-pressure double shower, and energy-saving drying function to keep clothes soft with the heat pump method, this model makes it possible to reduce power consumption by about 30% and water consumption per cleaning cycle by about 65% compared with Toshiba's previous washer dryer model (TW-130VB) developed four years ago.

Comparison of environmental performance with previous models



| Power consumption | Comparison for a standard washing-drying cycle for 6 kg of clothes |
|-------------------|--|
| TW-Z9000 | Approx. 760Wh |
| TW-130VB | Approx. 2,500Wh |

| Water consumption | Comparison for 9 kg of clothes |
|-------------------|--------------------------------|
| TW-Z9000 | Approx. 65 liters/cycle |
| TW-130VB | Approx. 100 liters/cycle |

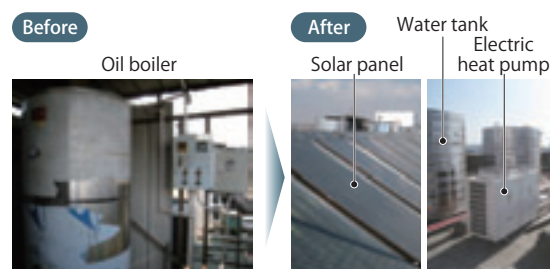
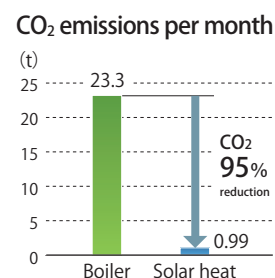
* ACTIVE S-DD motor: Designed to change the magnetic force of the motor using a samarium-cobalt magnet (variable magnet) so as to achieve optimum operations for washing and drying clothes, thereby saving energy

Case2:

Improvement of Business Processes

Using renewable energy at manufacturing sites in China

Toshiba Group is actively involved in reducing the environmental impacts of its business activities from the perspectives of mitigation of climate change, management of chemical substances, and efficient use of resources. One example is the introduction of renewable energy at Toshiba TEC Information Systems (Shenzhen) Co. Ltd. to reduce CO₂ emissions and environmental risks. By replacing an oil boiler on the rooftop of its building with a system that uses both solar heat and electricity, the company reduced CO₂ emissions by 95%. Removing the oil tank from the rooftop also eliminated the environmental risk of damage caused by oil leakage.



Fourth Voluntary Environmental Plan: FY2009 Target Achievement Level

| Enhancement of Product Eco-efficiency | | | | | | | |
|--|---|----------|-------------|----------------|-------------------------|-------------|-------------|
| | Indicator | Unit | FY2009 Plan | FY2009 Results | Evaluation ⁴ | FY2010 Plan | FY2012 Plan |
| Provision of Environmentally Conscious Products (ECPs) | Ratio of ECPs to net sales | % | 50 | 65 | ◎ | 60 | 80 |
| | Number of Excellent ECPs | products | 10 | 13 | ◎ | 15 | 25 |
| | Abolition of 15 substance groups contained in products ¹ | % | 90 | 99 | ○ | 100 | 100 |
| | CO ₂ emissions reductions through the Eco Products | M tons | 5.9 | 3.4 | △ | 6.3 | 7.3 |
| Business Process Innovation | | | | | | | |
| Mitigation of Climate Change | Reduction of energy-derived CO ₂ emissions (compared with FY1990) ² | % | 44 | 45 | ○ | 45 | 47 |
| | (Rate to net production output) | | | | | | |
| | Manufacturing sites in Japan | % | 44 | 48 | ○ | 45 | 47 |
| | Reduction of greenhouse gas emissions (other than CO ₂) [Total emissions] | % | 35 | 63 | ◎ | 36 | 38 |
| Management of Chemicals | Reduction of CO ₂ emissions associated with product logistics in Japan [Rate to net production output] | % | 38 | 47 | ◎ | 40 | 44 |
| | Reduction of total emissions of chemicals to air and water [Total emissions] | % | 25 | 31 | ◎ | 50 | 54 |
| Efficient Use of Resources | Reduction in the total amount of waste generated [Rate to net production output] | % | 23 | 31 | ◎ | 20 | 24 |
| | Sites achieving zero emissions of waste ³ | % | 80 | 70 | △ | 100 | 100 |
| | Increase in the amount of recycling of end-of-use products (compared with FY2001) | % | 159 | 217 | ◎ | 160 | 180 |
| | Reduction in water intake [Rate to net production] | % | 9 | 26 | ◎ | 9 | 10 |

Note: Unless otherwise specified, the targets are based on comparison with FY 2000 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 (index for 1990 is 1); and is used for the purpose of evaluating activities.

¹ 15 substance groups subject to restriction: [1] bis (tributyl tin) oxide (TBTO), [2] tributyl tins (TBTs), triphenyl tins (TPTs), [3] polychlorinated biphenyls (PCBs), [4] polychlorinated naphthalenes (PCNs with 3 or more chlorines), [5] short-chain chlorinated paraffins, [6] asbestos, [7] azo colorants, [8] ozone-depleting substances, [9] radioactive substances, [10] cadmium and its compounds, [11] hexavalent chromium compounds, [12] lead and its compounds, [13] mercury and its compounds, [14] polybrominated biphenyls (PBBs), and [15] polybrominated diphenyl ethers (PBDEs). (Detailed definitions and specific applications to be excluded are specified separately.)

² 3.75 t-CO₂/10-thousand kWh is used for the power factor.

³ Toshiba Group's definition of "zero emissions" of waste is that the amount of landfill waste after treatment is equivalent to less than 0.5% of the total amount of by-products and other items generated (total amount of waste discharged) as a result of business activities.

⁴ Evaluation: ◎Targets surpassed (120% & above); ○Targets reached (100% & above but below 120%); △Targets not reached (below 100%)



Visit our official website for other detailed information. <http://www.toshiba.co.jp/csr/en/env/index.htm>



Fair Operating Practices

Risk Management and Compliance

➤ Ensuring compliance worldwide

At Toshiba, throughout our worldwide operations, we strive to ensure compliance with laws and regulations, social and ethical norms, and internal rules. According 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) to be the foundation of our compliance, which helps guide our business activities. We are striving for the SOC to take root throughout the entire Toshiba Group.

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

In fiscal 2009, we examined the compliance level of our group companies worldwide with regard to the antitrust and overseas anti-bribery guidelines established in fiscal 2008 and reinforced our compliance education. We also developed a self-audit system coordinated with audits conducted by the Corporate Audit Division and the Audit Committee in order to improve the level of compliance.

In April 2009, we formed a dedicated organization within the Legal Affairs Division in order to ensure compliance with rules and regulations related to different businesses. Based on this new system, we will work to ensure compliance through audits and education.

➤ Raising the compliance awareness of employees through inspections and audits

The Legal Affairs Division periodically communicates with the Corporate Audit Division in order to confirm the state of implementation with respect to the various compliance measures. Based on the actual state of implementation, 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 enhancing awareness on compliance.

➤ Appropriate measures in response to violations

Any violation of the SOC is treated with the utmost seriousness and handled conscientiously, including the appropriate and timely disclosure of information as well as the imposition of disciplinary sanctions on the offenders.

● Response to violation in fiscal 2009

Bribery incident at a group company

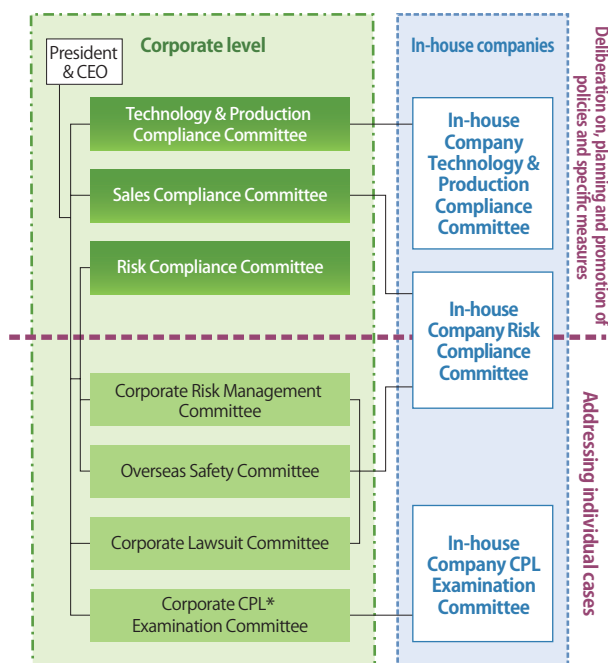
In July 2009, an employee of our group company was arrested in a bribery incident concerning the supply of medical equipment to a hospital. In view of this incident, the company is working to develop measures to prevent recurrence, such as assigning counselors to workplaces in order to accurately identify compliance-related issues.

➤ Enhancing measures to deal with major risks

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

In fiscal 2009, we reorganized the risk management structures to ensure swifter reporting on major risks to senior executive officers.

Risk Management and Compliance Management Structure



* CPL is an abbreviation combining CL (contractual liability) and PL (product liability).

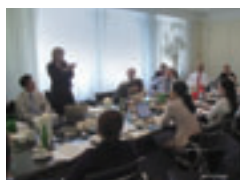
➤ Risk management and compliance education appropriate to the circumstances of individual regions

With a view to ensuring compliance with the Toshiba Group Standards of Conduct (SOC), Toshiba Group provides education programs on a continual basis, such as e-learning for all employees, education for employees in different positions, and seminars on compliance topics for managers and executives featuring outside speakers.

We are also working to promote compliance education overseas by developing e-learning materials in English for SOC education. In managing risks, we provide education and promote initiatives appropriate to the given circumstances by analyzing risk factors that are unique to the regions so as to prevent the recurrence of certain risks.



Risk management education
(China)



Conference of legal affairs team
(Europe)

➤ Raising compliance awareness through workplace meetings

In order to raise the compliance awareness of each and every employee and to make compliance an integral part of our corporate culture, Toshiba Group has also been recently focusing on workplace meetings in addition to conducting education programs and audits.

The workplace meetings are aimed at preventing SOC violations by placing an emphasis on direct communication and dialogue on compliance matters between managers and employees.

➤ Whistleblower system for employees and suppliers

Toshiba has in place a whistleblower system, called "Risk Hotline," introduced in 2000. The system allows employees to report their concerns or seek advice via the intranet or telephone so that internal risk information is directly obtained in advance and any breach of the SOC is prevented. Our group companies worldwide have also introduced similar systems.

"Clean Partner Line," a Toshiba whistleblower system, introduced in April 2006, for suppliers and business partners allows them to report their issues concerning Toshiba. A similar system has also been adopted by our group companies in Japan.

Due care is exercised so that whistleblowers do not suffer any disadvantage for reporting through such systems.

Risk Management through Business Continuity Plan

➤ Continual updating of the BCP

Failure to respond appropriately to large-scale disasters such as earthquakes, typhoons, and floods could result in the long-term closure of operations, triggering significant financial losses, ultimately affecting our stakeholders. Toshiba implements measures to ensure the safety of employees and their families, support recovery of devastated areas, and maintain business sites and factories. In addition, Toshiba continually updates its Business Continuity Plan (BCP) covering those businesses that have large social and economic impacts in order to minimize any interruption in the supply of goods and services in the event of natural or other disasters such as an influenza pandemic.

Expectations of Toshiba Group

Anticipate that Toshiba constantly acts with the level of integrity expected of a global company

It is noteworthy that Toshiba's top management accords top priority to compliance with the Toshiba Group Standards of Conduct and that Toshiba is striving to ensure that compliance awareness takes root among each and every employee. Toshiba Group has in place effective systems for managing risk in a timely and appropriate manner and for reinforcing compliance throughout its operations worldwide, taking into consideration regional differences in cultures and business customs. As expected of a global company, it is indispensable that the Group continues its efforts

to be a company that is not only trusted by all stakeholders but also evokes a sense of pride among its employees. It can be said that the Group's serious commitment to compliance represents its integrity. I hope Toshiba Group will continue to further strengthen its compliance initiatives and constantly act with integrity.



Kazuo Imai

Attorney at Law, Toranomon Chuo Law Firm

Fair Competition and Trading Practices

➤ Ensuring compliance in transactions with suppliers and partners

We believe that ensuring compliance in transactions with suppliers is a fundamental requirement for building sound partnerships with them. To that end, Toshiba Group provides compliance education for employees working in the Corporate Procurement Division and conducts surveys and internal audits regarding transactions with suppliers in order to prevent noncompliances.

➤ Whistleblower system for suppliers and business partners

We have set up a whistleblower system for business partners, called Clean Partner Line. We have been notifying our business partners of this system and are requesting them to make use of it to report any issues regarding noncompliance and unfair trading practices that involve Toshiba Group employees so that such concerns can be promptly resolved.

➤ Free and fair competition in accordance with prevailing regulations

Toshiba Group strives to ensure that its business activities are carried out in accordance with not only prevailing laws and regulations but also sound business customs and social norms. We provide guidelines on compliance with antitrust laws and other regulations and conduct business through free and fair competition based on these guidelines. We regard information as important assets and use appropriate methods to manage confidential and personal information concerning third parties obtained through our business activities.

Managing CSR in the Supply Chain

➤ Promoting CSR based on clearly defined policies and systems

Toshiba Group continues to ensure that its suppliers are also committed to improving working conditions and reducing their environmental impacts.

We urge our suppliers through our guideline Supplier Expectations to ensure human rights, occupational health and safety, and environmental management.

➤ Supporting CSR management at suppliers worldwide

Toshiba Group believes that respect for human rights, occupational health and safety, and environmental considerations for the environment at suppliers will contribute not only to the

achievement of a sustainable society but also help our suppliers to gain a competitive advantage.

We also believe that in addition to proper management of working hours and wages, ensuring improved communication between workers and managers, and paying attention to occupational health and safety and to the environment in areas around factories will boost employee morale and contribute to an improvement in work efficiency.

Accordingly, Toshiba Group will continue to share the management know-how acquired through its experience in Japan with suppliers worldwide, especially those in developing countries.

➤ CSR audits of suppliers

Based on the policy of conducting supplier audits in regions of high CSR-related risks, in fiscal 2009 we conducted field audits of certain suppliers in Huanan (China), Malaysia, and Indonesia, following the audits in Thailand in fiscal 2008.

Audits were conducted jointly by the relevant staff from the CSR Implementation Office, the Corporate Procurement Division, and related divisions such as personnel, environment and procurement of overseas subsidiaries, using the CSR Promotion Check Sheet that contains a list of audit items concerning human rights, labor, occupational health and safety, and the environment. The suppliers were provided guidance on safety management systems and environmental management, including oil leakage prevention at factories. However, no serious violation of the supplier code of conduct was identified.



Supplier audit in Indonesia



Supplier audit in Malaysia

Information Security Management

➤ Appropriate management of all corporate information worldwide

Toshiba regards all information managed by the company as important assets and adopts a policy to manage all important corporate information as confidential information and to ensure that the information is not inappropriately disclosed, leaked, or used.

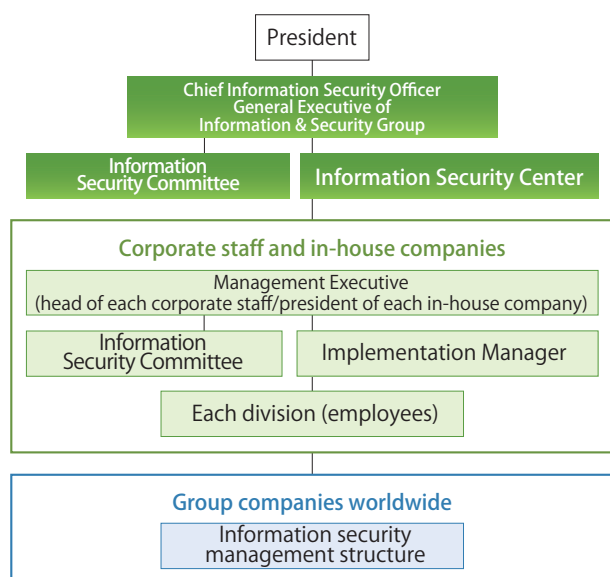
➤ Improving information security structure through inspections and audits

Toshiba considers the autonomous implementation of a PDCA cycle by each division as vital for the appropriate management of personal data and other confidential information. Self-audits conducted annually by all Toshiba divisions play a pivotal role in this PDCA cycle. Each division checks its compliance with internal rules, formulates its own plan for improvement, and reports results. Such initiatives are being implemented in Toshiba Group companies worldwide. In fiscal 2009, in addition to Toshiba Corp., 220 group companies in Japan and 212 group companies overseas conducted self-audits.

➤ Providing yearly education on information security

Toshiba provides education on information security and on protection of personal data to all employees on an annual basis in order to ensure adherence with internal rules. In fiscal 2009, nearly 150,000 Toshiba Group employees received such education through e-learning and other educational programs.

Toshiba Group Information Security Management Structure



➤ Recognizing the importance of personal data protection

Toshiba was quick to recognize the importance of the protection of personal data, and in 2000 established the Toshiba Personal Data Protection Program based on JIS Q 15001, a management system standard in Japan, and in 2001 obtained the Privacy Mark certification from the Japan Information Processing Development Corporation.

Toshiba strives for continual improvement on management system and accordingly, obtained the fifth Privacy Mark certification in April 2009.

Toshiba adopts the principle of obtaining personal data directly from customers only after obtaining their approval to use the data for explicitly specified reasons. All personal data, including data on employees and job applicants obtained with prior approval for purpose of use, is strictly managed.



Privacy mark

Protection of Intellectual Property

➤ Protecting our rights and respecting the rights of others

Toshiba Group's policy with regard to intellectual property rights is to observe laws and regulations associated with those rights, protect the results of intellectual activities on the basis of property rights and make extensive use of that knowledge gained, and respect the legitimate intellectual property rights of third parties. This policy is stipulated in the Toshiba Group Standards of Conduct.

➤ Conducting education on copyright issues

With the widespread use of the Internet, opportunities to browse through third-party copyrighted works have been increasing, enabling anybody to easily copy them. Under such circumstances, there is an increasing need to prevent the unauthorized use of copyrighted works. In view of this, we provide periodic education on copyright issues to executive officers and employees, including those of group companies in Japan.

In fiscal 2009, we have also started providing education regarding software copyrights for our overseas group companies.

Quality Assurance and Safety

► Global quality control structure

Under the global quality control structure, the Chief Quality Officer is responsible for quality control throughout the Group, while Chief Quality Executives are in charge of quality control within in-house companies and key group companies. The Chief Quality Officer convenes periodic meetings to develop policies and discuss quality control measures with the Chief Quality Executives who are responsible for providing guidance and conducting audits of factories, suppliers, maintenance, and service companies and manufacturing outsourcees worldwide to enhance the quality level throughout product life cycles, from development and production through to final disposal.

In addition, we established the Toshiba Quality Training System to foster personnel who can contribute to quality improvement at all concerned divisions. We develop and promote education programs to improve awareness on quality management depending upon the requirements of each division, as well as to improve skills on reliability techniques and quality control methods.

Toshiba Group Quality Control Policy

1. We engage in quality assurance from the customers' point of view.
2. We observe relevant laws and contracts and respect the rights of customers and third parties.
3. We maintain quality systems aimed at achieving 100% quality.
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 based on our basic policy

Based on Toshiba Group Basic Policy on Product Safety, we are committed to eliminating product accidents. In order to ensure customer safety, we comply with the prevailing safety-related laws and regulations and proactively disclose full information to customers.

Toshiba Group Basic Policy on Product Safety

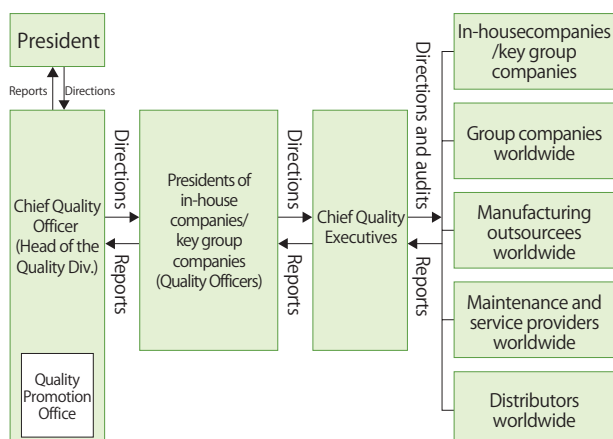
1. We comply with the applicable laws and regulations on product safety in Japan and overseas.
2. We widely gather information on product accidents and disclose such information in a proactive manner.
3. We swiftly report product accidents to the competent authorities in accordance with laws and regulations.
4. In the event of a serious accident 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 accident and strive to prevent recurrence.

► Initiatives aimed at raising the awareness and level of product safety

We ensure thorough compliance with the product safety-related rules and regulations throughout the Group and also conduct periodic audits. The Chief Quality Executive plays a central role in holding product safety-related events aimed at raising the safety awareness of employees and proactively discloses information on initiatives for product safety based on third-party evaluations.

Group companies also develop their own programs for product safety. Toshiba TEC Corp. developed its product safety program with the aim of winning an award for its product safety measures from the Ministry of Economy, Trade and Industry and received the 2009 Economy, Trade and Industry Minister's Prize (best award) in the category of "major manufacturing companies and importers" (see p. 50).

Quality Promotion Structure



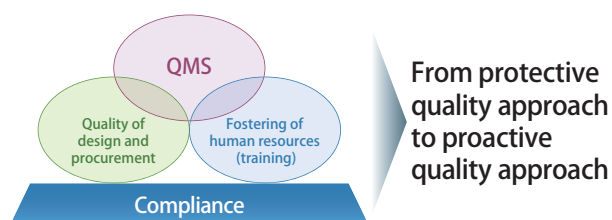
Toshiba TEC receiving the award from METI



➤ Promoting initiatives aimed at enhancing capabilities to ensure product quality

In order to maintain standards for quality products, Toshiba Group is working to enhance its capabilities to ensure quality by adopting a proactive approach to quality rather than the conventional protective one. More specifically, of the four main pillars of quality listed below, we focus on improving the Quality Management System (QMS), not simply obtaining ISO 9001 certification but also improving the system by means of raising the quality of design and procurement, the root cause of losses, as well as by enhancing the training of personnel who can support the development of the system. Compliance is the foundation for all these activities.

Four pillars to enhance quality capabilities



➤ Training personnel in charge of quality assurance

In our training for personnel in charge of quality assurance, we develop and implement quality training programs for employees in all divisions related to product life cycles on methods of analyzing the causes of product accidents and preventing them. We also provide compliance training and implement e-learning on the Electrical Appliance and Material Safety Law at a Group-wide level.

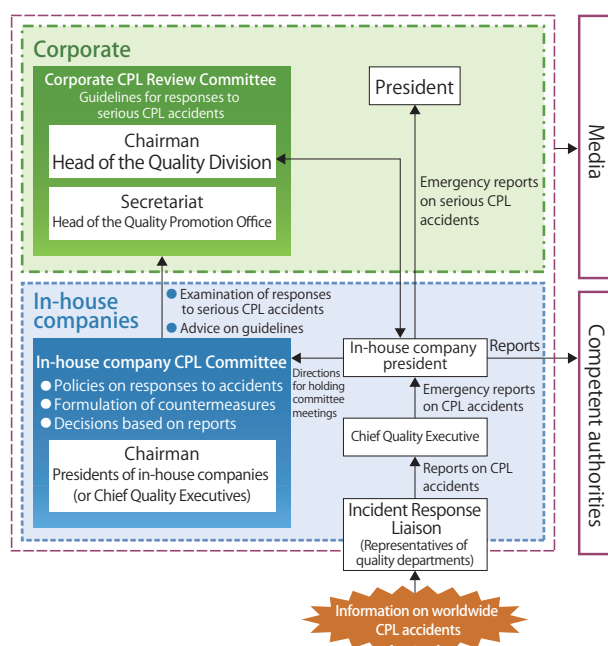
Dealing with Product Accidents

➤ Providing information on product accidents

An employee who becomes aware of information concerning a Toshiba product accident must alert the division(s) in charge of dealing with safety issues concerning the product in question. The CPL Committee*, chaired by the President of the in-house company, then acts upon the matter. In the event of an accident attributable to a product that is likely to recur, we inform customers of the danger and request that they cease using such products, promptly report to the competent authorities, and establish countermeasures as soon as possible. We are developing an information system to enable swift communication with quality assurance divisions and top management regarding information on product accidents obtained by repair and service staff as well as on how such incidents are being handled by Toshiba.

*CPL Committee: CPL is an abbreviation combining CL (contractual liability) and PL (product liability). The CPL Committee, chaired by a senior executive, promptly determines measures to deal with product accidents and quality issues.

Toshiba Group's Structure to Respond to Product Accidents



➤ Expanding accessibility to important notices

In the event of a defect or accident resulting from a Toshiba product or service, we promptly report the details to the competent authorities in accordance with prevailing laws and regulations. Also, in order to notify customers of such accidents as quickly as possible, depending upon the severity of damage or frequency of occurrence, we disclose product accident information to our customers via newspapers, websites, etc. Through our corporate website, we disclose information on accidents involving our products as posted on the website of the Consumer Affairs Agency. We also proactively disclose information concerning serious accidents, even when it is unclear whether such accidents are attributable to Toshiba products or not. In addition, we allow accessibility through the use of mobile phones to information on the safety and quality of our products listed in the section of "Important Notices to Customers of Toshiba Products" on our corporate website (Japanese).



http://www.toshiba.co.jp/info/

Enhancing Customer Satisfaction

➤ Constant improvement based on voice of customer

Toshiba Group sets targets and implements measures to enhance customer satisfaction (CS), based on our CS Promotion Policy. We conduct a "Voice of Customer (VOC) survey" to solicit customer feedback. In addition, at the periodic meetings of the CS promotion committee, attended by the CS senior executive officer, the CS enhancement measures and results of each company are discussed. Based on this, the officers in charge of CS promotion for the company are urged to take further measures, where necessary.

The VOC survey is conducted at the Group level. In fiscal 2009, we incorporated the feedback of around 2,400 corporate customers from 600 companies in order to enhance our business operations, products, and services, in addition to improving our provision of information to customers. We are also constantly improving our website and instruction manuals based on the voice of individual customers.

Toshiba Group CS Promotion Policy

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

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

➤ Improving the level of self-audits regarding CS enhancement

We conduct self-audits regarding CS enhancement by taking into consideration the perspective of external assessment organizations and experts in order to assess and review the results of our activities for continued improvement. The implementation rate of VOC surveys conducted periodically to solicit customer opinions on major products has improved, and the percentage of in-house companies and key group companies conducting self-audits reached 100% in fiscal 2009.

➤ Enhancing the quality of customer response through call centers

Toshiba Group has set up call centers on a product-wise basis at more than 160 sites worldwide, and in fiscal 2009 about 3,400 staff members received around 19 million calls. Each call center sets its own goals to enhance the quality of customer response and support. In Japan, those in charge of the call centers hold meetings to exchange information on developing and implementing plans, including telephone response skill training, CS awareness surveys for call center staff, and self-checks on response quality.

In March 2010, we held a Telephone Response Contest involving the participation of 20 operators in charge of customer services, selected from 13 call centers. Through such events, we not only reward the efforts of skilled, customer-oriented operators, but also share skills and on outstanding responses among the call centers in order to enhance their own quality.



Around the clock operator service at Toshiba Elevator and Building Systems Corp. call center

➤ Improving customer-orientation to provide after-sales service for all our customers

The companies in charge of repairing home appliances, elevators, medical equipment, POS systems, digital multifunctional peripherals and PCs are working together to share information on problems and make improvements. In order to provide services tailored to the needs of individual customers and companies, Toshiba Group started joint training for field engineers in various cities in Japan in April 2010. We will provide training sessions periodically in order to integrate Toshiba's spirit of customer service and satisfaction throughout the Group.

► Website feature to provide PC model and support information

The Japanese product website “dynabook.com” for the notebook PC dynabook contains a special feature, namely, “Your dynabook.com” which displays only necessary information, such as product specifications and support information on the PC model connected to the internet. Also, the video manuals have been enhanced leading to high ratings from questionnaire survey firms.



Your dynabook.com (Japanese website)

Refining instruction manuals

Toshiba Group has organized a working group across group companies in order to refine instruction manuals on home appliances based on customer feedback to call centers and service staff. We perform self-evaluation of the degree of improvement achieved based on periodic VOC surveys. Further, with our participation in the Japan Manual Contest* in fiscal 2009, we have been receiving external feedback. In fiscal 2009, we made certain refinements to our manuals, such as displaying FAQs alongside the table of contents of the paper manual, etc., and were awarded for outstanding manuals in the category of “IH cooking heaters.”

* Annual contest by Japan Technical Communicators Association

Promotion of Universal Design

► Toward realizing a comfortable society for everyone

Toshiba Group is promoting the development of a wide variety of safe and reliable products ranging from home appliances to industrial equipment. The Group shares the UD Philosophy, UD Vision, and UD Guideline developed by the Toshiba Universal Design (UD) Working Group.

Based on these UD-related standards, we further enhanced the development of UD products in fiscal 2009. UD advisors (Toshiba Group employees with disabilities having a keen interest in UD) participate in needs surveys and the evaluation of trial products.

Case:

Identifying UD needs for vacuum cleaners

Toshiba Home Appliances Corp.

Toshiba Home Appliances Corp. conducted a needs survey with the participation of UD advisors for the development of next-generation vacuum cleaners. In a test room simulating an actual living environment, development team as well as advisors with auditory and visual disabilities used vacuum cleaners and exchanged views in order to identify problems and improvements required.



Development team listening to the views of an employee with disability

Expectations of Toshiba Group

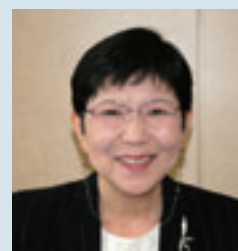
Anticipate that Toshiba Group sets specific goals for enhancing customer satisfaction

Making continuous efforts to improve customer satisfaction by a company with a wide range of products and services worldwide is not easy and requires concerted efforts. It is important not only to adopt general principles but also to set specific goals and strive to achieve them. I believe Toshiba Group's initiative of participating in the Japan Manual Contest, is very effective in improving customer satisfaction. As far as its Telephone Response Contest is concerned, I would like to suggest that Toshiba Group solicit external evaluation at the contest, in addition to conduc-

ting self-evaluations, and to publicize such initiatives. Paying attention to customer feedback, while treating employees as “in-house customers,” will create a positive spiral that helps improve customer satisfaction. I hope Toshiba Group will continue its efforts to enhance customer satisfaction.

Eiko Kamoshida

Representative, CS Management Office





Community Involvement and Development

Development of Local Communities

➤ Contribution through localized management

Toshiba Group has a large number of manufacturing sites overseas, particularly in Asia. We support localization at these sites through the promotion of local employment and procurement.

➤ Aiming for localization of manufacturing at thermal power facility in India since its inception

In order to contribute to providing a stable power supply in response to rapidly growing demand in India, since February 2010 we have started the construction of a new steam turbine and generator plant of Toshiba JSW Turbine and Generator Pvt. Ltd. in Tamil Nadu, India.

We plan to start production in January 2011 and locally recruit about 500 people by 2014. From its very inception, we are working to recruit as many local people as possible for manufacturing and have been conducting training programs.



Artist's impression of thermal power facility in Chennai, Tamil Nadu

➤ Providing training for key local employees at Toshiba's main power facility in Japan

In January, we accepted the first group of 13 trainees from India who came to Japan under a program of the Association for Overseas Technical Scholarship. After completing Japanese language classes, training includes a 6-month on-site training program at Toshiba's Keihin Operations, Japan. We provide training on skills required for the manufacture and quality management of core parts of steam turbines and generators. The aim is to enable the trainees to acquire Japanese manufacturing skills and overall skills to become shop floor leaders.

We plan to have approximately 80 trainees receive the training for various operational skills.



Trainees learning skills at Keihin Operations

Corporate Citizenship Activities

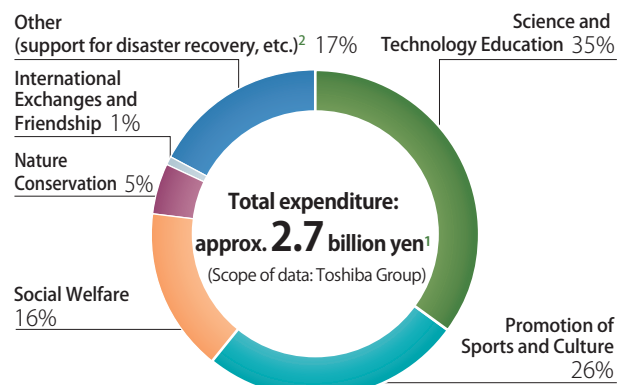
Performance of Corporate Citizenship Activities

➤ Promoting corporate citizenship activities worldwide

At Toshiba Group, the Social Contributions Coordinators at each company and business site (241 in Japan and 146 overseas) are in charge of promoting corporate citizenship activities.

Between August 2008 and March 2009, more than 80,000 employees in 179 group companies participated in 891 corporate citizenship activities. At the Toshiba Group CSR Conference in December 2009, ten outstanding activities were commended, based on the evaluation of Social Contributions Coordinator Working Group. Evaluation criteria included purpose, employee participation, uniqueness, continuity, impact on society, and cooperation with other organizations.

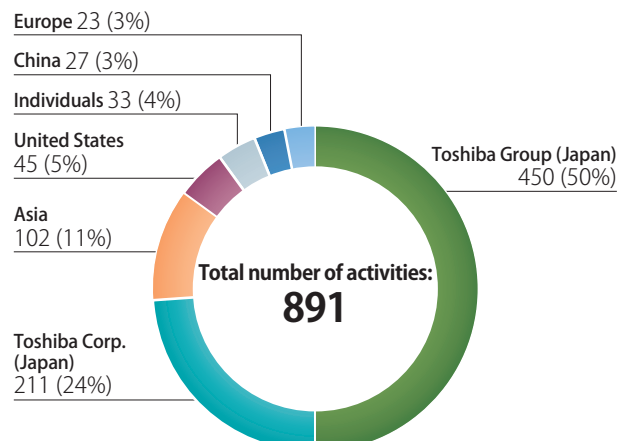
Expenditures for Corporate Citizenship Activities (FY 2009)



1. Expenditures include cash contributions, corporate-initiated programs, and products.

2. "Other" category includes expenditures for disaster recovery and allowing access to facilities for public use (gyms, etc.).

Corporate Citizenship Activities by Group and by Region (August 2008 to March 2009)



Support for the Promotion of Science and Math Education

➤ Promoting science and math education globally to foster the next generation of scientists and mathematicians

As a company that excels in technology and has a long history of innovation, Toshiba Group is committed to promoting science and technology education for young people.

Over the years, we have been holding technology exhibitions and experiment classrooms at the Toshiba Science Museum and sponsoring science and technology contests in North America.

As part of support for science education, we have been engaged in the promotion of experiential science education in Japan. In addition, in recent years, we have also expanded our support to promote science and math education in China.

➤ Cooperation with NGOs to promote experiential science education in Japan

We have been collaborating with Real Science Education Institute—an NGO engaged in the development of experiential science education programs, training of instructors, and provision of educational support to schools—in order to foster people who can contribute to the global community in the field of science. In addition to providing financial support, we also support the activities of the NGO through dispatching our employee volunteers.

Our experiential science class was incorporated into the fourth-grade curriculum at Miyamae Elementary School, Kawasaki City (Japan) in fiscal 2009. We also plan to develop programs for fifth and sixth grades in the future.

In December 2009, we also held a special Toshiba experiential science event at Gakushuin Women's College in Japan, inviting Dr. Jin Akiyama, Chief Director of Real Science Education Institute, and other scholars to participate as instructors. The hands-on class, attended by about 1,500 parents and children, offered a fun way to learn science and math.



Experiential science class at Miyamae Elementary School

➤ Supporting a science and technology contest in North America

Toshiba holds the ExploraVision Awards (EVA) contest for science and technology every year in cooperation with the U.S. National Science Teachers Association (NSTA).

At the 17th contest in 2009, approximately 14,000 people from about 4,500 teams competed in the contest, and eight teams were commended for their innovative proposals in a variety of areas, such as allergy drugs, doping, energy, and medical care.



ExploraVision Award winners

➤ Supporting students at normal universities in China

We have been holding science and math education program contests since 2008 for students at normal (teacher-training) universities in China in cooperation with the Ministry of Education of China. Fourth-year students enrolled in 12 normal universities have participated in the contest.

In 2009, the national final competition was held at Huadong Normal University, with award winners chosen from among contestants in the areas of math, physics, and chemistry. Winners of the "Toshiba Innovation Award" and "Organization Award" were also chosen from among the contestants.

The award winners in different categories were invited to Japan in April 2010 to show Toshiba's technologies and for exchanges of opinion with Japanese educational authorities.



Second Toshiba Cup Contest

➤ Organizing workshops on disassembly of home appliances

Toshiba Group holds workshops on disassembly for elementary and junior high school students to enable them to better understand the inner mechanisms of home appliances. Volunteer employees from Toshiba participate in the workshops as "disassembly doctors" and disassemble home appliances in order to help children learn about the parts, technologies, and recycling of these appliances. The workshops formerly were held mainly in the Tokyo area, but in fiscal 2009 we held workshops in other parts of Japan such as Oita, Hyogo, and other areas where our business sites are located. We plan to periodically hold such workshops in various areas.



Disassembly workshop



Community Involvement and Development

Contribution to Nature Conservation and Social Welfare Activities

➤ Promoting the 1.5 Million Tree-planting Project worldwide

One of our major citizenship activities is the Toshiba Group 1.5 Million Tree-planting Project, a worldwide forest development project to mark the 150th anniversary of Toshiba Group, aimed for completion in 2025.

In fiscal 2009, we organized tree-planting events at 11 areas in Japan and in seven countries overseas. The total number of trees that have been planted through this project has reached 770,000. In fiscal 2010, we will continue to promote tree-planting events through the participation of employees at the Group's major business sites.

Another program includes the nature observation event "Explore the Forest Expedition" that provides children the opportunity to go on nature trails so that they can explore the wonders of nature and understand its importance.

Through these activities, we aim to contribute to mitigating climate change and conserving biodiversity, cultivate a love of nature, and create a rich natural environment for future generations.

Toshiba Group major initiatives concerning the 1.5 Million Tree-planting Project

| | |
|----------|--|
| Japan | <ul style="list-style-type: none"> ● Tree planting Aomori, Iwate, Niigata, Tochigi, Chiba, Tokyo (at two sites), Kanagawa, Kyoto, Hyogo, and Oita |
| | <ul style="list-style-type: none"> ● Agreements for forest maintenance Aomori, Iwate, and Tokyo |
| | <ul style="list-style-type: none"> ● Explore the Forest Expedition Hyogo, Aomori, Saitama, Tokyo, Kanagawa, Niigata, Oita, and Shizuoka |
| Overseas | <ul style="list-style-type: none"> ● Tree planting The Philippines, Singapore, India, Kenya, Kazakhstan, U.S.A., and Canada |



Joint tree-planting event held by seven local subsidiaries in Singapore



Explore the Forest Expedition



➤ Supporting Pink Ribbon Campaign to encourage breast cancer screening

Toshiba Group supports the Pink Ribbon Campaign to encourage early diagnosis and treatment of breast cancer. Despite the fact that, reportedly, one in 20 Japanese women gets breast cancer, the screening rate for this disease remains low. We are supporting awareness-raising activities nationwide to improve the screening rate as much as possible.

In Japan, we supported walkathons and educational seminars held in October (Breast Cancer Awareness Month), and developed various educational activities to raise awareness through the display of the Mammovans, a vehicle equipped with a mammography system. We also held a Pink Ribbon seminar at the Toshiba headquarters during the women's health week in March.

Overseas, Toshiba TEC U.K. Imaging Systems Ltd. collected donations from employees.

We will continue these activities in Japan as well as overseas and also support women's health through the development of medical diagnostic imaging systems, such as mammography equipment, ultrasound diagnostic equipment, CT scanners, and MRI equipment.



Pink Ribbon walkathon



Pink Ribbon seminar

➤ Organizing monthly Sign Language Club meeting

Toshiba Group strives to facilitate communication with employees with hearing impairments. Since September 2009, we have held Toshiba Sign Language Club meeting at the Toshiba headquarters every month for employees to learn sign language so as to better understand and communicate with hearing-impaired people. This also provides opportunities for volunteering among employees with hearing impairments.

The meeting is attended by about 30 people and is conducted with the cooperation of hearing-impaired employees, who work as instructors.



Sign language training by an instructor with a hearing impairment

Support for Disaster-stricken Areas

➤ Disaster-relief activities

As a global company, with approximately 200,000 employees involved in our worldwide businesses, we believe that we have a strong connection with people around the world.

Against this backdrop, we are actively engaged in providing emergency support services, including donations, in the event of large-scale disasters throughout the world, especially for areas with which we have strong business and social relationship.

● Support for the victims of the earthquake in Padang, West Sumatra

As relief funds for the victims of the earthquake that struck West Sumatra in September 2009, we donated 10 million yen to the Association for Aid and Relief, Japan (AAR Japan) and NGO JEN, and to the Jakarta Japan Club (JJC).

Staff from AAR Japan visited the affected area six days after the earthquake to survey the needs, and they distributed emergency relief supplies such as rice, water, and canned food to the students at a school for disabled children and to more than 500 of those students' family members living in areas deprived of sufficient relief supplies.

JEN donated carpentry tools to about 1,800 families living in Padang Pariaman, the most seriously damaged area, to help them recover from the disaster.



Earthquake-relief work using donated carpentry tools

● Support for the victims of Typhoon Ketsana that struck the Philippines

Toshiba Information Equipment (Philippines), Inc. and Toshiba Storage Device (Philippines), Inc. donated a total of four million yen for the victims of Typhoon Ketsana that hit the Philippines in September 2009. The companies also dispatched doctors and nurses from company clinics to the evacuation sites in areas near the companies to provide free medical services. In addition, the employees at the companies donated money and supplies.



Donation of Supplies

● Support for the victims of the Haiti Earthquake

We donated notebook PCs and other supplies to U.S. NGOs working in Haiti (Habitat for Humanity, Mercy Corps and Yele Haiti) in order to support their relief activities for the victims of the 2010 Haiti earthquake.

● Support for the victims of the Chile Earthquake

We donated five million yen to the U.S. NGO Giving Children Hope (GCH) for the victims of the 2010 Chile earthquake. Food and medical supplies were delivered to children in Chile through GCH.

● Support for the victims of the Qinghai Earthquake in China

We have decided to provide one million yuan (about 14 million yen) to support the victims of the earthquake that struck China in April 2010.

Expectations of Toshiba Group

Request Continuous Cooperation in the Future

We greatly appreciate the support that Toshiba Group has provided over the years to the victims of disasters such as the cyclone in Myanmar and the earthquake in Sumatra. Working in collaboration with a well-known company not only improves the financial management of our organization but also helps us gain public trust.

We were very pleased to have an opportunity to

explain our activities in Sumatra. It is of great importance for us to have our activities understood by as many people as possible. We would like to request Toshiba to provide us with support not only in times of disasters, when it is relatively easy to collect donations, but also at other times in order to help us continue our activities.

Yukie Osa

Chairperson, Association for Aid and Relief, Japan



Major Achievements in Fiscal 2009 and Targets & Plans for Fiscal 2010 (1)

Promoting Activities Based on the Toshiba Group Key Performance Indicators (KPIs)

| Core subjects | Sub-items | Targets and Plans for Fiscal 2009 | Major Achievements in Fiscal 2009 |
|---------------------------|--|--|---|
| Organizational governance | CSR Management | Promote the implementation of high-priority CSR themes by all in-house companies | Checked progress every three months with the Chief CSR Officers of all in-house companies |
| | Corporate Governance | Renew takeover defense measures and reinforce the corporate governance system | Announced three outside directors who serve as special committee members, based on the current state of implementation of takeover defense measures |
| | Dialogue with Stakeholders | Shareholders/Investors: Enhance communication on Toshiba's measures to improve the financial structure and return to the path of sustained profitable growth with steadily higher profit based on our Action Programs to Improve Profitability | Held a meeting on management policies addressed by the President in August 2009, the video of which can be accessed via the corporate website |
| | | Employees: Create opportunities for management and employees to directly exchange views with each other | Organized a forum for employees and the President to engage in an open dialogue. Conducted "Top Executive Innovation Visits" by top executives to factories to promote active interaction with employees engaged in manufacturing |
| Human rights | Respect for Human Rights and Prohibition of Discrimination | Raise human rights awareness through the activities of the Human Rights Promotion Committee | Provided human rights education for new recruits and for employees at the time of promotion and appointment to managerial positions; also held lectures on human rights |
| Labor practices | Providing Stable Employment | Achieve consensus between management and employees on stable employment | Ascertained awareness of the management and employees on the Action Guidelines for Stable Employment |
| | Development of Global Human Resources | Enhance "Toshiba value training" based on Toshiba Group Standards of Conduct | Conducted innovation leader education and project management education; provided "Toshiba value training" at European and Asian subsidiaries |
| | Respect for Diversity | Provide education on diversity to current managers and also promote the program at group companies | Implemented education programs on diversity for employees newly appointed to managerial positions |
| | | Support for female employees | Continued promoting initiatives such as fostering a corporate culture that allows employees to thrive irrespective of gender, increasing the recruitment of female workers, and sending female employees to pre-management program as in the case of male employees |
| | | Support for non-Japanese employees | Implemented measures to increase the recruitment of non-Japanese employees and provided various training programs to create a pleasant work environment |
| | | Support for employees with disabilities (achieve the statutory employment ratio of 1.8% for all applicable group companies) | Achieved the employment rate of 1.86% (Toshiba Corp.) and 2.09% (Toshiba group companies in Japan; as of April 2010) |
| | | Provide elderly people with greater opportunities to work | Continued the implementation of employment extension system |
| | Support for Diverse Work Styles | Implement initiatives to reduce overtime work | Adopted measures including displaying individual work hours on employee portal sites to raise awareness of individual work styles, and conducted Family Day and Family Week campaigns in Japan to ensure that employees leave the office at regular quitting time |
| | | Provide support for work-life balance | Studied peer companies to review nursing care-related systems; reviewed the mutual understanding program implemented for employees returning to work from child care and nursing care leave (checked its status of implementation and improvement to be made) |
| | Occupational Health and Safety | Establish a safe working environment (renew OHSAS 18001 certification) | Obtained OHSAS certification for 116 eligible companies (including five newly certified ones in FY2009) |
| | | Establish a safe working environment (develop global statistical standards for safety) | Conducted surveys on occupational accident standards used in safety statistics in various countries |
| | | Improve employee health management including mental healthcare | Formed a working group for the mental healthcare project to facilitate return to work; held seminars for managers and employees promoted to new positions |
| | Enhancement of Environmental Management | Promote environmental management based on the "Environmental Vision 2050" | Proactively promoted the Environmental Vision 2050 through various media including exhibitions. Achieved the target of improvement in overall environmental efficiency |
| The environment | Provision of Environmentally Conscious Products | Strengthen the structure of corporate regional headquarters and implement human resources development measures | Provided training to overseas Toshiba environmental auditors at manufacturing sites including in China and other Asian countries |
| | | Increase the ratio of sales of ECPs | Surpassed the target by achieving a sales ratio of 65% |
| | | Increase the number of newly developed excellent ECPs | Surpassed the target by developing 13 new Excellent ECPs |
| | | Increase the ratio of sales of products that do not contain the 15 specified hazardous substances | Achieved the target, with the rate of products that do not contain the 15 specified hazardous substances at 99% |
| | | Achieve a further reduction in CO ₂ emissions through Eco Products (base: FY 2000 level) | Achieved 3.4 million tons of CO ₂ emissions reduction effects through Eco Products (target not yet achieved) |
| | Environmentally Conscious Business Processes | Promote measures to mitigate climate change, i.e. reduce energy-derived CO ₂ emissions per unit production (base: FY 1990 level) | Achieved the target by reducing energy-derived CO ₂ emissions per unit of production by 45% |
| | | Reduce the release of chemicals into water and air, i.e. reduce the total amount released (base: FY 2000 level) | Achieved the target with a 31% reduction in the amount of chemicals discharged |
| | | Increase the recycling quantity of end-of-use products (base: FY 2001) | Achieved the target, with the quantity of end-of-use products recycled at 217% |
| | | Make efficient use of water resources, i.e. reduce water intake per production unit (base: FY 2000) | Achieved the target by reducing water intake per unit production by 26% |
| | Promotion of Environmental Communication | Continue to issue Environmental Report and to highlight environmental activities on corporate websites | Won Environment Minister's Award (13th Environmental Communication Award) and outstanding award (13th Toyo Keizai Environmental and Sustainability Report Award) |
| | | Promote strategic environmental advertising and participate in environmental exhibitions worldwide | Implemented proactive environmental advertisement and publicity; promoted environmental activities at worldwide exhibitions |

Achievement level: ◎ Surpassed target (*120% or above); ○ Achieved; △ Not achieved

| | Achievement level | Numeric value | | | Page No. | Targets and Plans for Fiscal 2010 |
|--|-------------------|---------------|--------|------------------|----------|---|
| | | Target | Result | Unit | | |
| | ○ | 100* | 100* | % | P21~22 | Promote the implementation of high-priority CSR themes by all group companies |
| | ○ | 100* | 100* | % | P23 | Promote transparent corporate governance based on appropriate information disclosure in accordance with the revised government regulations for information disclosure, and under the supervision of independent directors |
| | ○ | 100* | 100* | % | P24 | Enhance communication with analysts and investors worldwide on the Group's management policies and strategies to promote their understanding of the policies and strategies |
| | ○ | 100* | 100* | % | | Conduct a survey on employee satisfaction and organize a forum for employee and the President to engage in an open dialogue |
| | ○ | 100* | 100* | % | P25 | Continue to provide human rights enlightenment activities |
| | ○ | 100* | 100* | % | P26~27 | Promote stable employment for employees including the group companies |
| | △ | 100* | 80* | % | | Improve the education system for employees working at overseas subsidiaries and training programs appropriate for all employees worldwide |
| | △ | 100* | 80* | % | | Foster a corporate culture that allows employees to accept and respect diversity |
| | △ | 100* | 80* | % | | Promote initiatives to foster a corporate culture that allows employees to thrive regardless of gender |
| | ○ | 100* | 100* | % | | Increase the employment of non-Japanese employees |
| | ○ | 100* | 100* | % | | Achieve the statutory employment ratio of employees with disabilities (1.8%) at all group companies in Japan |
| | ○ | 100* | 100* | % | | Continue to provide employment to elderly employees in line with their motivation and abilities |
| | △ | 100* | 80* | % | | Implement initiatives aimed at reducing overtime work |
| | △ | 100* | 80* | % | | Develop a work environment and a corporate culture that allows employees to freely choose work styles in accordance with individual life circumstances |
| | ○ | 116 | 116 | No. of companies | P28 | Establish a safe working environment (renew OHSAS 18001 certification for 116 companies that include one company scheduled to obtain certification and another scheduled to be merged with another company) |
| | △ | 100* | 60* | % | | Collect information worldwide on safety-related indicators (for 42 overseas consolidated subsidiaries with OHSAS certification) |
| | ○ | 100* | 100* | % | | Develop standards to provide priority support for employees with a high risk of cerebrovascular and cardiac diseases; provide mental healthcare to facilitate return to work after long absence; and develop measures to better manage work schedules |
| | ○ | 1.86 | 1.97 | Factor | P29~32 | Continue to promote environmental initiatives based on the Environmental Vision 2050 |
| | ○ | 100* | 100* | % | | Enhance activities to protect biodiversity |
| | ◎ | 50 | 65 | % | | Increase the ratio of sales of environmentally conscious products to 60% |
| | ◎ | 10 | 13 | No. of products | | Develop 15 new Excellent ECPs |
| | ○ | 90 | 99 | % | | Eliminate all the 15 specified hazardous substances contained in products so that 100% of products that do not contain these substances |
| | △ | 5.8 | 3.4 | M tons | | Achieve 6.3 million tons of CO ₂ emissions reduction effects through Eco Products |
| | ○ | 44 | 45 | % | | Reduce energy-derived CO ₂ emissions per unit production by 45% |
| | ○ | 25 | 31 | % | | Reduce the release of chemicals by 50% |
| | ◎ | 159 | 217 | % | | Increase the quantity of recycling of end-of-use products to 160% of the FY 2001 level |
| | ◎ | 9 | 26 | % | | Reduce water intake per production unit by 9% |
| | ◎ | 100* | 120* | % | | Continue to promote the environmental initiatives via Environmental Report and corporate website |
| | ○ | 100* | 100* | % | | Adopt a strategic approach to environmental advertising and publicity; publicize environmental policies and activities at exhibitions |

*Target for qualitative indicators set at 100%. Evaluation for remarkable progress: ◎ (120% or above); for targets achieved: ○ (100% up to 120%); and for targets not achieved: △ (below 100%).

Major Achievements in Fiscal 2009 and Targets & Plans for Fiscal 2010 (2)

Promoting Activities Based on the Toshiba Group Key Performance Indicators (KPIs)

| Core subjects | Sub-items | Targets and Plans for Fiscal 2009 | Major Achievements in Fiscal 2009 |
|---------------------------------------|--|---|--|
| Fair operating practices | Risk Management and Compliance | Promote various compliance measures, including ensuring compliance with Group-wide guidelines | <ul style="list-style-type: none"> Promoted various compliance measures, such as establishing a self-audit system for the "Policy on Competitor Contacts" and the "Policy on Interactions with Public Officials" Strengthened the compliance with rules and regulations related to different businesses (established dedicated organizations as well as education and audit systems) Re-developed the structure for reporting on risks that may result in a crisis Enhanced measures to manage risks and ensure compliance at overseas subsidiaries through education of persons in charge and through briefing sessions |
| | | Ensure thorough adherence to the Toshiba Group Standards of Conduct through education according to positions as well as Group-wide training | Implemented education programs for different positions, conducted surveys on employee awareness and developed a draft for an English e-learning program on the SOC |
| | | Thoroughly implement safety measures at overseas group companies (disseminate information overseas on safety management) | <ul style="list-style-type: none"> Disseminated timely information on risk regions Introduced medical assistant services and improved the safety check system for employees on overseas trips |
| | Fair Competition and Trading Practices | Thoroughly implement measures to promote CSR among suppliers | Conducted on-site audits of suppliers in Asia and introduced simplified supplier CSR check sheets to subsidiaries in Asia |
| | | Reinforce the audit system to ensure compliance with rules regarding procurement at group companies | Implemented a project to improve procurement processes at business sites; developed draft guidelines for business system establishment on procurement; provided education on compliance with prevailing rules on procurement |
| | Information Security Management | Promote information security management | Conducted audits and education programs on information security, including at group companies |
| | Protection of Intellectual Property | Take measures to protect brands and against counterfeit products | Took an action including customs procedure against counterfeit products |
| | | Enforce risk management regarding intellectual properties and continue to promote intellectual property education | Promoted education on software and copyright, for example by developing educational programs for overseas group companies, and holding briefing of case study manuals. Promote the establishment of software administration regulations and conduct self-audits of purchased packaged software in group companies in Japan |
| Customers | Quality Assurance and Safety | Increase awareness of the Electrical Appliance and Material Safety Law and conduct audits to ensure compliance (increase attendance rate for education regarding the law) | Provided e-learning courses on the legal issues to employees in Japan and Japanese employees at overseas subsidiaries (eligibility: approx. 105,000 employees; attendance: 99.9%) |
| | | Display design standard use period (100% execution) and improve the safety inspection system | Attached proper labels and ownership slips to all of the 22,425 products (bathroom electric dryers) manufactured between April 1, 2009 and March 31, 2010 subject to the safety inspection system; measures are being implemented to manage data registration to issue notices before inspection |
| | | Promote training on quality management for personnel in charge | Adopted six new courses for quality innovation training and developed five trial courses. Provided 41 courses on quality in FY2009 |
| | Dealing with Product Accidents | Ensure 100% disclosure of product accident information based on the Consumer Products Safety Law | Disclosed information on all 57 serious product accidents announced by the Consumer Affairs Agency on Toshiba's corporate website |
| | Enhancing Customer Satisfaction | Raise the level of self-audits to promote customer satisfaction | Achieved the target for self-audits through activities such as increasing the implementation rate of the VOC survey and proactive information disclosure on corporate websites |
| | | Improve the results of self-assessment based on the call center quality checklist | Promoted improvement measures by the call center service enhancement working group; provided response skills training, conducted a survey on the level of awareness of customer satisfaction among call center employees, and held a call center telephone response contest to improve the results of self-assessment |
| | | Enhance customer satisfaction with after-sales services for individual users (call center and repair services) | Implemented measures to improve the response skills of employees at home appliance call centers; promoted improvement by the after-sales services enhancement working group; started a joint education program for field engineers located at various areas in Japan |
| | Promotion of Universal Design | Improve the content of instruction manuals and FAQs on corporate websites, and ensure implementation of the PDCA cycle for them | Assessed the level of improvement of instruction manuals by periodic VOC surveys; participated in the Japan Manual Contest and won the Outstanding Award in the category of "IH cooking heaters" and updated FAQs on the corporate website |
| | | Incorporate thoroughly the UD concept into the development process Promote the participation of internal UD advisors (employees with disabilities) in product development | Provided UD education at individual business sites and e-learning for new recruits; reinforced the development of UD products and their assessment by incorporating the feedback of UD advisors |
| Community involvement and development | Corporate Citizenship Activities | Promote measures including active involvement at all Toshiba Group companies for activities such as science education, disassembly workshops, the 1.5 Million Tree-planting project, and the pink ribbon campaign | Participation of 2,049 employees and 298 volunteers |
| | | Promote corporate citizenship activities by group companies based on local circumstances | Involvement of more than 80,000 employees from 179 Toshiba Group companies worldwide at 891 events |
| | Support for Disaster-stricken Areas | Provide appropriate support to areas affected by disasters | Provided relief aid to five disaster-affected areas (earthquakes in Sumatra, Haiti, Chile, and China, and Typhoon Kestana in the Philippines) |

Achievement level: ◎ Surpassed target (*120% or above); ○ Achieved; △ Not achieved

| | Achievement level | Numeric value | | | Page No. | Targets and Plans for Fiscal 2010 |
|--|-------------------|---------------|--------------|----------------|----------|---|
| | | Target | Result | Unit | | |
| | ○ | 100* | 100* | % | P33~34 | <ul style="list-style-type: none"> • Enhance measures to ensure compliance with such policies at Toshiba Group worldwide • Enhance measures for risk management and compliance at overseas subsidiaries |
| | ○ | 100* | 100* | % | | <ul style="list-style-type: none"> • Continue to develop educational programs for risk management and compliance education for employees at different positions, e-learning, etc. |
| | ○ | 100* | 100* | % | | |
| | ○ | 100* | 100* | % | P35 | Improve the “greenness” level of suppliers based on the acquisition of ISO 14001 |
| | ○ | 100* | 100* | % | | Continue to enhance the audit system to ensure compliance with procurement-related laws |
| | ○ | 100* | 100* | % | P36 | Continue to promote information security management |
| | ○ | 100* | 100* | % | | Continue to take measures to protect brands and against counterfeit products |
| | ○ | 100* | 100* | % | | Continue to enforce risk management regarding intellectual properties and continue to promote intellectual property education |
| | ○ | 95 | 99.9 | % | P37~38 | Promote education on the Electrical Appliance and Material Safety Law and continue to conduct audits to ensure compliance with the law (increase the rate of course attendance on the law) |
| | ○ | 100* | 100* | % | | Expand the scope of quality audits to the affiliated companies of Toshiba Group |
| | ○ | 100* | 100* | % | | Continue to promote education for personnel in charge of quality management (develop educational courses to support improvement in the level of quality) |
| | ○ | 100 | 100 | % | | Continue to disclose information on product accidents based on the Consumer Product Safety Law (continue with 100% information disclosure) |
| | ○ | 100* | 100* | % | P39~40 | Raise the level of self-audits to promote customer satisfaction |
| | ○ | 100* | 100* | % | | Enhance customer satisfaction with after-sales services for individual users (call centers and repair services) |
| | ○ | 100* | 100* | % | | Implement joint education programs for field engineers by Toshiba Group companies located in various regions of Japan |
| | ○ | 100* | 100* | % | | Organize internal telephone response contests periodically and participate in contests organized by external organizations |
| | ○ | 100* | 100* | % | | Develop assessment indicators of the instruction manuals for home appliances and continue to participate in the Japan Manual Contest |
| | ○ | 100* | 100* | % | | Provide e-learning training for new recruits (attendance rate of at least 95%); promote product development incorporating the suggestions of actual users, including UD advisors |
| | △ | 2,500 | 2,347 | No. of persons | P41~44 | Continue to promote measures for all Toshiba Group companies to promote science education, disassembly workshops, the 1.5 Million Tree-planting project, and Pink Ribbon campaign (target is to achieve the participation of more than 3,000 employees) |
| | ○ | 80,000 | Above 80,000 | No. of persons | | Continue to promote corporate citizenship activities by Toshiba Group companies around the world (target is to achieve participation of more than 90,000 employees) |
| | ○ | 100* | 100* | % | | Continue to provide appropriate support for disaster-stricken areas |

*Target for qualitative indicators set at 100%. Evaluation for remarkable progress: ◎ (120% or above); for targets achieved: ○ (100% up to 120%); and for targets not achieved: △ (below 100%).

A Third Party Review of the CSR Report



Contributing to the protection of the global environment through business

Toshiba Group accords top priority to global environmental issues as reflected in the CEO's commitment. CSR Report 2010 provides detailed explanations on environmental commitment. Considering that contributing to society through business activities is the core of CSR, Toshiba Group's commitment in this regard deserves our applause. We expect Toshiba Group to continue its efforts to make the most of its business resources in order to make significant contributions to the protection of the global environment.

Reporting in accordance with ISO 26000

One of the features of CSR Report 2010 is that Toshiba Group's performance is reported in accordance with the seven core subjects of social responsibility specified in the ISO/DIS 26000. This reporting policy seems to be effective in promoting a better understanding of the CSR Report from a global perspective. In the future, we expect that the report will provide a more detailed explanation on Toshiba Group's selection of material issues and key performance indicators regarding each of the seven core subjects.

Enhancement of stakeholder engagement

One of the features of Toshiba Group CSR Reports is that CSR activities and reporting on them are based on stakeholder engagement. CSR Report 2010 also incorporates the views of opinion leaders on various themes. Such an approach provides a foundation for the Group's CSR activities. At the same time, I would like to suggest that Toshiba Group engage in an in-depth dialogue with regard to the overall CSR management of the entire Group. I believe engaging in a dialogue with society about social value created by Toshiba Group will enable the Group to further enhance its CSR management.

Value chain-oriented CSR management

Toshiba Group CSR management, which places emphasis on materiality, has been highly evaluated to date. In the future, it will be equally important to review the materiality of CSR activities from the perspective of Toshiba Group's value chain. For example, at a more advanced stage of CSR management, there will be a need to examine how to support and develop environmental commitment throughout the entire value chain. I am convinced, however, that Toshiba Group will live up to our expectations.

國部克彦

Professor Katsuhiko Kokubu

Graduate School of Business Administration
Kobe University

Biographical outline:

Professor Kokubu completed his Ph.D. at Osaka City University and published more than 10 books and 120 papers on environmental accounting and CSR. He has served as Professor of Social and Environmental Accounting at Graduate School of Business Administration, Kobe University since 2001. He has been appointed as Chairperson or Convenor for various committees including the Committee for Environmental Management Accounting International Standardization in Japan, and Convenor of Working Group 8: Material Flow Cost Accounting at ISO TC 207.

Toshiba's Response to Third-Party Review

Toshiba Group's CSR management is guided by the philosophy of being a "corporate citizen of planet Earth." To that end, we strive to play a leading role in protecting the global environment as well as to respect in the course of our business activities the different ways of thinking, histories, and customs of communities around the world where we do business and to contribute to the welfare of local communities.

As a "corporate citizen of planet Earth," Toshiba Group has been proactively contributing through its business activities

to help mitigate global issues such as climate change. In addition to our commitment to support the principles of the UN Global Compact, we are also making efforts to conduct our business activities in accordance with the specific items recommended in ISO/DIS 26000 scheduled to be issued at the end of 2010.

We will continue our efforts to enhance communication with our stakeholders and, as recommended by Prof. Kokubu, we will promote our CSR management by adopting more specific guidelines in accordance with ISO/DIS 26000 and so forth.

CSR Implementation Office
Toshiba Corporation

Evaluation of CSR by External Parties (Fiscal 2009)

| Item | Evaluation | Evaluated Entity |
|--|--|--|
| General CSR Activities-related (including Socially Responsible Investing) | | |
| Corporate Sustainability Assessment by SAM, a Swiss SRI organization | "Silver Class" | Toshiba Group |
| Member of Dow Jones Sustainability Index (DJSI) | Selected for 10 consecutive years since 2000 | Toshiba Group |
| Corporate Social Performance Survey by Public Resource Center (Japan) | A (Highest rank) | Toshiba Group |
| Included in Morningstar SRI Stock Index | Among 150 companies selected in total | Toshiba Group |
| The 8th JCGI Index Survey by Japan Corporate Governance Research Institute, Inc. | 1st Place (for 3 consecutive years) | Toshiba Group |
| Toshiba Group Corporate Social Responsibility Report 2009 | Toyo Keizai's 13th Environmental and Sustainability Report Awards, Third Prize in the "Sustainability Report" category | Toshiba Group |
| IR-Related | | |
| IR Website by Gomez Consulting Co. Ltd. (surveyed: 3,701 Japanese companies) | 1st Place | Toshiba Corp. |
| Daiwa Investor Relations Co. Ltd. (surveyed: 1,223 Japanese companies) | Internet IR Best Company Award (8th award for 5 consecutive years) | Toshiba Corp. |
| Ranking Survey of Excellent Websites by Nikko Investor Relations Co. Ltd. (surveyed: 3,779 Japanese companies) | 1st Place (for 2 consecutive years) | Toshiba Corp. |
| Customer-Related | | |
| 2009 Best After-sales Service Award (Organized by the China Electronic Chamber of Commerce; under the jurisdiction of the Ministry of Industry and Information Technology of the People's Republic of China) | Company with the Highest Customer Satisfaction (category: "computers") | Toshiba Corp. |
| Aquilion ONE™, a medical CT scanner equipped with an area detector | 2009 Nikkei Superior Product and Service Awards for the Excellent Product | Toshiba Medical Systems Corp. |
| Aquilion ONE™, a medical CT scanner equipped with an area detector | 39th Mechanical Engineering Design Award for the Best Product (Economy, Trade and Industry Minister's Award) | Toshiba Medical Systems Corp. |
| Quality-related | | |
| 5th Quality Management Survey by Union of Japanese Scientists & Engineers | 6th Place | Toshiba Group |
| Outstanding Company for Product Safety Management (category: "major manufacturing companies and importers") | Outstanding Company Award (Economy, Trade and Industry Minister's Award) | Toshiba TEC Corp. |
| Environment-related | | |
| The 13th Environmental Management Level Survey by Nikkei Inc. | 6th Place (category: "manufacturing") | Toshiba Group |
| Toshiba Group Environmental Report (Toshiba Group Environmental Report 2009/CSR Report 2009/Social Contributions Activities Report 2009) | The 13th Environmental Communication Awards, Award of Excellence for Environmental Reporting (Environment Minister's Award) | Toshiba Group |
| Advertisement on Toshiba's decision to cease production of incandescent bulbs | 13th Environmental Communication Awards, Environment Minister's Awards for "environmental TV commercials" | Toshiba Group |
| Toshiba Group Environmental Report 2009 | Toyo Keizai's 13th Environmental and Sustainability Report Awards, Best Report Award in the category of "environmental reports" | Toshiba Group |
| Development of PCs with low environmental impact | Eco-Efficiency Award 2009, Japan Environment Efficiency Forum Chairman's Award in the category of "product activities" | Toshiba Corp. |
| Promotion of LCA in the field of power systems for environmentally conscious design | The 6th Life-Cycle Assessment Society of Japan Awards, LCAJ Chairman's Award | Toshiba Corp. |
| Contribution to the mitigation of climate change through environmentally conscious PCs | Green IT Award 2009, Green IT Promotion Council Chairman's Award | Toshiba Corp. |
| Hydrogen-powered, indirect cooling turbine power generator with super-high efficiency and large capacity | 2009 Best Product Award in the category of energy-saving equipment, The Japan Machinery Federation Chairman's Award | Toshiba Corp. |
| E-CORE LED light bulbs, LEL-AW8N, and LEL-AW8L | 2009 Energy Conservation Grand Prize, Agency for Natural Resources and Energy Director-General's Award in the category of "residential use" | Toshiba Lighting & Technology Corp. |
| Safe, long-life rechargeable battery, SCiB™ | 6th Eco-Products Awards, Outstanding Award (eco-products) | Toshiba Corp. |
| ENE-FARM fuel cell system for residential use | 6th Eco-Products Awards, Environment Minister's Award (eco-products) | Toshiba Fuel Cell Power System Corp. (and 7 other companies) |
| Air Style LAS-A001RS, a compact air-conditioning system designed to prevent the idling of large trucks | 2009 Energy Conservation Grand Prize, Energy Conservation Center of Japan Chairman's Prize in the category of "automotive products" | Toshiba Home Appliances Corp. (and 2 other companies) |
| Zero waste and zero emissions initiatives through 3R measures | 2009 Environment Minister's Commendation for Contributions to the Development of a Recycling-oriented Society, Outstanding Company for 3R Activities | Iwate Toshiba Electronics Co., Ltd. |
| Promotion of Group-wide environmental management | 2009 Shengjing Environmental Conservation Awards, International Friendship Award | Toshiba Elevator (Shenyang) Co., Ltd. |
| Clean Production | 2009 Tonglu County Environmental Conservation Bureau Clean Production Award | Toshiba Hydro Power (Hangzhou) Co., Ltd. |
| Environmental conservation activities | Commendation by Wuxi City for the Green Company Environment | Toshiba Semiconductor (Wuxi) Co., Ltd. |
| Voluntary environmental programs for the prevention of air pollution and water contamination and the preservation of resources | Texas Commission on Environmental Quality Clean Texas Program, Platinum Level | Toshiba International Corp. (USA) |
| Recycling activities | The Plug-In To eCycling's TV Recycling Challenge from U.S. Environmental Protection Agency (EPA) program | Toshiba America Consumer Products, LLC. |
| Wastewater management | "Outstanding Pollution Control Officer Award" | Toshiba Information Equipment (Philippines), Inc. |
| Environmental conservation activities | Hibiscus Award (Notable Achievement) 2008-2009 | Toshiba Electronics Malaysia Sdn. Bhd. |
| Financial management-related | | |
| Thomson Reuters Markets, DealWatch Awards 2009 | Issuer of the Year ("overall" category) | Toshiba Corp. |

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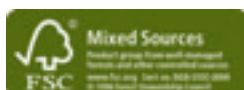
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The CSR Report is available on the Toshiba website
URL <http://www.toshiba.co.jp/csr/en>

Production and printing of the Toshiba Group CSR Report 2010 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 paper made with wood from forest thinning. "Morino Chonai-Kai" (Forest Neighborhood Association)-Supporting sound forest management.



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Use of paper made from domestic wood

In the Kyoto Protocol, Japan set a target of reducing greenhouse gas emissions by 6%, 3.9 %, of which namely about two-thirds will be achieved by CO₂ absorption by forests. Active consumption of domestic wood leads to the growth of healthy forests, which will absorb considerable CO₂. While expressing our gratitude towards forests, we print this brochure using paper made from domestic wood to contribute to the further absorption of CO₂ by domestic forests.

Printing



Waterless Printing

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



Non-VOC Ink

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